GRUPPO DE ECCHER 2014

RIZZANI
DE ECCHER S.P.A.

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Joint Stock Company
Share Capital
Euro 20,000,000 fully paid up
Member, Chamber of Commerce of Udine
Registration no. 115684
Dept. of Foreign Trade UD 002577
Companies Registry of Udine
Tax I.D. and VAT Number IT00167700301

rde.it

Annual Report and Consolidated Financial Statements for the Financial Year 2014
(1st January – 31st December)

During the Financial Year under review no material changes have occurred requiring corrections or adjustments to the 2013 Annual Report.
The 2014 Annual Report was approved by the Shareholders' Annual General Meeting held on 15th June 2015

This Annual Report was printed in 1500 copies in June and circulated to shareholders and the public, including the financial community, employees of the company, main customers and suppliers.

For further information:
annualreport@rde.it

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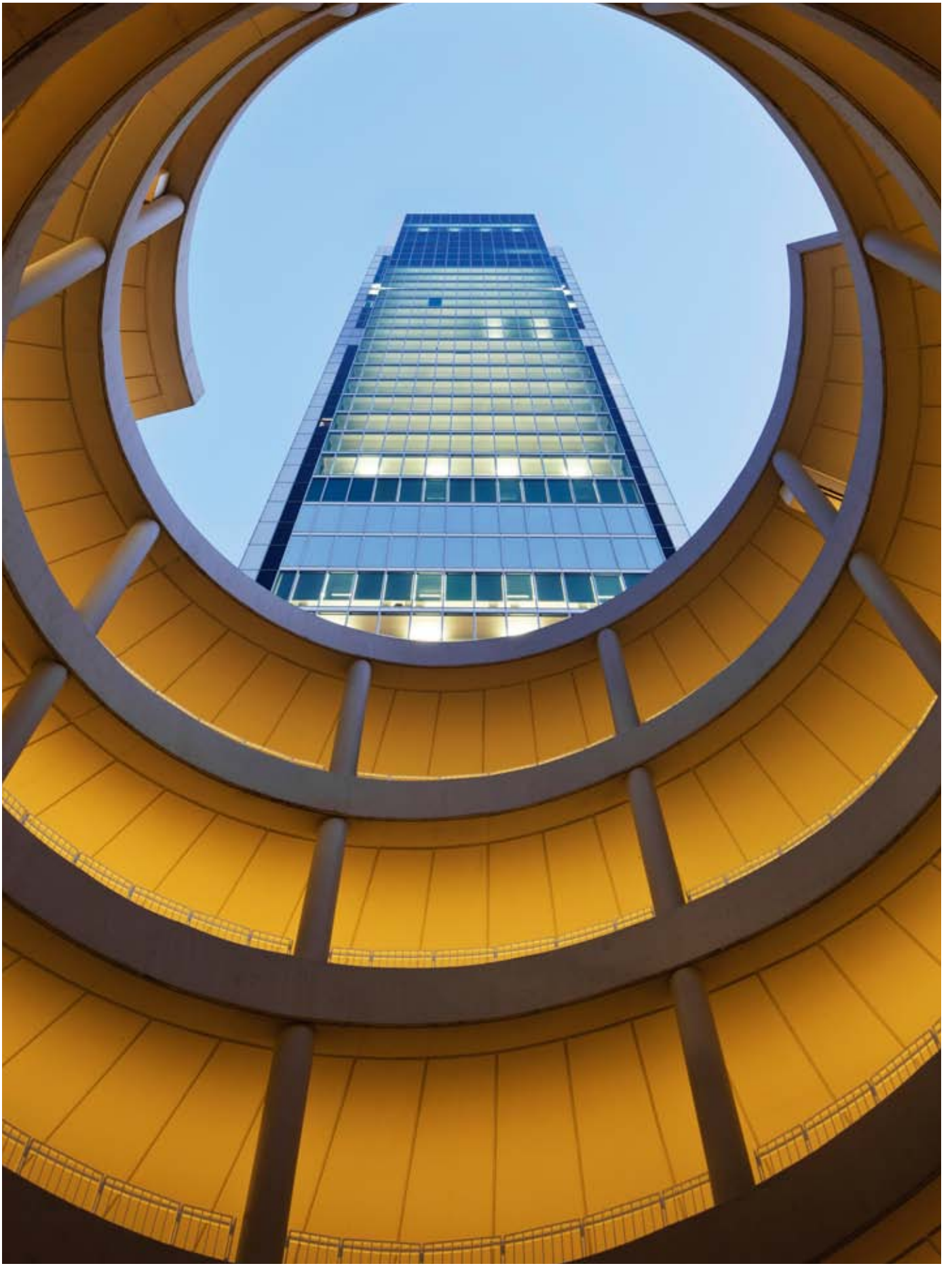


Dear Shareholders,

Notwithstanding the persisting weakness of the Italian construction market, the Group's strong penchant for the overseas markets has allowed Rizzani de Eccher to achieve more than positive results in 2014, which are supported by the Group's patrimonial solidity and superior technical and organisational capabilities and provide the guarantee for further growth in the future.

Turnover (value of production) reached Euro 580 million, marking a slight increase as opposed to FY2013, while net profit for the year at Euro 13.6 million represents a more than adequate result.

Thanks to the acquisition of Euro 875 million in new orders during 2014, among which stands out the order for the VTB Arena 'Dynamo' Central Stadium in Moscow, the order book as of 31 December 2014 reached Euro 2,569 million, growing by Euro 252 million as opposed to the preceding year and posting a marked increase of its overseas orders component to 90%.

In consideration of the results achieved and well aware of the risks and opportunities posed by the challenges ahead of us, the Group intends to concentrate its focus and efforts on those markets that offer the greatest potential in terms of return on investment.

This Annual Report and the enclosed Consolidated Financial Statements have been drawn according to principles of transparency, independence, accuracy, completeness and reliability, with the aim to provide the reader with a fair and accurate picture of results achieved, as customary.

On behalf of all the members of the Board of Directors, I would like to convey my sincere thanks to our employees for their commitment and hard work towards the attainment of the corporate objectives. I would also like to thank all those who have contributed towards the Group's success, be it customers, suppliers or consultants to the Group.

The Chairman
Marco de Eccher

Preceding page:
Headquarters Intesa Sanpaolo, Turin (Italy)

2014 AT A GLANCE

Economic and financial indicators [in Euro thousand]	2010	2011	2012	2013	2014
Total revenue	482,609	355,467	423,947	571,591	580,017
Operating costs	(447,554)	(325,868)	(403,333)	(555,017)	(559,270)
Gross operating profit (EBITDA) (*)	35,055	29,599	20,614	16,574	20,747
% EBIDTA	7.3%	8.3%	4.9%	2.9%	3.6%
Depreciation and amortization	(10,201)	(11,022)	(13,419)	(8,228)	(9,301)
Operating profit (EBIT)	24,854	18,577	7,195	8,346	11,446
% EBIT	5.1%	5.2%	1.7%	1.5%	2.0%
Net financial income (charges) + net valuation adjustment of investments	(947)	2,762	868	(2,775)	1,789
Net extraordinary gains (losses)	908	3,082	1,101	1,426	8,750
Earnings before taxes (EBT)	24,815	24,421	9,164	6,997	21,985
Income taxes	(8,419)	(6,271)	(3,088)	(4,474)	(9,198)
Net profit before minority interests	16,396	18,150	6,076	2,523	12,.787
Minority interests	2,873	3,453	(719)	(3,847)	(868)
Net profit (loss) pertaining to the Group	13,523	14,697	6,795	6,370	13,655
Share of revenue from overseas operations	80%	67%	50%	50%	70%
Cash flow (**)	23,724	25,719	20,214	14,598	22,956

(*) EBITDA is conventionally calculated as earnings before depreciation and amortization, net financial income (charges), net valuation adjustment of investments, extraordinary items and income taxes. Since the definition of EBITDA is not governed by any accounting standards, the criteria used by the Group may not be consistent with those used by others and therefore EBITDA figures may not be comparable.

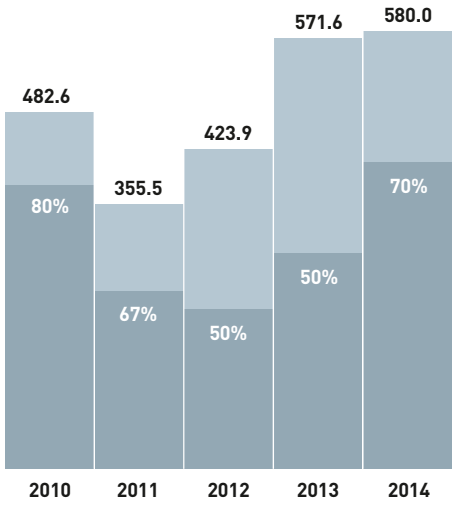
(**) Net profit (loss) pertaining to the Group + depreciation and amortization

Total non-current assets	82,436	93,101	91,159	74,722	96,648
Inventory and work in progress	70,056	91,209	137,047	186,820	225,011
Receivables	193,859	161,277	160,929	331,617	355,038
Total current assets	263,915	252,486	297,976	518,437	580,049
Payables	187,475	197,838	200,268	307,009	278,035
Advance payments from customers	122,395	113,601	144,422	150,886	200,907
Total current liabilities	309,870	311,439	344,690	457,895	478,942
Net working capital (NWC)	(45,955)	(58,953)	(46,714)	60,542	101,107
Employees' severance indemnity	4,599	4,988	4,995	6,201	5,549
Provisions for contingencies and other liabilities	3,979	1,243	2,256	10,382	13,315
Total medium and long term liabilities	8,578	6.231	7.251	16.583	18.864
Net invested capital	27,903	27,917	37,194	118,681	178,891
Shareholders' equity	89,381	108,497	112,652	113,228	130,510
Medium and long term financial debt (***)	11,228	23,357	22,168	74,113	79,980
Net short term financial position (NFP) (****)	(72,706)	(103,937)	(97,626)	(68,660)	(31,599)
Shareholders' equity + net financial position	27,903	27,917	37,194	118,681	178,891
NWC + NFP	26,751	44,984	50,912	129,202	132,706
Current ratio	1.09	1.14	1.15	1.28	1.28
ROI (EBIT / Total Assets net of Cash and cash equivalents)	7.2	5.4	1.8	1.4	1.7
ROE (Profit (loss) / Shareholders' equity)	18.3	16.7	5.4	2.2	9.8

(***) Medium and long term bank loans + medium and long term other lenders debts

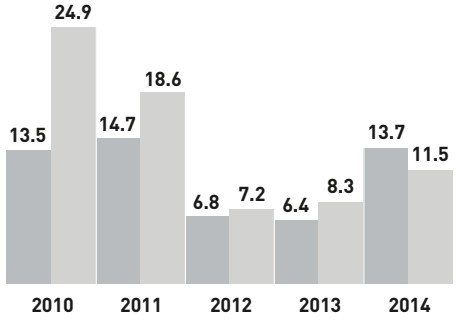
(****) Cash & cash equivalents net of short term bank loans and short term other lenders debts; if negative = net short term financial position is positive / if positive = net short term financial position is negative

As evidenced by the foregoing tables, despite revenues (value of production) remaining substantially in line with the previous year's figure (+1.4%), EBITDA and EBIT margins as well as Consolidated Net Profit post a significant improvement. The increase in Net Profit is to be ascribed partly to the successful reduction of operating costs, partly to financial gains and partly to the realisation of extraordinary /non-recurring gains arising from activities outside the ordinary course of business, such gains arising from insolvency-driven debt compositions (where the Group acted as a guarantor and stood to benefit from any asset realisation over and above the minimum guaranteed)



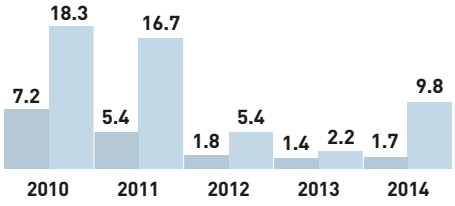
Revenues
(millions of Euro)

= revenues
= percentage generated abroad



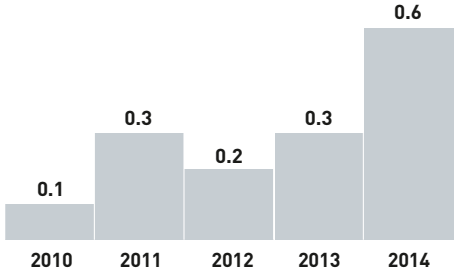
Income from operations
(millions of Euro)

= net profit
= EBIT

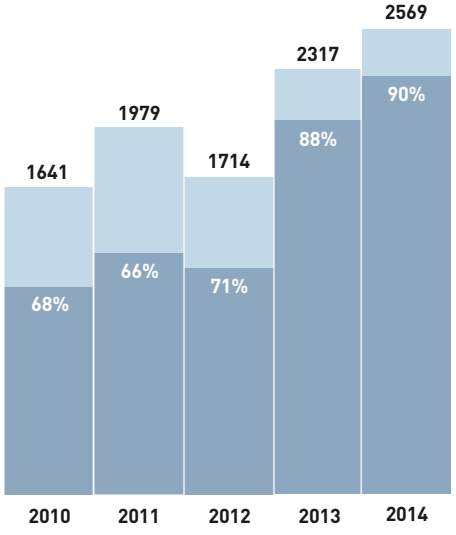


Profitability[%]

= ROI
= ROE

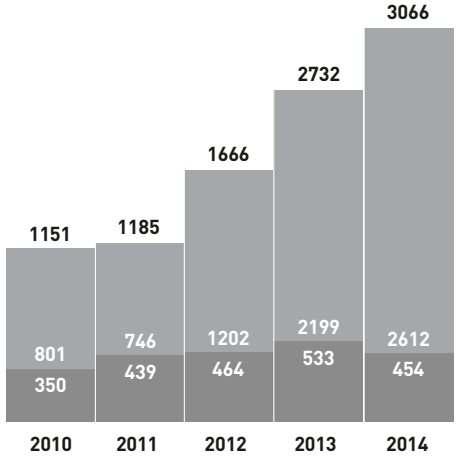


Percentage (%) of financial charges on revenues



Group's order backlog
(millions of Euro)

= order backlog
= percentage abroad



Number of employees

= employees abroad
= employees in Italy

or gains arising from settlement transactions agreed with sub-contractors and suppliers.

From the standpoint of its financial and patrimonial structure, the Group posts yet again a short term net financial position that is positive for Euro 32 million, while the total net financial position (calculated excluding the payables for advance payments received from clients and the receivables for advance payments made to suppliers and subcontractors, which are equated to trade payables and receivables and included in the determination of working capital) is negative for Euro 48.4 million (as opposed to negative Euro 5.5 million in 2013). Furthermore, the sum of current assets and net short term financial position less current liabilities is Euro 132 million (it was Euro 129 million in 2013) and the corresponding ratio between the two (current ratio) is 1.28, in line with the preceding year's value. We wish to remark that the comparison to last year's figures is made after the adjustments and reclassifications prompted by the adoption by the Group of some changes in the new Italian GAAP (generally accepted accounting principles), which was done for the first time in the financial statements as at 31 December 2014, as detailed in the Notes to the Financial Statements. These adjustments have a remarkable impact on the calculation of Working Capital and Net Financial Position. In particular, we remark that receivables sold on a 'recourse' basis are no longer treated as off-balance sheet items in the Memorandum Accounts (as they were treated up until 2013) but continue to be booked as a current asset, and the corresponding financial payable to the *factor* is booked as a current liability.

THE GROUP PARENT AND ITS PRINCIPAL CONSOLIDATED SUBSIDIARIES: 2014 AT A GLANCE

The following tables show the main economic and financial indicators of the parent company and its principal consolidated subsidiaries represented on a stand-alone basis.

(in Euro thousand)

Rizzani de Eccher	2010	2011	2012	2013	2014
Revenues	291,875	168,928	253,972	361,697	325,123
Shareholders' equity	67,853	67,963	69,556	76,817	81,014
EBIT	738	(6,016)	(8,275)	3,900	(2,344)
Net profit (loss)	8,266	737	2,368	7,261	3,621
cash flow (*)	12,147	4,347	6,978	12,683	9,378

Codest International	2010	2011	2012	2013	2014
Revenues	79,298	48,463	38,156	55,493	118,624
Shareholders' equity	5,559	7,241	10,175	14,762	24,198
EBIT	5,595	2,464	3,971	5,116	11,008
Net profit (loss)	3,567	1,682	2,933	4,587	9,436
cash flow (*)	4,256	2,043	3,207	4,938	9,559

Deal	2010	2011	2012	2013	2014
Revenues	27,048	26,347	22,732	30,570	30,937
Shareholders' equity	5,257	7,510	8,879	11,595	12,178
EBIT	2,771	3,061	2,124	4,409	1,369
Net profit (loss)	1,709	2,253	1,369	2,716	583
cash flow (*)	1,825	2,595	1,760	3,048	986

Rizzani de Eccher USA Inc	2010	2011	2012	2013	2014
Revenues	43,280	44,954	39,576	62,975	40,714
Shareholders' equity	6,593	13,508	9,507	3,732	3,668
EBIT	7,867	9,206	(7,064)	(6,718)	(465)
Net profit (loss)	4,941	6,227	(3,841)	(5,570)	(522)
cash flow (*)	9,326	11,076	(1,828)	(3,976)	1,327

Rizzani de Eccher Matta Sarl	2010	2011	2012	2013	2014
Revenues	9,054	15,219	22,453	19,129	10,154
Shareholders' equity	1,053	1,582	2,161	(12)	(1,912)
EBIT	1,348	643	2,471	(2,184)	(1,797)
Net profit (loss)	1,019	461	2,105	(2,157)	(1,735)
cash flow (*)	1,100	590	2,249	(2,010)	(1,593)

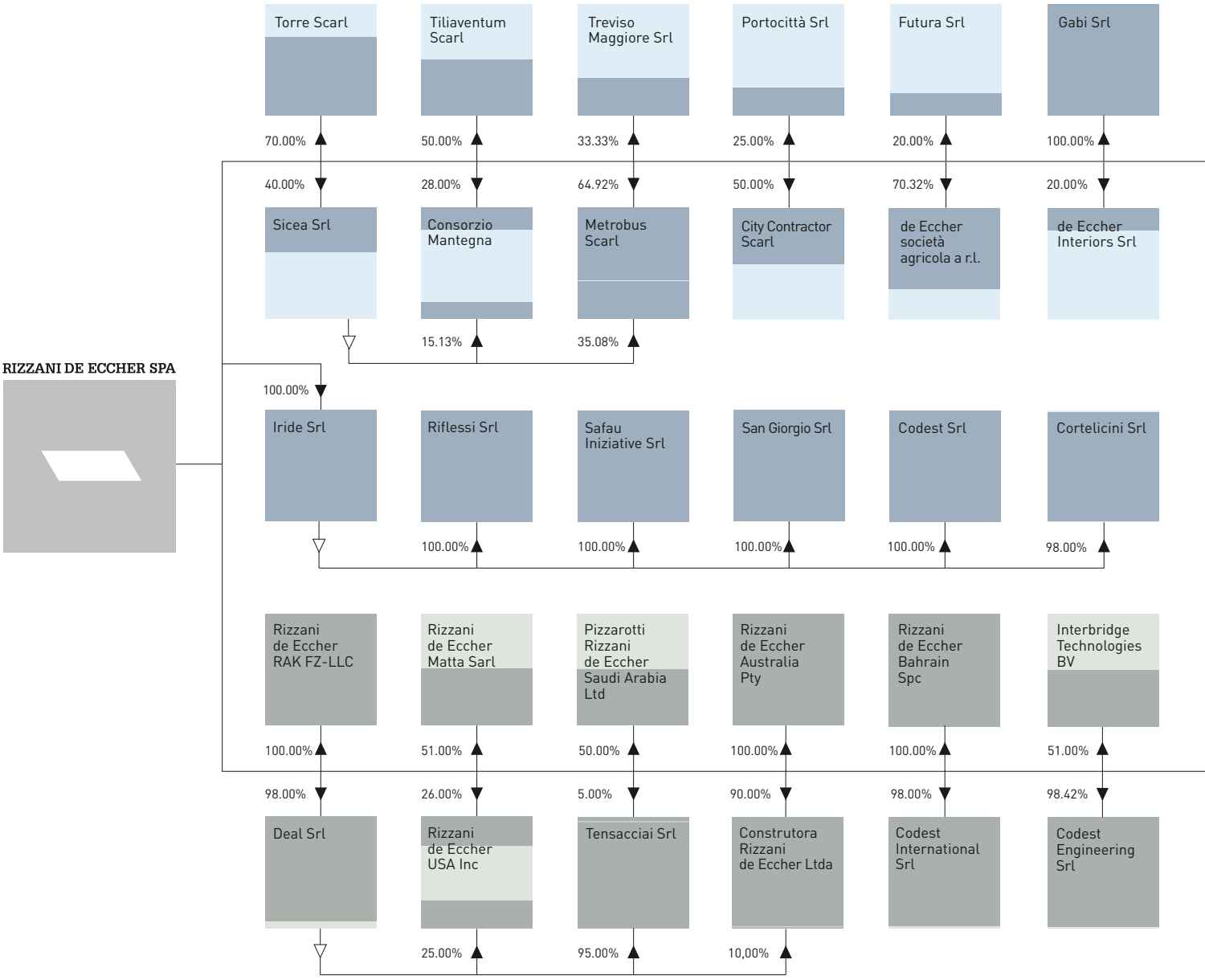
Rizzani de Eccher Bahrain SPC	2010	2011	2012	2013	2014
Revenues	8,507	30,188	27,183	4,185	1,706
Shareholders' equity	924	5,515	18,755	20,779	22,411
EBIT	(75)	4,027	11,913	2,587	643
Net profit (loss)	(69)	4,128	12,130	2,92	2,298
cash flow (*)	(65)	4,525	12,997	2,913	2,299

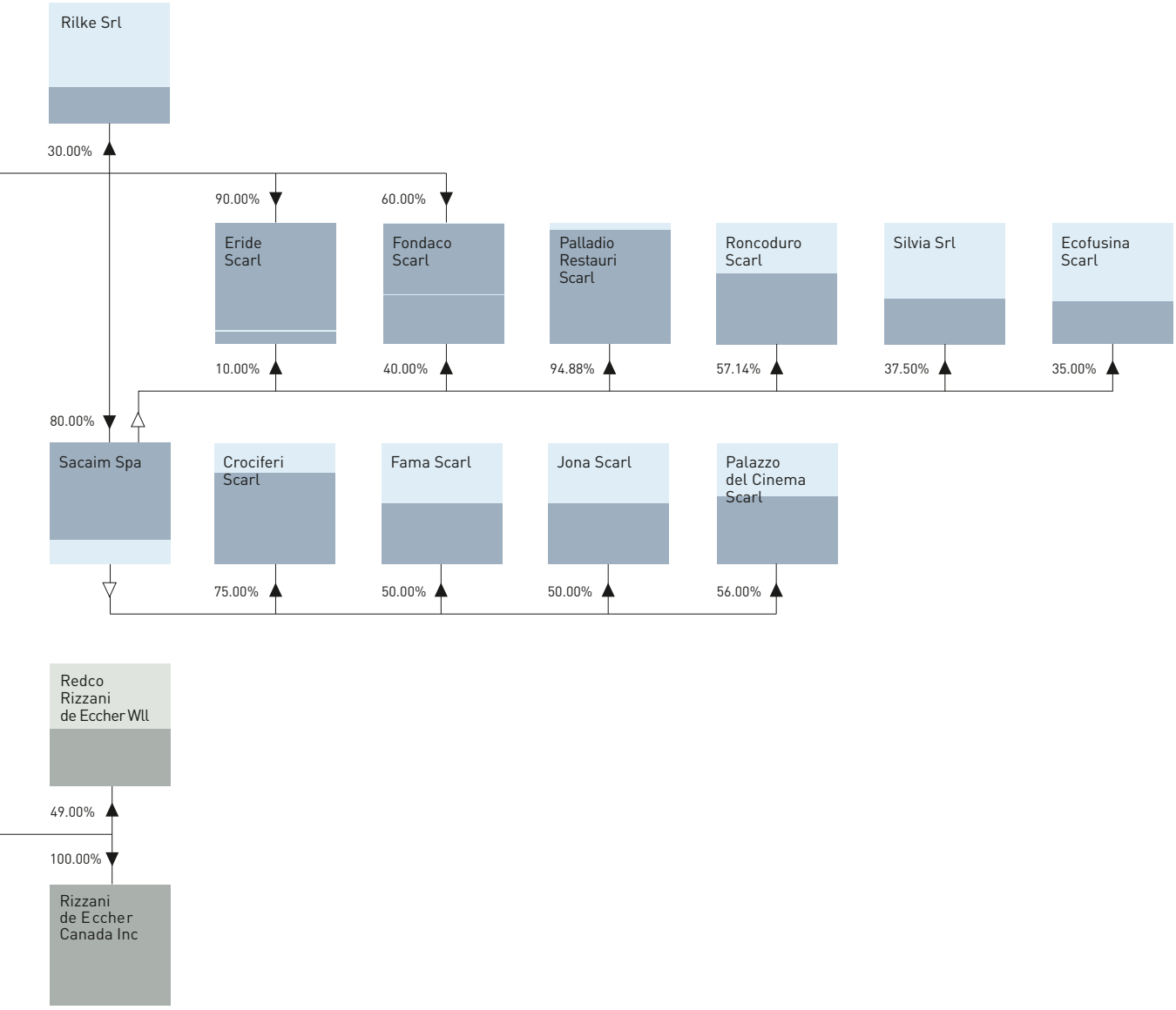
Sacaim	2013	2014
Revenues	42,987	41,532
Shareholders' equity	6,668	8,793
EBIT	2,293	2,559
Net profit (loss)	1,602	2,126
cash flow (*)	2,345	2,410

Tensacciai	2013	2014
Revenues	13,915	22,135
Shareholders' equity	2,255	3,003
EBIT	(567)	1,454
Net profit (loss)	(520)	749
cash flow (*)	(218)	1,128

*net profit + depreciation and amortization

THE GROUP'S COMPANIES





Companies operating mainly in foreign markets

Companies operating mainly in the Italian markets

Third-parties' interests

de Eccher Group's interests

Third-parties' interests

de Eccher Group's interests

(Companies under liquidation or non-significant companies have been excluded)

HISTORY

1831 Rizzani is established in Udine, as a general contracting and construction company. Within a few years, it earns a prestigious reputation for carrying out large engineering projects in Italy and in several countries in Africa, Asia and Latin America. **1948** Riccardo de Eccher establishes a construction and real estate development company bearing his name, in the North Eastern Italian region of Trentino Alto Adige. **1970** Riccardo de Eccher takes over Rizzani, combining the track records and capabilities of the two firms into a new company, Rizzani de Eccher, managed by the de Eccher family. The merger and integration process of these two companies is completed in the early 1970s, laying the foundations for today's corporate structure. **1976** The second generation of the de Eccher family joins the management and the Company expands its focus and market share in infrastructure projects and public works. Following a devastating earthquake in the Friuli region in the same year, the Company's resources are immediately devoted to the reconstruction process, including the careful restoration of the medieval town of Venzone, which, from icon of destruction rose to become a symbol of reconstruction, not only of historical buildings, but also of the whole urban and social fabric of the town. **1980** The construction of two large sections of the Carnia-Tarvisio highway provides the Company with the opportunity to develop innovative construction technologies for the prefabrication and erection of pre-cast concrete segments. The pre-cast segmental technology is further developed in the following years and is eventually consolidated into the establishment of Deal, a company dedicated to vanguard technologies for the construction of elevated bridges and viaducts, utilising mass-production industrialised systems. **1982** Towards the end of this year, Rizzani de Eccher wins its first large international tender for the construction of five school complexes in Algeria. Two years later, the Company is awarded a further five projects for the construction of two tanneries and three shoe factories in the former Soviet Union. This initial success ushers in a period of significant growth in Eastern Europe and Central Asia, which continues to this day. **1986** Thanks to the courage and commitment of the de Eccher family, aided by a bright and talented management team, the Group posts an extraordinary growth in turnover, topping revenues of 228 billion Italian liras in 1990, up from 37 billion liras in 1986. **1994** Difficult conditions in the domestic infrastructure market in the mid-90s - partly caused by the high profile anti-graft *'clean hands'* campaign - shift the Company's focus towards overseas markets. Revenues from international projects exceed 50% of total turnover for the first time. **2004** Rizzani de Eccher becomes one of the ten leading construction companies in Italy, and is also listed among the *Top 100 International Contractors* by Engineering New Record Magazine solely on the basis of the share of turnover generated abroad. **2005** From this year onward - thanks to its established presence in many countries (Russia and other CIS countries, Middle East, Mediterranean Basin and North and Central America) - the share of revenue from overseas operations remains consistently above 70%. **2010** With the acquisition of the South Road Superway in Adelaide, Australia, the Group extends its operations to Oceania and the Pacific. **2011** The first member of the family's third generation begins to work within the Group. **2013** After a meticulous and thorough due diligence review, the Group acquires Sacaim Spa, a Venice-based construction company with a long and prestigious track record in marine works and restoration works, specifically in the historical city centre of Venice. Today, the Group is one of the world's premier construction businesses and a market leader in its field, operating in four areas of activity with specialised and innovative know-how: general building construction, infrastructure construction, engineering services and equipment solutions for bridges and viaducts and real estate development.

STRATEGIES

The Group pursues expansion into new geographic areas with high potential and consolidates its position in those areas where it already operates thanks to the relentless pursuit of efficiency and productivity gains, so as to guarantee quality and reliability in delivering products to its customers.
To attain such gains, the Group places great emphasis on its organisation, that is to say its people and its processes, as the key driver. In an industry such as general contracting, which is characterized by markedly tangible aspects, the Group chooses instead to leverage itself on intangible assets, such as the skills of its human resources and the efficiency of its processes, in order to provide customers with fast response times and quality standards significantly higher than the industry average.

In particular, the Group places strong emphasis on two critical aspects:

Human Resources Development, which focuses on the organic development of resources internally, with the aim of developing the specific skill-sets to deal with the particular areas or markets where the Group operates. This policy is pivoted upon the careful process of search and selection, the offering of career advancement opportunities, such as the Master course jointly organized by Rizzani de Eccher and the University of Trieste, and the constant investment in internal training programs. Over the past few years, the Group has actively hired directly in the countries where it operates, so as to integrate more effectively with the local environment thus improving efficiency and effectiveness.

Process Optimisation, aimed at securing better coordination within project teams as well as between project teams and head office.

ORGANISATION STRUCTURE

Organisation

The Group's Organisational Structure is articulated in two core or 'Central' Divisions, which are Business Development and General Management, and three other Divisions: Sales, Human Resources and Overseas Operations.
The respective Heads of Divisions are members of the Executive Management Committee.

Board of Directors

Marco de Eccher Chairman

Marina Bonazza de Eccher

Fabio Asquini

Renato Fabbro

Riccardo de Eccher

Umberto de Eccher

Internal Board of Auditors

Ferruccio di Lenardo Chairman

Franco Asquini

Mauro Cremonini

The Executive Management Committee has a chief coordination role and ensures strong core competencies, versatility and a swift decision-making process, which undoubtedly provides the Group with a strong advantage in the current market conditions. The lean structure does not prejudice the enforcement of uniform operational and ethical standards across all Group units and subsidiaries, within all countries and sectors in which the Group operates, so as to maintain the highest quality and efficiency levels.

Executive Management Committee

Directorate, Business Development

Strategic business development

Some Commercial departments report to this directly

Directorate, Sales and Commercial

Commercial and sales development

Report to this:
_ Commercial departments organised by geographic area or products
_ Tender department

Directorate, General Management

Headquarters and domestic operations management

Report to this:
_ Corporate services (Finance & Adm., Project Control, Legal and Support Services)
_ Domestic operations departments (Italy)
_ Real estate department
_ Engineering services and special equipment department

Directorate, Human Resources

Development, management, organisation and administration of human resources

Report to this:
_ HR department
_ Quality Control and HSE department

Directorate, Overseas Operations

Overseas operations management

Report to this:
_ Overseas operations departments organised by geographic area

Human resources

	2012	2013	2014
Italy-based employees			
Management	53	59	49
Staff	192	238	209
Workers	219	236	196
Total Italy	**464**	**533**	**454**
Overseas-based employees			
Management	20	27	40
Staff	426	809	886
Workers	755	1.363	1.686
Total overseas	**1,202**	**2,199**	**2,612**
Total Group's employees	**1,666**	**2,732**	**3,066**
Total employees' costs [Thousands of Euro]	**71,784**	**88,342**	**90,113**

2012		2013		2014	
IF	IG	IF	IG	IF	IG
1.81	0.32	1.77	0.40	1.75	0.30

Group consolidated data
Calculation based on the following algorithms:

Accident Frequency Index (AFI):
AFI = (Ay x 100,000) / Mh

Accident Severity Index (ASI):
ASI = (DLA x 1,000) / Mh

Where:

Ay = number of accidents in the year under review
DLA = days lost to accident
Mh = cumulative man-hours during the year under review

The Group positions the development of its human resources as one of its main corporate objectives, placing particular emphasis on professional development, career growth and the development of the organizational structure best suited for capturing individual potentialities.

The competitive edge of the Group is represented by well prepared, dedicated professionals who are capable of dealing with different environments and solve any type of problems.

The business in which the Group operates requires organized teams capable of expediting the project tasks assigned by various clients.

These goals can only be achieved by the Group through a corporate policy that is strongly oriented towards the development of its human resources potential, attracting only the best candidates, nurturing their professional growth at all levels and emphasizing merit and performance over seniority.

As at 31 December 2014, the Group employs 3,066 individuals from a variety of ethnic, cultural and religious backgrounds, in different locations worldwide. Diversity is nurtured as it enriches the competitive advantage of the Group in the construction sector. In particular, overseas-based employees are 2,612 of which 2,462 hired locally. 604 employees are of Italian nationality, of which 25% are based overseas. Educational qualifications are very high on average, with 40% of white-collar employees possessing university degrees and 41% holding secondary school diplomas.

The Group adheres firmly to the belief that all employees must have the same opportunities and enjoy the same level of treatment and protection across the board, without distinction or bias based on gender, ethnicity, nationality, religious or political affiliation, social status or any other aspect. Furthermore, the Group is committed to ensuring that those employees who are seconded to overseas projects enjoy the same conditions of employment of those who are working on domestic projects in Italy.

Health and Safety

The year 2014 inaugurated the second three-year operation cycle of the integrated Quality, Safety and Environment (QSE) system, which the Group adopted in 2011. During the year Bureau Veritas conducted several certification audits to validate the system.

The efforts and the resources employed in the application and continued development of the QSE system across all Group companies, which include training, supervision and assistance by specialised personnel, bore fruit as testified by marked reduction in the number of accidents and the absence of infraction procedures or fines.

Within the framework of the Group's internationalisation, Rizzani de Eccher has also undertaken the process of standardisation of the QSE system across all divisions, units and subsidiaries abroad. The aim is to provide employees with a single shared platform based on common standards in terms of quality, safety and environment, while ensuring that monitoring and control activities are carried out in a unified manner by Group Headquarters.

It is anticipated that this integration process will draw to an end in the first half of 2015, thus allowing the system to be fully in place in the second half of the year.

The annual audit by Bureau Veritas pored extensively through the 2014 data and resulted in the upholding of the certification of the integrated QSE system according to BS: OHSAS 18001:2007 and ISO 14001:2004.

The table on the previus page (top left) provides evidence of the frequency and severity indices of the Group's accident record during the last three years.

Training and career development

Over the course of 2014 the Group has continued to implement its knowledge-based programmes and training courses, both internal and external, which are specifically aimed at younger employees. Courses covered various key disciplines such as English and French languages, information technology (specifically for training in the use of sophisticated software programmes for design, modelling, planning and control), project management, taxation and accounting. To this, specific 'on the job' programs were added to train operators of launching girders trusses in the transport infrastructure division. Great efforts have been placed upon career development from within the organization, and dedicated training programmes have been put in place with the following objectives:

_strengthen the skills and potentialities of the employees and enable them to achieve their career objectives;
_development of professional, technical, management and organizational skills in various areas;
_promote a result-oriented and meritocratic approach to business; and
_building team work and group cohesion.

To assess the requirements and to design the appropriate training programs, role analyses have been carried out by using appropriate tools that compare perceived requirements and critical skills actually required in the current enterprise environment. These have proved particularly useful. This process, with a view to increasing staff motivation, also highlighted the possibility of undertaking organizational changes to ensure improvements in efficiency and a more complete response to growing market demands.

The Master's Degree course in Project Management organised in conjunction with the Universities of Udine and Trieste relies on a teaching body comprising faculty professors and experienced professionals in the engineering and construction field, of which senior Group managers account for about 50% and provide students with valuable insights and shared experiences. The Master curriculum complements theory with practice, in the form of internships in construction sites in Italy and abroad, during which the Group makes available its resources and provides students with specific skills and professional experiences that can be profitably employed in their work careers. Interns are involved in all the different stages of a construction project and become immersed in the work environment, which allows them to gain a 360° vision of the Group and its values.

With the 2014 edition, the number of alumni who are now employed by the Group has risen to 43.

QUALITY IS INNOVATION

To compete in the field of complex constructions requires thorough planning of all activities, careful optimisation of resources and strict quality control.

The emphasis and sensitivity placed on quality control management has allowed the Group to improve consistently on its qualitative benchmarks fulfilling stringent engineering and architectural specifications, ensures constantly high quality standards and achieving optimal levels of **clients' satisfaction**. Rizzani de Eccher is a long-dated member of UNI (the Italian National Agency for the unification of production standards) which positions it at the forefront of all new developments in production and quality control techniques. On many an occasion, this commitment to performance has won the Group commendations, accolades as well as the award of performance fees.

The Group's constant **focus on innovation** and its rich pool of technical knowledge in the infrastructure sector has allowed Rizzani de Eccher to become a world leader in the design and engineering of special equipment for the construction of bridges and viaducts. The continuous research and development activities of the design team of Deal Srl have allowed the Group spearheaded by Rizzani de Eccher to expand its range of products, which find application in other industrial sectors where tailor-made solutions and customised equipment are particularly appreciated.

A wide range of successful partnerships and affiliations with other major international contractors (e.g. OHL Obrascon Huarte Lain, SNC Lavalin, Besix, Leighton Contractors, Lotte, Daewoo, Saipem, Dogus, and Acciona) testifies to the status of Rizzani de Eccher as a robust and reliable partner and represents a solid stepping stone towards the future growth of the Group.

In another noteworthy development of 2014, the Group continued to work on significant restoration and rehabilitation projects together with affiliate Sacaim, a company that is highly specialised in this field.

The quality policy pursued by the Group in total openness with its client base has led to the following certifications and attestations:

Rizzani de Eccher Spa

_ISO 9001:2008 Certification (quality management system), certified 12 February 1999, attested by Bureau Veritas Italia Spa in relation to *General Contracting Business as per Section 1876 of Legislative Decree 163 of 12 April 2006 as amended in respect of Design and Construction of civil engineering works, industrial buildings, bridges, viaducts and transportation infrastructure*

_SOA Certification issued by SOA Nord Alpi

_Accreditation as pre-qualified General Contractor with the Italian Ministry of Transportation and Infrastructure

_ BS OHSAS 18001:2007 Certification (health and workplace safety management system) of 5 July 2011 by Bureau Veritas Italia Spa in respect of *Design and construction of civil and industrial engineering works, bridges, viaducts and other transportation infrastructure*

_ ISO 14001:2004 Certification (environmental management system) of 28 September 2011 by Bureau Veritas Italia Spa in respect of *Design and construction of civil and industrial engineering works, bridges, viaducts and other transportation infrastructure*

Deal Srl

_ISO 9001:2008 Certification (quality management system) attested by Bureau Veritas Italia Spa in respect of *Design, construction, installation and operation of heavy lifting equipment, including special equipment for the construction of bridges, such as overhead gantry cranes, pre-cast girder launching equipment, special elevated formwork, cable-stayed erection equipment, post-tensioning systems, caissons and other equipment for the off-shore sector; design and engineering of bridges and viaducts for road, railways or urban mass rapid transit systems*

Tensacciai Srl

_ISO 9001:2008 Certification (quality management system) by Bureau Veritas Italia Spa in respect of *Design, fabrication and installation of cable-stay systems, post-tensioning systems, rock anchors, ground anchors and associated equipment and accessories; structural refurbishments*

Codest International Srl

_GOST P ISO 9001:2008 Certification (quality management system) attested by Tektoplan - MosCert CMK, in respect of *All activities and processes for the provision of technical*

and design services, site preparation and all construction of buildings of any category; general civil and building works; finishing and rendering; consulting and design services for architectural and building purposes

Sacaim Spa

_ISO 9001:2008 Certification attested by SGS Italia Spa, in respect of *Design, construction, maintenance, rehabilitation of civil, industrial, infrastructure works and rope-ways. Restoration and recovery of protected historical buildings. Installation and maintenance of mechanical and electrical equipment for civil and industrial applications*

_OHSAS 18001:2007 Certification (health and workplace safety management system) attested by SGS Italia Spa, covering *Design, construction, maintenance, rehabilitation of civil, industrial, infrastructure works and rope-ways. Restoration and recovery of protected historical buildings. Installation and maintenance of mechanical and electrical equipment for civil and industrial applications*

_ISO 14001:2004 Certification (environmental management system) attested by SGS Italia Spa, in respect of *Design, construction, maintenance, rehabilitation of civil, industrial, infrastructure works and rope-ways. Restoration and recovery of protected historical buildings. Installation and maintenance of mechanical and electrical equipment for civil and industrial applications*

_SOA Certification attested by SOA Nord Alpi

The environment

The completion of the first 3-year period of certifications and their renewal in 2014 has confirmed that the QSE (quality, safety and environment) system adopted by Rizzani de Eccher is well in place.
Notwithstanding that the aspects touching the environment are not as remarkable and impacting in a construction company operating in different contexts in various parts of the world as they could be for instance in a manufacturing company, the QSE certifications have introduced method and discipline in the overall construction process, which is a very positive development per se.

Code of ethics and compliance

With effect from December 2008 Rizzani de Eccher has implemented its own organization and compliance manual, thereby complying with the provisions of Legislative Decree 231/2001 which introduced the liability of juridical persons as a results of acts or omissions carried out by agents and employees.

To that effect, Rizzani de Eccher has drafted and enacted, among the various documents that constitute such manual, the so called *Model 231*, a Code of Ethics (also available on www.rde.it).

During 2012, Group companies Cortelicini Srl, Deal Srl, Iride Srl, Sicea Srl, Tensacciai Srl and Torre Scarl had adopted their own *Model 231s*, drafted along the guidelines set out by the Code of Ethics of the Group's parent Rizzani de Eccher Spa. This process drew to a close with the adoption of *Model 231* also by Sacaim Spa. These companies have appointed a supervisory body entrusted with the functions of supervising and enforcing compliance with *Model 231* and ensuring that the Code of Ethics is up to date with current legislation.

The aim of *Model 231* is to prevent relevant offences under the Law by all physical persons who are engaged in a working relationship with the Company, be it employment or simple cooperation. This starts from the mapping of the areas of the firm that are 'at risk' and goes as far as defining the pre-emptive protocols, which include the organizational, physical and logical countermeasures set forth by the same *Model 231*.

Through the prevention of the relevant offences, *Model 231* is intended to forestall the emergence of any liability to the parent company of the Group, which may affect its capital as a result of fines, pecuniary damages or penalties.

In addition to this, the above mentioned companies are fully aware of the importance to educate and inform its employees and partners, and is committed to ensuring the full knowledge by all stakeholders of the law and the obligations associated with it, as set out in *Model 231*.

Value creation and distribution

The integration between the traditional business values - economic values expressed by production and profitability - and the system of socio-political values - the centrality of the individual, integrity, quality of life – which are at once present inside and outside the organization, poses new problems of consensus and legitimacy. The progressive emergence in these past few years of the so called *'stakeholder's view'* has raised the urgency to have systems in place that are capable of measuring and evaluating the ability of the firm to balance the disclosure requirements of business partners, whether internal or external (staff, shareholders, lenders, customers, suppliers, public administration and the community at large). To this end, the parameter of 'value added', which is derived by reclassifying the items in the income statement of this Annual Report, measures the wealth produced by the firm for the benefit of the surrounding territory and its stakeholders, thus expressing the relationship between the firm and the socio-economic system with which it interacts.

The value added is presented in two different dimensions:

_scheme of calculation of value added, which emerges from comparing income and costs at each intermediate level;
_scheme of distribution of value added comprising of the sum of the remunerations received by stakeholders.

Different stakeholders are remunerated in the following ways:

_remuneration of human resources: it includes direct and

Value added calculation (Thousands of Euro)	**2014**	**2013**
Revenues	578,683	570,022
Costs of production	463,374	455,844
Operating value added	115,309	114,178
Extraordinary and additional income / (charges)	11,658	(1,666)
Gross value added	126,967	112,512
Amortisation and depreciation	(9,301)	(14,157)
Net value added	117,666	98,355

Value added calculation (Thousands of Euro)	**2014**	**%**	**2013**	**%**
Human resources remuneration	91,758	78.0%	90,231	91.7%
Public administration remuneration	10,167	8.6%	5,358	5.4%
Debt capital remuneration	2,898	2.5%	148	0.2%
Equity capital remuneration	-	0.0%	-	0.0%
Enterprise remuneration	12,787	10.9%	2,523	2.6%
Charitable donations	57	0.0%	95	0.1%
Net value added	117,667	100%	98,355	100%

indirect remunerations of all those who have a working relationship with the Group;
_remuneration of the public administration: it includes direct and indirect taxes paid by the Group;
_remuneration of debt capital: it includes interest paid to the banking system and financial institutions;
_remuneration of equity capital: it includes dividends paid out to shareholders;
_remuneration of the enterprise: it includes any income set aside as reserve or retained earnings to finance future growth;
_acts of liberality: they include and distributions of benefits for charity purposes.

Thus it emerges that the most substantial portions of value added go towards the remuneration of human resources, whether directly or indirectly employed, and to the society at large through taxation. This underpins the central role of the enterprise as a contributor to human welfare. Furthermore, in 2012 a new and very important initiative was added, which is aimed directly at developing a hospital structure serving the community of Ambanja in Madagascar. The Saint Damien hospital represents the only medical facility for nearly half a million people gravitating around this disadvantaged area. In this regard, a number of Group employees, strongly supported by colleagues and management, have started a non-profit organisation called Ambanja ONLUS, which - thanks to its fund-raising and the strong financial and organizational support extended by the Group, in 2013 managed to bring to completion the hospital guest-house, providing accommodation to the foreign physicians and nurses who visit the hospital to perform charity works. In 2014, works were suspended temporarily to meet the organizational needs of the hospital

Regular updates on *Ambanja ONLUS* can be followed on www.ambanjaonlus.it.

The value added was determined by reclassifying the items in the income statement of this Annual Report, using the methodology proposed by 'Gruppo Bilancio Sociale' (GBS), an association which promotes ethical standards and principles of social responsibility in accounting practices.

Portopiccolo residential complex,
Sistiana-Triest (Italy)

AREAS OF BUSINESS ACTIVITY

Over the years, the Group has consolidated its leading position in four main areas: **General Building Contracting, Infrastructure Contracting, Engineering Services and Equipment for Bridge Construction and Real Estate Development.** *Apart from the specific circumstances of certain individual markets, the Group is generally involved in all of the foregoing business areas, in every country where it is active. The Group's well-established presence in Russia and CIS countries of Central Asia, Middle East, the Mediterranean Basin and Central and North America, combined with the vast international experience acquired with working for many international clients ensure a solid and dominant market position, pointing to strong growth and a stable future. The table on the side illustrates the main projects underway during the period under review in each of the four areas outlined.*

Project	Business area	Country	Amount (Euro)	Share %
Railway line Oued Tlèlat - Tlemcen	Infrastructure	Algeria	1,521,000,000	25.00
Penetrating highway 'RN77' Djen Djen Port - El Euma	Infrastructure	Algeria	1,328,000,000	48.00
VTB Arena Park Moscow	General building	Russia	652,000,000	100.00
Jamal Abdul Nasser Street Kuwait City	Infrastructure	Kuwait	644,000,000	48.90
VTB Arena Central Stadium Dynamo Moscow	General building	Russia	525,000.000	100.00
Headquarters of Intesa Sanpaolo Turin	General building	Italy	269,000,000	70.00
Residential complex Portopiccolo Sistiana - Triest	General building	Italy	190,000,000	100.00
Requalification of Spedali Civili Brescia	General building / Projet financing	Italy	111,000,000	60.00
Technological building for S.M. della Misericordia hospital Udine	General building / Project financing	Italy	109,000,000	48.50
Brookfield 9th Avenue New York City	Infrastructure	USA	67,000,000	100.00
Hydraulic pipe Al Hayaer Riyadh	Infrastructure	Saudi Arabia	58,000,000	50.00
Metro line Riyadh	Special equipment / Engineering services	Saudi Arabia	48,000,000	100.00
Metro line Ho Chi Minh City	Infrastructure / Special equipment / Engineering services	Vietnam	41,800,000	28.00
State Road 826 Palmetto Expressway Miami	Infrastructure / Special equipment / Engineering services	USA	35,000,000	100.00
Rehabilitation Fondaco dei Tedeschi Venice	General building	Italy	22,700,000	100.00
Automated warehouse Gloria Jeans Novosibirsk Region	General building	Russia	11,300,000	100.00
Industrial plants for production of refrigerated display shelves Novosibirsk Region	General building	Russia	11,000,000	100.00
Cereal mill Al Kharj Riyadh	General building	Saudi Arabia	10,300,000	50.00
Wadi Hanifa Bridge Riyadh	Special equipment / Engineering services	Saudi Arabia	7,200,000	100.00
Rehabilitation Gagliardi Sardi Palace L'Aquila	General building	Italy	5,700,000	100.00
Metro Line Evergreen Vancouver	Special equipment / Engineering services	Canada	4,500,000	100.00
Suspended covers EXPO 2015 Milan	Special equipment / Engineering services	Italy	3,300,000	100.00

In general building contracting, the Group is well positioned in market segments which demand increasingly high standards of technology and quality. Since each building is unique and construction site conditions differ greatly, each project requires specific technical skills. Over the past few years, energy efficiency has become the underlying theme of every new project. This is accomplished through a vast range of design solutions including purpose-built volumes, the adoption of materials and technologies that facilitate heat transmission with the outside, the installation of energy-efficient heating/cooling systems and the recourse to renewable energy sources (solar energy, heat pumps).
Furthermore, in order to compete in high-end market niches and to maintain the expected quality levels in the design and construction process, the Group has established a number of vertically-integrated dedicated subsidiaries, each of which specialises in particular steps of the production and delivery process. These steps include design, prefabrication, plant engineering and interior decoration and furnishing. These companies work in synergy within the framework of the general contracting business of the Group. The main sectors of activity in this area are: residential buildings, office buildings, industrial and commercial buildings, spots complexes, hospitals, schools, luxury hotels, large-scale renovations and recovery of heritage sites and finally infrastructure

Residential buildings

The Group has always performed well in this area, leveraging off the market knowledge of its real estate development unit and the track record in high-quality construction projects.
In this segment, the Group focuses on large and complex projects with high quality standards.
During 2014, construction works drew to a close at the **Portopiccolo** development in **Sistiana** (Triest), reaching Euro 190 million in value: the site of a disused quarry transformed into a charming seaside village with 456 residential units, 1300 underground car parks and a marina with 121 berths for yachts of up to 40 m, which will be complemented in 2015 by the addition of a 5-star hotel and a spa.
Construction activities have instead reached full speed at the **VTB Arena Park** project in **Moscow**, a contract worth Euro 652 million and awarded to Codest International, for the construction of the 'commercial' buildings surrounding the Dynamo Stadium – **Petrovskiy Park** in **Moscow**; as at 31 December 2014 works there had reached a progress of Euro 102 million.
Codest again was awarded in 2014 the contract for the construction of a residential complex denominated **Geneva House** situated in the prestigious **Ulitsa Arbat** in the heart of **Moscow**. This project, with a value of approximately Euro 10 million, calls for the realisation of two buildings of 11,500 m^2, which include 23 apartments, two large commercial spaces and 72 car parks. The superstructure was completed in 2014, reaching a progress of ca. Euro 6 million. Completion is due to take place during the course of 2015.

Office buildings

The construction of modern office buildings, which is rapidly developing in many markets, is a key focus area for the Group, characterized by a high level of sophistication. Each office building project requires close cooperation with highly qualified designers to achieve an effective convergence of technical requirements and functionality. Rizzani de Eccher is engaged in the design & build of the headquarters of banks and multinational companies, as well as government buildings and offices in Italy and abroad, with stages of deliveries ranging from 'shell and core' to complete 'fit out', which includes the supply and installation of interior furnishings.
During the course of 2014 construction activities have continued on the **Banca Intesa Sanpaolo** office tower in **Turin**. This well-known project calls for the construction of a skyscraper of over 160 m in height designed by renowned architect Renzo Piano. Rizzani de Eccher has won the project in joint venture with Swiss contractor Implenia. As at 31 December 2014 the project had reached a progress of some Euro 186 million as concerns the share of Rizzani de Eccher. Completion took place in the first months of 2015 and the building was solemnly inaugurated on 10 April 2015.

Industrial buildings

The Group's track record in this field dates back to large industrial projects in Italy and abroad in the second half of 1800s. In the past few decades such wealth of experience has been put to good use as evidenced by the successful completion of industrial buildings in Italy and abroad in several industries and sectors, such as steel plants, textile factories, mechanical workshops, tanneries, shoe factories, food processing and several other industrial buildings.
During the course of 2014 works have continued apace on the construction of an **automated warehouse** and **logistics centre** for client **ZAO Gloria Jeans Corporation** and the construction of an **industrial plant for the production of refrigerated display shelves** on the account of **OOO Arneg**. These two

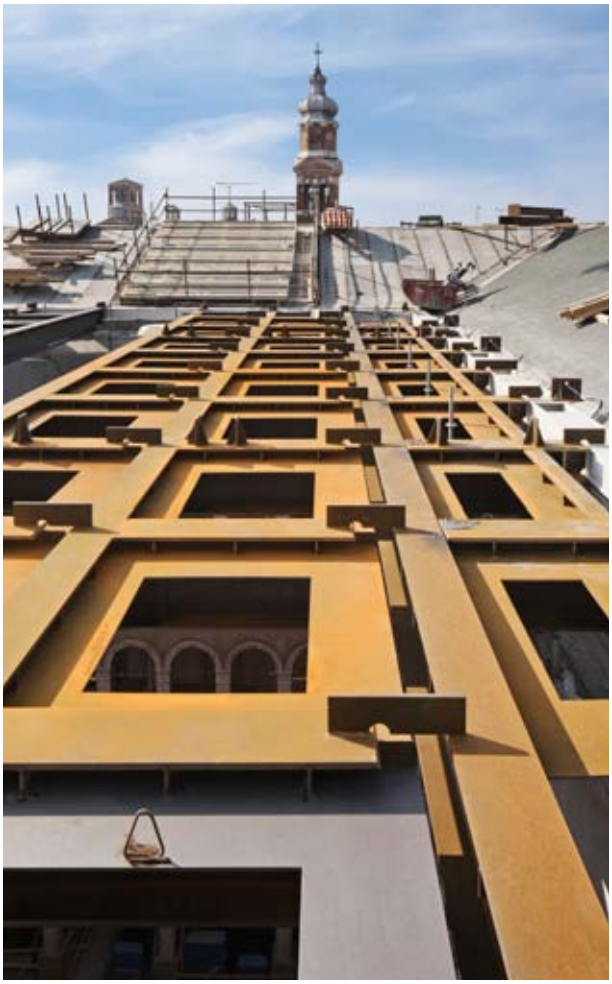
projects, both situated within the Industrial and **Logistic Park** of **Novosibirsk** in Siberia, have reached as at 31 December 2014 a progress of Euro 17.5 million against an aggregate contract amount of Euro 22.3 million. The accumulated experience in erecting industrial buildings of this type has allowed Codest to implement the optimal construction solutions that are specific to the extreme weather conditions of Siberia.
All the while during 2014, in **Saudi Arabia**, Pride (the 50% joint venture with Pizzarotti) completed the construction of a **cereal mill** for the account of **Ocrim.**

Sports Complexes

The construction of sports infrastructure is among the most challenging types of construction activities because it requires the builder to create synergies between the work of renowned architects and designers and complex structures capable of hosting tens of thousands spectators.
In 2014, Codest International was awarded the contract for the re-construction of the **Dynamo Central Stadium** in **Moscow**, in a project worth approximately Euro 525 million consisting of two arenas with aggregate capacity of 40,000 spectators and a large adjacent retail area with shops, restaurants and a Cineplex, complete of underground carparks for over 700 cars and directly linked to the Metro station. The project is to be completed within the month of October 2017.
Codest International was also awarded in 2014 the contract for the construction of a **recreational and sports centre** with open air swimming pool and food pavilion situated inside the **Luzhniki Park** in the heart of **Moscow** (with a total surface of 17,000 m^2) for a value of euro 4,5 million.

Hospitals

This is an area characterized by the rapid evolution of functional requirements and increasingly sophisticated mechanical, electrical and medical equipment. The utilization of project financing to fund the construction and operation of hospitals is becoming ever more frequent, which demands strong skills and commitment not just in respect of the design and construction challenges but also in respect of the financial and legal structuring, which the Group has amply demonstrated to be able to negotiate with the required professionalism.
During 2014, the project-finance scheme in respect of the expansion of the facilities of **Spedali Civili di Brescia** has witnessed the completion of the Phase 2 works. As a whole,



as at 31 December 2014 works pertaining to the share of Rizzani de Eccher had reached a progress of some Euro 53 million.
On the same vein, the B.O.T. construction project for the **S. Maria della Misericordia Hospital** in **Udine** has continued, reaching - as at 31 December 2014 - a progress of Euro 52.5 million for the share attributable to Rizzani de Eccher.

Large scale building renovations and recovery of heritage sites

More than a hundred years' track record in the construction industry and the specific skills gained from the experience of the extensive post-earthquake reconstruction of the Friuli region in 1976 provide Rizzani de Eccher with the knowledge capital to undertake complex restorations on monumental buildings adopting the most innovative technologies.
The acquisition of Sacaim Spa has added many a prestigious rehabilitation and restoration projects in Venice (the San Marco Square Bell Tower, the Scala Contarini da Bovolo historic mansion, the Crociferi Convent and the Gallerie dell' Accademia, to name but a few) and in Mantua (the restoration of the Duke's Palace).
Together with Sacaim, Rizzani de Eccher is now involved in the prestigious rehabilitation of the **Fondaco dei Tedeschi** in **Venice,** a project worth approximately Euro 23 million, which calls for the restauration and functional recovery of one of the most important historical mansions along the Grand Canal.

Military infrastructure

Infrastructure projects for the armed forces are characterised the world over by their sheer size and complexity. They usually include the construction of a number of independent structures, each designated for highly specialised functions. Military projects also require thorough and complex plant-engineering over vast areas, but need practical infrastructure for rapid and easy connections. In all these projects, planning schedules and delivery times are notoriously inflexible, since they are tightly linked to the movements of troops and armaments. The same movements, in turn, are often classified information, thereby creating further challenges to the contractor.
Over the course of 2014 works have reached substantial completion at the **Al Udeid Air Force Base**, in **Qatar**, contracts that have been tendered out directly by the US armed forces (US Army Corps of Engineers) for a total amount of ca. Euro 65 million.

Rizzani de Eccher excels at infrastructure building and transport engineering in particular, thanks to more than one hundred years' experience in this field. In the past few years most of the Group's infrastructure projects have been outside Italy, as the Italian market is experiencing a period of recession due to funding shortages and competitive pressures on costs. Rizzani de Eccher is also actively involved in infrastructure construction through project financing and B.O.T. schemes. At home and abroad, emphasis is placed on Design & Build tenders where competitive pricing is just one aspect of the overall offer, and where the effectiveness of design and engineering solutions plays an important role.

Highways, railways and metropolitan rail networks

At present Rizzani de Eccher is increasingly engaged in the construction of railways and in particular mass transit light railway systems in Italy and abroad.

Works for the dual track **Oued Tlélat-Tlemcen** railway line in **Algeria**, a joint project with Italian contractor Società Italiana per Condotte d'Acqua; have reached at year end in 2014 a progress of Euro 184 million (progress pertaining to the share of Rizzani de Eccher).
Still in **Algeria**, works have begun in connection with the highway **RN77**, linking the harbour of Djen Djen to the East-West Highway in the proximity of El Eulma. The project calls for the realisation of a 6-lane highway (3 lanes each way) crossing a mountainous area, characterised by excavations and landfills totalling 43 million cubic metres, viaducts for 15 km and tunnels for 2 km. The contract, for an amount of Euro 1.33 billion, was awarded to Rizzani de Eccher acting as a leader of a joint venture with Algerian contractors ETRHB and Sapta.
During the year under review, works have been completed at the **Palmetto Interchange** in **Miami** (Florida), a clover-leaf on 5 levels and 4 overpasses for a total contract amount of Euro 35 million.
In early 2010, Rizzani de Eccher in association with Pizzarotti won the contract for the enlargement to three lanes (in each direction) of the **A4 Highway**, comprising of a first stretch of 25 km from the **Bridge over the Tagliamento River to Gonars** and the **Palmanova interchange** for a total contract value of Euro 300 million, of which one third or Euro 100 million is under a private finance initiative (PFI) arranged by the builders. Unfortunately construction is still on hold pending the definition of the public portion of the financing. Over the course of 2014 the project's executive design was completed.
Construction works continue at full production regime on the massive two-level upgrade of **Jamal Abdul Nasser Street** at **Kuwait City.** This project, worth in excess of Euro 644 million, covers a length of 14 km length and involves 395,000 m^2 of prefabricated bridge segments. The contract is being performed in joint venture with OHL (Spain) Trevi (Italy) and Kuwaiti contractor Boodai. Progress as at 31 December 2014 is roughly Euro 330 million.
In 2014, a joint venture between Rizzani de Eccher Australia and Leighton Contractors was awarded the contract for the design and build of the **M4 Motorway Expansion** (one of **Sydney**'s principal arteries) for a total amount of Euro 200 million. The project includes the enlargement by one lane in each direction and a new 1.8 km viaduct and two access ramps (to be erected with the precast segmental method).

Environment and hydraulic engineering

During past decades Rizzani de Eccher has completed important projects in this sector in Italy and abroad. Some of the most representative projects include sewerage pipe networks; water purification systems equipped with underwater pipelines for offshore discharge; aqueducts and water-supply networks and dredging works on rivers and navigable waterways.

In 2014, Pride in **Saudi Arabia** was awarded the contract for the **design and build** of a **hydraulic pipe** transporting effluents from the depuration plant of **Manfouha** to another **depuration plant** in **Al Hayaer**. The project calls for the realisation of an 11.9 km tunnel (excavated with a full section tunnel boring machine) and 4.8 km of open trench, for a total amount of Euro 58 million.

Rizzani de Eccher's wealth of experience in infrastructure has allowed the Group to develop a specific area of expertise in the engineering, design and construction of special equipment for the construction of bridges, as well as the provision of all such associated specialised services and equipment as post-tensioning systems, bearings, joints and anti-seismic devices. In 1992, these activities were consolidated in a new, special-purpose, wholly-owned subsidiary called Deal Srl. In a few years Deal has become a world leader in this highly specialised market, serving large international contractors. Deal provides design services and custom-built special heavy equipment for the construction of bridges and viaducts of any complexity and size. Its machinery and equipment capabilities include caissons, gantry cranes, large rubber-tired beam launching carriers, launching girders and self-launching ribs. The acquisition by Deal of Tensacciai Srl a company with a strong track record in design, fabrication and installation of stay-cables and post-tensioning systems as well as joints, bearings and anti-seismic devices, has strengthened the position of Deal also in this area. The Group is now well positioned to provide clients with the complete package of specialised equipment and services required for bridge deck construction. More recently, the Group's wealth of experience in the infrastructure sector has allowed Deal to apply its specific know-how to different and very promising areas, such as special equipment for the offshore Oil & Gas industry, special gantry equipment for shipping and port operations, in addition to special equipment for the excavation of wells.

Engineering Services

The Group's technical personnel have gained invaluable experience from working with and for the parent company and established international contractors on large and prestigious infrastructure projects. This has enabled our engineers to develop a wealth of knowledge in bridge engineering and particularly in the field of metro-rails and mass rapid transit systems.
The integration between engineers responsible for bridge design and construction and engineers responsible for equipment design has resulted in a more streamlined and seamless utilisation of the Group's human resources, allowing the Group to position itself on the infrastructure market as a provider of the widest range of integrated services and construction solutions.

Equipment

Deal can design and custom-build equipment for any type of construction system - be it prefabricated or cast in-situ - as well as any type of transportation and lifting equipment suited for every building site. The experience gained by most staff in the direct execution of the works has made it possible for Deal to design and develop highly efficient and reliable equipment unmatched by the competition.
Significant productivity results have been achieved in the precast segmental technology, adopting the 'span by span' method for the construction of elevated metro-rails and mass rapid transit systems and adopting the 'full span' method for the construction of high-speed railways and other important infrastructure works.

There are now numerous cases in which large international contractors entrust Deal with the design and supply of the entire special equipment package, from prefabrication to launch, so as to secure the strongest guarantees over the full production cycle.

The award to Deal of the supply contracts for the entire special equipment package in connection with **Metro Riyadh Project** in **Saudi Arabia** bears testimony to this. All three international contracting consortia that were awarded the execution of the three lots of the project, namely ArRiyadh New Mobility Civil Works Group (Salini-Impregilo, Larsen & Toubro, Nesma & Partners), BACS (Saudi Arabia Bechtel, Almabani General Contracting, Consolidated Contractors Company), FAST (FCC, Samsung C&T, Strukton, Freyssinet Saudi Arabia) entrusted Deal with the equipment supply contracts, which include **58 formwork sets, 6 gantry cranes** serving the prefabrication yards, **14 launching girders** and **7 couples of lifting frames**, in addition to **various engineering services and the supply of post-tensioning equipment and materials**.

Specialised Construction Solutions

The range of specialised services and products that the Group can provide to large international contractors is completed by the product and services offering of Tensacciai. Active since the early 1950s, Tensacciai has developed the full range of products associated with cable post-tensioning, cable-stays and ground anchor systems. Furthermore, Tensacciai can supply a full range of






bearings and joints (including spherical bearings and pot bearings, metal and/or rubber expansion joints), anti-seismic devices, oleo-dynamic supports, friction pendulums and seismic isolators, etc.
Tensacciai devotes considerable resources to research and development, investing in the identification and application of new materials, which are then brought to market after trials and certifications, also in consideration of technical standards and regulations that are continuously evolving.
Besides supplying these products, in line with the approach common to all companies of the Group and thanks to the continuous dialogue with its clients, Tensacciai is capable of developing customised technical solutions for specific project requirements, besides providing all the technical support required during installation, erection and testing.
The development by Tensacciai of an innovative solution, which calls for the simultaneous utilisation of post-tensioning steel cables and steel strands, has allowed for the award of the contract for the supply of the suspended covers of the main pedestrian thoroughfares of the **Expo 2015** area, namely the **Decumanus**, which crosses the entire site for 1.5 km from East to West, and hosts on both sides the national pavilions of the participating countries, and the **Cardo**, which crosses the Decumanus in a north-south direction and showcases the offers of the host country, Italy.

The Group has always been actively engaged in prestigious real estate development projects acting as a principal, or on behalf of select customers, from the public and private sector. Capitalising on its successful track record in real estate development, the Group positions itself on the market as the reliable partner to large developers as well as real estate investors and financial institutions. The Group has further strengthened organization and resources in the dedicated Real Estate Development division, with emphasis on project management and value-enhancement of property portfolios, with a view to obtaining a stronger accreditation with market players and partners. To this effect, as from 2011 all real estate development assets and initiatives of the Group have been consolidated into Iride Srl.

Among the most important real estate projects under way is the **rehabilitation of a vast land plot straddling Udine's historical city centre**, which is currently leased to utility company ENEL. The architects firm in charge of the design has been selected through an invitation-only competition.
This disused industrial area, currently incongruous with the surrounding urban context, will be transformed into a new residential neighbourhood with aggregate volumes of 43,000 m^3.

During the course of 2014, the Group has acquired 30% of Rilke Srl, the development company of the touristic and residential complex **Portopiccolo** in **Sistiana.** This is one of the most important **environmental and urbanistic requalification projects** of the past few years, with a tremendous impact on the surroundings as it transforms the site of a disused quarry into a charming and fully eco-sustainable seaside village in one of the most impressive stretches of the Adriatic. The initiative includes 456 residential units, 1300 underground car parks, a marina with 121 berths, a 5-star hotel under the Starwood Luxury Collection brand, a spa and beauty centre, a convention centre, a fitness area and a beach club, besides retail and exposition spaces, shops, restaurants and bars.

Design activities and other preparation works have continued in respect of the former site of the **Safau Steelworks**, situated immediately to the south of the Udine city centre, next to the railway station. The 75,000 m^2 area will become the object of a radical functional and urbanistic requalification.

Meanwhile is nearing completion the process to obtain land development and construction permits for the launch of **Ciasa Nivalis,** which calls for the faithful restoration to past appearances of a substantial traditional valley house complete of barn in **Cortina d' Ampezzo**.
The renovation is to yield 10 luxury apartments conjugating modern comforts with respect of nature and the local architectural style. The building is situated in a prime location, next to the pedestrian / bicycle track of the former railway line, and provides a striking example of the traditional architecture of the Valley of Ampezzo.

The process for the re-conversion permits for the ex **Upim** building in **Udine** is under way. The project calls for the realisation of retail units on three levels at the lower ground, ground and raised ground floors and prestigious residential units on the upper floors, for a total development surface of 11,000 m^2. This project represents a key contribution to the transformation and requalification of Udine's city centre.

Still in **Udine**, the new **Teatro 1 Development** (adjacent to the 'Giovanni da Udine Theatre') has been completed. The building was converted into a mixed use (residential and commercial) complex with volumes of about 20,000 m^3 and features eco-sustainable solutions attested by the A+ label. Over 90% of the units were sold before completion of the works in a process that commenced in 2011. All units were eventually sold in the first few months of 2015.

Focus

1 Headquarters of Intesa Sanpaolo
Turin - Italy

2 Jamal Abdul Nasser Street
Kuwait City - Kuwait

3 Waterview Connection
Auckland – New Zealand

Rizzani de Eccher. Focus 1

Headquarters of Intesa Sanpaolo

Turin (Italy)

client:
Intesa Sanpaolo Spa

The new Intesa Sanpaolo Office Building is a 167 m high tower situated in Turin in the area enclosed by Corso Vittorio Emanuele II, Corso Inghilterra and Via Cavalli, abutting the historical city centre and in proximity of the new railway station of Porta Susa, a neighbourhood of strategic importance in the urbanistic development plan for the city, characterised by the high density of services and commerce.

The tower, which will host offices and other functional spaces for the bank, develops on 38 floors above ground and 5 underground levels. As requested by the client, the building also accommodates public areas: a multi-function auditorium with 364 seats situated in the lower portion of the tower and a bio-climatic glass-house on three levels, with restaurant, exposition spaces and a panoramic terrace, in the summit portion.

Because of its particular concept design, which includes 6 perimeter mega-columns made of steel, on which is laid a reticular structure at a height of 30 m forming the base of the tower's elevation structures, the construction of the building has required the adoption of avant-garde construction solutions in terms of logistics and materials employed. Three luffing jib cranes with height of more than 200 m were utilised, whereas the reinforced concrete foundation plates, with total volume of 12,500 m^3, were cast with a continuous pouring with duration of less than 120 hours.

contract amount	Euro 269,000,000
commencement of works	March 2010
completion	April 2015
total development area	110,000 m^2
total area above ground	65,700 m^2
total area Car parks	18,000 m^2
steel structures	15,000 t
façades surface	58,000 m^2

The technological solutions adopted are very peculiar. The building's transport system includes 25 lifts and 4 escalators; 8 high-speed lifts reach 7 m/second. The auditorium can have three different audience configurations (hall with 364 seats on bleachers, hall without bleachers with or without seats), which can be modified through a system of motorised platforms, capable of lifting the bleachers and align them in seating rows. As regards the façades, on the east and west sides these features a double layer, which thanks to a system of ducts and canals built inside the floor slabs and connected to the façades, allows for the natural air conditioning of the office floors in the intermediate seasons; the south façade is equipped with photovoltaic panels for power generation.
The tower is designed to obtain the environmental sustainability LEED certification with one of the world's highest scores for buildings of this height.


17·09·13

Rizzani de Eccher. Focus 2

Jamal Abdul Nasser Street

Kuwait City (Kuwait)

client:
Ministry of Public Works Kuwait

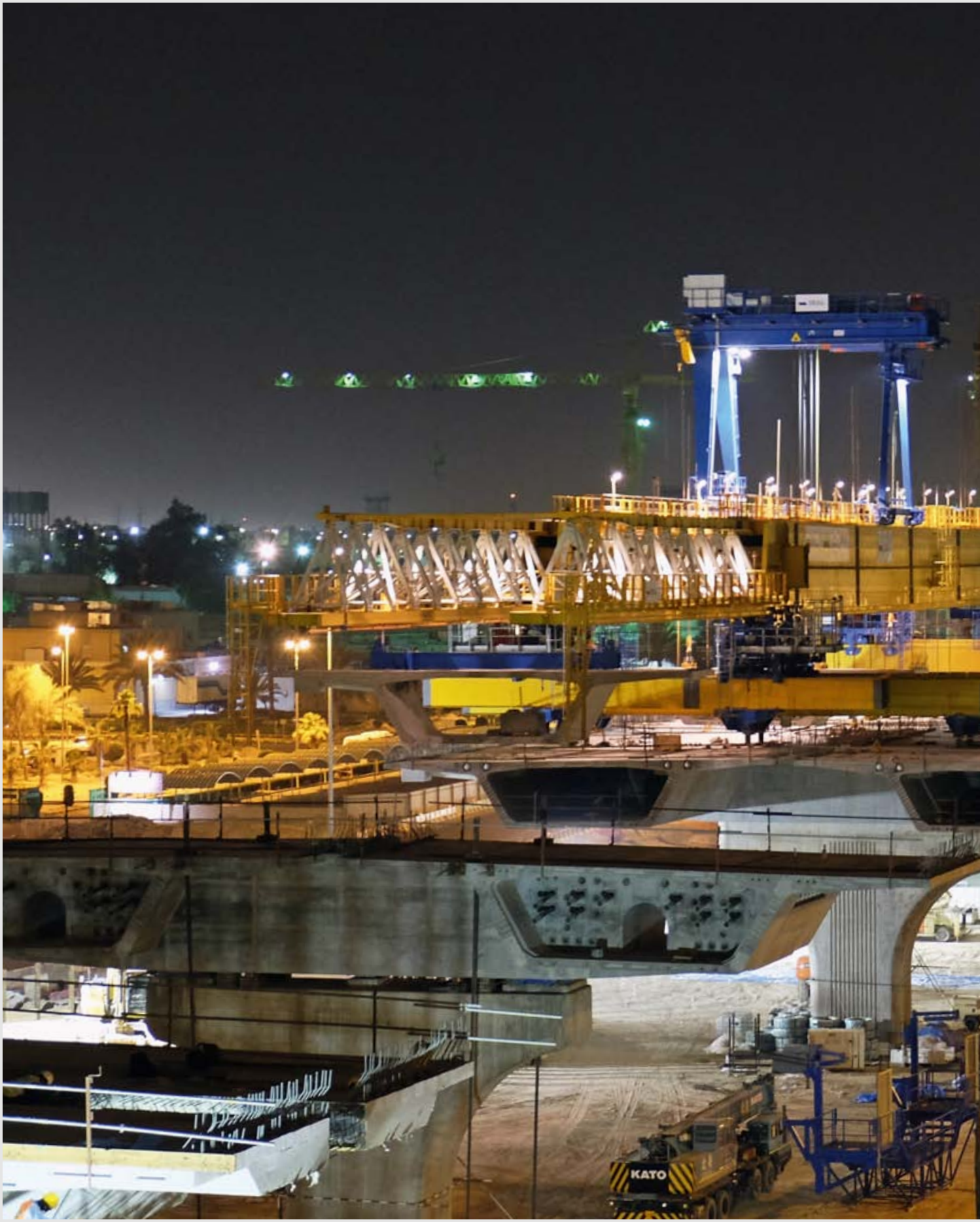
Jamal Abdul Nasser Street (also known as RA 167) represents one of Kuwait's most significant transport infrastructure developments to date, and is intended to upgrade the fast-flowing road system in a central and strategic area of the capital, Kuwait City.

The project calls for the conversion of the current urban road system into a highway with high traffic capacity, designed in line with international motorway construction standards in order to accommodate the ever increasing traffic flows projected for the next few decades.

By ensuring a fast flowing traffic, the project will also ensure easier access to the nearby hospital, the university and several government offices. The project also includes several upgrades of the main underlying services pertaining to the road, such as power lines, telecommunication cables, gas pipes and sewerage.

The project consists of an elevated highway 7.2 km long, with 6-8 lanes, interchanges (reaching up to 4 levels) and access/exit ramps, various roundabouts and pedestrian overpasses.

contract amount	Euro 644,000,000
commencement	February 2011
completion	November 2016
foundation piles (compressed, post-tensioned and bulkheads)	5900
bridge decks	348,946 m^2
prefabricated segments	7,613
concrete	700,000 m^3
reinforcement steel	160,000 t
post-tensioning steel	16,000 t
service roads	11 km
water mains and supply & irrigation network	66 km
high and low voltage cables	60 km
telephone lines	18 km
sewers	9 km
artificial tunnel in the lowered road section	717 m


KATO


ROBT JV

Deal. Focus 3

Waterview Connection

Auckland (New Zealand)

client:
Well Connected Alliance JV

The construction of the Waterview Connection, an important transit road to the west of Auckland, requires the simultaneous execution of many associated sub-projects, which range from the repositioning and upgrade of key underlying services along the road, to the construction of a very large interchange, and include the construction of New Zealand's longest tunnel.

Between 800 and 1000 will be employed full time on this project positioned in various building sites, including a large prefabrication yard, which represents the country's largest and best, as far as prefabrication is concerned.

The project calls for the design and build of a 4.8 km stretch of highway on 6 lanes, of which 2.4 km are in a tunnel, linking the north-west of Auckland (State Highway 16) with the south-west (State Highway 20). The project is divided in 3 distinct areas: (i) the south stretch from Maioro Road until the entrance of the tunnel, (ii) the middle section with the two tunnels and (iii) the north stretch from the tunnel exit until State Highway 16, including the Great North Road Interchange.

Deal has been involved specifically for the construction of this massive interchange, whereas it will supply the launching systems for the interchange's four access ramps, which will be built with the precast segmental method featuring V-shaped segment sections and cast-in situ upper slab. For this purpose a new launching system equipment has been designed and manufactured, which is likely to represent the state of the art of this construction technology.

Launching equipment LG 70/44	Euro 980,000

In fact, Deal had to strike the right compromise among different requirements, such as the requirement to reduce the equipment weight to the minimum in order to construct a very slender and aesthetically pleasing pier-cap, or the requirement to operate in conditions of heavy underlying traffic, with very tight curvature radiuses and variable span lengths. In particular, the horizontal and vertical (above all) curve radiuses have required Deal to devise an innovative support system for the beam launching, which can be adjusted via hydraulic jacks. All this was executed by Deal in full compliance with local standards and safety regulations, which in New Zealand are particularly stringent. Deal was able to sail through a lengthy and complex approval and testing process with success.

The launching operations started in February 2014 to the full satisfaction of the client, a joint venture among the most important local contractors such as The Fletcher Construction Company, McConnell Dowell Construction, Tonkin and Traylor, Beca Infrastructure, PB New Zealand and Japanese contractor Obayashi Corporation.

MANAGEMENT REPORT

Economic and financial position

The Consolidated Financial Statements for the accounting period ending on 31.12.2014 show total revenue of Euro 580 million (as opposed to Euro 572 million in 2013), EBITDA of Euro 20.7 million (it was Euro 16.6 million in 2013). Net profit for the year (after tax and minority interests) is Euro 13.7 million (against Euro 6.4 million in 2013).

General macro-economic picture and outlook for the Group

The year 2014 was marked by reasonable global growth, aided by low oil prices but slowed by negative factors such as low capital investments and the cooling of emerging economies.
In 2014, world GDP confirmed the positive *trend* of the preceding year (+3.3%). Among Western nations, the US economy has continued on its run (+2.4%) and the Eurozone has finally inverted the trend, posting a +0.8% (against a -0.5% in 2013), led by Germany that grew +1.5%, while the second largest economy in the Eurozone, France, grew by 0.4%. Italy slowed down on its negative trend posting a -0.4%, which represents a marked improvement as opposed to the -1.9% recorded in 2013. BRICS locomotives like China and India, despite some cooling, still post above average growth rates of 5.8% and 7.4% respectively (source: *World Economic Outlook* – FMI).
Growth in the US economy has exceeded expectations, characterised by a fall in unemployment, an increase in internal demand, aided by low oil prices, and by an expansionary fiscal and monetary policy. The Japanese economy, conversely, fell into a technical recession, with internal private sector demand that fell below expectations against a backdrop of falling investment rates.
Developing and emerging economies, albeit posting positive growth rates on the whole, fell slightly behind on account of three reasons: a slow-down in China and Asia Pacific economies, the gloomy outlook for Russia mired in the Ukraine crisis, and the negative outlook for commodities prices affecting commodities export-driven economies.
As concerns Russia, which is one of the Group's key markets, we underscore the sudden deterioration of the country's economic outlook as a result of the trade sanctions imposed by the United States and the European Union, which have seriously hindered trade flows and not only have they caused the country to enter into a recession, but they have also put the local currency under pressure causing a sharp devaluation. The devaluation of the rouble has had strong impact on those European economies trading with Russia; it's only just recently that the currency has stabilised and shown timid signs of recovery.
In Italy, the main macroeconomic indicators in 2014 have pointed at a fragile recovery, yet still a recovery, fed by exports, which in turn have been aided by a weaker euro, and supported by oil prices at their lowest levels in the past few years. In addition, there have been timid signs of recovery in domestic demand, although this continues to be affected by the general lack of confidence of consumers and investors and the strong fiscal pressure weighing upon households and corporations, while the incumbent government struggles with the reduction of public spending.

Partly as a result of the bleaker economic outlook in its domestic market, the Group has continued to pursue in 2014 its strategy of expansion in overseas markets, focusing in particular upon consolidating its grip on markets where it already has a presence, such as Algeria and Russia, and rekindling its commercial efforts in countries that have historically contributed a lot to the Group, such as Qatar.
At the same time the Group has actively pursued new opportunities and strategic alliances in new promising areas, such as Australia and South America.
In the medium term, the bleak picture offered by the Italian construction market, particularly as concerns the infrastructure sector, makes it unlikely for concrete opportunities to arise domestically, notwithstanding the endeavours of the Group and particularly of its subsidiary Sacaim, now fully integrated within the Group, which has acquired only some small contracts during the year under review.

The Group's order book as at 31.12.2014 reached Euro 2,569 million (as opposed to Euro 2,317 million at year-end 2013). More than 90% of such backlog is represented by foreign orders, while, in terms of revenue contribution, overseas contracts generated about 70% of the value of production in 2014 (it was about 50% in 2013, chiefly as a result of high production rates achieved to complete the projects of Portopiccolo residential complex and headquarters of Intesa San Paolo).

Among the most important new projects that were added to the existing backlog during 2014, the following stand out:

_the construction of the Dynamo VTB Stadium for a contract amount of ca. Euro 525 million, which complements the contract previously acquired for the construction of residential and commercial buildings surrounding the

stadium in the area denominated 'VTB Arena Park';
_the upgrade and enlargement of a stretch of the M4 highway in Sydney, in *joint venture* with the most important *general contractor* in Australia. The contract is worth approximately Euro 200 million of which 50% is attributable to the Group;
_the construction of a highway bridge in Saint Petersburg, Russia, in a Euro 34 million contract associated with a much larger highway infrastructure project being carried out by another important Italian contractor;
_the construction of a hydraulic tunnel called 'Al Hayaer' in Saudi Arabia, for a total contract amount of Euro 58 million, of which 50% attributable to the Group;
_the rehabilitation of the historical 'Fondaco dei Tedeschi' building on the Grand Canal in Venice, for a total contract amount of Euro 23 million.

We also underscore the relentless commercial endeavours by the Group companies that are engaged in the design and supply of special equipment and components for the construction of bridges and viaducts, which have led to the acquisition of new orders for over Euro 80 million in 2014. Such orders have been partly fulfilled during the year under review, and the residual backlog will be completed during 2015 and 2016.

Within the framework of a complex transaction that closed in July 2014, the Group parent acquired a 30% stake in Rilke Srl, a limited company and transferee of the assets of the Rilke Real Estate Investment Fund, whose asset management company, Serenissima SGR Spa had originally awarded the construction works for the Portopiccolo resort complex to Rizzani de Eccher.

During the year under review, the projects that have contributed the greatest share of consolidated revenue were the completion works at Portopiccolo and Torre Banca Intesa, which generated Euro 107 million in revenue, as well as the railway Tlèlat–Tlemcen in Algeria, the VTB Arena Park project and the Jamal Abdul Nasser Street in Kuwait City.

On the basis of the planned development of the existing orders book, we expect revenues (or value of production) to grow further in 2015. As underscored in previous Annual Reports and in keeping with the Group's prudent business strategies, further growth will be as usual pursued in a balanced manner, with strong regard to profitability and returns on investment.

For further comments and summary data on the Group please see the section '2014 at a glance'.

Treasury shares and shares in parent companies

Rizzani de Eccher Spa does not have ownership of any of its own shares or shares of its own parent company, either directly or indirectly, through affiliated entities, trustees or nominees.

Research and development

For the year 2014, it was decided to capitalise certain research and development expenditures incurred by subsidiary Tensacciai, in consideration of their suitability to be capitalised on the basis of prevailing accounting standards. It should be noted at the same time that the technical departments of subsidiary Deal undertakes constant research and development activities and all associated costs are normally expensed in the income statement. These activities have enabled the Group to become a world leader in the design and fabrication of special equipment for the construction of bridges and viaducts, a leadership that the Group intends to maintain by continuing to invest in research.

Financial instruments: objectives and policies of the Group and description of risks

Pursuant to the provisions of art 40, section 1 and 2, sub-section d) bis of Legislative Decree 127/1991 we report the main risks and uncertainties to which the Group is exposed, as well as the financial transactions, securities and instruments in which the Group is engaged or has open positions consist of net cash and cash equivalents, trade payables and receivables, advance payments from customers, bank debt and leasing and factoring liabilities.

Market risk, operational risk and price risk

The Group is chiefly engaged in the construction business, specifically in the construction of residential buildings, office buildings, industrial buildings, sports complexes, hospitals, hotels, military infrastructure, large-scale restoration works and large infrastructure projects such as roads, highways, railways and subways. Normally, Group companies operate as main contractor, acting alone or in *joint ventures*. Furthermore, through subsidiaries Deal and Tensacciai, the Group provides the engineering, design and fabrication of machinery, special equipment, post-tensioning systems, anchors, cable-stays, joints and bearings, for the construction of bridges and viaducts. The Group is actively present in the

following countries: Italy, USA, Canada, UAE, Qatar, Kuwait, Bahrain, Lebanon, Saudi Arabia, Russia, Algeria, Australia and Vietnam.
The Group is therefore exposed to the general macro-economic risk of the countries in which it operates.
The investment choices in buildings and infrastructures of potential clients are in fact influenced by the particular conjuncture in the economic cycle, whose principal variables are gross domestic product (GDP), fixed investment and capital formation, inflation rate, interest rate and exchange rate. It is therefore entirely possible that adverse macro/micro economic environments as well as deteriorating social and political frameworks in the countries of operation may expose the Group to production slowdowns, contract suspensions and/or in extreme cases even the cancellation of ongoing contracts. Moreover, the construction business (managing complex projects against a deadline in different environmental and regulatory contexts) typically implies a series of operational and execution risks, which can be mitigated but never entirely neutralised.
With regards to the risk of materials price escalation, if the projects require the purchase of raw materials which are subject to price fluctuations, appropriate hedging strategies that minimize this risk are assessed and implemented wherever and whenever possible.

Counterparty credit risk

Credit risk consists of the Group's exposure to potential losses deriving from clients who fail to fulfil their obligations.
Although the Group operates in areas that may require the active management of country risk, its counterparts are sovereign states, governmental entities or primary private clients well known internationally and entrusted by primary financial institutions.
Credit risk management strategies are articulated in several phases, beginning with due diligence on the counterpart and the project, moving on to the negotiation and finalisation of a well drafted contract, and ending with the punctual and attentive management of the contract itself once this becomes effective.

Liquidity risk

Liquidity risk consists of the risk that the Group's liquid resources may not be sufficient to meet its obligations in a timely manner and as agreed.
Management believes that the Group generates adequate cash flow to cover its requirements; that the maturity profile of short and medium-to-long term liabilities is well balanced and that it matches the corresponding maturity profile on the asset side of the balance sheet. Management further believes that, in consideration of the Group's net short-term financial position, calculated as before by excluding advance payments received from clients, which are treated as trade payables, and advance payments made to suppliers, which are treated as trade receivables, being positive for Euro 32 million (albeit the overall net financial position is on the whole negative) and the credit lines entrusted by the banking sector, which the Group can access at any given time, this risk to be negligible.

Interest rate risk

Bank credit lines made available to the Group are drawn under tenors and structures, which make for a balanced mix between short and medium term liabilities. The weighted average cost of debt was on average 2% in 2014.

As at 31.12.2014 no derivative contracts were in place for hedging purposes. It is the Group's policy to enter into derivative contracts solely for the purpose of hedging underlying transactions associated with normal operation requirements, and avoid speculative positions.
In keeping with its prudent management principle and a general aversion to risk, the Group deals only in liquid securities and instruments, with primary financial institutions as counterparts.

Foreign exchange risk

The Group's extensive international presence means exposure to currency fluctuation risks.
The Group's policy and overriding objective is to strike a balance by matching the currency of inflows (revenue) with the currency of outflows (payments to local subcontractors and suppliers) for every project and then a consolidated basis. In the event that it is not possible to achieve such balance, the Group does consider specific currency hedging transactions to protect against currency mismatches and losses, transactions which in any event never have a speculative intent. In this connection we remark that as at 31.12.2014 the Group was involved in 2 currency forward contracts, through its subsidiary Deal.
As concerns the sharp devaluation of the rouble against the euro at the end of the year, we report that this has not impacted the operations of the ongoing projects in Russia, which can be partly ascribed to the fact that the clients remain solid and solvent. The situation however does require that all variables and their repercussions be attentively monitored. Meanwhile, after the closing of the financial year, the rouble has shown signs of recovery and is slowly strengthening.

Information concerning the staff, environment and organization

For detailed disclosure in the matter of human resources, health, safety and the environment, we refer the reader to the sections titled 'Human Resources', 'Safety and Health' and 'Sustainable Development'.

Significant events occurring after closing of the financial year

The month of April 2015 witnessed the signing of the contract for the construction of a lot of the 'Red Line' Metro in Doha, Qatar, following upon the notice of award issued at the end of 2014. The contract, for an amount of Euro 550 million, will be carried out in joint venture with a local partner and another international general contractor. In consideration of very tight delivery deadlines, preparation works and preliminary activities have started forthwith, since the success of the project depends on the rigorous respect of these deadlines.
In the opinion of the Management, there are no other significant events that have occurred after the closing of the financial year, which may have an impact on the situation represented by these Consolidated Financial Statements.

Business outlook for 2015

On the basis of the information herein provided, the year 2015 will be marked by further growth against a volatile backdrop, which requires a prudent and balanced approach to the evaluation of risk.

Revenue (value of production) in the first quarter of 2015 was in line with the preceding year, around Euro 140 million.
The pursuit of profitability levels capable of adequately remunerating the capital invested, the mitigation of risks associated with the order book and the improvement of the financial position represent the main objectives to be pursued by the Group in 2015.
The continuous increase in the average size of the projects undertaken by the Group, coupled with their increasing complexity, will require substantial organisational skills, which the Group is putting in place by promoting the professional growth of existing human resources and, where appropriate, sourcing talent from outside.
The Management remains committed to preserving and developing the know-how acquired thus far while seeking to unlock business synergies through international partnerships and acquisitions.

NOTES TO THE ANNUAL REPORT

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements as of 31.12.2014 provide a clear picture of the balance sheets, income statements and cash flow statements of the following companies:
_ Rizzani de Eccher Spa
_ Subsidiaries (Appendices 'A' and 'B').
The Consolidated Financial Statements were drawn up in accordance with the following Legislative Decrees: no.127/91; no.213/98; no.6/03 and no.37/04, and no. 32/07.The Group waived the exemption right contemplated by Art 27 (subsection 3) of Legislative Decree 127/1991 in the matter of Corporate Disclosure.
For the purposes of consolidation, the Financial Statements as at 31.12.2014 of the subsidiaries and associated companies forming the Group, as drafted by their Boards and approved by their respective Shareholders' Annual General Meetings, have been used. These Financial Statements are truthfully derived from the corresponding entries in the ledgers and books of the companies duly kept and properly maintained in full compliance with the provisions of Art 2423 et seq. of the Italian Civil Code, save for consolidation adjustments for the sake of consistency with Group policies.

Scope of consolidation

The consolidation perimeter of the Group includes the companies and consortia listed in:
_ appendix 'A': i.e. companies consolidated using the full or line by line consolidation method;
_ appendix 'B': i.e. companies consolidated using the proportional or equity method.
In accordance with Art 28 (subsection 2) of Legislative Decree no. 127/1991, the subsidiaries and associated companies listed in appendix 'C' are not consolidated.
As opposed to the Consolidated Financial Statements as at 31.12.2013, during 2014 the consortium company Fondaco Scarl and the limited company Constructora Rizzani de Eccher Ltda entered the Group consolidation perimeter and have been consolidated with the full method, while consortium companies Adria Scarl, Jona Scarl, Fama Scarl and Consorzio Mantegna exited the same consolidation perimeter over the same period.

Principles and basis of consolidation

The Financial Statements of foreign subsidiaries and associated companies have been converted into Euro using year-end spot exchange rates for balance sheet items and year-average exchange rate for income statement items. The foreign currency-denominated ending balances of overseas branches of the companies included in the consolidation were converted using the average rate of December. The following exchange rates were adopted (rounded to the nearest decimal):

Currency		Spot Rate 31.12.2014	Average Rate FY 2014
US Dollar	USD	1.21	1.33
Canadian Dollar	CAD	1.41	1.47
Australian Dollar	AUD	1.48	1.47
Russian Rouble	RUB	72.34	50.95
Ukrainian Hryvnia	UAH	19.20	15.86
UAE Dirham	AED	4.46	4.88
Kazakhstan Tenge	KZT	221.46	238.16
Qatari Riyal	QAR	4.42	4.84
Tajikistani Somoni	TJS	6.44	6.55
Azerbaijani Manat	AZN	0.95	1.04
Algerian Dinar	DZD	106.61	106.87
Lebanese Pound	LBP	1,830.26	2,002.71
Saudi Riyal	SAR	4.56	4.98
Vietnamese Dong	VND	25,972	28,154
Kuwaiti Dinar	KWD	0.36	0.38
Bahrain Dinar	BHD	0.46	0.50
Brazilian Real	BRL	3.22	3.12

The following principles were adopted in consolidating Financial Statements with the full consolidation method:

a. the value of the equity investments carried in the books at cost is replaced by the net asset value (difference between assets and liabilities) of the same subsidiary company as resulting at the date of consolidation; at the same time the parent company assumes all assets and liabilities of the subsidiary. If as a result of this any positive consolidation difference arises, this is booked to the assets of the subsidiary to the maximum extent possible, and if any positive consolidation difference remains, this is booked as a consolidation difference. Conversely, if a negative consolidation difference emerges, this is booked as an increase of the Group shareholders' equity under the item 'consolidation reserve';
b. related-party transactions giving rise to intra-group payables/receivables and revenue/expenses are offset against each other;
c. unrealised gains and losses arising from related-party transactions are eliminated;
d. minority interests over the equity of consolidated companies and over their income are indicated indiminution of such items in the Consolidated Financial Statements;
e. dividend pay-outs from consolidated companies to other consolidated companies are eliminated.

Participations in joint ventures and other companies included in the consolidation process over which control is exercised in a joint manner together with outside partners are consolidated using the proportional or equity method, booking their assets, liabilities and share of net income to the parent's Consolidated Financial Statements pro-rata in proportion to the percentage of ownership detained.

Accounting principles and valuation criteria

These Consolidated Financial Statements have been prepared in order to represent a true and fair view of the financial position and results of operations of the companies included in the consolidation perimeter.
As regards the consolidation of foreign branches and permanent establishments, any unrealised currency translation gains are offset against similar unrealised foreign currency losses and any associated tax liability, and then booked to the Group consolidated shareholders' equity. On the contrary, in the balance sheets of the subsidiaries, the unrealised currency losses are booked as accruals. Save for the above and for the accounting of leasing contracts under the capital lease method, the evaluation criteria and accounting principles adopted in the financial statements of consolidated companies are the same as those adopted in the financial statements of the parent and there have been no changes as opposed to previous financial years.
The items of the current consolidated accounts as at 31.12.2014 are comparable to those of previous financial years.
We clarify that the accounting principles and the valuation criteria adopted in the preparation of these Financial Statements are those imposed by Italian laws currently in force, as integrated by the accounting principles issued by Italy's National Council of Tax Advisors and Accountants, as amended by OIC (Italian Accounting Organization). We also point out that the review and update process of Italian GAAP (generally accepted accounting principles) initiated by OIC in 2010 drew to a close in 2014. This process was initiated with the aim of keeping up to date with the fast-pace developments in the field of accounting as a result of changes in the regulatory framework and changes in domestic and international accounting practices. The new set of principles is to be applied starting with financial statements as at 31 December 2014. Any changes or distortions caused by the adoption of these new principles are highlighted and commented in these Notes.
Specifically, we point out that under the new principles, the costs associated with project mobilisation and start-up of building sites as well as project design costs, previously booked as intangible assets and amortised pro-rata with the progress of the project they refer to, are now booked as prepaid expenses. For comparison purposes, the same reclassification was operated on the 2013 financial statements. The ascription to income statement of these costs is made by traditional or activity-based costing and no longer by depreciation charges. Also in this case the same reclassification was operated on the 2013 financial statements.
We also remark that under the new principles, receivables sold to a third party with 'recourse' continue to be booked as assets, matched by the corresponding factor payables in the liabilities section, under the item 'amounts owed to other lenders'. Prior to the adoption of the new principles, receivables sold with 'recourse' were treated as off-balance sheet items, posting the risk of reversion in the Memorandum Accounts by booking the amount of the factored advance received. With the aim of making the 2014 accounts comparable to the 2013 financial statements, the same reclassification was operated on the 2013 accounts on the items 'client receivables' and 'payables to other lenders' (Euro 54.1 million).
The main evaluation criteria adopted in the preparation of these Consolidated Financial Statements are detailed below.

Intangible assets
Intangibles are booked at historical cost net of accumulated amortisation. Intangibles are amortised in proportion to their useful life.

Regardless of accounting depreciation, in the event of depreciation, loss of market value or other permanent impairments, intangible assets are written down based on prudent principles. With the exception of goodwill, formation and start-up expenses and research, development and advertising costs, depreciated intangible assets may if the circumstances warrant doing so in future financial years, be reinstated at their original value less the amortisation charges accumulated in the period.
If precise 'loss of value' indicators exist in connection with an asset class, such loss of value is to be assessed precisely via an impairment test, as specified by the new accounting principle OIC9.
Goodwill paid, that is any excess of acquisition cost over net book value and originating from the acquisition of business units of other companies, is booked (with the prior consent of the Board of Auditors) on the basis of the actual cost incurred and is amortised on a straight-line basis over a period of 10 years, in accordance to what is deemed as its useful life.
Likewise, consolidation differences emerging from the difference between the paid acquisition price and the pro-rata share of net asset value is amortised over a 10-year period.
Intellectual property rights (patents and trade-marks) are booked at their acquisition cost and amortised in equal instalments over a period of 5 years (patents) or 18 years (trade-marks).
Incorporation, start up and development expenses are capitalised (with the prior consent of the Board of Auditors) on the basis of the actual cost incurred and amortised on a straight-line basis over a period of 5 years.

Asset category	Annual rate
Buildings	3%
Operating machinery and special equipment	15%
Excavators and mechanical shovels	20%
General systems	10%
Photovoltaic systems	3%-4%
Formwork and scaffolding	25%
Light vehicles	25%
Heavy vehicles	20%
Miscellaneous equipment	40%
Light constructions	12,5%
Office furniture and equipment	12%
Electronic and electromechanical office equipment	20%

Fixed assets.
Fixed assets are booked at their purchase cost or internal production cost. Fixed assets are depreciated during each accounting period at assigned rates that vary according to category and are indicated in the table at the side. The depreciation rates are determined on the basis of their useful life and residual value, taking into account economic and technical factors. The assigned depreciation rates are reduced by 50% for new assets in their first year, in accordance to the average degree of their utilization.
The depreciation of fixed assets of subsidiaries Rizzani de Eccher USA Inc. and Rizzani de Eccher Bahrain SPC is applied on the basis of different economic and technical factors. These consider the specific utilisation of machinery in the production process.
All goods of value not exceeding Euro 516.46 and unless independently valued otherwise, are expensed in their year of purchase, provided that their useful life is within the same year.
Regardless of accounting depreciation, in the event of depreciation, loss of market value or other permanent impairments, tangible assets are written down based on prudent principles. Depreciated tangible assets may if the circumstances warrant doing so in future financial years, be reinstated at their original value less the depreciation charges accumulated in the period.
If precise 'loss of value' indicators exist in connection with an asset class, such loss of value is to be assessed precisely via an impairment test, as specified by the new accounting principle OIC9.
Recurrent maintenance charges are booked as expenses in the income statement. Extraordinary maintenance charges are booked as incremental value to the assets they refer to and depreciated pro-rata in accordance to the assets' residual useful life.

Leased assets
Assets acquired under lease contracts are accounted for in the consolidated balance sheet as capital leases, save for any adjustments applicable in the event that the relevant consolidated subsidiaries account for the same leasing contracts under the operating lease method. Therefore:
_ leased assets are booked as fixed assets at their purchase cost as of the date of commencement of the leasing contract and are regularly depreciated in accordance with the assumed economic life of the assets;
_ the outstanding lease balances, which comprise of outstanding leasing instalments payable and the residual or redemption value of the assets, are booked as a payable in the section 'Amounts owed to other lenders';
_ the interest portion of leasing instalments is recognised as an expense in the income statement reflecting a flat interest rate on the outstanding principal.

Investments

Equity investments in subsidiary or associated companies which are not fully consolidated are carried at their pro-rata share of net asset value (NAV). Other investments in companies and entities that are of minor relevance are carried at cost, based on purchase price or share subscription price.

Equity investments are written down in the event of long-term loss or diminution of value, specifically in the event that the investee incurs substantial losses that are unlikely to be reinstated by the subsequent generation of earnings. Investment in securities are booked at cost and adjusted for any long-term loss of value. Written down investments may be reinstated at a higher value in future fiscal years if the circumstances warrant it. Other long-term investments such as loans and debentures are valued at the assumed net realisable value at maturity.

Inventories

Raw materials are valued at the lower of purchase cost and net realisable value. Works in progress that have duration of more than 12 months include works that have been completed but have not yet received final commissioning and are valued on the basis of their physical progress, with the exception of works in progress in certain overseas projects, whose valuation is made on a 'cost to cost' basis, as this method offers a better representation of the economics of the specific construction contracts involved. Works in progress, as attested by approved progress certificates, are booked net of any advances already paid by clients.

Works in progress expected duration of less than 12 months are booked on the basis of the related cumulative costs and expenses incurred to date. Works in progress expected duration of less than 12 months are booked on the basis of the related cumulative costs and expenses incurred to date.

Provisions against probable losses from ongoing projects are booked as a reduction of the corresponding project-specific inventories and works in progress, in so far as these are large enough to accommodate such diminution of value, while any excess provision is booked as a contingent liability. The same treatment applies to sums set aside against claims and losses arising from completed projects: these are booked as contingencies in the liabilities section of the balance sheet.

Works in progress of proprietary real estate developments are valued with reference to their production cost calculated by adding all imputable direct costs, and excluding indirect costs such as selling, general, administration and interest expenses.

Completed portions of proprietary real estate developments are valued at the lower of replacement cost and net realisable value.

Receivables and payables

Trade receivables are entered at their presumed realisation value. Credit for interests on overdue receivables accruing until 31.12.2002 are carried at their nominal value, offset by penalty interest accruals in the corresponding tax exempt fund over the same period.

Credit for interests on overdue receivables accruing in subsequent periods are posted at their assumed net realisation value, while any corresponding penalty or default interest is booked on an accrual basis only as a result of warranting circumstances.

In compliance with the new accounting principle OIC15, receivables that are sold on a non-recourse basis are removed from the balance sheet solely upon the condition that all risks associated with the receivable being sold are also transferred to the transferee. Conversely, receivables being sold with recourse continue to be booked in assets as client receivables, matched by booking the corresponding factor payable in the liabilities.

Payables and other debts are booked at their face value.

Employees' severance indemnity

Accruals to the employee severance indemnity are made on the basis of the amounts actually owed to employees at the end of each accounting period, calculated in accordance with relevant legislation and the applicable employment contracts.

Management reports that pursuant to the modifications to the employees' severance indemnity by Law 296 of 27.12. 2006 and ensuing regulations, the accruals to the employees' severance indemnity from 01.01.2007 onward (or any successive date) can be placed, at the option of the employee, with the Treasury Fund at INPS (Social Security Agency) or with private sector funds.

Any revaluations of the severance fund due to indexation or accrued legal interest carried out in the period before and up to 31.12.2006 are included in the fund's net asset value.

Accrued income and expenses and prepaid income and expenses

They are calculated on the basis of the accounting periods to which they refer. As already outlined in the preceding sections regarding the adoption of the new OIC accounting principles, project preliminary and project pre-operating expenses (such as tender costs, mobilisation costs and design charges) are booked in the balance sheet as prepaid expenses, and their ascription to income statement is made pro-rata over time in proportion to the progress of the project to which they are related.

Revenue and cost recognition

Revenues from the sale of materials, semi-finished and finished goods are recognised as of the time of delivery of goods. Revenues from the sale of services are recognised as of the time of the completion or delivery of service.

Revenues from works in progress under contract terms equal to or exceeding 12 months are recognised as of the time of formal attestation in a progress certificates endorsed by customer.

Revenues from works in progress under contract terms of less than 12 months are booked as of the time of completion or delivery. Contractual claims are booked as revenue only in the event of favourable judgments or arbitration verdicts, provided that objective circumstances warranting the claim do exist.
Costs and expenses for the purchase of goods and services are booked with reference to the corresponding revenue items as described above.

Corporate Income tax
Income tax for the accounting period is calculated on a time accrual basis. Tax charges are determined on the basis of relevant tax regulations during the accounting period.
Deferred tax assets and liabilities are calculated on the basis of any mismatch (provisional difference) between accounting and fiscal valuations of assets and liabilities, applying the projected tax rate presumed to be in effect as of the time when such differences arise. Deferred tax assets are recognised only if Management is of the reasonable opinion that they will be refunded. Deferred tax liabilities are recognised with respect to taxable amounts arising from accounting and tax valuation mismatches, except in the event that Management is of the reasonable opinion that such liabilities are unlikely to arise. For this reason, no deferred tax liabilities were set off against the corresponding tax-exempt reserves in shareholders' equity, in consideration that no transactions giving rise to deferred tax liabilities are likely to occur.
Net balances between tax assets and tax liabilities are offset against each other as and whenever permitted by relevant laws.

Memorandum accounts
The memorandum accounts include back-to-back guarantees provided by the Group on behalf of subsidiaries and associated companies not consolidated and third party beneficiaries, in compliance with Art 2424 of the Italian Civil Code. The memorandum accounts also include bank and insurance guarantees in the form of performance bonds, retention money guarantees and bid bonds issued in support of the Group's obligations. To avoid duplications and uphold the principle of clarity of these Financial Statements, bank and insurance guarantees issued as a surety against client advance payments received are not included in the memorandum accounts, but are discussed in the Notes to the Financial Statements.

Derivative contracts
Derivative contracts on interest rates and foreign currencies are booked in accordance to whether they meet the relevant regulatory requirements which qualify them as hedging contracts or speculative contracts. For interest rate derivatives qualifying as hedging contracts, only the portion of interest associated with the periodic liquidation of the maturing contract differential is booked. The contract fair value is indicated in the Note to this Annual Report but it's not reflected in the balance sheet. For interest rate derivatives that do not qualify as hedging contract and whose fair value is out of the money, a payable corresponding to the total exposure towards the counterparty is booked in the liabilities. If the contract's fair value is in the money, no receivable is booked in the assets. As regards currency derivatives, one must differentiate between forward contracts and options. In currency forward contracts qualifying as hedging contracts, the differential between spot rate and forward rate at year-end is booked in the accounts. Otherwise, in the case of currency options for hedging purposes, it is the option premium paid at the time of subscription distributed over the option life that is booked in the accounts (i.e. the premium divided by the number of years to the option expiration), while the associated fair value of the option is indicated in the relevant section of the Notes to these Financial Statements. Currency forward contracts not qualifying as hedging contracts are instead booked as a counterparty payable if out of the money, or counterparty receivable if in the money. Currency options not qualifying as hedging contracts are booked as a counterparty payable only when their fair value is out of the money. If the speculative currency option is in the money, no unrealised gain is booked in the accounts. The determination of fair value of derivative contracts is made in accordance with generally accepted valuation methods and models. Besides fair value of derivative contracts, the Memorandum Accounts section in these Notes to Financial Statements also show the notional amounts of open derivative contracts as at year-end.

Foreign currency transactions
Foreign currency transactions are converted in Euro at the spot exchange rate as of the date of the transaction.
Assets and liabilities denominated in foreign currencies are converted in Euro at the year-end spot exchange rate, and any associated foreign currency translation gains or losses are booked to the income statement.

Additional information
The disclosure of information required under the provisions of Art 38 of Legislative Decree no. 127/1991 is provided along with supplementary comments item by item in the same order as they appear in these Financial Statements. The Group has not exercised its waivers under the provisions of Art 29 subsection 4, of Legislative Decree no. 127/1991.

Audited financial statements
Pursuant to Art 2409-bis of the Italian Civil Code and the Art 13, subsection 1, of Legislative Decree no. 39 of 27.01.2010, these Consolidated Financial Statements have been audited by Reconta Ernst & Young Spa.

Balance Sheet analysis

Assets

B. Non-current assets

I. Intangible assets: intangible assets were Euro 2,079,828 as at 31.12.2014. Details of the breakdown and the changes in the accounting period are provided in appendix 'D'.

1. Formation and start-up expenses: as at 31.12.2014 formation and start-up expenses amounted to Euro 366,211 and consisted mainly of the capitalisation of costs incurred in 2013 connection with the acquisition of a portion of the business of Sacaim Spa (Euro 344,285 net, after offsetting the associated depreciation fund).

2. Research, development and advertising costs: these were Euro 250,322 as at 31.12.2014 and refer to research and development costs incurred by Tensacciai. These capitalised costs are amortised over a period of 5 years.

3. Patents and intellectual property rights: they amounted to Euro 174,050 as of 31.12.2014 and consisted of intangible assets such as patents and I.P. rights acquired by Deal with the acquisition of its controlling stake in Tensacciai.

4. Concessions, licenses, trademarks and similar rights: they amounted to Euro 45,139 as at 31.12.2014 and consisted of intangible assets such as trademarks, logos and similar licenses acquired by Deal with the acquisition of Tensacciai.

5. Goodwill: goodwill was booked for Euro 240,000 as at 31.12.2014 and was entirely attributable to the acquisition of the post-tensioning and stay-cables business of Tensacciai. Goodwill is amortised in a straight line over a period of 10 years in relation to the expected generation of returns and the economic life of the investment.

5 bis Consolidation differences: as of 31.12.2014 they summed up Euro 211,203 and could be ascribed as to Euro 127,781 to Rizzani de Eccher USA and as to Euro 83,422 to Riflessi Srl. The Rizzani de Eccher USA consolidation difference is amortised over a period of 10 years, which is deemed to fairly represents the useful life of such intangible asset. The Riflessi Srl consolidation difference won't be amortised since it is correlated to the unexpressed gains on its underlying stock of real estate: such gains will be booked to the income statement only upon their realisation in the event of a sale.

6. Intangible assets under formation and prepayments: this item amounted to Euro 628,717 as at 31.12.2014, and was represented by research and development expenditures incurred by Tensacciai in relation to ongoing projects.

7. Other intangible assets: other intangible assets were Euro 164,186 as at 31.12.2014 and were primarily composed of prepayments for the purchase of software programs. We remind the reader that as a result of the adoption of new accounting principles, site mobilisation, design charges and pre-operation expenses (which were booked as other intangible assets up until last year) are now booked as prepaid expenses. In order to make the 2014 accounts comparable to the previous year's figures, a similar reclassification has been operated on the 2013 accounts for Euros 6,693,922.

II. Fixed assets: these include land and buildings, plant and machinery, equipment and other assets for a total net book value of Euro 59,004,885 as at 31.12.2014. The breakup between historic cost and accumulated depreciation is detailed in table at the top in the opposite page.

The relevant transactions concerning changes in fixed assets related to the current financial year are highlighted in appendix 'E'.

III. Investments: as at 31.12.2014 investments amounted to Euro 33,550,907 (Euro 11,401,107 as at 31.12.2013) and comprised of equity investments, medium and long term loans and securities.

Fixed assets	31.12.2014	31.12.2013
Land and buildings	35,660,837	35,774,753
Accumulated depreciation	(6,151,084)	(5,425,008)
Land and buildings	29,509,753	30,349,745
Plant and machinery	50,526,969	48,269,612
Accumulated depreciation	(27,923,064)	(23,322,191)
Plant and machinery	22,603,905	24,947,421
Tools, fittings, furniture, fixtures and other equipment	15,520,371	13,956,646
Cumulative depreciation	(10,954,093)	(9,520,873)
Tools, fittings, furniture, fixtures and other equipment	4,566,278	4,435,773
Other assets	4,114,064	4,006,085
Accumulated depreciation	(2,395,545)	(2,460,829)
Other fixed assets	1,718,519	1,545,256
Tangible assets under construction and prepayments	606,430	58,501
Total fixed assets	**59,004,885**	**61,336,696**

1. Equity investments: equity investments reached Euro 25,587,104 as of 31.12.2014 (as opposed to Euro 3,496,954 as of 31.12.2013). A detailed breakdown of equity investments in subsidiary and associated companies, amounting to Euro 26,026 and Euro 20,338,479 respectively, is shown in the following tables.

As at year-end in 2014, the Group held other equity investments for an aggregate Euro 5,222,599 (as opposed to Euro 1,163,858 as of 31.12.2013). The year-on-year increase is due to the acquisition of a participation of 4.3% in the Rilke Investment Fund for Euro 4,000,000.

In the year under review the equity-accounting of associated companies has resulted in positive value adjustments for Euro 223,298 and negative value adjustments for Euro 63,165. With reference to the participation in Rilke Srl, this was acquired in 2014 for Euro 20 million against an attributable share of NAV of Euro 25 million. The difference of Euro 5 million represents an amount set aside as a buffer against possible losses that may be incurred by Rilke Srl. This de-facto provision is not booked, but memory of it is kept off balance sheet until such time as it has been fully absorbed by actual losses.

Subsidiary companies	Share % 2014 (*)	Net book value as at 31.12.2014	Net book value as at 31.12.2013
Construtora Rizzani de Eccher Ltda (1)	99,80%	-	32,806
Codruss Mosca	98,42%	1,608	1,608
Peloritani Scarl under liquidation	64,15%	6,549	6,549
Rizzani de Eccher DOO (2)	90,00%	482	482
Prospettive Immobiliari Srl under liquidation (4)	60,00%	-	1
Volturno Scarl under liquidation (4)	75,00%	-	6,000
Palladio Restauri Scarl	75,00%	2,172	7,500
Palazzo Angeli Scarl (4)	76,71%	-	10,459
Palazzo del Cinema Scarl	56,00%	5,600	5,600
Fondaco Scarl (ex Ecodue Scarl) (1)	54,00%	-	5,400
Mugnone Scarl under liquidation	100,00%	3,901	3,901
Roncoduro Scarl	57,14%	5,714	-
Total		**26,026**	**80,306**

Associated companies	Share % 2014 (*)	Net book value as at 31.12.2014	Net book value as at 31.12.2013
Associated companies under Deal Srl (2)	31,20%	1,377,005	1,277,414
de Eccher Interiors Srl (2)	20,00%	12,144	12,144
Store 26 Scarl	50,00%	5,000	5,000
VSL-RdE JV (2)	45,00%	63,059	63,059
Futura Srl (2)	20,00%	417,009	346,989
Portocittà Srl (2)	25,00%	2,018	1
Sicea Srl (2)	40,00%	108,490	216,377
Redco Rizzani de Eccher Wll	49,00%	20,720	20,720
Consorzio Mantegna (3)	42,00%	14,000	-
Rilke Srl (2)	30,00%	20,000,000	-
Gallerie dell'Accademia Scarl	30,00%	3,000	3,000
Silvia Srl	37,50%	281,796	281,796
Ecofusina Scarl	35,00%	10,155	10,155
Se.Pa.Ve Scarl	43,82%	4,840	4,840
Roncoduro Scarl	40,00%	-	4,000
Vallenari Scarl	48,25%	4,825	4,825
Immobiliare Biancade Srl	50,00%	1	1
Fama Scarl (3)	50,00%	5,000	-
Jona Scarl (3)	50,00%	5,000	-
Mignano Scarl	37,28%	2,467	2,469
Unifit S.A.	45,00%	13,950	-
Total		**22,350,479**	**2,252,790**

(1) Fully consolidated participation since 2014
(2) Equity accounted participation
(3) Participation de-consolidated in 2014
(4) Participation under liquidation in 2014
(*) The percentages show the participations wich the parent company or its subsidiaries hold directly

2. Loans and receivables: loans and financial receivables were Euro 7,867,344 as of 31.12.2014 (Euro 7,597,378 as of 31.12.2013). They consisted of receivables and loans with term of more than one year given to non-consolidated subsidiaries, associated companies and third parties.

a. Loans to subsidiaries	31.12.2014	31.12.2013
Peloritani Scarl under liquidation	255,630	254,629
Roncoduro Scarl	660,000	-
Fondaco Scarl (ex Ecodue Scarl)	-	219,229
Mugnone Scarl under liquidation	-	71,978
Eventi Cividale Spa	-	12,157
Total	**915,630**	**557,993**

b. Loans to associated companies	31.12.2014	31.12.2013
Freyssinet-Rizzani de Eccher JV (Australia)	-	32,419
Futura Srl	2,179,909	1,760,091
de Eccher Interiors Srl	15,000	15,000
Silvia Srl	840,053	840,053
Ecofusina Scarl	764,364	748,615
Roncoduro Scarl	-	660,000
Immobiliare Biancade Srl	104,553	108,495
Total	**3,903,879**	**4,164,673**

d. Loans to other companies: reached a total Euro 3,047,835 as at 31.12.2014 (as opposed to Euro 2,874,712 as of 31.12.2013). This item included security deposits for Euro 1,601,576 and other loans for Euro 1,446,259 (of which Euro 437,000 in an interest-bearing term loan given to Nov Srl, in which Sacaim has a 10% stake and Euro 843,648 in respect of loans given to third party shareholders of two subsidiary companies).

3. Other investments: other investments were Euro 96,459 as at 31.12.2014 (Euro 306,775 as of 31.12.2013) and consisted of shares and securities issued by top rated financial institutions.

C. Current assets

I. Inventory: total inventories at year-end in 2013 were Euro 225,011,224 (Euro 186,820,104 as of 31.12.2013) and can be broken down as follows:

	31.12.2014	31.12.2013
Raw materials and consumables	33,717,421	32,407,156
Works in progress and semi-finished goods	37,439,621	36,282,002
Contracted works in progress	97,819,735	66,036,317
Finished products and goods for resale	13,206,185	21,655,326
Advances to suppliers	42,828,262	30,439,303
Total	**225,011,224**	**186,820,104**

As outlined in the introduction to these Notes, the item Contracted works in progress shows the total amount of works in progress already offset against the cumulative advance payments received from customers as the payment of duly attested and invoiced progress payment certificates. Total works in progress before offset are Euro 1,000 million as at 31.12.2014 (Euro 709 million as of 31.12.2013). The net or residual amount of Euro 98 million relates to works in progress not yet covered by progress payment certificates: in Kuwait for Euro 27 million, in Algeria for Euro 14 million, and in Italy for Euro 40 million in relation to certain works carried out by Rizzani de Eccher and Sacaim. We also remark that the Kuwait works in progress are also shown net of a contingency provision in the amount of Euro 4.5 million set aside to cover future losses.
The item 'Finished products' chiefly relates to the stock of completed real estate units awaiting resale: the significant decrease posted in 2014 is attributable to the sale of almost the entire stock of units in a residential development in Udine.
The item 'Advances to suppliers', for Euro 42.8 million relates to advance payments made to suppliers, subcontractors and professionals for the execution of works or portions thereof, chiefly in the projects in Algeria, Kuwait and Russia.
Furthermore, Rizzani de Eccher and certain affiliates have ongoing contractual claims against clients for the recognition of additional income, which, in line with the policies adopted in preceding years, will be booked to the income statement solely upon their final definition.

II. Accounts receivable: accounts receivable at year-end in 2014 were Euro 347,877,696 (as opposed to Euro 320,499,418 as of 31.12.2013). We remark that following the adoption of new accounting principles, receivables ceded to third parties with 'recourse' continue to be booked as current assets in the balance sheet, while the advances received are booked as payables to the factor under the item 'amounts owed to other lenders'. The OIC15 accounting principle previously in force allowed for receivables ceded with 'recourse' to be kept off-balance sheet, provided the Memorandum Accounts indicate the risk of reversion of such receivables, in the amount of factoring advance received. In order to make the figures for 2014 comparable to those for 2013, a similar reclassification was operated on the 2013 accounts, resulting in an increase in receivables for Euro 54.1 million.

1. Trade receivables: as at 31.12.2014, client receivables were Euro 234,551,756 (Euro 298,733,828 as of 31.12.2013) net of provisions for bad and doubtful debts for Euro 7,003,873 and after deducting Euro 820,303 set aside as possible losses on the interest payable on overdue receivables. This amount comprises of net receivables falling due within 12 months for Euro 231,354,240 and net receivables falling due beyond 12 months for Euro 3,117,312. The latter are client receivables associated with retention monies held by clients in connection with projects not yet formally commissioned.The geographical break-down of receivables is as follows (amounts in thousands of Euro):

Italy and Europe	85,313
Russia and CIS	42,211
Middle East	47,369
North Africa	48,793
North America	8,588
East Asia	1,274
Australia	1,004
Total	**234,552**

Changes in the provisions for losses on bad and doubtful debts are summarised below:

Opening balance	9,453.881
Additional provisions	164,090
Reversals	(2,614,098)
Closing balance at year-end	**7,003,873**

Reversals consist almost entirely of the write-back to income statement of receivables that have been collected or whose collection risk profile has improved so as to render the provision unnecessary. The provisions made against losses on bad and doubtful receivables reflect the Management's most prudent assessment of the collection risk based on all the information available to Management as at the time of the assessment. Provisions for losses on interest payable on overdue receivables were Euro 820,303 having been reduced by Euro 282,396 as a result of the collection of non-performing receivables that took place in 2014. We remind the reader that from 2003 onward interest is booked with the underlying principal on a time-accrual basis. There follows movements in such provisions:

Opening balance	1,102,699
Additional provisions	-
Reversals	(282,396)
Closing balance at year-end	**820,303**

2. Receivables from subsidiaries: these reached Euro 1,810,366 as at 31.12.2014 (Euro 773,616 as of 31.12.2013) and were all falling due within 12 months and owed by subsidiaries that are not consolidated.

	31.12.2014	31.12.2013
Peloritani Scarl under liquidation	60,786	60,793
Roncoduro Scarl (1)	1,203,579	-
Palladio Restauri Scarl	306,897	302,455
Palazzo del Cinema Scarl	239,104	222,891
Fondaco Scarl (ex Ecodue Scarl)	-	187,477
Total	**1,810,366**	**773,616**

(1) Acquired control in 2014. In prior years it was booked as payable to associated companies.

3. Receivables from associated companies: these reached Euro 93,702,173 as at 31.12.2014 (Euro 3,839,104 as of 31.12.2013), all falling due within 12 months, and were all owed by associated companies that are outside the scope of consolidation. The very significant year on year increase is related to the acquisition of a 30% stake in Rilke Srl, the transferee of the real estate assets formerly belonging to the Rilke Fund, a real estate investment fund managed by Serenissima SGR Spa, which until last year acted as the client for the Portopiccolo Resort project. Therefore, until such time (2013) as Serenissima SGR acted as client, the associated construction receivables were booked as third party client receivables. From 2014 onward, being the client Rilke Srl an associated company, the construction receivables are booked as related party receivables.

	31.12.2014	31.12.2013
de Eccher Interiors Srl	22,548	25,596
Consorzio Mantegna	91,979	-
Portocittà Srl	224,287	480,830
Sicea Srl	83,688	72,000
Rilke Srl	92,692,886	-
Gallerie dell'Accademia Scarl	64,155	373,138
Jona Scarl	128,356	-
Ecofusina Scarl	53,993	36,789
Vallenari Scarl	123,093	422,243
Roncoduro Scarl	-	218,759
Se.Pa.Ve. Scarl	138,689	53,433
Other receivables Sacaim transaction	78,499	2,156,316
Total	**93,702,173**	**3,839,104**

4.bis Tax receivables: these were Euro 11,443,408 at year-end in 2014 (Euro 10,010,750 as of 31.12.2013) and are broken down as follows:

	31.12.2014	31.12.2013
Corporate income tax and withholding tax	4,423,228	5,956,424
VAT receivables	7,020,180	4,054,326
Total	**11,443,408**	**10,010,750**

The receivables for corporate income tax include, among others, taxes already paid abroad by branches, which can be

offset against future domestic tax payables. VAT receivables include domestic VAT receivables for Euro 3.23 million and non-domestic VAT receivables for Euro 3.79 million, most part related to Algerian VAT receivables.

4ter Deferred tax assets: deferred tax assets were Euro 5,202,905 as at 31.12.2014 (2013: Euro 5,569,585) and have been booked in the balance sheet net of deferred tax liabilities for Euro 9,920,871 (2013: Euro 7,249,830).

The net amount, for Euro 4,717,965 is booked in the liabilities section as a provision against tax charges.

The following table shows movements and balances in respect of deferred tax assets and liabilities in 2014.

It should be noted that the item Consolidation Adjustments includes Euro 5,354,787 attributed to the booking of deferred tax liabilities on the net income of Rizzani de Eccher Bahrain SPC, which, pursuant to the tax ruling obtained in Italy, will be taxed on the basis of the dividends distributed.

5. Other receivables: as at 31.12.2014, other receivables were Euro 6,369,993 and comprise the following:

	31.12.2014	31.12.2013
Employees	103,596	117,847
Welfare and social security institutions	588,828	412,971
Other receivables	5,677,569	6,611,302
Total	**6,369,993**	**7,142,120**

Receivables from welfare and social security institutions include a receivable of Euro 381,142 from an insurer in respect of the Directors' severance payment fund.
Other receivables for Euro 5,677,569 include Euro 1,650,191 of receivables attributable to the Sacaim debt underwriting transaction, which took place in 2013, Euro 1,707,863 in sureties provided in connection with ongoing arbitration proceedings, whose outcome the Management expects to be favourable to the Group, Euro 553,357 in receivables that Sicea (a company that exited the consolidation perimeter in 2013) transferred to the parent company Rizzani de Eccher.

Deferred tax assets	Tax rate applied	Balance 2013	(Decrements) 2014	Increments 2014	Balance 2014
Provisions for future charges	31,4%	796,087	(388,976)	2,931,992	3,339,103
Tax losses (Italy and USA)	27,5%-40%	4,376,308	(4,193,939)	16,868	199,237
Foreign exchange losses	27,5%	231,271	(28,868)	1,265,779	1,468,182
Goodwill amortisations	31,4%	110,946	(17,445)	-	93,501
Others	31,4%	54,973	(5,886)	53,795	102,882
Total deferred tax asset		**5,569,585**	**(4,635,114)**	**4,268,434**	**5,202,905**
Deferred tax liabilities					
Deferred capital gains	31,4%	59,662	(38,143)	40,087	61,606
Penalty interest (accruals)	27,5%	17,016	(16,715)	7,472	7,773
Gains on foreign exchange	27,5%	281,224	(69,666)	2,674,187	2,885,745
Consolidation adjustments	31,4%	6.891,928	(320,821)	394,639	6,965,746
Total Deferred tax liabilities		**7,249,830**	**(445,345)**	**3,116,385**	**9,920,870**
Net deferred tax assets / (liabilities)		**(1,680,245)**	**(4,189,769)**	**1,152,049**	**(4,717,965)**

IV. Cash and cash equivalents: are in aggregate Euro 115,267,161 and were held as follows:

	31.12.2014	31.12.2013
Bank deposits	115,088,007	91,616,018
Cash on hand	179,154	237,148
Total	**115,267,161**	**91,853,166**

The Group's net financial position as of 31.12.2014, taking into account cash and cash equivalent resources, net of bank loans and payables to other financial institutions (e.g. for unpaid lease instalments) was negative for Euro 48.4 million (it was negative for Euro 5.5 million as of 31.12.2013).

The net financial position so determined does not include advance payments received from clients, which are booked as trade payables, and payments on account made to subcontractors and suppliers, which are accounted for in works in progress and inventories.

D. Accrued income and prepaid expenses

Prepaid expenses and income accruals were Euro 7,160,409 as of 31.12.2014 (Euro 11,118,632 as of 31.12.2013, figure that includes the reclassification of project pre-operating, design and mobilisation charges from intangible assets to prepaid expenses). Accrued income was Euro 60,334 and chiefly attributable to interest accruals on bank deposits. Prepaid expenses were Euro 7,100,075 and are broken down as follows:

	31.12.2014	31.12.2013
Pre-operating expenses	2,375,837	6,693,922
Insurance premiums and guarantees	2,200,553	2,435,442
Rentals	797,028	557,629
Other prepaid expenses	1,726,657	1,398,703
Total	**7,100,075**	**11,118,632**

Pre-operating expenses include design charges and other charges incurred in relation to the analysis of a project. They also include site mobilisation expenses and those charges and costs incurred in connection with the planning and organisation of construction projects. They are booked to the income statement during the duration of the project, pro-rata in proportion to the rate of progress achieved.

Liabilities

A. Consolidated shareholders' equity

	31.12.2014	31.12.2013
I. Share capital, authorised, issued and outstanding	20,000,000	20,000,000
IV. Legal reserve	3,686,738	3,323,710
VII. Other reserves:		
Extraordinary reserve (retained earnings)	86,091,015	79,409,794
Reserve for foreign currency translation gains (losses)	2,671,102	(603,350)
Consolidation reserve	580,011	582,716
IX. Group profit (loss) for the financial period	13,654,336	6,369,509
Total Group shareholders' equity	**126,683,202**	**109,082,379**
Minorities' share of equity	4,694,782	7,992,499
Minorities' share of profit (loss)	(867,715)	(3,846,959)
Total Minorities' equity	**3,827,067**	**4,145,540**
Total consolidated shareholders' equity	**130,510,530**	**113,227,922**

The share capital consists of 4,000,000 preferred shares (with privileged claim over dividend distribution) with a nominal value of Euro 1 each and 16,000,000 ordinary shares with a nominal value of Euro 1 each.
The reserve for foreign currency translation gains or losses books the differences that arise between yearly average exchange rate and year-end spot exchange rate when converting into euro the net profit (or loss) for the period. It also books the differences arising between the spot exchange rate at the end of the preceding year and the spot exchange rate at the end of the year under review when converting into euro the entries composing the shareholders' equity section of consolidated foreign subsidiaries. The significant increase as opposed to the previous year is chiefly correlated to the courses of the US dollar and the Bahraini dinar against the euro. However, the foreign exchange translation differences between balance sheet entries (converted at the spot rate) and income statement entries (converted at the average rate) for overseas branches are booked in the retained earnings (extraordinary reserve) section.
Shareholders' equity includes certain funds and reserves, which in the event of distribution would form part of the Group's taxable income. These are:
_reserve for 6 % increase according to Law 64/86, amounting to Euro 10,466;
_capital subscription reserves pursuant to Law 64/86 amounting to Euro 417,896;
_reserve for subsidised interest according to Law 904/77 amounting to Euro 2,644,521;
_revaluation reserve, held according to Law 72/83, amounting to Euro 11,092.
Changes in shareholders' equity of the Group are shown in appendix 'F'.
Reconciliations of balances between shareholders' equity and net profit of the parent and the Group respectively, are detailed in appendix 'G'.

B. Provisions for contingencies and other liabilities

1. Provisions for pensions and similar obligations: they were Euro 504,403 as at 31.12.2014 (Euro 473,415 as of 31.12.2013). They consist of allocations to severance payments for the directors of subsidiary Deal.

2. Provisions for taxation, including deferred tax liabilities: the entire payable for deferred tax liabilities was Euro 11,072,724 at year-end and has been represented in the liabilities side of the balance sheet as the net amount set off against deferred tax assets, for Euro 6,354,759, which gives a net of Euro 4,717,966. Movements during the year are shown in the deferred tax assets section.

We remind the reader that the parent company Rizzani de Eccher was the target of a tax audit in respect of tax years 2007-2008-2009 and, to a limited extent, also in respect of certain transactions in tax years 2010 and 2011. In connection with these investigations, formal warrants have been issued, against which Rizzani de Eccher has lodged its counter-claims with Agenzia delle Entrate (the Inland Revenue office). Whilst the company and their tax advisors are convinced that they shall be able to prove their case unexceptionably, it was also decided to set aside the sum of Euro 997,914 against possible claims.
As concerns the 2013 tax audit targeting associated company Treviso Maggiore (in respect of the tax year 2010 and to a limited extent also tax years 2008 and 2009), we report that the case has already been heard by the tax commission and a judgment is due out any time soon. In view of this, it was decided to set aside the sum of Euro 313,000 (of which Euro 104,332 pertaining to the Group) against possible claims.

3. Other provisions: they were Euro 6,990,925 and consist primarily of provisions for contractual contingencies, default risk and various other risks and charges associated with works in progress or works completed but not yet finally commissioned. Changes in provisions for contractual and default risks are detailed below:

Opening balance	8,228,344
Additional provisions	76,090
Reversals	(1,313,509)
Closing balance at year-end	**6,990,925**

The reversals of Euro 1,313,509 relate for Euro 916,267 to the write-back of sums set aside in 2013 in connection with the completion of the Teatro 1 project in Udine and for Euro 397,242 to the reversal of sums set aside to cover losses on certain Qatar projects. The closing balance at year-end is therefore almost entirely related to sums set aside against possible losses arising from the debt underwriting transaction in the insolvency of Sacaim Spa.

C. Employee severance payment indemnity

The employee severance payment indemnity is calculated for each employee, pursuant to the labour and employment contracts currently in force, in Italy or abroad. The following table highlights the movements in provisions and reversals made during the current year:

	31.12.2014	Change	31.12.2013
Rizzani de Eccher Spa	2,448,863	(43,100)	2,491,963
Deal Srl	881,428	11,612	869,816
Codest International Srl	387,453	99,038	288,415
de Eccher soc. agricola a r.l.	66,548	5,940	60,608
Rizzani de Eccher USA Inc	290,900	(104,445)	395,345
Torre Scarl	34,720	(220,507)	255,227
City Contractor Scarl	30,698	(270,998)	301,696
Tensacciai Srl	226,336	(38,851)	265,187
Sacaim Spa	1,145,875	(75,305)	1,221,180
Iride Srl	19,085	(6,713)	25,798
Other Companies	17,423	(8,023)	25,446
Total	**5,549,329**	**(651,352)**	**6,200,681**

The accrued severance payables are posted net of any advances already paid to employees. Following the enactment of Law No, 296 of 27.12.2006 and subsequent legislative decrees issued in 2007 in the matter of employee severance indemnity, the amounts accruing to the employee severance indemnity for each employee are - upon instruction of each employee – either deposited with the specific treasury fund with INPS (Social Security Agency) or placed in private sector investment funds. The amounts to be transferred are those accrued from 01.01.2007 or from the date of the employee's instruction.

D. Debts and other payables

3. Shareholders' loans: loans from shareholders as at 31.12.2014 were Euro 3,861,355 (Euro 3,394,089 as at 31.12.2013) and refer to the third party's portions of shareholders' loans granted to Torre Scarl.

4. Bank loans: as at 31.12.2014 total bank loans outstanding were Euro 89,116,467 (Euro 33,543,328 as of 31.12.2013). They consisted of short term debt (due within 12 months) for Euro 50,924,168 and long term loans (maturity beyond 12 months but within 5 years) for Euro 38,192,299. At year-end, the weighted average cost of debt was ca. 2%, marking an improvement with respect to the previous financial year (2.5%). Total credit lines from the banking system as at 31.12.2014 amounted in aggregate to Euro 977 million, of which Euro 163 million in cash credit lines and Euro 814 million in non-cash lines for guarantees and surety bonds: at year-end, non-cash lines were drawn for Euro 579 million.

5. Amounts owed to other lenders: as at 31.12.2014 payables to other lenders amounted to Euro 74,531,272, (of which Euro 32,743,525 short-term and Euro 38,192,299 medium and long-term yet falling due within 5 years). These include the payable of Euro 65,374,609 to a factoring company in connection with the transfer of client receivables with recourse and, for the remainder, also include payables to leasing companies for residual instalments due and the final redemption payments due on two real estate leasing contracts.

6. Advance payments from customers: as at 31.12.2014, customer advance payments amounted to Euro 200,907,601 (Euro 150,885,668 as of 31.12.2013). These consisted of advance payments on works in progress for Euro 198,731,543 and down payments received in connection with the sale of real estate for Euro 2,176,058. Sureties issued in support of the repayment obligation of such advance payments amounted to Euro 209,509,961 (as opposed to Euro 156,018,378 as of 31.12.2013). There follows the composition of customers' advance payments by geographical area (in Euro thousand):

Italy	7,419
Russia and CIS	118,124
Middle East	52,007
North Africa	20,768
North America	510
East Asia	1,545
Australia	1,133
Total	**200,908**

7. Trade payables: as at year-end in 2014 they amounted to Euro 232,656,632 (Euro 271,540,184 as at 31.12.2013). There follows a breakdown of trade payables by geographical area (in Euro thousand):

Italy	156,940
Russia and CIS	24,829
Middle East	30,394
North Africa	12,907
North America	3,440
East Asia	3,640
Australia	507
Total	**232,657**

9. Payables to subsidiary companies: as of 31.12.2014, payables to subsidiaries amounted to Euro 1,213,632 (they were Euro 479,033 as at 31.12.2013) and consisted of payables due to subsidiaries that are outside the Group's consolidation perimeter.

	31.12.2014	31.12.2013
Peloritani Scarl under liquidation	8,038	7,328
Volturno Scarl under liquidation	-	61,403
Construtora Rizzani de Eccher Ltda (1)	-	29,524
Roncoduro Scarl (2)	890,206	-
Mugnone Scarl under liquidation	136,030	308,170
Palazzo Angeli Scarl	166,559	72,608
Other companies	12,799	-
Total	**1,213,632**	**479,033**

(1) Company that entered the consolidation perimeter in 2014
(2) Acquired control in 2014. In prior years it was booked as payable to associated companies.

10. Payables to associated companies: as of 31.12.2014, payables to non-consolidated associated companies were Euro 3,954,421 (they were Euro 2,213,741 in December 2013) and consisted mainly of payables for services performed by associated companies that are outside the scope of consolidation.

	31.12.2014	31.12.2013
de Eccher Interiors Srl	29,048	3,728
Sicea Srl	21,794	-
Gallerie dell' Accademia Scarl	1,754	382,381
Se.Pa.Ve. Scarl	49,015	59,193
Roncoduro Scarl	-	1,678,076
Fama Scarl	3,696,105	-
Vallenari Scarl	53,782	26,999
Ecofusina Scarl	66,687	52,775
Other companies	36,236	10,589
Total	**3,954,421**	**2,213,741**

11. Payables to the parent company: as of 31.12.2014, payables to the controlling shareholders amounted to Euro 731,370 (Euro 294,019 in FY 2013) and refer to trade payables associated with services rendered to Group companies by the holding company Marienberg SA.

12. Payables to tax authorities: as of 31.12.2014, tax payables were Euro 10,789,725 (Euro 7,622,006 in December 2013) and are broken down in the following table. The tax amounts due are expressed net of any associated receivables and include the debit/credit balances for tax that have been transferred to the parent company by Group companies adhering to the framework of the national consolidated tax return.

	31.12.2014	31.12.2013
Tax c/IRPEF (personal income tax)	1,613,794	1,556,857
Tax c/IRES (corporate income tax)	1,846,582	48,460
Tax c/IRAP (regional revenue tax)	321,925	392,737
Tax c/IVA Italy (domestic VAT)	465,529	3,115,279
Tax c/cross border VAT	4,203,247	444,629
Overseas taxation	2,338,648	1,254,247
Other tax payables	-	809,797
Total	**10,789,725**	**7,622,006**

13. Payables to social security institutions: as at 31.12.2014 social security payables were Euro 1,906,203 (Euro 1,946,292 in December 2013) and consisted mainly of sums owed to social security agencies in connection with salaries and emoluments pertaining to the month of December 2014, which were paid in January 2015.

	31.12.2014	31.12.2013
INPS payables	1,241,832	1,325,144
INAIL payables	117,442	112,429
Other social security payables	546,929	508,719
Total	**1,906,203**	**1,946,292**

14. Other payables: as of 31.12.2014, various and sundry payables amounted to Euro 19,507,616 (Euro 18,486,763 as of 31.12.2013) and consisted of the following items:
_payables to employees for salaries and wages for the month of December 2014, paid in January 2015, and the corresponding allocation of deferred benefits, Euro 7,442,612;
_payables to consortium partners for their share of client payments received by virtue of the role as consortium leader, for Euro 875,744;
_other payables of Euro 11,189,260 of which: Euro 1,161,738 in surety deposits received from third parties or given by the Group and foreclosed by third parties; Euro 2,274,990 in respect of contract penalties levied upon Sacaim and Euro 4,505,156 in connection with the assumption of debts associated with the insolvency proceedings of Safau and Sacaim.

E. Accrued expenses and prepaid income

Accrued expenses and prepaid income as of 31.12.2014 were Euro 3,412,388 (it was Euro 1,033,899 as of 31.12.2013) and included adjustments to the accrual of revenue and costs in the income statement pursuant to the timing accrual method. These adjustments chiefly comprised of accrued expenses for Euro 3,211,722 and prepaid income for Euro 200,666.

Accrued expenses are chiefly attributable to commissions and fees on bank guarantees and insurance premiums (primarily in connection with the projects in Algeria and Kuwait) paid by Rizzani de Eccher in 2015 but pertaining to financial year 2014.

Prepaid income includes Euro 164,054 in pre-paid interest accrued on certain trade receivables, for which an interest bearing repayment plan was agreed.

Memorandum accounts

The total balance of the memorandum accounts as at 31.12.2014 amounted to Euro 309,543,332 posting a decrease of Euro 3,948,033 as opposed to 31.12.2013.

A. Guarantees provided by the Group in favour of third parties:

	31.12.2014	31.12.2013
A1. In favour of subsidiaries	-	-
A2. In favour of associated companies	16,237,506	11,960,744
A3. In favour of other companies	50,000	50,000
Total A	**16,287,506**	**12,010,744**

B. Guarantees issued by third parties on behalf of Group of companies:

	31.12.2014	31.12.2013
B1. By banks in connection with projects:		
Performance bonds	178,345,155	184,918,320
Bid bonds	8,667,342	4,517,564
For early release of retention monies	11,691,556	4,310,146
Other guarantees	31,180,562	33,309,340
Total B1	**229,884,615**	**227,055,371**
B2. By insurance companies in connection with projects:		
Performance bonds	57,711,151	67,805,300
Bid bonds	659,004	3,403,703
For early release of retention monies	2,029,236	473,140
Other guarantees	2,971,819	2,743,108
Total B2	**63,371,210**	**74,425,251**
Total B	**293,255,825**	**301,480,622**
Total Memorandum Accounts	**309,543,331**	**313,491,366**

Foreign currency forward contracts

Type of Contract	Currency	Notional Amount	Forex Rate	Euro	Market Value	Start Date	Expiry Date
Forward sale	USD	4,000,000	1,3489	2,965,379	(339,146)	24/07/14	02/02/15
Forward sale	USD	2,000,000	1,3491	1,482,470	(169,414)	24/07/14	02/03/15

As already discussed in the section of these Notes concerning risk management, the Group's policy and overriding objective is to hedge itself against fluctuation risks on inflows and outflows in foreign currency. The preceding table provides an indication of the exposure to currency derivatives in which the Group is a party (forward currency sales).
These instruments allow for a specific exchange rate to be locked-in at a future date and are considered hedging instruments for accounting purposes. The associated fair value is therefore kept off balance sheet.

Income statement

A. Value of production (Revenue)

The aggregate value of production (consolidated sales revenue) for the Group in 2014 was Euro 580,017,020 (it was Euro 571,590,904 in 2013). The table below provides the geographical split for revenue (in Euro thousand):

	Year 2014		Year 2013	
Italy	171,089	29,5%	284,828	49,8%
Russia e CIS	125,123	21,6%	55,622	9,7%
Middle East	118,673	20,5%	117,166	20,5%
North Africa	114,826	19,8%	62,568	10,9%
North America	44,287	7,6%	40,304	7,1%
East Asia	4,310	0,7%	8,619	1,5%
Australia	1,709	0,3%	2,484	0,5%
Total	**580,017**	**100%**	**571,591**	**100%**

1. Sales of goods and services: in 2014 these amounted to Euro 538,963,973 (Euro 533,361,068 in 2013) and consisted of construction revenue recognised by clients and attested by progress certificates, revenue from the sale of real estate and units thereof, service fees and revenue from the sale of special equipment and machinery.

2. Changes in finished products, semi-finished products and works in progress: in 2014 changes in inventory accounted for a positive Euro 7,321,833 (they were positive for Euro 4,668,667 in 2013). This item consisted of the algebraic sum of opening and closing balances of construction inventories (under construction and completed) of real estate projects developed for the Group's own account.

3. Changes in contracted works in progress: in 2014 these showed a positive balance of Euro 29,341,688 (they were also positive for Euro 2,526,401 in 2013) and consisted of the algebraic sum of opening and closing balances of works in progress and construction inventories not yet attested by progress certificates approved by clients and works in progress accounted for with the completed contract method. The change is also inclusive of the sum set aside against possible future losses on the Kuwait project for Euro 4,540,162.

4. Capitalised construction costs: in 2014 these amounted to Euro 487,584 (they were Euro 1,395,058 in 2013). They consist for Euro 109,565 of the capitalisation of research and development costs incurred by Tensacciai and for Euro 378,019 of the capitalisation of certain project pre-operating costs associated to the Torre Banca Intesa project.

5. Other revenue and income: in 2014 other income was Euro 18,545,608 (it was Euro 29,639,710 in 2013) and included:

	Year 2014	Year 2013
Sale of raw materials	905,332	2,214,133
Rentals and ancillary revenue	589,843	222,839
Insurance compensations	4,309,132	188,032
Capital gains from sales of fixed assets	580,051	331,113
Contributions booked as income	260,329	306,051
Other revenues	8,149,356	25,718,631
Reversal of provisions	3,751,565	658,911
Total	**18,545,608**	**29,639,710**

Other revenues chiefly refer to the recovery of costs from subcontractors and suppliers in connection with site activities.

Reversals of provisions are ascribed for Euro 322 thousand to the write back of funds set aside against project losses, and for Euro 3.43 million to the write back of funds set aside against receivable losses and other risk contingencies.
For comparison purposes, other revenues in 2013 included Euro 17 million of penalty paid by Citylife Spa for the early termination of contract, which took place at the beginning of 2013.

B. Costs of production

In 2013 productions costs amounted in aggregate to Euro 568,571,403 (Euro 563,245,381 in 2013).

6. Costs for raw materials, consumables and goods for resale: in 2014 they amounted to Euro 122,318,021 (they were Euro 119,684,693 in 2013) and consisted primarily of purchases of raw materials, semi-finished products, finished products and sundry consumables. Are to be included in this item also the purchase cost of real estate destined to be refitted for the Group's own real estate initiatives.

	Year 2014	Year 2013
Raw materials	58,222,935	50,482,162
Semi-finished goods	11,731,161	25,010,328
Ancillary goods and consumables	20,200,438	21,508,030
Finished products	32,163,487	22,234,173
Purchase of real estate for refitting	-	450,000
Total	**122,318,021**	**119,684,693**

7. Cost for services: in 2014 they amounted to Euro 327,546,444 (Euro 341,322,468 in 2013) and consist of expenses incurred in connection with services rendered by third parties for sub-contracts, design and technical consulting services, consulting services, wet lease and transportation, as detailed in the table on the top right.
We remark that pursuant to the adoption of new accounting principles, the entry 'other services' includes Euro 6.19 million (Euro 5.93 million in 2013) in project pre-operating expenses and mobilisation charges attributable to the year in review on the basis of the progress rate of the project to which they are related.

8. Costs for rentals and leases: in 2014 rentals and leases amounted to Euro 4,084,099 (they were Euro 4,834,139 in 2013) and referred to rentals and leasing expenses for machinery, plant and equipment.

	Year 2014	Year 2013
Sub-contracts	249.074.017	233.244.361
Design and technical services	19.413.584	23.680.285
Supply and installation services	17.237.747	45.122.535
Wet lease of equipment	19.032.125	15.548.954
Transportation costs	5.293.191	6.149.526
Professional consultancies	1.845.695	1.889.979
Insurances	3.083.194	3.283.734
Directors compensation	1.891.019	1.771.027
Board of auditors compensation	133.810	117.879
Representation and P.R. expenses	202.090	230.830
Telecommunications	1.049.247	1.164.242
Maintenance charges	1.487.924	2.497.613
Other services	7.802.801	6.621.503
Total	**327.546.444**	**341.322.468**

9. Costs for employees: in 2014 they were Euro 90,112,514 (Euro 88,341,686 in 2013). There follow details of the employees on payroll as at year-end and on average during the year in review.

	31.12.2014	31.12.2013	Average FY 2014	Average FY 2013
Employees - Italy:				
Management	49	59	52	59
Staff	209	238	245	243
Workers	196	236	211	257
Total Italy	**454**	**533**	**508**	**559**
Employees - Overseas:				
Management	40	27	39	28
Staff	886	809	800	696
Workers	1.686	1.363	1.524	1.062
Total Overseas	**2.612**	**2.199**	**2.363**	**1.786**
Total	**3.066**	**2.732**	**2.871**	**2.345**

10. Depreciation, amortisation and write-downs: in 2014 the total for this item was Euro 9,465,132 (as opposed to Euro 9,241,449 in 2013, as adjusted to reflect the treatment of project pre-operating expenses, which are no longer amortised) of which Euro 576,654 pertaining to amortisation of intangible assets and Euro 8,724,388 pertaining to depreciation of fixed assets.

Furthermore, in 2014 Euro 164,090 (Euro 1,013,604 in 2013) were set aside as provisions for bad debts, as already evidenced by the table showing movements in the provisions against bad and doubtful receivables.
Further details on depreciation and amortisation can be found in appendices 'D' e 'E'.

11. Changes in inventories of raw materials and consumables: in 2014 changes in stock of raw materials and consumables were positive for Euro 218,872.
While they were negative for Euro 12,252,305 in 2013.

13. Other accruals and provisions: in 2014 they amounted to Euro 76,090 and consisted of sums set aside by associated company Treviso Maggiore in connection with the ongoing tax litigation.

14. Other operating charges: in 2014 they amounted to Euro 14,750,231 (Euro 11,156,984 in 2013) and consisted of the following charges and costs.
Penalities have been levied by client in connection with a project carried out by Sacaim.

	Year 2014	Year 2013
Capital losses on sale of assets	659,950	849,190
Sundry taxes and excises	968,841	883,547
Losses on receivables	6,078	156,227
Bank charges and commissions	1,099,421	698,689
Commissions and fees on sureties and bonds	6,392,601	5,908,404
Royalties and other similar costs	25,847	11,997
Donations	-	44,633
Penalties and Fines	2,282,480	13,304
Membership fees and charges	56,685	44,897
Sundry charges	3,58,328	2,546,096
Total	**14,750,231**	**11,156,984**

C. Financial income and expenses

Financial income for the year 2014, after deducting financial charges, was Euro 1,628,544 (in 2013, the net figure was expenses for Euro 1,972,445). There follow details of the composition of financial income and expenses.

15. Income from equity investments: in 2014 it was Euro 250 (Euro 473 in 2013) and referred primarily to income from securities in portfolio.

16. Other financial income: in 2014 it was Euro 5,788,115 (as opposed to Euro 2,435,032 in 2013) and consisted of:

	Year 2014	Year 2013
Interest income from banks and securities	197,707	1,171,287
Penalty interest on overdue receivables	640,644	800,148
Interest on receivables from associated companies	4,519,697	-
Interest on other receivables	430,067	463,597
Total	**5,788,115**	**2,435,032**

Interest on receivables from associated companies refers to interest accruing on the outstanding construction receivables from Rilke Srl, debited by Rizzani de Eccher pursuant to the construction contract.
Interest on other receivables consists of interest on sums awarded by judgment or arbitration.

17. Interest and other financial charges: in 2014 interest expenses were Euro 3,516,419 (as opposed to Euro 1,680,695 in 2013) and consisted of:

	Year 2014	Year 2013
Bank interest expenses	3,096,810	1,051,588
Interest on real estate leasing contracts	277,047	268,445
Interest on other debts	142,562	360,662
Total	**3,516,419**	**1,680,695**

Interest on real estate leasing contracts refer to the accounting by Iride and Sacaim of their respective real estate leasing contracts under the capital-lease method.

17bis. Currency translation gains and losses: in 2014, the Group posted a net currency loss of Euro 643,402 as opposed to a loss of Euro 2,727,255 in 2013.

D. Valuation adjustments of investments

18. Revaluations: the valuation of associated companies using the net equity method gave rise to Euro 223,298 in positive value adjustments for the year 2014.

19. Devaluations: write-downs and impairments of participations in associated companies were Euro 63,135 (as opposed to Euro 984,595 in 2013) and are ascribed to the decline in the net asset value of said companies.

E. Extraordinary income and charges

20. Extraordinary income: extraordinary income and gains in 2013 were Euro 9,325,608 (they were Euro 2,170,675 in 2013) and are detailed as follows:

	Year 2014	Year 2013
Statute of limitations applied to trade payables	553,099	248,550
Capital gains on sale of assets	275,251	156,545
Partnership proceeds	-	402,831
Gains on 'Safau/Sacaim Insolvency' debt underwriting	2,778,050	831,174
Extraordinary proceeds from Cogolo insolvency	1,807,820	-
Other extraordinary income	3,911,388	531,575
Total	**9,325,608**	**2,170,675**

Other extraordinary income includes, among others, settlement transactions with suppliers and subcontractors for Euro 1.59 million, the reversal of funds set aside against cost overruns for Euro 1.31 million and monies awarded by judgments for Euro 283 thousand.

21. Charges: extraordinary charges in 2014 were Euro 575,137 and consisted of:

	Year 2014	Year 2013
Tax claw back on preceding financial years	24,198	18,595
Capital losses on sale of assets	22,341	107,314
Other extraordinary losses	528,598	618,135
Total	**575,137**	**744,044**

22. Income tax for the period: income tax for the year under review was Euro 9,198,174 (it was Euro 4,474,389 in 2013) of which Euro 6,160,453 in current tax and Euro 3,037,721 in deferred tax charges. Tax payable is commensurate with the taxable income of the affiliates included in these Consolidated Financial Statements (whether fully consolidated with the integral method or equity-accounted) as derived from the accounting profit for the financial year, adjusted in relation to the applicability of tax laws and regulations currently in force in Italy or in the tax domicile of the affiliate.

Disclosure in the matter of compensation to members of the board of directors, statutory auditors and external auditors (pursuant to Art 38, Paragraph 1, Sub-Paragraph o) and Sub-Paragraph o) septies of Legislative Decree 127/1991)

Pursuant to Article 38 paragraph 1, Sub-Paragraph o) of Legislative Decree no, 127/91, the Company reports that directors' compensations in 2014 reached in aggregate Euro 969,619 while the aggregate amount of compensations to the internal board of auditors was Euro 57,100. These sums include compensation for additional positions in other Group subsidiaries and associated companies.

Pursuant to Article 38, Paragraph 1, Sub-Paragraph o) septies of Legislative Decree 127/91, we further report that the aggregate compensation payable to the auditing firm mandated with the annual audit of the Consolidated Financial Statements of the Group was Euro 190,970. Such compensation covers fees and charges in respect of the audits performed on parent company Rizzani de Eccher Spa (Euro 81,000), on the consolidated annual report (Euro 18,000) and on the annual reports of the subsidiaries, for which the same auditor has been appointed (Euro 91,970). For the audit of the accounts of affiliates consolidated with the proportional or equity method, the value of the compensation is included in the afore-mentioned compensation.

Related Party Transactions (pursuant to Art 38, Paragraph 1, Sub-Paragraph o) quinquies of Legislative Decree 127/1991)

The following table provides details of payables, receivables, revenue and costs associated with related parties having relevance in the context of these Financial Statements.

	Receivables	Payables	Income	Expenses
Marienberg SA*	-	731,370	1,418	534,806
Total	**-**	**731,370**	**1,418**	**534,806**

* Parent company of Rizzani de Eccher Spa

We further report that the transactions herein contemplated are conducted on an arm's length basis on the basis of current market rates.

Information in respect of off-balance sheet transactions and commitments (pursuant to Art 38, Paragraph 1, Sub-Paragraph o) sexies of Legislative Decree 127/1991)

The Group is not involved in any off-balance sheet transactions or commitments that for any reason whatsoever are not already disclosed in the Memorandum Accounts attached to these Consolidated Financial Statements.

INDEPENDENT AUDITORS' REPORT

Building a better working world

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pursuant to art. 14 of Legislative Decree n. 39 dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of
Rizzani de Eccher S.p.A.

1. We have audited the consolidated financial statements of Rizzani de Eccher S.p.A. and its subsidiaries (the de Eccher Group), as of and for the year ended 31 December 2014. The preparation of these financial statements in compliance with the Italian regulations governing financial statements is the responsibility of Rizzani de Eccher S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. Our audit was performed in accordance with auditing standards issued by the Italian Accounting Profession (CNDCEC) and recommended by the Italian Stock Exchange Regulatory Agency (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 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 Directors. We believe that our audit provides a reasonable basis for our opinion.

   For our opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes as required by the law, reference should be made to our report dated 5 June 2014.
3. In our opinion, the consolidated financial statements of de Eccher Group as of and for the year ended 31 December 2014 have been prepared in accordance with the Italian regulations governing financial statements; accordingly, they present clearly and give a true and fair view of the financial position of de Eccher Group as of 31 December 2014 and the results of its operations for the year then ended.
4. The Directors of Rizzani de Eccher S.p.A. are responsible for the preparation of the Management Report in accordance with the applicable laws. Our responsibility is to express an opinion on the consistency of the Management Report 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 the Italian Stock Exchange Regulatory Agency (CONSOB). In our opinion the Management Report is consistent with the consolidated financial statements of de Eccher Group as of and for the year ended 31 December 2014.

Treviso, 12 June 2015

Reconta Ernst & Young S.p.A.
Signed by: Claudio Passelli, Partner

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

Reconta Ernst & Young S.p.A.
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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Assets		31.12.2014	31.12.2013	Change YoY
A	**Receivable from shareholders for capital stock**			
	Shares not yet called up	0	0	0
	Shares already called up	0	0	0
Total receivable from shareholders for capital stock		0	0	0
B	**Non current assets**			
I)	**Intangible assets**			
1	Formation and start up expenses	366,211	500,871	(134,660)
2	Research, development and advertising costs	250,322	89,996	160,326
3	Patents and intellectual property rights	174,050	351,896	(177,846)
4	Concessions, licences, trademarks and similar rights	45,139	48,333	(3,194)
5	Goodwill	240,000	280,000	(40,000)
5 bis	Consolidation differences	211,203	243,147	(31,944)
6	Intangible assets under formation and prepayments	628,717	292,200	336,517
7	Other intangible assets	164,186	177,502	(13,316)
	Total intangibles assets	**2,079,828**	**1,983,945**	**95,883**
II)	**Fixed assets**			
1	Land and buildings	29,509,753	30,349,745	(839,992)
2	Plant and machinery	22,603,905	24,947,421	(2,343,516)
3	Tools, fittings, furniture, fixtures and other equipment	4,566,278	4,435,773	130,505
4	Other fixed assets	1,718,519	1,545,256	173,263
5	Fixed assets under formation and prepayments	606,430	58,501	547,929
	Total fixed assets	**59,004,885**	**61,336,696**	**(2,331,811)**
III)	**Investments**			
1	Equity investments in:			
	a) subsidiary companies	26,026	80,306	(54,280)
	b) associated companies	22,350,479	2,252,790	20,097,689
	c) parent company	0	0	0
	d) other companies	5,222,599	1,163,858	4,058,741
	Total	**27,599,104**	**3,496,954**	**24,102,150**
2	Loans and receivables:			
	a) subsidiary companies	915,630	557,993	357,637
	b) associated companies	3,903,879	4,164,673	(260,794)
	c) parent company	0	0	0
	d) other companies	3,047,835	2,874,712	173,123
	Total	**7,867,344**	**7,597,378**	**269,966**
3	Other investments	96,459	306,775	(210,316)
4	Treasury stock	0	0	0
	Total investments	**35,562,907**	**11,401,107**	**24,161,800**
Total non current assets		**96,647,620**	**74,721,748**	**21,925,872**

Assets		31.12.2014	31.12.2013	Change YoY
C	**Current assets**			
I)	**Inventory**			
1	Raw materials and consumables	33,717,421	32,407,156	1,310,265
2	Works in progress and semi-finished products	37,439,621	36,282,002	1,157,619
3	Contracted works in progress	97,819,735	66,036,317	31,783,418
4	Finished products and goods for resale	13,206,185	21,655,326	(8,449,141)
5	Advances to suppliers	42,828,262	30,439,303	12,388,959
	Total inventory	**225,011,224**	**186,820,104**	**38,191,120**
II)	**Accounts receivable**			
1	Trade receivables			
	a) amounts falling due within 12 months	231,434,444	290,809,514	(59,375,070)
	b) amounts falling due beyond 12 months	3,117,312	7,924,314	(4,807,002)
	Total	**234,551,756**	**298,733,828**	**(64,182,072)**
2	Receivables from subsidiary companies	1,810,366	773,616	1,036,750
3	Receivables from associated companies	93,702,173	3,839,104	89,863,069
4	Receivables from parent company	0	0	0
4bis	Tax receivables	11,443,408	10,010,750	1,432,658
4ter	Deferred tax assets	0	0	0
5	Other receivables	6,369,993	7,142,120	(772,127)
	Total accounts receivable	**347,877,696**	**320,499,418**	**27,378,278**
III)	**Investments**			
1	Subsidiary companies	0	0	0
2	Associated companies	0	0	0
3	Parent company	0	0	0
4	Other companies	0	0	0
5	Treasury stock	0	0	0
6	Other investments	0	0	0
	Total investments	**0**	**0**	**0**
IV)	**Cash and cash equivalents**			
1	Bank and postal current accounts	115,088,007	91,616,018	23,471,989
2	Checks deposited	0	0	0
3	Cash on hand	179,154	237,148	(57,994)
	Total cash and cash equivalents	**115,267,161**	**91,853,166**	**23,413,995**
Total current assets		**688,156,081**	**599,172,688**	**88,983,393**
D	**Accrued income and prepaid expenses**	7,160,409	11,118,632	(3,958,223)
Total assets		**791,964,110**	**685,013,068**	**106,951,042**

CONSOLIDATED BALANCE SHEET

	Liabilities	31.12.2014	31.12.2013	Change YoY
A	**Consolidated shareholders' equity**			
I	Share capital, authorized, issued and outstanding	20,000,000	20,000,000	0
II	Additional paid-in capital	0	0	0
III	Revaluation reserve	0	0	0
IV	Legal reserve	3,686,738	3,323,710	363,028
V	Statutory reserves	0	0	0
VI	Reserve for treasury stock owned	0	0	0
VII	Other reserves:			
	- extraordinary reserve (earnings / losses carried forward)	86,091,015	79,409,794	6,681,221
	- reserve for foreign currency translation gains (losses)	2,671,102	(603,350)	3,274,452
	- consolidation reserve	580,011	582,716	(2,705)
VIII	Retained earnings	0	0	0
IX	Group profit (loss) for the financial period	13,654,336	6,369,509	7,284,827
	Total Group shareholders' equity	**126,683,202**	**109,082,379**	**17,600,823**
	Minorities' share of equity	4,694,782	7,992,499	(3,297,717)
	Minorities' share of profit (loss)	(867,715)	(3,846,956)	2,979,241
	Total minorities' equity	**3,827,067**	**4,145,543**	**(318,476)**
Total consolidated shareholders' equity		**130,510,269**	**113,227,922**	**17,282,347**
B	**Provision for contingencies and other liabilities**			
1	Provisions for pensions and similar obligations	504,403	473,415	30,988
2	Provision for taxation, included deferred tax liabilities	5,820,202	1,680,245	4,139,957
3	Other provisions	6,990,925	8,228,344	(1,237,419)
Total provisions for contingencies and other liabilities		**13,315,530**	**10,382,004**	**2,933,526**
C	**Employees' severance indemnity**	5,549,329	6,200,681	(651,352)
D	**Debts and other payables**			
1	Debenture loans	0	0	0
2	Convertible debenture loans	0	0	0
3	Amounts owed to shareholders for loans	3,861,655	3,394,089	467,566
4	Bank loans			
	a) falling due within 12 months	50,924,168	6,583,992	44,340,176
	b) falling due beyond 12 months	38,192,299	26,959,336	11,232,963
	Total	**89,116,467**	**33,543,328**	**55,573,139**
5	Amounts owed to other lenders			
	a) falling due within 12 months	32,743,525	16,609,481	16,134,044
	b) falling due beyond 12 months	41,787,747	47,153,958	(5,366,211)
	Total	**74,531,272**	**63,763,439**	**10,767,833**
6	Advance payments from customers	200,907,601	150,885,668	50,021,933
7	Trade payables (suppliers)			
	a) falling due within 12 months	203,021,052	226,224,569	(23,203,517)
	b) falling due beyond 12 months	29,635,581	45,315,615	(15,680,034)
	Total	**232,656,633**	**271,540,184**	**(38,883,551)**
8	Debts represented by bills of exchange	0	0	0
9	Payables to subsidiary companies	1,213,632	479,033	734,599
10	Payables to associated companies	3,954,421	2,213,741	1,740,680
11	Payables to parent company	731,370	294,019	437,351
12	Payables to tax authority	10,789,725	7,622,006	3,167,719
13	Payables to social security institutions	1,906,203	1,946,292	(40,089)
14	Other payables	19,507,615	18,486,763	1,020,852
Total debts and other payables		**639,176,594**	**554,168,562**	**85,008,032**
E	**Accrued expenses and prepaid income**	3,412,388	1,033,899	2,378,489
Total liabilities and consolidated shareholders' equity		**791,964,110**	**685,013,068**	**106,951,042**

Memorandum accounts		31.12.2014	31.12.2013	Change YoY
1	**Guarantees**			
a)	**Guarantees provided in favour of third parties**			
	a1) in favour of subsidiary companies	0	0	0
	a2) in favour of associated companies	16,237,506	11,960,744	4,276,762
	a3) in favour of other companies	50,000	50,000	0
	Total	**16,287,506**	**12,010,744**	**4,276,762**
b)	**Guarantees issued by third parties on behalf of Group companies**			
	b1) by banks	229,884,615	227,055,371	2,829,244
	b2) by insurance companies	63,371,210	74,425,251	(11,054,041)
	Total	**293,255,825**	**301,480,622**	**(8,224,797)**
	Total Guarantees	**309,543,331**	**313,491,366**	**(3,948,035)**
Total memorandum accounts		**309,543,331**	**313,491,366**	**(3,948,035)**

CONSOLIDATED INCOME STATEMENT

		Year 2014	Year 2013	Change YoY
A	**Value of production**			
1	Sales of goods and services	538,963,973	533,361,068	5,602,905
2	Changes in finished products, semi-finished products and works in progress	(7,321,833)	4,668,667	(11,990,500)
3	Changes in contracted works in progress	29,341,688	2,526,401	26,815,287
4	Capitalised construction costs performed for own account	487,584	1,395,058	(907,474)
5	Other revenue and income	18,545,608	29,639,710	(11,094,102)
Total value of production		**580,017,020**	**571,590,904**	**8,426,116**
B	**Costs of production**			
6	For raw materials, consumables and goods for resale	122,318,021	119,684,693	2,633,328
7	For services	327,546,444	341,322,468	(13,776,024)
8	For rental and lease of assets	4,084,099	4,834,139	(750,040)
9	For employees:			
	a) wages and salaries	72,290,692	68,546,658	3,744,034
	b) social security contributions	9,712,449	10,500,799	(788,350)
	c) employees' severance indemnity	2,231,878	2,389,475	(157,597)
	d) provision for pensions and similar obligations	0	46,365	(46,365)
	e) other costs relating to employees	5,877,495	6,858,389	(980,894)
	Total costs for employees	**90,112,514**	**88,341,686**	**1,770,828**
10	Amortization, depreciation and write-downs:			
	a) amortization of intangible assets	576,654	578,654	(2,000)
	b) depreciation of fixed assets	8,724,388	7,649,191	1,075,197
	c) write-downs of non-current assets other than investments	0	0	0
	d) write-downs of accounts receivable included in current assets	164,090	1,013,604	(849,514)
	Total amortization, depreciation and write-downs	**9,465,132**	**9,241,449**	**223,683**
11	Change in raw materials, consumables and goods for resale	218,872	(12,252,305)	12,471,177
12	Contingency provisions	0	0	0
13	Other accruals and provisions	76,090	916,267	(840,177)
14	Other operating charges	14,750,231	11,156,984	3,593,247
Total costs of production		**568,571,403**	**563,245,381**	**5,326,022**
Operating margin (EBIT) (A-B)		**11,445,617**	**8,345,523**	**3,100,094**
C	**Financial income and expenses**			
15	Income from equity investments	250	473	(223)
16	Other financial income:			
	a) from accounts receivable included in non-current assets	0	1,634	(1,634)
	b) from other investments included in non-current assets other than equity investments	4,835	14,253	(9,418)
	c) from other investments included in current assets	0	0	0
	d) financial income other than income listed above	5,783,280	2,419,145	3,364,135
	Total other financial income	**5,788,115**	**2,435,032**	**3,353,083**
17	Interest and other financial charges	3,516,419	1,680,695	1,835,724
17bis	Foreign currency translation gains / (losses)	(643,402)	(2,727,255)	2,083,853
Total financial income and (expenses)		**1,628,544**	**(1,972,445)**	**3,600,989**

		Year 2014	Year 2013	Change YoY
D	**Valuation adjustments of investments**			
18	Revaluations:			
	a) of equity investments	223,298	181,828	41,470
	b) of non-current investments other than equity investments	0	0	0
	c) of current investments	0	0	0
	Total	**223,298**	**181,828**	**41,470**
19	Devaluation:			
	a) of equity investments	63,135	984,595	(921,460)
	b) of non-current investments other than equity investments	0	0	0
	c) of current investments	0	0	0
	Total	**63,135**	**984,595**	**(921,460)**
Total valuation adjustments of investments		**160,163**	**(802,767)**	**962,930**
E	**Extraordinary income and charges**			
20	Income			
	a) realised gains from disposal of assets	275,251	156,545	118,706
	b) other extraordinary income	9,050,357	2,014,130	7,036,227
	Total	**9,325,608**	**2,170,675**	**7,154,933**
21	Charges			
	a) realised losses from disposal of assets	22,396	107,314	(84,918)
	b) other extraordinary losses and charges	552,741	636,730	(83,989)
	Total	**575,137**	**744,044**	**(168,907)**
Total extraordinary income and (charges)		**8,750,471**	**1,426,631**	**7,323,840**
Profit or (loss) before income taxes		**21,984,795**	**6,996,942**	**14,987,853**
22	Income taxes for the period			
	a) current taxes	6,160,453	3,703,307	2,457,146
	b) deferred tax (assets) / liabilities	3,037,721	771,082	2,266,639
	Total	**9,198,174**	**4,474,389**	**4,723,785**
Profit or (loss) for the financial period		**12,786,621**	**2,522,553**	**10,264,068**
Minority share of (profit) or loss for the financial period		867,715	3,846,956	(2,979,241)
Consolidated Group profit or (loss) for the financial period		**13,654,336**	**6,369,509**	**7,284,827**

CASH FLOW STATEMENT

		Year 2014	Year 2013
a)	**Cash flow from operations**		
	Group Profit for the financial period	13,654,336	6,369,509
	Changes to adjust the profit for the financial period to the cash flow generated (utilised) by operating activities:		
	Minority share of profit	(867,715)	(3,846,956)
	Income taxes	9,198,174	4,474,389
	Depreciation and amortization	9,301,042	14,157,266
	Provision for employees' severance indemnity	2,262,866	1,179,475
	Draw-down from employees' severance indemnity	(2,883,230)	(1,158,402)
	Net (Revaluation)/devaluation of investments	(160,163)	967,229
	Provision/(Draw-down) for contingencies and other liabilities	(136,083)	404,618
	Provisions/(Draw-down) for doubtful accounts receivables	(3,635,411)	0
	Accrual in Provisions for doubtful accounts receivable	164,090	1,013,604
	Dividends from equity investments	250	473
	Interest charges/(Interest income)	(2,271,696)	(754,337)
	Realised losses from disposal of assets	659,950	107,314
	Realised gains from disposal of assets	(855,302)	(156,545)
	sub total	**24,431,108**	**22,757,637**
	Changes in working capital		
	Decrease (Increase) in accounts receivable (excluded deferred tax assets)	(40,347,522)	(65,395,526)
	Decrease (Increase) in inventory	(37,169,709)	(13,498,210)
	Decrease (Increase) in prepayments and accrued income	3,956,081	(679,170)
	Increase (Decrease) in debts and other payables	(33,549,749)	37,212,313
	Increase (Decrease) in advance payments from customers	50,021,933	6,463,264
	Increase (Decrese) in accruals and deferred income	2,378,489	(1,297,663)
	Income taxes paid	(4,432,243)	(6,368,911)
	Interest income collected	1,208,781	2,435,032
	Interes charges paid	(3,516,419)	(1,680,694)
	Total cash flow from operations	**(37,019,250)**	**(20,051,928)**
b)	**Cash flow from investing activities**		
	Fixed assets additions	(8,139,616)	(10,513,360)
	Change in consolidation area: fixed assets	8,432	0
	Fixed assets disposals	3,156,875	1,753,439
	Intangible assets additions	(669,952)	(2,110,095)
	Change in consolidation area: intangible assets	1,362	0
	Dividends from equity investments	0	0
	Financial investments additions	(4,001,887)	(832,552)
	Financial investments disposals	0	574,472
	Cash inflow from disposal of equity investments (net of cash outflow due to change in consolidation)	0	(404,149)
	Cash inflow from underwriting of debt composition (Sacaim)	0	9,613,928
	Total cash flow from investing activities	**(9,644,786)**	**(1,918,317)**
c)	**Cash flow from financing activities**		
	Increase (Decrease) in shareholders' loans	467,566	1,649,788
	Increase (Decrease) in current and non-current debt owed to banks and other lenders	66,340,972	4,807,119
	Dividends paid to shareholders	(300,000)	0
	Increase (Decrease) in minorities' share of equity	549,239	0
	Total cash flow from financing activities	**67,057,777**	**6,456,907**
d)	**Increase (Decrease) in currency translation reserve of branch balances**	**974,741**	**(665,181)**
e)	**Increase (Decrease) in foreign currency translation reserve**	**2,047,588**	**(1,316,132)**
f)	**Increase (Decrease) in consolidation reserve**	**(2,075)**	**0**
	Total cash flow	**23,413,995**	**(17,494,651)**
	Cash and cash equivalents at the beginning of the financial period	91,853,166	109,347,817
	Cash and cash equivalents at the end of the financial period	115,267,161	91,853,166
	Changes in cash and cash equivalents during the financial period	**23,413,995**	**(17,494,651)**

APPENDICES

APPENDIX A

List of consolidated companies adopting the line-by-line method
Pursuant to Art. 26 of Legislative Decree 127/91
(Art. 38, sub-section 2, point a) of Leg. Decree 127/91)

Corporate Name	Based in	Currency	Share capital	Ownership % 2014	Ownership % 2013
Rizzani de Eccher Spa	Pozzuolo del Friuli (UD)	Euro	20,000,000	parent company	parent company
Codest International Srl	Pozzuolo del Friuli (UD)	Euro	10,400	98.00%	98.00%
Codest Srl	Pozzuolo del Friuli (UD)	Euro	100,000	100.00%	100.00%
Codest Engineering Srl	Pozzuolo del Friuli (UD)	Euro	53,000	98.42%	98.42%
Cortelicini Srl	Pozzuolo del Friuli (UD)	Euro	98,000	98.00%	98.00%
Crociferi Scarl	Venice	Euro	10,000	75.00%	75.00%
Deal Srl	Pozzuolo del Friuli (UD)	Euro	46,800	98.00%	98.00%
de Eccher società agricola a r.l.	Rivignano (UD)	Euro	27,375	70.32%	70.32%
Fondaco Scarl	Venice	Euro	13,500	100.00%	54.00%
Eride Scarl	L'Aquila	Euro	10,000	100.00%	70.00%
Gabi Srl	Pozzuolo del Friuli (UD)	Euro	42,702	100.00%	100.00%
Iride Srl	Pozzuolo del Friuli (UD)	Euro	5,000,000	100.00%	100.00%
Metrobus Scarl	Pozzuolo del Friuli (UD)	Euro	10,000	64.92%	64.92%
Riflessi Srl	Pozzuolo del Friuli (UD)	Euro	10,200	100.00%	100.00%
Safau Iniziative Srl	Pozzuolo del Friuli (UD)	Euro	10,000	100.00%	100.00%
Sacaim Spa	Venice	Euro	2,100,000	80.00%	100.00%
San Giorgio Srl	Pozzuolo del Friuli (UD)	Euro	10,000	100.00%	100.00%
Tensacciai Srl *	Milan	Euro	100,000	98.10%	98.10%
Torre Scarl	Pozzuolo del Friuli (UD)	Euro	10,000	70.00%	70.00%
Codest Kazakhstan LLP **	Almaty (KZ)	KZT	1,000,000	98.00%	98.00%
Construtora Rizzani de Eccher Ltda	Sau Paulo (Brasile)	BRL	100,000	100.00%	100.00%
Interbridge Technologies BV	Hoofddorp (NL)	Euro	50,000	51.00%	51.00%
Rizzani de Eccher Australia Pty LTD	Adelaide (AUS)	AUD	100	100.00%	100.00%
Rizzani de Eccher Canada Inc	Vancouver (CDN)	CAD	100	100.00%	100.00%
Rizzani de Eccher RAK FZ-LLC	Ras al Khaimah (EAU)	AED	10,000,000	100.00%	100.00%
Rizzani de Eccher Matta Sarl	Beirut (LBN)	LBP	150,000,000	51.00%	51.00%
Rizzani de Eccher Usa*	Miami (USA)	USD	3,010,090	50.50%	50.50%
Rizzani de Eccher Bahrain SPC	Manama (Bahrain)	BHD	500,000	100.00%	100.00%

* Subsidiary company controlled with Deal Srl
** Subsidiary company of Codest International Srl

APPENDIX B

List of consolidated companies adopting the proportional method
Pursuant to Art. 37 of Legislative Decree 127/91
(Art. 38, sub-section 2, point b) of Leg. Decree 127/91)

Corporate Name	Based in	Currency	Share capital	Ownership % 2014	Ownership % 2013
City Contractor Scarl	Milan	Euro	10,000	50.00%	50.00%
Treviso Maggiore Srl	Ponzano Veneto (TV)	Euro	12,000	33.33%	33.33%
Tiliaventum Scarl	Pozzuolo del Friuli (UD)	Euro	10,000,000	50.00%	50.00%
Pizzarotti-Rizzani de Eccher Saudi Arabia Ltd	Riyadh (Saudi Arabia)	SAR	10,000,000	50.00%	50.00%
VFR Ltd	Cyprus	CYP	5,000	33.33%	33.33%

APPENDIX C

List of subsidiary and associated companies consolidated by the equity method
(Art. 38, sub-section 2, point c) of Leg. Decree 127/91)

Corporate Name	Based in	Currency	Share capital	Direct ownership %	Group ownership %
de Eccher Interiors Srl	Pozzuolo del Friuli (UD)	Euro	100,000	20.00%	20.00%
Società collegata tramite Deal Srl	Padua	Euro	100,000	-	30.58%
Futura Srl	Brescia	Euro	2,500,000	20.00%	20.00%
VSL - Rizzani de Eccher JV	Berna (CH)	CHF	100,000	45.00%	45.00%
Rilke Srl	Verona	Euro	40,000,000	30.00%	30.00%
Rizzani de Eccher Doo	Rijeka (HR)	HRK	20,000	90.00%	92.00%
Portocittà Srl	Triest	Euro	10,000	25.00%	25.00%
Sicea Srl	Vigonza (PD)	Euro	100,000	40.00%	40.00%

List of subsidiary and associated companies under the cost method
(Art. 38, sub-section 2, point d) of Leg. Decree 127/91)

Corporate Name	Based in	Currency	Share capital	Direct ownership %	Group ownership %	Reason of exclusion from consolidation area
Consorzio Mantegna	Vigonza (PD)	Euro	50,000	28.00%	43.13%	Art. 28 lett.a D.Lgs. 127/91
Fama Scarl	Venice	Euro	10,000	-	50.00%	Art. 28 lett.a D.Lgs. 127/91
Immobiliare Biancade Srl	Venice	Euro	10,000	-	50.00%	Art. 28 lett.a D.Lgs. 127/91
Jona Scarl	Venice	Euro	10,000	-	50.00%	Art. 28 lett.a D.Lgs. 127/91
Mugnone Scarl in liquidazione	Venice	Euro	10,000	-	100.00%	Art. 28 lett.a D.Lgs. 127/91
Peloritani Scarl in liquidazione	Pozzuolo del Friuli (UD)	Euro	10,000	64.15%	64.15%	Art. 28 lett.a D.Lgs. 127/91
Prospettive Immobiliari Srl in liquidazione	Triest	Euro	50,000	60.00%	60.00%	Art. 28 lett.a D.Lgs. 127/91
Palladio Restauri Scarl	Venice	Euro	10,000	-	94.88%	Art. 28 lett.a D.Lgs. 127/91
Palazzo del Cinema Scarl	Venice	Euro	10,000	-	56.00%	Art. 28 lett.a D.Lgs. 127/91
Roncoduro Scarl	Venice	Euro	10,000	-	57.14%	Art. 28 lett.a D.Lgs. 127/91
Store 26 Scarl	Vicenza	Euro	10,000	50.00%	50.00%	Art. 28 lett.a D.Lgs. 127/91
OOO Koruss	Moscow	RUB	100,000	100.00%	100.00%	Art. 28 lett.a D.Lgs. 127/91
Codruss	Moscow	RUB	55,000	-	98.42%	Art. 28 lett.a D.Lgs. 127/91

APPENDIX D

Schedule of intangible assets

	31.12.2013	Change in consolidation area	Increase (decrease)	Effects due to currency translation and reclassification	Amortization	31.12.2014
Formation and start up expenses	500,871	(1,362)	(6,191)	400	(127,507)	366,211
Research, development and advertising costs	89,996	-	228,756	-	(68,430)	250,322
Goodwill	523,147	-	-	-	(71,944)	451,203
Patents and intellectual property rights	351,896	-	-	(7,846)	(170,000)	174,050
Concessions, licences, trademarks and similar rights	48,333	-	-	-	(3,194)	45,139
Intangible assets under formation and prepayments	292,200	-	336,517	-	-	628,717
Other intangible assets	177,502	-	110,870	11,393	(135,579)	164,186
Total intangible assets	**1,983,945**	**(1,362)**	**669,952**	**3,947**	**(576,654)**	**2,079,828**

APPENDIX E

Schedule of fixed assets

	31.12.2013	Change in consolidation area	Increase	Decrease	Depreciation	Effects due to currency translation and reclassification	31.12.2014
Land and buildings	35,774,753	-	-	(20,953)	-	(92,963)	35,660,837
Accumulated depreciation	(5,425,008)	-	-	1,310	(820,974)	93,588	(6,151,084)
Land and buildings	**30,349,745**	**-**	**-**	**(19,643)**	**(820,974)**	**625**	**29,509,753**
Plant and machinery	48,269,612	(7,795)	5,070,317	(5,072,585)	-	2,267,420	50,526,969
Accumulated depreciation	(23,322,191)	(637)	-	2,288,431	(5,675,660)	(1,213,007)	(27,923,064)
Plant and machinery	**24,947,421**	**(8,432)**	**5,070,317**	**(2,784,154)**	**(5,675,660)**	**1,054,413**	**22,603,905**
Tools, fittings, furniture,	13,956,646	-	1,858,072	(709,453)	-	415,106	15,520,371
fixtures and other equipment	(9,520,873)	-	-	655,854	(1,802,499)	(286,575)	(10,954,093)
Accumulated depreciation							
Tools, fittings, furniture, fixtures and other equipment	**4,435,773**	**-**	**1,858,072**	**(53,599)**	**(1,802,499)**	**128,531**	**4,566,278**
Other fixed assets	4,006,085	-	663,292	(654,145)	-	98,832	4,114,064
Accumulated depreciation	(2,460,829)	-	-	550,018	(425,255)	(59,479)	(2,395,545)
Other fixed assets	**1,545,256**	**-**	**663,292**	**(104,127)**	**(425,255)**	**39,353**	**1,718,519**
Fixed assets under formation and prepayments	58,501	-	547,929	-	-	-	606,430
Fixed assets under formation and prepayments	**58,501**	**-**	**547,929**	**-**	**-**	**-**	**606,430**
Total historical cost of fixed assets	102,065,597	(7,795)	8,139,610	(6,457,136)	-	2,688,395	106,428,671
Total accumulated depreciation	(40,728,901)	(637)	-	3,495,613	(8,724,388)	(1,465,473)	(47,423,786)
Total fixed assets	**61,336,696**	**(8,432)**	**8,139,610**	**(2,961,523)**	**(8,724,388)**	**1,222,922**	**59,004,885**

APPENDIX F

Schedule of changes in consolidated shareholders' equity

	Share capital	Legal reserve	Consolidation reserve	Foreign currency translation reserve	Extraordinary reserve	Group profit (loss)	Total Group sharholders' equity	Minorities' share of equity and profit (loss)	Total consolidated shareholders' equity
Situation as of 31st December 2012	**20,000,000**	**3,205,298**	**285,386**	**604,695**	**73,410,664**	**6,796,853**	**104,302,896**	**8,348,938**	**112,651,834**
Allocation of profit for the year 2012	-	118,412	-	-	6,678,441	(6,796,853)	-	-	-
Dividends distribution	-	-	-	-	-	-	-	-	-
Change in consolidation area	-	-	297,330	-	(20,339)	-	276,991	(242,144)	34,848
Foreign currency translation gain (loss) of branch balances	-	-	-	-	(658,973)	-	(658,973)	(6,208)	(665,181)
Gain (loss) on foreign currency translation	-	-	-	(1,208,045)	-	-	(1,208,045)	(108,087)	(1,316,132)
Profit (loss) for the financial period 2013	-	-	-	-	-	6,369,509	6,369,509	(3,846,956)	2,522,553
Situation as of 31st December 2013	**20,000,000**	**3,323,710**	**582,716**	**(603,350)**	**79,409,794**	**6,369,509**	**109,082,379**	**4,145,543**	**113,227,922**
Allocation of profit for the year 2013	-	363,028	-	-	6,006,481	(6,369,509)	-	-	-
Dividends distribution	-	-	-	-	(300,000)	-	(300,000)	-	(300,000)
Change in consolidation area	-	-	(2,705)	-	-	-	(2,705)	396,500	393,795
Foreign currency translation gain (loss) of branch balances	-	-	-	-	974,741	-	974,741	2,434	977,175
Gain (loss) on foreign currency translation	-	-	-	3,274,451	-	-	3,274,451	150,305	3,424,756
Profit (loss) for the financial period 2014	-	-	-	-	-	13,654,336	13,654,336	(867,715)	12,786,621
Situation as of 31st December 2014	**20,000,000**	**3,686,738**	**580,011**	**2,671,101**	**86,091,016**	**13,654,336**	**126,683,202**	**3,827,067**	**130,510,269**

APPENDIX G

Reconciliation between stand-alone and consolidated accounts

in Euro thousand	Shareholders' equity 2014	Profit (loss) 2014	Shareholders' equity 2013	Profit (loss) 2013
Statutory stand-alone financial statements of the parent company	**81,013**	**3,621**	**76,817**	**7,260**
Off-set of consolidated equity investments				
difference between book value of equity investments and net assets value	26,328	-	26,585	-
consolidation differences	211	(32)	243	(32)
allocation of differential between purchase price and pro rata share of net assets value	2,357	-	2,357	-
foreign currency translation differences	2,674	-	(603)	-
pro-rata share of profit of consolidated companies	14,141	14,141	7,206	7,206
write-down / write-up on investements in consolidated companies	270	270	(4,022)	(4,022)
Off-set of related party transactions				
capital gains/losses and intercompany profit	(462)	531	(993)	(399)
dividends distribution including currency translation gains or losses	-	(3,408)	-	(3,910)
Adjustment due to consolidation accounting principles				
foreign currency translation gains (losses) of branch balances	(614)	-	(742)	-
Other adjustments				
valuation of investments under the net equity method	(653)	(1,788)	1,135	(19)
valuation of leasing contracts with the capital-lease method	1,418	319	1,099	286
Total Group's consolidated shareholders' equity	**126,683**	**13,654**	**109,082**	**6,370**
Minorities' share of equity and profit	3,827	(868)	4,146	(3,847)
Total consolidated shareholders' equity	**130,510**	**12,786**	**113,228**	**2,523**

STATUTORY FINANCIAL STATEMENTS OF RIZZANI DE ECCHER S.P.A. (PARENT COMPANY)

	Assets	31.12.2014	31.12.2013	Change YoY
A	**Receivable from shareholders for capital stock**			
	Shares not yet called up	0	0	0
	Shares already called up	0	0	0
Total receivable from shareholders for capital stock		**0**	**0**	**0**
B	**Non current assets**			
I)	**Intangible assets**			
1	Formation and start up expenses	0	0	0
2	Research, development and advertising	0	0	0
3	Patents and intellectual property	0	0	0
4	Concessions, licences, trademarks and similar rights	0	0	0
5	Goodwill	0	0	0
6	Intangible assets under formation and prepayments	0	0	0
7	Other intangible assets	92,516	91,390	1,126
	Total intangibles assets	**92,516**	**91,390**	**1,126**
II)	**Fixed assets**			
1	Land and buildings	6,108,106	6,370,769	(262,663)
2	Plant and machinery	16,358,621	15,777,255	581,366
3	Tools, fittings, furniture, fixtures and other equipment	3,338,502	2,989,564	348,938
4	Other fixed assets	1,124,451	956,334	168,117
5	Fixed assets under formation and prepayments	476,000	479,535	(3,535)
	Total fixed assets	**27,405,680**	**26,573,457**	**832,223**
III)	**Investments**			
1	Equity investments in:			
	a) subsidiary companies	52,744,624	51,356,056	1,388,568
	b) associated companies	27,414,399	7,219,746	20,194,653
	c) parent company	0	0	0
	d) other companies	4,018,866	165,974	3,852,892
	Total	**84,177,889**	**58,741,776**	**25,436,113**
2	Loans and receivables:			
	a) subsidiary companies	1,177,551	479,961	697,590
	b) associated companies	2,179,909	1,760,091	419,818
	c) parent company	0	0	0
	d) others companies	1,704,604	1,594,849	109,755
	Total	**5,062,064**	**3,834,901**	**1,227,163**
3	Other investments	91,233	98,155	(6,922)
4	Treasury stock	0	0	0
	Total investments	**89,331,186**	**62,674,832**	**26,656,354**
Total non current assets		**116,829,382**	**89,339,679**	**27,489,703**

STATUTORY BALANCE SHEET

Assets		31.12.2014	31.12.2013	Change YoY
C	**Current assets**			
I)	**Inventory**			
1	Raw materials and consumables	18,061,798	18,431,123	(369,325)
2	Works in progress and semi-finished products	1,145,371	1,107,076	38,295
3	Contracted works in progress	72,265,230	43,856,208	28,409,022
4	Finished products and goods for resale	1,188,899	1,481,678	(292,779)
5	Advances to suppliers	13,451,220	15,047,230	(1,596,010)
	Total inventory	**106,112,518**	**79,923,315**	**26,189,203**
II)	**Accounts receivable**			
1	Trade receivables			
	a) amounts falling due within 12 months	104,838,130	179,093,755	(74,255,625)
	b) amounts falling due beyond 12 months	0	0	0
	Total	**104,838,130**	**179,093,755**	**(74,255,625)**
2	Receivables from subsidiary companies	39,233,366	31,594,536	7,638,830
3	Receivables from associated companies	96,544,857	2,001,399	94,543,458
4	Receivables from parent company	1,750	745	1,005
4bis	Tax receivables	3,970,542	4,396,026	(425,484)
4ter	Deferred tax assets	1,795,517	119,948	1,675,569
5	Other receivables	2,923,773	2,348,271	575,502
	Total accounts receivable	**249,307,936**	**219,554,680**	**29,753,2563**
III)	**Investments**			
1	Subsidiary companies	0	0	0
2	Associated companies	0	0	0
3	Parent company	0	0	0
4	Other companies	0	0	0
5	Treasury stock	0	0	0
6	Other investments	0	0	0
	Total investments	**0**	**0**	**0**
IV)	**Cash and cash equivalents**			
1	Bank and postal current accounts	18,889,405	19,024,565	(135,160)
2	Checks deposited	0	0	0
3	Cash on hand	47,575	79,031	(31,456)
	Total cash and cash equivalents	**18,936,980**	**19,103,596**	**(166,616)**
Total current assets		**374,357,434**	**318,581,591**	**55,775,843**
D	**Accrued income and prepaid expenses**	5,324,990	4,687,084	637,906
Total assets		**496,511,806**	**412,608,354**	**83,903,452**

Liabilities		31.12.2014	31.12.2013	Change YoY
A	**Shareholders' equity**			
I	Share capital, authorized, issued and outstanding	20,000,000	20,000,000	0
II	Additional paid-in capital	0	0	0
III	Revaluation reserve	0	0	0
IV	Legal reserve	3,686,738	3,323,710	363,028
V	Statutory reserves	0	0	0
VI	Reserve for treasury stock owned	0	0	0
VII	Other reserves	53,705,628	46,232,504	7,473,124
VIII	Retained earnings	0	0	0
IX	Profits (loss) for the financial period	3,621,178	7,260,556	(3,639,378)
Total shareholders' equity		**81,013,544**	**76,816,770**	**4,196,774**
B	**Provision for contingencies and other liabilities**			
1	Provisions for pensions and similar obligations	0	0	0
2	Provision for taxation, included deferred tax liabilities	997,913	0	997,913
3	Other provisions	0	336,076	(336,076)
Total provisions for contingencies and other liabilities		**997,913**	**336,076**	**661,837**
C	**Employees' severance indemnity**	**2,448,863**	**2,491,963**	**(43,100)**
D	**Debts and other payables**			
1	Debenture loans	0	0	0
2	Convertible debenture loans	0	0	0
3	Amounts owed to shareholders for loans	0	0	0
4	Bank loans:			
	a) falling due within 12 months	45,450,000	1,179,250	44,270,750
	b) falling due beyond 12 months	21,792,299	10,330,765	11,461,534
	Total	**67,242,299**	**11,510,015**	**55,732,284**
5	Amounts owed to other lenders	33,484,608	38,294,136	(4,809,528)
6	Advance payments from customers	44,895,565	61,345,908	(16,450,343)
7	Trade payables (suppliers)	81,805,427	84,081,228	(2,275,801)
8	Debts represented by bills of exchange	0	0	0
9	Payables to subsidiary companies	156,073,193	103,918,277	52,154,916
10	Payables to associated companies	15,289,615	21,312,476	(6,022,861)
11	Payables to parent company	294,773	73,908	220,865
12	Payables to tax authority	3,558,101	4,447,082	(888,981)
13	Payables to social security institutions	936,724	899,241	37,483
14	Other payables	5,995,203	6,689,235	(694,032)
Total debts and other payables		**409,575,508**	**332,571,506**	**77,004,002**
E	**Accrued expenses and prepaid income**	2,475,978	392,039	2,083,939
Total liabilities and shareholders' equity		**496,511,806**	**412,608,354**	**83,903,452**

STATUTORY BALANCE SHEET

Memorandum accounts		31.12.2014	31.12.2013	Change YoY
1	**Guarantees**			
a)	in favour of subsidiary and associated companies	245,596,823	248,327,840	(2,731,017)
b)	issued by third parties in favour of the company	150,748,935	133,096,874	17,652,061
Total memorandum accounts		**396,345,758**	**381,424,714**	**14,921,044**

		Year 2014	Year 2013	Change YoY
A	**Value of production**			
1	Sales of goods and services	290,535,058	328,037,131	(37,502,073)
2	Changes in finished products, semi-finished products and works in progress	(254,485)	(5,206)	(249,279)
3	Changes in contracted works in progress	27,147,974	3,843,385	23,304,589
4	Capitalised construction costs performed for own account	0	124,793	(124,793)
5	Other revenue and income	7,694,205	29,696,525	(22,002,320)
Total value of production		**325,122,752**	**361,696,628**	**(36,573,876)**
B	**Costs of production**			
6	For raw materials, consumables and goods for resale	87,468,926	73,557,134	13,911,792
7	For services	175,447,628	236,781,279	(61,333,651)
8	For rental and lease of assets	924,836	621,353	303,483
9	For employees:			
	a) wages and salaries	41,324,000	33,396,628	7,927,372
	b) social security contributions	4,347,104	4,883,135	(536,031)
	c) employees' severance indemnity	1,133,825	1,137,997	(4,172)
	d) pensions costs and similar charges	0	0	0
	e) other costs relating to employees	4,133,881	5,014,236	(880,355)
	Total costs for employees	**50,938,810**	**44,431,996**	**6,506,814**
10	Amortization, depreciation and write-downs:			
	a) amortization of intangible assets	93,913	118,524	(24,611)
	b) depreciation of fixed assets	5,663,053	4,552,928	1,110,125
	c) write-downs of non-current assets other than investments	0	0	0
	d) write-downs of accounts receivable included in current assets	0	750,000	(750,000)
	Total amortization, depreciation and write-downs	**5,756,966**	**5,421,452**	**335,514**
11	Change in raw materials, consumables and goods for resale	573,140	(8,964,499)	9,537,639
12	Contingency provisions	0	0	0
13	Other accruals and provisions	0	0	0
14	Other operating charges	6,356,173	5,947,524	408,649
Total costs of production		**327,466,479**	**357,796,239**	**(30,329,760)**
Operating margin (EBIT) (A-B)		**(2,343,727)**	**3,900,389**	**(6,244,116)**
C	**Financial income and expenses**			
15	Income from equity investments	3,502,045	3,827,261	(325,216)
16	Other financial income:			
	a) from accounts receivable included in non-current assets	4,782,715	217,271	4,565,444
	b) from other investments included in non-current assets other than equity investments	0	0	0
	c) from other investments included in current assets	0	0	0
	d) financial income other than income listed above	439,767	1,114,977	(675,210)
	Total other financial income	**5,222,482**	**1,332,248**	**3,890,234**
17	Interest and other financial charges	3,481,814	1,142,574	2,339,240
17bis	Foreign currency translation gains / (losses)	(1,462,745)	(1,919,265)	456,520
Total financial income and (expenses)		**3,779,968**	**2,097,670**	**1,682,298**

STATUTORY INCOME STATEMENT

		Year 2014	Year 2013	Change YoY
D	**Valuation adjustments of investments**			
18	Revaluations:			
	a) of equity investments	1,738,467	4,682,585	(2,944,118)
	b) of non-current investments other than equity investments	0	0	0
	c) of current investments	0	0	0
	Total	**1,738,467**	**4,682,585**	**(2,944,118)**
19	Devaluation:			
	a) of equity investments	37,028	1,106,235	(1,069,207)
	b) of non-current investments other than equity investments	0	0	0
	c) of current investments	0	0	0
	Total	**37,028**	**1,106,235**	**(1,069,207)**
Total valuation adjustments of investments		**1,701,439**	**3,576,350**	**(1,874,911)**
E	**Extraordinary income and charges**			
20	Income	1,379,755	744,731	635,024
21	Charges	61,179	963,231	(902,052)
Total extraordinary income and (charges)		**1,318,576**	**(218,500)**	**1,537,076**
Profit or (loss) before income taxes		**4,456,256**	**9,355,909**	**(4,899,653)**
22	Income taxes for the period			
	a) current taxes	2,510,647	365,140	2,145,507
	b) deferred tax (assets) / liabilities	(1,675,569)	1,730,213	(3,405,782)
	Total	**835,078**	**2,095,353**	**(1,260,275)**
Profit or (loss) for the financial period		**3,621,178**	**7,260,556**	**(3,639,378)**

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