ICM

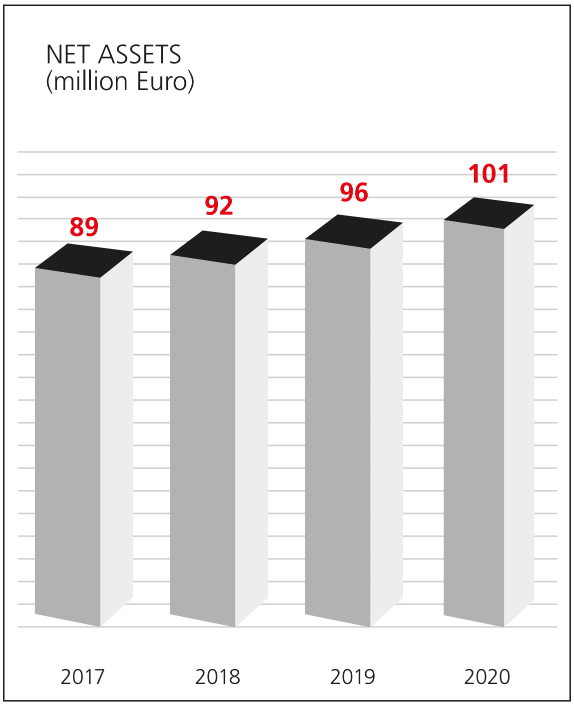
FINANCIAL STATEMENTS 2017

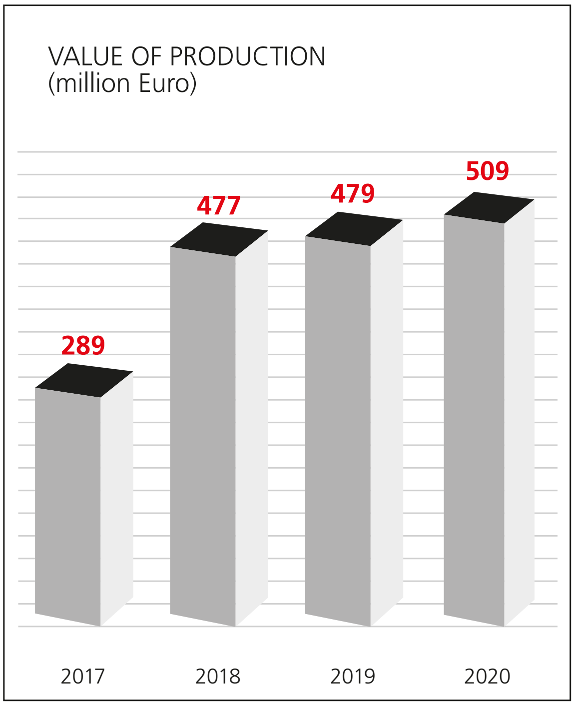
ICM GROUP

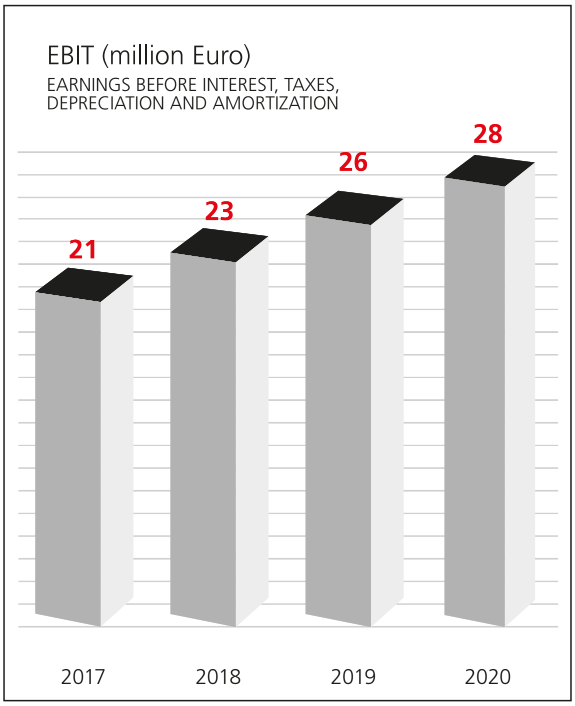
36100 Vicenza - Italy
Viale dell'Industria, 42
Tel. +39 0444 336111
Fax +39 0444 961541
www.gruppoicm.com

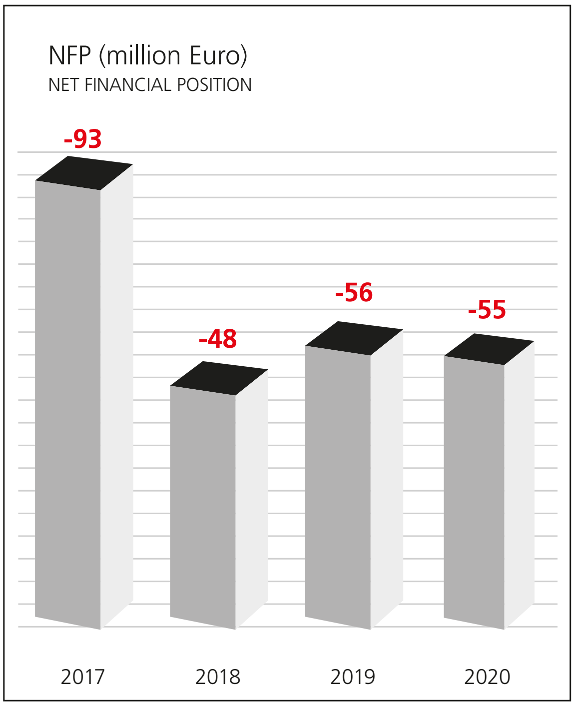
SUMMARY DATA

FINANCIAL STATEMENTS 2017 AND BUSINESS PLAN
Summary Data





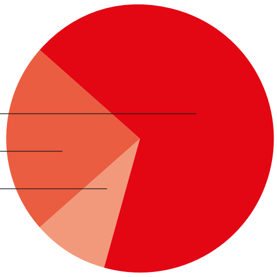




CONSTRUCTION BACKLOG AS OF 12.31.2017 TOTAL MILLION € 2,156

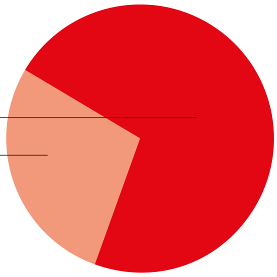
BY ACTIVITY SECTOR

PUBLIC	mil. €	1,467	68.04%
CONCESSION	mil. €	492	22.82%
PRIVATE	mil. €	197	9.14%



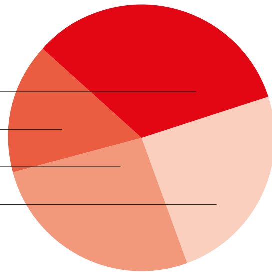
BY GEOGRAPHIC AREA

ITALY	mil. €	1,557	72.22%
ABROAD	mil. €	599	27.78%



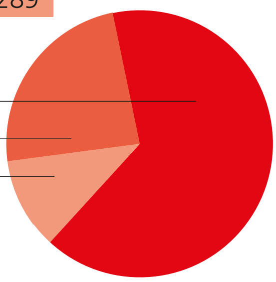
BY TYPE

ROAD WORKS	mil. €	719	33.35%
RAILWAY WORKS	mil. €	342	15.86%
OTHER INFRASTRUCTURES	mil. €	570	26.44%
BUILDING SEGMENT	mil. €	525	24.35%



CONSOLIDATED PRODUCTION 2017 TOTAL MILLION € 289

PUBLIC	mil. €	221	76.47%
PRIVATE	mil. €	35	12.11%
OTHER COMPANIES	mil. €	33	11.42%



Building Civilization

Polymnia Venezia S.r.l.:
Construction of the Cultural and Museum Complex of
the Twentieth Century - Mestre (VE)

FINANCIAL STATEMENTS 2017

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CONSOLIDATED COMPANIES

BACK OF THE COVER

ICM

New governing bodies appointed by the Meeting of June 8, 2018

BOARD OF DIRECTORS

President	Bettina Campedelli
Managing Director	Alberto Liberatori
Managing Director	Gianfranco Simonetto
Director	Francesco Marena
Director	Alberto Regazzo
Director	Paolo Simioni

STATUTORY AUDITORS

President	Fabio Buttignon
Auditor	Daniele Federico Monarca
Auditor	Alessandro Terrin

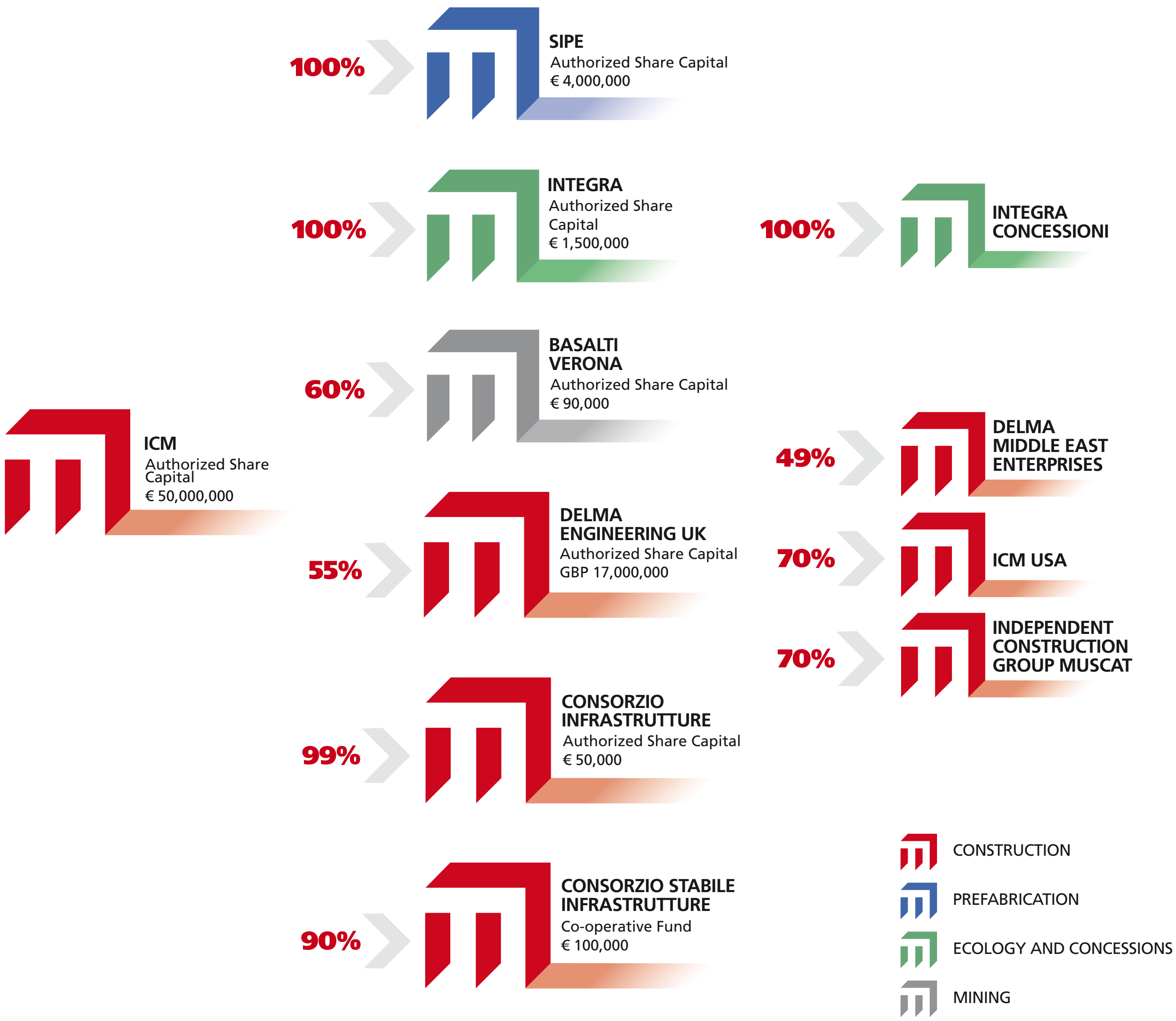
AUDITING FIRM

Deloitte & Touche S.p.A.

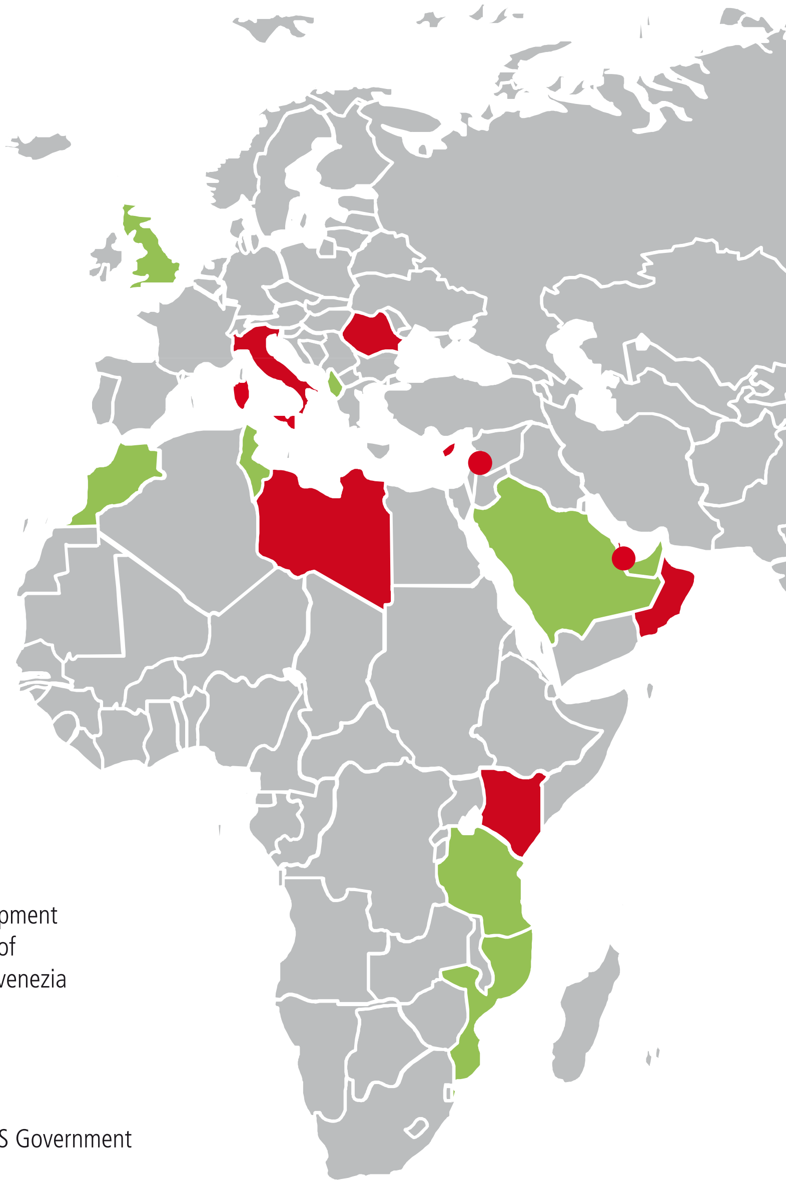
SUPERVISORY BODY
pursuant to the Italian Legislative Decree 231/2001

Rodolfo Mecarelli
Lorenzo Pascali
Cristina Negrello

GROUP ORGANIZATION
direct and indirect investments



MAIN BUILDING SITES OPERATING IN 2017/2018



IN ITALY

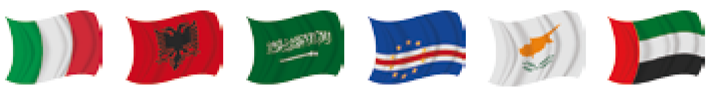
BRESCIA • Milan-Brescia-Verona high-speed/high-capacity line
CATANIA • CT Ognina - CT Centrale rail doubling
FERRARA • Enichem Facilities
MILANO • Coima SGR - Via Bonnet building construction
• Unipol Sai - The Big Hotel redevelopment
MODENA • ENEL - Logistic Center Redevelopment - Carpi
NAPOLI • Alifana 1
• Alifana 2
• Metro: Various lots
NOVARA • Design and construction of industrial buildings and infrastructures on behalf of Alenia Aeronautica
PE-URBINO • Auchan Shopping Center - Fano
PIACENZA • Generali Real Estate SGR S.p.A. - Logistic Hub
SALERNO • Shopping Center Le Cotoniere and ancillary works
SIRACUSA • Fuel storage facility at Augusta
• Hangar construction in Sigonella
TARANTO • Auchan Shopping Center
VENEZIA • SAVE S.p.A. - Venice Airport infrastructures redevelopment
VE-MESTRE • Construction of the Cultural and Museum Complex of the Twentieth Century on behalf of Fondazione Carivenezia
VERONA • SGR Tower - Former Magazzini Generali
• Serenissima SGR S.p.A. - District Park - Vigasio
• Gardaland - Hotel complex completion
VICENZA • Borgo Berga real estate development
• Dwelling units at Caserma Ederle on behalf of the US Government
• Completion of the Vicenza ring road

IN THE WORLD

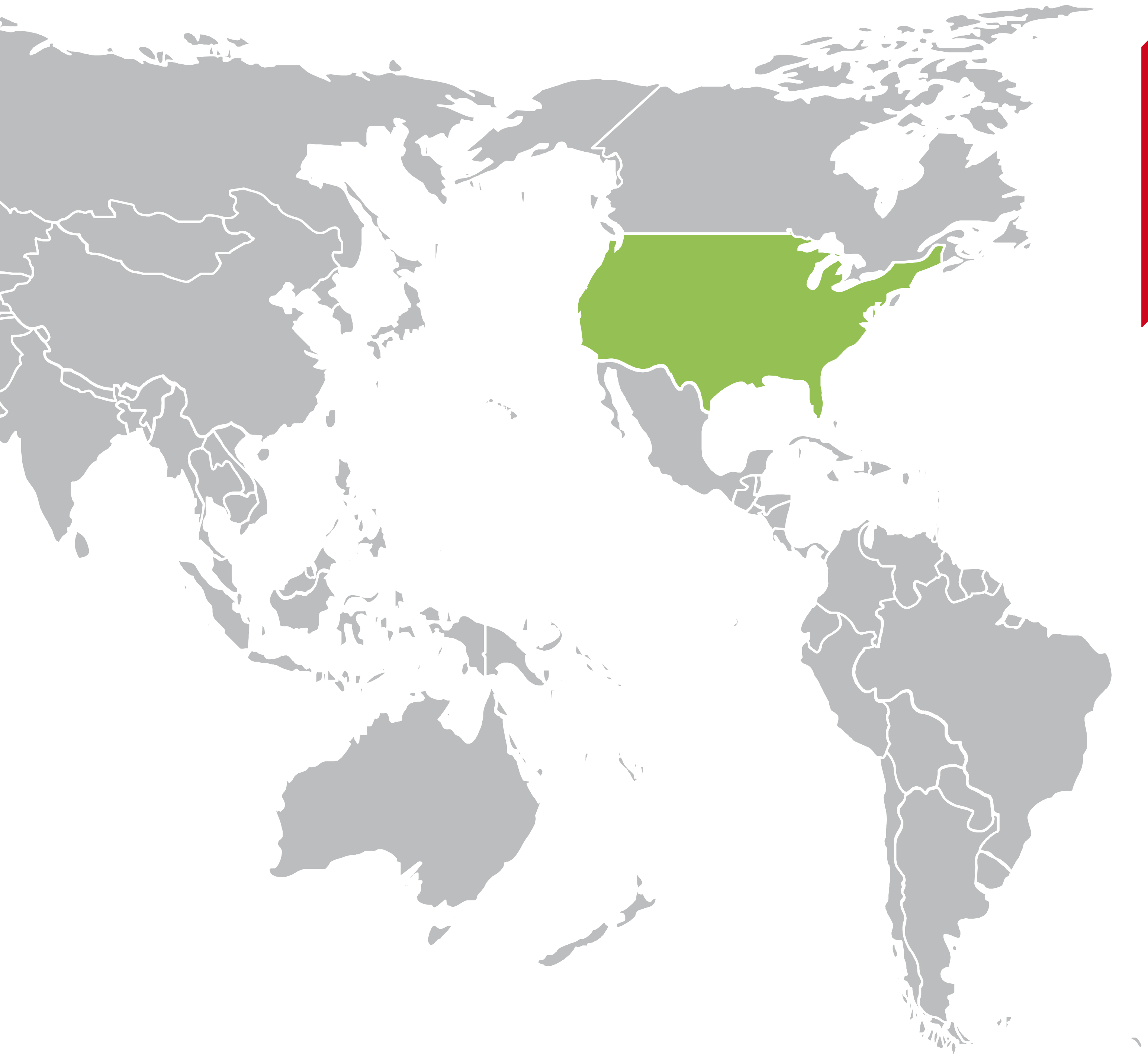
ROMANIA • Deveselu Base framework contract
CYPRUS • Limassol Delmar
LEBANON • Mseilha dam
LIBYA • Industrial building Lifeco in Marsa el Brega
QATAR • Infrastructural works and buildings
CAPE VERDE • International Airport of Praia - Nelson Mandela - Lot 1
OMAN • Extension of Armed Forces Hospital in Al Khoud - Muscat
KENYA • EPCF smart city of Konza
U.A.E. • Jumeirah Village Tower - Dubai

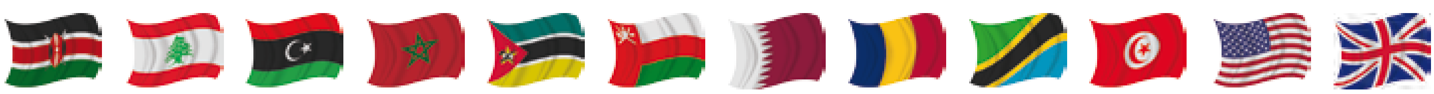
GEOGRAPHICAL PRESENCE

- OPERATING STRUCTURE
- COMMERCIAL DEVELOPMENT STRUCTURE
- ■ COMPANY
- ★ BRANCH



ITALY	ALBANIA	SAUDI ARABIA	CAPE VERDE	CYPRUS	U.A.E.
■				■	■
	★	★	★	★	





KENYA	LEBANON	LIBYA	MOROCCO	MOZAMBIQUE	OMAN	QATAR	ROMANIA	TANZANIA	TUNISIA	U.S.A.	U.K.
■		■	■	■	■	■	■	■		■	■
★	★	★			★	★	★	★	★		

REPORT ON OPERATIONS

Dear Shareholders,
We herewith submit to you the consolidated financial statements closed as of 31 December 2017, which together with the separate financial statements, were subject to legal review pursuant to article 14 of the Italian Legislative Decree No. 39 dated 27 Jan. 2010 by the firm Deloitte & Touche S.p.A..

CHANGES IN THE ECONOMY

The risks to financial stability arising from the international economy are decreasing.
In the euro area, the constant management of monetary policy instruments has allowed the risk premiums on government bonds to be kept under control even in the most fragile economies of the system.
Even in Italy, the financial vulnerability of families and businesses has been reduced; this trend is expected to continue supporting growth consolidation. A deterioration could also materialize in the particularly unfavorable case of a sharp slowdown of the economic situation accompanied by a rise in the interest rates.
Risks in the banking sector are overall decreasing although, specifically, the risks associated with the domestic construction sector have instead accentuated following the corporate crises that are affecting some of the most important Italian companies. These crises are also likely to involve and weaken a large set of supplying companies.
With this exception, it should however be noted that, thanks to the continuation of the economic recovery, both the new and the existing non-performing loans were overall reduced. In fact, some transactions have been completed or started in order to dispose of non-performing loans and the overall level of capitalization of the national banking system has started to increase once again (source: Report of the Bank of Italy).
A possible increase in market performance, if in line with the improvement in the economic situation, is deemed sustainable by the Italian economy. The ability of households and businesses to repay debts would remain good even in the event of an increase in their cost. The analyzes carried out by the supervisory authorities indicate that Italian banks and insurance companies are not very exposed to the risk of an increase in the rates. A reduction in the ratio between public debt and gross domestic product seems, therefore, attainable also in case of a rise in the returns, which would slowly reflect on the average cost of debt. Moreover, the public debt level is a factor of strong vulnerability and the credibility of the commitment to reduce it remains crucial.
The improvement of the conditions of Italian households, businesses and banks, together with the consolidation undertaken by the public finances, led rating agency Standard & Poor’s to revise the sovereign credit rating of Italy and of some of the major banks and insurance companies at the end of October.

THE CONSTRUCTION INDUSTRY IN ITALY

In this context, the construction sector still cannot perceive clear signs of recovery, after the long and deep crisis of previous years.
In terms of investments, the sector continues to offer a significant contribution, equal to 8% of Italian GDP. Moreover, thanks to its long and complex supply chain, it is able to generate a very strong fallout on the national economy. It is estimated, in fact, that constructions contribute to the growth of Italian wealth for about half a point a year (source: ANCE observatory). In the absence of the drop observed in investments in construction works, the economy could have increased, on average, by more than about 0.5%

each year, returning to the pre-crisis levels, similarly to what happened in the main European countries.
It follows that the distance from European growth rates could be reduced by increasing the role of investment in construction works.
Compared to forecasts, 2017 showed profoundly uncertain dynamics for the construction industry, which negatively affected potential production levels.
The preliminary estimate provided by ANCE for 2017 shows, in fact, an amount of investment in construction works slightly lower than the levels of 2016 (-0.1% in real terms).
This result is mainly influenced by the continuation of the negative trend recorded in public works, which prevents the long-awaited change of sign in investments in the building industry as a whole.
Concerning employment, available data do not yet show any evidence of a univocal and well-defined trend. In 2017, the number of people employed by the construction industry showed the low levels detected in the same period of the preceding year. Since the beginning of the crisis, the overall decrease for the sector involved about 600,000 employed people.
According to ANCE, investments in housing units show a slight increase of 0.1% with reference to the preceding period (-0.3% in 2016). The tentative increase in production levels is the result of the prolonged reduction in investments in new dwelling units, accompanied by an increase in investments in housing unit recovery.
Investments in new dwelling units decreased by 0.7% in real terms in 2017 compared to the preceding period (-3.3% in 2016). One factor that continues to be highly detrimental to the businesses is access to medium/long-term credit. The amount of mortgages disbursed for financing investments in the construction of dwelling units shows a downward trend by 8%, after the impressive contraction recorded in the period 2007-2016 (74%).
Investments made for the upgrading of the housing stock recorded, on the other hand, an estimated growth of 0.5% with reference to last year (1% in 2016). This estimate takes into account the extension, until December 2017, of the 50% tax deduction for building renovations and of the 65% deduction for the energy redevelopment of buildings.
Investments in private non-residential construction works show an increase by 1.5% in real terms compared to the preceding period (1.7% in 2016).
As for investments in public non-residential construction works, there is still a significant decrease by 3% compared to last year (-4.7% in 2016).
This estimate is affected by the difficulties and delays in implementing measures to support public investments envisaged by the Government in the measures taken in recent years. In particular, difficulties continue to emerge in spending on investments by local authorities and there are still delays in the procedures for spending resources on available infrastructures.
After a long and very deep crisis, 2018 can really represent the turning point for the industry. ANCE forecast involves an increase in the production levels by 2.4% in real terms. This new trend results from the extension of the growth of the segment of upgrading of the housing stock, from the important and expected change of sign in public works, and from a recovery of production levels in new housing construction industry.
It should also be noted that the current political uncertainty conditions are an obstacle to the consolidation of the tentative signs of economic recovery.
The drying up of the public spending capacity in the field of new infrastructures, which adds to the very long time characterizing resolution in court of disputes related to the greater economic claims submitted by the contractors, has contributed to generating situations of strong financial tension within some of the sector main domestic operators.

THE CONSTRUCTION SECTOR ABROAD

On the international markets, growth for the Italian construction system has been recorded for twelve consecutive years. The latest data available in the ANCE report, referring to a sample of 43 Italian companies, showed that the foreign turnover amounted to over 14 billion in 2016.
The continuous growth of such markets has led these Italian companies to attain 72% of their total production abroad. A diametrically opposite situation compared to 2004, the first year of analysis, when foreign production accounted for just over 31%. 2016

also saw a strong increase in the acquisition of new contracts: new works were 244 and were worth 20.8 billion (+20.7% compared to 2015).
New orders are concentrated for about 23.8% in North America; this circumstance had never occurred in the past and constitutes an absolute novelty. The second and third expansion areas are Sub-Saharan Africa and the Middle East, worth 17.6% each of the total new orders. The fourth area is represented by Asia, with 13.3%, a percentage never reached before. From these data, it can be clearly inferred that the geographical distribution of new work markets revolutionized compared to the previous year. In 2015, in fact, 50% of new orders were located in the European continent, more precisely 23.9% in the European Union countries and the remaining 24.1% in non-EU countries.
Overall, Italian companies are present in 90 countries with 686 construction sites, for a total contractual value of over 90 billion. There are 21 concession contracts for a total value of EUR 37.5 billion.

ACTIVITIES OF THE GROUP

The persistence of the negative economic situation has led the Group to continue its territorial diversification policy not only by increasing the geographical areas of interest but also by increasing the total number of international tenders to which the company took part.
Despite the efforts made, the revenues attained in 2017 showed a drop by EUR 289 million compared to the preceding period. This circumstance was largely determined by the delayed start or by the failure to start important works already acquired, for reasons not attributable to the Group.
In particular, it is worth noting the delayed start of some contracts, such as the Brescia-Verona high-speed railway line, which - through the Cepav 2 Consortium - has been waiting for the expected signing of the amendment deed for more than one year; and the contract Smartcity Konza in Kenya, which after the signing in mid-2017 of both the contract and the Kenyan Government’s loan by the involved pool of banks, has not been started yet, pending the final assumption by SACE of the Country risk, which takes place after a CIPE resolution that occurred in the recent days. In this regard, it is deemed that the process required for finalizing such resolution can reasonably be completed in a short time, thus fulfilling all the steps necessary for the finalization of the financial component of the contract.
It should be noted that such delays were not objectively foreseeable and, although they have negatively affected the expected production volumes, they did not compromise the margins attained during the period also thanks to the positive closing of some contracts.
Even though being confronted with a decrease in the business volumes, the Group attained as a matter of fact an EBITDA equal to EUR 53.1 million and a net profit of EUR 7.1 million, setting also aside provisions to cover contractual and credit risks as for more than EUR 21 million, in particular applying a prudent assessment of the risks mainly related to the management of disputes with customers.
The net financial position attained EUR -93 million against EUR -53 million as of 31 December 2016. This figure was attained despite the delay in the start of the High Speed and Konza contracts resulted in the failure to collect advances for a total amount of EUR 77 million.
The consolidated financial statements of the Group were drawn up according to the IAS (International Accounting Standard) and IFRS (International Financial Reporting Standard) international accounting standards. For further details on these principles, reference shall be made to the Explanatory Notes to the Consolidated Financial Statements.
It shall be underlined that the economic and equity performance of the Group are assessed also according to some indicators not defined by the IFRS, among which there are the EBITDA and the NFP. In particular, considering that in the building field plants and equipment necessary for the construction of the works are indifferently either directly purchased or subject to specific leasing or rental contracts, it is deemed suitable to calculate the EBITDA as gross value of all costs borne for making available the technical equipment.

RE-CLASSIFIED INCOME STATEMENT
(amounts in EUR/000)

	12.31.2017	%	12.31.2016	%
Revenues	**288,806**	**100.0%**	**340,292**	**100.0%**
Operating costs	-207,025	-71.7%	-272,814	-80.2%
Personnel costs	-28,644	-9.9%	-32,684	-9.6%
EBITDA	**53,137**	**18.4%**	**34,794**	**10.2%**
Depreciation, leases and rentals	-10,515	-3.6%	-12,110	-3.6%
Allocations to provisions	-21,323	-7.4%	-10,124	-3.0%
EBIT	**21,299**	**7.4%**	**12,560**	**3.7%**
Suretyship charges and bank expenses	-4,645	-1.6%	-4,119	-1.2%
Net financial income and expenses	-8,440	-2.9%	-7,674	-2.3%
Gain (loss) on exchange rates	1,178	0.4%	2,394	0.8%
Adjustment to the value of financial assets	-1,628	-0.6%	-2,198	-0.6%
Profit (Loss) before taxes	**7,764**	**2.7%**	**963**	**0.3%**
Taxes	-674	-0.2%	2,113	0.6%
Net Profit (Loss) for the period	**7,090**	**2.5%**	**3,076**	**0.9%**
Profit (Loss) attributable to minority interests	1	0.0%	-96	0.0%
Net income (loss) of the Group	**7,091**	**2.5%**	**2,980**	**0.9%**

Below there is a brief analysis of the main income statement items and the most significant changes occurred.
Consolidated **revenues** for the period amounted to EUR 289 million, of which EUR 181 million were generated abroad, accounting for 63% of the total.
The amount of revenues showed a decrease of about 15% compared to last year figure due to the aforementioned delayed starts of some contracts both in Italy and abroad.
Operating costs amounted to EUR 207 million (EUR 273 million in the previous period), with an incidence on the total revenues amounting to 71.7%, a decrease of 8 percentage points compared to the result attained in 2016.
Personnel costs amounted to EUR 28.6 million (EUR 32.7 million in the preceding period). The percentage impact of personnel costs was equal to 9.9% of revenues and was substantially in line with the previous period (9.6% in 2016).
The dynamics highlighted above have determined an **EBITDA** equal to EUR 53.1 million; this figure is higher in both absolute terms compared to the preceding period (EUR 34.8 million in 2016) and percentage terms on total revenues of 18.4% compared to 10.2% in the preceding period.
The item amortizations, leases and rentals amounted to EUR 10.5 million (EUR 12.1 million in 2016) and accounted for 3.6% of total revenues, a percentage in line with the preceding period.
There was a significant increase in the allocations to provisions by EUR 21.3 million (EUR 10.1 million in 2016) due to additional prudential set-asides to the contractual risks reserves and the allowance for doubtful receivables carried out during the period.
Also **EBIT**, which amounted to EUR 21.3 million, equal to 7.4% of the revenues, recorded an increase in both percentage and absolute terms compared to the preceding period.
The net result for the period amounted to EUR 7.1 million compared to EUR 3.1 million attained in the preceding period.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION
(amounts in EUR/000)

	12.31.2017	12.31.2016
Intangible long-term assets	6,333	6,757
Tangible long-term assets	43,441	46,529
Investments	7,045	5,384
Other net long-term assets	2,903	2,903
Total Long-term assets (A)	**59,722**	**61,573**
Inventories	49,923	46,669
Works in progress	172,746	173,556
Trade receivables	128,504	141,799
Intergroup trade receivables	2,713	3,575
Other assets	56,627	52,122
Advances from customers	-17,497	-22,590
Subtotal	**393,016**	**395,131**
Trade payables	-202,546	-267,907
Intergroup liabilities	-7,430	-12,898
Other liabilities	-51,288	-41,718
Subtotal	**-261,264**	**-322,523**
Operating working capital (B)	**131,752**	**72,608**
Employee benefits	-3,800	-4,586
Provisions for risks and charges	-5,380	-2,589
Total funds (C)	**-9,180**	**-7,175**
Net invested capital (D) = (A)+(B)+(C)	**182,294**	**127,006**
Cash and cash equivalents	80,384	126,642
Current financial receivables	21,039	21,097
Current financial liabilities	-101,522	-85,892
Non-current financial liabilities	-63,478	-91,584
Bonds	-29,713	-23,700
Net financial payables/receivables (E)	**-93,290**	**-53,437**
Net Equity of the Group	-74,266	-69,324
Net Equity of minority interests	-14,738	-4,245
Net equity (G) = (D) + (E)	**89,004**	**73,569**

During the period, the Parent Company placed securities for an amount of EUR 6 million, thus completing the placement of new securities that took place in the previous year. To date, securities have been placed for a total amount of EUR 30 million listed on the market.
On 26 February 2018, the Parent Company obtained the rating confirmation (B1.1 - Investment Grade) by Cerved Rating Agency.
Together with Simest, a company of the Cassa Depositi e Prestiti Group, the signing of the share capital increase of the subsidiary Delma Engineering UK took place for a total amount of EUR 19 million (of which 45% by Simest). This transaction aimed at supporting a plan of investments in machinery and equipment, as well as the penetration into new international markets.
With reference to the equity situation, the following shall be underlined:
- tangible long-term assets, amounting to EUR 43.4 million, decreased by 3.1 million, corresponding to the difference between the amortizations and the net new investments;
- an overall increase in working capital, amounting to EUR 132 million (EUR 73 million in 2016), was attained mainly due to the reduction in payables to suppliers as for EUR 65 million, which also justifies the EUR 55 million increase in the net invested capital, which amounted to EUR 182 million;
- a net equity amounting to EUR 89 million, indicating a ratio of 0.96 compared to the net financial position, was observed;
- building initiatives, booked at cost to the inventories as for EUR 43.5 million, were observed, as it can be inferred from the table here below.

Description of real estate initiatives	Net booking value
Building, Land - Via dell'Edilizia - Vicenza	11,951
Municipality of Monastier (TV)	1,650
Trieste Former Stock Area	3,247
VI Est Initiative	5,806
VI Ovest Initiative	5,881
Fossalta Initiative	4,094
Zianigo	1,026
Apartments in Rome	933
Land in Pavia	2,465
Isola Vicentina	554
Other lands and initiatives	5,907
Total	**43,514**

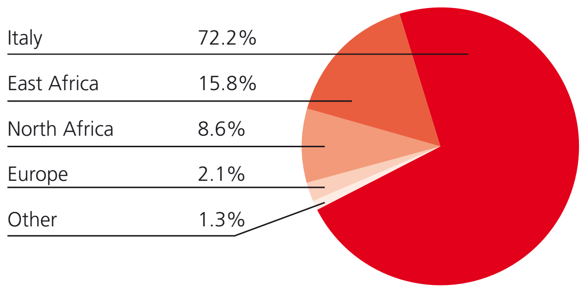
Based on available estimates, the market value of these initiatives appear to be not lower than the booked amount.

ECONOMIC TREND OF THE GROUP

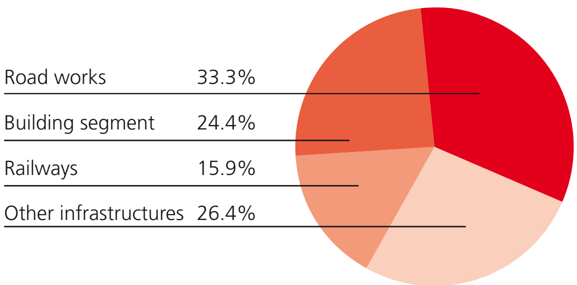
During 2017 and in the first period of the current financial year, the main contracts acquired were the following:
- the acquisition (transferring party was the Salini Impregilo group) of the works in the Neapolitan area attributable to the construction of the underground and to legs of the Alifana line for a total of EUR 83 million;
- the logistics hub of Piacenza on behalf of Generali Real Estate, worth EUR 30 million;
- the renovation of the former Magazzini Generali of Verona, purchaser Torre SGR Spa, worth EUR 19 million;
- the general redevelopment of the hotel The Big in Milan, on behalf of Unipol Sai, worth EUR 18 million;
- the maintenance contract for the Deveselu base facilities in Romania, on behalf of the Department of Navy - Navfac Eurafswa, for a consideration of EUR 18 million;
- the construction in Cyprus of 3 towers destined to residential tourism for a total amount of EUR 88 million, our share amounts to 31%.
The Parent Company’s works backlog amounted

to EUR 2.2 billion, substantially in line with the preceding period.
The breakdown by geographical area included 72.2% of the backlog located in Italy, mainly in the North of the country (56.9%). On the other hand, 27.8% of the total is located abroad, with a particular concentration in East Africa (15.8%), North Africa (8.6%), and Europe (2.1%).
As for 75.6%, it referred to infrastructure works (33.3% roadworks, 15.9% rail works and 26.4% other infrastructures) and as for 24.4% to the building sector.
A portion corresponding to about half of the purchase backlog will result in production that will be carried out during the current period and the following two.

BACKLOG SUMMARY BY GEOGRAPHICAL AREA



BACKLOG SUMMARY BY INDUSTRY SECTOR



It shall be underlined that the Parent Company is currently participating in new tenders worth a total of about EUR 7.9 bln, with an own share of EUR 4.6 bln, of which 53% concentrated abroad and 47% in Italy.
With regards to the SOA qualification certifications, the Parent Company can avail itself of registrations in 28 different categories, 12 of which for unlimited amounts, besides being qualified in the first category with reference to the regulation concerning general contractors, being authorized to carry out, as such, works up to a maximum amount of EUR 350 million.
The Parent Company attained 72% of its revenues abroad. Within such context, 75% of these revenues were attained in the Middle East (Qatar, Oman and Lebanon), where a significant activity in the field of airport infrastructures, dams and hospital constructions continued to be carried out. The remaining activities carried out abroad mainly took place in Kenya and in the Cape Verde archipelago.
In Italy, the Parent Company's revenues amounted to 28% of the total and, as in preceding periods, they were slightly more fragmented. Among the most significant orders, the continuation of the works relating to the M9 Museum in Mestre (VE), to the expansion-restyling of the Auchan shopping center in Fano and the work related to Hangar and Buildings in the Vicenza and Sigonella military bases on behalf of the United States Government are worth mentioning.
As regards infrastructures, the metropolitan railway works continued on behalf of RFI in Ognina in Sicily and of Metropolitana di Napoli.
Besides operating in the building sector, the Group was active also in other traditional contexts such as that of prefabrication, ecology, and the mining and processing of basalt.
The subsidiary **S.I.P.E. - Società Industriale Prefabbricati Edili - S.p.A.** produces turnkey industrial and civil prefabricates using a concrete prefabricate structure.
Despite the difficult market situation, due to the remarkable stagnation in the demand, during the period the company attained a turnover amounting to EUR 15.3 million (EUR 12.1 million in 2016) and an EBITDA of EUR 1 million (EUR 0.9 in 2016).
The current backlog is deemed to allow the preservation of the current volumes with a further improvement in margins.
Integra S.r.l. operates in the field of environmental reclamation works, management of purification plants; moreover, through the subsidiary, **Integra Concessioni S.r.l.**, it operates in the sector of concession activities/project financing. Together with the

subsidiary Integra Concessioni S.r.l., it carried out an aggregated production that amounted to EUR 13.8 million (EUR 12.9 million in 2016) recording an EBITDA of EUR 1.5 million (EUR 1.4 million in 2016).

Basalti Verona S.r.l. operates in Montecchia di Crosara and Cattignano in the cultivation of basalt quarries and in the transformation of basalt into products mainly destined to the construction of railway lines and roads. It attained revenues as for EUR 6.3 million (EUR 6 million in 2016), an EBITDA of EUR 1.6 million (EUR 1.3 million in 2016).

All the subsidiaries described above have attained positive economic results in the period.

INVESTMENTS

Despite the production, both in Italy and abroad, is increasingly oriented towards the activity of general contractor, which involves a greater use of the award of work to third parties or of the management through consortia rather than directly executing the works using own means, it should be noted that during the period the Group made net investments in plants and equipment for EUR 3 million. This figure is destined to increase in the immediate future in relation to the activity on the Kenyan building site.

PERSONNEL, RECRUITING AND TRAINING ACTIVITIES

During the year, the policies concerning HR management were inspired to the following by now consolidated guidelines:

- assuring the workforce necessary for business management;
- promoting the growth of skills and expertise;
- assuring a careful management of costs;
- assuring a prudent management of the corporate human assets.

The management of human resources in the different companies was articulated and differentiated according to the corresponding operating needs.

The management of human resources according to suppleness and flexibility principles is considered strategic for the attainment of the corporate objectives.

In any case, for all companies, considering the context characterized by the global crisis and difficulties on the markets, focus is on the research of the optimal dimension of the resources also by means of policies aiming at containing the workforce, above all in terms of structure, and such activity will continue carefully also in the current period.

Recruiting activities privileged the hiring of people newly graduated in engineering, since internal education and personnel loyalty have been set for long time as primary ways to manage the most promising resources.

Training processes were developed through the organization of a relevant number of courses concerning safety, quality and technical matters. Such courses were mainly organized within the companies and held by internal and external lecturers.

Furthermore, significant and widespread training programs were started aimed at expanding the knowledge of the English language by the employees in view of the increasing expansion of the corporate business abroad.

Industrial relations continued within the framework of the consolidated and collaborative institutional relations with the most representative trade unions.

During the period, the company employed on an average 624 employees with an decrease by 235 units with reference to those employed on an average in the preceding period.

As of the close of the period, there were 595 employees, subdivided into 27 managers, 250 office workers, and 318 production workers.

RELATIONS WITH THE COMPANIES OF THE GROUP

The belonging to the Group and essential homogeneity of the sector in which the different allied enterprises operate motivate intercompany relationships that are both commercial and financial.

The terms on which both commercial transactions and financial relationships are ruled are in line with the usual market ones.

Some companies of the Group adhere to the so-called "National Tax Consolidation" agreement. The company "MP Finanziaria S.p.A." acts as the controlling party of the consolidation group.

Here below, there is a summary of the relations with other companies of the Group during the period.

COMPANY Amounts in EUR/000	**Receivables**	**Payables**	**Revenues**	**Costs**
MP Finanziaria S.p.A. intercompany account	5,793			942
MP Finanziaria S.p.A. taxes (ICM S.p.A.)	1,032			
MP Finanziaria S.p.A. taxes (Integra/SIPE/Basalti)	1,173	404		
Acquasanta S.c.a r.l. in liquidation		79		
Castel di Sangro S.c.a r.l. in liquidation		350		
Consorzio Co.Ma.So.	14			
Construkta Objekti	23			
Delma Lybian Company				
Delma Engineering UK	46			
Edimal Gran Sasso S.c.a r.l. in liquidation		29		
Elmas S.c.a r.l. in liquidation	30			
FCE S.c.a r.l. in liquidation		232		
Mediterraneo S.c.a r.l. in liquidation				
Floridia S.c.a r.l. in liquidation	49			
Jonica S.c.a r.l. in liquidation		28		
ICM USA - LLC	213		1	
ICGM Romania		192		
Immobiliare Colli S.r.l. in liquidation		376		
Maltauro Spencon Stirling	1,378			
Olivo S.c.a r.l. in liquidation	31			
Porto di Casciolino S.c.a r.l. in liquidation	115			
San Cristoforo S.c.a r.l.	54		14	2
Sanmichele S.r.l.				
Sesto S.c.a r.l. in liquidation		314		1
Simal S.r.l.				
Stazione Chiaia S.c.a r.l.	683		5	
Stazione Chiaia S.c.a r.l. - NM		1,839		1,059
Suburbana Est Bologna S.c.a r.l. in liquidation		43		
Assi Stradali S.c.a r.l. in liquidation	58			
Codel.Ma S.r.l.	171			
Codel.Ma S.r.l.	14,628			
Consorzio Coferi in liquidation		21		
Consorzio MRG in liquidation		26		
Consorzio San Massimo in liquidation	26			
Delfur S.c.a r.l. in liquidation		34		
Diamante Paola S.c.a r.l. in liquidation		132		
Consorzio Fugist	80		80	
Itaca S.c.a r.l. in liquidation		103		3
Malco S.c.a r.l.		2,020	376	1,144
Monteadriano	117			
Ottavia 93 S.c.a r.l. in liquidation		17		
Portocittà S.r.l.	123			
Porto Roccella S.c.a r.l. in liquidation	54			
GTB S.c.a r.l. in liquidation - NM	239		39	
Riviera S.c.a r.l. - ICM	149		29	
Riviera S.c.a r.l. - NM		395	10	209
Robur S.c.a r.l. in liquidation - NM		212		
Smacemex S.c.a r.l.		77	563	1,115
Store 26 S.c.a r.l. in liquidation	62			
T.M.T. S.c.a r.l. in liquidation				
Other companies	581	507		
Totals	**26,922**	**7,430**	**1,117**	**4,475**

RISK MANAGEMENT

Risk management is an issue having strategic relevance for the Group in order to allow the same to attain its own targets.
With reference to this, the following risks have to be taken into consideration:

Business-context related risks

This category includes the external risks resulting from the macroeconomic and socio-political dynamics of a Country, from the sector trends and from the competitive scenario, which could jeopardize the attainment of the Group's objectives, i.e. all those events whose occurrence cannot be influenced by corporate decisions.
Due to the nature of these risks, the Group relies on its forecasting and management capabilities in the event of an occurrence of the same, integrating the risk vision into the strategic and commercial planning processes.
The control over these risks is also ensured by the activity monitoring the progress of the strategic objectives also in terms of backlog composition and diversification and its progressive evolution in terms of risk profile.

Operational risks

In this case, these are those risks that could jeopardize the creation of value and that are due to an inefficient and/or ineffective management of the regular business operation, in particular with reference to the management of bids and the actual execution of the orders.
To this end, the Group intends to hedge these risks already from the stage of analysis of the business initiative to be undertaken in the light of the project's risk-performance assessment in case of awarding and of its impact on the backlog configuration in terms of both concentration and overall risk profile.
Therefore, the risk detection activity is then re-performed upon awarding, and monitored and updated during the execution of the project in order to detect the risk exposure evolution in a timely manner and to take the appropriate mitigation actions promptly.

Country-related risk

The Group pursues its objectives by operating also abroad, seizing business opportunities in several countries and thus exposing itself to the risks resulting from the features and conditions characterizing these countries, such as the political, economic and social context, the local regulation, taxation, and operational complexity, as well as, last but not least, the security conditions.
Knowing and constantly monitoring the Country risk through specific indicators enables the Group to target business strategies, as well as to better understand the operational environment and, therefore, to take precautions and/or implement actions aimed at removing constraints and mitigating potential threats.

Counterparty risk

The counterparty dimension identifies the potential critical aspects associated with the relationships with the Group's Customers, Shareholders, Sub-Contractors and Suppliers, so as to provide a framework as comprehensive as possible of the characteristics of the partners with whom to start or continue a collaboration. For each of these types of counterparties, the risk factors associated with the financial and operational reliability are more or less relevant, in addition to the strategic role possibly acquired by a collaboration related to a specific business initiative, and to all other matters related to the legal aspects protecting the regularity of the relationship.
The analysis of the counterparties is carried out upon each new initiative taken into consideration by the Group with the support of all relevant Business Units. It allows a better prediction of the critical aspects that may arise during the performance of the operational activities, as well as a more precise planning of the mitigation actions to be implemented.

ORGANIZATION AND MANAGEMENT MODEL PURSUANT TO THE ITALIAN LEGISLATIVE DECREE 231/2001 AND THE CODE OF ETHICS

With reference to the provisions of the Italian Legislative Decree No. 231/2001, the Parent Company ICM Spa adopted its own Organization and Management Model since 2003, which it has implemented according to the law provisions also

through the proper activity of the Supervisory Board. After its implementation, the Model was updated in compliance with the new legislative instruments dated 22 December 2006 and, further, on 31 March 2010, 28 September 2012, and 11 July 2014. With its decision of 14 October 2014, the Board of Directors decided to strengthen the preventive system implemented by the adopted Organization and Management Model, by updating and implementing Preventive protocols, Operating Instructions and Corporate Procedures.
The Organization, Management and Control Model, implemented as mentioned above, was approved by a resolution of the Board of Directors on 8 April 2015. The observance of the relevant ethical principles for the purpose of preventing criminal offenses is, in fact, an essential element of the preventive system that the company decided to implement in an effective manner, pursuant to the provisions of the Organization and Management Model. And the implementation of the latter, which is compulsory for all those who work for the Group, is assured by a corporate activity management system that respects its guiding principles.
Such principles were included in the Code of Ethics of the Group, an official document, approved by the Board of Directors upon delegation by the Shareholders' Meeting, which is constantly updated and contains all rights, obligations and ethical principles adopted with reference to the stakeholders. As a consequence, such document is made aware to all employees, collaborators, customers and suppliers, requiring the same to observe such provisions sanctioning any failure to comply with the same through the disciplinary system or contractual sanctioning remedies.
The implemented Organization and Management Model is deemed suitable to hold the Group's companies harmless in case of subjective responsibility as a result of any legal proceedings raised against its Directors and employees.

RESEARCH AND DEVELOPMENT ACTIVITIES

During the last year, the companies of the Group did not bear any research and development costs.

TREASURY STOCK

None of the companies of the Group holds treasury stock or shares of parent companies.

OPERATIONS WITH FINANCIAL INSTRUMENTS

The companies of the Group carried out non-speculative operations in instruments for covering the risks related to the fluctuations of interest rates on existing medium and long term loans (cash flow hedge).
Changes to the fair value of derivatives named cash flow hedges were booked, only for the "effective" share, to a specific reserve of the net equity that is subsequently transferred to the income statement upon economic occurrence of the underlying coverage item. The changes to the fair value referable to the "non-effective" part is immediately booked to the period income statement.

BRANCH OFFICES

It shall be underlined that the Parent Company, ICM S.p.A., operated during the period with secondary business units. The most relevant ones are listed here below.

Country	**Address**
Cape Verde	C.P. 8/A Achada S. Antonio - Praia
Lebanon	Victoria Center 9th Floor, Dbayeh Highway, Beirut
Libya	Khalat El Forjan P.O. Box 81882/12422 Tripoli
Kenya	Off Ring Road – Centenary House 00623 Nairobi
Qatar	Al Markhiya Street 380 – Area 32 Dahel Al Haman - Doha
Oman	P.O. Box 158 ZIP code 136 Muscat Governorate/Bawshar Oman
Romania	Strada Maria Rossetti n. 8A - Etaj 3 - Sector 2 - ZIP code 020485 - Bucharest (Romania)

RELEVANT MANAGEMENT DEVELOPMENT AND FACTS OCCURRING AFTER THE CLOSE OF THE ACCOUNTING PERIOD

After the close of the accounting period, the various companies included in the scope of consolidation followed the formulated positive forecasts. The concrete start of the production activities at standard pace in Kenya, at the end of the administrative process involving SACE, for the high-speed railways works and those generated by new acquisitions already granted and expected, will in fact allow the attainment of positive results in the period in terms of both production value and economic results.

Therefore, in the absence of unforeseen elements to date, the current period will lead to a consolidation of the business volumes and to a confirmation of positive economic results.

Vicenza, 2 May 2018

For the Board of Directors
The President
Ms. Bettina Campedelli

STATEMENT OF FINANCIAL POSITION - ASSETS
(amounts in EUR/000)

	Remarks	12.31.2017	12.31.2016
Assets			
Non-current assets			
Tangible long-term assets	**1**	43,441	46,529
Intangible long-term assets	**2**	6,333	6,757
Investments	**3**	7,045	5,384
Other non-current assets	**4**	9,115	4,735
Total non-current assets		**65,934**	**63,405**
Assets available for sale	**5**	12,495	11,502
Current assets			
Inventories	**6**	49,923	46,669
Contract work in progress	**6**	172,746	173,556
Trade receivables	**7**	128,504	141,799
Receivables from affiliates and parent companies	**8**	26,922	29,641
Other current assets	**9**	34,750	33,819
Cash and cash equivalents	**10**	80,384	126,642
Total current assets		**493,229**	**552,126**
Total assets		**571,658**	**627,033**

STATEMENT OF FINANCIAL POSITION - LIABILITIES

(amounts in EUR/000)

	Remarks	12.31.2017	12.31.2016
Net Equity			
Authorized share capital		50,000	50,000
Additional paid in capital fund		500	500
Legal reserve		1,421	1,273
Other reserves		12,514	11,642
Retained earnings (losses)		2,740	2,929
Period income/loss		7,091	2,980
Total Equity of the Group		**74,266**	**69,324**
Minority interests		14,738	4,245
Total Equity	**11**	**89,004**	**73,569**
Non-current liabilities			
Bonds	**12**	29,713	23,700
Bank financings	**13**	55,935	78,303
Payables due to other lenders	**14**	6,377	12,175
Payables for financial leases	**15**	1,166	1,106
Deferred tax liabilities	**16**	2,868	3,072
Provisions for risks and charges	**17**	5,380	2,589
Employee benefits	**18**	3,800	4,586
Advances on non-current contract work in progress	**19**	0	137
Total non-current liabilities		**105,239**	**125,668**
Current liabilities			
Bank financings	**20**	100,606	84,313
Payables due to other lenders	**21**	244	1,179
Payables for financial leases	**22**	672	400
Advances on current contract work in progress	**23**	17,497	22,453
Trade payables to suppliers	**24**	202,546	267,907
Payables to affiliates and parent companies	**25**	7,430	12,898
Other current liabilities	**26**	48,420	38,646
Total current liabilities		**377,415**	**427,796**
Total equity and liabilities		**571,658**	**627,033**

Metropolitana di Napoli S.p.A.:
Construction of Tribunale Station

INCOME STATEMENT
(amounts in EUR/000)

	Remarks	12.31.2017	12.31.2016
Revenues			
Revenues		288,806	340,292
Total revenues	**27**	**288,806**	**340,292**
Costs			
Raw materials and consumables		30,082	32,625
Subcontracts		144,190	210,632
Other operating expenses		32,753	29,557
Personnel costs		28,644	32,684
Depreciation, leases and rentals		10,515	12,110
Allocations to provisions		21,323	10,124
Total costs	**28**	**267,507**	**327,732**
Operating income		**21,299**	**12,560**
Financial income and expenses			
Suretyship charges and bank expenses	**29**	-4,645	-4,119
Interest expense to credit institutions	**30**	-6,021	-6,655
Interest expense to third parties	**31**	-2,432	-1,123
Gains (losses) on exchange	**32**	1,178	2,394
Other financial income (expenses)	**33**	13	104
Total financial income and expenses		**-11,907**	**-9,399**
Adjustments to the value of financial assets	**34**	**-1,628**	**-2,198**
Income before taxes		**7,764**	**963**
Current taxes	**35**	-1,174	-750
Deferred taxes	**35**	500	2,863
Net income (loss) for the Group and minority interests		**7,090**	**3,076**
Minority interests (income) loss		1	-96
Net income (loss) of the Group		**7,091**	**2,980**

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
(amounts in EUR/000)

	Remarks	12.31.2017	12.31.2016
Net income (loss) for the Group and minority interests		**7,090**	**3,076**
Transposition differences	**11**	-341	-206
Cash flow hedge	**11**	257	-57
Actuarial Benefit	**11**	0	-149
Change in assets available for sale	**11**	-1,059	-1,942
Total Other income (expenses)		**-1,143**	**-2,354**
Net comprehensive period income (loss)		**5,947**	**722**
referred to:			
Minority Interests		1	-96
Group		5,948	626

Ministry of Energy and Water of Lebanon:
Mseilha dam

CASH FLOW STATEMENT
(amounts in EUR/000)

	2017	2016
Period income (loss)	**7,090**	**3,076**
Depreciations and amortizations	5,532	5,200
Set-aside (use) provisions for future charges	19,938	9,813
Set-aside (use) Employee Severance Fund	-786	-805
Set-aside (use) reserve for deferred taxes	-204	141
Change in assets and liabilities		
Trade receivables	11,305	-8,892
Inventories	-17,344	10,670
Trade payables	-65,361	-1,856
Other operational assets/liabilities	967	-18,723
Total cash flow from operating activities	**-38,863**	**-1,376**
Net investments tangible long-term assets	-1,897	-909
Net real estate investments intangible inv. and goodwill	-123	-112
Change in non-current assets	0	-1,627
Investments in subsidiaries and affiliates	-1,661	-1,008
Total cash flow from investment activities	**-3,681**	**-3,656**
Aumento capitale quota terzi	4,250	0
Obbligazioni	6,013	23,700
Rimborso mutui e finanziamenti	-23,477	-30,146
Accensione mutui e finanziamenti	0	61,544
Delta altre attività/passività finanziarie	11,001	-37,304
Dividends	-1,000	-1,000
Changes in minority interests	-160	-160
Total cash flow from financing activities	**-3,373**	**16,634**
Change in the scope of consolidation	0	643
Differences on transposition of currency	-341	-206
Annual cash flow	**-46,258**	**12,039**
Beginning cash and cash equivalents	**126,642**	**114,603**
Ending cash and cash equivalents	**80,384**	**126,642**

STATEMENT OF CHANGES IN EQUITY
(amounts in EUR/000)

	Authorized share capital	Addi. paid in capital	Legal reserve	Other reserves	Reserve for transposition differences	Cash flow hedge reserve	Actuarial benefit reserve	Change in assets available for sale	Retained (earnings) losses	Period income (loss)	Net equity of the Group	Minority interests	Consolidated Equity
As of 12.31.2015	**50,000**	**500**	**1,095**	**17,738**	**-41**	**-332**	**-309**	**-5,483**	**4,131**	**3,273**	**70,572**	**2,794**	**73,366**
Allocation of profits			178	3,382	41				-328	-3,273			
Distribution of dividends				-1,000							-1,000	-160	-1,160
Purchases from third parties													
Reclassification									-874		-874		-874
Change in the scope of consolidation												1,515	1,515
Revaluation reserve decrease													
Net overall income (loss) for the period					-206	-57	-149	-1,942		2,980	626	96	722
As of 12.31.2016	**50,000**	**500**	**1,273**	**20,120**	**-206**	**-389**	**-458**	**-7,425**	**2,929**	**2,980**	**69,324**	**4,245**	**73,569**
Allocation of profits			148	2,809	206				-183	-2,980			
Distribution of dividends				-1,000							-1,000	-160	-1,160
Purchases from third parties													
Investments under common control													
Consolidation scope change									-6		-6	10,654	10,648
Revaluation reserve decrease													
Net overall income (loss) for the period					-341	257		-1,059		7,091	5,948	-1	5,947
As of 12.31.2017	**50,000**	**500**	**1,421**	**21,929**	**-341**	**-132**	**-458**	**-8,484**	**2,740**	**7,091**	**74,266**	**14,738**	**89,004**

EXPLANATORY NOTES

ACTIVITIES OF THE GROUP

ICM S.p.A. is the operating holding of the ICM Group. The main activity of the Group is the construction of civil road, hydraulic, and infrastructural works, as well as civil engineering works in general, both public and private. The Group is also involved in the sector of building initiatives, prefabrication, environmental services, and the extraction and transformation of basalt.

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group as of 31 December 2017 were prepared in compliance with the IFRS international accounting standards adopted by the European Union and the related interpretations, as provided by Italian Legislative Decree 38/2005. Herein, the term IFRS includes also the reviewed International Accounting Standards (IAS) and the interpretations of the International Financial Reporting Interpretation Committee (IFRIC), previously called Standing Interpretation Committee (SIC). These Consolidated Financial Statements provide a correct representation of the economic, equity, and financial position of the Group both formally and substantially.

Therefore, the consolidated financial statements consist of statement of financial position, income statement, statement of comprehensive income, overview of net equity, cash flow statement and related explanatory and integrative notes to the financial statements.

The consolidated statement of financial position shows current and non-current assets and current and non-current liabilities separately. Current assets and liabilities include entries intended to be finalized in a normal operating cycle. Non-current ones include balances with realization cycles greater than twelve months.

The consolidated income statement presents a classification of costs by type and shows profit/loss before financial charges and taxes.

The Comprehensive Income Statement for the period is submitted pursuant to the provisions of the reviewed version of IAS 1.

Furthermore, it shows the net profit/loss of third parties and of the Group.

The cash flow statement was prepared using the indirect method, by which period income is adjusted for the effects of non-monetary transactions, for any deferment or set aside of previous or future collections or operational payments and for revenues or charges associated with cash flows from investment or financial activities. The cash and cash equivalent included in the cash flow statement include the equity balances for that heading as of the reference date. Revenues and costs related to interest, dividends received and income taxes are included in cash flows generated by operations.

The table showing the changes in the equity highlights, for a two-year time span, the changes occurred in the corporate assets/liabilities due to the period profit/loss, to transactions occurred with the Shareholders (any increase in the share capital, distribution of dividends, etc.) as well as due to the profits and losses directly booked to the net equity (exchange differences resulting from the transposition of a foreign entity, revaluation pursuant to the fair value, etc.).

The consolidated financial statements include the financial statements of ICM S.p.A. and of the subsidiaries of any type, including cooperative companies and commercial cooperative-like companies, if operational. The control occurs when the Group has the power of determining, either directly or indirectly, the operating, management and administrative decisions and of obtaining the related benefits; this may happen also by holding, either directly or indirectly, of more than half of the vote rights. The consolidated financial statements do not include subsidiaries that are inactive or that generate an insignificant sales turnover, because they do not have a material impact on the values in the consolidated financial statements of the Group.

The subsidiaries in liquidation were booked applying the lower value between the cost and the presumed realizable value.

It shall be underlined that during the period the company San Cristoforo S.c. a r.l. was excluded

from the consolidation scope, as it was no more relevant.
The companies Stazione Tribunale S.c. a r.l., Palazzo Iacobucci S.c. a r.l. , Independent Costruction Group Muscat L.C.C. and Delma Middle East Enterprises W.L.L., which started, in a remarkable manner, their operations during the period, were included in the consolidation scope.
Financial statements subject to consolidation were prepared as of 31 December, the reference date of the consolidated financial statements, and were generally specifically made available and approved by the Boards of Directors of the individual companies, suitably adjusted where necessary to conform to the accounting policies of the parent company.
Affiliates are those enterprises in which the parent company exercises significant influence by participating in decisions about financial and operational policies. In general, this happens when the parent company directly or indirectly controls at least one-fifth of the votes in the Ordinary Shareholders Meeting. In the consolidated financial statements, these companies are valued using the equity method.
Investments in companies that are neither affiliates nor subsidiaries are valued using the cost method.

COMPANIES CONSOLIDATED WITH THE LINE-BY-LINE METHOD:

Company	type	head office	authorized share capital	% of dir./ indir. invest.
S.I.P.E. Società Industriale Prefabbricati Edili	S.p.A.	LONIGO (VI)	4,000,000	100.00
BASALTI VERONA	S.r.l.	MONT. DI CROSARA (VR)	90,000	60.00
INTEGRA	S.r.l.	VICENZA	1,500,000	100.00
INTEGRA CONCESSIONI	S.r.l.	VICENZA	50,000	100.00
CONSORZIO INFRASTRUTTURE	S.c.a r.l.	VICENZA	50,000	100.00
NAPOLI METRO	S.c.a r.l.	VICENZA	100,000	100.00
STAZIONE TRIBUNALE	S.c.a r.l.	VICENZA	20,000	100.00
DELMA LIBYA COMPANY	Ltd	LIBYA	613,000	65.00
CONSORZIO STABILE INFRASTRUTTURE		ROMA	100,000	100.00
PALAZZO IACOBUCCI	S.c.a r.l.	VICENZA	10,000	70.00
INDEPENDENT COSTRUCTION GROUP MUSCAT	L.L.C.	OMAN	479,000	70.00
DELMA MIDDLE EAST ENTERPRISES	W.L.L.	QATAR	6,414,000	49.00
DELMA ENGINEERING UK	Ltd	UNITED KINGDOM	19,454,000	55.36

COMPANIES CONSOLIDATED WITH THE EQUITY METHOD:

OPERATIONAL COMPANIES AND CONSORTIA:

Company	type	head office	authorized share capital	% of dir./ indir. invest.
INC-ENGEOBRA GROUPMENT		CAPE VERDE	10,000	60.00
CONSORZIO FU.G.I.S.T.		NAPOLI	26,000	31.58
CONSORZIO MONTE ADRIANO		CAPE VERDE	40,000	50.00
RIVIERA	S.c.a r.l.	NAPOLI	50,000	45.00
OPERA DUE	S.r.l.	VICENZA	60,000	20.00
MALCO	S.c.a r.l.	VICENZA	10,000	50.00
CODEL.MA	S.r.l.	VICENZA	100,000	50.00
CO.ME.CA.	S.c.a r.l.	VICENZA	10,000	54.00
PORTOCITTÀ	S.r.l.	TRIESTE	10,000	25.00
LEASING NORD	S.r.l.	VICENZA	2,838,000	14.98
ICM – USA	L.L.C.	UNITED STATES OF AMERICA	474,000	70.00
ICGM INTERNATIONAL CONSTR. G.M.	S.r.l.	ROMANIA	10,000	100.00
JV ICM INTEGRA		VICENZA	10,000	60.00
OLINDA	S.r.l.	ROMA	10,000	50.00
STAZIONE CHIAIA	S.c.a r.l.	VICENZA	20,000	100.00
SANMICHELE	S.r.l.	VICENZA	10,000	100.00
OPERA OTTO	S.r.l.	VICENZA	10,000	100.00
SIMAL	S.r.l.	VICENZA	61,000	50.82
NTV	S.c.a r.l.	CAMPOLONGO MAGGIORE (VE)	20,000	49.00
POR.TER.	S.c.a r.l.	AGRIGENTO	10,000	80.00
PIZZOMUNNO VIESTE	S.c.a r.l.	ANCONA	51,000	50.00
SMACEMEX	S.c.a r.l.	S. DONATO MILANESE (MI)	10,000	40.00
OPERA SETTE	S.r.l.	VICENZA	10,000	99.00
MALTAURO SPENCON STIRLING	JV Ltd	TANZANIA	55,000	70.00
MALTAURO MAROC	S.a.r.l.	MOROCCO	9,000	99.90
MALTAURO MOZAMBIQUE	Lda	MOZAMBIQUE	133,000	100.00
SAN CRISTOFORO	S.c.a r.l.	VICENZA	10,000	90.00

COMPANIES AND CONSORTIA IN LIQUIDATION:

Company	type	head office	authorized share capital	% of dir./indir. invest.
CONSORZIO A.I.P.		BARAGIANO SCALO (PZ)	408,000	62.00
SUBURBANA EST BOLOGNA	S.c.a r.l.	VICENZA	10,845	66.66
DEL.FUR.	S.c.r.l.	NAPOLI	10,200	50.00
FLORIDIA	S.c.a r.l.	VICENZA	10,710	51.00
CONSORZIO CO.FER.I.		NAPOLI	438,988	41.00
OTTAVIA '93	S.c.a r.l.	ROMA	10,200	40.00
CONSORZIO M.R.G.		BARAGIANO SCALO (PZ)	51,646	30.00
ASSI STRADALI	S.c.r.l.	VICENZA	10,710	28.57
ITACA	S.c.a r.l.	RAVENNA	10,200	30.00
OLIVO	S.c.a r.l.	CATANIA	10,000	51.00
MEDITERRANEO	S.c.a r.l.	CATANIA	10,000	51.00
PORTO DI CASCIOLINO	S.c.a r.l.	ROMA	10,000	90.00
PISA	S.c.a r.l.	VICENZA	10,000	51.00
CASTEL DI SANGRO	S.c.a r.l.	ROMA	10,000	51.00
LOTTO 5A	S.c.a r.l.	ROMA	10,000	43.35
INFRASTRUTTURE STRADALI	S.c.a r.l.	ROMA	10,000	49.00
SESTO	S.c.a r.l.	VICENZA	10,000	100.00
FCE	S.c.a r.l.	ROMA	10,000	51.00
EDIMAL GRAN SASSO	S.c.a r.l.	ROMA	10,000	51.00
SAN DEMETRIO	S.c.a r.l.	ROMA	10,000	51.00
STORE 26	S.c.a r.l.	VICENZA	10,000	50.00
IMMOBILIARE COLLI	S.r.l.	VICENZA	46,440	99.00
JONICA	S.c.a r.l.	ROCCELLA J. (RC)	10,200	80.00
PORTO DI ROCCELLA JONICA	S.c.a r.l.	ROCCELLA J. (RC)	10,400	50.00
DIAMANTE PAOLA	S.c.a r.l.	ROMA	46,481	22.10
G.E.I. GESTIONI ITALIA	S.r.l.	VICENZA	100,000	50.00
G.T.B.	S.c.r.l.	NAPOLI	51,000	28.00
CE.S.I.F.	S.c.p.a.	NAPOLI	250,000	21.00
ROBUR 2003	S.c.a r.l.	NAPOLI	10,000	42.00
T.M.T.	S.c.a r.l.	P. PICENZE (AQ)	10,000	48.50
CONSORZIO SAN MASSIMO	S.c.a r.l.	VICENZA	10,000	49.00
SAN VALENTINO	S.c.a r.l.	VICENZA	10,000	70.00
ACQUASANTA	S.c.a r.l.	CATANIA	10,000	80.00

PRINCIPLES OF CONSOLIDATION

The fundamental principles used in preparing the consolidated financial statements require:
- elimination of the book value of investments held in companies included in the scope of consolidation against the associated share belonging to the Net Equity, and separate display of the net equity belonging to minority interests;
- booking the purchase of subsidiaries in accordance with the acquisition method provided for by IFRS 3. The cost of the purchase is equal to the sum at fair value, as of the date in which it is gained the control on the acquired assets and on the borne or acquired liabilities, and on the financial instruments issued by the Group in exchange for the control of the purchased company, plus all cost directly imputable to the aggregation itself;
- elimination of transactions and significant balances between companies and/or consortia included in the scope of consolidation;
- elimination of unrealized intercompany profits, net of the related tax effect.

We show below the reconciliation between the equity and period profit/loss of the financial statements of ICM S.p.A. and the Net Equity and period profit/loss of the consolidated financial statements.

RECONCILIATION OF FINANCIAL STATEMENTS OF THE GROUP LEADER AND CONSOLIDATED FINANCIAL STATEMENTS (amounts in EUR/000)

	Current accounting period	
	Net profit/loss	Net Equity
PARENT COMPANY FINANCIAL STATEMENTS BALANCES	**7,381**	**73,337**
Elimination of intercompany transactions between consolidated firms, net of tax effects:		
- Internal profits on warehouse inventories	330	110
- Internal profits on tangible long-term assets	7	-603
- Internal profits on intangible long-term assets	116	-1,083
- Consolidated companies merger effects		-611
- Dividends received from consolidated companies	-740	
Book value of the consolidated equity investments		-45,846
Period profit/loss and equity of the consolidated companies	-4	64,843
Valuation using the equity method of companies entered at cost		-1,307
Attributing differences to the assets of the consolidated companies and associated depreciation/amortization:		
- Tangible long-term assets		324
Effect of other adjustments		-160
BALANCES AS PER CONSOLIDATED FINANCIAL STATEMENTS	**7,090**	**89,004**
BALANCES AS PER CONSOLIDATED FINANCIAL STATEMENTS - Third parties	1	-14,738
BALANCES AS PER CONSOLIDATED FINANCIAL STATEMENTS - Group	**7,091**	**74,266**

ACCOUNTING POLICIES

As already indicated, the accounting principles used to prepare the consolidated financial statements were the international ones approved by the European Commission (International Accounting Standards – IAS or International Financial Reporting Standards – IFRS).

As of 31 December 2017, not any new accounting policies entered into force having an impact on the financial statements; also, not any issued but not yet enforced Accounting Policies were applied in advance.

Here below there is a representation of the accounting policies, amendments and IFRS and IFRIC interpretations approved by the European Union, which shall not be compulsorily implemented yet and were not adopted by the Group in advance as of 31 December 2017.

Commission Regulation (EU) 2016/1905 of 22 September 2016 published in the Official Gazette L. 295 of 29 October 2016: Adoption of IFRS 15 "Revenue from Contracts with Customers".

Standard IFRS 15 – Revenue from Contracts with Customers, which is intended to replace the standards IAS 18 – Revenue and IAS 11 – Construction Contracts, as well as interpretations of IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers and SIC 31 – Revenues-Barter Transactions Involving Advertising Services. This standard establishes a new revenue booking model that will apply to all contracts signed with the customers except those falling within the scope of other IAS/IFRS standards such as leases, insurance contracts and financial instruments. The key steps for accounting revenues according to the new model are:

- identification of the contract with the customer;
- identification of the contract performance obligations;
- determination of the price;
- allocation of the price to the contract performance obligations;
- revenue booking criteria when the entity satisfies each individual performance obligation;
- recognition of variable considerations and contractual changes.

This standard applies starting from 1 January 2018, yet an application of the same in advance is allowed.

During the period 2018, the company will implement the appropriate design initiatives in order to identify, on the basis of technical and legal assessments, the potential impacts deriving from the adoption of the new standard.

Commission Regulation (EU) 2016/2067 of 22 November 2016, published in the Official Journal L. 323 of 29 November 2016: Adoption of IFRS 9 "Financial instruments". The document includes the results of the IASB project aimed at replacing IAS 39:

- it introduces new criteria for the classification and valuation of financial assets and liabilities;
- with reference to the impairment model, the new standard requires the estimate of the losses on receivables to be carried out on the basis of the expected losses model (and not on the incurred losses model used by IAS 39), making use of information supported by evidence, available without unreasonable burdens or efforts, which includes historical, current and prospective data;
- it introduces a new hedge accounting model (increase in the types of transactions eligible for hedge accounting; change in the way forward contracts and the options are accounted for when included in a hedge accounting relation; changes to the effectiveness test).

The new principle has to be applied starting from the financial statements beginning on or after 1 January 2018. During 2018 analyzes will be launched to assess the possible impacts deriving from the application of IFRS 9; however, it is deemed that the application of the new standard will not entail remarkable effects from the point of view of the measuring of the financial statements items.

The evaluation principles and criteria used in the drawing up of these financial statements are the same applied while preparing the financial statements as of 31 December 2016, to which reference is explicitly made.

The financial statements were drawn up pursuant

to the historic cost principle, except for the valuation pursuant to the fair value of securities held for sale.
Commission Regulation (EU) 2017/1986 of 31 October 2017, published in the Official Journal L. 291 of 9 November 2017: Adoption of IFRS 16 "Leases".
IFRS 16 establishes the principles concerning booking, valuation, presentation in the financial statements and additional information on leases and will replace the IAS 17 "Leasing" standard and the IFRIC interpretations 4 "Determining whether an agreement contains a lease", SIC-15 "Operating Leases-Incentives "and SIC-27 "Evaluating the Substance of Transactions in the Legal Form of a Lease" starting from financial year 2019.
In particular, IFRS 16 defines a lease as a contract that gives the customer (the lessee) the right to use an asset for a certain period of time in exchange for a consideration.
The new standard provides a single accounting booking model of a leasing contract for the lessee (both financial and operational); that is, for all lease contracts with a term beyond 12 months, IFRS 16 requires the booking of an asset, representing the right of use, and of a liability, representing the obligation to make the payments set forth under the contract.
Given the above, we show below the most significant accounting policies applied.

INTANGIBLE LONG-TERM ASSETS
Intangible long-term assets were entered at cost in accordance with IAS 38.
For each intangible asset, its useful life is determined at the time of initial entry. Intangible assets with finite useful lives are shown net of related accumulated amortization. Amortization begins when the asset is available for use and is systematically distributed in relation to the residual possibility of using it. Intangible assets with indefinite useful lives are not amortized, but are subject to annual verification to check the recoverability of their value in accordance with the provisions of IAS 36.
If the tangible assets include intangible assets as a component of their value, a critical judgment was carried out concerning the greater relevance of tangible elements with respect to intangible ones.
Preoperational costs and the cost of starting up building sites related to purchase orders being fulfilled in Italy or abroad are attributed to the respective purchase orders.
Finally, it shall be underlined that since 1 January 2008 the interpretation IFRIC 12 "Service Concession Arrangements" was applied with reference to the construction and management works of:
- an integrated purification plant assigned to the temporary joint venture set up between the parent company and the subsidiary Integra S.r.l. by the Commissioner Delegated to the environmental rehabilitation of the Orbetello lagoon (15-year term building and management concession);
- public works, including urbanizations, covered and not covered swimming-pool, as well as tennis and soccer courses for both training and competition use, assigned under concession to the parent company by the Municipality of Caldogno (VI) (30-year term building and management concession);
- plant for the management of the thermal and cooling energy service in the Municipality of Caldogno (VI) (30-year term concession).
The Group has recorded the works construction costs as intangible assets net of contributions for the construction and management accrued and collected up to now.

LOSSES OF VALUE
On each financial statements reference date, a check is made for the existence of events or changes in situation that indicate that the book value of tangible or intangible assets may not be recovered. If there is an indication of this type, the recoverable amount of these assets is estimated to determine the amount of any write-downs.
The recoverable value of tangible and intangible assets is the greater of their fair value, decreased by the sale costs and their use value, where the use value is the present value of future cash flows that may originate from an asset (or from a cash flow generating unit, "cash generating unit"). Cash flows are "incoming" flows, net of "outgoing" ones resulting from the use of the asset.

In defining the use value, expected future cash flows are discounted back using a discount rate before taxes that reflects the current market estimate referred to the cost of money for the time and specific risks of the asset.
Losses of value are booked directly to the income statement. Should it be no more meaningful to hold the depreciation, the book value of the asset would be increased to its new value resulting from the estimate of its recoverable value, but not greater than the net book value that the asset would have had if it was not subject to depreciation. Any value restoration is booked to the income statement.

TANGIBLE LONG-TERM ASSETS
Tangible long-term assets are mostly reported at the purchase cost or internal production cost including directly imputable auxiliary expenses. The cost is entered net of accrued amortizations and any depreciations for durable losses of value; it includes also the expenses for the disposal, demolition, and disassembly of the asset at the end of the useful life when the requirements set forth by IAS 37 for the purposes of booking the item to the financial statements are met.
The book value of tangible long-term assets is subject to periodical verification in order to detect any losses of value, in detail when events or situation changes indicate that the book value might not be recoverable. Should such indication be detected or should the book value exceed the presumed realizable value, the assets are depreciated in order to reflect their realizable value represented by the greater value between the net sale price and the use value. The losses of value are booked to the income statement among the cost of sold amounts.
Upon the sale or when there are no future economic advantages expected from the use of the asset, the involved asset is eliminated from the financial statements and any loss or profit (calculated as difference between the transfer value and the book value) is booked to the income statement in the year in which the above mentioned elimination does occur.
Buildings for which there are promises to buy are booked at the lesser of presumed realizable value or the cost of purchase or internal construction, including directly imputable auxiliary expenses.
As for depreciation booked to the income statement, this is calculated on all depreciable assets in existence at the end of the accounting period, based on rates considered representative of the estimated technical and economic useful life of the assets, reduced by 50% for assets acquired during the period.
The main economic and technical depreciation rates used were the following:

	%
Industrial buildings	3
Light construction	12,5
General installations	10
Specialized plant and operator machinery	15
Metal planks and formworks	25
Excavators and power digging equipment	20
Cars or trucks for transportation	20
Automobiles, motorcycles and similar	25
Miscellaneous small equipment	40
Furniture and ordinary office machinery	12
Electro-mechanical and electronic office machines	20

Whether undeveloped or attached to civil or industrial buildings, land is not depreciated, because it has unlimited useful life.
The heading “Land” includes quarries, for which depreciation is calculated as a function of the quantity of inert material extracted during the accounting period related to the total quantity that can be presumably extracted.
Assets held through financial leasing contracts, through which all the risks and benefits of ownership are essentially transferred to the Group, are recognized as Group assets and classified as property, plant and equipment, other assets, and amortized according to their useful life or, according to the expiration terms of the lease contracts, if the estimated useful life is lower than such terms; corresponding liabilities to the lessor are instead shown in the financial statements among financial payables. The cost of the lease payment is broken down into its components: financial charges, booked to the income statement, and repayment of principal, entered as a reduction of financial

debt.

INVESTMENTS

Investments in unconsolidated subsidiaries and in affiliates are valued with the equity method.
Subsidiaries in liquidation, limited to those with insignificant impact on the values of the consolidated financial statements, are valued at the lesser of cost or presumed realizable value.
Other investments are valuated using the cost method, net of any durable loss of value.

ASSETS AND LIABILITIES INTENDED FOR SALE

Assets and liabilities whose value will be recovered through sale are shown separately from other assets and liabilities on the statement of financial position.
Assets intended for sale are valuated at the lesser of their net book value or their current value the net of sale costs.

INVENTORIES

Warehouse inventories are valued at the lesser of the purchase or production cost (including auxiliary expenses) or the corresponding realizable value on the market as of the close of the accounting period.
In particular, the cost of consumables was determined by applying the weighted average cost method.
Market value is represented by replacement cost for raw materials, parts and semi-finished goods, and by net realizable value for merchandise, finished goods and goods in progress.
The final inventories for building projects are represented by owned buildings under construction and/or finished and intended for sale.
They are valuated based on sustained costs, considered less than the presumed realizable value considered net of estimated residual cost of the project.
The cost of initiatives includes: the cost of land, the cost of urbanization and construction, taxes and in some cases directly imputable financial expenses. In the latter case these contribute to the cost of the building initiative only up until the moment in which it is completed.
Any expected losses are set aside in the financial statements of the accounting period in which they become known.
Even if a third party promise to pay is held, inventories referring to building initiatives are evaluated based on sustained costs.
Advances received from purchasers upon signing the agreement are entered under the heading "Advances".
Final inventories for contract works in progress refer to multi-year works, at determined price, performed and not certified by a Work Progress Status statement. In detail, pursuant to IAS 11 "Works in progress resulting from construction contracts", when the incurred costs increased by the profit margins accrued net of detected losses and invoicing according to Work Progress Status certificates acquire a positive value, the works in progress are booked to the assets of the Statement of Financial Position under the heading "Contract works in progress". When the invoicing according to Work Progress Status certificates are greater than the costs born increased by the profit margins accrued net of the detected losses, the works in progress are booked to the (current) liabilities of the statement of financial position under the heading "Advances on works in progress". Amounts invoiced to the Customers, not yet collected as of the date of the financial statements, are booked under the heading "Trade receivables".
Valuation is performed taking into account the state of completion, based on the progress in the execution of the works.
Depending on the type and characteristics of the contract, the percentage of completion is based on the realization of contractual quantities or based on the percentage of costs sustained compared to total estimated costs (cost-to-cost method).
The purchase order costs that fall under the calculation of cost-to-cost include also:
Preoperational costs include the costs sustained during the initial phase, before the beginning of construction activity. These include the costs of planning, the costs of organizing and starting production, and the cost of setting up the job site. Such preoperational costs are included in calculat-

ing the state of progress and they are part of the cost-to-cost calculation from the moment they are incurred. In the initial phase of the contract, costs are included in the value of work in progress if recoverable, without reporting the margin.
Postoperative costs refer to costs incurred after the end of the fulfillment of the purchase order, to remove the job site and to bring back machinery and equipment. They also include losses for abandoned materials.
While assessing the work in progress, it is necessary to consider also the requests for additional expenses submitted by the Buyers and the changes during work to which the company deems to be entitled on a legal or contractual base, although they are not yet agreed upon and certified, considering the technical complexity, dimension and duration term of the works performance; the additional amounts and the changes during the work represent, in fact, elements that are taken into consideration also before formalizing the agreement with the other party. In detail:
- the requests for additional expenses, meant as requests through which the contractor asks to the Buyer an amount as reimbursement for costs not included in the contractual price (such as costs resulting from delays due to the Buyer, from errors in the specifications or in the design, and from challenged changes to the order works), are included in the order revenues when the negotiations have reached such a phase as to make the acceptance by the Buyer likely to occur, as well as when the amount of the same can be reasonably determined; changes during works, meant as requests modifying the subject of the work that has to be carried out according to the contract (such as changes to the specifications or design/planning of the asset and changes to the duration term of the order) are included in the order revenues if it is likely that the Buyer approves such changes and the resulting revenue amount.
When the overall costs are likely to exceed the overall revenues, the expected loss for such order is booked immediately to the Income Statement for its entire amount, in compliance with the principle of prudence.

RECEIVABLES AND PAYABLES
Receivables are initially booked at their nominal value and are then valued at the amortized cost according to the method of the actual interest rate in case the value thus determined significantly differs from the initial value in order to consider the implied financial expense. Moreover, such value is decreased according to a suitable depreciation to reflect the estimate of losses on receivables for which, according to the likelihood of the loss, a suitable allowance for doubtful receivables is set aside or directly charged to the income statement of the period. The estimate of the allowance for doubtful receivables refers to expected losses, determined based on the historic experience on similar receivables, on current credits overdue, as well as on specific objective situations of meaningful debtors showing critical positions.
Payables are shown at their rated value. Where relevant, the effect of the updating related to medium-term payables is also taken into consideration.

FINANCIAL ASSETS
Financial assets are booked and backed out of the financial statements based on the negotiation date and are initially valued at their cost, including the expenses directly connected to the acquisition.
On dates following that of the financial statements, financial assets that the Group is willing and able to hold until expiration (securities held till expiration) are booked at their amortized cost according to the method of the actual interest rate, net of depreciations performed to reflect the losses of value.
Other financial assets than those held till expiration are classified as held for sale or available for sale and are valued upon each period end at their fair value. When the financial assets are held for the sale, profits and losses resulting from the changes in the fair value are imputed to the income statement of the period. Financial assets available for sale, profits and losses resulting from the changes in the fair value are imputed directly to the net shareholder equity until they are transferred or are subject to a loss of value; at that time, overall profits and losses previously booked to the net shareholder equity are

imputed to the income statement of the period.

AMOUNTS EXPRESSED IN FOREIGN CURRENCY

Assets and liabilities originally expressed in foreign currency are converted to Euro according to the exchange rate occurring as of the date of the related transactions. Exchange differences earned upon the following collection of receivables or payment of payables in foreign currency are booked to the income statement. Assets and liabilities in foreign currency still existing as of the date of the close of the period are directly adjusted to the current exchange as of such date. Resulting profits and losses are booked to the income statement of the period.

TAXES

Current income taxes for the period, booked among tax payables net of advance tax payments, are determined based on an estimate of taxable income and in compliance with current provisions. Furthermore, the effects of implementing the new Unified Income Tax Code are taken into consideration, including with regard to the establishment of the National Tax Consolidation code, whose activation is subject to the formalization of a specific Group Regulation.
Within the Group for the subsidiaries for which the conditions set forth by the fiscal regulations do apply there is a national tax consolidation agreement drawn up within the same companies and the parent company itself, MP Finanziaria S.p.A..
The national tax consolidation code established by means of the Italian Legislative Decree No. 344/2003 allows, with reference to the income tax (IRES) of the companies, the settlement of a single tax by the parent company determined by adding algebraically the taxable amounts of all companies belonging to the national tax consolidation agreement.
The parent company shall compulsorily pay to the tax authorities the advances and settlement of the taxes resulting from the consolidated tax return; while the subsidiaries shall compulsorily pay to the parent company the advance and settlement of own taxes resulting from the tax return and determined according to the taxable amount transferred to the parent company.
Deferred and anticipated income taxes are calculated on the temporary differences between the equity values entered in the consolidated financial statements and the corresponding values recognized for tax purposes.
Advance tax payments were booked when their recovery was probable, that is when sufficient taxable amounts were expected to recover the asset.
The recoverability of posted assets is re-examined at the end of each period.
These financial statements were prepared in accordance with the principles set forth in the branch exemption scheme, which involves the exemption of the profits and losses attributable to their own stable organizations abroad in the tax return statement. As a matter of fact, the parent company has actually exercised the option to adhere to such scheme when submitting the tax return statement for the period 2016.

OTHER PROVISIONS FOR RISKS AND CHARGES

Based on the provisions of IAS 37, provisions for risks and charges are noted when there is a current obligation (legal or implied) outstanding on the closing date of the financial statements, as a result of a past event, if it is probable that economic resources will be needed to meet the obligation, and if the amount can be estimated.
When the financial effect linked to the deferment of obligations is significant and the payment dates of the same can be reliably estimated, the value recognized for the reserve is equal to the pretax future cash flows (that is, expected disbursements) discounted back at a rate that reflects the present market value and specific risks of the liabilities.
The increase in the provision because of the time updating is entered as a financial expense.
Provisions to the involved funds require the use of estimates based on the historic experience on similar cases on objective facts known as of the date of financial statements drawing up. With reference to potential liabilities for disputes in progress, whose estimate involves complex valuations also of legal nature and which are subject to a different degree of uncertainty considering the facts involved by the

dispute, the applicable legislation and jurisdiction, as well as other issues, the estimate is carried out based on the knowledge of objective facts as of the date of financial statements drawing up, taking into consideration the opinions expressed by the legal consultants of the Company.

EMPLOYEE BENEFITS

The Group has defined with its employees a "post-employment benefit" plan represented by the instrument of Employee Severance Indemnity as set forth by the Italian regulations. The amount set aside in the financial statements with reference to such plan complies with the actuarial value of the Group payable determined in compliance with current legislation, collective bargaining contracts, and company supplemental agreements. This calculation, based on demographic, financial and turnover hypotheses, was assigned to independent actuaries. Actuarial profits and losses are booked to the overall income statement.

Following the social security reform, since 1 January 2007 within companies with more than 50 employees the accrued Employee Severance Fund contributions are paid compulsorily to an additional Personnel Welfare Fund, i.e. to the suitable cash account at the INPS, when the employee has exercised this specific option. Therefore, the defined benefits owed by the Group to the employee concern exclusively provisions carried out until 31 December 2006.

In the case of companies with less than 50 employees, it is instead set forth that if the employee does not exercise the option of allocating the accrued amount to the supplementary pension such amounts shall remain with the company.

The accounting procedures adopted by the Group since 1 January 2007 reflect the prevailing interpretation of the new regulations and are coherent with the accounting procedure defined by the competent professional bodies.

Within the companies of the Group with less than 50 employees, the Employee Severance Fund amounts remain with the company and continue to be dealt with as "defined benefits program" and are subject to the same accounting procedure set forth by IAS 19 applied before such reform.

As for the Employee Severance Fund amounts destined to the INPS supplementary pension fund, starting from the date on which the employee exercises the above mentioned option, the Group does not owe any further Employee Severance Fund amounts accrued after 31 December 2006; as a consequence, the actuarial calculation of the Employee Severance Fund does not include the component related to the future salary dynamics.

LOANS AND BOND ISSUES

Loans are noted initially at cost, corresponding to the fair value of the payment received net of closing costs of the loan.

After the initial entry, loans are valued using the amortized cost method. This method requires that amortization be determined using the actual internal rate of interest, which is the rate of interest that makes the expected cash flow and the initial book value equal at the time of initial entry.

The amortized cost is calculated taking into account the issue costs and any discount or premium expected at the time of settlement.

DERIVATIVES

The Group uses derivatives to cover risks resulting from the fluctuations of interest rates related to bank loans. The structure of the contracts in force complies with the "hedging" policy of the Group.

Derivatives are initially booked at cost and then adjusted to the fair value upon the following dates of close. The booking of coverage derivatives differs according to the aim of the coverage: coverage of the changes to future cash flows (cash flow hedge) or coverage of the changes to the fair value (fair value hedge).

Cash flow hedge

The changes to the fair value of the derivatives that are set and become effective to cover future cash flows related to contractual obligations of the Group are booked directly to the Net Equity; while the ineffective part is booked to the Income Statement at once.

The amounts booked directly to the Net Equity are included in the Income Statement in the same period in which the covered contractual obligation affects the Income Statement.

Fair value hedge

For the "effective" coverage of an exposure to "fair value fluctuations", the covered item is adjusted by the changes to the fair value attributable to the risk covered by the contra-entry in the income statement. Also profits and losses resulting from the evaluation of the derivative instrument are booked to the income statement.

The changes to the fair value of the derivatives that are not qualified as coverage are booked to the income statement in the period in which they occur.

RECOGNITION OF REVENUES AND COSTS

Revenues are recognized to the extent that it is probable that economic benefit will flow to the Group and that the amount can be reliably determined.

At the time that the results can be estimated reliably, revenues and costs from a construction contract are recognized with regard to the state of progress of the activity as of the closing date of the financial statements, based on the relationship between the costs borne for the activity carried out and the total estimated costs of the purchase order. Changes to the contract, price revisions and incentives are included to the extent that they were agreed with the Customer.

SIGNIFICANT ACCOUNTING ESTIMATES

Preparing the financial statements requires performing discretionary valuations and accounting estimates that have an effect on the value of the assets and liabilities as well as on the information in the financial statements. The estimates are used, in particular, to establish the impairment of assets, amortizations and depreciations, employee benefits, taxes and provisions for risks and charges, as well as to determine the total contract costs and the related progress, together with any liabilities resulting from the execution of the works for the Group and/or associative structures exploited by the former to manage the works. Actual results can differ from those estimated because of the uncertainty that characterizes the assumptions and the conditions on which the estimates are based.

Considering that a considerable part of production is performed based on construction contracts the payment of which is determined at the time of purchase, margins realized on these contracts can undergo changes based on the possibility of recuperating any major expenses or not, which must be incurred during the work. Also the evaluation of such possibility and of the following consideration of such returns under order revenues is subject to estimates and, therefore, to the same uncertainty described above.

RISK MANAGEMENT

In carrying out its activity, the Group is exposed to market risks, which can be traced to changes in interest rates, the risk of liquidity and credit risk.

The exposure of the Group to changes in interest rates is not particularly significant, considering that this risk is mainly connected to variable-rate, medium- to long-term loan transactions. Transactions of this type are represented by loans.

As for the foreign exchange risk, while a significant part of the turnover is attained in currencies other than Euro, the operation modes and procedures used to safeguard such risk allow making it of little relevance.

Credit risk is managed through operational procedures that allow control of the risk by limiting operations vis-à-vis customers who do not possess an adequate level of credit worthiness.

FURTHER INFORMATION

FACTS OCCURRING AFTER THECLOSE OF THE ACCOUNTING PERIOD

On 2 February 2018 the client Autostrada Pedemontana Lombarda S.p.A. notified the temporary joint venture in which ICM S.p.A. holds 14% and whose representative, Strabag AG, holds a 60% share, the resolution of the contract signed in 2012 for the construction of works in connection with the Dalmine-Como-Varese-Gaggiolo pass connection, asking for the enforcement of the performance bond on 2 March 2018. The temporary joint venture appealed against such request as a precautionary measure pursuant to article 700 of the Italian Civil Procedure Code obtaining, pending the decision, a suspension measure inaudita altera parte.

It should be noted that the reasons provided by the client to justify the occurred termination of the contract are deemed to be specious and unfounded; the actual reasons are instead to be referred back to the patent and age-old inability of the client to find the necessary financial resources required to support the construction of the works.

The lawyers entrusted with the handling of the litigation in progress on behalf of the joint venture have therefore issued an opinion that qualifies as remote the risk of losing by the joint venture, considering instead that it is more likely that the significant claims submitted by the contractor in court will be upheld. In this context, the lawyers believe that the temporary joint venture has justified reasons to obtain the acceptance of its claim also with reference to the precautionary appeal pursuant to Art. 700 of the Italian CPC started meanwhile.

ACCOUNTING CURRENCY

The currency used as currency for the drawing up of these financial statements is Euro, since it is deemed representative of the economic reality in which the Group operates. Moreover, it is functional to a better understanding by the users of the financial statements of the information contained in the same. The amounts highlighted in these Notes as well as those contained in the tables of the Statement of Financial Position and of the Income Statement are expressed in thousands of Euro.

MODIFICATION TO THE VALUATION CRITERIA

In the current period, not any modifications to the valuation criteria have been performed compared to the preceding period.

RE-CLASSIFICATION OF THE ITEMS ENTERED IN THE FINANCIAL STATEMENTS CLOSED AS OF 31 DECEMBER 2016

During this period, not any relevant re-classifications were performed with reference to the financial statements closed as of 31 December 2016.

ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION HEADINGS.

NON-CURRENT ASSETS

1) TANGIBLE LONG-TERM ASSETS

Tangible long-term assets Totald EUR 43,441,000 a decrease of EUR 3,088,000 compared to the preceding period.

The composition and changes to this heading are shown in the following table:

(thousands of Euro)	**12.31.2016**	**Consol. scope change**	**Increas.**	**Decr.**	**Depr.**	**Diff. on exch.**	**12.31.2017**
Land	20,409				(260)		20,149
Buildings	11,136		78		(519)		10,695
Plant and machinery	9,918		1,730	(632)	(2,773)	(192)	8,051
Indus. and comm. equip.	2,952		356		(737)	(203)	2,368
Other assets	1,788		899	(390)	(696)	250	1,851
Const. in progress and advances	326		1				327
TOTAL	**46,529**		**3,064**	**(1,022)**	**(4,985)**	**(145)**	**43,441**

The heading "Land" and the heading "Buildings" contained for the respective amounts, the prefabrication plant in Almisano (VI) (overall amounting to 16,175,000 EUR); the offices, laboratories and purification plant at Via dell'Economia in Vicenza (overall amounting to 5,968,000 EUR); and the basalt quarries in Lauri and Cattignano, both in the province of Verona (overall amounting to 6,090,000 EUR).
As for the other tangible long-term assets, an overall change of EUR 2,387,000 was recorded due to net investments as for EUR 1,819,000 and amortizations as for EUR 4,206,000.
Assets held through financial lease contracts, whose value as of 31 December 2017 Totald EUR 3,392,000, were recognized as Group assets, and they were classified as tangible long-term assets; while the corresponding liabilities to the lessor were shown in the financial statements among financial payables. The cost of the lease payment was broken down into its components: financial charges booked to the income statement, and repayment of capital entered as a reduction of financial debt for financial leases.

2) INTANGIBLE LONG-TERM ASSETS
Intangible long-term assets Totald EUR 6,333,000, a decrease of EUR 424,000 compared to the preceding period.
The heading "Other" essentially referred to costs borne for the project financing operations concerning the construction and management of the purification plant of Terrarossa in the Municipality of Orbetello as for EUR 3,472,000 and the construction and management of public use works in the Municipality of Caldogno (VI) as for EUR 2,127,000, besides the concession for the management of the thermal and cooling energy service in the Municipality of Caldogno (VI) as for EUR 680,000.
3) INVESTMENTS

(thousands of Euro)	12.31.2016	Consol. scope change	Incr.	Decr.	Reclass.	Depr.	12.31.2017
Industrial patent rights and concessions	30		9			(9)	30
Software	19			(2)		(3)	14
Other	6,708		116			(535)	6,289
TOTAL	**6,757**		**125**	**(2)**		**(547)**	**6,333**

(thousands of Euro)	12.31.2017	12.31.2016	Delta
In subsidiaries	1,002	709	293
In affiliates	528	565	(37)
In other businesses	5,515	4,110	1,405
TOTAL	**7,045**	**5,384**	**1,661**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The subsidiaries are the following:

Subsidiaries Name		Head office	Share capit.	% held	Cons. fin. stat. value	Net Equity excl. result	Period profit/ loss
ACQUASANTA in liquid.	S.c.a r.l.	CATANIA	10	80.00	8	10	
ICM USA	L.L.C.	UNITED STATES OF AMERICA	474	70.00	332	474	
CASTEL DI SANGRO in liquid.	S.c.a r.l.	ROMA	10	51.00			**
CONSORZIO AIP in liquid.		BARAGIANO SCALO (PZ)	408	62.00	(22)	(35)	
ICGM INTERNATIONAL CONSTRUCTION G.M.	S.r.l.	ROMANIA	10	100.00	10	10	
JV ICM INTEGRA		VICENZA	10	60.00	6	10	
EDIMAL GRAN SASSO in liquid.	S.c.a r.l.	ROMA	10	51.00	5	10	
FCE in liquid.	S.c.a r.l.	ROMA	10	51.00			**
FLORIDIA in liquid.	S.c.a r.l.	VICENZA	11	51.00	(18)	(35)	
IMMOBILIARE COLLI in liquid.	S.r.l.	VICENZA	46	99.00	380	384	(5)
INC ENGEOBRA GROUPMENT		CAPE VERDE	10	60.00	(9)	(15)	
JONICA in liquid.	S.c.a r.l.	ROCCELLA JONICA (RC)	10	80.00	11	14	
MALTAURO MAROC	S.a.r.l.	MOROCCO	9	99.90	9	9	
MALTAURO MOZAMBIQUE	Lda	MOZAMBIQUE	133	100.00	133	133	
MALTAURO SPENCON STIRLING	JV Ltd	TANZANIA	55	70.00		(967)	(94)
MEDITERRANEO in liquid.	S.c.a r.l.	CATANIA	10	51.00	5	10	
OLIVO in liquid.	S.c.a r.l.	CATANIA	10	51.00	5	10	
OPERA OTTO	S.r.l.	VICENZA	10	100.00	8	7	(1)
OPERA SETTE	S.r.l.	VICENZA	10	99.00	34	25	(1)
PISA in liquid.	S.c.a r.l.	VICENZA	10	51.00	5	10	
POR.TER.	S.c.a r.l.	AGRIGENTO	10	80.00			**
PORTO DI CASCIOLINO in liquid.	S.c.a r.l.	ROMA	10	90.00	9	10	
SAN CRISTOFORO	S.c.a r.l.	VICENZA	10	90.00	9	10	
SAN DEMETRIO in liquid.	S.c.a r.l.	ROMA	10	51.00			**
SANMICHELE	S.r.l.	VICENZA	10	100.00	8	8	(2)
SAN VALENTINO in liquidaz.	S.c.a r.l.	VICENZA	10	70.00	7	10	
SESTO in liquid.	S.c.a r.l.	VICENZA	10	100.00			**
SIMAL	S.r.l.	VICENZA	61	50.82	35	65	43
CO.ME.CA.	S.c.a r.l.	VICENZA	10	54.00	5	10	
STAZIONE CHIAIA	S.c.a r.l.	VICENZA	20	100.00	20	20	
SUBURBANA EST BOLOGNA in liq.	S.c.r.l.	VICENZA	11	66.66	7	11	
FINANCIAL STATEMENTS TOTAL: INVESTMENTS IN SUBSIDIARIES					**1,002**		

** not available data

Investments in affiliates Totald EUR 528,000, broken down as follows:

Affiliates Name		Head office	Share capit.	% held	Cons. fin. stat. value	Net Equity excl. result	Period profit/ loss
ASSI STRADALI in liquid.	S.c.r.l.	VICENZA	11	28.57	3	11	
CODEL.MA	S.r.l.	VICENZA	100	50.00	58	220	
CONSORZIO SAN MASSIMO in liq.	S.c.a r.l.	VICENZA	10	49.00	(10)	(20)	
CONSORZIO CO.FER.I. In liquid.		NAPOLI	439	41.00	154	376	
CONSORZIO FU.GI.S.T.		NAPOLI	26	31.58	152	2,565	
CONSORZIO MONTE ADRIANO		CAPE VERDE	40	50.00	20	40	
CONSORZIO MRG in liquid.		BARAGIANO (PZ)	52	30.00	16	52	
DEL.FUR. in liquid.	S.c.r.l.	NAPOLI	10	50.00	(24)	(47)	
G.E.I. GESTIONI ITALIA in liq.	S.r.l.	VICENZA	100	50.00	11	21	(1)
G.T.B. In liquid.	S.c.r.l.	NAPOLI	51	28.00	14	51	
INFRASTRUTTURE STRADALI in liq.	S.c.a r.l.	ROMA	10	49.00			**
ITACA in liquid.	S.c.a r.l.	RAVENNA	10	30.00	3	10	
LOTTO 5A in liquid.	S.c.a r.l.	ROMA	10	43.35			**
MALCO	S.c.a r.l.	VICENZA	10	50.00	5	10	
NTV	S.c.a r.l.	CAMPOL. MAGGIORE (VE)	20	49.00	10	20	
OLINDA	S.r.l.	ROMA	10	50.00	5		
OPERA DUE	S.r.l.	VICENZA	60	20.00	10	50	(1)
OTTAVIA 93 in liquid.	S.c.a r.l.	ROMA	10	40.00	4	10	
PORTOCITTA'	S.r.l.	TRIESTE	10	25.00	3	15	
RIVIERA	S.c.a r.l.	NAPOLI	50	45.00	23	50	
ROBUR in liquid.	S.c.a r.l.	NAPOLI	10	42.00	4	10	
STORE 26 in liquid.	S.c.a r.l.	VICENZA	10	50.00	5	10	
T.M.T. in liquid.	S.c.a r.l.	POGGIO PICENZE (AQ)	10	48.50	5	10	
SMACEMEX	S.c.a r.l.	S. DONATO MILANESE (MI)	10	40.00	4	10	
PIZZOMUNNO VIESTE	S.c.a r.l.	ANCONA	51	50.00			**
PORTO DI ROCCELLA JONICA in liq.	S.c.a r.l.	ROCCELLA JONICA (RC)	10	50.00	53	100	
DIAMANTE PAOLA in liquid.	S.c.a r.l.	ROMA	46	22.10		(470)	(42)
FINANCIAL STATEMENTS TOTAL: INVESTMENTS IN AFFILIATES					**528**		

** not available data

The investments in other companies Totald EUR 5,515,000.

Name of other Companies	% held	Book value
Vicenza Futura S.p.A.	29.42	2,467
Leasing Nord S.r.l.	14.98	489
Capotur SA	10.00	600
Metropolitana di Napoli S.p.A.	6.61	1,842
Consorzio Asse Sangro	5.00	2
Consorzio TRA.DE.CIV.	6.87	27
Consorzio Nogma	5.00	30
Nuova Briantea S.c.a r.l.	14.00	14
Consorzio Cepav 2	12.00	6
Con. Fidi		7
Other		31
TOTAL		**5,515**

4) OTHER NON-CURRENT ASSETS
The item, which amounted to EUR 9,115,000, showed an increase of EUR 4,380,000 referred to the share capital increase of Delma Engineering UK signed and not yet paid. Moreover this item is referred as for EUR 1,832,000 to the non-current portion of receivables from foreign public buyers to whom a deferred payment was granted and as for EUR 2,903,000 to the non-current portion of receivables for advance taxes corresponding to taxes related to costs and losses deductible in future periods.

5) ASSETS AVAILABLE FOR SALE
This item, amounting to EUR 12,495,000, included No. 184 shares of the real estate fund "Real Stone", which in these financial statements increased by EUR 2,052,000, as a result of the subscription of No. 47 new shares, and decreased by EUR 1,059,000 as a result of the adjustment carried out during the fair value assessment of the fund as of 31/12/2017.
The fund shares were booked at their fair value, represented by an estimate of the net value of the fund equal to EUR 14 million, booked with reference to a value of the real estate projects held by the fund being overall worth approximately EUR 45,6 million, and net of financial liabilities as for EUR 17 million and of liabilities related to payables to the Group for EUR 14 million.
This value definition was the result of professional expert estimate that was specifically entrusted to the company K2Real S.r.l. based in Milan, external consultant expert in the sector.

CURRENT ASSETS

6) INVENTORIES AND CONTRACT WORK IN PROGRESS
The detail on the headings is the following:

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Raw materials and supplies	5,768	3,373	2,395
Prod. in progress and finished goods	43,514	42,441	1,073
Finished goods and merch.	641	855	(214)
Contract work in progress	172,746	173,556	(810)
Total	**222,669**	**220,225**	**2,444**

Inventories of raw materials, parts and supplies related to materials inventories at the building sites in Italy and abroad, and in the warehouses in Vicenza and Almisano. They broke down as follows:

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Italy	1,382	1,120	262
Kenya	646	738	(92)
Cape Verde	3,740	1,099	2,641
Libya		45	(45)
Middle East		371	(371)
Total	**5,768**	**3,373**	**2,395**

The inventories of products in progress and finished goods amounted to EUR 43,514,000, showing an increase of EUR 1,073,000 compared to the preceding period. They referred to building initiatives ongoing as of 31 December 2017, referring to real estate operations waiting to be developed, still being executed, and already completed. They can be referred as for EUR 35,621,000 to the parent company and as for EUR 7,893,000 to S.I.P.E. - Società Industriale Prefabbricati Edili - S.p.A.. The real estate initiatives, whose details are outlined in the Report on Operations, were booked at cost.

Contract work in progress, which amounted to EUR 172,746,000, represented the production carried out as of 31 December 2017, but not yet certified. This item was expressed at its net amount, without considering the EUR 21.9 million of the contractual risks reserves, set aside in detail with a view to a prudent assessment of the risks related to the management of disputes as plaintiff with customers. The valuation of the contract work in progress included, as a matter of fact, requests of additional payments expected and being agreed upon with the customers, accounted in the preceding periods and in the current one, which in some cases may require the start of a dispute and result the acceptance of the same.
The recoverability of these amounts was deemed probable by the Directors also considering that these are mainly additional payments related to works performed and evaluated by the Group's legal advisers, as well as the common evolution detected in the definition of requests for payments having a similar nature.
It is hereby outlined that there are no situations and/or conditions that may lead to the enforcement of contractual penalties due to delayed delivery or other reasons to be imputed to companies of the Group.

7) TRADE RECEIVABLES
Trade receivables equal to EUR 128,504,000 showed a decrease by EUR 13,295,000 compared to the preceding period and resulted mainly from construction contracts with public agencies or private parties.
Given that there are no receivables due in more than five years, the receivables under current assets broke down as follows:

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Buyers	102,737	99,989	2,748
Customers	32,320	46,373	(14,053)
Allowance for doubtful accounts	(6,553)	(4,563)	(1,990)
Net total	**128,504**	**141,799**	**(13,295)**

The geographic distribution of trade receivables including the allowance for doubtful receivables was as follows:
EUR 81,251,000 Italy
EUR 53,806,000 abroad
Receivables referred to foreign countries were subdivided as follows:

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Middle East	21,276	30,331	(9,055)
Kenya	2,931	4,956	(2,025)
Tanzania	6	133	(127)
Albania	31	31	
Croatia		426	(426)
Libya	4,780	6,320	(1,540)
Cape Verde	8,402	6,110	2,292
Lebanon	11,922	7,478	4,444
Romania	133		133
Oman	4,325	2,757	1,568
Total	**53,806**	**58,542**	**(4,736)**

Trade receivables did not show such concentrations as to involve a relevant risk concerning their recoverability and it was deemed that the accounting value of such trade receivables is close to their fair value. A more detailed analysis, also considering the aging of receivables shown in the financial statements, is contained in the following chapter prepared in accordance with the provisions laid down by IFRS 7 — Financial risk disclosure.
As for the situation in Libya, a market where the Group has been traditionally operating, given the existing political uncertainty, during the preceding periods, a remarkable restatement of the financial statements items was in any case carried out. However, these items are partially offset by debt accounts.
The residual receivables items are largely owed by Libyan government agencies and, in the opinion of the Company, they are recoverable being widely supported by securities and, in most cases, they relate to final judgments of the highest degree. Although the political situation appears unstable, such circumstance provides a reasonable certainty of recovery of the receivables, as soon as the political situation will return to normal conditions. The allowance for doubtful receivables changed as follows during the period:

Value 12.31.2016	Uses	Provisions	Value 12.31.2017
4,563	(1,183)	3,173	6,553
4,563	**(1,183)**	**3,173**	**6,553**

8) CURRENT RECEIVABLES FROM AFFILIATES AND PARENT COMPANIES
These totaled EUR 26,922,000, with a decrease of EUR 2,719,000 compared to the preceding period and were subdivided as follows:

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Financial receivables from affiliates and parent companies	24,209	26,066	(1,857)
Trade receivables from affiliates and parent companies	2,713	3,575	(862)
Total	**26,922**	**29,641**	**(2,719)**

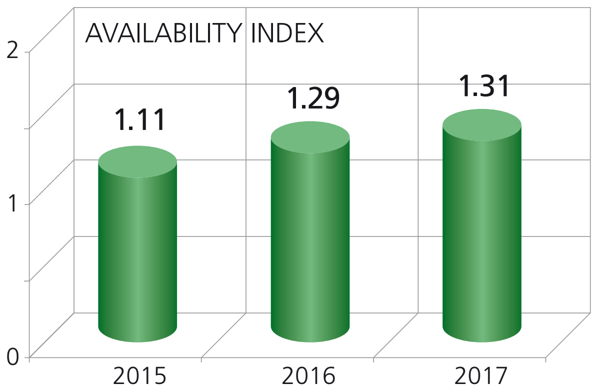
FINANCIAL RECEIVABLES FROM AFFILIATES AND PARENT COMPANIES
This item, which totaled EUR 24,209,000, showed a decrease by EUR 1,857,000 compared to the preceding period and consisted mainly of receivables from the company Codel.Ma S.r.l. as for EUR 14,628,000 to support real estate activities, as well as of receivables from the parent company MP Finanziaria S.p.A. as for EUR 5,793,000 referred to the giro account balance, and as for EUR 2,205,000 referred to taxes within the framework of the Group settlement. Not any recoverability issues were established with reference to these receivables.

TRADE RECEIVABLES FROM AFFILIATES AND PARENT COMPANIES
This heading, which totaled EUR 2,713,000, referred to receivables from affiliates generated by commercial rela-

tionships for services, rentals, and other revenues. Compared to the preceding period, this heading showed a decrease of EUR 862,000.
The economic and financial transactions among the above mentioned companies took place under normal market conditions.

9) OTHER CURRENT ASSETS
The total of EUR 34,750,000 increased compared to the preceding period by EUR 931,000. It consisted of the following items:

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Tax credits	5,985	5,168	817
Deferred tax assets	287	388	(101)
Receivable from others	25,247	24,910	337
Accrued inc. and prepaid exp.	3,231	3,353	(122)
Total	**34,750**	**33,819**	**931**



TAX CREDITS
Receivables from Treasury totaled EUR 5,985,000 and increased by EUR 817,000 compared to the preceding period. They referred to excess taxes, mainly indirect taxes of the foreign branches (EUR 3,427,000), to receivables for indirect taxes of companies and consortiums (EUR 973,000), to taxes requested to be reimbursed (EUR 370,000), to interest on taxes requested for reimbursement (EUR 391,000) plus other residual amounts (EUR 824,000) referring to other receivables.

OTHER DEFERRED TAXABLE ASSETS
This heading, which totaled EUR 287,000, showed a decrease by EUR 101,000 compared to the preceding period. It included receivables for taxes paid in advance corresponding to taxes related to tax-deductible costs and losses in future accounting periods.

RECEIVABLE FROM OTHERS
These totaled EUR 25,247,000, with an increase of EUR 337,000 compared to the preceding period. This item referred to the two types of receivables, financial and commercial, listed here below.
The balance for trade receivables from others totaled EUR 4,043,000 and showed a decrease by EUR 2,324,000 compared to the preceding period. It consisted of the following receivables items:

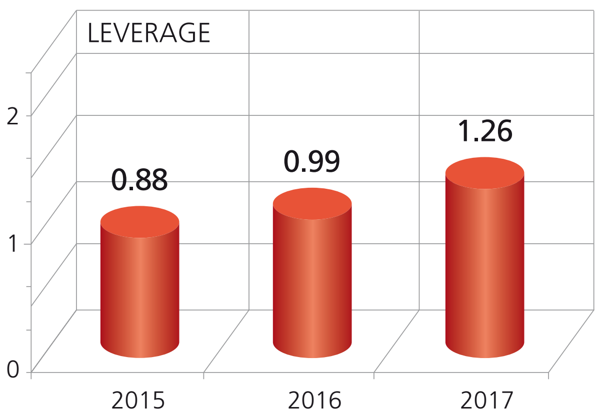
(thousands of Euro)	12.31.2017	12.31.2016	Delta
Municipality of Caldogno		1,634	(1,634)
Guarantee deposits	431	1,147	(716)
Nuova Briantea S.c.a r.l.	1,708	1,708	
Other receivables	1,904	1,878	26
Total	**4,043**	**6,367**	**(2,324)**

Trade receivables from others amounted to EUR 21,204,000, an increase of EUR 2,661,000 compared to the preceding period, mainly as a result of the increase in “receivables for consortium activities and from partners in consortia” and broke down as follows:

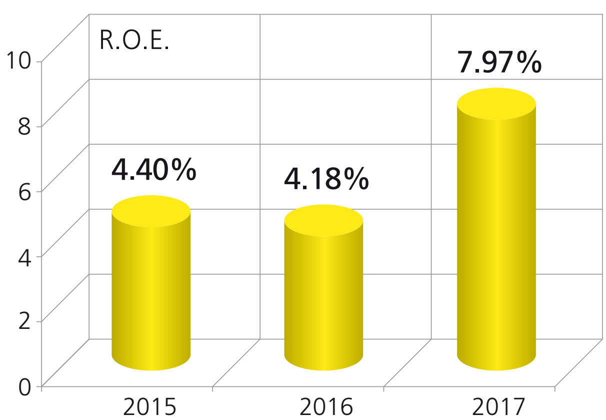
(thousands of Euro)	12.31.2017	12.31.2016	Delta
Advances for arbitrations		226	(226)
Advances to subcontractors	6,685	6,121	564
Receivables for indemnities		75	(75)
Receivables for consortium activities and from partners in consortia	9,519	7,710	1,809
Other receivables	5,000	4,411	589
Total	**21,204**	**18,543**	**2,661**

ACCRUALS AND DEFERRALS
This heading, which totaled EUR 122,000, showed a decrease of EUR 3,231,000 compared to the preceding period. It included accruals related to insurance premiums, rentals, future costs.

10) CASH AND CASH EQUIVALENTS
They totaled EUR 80,384,000, a decrease of EUR 46,258,000 compared to the preceding period.
This heading included:
1) Bank and postal deposits.
These involved temporary availabilities at credit institutions in ordinary current accounts whose change is part of normal cash management, totaling EUR 80,192,000.
2) Cash on hand.
These totaled EUR 192,000.



11) NET SHAREHOLDER EQUITY
For the changes occurring to consolidated net equity, please see the tables shown in the financial statements. Here below there is a description of the composition of the net equity as of 31 December 2017.
a) Authorized share capital
As of 31 December 2017, authorized share capital, entirely paid in, totaled EUR 50,000,000, divided into 50,000,000 shares with a nominal value of EUR 1.00 each. It did not change with reference to the preceding period.
b) Additional paid in capital
This refers to the additional capital paid in upon subscribing and paying in for the increase in authorized share capital, which foresees this execution procedure.
c) Legal reserve
This totaled EUR 1,421,000, with an increase of EUR 148,000 compared to the preceding period, following the assignment to this reserve of 5% of income from the preceding period.
d) Other reserves
They totaled EUR 12,514,000 and are related to:
• as for EUR 14,554,000 to extraordinary reserve, which increased by EUR 2,809,000 compared to the preceding period, after the allocation of the profit of the parent company and decreased by EUR 1,000,000 after the distribution of dividends;
• as for EUR 7,375,000 to reserves generated within the framework of merger operations, as well as to the effect calculated upon first time adoption following the entering into the scope of consolidation and the merger by incorporation with the group leader of the company Sici S.r.l during the preceding periods;
• as for EUR -132,000 to the negative reserve, which includes fair value changes of derivatives such as cash flow hedge, only for their “effective share”;
• as for EUR -341,000, it referred to the negative transposition reserve generated as a result of the conversion of balances related to the foreign branches;
• as for EUR -8,484,000, it referred to the reserve including the changes in fair value of the shares of the real estate fund “Real Stone”;
• as for EUR -458,000, it referred to the reserve including the recognition of the actuarial profits and losses as set forth by IAS 19.



NON-CURRENT LIABILITIES

As of 31 December 2017, non-current liabilities totaled EUR 105,239,000, a decrease of EUR 20,429,000 compared to the amount as of 31 December 2016. This heading included, in detail:

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Bonds	29,713	23,700	6,013
Bank financings	55,935	78,303	(22,368)
Payables due to other lenders	6,377	12,175	(5,798)
Payables for financial leases	1,166	1,106	60
Deferred tax liabilities	2,868	3,072	(204)
Prov. for risks and charges	5,380	2,589	2,791
Employee benefits	3,800	4,586	(786)
Advances on contract work in progress		137	(137)
Other payables			
Total	**105,239**	**125,668**	**(20,429)**

12) BONDS

The item was accounted for applying the amortizing cost method, amounted to EUR 29,713,000 and recorded an increase of EUR 6,013,000 compared to the preceding period following the completion of the placement relating to the issuance occurred at the end of 2016. It referred to two debenture bonds issued by ICM S.p.A. listed on the multimedia trading system by Borsa Italiana in the Extramot Pro professional segment. The two loans, expiring on 31 December 2022 (EUR 10 million) and 30 June 2023 (EUR 20 million), were represented by 200 and 400 shares, respectively, with a nominal value of EUR 50,000 each.

The debenture bonds are secured by covenants that were complied with as of 12.31.2017.

13) BANK LOANS

Bank debt due beyond twelve months totaled EUR 55,935,000, with a decrease of EUR 22,368,000 compared to the preceding period. It consisted of credit lines in Euro, of which EUR 5,888,000 referred to mortgage loans to support building initiatives, EUR 34,660,000 referred to a syndicated loan, and EUR 15,387,000 to other signature loans and/or credit lines.

The recorded change was entirely the result of the progress of the amortization plans, given that no new bank loans were signed in 2017. The decrease referred to the reclassification among the current payables of the loan installments as for EUR 12,352,000 and of pool financing as for EUR 9,836,000, as they will expire within the next 12 months.

Other major significant amounts were referred to following financing lines:

• Pool financing disbursed by Unicredit S.p.A., Banco BPM S.p.A. and Intesa San Paolo S.p.A. (former Banca Popolare di Vicenza S.p.A.) for EUR 34,660,000, at six-month Euribor rate plus agreed spread, with last installment due in 2022;

• a mortgage loan disbursed by Unicredit S.p.A. for EUR 3,033,000, at the six-month Euribor plus agreed spread, with last installment due in 2020;

• a mortgage loan disbursed by Intesa San Paolo S.p.A. (former Banca Popolare di Vicenza S.p.A.) for EUR 2,650,000, at the three-month Euribor plus agreed spread, with last installment due in 2023;

Some loans are secured by covenants that were complied with as of 12.31.2017.

14) PAYABLES TO OTHER LENDERS

This item, amounting to EUR 6,377,000, decreased by EUR 5,798,000 compared to the preceding period following the occurred collection of receivables being the subject to the sale.

It referred to the securitization transaction completed in the preceding period through a special purpose vehicle company. By means of such operation, Consorzio Infrastrutture S.c. a r.l. originally transferred prosolvendo to the "special purpose vehicle" Atlantica SPV S.r.l. receivables resulting from technical reserves set up with reference to the execution of contracted works for a nominal amount of EUR 24,506,000. For this assignment, always providing evidence of the essential nature of the transaction, Consorzio received:

- net financial funding as for EUR 11,800,000;
- securities class B issued by Atlantica SPV S.r.l. for a nominal total amount of EUR 10,500,000. Such se-

curities provide the right to deferred repayment with reference to securities of class A issued by Atlantica SPV S.r.l..
With reference to the above, the booking in the financial statements of the debt to the company Atlantica SPV S.r.l., was performed net of the value of the Class B securities, increased by the accrued financial charges, and decreased by the collections occurred referred to the sold items.

15) PAYABLES FOR FINANCIAL LEASES
Payables for non-current financial leases totaled EUR 1,166,000, an increase of EUR 60,000 compared to the preceding period. If added to the payables for current financial leases, these correspond to the value of leased assets posted to tangible long-term assets, net of the amount repaid on principal.

16) DEFERRED TAX LIABILITIES

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Deferred tax liabilities	2,868	3,072	(204)
Total	**2,868**	**3,072**	**(204)**

This heading totaled EUR 2,868,000, a decrease of EUR 204,000 compared to the preceding period. The total amount was determined from the provisions made for temporary differences between the equity values posted to the financial statements and the corresponding values recognized for tax purposes.

17) PROVISIONS FOR RISKS AND CHARGES
They totaled EUR 5,380,000, an increase of EUR 2,791,000 compared to the preceding period, following new provisions made in the period. The item referred to the provision carried out with the support of the opinion of the group tax advisors for risks related to tax audits with reference to the years from 2012 to 2015, to provisions made for the "country" risk referring to Libya, to the provision to the fund set up to restore the basalt quarries and to hedge the risk associated with the valuation at market price of the discounted cash flow for future payments envisaged on derivative contracts.

18) EMPLOYEE BENEFITS
The indicated value, determined according to the criteria established by IAS 19, amounted to EUR 3,800,000. It showed a decrease of EUR 786,000 compared to the preceding year.

Value 12.31.2016	Set-asides 2016	Fin. expenses on bonds	Other changes	Uses	Value 12.31.2017
4,586	160	73	(46)	(973)	3,800
4,586	**160**	**73**	**(46)**	**(973)**	**3,800**

They represented a liability related to benefits recognized to employees, disbursed at or after the end of the employment relationship. Such liability was included in the so-called defined benefits plans and, therefore, it was determined applying the actuarial methodology. For the companies with more than 50 employees, after the social security reform, the defined benefits which the Group owes to the employee refer exclusively to the provisions made until 31 December 2006. In the companies with less than 50 employees, the Employee Severance Fund shares remaining within the company continue to be dealt with according to the method of the "accrued benefits" by means of the "Project Unit Credit Method", set forth by IAS 19.
Financial expenses shown in the table represent the cost of the liability resulting from time elapsing and are proportional to the interest rate adopted in the valuations and to the liability of the preceding period. To establish this liability, the method called projected unit credit method was applied, which develops as follows:
- possible future performance that could be granted in favor of each individual employee were projected based on a series of financial hypotheses (increase of the cost of living, salary increase, etc.) The estimate of future performance shall include any possible increases corresponding to the further

service seniority accrued, as well as to the expected increase of salary with reference to the valuation date;
- the current average value of performance was calculated on the valuation date, according to the yearly interest rate adopted and to the likelihood that each performance should actually take place;
- the liability for the companies was defined identifying the share of the current average value of future performance that refers to the seniority already accrued by the employee within the company as of the valuation date;
- the evaluation was carried out with the support of an independent professional, using the following parameters;
- discount rate of 2.00%;
- Employee Severance Fund increase rate of 2.62%;
- inflation rate of 1.5%.
The use of discounting back rates referred to European bonds with AA rating would not generate actuarial losses greater than those indicated in the remarks to item 11 d).
Here below, the data of the employed personnel are listed.

	12.31.2017	12.31.2016	Average 2017	Average 2016
Executives	27	29	28	30
Employees and Manag.	250	255	251	272
Plant workers	318	369	345	557
Total	**595**	**653**	**624**	**859**

19) ADVANCES ON CONTRACT WORK IN PROGRESS
This item, which in the previous year amounted to EUR 137,000, was reclassified under the short-term liabilities.

CURRENT LIABILITIES
As of 31 December 2017, current liabilities totaled EUR 377,415,000, a decrease of EUR 50,381,000 compared to 31 December 2016. This item broke down as follows:

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Bank financings	100,606	84,313	16,293
Payables due to other lenders	244	1,179	(935)
Payables for financial leases	672	400	272
Advances on contract work in progress	17,497	22,453	(4,956)
Trade payables to suppliers	202,546	267,907	(65,361)
Payables to affiliates and parent companies	7,430	12,898	(5,468)
Other current liabilities	48,420	38,646	9,774
Total	**377,415**	**427,796**	**(50,381)**

20) BANK LOANS
This heading, which totaled EUR 100,600,000, increased by EUR 16,239,000 compared to the preceding period. It consisted of installments on mortgage loans (EUR 5,006,000) and of instalments on signature loans (EUR 7,107,000) due in the next accounting period, of the syndicated loan instalment expiring on 2017 (EUR 10,000,000), of the signature financing in Euro (EUR 78,493,000) represented mainly by advances on contracts and on invoices.
The expiration of current payables to bank is shown in the following table. It shall be underlined that the financial lines "subject to revocation" are those conventionally indicated among those expiring within three months.

(amounts in EUR/000)	Exp. within 3 months	Exp. in 3 & 12 months	Total
Liab. variab. int. rate	21,835	62,478	84,313
Liab. fixed int. rate			
Total as of 12.31.2016	**21,835**	**62,478**	**84,313**

(amounts in EUR/000)	Exp. within 3 months	Exp. in 3 & 12 months	Total
Liab. variab. int. rate	29,029	71,577	100,606
Liab. fixed int. rate			
Total as of 12.31.2017	**29,029**	**71,577**	**100,606**

Despite the loans with installments expiring in the next period are subject to variable rate, the stipulated coverage contracts have actually minimized the risks related to the interest rate fluctuations.

21) PAYABLES TO OTHER LENDERS
Payables to other lenders totaled EUR 244,000 and decreased by EUR 935,000 compared to the preceding period. This item, included advances on the pro-solvendo assignment of receivables to factoring companies.

22) PAYABLES FOR FINANCIAL LEASES
Payables for financial leases totaled EUR 672,000, an increase of EUR 272,000 compared to the preceding period. They referred to the portion of principal due in the next accounting period.
Net book value of real estates, plants and machineries and other assets used pursuant to financial leasing contracts is shown under paragraph No. 1) related to long-term assets.
Maturity of current bank debt for financial leases is expressed in the following table:

(amounts in EUR/000)	Exp. within 3 months	Exp. in 3 & 12 months	Total
Liab. variab. int. rate	100	300	400
Liab. fixed int. rate			
Total as of 12.31.2016	**100**	**300**	**400**

(amounts in EUR/000)	Exp. within 3 months	Exp. in 3 & 12 months	Total
Liab. variab. int. rate	169	503	672
Liab. fixed int. rate			
Total as of 12.31.2017	**169**	**503**	**672**

23) ADVANCES ON CONTRACT WORK IN PROGRESS
The total amount of EUR 17,497,000 showed a decrease by EUR 4,956,000 compared to the preceding period and referred to the amounts of contractual advances repayable within the next period based on expected production.

24) TRADE PAYABLES
Trade payables totaled EUR 202,546,000. This heading, which decreased by EUR 65,361,000, referred as for EUR 106,451,000 to payables to suppliers operating abroad where the Group attained 63% of its total production in 2017.

25) CURRENT PAYABLES TO AFFILIATES AND PARENT COMPANIES
This heading, which overall totaled EUR 7,430,000, showed an overall decrease by EUR 5,468,000 compared to the preceding period. It consisted of payables to affiliates due to the usual operating dynamics with cooperative companies of the Group. The most significant values referred to items related to Malco S.c.a r.l. as for EUR 2,020,000, and Stazione Chiaia S.c.a r.l. as for EUR 1,839,000.

26) OTHER CURRENT LIABILITIES
These totaled EUR 48,420,000, an increase of EUR 9,774,000 compared to the preceding period, consisting of:

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Taxes payables	2,382	2,470	(88)
Payables to social security agencies	1,030	961	69
Other payables	37,277	27,191	10,086
Payables to partners in consortia	3,155	3,963	(808)
Accrued liabilities and deferred income	4,576	4,061	515
Total	**48,420**	**38,646**	**9,774**

TAXES PAYABLES
This heading, which totaled EUR 2,382,000, showed a decrease by EUR 88,000 compared to the preceding period. It consisted mainly of taxes withheld (EUR 1,207,000), indirect taxes (EUR 703,000), and direct taxes (EUR 472,000).
Concerning the tax situation it shall be underlined that the periods until 2012 are defined both in terms of VAT and direct taxes. In any case, taxes were paid according to the taxable income resulting from the return statements submitted for each tax period.

PAYABLES TO SOCIAL SECURITY AGENCIES

This heading, totaling EUR 1,030,000, consisted as for EUR 786,000 of payables to INPS and as for EUR 244,000 of payables to other entities.

OTHER PAYABLES

The involved heading, which overall totaled EUR 37,277,000, showed an increase by EUR 10,086,000 compared to the preceding period, of which EUR 4,004,000 referred to the purchase of business branches. Among the other most relevant items making up this heading there were payables to employees as for EUR 4,880,000 and payables to customers for real estate initiatives as for EUR 2,223,000.

PAYABLES TO PARTNERS IN CONSORTIA

This item, which totaled EUR 3,155,000, showed a decrease by EUR 808,000 compared to the preceding period.

ACCRUED LIABILITIES AND DEFERRED INCOME

This heading, which totaled EUR 4,576,000 and which increased by EUR 515,000 compared to the preceding period, consisted mainly of shares of interest owed on loans, rent owed and charges on policies and suretyships accruing to the period that were still outstanding as of the date of the financial statements.

ANALYSIS OF THE INCOME STATEMENT HEADINGS

27) REVENUES

The total of revenues, which overall amounted to EUR 288,806,000, decreased by EUR 51,486,000 compared to the preceding period. This item included:

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Revenues from sales and services	280,675	341,381	(60,706)
Change in inventories for finished goods and goods in progress	904	(3,159)	4,063
Change in contract work in progress	7,120	2,010	5,110
Increases in capitalization for internal work	107	60	47
Total	**288,806**	**340,292**	**(51,486)**

REVENUES FROM SALES AND SERVICES

Revenues from sales and services broke down as follows.

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Revenues from construction activity from buyers	246,640	307,879	(61,239)
Revenues from constr. activity from partners in consortia & others	8,153	7,499	654
Revenues from manufacturing activity	19,931	17,621	2,310
Revenues from real estate activity	438	3,008	(2,570)
Other	5,513	5,374	139
Total	**280,675**	**341,381**	**(60,706)**

Revenues from construction activity included production that was certified and completed during the accounting period, in addition to miscellaneous revenues connected with construction activity and transaction definitions occurred during the period.

Revenues from activity towards partners in consortia and other included charges for passing on costs, borne and booked to the Income Statement, carried out by consolidated consortia and cooperative companies, as well as charges for the performance of services to not integrally consolidated subsidiaries.

Revenues from real estate activity included the amount for selling construction projects that were deeded during the period.

Revenues from manufacturing activity refer to the construction and management of wastewater and waste treatment facilities, to environmental activity in general, to the mining of basalt quarries and the processing and transformation of basalt.

The total value of revenues was EUR 288,806,000, of which EUR 180,996,000 attained abroad and EUR 107,810,000 in Italy.

CHANGE IN INVENTORIES OF PRODUCT IN PROGRESS, FINISHED GOODS AND CONTRACT WORK IN PROGRESS

The change was subject to comments in the note to “Inventories of work in progress, semi-finished goods and contract work in progress”.

28) OPERATING EXPENSES

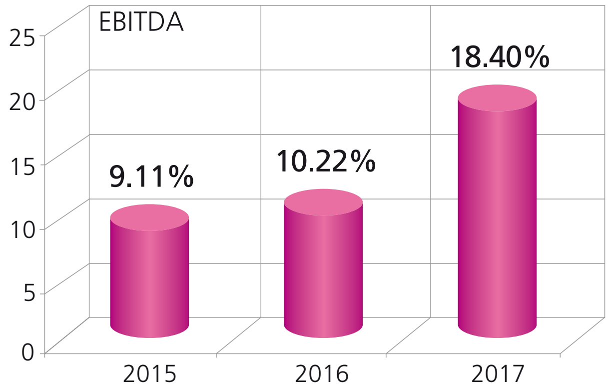
These totaled EUR 267,507,000 (EUR 327,732,000 as of 31 December 2016), an absolute decrease of EUR 60,225,000.

The table below shows the principal cost headings.

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Raw materials and consumables	**30,082**	**32,625**	**(2,543)**
Subcontracts	**144,190**	**210,632**	**(66,442)**
Technical Consultants	10,127	8,163	1,964
Compensation of Directors, Statutory Auditors, indep. auditors	1,339	1,598	(259)
Maintenance	998	1,230	(232)
Transportation	6,707	5,271	1,436
Insurance	2,500	3,452	(952)
Other costs for services	6,113	6,782	(669)
Miscellaneous operating expenses	4,969	3,061	1,908
Other operating expenses	**32,753**	**29,557**	**3,196**
Salaries and wages	19,211	22,448	(3,237)
Social security contributions	5,210	5,883	(673)
Set-aside employee benefits	1,031	1,102	(71)
Other personnel costs	3,192	3,251	(59)
Personnel costs	**28,644**	**32,684**	**(4,040)**
Amortization of intangible long-term assets	547	534	13
Amortization of tangible long-term assets	4,985	4,666	319
Rents and leases	4,983	6,910	(1,927)
Amortizations of rentals	**10,515**	**12,110**	**(1,595)**
Allocations to provisions	**21,323**	**10,124**	**11,199**
Total	**267,507**	**327,732**	**(60,225)**

The amount referred to subcontract represented the main item among the operating costs and totaled EUR 144,190,000, decreasing by EUR 66,442,000 compared to the preceding period. The change related to the evolution of the revenues recorded during the period.

The amount of compensations to the Directors and Statutory Auditors of the Group Leader for the performance of such function, even in the other companies included in the consolidation scope, totaled EUR 626,000 and EUR 87,000, respectively; while the amount of compensations to the auditing firm for the legal auditing services performed on the financial statements totaled EUR 140,000.



OTHER COSTS FOR SERVICES

This heading, which totaled EUR 6,113,000, showed a decrease by EUR 669,000 compared to the preceding period. It refers to utilities, consultancies, researches, tests, analyses and other services performed by third parties.

MISCELLANEOUS OPERATING EXPENSES

This heading totaled EUR 4,969,000, an increase of EUR 1,908,000 compared to the preceding period. It consisted of:

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Payment of damages	487	448	39
Non-operating losses	1,160	288	872
Capital losses from disposition of assets	19	322	(303)
Duties and taxes	1,202	1,062	140
Promotional expenses	159	96	63
Office materials	92	91	1
Membership dues	56	141	(85)
Other	1,794	613	1,181
Total	**4,969**	**3,061**	**1,908**

PERSONNEL COSTS
They totaled overall EUR 28,644,000 compared to EUR 32,684,000 of the preceding year, showing a decrease of EUR 4,040,000, referred to both the decrease in the turnover and the greater use of outsourcing to third parties.

DEPRECIATION AND AMORTIZATION OF TANGIBLE AND INTANGIBLE LONG-TERM ASSETS
See the detail in the category shown for the headings "Intangible long-term assets" and "Tangible long-term assets."

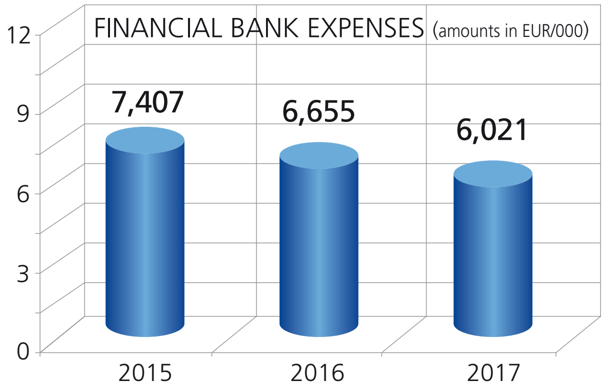
ALLOCATIONS TO PROVISIONS
This item, which totaled EUR 21,323,000, referred to provisions for contractual risks reserves and the depreciation mainly to hedge contractual and receivables risks, with a view to a prudent assessment of the risks related to the management of disputes as plaintiff with customers.

29) SURETYSHIP CHARGES AND BANK EXPENSES
This heading totaled EUR 4,645,000, an increase of EUR 526,000 compared to the preceding period. It broke down as follows:

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Charges on suretyships	2,603	2,593	10
Financial receivables	2,042	1,526	516
Total	**4,645**	**4,119**	**526**

30) INTEREST EXPENSE TO CREDIT INSTITUTIONS
The heading, amounting to EUR 6,021,000, showed a decrease by EUR 634,000 compared to the preceding period. It was booked net of interest income from banks and consisted of the following items:

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Interest on curr. accts. and loans	3,731	4,668	(937)
Interest expense on loans	2,290	1,987	303
Total	**6,021**	**6,655**	**(634)**



31) INTEREST EXPENSES TO THIRD PARTIES
This heading totaled EUR 2,432,000, an increase of EUR 1,309,000 compared to the preceding period, consisting of the following:

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Interest to leasing companies	54	135	(81)
Interest updating employee benefits	75	121	(46)
Interest expense on bond loans	1,323	45	1,278
Other	980	822	158
Total	**2,432**	**1,123**	**1,309**

The increase referred mainly to the charges on the debenture bond established in 2016, at the end of the period.
The item "Other" referred mainly to interests to factoring companies and other lenders for credit disinvestment, as well as to interests on payment extensions.

32) GAINS (LOSSES) ON EXCHANGE
This heading, which amounted to EUR 1,178,000, referred to fluctuations of the currencies occurred in the period mainly on items expressed in foreign currencies connected to the US dollar, as a result of the fluctuations of this currency against the euro.

33) OTHER FINANCIAL INCOME (EXPENSES)

This heading totaled EUR 13,000, decreased by EUR 91,000 compared to the preceding period.

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Earned interest from internal revenue	7	7	
Earned interest from trade accounts and buyers		81	(81)
Interests earned from affiliates and parent companies	2	12	(10)
Other	4	4	
Total	**13**	**104**	**(91)**

34) ADJUSTMENTS TO THE VALUE OF THE FINANCIAL ASSETS

Total adjustments amounted to EUR 1,628,000. The item showed a decrease by EUR 570,000 compared to the preceding period. As for EUR 1,500,000 this heading was mainly referred to the waiver of loans granted to the affiliate Codel.Ma S.r.l. upon approval of the financial statements of the subsidiary to cover losses recorded by the same during the period 2017.

35) INCOME TAXES FOR THE PERIOD

(thousands of Euro)	12.31.2017	12.31.2016	Delta
Current taxes	(1,174)	(750)	(424)
Deferred taxes	500	2,863	(2,363)
Total	**(674)**	**2,113**	**(2,787)**

The balance of EUR 674,000 was the result of the algebraic sum between the current taxes for the accounting period set aside by the integrally consolidated companies and the determination of the deferred taxes.

As stated with reference to the general principles, these financial statements were prepared in accordance with the principles set forth in the branch exemption scheme, which involves the exemption of the profits and losses attributable to their own stable organizations abroad in the tax return statement. The parent company has actually exercised the option to adhere to such scheme when submitting the tax return statement for the period 2016.

GUARANTEES

We list the principal guarantees below:

• suretyships in favor of affiliates: they totaled EUR 2,428,000 and referred mainly to guarantees given for the granting of bank credit lines;

• suretyships in favor of others: they overall totaled EUR 274,588,000 and referred as for EUR 58,591,000 to suretyships granted in favor of other associated companies and as for EUR 215,997,000 to suretyships granted in favor of third parties with reference to contracts;

• suretyships in favor of buyers: they totaled EUR 171,687,000. These were bank suretyships issued mainly for construction contracts.

Therefore, performance bonds for a total amount of EUR 448,703,000 were issued, of which EUR 219,873,000 related to the contract Alta Velocità Cepav 2, EUR 75,263,000 for contracts in progress in the Middle East area, and EUR 40,797,000 for the contract Pedemontana Lombarda.

INFORMATION ON RISK MANAGEMENT (IFRS 7 FINANCIAL RISK DISCLOSURE)

IFRS 7, compulsorily applicable starting from 1 January 2007, requires the involved company to submit a suitable information notice on the relevance of financial instruments for the financial position and the economic trend of the Group, as well as on the exposure to risks linked to credit, liquidity and market resulting from financial instruments, and on the processes adopted by the corporate management to manage such risks.

Therefore, to meet the requirements of the provisions of IFRS 7 the classes of the owned financial instruments have been classified and grouped in a homogeneous manner. With the term "financial instrument" it is meant "any contract generating a financial assets or liability or any other instrument representing capital for another company".

According to the context in which the Group operates, it is subject to the following risks:

• market risk resulting from the fluctuation of exchange rates, as well as of the interest rates considering that the Group operates in an international context, in different currency areas, and uses external financing sources generating interests.

• liquidity risk with specific reference to the trend and access of credit market to support the operating activities on time;

• credit risk with reference to the usual commercial relationships with the customers resulting from the failure to fulfill obligations.

MARKET RISK

The Group operates in an international context in which transactions occur in different currencies; as a consequence, such context is exposed to the risks resulting from changes in the exchange rates.

In order to reduce the exchange rate risk, till now the Group has stipulated contracts whose payment is settled mainly in Euro and for the residual amount in local currency, having considered the estimate of the costs to be paid in local currency that the Group shall bear in executing the orders.

If the consideration is paid in foreign currency, the Group has solved the exchange rate risk by assuring a substantial alignment between the costs to be incurred in local currency and the financial resources expressed in the same currency.

Such policy has allowed avoiding costs related to the covering of exchange rate risk and to limit the exposure to such risk remarkably.

INTEREST RATE RISK

The Group follows a strategy aiming at limiting the debt and the interest rate risk coverage on medium and long term structured loans by means of Interest Rate Swaps (IRS) contracts.

The ICM Group is not carrying out any speculative derivatives since the main objective is reduction of the fluctuation in the volatility of the financial expenses.

In case of increase of interest rates, financial expenses for the Group related to loans will not have in any case any impact on the economic and financial situation of the Group. Such financial risks are persistently monitored by means of qualitative analysis.

SENSITIVITY ANALYSIS - INTEREST RATES

With reference to the exposure to the fluctuation of interest rates, it shall be underlined that if interest rates as of 31 December 2017 were higher (or lower) by 100 basis points, keeping all variables constant, the consolidated result, before taxes, would have been subject to a negative change by EUR 1,153,000 (positive by EUR 1,153,000).

Generali Properties S.p.A.: Logistic pole of Piacenza

Medium and long-term borrowings						(thousands of Euro)		
	Loans	**Cur.mort.acc.**	**Finan.**	**Bonds**	**Total**	**Inter.**	**1,0%**	**-1,0%**
2016	10,880		79,598	23,700	114,178	2,608	2,412	2,805
2017	5,888		56,424	29,713	92,025	3,613	3,700	3,526
Short term borrowings								
	Loans	**Cur.mort.acc.**	**Finan.**	**Bonds**	**Total**	**Inter.**	**1,0%**	**-1,0%**
2016	4,931		80,561		85,492	4,092	5,261	2,923
2017	5,006		95,844		100,850	3,731	4,797	2,665
Cash and cash equivalents								
					Total	**Inter.**	**1,0%**	**-1,0%**
2016					(126,642)			
2017					(80,384)			
Net position								
					Total	**Inter.**	**1,0%**	**-1,0%**
2016					73,028	6,700	7,673	5,727
2017					112,491	7,344	8,497	6,191
Improvement/worsening 2016							**973**	**(973)**
Improvement/worsening 2017							**1,153**	**(1,153)**

ANALYSIS OF DERIVATIVES

The ICM Group has stipulated Interest Rate Swap derivatives contracts booked to the financial statements according to the fair value method when the derivative contract was negotiated and at the following fair value changes.

The Group holds derivative financial instruments for the specific purpose of covering financial risks and, upon transaction start, it documents the coverage relation, the objectives of the risk management and the strategy implemented for the coverage, as well as the identification of the coverage instrument and the nature of the covered risk. Additionally, the Group documents, at the beginning of the transaction and continuatively thereafter, whether the coverage instrument meets the necessary efficacy requirements in compensating the exposure to the fair value fluctuations related to the covered item or to the financial flows imputable to the covered risk.

The derivative instruments used for the specific coverage purposes are classified and booked according to the cash flow hedge accounting method. If a derivative instrument is destined to cover the exposure to the fluctuation of cash flows related to a specific assets or liabilities item booked to the financial statements or to a forecast operation, which is only likely to happen and which may affect the income statement, the "effective" portion of the profits or losses related to such financial instrument is booked to the net equity. The profit or loss accrued are deducted from the net equity and booked to the income statement in the same period in which the operation subject to coverage occurs. The profit or loss not linked to a coverage or to that part of the coverage, which has become "ineffective", are booked to the income statement at once.

SENSITIVITY ANALYSIS - DERIVATIVES

The potential fair value loss, affecting the income statement and the net equity, related to derivative instruments held as of 31 December 2017 is shown in the following table from which it can be inferred that a decrease in the interest rates by 100 basis points would result in a negative impact on the statement of financial position of EUR 94,000, after taxes; an increase in the reference interest rates by 100 basis points would instead result in a positive impact on the statement of financial position of EUR 95,000, always after taxes.

Financial instrument	Counter-party	Expiration	Notional	+ 100 bps interest rate curve parallel shift		- 100 bps interest rate curve parallel shift	
				Income Statement Impact	Net Equity Impact	Income Statement Impact	Net Equity Impact
IRS amortizing	BNL	6.30.2018	2,186		3		(4)
IRS amortizing	BNL	5.31.2018	2,400		1		(1)
IRS amortizing	Intesa San Paolo (former Veneto Banca)	9.30.2019	1,886		13		(13)
IRS amortizing	Banco BPM	6.30.2022	12,690		30		(29)
IRS amortizing	Unicredit	6.30.2022	16,920		40		(39)
IRS amortizing	Intesa San Paolo (former Banca Popolare di Vicenza)	6.30.2022	12,690		30		(29)
IRS amortizing	Banco BPM	6.30.2022	810		2		(2)
IRS amortizing	Unicredit	6.30.2022	1,080		3		(2)
IRS amortizing	Intesa San Paolo (former Banca Popolare di Vicenza)	6.30.2022	810		2		(2)
IRS amortizing	Intesa San Paolo (former Veneto Banca)	12.31.2020	604		8		(8)
Effetto fiscale (tax rate 27,5%)					(36)		36
GROUP TOTAL			52,076		95		(94)

LIQUIDITY RISK

The liquidity risk may occur as a result of a potential collection delay by the customers, mainly being public entities, and consequent difficulty in finding financial resources to support the operating activity.

The Group has adopted a series of policies and processes aiming at assuring an effective and efficient management of financial resources thus reducing the liquidity risk by taking the following steps:

• centralized management of collection and payment flows (cash management systems), where it is convenient while observing the several civil, currency and tax regulations in force in the countries where the Group is present and compatibly with the order management needs;

- Maintenance of a high level of available liquidity.
- Attainment of suitable credit lines.
- Monitoring of the perspective liquidity conditions with reference to the corporate planning process.

CREDIT RISK

Credit risk, represented by the Group exposure to potential losses resulting from the failure to fulfill obligations by the buyers is to be deemed not so much probable, since the type of customers is largely represented by governmental entities.

A monitoring activity is constantly carried out on both the operative and administrative function based on standardized periodical reporting procedures.

Nowadays, there are no credit concentrations with single big customers, which cannot be considered physiological also with reference to the size of the building sites.

(thousands of Euro)		12.31.2016	12.31.2017
Expiring		94,301	82,154
Expired	0 to 6 months	19,082	4,177
	6 to 12 months	2,694	19,866
	Beyond 12 months	30,286	28,860
Total		52,061	52,903
Gross total		146,362	135,057
Allow. for doubt.		-4,563	-6,553
Net total		**141,799**	**128,504**

As for credits overdue more than one year ago, the prevailing portion refers to positions related to works whose execution is in progress or to receivables for final testing.

Therefore, these items need to be valuated together with the corresponding records of reserves booked within the framework of work in progress.

In most cases, these are entries for which extrajudicial and judicial proceedings have been started, mainly against public administration bodies, which shall allow the collection of the credit on principal and the further collection of financial and legal expenses.

HIERARCHICAL LEVELS FOR DETERMINING THE FAIR VALUE

With reference to the financial instruments booked to the statement of financial position at their fair value, the IFRS 7 requires that such amounts are classified based on a hierarchy of levels, which reflects the relevance of the inputs used in determining the fair value.

The following levels can be defined:

- Level 1 – listing values detected on the active market for assets or liabilities subject to valuation;
- Level 2 – other inputs coming from the prices listed as mentioned in the preceding point, which can be observed directly (prices) or indirectly (derived from the prices) on the market;
- Level 3 – inputs that are based on market data that are available.

(thousands of Euro)	Level 1	Level 2	Level 3
Assets available for sale		12,495	
Derivatives expense		(313)	
Total		**12,182**	

In 2017, there were no transfers from Level 1 to Level 2 or Level 3.

Vicenza, 2 May 2018
The President
Ms. Bettina Campedelli

Deloitte.

Deloitte & Touche S.p.A.
Via N. Tommaseo, 78/C int. 3
35131 Padova
Italia

Tel: +39 049 7927911
Fax: +39 049 7927979
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Sole Shareholders of
ICM S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

We have audited the consolidated financial statements of ICM S.p.A. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Qualified Opinion

During the year, the parent company ICM S.p.A. has signed an agreement that provides for the participation of a third party in the capital increase of a subsidiary for an amount of Euro 8.5 million, of which Euro 4.3 million paid as at December 31, 2017 and the residual to be paid within June 30, 2019. In the consolidated financial statements of the Group at December 31, 2017, the entire capital increase subscribed by the third party was recorded under the item "Minority interests", determining in a corresponding increase in the equity and the recognition of the portion not yet paid in "Other non-current assets".

On the basis of the provisions of the accounting standards applicable in the circumstance, given the specific conditions of the agreement governing the remuneration and the return of the invested capital, the payment made to the partial release of the capital increase for Euro 4.3 million should have been recorded under non-current financial liabilities and the recognition of the portion not yet paid, equal to Euro 4.2 million, deferred at the time of payment.

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of ICM S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10

The Directors of ICM S.p.A. are responsible for the preparation of the report on operation of ICM Group as at December 31, 2017, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations, with the consolidated financial statements of ICM Group as at December 31, 2017 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the above-mentioned report on operations is consistent with the consolidated financial statements of ICM Group as at December 31, 2017 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the Group and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Cristiano Nacchi
Partner

Padua, Italy
June 8, 2018

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

CONSOLIDATED COMPANIES

ICM S.p.A.

ICM S.p.A., the Group's operating holding, has gained over the time many years of experience in both the public and private sector through the realization of large residential, managerial and commercial complexes, as well as in infrastructures such as road works in general, viaducts in reinforced concrete and metal structure, airports and railway works, tunnels, special foundations, plumbing works, aqueducts, sewerage systems, dams and maritime works.

Being among the first companies qualified to execute public works by the SOAs, the certification held by the Company includes 35 category registrations, 10 of which for an unlimited amount. The Company is also a member of associations and bodies of the construction industry such as ANCE (the National Association of Building Constructors). The company has acquired the certification of the Quality Management System, in accordance with the UNI EN ISO 9001 standard, since 2002, and subsequently the certifications of the Environmental Management System, pursuant to the UNI EN ISO 14001 standard, and of the Occupational Health and Safety Management System, in compliance with BS OHSAS 18001.

The Company has put in place a system to adhere to the principles of legality, based on a Code of Ethics inspired by the principles of fairness, transparency, honesty, and integrity, in accordance with the highest standards and the national and international guidelines. The Organization, Management and Control Model inspired by it implements the principles mentioned above by translating them into a procedural system that establishes a rigorous behavioral code that all those who work in the interests of the Company are required to observe, thus assuring the effective maintenance of a system preventing offenses in accordance with the Italian Legislative Decree 231/2001 and the international best practices.

RE-CLASSIFIED ASSETS AND FINANCIAL SITUATION
(amounts in EUR/000)

	12.31.2017	12.31.2016
Intangible long-term assets	2,251	2,368
Tangible long-term assets	6,881	7,217
Investments	43,981	35,679
Other net long-term assets	2,511	2,511
Total Long-term assets (A)	**55,624**	**47,775**
Inventories	40,359	37,062
Works in progress	124,513	124,029
Trade receivables	99,521	110,903
Intergroup trade receivables	26,950	16,087
Other assets	52,595	53,737
Advances from customers	-10,355	-15,223
Subtotal	**333,583**	**326,595**
Trade payables	-177,031	-235,450
Intergroup liabilities	-18,680	-22,269
Other liabilities	-42,529	-28,399
Subtotal	**-238,240**	**-286,118**
Operating working capital (B)	**95,343**	**40,477**
Employee benefits	-2,260	-2,741
Provisions for risks and charges	-4,796	-1,828
Total funds (C)	**-7,056**	**-4,569**
Net invested capital (D) = (A)+(B)+(C)	**143,911**	**83,683**
Cash and cash equivalents	66,724	122,444
Current financial receivables	20,421	21,097
Current financial liabilities	-84,314	-73,972
Non-current financial liabilities	-43,693	-61,823
Bonds	-29,713	-23,700
Net financial payables/receivables (E)	**-70,575**	**-15,954**
Net Equity (F) = (D) + (E)	**73,336**	**67,729**

RE-CLASSIFIED INCOME STATEMENT

(amounts in EUR/000)

	12.31.2017	12.31.2016
Revenues	**248,873**	**306,095**
Operating costs	-184,510	-257,160
Personnel costs	-20,181	-22,989
EBITDA	**44,182**	**25,946**
Depreciation, leases and rentals	-5,658	-7,316
Allocations to provisions	-21,384	-10,000
EBIT	**17,140**	**8,630**
Suretyship charges and bank expenses	-4,197	-3,799
Net financial income and expenses	-5,306	-4,961
Profits and (losses) on exchange rates	1,361	2,405
Adjustment to the value of financial assets	-1,595	-2,040
Profit (Loss) before taxes	**7,403**	**235**
Taxes	-22	2,722
Profit (Loss) of the period	**7,381**	**2,957**

The Board of Directors

Bettina Campedelli	President
Alberto Liberatori	Managing Director
Francesco Marena	
Franco Carlo Mariano Papa	
Alberto Regazzo	
Paolo Simioni	
Gianfranco Simonetto	

Vicenza, 2 May 2018

S.I.P.E. S.p.A.

SOCIETA’ INDUSTRIALE PREFABBRICATI EDILI

S.I.P.E. - Società Industriale Prefabbricati Edili - S.p.A., established in 1963, it operates in the industrialized building sector, allowing the complete realization of civil, industrial and commercial buildings through the use of its prefabricated structures. S.I.P.E. S.p.A. holds patents relating to advanced technological processes for the use of prefabrication in seismic areas.
The production types that can be carried out allow the creation of all the classical structures foreseen in the prefabrication field, in open and flexible form, also guaranteeing the realization cost-effectiveness.

S.I.P.E. S.p.A. occupies a major position in the reference market (North Italy) also thanks to the significant investments made for the construction of the new plant (covering an area of over 115,000 square meters) and in the new production lines in Almisano.

RE-CLASSIFIED ASSETS AND FINANCIAL SITUATION
(amounts in EUR/000)

	12.31.2017	12.31.2016
Intangible long-term assets	29	29
Tangible long-term assets	20,083	20,277
Investments	70	101
Other net long-term assets	160	160
Total Long-term assets (A)	**20,342**	**20,567**
Inventories	7,725	7,474
Works in progress	7,815	7,186
Trade receivables	3,077	1,794
Intergroup trade receivables	2,083	2,505
Other assets	45	60
Advances from customers	-5,588	-5,709
Subtotal	**15,157**	**13,310**
Trade payables	-4,627	-3,952
Intergroup liabilities	-282	-577
Other liabilities	-866	-647
Subtotal	**-5,775**	**-5,176**
Operating working capital (B)	**9,382**	**8,134**
Employee benefits	-632	-731
Provisions for risks and charges	0	0
Total funds (C)	**-632**	**-731**
Net invested capital (D) = (A)+(B)+(C)	**29,092**	**27,970**
Cash and cash equivalents	27	58
Current financial receivables	547	0
Non-current financial receivables	0	0
Current financial liabilities	-2,936	-958
Non-current financial liabilities	0	0
Net financial payables/receivables (E)	**-2,362**	**-900**
Net Equity (F) = (D) + (E)	**26,730**	**27,070**

RE-CLASSIFIED INCOME STATEMENT
(amounts in EUR/000)

	12.31.2017	12.31.2016
Revenues	**15,352**	**12,062**
Operating costs	-11,284	-8,553
Personnel costs	-3,078	-2,565
EBITDA	**990**	**944**
Amortizations, leases and provisions	-534	-608
EBIT	**456**	**336**
Net financial income and expenses	-109	-98
Adjustment to the value of financial assets	-30	0
Profit (Loss) before taxes	**317**	**238**
Taxes	-156	-130
Profit (Loss) of the period	**161**	**108**

The Board of Directors

Giovanni Dolcetta Capuzzo President
Francesco Simonetto Managing Director
Darik Gastaldello
Alberto Liberatori

Vicenza, 29 March 2018

BASALTI VERONA S.r.l.

Basalti Verona S.r.l., founded in 1927, operates in the field of basalt mining, processing and trading. Basalt is used with various granulometries in the construction of railway lines (also high capacity ones), road works in general, as well as for the production of rock wool, or as raw material in the field of ceramics and concrete products, in foundries and for industrial paving.

The mining activity takes place in the two mines in Lauri and Cattignano, where four crushing plants operate.

RE-CLASSIFIED ASSETS AND FINANCIAL SITUATION
(amounts in EUR/000)

	12.31.2017	12.31.2016
Intangible long-term assets	0	0
Tangible long-term assets	2,527	2,640
Investments	0	0
Other net long-term assets	0	0
Total Long-term assets (A)	**2,527**	**2,640**
Inventories	635	837
Works in progress	0	0
Trade receivables	2,905	1,842
Intergroup trade receivables	0	0
Other assets	280	287
Advances from customers	0	0
Subtotal	**3,820**	**2,966**
Trade payables	-1,419	-1,396
Intergroup liabilities	-679	-400
Other liabilities	-338	-312
Subtotal	**-2,436**	**-2,108**
Operating working capital (B)	**1,384**	**858**
Employee benefits	-291	-286
Provisions for risks and charges	-567	-529
Total funds (C)	**-858**	**-815**
Net invested capital (D) = (A)+(B)+(C)	**3,053**	**2,683**
Cash and cash equivalents	2,282	1,217
Current financial receivables	31	0
Non-current financial receivables	0	0
Current financial liabilities	-1,201	-4
Non-current financial liabilities	0	0
Net financial payables/receivables (E)	**1,112**	**1,213**
Net Equity (F) = (D) + (E)	**4,165**	**3,896**

RE-CLASSIFIED INCOME STATEMENT
(amounts in EUR/000)

	12.31.2017	12.31.2016
Revenues	**6,287**	**5,960**
Operating costs	-3,544	-3,597
Personnel costs	-1,109	-1,144
EBITDA	**1,634**	**1,219**
Amort., rentals and set-asides	-610	-567
EBIT	**1,024**	**652**
Net financial income and expenses	-93	-36
Adjustment to the value of financial assets	0	0
Profit (Loss) before taxes	**931**	**616**
Taxes	-262	-184
Profit (Loss) of the period	**669**	**432**

The Board of Directors

Nicola Giulio Vaccari President
Francesco Simonetto Managing Director
Giovanni Dolcetta Capuzzo

Montecchia di Crosara (VR), 29 March 2018


INTEGRA S.r.l.

Integra S.r.l. operates in the field of services and plants for environmental protection and natural resources preservation.
Within this framework, it is able to design and build water purification/drinking plants, environmental reclamation works, waste treatment and disposal plants.

Integra S.r.l. operates also in the global service industry, in the field of energy efficiency (cogeneration) and of production of energy from renewable sources (photovoltaic, biogas industry).
It follows and develops the opportunities offered by the market in the concession sector by means of the subsidiary Integra Concessioni S.r.l. which deals with all concession activities currently in progress.

RE-CLASSIFIED ASSETS AND FINANCIAL SITUATION
(amounts in EUR/000)

	12.31.2017	12.31.2016
Intangible long-term assets	9	10
Tangible long-term assets	5,120	5,214
Investments	1,750	1,760
Other net long-term assets	0	0
Total Long-term assets (A)	**6,879**	**6,984**
Inventories	169	169
Works in progress	440	729
Trade receivables	5,144	6,422
Intergroup trade receivables	3,281	2,928
Other assets	723	729
Advances from customers	-160	-66
Subtotal	**9,597**	**10,911**
Trade payables	-4,812	-5,014
Intergroup liabilities	-5,550	-5,581
Other liabilities	-1,015	-1,173
Subtotal	**-11,377**	**-11,768**
Operating working capital (B)	**-1,780**	**-857**
Employee benefits	-294	-316
Provisions for risks and charges	-63	-63
Total funds (C)	**-357**	**-379**
Net invested capital (D) = (A)+(B)+(C)	**4,742**	**5,748**
Cash and cash equivalents	334	620
Current financial receivables	0	0
Non-current financial receivables	0	0
Current financial liabilities	-2,145	-3,487
Non-current financial liabilities	0	0
Net financial payables/receivables (E)	**-1,811**	**-2,867**
Net Equity (F) = (D) + (E)	**2,931**	**2,881**

RE-CLASSIFIED INCOME STATEMENT
(amounts in EUR/000)

	12.31.2017	12.31.2016
Revenues	**11,085**	**10,468**
Operating costs	-8,680	-7,844
Personnel costs	-1,712	-1,638
EBITDA	**693**	**986**
Amort., rentals and set-asides	-244	-294
EBIT	**449**	**692**
Net financial income and expenses	-288	-331
Adjustment to the value of financial assets	-2	0
Extraordinary income (expenses)	0	0
Profit (Loss) before taxes	**159**	**361**
Taxes	-109	-165
Profit (Loss) of the period	**50**	**196**

The Board of Directors

Marcello Milano President
Gianalberto Balasso
Giovanni Dolcetta Capuzzo
Francesco Simonetto

Vicenza, 29 March 2018

CONSORZIO INFRASTRUTTURE S.c.a r.l.

Consorzio Infrastrutture S.c.a.r.l., established in 2006 as Consorzio Stabile Infrastrutture following the sale of the “public works” business branch of the general construction company Ing. Nino Ferrari S.p.A., changed its name in 2015.
The Company, fully controlled by the ICM Group, has expanded its activity all over Italy in the sector of both public and private infrastructures; it can rely on cutting edge equipment and means, which allowed it to execute at best important railway, road and maritime works.

By its traditional nature, Consorzio Infrastrutture S.c.a.r.l. has an important operating structure.

RE-CLASSIFIED ASSETS AND FINANCIAL SITUATION
(amounts in EUR/000)

	12.31.2017	12.31.2016
Intangible long-term assets	1,370	1,368
Tangible long-term assets	84	149
Investments	1,139	1,139
Other net long-term assets	0	0
Total Long-term assets (A)	**2,593**	**2,656**
Inventories	100	100
Works in progress	72,716	78,340
Trade receivables	8,078	8,587
Intergroup trade receivables	8,379	7,184
Other assets	9,587	7,794
Advances from customers	-879	-879
Subtotal	**97,981**	**101,126**
Trade payables	-4,081	-5,427
Intergroup liabilities	-79,878	-70,526
Other liabilities	-7,272	-8,417
Subtotal	**-91,231**	**-84,370**
Operating working capital (B)	**6,750**	**16,756**
Employee benefits	-134	-399
Provisions for risks and charges	0	0
Total funds (C)	**-134**	**-399**
Net invested capital (D) = (A)+(B)+(C)	**9,209**	**19,013**
Cash and cash equivalents	8	19
Current financial receivables	114	35
Current financial liabilities	-2,555	-5,734
Non-current financial liabilities	-6,376	-12,933
Net financial payables/receivables (E)	**-8,809**	**-18,613**
Net Equity (F) = (D) + (E)	**400**	**400**

RE-CLASSIFIED INCOME STATEMENT
(amounts in EUR/000)

	12.31.2017	12.31.2016
Revenues	**28,029**	**30,602**
Operating costs	-25,203	-24,637
Personnel costs	-628	-2,941
EBITDA	**2,198**	**3,024**
Amort., rentals and set-asides	-172	-873
EBIT	**2,026**	**2,151**
Net financial income and expenses	-1,864	-1,969
Adjustment to the value of financial assets	0	0
Profit (Loss) before taxes	**162**	**182**
Taxes	-162	-182
Profit (Loss) of the period	**0**	**0**

The Board of Directors

Sergio Da Ros — President and Managing Director
Gianalberto Balasso — Managing Director

Vicenza, 23 March 2018