

PRESS RELEASE

Consolidated financial results 2014

The Board of Directors has approved the Consolidated Financial Statement at December 31st, 2014.

- **Consolidated income statement data:**
 - Total revenues of Euro 1,140.7 million
 - EBITDA *margin* of 12.4%, with EBITDA of Euro 141.6 million
 - EBIT *margin* of 8.7%, with EBIT of Euro 99.1 million
 - Net profit of Euro 24.4 million

- Net financial debt of Euro 154.1 million

- Total order backlog totalled Euro 10,852 million of which:
 - Euro 4,017 million for Group construction works
 - Euro 6,835 million for concessions on the basis of agreements already executed, valued in terms of the future revenues that will be received by our Special Purpose Vehicles

Parma, June 12th 2015. The Board of Directors of Impresa Pizzarotti & C. S.p.A., one of the main *general contractor* in Italy, leading player in the infrastructure sector at an international level, met today to approve the Consolidated Financial Statements of Impresa Pizzarotti & C. S.p.A. at December 31st, 2014, prepared in compliance with the International Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union.

Main consolidated financial results at 31 December 2014

Total consolidated revenues amounted to Euro 1,140.7 million, substantially in line with those recorded in the previous year. As for the geographical breakdown of total revenues, **Italy with 76.9% of total revenues amounting to Euro 877.3 million**, confirmed its role as the number-one country contributor to the Group’s operating revenues. **International activities generated Euro 263.4 million, equal to 23.1% of total operating revenues.**

The breakdown of revenues by sector and market is the following (in millions of Euros):

Description	2014			2013		
	Italy	Foreign countries	Total	Italy	Foreign countries	Total
Infrastructures	721.2	153.7	874.9	727.7	180.2	907.9
Construction	38.6	32.9	71.5	102.3	37.7	140.0
Real estate	6.8	75.8	82.6	5.0	23.3	28.3
Operations	44.1	1.0	45.0	31.3	0.7	32.0
Precast structures	51.4	-	51.4	45.3	-	45.3
Others	15.4	-	15.4	8.3	-	8.3
Total	877.3	263.4	1,140.7	919.9	241.9	1,161.8
percentage	76.9%	23.1%	100.0%	79.2%	20.8%	100.0%

Total operating costs amounted to Euro 1,041.6 million (Euro 1,110.0 million in the previous year).

EBITDA amounted to Euro 141.6 million with an increase of 46.3% compared to the previous year. **EBIT, amounted to Euro 99.1 million**, (+ 91.3% compared to the previous year).

Both profit margins, **EBITDA margin** and **EBIT margin**, equal to 12.4% and 8.7% respectively, are in line with 2014 targets and significantly higher than in the previous year; in fact, they benefited from substantially steady

progress with the contract work during the period and from the positive contribution from the *Petite Afrique* project in Monte Carlo .

Net financial charges, including the financial assets at fair value effect, **amounted to Euro 19.8 million** (Euro 17.5 million in the previous year).

Profit before tax (EBT) amounted to Euro 74.2 million (Euro 32.0 million in the previous year).

Net profit for the year totalled Euro 24.4 million (Euro 16.2 million in the previous year).

Main consolidated balance sheet data at 31 December 2014

The net financial debt at 31 December 2014 totalled Euro 154.1 million, in slight increase compared to the previous year figures (Euro 133.6 million).

The **Debit/Equity ratio** stood at **3.4x** and in line with the previous year ratio (3,3x at 31 December 2013).

Net fixed assets totalled Euro 370.6 million (Euro 386.7 million at the end of December 2013), as a combined effect of the increase in value of equity investments and the decrease in intangible and tangible assets.

Net working capital amounted to Euro 432.4 million (Euro 423.2 million at the end of December 2013) and **net invested capital amounted to Euro 614.1 million** (Euro 537.6 million at the end of December 2013).

Total equity stood at Euro 459.9 million (Euro 403.9 million at the end of December 2013).

Order backlog and main new orders intake

Total order backlog totalled Euro 10,852 million of which Euro 4,017 million for Group construction works and Euro 6,835 million for concessions on the basis of agreements already executed, valued in terms of the future revenues that will be received by our Special Purpose Vehicles.

The main projects that were awarded in the financial year 2014 are described below:

- **Ferrara – Porto Garibaldi | Italy**: award of the concession for the design, upgrading to motorway status and operation of the Ferrara to Porto Garibaldi motorway link road for a total investment of about Euro 560 million (in which Impresa Pizzarotti holds a share of work of 31.5%).
- **Sebeş -Turda motorway – lot 1 | Romania**: award of the design and construction of the Sebeş -Turda motorway – lot 1 for a total amount of about Euro 110 million (in which Impresa Pizzarotti holds a share of work of 90.0%).
- **Jardin Exotique | Monte Carlo**: award of the design, construction and coordination of an entire project including a car park with about 2,000 spaces and 15 basement floors and about 8,000 sq. m. of offices, as well as the demolition and transfer of the “Jardin Exotique” greenhouses. The project, managed through subsidiary FPMC, is worth Euro 140 million.
- **Lot 2 - Line 4 of the Paris Underground | France**: construction of “Lot 2 - Line 4 of the Paris Underground”, which is a part of the preliminary works in the “Grand Paris” underground system development plan in Paris; the amount of the contract is worth Euro 35 million, (in which Impresa Pizzarotti holds a share of work of 31%).
- **Resort in Siberia | Russia**: In Russia the subsidiary Pizzarotti IE signed a contract for the construction of a resort in Siberia, with a value of about Euro 130 million.
- **Al Haer | Saudi Arabia**: A new contract was gained through Pride Ltd for the design and construction of two sewage tunnels by mechanical boring near Al-Haer in Saudi Arabia, with an overall value of about Euro 50 million.

No significant events occurred after year-end.

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*"Despite the current difficult macroeconomic trends - in the words of the **President, Paolo Pizzarotti** - we reached encouraging results in 2014 thanks to entrepreneurial skills and reliability, acknowledged both on a national and on an international scale. I would like to mention the works we are currently carrying out in France,*



such as the tender won for the extension of the line 4 of the metro of Paris: it is an extremely important achievement for us. As a matter of fact, foreign turnover represents more than 23% of our business and it is going to grow thanks to our will to strengthen our network, pursued during the last years. Our entrepreneurial model is based on a solid economic and budgetary policy, our trademark for the last 105 years, as well as on the commitment and expertise of our human resources working in Italy and abroad".

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Pizzarotti's Manager in charge of Financial Reporting, Mauro Pirondi, Chief Financial Officer, hereby states, pursuant to subsection 2 of Article 154-bis of the Finance Consolidation Act [Testo Unico della Finanza], that the accounting information contained herein tallies with accounting documents, ledgers and entries.

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Impresa Pizzarotti & C. S.p.A. is one of the main general contractor in Italy and a leading player in the infrastructure sector at an international level; it ended 2014 with revenues amounting to Euro 1.1 billion, consolidated total equity of about Euro 460 million and a backlog of Euro 10,9 billion. The activity of the Company is focused on the following areas: motorway and railway infrastructures, civil building and hydraulic works, concessions. Impresa Pizzarotti & C. S.p.A. is headquartered in Italy. For further information, please visit our web site at www.pizzarotti.it

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Herein attached the Consolidated Financial Statement of Pizzarotti Group at December 31st, 2014

INCOME STATEMENT - (in thousands of Euros)

Description	31/12/2014	31/12/2013 *
Revenues	1.090.258	1.128.125
Other proceeds	50.408	33.713
Total revenues	1.140.666	1.161.838
Raw materials and consumables	159.789	201.596
Costs for services	727.943	748.143
Personnel costs	77.742	80.623
Other operating expenses	33.606	34.662
Amortisation, depreciation and write-downs	42.501	44.993
Total costs	1.041.581	1.110.017
Operating profit	99.085	51.821
Financial income	14.101	11.434
Financial costs	(31.807)	(32.633)
Financial assets at fair value	(2.073)	3.683
Value adjustments to equity investments	(5.081)	(2.325)
Profit before tax	74.225	31.980
Taxes	(14.337)	(15.932)
Minority interests	(35.503)	120
Net profit	24.385	16.168

* The data have been restated following the application of the new IFRS - see the section on "Effects of the application of the new IFRS 11"

STATEMENT OF FINANCIAL POSITION - in thousands of Euros

ASSETS

Description	31/12/2014	31/12/2013
Property, plant and equipment	81.348	97.294
Intangible assets	108.956	120.436
Equity investments	180.261	168.931
Financial assets	** 84.583	94.359
Other non-current assets	19.617	13.728
Deferred tax assets	11.372	12.368
Total fixed assets	486.137	507.116
Current assets		
Inventories	272.318	263.688
Contract work in progress	332.132	319.519
Trade receivables	319.395	332.507
Trade receivables from Group companies	108.558	78.983
Tax receivables	18.929	17.834
Other current assets	31.011	30.239
Financial assets	** 41.257	39.375
Cash and cash equivalents	** 228.061	168.503
Total current assets	1.351.661	1.250.648
Total Assets	1.837.798	1.757.764

LIABILITIES AND SHAREHOLDERS' EQUITY

Description	31/12/2014	31/12/2013
Shareholders' equity		
Share capital	248.555	248.555
Legal reserve	7.610	7.161
Reserve prescribed by by-laws	38.509	29.978
Other reserves	103.368	100.481
Profit (losses) for the year	24.385	16.168
Capital and reserves attributable to minority interests	2.014	1.722
Profit (loss) attributable to minority interests	35.503	(120)
Total shareholders' equity	459.944	403.945
Non-current liabilities		
Bank and other loans	** 287.879	246.487
Long-term portion on finance leases	** 9.340	10.107
Staff severance pay	7.378	7.386
Deferred tax liabilities	57.638	59.895
Provisions for risks and charges	28.692	23.389
Other non-current liabilities	126.171	207.684
Total non-current liabilities	517.098	554.948
Current liabilities		
Bank overdraft and short-term portion on loans	** 200.643	170.845
Short-term portion on finance leases	** 1.969	2.481
Financial payables for derivatives	** 8.203	5.964
Trade payables to suppliers	308.313	397.050
Payables to Group companies	125.858	123.239
Taxes payable	42.937	22.787
Other current liabilities	172.833	76.505
Total current liabilities	860.756	798.871
Shareholders' equity and liabilities	1.837.798	1.757.764

* The data have been restated following the application of the new IFRS - see the section on "Effects of the application of the new IFRS 11"

** Items included in the net financial position



Herein attached the income statement and the statement of financial position of Separate Financial Statement of Impresa Pizzarotti & C. S.p.A. at December 31st, 2014

INCOME STATEMENT - (in Euros)

Description	31/12/2014	31/12/2013
Revenues	765.706.915	816.753.541
Other proceeds	35.056.982	28.551.838
Total revenues	800.763.897	845.305.379
Raw materials and consumables	60.253.648	73.399.091
Costs for services	603.066.902	618.133.476
Personnel costs	58.877.783	56.526.540
Other operating expenses	15.141.688	17.642.978
Amortisation, depreciation and write-downs	34.574.031	39.647.715
Total costs	771.914.052	805.349.800
Operating profit	28.849.845	39.955.579
Financial income	17.865.910	5.763.036
Financial costs	(24.278.908)	(21.943.005)
Financial assets at fair value	(2.073.352)	3.682.912
Value adjustments to equity investments	(6.549.482)	(5.445.497)
Profit before tax	13.814.013	22.013.025
Taxes	(9.595.557)	(13.033.142)
Net profit	4.218.456	8.979.883

STATEMENT OF FINANCIAL POSITION (in Euros)
ASSETS

Description	31/12/2014	31/12/2013
Property, plant and equipment	75.214.144	89.319.821
Intangible assets	100.323.618	110.857.042
Equity investments	182.972.119	170.829.521
Financial assets *	83.112.267	73.038.398
Other assets	12.766.808	12.958.616
Deferred tax assets	9.241.635	11.266.384
Total fixed assets	463.630.591	468.269.782
Current assets		
Inventories	55.334.142	56.900.156
Contract work in progress	316.697.867	329.112.584
Trade receivables	125.053.709	181.805.466
Current receivables from Group companies	216.632.005	130.916.399
Tax receivables	5.877.321	5.695.845
Other current assets	18.149.991	18.547.309
Financial assets *	37.078.983	39.442.154
Cash and cash equivalents *	112.695.402	54.410.607
Total current assets	887.519.420	816.830.520
Total Assets	1.351.150.011	1.285.100.302

LIABILITIES

Description	31/12/2014	31/12/2013
Shareholder's equity		
Share capital	248.555.200	248.555.200
Legal reserve	7.610.333	7.161.339
Reserve prescribed by by-laws	38.508.638	29.977.750
Other reserves	33.014.986	33.099.179
Profits (losses) for the year	4.218.456	8.979.883
Total shareholders' equity	331.907.613	327.773.351
Non-current liabilities		
Bank and other loans *	178.376.156	122.209.573
Long-term portion on finance leases *	7.922.106	9.248.635
Staff severance pay	6.312.566	6.311.370
Deferred tax liabilities	39.950.110	41.187.240
Provision for risks and charges	19.342.200	18.039.718
Other non-current liabilities	92.213.936	99.837.233
Total non-current liabilities	344.117.074	296.833.769
Current liabilities		
Bank overdraft and short-term portion on loans *	168.516.626	163.756.241
Short-term portion on finance leases *	1.438.037	1.736.726
Financial payables for derivatives *	1.413.516	2.039.719
Trade payables to suppliers	74.439.267	101.604.628
Payables to Group companies	378.861.267	350.668.713
Taxes payable	25.815.646	18.162.775
Other current liabilities	24.640.965	22.524.380
Total current liabilities	675.125.324	660.493.182
Shareholders' equity and liabilities	1.351.150.011	1.285.100.302

* Items included in the net financial position