

13 Property, plant and equipment

	31 December 17	31 December 16	Change
Land and buildings	571.3	564.3	7.0
Plants and machinery	1,201.6	1,233.3	(31.7)
Other moveable assets	120.3	119.2	1.1
Assets under construction	119.9	99.6	20.3
Total operating assets	2,013.1	2,016.4	(3.3)
Property investments	2.6	2.8	(0.2)
Total	2,015.7	2,019.2	(3.5)

Assets held on the basis of lease finance arrangements:

- land and buildings for 16.8 million euros (16.4 million euros at 31 December 2016);
- plants and machinery for 6.5 million euros (6.6 million euros at 31 December 2016);
- other moveable assets for 0.1 million euros (0.2 million euros at 31 December 2016).

Property, plant and equipment are disclosed net of accumulated depreciation. Their composition and changes in the period are as follows:

	Net opening balance	Investments	Disinvestments	Amortisation and depreciation	Changes in the scope of consolidation	Assets held for sale	Other changes	Net closing balance	of which gross final amount	of which amortisation provisions
31 December 16										
Land and buildings	567.6	9.2	(1.3)	(16.9)	0.3	-	5.4	564.3	744.5	(180.2)
Plants and machinery	1,263.9	47.3	(4.8)	(113.3)	1.1	-	39.1	1,233.3	2,565.9	(1,332.6)
Other tangible assets	113.1	20.5	(1.0)	(26.9)	-	-	13.5	119.2	423.3	(304.1)
Assets under construction	83.4	56.5	(1.5)	-	5.2	-	(44.0)	99.6	99.6	-
Total	2,028.0	133.5	(8.6)	(157.1)	6.6	-	14.0	2,016.4	3,833.3	(1,816.9)
31 December 17										
Land and buildings	564.3	6.6	(1.7)	(19.0)	18.1	-	3.0	571.3	768.3	(197.0)
Plants and machinery	1,233.3	39.5	(7.7)	(120.7)	13.9	-	43.3	1,201.6	2,653.0	(1,451.4)
Other tangible assets	119.2	22.5	(4.0)	(27.5)	1.5	-	8.6	120.3	445.5	(325.2)
Assets under construction	99.6	81.4	(3.1)	-	0.1	-	(58.1)	119.9	119.9	-
Total	2,016.4	150.0	(16.5)	(167.2)	33.6	-	(3.2)	2,013.1	3,986.7	(1,973.6)

The breakdown and main changes within each category are commented on below.

"Land and buildings", totalling 571.3 million Euros, consisted of 117.5 million Euros in land and buildings and 453.8 million euros in buildings. In relation to land, these are mainly company-owned properties on which the majority of the sites and production plants stand.

"Plants and machinery", amounting to 1,201.6 million euros, is made up mainly of distribution networks and plants relating to business not falling within the scope of the concession system and, therefore: district heating, electricity in the Modena area, waste disposal, waste treatment, purification and composting, material recovery and chemical-physical treatment, anaerobic digesters, and special waste treatment plants. The main investments and divestments of the year concern waste treatment and disposal, for an amount of 15.4 million euros and 4.8 million euros respectively

"Other tangible assets", equal to 120.3 million euros, include the equipment, waste disposal bins for 57.3 million Euros, moveable assets, furniture and electronic machines for 18.8 million Euros, and vehicles and cars for 44.2 million Euros.

"Assets under construction and advance payments", amounting to 119.9 million euros, mainly includes investment for development of district heating, of electricity distribution network and waste disposal plants, which include the construction of a new digester for the production of bio methane in Sant'Agata Bolognese.

The item "Other changes" includes adjustments to the closure and post-closure costs estimated during the implementation or expansion of landfills that are still being used for the previous financial year, totalling 13.7 million Euros, while there are no adjustments reported for 2017. This item additionally covers the in-progress reclassification of fixed assets to the specific categories for assets brought into operation during the financial year, as well as the reclassification from Property, plant and equipment to Intangible assets, especially for goods held under licensed activities.

For a more detailed description of the information reported in the "Changes in the scope of consolidation", see the dedicated paragraph 2.02.03 "Scope of Consolidation".

Real guarantees to third parties

	31 December 17	31 December 16
Real guarantees to third parties	162.5	178.8

As of 31 December 2017 "Real guarantees to third parties" includes:

- Special mortgages and privileges on land, plants and machinery pledged by the subsidiary Frullo Energia Ambiente Srl to the banking syndicate that underwrote financing in the amount of 150 million euros;
- mortgage on a building owned by the subsidiary Waste Recycling Spa for 10 million euros in favour of a bank;
- mortgage on a building owned by the subsidiary Marche Multiservizi Spa for 2 million euros in favour of a bank;

With respect to the previous year, a decrease of 16 million euros is due to the cancellation of mortgages on the buildings of the Pesaro and Urbino offices belonging to the company Marche Multiservizi Spa following the extinction of the related mortgages.