Astaldi's BoD approves results at 30 June 2015

ASTALDI: DOUBLE-FIGURE GROWTH IN 1H 2015
REVENUE UP BY 15.8% TO EUR 1,392 MILLION,
NET PROFIT UP BY 81.7% TO EUR 62.4 MILLION

- Main consolidated results:
  - Total revenue of EUR 1,391.7 million
  - EBITDA margin of 12.9%, with EBITDA of EUR 179.8 million
  - EBIT margin of 10.1%, with EBIT of EUR 140.3 million
  - Net profit of EUR 62.4 million

- Total order backlog of more than EUR 27 billion, of which:
  - Order backlog in execution totalling EUR 16.5 billion
  - EUR 11 billion of additional projects secured and being finalised

- New orders to date of EUR 5.3 billion, of which:
  - EUR 4 billion of new orders in 1H 2015

- Net financial debt of EUR 1,109.3 million (compared to EUR 1,099.0 million at 30 June 2014 and EUR 798.7 million at 31 December 2014)

Rome, 3 August 2015 – The Board of Directors of Astaldi S.p.A., chaired by Paolo Astaldi, met today to approve the Consolidated Half-Yearly Financial Report at 30 June 2015.

Stefano Cerri, Astaldi Group's Chief Executive Officer, commented as follows: "The half-year ended with very positive results deriving from the intensive commercial and financial activity of the last few years which, in part, still has to deploy its full effects in the Group's accounts. The results also offer confirmation that the integrated Construction-Concession business model adopted by the Group over the last years has achieved a level of project progress and finalisation such as to allow for the study of an additional growth cycle following the planned valorisation of concession projects currently included among the backlog."

Main consolidated results at 30 June 2015

(EUR/000)	1H 2015	% on total revenue	1H 2014	% on total revenue	YOY change (%)
Total revenue	1,391,672	100.0%	1,201,524	100.0%	15.8%
EBITDA	179,823	12.9%	149,256	12.4%	20.5%
EBIT	140,314	10.1%	118,131	9.8%	18.8%
EBT	88,802	6.4%	54,713	4.6%	62.3%
Group net profit	62,387	4.5%	34,333	2.9%	81.7%

Consolidated total revenue amounted to EUR 1,391.7 million, showing a 15.8% increase compared to EUR 1,201.5 million at 30 June 2014 thanks to the achievement of key operating milestones. The half-yearly figure benefitted from the increase in activities in Europe (especially Turkey, Russia, Poland and Romania), the Maghreb and the Americas (Canada, Chile), which more than offset performance in Italy that showed a smaller contribution to half-yearly revenue as a result of the fairly negative economic situation of recent years and the near completion of some key contracts (Line 5 of Milan underground). Therefore, the half-yearly figure offers confirmation of the effectiveness of the Group's geographical diversification strategy implemented in recent years, which has made it possible to reposition activities in countries with well-defined, suitably-funded infrastructure development programmes.

Operating revenue totalled EUR 1,333.4 million, showing an 18.3% increase compared to EUR 1,126.9 million in 1H 2014, and accounting for 96% of total revenue. Other operating revenue amounted to EUR 58.2 million.

Italy (18.7% of operating revenue) contributed to the half-year's total operating revenue with EUR 249 million, mainly related to the Milan underground (Lines 4 and 5), Bologna Centrale HS railway, the Pedemontana Lombarda motorway and the Quadrilatero road network and the New Hospital in Naples. As regards the Plant Engineering, Maintenance and Management of Complex Systems segment, the Group benefitted from operations performed by NBI and Ge.SAT, the latter being the service management company for the Tuscan Hospitals project.

Europe (46.7% of operating revenue) recorded a marked increase (21%) supported by the contribution from Turkey (Gebze-Orhangazi-Izmir motorway, Third Bosphorus Bridge), Russia (Western High-Speed Diameter in St. Petersburg) and Poland (Krakow-Balice International Airport, Łodz railway project, S-8 National Road). Romania confirmed last year's production levels thanks to works in the road and railway segments (especially Line 5 of the Bucharest underground).

The Americas (approximately 29.1% of operating revenue) recorded a significant increase (approximately 69% YOY) thanks to the greater contribution from the Muskrat Falls Hydroelectric Project in Canada and operations performed by the Canadian subsidiary, TEQ Construction Enterprise (Facility Management), as well as to the good progress achieved in Peru (Cerro del Águila Hydroelectric Project) and Chile (progress on Chuquicamata Mining Project and start-up of preliminary activities prior to construction of the West Metropolitan Hospital in Santiago de Chile).

The Maghreb (approximately 3.9% of operating revenue) equal to EUR 52 million, thanks to works to construct the Saida-Moulay Slissen and Saida-Tiaret railways. The Middle East (approximately 1.6% of operating revenue) benefitted from railway works in progress in Saudi Arabia (Jeddah and KAEC HS stations).

Construction accounted for 99.2% of operating revenue, amounting to EUR 1,323 million, up by 18.3% compared to EUR 1,118 million at 30 June 2014. The half-yearly results offer confirmation of **Transport Infrastructures** as the Group's core business accounting for EUR 937 million (EUR 838 million at 30 June 2014), equal to 70.3% of operating revenue. **Hydraulic and Energy Production Plants** amounted to EUR 200 million (EUR 123 million at 30 June 2014), accounting for 15% of operating revenue. **Civil and Industrial Construction** accounted for approximately 7.9% of operating revenue, equal to EUR 105 million (EUR 72 million at 30 June 2014). **Facility Management, Plant Engineering and Management of Complex Systems** accounted for 6.1% of operating revenue, equal to EUR 81 million (EUR 85 million at 30 June 2014).

Concessions generated approximately 1% of operating revenue, amounting to EUR 10 million (EUR 9 million at 30 June 2014), reflecting the positive contribution of operation of Milas-Bodrum International Airport in Turkey (EUR 4.3 million), as well as of San Luca Hospital in Lucca, San Jacopo Hospital in Pistoia and New Hospital in Prato (EUR 5.8 million). The figure does not include approximately EUR 34 million contribution from concession projects entered as "Effects of equity accounting" (EUR 14 million at 30 June 2014).

Production costs totalled EUR 944.4 million (+10.3%, EUR 856 million at 30 June 2014), while **personnel expenses** totalled EUR 254.4 million (EUR 179.7 million in 1H 2014). These trends are to be attributed to the greater incidence of direct production, especially in Canada where the complexity of the project in progress requires a more structured organisation.

EBITDA increased by 20.5% and amounted to **EUR 179.8 million** (EUR 149.2 million at 30 June 2014), with an EBITDA margin of 12.9% (12.4% at 30 June 2014). **EBIT** totalled EUR 140.3 million, showing an 18.8% increase compared to EUR 118.1 million in June 2014, with an EBIT margin of 10.1% (9.8% at 30 June 2014).The half-yearly figures benefitted from the release of margins following the completion of projects in the Transport Infrastructures segment in Italy and abroad which generated better than forecast final results.

Net financial charges amounted to EUR 85.1 million (EUR 77.5 million for 1H 2014) and include, among others, charges from the fair value evaluation of the conversion option linked to the Group's convertible bonded loan, as well as effects connected with exchange rate fluctuation.

EBT increased by 62.3% to EUR 88.8 million (EUR 54.7 million in 1H 2014). The half-yearly figure also benefitted from equity accounting of investments, largely attributable to the Concession, for app. €34 million (€14 million for 1H 2014).

The half year ended with a **marked increase in net profit to EUR 62.4 million** (+81.7%, EUR 34.3 million at 30 June 2014), with an estimated tax rate of approximately 30%.

Main balance sheet items at 30 June 2015

Main balance sheet items (EUR/000)	30-Jun-15	31-Dec-14	30-Jun-14
Total net fixed assets	900,359	790,197	760,016
Working capital	870,009	616,714	933,240
Total provisions	(22,769)	(23,002)	(26,968)
Net invested capital	1,747,599	1,383,910	1,666,288
Total financial payables/receivables *	(1,113,897)	(803,854)	(1,101,560)
Equity attributable to owners of the Parent	627,407	574,058	558,995
Total equity	633,702	580,056	564,728

* Figure shown inclusive of treasury shares on hand totalling EUR 4.6 million at 30 June 2015, EUR 5.2 million at 31 December 2014 and EUR 2.5 million at 30 June 2014.

At 30 June 2015, **net fixed assets amounted to EUR 900 million** (EUR 790.2 million at 31 December 2014) with an increase attributed mainly to: investments in concession projects in Turkey (Gebze-Orhangazi-Izmir motorway) and Italy (Line 4 of Milan underground); progressive amortisation of intangible assets linked to the Milas-Bodrum International Airport in Turkey; changes in technical assets, especially in Russia, Chile, Canada and Italy; as well as equity accounting of investments (mainly Concessions)

Working capital totalled EUR 870 million (EUR 616.7 million at 31 December 2014), showing an increase typical of this period of the year. Compared to 30 June 2014, working capital shows a 7% decrease even given the much more evident growth in 1H 2015 revenues compared to the same period of 2014. This resulted in **net invested capital of EUR 1,747.6 million** (EUR 1,383.9 million at 31 December 2014).

Total equity amounted to EUR 633.7 million (EUR 580.1 million at 31 December 2014), up by 9% compared to the end of last year.

Consolidated net financial debt

Total net financial debt at 30 June 2015 amounted to EUR 1,109.3 million (EUR 798.7 million at 31 December 2014). The half-yearly figure reflects **the support given to projects in progress** as well as a **typical trend of this part of the year linked to the payment cycles of Public Administrations** representing the Group's **reference Customers.** This figure should however witness an improvement based on the trend normally seen during the second part of the year. The Debt/Equity ratio, which is equal to 0.93x if the share of debt related to concessions is excluded (insofar as self-liquidating), stands at 1.75x.

Net technical investments made during the first half of 2015 **amounted to EUR 32 million**, mainly linked to projects in Canada, Russia, Chile and Italy.

Gross concession investments totalled approximately EUR 95 million, of which approximately EUR 62 million as equity paid into projects in Turkey, Italy and Chile and EUR 33 million as shareholder loans in Italy and Turkey.

Therefore, on the whole, concession investments to date amount to EUR 710 million, as described in the table below:

(EUR / millions)	30.06.2015
Equity	421
Shareholder loans	197
Receivable rights from concessions	38
Financial leasing	37
Other assets	17
Total invested capital	710

Order backlog

The order backlog in execution amounts to over EUR 16.5 billion (+19% compared to EUR 13.8 billion at 31 December 2014).
New orders to date amount to over EUR 5.3 billion, EUR 4 billion of which referring to 1H 2015, equal to more than double the production recorded for the same period, 95% of which can be attributed to international activities (Turkey, Romania, Canada, Chile, Peru) and the remaining 5% to Italy. New construction orders during the half year amounted to EUR 1.7 billion.
The **total order backlog**, which also includes additional orders secured and being finalised (first in ranking positions and contracts awaiting financial closing), **amounts to over EUR 27 billion**, 39% of which refers to projects in Italy and the remaining 61% to international projects.

(EUR/millions)	At 01/01/2015	New orders 2015	Decreases for production	At 30/06/2015	Additional projects	Total backlog
Italy	5,206	215	-249	5,172	5,573	10,745
International	8,634	3,815	-1,084	11,365	5,161	16,526
Europe	*5,008*	*3,457*	*(623)*	*7,842*	*1,750*	*9,592*
Americas	*3,207*	*358*	*(388)*	*3,177*	*3,339*	*6,516*
Africa	*353*	*0*	*(52)*	*301*	*0*	*301*
Asia	*66*	*0*	*(21)*	*45*	*72*	*117*
TOTAL ORDER BACKLOG	*13,840*	*4,030*	*-1,333*	*16,537*	*10,734*	*27,271*

The backlog in execution is evenly balanced between Construction (50%) and Concessions (50%). Construction amounts to EUR 8.3 billion (EUR 3.5 billion in Italy and the remaining EUR 4.8 billion abroad). Concessions amount to EUR 8.2 billion (EUR 1.7 billion in Italy and EUR 6.5 billion abroad). If we are to assess the same incidences compared to the total potential backlog, Construction amounts to EUR 13 billion, equal to 47% of the total, while Concessions amount to over EUR 14 billion, accounting for the remaining 53%.

Main new orders

ARTURO MERINO BENÍTEZ INTERNATIONAL AIRPORT - SANTIAGO DE CHILE | Chile (construction and management concession – construction share) - recorded upon closure of the first quarter of 2015, following publication on Chile's Official Gazette of the Government decree awarding the concession for construction and management of the airport, providing final approval of the tendering process and immediate go-ahead for design activities

QUADRILATERO MARCHE-UMBRIA ROAD NETWORK, MAXI-LOT 2 (1st operational phase) | Italy (general contracting) - As regards this project, estimated production for 2015 was included among the backlog pending finalisation of the agreement, which occurred in July, for the completion of works to improve the Perugia-Ancona road and upgrading of the Pedemontana delle Marche road, the so-called Maxi-Lot 2 of the Quadrilatero Marche-Umbria road network.

ETLIK INTEGRATED HEALTH CAMPUS, ANKARA | Turkey (construction and concession share) –recorded in June subsequent to signing of the EUR 880 million financing agreement for construction and management of the facility.

GEBZE-ORHANGAZI-IZMIR MOTORWAY, PHASE 2-B (BURSA-IZMIR SECTION) | Turkey (construction and cocnession share) –recorded in June subsequent to signing of the USD 5 billion non-recourse financing agreement subscribed by a pool of Italian and Turkish lending banks.

Events after the reporting period

In July, Astaldi, as part of a joint venture with the Turkish company, IC Ictas, signed in Russia the contract for design and construction of Lots 7 and 8 of the M-11 Moscow-St. Petersburg motorway in Russia, with a total value of RUB 68 billion (equivalent to approximately EUR 1.1 billion, 50% of which refers to Astaldi's stake). The joint venture will construct the motorway on behalf of Two Capitals Highway LLC, with a planned duration of works of 35 months.

Also in July, Astaldi was finally awarded a contract with a value of approximately EUR 240 million for the construction of Lot A of the Warsaw South Bypass Road in Poland. The works involve design and construction of approximately 5 kilometres of expressway and will last 41 months, with activities scheduled to commence as from the second half of this year. The project has been commissioned by Poland's Directorate General for Roads and Motorways (GDDKiA) and the works will be financed with contributions from EU funds.

During the same period, Astaldi finalised the agreement with the Special Commissioner of Impresa, SAF and Dirpa (all under extraordinary administration) for the completion of works to improve the Perugia-Ancona road and upgrade the Pedemontana delle Marche road, the so-called Maxi Lot 2 of the Quadrilatero Marche-Umbria road network. The value of works to be performed amounts to approximately EUR 500 million. The project is complex and entails the performance, using the general contracting formula, of works to improve the Perugia-Ancona road along the Fossato di Vico-Cancelli and Albacina-Valtreara Tunnel-Serra San Quirico sections of the

National Road SS-76 (Lot 1.1 – Sub Lots 1.1.1., 1.1.2, 1.1.3) and Pianello-Valfabbrica section of the National Road SS-138 (Lot 1.2), as well as construction along a new alignment of the Pedemontana delle Marche road along the route between Fabriano and Muccia/Sfercia (Lots 2.1 and 2.2).

Outlook

Over the coming months, the Group will focus on key production and commercial targets set for the year. From an operating viewpoint, the activities in progress in areas where the Group is currently most present (Russia, Turkey, Canada) are planned to contribute especially to its growth, but major focus will also be paid to the milestones of other important projects in progress.

As regards Concessions, there will be a gradual increase in contributions from projects under management, which will benefit from the start-up of management of the New Hospital in Massa-Carrara in Italy and of Arturo Merino Benítez International Airport in Santiago de Chile. At a financial level, efforts will also continue in Chile to achieve financial closing for West Metropolitan Hospital in Santiago (on a non-recourse basis) and for the aforementioned international airport (on a limited recourse basis).

Activities linked to the valorisation of the most mature concession assets also continue to go ahead as planned. Specifically, work is going ahead to set up the new infrastructure fund and a pool of banks comprising BNP Paribas, Deutsche Bank, Intesa San Paolo and Unicredit has been appointed as Astaldi Group advisors.

From a financial viewpoint, efforts will be made to increase the Group's liquidity and contract cash flow, with benefits for the endogenous growth process and general levels of debt.

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Astaldi's Manager in charge of Financial Reporting Paolo Citterio, General Manager – Administration and Finance hereby declares, pursuant to subsection 2 of Article 154-bis of the Finance Consolidation Act, that the accounting information contained herein tallies with accounting documents, ledgers and entries.

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The ASTALDI GROUP is one of Italy's leading General Contractors, and among Europe's top 25 firms in the construction industry, where it also works as sponsor of initiatives in project financing. An international player for 90 years, it addresses the market by developing complex and integrated initiatives in the field of designing, building, and operating public infrastructure and large-scale civil engineering works, mainly in the areas of transport infrastructure, power plants, civil and industrial construction, facility management, plant engineering, and management of complex systems. Quoted on the stock market since 2002, it holds 92nd place on the top of the global Contractor rankings. It closed the 2014 financial year with a total order backlog, including additional orders secured and in the process of being finalized, exceeding EUR 28 billion and sales of EUR 2.7 billion. It boasts approximately 10,000 employees in Italy, Europe (Poland, Romania and Russia), Turkey, North America (Canada and the USA), Latin America (Chile, Peru, Venezuela and Central America), Africa (Algeria), and the Middle East (Saudi Arabia).

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ATTACHMENT No. 1 - Consolidated Reclassified Income Statement

(Euro/000)	30/06/2015	% on revenue	30/06/2014	% on revenue
Revenue	1,333,431	95.8%	1,126,936	93.8%
Other operating revenues	58,241	4.2%	74,588	6.2%
Total revenue	1,391,672	100.0%	1,201,524	100.0%
Cost of production	(944,416)	-67.9%	(856,007)	-71.2%
Added value	447,256	32.1%	345,517	28.8%
Personnel expenses	(254,352)	-18.3%	(179,696)	-15.0%
Other operating costs	(13,081)	-0.9%	(16,565)	-1.4%
EBITDA	179,823	12.9%	149,256	12.4%
Depreciation & Amortisation	(36,926)	-2.7%	(31,086)	-2.6%
Provisions	(892)	-0.1%	()	0.0%
Write-off	(1,691)	-0.1%	(124)	0.0%
(Capitalisation of internal construction costs)		0.0%	85	0.0%
EBIT	140,314	10.1%	118,131	9.8%
Net financial charges	(85,108)	-6.1%	(77,469)	-6.4%
Income from SPVs equity method valuation	33,596	2.4%	14,052	1.2%
Pre-tax profif	88,802	6.4%	54,713	4.6%
Taxes	(27,101)	-1.9%	(19,736)	-1.6%
Profit from continuing operations	61,701	4.4%	34,977	2.9%
Profit (loss) arising from operations related to disposal groups		0.0%	(736)	-0.1%
Profit for the year	61,701	4.4%	34,241	2.8%
Profit attributable to non-controlling interests	686	0.0%	92	0.0%
Net profit	62,387	4.5%	34,333	2.9%

ATTACHMENT No.. 2 - Consolidated Reclassified Income Statement

Euro/000	30/06/2015	31/12/2014	30/06/2014
Intangible Assets	23,944	32,555	48,567
Property, Plant and Equipment Investments	228,932	224,165	217,015
Investments	531,739	436,909	404,436
Other Net Non-Current Assets	115,744	96,568	94,401
Non-current assets held for sale			2,029
Liabilities directly associated with non-current assets held for sale			(6,432)
TOTAL Non-Current Assets (A)	900,359	790,197	760,016
Inventories	79,830	64,870	59,519
Contract work in progress	1,227,879	1,165,348	1,479,699
Trade receivables	53,281	52,299	53,041
Receivables from Customers	909,453	850,742	978,672
Other Assets	175,167	183,793	200,390
Tax receivables	117,902	97,834	103,240
Payments on account from Customers	(394,286)	(589,785)	(740,058)
Subtotal	2,169,225	1,825,101	2,134,502
Trade payables	(91,372)	(68,777)	(91,373)
Payables to Suppliers	(838,976)	(817,430)	(827,162)
Other Liabilities	(368,869)	(322,180)	(282,727)
Subtotal	(1,299,216)	(1,208,387)	(1,201,262)
Working Capital (B)	870,009	616,714	933,240
Employee benefits	(8,874)	(9,595)	(8,627)
Provisions for non-current risks and charges	(13,895)	(13,407)	(18,340)
Total funds (C)	(22,769)	(23,002)	(26,968)
Net Invested Capital (D) = (A) + (B) + (C)	1,747,599	1,383,910	1,666,288
Cash and cash equivalents	423,917	530,212	361,082
Current financial receivables	48,991	20,870	27,523
Non-current financial receivables	226,864	170,933	98,830
Securities	1,026	1,396	1,567
Current financial liabilities	(512,224)	(387,587)	(532,409)
Non-current financial liabilities	(1,325,839)	(1,164,266)	(1,102,871)
Net financial liabilities (E)	(1,137,267)	(828,442)	(1,146,278)
Receivables rights from concessions	23,370	24,589	28,186
Net financial debt – disposal groups			16,532
Total financial liabilities (F)	(1,113,897)	(803,854)	(1,101,560)
Equity attributable to owners of the parent	(627,407)	(574,058)	(558,995)
Equity attributable to non-controlling interests	(6,295)	(5,998)	(5,734)
Equity (G) = (D) - (F)	633,702	580,056	564,728