THE BOARD OF DIRECTORS APPROVES THE RESULTS AT 31 DECEMBER 2017

THE BoD EXAMINED THE PROPOSAL OF CAPITAL AND FINANCIAL STRENGTHENING PROGRAMME

- Capital and financial strengthening programme

The Company's Board of Directors examined the proposal of the capital and financial strengthening programme already presented to the public in a press release dated 14 November 2017. The proposed manoeuvre, result of the constructive work performed over the last months with the main banks the Group has relations with and with the assistance of advisors, calls for a share capital increase of approximately EUR 300 million accompanied by the availability of the financial institutes the Group has financial relations with to support the further development of its business activities.

The Company feels it shall call another meeting of the Board of Directors by the end of April 2018 in order to approve the final capital and financial strengthening programme and the new 2018-2021 business plan which shall be subsequently presented to the market.

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- Results at 31 December 2017
- Approval of the consolidated results at 31 December 2017 which were affected by **impairment totalling approx. EUR 230 million of the Group's total exposure vis-à-vis Venezuela**, in light of the serious negative developments in the country from a political and economic viewpoint. Further to this impairment, the results were as follows:
    - **1.9% increase in total revenue to EUR 3.1 billion** (EUR 3 billion at 31 December 2016) – positive effects of O&M
    - **EBITDA of EUR 366.4 million** (EUR 380 million at 31 December 2016), with **EBITDA margin of 12%**
    - Following impairment:
        - EBIT margin of 2.5%, with EBIT of EUR 76.3 million (EUR 317 million at 31 December 2016)
        - **Net loss of approximately EUR 101.1 million** (EUR 72.5 million at 31 December 2016)
- The positive business trend can be confirmed if we exclude the non-recurring impairment performed.

- EBIT of over EUR 306.3 million, with EBIT margin of 10%
- Net profit of EUR 103.5 million

- Net Financial Debt of EUR 1,264 million (compared to EUR 1,389 million at 30 September 2017 and EUR 1,089 million at 31 December 2016)
- Total order backlog of over EUR 24 billion, with approx. EUR 3.7 billion of new orders
- Sale of assets linked to concession holder of Third Bosphorus Bridge in Turkey planned over HY1 which, given its significance, will mark the first step of a major planned reduction of gross debt.

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Main consolidated results at 31 December 2017
(figures shown in EUR/000)

	31/12/2017 post-impairment(*)	31/12/2017 pre-impairment(**)	31/12/2016	YOY change post-impairment(*)	YOY change pre-impairment(**)
Total Revenue	3,060,733	3,060,733	3,004,255	+1.9%	+1.9%
EBITDA	366,376	366,376	379,858	-3.5%	-3.5%
EBITDA margin	12.0%	12.0%	12.6%	—	—
Impairment (*)	(235,529)	(5,529)	(676)	NMF	NMF
EBIT	76,345	306,345	316,973	NMF	-3.4%
EBIT margin	2.5%	10.0%	10.6%	—	—
Profit / (Loss) attributable to owners of the Parent	**(101,175)**	**103,561**	72,457	NMF	**+42,9%**

(*) Figures inclusive of effects arising from impairment of financial assets in Venezuela – for more details, see «Introduction» herein.
(**) Figures shown without taking into account the effects arising from impairment as per above note.

Main financial position figures at 31 December 2017

(figures shown in EUR/000)

	31/12/2017 post-impairment(*)	31/12/2017 pre-impairment(**)	31/12/2016
Total fixed assets	1,292,154	1,088,990	1,007,371
Operating working capital	553,262	961,162	804,861
Total Provisions	(28,925)	(28,925)	(21,215)
Net Invested Capital	**1,816,490**	**2,021,227**	1,791,017
Total financial payables / receivables (***)	(1,267,049)	(1,267,049)	(1,092,532)
Equity	**549,442**	**754,178**	698,485

(*) Figures inclusive of effects arising from impairment of financial assets in Venezuela – for more details, see «Introduction» herein.
(**) Figures shown without taking into account the effects arising from impairment as per above note.
(***) Figures shown inclusive of treasury shares on hand totalling EUR 3.1 million at 31 December 2017 and EUR 3.9 million at 31 December 2016.

Rome, 15 March 2018 – The Company's Board of Directors examined the proposal for the manoeuvre to define the capital and financial strengthening programme already presented to the public in the press release issued on 14 November 2017. Moreover, the BoD approved the consolidated results at 31 December 2017 and the draft separate financial statements for 2017, which shall be submitted for approval by the Ordinary Shareholders' Meeting to be called as foreseen by law.

Capital and financial strengthening programme

The Company's Board of Directors examined the proposal for the manoeuvre to define the capital and financial strengthening programme already presented to the public in the press release issued on 14 November 2017. The proposed manoeuvre, result of the constructive work performed over the last months with the main banks the Group has relations with and with the assistance of advisors, calls for a share capital increase of approximately EUR 300 million accompanied by the availability of the financial institutes the Group has financial relations with to support the further development of its business activities.

The Company feels it shall call another meeting of the Board of Directors by the end of April 2018 in order to approve the final capital and financial strengthening programme and the new 2018-2021 business plan which shall be subsequently presented to the market.

Main results at 31 December 2017

Astaldi Group's results at 31 December 2017 were affected by astute and conservative measurement of its overall exposure as regards Venezuela. Further to the serious negative developments seen in the country and the findings of studies conducted with the help of an independent expert and international network, it calculated the value of its overall exposure at approx. EUR 203 million (from the nominal value of EUR 443 million at 31 December 2016), thus entering into its accounts impairment of around EUR 230 million as from the end of the third quarter on 30 September 2017. This was performed as part of a prudential assessment and adopting a conservative attitude even if the Group does not feel that the conditions are such as to presume complete loss of the amounts due.

Putting to one side these non-recurring items, the 2017 accounts showed a trend which reflects the Group's major commitment over the last eighteen months to production and commercial activities and the important efforts made to implement its financial strategy. It is sufficient to consider, by way of example, the works inaugurated during the last 18 months such as the Third Bosphorus Bridge, and Izmit Bay Bridge in Turkey, the WHSD in St. Petersburg, Cerro del Águila Hydroelectric Plant in Peru, Łodz-Fabricyzna Station in Poland, Saida-Moulay Slissen Railway Line in Algeria, and Naples-Afragola HS/HC Station (Phase 1) and Angelini Pharmaceutical Group's Headquarters in Italy. But it is also important to take note of the major commercial activity and positive outcome of the numerous calls for tenders the Group has taken part in, in markets where already present and in new areas and areas of interest, as well as the important financial targets achieved.

Astaldi Group's total revenue at 31 December 2017 amounted to over EUR 3.1 billion, up by approximately 1.9%, compared to EUR 3 billion in 2016. This was thanks, inter alia, to the first benefits of diversification in the Operation & Maintenance segment (O&M which accounted for revenue of EUR 86 million for the whole year). Moreover, the annual figure has still to benefit from the boost which will come from full operation of the most recently-acquired contracts which, it is felt, shall already be seen in the company's accounts as from HY1 2018. Moreover, the YOY comparison is penalised by the progressive completion of some major projects – Third Bosphorus Bridge and key sections of the Gebze-Orhangazi-Izmir Motorway in Turkey (respectively in August and November 2016), Western High-Speed Diameter in St. Petersburg, Russia (in December 2016) and Saida-Moulay Slissen Railway Line in Algeria (in June 2017), as well as by the consequences arising from conversion of figures shown in dollars which had an effect in terms of production volumes, but not on margins.

Specifically, operating revenue increased to EUR 2.9 billion (up by 1.3% YOY, EUR 2.8 billion at 31 December 2016) mainly as a result of construction works (which accounted for EUR 2.8 billion, in line with the previous year), as well as the contribution from O&M activities (EUR 86 million, compared to EUR 16 million in 2016), performed mostly in the hospital segment in Italy (Venice-Mestre Hospital, EUR 58.1 million and Four Tuscan Hospitals, EUR 22.2 million) and in the mining segment in Chile (Relaves Project, EUR 5.1 million).

Other operating revenue increased by 13.1% to EUR 172.4 million (EUR 152.4 million in December 2016). The annual figure included: (i) the good results of complementary activities to the Group's core business (especially Italy, Russia, Canada); (ii) the positive effects of full consolidation of VSFP (concession holder of Venice-Mestre Hospital in Italy); as well as (iii) over EUR 31 million of positive impact from progress made on the asset disposal programme, referring to M5 (concession holder for Line 5 of the Milan underground, Italy, for EUR 8 million), Pacific Hydro Chacayes (concession holder for Chacayes Hydroelectric Plant, Chile, for EUR 9.3 million), SCMS (concession holder for Western Metropolitan Hospital in Santiago, Chile, for EUR 7.3 million) and SAT (Four Tuscan Hospitals, Italy, for EUR 6.7 million).

The revenue structure confirms a major contribution from international activities (especially, America and Europe), accompanied by an increased contribution from Italy. The contribution from the areas that more involved in implementation of the de-risking programme also increased, in keeping with the Group's strategy.

Specifically, from a geographical viewpoint, Italy increased by 54.9% and accounted for 24.3% of revenue, basically due to the early release of a preliminary phase of works to complete the Naples-Afragola HS/HC Station, as well as progress on Line 4 of the Milan underground, the Brenner Base Tunnel, the Marche-Umbria Quadrilatero road network - Maxi-lot 2 and the Multi-sector Pier of Taranto Port, as well as the contribution from O&M activities referring to Venice-Mestre Hospital and the Four Tuscan Hospitals. Europe (including Turkey) generated 35.7% of revenue and, even if it saw a 17.4% drop YOY to be attributed to the completion of some works in Turkey and Russia, it included the good progress of works, in particular in Poland (mainly Line 2 of the Warsaw Underground, S-7 National Road Naprawa-Skomielna Biała Section and Zakopianka Tunnel). America increased by 7.2% and accounted for 36.7% of revenue thanks to intensification of works in Canada (for Muskrat Falls Hydroelectric Project following agreements signed in November 2016, as well as for operations performed by TEQ Construction Enterprise), as well as the positive contribution from operations, especially in Chile (Arturo Merino Benítez International Airport in Santiago which witnessed laying of the new terminal's first stone in September, and Chuquicamata Mining Project, also following the positive effect arising from global review of the relative contractual agreements in November 2016). Africa (Maghreb) generated 3.2% of revenue and included the effects of the small contribution from Algeria following completion of the Saida-Moulay Slissen Railway Line in June 2017. While Asia (0.1% of revenue) showed the effects of the planned closure of the Middle East area, still to be offset by the results of commercial forays in Iran and the Far East.

From a segment viewpoint, the major contribution from Construction was confirmed, accounting for 97% of revenue (99.3% in December 2016), with the remaining 3% (0.7% in 2016) to be attributed to O&M activities, that benefitted from the gradual reconversion of concession contracts involved in the disposal programme. As regards Construction, the largest contributions came from Transport Infrastructures (59% of revenue, compared to 63.1% in 2016). Energy Production Plants (15.9% of revenue compared to 14.2% at the end of 2016) increased by 12.8% thanks to the intensification of works in Canada (Muskrat Falls Hydroelectric Plant). Civil and industrial construction generated 9.9% of revenue (in line with 2016) and increased by 1.1% YOY as a result of the progress made on construction of Etlik Health Integrated Campus in Ankara in Turkey and activities performed by TEQ in Canada, as well as works connected to the ESO ELT Observatory in Cerro Armazones in Chile. Plant Engineering accounted for 12.2% of revenue as a result of operating activities performed by NBI and good performance of the mining plants in Chile.

Production costs remained largely the same at just over EUR 2 billion, with a drop in the incidence on revenue to 67.7%, compared to 68.4% at the end of 2016, even given the 1.3% increase in revenue. The annual figure reflects a drop in purchase costs (due to completion of direct production phases), but also greater use of subcontracting and/or partnerships. Personnel expenses increased by 2.9%, totalling EUR 633.9 million (compared to EUR 616.2 million in December 2016), with the incidence on revenue holding steady at 20.7% (20.5% at the end of 2016), even given the total 1.9% increase in revenue in this case too. The annual figure reflects the support given to production and commercial activities (for the opening of new areas and consolidation of existing markets).

Other operating costs dropped by 16.8% to EUR 34.7 million (EUR 41.7 million in December 2016), with a drop in the incidence on revenue to 1.1% from 1.4 % at the end of 2016, mainly following completion of the WHSD in St. Petersburg in Russia and the Saida-Moulay Slissen Railway Line in Algeria.

The shares of profit of joint ventures and associates totalled EUR 47.2 million (EUR 87.8 million in December 2016), with the drop being attributable to reclassification, as from June 2017, of amounts referring to the interest in the concession holder for the Third Bosphorus Bridge in Turkey, among non-current assets held for sale. It is implicit that this reclassification only has effects as regards accounting, without any prejudice for financial values related to the relative disposal. The annual figure is also affected by: (i) equity accounting of additional interests in concessions in Turkey (Gebze-Orhangazi-Izmir Motorway, Etlik Integrated Health Campus in Ankara and, until 30 June 2017, Third Bosphorus Bridge), and (ii) of EUR (16.7) million related to cash-flow reserve of M5 (concession holder for Line 5 of Milan Underground, Italy) and SAT (concession holder for Four Tuscan Hospitals, Italy) disposed of in 2017.

EBITDA totalled EUR 366.4 million (-3.5%, compared to EUR 379.9 million in December 2016), with an EBITDA margin of 12% (12.6% in December 2016). The YOY change is in line with forecasts and, as planned, reflects the progressive repositioning of assets on a product/country mix with smaller margins compared to the past, but able to guarantee greater stability, a project financial trend that is compatible with the Group's planned growth and, more generally speaking, a more limited business risk profile.

Impairment totalled EUR 235.5 million (EUR 676,000 in December 2016), mostly referring to impairment of financial assets related to railway projects in Venezuela.

Following impairment, EBIT amounted to EUR 76.3 million, with an EBIT margin of 2.5%. If we do not consider Venezuela, the annual figure would have stood at over EUR 306 million with an EBIT margin of 10% (largely in line with December 2016, respectively EUR 317 million in absolute terms and a margin of 10.6%), with the yearly trend basically reflecting the aforementioned repositioning of the product/country mix which also provides benefits in terms of financial flexibility.

Strategic de-risking during 2017 further improved the overall business risk profile, with the opening of new areas (Sweden, Georgia, Panama), consolidation of more stable, less complex markets (Chile, Poland, Canada, USA), progressive closure of areas no longer of strategic interest (Middle East) and backlog repositioning on EPC and O&M contracts.

Financial operations were affected by the average levels of debt and support to production and commercial activities in areas, such as the USA and Canada, where there is greater use of sureties and guarantees. Therefore, net financial expense totalled EUR 192.2 million (+2.3%, 187.9 EUR/million in December 2016), with the incidence on revenue holding steady at 6.3%. The item also included, inter alia, EUR 41 million of expense for sureties.

Still as a result of impairment, there was a pre-tax loss of EUR 115.8 million which, if we do not consider Venezuela would have been a pre-tax profit of EUR 89 million, with an EBT margin of 2.9% (in December 2016, respectively EUR 129.1 million and a 4.3% margin).

Tax expense for the year were positive and totalled EUR 18.1 million (tax burden of EUR 31.6 million at the end of 2016). As regards tax expense for the year, the positive effect can be mainly attributed to the recovery on previous years' taxes of the contingent exemption system for income generated by foreign JVs, and exercise of the exemption system option for income produced by the Parent's permanent establishments already as from 2016.

Following impairment, continuing operations – which would have shown an increase of EUR 107 million (+9.8% YOY, EUR 97.4 million in December 2016) without Venezuela – showed a loss of EUR 97.7 million. This meant a net loss attributable to owners of the Parent of EUR 101.1 million.

Consolidated financial position figures at 31 December 2017

Net non-recurrent assets totalled EUR 1,292 million (EUR 1,007.4 million at the end of 2016).

Property, plant and equipment dropped from EUR 208 million to EUR 179 million as a result of investments in Italy and Chile for the start-up of new projects and for disposals mainly made in Russia in relation to projects that are no longer operational, in addition to depreciation for the year.

Equity investments, which went from EUR 524 million to EUR 391 million must be interpreted together with the increase in Non-current assets held for sale which went from EUR 70 million to EUR 180 million. The latter included reclassification, as per IFRS-5, of the carrying amounts of equity investments which shall be disposed of in the near future (Third Bosphorus Bridge, Western Metropolitan Hospital in Santiago, Chile), as well as discharge of amounts connected with assets disposed of during the year – related to M5 (June), SCMS (February), Pacific Hydro Chacayes (March).

As already mentioned, the equity structure was also affected by a non-recurring event, in other words the partial impairment of receivables linked to railway projects in Venezuela. This impairment resulted in, inter alia, a drop in works in progress equal to approximately EUR 78 million and in trade receivables for approximately EUR 151 million (effect transferred to income statement for a total of approximately EUR 230 million).

As a result of the above, operating working capital totalled EUR 553 million (EUR 805 million in December 2016) and showed a drop compared to levels recorded at 30 September 2017 and equal to EUR 651 million after having benefitted from the positive financial performance of some contracts, especially in USA, Canada and Italy (also for the collection of slow-moving items), and contract advances linked to new orders during the period (Romania, Sweden, Georgia).

Net invested capital totalled EUR 1,816 million (EUR 1,791 million in December 2016).

Technical investments, net of disposals made during the period, totalled approximately **EUR 8 million**, mainly referring to projects in progress in Chile and Italy.

Gross concession investments, in the form of equity and semi-equity (so-called shareholders' loan), totalled approximately EUR 46 million, mainly referring to projects in Turkey (Etlik Integrated Health Campus in Ankara), Chile (Arturo Merino Benítez International Airport and Western Metropolitan Hospital in Santiago) and Italy (Line 4 of Milan Underground). This resulted in concession investments – meaning Astaldi's shares of equity and semi-equity paid into concession holders linked to projects, as well as the relative working capital – totalling EUR 787 million. This figure included EUR 131 million referring to Venice-Mestre Hospital in Italy and La Punilla Hydroelectric Project in Chile in the form of concession assets – meaning the shares of investment covered by guaranteed cash flow, as detailed in IFRIC-12. It must also be noted that approximately 33% of the aforementioned EUR 787 million (in other words, approximately EUR 260 million) can be referred to projects classified as available for sale.

The year's financial performance reflects the support given to production, both in Italy and abroad (North America, Eastern Europe, South America) which also had specific effects as regards working capital. **The Group's net financial debt** totalled EUR 1,264 **million**, compared to EUR 1,089 million at the end 2016. **However, the turnaround seen in the fourth quarter of the year must be noted. This resulted in a drop in net financial debt from EUR 1,389 million in September 2017 to EUR 1,264 million in December 2017 with a marked reduction of approximately EUR 125 million, thanks to collection of contract advances and financial milestones which highlight the soundness of the business strategy embarked on by the Group with regard to commercial policy.**

Total equity totalled EUR 549.4 **million** (EUR 698.5 million in December 2016). This figure can mainly be attributed to the operating result which was clearly affected by changes related to asset items connected to contracts in Venezuela, as well as penalising, albeit temporary changes related to the conversion reserve amounting to approximately EUR 100 million.

Order backlog

The **total order backlog** remained solid and totalled over EUR 24 **billion**, with **new orders** and **contract advances** accounting for EUR 3.7 **billion** – with it being understood that the figure does not include EUR 534 million for contracts acquired during the first part of 2018, or EUR 6 billion of commercial options and "first classifieds"–, construction contracts for EUR 3 billion and EUR 724 million for O&M activities (mainly in the hospital segment). Acquisition flows are in line with the strategy of repositioning business in areas and segments with a lower risk profile than in the past, ensuring a quicker capacity to convert the order backlog into revenue. The **book-to-bill** stood at 1.3x, hence at suitable levels with regard to the Group's planned growth and in line with the strategy of repositioning business in areas and segments with a lower risk profile than in the past, ensuring a quicker capacity to convert the order backlog into revenue.

The total order backlog comprises: (i) core backlog under execution of EUR 12.6 billion (in other words construction and O&M contracts whose performance means turnover for Astaldi Group), (ii) concessions backlog of EUR 4.9 billion (which, by its very nature, is equal to forecast dividends in the Group's accounts, insofar as it refers to interests, mainly non-controlling interests, in concession holders for concession projects Astaldi is involved in), and (iii) EUR 6.8 billion of commercial options and "first classifieds", as well as orders secured after year-end. The annual figure also saw a drop of EUR 2.8 billion, referring to shares of the concession backlog cancelled further to progressive performance of the asset disposal programme. The Group's business development model provides for the separation of O&M activities (which the Group maintains) and subsequent disposal of the SPV (with significantly lower operating risks at that stage and, hence, with more effective enhancement of the asset's value) following the development of concession projects (mainly during the final construction phase). At 31 December 2017, this model had already been applied for Venice-Mestre Hospital and the Four Tuscan Hospitals in Italy, the Western Metropolitan Hospital in Santiago and the Relaves Industrial Plant in Chile, as well as for Etlik Integrated Health Campus in Ankara in Turkey.

Main new orders

Romania

Frontieră-Curtici-Simeria Railway Line (Lots 2A and 2B) (*construction*) – EUR 776 million in total (42% of which refers to Astaldi's interest), for rehabilitation of approximately 80 kilometres of the Frontieră-Curtici-Simeria Railway Line forming part of the Trans-European Corridor 4.

Frontieră-Curtici-Simeria Railway Line (Lot 3) (*construction*) – EUR 600 million (Astaldi has a 49.5% interest), for rehabilitation of approximately 40 kilometres of the Frontieră–Curtici–Simeria Railway Line, related to the section between Gurasada and Simeria of the 614 Km-Radna-Simeria section.

Poland

Warsaw Wschodnia Osobowa-Dorohusk Railway Line 7 (*construction*) - EUR 172 million, (Astaldi Group has a 95% interest and is leader of a JV) for upgrading of 68 kilometres of the Warsaw Wschodnia Osobowa-Dorohusk Railway Line 7.

E-59 Railway Line (*construction*) – EUR 82 million for upgrading of a section of the E-59 Warsaw-Poznań Railway Line (Lot IV).

Turkey

Istanbul Underground (Mahmutbey-Bahçeşehir-Esenyurt section) (*construction*) - LIT 3 billion (approx. EUR 753 million) with Astaldi Group holding a 12% interest.

Istanbul Underground (Kirazli-Halkalı section) (*construction*) – EUR 627 million (Astaldi Group has a 15% interest) for performance of civil works and electro-mechanical systems of the new section of the Istanbul underground.

Menemen-Aliağa-Çandarli Motorway (*construction and operation*) – total investment of EUR 392 million, EUR 333 million of which for construction alone (Astaldi has a 33% interest).

Georgia

E-60 Motorway (Zemo Osiauri-Chumateleti section, Lot 2) (*construction*) – over EUR 100 million (GEL 300 million, 100% Astaldi) for the construction of approximately 8 kilometres of the E-60 motorway, for the section between Zemo Osiauri and Chumateleti, part of the Motorway Corridor linking Tbilisi with the Black Sea.

Sweden

Gothenburg Motorway (Haga Station) (*construction*) – EUR 241 million (SEK 2.3 billion, Astaldi has a 40% interest and is leader of a JV).

Poland

Waste-to-energy Plant for the treatment of urban waste in the Gdansk-Gdynia-Sopot metropolitan area (*construction and O*&M) – a total of approximately EUR 280 million (PLN 1.2 billion), EUR 110 million of which for design and construction (Astaldi has a 51% interest) and the remaining EUR 170 million for O&M activities for 25 years (Astaldi has a 10% interest).

Chile

Barros Luco Trudeau Hospital in Santiago (*construction*) – approx. EUR 270 million (CLP 200 billion, 100% Astaldi) for the design and construction of a new healthcare facility in the city centre, next to the existing, still operational Barros Luco Hospital.

New Linares Hospital (*construction*) – EUR 139 million (CLP 103 billion, 100% Astaldi), for construction of the New Hospital in Linares.
Canada
TEQ – approx. EUR 110 million (CAD 155 million referring to Astaldi's interest), for new contracts, mainly in the civil construction segment in the Montreal and Quebec area, secured by TEQ (Astaldi Group).
Panama
Carretera Omar-Torrijo road (*construction*) – over EUR 70 million (USD 89 million, referring to Astaldi's interest), for widening of Carrettera Omar-Torrijo in Panama.
Italy
«Piemonte-Savoia» Italy-France HVDC Interconnection Project (Upper and Lower sections) (*construction*) – EUR 54 million for performance of civil works for the Italian section of the HVDC (High Voltage Direct Current) interconnection project in progress involving Italy and France.
Venice-Mestre Hospital ("Ospedale dell'Angelo") (*O&M*) – over EUR 500 million following increase from 37% to 60.4% of the interest held by Astaldi Group in Veneta Sanitaria Finanza di Progetto S.p.A. (VSFP) further to purchase of shares held by Mantovani.
Naples-Bari HS/HC Railway Line (Naples-Cancello section) (*construction*) – EUR 397 million (Astaldi has a 40% interest), for design and construction of a first section of the high-speed, high-capacity Naples-Bari railway line.
Four Tuscan Hospitals (*O&M*) – EUR 410 million (referring to Astaldi's interest), following increase of the interest held by Astaldi Group in GE.SAT – equal to 53.85% – further to purchase of shares held by Techint.
New Orders NBI (*construction*) – approx. EUR 160 million (referring to Astaldi's interest), for new orders and contract increases secured by NBI (Astaldi Group).

Main acquisitions after the reporting period
Romania
Braila Bridge (*construction*) – EUR 435 million (Astaldi has a 60% interest) for the construction of a suspension bridge over the Danube in the Braila area in Romania.
Italy
Bicocca-Catenanuova Railway Line (*construction*) – EUR 186 million (Astaldi has a 34.226% interest), for construction of a second track of the Bicocca-Catenanuova railway line forming part of the Palermo-Catania line in Italy.
New Hospital in Monopoli-Fasano in the south-east area of Bari (*construction*) – EUR 73 million (Astaldi has a 70% interest).
Activities forming part of the programme to upgrade the Genoa rail junction (*construction*) – EUR 67 million (100% Astaldi), for works to complete the Colombo, San Tommaso and Polcevera tunnels forming part of the programme to upgrade the Genoa rail junction.

Events after the reporting period

In January, Astaldi was awarded as a JV the new contract worth EUR 73 million (Astaldi has a 70% interest) for construction of a new hospital in Monopoli-Fasano in the south-east of Bari in Italy. The construction contract involves the performance of all civil works and systems for a new healthcare facility of excellence in Puglia region which will offer 299 hospital beds and 9 operating theatres for a total surface area of 178,000 m^2. The works have been commissioned by the Bari's local health authority. The planned duration is approximately 3 years and the contract will be signed, as is normal, subsequent to checking of tender participation requisites.

Still in January, Astaldi was awarded a new motorway contract worth USD 108 million, to construct a section of Wekiva Parkway, in Florida in the USA. The new contract involves the construction of 8 kilometres of new motorway along the State Road 429 – State Road 46 (Wekiva Parkway, Section 7A), including 12 bridges and all related works. The planned duration of works is just over 5 years. The works have been commissioned by Florida Department of Transportation (FDOT – District 5), the federal agency responsible for developing the transport infrastructure system in the state of Florida. Works will be financed using FDOT funding. The works will be performed by Astaldi Construction Corporation (ACC), an Astaldi Group investee dedicated to developing the US market.

In Europe, still in January, Astaldi was awarded, as a JV, a new contract worth EUR 435 million (Astaldi has a 60% interest) for the construction of a suspension bridge over the Danube in the Braila area in Romania. The contract involves the design and construction of a suspension bridge totally measuring 1,975 metres in length, with a central span of 1,120 metres and two side spans of 490 and 365 metres. The construction of two bridge access viaducts, measuring 110 metres in length, and approximately 23 kilometres of link roads, is also planned. The planned duration is one year for design activities and 3 years for construction. The works have been commissioned by CNAIR, a state company under the control of Romania's Ministry of Transport and Infrastructures. The works form part of the country's Transport Master Plan and are financed by EU funding under Europe's POIM Programme.

Astaldi secured two contracts in February worth a total of EUR 110 million as regards Astaldi's interest. The two new contracts entail EUR 67 million (100% Astaldi) for the construction contract involving works to complete the Colombo, San Tommaso and Polcevera tunnels as part of the programme to upgrade Genoa's rail junction and, EUR 40 million (Astaldi has a 50% interest) for the performance as a JV of works to clean-up Lot 2 of the former Kuwait Petroleum refinery in Naples.

Moreover, on 19 February 2018 CIPE (Interdepartmental Committee for Economic Planning) approved the final project for the second section of Mega-Lot 3 of the SS-106 Jonica National Road in Italy. This approval sets the conditions for developing the construction design of the complete Mega-Lot 3 (Operational lots 1 and 2) and starting up preliminary activities prior to the performance of works. The works shall be performed by a JV comprising Astaldi (agent) and Salini Impregilo. To date, the contract has been included in Astaldi Group's order backlog for a value of approximately EUR 960 million.

Outlook

Impairment referring to Venezuela performed during Q3 2017 did not make it possible to achieve the target operating result forecast for the end of the year. Despite this, in light of the results achieved from a commercial and industrial viewpoint, the Group will maintain its operating strategy over the coming months, while however accompanying it with a key capital and financial strengthening programme for the Company and the Group, able to improve its financial structure and hence its competitiveness.

As mentioned above, the Company is working with the main banks on a manoeuvre aimed at financial strengthening and rebalancing of equity and financial parameters which also include the proposed renegotiation of existing credit facilities with the banking system in question. Another lever for rebalancing of financial and equity parameters will also be performance, as planned, of the concession asset disposal programme. Indeed the disposal of assets linked to the Third Bosphorus Bridge in Turkey is planned over HY1. These actions will make it possible to significantly reduce gross debt during 2018.

As regards the Group's strategy, in keeping with decisions taken in the past, the new Strategic Plan shall follow four main directions:

- Industrial growth
- Strategic de-risking
- Capital and financial strengthening
- Organisational consolidation.

Over the coming months, in light of the major commercial success achieved by the Group in the last 18 months and the benefits, including financial benefits, that are starting to be reflected in the accounts, efforts will continue to pursue the aforementioned goals, also with a view to improving overall working efficiency. Much will be done to support production related to recent acquisitions in the railway segment in Italy, but also for the new projects in Chile, USA, Romania and Poland.

From a commercial viewpoint, work will continue over the coming months to carry out the de-risking programme, with the focus being placed in business areas with a lower risk profile than in the past and on EPC contracts that can provide for contractual advances. Specifically, commercial attention will continue to be placed in Chile, USA, Canada, Far East, Central Europe and the Balkans. As regards the Far East, attention will be paid in particular to opportunities offered by the Indian and Iranian markets, putting pressure on and together with counterparties of international standing. Intensification of contributions from O&M activities is also expected following recent valorisation of the Group's interests in O&M Companies, set up in relation to concession projects the Group itself is involved in.

At a financial level, in addition to the capital and financial manoeuvre that has already been outlined, major efforts will also focus on freeing up slow-moving items of the operating working capital, as well as on all other actions planned to increase operating efficiency.

On the whole, the result will be a less capital-intensive business model than in the past and, hence, able to promote intensification of the Group's capacity to generate value for its stakeholders as from 2018.

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Lastly, today's meeting of the Board of Directors formulated a proposal to be submitted to the next Shareholders' Meeting regarding renewal for the next 12-month period (as from 29 May 2018) of the share buyback programme, with the goal, among others, of promoting regular trading of shares, avoiding price fluctuations not in line with market trends and ensuring suitable support for liquidity and for the creation of a "share warehouse". The methods for implementing this programme entail the acquisition of a revolving maximum of 9,842,490 shares – equal to 10% of the share capital – of a nominal value of EUR 2 each, at a unit price of no less than EUR 2 euro and no more than the average price of the last 10 days of trading prior to the purchase date, increased by 10%, with the additional restriction that the amount of shares must not exceed EUR 24,600,000.00 at any one time (without prejudice to the limit of distributable profit and available reserves pursuant to Article 2357, subsection one of the Italian Civil Code). At present, Astaldi's share capital amounts to EUR 196,849,800.00, split into 98,424,900 ordinary shares with a nominal value of EUR 2 each; as at today's date, the Company holds 552,834 treasury shares (equal to 0.563% of the share capital). The Company plans to avail itself of the safe harbour provided for pursuant to (EU) Regulation No. 596/2014 and comply with market practises allowed by CONSOB in Ruling No. 16839 of 19 March 2009.

The Board of Directors also approved the Statement of Non-Financial Data at 31 December 2017, drafted by the Company pursuant to Legislative Decree No. 254/2016.

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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 Consolidated Finance Act, that the accounting information contained herein tallies with accounting documents, ledgers and entries.

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Astaldi Group is a global player in the sector of large and strategic infrastructure projects. With a leading position in Italy, Astaldi is one of the world's top 50 construction firms, one of Europe's top 25 contractors, and is also a sponsor of project finance/PPP initiatives. The Group has 95 years of experience and operates in a wide range of sectors, delivering complex and integrated projects. Designing, building, and operating public infrastructures and large-scale civil engineering works, Astaldi has unrivalled experience in Transport Infrastructure, Energy Production Plants, Civil and Industrial Construction, Facility Management, Plant Engineering, and Management of Complex Systems. In 2016 revenues totalled more than €3 billion, with a total order backlog of over €27 billion. Listed on the Milan Stock Exchange since 2002, Astaldi is headquartered in Italy. With approximately 100 projects in over 20 countries, the Group's 11,500 employees are based in Italy, Europe (Poland, Romania and Russia) and Turkey, Africa (Algeria), North America (Canada and the USA), Latin America, the Middle East (Saudi Arabia) and the Far East (Indonesia).

FOR FURTHER INFORMATION:

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Reclassified Income Statement – Astaldi Group

(Figures shown in EUR/000)

	31/12/2017		31/12/2016	
Revenue	2,888,319	94.4%	2,851,826	94.9%
Other operating revenue	172,414	5.6%	152,429	5.1%
Total Revenue	**3,060,733**	**100.0 %**	**3,004,255**	**100.0 %**
Production costs	(2,072,980)	-67.7%	(2,054,253)	-68.4%
Added value	**987,752**	**32.3%**	**950,003**	**31.6%**
Personnel expenses	(633,865)	-20.7%	(616,203)	-20.5%
Other operating costs	(34,708)	-1.1%	(41,702)	-1.4%
Share of profits / (losses) of joint ventures and associates	47,196	1.5%	87,760	2.9%
EBITDA	**366,376**	**12.0%**	**379,858**	**12.6%**
Amortisation and depreciation	(49,404)	-1.6%	(58,210)	-1.9%
Provisions	(5,097)	-0.2%	(3,999)	-0.1%
Impairment losses	(235,529)	-7.7%	(676)	0.0%
(Internal costs capitalised)		0.0%		0.0%
EBIT	**76,345**	**2.5%**	**316,973**	**10.6%**
Net financial expense	(192,180)	-6.3%	(187,877)	-6.3%
Pre-tax profit / (loss)	**(115,835)**	**-3.8%**	**129,096**	**4.3%**
Tax expense	18,108	0.6%	(31,654)	-1.1%
Profit /(Loss) from continuing operations	**(97,727)**	**-3.2%**	**97,442**	**3.2%**
Profit /(Loss) from discontinued operations		**0.0%**	**(24,811)**	**-0.8%**
Profit / (Loss) for the year	**(97,727)**	**-3.2%**	**72,631**	**2.4%**
(Profit) / Loss attributable to non-controlling interests	(3,448)	-0.1%	(174)	0.0%
Profit attributable to owners of the Parent	**(101,175)**	-3.3%	**72,457**	2.4%

Reclassified Statement of Financial Position – Astaldi Group

(Figures shown in EUR/000)

	31/12/2017	31/12/2016
Intangible assets	79,187	74,026
Property, plant and equipment and investment property	179,073	208,251
Equity investments	390,527	523,631
Other net non-current assets	463,403	149,378
Non-current assets held for sale	179,964	69,973
Liabilities directly associated with non-current assets held for sale		(17,888)
TOTAL Non-current assets (A)	**1,292,154**	**1,007,371**
Inventories	48,906	50,008
Contract work in progress	1,704,498	1,555,110
Trade receivables	29,055	57,327
Amounts due from customers	447,798	666,449
Other assets	238,408	199,632
Tax assets	82,565	94,537
Payments on account from customers	(520,777)	(492,856)
Subtotal	**2,030,453**	**2,130,206**
Trade payables	(62,326)	(61,352)
Amounts due to suppliers	(1,056,770)	(934,748)
Other liabilities	(358,096)	(329,245)
Subtotal	**(1,477,191)**	**(1,325,346)**
Operating working capital (B)	**553,262**	**804,861**
Employee benefits	(7,145)	(7,506)
Non-current portion of provisions for risks and charges	(21,781)	(13,709)
Total Provisions (C)	**(28,925)**	**(21,215)**
Net invested capital (D) = (A) + (B) + (C)	**1,816,490**	**1,791,017**
Cash and cash equivalents	576,401	506,470
Current loan assets	50,733	25,227
Current portion of financial assets from concession activities	10,194	
Securities	303	848
Current financial liabilities	(818,883)	(499,897)
Non-current financial liabilities	(1,391,415)	(1,472,330)
Non-recourse financial debt	(81,425)	(10,839)
Net financial position of disposal groups	183,763	76,743
Net financial debt (E)	**(1,470,328)**	**(1,373,778)**
Financial assets from concession activities	120,945	4,390
Non-current loan assets	82,335	276,856
Total financial liabilities (F)	**(1,267,049)**	**(1,092,532)**
Equity attributable to owners of the Parent	(518,740)	(692,384)
Equity attributable to non-controlling interests	(30,702)	(6,101)
Equity (G) = (D) - (F)	**549,442**	**698,485**

Statement of Cash Flows – Astaldi Group

(Figures shown in EUR/000)

	2017	2016
A) Cash flow used in operating activities	(220,848)	(101,118)
B) Cash flow generated (used) by investing activities	75,981	(116,707)
C) Cash flow from financing activities	207,643	120,188
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS (A+B+C)	62,776	(97,637)
Opening cash and cash equivalents	**513,625**	**611,263**
Closing cash and cash equivalents	**576,401**	**513,625**

Reclassified Income Statement – Astaldi S.p.A.

(Figures shown in EUR/000)

	31/12/2017		31/12/2016	
Revenue	1,938,140	93.9%	2,079,703	93.7%
Other operating revenue	125,005	6.1%	140,438	6.3%
Total Revenue	2,063,145	100.0%	2,220,141	100.0%
Production costs	(1,496,579)	-72.5%	(1,599,492)	-72.0%
Added value	566,566	27.5%	620,649	28.0%
Personnel expenses	(302,073)	-14.6%	(317,910)	-14.3%
Other operating costs	(27,277)	-1.3%	(32,891)	-1.5%
Share of profits / (losses) of joint ventures and associates	61,370	3.0%	27,741	1.2%
EBITDA	298,586	14.5%	297,589	13.4%
Amortisation and depreciation	(38,682)	-1.9%	(46,074)	-2.1%
Provisions	(909)	0.0%	(1,467)	-0.1%
Impairment losses	(233,492)	-11.3%	(166)	0.0%
(Internal costs capitalised)		0.0%		0.0%
EBIT	25,503	1.2%	249,882	11.3%
Net financial expense	(148,856)	-7.2%	(149,119)	-6.7%
Pre-tax profit / (loss)	(123,353)	-6.0%	100,763	4.5%
Tax expense	24,630	1.2%	(27,447)	-1.2%
Profit /(Loss) from continuing operations	(98,723)	-4.8%	73,316	3.3%
Profit /(Loss) from discontinued operations		0.0%		0.0%
Profit / (Loss) for the year	(98,723)	-4.8%	73,316	3.3%
Profit attributable to owners of the Parent	(98,723)	-4.8%	73,316	3.3%

Reclassified Statement of Financial Position – Astaldi S.p.A.

(Figures shown in EUR/000)

	31/12/2017	31/12/2016
Intangible assets	44,964	51,298
Property, plant and equipment and investment property	150,450	171,076
Equity investments	613,210	674,485
Other net non-current assets	506,845	154,295
Non-current assets held for sale	168,622	37,053
Non-current assets (A)	1,484,092	1,088,207
Inventories	39,270	37,942
Contract work in progress	1,518,632	1,350,412
Trade receivables	132,726	141,796
Amounts due from customers	303,018	643,685
Other assets	440,439	464,177
Tax assets	51,583	68,767
Payments on account from customers	(419,095)	(407,417)
Subtotal	2,066,573	2,299,361
Trade payables	(377,702)	(394,700)
Amounts due to suppliers	(725,588)	(684,360)
Other liabilities	(348,157)	(255,983)
Subtotal	(1,451,447)	(1,335,043)
Operating working capital (B)	615,126	964,318
Employee benefits	(4,285)	(4,727)
Non-current portion of provisions for risks and charges	(34,517)	(44,083)
Total Provisions (C)	(38,802)	(48,810)
Net invested capital (D) = (A) + (B) + (C)	2,060,416	2,003,715
Cash and cash equivalents	393,585	400,387
Current loan assets	79,189	58,716
Non-current loan assets	11,358	217,240
Securities	36	848
Current financial liabilities	(832,691)	(566,782)
Non-current financial liabilities	(1,373,591)	(1,463,458)
Net financial debt (E)	(1,722,115)	(1,353,050)
Net financial position of disposal groups	180,767	40,703
Total financial liabilities (F)	(1,541,348)	(1,312,347)
Equity attributable to owners of the Parent	(519,069)	(691,368)
Equity attributable to non-controlling interests		
Equity (G) = (D) - (F)	519,068	691,368

Concise Statement of Cash Flows – Astaldi S.p.A.

(Figures shown in EUR/000)

	2017	2016
A) Cash flow used in operating activities	(166,479)	(7,568)
B) Cash flow used in investing activities	(33,772)	(199,389)
C) Cash flow from financing activities	193,450	152,204
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS (A+B+C)	(6,801)	(54,753)
OPENING CASH AND CASH EQUIVALENTS	**400,387**	**455,140**
CLOSING CASH AND CASH EQUIVALENTS	**393,585**	**400,387**