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Interim Report on Operations

31 March 2018

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Introduction

New international accounting standards in force as from 1 January 2018

Astaldi Group has adopted the following new international accounting standards as from Q1 2018:

- IFRS 15 ("*Revenue from contracts with customers*"). The new standard provides a new regulatory framework with regard to the recognition of revenue for sale of goods and services to customers (including contract work in progress). In brief, IFRS 15 requires a process of recognition of revenue which comprises the following five steps: (i) identification of the contract (or contracts) with the customer, (ii) identification of the different performance obligations (defined as the promised transfer of goods and/or services to customers) within the contract, (iii) determination of the transaction price, (iv) allocation of the transaction price to the various performance obligations, (v) recognition of revenue. Specifically, the new standard entailed some key changes with regard to accounting of some specific pre-operating costs, namely costs incurred for the study and preparation of bids, and with regard to the identification of performance obligations within individual contracts. The new IFRS 15 provisions generated a negative adjustment of the equity attributable to owners of the Parent at 1 January 2018, equal to EUR 56 million;
- IFRS 9 ("*Financial instruments*"). The new standard sets a new set of accounting rules to be applied for classification and measurement of financial instruments, for impairment of receivables and for hedge accounting, introducing some key changes with regard to the previous standard in force IAS 39 ("*Financial instruments: recognition and measurement*"). The new IFRS 9 provisions generated a negative adjustment of the equity attributable to owners of the Parent at 1 January 2018, equal to EUR 17.7 million.

Astaldi Group applied retroactively the new provisions related to IFRS 15 and IFRS 9, recognising the cumulative effect of first-time adoption of the new standards as an adjustment of the opening balance of 2018 equity without any reclassification – as allowed under these standards – of comparative figures related to previous years.

Impairment of receivables due from the Venezuelan government

At the reporting date, the management considered it fitting to perform an additional impairment test of receivables owed to the Group by the Venezuelan government. This impairment test was performed using the same methods adopted upon closure of accounts at 31 December 2017 and did not highlight any additional impairment. For more information, please refer to what is stated in this regard in the Annual Financial Report at 31 December 2017.

Going concern

As already disclosed, the Group has long since shown major support for the freeing-up of slow-moving working capital items, with regard to streamlining its cash flow. In this regard, the management has planned the possibility of obtaining additional positive cash flows during FY 2018, in addition to cash flow from standard

operating activities. Moreover, disposal of its concession assets is going ahead as planned and specifically, the concession regarding construction and operation of the Third Bosphorus Bridge in Turkey fits into this context. Business negotiations are at an advanced stage and the management rightly expects that these can be concluded during the third quarter of 2018. This forecast has been made also based in the expressions of interest received, as well as subsequent contracts with possible counterparts during Q1 2018.

With regard to the planned capital and financial strengthening, which was outlined in great detail in the Management Report to the Separate and Consolidated Financial Statements at 31 December 2017 and relative notes, the Parent can confirm that this includes a share capital increase of EUR 300 million. This has been accompanied by a request for willingness on the part of the main banks the Group has financial relations with, to support the Group's industrial and business activities.

The aim of the share capital increase is as follows: (i) capital and financial strengthening of the Group which will allow for restoration of capital following the effects of impairment of the Group's receivables due from the Venezuelan government; (ii) pursuit of the planned growth and additional strengthening as outlined in the 2018-2022 Strategic Plan, and (iii) to take advantage of the best conditions possible within the programme to refinance its medium-/long-term corporate financial debt, with the aim of extending maturities and reduce the relating cost, subject to market conditions.

In this regard it must also be stated that on 15 May 2018 Astaldi, IHI Corporation and IHI Infrastructure Systems Co., a subsidiary of IHI Corporation, have entered into an industrial strategic partnership ("*Global Partnership Agreement*") aimed at enhancing respective skills and strengths through synergies, including of a commercial nature. At the same time, Astaldi, its reference shareholders, FIN.AST S.r.l. ("FINAST") and Finetupar International S.A. ("Finetupar"), a Luxembourg-based company 100% owned by FINAST, and IHI Corporation ("IHI") have also signed an investment agreement ("Investment Agreement") under which, following the share capital increase announced, IHI will acquire an interest in the Company equal to approximately 18% of Astaldi's share capital and approximately 13% of its overall voting rights. Following the Share capital increase and based on the Investment Agreement, FINAST will continue to hold control of Astaldi, directly and through Finetupar, maintaining approximately 50.2% of voting rights.

It must also be noted that the Company signed an agreement on 15 May 2018 with a leading international bank, in the capacity of Sole Global Coordinator. According to said agreement, the latter has undertaken to enter into a Guarantee Agreement with other banks, to be chosen prior to launch of subscription of the Share Capital Increase. The agreement concerns the subscription of newly-issued shares that may remain following the option offer and subsequent stock exchange offer. The Guarantee Agreement will concern a maximum amount equal to the difference between the total shares comprising the option offer, and the shares which FINAST, Finetupar and IHI have undertaken to subscribe pursuant to the Investment Agreement. The afore-mentioned agreement, entered into at terms and conditions in line with market practice for similar transactions, also provides for signing by the Sole Global Coordinator of the guarantee agreement to be subject to some conditions precedent including: (i) that a guarantee syndicate be set up for subscription of any shares that are still unsubscribed upon termination of the stock exchange offer of unopted rights; (ii) that the Investment Agreement between the Company, FINAST, Finetupar and IHI be in force at the date of signing of the guarantee agreement; (iii) that the Company has received at least one binding offer for purchase of the equity investment held in the SPV holding the concession for construction and operation of the Third Bosphorus Bridge, in accordance with terms that are in line with implementation of the capital and financial strengthening

plan; (iv) that the Company has received consent or waiver by some of its lending banks as regards suspension of checking or amendment of main drivers, compliance with which as at 30 June 2018 is required under the relative financing agreements, and as regards some additional amendments (especially the chance to reuse income from the disposal of concession assets) needed to successfully implement the capital and financial strengthening manoeuvre; (v) that the Company has agreed upon confirmation or extension of the repayment deadlines for some committed and/or uncommitted credit facilities by some banks, 50% of which referring to the main banks the Company is working with on the overall capital and financial strengthening plan; and (vi) that there has been no downgrading of the Company's bond rating by Moody's and/or S&P, or that neither of these has publicly announced the start of a supervisory or review period with possible negative effects on rating.

It must be noted that the Sole Global Coordinator has the faculty to waive in full or in part any of the above conditions precedent.

On 15 May 2018, the Company received written confirmation from the aforementioned banks of their willingness to support the capital and financial strengthening manoeuvre provided the above conditions are met, as well as issue: (i) by an audit firm of a report on examination of the Group's prospective financial information, and (ii) by an independent expert of an opinion regarding the overall sustainability of the Group's financial plan, that takes into account the effects of the capital and financial strengthening manoeuvre currently being implemented.

Even if the aforementioned actions (capital strengthening and asset disposal) are going ahead as planned by the Company's management and hence the feasibility of the transaction is gradually being confirmed, there are still some doubts regarding the finalisation and success of these actions.

Even if this circumstance represents a significant uncertainty that may generate major doubts regarding the company's ability to continue operating based on the going concern assumption, the directors feel that that there are the conditions for drafting financial statements on a going concern basis. This conclusion has been reached based on the targets achieved so far and the Group's current liquidity plan, which also includes forecast of the aforementioned asset disposal and increasingly real possibility of achieving successful definition of the capital and financial strengthening plan in a reasonably short space of time.

Alternative performance indicators

The economic and financial performance of Astaldi Group and its business segments are also measured on the basis of Alternative Performance Indicators. These indicators, while not provided for in IFRSs, are selected by the management insofar as considered to be representative of the results achieved and useful for the purpose of monitoring the performance of the Group and its Parent.

In order to make it easier to understand the analyses made, the procedures for calculating these indicators are listed below.

EBITDA. This is an indicator of the operating performance and is calculated by subtracting production costs, personnel expenses and other operating costs from total revenue. It also contains the share of profits/losses of joint ventures and associates, as well as the change in capitalised costs for fulfilling future contracts (pursuant to IFRS 15, applied for the first time as from 1 January 2018).

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Core EBITDA. This is an indicator of the specific operating performance of the Construction and Operation & Maintenance (O&M) segments and is calculated in the same way as EBITDA, net of the share of profits/losses of joint ventures and associates.

EBIT. This is an indicator of the operating performance and is calculated by deducting amortisation, depreciation, impairment losses and provisions as well as capitalised internal costs from EBITDA.

Core EBIT. This is an indicator of the specific operating performance of the Construction and O&M segments and is calculated in the same way as EBIT, net of the share of profits/losses of joint ventures and associates.

EBT. This is an indicator of the operating performance and is calculated in the same way as EBIT, but net of financial income and expense from financial operations.

Profit from continuing operations. This is calculated as EBT, net of taxes for the period.

Book-to-bill ratio. This is calculated as the ratio between the total new orders included among the backlog as the numerator and total revenue as the denominator.

Core Book-to-bill ratio. This is calculated as the book-to-bill ratio, using only new orders referring to the Construction and O&M segments only as the numerator.

Non-recourse financial debt. This is the form of financing dedicated to projects in the Concessions segment that is not guaranteed by the Parent, Astaldi SpA, but by the cash flows linked to development of the projects by the SPVs for the projects in question during the operation period of the relative infrastructures.

Net financial exposure. This is obtained by subtracting non-current loan assets, subordinated loans and financial assets from concession activities, as well as specific items such as treasury shares from net financial debt, calculated as required under CONSOB Communication DEM/6064293 dated 28 July 2006 that refers to European Securities and Markets Authority (ESMA, formerly CESR) Recommendation dated 10 February 2005.

Total net financial debt. This is obtained by subtracting non-current loan assets, subordinated loans and financial assets from concession activities from total financial debt, calculated as required under CONSOB Communication DEM/6064293 dated 28 July 2006 that refers to European Securities and Markets Authority (ESMA, formerly CESR) Recommendation dated 10 February 2005.

Total net non-current assets. These are to be taken as the sum of non-current assets; specifically, intangible assets, the Group's property, plant and equipment, equity investments as well as other non-current assets not included in those referred to above (including non-current assets held for sale and liabilities directly associated with these).

Operating working capital. This is the result of the sum of current loans and receivables and liabilities linked to the core business (trade receivables and payables, inventories, contract work in progress, tax assets, progress payments/billings from customers and other current assets and liabilities).

Net invested capital. This is the sum of total net non-current assets, operating working capital, provisions for risks and employee benefits.

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Summary of Group operations and financial performance

The first quarter accounts of 2018 saw the **achievement of key targets** with regard to each of the drivers identified by the Group to support planned growth.

In terms of **industrial growth**, there was **additional focusing on construction and EPC contracts** as well as the **intensification of Operation & Maintenance (O&M) activities** which, by their very nature, are able to ensure greater visibility on prospective revenue and margins.

As regards overall **de-risking** of business, the quarter witnessed the **consolidation of low and medium risk geographical areas (USA, Canada, Chile, Italy)**, as well as the **opening of new countries offering interesting development opportunities (India, Mexico)**.

More specifically, **interesting goals were achieved at a commercial level**: the quarter saw **EUR 646 million of new orders and contract increases**, **all of them referring to construction or EPC contracts in countries where already present** (USA, Canada, Italy, Romania) **or recently joined (India)**, able to offer a **risk profile in keeping with de-risking strategies**.

The order backlog in progress amounts to EUR 17.6 billion, with **72% referring to strictly industrial activities (construction and O&M)** and the remaining 28% to concession projects, with **international activities accounting for 66% (mainly in Europe and America**, as well as Maghreb and the Far East) and domestic activities for the remaining 34%.

The **total order backlog stands at approximately EUR 25 billion**, including EUR 7.2 billion of additional potential orders (including, inter alia, EUR 631 million of orders acquired after the reporting period, or for which the Group has received final awarding but signing of the contract is pending). On the whole, the **progressive focusing of activities on contracts awarded in accordance with a logic of variety of technical and quality-related elements** (hence, not solely on price) can be confirmed. These, by their very nature, are able to offer **optimal financial profiles and margins as regards construction plans**.

In economic terms, the quarterly standard performance is in line with forecasts and with year-end targets, even if the quarterly figure was penalised (*i*) as regards revenue, by the progressive completion of some key projects, which it is felt can be offset during the year by the scheduled start-up of some specific more recently-acquired contracts, and (*ii*) as regards margins, by the lack of contribution from the Third Bosphorus Bridge SPV (in relation to portions of profit from joint ventures and associates) following classification of the value of this equity investment (as from June 2017) among non-current assets held for sale thanks to the progress of negotiations concerning disposal of this asset.

Total revenue amounted to EUR 604 million (-7.3%, EUR 651.4 million in March 2017) with **operating revenue accounting for 95%** and other operating revenue for the remaining 5% (respectively, 94% and 6% in March 2017). The revenue structure confirmed the **major push towards the internationalisation of business activities** and a **greater contribution from areas singled out as strategic in implementing the Group's de-risking policy** (especially, Italy, Poland, Romania). When making a YOY comparison, the quarterly figure was affected by (*i*) as already mentioned, the progressive completion of some specific key projects (especially in Algeria, Turkey and Canada), as well as (*ii*) by the presence of non-recurring items in

Q1 2017 accounts (EUR 9.3 million of capital gain generated by sale of the interest held in Pacific Hydro Chacayes, concession holder for the Chacayes hydroelectric plant in Chile, recognised among other revenue) and (*iii*) in terms of volumes, by a less favourable Euro/Dollar rate than last year (resulting in an EUR 20 million drop in revenue during the quarter in question).

69% of operating revenue was generated abroad and offer confirmation of the Group's **major specialisation in the Construction segment (95%)**, as well as the aforementioned **intensification of the contribution from the O&M segment (5% of operating revenue compared to 0.5% in Q1 2017)**. It must be recalled that the investment model applied for Concessions ensures that this segment contributes to the income statement in the form of shares of profits/(losses) of joint ventures and associates, and not in terms of revenue. This occurs as a result of the non-controlling interests held in companies holding the concessions (SPVs) related to the individual projects in progress and of the consolidation logics subsequently adopted for these SPVs.

The EBITDA margin stood at 12.4%, with EBITDA of EUR 74.7 million (respectively, 13.1% and EUR 85 million in March 2017) while the **EBIT margin totalled 10.8%**, against EBIT of EUR 65.2 million (respectively, 11.2% and EUR 72.7 million in Q1 2017). As mentioned previously, in a YOY comparison, the quarterly figures were penalised by the lack of contribution from the Third Bosphorus Bridge SPV in Turkey. Indeed, the value of this equity investment was classified among non-current assets held for sale as from 30 June 2017 thanks to the progress of negotiations regarding disposal of this asset. Therefore, the results of this project were no longer recognised in the form of share of profits of joint ventures and associates as from this date. The **trend of margins was, in any case, in line with plan forecasts** which take into account the settling of margins at lower levels than in the past, following the progressive repositioning of business in low and medium risk geographical areas. The **Core EBITDA increased by approximately 8% to EUR 62.5 million, with an EBITDA margin of 10.4%** (respectively EUR 58 million and 8.9% at 31 March 2017) at 31 March 2018, net of these accounting effects.

Financial operations recorded net financial expense totalled EUR 40.3 million (+2%, and EUR 39.5 million in March 2017), in line with quarterly levels, mainly linked to the quarter's debt trend.

Net profit attributable to owners of the Parent amounted to EUR 17.3 million (-31.1%, EUR 25.1 million in March 2017), with a net margin of 2.9% (3.9% in Q1 2017), against an estimated tax rate of 28% (25% in March 2017).

The quarter's financial trend reflected the support for production, linked to seasonally-related phenomena, but, however, **did still not include the expected benefits of collection of contract advances related to more recent acquisitions**. These will be included in accounts as from the second half of 2018.

Operating working capital amounted to EUR 825.6 million (EUR 553.3 million in December 2017) and showed use typical of the first part of the year: average use in the first quarter of the last 5 years totalled over EUR 200 million). The quarterly trends reflected the support granted for production, especially in Italy and Chile, including support guaranteed for the supplier system (also in view of the planned intensification of production for the rest of the year); while, as mentioned above, they only benefited partially from contract advances linked to recently-acquired orders, (the collection of which is largely expected over the coming months). It must also be noted that contract work in progress (which totalled EUR 1,249 million net of payments on account from customers, compared to EUR 1,183.7 million in December 2017) included the effects of first-

time adoption of the new accounting standards IFRS 15 (“*Revenue from contracts with customers*”) and IFRS 9 (“*Financial instruments*”).

Net financial exposure of the Group totalled EUR 1,665.8 million (EUR 1,264 million in December 2017) which, including treasury shares on hand, meant a **total net financial debt of EUR 1,668.8 million** (EUR 1,267 million in December 2017). The quarterly figure reflected the seasonal nature of the operating working capital trend which, as mentioned previously, offered peaks of **use typical of the first quarter of the year**. Moreover, **EUR 37 million of planned investments** were made during the first three months of 2018, EUR 18 million of which for the Construction segment (technical investments) and the remaining EUR 19 million for Concessions (equity and semi-equity). **In any case, the increase seen during the quarter had been forecast by the Company** based on forecast flows, as well on payment trends typical of the main public-sector customers the Group operates with.

All the actions aimed at placing the Company in the best conditions possible, in equity and financial terms, to tackle the next business plan cycle continued during the quarter. **Major efforts were dedicated to the Group’s equity and financial strengthening programme**, already disclosed to the financial market in previous months (most recently in the press release dated 15 March 2018). As regards the relative results, reference should be made to the section herein entitled “Events after the reporting period and outlook”. Activities aimed at carrying out the planned disposal of some specific concession assets (**asset disposal programme**) continued, considered preliminary to consolidation of a concession investment model requiring lower capital use than in the past (capital light model).

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Group financial and operating results

RECLASSIFIED INCOME STATEMENT
(figures shown in EUR/000)

	31/03/2018		31/03/2017	
Revenue	573,629	95.0%	614,100	94.3%
Other operating revenue	30,332	5.0%	37,344	5.7%
Total Revenue	**603,961**	**100.0%**	**651,444**	**100.0%**
Production cost	(413,991)	-68.5%	(419,536)	-64.4%
Added value	**189,970**	**31.5%**	**231,907**	**35.6%**
Personnel expenses	(119,582)	-19.8%	(158,404)	-24.3%
Other operating costs	(8,519)	-1.4%	(15,484)	-2.4%
Change in costs capitalised for fulfilling future contracts	668	0.1%	--	0.0%
Share of profits / (losses) of joint ventures and associates	12,126	2.0%	27,000	4.1%
EBITDA	**74,664**	**12.4%**	**85,019**	**13.1%**
Amortisation and depreciation	(9,436)	-1.6%	(11,838)	-1.8%
Provisions	(33)	0.0%	(427)	-0.1%
Impairment losses	(33)	0.0%	--	0.0%
EBIT	**65,161**	**10.8%**	**72,755**	**11.2%**
Net financial income and expense	(40,320)	-6.7%	(39,526)	-6.1%
Pre-tax profit / (loss)	**24,841**	**4.1%**	**33,229**	**5.1%**
Tax expense	(7,026)	-1.2%	(8,260)	-1.3%
Profit / (loss) for the period	**17,815**	**2.9%**	**24,969**	**3.8%**
(Profit) / loss attributable to non-controlling interests	(529)	-0.1%	130	0.0%
Profit / (loss) attributable to owners of the Parent	**17,285**	**2.9%**	**25,099**	**3.9%**

Total revenue at 31 March 2018 **amounted to EUR 604 million (-7.3%,** EUR 651.4 million in March 2017), with **operating revenue accounting for 95%**, equal to EUR 573.6 million (-6.6%, EUR 614.1 million in March 2017) and **ancillary revenue for the remaining 5%**, equal to EUR 30.3 million (-18.8%, EUR 37.3 million in March 2017).

As already mentioned, the revenue structure confirmed the **major push towards the internationalisation of business activities** and a **greater contribution from areas singled out as strategic in implementing the Group's de-risking policy** (especially, Italy, Poland, Romania).

When making a YOY comparison, the quarterly figure was affected by (*i*) the **progressive completion of key projects** (especially in Algeria, Turkey and Canada), which it is felt **can be offset during the year by the scheduled start-up of some specific contracts** acquired over the last 12 months, (*ii*) by the **presence of non-recurring items in Q1 2017 accounts** (EUR 9.3 million of capital gain generated by disposal of the interest held in Pacific Hydro Chacayes, concession holder for the Chacayes hydroelectric plant in Chile, recognised among other revenue) and (*iii*) in terms of volumes, by the **effects of a less favourable Euro/Dollar rate than last year** (resulting in an EUR 20 million drop in revenue during the quarter in question). More specifically Q1 2018 was affected by the lack of or lower contribution from works that were largely completed during the previous year, such as the Saida-Moulay Slissen railway line in Algeria, some key sections of the Gebze-Orhangazi-Izmir motorway in Turkey and the first phase of works to build the Naples-Afragola HS/HC station in Italy. Q1 2017 had also benefitted from a positive contribution to production resulting from the overall review of contract agreements related to the Muskrat Falls hydroelectric plant in Canada in November 2016.

International activities generated 69% of operating revenue and amounted to EUR 398 million (-19.3%, EUR 493 million in March 2017); **Italy (31% of operating revenue) increased by 45%** to EUR 176 million (EUR 121 million in March 2017). The areas that made the largest contribution for the quarter in question were Italy, Romania and Poland thanks to the achievement of planned milestones for some of the railway and motorway projects in progress in these countries. More specifically, (*i*) Italy basically saw an increase due to the progress of works related to some specific construction contracts (Line 4 of Milan underground, Brenner Base tunnel Lot Mules 2-3, Taranto Port container terminal) and O&M contracts in the healthcare segment (Venice-Mestre hospital, four Tuscan hospitals), (*ii*) the Rest of Europe (hereinafter referred to as Europe) saw a **smaller contribution from Russia and from Turkey** (due to the progressive planned completion of the Western High-Speed Diameter in St. Petersburg and of key sections of the Northern Marmara Highway), only partially offset by the **progress of construction contracts in Poland** (Phase 2 of Line 2 of Warsaw underground, S-7 expressway, Naprawa-Skomielna Biała section and Zakopianka tunnel, N-7 Warsaw Wschodnia Osobowa-Dorohusk railway line, E-59 Warsaw-Poznan railway line Lot IV) and by the **start-up of new contracts** (three lots of the Frontieră-Curtici-Simeria railway line and Ogra-Campii-Turzii national road **in Romania**, Haga station of the Gothenburg rail link in **Sweden**, E-60 motorway Zemo-Osiauri-Chumateleti section Lot 2 in **Georgia**); (*iii*) America saw a **smaller contribution from Canada** which, as already mentioned, had benefitted in Q1 2017 from the boost resulting from overall review of contractual terms referring to the Muskrat Falls hydroelectric project, partially offset by the **positive contribution of Chile** (Arturo Merino Benítez international airport in Santiago de Chile and Chuquicamata mining project); (*iv*) Africa (Maghreb) recorded the **planned smaller contribution from Algeria** (for progressive completion of the Saida-Moulay Slissen railway line already mentioned previously); (*v*) there is no contribution from Asia **following substantial closure of the Middle East area** which, in keeping with the business plan, will be replaced by the Far East where, however, there are no significant operational contracts to date.

The quarterly figures confirm **specialisation in the Construction segment (95% of operating revenue)** and **intensification of the O&M segment (EUR 27 million, equal to 5% of operating revenue)**. The figure is **in line with Group strategies,** aimed at focusing commercial activities on EPC contracts (for which the Group

can boast specific skills and know-how) and at retaining expertise in the O&M segment while going ahead with the planned disposal of some specific concession assets (asset disposal programme). In a YOY comparison (i) **Construction** saw the **smallest contribution from Energy Production Plants** (due to what has already been mentioned with regard to the Muskrat Falls hydroelectric project in Canada), only partially offset by the increased contribution from **Civil and Industrial Construction** (for projects carried out in Canada by the subsidiary TEQ, and for results achieved in Turkey linked to Ankara Hospital and in Chile in connection with Santiago hospital), while **Transport Infrastructures saw the positive progress of specific railway projects** (especially Line 4 of Milan underground and the Brenner railway tunnel in Italy, the Curtici-Simeria railway – Lots 2A, 2B and 3 in Romania and the Warsaw underground in Poland) **counterbalanced by the progressive completion of some major motorway and railway projects** (key sections of the Northern Marmara Highway and Gebze-Orhangazi-Izmir motorway in Turkey, the Western High-Speed Diameter in St. Petersburg in Russia, and the Saida-Moulay Slissen railway line in Algeria); (ii) **O&M** mainly included the **results of specific activities performed in the healthcare segment** through the investees GE.SAT. (four Tuscan hospitals in Italy for EUR 10.5 million) and Veneta Sanitaria Finanza di Progetto (Venice-Mestre hospital in Italy for EUR 14.9 million). Concessions did not generate revenue insofar as, in keeping with Group strategies, projects in progress in this segment comprise investments in SPVs with non-controlling interests. This means that this segment's results are entered among share of profits/(losses) of joint ventures and associates and not among revenue, in the form of proportional shares of dividends of other distributions or any capital gains/losses generated upon disposal of the corresponding assets, as a result of the consolidation logic applied.

The following tables provide a breakdown of operating revenue at 31 March 2018 by geographical and business segments.

REVENUE BY GEOGRAPHICAL SEGMENT
(figures shown in EUR/millions)

	31.03.2018	%	31.03.2017	%	YOY change (%)
ITALY	**176**	**30.7%**	**121**	**19.7%**	**45.5%**
INTERNATIONAL	**398**	**69.3%**	**493**	**80.3%**	**-19.3%**
Rest of Europe	176	30.7%	199	32.4%	-11.6%
America	207	36.1%	265	43.2%	-21.9%
Asia (Middle East)	0	0.0%	0	0.0%	0.0%
Africa (Algeria)	15	2.6%	29	4.7%	-48.3%
TOTAL OPERATING REVENUE	**574**	**100.0%**	**614**	**100.0%**	**-6.5%**

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REVENUE BY SEGMENT
(figures shown in EUR/millions)

	31.03.2018	%	31.03.2017	%	YOY change (%)
CONSTRUCTION	**547**	**95.3%**	**611**	**99.5%**	**-10.5%**
Transport Infrastructures	326	56.8%	326	53.1%	0.0%
Railways and undergrounds	*149*	26.0%	*105*	*17.1%*	*41.9%*
Roads and motorways	*136*	23.7%	*204*	*33.2%*	*-33.3%*
Ports and airports	*41*	7.1%	*17*	*2.8%*	*141.2%*
Hydraulic and Energy Production Plants	54	9.4%	132	21.5%	-59.1%
Civil and Industrial Construction	74	12.9%	66	10.7%	12.1%
Industrial plants	93	16.2%	87	14.2%	6.9%
Operation & Maintenance	**27**	**4.7%**	**3**	**0.5%**	***800.0%***
TOTAL OPERATING REVENUE	**574**	**100.0%**	**614**	**100.0%**	**-6.5%**

Production costs at 31 March 2018 **amounted to EUR 414 million (-1.3%**, EUR 419.5 million in March 2017), with an **incidence on total revenue of 68.5%** (64.4% in March 2017). **Personnel expenses dropped by 24.5% to EUR 119.6 million** (EUR 158.4 million in Q1 2017), with an **incidence on total revenue down to 19.8%** from 24.3% in March 2017. **Other operating costs totalled EUR 8.5 million** (-45%, EUR 15.4 million in Q1 2017), with an **incidence on total revenue down to 1.4%** from 2.4% in March 2017.

The cost structure reflects (*i*) production performance, (*ii*) a lower incidence of production costs as a result of a mix of business activities which areas and contracts making greater use of subcontracting (Romania, Poland) have a greater incidence on compared to Q1 2017, (*iii*) a smaller incidence of personnel expenses due to the progressive completion of works characterised by directly-performed production, as for the aforementioned projects in Algeria and Canada.

The share of profits / (losses) of joint ventures and associates at 31 March 2018 **recorded profit of EUR 12.1 million**, down on the EUR 27 million recorded in March 2017, with a 2% incidence on total revenue (4.1% in March 2017). A YOY comparison shows that the quarterly figure was affected by the **lack of any contribution from the Third Bosphorus Bridge in Turkey, classified among non-current assets held for sale as from June 2017**, following planned progress of the disposal process which, to date, is underway for assets related to this project. This means that, as from the above date, the results of this project are no longer recognised in the form of share of profits of joint ventures and associates. While the **results of other Concessions being performed in Turkey** (Gebze-Orhangazi-Izmir motorway, Etlik Integrated Health Campus in Ankara) **made a positive contribution** to quarterly figures.

The **EBITDA margin** at 31 March 2018 **stood at 12.4%**, with **EBITDA of EUR 74.7 million** (respectively, 13.1% and EUR 85 million in Q1 2017). As already mentioned, the quarterly figure was in line with forecasts and was affected by the lack of contribution from the Third Bosphorus Bridge in Turkey. It also reflected the progressive alignment with plan targets which, when fully implemented, provide for margins in keeping with a mix of business activities characterised by a lower risk profile than in the past. The new focus of the order backlog will also bring benefits at a financial operation level thanks to a project trend more in line with planned growth.

Core EBITDA increased by approximately 8% to EUR 62.5 million, with the Core EBITDA margin standing at 10.4% (respectively, EUR 58 million and 8.9% at 31 March 2017), thus confirming the quality of the business margins of contracts in progress.

The trends recorded for amortisation, depreciation, provisions and impairment were standard. On the whole, the relative figure stood at EUR 9.5 million, in other words 1.6% of total revenue (down on the figure at March 2017, negative by EUR 12.3 million in absolute terms with a 1.9% incidence on total revenue).

The **EBIT margin stood at 10.8%**, against **EBIT of EUR 65.2 million** (respectively, 11.2% and EUR 72.7 million in Q1 2017).

Net financial expense totalled EUR 40.3 million (+2%, EUR 39.5 million in March 2017), with a 6.7% incidence on total revenue (6.1% at 31 March 2017). Financial operation results included expense related to the gross debt for the quarter in question, which was affected by the quarterly interest rate trend.

As a result of the aforementioned trends, **EBT amounted to EUR 24.8 million** (-25%, EUR 33.2 million at 31 March 2017). The tax burden totalled EUR 7 million (EUR 8.3 million in March 2017), against an estimated tax rate of 28% (25% in March 2017). This meant **profit for the quarter** of EUR 17.8 million (-29%, EUR 25 million at 31 March 2017), which translated into a 2.9% incidence on total revenue (3.8% in March 2017).

Further to the aforementioned trends, **net profit attributable to owners of the Parent totalled EUR 17.3 million** (-31.1%, EUR 25.1 million at 31 March 2017), with a net margin of 2.9% (3.9% in Q1 2017).

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Breakdown of Group's financial position

RECLASSIFIED STATEMENT OF FINANCIAL POSITION
(figures shown in EUR/000)

	31/03/2018	31/12/2017
Intangible assets	83,127	79,187
Property, plant, equipment and investment property	189,218	179,073
Equity investments	402,942	390,527
Other net non-current assets	500,225	463,403
Non-current assets held for sale	179,964	179,964
TOTAL Non-current assets (A)	**1,355,477**	**1,292,154**
Inventories	54,743	48,906
Contract work in progress	1,526,939	1,704,498
Trade receivables	26,343	29,055
Amounts due from customers	530,438	447,798
Other assets	256,877	238,408
Tax assets	77,537	82,565
Payments on account from customers	(277,984)	(520,777)
Subtotal	**2,194,893**	**2,030,453**
Trade payables	(58,857)	(62,326)
Payables to suppliers	(977,869)	(1,056,770)
Other liabilities	(332,568)	(358,096)
Subtotal	**(1,369,294)**	**(1,477,191)**
Operating working capital (B)	**825,599**	**553,262**
Employee benefits	(7,146)	(7,145)
Provisions for risks and charges	(27,017)	(21,781)
Total Provisions (C)	**(34,163)**	**(28,925)**
Net invested capital (D) = (A) + (B) + (C)	**2,146,913**	**1,816,490**
Cash and cash equivalents	355,019	576,401
Current loan assets	27,625	50,733
Current portion of financial assets from concession activities	10,763	10,194
Securities held for trading	6,434	303
Current financial liabilities	(850,196)	(818,883)
Non-current financial liabilities	(1,533,209)	(1,391,415)
Non-recourse financial debt	(70,763)	(81,425)
Net financial position of disposal groups	152,828	183,763
Net financial debt (E)	**(1,901,500)**	**(1,470,328)**
Non-current portion of financial assets from concession activities	122,259	120,945
Non-current loan assets	110,389	82,335
Total financial debt (F)	**(1,668,853)**	**(1,267,049)**
Equity attributable to owners of the Parent	(453,119)	(518,740)
Equity attributable to non-controlling interests	(24,941)	(30,702)
Total Equity (G) = (D) - (F)	**478,060**	**549,442**

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Total non-current assets amounted to EUR 1,355.4 million (EUR 1,292 million in December 2017). More specifically, Property, plant, equipment and investment property totalled EUR 189.2 million (EUR 179.1 million in December 2017), following movements related to leasing agreements to purchase TBMs to be used to dig the Brenner Base Tunnel Lot Mules 2-3, in Italy. Equity investments totalled EUR 402.9 million (EUR 390.5 million in December 2017) mainly due to the quarter's financial results including changes in reserves suspended among equity. Non-current assets held for sale remained unchanged at EUR 180 million (in line with the December 2017 figure). The last two figures basically reflect the results of progress of the planned disposal of some specific concession assets which resulted in inclusion among non-current assets held for sale of the carrying amounts of investments which the Company feels may be disposed of in the near future (assets referring to the Third Bosphorus Bridge in Turkey and the West Metropolitan Hospital in Santiago in Chile) based on available information.

Operating working capital totalled EUR 825.6 million (EUR 553.3 million in December 2017), showing **a seasonal-related trend typical of this part of the year** and linked to the payment cycles of the main public-sector counterparts the Group works with. Indeed it must be recalled that the average use seen in the first quarter of the last five years is more than EUR 200 million.

More specifically, the trend of this item is determined by the Group's operating performance: (*i*) **trade receivables and amounts due from customers totalled EUR 556.8 million** (EUR 476.8 million in December 2017) due to increases seen with regard to projects in progress in Italy and in Chile and to the partial reduction linked to credit items connected with the M-11 Moscow-St. Petersburg motorway in Russia (this resulted in a slight increase in the average days of payment from approximately 60 days in December 2017 to approximately 65 days in March 2018); (*ii*) **trade payables and payables to suppliers totalled EUR 1,036.7 million** (EUR 1,119.1 million in December 2017) and saw a reduction linked above all to projects in progress in Turkey, Russia and Canada, which generated a reduction in the average days of payment from approximately 200 days in December 2017 to approximately 180 days in March 2018, offering proof of the major support the Group guarantees for its strategic partners; (*iii*) **contract work in progress (net of payments on account from customers) totalled EUR 1,249 million** (EUR 1,183 million in December 2017) and was affected both by operating aspects linked to industrial production and by the effects of first-time adoption of the new IFRS 15 ("*Revenue from contracts with customers*") and IFRS 9 ("*Financial instruments*"). Moreover, the quarterly trend did not benefit from collection of all the contractual advances linked to recent new acquisitions in the construction segment (expected over the coming months). As regards the first three months of 2018, approximately EUR 13 million was collected, linked to advances for new contracts in Nicaragua (Chinandega New Hospital) and Honduras (Arenal Hydroelectric Project).

Net invested capital amounted to EUR 2,146.9 million (EUR 1,816 million in December 2017) as a result of the aforementioned trends.

Equity attributable to owners of the Parent totalled EUR 453.1 million (EUR 518.7 million in December 2017) further to the quarterly profit of EUR 17.3 million, to the trends of items suspended among equity and to the effects of first-time adoption of the new IFRS 15 ("*Revenue from contracts with customers*") and IFRS 9 ("*Financial instruments*"). More specifically, the net effect of adoption of the two new standards generated a reduction of equity attributable to owners of the Parent of EUR 73.7 million, EUR 17.7 million for IFRS 9 and EUR 56 million for IFRS 15.

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Equity attributable to non-controlling interests totalled EUR 24.9 million (EUR 30.7 million in December 2017) further to the aforementioned trends, resulting in **total equity of EUR 478.1 million** (EUR 549.4 million in December 2017).

SUMMARY TABLE OF THE EFFECTS ON EQUITY RESULTING FROM THE FIRST-TIME ADOPTION OF IFRS 15 AND IFRS 9
(figures shown in EUR/000)

	Share capital	Retained earnings	Other comprehensive income (expense)	Equity attributable to owners of the Parent	Equity attributable to non-controlling interests	Total equity
Balance at 1 January 2018 without the effects of the adoption of the new standards	**195,770**	**459,562**	**(136,592)**	**518,740**	**30,702**	**549,442**
Measurement of financial assets	--	(34,926)	8,973	**(25,954)**	--	**(25,954)**
Fair value measurement of non-controlling interests	--	--	1,714	**1,714**	--	**1,714**
Impairment	--	(3,857)	--	**(3,857)**	(60)	**(3,917)**
Measurement of financial liabilities	--	7,122	--	**7,122**	--	**7,122**
Adoption of IFRS 9 on associates and joint ventures	--	(2,237)	--	**(2,237)**	--	**(2,237)**
Related tax effect	--	7,696	(2,153)	**5,542**	--	**5,542**
Total effect of IFRS 9 adoption	--	**(26,203)**	**8,533**	**(17,670)**	**(60)**	**(17,730)**
Tender costs	--	(30,450)	--	**(30,450)**	--	**(30,450)**
Combination of contracts	--	(17,369)	--	**(17,369)**	--	**(17,369)**
Separation of performance obligations	--	(26,813)	--	**(26,813)**	--	**(26,813)**
Related tax effect	--	18,610	--	**18,610**	--	**18,610**
Total effect of IFRS 15 adoption	--	**(56,022)**	--	**(56,022)**	--	**(56,022)**
Balance at 1 January 2018 with the effects of the new Standards adoption	**195,770**	**377,337**	**(128,059)**	**445,048**	**30,642**	**475,690**

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Breakdown of Group's financial structure

BREAKDOWN OF NET FINANCIAL DEBT
(figures shown in EUR/000)

		31/03/2018	31/12/2017	30/09/2017	30/06/2017	31/03/2017
Cash		355,019	576,401	533,558	478,054	417,218
Securities held for trading		6,434	303	249	355	670
Cash and cash equivalents	A	**361,453**	**576,704**	**533,807**	**478,408**	**417,888**
Current loan assets		27,625	50,733	46,099	46,244	34,477
Current portion of financial assets from concession activities		10,763	10,194	9,793	9,751	
Current loan assets	B	**38,387**	**60,927**	**55,892**	**55,995**	**34,477**
Current portion of bank loans and borrowings		(553,007)	(542,522)	(604,654)	(691,108)	(449,905)
Current portion of bonds		(14,738)	(1,584)	(14,864)	(18,112)	(15,980)
Current portion of non-current debt		(271,322)	(268,426)	(213,854)	(185,805)	(171,354)
Other current loans and borrowings		(11,129)	(6,351)	(6,123)	(5,656)	(6,312)
Total Current Financial Debt	C	**(850,196)**	**(818,883)**	**(839,495)**	**(900,680)**	**(643,551)**
Non-current portion of bank loans and borrowings		(626,957)	(495,228)	(559,178)	(310,734)	(444,209)
Bonds		(879,258)	(879,294)	(879,161)	(878,503)	(874,883)
Other non-current financial liabilities		(26,994)	(16,893)	(17,087)	(18,386)	(19,962)
Total Non-current financial debt	D	**(1,533,209)**	**(1,391,415)**	**(1,455,426)**	**(1,207,623)**	**(1,339,054)**
Total Gross Debt	E=C+D	**(2,383,405)**	**(2,210,298)**	**(2,294,920)**	**(2,108,303)**	**(1,982,605)**
Gross non-recourse debt	F	**(70,763)**	**(81,425)**	**(79,919)**	**(82,732)**	**(10,416)**
Total Net Financial Debt	G=A+B+E+F	**(2,054,328)**	**(1,654,091)**	**(1,785,140)**	**(1,656,632)**	**(1,540,655)**
Net financial position of disposal groups	H	152,828	183,763	191,882	186,296	41,271
Total Financial Debt	I=G+H	**(1,901,500)**	**(1,470,328)**	**(1,593,259)**	**(1,470,336)**	**(1,499,384)**
Non-current loan assets		30,672	31,503	39,507	39,620	45,299
Subordinated loans		79,717	50,832	41,313	36,902	227,942
Non-current portion of financial assets from concession activities		122,259	120,945	120,176	118,771	6,757
Non-current loan assets	L	**232,648**	**203,279**	**200,997**	**195,292**	**279,998**
Total net financial debt	M=I+L	**(1,668,853)**	**(1,267,049)**	**(1,392,262)**	**(1,275,043)**	**(1,219,386)**
Treasury shares in portfolio	N	3,023	3,079	3,008	3,073	3,801
Net financial exposure of the Group	O=M+N	**(1,665,830)**	**(1,263,970)**	**(1,389,255)**	**(1,271,970)**	**(1,215,585)**

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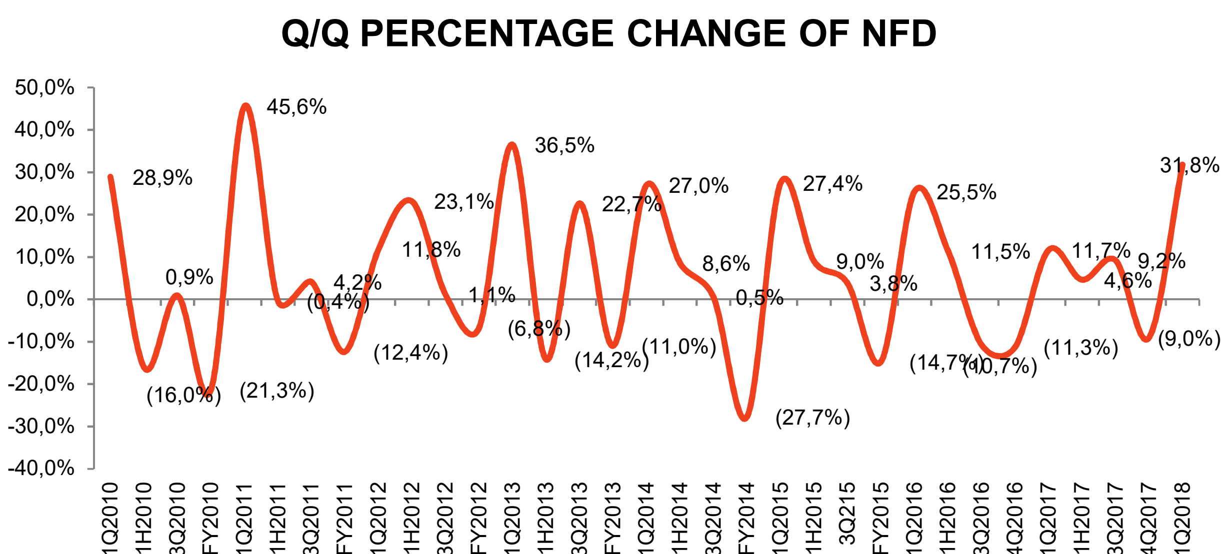
The net financial exposure of the Group totalled EUR 1,665.8 million (EUR 1,264 million in December 2017 and EUR 1,215.6 million in March 2017) which, including treasury shares on hand, means a **total net financial debt of EUR 1,668.8 million** (EUR 1,267 million in December 2017 and EUR 1,219.4 million in March 2017). The quarterly financial trend was affected by the operating working capital trend which, as mentioned previously, offered peaks of **use typical of the first quarter of the year**. Moreover, during the first three months of 2018, **EUR 37 million of planned investments were made**, EUR 18 million of which for the Construction segment (technical investments) and the remaining EUR 19 million for the Concessions segment (equity and semi-equity at values including the effects of fair value measurement). In any case, the **increase seen during the quarter had been envisaged by the Company** based on forecast flows, as well as on the payment trends typical of the main public-sector customers the Group works with. The graph below shows the quarterly trends of historical net financial debt levels thus demonstrating the quarterly performance.

Q/Q PERCENTAGE CHANGE OF NET FINANCIAL DEBT



Gross debt (excluding non-recourse debt) totalled EUR 2,383 million (from approximately EUR 2,210 million in December 2017). In addition to the aforementioned operating trends, it is also useful to contextualise the Group's profile, in view of achievement of the capital and financial strengthening programme the Group is working on (the manoeuvre). Indeed, less use was made of without recourse factoring during the first quarter (for approximately EUR 90 million) which is normally an instrument widely-used by the Group in order to optimise financial resources. Moreover, as already stated above, special support was given to suppliers during the quarter with a relative drop in trade payables of approximately EUR 80 million.

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STATEMENT OF CASH FLOWS
(figures shown in EUR/000)

	Q1 2018	Q1 2017
A) Net cash flow used in operating activities	(345,631)	(122,243)
B) Net cash flow from (used in) investing activities	(9,883)	30,094
C) Cash flow from (used in) financing activities	134,131	(4,259)
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS (A+B+C)	**(221,382)**	**(96,407)**
Opening cash and cash equivalents*	**576,401**	***513,625**
Closing cash and cash equivalents	**355,019**	**417,218**

* At 1 January 2017, the figure included bank deposit referring to disposal groups, totalling EUR 7.1 million.

The financial flow trend for the first three months of 2018 shows an overall decrease in net cash and cash equivalents of EUR 221.4 million against a decrease of EUR 96.4 million in the corresponding interim period of last year.

Cash flow used in operating activities **–** The financial flow used in operating activities during the first three months of 2018, totalling EUR 345.6 million (EUR 122.2 million in Q1 2017) reflected the effects of the season and especially the payment cycles of public-sector counterparts that are generally concentrated in the second half of the year. In addition to this, Q1 2018 was affected by the effects of support given to develop projects in progress in Poland, Romania, Chile and Italy which generated higher production levels compared to 2017. As regards international activities, note must also be taken of the delays in finalising figures and hence in collecting some financial milestones related to the Saida–Tiaret railway line in Algeria.

Cash flow from (used in) investing activities – The financial flow used in investing activities during the first three months of 2018 totalled EUR (9.9) million (the result was positive by EUR 30.1 million in 2017) and can mainly be attributed to investments made during the quarter in the concessions segment (EUR 7.2 million). In this regard, note must be taken of additional payments of semi-equity to the SPVs Ankara Etlik Hastane A.S. (Etlik Integrated Health Campus in Ankara in Turkey) and Sociedad Concesionaria Metropolitana de Salud S.A. (Western Metropolitan Hospital in Santiago de Chile).

Cash flow from (used in) financing activities – During the first three months of 2018, financing activities generated financial resources of EUR 134.1 million (negative by EUR 4.2 million at 31 March 2017). This was mainly due to net cash and cash equivalents acquired further to partial use of existing committed and uncommitted credit facilities.

INVESTMENTS

Technical investments, net of disposals made during the quarter, totalled EUR 18 million, referring mainly to projects in progress in Italy and Central America.

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Gross concession investments, made during Q1 in the form of equity and semi-equity (so-called shareholder loan to SPVs of concession projects) totalled approximately EUR 19 million (inclusive of the effects of fair value measurement as per IFRS 9), mainly referring to Etlik Integrated Health Campus in Ankara in Turkey, Line 4 of Milan underground in Italy and West Metropolitan Hospital in di Santiago in Chile. The result is concession investments to date – meaning Astaldi's shares of equity and semi-equity, paid into SPVs linked to the projects, as well as relative working capital – of EUR 770 million. The value listed includes EUR 133 million referring to Venice-Mestre hospital in Italy and La Punilla hydroelectric plant in Chile, by way of financial assets from concession activities – meaning the portions of investment covered by guaranteed cash flow, as detailed in IFRIC-12. It must also be noted that, at the reporting date, approximately 28% of the aforementioned EUR 770 million (in other words approximately EUR 218 million) can be referred to projects classified as available for sale.

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Order backlog

The **order backlog in progress amounts to EUR 17.6 billion**, **58% of which referring to Construction**, **14% to O&M** and the remaining **28% to interests in Concession projects**. As regards this figure, **Italy accounts for 34% of contracts** and the remaining **66% refers to international activities in progress (mainly Europa and America)**. The quarterly figure includes new orders and contractual increases totalling approximately EUR 646 million mainly referring to EPC contracts in Italy, Europe and North America, in line with business plan forecasts.

The total order backlog amounts to over EUR 24.8 billion, including **EUR 7.2 billion of potential orders** (including, inter alia, EUR 631 million of orders acquired subsequent to the reporting period or for which the Group has received final awarding, but signing of the contract is pending). It must be recalled that potential orders are to be taken as acquired rights, but subject to the realisation of various conditions precedent (closure of financing, approval of various bodies, etc.).

On the whole, the **progressive focusing of activities on contracts awarded in accordance with a logic of a variety of technical and quality-related elements** (hence, not solely on price) can be confirmed. These, by their very nature, are able to offer **optimal financial profiles and margins**. The backlog structure also confirms the **progressive focus on areas with a lower risk profile, in keeping with Group forecasts and strategies.**

The **book-to-bill ratio stood at 1.13x** (0.5x for Q1 2017) at suitable levels with regard to the Group's planned growth.

MAIN NEW ORDERS DURING THE PERIOD

ITALY – BICOCCA-CATENANUOVA RAILWAY LINE (*construction*) – EUR 186 million (34.226% referring to Astaldi's interest), for doubling of the Bicocca-Catenanuova section of the Palermo-Catania railway line in Italy. The contract involves the construction design and performance of works along a route which will run for approximately 38 kilometres. Works have been commissioned by RFI (Italy's State Railways) and the planned duration of works is 54 months including 6 months for design activities.

ITALY – WORKS TO IMPROVE GENOA'S RAILWAY LINK (*construction*) – EUR 67 million (100% Astaldi), for works to complete the Colombo, San Tommaso and Polcevera tunnels, as part of the programme to improve the railway link in Genoa, Italy. More specifically, completion of excavation and lining of the Colombo and San Tommaso tunnels within the city is planned (Lot 1) as well as the performance of works to extend the Voltri bypass to the west of the city (Polcevera tunnel, Lot 2), for a total of 5.5 kilometres of new railway line, almost all of which runs through tunnel. The planned duration of works is 27 months. Works have been commissioned by RFI (Italy's State Railways).

ROMANIA – BRAILA BRIDGE (*construction*) – EUR 435 million (Astaldi has a 60% interest and is leader), for construction of a suspension bridge on the River Danube in the Braila area in Romania. The contract involves the design and construction of a suspension bridge measuring a total of 1,975 metres, with a central span of 1,120 metres and two side spans of 490 and 365 metres. The construction of 2 viaducts to access the bridge, measuring 110 metres is also planned, as well as approximately 23 kilometres of link roads. As regards

performance of the works, 1 year is envisaged for design activities and 3 years for construction. The customer is CNAIR which is controlled by Romania's Ministry of Transport and Infrastructures. The works are included in the Transport Master Plan approved for the country and are financed with dedicated EU funds as part of Europe's POIM programme. Design and construction will be performed by a JV including IHI (Japan, 40% interest).

USA (FLORIDA) – WEKIWA PARKWAY (*construction*) – USD 108 million (EUR 90 million, 100% Astaldi), for construction of a section of Wekiva Parkway in Florida. The contract involves the construction of 8 kilometres of new highway along the State Road 429-State Road 46 route (Wekiva Parkway, Section 7A), including 12 bridges and related works. The planned duration of works is just over 5 years. The customer is Florida Department of Transportation (FDOT – District 5, a US state agency in charge of developing the transport infrastructure system in Florida). The works are financed through FDOT funding. The works are being performed by ACC (Astaldi Group).

INDIA – NORTH-SOUTH LINE 4 MUMBAI UNDERGROUND, WADALA-KASARWADAVALI SECTION (*construction*) – EUR 168 million (equal to INR 13.5 billion), EUR 84 million of which referring to Astaldi's interest, for the construction, using the EPC formula, of three lots of the Mumbai underground (North-South underground Line 4, Wadala-Kasarwadavali section). Works involve the design and construction of approximately 20 kilometres of railway viaduct and 18 stations, all above ground, as part of the project to link the Wadala neighbourhood (in the centre of Mumbai) with the Thane neighbourhood. The works are split into three lots: (i) Wadala-Chembur section (Package 8, 6.4 kilometres of viaduct, 6 stations, 2 interconnections); (ii) Gandinagar Junction-Bhandup Sonapur section (Package 10, 6.7 kilometres of viaduct, 6 stations); (iii) Kapurbawdi-Kasarvadavali section (Thane) (Package 12, 6.8 kilometres of viaduct, 6 stations). The works have an estimated duration of 30 months and shall be performed as a joint venture together with Reliance Infrastructure Ltd (India). The customer is Mumbai Metropolitan Region Development Authority (MMRDA), that will finance the works using state funding.

CANADA, TEQ – approximately EUR 54 million (CAD 78 million, referring to the Company's interest), for new contracts mainly in the civil construction segment in Montreal and Quebec to be performed by TEQ (Astaldi Group).

MAIN ACQUISITIONS AFTER THE REPORTING PERIOD

INDIA – VERSOVA-BANDRA SEA LINK DI MUMBAI (*construction*) – EUR 780 million (INR 62.4 billion), EUR 390 million of which refers to Astaldi's interest, for construction of the Versova-Bandra Sea Link in Mumbai using the EPC formula. The new infrastructure will be located at approximately 900-1,800 metres from the coast of Mumbai and will involve the performance of complex sea works that will be developed for a length of approximately 17.7 kilometres, linking the districts of Versova and Bandra. The Main Bridge also involves the construction of a cable-stayed bridge with a central span of 150 metres and 3 bridges of variable section, with a main span of 100 metres, in order to guarantee navigation in the area. The works will last 60 months and are set to commence shortly. Infrastructure maintenance activities are also envisaged for a period of 2 years. The works will be performed as part of a joint venture with Reliance Infrastructure Limited. The customer is Maharashtra State Road Development Corporation (MSRDC) and the works will be financed through state funding.

MEXICO – LAND TRANSPORT INTERMODAL HUB (CITT), TO SERVE THE NEW INTERNATIONAL AIRPORT IN MEXICO CITY (EPC Contract) – USD 350 million, EUR 120 million of which referring to Astaldi Group. The contract represents Astaldi Group's first step in a new market, Mexico, which fits into its geographical diversification strategy, offering major development opportunities in the reference segment. As per the Group's strategy, its joining of this new country plays on a partnership with a local contractor in this case too. The works will be performed as a JV with Arendal Group, one of Mexico's operators in the infrastructure market. The contract involves, inter alia, the construction of a 5-floor facility, designed by the architect Norman Foster, which will be used as a hub for land transport arriving at the city's new international airport, currently under construction. The facility will have a total surface area of 450,000 square metres. The roof will be used as a green area. Works shall have an estimated duration of 32 months, and are set to commence in June. The customer is Grupo Aeroportuario Ciudad México (GMCM), the company in charge of constructing and operating the new international airport in Mexico City.

CHILE – RECURSOS NORTE MINING PROJECT (EL TENIENTE DIVISION) (*construction*) – EUR 73 million (CLP 53.4 billion, works of Phase 1), with the possibility of an increase up to an additional maximum of EUR 85 million. The works, commissioned by CODELCO and to be performed in several phases up to 2022, form part of the project for underground development of the El Teniente copper mine which is located at an altitude of between 1,500 and 1,900 metres on the Andes, 80 kilometres to the south of Santiago de Chile. The works of Phase 1, worth EUR 73 million, involve the design and construction of 2 tunnels - an access tunnel and a tunnel for material transportation – for a total length of 5 kilometres. Additional works worth EUR 42 million, are also envisaged, to be started up at the customer's request. The works of Phase 2, worth EUR 43 million, involve the construction of an additional 2.6 kilometres of access tunnel. Works are set to start by the first half of 2018. CODELCO (Corporación Nacional del Cobre de Chile) is the leading copper producer in the world and a well-established customer of Astaldi Group in the Chilean mining sector. El Teniente represents one of its most productive mines, generating 8% of the country's total copper production.

MAIN ADDITIONAL OPTIONS AND CONTRACTS TO BE FORMALISED/FINANCED TO DATE

ITALY – MONOPOLI-FASANO NEW HOSPITAL IN SOUTH-EAST BARI (*construction*) – EUR 73 million (70% of which referring to Astaldi's interest). The construction contract involves performance of all civil works and systems for a new hospital complex of excellence in Puglia, which will provide 299 hospital beds and 9 operating theatres for a total surface area of 178,000 square metres. The customer is the loca health authority of the Province of Bari. The duration of works is equal to 3 years and the contract will be signed, as is standard, upon completion of the award procedure.

VERONA-PADUA HS/HC RAILWAY LINE (Vicenza-Padua, 2nd and 3nd Operational Lot) (*construction*) – The project refers to the contract phase for design and construction of the Verona-Padua high-speed/high-capacity railway line which ASTALDI holds a 37.49% interest in through Consorzio IRICAV DUE, the General Contractor awarded the works. Specifically, the amounts entered among commercial options refer to the Vicenza-Padua 3rd Operational Lot.

CHILE – LA PUNILLA HYDROELECTRIC PROJECT (*construction and operation concession*) – The project involves the design, construction and operation of a multi-purpose hydroelectric plant with a storage capacity of 625 million m^3 and installed power of 94 MW. The plant will serve to improve the storage capacity of water

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for irrigation and to improve the electricity generation capacity of the BíoBío region and SIC (Sistema Interconectado Central) which powers the city of Santiago de Chile. Approval of the environmental impact study is pending for this project in order to be able to start up activities prior to financial closing.

Summary Tables

OVERALL ORDER BACKLOG STRUCTURE
(figures shown in EUR/000)

	Order backlog at 01/01/2018	***Acquisitions (*) 2018***	***Decreases for production***	***Order backlog in execution at 31/03/2018***	***Other projects(**)***	***Total order backlog***
Construction	**10,131**	**646**	**(547)**	**10.230**	**2.963**	**13.193**
Transport infrastructures	**8,009**	**582**	**(326)**	**8.265**	**2.155**	**10.420**
Railways and undergrounds	*4,834*	*219*	*(149)*	*4.904*	*1.170*	*6.074*
Roads and motorways	*2,873*	*363*	*(136)*	*3.100*	*806*	*3.906*
Airports and ports	*302*	*--*	*(41)*	*261*	*179*	*440*
Waterworks and energy production plants	**428**	**--**	**(54)**	***374***	**500**	***874***
Civil construction	**1,199**	***54***	**(74)**	***1.179***	**177**	***1.356***
Industrial Plants	**495**	***10***	**(93)**	***412***	**131**	***543***
O&M	**2,454**	**--**	**(27)**	**2.427**	**--**	**2.427**
BUSINESS ACTIVITIES BACKLOG	***12,585***	***646***	***(574)***	***12.657***	***2.963***	***15.620***
Concessions	**4,921**	**--**	**--**	**4.921**	**4.271**	**9.192**
Transport infrastructures	**4,687**	**--**	**--**	**4.687**	**2.431**	**7.118**
Civil construction	**189**	**--**	**--**	**189**	**0**	**189**
Energy production plants	**0**	**--**	**--**	**--**	**1.840**	***1.840***
Industrial Plants	**45**	**--**	**--**	***45***	**--**	**45**
TOTAL ORDER BACKLOG	***17,506***	***646***	***(574)***	***17.578***	***7.234***	***24.812***

(1) New orders and contractual increases.

(2) Options, first classifieds and orders acquired after the reporting period.

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ORDER BACKLOG BY GEOGRAPHICAL AND BUSINESS SEGMENTS
(figures shown in EUR/000)

	Order backlog at 01/01/2018	*Acquisitions (*) 2018*	*Decreases for production*	*Order backlog in execution at 31/03/2018*	*Other projects(**)*	*Total order backlog*
Italy	**6,041**	**130**	**(176)**	**5,995**	**1,016**	**7,011**
International	**11,465**	**516**	**(398)**	**11,583**	**6,218**	**17,801**
Europe	7,991	267	(176)	8,082	1,388	9,470
America	3,332	160	(207)	3,285	4,440	7,725
Africa	80	--	(15)	65	--	65
Asia	62	89	--	151	390	541
TOTAL ORDER BACKLOG	**17,506**	**646**	**(574)**	**17,578**	**7,234**	**24,812**

(1) New orders and contractual increases.

(2) Options, first classifieds and orders acquired after the reporting period.

	Order backlog at 01/01/2018	*Acquisitions (*) 2018*	*Decreases for production*	*Order backlog in execution at 31/03/2018*
Italy	**6,041**	**130**	**(176)**	**5,995**
Italy // Construction	4,406	130	(151)	4,385
Italy // Concessions	353	--	--	353
Italy // O&M	1,282	--	(25)	1,257
International	**11,465**	**516**	**-398**	**11,583**
International // Construction	5,725	516	(396)	5,845
International // Concessions	4,568	--	--	4,568
International // O&M	1,172	--	(2)	1,170
TOTAL ORDER BACKLOG	**17,506**	**646**	**-574**	**17,578**

(1) New orders and contractual increases.

(2) Options, first classifieds and orders acquired after the reporting period.

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Events after the reporting period and outlook

In May 2018, Astaldi S.p.A., IHI Corporation and IHI Infrastructure Systems Co., a subsidiary of IHI Corporation, signed a strategic business agreement (“Global Partnership Agreement”) aimed at optimising respective skills and potential through synergies, including of a commercial nature. At the same time, Astaldi S.p.A, (“Astaldi” or the “Company”), its main shareholders, FIN.AST S.r.l. (“FINAST”) and Finetupar International S.A. (“Finetupar”), a Luxembourg-based company 100% owned by FINAST, and IHI Corporation (“IHI”) also signed an investment agreement (“Investment Agreement”) under which, following the share capital increase announced to the market (see above), IHI will acquire a significant non-controlling interest in the Company equal to 18% of Astaldi’s share capital and 13% of its overall voting rights. FINAST will continue to hold control of Astaldi, directly and through Finetupar, maintaining approximately 50.2% of voting rights.

IHI Corporation is at the head of a Japanese group listed on the Tokyo stock exchange with a consolidated turnover of approximately EUR 12 billion, an important position in the infrastructures segment (with turnover amounting to approximately EUR 1.3 billion) and sound experience in bridge building and construction materials.

Astaldi and IHI have worked together successfully in the past, on construction of Osman Gazi Bridge in Turkey, the fourth longest suspension bridge in the world forming part of the Gebze-Orhangazi-Izmir motorway. The partnership between Astaldi and IHI also proved profitable as regards awarding of the contract to build the Suspension Bridge over the River Danube in Braila in Romania in January 2018.

Therefore, in light of these positive experiences, Astaldi and IHI decided to consolidate their relations by signing a strategic agreement aimed at making best use of their respective commercial strong points and respective complementary business skills, both in terms of geographical positioning and technological know-how, and hence to improve Astaldi and IHI’s competitive positioning on the infrastructures market at a global level. Astaldi and IHI will consolidate their integrated abilities through the strategic agreement, in order to build large infrastructures offering the best solution for the market’s needs.

The Investment Agreement, which accompanies the strategic business agreement, provides for FINAST and Finetupar, in relation to their respective interest in the Company’s capital, to transfer to IHI a part of their respective option rights for subscription of the newly-issued shares resulting from Astaldi’s capital increase, approved today by Astaldi’s Board of Directors for a total amount of EUR 300 million, which will be optioned to shareholders.

Based on the Investment Agreement, the overall investment will be equal to approximately EUR 112.5 million, of which (*i*) a part shall be paid to FINAST and Finetupar to purchase their share of option rights resulting from the Capital increase and (*ii*) the remaining part shall be paid for subscription and payment of newly-issued Astaldi shares resulting from exercise of the aforementioned option rights related to the Share capital increase. FINAST and Finetupar have undertaken in turn to fully exercise their due option rights not transferred to IHI; financial resources collected from transfer of option rights to IHI shall be used for subscription and payment of the relative newly-issued shares in relation to the Share capital increase.

Once the operation has been completed, further to complete subscription and payment of the capital increase, IHI will hold an interest of approximately 18% of Astaldi’s share capital and will hold approximately 13% of voting rights, while FINAST (directly and through Finetupar) will hold approximately 35% of Astaldi’s share

capital and approximately 50.2% of overall voting rights. Therefore, FINAST (directly and through Finetupar) will continue to hold the majority of Astaldi voting rights.

The Investment Agreement contains mutual representations and guarantees and termination clauses generally used for these types of transactions, in addition to specific shareholders' agreements, including inter alia, (a) FINAST's commitment to procure the appointment of a candidate designated by IHI in the capacity of member of the Board of Directors of Astaldi, to be performed in accordance with the most appropriate procedures and timeframe to be agreed in good faith between the parties, and (b) a 3-year l*ock-up* agreement during which no interest in Astaldi's capital can be transferred without the prior consent of FINAST and Finetupar (with the exception of transfer of IHI's complete interest to any of its fully-owned subsidiary).

The Investment Agreement is subordinate to the satisfaction (by 1st October 2018) of specific conditions precedent, including the subscription and enforcement of a guarantee agreement with one or more banks, aimed at ensuring complete subscription and payment of the share of the Capital Increase that will not be subscribed and redeemed by FINAST, Finetupar and IHI by virtue of the investment agreement.

For more detailed information regarding the provisions of the shareholders' agreement set forth in the Investment Agreement, please refer to the "essential information" that will also be published on Astaldi's institutional website, as provided for in current legislation.

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The Board of Directors of Astaldi S.p.A. ("Astaldi" or the "Company") met on 15 May 2018 to resolve to submit to the approval of the Shareholders' Meeting ("Meeting") a share capital increase for consideration (subject to an amendment of the Bylaws in order to eliminate the express indication of the par value of shares) for a maximum amount of EUR 300 million, including any share premium, through the issue of new ordinary shares, to be offered to the Company's shareholders via a rights offering pursuant to Article 2441, paragraph 1, of the Italian Civil Code (hereinafter, "Share Capital Increase").

The Board of Directors also resolved, inter alia, to approve the **Astaldi Group's Strategic Plan for the 2018-2022 period.**

Share capital increase

The **Share capital increase constitutes part of a financial manoeuvre**, already disclosed to the market in the past months (most recently in the press release dated 15 March 2018) and explained in greater detail herein, aimed at strengthening Astaldi's capital and financial structure so as to support growth and investment targets (the "**Manoeuvre**"). The aim of the Manoeuvre is to pursue more effectively the Group's planned growth and development detailed in the 2018-2022 Strategic Plan, approved by the Board of Directors (see below), as well as to take advantage of the best conditions possible in relation to the overall programme of refinancing of medium-/long-term corporate financial debt, with the aim of extending maturities and reduce the relating cost, subject to market conditions.

The Board of Directors designated the Chairman to set the call dates of the ordinary and extraordinary Shareholders' Meeting, in order to resolve upon the Share capital increase as well as with regard to some amendments to the Bylaws and certain Ordinary Shareholders' Meeting resolutions provided for in the context of the transaction involving IHI (as per the Investment Agreement, see above) linked to the Manoeuvre aimed

at ensuring, inter alia, the success of the Share capital increase. The shareholders' meeting is expected to be called within the end of June in order to launch the Share capital increase by the third quarter of 2018.

Launch of the rights offering, just as the final conditions for the issuance of the new shares are subject to approval by the Shareholders' Meeting, as well as, together with the relevant calendar, to the issue by the Italian securities and exchange commission ("CONSOB" or "Commissione Nazionale per le Società e la Borsa") of the approval of the prospectus relating to the rights offering and admission to trading on the Mercato Telematico Azionario, organized and managed by Borsa Italian S.p.A., of the Company's new shares.

The issue price for shares resulting from the Share capital increase will be set by the Board of Directors, following approval by the Shareholders' Meeting and near to the start of the offering period.

As outlined above, Astaldi, IHI Corporation and IHI Infrastructure Systems Co., a subsidiary of IHI Corporation, have entered into an industrial strategic partnership ("*Global Partnership Agreement*") aimed at enhancing respective skills and strengths through synergies, including of a commercial nature. At the same time, Astaldi, its reference shareholders, FIN.AST S.r.l. ("FINAST") and Finetupar International S.A. ("Finetupar"), a Luxembourg-based company 100% owned by FINAST, and IHI Corporation ("IHI") have also signed an investment agreement ("Investment Agreement"), subject to the satisfaction of certain conditions precedent, under which, following the share capital increase announced, IHI will acquire a significant non-controlling interest in the Company equal to approximately 18% of Astaldi's share capital and approximately 13% of its overall voting rights. Following the Share capital increase and based on the Investment Agreement, FINAST will continue to hold control of Astaldi, directly and through Finetupar, maintaining approximately 50.2% of voting rights.

As mentioned above, as regards the Investment Agreement, the total investment will amount to EUR 112.5 million, of which (*i*) a part will be paid to FINAST and Finetupar for purchase of the portion of option rights resulting from the Share capital increase, which FINAST and Finetupar will transfer to IHI in proportion to their respective interests in the Company's capital, and (*ii*) the remaining part shall be paid to Astaldi for subscription and payment of newly-issued Astaldi shares resulting from exercise of the above mentioned option rights related to the Share capital increase, to be made by IHI at least one day prior to the deadline of the offering period. FINAST and Finetupar have undertaken in turn, as regards the Company and IHI, to fully exercise their option rights not transferred to IHI; financial resources received from the transfer of option rights to IHI, together with other own resources will be used for subscription and payment of the related newly-issued shares in relation to the Share capital increase.

As regards the Share capital increase, the Company has signed with a leading international bank (the "Sole Global Coordinator") an agreement in which the Sole Global Coordinator has undertaken to enter into, together with other financial institutions to be selected prior to launch of subscription of the share capital increase, a underwriting agreement regarding subscription of any newly-issued shares not taken up at the end of the rights offering and subsequent offer on the stock exchange. The main relationship banks of the Group have expressed their availability, under certain conditions, to support the Company in the Share Capital Increase. The underwriting agreement will concern a maximum amount equal to the difference between (x) the total amount of shares comprising the rights offering, and (y) the shares which FINAST, Finetupar and IHI have undertaken to subscribe pursuant to the Investment Agreement. The afore-mentioned agreement, entered into at terms and conditions in line with market practice for similar transactions, also provides that the execution of

the underwriting agreement will be subject to certain conditions precedent described in greater detail hereinbelow.

As regards the Equity-Linked Notes of a nominal total value of EUR 140,000,000.00, falling due on 21 June 2024, called "Euro 140,000,000 4.875 *per cent*. Equity Linked Notes due 2024", ISIN XS1634544248 ("**Equity-linked Loan**"), approved on 13 June 2017 and fully placed directly by the Company on 14 June 2017, the Company will adjust the conversion price pursuant to Article 20 of the "Terms and Conditions" of the Equity-linked Loan.

Strategic Plan 2018-2022 – "Building a Stronger Astaldi"

The **2018-2022 Strategic Plan**, approved by the Board of Directors, **confirms the Group's business model and strategies of in line with previous approaches**, while at the same time introducing two major elements, the industrial partnership with IHI and the Manoeuvre. In fact, the Group will continue to develop its own business activities based on three main drivers: sustainable growth, de-risking and strengthening of the financial structure. The two measures announced – the industrial partnership with IHI and the Manoeuvre – are part of these strategic drivers, further confirming the planned goals. These measures will be supported by additional transversal strengthening of the company's organisation, in terms of business skills, risk management and human resources of excellence which the Group has already available. On the whole, all of these measures are needed in order for the Group to achieve a better competitive and financial positioning in order to take full advantage of the growth opportunities the market has to offer.

Sustainable growth. Therefore, **Progressive re-focusing of business on EPC contracts is still one of the Group's main priorities.** Astaldi boasts an organisational structure able to successfully handle all the parts of an EPC contract (Engineering, Procurement, Construction). Compared to traditional contracts, these contracts are characterised by higher margins and tender selection based on multiple criteria (specific technical and engineering skills as well as the price), allowing the Group to diversify its own offer capacity. The decision to focus the Group's business on this type of contract has both financial, as well as industrial importance, insofar as EPC contracts are usually characterised by an excellent financial profile as regards the construction schedule and by independent and positive cash flow, ensuring more stable financial profiles with consequent benefits in terms of overall forecast cash flows. **Concessions will continue to play a supporting role in the growth of the Group's business activities** in accordance with an asset rotation logic and capital light investment model which allow for a lower level of resources committed compared to the past. **Expansion of O&M continues to be a strategic goal**. The Group aims at expanding in this sector, enhancing the specific activities performed in relation to concession projects currently in progress and, hence, in reference to assets which Astaldi has built, with consequent benefits in terms of profitability. Moreover, the sector does not require significant investments and offers a quick cash cycle, in line with the Group's capital light approach. The added value of the industrial partnership with IHI is part of these strategic drivers, and is expected to result in the integration of Astaldi's operating capacity with IHI's complementary skills (especially with respect to bridge engineering). Furthermore, the partnership may also provide the opportunity to access specialist sources of financing such as, for example, JBIC (Japan Bank for International Cooperation) that can contribute to the development of business using the capital light model.

De-risking. **Reduction of the overall risk of activities – de-risking – represents another key point of the planned growth.** In this regard, the Group has already consistently repositioned its activities in countries with

a lower risk profile (also through the opening of new markets) able to guarantee interesting infrastructure investment programmes in the short and medium-term. Therefore, growth in areas offering a low and medium level of risk will continue, such as Northern Europe, North and South America and the Far East, and the partnership with IHI will promote access to Far Eastern markets, while at the same time intensifying growth in some core markets. This approach will also ensure benefits in financial terms insofar as the areas with a low and medium level of risk typically offer a **better financial profile as regards contracts and greater certainty of collection cycles, able to improve cash flow quality** which goes to offset the slight reduction in margins. A more efficient cash flow profile for the Group is a key element in achieving the goal of optimising the working capital cycle and it is expected that de-risking also helps normalise the level of contractual advances and, more generally, of collection cycles which, combined with smaller concession investments, will increase the Group's ability to generate cash and make it possible to reduce both the net working capital/turnover ratio and debt. The new positioning aims also at avoiding the creation of new slow-moving working capital items, such as those already identified in Algeria and Romania for which the Group has already taken action.

Strengthening of Financial Structure. The Share capital increase is the first element of the **Manoeuvre worth in the aggregate over EUR 2 billion** approved by the Board of Directors, which represents a **complete overhaul of the Group's capital and financial structure**. Indeed, **increased financial flexibility** and the **reduction of debt and of the cost of debt** will be expected over the coming 18 months through (i) the aforementioned **Share capital increase for a maximum amount of EUR 300 million,** (ii) **renewal with extension of maturities (rollover) for over EUR 350 million of existing credit facilities**, (iii) **refinancing of the EUR 750 million bond due in 2020** and (iv) the **scheduled concession asset disposal for an amount equal to approximately EUR 790 million**. This will allow for a substantial improvement of the Company's and Group's leverage and liquidity ratios which are expected to be preliminary to improvement of the credit rating.

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Preliminary activities prior to the disposal of some specific concession assets (asset disposal programme) also continued, implemented in accordance with a model that, in line with business plan forecasts, is aimed at the Group retaining O&M activities related to the assets disposed of, as well as the construction activities still in progress. At the reporting date, **approximately 40% of planned disposals for the 2016-2018 period had been completed and action is going ahead as planned for other key projects**. Specifically, based on information available to date, the Company **can reasonably expect to be able to dispose of the interest in the SPV of the Third Bosphorus Bridge** in Turkey (together with the related shareholder loan) **during Q3 2018**. The Company shall continue with what is provided for in the 2018-2022 Strategic Plan, working to dispose of other concession assets.

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Lastly, it must be noted that in April and May, Astaldi Group acquired additional contracts in India (EUR 390 million referring to Astaldi's interest, for the Versova-Branda Sea Link in Mumbai), Mexico (EUR 120 million referring to Astaldi's interest, for the Land Transport Intermodal Hub to serve Mexico City's new International Airport) and Chile (EUR 73 million with Astaldi having a 100% interest, for the Recursos Norte Mining Project, El Teniente Division). For more information regarding the individual projects, please refer to the section herein entitled "Order Backlog".

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Reclassified consolidated financial statements

RECLASSIFIED INCOME STATEMENT
(figures shown in EUR/000)

	31/03/2018		31/03/2017	
Revenue	573,629	95.0%	614,100	94.3%
Other operating revenue	30,332	5.0%	37,344	5.7%
Total Revenue	**603,961**	**100.0%**	**651,444**	**100.0%**
Production cost	(413,991)	-68.5%	(419,536)	-64.4%
Added value	**189,970**	**31.5%**	**231,907**	**35.6%**
Personnel expenses	(119,582)	-19.8%	(158,404)	-24.3%
Other operating costs	(8,519)	-1.4%	(15,484)	-2.4%
Change in costs capitalised for fulfilling future contracts	668	0.1%	--	0.0%
Share of profits / (losses) of joint ventures and associates	12,126	2.0%	27,000	4.1%
EBITDA	**74,664**	**12.4%**	**85,019**	**13.1%**
Amortisation and depreciation	(9,436)	-1.6%	(11,838)	-1.8%
Provisions	(33)	0.0%	(427)	-0.1%
Impairment losses	(33)	0.0%		0.0%
EBIT	**65,161**	**10.8%**	**72,755**	**11.2%**
Net financial income and expense	(40,320)	-6.7%	(39,526)	-6.1%
Pre-tax profit / (loss)	**24,841**	**4.1%**	**33,229**	**5.1%**
Tax expense	(7,026)	-1.2%	(8,260)	-1.3%
Profit / (loss) for the period	**17,815**	**2.9%**	**24,969**	**3.8%**
(Profit) / loss attributable to non-controlling interests	(529)	-0.1%	130	0.0%
Profit / (loss) attributable to owners of the Parent	**17,285**	**2.9%**	**25,099**	**3.9%**

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RECLASSIFIED STATEMENT OF FINANCIAL POSITION
(figures shown in EUR/000)

	31/03/2018	**31/12/2017**
Intangible assets	83,127	79,187
Property, plant, equipment and investment property	189,218	179,073
Equity investments	402,942	390,527
Other net non-current assets	500,225	463,403
Non-current assets held for sale	179,964	179,964
TOTAL Non-current assets (A)	**1,355,477**	**1,292,154**
Inventories	54,743	48,906
Contract work in progress	1,526,939	1,704,498
Trade receivables	26,343	29,055
Amounts due from customers	530,438	447,798
Other assets	256,877	238,408
Tax assets	77,537	82,565
Payments on account from customers	(277,984)	(520,777)
Subtotal	**2,194,893**	**2,030,453**
Trade payables	(58,857)	(62,326)
Payables to suppliers	(977,869)	(1,056,770)
Other liabilities	(332,568)	(358,096)
Subtotal	**(1,369,294)**	**(1,477,191)**
Operating working capital (B)	**825,599**	**553,262**
Employee benefits	(7,146)	(7,145)
Provisions for risks and charges	(27,017)	(21,781)
Total Provisions (C)	**(34,163)**	**(28,925)**
Net invested capital (D) = (A) + (B) + (C)	**2,146,913**	**1,816,490**
Cash and cash equivalents	355,019	576,401
Current loan assets	27,625	50,733
Current portion of financial assets from concession activities	10,763	10,194
Securities held for trading	6,434	303
Current financial liabilities	(850,196)	(818,883)
Non-current financial liabilities	(1,533,209)	(1,391,415)
Non-recourse financial debt	(70,763)	(81,425)
Net financial position of disposal groups	152,828	183,763
Net financial debt (E)	**(1,901,500)**	**(1,470,328)**
Non-current portion of financial assets from concession activities	122,259	120,945
Non-current loan assets	110,389	82,335
Total financial debt (F)	**(1,668,853)**	**(1,267,049)**
Equity attributable to owners of the Parent	(453,119)	(518,740)
Equity attributable to non-controlling interests	(24,941)	(30,702)
Total Equity (G) = (D) - (F)	**478,060**	**549,442**

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Consolidated financial statements

Statement of profit or loss

(EUR/000)	**Q1 2018**	**Q1 2017**
Revenue from contracts with customers	573,629	614,100
Other Operating Revenue	30,332	37,344
Total Operating Revenue	**603,961**	**651,444**
Purchase costs	(99,100)	(69,597)
Service costs	(314,892)	(349,939)
Personnel expenses	(119,582)	(158,404)
Other operating costs	(8,519)	(15,484)
Total Operating Costs	**(542,092)**	**(593,425)**
Change in costs capitalised for fulfilling future contracts	668	0
Share of profits (losses) of joint venture and associates	12,126	27,000
Gross operating profit	**74,664**	**85,019**
Amortisation, depreciation and impairment losses	(9,469)	(11,838)
Provisions	(33)	(427)
Operating Profit	**65,161**	**72,755**
Financial income	34,677	41,570
Financial expense	(74,997)	(81,096)
Total Net financial expense	**(40,320)**	**(39,526)**
Pre-tax profit from continuing operations	**24,841**	**33,229**
Tax expense	(7,026)	(8,260)
PROFIT FOR THE PERIOD	**17,815**	**24,969**
Profit attributable to owners of the Parent	17,285	25,099
Profit (loss) attributable to non-controlling interests	529	(130)
Earnings per share		
Basic	EUR 0.18	EUR 0.26
Diluted	EUR 0.18	EUR 0.26

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Statement of comprehensive income

(EUR/000)	**Q1 2018**	**Q1 2017**
Profit (loss) for the period (A)	**17,815**	**24,969**
Change in fair value of cash flow hedge derivatives	2,955	15,685
Exchange differences from translation of financial statements in foreign currencies	(13,102)	(2,378)
Change in fair value of FVTOCI-accounted financial assets	300	0
Share of other comprehensive income (expense) of equity-accounted investees	3,880	(11,455)
Share of other comprehensive income (expense) of disposal groups	0	4,448
Tax effect	(2,676)	(3,037)
Other comprehensive income (expense), net of tax effect, to be subsequently reclassified to profit or loss (b1)	**(8,643)**	**3,263**
Actuarial gains (losses) on employee defined benefit plans	0	1
Other comprehensive income (expense), net of tax effect, that will not be subsequently reclassified to profit or loss (b2)	**0**	**1**
Total other comprehensive income (expense), net of tax effect (b1)+(b2)=(B)	**(8,643)**	**3,264**
TOTAL COMPREHENSIVE INCOME (EXPENSE) (A)+(B)	**9,171**	**28,233**
attributable to owners of the Parent	7,991	28,365
attributable to non-controlling interests	1,180	(132)

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Statement of Financial Position

(EUR/000)	**31/03/2018**	**31/12/2017**
ASSETS		
Non-current assets		
Property, plant and equipment	189,077	178,930
Investment property	141	143
Intangible assets	83,127	79,187
Equity investments	402,942	390,527
of which equity-accounted	*355,664*	*344,948*
Non-current financial assets	236,771	207,086
Other non-current assets	329,380	316,539
Deferred tax assets	166,722	143,057
Total Non-current assets	**1,408,161**	**1,315,469**
Current assets		
Inventories	54,743	48,906
Amounts due from customers	n.a.	1,704,498
Contract assets	1,520,139	n.a.
Change in costs capitalised for fulfilling future contracts	6,800	n.a.
Trade receivables	556,780	476,853
Current financial assets	45,617	62,661
Tax assets	77,537	82,565
Other current assets	377,728	344,507
Cash and cash equivalents	355,019	576,401
Total Current assets	**2,994,365**	**3,296,392**
Non-current assets held for sale	***332,792***	***363,727***
Total Assets	**4,735,317**	**4,975,588**

Statement of Financial Position

	31/03/2018	31/12/2017
EQUITY AND LIABILITIES		
Equity		
Share capital	196,850	196,850
Treasury shares	(1,108)	(1,080)
Legal reserve	33,163	33,163
Extraordinary reserve	297,652	297,568
Retained earnings	130,291	231,467
Other reserves	(83,663)	(1,461)
Other comprehensive expense	(151,031)	(154,879)
Deferred tax from other comprehensive income	13,678	18,287
Total capital and reserves	**435,834**	**619,915**
Profit (loss) for the period	17,285	(101,175)
Equity attributable to owners of the Parent	**453,119**	**518,740**
Profit attributable to non-controlling interests	529	3,448
Other comprehensive expense attributable to non-controlling interests	(4,679)	(5,550)
Deferred tax on other comprehensive income attributable to non-controlling interests	1,144	1,364
Capital and Other Reserves attributable to non-controlling interests	27,947	31,439
Equity attributable to non-controlling interests	**24,941**	**30,702**
Total Equity	**478,060**	**549,442**
Non-current liabilities		
Non-current financial liabilities	1,612,084	1,474,645
Employee benefits	7,146	7,145
Deferred tax liabilities	110,037	106,248
Other non-current liabilities	7,867	7,837
Total Non-current liabilities	**1,737,134**	**1,595,873**
Current liabilities		
Amounts due to customers	n,a,	520,777
Contract liabilities	277,984	n,a,
Trade payables	1,158,373	1,226,626
Current financial liabilities	865,264	844,298
Tax liabilities	40,900	67,204
Provisions for risks and charges	27,017	21,781
Other current liabilities	150,584	149,587
Total Current liabilities	**2,520,123**	**2,830,273**
Total Equity and Liabilities	**4,735,317**	**4,975,588**

Statement by the Manager in charge of financial reporting

(pursuant to Article 154-bis, subsection 2, of Legislative Decree No. 58/1998)

The undersigned Paolo Citterio, Astaldi's General Manager – Administration & Finance – in the capacity of Manager in charge of Financial Reporting, hereby declares, pursuant to Article 154-*bis*, subsection 2, of Legislative Decree No. 58/1998 (Consolidated Finance Act), that the accounting information contained herein tallies with accounting documents, ledgers and entries.

Rome, 15 May 2018

Signed by Paolo Citterio
(*Manager in charge of Financial Reporting)*