

9M 2013 Results

November 11, 2013

GOALS AND ACHIEVEMENTS FOR 2013

OUR GOALS

OUR ACHIEVEMENTS


- 
 Financial close and start-up of Turkish projects
- 
 Financial support to domestic projects in order to deliver the projects in line with the contractual milestones
- 
 Consolidation of activities in Russia
- 
 Opening of new markets: Canada
- 
 Rationalization of non-core markets

- Financial closing reached in the last nine months
 - Gebze-Orhangazi-Izmir Motorway Phase-1, US\$2.8bn in March 2013
 - Third Bosphorus Bridge, US\$2.5bn in Sept. 2013
 - €3.6bn of new orders transferred from potential backlog to orders in execution
- Deliver of a first lot of Milan Subway Line 5 and support to second lot notwithstanding the delay in order to reach the financial close
- Opening of the main terminal of the Pulkovo International Airport by end of November 2013
 - Full launch of construction activities for Western High-Speed Diameter in St. Petersburg
- CAD1bn contract (Muskrat Falls Hydroelectric Project) to be included in backlog by year end
- Closing of activities in the Middle East (oil&gas sector)

GOALS AND ACHIEVEMENTS FOR 2013


OPERATIONAL GOALS

OUR ACHIEVEMENTS

 Implementation of the execution of large and technologically complex projects




- Completed projects
 - Milan Subway Line 5 Zara-Bignami stretch (Italy): 4.1km with 7 stations
 - Brescia Subway (Italy): 14km with 17 stations
 - Jonica National Road Lot DG-21 (Italy): approx. 22km
 - Huanza Hydroelectric Project (Peru): 92MW
- Upside in terms of release of provisions and availability of HR to be used on new projects
- New construction activities
 - Gebze-Orhangazi-Izmir Motorway (Turkey) – 421km including one the longest suspension bridges at international level
 - Third Bosphorus Bridge – (i) The widest suspension bridge worldwide (width: 59meters) with the highest tower worldwide (height: 322 meters)

 Integration construction-concession, that guarantees higher margins and a “reservoir” of opportunities for asset disposals



- Starting of operation phase in the last nine months for:
 - Prato and Pistoia Hospitals in Tuscany, 1,100+ beds
 - Milan Subway Line 5 Zara-Bignami section
- For a total of 13 initiatives
 - 3,675 car parks, 3 hospitals (1,780+ beds, 5,740 car parks), 1 hydroelectric plant (110MW), 1 airport (5,000,000 passengers capacity), over 230km of highway, 1 subway line (4.1km, 7 stations)

 Bond market and extension of debt maturities



- Car parks disposal: final steps to achieve sale within end of the year
- Issued an Equity-Linked Bond in January 2013.

- **Strong growth in the orders backlog in execution +24.5% to €12.7bn increases revenue visibility in 2014-2015**
 - New orders for €4.2bn, of which €1.8bn in Q3
 - Approx. €22bn of Total potential backlog, including orders in pipeline
- **Revenue growth in line with budget to meet 2013 targets**
 - 3Q 2013 Revenues €574.7mn, -2% vs. 3Q 2012
- **Strong growth in profitability**
 - **3Q 2013 EBIT margin at 10%, €57.4mn +9.4% vs. 3Q 2012**
- Working capital dynamics weigh on Total Net Debt at €896mn in 3Q 2013. Net debt is expected to reduce by year end thanks to both disposal of concessions and positive cash-flow from new projects
- **Year end targets**
 - Revenues: \approx €2.5bn EBIT margin $>$ 9% Net Debt: \approx €800mn

STRONG GROWTH IN THE ORDERS BACKLOG +24.5% AT €12.7BN INCREASES REVENUE VISIBILITY IN 2014-2015

New orders for €4.2bn, € 1.8bn of which in Q3

9M-New orders - Construction

— Turkey: €945mn

- *Third Bosphorus Bridge: US\$2.5bn (33.33% Astaldi share)*
- *Gebze-Orhangazi-Izmir Motorway Phase-1: US\$2.3bn (18.6% Astaldi share)*

— Poland: €122mn

- *Krakow-Balice International Airport: €72mn*
- *Krakow-Balice Railway Project: €50mn*

— Chile: €121mn

- *Chuquicamata Mining Project Contract-2: €117mn*

— US (Florida): €110mn

- *Interstate-95: US\$67mn*
- *Veterans Expressway, SR-589: €35mn*
- *SR-5/US-1: €23mn*

— Canada: €59mn

- *Maissoneuve-Rosemont Hospital in Montréal: €30mn*
- *CESM Project in Montréal: CAD26mn*

9M-New orders - Concession

— Turkey: €2.7bn

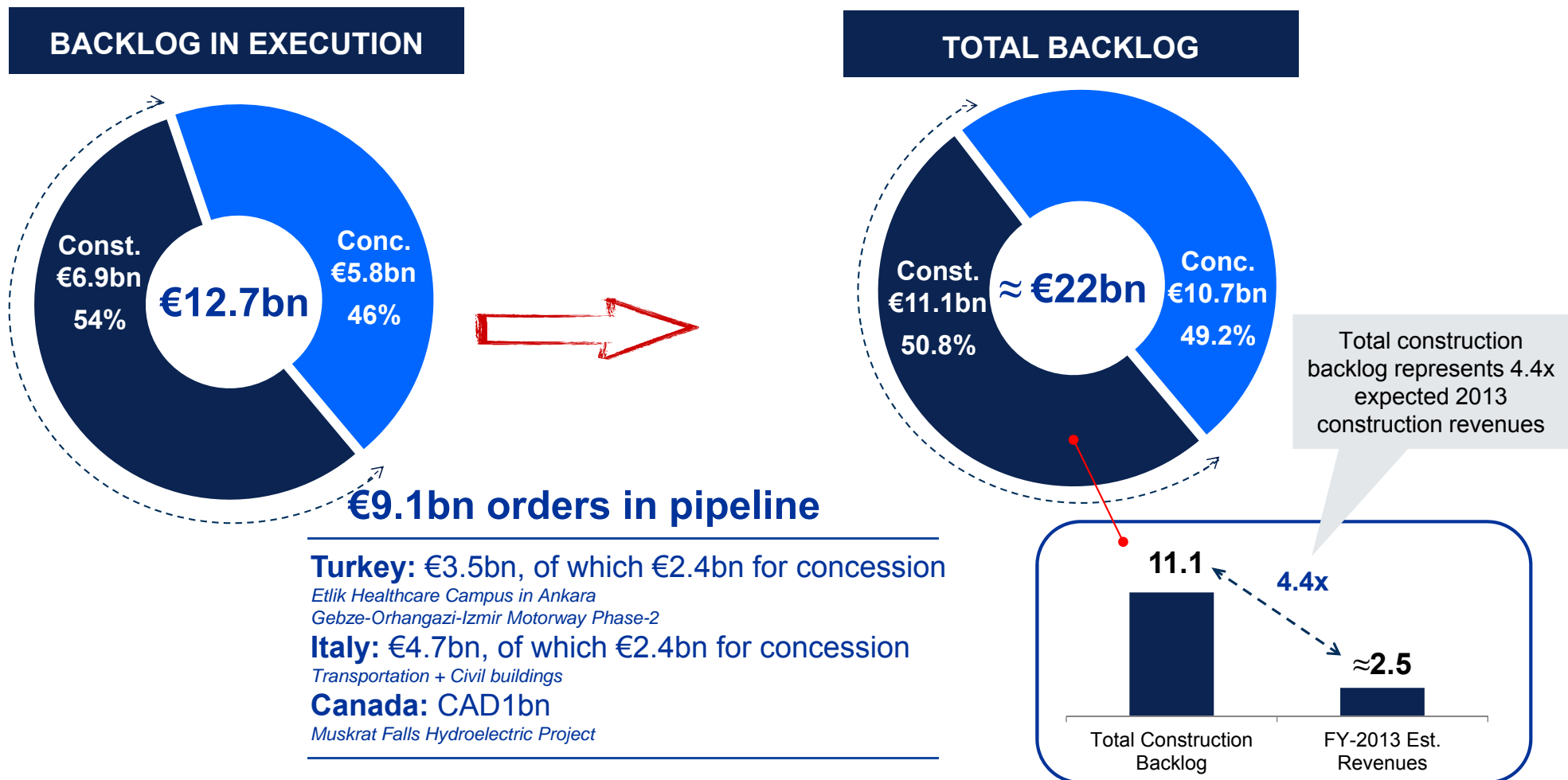
- *Third Bosphorus Bridge: US\$4.7bn (33.33% Astaldi share)*
- *Gebze-Orhangazi-Izmir Motorway Phase-1: US\$11bn (18.86% Astaldi share)*



Gebze-Orhangazi-Izmir Motorway Project – [CLICK HERE!](#)

STRONG GROWTH IN THE ORDERS BACKLOG +24.5% AT €12.7BN INCREASES REVENUE VISIBILITY IN 2014-2015

The dual integrated construction-concession approach guarantees
a significant and growing order backlog



REVENUE GROWTH IN LINE WITH BUDGET TO MEET 2013 TARGET

- 2013 Revenue Target is confirmed at ≈2.5bn.
- Nine months revenues in line with budget as Q4 will benefit from the strong contribution to revenues from projects in Russia and Turkey

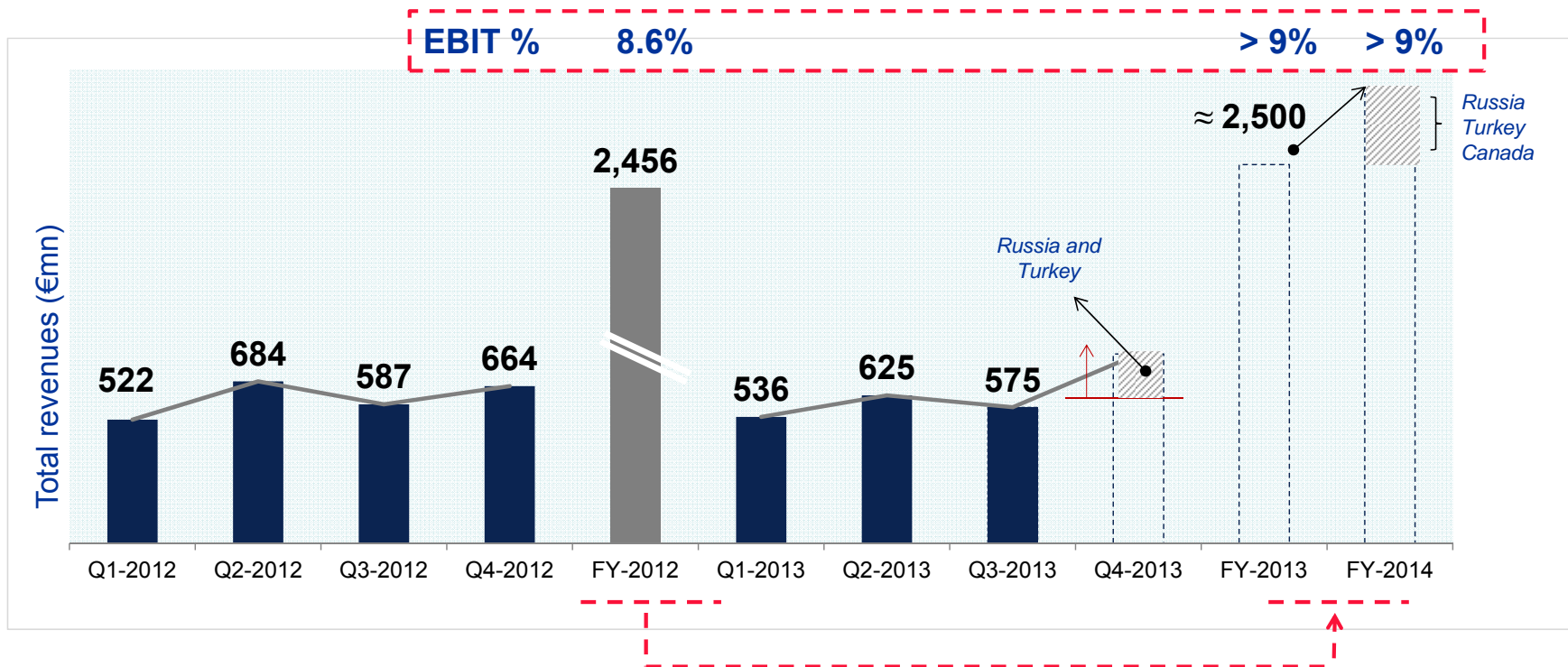
(EUR/000.000)	9M 2013	9M 2012	Q4 2013
TOTAL REVENUES	1,735	1,793	> 750
Italy	39.2%	39.5%	
RoW	60.8%	60.5%	
Europe	36.7%	36.0%	
America	16.3%	14,1%	
Asia (Middle East)	2.2%	2,9%	
Africa (Algeria)	5.6%	7,5%	

**Year-End Target
Revenues: ≈ €2.5bn**

Strong contribution in
Q4 from Russia and
Turkey

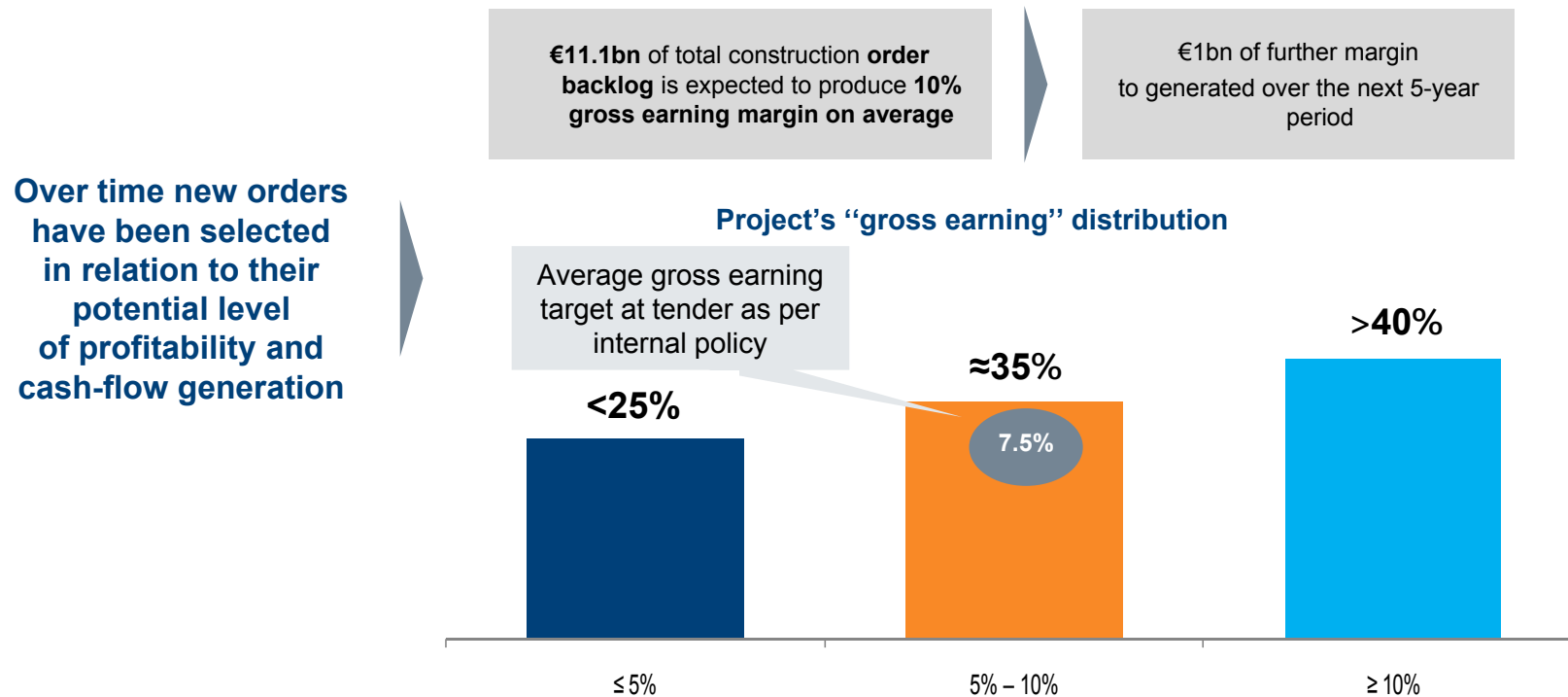
REVENUE GROWTH IN LINE WITH BUDGET TO MEET 2013 TARGET

- Q3 2013 Revenues at €574.7mn -2% y/y
- Revenues are expected to pick up in Q4 2013 thanks to the acceleration of production in Russia (WHS in St. Petersburg), Turkey (Gebze-Orhangazi-Izmir Motorway, Third Bosphorus Bridge) and Italy (Milan Subway Line 5, Rome Subway Line C)



STRONG GROWTH IN PROFITABILITY

- New orders won come from an accurate selection in terms of potential profitability and cash-flow generation
 - 3Q 2013 EBIT margin at 10%, EBIT €57.4mn +9.4% y/y
- The quality of the orders in execution guarantees > 9% EBIT margin over the next years



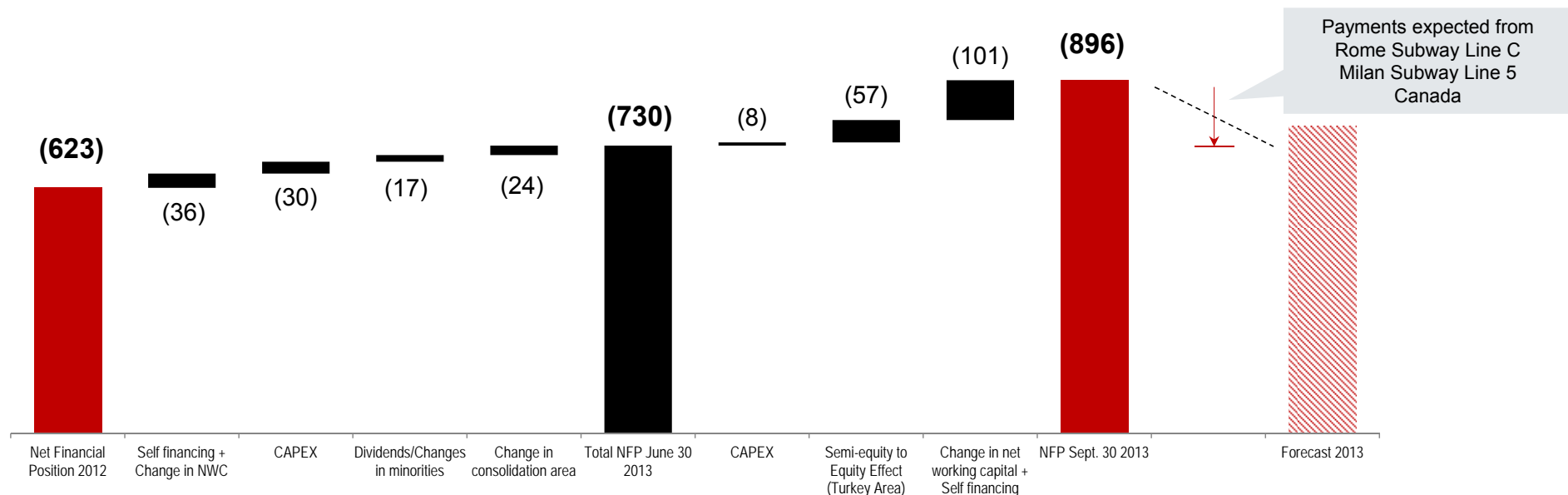
9M INCOME STATEMENTS

9M 2013 RESULTS	9M 2013	9M 2012	Y/Y CHANGE (%)
Main items €mn			
Total revenues	1,735.5	1,793.1	-3.2%
EBITDA EBITDA Margin	220.0 12.7%	186.1 10.4%	+18.2%
EBIT EBIT Margin	172.1 9.9%	151.1 8.4%	+13.9%
Net financial charges % on revenues	(73.8) -4.3%	(52.8) -2.9%	+39.9%
EBT EBT Margin	104.2 6.0%	100.4 5.6%	+3.8%
Net income Net margin	61.4 3.5%	60.4 3.4%	+1.6%

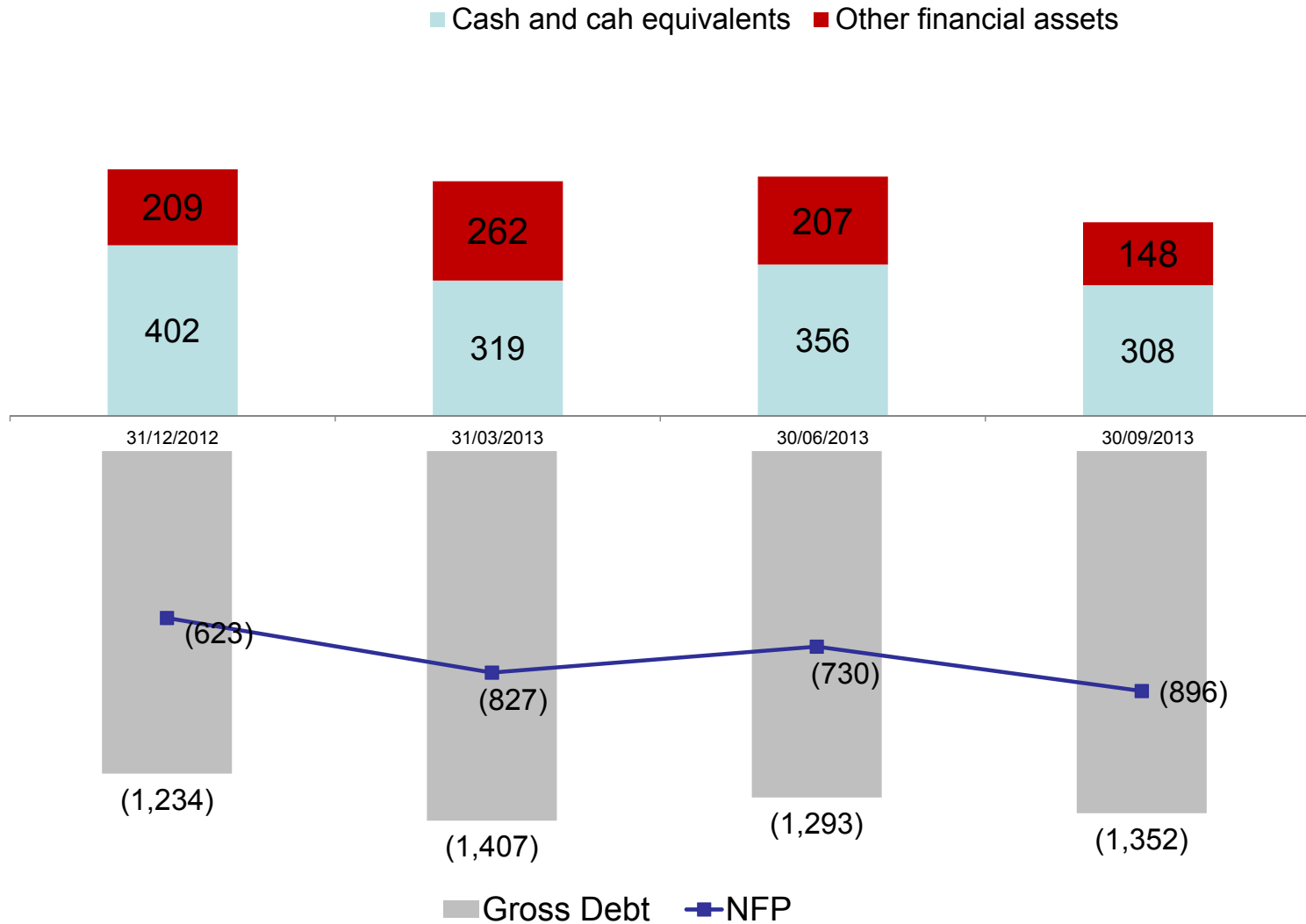
- **Revenues in line with 9M budget** notwithstanding the negative effect of depreciation of foreign currencies translation into euro. Such effect, while not significantly affecting margins, generated a drop in the amount of revenues of specific contracts.
- **Concession revenues amount to €23mn**
- **Net financial charges** increase mainly due to:
 - Non cash-item relating to fair value on equity-linked bond
 - Increased cost of debt as a result of higher average debt levels
 - One-off negative effects from foreign exchange translation

WORKING CAPITAL DYNAMICS WEIGH ON TOTAL NET DEBT AT €896MN IN 3Q2012

- 3Q Net debt affected by approx. €100mn of working capital increase due to the negative economic scenario which entailed payment delays. Astaldi has continued to financially support production to guarantee a normal execution program for contracts in Italy (Milan Subway Line 5). These outstanding credits are planned to be collected starting from Q4 2013
- 3Q Net debt includes €57mn of semi-equity conversion to equity related to Gebze-Orhangazi-Izmir Motorway concession project in Turkey
- Payments expected from Italy (Rome Subway Line C, Milan Subway Line 5) and Canada (Muskrat Falls Hydroelectric Project) are forecast to decrease net debt levels by year end to approx. €800mn



GROSS DEBT INCREASE OF €60MN IN Q3 2013



Appendix

CONSTRUCTION BACKLOG IN EXECUTION IN ITALY

Country	Project	Total Production	Stage of completion (%) 09/2013	Order backlog Astaldi share value (€/000)	Ending Year
Italy	Rome Subway, Line C - Phase 1	558.8	96%	21.2	2013
Italy	Rome Subway, Line C - T3 Phase	223.9	5%	213.2	> 2015
Italy	Rome Subway, Line C - T2 Phase	218.7	0%	218.7	> 2015
Italy	Jonica National Road (Lot "DG41")	474.5	1%	470.4	> 2015
Italy	Milan Subway Line 4	450.0	6%	424.7	> 2015
Italy	Milan Subway Line 5 – Phase 1	263.8	98%	4.2	2013
Italy	Milan Subway Line 5 – Phase 2	446.3	70%	134.6	2015
Italy	'Pedemontana Lombarda' Highway Project	211.9	76%	51.8	2014
Italy	New Hospital in Naples	140.6	6%	132.9	2015
Italy	Bologna High-Speed Railway Station	504.9	91%	47.4	2014
Italy	School for Police Officers in Florence	227.1	80%	44.7	2014
Italy	Four Hospitals in Tuscany	184.2	92%	14.2	2014
Italy	Parma - La Spezia Railway	192.0	82%	34.7	2014
Italy	Turin Railway Hub	572.2	99%	4.3	2013
Italy	"Infralegrea" Project in Naples	140.7	78%	30.8	2015
Italy	Other Initiatives			52.2	

**BACKLOG IN EXECUTION
IN ITALY**



<u>Construction Backlog Italy</u>	1,900.1
<u>Concessions (Italy)</u>	2,003.0
<u>Order backlog (Italy)</u>	3,903.1

CONSTRUCTION BACKLOG IN EXECUTION ABROAD

Country	Project	Total Production	Stage of completion (%) 09/2013	Order backlog Astaldi share value (€/000)	Ending Year
Algeria	Saida - Mulay Slissen Railway	756.4	54%	347.1	2015
Algeria	Saida - Tiaret Railway	266.4	22%	206.7	2015
Chile	Chuquicamata Mining Project – Contract-2	116.7	12%	103.0	> 2015
Chile	Chuquicamata Mining Project – Contract-1	137.0	35%	89.5	2015
Peru	Cerro del Aguila Hydroelectric Project	268.6	19%	218.2	> 2015
Poland	Warsaw Subway Line 2	361.6	66%	122.9	2014
Poland	Warsaw Railway Project	136.1	19%	110.4	2015
Poland	Kracow-Balice International Airport	72.0	3%	69.8	2015
Romania	Bucarest Subway Line 5	104.4	25%	77.8	2015
Romania	Metro Bucarest Line 4	41.5	1%	41.1	2015
Russia	Western High-Speed Diameter in St. Petersburg	1,094.9	6%	1,024.0	> 2015
Russia	Pulkovo International Airport in St. Petersburg	355.0	85%	54.6	2014
Turkey	Third Bosphorus Bridge	619.6	5%	589.0	> 2015
Turkey	Gebze-Orhangazi-Izmir Motorway (Phase 1)	313.9	38%	194.0	> 2015
Venezuela	Puerto Cabello - La Encrucijada Railway	1,678.0	60%	663.6	> 2015
Venezuela	San Juan De Los Morros - San Fernando de Apure Railway	670.7	43%	384.1	> 2015
Venezuela	Chaguaramas - Cabruta Railway	308.0	54%	140.9	> 2015
Abroad	Other Initiatives			517.3	

BACKLOG IN EXECUTION OUTSIDE ITALY



<i>Total Construction backlog (abroad)</i>	4,954.2
<i>Concessions (abroad)</i>	3,842.0
<i>Order backlog (abroad)</i>	8,796.2
<i>Total Order Backlog as of September 30, 2013</i>	12,699.3

CONSOLIDATED RECLASSIFIED INCOME STATEMENT

<i>EUR/000</i>	30/09/2013	% on revenues	30/09/2012	% on revenues
Revenues	1,658,951	95.6%	1,698,396	94.7%
Other operating revenues	76,601	4.4%	94,716	5.3%
Total Revenues	1,735,551	100.0%	1,793,113	100.0%
Cost of production	(1,256,020)	-72.4%	(1,334,881)	-74.4%
Added value	479,531	27.6%	458,231	25.6%
Personnel costs	(232,235)	-13.4%	(223,026)	-12.4%
Other operating costs	(27,281)	-1.6%	(49,059)	-2.7%
EBITDA	220,014	12.7%	186,146	10.4%
Amortisation and depreciation	(41,572)	-2.4%	(35,834)	-2.0%
Provisions	(3,787)	-0.2%	(143)	0.0%
Write-downs	(2,792)	-0.2%	(101)	0.0%
(Capitalisation of internal construction costs)	248	0.0%	1,026	0.1%
EBIT	172,112	9.9%	151,094	8.4%
Net financial income and charges	(73,828)	-4.3%	(52,758)	-2.9%
Effects of valuation of equity investments using equity method	5,934	0.3%	2,082	0.1%
Pre-tax profit (loss)	104,218	6.0%	100,417	5.6%
Taxes	(38,622)	-2.2%	(40,190)	-2.2%
Continuing operations	65,597	3.8%	60,228	3.4%
Net result of operations related to disposal groups	153	0.0%		0.0%
Profit (loss) for the year	65,749	3.8%	60,228	3.4%
Minority (profit) loss	(4,376)	-0.3%	162	0.0%
Group net profit	61,374	3.5%	60,390	3.4%

CONSOLIDATED RECLASSIFIED BALANCE SHEET

<i>EUR/000</i>	30/09/13	31/12/2012	30/09/2012
Intangible fixed assets	91,175	107,523	88,715
Tangible fixed assets	206,313	222,199	216,698
Equity investments	382,028	257,441	267,391
Other net fixed assets	61,277	55,558	47,125
Non-current assets held for sale	3,056		
Liabilities directly attributable to non-current assets held for sale	(14,118)		
TOTAL fixed assets (A)	729,730	642,720	619,929
Inventories	65,457	84,343	79,385
Contracts in progress	1,181,915	1,058,039	1,068,101
Trade receivables	66,903	31,517	32,095
Accounts receivable	978,384	803,560	806,835
Other assets	176,893	209,821	228,294
Tax receivables	100,623	143,067	138,603
Advances from customers	(539,694)	(479,397)	(373,282)
Subtotal	2,030,481	1,850,950	1,980,031
Trade payables	(215,445)	(143,451)	(167,246)
Due to suppliers	(727,413)	(817,538)	(892,736)
Other liabilities	(281,735)	(314,783)	(292,786)
Subtotal	(1,224,594)	(1,275,772)	(1,352,768)
Working capital (B)	805,888	575,178	627,263
Employee benefits	(10,185)	(9,367)	(8,958)
Provisions for non-current risks and charges	(23,414)	(28,578)	(22,627)
Total Provisions (C)	(33,599)	(37,945)	(31,585)
Net invested capital (D) = (A) + (B) + (C)	1,502,018	1,179,953	1,215,608
Cash and cash equivalents	306,347	400,215	372,232
Current financial receivables	21,786	3,393	2,474
Non-current financial receivables	53,808	50,935	52,124
Securities	1,367	1,347	1,350
Current financial liabilities	(511,565)	(527,614)	(500,077)
Non-current financial liabilities	(840,030)	(706,007)	(765,821)
Net financial payables / receivables (E)	(968,287)	(777,730)	(837,718)
Receivables from concessions	35,404	151,725	166,538
Net financial debt of disposal groups	34,484		
Total financial payables / receivables (F)	(898,399)	(626,005)	(671,179)
Group equity	(557,177)	(507,050)	(496,311)
Minority equity	(46,442)	(46,897)	(48,118)
Equity (G) = (D) - (F)	603,619	553,948	544,429