



Astaldi's BoD approves 2013-2018 Business Plan

**ASTALDI 2013-2018 BUSINESS PLAN:
OVER EUR 4 BILLION OF REVENUE IN 2018
INCREASE IN PROFITS AND DIVIDENDS. CONSOLIDATION OF FINANCIAL
STRUCTURE**

- **2018 targets and annual average growth rates:**
 - Consolidation of traditional markets and joining of new international areas
 - Increase in total order backlog to over EUR 33 billion, +10%
 - Revenue of over EUR 4 billion, +10%
 - Net income of EUR 230 million, +25%
 - Concessions: 40% of Group's net income in 2018
 - Dividends: Average annual increase of 7%

- **Consolidation of financial structure:**
 - 2018: Debt/Equity ratio of 0.6x – Debt/EBITDA ratio of 1.56x

- **Further growth opportunities from valuation of concession assets:**
 - Including the effects of asset valuation: Debt/Equity ratio of 0.1x – Debt/EBITDA ratio of 0.24x

Rome, 24 June 2014 – The Board of Directors of Astaldi S.p.A., chaired by Paolo Astaldi, met today to examine and approve the guidelines of the Group's Business Plan for the next five years.

The **2013-2018 Business Plan consolidates the existing development model by optimising synergies and integration processes** involving the various operating areas. They reflect the know how accrued in the **Construction and Concessions** segments, as well as the **skills consolidated in relation to plant engineering, engineering, project management, facility management and services.**

The new plan benefits from the results obtained during the previous Business Plan and pursues in the development of Group activities laying the foundations for a **more marked growth** compared to the previous plan. Indeed **additional consolidation of the Group's hallmark characteristics** (consolidated competitive positioning, top-quality order backlog and highly-qualified management) is planned for the next five years. New elements have also been introduced compared to the past, aimed at **increasing the Group's integrated offer capacity** and **maximising the value of concession projects through dynamic management of concession assets.**

Growth drivers

BUSINESS STRATEGY. The **total order backlog will amount to EUR 33 billion at the end of 2018**, with an **average annual growth rate of 10%**. **Construction will account for approximately EUR 20 billion of said total, and Concessions for EUR 13 billion.** Growth during the five-year period will be based on the contribution resulting from **consolidation of Canada, Central Europe (Poland) and Russia**, as well as on the **joining of new international areas** where the Group is already currently monitoring projects of interest. **More limited contributions will be obtained from Romania and Algeria. Italy will experience a slow upturn, the positive effects of which will start to be seen as from next year.** As regards sectors, the Group will continue to focus on sectors of greatest expertise (Transport Infrastructures, Civil Construction and Energy Production Plants), backed up by the synergies resulting from an increased Construction-Concessions integrated offer capacity.

PRODUCTION. **Revenue will increase to over EUR 4 billion by the end of 2018**, with an **average annual growth rate of 10%**. The sustainability of these targets is guaranteed by the total order backlog which already currently **covers approximately 70% of forecast aggregated revenue.** **The contribution from Canada and Poland will increase while the current production levels of Turkey and Russia will be maintained.** In addition, **the results of business activities in the new international areas will start to be seen as from 2016.** They will be able to offset the **confirmed smaller contribution from Venezuela and a smaller contribution from Algeria.** **Italy will confirm its role** in the Group's development policies, **while still accounting on average for less than 25% of the Group's revenue.**

MARGINS. Stabilisation of the order backlog and the lower risk profile of orders in progress make it possible to confirm an **EBIT margin of more than 9% during the five-year plan period.** Said target will be further supported by inclusion among the order backlog of contracts with a high technological content thanks to a increasingly integrated offer capacity.

FINANCIAL STRATEGY. The 2013-2018 Plan will benefit from the significant efforts made on the financial front during the year just ended. The obtainment of a corporate rating, bond issue and financial closing for some of the main projects in progress will ensure the support needed to achieve the set growth targets. The Group's reduced dependency on the banking system, extension of debt repayment deadlines and improved liquidity profile also favour additional consolidation of the financial structure. The result is a considerably improved financial situation, characterised by a Debt/Equity ratio of 0.6x and a Debt/EBITDA ratio of 1.56x in 2018 compared to the current 1.35x and 2.48x.

The **Group's net financial debt will amount to approximately EUR 700 million by the end of the five-year plan, with a positive net financial position of approximately EUR 180 million for the Construction sector**, and as funding of invested capital in the Concessions sector for the remaining part. **Concession investments will total EUR 463 million** during the five-year plan in relation to projects already included in the total backlog. Any additional new projects will be funded through cash generated by the sale of concession assets currently among the backlog.

Economic and financial targets

FY 2013*		2018 Targets		2013–2018 CAGR
Total Order Backlog ~ EUR 21 billion	→	Total Order Backlog ~ EUR 33 billion	→	~ +10% CAGR
Revenues ~ EUR 2.5 billion	→	Revenues > EUR 4 billion	→	~ +10% CAGR
Ebit % 9.3%	→	Ebit % ~ 9%	→	~ +9% CAGR
Net Income EUR 67 million	→	Net Income: ~ EUR 230 million <i>of which 40% from Concessions</i>	→	~ +25% CAGR
...				
Net Invested Capita: ~ EUR 1.4 billion <i>of which:</i> Concessions Invested Capital: ~ EUR 400 million	→	Net Invested Capital: ~EUR 1.9 million <i>of which</i> Concessions Invested Capital: ~ EUR 1 billion	→	2018 Target
Net Financial Position ~ EUR (797) million	→	Net Financial Position: ~ EUR (700) million <i>of which Construction NFP > 0 at EUR 180 million</i>	→	Debt/Equity: 0.6x
Net Equity EUR 592 milioni	→	Net Equity ~ EUR 1.2 billion	→	Debt/EBITDA: 1.56x

* Restated as per IFRS 11

The above targets do not include the additional opportunities arising from the valuation of concession assets. The concessions portfolio has reached a level of maturity that makes it possible to identify strategies targeted at crystallizing the value of these assets. If we were to include the estimated effects based on non-binding proposals received from funds (infrastructure/pension), the Group's debt would be almost completely eliminated with a Debt/Equity ratio of 0.1x and a Debt/EBITDA ratio of 0.24x.

...

The 2013-2018 Business Plan will be presented to the financial community in Milan on 26 June 2014. For more information, please consult www.astaldi.com.

...

ASTALDI GROUP is one of the leading General Contractors in Italy and among the top 25 at a European level in the construction sector where it also operates as a sponsor of project finance initiatives. It has been active for 90 years at an international level, developing complex and integrated projects in the field of design, construction and management of public infrastructures and large-scale civil engineering works, mainly in the transport infrastructure, energy production plant, civil and industrial construction and plant engineering sectors. Listed on the Italian Stock Exchange since 2002, it holds the 93rd position in the listings of Global Contractors at worldwide level. It ended 2013 with an order backlog of over EUR 13 billion and a turnover of over EUR 2.5 billion. It operates with more than 9,600 employees in Italy, Central Europe (Poland, Romania and Russia), Turkey, the Middle East (Saudi Arabia), Africa (Algeria), Latin America (Venezuela, Peru, Chile and Central America) and North America (Canada and the USA).

For more information:

Astaldi S.p.A.

Tel. +39 06/41766389

Alessandra Onorati

Head of External Relations and Investor Relations

a.onorati@astaldi.com __ www.astaldi.com

PMS Corporate Communications

Tel. +39 06/48905000

Giancarlo Frè Torelli

Andrea Lijoi