Interim Report on Operations
at 30 September 2014

ASTALDI Società per Azioni
Corporate and Head Office: Via Giulio Vincenzo Bona 65 - 00156 Rome (Italy)
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R.E.A. No.: 152353
VAT No.: 0080281001
Share Capital: EUR 196,849,800.00 fully paid-in

Contents

SUMMARISED DATA

Main consolidated financial results

(EUR/000)	30.09.2014	% on total revenue	30.09.2013*	% on total revenue	YOY change (%)
Total revenue	1,851,858	100.0%	1,724,965	100.0%	+7.4%
EBITDA	218,382	11.8%	218,193	12.6%	+0.1%
EBIT	171,011	9.2%	170,315	9.9%	+0.4%
EBT	98,520	5.3%	95,584	5.5%	+3.1%
Profit attributable to owners of the parent	60,513	3.3%	53,498	3.1%	+13.1%

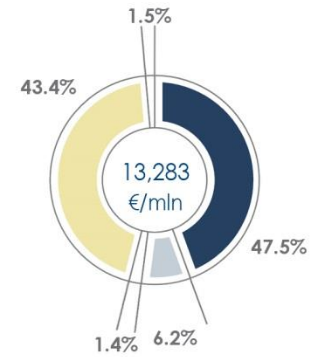
* Restated following application of IFRS-11 – *Joint arrangements*.

Main consolidated financial position figures

(EUR/000)	30.09.2014	31.12.2013*	30.09.2013*
Total net fixed assets	755,197	718,830	717,435
Working capital	972,443	704,192	806,438
Total provisions	(27,008)	(30,594)	(33,599)
Net invested capital	1,700,632	1,392,428	1,490,274
Total financial debt**	(1,107,778)	(800,235)	(898,384)
Equity attributable to owners of the parent	586,862	547,093	545,447
Total equity	592,854	592,193	591,890

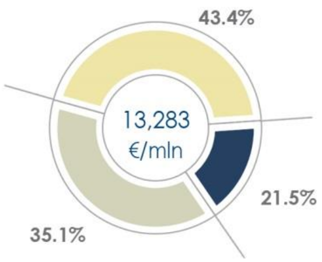
* Restated following application of IFRS-11 – *Joint arrangements*.
** Figure expressed inclusive of treasury shares on hand, equal to EUR 3.1 million in September 2014, EUR 2.7 million in September 2013 and EUR 2.9 million in December 2013.

Order Backlog and Revenue



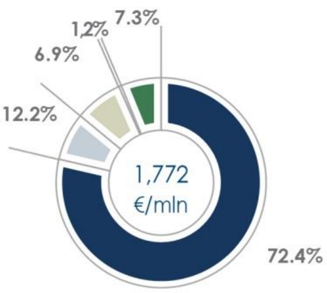
Order backlog by segment

(EUR/millions)	30.09.2014	31.12.2013
Transport infrastructures	6,316	6,105
Hydraulic works and energy production plants	817	1.010
Civil and industrial construction	192	265
Concessions	5,765	5,729
Plant Engineering, Maintenance and Management of Complex Systems	193	213
Total order backlog	13,283	13,322



Order backlog by geographical segment

(EUR/millions)	30.09.2014	31.12.2013
Construction - Italy	2,856	2,280
Construction - International	4,662	5,313
Concessions	5,765	5,729
Total order backlog	13,283	13,322



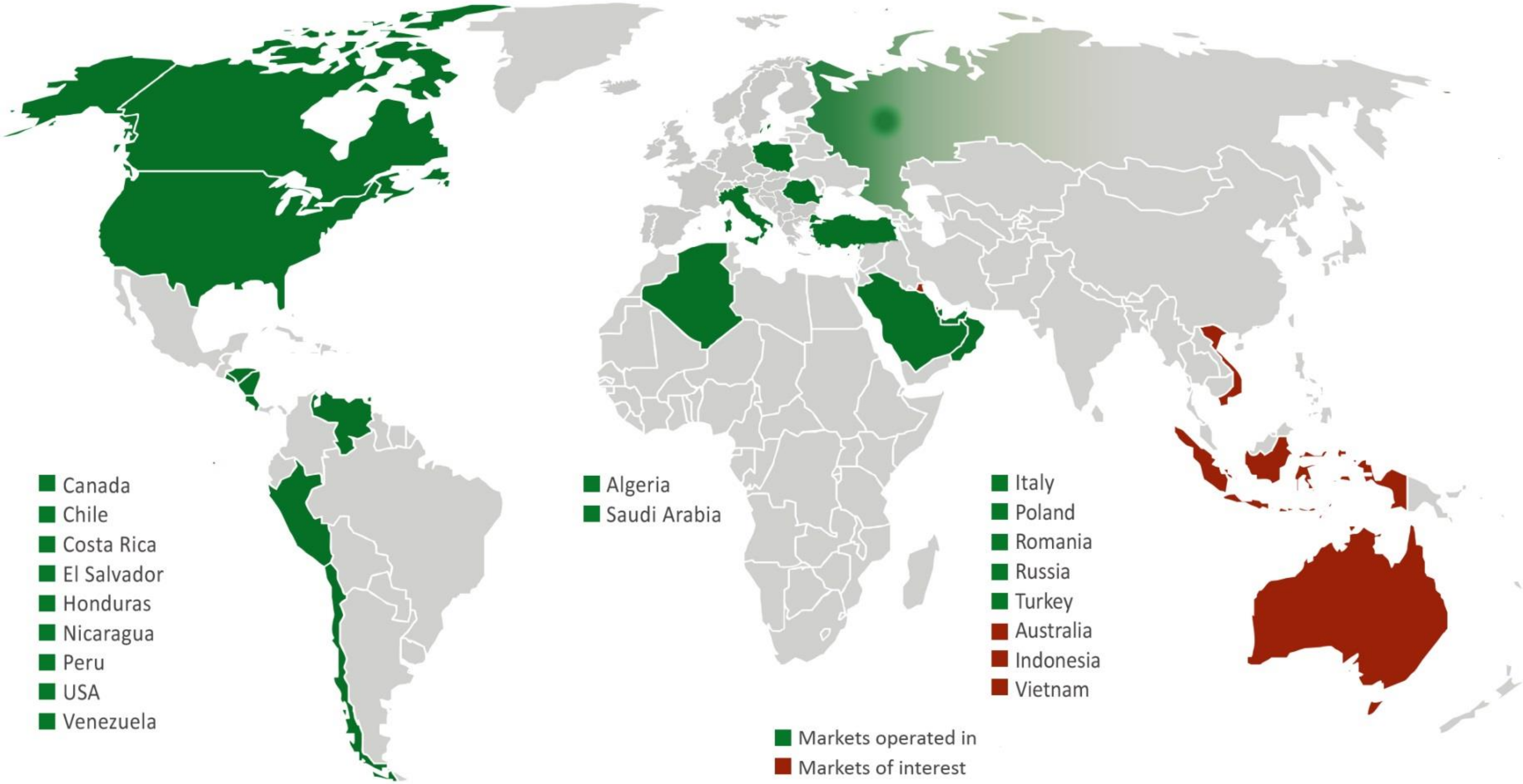
Revenue by segment

(EUR/millions)	30.09.2014	30.09.2013
Transport infrastructure	1,283	1,334
Hydraulic Works and energy production plants	217	57
Civil and industrial construction	123	123
Concessions	20	14
Plant Engineering, Maintenance and Management of Complex Systems	129	120
Total revenue	1,772	1,648

Revenue by geographical segment

(EUR/millions)	30.09.2014	30.09.2013
Italy	461	642
International	1,311	1,006
Total revenue	1,772	1,648

ASTALDI WORLDWIDE



COMMENTS ON OPERATING PERFORMANCE

The results for the first nine months of the year show the effects of the strategy adopted by the Group during the last two planning cycles listed below:

(a) complete repositioning of the geographical distribution of business which currently sees 95% of production in countries with a high financial rating (Investment Grade) and which ensures greater stability for the Group's economic and financial cycle;
(b) major focusing of the business strategy on EPC contracts of a significant unit value which favours an increase in production and results in the highest bracket of the market;
(c) investment in concession projects that had two immediate effects on operations: (i) contribution to the Group's economic growth in the highest bracket of its reference sector; (ii) increase in net financial debt as a result of equity investments in SPVs. In this regard, it must be noted that Astaldi Group has performed significant investments that have produced an increase in debt of over EUR 600 million in the last three years. Said investment will reach its apex within the latter part of 2014 and 2015 with the start-up of management activities related to the two key motorway concession projects expected by the end of 2015 (Third Bosphorus Bridge, Gebze-Orhangazi-Izmir motorway in Turkey) together with stabilisation of projects currently under management in Chile (Chacayes hydroelectric plant) and in Italy (Mestre hospital, Tuscan hospitals, Line 5 of Milan underground and Brescia-Padua motorway).

As already mentioned, the key international projects have entered into full production and positive progress has been recorded. Said contracts will be decisive for achievement of the growth targets for the coming years: more than 40% of works have been completed on the Third Bosphorus Bridge in Turkey while the Gebze-Orhangazi-Izmir motorway in Turkey and the Muskrat Falls Hydroelectric Project in Canada have entered into full production, with resolution of all the problems encountered during project start-up. At a commercial level, Italy recorded an increase in acquisitions in the public and private sectors, thus confirming the forecast slow upturn in the domestic sector as from 2015. As regards Venezuela, note must be taken of recommencement of the payment cycle for a total of the equivalent of EUR 56 million at 30 September 2014, in addition to subsequent collection of an additional EUR 6 million.

On the whole, the consequence of this strategy was a significant increase in the Group's earnings which will be further consolidated by collection of the dividends of the financial initiatives in progress in the concessions sector. In this regard, it should be noted that the level of risk associated with the individual projects in progress is lower. Indeed, the exchange rate risk regarding foreign projects is hedged in full while the income which the SPVs will collect from granting authorities are almost entirely linked to availability charges of the works, with a market risk that is the complete responsibility of the granting authorities and hence significantly mitigated. The result is a concession backlog that is especially appealing to institutional investors (pension funds, infrastructure funds, insurance companies, family offices). In line with the Plan's targets, the Group is developing a project that involves the setting-up of a corporate vehicle to bring together the financial investment of the aforementioned investors and with the aim of anticipating the economic and financial effects for the Group, as well as explicating the unexpressed values of backlog projects.

At 30 September 2014, **consolidated total revenue increased by 7.4% to EUR 1,851.9 million** (EUR 1,725 million at 30 September 2013). **The EBITDA margin was 11.8% with EBITDA of EUR 218.4 million** (12.6% and EUR 218.2 million for the first nine months of 2013). **EBIT totalled EUR 171 million with an EBIT margin of 9.2%** (EUR 170.3 million and 9.9% in September 2013). **EBT increased to EUR 98.5 million** (+3.1%, EUR 95.6 million for the same period of 2013), which net of estimated taxes of EUR 36.4 million (EUR 37.9 million in September 2013), meant a **net profit of EUR 60.5 million, up by 13.1%** (EUR 53.5 million in September 2013).

Net financial debt amounted to **EUR 1,104.7 million** (EUR 1,099 million at 30 June 2014, EUR 895.7 million at 30 September 2013 and EUR 797.4 million at 31 December 2013). Said figure was recorded taking into account **investments totalling EUR 143 million (EUR 102 million of which in Concessions)**. So at a financial level, high levels of debt continued to be recorded, in line with the previous quarter and resulting from the cyclical nature of receipts and the support guaranteed for current production and investment levels. It is felt it will be possible to limit said levels, also following the financial results expected from commercial projects currently being finalised and the project regarding the valorisation of concession assets. Lastly, as regards the end-of-year forecasts, a reduction in debt is expected, as set forth in the budget.

The consolidated order backlog amounts to EUR 13.3 billion with **EUR 1.7 billion of new orders and contract addenda**, 59% of which refer to Italy and the remaining 41% to international projects. 97% of the new projects refer to the Constructions segment and the start-up of all new projects is planned by the first half of 2015. This serves to confirm the sustainability of the Group's growth targets for production, even while not taking into account an additional **EUR 9.7 billion of potential orders** for the Group (40% for Construction and 60% for Concessions). The result is a **total backlog of over EUR 23 billion, including options and contracts signed and to be funded**. It must be recalled that potential orders are to be looked on as acquired rights subject to the occurrence in the short-term of various conditions precedent (financial closing, approval of various qualified bodies, etc.). Therefore, they are differentiated from orders in progress (corresponding to the consolidated backlog) solely for the purpose of being able to suitably represent, at an accounting level, what the Group is actually able to convert into production in the short-term.

Analysis of financial and operating results at 30 September 2014

Main consolidated financial results

(EUR/000)	30.09.2014	% on total revenue	30.09.2013*	% on total revenue	YOY change (%)
Total revenue	1,851,858	100.0%	1,724,965	100.0%	+7.4%
EBITDA	218,382	11.8%	218,193	12.6%	+0.1%
EBIT	171,011	9.2%	170,315	9.9%	+0.4%
EBT	98,520	5.3%	95,584	5.5%	+3.1%
Profit attributable to owners of the parent	60,513	3.3%	53,498	3.1%	+13.1%

* Restated following application of IFRS-11 – *Joint arrangements*.

Total revenue increased by 7.4% to EUR 1,851.9 million. Said figure is the result of the good progress made on projects in progress in Europe (Turkey, Russia, Poland, Romania), North America (USA, Canada), Algeria and Peru which, on the whole, confirmed the ability to make up for the slowdown in the domestic sector caused by the worsening of the local macro-economic situation. **Operating revenue totalled EUR 1,771.5 million** (EUR 1,648.3 million at 30 September 2013) showing **a YOY increase of 7.5%** and a **95.7% incidence on total revenue**. **Other operating revenue totalled EUR 80.3 million** (+4.8%, EUR 76.7 million at 30 September 2013) and referred to activities linked to the main contracts.

Breakdown of operating revenue by geographical sector

(EUR/millions)	30.09.2014	%	30.09.2013*	%	YOY change (%)
ITALY	461	26.0%	642	39.0%	-28.2%
INTERNATIONAL	1,311	74.0%	1,006	61.0%	+30.3%
Rest of Europe	804	45.4%	607	36.8%	+32.5%
America	393	22.2%	270	16.4%	+45.6%
Asia (Middle East)	17	1.0%	36	2.2%	-52.8%
Africa (Algeria)	97	5.5%	93	5.6%	+4.3%
TOTAL OPERATING REVENUE	1,772	100.0%	1,648	100.0%	7.5%

* Restated following application of IFRS-11 – *Joint arrangements*.

The Group's growth strategy is in keeping with the **development of major international projects that drive turnover and are recorded extremely positive levels of progress.** The areas that made the most significant contribution to production are the recently-joined areas (**Russia and Canada**), along with **Turkey, Poland, Algeria, Romania, Peru and Chile,** where the Group has operated in an ongoing manner for a significantly longer period.

Italy reduced its contribution and accounted for approximately 26% of the total, showing a trend in keeping with forecasts. Specifically, projects in progress in Italy generated EUR 461 million (EUR 642 million at 30 September 2013) with a decrease of approximately one third of the volumes recorded in the same quarter of last year. Said trend reflected the combination of the closure of some key railway projects and the considerable slowdown in acquisitions in Italy in recent years. As regards Italy, the contracts making the most significant contribution to income during the quarter were linked to railway works (Line 4 and Line 5 of the Milan underground, Line C of the Rome underground, Bologna Centrale high-speed railway station and Parma-La Spezia railway line). Note must also be taken of the good progress achieved for Ospedale del Mare in Naples and Pedemontana Lombarda motorway and, as regards investees, a significant contribution came from NBI (Plant Engineering, EUR 65 million) and Ge.SAT (the company managing services related to the Tuscan Hospitals project with approximately EUR 6 million).

Europe generated revenue of EUR 804 million, equal to approximately 45% of the total and showing an increase of over 30% compared to the same period of 2013 (EUR 607 million). This was thanks to projects in progress in Russia (Western High Speed Diameter in St. Petersburg), Turkey (Third Bosphorus Bridge and Gebze-Orhangazi-Izmir motorway – Phase 1), Poland (Line 2 of the Warsaw underground, Łódź railway project and Łódź Fabryczna station) and Romania (railway and road works and especially Lines 4 and 5 of the Bucharest underground), as well as current management of Milas-Bodrum International Airport in Turkey.

The American continent generated revenue of EUR 393 million, equal to approximately 22% of the total (EUR 270 million at 30 September 2013), showing an increase of 46% thanks to the good progress of hydroelectric projects in Canada (Muskrat Falls) and Peru (Cerro del Águila) and mining projects (Chuquicamata), as well as start-up of preliminary activities prior to construction of the West Metropolitan Hospital in Santiago in Chile. The contribution from projects in Venezuela was further reduced compared to the same period of 2013. In this regard, note must be taken of the recommencement of payments by the awarding government authorities in August.

Africa (Maghreb) generated approximately 6% of operating revenue, amounting to EUR 97 million and in line with the figure recorded in Q3 2013, also thanks to entry into full production of the Saida-Moulay Slissen railway.

Asia (Middle East) confirmed its lower levels, generating approximately EUR 17 million, related to works in progress in Saudi Arabia (railway projects). The quarter's figure reflects the streamlining of operational activities in this area performed in recent years, but it must be noted that recent refocusing on the Transport Infrastructures and Civil Construction sectors could result in relaunch of the individual countries of interest.

Breakdown of revenue by sector

(EUR/millions)	30.09.2014	%	30.09.2013*	%	YOY change (%)
CONSTRUCTION	1,752	98.8%	1,634	99.2%	+7.2%
Transport Infrastructures	1,283	72.4%	1,334	80.9%	-3.8%
Railways and Undergrounds	*529*	29.9%	*599*	*36.3%*	*-11.7%*
Roads and Motorways	*709*	40.0%	*566*	*34.3%*	*+25.3%*
Ports and Airports	*45*	2.5%	*169*	*10.3%*	*-73.4%*
Hydraulic and Energy Production Plants	217	12.2%	*57*	3.5%	n.m.
Civil and Industrial Construction	123	6.9%	*123*	7.5%	0.0%
Facility Management, Plant Engineering and Management of Complex Systems	129	7.3%	*120*	7.2%	+7.5%
CONCESSIONS	20	1.2%	14	0.8%	*n.m.*
TOTAL OPERATING REVENUE	1,772	100.0%	1,648	100.0%	7.5%

* Restated following application of IFRS-11 – *Joint arrangements*.

Construction accounted for 98.9% of revenue, equal to EUR 1,752 million (+7.2%, EUR 1,634 million in September 2013). Transport infrastructures (72.4% of revenue) generated revenue of EUR 1,283 million (EUR 1,334 million at 30 September 2013) with an increase in the contribution from Roads and Motorways thanks to works related to the Western High-Speed Diameter in St. Petersburg in Russia and the Third Bosphorus Bridge and Gebze-Orhangazi-Izmir motorway - Phase 1 in Turkey. Good progress was also recorded for the Pedemontana Lombarda motorway in Italy and road works in Romania. While there was a drop in the contribution from (i) Railways and Undergrounds due to the planned slowdown of projects in Venezuela and the progressive completion of domestic projects (Line 5 of Milan underground, Line C of Rome underground and Bologna Centrale HS railway station), and (ii) Ports and Airports due to the virtual completion of «Pulkovo» International Airport in St. Petersburg in Russia, only partially offset by progress on «John Paul II» International Airport in Krakow-Balice (Poland). Hydraulic and Energy Production Plants (12.2% of revenue) generated EUR 217 million (EUR 57 million in September 2013), recording an extremely positive trend thanks to the good results of the project in progress in Canada (Muskrat Falls) and the progressive completion of works in Peru (Cerro del Águila). Civil and Industrial Construction (6.9% of revenue) generated EUR 123 million (EUR 123 million in September 2013) reflecting virtual completion of the Police Officers' Academy in Florence and the Tuscan Hospitals project, mostly offset by the complete recommencement of work on Ospedale del Mare in Naples, works performed in Canada by the subsidiary TEQ Construction Enterprise and start-up of preliminary activities prior to construction of the West Metropolitan Hospital in Santiago in Chile. Lastly, Facility Management, Plant Engineering and Management of Complex Systems (7.3%) generated EUR 129 million (EUR 120 million in September 2013) thanks to the good results achieved by the subsidiary NBI and the progress of mining projects in Chile (Chuquicamata).

Concessions generated 1.1% of operating revenue corresponding to EUR 20 million (0.8% and EUR 14 million at 30 September 2013). Specifically, the figure reflected the results of management activities linked to Milas-Bodrum International Airport in Turkey and the Tuscan hospitals of Prato, Lucca and Pistoia in Italy. By virtue of consolidation rules, the operating results of other projects in progress were entered in the Income Statement under "Effects of equity accounting". Specifically, this included the results of management activities in Italy related to the A4 motorway (through the investee, Re.Consult Infrastrutture), Ospedale dell'Angelo in Venice-Mestre and Line 5 of Milan underground, as well as consolidation at equity of the Third Bosphorus Bridge SPV in Turkey.

The cost structure benefitted from an increase in facility efficiency as a result of the centralisation of some strategic processes, as well as from the inclusion of high-earning, general contracting and concession initiatives among the backlog. **Production costs totalled EUR 1,328.3 million** (EUR 1,247.5 million at 30 September 2013), with a drop in the incidence on revenue to 71.7% (from 72.3% in September 2013). The breakdown of costs is specular to the breakdown of revenue insofar as increases in absolute terms were recorded in Canada, Turkey, Peru and Poland (where higher production levels were recorded) and decreases were recorded in Italy, Central America and Asia (that made the smallest contributions to revenue). **Personnel expenses totalled EUR 289.8 million** (EUR 232 million at 30 September 2013), with a 15.6% incidence on revenue (13.5% in September 2013) and a quarterly increase to be attributed mainly to costs referring to Canada which was not yet completely operational in 2013.

EBITDA totalled EUR 218.4 million, largely in line with the figure for the same period of last year (EUR 218.2 million at 30 September 2013). The **EBITDA margin** stood at 11.8%, down on 12.6% recorded in 2013 due to the cyclical nature of business and the production phases of projects currently underway that provide for a cost structure focused on outsourcing rather than direct production. In any case, said phenomenon was normalised at an EBIT level. **EBIT totalled EUR 171 million with an EBIT margin of 9.2%** (EUR 170.3 million and 9.9% at the end of September 2013).

Net financial charges totalled EUR 90.4 million (EUR 81.9 million at 30 September 2013) as a result of the following trends:(i) greater costs incurred as a result of a higher level of average debt to guarantee support for production, (ii) greater cost of said debt linked to bond issues at the end of 2013 and beginning of 2014, (iii) higher surety charges due to the greater average value of backlog projects and the widely-used international practice of requesting additional guarantee levels (included in the project margins when tendering), (iv) differentials on favourable currencies. Lastly, it must be noted that financial charges also included the sum of EUR 7.4 million linked to fair value valuation of the equity-linked bond issued in January 2013.

EBT increased to EUR 98.5 million (+3.1%, EUR 95.6 million in September 2013) with EUR 17.9 million (EUR 7.2 million in September 2013) resulting from valuation at equity of investments, almost completely attributable to the Concessions sector. The tax rate for the period was 37% and resulted in **a marked increase in consolidated net profit to EUR 60.5 million** (+13.1%, EUR 53.5 million in September 2013).

Analysis of Consolidated Financial Position Figures at 30 September 2014

Main consolidated financial position figures

(EUR/000)	30.09.2014	31.12.2013*	30.09.2013*
Total net fixed assets	755,197	718,830	717,435
Working capital	972,443	704,192	806,438
Total provisions	(27,008)	(30,594)	(33,599)
Net invested capital	1,700,632	1,392,428	1,490,274
Total financial debt **	(1,107,778)	(800,235)	(898,384)
Equity attributable to owners of the parent	586,862	547,093	545,447
Total equity	592,854	592,193	591,890

* Restated following application of IFRS-11 – *Joint arrangements*.
** Figure expressed inclusive of treasury shares on hand, equal to EUR 3.1 million in September 2014, EUR 2.7 million in September 2013 and EUR 2.9 million in December 2013.

At 30 September 2014, **net fixed assets totalled EUR 755.2 million** (EUR 717.4 million at 30 September 2013 and EUR 718.8 million at the end of 2013), as a result of: (i) investments by way of share capital increase in concession projects for the Third Bosphorus Bridge and Gebze-Orhangazi-Izmir motorway in Turkey (gross investments amount to approximately EUR 102 million to date); (ii) accounting effects of the merger of the investee A.I.2 with Re.Consult Infrastrutture; (iii) progressive depreciation of intangible assets linked to the concession project involving management of Milas-Bodrum International Airport in Turkey; (iv) changes in technical fixed assets, especially in Russia, Chile, Romania and Canada.

Working capital increased to EUR 972.4 million from EUR 704.2 million at the end of 2013, mainly as a result of the trend of works in progress and some commercial debt-related items which, compared to the same period of 2013, were affected by the cyclical nature of business and the increase in revenue (approximately 8%). Specifically, works in progress reflected the increase in activities in Poland («John Paul II» Airport in Krakow-Balice), Turkey (Third Bosphorus Bridge, Gebze-Orhangazi-Izmir motorway), Algeria (Saida-Moulay Slissen railway), Canada (Muskrat Falls hydroelectric project) and Italy (Plant Engineering).

The aforementioned trends resulted in **net invested capital of EUR 1,700.6 million** (EUR 1,490.3 million at 30 September 2013 and 1,329.4 million at the end of 2013). Lower levels are expected to be recorded during the latter part of 2014 when important production milestones will be achieved, that are also set to be reflected at a financial level.

Equity attributable to owners of the parent totalled EUR 586.9 million (EUR 545.4 million at 30 September 2013 and EUR 547.1 million at the end of 2013) and included the quarter's financial results, items suspended to equity related to hedging instruments and the distribution of dividends of EUR 18.7 million (ex-dividend date on 15 May). Equity attributable to non-controlling interests dropped to EUR 5.9 million (EUR 46.4 million at 30 September 2013 and EUR 45.1 million at the end of 2013) mainly as a result of the aforementioned merger of the investee A.I.2 with Re.Consult Infrastrutture.

Equity totalled EUR 592.9 million (EUR 591.9 million in September 2013 and EUR 592.2 million in December 2013).

CONSOLIDATED NET FINANCIAL DEBT

Total net financial debt at 30 September 2014 amounted to EUR (1,104.7) million compared to EUR (1,099) million at 30 June 2014 and EUR (797) million at the end of 2013. The financial structure reflected the support guaranteed for production and the level of investments made. The debt/equity ratio - equal to 1.1x if the share of debt related to concessions is excluded (insofar as self-liquidating) - stood at 1.86x.

Consolidated Net Financial Debt

	EUR / 000		30/09/2014	30/06/2014	31/03/2014	31/12/2013	30/09/2013
A	Cash and cash equivalents		407,330	361,082	368,118	373,226	305,074
B	Securities held for trading		1,430	1,567	1,583	1,407	1,367
C	**Available funds**	**(A+B)**	**408,760**	**362,649**	**369,701**	**374,633**	**306,441**
-	Short-term financial receivables		23,028	27,523	33,958	29,412	21,786
-	Current share of receivable rights from concessions		18,800	17,237	15,447	15,447	16,092
D	**Current financial receivables**		**41,828**	**44,760**	**49,405**	**44,859**	**37,878**
E	Current bank payables		(504,999)	(470,923)	(410,673)	(301,929)	(435,905)
F	Current share of payables for issued bonds		(16,670)	(4,544)	(15,783)	(3,315)	(409)
G	Current share of non-current debt		(47,993)	(48,569)	(62,989)	(66,931)	(60,080)
H	Other current financial payables		(12,367)	(8,373)	(8,146)	(9,940)	(11,477)
I	**Current financial debt**	**(E+F+G+H)**	**(582,029)**	**(532,409)**	**(497,591)**	**(382,115)**	**(507,871)**
J	**Net current financial debt**	**(I+D+C)**	**(131,441)**	**(125,001)**	**(78,485)**	**37,377**	**(163,552)**
K	Non-current bank payables		(232,159)	(220,181)	(191,446)	(225,622)	(695,633)
L	Issued bonds		(869,869)	(869,339)	(868,901)	(713,268)	(127,132)
M	Other non-current payables		(15,542)	(13,351)	(14,754)	(15,992)	(17,265)
N	**Non-current financial debt**	**(K+L+M)**	**(1,117,570)**	**(1,102,871)**	**(1,075,100)**	**(954,881)**	**(840,030)**
O	**Gross financial debt – Continuing operations**	**(I+N)**	**(1,699,598)**	**(1,635,280)**	**(1,572,691)**	**(1,336,996)**	**(1,347,902)**
P	**Net financial debt – Continuing operations**	**(J+N)**	**(1,249,011)**	**(1,227,871)**	**(1,153,585)**	**(917,504)**	**(1,003,582)**
Q	**Net financial debt – Disposal groups**			**16,532**	**24,615**	**30,680**	**34,484**
R	**Net financial debt**	**(P+Q)**	**(1,249,011)**	**(1,211,339)**	**(1,128,970)**	**(886,824)**	**(969,099)**
-	Non-current financial receivables		31,381	27,697	24,123	24,547	25,098
-	Subordinate loans		104,694	71,133	73,272	46,439	28,710
-	Non-current share of receivable rights from concessions		5,158	10,950	16,127	15,603	16,906
S	**Non-current financial receivables**		**141,233**	**109,780**	**113,522**	**86,589**	**70,715**
T	**Total financial debt**	**(R+S)**	**(1,107,778)**	**(1,101,560)**	**(1,015,448)**	**(800,235)**	**(898,384)**
	Treasury shares on hand		**3,114**	**2,546**	**3,146**	**2,859**	**2,725**
	Total net financial debt		**(1,104,664)**	**(1,099,013)**	**(1,012,303)**	**(797,376)**	**(895,658)**

* Further to application (retrospective) of IFRS-11 – *Joint arrangements*, the 2013 figures, shown for the purpose of comparison, were restated.

Investments

Net investment in technical resources during the first nine months of the year totalled EUR 41.4 million (approximately 2.2% of revenue) and referred to projects in progress in Canada (Muskrat Falls Hydroelectric Project), Russia (Western High-Speed Diameter in St. Petersburg), Chile (Chuquicamata mining projects) and Romania (Line 4 of Bucharest underground).

As regards concessions, gross investments for the first nine months totalled approximately EUR 105 million, approximately EUR 53 million of which referring to payment of equity for projects involving the Third Bosphorus Bridge and Gebze-Orhangazi-Izmir motorway in Turkey and the remaining EUR 52 million to payment of semi-equity for projects in Italy (Line 5 of Milan underground) and Turkey (Third Bosphorus Bridge). Therefore, total concession investments (meaning Astaldi's shares of equity and semi-equity paid into concession companies linked to individual projects in progress, as well as the relative working capital) amounted to EUR 578 million. The quarterly figure includes EUR 24 million of receivable rights from concessions – meaning the shares of investments covered by guaranteed cash flows as detailed in IFRIC-12 – mainly related to Milas-Bodrum International Airport (Turkey), as well as the effects of deconsolidation of car parks under management in Verona and Turin, now sold and previously entered under "Disposal groups".

Third Quarter 2014 results

(EUR/000)	Q3 2014	% on total revenue	Q3 2013*	% on total revenue	YOY change (%)
Total revenue	650,334	100.0%	574,309	100.0%	+13.2%
EBITDA	69,126	10.6%	73,154	12.7%	-5.5%
EBIT	52,880	8.1%	57,315	10.0%	-7.7%
EBT	43,807	6.7%	38,480	6.7%	+13.8%
Profit attributable to owners of the parent	26,180	4.0%	21,215	3.7%	+23.4%

* Restated following application of IFRS-11 – *Joint arrangements*.

The results of the third quarter of 2014 help lay the foundations for growth over the coming years. Total revenue amounted to EUR 650.3 million (+13,2%, EUR 574.3 million in Q3 2013), with operating revenue accounting for EUR 644.6 million and other operating revenue for EUR 5.8 million (respectively EUR 549.8 million and EUR 24.5 million in Q3 2013). The cost structure and dynamics echoed what was recorded during the first nine months of the year, reflecting the production trend and including the YOY effects of the start-up of key projects (Canada). Direct production costs totalled EUR 472.3 million and accounted for 72.6% of total revenue (EUR 412.9 million and 71.9% in Q3 2013). Personnel costs amounted to EUR 110.1 million (EUR 77 million in Q3 2013) and represented 16.9% of total revenue (13.4% in Q3 2013). EBITDA totalled EUR 69.1 million (-5.5%, EUR 73.1 million in Q3 2013), with an EBITDA margin of 10.6%. EBIT amounted to EUR 52.9 million (-7.7%, EUR 57.3 million in Q3 2013) with an EBIT margin of 8.1%. It must be recalled that the Q3 2013 results benefitted from the positive completion of some projects that did not require the use of provisions to cover risks allocated in the project budgets. Net financial charges dropped to EUR 12.9 million, equal to 2% of total revenue (EUR 22.9 million and 4% of total revenue in Q3 2013). The quarterly figure benefitted from positive value adjustment of the related equity-linked derivative during the quarter in question. Profit attributable to owners of the parent increased to EUR 26.2 million (EUR 21.2 million in Q3 2013) with an increase in the net margin from 3.7% to 4%. For more information regarding the quarter's equity and financial trends, please refer to the section herein entitled "Consolidated financial position figures at 30 September 2014".

CONSOLIDATED FINANCIAL STATEMENTS

Reclassified consolidated income statement

EUR / 000	30/09/2014		30/09/2013*	
Revenue	1,771,511	95.7%	1,648,280	95.6%
Other operating revenue	80,347	4.3%	76,685	4.4%
Total revenue	**1,851,858**	**100.0%**	**1,724,965**	**100.0%**
Cost of production	(1,328,253)	-71.7%	(1,247,527)	-72.3%
Added value	**523,604**	**28.3%**	**477,438**	**27.7%**
Personnel expenses	(289,757)	-15.6%	(232,051)	-13.5%
Other operating costs	(15,465)	-0.8%	(27,193)	-1.6%
EBITDA	**218,382**	**11.8%**	**218,193**	**12.6%**
Amortisation and depreciation	(47,347)	-2.6%	(41,555)	-2.4%
Provisions	()	0.0%	(3,779)	-0.2%
Impairment losses	(150)	0.0%	(2,792)	-0.2%
(Capitalisation of internal construction costs)	127	0.0%	248	0.0%
EBIT	**171,011**	**9.2%**	**170,315**	**9.9%**
Net financial income and charges	(90,408)	-4.9%	(81,948)	-4.8%
Effects of equity accounting	17,917	1.0%	7,217	0.4%
Pre-tax profit	**98,520**	**5.3%**	**95,584**	**5.5%**
Taxes	(36,453)	-2.0%	(37,863)	-2.2%
Profit from continuing operations	**62,067**	**3.4%**	**57,721**	**3.3%**
Profit (loss) arising from operations related to disposal groups	**(2,006)**	**-0.1%**	**153**	**0.0%**
Profit for the year	**60,061**	**3.2%**	**57,873**	**3.4%**
(Profit) loss attributable to non-controlling interests	452	0.0%	(4,376)	-0.3%
Profit attributable to owners of the parent	**60,513**	3.3%	**53,498**	3.1%

* Further to application (retrospective) of IFRS-11 – *Joint arrangements*, the 2013 figures, shown for the purpose of comparison, were restated.

Reclassified consolidated balance sheet

Euro/000	30/09/2014	31/12/2013*	30/09/2013*
Intangible assets	43,144	58,971	91,174
Property, plant and equipment	215,329	205,059	206,309
Investments	417,871	384,151	370,827
Other net non-current assets	78,852	81,003	60,186
Non-current assets held for sale		1,936	3,056
Liabilities directly associated with non-current assets held for sale		(12,290)	(14,118)
TOTAL Non-current assets (A)	**755,197**	**718,830**	**717,435**
Inventories	62,015	61,711	65,457
Contract work in progress	1,397,831	1,261,797	1,181,915
Trade receivables	61,523	46,312	65,937
Receivables from customers	901,026	915,581	978,384
Other assets	210,755	174,515	177,173
Tax receivables	102,251	104,612	99,390
Payments on account from customers	(654,320)	(676,569)	(539,694)
Subtotal	**2,081,081**	**1,887,958**	**2,028,563**
Trade payables	(80,964)	(102,523)	(216,735)
Payables to suppliers	(728,228)	(805,033)	(724,924)
Other liabilities	(299,447)	(276,210)	(280,466)
Subtotal	**(1,108,638)**	**(1,183,766)**	**(1,222,124)**
Working capital (B)	**972,443**	**704,192**	**806,438**
Employee benefits	(8,891)	(8,003)	(10,185)
Provisions for non-current risks and charges	(18,117)	(22,591)	(23,414)
Total provisions (C)	**(27,008)**	**(30,594)**	**(33,599)**
Net Invested Capital (D) = (A) + (B) + (C)	**1,700,632**	**1,392,428**	**1,490,274**
Cash and cash equivalents	407,330	373,226	305,074
Current financial receivables	23,028	29,412	21,786
Non-current financial receivables	136,075	70,986	53,808
Securities	1,430	1,407	1,367
Current financial liabilities	(582,029)	(382,115)	(507,871)
Non-current financial liabilities	(1,117,570)	(954,881)	(840,030)
Net financial liabilities (E)	**(1,131,736)**	**(861,965)**	**(965,866)**
Receivable rights from concessions	23,958	31,050	32,999
Net financial debt – disposal groups		30,680	34,484
Total financial debt (F)	**(1,107,778)**	**(800,235)**	**(898,384)**
Equity attributable to owners of the parent	(586,862)	(547,093)	(545,447)
Equity attributable to non-controlling interests	(5,993)	(45,101)	(46,442)
Equity (G) = (D) - (F)	**592,854**	**592,193**	**591,890**

* Further to application (retrospective) of IFRS-11 – *Joint arrangements*, the 2013 figures, shown for the purpose of comparison, were restated.

ORDER BACKLOG

The consolidated order backlog amounted to EUR 13.3 billion at 30 September 2014 (largely in line with the figure at 31 December 2013) **with EUR 1.7 billion of new orders and contract addenda**, 59% of which refer to Italy and the remaining 41% to international projects. 97% of the new projects refer to the Constructions segment and the start-up of all new projects is planned by the first half of 2015. This serves to confirm the sustainability of the Group's growth targets for production, even while not taking into account an additional **EUR 9.7 billion of potential orders** for the Group (40% for Construction and 60% for Concessions). The result is **a total backlog of over EUR 23 billion, including options and contracts signed and to be funded**. It must be recalled that potential orders are to be looked on as acquired rights subject to the occurrence of various conditions precedent (financial closing, approval of various qualified bodies, etc.). Therefore, they are differentiated from orders in progress (corresponding to the consolidated backlog) solely for the purpose of being able to suitably represent, at an accounting level, what the Group is actually able to convert into production in the short-term.

As regards the order backlog in progress, **65% of orders refer to international activities**, while **Italy accounts for the remaining 35%.** From a sector viewpoint, **Construction accounts for 57% of the total**, amounting to EUR 7.5 billion (EUR 2.8 billion of which in Italy and EUR 4.7 billion abroad), mainly referring to general contracting projects and traditional contracts with a high technological content, while **Concessions account for the remaining 43%,** equal to EUR 5.8 billion (EUR 1.8 billion of which in Italy and EUR 4 billion abroad).

As regards the total potential backlog, Construction amounts to EUR 11.4 billion, equal to 50% of the total, while Concessions total EUR 11.6 billion, accounting for the remaining 50%. Activities in Italy account for 39% of said total, and international activities for the remaining 61%. Projects still to be included among new orders include:

- the Gebze-Orhangazi-Izmir motorway - Phase 2B (Turkey) referring to an additional 300 km of motorway (Bursa-Izmir section), with financial closing still pending and expected to be achieved by 2015;
- the Etlik healthcare campus in Ankara (Turkey) for which some preliminary activities have been performed, but for which negotiations with the Customer regarding some contractual aspects have still to be concluded along with relative funding;
- the West Metropolitan Hospital in Santiago (Chile) for which financial closing is expected by the end of the first half of 2015 and for which design activities are being started up;
- the Moscow-St. Petersburg motorway (Russia) for which negotiation of the construction contract regarding a key section of works is currently underway;
- additional projects in Italy and abroad (Astaldi has an EUR 5.1 billion stake) for which, for various reasons, financial closing or completion of the formal award procedures regarding the relative contracts is pending.

MAIN NEW ORDERS – CONSTRUCTION

VERONA - PADUA HIGH-SPEED / HIGH-CAPACITY RAILWAY LINE | Italy – approximately EUR 560 million (Astaldi's stake). The project refers to the contract for design and construction of the Verona-Padua HS/HC line, and specifically the Verona-Vicenza operational section. Astaldi holds a 37.49% stake in this through Consorzio IRICAV DUE, the General Contractor awarded the works. Inclusion among the backlog of this first operational phase is to be referred to the provisions regarding these works set forth in the 2015 Stability Act. The final design will be completed over the coming year and will be submitted to local stakeholders for relative approval. The start-up of works is planned for the beginning of 2016.

GEBZE-ORHANGAZI-IZMIR MOTORWAY – PHASE 2A (Construction) | Turkey – EUR 58 million (Astaldi's stake) The project refers to the EPC contract regarding the second operational section (25 kilometres, Orhangazi-Bursa section) of the concession contract for the construction and subsequent management of over 400 kilometres of motorway linking Gebze (near Istanbul) and Izmir (on the Aegean Coast). As regards this project, inclusion among the backlog took place following definition of funding and the start-up of preliminary activities for construction of the section. The financing contract, concluded in July 2014, totals USD 600 million.

S-5 | Poland – EUR 116 million. The contract refers to the design and construction of 19 kilometres of the S-5 Poznan-Wrocław expressway (Lot 3, from km 137+500 to Widawa Wrocław junction). The works were commissioned by Poland's Roads and Motorways Authority (GDDKiA) and will be financed using EU funding. Design activities are in progress for this project and works will commence by the end of 2014, with a planned duration of 39 months.

S-8, Wiśniewo-Mężenin section | Poland – EUR 84 million. The contract involves the design and performance of works to widen and upgrade 15 kilometres of the S-8 Wrocław-Warsaw-Bialistok expressway, in the section between the Wiśniewo and Mężenin junctions. The works were commissioned by Poland's Roads and Motorways Authority (GDDKiA) and will be financed using EU funding. Works commenced in October and are to be completed in 28 months.

S-8, Lot 3, Marki junction-Radzymin South junction | Poland – EUR 80 million (Astaldi has a 90% stake). The contract involves the design and construction of a new section of the S-8, identified as Lot 3, from Marki junction to Radzymin South junction, for a total of 7 kilometres of dual carriageway main road featuring 3 lanes in each direction plus hard shoulders. Two road junctions (Kobyłka and Radzymin South) are also planned together with related access and service works. The works were commissioned by Poland's Roads and Motorways Authority (GDDKiA) and are to be completed over a 36-month period with the start-up of design activities by November 2014. The works will be financed using EU and local funding.

Nădlac-Arad motorway | Romania – EUR 20 million (Astaldi has a 50% stake). The contract involves the design and performance of works to complete the motorway – a strategic infrastructure for the Pan-European Corridor IV - already under construction by Astaldi for the section related to the adjacent Lot 1. The works are to be completed over an 8-month period, with start-up in November 2014 and were commissioned by Romania's National Roads and Motorways Company. 85% of the works will be financed using EU cohesion funding (Pos-T) and the remaining 15% by the local government.

TEQ Construction Enterprise | Canada – Totalling EUR 50 million. The new contracts mainly refer to orders in the civil and healthcare construction sector with a unit value of less than EUR 15 million, to be started-up in the short-term.

NBI | Italy – Totalling EUR 38 million. The Group's subsidiary specialising in Facility Management, Plant Engineering and Management of Complex Systems confirmed a high acquisition capacity during the quarter in question and not only as regards the Group System. The new projects mainly refer to contracts of a unit value of less than EUR 13 million with an average duration of 14 months and the start-up of works scheduled by the end of the year.

MAIN NEW ORDERS - CONCESSIONS

Gebze-Orhangazi-Izmir Motorway - Phase 2A (*Concessions*) | Turkey – EUR 56 million (Astaldi's stake). The project consists in the share of revenue (not inflated) expected from management of the second operational section of the motorway, already described in the comment on Main New Orders – Construction. The concession duration is 22 years and 4 months for the whole motorway, with approximately 19 years of management for Phase 2A. As already mentioned in regard to the construction part of this contract, pro-rate inclusion among the backlog of this section is to be attributed to financial closing, achieved in July 2014, which followed the start-up of preliminary activities prior to construction as from the first half of the year.

Order Backlog – Summary Tables

Order backlog (€/000,000)	**At 01/01/2014**	**New orders**	**Decreases for production**	**At 30/09/2014**
Construction	**7,593**	**1,677**	**(1,752)**	**7,518**
Transport Infrastructures	6,105	1,494	(1,283)	6,316
Water and Energy	1,010	24	(217)	817
Civil and Industrial Construction	265	50	(123)	192
Facility Management, Plant Engineering and Management of Complex systems	213	109	(129)	193
Concessions	**5,729**	**56**	**(20)**	**5,765**
Order backlog	**13,322**	**1,733**	**(1,772)**	**13,283**

Order backlog (€/000,000)	**At 01/01/2014**	**New orders**	**Decreases for production**	**At 30/09/2014**
Italy	**4,069**	**1,030**	**(461)**	**4,638**
of which construction	*2,280*	*1,030*	*(454)*	*2,856*
of which concessions	*1,789*	--	*(7)*	*1,782*
International	**9,253**	**703**	**(1,311)**	**8,645**
of which construction	*5,313*	*647*	*(1,298)*	*4,662*
of which concessions	*3,940*	*56*	*(13)*	*3,983*
Europe	5,116	591	(804)	4,903
America	3,565	112	(393)	3,284
Africa *(Algeria)*	487	--	(97)	390
Asia *(Middle East)*	85	--	(17)	68
Order backlog	**13,322**	**1,733**	**(1,772)**	**13,283**

Breakdown of construction backlog (€/000,000)	**At 01/01/2014**	**New orders**	**Decreases for production**	**At 30/09/2014**
Italy	**2,280**	**1,030**	**(454)**	**2,856**
International	**5,313**	**647**	**(1,298)**	**4,662**
Europe	2,216	535	(791)	1,960
America	2,525	112	(393)	2,244
Africa *(Algeria)*	487	--	(97)	390
Asia *(Middle East)*	85	--	(17)	68
Order backlog	**7,593**	**1,677**	**(1,752)**	**7,518**

Breakdown of concession backlog (€/000,000)	**30/09/2014**
Italy	**1,782**
International	**3,983**
Europe	2,943
America	1,040
Order backlog	**5,765**

EVENTS AFTER THE REPORTING PERIOD

On 7 November 2014, Astaldi signed a revolving loan agreement with a pool of leading national and international banks for the sum of EUR 500 million and a five-year duration as from the signature date. The loan comprises two facilities: an EUR 300 million facility ("Facility A") and an EUR 200 million facility ("Facility B"), and is aimed at covering Astaldi's general corporate needs, including repayment of the existing loan known as "Forward Start Facility". The loan agreement, compared to the existing facility, will have new financial covenants in line with the 2013-2018 Business Plan. It will also guarantee an improvement of financial conditions and liquidity indicators, as well as extension of the average duration of the Group's debt.

OUTLOOK AND EVENTS AFTER THE REPORTING PERIOD

Efforts will continue over the coming months to achieve the growth targets set forth in the Business Plan that are backed up by the performance recorded during the first nine months of the year and the occurrence of some exogenous conditions as from the first part of the year.

Italy is starting to show the first signs of an upturn and of overcoming the standstill that has been a hallmark of recent years. Specifically, the provisions contained in the Law Decree known as "Sblocca Italia" and the 2015 Stability Law (under approval) have resulted in the start-up of new major projects (e.g. the Verona-Padua High-Speed railway line which sees the involvement of Astaldi Group) and are favouring a turnaround compared to the past, setting the conditions for Italy's potential recovery. From an operating viewpoint, major focus will be placed at a domestic level on projects in progress (Transport Infrastructures, Construction), also thanks to the important milestones planned for individual projects. Specifically, as regards Line 5 of Milan underground, work will go ahead on the extension to San Siro with the aim of it being operational by April 2015. 2015 will also see completion of Ospedale delle Apuane in Massa-Carrara, Tuscany (first part of 2015) with consequent start-up of management activities and completion of the works related to Ospedale del Mare in Naples which are progressing extremely well.

No specific repercussions are envisaged in **Russia** as a result of the economic sanctions decided by the international community following the unrest in Ukraine. Indeed, the projects in progress in Russia all fit into already financed scenarios with private counterparties. Works on construction of the WHSD in St. Petersburg will continue over the coming months as planned. While as regards commercial initiatives, negotiations are underway in relation to the construction contract for a key section of the Moscow-St. Petersburg motorway, with them now in the final phase and the result expected to be disclosed in the near future. Positive results from additional commercial projects in the Transport Infrastructures sector are not to be excluded.

Progress will continue on the Third Bosphorus Bridge in **Turkey**, the completion of which is scheduled by the first quarter of 2016, as well as on the section from Gebze to Bursa (including Izmit Bay Bridge) of the Gebze-Orhangazi-Izmir motorway. Additional commercial developments linked to projects in progress are not to be excluded. At a financial level, work will also go ahead on completing financial closing for the last section of the Gebze-Orhangazi-Izmir motorway which, based on the offers received to date from banks, could lead to a reduction of the Group's financial undertaking in the complete project, following a smaller estimated equity contribution.

Works on the Muskrat Falls hydroelectric project in **Canada** will go ahead, but the acquisition skills of the recently-acquired Canadian firm (TEQ Construction Enterprise) will also be put to good use, backed up by the synergies arising from integration within the Group.

As regards other foreign areas where the Group is present, **Latin America** will benefit from design activities related to the West Metropolitan Hospital in Santiago in Chile. These activities will serve to offset the reasoned reduction of activities in Venezuela where, it must be recalled, something is moving as regards payments due from the Customer. Indeed, we must recall that during the quarter in question, the Group collected a sum equivalent to EUR 56 million, as well as an additional EUR 5 million collected subsequently. Therefore, compared to 30 June 2014, the total of certified, collectable receivables from the Venezuelan government has dropped from EUR 338 million to EUR 294 million at 30 September 2014. While as regards the EU, an increase in activities in **Poland** is expected with the country continuing to be one of the main users of European Community infrastructure funds for cohesion and development, as well as an unvaried contribution from **Romania**.

As regards commercial strategy, major focus will also be guaranteed for **new markets of interest** (Australia and some areas of the Far East), as well as on the relaunch of **Algeria** and the Middle East (also following recent refocusing on Transport Infrastructures and Civil Construction). On the whole, all the new projects will be pursued within the logic of maintaining and encouraging the growth of margins. Said condition has led to over 95% of activities to date being performed in countries classified as Investment Grade in terms of risk profile, with high-quality customers.

As regards Concessions, the growth strategy provides for achievement of goals of valorisation of the most mature assets as defined in Business Plan strategy.

OTHER INFORMATION

Economic and financial indicators

For a better understanding of the trends looked at, it must be noted that ASTALDI's management assesses the economic and financial performance of the Group and its business segments on the basis of some indicators not provided for in IFRSs, the specific components of which are listed below.

EBITDA: This is obtained by excluding the following from EBIT, as defined below: (i) amortisation and depreciation of intangible assets and property, plant and equipment; (ii) impairment losses and provisions; (iii) capitalisation of internal construction costs.

EBIT: This is equal to the profit or loss prior to taxation and financial income and charges, without any adjustments. The following are excluded from EBIT: income and charges resulting from the management of non-consolidated investments and securities, as well as the results of any transfers of consolidated investments, included in financial statements under the heading of "financial income and charges", or under the heading of "effects of equity accounting" for the share of profit or loss of equity-accounted investees.

EBT: This is calculated as the net operating profit or loss, excluding financial income and charges, as well as the effects of equity accounting.

Debt/Equity Ratio: This is calculated as the ratio between the net financial debt as the numerator and equity as the denominator, excluding treasury shares on hand.

Net financial debt: This is obtained by subtracting the total of non-current financial receivables and receivable rights arising from concessions, as well as other specific items such as treasury shares, from net financial debt, calculated as required under CONSOB DEM/6064293 dated 28 July 2006 that refers to European Securities and Markets Authority (ESMA, formerly CESR) Recommendation dated 10 February 2005 and provisions contained in CONSOB Statement dated 28/07/2006.

Total financial debt: This is obtained by subtracting the total of non-current financial receivables and receivable rights arising from concessions from net financial debt, calculated as required under CONSOB DEM/6064293 dated 28 July 2006 that refers to European Securities and Markets Authority (ESMA, formerly CESR) Recommendation dated 10 February 2005 and provisions contained in CONSOB Statement dated 28/07/2006.

Net non-current assets: These are to be taken as the total of non-current asset items; specifically, this refers to intangible assets, the Group's technical resources, the amount of investments as well as other non-current residual items compared to those listed above.

Working capital: This is the result of the total of receivables and payables linked to the core business (trade receivables and payables, inventories, works in progress, tax assets, payments on account from customers, residual current asset items).

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

Statement of 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 and Finance, in the capacity of Manager in charge of Financial Reporting, hereby declares, pursuant to subsection 2 of Article 154-bis of Legislative Decree No. 58/1998 (Finance Consolidation Act), that the accounting information contained herein tallies with accounting documents, ledgers and entries.

Rome, 10 November 2014

Paolo Citterio - signature

(General Manager – Administration and Finance)