ASTALDI

Astaldi 2014

annual report

Imagine a horizon and reach it.

New works during 2014.

2014 was an important year, characterised by significant progress achieved on all our projects worldwide and new works secured in the Group's business segments: transport infrastructures, civil construction and energy production plants.

Transport Infrastructures

Work on the motorway network in Poland and Romania are continuing: 60 kilometres of new sections under construction for a value of EUR 500 million.

As regards Turkey, the Group is involved in constructing the **Third Bosphorus Bridge**, the widest and longest suspension bridge in the world and the **Gebze-Izmir Motorway** measuring over 400 kilometres, including a bridge set to become the 4th longest suspension bridge in the world.

Excavation of the tunnels of **Line 4 of the Milan Underground** got underway in March (15 kilometres and 21 stations) and two new stations of **Line 5 of the Milan Underground** were opened to the public.

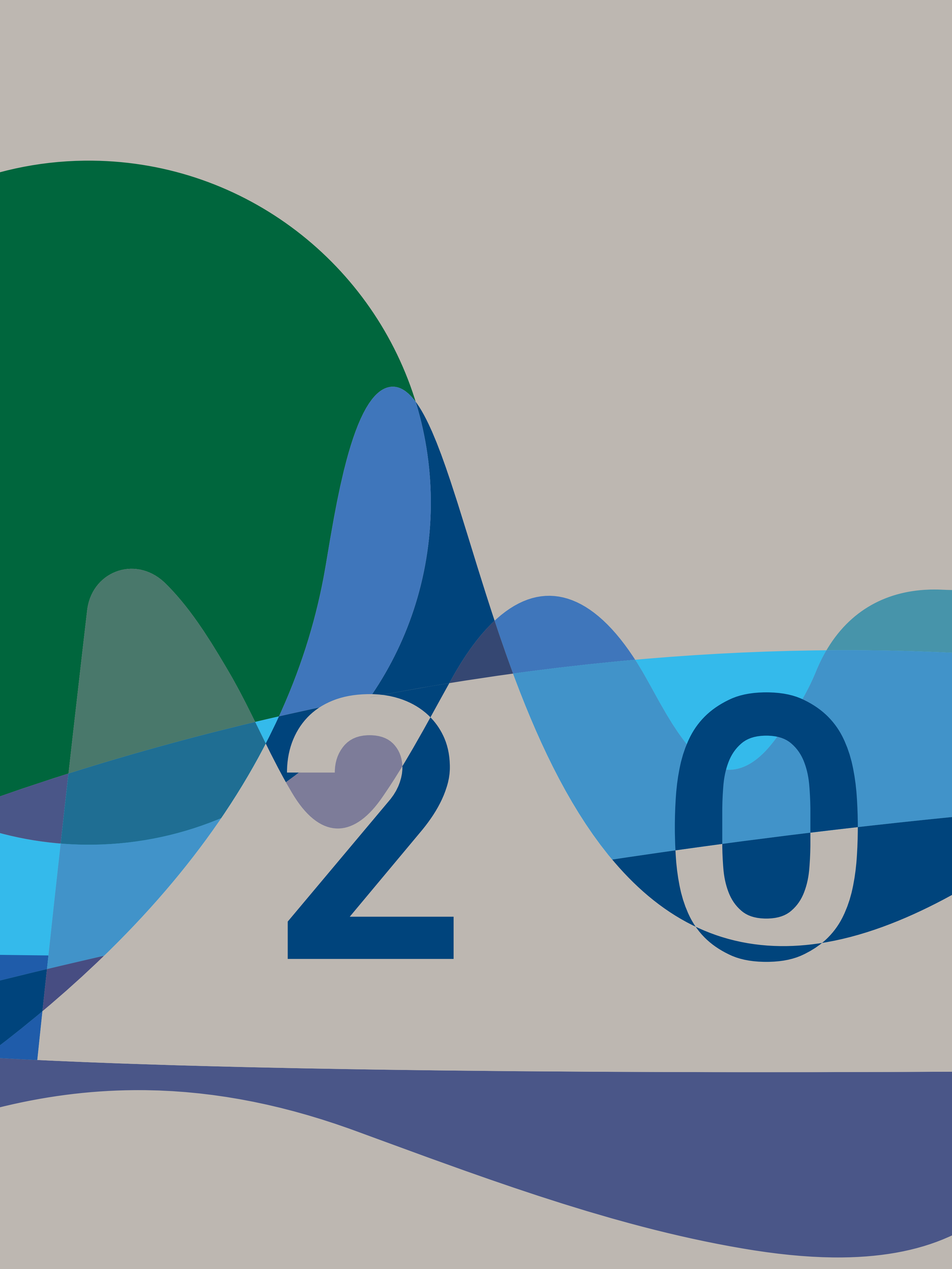
The Italian railway network also got the green light with **the Verona-Padua High Speed/High Capacity line** and construction of **Naples-Afragola High Speed Railway station**, designed by the architect Zaha Hadid.

Civil Construction

Important results were achieved in 2014 in Italy and abroad: construction of **Pharmaceutical Angelini Group New Offices in Rome,** Italy and, at an international level, the concession for construction and subsequent management of **West Metropolitan Hospital in Santiago de Chile**, an innovative healthcare facility with 523 hospital beds.

Energy Production Plants

There was also good news in the energy segment: works to perform the **Muskrat Falls Hydroelectric Project** are going ahead, which will provide Canada with over 824 MW of new energy, and Astaldi was awarded the contract to construct **Monte Nieddu Dam** in Italy.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ASTALDI

2014.

New figures for a changing, expanding reality.

New figures, new scenarios and new key words. Growth and integration were the ones characterising 2014. Growth can be seen in the works we started up and in those we completed.
Integration is present in all of our activities: we integrate skills, technologies, supply systems, and above all we play an increasingly active role in the development of the countries we operate in.
There is the work by our staff behind the results you can read. Above all, there is ongoing commitment to technological innovation, increase of quality standards and our ability to cater for our customers' needs. There is the desire to tackle increasingly complex projects boasting a high technological content. Our mission is to support progress, to bring together remote worlds, in short to build the future, opening new paths to development.

Project after project, the future is taking shape.

The works we design and construct often have breath-taking dimensions, but their value does not lie solely in these numbers. It can be seen in the consequences they are able to have on the reality of the areas they are located in. They are bridges, undergrounds, motorways, railways, hydroelectric plants and hospitals; they transport, fuel and make room for development. Each work has also generated new jobs, involved local skills and increased the quality of services.

Turkey: Third Bosphorus Bridge, the largest suspension bridge in the world.

Length: 1.4 kilometres. Istanbul from the Poyrazköy district in Asia to the Garipçe neighbourhood in Europe.

Width: 60 metres, 8 motorway lanes, two high-speed railway corridors.

Height: A-shaped pylons standing more than 320 metres tall.

Canada: Muskrat Falls Hydroelectric Plant.

The plant comprises two dams, a spillway, a power station with 4 Kaplan turbines and a reservoir.
Total production capacity: 824 MW; 4.9 Twh/yr.
North Dam: 32 metres in height, 432 metres in length.
South Dam: 29 metres in height, 325 metres in length.
Reservoir: 60 kilometres in length with a surface area of 101 kilometres.

The path forward is that of growth and 2014 saw the achievement of some important goals along this path: the Bosphorus Bridge, the longest and widest suspension bridge in the world is quickly moving towards the operation phase, scheduled as from the second half-year of 2016. Works to construct the Muskrat Falls Hydroelectric Plant in Canada, set to produce more than 824 MW per year, are going ahead as planned. The Western High-Speed Diameter in St. Petersburg, Russia, is acquiring kilometres and the road and motorway network in Poland has increased by more than 50 kilometres thanks to our work.

Beyond figures, the value of a growing commitment.

A commitment dedicated to continuity and consolidation of growth with the aim of ensuring the stable, lasting development of the countries we operate in. 2014 once again saw the employment of all our skills and know-how: technical, managerial and commercial with the obtainment of winning results.
We achieved the targets set in our business plan and we did so thanks to a successful market positioning strategy and to the development of major international projects, especially those with a high technological content. Careful financial management allowed us to reduce our share of debt and to continue investing in expanding our know-how. A geographical breakdown of the Group's financial results reflects our efforts in developing the countries where we have operated for many years: in Russia, where we are constructing the Western High-Speed Diameter in St. Petersburg; in Poland, where we are building new roads and where we have completed Line 2 of the Warsaw Underground; in Turkey, with the Third Bosphorus Bridge; and in Chile, with the Western Metropolitan Hospital in Santiago de Chile. The order backlog has increased despite the complexity of reference markets and 2014 as well recorded significant growth: EUR 3 billion of new orders as well as a 5.7% increase in profit. This serves to show that our business model and ability to operate in an integrated manner, both as regards construction and concessions, is the right choice for supporting ongoing growth, characterised by quality and innovation.

€ 13.8 BILLION orders in execution

€ 2.7 BILLION total revenue

+21% NET PROFIT

€ 28.3 BILLION
order backlog

9,600
EMPLOYEES

over 100
OPERATIONAL SITES

11.6%
EBITDA MARGIN

8.9%
EBIT MARGIN

Financial Statements – from all sides

Turkey, Suspension Bridge on Izmit Bay.

Letter to Shareholders

Dear Shareholders,

2014 proved to be a year when the Group demonstrated its ability to react to a none too favourable Italian and international situation.

In doing so, Astaldi consolidated its role as a leading business entity, highly focused on innovation, with a unique offer and a firmly-established presence in the markets where it operates.

We confirmed our high level of specialisation as regards extremely technically complex works, achieving results that place your company among the leading 10 contractors worldwide for the construction of bridges (3rd place), airports (7th place) and hydroelectric plants (8th place), and holding 12th place for underground construction. Turnover increased by 6% to approximately EUR 2.7 billion, while net profit increased by 21% to EUR 81.6 million and the order backlog totalled over EUR 28 billion.

The internationalisation of business activities was strengthened by consolidation of our presence in countries able to offer a clear infrastructure development policy, with 70% of total turnover generated abroad, mainly in Russia and Canada, followed by Turkey, Poland, Algeria and Chile. Business stability and a flexible development model made it possible to achieve set targets in Italy as well which – despite the crisis experienced in recent years – we continue to look on as a strategic reference market in the belief that the country needs useful and key works to support its economic development.

These results were achieved thanks to the innovative solutions adopted and to the know-how of almost 10,000 employees whose growth we have invested in through implementation of the Academy Project (for executive and management training) and the hiring of graduates who can represent the company's future management.

Significant performance ability, control of financial trends and successful interpretation of customers' needs have ensured key business achievements which serve to gradually increase the Group's international visibility and consolidate a leading reputation of great value.

However, we have not focused solely in construction, we have also invested in all types of infrastructures, based on an integrated construction-concessions model which allows us to optimise our great financial and technical skills and know-how. As for example in Turkey where we are building the Third Bosphorus Bridge which will be the longest and widest suspension bridge, as well as the bridge with the highest towers in the world, or Izmit Bay Bridge which will be the fourth longest suspension bridge in the world.

The offer capacity has been further consolidated by coherent integration into the business model of NBI's operations, a company specialising in facility management and plant engineering.

Additional benefits shall also arise from the focus on innovation demonstrated as regards management with an improved risk management system and consolidation of project management skills.

We are convinced that the path we have taken will allow us to reap new opportunities and convert all challenges into new growth opportunities, in order to leave a tangible sign of the Italian excellence which express our way of working.

A result reached due to your support too. And we would like to thank you for this.

The Chairman

Astaldi Group

Our history, raw material for each new project.

We have been building major works for more than 90 years, using the most important raw materials year after year: experience and innovatory capacity.
We started in 1922 with activities focusing on large-scale public works in Italy and Africa. From then, our growth has been ongoing and tenacious, characterised by innovative technologies and business models.
We have been, and continue to be part of the life and history of the industrialisation of Italy and its infrastructures. Between the 1950s and 1970s, we increased the scale and complexity of the projects we performed with the Rome-Bologna section of the A1 motorway and the Rome-Florence fast railway line in Italy, and continued with the large-scale city underground lines in Milan, Naples and Rome. We expanded year after year, also abroad, becoming an international brand with new projects in Europe, the Middle East, Central America, Asia and Africa. Our Group also grew, alongside the major projects completed, with acquisition of Italstrade and Dipenta in the 1990s resulting in an increase in our skills and know-how and supply systems. During the same period, we started working in the concession sector

in Italy, while consolidating our international presence with works such as Taksebt dam in Algeria, Balambano dam in Indonesia, the Anatolian motorway in Turkey and the Bucharest-Constanta motorway in Romania. Project after project, in 2002 we achieved an important goal: listing in the STAR segment of the Milan Stock Exchange. At the same time, we consolidated our role of General Contractor thanks to new and key experiences in Italy and abroad, such as the project to construct the new Milan Trade Fair Centre in Italy and completion of the motorway in Turkey. In the following years, we continued to focus on the construction sector and on consolidating our competitive positioning and international role, while also building up operations in the concessions sector. Indeed, Astaldi Concessioni was set up in 2010 to develop concession and project finance initiatives. The Group acquired two companies between 2011 and 2012, Busi Impianti (now NBI) and Sartori Tecnologie Industriali, which resulted in the opening of a new business segment: Plant Engineering, Facility Management and Management of Complex Systems. We have consolidated our presence in Canada thanks to acquisition of the Canadian T.E.Q. Construction Enterprise. Our recent history has been marked by projects of international standing, such as the Bosphorus Bridge in Turkey, which will join Asia and Europe, or Toledo Station on the Naples underground in Italy, judged by the CNN the best in Europe, or Muskrat Falls Hydroelectric Plant in Canada, one of the largest in North America. The Astaldi name is linked to works that have already set records: the Third Bosphorus Bridge will be the longest and widest suspension bridge in the world, Etlik Hospital in Ankara is the largest healthcare facility in Europe under construction to date and the Police Officers Academy in Florence is the largest public work currently being built in Europe in the civil building sector. More than 90 years of history characterised by courageous intuition, state-of-the-art technologies, valuable workers and ongoing expansion of the Group's international presence.
Every project we have performed represents solid foundations on which to continue to plan the future.

More than 20,000 km and the journey continues.

Transport Infrastructures.
Kilometre after kilometre, our transport infrastructures help development gain ground. They link continents such as the Third Bosphorus Bridge, the longest and widest suspension bridge in the world, which will bring together Europe and Asia. They improve transport within cities such as the second line of the Warsaw underground, a project that employed the most advanced technologies to freeze the subsoil in order to continue excavation in the presence of water. They promote tourism, as in the case of the Jonica National Road in Italy.

Appearance also plays a role in the infrastructures we build: Toledo Station on the Naples underground was voted by the CNN as the most attractive in Europe in 2014. And similar value can be seen in Naples-Afragola Station on the Rome-Naples high-speed railway line designed by the architect Zaha Hadid, with the contract being awarded at the end of 2014.

Thousands of hours of work because there is not just one form of energy.

Water and energy.
The thousands of megawatts produced by plants at worldwide level also include the energy of our technical workers and the knowledge of our engineers who designed and built key projects. We have built dams, plants, aqueducts, oil pipelines, gas pipelines and renewable energy plants able to fuel the economy and life of many countries: such as the Chacayes hydroelectric plant, the first 100% eco-compatible run-of-river plant, built and now under operation in Chile, or Muskrat Falls hydroelectric plant in Canada, which fits into North America's larger energy production system.

Our projects cannot be measured in square metres only.

Civil Buildings.
The works we build represent an added value for the territory, creating new business opportunities and improving the quality of life and services with innovative healthcare facilities and new car parks for improving urban mobility. They are key works for the community and for the economic fabric. Many have been designed and built in collaboration with architects of international renown, such as Massimiliano Fuksas for the new Milan Trade Fair Centre, Emilio Ambasz for the new Hospital in Venice-Mestre, Karim Rashid for Università Station on the Naples underground.
And the growth in activities was accompanied by important acknowledgements at an international level in 2014 as well, proving that our commitment to working in an increasingly innovative and integrated manner is the right choice to increase the Group's value, building progress in the countries where we operate.

Combining the construction and concessions business model: a new boost from integration.

Integration between construction and concessions in 2014 as well made it possible to consolidate and expand our presence on developing markets.
Working on concession and project finance initiatives means being able to construct key works for the community, because the lack of resources cannot halt the growth in infrastructures or slow down the construction of a school or hospital.

The business model: a new supply system from integration.

Working on concession projects allows us to make the most of transversal skills and know-how: structured finance, risk management, operating management, know-how which, when used for Concessions, means increasingly integrated offers with the Construction sector. Indeed, integration is the key word of our business model. Integration has generated a new opportunity combining construction with activities prior to construction such as Facility Management, Plant Engineering and Management of Complex Systems. Complete and integrated management of projects (from construction to maintenance) has allowed us to develop and retain within the Group know-how arising from working processes which, combined with management, allow us to further expand the range of products on offer.

Engineering and Project Management: even excellence can be planned.

The Engineering and Corporate Project Management Divisions take on a key role within this integrated model. These are internal units operating in the integrated design, works supervision and project management segments, with the shared goal of codifying and diffusing the standard of excellence in processes, methods and performance of works. The Engineering Division provides Integrated Engineering and Total Project Management services for all the Company’s business segments, together with operating units in Italy and abroad. It is the depository of the Group’s technical and specialist know-how and is certified UNI EN ISO 14001 (Directives for mitigation of direct and indirect impact arising from Works Supervision services and the performance of works) and UNI EN ISO 9001 (Directives for the quality and correctness of procedures used).
The Corporate Project Management Division promotes the Project Management model, adopted within the Group, to share knowledge, skills, instruments and techniques, applying the integrated approach to project management right from analysis of the offer and for all the project lifecycle.

Strategies for the future

The future has a plus sign.

Consolidation, internationalisation, building know-how.

The future will open new paths for the Group's growth worldwide, it will dedicate more energy to valorise concession assets and building for innovation, remodelling construction activities towards complex projects with a high technological content.
But above all in Astaldi Group's future there is the growth in sharing knowledge and the business model: knowledge sharing which has been the winning key in all our business segments, the lever which has allowed us to integrate supply systems and become part of the countries where we operate. The future is a panorama taking shape in front of us, day by day, project after project, thanks to progress and completion of works under construction. Italy is on the road to recovery and we will also be part of this with the Verona-Padua high-speed line, with new civil construction contracts, with the Jonica national road and opening of the complete Line 5 of Milan underground and with the completion of 5 stations. The new Hospital in Naples will be opened and Massa Carrara hospital in Tuscany will enter the operation phase during 2015. As regards Turkey, there will be intensification of activities to construct the Third Bosphorus Bridge with consequent launch of the operation phase as from 2016. Work will also go ahead on the Gebze-Bursa section (including Izmit Bay Bridge) of the Gebze-Orhangazi-Bursa-Izmir motorway.
As for Russia, activities will continue to finalise the construction contract for a key section of the M-11 Moscow-St. Petersburg motorway.
Our presence is also increasing in Eastern Europe, especially in Poland, Bulgaria and Romania thanks to the contribution of European development funds. Activities linked to performance of Muskrat Falls hydroelectric project will continue in Canada as well as design of West Metropolitan Hospital in Santiago de Chile. Our commercial strategies are far-looking, especially as regards those countries where economic growth is most promising: in Indonesia where investments are increasing as a result of political stability and in Vietnam where the transport infrastructure demand is expanding. We are also renewing our commitment in Algeria and in the whole of the Middle East as regards civil construction and transport infrastructures.

Astaldi Academy

Building knowledge: the only work we will never finish.

The growth of skills and know-how continues to play a key role in our strategies, both in Italy and abroad. The number of non-Italian managers in countries where we operate is increasing, thus confirming that not only does Astaldi Group contribute to progress by designing and constructing infrastructures, but also by building new management skills and culture. Young graduates with technical and economic degrees have joined our Group through the "Manager del Futuro" project and are acquiring managerial skills and know-how through "on site" training and qualification in Algeria, Chile, Peru, Poland, Romania, Russia and Turkey.

With the "Puntiamo in alto!" study grant programme, Astaldi Group is continuing to support the schooling of children of employees with the best performance. Human resources management has also acquired new instruments: the Talentia information system guarantees staff registration and recruitment throughout Astaldi. And there has also been an increase in the activities of Astaldi Corporate Academy, a corporate academy and permanent training facility dedicated to the Group's managers and professionals with specific training courses designed for different business areas: economics and performance management, business processes and operations, innovation and strategy, leadership and organisational behaviour and project management. Astaldi Corporate Academy creates and improves on internal skills and retains resources, thus generating new value for all stakeholders.

Protection of the environment

Different lands for each project yet the same horizon: safety.

As regards Astaldi Group, the planet's health is strictly linked to the quality of production processes and safety. Operating excellence means complying with the highest standards of quality in all operating phases, and hence setting the health of the environment, the people who live there and above all those working on sites as the horizon right from the design phase. As far as we in Astaldi are concerned, the culture of site health and safety is much more than a declaration of intent. It is an integral part of our guide to total quality, it is a management model, which takes in all our business areas: from safety and prevention training to sharing of the risk prevention culture through to legislation and protection of the area we operate in. Putting the safety culture at the heart of our business means constantly monitoring the risks for workers that are involved in activities, updating working standards and instructions, marketing campaigns to spread the safety culture, making the most of professional training and updating and adopting the most innovative and efficient technologies for all critical safety devices.

We have voluntarily adhered to the highest standards of quality and in 2014 we once again received positive certification of our processes. We have also received important acknowledgements such as PRIX – Promotion de la Sécurité et de la Santé au Travail – issued by the *Ministre du Travail, de l'Emploi et de la Sécurité Sociale* in Algeria for results achieved in terms of risk prevention and progress in the health and safety sector; an award for the "Safety Assessment and Training Process", given by America's Associated Builders and Contractors Inc. (ABC) to Astaldi Construction Corporation in acknowledgement of the "Gold Level" results it obtained and the efforts made in developing a safety quality programme in 2014. Improvement of Safety and Environment within the corporate management system is continuing with the adoption and diffusion of HSE best practices with a view to creating value through knowledge-sharing and with constant updating of management in order to standardise the approach and application of HSE policies in all our projects.


Dworzec Wileński

Poland, Warsaw Subway Line 2
Dworzec Wileński Station.

Consolidated annual financial report

Russia, Western High Speed Diameter in St. Petersburg.

Shareholders' Call

Notice of calling

An Ordinary Meeting of the Shareholders entitled to vote is called to be held at the Company's registered office in Rome, Via Giulio Vincenzo Bona 65, on the 23rd of April, 2015, at 9,00 a.m. at first calling and, if necessary, at second calling on the 24th of April, 2015, same place and time, to discuss and resolve upon the following

Agenda:

1. Approval of the Company's Financial Statements as of December 31, 2014. Resolutions relating thereto and deriving therefrom.
2. Allocation of the profit for the period.
3. Appointment of the members of the Board of Auditors holding office for financial years 2015/2017.
4. Determination of the remuneration due to the members of the Board of Auditors for financial years 2015/2017.
5. Resolutions on the purchase and sale of company's own shares.
6. Remuneration Report.

Share Capital and Voting Rights.
The subscribed and paid-up share capital of Astaldi S.p.A. amounts to € 196,849,800.00 and is divided into 98,424,900 common shares of a nominal value of Euro 2.00 each, of which 814,755 treasury shares presently held. Each share entitles its registered holder to one vote, exclusive of treasury shares held by the company at the date of the meeting, the voting rights of which, in accordance with the law, are suspended, and the amount of which will be made known upon opening meeting. The information set forth in this paragraph is available at www.astaldi.com

Entitlement to Attend the Meeting.
Pursuant to art. 11 of the Company's By-laws, Shareholders' meetings may be attended by those who are entitled to vote in accordance with the appropriate attestations issued and forwarded by the brokers pursuant to the law. To this respect, pursuant to art. 83-*sexies* of the T.U.F. (the Italian Financial Services Act), the entitlement to attend Shareholders' meeting and to vote thereat is attested by a notice to be given to the Company by the broker according to the latter's accounting records, setting forth the name of the entity entitled to vote, as it appears from the records of the accounts as per art. 83-*quater*, paragraph 3, of the Italian Financial Services Act, as at the end of the accounting day of the seventh stock market working day prior the date fixed for the Shareholders' meeting (i.e. April 14, 2015). Those who appear to have become shareholders after such date will not be entitled to attend the Shareholders' meeting and vote thereat. The notices to be given by the brokers as per this paragraph, shall have to be received by the Company within the end of the third stock market working day prior to the date fixed for the first-call meeting (i.e. the 20th of April, 2014). It is understood that the entitlement to attend the Shareholders' meeting and to vote thereat is granted also in the event the Company receives any such notice beyond said deadline provided that it is received before the start of the meeting of each respective call.

Vote by Proxy and Vote by Mail or by Electronic Means.
The holder of the voting right may have himself represented by written proxy, subject to any incompatibility and within the limits provided for by the laws and regulations in force and the provisions of the Company's By-laws. The form of proxy made available through the Company's Internet website www.astaldi.com ("*Governance/Shareholders Meeting*" section) may be used to such purpose. In accordance with art. 12 of the Company's By-laws, every shareholder may issue the proxy through the website section "*Governance/Shareholders Meeting*" of the Company's Internet website.
As provided for by the Company's By-laws, the Company waives the right to appoint a "common representative", as provided for by art. 135-*undecies*, § 1, of the Italian Financial Services Act.
The Company's By-laws do not provide for any procedure for casting votes by mail or by electronic means.

Questions on the Items of the Agenda.
Pursuant to art. 127-*ter* of the Italian Financial Services Act, questions on the items of the agenda may be submitted, also prior to the Meeting, by those who are entitled to vote and in favour of whom the Company has received a specific notice to be issued by an authorized broker (pursuant to art. 23 of the Regulation approved by decision made jointly by the Bank of Italy and Consob on February 22, 2008, as subsequently amended and supplemented)".
The questions, jointly with the information enabling to identify the entity duly entitled thereto, have to be submitted to the Chairman of the Board of Directors in writing, by means of registered letter with acknowledgement of receipt, to be sent to the Company's registered office, attn.: "*Servizio Affari Societari,* Corporate Governance *e Ufficio di Presidenza*", or by means e-mail to segreteriasocietaria@astaldi.com. The questions must be received within 3 days prior to the first-

call meeting (i.e., the 20th of April, 2015) and the same will be answered, also collectively in the event they refer to the same aspect, at the latest during the Shareholders' meeting.

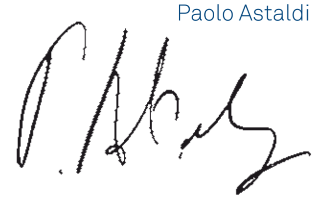
Supplements to the Agenda and Introduction of New Proposals of Resolution.
Pursuant to art. 126-*bis* of the T.U.F. (the Italian Financial Services Act), the shareholders who represent, also jointly, one fortieth of the share capital may request, within ten days after publication of this notice of calling (i.e. within March 23, 2015), to supplement the list of the items to be discussed, setting forth the additional items proposed by the same in their request, or submit proposals of resolution on items already included in the agenda. The question, jointly with the notice attesting the ownership of the shares, has to be submitted to the Chairman of the Board of Directors in writing, by means of registered letter with acknowledgement of receipt, to be sent to the Company's registered office, attn.: "*Servizio Affari Societari,* Corporate Governance *e Ufficio di Presidenza*", or by e-mail to segreteriasocietaria@astaldi.com, jointly with the information required to establish the identity of the parties submitting such questions. A report setting forth the grounds for the proposals of resolution on the new items they propose to discuss or the grounds for the additional proposals of resolution made in connection with items already included in the agenda, has also to be filed, according to the same procedure and within the same deadline, to the managing body. It is further reminded that the agenda can not be supplemented with items upon which the Shareholders' Assembly resolves, pursuant to the law, on the directors' proposal or on the basis of a project or plan drawn up by the same, other than those provided for by art. 125-*ter*, paragraph 1, of the Italian Financial Services Act.

Appointment of the Board of Auditors and Filing of Lists.
As far as concerns the appointment of the Board of Auditors, it is reminded that, pursuant to article 25 of the Company's By-laws, and to art. 144-*sexies* of Consob Regulation No. 11971/99, such appointment is made on the basis of lists filed at least 25 days prior to the date fixed for the Meeting (i.e. March 30, 2015) by the Shareholders globally holding, individually or jointly with other shareholders, at least 1% of the Company's share capital with voting right at Shareholders' ordinary meetings.
The lists, jointly with the notice attesting the ownership of the shares, has to be submitted to the Chairman of the Board of Directors in writing, by means of registered letter with acknowledgement of receipt, to be sent to the Company's registered office, attn.: "*Servizio Affari Societari*, Corporate Governance *e Ufficio di Presidenza*", or by e-mail to astaldi.mt@pec.actalis.it, jointly with the information required to establish the identity of the parties submitting such questions.
In the event that, at the expiry date of the period within which the lists have to be filed, one sole list has been filed, or lists have been filed only by the shareholders who hold a connection relationship between them as provided for by the laws and regulations governing the matter, additional lists may be filed until the third day after such deadline (i.e. within April 2, 2015), and in such a case, the participating interest required for filing the list will be reduced by a half and will correspond to 0.5% of the share capital entitled to vote at Shareholders' ordinary meetings.
For the lists and the relevant documents to be considered as validly filed, the Shareholders will have to comply with the provisions of art. 144-*sexies* of Consob Regulation 11971/99 and art. 25 of the Company' By-laws available at www.astaldi.com ("Governance/Documents" section).
Lists and individual candidacies filed not fully complying with the provisions of the laws and the Company's By-laws will be considered as not filed.

Documents.
The documents relating to the items of the agenda shall be filed with the Company's registered office (in Rome – Via Giulio Vincenzo Bona, 65) and anyway as provided for by the laws and regulations in force, the shareholders being entitled to examine the same and to obtain copy thereof. In particular, the following documents will be made available: *(i)* the Directors' Report on the 2nd, 3rd and 4th items of the agenda at least 40 days prior to the date fixed for the meeting pursuant to art. 125-*ter* of the Italian Financial Services Act and to art. 84-*ter* Consob Regulation 11971/99; *(ii)* the Annual Financial Report, the Corporate Governance and Shareholding Structure Report as per art. 123-*bis* of the Italian Financial Services Act and the other documents on the 1st item of the agenda, within 90 days after closing the 2014 financial year pursuant to art. 2.2.3, paragraph 3, letter a) of the Regulation issued by Borsa Italiana; *(iii)* the list of candidates as members of the Company's Board of Auditors for financial years 2015/2017, at least 21 days prior to the Shareholders Meeting under art. 144-*octies* of Consob Regulation 11971/99; *(iv)* the Directors' Report on the 5th item of the agenda "Resolutions on the purchase and sale of company's own shares", at least 21 days prior to the Shareholders' Meeting, pursuant to art. 125-*ter* of the Italian Financial Services Act and to art. 73 of Consob Regulation 11971/99; *(v)* the Remuneration Report on the 6th item of the agenda at least 21 days prior to the Shareholders' Meeting pursuant to articles 123-*ter* and 125-*ter* of the Italian Financial Services Act and to art. 84-*quater* of Consob Regulation 11971/99.
Those same document will be further made available in the Company's Internet website www.astaldi.com ("*Governance/Shareholders' Meeting*" section) and through the authorized storage server at www.1info.it. A report summarizing the vote results, setting forth the number of shares attending the Shareholders' meeting, personally and by proxy, the number of shares voted, the percentage of capital represented by such shares, as well as the number of shares voted for and against the resolution, and the number of abstentions, will be further published within five days after the Shareholders' Meeting in said section of the Company's Internet website. The minutes of the Shareholders' Meeting as per section 2375 of the Italian Civil Code will be anyway made available at www.astaldi.com *("Governance/Shareholders Meeting"* section*)* within thirty days after the date on which the Shareholders' meeting was held.

Experts, Financial Analysts and Journalists.
Accredited experts, financial analysts and journalists desiring to attend the Shareholders' Meeting will have to file a proper application with Astaldi S.p.A. – Attn. Corporate Communications & Investor Relations Dept. – by e-mail to the address investor.relations@astaldi.com or by fax to No. +39-06-41.76.67.33 – not later than two working days before the date fixed for the first call Meeting.
This notice of calling is published in the Company's website www.astaldi.com ("Governance/Shareholders Meeting" section) on March 13, 2015, and as an abstract in the daily newspaper "Milano Finanza" of March 14, 2015.
Rome, this 13th of March, 2015

On behalf of the Board of Directors
The Chairman
Paolo Astaldi



Corporate Bodies

Board of Directors[1]

Chairman
Paolo Astaldi

Deputy Chairmen
Ernesto Monti
Giuseppe Cafiero

Chief Executive Officer
Stefano Cerri

Directors
Caterina Astaldi
Luigi Guidobono Cavalchini
Giorgio Cirla
Paolo Cuccia
Piero Gnudi[2]
Chiara Mancini
Nicoletta Mincato
Eugenio Pinto
Filippo Stinellis[3]

General Management

Paolo Citterio (*Administration and Finance*)
Luciano De Crecchio (*Domestic Area*)
Cesare Bernardini (*International Area and Railway Works*)
Mario Lanciani (*International Area*)
Filippo Stinellis (*International Area*)

Independent Auditors

KPMG S.p.A.

Honorary Chairman

Vittorio Di Paola

Board of Statutory Auditors

Chairperson
Daria Beatrice Langosco di Langosco[4]

Standing Auditors
Ermanno La Marca
Lelio Fornabaio

Alternate Auditors
Andrea Lorenzatti[5]
Giulia De Martino
Francesco Follina

Control and Risks Committee[6]

Chairman
Eugenio Pinto

Committee Members
Luigi Guidobono Cavalchini
Nicoletta Mincato

Related Parties Committee

Chairman
Eugenio Pinto

Committee Members
Giorgio Cirla
Paolo Cuccia

Remuneration Committee

Chairman
Ernesto Monti

Committee Members
Giorgio Cirla
Eugenio Pinto

Appointments Committee[7]

Chairman
Ernesto Monti

Committee Members
Chiara Mancini[8]
Eugenio Pinto

[1] Please note that the Directors, Guido Guzzetti and Mario Lupo resigned from the board on 1 August 2014 and 21 November 2014 respectively.
[2] Director co-opted by the Board of Directors meeting of 1 October 2014 and appointed at the Shareholders' Meeting of 29 January 2015.
[3] Director appointed at the Shareholders' Meeting of 29 January 2015.
[4] Auditor appointed through slates presented by minority shareholders.
[5] Auditor appointed through slates presented by minority shareholders.
[6] Please note that Guido Guzzetti was a member of the Control and Risks Committee until 1 August 2014, the date of his resignation.
[7] Mario Lupo was a member of the Appointments Committee until 21 November 2014, the date of his resignation.
[8] Chiara Mancini has been a Committee Member since 17 December 2014.

Management report

Introduction

The 2014 Annual Financial Report has been compiled by applying the same accounting standards adopted in the Annual Financial Report at 31 December 2013 except for those coming into effect as from 1 January 2014 outlined in the Annual Consolidated Financial Statements in the section entitled "Newly-issued and endorsed accounting standards and interpretations coming into effect as from 1 January 2014".
Legislative Decree No. 32 of 2 February 2007 ("Implementation of Directive 2003/51/EC, which amends EEC Directive Nos. 78/660, 83/349, 86/635 and 91/674, regarding the annual accounts and consolidated accounts of some types of companies, banks and other financial institutes and insurance companies") amended, inter alia, Articles 40 (*Management Report*) and 41 (*Auditing of consolidated financial statements*) of Legislative Decree No. 127/1991. Specifically, with regard to Article 40 of Legislative Decree No. 127/1991, it was envisaged that, as far as companies drafting consolidated financial statements are concerned, the management report for the consolidated financial statements and the parent's separate financial statements "*may be presented in a single document, emphasising, where appropriate, the issues which are significant for all the companies included in the consolidation scope*". Taking into account the Group's structure, the company opted to avail itself of said possibility and hence this annual report includes information previously provided in the management report for the consolidated financial statements and in the management report for the separate financial statements of Astaldi S.p.A.
Lastly, it must be noted that Astaldi's Board of Directors resolved to avail itself of the faculty to eschew obligations regarding the publication of required disclosures in case of significant mergers, demergers, share capital increases involving contributions other than cash, acquisitions and transfers, pursuant to Article 70, subsection 8 and Article 71, subsection 1-*bis* of the Issuer Regulation issued by CONSOB.

Background scenario

In order to better understand the financial results of the year, please find below a brief analysis of the approved infrastructure development investment plans in the markets of greatest interests for the Group's operations.

Italy[1]

Construction

The macroeconomic data for FY 2014 confirm that Italy is showing the first slight signs of recovery with the government

[1] Source: "*Osservatorio Congiunturale sull'Industria delle Costruzioni – dicembre 2014*", by the Economic Affairs Division and Research Centre of ANCE (Italy's National Association of Builders).

having implemented a long-awaited reform policy. Despite 2013 recording a slight increase (0.1%), drops were nevertheless recorded during the quarters of 2014. In Q1 2014, the GDP recorded a rate of -0.1% compared to the previous quarter and -0.5% compared to Q1 of the previous year. The GDP dropped even further in Q2 2014 by -0.2% compared to the previous quarter and -0.3% compared to the previous year. In Q3 2014 the GDP dropped by -0.1% compared to the previous quarter and -0.5% compared to the previous year. Forecasts envisage a zero growth rate for the last quarter which, if confirmed, would mean a drop of -0.3% in the GDP in 2014. While, at a European level, signs of a recovery are starting to be seen with a forecast growth rate of 0.6% for 2014. With regard to said situation, Astaldi Group adopts a specific policy of balancing domestic and international activities that, however, does not result in Italy losing its key role in growth strategies. Indeed, it is felt that a well-balanced revenue structure, an average lifecycle of the construction order backlog for Italy of 3 to 5 years and the considerable potential synergies resulting from an integrated Construction-Plant Engineering-Concessions development model can guarantee that Italy will continue to make a significant contribution over the coming years. However, the recession currently being experienced in the construction segment cannot be overlooked. During the first nine months of 2014, investments in construction dropped by 3.1% against a drop in GDP of -0.4%. Segment production dropped by 0.9%, cement consumption by 7.2% and segment employment by 4.1%. 2,500 construction firms embarked on bankruptcy procedures during the early part of 2014 (up by 11.8% compared to the previous year). In terms of public investment, 2014 was the seventh consecutive year of crisis with investments cut by 32%, equivalent to EUR 64 billion. In any case, the segment was focused on by the government that approved the "Unlock-Italy" Decree in September (Law Decree No. 133/2014), allocating EUR 3.98 billion for the intensification of some infrastructure projects even if the amount of resources allocated and implementation times did not allow for any impact on the segment in the short-term. Indeed, to date, the only investment opportunities for the Public Administration are linked to amendments to rules of the internal Stability Pact contained in the 2015 Stability Law (Law No. 190 of 23 December 2014) which should generate EUR 1 billion to be used for investment. Territorial cohesion policy funding (European Structural Funds and the Development and Cohesion Fund) continues to play a significant role (approximately 40% of infrastructure planning). Said funds total approximately EUR 162 billion, EUR 47 billion of which related to 2007-2013 planning to be finalised and EUR 115 billion to 2014-2020 planning. Additional benefits may arise from the EUR 315 billion 2015-2017 Three-Year Plan approved by the EU Juncker Commission to catalyse public and private investments in relation to which Italy submitted a proposal in November 2014 for re-launch of the segment through investments totalling EUR 57 billion.

Concessions

The lack of sufficient financial resources and the restrictions for local administrations arising from the Stability Pact have made Public-Private Partnerships (PPP) the preferential vehicle for performing the main infrastructure projects in progress throughout Italy. This has meant new interesting opportunities for the Concessions segment even if the number of projects that have actually reached the performance phase is still quite small. Available figures to date show that there was a drop in invitations to bid (-51.5%, excluding maxi-works of a value of more than EUR 500 million) and in the value of approved projects (-39.8%) between January and October 2014 compared to the same period of the previous year. The reason for this slowdown in the market can be attributed to the serious financial crisis being experienced and the lack of public funding. Indeed, the segment is affected by a series of structural conditions such as the direct correlation between the problems in accessing credit and the number of projects achieving financial closing, as well as lengthy and complex administrative procedures. Greater support from the reference legislative framework is to be hoped for in the future, especially in terms of simplification.

Rest of Europe

For the purposes of this Annual Financial Report, the rest of Europe is to be taken as Poland, Romania, Russia and Turkey. Please refer to the content below for a brief analysis of the situation identified in each of these countries.

Turkey[2]

Turkey has also been affected by the economic crisis, albeit in a much more limited way than the rest of Europe (OECD forecast of increase of GDP expected to be more than 3.7% for 2015, and between 2.5% and 3% for 2014). The Turkish government is continuing to support the development of PPP projects in the infrastructure segment with the aim of promoting and attracting foreign investment. After setting up a Public-Private Partnership Department within the Ministry of Health, involved in the construction of numerous healthcare facilities and formulation of dedicated PPP legislation which is at a very good point (Law No. 6428 of 9 March 2013), a measure was introduced in April 2014 which allows the Treasury Undersecretary to take on the role of guarantor of indebtedness totalling TYR 1 billion for the performance of projects in various segments. In November 2014, the Minister of Economic Development presented the 2014-2018 National Development Plan which provides for investments totalling USD 350 billion, of which USD 100 billion with the PPP model.

Russia

Astaldi Group operates in Russia solely with well-identified private counterparties of high international standing. The country is much in need of improvement and upgrading of infrastructures. The procedure Astaldi uses to deal with these questions is strategic business partnerships where it operates mainly as an EPC Contractor. Possible future developments for its business activities in Russia are not to be ruled out even if great attention is paid to monitoring the country's economic and political situation which has been affected by international tension in recent months, linked to EU sanctions regarding the unrest in Ukraine. Please refer to the section entitled "Main risks and uncertainties" for more information.

Poland[3]

Astaldi Group has operated in Poland since 2008, mainly in the Transport Infrastructures and Energy segments (with the construction of an industrial waste-to-energy plant). The Polish construction industry gained access to structural funding following its entry into the EU, ensuring focus on strategies to improve its infrastructure system which also acts as a driving force for the rest of the economy. If we are to consider the motorway segment alone, the construction of 1,700 kilometres of new road sections is planned by 2020. The role played by development programmes for the segment is also confirmed by the Partnership Agreement approved in January 2014 by the Polish government which defines the procedures for using EU funding allocated to Poland as part of the 2014-2020 Financial Framework. In addition to this, the country offers considerable macroeconomic stability which, albeit with its own specific characteristics, makes it possible to evaluate the increasing investment opportunities on offer. Thanks to its technical and financial skills, in addition to specific experience in the use of EU structural funds, Astaldi Group feels it is able to grasp interesting development opportunities, for both the construction and concessions segments, especially as regards the transport infrastructures, energy and environment segments.

Romania[4]

As regards 2014, Romania confirmed significant development opportunities for the Infrastructure segment while witnessing an improvement in the general political climate following the presidential elections in November 2014. More generally speaking, the country continues to guarantee medium-size public works contracts, especially in the transport segment, as well as interesting investments linked to cohesion infrastructure funding allocated by the European Union (linked mainly to construction of the Trans-European Rail/Motorway Corridor IV). During the year, the local government formulated the 2014-2020 Investment Plan which includes: (i) AP1 – *Development of the TEN-T network* with available community funding totalling EUR 3.4 billion and total financing of over EUR 4.5 billion; (ii) AP2 – *Development of multimodal transport systems* which can make use of European funding of EUR 1.7 billion for regional development, with total financing of over EUR 2.3 billion; (iii) AP3 and AP4, with additional allocation of European funding of approximately EUR 3.3 billion for the environmental segment and total financing of EUR 3.9 billion. As regards the medium/long-term, new investment opportunities may arise from the PPP law approved at the end of 2010. Considering the above and in light of the

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[2] Source: "*InfoMercatiEsteri*", Ministry of Foreign Affairs and International Cooperation.
[3] Sources: "*Road construction sector in Poland 2015-2020*" and "*PMR Investments – Database of construction investments in Poland*", by PMR.
[4] Sources: "*Romania Business Forecast Report*", by Business Monitor International, "*Nuova Programmazione dei Fondi Europei 2014-2020*", by ICE (Foreign Trade Institute).

Turkey, Gebze-Orhangazi-Izmir motorway (Izmit Bay Bridge).

specific experience acquired over the years in the use of structural funding, Astaldi Group feels that interesting opportunities may be on offer in the medium-term in Romania, also in relation to partnerships with leading European companies.

Algeria

Algeria is one of the foreign countries where Astaldi Group's activities are well-established. Indeed, it has operated in the country since the 1990s, mainly in the Transport Infrastructures (roads, motorways, railways) and Hydroelectric and Energy Production Plants (aqueducts, dams) segments. The Group is currently assessing the Civil Construction segment where commercial opportunities may arise from the major development plans approved by the local government as regards the country's urbanisation and infrastructure upgrading.

Middle East

As regards the Middle East, Astaldi Group mainly operates in Saudi Arabia and the United Arab Emirates. Oman, Qatar, Bahrain and Kuwait have been added to these areas in recent months following the shifting of commercial activities towards the Transport Infrastructures segment. Interesting development opportunities are on offer in each of the countries listed, especially as regards the Transport Infrastructures segment.

Saudi Arabia and Abu Dhabi plan to spend USD 500 billion and USD 58 billion respectively in the transport infrastructure segment by 2020.
Oman has announced investments in the transport segment totalling more than USD 20 billion for the coming years.
Qatar will invest more than USD 200 billion in infrastructure projects during the 2013-2023 period.
Bahrain will invest USD 22 billion over the next 4 years.
Kuwait plans to invest USD 75 billion in infrastructure projects by 2016.

North America

For the purposes of this Annual Financial Report, North America is to be taken as the USA and Canada. Please find below a brief analysis of the situation in each of these countries.

Canada

Canada is a country offering numerous strong points which are of interest for Astaldi Group. It boasts considerable natural resources (metals and hydrocarbons) and is the leading global producer of electricity. It has a highly developed infrastructure market. It has implemented major development programmes in the hydroelectric and transport segments where the Group is able to boast significant experience. It has instruments (Building Canada Plan, PPP Canada) able to promote the start-up of medium and large-size projects, including through private-public partnerships. Therefore, it is felt that the area may offer interesting opportunities which may also arise from a logic of integration and synergy between Astaldi Canada (a company owned entirely by Astaldi) and its subsidiary TEQ (a Canadian company owned entirely by Astaldi, operating since the 1970s and offering interesting skills and know-how with regard to construction and project management, acquired in 2012).

United States of America[5]

The United States' GDP continued to record a positive trend in 2014. Despite a negative first quarter (-2.1%), the real GDP increased at an annual rate of +4.6% in Q2 and +5% in Q3, while initial estimates for Q4 put it at +2.6%. The result is an increase in the real GDP for the whole year to 2.4% compared to 2.2% in 2013. Spending also increased (+4.3%). The unemployment rate continued to drop, standing at 5.6% at the end of the year. As regards 2015, financial analysts forecast a continuation of the positive economic trend, with a forecast GDP of 3.3%. Economic growth will be led by key segments such as real estate, automobile and fixed investments (residents and non-residents), as well as by public spending at all levels and a cut in the cost of crude oil. The latter should help growth considerably. It must also be noted that the Federal Administration is seriously committed to boosting the economy and upgrading services and infrastructures in the transport segment. During the second quarter, President Obama presented a USD 302 billion four-year plan to the Congress (Grow America Act) to finance projects for the construction and maintenance of motorways, bridges, public transport and railway systems. Another government instrument introduced during the year is the Build America Investment Initiative, aimed at increasing investment in infrastructure, facilitating cooperation between state and local bodies and private investors, promoting the use of public-private partnership (PPP) and putting federal credit schemes to good use. The Administration also launched the Build America Transportation Center, a body whose job is to facilitate dialogue between investors and builders in the public and private spheres, promoting innovative financial strategies to develop infrastructure projects in the transport segment. In this regard, the Group may benefit from numerous expansion opportunities and will continue to monitor the segment's development.

[5] Sources: *U.S. Department of Commerce, Bureau of Economic Analysis* -- http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm; *U.S. Department of Labor, Bureau of Labor Statistics* -- http://data.bls.gov/timeseries/LNS14000000; *The White House, Office of the Press Secretary* -- http://www.whitehouse.gov/the-press-office/2014/07/17/fact-sheet-building-21st-century-infrastructure-increasing-public-and-pr.

Canada, Muskrat Falls hydroelectric project.

Latin America

The Group operates in Latin America in areas where traditionally present (Venezuela and Central America) but also in recently-joined markets (Chile and Peru). The segments of interest are Transport Infrastructures, Energy Production Plants, Civil Construction and Mining Plants. The projects refer to the Construction segment (railways, hydroelectric plants, roads, viaducts) as well as the Concessions segment (airports, hospitals, mining plants). Please find below a brief analysis of the situation in the most important countries.

Chile[6]

The country represents an interesting opportunity for geographical and segment diversification thanks to its socio-political and economic stability, its sovereign debt credit rating (A-) and the soundness of its legislative framework, as well as the significant opportunities in progress in the Infrastructures segment, especially in the renewable energy and healthcare construction segments. In 2014, Chile confirmed its status as one of the most interesting foreign markets for the PPP segment. Its highly advanced legislative framework encourages the use of this instrument: it has been decided that the MOP (Ministry of Public Works) shall be the local public body responsible for implementing infrastructure action plans, and the provisions for regulating the PPP model can be found in Law No. 164/1991 ("Concession Law") and Law No. 956/1997 ("Concession Law Regulation"), currently in force. Specifically, interesting opportunities are shaping up in Chile for the construction of energy production plants, railways, hospitals and major infrastructures using the concession formula. The country is also planning major investments to improve the infrastructure network in order to deal with the intensive foreign trade activities and support current growth levels. As regards the railway segment, the 2014-2016 three-year plan drawn up by EFE, the national railway company, provides for investments totalling approximately USD 1 billion. As regards the airport segment, the major increase in passenger traffic and the expected entry of new air companies into the local market generate opportunities to expand the whole national network. As regards the road segment, new projects for the construction of urban and out-of-town roads and motorways are currently being examined and drawn up.

Peru

Astaldi Group's presence in Peru corresponds to a logic of diversification of the risk profile of activities. The Group is currently focused on initiatives with private customers in relation to projects aimed at constructing hydroelectric plants. As regards the future, interesting opportunities may emerge, including with public counterparties, in the Transport Infrastructures (undergrounds, airports) and Hydroelectric and Energy Production Plants (aqueducts) segments.

[6] Sources: "*Chile Business Forecast Report*", Business Monitor International; "*Info Mercati Esteri. Cile*", by the Italian Embassy in Chile.

Russia, Western High Speed Diameter in St. Petersburg.

Venezuela

In 2014, the complexity of Venezuela's economic and socio-political situation was confirmed, leading Astaldi Group to reinforce its policy of limiting activities compared to the projects' actual potential. It must be recalled that the country's economy depends heavily on oil exports. The recent drop in the price of oil is weakening the already suffering local economy, heightening social tension. Given this situation, Astaldi Group is adopting an extremely cautious approach which has led to a limiting of activities related to projects in progress in the country since 2012. Said projects have deliberately been kept at much lower production levels than the potential ones. This offers a wide margin of recovery which the Group will be able to exploit when the socio-economic situation is able to guarantee the right stability, also in light of the general review of the Puerto Cabello-La Encrucijada railway line construction contract which has provided for redefinition of the timeframe for completion of works and the addition of integral system supply activities. While note must be taken of the increasing weakness of the local currency which is kept at a fixed rate against the US dollar. Alternative exchange rate mechanisms have also been introduced regarding transactions not featuring among Astaldi Group's activities. It must be recalled that the Group operates in Venezuela on contracts whose values are set for the most part in Euro, and for a part in local currency to cover domestic costs.

Operating performance

Total revenue for 2014, **amounted to EUR 2.65 billion (+5.7% YOY)**, with **EBITDA and EBIT of EUR 306.5 million and EUR 234.8 million respectively** and **a major increase in profit to EUR 81.6 million (+21.1%)**. **Net financial debt showed a marked improvement totalling EUR 798.6 million** (EUR 1,104.7 million at 30 September 2014 and EUR 797.4 million at 31 December 2013). The **expiry structure is increasingly focused on the medium/long-term**, with a credit rating backed up

by the leading international rating agencies. The **total order backlog amounts to EUR 13.8 billion (+4% YOY)**, plus EUR 3.1 billion of new orders/contract amendments. The result is **a total backlog, including various options and contracts not included among the backlog to date, of over EUR 28 billion.**
The year's results are in line with the Group's planned growth and their foundations lie in a successful market positioning strategy and consolidated business capacity, with consequent **improvement of the risk profile of business activities**. Despite the problems experienced by reference markets, the solidity of the Group's business and a flexible development model have made it possible to achieve the set targets. The year's results benefitted especially from the fourth quarter's excellent performance with positive effects in terms of production volumes and absolute margins, as well as a considerable reduction in operating working capital, reflecting positively on net financial debt. The domestic situation is largely static even if there was an upturn in acquisitions during the last part of the year. While, as regards international activities, the ability of the Group and its local branches to suitably respond to commercial growth can be confirmed which, on the whole, allowed for the targets set forth in the business plan to be mostly achieved. Additional positive signals were recorded for the Group's financial structure which benefitted from the stabilisation of sources of financing as from 2013 and consequent shifting of the expiry structure to the medium/long-term. Some problems which had penalised the first half of 2014 and the previous year were also resolved.
Please refer below for a detailed analysis of the trends characterising the individual Income Statement and Statement of Financial Position items as well as the Group's financial structure trends.
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For a better understanding of the year's trends that will be analysed, it must be noted that the financial performance of the Group and its business segments are assessed 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; (ii) impairment losses and provisions; (iii) internal costs capitalised.

EBIT. This is equal to the profit (loss) prior to taxation and financial income and charges, without any adjustments. The following are excluded from EBIT: gains or losses of unconsolidated investments and securities and the gains and losses on the sale of consolidated equity investments, classified as "financial income and expense", or as "gains or losses on equity-accounted investees" for gains or losses on equity-accounted investments.

EBT. This is calculated like EBIT, excluding financial income and expense, as well as gains or losses on equity-accounted investments.

Debt/Equity Ratio. This is calculated as the ratio between the net financial position as the numerator and equity as the denominator, excluding treasury shares in portfolio.

Net financial position. This is obtained by subtracting non-current loan assets and financial assets from concession activities from net financial position (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 and provisions contained in CONSOB Communication 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 Statement 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 assets; specifically, intangible assets, the Group's property, plant and equipment, equity investments as well as other non-current assets.

Operating working capital. This is the result of the total 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).

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

ROI. This is the ratio between net operating profit or loss (EBIT) and net invested capital.

Income statement for 2014

(millions of euros)	2014	% of total revenue	2013 *	% of total revenue	YOY diff. (%)
Total revenue	2,652,565	100.0%	2,508,360	100.0%	5.7%
Total costs	(2,346,082)	(88.4%)	(2,186,205)	(87.2%)	7.3%
EBITDA	**306,483**	**11.6%**	**322,155**	**12.8%**	**(4.9%)**
EBIT	**234,832**	**8.9%**	**234,108**	**9.3%**	**0.3%**
Net financial expense	(138,870)	(5.2%)	(111,538)	(4.4%)	24.5%
EBT	**130,731**	**4.9%**	**129,956**	**5.2%**	**0.6%**
Profit attributable to owners of the parent	**81,559**	**3.1%**	**67,337**	**2.7%**	**21.1%**

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

Total revenue

Total revenue increased to EUR 2,652.6 million (+5.7% YOY, EUR 2,508.4 million in 2013), with operating revenue accounting for 95.8%, hence attributable to the Group's business activity, and other revenue for the remaining 4.2%, which are not directly referred to the core business but to ancillary contracts. **Operating revenue increased to EUR 2,540.4 million** (+6.7% YOY, EUR 2,381.4 million in 2013), supported by a successful market positioning strategy and with the development of major foreign contracts that boosted turnover, recording highly positive trends. In addition to the domestic segment, the areas that made the most significant contribution to the year's production are those recently acquired (Russia, Canada) followed by countries where the Group is a well-established player (Turkey, Poland, Algeria, Romania, Peru, Chile). **Other operating revenue totalled EUR 112.2 million** (EUR 126.9 million in 2013) and referred to activities supplementary to the main construction contracts.

Breakdown of revenue by segment

Construction accounted for approximately 99% of operating revenue amounting to EUR 2,516 million of revenue (6.4% YOY, EUR 2,364 million in 2013) and benefitted from the Group's specialisation in the Transport Infrastructures segment as well as integration into industrial processes of the subsidiaries NBI (Facility Management, Plant Engineering and Management of Complex Systems) and TEQ Construction Enterprise (Civil construction). The **remaining 1% was generated by Concessions** which means that their contribution to this Income Statement item was lower but largely stable. This is to be attributed to the Group's governance policy which, as regards the Concessions segment, is aimed solely (except for rare occasions) at non-controlling interests in special purpose vehicles, with the consequent need to consolidate said investments using the equity method.

Revenue by segment (millions of euros)	**2014**	**% of total revenue**	**2013***	**% of total revenue**	**YOY diff. (%)**
CONSTRUCTION	**2,516**	**99.1%**	**2,364**	**99.3%**	**6.4%**
Transport Infrastructures	1,824	71.8%	1,945	81.7%	(6.2%)
Railways and undergrounds	*821*	32.3%	*790*	*33.2%*	*3.9%*
Roads and motorways	*933*	36.7%	*953*	*40.0%*	*(2.1%)*
Ports and airports	*70*	2.8%	*202*	*8.5%*	*(65.3%)*
Hydraulic and Energy Production Plants	349	13.7%	116	4.9%	200.9%
Civil and Industrial Construction	163	6.4%	158	6.6%	3.2%
Facility Management, Plant Engineering and Management of Complex Systems	180	7.1%	145	6.1%	24.1%
CONCESSIONS	**24**	**0.9%**	**17**	**0.7%**	***41.2%.***
TOTAL OPERATING REVENUE	**2,540**	**100.0%**	**2,381**	**100.0%**	**6.7%**

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

Construction

Transport Infrastructures accounted for 71.8% of operating revenue, equal to EUR 1,824 million of revenue (-6.2% YOY, EUR 1,945 million in 2013) and included: (i) the contribution from Roads and Motorways for the good progress of works in Turkey (Third Bosphorus Bridge, Gebze-Izmir motorway), Russia (Western High Speed Diameter in St. Petersburg), Romania (Arad-Nădlac motorway, Mihai-Bravu overpass), United States (roads and motorways), Italy (Pedemontana Lombarda motorway); (ii) the positive results of Railways and Undergrounds for the projects in progress in Romania (Bucharest-Constanta railway line, Line 4 and Line 5 of Bucharest underground), Poland (Warsaw underground), Algeria (Saida-Moulay Slissen railway line), Italy (Line 4 and Line 5 of Milan underground, Line C of Rome underground, Bologna Centrale HS Station); (iii) the additional contribution from Ports and Airports including the virtual completion of activities in Russia (Pulkovo International Airport in St. Petersburg), only partially offset by the progress of works in Poland (John Paul II International Airport Krakow-Balice). **Hydraulic and Energy Production Plants generated 13.7% of operating revenue, amounting to EUR 349 million** (EUR 116 million at the end of 2013), tripling their YOY value, achieving an extremely positive performance backed up by good project results in Canada (Muskrat Falls Hydroelectric Project) and progress of works in Peru (Cerro del Águila Hydroelectric Plant) and Poland (Bydgoszcz-Torun Waste-to-Energy Plant). **Civil and Industrial Construction accounted for 6.4% of operating revenue equal to EUR 163 million** (+3.2% YOY, EUR 158 million in December 2013) and reflected the intensification and/or virtual completion of some projects in Italy (Police Officers Academy in Florence, Tuscan Hospitals, Jonica National Road and Turin Rail Junction), preliminary activities performed in Chile for the Western Metropolitan Hospital in Santiago and the good results of operations in Canada (TEQ Construction Enterprise). **Facility Management, Plant Engineering and Management of Complex Systems accounted for 7.1% of operating revenue, equal to EUR 180 million** (+24.1% YOY, EUR 145 million at the end of 2013) thanks to the good results achieved by the subsidiary NBI and progress of mining projects in Chile (Chuquicamata).

Concessions

Concessions generated revenue of EUR 24 million (EUR 17 million in 2013). The annual figure includes the results of management of Milas-Bodrum International Airport in Turkey (EUR 14.9 million) and the Tuscan Hospitals in Prato, Lucca and Pistoia in Italy (EUR 9.2 million). In accordance with consolidation rules, the operating results of other projects in progress are included in the Income Statement under **"Net gains on equity-accounted investees" (with an additional contribution of EUR 34.6 million)** that specifically refers to management of the A4 motorway (through the investee Re.Consult Infrastrutture), Ospedale dell'Angelo in Venice-Mestre and Line 5 of the Milan underground, as well as consolidation at equity of the SPVs related to projects in progress in the motorway segment in Turkey (Third Bosphorus Bridge, Gebze-Izmir motorway).

Breakdown of revenue by geographical segment

The geographical structure of operating revenue reflects the gradual repositioning of the Group's activities on foreign markets able to guarantee sound, consolidated development programmes, in response to the drop seen in Italy in recent years.

Revenue by geographical segment (millions of euros)	**2014**	**% of total revenue**	**2013***	**% of total revenue**	**YOY diff. (%)**
ITALY	**620**	**24.4%**	**804**	**33.8%**	**-22.9%**
INTERNATIONAL	**1,920**	**75.6%**	**1,577**	**66.2%**	**21.8%**
Rest of Europe	1,106	43.5%	1,018	42.8%	8.6%
America	633	24.9%	371	15.6%	70.6%
Middle East	26	1.0%	44	1.8%	-40.9%
Maghreb	155	6.1%	144	6.0%	7.6%
TOTAL OPERATING REVENUE	**2,540**	**100.0%**	**2,381**	**100.0%**	**6.7%**

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

Italy

Despite the significant YOY drop, **Italy confirmed its role as the number-one contributor to the Group's operating revenue** amounting to EUR 620 million, equal to 24.4% of total revenue (-23%, EUR 804 million in 2013). The major contributions to said result came from railway projects (Line 4 and Line 5 of Milan underground, Line C of Rome underground, Bologna Centrale high-speed station, Parma-La Spezia railway), as well as the new hospital in Naples ("Ospedale del Mare") and the Pedemontana Lombarda motorway and, as regards investees, the activities of NBI (Plant Engineering) and Ge.SAT (company responsible for managing services related to the new hospitals in Tuscany).

International

On the whole, **International** activities (**75.6% of revenue**) generated EUR 1,920 million (+21.8% YOY, EUR 1,577 million in 2013) mainly thanks to the **contribution from recently-joined areas (Russia, Canada)** followed by **Turkey, Poland, Algeria, Chile and Peru**. On an aggregated basis, **Europe recorded an increase (+8.6% YOY)** which included the positive results of construction activities in Russia (Western High Speed Diameter in St. Petersburg), Turkey (Third Bosphorus Bridge, Gebze-Izmir motorway), Poland (Line 2 of Warsaw underground, Łódź railway project and Łódź Fabryczna station), Romania (rail and road works and, specifically, Line 4 and Line 5 of the Bucharest underground), as well as management activities in Turkey (Milas-Bodrum International Airport). **The Americas also saw a significant increase (+70.6% YOY)**, mainly thanks to the good progress of hydroelectric projects in Canada (Muskrat Falls) and Peru (Cerro del Águila) and mining contracts in Chile (Chuquicamata), as well as start-up of the new project in Chile (Western Metropolitan Hospital in Santiago). While as far as Venezuela is concerned, it must be noted that the Venezuelan government included allocations in its spending budget during the year that refer to both past payables and future works to construct the Puerto Cabello-La Encrucijada railway line, making the relative payments. However, despite the fact that this shows a real attempt to start-up an albeit gradual process of returning contractual relations, the Group's activities, performed as a partnership with two other leading Italian companies, have continued to remain at limited levels that are considerably lower than the project's actual potential. The **Maghreb (+7.6% YOY)** saw the recommencement of railway works in progress in Algeria (Saida-Moulay Slissen railway line, Saida-Tiaret railway line). The **Middle East (-41% YOY)** was affected by the refocusing of business on the Transport Infrastructures segment, only partially offset by the progress of railway contracts in Saudi Arabia (Jeddah and KAEC HS stations).

Total costs

The cost trend reflected that of production and benefitted from the centralisation of some processes (e.g. purchase cycle) with consequent streamlining of costs. **Production cost totalled EUR 1,890.3 million** (+3.5% YOY, EUR 1,826.9 million in 2013), with a drop in incidence on revenue from 72.8% in December 2013 to 71.3%). A YOY comparison shows an increase in areas with high levels of production during the year (Turkey, Canada, Poland), a drop in the domestic segment and a limited absorption in areas with residual production (Middle East, Central America). **Personnel expenses totalled EUR 420 million** (+31% YOY, EUR 320.5 million at the end of 2013) with a 15.8% incidence on revenue (12.8% in December 2013) and an increase that basically reflects the entry into operation of new contracts in Canada and complete progress of works in Russia.

Profit margins

The Group's earnings remained at high levels compared to competitors and are the result of careful strategic selection of projects of interest as from the commercial development phase and study of tenders, as well as compliance with performance timeframes and the Group's extremely high quality standards. **EBITDA** totalled **EUR 306.5 million** with an EBITDA margin of 11.6% (EUR 322.1 million and 12.8% in 2013). **EBIT amounted to EUR 234.8 million** with an EBIT margin of 8.9% (EUR 234.1 million and 9.3% in 2013). It must be recalled that the EBIT margin is the figure that best measures the performance of projects in progress when assessing economic performance.

Financing activities

Net financial expense amounted to EUR 138.9 million (+24.5%, EUR 111.5 million in 2013). The year's trend and volumes reflected: (i) a greater average gross debt compared to the previous year; (ii) increased costs of sources of financing following the bond issues performed between 2013 and 2014; (iii) increased costs for sureties linked to the average greater value of projects (charges already included in project budgets in any case); (iv) positive differentials on some foreign currencies. Moreover, it must be noted that financial expense included a sum of EUR 36 million related to discounting of receivables from the Venezuelan customer for projects in progress to construct the San Juan de Los Morros-San Fernando de Apure and Chaguaramas-Cabruta railway lines for which no budget allocations were envisaged for FY 2015. Hence the present value of the projects was recalculated taking into account the stretching out of collection timeframes.

Profit for the year

Earnings before taxes (EBT) totalled EUR 130.7 million (EUR 129.9 million in 2013). The figure includes **"Net gains on equity-accounted investees"** for the sum of EUR 34.7 million (compared to EUR 7.4 million in 2013) related to equity accounting of some associates, almost exclusively referable to concession projects where the Group has a non-controlling interest. The tax rate is estimated at 37%, generating an **increase in profit for the year to EUR 81.6 million** (+21.1%, EUR 67.3 million in 2013), thus confirming a positive return on investments made by the Group.

Statement of financial position at 31 December 2014

Statement of financial position (thousands of euros)	**31.12.2014**	**31.12.2013 ***	**30.09.2014**
Total net non-current assets	790,197	718,830	755,197
Operating working capital	616,714	704,192	972,443
Total provisions	(23,002)	(30,594)	(27,008)
Net invested capital	1,383,910	1,392,428	1,700,632
Loans and borrowings/loan assets **	(803,854)	(800,235)	(1,107,778)
Equity attributable to owners of the parent	574,058	547,093	586,862
Total equity	580,056	592,193	592,854

* Restated following application of IFRS-11 – *Joint arrangements*.
** Figure shown inclusive of treasury shares on hand equal to EUR 5.2 million at 31 December 2014, EUR 2.8 million at 31 December 2013 and EUR 3.1 million at 30 September 2013.

The figures for the period reflect the **strengthening of the Group's financial position** achieved over the past two years following **re-balancing and consolidation of sources of financing and the repositioning of payment deadlines** towards the medium/long-term. This was possible thanks to a targeted collection strategy on bond markets adopted in 2013 and continued during 2014, as well as to the subscription of a EUR 500 million revolving credit facility in November 2014. The trend as regards levels of debt also reflected the results of a payment cycle which, if penalised during the first part of the year by the strategic decision to finance the operating working capital of project that had not yet achieved the set financial milestones, was able to record positive cash generation of approximately EUR 300 million in the last quarter, in line with forecasts. Therefore, **consolidated net financial debt at 31 December 2014, totalled EUR 798.6 million, showing a marked improvement on the figure of EUR 1,104.7 million recorded at the end of Q3 2014** (EUR 797.4 million at the end of 2013). The year's performance is even more worthy of note if we consider that the end-of-year figure for 2014 included equity and semi-equity investments of EUR 126 million in the concession segment and net investments of EUR 62 million in new property, plant and equipment.

Net non-current assets increased to EUR 790.2 million (EUR 718.8 million at 31 December 2013) as a combined effect of the increase in investments and the decrease in property, plant and equipment and intangible assets. Specifically, investments increased due to: (i) investments in the form of share capital increases in the concession projects for the Third Bosphorus Bridge and Gebze-Izmir motorway in Turkey (investments for the year totalling approximately EUR 54 million); (ii) decrease following the merger of the investee A.I.2 with Re.Consult Infrastrutture; (iii) trend of equity-accounted investments; (iv) progressive amortisation of intangible assets related to the concession to manage Milas-Bodrum International Airport (Turkey); and (v) changes in technical non-current assets especially in Russia, Chile, Romania, Canada and Italy (Line 4 of Milan underground).

Operating working capital totalled EUR 616.7 million, down by more than 12% compared to EUR 704.2 million at the end of 2013. The figure is even more noteworthy if compared to EUR 972.4 million at 30 September 2014, showing a drop of approximately 37% thanks to the excellent performance of Q4 2014. This highlights the Group's focus on policies to limit operating working capital, with a generalised reduction in operating working capital items in exchange for the excellent financial performance achieved by the Group in the last quarter of 2014. Contract **work in progress dropped from EUR 1,261.8 to EUR 1,165.3** thanks to the decrease in the two lots of the Jonica National Road in Italy and projects in Russia which more than offset the increase seen in Canada, Algeria, Poland and Turkey. **Accounts receivable dropped from EUR 915.6 at the end of 2013 to EUR 850.7**, recording a reduction for the Pedemontana Lombarda motorway project and construction of Line 5 of the Milan underground as well as railway projects in progress in Venezuela; while an increase was recorded for projects in progress in Canada, Russia and Poland. **Payments on account from customers dropped to EUR 589.8 million compared to EUR 676.6 million at 31 December 2013** due to the reduction in projects in Algeria, Russia and Peru and the contemporary increase in projects in Turkey and Poland. These results are even more admirable if compared to the increase recorded in turnover compared to the previous year (+6% YOY).

As a result of said trends, **net invested capital amounted to EUR 1,383.9 million** (EUR 1,392.4 million at 31 December 2013), largely in line with the previous year despite, as already mentioned, the increase in turnover. Therefore, the Group's sound financial position can be confirmed, as well as the quality of the order backlog which succeeds in generating increasing turnover by combining good margins and financial profile.

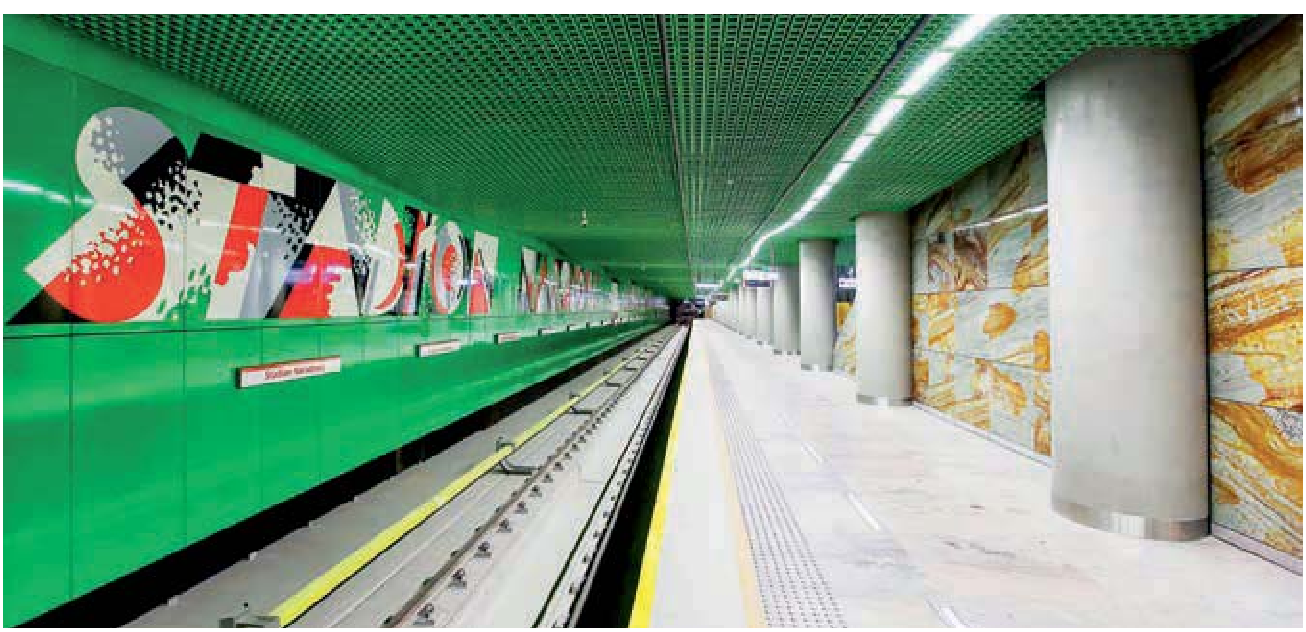
Equity attributable to owners of the parent totalled EUR 574 million (EUR 547.1 million at the end of 2013) and included the year's profit, deferred items under equity related to hedging instruments and distribution of dividends totalling EUR 18.7 million (payment made on 15 May). Said item was affected by the negative impact of the translation reserve which recorded a negative trend, especially in the last part of the year, related to the fluctuations in some specific foreign currency items. **Equity attributable to non-controlling interests dropped to EUR 6 million** (EUR 45.1 million at the end of 2013) mainly due to the effects of the merger of the investee A.I.2 into Re.Consult Infrastrutture, as mentioned previously. The result was a **total equity of EUR 580.1 million** (EUR 592.2 million at 31 December 2013).

Consolidated net financial debt

The debt trend witnessed in 2014 led to a considerable increase in net financial debt during the first nine months of the year, peaking in September due to the support the Group wanted to guarantee for a series of projects set to reach important milestones. As forecast, **there was a significant decrease in net financial debt to EUR 798.6 million** during the last three months, more or less in line with EUR 797.4 million recorded at the end of 2013. This trend occurred despite significant investments in property, plant and equipment and concessions and an increase of around 6% in turnover. In November the Group refinanced a EUR 325 million credit facility expiring in 2016 with a EUR 500 million revolving loan whose expiry date was extended to 2019 and with a more advantageous cost profile than before. This serves to confirm the level of confidence the banking system has in the Group's financial position, considering it able to achieve Business Plan targets and maintain its current performance over time.

Generally speaking, the financial structure was well able to support the year's production trends and benefitted from the collection strategy targeting bond markets and refinancing of expiring loans, with consequent optimisation of the average cost of debt and improvement of liquidity indicators.

The debt/equity ratio stood at 1.38x, while the corporate debt/equity ratio (which excludes the share of debt related to concessions insofar as self-liquidating) totalled approximately 0.6x.



Poland, Warsaw Subway Line 2.

Breakdown of consolidated net financial debt

	(thousands of euros)		31/12/2014	30/09/2014	30/06/2014	31/03/2014	31/12/2013*
A	Cash		530,212	407,330	361,082	368,118	373,226
B	Securities held for trading		1,396	1,430	1,567	1,583	1,407
C	**Cash and cash equivalents**	**(A+B)**	**531,607**	**408,760**	**362,649**	**369,701**	**374,633**
-	Current loan assets		20,870	23,028	27,523	33,958	29,412
-	Current portion of financial assets from concession activities		17,813	18,800	17,237	15,447	15,447
D	**Current loan assets**		**38,683**	**41,828**	**44,760**	**49,405**	**44,859**
E	Current portion of bank loans and borrowings		(336,636)	(504,999)	(470,923)	(410,673)	(301,929)
F	Current portion of bonds		(4,676)	(16,670)	(4,544)	(15,783)	(3,315)
G	Current portion of non-current debt		(37,472)	(47,993)	(48,569)	(62,989)	(66,931)
H	Other current loans and borrowings		(8,803)	(12,367)	(8,373)	(8,146)	(9,940)
I	**Current financial debt**	**(E+F+G+H)**	**(387,587)**	**(582,029)**	**(532,409)**	**(497,591)**	**(382,115)**
J	**Net current financial debt**	**(I+D+C)**	**182,703**	**(131,441)**	**(125,001)**	**(78,485)**	**37,377**
K	Non-current portion of bank loans and borrowings		(275,976)	(232,159)	(220,181)	(191,446)	(225,622)
L	Bonds		(870,269)	(869,869)	(869,339)	(868,901)	(713,268)
M	Other non-current financial liabilities		(18,021)	(15,542)	(13,351)	(14,754)	(15,992)
N	**Non-current financial debt**	**(K+L+M)**	**(1,164,266)**	**(1,117,570)**	**(1,102,871)**	**(1,075,100)**	**(954,881)**
O	**Gross financial debt from continuing operations**	**(I+N)**	**(1,551,853)**	**(1,699,598)**	**(1,635,280)**	**(1,572,691)**	**(1,336,996)**
P	**Net financial debt from continuing operations**	**(J+N)**	**(981,563)**	**(1,249,011)**	**(1,227,871)**	**(1,153,585)**	**(917,504)**
Q	**Net financial debt of discontinued operations**				**16,532**	**24,615**	**30,680**
R	**Net financial debt**	**(P+Q)**	**(981,563)**	**(1,249,011)**	**(1,211,339)**	**(1,128,970)**	**(886,824)**
-	Non-current loan assets		37,281	31,381	27,697	24,123	24,547
-	Subordinated loans		133,652	104,694	71,133	73,272	46,439
-	Non-current portion of financial assets from concession activities		6,776	5,158	10,950	16,127	15,603
S	**Non-current loan assets**		**177,709**	**141,233**	**109,780**	**113,522**	**86,589**
T	**Total financial debt**	**(R+S)**	**(803,854)**	**(1,107,778)**	**(1,101,560)**	**(1,015,448)**	**(800,235)**
	Treasury shares in portfolio		**5,198**	**3,114**	**2,546**	**3,146**	**2,859**
	Total net financial debt		**(798,656)**	**(1,104,664)**	**(1,099,013)**	**(1,012,303)**	**(797,376)**

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

Investments

Capital expenditure for the year totalled EUR 62 million (approximately 2% of total revenue), mainly referring to projects in Canada (Muskrat Falls Hydroelectric Plant), Russia (Western High Speed Diameter in St. Petersburg), Chile (Chuquicamata), Peru (Cerro del Águila Project), Romania (Line 4 of Bucharest underground) and Italy (Line 4 of Milan underground). **Gross investments in concession activities amounted to approximately EUR 126 million**, EUR 52 million of which as capital injection in Turkey (Third Bosphorus Bridge, Gebze-Izmir motorway) and EUR 74 million of which as payment of semi-equity in Italy (Line 4 and Line 5 of Milan underground) and Turkey (Third Bosphorus Bridge, Gebze-Izmir motorway). Concession investments (equity and semi-equity attributable to Astaldi injected into the operators of the concessions and the related operating working capital) total EUR 598 million to date. The year's figure includes EUR 25 million of financial assets from concession activities – to be taken as the shares of investments covered by guaranteed cash flows, as provided for in IFRIC-12 – mostly related to Milas-Bodrum International Airport (Turkey).

Reclassified Income Statement

(thousands of euros)	Notes regarding reconciliation with consolidated financial statements	31/12/2014		31/12/2013 *	
Revenue	1	2,540,388	95.8%	2,381,413	94.9%
Other operating revenue	2	112,177	4.2%	126,947	5.1%
Total Revenue		**2,652,565**	**100.0%**	**2,508,360**	**100.0%**
Production cost	3 - 4	(1,890,357)	(71.3%)	(1,826,863)	(72.8%)
Added value		**762,207**	**28.7%**	**681,496**	**27.2%**
Personnel expenses	5	(420,006)	(15.8%)	(320,512)	(12.8%)
Other operating costs	7	(35,718)	(1.3%)	(38,830)	(1.5%)
EBITDA		**306,483**	**11.6%**	**322,155**	**12.8%**
Amortisation and depreciation	6	(66,087)	(2.5%)	(71,161)	(2.8%)
Provisions	7	(1,534)	(0.1%)	(4,463)	(0.2%)
Impairment losses	6	(4,547)	(0.2%)	(14,074)	(0.6%)
(Internal costs capitalised)	8	516	0.0%	1,652	0.1%
EBIT		**234,832**	**8.9%**	**234,108**	**9.3%**
Net financial expense	9 - 10	(138,870)	(5.2%)	(111,538)	(4.4%)
Net gains on equity-accounted investees	11	34,769	1.3%	7,386	0.3%
Pre-tax profit		**130,731**	**4.9%**	**129,956**	**5.2%**
Tax expense	12	(47,980)	(1.8%)	(54,817)	(2.2%)
Profit from continuing operations		**82,751**	**3.1%**	**75,139**	**3.0%**
Loss from discontinued operations	**13**	**(2,006)**	**(0.1%)**	**(4,575)**	**(0.2%)**
Profit for the year		**80,745**	**3.0%**	**70,564**	**2.8%**
Profit (loss) attributable to non-controlling interests		814	0.0%	(3,227)	(0.1%)
Profit attributable to owners of the parent		**81,559**	3.1%	**67,337**	2.7%

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

Reclassified Statement of Financial Position

(thousands of euros)	Notes regarding reconciliation with consolidated financial statements	31/12/2014	31/12/2013 *
Intangible assets	17	32,555	58,971
Property, plant and equipment and investment property	15 - 16	224,165	205,059
Equity investments	18	436,909	384,151
Other net non-current assets	12 - 19 - 20	96,568	81,003
Non-current assets held for sale	26		1,936
Liabilities directly associated with non-current assets held for sale	26		(12,290)
TOTAL Non-current assets (A)		**790,197**	**718,830**
Inventories	21	64,870	61,711
Contract work in progress	22	1,165,348	1,261,797
Trade receivables	23	52,299	46,312
Amounts due from customers	23	850,742	915,581
Other assets	19 - 20	183,793	174,515
Tax assets	24	97,834	104,612
Payments on account from customers	22	(589,785)	(676,569)
Subtotal		**1,825,101**	**1,887,958**
Trade payables	20 - 31	(68,777)	(102,523)
Payables to suppliers	20 - 31	(817,430)	(805,033)
Other liabilities	12 - 28 - 29 - 32	(322,180)	(276,210)
Subtotal		**(1,208,387)**	**(1,183,766)**
Operating working capital (B)		**616,714**	**704,192**
Employee benefits	30	(9,595)	(8,003)
Non-current portion of provisions for risks and charges	33	(13,407)	(22,591)
Total provisions (C)		**(23,002)**	**(30,594)**
Net invested capital (D) = (A) + (B) + (C)		**1,383,910**	**1,392,428**
Cash and cash equivalents	25	530,212	373,226
Current loan assets	19 - 20	20,870	29,412
Non-current loan assets	19 - 20	170,933	70,986
Securities	19	1,396	1,407
Current financial liabilities	28	(387,587)	(382,115)
Non-current financial liabilities	28	(1,164,266)	(954,881)
Net loans and borrowings (E)		**(828,442)**	**(861,965)**
Financial assets from concession activities	19	24,589	31,050
Net financial debt of discontinued operations	26		30,680
Total net loans and borrowings (F)		**(803,854)**	**(800,235)**
Equity attributable to owners of the parent	27	(574,058)	(547,093)
Equity attributable to non-controlling interests	27	(5,998)	(45,101)
Equity (G) = (D) + (F)		**580,056**	**592,193**

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

Reconciliation between equity and profit for the year of the Parent and corresponding consolidated figures

	Equity 31/12/2014	Income Statement 2014	Equity 31/12/2013 *	Income Statement 2013*
Amounts as per Astaldi S.p.A.'s separate financial statements	**600,661**	**64,144**	**595,289**	**112,750**
- Elimination of carrying amount of controlling interests	(437,018)		(555,879)	
- Equity and profit for the year (calculated on the basis of same standards) of consolidated companies net of non-controlling interests	204,481	(62,636)	364,703	(115,680)
- Net gains on equity-accounted investees	38,694	34,769	(31,946)	1,436
- Elimination of allowance for impairment on investments in subsidiaries and equity-accounting investees net of use	78,956	18,169	65,535	23,709
- Elimination of provisions for risks on investments in subsidiaries and equity-accounted investees	84,915	23,016	104,144	57,550
- Intragroup dividends and losses		6,038		(13,888)
- Elimination of unrealised intragroup profit and other minor adjustments	3,368	(1,942)	5,247	1,461
Consolidated financial statements amount (attributable to owners of the parent)	**574,058**	**81,559**	**547,093**	**67,337**
Consolidated financial statements amount (attributable to non-controlling interests)	**5,998**	**(814)**	**45,101**	**3,227**
Consolidated financial statement amount	**580,056**	**80,745**	**592,193**	**70,564**

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

Order backlog

The **order backlog totalled EUR 13.8 billion**, with EUR 3.1 billion of new orders and contract addenda. **Italy accounts for 57% of the backlog and international activities for the remaining 43%**. Therefore, there was an upturn in the domestic market, in line with forecasts forming the basis of the Business Plan.

93% of new contracts refer to the Construction segment and comprise **orders whose start-up is largely scheduled by the end of 2015**. This serves to confirm the **sustainability of the production growth targets pursued by the Group**, even without considering the additional sum of EUR 14.5 billion of potential orders for the Group (44% for Construction and 56% for Concessions). The result is a total backlog of over EUR 28 billion, including options, signed contracts and contracts pending financing to date, not included among new orders for various reasons. 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 contracts in progress 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. Please refer below for details regarding the options and contracts pending financing as at the draft date of this report.

As regards the backlog, 62% of orders refer to international activities while Italy accounts for the remaining 38%. As regards segments, Construction accounts for 57% amounting to approximately EUR 8 billion (EUR 3.5 billion of which in Italy), referring mainly to general contracting projects and traditional contracts with a high technological content. While the Concessions segment accounts for the remaining 43%, equal to EUR 5.9 billion (EUR 1.7 billion of which in Italy).

Main new orders of 2014

VERONA-PADUA HIGH-SPEED/HIGH-CAPACITY RAILWAY LINE | Italy – approximately EUR 560 million as regards Astaldi, for design and construction of the Verona-Vicenza operational section which Astaldi holds a 37.49% stake in through the consortium, IRICAV DUE, which is the General Contractor the works were awarded to. Inclusion among the backlog of this first operational phase is to be attributed to provisions regarding the project set forth in the 2015 Stability Law. The final design will be completed during 2015 and submitted to the Public Agencies Meeting for approval. Works are scheduled to commence at the start of 2016.

GEBZE-IZMIR MOTORWAY PHASE 2-A (ORHANGAZI-BURSA SECTION) | Turkey – as regards Astaldi, EUR 58 million for construction activities and EUR 56 million for concession revenue (not inflated) for the second functional section (Phase 2-A: 25 kilometres, Orhangazi-Bursa section) of the concession contract for construction and subsequent operation of the motorway linking the cities of Gebze and Izmir. It was included among the backlog following finalisation of financing and the start-up of preliminary activities prior to construction of the section.

S-5 POZNAN-WROCLAW EXPRESSWAY | Poland – EUR 116 million for the design and construction of 19 kilometres of road (from 137+500 km to Widawa-Wroclaw Junction). Design activities are underway for this project and works commenced in 2014, with a planned duration of 39 months.

S-8 WROCLAW-WARSAW-BIALYSTOK EXPRESSWAY, MĘZENIN-JEZEVO SECTION | Poland – EUR 85 million for the design and performance of works to expand and upgrade 14 kilometres of road along the section between the Jezevo and Mężenin junctions. The works are to be completed in under 2 years. This contract was awarded during the last quarter of 2014.

S-8 WROCLAW-WARSAW-BIALYSTOK EXPRESSWAY, WIŚNIEWO-MĘZENIN SECTION | Poland – approximately EUR 84 million for the design and performance of works to expand and upgrade 15 kilometres of road along the section between the Wiśniewo and Mężenin junctions. Works commenced in October 2014 and are to be completed over 28 months.

S-8 EXPRESSWAY LOT 3, MARKI JUNCTION-RADZYMIN SOUTH JUNCTION SECTION | Poland – approximately EUR 80 million (Astaldi has a 90% stake) for the design and construction of 7 kilometres of dual carriageway with 3 lanes in each direction plus hard shoulders, as well as two road junctions (Kobyłka and Radzymin South) and related access and service works. The works are to be completed in 36 months with the start-up of design activities in November 2014.

RECLAMATION OF PORTO TORRES INDUSTRIAL DISTRICT, SARDINIA | Italy – As regards Astaldi, approximately EUR 34 million for the reclamation of the former Porto Torres petrochemical plant in Sardinia. The contract includes the design and performance of integrated reclamation and permanent containment works for three sites polluted by industrial process waste, for a total surface area of approximately 350,000 m^2. Restoration of the sites' status is also planned along with upgrading of all the areas involved known as Minciaredda, Peci and Palte Fosfatiche. The works will involve the treatment of more than 1,000,000 m^3 of contaminated soil which will be analysed, classified and treated using a multifunctional, hi-tech platform with a surface area of 60,000 m^2 which will be installed on site. The project has been commissioned by Syndial, an ENI Group company working in the environmental remediation segment. The works are to be performed in 3 years, with start-up subsequent to the design phase and obtainment of authorisation.

NAPLES-AFRAGOLA HIGH-SPEED RAILWAY STATION | Italy – EUR 61 million for the performance of works to complete the passengers building including all station and railway plants. The works have been commissioned by Italferr S.p.A. (part of Italy's national railway group) and will be financed using already available funding. The start-up of works is scheduled for the first part of 2015, subsequent to signing of the contract, with a planned duration of approximately two years. The new station will be designed by the architect Zaha Hadid. This project was included among the backlog following provisional awarding at the end of 2014, which was subsequently confirmed in February 2015.

TARANTO PORT | Italy – EUR 52 million for dredging of the port's seabeds. The works form part of the plan to upgrade the container terminal area approved by the Port Authority and will involve the stretch of sea in front of the multi-sector dock. The depth of the seabeds will be increased by 2.5 metres and decontamination of the contaminated sediments will be performed at the same time. Works will commence in early 2015 and will last for about a year.

MONTE NIEDDU DAM | Italy – EUR 45 million for the construction of a dam in Sardinia with a maximum height of 75 metres, 391,000 m^3 of which made of roller-compacted concrete (RCC) and 110,000 m^3 of conventional vibrated concrete (CVC), as well as related electro-mechanical works. The works have been commissioned by Consorzio di Bonifica Sardegna Meridionale and will be financed using funding already made available by CIPE. The planned duration of works is 42 months, with start-up scheduled for March 2015. This contract was awarded in Q4 2014.

ANGELINI PHARMACEUTICAL GROUP HEAD OFFICE | Italy – totalling EUR 30 million for the performance of a series of works (structural, plant engineering and civil works, etc.) for the upgrading and office conversion of Angelini Group's head offices in Rome. The works for which contracts have been finalised to date amount to EUR 16 million, with the remaining EUR 14 million to come into play upon completion of the first phase. The new real estate complex will comprise a central building to be used as a multifunctional centre as well as four office blocks arranged in an "L" shape, topped by a bridge building, with underground car parking and storage areas. The start-up of works is scheduled for March 2015. The use of eco-sustainable materials and technologies that allow for improved energy efficiency is planned as well as obtainment of LEEDÒ Leadership in Energy and Environmental Design certification for environmentally sustainable buildings. This project was awarded in the last quarter of 2014, with finalisation of the contract at the beginning of 2015.

NĂDLAC-ARAD MOTORWAY, LOT 2 | Romania – EUR 20 million (Astaldi has a 50% stake) for the design and performance of works to complete the motorway, already under construction by Astaldi as regards the part of the route related to the adjacent Lot 1. The works are to be completed in 8 months, with start-up in November 2014.

TEQ CONSTRUCTION ENTERPRISE | Canada – equivalent to EUR 56 million for orders acquired by the Canadian investee that are mainly connected to the healthcare and civil construction segments, with a unit value of less than EUR 15 million and to be started-up in the short-term.

Italy, Angelini Pharmaceutical Group Offices in Rome.

NBI | Italy – approximately EUR 122 million for contracts acquired by the Group's subsidiary specialising in the Facility Management, Plant Engineering and Management of Complex Systems segment. The projects secured mainly have a unit value of less than EUR 13 million, an average duration of 14 months and were almost all started-up during 2014.

Main options and contracts pending financing to date

For more information about the individual contracts, please see the section "Main contracts in progress".

GEBZE-IZMIR MOTORWAY, PHASE 2-B (BURSA-IZMIR SECTION) | Turkey – as regards Astaldi, approximately EUR 390 million for construction activities and over EUR 1 billion for concession activities, with financial closing pending and scheduled by the end of 2015. The contract involves the construction and management of the last 301 kilometres of the motorway linking the cities of Gebze and Izmir, the already funded sections of which are currently under construction (Phase 1: Gebze-Orhangazi and Phase 2-A: Orhangazi-Bursa).

ETLIK HEALTHCARE CAMPUS, ANKARA | Turkey – as regards Astaldi, equivalent of EUR 443 million for construction activities and equivalent of EUR 1.3 billion for concession activities, pending closure of the related non-recourse financing and approval by the High Planning Council[7] of the contract signed with the customer in November 2014. The contract involves the design, construction and management of a highly specialised healthcare facility, which is the largest under construction in Europe to date and which will provide 3,500 hospital beds. As regards this project, some preliminary activities have been started up and a EUR 50 million bridge loan was signed in February 2015 to facilitate the full start-up of works, pending financial closing scheduled by the end of Q3 2015.

WESTERN METROPOLITAN HOSPITAL, SANTIAGO DE CHILE | Chile – EUR 151 million for construction activities and EUR 545 million for concession activities, pending closure of non-recourse financing scheduled by the end of HY1 2015. The contract involves the construction and subsequent management of a hospital facility that will provide 523 hospital beds. As regards this project, some preliminary activities have been started up and a USD 50 million bridge loan was signed at the start of 2015 to facilitate the full start-up of works, pending financial closing.

ARTURO MERINO BENÍTEZ INTERNATIONAL AIRPORT, SANTIAGO DE CHILE | Chile – as regards Astaldi, equivalent of EUR 372 million for construction activities and equivalent of EUR 1.9 billion for concession activities, pending final awarding and closure of financing scheduled by the end of HY1 2015. The *Nuevo Pudahuel* consortium, which Astaldi holds a 15% stake in, was chosen by the Chilean government insofar as it submitted the best bid following the invitation to bid for awarding of the concession for the construction and subsequent management of Arturo Merino Benítez International Airport in Santiago de Chile, the 6th largest airport in South America (passenger traffic of EUR 16.1 million in 2014, more than half of which is international). The concession contract will come into effect as of 1 October 2015 and involves (i) modernisation and extension of the existing terminal; (ii) funding, design and construction of a new passenger terminal with a surface area of 175,000 m^2 which will increase the airport's capacity to 30 million passengers, with potential expansion up to 45 million; (iii) 20-year management and commercial development of main areas and services (new and existing terminals, car parks, future commercial activities). Construction activities will be performed by Astaldi as part of a joint venture in which it will hold a 50% stake. Unlike other concession projects included among the Group's backlog, this airport's concession provides for the start-up of management activities as from October since the consortium awarded the contract will take over from the current operator immediately.

M-11 MOSCOW-ST. PETERSBURG MOTORWAY | Russia – as regards Astaldi, approximately EUR 910 million, pending finalisation of contract negotiations with the customer which are expected to be completed by Q1 2015.

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[7] The Turkish High Planning Council is a task force comprising the Turkish Prime Minister, Ministers and Managers of the main national institutes whose aim is the country's economic and social planning, for the purpose of supporting the Council of Ministers in defining development targets and examining operating plans formulated to achieve them.

ANCONA PORT MOTORWAY LINK | Italy – pending the signed concession agreement coming into effect subsequent to registration by the Court of Auditors, currently in progress. Said project involves the construction and operation using the concession formula of approximately 11 kilometres of toll motorway linking the A14 motorway and Ancona port, as well as complementary road works. All works are to be performed using the DBFOM formula (Design-Build-Finance-Operate-Maintenance).

MEDIO PADANA VENETA NOGARA-MARE ADRIATICO REGIONAL MOTORWAY | Italy – pending signing of the agreement with the granting authority, Veneto's regional authority, expected by the end of 2015. It must be recalled that this project involves the construction and management using the concession formula of 107 kilometres of toll motorway links along the section from Nogarole (on level with the A-22 motorway) to Adria, in the north-east of Italy. The project is to be performed using the DBFOM formula (Design-Build-Finance-Operate-Maintenance).

SUMMARY TABLES

Order backlog (millions of euros)	**01/01/2014**	**Increases/ Decreases**	**Decreases for production**	**31/12/2014**
Construction	**7,593**	**2,835**	**(2,516)**	**7,912**
Transport infrastructures	6,105	2,338	(1,824)	6,619
Water and energy	1,010	155	(349)	816
Civil and industrial construction	265	72	(163)	174
Plants	213	270	(180)	303
Concessions	**5,729**	**223**	**(24)**	**5,928**
Order backlog	**13,322**	**3,058**	**(2,540)**	**13,840**

Order backlog (millions of euros)	**01/01/2014**	**Increases/Decreases**	**Decreases for production**	**31/12/2014**
Italy	**4,069**	**1,757**	**(620)**	**5,206**
of which construction	*2,280*	*1,842*	*(611)*	*3,511*
of which concessions	*1,789*	*(85)*	*(9)*	*1,695*
International	**9,253**	**1,301**	**(1,920)**	**8,634**
of which construction	*5,313*	*993*	*(1,905)*	*4,401*
of which concessions	*3,940*	*308*	*(15)*	*4,233*
Europe	5,116	997	(1,106)	5,007
America	3,565	275	(633)	3,207
Maghreb	487	21	(155)	353
Middle East	85	7	(26)	66
Order backlog	**13,322**	**3,058**	**(2,540)**	**13,840**

Construction contracts (millions of euros)	**01/01/2014**	**Increases/Decreases**	**Decreases for production**	**31/12/2014**
Italy	**2,280**	**1,842**	**(611)**	**3,511**
International	**5,313**	**993**	**(1,905)**	**4,401**
Europe	2,216	538	(1,091)	1,663
America	2,525	427	(633)	2,319
Africa *(Algeria)*	487	21	(155)	353
Asia *(Middle East)*	85	7	(26)	66
Construction contracts	**7,593**	**2,835**	**(2,516)**	**7,912**

Concession contracts (millions of euros)	**31/12/2014**
Italy	**1,695**
International	**4,233**
Europe	3,345
America	888
Concession contracts backlog	**5,928**

Main contracts in progress

The following table contains details regarding progress of the main construction contracts in progress in Italy and abroad followed by a brief description of the main contracts. As regards concessions projects please refer to the subsequent section entitled "Concession projects", with the exception of what is listed below.

Country (millions of euros)	**Project**	**Contract value**[1]	**Residual order backlog**[2]
Transport Infrastructures — Railways and Undergrounds			
Italy	Line C, Rome Underground — Phase-1	575.9	24.8
Italy	Line C, Rome Underground — Section T3[3]	201.5	181.0
Italy	Line C, Rome Underground — Section T2[3]	218.7	218.7
Italy	Verona-Padua HS/HC Railway	562.5	562.5
Italy	Line 4, Milan Underground	931.8	827.0
Italy	Bologna Centrale HS Station	524.0	7.4
Italy	Line 5, Milan Underground Phase 2[4]	454.5	33.6
Algeria	Saida-Mulay Slissen Railway	706.3	174.8
Algeria	Saida-Tiaret Railway	279.9	155.7
Poland	Lodz Railway Project	136.3	53.6
Romania	Line 4, Bucharest Underground	154.6	111.9
Romania	Line 5, Bucharest Underground	116.6	56.3
Venezuela	Puerto Cabello-La Encrucijada Railway	2,238.7	1,251.5
	Other projects		137.3
Transport infrastructures — Roads and Motorways			
Italy	Jonica National Road, Lot DG-41	1,112.0	1,102.0
Italy	Infraflegrea Project	213.4	99.0
Poland	S-8 Wisniewo-Mezenin National Road	84.2	81.6
Poland	S-8 Jezewo-Mezenin National Road	85.3	85.3
Poland	S-5 Wroclaw-Poznan National Road	115.7	114.2
Poland	S-8 Marki-Radzymin South National Road	78.6	78.6
Turkey	Gebze-Orhangazi-Izmir Motorway Phase 1 & Phase 2-A	377.2	124.5
Turkey	Third Bosphorus Bridge and Northern Marmara Highway	646.2	305.5
Russia	Western High Speed Diameter, St. Petersburg	941.1	422.2
	Other projects		297.2

Country (millions of euros)	**Project**	**Contract value**[1]	**Residual order backlog**[2]
Transport infrastructures – Ports and Airports			
Italy	Taranto Port	52.1	52.1
Poland	John Paul II International Airport Krakow Balice	71.5	42.3
	Other projects		18.6
Hydroelectric and Energy Production Plants			
Canada	Muskrat Falls Hydroelectric Project	801.6	611.3
Italy	Monte Nieddu Dam	45.3	45.3
Peru	Cerro del Águila Hydroelectric Project	272.4	106.2
	Other projects		53.2
Civil and Industrial Construction			
Italy	Four Tuscan Hospitals	192.6	9.2
Italy	Police Officers Academy, Florence	225.9	13.1
Italy	Ospedale del Mare, Naples	140.6	75.2
Italy	Reclamation of Porto Torres Industrial District	33.7	33.7
Chile	Chuquicamata Mining Project-Contract 1	143.2	53.7
Chile	Chuquicamata Mining Project-Contract 2	152.6	83.0
	Other projects		209.1
	TOTAL CONSTRUCTION BACKLOG		**7,912**

(1) This refers to the share of the construction contract related to Astaldi Group unless the SPVs are fully consolidated due to the equity investment held in the project.
(2) This represents the percentage of works to be performed out of the share of the construction contract related to Astaldi Group.
(3) For the purposes of the table, Line C of the Rome underground is split into three different functional sections so as to represent the actual progress of works. The three sections are identified as: (i) Phase-1, related to the Monte Compatri/Pantano-San Giovanni section (Sections T4, T5, T6a, T7) and Deposito Graniti, (ii) Section T3, related to the San Giovanni-Fori Imperiali section, and (iii) Section T2, related to the Fori Imperiali-Clodio/Mazzini section.
(4) Line 5 of the Milan underground is split into two different operational sections, identified as (i) Phase 1, related to Garibaldi-Bignami section, and (ii) Phase 2, related to the Bignami-Stadio San Siro section.

Italy

Italy is one of the well-established areas for the Group's operations, and, despite the difficult economic situation experienced by the country in recent years, it still plays a central role in commercial development policies. The domestic market accounted for 24% of consolidated operating revenue for 2014 and represented 38% of contracts in progress.

Italy – Transport Infrastructures (Railways and Undergrounds)

LINE C, ROME UNDERGROUND | Italy

Customer: Roma Metropolitane, directly controlled by the Municipality of Rome.
Contractor: Metro C S.c.p.A. (Astaldi has a 34.5% stake) operating in the capacity of General Contractor.
Amount: EUR 3.26 billion, of which EUR 1.12 billion in relation to Astaldi's stake.
The contract, to be performed using the general contracting formula, involves the design, construction, supply of rolling stock and commissioning of a new underground line in Rome. The complete planned route involves the construction of 25.4 kilometres and 29 stations along the Monte Compatri/Pantano-Clodio/Mazzini route, served by driverless trains, in other words with no driver aboard and a remote control system. At the draft date of this report, as regards the First Strategic Phase running along the Monte Compatri/Pantano-Fori Imperiali/Colosseo route (22 kilometres with 24 stations), it should be noted that: (i) the Monte Compatri/Pantano-Parco di Centocelle section (13 kilometres, 15 stations) was delivered to the Operator in December 2013 and put into operation in November 2014; (ii) the Parco di Centocelle-Lodi

section (5 kilometres, 6 stations) was completed in August 2014 and activities are in progress prior to consignment to the Operator; (iii) the San Giovanni-Fori Imperiali/Colosseo section (3 kilometres, 3 stations) is currently under construction. Financing is pending for the remaining T-2 section (Fori Imperiali/Colosseo-Clodio/Mazzini) and the final design of the Fori Imperiali/Colosseo-Venezia subsection (0.66 kilometres, 1 station) was delivered in December 2014. It must be recalled that as regards the T-2 section and as agreed with the customer, the JV responsible for building Line C presented a project finance proposal for construction of the T-2 section, as well as extension of the line to Farnesina in 2011. To date no statement has been issued in this regard by Rome's municipal authority. It must also be noted that Metro C has taken legal action to obtain payment of part of the sum still due from Roma Metropolitane and that an Additional Deed was signed in July 2014 for the awarding of technical assistance and maintenance services on the Montecompatri/Pantano-Parco di Centocelle section and for Deposito Graniti, for a total amount of EUR 11.1 million.

LINE 5, MILAN UNDERGROUND | Italy

Customer: Municipality of Milan acting in the capacity of Granting Authority.
Operator: Metro 5 S.p.A. (Astaldi Group has a 38.7% stake) for the Garibaldi-Bignami section and Metro 5 Lilla S.p.A. (100% owned by Metro 5 S.p.A.) for the Zara-Garibaldi section.
EPC Contractor: Astaldi.
Value of investment: EUR 571 million for the Garibaldi-Bignami section and EUR 790 million for the Garibaldi-San Siro section.
EPC Contract: EUR 716 million in relation to Astaldi's stake (considering both sections).
On the whole it involves the design (final and executive), construction and subsequent operation, using the concession formula, of the public transport service of the new line for the Garibaldi-Bignami section (Phase 1: 6 kilometres, 9 stations) and extension of the Garibaldi-San Siro section (Phase 2: 7.1 kilometres, 10 stations) with a maximum capacity of 26,000 passengers/hour in each direction.
The construction contract linked to this project is an EPC contract and involves the design (final and executive) and performance of civil works for construction of the new line which will run underground along the Bignami-Garibaldi-San Siro route. At the draft date of this report, the Garibaldi-Bignami section has been operational since 1 March 2014 while all the stations envisaged in the project for the Garibaldi-San Siro extension have largely been completed and excavation works to dig the tunnel sections using a TBM have commenced. At the draft date of this report, inspection and testing prior to the start up of operation is underway, with completion of the whole line scheduled by April 2015.
Please refer to the section herein entitled "Concession Projects" for more information regarding operations and the contents of the concession agreement related to this project.

LINE 4, MILAN UNDERGROUND | Italy

Customer: Municipality of Milan acting in the capacity of Granting Authority.
Operator: SPV Linea M4 S.p.A., a private-public mixed capital company, with the JV awarded the contract (Astaldi has a 28.9% stake) operating in the capacity of private shareholder.
EPC Contractor: Consorzio MM4 (Astaldi has a 32.135% stake).
Civil Works Contractor, permanent way and non-system plants: Metro Blu S.c.r.l. (Astaldi has a 50% stake).
EPC Contract (direct and indirect share): EUR 932 million referring to Astaldi's stake.
As a whole, the project involves the design and subsequent management of the public transport service of a new light underground with an integral automation system which will run along the San Cristoforo-Linate Airport route, for a total of 15.2 kilometres and 21 stations, with a maximum capacity of 24,000 passengers/hour in each direction. The construction of a Depot/Workshop for storing and maintaining rolling stock (47 vehicles) is also planned in the San Cristoforo area.
The construction contract related to the project is an EPC contract and involves the design (final and executive) and performance of all the new line's civil works, permanent way and installations, including the supply of rolling stock. The duration of the construction, pre-commissioning and commissioning phases is 88 months. At the draft date of this report, works are in progress to construct 3 stations (Linate Aeroporto, Forlanini Quartiere, Forlanini FS), 10 structures and a cut-and-cover tunnel and 5.44 kilometres of tunnels have already been built using 2 TBMs.

Italy, Milan Subway Line 5.

Please refer to the section herein entitled "Concession Projects" for more information regarding operations and the contents of the concession agreement related to this project.

LINE 1, NAPLES UNDERGROUND | Italy

Customer: Municipality of Naples.
Contractor: Toledo S.c.r.l. (Astaldi has a 90.39% stake).
Amount: EUR 255 million, of which EUR 230 million in relation to Astaldi's stake.
The project is part of the scheme to improve the underground transport system within the Municipality of Naples forming part of the concession granted to M.N. Metropolitana di Napoli S.p.A. (the granting authority is the Municipality of Naples) for the design, works supervision, construction and installation of the permanent way of the new Line 1 of the Naples underground, Dante-Centro Direzionale section. The works awarded to TOLEDO S.c.r.l. entailing construction of Università and Toledo stations, and laying of permanent way of the whole section were completed in 2013 and inspection and testing are being completed to date. Both stations are the result of cooperation between architects and artists of international renown and form part of the Municipality's urban upgrading project entitled Art Stations. Liquidation of the company is planned during 2015 as a result of fulfilment of the purpose of the contract.

LINE 6, NAPLES UNDERGROUND | Italy

Customer: Municipality of Naples.
Contractor: AS.M S.c.r.l. (Astaldi has a 75.91% stake).
Amount: EUR 68 million, of which EUR 52 million in relation to Astaldi's stake.
The project is part of the scheme to improve infrastructures within the Municipality of Naples forming part of the concession granted to Ansaldo STS (the granting authority is the Municipality of Naples) for the design, works supervision and

Italy, Naples-Afragola high speed railway hub.

construction of the new Line 6 of the Naples underground for which works related to the Mergellina-Municipio section are currently in progress. The works awarded to AS.M. S.c.r.l. refer to the performance of the civil works related to San Pasquale station.

VERONA-PADUA HIGH-SPEED/HIGH-CAPACITY RAILWAY LINE | Italy

Customer: Italferr S.p.A. (Ferrovie dello Stato Italiane Group).
Contractor: Consorzio IRICAV DUE (Astaldi has a 37.49% stake).
Amount: approximately EUR 560 million, referring to Astaldi's stake.
The contract refers to works for design and construction of the Verona-Vicenza operational section which Astaldi holds a 37.49% stake in through the consortium IRICAV DUE, which is the General Contractor the works were awarded to. Inclusion among the backlog of this first functional phase is to be attributed to provisions regarding the project set forth in the 2015 Stability Law. The final design will be completed during 2015 and submitted to the Public Agencies Meeting for approval. Works are scheduled to commence at the start of 2016.

NAPLES-AFRAGOLA HIGH-SPEED RAILWAY STATION | Italy

Customer: Italferr S.p.A. (Ferrovie dello Stato Italiane Group).
Contractor: Astaldi.
Amount: EUR 61 million.
The contract refers to works to complete the passengers building including all station and railway plants. The works have been commissioned by Italferr S.p.A. (part of Ferrovie dello Stato Italiane Group) and will be financed using already available funding. The start-up of works is scheduled for the first part of 2015, subsequent to signing of the contract, with a planned duration of approximately two years. The new station will be designed by the architect Zaha Hadid.

BOLOGNA CENTRALE HIGH-SPEED RAILWAY STATION | Italy

Customer: Italferr S.p.A. (Ferrovie dello Stato Italiane Group).
Contractor: Astaldi.

Amount: EUR 578 million.
The contract refers to works to construct the new railway station dedicated to the high-speed line, built under ground level and located below the "historical" Bologna Centrale station (Platforms 12-17). The project forms part of the urban penetration project for the Milan-Naples high-speed railway line with regard to the Bologna railway junction. The works to be performed by Astaldi refer specifically to Lot 11 (construction of the new station) and Lot 50 (works needed to make it possible to put the station into operation). The station is organised on several levels, the deepest of which – built at a depth of 25 metres below the tracks of the old station – will be used for the transit of trains, while the others will be used for railway transport-related services, commercial areas and car parks. At the draft date of this report, in addition to the station areas that became operational in June 2013 (High-Speed tracks, High-Speed halls, part of Kiss&Ride, subways linking to those of the existing station, a car park and the new lobby located in Via de' Carracci) additional areas have been completed and are available to the public (Kiss&Ride, car parks and external areas of Lot 50), and public transport vehicle traffic is in operation within Kiss&Ride.

TURIN RAILWAY JUNCTION | Italy

Customer: Italferr S.p.A. (Ferrovie dello Stato Italiane Group).
Contractor: Astaldi-Vianini-Lis-Di Vincenzo-3TI Joint Venture (Astaldi has a 70% stake).
Operating company: S.P.T. - Società Passante Torino S.c.r.l. (Astaldi has a 74% stake).
Amount: EUR 640 million, of which EUR 440 million referring to Astaldi's stake.
The contract forms part of the project to expand the Turin Railway Junction and involved the upgrading, doubling and laying under ground level of the existing Turin-Milan railway line. The works, which have been mostly completed, involved the executive design and performance of works to complete expansion and quadrupling of the railway line for a five-kilometre section between Corso Vittorio Emanuele II and Corso Grosseto, including the crossing under the River Dora Riparia. Works were completed in August 2014, ahead of the contractual timeframe. Final activities for technical-administrative inspection and testing of the works are currently in progress.

PARMA-LA SPEZIA RAILWAY LINE ("PONTREMOLESE" RAILWAY) | Italy

Customer: Italferr S.p.A. (Ferrovie dello Stato Italiane Group).
Contractor: Astaldi.
Amount: EUR 234 million.
The project forms part of the programme to improve and modernise the Parma-La Spezia railway which is an integral part of the Tyrrhenian-Brenner freight corridor. The contract involved the executive design and performance of works to double the existing railway line along the section between Solignano and Osteriazza stations, for a total of approximately 12.5 kilometres. The new railway line runs for the first 5 kilometres along an alternative route to the current one, and the most significant works included in the contract refer to said section: Marta Giulia Tunnel (4.1 kilometres, completed), the viaduct running over the River Taro (440 metres, completed) and the viaduct over the Galgana torrent (275 metres, completed). The remaining 7.5 kilometres of the section run alongside the railway line currently in use. The section was opened to railway traffic on 30 November 2014 while works were finally completed in January 2015.

Italy – Transport Infrastructures (Roads and Motorways)

JONICA NATIONAL ROAD (SS-106), MAXI LOT DG-41 | Italy

Customer: ANAS S.p.A., the operator of Italy's road and motorway network of national interest.
Contractor: Sjrio S.c.p.A. (Astaldi has a 60% stake and is the principal) operating in the capacity of General Contractor.
Amount: approximately EUR 790 million, EUR 474.5 million of which in relation to Astaldi's stake.
The contract, to be performed using the EPC formula, involves the awarding of construction works, using the general contracting formula, for the 3rd Maxi Lot of the Jonica National Road (SS-106) also known as Maxi Lot DG-41. The project involves the performance of works to upgrade the section of the Jonica National Road running from the junction with SS-534 to Roseto Capo Spulico. The project runs along a route measuring 38 kilometres with 7 twin-tube bored tunnels, 14 viaducts, 4 cut-and-cover tunnels and 6 junctions. The planned duration of works is approximately 9 years and 4 months,

3 years and 1 month of which for design activities (final and executive) and the remaining 6 years and 3 months for construction activities. The funding available for the project amounts to just over EUR 698 million (CIPE Rulings No. 103/07, No. 30/08 and No. 88/11). On the basis of the commissioning body's partial financial resources, Sirjo has been awarded the final design of the whole Maxi Lot and the executive design and performance of works for a first functional section. Performance of the rest of the project activities, currently not funded, shall be subordinate to the actual acquisition of supplementary funding. At the draft date of this report, approval of the final design by CIPE is pending and expected by the first half of 2015. The present value of the works, subsequent to final design activities, amounts to EUR 1.1 billion.

PEDEMONTANA LOMBARDA MOTORWAY | Italy

Customer: APL Autostrada Pedemontana Lombarda S.p.A.
Contractor: Pedelombarda S.c.p.A. (Astaldi has a 24% stake).
Amount: EUR 930 million.
The project refers to awarding, using the general contracting formula, of the final and executive design and construction of Lot 1 of the Como Bypass, Lot 1 of the Varese Bypass and the A8-A9 section between Cassano Magnago and Lomazzo (Section A) of the Pedemontana Lombarda motorway. The complete route runs for approximately 25 kilometres and comprises, inter alia, the construction of 3 bored tunnels (Solbiate – 600 metres in Section A, Grandate – 400 metres along the Como Bypass, and Morazzone – 2.2 kilometres along the Varese Bypass). As regards this project, works have commenced along the complete route. Works related to Section A were largely completed in November 2013 while the Como and Varese Bypasses were completed in October 2014. The Varese Bypass and Section A were opened to traffic in January 2015.

INFRAFLEGREA PROJECT | Italy

Customer: President of Campania's regional authority in the capacity of Special Government Commissioner pursuant to Article 11, subsection 18, of Law No. 887/1984.
Contractor: Infraflegrea Progetto S.p.A. (Astaldi has a 51% stake) operating in the capacity of General Contractor.
Amount (currently financed): EUR 213 million.
The project refers to a number of activities involving the urban road network in the north-west of the municipality of Naples (Phlegrean Area). The project involves upgrading and improvement of the existing infrastructures (roads, railway, port, pedestrian zones) with the aim of achieving a single intermodal transport network comprising various, already existing links and communication systems. The works are performed with funding by Campania's regional authority and the Ministry of Infrastructures and Transport. The party responsible for awarding the works is the President of Campania's regional authority in the capacity of Special Commissioner pursuant to Article 11, subsection 18 of Law No. 887/1984. The works involve construction of the Monte Sant'Angelo rail link for the Soccavo-Mostra d'Oltremare section, with relative interim stations and interchange junctions (Application Document No. 15), works to extend and upgrade Pozzuoli port (Application Document No. 12), construction of a multi-storey car park in the Municipality of Pozzuoli with related access roads and upgrading of Parco della Cava Regia and areas of the former Capuchin Convent (Application Document No. 13) and upgrading of Lungomare Sandro Pertini and the urban road network in Pozzuoli (Application Document No. 14). The performance of the works in stages has been envisaged for some of the aforementioned Application Documents in order to satisfy the priority actions decided on by the customer, as well as for reasons linked to funding of the works. As regards this project, it must be noted that Works were suspended during 2012 – with the start-up of negotiations with the customer – due to the financial problems caused through both non-payment and the continuing uncertainty regarding the customer's actual available financial resources to go ahead with the works. In May 2013, a "Settlement Proposal" was entered into with the customer which is still to be finalised due to failure to obtain a final opinion from the State Legal Advisory Service pursuant to Article 239 of Legislative Decree No. 163/2006. Taking into account the situation and pending finalisation of the settlement, Infraflegrea Progetto formally notified the customer of its willingness to recommence works in June 2014. This proposal was made based on the possibility, which became a reality in December 2014, of funding for EUR 73.5 million (CIPE Ruling No. 62/2011 and consequent "Mobility systems" Framework Programme Agreement (APQ) signed on 18 July 2014 by the Ministry of Economic Development, Ministry of Infrastructures and Transport and Campania's regional authority). Therefore, upon signing of the Statement of Consignment of Activities in December 2014, Infraflegrea Progetto

started up the required procedures prior to construction of Parco San Paolo station, re-informing the customer of all the requests for compensation as per the dispute in progress, already set forth in the Settlement Proposal of May 2013. This was also possible in light of additional funding (already allocated under CIPE Rulings No. 55/2009 and No. 62/2011), confirmed during 2014 by regional and national planning documents, in other words: (i) EUR 21 million for the completion of Lots 1 and 2 of the Monte Sant'Angelo rail link; (ii) EUR 121 million for Section 1 of Lot 3 of the Monte Sant'Angelo rail link (Parco San Paolo-Terracina section).

Italy – Transport Infrastructures (Ports)

RECLAMATION OF PORTO TORRES INDUSTRIAL DISTRICT, SARDINIA | Italy

Customer: Syndial (ENI Group).
Amount: EUR 34 million in relation to Astaldi's stake.
The contract includes the design and performance of integrated reclamation and permanent containment works for three sites polluted by industrial process waste, for a total surface area of approximately 350,000 m^2. Restoration of the sites' status is also planned along with upgrading of all the areas involved known as Minciaredda, Peci and Palte Fosfatiche. The works will involve the treatment of more than 1,000,000 m^3 of contaminated soil which will be analysed, classified and treated using a multifunctional, hi-tech platform with a surface area of 60,000 m^2 which will be installed on site. The project has been commissioned by Syndial, an ENI Group company working in the environmental remediation segment. The works are to be performed in 3 years, with start-up subsequent to the design phase and obtainment of authorisation.

TARANTO PORT | Italy

Customer: Relevant Port Authority.
Contractor: Astaldi.
Amount: EUR 52 million.
The contract involves dredging of the port's seabed. The works form part of the plan to upgrade the container terminal area approved by the relevant Port Authority and will involve the stretch of sea in front of the multi-sector dock. The depth of the seabed will be increased by 2.5 metres and decontamination of the contaminated sediments will be performed at the same time. Works will commence in early 2015 and will last for about a year.

MONTE NIEDDU DAM | Italy

Customer: Consorzio di Bonifica Sardegna Meridionale.
Contractor: Astaldi.
Amount: EUR 45 million.
The contract involves the construction of a dam in Sardinia with a maximum height of 75 metres, 391,000 m^3 of which made of roller-compacted concrete (RCC) and 110,000 m^3 of conventional vibrated concrete (CVC), as well as related electro-mechanical works. The works have been commissioned by Consorzio di Bonifica Sardegna Meridionale and will be financed using funding already made available by CIPE. The planned duration of works is 42 months, with start-up scheduled for March 2015. This contract was awarded in Q4 2014.

Italy – Civil Construction

FOUR TUSCAN HOSPITALS | Italy

Customer: SIOR, comprising the local health authorities of Massa Carrara, Lucca, Pistoia and Prato.
Operator: SA.T S.p.A. (Astaldi Group has a 35% stake).
Contractor – EPC Contract: CO.SAT S.c.r.l. (Astaldi has a 50% stake).
Total investment: EUR 415 million (excluding financial expense and VAT).
EPC Contract: approximately EUR 390 million for construction, of which EUR 193.5 million in relation to Astaldi's stake.

The contract forms part of the project finance initiative for the construction and subsequent management of four hospitals in Tuscany: Ospedale San Luca (Lucca), Ospedale delle Apuane (Massa-Carrara), Nuovo Ospedale di Prato (Prato) and Ospedale San Jacopo (Pistoia). The new facilities will occupy a total surface area of over 200,000 m^2 and provide over 2,019 hospital beds (68 for day hospital patients, 72 for short-term stay patients, 134 for haemodialysis patients and 103 cots), 49 operating theatres and a total of 4,450 parking spaces. All the hospitals feature a main five-floor building with one basement level and an additional four-floor building with one underground level. While there are differences between the hospitals as regards the surface area occupied and the number of hospital beds offered.
Design (final and executive) and construction activities for this project were awarded by the concession holder SA.T S.p.A. (Astaldi Group has a 35% stake) to a joint venture set up by two of its partners. The consortium company CO.SAT S.c.r.l., in which Astaldi holds a 50% stake, was set up to perform works. Works to construct the hospitals in Lucca and Massa went ahead during 2014 while works for the hospitals in Prato and Pistoia had been completed and they are now under management. Specifically, Ospedale San Luca (Lucca) became operational in May and progress on Ospedale delle Apuane (Massa-Carrara) reached an advanced stage with completion expected by the end of 2015.

ANGELINI PHARMACEUTICAL GROUP HEAD OFFICE | Italy

Customer: Farmaceutico Angelini Group.
Contractor: Astaldi.
Amount: EUR 30 million in total.
The contract involves the performance of a series of works (structural, plant engineering and civil works, etc.) for the upgrading and office conversion of Angelini Group's head offices in Rome. The works for which contracts have been finalised to date amount to EUR 16 million, with the remaining EUR 14 million to come into play upon completion of the first phase. The new real estate complex will comprise a central building to be used as a multifunctional centre as well as four office

Italy, San Luca Hospital in Lucca (Tuscany).

blocks arranged in an "L" shape, topped by a bridge building, with underground car parking and storage areas. The start-up of works is scheduled for March 2015. The use of eco-sustainable materials and technologies that allow for improved energy efficiency is also planned, as well as obtainment of LEEDÒ *Leadership in Energy and Environmental Design* certification for environmentally sustainable buildings. This project was awarded in the last quarter of 2014, with finalisation of the contract at the beginning of 2015.

POLICE OFFICERS ACADEMY IN FLORENCE | Italy

Customer: Ministry of Infrastructures and Transport.
Contractor: S.CAR. S.c.r.l. (Astaldi has a 61.4% stake)
Amount: EUR 217.2 million, of which EUR 133.4 million in relation to Astaldi's stake.
The contract involves construction of the new Police Officers' Academy (Scuola Marescialli e Brigadieri dei Carabinieri) in Florence. The project involves a large area comprising four functional centres: (i) a sports centre which entails construction of a football and athletics stadium, indoor swimming pool, tennis courts and gym (Centre 1); (ii) a centre dedicated to student housing with 9 buildings to accommodate 1,900 students (Centre 2); (iii) a logistics centre with an auditorium, teaching rooms, canteen and kitchens, clubs, infirmary, command offices, cadre housing, shooting range and technological facilities (Centre 3); (iv) a centre for cadre residences to be used to house academy workers and their families (Centre 4). During 2014, Lot A (Centres 1-2-3) activities focused mainly on Centre 3 with virtual completion of the plants and internal finishes of teaching buildings, while the outdoor areas are being completed and work on the green areas is going ahead. As regards Lot B (Centre 4), the inspection certificate was issued and approved with final consignment of the works to the Administration and hence to the Carabinieri Corps.

OSPEDALE DEL MARE, NAPLES | Italy

Customer: Naples Local Health Authority (Napoli 1 Centro).
Contractor: Partenopea Finanza di Progetto S.c.p.A. (Astaldi has a 99.99% stake).
Amount: EUR 140.6 million in relation to Astaldi's stake.
The contract involved the design (final and executive) and construction of a new, highly-specialised hospital complex in the eastern area of Naples, providing 450 hospital beds. Approximately 60% of the contract amount was achieved during 2014, in full compliance with timeframe provided for in the Settlement Agreement signed in November 2012. Completion of the works is scheduled for September 2015, save for extensions arising from a change report for minor works currently being approved by the customer. In the meantime, it must be noted that consignment of a part of the works (entrance lobby, 25 clinics, external works in front of the main entrance) is scheduled for mid-March 2015 which the local health authorities will start to use ahead of the timeframe provided for in the contract.

Rest of Europe

For the purposes of the 2014 Annual Financial Report, Europe refers to the group of countries where traditionally present (Poland, Romania and Turkey) as well as recently-joined areas (Russia) where the Group operates mainly in the Construction segment. Transport Infrastructures (roads, motorways, airports, railways) and Civil Construction (hospitals) represent the segment of greatest interest with a significant experience in the Energy segment (waste-to-energy plants) and projects of great importance from an engineering and construction viewpoint. At the end of 2014, these countries accounted for 43.5% of Astaldi Group's operating revenue and represent 36% of the order backlog in progress.

TURKEY >> This is one of the main areas of activity for the Group's operations. At the present time, it is focusing on concession projects of international standing and with a high technological content (airports, hospitals, motorways). Additional commercial development opportunities, related to projects in progress, are not to be ruled out.

POLAND >> The country is of guaranteed interest for the development policies of the Group which operates in Poland solely in relation to priority projects (railway transport infrastructures, power plants) included among the country's development policies and financed through dedicated EU funds. As regards the future, given the country's political and economic stability as well as the legislative framework, further consolidation is not to be ruled out with the opening up of the renewable energy and concessions market.

ROMANIA >> The country continues to have an important strategic value for the Group insofar as it is still able to guarantee new commercial opportunities which Astaldi examines with renewed interest, also with the aim of ensuring ever-increasing customer diversification.

RUSSIA >> The country represents a recently acquired market, yet an already consolidated one given the completion of key works such as Pulkovo International Airport in St. Petersburg. Astaldi Group operates in Russia with private customers only. It must also be noted that its presence in the country is not the result of a typical commercial penetration strategy, but rather an opportunity to diversify activities as a result of consolidation of industrial partnerships with Turkish firms in relation to projects outside the Russian market. This means that the Group is basically "not conditioned" by the trend of infrastructure investment programmes approved by the local government. As regards the future, additional opportunities arising from partnerships with qualified partners boasting a high credit rating are not to be ruled out even if major attention is being lent to the effects of international tension linked to the sanctions for Ukraine and the performance of the rouble.
Please find below a brief description of the main contracts in progress in each of the countries listed for Europe.

Turkey – Transport Infrastructures

GEBZE-IZMIR MOTORWAY | Turkey

Customer: KGM (Motorways General Directorate, Turkish Ministry of Transport) operating in the capacity of Granting Authority.
Operator: OTOYOL (Astaldi Group has an 18.86% stake).
Contractor – EPC Contract: NOMAYG (Astaldi has a 17.5% stake).
Value of investment: USD 6.9 billion.
EPC Contract: USD 5.2 billion (Astaldi has a 17.5% stake).
The project involves the design and construction, using the concession formula, of a new section of motorway along the Gebze-Orhangazi-Bursa-Izmir route in Turkey, which will run for more than 400 kilometres. The project also includes a suspension bridge over Izmit bay which **will be the world's 4th longest suspension bridge upon completion**. At the draft date of this report, said project has been included among the backlog with regard to Phase 1, which refers to the first 55 kilometres of the route including the Izmit Bay Bridge, and Phase 2-A (25 kilometres along the Orhangazi-Bursa route) only. As regards the remaining Phase 2-B, it will be included among new orders subsequent to relative financial closing.
As regards this, the activities form part of a BOT contract for the design, construction, maintenance and management of the section of the motorway detailed above, including a suspension bridge over Izmit Bay and additional links to existing roads. The EPC contract has a value of USD 5.2 billion (Astaldi has a 17.5% stake) against investments totalling USD 6.9 billion. The SPV set up for this project is OTOYOL, while the SPV set up to perform works is called NOMAYG. The EPC contract between OTOYOL and NOMAYG was signed in July 2011.
On the whole, the project involves the construction of approximately 384 kilometres of motorway, 43 kilometres of link roads, 64 kilometres of access roads and 31 kilometres of national roads to be upgraded, 3 tunnels, 33 viaducts, 109 bridges, 340 minor hydraulic works, 26 intersections, 20 motorway toll gates, 6 maintenance centres and 17 service areas. The suspension bridge, measuring a total of approximately 2.6 kilometres in length and worth USD 1.1 billion, was subcontracted in July 2011 to the IHI/ITOCHU consortium and must be completed in the space of 3 years corresponding to the duration of Phase 1 of the project. This first phase, currently in progress, also includes the sections of motorway from Km 0 (Gebze) to Km 58 (9 kilometres after Orhangazi), the approach viaducts for the suspension bridge on the north side (0.25 km) and on the south side (1.4 km) and a tunnel of approximately 3.4 km. Construction of said tunnel – Samnalı tunnel – was awarded to Dağcan Inșaat ve Ticaret A.Ș. in October 2011 and the contract provides for a planned duration of works of 32 months. As regards Phase 2-A, including the section from Km 58 to Km 83 (Bursa), this must be completed by

the end of 2016. Lastly, Phase 2-B will be performed mainly during the second part of the 7 years of construction activities and includes the section from Km 107 (Bursa) to Km 408 (Izmir). To date, the northern and southern anchorings have been completed with the relative transition piers and side span, while the steel towers have been completely installed achieving a final height of 252 metres above sea level. Activities prior to installation of the main cable and prefabrication of the steel deck are currently in progress.

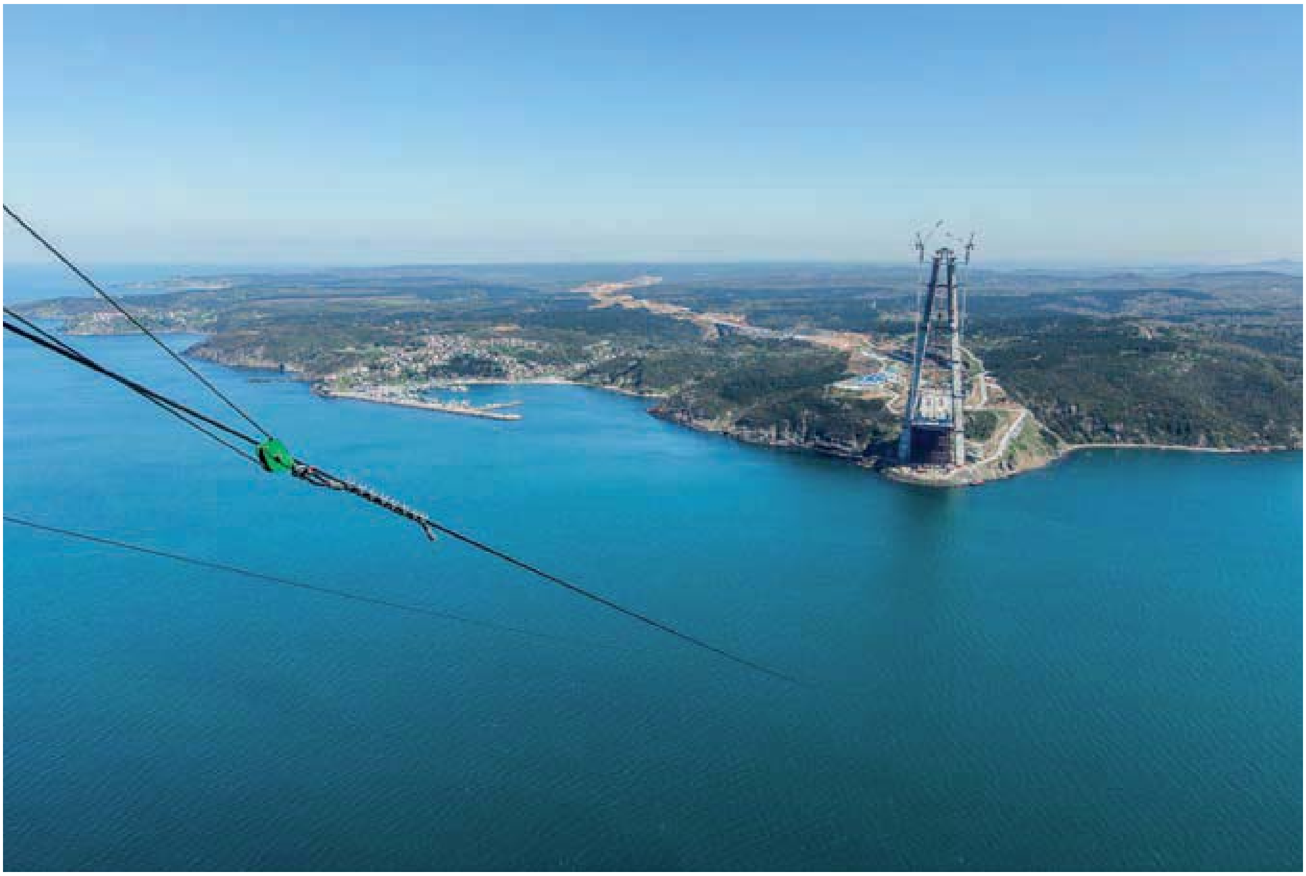
THIRD BOSPHORUS BRIDGE AND NORTHERN MARMARA MOTORWAY PROJECT | Turkey

Customer: Turkish Ministry of Transport operating in the capacity of Granting Authority.
Operator: JV awarded the contract (Astaldi Group has a 33.33% stake).
Contractor – EPC Contract: ICA (Astaldi has a 33.33% stake).
Value of investment: USD 2.9 billion.
EPC Contract: USD 2.5 billion (Astaldi has a 33.33% stake).
The project refers to the concession contract for the construction and subsequent management of a section of approximately 190 kilometres of motorway links between the cities of Odayeri and Paşaköy, as well as a cable-stayed/suspension bridge measuring 1.4 kilometres with pillarless spans between the villages of Poyrazköy and Garipçe in Istanbul. This bridge (known as the Third Bosphorus Bridge) will hold a number of records such as (i) **the only suspension bridge in the world whose deck includes a motorway and railway on the same level**, (ii) **the widest suspension bridge in the world**, (iii) **the longest suspension bridge in the world whose deck features a railway line** and (iv) **the suspension bridge with the tallest "A"-shaped towers in the world** and that, (v) **once completed it will connect Europe to Asia.**
The project consists in a BOT contract for the construction and management of the Third Bosphorus Bridge and the Odayeri-Paşaköy section of the Northern Marmara Motorway. The BOT contract between the Turkish Ministry of Transport and JV Ictaş-Astaldi, responsible for the construction and management of the motorway, was signed in May 2013. The total value of the investment is approximately USD 2.5 billion (in which Astaldi has a 33.33% stake). The project involves the construction of approximately 95 kilometres of motorway, 27 kilometres of link roads, 67 kilometres of access roads for a total of approximately 190 kilometres of motorway links between the villages of Odayeri and Paşaköy. It also includes the construction of 64 viaducts, 2 double-tube motorway tunnels, 2 cut-and-cover railway tunnels, 45 underpasses, 53 overpasses, 214 minor hydraulic works, 20 intersections, 5 service areas and 2 maintenance centres. As already mentioned, it also includes the construction of a 1.4 km-long mixed suspension/cable-stayed bridge with pillarless spans between the districts of Poyrazköy and Garipçe in Istanbul linking the European and Asiatic banks. Construction activities related to this contract commenced in 2013. At the draft date of this report, the towers have reached a height of 304 metres and it is felt that the final height of 322 metres will be achieved once the architectural terminals are installed following the completion of works, in other words by 2016.

Turkey – Civil Construction

ETLIK HOSPITAL CAMPUS –ANKARA | Turkey

Customer: Turkish Ministry of Health operating in the capacity of Granting Authority.
Operator: JV awarded the contract (Astaldi Group has a 51% stake).
Contractor – EPC Contract: EUR 870 million (Astaldi has a 51% stake).
Value of investment: USD 1.12 billion.
It must be recalled that financial closing for this project is still pending, hence it has not been included to date among Astaldi Group's contracts in progress. However, it has been considered appropriate to detail herein the progress made on this project during 2014 thanks to the preliminary activities started up and investments performed.
Commissioned by the Turkish Ministry of Health, the project consists in the design, construction and supply of electromedical equipment and furnishings, as well as the management under concession of a hospital complex boasting 3,566 beds split among 8 healthcare facilities and a hotel, for a total of 1,080,000 m^2. Studio Altieri, which has already worked with Astaldi on the concession project to build and manage Ospedale dell'Angelo in Mestre-Venice in Italy, will be responsible for design activities.
The project refers to the BOT contract for the construction and management of Etlik Hospital Campus. The total value of



Turkey, Third Bridge on Bosphorus.

the investment amounts to approximately EUR 900 million which will be used to build the largest hospital complex in Europe. Some preliminary activities related to this project were started up in 2012. To date, an announcement by the Turkish High Planning Council with regard to the agreement entered into with the customer is pending.

Russia – Transport Infrastructures

WESTERN HIGH-SPEED DIAMETER, ST. PETERSBURG | Russia

Customer: NCH LLC.
Contractor: ICA Astaldi-IC Ictas WHSD Insaat A.S. (Astaldi has a 50% stake).
Amount: EUR 2.2 billion (Astaldi has a 50% stake).
The contract refers to the EPC contract to perform works to complete the St. Petersburg ring road, a work of strategic importance for the city's transport system. The project involves the design and performance of the most technically complex section of the motorway link (12 kilometres), which closes the ring road along the seafront. The planned duration of works is 36 months. Construction activities continued during 2014 with 40% of works completed as regards the cable-stayed bridge pylons and 90% of works as regards the viaduct piers. As for the steel superstructures, 75% of prefabrication activities were completed while approximately 45% of the required steel was transported on site. Assembly of all project sections commenced with 15% of final assembly works completed.

PULKOVO INTERNATIONAL AIRPORT, ST. PETERSBURG | Russia

Customer: Northern Capital Gateway (NCG).
Contractor: IC Ictas-Astaldi Insaat A.S. (Astaldi has a 50% stake).
Amount: EUR 710 million (Astaldi has a 50% stake).

The project refers to the EPC contract for the design, construction and commissioning of a first phase to develop Pulkovo International Airport in St. Petersburg. The works were commissioned by Northern Capital Gateway (NCG), an international consortium comprising, inter alia, the German company, Fraport (a leader in the airport management). Indeed, in 2009 NCG was awarded the thirty-year concession to develop, upgrade and manage the new airport as part of a broader PPP contract signed in 2009 between NCG and the Municipality of St. Petersburg.
As regards the Astaldi contract, works were mostly completed in 2014 and involved reconstruction and upgrading of the whole facility in order to increase its capacity to a maximum of 14 million passengers per year.

Romania – Transport Infrastructures

LINE 5, BUCHAREST UNDERGROUND | Romania

Customer: METROREX S.A., the operator of the Municipality of Bucharest's underground network under the control of Romania's Ministry of Transport and Infrastructures.
Contractor: Astaldi-FCC-Delta ACM-AB Construct Joint Venture (Astaldi has a 47.495% stake and is the leader).
Amount: EUR 226 million (Astaldi has a 47.495% stake).
The project refers to construction of Line 5 of the Bucharest underground for the Drumul Taberei-Pantelimon section, using the Design and Build formula. The project forms part of a wider programme to expand Bucharest's underground network, 85% of which is funded by the EIB (European Investment Bank) and 15% by the State. The project involves the design and performance of civil works related to a new underground line, along the section between Raul Doamnei and the Bucharest Opera House (Hasdeu), with 9 stations and 8 kilometres in total of tunnels dug using a TBM. 75% of the total excavation of tunnels using TBM-EPB technology had been completed at the end of 2014.

Russia, Pulkovo International Airport in St. Petersburg.

LINE 4, BUCHAREST UNDERGROUND | Romania

Customer: METROREX S.A., the operator of the Municipality of Bucharest's underground network under the control of Romania's Ministry of Transport and Infrastructures.
Contractor: Astaldi-Somet-Tiab-UTI Joint Venture (Astaldi has a 40% stake and is the leader).
Amount: EUR 164 million (direct + indirect share).
The contract involves the design and performance of structural works and plants of Line 4 of the Bucharest underground, along the Laminorului-Straulesti section measuring 1.7 kilometres with approximately two kilometres of tunnel to be dug using a TBM. The construction of 2 stations and a depot with an intermodal terminal is also envisaged. The planned duration is 30 months and activities commenced at the end of 2012. The start-up of tunnel excavation works using TBMs is scheduled as from the first half of 2015. Approximately 70% of the project is financed by European cohesion funding (Pos-T) and the remaining 30% by the local government.

NĂDLAC-ARAD MOTORWAY (LOT 1) | Romania

Customer: CNADNR-Romania's National Motorways and Roads Company.
Contractor: Astaldi-MaxBogl Joint Venture (Astaldi has a 50% stake and is leader).
Amount: EUR 56 million (Astaldi has a 50% stake).
The contract involves the design and performance of Lot 1 of the Nădlac-Arad motorway in Romania forming part of the Trans-European Corridor IV linking to Hungary. The project involves completion of construction of just over 22 kilometres of motorway, from Km 0+000 to Km 22+218, linking the city of Arad to the town of Nădlac. The planned duration of the works is 12 months and they commenced at the beginning of 2014. As regards this project, the section from 1+800 km to 22+218 km was delivered and opened to the public at the end of 2014. Completion of all the works is scheduled by the second quarter of 2015 following the customer's request to perform some additional works in the vicinity of the border with Hungary. 85% of the project is financed by European Cohesion Funds (Pos-T) and the remaining 15% by the Romanian government.

NĂDLAC-ARAD MOTORWAY (LOT 2) | Romania

Customer: CNADNR-Romania's National Motorways and Roads Company.
Contractor: Astaldi-MaxBogl Joint Venture (Astaldi has a 50% stake and is leader).
Amount: EUR 20 million.
The contract involves the design and performance of works to complete Lot 2 of the Nădlac-Arad motorway which is a continuation of Lot 1, already under construction by ASTALDI. The section runs for 16 kilometres from 22+218 km to 38+882 km. The works are to be completed in 8 months and were started up in October 2014. A first section measuring approximately 6.5 km was delivered and opened to traffic in December 2014. 85% of the project is financed by European Cohesion Funds (Pos-T) and the remaining 15% by the Romanian government.

MIHAI BRAVU OVERPASS | Romania

Customer: PMB-Municipality of Bucharest.
Contractor: Astaldi–ASTALROM Joint Venture which Astaldi holds a 75% stake in.
Amount: approximately EUR 29 million.
The contract involves the construction of a section of the dual-carriageway Bucharest Bypass comprising an arched bridge with a 103-metre span, a 12-span viaduct, access ramps and the underlying road and tramline works, for a total length of approximately 750 metres. The works are to be completed in 15 months and were started up in October 2014.

Poland – Transport Infrastructures

ŁÓDŹ RAILWAY PROJECT AND ŁÓDŹ FABRYCZNA STATION | Poland

Customer: PKP and PKP PLK, Poland's railways, and the Municipality of Łódź.
Contractor: Torpol-Astaldi-PBDiM-Intercor (Astaldi has a 40% stake).
Amount: equivalent of EUR 340 million (Astaldi has a 40% stake).

The project refers to the design and performance of all works connected to upgrading of the section of railway from Łódź Widzew to Łódź Fabryczna, with construction of the passengers building and underground station of Łódź Fabryczna (4 platforms, 8 tracks), a double-track, double-tube tunnel (1.5 kilometres) and the systems and permanent way of the whole section, as well as an underground car park and multi-modal interchange junction at Fabryczna railway station. Completion of the works is scheduled by the end of 2015. The project forms part of the Infrastructure and Environment Operating Programme, funded by EU Cohesion Funds, and is of great importance for both the national railway system (it will be the first work already boasting high-speed standards) and for the city of Łódź (Poland's number-two city for its number of inhabitants). Structural works related to the station and tunnel were largely completed in 2014 and plant engineering works (civil and system) and architectural finishing works are currently in progress.

LINE 2, WARSAW UNDERGROUND | Poland

Customer: Municipality of Warsaw.
Contractor: Astaldi-Gulermark-PBDiM Joint Venture (Astaldi has a 45% stake and is leader).
Amount: equivalent of EUR 800 million (Astaldi has a 45% stake).
The project involves the construction of a central section of Line 2 of the Warsaw underground between Rondo Daszynskiego and Dworzec Wilenski. The project forms part of the Infrastructure and Environment Operating Programme, the most important project planned in Poland in relation to the national development policy funded by the EU. The project involves the design and construction of approximately 6 kilometres of new line with 7 stations, 6 ventilation shafts and 3 buildings for train deposit and shunting. The route will run mainly underground and also include passage under the River Vistula. 4 TBMs with a 6.3 metre diameter were used to dig the tunnel sections. As regards this project, it must be noted that works were completed in September 2014 and the section is started to become commercially operational as at the draft date of this report.

KRAKOW-BALICE RAILWAY LINE | Poland

Customer: PKP Polskie Linie Kolejowe S.A. (Poland's railways).
Contractor: Astaldi.
Amount: EUR 50 million.
The contract refers to works to construct the railway link between Krakow Central Station and John Paul II International Airport Krakow-Balice, with the latter already being extended and upgraded by Astaldi. The project is of strategic importance for Krakow's communications system and is aimed at ensuring an efficient, good-value alternative to road links between the airport (constantly expanding as regards passenger traffic) and the city centre. Moreover, the construction of new interim stops will also make the railway line useful for internal links within the city, especially in the university area. Works will be completed during the second half of 2015 and all the new track flanking the existing one had been completed at the draft date of this report. Approximately 45% of production had been completed at 31 December 2014.

JOHN PAUL II INTERNATIONAL AIRPORT KRAKOW-BALICE | Poland

Customer: Międzynarodowy Port Lotniczy im. Jana Pawła II Kraków-Balice Sp. z o.o., a state-controlled company responsible for developing and managing the airport.
Contractor: Astaldi.
Amount: EUR 72 million.
The project involves extension and upgrading of the airport. Specifically, it will involve rebuilding of the international passenger terminal, installation of external plants and construction of links with the multi-storey car park and railway station, as well as construction and upgrading of the internal transport system. Upon completion of the works, the new facility will occupy an indoor surface area of 26,000 m^2, for a volume of 424,000 m^3 and the airport will be able to serve 8,000,000 passengers per year, guaranteeing a Level C service according to IATA standards. The works will be performed in functional phases so as to allow the existing terminal to continue operating as usual. Said terminal shall be renovated from an architectural and plant engineering viewpoint to fit with the new building. Completion of works is scheduled for 2015 and works to construct the new terminal are at an advanced stage. Once the new terminal is put into operation, renovation and functional upgrading of the terminal currently in use will be performed.

Poland, Warsaw Subway Line 2.

S-8 WROCLAW-BIALYSTOK EXPRESSWAY, WISNIEWO-MEZENIN LOT | Poland

Customer: GDDKiA (National Roads and Motorways Directorate General).

Contractor: Astaldi.

Amount: equivalent of EUR 84 million.

The project involves the construction of approximately 15 kilometres of dual carriageway expressway with two lanes in each direction. The lot in question forms part of the road linking Warsaw and Bialystok, much used by freight traffic in the direction of Eastern Europe (especially Belarus). The works are set to be completed by December 2016. Site preparation works were completed at the end of 2014 and earth movement works commenced together with construction of foundations for civil engineering structures.

S-8 WROCLAW-BIALYSTOK EXPRESSWAY, MEZENIN-JEZEWO LOT | Poland

Customer: GDDKiA (National Roads and Motorways Directorate General).

Contractor: Astaldi.

Amount: equivalent of EUR 86 million.

The contract involves the construction of approximately 15 kilometres of expressway in the lot adjacent to the project acquired by Astaldi in August 2014 on the Warsaw-Bialystok section. Also in this case, the construction of a dual carriageway is planned with two lanes in each direction. The contract was signed in December 2014 and works prior to the start-up of construction activities had been started up as at the draft date of this report.

S-5 WROCLAW-POZNAN EXPRESSWAY, KORZENSKO-WIDAWA SECTION LOT 3 | Poland

Customer: GDDKiA (National Roads and Motorways Directorate General).
Contractor: Astaldi.
Amount: equivalent of EUR 116 million.
The contract, signed in September 2014, involves the design and construction of approximately 19 kilometres of dual carriageway expressway with two lanes in each direction, 2 road junctions and expansion of an existing junction, as well as ancillary works (service roads, upgrading of local road network, etc.). Design activities were started up during 2014 as well as some production activities for which authorisation had already been obtained (removal of subservices, land reclamation).

S8 WROCLAW-BIALYSTOK EXPRESSWAY, MARKI-RADZYMIN SOUTH LOT | Poland

Customer: GDDKiA (National Roads and Motorways Directorate General).
Contractor: Astaldi–PBDiM Joint Venture (Astaldi is the leader with a 90% stake).
Amount: equivalent of EUR 79 million (Astaldi has a 90% stake).
The contract involves the design and construction of approximately 7 kilometres of the S-8 expressway with three lanes in each direction, which will serve to bypass Marki (Warsaw) in order to speed up incoming and outgoing traffic from the city on the road towards Bialystok. Once the new section of road has been completed, upgrading of the current route is also planned. The contract was signed in November 2014 and design activities had been started up as at the draft date of this report.

Poland – Energy Production Plants

WASTE-TO-ENERGY PLANT, BYDGOSZCZ-TORUN | Poland

Customer: Międzygminny Kompleks Unieszkodliwiania Odpadów ProNatura Sp., a company set up by the Municipality of Bydgoszcz to manage urban waste.
Contractor: Astaldi-Termomeccanica Ecologia Joint Venture (Astaldi has a 51% stake and is leader).
Amount: EUR 95 million (Astaldi has a 51% stake).
The project involves the construction of a plant that produces energy through the transformation of urban solid waste. The contract involves the design and performance of the plant's civil and electromechanical works comprising two incineration facilities with a total nominal potential of 180,000 tons/year of processed waste. The plant will allow for the salvage, conversion and conveyance of electricity and heat for district heating to be included in the municipal network serving the cities of Bydgoszcz and Torun. The plant will function continuously, 24 hours a day, 7 days a week, for a minimum of 7,800 hours/year. The project also involves the construction of a waste acceptance unit and a compost production unit. The project forms part of a wider programme funded by the European Union for the construction of plants producing energy through waste conversion. The main civil works were completed during 2014 and the assembly of electromechanical parts such as turbines, boiler, etc. is at an advanced state. At the present time, this plant is the one with the most advanced state of progress compared to four other similar projects started up in Poland at the same time. Completion of works is scheduled for the end of 2015 and will be followed by the start-up phase.

The Maghreb

Algeria is one of the long-standing choices for Astaldi Group's international activities. Indeed, it has operated there since the 1990s, mainly in transport infrastructures (roads, motorways, railways) and hydroelectric and energy production plants (aqueducts, dams). At the present time, the Group is also showing an interest in the civil construction segment where commercial opportunities may arise from the major development plans approved by the local government with regard to the country's urban organisation and infrastructures. Algeria accounted for 6% of Astaldi Group's operating revenue at 31 December 2014 and represents 3% of its order backlog in progress.

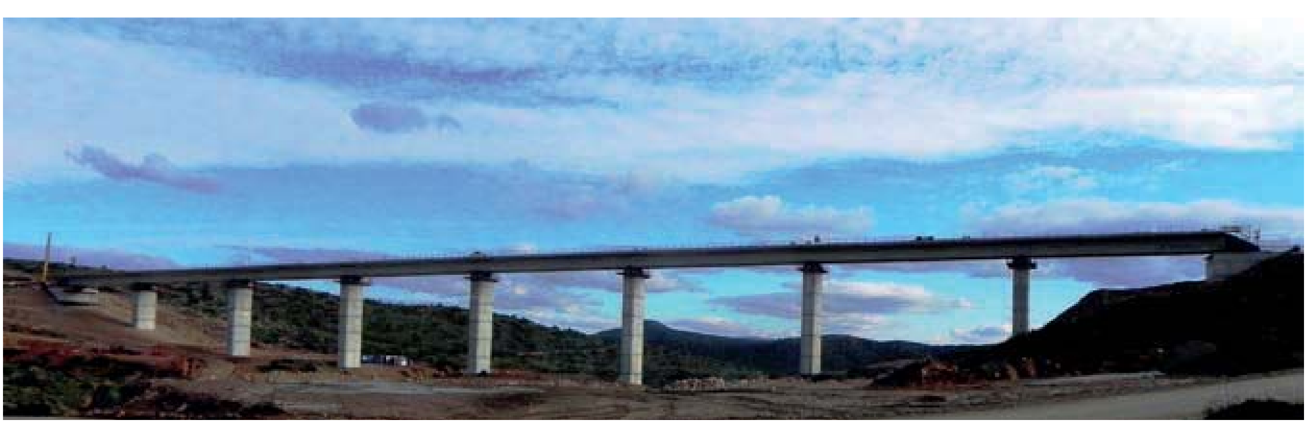
Algeria – Transport Infrastructures

SAIDA-TIARET RAILWAY LINE | Algeria

Customer: Algeria's Transport Ministry through *Agence Nationale d'Etude et du Suivi de la Réalisation des Investissements Ferroviaires* (ANESRIF).
Contractor: Groupement Astaldi-Cosider TP (Astaldi has a 60% stake).
Amount: EUR 417 million (Astaldi has a 60% stake).
The contract refers to the design and construction of a new railway line from Saida to Tiaret. The project involves the construction of 153 kilometres of single-track railway line featuring 45 railway bridges and viaducts, 35 road overpasses as well as 4 main stations (2 of which will be passenger stations while the other 2 will serve as a freight village and maintenance depot) and 9 interchange stations. The contract also includes the installation of signalling, telecommunications and energy-related systems. The route, which will run along the "*Rocade des Hauts Plateaux*" to link up with the Bechar-Mecheria-Oran line, is the natural continuation of the railway line linking Saida and Moulay-Slissen which is already under construction by Astaldi. Works commenced in January 2011, with a total duration of 36 months. In 2014, the project experienced a standstill of approximately 3 months pending approval of a change which, inter alia, extended the contractual timeframe to February 2015.

SAIDA-MOULAY SLISSEN RAILWAY LINE | Algeria

Customer: Algeria's Transport Ministry through *Agence Nationale d'Etude et du Suivi de la Réalisation des Investissements Ferroviaires* (ANESRIF).
Contractor: Astaldi.
Amount: EUR 730 million.
The project refers to construction of a railway line along the Saida-Moulay Slissen section. The project is included in Algeria's national plan to create an integrated infrastructure network and forms part of the "*Rocade des Hauts Plateaux*", which stretches from East to West in the northern part of the country's high ground. The project consists in the design and construction of a new single-track railway line, not electrified but able to include a second track. The route stretches over approximately 120 kilometres and includes, inter alia, 19 viaducts, 17 overpasses, 33 underpasses, 4 passenger stations and 1 freight station. The contract also provides for the installation of signalling, telecommunications and energy systems. Works got underway during the third quarter of 2008. A project change was notified in 2014 which, inter alia, extended the contract timeframe to January 2015. An additional contract extension through to March 2016 is expected following a second project change signed by Astaldi, already forwarded to the customer.



Algeria, Saida-Moulay Slissen Railway.

Middle East

Saudi Arabia – Industrial Plants

JUBAIL INDUSTRIAL PLANT (JUBAIL EXPORT REFINERY PROJECT) | Saudi Arabia

Customer: TECHNIP.
Contractor: Astaldi Arabia Ltd. (100% Astaldi).
Amount: USD 85 million.
International arbitration proceedings were started up by Astaldi Arabia Ltd. for this project in May 2012 in order to obtain the acknowledgement of higher charges and costs incurred during performance of the works provided for in the contract because of circumstances which the company was not responsible for. In this regard, Astaldi Arabia requested the sum of USD 50 million for damages incurred during the performance of works. In response to this request, the customer submitted a counterclaim for the sum of approximately USD 12 million in relation to the alleged delay in the completion of works. Considering the problems encountered in trying to obtain inspection of works from the customer prior to termination of the arbitration proceedings, with the result being an inevitable dragging out of the time needed to release bank guarantees and close final accounts, it was considered a good idea to reach an out-of-court settlement with the customer in May 2014 in favour of Astaldi. Under said settlement, the customer paid a total of USD 15 million, issued the works inspection certificate and returned all the guarantees provided. Therefore, the arbitration proceedings were definitively annulled.

Latin America

Astaldi Group's presence in Latin America refers mainly to the more recently-joined markets such as Chile and Peru, as well as markets where traditionally present such as Venezuela and Central America. The reference segments are Transport Infrastructures, Energy Production Plants and Mining Infrastructures where the Group operates in the capacity of EPC Contractor as well as Operator. The area as a whole accounted for 12.8% of Astaldi Group's operating revenue at 31 December 2014 and represented 11% of its order backlog in progress.

Peru – Hydroelectric and Energy Production Plants

CERRO DEL ÁGUILA HYDROELECTRIC PROJECT | Peru

Customer: KALLPA Generación S.A., one of Peru's leading electricity generators.
Contractor: Consorcio Cerro del Águila (Astaldi has a 50% stake and is leader).
Amount: USD 670 million (Astaldi has a 50% stake).
The contract involves the performance of civil and electromechanical works related to Cerro del Águila hydroelectric plant in Peru, using the EPC formula. The project consists in the design and construction of a hydroelectric plant with a nominal power of 510 MW, making use of water provided by the Mantaro river. Construction of this plant will involve, inter alia, the construction of 70 km of access roads, a weir consisting in a gravity dam of 340,000 m^3 of concrete, a tunnel measuring 6 kilometres with a 100 m^2 section, a 140 metre-tall charge basin, the underground hydroelectric plant and an outlet tunnel measuring approximately 5 kilometres. The contract also provides for the supply and installation of three Francis turbines. The project was acquired during 2011 and site preparation activities were started up during the same year. The works are expected to be completed over 51 months. Lastly, it must be noted that a request was submitted in 2014 for the acknowledgement of additional costs incurred for higher production cost, as well as for a six-month extension of performance times. Negotiations with the customer are still underway.

SANTA TERESA HYDROELECTRIC PROJECT | Peru

Customer: Luz del Sur, one of Peru's leading electricity distributors.
Contractor: Astaldi-Grana y Montero (Astaldi has a 40% stake).
Amount: USD 100 million (Astaldi has a 40% stake).

The contract refers to civil works for construction of the Santa Teresa underground hydroelectric plant in the Machu Picchu region of Peru. On the whole this entailed the construction of a hydroelectric plant with a nominal power of 98 MW, making use of water provided by the Urubamba river, waters that are already "turbined" by the Machu Picchu plant currently in operation. It also involved the construction of an underground water catchment facility, a series of tunnels to access the plant and the main tunnel, a headrace tunnel and a supply shaft for the underground plant. As regards this project, works were completed in 2014. Recently the customer requested additional works to reinforce the supply shaft which are currently in progress and are expected to be completed during the first half of 2015.

LOMAS DE ILO IRRIGATION PROJECT | Peru

Customer: Regional government of Moquegua.
Contractor: Astaldi-Obrainsa (Astaldi has a 51% stake).
Amount: USD 30 million (Astaldi has a 51% stake).
The contract involves the construction of 63 kilometres of pipes for the supply of water for irrigation use and 18 kilometres of distribution pipes in the southern region of Moquegua. The project also involves the movement of 2,000,000 m^3 of earth and forms part of a larger plan to develop the whole region which is otherwise penalised by the arid climate. The project was acquired at the end of 2013 and works were virtually completed during the year. Some changes of minor importance are currently being defined and will be performed during the first quarter of 2015.

Chile – Industrial Plants

CHUQUICAMATA MINING PROJECT – CONTRACT 1 | Chile

Customer: CODELCO (Corporación Nacional del Cobre de Chile), the state-owned company that is currently the leading copper producer in the world.
Contractor: Astaldi.
Amount: USD 165 million.
The project forms part of a larger project aimed at transforming the world's largest open-air mine into an underground mine. It consists in construction of the access tunnel to the new underground system to access copper deposits (7.5 km) and a tunnel to transport copper extracted externally (6.2 km), as well as tunnels to link the two aforementioned ones, and ventilation and emergency shafts for a total length of 3.5 km. This project is technically difficult given the gradient (between 8% and 15%, downhill) of the two tunnels to be built. Works progressed on various fronts during 2014 for a total of 3.9 kilometres, of which 1.5 km for the access tunnel and 1.5 kilometres for the transport tunnel. Moreover, progress of approximately 942 metres was achieved during the year with regard to the project's other tunnels (emergency tunnels, etc.), as well as 642 metres in excavation of the vertical ventilation and emergency shafts.

CHUQUICAMATA MINING PROJECT – CONTRACT 2 | Chile

Customer: CODELCO (Corporación Nacional del Cobre de Chile), the state-owned company that is currently the leading copper producer in the world.
Contractor: Astaldi.
Amount: EUR 117 million.
The project involves the performance works forming a second lot of the Chuquicamata Mining Project for which Astaldi is already performing Contract 1 as detailed above. The project involves the construction of 11 kilometres of tunnels as well as additional works related to the existing mining complex. The planned duration of works is 26 months and activities commenced during 2013 (the year the contract was awarded). Total progress on the various work fronts amounted to 4.6 kilometres during 2014.

Venezuela – Transport Infrastructures

PUERTO CABELLO-LA ENCRUCIJADA RAILWAY LINE | Venezuela

Customer: I.F.E. (*Instituto de Ferrocarriles del Estado*), an independent organisation responsible for managing railway transport infrastructures in Venezuela.

Chile, Chuquicamata mining project.

Contractor: Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles (Astaldi has a 33.33% stake).
Contract base value: EUR 3.3 billion (Astaldi has a 33.33% stake).
The project involves the construction, using the EPC formula, of a double-track railway line running along the Puerto Cabello-La Encrucijada section for approximately 128 kilometres, with 33 km of tunnels, 23 km of viaducts and 10 stations. Performance of the project will make it possible to link the line under construction with Puerto Cabello port and will guarantee Valencia, one of the country's main cities, access to the sea that is all-important for trade. The project fits into the Economic, Industrial, Infrastructure and Development Cooperation Agreement signed by the Italian and Venezuelan governments in February 2001, and ratified in subsequent agreements, the most recent in May 2010. The works Astaldi is responsible for are split into two lots, one situated in the mountains and one in the plains. Activities were rescheduled during 2014 in agreement with the customer, reducing the progress of works under construction to the plain lot only. The option for signalling system installation on the whole line under construction was taken up in accordance with agreements reached. Due to the specific economic and socio-political situation the country is experiencing, it must be recalled that this contract's production level has been limited and decidedly lower than the project's actual potential as from 2012. Even if the customer recommenced payment during 2104, the country's socio-economic development will be closely monitored prior to returning to a normal level of activity. Please refer to the section herein entitled "Main risks and uncertainties" for a complete overview of receipts and payments.

SAN JUAN DE LOS MORROS-SAN FERNANDO DE APURE RAILWAY LINE | Venezuela
Customer: I.F.E. (*Instituto de Ferrocarriles del Estado*), an independent organisation responsible for managing railway transport infrastructures in Venezuela.
Contractor: Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles (Astaldi has a 33.33% stake).
Contract base value: EUR 1.26 billion (Astaldi has a 33.33% stake).
The contract provides for construction of 252 kilometres of new railway line with 17 kilometres of tunnels and 6.3 kilometres of viaducts, 7 stations and 3 maintenance areas. Design and installation of the railway superstructure are also planned. The project is developed under the aegis of the same Italo-Venezuelan intergovernmental agreements signed for the Puerto Cabello-La Encrucijada railway line. Activities were rescheduled during 2014 in agreement with the customer, reducing production on works under construction. It must also be noted that at the draft date of this report, it was considered opportune to bring contract production activities to a virtual standstill pending relative financing and given the customer's lack of resources allocated to the project in its budget.

CHAGUARAMAS-CABRUTA RAILWAY LINE | Venezuela
Customer: I.F.E. (*Instituto de Ferrocarriles del Estado*), an independent organisation responsible for managing railway

transport infrastructures in Venezuela.
Contractor: Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles (Astaldi has a 33.33% stake).
Contract base value: EUR 591 million (Astaldi has a 33.33% stake).
The contract involves the construction of 201 kilometres of a new railway line, with 6 stations and a maintenance area, as well as the design and installation of superstructure. The area involved in the project is characterised by logistic difficulties (distance from residential areas) and technical difficulties (performance of works in areas subject to flooding). Activities were rescheduled during 2014 in agreement with the customer, reducing production on works under construction. It must also be noted that at the draft date of this report, it was considered opportune to bring contract production activities to a virtual standstill pending relative financing.

Central America

Transport Infrastructures

Central America is a long-standing choice for the Group's operations and it is active in this area mainly in the transport infrastructures segment (roads). At the present time the Group is involved in works in Honduras and El Salvador. Even if the contracts in progress in this area do not involve any especially complex construction activities, these countries succeed in guaranteeing a satisfactory flow of new orders on an annual basis, able to repay the investment made. As regards 2014, new orders related to Central America totalled EUR 39 million. The new projects include the El Cajon hydroelectric project (approximately EUR 26 million in Honduras) and Marpaisillo Road (EUR 11 million for the upgrading of a road in Nicaragua).

North America

Astaldi Group has been present in the USA for over 20 years, operating mainly in the Transport Infrastructures segment (roads, motorways, bridges and viaducts). All the activities in the USA are managed through Astaldi Construction Corporation, a US-regulated, 100%-owned company of Astaldi S.p.A. More recently, it decided to enter the Canadian market where it has already recorded considerable commercial success in the Energy Production Plants segment (Muskrat Falls hydroelectric project) and is working on some projects in the Civil Construction segment. The Group operates in Canada through its subsidiaries Astaldi Canada Inc. (100% owned by Astaldi S.p.A.) and T.E.Q., a Canadian company working in the construction and project management segment, acquired in 2012.

Canada – Energy Production Plants

MUSKRAT FALLS HYDROELECTRIC PROJECT | Canada
Customer: Muskrat Falls Corp., an SPV owned by Nalcor Energy.
Contractor: Astaldi Canada Inc. (100% Astaldi).
Contract value: CAD 1 billion, equivalent to EUR 760 million.
The contract involves the performance of civil works related to an 820MW hydroelectric plant on the Lower Churchill River (Newfoundland and Labrador, NL). The contract involves construction of the plant and performance of the related water intake and discharge facilities and forms part of a larger investment project that also involves the construction of two dams. The duration of works is four years and works commenced at the end of 2013. The project has been commissioned by Nalcor Energy, a Canadian company for the development, transmission and supply of energy in Newfoundland and Labrador. The main activities performed during 2014 were: (i) completion of mobilisation, started up at the end of the previous year; (ii) 95% of all site installations; (iii) finalisation of design and testing of concrete mixes; (iv) foundations and assembly of ICS (Integrated Cover System to guarantee the continuation of activities event at low temperatures) on Units 1 and 2; (v) rock clearing in the spillway area; (vi) construction of the spillway base and part of the piers. Construction works also

commenced on two of the three dams envisaged in the project (South Dam and Central Dam). Works for the intake facility also started in Units 1 and 3, as well as the first works involving the machinery facility's foundations.

Concession projects

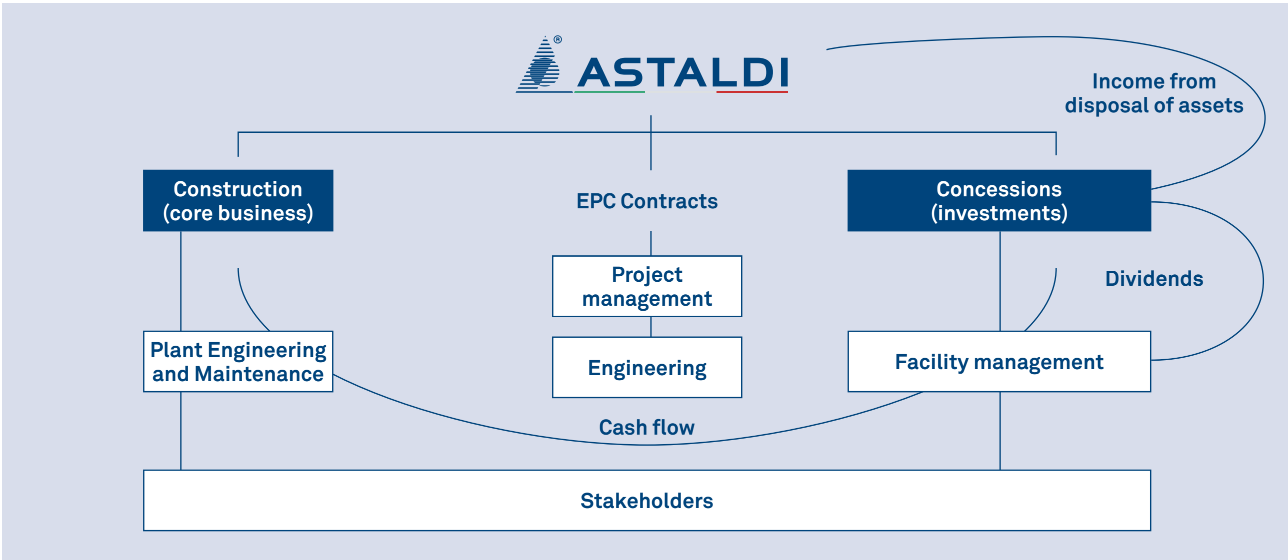
Astaldi Group operates in the concessions segment mainly through its investee Astaldi Concessioni (Astaldi owns 100%). This company is **able to generate synergies with the Group's Construction segment and to make use of integrated know-how**, both with regard to identifying, developing and investing in infrastructures and to structured finance, risk management, project lifecycle optimisation and operational management.

The strategic approach is based on improving an integrated Construction-Concessions development model where **Construction maintains its key role,** but **Concessions are given the role of acting as a natural flywheel for Construction**, especially in situations where resources are lacking with regard to actual infrastructure requirements. The result is significant benefits linked to the fact that integrating the two segments:

- **improves the integrated offer capacity**, guaranteeing access to markets with more reduced competitiveness and hence less price pressure;
- **consolidates the development of specific management know-how**;
- **generates economies of scale and optimises operating margins**, helped by a production phase which focuses on design solutions that optimise operating flows given that it already benefits from integrated Construction-Concessions expertise during the design stage;
- **increases order backlog quality,** including, in this way, orders with increasing margins;
- **offers the opportunity to convert investments made into cash** by disposing of assets considered mature within the contract management cycle, with benefits in terms of cash flow too.

Canada, Muskrat Falls Hydroelectric Project.

Fig. 1 – Please find below a diagram detailing the flows generated within the integrated model



PROJECT LIFECYCLE AND ASSET VALORISATION >> In recent years, the Concession project backlog has basically changed its nature and quality, going from projects almost exclusively in the commercial development/construction phase, and hence more risky, to projects that have passed the launch phase and hence the re-financing stage, with a consequent increase in their financial value. This process has also ensured consolidation of a significant package of specialist skills and know-how within the Group and helped reduce the risk related to individual projects, making them more attractive with a view to future partnerships/disposals with Investment Funds. Indeed, it must be recalled that a project aimed at valorising concession assets is currently in progress. In November 2014, in relation to decisions taken when approving the 2013-2018 Business Plan, Astaldi's Board of Directors examined the findings of a preliminary study for the structuring of an operation to valorise concession assets (current and future). This involves the management of said assets using an asset rotation logic, through operations to divest or valorise existing projects and investments in new projects, including in relation to the development and expansion of concession activities. Given that the study's preliminary findings were considered satisfactory, the Board of Directors granted the Chairman and Chief Executive Officers the powers to go ahead with valorisation at the best market conditions, including through the setting-up of a specific investment vehicle. The terms of this transaction are expected to be submitted for approval by the Board of Directors in 2015.

PROJECTS IN PROGRESS BACKLOG >> At the draft date of this report, the concession projects Astaldi Group (including through its subsidiary Astaldi Concessioni) involving in various ways consist in involvement in projects in Italy, Turkey and Chile, linked with the following segments:

- **Healthcare Construction** – 6 hospitals, for a total of 6,703 hospital beds and 6,192 parking spaces;
- **Transport Infrastructures (Undergrounds, Motorways, Airports)** – 899 kilometres of motorway, 40 kilometres of underground, 2 airports with transport technical capacity of up to 30 million passengers/year;
- **Car parks** – 5 car parks, for a total of 3,675 parking spaces (95% of which were disposed of in 2014);
- **Energy Production Plants** – 1 111MW hydroelectric plant and production capacity of 557Gw/year;
- **Mining Infrastructures** – 1 plant to recover copper (4,000 tonnes/year) and molybdenum (85 tonnes/year).

Turkey, Third Bridge on Bosphorus.

Fig. 2 – Please find below a table summarising the information provided

Sector: Transport	Sector: Energy and Mining	Sector: Healthcare
Country: Italy, Turkey	Country: Cile	Country: Italy, Turkey, Chile
Motorways ■ Total of 899 km of motorway *of which, under management:* ■ Total of 180 km of motorway **Undergrounds** ■ Total 30 km *of which, under management:* ■ 13 km ■ 40 stations for a total of 48k pax/day **Airports** ■ 2 airports, with a max capacity of 30 million pax/year	**Energy** – *under management* ■ 1 hydroelectric plant ■ 557 Gwh/year of generated capacity ■ 111 MW of installed power **Mining** – *under management* ■ 1 mining plant ■ 4,000 copper and 85 molybdenum tonnes/year of recovery capacity	**Healtcare** ■ 6,703 hospital beds ■ 6,192 hospital beds *of which, under management:* ■ 2,300 hospital beds ■ 4,600+ parking spaces

At the draft date of this report, Concessions in progress include:

- **Projects under management**, such as the 5 car parks, 95% of which were disposed of in July 2014, a section of Line 5 of the Milan underground, three hospitals in Tuscany, Ospedale dell'Angelo in Venice-Mestre and the Brescia-Padua motorway in Italy, Milas-Bodrum International Airport in Turkey, Chacayes hydroelectric plant and Relaves mining plant in Chile;
- **Projects under construction**, such as Phases 1 and 2-A of the Gebze-Izmir motorway and the Third Bosphorus Bridge in Turkey, a second section of Line 5 and Line 4 of the Milan underground and Ospedale delle Apuane in Massa-Carrara, Tuscany, in Italy;
- **Projects to be funded**, such as the Etlik Hospital Campus in Ankara and Phase 2-B of the Gebze-Izmir motorway in Turkey, the Ancona Port motorway link, the Medio Padana Veneta Nogara-Mare Adriatico regional motorway in Italy, and the Western Metropolitan Hospital and Arturo Merino Benítez International Airport in Santiago, Chile.

The concessions of interest for the Company generally consist in BOT projects characterised by (i) an initial construction phase during which the Group operates as an EPC Contractor and service provider, (ii) a subsequent management phase following construction and, on average, for a lengthy period of time, (iii) a last phase of transfer of the infrastructure to the Granting Authority at the end of the management period.

Concessions contribute to the Group's results in the form of profits or revenue from the management of typical services of the segments the individual projects refer to (motorway charges, parking fees, etc.). The investment model implemented to date in the segment sees a prevalence of projects with public funding and/or with forms of guaranteed minimums paid by the Granting Authority. Concession activities are generally performed through an SPV in which the Group holds minority interests. Exceptions are the Milas-Bodrum International Airport in Turkey and Relaves Mining Plant in Chile as regards concessions under management, and the Western Metropolitan Hospital in Santiago de Chile as regards projects to be funded. The result is that, in compliance with consolidation standards applied, the contribution of the revenue of said SPVs to consolidated accounts is not recorded at a turnover level, but among "Net gains on equity-accounted investees". Concessions contributed to Astaldi Group's 2014 Income Statement with (i) EUR 24 million of revenue, equal to approximately 1% of the Group's total revenue and (ii) EUR 30 million of net gains on equity-accounted non-controlling interests. At the same date, Concessions accounted for 43% of contracts in progress.
It is also important to consider that the structured finance of concession initiatives implies a commitment on Astaldi Group's part in terms of equity/semi-equity (meaning subordinate loans of SPV shareholders). The equity and semi-equity paid in relation to contracts in progress totalled EUR 507 million at 31 December 2014, of which (i) EUR 379 million referring to finalised acquisitions, hence already included among the backlog in relation to relevant stakes, (ii) and EUR 128 million related to projects for which financial closing is pending and hence not included among contracts in progress, but among the potential backlog. Moreover, the effects of the Group's equity investment in Autostrada Brescia Verona Vicenza Padova S.p.A. have not been included among the backlog. The project refers to the sole brownfield project Astaldi Group has invested in to date and it is felt that it may represent an interesting opportunity to access new additional projects in the motorway concessions segment. For more details regarding each specific project, please refer to the information provided below on the individual operator companies.
Please find below a brief description of the individual contracts in progress with the results achieved during the year by the relative SPV where possible. For contracts under construction to date, please refer also to the section "Main contracts in progress" contained herein.

Equity investments – Italy

VENETA SANITARIA FINANZA DI PROGETTO S.P.A. | Italy – 680 hospital beds, 1,240 parking spaces

Infrastructure: Ospedale dell'Angelo in Venice-Mestre.
Project status: Under management.
Veneta Sanitaria Finanza di Progetto S.p.A. is the SPV responsible for construction and management of Ospedale dell'Angelo in Mestre-Venice, Italy. The hospital has 680 beds and 1,240 parking spaces and occupies a surface area of 127,000 m^2 (plus another 5,000 m^2 for the Eye Bank). The hospital has been operational since 2008, and management activities will be performed until 2032. As regards this project, Astaldi Group holds a 37% stake, 6% of which is held by Astaldi Concessioni (Astaldi owns 100%). It must be noted that during 2014, after raising objections with regard to some fees due to the Operator, the Granting Authority (Local Health Authority U.L.S.S. 12 Veneziana), unilaterally cut the fees agreed on for management of the testing laboratory. In this regard Veneta Sanitaria Finanza di Progetto decided to start up arbitration proceedings as provided for in the contract. Given the impossibility of reaching an out-of-court settlement with the Granting Authority with regard to the studies it formulated with regard to activities performed during the construction phase and the perimeter of activities under management as well as the procedures for performance and payment of said activities, Veneta Sanitaria Finanza di Progetto started up arbitration proceedings in August 2014. The Board of Arbitrators was formed in October 2014. The lending banks failed to authorise distribution of profit during 2014 as a result of the dispute pending with the Granting Authority, and hence any profit was carried forward.
Despite the above, management of the hospital and commercial services the Operator is responsible for went ahead as normal during 2014, in full compliance with the concession contract specifications.
Lastly, it should be noted that, given the current status of arbitration proceedings and the opinions expressed by external legal experts handling the dispute on behalf of the associate, it is not felt that the arbitration proceedings can have any significant negative impact on Veneta Sanitaria Finanza di Progetto.

Italy, New Hospital in Venice-Mestre ("Ospedale dell'Angelo").

A4 HOLDING S.P.A. | Italy – 193 kilometres of motorway

Infrastructure: Brescia-Verona-Vicenza-Padua Motorway.
Project status: Under management.
A4 Holding S.p.A., through its investee Autostrada Brescia-Verona-Vicenza-Padova S.p.A., is the concession holder for the Brescia-Padua section of the A4 motorway and the Vicenza-Piovene Rocchette section of the A31 Valdastico-Vicenza motorway. This concession, executed with the granting authority, ANAS, is regulated by the Single Agreement of 2007 and expires on 31.12.2026. A4 Holding Group operates mainly in the North-East of Italy.
As regards this project, Astaldi Concessioni (Astaldi owns 100%) – through Re.Consult Infrastrutture S.p.A. (a company which merged with AI2, an Astaldi Group subsidiary, with effect as from 1 January 2014) – is the holder of a 14.29% stake in A4 Holding S.p.A. Its entry into A4 Holding S.p.A., as from 2011 on the basis of several acquisitions made as a result of invitations to bid put out by the Municipalities of Milan and Brescia, is of strategic importance insofar as it allowed the Group to enter the motorway transport segment. It is felt that this segment can guarantee significant synergies between the construction and concessions segments. As regards 2014, A4 Holding recorded an increase in profit compared to forecasts mainly as a result of the greater revenue recorded for the motorway segment. Indeed the year's figures show an increase in revenue and earnings for the Brescia-Padua motorway as a result of:

- higher traffic flows than forecast (1.22% average total increase of traffic in terms of actual vehicles, 1.37% of which for lightweight vehicles and 0.72% for heavy vehicles), showing an upturn in movements on the motorway network following the slowdown experienced as a result of the country's economic situation;
- acknowledged increases in charges of 1.44% on unit toll charges by the kilometre, in force since 1 January 2014, in compliance with Article 15 of the 2007 Single Agreement.

The prospects of a good management trend for this project continue to hold true, and the first small signs of an upturn in the local economy (and hence in traffic volumes) is also expected as from 2014, and were partially confirmed during the first part of 2015.

SAT S.p.A. | Italy – 4 hospitals, 1,510 hospital beds

Infrastructure: Four Tuscan Hospitals.
Project status: Hospitals in Lucca, Prato and Pistoia, under management. Hospital in Massa-Carrara under construction.
The contract forms part of the project finance initiative for the construction and subsequent management of four hospitals in Tuscany: Ospedale San Luca in Lucca, Ospedale delle Apuane in Massa-Carrara, Nuovo Ospedale di Prato (Prato), Ospedale San Jacopo in Pistoia. The new facilities occupy a total surface area of 200,000 m^2 for a total of 2,019 hospital beds (68 for day hospital patients, 72 for short-term observation patients, 134 for dialysis patients, 103 cots), 49 operating theatres and 4,450 parking spaces.

The concession has a duration of 25 years and 8 months, 3 years and 2 months of which for design and construction activities and 19 years for management of the plants and works performed, as well as non-healthcare services. The project operator is SA.T S.p.A., an SPV which Astaldi Group holds a 35% stake in, that awarded the management services to GESAT S.c.a.r.l. (Astaldi Group has a 35% stake). The operation provides for public funding during construction and for payment by the granting authority of charges for the provision of non-healthcare services (with a guaranteed minimum for variable-charge services) during the management phase. The agreement also includes the right of exclusive use of commercial services. As per the financing agreement executed in August 2012, the transaction is structured on the basis of non-recourse financing of approximately EUR 133 million, with 21/79 financial leverage which entails a contribution of own resources (share capital + subordinate loan) of approximately EUR 38 million. Total public funding amounts to approximately EUR 263 million excluding VAT, (EUR 253 million to be paid on the basis of progress of works and a final amount of EUR 10 million upon testing and inspection). The total investment is approximately EUR 415 million (excluding VAT and financial expense). A loan agreement of EUR 174 million was also signed for this project – executed between SAT and a pool of international banks (Banco Bilbao Vizcaya Argentaria SA, Centro Banca, Credit Agricole Corporate and Investment Bank, Dexia Crediop and Unicredit). Said loan provides for a base facility of EUR 133 million, a bridge facility for the funding upon inspection of approximately EUR 10 million, EUR 18 million to cover VAT, a stand-by facility on public funding of approximately EUR 3 million, and a facility for unforeseen costs for approximately EUR 10 million. As regards management activities, annual concession revenue of EUR 58.8 million are forecast, of which EUR 25.8 million for fixed-charge services (works and plant maintenance, cleaning, automated transport, maintenance of green areas), EUR 29.1 million of guaranteed minimum for variable-charge services (catering services for patients and employees, laundry and clothing management, surgical instrument sterilisation, waste disposal, private medical services provided inside public facilities), and EUR 3.8 million for commercial services (visitor car parks, bars, bank, vending machines, newsstand/bookshop, etc.). Fixed charges and guaranteed minimum fees amount to approximately 93% of forecast revenue. At the draft date of this report, Ospedale San Jacopo in Pistoia (466 hospital beds, operational since July 2013), Nuovo Ospedale di Prato in Prato (635 hospital beds, operational since September 2013), and Ospedale San Luca in Lucca (492 hospital beds, opened to the public in May 2014) have been completed and are now under management. Ospedale delle Apuane in Massa-Carrara is currently nearing completion which is expected by the first quarter of 2015. Transfer of patients from the old to the new hospital will follow, with consequent start-up of operating activities. As regards management of the three hospitals that are already operational, the project has achieved a turnover of approximately EUR 17 million for the Operator SAT, and concession revenue of approximately EUR 12 million for GESAT from the start-up of management to 31 December 2014.

METRO 5 S.p.A. and METRO 5 LILLA S.p.A. | Italy – 13.1 kilometres of underground line, 19 stations

Infrastructure: Line 5, Milan Underground.

Project status: Primary section under management. Extension under construction.

The contract forms part of the project finance initiative for the construction and subsequent management of the new Line 5 of the Milan underground. The contract entails the design (final and executive), construction and subsequent management, using the concession formula, of the new line's public transport service for the Garibaldi-Bignami section (Phase-1: 6 kilometres, 9 stations) and the Garibaldi-San Siro extension (Phase-2: 7.1 kilometres, 10 stations) with a maximum transport capacity of 26,000 passengers/hour in each direction. As regards this project, two different Agreements were signed (one for each section). The procedure for signing of the Single Agreement was completed during 2014, with the aim of having a single Operator for the whole line. At the draft date of this report, finalisation of the contract with lending banks in order to execute the necessary single loan agreement is in progress subsequent to execution of the Single Agreement and Single Economic and Financial Plan.

PRIMARY SECTION (GARIBALDI-BIGNAMI) >> The concession, as amended upon signing of the Single Agreement, has a 34-year duration, expiring on 31 December 2040. The project Operator is the SPV, Metro 5 S.p.A. (Astaldi has a 38.7% stake) which will merge with the Operator of the extension, Metro 5 Lilla S.r.l. upon achievement of financial closing. The transaction is structured on the basis of non-recourse financing of approximately EUR 521 million, with 18/82 financial leverage and consequent contribution of own resources (share capital + subordinate loan) of approximately EUR 114 million. The concession includes civil works (as mentioned previously), signalling, the supply of rolling stock and operation of the complete section. The total investment amounts to approximately EUR 1.4 billion (excluding financial expense and

VAT) with public funding of EUR 824 million excluding VAT (of which EUR 116 million from the Municipality and the rest from the state), and an additional sum of EUR 127 million as cash flow from line operation. The services covered by the concession agreement are operation and maintenance of the complete line. Concession revenue, in the form of availability charges, of EUR 81 million per year are forecast for the provision of said services from 2016 to 2035 and of EUR 38 million from 2035 to the concession termination date. At the draft date of this report, the complete primary section is under management with the Bignami-Zara section (4.1 kilometres, 7 stations) operational since February 2013 and the Zara-Garibaldi extension (1.4 kilometres, 2 stations) operational since March 2014.

(GARIBALDI-SAN SIRO) EXTENSION >> The concession has a 30-year duration, 25 years and 8 months of which for the operation phase. The project Operator is the SPV, Metro 5 Lilla S.r.l. (100% owned by Metro 5 S.p.A.). As regards this project, public funding of EUR 443 million is envisaged, excluding VAT (EUR 88 million provided by the Municipality and the remaining amount by the state). The total investment amounts to EUR 778 million (excluding financial expense and VAT). The project's economic-financial equilibrium is based on the flow of forecast concession revenue for the SPV, with an availability charge provided for.

SPV LINEA M4 S.P.A. | Italy – 15.2 kilometres of underground line, 21 stations

Infrastructure: Line 4, Milan Underground.

Project status: Under construction.

The project involves the construction and subsequent operation of Line 4 of the Milan underground, to be performed using the PPP formula. The new line comprises a driverless light underground with an integrated automation system and with CBTC (Communication Based Train Control) signalling system and platform doors. The project entails the design, construction and subsequent management of the public transport system of the complete Line 4 (from San Cristoforo to

Italy, Milan Subway Line 5.

Linate Airport), for a total of 15.2 kilometres and 21 stations, with a maximum transport capacity of 24,000 passengers/hour in each direction. The construction of a Depot/Workshop in the San Cristoforo area is also planned to be used to house and maintain rolling stock (47 vehicles).
The concession has a duration of 370 months as from signing of the Agreement (in December 2014), 88 months of which for construction and 282 months for operation. The project's operator is SPV Linea M4 S.p.A. with a public-private mixed capital where 2/3 of shares are held by the municipality granting the concession and 1/3 by private shareholders awarded the concession and in which Astaldi holds a 9.7% stake. The transaction provides for the disbursement of public funding (municipal and state funding) during construction and the payment of a minimum guaranteed fee by the granting authority during the operation phase. The concession includes civil and technological works and the supply of rolling stock as well as maintenance and operation (technical, operational, administrative and financial) of the whole line. The total resulting investment amounts to EUR 1.7 billion (EUR 1.1 billion of which of public funding). The concession services are operation and maintenance of the whole line. In 2013, the shareholders of the JV awarded the contract set up SPV M4 S.c.p.A. to perform this project. Financial closing was achieved in December 2014 and the SPV subsequently transferred its own assets to the newly-set up, mixed-capital SPV Linea M4 S.p.A.

AUTOSTRADA NOGARA MARE ADRIATICO S.C.P.A. | Italy – 107 kilometres of motorway
Infrastructure: Medio-Padana Veneta Nogara-Mare Adriatico Regional Motorway.
Project status: To be funded.
It must be noted that this project still has to be included among Astaldi Group's contracts in progress insofar as financial closing is pending. However, it has been considered appropriate to provide details herein of progress on this project during 2014 by virtue of the investments made.
Astaldi Group holds a 23% stake (10% of which held by Astaldi and the remaining 13% by Astaldi Concessioni) in the joint venture awarded the concession for the design, construction and management, using the project finance formula, of the toll motorway link called Medio-Padana Veneta Nogara-Mare Adriatico regional motorway. Signing of the agreement is envisaged during 2015. The concession is set to expire on 31 December 2057. The contract's total value amounts to EUR 7.1 billion, EUR 1.6 billion of which referring to Astaldi Group's stake. The Group's commitment in terms of equity as a result of its investment in this project amounts to EUR 7 million, as well as EUR 65 million of shareholder funding (semi-equity). It is envisaged that the total investment will also be financed through public funding. It must be recalled that signing of the agreement with the granting authority, Veneto's regional authority, is still pending as is relative financial closing. Therefore, the project has not been included among Astaldi Group's order backlog in progress at the draft date of this report.

Equity investments – International

PACIFIC HYDRO CHACAYES S.A. | Chile – 1 111MW hydroelectric plant
Infrastructure: Chacayes Hydroelectric Plant.
Project status: Under management.
The project consists in the stake in the SPV Pacific Hydro Chacayes S.A., responsible for constructing and managing the Chacayes hydroelectric plant, located in Chile and with an installed capacity of approximately 111 MW (557 Gw/year). The stake in the S.P.V. is through Inversiones Assimco Ltd. (100% owned by Astaldi) that, in turn, owns 100% of Cachapoal Inversiones Ltd. and that, in turn, holds 27.3% of Pacific Hydro Chacayes S.A. The Chacayes hydroelectric plant was built by Astaldi Group together with the Australian company Pacific Hydro. It is located in the Alto Cachapoal valley (Andes mountain range) and is a run-of-river hydroelectric plant, in other words it works by exploiting the kinetic energy generated by the plentiful flow of the rivers located in the valley. Therefore, the plant is totally eco-friendly, a characteristic that, inter alia, allowed it to win the 2012 Best Hydro Project Award in the World awarded by the prestigious Renewable Energy World Magazine in December 2012.
The concession agreement provides for user rights for the area's water for an unlimited period of time: moreover, a long-term sales agreement means that 60% of the energy produced is sold on the Chilean energy market while the remaining 40% is for the spot market. Operation of the plant commenced in October 2011 with spot sale of energy. Subsequently,

the PPA contract came into force as of 1 January 2012. It is also important to note that in August 2014, the Secretariat of the United Nations Framework Convention on Climate Change approved the first issue of carbon credit for the Chacayes plant, confirming the plant's characteristic of being a producer of renewable energy. At 31 December 2014, Pacific Hydro Chacayes recorded revenue of approximately USD 39 million, with production of 444.5 GwH. It should also be noted that, following recent operation optimisation measures implemented, it is forecast that operation costs will drop by around USD 1 million in 2015, to the benefit of shareholders that will have greater provisions to allocate for dividend distribution.

MONDIAL MILAS-BODRUM AIRPORT A.S. | Turkey – 1 airport, maximum transport capacity of 5,000,000 passengers/year

Infrastructure: Milas-Bodrum International Airport.

Project status: Under management.

MONDIAL Milas-Bodrum Airport A.S. is the SPV that holds the concession agreement for the design, construction and management of the passenger terminal of Milas-Bodrum International Airport in Turkey, currently in operation. The airport is located in a high-density tourist area in the south-west of Turkey and occupies a total surface area of 100,000 m^2.

The works were performed by Astaldi Group with an EPC contract and the airport as a whole is able to cater for 5,000,000 passengers/year.

Management activities commenced in May 2012. All the commercial services typical of the airport business were subsequently started-up, including duty-free activities – managed by Unifree, a leader in the segment in Turkey – that alone can guarantee 30% of airport revenue. The following were also started-up progressively: (i) food and beverage, managed by DO&CO, a leading company in the catering and refreshment segment in Turkey; (ii) minor commercial activities (rent a car, currency exchange, ATM, tourism offices); (iii) rental of technical areas to segment operators and management of car, bus and mini bus car parks. All the aviation services provided for in the concession agreement were provided by the company in accordance with arrangements made with the relevant authority (bridge service, supply of additional services) prior to the start-up of operations. Mondial will terminate its concession period at the end of October 2015 and, subsequently, the services will be transferred to the company awarded renewal of the concession put out to tender by the granting authority in 2014.

From a management viewpoint, a slight decrease in traffic was recorded in 2014 (-3% YOY compared to 2013) against an increase of 4% in sales revenue. The positive trend in sales revenue was backed up by the quality of services provided, confirmed by the excellent results obtained from a series of internal statistical analyses regarding service quality provided within the terminal. Specifically, passenger satisfaction increased from 81% to 85%, mainly thanks to the improvement of various parameters including terminal facilities (flight information, announcement quality, comfort of waiting areas, car parks, shopping areas, cleanliness), the speeding up of check-in procedures and baggage waiting times as well as the courtesy and helpfulness of security staff.

VALLE ACONCAGUA S.A. | Chile – 1 mineral recovery plant

Infrastructure: Relaves Mining Plant.

Project status: Under management.

Astaldi Concessioni (100% owned by Astaldi), through the SPV, Valle Aconcagua S.A., holds the concession agreement for the design, construction and subsequent management of a plant to treat sludge produced by the Andes mine for the recovery of copper and molybdenum. The concession agreement was acquired by CODELCO (Corporación Nacional del Cobre de Chile, a Chilean state company set up in 1976 and the leading global producer of copper).

The total value of the investment is USD 46 million (excluding interest and VAT), with concession revenue amounting to approximately USD 217.7 million.

The plant, under management since the second half of 2013, has a recovery capacity of approximately 4,000 tonnes of copper per year which CODELCO has already undertaken to purchase at agreed conditions.

Some technical activities were performed during 2014 with the aim of increasing the plant's productivity. They are aimed at making extraction capacity more efficient with consequent improvement of plant performance as from the end of 2014.

At 31 December 2014, revenue linked to the project totalled EUR 7.3 million – taking into account that the plant is still undergoing start-up-testing and hence has not yet entered into full operation.

Turkey, Gebze-Orhangazi-Izmir Motorway.

ICA IC ICTAS ASTALDI | Turkey – over 160 kilometres of motorway and a suspension bridge

Infrastructure: Third Bosphorus Bridge and North Marmara Highway.

Project status: Under construction.

The project refers to the concession contract for the construction and subsequent operation of a section of over 160 kilometres of motorway links between the cities of Odayeri and Paşaköy, as well as a suspension bridge of 1.408 kilometres with pierless spans between the neighbourhoods of Poyrazköy and Garipçe in Istanbul.

The works are currently under construction and the concession duration is 10 years, 2 months and 20 days, 30 months of which for design and construction activities and the remaining 7 years, 8 months and 20 days for operation and maintenance. The resulting investment totals USD 2.9 billion with a guaranteed minimum of 90%. The concession services are operation and maintenance of the motorway section, including service areas. Concession revenue totalling USD 5.9 billion is expected for the services provided.

Financial closing for the sum of USD 2.3 billion was achieved in May 2014 with a pool of Turkish banks in relation to the construction and subsequent operation of the works provided for in this project. The funding is to be used for regular progress of the construction phase which is scheduled for completion in 2016. Drawdown of a share of said funding has already been performed for the year, amounting to approximately 52% of the total.

OTOYOL | Turkey – over 400 kilometres of motorway

Infrastructure: Third Bosphorus Bridge and Northern Marmara Highway.

Project status: Phase 1 and Phase 2-A, under construction. Phase 2-B, to be funded.

The project involves the design and construction, using the concession formula, of a new section of motorway along the Gebze-Orhangazi-Bursa-Izmir route in Turkey which will measure over 400 kilometres. As regards this project, the so-called Phases 1 and 2-A were under construction at the draft date of this report. These phases refer to the first 83 kilometres of the route including Izmit Bay Bridge. Finalisation of relative funding is pending for the remaining part of the route known as Phase 2-B.

The contractual duration of the concession is 22 years and 4 months, including a maximum of 7 years for construction and approximately 19 years for operation of Phase 1, including the bridge. The project Operator is OTOYOL.

The concession contract between the customer KGM and OTOYOL was signed in September 2010 and financial closing was achieved in March 2013 as regards Phase 1 and in July 2014 as regards Phase 2-A. At the present time, refinancing of the whole project is in progress, both as regards the sections already funded and Phase 2-B for which funding is pending. It is felt that financial closing can be achieved by the end of 2015.
The total resulting investment amounts to USD 6.9 billion with a guaranteed minimum of 67% of the forecast concession revenue. The concession services are operation and maintenance of the complete section and concession revenue of USD 17 billion is envisaged for the services provided.

ANKARA ETLIK HASTANESI A.S. | Turkey – 1 hospital for 3,500+ hospital beds

Infrastructure: Etlik Hospital Campus in Ankara.
Project status: To be funded.
It must be noted that this project still has to be included among Astaldi Group's order backlog in progress insofar as financial closing is pending. However, it has been considered appropriate to provide details herein of progress on this project during 2014 by virtue of the preliminary activities performed and investments made.
Ankara Etlik Hastanesi A.S. is the SPV set up in January 2012, responsible for the design, construction and management, using the concession formula, of the Etlik hospital campus in Ankara, Turkey.
The project involves the construction of a healthcare facility that will have a total of over 3,500 beds split over 9 departments and occupying a total surface area of approximately 1,080,000 m^2. The facility will be built on behalf of the Turkish Ministry of Health (MOH) by the joint venture in which Astaldi Concessioni (100% owned by Astaldi) holds a 46% stake, Astaldi S.p.A. a 5% stake and the Turkish company, Türkerler, the remaining 49%.
The duration of the concession is 27.5 years, 3.5 of which for design and construction activities and 24 for the management of non-healthcare hospital services (cleaning, internal catering, waste collection, laundry, pest control, security, patient assistance, help desk, maintenance of civil works, IT services and green spaces) as well as clinical services (laboratories, imaging, sterilisation, rehabilitation) and commercial services (coffee bar, public services, car parks). The project involves a total investment of around EUR 900 million which will result in the creation of one of the **largest hospital complexes in Europe**.
Non-inflated concession revenue totalling EUR 5.6 billion (Astaldi has a 51% stake) is envisaged for provision of the services mentioned. The resulting investment amounts to approximately EUR 1.12 billion, with a guaranteed minimum of approximately 66%.
At the present time, the Etlik Hospital Campus in Ankara, for which some preliminary activities have been carried out, is waiting for (i) approval by Turkey's High Planning Council of the new contract signed with the customer in November 2014, (ii) as well as relative financial closing. Therefore, this project did not make any contribution to Astaldi Group's contracts in progress as at the draft date of the report.

SOCIEDAD CONCESIONARIA METROPOLITANA DE SALUD | Chile – 523 hospital beds

Infrastructure: Western Metropolitan Hospital in Santiago de Chile.
Project status: To be funded.
It must be noted that this project still has to be included among Astaldi Group's contracts in progress insofar as financial closing is pending. However, it has been considered appropriate to provide details herein of progress on this project during 2014 by virtue of the preliminary activities performed and investments made.
The project refers to the concession for the construction and subsequent management of a new highly-specialised hospital complex that will provide 523 hospital beds. Financial closing for the project was pending at the draft date of this financial report and hence it did not contribute to Astaldi Group's order backlog. As regards this project, preliminary activities prior to construction have been started up, and a USD 50 million bridge loan was signed at the start of 2015 to support the work's entry into full operation pending financial closing

Chile, West Metropolitan Hospiital in Santiago de Chile.

Astaldi Group's main companies

Astaldi S.p.A. (Parent)

Astaldi S.p.A. is the parent of Astaldi Group responsible for generating approximately 80% of total revenue. As regards 2014, the results achieved denote business stability compared to the previous year, confirmed by the business ability to convert the key contracts acquired in recent years into production and margins.

For 2014, the parent's total revenue amounted to EUR 2,130.9 million (EUR 2,220.7 million in 2013). EBITDA totalled EUR 298.3 million (EUR 320.1 million in 2013). Pre-tax profit was EUR 110.9 million (EUR 162.4 million in 2013) and profit for the year amounted to EUR 64.1 million (EUR 112.7 million in 2013).

Financial results

Reclassified income statement

(thousands of euros)	Notes regarding reconciliation with Separate Financial Statements	31/12/2014		31/12/2013 *	
Revenue	1	2,023,895	95.0%	2,109,122	95.0%
Other operating revenue	2	107,041	5.0%	111,606	5.0%
Total revenue		**2,130,936**	**100.0%**	**2,220,729**	**100.0%**
Production cost	3 - 4	(1,548,185)	(72.7%)	(1,615,062)	(72.7%)
Added value		**582,752**	**27.3%**	**605,667**	**27.3%**
Personnel expenses	5	(256,289)	(12.0%)	(256,715)	(11.6%)
Other operating costs	7	(28,182)	(1.3%)	(28,831)	(1.3%)
EBITDA		**298,281**	**14.0%**	**320,121**	**14.4%**
Amortisation and depreciation	6	(38,460)	(1.8%)	(37,634)	(1.7%)
Provisions	7	(1,241)	(0.1%)	(4,334)	(0.2%)
Impairment losses	6		0.0%	(31)	0.0%
(Internal costs capitalised)	8		0.0%	248	0.0%
EBIT		**258,579**	**12.1%**	**278,368**	**12.5%**
Net financial expense	9 - 10	(147,630)	(6.9%)	(115,956)	(5.2%)
Pre-tax profit		**110,950**	**5.2%**	**162,412**	**7.3%**
Tax expense	11	(46,806)	(2.2%)	(49,662)	(2.2%)
Profit for the year		**64,144**	**3.0%**	**112,750**	**5.1%**

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

Total revenue amounted to EUR 2,130.9 million (-4%, EUR 2,220.7 million in 2013) and comprised revenue from works totalling EUR 2,023.9 million (-4.0%, EUR 2,109.1 million in 2013) and other operating revenue of EUR 107 million (EUR 111.6 million in 2013).

Contracts in progress abroad were the main contributors to these figures, and specifically Russia (Western High Speed Diameter in St. Petersburg), Turkey (Gebze-Izmir motorway, Third Bosphorus Bridge), Poland (Line 2 of Warsaw underground) and Algeria (railway projects). On the whole, said projects offset the smaller contribution from Italian projects which generated approximately 25% of operating volumes thanks to production linked to the new underground lines under construction in Milan (Line 4 and Line 5) and Rome (Line C), as well as completion and start-up of management of the Tuscan Hospitals. As regards international activities, the largest contribution came from Europe, with EUR 1,043 million (especially Russia and Turkey), followed by the Americas (EUR 319 million) and the Maghreb (EUR 153 million).

Transport infrastructures continued to represent the company's core business, accounting for approximately 83.5% of revenue amounting to EUR 1,690 million (86.3% and EUR 1,821 million in 2013). Energy production plants also performed well, contributing EUR 144 million and accounting for 7.1% of revenue (EUR 100 million and 4.7% at the end of 2013), thanks above all to projects in progress in Peru. Civil construction totalled EUR 93 million, equal to 4.6% of revenue (EUR 97 million and 4.6% in 2013) and included the intensification of works to construct Ospedale del Mare in Naples and completion of the Tuscan Hospitals, as well as the start-up of works on the hospital in Santiago de Chile. Facility Management, Plant Engineering and Management of Complex Systems contributed EUR 88 million, equal to 4.3% of revenue (EUR 88 million and 4.2% in 2013) mainly thanks to projects in progress in Chile. The Concessions segment contributed EUR 9 million (EUR 3 million in 2013) to be attributed to management of the Tuscan Hospitals, which had only contributed for a period of a few months in the previous year.

(millions of euros)	31/12/2014	%	31/12/2013*	%	YOY diff. (%)
Italy	**509**	**25.1%**	**726**	**34.4%**	**(29.9%)**
International	**1,515**	**74.9%**	**1,383**	**65.6%**	**9.5%**
Europe	*1,043*	*51.5%*	*971*	*46.0%*	*7.4%*
America	*319*	*15.8%*	*260*	*12.3%*	*22.7%*
Middle East	*0*	*0.0%*	*9*	*0.4%*	*n.a.*
Maghreb	*153*	*7.6%*	*143*	*6.8%*	*7.0%*
TOTAL OPERATING REVENUE	**2,024**	**100.0%**	**2,109**	**100.0%**	**(4.0%)**

(millions of euros)	31/12/2014	%	31/12/2013*	%	YOY diff. (%)
Transport infrastructures	1,690	83.5%	1,821	86.3%	(7.2%)
Energy production plants	144	7.1%	100	4.7%	44.0%
Civil and industrial construction	93	4.6%	97	4.6%	(4.1%)
Facility management, plant engineering and management of complex systems	88	4.3%	88	4.2%	0.0%
Concessions	9	0.4%	3	0.1%	200.0%
TOTAL OPERATING REVENUE	**2,024**	**100.0%**	**2,109**	**100.0%**	**(4.0%)**

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

The **production cost** echoed the revenue trend and maintained the same incidence as in 2013 (72.7%), amounting to EUR 1,548.2 million (-4.1%, EUR 1,615.1 million in 2013). **Personnel expenses** totalled EUR 256.3 million, largely in line with 2013. Other operating costs totalled EUR 28.2 million (-2.3%, EUR 28.8 million in 2013), with a 1.3% incidence on revenue as in 2013.

Amortisation and depreciation totalled EUR 38.5 million (EUR 37.6 million in 2013) and took into account property, plant and equipment and intangible assets.

EBIT totalled EUR 258.6 million with an EBIT margin of 12.1% (EUR 278.4 million and 12.5% in 2013).

Net financial expense amounted to EUR 147.6 million (EUR 115.9 million in 2013), with a 6.9% incidence on revenues (5.2% in 2013).

EBT totalled EUR 110.9 million (EUR 162.4 million in 2013) and generated an **operating profit** of EUR 64.1 million (EUR 112.8 million in 2013) following taxes of EUR 46.8 million and an estimated tax rate of 42%.

Financial position

Reclassified statement of financial position

(thousands of euros)	Notes regarding reconciliation with Separate Financial Statements	31/12/2014	31/12/2013 *
Intangible assets	15	3,208	4,611
Property, plant and equipment and investment property	13 – 14	189,321	180,945
Equity investments	16	506,306	455,943
Other net non-current assets	12 - 17 - 18	168,106	174,795
TOTAL non-current assets (A)		**866,941**	**816,295**
Inventories	19	53,875	55,678

(thousands of euros)	Notes regarding reconciliation with Separate Financial Statements	31/12/2014	31/12/2013 *
Contract work in progress	20	987,967	1,198,666
Trade receivables	21	213,979	161,445
Amounts due from customers	21	695,447	806,951
Other assets	17 - 18	207,638	179,661
Tax assets	22	72,618	80,044
Payments on account from customers	20	(425,432)	(600,088)
Subtotal		**1,806,092**	**1,882,358**
Trade payables	28 - 18	(256,056)	(284,036)
Amounts due to suppliers	28 - 18	(626,451)	(585,743)
Other liabilities	25 - 26 - 29	(274,868)	(284,594)
Subtotal		**(1,157,374)**	**(1,154,373)**
Operating working capital (B)		**648,718**	**727,985**
Employee benefits	27	(6,281)	(4,996)
Non-current portion of provisions for risks and charges	30	(41,397)	(92,504)
Total Provisions (C)		**(47,679)**	**(97,501)**
Net invested capital (D) = (A) + (B) + (C)		**1,467,981**	**1,446,780**
Cash and cash equivalents	23	467,231	302,587
Current loan assets	17 - 18	19,418	27,959
Non-current loan assets	17 - 18	126,565	46,115
Securities	17	1,159	1,183
Current financial liabilities	25	(344,188)	(349,109)
Non-current financial liabilities	25	(1,137,504)	(880,226)
Net loans and borrowings (E)		**(867,320)**	**(851,491)**
Equity (F) = (D) + (E)	**24**	**600,661**	**595,289**

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

Net non-current assets increased to EUR 866.9 million (EUR 816.3 million at 31 December 2013), with the trend mainly reflecting equity investments made in relation to concession projects in progress in Turkey (Gebze-Izmir motorway, Third Bosphorus Bridge).

Operating working capital amounted to EUR 648.7 million, showing a drop of approximately 11% compared to the total of EUR 727.9 million at 31 December 2013 and reflects the great attention paid to core business items. In fact, there was a **significant reduction of contract work in progress** which went from EUR 1,198.7 million at the end of 2013 to EUR 987.9 million at 31 December 2014, thanks to the virtuous trend recorded for contracts in progress in Italy. Note must be taken of the positive performance of the Maxi Lots of the Jonica National Road (DG-21, D-22) and the Parma-La Spezia railway line which offset the increase recorded for contracts in progress in Algeria, Poland and Chile. **Amounts due from customers** amounted to EUR 695.4 million compared to EUR 806.9 million in 2013 with a drop in the trend in Venezuela and Italy (Line 5 of Milan underground, Pedemontana Lombarda motorway, Maxi Lots DG-21 and DG-22 of the Jonica National Road), while there was an increase in items for contracts in progress in Romania and Russia. **Payments on account from customers** dropped to EUR 425.4 million compared to EUR 600.1 million at the end of 2013 due to the downward trend recorded in Russia, Peru and Algeria and the contemporary increase in Turkey. More generally, control of operating working capital items allowed for a considerable reduction of net financial debt in the last quarter, testifying to the company's good order backlog. Thanks to these trends, **invested capital** totalled EUR 1,467.9 million (EUR 1,446.8 million at 31 December 2013).

Therefore **equity** increased to EUR 600.7 million (EUR 595.3 million at 31 December 2013) thanks to operating profit, items entered in the statement of comprehensive income and payment of dividends totalling EUR 18.7 million in May 2014.

Net financial debt

The trend recorded in 2014 led to a considerable increase in net financial debt during the first nine months of the year, with a peak being reached in September following the strategic support guaranteed to some projects. As forecast, there was a significant reduction in net financial debt during the last three months, with the figure standing at EUR 862.1 million, largely in line with the figure of EUR 848.6 million recorded at the end of 2013. This trend was recorded even given the significant capital expenditure and investments made in concessions, with a high level of turnover and margins being maintained despite an extremely difficult international financial situation. Moreover, in November, the company completely refinanced its previous EUR 325 million line of credit, expiring in 2016, with a EUR 500 million credit facility with its maturity date extended to 2019 and with lower costs. This serves to confirm the level of confidence the banking system has in the company's financial position, considering it able to achieve the business plan targets and maintain its current performance over time.

Breakdown of net financial debt

			31/12/2014	**31/12/2013***
A	Cash		467,230	302,587
B	Securities held for trading		1,159	1,183
C	**Cash and cash equivalents**	**(A+B)**	**468,390**	**303,769**
-	Current loan assets		19,418	27,959
-	Current portion of financial assets from concession activities			
D	**Current loan assets**		**19,418**	**27,959**
E	Current portion of bank loans and borrowings		**(298,385)**	**(272,197)**
F	Current portion of bonds		(4,676)	(3,315)
G	Current portion of non-current debt		(34,020)	(65,074)
H	Other current loans and borrowings		(7,107)	(75,015)
I	**Current financial debt**	**(E+F+G+H)**	**(344,188)**	**(415,601)**
J	**Net current financial debt**	**(I+D+C)**	**143,619**	**(83,873)**
K	Non-current portion of bank loans and borrowings		(261,620)	(163,382)
L	Bonds		(870,269)	(713,268)
M	Other non-current financial liabilities		(5,615)	(3,576)
N	**Non-current financial debt**	**(K+L+M)**	**(1,137,504)**	**(880,226)**
O	**Net financial debt**	**(J+N)**	**(993,885)**	**(964,098)**
-	Non-current portion of loan assets		126,565	46,115
-	Non-current portion of financial assets from concession activities			
P	**Non-current loan assets**		**126,565**	**46,115**
Q	Portion of debt referring to Related Parties			66,492
R	**Total financial debt**	**(O+P+Q)**	**(867,320)**	**(851,491)**
	Treasury shares in portfolio		5,198	2,859
	Total net financial debt		**(862,122)**	**(848,632)**

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

Astaldi Concessioni

Astaldi Concessioni is the Astaldi Group company – 100%-owned by the parent, Astaldi S.p.A. – dedicated to developing and managing concession and project finance initiatives. The company was set up in 2010 as part of a broader project to streamline Astaldi Group's activities which entailed the standardisation of skills and know-how acquired at a central level,

in terms of planning, organisation and start-up of concession projects.
During 2014, Astaldi Concessioni transferred the Car Parks division to leading Investment Funds with consequent deconsolidation of the project.
At 31 December 2014, the projects included in Astaldi Concessioni's consolidation scope were:

- **5 car parks in Italy** ("Piazza Cittadella" in Verona, "Porta Palazzo" and "Corso Stati Uniti" in Turin, "Piazza VIII Agosto" and "Riva Reno" in Bologna) which underwent pro quota transfer during 2014;
- **Chacayes hydroelectric plant**, under management;
- **Agua de San Pedro Sula plant**, under management;
- **Ospedale dell'Angelo in Venice-Mestre**, under management;
- **A4H S.p.A.** (owner of the operator Autostrada Bs-Pd S.p.A.) in Italy, under management;
- **Milas-Bodrum International Airport in Turkey**, under management;
- **Relaves mining plant in Chile**, under management;
- **Etlik Hospital Campus in Ankara in Turkey**, financing is pending;
- **Medio Padana Veneta Nogara-Mare Adriatico regional motorway in Italy**, in launch phase;
- **Western Metropolitan Hospital in Santiago de Chile**, under construction and subsequent management.

The following project was added to the above at the draft date of this report:

- **Arturo Merino Benítez International Airport in Santiago de Chile**, financial closing is pending.

Projects developed with Astaldi (in the capacity of EPC Contractor and holder of the concession), not included among Astaldi Concessioni's consolidation scope to date, increase the company's growth prospects. Said projects are as follows:

- **Third Bosphorus Bridge in Turkey**, under construction;
- **Line 5, Milan underground in Italy**, under operation as regards the Bignami-Garibaldi section, and under construction as regards the San Siro extension;
- **Four Tuscan Hospitals in Italy**, of which 3 under management and 1 in the process of being completed;
- **Ancona Port motorway link in Italy**, completion of the procedure to formalise the agreement is pending;
- **Gebze-Izmir motorway in Turkey**, under construction as regards the first functional section while financial closing is pending for the rest of the project.

Please refer to the sections herein entitled "Main contracts in progress" and "Concession projects" for a description of the projects mentioned above. It has been considered appropriate herein to highlight exclusively the results achieved by the company with regard to management of projects specifically included in its consolidation scope.
At 31 December 2014, Astaldi Concessioni generated revenue of EUR 1.5 million (EUR 0.6 million in 2013), referring to both secondary activities performed while formulating bids and support guaranteed to the company's Chilean branch. EBITDA amounted to EUR (3.5) million, in line with EUR (3.6) million in 2013, confirming the holding nature of the company in question. EBT totalled EUR (27.6) million (EUR (50.9) million in 2013) due to review at an economic-financial level of the Milas-Bodrum International Airport project in Turkey. The resulting loss for the year loss was EUR 27.7 million (EUR 55.6 million in 2013).

NBI

NBI is the Astaldi Group company operating in Engineering applied to Facility Management, Plant Engineering, and Management of Complex Systems and Renewable Energy. It is the result of Astaldi Group's acquisition of a business unit of the longstanding company Busi Impianti based in Bologna and is currently 100% owned by Astaldi S.p.A.
NBI is a typically Italian company that also works in synergy with Astaldi, offering specialist support in the reference countries for the Group's business activities. At a domestic level, it is among the leading Italian companies working in the Engineering and Plant Engineering segment, also thanks to the high level of specialisation it can boast and which ranges from civil to industrial plant engineering in the private and public sectors.
The main segments of interest for NBI are as follows: healthcare, commerce, industry, infrastructures, airports, hotel and tourism, pharmaceutics and renewable energies (photovoltaic, wind energy, micro-cogeneration and sustainable devel-

opment). Specifically, in the integrated plant engineering and energy production plants segment, NBI, in the capacity of operator and manager/maintenance manager, is able to perform the following: integrated design and construction; electrical, mechanical, hydraulic and technological systems; heating, conditioning and hydraulic plants; electrical distribution systems; engineering; civil works; special integrated systems; automation of civil and industrial systems; security systems; global maintenance engineering; and electrical and thermal energy production systems.
During 2014, NBI took a series of measures aimed at supporting the Group's business expansion and growth process:

- The company was converted from an S.r.l. (limited liability company) into an S.p.A. (joint-stock company), with a share capital increase;
- Opening of the Chilean branch called NBI S.P.A. AGENCIA EN CHILE, with a similar purpose to the Italian parent and with the aim of developing the local market. The first contracts performed by this branch included design and construction of the plants related to the Western Metropolitan Hospital in Santiago.

Please find below a brief summary of the main activities performed by NBI during 2014.

Plant division

Despite the difficult market situation, performance of the Plant Division's contracts went ahead during 2014, achieving progress more or less in line with forecasts, both for contracts originating from the Busi Impianti business unit, mostly completed, and contracts secured subsequently.
These contracts include, inter alia, activities related to construction of (i) the Accident and Emergency Department at Pavia Hospital, (ii) the Cardiovascular Centre at S. Orsola-Malpighi Hospital in Bologna, (iii) Ospedale San Luca in Lucca and Massa-Carrara Hospital, in Tuscany, (iv) Reggio Calabria Hospital in Calabria and Tione Hospital in Trentino, (v) the INAIL Prothesis Centre in Vigorso di Budrio in Bologna, (vi) the plants at Ospedale del Mare in Naples, (vii) Poste Italiane's new Data Centre in Turin, (viii) the office buildings (Blocks B and C) and canteen (M1) at Seb Investments in Rome, (ix) Granarolo's factory in Soliera, (x) the tunnel plants of the new Sorrentina National Road, (xi) the A24 Dei Parchi motorway (Gran Sasso, San Rocco and San Domenico tunnels), (xii) Milan-Naples motorway (tunnels of Lot 13), (xiii) the Jonica National Road (SS-106) (Maxi Lot DG-22), (xiv) Dalmine-Como-Varese-Valico del Gaggiolo motorway link of the Pedemontana Lombarda motorway, (xv) Line 4 and Line 5 of Milan underground, (xvi) buildings of Nuclear Physics Institute in Padua (xvii) renovation of Ferrovie dello Stato's offices at Villa Patrizi in Rome, (xviii) ANAS' Campo Felice-Altipiano delle Rocche road link, (xix) the A14 motorway – 3rd lane Rimini, (xx) EMPAM's offices in Milan.
The contract regarding construction of Careggi Hospital (Florence) in Tuscany – operating theatres and accident and emergency department - was also acquired during the year.

Facility management, plant engineering and management of complex systems division

The segment confirmed the forecast levels of production and margins during the year, also thanks to partnerships started up within Astaldi Group, with entry and development plans for foreign markets as well as Italy.
The development plans confirm the focus on strengthening position on the specific market of public and private complex technological management contracts in Italy and abroad.
The main contracts developed in Italy in this segment during 2014 were:

- MAINTENANCE: Bologna Fiere – electrical system maintenance; Bologna University – thermo-technical plant maintenance; HERA Bologna – substation maintenance – district heating plants; Villalba – technological plant maintenance overview; Teatro Comunale in Bologna – technological plant maintenance; maintenance and organisation "VIII Agosto" and "Riva Reno" car parks in Bologna; ALMAMATER (Bologna University) – maintenance of various faculty plants; plant maintenance, logistic fields – Line 5 of Milan underground; photovoltaic plant maintenance, Puglia (INTHE, HELIOS); plant maintenance GOGLIO S.p.A.-Daverio (VA) factory; 20-year full-risk routine and non-recurring maintenance contract for Lucca's new hospital;
- CONSTRUCTION: IDEA Fimit Sgr S.p.A. – plant renovation; Banca d'Italia – new electrical systems, building renovation and basic management; Sigonella, Brescia underground – commissioning and start-up of operation; ADR - Aeroporti di Roma – non-recurring maintenance at Fiumicino and Ciampino airports.

NBI Group's total production for the year totalled EUR 92 million.

Sartori Tecnologie Industriali

Sartori Tecnologie Industriali is the Astaldi Group company – 100% owned by Astaldi S.p.A. – dedicated to the maintenance and repair of industrial plants and equipment, supply and installation of steel structural work, lifting of industrial equipment in difficult situations and highly critical conditions. During 2014, the company continued its commercial activities within the captive market, consolidating relations with Metro C, Metro 5 and SCAR S.r.l. As regards said relations, there was continuation and consolidation of the activities already in progress that provide the forecast continuity for steel structural work for civil construction in an increasingly independent way from industrial plant mechanical maintenance activities.
Moreover, the following contracts were secured: COVA – supply and installation of steel structural work; Funivie – supply and installation of structures related to construction of roofing for coal deposit areas in Savona, Ospedale del Mare in Naples – supply of metal structures to support piping together with NBI.
Confirmation of the company's intent to effectively tackle new activities and set new, challenging growth targets for the coming years can be seen in the acquisition in 2012 of the factory located in Brindisi's industrial district, used as an external mechanical workshop of Brindisi's petrochemical factory, that is now the main operating office as well as a transformation workshop pursuant to civil construction technical provisions (Certificate No. 1124 of the High Council of Public Works).
Overall production during 2014 totalled EUR 3.3 million, to be attributed mainly to the following contracts: Metro C S.c.p.A. – Supply and assembly of metal safety platforms; Astaldi (Line 5, Milan underground) – Supply of metal safety platforms; Metro Blu (Line 4, Milan underground) – Supply of prefabricated segments and thrust portals for TBM Versalis S.p.A. – Framework maintenance agreement for the Brindisi petrochemical factory; Tione 2008 – Supply of steel structural work for seismic updating; S.Car S.c.r.l. – Supply and installation of steel structures in relation to contract to build the new Police Officers Academy in Florence; NBI S.p.A. (Ospedale del Mare di Napoli) – Supply of steel structural work to support piping.

TEQ Construction Enterprise

TEQ Construction Enterprise, has been 100% owned by Astaldi Canada Inc. since November 2012. TEQ, based in Montreal, operates within the Canadian province of Quebec, exclusively in the civil construction segment. 2014 was a year of particular importance for TEQ Construction Enterprise insofar as the results obtained surpassed targets. Indeed the company achieved a turnover of more than CAD 97 million.
TEQ Construction Enterprise mainly takes part in projects related to public contracts and is also involved in some projects in the private sector. At the present time, TEQ is working on projects of important standing, including:

- EUR 25 million for renovation and expansion of the Accident and Emergency Department of Maisonneuve-Rosemont Hospital in Montreal. This project consists in complete re-building of a new accident and emergency department subject to demolition of the existing department. Maisonneuve-Rosemont Hospital is the most popular hospital in East Montreal. The new department can house 57 beds. The four-floor building will be built between two pavilions of the existing hospital that will remain operational throughout the works. The contract also includes renovation of the machinery rooms and electrical panels as well as the administrative offices;
- Equivalent of EUR 25 million for construction of a new football stadium for Montreal City. The project involves a new roofed stadium characterised by a laminated wood structure and an outdoor synthetic pitch. The works will be performed in compliance with LEED certification;
- CAD 19 million for Victoriaville Cultural Centre. The project includes 2 theatres with a capacity of 450 and 850 spectators respectively;
- CAD 18 million for St. Jerome Arena. The project includes two ice rinks for figure skating and hockey.

The most important projects completed by TEQ Construction Enterprise in 2014 include: the head office of Quebec's Nursing Association and the Accident and Emergency Department at Lasalle Hospital in Montreal. It must also be noted that the project involving *Commission de la construction du Quebec*'s corporate offices obtained LEED Gold environmental certification during 2014.

Astaldi Construction Corporation

Astaldi Construction Corporation (100% owned by Astaldi) is the company operating under US law, based in Florida, which has handled the Group's activities in the USA for over 20 years. It handles transport infrastructure construction projects (mainly motorways and viaducts) for public counterparties and performs procurement and project management activities to support the Group's branches at a central level.
Among projects in progress, mention must be made in particular of those with FDOT-Florida Department of Transportation:

- **SR-862/ Eller Dr ICTF (Fort Lauderdale, Broward County, FL)**: **USD 40 million** for the upgrading and widening of a motorway junction, including 4 overpasses, located near SR-862/I-595, in the vicinity of Fort Lauderdale Airport and Port Everglades in Broward County (FL). The works are nearing completion and 98% had been completed at 31 December 2014;
- **NW 25th Street (Doral, Miami-Dade County, FL)**: **USD 58 million** for the upgrading and widening to 4-6 lanes of an expressway in Doral, in Miami-Dade County, in the vicinity of Miami International Airport. Works include the construction of a steel frame overpass near SR-826 Palmetto Expressway and of a viaduct, for a total length of 1.9 km. The works are still in progress and approximately 74% of works had been completed at 31 December 2014;
- **SR-5/US1 (Cocoa, Brevard County, FL)**: **USD 30.4 million** for the upgrading and widening from 4 to 6 lanes of a 6km long section of the SR-5/US1 in Cocoa City, Brevard County. Said contract is especially strategic given the infrastructure plans to be developed in the Orlando area which, in the medium-term, include the performance of significant motorway, railway and airport projects. The works commenced in March 2013 and are still in progress with approximately 54% completed at 31 December 2014;
- **Veterans Expressway, SR-589 (Tampa, Hillsborough County, FL)**: **USD 46 million** for the widening and upgrading, including automatic toll systems, of 5 kilometres of the Veterans Expressway SR-589 in Tampa, along the Memorial Highway-Barry Road section. The works are still in progress with approximately 45% of works completed at 31 December 2014;
- **I-95 Spanish River Interchange (Boca Raton, Palm Beach County, FL)**: **USD 66.6 million** for the design and construction of approximately 6 kilometres of route along the Interstate I-95, the main motorway linking the east coast of the United States, from the north intersection with Yamato Road to the south intersection with Spanish River Boulevard in Boca Raton city. The contract also involves the widening and construction of 13 bridges and road works along the I-95 and Yamato Road. Approximately 17% of works had been completed at 31 December 2014.

Astaldi Construction Corporation ended 2014 with a residual order backlog of approximately USD 100 million, against revenue from work of USD 53.2 million. It should also be noted that following some commercial projects with a negative outcome for the company – the most significant of these was the tender for the Los Angeles underground –, as well as the conditions of the local construction market that differed greatly from tender forecasts following the crisis in the US, the company closed the year's accounts with a loss.

Events after the reporting period

In February 2015, the Nuevo Pudahuel consortium comprising Astaldi (15% stake), Aéroports de Paris (45%) and Vinci Airports (40%) was chosen by the Chilean government insofar as it submitted the best bid following the invitation to bid for awarding of the concession for the construction and subsequent management of Arturo Merino Benítez International Airport in Santiago de Chile, the 6th largest airport in South America with traffic of 16.1 million passengers/year in 2014 (more than half are international). The concession contract, which will become operational as from 1 October 2015 (upon termination of the contract currently in force) involves: (i) modernisation and expansion of the existing terminal; (ii) financing, design and construction of a new passenger terminal measuring 175,000 m^2 which will increase the airport's capacity to 30 million passengers/year with potential expansion to 45 million passengers/year; (iii) commercial development and management for 20 years of the main areas and related services (new and existing terminal, car parks and future commercial activities). Astaldi and Vinci Construction Grands Projets (each with a 50% stake) will be responsible for performing

construction activities. Astaldi's stake will be included among the Group's order backlog subsequent to formal awarding and financial closing.
Still in February 2015, a EUR 50 million bridge loan was finalised with a leading Turkish bank prior to full commencement of production activities for the Etlik hospital campus in Ankara. The bridge loan will make it possible to proceed with construction activities, pending the so-called financial closing.
Still in February, Astaldi signed an agreement with the Extraordinary Commissioner of Impresa and DIRPA (both of which are under extraordinary administration) for the completion of works to upgrade the Perugia-Ancona direct route and modernise the Pedemontana delle Marche national road, the so-called Maxi Lot 2 of the Quadrilatero Marche-Umbria road infrastructure network. The value of works to be performed amounts to over EUR 500 million. Specifically, the agreement involves leasing of Impresa's "Quadrilatero" division for a six-month period with the aim of completing a first section of works related to Lots 1.1 and 1.2. It forms part of a broader agreement which provides for Astaldi's subsequent acquisition of the DIRPA industrial complex and Impresa's aforementioned business division, as part of the extraordinary administration procedures involving Impresa and DIRPA, in order to construct the complete infrastructure. Maxi Lot 2 of the Quadrilatero Marche-Umbria road infrastructure network is a complex project involving the performance of works, using the General Contractor formula, to upgrade the Perugia-Ancona direct route along the Fossato di Vico-Cancelli and Albacina-Valtreara Tunnel-Serra San Quirico sections of the national road SS-76 (Lot 1.1 – Sub Lots 1.1.1, 1.1.2, 1.1.2) and Pianello-Val Fabbrica section of the national road SS-318 (Lot 1.2), as well as modernisation of the Pedemontana delle Marche national road along the route between Fabriano and Muccia/Sfercia (Lots 2.1 and 2.2). The total value of works amounts to EUR 745 million, EUR 500 million of which still to be performed to date. Said amount will be included among the Group's backlog immediately as regards the share of works related to the lease period and subsequent to formal awarding for the remaining share of works.
It must also be noted that Line 2 of Warsaw underground (6 kilometres, 7 stations) was put into commercial operation in March. This was a great operating success which serves to consolidate Astaldi Group's operating capacity in Poland. The event follows the inaugurations in January for the Pedemontana Lombarda motorway project in Italy which achieved two key milestones: the opening of a first lot of the Varese bypass and inauguration of Section A of the Pedemontana Lombarda motorway.
Lastly, it must be recalled that in January, Astaldi's Shareholders appointed Piero Gnudi and Filippo Stinellis to replace the outgoing Directors, Guido Guzzetti and Mario Lupo. Both Directors will remain in office until the natural term of office of the current Board of Directors, in other words until the Shareholders' Meeting to approve the Financial Statements at 31 December 2015. At the same meeting, the shareholders also approved introduction into the Group's governance of the increased voting rights mechanism with the aim of promoting the presence of stable investors in the share capital through a planned "loyalty premium" that encourages maintenance of the investment for a longer period of time, and hence in keeping with the timeframe of the Group's growth strategies that are typically medium-long term. Indeed the institution provides for the attribution of two votes for each common share held by the same shareholder for an ongoing period of at least 2 years, as from the date of entry in a specific "List" formulated and held by the company.

Outlook

Progress on the process to **valorise the Group's concession assets** is envisaged over the coming months through the setting-up of a specific investment vehicle. It must be recalled that at the present time, Astaldi's concession backlog comprises 15 projects in progress in the transport, healthcare and energy segments, with a geographical diversification that takes in Italy, Chile and Turkey. Astaldi's total investment in SPVs to date, at carrying amounts, is approximately EUR 500 million.
While as regards the construction segment, positive results are expected in relation to commercial and production activities in Italy and abroad. On the whole, the revenue profile will benefit from shifting of the focus of business activities towards complex contracts with a high technological content that will favour consolidation of the transformation of production levels achieved into profit margins.
As regards **Italy**, the first part of 2015 will help consolidate the upturn in the domestic market. Specifically, the company

can benefit from:

- Intensification of activities related to the design of the **Verona-Padua High Speed Railway Line**, which has reached the operational phase;
- Entry into production of recent acquisitions in the transport infrastructures and civil construction segments (EUR 190 million in total) for contracts with an average duration of fewer than 2 years;
- Final acquisition forecast for Maxi Lot 2 of the Quadrilatero Marche-Umbria project (EUR 500 million) as part of extraordinary administration procedures involving DIRPA and Impresa;
- Consolidation of authorisation procedures needed to perform construction of Maxi Lot DG-41 of the Jonica National Road, with potential increase of the order's value and forecast revenue;
- Entry into full production of site activities for Line 4 of Milan underground (commenced in January) and the Pedemontana Lombarda motorway.

The coming months will also see the achievement of important milestones with completion of Ospedale del Mare in Naples (March), opening of Line 5 of Milan underground, with five stations along the Bignami-San Siro route becoming operational (April) and subsequent final completion of works (November), as well as the start-up of pre-commissioning for new sections of Line C of Rome underground (March) and entry into the management phase for Massa-Carrara Hospital in Tuscany (first half of the year).

As regards **Turkey,** works to construct the Third Bosphorus Bridge will go ahead quickly, with consequent start-up of the operation phase as from the first quarter of 2016. Works will also go ahead on the Gebze-Bursa section (including Izmit Bay Bridge) of the Gebze-Orhangazi-Bursa-Izmir motorway. Said project will benefit from overall refinancing of the works, which is still in progress and is felt can be closed at more advantageous conditions than the current ones, following a lower forecast of equity contribution. Additional commercial developments related to the contracts in progress to date in the Transport Infrastructures segment are not to be excluded. On the other hand, management of the Milas-Bodrum International Airport will be concluded following termination of the concession period. It must be recalled that this experience, even if a short one, has been fundamental for increasing the Group's skills and know-how insofar as it has made it possible to grasp new opportunities, including outside the Turkish market, and has laid the foundations for the start-up of successful business partnerships with partners of international standing in the airport management segment. For example, the recent commercial success achieved in Chile with the concession for Arturo Merino Benítez International Airport in Santiago, which will be constructed and managed as a partnership with Aéroports de Paris and Vinci Airports, that currently manage 40 airports worldwide.

Activities will go ahead in **Russia** to finalise the construction contract for a key section of the M-11 Moscow-St. Petersburg motorway. Additional opportunities are not to be excluded provided they involve qualified counterparties of high standing.

As for the **rest of Europe**, an increase in activities in Poland is expected which continues to be one of the main users of infrastructure funds for cohesion and development provided by the European Community, and Romania's contribution to revenue is expected to remain stable. The assessment of new interesting development opportunities in neighbouring countries (Bulgaria) is not to be excluded. Said countries have already envisaged significant investments in the rail and road transport infrastructures segment with the availability of European funding.

Activities related to performance of the Muskrat Falls hydroelectric project, a key project, in **Canada** will continue with the customer being completely satisfied despite problems linked to the hydro-geological context and adverse weather conditions. The acquisition skills of the subsidiary TEQ Construction Enterprise will also be put to good use in Canada, boosted by the synergies resulting from Group integration.

Latin America will benefit from the performance of design activities related to construction of the Western Metropolitan Hospital in Santiago de Chile. Moreover, efforts will also go ahead in Chile to achieve financial closing of the recent concession awarded for Arturo Merino Benítez International Airport. Said activities will help offset the planned reduction of activities in Venezuela given the slowdown in collecting amounts due from the local government for the performance of railway projects in progress in Venezuela which has already been experienced for some years. It must be recalled that the Group collected the equivalent of EUR 68 million in Venezuela in 2014, plus an additional EUR 6 million referring to 2015. The result is that, compared to 31 December 2013, the total certified, and hence collectable, receivables due from the Venezuelan government, including contract payments in advance, went from EUR 306 million to EUR 253 million at 31 December 2014. Said figure does not take into additional sums expected to be collected over the next months. More than

90% of the residual credit is in Euro.
As regards commercial strategy, it must be noted that major attention will be guaranteed for the development of **new markets of interest** (Australia and some areas of the Far East) and efforts will continue to re-launch activities in Algeria (railways, civil construction) and the Middle East (transport infrastructures, civil construction). The following must be mentioned with regard to new markets:

- *Australia*: the country is entering its 24th year of uninterrupted annual economic growth and its average GDP has increased, placing it among the highest for the main developed economies. The service sector generates more than 80% of its economic production;
- *Indonesia*: the country offers political stability and growth of investments, especially in the energy and transport segments, supported mainly by multilateral lenders such as the World Bank and the Asian Development Bank. The Group has submitted bids for projects in the Energy Production Plant segment for which the results are expected by the first half of 2015;
- *Vietnam*: the country is being examined with interest, especially in relation to the opportunities that will be on offer in the Transport Infrastructures segment in the near future.

From a financial viewpoint, efforts will be made to increase Group liquidity and contract cash flow, with benefits for the Group's endogenous growth process.

Human resources and organisation

Personnel trends and management policies. In 2014 Astaldi Group's average workforce remained largely unvaried compared to the previous year (9,602 units in 2014 compared to 9,578 in 2013). As regards composition there was an additional increase in the percentage of personnel posted abroad (88%) with a correlated increase in non-Italian managerial figures, serving to confirm the Group's well-established presence in foreign countries and the increasing use of personnel from the international market. The internal mobility policy also continued during 2014 aimed at directing Italian personnel towards foreign projects with the aim of "protecting" existing professional skills in Italy that the company had at its disposal due to the drop in the domestic market. With specific reference to Head Office personnel, a series of measures were taken during 2014 with the aim of encouraging the turnover of skills needed to deal with the company's growth and evolution and its ever-increasing internationalisation. New resources from both the market and Italian projects reaching completion were inserted into corporate divisions, nevertheless resulting in a limited increase in personnel (+5%) thanks to the contemporary formulation of an early-retirement plan. The overall turnover of office personnel in 2014 was 15%. At a difficult time for the Italian economy, the company decided to address its 2014 salary policy measures towards forms of non-monetary benefits, targeted at the majority of employees and able to ensure greater, widespread wellbeing within the company, while maximising financial investment by using the tax benefits provided for in current legislation. To this end, agreements were executed with leading insurance companies to cover the healthcare expenses of employees classified as white-collar workers and executives, as well as their respective family members.
"Future Managers" Project. In 2014, the company embarked on a careful process of selecting and hiring young graduates with growth potential, to be assigned to a management career scheme within the company's production divisions. The young graduates holding technical and business qualifications, who have reported the best marks and speak more than one language, were chosen through a selection procedure comprising individual interviews, psychological and attitude testing and assessment centres. These are aimed at identifying candidates with the personal characteristics needed to successfully undertake a demanding career, yet one offering many opportunities such as those typically experienced while working on contracts the Group is involved in worldwide. A preliminary 2-year period of employment is envisaged subsequent to hiring during which the graduates have the chance to alternate working experiences on several projects with training courses. Therefore, the scheme is aimed at selecting young graduates wishing to become the managers of the future. In 2014, a group of 17 graduates was sent to branches working on projects in progress in Algeria, Chile, Peru, Poland, Romania, Russia and Turkey.
Astaldi Corporate Academy. Following the training projects focusing on economic-financial and project management successfully performed in 2013, and which saw the involvement of 230 Group resources, 2014 was dedicated to planning and

creating a real Corporate Academy, in other words a permanent training facility targeting a broader selection of internal professionals and managers. Specific training courses taking in various areas of study were created for each professional profile: economics and performance management, business operations and processes, innovation and strategy, leadership and organisational behaviour and project management. The philosophy adopted when planning these courses was to personalise and adapt the content of the individual training modules to the corporate and business context. This was done by directly involving external teaching staff in corporate processes and through the management's direct participation at the planning stage and by offering their experiences within the training modules. The Astaldi Corporate Academy, designed to provide tens of thousands of hours of training to hundreds of resources, aims to be a genuine expression of the company's desire to invest in enhancing its wealth of internal skills and know-how, in expanding and retaining resources and, lastly, in creating value for all internal and external stakeholders.

IT tools to support HR processes. Work to expand the Talentia information system abroad continued during 2014. To date the registrations entered into the system represent approximately 70% of the total population. It must be noted that the foundations were laid in 2014 for adoption of the system in the consortia working with the Turkish partner, Ictas, on projects in progress in Russia, as well as those in progress in Turkey in the future. The system operational implementation will be started up in Russia during the first months of 2015. The design of a system module dedicated to recruitment and selection was carried forward and completed, with the aim of improving research tools and integrating external channels with internal databases. Testing of the new module is planned for the start of 2015, which will be followed by final working application.

"Puntiamo in alto!" Study Grant Scheme. In 2014 the company continued to reward the most deserving children of employees, assigning 39 study grants to students with the best marks at various levels of education. The scheme, now in its fourth year, has allowed for the assignment of 128 study grants since it was started up.

Quality, Safety and Environment

Astaldi's commitment to the ongoing improvement of its corporate management system continued throughout 2014, focusing heavily on operating excellence and responsible process management.

Moreover, just as every year, improvement targets were achieved with regard to Health, Safety and Environment (HSE) through projects developed both at contract and corporate levels.

Necessary amendments and supplements to the internal management system were made in order to implement development of the organisational structure and improve the corporate system's ability to react to external situations. Specifically, the commercial structure was reorganised with the introduction of a Business Development – Domestic Division (at the same time as abolition of the Central Development Division) and unification of the Bids and Prequalification Division – Domestic and International into a single division responsible for managing prequalification activities and formulating bids.

Following the company's voluntary decision to adhere to international standards regarding ongoing performance improvement, the certification body (Det Norske Veritas) performed periodical, independent third-party maintenance checks with regard to quality, environment and safety of the corporate management system during 2014 in order to comply with regulations regarding certification management. The positive outcome of these checks, performed at a head office, country and project level, made it possible to confirm the validity of the certificates of conformity issued in accordance with ISO 9001, ISO 14001 and OHSAS 18001.

Activities also continued to focus on improving management processes and culture regarding Occupational Health and Safety for employees and suppliers, as well as protection of the Environment. Specifically, there was an improvement in awareness and perception of risks linked to working activities through ongoing implementation of an integrated management system which also serves to identify and define:

- risks for workers involved/linked to activities;
- working standards and instructions for the prevention and safety of activities in order to eliminate/reduce risks;
- procedures for assessing and mapping training requirements;
- intervals and responsibilities for supervision of critical safety devices.

As regards the Environment part of the integrated management system, which is one of the cornerstones of Astaldi's sus-

tainable business approach, auditing activities were increased, including checking the ability of our projects:
- to ensure legislative conformity;
- to consider the viewpoint of stakeholders in the improvement process;
- to prevent and alleviate pollution.

Additional projects were also developed during the year. It must be noted that:
- ongoing updating of HSE risk prevention standards continued; said standards are grouped within a specific guideline with the aim of constantly adapting Astaldi's operating procedures to the evolution of international best practices, while at the same time improving the prevention system within projects;
- an environment dedicated to HSE issues was created within the SharePoint IT platform, with the aim of sharing and facilitating access to all safety and environment-related documents, streamlining the communication process and promoting standardisation and recognisability of Astaldi's approach in Italy and abroad;
- a programme to issue HSE documentation was introduced; this instrument allows projects in start-up phase to monitor coding of HSE processes, in keeping with the general management system's standards;
- the coding project for HSE performance reporting was completed; this process involves a concise Project and Country report containing HSE indicators considered important for defining additional, specific targets (including quantitative targets).

The voluntary approach to international standards regarding ongoing performance improvement has also been transferred to some of Astaldi Group's most important companies:
- Astaldi Concessioni obtained extension of the validity of the certificate of conformity to requisites as per ISO 9001 following the positive outcome of third-party checking as regards the corporate quality management system;
- NBI obtained confirmation of the validity of the certificate of conformity issued pursuant to ISO 9001 following the positive outcome of periodical, independent third-party checking of maintenance as regards the corporate quality management system. The procedure for certification of the environment part of the corporate system was also completed and resulted in issue of the certificate of conformity with the requisites of UNI EN ISO 14001:2004 in October 2014.

Lastly, mention must be made of some important awards obtained during the year from customers and third parties in Italy and abroad, serving to confirm the levels of excellence achieved by Astaldi Group as regards Health, Safety and Environment and in terms of technical-production capacity and monitoring of business processes:
- PRIX - *Promotion de la Sécurité et de la Santé au Travail*, award given to Astaldi Algeria by the local Ministry (*Ministre du Travail, de l'Emploi et de la Sécurité Sociale*) for the results achieved as regards risk prevention and progress made in the health and safety sector in recent years;
- 2014 FTBA *Safety Award*, given to Astaldi Construction Corp. by Florida Transportation Builders' Association, Inc. The award is for the results achieved by the company in the safety area during 2013;
- 2014 *Gold Step Award*, given to Astaldi Construction Corp. by ABC-Associated Builders and Contractors Inc. in recognition of the "Safety Training and Assessment Process" and the efforts made to develop a quality safety programme for 2014;
- *DBE Utilization Achievement Award* in recognition of having achieved and surpassed DBE (Disadvantaged Business Enterprises) targets:
  - for CNN, Toledo station on Line 1 of Naples underground was classed as the most attractive underground station in Europe: the list drawn up in February by the American information network, praised the appearance, modernity and efficiency of the station built by Astaldi as part of a JV and operational since 2012;
  - The Tuscan Hospitals project won the "Best Practice Patrimoni Pubblici 2014" award ("Real Estate Management" division), for innovative management and valorisation of local urban assets. The award ceremony was held during the Forum Nazionale Patrimoni Immobiliari Urbani Territoriali Pubblici, an annual event for segment operators now in its eighth year.

2014 also saw the laying of foundations for further integrating sustainability within the company's business model. The top management's annual review of the company's integrated management system was reviewed and the aims and targets of all the company's divisions were further focused on the Group's basic values, making it possible to exalt the approach heavily focused on the importance of people and innovation.

Main risks and uncertainties

The success of Astaldi Group's business model is based on careful and consolidated risk management policies which have taken on an increasingly key role over the years, becoming a real asset shared within the company. This explains the high level of control and monitoring of risks which the company is able to guarantee as regards processes and contracts, which means flexibility and the ability to react quickly to the changing situations the Group operates in.
Implementation of risk management guidelines is guaranteed through a Corporate Risk Management Division involved in the decision-making process, with the aim of codifying the main critical risks (so-called key risks) into a common language, and at neutralising the unwanted and unsustainable situations resulting from these.
The risk management system adopted is based on a concept of "risk" taken as an integral part of the generation of value which, in itself, is to be taken as the sum of the present value of the business model and the value of future development opportunities. Hence, successful risk management is aimed at exploiting business opportunities by encouraging future growth and, at the same time, safeguarding the value created.
The Risk Management logic model is heavily integrated into corporate decision-making mechanisms and is three-dimensional, split insofar as it comprises identification of the type of risk (operational, financial, strategic and compliance), level (business, country, contract) and project phase (development, performance, management).
All of this acquires more strategic value if we consider the tendency of financial markets and the main rating agencies to consider the integration of risk management into corporate decision-making processes as a necessary parameter for assessing the credit rating of individual counterparties.
To this end, and in order to guarantee ongoing optimisation of risk management dynamics, an ERM (Enterprise Risk Management) project was started up during the last quarter of 2014, aimed at:

- ensuring ongoing updating of the risk assessment system in order to adapt key risks to changing reference situations;
- the so-called risk appetite (to what extent one is willing to risk) and relative risk tolerance (to what extent one can push), in keeping with the Group's desire to comply with new corporate governance requisites set forth in the Italian Stock Exchange's Code of Self-Regulation (Art. 7 – *Internal Control and Risk Management System*), introduced to protect shareholders;
- structuring set risk response policies, in other words strategies to respond to the previously-identified key risks.

The main findings subsequent to analyses performed in recent months provided useful information for understanding and identifying the new key risks compared to the past and confirming those the company was already familiar with, consolidating the internal departments' knowledge of risk management, with consequent improvement of business performance and sustainability.

Please find below some key risks forming the base of the current risk management model, split according to type.

Risks related to the financial structure

Liquidity and credit. This risk expresses (i) the possibility that the Group may be unable to cover its financial obligations arising from contractual undertakings and, more generally, from its own financial liabilities, as well as (ii) the Group's exposure to potential losses arising from default on obligations to the extent in which access to sources of financing is subject to compliance with specific covenants (binding clauses for the company upon penalty of withdrawal of financing or renegotiation at less favourable conditions).

Currency market/Exchange rate. The current situation of the currency markets highlights extremely volatile situations. The Group's currency exposure is undoubtedly a key risk factor for achieving international growth targets. However, it must be noted that it has undertaken to control said risk over the years through suitable hedging transactions (natural and non-natural hedging).

Risks linked to reference situation

Exposure to country risk. The Group's major internationalisation exposes Astaldi to the obligation to assess the so-called "country risk". This refers to the risks arising from economic, political and social events, which depend on the country's government and which may have a negative impact on earnings and the protection of corporate assets. In order to mitigate said risk, the Group has adopted a development model for international commercial activities that focuses on countries (i) offering long-term infrastructure investment plans and opportunities, (ii) that consider works of interest as priorities in local investment policies, (iii) which provide for international insurance cover or projects developed under the aegis of bilateral government agreements, (iv) with a definite, consolidated reference legislative framework. The resulting conservative approach is consolidated by the practice of (i) flanking the joining of foreign markets with preliminary, detailed assessment of political, economic, financial and operating risks connected with the geographical area of interest, and (ii) guaranteeing close monitoring of the evolution of the local political, social and economic situation during the project's complete lifecycle, from commercial development through to completion of works. For all those circumstances that cannot be assessed a priori insofar as connected to unforeseeable and exceptional events, the Group is able to implement a series of well-defined procedures in line with international practice that make it possible to protect the safety of personnel and assets at a local level, minimising the resulting operational and economic impact. For the purpose of providing complete information, please find below a brief description of the countries where the Group operates that are felt to be most exposed to this type of risk.

- *Venezuela*. The conservative approach adopted by the Group has led to a limitation of works on contracts in progress in the country as from 2012, following the economic difficulties experienced in recent years which have meant a delay in the customer's payment obligations as regards contracts in progress in Venezuela to date. Certified, and hence collectable, receivables due from the Venezuelan government at 31 December 2014 totalled EUR 253 million (excluding EUR 12 million of payments in advance).
- *Russia*. The country is experiencing economic slowdown mainly as result of political uncertainty linked to the crisis in Ukraine, the impact of international sanctions and the drop in oil prices. The main country risks in the medium-term are linked to the possible destabilising consequences of a lasting weak economic performance, even if the government is formulating an anti-crisis investment plan, and of increasingly tense relations between Russia and western countries. It must be recalled that Astaldi Group's contracts in progress in Russia consist of contracts with private counterparties of high financial standing, with guaranteed financial cover, that do not fall into the embargo the country is experiencing as a result of the Ukrainian situation. It must also be noted that the Group's commercial approach as regards Russia is based on stand-alone assessment of individual projects, as well as production in accordance with a governance model that ensures risk sharing through partnerships with Turkish operators. Furthermore, they do not have significant value in terms of permanent capital invested in the country.
- *Turkey.* The main country risks are linked to a slowdown in economic growth even if the 2015 and 2016 forecasts are positive (+3.5% and +3.8% respectively according to *Business Monitor International* estimates) thanks to a lively domestic demand for goods and services. They are also linked to a moderate risk of social and political instability mainly linked to the outcome of the political elections scheduled for June 2015. Specifically it will be crucial to understand the position the new government will take as regards Turkey's involvement in the complex political and civil situation in Syria and Iraq. However, it must be recalled that the Group has operated in Turkey for more than 40 years, diversifying its activities working on priority projects for the country, funded by local and international institutions that have considered the country to be of guaranteed interest for the development of their business activities.

Risks linked to partnerships

Partnership management. The increasing complexity of works performed and/or opportunities for sharing risks make the decision to adopt project management models involving partnerships with other operators in the reference segment more frequent. This approach facilitates entry into new countries and/or segments but, at the same time, it generates potential risks and problems linked to cultural and organisational integration with partners that, in the worst case scenario, could even mean separation between Astaldi's vision and the partnership's vision. There are also other problems linked to exposure to partners' financial positions. Monitoring of this type of risk is guaranteed by effective assignment of roles and responsibilities within the individual strategic projects, as well as correct application of the process to define and manage shareholder agreements.

Risks linked to organisation and processes

Procurement / Cost of raw materials. The fluctuation of the prices of some raw materials can affect the project's cost structure and the Group's ability to achieve its targets in terms of earnings. Astaldi tends to neutralise this type of risk through diversified procurement policies, framework agreements with strategic suppliers during the commercial development phase of projects, inclusion of price review clauses in contracts and implementation of ad hoc mechanisms (where provided for) by local governments to mitigate the economic consequences of increases in some costs of production.

Risks linked to human resources

Hiring of specialist technical personnel / Recruitment process. Geographical diversification and the increase in turnover the Group aims at, mean there is a need to acquire managerial and operating resources that are able to work in accordance with similar quality standards in different geographical and working situations. A lack of resources, and at times a lack of qualified resources could mean recruitment problems with consequent extension of the start-up phase of individual projects. In order to avoid this, the Group has created a computerised human resources management system able to plan the population trend and related present value costs/benefits, as well as generate detailed reports, therefore guaranteeing a centralised, reliable data source as regards the allocation/availability of resources. Moreover, the Astaldi Corporate Academy, a training school within the Group dedicated to developing and improving managerial resources, has been set up aimed at optimising the most successful internal and external experiences. The latter is a tangible expression of the Group's desire to make the most of and increase the Group's specific skills and know-how, thus generating value.

Risks linked to sustainability (CSR) and HSE

Sustainability. A clear CSR (*Corporate Social Responsibility*) policy can have a positive impact on the investment choices of institutional investors, with a resulting increase in the value generated by Group activities. However, CSR targets which fail to be met can entail a risk as regards reputation. To this end, the Group has started up a project aimed at consolidating a sustainability performance reporting system within the Group.
HSE / Compliance. Increasing focus must be granted to Health, Safety and Environment insofar as accidents and/or violation of HSE regulations can have an impact in terms of reputation. This is even truer if we consider that some markets are excluded to companies with a bad track record in this area. In order to control these types of risks, the Group has adopted a HSE management system, certified by independent third-parties. For more details, please refer to the section entitled "Health, Safety and Environment".

Corporate governance

The governance model adopted by Astaldi S.p.A. is in keeping with the principles contained in the Code of Conduct for listed companies – drawn up by Borsa Italiana, the Italian Stock Exchange, in October 1999 and subsequently amended and supplemented by the Corporate Governance Committee –, as well as with the recommendations formulated by CONSOB in this regard and, more generally, with international best practice. As regards the information requested by Article 123-*bis* of the Consolidated Finance Act (Legislative Decree no. 58 of 24 February 1998, and subsequent amendments), please refer to the Corporate Governance and Shareholding Structure Report drafted in compliance with current legislation and published hereto. Said document is made available for consultation on the Group's website (www.astaldi.com), in compliance with the terms and procedures provided for by law. It has also been considered appropriate to point out herein that, at the extraordinary session of Astaldi's Shareholders' Meeting, held on 29 January 2015, the shareholders approved the introduction of increased voting rights mechanism. The new regulation provides for the attribution of two votes for each common share held by the same shareholder for an ongoing period of at least 2 years, as from the date of entry in a specific "List" formulated and held by the company. The aim is to promote the presence of stable investors in the share capital through a planned "loyalty premium" that encourages maintenance of the investment for a period of time more in keeping with the timeframe of the Group's growth strategies that are typically medium-long term.

Remuneration Report

As regards information related to the remuneration of Directors, Statutory Auditors and key management personnel, please refer in full to the Remuneration Report drafted by the Board of Directors of Astaldi S.p.A. pursuant to Article 123-*ter* of the Consolidated Finance Act (Legislative Decree No. 58 of 24 February 1998, and subsequent amendments). Said document is also made available on the Group's website at www.astaldi.com, Governance section, in compliance with the terms and procedures provided for by law.

Other information

Astaldi S.p.A. shares held by Directors, Statutory Auditors and key management personnel at 31 December 2014. For information in this regard, please refer to the Remuneration Report.
Treasury shares. In relation to the Astaldi's share buy-back plan implemented during the year, 1,002,324 shares were purchased during 2014 while 486,772 shares were sold. Treasury shares in portfolio at 31 December 2014 amounted to 896,501 with a nominal amount of EUR 2.
Parent shares held by subsidiaries. No parent shares were held by subsidiaries at the draft date of this report.
Information on related party transactions. As regards related party transactions during 2014, please refer to the Notes to the Consolidated and Separate Financial Statements at 31 December 2014. It has been considered appropriate herein to state that said transactions form part of the Group's ordinary operations and are regulated at market conditions. It must also be noted that no "significant" transactions were performed during the year pursuant to relevant legislation and relative procedures adopted by the Group. As regards relations among Group companies, it must be specified that these are regulated at market conditions, taking into account the quality of goods and/or services provided. These relations do not feature any interests classed as significant of other related parties of Astaldi S.p.A. For more details, please refer to the Corporate Governance and Shareholding Structure Report.
Management and coordination activities (pursuant to Article 2497 et seq. of the Italian Civil Code). Astaldi S.p.A. is not subject to "management and coordination" by any of its shareholders insofar as the company's Board of Directors is fully and independently responsible for all the most appropriate decisions related to management of the company's activities.
*Research and developme*nt. The Group did not incur any costs for research and development during the year.
Atypical or unusual transactions. No atypical or unusual transactions were performed during the year.

Conclusions

Dear Shareholders,
Astaldi Group's consolidated financial statements at 31 December 2014 show a profit of EUR 81.6 million, excluding amortisation and depreciation, provisions and consolidation adjustments.
The separate financial statements of Astaldi S.p.A. at 31 December 2014 show a profit of EUR 64.1 million, excluding amortisation and depreciation and provisions.

In light of the results achieved, at its meeting of 10 March 2015, the Board of Directors resolved to submit for approval by the Shareholders at their Meeting of 23 April 2015, the proposed distribution of a dividend for a total of EUR 19,522,029 (EUR 0.2 per share in circulation on the same date) with ex-dividend date of 11 May 2015, record date of 12 May 2015 and payment on 13 May 2015. It should be noted that said amount was calculated taking into account distribution of the dividend in proportion to the shares in circulation with regard to the 814,755 treasury shares on hand.

On behalf of the Board of Directors
(The Chairman)
Paolo Astaldi

Statement pursuant to Article 36 of CONSOB Regulation No. 16191/07 (“Market Regulations”)

Astaldi S.p.A. hereby states that its internal procedures are aligned with the provisions as per Article 36, letters a), b) and c) of Market Regulations (“*Conditions for listing of shares of controlling companies incorporated and regulated by legislation of states not belonging to the European Union*”), issued to implement Article 62, subsection 3-*bis* of Legislative Decree No. 58/1998.
Specifically, Astaldi S.p.A. states that:

1. the Parent, Astaldi S.p.A., has access in an ongoing manner to the bylaws and breakdown of corporate bodies of all significant, non-EU subsidiaries as per Article 36, subsection 2 of the Market Regulations, with listing of the corporate offices held;
2. the Parent, Astaldi S.p.A., makes available to the public, inter alia, the accounts of all significant, non-EU subsidiaries as per Article 36, subsection 2 of the Market Regulations, formulated for the purpose of drafting consolidated financial statements comprising at least the statement of financial position and income statement;
3. the administrative, accounting and reporting procedures currently adopted by Astaldi Group are suitable for making available to the Parent’s top management and auditors, at regular intervals, the financial data of significant, non-EU foreign subsidiaries as per Article 36, subsection 2 of the Market Regulations, needed to draft consolidated financial statements.

As regards ascertainment by the Parent of the flow of information to the central auditors, of use for annual and interim auditing of the Parent’s accounts, it is felt that the current process of communicating with the independent auditors’, organised on various levels of the corporate auditing chain and active throughout the whole year, is effective in this regard.
The application scope, with regard to 2014, concerns 7 subsidiaries, with offices in 5 countries not belonging to the European Union that are of specific significance as per subsection 2 of the aforementioned Article 36.

Consolidated financial statements

Income statement

(thousands of euros)	Notes	31/12/2014	31/12/2013* Restated
Revenue	1	2,540,388	2,381,413
of which with related parties		*521,436*	*422,086*
Other Operating Revenue	2	112,177	126,947
of which with related parties		*4,423*	*10,174*
Total Revenue		**2,652,565**	**2,508,360**
Purchase costs	3	(401,399)	(423,566)
Service costs	4	(1,488,958)	(1,403,297)
of which with related parties		*(118,974)*	*(159,437)*
Personnel expenses	5	(420,006)	(320,512)
Amortisation, depreciation and impairment losses	6	(70,633)	(85,235)
Other operating costs	7	(37,252)	(43,293)
of which with related parties		*(550)*	*(166)*
Total Costs		**(2,418,249)**	**(2,275,903)**
(Internal costs capitalised)	8	516	1,652
Operating profit		**234,832**	**234,108**
Financial income	9	98,286	96,827
of which with related parties		*11,450*	*4,302*
Financial expense	10	(237,156)	(208,365)
of which with related parties		*(40)*	*(2,126)*
Net gains on equity-accounted investees	11	34,769	7,386
Net financial expense and net gains on investments		**(104,101)**	**(104,152)**
Pre-tax profit from continuing operations		**130,731**	**129,956**
Tax expense	12	(47,980)	(54,817)
PROFIT FROM CONTINUING OPERATIONS		**82,751**	**75,139**
LOSS FROM DISCONTINUED OPERATIONS	**13**	**(2,006)**	**(4,575)**
PROFIT FOR THE YEAR		**80,745**	**70,564**
Profit attributable to owners of the parent		81,559	67,337
Profit (loss) attributable to non-controlling interests		(814)	3,227
Earnings per share	14		
Basic		Euro 0.83	Euro 0.69
Diluted		Euro 0.75	Euro 0.68

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

Statement of comprehensive income

(thousands of euros)	Notes	31/12/2014	31/12/2013* Restated
Profit for the year (A)		**80,745**	**70,564**
Items to be subsequently reclassified to profit or loss	27		
Change in hedging reserve – subsidiaries, net of tax effect		600	8,761
Change in hedging reserve – equity-accounted investees, net of tax effect		(12,261)	10,112
Change in Translation Reserve – subsidiaries		(32,650)	(10,393)
Change in Translation Reserve – equity-accounted investees		15,336	(18,722)
Gains (Losses) on measurement of AFS financial assets		161	(194)
Comprehensive income relating to disposal groups		2,117	(34)
Total Other comprehensive expense net of tax effect to be subsequently reclassified to profit or loss (B1)		**(26,698)**	**(10,471)**
Items that will not be subsequently reclassified to profit or loss	27		
Actuarial Gains (Losses) on defined benefit plans		(389)	683
Actuarial Gains (Losses) on defined benefit plans – associates and joint ventures		(330)	203
Total Other comprehensive income (expenses) net of tax effect that will not be subsequently reclassified to profit or loss (B2)		**(719)**	**886**
Total Other comprehensive expense net of tax effect (B1)+(B2)=(B)		**(27,417)**	**(9,585)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A)+(B)		**53,328**	**60,979**
of which attributable to owners of the parent		54,210	57,706
of which attributable to non-controlling interests		(882)	3,272

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

Statement of financial position

(thousands of euros)	Notes	31/12/2014	*31/12/2013 Restated
ASSETS			
Non-current assets			
Property, plant and equipment	15	223,111	203,973
Investment property	16	1,054	1,086
Intangible assets	17	32,555	58,971
Equity investments	18	436,909	384,151
of which:			
Equity-accounted investments		433,619	382,119
Non-current financial assets	19	186,732	96,840
of which with related parties		*137,756*	*55,567*
Other non-current assets	20	56,935	53,634
Deferred tax assets	12	30,611	17,118
Total non-current assets		**967,907**	**815,773**
Current assets			
Inventories	21	64,870	61,711
Amounts due from customers	22	1,165,348	1,261,797
of which with related parties		*81,210*	*60,447*
Trade receivables	23	903,041	961,893
of which with related parties		*46,308*	*47,137*
Current financial assets	19	40,273	46,391
of which with related parties		*18,316*	*4,913*
Tax assets	24	97,834	104,612
Other current assets	20	329,128	383,467
of which with related parties		*19,825*	*21,800*
Cash and cash equivalents	25	530,212	373,226
Total current assets		**3,130,705**	**3,193,097**
Assets related to disposal groups	26	**0**	**60,273**
Total Assets		**4,098,612**	**4,069,144**

* Further to application (retrospective) of IFRS-11 – *Joint arrangements*, corresponding figures at 31 December 2013, shown for the purpose of comparison, were restated.

(thousands of euros)	Notes	31/12/2014	*31/12/2013 Restated
EQUITY AND LIABILITIES			
Equity	27		
Share Capital		196,850	196,850
Treasury shares		(1,793)	(1,040)
Reserves:			
Legal reserve		27,934	26,201
Extraordinary reserve		256,581	244,376
Retained earnings		102,373	75,844
Other reserves		491	114
Other comprehensive expense		(89,937)	(62,588)
Total capital and reserves		**492,499**	**479,756**
Profit for the year		81,559	67,337
Equity attributable to owners of the parent		**574,058**	**547,093**
Profit (loss) attributable to non-controlling interests		(814)	3,227
Other comprehensive expense attributable to non-controlling interests		(118)	(51)
Capital and Other Reserves attributable to non-controlling interests		6,931	41,925
Equity attributable to non-controlling interests		**5,998**	**45,101**
Total Equity		**580,056**	**592,193**
Non-current liabilities			
Non-current financial liabilities	28	1,178,999	970,042
of which with related parties		*1,634*	*1,645*
Other Non-current liabilities	29	17,034	16,696
Employee benefits	30	9,595	8,003
Deferred tax liabilities	12	11,402	10,957
Total Non-current liabilities		**1,217,030**	**1,005,699**
Current liabilities			
Amounts due to customers	22	589,785	676,569
of which with related parties		*126,606*	*74,134*
Trade payables	31	1,031,736	1,116,633
of which with related parties		*59,057*	*92,785*
Current financial liabilities	28	395,070	388,440
Tax liabilities	32	103,997	73,666
Current portion of provisions for risks and charges	33	13,407	22,591
Other Current liabilities	29	167,530	153,404
of which with related parties		*792*	*1,254*
Total Current liabilities		**2,301,526**	**2,431,304**
Liabilities associated with disposal groups	26	**0**	**39,947**
Total liabilities		**3,518,556**	**3,476,950**
Total equity and liabilities		**4,098,612**	**4,069,144**

* Further to application (retrospective) of IFRS-11 – *Joint arrangements*, corresponding figures at 31 December 2013, shown for the purpose of comparison, were restated.

Statement of changes in equity

Change in equity at 31 December 2014

(thousands of euros)	*Share Capital*	*Legal reserve*	*Extraordinary reserve*	*Hedging reserve net of tax effect*	*Translation Reserve*
Balance at 01 January 2014 Published	195,810	26,201	244,376	(23,314)	(35,209)
Effects of application of IFRS 11	0	0	0	(3,853)	0
Balance at 01 January 2014 Restated	**195,810**	**26,201**	**244,376**	**(27,167)**	**(35,209)**
Profit from continuing operations 2013	0	0	0	0	0
Other comprehensive income (expense)	0	0	0	(9,467)	(17,326)
COMPREHENSIVE INCOME (EXPENSE)	**0**	**0**	**0**	**(9,467)**	**(17,326)**
Transactions with shareholders and other changes in equity:					
Treasury shares	(753)	0	(1,585)	0	0
Dividends	0	0	0	0	0
Provision pursuant to Art.27	0	0	0	0	0
Transactions with non-controlling interests	0	0	0	0	0
Change in consolidation scope	0	0	0	0	0
Allocation of 2013 profit from continuing operations	0	1,733	13,790	0	0
Other Changes	0	0	0	0	0
Stock Option allocation reserve	0	0	0	0	0
Balance at 31/12/2014	***195,057**	**27,934**	***256,581**	**(36,634)**	**(52,535)**

* The amount shown in the highlighted item is shown net of overall investment in treasury shares totalling EUR 5,198 thousand of which EUR 1,793 thousand, corresponding to the nominal amount of the shares, recognised as a reduction of share capital, and EUR 3,405 thousand recognised as a reduction of Extraordinary reserve.

Change in equity at 31 December 2013 – Restated

(thousands of euros)	*Share Capital*	*Legal reserve*	*Extraordinary reserve*	*Hedging reserve net of tax effect*	*Translation Reserve*
Balance at 01 January 2013*	**195,633**	**23,930**	**218,262**	**(45,676)**	**(6,412)**
Profit from continuing operations 2013	0	0	0	0	0
Other comprehensive income (expense)	0	0	0	18,509	(28,797)
COMPREHENSIVE INCOME (EXPENSE)	**0**	**0**	**0**	**18,509**	**(28,797)**
Transactions with shareholders and other changes in equity:					
Treasury shares	176	0	(16)	0	0
Dividends	0	0	0	0	0
Provision pursuant to Art.27	0	0	0	0	0
Transactions with non-controlling interests	0	0	0	0	0
Change in consolidation scope	0	0	0	0	0
Allocation of profit from continuing operations 2012	0	2,271	26,130	0	0
Other changes	0	0	0	0	0
Stock Option allocation reserve	0	0	0	0	0
Balance at 31/12/2013	****195,810**	**26,201**	****244,376**	**(27,167)**	**(35,209)**

* Further to application (retrospective) of IFRS-11 – *Joint arrangements*, figures at 31 December 2013, shown for the purpose of comparison, were restated.
The values highlighted also include the effects of the application of IAS 19 (2011), already published in the consolidated financial statements at 31/12/2013.
** The amount shown in the highlighted item is shown net of the overall investment in treasury shares of EUR 2,859 thousand of which EUR 1,040 thousand, corresponding to the nominal amount of the shares, recognised as a reduction of share capital, and EUR 1,819 thousand recognised as a reduction of the Extraordinary reserve.

Actuarial Gains (Losses)	*Gains (Losses) on measurment of AFS financial assets*	*Other reserves*	*Retained earnings*	*Profit for the year*	**Total Equity attributable to owners of the parent**	*Non-controlling interests*	**Total Equity**
(66)	(147)	114	75,844	75,213	**558,822**	45,101	**603,923**
0	0	0	0	(7,876)	**(11,729)**	0	**(11,729)**
(66)	**(147)**	**114**	**75,844**	**67,337**	**547,093**	**45,101**	**592,193**
0	0	0	0	81,559	**81,559**	(814)	**80,745**
(669)	113	0	0	0	**(27,349)**	(68)	**(27,417)**
(669)	**113**	**0**	**0**	**81,559**	**54,210**	**(882)**	**53,328**
0	0	210	0	0	**(2,128)**	0	**(2,128)**
0	0	0	0	(18,701)	**(18,701)**	0	**(18,701)**
0	0	0	0	(520)	**(520)**	0	**(520)**
0	0	0	(6,063)	0	**(6,063)**	(1,392)	**(7,455)**
0	0	0	0	0	**0**	(36,827)	**(36,827)**
0	0	0	32,592	(48,115)	**0**	0	**0**
0	0	0	0	0	**0**	0	**0**
0	0	168	0	0	**168**	0	**168**
(735)	**(34)**	**491**	**102,373**	**81,559**	**574,058**	**5,998**	**580,056**

Actuarial Gains (Losses)	*Gains (Losses) on measurment of AFS financial assets*	*Other reserves*	*Retained earnings*	*Profit for the year*	**Total Equity attributable to owners of the parent**	*Non-controlling interests*	**Total Equity**
(869)	**0**	**(921)**	**48,971**	**74,133**	**507,050**	**46,897**	**553,948**
0	0	0	0	67,337	**67,337**	3,227	**70,564**
804	(147)	0	0	0	**(9,631)**	46	**(9,585)**
804	**(147)**	**0**	**0**	**67,337**	**57,706**	**3,272**	**60,979**
0	0	330	0	0	**490**	0	**490**
0	0	0	0	(16,639)	**(16,639)**	(167)	**(16,806)**
0	0	0	0	(681)	**(681)**	0	**(681)**
0	0	0	(1,539)	0	**(1,539)**	(7,014)	**(8,553)**
0	0	0	0	0	**0**	2,112	**2,112**
0	0	0	28,412	(56,813)	**0**	0	**0**
0	0	(193)	0	0	**(193)**	0	**(193)**
0	0	898	0	0	**898**	0	**898**
(66)	**(147)**	**114**	**75,844**	**67,337**	**547,093**	**45,101**	**592,193**

Statement of cash flows

	31/12/2014	31/12/2013* Restated
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year attributable to owners of the parent and non-controlling interests	**80,745**	**70,564**
Tax expense	47,980	54,817
Pre-tax profit	**128,724**	**125,381**
Adjustments for:		
Non monetary items		
Amortisation and depreciation	66,087	71,141
Impairment losses	4,547	14,074
Net gains on equity-accounted investees	(34,769)	(24,225)
Post-employment benefits and defined benefit plan costs	2,327	774
Stock grant plan costs	1,325	1,450
Accruals to provisions for risks and charges	1,534	4,463
Fair value losses	(562)	11,860
Losses (Gains) from discounting	36,005	0
Subtotal	**76,493**	**79,538**
Monetary items		
Gains/losses from disposals	(2,162)	(2,447)
Other adjustments necessary to reconcile profit with cash flow from operating activities		
Net interest income and expense and dividends received (Coverage of losses)	92,813	72,845
Subtotal	**90,651**	**70,398**
Cash flows from operating activities before Changes in net working capital	**295,868**	**275,317**
Changes in working capital		
Trade receivables	20,400	(135,875)
of which with related parties	*829*	*(15,883)*
Inventories and amounts due from customers	93,291	(169,825)
of which with related parties	*(20,763)*	*(18,494)*
Trade payables	(85,141)	8,205
of which with related parties	*(33,728)*	*(51,734)*
Provisions for risks and charges	(11,238)	(8,773)
Amounts due to customers	(85,119)	207,938
of which with related parties	*52,473*	*(28,996)*
Other operating assets	53,964	(60,415)
of which with related parties	*1,975*	*6,822*
Other operating liabilities	25,615	4,742
of which with related parties	*(462)*	*68*
Payments of post-employment benefits and defined benefit plans	(1,126)	(1,387)
Subtotal	**10,645**	**(155,390)**
Effect of exchange rate differences from translation of foreign operations	(32,650)	(10,393)
Cash flows from operating activities	**273,863**	**109,534**
Interest and dividends received (coverage of losses)	7,371	2,178
Interest paid	(100,665)	(63,369)
Tax paid	(50,957)	(40,642)
A) Net cash flows from operating activities	**129,613**	**7,701**

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

	31/12/2014	31/12/2013* Restated
CASH FLOW FROM INVESTMENT ACTIVITIES		
Constructions		
Net investment in property	(5)	0
Net intangible assets	(591)	3,480
Property, plant and equipment	(61,657)	(27,910)
Proceeds from the sale or reimbursement of property, plant and equipment	14,795	16,160
Change in financing of equity investments	1,379	(1,413)
of which with related parties	*357*	*(1,134)*
Acquisitions of investments in associates and other companies	(388)	(6,936)
Gains on the sale of investments in associates and other companies	33	28
Sale/purchase of Securities	11	(60)
Change in other loan assets, net	(3,760)	4,606
Subtotal	**(50,182)**	**(12,044)**
Concessions		
Change in financial assets from concession activities	64,192	11,759
Property, plant and equipment	1,579	0
Change in financing of equity investments	(132,076)	(22,445)
of which with related parties	*(127,239)*	*(22,445)*
Acquisitions of investments in associates and other companies	(25,271)	(80,598)
Gains on the sale of investments in associates and other companies	1,985	0
Change in other loan assets, net	21,905	(20,668)
Increase in finance lease receivables due to investments	(8,984)	(18,604)
Subtotal	**(76,669)**	**(130,556)**
Changes in consolidation scope	33,069	0
B) Cash flows used in investment activities	**(93,783)**	**(142,600)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends distributed to owners of the parent	(18,701)	(16,639)
Dividends distributed to non-controlling interests	(0)	(167)
Net investment in treasury shares	(2,339)	160
Sale (acquisition) of treasury shares	210	330
Bond issues	150,000	730,000
Repayments and other net changes in bond issues	0	(19,110)
Repayments and other net changes in loans and borrowings	36,320	(553,819)
Changes in other financial liabilities	5,224	126
of which with related parties	*(11)*	*(104)*
Repayment of finance leases	(11,504)	(12,654)
Change in consolidation scope and other changes	(38,662)	(5,678)
C) Net cash flows from financing activities	**120,549**	**122,549**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**156,379**	**(12,350)**
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	**373,833**	**386,183**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**530,212**	**373,833**

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

Notes to the consolidated financial statements

General information

Astaldi Group has been active for over 90 years in Italy and abroad in the design and construction of major civil engineering works, and is one of the most important corporate groups operating in the construction sector on an international level. It is a leader in Italy as general contractor and a promoter of project finance initiatives.
The Group operates through the Parent Astaldi S.p.A., a company limited by shares with registered offices in Rome, Via Giulio Vincenzo Bona 65, listed on the STAR segment of the Milan Stock Exchange since June 2002.
The duration of the Company is currently set to 31 December 2100.
On the draft date of the consolidated financial statements, Astaldi S.p.A. was not subject to the management and coordination of any of its shareholders since its Board of Directors makes any and the most appropriate decisions with regard to its management, in full and complete independence and autonomy. These consolidated financial statements at 31 December 2014 were approved by the Board of Directors of the Parent at the meeting of 10 March 2015.

Basis of preparation and segment reporting

The consolidated financial statements of Astaldi Group S.p.A. at 31 December 2014 have been drafted in compliance with International Financial Reporting Standards – IFRS issued by the International Accounting Standards Board (IASB), and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), recognised in the European Union pursuant to EC Regulation No. 1606/2002 in force at the end of the year.
Reference has likewise been made to CONSOB regulations implementing Subsection 3, Art. 9 of Legislative Decree 38/2005.
It is pointed out that following application of the new international financial reporting standard IFRS 11 “Joint Arrangements”, corresponding prior year figures presented for comparative purposes have been listed again.
In particular, in accordance with the transition rule stated in IFRS 11, the Group has applied this standard retroactively from 1 January 2014, adjusting the opening balances of the statement of financial position at 1 January 2013 and the 2013 statement of comprehensive income so that the effect of the changes is transferred to the operations, events and circumstances shown in the financial statements, also with reference to the past.
For further details regarding the effects on the financial position of the Group deriving from application of IFRS 11, see the section below entitled “Newly-issued and endorsed standards and interpretation, effective from 1 January 2014”.

The Consolidated Financial Statements for 2014 consist of the following statements:
1. Income Statement;
2. Statement of Comprehensive Income;
3. Statement of Financial Position;
4. Statement of Cash Flows;
5. Statement of Changes in Equity;
6. Notes.

In this regard it is pointed out that the Group has decided to present the Statement of Comprehensive Income in two separate statements, allowed by IAS 1.81. Thus it presents a statement showing the profit (loss) items for the year (income statement) and a second statement which adds to the profit (loss) for the year the “other comprehensive income” (statement of comprehensive income).
It is likewise pointed out that the income statement is prepared based on a classification of each individual item by nature. This classification reflects the management reporting methods used in the Group and is therefore considered more representative compared to presentation of items according to their destination, providing more relevant indications with respect to their specific segment.
With reference to the Statement of financial position, it was decided to enter items by separating assets and liabilities into current and non-current assets and liabilities, in accordance with the provisions of paragraph 60 and following of IAS 1.
The Statement of cash flows shows cash flows for the year, broken down into operating, investing and financing activities. Cash flows from operating activities are recognised using the indirect method. It should likewise be observed that investing activities are distinguished between those regarding construction and those regarding concessions.
The Statement of changes in equity was prepared in compliance with IAS 1, obviously taking into account the comprehensive income.
Finally, with regard to segment reporting, the so-called management approach was applied, meaning that the elements that senior management uses for taking its strategic and operational decisions are considered. The operating segments subject to disclosure referred especially to the various geographical segments where the Group works, and were determined on the basis of the same accounting standards used for drawing up the consolidated financial statements. Refer to Note 37 for a presentation of segment reporting.

Basis of preparation

The consolidated financial statements were drafted applying the historical cost principle, except for the items in the financial statements which, in accordance with IFRS, are recognised at fair value, as indicated in the criteria for measurement of the individual items.
All the amounts are shown in thousands of Euro unless otherwise indicated. Therefore, in some statements, the totals could be slightly different from the sum of the single amounts composing them, due to round-offs.
The consolidated financial statements have been drawn up with the prospect of the Group’s ability to continue as a going concern.

Accounting standards

The most important accounting standards and measurement criteria adopted for drafting the consolidated financial statements at 31 December 2014 are shown below.

Consolidation scope

At 31 December 2014, the consolidation scope of Astaldi Group consists of the following:

	Type of influence	Method of consolidation	Construction	Concessions	Maintenance and plant	Total
Parent	Control	Full	44	6	8	58
- of which Italy			*21*	*1*	*7*	*29*
Joint Ventures	Joint control	Equity	15	2	0	17
- of which Italy			*12*	*1*	*0*	*13*
Joint Operations	Joint control	Proportionate	36	0	0	36
- of which Italy			*3*	*0*	*0*	*3*
Associates	Significant influence	Equity	37	12	1	50
- of which Italy			*29*	*7*	*1*	*37*

The Astaldi Group companies

Subsidiaries

	Registered office	Operating headquarters	Share Capital Nominal amount	Op. currency	% stake	Direct stake	Indirect stake	Companies with indirect stake
Construction								
Italy								
AR.GI S.c.p.A.	Rome	Italy	35,000,000 EUR	EUR	99.99%	99.99%	0.00%	
AS. M. S.c.r.l.	Naples	Italy	10,000 EUR	EUR	75.91%	75.91%	0.00%	
Bussentina S.c.r.l. in liquid.	Rome	Italy	25,500 EUR	EUR	78.80%	78.80%	0.00%	
C.O.MES. in liquid. S.r.l.	Rome	Italy	20,000 EUR	EUR	55.00%	55.00%	0.00%	
CO.ME.NA. S.c.r.l. in liquid.	Naples	Italy	20,658 EUR	EUR	70.43%	70.43%	0.00%	
CO.MERI S.p.A.	Rome	Italy	35,000,000 EUR	EUR	99.99%	99.99%	0.00%	
Forum S.c.r.l. in liquid.	Rome	Italy	51,000 EUR	EUR	79.99%	79.99%	0.00%	
Garbi Line 5 S.c.a.r.l.	Rome	Italy	10,000 EUR	EUR	100.00%	100.00%	0.00%	
Infraflegrea Progetto S.p.A.	Naples	Italy	500,000 EUR	EUR	51.00%	51.00%	0.00%	
Italstrade IS S.r.l.	Rome	Italy	16,515,578 EUR	EUR	100.00%	100.00%	0.00%	
Messina Stadio S.c.r.l. in liquid.	Milan	Italy	45,900 EUR	EUR	100.00%	100.00%	0.00%	
Mormanno S.c.r.l. in liquid.	Rome	Italy	10,200 EUR	EUR	74.99%	74.99%	0.00%	
Ospedale del Mare S.C.r.l. in liquid.	Rome	Italy	50,000 EUR	EUR	100.00%	100.00%	0.00%	
Partenopea Finanza di Progetto S.c.p.A.	Naples	Italy	9,300,000 EUR	EUR	99.99%	99.99%	0.00%	
Portovesme S.c.r.l. in liquid.	Milan	Italy	25,500 EUR	EUR	99.98%	99.98%	0.00%	
S. Filippo S.c.r.l. in liquid.	Rome	Italy	10,200 EUR	EUR	80.00%	80.00%	0.00%	
S.P.T. - Società Passante Torino S.c.r.l.	Rome	Italy	50,000 EUR	EUR	74.00%	74.00%	0.00%	

	Registered office	Operating headquarters	Share Capital Nominal amount	Op. currency	% stake	Direct stake	Indirect stake	Companies with indirect stake
Scuola Carabinieri S.c.r.l.	Rome	Italy	50,000 EUR	EUR	61.40%	61.40%	0.00%	
SIRJO Società Consortile per Azioni	Rome	Italy	30,000,000 EUR	EUR	60.00%	60.00%	0.00%	
Susa Dora four S.c.r.l. in liquid.	Rome	Italy	51,000 EUR	EUR	90.00%	90.00%	0.00%	
Toledo S.c.r.l.	Naples	Italy	50,000 EUR	EUR	90.39%	90.39%	0.00%	
International								
Asocierii Astaldi S.p.A., Sc Somet sa, sc Tiab sa, sc Uti grup sa	Bucharest (Romania)	Romania	- - - -	EUR	40.00%	40.00%	0.00%	
Astaldi Algerie - E.u.r.l.	Algiers (Algeria)	Algeria	54,979,619 DZD	DZD	100.00%	100.00%	0.00%	
Astaldi Arabia Ltd.	Riyadh (Saudi Arabia)	Saudi Arabia	5,000,000 SAR	USD	100.00%	60.00%	40.00%	Astaldi International Ltd.
Astaldi Bulgaria LTD	Sofia (Bulgaria)	Bulgaria	5,000 BGN	BGN	100.00%	100.00%	0.00%	
Astaldi Canada Inc.	Montréal (Canada)	Canada	20,000 CAD	CAD	100.00%	100.00%	0.00%	
Astaldi Construction Corporation	Davie (Florida-USA)	USA	6,000,000 USD	USD	100.00%	100.00%	0.00%	
Astaldi de Venezuela C.A.	Caracas (Venezuela)	Venezuela	110,300 VEF	EUR	99.80%	99.80%	0.00%	
Astaldi International Inc.	Monrovia (Liberia)	Liberia	3,000,000 USD	EUR	100.00%	100.00%	0.00%	
Astaldi International Ltd.	London (United Kingdom)	United Kingdom	2,000,000 GBP	GBP	100.00%	100.00%	0.00%	
Astaldi Polska Sp. z o.o.	Warsaw (Poland)	Poland	120,000 PLN	PLN	100.00%	100.00%	0.00%	
Astaldi-Astaldi International J.V.	Maputo (Mozambique)	Mozambique	10,000 USD	EUR	100.00%	100.00%	0.00%	
Astaldi-Max Bogl-CCCF JV S.r.l.	Bucharest (Romania)	Romania	40,000 RON	EUR	66.00%	66.00%	0.00%	
Astalnica S.A.	Managua (Nicaragua)	Nicaragua	2,000,000 NIO	NIO	96.00%	96.00%	0.00%	
Astalrom S.A.	Calarasi (Romania)	Romania	3,809,898 RON	RON	99,64%	99,64%	0.00%	
Astur Construction and Trade AS	Ankara (Turkey)	Turkey	3,000,000 TRY	EUR	99,98%	89,97%	10,01%	Astaldi Arabia Ltd.
Consorcio Rio Pallca	Lima (Peru)	Peru	- - - -	USD	60.00%	60.00%	0.00%	
Constructora Astaldi Cachapoal Limitada	Santiago (Chile)	Chile	10,000,000 CLP	CLP	99.90%	99.90%	0.00%	
Italstrade CCCF JV Romis S.r.l.	Bucharest (Romania)	Romania	540,000 RON	EUR	51.00%	51.00%	0.00%	
Redo-Association Momentanée	Kinshasa (Congo)	Congo	0.5 CDF	EUR	100.00%	75.00%	25.00%	Astaldi International Ltd.
Romairport S.p.A.	Rome (Italy)	Romania	500,000 EUR	EUR	99,26%	99,26%	0.00%	
Romstrade S.r.l.	Bucharest (Romania)	Romania	1,000,000 RON	EUR	100.00%	100.00%	0.00%	
Seac S.p.a.r.l. in liquid.	Kinshasa (Congo)	Congo	400 CDF	EUR	100.00%	100.00%	0.00%	
T.E.Q. Construction Enterprise Inc.	Montréal (Canada)	Canada	323 CAD	CAD	100.00%	0.00%	100.00%	Astaldi Canada Inc.
Concessions								
Italy								
Astaldi Concessioni S.p.A.	Rome	Italy	83,000,000 EUR	EUR	100.00%	100.00%	0.00%	
International								
Cachapoal Inversiones Limitada	Santiago (Chile)	Chile	41,234,761 USD	USD	100.00%	0.00%	100.00%	Inversiones Assimco Limitada

	Registered office	Operating headquarters	Share Capital Nominal amount	Op. currency	% stake	Direct stake	Indirect stake	Companies with indirect stake
Inversiones Assimco Limitada	Santiago (Chile)	Chile	40,633,000 USD	USD	100.00%	0.00%	100.00%	Astaldi Concessioni S.p.A.
Mondial Milas - Bodrum Havalimani Uluslararasi Terminal Isletmeciligi Ve Yatirim A.S.	Ankara (Turkey)	Turkey	37,518,000 TRY	EUR	100.00%	0.00%	100.00%	Astaldi Concessioni S.p.A.
Valle Aconcagua S.A.	Santiago (Chile)	Chile	6,647,991,411 CLP	CLP	55.00%	0.00%	55.00%	Astaldi Concessioni S.p.A.
Sociedad Concesionaria Metropolitana de Salud s.a.	Santiago (Chile)	Chile	15,000,000,000 CLP	CLP	99.99%	0.00%	99.99%	Astaldi Concessioni S.p.A.
Maintenance and plant								
Italy								
NBI S.p.A.	Rome	Italy	7,500,000 EUR	EUR	100.00%	100.00%	0.00%	
Bielle Impianti S.c.a.r.l.	Bologna	Italy	100,000 EUR	EUR	75.00%	0.00%	75.00%	NBI S.p.A.
CO.VA. Società a Responsabilità Limitata	Bologna	Italy	10,000 EUR	EUR	60.00%	0.00%	60.00%	NBI S.p.A.
Consorzio Stabile Busi	Bologna	Italy	100,000 EUR	EUR	95.00%	0.00%	95.00%	NBI S.p.A. 3E System S.r.l.
Sartori Tecnologie Industriali S.r.l.	Brindisi	Italy	1,000,000 EUR	EUR	100.00%	100.00%	0.00%	
Tione 2008 S.c.r.l.	Bologna	Italy	100,000 EUR	EUR	76.00%	0.00%	80.00%	Consorzio Stabile Busi
3E System S.r.l.	Bologna	Italy	50,000 EUR	EUR	100.00%	0.00%	100.00%	NBI S.p.A.
International								
nBI Elektrik Elektromekanik Tesisat Insaat Sanayi Ve Ticaret L.S.	Istanbul (Turkey)	Turkey	200,000 TRY	TRY	100.00%	0.00%	100.00%	nBI S.p.A Astur Construction and Trade A.S.

Main joint arrangements and associates*

Joint Ventures	Registered office	Op. head-quarters	Op. sector	Share Capital Nominal amount	Op. currency	% stake	Direct stake	Indirect stake	Companies with indirect stake
Ankara Etlik Hastane Salik Hizmetleri Isletme Yatirim A.S.	Istanbul (Turkey)	Turkey	CO	15,000,000 TRY	TRY	51.00%	5.00%	46.00%	Astaldi Concessioni S.p.A.
Re.Consult Infrastrutture Società per Azioni	Milan (Italy)	Italy	CO	340,000,000 EUR	EUR	31.85%	0.00%	31.85%	Astaldi Concessioni S.p.A.
Joint Operations									
AGP Metro Polska	Warsaw (Poland)	Poland	C	- - - -	EUR	45.00%	45.00%	0.00%	
Asocierea Astaldi - FCC - Delta ACM- AB Construct	Bucharest (Romania)	Romania	C	- - - -	EUR	47.50%	47.50%	0.00%	
Asocierea Astaldi S.p.A. – Max Boegl Romania S.r.l. Nadlac-Arad JV	Bucharest (Romania)	Romania	C	- - - -	EUR	50.00%	50.00%	0.00%	

Joint Operations	Registered office	Op. head-quarters	Op. sector	Share Capital Nominal amount	Op. currency	% stake	Direct stake	Indirect stake	Companies with indirect stake
Aster Astaldi S.p.A.,Tm. and. S.p.A. Termomeccanica ecologia S.C.	Warsaw (Poland)	Poland	C	- - - -	EUR	51.00%	51.00%	0.00%	
Consorzio Łódź	Łódź (Poland)	Poland	C	- - - -	EUR	40.00%	40.00%	0.00%	
Consorzio Rio Mantaro	Lima (Peru)	Peru	C	- - - -	USD	50.00%	50.00%	0.00%	
Gebze-Izmir Otoyolu Insaati (Nomayg) Adi Ortakligi	Ankara (Turkey)	Turkey	C	- - - -	EUR	17.50%	17.50%	0.00%	
Ic Içtas - Astaldi Insaat A.S.	Ankara (Turkey)	Russia	C	2,000,000 TRY	EUR	50.00%	50.00%	0.00%	
Ica Astaldi -Ic Ictas WHSD Insaat AS	Ankara (Turkey)	Russia	C	2,000,000 TRY	RUB	50.00%	50.00%	0.00%	
ICA ICTAS – ASTALDI Joint Venture	Ankara (Turkey)	Turkey	C	- - - -	USD	33.30%	33.30%	0.00%	
Metro Blu S.c.r.l.	Milan (Italy)	Italy	C	10,000 EUR	EUR	50.00%	50.00%	0.00%	
Associates									
Ica Ic Ictas Astaldi Ucuncu Bogaz Koprusu Kuzey Marmara Otoyolu Yatirim Ve Isletme AS	Ankara (Turkey)	Turkey	CO	400,000,000 TRY	USD	33.33%	33.33%	0.00%	
Metro 5 S.p.A.	Milan (Italy)	Italy	CO	53,300,000 EUR	EUR	38.70%	38.70%	0.00%	
METRO C S.c.p.A.	Rome (Italy)	Italy	C	150,000,000 EUR	EUR	34.50%	34.50%	0.00%	
Otoyol Yatirim Ve Isletme A.S.	Ankara (Turkey)	Turkey	CO	1,500,000,000 TRY	TRY	18.86%	18.86%	0.00%	
Pacific Hydro Chacayes	Santiago (Chile)	Chile	CO	127,843,221 USD	USD	27.35%	0.00%	27.35%	Cachapoal Inversiones Limitada
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	Mestre (VE) (Italy)	Italy	CO	20,500,000 EUR	EUR	37.00%	31.00%	6.00%	Astaldi Concessioni S.p.A.

* Of relevance here are those associates and Joint ventures with a carrying amount exceeding EUR 15 million and Joint control entities with a production value exceeding EUR 15 million.
C = Construction; CO = Concession.

Stakes in unconsolidated Structured Entities

Astaldi S.p.A., also through subsidiaries, does not hold stakes in Structured Entities as defined in para. B21 of IFRS 12.

Information on fully consolidated Group Companies with significant non-controlling interests

Non-controlling interests in Group companies do not comprise holdings that can individually affect in a significant way the financial position and results of operations of the Group. Furthermore, even if evaluated as a whole, the quota pertaining to non-controlling interests in the Group's net assets, cash flows and overall profit should be considered marginal with respect to the corresponding consolidated figures, as shown below:

	31/12/14	%	31/12/13	%
Revenue	26,649	1.00%	40,182	1.60%
Operating loss	(1,140)	(0.49%)	(59)	(0.03%)
Profit (loss)	(814)	(1.01%)	3,227	4.57%
Net financial resources (Total financial debt)	8,323	(1.04%)	10,037	(1.21%)
Net cash flows generated (used)	(1,203)	(0.77%)	(5,040)	40.81%
Dividends paid to non-controlling interests	0		167	

The proportional quota of voting rights held by non-controlling interests in most cases reflects the proportional quota of the stake held.

Evaluations and assumptions used in defining the consolidation scope

Some evaluations and assumptions were needed to identify the correct inclusion of some stakes, in particular with reference to:

- **Companies that are subsidiaries although the Group owns less than half the voting rights:**
  The Group considers the joint venture "Asocieri Astaldi S.p.A., Sc Somet sa, sc Tiab sa, sc Uti grup sa" (Line 4 Bucharest), as a subsidiary although it holds 40% of the voting rights. This is because the Parent, main shareholder and project leader, has the *de facto* power of autonomously determining the management and financial policies of that company following the internal agreements signed in 2013 to regulate the governance of the association as to functioning of the Executive Committee.
- **Companies that are not subsidiaries although the Group has over half the voting rights:**
  Astaldi S.p.A. has stakes in various projects conducted in partnership with other companies in the sector, where the unanimous approval of the parties is required for decisions concerning the major activities. Consequently, in some of these entities – referring to projects not especially significant for the Group's business – although Astaldi S.p.A. holds over half the voting rights, these entities have been classified as Joint Arrangements.
- **Companies in which the Group exercises considerable influence although holding less than 20% of the voting rights:**
  Considering the occurrence of the circumstances stated in IAS 28 paragraph 6, the Group feels that it can exercise considerable influence on the investees that are developing the initiative regarding the Gebze-Orhangazi-Izmir Motorway in Turkey although its holds less than 20% of the voting rights in these entities (Astaldi S.p.A. holds 18.86% of the voting rights). Especially, the analysis conducted leads us to believe that the Parent can actively participate in defining the corporate policies of the investees in the light of the following considerations:
  (i) The capital of the investees is held by 6 shareholders, 5 of which all hold quotas of approximately 20%;
  (ii) None of the project shareholders can, individually or in combination with others, exercise control or joint control over these entities;
  (iii) The Parent has adequate representation on the board of the investees.
- **Type of Joint Arrangements when the Joint Arrangement is structured through a separate vehicle:**

During the first half of 2014 an overall assessment was made on all the Joint Arrangements (JA) in order to identify the relevant elements (legal form of the vehicle, terms of the contract agreement and any other fact or circumstance) for purposes of their classification as Joint Operations (JO) rather than Joint ventures (JV).
More specifically, the analysis was conducted, with the specific support of opinions issued in this regard and on the basis of the interpretations issued by the IFRIC Committee in the updates of July and November 2014, in order to verify whether

the contract agreements to which the Company is a party have conferred on it the same rights and direct obligations on the assets and liabilities of the JA.
Following the analyses made, it emerged that some Joint Arrangement activities examined, in relation to the contract terms involved, were set up in such a way that the legal aspects resulted in their definition as Joint Operation.
For more details, please refer to information provided with regard to accounting effects linked to first-time application of IFRS 11 in the section below entitled “Newly-issued and approved accounting standards and interpretation, effective from 1 January 2014”.

Main changes in the consolidation scope

The following table shows the changes in the consolidation scope compared to the previous year:

Consolidation scope at 31/12/2013*
No. Consolidated companies: 60

Included in consolidation scope in 2014

Name	Event	Method 31/12/2014
Astaldi Polska Sp. z o.o.	Setting up	Line-by-line
Astalnica S.A.	Setting up	Line-by-line
Sociedad Concesionaria Metropolitana de Salud S.A.	Setting up	Line-by-line

*Restated following application of IFRS–11 – *Joint Arrangements.*

Excluded from consolidation scope in 2014

Name	Event	Method 31/12/2013
Ast VT Parking S.r.l.	Sale 95%	Line-by-line
Ast B Parking S.r.l.	Sale 95%	Line-by-line
Astaldi Aedifica S.r.l. in liquid.	Liquidated	Line-by-line
A.I.2 S.r.l.	Merger into Re.Consult	Line-by-line
Quattro Venti S.c.r.l. in liquid.	Liquidated	Line-by-line

Consolidation scope at 31/12/2014
No. Consolidated companies: 58

With reference to the main changes in the consolidation scope the following is pointed out.

Losses of control over investees occurring during the year

- **Sale of quotas in Ast VT Parking S.r.l. and Ast B Parking S.r.l.**
  The subsidiary Astaldi Concessioni S.p.A., following the agreements signed on 23 December 2013, sold 95% of the investees Ast VT Parking S.r.l. and Ast B Parking S.r.l. (the companies) to a group of institutional investors on 28 March 2014 and 18 July 2014 respectively.
  Following these sales, the companies were then classified pursuant to IAS 39, within financial assets available for sale (AFS) like other investees.
  The fair value of the assets and liabilities maintained in the companies on the date of loss of the controlling interest, substantially aligned with the corresponding carrying amount, was considered equal to the fair value of the equity investments at the time of initial classification under AFS financial assets, so that no difference emerged.
  In accordance with IAS 39 the cost method was subsequently used for accounting and representation in the consolidated financial statements of the stake held by the Group in the two investees.

- **Merger of the subsidiary A.I.2 S.r.l into Re.Consult Infrastrutture S.p.A.**

In order to fulfil the commitments undertaken in the investment agreement signed in April 2012, as amended by the Addendum in August 2013, the merger of the subsidiary **A.I.2 S.r.l.** into **Re.Consult infrastrutture S.p.A**. (Re.Consult or the vehicle company) started as from 1 January 2014. The final outcome of this transaction has allowed for the concentration in a single entity of the shareholdings held by the Shareholders in A4 Holding, allowing the new SPV to control the absolute majority of the A4 Group, which holds the Brescia-Padua Motorway concession, starting from the current year.

After the merger process, Astaldi Concessioni S.p.A. became holder of 31.85% of the SPV, and under the governance agreements signed with other shareholders is able to exercise joint control over the financial policies of the investee.

In the light of the provisions of IAS 28, equity accounting was used for the measurement, accounting and subsequent representation of the stake in Re.Consult for the purposes of drafting these consolidated financial statements. On the basis of paragraph 32 of the aforesaid accounting standard, this produced an estimate at the start of the year of joint control over the investee of the present value (fair value) of the assets and liabilities acquired.

The fair value was calculated on the basis of a specific appraisal drafted by an independent expert.

In particular, the fair value of assets and liabilities of Re.Consult was calculated by the use of assets, revenue and financial data of that company, A4 holding and the individual companies in which that company has a controlling interest of investments (the investees).

With regard to the techniques for measuring the economic capital of the individual investees, it is pointed out that the main asset of the A4 Group, namely the Brescia-Padua Motorway – the operator – (equivalent to 95% of the overall measurement), was assessed with a number of criteria, widely applied in practical terms for these types of companies, namely: (i) the unlevered version of the financial criterion; (ii) the criterion of stock market multiples with the use of the "Enterprise Value/EBITDA" ratio.

Considering the relevance of this equity investment, the simultaneous use of two criteria has allowed the results of each one to emerge on a reciprocal basis.

With more specific regard for the financial criterion, the economic value of the operator was estimated by discounting the forecast cash flows obtained from the 2013 financial plan. This document is an update of the financial forecasts for the BS-PD Motorway business already presented in 2007 to the concession granting body ANAS S.p.A. and to the Ministry of Infrastructures and Transport. The plan covers over 30 years (2014-2046) and is subdivided into two sub-periods: (i) period of validity of the existing agreement (2014-2026); (ii) period of renewal of the existing agreement (2027-2046). With regard to the calculation of the discount rate (WACC) it has been decided to differentiate the cost of own funds, and consequently the WACC, in order to take into account the higher risk level in the final period related to a range of factors, such as the uncertainty of renewal of the concession. The cash flows forecast for the years 2014-2026 have thus been discounted at a rate of 7.55%, representing the WACC of the operator in the period of validity, while a rate of 8.36% was used for the forecast of the present value of cash flows for the period 2027-2046. The other minor assets were assessed at fair value or value in use. The "control premium" for the A4 Group was also taken into account to measure the fair value of the stake in Re.Consult, since the SPV has exercised control over the majority of the voting rights of A4 as from the current year.

Subsequently, the stake held by the Group in the fair value of assets and liabilities of Re.Consult, also considering the majority premium estimated by the expert, was close to the carrying amount of the stake at the merger date, without any significant differences.

Changes in the Group's stake in subsidiaries after operations not involving the loss of control over these investees

There follows the main changes occurring in the year:

December 2014	% purchased	Amount paid	Adjustment of non-controlling interests
Romstrade S.r.l.	49.00%	239	(1,391)
Mondial Milas - Bodrum A.S.	0.00%	1,102	0
Astalrom S.A.	0.04%	1	(1)

In particular the following is pointed out:

- In February the Parent purchased 196 quotas (corresponding to 49% of the quota capital) held by the non-controlling interests in the company registered under Romanian law ROMSTRADE S.r.l. for an overall amount of EUR 239 thousand. Following this transactions Astaldi S.p.A. became the sole quota holder of the investee.
- During the first half of 2014, upon the occurrence of some conditions stated in the agreements signed in 2013 for the acquisition of 7.15% of the company in question, the subsidiary Astaldi Concessioni S.p.A., the direct holder of the stake in the company registered under Turkish law Mondial Milas-Bodrum AS, paid the potential amount of EUR 1,102 thousand, due to the counterparty as a result of agreements in question.

Reference dates of financial statements of consolidated companies

The reference date of the financial statements of the subsidiaries coincides with that of the Parent except for Astaldi de Venezuela C.A. which closed its financial year on 30 November 2014. If significant events and transactions occurred between the reference date of this entity and 31/12/2014, the effect of these with respect to the income statement and statement of financial position would in any case be reflected in the consolidated financial statements.
With regard to a limited number of associates and Joint ventures (approximately 2 % of the total equity-accounted investees) it is pointed out that the last financial statements officially sent to the Parent, though referring to a date not coinciding with the reference date, have been used to draft these consolidated financial statements.
It is pointed out that the companies involved, of which the Group does not control the administrative management, generally operate on specific projects for contracted work pending commissioning or nearing completion. It should in any case be stressed that the economic effects of these projects are in general reflected in the consolidated financial statements since these companies are characterized by the fact of pursuing their activities exclusively for the purpose of consortiums (so-called special purpose vehicles – Consortium Companies and Consortiums), reversing all the charges they incur for executing the works to the partner companies in the consortium belonging to Astaldi Group.

Basis of consolidation

Starting from the current year, the new International Financial Reporting Standards "IFRS 10 Consolidated Financial Statements" and "IFRS 11 Joint Arrangements" have come into force, and provide a new framework to be adopted for drafting consolidated financial statements.
See the section below entitled "Newly issued and endorsed accounting standards and interpretation, effective from 1 January 2014" for further details of the effects on the Group's financial position resulting from the application of these new standards.

Translation of items and financial statements in foreign currency

The consolidated financial statements of Astaldi Group are drawn up in Euro, which is the functional and presentation currency of the Parent.

Translation of operations in foreign currency into the functional currency

The balances included in the financial statements of each Group company are recorded in the currency of the primary economic setting where the entity operates (functional currency). In the context of the individual financial statements, the items expressed in a currency other than the functional currency, whether monetary (cash and cash equivalents, assets and liabilities payable or receivable with pre-set or determinable sums of money) or non-monetary (inventories, property, plant and equipment, goodwill, other intangible assets etc.) are initially recognised at the exchange rate in force on the transaction date. The items are subsequently translated into the functional currency on the basis of the exchange rate at the reporting date, and the resulting differences are recognised in profit or loss. With regard to the latter it should be pointed out that the exchange rate gains or losses are classified in the income statement, on the basis of the type of equity item that has generated them.
The non-monetary items are kept at the translation rate at the transaction date, except in the event of an ongoing unfavourable trend in the reference exchange rate. The exchange rate gains or losses relating to non-monetary items are recognised (in profit or loss or in equity) in the same way as changes in the amount of these items.

Translation of the financial statements into the presentation currency

The rules for the translation of the financial statements expressed in foreign currency into the presentation currency are as follows:

- The assets and liabilities recognised in the financial statements are converted at the exchange rate on the reporting date;
- Costs and revenue, income and charges recognised in the financial statements are translated at the average exchange rate for the year, or at the exchange rate on the transaction date should this differ significantly from the average rate;
- Equity items, excluding profit for the year, are translated at historical exchange rates;
- The "translation reserve" comprises both the exchange rate gains or losses generated by translation of income statement items at a different exchange rate from the year-end rate, and those generated by translation of opening equity balances at a different exchange rate from the year-end rate.

The following main exchange rates were used for the translation into Euro of income statement and statement of financial position amounts of companies with a functional currency other than the Euro:

CURRENCY	End of December 2014	Average 12 months 2014	End of December 2013	Average 12 months 2013
Dinar - Algeria	106.6067	106.8672	107.7868	105.5803
New Lev - Bulgaria	1.9558	1.9558	1.9558	1.9558
Dollar - Canada	1.4063	1.4661	1.4671	1.3685
Peso - Chile	737.2967	756.9327	724.7688	658.2664
Kroner - Denmark	7.4453	7.4548	7.4593	7.4579
Dirham - Arab Emirates	4.4594	4.8796	5.0654	4.8782
Dirham - Morocco	10.9802	11.1630	11.2538	11.1684
Cordoba Oro - Nicaragua	32.2931	34.4737	34.9351	32.8396
Nuevo Sol - Peru	3.6326	3.7678	3.8587	3.5904
Pound Sterling - UK	0.7789	0.8061	0.8337	0.8493
Zloty - Poland	4.2732	4.1843	4.1543	4.1971
New Leu - Romania	4.4828	4.4437	4.4710	4.4193
Rouble - Russia	72.3370	50.9518	45.3246	42.3248
Dollar - US	1.2141	1.3285	1.3791	1.3281
Lira - Turkey	2.8320	2.9065	2.9605	2.5329
Bolivar - Venezuela	7.6392	8.3591	8.6774	8.0012

It should be pointed out that the exchange rate expresses the amount of foreign currency required to purchase 1 Euro.

In the case of economies showing hyper-inflation under the definition set forth in IAS 29, the measurement provided for in this standard shall apply.

Property, plant and equipment

Property, plant and equipment are measured at purchase or production cost, net of accumulated depreciation and any impairment losses. The cost includes all expenses directly incurred in order to prepare the assets for use, as well as any charges for dismantling and removal needed to restore the site to its original conditions.
Charges incurred for routine and/or cyclical maintenance are charged directly to the income statement in the financial year when incurred. Costs related to extension, renovation or the improvement of facilities owned or used by third parties are capitalised exclusively within the limits in which they can meet the requirements for separate classification as an asset. Financial expenses are capitalised when the conditions envisaged by IAS 23 occur, i.e. when they can be specifically referred to loans received to purchase single assets.
The carrying amount of an asset is adjusted by depreciation on a straight-line basis, calculated in relation to the residual possibility of use based on its useful life. Depreciation is applied when the asset becomes available for use. The useful life estimated by the Group for the various categories of assets is as follows:

	Years
Buildings	20 - 33
Plant and equipment	5 - 10
Equipment	3 - 5
Other goods	5 - 8

Land, including land pertaining to buildings, is not depreciated.
Should the asset subject to depreciation be composed of distinctly identifiable elements, whose useful life differs significantly from that of the other components forming the asset, depreciation is applied separately for each of the components forming the asset, applying the component approach policy.
Profits and losses deriving from the sale of assets or groups of assets are calculated by comparing the fair value, net of costs to sell, with the relevant carrying amount.

Leased property, plant and equipment

In leases, the lessor transfers to the lessee the use of an asset for a set period of time, in exchange for a payment or series of payments.
In some types of leases, the economic substance of the operation may qualify them as leases even when they do not have this legal form.
The valuation of the eventual existence of a lease within a contract agreement not expressly containing this form must, as stated in accounting interpretation IFRIC 4, be based on the substance of the agreement and requires the fulfilment of two conditions:
a) The fulfilment of the agreement depends on the use of one or more specific assets; and
b) The agreement conveys the right to use the asset.
The first condition is fulfilled only if a given supply of goods or services can be provided exclusively through the use of a specific asset, i.e. when it is not economically suitable or feasible for the supplier to fulfil its obligation by the use of assets alternative to the one identified, also implicitly.
The second requisite is fulfilled when *one of the following conditions is satisfied:*
a) The purchaser has the capacity or right to manage the asset or direct others to manage it in such a way that the pur-

chaser obtains or controls more than an insignificant amount of the production or other benefit of the asset;

b) *The purchaser has the capacity or right to control physical access to the underlying asset while obtaining or controlling more than an insignificant amount of the production or other benefit of the asset;*

c) *The facts and circumstances indicate that an acquisition by one or more parties other than the purchaser of a more than insignificant amount of the production or other benefit produced or generated by the asset in the year of the agreement is a remote eventuality, and the price to be paid by the purchaser for the production is not fixed by contract for unit of product and is not equal to the current market price for unit of product at the time of the distribution of production.*

In the context of IAS 17 there are two main types of lease:

Finance lease

Property, plant and equipment held under ***finance lease***, by which the risks and rewards related to ownership are substantially transferred to the Group, are recognised in the financial statements, on the commencement of the lease term, as assets of the Group at their present value or, if lower, at the present value of the minimum lease payment, including the amount to be paid for exercising the option to purchase. The corresponding liability towards the lessor is recognised in the financial statements under financial liabilities.
If there is no reasonable certainty that ownership of the assets will be acquired upon the expiry of the lease, the leased assets are depreciated over the term of the lease or the useful life of the asset, whichever is shorter.

Operating lease

Leases by which the lessor substantially retains all the risks and rewards related to the ownership of the assets are classified as **operating lease**. The instalments for operating leases are taken to profit or loss in the years of the lease term.

Intangible assets

Intangible assets are non-monetary items having no physical consistency, and clearly identifiable and suited to generating future economic benefits for the company. These items are recognised in the financial statements at purchase and/or production cost, including expenses that may be directly attributed during the preparation phase to bring them into operation, net of accumulated amortisation (with the exception of assets with an indefinite useful life, where the carrying amount is subjected to impairment testing pursuant to IAS 36) and any impairment losses. Amortisation is calculated from when the asset becomes available for use, and is applied on a straight-line basis according to the remaining possibility of use, i.e. on the basis of its useful life. A rate taking its actual use into account is applied in the year in which the intangible asset is recorded for the first time.
Industrial patents and intellectual property rights are recognised net of amortisation and impairment losses accumulated over time.
Amortisation is calculated starting from the financial year in which the rights, for which ownership has been acquired, make the asset available for use, and takes into account the useful life (2-5 years).
Licenses and similar rights are recognised at cost net of amortisation and impairment losses accumulated over time. Amortisation is calculated starting from the financial year in which the purchased right is available for use and takes into account the useful life.
Rights for the utilisation of infrastructures under concession are amortised over the duration of the concession, with criteria reflecting the way in which the economic benefits are estimated to accrue to the company. Amortisation is calculated from the time when the rights for the exploitation of the concession infrastructures start to produce the relative economic benefits.
Goodwill, recorded in relation to business combinations, is allocated to each cash generating unit identified and is recorded under intangible assets. It represents the positive difference between the cost incurred for the acquisition of a company or business unit and the quota of interest acquired with regard to the present value of these assets and liabil-

ities forming the capital of that company or business unit. The potential assets and liabilities (including the respective non-controlling interests) acquired and identifiable are recognised at their present value (fair value) on the date of acquisition. While any negative difference is recognised in profit or loss at the time of purchase. Goodwill, after the initial recognition, is not subject to amortisation, but tested for impairment.
It is subjected to checking to identify any impairment losses, in accordance with the provisions of IAS 36 (Impairment of assets) annually, or more frequently if specific events or changed circumstances indicate that goodwill may have been impaired.

Business combinations

At first-time adoption of IFRS, the Group decided not to apply IFRS 3 (Business Combinations) retrospectively for acquisitions made before 1 January 2004.
Business combinations prior to 1 January 2010 and completed within that financial year are recognised in accordance with the provisions of IFRS 3 (2004). In particular, these combinations are recognised using the acquisition method, where the acquisition cost equals the fair value on the transfer date of the assets, of the liabilities incurred or undertaken, plus the costs directly attributable to the acquisition. This cost is allocated by recognising the assets, liabilities and contingent liabilities identifiable for the acquisition at fair value. Any surplus of acquisition costs compared to fair value of the share in net assets attributable to owners of the Parent is recorded as goodwill; if the difference is negative, it is recognised in profit or loss. When the fair value of the assets, liabilities and contingent liabilities can only be calculated on a provisional basis, the business combination is recognised by using these provisional amounts. The amount of equity attributable to non-controlling interests is determined proportionally to the non-controlling interests held in net assets. In business combinations undertaken in several phases, the adjustments at fair values for the net assets previously owned by the purchaser are shown under equity at the time of acquisition of the controlling interest. Any adjustments arising from the completion of the valuation process are detected within twelve months of the acquisition date.
Business combinations after 1 January 2010 are recognised in accordance with the provisions of IFRS 3 (2008). In particular, these combinations are recognised using the acquisition method, where the acquisition cost equals fair value on the transfer date of the assets, of the liabilities incurred or undertaken, plus the costs directly attributable to the acquisition, plus any equity instruments issued by the purchaser. The costs directly attributable to the acquisition are recognised in profit or loss. The acquisition cost is allocated by recognising the assets, liabilities and contingent liabilities identifiable of the purchase at fair value on the acquisition date. Any surplus between the amount of the assets transferred, and the amount of any non-controlling interests, compared to the net amount of the assets and liabilities identifiable in the acquisition, measured at fair value, is recognised as goodwill; or under profit or loss if the balance is negative. The amount of equity attributable to non-controlling interests is determined proportionally to the non-controlling interest held in net assets identifiable in the acquisition, or their fair value on the acquisition date.
If the fair value of the assets, liabilities and contingent liabilities can only be calculated on a provisional basis, the business combination is recognised by using these provisional amounts. Any adjustments deriving from the completion of the measurement process are detected within twelve months of the acquisition date, with adjustment of corresponding figures.
In business combinations undertaken in several phases, the net assets previously owned by the purchaser are adjusted at fair value at the time of acquisition of the controlling interest, and any differences (positive of negative) are shown in profit or loss.

Business combinations undertaken in 2014

No business combinations were undertaken during the year.

Investment property

Investment property is recognised as an asset when it held for the purpose of receiving rent or appreciation of the invested capital, provided that the cost of the asset can be reliably established and the relevant economic future benefits can be used by the company.
Investment property is measured at purchase or production cost, increased by any additional costs, net of accumulated depreciation and any impairment losses.
The useful life of the property is between 20 and 33 years.
Investment property is eliminated from the financial statements when transferred or when the investment is unusable in the long-term and no future economic benefits are expected from its transfer.

Impairment of assets

Assets with an indefinite useful life are not subject to amortisation or depreciation on a straight-line basis, but are subjected to an impairment test, at least once a year. Such test checks the recoverability of the amount recognised in the financial statements.
For assets subject to systematic amortisation and depreciation, the presence of any indicators leading to the possibility of impairment is assessed; consequently the recoverable amount of the asset is estimated.
Such amount is defined as the greater between the fair value less costs to sell and the asset's value in use, with any surplus recognised in profit or loss.
Should the prerequisites for the previously performed impairment cease to exist, such impairment loss is reversed within the limits of the carrying amount of the asset. Any reversal of impairment loss is recognised in profit or loss. Conversely, impairment losses on goodwill or an intangible asset with an indefinite useful life are never reversed.
When the recoverable amount of an individual asset cannot be estimated, the Group estimates the recoverable amount of the cash generating unit to which it belongs.
It is pointed out that in 2014 the impairment tests performed according to the procedure adopted by the Group and on the basis of the provisions of IAS 36, did not result in any need to recognise any impairment loss on the investments.
With regard to intangible assets, it is pointed out that the Group, as a result of the tests conducted, applied an impairment loss to the intangible concession rights connected with the management of the Milas Bodrum Airport in Turkey. For further details see note 17 below.
Furthermore, in 2014, the procedure adopted by the Company in accordance with IAS 36, did not show any impairment indicators for property, plant and equipment, and therefore, there was no need to verify the recoverable amount of these assets.

Presence of impairment indicators – Market capitalisation lower than Equity

At 31/12/2014 the market capitalisation of Astaldi S.p.A. was lower than the Group's Equity. This was especially due to exogenous factors in whose regard the share price showed a negative trend during the last quarter of 2014. However, as from January 2015, there was a significant inversion in this trend (Performance 02-01-2015 / 10-03-2015: +50.15%). Indeed, the share's relative value at the date of authorisation to public the Consolidated Financial Statements was much higher than the value recorded for Equity at 31/12/2014 (Stock Exchange Capitalisation: EUR 711,120 thousand +23.9% compared to recognised equity).

Service concession arrangements

Service concession arrangements, in which the authority granting the concession is an entity of the public sector and the operator is an entity of the private sector, fall under the application of IFRIC 12 – *Service concession arrangements (IFRIC 12 and/or Interpretation)*, if they are referred to infrastructures relative to important economic and social services to be rendered to the public. Furthermore, IFRIC 12 envisages that the following conditions have to be completely observed for its application:

- The authority granting the concession controls or regulates the services that the operator must provide with the infrastructure, to whom it must supply them and at what price;
- The authority granting the concession controls any remaining interest in the infrastructure at the expiry date of the agreement through its ownership or in another way.

According to the interpretation, in particular, under an agreement for service concession, the operator operates as a service provider which essentially involves:

- Construction and improvement services: the operator builds or improves the infrastructure to be used by the same operator to provide the public service;
- Management service: the operator manages and maintains the infrastructure throughout the duration of the concession.

The amount payable to the granting authority for the concession of services is thus distributed over the services provided in relation to the respective fair value amounts in order to reflect the substance of the operation.
With regard to the measurement of the state of advancement of the contract activities, the operator measures the amounts for the service it provides (i) in accordance with IAS 11 para. 22 with regard to the construction and improvement phase and (ii) in accordance with IAS 18 para. 20 for the management service.
The interpretation also states that if the concession agreement has certain characteristics, the right to use the infrastructure (asset in concession) for providing the service can be recognised as:

- *A financial asset*, when there is an unconditioned right of the operator to receive a fee whatever the effective use of the infrastructure by the public (guaranteed minimum). Under this model, the operator recognises a financial asset in its financial statements – IAS 39 "Loans and receivables" – on which interest receivable accrues. This financial asset is initially recognised for an amount corresponding to the fair value of the infrastructures built, and subsequently at amortised cost. The credit is settled by the payments of the guaranteed minimums received by the granting authority. The interest receivable calculated on the basis of the effective interest rate are recognised under financial income;
- *An intangible asset*, when there is a right to charge the users for the use of the public service (charging right). In this regard, IFRIC 12 specifies that the services under concession, in terms of recognition and measurement, come within the sphere of application of IAS 38. With regard to the method for amortising the intangible asset, it is pointed out that this asset is amortised on a straight-line basis over the duration of the concession in such a way as to reflect the procedures by which it is presumed that the future economic benefits deriving from the use of the infrastructures will be received by the Group;
- *Both an intangible asset and a financial asset (so-called "mixed method")*, when the operator is paid for the construction of the infrastructure with both of the above forms. In this case the intangible asset is calculated as the difference between the fair value of the investment made and the amount of the financial asset obtained by the discounting of cash flows deriving from the minimum guaranteed amount. With regard to the measurement of the present value of the guaranteed minimums, it is pointed out that the discount rate used by the Group for concession agreements is equal to the effective interest rate recognised for each individual project as already remarked with reference to the financial assets model.

There follows a brief description of the main concession projects of the Astaldi Group.

Concessions	Segment	Main Activity	Subject to IFRIC 12	Accounting model	Expiry	Country	%
Subsidiaries							
Mondial Milas – Bodrum A.S.	Airports	Milas – Bodrum International Airport	Yes	Mixed	2015	Turkey	100.00%
Sociedad Concesionaria Metropolitana de Salud s.a.	Healthcare	Felix Bulnes Hospital	Yes	Financial Assets	2033	Chile	99.99%
Valle Aconcagua S.A.	Mines	Relaves mining facility	No	N.A.	2032	Chile	55.00%
Joint Ventures							
Ankara Etlik Hastane Saglik Hizmetleri Isletme Yatirim A.S.	Healthcare	Etlik Hospital complex	Yes	Financial Assets	2042	Turkey	51.00%
Autostrada Brescia Verona Vicenza Padova S.p.A.	Motorways	Brescia Verona Vicenza Padua Motorway	Yes	Intangible assets	2026	Italy	14.29%

Concessions	Segment	Main Activity	Subject to IFRIC 12	Accounting model	Expiry	Country	%
Associates							
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	Healthcare	New Hospital of Venice - Mestre	Yes	Financial Assets	2032	Italy	37.00%
Metro 5 S.p.A.	Underground lines	Milan Underground, Line 5	Yes	Financial Assets	2040	Italy	38.70%
Pacific Hydro Chacayes	Water	Chacayes hydroelectric plant	No	N.A.	Perpetual	Chile	27.35%
Otoyol Yatirim ve Isletme A.S.	Motorways	Gebze - Orhangazi – Izmir Motorway	Yes	Financial Assets	2034	Turkey	18.86%
ICA Ic ICTAS - Astaldi Üςüncü Bogaz Köprüsü ve Kuzey Marmara Otoyolu Yatirim ve Isletme A.S.	Motorways	Third Bosphorus Bridge and Northern Marmara Highway	Yes	Financial Assets	2024	Turkey	33.33%

Equity investments

Equity investments in companies other than subsidiaries, associates and joint ventures (in which the Group generally holds a share of less than 20%) are classified, at the time of purchase, under “equity investments” classifiable in the category of financial instruments available for sale as defined by IAS 39. These instruments are initially recognised at cost, recorded at the date when the transaction took place, as representing fair value, inclusive of transaction costs directly referring to the transaction.
After initial recognition, these investments are measured at fair value, if determinable, with recognition of the effects in the statement of comprehensive income, and, then in a specific equity reserve. At the time of realisation or recognition of an impairment loss, in case of objective evidence that these instruments have undergone a significant and prolonged reduction of value, the profits and losses recognised in this reserve are reclassified in profit or loss.
If at the updating of the corresponding fair value the impairment loss has been wholly or partially reversed, the related effects will also be recognised in the statement of comprehensive income, while then charging the specific reserve set up previously.
If the fair value cannot be reliably determined, the investments classified among the financial instruments available for sale are measured at cost, adjusted for impairment.

Inventories

Inventories are recognised at cost or the net recoverable amount, whichever is lower. The amount of inventories is calculated at weighted average cost, applied to homogeneous categories of goods. The cost includes all charges related to purchase and transformation and all other costs incurred to bring inventories to the site where being used and in the conditions to be suitable for the production process.

Construction contracts

Contract work in progress is recognised in accordance with the percentage of completion method, calculated by applying the “incurred cost” (cost to cost) criterion.
The measurement reflects the best estimate of works performed at the reporting date. Assumptions, underlying measurements, are periodically updated. Any income statement effects deriving therefrom are accounted for in the year in which such update is made.

Contract revenue comprises:

The contract amounts agreed, changes in works, price reviews and incentives, to the extent to which these are likely to be reliable, with application of the conditions set forth in IAS 11 “construction contracts”. In this regard they refer to:

- Specific legislation in regarding public works and international legislation;
- Contract clauses;
- The status of negotiations with the customer and likelihood that these negotiations will have a positive result;
- Technical-legal studies also conducted with external consultants, to confirm that the valuations made are reliable when necessary due to the complexity of specific situations.

Contract costs include:

All costs that refer directly to the contract, costs that may be attributed to contract activity in general and that may be allocated to such contract, as well as any other costs that may be specifically charged to the customer on the basis of contract clauses.

Such costs moreover include:

- Pre-operating costs, i.e. the costs incurred during the initial phase of the contract prior to the start of construction activity (tender preparation costs, design costs, organisation and production start-up costs, construction site installation costs), as well as
- Post-operating costs incurred after completion of the contract (site removal, return of equipment/machinery to base, insurance, etc.), and additionally
- Costs for services to be performed after the completion of works, remunerated in the contract referring to the contract activity (for example, periodic maintenance, assistance and supervision during the first phase of operation of individual works).

It is likewise pointed out that contract costs include financial expense, as allowed by the amendment to IAS 11 in connection with IAS 23, resulting from financing specifically referred to works carried out. In fact, during the call for tenders, specific terms of payment are defined on the basis of legal conditions that require the Group to perform structured financing transactions on the contract's invested capital, the relative charges for contract fee calculation.

Should forecasts suggest that completion of a contract may generate a loss, this shall be entirely recognised in the financial year when reasonably expected.

When the outcome of a long-term contract cannot be reasonably estimated, the amount of contract work in progress is calculated on the basis of costs incurred, assuming it is reasonably expected that such will be recovered without recognition of the margin.

When favourable or unfavourable events attributable to present situations at the reporting date occur after the reporting date, the amounts recognised in the financial statements are adjusted to reflect the consequent income statement and statement of financial position effects.

Contract work in progress is presented net of any allowance for impairment and/or losses on contracts, as well as of any advances for the contract in progress.

In this regard, it is noted that invoiced amounts related to individual progress reports (Advances) reduce the gross contract amount, if the latter is higher, and any surplus is recognised under liabilities. On the other hand, invoiced advances are considered as financial transactions and are not relevant for the purpose of revenue recognition. Therefore, since advances represent simple financial events, these transactions are always recognised among liabilities insofar as received not as consideration for works carried out. However, such advances are progressively decreased, usually by virtue of contract agreements, to offset invoicing of the contract.

With reference to allowance for losses on contracts, it is noted that should said allowance exceed the contract amount recognised among assets, such excess is recognised under "Amounts due to customers".

The aforementioned analyses are conducted on a contract-by-contract basis: if the differential is positive (due to contract work in progress being greater than the amount of advances), such amount is classified among assets under "Amounts due from customers"; on the other hand, if this differential is negative, the amount is classified among liabilities, under "Amounts due to customers".

Receivables and financial assets

The Group classifies financial assets in the following categories:
- Assets at fair value through profit or loss;
- Receivables and loans;
- Held to maturity investments;
- Financial assets available for sale.

Classification depends on the reasons why the asset was acquired, the nature thereof and the valuation made by management at the purchase date.
Initially all the financial assets are recognised at fair value, increased by additional charges in the case of assets other than those classified at fair value through profit or loss.
The Group determines the classification of its own financial assets after initial recognition and, if appropriate and allowed, reviews such classification at the end of each financial year.

Financial assets at fair value through profit or loss

This category comprises financial assets acquired for short-term trading or financial assets originally designated for this purpose by management. Assets held for trading include all assets purchased in order to be sold in the short term. Derivatives, including separated derivatives, are classified as held-for-trade financial instruments unless designated as effective hedging instruments. Gains or losses on assets held for trading are recognised in profit or loss. Upon initial recognition, financial assets may be classified as financial assets in the category in question, if the following conditions are met: (i) the designation eliminates or significantly reduces the inconsistency of recognition which would arise by measuring the assets or recognising gains and losses generated by such assets in accordance with a different criterion; or (ii) the assets are part of a group of managed financial assets and their return is measured on the basis of their fair value, in accordance with a documented risk management strategy.

Receivables and loans

This category comprises assets which are not derivatives and that are not quoted in an active market, from which fixed or calculable payments are expected. Such assets are measured at the amortised cost based on the effective interest rate method. Any impairment losses calculated through the impairment test are recognised in profit or loss. These assets are classified as current assets, except for portions whose terms expire after more than 12 months, which are included under non-current assets.

Held to maturity investments

This category comprises assets which are not derivatives, with a pre-set maturity and for which the Group has the intention and capacity to hold to maturity.
Such assets are initially recognised at fair value, calculated at the trading date, and subsequently measured at the amortised cost based on the effective interest rate method. Assets with a contract maturity within the subsequent 12 months are included within current assets. Any impairment calculated through the impairment test is recognised in profit or loss.

Financial assets available for sale

This category comprises financial assets which are not derivatives, have been designated as such or are not classified in any of the three previous categories. They are measured at fair value, with changes in the amount shown against a specific equity reserve (“reserve for assets available for sale”). This reserve is recognised in profit or loss only when the financial asset is effectively transferred, or if there is real evidence that it has undergone a significant impairment loss. Its classification as a current or non-current asset depends on the intentions of management and the real negotiability of the asset. Items expected to be realised in the subsequent 12 months are recorded under current assets.

Impairment losses on financial assets

At the end of each financial year the Group verifies whether any financial asset or group of financial assets were impaired according to the following criteria.

Assets measured at amortised cost

If there is actual evidence that financing or a receivable recognised at amortised cost might be impaired, an impairment test is performed in order to determine the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding losses on future amounts receivable not yet incurred) discounted by the initial actual rate of interest of the financial assets (i.e. the actual interest rate calculated at the date of initial recognition). The carrying amount of the asset will be reduced by application of an allowance. The amount of the loss will be recognised in profit or loss.

In particular, with reference to trade receivables, impairment losses are recognised when there is evidence, largely based on the nature of the counterpart, that there is no possibility of collecting such receivables according to the original conditions. If, subsequently, the amount of impairment decreases, the impairment loss may be reversed. Any subsequent reversals of impairment losses are recognised in profit or loss, to the extent in which the asset's carrying amount does not exceed the amortised cost at the date of reversal.

Financial assets available for sale

In case of impairment loss of a financial asset available for sale, an amount corresponding to the difference between its cost (net of repayment of capital and amortisation) and its current fair value is deducted from equity and recognised in profit or loss, net of any impairment loss previously recognised in profit or loss.

Reversals of impairment losses relating to equity investments classified as available for sale are not recognised in profit or loss. Reversal of impairment losses relating to debt instruments is recognised in profit or loss if the increase in instrument's fair value may be objectively attributed to an event which occurred after the impairment losses were recognised in profit or loss.

Derivatives

Derivatives are usually considered as instruments suitable for hedging and effective in neutralising the underlying assets, liabilities or commitments assumed by the Group, unless these instruments are considered as assets held for trading in which case they are measured at fair value through profit or loss.

In particular, the Group uses derivatives within the context of hedging strategies aimed at neutralising the risk of fluctuations of cash flows expected with regard to contractually defined or highly probable transactions (cash flow hedge). In particular, fair value fluctuations of derivatives designated as cash flow hedges and qualified as such are recognised in a specific reserve charged to the statement of comprehensive income ("hedging reserve"), which is then recognised in the income statement when the income statement effects of the hedged item arise. The difference in fair value referable to the ineffective share is immediately recognised in the income statement for the year. If the derivative instrument is transferred or no longer qualified as an effective hedge against the risk for which the transaction had been made, or the occurrence of the underlying transaction is no longer considered highly probable, the relative share of the "hedging reserve" is immediately reversed to the income statement. These derivatives are initially recognised at fair value at the signing date; subsequently, such value is periodically adjusted. Derivative instruments are recognised as assets when the fair value is positive, and as liabilities when the fair value is negative. Possible gains or losses deriving from changes in the fair value of derivatives not suitable for hedge accounting are recognised directly in profit or loss in the year. The effectiveness of hedging transactions is documented both at the start of the transaction and periodically (at least at every date of publication of financial statements or interim reports), and is measured by comparing the changes in the fair value of the hedging instrument with those of the hedged item, or, in the case of more complex instruments, through statistical analyses based on risk fluctuation.

It is pointed out that the Group does not stipulate derivative contracts for speculative purposes. However, not all derivative transactions carried out for risk hedging purposes are recognised in accordance with the rules of hedge accounting.

Calculation of fair value

Fair value is defined by IFRS 13 as a criterion for market valuation, not specific for the entity, representing the price that would be received for the sale of an asset or the amount that would be paid for the transfer of a liability, in a regular transaction between market operators on the valuation date.
When a price cannot be identified for an identical asset or liability, the fair value is assessed by applying a valuation technique that maximises the use of significant observable inputs and reduces to a minimum the use of non-observable inputs.
It may be suitable to use single or multiple valuation techniques. If several valuation techniques are used to measure the fair value, the results must be assessed considering the reasonableness of the range of amounts indicated by these results.
The three most widely used valuation techniques are as follows:

- **Market approach**: this uses the prices and other significant information produced by market transactions regarding assets and liabilities, or a group of assets and liabilities, identical or comparable (i.e. similar);
- **Cost approach**: this reflects the amount that would be necessary at that time to replace the service capacity of an asset; and
- **Income approach**: this converts future amounts (for example, cash flows or income and expense) into a single current amount at present value.

On the basis of the extent to which the significant inputs used in the context of the valuation technique used are observable, the assets and liabilities measured at fair value in the consolidated financial statements are measured and classified according to the hierarchy of fair value set forth in IFRS 13:

- **Level 1**: refers to quoted prices (not adjusted) in active markets by identical assets or liabilities to which the entity can have access on the date of valuation;
- **Level 2**: inputs other than the quoted prices included in Level 1, directly or indirectly observable for the assets or liabilities;
- **Level 3:** refers to inputs that are not observable for the assets or for liabilities.

The classification of the entire value of fair value of an asset or of liability is made on the basis of the level of hierarchy corresponding to the one to which reference is made, at the lowest significant input used for calculation.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised from financial statements when:

- The rights to receive cash flow from the asset have expired;
- The right to receive cash flow from the asset is retained, but according to contractual obligations such cash flow has to be paid immediately and entirely to a third party;
- The Group transferred the right to receive cash flows from the asset and the Group: (a) has substantially transferred all risks and rewards deriving from ownership of the financial asset, or (b) has neither transferred nor kept all the risks and rewards deriving from the asset, but has transferred the control of the asset.

When the Group has transferred the rights to receive cash flow from an asset and has neither transferred nor kept all the risks and rewards or has not lost the control of the asset, the asset is recognised in the Group's financial statements to the extent of the Group's residual involvement in the asset itself. The residual involvement which, by way of example, is represented by a guarantee on the transferred asset, is measured at the initial carrying amount of the asset or the maximum value of the consideration the Group may be required to pay, whichever is lower.
Financial liabilities are derecognised from the financial statements when the obligation underlying the liability expires, is cancelled, or discharged. In the cases where an existing financial liability is replaced by another liability from the same

lender, under substantially different conditions, or the conditions of an existing liability are substantially changed, such replacement or change is considered as derecognition of the original liability and recognition of a new liability with the consequent recognising in profit or loss of any differences between carrying amounts.

Cash and cash equivalents

These include cash, deposits or other amounts with banks or other financial institutions, available for current transactions, postal current accounts, and other equivalent securities, as well as investments with terms expiring within three months of the purchase date. Cash and cash equivalents are recognised at fair value, which normally corresponds to their nominal amount.

Assets related to / Liabilities connected with disposal groups

The assets related to and liabilities connected with disposal groups, the carrying amount of which will be recovered mainly through sale rather than through continuing use, are shown separately from other assets and liabilities in the statement of financial position.
Immediately before being classified among disposal groups, they are recognised on the basis of the specific IFRS applicable for each asset and liability, and subsequently recognised at the carrying amount or presumed fair value, whichever is lower, net of the related selling costs. Any losses are recognised immediately in profit or loss.
The overall income statement effects of these operations, net of the related tax effects, are shown separately in a single item of the income statement.

Equity

Share capital

The share capital is the Parent's subscribed and paid up capital. Costs strictly related to share issues are classified as reducing the share capital when such costs are directly attributable to the capital transaction.

Treasury shares

Treasury shares are recognised as a reduction of equity. Specifically, the nominal amount of treasury shares is recognised as a reduction of the issued share capital, while the excess of the purchase value compared to the nominal amount is carried-over to reduce other reserves as resolved at the Shareholders' Meeting. Therefore, profits or losses relating to the purchase, sale, issue, or cancellation of treasury shares are not recognised in profit or loss.

Retained earnings (losses carried forward)

These include the profits or losses of previous years for the part not distributed or allocated to reserves (in the case of profit) or balanced (in the case of loss).

Other reserves

These are reserves deriving from first-time application of international financial reporting standards and other equity reserves (such as share option reserve).

Other comprehensive income

The items of comprehensive income (O.C.I. – Other Comprehensive Income) include income items recognised directly under the equity reserves in compliance with IFRS rules regarding their origin and changes.
The items included in the statement of comprehensive income of these consolidated financial statements are presented according to type and grouped in two categories:

(i) Items that will not be subsequently reclassified to profit or loss:

- Actuarial gains and losses on defined benefit plans (IAS 19);

(ii) Items to be subsequently reclassified to profit or loss, when certain specific conditions occur as required by IFRS:

- Gains and losses from the translation of the financial statements of foreign operations using a functional currency other than the Euro (IAS 21);
- Gains and losses on measurement available for sale financial assets (IAS 39);
- An effective part of gains and losses from hedging instruments (IAS 39).

Financial liabilities

Financial liabilities are initially recognised in the financial statements at fair value net of transaction costs, and are subsequently measured at their amortised costs.
Any difference between the sum received (net of transaction costs) and the nominal amount of the payable is recognised in profit or loss by applying the effective interest rate method.
Financial liabilities are classified as current liabilities, unless the Group has the contract rights to fulfil their obligations at least more than 12 months after the reporting date.
It is noted that the Group has not designated any financial liability at fair value through profit or loss.

Convertible bonds

Convertible bonds are generally financial instruments consisting of a liabilities component and an equity component. At the date of issue, the fair value of the liabilities component is estimated using the current market interest rate for similar non-convertible bonds. The difference between the net amount gained for the issue and the fair value assigned to the liabilities component, which represents the implicit option to convert the bonds into Group shares, is included under Equity.
On the other hand, convertible bonds offering the issuer with the choice between repayment through ordinary shares, or alternatively by payment in cash (Cash Settlement Option), are referred to as hybrid financial instruments.
In the latter case, the relative financial liabilities are recognised at amortised cost, while the implicit incorporated amount representing the conversion option is recognised at fair value through profit or loss.

Trade payables and other payables

Trade payables, whose term of expiry falls within the normal commercial terms, are not discounted and are recognised at cost (identified by their nominal amount).

Tax expense

Current taxes

Current taxes for the year and those of previous years are recognised at the amount expected to be paid to the tax authorities. Tax rates and tax laws used to calculate the amount are those substantially issued at the reporting date in the individual countries where the Group operates.

Deferred taxes

Deferred taxes are calculated by adopting the so-called liability method, applied to the temporary taxable or deductible differences between the carrying amount of assets and liabilities recognised in the financial statements and the taxable amount.
Deferred tax liabilities are recognised against all temporary taxable differences, except when:
- Deferred tax liabilities derive from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and which at the moment of the transaction does not affect the profit for the year, calculated for the purpose of the financial statements, or the profit or loss calculated for tax purposes;
- Temporary taxable differences related to interests in subsidiaries, associates and joint ventures, the reversal of the temporary differences may be checked and it is likely that it will not occur in the future.

Deferred tax assets are recognised against all deductible temporary differences and for tax losses carried forward, to the extent to which sufficient future tax profits that can make its use applicable are likely, except when the deferred tax asset results from initial recognition of an asset or liability in a transaction that is not a business combination and that, at the moment of the transaction, does not affect the profit for the year, calculated for the purpose of financial statements, or the profit or loss calculated for tax purposes.
The amount of deferred tax assets to be recognised in the financial statements is reassessed at each reporting date and reduced to the extent in which sufficient future tax profits are no longer likely, in order to allow all or part of the credit to be used. Deferred tax assets that are not recognised are reassessed on an annual basis at the reporting date, and are recognised in the extent in which it is likely that the tax profit is sufficient to allow the deferred tax assets to be recovered.
Deferred tax assets and liabilities are measured on the basis of tax rates expected to be applied for the period in which such assets will be realised or such liabilities will be settled, considering the rates in force and those already substantially issued at the reporting date.
Deferred tax assets and liabilities are offset in the event of a legal right to offset current tax assets with current tax liabilities and when the deferred taxes refer to the same tax and the same tax authority.
Tax expense (deferred and current) directly related to equity items are recognised under equity and not in profit or loss.

Employee benefits

Benefits due to employees for early retirement

The benefits due for the termination of employment are amounts payable to employees following the decision by the company to terminate the employment of an employee before the retirement date and the decision by the employee to accept voluntary resignation in exchange for this indemnity.
These benefits must be recognised as liabilities and expenses at the date nearest to (i) the time when the Company can no longer withdraw the offer of these benefits; and (ii) the time when the Company recognises the costs of restructuring coming under the application of IAS 37 which implies the payment of benefits due for the termination of employment.
These liabilities are measured on the basis of the type of benefit granted. In particular, if the benefits granted are an improvement with respect to other benefits subsequent to the end of employment and recognised to the employees, the relative liabilities are measured in accordance with IAS 19 para. 50-60 “Post-employment benefits”. Otherwise, the rules to be applied for measuring the benefits due to employees for the termination of employment differ according to the time when such benefits are expected to be paid:
- If it is expected that the benefits will be fully settled within twelve months from the end of the year, the rules stated for short-term employee benefits shall apply (IAS 19 para. 9-25);
- If it is not expected that the benefits will be fully settled twelve months from the end of the year, the rules stated for long-term employee benefits shall apply (IAS 19 para. 153-158).

Post-employment benefits

Liabilities for benefits guaranteed to employees, issued at the time of or subsequent to the termination of employment through defined benefit plans, are recognised in the year of maturity of the entitlement in relation to the employment period required to obtain the benefits, on the basis of actuarial tables and net of any advances paid. The valuation of the liabilities is conducted by independent actuaries using the "projected unit credit method".
In this context, the following income items are recognised in the section of the income statement regarding personnel expenses:

- The costs deriving from current employment services representing the actuarial estimates of the benefits to which employees are entitled in relation to the employment services rendered in the year;
- The net interest cost representing the change in the amount of liabilities in the year due to the effect of the elapse of time; and
- The costs and income deriving from amendments to defined benefit plans ("costs or income related to past employment services") fully recognised in the period in when the changes are made.

Furthermore, the changes in the amounts of liabilities for defined benefit plans regarding actuarial gains or losses, are fully recognised in the year of maturity in the section Other Comprehensive Income (OCI) of the statement of comprehensive income.
The liabilities referring to benefits guaranteed to employees, and paid out at the time of or subsequent to the termination of employment by a defined contribution plan, are recognised for the amount accrued at the end of the year.
Liabilities referring to other employee benefits are recognised for the amount accrued at the end of the year also on the basis of actuarial estimates if referring to medium-long term benefits.

Stock grant plan

The Parent has formulated an Incentive Plan for senior management (Chief Executive Officer and General Managers) consisting in the assignment to them, free of charge, of Company shares upon the achievement of specific financial targets.
The share option plan structured in this way falls under the scope of application of IFRS 2 under the category of "equity settled" operations.
The cost of the Incentive Plan is spread over the period to which the incentive refers (vesting period) and is calculated with reference to the fair value of the right assigned to senior management on the date when the commitment is made, in such a way as to reflect the market conditions on the date in question.
At every reporting date, the hypotheses are verified as to the number of options expected to mature.
The charges referring to the year are recognised in profit or loss, under personnel expenses, and are offset by an equity reserve.

Provisions for risks and charges

Allocations to provisions for risks and charges are recognised when, on the reporting date, there is a current obligation (legal or implicit) deriving from a past event, if there is a probable outlay of resources to satisfy the obligation, and a reliable estimate can be made on the amount of the obligation.
The provisions are recognised at the amount representing the best estimate of the amount that the company would pay to extinguish the obligation, or to transfer it to third parties on the reporting date. If the effect of discounting the value of money is significant, the provisions are calculated by discounting the expected future cash flows at a pre-tax discount rate reflecting the current market valuation. When the discount is applied, the increase in the provision due to the passing of time is recognised as a financial charge in the income statement.

Revenue other than contract work in progress

Revenue is stated at the fair value of the amount received, taking into account any discounts and reductions related to quantity.
Revenue for the sale of goods is recognised when the company has transferred significant risks and the benefits connected with ownership of the goods to the purchaser; in many cases this coincides with the transfer of ownership or possession to the purchaser, or when the amount of the revenue can be reliably determined.
Revenue from the supply of services is recognised when it can be reliably estimated, on the basis of the percentage of completion.

Government grants

Government grants are recognised in profit or loss at fair value, when there is reasonable certainty that they will be received and all the relative conditions have been satisfied. When the grants are related to cost items, they are recognised as revenue, while being spread systematically over the years in such a way as to match the costs they are intended to offset. If the grant is related to an asset, the fair value is recognised as a decrease of the said asset. It is also accrued under liabilities if the asset to which it is related does not come into operation, or is in the construction phase, and the related amount does not cover the value of the asset.

Financial expense

Interest is recognised on an accruals basis under the effective interest method, by using the interest rate that makes all incoming and outgoing flows (including premiums, discounts, commissions, etc.) related to such transaction financially equivalent. Financial expense is capitalised in accordance with the provisions set out by IAS 23.

Dividends

Dividends are recognised when the shareholders become entitled to receive the payment that normally corresponds to the dividend distribution approved at the Shareholders' Meeting. Distribution of dividends to the shareholders is recognised as a liability in the financial statements for the year in which the distribution thereof is approved at the Shareholders' Meeting.

Costs

Costs are recognised on an accruals basis and on the basis of the Group companies' ability to continue as a going concern.

Earnings per share

The basic earnings per share are calculated by dividing the share of the Group's profit attributable to ordinary shares by the weighted average of outstanding ordinary shares, excluding treasury shares. Diluted earnings are calculated by adjusting the profit or loss attributable to the holders of ordinary shares, and the weighted average of the shares in circulation, as defined above, to take into account the effects of all the potential ordinary shares with a dilution effect.

Use of estimates

The drafting of the financial statements and notes in compliance with IFRSs requires the formulation of estimates and assumptions affecting the carrying amounts of assets and liabilities and the information regarding potential assets and liabilities.

In the light of the Banca d'Italia/ CONSOB/Isvap Joint Document No. 2 of 6 February 2009 it should be pointed out that such estimates are based on the most recent information available to senior management at the time of preparing these financial statements, the reliability of which is, therefore, unprejudiced. Estimates are used, among other things, to perform impairment tests and recognise bad debt provisions, receivables discounting on the grounds of the estimated collection times, contract revenue, amortisation and depreciation, impairment losses on assets, employee benefits, taxes, other amounts allocated, and provisions.
The final results may differ from these estimates.
Estimates and assumptions are periodically reviewed and the effects of all changes are reflected in profit or loss of the period when the change occurred.
In particular, taking into account the Group's specific segment which involves a payment amount at the time when the individual contracts are assigned, it is to be noted that the margins on these contracts, credited in the income statement on the basis of systematic calculation criteria, may undergo changes with respect to the initial estimate. This is related to the likelihood of being able to recover the higher charges that may be incurred during the execution of the works.

Newly-issued and endorsed accounting standards and interpretations, effective from 1 January 2014

There follows a summary of the new EU Regulations effective at 1 January 2014.

EU Regulation 1254/2012 of the Commission of 11 December 2012, published in Official Gazette L. 360 of 29 December 2012: Adoption of international financial reporting standards IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, amendments to IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

In the light of the new rules, the standards applicable to the drafting of the consolidated financial statements are now as follows:

IFRS 10 Consolidated Financial Statements

IFRS 10 provides a single reference standard to follow for the drafting of the consolidated financial statements involving control as the basis for the consolidation of all types of entities. IFRS 10 replaces IAS 27 Consolidated and Separate Financial Statements and Interpretation SIC 12 – Special Purpose Entities.
More particularly, the new IFRS 10 defines in a more specific way the concept of "control" and consequently the basis for determining which entities come within the consolidation scope of the Group's consolidated financial statements.
In the broader definition, a company controls an investee if and only if it has at the same time:

a) the power over the investee: effective significant capacity to manage the assets unilaterally;
b) exposure or rights to variable returns deriving from the relationship with the investee;
c) the capacity to exercise its power on the investee to affect the amount of the returns:

The consolidation model set forth in IFRS 10 is thus not based, like the previous IAS 27, exclusively on risks and rewards, but is based on the "power" and capacity to exercise it in the management of the entity, thus being able to have greater influence on the "economic returns".

The adoption of the amendments to IFRS 10 did not entail significant effects on the consolidated financial statements of the Group since the subsidiaries of Astaldi S.p.A. are generally:

(i) set up specifically for the execution of specific projects, and thus regulated by governance agreements allowing the Parent, through the exercising of an ample majority of voting rights, to determine the strategic choices and management decisions of the company in order to obtains the relative benefits; and/or

(ii) set up on the basis of the industrial development lines set forth in the Business Plan and fully owned by the Parent.

IFRS 11 Joint Arrangements

FRS 11 establishes the standards for recognition in the financial statements of activities conducted by entities forming part of joint agreements and replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers.

IFRS 11 states that joint control occurs when several parties share control at the same time in an "arrangement", i.e. when the decisions concerning the significant activities connected with it require the unanimous consent of the parties.

With regard to the procedures for valuation and presentation, IFRS 11 has different procedures for:

- JOINT OPERATIONS (JO): an agreement for joint control in which the parties holding joint control have rights on the assets and obligations for the commitments stated in the agreement;
- JOINT VENTURES (JV): an agreement for joint control in which the parties holding joint control have rights on the net assets of the agreement.

The formulation of IFRS 11 with regard to the distinction between JO and JV is no longer based on the legal form of the jointly controlled entities, but rather on the rights and obligations on the co-venturers in relation to their participation in the joint arrangement, i.e. the substance of the relationship.

With regard to the recognition of JVs in the consolidated financial statements, IFRS 11 eliminates the accounting option provided for in the previously-effective IAS 31, with regard to the consolidation of JVs, consisting in the application of the proportionate or equity method, providing for only one criterion for consolidation based exclusively on the equity method.

As regards JOs, since the participants in the arrangement share the rights on the assets and accept the obligations for the liabilities related to the agreement, IFRS 11 decrees that each joint operator must enter in its accounts the pro quota value of the assets, liabilities, costs and revenues of that JO.

The new accounting standard was adopted retroactively starting from 1 January 2014 in order to allow the standardised recognition of the results with respect to the information for previous years.

Effects on the financial statements related to first-time application of IFRS 11

With regard to first-time application of the standard, some limited differences were observed, basically in the concessions segment, with regard to the procedures for the measurement and recognition of some Special Purpose Vehicles that were qualified as Joint ventures. These Entities, which in the previous year had been consolidated with the proportionate method, were measured using equity accounting in the data restated in comparative terms.

With regard to the construction segment, the effect of first-time application was extremely limited since the joint arrangements, generally incorporated in specific vehicles, are drawn up in such a way that whatever their structure, the overall measurement of the contract terms, also with regard to the legal aspects, makes the Joint Arrangements definable as Joint Operations.

There follow financial data at 31 December 2013 showing the comparative effects deriving from the application of IFRS 11.

Income Statement	31/12/2013 Published	Effects of application of IFRS 11	31/12/2013 Restated
Revenue	2,392,871	(11,458)	2,381,413
Other Operating Revenue	126,804	142	126,947
Total Revenue	**2,519,675**	**(11,315)**	**2,508,360**
Purchase costs	(423,764)	198	(423,566)
Service costs	(1,411,951)	8,654	(1,403,297)
Personnel expenses	(320,715)	204	(320,512)
Amortisation, depreciation and impairment losses	(85,252)	17	(85,235)
Other operating costs	(43,692)	399	(43,293)
Total Costs	**(2,285,375)**	**9,472**	**(2,275,903)**
Internal costs capitalised	1,652	0	1,652
Operating profit	**235,952**	**(1,843)**	**234,108**
Net financial expense	(103,667)	(7,871)	(111,538)
Net gains on equity-accounted investees	6,302	1,084	7,386
Pre-tax Profit from continuing operations	**138,586**	**(8,630)**	**129,956**
Tax expense	(55,571)	754	(54,817)
Loss from discontinued operations	**(4,575)**	**0**	**(4,575)**
Profit for the year	**78,440**	**(7,876)**	**70,564**
Profit attributable to owners of the parent	75,213	(7,876)	67,337
Profit attributable to non-controlling interests	3,227	0	3,227
Earnings per share			
Base	Euro 0.77		Euro 0.69
Diluted	Euro 0.76		Euro 0.68

Statement of comprehensive income	31/12/2013 Published	Effects of application of IFRS 11	31/12/2013 Restated
Profit for the year (A)	**78,440**	**(7,876)**	**70,564**
Items to be subsequently reclassified to profit or loss	(6,618)	(3,853)	(10,471)
of which:			
Change in hedging reserve net of tax effect	22,726	(3,853)	18,872
Items that will not be subsequently reclassified to profit or loss	886	0	886
Total other comprehensive expense net of tax effect (B)	**(5,732)**	**(3,853)**	**(9,585)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A)+(B)	**72,708**	**(11,729)**	**60,979**
of which attributable to owners of the parent	69,436	(11,729)	57,706
of which attributable to non-controlling interests	3,272	0	3,272

Statement of financial position	31/12/2013 Published	Effect of application of IFRS 11	31/12/2013 Restated
Non-current assets			
Property, plant and equipment	203,977	(4)	203,973
Investment property	1,086	0	1,086
Intangible assets	58,971	(0)	58,971
Equity investments	395,564	(11,413)	384,151
of which:			
- Equity-accounted investments	393,531	(11,413)	382,119
Non-current financial assets	99,786	(2,946)	96,840
Other non-current assets	54,723	(1,089)	53,634
Deferred tax assets	17,128	(10)	17,118
Total Non-current assets	**831,234**	**(15,461)**	**815,773**
Current assets			
Inventories	61,711	0	61,711
Amounts due from customers	1,261,797	0	1,261,797
Trade receivables	961,860	33	961,893
Current financial assets	46,391	0	46,391
Tax assets	105,893	(1,281)	104,612
Other current assets	383,043	424	383,467
Cash and cash equivalents	373,772	(546)	373,226
Total current assets	**3,194,467**	**(1,370)**	**3,193,097**
Assets related to disposal groups	60,273	0	60,273
Total Assets	**4,085,974**	**(16,830)**	**4,069,144**
Equity			
Share Capital	196,850	0	196,850
Treasury shares	(1,040)	0	(1,040)
Reserves	287,799	(3,853)	283,946
of which:			
- Other comprehensive expense	(58,735)	(3,853)	(62,588)
Profit for the year	75,213	(7,876)	67,337
Equity attributable to owners of the parent	**558,822**	**(11,729)**	**547,093**
Equity attributable to non-controlling interests	45,101	0	45,101
Total Equity	**603,923**	**(11,729)**	**592,193**
Non-current liabilities			
Non-current financial liabilities	970,042	0	970,042
Other Non-current liabilities	16,698	(2)	16,696
Employee benefits	8,003	0	8,003
Deferred tax liabilities	10,957	0	10,957
Total Non-current liabilities	**1,005,701**	**(2)**	**1,005,699**
Current liabilities			
Amounts due to customers	674,738	1,831	676,569
Trade payables	1,117,990	(1,357)	1,116,633
Current financial liabilities	392,680	(4,240)	388,440
Tax liabilities	73,679	(13)	73,666
Current portion of provisions for risks and charges	22,591	0	22,591
Other Current liabilities	154,725	(1,321)	153,404
Total Current liabilities	**2,436,404**	**(5,099)**	**2,431,304**
Liabilities associated with disposal groups	39,947	0	39,947
Total liabilities	**3,482,051**	**(5,101)**	**3,476,950**
Total equity and liabilities	**4,085,974**	**(16,830)**	**4,069,144**

Statement of Cash Flows	31/12/2013 Published	Effect of application of IFRS 11	31/12/2013 Restated
A) Cash flows from operating activities	9,965	(2,264)	7,701
B) Cash flows used in investing activities	(158,619)	16,019	(142,600)
C) Cash flows from financial activities	122,818	(269)	122,549
NET INCREASE (DECREASE) OF CASH (A+B+C)	**(25,836)**	**13,486**	**(12,350)**
CASH AT START OF THE YEAR	400,215	(14,032)	386,183
CASH AT THE END OF THE YEAR	**374,379**	**(546)**	**373,833**

With regard to the overall amounts of equity and profit, it is pointed out with specific reference to the company Veneta Sanitaria Finanza di Progetto S.p.A. (V.S.F.P.), that the carrying amount of this investment was restated with respect to the published data for the year 2013 applying equity accounting retrospectively and with constant measurements in accordance with IFRS 11.
In accordance with the international financial reporting standards in force for 2013, on the date of loss of joint control the investment in V.S.F.P was recognised under "Equity-accounted investments" using the fair value to replace the cost (IAS 31 para. 45). Measurement at fair value of assets and liabilities of V.S.F.P. on the basis of an appraisal drawn up by an independent expert had shown a positive impact on the group's income statement and equity of EUR 11,729 thousand.
It is likewise pointed out that on the date of loss of joint control of the entity, the parent's income statement recognised an amount of EUR (3,853) thousand, and the effects related to the restatement from the other comprehensive income of the net balance of the hedging reserve (IAS 31 para. 45B). This restatement, made in the two separate equity items, did not change the overall net balance.
With reference to the restated data for 2013 the *cumulative effects of these items have been annulled* since the current standard (IFRS 11 para. 24) *no longer contains the same rules set forth in IAS 31*.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 combines, strengthens and replaces the requirements for the disclosure to be provided in the notes to the financial statements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.
The application of the new standard will produce greater obligations for disclosure regarding (i) indication of the significant valuations used in defining the consolidation scope and (ii) analyses of the type of investments and the connected risks undertaken.

Other standards amended by EU Regulation 1254/2012

After these new IFRS rules, the IASB has also issued an amended IAS 27 that will regard only the separate income statement, and an IAS 28 amended in such a way as to include the provisions of IFRS 11 on Joint Arrangements.

EU Regulation 313/2013 of the Commission of 4 April 2013, published in Official Gazette L. 95 of 5 April 2013: Transition guidance (Amendments to IFRS 10, 11 and 12).

The amendments limit the obligation to provide adjusted comparative information, for the transition to IFRS 10, IFRS 11 and IFRS 12, to the previous comparative year only.
They also clarify how to adjust the comparative period if the conclusions on consolidation at the "date of first-time application" are not the same under IAS 27 / SIC 12 and IFRS 10.
In particular, the following two cases could arise:
Consolidation in accordance with IFRS 10 of a previously unconsolidated company: this requires the retrospective application of IFRS 3 Business Combinations on the date of obtaining control, as defined by IFRS 10. Any difference between the assets, liabilities and non-controlling interests and the previous carrying amount of the interest will be recognised under retained earnings at the start of the most distant comparative period presented, or subsequently if control has been acquired on a subsequent date. There is no obligation if the shareholding was sold before the date of first application.

Unconsolidation in accordance with IFRS 10 of a previously consolidated company: retrospective application of IFRS 10. Any difference between the assets, liabilities and non-controlling interests previously recognised and the amount of the equity in accordance with IFRS 10 will be recognised under retained earnings at the start of the most distant comparative period presented, or subsequently if control has been acquired on a subsequent date.
Regarding information on unconsolidated structured entities, the obligation to present corresponding figures for comparative purposes for the years previous to the date in which IFRS 12 is applied for the first time has been abolished.
The amendments to the aforesaid standards have been applied in the current year in order to implement the transitory rule for the initial application of the new standards on consolidation.

EU Regulation 1174/2013 of the Commission of 20 November 2013, published in Official Gazette L. 312 of 21 November 2013: Investment Entities (Amendments to IFRS 10, 12 and to IAS 27).

The aim of the amendments is to make some modifications to IFRS 10 and 12 and IAS 27 in order to define the guidelines to follow for drafting the Consolidated and Separate Financial Statements of the "Investment Entities".
The main measures were as follows:
IFRS 10 was amended to require the *investment entities* to measure the subsidiaries at the fair value recognised in profit or loss rather than consolidating them, in order to better reflect their business model. In particular, an "investment entity" is defined, in the context of the standard (new paragraph 27), as an entity that obtains funds from one or more investors in order to obtain profits from the management of these investments in terms of capital gain or revenue. An "investment entity" (i) normally holds more than one investment; (ii) has more than one investor; (iii) has investors that are not "related parties"; (iv) holds equity in the form of equity instruments. An "'investment entity" also calculates and evaluates the yields of almost all the investments on the basis of "fair value".
IFRS 12 was amended to require the presentation of specific information with regard to the subsidiaries of the investment entity.
Paragraph 9A of IFRS 12 likewise states that the entity must provide information regarding the measurements and significant hypotheses according to which, in compliance with paragraph 27 of IFRS 10, it comes within the category of "Investment entities".
The amendments to "IAS 27 Separate financial statements" have eliminated, in this area, the choice for "investment entities" to opt for the measurement of investments in certain subsidiaries at cost or at fair value.
IAS 27 likewise states that an investment entity is required to apply the exception to consolidation for all of its subsidiaries to present its own separate financial statements in individual financial statements, while indicating this in the notes.
The amendments to the aforesaid standards, applied starting from the financial statements for the years starting from 1 January 2014, have not involved any effects with regard to the measurement of the financial statement items and the disclosure to be provided in these consolidated financial statements.

EU Regulation 1374/2013 of the Commission of 19 December 2013 adopting recoverable amount disclosures for non-financial assets (Amendment to IAS 36).

The amendments aim to clarify the information to be provided in the disclosures on the recoverable amount of the assets measured at fair value net of disposal costs in which a loss or impairment loss or the reversal of a previous impairment was recognised during the year, following the impairment test.
In particular, in this respect, the new paragraphs 130 and 134 of IAS 36 introduce, for each CGU assigned with a significant part of the carrying amount for goodwill or of intangible assets with indefinite useful life, the requirement to indicate the following information in the disclosures:

- The level of fair value hierarchy in which the valuation as a whole is classified (without considering whether "disposal costs" are observable);
- For the valuations coming under categories 2 and 3 of the fair value hierarchy (i) the description of the valuation techniques adopted to assess the fair value net of disposal costs; (ii) The key assumptions (including the discount rate used) on which management has based the determination of fair value.

The amendments to the aforesaid standard, applied starting from the financial statements for the years starting from 1 January 2014, have not involved any effects with regard to the measurement of the financial statement items and the disclosure to be provided in these consolidated financial statements.

EU Regulation 1375/2013 of the Commission of 19 December 2013 adopting the novation of derivatives and continuation of hedge accounting (Amendment to IAS 39).

On the basis of the amendments to paragraphs 91 and 101 of IAS 39 the novation of a derivatives contract, made following legislative or regulatory provisions, that implies the replacement of the original counterpart with a key counterpart, does not represent an event involving the cessation of hedge accounting.
The amendment to IAS 39 is applicable starting from the first financial year starting on 1 January 2014 or on a subsequent date.
The amendments to the aforesaid standard, applied starting from the financial statements for the years starting from 1 January 2014, have not involved any effects with regard to the measurement of the financial statement items and the disclosure to be provided in these consolidated financial statements..

Endorsed standards and interpretations not adopted early by the Group

EU Regulation 634/2014 of the Commission of 13 June 2014, Published in Official Gazette L. 175 of 14 June 2014: Adoption of IFRIC 21 Levies.

The aim of the interpretation is to provide guidelines for the appropriate recognition of levies falling under the scope of application of IAS 37 "Provisions, contingent liabilities and contingent assets", in order to improve the comparability of the financial statements for users.
For the purposes of this interpretation, a levy represents a payment due, in accordance with current legislation, to a branch of the public administration, except for:
a) Income tax falling under the scope of application of IAS 12 Income taxes; and
b) Fines or other sanctions levied for violation of laws.
IAS 37 "Provisions, contingent liabilities and contingent assets", states that a liability is recognised when the event causing the obligation to arise has occurred (binding event).
Pursuant to IFRIC 21, the binding event is that event, typically specified in the law of the jurisdiction concerned, for the occurrence of which the payment of a levy is requested.
The interpretation considers different types of levies:

- The levy requirement manifests gradually at the time when the entity produces revenue: the binding event is the production of revenue, as set forth in local rules, and the obligation will thus be recognised at the same time as the revenue is produced;
- The levy requirement arises fully when the entity produces the first revenue in a given year. There is no requirement if the amount to be paid is based on the sales of the previous year;
- The levy requirement arises fully if the company is operational on a certain date: in this case, even if the amount of the levy is calculated on the basis of balances of the previous year, no obligation is recognised until the specific date is reached. The basic assumption of the continuation of the company as a going concern therefore does not imply as such the need to recognise and obligation before the specific date;
- The levy requirement arises if the entity produces revenue over a certain specified minimum threshold, and only at that time a liability is recognised, independently from the probability/reasonable certainty of exceeding this threshold.

The interpretation will be applied starting from the financial years starting on 17 June 2014 or subsequently with limited effects from the point of view of the measurement of financial statement items.

Notes to the consolidated financial statements

1. Revenue: EUR 2,540,388 thousand (EUR 2,381,413 thousand)

Revenue for 2014 totalled EUR 2,540,388 thousand, up compared to the previous year by EUR 158,975 thousand. This item consists of the following:

	31/12/2014	31/12/2013	Difference
Revenue from goods and services	2,504,776	2,338,597	166,179
Concessions - Commercial services under arrangement	24,127	17,487	6,640
Periodical instalments on plant maintenance contracts	5,072	3,912	1,160
Closing inventories of assets and plant under construction	6,413	21,417	(15,004)
Total	**2,540,388**	**2,381,413**	**158,975**

The item “Revenue from goods and services” shows the amount of the works completed and accepted by the respective customers, including the proportional amount of long term works undertaken during the year, but not yet completed.
This item has shown net increase of EUR 166,179 thousand deriving from the growth of the major foreign contracts, which have recorded highly positive performance in the most recently-opened areas, Russia and Canada, as well as in Turkey, Poland, Algeria, Romania, Peru, where the Group has operated on a permanent basis for much longer.
The item “Concessions – Commercial services under arrangement” comprises the amounts accrued for infrastructure management services, essentially regarding: (i) the Milas-Bodrum Airport (EUR 14,929 thousand); (ii) and the four Hospitals in Tuscany with specific regard, to San Jacopo Hospital in Pistoia and the Hospitals in Prato and Lucca inaugurated during the second half of 2013 (EUR 9,198 thousand).
The item “Periodical instalments on plant maintenance contracts” on the other hand, refers to the activities undertaken in the year by the subsidiary NBI, the company operating in the plant and facility management segment, complementary to the current activities of the Group, but also useful for providing it with relevant industrial and commercial synergies, with the contribution of top level professional skills.
The item “Closing inventories of assets and plant under construction” records the increase in the carrying amount of the plant constructed in Chile (Relaves Project), for the treatment and recovery of copper and molybdenum contained in the waste products of the “Codelco” (Chilean National Mining Corporation) mine.
Under the Relaves Project the Chilean subsidiary Valle Aconcagua A.S. has the right to the management of the facility for 20 years.
In this contract, Codelco has agreed to purchase the amount of copper and molybdenum extracted from the mine processing waste, thus guaranteeing the recovery of the investment during the concession period.
In the light of the above points, the Company believes that the contract terms, pursuant to IFRIC 4, constitute a lease and has therefore made the relevant accounting entries.
The revenue in terms of geographical breakdown is as follows.

	31/12/2014	%	31/12/2013	%	Difference
Italy	620,545	24.43%	803,452	33.74%	(182,907)
Europe	1,106,101	43.54%	1,017,866	42.74%	88,235
America	633,005	24.92%	371,508	15.60%	261,497
Africa	154,730	6.09%	144,194	6.05%	10,536
Asia	26,007	1.02%	44,393	1.86%	(18,386)
Total	**2,540.388**	**100.00%**	**2,381,413**	**100.00%**	**158,975**

On a domestic level, production has been affected by the forecast reduction of activities of some contracts under way (the Bologna High Speed Station, the Turin Railway Bypass, the Jonica National Road National Road, Line 5 of the Milan underground and the four Hospitals in Tuscany which are coming to their planned completion while maintaining significant levels of production.
This effect is partially mitigated by the positive advancement of works under way on the Blue Line of the Milan underground and the resumption of the activities for the construction of Ospedale del Mare Hospital in Naples.
On a domestic level, there was also a positive contribution from the works for the Pedemontana Lombarda Motorway, Line C of the Rome underground and the segment referring to plant engineering, maintenance and management of complex systems.
In relation to the geographical breakdown of revenue, we should point out a significant increase in the European area which has benefited from the positive contribution of the contract work in progress in Turkey (Gebze-Orhangazi-Izmir Motorway Phase 1 and Third Bosphorus Bridge), Poland (Kraków-Balice Airport, Kraków-Balice Railway, Warsaw underground Line 2, Łódź Fabryczna Station) and Romania (Bucharest underground Line 4 and 5, Arad Nadlac Motorway Lot 1, Mihai Bravu Overpass) but which at the same time, compared to the previous year, has also been affected by the planned fall in production volumes due to the substantial completion of works for Pulkovo International Airport in St. Petersburg, Russia.
There has been a considerable increase in the contribution to production recorded in the American area, thanks to the positive effect of contract work in progress on the hydroelectric projects in Canada (Muskrat Falls) and Peru (Cerro del Águila) and mining projects in Chile (Chuquicamata), and the start-up of the preparatory activities for construction of the Western Metropolitan Hospital in Santiago.
With reference to the latter area, especially Venezuela, in order to allow an overall evaluation of the situation in the country, it is interesting to point out that during the year concrete institutional initiatives have started to safeguard the interests of Italian enterprises working in the area.
We can recall that following these initiatives, the Venezuelan Government has allocated significant amounts to the budget for the Puerto Cabello-La Encrucijada railway line, both to settle previous amounts owed and for allocations in the coming years. In the second half of the year there was a partial settlement of the amounts owed (equivalent of EUR 68 million at 31 December 2014). Nevertheless, although this shows a concrete attempt to start up a process, albeit gradual, to normalise the contract relationship, the Group's activities, conducted in partnership with two other major Italian companies in the segment, have still been very limited and definitely lower with respect to the great potentials of these projects.
The African area has recorded an increase over the previous year thanks to the Algerian railway works (Saida-Moulay Slissen Railway and Saida-Tiaret Railway), also following the full start-up of works after the definition of some technical and contract revisions.
The Asian area shows a decrease in production totalling EUR 18,386 thousand, thus confirming the effects of the Group's gradual withdrawal from Saudi Arabia and the completion of activities in Oman.
For further information on this item refer to note 37 on segment reporting pursuant to IFRS 8.

2. Other operating revenue: EUR 112,177 thousand (EUR 126,947 thousand)

Other operating revenue, totalling EUR 112,177 thousand, comprises items not directly related to the core business of the Group, but nevertheless accessory to the core business. This item decreased with respect to the previous year by EUR 14,770 thousand and consists of the following:

	31/12/2014	31/12/2013	Difference
Revenue from sale of goods	12,217	22,473	(10,256)
Services - third parties	52,872	59,006	(6,134)
Services - management of joint projects	5,094	2,871	2,223
Rents and leases	2,940	2,823	117
Net gains on disposals of property, plant and equipment	4,344	5,593	(1,249)
Other	34,710	34,181	529
Total	**112,177**	**126,947**	**(14,770)**

The item "Revenue from sale of goods" decreased compared to 2013 by EUR 10,256 thousand above all with reference to the domestic level and in particular due to the lower volumes recorded in 2014 for activities related to works on Maxi Lot 2 - DG-22 of the Jonica National Road (SS-106).
The decrease of the item "Services - third parties" on the other hand, is essentially due to the Turkish area (Third Bosphorus Bridge - North Marmara Highway), which had contributed in 2013 to the production for the year, also through the greater development of secondary activities related to the main contract. This decrease is, however, partially offset by revenue from payments obtained by the Parent during 2014, for the study and acquisition of specific contracts in operating initiatives undertaken abroad in Joint ventures with other partners in the segment.

3. Purchase costs: EUR 401,399 thousand (EUR 423,566 thousand)

Purchase costs comprise changes in inventories of raw materials and consumables for 2014, totalling EUR 401,399 thousand, showing a decrease of EUR 22,167 thousand compared to the previous year:

	31/12/2014	31/12/2013	Difference
Purchase costs	405,655	412,959	(7,304)
Change in raw materials, consumables, supplies and goods	(4,256)	10,607	(14,863)
Total	**401,399**	**423,566**	**(22,167)**

There follows a detailed analysis of the geographical breakdown of this item.

	31/12/2014	%	31/12/2013	%	Difference
Italy	87,988	21.92%	106,567	25.16%	(18,579)
Europe	197,379	49.17%	196,838	46.47%	541
America	88,894	22.15%	92,962	21.95%	(4,068)
Africa	27,131	6.76%	23,993	5.66%	3,138
Asia	7	0.00%	3,206	0.76%	(3,199)
Total	**401,399**	**100.00%**	**423,566**	**100.00%**	**(22,167)**

The significant decrease recorded on a domestic level is essentially related to the completion of some work phases related to the execution of the works of Line 5 of the Milan underground.
With reference to the European area, on the other hand, we can point out, (i) a definite increase related to the greater production volumes from the Third Bosphorus Bridge in Turkey, substantially offset (ii) by the reduction recorded in the Russian area due to the completion of the works for the construction of Pulkovo International Airport in St. Petersburg.
As for the American area we can point out a significant decrease related to the substantial completion of the contract work in progress in Honduras (road works) and Chile ("Relaves" project), partially offset by the greater volumes recorded with reference to the Cerro del Águila (Peru) and Muskrat Falls (Canada) hydroelectric projects.
On an international level we can likewise point out (i) an increase in consumption in the Algerian area (Saida-Tiaret Railway) directly related to the higher production volumes recorded during 2014 and (ii) the reduction recorded in the Asian area.

4. Service costs: EUR 1,488,958 thousand (EUR 1,403,297 thousand)

Service costs totalling EUR 1,488,958 thousand rose by EUR 85,661 thousand compared to 2013. This item consists of the following:

	31/12/2014	31/12/2013	Difference
Consortium costs	191,953	211,287	(19,334)
Subcontracts and other services	1,073,294	941,051	132,243
Technical, administrative and legal consultancy	100,613	122,342	(21,729)
Directors' and statutory auditors' fees	3,664	3,816	(152)
Utilities	11,303	14,012	(2,709)
Travel and transfers	5,838	5,775	63
Insurance	24,575	20,679	3,896
Leases and other costs	29,020	47,879	(18,859)
Lease and building management costs	9,465	8,196	1,269
Maintenance of third party assets	732	682	50
Other	38,501	27,578	10,923
Total	**1,488,958**	**1,403,297**	**85,661**

Consortium costs related to the execution of works, in association with other enterprises in the segment, show a decrease of EUR 19,334 thousand compared to the previous year, mainly due: (i) to the lower contribution of initiatives for construction works of the Pedemontana Motorway and Line C of the Rome underground; (ii) only partially offset by the increase recorded in Poland for construction works on the Łódź Fabryczna Station.
On the other hand, with regard to the item "Subcontracts and other services", up compared to the previous year by EUR 132,243 thousand, the geographical breakdown is shown below:

	31/12/2014	%	31/12/2013	%	Difference
Italy	238,067	22.18%	308,738	32.81%	(70,671)
Europe	541,152	50.42%	431,992	45.91%	109,160
America	210,290	19.59%	129,847	13.80%	80,443
Africa	54,711	5.10%	33,410	3.55%	21,301
Asia	29,074	2.71%	37,064	3.94%	(7,990)
Total	**1,073,294**	**100.00%**	**941,051**	**100.00%**	**132,243**

The changes of this item substantially reflect production trends in the year which, as specified in note 1, show a growth in volumes for works being executed in Turkey (Third Bosphorus Bridge), Poland (Kraków-Balice Airport, Kraków-Balice Railway, Warsaw underground Line 2, Łódź Fabryczna Station), Romania (Bucharest underground Line 4, Arad Nadlac Motorway Lot 1, Mihai Bravu Overpass), Algeria (railway works) and on the hydroelectric projects in Canada (Muskrat Falls) and Peru (Cerro del Águila), partially offset by the effects of the reduction of the amounts for contract work in progress in Italy and Asia.
On the other hand we should point out the decrease compared to the previous year of costs for technical, administrative and legal consulting recorded basically with reference to the contract work in progress on a domestic level, and in Poland, Peru, Russia and Turkey.

With reference to significant decrease in the foreign sector we should observe that the higher volumes recorded during 2013 were especially attributable to the start-up phase and start-up of the production stage of the new projects, involving especially significant legal and financial assistance activities for defining the work contracts as well as the planning of the works.
We should likewise point out a fall leases and other costs mainly attributable to; (i) the domestic area and especially to the reduction of the amounts recorded for the Parma-La Spezia and Line 5 of the Milan underground contracts; and (ii) the Russian area due to the substantial completion of the works for Pulkovo International Airport in St. Petersburg.
The difference in the item "Other" is largely due to the costs incurred to cover contract obligations secondary to the construction of the works, required by the contract for the construction of the Western High-Speed Diameter in St. Petersburg, Russia

5. Personnel expenses: EUR 420,006 thousand (EUR 320,512 thousand)

This item consists of the following:

	31/12/2014	31/12/2013	Difference
Wages and salaries	302,675	220,949	81,726
Social security contributions	65,039	44,673	20,366
Other costs	48,640	52,666	(4,026)
Other post-employment benefits	2,327	774	1,553
Cost of share-based payments	1,325	1,450	(125)
Total	**420,006**	**320,512**	**99,494**

Other costs mainly refer to expenses incurred for employee training, costs for board and lodging, and the accrual for post-employment benefits, such as the defined benefit plan, as specified by IAS 19.
The accrual for post-employment benefits in the defined benefit plans is recognised in the item "other post-employment benefits".
There follows the geographical breakdown of personnel expenses:

	31/12/2014	%	31/12/2013	%	Difference
Italy	97,597	23.24%	111,899	34.91%	(14,302)
Europe	84,336	20.08%	85,102	26.55%	(766)
America	215,187	51.23%	96,692	30.17%	118,495
Africa	21,677	5.16%	21,398	6.68%	279
Asia	1,209	0.29%	5,421	1.69%	(4,212)
Total	**420,006**	**100.00%**	**320,512**	**100.00%**	**99,494**

With regard the geographical breakdown of personnel expenses, there is a significant increase in the foreign sector related to the contract work in progress in Canada, and more specifically the Muskrat Falls hydroelectric plant in which, due to the overall complexity of the project, a type of organisation using more direct works was required.

Average number of employees

The average number of employees by category is as follows:

Composition of personnel	31/12/2014	31/12/2013	Difference
Managers	274	235	39
Junior managers	188	187	1
White collars	3,145	3,214	(69)
Blue collars	5,995	5,942	53
Total	**9,602**	**9,578**	**24**

In 2014 the Group had an average workforce of 9,602 employees. On an aggregate basis, the figure is perfectly in line with the previous year, confirming the prevalence of personnel employed abroad (88.5% of the total), due to the significance of sales produced outside of Italy, but also to the presence abroad of a larger number of contracts in progress that involve direct works

Senior management incentive plan

Stock grant plan

The item "Share-based payments" comprises the valuation of an incentive plan for senior managers linked to the achieving of specific financial targets. The main features of the plan are described here.

The Plan consists of assigning to the Beneficiaries (Chief Executive Officer and General Managers) Astaldi shares free of charge. Six Beneficiaries have been identified: the CEO and five General Managers. The assignment period refers to the 2013-2015 three-year period.

The CEO can be assigned a maximum number of 100,000 shares for each year of validity of the plan, and each General Manager can be assigned, free of charge, a maximum number of 40,000.

The maximum number of shares that can be assigned as a whole to the Beneficiaries during each year will equal 300,000 and they cannot exceed 900,000 shares during the three-year period of validity of the plan.

Assignment of the shares is subordinated every year to the Company's achievement of the financial performance targets defined annually by the Board of Directors; the date of assignment of the shares, for the purposes of the Regulation, means the date of the resolution by which the Board of Directors ascertains the reaching of these targets and upon the occurrence of the aforesaid required conditions, consequently assigns the shares to the Beneficiaries.

In connection with what has been described up to this point, the implementation of the plan has determined a cost of EUR 1,325 thousand, with a balancing entry in an equity reserve.

There follow the actuarial assumptions regarding the measurement of the plan:

- Dividend rate: 3.22%;
- Volatility: 28%;
- Risk free rate: deducted from Euroswap rates at the valuation date.

The following probabilities of reaching the performance targets have likewise been hypothesised:

- 90% for 2014;
- 85% for 2015.

Short-term management by objectives (MBO) incentive plan

The Board of Directors of the Parent of 14 May and 27 June 2013, after positive evaluation of the Remuneration Committee, approved a short-term incentive plan with assignment to the Chairman and the CEO, in relation to the achieving of specific targets by 2014.

The maximum amount of the bonus to be paid upon achieving the set targets totals EUR 1,700 thousand.

At the end of the previous year the "RATING" target was deemed to have been achieved, with consequent assignment to the beneficiaries of the corresponding part of the bonus payable, totalling EUR 910 thousand.
With reference to the further target, due to the completion of a series of disposals defined on the basis of the guidelines of the 2012-2017 Business Plan, it is pointed out that the hypothesis of a bonus suggested at that time for this target is now deemed no longer applicable, as stated in the minutes of the Board of Directors' meeting of 17 December 2014.
It is pointed out that in relation to the new disposals plans, which seem to have a much broader scope than hypothesised in the 2012-2017 Business Plan, the Parent's Board of Directors is studying a new *MBO for the adjustment of timing and amounts connected with the new incentive plan in accordance with new development forecasts.*

6. Amortisation, depreciation and impairment losses: EUR 70,633 thousand (EUR 85,235 thousand)

Amortisation, depreciation and impairment losses totalling EUR 70,633 thousand decreased in absolute terms compared to the previous year by EUR thousand 14,602.
This item consists of the following:

	31/12/2014	31/12/2013	Difference
Amortisation	23,597	27,959	(4,362)
Depreciation	42,490	43,202	(712)
Impairment losses	3,724	13,927	(10,203)
Impairment losses on receivables	822	147	675
Total	**70,633**	**85,235**	**(14,602)**

The item amortisation is essentially attributable to the Turkish area and especially management of the Milas-Bodrum International Airport (EUR 21,602 thousand).
The slight decrease in depreciation is recorded, especially, with reference to contract work in progress on a domestic level where production volumes recorded during 2014 are lower compared to the previous year.
The item "Impairment losses" totalling EUR 3,724 thousand essentially regards impairment losses on intangible concession rights for the management of Milas Bodrum Airport in Turkey, applied as a result of the impairment test conducted in 2014, as further remarked in note 17 below.
With regard to measurements of the impairment losses on receivables, it is pointed out that the impairment losses applied during 2014 have taken into account the substantially conclusive results of the activities undertaken on a domestic level, especially with reference to the plant engineering, maintenance and management of complex systems segment.

7. Other operating costs: EUR 37,252 thousand (EUR 43,293 thousand)

Other operating costs total EUR 37,252 thousand and show a decrease of EUR 6,041 thousand compared to the previous year.
Details are shown in the following table:

	31/12/2014	31/12/2013	Difference
Provision for risks and charges	1,534	4,463	(2,929)
Prior year expense and fair value losses	3,948	3,525	423
Tax expense	7,683	12,681	(4,998)
Other administrative and sundry costs	24,087	22,624	1,463
Total	**37,252**	**43,293**	**(6,041)**

The item "Provision for risks and charges", which totalled EUR 4,463 thousand in the previous year, refers to items recorded on a domestic level directly connected with previous operating situations where the proposed completion involved the estimate of probable charges to be incurred.
The decrease of the item "Tax expense" is largely attributable to the Algerian area which in 2013 had incurred tax expense related to the acquisition of rights for the exploitation of concessions for the extraction of aggregate from quarries, mainly used for the production of concrete to be used for railway projects in progress.

8. Internal costs capitalised: EUR 516 thousand (EUR 1,652 thousand)

The item comprises capitalised costs incurred for the in-house construction of non-current assets, especially on a domestic level.

9. Financial income: EUR 98,286 thousand (EUR thousand 96,827)

Financial income rose compared to the previous year by EUR1,459 thousand and consists of the following:

	31/12/2014	31/12/2013	Difference
Income from associates and Joint ventures	753	1,153	(400)
Income from financial transactions with banks	3,384	3,462	(78)
Commissions on sureties	2,039	5,620	(3,581)
Exchange rate gains	56,121	28,453	27,668
Financial income on leases	1,534	665	869
Income from derivatives	808	1,501	(693)
Interest income on financial assets from concession activities	2,001	4,859	(2,858)
Other financial income	31,646	51,114	(19,468)
Total	**98,286**	**96,827**	**1,459**

The item "other Financial income" basically comprises: (i) the amount of default interest payable by single customers for a total of EUR 20,105 thousand, for contract work in progress in Italy and abroad; (ii) the interest on the loans granted to associates, Joint ventures and partners in joint initiatives totalling EUR 8,580 thousand.
This item has decreased compared to the previous year substantially due to the default interest recorded in 2013 on the contract work in progress in Venezuela, details of which are analysed in the notes to the 2013 consolidated financial statements.
We can also point out, with regard to currency management, an increase in exchange rate gains, mainly involving the European area.
Finally, with regard to the item "Interest income on financial assets from concession activities" it should be pointed out that during first half of 2013 this item also included the effects provided by the "Car Parks Business Unit" (consisting of the following car parks: "Riva Reno" and "Piazza VIII Agosto" in Bologna, "C.so Stati Uniti" and "Porta Palazzo" in Turin, "P.zza Cittadella" in Verona). To this end, it should be recalled that starting from 1 July 2013 the income statement items related to this Business Unit are restated under Profit (Loss) from discontinued operations as further remarked in note 13 below.

10. Financial expense: EUR 237,156 thousand (EUR 208,365 thousand)

Financial expense rose compared to the previous year by EUR 28,791 thousand and consist of the following.

	31/12/2014	31/12/2013	Difference
Interest on bonds	59,169	9,239	49,930
Commissions on sureties	37,636	31,579	6,057
Expense on financial transactions with banks	41,614	55,130	(13,516)
Exchange rate losses	30,045	68,057	(38,012)
Expense on derivatives	7,353	10,691	(3,338)
Fair value losses on the derivative embedded in convertible bonds	245	4,389	(4,144)
Lease expenses	1,486	728	758
Interest for extended payment terms on trade items	5,463	5,794	(331)
Factoring of receivables without recourse	8,038	9,699	(1,661)
Discount expense	35,974	0	35,974
Other financial expense	9,892	12,764	(2,872)
Total	**236,915**	**208,070**	**28,845**
Impairment losses on equity investments	31	(1)	32
Impairment losses on securities and loans and receivables	210	296	(86)
Total	**241**	**295**	**(54)**
Total financial expense	**237,156**	**208,365**	**28,791**

Among the main changes for the year there are higher amounts for the following:

- Interest on senior unsecured bonds (EUR 49,395 thousand) issued starting from the second half of 2013 (for detailed information on these bond issues refer to note 28);
- Interest on convertible bonds (EUR 535 thousand) issued by the Group in January 2013;
- Expense recognised after the process for discounting a proportional amount of receivables for the sections of the Venezuelan railways EUR 35,974 thousand;
- The increase in commitments for performance bonds deriving from the increased average value of the contracts concerning the Group, above all with regard to the foreign sector. This has produced higher commissions on sureties totalling EUR 6,057 thousand recognised, in particular, with reference to the Muskrat Falls hydroelectric project in Canada.

On the other hand there has been a exchange rate losses for:

- currency management of EUR 38,012 thousand, mainly referring to Europe, as well as the amount attributable to the previous devaluation of the strong Bolivar by the Venezuelan Government in early 2013;
- expense on financial transactions with banks, totalling EUR 13,516 thousand substantially due to the different financial structure of the Group compared to the previous year, reflecting the benefit of the bonds placed in 2013 and in the first half of 2014.

The item discount expense refers to receivables for the railway work in progress in Venezuela and namely: (i) Chaguaramas-Cabruta and (ii) San Juan de Los Morros-San Fernando de Apure.

This item was calculated thanks to a complex process of discounting related to the lack of financial coverage of these investments in the State budget for 2015. Therefore, a different timeframe for relative payments can be assumed on the basis of possible operating and financial rescheduling of the country's infrastructure system.

The rate applied to the nominal amounts of receivables subject to discounting was established on the basis of the macroeconomic items specifically referring to Venezuela. In particular, this takes into account Country Risk, expected inflation rate and the price of bonds denominated in strong currencies and issued by the Venezuelan Government.

It should be pointed out, however, that the institutional initiatives taken in 2014 reflect the importance for the country of the rail transport infrastructure works. This confirms that in the medium term we can in any case expect the complete settlement of all the contract amounts coming due.

With regard to the composition of the item "Other financial expense" it should be pointed out that this basically refers to: (i) EUR 3,383 thousand for commissions on borrowing (e.g. agency, commitment etc.); (ii) the tranche of EUR 5,887 thousand, after a settlement agreement with the customer, for previous contested items regarding charges made by the

Parent for default interest accruing on receivables assigned to activities undertaken over time in areas of East Africa, now no longer operational.

11. Net gains on equity-accounted investees: EUR 34,769 thousand (EUR 7,386 thousand)

The share of gains/(losses) on equity accounted investees rose by EUR 27,383 thousand compared to the previous year and consists of the following:

	31/12/2014	31/12/2013	Difference
Associates	38,459	7,801	30,658
Joint ventures	(3,690)	(415)	(3,275)
Total	**34,769**	**7,386**	**27,383**

The increase of EUR 27,383 thousand is essentially due to returns of guaranteed interest arising from the development of important initiatives regarding transport infrastructures (Underground Lines, Motorways) in the concessions segment.
The balance of the item in 2014 especially refers to the following: (i) EUR 16,325 thousand for the design, construction and operation of the Third Bosphorus Bridge; (ii) EUR 12,661 thousand for the company M5 S.p.A., operator of Line 5 of Milan underground; (iii) EUR 5,653 thousand for Otoyol Yatirim Ve Isletme A.S, concession holder for the design, construction and operation of the new Gebze-Orhangazi-Izmir motorway in Turkey.
It is likewise pointed out that the Group, while having no direct obligations for recapitalisation, has fully taken on its own share of the losses in Joint ventures and associates, both for the year (EUR 17 thousand) and accumulated (EUR 1,109 thousand), even if such amounts are equal to or higher than the Group's stake in these companies.

12. Tax expense: EUR 47,980 thousand (EUR 54,817 thousand)

The overall amount of tax for the year was EUR 47,980 thousand.
The tax rate for the year, including the impact of IRAP, is 37% (2013: 42%). The decrease, compared to the previous year, reflects the different geographical mix of the business and comprises the tax effects related to some foreign countries where the Group operates.

	31/12/2014	31/12/2013	Difference
Current income tax (*)	58,959	40,130	18,829
Deferred income tax (*)	(17,562)	11,105	(28,667)
IRAP, current	5,820	6,124	(304)
IRAP, deferred	158	(35)	193
Substitute tax and other	605	(2,507)	3,112
Total	**47,980**	**54,817**	**(6,837)**

(*) Income tax refers to IRES for Italy and similar taxes for other countries.

The change in deferred taxes mainly regards: (i) the effects of certain tax systems for long-term contracts in some of the foreign countries where the Group operates; as well as (ii) the tax position for the discounted receivables in Venezuela, applied as already noted in note 8.
There follows a breakdown of deferred tax assets totalling EUR 30,611 thousand and Deferred tax liabilities totalling EUR 11,402 thousand.

Statement of financial position	31/12/14 *IRES*	31/12/14 *IRAP*	31/12/13 *IRES*	31/12/13 *IRAP*
a) Deferred tax assets deriving from:	**49,570**	**283**	**34,561**	**415**
- Taxed provisions for risks	14,940	283	5,981	280
- Taxed allowance for impairment - default interest	2,347	0	194	0
- Exchange rate differences	11,595	0	17,365	0
- Tax losses	3,709	0	423	0
- Other minor items	16,979	0	10,598	135
b) Deferred tax liabilities deriving from:	**(30,112)**	**(532)**	**(28,283)**	**(532)**
- Buildings recognised at fair value in substitution of cost	(3,752)	(532)	(3,752)	(532)
- Dividend taxable share	(180)	0	(196)	0
- Default interest to be collected	(18,836)	0	(16,658)	0
- Foreign items taxable in subsequent years	(10,292)	0	(10,850)	0
- Other + hedging reserve	2,948	0	3,173	0
c) Net deferred tax assets (a + b)	**19,458**	**(249)**	**6,278**	**(117)**
d) Deferred taxes for the year recognised in profit or loss	**(17,562)**	**158**	**11,105**	**(35)**

As regards the recognition and measurement of deferred tax assets deriving from tax losses – mainly recognised with regard to the subsidiary Valle Aconcagua S.A – it must be noted that the item in question was recognised in so far as there is considerable evidence that this investee will generate a future taxable income that will allow for offsetting in the medium-term of tax losses accrued during project start-up.
To this end, it must be noted that the check in question was conducted by examining forecast earnings obtained from the financial plan approved by the board of the subsidiary holding the concession for the construction and management of a plant to recover the copper and molybdenum contained in sludge from the mines belonging to “Codelco” (Chile’s National Copper Corporation).
Reconciliation, for tax purposes only, between tax recognised in the accounts (current and deferred) and the theoretical tax resulting from the application of the current tax rate in Italy (27.5%) to the pre-tax profit is the following:

	31/12/2014	%	31/12/2013	%
Pre-tax profit	**130,731**		**129,956**	
Theoretical income tax	35,951	27.50%	35,738	27.50%
Net effect of permanent increases (decreases)	(4,177)	(3.20%)	5,055	3.89%
Net effect of deferred and current taxation of foreign entities and other adjustments	9,623	7.36%	10,442	8.04%
Substitute tax and other	605	0.46%	(2,507)	(1.93%)
IRAP (current and deferred)	5,978	4.57%	6,089	4.69%
Income tax recognised in financial statements (current and deferred)	**47,980**	**36.70%**	**54,817**	**42.18%**

13. Profit (Loss) from discontinued operations: EUR -2,006 thousand (EUR -4,575 thousand)

This item comprises expense and income, net of tax, recorded on a cumulative basis in relation to the Car Parks Business Unit of Astaldi Concessioni classified as a discontinued operation starting from the second half of 2013. More in detail, the Group, through its subsidiary Astaldi Concessioni S.p.A., signed an agreement in 2013 for the sale to a group of institutional investors of 95% of the companies AST VT S.r.l. and AST B S.r.l. holders of the concessions for the “Car Parks Business Unit” (consisting of the following car parks: “Riva Reno” and “Piazza VIII Agosto” in Bologna, “C.so Stati Uniti” and “Porta Palazzo” in Turin, “P.zza Cittadella” in Verona) which involved the closing of the transaction by the first half of 2014.

In 2014, the transfer of the shares in the companies concerned was duly completed upon the occurrence of the conditions precedent contained in the agreement.

	01/01/14-18/07/14	01/07/13-31/12/13	Difference
Revenue	332	377	(45)
Reversal of impairment losses	27	0	27
Production costs	(102)	(93)	(9)
Personnel expenses	(36)	(39)	3
Impairment losses	0	(8,239)	8,239
Other operating costs	(373)	(321)	(52)
Operating profit	**(152)**	**(8,315)**	**8,163**
Net financial income (expense)	(2,324)	1,543	(3,867)
Pre-tax loss	**(2,476)**	**(6,772)**	**4,296**
Tax expense	469	2,197	(1,728)
Loss	**(2,006)**	**(4,575)**	**2,569**

With regard to the profit and loss items recognised for the Car Parks Business Unit, it is pointed out that they express accounting effects based on:

- The ordinary management of the car parks in the year, showing a positive result of EUR 82 thousand;
- The restatement, totalling EUR -2,116 thousand, from other items in comprehensive income of the net balance of the hedging reserve recorded at the time of sale of the shares in the companies involved;
- Reversal of impairment loss on the net investments for the parking facilities recognised after the new fair value measurement at the closing of the contracts for the sale of the investment stake, totalling EUR 27 thousand.

14. Earnings per share: EUR 0.83 (EUR 0.69)

Basic earnings per share are calculated as follows:

	31/12/2014	31/12/2013
Numerator (EUR/000)		
Profit attributable to the ordinary shareholders of the parent	81,559	67,337
Denominator (in units)		
Weighted average shares (all ordinary)	98,424,900	98,424,900
Weighted average treasury shares	(538,435)	(544,024)
Weighted average shares used to calculate basic earnings per share base	**97,886,465**	**97,880,876**
Basic earnings per share - (Euro)	**0.8332**	**0.6879**

The diluted earnings per share (EUR 0.7453) were calculated by dividing the profit for the year attributable to the ordinary shareholders of the Parent – adjusted by the amount of the revenue items that it is assumed will not be incurred after conversion of the potential ordinary shares (EUR 4,845 thousand) – by the weighted average Astaldi S.p.A. shares in circulation in the year, excluding treasury shares, incremented by the weighted average shares that could potentially be placed in circulation (No. of shares 18,040,007) in relation to:

(i) Share option plans for key management personnel, and more precisely the shares already assigned to the beneficiaries and awaiting delivery, referring to the period 2011-2013, and those that could be assigned for 2014;

(ii) The possible exercise of the conversion option for the Equity Linked bond issue of EUR 130,000 thousand, placed with qualified Italian and foreign investors in January 2013. To this end it is pointed out that the bonds could become convertible at a fixed conversion price of EUR 7.3996, into existing or newly issued ordinary shares of the Company after a year has elapsed from the issue. The Parent shall be entitled to settle any eventual conversion by cash payment or a combination of ordinary shares and cash.

15. Property, plant and equipment: EUR 223,111 thousand (EUR 203,973 thousand)

During the year property, plant and equipment increased by EUR 19,138 thousand, reflecting the effects of new investments totalling EUR 74,223 thousand.
There follows the statement of property, plant and equipment held at the beginning and the end of the year, with the changes that occurred:

	Land and buildings	Generic and specific plant	Excavators, power shovels and Vehicles	Sundry equipment and machines	Assets under construction and payments on account	Total
Amount at 31.12.13, net of depreciation (1)	43,902	84,436	41,850	22,805	10,980	203,973
Additions from acquisitions	178	23,662	15,755	15,646	18,982	74,223
Gross amount	**44,079**	**108,098**	**57,606**	**38,451**	**29,962**	**278,196**
Depreciation	(1,240)	(15,386)	(14,494)	(11,333)	0	(42,452)
Other disposals	(240)	(8,558)	(1,852)	(1,695)	(57)	(12,402)
Reclassification and transfers	86	(1,020)	2,816	4,234	(6,116)	0
Net exchange rate gains (losses)	192	52	177	(587)	(88)	(255)
Change in consolidation scope and other changes	(11)	191	(14)	(102)	(41)	24
Amount at 31.12.14, net of depreciation (2)	**42,867**	**83,378**	**44,238**	**28,969**	**23,660**	**223,111**
(1) of which at 31/12/2013						
- Cost	54,840	162,164	136,641	81,431	10,980	446,055
- Accumulated depreciation	(10,938)	(77,728)	(94,790)	(58,626)	0	(242,082)
Carrying amount	**43,902**	**84,436**	**41,850**	**22,805**	**10,980**	**203,973**
(2) of which at 31/12/2014						
- Cost	55,071	167,567	144,726	87,334	23,660	478,358
- Accumulated depreciation	(12,204)	(84,190)	(100,487)	(58,365)	0	(255,246)
Carrying amount	**42,867**	**83,378**	**44,238**	**28,969**	**23,660**	**223,111**

It must be noted that Assets under construction and payments on account mainly includes the costs incurred to purchase equipment – not yet ready for their assigned use – specifically designed to perform some specific operating phases regarding construction of the Western High-Speed Diameter in St. Petersburg, Russia and Line 4 of Bucharest underground in Romania.
Among the most significant changes the following are pointed out:

- The increases of EUR 74,223 thousand mainly regard the investments made in contract work in progress in Canada and Russia;
- Depreciation for the year totalling EUR 42,452 thousand;
- The disposals made in the year totalled EUR 12,402 thousand and mainly regard the disposal of the assets of contracts being completed in Arabia, Italy and Central America.

The amount of property, plant and equipment comprises a component of leased assets amounting to EUR 22,415 thousand as shown below:

Amount at 31.12.2014, net of depreciation	Land and buildings	Specific plant	Excavators, power shovels and Vehicles	Sundry equipment and machines	Total
Historical cost	1,196	11,097	16,882	2,164	31,339
Accumulated depreciation	(120)	(4,331)	(3,797)	(676)	(8,924)
Carrying amount	**1,076**	**6,766**	**13,085**	**1,488**	**22,415**

16. Investment property: EUR 1,054 thousand (EUR 1,086 thousand)

The item investment property, totalling EUR 1,054 thousand, comprises the amount of land and buildings held for investment purposes, with a substantially stable amount compared to the previous year, basically decreasing due to the normal rate of depreciation (EUR 38 thousand). With regard to the amount of the fair value, it is pointed out that given the lack of reliable indicators and the low significance of the investments in question, it was not deemed necessary to list a precise measurement nor a range of fair values.

17. Intangible assets: EUR 32,555 thousand (EUR 58,971 thousand)

Net intangible assets consist of the following:

	31/12/14	31/12/13	Difference
Intangible assets – Rights to infrastructures under concession	14,527	39,535	(25,008)
Goodwill	14,745	14,745	0
Other assets	3,283	4,691	(1,408)
Total	**32,555**	**58,971**	**(26,416)**

Intangible assets – Rights on infrastructures under concession: EUR 14,527 thousand (EUR 39,535 thousand)

This item exclusively comprises the value of the investment for the construction of Milas-Bodrum International Airport in Turkey.
With regard to this initiative, it should be pointed out that the passenger traffic volumes recorded for 2014 were lower than expected, and the management of the subsidiary Mondial Milas Bodrum S.A., operator of the aforesaid initiative, drew up a new Business Plan reflecting the new development plans hypothesised for the year 2015, using a more conservative estimate of cash flow forecasts based on the growth rates of the average number of passengers in transit measured on a historical basis in the years 2013-2014 and projected onto the residual period of the concession.
This circumstance, as a specific impairment indicator, involved the conducting of an impairment test in order to measure the extent to which the investment can be recovered in accordance with IAS 36.
The recoverable amount of the investment was thus identified on the basis of the value in use of the Cash Generating Unit, referring to the aforesaid concession, calculated by discounting the available cash flows for the shareholder (DCF for the shareholder) on the basis of the new Business Plan approved by the Board of Directors of the Subsidiary.
For the purposes of application of this method, the discount rate of expected cash flows (Ke-cost of equity) adopted for the estimate of the recoverable amount of the CGU was defined as being 10.9%.
The result of the impairment test conducted by the management of the subsidiary resulted in a net impairment loss on intangible concession rights totalling EUR 3,409 thousand reflected in the item “impairment losses” of the income statement.

It must be noted that the sensitivity analysis performed highlights that the +5%/-5% change of the growth rate for revenue would correspond to a change of approximately EUR 733/(733) thousand in the project's economic value.

Intangible assets – Goodwill: EUR 14,745 thousand (EUR 14,745 thousand)

This item does not show changes compared to the previous year. In particular the amount of EUR 14,745 thousand comprises the following:

- EUR 11,634 thousand for goodwill recognised following the acquisition of the BUSI IMPIANTI, business unit, completed in 2012, with reference to the plant and maintenance segment, allocated to the *Cash Generating Unit "Plant and maintenance"*, which comprises the assets of NBI and its investees. This combination represents the basic reference unit within the Group for which goodwill is monitored by management for management purposes, and thus to determine whether or not to include it in the financial statements.
  At the end of the year, the impairment test was performed on the carrying amount of the CGU by comparison with the relative recoverable amount. In particular, the recoverable amount of the CGU was considered to be equal to the value in use calculated using the Discounted Cash Flow (DCF) method, using the future cash flows forecast by company management. For the purposes of application of this method, the financial plan approved by the Board of Directors of the subsidiary for the period 2015-2017 was used. The rate used to discount the cash flows was 8.5% (WACC).
  The result of the impairment test confirmed the full recoverability of the goodwill recognised for the CGU "plant and maintenance". Therefore no impairment was applied.
  It is likewise pointed out that the sensitivity analysis conducted shows that the reasonable change in the measurement of the financial parameters used to calculate the discount rate has no significant impact on the results of the estimate.
- EUR 3,111 thousand for goodwill recognised, as already mentioned in the "business combinations" section of these Notes to the financial statements, following the acquisition of T.E.Q Construction Enterprise Inc. which was allocated to the Cash Generating Unit involving the Investee alone. This is because it is believed that the CGU will generate cash inflows deriving from the continuation of its business activities, quite independent from those from other Group activities.
  At the end of the year, the impairment test was conducted on the carrying amount of the CGU through comparison with the recoverable amount. In particular, the recoverable amount of the CGU was considered to equal the fair value identified by the market method using multiples of comparable companies, applied to the 2014 EBITDA, as stated in the IFRS Reporting Package approved by the Board of Directors of the investee. The multiple used is the Enterprise Value/EBITDA ratio recognised as the "Average without outliers" on a sample of comparable companies. The implicit goodwill was thus calculated by adjusting the Enterprise Value to take into account the net invested capital.
  The result of the impairment test on goodwill, undertaken after the acquisition of T.E.Q. Construction Enterprise Inc., did not involve the need to apply impairment.

Other assets: EUR 3,284 thousand (EUR 4,691 thousand)

The following table shows the changes of the item with no leased assets being present.

	Intellectual property rights	Contract and other assets rights	Total
Amount at 31.12.2013, net of amortisation (1)	**770**	**3,921**	**4,691**
Additions from acquisitions	555	32	587
Gross amount	**1,325**	**3,953**	**5,279**
Amortisation	(525)	(1,470)	(1,995)
Amount at 31.12.2014, net of amortisation (2)	**800**	**2,484**	**3,284**

	Intellectual property rights	Contract and other assets rights	Total
(1) of which at 31/12/2013			
- Cost	2,521	11,783	14,304
- Accumulated amortisation	(1,751)	(7,861)	(9,613)
Carrying amount	**770**	**3,921**	**4,691**
(2) of which at 31/12/2014			
- Cost	2,746	11,700	14,446
- Accumulated amortisation	(1,946)	(9,216)	(11,163)
Carrying amount	**800**	**2,484**	**3,284**

The item Contract and other assets rights comprises mainly (EUR 1,857 thousand) the net amount of the rights acquired by third parties, mainly on a domestic level (Ospedale del Mare Hospital in Naples), for the execution of contracts in the construction segment. This item is substantially stable compared to the previous year and the changes are mainly due to the normal amortisation rate (EUR 1,470 thousand).

18. Equity investments: EUR 436,909 thousand (EUR 384,151 thousand)

The amount of investment in associates, Joint ventures and other enterprises net of accumulated impairment totals EUR 436,909 thousand, up by EUR 52,758 thousand compared to 2013.

	31/12/14	31/12/13	Difference
Equity investments measured at cost	3,290	2,032	1,258
Equity-accounted investments	433,619	382,119	51,500
Total	**436,909**	**384,151**	**52,758**

With regard to this item, it is pointed out that the main changes occurring in the year, besides the overall economic effects resulting from equity-accounted investments, are related to the following main factors:

- Capital injections, totalling EUR 31,289 thousand, made in relation to the SPV “Otoyol Yatirim Ve Isletme A.S.”, an entity set up under Turkish law that will develop the concession for the design, construction and operation of the new Gebze-Orhangazi-Izmir motorway in Turkey;
- Capital injections, totalling EUR 24,952 thousand, made in relation to the Turkish entity that is developing the concession for the design, construction and operation of the Third Bosphorus Bridge;
- The decrease in the carrying amount of the investment in A4 Holding (EUR 43,909 thousand) recognised due to the merger of the subsidiary A.I.2 S.r.l. into Re.Consult Infrastrutture S.p.A., as already mentioned in more detail herein, and essentially due to the accounting offset of the investment share pertaining to the non-controlling shareholders of A.I.2.

It should furthermore be pointed out that during the year, considering the presence of impairment indicators, an impairment test was conducted on the investment in the company Metro 5 S.p.A.

The recoverable amount of Metro 5 S.p.A. was considered as equal to the relative value in use calculated by the “Dividend Discount Model” (DDM) model, discounting the flows of future dividends expected from operations at a rate of 8.3%, representing the Ke (cost of equity) of this company. For the purposes of application of this method, the financial plan of the associate was projected over the duration of the concession held by that company (2015-2040).

The result of the impairment test did not show any need to impair the carrying amount of the investment. Moreover, it is pointed out that the sensitivity analysis performed highlights how the change in the measurement of the discount rate (+50/-50 bps) does not significantly affect the estimate results.
With regard to impairment losses on other investments recognised in these consolidated financial statements, we do not believe that any indicators of impairment have emerged to determine the need for further specific tests.
Finally, it is pointed out that the carrying amounts of the investments, as in the previous year, are shown net of the capital proceeds still to be paid in for quotas and/or shares subscribed.

Information on the main Joint ventures and Investees

The following table shows the main financial data derived from the IFRS Reporting Packages of the main Joint ventures and equity-accounted Investees.
It is likewise pointed out that the data on equity and overall profit shown in the tables below include, when applicable, the component related to non-controlling stakes.

Main financial data at 31/12/2014 of Associates and Joint Ventures

Amounts at 31/12/14	Re.Consult Infrastrutture (*)	Ankara Etlik Hastante (**)	Non-significant JVs	Total Joint Ventures	Otoyol Yatirim Ve Isletme A.S.	ICA Ic Ictas Astaldi - 3rd Bridge	Pacific Hydro Chacayes	Metro 5	Metro C	Veneta Sanitaria	Non-significant Investees	Total Associates	Total Associates and Joint Ventures
Statement of financial position													
Non-current assets	2,119,075	7,509	2,927	**2,129,511**	1,823,272	1,190,105	353,607	623,876	11,443	121,502	298,999	**4,422,804**	**6,552,315**
Current assets	214,431	5,234	22,148	**241,813**	105,857	227,350	30,157	115,960	290,846	85,102	810,669	**1,665,942**	**1,907,755**
Total assets	**2,333,506**	**12,742**	**25,075**	**2,371,324**	**1,929,129**	**1,417,456**	**383,764**	**739,836**	**302,289**	**206,605**	**1,109,668**	**6,088,746**	**8,460,070**
Non-current liabilities	520,951	(0)	0	**520,951**	877,810	1,137,793	263,184	294,758	2,351	120,548	144,269	**2,840,714**	**3,361,665**
Current liabilities	836,117	11,261	25,605	**872,982**	503,364	52,090	25,821	381,570	242,921	41,875	856,817	**2,104,456**	**2,977,439**
Equity	976,439	1,481	(529)	**977,391**	547,955	227,573	94,759	63,508	57,018	44,182	108,582	**1,143,576**	**2,120,967**
Total assets and liabilities	**2,333,506**	**12,742**	**25,075**	**2,371,324**	**1,929,129**	**1,417,456**	**383,764**	**739,836**	**302,289**	**206,605**	**1,109,668**	**6,088,746**	**8,460,070**
Income statement													
Revenue	561,040	1,406	630	**563,076**	712,552	721,653	67,091	107,652	163,282	53,361	383,698	**2,209,288**	**2,772,364**
Amortisation, depreciation and impairment losses	(141,080)	(1)	0	**(141,082)**	0	0	(6,712)	(197)	(6,636)	(93)	(2,395)	**(16,034)**	**(157,116)**
Operating profit	64,212	575	62	**64,850**	41,664	103,941	14,034	26,949	2,487	7,824	(390)	**196,509**	**261,359**
Financial income and expense	(48,946)	(353)	(73)	**(49,372)**	(3,713)	(44,023)	(16,238)	13,564	(1,536)	4,617	8,772	**(38,557)**	**(87,928)**
Tax expense	(10,254)	0	(15)	**(10,269)**	(7,980)	(10,939)	(766)	(7,898)	(950)	(4,157)	(3,342)	**(36,032)**	**(46,301)**
Profit (loss) for the year	5,012	222	(25)	**5,209**	29,971	48,979	(2,970)	32,615	0	8,284	5,041	**121,920**	**127,129**
Other comprehensive income (expense)	(1,008)	997	(12)	**(23)**	10,446	31,350	(8,293)	(7,100)	0	(6,081)	(7,491)	**12,831**	**12,808**
Total comprehensive income (expense)	**4,005**	**1,218**	**(37)**	**5,186**	**40,417**	**80,329**	**(11,262)**	**25,515**	**0**	**2,204**	**(2,450)**	**134,751**	**139,937**

Amounts at 31/12/14	Re.Consult Infrastrutture (*)	Ankara Etlik Hastante (**)	Non-significant JVs	Total Joint Ventures	Otoyol Yatirim Ve Isletme A.S.	ICA Ic Ictas Astaldi - 3rd Bridge	Pacific Hydro Chacayes	Metro 5	Metro C	Veneta Sanitaria	Non-significant Investees	Total Associates	Total Associates and Joint Ventures
Group quota													
Investment	31.85%	51.00%			18.86%	33.33%	27.35%	38.70%	34.50%	37.00%			
Carrying amount	**130,880**	**690**	**443**	**132,012**	**103,344**	**75,850**	**25,916**	**24,578**	**19,671**	**16,347**	**35,901**	**301,608**	**433,619**
Profit	***(3,793)	113	(10)	**(3,690)**	5,653	16,325	(812)	12,622	0	3,065	1,606	**38,459**	**34,769**
Other comprehensive income (expense)	(166)	508	2	**344**	1,970	10,449	(2,268)	(2,748)	0	(2,250)	(2,591)	**2,562**	**2,906**
Overall profit (loss)	**(3,959)**	**621**	**(9)**	**(3,346)**	**7,623**	**26,774**	**(3,080)**	**9,874**	**0**	**815**	**(985)**	**41,021**	**37,675**
Dividends received	0	0	0	**0**	0	0	0	0	0	0	0	**0**	**0**

* Cash and cash equivalents totalling EUR 42,304 thousand; Non-current financial liabilities totalling EUR 260,925 thousand; Current financial liabilities totalling EUR 648,033 thousand.
** Cash and cash equivalents totalling EUR 215 thousand; Current financial liabilities totalling EUR 10,111 thousand.
*** Including EUR (2,504) thousand for the effects of adjusting the quota of the stake held by the Astaldi Group in the fair value of assets and liabilities of Re.Consult, at merger date.

Main financial data at 31/12/2013 of Investees and Joint Ventures

Amounts at 31/12/13	Ankara Etlik Hastane (*)	Non-significant JVs	Total Joint Ventures	A4 Holding (**)	Otoyol Yatirim Ve Isletme A.S.	ICA Ic Ictas Astaldi - 3rd Bridge	Pacific Hydro Chacayes	Metro C	Veneta Sanitaria	Non-significant Investees	Total Associates	Total Associates and Joint Ventures
Statement of financial position												
Non-current assets	5,804	2,927	**8,731**	2,048,643	806,378	247,758	317,942	19,589	124,131	308,884	**3,873,324**	**3,882,055**
Current assets	4,781	30,011	**34,792**	201,787	17,782	82,929	31,080	452,581	67,400	859,415	**1,712,974**	**1,747,766**
Total assets	**10,586**	**32,938**	**43,523**	**2,250,430**	**824,159**	**330,688**	**349,021**	**472,170**	**191,532**	**1,168,298**	**5,586,298**	**5,629,822**
Non-Current liabilities	(0)	0	**(0)**	247,040	318,422	180,231	233,405	102,242	117,797	30,912	**1,230,050**	**1,230,049**
Current liabilities	9,989	32,849	**42,838**	832,092	164,103	73,769	16,680	312,910	31,756	1,235,008	**2,666,318**	**2,709,156**
Equity	597	88	**686**	1,161,750	341,635	76,687	98,937	57,018	41,978	(97,622)	**1,680,382**	**1,681,068**
Total assets and liabilities	**10,586**	**32,938**	**43,523**	**2,240,882**	**824,159**	**330,688**	**349,021**	**472,170**	**191,532**	**1,168,298**	**5,576,750**	**5,620,273**
Income statement												
Revenue	4,447	11,486	**15,934**	276,913	0	289,487	76,106	197,951	55,867	480,477	**1,376,801**	**1,392,735**
Amortisation, depreciation and impairment losses	(2)	0	**(2)**	(72,277)	0	(16)	(6,324)	(8,016)	(95)	(6,519)	**(93,248)**	**(93,250)**
Operating profit	337	114	**451**	37,106	(2,696)	34,683	16,641	6,959	10,256	(44,683)	**58,266**	**58,717**
Financial income and expense	(1,154)	(102)	**(1,256)**	(19,518)	2,153	(34,683)	(17,087)	(5,445)	4,559	(59,161)	**(129,183)**	**(130,439)**
Tax	0	(3)	**(3)**	(7,683)	(109)	0	89	(1,514)	(4,453)	(4,128)	**(17,798)**	**(17,801)**
Profit (loss) for the year	(817)	9	**(807)**	9,342	(652)	(0)	(357)	(0)	10,361	(107,973)	**(89,279)**	**(90,086)**
Other comprehensive income (expense)	(1,185)	(27)	**(1,211)**	104	(71,106)	(13,639)	13,165	0	4,115	12,726	**(54,636)**	**(55,848)**
Total comprehensive income (expense)	**(2,001)**	**(17)**	**(2,019)**	**9,446**	**(71,758)**	**(13,639)**	**12,807**	**(0)**	**14,476**	**(95,247)**	**(143,915)**	**(145,933)**

Amounts at 31/12/13	Ankara Etlik Hastane (*)	Non- significant JVs	Total Joint Ventures	A4 Holding (**)	Otoyol Yatirim Ve Isletme A.S.	ICA Ic Ictas Astaldi - 3rd Bridge	Pacific Hydro Chacayes	Metro C	Veneta Sanitaria	Non- significant Investees	Total Associates	Total Associates and Joint Ventures
Group quota												
Investment	51.00%			15.45%	18.86%	33.33%	27.35%	34.50%	37.00%			
Carrying amount	**290**	**461**	**751**	**178,748**	**64,432**	**24,711**	**27,059**	**19,671**	**15,532**	**51,215**	**381,369**	**382,119**
Profit	(416)	1	**(415)**	***19,803	(123)	0	(98)	0	3,834	****(15,615)	**7,801**	**7,386**
Other comprehensive income (expense)	(604)	(13)	**(617)**	13	(13,411)	(4,542)	3,601	0	1,522	4,832	**(7,985)**	**(8,602)**
Overall profit (loss)	**(1,021)**	**(12)**	**(1,032)**	**19,816**	**(13,534)**	**(4,542)**	**3,503**	**0**	**5,356**	**(10,784)**	**(184)**	**(1,216)**
Dividends received	0	0	**0**	0	0	0	2,503	0	608	0	**3,111**	**3,111**

* Cash and cash equivalents totalling EUR 322 thousand; Current financial liabilities totalling EUR 8,313 thousand.
** The main financial data of the investee refer to the period between the date when considerable influence started to be exercised (August 2013) and the year-end date.
***Includes EUR 18,520 thousand for the effects of adjusting the quota held by Astaldi Group in the fair value of the assets and liabilities of A4 Holding at the date when considerable influence started to be exercised on the investee.
**** The item comprises the loss recorded by the associate COMET JV (liquidated during 2014), in the context of the works, now completed, for the construction of the Copenhagen Underground, following the definition on 27 August 2013 of an arbitration settlement of the dispute that arose with the customer Metroselskabet I/S, for a total of EUR 6,839 thousand.

The items "Non-significant JVs" and "Non-significant Investees" include investees that are not strategic for the development of the Group business, and generally undertake their business for exclusively consortium purposes (so-called special purpose vehicles – Consortium Companies and Consortiums), with a carrying amount lower than EUR 15 million.

Significant restrictions on investees and Joint Ventures

On 31 December 2014, the commitments of the Group with respect to the equity-accounted investees and operating in the concessions segment, defined as future capital injections or subordinate loans, for initiatives currently involving a defined commitment, totalled approximately EUR 120 million.
With regard to the investees and joint ventures operating in the concessions segment, the project finance agreements generally involve covenants which can, in case of non-compliance, limit the payments of the dividends of these entities or the repayments on the subordinate loans granted by the Group.
Moreover, generally speaking, pledging to financial institutes of the shares of associates and joint ventures operating in the concessions segment is envisaged.

19. Financial assets

Non-current financial assets: EUR 186,732 thousand (EUR 96,840 thousand)

The following table shows the composition of non-current financial assets:

	31/12/14	31/12/13	Difference
Financial assets from concession activities	6,776	15,603	(8,827)
Non-current loan assets	133,652	46,439	87,213
Other financial assets - investees	8,994	10,401	(1,407)
Other financial assets - third parties	29	0	29
Finance lease receivables	37,281	24,397	12,884
Total	**186,732**	**96,840**	**89,892**

In 2014, the total balance of financial assets from concession activities exclusively comprise the non-current portion of the present value of minimum payments guaranteed by the concession grantors, related to the Chile area and especially the concession for the Western Metropolitan Hospital in Santiago. The decrease in this item compared to the previous year is due to the ordinary reduction of the receivables after the payments received during the year in the Turkish area, and especially with reference to the concession for Milas-Bodrum Airport. With reference to the latter initiative, it should be pointed out that considering the forthcoming natural expiry of the concession scheduled for October 2015, the residual balance of the present value of the minimum payments guaranteed by the concession grantor is fully classified in current financial assets.
The item "non-current loan assets" substantially refers to loans given to investees and expressing the investment strategy of the Group, especially in the concessions segment.
The main changes of this item compared to the previous year are due to the following factors:

- Increase of EUR 55,650 thousand recorded due to the loan granted to the investee developing the concession for the construction and operation of the Third Bosphorus Bridge in Turkey;
- Increase of EUR 9,079 thousand basically due to the loan granted to the associate Metro 5 S.p.A. to support the concession works;
- Increase of EUR 16,161 thousand recorded for the higher amounts paid for the loan granted to the associate Otoyol Yatirim Ve Isletme A.S which is partially offset by the amount recognised for the year to offset the amount due for the increase in share capital approved by the investee on 28 March 2014 (EUR 31,289 thousand).

Finance lease receivables regard the transaction, pursuant to IFRIC 4, of the item from the subsidiary Valle Aconcagua A.S. with reference to the Relaves Project as already commented in note 1.
On the basis of the IFRS and IFRIC, the Group has derecognised the plant for the treatment and recovery of copper and molybdenum, covered by the lease, replacing the relatee carrying amount with the financial asset, with recognition of the relative financial income on the basis of the lease term using the effective interest rate applicable to the lease.
For "Other financial assets - investees" see the annex on related party transactions attached to these Notes.

Current financial assets: EUR 40,273 thousand (EUR 46,391 thousand)

Current financial assets totalling EUR 40,273 thousand decreased of EUR 6,118 thousand compared to the previous year and consist of the following:

	31/12/14	31/12/13	Difference
Financial assets from from concession activities	17,813	15,447	2,366
Securities in portfolio	1,396	1,407	(11)
Derivatives	194	164	30
Current loan assets	20,870	29,373	(8,503)
Total	**40,273**	**46,391**	**(6,118)**

The item "Financial assets from concession activities" is attributable to the current assets in Bodrum for management of the international airport terminal.
The item "Current loan assets" decreased by EUR 8,503 thousand as a result of repayment of sums temporarily used during the previous year to fund the start-up phase of some activities performed the Group in partnership in Turkey (EUR 21,905 thousand). This effect was partially offset by the loan granted to the associate Consorzio MM4 in order to support the work in progress (EUR 18,315 thousand).
In any case, recovery of the amounts in question is provided for by the end of 2015 in the agreements regulating the loan contracts mentioned above, including interest.

20. Other assets

Other Non-current assets: EUR 56,935 thousand (EUR 53,634 thousand)

The composition of the item is shown in the following table:

	31/12/14	31/12/13	Difference
Indirect tax	13,367	16,807	(3,440)
Direct tax	22,485	8,439	14,046
Tax assets	**35,852**	**25,246**	**10,606**
Advances to suppliers and subcontractors	1,216	2,268	(1,052)
Guarantee deposits	3,805	3,794	11
Prepaid insurance premiums	7,901	12,064	(4,163)
Prepaid surety commissions	6,010	8,754	(2,744)
Other prepayments	2,151	893	1,258
Other sundry loans and receivables	0	615	(615)
Other assets	**21,083**	**28,388**	**(7,305)**
Total	**56,935**	**53,634**	**3,301**

Changes in "tax assets" is substantially due to: (i) the increase of receivables for direct tax recorded, due to the greater impact, related to the increase of production volumes, of tax withheld at the source by customers in projects in progress in the Turkish area which could be used to offset the tax due only upon completion of the related contracts; (ii) the decrease in indirect tax, also in the Turkish area and attributable to the VAT amounts collected by the tax authorities in relation to contracts for which there are structurally receivables, considering the special tax system applicable.
The item "Other assets" decreased due to the ordinary issue of prepaid surety commissions and insurance premiums (EUR 6,907 thousand) related to the ordinary undertaking of contract work in progress.

Other current assets: EUR 329,128 thousand (EUR 383,467 thousand)

The item Other current assets totalling EUR 329,128 thousand is lower compared to the previous year by EUR 54,339 thousand.

	31/12/14	31/12/13	Difference
Loans and receivables with associates and joint ventures	19,825	21,800	(1,975)
Loans and receivables with other companies	2,479	932	1,547
Advances to suppliers and subcontractors	145,529	209,077	(63,548)
Receivables from third parties for the sale of goods and services	132,567	127,393	5,174
Receivables from employees	3,372	2,915	457
Receivables from social security institutions	3,634	2,647	987
Prepaid insurance premiums	2,293	4,282	(1,989)
Prepaid commissions on sureties	5,488	2,055	3,433
Other prepayments	1,863	1,940	(77)
Other sundry loans and receivables	12,078	10,426	1,652
Total	**329,128**	**383,467**	**(54,339)**

The item "Advances to suppliers and subcontractors" decreased by EUR 63,548 thousand essentially with reference to the contracts for work in progress in the Russian area, and in particular due to the ordinary use, mostly related to the substantial completion of Pulkovo International Airport in St. Petersburg, of the contract advances paid to offset the amount due for services provided by subcontractors.
The item "Receivables from third parties for the sale of goods and services" totalling EUR 132,567 thousand increased by EUR 5,174 thousand compared to the previous year and refers to its counterpart mentioned in the item Other revenue, for individual items not directly related to production for works by the Company, but nevertheless accessory to the core business and conducted on a continuing basis over time.
There follows the geographical breakdown of the item Receivables from third parties:

	31/12/14	%	31/12/13	%	Difference
Italy	26,842	20.25%	30,663	24.07%	(3,821)
Europe	75,101	56.65%	64,139	50.35%	10,962
America	16,199	12.22%	18,345	14.40%	(2,146)
Africa	12,841	9.69%	12,730	9.99%	111
Asia	1,584	1.19%	1,516	1.19%	68
Total	**132,567**	**100.00%**	**127,393**	**100.00%**	**5,174**

For more details on receivables from associates and joint ventures, totalling EUR 21,800 thousand see the attached information on related parties.
It is pointed out that the recoverable amount of receivables from third parties was adjusted as shown below:

	31/12/13	Accruals	Use		Exchange rate differences and other changes	31/12/14
			Profit or loss	Statement of financial position		
Allowance for impairment	(4,741)	(531)	0	0	(53)	**(5,325)**
Total	**(4,741)**	**(531)**	**0**	**0**	**(53)**	**(5,325)**

21. Inventories: EUR 64,870 thousand (EUR 61,711 thousand)

This item consists of the following:

	31/12/14	31/12/13	Difference
Raw materials, consumables and supplies	62,967	59,656	3,311
Work in progress and semi-finished products	0	114	(114)
Finished goods	1,590	1,594	(4)
Goods and materials in transit	313	347	(34)
Total	**64,870**	**61,711**	**3,159**

The following table shows the geographical breakdown of this item:

	31/12/14	%	31/12/13	%	Difference
Italy	3,483	5.37%	4,379	7.10%	(896)
Europe	18,509	28.53%	19,000	30.79%	(491)
America	33,624	51.83%	30,199	48.94%	3,425
Africa	9,254	14.27%	8,023	13.00%	1,231
Asia	0	0.00%	110	0.18%	(110)
Total	**64,870**	**100.00%**	**61,711**	**100.00%**	**3,159**

The increase of this item mainly regards the American area and in particular relates to the advancement of the works, only fully under way starting from current year, for the construction of the "Muskrat Falls" hydroelectric plant in Canada. With regard to the international sector we should also point out the decrease recorded in the Russian area, mainly related to the substantial completion of the work for Pulkovo International Airport in St. Petersburg, offset in terms of amounts by the increase recorded in Turkey with reference the works for the construction of the Third Bosphorus Bridge. With regard to the African area, the increase of the item substantially refers to the Algerian railway works, in particular the Saida Tiaret Railway. Finally, we can point out the decrease recorded on a domestic level, closely related to the lower production volumes recorded in 2014.

22. Amounts due from customers: EUR 1,165,348 thousand (EUR 1,261,797 thousand) Amounts due to customers: EUR 589,785 thousand (EUR 676,569 thousand)

These items consist of the following:

	31/12/14	31/12/13	Difference
CURRENT ASSETS			
Contract work in progress	10,796,783	9,804,070	992,713
Allowance for impairment losses on contracts	(8,827)	(10,642)	1,815
Total contract work in progress	**10,787,956**	**9,793,428**	**994,528**
Progress billings	(9,622,608)	(8,531,631)	(1,090,977)
Total amounts due from customers	**1,165,348**	**1,261,797**	**(96,449)**
CURRENT LIABILITIES			
Contract work in progress	2,773,862	1,840,650	933,212
Allowance for impairment losses on contracts	(645)	(2.889)	2,244
Total contract work in progress	**2,773,217**	**1.837.761**	**935,456**
Progress payments	(2,972,271)	(2,066,156)	(906,115)
Subtotal	**(199,054)**	**(228,395)**	**29,341**
Contractual advances	(390,731)	(448,174)	57,443
Total amounts due to customers	**(589,785)**	**(676,569)**	**86,784**

Contract work in progress, recognised separately between amounts due from customers and amounts due to customers, recorded a general decrease, especially with reference to contract work in progress on a domestic level, related to the completed certification of important milestones, in particular in transport infrastructures (Lots DG-21, DG-22 of the Jonica National Road).
On the other hand, in the international sector there was an increase in these items with reference to the start-up of the activities concerning the Muskrat Falls hydroelectric project in Canada, and for the development of the contract work

in progress in Poland (Warsaw underground Line 2, Kraków-Balice Airport), Turkey (Gebze-Orhangazi-Izmir Motorway Phase 1) and Algeria (Saida-Moulay Slissen Railway).
We should also point out, for the European area, the decrease in contract work in progress in Russia as a result of (i) the planned reduction of production volumes due to the substantial completion of the works for Pulkovo International Airport in St. Petersburg and (ii) the ordinary process of certification of the contract amounts by the customer with reference to the works undertaken for the Western High-Speed Diameter in St. Petersburg.
Finally, we can point out the decrease in the item contractual advances, mainly due to the partial recovery of the contractual amounts accrued in the year, in the context of the construction work on the Western High-Speed Diameter in St. Petersburg, Russia. This effect is, however, partially offset by the amounts collected in the year for construction works for the Third Bosphorus Bridge in Turkey.

23. Trade receivables: EUR 903,041 thousand (EUR 961,893 thousand)

Trade receivables rose by approximately EUR 58,852 thousand compared to the previous year and consist of the following:

	31/12/14	31/12/13	Difference
Customers	862,114	922,786	(60,672)
Associates and joint ventures	46,305	47,126	(821)
Parents	3	10	(7)
Other investees	7,411	4,510	2,901
Allowance for impairment	(12,792)	(12,539)	(253)
Total	**903,041**	**961,893**	**(58,852)**

The following table shows the geographical breakdown of this item:

	31/12/14	%	31/12/13	%	Difference
Italy	315,426	34.93%	391,478	40.70%	(76,052)
Europe	218,142	24.16%	162,315	16.87%	55,827
America	334,866	37.08%	359,633	37.39%	(24,767)
Africa	22,829	2.53%	31,160	3.24%	(8,331)
Asia	11,778	1.30%	17,307	1.80%	(5,529)
Total	**903,041**	**100.00%**	**961,893**	**100.00%**	**(58,852)**

With regard to the geographical breakdown of trade receivables, there was a significant reduction, recorded largely in on the domestic level, due to the collection of part of the amounts accrued in relation to works undertaken for the construction Line 5 of the Milan underground and the Pedemontana Lombarda Motorway.
On the other hand, the increase recorded in the European area is substantially due to the contracts in progress in Romania and Russia. The American area has benefited from the resumption of the payments process by the Venezuelan Government, for an amount the equivalent of EUR 68 million at 31 December 2014. This effect was partially offset by the start-up of the activities for the Muskrat Falls hydroelectric project in Canada.
With regard to the Group's position with respect to the Venezuelan Government, totalling EUR 253 million at the end of the year, net of EUR 12 million for contractual advances (31 December 2013: EUR 306 million), it is pointed out that the business model based on prudential criteria has confirmed, as already stated in note 1, the reduction of activities for the projects in progress in that country.
Nevertheless, in 2014 the initiatives undertaken on an institutional level have, as mentioned previously, allowed the re-

sumption of the payments process. This concrete behaviour enables us to forecast that there may be a normalisation process, albeit gradual and slow, in the overall contract relationship.
In order to provide complete information on the receivables in Venezuela, it is pointed out that the amounts falling due for the Venezuelan Chaguaramas-Cabruta and San Juan de Los Morros-San Fernando de Apure railway contracts were recognised at their corresponding present value, as calculated on the basis of the data provided under financial expense in note 10 above.
In this regard, it should be stressed that taking as a whole the circumstances described here, also in the presence of continuing delays in payments – which have continued in the early months of 2015 for approximately EUR 6 million – do not provide objective elements leading to the need to increase the collection risk for these receivables with consequent impairment.
With regard to the international sector, and in particular the African area, we should also point out the collection, after a settlement agreement with the customer, of the contract amounts accrued for previous contract work in East Africa and now no longer operational (EUR 11,647 thousand).
Finally, we should point out the decrease attributable to the Asian area, especially the collection of part of the receivables for works undertaken for the contracts for the Jedda & KAEC and Jubail Stations in Saudi Arabia.
The changes in the allowance for impairment on receivables are as follows:

	31/12/13	Accruals	Use		Exchange rate differences and other changes	31/12/14
			Profit or loss	Statement of financial position		
Allowance for impairment	(10,767)	(253)	0	0	0	**(11,020)**
Allowance for impairment - default interest	(1,772)	0	0	0	0	**(1,772)**
Total	**(12,539)**	**(253)**	**0**	**0**	**0**	**(12,792)**

24. Tax assets: EUR 97,834 thousand (EUR 104,612 thousand)

This item consists of the following:

	31/12/14	31/12/13	Difference
Indirect tax assets	72,377	72,179	198
Direct tax assets	25,655	32,631	(6,976)
Allowance for impairment	(198)	(198)	0
Total	**97,834**	**104,612**	**(6,778)**

The decrease of this item is attributable in particular to the item "Direct tax assets" recognised above all with reference to the domestic, Turkish and Venezuelan areas, and especially due to the use, in accordance with the provisions of the law, by the Parent and investees for tax assets offsetting tax liabilities.

25. Cash and cash equivalents: EUR 530,212 thousand (EUR 373,226 thousand)

Cash and cash equivalents rose compared to 2013 by EUR 156,986 thousand and consist of the following:

	31/12/14	31/12/13	Difference
Bank and post office accounts	529,848	372,793	157,055
Cash-in-hand and cash equivalents	364	433	(69)
Total	**530,212**	**373,226**	**156,986**

In terms of geographical breakdown this item is as follows:

	31/12/14	%	31/12/13	%	Difference
Italy	213,386	40.25%	159,093	42.63%	54,293
Europe	227,528	42.91%	167,144	44.78%	60,384
America	73,958	13.95%	34,147	9.15%	39,811
Africa	15,332	2.89%	12,834	3.44%	2,498
Asia	8	0.00%	8	0.00%	0
Total	**530,212**	**100.00%**	**373,226**	**100.00%**	**156,986**

Disclosure on the Statement of Cash Flows

The cash flow rates for 2014, including the change in bank deposits referring to disposal groups (EUR 607 thousand), show an overall increase in cash and cash equivalents of EUR 156,379 thousand, compared to a reduction of EUR 12,350 thousand recorded in 2013.

Cash flows from operating activities

Cash flows from operating activities in 2014, totalling EUR 129,613 thousand shows an increase of EUR 121,912 thousand, compared to the previous year (EUR 7,701 thousand).
This change is attributable to: (i) the recognition and achieving of important milestones on the domestic level; (ii) the collection of part of the amounts accrued in relation to works gradually undertaken in Venezuela; (iii) the decrease of the item “Advances to suppliers and subcontractors” due in particular to contract work in progress in the Russian area; partially offset by the decrease (i) in the item contractual advances recognised, above all, in relation to the recovery of part of the advance received after the substantial completion of Pulkovo International Airport in St. Petersburg (ii) and payables to suppliers and subcontractors due to an attentive policy of support to production activity, constantly adopted by the Group.
It should likewise be pointed out that this item also included the effects of exchange rate differences deriving from the translation of the financial statements by the foreign entities denominated in functional currencies other than the currency for the presentation of these consolidated financial statements (EUR 32,650 thousand).

Cash flows from investing activities

Cash flows used in investing activities for 2014 totalled EUR 93,783 thousand and is essentially due to the following:

- The injection made to pay the capital increases approved by the companies operating in the concessions segment, totalling EUR 25,271 thousand; in particular as regards the concession for the construction and management of the Third Bosphorus Bridge in Turkey;
- The financial support provided to concession initiatives EUR 132,076 thousand, essentially due to the projects in start-up phase in Turkey involving the Gebze-Orhangazi-Izmir Motorway and Third Bosphorus Bridge;
- The capital invested in technical facilities and equipment, for undertaking the construction contracts in the start-up phase in Canada and for contract work in progress in Russia totalling EUR 61,657 thousand.

These increases were partially offset: (i) by the adjustment of the amount of the equity contribution in A4 Holding – for the portion attributable to non-controlling interests at 31 December 2013 – recorded due to the merger of the subsidiary A.I.2 S.r.l. into Re.Consult Infrastrutture S.p.A. – as already described in the introduction to these Notes (EUR 33,069 thousand); and (ii) by the change in rights financial assets from concession activities (EUR 64,192 thousand) recorded due to the sale of the Car Parks Business Unit, and for the amount attributable to the collection of part of the receivables from the concession for the management of Milas-Bodrum International Airport in Turkey.

Cash flows from financing activities

In 2014, cash flows from financing activities totalled EUR 120,549 thousand, basically regarding net cash and cash equivalents acquired:

- In February 2014 through the issue of another tranche of the senior unsecured bonds of EUR 150,000 thousand;
- Following the partial use of the new Revolving Loan of EUR 500 million (EUR 65,000 thousand used at 31/12/14);
- Following use of EUR 40,000 thousand of the Committed Revolving Loan agreement signed with Cariparma;
- Through the use of short term lines (uncommitted) of approximately EUR 110,000 thousand.

Partially offset by:

- EUR 30,000 thousand from early repayment of the residual principal of the committed loan of EUR 110 million signed with Banca Popolare di Milano and Centrobanca;
- EUR 10,000 thousand from early repayment of the bilateral committed loan of EUR 10 million signed with BBVA;
- EUR 12,000 thousand from early repayment of the bilateral committed loan signed with Portigon (formerly WestLB);
- EUR 1,844 thousand from repayment of the last instalment of the loan signed by Astaldi Concessioni with Banca Popolare di Milano;
- EUR 37,000 thousand from early repayment of the committed Revolving Loan signed by Mondial A.S. with HSBC and Isbank;
- EUR thousand 75,000 from repayment of the instalments of the committed loans with repayment plan.

It should also be pointed out that the item “Change in consolidation scope and other changes” of overall cash flows from financing activities mainly contains the results of the change in consolidation scope especially referring to the merger of the subsidiary A.I.2 S.r.l. into Re.Consult Infrastrutture S.p.A. (EUR 33,069 thousand).

26. Assets related to disposal groups and liabilities associated with disposal groups: 0 (EUR 60,273 thousand) - EUR 0 thousand (EUR 39,947 thousand)

At 31/12/2013 this item, as already remarked in note 13 above, contained the assets related to and liabilities associated with the CGU for the Car Parks Business Unit, disposed of during 2014.

27. Equity: EUR 580,056 thousand (EUR 592,193 thousand)

Share capital: EUR 196,850 thousand (EUR 196,850 thousand)

The share capital signed and fully paid-in comprises 98,424,900 ordinary shares with a nominal amount of EUR 2 and totals EUR 196,850 thousand.
On 31 December 2014, according to the results of the Shareholders’ Ledger and other pertinent information required by law (pursuant to Art. 120 of Legislative Decree 58/98), the shareholders of Astaldi S.p.A. holding shares in excess of 2%, are shown below:

DIRECT SHAREHOLDER	Number of shares	Investment %
Fin.Ast S.r.l.	39,505,495	40.138%
Finetupar International S.A.	12,327,967	12.525%
Total Fin.Ast. S.r.l.	**51,833,462**	**52.663%**
Pioneer Asset Management S.A.	4,990,821	5.071%
UBS Group AG	4,686,477	4.761%
Pictet Asset Management Ltd.	2,065,633	2.099%
FMR LLC	1,999,104	2.031%
Total shareholders with significant investment	**65,575,497**	**66.625%**

DIRECT SHAREHOLDER	Number of shares	Investment %
Treasury shares	896,501	0.911%
Market	31,952,902	32.464%
Grand total	**98,424,900**	**100.000%**

Outstanding shares at 31 December 2014 therefore totalled 97,528,399 (97,904,780 shares at 31/12/2013) and recorded a decrease compared to the previous year of 376,381 shares calculated as follows:

Shares outstanding in 2014	
01/01/2014	**97,904,780**
Outgoing for buy back	(1,002,324)
Incoming for buy back and the stock grant plan	625,943
31/12/2014	**97,528,399**

Parent shares regularly granted to employees under the stock grant plan totalled 1,230,971 shares at the end of the year (1,091,800 shares at the end of 2013).

Other financial instruments giving the right to subscribe newly-issued shares

During previous year, the Parent issued an equity linked bond offer with a duration of 6 years, for a nominal amount of EUR 130 million, completely placed with qualified Italian and foreign investors.
From January the bonds may become convertible into existing or newly-issued ordinary company shares. The bond conversion price has been set at EUR 7.3996 that incorporates a conversion premium of 35% of the weighted average price for Astaldi shares traded on the Italian Stock Exchange during the interval from the bond issue to pricing, equal to EUR 5.4812. The Company shall be entitled to settle any conversion through payment in cash or a combination of ordinary shares and cash (cash settlement option).
To this end, at their meeting of 23 April 2013, the Shareholders approved the proposed share capital increase, reserved exclusively and irrevocably to service the equity-linked bond issue, in cash, by payment and in more than one transaction, with exclusion of the pre-emption right pursuant to Article 2441, subsection 5 of the Italian Civil Code for a maximum nominal amount of EUR 35,137 thousand, to be released on one or more tranches through the issue of a maximum of 17,568,517 ordinary company shares of a nominal amount of EUR 2.00 with the same characteristics as outstanding ordinary shares. The number of shares involved in the eventual conversion shall be calculated by dividing the nominal amount of bonds, in relation to which the conversion application was submitted, by the conversion price.
It is likewise pointed out that at the reporting date of these consolidated financial statements no applications for conversion have been made to the Parent.

Treasury shares held by the Parent: EUR 1,793 thousand (EUR 1,040 thousand)

The treasury shares owned by the Parent at the end of the year totalled 896,501 equivalent to 0.911% of the share capital (520,120 shares in 2013), with the nominal amount totalling EUR 1,793 thousand being recognised in accordance with IFRS as a decrease of share capital.

Reserves: EUR 297,442 thousand (EUR thousand 283,946)

A breakdown of reserves is shown in the following table:

	31/12/14	31/12/13	Difference
Legal reserve	27,934	26,201	1,733
Extraordinary reserve	256,581	244,376	12,205
Retained earnings	102,373	75,844	26,529
Other reserves	491	114	377
Other comprehensive expense	(89,937)	(62,588)	(27,349)
Total	**297,442**	**283,947**	**13,495**

Legal reserve

The legal reserve rose by EUR 1,733 thousand in relation to the provision set forth in Art. 2430 of the Italian Civil Code.

Extraordinary reserve

The extraordinary reserve rose compared to the previous year by EUR 12,205 thousand. Specifically: EUR 13,715 thousand as the remaining amount of the allocation of profit of the Parent for 2013; EUR (1,585) thousand as a result of buy-back transactions; EUR 75 thousand as the remaining amount of the allocation of the profit for the year 2013 of the subsidiaries.

With regard to the buy-back transactions it is pointed out that the overall amount of the reserve for treasury shares held, set up pursuant to Art. 2357-*ter* of the Civil Code, totals EUR 5,198 thousand. In accordance with the relevant reporting standard, EUR 3,405 thousand is used to reduce the extraordinary reserve and EUR 1,793 thousand, corresponding to the nominal amount of the treasury shares held, to reduce the share capital.

Retained earnings

Retained earnings totalling EUR 102,373 thousand reflected the effects arising from the consolidation of investments in subsidiaries, and from the application of the equity method.

The item likewise includes entries related to transactions regarding the acquisition of non-controlling interests in entities that are already controlled by the Group as governed by IAS 27.

Dividends

In 2014 dividends totalling EUR 18,700,731 were paid (EUR 16,639,053 in 2013). The dividend approved at the General Meeting of 30 April 2014 of EUR 0.19 per share (EUR 0.17 in 2013), was paid on 15 May 2014, ex dividend date on 12 May 2014; likewise part of the profit for the 2013, EUR 520 thousand, was allocated to the provision pursuant to Art. 27 of the Company's by-laws.

Other reserves

A breakdown of the item is shown in the table below:

	31/12/14	31/12/13	Difference
Stock grant reserve	3,093	2,925	168
IFRS FTA	(13,373)	(13,373)	0
Reserve for IFRIC 12 FTA	10,396	10,396	0
Reserve for trading in treasury shares	2,744	2,534	210
Other	(2,369)	(2,368)	(1)
Total	**491**	**114**	**377**

The stock grant reserve represents the amount of shares assigned to employees, but not yet delivered, calculated on the basis of current regulations and the relative actuarial appraisal.
The IFRS FTA reserve represents: (i) the total amount of adjustments recorded in the opening statement of financial position of the first set of financial statements drawn up in accordance with IFRS; (ii) the amount recorded following subsequent endorsements of IFRS compared to the FTA; (iii) the cumulative translation differences at the FTS, not recalculated following exercise of the exemption set forth in IFRS 1 para. 13; (iv) the consolidation differences emerging from business combinations prior to the transition date to IFRSs, not recalculated following exercise of the option set forth in IFRS 1 para. 13.
The reserve for IFRIC 12 FTA has been calculated, as regards service concession arrangements, during first-time application of IFRIC 12, with specific reference to the identification, measurement and classification of individual investments (Financial or Intangible assets).
The reserve for trading in treasury shares includes the gains and losses arising from the buy-back plan.
Other reserves include minor items arising from equity accounting of some associates.

Other comprehensive income

There follow the composition and changes in other comprehensive income:

	Hedging reserve	Translation Reserve	ASF Financial assets	Net actuarial losses on defined benefit plans	Total
Balance 01/01/2013	(45,676)	(6,412)	0	(869)	(52,957)
Change for the year	18,509	(28,797)	(147)	803	(9,632)
Balance 31/12/2013	**(27,167)**	**(35,209)**	**(147)**	**(66)**	**(62,588)**
Change for the year	(9,467)	(17,326)	113	(669)	(27,349)
Balance 31/12/2014	**(36,634)**	**(52,535)**	**(34)**	**(735)**	**(89,937)**

When analysing other comprehensive income, note must be taken of: (i) the negative effect arising from the translation of items listed in currencies other than the Euro, specifically attributable to the translation of the items expressed in Rouble for the Joint Operations in Russia, partially offset by the corresponding change recorded from the translation of the financial statements expressed in dollars in consolidated companies with equity accounting; (ii) the increase in the hedging reserve is, on the other hand, attributable to the decrease in the interest rate curve in the Euro area compared to 31 December 2013.
A breakdown of the item is shown in the table below:

	31/12/14	31/12/13	Difference
Parent/Subsidiaries	(12,412)	(16,047)	3,635
Tax effect	3,375	4,293	(918)
Carrying amount, net of tax effect	**(9,037)**	**(11,754)**	**2,717**
Associates	(27,856)	(15,594)	(12,262)
Total	**(36,893)**	**(27,348)**	**(9,545)**
Owners of the Parent	(36,634)	(27,167)	(9,467)
Non-controlling interests	(259)	(181)	(78)

Equity attributable to non-controlling interests: EUR 5,998 thousand (EUR 45,101 thousand)

Equity attributable to non-controlling interests decreased by EUR 39,102 thousand mainly as a result of the change in the consolidation scope occurring in 2014 and especially, with EUR 37,765 thousand, for the amount related to the merger of the subsidiary A.I.2 S.r.l. into Re.Consult Infrastrutture S.p.A. as already described in these Notes.
The changes in other comprehensive income attributable to non-controlling interests are shown below.

	Hedging reserve	Translation Reserve	AFS Financial assets	Net actuarial gains and losses on defined benefit plans	Total
Balance 01/01/2013	(510)	447	0	(34)	(97)
Change for the year	329	(318)	(48)	83	46
Balance 31/12/2013	**(181)**	**129**	**(48)**	**49**	**(51)**
Change for the year	(78)	13	48	(50)	(67)
Balance 31/12/2014	**(259)**	**142**	**0**	**(1)**	**(118)**

Capital Management

There follows the disclosure provided for in IAS 1 – para. 134.

A) Qualitative information
The Group uses the term capital to refer to both shareholder contributions, and operating profit (retained earnings and other reserves). While the Group does not include in this definition the equity items recognised subsequent to the measurement of cash flow hedging derivatives since these will be offset against income components in future years, thus allowing the Group to achieve the goal of hedging.
The goals identified by the Group regarding capital management are the creation of value for shareholders as a whole, the safeguarding of the continuation of business and support to the growth of the Group itself. The Group thus intends to maintain a suitable level of capitalisation in order to achieve both a satisfactory economic return for shareholders and to guarantee economic access to external sources of funding. The Group constantly monitors the evolution of the level of debt in relation to equity and taking into account the generation of cash flow from operating activities with the effects of investment in the construction and concessions segments. All of the above in complete compliance with the Group's related Business Plan. In order to achieve the above goals, the Group pursues constant improvement of the profitability of the business segments where it operates.
In order to provide complete qualitative disclosure, it must be noted that the Group has complied with the financial covenant required as regards corporate "committed" borrowing with banks financing the Group.
For further information see note 28 below.

B) Quantitative information
There follows the quantitative breakdown of the individual capital items, as defined in the paragraph above.

	31/12/14	31/12/13
A - Total financial debt	**(803,854)**	**(800,235)**
Total equity	580,056	592,193
Less amounts accumulated in equity for cash flow hedges	(36,893)	(27,347)
B - Adjusted capital	**616,949**	**619,540**
C - Debt/Capital ratio (A/B)	**1.30**	**1.29**

28. Financial liabilities

Non-current financial liabilities: EUR 1,178,999 thousand (EUR 970,042 thousand)*

Non-current financial liabilities show an overall increase of EUR 208,957 thousand and consist of the following:

	31/12/14	31/12/13	Difference
Convertible bonds	130,000	130,000	0
Senior unsecured bonds	750,000	600,000	150,000
Bonds - Nominal amount	**880,000**	**730,000**	**150,000**
Issue and placement commissions	(9,731)	(16,732)	7,001
Cash Settlement option - fair value	4,635	4,389	246
Total bonds	**874,904**	**717,657**	**157,247**
Bank loans and receivables	287,082	230,653	56,429
Loans backed by personal guarantees	4,812	4,896	(84)
Finance lease payables	18,021	15,992	2,029
Banks loans and borrowings and finance lease payables - Nominal amount	**309,915**	**251,541**	**58,374**
Loan commissions	(15,918)	(9,927)	(5,991)
Hedging derivatives	7,879	9,032	(1,153)
Total bank loans and borrowings and finance lease payables	**301,876**	**250,646**	**51,230**
Loans and borrowings - associates and joint ventures	1,634	1,645	(11)
Loans and borrowings - other investees	585	94	491
Total	**1,178,999**	**970,042**	**208,957**

(*) Included in NFP a value of EUR 1,164,266 thousand (31 December 2013: EUR 954,881 thousand).

The general increase in this item compared to 2013 is related to investments made in Turkey in the concessions segment. With regard to the concessions segment it should also be pointed out that the related debt is by definition "without-recourse", or in any case self-liquidating, also taking into account the financial assets from concession activities guaranteed by the party granting the concession.
Lastly, it is also useful to recall, in line with the 2013-2018 Business Plan, the basic focus of the debt structure on the medium-long term, targeted to consolidate an optimal sources/uses structure to meet the Group's financing and development requirements.

Bonds

Bonds comprise the fair value of the cash settlement option equal to EUR 4,635 thousand related to the equity-linked bond falling due in 2019, in addition to the nominal amount of loans, calculated and expressed on the basis of the related amortised cost.

This option grants the subscriber the right to exercise the right of conversion from 01/02/2014 through to the due date.
In December 2014 the bonds of the Group were as follows:

- The issue of an equity-linked bond loan in January 2013, reserved for qualified Italian and foreign investors. The bond loan with a nominal amount of EUR 130,000 thousand has a six-year duration (falling due on 31 January 2019) and has a six-monthly coupon at a fixed rate of 4.50%, payable on 31 January and 31 July of each year. The bonds can become convertible into existing or newly-issued ordinary company shares as from 1 February 2014, save for the Company's right to settle any conversion application through the delivery of ordinary shares, or through payment in cash, or through a combination of ordinary shares and cash (cash settlement option). The bond conversion price has been set at EUR 7.3996 and incorporates a conversion premium of 35% compared to the average price of Astaldi shares traded on the Italian Stock Exchange on 14 January 2013.
- The issue of a senior unsecured fixed-rate bond in December 2013, for the sum of EUR 500,000 thousand, falling due in 2020. The bonds have an annual coupon of 7.125% and the issue price is equal to 100%. The bonds were rated B1 (Moody's), B+ (Fitch) and B+ (S&P) and offered exclusively to qualified investors and listed on the official list of the Luxembourg Stock Exchange.
- The issue of an integration of the aforementioned senior unsecured fixed-rate bond in December 2013, for the sum of EUR 100,000 thousand, falling due in 2020 (so-called Tap). The bonds, which had the same characteristics, terms and conditions of those issued pursuant to the senior loan for the sum of EUR 500,000 thousand and could be completely combined with these, were placed at a price equal to 102.250% of their nominal amount by the same banks that placed the first senior unsecured loan.

The following table shows the main figures related to the aforementioned bonds:

Type of loan	Expiry	Coupon	Outstanding 31/12/14
Bond (Equity Linked)	January 2019	half-yearly 4.5%	130,000
Bond (Senior Unsecured)	December 2020	half-yearly 7.125%	750,000
Total bonds			**880,000**

In relation to indication of the fair value of bonds, it must be noted that, on the basis of market prices recorded at the end of 2014, the value of the equity-linked bonds was 101.03 while the value of the senior unsecured bonds was 102.46. Therefore, the total fair value of bonds at 31 December 2014 was EUR 899,789 thousand.

Bank loans and loans backed by personal guarantees

Among the main financial transactions in the year we can point out that the "Forward Start Facility" loan for EUR 325 million, signed on 2 December 2011, was refinanced on 07 November 2014 with a new Revolving Credit Facility for EUR 500 million, arranged by Unicredit S.p.A., BNP Paribas and Intesa Sanpaolo and subscribed by a syndicate of domestic and international banks, with expiry in November 2019.
In addition to improving the Group's liquidity rate, the new revolving line provides for a considerable reduction of financial expense compared to the previous year, thanks to the improvement of the margin, and involves a range of contract commitments and financial parameters in lines with the 2013-2018 Business Plan.
This Revolving Credit Facility at 31 December 2014 is available for use for an amount of EUR 435 million, thus providing an important source of committed funding for the Group.
The main bank loan transactions undertaken in 2014 were as follows:

- Committed revolving loan of EUR 50 million agreed with Cariparma (with counter guarantee by SACE for 60% of the amount), to support the coverage of the misalignment between costs and revenue from Group operations abroad, through its own branches, with expiry in June 2017.

- Committed revolving loan of EUR 45 million signed with BNP Paribas (with counter guarantee by SACE for 70% of the amount), to support the coverage of the misalignment between costs and revenue from operations for contracts for the construction of infrastructure works in Venezuela, Canada, U.S.A., Chile, Peru and other countries in Central America, with expiry January 2016.
- Committed bilateral loan of EUR 23 million, signed in December 2014 with Banca Do Brasil and with final expiry in January 2016.
- Amendment to the committed loan of EUR 60 million signed with Cacib and BBVA (counter guaranteed by SACE for 66% of the amount), to obtain the funds necessary to support sustain the investments in equity in the concessions, in Italy and abroad and, in particular, related to the concession project for the Gebze-Izmir-Orhangazi Motorway in Turkey. This loan, which originally expired in July 2017, was extended up to July 2018; at 31 December 2014 it was available for use for an amount of EUR 12 million and represents another source of financing for the Group.

With regard to loan repayments in 2014 we can make note of the following:

- Early repayment of the committed revolving loan of EUR 35 million signed with Cariparma (and counter guaranteed by SACE for 70% of the amount).
- Early repayment of the committed loan of EUR 110 million signed with Banca Popolare di Milano and Centrobanca, residual quota at 30 June 2014 totalling EUR 30 million.
- Early repayment of the committed loan of EUR 30 million signed with Portigon (formerly WestLB AG) residual quota at 30 June 2014 totalling EUR 4 million.
- Repayment of the final loan instalment of EUR 13.8 million signed by Astaldi Concessioni with Banca Popolare di Milano.
- Early repayment of the committed loan of EUR 80 million signed by Mondial A.S. with HSBC and Isbank, residual quota at 31 December 2014 totalling EUR 37 million.

The following table shows the key figures related to the Group's main bank loans at 31 December 2014.

Type of loan	Company	Outstanding 31/12/2014	Signing date	Expiry*
Bilateral - BNP Paribas	Astaldi S.p.A.	45,000	06/08/2013	15/01/2016
Bilateral - Banco do Brasil	Astaldi S.p.A.	23,000	11/12/2014	04/01/2016
Bilateral - Cariparma	Astaldi S.p.A.	50,000	27/06/2014	27/06/2017
Bilateral - Banca del Mezzogiorno - Mediocredito Centrale S.p.A.	Astaldi S.p.A.	15,506	17/05/2013	R.P. 30/06/2016
Bilateral - Banca Popolare	Astaldi S.p.A.	25,000	14/07/2008	R.P. 14/07/2016
Bilateral - Banca Popolare dell'Emilia Romagna	Astaldi S.p.A.	13,717	04/12/2013	R.P. 04/12/2016
Syndicate	Astaldi S.p.A.	65,000	07/11/2014	07/11/2019
Syndicate	Astaldi S.p.A.	16,625	22/06/2011	R.P. 30/06/2016
Syndicate	Astaldi S.p.A.	4,990	02/02/2012	R.P. 30/06/2016
Syndicate	Astaldi S.p.A.	48,000	22/12/2014	R.P. 31/07/2018
Syndicate	Inversiones Assimco Limitada	7,791	05/08/2009	R.P. 08/08/2016
Bilateral - Is Bank	Mondial Milas - A. S.	9,286	12/08/2011	R.P. 31/07/2015
Other corporate loans		343,947		
Total loans and borrowings		**667,862**		
of which non-current		291,894		
of which current		375,968		

*R.P. = with repayment plan.

It is pointed out that with the agreement for the new Revolving Credit Facility (RCF) for EUR 500 million, the financial covenants applicable at 31 December 2014 were modified as follows:

- Group's debt/equity ratio: less than or equal to 2.00x
- Group's debt/operating profit ratio: less than or equal to 3.60x

- Priority Leverage Ratio: less than or equal to 0.5x.

After the signature of the RCF, the financial covenants of all the other corporate loans were fully aligned to the above.
Non-compliance with financial covenants, if not recovered within a period specified in the agreements (the "cure period"), may involve cancellation of the loan and hence a request by the lending banks to accelerate repayments.
In addition to financial covenants, the loan agreements, in keeping with international practice, include clauses that place restrictions on the Group's financial operations and other undertakings such as clauses regarding *pari passu*, negative pledges and change of control.
All the covenants at 31/12/2014 have been complied with.

Finance lease payables

During the year the Group signed finance leases totalling EUR 11,417 thousand. The leases regarded assets comprising the fiscal categories of heavy vehicles, generic plant and equipment, specific plant and equipment, light constructions, excavators and mechanical power shovels; these leases contain a redemption cause. The following table shows the amount of future instalments deriving from finance leases and the present value of the relative instalments.

	31/12/14		31/12/13	
	Instalments	Present value	Instalments	Present value
Within one year	9,916	8,802	10,958	9,770
Over one year and within five years	15,843	13,121	12,830	10,311
Over five years	5,459	4,901	6,470	5,680
Total lease instalments	**31,218**		**30,258**	
Financial expense	4,394		4,497	
Present value	**26,824**	**26,824**	**25,761**	**25,761**

Current financial liabilities: EUR 395,070 thousand (EUR 388,440 thousand)

Current financial liabilities increased by EUR 6,630 thousand compared to the previous year and consist of the following:

	31/12/14	31/12/13	Difference
Bonds	6,494	5,692	802
Issue and placement commissions	(1,818)	(2,378)	560
Total bonds	**4,676**	**3,314**	**1,362**
Bank loans and borrowings	338,495	304,021	34,474
Current portion of loans	37,251	66,720	(29,469)
Current portion of loans backed by personal guarantees	221	212	9
Finance lease payables	8,803	9,770	(967)
Bank loans and borrowings and finance lease payables - Nominal amount	**384,770**	**380,723**	**4,047**
Loan commissions	(4,815)	(6,032)	1,217
Interest on bank loans	2,956	3,940	(984)
Hedging derivatives	7,483	6,325	1,158
Total loans and borrowings and finance lease payables	**390,394**	**384,956**	**5,438**
Loans and borrowings and from other financial backers	**0**	**170**	**(170)**
Total	**395,070**	**388,440**	**6,630**

(*) Included in NFP for a value of EUR 387,587 thousand (2013: EUR 382,115 thousand).

The item "Bonds" refers to instalment on interest falling due and not yet settled, adjusted by the portion of the costs of issue and placement in such a way as to reflect the value of the bonds upon expiry, calculated on the basis of the effective interest.
Bank loans and borrowings rose mainly due to the partial use of the short-term revolving lines (committed and uncommitted) in order to continue the general policy of support to production activity, by financing the contract working capital, a policy pursued by the Group with continuity despite the extremely complex macroeconomic context.

Net Financial debt

The following table shows the amount of net financial debt with a breakdown of the main items as requested by CONSOB Communication No. DEM/6064293 of 28 July 2006 which refers to the European Securities and Markets Authority – ESMA (formerly CESR) Recommendation dated 10 February 2005.

			31/12/2014	31/12/2013 Restated
A	Cash		530,212	373,226
B	Securities held for trading		1,396	1,407
C	**Cash and cash equivalents**	**(A+B)**	**531,607**	**374,633**
-	Current loan assets		20,870	29,412
	of which from related parties:		*18,316*	*4,913*
-	Current portion of financial assets from concession activities		17,813	15,477
D	**Current loan assets**		**38,683**	**44,859**
E	Current portion of bank loans and borrowings		(336,636)	(301,929)
F	Current portion of bonds		(4,676)	(3,315)
G	Current portion of non-current debt		(37,472)	(66,931)
H	Other current loans and borrowings		(8,803)	(9,940)
I	**Current financial debt**	**(E+F+G+H)**	**(387,587)**	**(382,115)**
J	**Net current financial debt**	**(I+D+C)**	**182,703**	**37,377**
K	Non-current portion of bank loans and borrowings		(275,976)	(225,622)
L	Bonds		(870,269)	(713,268)
M	Other non-current financial liabilities		(18,021)	(15,992)
N	**Non-current financial debt**	**(K+L+M)**	**(1,164,266)**	**(954,881)**
O	**Net financial debt from continued operations**	**(J+N)**	**(981,563)**	**(917,504)**
P	**Net financial position of discontinued operations**			**30,680**
Q	**Net financial debt**	**(O+P)**	**(981,563)**	**(886,824)**
-	Non-current loan assets		37,281	24,547
-	Subordinated Loans		133,652	46,439
	of which to related parties		*133,652*	*46,439*
-	Non-current portion of financial assets from concession activities		6,776	15,603
R	**Non-current loan assets**		**177,709**	**86,589**
S	**Total financial debt**	**(Q+R)**	**(803,854)**	**(800,235)**

Total financial debt takes into account not only the net financial debt (letter Q in the above table) calculated in accordance with European Securities and Markets Authority ESMA (formerly CESR), Recommendation of 10/02/2005, but also non-current loan assets mainly from associates set up for project financing activities.
It should likewise be pointed out that the Parent holds treasury shares in its portfolio totalling EUR 5,198 thousand which generate a net financial debt totalling EUR (798,656) thousand. It is likewise pointed out that the net financial debt, also in comparative terms, does not contain the amount of derivatives used in hedging activities since, by their very nature, they do not represent financial amounts.
The increase in total debt recorded compared to last year is to be attributed to planned investments in the concessions segment in the Turkish areas.
On the whole, the financial structure benefited from the bonds issued in 2013 and 2014, and from the new revolving facility of EUR 500,000 thousand signed in November 2014, which refinanced and extended the Forward Start Facility for EUR 325,000 thousand. Said transactions extended the expiry dates and provided more funds to existing credit lines in order to support the future operational growth of the Group. Cash and cash equivalents (EUR 531,607 thousand) combined with the possible use of committed and uncommitted revolving credit lines (totalling approximately EUR 750,000 thousand), provide the Group with a more than sufficient capacity to meet planned financial commitments.

29. Other liabilities

Other Non-current liabilities: EUR 17,034 thousand (EUR 16,696 thousand)

Other non-current liabilities, totalling EUR 17,034 thousand did not show significant differences compared to the previous year and mainly comprise payables to Simest S.p.A. (EUR 11,593 thousand) for the acquisition of non-controlling interest of the subsidiary Inversiones Assimco Limitada.

Other current liabilities: EUR 167,530 thousand (EUR 153,404 thousand)

Other current liabilities totalled EUR 167,530 thousand and consist of the following:

	31/12/14	31/12/13	Difference
Associates and joint ventures	792	1,254	(462)
Other companies	2,074	1,381	693
Personnel	22,722	20,951	1,771
Social security institutions	11,446	10,792	654
Accrued expenses and deferred income	6,884	3,518	3,366
Other	123,612	115,508	8,104
Total	**167,530**	**153,404**	**14,126**

"Other" rose compared to 2013 by EUR 8,104 thousand with reference mainly to the foreign sector (Romania, Poland and Algeria) and mainly contains the effects of the consolidation of the Group's various operating entities with reference to the value of existing relations with various partners in joint initiatives.
The item Personnel likewise rose as a result of the constant growth of production activities, which required more human resources, and the item Accrued expenses and deferred income also rose, mainly due to the operations undertaken by the Parent in the contracts under way in the Russian area.
As for relations with associates and joint ventures, please consult the annex on related parties. It should also be pointed out that amounts due to associates for principal to be paid and not yet called-up by the individual Boards of Directors, were reclassified, as per the previous year, as a direct reduction of the respective carrying amounts of equity investments.

30. Employee benefits: EUR 9,595 thousand (EUR 8,003 thousand)

The amount of this item, and the changes occurring during the year, are shown in the table below.

Actuarial value	Pension plans and defined benefits	Liabilities for redundancy incentives	31/12/14
a) Amount at 01/01/2014	**8,003**	**0**	**8,003**
b) Increases during the year			
b.1) Social security cost of current services	878	1,158	2,036
b.2) Interest payable/Financial expense	158	0	158
b.3) Actuarial Gains (Losses) from experience	37	0	37
b.4) Actuarial Gains (Losses) from change in demographic theories	89	0	89
b.5) Actuarial Gains (Losses) from change in financial hypotheses	264	0	264
c) Amount of the year	(992)	0	(992)
f) Total amount of obligation at 31/12/2014 *(Defined Benefit obligation)*	**8,437**	**1,158**	**9,595**

The item Pension plans and defined benefits mainly refers post-employment benefits regulated by Article 2120 of the Italian Civil Code.

Additional information on post-employment benefits (IAS 19 – para. 135 and subsequent)

Characteristics of the plan

At 31 December 2006, post-employment benefits of Italian companies were considered to be a defined benefit plan. Regulation of this provision was amended under Law No. 296 of 27 December 2006 (2007 Finance Act) and subsequent decrees and regulations issued in the early part of 2007. In the light of said amendments, and with specific regard to companies with a minimum of 50 employees, said provision is to be classified as a defined benefit plan solely for sums accrued prior to January 1 2007 (and still to be paid at the reporting date), while subsequent to this date it is to be considered a defined contribution plan.
The liability referring to post-employment benefits, recognised Group's statement of financial position, net of any advance payments made, show (i) the Group's obligation as regards the sums acknowledged to employees up to 31 December 2006 that will be paid upon the employee leaving the company, as regards companies with more than 50 employees, (ii) the progressive amount of benefits due to employees, accrued during their working life, recognised on an accruals basis in keeping with the provision of services needed to obtain benefits, as regards other companies.

Main assumptions used

There follows a summary of the main assumptions used for the actuarial estimate of post-employment benefits at 31 December 2014:

- Annual discount rate: 1.49%
- Annual rate of inflation:
  - 0.60% for 2015
  - 1.20% for 2016
  - 1.50% 2017 and 2018
  - 2.00% from 2019 onward
- Annual rate of increase in post-employment benefits: 75% of inflation plus 1.5 percentage points
- Annual rate of remuneration increase:
  - Managers: 2.50%
  - Junior managers / White collars / Blue collars: 1.00%

Sensitivity analysis

There follows a summary of the potential effects which would be recorded for the obligation for defined benefits after hypothetical changes in the actuarial rates reasonably possible at the reporting date:

	Turnover Freq.	Inflation rate		Discounting rate	
	+ 1%	+1/4 %	-1/4 %	+1/4 %	-1/4 %
Change in the total amount of the obligation	(43)	118	(115)	(167)	173

Effect of the defined benefit plan on the Group's future cash flows

There follows a summary, based on the estimates reasonably possible at the reporting date, of effects on the Group's future cash flows with regard to the defined benefit plan:

- Forecast plan contributions for 2015: EUR 648 thousand
- Weighted average duration of the obligation for benefits: 10.48 years
- Forecast disbursements:
  - 2015: EUR 862 thousand
  - 2016: EUR 726 thousand
  - 2017 and subsequent: EUR 15,701 thousand.

Liabilities for redundancy incentives

The item "Liabilities for redundancy incentives" comprises the estimate of the charges related to offers for agreed early retirement deriving from organisational requirements.
The recognition of the carrying amount for the year reflects the application of the agreement reached by the Company during the year with some employees of the Italian head office, on the basis of the rules set forth in Art. 4, para. 1 – 7-*ter* of Law 92 of 2012, the so-called "Fornero Law".

Features of the plan

On 9 June 2014, the Parent and the trade union representatives of the Rome office, in the presence of the Provincial Secretaries of Filca-CISL and Fillea-CGIL, signed a framework agreement to govern an early retirement plan reserved to the employees of the Company's registered office, applying the provisions set forth tin Art. 4, para. 1 to 7-*ter* Law No. 92/2012. The plan, with adherence by voluntary agreement, had become necessary and advisable in order to handle in a way that is not traumatic the excess personnel existing in some organisational facilities in the head office due to the completion of various production activities in Italy, identifying the provisions of Art. 4 of Law 92/2012 as the suitable instrument for the flexible management of excess personnel. The agreement guarantees to employees accepting early retirement the payment of an amount equal to the retirement amount to which they would be entitled on the basis of the existing rules and accrual of the further retirement contribution amounts necessary for reaching the minimum retirement requisites.
After the workers had expressed interest in early termination of employment and after the minimum number of such terminations deemed necessary for the efficacy of the initiative had been reached, an implementation agreement was signed on 01 August 2014 in order to submit the validation application to the social security institution.
On 27 November 2014, Italy's social security institution, Istituto Nazionale della Previdenza Sociale (INPS) accepted the application for validation of the company agreement, after ascertaining possession of the necessary requisites by 8 workers.

Main assumptions used

The annual discount rate used for the calculation of the present value of the obligation, equal to 0.185%, was calculated with reference to the Eurirs index for two years (in line with the duration) of the plan concerned.

31. Trade payables: EUR 1,031,736 thousand (EUR 1,116,633 thousand)

This item consists of the following:

	31/12/14	31/12/13	Difference
Suppliers	962,959	1,014,110	(51,151)
Associates	59,057	92,784	(33,727)
Other investees	9,720	9,739	(19)
Total	**1,031,736**	**1,116,633**	**(84,897)**

The decrease of this item by EUR 84,897 thousand, set against the increase of production volumes recorded during the year, once more testifies the careful policy to support production activities adopted by the Group in an ongoing manner despite the macroeconomic situation characterised by especially complex items, if we are also to consider the unfavourable overall reference framework.
In particular, payables to suppliers showed an overall decrease of EUR 51,151 thousand which comprises a reduction of approximately EUR 170,000 thousand recorded on the domestic level and in Russia partially offset by an increase of approximately EUR 126,000 thousand attributable to the contract work in progress in Turkey, Poland, Peru, Canada and Algeria directly related to the revenue levels produced.
On a domestic level, payables to associates rose, basically due to the works for the Pedemontana Lombarda Motorway.

32. Tax liabilities: EUR 103,997 thousand (EUR 73,666 thousand)

Tax liabilities rose by EUR 30,331 thousand compared to the previous year and consist of the following:

	31/12/14	31/12/13	Difference
Indirect tax liabilities	54,631	31,891	22,740
Direct tax liabilities	44,904	36,242	8,662
Withholding tax liabilities	4,462	5,533	(1,071)
Total	**103,997**	**73,666**	**30,331**

The increase in this category is mostly attributable to the item “Indirect tax liabilities”, recognised essentially with reference to the domestic area, and mainly related to trends in the process of invoicing the contract amounts to customers, and more specifically to the achieving of the important milestones invoiced in December 2014 in the transport infrastructures sector.

33. Current portion of provisions for risks and charges: EUR 13,407 thousand (EUR 22,591 thousand)

The composition of provisions for risks and charges is as follows:

	Provisions for contractual obligations	Provisions for risks on equity investments	Provision for potential losses	Provision as per Art.27 Company by-laws	Total
Balance at 31/12/2013	**16,218**	**2,643**	**1,700**	**2,030**	**22,591**
Allocations	53	50	952		1,055
Utilisation	(8,942)		(1,302)	(515)	(10,759)
Allocation of 2013 profit				520	520
Restatement	(177)		177		0
Balance at 31/12/2014	**7,152**	**2,693**	**1,527**	**2,035**	**13,407**

- Provisions for contractual obligations mainly include a conservative assessment of losses relating to works that have already been performed, for which the final phase of the respective contracts has not yet been defined, as well as activities related to contract work in progress;
- Provisions for risks on equity investments reflect the Group’s deficit of investees considering to investment’s carrying amounts;
- The provision for potential losses includes the accrual for costs calculated on an case-by-case basis, carried out with the help of external consultants and based on both objective and evaluation elements;
- The provision as per Art. 27 of the By-laws was used for charitable donations and increased through the allocation of profits in accordance with specific resolutions.

Disclosure on potential risks

It is pointed out that on 3 November 2010, the Group Company COMERI S.p.A. received a Formal Notice of Assessment from the Italian Tax Police, Rome Unit, following a general check made for the purposes of direct and indirect taxation.
There were no further developments in 2014, thus confirming what was already stated in this regard with reference to the Financial Statements for 2013, 2012 and 2011.
For complete information, we can recall that the aforementioned Notice of Assessment contains an objection concerning taxation of the agreement signed between Astaldi and ANAS S.p.A. on 3 May 2010, regarding the definition of technical reserves included in the construction site accounts up to 31.12.2008, some of which were erroneously considered by the Tax Police to be higher fees rather than penalties for compensation of damage, and thus fully subject to 20% VAT.
In relation to the objection raised, it was shown that COMERI S.p.A. had previously registered the out-of-court settlement in question with the Internal Revenue Office on 15 June 2010; on this occasion the internal revenue office requested and accepted payment of the proportional registration tax on the aforesaid reserves, thus conclusively confirming the tax treatment for these amounts for the purposes of indirect taxation, considering them to be compensatory and thus excluded from VAT taxation.
On the basis of the aforesaid, and through the presentation of detailed observations on the circumstances involved, COMERI S.p.A. presented an application to the Internal Revenue Office on 30.12.2010 requesting them not to proceed in this respect with the issue of a notice of assessment regarding the objection raised in the preliminary assessment report made by the Tax Police, since otherwise this would give rise to double taxation of a single taxable item.
There has been no response to this application to date, nor has the Internal Revenue Office issued any notice of assessment. Therefore, also with the support of the consultants, the risk of assessment is considered remote.
To complete the information provided regarding provisions for risks and charges, there follows a summary of the allowances and provisions recognised in the financial statements with indication of their nature and specific category.

		31/12/14	31/12/13	Notes
Provisions deducted directly from assets		**27,151**	**28,128**	
Allowance for impairment (equity investments)	Investments	8	8	18
Allowance for impairment losses on contracts	Amounts due from Customers	8,827	10,642	22
Allowance for impairment	Trade receivables	11,020	10,767	23
Allowance for impairment - default interest	Trade receivables	1,772	1,772	23
Provision for default interest due to tax authorities	Tax assets	198	198	24
Allowance for impairment of other assets	Other current assets	5,326	4,741	20
Provisions recognised under liabilities				
Provision for risks and charges		**14,052**	**25,480**	**33**
of which:				
• For risks on equity investments	Provisions for risks and charges	2,693	2,643	33
• For contract losses to complete	Provisions for risks and charges	7,152	16,218	33
• For losses to complete	Amounts due to customers	645	2,889	20
• Other provisions for risks and charges	Provisions for risks and charges	3,562	3,730	33
Total provisions / allowances		**41,203**	**53,608**	

34. Fair value measurement

The following table provides the fair value hierarchy of the Group's assets and liabilities:

	Measurement date	Total	Measurement at fair value with Prices quoted in active markets (Level 1)	Observable significant inputs (Level 2)	Unobservable significant inputs (Level 3)
Assets measured at fair value					
Forward exchange contracts	31/12/14	(342)		(342)	
Forward Knock-In	31/12/14	(883)		(883)	0
Securities	31/12/14	1,396	1,396		
Liabilities measured at fair value					
Interest Rate Swaps	31/12/14	(13,659)		(13,659)	
Conversion options - bonds	31/12/14	(4,635)			(4,635)

Measurement techniques and inputs used to process measurements

Assets and liabilities measured at fair value on a recurring basis

Interest rate swaps

The fair value of derivatives was measured using a pricing tool. The indexed floating leg was measured by generating the forward rates for the deadlines provided for in the contract, and subsequently by calculating the present value by discounting relative cash flows.
The indexed fixed leg was measured by calculating the present value of flows.
The forward rates and discount rates were calculated as from the zero coupon rates implicit in the short-term rate (deposit quotation) and long-term rate (swap rate quotation) curves at 31 December 2014.
When calculating the fair value of derivatives, the so-called Debit Value Adjustment (DVA) was also measured in order to take into account the default risk.
The overall value of the derivative is obtained from the difference of the present values of the floating and fixed item.
As regards the efficacy of operations, it is obtained through internal valuation models using the Dollar Offset Method, employing the hypothetical derivative to calculate the difference in fair value of the underlying derivative.

Forward exchange rate contracts

The instruments in question were measured by using a pricing tool.
Measurement was performed by discounting the value upon contract expiry, calculated as the difference between the forward exchange rate upon expiry, quoted by the market at the measurement date, and the yearly exchange rate provided for in the contract, weighted by the nominal amount provided for in the contract.
The discount rates were calculated as from the zero coupon rates implicit in the short-term rate (deposit quotation) and long-term rate (swap rate quotation) curves at 31 December 2014. The forward exchange rates were estimated through linear interpolation starting from the forward exchange curve acquired by the info providers.

Currency Knock-in collar

Options with barriers are Put or Call options activated only when a barrier value is reached. In the case of knock-in options, option is activated if the spot value of the underlying factor reaches or exceeds a pre-set barrier value.
The fair value of these derivatives was measured by the use of a pricing tool. In particular, the Black & Scholes model was used for the calculation. The overall value of the instrument is given by the difference between the fair value of the Put option and the Call option.
The forward rates and discount rates were calculated starting from zero coupon implicit EUR and USD rates of the short term rates curve (deposits quotation) and long term rates (swap rates quotation) at 31 December 2014. The volatility is estimated by linear interpolation from the EUR-USD volatility surface made available by the info providers.

Securities

The fair value of securities is equal to the market price of bid prices at the reference date of the period considered.

Conversion options - Bonds

A convertible bond grants the holder the possibility to convert the bond into a set number of shares of the issuer. Therefore, the instrument can be compared to a standard bond that incorporates the sale of a call option.
A pricing tool is used to measure the convertible bond.
The measurement model breaks up the instrument into its basic parts: an equity component and a debt component. To this end it defines the “cash only part of the convertible bond” as a hypothetical instrument. The value measurement of the two aforesaid items is calculated on the basis of the Black & Scholes equation.
The model uses the following inputs: the market price of the Company’s shares, the rate (swap and deposit) curves, share price volatility and the company’s credit spread.
As regards the aforementioned inputs, the company’s credit spread is not currently observable on the market.

Assets and liabilities measured at fair value on a non-recurring basis

At 31/12/2014 there were no assets and liabilities measured at fair value on a non-recurring basis.

Transfers of financial instruments between different fair value hierarchy levels

During the year there were no transfers between different fair value hierarchy levels.

35. Information on risk management, financial instruments and guarantees

Financial risk management

The Astaldi Group operates in an international context where transactions are conducted in different currencies; moreover, in order to support and develop its own industrial activities, it makes use of external sources of financing in Euro and foreign currencies.
Astaldi Group is exposed to the following financial risks:

- Market risk: the Group’s exposure to fluctuations in interest rates and exchange rates between the Euro and the other currencies in which it operates;

- Liquidity risk: related to the possibility that Astaldi Group might not be able to meet its financial commitments resulting from contractual undertakings and, more generally, from its short-term financial commitments;
- Credit risk: the Group's exposure to potential loss resulting from default on obligations undertaken by counterparts.

The various types of risk are monitored in such a way as to evaluate in advance their potential negative effects, and take suitable mitigating actions. The optimisation and reduction of risk levels is pursued through a suitable organisational structure, the adopting of rules and procedures, the implementation of targeted sales and procurement policies, and the use of insurance policies and hedging derivatives.
In order to maintain corporate value, Astaldi Group has drawn up guidelines for controlling its exposure to market risks and entrusted to an internal Financial Risks Committee the definition of policies and strategies to manage risks through derivatives and the monitoring of hedged positions.
As regards said policies, Astaldi Group mainly uses cash flow hedging to cover exposure to fluctuations in financial flows attributable to a specific risk associated with an asset or liability, or to a planned transaction likely to have an effect on the income statement.
There follow the hedging derivative operations at 31 December 2014, with distinction between hedge accounting, representing most of Astaldi Group's transactions, and non-hedge accounting transactions with the fair value, notional value and changes in the respective reserves and income statement listed for each. For transactions in currencies other than the Euro, the amounts are converted into Euro at the exchange rate at year-end.

Interest rate risk

Group exposure to the risk of changes in interest rates is mainly related to floating-rate financial debt; changes in interest rates affect the market value of financial assets and liabilities of the company and the level of net financial expense. Astaldi Group, also taking into account contractual obligations, duly assesses exposure to the risk of changes in interest rates and manages these risks through non-speculative derivatives, in order to pursue a Cash Flow Hedge strategy. The Group's hedging policy, regulated by a specific interest rate risk management policy, involves the definition of an ideal mix between fixed rate and floating rate borrowing in the borrowing structure in order to minimise the risk of interest rate fluctuation, mainly the Euribor, while pursuing set financial structure targets. Astaldi Group therefore undertakes hedging transactions through simple derivatives ("plain vanilla"), on a cash flow hedge basis, in order to convert the floating rate into a fixed rate (Interest Rate Swap), or to allow a limited interest rate fluctuation within a predefined range (Collar), and in any event guaranteeing a maximum risk exposure level (Cap). These instruments are generally at zero cost.
In 2014, the notional value of derivative hedging on the interest rate risk totalled EUR 329 million. Taking into account said hedging and the fixed-rate debt associated with bond issues, the percentage of fixed rate debt equalled approximately 78% of the gross debt.
The following tables show details of the aforesaid transactions, all designed to hedge financial flows, and subdivided into cash flow hedges and transactions for which Astaldi Group decided not to apply hedge accounting.

Type of derivative	Underlying	Notional remainder 31/12/14	Fair Value 2014	Fair Value 2013
IRS	Medium-Long term debt	274,010	(12,635)	(16,501)
Total		**274,010**	**(12,635)**	**(16,501)**

With reference to the aforementioned Hedge Accounting transactions, the change in value had an impact above all on equity attributable to owners of the Parent, generating a final balance of the hedging reserve of EUR 12.4 million, together with the related effect for deferred taxes of EUR 3.4 million.

There follow details of changes in the hedging reserve in 2014:

Hedging reserve – interest rate risk	**31/12/14**	**31/12/13**
Opening reserve	(16,224)	(34,507)
Impact on reserve net of release to profit or loss	3,812	18,283
Closing reserve	**(12,412)**	**(16,224)**
Ineffectiveness	(222)	(277)

With regard to transactions for which hedge accounting was not employed, the changes of value of these financial instruments were recognised directly in profit or loss.

Type of derivative	**Underlying**	**Notional remainder 31/12/14**	**Fair Value 2014**	**Fair Value 2013**
IRS	Medium-Long term debt	55,045	(1,024)	(1,218)
Total		**55,045**	**(1,024)**	**(1,218)**

Sensitivity analysis

There follows a summary of the potential effects of a hypothetical marginal increase or decrease in interest rates on the Group's Income Statement and Statement of financial position in terms of greater or lower interest payable over the entire remaining duration of floating-rate financial payables.
The analysis was conducted based on market curves at 31/12/2014 and considers a parallel rate shock by 1% upwards (shock up) and 0.30% downwards (shock down) on interest rates.

Interest rate risk	**Income statement**		**Equity**	
sensitivity analysis	**Shock up 31/12/14**	**Shock down 31/12/14**	**Shock up 31/12/14**	**Shock down 31/12/14**
Financial liabilities				
• cash flow	(6,678)	2,004		
Hedging derivatives				
• cash flow	2,241	(530)		
Total	**(4,437)**	**1,474**	**0**	**0**
• *fair value*	315	(96)	5,395	(1,700)

With reference at 31/12/2014 the analysis shows how, considering a hypothetical increase of 1% in interest rates, due to the positive impact of derivative hedging (approximately EUR 2.2 million), there would be an increase in financial expense of EUR 4.4 million; in this hypothetical scenario, the fair value of hedging recognised in the income statement, compared to the effective amount recorded at 31/12/2014, would show an increase of EUR 0.3 million, while the equity reserve (negative) would drop by approximately EUR 5.3 million.
Similarly, as can be seen from the table, a shock down of 0.30% in interest rates would lead to a decrease in financial expense of approximately EUR 1.4 million.

Currency risk

With reference to currency risk, the Astaldi Group performs cash flow hedges for specific foreign contracts in order to neutralise or mitigate the effect of exchange rate fluctuations on related foreign-currency costs or revenue.
The Group policy is aimed at hedging a percentage of exposure to currency risk, depending on business characteristics and the specific volatility of certain currencies, for the entire duration of the works with regard to specific contracts, and when this is not possible, for a period of 12 months.
Hedging is performed by using forward plain vanilla derivatives, cost zero cylinders and cross currency interest rate swaps.
As regards specific foreign currencies especially those of emerging countries whose financial markets do not allow for mitigation of currency risk through derivatives, Astaldi Group tends to protect the imbalance between trade receivables and payables in local currency through financial debt in the same currency (so-called “natural hedging”).
At 31 December 2014 the notional value of existing hedging for currency risk, amounted to a total counter-value of EUR 54.7 million.

Type of derivative	Underlying	Notional remainder 31/12/14	Fair Value 2014	Income statement
Forward Buy CAD / Sell EUR	Hedging of funding Canada	13,511	194	194
Forward Buy EUR / Sell USD	Hedging of receivables Turkey	20,591	(536)	(536)
Forward Knock-in Buy EUR / Sell USD	Hedging of receivables Turkey	20,591	(883)	(883)
Total		**54,693**	**(1,225)**	**(1,225)**

There follow details of changes in the hedging reserve recorded in 2014 due to currency risk hedging:

Hedging reserve - currency risk	31/12/14	31/12/13
Opening reserve	177	22
Impact on reserve net of release to profit or loss	(177)	155
Closing reserve	**0**	**177**
Ineffectiveness	(1,313)	0

Liquidity risk

The main factors contributing to the Group’s liquidity risk are, on the one hand, the financial resources generated by or used in the Group’s operating and investing activities, and on the other, financial debt maturity and use of cash, as well as the contingent conditions of financial markets.
Astaldi Group aims to maintain a sufficient cash margin to allow for coverage of financial requirements with the availability of committed and uncommitted credit facilities.
Cash flows, the need for financing and liquidity are monitored in an ongoing manner and managed with the aim of ensuring effective and efficient financial resource management.
The following table shows the timeframe of the Group’s financial liabilities:

Analysis of maturities	Use	On sight	2015	2016	2017	2018	2019	Over
Short term loans	(329,210)	329,210						
Medium / Long term loans*	(365,475)		55,560	138,032	65,321	26,759	67,764	12,039
Equity linked bonds*	(130,000)						130,000	
Senior unsecured bonds*	(750,000)							750,000
Total	**(1,574,685)**	**329,210**	**55,560**	**138,032**	**65,321**	**26,759**	**197,764**	**762,039**
Derivatives								
- interest rate risk derivatives**	(13,659)	0	5,780	4,554	1,741	1,530	33	21
- currency risk derivatives**	(1,225)	0	1,225	0	0	0	0	0
Total	**(14,884)**	**0**	**7,005**	**4,554**	**1,741**	**1,530**	**33**	**21**
EXPOSURE at 31.12.2014		**329,210**	**62,565**	**142,586**	**67,062**	**28,289**	**197,797**	**762,060**

* The figures shown in the table coincide with the nominal amount of financial liabilities and therefore do not include (i) commission directly related to the granting of loans that in turn is included in the measurement at amortised cost of the financial liabilities, and (ii) accrued interest not yet settled.
** The figure coincides with the total amount of the derivatives, both receivable and payable, and does not include the accrual on the differentials accrued and not yet settled.

Astaldi Group has adopted a series of policies and processes aimed at making the most of management of financial resources, reducing the liquidity risk, such as, specifically:

- tendency towards centralised management of collection and payment flows (cash management systems) where deemed advantageous in compliance with the various civil, currency and tax laws of the countries where the Group operates and in keeping with the rules for managing the financial flows of individual contracts;
- maintenance of a suitable level of available liquidity;
- existence of an investment portfolio with a corresponding liquid market and whose securities are available for sale in order to cope with any liquidity needs;
- diversification of instruments for obtaining financial resources and ongoing focus on capital markets;
- obtaining of suitable bank credit facilities (committed and uncommitted), guaranteeing an adequate availability of committed lines (not used);
- access to debt capital markets;
- monitoring of future liquidity conditions in relation to corporate planning.

Credit risk

The credit risk represents the Group's exposure to the potential default risks of a counterpart.
The Group's credit risk is limited by the solvency characteristics of the customers served. The portfolio of receivables falling due is constantly monitored by the relevant departments.
The type of Group customers is basically government and public bodies, by their very nature solvent.
Therefore, the credit risk, represented by the possible default of customers, is considered to have little significance, also considering the insurance coverage that can be obtained through specific policies stipulated with insurance companies.
It should be noted that for some countries, collection times may go beyond the usual terms. At 31 December 2014 the percentage of overdue trade receivables was 29.93%, of which 19.60% for receivables overdue by more than 12 months. Nevertheless, the analysis of credit risk exposure according to maturity is not very significant since the receivables are measured in relation to other working capital items, and in particular payables to subcontractors and suppliers typical in the segment, the due dates of which tend to be aligned to customer collection time (back-to-back), as regards the management of operating leverage.
With particular regard to Russia, it is pointed out that although the country is going through an economic slowdown due to: (i) the political uncertainty linked to the Ukrainian crisis and the consequent international sanctions and (ii) the fall in the price of oil, the Group believes that there is no reason to raise the risk rate in relation to the overall recoverability of the amounts accrued, since the contract work in progress in the country consist in contracts with private counterparts

with a high financial standing, and with financial coverage already guaranteed, which do not fall under the embargo imposed on the country in relation to the situation in the Ukraine.
With regard to Venezuela, see the extensive explanations in notes 1, 10 and 23.

Guarantees and sureties

Personal guarantees

The overall amount of the personal guarantees given is EUR 2,823,157 thousand and refers to the following items:

- Sureties opening credit facilities, in order to ensure the regular cash flow of individual contracts, issued in the interest of associates and other investees, set up for this purpose under the laws in force, for a total amount of EUR 46,722 thousand of which EUR 20,876 thousand referring to joint ventures;
- Sureties for works, issued for various purposes by banks and insurance companies in the interest of the Group, in favour of commissioning bodies, on the Group's own account and that of subsidiaries, jointly-controlled entities, associates and other investees, for a total amount of EUR 2,733,798 thousand of which EUR 38,992 thousand referring to joint ventures;
- Other sureties issued for various purposes for a total amount of EUR 42,637 thousand of which EUR 1,020 thousand referring to joint ventures.

Third party sureties given to the Group

The item amounting to EUR 272,013 thousand represents the guarantees issued by banks and insurance companies on behalf of Italian and foreign suppliers and subcontractors, in relation to contract obligations undertaken by the latter with the Group.

36. Disclosure on related party transactions and fees due to Directors, Statutory Auditors, General Managers and other key management personnel

In accordance with IAS 24 as well as CONSOB Communication No. 6064293 of 28 July 2006, Annex 1 of these Notes shows the totals of existing transactions and balances resulting from financial and commercial relations with related parties. In this regard, it must be noted that the relevant transactions were carried out at market conditions. Moreover, it is specified that relations with consortia and consortium companies (special purpose vehicles), taking into account the specific segment in which the Group operates, are to be related to receivables due from third parties, recognised under the item trade receivables (note 23), and not summarised in the annex regarding related party transactions.
As regards the disclosure on fees due to Directors, Statutory Auditors, General Managers and other key management personnel of the Parent, reference is made to the table below, referring to the Remuneration Report as per Art. 123-*ter* of the Consolidated Finance Act for more details.

Category	Fixed fees	Fees for attending committee meetings	Variable non-equity fees (bonuses and other incentives)	Non- monetary benefits	Other fees	Total	Fair Value of equity fees
Directors	4,010	28	0	40	16	4,095	442
Statutory Auditors	120	0	0	0	0	120	0
General Managers	1,560	0	0	36	32	1,627	883
Key management personnel No. 9	1,871	0	545	37	76	2,529	0

37. Segment reporting

The operating segments subject to segment reporting were determined in accordance with reporting used by senior management as an information set for their decisions. This reporting is specifically based on the various geographical areas where the Group operates, and it is determined by applying the same accounting policies used to draw up the consolidated financial statements. The following tables show segment reporting as per IFRS 8.

Reporting 31.12.2014	Italy	Europe	America	Africa	Asia	Other activities	Adjustments and eliminations	Consolidated total
Revenue	796,534	1,121,585	626,845	154,125	26,007	491	(185,199)	**2,540,388**
Operating profit	83,804	97,353	27,397	31,870	(8,184)	70	2,521	**234,832**
Net financial expense								**(138,870)**
Net gains on equity-accounted investees								**34,769**
Profit before-tax and non-controlling interests								**130,731**
Tax expense								**(47,980)**
Profit of the year								**81,559**
Assets and liabilities								
Segment assets	1,670,116	2,125,302	1,235,525	323,754	23,440	1,867,905	(3,147,430)	**4,098,612**
- of which investment						893,910	(457,001)	**436,909**
Segment liabilities	(1,354,263)	(2,068,786)	(1,159,230)	(321,800)	(23,990)	(1,490,467)	2,899,980	**(3,518,556)**
Other segment reporting								
Property, plant and equipment	11,828	74,559	90,298	8,467	674	44,244	(6,959)	**223,111**
Intangible assets	14,184	14,779	1	0	0	480	3,111	**32,555**
Depreciation of property, plant and equipment	1,887	15,262	17,057	4,390	243	4,700	(1,087)	**42,452**
Provisions						1,534		**1,534**

Reporting 31.12.2013	Italy	Europe	America	Africa	Asia	Other activities	Adjustments and eliminations	Consolidated total
Revenue	1,010,889	1,026,902	400,504	145,001	35,532	(135)	(237,280)	**2,381,413**
Operating profit	86,986	150,010	(6,740)	35,619	(5,154)	(13,764)	(12,849)	**234,108**
Net financial expense								**(111,538)**
Net gains on of equity-accounted investees								**7,386**
Profit before-tax and non-controlling interests								**129,956**
Tax expense								**(54,817)**
Profit for the year								**67,337**
Assets and liabilities								
Segment assets	1,864,605	2,037,982	1,116,532	291,974	38,188	1,748,714	(3,028,851)	**4,069,144**
- of which investment						1,004,968	(620,817)	**384,151**
Segment liabilities	(1,298,369)	(1,986,979)	(1,078,081)	(272,696)	(43,549)	(1,389,715)	2,592,439	**(3,476,950)**
Other segment reporting								
Property, plant and equipment	10,096	52,816	76,436	12,684	1,838	51,408	(1,306)	**203,973**
Intangible assets	15,593	39,805	7	0	3	452	3,111	**58,971**
Depreciation of property, plant and equipment	1,871	12,957	15,720	5,239	872	6,577	(72)	**43,164**
Provisions						4,463		**4,463**

The amounts shown in the column Other activities for operating profit refers to general expenses incurred by the Parent.

38. Other information

Non-recurring significant events and transactions

Astaldi Group's financial position and results of operations were not influenced in 2014 by non-recurring significant events and transactions as defined in CONSOB Communication No. DEM/6064293,

Positions or transactions deriving from atypical and unusual transactions

In 2014 the Astaldi Group did not undertake any atypical and unusual transactions as defined in CONSOB Communication No. DEM/6064293.

Authorisation for publication

The publication of the Consolidated Financial Statements was authorised by the Board of Directors of the Parent on 10 March 2015.
During the aforesaid meeting, the Board of Directors likewise resolved to submit to the approval of the Shareholders' Meeting to be held on 23 April 2015 the proposal regarding the distribution of a dividend for a total amount of EUR 19,522,029 (EUR 0.2 per share in circulation on said date) with ex dividend date of 11 May 2015, record date of 12 May 2015, payment on 13 May 2015. It must be noted that said amount was calculated taking into account distribution of the dividend related to the 814,755 treasury shares on hand in proportion to outstanding shares.

Events after the reporting period

There follows information on the events after the reporting period.
In February, in Chile the Consortium *Nuevo Pudahuel*, an Astaldi investee (15%), Aéroports de Paris (45%) and Vinci Airports (40%) was selected by the Chilean government since it presented the best bid in the call for bids for awarding of the concession for the construction and subsequent management of the Arturo Merino Benítez International Airport in Santiago de Chile, the 6th largest airport in South America, with traffic of 16.1 million passengers/year in 2014 (over half international). The concession contract, which will become operational starting from 1 October 2015 (at the expiry of the contract now in force), provides for the following: (i) modernization and expansion of the existing terminal; (ii) financing, design and construction of a new passenger terminal measuring 175,000 m^2, to enhance the capacity of the airport to 30 million passengers/year, with an expansion potential up to 45 million passengers/year; (iii) commercial management and development for 20 years of the main related areas and services (the new and existing terminal, parking areas and future commercial activities). The construction will be undertaken by Astaldi (50%) and Vinci Construction Grands Projets (50%). The insertion of the quotas pertaining to Astaldi in the Group portfolio will take place after the formal assignment and confirmation of the loan, expected by the first half of 2015.
Also in February, a bridge loan for EUR 50 million was finalized in Turkey with a major Turkish bank, prior to entry into full production of the Etlik hospital complex project in Ankara. The bridge loan will allow for advancement of the construction phases while awaiting the so-called financial closing.
Also in February, in Italy, Astaldi signed an agreement with the Extraordinary Administrator of Impresa and DIRPA (both under extraordinary administration), for the completion of works to expand the Perugia-Ancona Highway and modernization of the Pedemontana delle Marche road, the so-called Maxi Lot 2 of the Quadrilatero Marche-Umbria. The amount of the works to be undertaken is over EUR 500 million. In detail, the aim of the agreement is the leasing for six months of the Quadrilatero business unit of Impresa, for the completion of the first part of the work or Lots 1.1 and 1.2, and comes in the context of a broader agreement involving the subsequent purchase by Astaldi of the DIRPA industrial complex and of the aforesaid business unit, in the context of the procedure for extraordinary administration of Impresa and DIRPA, for

construction of the entire infrastructure. Maxi Lot 2 of the Quadrilatero Marche-Umbria is a complex work involving performance under general contracting of works to enlarge the Perugia-Ancona Highway, along the Fossato di Vico-Cancelli and Albacina-Valtreara Tunnel-Serra San Quirico sections of SS-76 (Lot 1.1 – Sub Lots 1.1.1, 1.1.2, 1.1.3) and Pianello-Val Fabbrica section of SS-318 (Lot 1.2), and the modernization of the Pedemontana delle Marche road, along the section between Fabriano and Muccia/Sfercia (Lots 2.1 and 2.2). The overall amount of the works totals EUR 745 million, of which over EUR 500 million yet to be undertaken. Its inclusion in the Group's backlog will take place immediately as regards the proportional amount of works connected with the rental period, and after the definitive assignment for the remaining part.
It is likewise pointed out that in March 2015, Line 2 of the Warsaw underground in Poland was inaugurated and opened to the public (6 kilometres, 7 stations): a great operating success definitively consolidating the operating capacity of Astaldi Group in Poland. The event follows the inaugurations in January for the Pedemontana Lombarda Motorway project in Italy, which marked two important targets: the opening of an initial lot of the Varese by-pass and inauguration of Section A of the Pedemontana Lombarda motorway.
Finally, we can recall that in January, Astaldi Shareholders' meeting appointed Piero Gnudi and Filippo Stinellis to replace the outgoing board members Guido Guzzetti and Mario Lupo. Both board members will remain in office until the normal expiry of the current Board of Directors of the Company, i.e. up to the meeting for approval of the financial statements at 31 December 2015. That same meeting also approved introduction of the mechanism to increase voting rights (so-called increased vote) in the Parent's governance, in order to favour the presence among shareholders of stable investors, by providing a loyalty reward as an incentive to retain the investment for a longer period more in line with the typically medium / long-term timelines of the Group's growth strategies. The rule introduced the attribution of two votes for each ordinary share belonging to the same shareholder for a continuous period of not less than 2 years, starting from the date of registration in a special "list" set up and kept by the Company.

Fees payable to independent auditors KPMG and their network pursuant to Art. 149-*duodecies* of the Issuer Regulations

There follow the fees paid during 2014 to KPMG on the basis of their audit engagement for the financial years 2011-2019 assigned by shareholders' resolution dated 18 April 2011:

Type	31/12/14
A) Auditing services	**1,020**
- Referred to Parent Astaldi S.p.A. (*)	470
- Referred to subsidiaries	550
B) Attestation services (**)	**357**
C) Other services	**267**
Total fees	**1,644**
(*) Including expenses and CONSOB contribution	
(**) Referred to Parent Astaldi S.p.A.	341
of which:	
1) For fees related to comfort letters issued at the same time as the bond issue	83
2) For fees related to agreed-upon procedures, signing of tax returns and other attestation activities	258

Annex to the Consolidated Financial Statements

Related parties (Annex 1)

Company Name	Non-current financial assets	Amounts due from customers	Trade receivables	Current financial assets	Other current assets	Non-current financial liabilities
A4 Holding S.p.A.	0	0	3	0	0	0
Ankara etlik Hastante A.S.	0	2,703	596	0	577	0
Astaldi - UTI - Romairport Joint Venture	0	0	2,091	0	1,051	4
Astaldi Bayindir J.V.	0	0	497	0	6,336	0
Autostrada Brescia Verona Vicenza Padova S.p.A.	0	0	39	0	0	0
Autostrada Nogara Mare Adriatico S.c.p.A.	0	0	0	0	0	0
Avola S.c.r.l. in liquidation	84	0	778	0	41	0
Avrasya Metro Grubu S.r.l.	1,050	0	1	0	127	0
Blufi 1 S.c.r.l. in liquidation	0	0	0	0	48	0
C.F.M. S.c.r.l. in liquidation	0	0	87	0	113	0
Colli Albani S.c.r.l. in liquidation	5	0	815	0	5	0
Consorcio Astaldi-ICE	0	0	416	0	0	0
Consorcio Contuy Medio	0	0	6	0	92	0
Consorcio Grupo Contuy - Proyectos y Obras de Ferrocarriles	0	0	639	0	2,770	0
Consorzio A.F.T. in liquidation	354	0	113	0	818	0
Consorzio A.F.T. Kramis	570	0	1,670	0	3,074	0
Consorzio Consarno	127	0	70	0	0	0
Consorzio Consavia S.c.n.c. in liquidation	0	0	5	0	1	0
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	0	0	0	0	0	0
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	90	0	0	0	0	0
Consorzio Ferrofir in liquidation	0	0	0	0	0	0
Consorzio Gi.It. in liquidation	0	0	0	0	0	0
Consorzio Iricav Due	0	0	203	0	0	0
Consorzio Iricav Uno	0	0	536	0	161	0
Consorzio Ital.Co.Cer.	0	0	0	0	0	0
Consorzio Italvenezia	0	0	0	0	0	0
Consorzio MM4	311	0	25	0	0	0

Amounts due to customers	Trade payables	Other current liabilities	Revenue	Other operating revenue	Service costs	Other operating costs	Other financial income	Interest and other financial charges
0	0	0	0	17	0	0	0	0
2,023	90	0	332	159	0	0	29	0
0	94	0	0	0	0	0	0	0
0	1,272	0	0	0	0	0	0	0
0	0	0	0	54	0	0	0	0
0	69	0	0	17	35	0	0	0
0	162	0	0	0	0	0	0	0
0	0	0	0	1	0	0	0	0
0	0	0	0	0	0	0	0	0
0	124	0	0	0	0	0	5	0
0	343	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	448	18	0	0	12	0	0	0
0	2,380	0	0	193	1,882	0	0	0
0	25	668	0	0	9	0	0	0
0	1,364	0	0	0	131	0	25	0
0	60	0	0	0	30	0	0	0
0	1	0	0	0	0	0	0	0
0	2	0	0	0	0	0	0	0
0	42	0	0	0	0	0	0	0
0	222	0	0	0	91	0	0	0
0	220	0	0	0	0	0	0	0
0	3,106	0	0	62	589	0	0	0
0	3,068	0	0	205	4,625	0	0	35
0	159	0	0	0	57	0	0	0
0	158	0	0	0	7	0	0	0
12,890	722	0	40,545	32	1,221	0	0	0

Company Name	Non-current financial assets	Amounts due from customers	Trade receivables	Current financial assets	Other current assets	Non-current financial liabilities
Consorzio Novocen in liquidation	82	0	0	0	0	0
Consorzio Pedelombarda 2	0	0	0	0	0	0
Consorzio Ponte Stretto di Messina in liquidation	200	0	0	0	1	0
Consorzio Qalat	0	0	0	0	0	0
Diga di Blufi S.c.r.l. in liquidation	0	0	6,198	0	637	0
Ecosarno S.c.r.l.	0	0	0	0	0	0
FINAST	0	0	3	0	0	0
Fosso Canna S.c.r.l. in liquidation	205	0	247	0	6	0
G.T.J. Etude et Réalisation d'un Tunnel	0	0	0	0	29	0
GE. SAT S.c.a. r.l.	0	0	11,046	0	0	0
GEI - Grupo Empresas Italianas	0	0	26	0	1,635	0
Groupement Eurolep	0	0	0	0	0	0
Groupement Italgisas	838	0	278	0	42	0
Ica Ic Ictas Astaldi Ucuncu Bogaz Koprusu Ve Kuzey Marmara Otoyolu Yatirim Ve Isletme A.S.	55,650	13,291	0	0	0	0
Infraflegrea S.c.r.l. in liquidation	0	0	523	0	85	0
Italsagi Sp. Zo. O.	340	0	14	0	28	0
M.N. Metropolitana di Napoli S.p.A.	0	0	5	0	0	0
Metro Brescia S.r.l.	462	0	0	0	26	0
Metro 5 S.p.A. /Metro 5 Lilla S.r.l.	24,736	0	3,222	0	110	0
METRO C S.c.p.A.	0	530	681	0	5	0
Metrogenova S.c.r.l.	0	0	33	0	450	0
Monte Vesuvio S.c.r.l. in liquidation	250	0	258	0	0	0
Mose-Treporti S.c.r.l.	0	0	430	0	0	0
N.P.F. - Nuovo Polo Fieristico S.c.r.l. in liquidation	0	0	6	0	569	0
Nova Metro S.c.r.l. in liquidation	0	0	0	0	0	0
Otoyol Yatirim Ve Isletme A.S.	40,449	53,592	128	0	0	0
Pacific Hydro Chacayes	1,935	0	128	0	0	0
Pedelombarda S.c.p.A.	0	0	4,749	0	9	0
Pegaso S.c.r.l. in liquidation	0	0	159	0	801	0
Piana di Licata S.c.r.l. in liquidation	307	0	257	0	2	0
Pont Ventoux S.c.r.l. in liquidation	0	0	5,146	0	0	0
Principe Amedeo S.c.r.l. in liquidation	0	0	339	0	114	0
Re.Consult Infrastrutture S.p.A.	0	0	10	0	0	0
S. Leonardo S.c.r.l. in liquidation	22	0	2,628	0	2	0
S.A.C.E.S. S.r.l. in liquidation	0	0	0	0	0	1,630
S.E.I.S. S.p.A.	3,645	0	10	0	0	0
SA.T. S.p.A.	3,868	11,095	591	0	0	0
Serenissima Costruzioni S.p.A.	0	0	193	0	56	0
Sharaf-Astaldi LLC liquidated	0	0	0	0	0	0
SP M4 S.C.p.A.	0	0	294	18,316	0	0
Tangenziale Seconda S.c.r.l. in liquidation	0	0	72	0	4	0
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	2,177	0	43	0	1	0
Total	**137,756**	**81,210**	**46,308**	**18,316**	**19,825**	**1,634**
Percentage of incidence of transactions	**73.77%**	**6.97%**	**5.13%**	**45.48%**	**6.02%**	**0.14%**

	Amounts due to customers	Trade payables	Other current liabilities	Revenue	Other operating revenue	Service costs	Other operating costs	Other financial income	Interest and other financial charges
	0	246	0	0	0	32	0	0	0
	0	33	0	0	0	51	0	0	0
	0	41	0	0	0	39	0	0	0
	0	91	0	0	0	0	0	0	0
	0	5,464	0	0	0	1	0	0	0
	0	217	0	0	0	234	0	0	0
	0	0	0	0	13	0	0	0	0
	0	78	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	9,323	45	9,208	259	8,459	0	0	0
	0	0	17	0	458	185	69	0	0
	0	0	26	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	62,701	0	0	236,930	0	0	0	5,824	0
	0	519	0	0	0	1	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	4
	0	27	0	44	45	2	0	11	0
	22,981	709	0	76,625	580	1,845	109	1,323	0
	0	14,777	0	720	1,243	55,429	0	0	0
	0	322	7	0	31	630	0	0	0
	0	0	0	0	3	0	0	0	0
	0	3,467	0	0	111	5,130	0	0	0
	0	0	0	0	0	4	0	0	0
	0	29	0	0	5	1	0	0	0
	10,083	14	11	130,409	1	0	371	3,212	0
	0	0	0	0	0	0	0	0	0
	15,929	6,339	0	10,248	255	37,866	0	0	0
	0	0	0	0	58	215	0	0	0
	0	139	0	0	0	0	0	0	0
	0	1,988	0	0	0	160	0	0	0
	0	232	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	698	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	10	0
	0	155	0	16,385	256	0	0	217	0
	0	0	0	0	342	0	0	0	0
	0	0	0	0	0	0	0	27	0
	0	0	0	0	0	0	1	610	0
	0	15	0	0	0	1	0	1	0
	0	1	0	0	26	0	0	155	0
	126,606	**59,057**	**792**	**521,446**	**4,423**	**118,974**	**550**	**11,450**	**40**
	21.47%	**5.72%**	**0.47%**	**20.53%**	**3.94%**	**7.99%**	**1.48%**	**11.65%**	**0.02%**

Management Certification

Certification of the Consolidated Financial Statements pursuant to Article 154-bis of Legislative Decree No. 58/98 and Article 81-ter of CONSOB Regulation No. 11971 of 14 May 1999 and any subsequent amendments and additions

1. Taking into account the provisions contained in Article 154-bis, subsections 3 and 4 of Legislative Decree No. 58 of 24 February 1998, the undersigned Stefano Cerri, in the capacity of Chief Executive Officer, and Paolo Citterio, in the capacity of Manager in charge of financial reporting of Astaldi S.p.A., hereby certify:
   - the appropriateness in relation to the company's characteristics and
   - the actual application

   of administrative and accounting procedures used to formulate the 2014 consolidated financial statements.

2. The administrative and accounting procedures used to formulate the consolidated financial statements at 31 December 2014 were formulated and their appropriateness assessed on the basis of provisions and methodologies defined by Astaldi S.p.A. in compliance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission (so-called CO.S.O. Report) which represents a reference framework for internal audit systems generally accepted at an international level.
   There are no significant observations to be made in this regard.

3. This is also to certify that:
   3.1 The consolidated financial statements:
   a) were drafted in compliance with the applicable international accounting standards acknowledged within the European Union pursuant to (EC) Reg. No. 1606/2002 of the European Parliament and Council of 19 July 2002;
   b) tally with ledgers and account entries;
   c) are suitable for providing a truthful and accurate representation of the equity, economic and financial situation of the issuer and of all the companies included in the consolidation scope.

   3.2 The management report contains a reliable analysis of the operating performance and result, as well as of the situation of Astaldi S.p.A. and of all the companies included in the consolidation scope, together with a description of the main risks and uncertainties they are exposed to.

Rome, 10 March 2015

Stefano Cerri
Chief Executive Officer
(signed on the original)

Paolo Citterio
Manager in charge of financial reporting
(signed on the original)

Separate financial statements

Income statement

(thousands of euros)	Notes	31/12/2014	*31/12/2013 Restated
Revenue	1	2,023,895,345	2,109,122,229
of which with related parties		*539,340,405*	*482,854,905*
Other operating revenue	2	107,040,914	111,606,410
of which with related parties		*13,892,546*	*21,974,039*
Total revenue		**2,130,936,259**	**2,220,728,639**
Purchase costs	3	(317,370,844)	(352,919,319)
Service costs	4	(1,230,813,782)	(1,262,142,347)
of which with related parties		*(233,109,269)*	*(313,351,723)*
Personnel expenses	5	(256,288,533)	(256,714,759)
Amortisation, depreciation and impairment losses	6	(38,460,339)	(37,665,632)
Other operating costs	7	(29,423,577)	(33,165,739)
of which with related parties		*(805,531)*	*(227,568)*
Total Costs		**(1,872,357,075)**	**(1,942,607,796)**
(Internal costs capitalised)	8	0	247,598
Operating profit		**258,579,184**	**278,368,441**
Financial income	9	97,054,259	102,711,709
of which with related parties		*19,913,619*	*18,573,385*
Financial expense	10	(244,683,771)	(218,668,094)
of which with related parties		*(30,492,185)*	*(17,828,022)*
Net financial expense and net gains on investments		**(147,629,512)**	**(115,956,385)**
Pre-tax profit from continuing operations		**110,949,672**	**162,412,056**
Tax expense	11	(46,805,507)	(49,662,237)
PROFIT FOR THE YEAR		**64,144,165**	**112,749,819**
Earnings per share	12		
Basic		EUR 0.66	EUR 1.15
Diluted		EUR 0.60	EUR 1.14

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

Statement of comprehensive income

(thousands of euros)	Notes	31/12/2014	*31/12/2013 Restated
Profit for the year (A)		**64,144,165**	**112,749,819**
Items to be subsequently reclassified to profit or loss	24		
Change in hedging reserve – subsidiaries, net of tax effect		51,991	5,571,743
Change in translation reserve		(37,465,621)	(10,432,059)
Total Other Comprehensive expense net of tax effect to be subsequently reclassified to profit or loss (B1)		**(37,413,630)**	**(4,860,316)**
Items that will not be subsequently reclassified to profit or loss	**24**		
Actuarial gains (losses) on defined benefit plans, net of tax effect		(177,625)	85,400
Total Other Comprehensive income (expense) net of tax effect that will not be subsequently reclassified to profit or loss (B2)		**(177,625)**	**85,400**
Total Other Comprehensive expense net of tax effect (B1)+(B2)=(B)		**(37,591,255)**	**(4,774,916)**
TOTAL COMPREHENSIVE INCOME (A)+(B)		**26,552,910**	**107,974,903**

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

Statement of financial position

	Notes	31/12/2014	*31/12/2013 Restated
ASSETS			
Non-current assets			
Property, plant and equipment	13	189,155,283	180,771,821
Investment property	14	165,652	173,318
Intangible assets	15	3,207,890	4,611,067
Equity investments	16	506,306,449	455,943,082
of which:			
Equity-accounted investments		234,203,884	177,597,228
Non-current financial assets	17	224,891,300	166,779,172
of which with related parties		*224,781,053*	*130,401,434*
Other non-current assets	18	44,645,968	38,965,673
Deferred tax assets	11	25,133,563	15,165,368
Total non-current assets		**993,506,105**	**862,409,501**
Current assets			
Inventories	19	53,875,197	55,678,475
Amounts due from customers	20	987,966,898	1,198,666,116
of which with related parties		*113,378,759*	*154,242,145*
Trade receivables	21	909,425,740	968,396,444
of which with related parties		*222,517,933*	*197,225,703*
Current financial assets	17	20,932,533	29,453,763
of which with related parties		*18,315,907*	*4,913,000*
Tax assets	22	72,617,863	80,044,088
Other current assets	18	343,383,996	378,850,240
of which with related parties		*69,652,234*	*58,455,009*
Cash and cash equivalents	23	467,230,598	302,586,952
Total current assets		**2,855,432,825**	**3,013,676,078**
Total Assets		**3,848,938,930**	**3,876,085,579**

* Further to application (retrospective) of IFRS-11 – *Joint arrangements*, corresponding figures at 31 December 2013, shown for the purpose of comparison, were restated.

	Notes	31/12/2014	*31/12/2013 Restated
EQUITY AND LIABILITIES			
Equity	24		
Share capital		196,849,800	196,849,800
Treasury shares		(1,793,002)	(1,040,240)
Reserves:			
Legal reserve		27,934,260	26,200,814
Extraordinary reserve		253,131,219	241,001,883
Retained earnings (losses carried forward)		77,257,818	(823,180)
Other reserves		39,817,731	39,439,866
Other comprehensive expense		(56,681,173)	(19,089,918)
Total capital and reserves		**536,516,653**	**482,539,025**
Profit for the year		64,144,165	112,749,819
Total equity		**600,660,818**	**595,288,844**
Non-current liabilities			
Non-current financial liabilities	25	1,152,003,972	896,747,908
of which with related parties		*1,850,384*	*3,584,243*
Other non-current liabilities	26	2,247,833	1,647,754
Employee benefits	27	6,281,344	4,996,302
Deferred tax liabilities	11	9,525,406	10,570,071
Total non-current liabilities		**1,170,058,555**	**913,962,035**
Current liabilities			
Amounts due to customers	20	425,431,789	600,087,823
of which with related parties		*110,677,254*	*74,133,960*
Trade payables	28	1,018,608,269	1,069,279,841
of which with related parties		*255,019,642*	*283,366,135*
Current financial liabilities	25	350,811,563	420,850,323
Tax liabilities	29	94,734,279	61,053,770
Current portion of provisions for risks and charges	30	41,397,228	92,504,234
Other current liabilities	26	147,236,429	123,058,709
of which with related parties		*12,580,766*	*9,470,288*
Total current liabilities		**2,078,219,557**	**2,366,834,700**
Total liabilities		**3,248,278,112**	**3,280,796,735**
Total equity and liabilities		**3,848,938,930**	**3,876,085,579**

* Further to application (retrospective) of IFRS-11 – *Joint arrangements*, corresponding figures at 31 December 2013, shown for the purpose of comparison, were restated.

Statement of changes in equity

Changes in equity at 31 December 2014	*Share capital*	*Legal reserve*	*Extraordinary reserve*
Balance at 01 January 2014 Published	195,809,560	26,200,814	241,001,883
Effects of application of IFRS 2011	0	(0)	0
Balance at 01 January 2014 Restated	**195,809,560**	**26,200,814**	**241,001,883**
Profit from continuing operations 2014	0	0	0
Other comprehensive income (expense)	0	0	0
COMPREHENSIVE INCOME (EXPENSE)	**0**	**0**	**0**
Transactions with shareholders and other changes in equity			
Treasury shares	(752,762)	0	(1,585,369)
Dividends	0	0	0
Provisions as per Art. 27	0	0	0
Allocation of 2013 profit from continuing operations	0	1,733,446	13,714,705
Share option allocation reserve	0	0	0
Balance at 31 December 2014	***195,056,798**	**27,934,260**	***253,131,219**

* The amount shown in these items is net of overall investment in treasury shares of EUR 5,198 thousand, of which EUR 1,793 thousand corresponding to the nominal amount of the shares, reducing the share capital, and EUR 3,405 thousand reducing the Extraordinary Reserve.

Changes in equity at 31 December 2013 – Restated	*Share capital*	*Legal reserve*	*Extraordinary reserve*
Balance at 01 January 2013*	**195,633,426**	**23,930,097**	**215,194,601**
Effects deriving from application of IFRS 11	0	0	0
Balance at 01 January 2013 Restated	**195,633,426**	**23,930,097**	**215,194,601**
Profit from continuing operations 2013	0	0	0
Other comprehensive income (expense)	0	0	0
COMPREHENSIVE INCOME (EXPENSE)	**0**	**0**	**0**
Transactions with shareholders and other changes in equity			
Treasury shares	176,134	0	(16,079)
Dividends	0	0	0
Provisions as per Art. 27	0	0	0
Allocation of 2012 profit from continuing operations	0	2,270,717	25,823,361
Share option allocation reserve	0	0	0
Balance at 31 December 2013	****195,809,560**	**26,200,814**	****241,001,883**

* Further to application (retrospective) of IFRS-11 – Joint arrangements, figures at 31 December 2013, shown for the purpose of comparison, were restated. The highlighted values also include the effects of application of IAS 19 (2011), already published in the financial statements at 31 December 2013.
** The amount indicated in these items is shown net of the total investment in treasury shares equal to EUR 2,859 thousand, of which EUR thousand 1,040 corresponding to the nominal amount of the shares, reducing the share capital, and 1,819 reducing the Extraordinary Reserve.

Hedging reserve net of tax effect	Translation reserve	Actuarial gains (losses)	Other reserves	Retained earnings	Profit for the year	Total equity
(8,366,419)	(6,024,181)	(241,582)	4,567,530	(823,178)	34,668,916	**486,793,343**
0	(4,456,793)	(943)	34,872,336	(2)	78,080,903	**108,495,501**
(8,366,419)	**(10,480,974)**	**(242,525)**	**39,439,866**	**(823,180)**	**112,749,819**	**595,288,844**
0	0	0	0	0	64,144,165	**64,144,165**
51,991	(37,465,621)	(177,625)	0	0	0	**(37,591,255)**
51,991	**(37,465,621)**	**(177,625)**	**0**	**0**	**64,144,165**	**26,552,910**
0	0	0	209,701	0	0	**(2,128,430)**
0	0	0	0	0	(18,700,636)	**(18,700,636)**
0	0	0	0	0	(520,034)	**(520,034)**
0	0	0	0	78,080,998	(93,529,149)	**0**
0	0	0	168,164	0	0	**168,164**
(8,314,428)	**(47,946,595)**	**(420,150)**	**39,817,731**	**77,257,818**	**64,144,165**	**600,660,818**

Hedging reserve net of tax effect	Translation reserve	Actuarial gains (losses)	Other reserves	Retained earnings	Profit for the year	Total equity
(13,938,162)	**0**	**(327,925)**	**3,339,556**	**(823,178)**	**45,414,347**	**468,422,762**
0	(48,915)	0	3,426,974	(14)	31,445,363	**34,823,408**
(13,938,162)	**(48,915)**	**(327,925)**	**6,766,530**	**(823,192)**	**76,859,710**	**503,246,170**
0	0	0	0	0	112,749,819	**112,749,819**
5,571,743	(10,432,059)	85,400	0	0	0	**(4,774,916)**
5,571,743	**(10,432,059)**	**85,400**	**0**	**0**	**112,749,819**	**107,974,903**
0	0	0	329,725	0	0	**489,780**
0	0	0	0	0	(16,639,053)	**(16,639,053)**
0	0	0	0	0	(681,205)	**(681,205)**
0	0	0	31,445,361	12	(59,539,452)	**0**
0	0	0	898,250	0	0	**898,250**
(8,366,419)	**(10,480,974)**	**(242,525)**	**39,439,866**	**(823,180)**	**112,749,819**	**595,288,844**

Statement of cash flows

	31/12/2014	*31/12/2013 Restated
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	**64,144,165**	**112,749,819**
Tax expense	46,805,507	49,662,237
Pre-tax profit	**110,949,672**	**162,412,056**
Adjustments for:		
Non-monetary items		
Amortisation and depreciation	38,460,339	37,634,411
Impairment losses	17,008,278	29,385,891
Post-employment benefits and defined benefit plan costs	1,666,153	322,061
Stock grant plan costs	1,325,088	1,445,278
Accruals to Provisions for risks and charges	1,241,304	4,334,474
Fair value losses	(525,038)	4,709,506
Losses (gains) from discounting	36,004,660	0
Subtotal	**95,180,784**	**77,831,621**
Monetary items		
Gains/losses from disposals	(1,304,280)	(933,358)
Other adjustments needed to reconcile profit with cash flow from operating activities		
Net interest income and expense and dividends received (coverage of losses)	86,426,378	57,643,439
Subtotal	**85,122,098**	**56,710,081**
Cash flows from operating activities before changes in net working capital	**291,252,554**	**296,953,758**
Change in working capital		
Trade receivables	21,301,048	(156,194,258)
of which with related parties	*(25,292,230)*	*(99,967,949)*
Inventories and amounts due from customers	212,502,496	(111,535,551)
of which with related parties	*40,863,386*	*(51,334,327)*
Trade payables	(50,671,572)	(58,474,760)
of which with related parties	*(28,346,493)*	*(121,004,299)*
Current portion of provisions for risks and charges	(11,680,135)	(25,346,827)
Amounts due to customers	(172,991,038)	130,536,205
of which with related parties	*36,543,294*	*(31,107,730)*
Other operating assets	33,522,548	(42,779,771)
of which with related parties	*(10,472,114)*	*2,199,521*
Other operating liabilities	50,673,846	4,237,344
of which with related parties	*3,110,478*	*594,247*
Payments of post-employment benefits and for defined benefit plans	(558,736)	(633,435)
Subtotal	**82,098,457**	**(260,191,054)**
Change in translation reserve of subsidiaries	(37,465,621)	(10,432,059)
Cash flows from operating activities	**335,885,390**	**26,330,645**
Interest and dividends received (coverage of losses)	6,954,460	1,535,749
Interest paid	(92,764,849)	(56,180,321)
Taxes paid	(46,364,000)	(34,950,124)
A) Net cash flows from (used in) operating activities	**203,711,000**	**(63,264,051)**

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

	31/12/2014	*31/12/ 2013 Restated
CASH FLOW FROM INVESTING ACTIVITIES		
Net intangible assets	(502,631)	2,709,757
Property, plant and equipment	(41,675,599)	(36,806,524)
Proceeds from the sale or reimbursement of property, plant and equipment	8,735,625	13,277,059
Change in financing of equity investments	(131,609,290)	(58,911,282)
of which with related parties	*(130,969,207)*	*(49,766,181)*
Acquisitions of investments in subsidiaries, associates, joint ventures and other companies	(35,153,162)	(86,130,585)
Sale (purchase) of securities	23,252	(53,741)
Change in other loan assets, net	8,588,449	(26,472,382)
of which with related parties	*(13,402,907)*	*(4,913,000)*
B) Net cash flows used in investment activities	**(191,593,356)**	**(192,387,698)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends distributed to Astaldi shareholders	(18,700,636)	(16,639,053)
Net investment in treasury shares	(2,338,528)	160,054
Sale (acquisition) of treasury shares	209,701	85,400
Bond issues	150,000,000	730,000,000
Repayments and other net changes in bond issues	0	(19,110,217)
Repayments and other net changes in loans and borrowings	100,914,032	(463,917,388)
Changes in other Financial Liabilities	(66,505,738)	52,169,908
of which with related parties	*(68,226,314)*	*53,796,471*
Repayment of finance leases	(9,896,302)	(12,312,121)
Other changes	(1,156,527)	(302,690)
C) Net cash flows from financing activities	**152,526,002**	**270,133,893**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**164,643,646**	**14,482,145**
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	**302,586,952**	**288,104,807**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**467,230,598**	**302,586,952**

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

Corporate governance report

Italy, New Hospital in Venice-Mestre ("Ospedale dell'Angelo").

Corporate governance and shareholding structure report

1. Issuer's profile

The corporate governance structure adopted by Astaldi S.p.A., an Italian company with shares admitted to trading on Borsa Italiana S.p.A. markets and with corporate bonds admitted to trading on the Luxembourg Stock Exchange, is based on a "traditional" system of management and control and is made up of the following company bodies: the Shareholders; the Board of Directors; the Board of Statutory Auditors; as well as by the Independent Auditors and Supervisory Board pursuant to Legislative Decree 231/2001.
Astaldi S.p.A., as a company listed on the STAR market segment, adheres to the "Code of Conduct for Listed Companies" (hereinafter called the Code of Conduct) issued in 1999 by Borsa Italiana S.p.A., and subsequently amended by the Corporate Governance Committee.
Astaldi S.p.A. governance, also this year, is in line with both the principles of the Code of Conduct, the recommendations made by Consob and more broadly with international best practices.
Here below follows the description of the corporate governance system of Astaldi S.p.A. as of 31.12.2014.
After the end of the 2014 Financial Year, at their Extraordinary General Meeting of 29 January, the shareholders introduced the so called "increased voting rights" bypassing the "one share-one vote" principle to favour those shareholders who wish to invest in the Company over a medium to long term period. Since August 2014, in fact, listed companies are allowed by the Italian legislative body the right to grant shareholders who request it an increase of voting rights for the shares entered in a special List for a period of time set by the By-laws and in any case not exceeding two years (Art. 127-*quinquies* Consolidated Finance Act). This gives a wide autonomy to listed companies wishing to avail themselves of this new law. Therefore, reference should be made to paragraph 18 herein "Events after the reporting period" for a more detailed discussion of the options adopted by the Company regarding the increased voting rights mechanism.

2. Information on the company's shareholding structure (pursuant to Art. 123-*bis*, subsection 1, Consolidated Finance Act) (as of 31/12/2014)

a) Share capital structure (pursuant to Art. 123-*bis*, subsection 1, a, Consolidated Finance Act)
- Amount in Euro of subscribed and paid share capital: **€ 196,849,800.00**.
- Type of shares making up the share capital: **ordinary shares with voting rights**

The above share capital is divided into 98,424,900 **ordinary shares** with a nominal amount of € 2 per share.

SHARE CAPITAL	no. of shares	% of share capital	Stock market
Ordinary shares	**98,424,900**	**100%**	**Italy –STAR Segment**

On 23 April 2013, the Shareholders approved a capital increase excluding the option rights pursuant to Art. 2441, subsection 5, Italian Civil Code, for equity-linked bonds only, reserved for both Italian and foreign qualified investors. Bondholders have the right to request the conversion of bonds into already existing or newly-issued ordinary shares, while the Company may redeem the capital through the delivery of shares or cash, or a combination of both. Here below is a summary table:

OTHER FINANCIAL INSTRUMENTS (giving the right to subscribe to newly-issued shares)	Stock market	No. of current convertible bonds	Type of shares used for the conversion	No. of shares for the conversion
Convertible bonds	**Luxembourg - MTF**	**130,000**	**ordinary**	**17,568,517**

No share-based incentive plan was adopted entailing any increase in the company's share capital, including on a free-of-charge basis.

b) Restrictions on the transfer of shares (pursuant to Art. 123-*bis*, subsection 1, b, Consolidated Finance Act)

None.

c) Significant Equity investments (pursuant to Art. 123-*bis*, subsection 1, c, Consolidated Finance Act)

Investors holding shares for an amount exceeding 2% of the Company's capital, as listed in the Shareholders' Register, as well as in the communications received pursuant to Art. 120, Consolidated Finance Act and other information available as of 31 December 2014 are the following:

DECLARANT	DIRECT SHAREHOLDER	No. OF SHARES	%
FIN.AST S.r.l.	*FIN.AST. S.r.l.*	39,505,495	40.138%
	Finetupar International S.A.	12,327,967	12.525%
		51,833,462	**52.663%**
Pioneer Asset Management S.A.	*Pioneer Asset Management S.A.*	4,990,821	5.070%
UBS Group AG	*UBS AG*	4,560,244	4.633%
	CCR ASSET MANAGEMENT	119,831	0.122%
	UBS GLOBAL ASSET MANAGEMENT (AUSTRALIA) LIMITED	2,813	0.003%
	UBS GLOBAL ASSET MANAGEMENT (UK) LIMITED	3,589	0.004%
		4,686,477	**4.762%**
Pictet Asset Management Ltd.	*Pictet Asset Management Ltd.*	2,065,633	2.099%
FMR LLC	*FMR LLC*	1,999,104	2.031%
	TOTAL	**65,575,497**	**66.625%**

On 12 January 2015, after the end of the financial year, FMR LLC increased its share in the Company from 1,999,104 shares (2.031%) to 4,951,136 shares (5.03%), while on 21 January 2015, the shareholder ING Investment Management Belgium S.A. exceeded the established threshold recording a share of 2.03%, with 2,000,000 shares.

d) Shares conferring special rights (pursuant to Art. 123-*bis*, subsection 1, d, Consolidated Finance Act)
As mentioned above and better clarified in Section 18 herein, at their Meeting of 19 January 2015, amending Article 12 of the By-laws, in accordance with Art. 127- *quinquies* of Legislative Decree No. 58 of 24 February 1998 (Consolidated Finance Act) the shareholders introduced the so called "increased voting rights". Consequently, the shareholders (or other eligible voters) who expressly request it, may be included in a special "List" kept by the Company for the allocation of two votes for each share held, subject to continuous ownership of the said shares for a period of at least 24 months.

e) Employees' share ownership: voting rights (pursuant to Art. 123-*bis*, subsection 1, e, Consolidated Finance Act)
No employees' share ownership scheme has been adopted.

f) Restrictions on voting rights (pursuant to Art. 123-*bis*, subsection 1, f, Consolidated Finance Act)
None.

g) Shareholders' agreements (pursuant to Art. 123-*bis*, subsection 1, g, Consolidated Finance Act)
Regarding the issue of equity-linked bonds, as described above at point 2 a, Fin.Ast. S.r.l., as the controlling shareholder of Astaldi S.p.A., has entered into a commitment in favour of the latter to support the bond issue and to vote in favour of the share capital increase linked to it and approved by the shareholders of Astaldi S.p.A. at their extraordinary meeting held on 23 April 2013.

h) Change of control clauses (pursuant to Art. 123-*bis*, subsection 1, h, Consolidated Finance Act) and statutory requirements on take-over bids (pursuant to Art. 104, subsection 1-*ter*, and 104-*bis*, subsection 1)
Astaldi has signed medium and long-term bank loans and issued bonds containing early redemption clauses in the event of a change of control.
Regarding takeover bids, Astaldi S.p.A.'s By-laws do not waive the requirements of the passivity rule provided for by Art. 104, subsections 1 and 2 of Consolidated Finance Act, nor do they foresee application of the "neutralisation" rules which Art. 104-*bis*, subsections 2 and 3, of Consolidated Finance Act refers to.

i) Powers to increase the Company's share capital and authorisation for buyback transactions (pursuant to Art. 123-*bis*, subsection 1, m, Consolidated Finance Act)
The Board of Directors of Astaldi S.p.A. has neither been granted any power to increase the Company's share capital pursuant to Section 2443 of the Italian Civil Code, nor is it authorised to issue participating financial instruments.

On 30 April 2014, the Shareholders of Astaldi S.p.A. approved renewal of authorisation for the purchase of treasury shares for a twelve-month period starting from 27 May 2014 and ending Tuesday, 26 May 2015, with reference to the **plan for the purchase and sale of treasury shares**, pursuant to Art. 2357 *et seq.* of the Italian Civil Code and 132 of the Legislative Decree No. 58, dated 24 February 1998. This was also in light of Consob Resolution No. 16839 of 19 March 2009 aimed at favouring regular trading, avoiding price fluctuations not in line with the market trend and ensuring adequate support to market liquidity.

Therefore, the Shareholders renewed authoriSation for the Board of Directors to perform the following for a period of 12 months starting from 27 May 2014:

- purchase of ordinary shares with a nominal amount of € 2 each, within a revolving maximum number of 9,842,490 shares, including those already held, with the additional restriction that the amount of the shares shall not, at any time, exceed € 24,600,000.00 (without prejudice to the limit of payable dividends and available reserves pursuant to Art. 2357, subsection 1, of the Italian Civil Code);

- setting of a minimum purchase price of € 2 per share and a maximum share price not exceeding the average price of the last 10 trading days prior to the date of purchase, plus 10%.

Moreover, the Plan provides that, following the Shareholders' resolution of 18 April 2011, the Board of Directors be authorised, with no time limits, to sell the purchased shares at a price no lower than the average value of the last 10 trading days prior to the day of the sale, decreased by 10%, as well as to place, again with no time limits, treasury shares through swaps in transactions of strategic interest for the Company including, in particular, exchange and/or transfer transactions, provided the value of the shares is not lower than the average carrying amount of the shares held. The shares may also be used with no time limits to service the share option plans and/or stock options waiving, in this case, the aforementioned criterion for determining the selling price, which shall in no case be less than the so called "normal value" established by the tax laws.
The Board of Directors is also authorised to carry out share loan transactions – in which Astaldi S.p.A. acts as a lender – with its treasury shares.
Furthermore, regarding the sale and/or the disposal of purchased shares, in compliance with the authorisation, with no time limits, previously granted by the Shareholders on 18 April 2011, at their Meeting of 23 April 2013, the shareholders authorized – as regards the "equity-linked" bond issue approved on 23 January 2013 and fully placed on 24 January 2013 (the "Loan") – the Board of Directors – as of 27 May 2013 and with no time limits –, to use shares held for the setting up of a "share depository", in accordance with Loan regulations and in accordance with the limits set forth in Consob Resolution No. 16839 dated 19 March 2009. This was also to satisfy the right of bondholders to ask for the conversion of equity-linked bonds into existing ordinary shares of the Company.
Furthermore, in accordance with the above, the Company held 896,501 own shares as of 31 December 2014.

l) Management and coordination (pursuant to Art. 2497 *et seq.* of the Italian Civil Code)
Astaldi S.p.A. is **not subject to "*management and coordination*"** activities by any of its shareholders, since the Board of Directors takes all decisions regarding the management of the Company's activities in complete autonomy and independence.

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It should be also noted that:
- the information required by Art. 123-*bis*, subsection 1, i, ("*agreements between the company and the directors ... providing for indemnity in the case of resignation or dismissal without just cause or resignation due to takeover*") is included in Section 9 of the Report regarding the remuneration of directors as well as in the Remuneration Report published pursuant to Art. 123-*ter* Consolidated Finance Act;
- the information required by Art. 123-*bis*, subsection 1, l, ("*rules governing the appointment and replacement of directors ... and the amendment of the By-laws, if different from applicable laws and regulations*") is included in Section 4.1 of the Report regarding the Board of Directors.

3. *Compliance* (pursuant to Art. 123-*bis*, subsection 2, a, Consolidated Finance Act)

As already mentioned in the introduction, Astaldi S.p.A., being a company listed on the STAR segment, adheres to the Code of Conduct set in 1999 by Borsa Italiana S.p.A. subsequently amended by the Corporate Governance Committee.
The latest revision of the Code of Conduct was carried out in July 2014, in order to align it to European Recommendation No. 208 of 9 April 2014, as regards comply or explain and to Consob Recommendation DCG/DSR/0051400 dated 19 June 2014 as regards indemnities and/or other benefits payable to executive directors and general managers.
The Code is available on the website of the Corporate Governance Committee at
http://www.borsaitaliana.it/comitato-corporate-governance/codice/2014clean.pdf

The Company's governance structure is basically consistent with the recommendations of the Code of Conduct and has been constantly updated. The current governance of the Company is in line with the edition published in July 2014 by the Corporate Governance Committee, as described later herein.

With this in mind and in view of strengthening the principle of comply or explain, the Report outlines the recommendations of the Code of Conduct which have not been adopted, including the reasons and any alternative action taken.

Astaldi S.p.A. and its strategic subsidiaries are not subject to non-Italian laws which may affect the Company's corporate governance structure.

4. Board of directors

4.1 Appointment and replacement (pursuant to Art. 123-*bis*, subsection 1, l, Consolidated Finance Act)

The By-laws of Astaldi S.p.A. provide for the "**slate vote**" method for the appointment of the Board of Directors as per current legislation.

Specifically, the By-laws state that shareholders are entitled to submit slates, individually or together with other members who contribute to the **presentation** of the same slate if holding shares representing at least **2.5%** of the share capital having voting rights in the Ordinary Shareholders' Meeting (or less, if this is provided for by applicable laws or regulations).

According to the By-law provisions, the slates, signed by the shareholders presenting them and containing all information legally required, must be **filed** at the Company's headquarters as per rules and deadlines provided for by applicable laws.

Directors are **appointed** as follows:

1) from the <u>slate with the highest number of votes</u> cast by the shareholders, selected in the order in which they appear in the slate; their number must be equal to the total number of Board members as established in the Shareholders' Meeting, minus one. Should no slate receive the majority of votes, the Shareholders' Meeting will be convened again for a new vote to be held as per Company's By-laws;
2) from the <u>slate second for number of votes</u> which must not be linked to the shareholders who have presented or voted the slate which received the majority of votes, according to the criteria laid down by current rules governing the election of minority Statutory Auditors, one Director is appointed in the person of the first candidate on the slate. In the event that more slates obtain the same number of votes, the Director appointed will be the most senior among the candidates who are first on the slates with an equal number of votes.

If only **one slate** or none at all are presented, the Shareholders will decide on the basis of the majority principle according to current legislation, without following the above procedure.

Regarding the **distribution** of the Directors to be appointed, the slates which have not received a number of votes equal to at least 50% of that required for the submission of said slates will not be considered.

The By-laws provide for the slates to be accompanied, inter alia, by statements by the candidates, who, under their own responsibility, declare to have the **requirements of independence** specified by law.
Furthermore, in order to guarantee the election of the **minimum number of independent Directors** as per Art. 147-*ter*, subsection 4, Consolidated Finance Act, the By-laws expressly state that "*each slate must contain the names of candidates having the independence requirements established by the law and their number must be at least equal to that of the independent directors who must sit in the Board of Directors by law* ".

In order to ensure balance between genders, Art. 16 of the Company's By-laws provides that each slate containing three or more candidates shall include a number of candidates who, meeting the requirements provided for by law and the By-laws, belong to the gender which is least represented within the Board of Directors, in the proportion of **one-fifth** of the candidates for members of the Board of Directors to be appointed at the first renewal of such managing body after 12 August 2012, and **one-third** of the candidates for members of the Board of Directors to be appointed for the two subsequent terms of office.

Regarding the **resignation of directors**, the By-laws also provide for Art. 2386 of the Italian Civil Code to be implemented, if during the year one or more directors appointed from the **slate receiving the highest number of votes** steps down, provided that the majority consists of directors appointed by the Shareholders' Meeting.
If, however the director appointed from the **slate second for number of votes** steps down during the year, the By-laws provide for replacement as follows:

a) the Board of Directors shall appoint the new director from the candidates within the same slate that the resigning director belonged to, provided that the shareholders who submitted such slate still hold the share required for submitting it, and at their Meeting to be held thereafter, the shareholders shall resolve upon this according to the majorities provided for by law, in compliance with the same principle. If the resignation of such director occurs after the first renewal of the Board of Directors after 12 August 2012, or during the two subsequent terms of office, and determines any change in the balance of genders within the Board of Directors, replacement shall take place by scrolling down the slate up to a candidate belonging to the least represented gender;
b) in the event that the new director cannot be appointed from the slate which ranked second in number of votes pursuant to paragraph a, the Board of Directors – in compliance with the provisions governing the balance between genders, in the event that resignation occurs after the first renewal of such managing body after 12 August 2012 or during the two subsequent terms of office – shall appoint the new director from the candidates within the slates which ranked lower than second in number of votes, in progressive order, provided that the shareholders who submitted the slate from which the new director is appointed still hold the share required for submitting the list, and at their Meeting to be held thereafter, the shareholders shall resolve upon this, according to the majorities provided for by law, in compliance with the same principles;
c) in the event that there is no candidate who has not been appointed previously, or in any case when the provisions of paragraphs a and b cannot be met for any reason, the Board of Directors and the Shareholders at their Meeting to be held thereafter shall appoint the new director in accordance with the majorities as per current law and without the slate vote, however still in compliance with current laws and regulations and the By-laws concerning the minimum number of independent directors and the balance of genders, when the resignation occurs after the first renewal of the Board of Directors after 12 August 2012, or during the two subsequent terms of office.

Furthermore, the By-laws also provide for the entire Board to fall from office and for the directors still in office to urgently convene the Shareholders' Meeting to appoint a new Board if, for any reason, there is no longer a majority of Directors. The Board shall remain in office until the Shareholders have renewed it and until the appointment has been accepted by more than half of the new Directors; until then, the Board of Directors may perform routine administration tasks only.

Replacement

The Board of Directors has decided not to adopt any plan for the replacement of Executive Directors, given the composition of the Company's shareholding structure.

4.2 Composition (pursuant to Art. 123-*bis*, subsection 2, d, Consolidated Finance Act)

The Board of Directors of Astaldi S.p.A. was appointed on 23 April 2013 for the years 2013/2015 and its mandate **shall expire with the approval of the Financial Statements at 31 December 2015.**

The above appointment was made in compliance with the provisions of the By-laws and Art. 147-*ter*, Consolidated Finance Act, on the basis of:

- a slate submitted by the shareholder Fin.Ast. S.r.l. holder of 39,505,495 shares, representing 40.138% of the share capital;

- a slate submitted by the shareholders:
  - Arca SGR S.p.A., manager of Arca Azioni Italia and Arca BB funds;
  - Eurizon Capital S.A., manager of EEF - Equity Italy and EEF - Equity Italy LTE funds;
  - Eurizon Capital SGR, manager of Eurizon Azioni Italia and Eurizon Azioni PMI Italia funds;
  - Pioneer Asset Management S.A.;
  - Pioneer Investment Management SGR S.p.A., manager of Pioneer Italia Azionario Crescita and Fondo Pioneer Italia Azionario Paese Emergenti funds;

holders, on the date of the meeting of 3,134,788 shares, representing 3.187% of the share capital.

The slate submitted by Fin.Ast. S.r.l. obtained a favourable vote of 71.869% of the share capital represented at the meeting, appointing twelve (12) Directors. The list of the above Investment Funds, as shown above, received a favourable vote of 28.087% of the share capital, appointing one (1) Director.

The Shareholders set the number of the members of the Board of Directors at thirteen (13).

Upon appointment, the Board of Directors was therefore composed of the following members: Paolo Astaldi, Ernesto Monti, Giuseppe Cafiero, Stefano Cerri, Caterina Astaldi, Luigi Cavalchini, Giorgio Cirla, Paolo Cuccia, Mario Lupo, Eugenio Pinto, Chiara Mancini, Nicoletta Mincato and Guido Guzzetti.

The knowledge and professional level of the Directors is widely diversified. Indeed directors with a high level of technical knowledge of the sector the Company operates are flanked by other Directors with a managerial and cultural knowledge apt to guarantee constructive and fruitful Board discussions, in the interests of both the Company and the shareholders.

The appointment of Directors Caterina Astaldi, Chiara Mancini and Nicoletta Mincato enabled at the same time to have an ample gender representation in compliance with the law and By-laws.

The following Board of Directors appointed Paolo Astaldi, Chairman of the Company, Ernesto Monti and Giuseppe Cafiero, Deputy Chairmen and Stefano Cerri CEO. The Board also assessed the existence of the independence requirements pursuant to Art. 3 of the Code of Conduct for Directors Giorgio Cirla, Paolo Cuccia, Mario Lupo, Guido Guzzetti, Chiara Mancini, Nicoletta Mincato and Eugenio Pinto. Director Ernesto Monti declared himself independent pursuant to Art. 147-*ter* Consolidated Finance Act and was classified as such.

There were several important changes in the Board of Directors in 2014.

Director Guido Guzzetti resigned from the Company's Board of Directors on 1 August owing to new engagements.

Mr. Guzzetti was appointed by the aforementioned meeting of 23 April 2013, as a candidate from the slate with the second highest number of votes, presented by Institutional Investors. He held the position of minority and independent director (pursuant to Consolidated Finance Act and the Code of Conduct) and was also a member of the Control and Risk Committee.

On 1 October 2014, the Board of Directors replaced Mr. Guzzetti in order to bring the number of Directors back to that established at the Shareholders' Meeting on 23 April 2013, pursuant to Art. 2386, subsection 1, of the Italian Civil Code and the By-laws of the Company.
In this regard, the aforementioned Art. 17 of the By-laws provides for the appointment of a new Director from the same slate or, if there are no unelected candidates, from the slate following the one with the second highest number of votes, in the event of resignation from office of the Director appointed in the slate with the second highest number of votes. Failing this, the Board of Directors must replace the outgoing Director with no slate vote, in accordance with the law and the By-laws provisions, regarding the minimum number of independent directors and according to "gender balance".
In view of the fact that only two slates were submitted at the Shareholders' Meeting in which Mr Guzzetti was appointed together with the present Board – one by the majority shareholder Fin. Ast S.r.l. and a one by Institutional investors of which Guido Guzzetti was the sole representative – the Board of Directors replaced the outgoing Director without the slate vote, as provided for in the By-laws.

In order to implement the recommendations from the application criterion 5.C.2 of the Code of Conduct which suggest assigning the selection of suitable candidates to the Appointments Committee in the event replacement of independent directors, the Committee met to discuss replacement of the outgoing Director Guido Guzzetti.
During the meeting held on 1 October 2014, the Appointments Committee selected Piero Gnudi as having a top level profile for the position of Director. On the same date, following the evaluation made by the Committee, the Board of Directors appointed Piero Gnudi, acknowledging his high standing profile and the existence of all the conditions required by law and the By-laws.
The Board also decided that the newly elected Director would be in office until the date of the next Shareholders' Meeting, in application of Art. 2386, subsection 1, of the Italian Civil Code.

On 21 November 2014, Director Mario Lupo resigned. Mr. Lupo was appointed by the shareholders on 23 April 2013 and was selected from the slate with the highest number of votes. Mr. Lupo was a member of the Appointments Committee as an independent non-executive Director.
During the meeting of 17 December 2014, the Board of Directors deferred the selection and appointment of a new Director to replace Mr. Lupo to the next General Meeting.

As already mentioned, the Extraordinary Shareholders' Meeting for the introduction of the increased voting rights was held on 29 January 2015. On that occasion it was necessary to appoint two new Directors in order to bring the number of members of the Board of Directors up to thirteen (13). Therefore the Meeting was convened to replace the outgoing Mr. Lupo and to appoint another Director since the appointment of Mr. Gnudi, co-opted on 1 October 2014, was due to expire, pursuant to Art. 2389, subsection 1, of the Italian Civil code.
Therefore, the majority shareholder proposed Piero Gnudi – thus confirming the appointment – and Filippo Stinellis as candidates for the position of Director.
The Shareholders appointed both candidates and also resolved that both Directors shall remain in office until the natural termination date of the current Board of Directors, and therefore until the General Meeting which will be convened to approve the Financial Statements at 31 December 2015.

As regards the personal and professional traits of each Director, please refer to the information published on the Company's website (www.astaldi.com) in the "*Governance*" section – "*Board of Directors*" subsection.

Please see Table 2 attached hereto in relation to the composition and characteristics of the Board of Directors in office.

Limits of the number of appointments in other companies

Since 2006, the Board of Directors of the Company has defined, through a specific resolution, the general criteria adopted as regards the maximum number of appointments as director or auditor which may be held by the Company's Directors in other companies listed on regulated markets (including foreign markets), in finance companies, banks, insurance companies or any large-size company, as provided for by Art. 1.C.3 of the Code of Conduct.

Specifically, the Board of Directors set the limit to:

- **6** as the maximum number (cumulative) of appointments as director or auditor for "*non-executive*" and "*independent*" Directors;
- **4** as the maximum number (cumulative) of appointments as director or auditor for "*executive*" Directors.

However, the appointments as director or auditor held by the Directors of Astaldi S.p.A. within the Group's companies are not taken into account for the purpose of calculating the above.

Induction Programme

In order to implement the recommendations contained in application criterion 2.C.2 of the Code of Conduct, the Chairman organised debates with directors, statutory auditors and managers in order to better illustrate the development of the Company's business and favour a better knowledge of the Company's Business Plan.
During 2014, the Company also organised visits to construction sites, meetings for an in depth knowledge of its business and other activities aimed at increasing the Directors' knowledge, especially non-executive and independent directors, about the current activities and business dynamics. In particular, on 10 November 2014 a meeting of the Board of Directors was held in Istanbul, Turkey, in order to allow both Directors and Statutory Auditors to visit the construction sites of the Company on 9 and 10 November, 2014, and to learn more about the operating and organisational procedures related to its industrial production.

4.3 Role (pursuant to Art. 123-*bis*, subsection 2, d, Consolidated Finance Act)

The Board of Directors plays a key role within the Company's organisation. In fact, it is responsible for setting the Company's strategic and organisational policies, as well as for ensuring implementation of the necessary controls aimed at monitoring the Company and the Group's performance. Pursuant to Art. 22 of the Company's By-laws, the Board of Directors is granted full powers for the management of the Company.
In line with By-law provisions, 9 meetings of the Board were held during 2014 which lasted an **average of** 2 hours each, with a limited number of justified absences of both Directors and Statutory Auditors.

Furthermore, in compliance with Stock Exchange regulations, the Board of Directors approved and subsequently communicated to Borsa Italiana S.p.A. and the market, with reference to 2015, the **calendar** of the dates of the next meetings of the Board for the approval of the draft financial statements, the interim and quarterly reports (i.e. "*Corporate Calendar 2015*") as shown below and available on the Company's website (Section "*Governance/Financial Calendar*").

DATE	CORPORATE EVENTS	PURPOSE
10 March 2015	Board of Directors	Approval of the draft Separate **Financial Statements and Consolidated Financial Statements** for 2014
23 April 2015	Shareholders' Meeting	Approval of **Financial Statements** for 2014
14 May 2015	Board of Directors	Approval of **Interim Report on Operations** for the first quarter 2015
3 August 2015	Board of Directors	Approval of the **Interim Financial Report** at 30 June 2015
13 November 2015	Board of Directors	Approval of the 2015 **Third Quarterly Report**

In 2015, the Board of Directors met on 22 January, in addition to 10 March – the date of approval of this report. The meeting in January was not included in the above Financial Calendar since the Company's accounting documents and/or periodic financial reports were not examined during this meeting.

In order to guarantee a complete and accurate assessment of the issues on the agenda, the **pre-meeting documents** are made available to the Directors and the Statutory Auditors before each meeting (electronically, when possible using an Internet portal) by the Secretary of the Board, on instructions from the Chairman.
There is no need to set a deadline for the forwarding of documents since the means and timeframe of making them available is sufficient to guarantee effective communication.
In any case, in accordance with the recommendations in the Comment to Art. 1 of the Code of Conduct, the Chairman endeavours to ensure that the necessary time is allowed for in-depth debates regarding the items on the agenda.
Furthermore, in accordance with Comment to Art. 1, the good practice to attach an executive summary to bulky and complex documentation has been adopted on some occasions in order to summarise the most important and relevant points.
Finally, in order to stress the importance of Board meetings, the Chairman allowed Company managers to attend on several occasions, in order to provide their in-depth view of the items on the agenda, as required by the application criterion 1.C.6 of the Code of Conduct. This practice provided the Directors with a wider picture of the Company's operations.

* * * *

The Board of Directors, in accordance with application criterion 1.C.1. a, of the Code of Conduct, has reviewed and approved the business and financial strategic plans of both the Company and the Group, periodically monitoring their implementation and has defined the governance system of the Company and the Group's structure.

As better defined in Section 11, regarding the "*Internal Control and Risk Management System*", the Board of Directors – in keeping with the guidelines of the Internal Control and Risk Management System defined by the Board, and with the consulting and advisory assistance of the Control and Risk Committee – verifies that the main risks incurred by Astaldi S.p.A. and its subsidiaries are correctly identified and adequately assessed, managed and monitored, thus determining their degree of compatibility with a sound and correct management of the Company, in line with the strategic business and financial targets.
During the last quarter of 2014, the Company started a project to better frame the definition of the Group's "*Risk Appetite Statement*" and identify "*Risk Tolerance*" levels in order to ascertain the nature and level of risk compatible with its strategic objectives, as recommended by the application criterion 1.C.1. b, of the Code of Conduct. In other words, it is aimed at strengthening the awareness of corporate structures in the field of risk management and improving the performance and sustainability of the business.

In accordance with the Italian Civil Code the Company has assessed the adequacy of its organisational, administrative and accounting structure and that of its subsidiaries which are strategically important, also taking special care to assess the Internal Control and Risk Management systems following the recommendations as per application criteria 1.C.1. *c* of the Code of Conduct.

The Company's By-laws have set a quarterly timeline within which the CEO must report to the Board on the activities performed during his/her mandate. On information provided by the Executive Committee, the Board of Directors regularly assessed the Company's performance during the meetings held in 2014, in compliance with the application criterion 1.C.1., e, of the Code of Conduct, periodically comparing the results achieved with those programmed.

Pursuant to the application criterion 1.C.1., f, of the Code of Conduct, the Board of Directors shall examine and approve the transactions of both the Company and its subsidiaries when these operations have a significant strategic, economic or financial importance, in accordance with both current legislation and the By-laws.
However, the Board has not set general criteria to identify transactions which have strategic, economic, or financial importance for the Issuer. This is because, due to the distinctive nature of the Company's business, it is more appropriate to

assess from time to time the importance of the transactions carried out as part of a periodic disclosure provided by the management to the Board of Directors.

4.4 Board evaluation

In compliance with the recommendations of the Code of Conduct (application criterion 1.C.1. g), the Board of Directors should assess operation, size and composition of both the Board and its committees at least once a year (i.e. Board evaluation).

In compliance with the recommendations of the Code, the Board has carried out the correct assessments as to the functioning of the Board itself and its Committees, their size and composition, also taking into account professional experiences and gender, as well as seniority of its members.
This assessment was carried out by a specific self-assessment system (i.e. Board Performance Review) which involved all the Directors in the Company.

In particular, the Board members were handed a questionnaire to collect feedback from each of them regarding the following main points of corporate governance:

- the role and impact of the Board regarding the Company's strategic decisions and definition of the management organisational structure, as well as assessment of the strategic scenario and the main risks for the Company;
- relationship between the Directors and the senior executives, with particular reference to independent directors; activities to give the Board Members a better knowledge of the business;
- frequency and duration of the Board meetings, timeliness and completeness of the documentation supplied to the Directors and in-depth debates;
- composition of the internal Committees, with particular reference to the Control and Risk Committee and the Remuneration Committee, as well as reporting to the Board of Directors about the activities carried out;
- least represented gender on the Board;
- role of the Board in determining the remuneration and incentive systems for the management.

The results of the Board Performance Review, presented to the Board during the meeting of 10 November 2014, defined those areas which were found fully satisfactory by the Directors:

- the atmosphere during Board meetings, which enables the Directors' active participation;
- high standard leadership and management of the Board;
- the relationship between the independent Directors and senior executives is positive and constructive;
- understanding and sharing of operational objectives and results;
- the number of women members of the Board.

Regarding the application criterion 1.C.4., it should be pointed out that the Shareholders have granted neither general nor preventive authorisation to waive the non-competition clause set by Art. 2390 of the Italian Civil Code.

4.5. Executive Committee

The CEO

During the meeting on 23 April 2013, the Board of Directors appointed **CEO** Stefano Cerri with the responsibility, in particular, to identify, together with the Chairman and the Deputy Chairman Giuseppe Cafiero, the Company's development strategies to be submitted to the Board of Directors and to supervise their implementation in accordance with the directives and resolutions of the Board.
The Board of Directors set the following limits to the powers conferred to Mr Cerri: (*i*) sign tenders when undertaking contracts and/or concessions, also regarding project financing, up to the amount of € 600 million, execute the awarded contracts and sign any other document necessary for said purpose; (*ii*) enter into, amend and terminate contracts for the purchase or sale of real estate up to the maximum amount of € 2,600,000.00 per transaction.

Stefano Cerri, CEO (and, as such, taking on the main responsibility for the management of Astaldi S.p.A.), currently holds no other position as director in any other company not part of the Group of which a director of Astaldi S.p.A. is CEO.
Therefore, there is no case of interlocking directorate as foreseen by the application criterion 2.C.5. of the Code of Conduct.

Chairman

All activities of the Board of Directors are coordinated by the **Chairman**.
The Chairman convenes the Board meetings and directs their operations, ensuring that all Directors are provided in advance – except in cases of necessity and urgency – with the documentation and information necessary for the Board to make informed decisions on the matters on the agenda.
There is no **lead independent director** since the Chairman of the Board of Directors has neither been granted exclusive powers which make him/her responsible for the Company's management nor does he/she "control" the Company itself, as better described in Section 4.8.

Information to the Board

The CEO constantly reports, **at least quarterly** according to the By-laws, to both the Board of Directors and the Board of Statutory Auditors on the main activities carried out in the exercise of his/her powers.

4.6 Other Executive Directors

The Chairman Paolo Astaldi, the CEO Stefano Cerri, and the Deputy Chairman Giuseppe Cafiero are the executive members of the Board of Directors, as shown in Table 2 in the Appendix, and have executive roles within the Company.
Following the appointment of 29 January 2015, Filippo Stinellis is also one of the Executive Directors and the Company's General Manager.

4.7 Independent Directors

Since the appointment of 23 April 2013, the Board of Directors has a significant number of Independent Directors.
In 2014, the Directors' turnover had a limited effect on the number of Independent ones.
The current Board has seven Independent Directors, six of them (Giorgio Cirla, Paolo Cuccia, Chiara Mancini, Nicoletta Mincato and Eugenio Pinto) are independent both pursuant to Art. 147-*ter* Consolidated Finance Act and to the application criterion 3.C.3 of the Code of Conduct.

Director Piero Gnudi was appointed by the Board pursuant to Art. 2386, subsection 1, of the Italian Civil Code, to replace the outgoing director Guido Guzzetti. During the meeting of 10 November 2014, the Board ascertained the existence of the requirements of independence of Director Piero Gnudi both pursuant to Consolidated Finance Act and the Code of Conduct. The outcome of the assessments was communicated to the market in a press release available on the company's web site in the section "*Press Room/Press Releases*".

Still in accordance with the application criterion 3.C.4 of the Code of Conduct, today's Board meeting carried out yearly assessment on the requirements of independence of the above Directors, and there were no changes with the previous situation.
As previously stated, Director Ernesto Monti is independent only as regards Art. 147-*ter* of the Consolidated Finance Act.

In 2014, the Independent Directors did not deem it necessary to meet in the absence of their other colleagues.

4.8 Lead Independent Director

It is important to notice that, since the preconditions in the Code of Conduct (application criterion 2.C.4) did not occur, also in view of the contents of point 4.5. of this Report, the Board decided not to appoint a **Lead Independent Director**.

5. Handling of corporate information

Under the application criterion 1.C.1., j, of the Code of Conduct, in order to ensure proper internal handling and timely disclosure of all relevant facts occurring within the activities carried out by the Company itself and its subsidiaries and that, at least potentially, are able to influence the price of the shares of the Company ("*price sensitive information*"), the Company relies on the "**Continuous Disclosure**" procedure (recently revised by the Board on 1 August 2012).
Therefore, the above procedure governs the timing and methods for the management of corporate information, further providing, inter alia, that those who become acquainted with the aforementioned information act as a link between their respective area of responsibility and the Company's senior management, so as to allow proper assessment of such facts or information.

A special Evaluation Committee (formed by the heads of the Corporate Affairs department, *Corporate Governance,* Chairman's Office, *Investor Relations* Division and the department involved) will provide, assistance after a 'careful analysis of the facts', as to the correct interpretation of sector regulations and the possible drafting and dissemination of information bulletins.

6. Board committees (pursuant to Art. 123-*bis*, subsection 2, d, Consolidated Finance Act)

In order to facilitate the functioning of the Board of Directors, the Remuneration and Internal Audit Committees were set up in 2002 – the year when Astaldi Shares began being traded. The Internal Audit Committee was subsequently called the Control and Risks Committee in order to align it to the revision of the Code of Conduct made in 2011.
The Appointments Committee was set up in 2013. In addition to the committees recommended by the Code of Conduct, a Committee for Related Party Transactions was also set up, in accordance with the requirements of Consob Regulation No. 17221 of 2010.

7. Appointments committee

The Company established an Appointments Committee on 23 April 2013.
On its inception the Appointments Committee was composed of three Directors: Ernesto Monti (Chairman), non-executive and independent director pursuant to Art. 147-*ter* of the Consolidated Finance Act; Eugenio Pinto and Mario Lupo, both non-executive and independent directors, pursuant to Art. 3 of the Code of Conduct.

Following the resignation of Mario Lupo on 21 November 2014, the Board of Directors appointed Chiara Mancini Director of the Committee on 17 December 2014.

Appointments Committee: composition and functions (pursuant to Art. 123-*bis*, subsection 2, d, Consolidated Finance Act)

The Appointments Committee is currently composed of the following three non-executive directors, the majority of whom are independent:

Ernesto Monti	(Chairman)	Non-executive/independent pursuant to Art. 147-*ter* Consolidated Finance Act
Chiara Mancini		Non-executive/independent
Eugenio Pinto		Non-executive/independent

Regarding the composition and characteristics of the Appointments Committee, please see Table 2 in the Appendix.

Appointments Committee: functions

The functions of the Appointments Committee are: (*i*) to advise the Board on its size and composition, (*ii*) to make recommendations about the professional profiles whose presence on the Board is deemed advisable, (*iii*) to propose candidates for directorship in cases of co-option and to replace independent directors when necessary.

As explained above, the Appointments Committee met on 1 October 2014 in order to select candidates for the Board of Directors in replacement of the outgoing independent minority director Guido Guzzetti.

The Committee identified Piero Gnudi as the eligible candidate for the position.

The meeting was duly recorded in order to implement the recommendations of the application criterion 4.C.1, d, of the Code of Conduct.

8. Remuneration committee

Since February 2002, the Company has established a Remuneration Committee also responsible for any stock option and stock grant plans.

Remuneration Committee: compositions and functions (pursuant to Art. 123-*bis*, subsection 2, d, Consolidated Finance Act)

The Remuneration Committee is currently formed of the following three non-executive directors, the majority of whom are independent:

Ernesto Monti	(Chairman)	Non-executive/independent pursuant to Art. 147-*ter* Consolidated Finance Act
Eugenio Pinto		Non-executive/independent
Giorgio Cirla		Non-executive/independent

As regards the Chairman of the Committee, the Company decided not to apply the Principle 6.P.3 of the Code of Conduct. The reason for such non application stems from the fact that the Chairman of the Remuneration Committee Ernesto Monti, while not an independent director as far as the Code is concerned, but in fact considered independent according to the Consolidated Finance Act, is the most appropriate person in the Board of Directors to chair this Committee thanks to his know-how, professional level and experience.

As recommended by the Code of Conduct, the members of the Committee have adequate knowledge and experience of accounting and finance.

As regards the composition and characteristics of the Remuneration Committee now in office, please see Table 2 in the Appendix.

Remuneration Committee: functions

In compliance with application criterion 6.C.5 of the Code of Conduct, the Committee has the following main tasks:

- to periodically assess the adequacy, overall consistency and the concrete application of the policy for the remuneration of directors and key management personnel on the basis of the information provided by the CEO;
- to submit proposals in this regard to the Board of Directors;
- to submit proposals or express opinions to the Board of Directors on the remuneration of executive directors and other directors who hold special positions and on the establishment of performance targets related to the variable component of the remuneration;
- to monitor the implementation of the decisions taken by the Board of Directors and specifically, to assess the achievement of performance targets.

Three (3) meetings of the Remuneration Committee, attended by all its members, were held during 2014, each lasting about 1 hour.
All meetings were recorded in order to implement the recommendations set by the application criterion 4.C.1, d, of the Code of Conduct.

In view of the issues addressed, the Committee also invited third parties to attend its meetings including, in particular, the Chairman and the Deputy Chairman Mr Cafiero. It is understood that no directors attended meetings in which proposals regarding their remuneration were formulated and approved.

During the three meetings held in 2014, the Committee had both consulting and advisory functions, in particular, in relation to the definition of:

- the short-term management by objectives (MBO) incentive plan, approved in the Board meetings of 14 May and 27 June 2013;
- the stock grant incentive system for the period 2013/2015;
- the achievement of expected targets for the allocation of stock grants for the year 2013;
- targets for the achievement of which stock grants would be awarded regarding the year 2014.

One of the above meetings of the Remuneration Committee was attended by the Chairman of the Company Paolo Astaldi and by the Deputy Chairman Giuseppe Cafiero, on invitation by the members of the Committee.

To carry out its tasks as above, the Committee has been granted access to the necessary information by the relevant corporate offices, with the assistance of the Head of Corporate Affairs, Corporate Governance and Chairman's Office.

9. Directors' remuneration

Remuneration policy

In today's meeting, the Board of Directors approved, the Remuneration Report, which will be presented to the General Shareholders' Meeting convened to approve the 2014 Financial Statements and setting forth the general policy for 2015, pursuant to Art. 123-*ter* of the Consolidated Finance Act.
For further details, please refer to the above Remuneration Report which will be uploaded on the Company's website as per current laws.

Stock grant remuneration plans

The General Meeting of 23 April 2013 approved the guidelines for the Company's "**Stock grant Incentive Plan**" for the two year period 2013/2015, as previously defined by the Board of Directors on 22 March 2013, on proposal by the Remuneration Committee of 21 March 2013. Subsequently, the Board of Directors on 2 August 2013 approved the relevant Regulations implementing the Plan, on the basis of the mandate received during the aforementioned General Meeting.
Specifically, the Plan is mainly a system of bonuses based on the **free assignment of Astaldi S.p.A. shares** to six senior executives (i.e. the CEO and five general managers), to be granted on an annual basis over three years upon achievement of the targets annually defined by the Board of Directors, on proposal of the Remuneration Committee.
For further details regarding the Incentive Plan please refer to the "*Information Document pursuant to Art. 84-bis, subsection 1, of the Regulation adopted by Consob with Resolution No. 11971 of 14 May 1999, as subsequently amended and integrated regarding the Incentive Plan Astaldi S.p.A. 2013-2015*" published on the Company's website in the section "*Governance/Archive documents*".
It should be noted that the Plan in question envisages specific lock-up periods of the shares annually allocated to the beneficiaries. In this regard, please refer to details to be found in the "*Remuneration Report*" and in the "*Information Document pursuant to Art. 84-bis, subsection 1, of the Regulation adopted by Consob with Resolution No. 11971 of 14 May 1999, as subsequently amended and integrated on the Incentive Plan Astaldi S.p.A. 2013-2015*"

Remuneration of Executive Directors

As regards the remuneration of the Executive Directors of Astaldi S.p.A. please refer to the aforementioned Remuneration Report published on the Company's website as per current laws.

Remuneration of key management personnel

As regards the remuneration of "key management personnel" of Astaldi S.p.A. please refer to the aforementioned Remuneration Report published on the Company's website as per current laws.

Incentive systems for the head of the Internal Audit department and for the manager in charge of financial reporting

No specific incentive plans for the "head of the Internal Audit department and for the "manager in charge of financial reporting" were submitted for 2014.

Remuneration for non Executive Directors

Please note that the remuneration of non Executive Directors is not linked to the results achieved by the Company, nor are they beneficiaries of share-based incentive plans.

Indemnities for Directors in the event of resignation, dismissal or resignation following a takeover bid (pursuant to Art. 123-*bis*, subsection 1, i, Consolidated Finance Act)

There are no agreements with the Directors of the Company for indemnities in the event of resignation, dismissal without just cause or resignation following a takeover bid.

10. Control and risk committee

Since February 2002, the Company has appointed a Committee for Internal Control which – following changes to the Code of Conduct in December 2011, having an impact on the Company's organisation – had its name changed by the Board on 1 August 2012 to Control and Risk Committee.

Control and Risk Committee: composition and functions

The current Control and Risk Committee is composed of the following three non executive directors, the majority of whom are independent:

Eugenio Pinto	(Chairman, non-executive, independent, expert in accounting and finance)
Luigi Guidobono Cavalchini	(Non Executive/not independent)
Nicoletta Mincato	(Non Executive/independent)

Guido Guzzetti is no longer a member of the Committee (non Executive/Independent) following his resignation, handed in during 2014.
Nevertheless, the composition of the Control and Risk Committee continues to be in line with Principle 7.P.4 of the Code of Conduct which recommends, as an alternative option to a committee composed entirely of independent directors, the presence of non-executive directors, mainly independent, if the Chairman of the Committee is one of them. Moreover, experience in accounting and finance must be guaranteed.
The work of the Control and Risk Committee is coordinated by its Chairman in accordance with the organisational procedures governing its operations as defined in the Committees' Regulations.
On 28 January, 14 July and 20 October 2014, the Control and Risk Committee held 3 (three) meetings, of about 3 hours

each, which were attended by all its members, in the presence of the Chairman of the Board of Statutory Auditors. All meetings were duly recorded and entered into a specific log.
The Committee meets mainly once every three months and two meetings have already been held during 2015, on 12 and 23 February.
Committee meetings are always attended by the Chairman of the Board of Statutory Auditors, in compliance with application criterion 7.C.3. of the Code of Conduct, and by the Head of the Internal Audit Department, the latter being the Permanent Secretary of the Control and Risk Committee.
On invitation by the Committee – with reference to the items on the agenda according to application criterion 7.C.2. – the meetings held in 2014 were also attended by other executives; more specifically, the manager responsible for corporate accounting, representatives of the Strategic Planning and Management Control, Corporate Risk Management and Administration departments, as well as other Company Departments/Divisions interested in specific issues to be discussed.

Control and Risk Committee: functions

The Committee assists the Board of Directors in planning and evaluating the Internal Control and Risk Management System, as detailed by the application criterion 7.C.1. of the Code of Conduct, giving its prior opinion about the evaluation, proposals and informative functions for which the Committee is responsible (7.C.2.).
In particular, the Committee performs the following tasks:

a) assesses, together with the manager in charge of financial reporting and with the assistance of the independent auditors and Board of Statutory Auditors, the correct application of accounting principles and, in the case of groups, their consistency for the purpose of preparing the Company's Consolidated Financial Statements;
b) expresses opinions on specific aspects regarding the identification of key business risks;
c) checks the periodic reports regarding evaluation of the Internal Control and Risk Management System. More specifically, with reference to the Internal Control system, it examines – in its preliminary stage – the work plan and periodic reports prepared by the Head of the Internal Audit Department;
d) monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit Department;
e) may request that the Internal Audit Department – if necessary – perform checks on specific operating areas, prior notification to the Chairman of the Board of Statutory Auditors;
f) reports to the Board of Directors, at least every six months on the occasion of the annual and interim financial reports, on its activities and on the adequacy of the Internal Control and Risk Management System;
g) supplies its opinion regarding the appointment, dismissal, remuneration, adequacy of resources of the Head of the Internal Audit Department.

The Control and Risk Committee carried out checks and addressed several issues of different nature over the course of three meetings held in 2014. More specifically, during said meetings, it examined and assessed:

- the main corporate risks, regarding 2014, presented by the Corporate Risk Management Department;
- the proposed Audit Plan 2014, prepared by the Internal Audit Department (hereinafter referred to as "SIA"), based on a structured risk analysis, with preliminary approval by the Board;
- the internal control activities planned and carried out regarding the Audit Plan 2013;
- the impairment test procedure on the Financial Statements at 31.12.2013, together with the Administration Department;
- the assets regarding "contract work in progress" and "amounts due from customers" in relation to the main order backlog;
- detailed examination of the financial dynamics and of the equity and income related aspects of the projects constituting the order backlog;
- the progress of activities in progress compared to the approved audit plan 2014;
- key projects for the Internal Control system such as its revision in the light of Legislative Decree 231, the Fraud and IT Audit (2nd phase) on the assessment of anti-fraud controls identified in 2013, the follow-up on actions taken by the Company as a result of the project carried out in 2013 pursuant to Legislative Decree 231 related to offenses under art. 24a ("cybercrime") and 25-*novies* ("copyright violation"), the vulnerability assessment and penetration test;

- the "Internal Audit Handbook" and the Functions of the Internal Audit Department, drafted with the assistance of Ernst & Young Financial Business Advisors, in compliance with international best practices and with the Code of Conduct for listed companies.

The meetings of the Control and Risk Committee, held during 2014, were always attended by the Chairman of the Board of Statutory Auditors. These meetings were recorded and entered in the Committee's log.
In order to carry its tasks, the Control and Risk Committee may invite the representatives of any of the Company's departments to its meetings and may also require the assistance of external consultants.

The resources required for internal control activities, also regarding the implementation of the audit plan, are provided for and quantified in the Internal Audit budget.

The Control and Risk Committee held two meetings on 12 January and 23 February 2015 in the presence of the Chairman of the Board of Statutory Auditors, during which the following points were examined:

- meeting with Corporate Risk Management (CRM) regarding the main business risks (Top Risks);
- assessment and approval of the proposed 2015 Audit Plan;
- assessment of internal control activities planned and implemented in the second half of the year as per approved 2014 Audit Plan;
- assessment, together with the Administration department, of the impairment test regarding the Financial Statements at 31.12.2014;
- assessment of the provisions of application criterion 7.C.2, a, of the Code of Conduct, together with the Manager in charge of financial reporting.

The Committee reported to the Board of Directors on the activities performed in the first and in the second half of 2014.

11. Internal control and risk management system and financial reporting internal control system

The Company considers the maintenance of an effective system of Internal Control and Risk Management necessary for the Company to achieve its targets to be of key importance for the development and management of its business.
An effective system of Internal Control and Risk Management, in line with the best national and international practices, should be aimed at allowing – through suitable identification, assessment and management of risks and related controls – the running of a sound and correct business consistent with the set targets, also in order to meet its own requirements as well as those of shareholders, corporate supervisory bodies and By-laws and regulations.

In this regard, the Company has established its own Internal Control and Risk Management System through a set of rules, procedures and organisational structures designed to allow:

a) the compliance of all business activities with the objectives the Company's targets and the directives issued by senior management in accordance with internal and external rules and regulations;
b) the effectiveness and efficiency of corporate activities;
c) the reliability and accuracy of corporate accounting, information, and economic and financial reporting;
d) the protection of company assets with the identification of conducts prejudicial to its interest and/or fraud.

The main and current methodological reference used by the company is the C.o.S.O. Report which, adapted to the Company's requirements, is an analytical tool for effectively carrying out the audit and evaluation activities of its internal control system and its various components. It also provides senior management with a clear vision of the aspects of improvement in the internal Control and Risk Management system in terms of effectiveness and efficiency.

Since 2010, following establishment of the Corporate Risk Management Department, the Company has taken steps to codify a structured and integrated risks management system in line with the C.o.S.O. ERM – Enterprise Risk Management Integrated Framework model. This model is becoming increasingly important in the evaluation of the Internal Control System.

The parties involved in the Control and Risk Management system are the Board of Directors, the Control and Risk Committee, the Chief Executive Officer in charge of the Internal Control and Risk Management System, the Board of Statutory Auditors, the independent auditors, the Supervisory Board, the Head of Internal Audit, the manager in charge of financial reporting, the Corporate Risk Management Department, second level executives, the management and all the operating staff within their roles and responsibilities.

The Board of Directors – according to the established guidelines of the Internal Control and Risk Management System, and with the advisory assistance of the Control and Risk Committee – ensures that the main risks undertaken by Astaldi S.p.A. and its subsidiaries are correctly identified and adequately assessed, managed and monitored, determining the degree of compatibility of those risks with a sound and proper management, consistent with the strategic, business and financial objectives.

In 2014, the Board of Directors was requested to assess aspects of corporate governance in relation to the main risks of the Company and the Company's Internal Control system, also through reporting on activities undertaken by the Control and Risk Committee.
In this regard, during the meeting of 28 January 2014, the Board reviewed and approved the Work Plan prepared by the Head of the *Internal Audit*, on the basis of the preliminary investigation conducted by the Control and Risk Committee in the preliminary meeting held on the same date. The Plan lists the objectives, the methodology applied, and the selection of sample contracts for audit activities both in Italy and abroad.
Furthermore, during the meetings of 28 March 2014 and of 10 March 2015, the Board of Directors expressed a generally positive assessment of the adequacy, effectiveness and effective functioning of the system of Internal Control and Risk Management of the Company, with respect to the Company's structure and the risks undertaken, based on the results of the preliminary investigation conducted by the Control and Risk Committee.
In order to achieve a steady improvement and increase in efficiency of the entire system, the Board requested that the improvements to be carried out in the areas requiring specific recommendations, be implemented by the relevant corporate departments.
As regards the specific assessments of the adequacy, effectiveness and efficiency of the Internal Control and Risk Management System, please refer to sections 11.1 and 11.2.
Furthermore, in the Board meeting of 10 November 2014, the Directors reviewed and approved two operating procedures of the IMS (Integrated Management System) – issued by the Internal Audit Department – related to the Internal Audit Handbook and the functions of the Internal Audit Department, subsequent to the preliminary investigation activities of the Control and Risk Committee and of the Board of Statutory Auditors.

11. a) internal control and risk management systems concerning financial reporting: main aspects

The activities of financial reporting – an integral part of the Internal Control system – are carried out by a specific department whose responsibility is to support the work of the manager in charge of financial reporting.
Management of the risks linked to financial reporting is an integral part of the Internal Control system set up by the Company as a key element for those activities designed to ensure the correctness, accuracy, reliability and timeliness of financial data.
The approach taken by the Company based on the relevant best practices and in particular on the C.o.S.O. Framework derives from a corporate control environment which places particular attention on definition of the main tools of corporate governance. The system of risk management and internal control provides for the formalisation of appropriate admin-

istrative and accounting procedures, the definition of roles and responsibilities through a managerial structure and its delegated functions, regulations and internal codes of conduct and the separation of functions.

In particular, the definition of processes and related controls stems from the constant identification and analysis of those endogenous and exogenous factors which may affect the achievement of business targets in order to determine how these risks can be managed (identification, assessment and monitoring), to ensure the proper production of financial information.

Therefore, the Company has set up a series of line and operational controls (first level), and hierarchical and functional controls regarding risk management and compliance with internal and external rules (second level) and internal audit controls (third level). Assessment of the effectiveness of the system to control those risks which may significantly affect the financial reporting process is carried out by testing procedures, both during the annual closing of accounts and the interim reports (half-yearly), characterised by a top-down approach identifying the relevant extent, processes and related accounting entries. In this respect, certain items which are deemed to have a significant economic impact on the Separate and Consolidated Financial Statements are scrutinised through a sampling process. These specific testing operations are carried out by a division reporting to the manager in charge of financial reporting, and the results of the audit and corrective actions suggested shall be submitted to the above manager and to the Board of Directors.
It must be pointed out that, since the introduction of Law 262/05, the Parent has ordered that annual financial and interim (half-yearly) reports of branches and subsidiaries must be accompanied by a written statement signed by their legal representatives and administration managers. This certification is required by the Consob regulation implementing Law 262/05.
The adopted system is monitored and constantly updated.

11.1 Director responsible for the internal control and risk management system

In the light of the provisions of Art. 7.P.3., a, (i) of the Code of Conduct, during the meeting of 23 April 2013 the Board of Directors appointed the CEO "director in charge of the Internal Control and Risk Management system" performing the tasks pursuant to art. 7.C.4 of the Code, in accordance with the Company's model of control and risk management and within the guidelines set up by the Board itself.

More specifically the CEO

- identifies the main corporate risks, considering the characteristics of the activities performed by the issuer and its subsidiaries and periodically submits those risks to the attention of the Board of Directors;
- implements the guidelines set up by the Board of Directors, carrying out the layout, implementation and management of the Internal Control and Risk Management system also checking its adequacy and effectiveness on a regular basis;
- adjusts the system according to the working conditions and to the provisions of applicable laws and regulations;
- may ask the Internal Audit Department to carry out audits on specific areas of operation and on the compliance with internal procedures and regulations governing corporate operations, giving at the same time notice thereof to the Chairman of the Board of Directors, to the Chairman of the Control and Risk Committee and to the Chairman of the Board of Statutory Auditors;
- promptly reports to the Control and Risk Committee (or to the Board of Directors) on issues and problems which may have arisen during the fulfilment of his/her duties or about which he/she may have been informed, so that the Committee (or the Board of Directors) may take appropriate actions in connection therewith.

Regarding the application criterion 7.C.4, a, a Corporate Risk Management Department (hereinafter also referred to as "CRM") was set up to provide the Company's management with the necessary support in the decision-making process regarding the reduction of risks throughout the entire corporate business cycle, in the various contracts (traditional contracts, general contracting, concessions and project finance initiatives) and at the various levels of the corporate organisation (head-office, country, project).

The risk management model adopted by the Company is three-dimensional, divided by nature of risk (operational, financial, strategic, compliance related), by level (enterprise, country, project), and by project phase (development, construction and operation).
The line followed by the Corporate Risk Management Department has made it possible to disseminate a risk culture and a common language, also through a new well-established method of assessment of the Group's risks, officially outlined in the guidelines for the quantification and reduction of the main risk/opportunity situations.

During the meeting of 28 January 2014, the Corporate Risk Management Department updated the Control and Risk Committee and the Board of Statutory Auditors on the main corporate risks (Top Risks) at ERM level, as well as on work in progress on projects important for the Company's business. In this regard, please refer to sections relating to the activities of the Control and Risk Committee (section 10) of the Internal Control and Risk Management System (section 11) of the Board of Statutory Auditors (section 13).
During the meeting, the Board of Directors, in view of the provisions in the Code of Conduct for Listed Companies, made its own assessments, allowing each director to express his/her opinion on the Board of Directors' role and influence in scrutinising the strategic framework and main corporate risks, also relying on the preliminary examination carried out by the Control and Risk Committee.

The CEO takes particular care in acquiring information on all the changes/updates in laws and regulations which may have an impact on the Company's business and, therefore, on the Internal Control and Risk Management System. Therefore, particular attention was drawn to Astaldi's corporate and organisational development path to progressively comply with the provisions of the new Code of Conduct. In fact, during the meeting held on 23 April 2013, the Board of Directors implemented the most important changes in the regulations stemming from the revision of the Code of Conduct, with particular reference to internal audit and risk management activities.
During 2014, the CEO received up-to-date information on the following from the Head of the Internal Audit Department: audit plans and the progress of the activities relating to the Internal Control system; the adequacy of controls in terms of suitability to cope with/reduce the level of risk agreed upon and accepted by senior Management also by recording the meetings held by the Control and Risk Committee and by the Board of Statutory Auditors and through the consolidated reports on the outcome of audit activities foreseen by the Plan.

11.2 Head of the internal audit department

As required by the Code of Conduct (Principle 7.P.3., b.), the "Head of the Internal Audit Department" (hereinafter called "RIA") is Fabio Accardi, Head of the Internal Audit Department (hereinafter "SIA"), formerly responsible for the Internal Audit since 13 May 2009, appointed by the Board of Directors upon proposal of the Director in charge of the Internal Control and Risk Management System, with the approval of the Control and Risk Committee.
Upon approval of the Audit Activity Plan, the Board of Directors checks on a yearly basis that the SIA has the resources (internal and/or external experts) needed to implement the Plan.
In this regard, the SIA quantifies the financial resources needed to carry out its duties in relation to the activities to be undertaken during the year.

The Head of SIA reports directly to the Board of Directors and, in accordance with the provisions of the aforementioned application criteria

- verifies, both regularly and in connection with specific situations, and in compliance with international standards, the activities, the effectiveness and efficiency of the Internal Control and Risk Management System through an audit plan approved by the Board of Directors, based on an organised analysis and prioritising the main risks;
- is not responsible for any operational area;
- has direct access to all information considered useful to carry out the task;
- presents periodical reports containing specific information on activities and on the adequacy of controls in terms of their suitability to cope with/reduce the level of risk agreed upon and accepted by senior management. The periodical

reports focus on the assessment of the Internal Control and Risk Management System activities;
- prepares timely reports on events of major importance;
- forwards the above reports to the Chairmen of the Board of Statutory Auditors, of the Control and Risk Committee and of the Board of Directors as well as to the Director in charge of the of Internal Control and Risk Management System;
- assesses, within the audit plan, the reliability of IT systems, including accounting systems.

Moreover:
- works alongside the Supervisory Board of Astaldi (the Parent) in updating the Organisational, Management and Control Model pursuant to Legislative Decree 231/01, and also provides support in monitoring and inspection activities to check on the compliance with the Model itself;
- carries out audits pursuant to Legislative Decree 231/01 upon instructions given by the Supervisory Board of Astaldi;
- carries out investigations in connection with reports of infringement of the Company's Code of Ethics, reporting to the Supervisory Board should the information received envisage a breach or alleged breach of the Organisational Model pursuant to Legislative Decree 231/01;
- is also responsible for Internal Control activities in the subsidiaries and associate companies, with the following responsibilities:
  1. to assist the Management and the Supervisory Boards of the Company in the preparation and updating of the Organisational Models pursuant to Legislative Decree No. 231/01;
  2. to perform, on behalf of the Supervisory Boards, audits pursuant to Legislative Decree No. 231/01;
  3. to carry out investigations in relation to reports of violations of the Code of Ethics, reporting to the Supervisory Board cases which can be construed as an infringement or suspected infringement of the Organisational Model pursuant to Legislative Decree No. 231/01.

Audit activities falling under the responsibility of SIA are listed in the "Internal Audit Handbook" which has become an operating procedure of the SGI (Integrated Management System) after having being vetted by the Control and Risk Committee and the Board of Statutory Auditors and approved by the Board of Directors in the meeting of 10 November 2014. In particular, the procedures defined in the Handbook are applicable to all companies of the Group for the activities regarding the Internal Control and Risk Management system according to international standards. During the Board meeting of 28 January 2014 the Audit plan for 2014 was submitted and approved after having been vetted by the Control and Risk Committee. Prepared by SIA in accordance with the Code of Conduct, the Plan is based on the analysis and the prioritization of the main corporate risks.
During the aforementioned meeting the Board:

- agreed on the operating procedures for the audit and on the criteria adopted for the selection of sample projects and operations to be scrutinised;
- assessed the resources needed by the Internal Audit department for its activities, focusing on the foreign sector and taking into account the increased involvement of SIA in this field. All these decisions were made in line with the Code of Conduct for listed companies (independence of functions).

The results are periodically submitted to the Head of the Internal Audit Department, to senior management, to the Control and Risk Committee, to the Board of Statutory Auditors, to the Supervisory Board pursuant to Legislative Decree. 231/01, and to the Board of Directors on the basis of the policy on information to be supplied to the Company's management and controlled bodies established in SIA's operational procedures regarding Internal Audit functions (recording of meetings with the Supervisory and Control Bodies, Audit Reports, interim Reports on activities in progress).

In the reports, the Head of the Internal Audit Department expressed an assessment on the Internal Control system as regards the Company's activities and the selected projects both in Italy and abroad.
With reference to activities relating to the Internal Control system, a series of projects were finalized in 2014 by the SIA

with the assistance of external consultants who met the requirements regarding professional level, independence and organisation. In particular:

a) revision of Astaldi S.p.A.'s implementation of Legislative Decree 231;
b) Fraud and IT Audit (2nd phase) on the assessment of anti-fraud controls for the year 2013;
c) follow-up on actions taken by the Company regarding the project carried out under Legislative Decree 231 in 2013 with reference to the offenses under art. 24a ("cybercrime") and 25-*novies* ("violation of copyright") and vulnerability assessment and penetration test;

The activities referred to in paragraphs b and c were carried out in accordance with the provisions of the Code of Conduct application criteria 7.C.5., g.
Finally, the Control and Risk Committee held two meetings on 12 January and 23 February 2015, in the presence of the Chairman of the Board of Statutory Auditors. Please refer to point 10. for the meetings' agendas. In order to carry out the tasks, the Head of the Internal Audit Department has access to all relevant information, as specified in the operating procedure of the SGI on the Responsibilities of SIA, approved by the Board of Directors on 10 November 2014.
The resources required for Internal Control activities, including those regarding implementation of the Audit Plan, are provided for and quantified in the budget of the Internal Audit Department.

11.3 Organisational model pursuant to legislative decree 231/2001

With reference to the additional actions taken to strengthen the governance system, the Board of Directors of Astaldi S.p.A. and that of the strategically important subsidiaries and associate companies have adopted their own "Code of Ethics" which establishes general principles and rules of conduct aimed at regulating the activities of employees and assistants, also regarding the relations with shareholders, the Public Administration, suppliers, contractors and subcontractors.

In particular, the Code provides for:

- the general principles and reference values which Astaldi S.p.A. and the companies within the Group must comply with when carrying out their activities;
- the rules of conduct that the Company's representatives, executives and personnel must observe when relating with business, entrepreneurial and financial parties;
- the main ways in which the Code is implemented within the Company.

Furthermore, the Board of Directors of Astaldi S.p.A. and that of its strategically important subsidiaries and associate companies have adopted their own "Organisational, Management and Control Model pursuant to Legislative Decree 231/01" which, by identifying areas and corporate activities potentially at risk of the offences envisaged by the Decree, aims to protect the Company in the event of offences referred to in Legislative Decree 231/01 by administrators, employees and consultants of the Company itself.

More specifically, the Model defines:

- "sensitive" corporate activities to be analysed and monitored, i.e. those activities within which, by their own nature, the offences pursuant to Legislative Decree 231/01 may be committed;
- the protocols (i.e. the principles) for the protection of sensitive activities from risks of offences under Legislative Decree 231/01;
- how the financial resources to be used for the prevention of offences are managed;
- the rules to define the Supervisory Board and the assignment of specific control tasks in order to guarantee a correct functioning of the Model;
- the information flow to the Supervisory Body;
- information, training, awareness raising and dissemination activities at all levels on the rules of conduct and procedures;

- responsibilities for the approval, integration, amendments and implementation of the Model, as well as the assessment of its operations and compliance with the Code of Conduct within the Company, and its regular updating.

The macro-categories of offences that the Organisational Model of Astaldi S.p.A. aims to prevent are:
- crimes against the Public Administration and against property of the State or other public body;
- handling of stolen goods and money laundering;
- corporate crime (including corruption between private business entities), insider dealing and market manipulation;
- offences against the person, committed in breach of the laws and regulations in matter of occupational safety;
- cybercrime;
- organised crime offences and obstruction of justice;
- environmental crimes;
- employment of illegal foreign nationals.

The "Code of Ethics" and the "Organisational, Management and Control Model pursuant to Legislative Decree No. 231/01" are constantly updated according to current legislation and the changes within the Company's organisation.

In this regard, at its meeting of 28 March 2014, the Board approved a review of the Organisational, Management and Control Model pursuant to Legislative Decree No. 231/01 for updating the risk assessment on "cybercrimes" and "violation of copyright", the latter related to IT, with the support of the consulting firm Macfin Management Consultants S.r.l.

Activities on vulnerability assessment were also carried out with the aim to test the security of computer systems, through research techniques and consequent vulnerability and a simulation of cyber attacks (penetration test).

During the aforementioned meeting, the Supervisory Board's 2014 Budget was approved by the Board of Directors in connection with the activities of the said Board specified in its Work Schedule.
The activities planned by the Supervisory Board for the current financial year included the kick-off of a project for an analysis of the general layout of the Company's Code of Ethics and Organisational Model, adopted since 2003, in order to verify if, by implementing the above project, there is space for improvement taking into account court findings and current best practices. However, it should be noted that the Company's structure pursuant to Legislative Decree 231 has since been updated following the new rules and regulations and the corporate organisational changes that have occurred over the years.
In the Board meeting of 1 August 2014, in accordance with the Organisational Model, paragraph 5.5., – information – the Supervisory board prepared its regular report summarising the activities carried out in accordance with the schedule of activities approved during the year. Today's Board of Directors, which approved this report, drafted the periodic summary report regarding the year 2014.

The Company's Code of Ethics and Organisational Model are published in the Company's official website at:
www.astaldi.com/governance/documents

For the prevention of any of the risks/offences pursuant to Legislative Decree 231/01, Astaldi S.p.A. and each of its strategically important subsidiaries and associate companies, appointed its own Supervisory Board, whose members meet the requirements of autonomy, independence and professional level in accordance with the above laws and regulations.

With reference to Astaldi S.p.A., with effect from 27 June 2013, the members of the Supervisory Board are Piero Spanò, Chairman, Nicoletta Mincato, lawyer and independent non-executive director and, as external consultants, Marco Annoni and Giorgio Luceri, lawyers.
The Supervisory Board, which has its own budget and a special regulation, is a senior management unit reporting directly to the CEO about results, critical issues, corrective actions and improvements which, in the case of particularly significant events, may be brought to the attention of the Board of Directors.

11.4 Independent auditors

Auditing of Astaldi S.p.A. accounts is carried out by KPMG S.p.A. for the years 2011-2019.

11.5 Manager in charge of financial reporting

The manager in charge of financial reporting is appointed by the Board of Directors with the approval of the Board of Statutory Auditors as per art. 23 bis of the Company's By-laws. Furthermore, according to said By-laws, the appointee must have the integrity requirements for administrators established by current legislation, as well as an adequate professional level with at least three years in a managerial position in administration, accounting, finance or control in a listed company or in finance, banking or insurance, or in a company whose paid-up capital is not less than € 2 million. As an alternative, the appointee may also have been an auditor in an auditing firm listed in the special Consob register.

The Company also has an Internal Regulation with a detailed job description, available resources and powers of the manager in charge as well as on which basis he/she will relate with other bodies and departments within the Company.

Paolo Citterio, General Manager of Administration and Finance has held the position of "Manager in charge of financial reporting" pursuant to art. 154-*bis* of Consolidated Finance Act, since 2007.
On the occasion of the latest renewal of the Board of Directors on 23 April 2013, the newly appointed Board confirmed Paolo Citterio in his position.

11.6 Coordination between internal control and risk management systems

In order to be effective, a control system must be integrated, i.e. its elements must be coordinated and interdependent with each other, and the system as a whole must be integrated into the overall organisational structure of the Company.

The legislation and the new Code of Conduct consider the Internal Control and Risk Management system as a unitary system in which the risk is the underlying principle. In order to be effective, the control system must be integrated within its parts, i.e. it must foresee both procedures and flows of coordination between the various corporate bodies in the same system (Board of Directors, Director in charge of the Internal Control and Risk Management system, Control and Risk Committee, Board of Statutory Auditors, Head of Internal Audit, Manager in charge of financial reporting, Chief Risk Officer, and all other corporate departments with specific tasks in relation to internal Control and Risk Management).

In this regard, Astaldi operates in accordance with the provisions of the new Code of Conduct, as outlined in the previous sections of the Corporate Governance report.
In particular in the following areas:

- coordination of the activities carried out by the Internal Audit Department and the Corporate Risk Management Department, taking into account that the modern concept of audit is focused on corporate risks, on their detection, assessment and monitoring;
- with specific reference to financial reporting, the coordination of activities carried out by the Internal Audit Department and the operating division providing support to the Manager in charge of financial rerporting;
- coordination between SIA's activities and second level departments regarding the specific risks monitored by them (e.g. safety and the environment).

The Internal Audit Handbook, an operating procedure of SIA, falls expressly under the rules on information flow: a) reporting to second level departments, in order to promote integration between the main actors of the control system; b) sharing intervention on assurance, maximising synergies and sharing the outcomes of their activities.

More generally speaking, please refer to sections 10, 11.1, 11.2, 11.3,14, as regards the coordination of all parties involved in the Internal Control and Risk Management system i.e. Control and Risk Committee, Board of Statutory Auditors, Supervisory Body, Director responsible for the Internal Control and Risk Management system, Head of the Internal Audit Department.

12. Directors' interests and related party transactions

During the meeting held on 10 November 2010, the Board of Directors, in line with the provisions laid out by the Consob Regulation No. 17221 of 12 March 2010 (subsequently amended by the resolution of 23 June 2010 regarding procedures governing "**related party transactions**"), approved, with the favourable vote expressed by the ad hoc committee of independent directors, the new corporate procedures for the identification, approval and implementation of transactions with related parties carried out directly by Astaldi S.p.A. or through its subsidiaries. The procedure was subsequently amended by the Board of Directors on 11 November 2011.

Upon such approval and pursuant to the relevant rules and regulations, the Company has established a Related Parties Committee comprising the following independent directors:

Eugenio Pinto (Chairman)	independent director
Paolo Cuccia	independent director
Giorgio Cirla	independent director

The above procedures
1) single out transactions of "*lesser*" and "*greater*" importance.
   Transactions of "*lesser*" importance are subject to:
   (i) *ex ante* suitable information, provided promptly to the decision-making body and to the Committee which must express its opinion;
   (ii) the appointment by a Committee of independent experts of its own choice;
   (iii) a non-binding opinion of the Related Party Committee;
   (iv) the decision taken by the Board of Directors or alternatively by the CEO under the powers conferred to him/her.

   For operations of "greater" importance, in addition to the above, the procedures require:
   (i) the binding opinion of the Related Party Committee;
   (ii) that the Board of Directors have decision-making powers;

2) establish procedures for the performance and approval of operations, as well as the composition and functions of the aforesaid Related Party Committee which, as laid out by Consob comprises solely independent directors both in the case of operations of "*lesser*" and "*greater*" importance;
3) establish procedures and timetables to supply all information before, during and after the above mentioned operations to the Related Party Committee and to all departments responsible for administration and control;
4) define the rules to be applied in cases in which the Company examines or approves operations of both Italian or foreign subsidiaries;
5) define cases of "default exemption" or "optional exemption".

The Company shall supply detailed information on all said operations in its Financial Statements. For details please refer to the "*Procedures governing transactions with related parties*" on the company website (Section "*Governance/Archive documents*").

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In relation to cases in which **a Director declares an interest,** be it direct or on behalf of third parties, the Board of Directors, in accordance with the current regulations, shall adopt from time to time solutions deemed to be the most appropriate (such as the exclusion from the vote and/or request that the Director temporarily leave the meeting).

13. Appointment of statutory auditors

The By-laws provide a "slate vote" procedure in order to ensure the presence of representatives of minority shareholders in the Board of Statutory Auditors.
The slates, accompanied by the documentation required by the current legislation and the Company's By-laws, must be filed at the corporate offices according to the terms and deadline established by the laws in force.

The slates may be presented only by those shareholders who alone or together with other shareholders, hold shares with voting rights representing at least **1% of the share capital** (or less than 1% if applicable in accordance with the current laws or regulations).

The members of the Board of Statutory Auditors are **appointed** as follows.

- two standing and two alternate members are chosen from the slate that has received the highest number of votes cast by shareholders present at the meeting in the progressive order in which the names have been included in the corresponding sections of the slate;
- the remaining auditor, who will also be appointed Chairman of the Board and the other alternate member are chosen in the progressive order in which they are listed in the corresponding sections of the slate with the second highest number of votes expressed by the shareholders who are not connected to the majority shareholders pursuant to the regulations in force.

In the event that more minority slates have obtained the same number of votes, the Standing member and the Alternate member will be selected on a seniority basis among those candidates who are first in the above mentioned lists.
In the case that only one slate is presented, all Standing and Alternate members will be selected from it and appointed according to the order in which they are listed. Also in this case, the person registered first in the slates will be appointed Chairman of the Board of Statutory Auditors.

In order to ensure the balance between genders, Art. 25 of the Company's By-laws provides that each slate containing three or more candidates shall include a number of candidates who, meeting the requirements provided for by the law and the By-laws, belong to the gender which is the least represented in the Board of Statutory Auditors, in the proportion of **one-fifth** of the candidates to be appointed at the first renewal subsequent to 12 August 2012, and **one-third** of the candidates to be appointed for the two subsequent terms of office.
In order to ensure effective equality, the balance between genders in corporate positions is expressed by the one-fifth of the standing members belonging to the gender which is the least represented, appointed at the first renewal of the Board of Statutory Auditors on 24 April 2012.

In the event of **resignation** for any reason by a Standing Auditor, the first Alternate member elected in the same slate will be appointed after assessment of the existence of the legal and By-laws requirements. However, if the resignation, for any reason occurs after the first renewal of the Board made after 12 August 2012 or during the two subsequent terms, the replacement will have to take into account the balance between genders represented in the Board of Statutory Auditors as established by Art. 25 of the Company's By-Laws.

If the Standing Auditor drawn from the slate which ranked second in number of votes resigns and cannot be replaced for any reason by the Alternate Auditor appointed from the same slate, the former shall be replaced by the candidate registered in the same slate immediately after or, if this is not possible for any reason, by the candidate in the slate which ranked second in number of votes among the slates presented by minority shareholders, verifying first that the requirements laid out by the law and By-laws are met. However, in the event the resignation, for any reason, of the Standing Auditor drawn from the slate which ranked second in number of votes, occurs after the first renewal of the Board after 12 August 2012, or during the two subsequent terms of office, replacement shall take place by taking into account the balance between genders within the Board of Statutory Auditors in accordance with the provisions of Article 25 of the Company's By-laws.

For further information relating to the appointment and replacement of members of the Board of Statutory Auditors, please refer to the provisions of Art. 25 of the By-laws of Astaldi S.p.A. published on the Company's website (Section "*Governance/Archive documents*").

14. Board of statutory auditors: composition and functions (pursuant to Art. 123-*bis*, subsection 2, d, Consolidated Finance Act)

The Board of Statutory Auditors was appointed for the financial years 2012/2014 during the Shareholders' Meeting of 24 April 2012. For its composition please see Table 4 in the Appendix.
During the aforementioned meeting 2 slates were presented in compliance with the By-laws and Art. 148 Consolidated Finance Act.
The first slate was presented by the shareholder FIN.AST S.r.l., which proposed Lelio Fornabaio and lawyer Ermanno La Marca as Standing Auditors, and Giulia De Martino and Francesco Follina as Alternate Auditors.

The second slate was presented by the following shareholders: Allianz Global Investors Italia SGR S.p.A., ANIMA SGR S.p.A., AZ Fund Management S.A., Ersel Asset Management SGR S.p.A., Eurizon Capital SGR S.p.A., Pioneer Asset Management S.A., Pioneer Investment Management SGR S.p.A., Eurizon Capital SA, ARCA SGR S.p.A., JP Morgan Asset Management LTD proposing Daria Beatrice Langosco Di Langosco as Standing Auditor and Andrea Lorenzatti as Alternate Auditor.

The outcome of the vote was the following: the first slate obtained 2 (two) votes for a total of 51,618,462 (fifty-one million six hundred and eighteen thousand four hundred and sixty-two) shares i.e. 75.06% of the share capital represented at the meeting, and the vote of the second slate obtained 114 votes (one hundred and fourteen) of shareholders for a total of 14,928,888 (fourteen million nine hundred and twenty eight thousand eight hundred and eighty eight) shares, i.e. 21.70%.

The members of the outgoing Board of Statutory Auditors were Daria Beatrice Langosco Di Langosco (Chairperson), Lelio Fornabaio and Ermanno La Marca, and the three Alternate Auditors Giulia De Martino, Francesco Follina and Andrea Lorenzatti.
Although appointed before the legislation on gender quotas became effective (Law No. 120 of 12 July 2011) the composition of the Board is in line with the provisions pursuant to Art. 148, subsection 1-*bis*, Consolidated Finance Act, as amended by the above law, which requires that at least one-fifth of the members of the Board of Statutory Auditors be the expression of the least represented gender.

The Board of Statutory Auditors shall be appointed at the next Shareholders' Meeting convened to approve the Financial Statements for 2014.

* * * * *

The Board of Statutory Auditors verified the independence of its members, during the meeting of 5 March 2014, pursuant to application criterion 8.C.1. of the Code of Conduct.

For the composition of the Board of Statutory Auditors, please see Table 4. All Auditors are in possession of the personal and professional requirements, as required by Art. 144-*decies* of Consob and the By-Laws of Astaldi S.p.A. (Art. 25).

The Chairman convened a series of meetings with directors, statutory auditors and corporate executives to discuss and illustrate the Company's business developments and to better understand the Company's Business Plan.

The Company also adheres to the principles of the Code of Conduct, according to which the Statutory Auditor who directly or on behalf of third parties, declares an interest in a specific operation involving the Company, shall promptly and fully inform the other Statutory Auditors and the Chairman of the Board of Directors about the nature, terms, origin and extent of this interest (application criterion 8.C.3.).

The Board of Statutory Auditors conducts controls on the audit in compliance with Art.19 of Legislative Decree 39/2010 in line with the Italian Stock Exchange notice No. 18916 of 21 December 2010.

The Board of Statutory Auditors also monitors the independence of the Independent Auditors, verifying both compliance with the provisions of law and the nature and extent of services other than auditing provided to the Company and its subsidiaries by said firm and its network.

* * * * *

The Board of Statutory Auditors carries out its activities with the assistance of the Head of Internal Audit Department, within the timeframe required by current legislation and by the internal deadlines according to the meetings scheduled during the financial year.

In 2014, the Board of Statutory Auditors met 10 times: 8 January, 5 and 27 March, 7 and 8 April, 24 June, 1 August, 20 October, 19 November (twice).
More specifically, the meeting of 5 March 2014, was convened with the Chairmen of the Boards of Statutory Auditors of the most important subsidiaries, in compliance with Art. 151 Consolidated Finance Act, subsection 2.
On 19 November, there was a joint meeting with the Supervisory Board after the Board meeting.

The meetings of the Board of Statutory Auditors were coordinated by the Chairman and attended by the majority of its members. The average duration of each Meeting was about two hours.
As a rule, the Board of Statutory Auditors meets following the deadlines established by current laws and the Board has already met twice during 2015, on 19 January and 2 March 2015.

The Board also coordinated its activities with the Control and Risk Committee, maintaining a constant exchange of information, through the attendance of the Chairman of the Board of meetings of the said Committee (*application criterion* 8.C.5.).

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15. Relations with shareholders

In the light of its admission to listing on the STAR segment of the Italian Stock Market in 2002, the Company, appointed as **the executive officer for relations with investors** (*Investor Relator*) Alessandra Onorati who is the head of the relative corporate department.
In order to encourage interaction with the shareholders and with the market and to implement the provisions of the law, the Company regularly posts on its website all accounting information (yearly, interim and quarterly reports) and all other information which may be of interest to the shareholders in general (i.e. press releases, the Code of Business Ethics, the Organisational and Control Model pursuant to Legislative Decree No. 231/01, the Reports of the Directors on the items discussed in the meetings).

16. Shareholders' meetings (pursuant to Art. 123-*bis*, subsection 2, c, Consolidated Finance Act)

Under Article 10 of the current By-laws, the Shareholders' Meeting is convened by the Board of Directors by public notice in accordance with current legislation.
The By-laws also provide that the same notice may also indicate another day for a second call, if the first is not attended; in the case of an Extraordinary General Meeting the same notice may also indicate the date of a third call.

The duties of the Shareholders' Meeting are established under Art. 2364 of the Italian Civil Code; furthermore, Art. 2365, subsection two of the Italian Civil Code, and Art. 22 of the By-laws expressly grant the Board of Directors the power to take decisions regarding:
(i) merger and demerger, in the cases falling under Articles 2505 and 2505-*bis* of Italian Civil Code, in accordance with the terms provided for therein;
(ii) setting up and closing down of secondary offices, including abroad;
(iii) appointment of the directors with powers to represent the Company;
(iv) decreasing of the share capital in the event of withdrawal by a shareholder;
(v) amendments to the By-laws following regulatory changes;
(vi) relocation of the registered office within the national territory.

Moreover, pursuant to Art. 135-*novies*, subsection 5, of Consolidated Finance Act and Art. 12 of the Company's By-laws, the Company dedicates a specific section of its Internet website to the shareholders where they may electronically deliver the proxies with power to vote, by using the proxy form (Section "*Governance/Shareholders' Meetings*").

At present, as regards the Shareholders' Meetings, the Company's By-laws do not establish any procedure for electronic voting or any audiovisual connection.

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According to Art. 13 of the Company's By-laws "*the activities of both Ordinary and Extraordinary Shareholders' Meetings are regulated by the set of rules approved by the Ordinary Shareholders' Meeting and are valid until amended or replaced*". At the ordinary meeting on 11 March 2002, the shareholders approved the "***Meeting's Rules and Regulations***" subsequently updated by the resolution dated 5 November 2010 which established clear and certain rules for the Meetings' orderly and functioning proceedings without any prejudice to the right of each shareholder to express his/her opinion or to request clarifications on the items on agenda.
Said Rules and Regulations establish that the shareholders with voting rights may ask to intervene in the debate on the items on the agenda in order to submit observations and proposals or to request further information on the subject until the Chairman declares the discussion of said items closed. The Chairman, or the persons assisting him in this task will then supply the appropriate answers and the shareholder will have the right to a short reply.

* * * * *

In order to allow the shareholders to deal with the Meetings' resolutions with a clear knowledge of the facts, suitable information will be supplied by the Board of Directors by filing all documentation and reports on the items on agenda for the shareholders' perusal at the Company's registered office and/or on the website (www.astaldi.com, section governance/shareholders' meeting) and at the authorised storage system (www.1info.it) according to the schedule set by current legislation.

17. Additional corporate governance practices (pursuant to Art. 123-*bis*, subsection 2, a, Consolidated Finance Act)

No corporate governance practice has been established in addition to those already described above.

18. Events after the reporting period

As mentioned in the introduction, the new financial year opened with an important change in governance.

With the introduction of Art. 127-*quinques* Consolidated Finance Act by Legislative Decree No. 91 of 24 June 2014 – the so called "competitiveness decree" – amended and converted by Law 116 of 11 August 2014, the Italian law makers have bypassed the traditional principle of "one share - one vote" in order to promote medium to long-term equity investment thus rewarding "loyal" shareholders by increasing their voting rights.
The Company's Board of Directors has deemed appropriate to present to the General Shareholders' Meeting a new law introduced by the Italian legislation through which an increased weight of the voting rights would favour those shareholders who contribute to support the Company's growth in the medium to long period through a long-term investment.
This law is in line with the EU policy aimed at favouring medium to long-term investments also with a view of reducing the volatility of stock markets through a more efficient pricing process.
It is worth pointing out that this action is in fact a concrete integration within the Italian legislation of a principle, shared at EU level, which aims at promoting systems that align corporate medium to long-term interests with those of both "retail" and institutional investors.
This new legal framework clearly favours the adoption of measures which facilitate the presence of stable investors and the Company feels that the aim it could pursue by introducing this is a higher level of loyalty among its shareholders who are encouraged to keep their investment for a longer period of time.
This is even more important in the case of a corporation such as Astaldi S.p.A. which is involved in multi-year projects in Italy and abroad characterised by medium-long term working cycles and is therefore interested in investors whose intention is to share and accompany the Company's core business on a stable basis.
The Board of Directors, while recognising the Company's interest in this proposal, has considered that the need and the aim to encourage medium-long term investments also exist in the presence of a pre-established control of the corporation since all stable investors would be rewarded, including the minority shareholders who wish to guarantee for themselves more voice and monitoring rights through their medium-long term investments compared to investors making shorter-term investments.
It has therefore been agreed that an increased voting right might favour the presence of stable minority shareholders who could contribute through a greater interest in the appointment of minority representatives to the Board and in the improvement of the Company's governance.
Therefore, the Board Meeting of 17 December 2014 resolved to convene an Extraordinary Shareholders' Meeting for 29 January 2015 to submit the change in the Company's By-laws introducing the increased voting rights mechanism for its approval.

The Company's new By-laws establish the granting of two votes to each share included in a special List regularly updated by the Company. These shares must be kept unsold for a period of at least 24 months starting from the date in which they were included in the said List.

Applications by shareholders in this regard may include all or only a part of the shares owned and will be made through an authorised intermediary who forwards the application to the Company as laid out by the norms or by equivalent documentation considered acceptable by the Rules and Regulations.
With reference to the above, for organisational purposes, the Company's By-laws establish that both the listing and the updating be carried out on a quarterly basis: 1 March, 1 June, 1 September, 1 December or according to a different timetable if provided for by the current regulations.
Therefore, the applications, even if received before the set date, will be effective only when the List is updated by the Company at the first available date according to the above mentioned timetable and procedures.

As regards exercise of the increased voting rights, the By-laws require that the shareholders send to the Company or produce the relevant notification as per regulations in force – or the equivalent documentation as established by the said regulations – also specifying the duration of the uninterrupted ownership of the shares benefitting of the increased voting rights.

The By-laws also provide for the shareholder entitled to increased voting rights to waive such right, for all or part of the shares which will be automatically deleted from the List thus losing the relevant increased voting right. However, the shareholder has the right to request that the shares be re-included in the List thus starting a new period during which the increased voting rights are restored.

In the case of death of the shareholder, the right to the increased vote remains valid in favour of the heirs, as well as in the event of mergers and demergers. The right to the increased vote extends proportionally to the newly-issued shares both in the case of increase of share capital under Art. 2442 of the Italian Civil Code and in the case of capital increase through the issue of new shares.
The increase in voting rights is calculated through the determination of quorums set up to resolve upon this, according to current legislation and Company's By-laws, that refer to portions of the share capital or of the share capital with voting rights.

In order to assist shareholders in obtaining all relevant information regarding the increased voting rights mechanism, the Company has set up a special section of the corporate website (Section "Governance/ increased votes") containing all the necessary information.

Rome, 10 March 2015

Chairman of the Board of Directors
Paolo Astaldi

Summary tables

Table 1: information on shareholding structure

Share capital structure as of 31 december 2014:

	Number of shares	% of capital	Listed (indicate markets)/not listed	Rights and obligations
Ordinary shares	98,424,900	100%	MTA - STAR	-
Shares with limited voting right	-	-	-	-
Shares with no voting right	-	-	-	-

Other financial instruments (conferring the right to subscribe newly-issued shares):

	Listing market	No. of convertible bonds in circulation	Type of shares used for conversion	No. of shares used for conversion
Convertible bonds	Luxembourg - MTF	130,000	ordinary	17,568,517
Warrants	-	-	-	-

Table 2: board of directors and committees: composition as of 31 December 2014

Board of Directors													Control and Risk Committee		Remun. Committee		Appointments Committee	
Position	**Directors**	**Year of birth**	**Date of first app. ***	**In office from**	**In office until**	**Slate ****	**Exec.**	**Non-exec.**	**Indep. Code**	**In-dep. TUF**	**No. other apps. *****	(*)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman	*Paolo Astaldi*	1960	7/07/1994	23/04/2013	(a)	M	x				1	9 9/9						
Deputy Chairman	*Ernesto Monti*	1946	5/09/2000	23/04/2013	(a)	M		x		x	_	9/9			3/3	C	1/1	C
Deputy Chairman	*Giuseppe Cafiero*	1944	30/07/2004	23/04/2013	(a)	M	x				_	9/9						
CEO • ◊	*Stefano Cerri*	1960	3/10/ 2000	23/04/2013	(a)	M	x				1	9/9						
Director	*Caterina Astaldi*	1969	5/07/2001	23/04/2013	(a)	M		x			_	3/9						
Director	*Luigi G. Cavalchini*	1937	12 /11/2002	23/04/2013	(a)	M		x			1	8/9	3/3	M				
Director	*Giorgio Cirla*	1940	23/04/2010	23/04/2013	(a)	M		x	x	x	1	9/9			3/3	M		
Director	*Paolo Cuccia*	1953	23/04/2010	23/04/2013	(a)	M		x	x	x		8/9						
Director	*Piero Gnudi*	1938	7/09/1999	23/04/2013	(a)			x	x	x	2	2/3						
Director	*Chiara Mancini*	1972	23/04/2013	23/04/2013	(a)	M		x	x	x	_	8/9					0/0	M (from 17/12/2014)
Director	*Nicoletta Mincato*	1971	3/10/ 2000	23/04/2013	(a)	M		x	x	x	_	9/9	3/3	M				
Director	*Eugenio Pinto*	1959	23/04/2010	23/04/2013	(a)	M		x	x	x	4	9/9	3/3	C	3/3	M	1/1	M
Director	*Filippo Stinellis*	1963	29/01/2015	29/01/2015	(a)		x				_	0/0						
DIRECTORS RESIGNED IN 2014																		
Director	*Guido Guzzetti*	1955	23/04/2013	23/04/2013	1/08/2014	m		x	x	x	1	6/6	2/2	M				
Director	*Mario Lupo*	1934	30/04/2004	23/04/2013	21/11/2014	M		x	x	x	1	8/8					1/1	M
No. of meetings held in 2014: 9						Control and Risk Committee: 3					Remuneration Committee: 3				Appointments Committee: 1			
Quorum requested for the submission of lists: 2.5%																		

The following symbols must be entered in the "Position" column:
• This symbol indicates the Director in charge of the Internal Control and Risk Management system.
◊ This symbol indicates the Director responsible for the management of the Issuer (Chief Executive Officer or CEO).
* The date of first appointment of each Director is the date in which he/she was appointed for the first time (ever) in the Issuer's Board of Directors.
** This column shows the slate from which each director was chosen ("M" majority list; "m" minority list; "Board": the list submitted by the Board of Directors).
*** This column shows the number of positions as director or auditor held in other companies listed on regulated markets, including foreign, financial, banking, insurance markets or large companies. These positions are listed in detail in the report on corporate governance. Table 3 details the tasks.
(*) This column indicates the attendance of directors at the meetings of the Board and Committees (indicate the number of meetings attended against the total number of meetings to which he/she could participate in; e.g. 6/8, 8/8 etc.).
(**) This column shows the position of the Director within the Committee: "C": Chairman; "M": member.
(a) Director in office until approval of the 2015 Financial Statements.

Table 3: number of positions as director or auditor held by each board member in other companies listed on regulated markets, in italy or abroad, in finance, banking and insurance companies or other large companies as of 31 December 2014:

Name Surname	Other offices held pursuant to Article 1.3 of the Code of Conduct
Paolo Astaldi	CEO of Fin.Ast S.r.l.
Ernesto Monti	None
Giuseppe Cafiero	None
Stefano Cerri	Director of A4 Holding S.p.A.
Caterina Astaldi	Director of Fin.Ast. S.r.l.
Luigi Guidobono Cavalchini	Member of the Board of Directors of Reale Mutua Assicurazioni
Giorgio Cirla	CEO of IMMSI S.p.A.
Paolo Cuccia	None
Mario Lupo	None
Guido Guzzetti	Director of SAIPEM S.p.A.
Piero Gnudi	Chairman of the Board of Directors of FONSPA CREDITO FONDIARIO S.p.A. and Extraordinary Commissioner of ILVA in Extraordinary Administration
Chiara Mancini	None
Nicoletta Mincato	None
Eugenio Pinto	Chairman of the Board of Statutory Auditors of Stogit S.p.A. and Snam Rete Gas S.p.A.; Statutory Auditor of Finmeccanica S.p.A.; Statutory Auditor of Finmeccanica Global Services S.p.A.
Filippo Stinellis	None

Table 4: board of statutory auditors: composition as of 31 December 2014

Board of Auditors

Position	Member(s)	Date of birth	Date of first appoint-ment*	In office since	In office until	Slate **	Indep. Code	Attendance of Board meetings ***	No. of other appointments ****
Chairperson	*Daria Beatrice Langosco di Langosco*	1952	24/04/2012	24/04/2012	(a)	M	x	9/9	1
Standing auditor	*Lelio Fornabaio*	1970	24/04/2012	24/04/2012	(a)	M	x	9/9	16
Standing auditor	*Ermanno La Marca*	1972	24/04/2012	24/04/2012	(a)	M	x	8/9	0
Alternate auditor	*Andrea Lorenzatti*	1975	24/04/2012	24/04/2012	(a)	M	x	-	0
Alternate auditor	*Giulia De Martino*	1978	24/04/2012	24/04/2012	(a)	M	x	-	7
Alternate auditor	*Francesco Follina*	1959	24/04/2012	24/04/2012	(a)	M	x	-	5

Number of meetings held: 9

Quorum required for the presentation of slates by minority shareholders for the election of one or more members (Art. 148 Consolidated Finance Act): *pursuant to the By-laws are entitled to submit slates only those shareholders who, alone or together with other shareholders represent at least 1% of the share capital.*

* The date of first appointment of each Director is the date in which he/she was appointed for the first time (ever) in the issuer's Board of Directors.

** This column shows the slates from which each auditor was selected ("M": majority; "m" minority).

*** This column shows the attendance of meetings of the Board of Statutory Auditors (indicate the number of meetings attended against the total number of meetings which he/she could participate in; e.g. 6/8, 8/8 etc.).

**** This column shows the number of positions as director or auditor held by each member of the Board of Statutory Auditors in accordance with Art. 148-*bis* Consolidated Finance Act and related implementation provisions of the Consob Regulations. The full list of offices is posted by CONSOB on its website pursuant to Art. 144-*quinquiesdecies* of the Consob Issuer Regulations.

(A) Auditor in office until the approval of the 2014 financial statements.

Other information

Turkey, Third Bridge on Bosphorus.

Independent Auditor's Report

(Consolidated financial statements)

KPMG S.p.A.
Revisione e organizzazione contabile
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(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Astaldi S.p.A.

1 We have audited the consolidated financial statements of the Astaldi Group as at and for the year ended 31 December 2014, comprising the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes thereto. The parent's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards issued by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

The consolidated financial statements present the prior year corresponding figures for comparative purposes. As disclosed in the note "Newly issued and endorsed accounting standards and interpretations, effective from 1 January 2014", as a result of the adoption of IFRS 11 Joint Arrangements, the parent's directors restated some of the corresponding figures included in the prior year consolidated financial statements. We audited such financial statements and issued our report thereon on 7 April 2014. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of expressing an opinion on the consolidated financial statements at 31 December 2014.

3 In our opinion, the consolidated financial statements of the Astaldi Group as at and for the year ended 31 December 2014 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of the Astaldi Group as at 31 December 2014, the results of its operations and its cash flows for the year then ended.

KPMG

Astaldi Group
Report of the auditors
31 December 2014

4 The directors of Astaldi S.p.A. are responsible for the preparation of a management report and a corporate governance and shareholding structure report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the management report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the corporate governance and shareholding structure report with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the management report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the corporate governance and shareholding structure report are consistent with the consolidated financial statements of the Astaldi Group as at and for the year ended 31 December 2014.

Rome, 30 March 2015

KPMG S.p.A.

(signed on the original)

Benedetto Gamucci
Director of Audit

2

Independent Auditor's Report

(Separate financial statements)

KPMG S.p.A.
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PEC kpmgspa@pec.kpmg.it

(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Astaldi S.p.A.

1 We have audited the separate financial statements of Astaldi S.p.A. as at and for the year ended 31 December 2014, comprising the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes thereto. The company's directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards issued by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

The separate financial statements present the prior year corresponding figures for comparative purposes. As disclosed in the note "Newly issued and endorsed accounting standards and interpretations, effective from 1 January 2014", as a result of the adoption of IFRS 11 Joint Arrangements, the company's directors restated some of the corresponding figures included in the prior year separate financial statements. We audited such financial statements and issued our report thereon on 7 April 2014. We have examined the methods used to restate the prior year corresponding figures and related disclosure which we examined for the purposes of expressing an opinion on the separate financial statements at 31 December 2014.

3 In our opinion, the separate financial statements of Astaldi S.p.A. as at and for the year ended 31 December 2014 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of Astaldi S.p.A. as at 31 December 2014, the results of its operations and its cash flows for the year then ended.

Astaldi S.p.A.
Report of the auditors
31 December 2014

4 The directors of Astaldi S.p.A. are responsible for the preparation of a management report and a corporate governance and shareholding structure report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the management report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the corporate governance and shareholding structure report with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the management report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the corporate governance and shareholding structure report are consistent with the separate financial statements of Astaldi S.p.A. as at and for the year ended 31 December 2014.

Rome, 30 March 2015

KPMG S.p.A.

(signed on the original)

Benedetto Gamucci
Director of Audit

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Other information

Board of Auditors' Report to Shareholders' Meeting

Dear Shareholders,
in compliance with the laws and regulations in force applicable to stock companies issuers of securities listed in regulated stock markets and in accordance with the provisions of the Company's By-laws, during the financial year ended December 31, 2014, we conducted our audit activity in accordance with the laws and the provisions of the Code of Conduct of the Board of Auditors issued by the Italian National Board of Chartered Accountants. This report was drawn up by also taking into account the recommendations given by CONSOB through its communications.

1. **Considerations on the main economic, financial and equity operations carried out by the Company and on their compliance with the laws, regulations and Company's By-laws**

   We attended all the meetings held by the Shareholders and by the Board of Directors during the year, and obtained from the Directors, also pursuant to Art. 151 paragraph 1 of T.U.F. (Italian Financial Services Act) periodical information on the activities and on most important transactions carried out by the Company and its Subsidiaries, the Directors having further reported about their characteristics and economic effects. To such respect we can reasonably assure you that the actions resolved upon and implemented comply with the law and the corporate by-laws, as well as with the principles of fair management and do not appear to be imprudent, risky, in potential conflict of interest or in contrast with Shareholders' resolutions, or likely to adversely affect corporate assets. The recurrence of Board of Directors' meetings, the average percentage of directors' attendance and the duration thereof have been adequate and any significant resolution was taken by giving proper information to directors and auditors. The Board of Auditors checked that the resolutions was supported by appropriate documents and, possibly, by experts' opinions, whenever so deemed advisable, about the economic-financial consistency of transactions.

   The Company avails itself of the authority, given by CONSOB by resolution No. 18079 of January 20, 2012, to disregard the obligation to make an information document available to the public on the occasion of significant operations of merger, split-up, share capital increase by contribution in kind, acquisition and assignment.

   Information about such decision is set out in the Annual Report, in compliance with Art. 70 of Issuers' Regulation.

   The Board of Auditors supervised the fulfilment of the obligations connected with the laws and regulations on "Market abuse" and "Protection of public savings" in matter of corporate information and "Internal Dealing", with particular reference to the handling of price-sensitive information and to the procedure for the circulation of communications and disclosure of such information to the public. In particular, the Board of Auditors monitored the compliance with the provisions of Art. 115-*bis* of T.U.F. and of the Regulation about the update of the Register of individuals having access to price-sensitive information.

   1.1. Request for information pursuant to Art. 115, paragraph 1, of D.Lgs. 58/98

   As set forth in the supplementary notes to the financial statements and in the directors' reports, the Company Shareholders' Assembly resolved to adopt, on January 29, 2015, the amendments to the By-laws, pursuant to Art. 127-*quinquies* of TUF, in matter of increase in voting rights.

In view of the Shareholders' Meeting, on January 16, 2015, the Company received Consob's communication relating to the request for information pursuant to Art. 115 § 1 of D.Lgs. 58/1998 in connection with the Directors' Report of Astaldi S.p.A., explicitly "in order to provide the shareholders and the market with a full set of information about the actual method of adoption of increased voting rights and the relevant effects on the Company's control".
In such context, we attended the board of directors' meeting called to be held on January 22, 2015, ensuring that each of the Supervisory Authority's requests was duly followed up.

2. **Atypical and/or unusual transactions, including intragroup transactions or transactions with related parties; adequacy of the relevant information set forth in the Directors' Report**
We have neither found nor received information from the Board of Directors, the Independent Auditor or the Head of the Internal Audit Department or the shareholders themselves about atypical and/or unusual transactions carried out during the fiscal year with third parties, related parties or group companies. During our control activities, we have found no evidence of the fulfilment of any such transactions.
As regards transactions with related parties and intragroup transactions, the information provided by the Directors in their report and in the supplementary notes to the financial statements is suitable for describing the activities carried out in 2014.
In accordance with the provisions of IAS 24 as well as CONSOB communication No. 6064293 of July 28, 2006, concerning the definition of related parties, we underline that the notes to the individual financial statements and to the consolidated financial statements show the totals of existing transactions and balances resulting from financial and commercial relations with related companies, as well as the fees due to Directors, Auditors and General Managers. No transactions which may be considered as atypical or unusual with respect to normal management have been found.

3. **Notifications as per Section 2408 of the Italian civil code and filing of claims**
During the period which the Financial Statements you are asked to approve refer neither notifications under Article 2408 of Italian Civil Code, nor claims of any kind were filed by third parties.

4. **Compliance with good management principles**
We verified – also by means of meetings with department managers and with the audit company – compliance with the principles of correct management, as well as with the law and corporate by-laws, and found the existence of an adequate organization allowing to comply with the laws and regulation and to fulfil the obligations provided for thereby. The Board of Auditors deems that the governance instruments and prescriptions adopted by the company may validly assure compliance with the principles of good management throughout operational practices.
During the period, we checked the fair application of verification criteria and procedures adopted by the Board of Directors in order to assess the independence of its own members and established, on the basis of the declarations made by the single Auditors and kept with the corporate records, the inexistence of any grounds for ineligibility and incompatibility of Auditors, as well as the fulfilment of the requirements provided for by the laws and the by-laws for appointment as such, also with reference to the criteria set forth in the "Self-Governance Code for listed companies" and to be met by Independent Directors and the members of the Board of Auditors.
Pursuant to the provisions of Art. 144-*novies*, § 1-*ter* of Consob Regulation No. 11971, we gave the Board of Directors notice of the outcome of such verification for the latter's considerations thereon, which shall give notice of the same to the Shareholders' Assembly through the Corporate Governance Report.
We have submitted to Consob, on May 2, 2014, in compliance with Consob Communication No. 6031329 of April 7, 2006, the "Report summarizing the control activity". All the information on the nature and importance of the remuneration policy is set forth in the remuneration report (in accordance with the provisions of Art. 123-*ter* of D.Lgs. 58/98), produced to the Board of Directors on March 10, 2015 and we made no observation in connection therewith.

5. **Adequacy of the organizational structure**

We have taken knowledge and verified, to the extent of our responsibility, the adequacy of the Company's organizational structure. To such respect, we acknowledged the existence of a corporate organization chart clearly identifying functions, roles and lines of responsibility, supplemented by a clear and well-defined system of powers and delegations. Decision-making powers are exercised in accordance with the powers conferred, with appropriate separation and distinction of responsibilities between the various tasks and functions. To such respect, during the period, we met the Organization Department Manager for updates on the relevant activities aimed at ensuring the continuous harmonization of the Corporate Model of Organization with the Group's growth and with the targets of its Business Plan.

6. **Adequacy of the internal control system, in particular with reference to the activity carried out by the Head of the Internal Audit Department**

We appraised and evaluated the suitability of the internal control and risk management system, as well as its effectiveness and efficiency by gathering information from managers of the respective departments, as well as by examining corporate documents and analyzing the results of the work carried out by the independent auditor, and of the activities carried out by the Control and Risk Committee by holding joint meetings with its Chairman or other auditor designated by the same.

In particular, we supervised the action plan worked out by the Internal Audit Department and examined the relevant reports summarizing the activities carried out during the period, mainly addressed to verifying compliance with, and the effectiveness and efficiency of the Group's internal control system.

More in detail, control activities focused on verifying the compliance with current laws and regulations, Group's guidelines and corporate procedures, as well as the observance of delegations of powers and correct behaviours, and proposing corrective actions or solutions aimed at improving the procedural and audit system, also for the purpose of improving the corporate organization's efficiency.

To such respect, no deficiency was detected within the corporate control system. We further verified that the Company proposed corrective actions in relation to the aspects capable of being improved which have been found and, in the meanwhile, took the improvement actions recommended in 2013 follow-up activities.

Moreover, we held meetings with the Manager of the Corporate Risk Management Department which focused on the risk management system, and analyzed the activity plans and outcome of the activities carried out by the same during the period, in connection with ERM targets and the main corporate risks, as identified and assessed by the Company's Top Management, Project Managers and by Country Managers as significant within the framework of the corporate business; we further analyzed the Company's approach to the risk management and relevant information flows toward the Board of Directors, the Control and Risk Committee, the Board of Auditors itself as well as toward the other corporate offices, also with reference to the Internal Audit Department, and analyzed with closer attention the methods adopted to identify, manage and monitor risks.

To such respect, we have acknowledged, jointly with the Control and Risk Committee, the outcome of Gruppo Astaldi's Enterprise Risk Management project, aimed at updating the 2011 ERM, following to the changes occurred in the corporate business, in order to identify or confirm the "Top Risks" which may significantly affect the achievement of the Business Plan targets.

Still with reference to the control system, we report that, during 2014, the Company's Board of Directors approved: the Internal Audit Manual and the Powers conferred upon the Internal Audit Manager, the procedures officially adopted also with the assistance provided by Ernst & Young Financial Business Advisors. Moreover, we have been provided with up-to-date information about the completion of other projects, which are significant to the intents of the control system and which concerned:

- the 2nd Phase of the "Fraud Audit and IT", with the professional assistance provided by KPMG Financial Advisory, intended for verifying the actual application of the controls "assessed as adequate" for the mitigation of fraud risks and/or events mapped during the previous period and the outcome of which was successful. Such project further includes the completion and approval of an anti-fraud policy aimed at defining the criteria, responsibilities and operational methods for the management of the fraud risk;

- the revision of the Company's measures aimed at complying with the provisions of D.Lgs. 231, adopted since 2003, also following to the evolution of the corporate business which is more and more oriented to foreign countries under the form of associations, with the professional assistance provided by Law Firm Severino and by Ernst & Young Financial Business Advisors. The activities ended up with the drawing up of a Group's Code of Ethics, with the revision of the Company's Organization, Management and Control Model as per D.Lgs. 231/2001 (hereinafter also referred to as MOG). Moreover, the Parent Company Astaldi is about to officially define the Guidelines for the implementation of such law provisions within the framework of its domestic and foreign equity investments, including the preparation of an Internal Audit Manual to the intents and purposes of D.Lgs. 231/01;
- the official adoption of a procedure for the management of the accounts and of the credentials to access the corporate IT systems, including the accounts used by system administrators, as a result of follow-up activities arising from the revision of the Company's MOG carried out during the previous financial year with reference to cybercrime offences (as per Art. 24-*bis*) and copyright offences (Art. 25-*novies*), such activities having been carried out with the professional assistance provided by Macfin Management Consultants S.r.l. Moreover, tests have been carried out to assess the security of IT systems from possible penetration attacks (vulnerability assessment).

With reference to ongoing projects, started by the Internal Audit Manager during the second half of 2014, we acknowledged:

- the selection of an integrated compliance tool to provide support in the activities of the 2015 Audit Plan. To such respect, the selected solution, named MEGA, will allow to cover all the phases of the audit process and to ensure the process efficiency, the consistency and traceability of data, as well as to operate also from a remote location – if necessary – for the activities carried out abroad;
- the activity preliminary to obtain the quality management certificate in accordance with the International Standard 1300, a target to be achieved on a voluntary basis. Thus, we agree upon the substantial adequacy of the internal control and risk management system.

7. Adequacy of the administrative-accounting system and on its reliability of the in correctly representing management matters

With reference to the verification of the effectiveness and efficiency of the administrative-accounting system and its reliability, as well as to all intents and purposes of Art. 19 paragraph 1 lett. a) of Italian legislative decree No. 39/2010, we took notice of the tests on the audit activities carried out and of the plan of audit activities to be carried out by the operational structure which, pursuant to Art. 154-*bis*, paragraph 4, of T.U.F., provides support to the Executive in charge of drawing up corporate accounting documents. We further verified that the Company proposed corrective actions in relation to the aspects capable of being improved which have been found and that improvement actions have been implemented as recommended in 2013 follow-up activities.

Based on the activity carried out, we agree upon the substantial suitability of the administrative-accounting system and its reliability in correctly representing management matters in compliance with the law provisions governing the preparation and drawing up of the financial statements and the directors' report, by obtaining information from the managers of the respective departments, as well as by examining corporate documents and analyzing the results of the work carried out by the Independent Auditor.

We further verified the effectiveness of the procedures concerning the preparation, filing and publication of the financial statements and interim financial reports, the fulfilment of law requirements concerning the information to be disclosed in the directors' report attached to the financial statements, as well as the procedures governing the collection, working out and issue of press releases setting forth price-sensitive information.

We did not find any particular critical aspect or impediment to the issue of the declaration by the Manager in charge of drawing up corporate accounting documents and of the statement by the Chief Executive Officer on the effectiveness and efficiency of administrative and accounting procedures to draw up the statutory individual financial statements and the consolidated financial statements of Astaldi S.p.A. as at December 31, 2014. To such respect, we acknowledged that the Company entrusted the company KPMG with the task of establishing the adequacy of the declarations included in the statements issued by the Chief Executive Officer and by the Manager in charge of drawing up corporate accounting documents pursuant to Art. 154-*bis*, paragraph 5, of Italian legislative decree No. 58/98.

8. Significant aspects which have become apparent during the meetings held with the auditors pursuant to Art. 150, paragraph 2, of D.Lgs. 58/1998

We supervised the statutory audit of accounts, thus examining, jointly with the Manager in charge of drawing up the corporate accounting documents, the independent auditor's plan of activities, supervising the effectiveness of the audit process by holding periodical meetings and exchanging information with the independent auditor also in matter of the accounting principles and practices to be adopted, and further verifying that all the data and information specifically requested by the independent auditor had been duly provided.

In fact, the Independent Auditor reported to the Board of Auditors, pursuant to the provisions of Art. 19, paragraph 3, of Italian D.Lgs. 39/2010, on the fundamental issues becoming evident during the statutory audit. To such respect, the Independent Auditor reported to the Board of Auditors, under the form of "Internal Audit Committee and audit of accounts pursuant to the provisions of Art. 19 of the Italian legislative decree No. 39/2010", the report on the fundamental issues becoming evident during the statutory audit which did not show any significant deficiency of the internal audit system in relation to the financial disclosure process. Finally, it is underlined that the Independent Auditor did not provide this Board, while fulfilling its duties, with any report according to the provisions of the Accounting Standard No. 260 "Disclosure of facts and circumstances concerning the audit to corporate governance managers";

To such respect, we held meetings with the representatives of the Independent Auditor, in compliance with the provisions of Article 150 of D.Lgs. No. 58/98, who provided us with regular updates on the progress of audit activities and with proper information.

9. Notice of the tasks, if any, entrusted to the independent auditor and relevant costs

We supervised the independence of the Independent Auditor, thus verifying both compliance with the laws and regulations governing the matter, and the nature and the scope of services, other than the audit of accounts, rendered to the Issuer and its subsidiaries by the Independent Auditor itself and the entities belonging to its group, and received proper written declaration, issued in compliance with the provisions of Art. 17 § 9 lett. a) of Italian legislative decree No. 39/10.

To such respect, it is underlined that the Independent Auditor provided us with the list of tasks attributed to the same during financial year 2014 and we have no remark in connection therewith. Moreover, the Directors' Report to the Financial Statements set forth comprehensive information about the consideration due to the Independent Auditor, pursuant to Art. 149-*duodecies* of Issuers' Regulation.

Taking into account the document "Annual Report on Transparency" drawn up by KPMG S.p.A., published in its own Internet website and provided to the Board of Auditors, the formal confirmation of its own independence issued by said company as well as the notice of the tasks entrusted, also through entities belonging to its network, by Astaldi S.p.A. and its consolidated companies, considering that no task was conferred for services which may adversely affect the Independent Auditor's independence, pursuant to Arts. 10 and 17 of D.Lgs. 39/2010, the Board of Auditors deems there is no critical aspect affecting the independence of KPMG S.p.A.

10. Adequacy of directions and instructions given by the Company to its subsidiaries, pursuant to Art. 114, 2nd clause, of D.Lgs. 58/1998

We verified the adequacy of instructions given by the company to its most important subsidiaries in accordance with Article 114, sub-section 2 of Italian legislative decree No. 58/98; by gathering information from managers of the organizational departments and meetings with the independent auditor and the corresponding Control Bodies in order to mutually exchange significant data and information.

11. Company's adoption of the Corporate Governance Code of the Corporate Governance Committee for listed companies

The Company has adopted the Corporate Governance Code for listed companies, established by Borsa Italiana S.p.A. and the internal organization is consistent with the guidelines of said Code, as set forth in the Corporate Governance Report. Board of Directors' decisions disregarding the above are comprehensively explained in the relevant sections of the Corporate Governance Report. The Board of Auditors has materially ascertained the adoption of said Code, as properly set forth in the Corporate Governance and Shareholding Structure Report, in compliance with Art. 124-*ter* of T.U.F. and Art. 89-*bis* of Consob Regulation.

12. Supervisory Body's activities

We obtained information on activities implemented in accordance with Italian legislative decree No. 231/2001 regarding the Entities' administrative responsibilities, also by exchanging information with the Supervisory Board set up by the Company. To such respect, the Supervisory Body reported its activity carried out in 2014 to the Board of Directors, as set forth in the Annual Corporate Governance Report, which is at your disposal, and through its own Half-yearly report on the activities carried out in 2014 in compliance with the Supervision Plan approved for financial year 2014. Both the Supervisory Body's detailed reports have been submitted to the Board of Auditors for information purpose.

As far as concerns the projects carried out during the period, for harmonizing the control system with the provisions of D.Lgs. 231/01, please refer to paragraph 6 hereof.

13. Health, Safety and Environment

As to the supervision activity in matter of health, safety and environment, we acknowledge that the Company implemented and maintained a valid certification according to recognized standards (ISO 14001 and OHSAS 18001) for effective management systems aimed at minimizing specific risks.

To such respect, during the period, we met the Group's Health Safety Environment Department Manager for updates on the Health, Safety and Environment (HSE) component of the Corporate Integrated Management System.

14. Supervision of Financial Statements preparation

As to the Individual Financial Statements, the Board of Auditors established, by direct verification and information taken from the independent auditor, the compliance with laws and regulation governing the preparation and drawing up of the Financial Statements and the Directors' Report, the model statements adopted and the accounting standards, described in the Supplementary Notes to the Financial Statements and in the Directors' Report.

As stated above, as implementation of Consob Resolution No. 15519/2006, the financial statements tables expressly show the effects of the relationships with related parties. The Notes to the Financial Statements set forth the information to be provided in accordance with the International Accounting Standards in connection with the impairment of assets. The consistency of the impairment test with the provisions of IAS 36, and of Document No. 4 of March 3, 2010 jointly drawn up by the Bank of Italy/Consob/Isvap, was officially approved by the Board of Directors during its meeting held on March 10, 2015. The Board of Auditors acknowledge that the Control and Risk Committee established, in particular, the suitability, from the method point of view, of the impairment test process.

The Chief Executive Officer and the Manager in charge of drawing up the corporate accounting documents issued the attestation, pursuant to Art. 81-*ter* of Consob Regulation No. 11971/1999 as subsequently amended and supplemented and to Art. 154-*bis* of D.Lgs. 58/1998 (T.U.F.).

In fact, the Financial Statements represents the facts and information which the Board of Auditors has become aware of during the period while fulfilling its supervision duties and exercising its powers of control and inspection.

The Directors' Report complies with the provisions of the law and is consistent with the data and information set forth in the financial statements; it provides comprehensive information on significant activities and transactions, which the Board of Auditors had regularly made aware of, as well as the Company's and its subsidiaries' main risks connected with intragroup transactions and with the transactions with related parties, as well as on the process of harmonization of the corporate organization with the corporate governance principles, consistently with the Corporate Governance Code for Listed Companies.

Pursuant to the provisions of Art. 123-*ter* of D.Lgs. 58/1998 (TUF), the Remuneration Report, examined by the Chairman of the Control and Risk Committee, in his capacity as member of the Remuneration Committee, is submitted to the Shareholders' Assembly

15. Remarks and proposals on information remarks and cross-references set forth in the Independent Auditor's report

The Independent Auditor issued, on March 31, 2015, the reports on the individual financial statements and the consolidated financial statements, respectively, as at December 31, 2014, drafted in accordance with the International Financial Reporting Standards adopted by the European Union and in compliance with laws and regulations enacted as implementation of art. 9 of Italian legislative decree No. 38/2005. Such reports show that both the individual

financial statements and the consolidated financial statements of Astaldi S.p.A. present clearly and give a true and fair view of the financial position, the results of operations, the changes in shareholders' equity and the cash flows of Astaldi S.p.A. for the year then ended.
Moreover, the audit reports set forth opinions on the consistency of the directors' report and of the information disclosed in the corporate governance report pursuant to Art. 123-*bis* of D.Lgs. 58/98 with said financial statements.

16. Final considerations on the outcome of the supervision activity carried out

The aforementioned supervisory activities for 2014, were carried out throughout 10 Board of Auditors' Meetings, and the resolutions taken thereat are set forth in the minutes recorded in the book of meetings of the Board of Auditors itself, and by attending 2 meeting of the shareholders of the Company, 9 Board of Directors' meetings and 3 meetings held by the Control and Risk Committee. To such respect, the activity carried out by the Control and Risk Committee was reported by the same to the Board of Directors and described in the Annual Corporate Governance Report which is at your disposal.
While carrying out the supervisory activity, and according to information obtained from the Audit Firm, neither omissions and/or reprehensible facts and/or irregularities were found, nor, in any case, important facts worthy being reported to control bodies or being mentioned in this report.

17. Proposals to the Shareholders' Assembly pursuant to Art. 153, paragraph 2, of D.Lgs. 58/98

Taking into account the above, the Board of Auditors, to the extent of its own competence, has found no grounds for objecting to the approval of both the financial statements as at December 31, 2014, and the proposals of resolution made by the Board of Directors.
Rome, this 30th of March, 2015

"This report has been translated into the English language solely for the convenience of international readers".

THE BOARD OF AUDITORS
(Daria Beatrice Langosco di Langosco)
(Lelio Fornabaio)
(Ermanno La Marca)

Shareholders' Meeting Resolutions

The Shareholders' Meeting, which met in first call on 23 April 2015, specifically resolved to:

- approve the Financial Statements for the year ending 31 December 2014;
- approve the proposed distribution of profits, as formulated by the Board of Directors;
- appoint the following as members of the Board of Statutory Auditors for the 2015-2017 period: Paolo Fumagalli (Chairman), Lelio Fornabio and Annarosa Adiutori (Standing Auditors), Andrea Lorenzatti, Giulia De Martino and Francesco Follina (Alternate Auditors);
- to renew, for a twelve-month period as from 27 May 2015, authorisation granted to the Board of Directors, pursuant to Article 2357 *et seq.* of the Italian Civil Code and Article 132 of Legislative Decree No. 58 of 24 February 1998, to buy common company shares on Italy's electronic stock exchange within the defined terms.

The Shareholders' Meeting also voted in favour of the Remuneration policy formulated by the company pursuant to Article 123-*ter* of Legislative Decree No. 58 of 24 February 1998.

Share Capital EUR 196,849,800.00 – fully paid up
Registered with the Register of Companies of Rome
under taxpayer code No. 00398970582
(already registered in aforementioned Register under No. 847/50 - Court of Rome)
R.E.A. No. 152353 - VAT No. 00880281001

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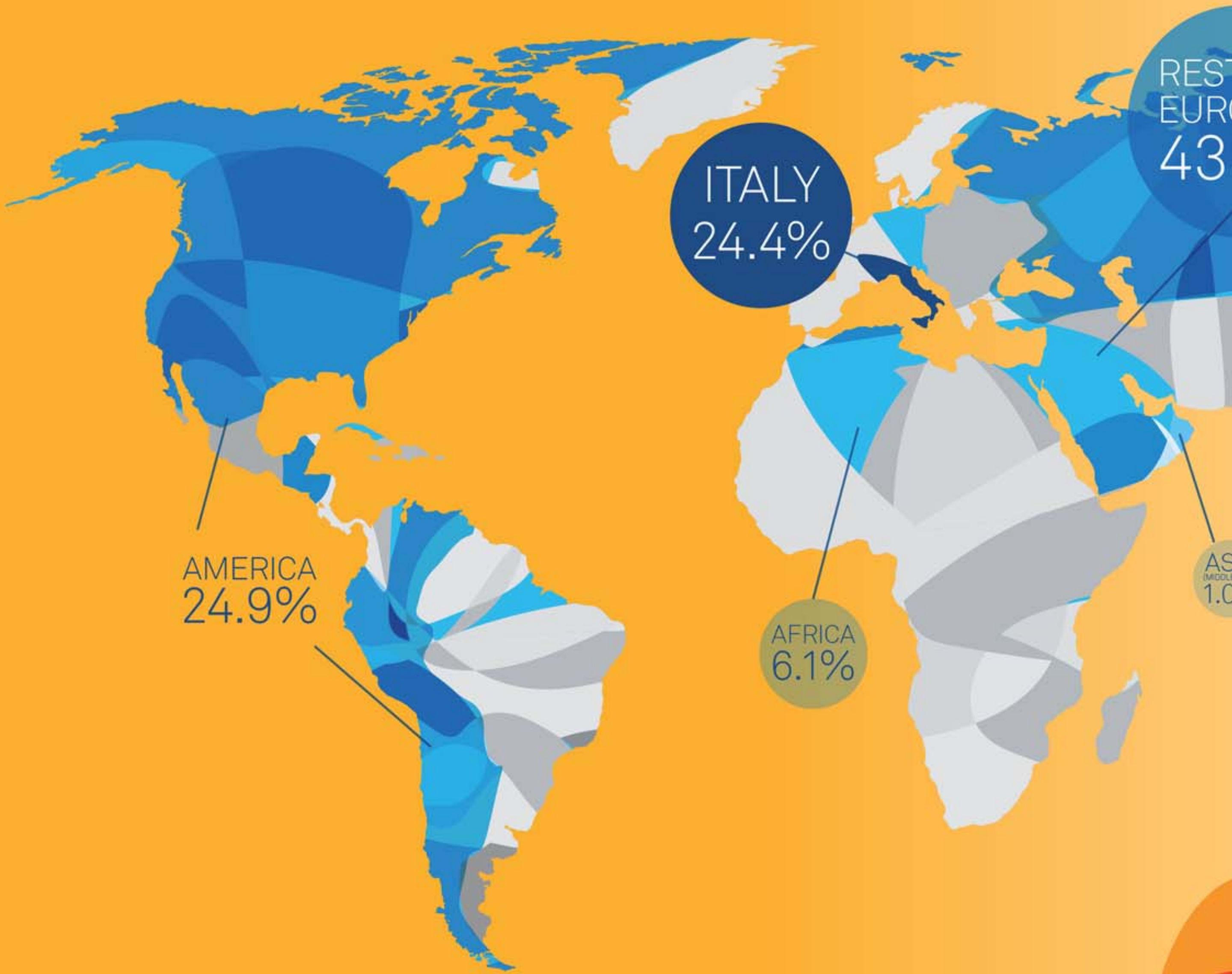
International vision, Italian excellence. The world of Astaldi.

We operate in 17 countries with more than 100 sites in progress and more than 9,600 employees, in Italy and abroad. As regards Europe, we work in Poland, Romania and Russia. We operate in Turkey, Algeria, Saudi Arabia and the United Arab Emirates. In Latin America, Canada and the USA. We are involved in the main infrastructure development plans of the countries we work in, as a General Contractor or using the project finance formula. Our sites share a single hallmark, whether they are in the Canadian forests or the Algerian desert: focus on safety and quality.



We make the world our home.

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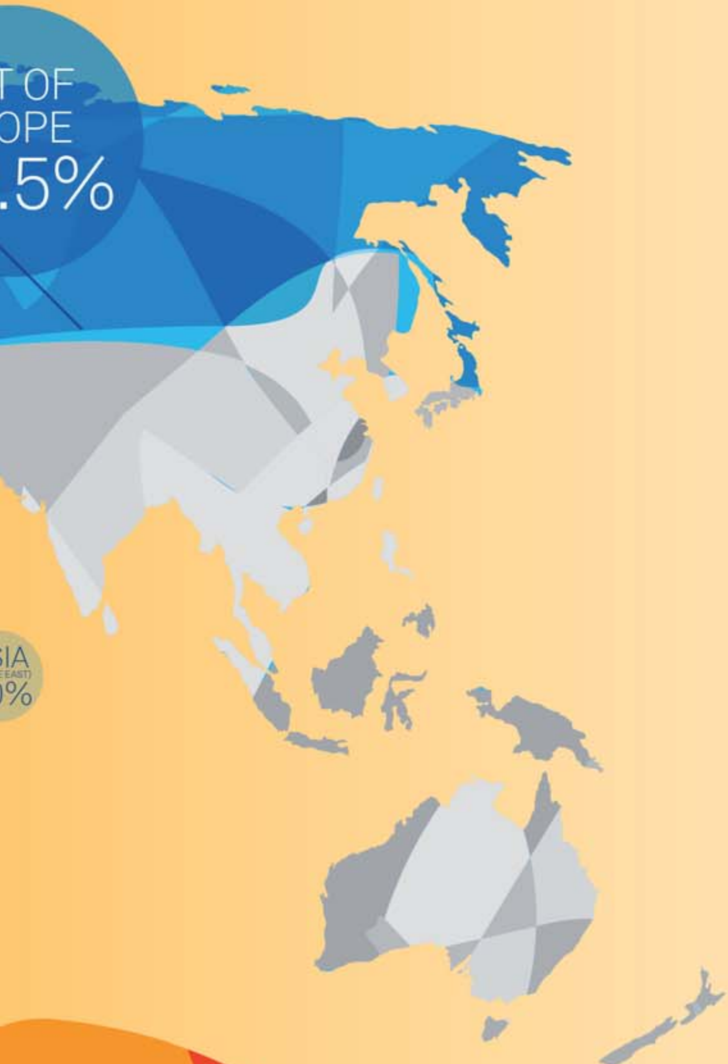

Revenue by geography
(million of euro)

24%	**Italy**	620
76%	**Abroad**	1,914
	Total revenue	2,540

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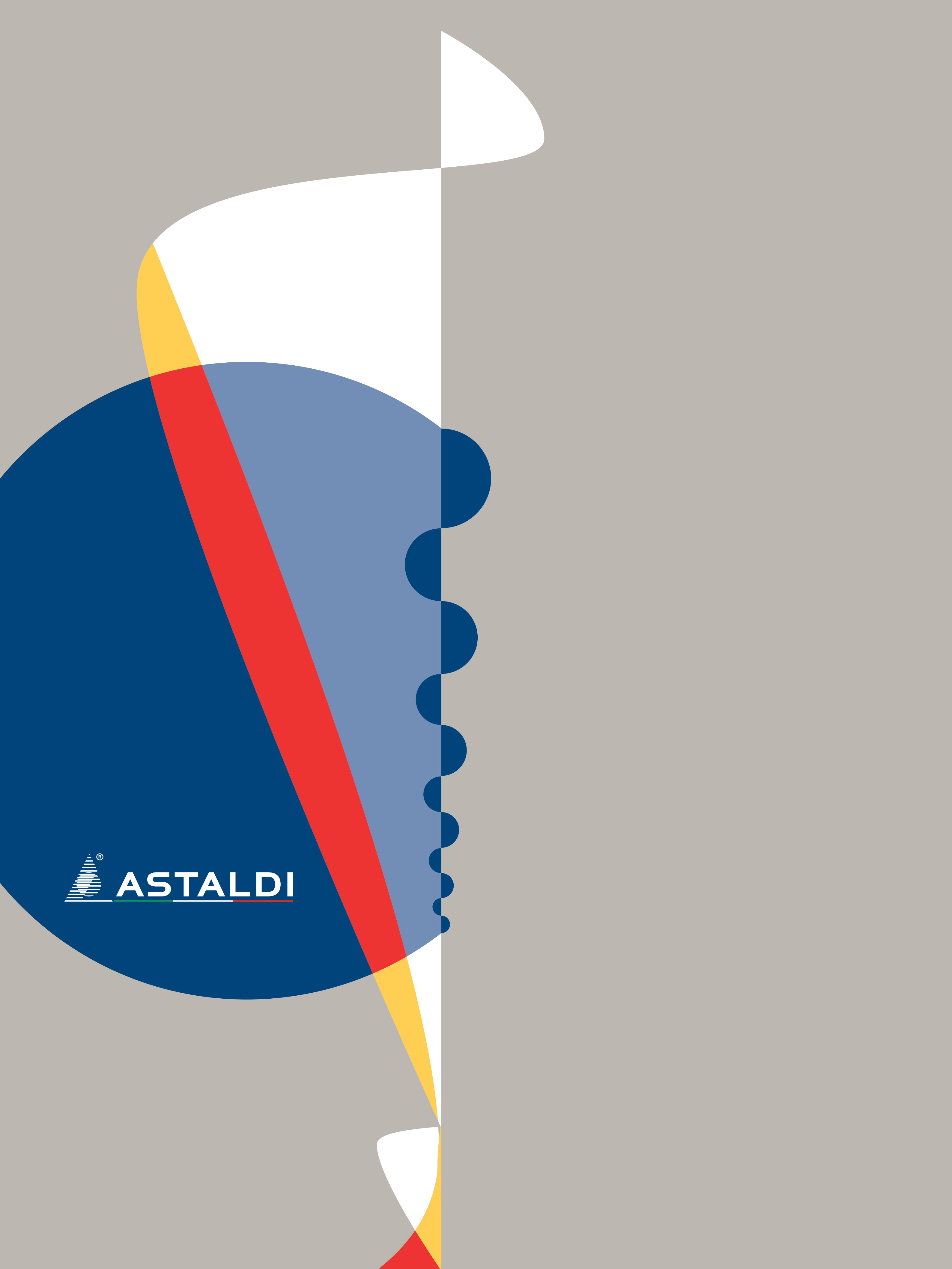
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