

Milan STAR Conference - FY 2014 Results

Milan – March 24 & 25, 2015



FY 2014 Results – Main Items

- **FY 2014 targets achieved in terms of commercial and financial goals, even in the presence of a negative scenario at global level**
 - ↳ **Total Order Backlog at over €28 billion**
 - ↳ **€10 billion of new contracts acquired**, of which €3 billion already included in backlog in execution
 - ↳ Restart of Italian Infrastructure market
 - ↳ **Positive revenue and margins growth**
 - ↳ **Net profit at €82 million, +21.1% y/y vs. FY 2014 Target \approx +10% y/y**
 - ↳ **NFP at €(799) million vs. €(900) million \div €(1) billion FY 2014 Target**
 - ↳ **Operating Cash-flow of over €130 million** thanks to the cash-in from working capital decrease

FY 2014 Results – Main Items

- **Strong improvement of financial and capital structure, both at corporate and project level**
 - Improvement at corporate level
 - ↳ **Strong reduction in working capital**
 - ↳ **Cash generation for over €300 million in Q4 2014**
 - ↳ **Extended maturity and increased liquidity**
 - Improvement at projects level
 - ↳ **€9 billion of financing** for start-up of new projects

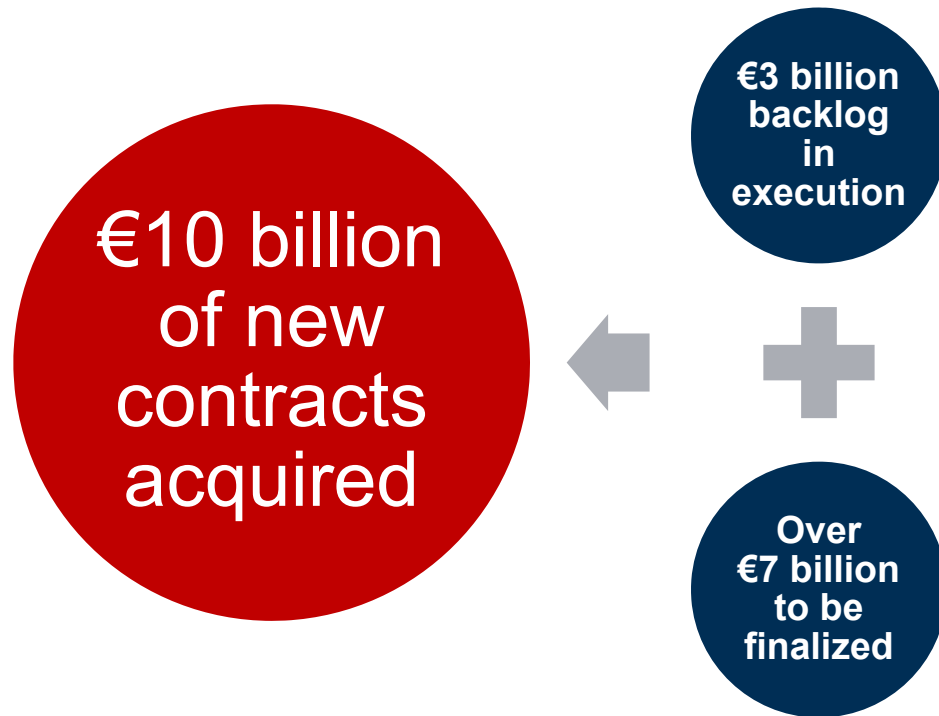
FY-2104 targets achieved in terms of commercial and financial results

- Total Order Backlog at over €28 billion, of which approx. €14 billion of orders in execution**



FY-2104 targets achieved in terms of commercial and financial results

- **€10 billion of new contracts acquired**, of which €3 billion already included in backlog in execution



ITALY - €1.8 billion construction, of which:

- Verona-Padua H-S railway line
- Naples-Afragola H-S railway station

EUROPE - €1.2 billion, of which €689 million construction & €492 million concession

NORTH AMERICA (Canada) - €104 million construction

LATIN AMERICA (Chile, Peru, Honduras, Nicaragua) - €90 million construction

LATIN AMERICA - €4billion, of which €1.6 billion construction & €2.4 billion concessions

- West Metropolitan Hospital in Santiago de Chile in Chile
- Arturo Merino Benitez International Airport in Santiago de Chile in Chile

EUROPE - €2.4 billion construction

- M-11 Moscow-St. Petersburg Motorway in Russia

ITALY - Approx. €900 million construction

- «Quadrilatero» highway project
- Verona-Padua H-S railway line

FY-2104 targets achieved in terms of commercial and financial results

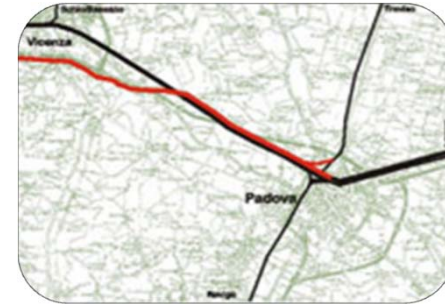
- **Restart of the Italian Infrastructure market**

- New financing allocated

- ↳ €3.9 billion, «Sblocca Italia» Italian Law
- ↳ 2015 Italian Budget Law

- **€3.7 billion of new orders in Italy, start-up phase in 2015**

- ↳ €1.5 billion for Verona-Padua H-S railway line
- ↳ €190 million of which €61 million for Naples-Afragola H-S railway station & €52 million dredging works at Taranto Port



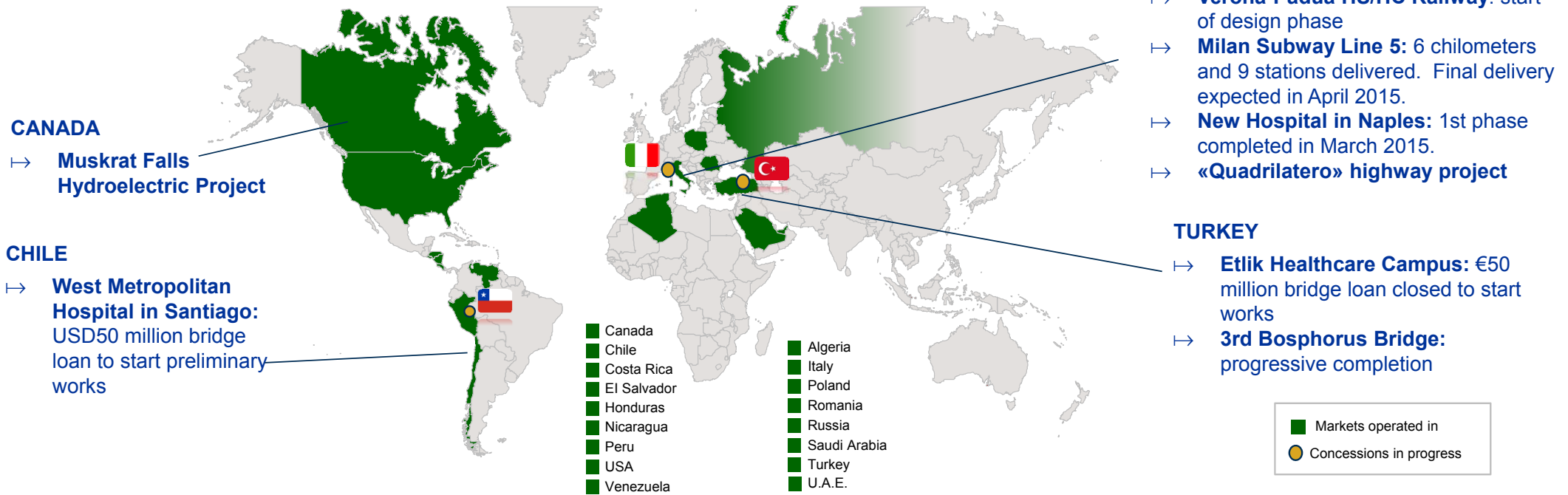
Verona-Padua H-S railway line
(construction) | Italy



Naples-Afragola H-S railway station
(construction) | Italy

FY-2104 targets achieved in terms of commercial and financial results

- **Positive revenue and margins growth**
- **Net profit at €82 million, +21% y/y vs. FY 2014 Target ≈ 10% y/y**



FY-2104 targets achieved in terms of commercial and financial results

January 2014



Warsaw Subway Line 2 | Poland

TODAY...



Warsaw Subway Line 2 | Poland

Now open to the public!

- Completed in just over 3 years
- 6-km long, 7 stations
- A rainbow in Warsaw underground for the stations, each offering a different color
- Involved 3,000+ workers



New Hospital in Naples | Italy

TODAY...



New Hospital in Naples | Italy

- 450 beds for a total surface of 145,800 sq.m.
- On March 13 2015, delivery of a 1st phase
- To be completed within August 2015

FY-2104 targets achieved in terms of commercial and financial results

- **Positive revenue and margins growth**
- **Net profit at €82 million, +21% y/y vs. FY 2014 Target > 10% y/y**

MAIN ITEMS (€ / 000,000)	FY 2014	FY 2013 (*)	Y/Y CHANGE (%)
Total Revenues	2,652.6	2,508.4	+5.7%
EBITDA	306.5	322.1	-4.9%
<i>EBITDA Margin</i>	<i>11.6%</i>	<i>12.8%</i>	
EBIT	234.8	234.1	+0.3%
<i>EBIT Margin</i>	<i>8.9%</i>	<i>9.3%</i>	
Total Financial Charges	(104.1)	(104.1)	--
EBT	130.7	129.9	0.6%
Net income	81.6	67.3	+21.1%

**FY 2014
TARGET**

≈ 2,700

> 9%

≈ +10%

- ◆ **FY 2014 Revenues** – Relevant increase in production in foreign markets (Russia, Canada, Turkey, Poland, Romania, USA)
- ◆ **EBIT margin** accounts for different geographical mix
- ◆ **FY 2014 Net Financial Charges** include higher costs linked to the bond and increased guarantees on contracts and €(36) million of adjustments related to railway projects in Venezuela
- ◆ **FY 2014 Income from Equity Participations at €34.7 million, mainly referring to:**
 - Venice-Mestre hospital & Milan Subway Line 5 in Italy
 - Third Bridge on Bosphorus & Gebze-Izmir Motorway for Turkey

(*) Restated as per IFRS-11.

FY-2104 targets achieved in terms of commercial and financial results

• NFP at €(799) million vs. €(900) million ÷ €(1) billion FY 2014 Target

MAIN ITEMS (EUR / million)	FY 2014	9M 2014	FY 2013 ^(*)
Total Non-Current Assets	790.2	755.2	718.8
Working Capital	616.7	972.4	704.2
Total Funds	(23.0)	(27.0)	(30.6)
NET INVESTED CAPITAL	1,383.9	1,700.6	1,392.4
NFP ^(**)	(799)	(1,105)	(797)
NET EQUITY	580.1	592.8	592.2

**FY 2014
TARGET**

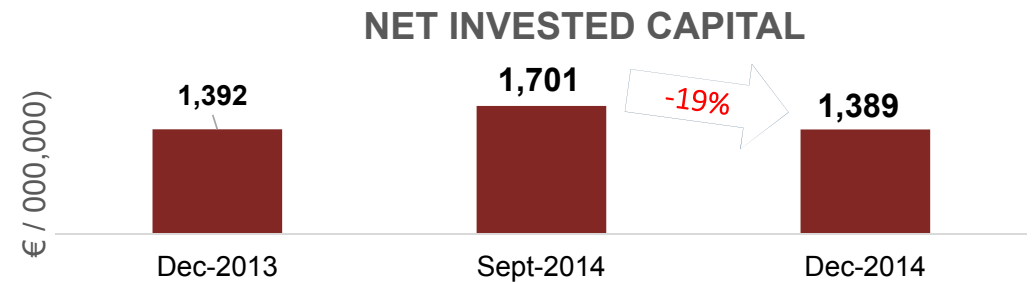
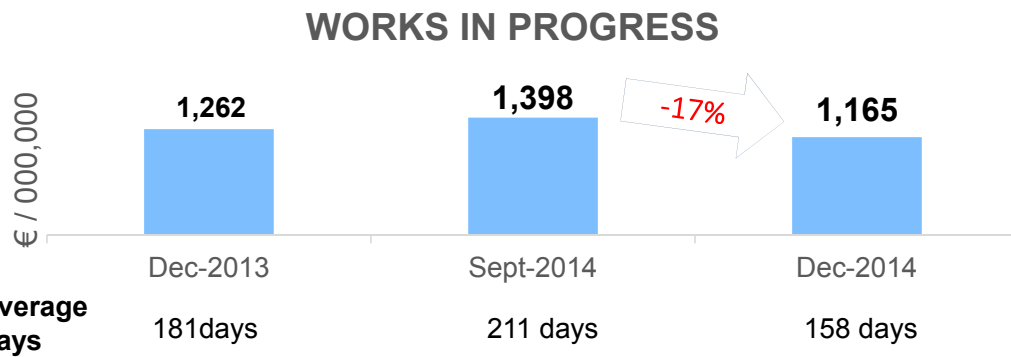
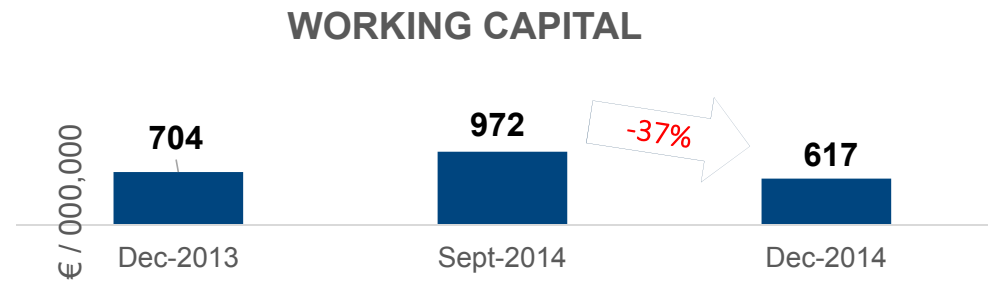
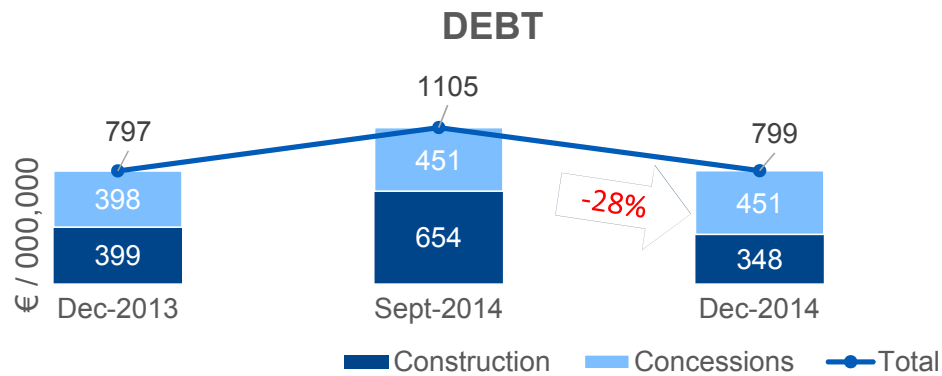
€(900)mn ÷ €(1)bn

- ◆ CAPEX for the period at €62million, mainly referring to Canada, Russia, Chile, Romania.
- ◆ Concessions Gross Investments for the period at €126 million.
 - €52 million equity investments for Turkish projects
 - €74 million semi-equity investments for Milan Subway Line 5 and Line 4 and Third Bridge on Bosphorus
- ◆ Working Capital – ≈€300 million reduction due to positive cash generation for construction contracts in Q4 2014

(*) Restated as per IFRS-11. (**) Net of own shares.

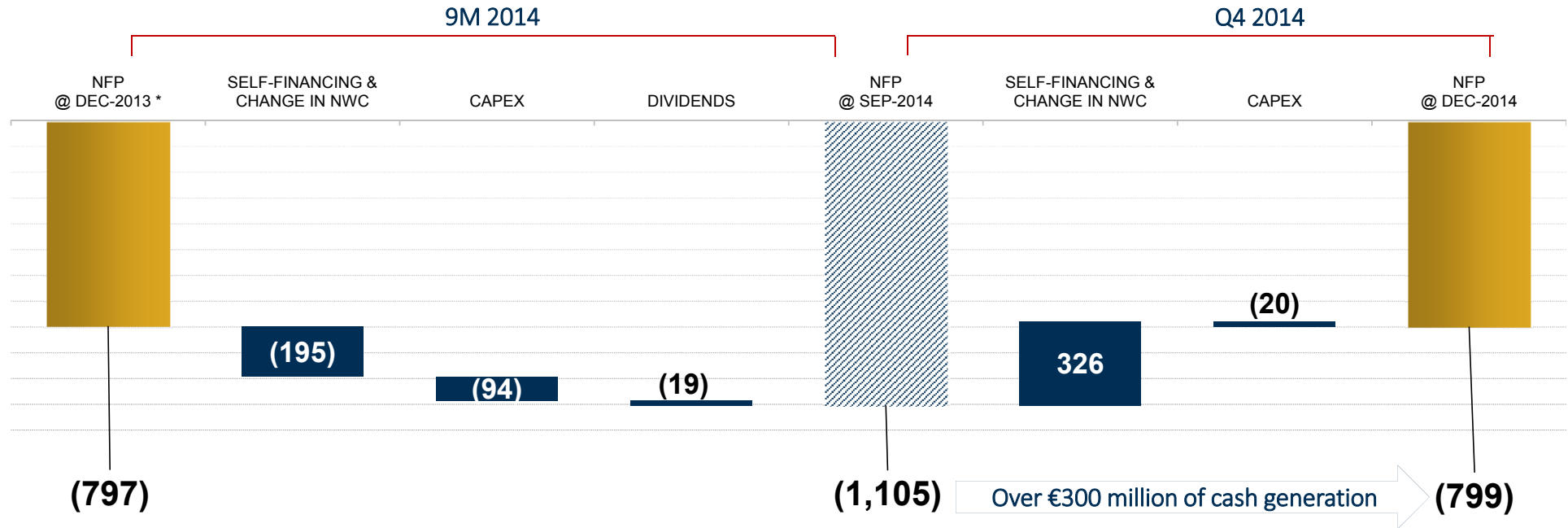
Strong Improvement of Financial and Capital Structure at Corporate Level

- Strong reduction in working capital



Strong Improvement of Financial and Capital Structure at Corporate Level

- Cash generation for over €300 million**

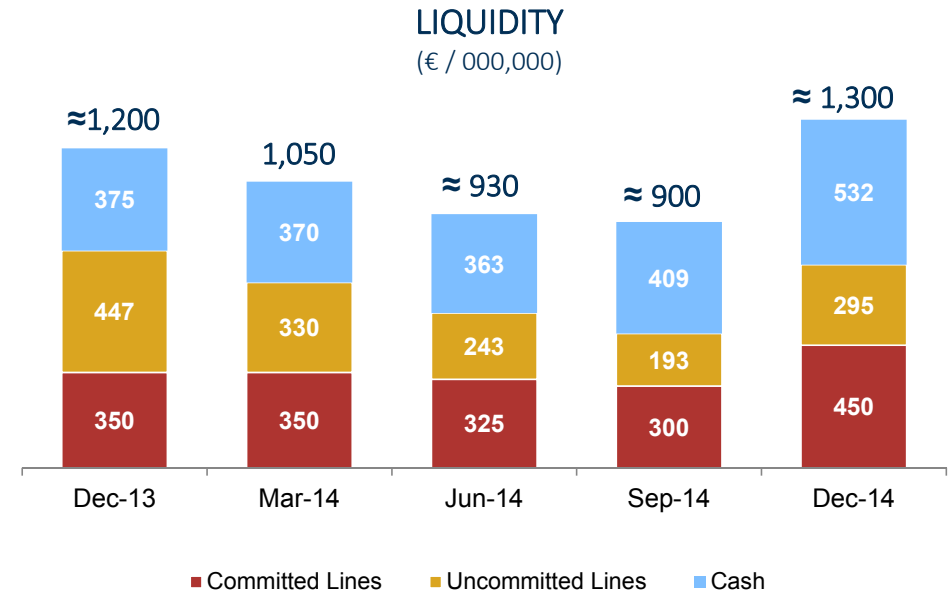
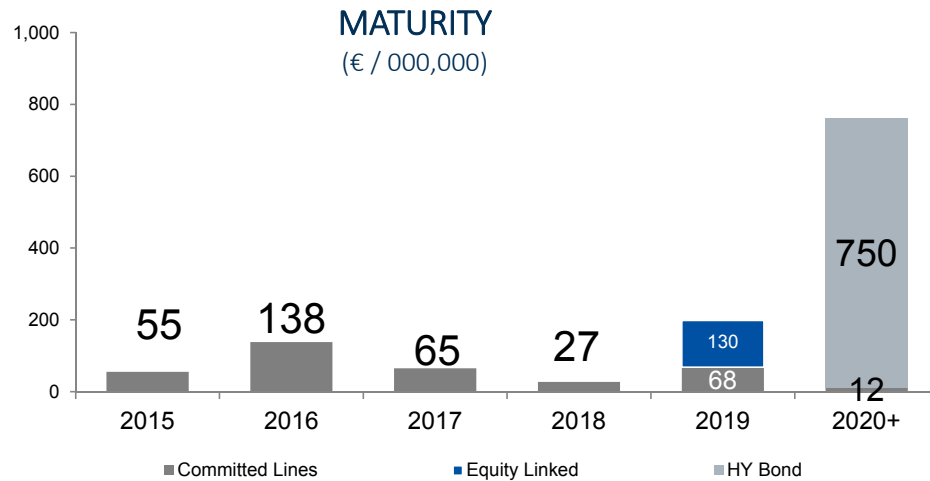


- Investment in Technical CAPEX at €62 million**

- Investment in concessions at €126 million, of which €52 million equity + €74 million shareholders' loan**

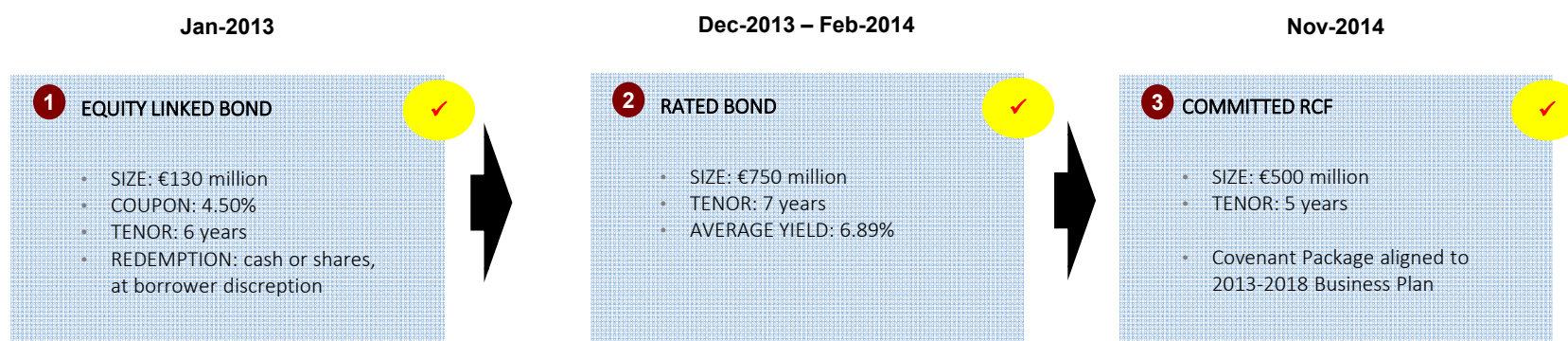
Strong Improvement of Financial and Capital Structure

- **Extended maturity and increased liquidity**
- Increased available liquidity at €1.3 billion from ≈ €900 million in 4Q 2014



Strong Improvement of Financial and Capital Structure at Corporate level

- **Extended maturity and increased liquidity**
- In 2 years work the financial structure of the Group has been structurally improved by extending and increasing liquidity
 - Bond issuance for €750 million with progressive reduction of cost of debt by tapping on the bond
 - Achieved refinancing on €500 million revolving credit facility (RCF) due 2019
 - Refinancing of committed lines with extension of debt profile for over €170 million



Strong Improvement of Financial and Capital Structure at project level

- **Closed €9 billion of financing for start-up of new projects**

- ⇒ **USD2.3 billion financial closing for the Third Bridge on Bosphorus (Turkey)**, in May 2014 **NO RECOURSE!!!**
- ⇒ **€600 million financial closing for the Gebze-Izmir Motorway Phase 2-A (Turkey)**, in August 2014 **NO RECOURSE!!!**
- ⇒ **USD5 billion of refinancing of Gebze-Izmir Motorway project** to be finalized within 1H 2015 **NO RECOURSE!!!**
- ⇒ **€516 million financial signing for the Milan Subway Line 4 (Italy)**, in December 2014 **NO RECOURSE!!!**
- ⇒ **USD50 million bridge loan for the West Metropolitan Hospital in Santiago de Chile (Chile)**, in January 2015
- ⇒ **€50 million bridge loan for Etlik Healthcare Campus in Ankara (Turkey)**, in February 2015
- ⇒ **€600 million refinancing (including €150 million project bond) for Milan Subway Line 5** expected in 1H 2015 **NO RECOURSE!!!**

Update on Special Issues – Risks Addressed

- **VENEZUELA** – Activities with the Client have restarted with positive effects

- Re-scheduling of the delivery date for the Puerto Cabello-La Encrucijada Railway project
- Assignment of the signalling system contract relating to the same project
- Restart of payments from Venezuela in August 2014, for a total to date of €70 million and additional payments are expected during 2015
- As of December 2014, Astaldi's receivables from Venezuela amount to approx. ≈ €259 million (vs. €306 million of December 2013), of which approx. 15% in local currencies
- €(36) million in 2014 financial charges as adjustments to bring to «present value» the receivables relating to San Juan de Los Morros-San Fernando de Apure and Chaguaramas-Cabruta railway projects, as the Venezuelan Government has not allocated financing for the year 2015 to these projects

- **RUSSIA**

- €420 million backlog relating to projects based in St. Petersburg are pursuing regularly and has not been affected by the political turmoil and the current Ukraine-related sanctions.
- €600 million equivalent (Astaldi share) is under negotiation for construction of Sections 7-8 of the M-11 Moscow-St. Petersburg high-speed motorway.
- Foreign exchange::
 - «Pulkovo » International Airport in St. Petersburg: 100% revenues in EUR – completed
 - WHSD in St. Petersburg: 25% revenues in EUR & 75% revenues in RUB to cover local costs.

Update on Special Issues – Disposal Process

- On November 10 2014, BoD has given a **mandate to the Chairman and the CEO to start the process of valorization of its concession assets**, also through the **set up of a new Investment Vehicle**, to which Astaldi will contribute a selected concession portfolio. The capital of the new Investment Vehicle will be **open for entry to Institutional Investors**.
- In order to guarantee the best market valuation, the selected assets represent a mix of:
 - Geography
 - Maturity
 - Sectors of activity
- Group's EBITDA would not be lowered by the sale of the assets, given that concessions are not consolidated
- To date, Astaldi's total investments at book value in concession projects amounts to approx. €590 million, of which €500 million related to process of valorization

APPENDIX

Astaldi Today: Right sized, well positioned for strong performance



HIGHLIGHTS	<ul style="list-style-type: none"> Core Business 	<ul style="list-style-type: none"> Ranked 8th worldwide in Hydro Plants 	<ul style="list-style-type: none"> Hospitals & Healthcare 	<ul style="list-style-type: none"> Competitive advantage 	<ul style="list-style-type: none"> Capital intensive phase ending
	<ul style="list-style-type: none"> Ranked 3rd worldwide bridges 	<ul style="list-style-type: none"> High growth 	<ul style="list-style-type: none"> High growth 	<ul style="list-style-type: none"> High margins 	<ul style="list-style-type: none"> Earnings generation beginning
	<ul style="list-style-type: none"> Ranked 7th worldwide airports 		<ul style="list-style-type: none"> Ranked 25th in Buildings (Health care) 		<ul style="list-style-type: none"> Strong disposal upside
	<ul style="list-style-type: none"> Ranked 12th worldwide in Mass Transit and Rail (Subways) 				
	<ul style="list-style-type: none"> Ranked 17th worldwide in Highways 				

A global leader in infrastructure construction and concessions

2013-2018 Business Plan – Tactical Drivers

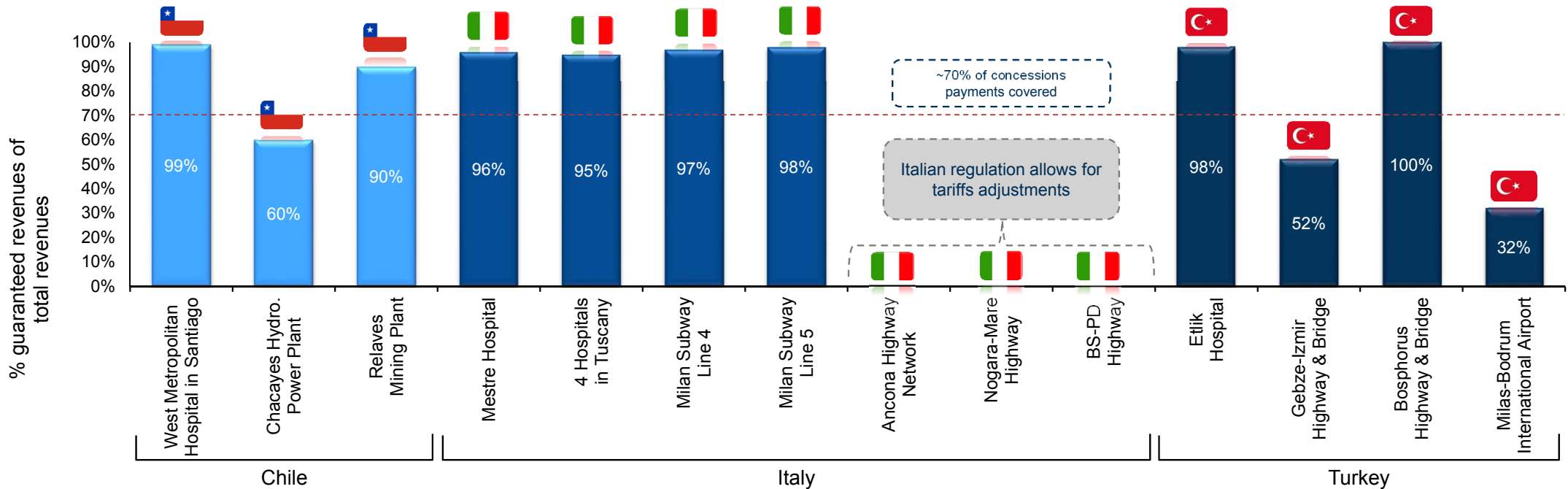
2013A*	Tactical drivers - OPERATIONAL	2018 target	Targets 2013– 2018
Total Order Backlog ~ EUR 21bn	Consolidating Canada & Russia; New Markets: Australia & Middle/Far East	Total Order Backlog ~ EUR 33bn	~ +10% CAGR
Revenues ~ EUR 2.5bn	Growth in North America; Maintain production levels in Turkey and Russia	Revenues > EUR 4bn	~ +10% CAGR
Ebit % 9.3%	Margins in line with current portfolio	Ebit % ~ 9%	~ +9% CAGR
Net profit EUR 67mn	Growing contribution from Concession starting from 2016	Net profit: ~ EUR 230mn <i>of which 40% from concessions</i>	~ +25% CAGR
	Tactical drivers - FINANCIAL		
Total Net Invested Capital: ~ EUR 1.4bn <i>of which:</i> Concession invested capital: ~ EUR 400m	Focus on the reduction of working capital	Total Net Invested Capital: ~EUR 1.9bn <i>of which</i> Concession invested capital:~ EUR 1bn	Milestones
Net Financial Position ~ EUR (797)m	Investments linked to current concession portfolio commitments	NFP: ~ EUR (700)mn <i>Construction NFP positive at EUR 180mn</i>	Debt/Equity: 0.6x
Group equity EUR 592mn	Extend debt maturities	Group equity ~ EUR 1.2bn	Debt/EBITDA: 1.56x
	Strong increase in retained earnings		

* Restated as per IFRS 11

Tactical drivers work towards delivering 2018 targets and milestones


















2013-2018 Business Plan – Limited risk on attractive concession returns

Concession returns from government guaranteed revenues



Increased visibility on returns and disposal opportunities

2013-2018 Business Plan – High-quality concession portfolio

	Name	Stake	End of construction	Operational		Counterparty	Counterparty ratings	
				Start	End		S&P	Moody's
Operational	 Mestre Hospital	37%	2008	2008	2032	Italy - Veneto Region	NR	Baa2
	 3 Hospitals in Tuscany ⁽¹⁾	35%	2013-2014 ⁽¹⁾	2013-2014 ⁽¹⁾	2033	Italy - Tuscany Region	NR	NR
	 Milan Subway Line 5 (Phase 1) ⁽²⁾	38.7%	2013-2014 ⁽²⁾	2013-2014 ⁽²⁾	2040	Italy – Municipality of Milan	BBB	Baa2
	 Bs-Pd Highway ⁽³⁾	14.29%	n.a.	n.a.	2026	Italy – ANAS S.p.A.	BBB	Baa2
	 Chacayes Hydroelectric Power Plant	27.3%	2011	2011	Perpetual	Chile – CODELCO	AA-	Aa3
	 Relaves Mining Plant	55%	2013	2013	2032	Chilectra (Endesa)	BBB	Baa2
	 Milas-Bodrum International Airport	100%	2012	2012	2015	Turkey – DHMI	BB+	Baa3
Construction	 Bosphorus Highway & Bridge	33.33%	2015	2015	2023	Turkey – Gen. Dir. of Highway	BB+	Baa3
	 Gebze-Izmir Highway & Bridge (Phase 1) ⁽⁴⁾	18.86%	2016 ⁽⁴⁾	2016 ⁽⁴⁾	2034	Turkey – Gen. Dir. of Highway	BB+	Baa3
	 1 Hospital in Tuscany ⁽¹⁾	35%	2013-2015 ⁽¹⁾	2015	2033	Italy – Tuscany Region	NR	NR
	 Milan Subway Line 5 (Phase 2) ⁽³⁾	38.7%	2014	2014	2040	Italy – Municipality of Milan	BBB	Baa2
Financing in progress	 Gebze-Izmir Highway & Bridge (Phase 2) ⁽⁴⁾	18.86%	2019 ⁽⁴⁾	2019 ⁽⁴⁾	2034	Turkey – Gen. Dir. of Highway	BB+	Baa3
	 Etlik Hospital	51%	2017	2017	2042	Turkey – Ministry of Health	BB+	Baa3
	 Milan Subway Line 4	9.7%	2020	2020	2043	Italy – Municipality of Milan	BBB	Baa2
	 Ancona Highway Network	24%	2022	2022	2051	Italy – ANAS S.p.A.	BBB	Baa2
	 Nogara-Mare Highway	23%	2019	2019	2058	Italy – ANAS S.p.A.	BBB	Baa2
	 West Metropolitan Hospital, Santiago	100%	2018	2018	2033	Chile – MOP	AA-	Aa3

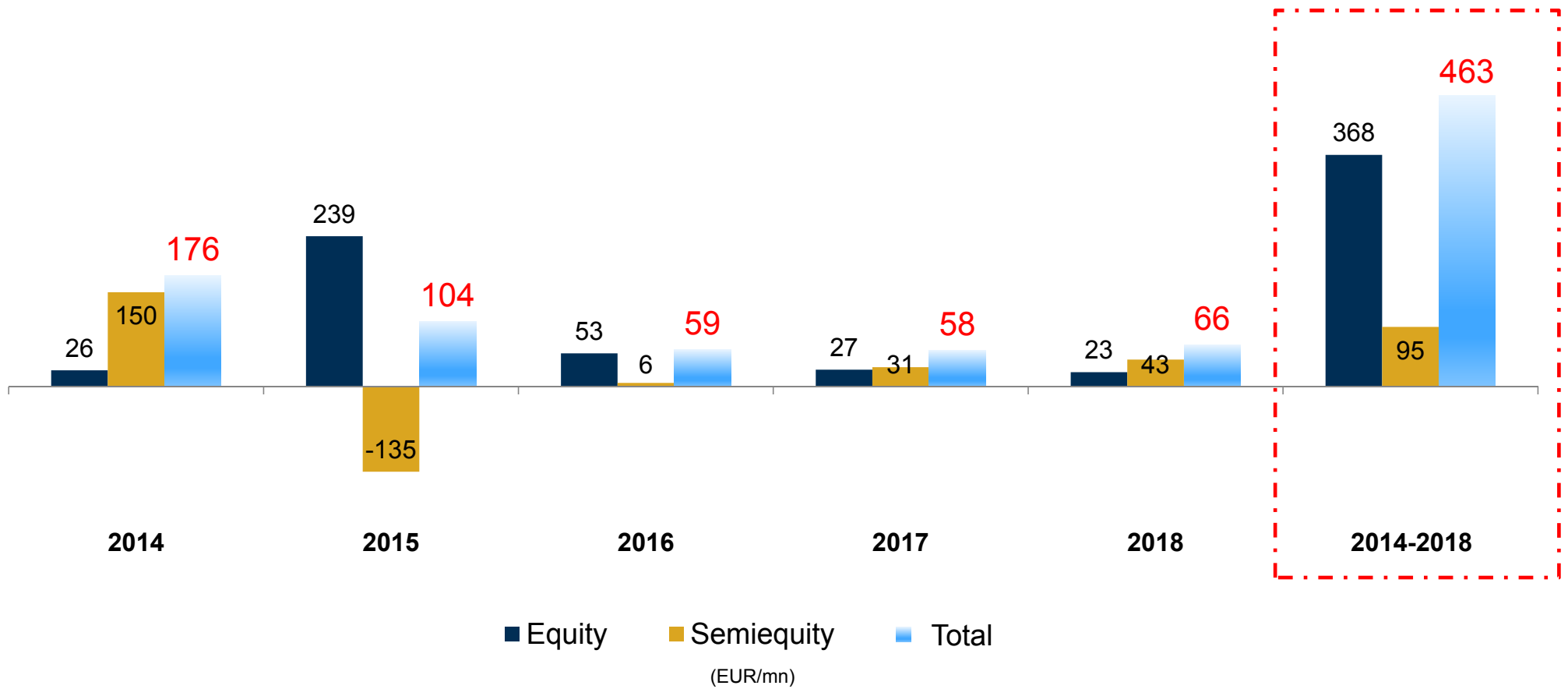
1. Pistoia and Prato Hospitals in operation starting from 2013. Lucca Hospital in operation starting from 2014. Massa Hospital under construction.

2. Phase 1 (Zara-Bignami & Garibaldi-Zara) in operation starting from 2013 (Zara-Bignami) and 2014 (Garibaldi-Zara). Phase 2 (Garibaldi-San Siro) under construction.

3. The BS-PD Highway concession is an investment initiative, but is not included in our portfolio.

4. Phase 1 (55km & Bridge) under construction. Phase 2 to be financed.

2013-2018 Business Plan – Concession Investments: Equity & Semi-Equity



FY 2014 Results – International Backlog in Execution

International Backlog (Major Construction Contracts) – Percentage Completed (as of December 2014)

	Percentage Completed	Year ending				Backlog (EUR/'000)
		2015	2016	2017	+2018	
S8 Kobyłka - Radzymin Poludnie (Poland)	0%				□	79
S5 Poznań - Wrocław - Lot 3 Highway (Poland)	1%			□		114
Saida-Moulay Slissen railway (Algeria)	75%		□			175
Puerto Cabello-La Encrucijada Railway (Venezuela)	44%				□	1,251
S8 Jezewo - Mezenin (Poland)	0%			□		85
Gebze-Orhangazi-Izmir Motorway Ph. 1&2A EPC (Turkey) (*)	67%		□			124
S8 Wiśniewo – Mezenin Highway (Poland)	3%			□		82
Chuquicamata mining project - Cont. #1 (Chile)	62%		□			54
Bucharest Subway Line 5 (Romania)	52%		□			56
Saida-Tiaret railway (Algeria)	44%			□		156
Cerro del Aguila hydroelectric project (Peru)	61%		□			106
Warsaw railway project (Poland)	61%		□			54
Chuquicamata mining project - Cont. #2 (Chile)	46%	□				83
WHSD in St. Petersburg (Russia)	55%		□			422
Third Bridge on Bosphorus EPC (Turkey) (*)	53%		□			305
John Paul II International Airport in Krakow-Balice (Poland)	41%	□				42
Bucharest Subway Line 4 (Romania)	28%			□		112
Muskat Falls hydroelectric project (Canada)	24%				□	611

(*) Represents the percentage of completion of the only EPC (Engineering, Procurement, Construction) contract related to the concession contract.

FY 2014 Results – Italian Backlog in Execution

Italian Backlog (Major Construction Contracts) – Percentage Completed (as of December 2014)

	Percentage Completed	Year ending				Backlog (EUR/'000)
		2015	2016	2017	+2018	
Rome Subway Line C (1st Functional Lot)	96%	□				25
Rome Subway Line C (Lot T-3)	10%				□	181
Rome Subway Line C (Lot T-2)	0%				□	219
Diga Monte Nieddu	0%			□		45
Verona-Padua H-S/H-C railway, Verona-Vicenza stretch	0%				□	562
Milan Subway Line 5 Ph. 2 EPC (*)	93%		□			34
Four Hospitals in Tuscany EPC (*)	95%	□				9
Bologna Centrale H-S railway station	99%	□				7
School of Police Officers in Florence	94%	□				13
"Infralegrea" Project in Naples	54%				□	99
New Hospital in Naples	47%		□			75
Milan Subway Line 4 EPC (*)	11%				□	827
Jonica National Road, Lot DG-41	1%				□	1,102

(*) Represents the percentage of completion of the only EPC (Engineering, Procurement, Construction) contract related to the concession contract.

FY 2014 Results – Strong Improvement of Financial and Capital Structure

- New RCF at a lower cost: initial margin @350bps vs. 450bps
- New financial covenants aligned to 2013-2018 Group Business Plan

ANNUAL COVENANTS		SEMI-ANNUAL COVENANTS	
NFP / Net Equity		NFP / Net Equity	
@31/12/2014	< 2.00x	@30/06/2015	< 2.00x
@31/12/2015	< 1.90x	@30/06/2016	< 1.80x
@31/12/2016	< 1.60x	@30/06/2017	< 1.60x
@31/12/2017	< 1.50x	@30/06/2018	< 1.60x
@31/12/2018	< 1.45x	@30/06/2019	< 1.60x
NFP / EBITDA		NFP / EBITDA	
@31/12/2014	< 3.60x	@30/06/2015	< 3.60x
@31/12/2015	< 3.25x	@30/06/2016	< 3.40x
@31/12/2016	< 3.10x	@30/06/2017	< 3.30x
@31/12/2017	< 3.00x	@30/06/2018	< 3.30x
@31/12/2018	< 3.00x	@30/06/2019	< 3.30x

- Actual 2014 ratios well below covenant levels

Appendix – Contacts



HEADQUARTERS

Astaldi S.p.A

Via Giulio Vincenzo Bona n. 65

00156 Rome – Italy

www.astaldi.com