Translation from the Italian original, that remains the definitive version.
This report has been translated into the English language solely for the convenience of the international readers.

Interim Report on Operations at 31 March 2016

- **Main consolidated results**
  - Increase in total revenue to EUR 632.6 million (+4.6% compared to 31 March 2015)
  - EBITDA margin of 13.9%, with EBITDA of 88 million (+6.2%)
  - EBIT margin of 11.4%, with EBIT of 72.4 million (+10.7%)
  - Net profit of EUR 23.9 million (+2.7%)

- **Total order backlog of EUR 28.5 billion,** of which:
  - Order backlog in execution of EUR 18.2 billion
  - EUR 10.3 billion of additional projects secured and being finalised
  - **EUR 1 billion of new orders in the quarter**

- **Net financial debt of EUR 1,232.9 million** (EUR 1,017.4 million at 31 March 2015 and EUR 982.7 million at 31 December 2015)

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ASTALDI Società per Azioni
Registered Office/Head Office: Via Giulio Vincenzo Bona 65 - 00156 Rome (Italy)
Registered with the Companies Register of Rome
Tax code no.: 00398970582
R.E.A. No. 152353
VAT No. 0080281001
Share capital: EUR 196,849,800.00 fully paid in

SUMMARISED DATA

Main consolidated results

(in thousands of Euro)

	31/03/2016	% total revenue	31/03/2015	% total revenue	YOY change (%)
Total revenue	632,615	100.0%	604,650	100.0%	+4.6%
EBITDA	87,736	13.9%	82,602	13.7%	+6.2%
EBIT	72,409	11.4%	65,435	10.8%	+10.7%
Profit attributable to owners of the parent	23,901	3.8%	23,280	3.9%	+2.7%

Main balance sheet items

(in thousands of Euro)

	31/03/2016	31/12/2015
Total net fixed assets	902,939	957,948
Working capital	965,258	689,460
Total provisions	(25,852)	(21,851)
Net invested capital	1,842,345	1,625,557
Total financial payables/receivables	(1,238,326)	(988,526)
Equity	**604,019**	**637,031**
Total net financial debt	**(1,232,887)**	**(982,712)**

INTRODUCTION

Reporting criteria

Astaldi Group's consolidated interim report on operations at 31 March 2016 has been drafted in accordance with the provisions set forth in the Italian Stock Exchange (Borsa Italiana) Regulations for companies listed in the STAR segment (Article 2.2.3, subsection 3), which provides for the obligation of publication of the interim report on operations within 45 days of the close of each quarter of the financial year, and taking into account Italian Stock Exchange Notification No. 7587 dated 21 April 2016.

The criteria used to classify, enter, evaluate and delete asset and liability items and the methods used to recognise revenue and cost adopted herein are the same used to draft the Consolidated Financial Statements for the year ending 31 December 2015, which should be referred to for further information.

Conversion of foreign currency balances referring to Venezuelan railway contracts

The Venezuelan government has recently amended the country's currency system through *Convenio Cambiario* No. 35, issued by the Central Bank of Venezuela together with the national executive and published on Official Journal No. 40.865 dated 9 March 2016. In brief, the *Convenio Cambiario* introduced two different exchange mechanisms:

- A protected exchange rate – DIPRO – which represents a preferential rate reserved for the purchase of "*essential goods and services*";
- A fluctuating exchange rate – DICOM – which represents, as specified by the Venezuelan government, the exchange rate to be applied to general commercial transactions.

In light of the above, the company's management adopted the DICOM as per 10 March 2016 as the exchange rate for converting foreign currency transactions. This entailed review of the estimates referring to items expressed in local currency, both as regards amounts as per the reference date, and updating of whole-life quotes for railway works in progress in the country.
The overall economic effects reported during Q1 2016 related to updating of these estimates were not especially significant insofar as unbalancing of items expressed in Bolivars had already been reduced to a minimum in previous years.

COMMENT ON OPERATING PERFORMANCE

Total revenue at 31 March 2016 **increased by 4.6% to EUR 632.6 million** (EUR 604.6 million in Q1 2015), with **operating revenue accounting for 94% and other revenue for the remaining 6%**. **EBITDA totalled approximately EUR 88 million and increased by 6.2%** (EUR 82.6 million in March 2015). The **EBITDA margin stood at 13.9%** (13.7% in Q1 2015), showing a marked recovery of the margin compared to Q4 2015. **EBIT increased by 10.7% to EUR 72.4 million** (EUR 65.4 million in March 2015), with an **EBIT margin of 11.4%** (10.8% in Q1 2015). This resulted in **net profit of EUR 23.9 million** (+2.7%, EUR 23.3 million at 31 March 2015), with a **net margin of 3.8%** and an estimated tax rate of 29%.

Total net financial debt amounted to EUR 1,232.9 million (EUR 982.7 million in December 2015 and EUR 1,017.4 million in March 2015) and generally reflected a typical trend of the first part of the year and the support guaranteed for production during the quarter in order to achieve set key operating targets. Specifically, we must recall completion in Turkey of the Third Bosphorus Bridge in March, as well as the Izmit Bay Bridge and the first 40 kilometres of the Gebze-Orhangazi-Izmir motorway in April.

The **order backlog in progress increased to EUR 18.2 billion** (EUR 17.8 billion in December 2015), **equally split between Construction and Concessions** with **Italy accounting for 28% of contracts in Italy and international contracts for the remaining 72%**. **New orders totalling EUR 1 billion** contributed to the quarterly figure, referring mainly to projects in the Transport Infrastructures and Civil Construction segments secured abroad.

The **total order backlog amounts to EUR 28.5 billion** including **EUR 10.3 billion of Group options and contracts secured but not financed to date.** The options in question include projects such as the Brenner Tunnel project in Italy and the ESO Observatory in Chile, with formalisation of the relative contracts expected in the immediate future**.**

INCOME STATEMENT AT 31 MARCH 2016

Production

Total revenue at 31 March 2016 **amounted to EUR 632.6 million, up by 4.6%** (EUR 604.6 million in Q1 2015) comprising **94% of operating revenue**, equal to EUR 591.6 million (+2.8%, EUR 575.3 million in March 2015) and the **remaining 6% of other revenue**, equal to EUR 41 million (+39.6%, EUR 29.3 million in Q1 2015).

Quarterly production was boosted by the good progress of activities in Europe (especially Turkey, Poland and Russia) and in America (mainly Chile). On an aggregated basis, these areas are able to offset the limited performance recorded in countries such as Italy and Romania which, while remaining of strategic importance for the Group's growth, recorded a non-too-favourable trend in the Infrastructures segment during this period.
Italy (18.4% of operating revenue) recorded a **trend in line with forecasts,** but one which reflected the still unfavourable situation, even if partially offset by the progressive performance of some contracts (Marche-Umbria Quadrilatero road network, Line 4 of Milan underground, the new hospital in Naples), as well as the contribution from the subsidiary NBI (Plant Engineering) and from operation of some concession projects (Tuscan Hospitals).
International (81.6% of operating revenue) recorded **good performance of contracts in progress in the Rest of Europe (44.8% of operating revenue)** thanks to the intensification of activities linked to key goals achieved in Turkey (substantial progress of the Third Bosphorus Bridge in March and Izmit Bay Bridge and 40 kilometres of the Gebze-Orhangazi-Izmir motorway in April), and the positive performance of projects in Russia (WHSD in St. Petersburg, M-11 Moscow-St. Petersburg motorway) and Poland (John Paul II Krakow-Balice International Airport, S-8 and S-5 National Roads). **America (29.4% of operating revenue)** benefitted from the **increase in activities in Canada** (for **progressive progress on the Muskrat Falls Hydroelectric Project, over 45% of which has been completed**), as well as the **good performance of contracts in Chile** (Chuquicamata Mine, West Metropolitan Hospital in Santiago, Arturo Merino Benítez International Airport). The **Maghreb (6.4% of operating revenue)** maintained its contribution from railway projects in progress (Saida-Moulay Slissen, Saida-Tiaret), while the **Far East and Middle East (1% of operating revenue)** benefitted from progress on railway projects in Saudi Arabia (Jedda and KAEC HS stations) and from the start-up of activities to perform the contract in Indonesia (Upper Cisokan Pumped Storage Plant).

Sector diversification means a **suitable distribution of activities in the sectors where Astaldi Group has an important competitive standing at an international level** (especially bridges, undergrounds and hospitals).
Construction (99.2% of operating revenue) generated EUR 587 million, showing a 2.4% increase compared to EUR 573 million in March 2015. The quarterly figure was especially boosted by **Transport Infrastructures (70.3% of operating revenue, EUR 416 million)**, thanks to the

contributions from the aforementioned contracts in Turkey, Russia, Poland and Algeria. **Hydraulic and Energy Production Plants (11.5% of operating revenue, EUR 68 million)** maintained a significant role thanks to progress on projects in Canada (Muskrat Falls) and Peru (Cerro del Águila). **Civil and Industrial Construction (9.6% of operating revenue, EUR 57 million)** basically includes the intensification of activities in Turkey (Etlik Integrated Health Campus in Ankara, for which financial closing was achieved in June 2015 resulting in the start-up of works); there was also a major contribution from Chile (West Metropolitan Hospital in Santiago) and Italy (new hospital in Naples, Angelini Pharmaceutical Group's head offices in Rome) which, on an aggregated basis, managed to offset the virtual completion of some projects in Italy (Police Officers' Academy in Florence in October 2015 and Massa-Carrara Hospital in November 2015). **Plant Engineering (7.8% of operating revenue, EUR 46 million)** reflected the results of synergies with the subsidiary NBI.
Concessions (0.8% of operating revenue) generated EUR 5 million, compared to EUR 2 million in Q1 2015. The figure included the results from operation of the four hospitals in Tuscany, Italy.

Breakdown of operating revenue according to geographical area and sector
(in millions of Euro)

	31.03.2016	%	31.03.2015	%	YOY change (%)
ITALY	109	18.4%	106	18.4%	+2.8%
INTERNATIONAL	483	81.6%	469	81.6%	+3.0%
Rest of Europe	265	44.8%	256	44.5%	+3.5%
America	174	29.4%	178	31.0%	-2.2%
Asia (Middle East and Far East)	6	1.0%	11	1.9%	-45.5%
Africa (Algeria)	38	6.4%	24	4.2%	+58.3%
TOTAL OPERATING REVENUE	592	100.0%	575	100.0%	+3.0%

(EUR/millions)	31.03.2016	%	31.03.2015	%	YOY change (%)
CONSTRUCTION	587	99.2%	573	99.7%	+2.4%
Transport Infrastructures	416	70.3%	410	71.3%	+1.5%
Railways and undergrounds	*117*	19.8%	*154*	*26.8%*	*-24.0%*
Roads and motorways	*287*	48.5%	*234*	*40.7%*	*+22.6%*
Ports and airports	*12*	2%	*22*	*3.8%*	*-45.5%*
Hydraulic and Energy Production Plants	68	11.5%	75	13.0%	-9.3%
Civil and Industrial Construction	57	9.6%	48	8.3%	+18.8%
Facility Management, Plant Engineering and Management of Complex Systems	46	7.8%	40	7.0%	+15.0%
CONCESSIONS	5	0.8%	2	0.3%	*+150.0%*
TOTAL OPERATING REVENUE	592	100.0%	575	100.0%	+3.0%

Cost structure

Production costs totalled EUR 440.3 million (EUR 416.4 million in Q1 2015)**, with a 69.6% incidence on total revenue** (68.9% in March 2015).

Personnel expenses totalled EUR 115.9 million with an 18.3% incidence on total revenue (EUR 107.5 million and 17.8% in March 2015). The quarterly figure reflected consolidation of the presence guaranteed in some foreign areas (mostly Chile), further to the start-up of some directly-managed key contracts (West Metropolitan Hospital in Santiago, Chuquicamata Mine).

Margins

EBITDA increased by 6.2% to EUR 88 million (EUR 82.6 million in March 2015). The **EBITDA margin rose to 13.9%** (13.7% in Q1 2015). The result was a marked increase in margins compared to Q4 2015, which had recorded an EBITDA margin of 9.1%. On the whole, the Group's margins benefitted during the quarter from an increasing presence of EPC (Engineering, Procurement, Construction) contracts among projects in progress, awarded in accordance with a logic of "variety of elements criteria", which are able to guarantee margins more in line with forecasts compared to traditional contracts. The quarterly figures also included **EUR 17 million (EUR 10.1 million in Q1 2015) from equity investments in joint ventures, SPVs and associates**, to be linked mainly to concession projects in Turkey (Third Bosphorus Bridge, Gebze-Orhangazi-Izmir motorway).

EBIT totalled EUR 72.4 million, up by 10.7% (EUR 65.4 million in March 2015), with an **EBIT margin of 11.4%** (10.8% in Q1 2015).

Financial activities

Net financial expense totalled EUR 39.4 million (EUR 28.3 million in Q1 2015), with a difference compared to the same quarter of last year that can be mainly attributed to the effects linked to exchange rate fluctuations.

Quarterly result

Pre-tax profit amounted to EUR 33 million (EUR 37.1 million in March 2015) as a result of the aforementioned trends. **Net profit increased by 2.7% to EUR 23.9 million** (EUR 23.3 million in March 2015) with a **3.8% net margin** and an estimated tax rate of 29%.

CONSOLIDATED BALANCE SHEET ITEMS AT 31 MARCH 2016

Net fixed assets

Net fixed assets amounted to EUR 902.9 million (EUR 957.9 million in December 2015). The quarterly trend basically reflects: (i) the overall economic effects of equity accounting of SPVs and joint ventures operating in the Concessions sector; (ii) progressive amortisation and depreciation of technical resources and intangible assets; (iii) technical investments, especially in Chile, Russia and Canada.

Working capital

Working capital totalled EUR 965.3 million (EUR 689.5 million at 31 December 2015) showing an increase during the quarter that is basically due to a cyclical trend. It must be recalled that since it is closely linked to customers' payment trends, this items tends to increase and reach its highest levels in the first part of the year (for support guaranteed for production) before experiencing re-absorption during the rest of the year. Therefore, the quarter's growth is mostly related to (i) the increase in Contract works in progress linked to the production volumes of some foreign projects in progress (especially in Russia, Canada and Poland), but also to (ii) fewer payables to suppliers as a result of guaranteed financial support, especially for contracts in Poland and Turkey, which saw the achievement of key operating targets during the quarter.

Net invested capital

Net invested capital totalled EUR 1,842.3 million (EUR 1,625.6 million for 2015), as a result of the trends already detailed.

Equity

Equity attributable to owners of the parent totalled EUR 598.9 million (EUR 631.4 million at the end of 2015), with a drop during the quarter to be attributed to the joint effect of:

- the difference in the translation reserve (EUR 16 million), attributable to the translation into Euro of foreign currency balance sheet, and mainly referring to the financial statements of some SPVs Astaldi holds a stake in;
- the difference in the cash flow hedge reserve (EUR 35.7 million) attributable to the start-up of hedging on loans of SPVs related to some concession projects in Turkey (Gebze-Orhangazi-Izmir motorway, Etlik Health Integrated Campus in Ankara).

Equity attributable to non-controlling interests totalled EUR 5.1 million (EUR 5.6 million in December 2015) and mainly decreased as a result of the quarter's overall economic items.

Therefore, total equity amounted to EUR 604 million (EUR 637 million at December 2015).

Net financial debt

Total net financial debt at 31 March 2016 **amounted to EUR 1,232.9 million** (EUR 982.7 million in December 2015 and EUR 1,017.4 million in March 2015). The quarterly figure basically reflected the trends recorded as regards working capital, and, especially, the support guaranteed for production, as mentioned above. In this regard, it is important to note among the backlog the high number of contracts with no contractual advance and hence with a lower self-financing capacity. It is aimed to limit this aspect in the future by placing the Group's commercial focus on contracts and countries offering contract advances.

The Debt/Equity ratio stood at 2.04x, while the Corporate Debt/Equity ratio (calculated by excluding debt related to concession projects since it is self-liquidating) amounted to approximately 1.1x.

Breakdown of consolidated net financial debt
(in thousands of Euro)

		31/03/16	31/12/15	30/09/15	30/06/15	31/03/15
A	Cash	462,813	611,263	464,819	423,917	472,985
B	Securities held for trading	1,096	1,153	1,032	1,026	1,521
C	**Cash and cash equivalents**	**463,909**	**612,416**	**465,851**	**424,943**	**474,506**
-	Current loan assets	18,903	33,226	36,291	48,991	13,252
-	Current portion of financial assets from concessions					16,057
D	**Current loan assets**	**18,903**	**33,226**	**36,291**	**48,991**	**29,309**
E	Current portion of bank loans and borrowings	(526,681)	(518,144)	(440,734)	(366,305)	(439,060)
F	Current portion of bonds	(16,534)	(4,535)	(16,583)	(4,424)	(16,486)
G	Current portion of non-current debt	(94,224)	(118,776)	(138,780)	(129,586)	(95,530)
H	Other current bank loans and borrowings	(7,598)	(36,821)	(11,735)	(11,909)	(13,558)
I	**Current financial debt**	**(645,037)**	**(678,276)**	**(607,831)**	**(512,224)**	**(564,634)**
J	**Net current financial debt**	**(162,225)**	**(32,634)**	**(105,690)**	**(38,291)**	**(60,819)**
K	Non-current portion of bank loans and borrowings	(528,662)	(384,748)	(430,913)	(436,978)	(304,972)
L	Bonds	(872,734)	(872,228)	(871,724)	(871,225)	(870,745)
M	Other non-current financial liabilities	(14,826)	(15,655)	(16,004)	(17,637)	(20,343)
N	**Non-current financial debt**	**(1,416,221)**	**(1,272,631)**	**(1,318,641)**	**(1,325,839)**	**(1,196,060)**
O	**Gross financial debt from continuing operations**	**(2,061,258)**	**(1,950,908)**	**(1,926,472)**	**(1,838,064)**	**(1,760,694)**
P	**Net financial debt from continuing operations**	**(1,578,446)**	**(1,305,265)**	**(1,424,331)**	**(1,364,130)**	**(1,256,878)**
-	Non-current loans assets	35,391	38,140	39,091	39,805	44,186
-	Subordinate loans	248,739	236,691	197,124	187,058	175,408
-	Non-current portion of financial assets from concessions	55,989	41,907	30,606	23,370	15,188
Q	**Non-current loan assets**	**340,120**	**316,739**	**266,821**	**250,233**	**234,783**
R	**Total financial debt**	**(1,238,326)**	**(988,526)**	**(1,157,510)**	**(1,113,897)**	**(1,022,096)**
	Treasury shares on hand	**5,439**	**5,814**	**5,703**	**4,579**	**4,676**
	Total net financial debt	**(1,232,887)**	**(982,712)**	**(1,151,807)**	**(1,109,318)**	**(1,017,420)**

Investments

Technical investments made during the first quarter of 2016 totalled approximately EUR 5 million, related to projects in progress in Canada (Muskrat Falls Hydroelectric Project), Russia (WHSD in St. Petersburg) and Chile (Arturo Merino Benítez International Airport in Santiago).

The quarterly figure also included approximately EUR 11.5 million referred to payment of equity and semi-equity mostly related to concession projects in Turkey (Etlik Integrated Health Campus in Ankara, EUR 6 million) and Italy (Line 4 of Milan underground, EUR 3.1 million). Therefore, **Concession investments** (meaning Astaldi's shares of equity and semi-equity paid into SPVs linked to individual projects in progress in the sector, as well as the relative working capital) total EUR 803 million to date. This figure includes EUR 56 million of financial assets from concessions (EUR 14 million of which related to Q1 2016) – meaning the portions of investments covered by guaranteed cash flows, as detailed in IFRIC-12 – and referred to the West Metropolitan Hospital in Santiago in Chile.

In order to provide complete information, please find below a table summarising the invested capital items in the Concessions sector at 31 March 2016.

Invested capital in the Concessions sector – details
(in millions of Euro)

	31.03.2016
Equity	449
Semi-equity	254
IFRIC 12 receivables	56
Leasing	31
Other assets	12
Total invested capital	**803**

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of Euro)

	31/03/2016	31/03/2015
A) Net cash flow absorbed by operating activities	(263,914)	(178,943)
B) Cash flow absorbed by investment activities	(11,229)	(63,071)
C) Cash flow generated by financing activities	126,693	184,788
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(148,450)	(57,226)
CASH AND CASH EQUIVALENTS AT START OF PERIOD	611,263	530,212
CASH AND CASH EQUIVALENTS AT END OF PERIOD	462,813	472,985

Cash flow from operating activities

The financial flow absorbed by operating activities in Q1 2016 totalled EUR 263.9 million and reflected the typical performance of the first part of the year and a trend basically linked to the production of major international contracts in progress (Canada, Russia and Poland). It must be recalled that the 1st quarter of each year typically shows greater financial support for production as a result of counterparty payment trends.

Cash flow from investment activities

The financial flow absorbed by investment activities totalled EUR 11.2 million, mainly referable to:

- payments of equity and semi-equity (capital and subordinate loans) for some concession projects (Etlik Integrated Health Campus in Ankara, Turkey and Line 4 of Milan underground, Italy) totalling EUR (11.5) million;
- Capital invested in the concession for the West Metropolitan Hospital in Santiago in Chile totalling EUR (14) million;
- Collection of EUR 13 million following repayment of sums disbursed in 2015 to finance some activities performed as a partnership in Turkey.

Cash flow from financing activities

Management of financing activities during the quarter generated financial resources of EUR 126.7 million. These flows are mainly to be attributed to net cash and cash equivalents acquired following partial use (for EUR 100 million) of the Revolving Credit Facility (RCF) and additional committed and uncommitted credit facilities.

ORDER BACKLOG

The order backlog in progress increased to EUR 18.2 billion (EUR 17.8 billion in December 2015) with **Italy accounting for 28% of orders, and International for the remaining 72%** (mainly the Rest of Europe and America). The quarterly figure benefitted from **new orders** totalling EUR 1 billion, to be linked mainly to the Transport Infrastructures and Civil Construction segments The backlog's structure shows equal distribution between Construction and Concessions, but also shows an **increase in the number of contracts awarded in accordance with a logic of "variety**

of elements criteria”, which are able to guarantee margins more in line with the Group’s forecasts than traditional contracts.

The **total order backlog amounts to EUR 28.5 billion** which includes **EUR 10.3 billion of Group options and contracts that have been secured but yet to be financed**. The total order backlog comprises 35% of projects developed in Italy and the remaining 65% to international projects.

Main new orders during the quarter

West Metropolitan Hospital, Santiago, Chile (*construction and operation concession*) – The contract involves the construction and subsequent operation of a new hospital facility as a concession. The project includes the design, funding, construction and operation of commercial and non-medical services, for a hospital which will comprise 10 floors for a total surface area of 120,000 m^2, 523 beds and 600 parking spaces. The supply and maintenance of electromedical equipment and furnishings is also planned. The concession has a duration of approximately 20 years, with 52 months for construction and 15 years for operation. The project has been commissioned by Chile’s Ministry of Public Works. The contract was included among new orders for the quarter following financial closing (structured on a non-recourse basis for Astaldi Group), subscribed with a syndicate of international banks. The value of this project investment is EUR 236 million, while the value of works to be performed totals EUR 151 million. Works are scheduled for completion by the second half of 2019, with subsequent start-up of operation. Construction activities were already underway at the draft date of this report.

S-7 Expressway – Naprawa-Skomielna Biała section, Poland (*construction*) – The project involves works to construct the Naprawa-Skomielna Biała section of the S-7 Krakow-Rabka Zdrój expressway. The contract entails the construction of approximately 3 kilometres of new expressway, including 2 kilometres of two-tube tunnel, external works, plants and environmental protection works. The planned duration of works is 54 months, with start-up subsequent to signing of the contract expected by the first half of 2016. The road tunnel included in the route will be the longest bored road tunnel in Poland and the second longest tunnel in the country after the one already assigned to Astaldi forming part of the Warsaw Bypass. The works have been commissioned by Skarb Panstwa - Generalny Dyrektor Dróg Krajowych i Autostrad, the public company responsible for managing Poland’s national roads and motorways. The works will be financed using European and local funding. The value of the works is approximately EUR 185 million.

Brasov-Oradea motorway (*construction*) – The contract involves the design and construction, as a joint venture, of approximately 18 kilometres of motorway sections (Brasov-Targu Mures-Cluj-Oradea, Section 2A; Ogra-Campia Turzii, Lot 2; Iernut-Chetani, from 3+600 km to 21+500 km), including 3 viaducts, 5 overpasses, 3 flyovers and 1 motorway junction. Works had already commenced at the draft date of this report and the planned duration is 16 months, 4 of which for design and 12 for construction. The value of the works to be performed is approximately EUR 100 million (Astaldi Group has a 48.5% stake and is the lead company). The works have been commissioned by Romania’s National Roads and Motorways Company and 75% of them will be financed using European funds and the remaining 25% by the state.

Rzeszów waste-to-energy plant, Poland (*construction*) – The contract involves the executive design and construction of a plant to produce energy by transforming solid urban waste, as well as the supply and installation of the process’ technological system and equipment. The project has been commissioned by PGE GiEK S.A., the most important electricity producer and distributor in Poland. The works have a planned duration of 30 months and will be financed using funding provided by the European Community and the Polish state. The contract value is EUR 67 million, and Astaldi has a 49% stake.

Options to date

Brenner Tunnel, Italy (*construction*) – The project refers to works to perform Lot «Mules 2-3» of the Brenner Tunnel for which Astaldi, as part of a joint venture, was classified in first position for awarding of the contract. The contract has a value of approximately EUR 1 billion (42.5% of which refers to Astaldi's stake) and involves the performance of all underground works of the Italian section of the Brenner railway tunnel, along the route which runs from Mezzaselva (Fortezza) to the state border. Specifically, completion of the exploratory tunnel is planned along with the two main line tunnels for a total of 23 kilometres of tunnel to be dug using traditional methods and 46 kilometres using mechanised excavation with the help of TBMs. The planned duration of works is estimated at 7 years. Works will commence following signing of the contract, subsequent to checks provided for by law.

ESO, Chile (*construction*) – The project involves the design and construction of the Dome and Main Structure of the European Extremely Large Telescope (E-ELT), the largest optical telescope in the world. The new telescope will be built at 3,000 metres above sea level, with a focus capability that is 100 million times better than the human eye, and will be able to gather more light than all the largest telescopes currently existing on the planet, combined. Those telescopes have primary mirrors measuring 8 to 10 metres in diameter compared to the E-ELT's 39.3 metres. Astaldi will perform the works as a joint venture and signing of the contract is scheduled for May 2016.

Verona-Padua High Speed/High Capacity Railway Line (Vicenza-Padua subsection), Italy (*construction*) – The project involves the aforementioned subsection of the contract for design and construction of the Verona-Padua railway line, which Astaldi holds a 46.42% stake in through Consorzio IRICAV DUE, the General Contractor awarded the works.

Ancona Port motorway link, Italy (*construction and operation concession*) – As regards this project, approval is pending of the final design and Economic and Financial Plan, submitted to the Italian Ministry of Infrastructures and Transport in September 2015. The contract involves construction and operation, as a concession, of 11 kilometres of toll motorway, for the A-14 motorway link with Ancona Port, as well as ancillary roadworks.

Summary tables

(in millions of Euro)

	At 01/01/2016	*Acquisitions 2016*	*Decreases for production*	*At 31/03/2016*
Construction	9,218	465	-587	9,096
Transport Infrastructures	7,665	236	-416	7,485
Railways and undergrounds	*3,461*	*0*	*-117*	*3,344*
Roads and motorways	*3,754*	*236*	*-287*	*3,703*
Airports and ports	*450*	*0*	*-12*	*438*
Hydraulic Works and Energy Production Plants	664	*33*	-68	*629*
Civil Construction	561	*171*	-57	*675*
Facility Management, Plant Engineering and Management of Complex Systems	328	*25*	-46	*307*
Concessions	8,631	485	-5	9,111
BACKLOG IN PROGRESS ACCORDING TO BUSINESS SEGMENT	*17,849*	*950*	*-592*	*18,207*

	At 01/01/2016	Acquisitions 2016	Decreases for production	At 31/03/2016
Italy	5,244	9	-109	5,144
International	12,605	941	-483	13,063
Europe	8,922	269	(265)	8,926
America	3,339	672	(174)	3,837
Africa	248	0	(38)	210
Asia	96	0	(6)	90
BACKLOG IN PROGRESS ACCORDING TO GEOGRAPHICAL AREA	*17,849*	*950*	*-592*	*18,207*

	At 01/01/2016	Acquisitions 2016	Decreases for production	At 31/03/2016
Italy – Construction	*3,650*	*9*	*(104)*	*3,555*
Italy – Concessions	*1,594*	*0*	*(5)*	*1,589*
International – Construction	*5,568*	*456*	*(483)*	*5,541*
International – Concessions	*7,037*	*485*	*0*	*7,522*
ORDER BACKLOG IN PROGRESS	*17,849*	*950*	*-592*	*18,207*

EVENTS AFTER THE REPORTING PERIOD

Two important operating targets were achieved in Turkey in April. The Izmit Bay bridge was completed, the fourth-longest suspension bridge in the world, and operation commenced of the first 40 kilometres of the Gebze-Orhangazi-Izmir motorway, along the Gebze-Orhangazi section.

As regards governance, it must be noted that Astaldi's Shareholders' Meeting held on 20 April 2016 appointed the new Board of Directors of the company that will remain in office until the Shareholders' Meeting to approve the Financial Statements at 31 December 2018. The new Board, which took up office upon termination of the Shareholders' Meeting, confirmed Paolo Astaldi as Chairman and Filippo Stinellis as Chief Executive Officer. Ernesto Monti and Michele Valensise were appointed Deputy Chairmen.

It must also be noted that Astaldi, through its subsidiary Astaldi Concessioni, together with CIF, IL, INFRA and 2G, has signed with the Spanish company, Abertis, an agreement for the sale of Reconsult, the SPV which holds 44.85% of A4 Holding. The 31.85% share held by Astaldi has been valued at approximately EUR 130 million, in line with the carrying amount and taking into account repayment of Reconsult's debt and other minor accounting effects. Payment of the price has been set for January 2023 and therefore, Astaldi and the other sellers have structured a non-recourse transfer of the credit which will allow the company to collect the net amount of EUR 110 million upon closing of the transaction, scheduled for the end of July 2016. Closing is subordinate to some conditions including authorisation by the antitrust authority and approval by CIPE with regard to extension of the A-31 motorway. This transaction fits into Astaldi's strategic asset disposal programme approved by the company's Board of Directors.

OUTLOOK

Over the coming months, the Group's operating and commercial efforts will be focused on achieving the targets set as regards the 2016-2020 Strategic Plan.

The new Strategic Plan is based on three strategic drivers (sustainable growth, strengthening of the financial structure and strengthening of the organisational structure). Its main goal is to scale business to meet the new challenges of the reference market, and to optimise the internationally-acknowledged expertise the Group has to offer.

SUSTAINABLE GROWTH

The new Strategic Plan provides for **gradual repositioning of the backlog towards EPC[1] contracts** that are better suited to **optimising the Group's construction abilities.** In fact, Astaldi is present on today's market as an operator able to guarantee the Customer a totally integrated supply, from design through to funding, construction, maintenance and operation, with internationally-acknowledged know-how and expertise for each segment of action. This approach will allow the Group to pursue sustainable levels of profitability and in line with expectations by winning new contracts awarded in accordance with the logic of a "variety of elements criteria".
Concessions will continue to represent an area of growth for the Group but with a **different approach than in the past**. This approach will focus on favouring a project development model which will see Astaldi holding a smaller share in concessions and a greater share in the construction contracts the initiatives are built on. The result will be **a flywheel for an additional increase in EPC contracts, but with a significantly lower undertaking in terms of invested capital compared to the past**.
Balanced geographical diversification will be an additional growth driver. This diversification, combined with already consolidated diversification as regards segments, will have the end goal of placing the Group in areas and segments with different development cycles, able to balance each other on an aggregated basis, with consequent advantages in terms of the overall risk profile of business activities. Therefore, Astaldi will make the best use of its current geographical presence and expertise in order to concentrate its commercial efforts in areas and segments with a high growth potential. On the whole, the Group will maintain a dual approach to the market which provides for consolidation of its presence in countries with stable economies and well-defined investments programmes on the one hand. While on the other hand looking for opportunities in emerging markets offering significant growth potential, identified to date as Iran, Vietnam, Indonesia and Cuba. Geographical diversification will allow the Group to take advantage of the interesting risk-return trends of the countries where it operates in order to create **a balanced backlog of projects able to ensure an increased return profile.**

CONSOLIDATION OF THE FINANCIAL STRUCTURE

The new Plan provides for a **reduction in the current and forecast levels of debt** and, to this end, the Management has already implemented a series of synergic actions during the last year. **The medium-term target is to achieve a stable NET DEBT/EBITDA ratio of less than 2**, by leveraging on the use of income from the concession asset disposal programme, but also on structural action aimed at streamlining investments and optimising working capital management.

EUR 750 million concession asset disposal programme
The cash-in from the disposal programme will be used with the priority aim to reduce debt. The recent sale of Astaldi Group's equity investment in A4 Holding, the concessionaire of the Brescia-Padua motorway among others, fits into the above approach. This sale was the first of the scheduled disposal programme which provides for the **sale of assets totalling EUR 450 million**

[1] EPC = Engineering, Procurement, Construction.

in 2016-2018 (of which 110 million relative to A4 Holding)**, and an additional EUR 300 million in 2019-2020.**

Optimisation of working capital management
The new Plan provides for **strict rules as regards working capital management**, with the goal of keeping a stable level for the Plan's duration even given an increase in revenue. In this way, the **Group will encourage the acquisition of contracts with financial profiles deemed suitable as from the tender phase and which provide for contract advances**. Additional benefits will come from the actions of a **dedicated task force**, already set up during the last year, with the aim of optimising the payment cycle. **The goal is to bring the WORKING CAPITAL/REVENUE ratio below 20%.**

STRENGTHENING OF ORGANISATIONAL STRUCTURE

The Plan aims at **making the most of the Group's internationally-acknowledged expertise** and **maximising the construction excellence.** To this end, the **Business Services Division** has allowed for the **centralisation of know-how and strengthening of strategic corporate processes** in order to make available state-of-the-art solutions to the projects.

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Alternative performance indicators. The economic and financial performance of the Group and its business segments are also assessed on the basis of some indicators not provided for in IFRSs, the specific components of which are listed below

EBITDA: This is calculated by deducting production costs, personnel expenses and other operating costs from total revenue; it also contains the portions of profit/loss of joint ventures and SPVs operating in the Group's core business segment.

EBIT: This is obtained by excluding amortisation and depreciation, impairment losses and provisions and internal costs capitalised from EBITDA as defined above.

EBT: This is calculated like EBIT, excluding financial income and expense.

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 debt: This is obtained by subtracting non-current loan assets and financial assets from concession activities, as well as other specific items such as treasury shares, from net financial 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.

Total financial debt: This is obtained by subtracting non-current loan assets and financial assets from concession activities from net financial debt, calculated as required under CONSOB DEM/6064293 Communication dated 28 July 2006 that refers to European Securities and Markets Authority (ESMA, formerly CESR) Recommendation dated 10 February 2005.

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 not included in those referred to above.

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, working capital, provisions for risks and employee benefits.

ROI. This is the ratio between EBIT and net invested capital.

Statement by Manager in charge of Financial Reporting

(pursuant to Article 154-bis, subsection 2 of Legislative Decree No. 58/1998)

The undersigned, Paolo Citterio, Astaldi's General Manager – Administration and Finance, in the capacity of Manager in charge of Financial Reporting, hereby declares, pursuant to subsection 2 of Article 154-bis of Legislative Decree No. 58/1998 (Finance Consolidation Act), that the accounting information contained herein tallies with accounting documents, ledgers and entries.

Rome, 10 May 2016

Signed Paolo Citterio
(*Manager in charge of Financial Reporting)*

Attachments

Reclassified Consolidated Income Statement

(in thousands of Euro)

	31/03/2016		31/03/2015	
Revenue	591,649	93.5%	575,310	95.1%
Other operating revenue	40,966	6.5%	29,340	4.9%
Total Revenue	**632,615**	**100.0%**	**604,650**	**100.0%**
Production costs	(440,255)	-69.6%	(416,374)	-68.9%
Added value	**192,360**	**30.4%**	**188,276**	**31.1%**
Personnel expenses	(115,880)	-18.3%	(107,498)	-17.8%
Other operating costs	(5,780)	-0.9%	(8,272)	-1.4%
Portion of profit from joint ventures, SPVs and associates	17,036	2.7%	10,096	1.7%
EBITDA	**87,736**	**13.9%**	**82,602**	**13.7%**
Amortisation and depreciation	(14,945)	-2.4%	(15,922)	-2.6%
Provisions	(380)	-0.1%	(1,245)	-0.2%
Impairment losses	(2)	0.0%		0.0%
EBIT	**72,409**	**11.4%**	**65,435**	**10.8%**
Net financial expense	(39,394)	-6.2%	(28,329)	-4.7%
Pre-tax profit	**33,015**	**5.2%**	**37,106**	**6.1%**
Taxes	(9,573)	-1.5%	(14,198)	-2.3%
Profit from continuing operations	**23,442**	**3.7%**	**22,908**	**3.8%**
Losses from discontinued operations		**0.0%**		**0.0%**
Profit for the year	**23,442**	**3.7%**	**22,908**	**3.8%**
Loss attributable to non-controlling interests	459	0.1%	372	0.1%
Profit attributable to owners of the parent	**23,901**	3.8%	**23,280**	3.9%

Reclassified Consolidated Statement of Financial Position

(in thousands of Euro)

	31/03/2016	31/12/2015	31/03/2015
Intangible assets	45,188	47,108	28,452
Property, plant and equipment	202,476	210,802	235,854
Equity investments	549,475	578,997	461,804
Other net non-current assets	105,800	121,041	99,448
Non-current assets (A)	**902,939**	**957,948**	**825,558**
Inventories	72,405	70,676	73,266
Contract work in progress	1,375,585	1,242,991	1,172,168
Trade receivables	44,378	30,928	55,909
Amounts due from customers	579,292	662,066	866,265
Other assets	204,545	166,197	220,286
Tax receivables	136,497	138,645	110,738
Payments on account from customers	(388,591)	(411,459)	(475,937)
Subtotal	**2,024,111**	**1,900,043**	**2,022,694**
Trade payables	(64,380)	(75,173)	(80,192)
Payables to suppliers	(758,939)	(809,006)	(753,957)
Other liabilities	(235,534)	(326,404)	(351,536)
Subtotal	**(1,058,853)**	**(1,210,583)**	**(1,185,685)**
Working capital (B)	**965,258**	**689,460**	**837,009**
Employee benefits	(9,242)	(8,057)	(9,684)
Non-current portion of provisions for risks and charges	(16,609)	(13,794)	(13,520)
Total Provisions (C)	**(25,852)**	**(21,851)**	**(23,204)**
Net invested capital (D) = (A) + (B) + (C)	**1,842,345**	**1,625,557**	**1,639,364**
Cash and cash equivalents	462,813	611,263	472,985
Current financial receivables	18,903	33,226	13,252
Non-current financial receivables	284,131	274,832	219,594
Securities	1,096	1,153	1,521
Current financial liabilities	(645,037)	(678,276)	(564,634)
Non-current financial liabilities	(1,416,221)	(1,272,631)	(1,196,060)
Net financial liabilities (E)	**(1,294,315)**	**(1,030,434)**	**(1,053,341)**
Financial assets from concessions	55,989	41,907	31,246
Total financial liabilities (F)	**(1,238,326)**	**(988,526)**	**(1,022,096)**
Equity attributable to owners of the parent	(598,873)	(631,405)	(611,046)
Equity attributable to non-controlling interests	(5,146)	(5,626)	(6,222)
Equity (G) = (D) - (F)	**604,019**	**637,031**	**617,268**