Astaldi's BoD approves the new 2016-2020 Strategic Plan
and the Interim Report on Operations at 31 March 2016

APPROVAL OF STRATEGIC PLAN
STRATEGIC DRIVERS – SUSTAINABLE GROWTH AND STRENGTHENING OF FINANCIAL AND ORGANISATIONAL STRUCTURE.
NEW DEVELOPMENT GUIDELINES AND BALANCED GEOGRAPHICAL DIVERSIFICATION

RESULTS AT 31 MARCH 2016
INCREASE IN REVENUE AND MARGINS: REVENUE UP BY 4.6% AT EUR 632.6 MILLION
EBIT UP BY 10.7%, AT EUR 72.4 MILLION
NET PROFIT UP BY 2.7%, AT EUR 24 MILLION

Strategic Drivers

- Sustainable growth
  - Repositioning of order backlog on EPC contracts[1], to optimise the Group's integrated supply capacity and ensure sustainable level of earnings over time
  - New approach to concessions, with the introduction of a governance model aimed at reducing capital contribution and optimising the Group's construction capacities

    Balanced geographical diversification, by consolidation of countries where traditionally present and opening of new areas able to ensure real development opportunities
- Strengthening of financial structure
  - Reduction of debt by optimising working capital management and finalising the concession asset disposal plan
- Strengthening of organisational structure
  - Optimisation of know-how and maximisation of excellence:

[1] EPC = *Engineering, Procurement, Construction*.

Consolidated results at 31 March 2016

- Increase in revenue and margins
  - Total revenue of EUR 632.6 million, +4.6% compared to 31 March 2015
  - EBITDA margin of 13.9%, with EBITDA of EUR 88 million (+6.2%)
  - EBIT margin of 11.4%, with EBIT of EUR 72.4 million (+10.7%)

- Net profit of approx. EUR 24 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 acquired and being finalised

- Approximately EUR 1 billion of new orders for the quarter

- Total net financial debt of EUR 1,232.9 million (compared to EUR 1,017.4 million for Q1 2015 and EUR 982.7 million at the end of 2015)

Milan, 10 May 2016 – The Board of Directors of Astaldi S.p.A chaired by Paolo Astaldi, met today to examine and approve the Group's 2016-2020 Strategic Plan and Interim Report on Operations at 31 March 2016.

The new Strategic Plan is based on three fundamental strategic drivers (sustainable growth, strengthening of the financial structure and strengthening of the organisational structure), with the main goal of scaling business to meet the new challenges of the reference market and optimising the expertise the Group has to offer.

2016-2020 STRATEGIC PLAN – DRIVERS

SUSTAINABLE GROWTH

The new Strategic Plan provides for gradual repositioning of the backlog towards EPC (Engineering, Procurement, Construction) contracts that are more 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 an integrated supply, from design through to financing, construction, maintenance and management, with internationally-acknowledged know-how and expertise for each segment of action. This approach will allow the Group to pursue sustainable levels of profitability by winning new contracts by participating to tenders where not only the price but also engineering solutions and organization structure are the selection criteria ("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 underlying construction contracts. The result will be 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 and increased return profile.

STRENGTHENING 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 cash-in 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 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 in 2016-2018 (of which EUR 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 discipline as regards working capital management, with the goal of keeping a stable level for the plan's duration even given an increase in revenue. To this end, 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 THE ORGANISATIONAL STRUCTURE

The new 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.

2016-2020 STRATEGIC PLAN – TARGETS

FY 2015A	2020 Targets	2016-20E CAGR
Backlog in execution €17.9bn	**Backlog in execution** >€19.0bn	*+1% -- Increase in construction order backlog, also considering the reduction of concession baclklog due to asset disposal*
Total Revenues €2.9bn	**Revenues** €4.0bn	*+7%*
EBIT margin 9.7%	**EBIT margin** 9.2%	*In 2020, less contribution from SPVs income due to asset disposal*
Net Income €81m	**Net Income** €150m	*+12%*
Gross CE in concessions ~€800m	**Gross CE in concessions** ~€400m	*Reduction in net debt thanks to: asset disposal, reduced investments in concessions and optimization of working capital*
Net Debt €989m	**Net Debt** ~€500m	
Net Debt / EBITDA 2.8x	**Net Debt / EBITDA** <1.5x	

CONSOLIDATED RESULTS OF Q1 2016

During today's meeting, the Board of Directors of Astaldi also approved the Interim Report on Operations at 31 March 2016.

INCOME STATEMENT AT 31 MARCH 2016

Astaldi Group's total revenue for Q1 2016 amounted to EUR 632.6 million, up by 4.6% (EUR 604.6 million in Q1 2015), with operating revenue accounting for 94% and other revenue for the remaining 6%.
Italy (18.4% of operating revenue) showed a trend in line with forecasts which reflected a still none-too-favourable situation for the Infrastructures segment, partially offset by the progressive performance of some contracts (Quadrilatero Marche-Umbria road network, Line 4 of Milan underground, new hospital in Naples) and by contributions related to operations of the subsidiary NBI (Plant Engineering) and the management of some concession projects (New Hospitals in Tuscany).
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 key operating targets achieved in Turkey during the early part of the year (substantial progress of the Third Bosphorus Bridge in March and the Izmit Bay Bridge in April), as well as the positive trend of projects in Russia (WHSD in St. Petersburg, M-11 Moscow-St. Petersburg motorway) and in Poland (John Paul II Krakow-Balice International Airport, S-8 National Road, S-5 National Road). America (29.4% of operating revenue) benefitted from the increase in activities in Canada (for progress on the Muskrat Falls Hydroelectric Project, more than 45% of which has already been completed) and the positive performance of contracts in Chile (Chuquicamata mine and West Metropolitan Hospital and Arturo Merino Benìtez International Airport in Santiago). The

Maghreb (6.4% of operating revenue) confirmed the contribution from railway projects in progress (Saida-Moulay Slissen, Saida-Tiaret), while the Far East and Middle East (1% of operating revenue) benefitted from the progress of railway projects in Saudi Arabia (Jedda and KAEC HS stations) and from the start-up of preliminary activities for performance of the new contract in Indonesia (Upper Cisokan Pumped Storage Plant).
Construction generated 99.2% of operating revenue, while the remaining 0.8% is referable to Concessions.

Production costs totalled EUR 440.3 million (+5.7%, EUR 416.4 million for Q1 2015), with a 69.6% incidence on total revenue. Personnel expenses totalled EUR 115.9 million (+7.8%, EUR 107.5 million in March 2015), with an 18.3% incidence on total revenue. On the whole, the cost structure reflected the quarter's production volumes as well as 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).

EBITDA totalled approximately EUR 88 million (+6.2%, EUR 82.6 million in March 2015), with an EBITDA margin of 13.9% (13.7% in Q1 2015). The result was a marked increase in margins compared to Q4 2015, to be attributed to the increasing presence of EPC contracts among projects in progress that are more remunerative compared to traditional contracts. The quarterly figures also included EUR 17 million (EUR 10.1 million in Q1 2015) income from equity investments in joint ventures, SPVs and associate companies, 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).

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

Pre-tax profit totalled EUR 33 million (EUR 37.1 million at 30 March 2015). This resulted in a 2.7% increase in the quarter's net profit to EUR 23.9 million (EUR 23.3 million at 30 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 amounted to EUR 902.9 million (EUR 957.9 million at 31 December 2015).
Working capital totalled EUR 965.3 million (EUR 689.5 million at 31 December 2015) and showed a cyclical trend which sees this balance sheet item increasing and reaching its highest level in the first part of the year, before experiencing re-absorption during the rest of the year. Therefore, the quarter's growth is mostly related to the increase in Contract works in progress linked to the production volumes of some foreign projects in progress (especially in Russia, Canada and Poland) and, more generally, to the support guaranteed for production.
Net invested capital totalled EUR 1,842.3 million (EUR 1,625.6 million for 2015), as a result of the trends already detailed.
Total equity amounted to EUR 604 million (EUR 637 million at the end of 2015) and was affected by the changes in translation and cash flow hedge reserves.

Total net financial debt at 30 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 for production.

Technical investments made during the first three months 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).
Concession investments totalled approximately EUR 11.5 million. This figure mostly included semi-equity paid into SPvs related to concession projects of the Etlik Integrated Health Campus in Ankara in Turkey (EUR 6 million) and Line 4 of the Milan underground in Italy (EUR 3.1 million).

ORDER BACKLOG

The order backlog in progress increased to EUR 18.2 billion (EUR 17.8 billion in December 2015), with the contribution of new orders totalling EUR 1 billion, to be linked mainly to contracts in Chile (West Metropolitan Hospital in Santiago) and Poland (Rzeszów waste-to-energy plant). 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 expectations than traditional contracts. Italy accounts for 28% of orders, while International accounts for the remaining 72% of the backlog, mainly the Rest of Europe and America. If we are to include EUR 10.3 billion of options and contracts that have been secured but yet to be signed or financed, the total order backlog amounts to EUR 28.5 billion, 35% of which refers to Italy and the remaining 65% to international projects.

EVENTS AFTER THE REPORTING PERIOD

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.

Also in April, two important operating targets were achieved in Turkey. 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.

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 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 envisages focus on the main lines of action singled out in the 2016-2020 Strategic Plan, approved today by the Board of Directors. As already mentioned, the drivers the management will concentrate on in order to create value over the next five years will be sustainable growth and strengthening of the financial and organisational structures. The prime aim will be to ensure sustainability of all the set targets, reducing debt and adapting the organisation structure to the efforts requested.

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Presentation of the 2016-2020 Strategic Plan and Consolidated Results at 31 March 2016 will be published on www.astaldi.com upon the presentation to the financial market scheduled for Wednesday 11 March 2016.

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The manager in charge of Financial Reporting, Paolo Citterio, Astaldi's General Manager – Administration and Finance, hereby declares, pursuant to subsection 2 of Article 154-bis of the Finance Consolidation Act that the accounting information contained herein tallies with accounting documents, ledgers and entries.

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ASTALDI GROUP is one of the leading General Contractors in Italy and one of the top 25 at a European level in the Construction sector where it is also a sponsor of project finance initiatives. It has been active for 90 years at an international level and is present on the market, developing complex and integrated projects involving the design, construction and operation of public infrastructures and large-scale engineering works, mainly in the following segments: Transport Infrastructures, Energy Production Plants, Civil and Industrial Construction and Facility Management, Plant Design and Management of Complex Systems. It has been listed on the Stock Exchange since 2002 and is 92nd in the list of global contractors. It ended 2015 with a total backlog of more than EUR 28 billion, including additional projects secured and being finalised, and a turnover of EUR 2.9 billion. It has approximately 11,000 employees in Italy, Europe (Poland, Romania and Russia) and Turkey, Africa (Algeria), North America (Canada and the USA), Latin America (Chile, Peru, Venezuela and Central America), the Middle East (Saudi Arabia and Qatar) and the Far East (Indonesia).

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Attachments

Reclassified consolidated income statement

(EUR/000)

	31/03/2016	*% of total revenue*	31/03/2015	*% of total revenue*
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%
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

(EUR/000)

	31/03/2016	31/12/2015
Intangible assets	45,188	47,108
Property, plant and equipment	202,476	210,802
Equity investments	549,475	578,997
Other net non-current assets	105,800	121,041
Non-current assets (A)	902,939	957,948
Inventories	72,405	70,676
Contract work in progress	1,375,585	1,242,991
Trade receivables	44,378	30,928
Amounts due from customers	579,292	662,066
Other assets	204,545	166,197
Tax receivables	136,497	138,645
Payments on account from customers	(388,591)	(411,459)
Subtotal	2,024,111	1,900,043
Trade payables	(64,380)	(75,173)
Payables to suppliers	(758,939)	(809,006)
Other liabilities	(235,534)	(326,404)
Subtotal	(1,058,853)	(1,210,583)

Working capital (B)	965,258	689,460
Employee benefits	(9,242)	(8,057)
Non-current portion of provisions for risks and charges	(16,609)	(13,794)
Total Provisions (C)	(25,852)	(21,851)
Net invested capital (D) = (A) + (B) + (C)	1,842,345	1,625,557
Cash and cash equivalents	462,813	611,263
Current financial receivables	18,903	33,226
Non-current financial receivables	284,131	274,832
Securities	1,096	1,153
Current financial liabilities	(645,037)	(678,276)
Non-current financial liabilities	(1,416,221)	(1,272,631)
Net financial liabilities (E)	(1,294,315)	(1,030,434)
Financial assets from concessions	55,989	41,907
Total financial liabilities (F)	(1,238,326)	(988,526)
Equity attributable to owners of the parent	(598,873)	(631,405)
Equity attributable to non-controlling interests	(5,146)	(5,626)
Equity (G) = (D) - (F)	604,019	637,031

Consolidated Cash Flow Statement

(EUR/000)

	31/03/2016	31/03/2015
A) Cash flow absorbed by operating activities	(263,852)	(178,943)
B) Cash flow absorbed by investment activities	(11,291)	(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