(Translation from Italian original which remains the definitive version – Translation under review)

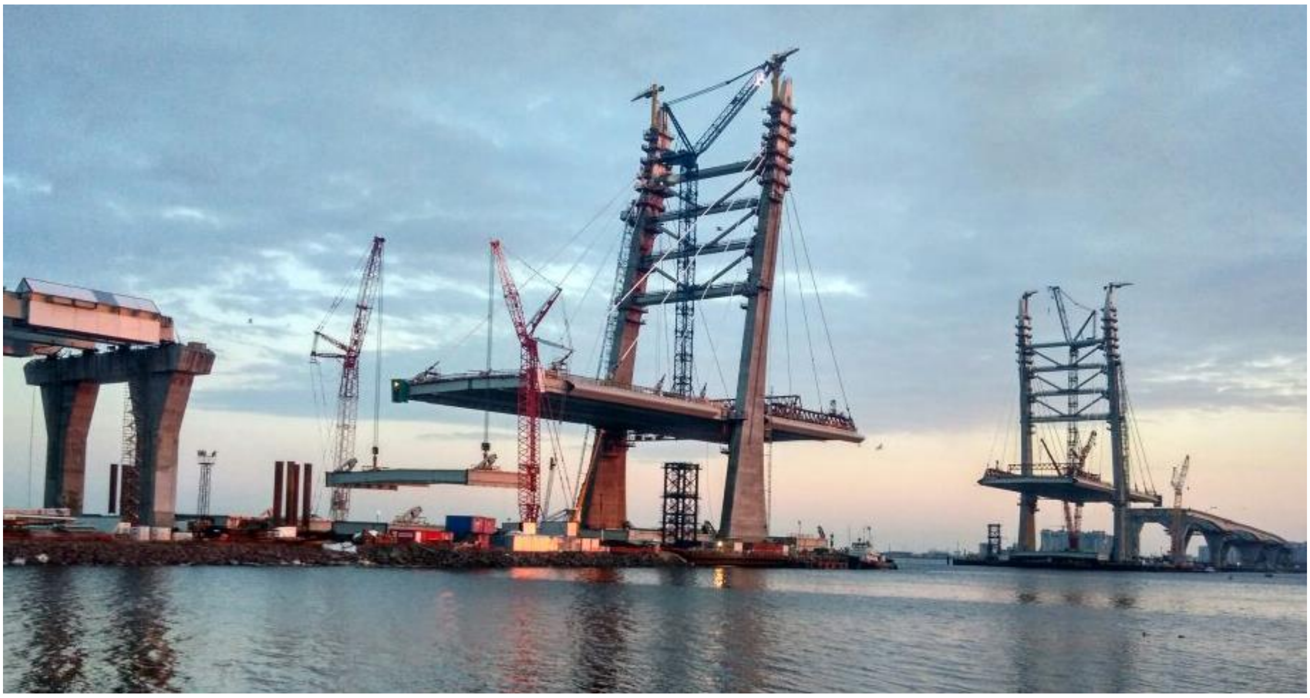
Consolidated Interim Financial Report
At 30 June 2016

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

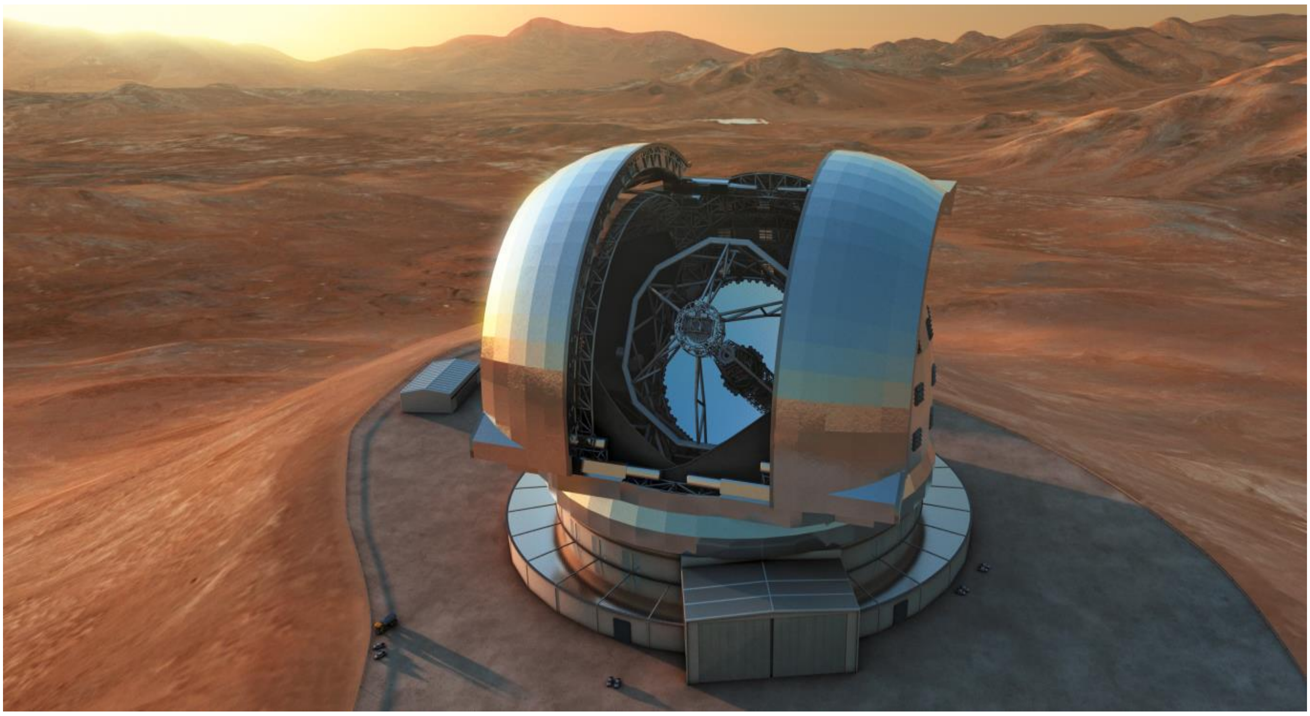
Contents

MISSION

Astaldi's mission is to contribute to the development and wellbeing of the countries where it operates, adopting its own style, which sees design, construction and multi-year operation of major infrastructures go hand in hand with integration with the territory and the technical and managerial training of the people involved. Astaldi translates ideas into reality, meeting the needs of its own customers and opening new paths to progress by constructing distinctive, state-of-the-art works able to combine functionality and aesthetic beauty. Astaldi is representative of Italy as regards infrastructures. It has long exported technology, know-how and innovative solutions for customers throughout the world, with an approach to dialogue which leads to the creation of a real partnership with customers. Astaldi contributes to the affirmation of Italy's excellence the world over, cultivating talent and optimising brilliance, through an ongoing creation process in Italy and abroad.



RUSSIA, WHSD IN ST. PETERSBURG (Korabelny Bridge) – Built using a complex seabed foundation system.



CHILE, ESO PROJECT (E-ELT European Extremely Large Telescope) – The planet's largest optical telescope.

General Information

Corporate Bodies

(As at draft date of Consolidated Interim Financial Report)

BOARD OF DIRECTORS

Chairman
Paolo Astaldi

Deputy Chairmen
Ernesto Monti
Michele Valensise

Chief Executive Officer
Filippo Stinellis

Directors
Caterina Astaldi
Paolo Cuccia
Piero Gnudi
Chiara Mancini
Nicoletta Mincato

GENERAL MANAGEMENT

Administration & Finance
Paolo Citterio

Domestic Area
Marco Foti

International Area
Cesare Bernardini
Francesco Maria Rotundi
Filippo Stinellis

Industrial Services
Mario Lanciani

INDEPENDENT AUDITORS

KPMG S.p.A.

HONORARY CHAIRMAN

Vittorio Di Paola

BOARD OF STATUTORY AUDITORS

Paolo Fumagalli[1] (*Chairman*)

Standing Auditors
Anna Rosa Adiutori
Lelio Fornabaio
Alternate Auditors
Andrea Lorenzatti[2]
Giulia De Martino
Francesco Follina

CONTROL AND RISKS COMMITTEE

Nicoletta Mincato (*Chairwoman*)
Paolo Cuccia
Ernesto Monti

APPOINTMENTS AND REMUNERATION COMMITTEE

Piero Gnudi (*Chairman*)
Ernesto Monti
Paolo Cuccia

RELATED PARTIES COMMITTEE

Chiara Mancini (*Chairwoman*)
Paolo Cuccia
Nicoletta Mincato

[1] Auditor appointed through slates submitted by minority shareholders.

[2] Auditor appointed through slates submitted by minority shareholders.

Summarised Data

INCOME STATEMENT
(Figures shown in EUR/000)

	HY1 2016	% on total revenue	**HY2 2015(*)**	% on total revenue	YOY change (%)	**HY1 2015(*)**	% on total revenue	YOY change (%)
Total revenue	1,400,436	100.0%	1,463,277	100.0%	*-4.3%*	1,391,672	100.0%	*+0.6%*
EBITDA	199,580	14.3%	141,381	9.7%	*+41.2%*	213,807	15.4%	*-6.7%*
EBIT	159,807	11.4%	101,933	7.0%	*+56.8%*	174,298	12.5%	*-8.3%*
EBT	64,270	4.6%	22,284	1.5%	*+188.4%*	89,190	6.4%	*-27.9%*
Net profit from continuing operations	48,837	3.5%	16,197	1.1%	*+201.5%*	62,089	4.5%	*-21.3%*
Net profit/(loss) from discontinued operations	*(18,075)*	*-1.3%*	*1,608*	*0.1%*	*n.a.*	*(388)*	*0.0%*	*n.a.*
Net profit attributable to owners of the Parent	**31,509**	2.2%	**18,490**	1.3%	***+70.4%***	**62,387**	4.5%	***-49.5%***

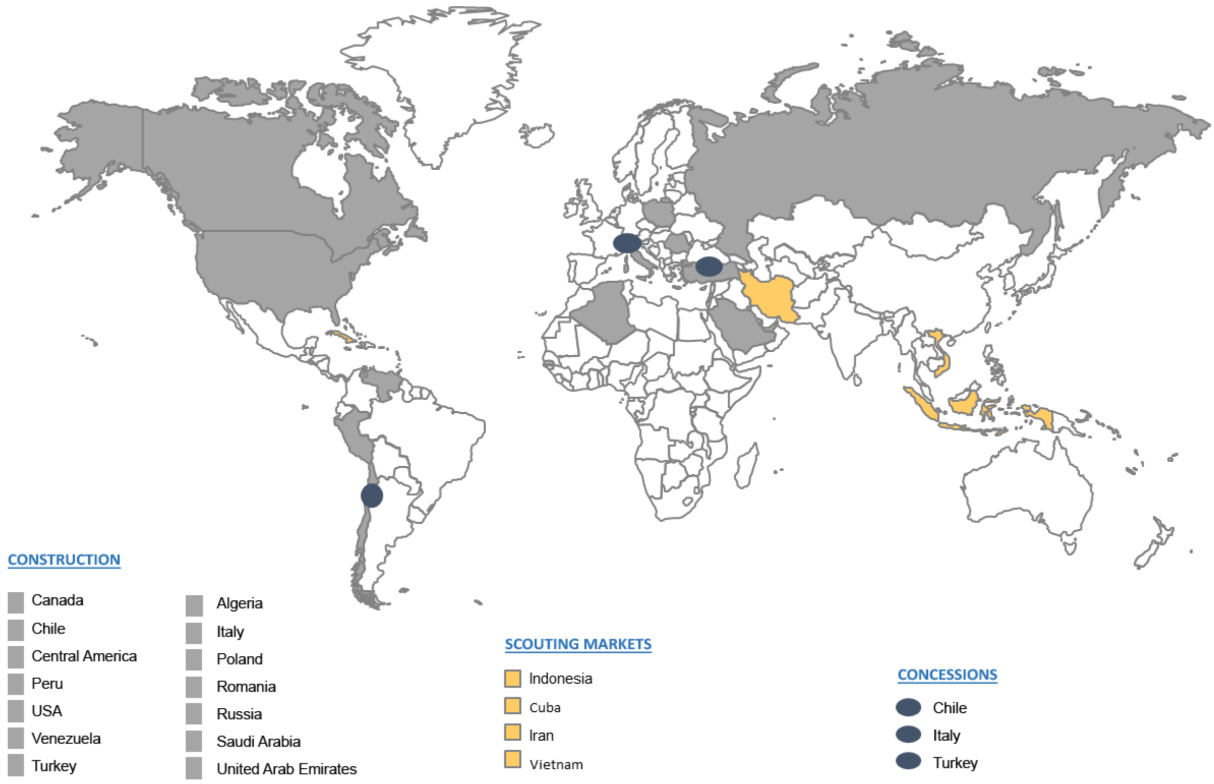
(*) HY1 2015 and HY2 2015 figures referring to the jointly-controlled company Re.Consult Infrastrutture S.p.A. were restated in compliance with the provisions contained in IFRS 5 "*Non-current Assets Held for Sale and Discontinued Operations*".

STATEMENT OF FINANCIAL POSITION
(Figures shown in EUR/000)

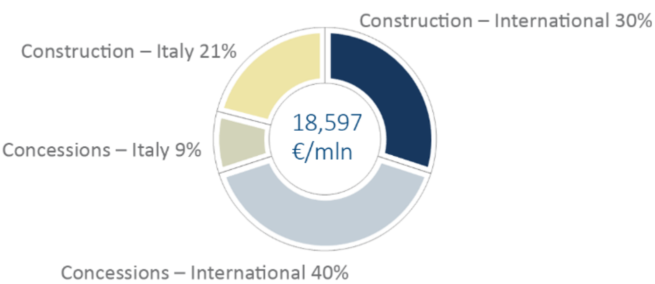
	30.06.2016	**31.12.2015**	**30.06.2015**
Total net non-current assets	980,473	957,948	900,359
Operating working capital	1,010,246	689,460	870,009
Total provisions	(22,238)	(21,851)	(22,769)
Net invested capital	1,968,481	1,625,557	1,747,599
Total loans and borrowings / loan assets*	(1,378,430)	(988,526)	(1,113,897)
Equity attributable to owners of the Parent	585,047	631,405	627,407
Total Equity	590,051	637,031	633,702

(*) Figure including treasury shares in portfolio equal to EUR 4.3 million at 30 June 2016, EUR 5.8 million at 31 December 2015 and EUR 4.6 million at 30 June 2015.

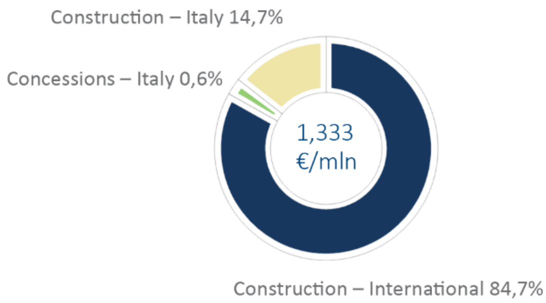
Astaldi Group worldwide



Order Backlog by geographical segment



Revenue by geographical segment



Interim Report on Operations

TURKEY, GEBZE-ORHANGAZI-IZMIR MOTORWAY (Izmit Bay Bridge) – The world's 4th longest suspension bridge.

CHILE, ARTURO MERINO BENÍTEZ INTERNATIONAL AIRPORT, SANTIAGO – Phase 1 in operation since October 2015.

Introduction

Astaldi Group's Consolidated Interim Financial Report at 30 June 2016 comprises the Interim Report on Operations, Condensed Interim Consolidated Financial Statements, and Certification issued by the CEO and Manager in charge of Financial Reporting (hereinafter also referred to as "Management Certification").

Astaldi Group's Consolidated Interim Financial Report at 30 June 2016 has been drafted pursuant to Article 154-*ter* of the "Consolidated Finance Act" (Italian Legislative Decree No. 58 of 24 February 1998, as subsequently amended). It was also compiled by applying the same accounting standards adopted for the Annual Financial Report at 31 December 2015, except for those coming into effect as from 1st January 2016 for which the section entitled "*Newly-issued and endorsed accounting standards and interpretations, in force from 1st January 2016*" found in the Condensed Interim Consolidated Financial Statements should be referred to.

Operating performance

HY1 2016 offered confirmation of **a commercial and industrial trend in line with set targets**. The validity of planning can be seen in the **achievement of key commercial and industrial targets** whose positive effects on the Group's financial performance will already start to be experienced during the second half of the year. Specifically, the first half of the year saw **the completion of some key works** and **major intensification of commercial activities**, as well as issue of the new 2016-2020 Strategic Plan which defined the Group's commercial, economic and financial targets for the next five years. Following the approval of the new Business Plan, the covenants and the commitments taken on by the Group related to current corporate loans have been lined up to the new targets, a condition aimed at guaranteeing the flexibility needed to accompany planned growth.

Excellent results were achieved as regards the performance of works. As regards Turkey, **Izmit Bay Bridge was completed** (May) and **operation of Phase 1 of the Gebze-Orhangazi-Izmir Motorway started up** (June), with **average traffic flows already of 23,000 vehicles per day**; **opening of the Third Bosphorus Bridge is also forthcoming**. As regards Italy, the new hospital in Massa-Carrara was opened (January), with consequent start-up of operating activities, the new Police Officers' Academy in Florence was consigned to the Carabinieri (April) and national road SS-318 - Pianello-Val Fabbrica section - relative to the Quadrilatero Marche-Umbria Road Network was opened to traffic (July).

At a commercial level, **new orders totalling over EUR 2 billion** were acquired, result of the Group's integrated supply capacity and encourage the creation of an order backlog with a risk profile and financial trends already established during acquisition and in line with the planned growth targets. All the new contracts secured during the first half of the year fit this profile. These include:

- Brenner Railway Tunnel (Italy), for construction of the **Italian section of the world's largest tunnel**;
- ESO Project (Chile), for construction of the E-ELT *European Extremely Large Telescope*, **the largest optical telescope in the world**;
- Chuquicamata (Chile), with an additional contract for **underground expansion of the world's largest open-pit copper mine**;
- Zakopianka Tunnel (Poland), for construction of the **country's longest bored road tunnel**.

ITALY, POLICE OFFICERS ACADEMY, FLORENCE – One of the largest military constructions in Europe.

ITALY, «QUADRILATERO MARCHE-UMBRIA» ROAD NETWORK – Opened to traffic in July 2016.

In addition to Construction segment acquisitions, the new orders and options secured in the Concessions segment were as follows:

- West Metropolitan Hospital in Santiago (Chile), contract already secured in the past but included among new orders for HY1 2016 following financial closing (structured on a non-recourse basis for Astaldi Group);
- Punilla Hydroelectric Project (Chile), included among options for HY1 2016 following awarding of the contract and pending financial closing.

It must be recalled that the 2016-2020 Strategic Plan gives **the Concessions segment a supporting role in the Group's growth**, but **with a different approach from the past**. Indeed, Astaldi aims to favour a project development model similar to that already implemented for Arturo Merino Benítez International Airport in Santiago de Chile, in other words with a non-controlling investment in the SPVs and a greater investment in construction contracts related to the projects, thus meaning a significantly reduced investment in terms of invested capital compared to the past. This goal is pursued through a consequent governance system already implemented during the acquisition phase or, subsequently, thanks to the involvement of qualified shareholders.

As regards commercial policies, it must also be noted that the Group will examine, conservatively and consistently with respect to the guidelines of the Strategic Plan, the possibility of expansion also by external lines, with a similar procedure and parameters already applied, for example for the «Quadrilatero Marche-Umbria» Road Network.

While from a financial viewpoint, it should be noted that, further to approval of the new strategic plan, a scheme to share set targets for 2016-2019 with lending banks was embarked on, aimed at realigning the Group's undertakings with planned growth. This resulted in approval **of new covenant levels, able to guarantee Astaldi Group the flexibility needed to accompany the next growth phase.** Moreover, **key operating targets were achieved which will promote a lower level of financial commitment for the Group** as from the second half of the year, in other words:

- closing of USD 770 million loan (structured on non-recourse base for the Group) for construction of the West Metropolitan Hospital and Arturo Merino Benítez International Airport in Santiago de Chile;
- completion of Phase 1 of Gebze-Orhangazi-Izmir Motorway which will mean a lower level of financial commitment for the Group insofar as refinancing of Phase 2 of the works in 2015 is able to guarantee the funding needed to complete the works;
- acquisition of key contracts which, as mentioned above, feature autonomous financial profiles and envisage contractual advances.

Asset disposal activities also continued. Indeed, it must be recalled that, as per the 2016-202 Strategic Plan, Astaldi Group is involved in a coordinated programme to dispose of some concession assets no longer considered to be of strategic interest. To this end, the procedure to dispose of the investment in Re.Consult Infrastrutture S.p.A. – a company through which Astaldi holds a stake in A4 Holding, the concession holder, inter alia, for the Brescia-Padua-Verona-Vicenza Motorway - went ahead during the first half of the year. In this regard, it must be noted that the Group's accounts already reflect the financial effects of the disposal, but not the financial benefits, which will start to be seen in Q3 2016. The activities of the **task force dedicated to optimising working capital management** also continued, the effects of which will start to be seen as from HY2 2016.

Lastly, as regards some issues subject to ongoing monitoring, the following must be noted:

- In **Canada**, a bridge agreement was signed with the Customer (NALCOR) in July regarding the definition, expected by the end of 2016, of new conditions for the contract involving construction of the Muskrat Falls Hydroelectric Plant. This agreement, which provides for an extension of the contract duration and increase in the contractual amount in order to allow works to go ahead, represents a positive step towards resolving the issues this contract has experienced. The aforementioned agreement provides for the availability of additional funding to be invested in the contract as part of the aforementioned overall solution. Astaldi will continue to perform works in line with the new works schedule. In this regard, it must be noted that the construction contract being performed by Astaldi forms part of a much broader Muskrat Falls project for which the Customer has already publicly made known a review of costs and timeframe for the complete project;

- In **Turkey**, there are no problems that negatively affect construction and operating activities in this Area (motorways, healthcare construction), even following recent events. Therefore, the forthcoming opening of the Third Bosphorus Bridge can be confirmed. While, as regards the concession asset disposal strategy, it must be recalled that the recently-approved Strategic Plan provides for a disposal and valorisation procedure of the Turkish assets following the final completion of works and, hence, not prior to 2017;
- In **Venezuela**, the standstill of works in progress (railway projects) is confirmed pending a scenario able to guarantee greater stability for the activities in progress.

Hence Astaldi Group ended HY1 2016 with **sound economic and financial results, in line with set targets**, even if penalised on a YOY basis by the ongoing impact of the neutralisation of margins related to the Muskrat Falls Hydroelectric Plant (Canada) precautionary started up in HY2 2015. Moreover, the current industrial phase has still to benefit from start-up of the most recent acquisitions in Italy and abroad, the full effects of which will be seen during the second part of the year with consequent realignment of values to plan targets. Therefore, in order to guarantee coherent interpretation of the half year's operating performance, the Group's performance will be analysed, where necessary, by comparing the period in question with both the first and the second half of 2015.

Total revenue at 30 June 2016 amounted to EUR 1.4 billion (+0.6%, compared to EUR 1.39 billion in HY1 2015); operating revenue accounted for 95% of the half-yearly figure, equal to EUR 1.3 billion (largely in line with HY1 2015) and other operating revenue for the remaining 5%, in other words ancillary revenue equal to EUR 67.5 million (+16%, compared to EUR 582 million for HY1 2015). **Earnings were solid** meaning (i) an **EBITDA margin of 14.3%,** down on the 15.4% seen in June 2015, but a marked improvement on the 9.7% recorded for HY2 2015, and (ii) an **EBIT margin of 11.4%**, compared to 7% in HY2 2015 and 12.5% in HY1 2015. **Net profit from continuing operations totalled EUR 48.8 million** which meant an increase of 201.5% compared to EUR 16.2 million in HY2 2015, even if there was a drop of 21.3% compared to EUR 62.1 million in HY1 2015 as a result of the aforementioned dynamics. **Consolidated net profit totalled EUR 31.5 million**, which means a 70% increase compared to EUR 18.5 million in HY2 2015, even if the drop compared to EUR 62.4 million in HY1 2015 was equal to 49.5%. The **half-yearly figure included a loss of EUR 18.1 million from discontinued operations** which referred to the economic effects (income items and fair value) of the aforementioned disposal of A4 Holding, included in the half-yearly accounts insofar as considered to be a highly probable transaction within the next 12 months. It must be noted that while including the economic effect of disposal of A4 Holding, the half-yearly figure did not benefit from the relative receipts expected by the end of September 2016.

Total net financial debt increased to EUR 1,374 million (EUR 1,109 million at 30 June 2015 and EUR 983 million at 31 December 2015) mainly as a result of support guaranteed, especially in Turkey for completion of Phase 1 of the Gebze-Orhangazi-Izmir Motorway including Izmit Bay Bridge and the Third Bosphorus Bridge. **The half-yearly trend is in line with the financial upturn forecast for 2016 and is in keeping with the situations that the Group's covenants** and financial undertakings to cover current loans **are based on**. It must be recalled that the six-monthly figures did not include the positive effects related to sale of the investment in A4 Holding, forecast for the second part of the year, and to receipts for the first financial milestones of the Brenner Railway Tunnel contract in Italy. Said effects make it possible to forecast an improvement in debt levels in HY2 2016; even more so if we consider that, normally, the second half of the year benefits from an improvement in working capital.

The total order backlog stands at approximately EUR 29 billion, with approximately EUR 19 billion of orders in progress and EUR 10 billion of additional potential contracts (options, first classified, contracts secured but pending financing, etc.). **New orders during the first half of the year totalled over EUR 2 billion**, mainly attributable to the Transport Infrastructures, Civil Construction and Plant Engineering segments and help to consolidate the balanced geographical diversification of activities.

Please refer below for a detailed analysis of the half-yearly trends that characterised the Group's individual Income Statement and Statement of Financial Position figures and financial structure.

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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 indicators not provided for in the IFRS (International Financial Reporting Standards), whose specific components are described below.

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

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

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

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

Net financial position. This is obtained by subtracting non-current loan assets and financial assets from concession activities, as well as 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 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 financial assets 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 Communication 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 EBIT and net invested capital.

Breakdown of Economic and Operating Results at 30 June 2016

INCOME STATEMENT
(Figures shown in EUR/000)

	HY1 2016	% on total revenue	**HY2 2015(*)**	% on total revenue	YOY change (%)	**HY1 2015(*)**	% on total revenue	YOY change (%)
Total revenue	1,400,436	100.0%	1,463,277	100.0%	*-4.3%*	1,391,672	100.0%	*+0.6%*
EBITDA	199,580	14.3%	141,381	9.7%	*+41.2%*	213,807	15.4%	*-6.7%*
EBIT	159,807	11.4%	101,933	7.0%	*+56.8%*	174,298	12.5%	*-8.3%*
EBT	64,270	4.6%	22,284	1.5%	*+188.4%*	89,190	6.4%	*-27.9%*
Net profit from continuing operations	48,837	3.5%	16,197	1.1%	*+201.5%*	62,089	4.5%	*-21.3%*
Net profit (loss) from discontinued operations	*(18,075)*	*-1.3%*	*1,608*	*0.1%*	*n.a.*	*(388)*	*0.0%*	*n.a.*
Profit attributable to owners of the Parent	**31,509**	2.2%	**18,490**	1.3%	***70.4%***	**62,387**	4.5%	***-49.5%***

(*) HY1 2015 and HY2 2015 figures referring to the jointly-controlled company Re.Consult Infrastrutture S.p.A. were restated in compliance with the provisions contained in IFRS 5 "*Non-current Assets Held for Sale and Discontinued Operations*".

PRODUCTION

HY1 2016 ended with **consolidated total revenue of approximately EUR 1.4 billion** (+0.6%, compared to EUR 1.39 billion at 30 June 2015), comprising EUR **1.33 billion (95% of total) of operating revenue** and the remaining **EUR 67.5 million (5% of total) of other operating revenue** (respectively, EUR 1.33 billion and EUR 58.2 million in HY1 2015).

In a YOY comparison, the six-monthly trend was negatively affected by completion – substantial or total – of some key contracts in Italy (Jonica National Road, Line 5 of Milan Underground, Pedemontana Lombarda Motorway, new hospital in Naples ("Ospedale del Mare")), still to be offset by the start-up of new acquisitions scheduled for HY2 2016. In any case, the Group's ability to constantly achieve top results can be confirmed, further reinforcing its long-standing track record. In fact, the contributions to production of the various areas the Group works in confirm a **balanced geographical diversification of business activities** thanks to the strategic choices implemented, with contribution to revenue **specifically from Europe (Turkey, Russia, Poland, Romania)**, **North America (Canada, United States)**, **South America (Chile, Peru)** and **Africa (Algeria)**. **Italy continued to make a significant contribution**, albeit a smaller one as a result of the country's situation still experiencing recovery difficulties. Indeed, its contribution to total revenue in HY1 2016 amounted to approximately EUR 212 million (including other operating revenue) which makes Italy the number-two contributor to this income statement item.

Other operating revenue increased by approximately 16% and mainly referred to Turkish projects (especially the Third Bosphorus Bridge).

BREAKDOWN OF REVENUE BY SEGMENT

The breakdown according to segment confirms the Group's specialisation in Construction. However, it must be recalled that given the governance model implemented for concession projects – which provides for non-controlling investments in SPVs which does not envisage for full consolidation of the relative equity investments – the Concession segment's results are mainly entered as EBITDA under «Shares and profit from joint ventures, SPVs and associates».

OPERATING REVENUE BY SEGMENT
(Figures shown in EUR/millions)

(EUR/millions)	30.06.2016	%	30.06.2015	%	YOY change (%)
CONSTRUCTION	**1,325**	**99.4%**	**1,323**	**99.2%**	**0.2%**
Transport Infrastructures	892	66.9%	937	70.3%	-4.8%
Railways and undergrounds	*239*	17.9%	*307*	*23.0%*	*-22.1%*
Roads and motorways	*635*	47.6%	*582*	*43.7%*	*9.1%*
Ports and airports	*18*	1.4%	*48*	*3.6%*	*-62.5%*
Hydraulic and Energy Production Plants	177	13.3%	200	15.0%	-11.5%
Civil and Industrial Construction	143	10.7%	105	7.9%	36.2%
Facility Management, Plant Engineering and Management of Complex Systems	113	8.5%	81	6.1%	39.5%
CONCESSIONS	**8**	**0.6%**	**10**	**0.8%**	***-20.0%***
TOTAL OPERATING REVENUE	**1,333**	**100.0%**	**1,333**	**100.0%**	**0.0%**

Construction. Construction accounted for 99.4% of operating revenue, equal to approximately EUR 1.33 million (respectively, 99.2% and 1.32 million in HY1 2015), with the major contribution coming above all from **Transport Infrastructures (67% of operating revenue)** and **Hydraulic and Energy Production Plants (13% of operating revenue)**. Specifically, Transport Infrastructures comprised the Road and Motorways segment which recorded the progress of projects in Turkey (Third Bosphorus Bridge, Gebze-Orhangazi-Izmir Motorway), Russia (WHSD in St. Petersburg, M-11 Moscow-St. Petersburg Motorway), Poland (especially the Wisniewo-Mezenin section of the S-8 National Road) and Italy (Quadrilatero Marche-Umbria Road Network). A good performance was also recorded in the Railways and Undergrounds segment, thanks especially to the progress of railway contracts in Algeria (Saida-Moulay Slissen, Saida-Tiaret) and some contracts in progress in Romania (Line 4 of Bucharest Underground) and Italy (Line 4 of Milan Underground, Naples-Afragola HS Railway Station). The Ports and Airports segment saw the start-up of work to construct the Santiago Airport (Chile), progress on John Paul II Krakow-Balice Airport (Poland), completion of Amendola Military Airport (Italy), and progress on Taranto Port (Italy). **Hydraulic and Energy Production Plants accounted for 13.3% of operating revenue,** equal to EUR 177 million, basically referring to progress on the Muskrat Falls Hydroelectric Plant (Canada) and Cerro del Águila Hydroelectric Project (Peru). **Civil and Industrial Construction accounted for 10.7% of operating revenue** (EUR 143 million), thanks to projects in progress in the hospital segment in Italy (new hospital in Naples), Turkey (Etlik Integrated Health Campus in Ankara) and Chile (West Metropolitan Hospital in Santiago), and the contribution from T.E.Q., an investee company operating in Canada. The **Facility Management, Plant Engineering and Management of Complex Systems segment generated 8.5% of operating revenue**, equal to EUR 113 million and included the good results of NBI (in Italy and abroad) and progress on works for the Chuquicamata Mine (Chile).

Concessions. Concessions generated 0.6% of operating revenue, equal to approximately EUR 8 million (respectively, 0.8% and EUR 10 million in HY1 2015), mainly attributable to the contribution of operating activities of the four hospitals in Tuscany (Italy). It must be recalled, as already mentioned, that as a result of current accounting standards and the size of the Group's equity investments in concession projects, the results of the relative SPVs do not contribute to operating revenue, but are included among EBITDA as «Shares of profit/(loss) from Joint Ventures, SPVs and associates», as better described in the section «Margins and Earnings».

BREAKDOWN OF REVENUE BY GEOGRAPHICAL AREA

This half-year once again confirmed the progressive increase in **International** activities which accounted for **approximately 85%** of operating revenue, equal to EUR 1,129 million (+4.2% compared to 1,084 million in HY1 2015), thanks above all to the progress of EPC Contracts[3] lined to concession projects in Turkey and Chile, and to the good results seen in the rest of Europe (Russia, Poland, Romania), America (Canada, United States, Peru, Chile) and Algeria. Italy accounted for approximately 15% of revenue, with a contribution of EUR 204 million (respectively 19% and EUR 249 million in HY1 2015); even given this performance, Italy is the absolute number-two contributor as regards operating revenue.

OPERATING REVENUE BY GEOGRAPHICAL AREA
(Figures shown in EUR/millions)

	30.06.2016	%	30.06.2015	%	YOY change (%)
ITALY	**204**	**15.3%**	**249**	**18.7%**	**-18.1%**
INTERNATIONAL	**1,129**	**84.7%**	**1,084**	**81.3%**	**4.2%**
Rest of Europe	610	45.8%	623	46.7%	-2.1%
America	415	31.1%	388	29.1%	7.0%
Asia (Middle East)	12	0.9%	21	1.6%	-42.9%
Africa (Algeria)	92	6.9%	52	3.9%	76.9%
TOTAL OPERATING REVENUE	**1,333**	**100.0%**	**1,333**	**100.0%**	**0.0%**

Italy. The Domestic Area generated approximately 15% of the half year's operating revenue. The figure included the progress made on the Quadrilatero Marche-Umbria Road Network and in the healthcare construction segment regarding progressive completion of the new hospital in Naples and operating activities related to the four hospitals in Tuscany as well as the positive progress of the Railway segment, in particular as regards Line 4 of the Milan Underground and Naples-Afragola HS Railway Station. It is worth to note the positive contribution given by the activities of NBI, the Group's company specialised in Plant Engineering and Facility Management.

International. The International Area saw excellent performance of projects in **Europe**, thanks above all to the contribution from Turkey (Third Bosphorus Bridge, Gebze-Orhangazi-Izmir Motorway, Etlik Integrated Health Campus in Ankara), Russia (WHSD in St. Petersburg, M-11 Moscow-St. Petersburg Motorway) and Poland (Wiśniewo-Meżenin section of S-8 National Road, Wroclaw-Poznań section of S-5 National Road, Line 2 of Warsaw Underground), as well as the significant contribution from projects in Romania (railways and undergrounds). As regards this Area, the slight drop compared to the same period of 2015 is mainly attributable to the planned reduction following substantial completion of some projects (John Paul II Krakow-Balice

[3] EPC = *Engineering-Procurement-Construction*.

International Airport in Poland): in any case, it is felt that start-up of the most recent acquisitions in Romania and Poland will make it possible to bring production levels of the Area to those envisaged in the Plan during the second half of the year. **America** recorded an increase of around 7%, mainly thanks to the progress made on projects in Chile. The **North America** recorded the progress of railway works in Algeria and specifically the intensification of works to construct the Saida-Moulay Slissen Railway Line given the forthcoming scheduled consignment. The **Middle East and Far East** mainly saw the start-up of works in Indonesia (Upper Cisokan Pumped Storage Power Plant).

COST STRUCTURE

Production costs totalled EUR 937 million at 30 June 2016 (EUR 944 million in June 2015), with an incidence on revenue that went from 67.9% to 66.9%. In terms of percentage incidence on revenue, the six-monthly figure reflects, as in the past, the Group's specific focus on costs and the benefits arising from the implementation of a matrix organisational structure able to ensure good economies of scale. The reduction in costs is generalised in all Areas except for Chile which recorded an intensification of the current activities in the country. **Personnel expenses increased to EUR 277 million** (EUR 254 million in June 2015), mainly due to higher operational costs in certain international areas.

MARGINS AND EARNINGS

EBITDA totalled EUR 200 million, which meant an **EBITDA margin of 14.3%**. The half-yearly figures compares respectively with an absolute value of EUR 141 million and a 9.7% margin in HY2 2015 and EUR 214 million and a 15.4% margin in HY1 2015. Therefore, despite the YOY comparison showing negative differences, basically attributable to margin releases recorded in June 2015 following the completion of some contracts, HY 1 2016 showed a return to the margins the Group has always enjoyed, therefore recording a marked turnaround in the trend compared to HY2 2015 which, as already said, was mainly affected by neutralisation of the progressive margin of the contract for the construction of the Muskrat Falls Hydroelectric Plant in Canada.

EBIT, net of amortisation, depreciation, provisions and impairment, **totalled EUR 160 million** with an **EBIT margin of 11.4%**, compared respectively to an absolute value of EUR 102 million and a 7% margin in HY2 2015 and an absolute value of EUR 174 million and a 12.5% margin in HY1 2015. As already mentioned in the Annual Financial Report at 31 December 2015, the figures shown included the results of operating activities related to concession projects in progress in Italy and abroad, entered among "Share of profits of joint ventures, SPVs and associates". As regards provisions, it must be noted that the item included EUR 10 million of provisions for risks and charges, to be attributed to assessment of the whole-life economic result of some projects underway in America.

FINANCING ACTIVITIES

Net financial expense totalled EUR 95 million compared to EUR 85 million in HY1 2015. The figures were the result of opposing trends seen during the half-year, in other words:

- a positive effect resulting from the valorisation of the option related to the equity-linked bond issued in January 2013, partly offset by:
- higher costs incurred as a result of a higher average level of debt compared to the same period of 2015;
- higher costs incurred for the fluctuation of some transaction currencies other than the Euro.

PROFIT FOR THE YEAR

EBT totalled EUR 64 million (EUR 89 million in HY1 2015) with a 4.6% incidence on revenue as can be seen from the trends described above. The estimated tax rate of 24% reflects the recent measures regarding international taxation, adopted by Italy's tax administration.

Net profit from continuing operations totalled EUR 48.8 million which meant an increase of 201.5% compared to EUR 16.2 million in HY2 2015, even if there was a 21.3% drop compared to EUR 62.1 million recorded in HY1 2015 as a result of the dynamics detailed above.

There was a loss of approximately EUR 18 million from discontinued operations, a non-recurring item which includes the income items relative to the aforementioned investment in Re.Consult Infrastrutture S.p.A. (through which Astaldi holds a stake in the concession holder A4 Holding), as well as the relative fair value insofar as the disposal of said investment is considered highly probable within the next 12 months. It must be noted that said item is linked to receipt of the amount through a non-recourse transaction which allows for an earlier cash-in which, as per the contract, is to be received in instalments.

Net profit totalled EUR 31.5 million, (EUR 18.5 million in HY2 2015 and EUR 62.4 million in HY1 2015). It is important to note that the half-yearly figure, net of the non-recurring item, showed levels in line with the Group's normal performance.

Breakdown of Financial and Equity Results at 30 June 2016

STATEMENT OF FINANCIAL POSITION
(Figures shown in EUR/000)

	30.06.2016	31.12.2015	30.06.2015
Total net non-current assets	980,473	957,948	900,359
Operating working capital	1,010,246	689,460	870,009
Total provisions	(22,238)	(21,851)	(22,769)
Net invested capital	1,968,481	1,625,557	1,747,599
Loans and borrowings / loan assets *	(1,378,430)	(988,526)	(1,113,897)
Equity attributable to owners of the Parent	585,047	631,405	627,407
Equity attributable to non-controlling interests	5,004	5,626	6,295
Total Equity	590,051	637,031	633,702

(*) Figure excluding treasury shares in portfolio totalling EUR 4.3 million at 30 June 2016 and EUR 58 million at 31 December 2015 and EUR 4.6 million at 30 June 2015.

The Group's financial and equity structure in HY1 2016 was affected by the continuation of financial undertakings linked to current concession projects, but above all to the support provided for key construction works linked to said projects, and also to some construction projects for which the achievement of important financial milestones are forecast for the second part of the year.

Net non-current assets totalled EUR 980 million (EUR 958 million at 31 December 2015), and included additional equity investments in the concession project for the Gebze-Orhangazi-Izmir Motorway in Turkey, as well as equity investments linked to the concession for Arturo Merino Benítez International Airport in Santiago de Chile. The half-yearly figures also included the effects of equity accounting of the SPVs related to concession projects in progress and the normal amortisation of intangible non-current assets, mostly attributable to the net value of contractual rights acquired by third parties with regard to the contract to construct the Quadrilatero Marche-Umbria Road Network. Lastly, it must be noted that the six-monthly figure included the values related to assets held for sale, mainly referring to the aforementioned investment in Re.Consult Infrastrutture S.p.A.

Operating working capital totalled EUR 1,010 million (EUR 689 million at 31 December 2015) with the half-yearly trend affected by the above and specifically including:

- an increase in **contract work in progress** which went from EUR 1,243 million at the end of 2015 to EUR 1,493 million as a result of the higher level of international production, and, specifically in Turkey (mainly for the Third Bosphorus Bridge with opening to the public in the near future), Russia (M-11 Motorway, WHSD in St. Petersburg) and Poland (Łódź Fabryczna railway project, Wisniewo-Mezenin section of S-8 National Road, Wroclaw-Poznan section of S-5 Expressway). As regards Italy, increases were recorded in relation to the Quadrilatero Marche-Umbria Road Network and Line 4 of Milan Underground;
- **a contractual advance trend**, **characterised in this industrial phase by drainage of resources** given that receipts recorded in Chile for recent acquisitions (Chuquicamata Contract No. 3, ESO Project) during the half year were partially absorbed by progressive repayments related to contracts for the Muskrat Falls Hydroelectric Plant (Canada), WHSD in St. Petersburg (Russia) and projects in Turkey. However, it must be recalled that the half-yearly figure did not include yet the benefit forecast for the second part of the year, related to achievement of the first financial milestones for the Brenner Railway Tunnel project (Italy);
- as regards liabilities, the half-yearly trend reflected the **complete support given to Subcontractors and Suppliers** involved in the works that made the greatest contribution to operating revenue. In this regard Due to Suppliers went from EUR 809 million at 31 December 2015 to EUR 766 million at 30 June 2016.

As a result of the aforementioned trends, **net invested capital totalled EUR 1,968 million** (EUR 1,626 million at 31 December 2015). A progressive improvement in this item is forecast for the second half of the year thanks to the achievement of major financial milestones for some projects in progress, as well as receipts related to achievement of the first financial milestones of the Brenner Railway Tunnel contract in Italy and the cash settlement expected from disposal of the investment in A4 Holding.

Equity attributable to owners of the Parent amounted to EUR 585 million (EUR 631 million at 31 December 2015) and included the effects of payment of dividends in May totalling EUR 19.5 million (payment date: 11 May, ex-dividend date: 9 May). The half-yearly figure also included the negative difference in cash flow hedge reserves related above all to current hedging transactions for some concession projects in Turkey (Gebze-Orhangazi-Izmir Motorway, Etlik Integrated Health Campus in Ankara): it must be recalled that this effect is temporary and will be covered by the financial return on relative concessions. In order to make clearer how these movements are entered in accounts, a table detailing items of equity attributable to the owners of the Parent can be found below which makes it possible to see the Group's ability to increase equity through profit retention.

BREAKDOWN OF EQUITY
(Figures shown in EUR/000)

	30.06.2016	**31.12.2015**	**30.06.2015**
Share capital	195,473	195,248	195,388
Reserves	538,745	462,693	458,397
Profit for the half-year	31,509	80,876	62,387
Equity attributable to non-controlling interests	5,004	5,626	6,295
Total Equity	**770,731**	**744,443**	**722,467**
Cash flow hedge reserves	(152,668)	(77,666)	(47,172)
Translation reserves	(28,012)	(29,746)	(41,593)
Equity	**590,051**	**637,031**	**633,702**

Equity attributable to non-controlling interests totalled EUR 5 million, basically the same as the figure at 31 December 2015. This resulted in **total equity of EUR 590 million**, compared to EUR 637 million at 31 December 2015. It is pointed out that total equity would be EUR 771 million net of the aforementioned cash flow hedge reserves and translation reserves, hence greater than the amount of EUR 744 million at the end of 2015.

Consolidated net financial debt

From a strictly financial viewpoint, HY1 2016 was extremely demanding and the trend recorded reflected the aforementioned investment and working capital dynamics.

Total net financial debt amounted to EUR 1,374 million (EUR 983 million at 31 December 2015), with a progressive improvement forecast for the second half of the year on the basis of what has been outlined above. This figure does not include the positive effects, planned for the second half of the year, related to disposal of the investment in A4 Holding and receipts related to the first financial milestones of the contract for the Brenner Railway Tunnel in Italy.

It is however important to note that, in line with strategic plan actions, the cash pooling programme implemented allowed for streamlining of use of cash with a view to promoting repayment of debt and curbing peaks of use of credit facilities. Therefore, despite the financial undertakings and increase in working capital during the first six months, **gross financial debt remained largely unchanged**: indeed, it totalled EUR 2,092 million, hence not differing too much from the figure of EUR 1,951 million recorded at the end of 2015 and largely in line with the figure at the end of Q1 2016 (2,061 million).

It must also be noted that cash and cash equivalents at 30 June 2016, combined with the committed and uncommitted available credit facilities, provide the Group with the flexibility needed to cover planned financial undertakings.

It must also be recalled that, further to approval of the new strategic plan, a process was embarked on with the Group's main lending banks during the half-year aimed at aligning the covenant targets set for 2016-2019 and the commitments undertaken with current corporate credit facilities. The new covenants, defined in accordance with a principle of consistency with the Group's forecast development plans, are set at higher levels than previously and guarantee the flexibility needed to tackle the new business planning cycle.

The Debt/Equity ratio stood at 2.3x, while the Corporate Debt/Equity ratio (which excludes the share of concession-related debt in so far as self-liquidating) stood at approximately 1.3x.

BREAKDOWN OF NET FINANCIAL DEBT
(Figures shown in EUR/000)

		30/06/2016	31/03/2016	31/12/2015	30/09/2015	30/06/2015
A	Cash	327,011	462,813	611,263	464,819	423,917
B	Securities held for trading	1,189	1,096	1,153	1,032	1,026
C	**Cash and cash equivalents**	**328,200**	**463,909**	**612,416**	**465,851**	**424,943**
-	Short-term loan assets	25,262	18,903	33,226	36,291	48,991
D	**Current loan assets**	**25,262**	**18,903**	**33,226**	**36,291**	**48,991**
E	Current portion of bank loans and borrowings	(513,799)	(526,681)	(518,144)	(440,734)	(366,305)
F	Current portion of bonds	(4,252)	(16,534)	(4,535)	(16,583)	(4,424)
G	Current portion of non-current debt	(150,516)	(94,224)	(118,776)	(138,780)	(129,586)
H	Other current loans and borrowings	(6,767)	(7,598)	(36,821)	(11,735)	(11,909)
I	**Current financial debt**	**(675,333)**	**(645,037)**	**(678,276)**	**(607,831)**	**(512,224)**
J	**Net current financial debt**	**(321,871)**	**(162,225)**	**(32,634)**	**(105,690)**	**(38,291)**
K	Non-current portion of bank loans and borrowings	(528,680)	(528,662)	(384,748)	(430,913)	(436,978)
L	Bonds	(873,256)	(872,734)	(872,228)	(871,724)	(871,225)
M	Other non-current financial liabilities	(15,070)	(14,826)	(15,655)	(16,004)	(17,637)
N	**Non-current financial debt**	**(1,417,006)**	**(1,416,221)**	**(1,272,631)**	**(1,318,641)**	**(1,325,839)**
O	**Gross financial debt from continuing operations**	**(2.092.339)**	**(2,061,258)**	**(1,950,908)**	**(1,926,472)**	**(1,838,064)**
P	**Net financial debt from continuing operations**	**(1.738.877)**	**(1,578,446)**	**(1,305,265)**	**(1,424,331)**	**(1,364,130)**
Q	**Net financial debt**	**(1,738,877)**	**(1,578,446)**	**(1,305,265)**	**(1,424,331)**	**(1,364,130)**
-	Non-current loan assets	35,731	35,391	38,140	39,091	39,805
-	Subordinated loans	243,274	248,739	236,691	197,124	187,058
-	Non-current portion of financial assets from concession activities	81,442	55,989	41,907	30,606	23,370
R	**Non-current loan assets**	**360,447**	**340,120**	**316,739**	**266,821**	**250,233**
S	**Total financial debt**	**(1,378,430)**	**(1,238,326)**	**(988,526)**	**(1,157,510)**	**(1,113,897)**
	Treasury shares in portfolio	**4,336**	**5,439**	**5,814**	**5,703**	**4,579**
	Total net financial debt	**(1,374,094)**	**(1,232,887)**	**(982,712)**	**(1,151,807)**	**(1,109,318)**

Investments

Net technical investments during the first half of the year totalled approximately EUR 20 million (1.4% of total revenue), mainly referred to projects in progress in Chile (Chuquicamata) and Turkey (Third Bosphorus Bridge, Etlik Integrated Health Campus in Ankara).

Gross concession investments totalled approximately EUR 54 million, referring mainly to projects in Turkey (Etlik Integrated Health Campus in Ankara, Gebze-Orhangazi-Izmir Motorway, Third Bosphorus Bridge), Chile (Arturo Merino Benítez International Airport in Santiago) and Italy (Line 4 of Milan Underground). The result is EUR 871 million of concession investments to date (referring to Astaldi's shares of equity and semi-equity paid into SPVs linked to projects in progress, as well as the relative working capital). The half-yearly figure included EUR 81 million for the West Metropolitan Hospital in Santiago in Chile as financial assets from concessions – meaning the share of investment covered by guaranteed cash flow, as detailed in IFRIC-12. Lastly, it must be noted that the values related to the investment in Re.Consult Infrastrutture S.p.A. are included among total investments pending conclusion of the formal disposal procedure.

Consolidated Account Statements

RECLASSIFIED CONSOLIDATED INCOME STATEMENT
(Figures shown in EUR/000)

	Notes regarding reconciliation with consolidated financial statements	**30/06/2016**		**30/06/2015 (*)**	
Revenue	*1*	1,332,904	95.2%	1,333,431	95.8%
Other operating revenue	*2*	67,531	4.8%	58,241	4.2%
Total Revenue		**1,400,436**	**100.0%**	**1,391,672**	**100.0%**
Production costs	*3 – 4*	(937,338)	-66.9%	(944,416)	-67.9%
Added value		**463,097**	**33.1%**	**447,256**	**32.1%**
Personnel expenses	*5*	(277,186)	-19.8%	(254,352)	-18.3%
Other operating costs	*6*	(19,079)	-1.4%	(13,081)	-0.9%
Shares of profits of joint ventures, SPVs and associates	*7*	32,748	2.3%	33,984	2.4%
EBITDA		**199,580**	**14.3%**	**213,807**	**15.4%**
Amortisation and depreciation	*8*	(29,513)	-2.1%	(36,926)	-2.7%
Provisions	*9*	(10,258)	-0.7%	(892)	-0.1%
Impairment losses		(2)	0.0%	(1,691)	-0.1%
EBIT		**159,807**	**11.4%**	**174,298**	**12.5%**
Net financial expense	*10 - 11*	(95,537)	-6.8%	(85,108)	-6.1%
Pre-tax profit		**64,270**	**4.6%**	**89,190**	**6.4%**
Tax expense	*12*	(15,433)	-1.1%	(27,101)	-1.9%
Net profit from continuing operations		**48,837**	**3.5%**	**62,089**	**4.5%**
Loss from discontinued operations	***13***	**(18,075)**	**-1.3%**	**(388)**	**0.0%**
Profit for the year		**30,763**	**2.2%**	**61,701**	**4.4%**
Profit attributable to non-controlling interests		746	0.1%	686	0.0%
Profit attributable to owners of the Parent		**31,509**	2,2%	**62,387**	4,5%

(*) HY1 2015 figures referring to the jointly-controlled company Re.Consult Infrastrutture S.p.A. were restated in compliance with the provisions contained in IFRS 5 "*Non-current Assets Held for Sale and Discontinued Operations*".

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Figures shown in EUR/000)

	Notes regarding reconciliation with consolidated financial statements	**30/06/2016**	**31/12/2015**	**30/06/2015**
Intangible assets	*17*	46,558	47,108	23,944
Property, plant, equipment and investment property	*15 - 16*	206,092	210,802	228,932
Equity investments	*18*	477,662	578,997	531,739
Other net non-current assets	*12 - 19 - 20*	133,907	121,041	115,744
Non-current assets held for sale and discontinued operations	*26*	116,255		
Non-current assets (A)		**980,473**	**957,948**	**900,359**
Inventories	*21*	63,251	70,676	79,830
Contract work in progress	*22*	1,493,075	1,242,991	1,227,879
Trade receivables	*23*	43,338	30,928	53,281
Amounts due from customers	*23*	60,125	662,066	909,453
Other assets	*19 - 20*	182,085	166,197	175,167
Tax assets	*24*	131,477	138,645	117,902
Payments on account from customers	*22*	(384,471)	(411,459)	(394,286)
Subtotal		**2,148,881**	**1,900,043**	**2,169,225**
Trade payables	*20 - 31*	(69,685)	(75,173)	(91,372)
Payables to suppliers	*20 - 31*	(766,293)	(809,006)	(838,976)
Other liabilities	*12 - 28 - 29 - 32*	(302,657)	(326,404)	(368,869)
Subtotal		**(1,138,635)**	**(1,210,583)**	**(1,299,216)**
Operating working capital (B)		**1,010,246**	**689,460**	**870,009**
Employee benefits	*30*	(8,068)	(8,057)	(8,874)
Non-current portion of provisions for risks and charges	*33*	(14,170)	(13,794)	(13,895)
Total provisions (C)		**(22,238)**	**(21,851)**	**(22,769)**
Net invested capital (D) = (A) + (B) + (C)		**1,968,481**	**1,625,557**	**1,747,599**
Cash and cash equivalents	*25*	327,011	611,263	423,917
Current loan assets	*19*	25,262	33,226	48,991
Non-current loan assets	*19*	279,005	274,832	226,864
Securities	*19*	1,189	1,153	1,026
Current financial liabilities	*28*	(675,333)	(678,276)	(512,224)
Non-current financial liabilities	*28*	(1,417,006)	(1,272,631)	(1,325,839)
Net loans and borrowings (E)		**(1,459,872)**	**(1,030,434)**	**(1,137,267)**
Financial assets from concession activities	*19*	81,442	41,907	23,370
Total net loans and borrowings (F)		**(1,378,430)**	**(988,526)**	**(1,113,897)**
Equity attributable to owners of the Parent	*27*	(585,047)	(631,405)	(627,407)
Equity attributable to non-controlling interests	*27*	(5,004)	(5,626)	(6,295)
Equity (G) = (D) - (F)		**590,051**	**637,031**	**633,702**

Order backlog

The order backlog in execution increased to EUR 18.6 billion (EUR 17.8 billion at 31 December 2015) against EUR production amounting to EUR 1.3 billion and with the contribution of **over EUR 2 billion of new orders and contractual addenda, 21% of which refers to Italy** and **the remaining 79% to international activities.**

Therefore, the total order backlog amounts to approximately EUR 29 billion, including **over EUR 10 billion of potential orders**. It must be recalled that the latter are to be taken as secured rights yet subject to the occurrence of various types of condition precedent (financial closing, approval by various bodies, etc.) and therefore cannot be converted into production activities in the medium-term.

As regards the backlog in execution, 71% of orders refers to international activities, while Italy accounts for the remaining 29%; from a segment viewpoint, Construction accounts for 51% amounting to EUR 9.5 billion (approximately EUR 4 billion of which in Italy), mainly referring to construction contracts (EPC[4]) and traditional contracts with a high technological content; Concessions account for the remaining 49% totalling EUR 9.1 billion (EUR 1.6 billion of which in Italy).

As regards the total backlog (including potential orders), 65% of contracts refers to international activities while Italy accounts for the remaining 35%. Construction represents 43% of the total, amounting to EUR 12.4 billion, while Concessions account for the remaining 57%, amounting to EUR 16.3 billion.

ITALY, Massa Carrara Hospital («Ospedale delle Apuane»)

POLAND, Łódź Fabryczna Station

TURKEY, Gebze-Orhangazi-Izmir Motorway (Izmit Bay Bridge)

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

NEW ORDERS SECURED DURING HY1 2016

BRENNER RAILWAY TUNNEL (Lot «Mules 2-3») | Italy (*construction*) – approximately EUR 1 billion, 42.5% of which refers to Astaldi's interest, for construction of the **Italian section of the world's largest tunnel**. Specifically, the acquired lot involves all the underground works in the section from Mezzaselva (Fortezza) to the state border. The contract entails completion of the exploration tunnel and of the two main line tunnels for a total of 23 kilometres of tunnel to be dug using traditional methods and 46 kilometres to be dug using TBMs. The works have been commissioned by Galleria di Base del Brennero - Brenner Basistunnel BBT SE, the company set up at a European level by Italy, Austria and the European Union in order to construct the complete Brenner Tunnel. Works will be financed by European funding and the planned duration is 7 years. As regards this project, final awarding of the contract took place in May.

ESO PROJECT | Chile (*construction*) – EUR 400 million, 60% of which refers to Astaldi's interest (leader of a consortium of Italian companies), for the design and construction of the two main structures (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 on Cerro Armazones, in the central part of the Atacama desert, at an elevation of 3,000 metres above sea level. Its focus capability will be 100,000,000 times better than the human eye, and it will be able to gather more light than all the largest telescopes currently existing on the planet, combined. Those telescopes have primary mirrors 8-10 metres in diameter, as against 39.3 metres for E-ELT. Works have been commissioned by ESO (European Southern Observatory) and will be financed using funds of the Observatory's member countries. The contract for this project was signed in May and at the draft date of this report design activities were underway with a planned duration of two and a half years. They will be followed by the construction phase, with consignment of the works scheduled for mid-2023

S-7 EXPRESSWAY (Naprawa-Skomielna Biała section and Zakopianka Tunnel) | Poland (*construction*) – approximately EUR 190 million for works to construct the Naprawa-Skomielna Biała section of the S7 Krakow-Rabka Zdrój expressway. The contract involves construction of approximately 3 kilometres of new expressway, including a 2-km-long twin-tube tunnel, external works, systems and environmental protection works. The road tunnel to be built (Zakopianka Tunnel) will be the longest bored tunnel in Poland and its second longest tunnel after the one already assigned to Astaldi as part of the Warsaw Bypass Road project. The works have been commissioned by *Skarb Panstwa - Generalny Dyrektor Dróg Krajowych i Autostrad*, the state company responsible for managing Poland's national roads and motorways. The works will be financed using European and local government funding and the planned duration is 54 months. As regards this project, the contract was signed in July and at the draft date of this report, preliminary activities were being performed prior to the start-up of works.

WEST METROPOLITAN HOSPITAL, SANTIAGO | Chile *(construction and operation concession)* – EUR 151 million for construction activities, against a total investment of EUR 236 million. The contract involves the construction and subsequent operation, using the concession formula, of the West Metropolitan Hospital in Santiago. Specifically, the contract involves the design, financing, construction and multi-year operation of commercial and non-medical services of an 11-storey hospital facility plus heliport, for a total of 523 hospital beds, 559 parking spaces and **a total surface area of 125,000 m^2**. Supply and maintenance of electromedical equipment and furnishings is also envisaged. The concession has a duration of 20 years with 52 months for construction activities and 15 years for operation. The works have been commissioned by Chile's Ministry of Public Works (MOP) which operates in the capacity of Granting Authority. This contract was included among new orders following closing of the relative loan of USD 257 million (structured on a non-recourse basis for Astaldi Group), subscribed in April by a syndicate of international banks. Final consignment of the works is scheduled for the second half of 2019 and construction activities were going ahead as set down in the contract at the draft date of this report.

CHUQUICAMATA (Contract 3) | Chile (*construction*) – USD 460 million for an additional contract related to the project involving **underground expansion of the world's largest open-pit copper mine**. The Chuquicamata Mining Project, started up some years ago by CODELCO, forms part of the largest mining investment being performed to date in Chile. The new contract awarded to Astaldi will involve the construction of 43 kilometres of tunnels, additional underground excavation totalling 165,000 m³ and 4.6 kilometres of vertical excavation for ventilation shafts. Works will commence in September and have a duration of 51 months.

BRASOV-ORADEA MOTORWAY | Romania (*construction*) **–** approximately EUR 100 million, 48.5% of which refers to Astaldi's interest (leader of the JV responsible for construction) for the design and construction 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. The works will have a duration of 16 months, 4 of which for design and 12 for the performance of works. The works have been commissioned by Romania's National Road and Motorway Company and will be financed by European funding (75%) and the local government (25%). At the draft date of this report, executive design activities were being carried out as well as site installation and war and archaeological clean-up operations.

RZESZÓW WASTE-TO-ENERGY PLANT | Poland (*construction*) **–** EUR 67 million, 49% of which refers to Astaldi's interest, for the executive design and construction of a waste-to-energy plant which produces energy by transforming solid urban waste, as well as the supply and installation of equipment and the technological processing system. The plant will be organised into 2 incineration lines, able to receive and thermally treat 180,000 tons of mixed urban waste per year to recover energy. The works are financed through funding provided by the European Community and the Polish state. They have been commissioned by PGE GiEK S.A., Poland's leading electricity producer and distributor. At the draft date of this report, works had already commenced and the planned duration is 30 months.

MAIN OPTIONS AND CONTRACTS TO BE FORMALISED OR FINANCED TO DATE

LA PUNILLA HYDROELECTRIC PROJECT | Chile (*construction and operation concession*) – The project refers to the multi-year concession for construction and subsequent operation of «La Punilla» multipurpose dam in San Fabián in Chile. The plant will be used to improve irrigation water storage capacity and to increase electricity generation capacity in the Bío Bío region. The concession involves (i) design and construction of a CFRD (*Concrete Faced Rockfill Dam*), with a capacity of 625 million m³ and installed power of 94 MW, (ii) operation for 37 years and 9 months of irrigation water storage and distribution services for which the Operator will receive a set public contribution, (iii) operation for a similar period of the electricity generation plant against sale of the energy produced on the Chilean market. The concession duration is 45 years with 2 years for design and 5 years and 3 months for construction. As regards this project, the award decree has been signed by Chiles' President of the Republic and the relative values will be entered among new orders subsequent to financial closing.

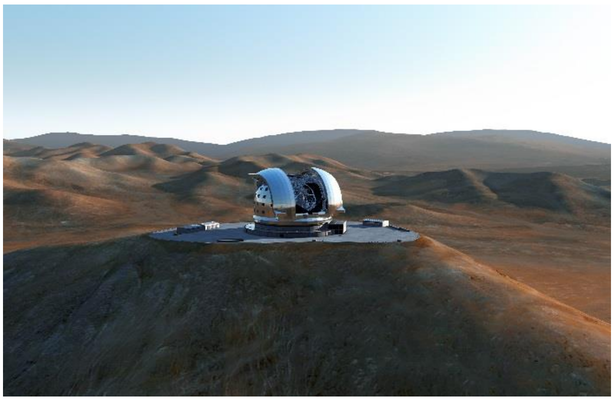
GURASADA-SIMERIA RAILWAY LINE (Lot 3) | Romania (*construction*) – The project is awaiting completion of the award confirmation procedure which took place in June. The contract involves the upgrading of approximately 40 kilometres of the Frontieră–Curtici–Simeria Railway Line, for the section between Gurasada and Simeria of the 614 km-Radna-Simeria section, and related works. The works have been commissioned by CFR, the state's railway company. The works have a duration of 3 years and will be financed using dedicated EU funding as part of the Large Infrastructure Operational Programme 2014-2020 to upgrade Railway Corridor 4 Curtici-Brasov-Constanta.

VERONA-PADUA HIGH-SPEED/HIGH-CAPACITY RAILWAY LINE (Vicenza-Padua section) | Italy (*construction*) – The project refers to the second phase of the contract for the design and construction of the railway line which Astaldi holds a 37.49% interest in through Consorzio IRICAV DUE, the General Contractor awarded the works.

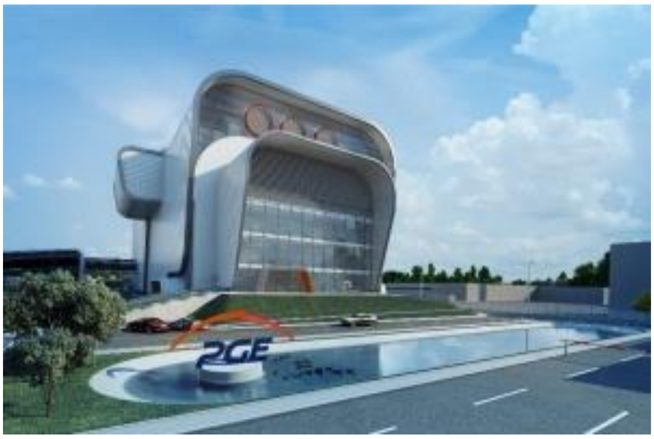
ANCONA PORT MOTORWAY LINK | Italy (*construction and operation concession*) – As regards this project, approval of the final design and Economic and Financial Plan is pending. Specifically, the final design was set for approval by Italy's Ministry of Infrastructures and Transport and the basic terms and conditions of the Economic and Financial Plan (traffic volumes, any public contribution) are currently being negotiated. The project involves the construction and operation using the concession formula of 11 kilometres of toll motorway linking the A14 Motorway and Ancona Port, as well as complementary road works. For more details, please refer to the section herein entitled «Concessions».

ADDITIONAL PROJECTS – Astaldi Group is awaiting the completion of acquisition procedures for additional projects or share of contracts, mainly referring to works in Italy and abroad.

CHILE, West Metropolitan Hospital, Santiago



CHILE, ESO Project (EU Extremely Large Telescope)



POLAND, Rzeszòw Waste-to-Energy Plant

CHILE, Chuquicamata Mining Project

SUMMARY TABLES
(Figures shown in millions of Euro)

(EUR/millions)	01/01/2016	Acquisitions 2016	Decreases for production	30/06/2016	Additional projects	Potential backlog
Construction:	9,218	1,596	(1,325)	9,489	2,903	12,392
Transport Infrastructures of which:	**7,665**	**661**	**(892)**	**7,434**	**2,374**	**9,808**
Railways and undergrounds	*3,461*	*425*	*(239)*	*3,647*	*614*	*4,261*
Roads and motorways	*3,754*	*236*	*(635)*	*3,355*	*1,715*	*5,070*
Airports and ports	*450*	*0*	*(18)*	*432*	*45*	*477*
Hydraulic Works and Energy Production plants	**664**	***53***	**(177)**	***540***	**444**	***984***
Civil Construction	**561**	***410***	**(143)**	***828***	**84**	***912***
Facility Management, Plant Engineering and Management of Complex Systems	**328**	***472***	**(113)**	***687***	**1**	***688***
Concessions:	8,631	485	(8)	9,108	7,189	16,297
ORDER BACKLOG IN EXECUTION BY SEGMENT	***17,849***	***2,081***	***(1,333)***	***18,597***	***10,092***	***28,689***

(EUR/millions)	01/01/2016	Acquisitions 2016	Decreases for production	30/06/2016	Additional projects	Potential backlog
Italy	5,244	434	(204)	5,474	4,652	10,126
International	12,605	1,647	(1,129)	13,123	5,440	18,563
Europe	*8,922*	*269*	*(610)*	*8,581*	*1,562*	*10,143*
America	*3,339*	*1,378*	*(415)*	*4,302*	*3,878*	*8,180*
Africa	*248*	*0*	*(92)*	*156*	*0*	*156*
Asia	*96*	*0*	*(12)*	*84*	*0*	*84*
ORDER BACKLOG IN EXECUTION BY GEOGRAPHICAL AREA	***17,849***	***2,081***	***(1,333)***	***18,597***	***10,092***	***28,689***

(EUR/millions)	01/01/2016	Acquisitions 2016	Decreases for production	30/06/2016
ITALY - CONSTRUCTION	*3,650*	*434*	*(196)*	*3,888*
ITALY - CONCESSIONS	*1,594*	*0*	*(8)*	*1,586*
INTERNATIONAL - CONSTRUCTION	*5,568*	*1,162*	*(1,129)*	*5,601*
INTERNATIONAL - CONCESSIONS	*7,037*	*485*	*0*	*7,522*
ORDER BACKLOG IN EXECUTION	***17,849***	***2,081***	***(1,333)***	***18,597***

Construction

For more details regarding individual projects in progress in the Construction segment, please refer to the section entitled «Order Backlog – Main Projects in Execution» of the Annual Financial Report at 31 December 2015. It has been deemed appropriate herein to provide exclusively the key updates regarding the most important contracts recorded during the half year in question. While for those acquired during the first part of the year, please refer to what has already been outlined herein in the section entitled «Order Backlog».

A table summarising the state of progress of the main contracts in execution in Italy and abroad at 30 June 2016 can be found below.

MAIN CONSTRUCTION CONTRACTS IN EXECUTION

(Figures shown in millions of Euro)

Country	Main contracts in execution	Contract value[1] (EUR / millions)	Residual order backlog[2] (EUR / millions)
Transport Infrastructures — Railways and Undergrounds			
Italy	Line C, Rome Underground……………………………….	996.1	395.6
Italy	Line 4, Milan Underground………………………………	745.9	573.8
Italy	Verona-Padua HS/HC Railway Line……………………	549.2	549.2
Italy	Brenner Railway Tunnel……………………………..	425.0	425.0
Algeria	Saida-Mulay Slissen Railway Line………………………	710.2	40.9
Algeria	Saida-Tiaret Railway Line……….………………………..	298.3	103.4
Poland	Line 2 (Phase 2), Warsaw Underground..……………….	209.0	200.1
Poland	Łódź Railway Project …………………………………	136.8	3.4
Romania	Line 4, Bucharest Underground……………………………	154.7	49.3
Romania	Line 5 (Phase 1), Bucharest Underground…………………	111.8	24.4
Romania	Line 5 (Phase 2), Bucharest Underground..………………..	60.6	51.6
Venezuela	Puerto Cabello-La Encrucijada Railway Line…….…....	2,238.0	1,176.8
Transport Infrastructures — Roads and Motorways			
Italy	SS-106 Jonica National Road, Lot DG-41………………...	1,112.0	1,097.0
Italy	Marche-Umbria Quadrilatero Road Network, Maxi Lot 2....	489.5	4054
Italy	Infraflegrea Project……………………………….....………	230.9	111.8
Poland	Warsaw Bypass Road, Lot A………………………..	236.6	234.7
Poland	S-7 Expressway……………………………	187.5	187.5
Poland	S-5 Expressway Wroclaw-Poznan..………	115.7	61.1
Turkey	Third Bosphorus Bridge and Northern Marmara Highway...	880.6	109.1
Turkey	Gebze-Orhangazi-Izmir Motorway……………………..…...	822.0	357.8
Russia	WHSD in St. Petersburg……………………………………	861.8	56.3
Russia	M-11 Moscow-St. Petersburg Motorway …………………...	462.4	409.3

Transport Infrastructures — Ports and Airports			
Chile	Arturo Merino Benítez International Airport, Santiago……	374.8	354.1
Hydroelectric and Energy Production Plants			
Canada	Muskrat Falls Hydroelectric Project ………………………….	813.4	371.6
Civil and Industrial Construction			
Italy	New Hospital in Naples…………...……………………..	150.4	6.7
Chile	Chuquicamata - Contract 3……………………..…………	400.0	400.0
Chile	Chuquicamata - Contract 2……………………….………	210.9	16.5
Chile	ESO Project……………………………………………....	240.0	240.0
Chile	West Metropolitan Hospital, Santiago…………….	201.6	151.2
Turkey	Etlik Integrated Health Campus, Ankara…………………..	443.0	389.8

(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.

Performance of key contracts in execution

Italy

VERONA-PADUA HIGH-SPEED/HIGH-CAPACITY RAILWAY LINE (Verona-Vicenza section) | Italy
Customer: Italferr S.p.A. (Ferrovie dello Stato Italiane Group).
Contractor: Consorzio IRICAV DUE (Astaldi has a 37.49% interest).
Amount: approximately EUR 560 million, referring to Astaldi's interest.
The contract refers to works for design and construction of the Verona-Vicenza functional subsection of the Verona-Padua line which Astaldi holds a 37.49% interest in through Consorzio IRICAV DUE, the General Contractor the works were awarded to. Inclusion among the backlog of this first functional phase was performed in 2015 and in October 2015, RFI (a company of the Ferrovie dello Stato Italiane Group responsible for operating the Italian railway network) sent the final design for the functional lot in question to the Ministry of Transport and Infrastructures. Further to this, the authorisation procedures provided for in Legislative Decree no. 163/2006 (Public Utility, Environmental Impact Assessment, Public Agencies' Meeting) were started-up in 2016. The Supplementary Deed for the start-up of works is expected during the first half of 2017.

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% interest) operating in the capacity of General Contractor.
Amount of financed works: EUR 3.26 billion, of which approximately EUR 1 billion in relation to Astaldi's interest.
The contract involves the construction, supply of rolling stock and commissioning of a new underground line in Rome. The planned route involves 25.4 kilometres of line and 29 stations along the Monte Compatri/Pantano-Clodio/Mazzini route. Its construction entails a high level of complexity, also considering interaction with the area's pre-existing archaeological features and the specific soil consolidation techniques used during excavation. Astaldi was awarded the contract as part of a joint venture in 2006. The works are financed by the Ministry of Infrastructures and Transport, Lazio's regional authority and Rome's city authority. The works are being performed in functional lots. The Monte Compatri/Pantano-Lodi section (18 kilometres, 21 stations) was delivered to the Operator and is operational; the Lodi-San Giovanni section is scheduled for consignment by the first half of 2017.
It must be noted that works on the San Giovanni-Fori Imperiali/Colosseo section (3 kilometres, 3 stations) were suspended from December 2015 to February 2016 because of financial tension caused by late payments and continuing uncertainty regarding the Customer's actual available financial resources to continue works. On 29 February 2016, the Board of Directors of Metro C decided to recommence works having acknowledged the administration's commitment to pay part of the sums long overdue.

LINE 4, MILAN UNDERGROUND | Italy
Customer: Municipality of Milan acting in the capacity of Grantor.
Operator: SPV Linea M4 S.p.A., a private-public mixed capital company, with the JV awarded the contract (Astaldi has a 28.9% interest) operating in the capacity of private shareholder.
EPC[5] Contractor: Consorzio MM4 (Astaldi has a 32.135% interest) which operates through Metro Blu S.c.r.l. (Astaldi has a 50% interest) for civil works, permanent way and non-system plants.
EPC Contract (direct share): EUR 932 million (Astaldi has a 50% interest) for civil works, permanent way and non-system plants, including safety and legalisation expenses and including the change approved in July 2016.
The concession involves the design (final and executive), construction and multi-year operation of the public transport service of a new light, fully-automated underground line which will run along the San Cristoforo-Linate Airport route. The line will measure 15.2 kilometres with 21 stations and a maximum capacity of 24,000 passengers/hour in each direction. The construction of a Depot/Workshop for storing and maintaining rolling

[5] EPC = Engineering, Procurement, Construction

stock is also planned in the San Cristoforo area. The related EPC[6] contract involves the design and performance of all the new line's civil works, permanent way and systems, including the supply of rolling stock (47 vehicles). The works are financed through a EUR 516-million loan (structured on a non-recourse basis for Astaldi Group) subscribed in December 2014 by a syndicate of banks, and through public funding and own resources. The duration of works (including pre-commissioning and commissioning) is 88 months. At the draft date of this report, works were going ahead and are expected to be completed by the first half of 2022. It must also be noted that, as regards this project, the Municipality of Milan approved a change in 2015 related to excavation with TBMs in areas near to the city's historical centre, with a contractual increase of approximately EUR 56 million (Astaldi has a 50% interest), the approval of which including the consequent changes to the route by CIPE is pending. Moreover, on 22 July 2016, Milan's city council approved an additional change to the sites in the historical centre between San Babila Station and Sant'Ambrogio Station in order to take into account some limitations set by CIPE and to improve the impact of the sites on the city's traffic. This resulted in an approximately EUR 16 million increase in the EPC Contract value, valid for the project's previously approved Economic and Financial Plan. For more information regarding the concession, please refer to the section herein entitled "Concessions".

JONICA NATIONAL ROAD (SS-106), (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% interest and is the lead company) operating in the capacity of General Contractor.
Amount: final project worth EUR 1.1 billion (integrated during local authorities planning) to be submitted for approval by CIPE (Interdepartmental Committee for Economic Planning).
The contract involves performance, using the EPC[7] formula, of Mega Lot 3 of the Jonica National Road also known as Lot DG-41. The project involves the construction on a new roadbed of the section running from the junction with SS-534 National Road (in the vicinity of Sibari) to Roseto Capo Spulico. The section runs along a route measuring 38 kilometres with 3 twin-tube bored tunnels, 19 viaducts, 6 cut-and-cover tunnels and 6 junctions. The planned overall duration of works is just over 11 years, 5 years and 2 months 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 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, final design of the whole Mega Lot and executive design and performance of works for a first functional section have been awarded. 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 end of 2016.

MARCHE-UMBRIA QUADRILATERO ROAD NETWORK (Maxi Lot 2) | Italy

Customer: Quadrilatero Marche Umbria S.p.A.
Contractor: Dirpa 2, operating in the capacity of General Contractor that awarded construction works to Astaldi.
Amount: Over EUR 500 million.
The contract refers to the completion of works to upgrade the Perugia-Ancona Road and modernisation of the Pedemontana delle Marche Road. Specifically, the works consist in upgrading, using the general contracting formula, of the Perugia-Ancona Road along the Fossato di Vico-Cancelli and Albacina-Valtreara Tunnel-Serra San Quirico sections of the SS-76 National Road (Lot 1.1 – Sub Lots 1.1.1, 1.1.2, 1.1.3) and the Pianella-Valfabbrica section of the SS-138 National Road (Lot 1.2), as well as the construction on the new roadbed of the Pedemontana delle Marche Road along the route between Fabriano and Muccia/Sfercia (Lots 2.1 and 2.2). At the draft date of this report, works along the Perugia-Ancona Road were going ahead for which completion of the Pianello-Valfabbrica section of the national road SS-138 was achieved in July along with approval of some contractual changes (Change Report No. 4). While as regards the Fabriano-Matelica section of the Pedemontana delle Marche Road (1st functional section), the executive design was approved in June. Further

[6] EPC = *Engineering, Procurement, Construction*.
[7] EPC = *Engineering, Procurement, Construction*.

to approval of this section and the aforementioned change report, stipulation of a Supplementary Deed is expected for the end of July.

INFRAFLEGREA PROJECT | Italy

Customer: President of Campania's regional authority in the capacity of Government Special Commissioner pursuant to Article 11, subsection 18, of Law no. 887/1984.

Contractor: Infraflegrea Progetto S.p.A. (Astaldi has a 51% interest) operating in the capacity of General Contractor.

Amount (currently financed): EUR 230 million.

The project refers to a number of activities involving the urban road network in the municipality of Naples and Pozzuoli (Phlegrean Area). The project involves upgrading and improvement of the existing infrastructures with the aim of achieving a single intermodal transport network in the area. The project is financed by Campania's regional authority and the Italian Ministry of Infrastructures and Transport. The works involve construction of the Monte Sant'Angelo rail link (Soccavo-Mostra d'Oltremare section, with relative interim stations and interchange junctions), works to extend and upgrade Pozzuoli Port, construction of a multi-storey car park and related works and upgrading of Lungomare Sandro Pertini and the urban road network in Pozzuoli. As regards this project, after a standstill of almost six years due to late payments and the resulting dispute with the Customer, the recommencement of works can be envisaged by the end of 2016 following signing of an Settlement Agreement with the Customer to settle the current dispute. Lastly, the Customer's decisions with regard to the delivery of works involving another section of the Monte Sant'Angelo rail link – already financed under CIPE Ruling no. 55/2009 for a total of EUR 121 million – are still pending.

NEW HOSPITAL IN NAPLES ("OSPEDALE DEL MARE") | Italy

Customer: Naples Local Health Authority (Napoli 1 Centro).

Contractor: Partenopea Finanza di Progetto S.c.p.A. (Astaldi has a 99.99% interest).

Amount: approximately EUR 150 million in relation to Astaldi's interest.

The contract involved the design (executive and final) and works to complete a new highly-specialised hospital facility in the eastern area of Naples. The new hospital facility provides 450 beds and is a state-of-the-art public structure insofar as it is one of the largest in Europe built on seismic isolators. As regards this project, works were completed in March 2016, with the final inspection and consignment of planned works scheduled for the second half of the year.

ITALY, New hospital in Naples («Ospedale del Mare») – One of the largest public structures in Europe built on seismic isolators.

Turkey

GEBZE-ORHANGAZI-IZMIR MOTORWAY | Turkey
Customer: KGM (Motorways General Directorate, Turkish Ministry of Transport) operating in the capacity of Grantor.
Operator: OTOYOL (Astaldi Group has an 18.86% interest).
EPC[8] Contractor: NOMAYG (Astaldi has a 17.5% interest).
Value of investment: approximately USD 7 billion.
EPC Contract: more than USD 5 billion (Astaldi has a 17.5% interest).
The project refers to the BOT contract for the design and construction, using the concession formula, of over 400 kilometres of motorway and related works along the Gebze-Orhangazi-Bursa-Izmir route in Turkey, including the world's 4th longest suspension bridge (Izmit Bay Bridge). The works are financed through a USD 5-billion loan (structured on a non-recourse basis for Astaldi Group), subscribed in June 2015 by a syndicate of international banks: said loan has guaranteed sufficient funding for completion of the works and for refinancing at more advantageous conditions of the sections financed in previous years. The project is being performed in separate functional lots: Phase 1 (53 kilometres, Gebze-Orhangazi section, including Izmit Bay Bridge), Phase 2A (25 kilometres, Orhangazi-Bursa section) and Phase 2B (301 kilometres, Bursa-Izmir section). At the draft date of this report, Phase 1 was completed and opened to the public on 30 June 2016. The roads and bridge have been in operation since said date with average traffic of 23,000 vehicles per day. Construction works are also going ahead along the sections related to Phases 2A and 2B. Please refer to the section herein entitled "Concessions", for more information.

THIRD BOSPHORUS BRIDGE AND NORTHERN MARMARA HIGHWAY PROJECT | Turkey
Customer: Turkish Ministry of Transport operating in the capacity of Grantor.
Operator: JV awarded the contract (Astaldi Group has a 33.33% interest).
EPC[9] Contractor: ICA (Astaldi has a 33.33% interest).
EPC Contract: over USD 3 billion (Astaldi has a 33.33% interest).
The project refers to the concession contract for the construction and operation of approximately 150 kilometres of motorway and a similar number of kilometres of access and link roads between the cities of Odayeri and Paşaköy, as well as a cable-stayed/suspension bridge in Istanbul which will connect Europe and Asia. This bridge (Third Bosphorus Bridge) will hold a number of records insofar as it is the widest suspension bridge in the world whose towers are even taller than the Eiffel Tower. The works are financed through a USD 2.3 billion loan (structured on a non-recourse basis for Astaldi Group) subscribed in May 2014 by a syndicate of Turkish banks. At the draft date of this report, the Third Bosphorus Bridge has been completed and opening to the public is forthcoming. Works on the remaining sections of motorway are going ahead with completion of these scheduled for the end of August and final completion of the project by 2017. Please refer to the section herein entitled "Concessions", for more information.

ETLIK INTEGRATED HEALTH CAMPUS, ANKARA | Turkey
Customer: Turkish Ministry of Health operating in the capacity of Grantor.
Operator: JV awarded the contract (Astaldi Group has a 51% interest).
EPC[10] Contractor: EUR 870 million (Astaldi has a 51% interest).
Value of investment: EUR 1.1 billion.
EPC Contract: EUR 870 million (Astaldi has a 51% interest)
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 multi-year concession operation of a hospital complex boasting 3,577 beds split among 8 healthcare facilities and a hotel, for a total of approximately 1,114,000 m^2. For its size, the project is one of the most extensive to date in Europe in the healthcare segment. The works

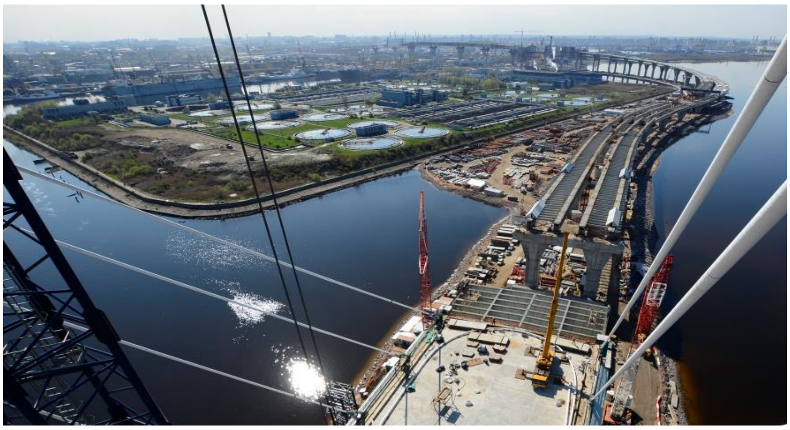
[8] EPC = *Engineering, Procurement, Construction*.
[9] EPC = *Engineering, Procurement, Construction*.
[10] EPC = *Engineering, Procurement, Construction*.

are financed through a EUR 883 million loan (structured on a non-recourse basis for Astaldi Group), subscribed in June 2015 by a syndicate of international banks. Construction activities (mainly design, excavation and reinforced concrete works) were going ahead at the draft date of this report. For more information, please refer to the section herein entitled “Concessions”.

Russia

WESTERN HIGH-SPEED DIAMETER, ST. PETERSBURG| Russia
Customer: NCH LLC.
EPC[11] Contractor: ICA Astaldi-IC Ictas WHSD Insaat A.S. (Astaldi has a 50% interest).
Amount: RUB 99 billion (Astaldi has a 50% interest).
The contract refers to the general contracting project to build the link between the northern and southern sections of the Western High Speed Diameter in St. Petersburg, 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: it will measure 12 kilometres in length, 10 kilometres of which are viaducts, mostly over the Baltic Sea, with two cable-stayed bridges for ships to pass through. Construction of the viaducts also entailed the performance of complex seabed foundation works. The planned duration of works is 42 months. At the draft date of this report, works were going ahead with 95% already performed and scheduled for completion by the end of 2016.

M-11 MOSCOW-ST. PETERSBURG MOTORWAY | Russia
Customer: TWO CAPITALS HIGHWAY.
EPC[12] Contractor: Astaldi-IC Ictas Joint Venture (Astaldi has a 50% interest).
Amount: RUB 68 billion, 50% of which refers to Astaldi’s interest.
The contract refers to the design and construction of 140 kilometres of the M-11 Moscow-St. Petersburg Motorway. Astaldi will perform the works as part of a joint venture and in the capacity of General Contractor on behalf of TWO CAPITALS HIGHWAY – comprising VTB Group and VINCI Concessions – which was awarded the concession for construction and operation of the motorway by AVTDOR, the state company in charge of building and developing the Russian Federation’s toll motorway network. The new motorway route will comprise both 6-lane and 4-lane sections with a maximum speed of 150 km/h. The planned duration of works is 35 months. At the draft date of this report, the executive design had been completed and consigned to the Customer and works had commenced on the complete section of motorway.



RUSSIA, WHSD, St. Petersburg

RUSSIA, WHSD, St. Petersburg

[11] EPC = *Engineering, Procurement, Construction*.
[12] EPC = *Engineering, Procurement, Construction*.

Poland

ŁÓDŹ FABRYCZNA STATION AND ŁÓDŹ RAILWAY PROJECT | Poland
Customer: PKP and PKP Polskie Linie Kolejowe S.A. (Poland's railways), and the Municipality of Łódź.
Contractor: Torpol-Astaldi-PBDiM-Intercor Consortium (Astaldi has a 40% interest).
Amount: EUR 340 million (Astaldi has a 40% interest).
The contract involves 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, twin-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. The project forms part of the Infrastructure and Environment Operating Programme, funded by the European Union, and is of great importance for both the national railway system (it will be Poland's first work already boasting high-speed standards) and for the city of Łódź. At the draft date of this report, finishing and systems installation works are being performed with completion scheduled for the second half of 2016.

LINE 2, WARSAW UNDERGROUND | Poland
Customer: Municipality of Warsaw.
Contractor: Astaldi.
Amount: EUR 209 million.
The contract refers to the extension of Line 2 of the Warsaw Underground, already completed by Astaldi for the Rondo Daszynskiego-Dworzec Wilenski section. The extension involves the construction of 3 kilometres of tunnels and 3 underground stations, along the east section of the line from Dworzec Wileński Station to the depot tracks behind C-18 Station. The use of 2 TBMs is planned for tunnel excavation. The contract also involves the installation of civil and railway systems, permanent way and all related works. Works are to be completed in 36 months. At the draft date of this report, works to shift the subservices and construct diaphragms had commenced.

WARSAW SOUTH BYPASS ROAD (Lot A) | Poland
Customer: GDDKiA (Poland's General Directorate of Roads and Motorways).
Contractor: Astaldi.
Amount: approximately EUR 240 million.
The contract refers to completion of a key project for the city's infrastructure development which will ensure major benefits for freeing up traffic in the city centre. The works involve the design and construction of approximately 5 kilometres of expressway, with 2 separate carriageways each comprising 3 lanes in each direction, connecting Puławska and Przyczółkowa junctions. The construction of a series of complex works including 9 bridges, a twin-tube 2.3-km tunnel, 2 road junctions and related works is planned along the route. The works are financed through funding provided by the European Community. The works will last 41 months and design activities were in progress at the draft date of the report.

S-5 WROCLAW-POZNAN EXPRESSWAY, Korzensko-Widawa Section (Lot 3) | Poland
Customer: GDDKiA (Poland's General Directorate of Roads and Motorways).
Contractor: Astaldi.
Amount: EUR 116 million.
The contract 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. At the draft date of this report, construction works were going ahead and are scheduled for completion by the second quarter of 2017.

Romania

LINE 5, BUCHAREST UNDERGROUND (Phase 1 – civil works) | Romania
Customer: METROREX S.A., 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% interest and is the lead company).
Amount: EUR 226 million (Astaldi has a 47.495% interest).
The project refers to construction of the new Line 5 of the Bucharest Underground for the Drumul Taberei-Pantelimon (Raul Doamnei-Opera) section, using the DB[13] formula. The project forms part of a wider programme to expand Bucharest's underground network, 85% of which is funded by the 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 TBMs. Construction activities were going ahead at the draft date of this report. Completion of works is scheduled for the end of 2016.

LINE 5, BUCHAREST UNDERGROUND (Phase 2 – systems and architectural works) | Romania
Customer: METROREX S.A., under the control of Romania's Ministry of Transport and Infrastructures.
Contractor: Astaldi-FCC S.A.-Uti Group-Active Group Joint Venture (Astaldi has a 37% interest and is the lead company).
Amount: over EUR 160 million (Astaldi has a 37% interest).
The contract refers to an additional phase of the project to construct Line 5 of the Bucharest Underground. This new phase involves the performance of architectural works, electromechanical systems and permanent way for the Drumul Taberei-Pantelimon section (Raul Doamnei-Opera) where Astaldi is already carrying out civil works. The planned duration of works is 16 months. At the draft date of this report, architectural works and civil plant installation had commenced with regard to almost all the stations. The completion of works is scheduled for the end of 2017.

LINE 4, BUCHAREST UNDERGROUND | Romania
Customer: METROREX S.A., under the control of Romania's Ministry of Transport and Infrastructures.
Contractor: Astaldi-Somet-Tiab-UTI Joint Venture (Astaldi has a 40% interest and is the lead company).
Amount: over EUR 160 million (direct + indirect share).
The contract involves the design and performance of structural works and systems of the new Line 4 of the Bucharest Underground, along the Laminorului-Straulesti section. The route will run for approximately 2 kilometres with 1.8 kilometres of tunnels to be dug using a TBM. The construction of 2 stations and a depot with an intermodal terminal is also envisaged. Approximately 70% of the project is financed by European cohesion funding (POS-T) and the remaining 30% by the local government. The planned duration is 30 months. At the draft date of this report, tunnel construction activities had been completed and surface layout and finishing works were going ahead at stations, the completion of which is scheduled by the end of 2016.


ROMANIA, Line 5, Bucharest Underground


ROMANIA, Line 4, Bucharest Underground

[13] DB = *Design and Build*.

Algeria

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% interest).
Amount: EUR 472 million (Astaldi has a 60% interest), including Change No. 6 approved in 2015.
The contract refers to the design and construction of 153 kilometres of a new single-track railway line along the Saida-Tiaret section featuring 45 railway bridges and viaducts, 35 road overpasses, 4 main stations (2 of which will be passenger stations and 2 will serve as a freight terminal and maintenance depot) and 9 interchange stations. The contract also includes the installation of signalling, telecommunications and energy-related systems. The route runs along the *Rocade des Hauts Plateaux* and is the natural continuation of Saida-Moulay-Slissen Railway Line which is already under construction by Astaldi. Construction activities were going ahead as planned at the draft date of this report with completion scheduled, as per the contract, by the end of 2016.

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: over EUR 700 million.
The project refers to construction of 120 kilometres of new single-track line (with the possibility of laying a second track) along the Saida-Moulay Slissen section, as well as the construction of 19 viaducts, 18 overpasses, 33 underpasses, 4 passenger stations and 1 freight station. It also provides for the installation of signalling, telecommunications and energy-related systems. Construction works were going ahead at the draft date of this report with completion scheduled by the end of 2016.

Canada

MUSKRAT FALLS HYDROELECTRIC PROJECT | Canada

Customer: Muskrat Falls Corp., a SPV owned by Nalcor Energy (a Canadian company responsible for the development, transmission and supply of energy in Newfoundland and Labrador).
Contractor: Astaldi Canada Inc. (100% Astaldi-owned).
Amount: CAD 1 billion.
The contract involves the performance of civil works related to a hydroelectric plant on the Lower Churchill River in the Newfoundland and Labrador regions (820-MW installed capacity). The project forms part of a larger investment project that also involves the construction of two dams. Within said project, Astaldi is responsible for construction of the plant and the performance of related water intake and tailrace structures. It must be remembered that the project experienced initial problems for operating circumstances which penalised the start-up phase. As mentioned previously, a bridge agreement was signed with the Customer (NALCOR) in July for the definition, expected by the end of 2016, of new terms and conditions for the contract involving construction of the Muskrat Falls Hydroelectric Plant. This agreement, which provides for an extension of contract duration and an increase in the contractual amount in order to allow works to continue, represents a positive step towards resolving the issues experienced in relation to this contract. The aforementioned agreement provides for additional funds to be invested in the contract in relation to the aforementioned overall solution. Astaldi will continue to perform works in line with the new works schedule. In this regard, it must be noted that the contract being performed by Astaldi forms part of a broader Muskrat Falls project for which the Customer has already publicly outlined a review of costs and timeframe for the whole project. It must be recalled that as from HY2 2015 and as a precautionary measure, the margins of the contract related to the Muskrat Falls Hydroelectric Project have been sterilised.

Chile

ARTURO MERINO BENÍTEZ INTERNATIONAL AIRPORT, SANTIAGO | Chile
Customer: Chile's Ministry of Public Works (M.O.P.), operating in the capacity of Grantor.
Operator: Consorcio Nuevo Pudahuel (Astaldi Group has a 15% interest).
EPC[14] Contractor: Astaldi-Vinci Construction Joint Venture (Astaldi has a 50% interest).
The contract refers to the EPC[15] contract related to the concession initiative to expand and operate Arturo Merino Benítez International Airport in Santiago de Chile. The airport, currently the 8th largest in South America for the level of passenger traffic, is of specific strategic importance for the country. In June 2015, a trilateral agreement was signed for its completion by the President of France, the President of Chile and representatives of the consortium awarded the contract (which Astaldi holds an interest in). The concession contract involves (i) modernisation and extension of the existing terminal; (ii) funding, design and construction of a new passenger terminal with a surface area of 198,000 m^2 which will increase the airport's capacity to 30 million passengers per year; (iii) operation of all infrastructures (existing and new terminals, car parks and future commercial activities) for 20 years. Consorcio Nuevo Pudahuel, comprising Astaldi (with a 15% interest through its investee Astaldi Concessioni) and the French companies, Aéroport de Paris (45%) and Vinci Airports (40%) are responsible for operation of the facilities. The concession came into effect as from 1 October 2015 insofar as the JV awarded the contract took over from the previous operator as from said date. As regards the EPC contract, design and construction activities are being performed by Astaldi (with a 50% interest), and the French firm Vinci Construction (50%). At the draft date of this report, detail designing is going ahead, construction site installation activities have been completed and preliminary activities prior to construction of the new airport terminal are being performed. In July 2016, in order to support construction activities, a USD 513 million loan (structured on a non-recourse basis for Astaldi Group), subscribed by a syndicate of international banks, was closed. For more information, please refer to the section herein entitled «Concessions».

CHUQUICAMATA MINE (Contract 2) | Chile
Customer: CODELCO (Corporación Nacional del Cobre de Chile), a state-owned company.
Contractor: Astaldi.
Amount: EUR 211 million, including the contractual addendum made in 2015.
The contract refers to the project for the underground expansion of Chuquicamata, the largest open-pit copper mine in the world for which Astaldi has already performed a first set of works (Contract 1). The contract involves the construction of 19 kilometres of tunnels of varying diameters, needed to access the cultivation areas planned for the future underground mine and 2 kilometres of vertical excavation for ventilation shafts. The works to be performed are highly complex, even more so due to the fact that they are being carried out in parallel with the mine's normal surface-level activity. At the draft date of this report, 95% of works had been completed, in line with contractual provisions and the works deadline set for Q3 2016. It must also be noted that as regards Chuquicamata Mine, the first half of the year also saw the acquisition of an additional contract (Contract 3). For more information, please refer to the section herein entitled «Order Backlog».

Peru

CERRO DEL ÁGUILA HYDROELECTRIC PROJECT | Peru
Customer: KALLPA Generación S.A.
Contractor: Consorcio Cerro del Águila (Astaldi has a 50% interest and is the lead company).
Amount: USD 670 million (Astaldi has a 50% interest).
The contract involves the performance of civil and electromechanical works related to Cerro del Águila Hydroelectric Plant in Peru, using the EPC[16] formula. The project consists in the design and construction of a

[14] EPC = *Engineering, Procurement, Construction*.
[15] EPC = *Engineering, Procurement, Construction*.
[16] EPC = *Engineering, Procurement, Construction*.

hydroelectric plant with a nominal power of 510 MW, making use of water provided by the Mantaro river. Specifically, the contract involves the construction of 70 km of access roads, a 430,000 m^3 RCC dam, a tunnel measuring 6 kilometres, a 220 metre-deep headrace shaft, an underground hydroelectric power station and a tailrace tunnel measuring approximately 5 kilometres. The supply and installation of 3 Francis turbines is also envisaged. The duration of works is 57 months including the extension formalised in 2015. At the draft date of this report, the activities had largely been completed with consignment of works in subsequent phases planned for July and August 2016.

Venezuela

PUERTO CABELLO - LA ENCRUCIJADA RAILWAY LINE | Venezuela
Customer: I.F.E. (Instituto de Ferrocarriles del Estado), an independent organisation responsible for operating railway transport infrastructures in Venezuela.
Contractor: Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles (Astaldi has a 33.33% interest).
Contract base value: EUR 3.3 billion (Astaldi has a 33.33% interest).
The contract involves the construction of 128 kilometres of a double-track railway line, with 33 km of tunnels, 23 km of viaducts and 10 stations. The project has a strategic value for the country since it aims to ensure a commercial sea outlet for one of Venezuela's main cities. The works are performed under the aegis of a Cooperation Agreement signed by the Italian and Venezuelan governments in February 2001, and ratified with a series of subsequent agreements. As regards this project, it is well-known how production levels have been kept at a minimum and well below their actual potential since 2012 as a result of the economic situation the country has been experiencing for some years and the consequent slowdown in payments. All of this has been done in agreement with the customer who defined a new works schedule in 2014 and took out a contractual option for installation of the signalling system on the complete line. Therefore, a virtual of standstill of works was confirmed at the draft date of this report and for the whole of HY1 2016, with operating activities limited to site maintenance and safety, pending a situation able to guarantee greater stability for current projects.

Concessions

For more information regarding the individual projects being performed in the Concessions segment, please refer to the section entitled "Order Backlog – Concession Projects" contained in the Annual Financial Report at 31 December 2015. It has been deemed appropriate herein to provide exclusively the key updates recorded during the half year in question. While for those acquired during the first part of the year, please refer to what has already been outlined herein in the section entitled "Order Backlog".

Projects in operation

VENETA SANITARIA FINANZA DI PROGETTO | Italy
New Hospital in Venice-Mestre ("Ospedale dell'Angelo")
Project status: in operation.
Concession expiry: 2032.
Financial indicators: 680 hospital beds, 1,240 parking spaces.
Grantor: Local Health Authority U.L.S.S. 12 Veneziana.
Operator: Veneta Sanitaria Finanza di Progetto S.p.A. (Astaldi Group has a 37% interest).
As regards this project, operation went ahead as planned during the first half of 2016 and in complete compliance with the concession agreement in force. It must be recalled that the concession has been in operation since 2008 and concerns hospital and commercial services. It must also be noted that in June 2015, the partial award was pronounced, with which the Arbitration Board – in the arbitration brought by the associate VSFP in 2014 - rejected all the objections raised by the Grantor as to the invalidity of the Concession

Agreement and the claims for restitution advanced by it with regard to activities performed by the Operator, both in the construction phase and in the project operation phase, also declaring illegitimate the decisions for self-reduction of contractual fees adopted by the Grantor. The Board, however, automatically ruled on applicability to the concession of the supervening regulations pursuant to Legislative Decree no. 95/2012 (the “Spending Review”), ascertaining and declaring that the fees to which the operator is entitled are reduced to the extent and with the effective date provided for therein, and delegating the quantification thereof to a court-appointed accounting consultant, known by the initials “CTU.” The final award, pronounced on 25 February 2016, ascertained the new fee framework established by the CTU, and determined at EUR 19 million the credit payable to the company for the services rendered throughout 2014 which was paid by the Granting Authority during HY1 2016. The management of the investee, deeming erroneous, from the standpoint of both process and substance, the decision of the partial award with regard to the Spending Review’s applicability to the contract in question, submitted in February 2016 a challenge to the partial award on this point. The partial award was also challenged by the Grantor.

SAT | Italy
Four Hospitals in Tuscany
Project status: in operation.
Concession expiry: 2033.
Financial indicators: 2,019 beds, 4,450 parking spaces, total surface area of 200,000 m^2 .
Grantor: Reference local health authorities.
Operator: SA.T S.p.A. (Astaldi Group has a 35% interest).
The investment refers to the project finance initiative for the construction and subsequent operation of four hospitals in Tuscany: San Luca Hospital in Lucca, San Jacopo Hospital in Pistoia, the new Hospital in Prato and the new Hospital in Massa-Carrara. 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 operation. The project Operator is SA.T S.p.A., a SPV which Astaldi Group holds a 35% interest in, that awarded the concession services to GE.SAT S.c.a.r.l. (Astaldi Group has a 35% interest). The return on investment of the private parties is guaranteed through payment by the Grantor of fees for the provision of non-healthcare services and right of exclusive use of commercial services. At the draft date of this report, all the hospitals had been completed and were under operation: San Jacopo Hospital in Pistoia (466 beds) has been operational since July 2013, the New Hospital in Prato (635 beds) has been operational since September 2013, San Luca Hospital in Lucca (492 beds) was opened to the public in May 2014, the new Hospital in Massa-Carrara (426 beds) became operational in November 2015. Operating activities went ahead as planned during the first half of 2016, in complete compliance with the Agreements in force.

METRO 5 | Italy
Line 5, Milan Underground (Garibaldi-Bignami and Garibaldi-San Siro sections)
Project status: in operation.
Concession expiry: 2040.
Financial indicators: approximately 13 kilometres of line, 19 stations, maximum transport capacity of 26,000 passengers per hour in each direction.
Grantor: Municipality of Milan.
Operator: Metro 5 S.p.A. (Astaldi Group has a 38.7% interest).
The investment refers to the project finance initiative for the construction and subsequent operation of the new Line 5 of the Milan Underground, built by Astaldi. It entails the design (final and executive), construction and subsequent operation, 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) for a duration of 34 years with the contract expiring in December 2040. The transaction is structured on a EUR 495-million loan (structured on a non-recourse basis for Astaldi Group), subscribed by a syndicate of banks, with financial leverage of 21/79 which provides for a contribution of EUR 135 million from own resources (share capital and subordinated loan). The total investment amounts to EUR 1.4 billion (excluding financial expense and VAT) with a public contribution of EUR 824 million, excluding VAT (EUR 116 million from the Municipality of Milan and the remaining sum from the state), and an additional cash flow of EUR 125 million from line operation. The services provided for by the concession agreement are the operation

and maintenance of the complete line; concession revenue for services provided in the form of availability charges are forecast in the sum of EUR 77 million per year from 2016 to 2035 and subsequently, EUR 56 million per year through to concession expiry. With completion of the last station (Tre Torri) in October 2015, the whole line became operational in compliance with contractual deadlines. Operating activities went ahead as planned during the first half of 2016 in complete compliance with the Agreement in force.

PACIFIC HYDRO CHACAYES | Chile
Chacayes Hydroelectric Project
Project status: in operation.
Concession expiry: perpetual.
Financial indicators: installed capacity of 111 MW.
PPA Grantor: CHILECTRA, Chile's leading energy distribution company.
Regulator: Dirección General de Aguas-DGA.
Operator: Pacific Hydro Chacayes S.A. (Astaldi Group has a 27.3% interest).
The project consists in the equity investment in the SPV Pacific Hydro Chacayes S.A., responsible for constructing and operating the Chacayes Hydroelectric Plant, located in Chile. The investment in the S.P.V. is through a 100% interest in Inversiones Assimco Ltd., 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 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. Indeed, the infrastructure is the first totally eco-friendly plant in Chile and has won many international awards. The concession contract provides for user rights for an unlimited period of time: a PPA contract means that approximately 60% of the energy produced is sold to Chilectra, Chile's leading energy distribution company at a set PPA price, while the remaining 40% is for the spot market. Operation of the plant commenced in October 2011 and the PPA contract came into force as of 1 January 2012.

CONSORCIO NUEVO PUDAHUEL | Chile
Arturo Merino Benítez International Airport in Santiago de Chile
Project status: Phase 1 (existing terminal) – In operation. Phase 2 (new terminal) – Under construction (with start-up of construction activities at end of July 2016).
Concession expiry: 2035.
Financial indicators: 30,000,000 passengers/year in terms of transportation capacity.
Grantor: Chile's Ministry of Public Works (M.O.P.).
Operator: Consorcio Nuevo Pudahuel (Astaldi Group has a 15% interest).
The investment refers to the concession initiative to expand and operate Arturo Merino Benítez International Airport in Santiago de Chile. The concession involves (i) modernisation and extension of the existing terminal; (ii) funding, design and construction of a new passenger terminal with a surface area of 198,000 m^2 which will increase the airport's transport capacity to 30 million passengers per year; (iii) operation of all infrastructures (existing and new terminals, car parks and future commercial activities) for 20 years. Consorcio Nuevo Pudahuel, comprising Astaldi (with a 15% interest through its investee Astaldi Concessioni) and the French companies, Aéroport de Paris (45%) and Vinci Airports (40%) is responsible for operation of the facilities. The concession came into effect as from 1 October 2015 insofar as the JV awarded the contract took over from the previous operator the operation of the existing facilities as from said date. Construction continued during the first part of the year and the USD 513 million loan (structured on a non-recourse basis for Astaldi Group), subscribed by a syndicate of local and international banks and to be used to complete works, was closed in July. For more information regarding construction, please refer to the section herein entitled "Construction".

VALLE ACONCAGUA | Chile
Relaves Project
Project status: in operation.
Concession expiry: 2032.
Grantor: CODELCO, Chilean state company and leading global producer of copper.
Operator: Valle Aconcagua S.A. (Astaldi Group has an 80.06% interest).

The investment refers to the concession contract for the design, construction and subsequent operation of a plant to treat sludge produced by the Andes mine for the recovery of copper. The mine is owned by CODELCO, the leading global producer of copper. The total value of the investment is USD 55 million with total concession revenue through the duration of the concession amounting to USD 120 million. The plant has been in operation since the second half of 2013 and has a recovery capacity of 2,200 tons of copper per year, which CODELCO has undertaken to buy at set conditions. Astaldi Group also increased its investment in the project from 77.51% to 80.06%.

OTOYOL | Turkey
Gebze-Orhangazi-Izmir Motorway
Project status: Phase 1 – in operation, Phases 2-A and 2-B, under construction.
Concession expiry: 2035.
Financial indicators: over 400 kilometres of motorway sections, including Izmit Bay Bridge.
Grantor: KGM (Turkish Ministry of Transport's Motorway General Directorate).
Operator: OTOYOL (Astaldi Group has an 18.86% interest).
The investment refers to the design and construction, using the concession formula, of a new section of motorway in Turkey which will measure over 400 kilometres along the Gebze-Orhangazi-Bursa-Izmir route. 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 concession contract between the customer KGM and the operator OTOYOL was signed in September 2010 and the works are being performed in separate functional phases. Works are currently under construction as regards the Phase 2A section (Orhangazi-Bursa) and Phase 2B section (Bursa-Izmir) while the part of the route related to Phase 1 (Gebze-Orhangazi) has been in operation since June 2016. The planned progress of works is supported by a USD 5-billion loan (structured on a non-recourse basis for Astaldi Group) signed in June 2015 by a syndicate of international banks. This guaranteed, inter alia, rebalancing of the project's financial leverage (Debt/Equity ratio) to 78/22 (from the initial 50/50) without the need for any additional equity to be paid by Astaldi. The resulting overall investment amounts to approximately USD 7 billion, with a guaranteed minimum of 67% of forecast concession revenue. The services provided for by the concession agreement are the operation and maintenance of the complete section; concession revenue of USD 17 billion is forecast for the Operator for services provided. Phase 1 (including Izmit Bay Bridge) was opened to the public and became operational during the first half of 2016 with average traffic of 23,000 vehicles per day being recorded for the complete section at the draft date of this report. For more information regarding construction, please refer to the section herein entitled «Construction».

Projects under construction

SPV LINEA M4 | Italy
Line 4, Milan Underground
Project status: under construction.
Concession expiry: 2040.
Financial indicators: 15.2 kilometres of line, 21 stations, maximum transport capacity of 24,000 passengers per hour in each direction.
Grantor: Municipality of Milan.
Operator: SPV Linea M4 S.p.A. (Astaldi Group has a 9.7% interest).
The project involves the construction and subsequent operation of Line 4 of the Milan Underground, to be performed using the PPP[17] formula. The infrastructure will be a driverless, fully-integrated, light underground with a CBTC (Communication Based Train Control) signalling system and platform doors. The concession

[17] PPP is the acronym of Public-Private Partnership, an expression that refers to forms of cooperation between public administrations and private individuals with the purpose of financing, constructing and operating infrastructures or providing services of public interest.

entails the design, construction and subsequent operation of the public transport system of the complete line which runs from San Cristoforo to Linate Airport, for a total of 15.2 kilometres and 21 stations. 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 372 months as from signing of the Arrangement (in December 2014), 90 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% interest. 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 Grantor 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 plus VAT (EUR 1.1 billion of which of public funding). A EUR 516-million loan (structured on a non-recourse basis for the Astaldi Group), signed by a syndicate of leading banks and to be used to complete the works, was closed in December 2014. Construction activities went ahead during the first half of the year. For more information regarding construction, please refer to the section herein entitled "Construction".

ICA IC ITAS ASTALDI | Turkey
Third Bosphorus Bridge and Northern Marmara Highway
Project status: under construction.
Financial indicators: 150 kilometres of motorway and a similar number of kilometres of motorway links, including a bridge crossing over the Bosphorus.
Grantor: KGM (Turkish Ministry of Transport's Motorway General Directorate).
Operator: ICA IC ICTAS ASTALDI (Astaldi Group has a 33.33% interest).
The investment refers to the concession contract for the construction and subsequent operation of a section of 150 kilometres of motorway and a similar number of kilometres of motorway links between the cities of Odayeri and Paşaköy, as well as a suspension bridge with a 1.408-km clear span between the neighbourhoods of Poyrazköy and Garipçe in Istanbul. The concession duration is approximately 11 years, 30 months of which for design and construction activities and the remaining period for operation and maintenance. As regards this project, financial closing was achieved in May 2014 in the form of a USD 2.3 billion loan (structured on a non-recourse basis for Astaldi Group) subscribed by a syndicate of Turkish banks. Subsequently, further to additional works requested by the Customer, two additional tranches of works were financed using loans totalling approximately USD 630 million. The loans are being used in order to achieve construction progress as planned, currently in execution. For more information regarding construction, please refer to the section herein entitled "Construction".

ANKARA ETLIK HASTANESI | Turkey
Etlik Integrated Health Campus, Ankara
Project status: under construction.
Concession expiry: 2042
Financial indicators: over 3,577 beds.
Grantor: Turkish Ministry of Health.
Operator: ANKARA ETLIK HASTANESI A.S. (Astaldi Group has a 51% interest).
Ankara Etlik Hastanesi A.S. is the SPV responsible for the design, construction and operation, using the concession formula, of the Etlik Integrated Health Campus in Ankara, Turkey. The project is being performed on behalf of the Turkish Ministry of Health by the joint venture in which Astaldi Group holds a 51% interest and the Turkish company, Türkerler, the remaining 49%. The investment involves the construction of a healthcare facility that will provide over 3,577 beds occupying a total surface area of approximately 1,114,000 m^2. The duration of the concession is 27.5 years, 3.5 of which for design and construction activities and the remaining 24 years for the operation 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). Non-inflated concession revenue of EUR 5.6 billion (Astaldi has a 51% interest) is forecast for the supply of services. The investment amounts to approximately EUR 1.1 billion with

a guaranteed minimum of approximately 66%. It must be recalled that in order to support construction activities, a EUR 883-million loan agreement (structured on a non-recourse basis for Astaldi Group) was subscribed in 2015 by a syndicate of international banks.

SOCIEDAD CONCESIONARIA METROPOLITANA DE SALUD | Chile
West Metropolitan Hospital, Santiago de Chile
Project status: under construction.
Concession expiry: 2033.
Financial indicators: 523 beds, 599 parking spaces.
Grantor: Chile's Ministry of Public Works.
Operator: Sociedad Concesionaria Metropolitana de Salud S.A. (100% Astaldi-owned).
The SPV Sociedad Concesionaria Metropolitana de Salud (SCMS) is the holder of the concession contract for the design, financing, construction and operation of commercial and non-medical services of a facility which will occupy 11 floors plus a heliport, for a total of 523 beds, 599 parking spaces and a surface area of 125,000 m^2. The supply and maintenance of electromedical equipment and furnishings is also provided for. The total investment amounts to EUR 236 million, EUR 151 million of which for construction activities. The concession will last 20 years, with 52 months for construction and 15 years for operation. The works have been commissioned by Chile's Ministry of Public Works (MOP - *Ministerio de Obras Públicas)* and will be financed by private capital. The investment made will be repaid by approximately EUR 500 million of total concession revenue, 95% of which is guaranteed in the form of availability charges. Construction activities are supported by an USD 257 million loan (structured on a non-recourse basis for Astaldi Group), subscribed in April by a syndicate of international banks. Please refer to the section herein entitled "Order Backlog" for more information regarding concession.

Projects to be financed

DORICO BYPASS | Italy
Ancona Port Motorway Link
Project status: to be financed.
Financial indicators: 11 kilometres of motorway.
Grantor: ANAS S.p.A. (the operator of Italy's road and motorway network of national interest).
Operator: JV which Astaldi holds a 24% interest in.
As regards this project, approval of the final design and Economic and Financial Plan (PEF) is in progress. Specifically, the final design was sent for approval to the Italian Ministry of Infrastructures and Transport and the basic conditions of the economic and financial plan (traffic volumes, any state funding) are being negotiated. The contract involves the construction and operation, using the concession formula, of 11 kilometres of toll motorway connecting the A14 Motorway with Ancona Port, as well as complementary road works.

Additional projects

A4 HOLDING | Italy
Brescia-Padua-Verona-Vicenza Motorway
Grantor: ANAS S.p.A., the operator of Italy's road and motorway network of national interest.
Operator: A4 Holding S.p.A. (Astaldi Group has a 14.29% interest in transparency).
It must be recalled that the investment in this project is the subject of a disposal plan which should be completed by September 2016. The economic effects of the disposal are already represented in this Consolidated Interim Report, while the financial effects will be recorded following closing of the transaction. Please refer to the section herein entitled «Events after the reporting period» for more information.

Main risks and uncertainties

The detailed and consolidated risk management policies, which the Group has adopted over the years have taken on an ever-increasing central role, becoming a real shared asset within the Group. All of this means flexibility and ability to readily react to the changing reference situations the Group finds itself working in.

The risk management system adopted is based on a concept of "risk" taken as an integral part of the generation of value. It is deeply rooted in the Group's decision-making mechanisms in order to ensure constant optimisation of opportunity exploitation dynamics and complies with the provisions contained in the Code of Conduct of Borsa Italiana (Article 7 – Internal Control and Risk Management System) thus safeguarding shareholders.

In order to ensure the consistency and coordination of risk management activities at a corporate and Area/project level, Astaldi has defined a risk governance system which provides for the Corporate Risk Management to be responsible, inter alia, for:

- Defining and developing a knowledgeable risk culture within the company which provides for suitable training regarding the risk management system (ERM – Enterprise Risk Management) in terms of guidelines, processes, roles and responsibilities, ensuring updating of this;
- Supporting the Group's and Area divisions with integration of risk assessment within strategic planning and business processes;
- Monitoring the implementation and ongoing improvement and consistency of process methods and instruments used within the Group to identify, assess and measure key risks;
- Guaranteeing constant and suitable information for the Group's Management, Control and Risks Committee and other stakeholders.

Therefore, the ERM model takes the form of a system, which is able to create value and competitive advantage by analysing risk factors and assessing their impact on Group performance, allowing for knowledgeable undertaking of risks and mitigation of any negative consequences of these.

In order to ensure ongoing optimisation of risk management trends, updating of the Enterprise Risk Management (ERM) Model completed in 2015, led to formalisation by the Board of Directors of a Group Risk Appetite Statement on 9 March 2016. This is to be taken as the maximum level of risk which is willing to undertake while performing its business activities in relation to the main sources of problems (or Over the Top risk categories) while pursuing strategic plan targets, identified by the Group's management as typical and recurrent, in other words:

- Financial structure;
- Human resources;
- Reference situation;
- Partnership;
- Sustainability and QHSE.

Financial Structure-related risks. These risks are linked especially to the possibility that a business is unable to meet its financial obligations arising from contractual undertakings and, more generally from its financial liabilities, as well as potential losses resulting from default of obligations undertaken, insofar as access to sources of finance is subordinate to compliance with specific covenants (binding clauses for the Group upon penalty of withdrawal of the loan or renegotiation at less favourable conditions). Together with this, there is the extreme volatility of currency markets, which, considering the Group's high level of currency exposure, is an additional important risk factor for achievement of international growth targets, even if the Group takes measures to control said risk, with suitable hedging transactions (natural and non-natural hedging).

Reference Situation-related risks. Astaldi Group has always had a major inclination for internationalisation and this has entailed and still entails the obligation of assessing the so-called "Country Risk", in other words the set of risks arising from economic, political and social events (hence not dependent on Astaldi) which are able to negatively affect earnings and protection of the value of the Group's assets. In order to mitigate this type of risk, the Group has set risk tolerance levels established in the Risk Appetite Statement which take into account both the reference country's credit rating (institutional) and the dependency of the Group's results on the individual country (in terms of percentage of order backlog, turnover and product margins as regards total values). Always in this regard, the Group confirms the development model for international commercial activities as detailed in the section entitled "Main risks and uncertainties" of the Annual Financial Report at 31 December 2015, which should be referred to. In order to provide complete information, a brief mention of the countries the Group operates felt to be most exposed to this category of risk, can be found below.

- *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 (public) customer's payment obligations as regards contracts in progress in Venezuela to date. Therefore, a virtual standstill of activities (railway projects) was confirmed for this first part of the year in order to limit invested capital in the country and pending a situation able to ensure greater stability for projects in progress.
- As regards **Turkey**, there are no problems such as to negatively affect construction and operating activities in progress in the area (motorways, healthcare construction), also in the light of the recent events. Therefore, the forthcoming opening of the Third Bosphorus Bridge can be confirmed. While as regards the concession asset disposal strategy, it must be recalled that the recently approved strategic plan provides for a disposal and valorisation procedure for Turkish assets subsequent to final completion of the works and hence, not prior to 2017.

Partnership-related risks. 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 issues linked to cultural and organisational integration with partners, as well as exposure to partners' financial positions. In this regard, the Risk Appetite Statement defines the Group's tolerance thresholds and appetite as regards partnership-related risks. 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 shareholders' agreements.

Human resources-related risks. In order to guarantee the availability of a centralised, reliable source of data related to resource allocation and availability as well as the high-quality level of said resources' specialist and technical skills, the Group has already created a computerised human resources management system able to plan the internal population trend and related costs/benefits, as well as generate detailed reports, The "Astaldi Corporate Academy", a training school within the Group dedicated to developing and improving managerial resources, is going ahead successfully with the aim of highlighting and increasing the Group's specific skills and know-how, thus generating additional value.

Sustainability and QHSE-related risks. 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 which aims to produce a first internal sustainability report in the short-term. At the same time, the major importance which Quality, Health, Safety and Environment (QHSE/Compliance) are acquiring within the Group's management necessitates increasing focus on these issues, also because accidents and/or violation of HSE regulations may 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 QHSE management system, certified by independent third-parties. For more details, please refer to the section of the Annual Financial Report 2015 entitled "Sustainability, Quality, Safety and Environment".

FOCUS ON MUSKRAT FALLS HYDROELECTRIC PROJECT (CANADA)

As already mentioned previously, the Muskrat Falls Hydroelectric Plant contract in Canada involves the performance of civil works related to a hydroelectric plant (installed capacity of 820 MW) on the Lower Churchill River, in the Newfoundland and Labrador regions. In July a bridge agreement was signed with the Customer (NALCOR) in Canada regarding the definition, expected by the end of 2016, of new conditions for the contract to construct the Muskrat Falls Hydroelectric Plant. This agreement, which provides for an extension of the contraction duration and an increase in the contractual value in order to allow for works to continue, represents a positive step towards resolving the issues related to this project. The aforementioned agreement provides for the availability of additional funding to be invested in the contract in relation to resolving the general situation. Astaldi will continue to perform works in line with the new works schedule. In this regard, it must be noted that the contract being performed by Astaldi forms part of a much larger Muskrat Falls project for which the Customer has already publicly acknowledged a review of costs and the timeframe of the whole project. For more information, please refer to the section herein entitled “Construction”.

Events after the reporting period

As mentioned above, a bridge agreement was signed with the Customer (NALCOR) in **Canada** in July regarding the definition, expected by the end of 2016, of new conditions for the contract to construct the Muskrat Falls Hydroelectric Plant. This agreement, which provides for an extension of the contract duration and an increase in the contractual value in order to allow for works to continue, represents a positive step towards resolving the issues related to this project. The aforementioned agreement provides for the availability of additional funding to be invested in the contract in relation to resolving the general situation. Astaldi will continue to perform works in line with the new works schedule. In this regard, it must be noted that the contract being performed by Astaldi forms part of a much larger Muskrat Falls project for which the Customer has already publicly acknowledged a review of costs and the timeframe of the whole project. For more information, please refer to the section herein entitled “Construction”.

A USD 513 million loan was subscribed in July in Chile (structured on a non-recourse basis for Astaldi Group) **for construction of Arturo Merino Benítez International Airport in Santiago de Chile**. It was subscribed by a syndicate of international banks and will allow for completion of the works to upgrade and expand the infrastructure. It must be recalled that Santiago airport represents a valid example of the strategy the Group wishes to implement over the coming years as regards concession development. This approach is aimed at favouring a project development model which will see Astaldi holding a smaller investment in SPVs and a large investment in the construction contracts related to the project, resulting in a significantly lower undertaking in terms of invested capital than in the past. For more information regarding the contract, currently in execution and already in operation since 1 October 2015 as regards Phase 1 (existing terminal), please refer to the section herein entitled “Construction”.

Two construction contracts for the performance of two road projects **were awarded in Florida** (USA) in July **worth a total of USD 38 million**:

- *Beachline Road* – for expansion of Beachline Road in the direction of Turnpike Road. The project has a strategic value for the Area insofar as it is part of a larger development project. The contract involves the expansion of approximately 8 kilometres of motorway and the construction of 7 bridges and related works (sub-services, street lighting, etc.). The works have been commissioned by FDOT, the Florida Department of Transportation and the contract may ensure interesting synergies with projects in progress in the Area given the vicinity of other Astaldi Group operating sites;
- *CR 490a Halls Rivers* – for the construction of a road section of approximately 500 metres including a bridge to be built using innovative techniques which will replace an existing structure and be made of concrete with GFRP (Glass Fibre Reinforced Polymer) and CFRP (Carbon Fibre Reinforced Polymer) hybrid girders. The planned project duration is 320 days and works will be financed by federal funding.

The Pianello-Valfabbrica section of the national road SS-138 related to the Marche-Umbria Quadrilatero Road Network project in Italy was **opened to traffic** in July. This represents the achievement of a key target of the projects, the remaining sections of which are currently under construction. For more information regarding the progress of additional project lots, please refer to the section herein entitled “Construction”.

Lastly, as regards disposal of the investment in **A4 Holding**, it is to be noted that to date authorisation has been received from the Antitrust Authority together with authorisation from the Granting Authority (Ministry of Infrastructures and Transport). A meeting was held on 19 July prior to the meeting of CIPE (the Interdepartmental Committee for Economic Planning) whose agenda also included examination of the agreement reached by the «Joint Committee» involving the State, Autonomous Province of Trento and Veneto Region for construction of the A31 Valdastico North Motorway in Trento province which is a necessary condition for concluding the disposal procedure. The meeting of CIPE is expected to be convened in the near future. The transaction should be completed by September 2016.

Moreover, it must be noted that in July it was brought to our attention that the Public Prosecutor’s Office of Rome is carrying out a preliminary criminal investigation with regard to works to construct **Line C of the Rome Underground**. These works were assigned by the Customer, Roma Metropolitane to the SPV Metro C which Astaldi has a 34.5% interest in. Given the early stages of the proceedings, the Parent’s management does not feel there are any risks for Astaldi S.p.A, based on assessments made by its legal department with the help of external professionals called upon to provide their opinion. It must also be noted that there are no proceedings against Astaldi S.p.A. as per Legislative Decree No. 231/01.

Outlook

The Group’s operating and commercial efforts over the coming months will be focused on implementing and monitoring all the actions needed to achieve the short and medium-term targets set forth in the 2016-2020 Strategic Plan.

Specific focus will be placed on reducing the levels of debt, as outlined in the guidelines of the approved Strategic Plan. Efforts will be made to curb absorption of working capital related to projects in progress, but also to promote its more efficient recirculation, able to free resources.

It must be remembered that 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 internationally-acknowledged expertise the Group has to offer. Actions are being performed for each of these drivers that will also be continued in the second half of the year in order to maintain the growth outlined for the coming months and beyond.

<u>SUSTAINABLE GROWTH</u>

The commercial focus will remain on acquiring EPC[18] contracts which, by their nature, are able to optimise the Group’s performance capacity, with autonomous financial profiles that are compatible with set growth targets. At the same time, resources will continue to be focused on the completion of current construction contracts, especially those for which key milestones are envisaged in the short-term.

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

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 investment in concessions and a greater investment 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 than in the past.

Efforts will continue to maintain balanced geographical diversification with 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.

STRENGTHENING OF THE FINANCIAL STRUCTURE

As already mentioned, the reduction of levels of debt will remain a priority target over the coming months and beyond. It must be recalled that the medium-term target is to achieve a 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. The progress expected over the coming months for each of these areas of action is detailed below.

Asset disposal programme

In this regard, as mentioned previously, the first disposal transaction related to the aforementioned A4 Holding should be completed by September. Additional disposals should also be completed between the end of 2016 and the start of 2017, in line with the content of the current Strategic Plan. It is useful to note that, at the present time, interest has been expressed by various parties and the relative assessments are being performed with the help of the Group's advisors.

Optimisation of working capital management

Strict rules as regards working capital management will continue to be complied with and the Group will continue to favour the acquisition of contracts with financial profiles deemed suitable as from the tender phase and which provide for contract advances. The first positive effects related to the most recently-acquired contracts will start to be seen as from the second half of the year. Said contracts are characterised by autonomous financial dynamics and do not require significant investment of capital by Astaldi Group. The action of the task force dedicated to optimising working capital will continue with the effects starting to become visible as from the second half of the year.

Other information

Resolutions regarding Disclosure Documents in the event of Significant Transactions. Astaldi's Board of Directors has already resolved for some years now to avail itself of the faculty to depart from publication obligations regarding disclosure documents in the event of significant transactions such as mergers, demergers, share capital increases against contribution in kind, acquisitions and disposals. This resolution was formulated pursuant to the provisions contained in Article 70, subsection 8, and Article 71, subsection 1-*bis* of the "Issuer Regulation" issued by CONSOB (the Italian Commission for Listed Companies and the Stock Exchange).

Information on related party transactions. As regards related party transactions during HY1 2016, please refer to the Condensed Interim Consolidated Financial Statements. 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 half year pursuant to relevant legislation and relative procedures adopted by the Company. 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.

On behalf of the Board of Directors

Signed by Paolo Astaldi
(*The Chairman*)

Condensed Interim Consolidated Financial Statements and Notes thereto

Contents

Consolidated Financial Statements

Income statement

(EUR/000)	notes	HY1 2016	HY1 2015 Restated*
Revenue	1	1,332,904	1,333,431
of which with related parties		*363,560*	*319,396*
Other Operating Revenue	2	67,531	58,241
of which with related parties		*3,686*	*2,770*
Total Operating Revenue		**1,400,436**	**1,391,672**
Purchase costs	3	(211,940)	(227,749)
Service costs	4	(725,399)	(716,667)
of which with related parties		*(23,064)*	*(41,916)*
Personnel expenses	5	(277,186)	(254,352)
Other operating costs	6	(19,079)	(13,081)
of which with related parties		*(14)*	*(16)*
Total Operating Costs		**(1,233,604)**	**(1,211,849)**
Share of profits from joint ventures, SPVs and associates	7	32,748	33,984
EBITDA		**199,580**	**213,807**
Amortisation, depreciation and impairment losses	8	(29,515)	(38,616)
Provisions	9	(10,258)	(892)
Operating Profit		**159,807**	**174,298**
Financial income	10	44,018	58,659
of which with related parties		*5,840*	*14,503*
Financial expense	11	(139,554)	(143,768)
of which with related parties		*(3,377)*	*(310)*
Net financial expense and net gains on investments		**(95,537)**	**(85,108)**
Pre-tax profit from continuing operations		**64,270**	**89,190**
Tax expense	12	(15,433)	(27,101)
Profit from continuing operations		**48,837**	**62,089**
Net loss from discontinued operations	13	**(18,075)**	**(388)**
PROFIT FOR THE YEAR		**30,763**	**61,701**
Profit attributable to owners of the Parent		31,509	62,387
Profit attributable to non-controlling interests		(746)	(686)
Earnings per share			
Basic	14	EUR 0.32	EUR 0.64
Diluted	14	EUR 0.25	EUR 0.64
Earnings per share from continuing operations			
Basic	14	EUR 0.51	EUR 0.64
Diluted	14	EUR 0.41	EUR 0.64

(*) The income statement figures for HY1 2015, referring to the jointly-controlled company Re.Consult Infrastrutture S.p.A., have been restated in compliance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”.

Statement of Comprehensive Income

(EUR/000)	notes	HY1 2016	HY1 2015 *Restated**
Profit for the year (A)		**30,763**	**61,701**
Changing in hedging reserve		(16,270)	2,317
Change in translation reserve		6,886	14,772
Share of other comprehensive income relating to Joint Ventures, SPVs and Associates		(63,827)	(3,308)
Tax effect on other comprehensive income		3,885	(616)
Tax effect on other comprehensive income relating to Joint Ventures, SPVs and Associates		12,199	(245)
Comprehensive income relating to discontinued operations		0	(41)
Other comprehensive income (expense) net of tax effect that will be subsequently reclassified to profit or loss (B1)	27	**(57,127)**	**12,880**
Actuarial gains (losses) on defined benefit plans		(368)	169
Comprehensive income relating to discontinued operations		0	7
Other comprehensive income (expense) net of tax effect that will not be subsequently reclassified to profit or loss (B2)	27	**(368)**	**176**
Total Other comprehensive income (expense) net of tax effect (B1)+(B2)=(B)		**(57,495)**	**13,056**
TOTAL COMPREHENSIVE INCOME (EXPENSE) (A)+(B)	27	**(26,732)**	**74,756**
of which attributable to owners of the Parent		(26,047)	75,232
of which attributable to non-controlling interests		(685)	(476)

(*) The income statement figures for HY1 2015, referring to the jointly-controlled company Re.Consult Infrastrutture S.p.A., have been restated in compliance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”.

Statement of Financial Position

(EUR/000)	notes	**30/06/2016**	**31/12/2015**
ASSETS			
Non-current assets			
Property, plant and equipment	15	205,422	210,120
Investment property	16	670	682
Intangible assets	17	46,558	47,108
Equity investments	18	477,662	578,997
of which:			
Equity-accounted investments		*450,710*	*555,393*
Non-current financial assets	19	369,838	325,627
of which with related parties		*243,054*	*240,363*
Other non-current assets	20	33,800	50,509
Deferred tax assets	12	90,715	61,644
Total Non-current assets		**1,224,666**	**1,274,687**
Current assets			
Inventories	21	63,251	70,676
Amounts due from customers	22	1,493,075	1,242,991
of which with related parties		*205,628*	*104,454*
Trade receivables	23	663,463	692,994
of which with related parties		*40,912*	*26,163*
Current financial assets	19	29,671	34,646
of which with related parties		*1,155*	*1,975*
Tax assets	24	131,477	138,645
Other current assets	20	313,150	294,989
of which with related parties		*35,663*	*37,473*
Cash and cash equivalents	25	327,011	611,263
Total Current assets		**3,021,100**	**3,086,202**
Non-current assets held for sale and discontinued operations	26	***116,255***	***0***
Total Assets		**4,362,020**	**4,360,889**

(EUR/000)	notes	**30/06/2016**	**31/12/2015**
EQUITY AND LIABILITIES			
Equity	27		
Share capital		196,850	196,850
Treasury shares		(1,377)	(1,602)
Reserves:			
Legal reserve		33,062	31,141
Extraordinary reserve		314,253	296,328
Retained earnings		161,250	118,891
Other reserves		(2,174)	(311)
Other comprehensive expense		(181,395)	(107,766)
Deferred tax from other comprehensive income		33,069	16,996
Total capital and reserves		**553,538**	**550,528**
Profit for the year		31,509	80,876
Equity attributable to owners of the Parent		**585,047**	**631,405**
Loss attributable to non-controlling interests		(746)	(1,371)
Other comprehensive income (expense) attributable to non-controlling interests		20	(30)
Deferred tax on other comprehensive income attributable to non-controlling interests		50	38
Capital and Other Reserves attributable to non-controlling interests		5,681	6,988
Equity attributable to non-controlling interests		**5,004**	**5,626**
Total Equity		**590,051**	**637,031**
Non-current liabilities			
Non-current financial liabilities	28	1,447,759	1,288,473
of which with related parties		*14,580*	*14,580*
Other non-current liabilities	29	6,356	15,257
Current portion of provisions for employee benefits	30	8,068	8,057
Deferred tax liabilities	12	35,870	20,713
Total Non-current liabilities		**1,498,053**	**1,332,501**
Current liabilities			
Amounts due to customers	22	384,471	411,459
of which with related parties		*147,565*	*142,318*
Trade payables	31	970,263	1,013,237
of which with related parties		*62,213*	*66,241*
Current financial liabilities	28	680,880	655,726
Tax liabilities	32	50,980	66,444
Current portion of provisions for risks and charges	33	14,170	13,794
Other current liabilities	29	173,153	230,698
of which with related parties		*3,115*	*5,066*
Total Current liabilities		**2,273,916**	**2,391,358**
Total Liabilities		**3,771,969**	**3,723,858**
Total Equity and Liabilities		**4,362,020**	**4,360,889**

Statement of changes in equity at 30/06/2016

(EUR/000)	Share capital	Legal reserve	Extraordinary reserve	Hedging reserve	Translation reserve	Actuarial gains (losses)	Gains (Losses) on measurement of AFS	OCI deferred tax	Other reserves	Retained earnings	Profit for the year	Equity attributable to owners of the Parent	Non-controlling interests	Total Equity
Balance at 01/01/2016	**195,248**	**31,141**	**296,328**	**(77,666)**	**(29,746)**	**(383)**	**29**	**16,996**	**(311)**	**118,891**	**80,876**	**631,405**	**5,626**	**637,031**
Profit from continuing operations 2016	0	0	0	0	0	0	0	0	0	0	31,509	**31,509**	(746)	**30,763**
Other comprehensive income (expense)	0	0	0	(75,002)	1,734	(361)	0	16,073	0	0	0	**(57,556)**	61	**(57,495)**
TOTAL COMPREHENSIVE INCOME (EXPENSE)	**0**	**0**	**0**	**(75,002)**	**1,734**	**(361)**	**0**	**16,073**	**0**	**0**	**31,509**	**(26,047)**	**(685)**	**(26,732)**
Owner transactions and other changes in equity:														
Treasury shares	225	0	1,253	0	0	0	0	0	(871)	0	0	**607**	0	**607**
Dividends	0	0	0	0	0	0	0	0	0	0	(19,524)	**(19,524)**	(147)	**(19,671)**
Provision as per Art. 27	0	0	0	0	0	0	0	0	0	0	(192)	**(192)**	0	**(192)**
Transactions with non-controlling interests	0	0	0	0	0	0	0	0	0	(209)	0	**(209)**	207	**(2)**
Changes in consolidation scope	0	0	0	0	0	0	0	0	0	0	0	**0**	3	**3**
Allocation of 2015 profit from continuing operations	0	1,921	16,672	0	0	0	0	0	0	42,568	(61,160)	**0**	0	**0**
Stock grant reserve	0	0	0	0	0	0	0	0	(992)	0	0	**(992)**	0	**(992)**
Balance at 30/06/2016	***195,473**	**33,062**	*** 314,253**	**(152,668)**	**(28,012)**	**(744)**	**29**	**33,069**	**(2,174)**	**161,250**	**31,509**	**585,047**	**5,004**	**590,051**

* The amount indicated in the highlighted items is shown net of total investment in treasury shares totalling EUR 4,336 thousand of which EUR 1,377 thousand corresponding to the nominal amount of the shares, shown as reduction of share capital, and EUR 2,959 thousand shown as reduction of the extraordinary reserve.

Statement of changes in equity at 30/06/2015

(EUR/000)	Share capital	Legal reserve	Extraordinary reserve	Hedging reserve	Translation reserve	Actuarial gains (losses)	Gains (Losses) on measurement of AFS financial assets	OCI deferred tax	Other reserves	Retained earnings	Profit for the year	Equity attributable to owners of the Parent	Non-controlling interests	Total Equity
Balance at 01 January 2015	**195,057**	**27,934**	**256,581**	**(49,767)**	**(52,535)**	**(735)**	**(34)**	**13,133**	**491**	**102,373**	**81,559**	**574,058**	**5,998**	**580,056**
Profit from continuing operations 2015	0	0	0	0	0	0	0	0	0	0	62,387	**62,387**	(686)	**61,701**
Other comprehensive income (expense)	0	0	0	2,596	10,942	176	(41)	(827)	0	0	0	**12,846**	210	**13,056**
TOTAL COMPREHENSIVE INCOME (EXPENSE)	**0**	**0**	**0**	**2,596**	**10,942**	**176**	**(41)**	**(827)**	**0**	**0**	**62,387**	**75,232**	**(476)**	**74,756**
Owner transactions and other changes in equity:														
Treasury shares	331	0	288	0	0	0	0	0	343	0	0	**962**	0	**962**
Dividends	0	0	0	0	0	0	0	0	0	0	(19,522)	**(19,522)**	(207)	**(19,729)**
Provision as per Art. 27	0	0	0	0	0	0	0	0	0	0	(641)	**(641)**	0	**(641)**
Transactions with non-controlling interests	0	0	0	0	0	0	0	0	0	(1,023)	0	**(1,023)**	965	**(58)**
Change in consolidation scope	0	0	0	0	0	0	0	0	0	0	0	**0**	16	**16**
Allocation of 2014 profit from continuing operations	0	3,207	40,555	0	0	0	0	0	0	17,633	(61,395)	**0**	0	**0**
Stock grant reserve	0	0	0	0	0	0	0	0	(1,658)	0	0	**(1,658)**	0	**(1,658)**
Balance at 30/06/2015	***195,388**	**31,141**	***297,424**	**(47,172)**	**(41,593)**	**(558)**	**(75)**	**12,307**	**(824)**	**118,983**	**62,387**	**627,407**	**6,295**	**633,702**

* The amount indicated in the highlighted items is shown net of total investment in treasury shares totalling EUR 4,579 thousand of which EUR 1,462 thousand corresponding to the nominal amount of the shares, shown as reduction of share capital, and EUR 3,117 thousand shown as reduction of the extraordinary reserve.

Statement of cash flows

(EUR/000)	**HY1 2016**	**HY1 2015**
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the reporting period attributable to owners of the Parent and non-controlling interests	**30,763**	**61,701**
Tax expense	15,433	27,101
Pre-tax profit	**46,195**	**88,802**
Adjustments for:		
Non-monetary items		
Amortisation and depreciation	29,513	36,926
Impairment losses	2	1,691
Net gains on equity-accounted investees	(29,636)	(33,596)
Post-employment benefits and defined benefit plan costs	581	464
Stock grant plan costs	690	601
Accruals to provisions for risks and charges	10,258	892
Fair value profit	4,677	2,743
Subtotal	**16,085**	**9,720**
Monetary items		
Gains from disposals	(176)	(10,390)
Other adjustments needed to reconcile profit with cash flow from operating activities		
Net interest income and expense and dividends received / (Coverage of losses)	37,325	40,921
Subtotal	**37,149**	**30,531**
Cash flows of operating activities before changes in net working capital	**99,429**	**129,053**
Change in working capital		
Trade receivables	38,229	(46,011)
of which with related parties	*(14,749)*	*(3,679)*
Inventories and amounts due from customers	(252,918)	(77,492)
of which with related parties	*(101,173)*	*11,483*
Trade payables	(28,594)	61,873
of which with related parties	*4,028*	*20,723*
Provisions for risks and charges	184	(1,046)
Amounts due to customers	(26,988)	(196,190)
of which with related parties	*5,247*	*(36,375)*
Other operating assets	(59,952)	(64,114)
of which with related parties	*1,811*	*(372)*
Other operating liabilities	(52,365)	43,073
of which with related parties	*(1,951)*	*39*
Payments of post-employee benefits and defined benefit plans	(938)	(1,015)
Subtotal	**(383,341)**	**(280,923)**
Effect of exchange rate differences from translation of foreign operations	**6,886**	**14,771**
Cash flows from operating activities	**(277,026)**	**(137,098)**
Interest and dividends received / (Coverage of losses)	19,535	9,024
Interest paid	(55,505)	(50,252)
Tax (paid) / repaid	10,474	(30,111)
A) Net cash flows from (used in) operating activities	**(302,522)**	**(208,437)**

(EUR/000)	**HY1 2016**	**HY1 2015**
CASH FLOW FROM INVESTING ACTIVITIES		
Construction		
Net investment in property	(3,768)	(1,362)
Net intangible assets	(27,744)	(27,088)
Property, plant and equipment	9,596	11,820
Proceeds from the sale or reimbursement of property, plant and equipment	(503)	(807)
Change in financing of equity investments	*(215)*	*(837)*
of which with related parties	(42)	(1)
Acquisitions of investments in associates and other companies	0	25
Gains on the sale of investments in associates and other companies	(36)	370
Sale / (Purchase) of securities	(838)	(22,853)
Change in other loan assets, net	**(23,334)**	**(39,897)**
Subtotal		
Concessions		
Change in assets from concessions	(39,534)	(13,767)
Change in financing of equity investments	(55,743)	(91,093)
of which with related parties	*(51,375)*	*(91,093)*
Acquisitions of investments in associates and other companies	(6,180)	(17,360)
Gains on the sale of investments in associates and other companies	0	1,868
Change in other loan assets, net	6,416	9,826
of which with related parties	*1,073*	*13,586*
Change in finance lease receivables	2,355	(2,564)
Subtotal	**(92,686)**	**(113,089)**
(Purchase) / Sale of business unit	**(14,380)**	**0**
B) Cash flows used in investing activities	**(130,400)**	**(152,987)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends distributed to owners of the Parent	(19,524)	(19,522)
Dividends distributed to non-controlling interests	(147)	(207)
Net investment in treasury shares	1,478	618
Sale of treasury shares	(872)	343
Net use of credit lines	170,345	286,621
Change in other financial liabilities	4,073	(2,087)
Repayment of finance leases	(5,236)	(6,212)
Change in non-controlling interests and other changes	(1,446)	(4,426)
C) Cash flows from financing activities	**148,671**	**255,128**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(284,252)**	**(106,295)**
CASH AND CASH EQUIVALENTS AT THE START OF THE REPORTING PERIOD	**611,263**	**530,212**
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	**327,011**	**423,917**

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 sponsor of project finance initiatives and concession projects.

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.

At the draft date of the 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 Condensed Interim Consolidated Financial Statements as at 30 June 2016 were approved by the Board of Directors of the Parent at the meeting of 3 August 2016.

Basis of preparation and segment reporting

The Condensed Interim Consolidated Financial Statements of Astaldi Group at 30 June 2016 (hereinafter "consolidated financial statements") as provided for in Article 154-ter, paragraphs 2 and 3 of the Consolidated Finance Act, were drafted in compliance with International Financial Reporting Standards, endorsed by the European Union and CONSOB regulations regarding application of IFRS. The aforementioned standards are supplemented with IFRIC (International Financial Reporting Interpretations Committee) and SIC (Standing Interpretations Committee) interpretations, also endorsed by the European Union.

The interim consolidated financial statements are drafted in a condensed format, in compliance with IAS 34 – Interim Financial Reporting - adopting the same accounting policies and measurement criteria as for the Consolidated Financial Statements at 31 December 2015 with the exception of that set out in the section "Newly-issued and endorsed accounting standards and interpretations, in force from 1 January 2016".

The condensed interim consolidated financial statements were drawn up in Euro, which is the functional and reporting currency of the Parent. 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.

It must also be noted that the financial statement models are the same as those adopted in the 2015 Annual Financial Report, with the exception of the amendments made, in order to implement (EU) Regulation 2015/2046 of 18 December 2015, to the section of other comprehensive income items as described in more detail in the section entitled "Newly-issued and endorsed accounting standards and interpretations, in force from 1 January 2016".

The condensed interim consolidated financial statements at 30 June 2016 were audited as provided for in CONSOB Resolution No. 10867 of 31 July 1997. The conclusions of the audit, performed by the independent auditors, KPMG S.p.A., will be published in compliance with reference legislation.

Preliminary information regarding data comparability

Asset Disposal

In relation to its 2016-2020 Strategic Plan, Astaldi is involved in a coordinated programme to dispose of some concession assets no longer considered to be of strategic interest. The recent operations which provide for disposal of the jointly-controlled company **Re.Consult Infrastrutture S.p.A.** and the investee **Aguas de San Pedro SA de C.V.**[1] by the end of the current year form part of this programme.

In light of the above, it was considered necessary to restate the comparative data of the Income Statement and the Statement of Comprehensive Income, in compliance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", reclassifying among discontinued operations the income items for HY1 2015 related to the jointly-controlled company Re.Consult Infrastrutture S.p.A. equal respectively to EUR -388 thousand and EUR -34 thousand.

Amendments made to the Income Statement

While drafting the consolidated annual financial statements for the year ending 31 December 2015, the Parent's management deemed it fitting to amend the statement listing profit for the year, including the "Shares of profits (losses) from joint ventures, SPVs and associates" operating in Astaldi's core business, in the "EBITDA". This was done in order to represent the return on the Group's operating investments regardless of the specific legal-organisational structures adopted in the various geographical areas where the Group works.[2]

Considering the above, it proved necessary to restate data related to HY1 2015 in order to allow for precise comparability with the half year in question.

Conversion of items and translation of foreign-currency financial statements

The main exchange rates used to translate into the presentation currency the economic and financial values of companies with a different functional currency other than the Euro were as follows.

Currency	Closing rate June 2016	Average HY1 2016	Closing rate June 2015	Average HY1 2015
Dinar – Algeria	122.4970	121.2926	110.6982	106.7598
New Lev - Bulgaria	1.9558	1.9558	1.9558	1.9558
Dollar – Canada	1.4384	1.4844	1.3839	1.3774
Peso – Chile	735.5000	769.1290	714.9211	693.3432
Kroner – Denmark	7.4393	7.4497	7.4604	7.4562
Dirham – Arab Emirates	4.0755	4.0966	4.1075	4.0967
Rupiah - Indonesia	14,601.7000	14,963.4460	14,938.4300	14,469.1936
Dirham – Morocco	10.8660	10.8749	10.8523	10.8097
Cordoba Oro - Nicaragua	31.7675	31.5579	30.4897	30.0397
Nuevo Sol – Peru	3.6541	3.7747	3.5533	3.4583
Pound Sterling – UK	0.8265	0.7788	0.7114	0.7323
Zloty – Poland	4.4362	4.3688	4.1911	4.1409
New Leu - Romania	4.5234	4.4956	4.4725	4.4479
Rouble - Russia	71.5200	78.2968	62.3550	64.6407
Dollar - US	1.1102	1.1159	1.1189	1.1158
Lira – Turkey	3.2060	3.2593	2.9953	2.8626
Bolivar - Venezuela	696.2756	288.7036	7.0402	7.0207

1 As regards the transactions mentioned, please refer to the more detailed description found in Note 26 below.

2 For more details, please refer to the Notes to the 2015 Annual Financial Report.

Note: the exchange rate expresses the amount of foreign currency required to purchase 1 Euro.

In the case of hyperinflated economies, the measurement criteria provided for in IAS 29 are taken into account, in accordance with the definition found therein.

To conclude, as regards, in particular, the exchange rate used to translate the economic and financial values expressed in Venezuelan Bolivars into Euro, it should be noted that the local government changed the country's currency system during the first quarter of 2016. More specifically, through Currency Agreement No. 35, published in Official Journal No. 40.865 of 9 March 2016, the Central Bank of Venezuela, together with the national executive authority, approved two different exchange rate mechanisms:

- A protected exchange rate – DIPRO – which represents a preferential rate reserved for the purchase of "essential goods and services";
- A fluctuating supplementary market exchange rate – DICOM – which represents, as per the Venezuelan Government's indications, the exchange rate to be applied to most commercial transactions.

In light of the above, the Parent's management adopted the DICOM as the exchange rate for translating foreign currency transactions as from 10 March 2016. This entailed review of some estimates referring to the value of items expressed in local currency, both with regard to the final figures at the reference date and to the updating of whole-life quotes for railway works in progress in the area. The overall net economic effects seen during HY1 2016, related to updating of these estimates, were not particularly significant insofar as the imbalance of items expressed in Bolivars had already been reduced to a minimum in previous years, also as a result of the gradual reduction of the Group's operations in this area.

Seasonal factors

The turnover and financial performance of some projects are affected by seasonal factors. Specifically, as regards construction, the levels of production are affected by weather conditions which are normally more unfavourable during the winter in Central-Eastern Europe and North America. Nevertheless, given that the Group's business model is developed in various areas worldwide, said effects are, at least partially, offset by the greater production levels recorded by projects in progress in the opposite hemisphere.

The Group's financial performance is also affected with regard to concessions by the lower production levels recorded from May to September of each year, with regard to operation of the Chacayes Hydroelectric Plant in Chile due to the smaller amounts of water flowing through the plant during these months.

Therefore, the above can limit the ability of performance during the first half of the year to be representative of the trend for the whole year.

Use of estimates

Interim reporting in compliance with IFRS requires the formulation of estimates and assumptions affecting the carrying amounts of assets and liabilities and the disclosure regarding potential assets and liabilities.

Estimates are used, inter alia, to perform impairment testing and to recognise allowance for impairment, work in progress, amortisation and depreciation, impairment losses, employee benefits, taxes, other accruals and provisions.

Estimates are based on the most up-to-date information available to the company's management upon drafting of the financial statements and hence their reliability is not affected.

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 for the period when the change occurred. More specifically, taking into account the specific segment the Group operates in, which provides for payment of a sum upon awarding of the individual contracts, the margins on said contracts, recognised in profit or loss on the basis of systematic calculation criteria, may differ from the original estimates. This is dependent on the probable recoverability of greater charges that may be incurred during the performance of works. Lastly, taxes have been calculated using the tax rate currently in force which is considered applicable for the forecast annual results in compliance with legislation in force in the countries the Group operates in.

Impairment of assets

Taking into account that the market capitalisation of Astaldi S.p.A. (EUR 357,873 thousand) at 30/06/2016 was less than the Group's equity (EUR 585,047 thousand), the Group's management planned to check the presence of impairment on goodwill and on other assets that are of significance within the Group.[3]

To this end and on the basis of what is provided for by, inter alia, the Italian Assessment Board, the Group's management considered it fitting to perform a Level-Two Impairment Test in order to compare the recoverable amount of the Group's net assets with the relative book equity.

Level-Two Impairment Test resulted in the identification of two macro CGUs referring to the Construction and Concessions segments, allowing for calculation of the recoverable amount of each of these.

Specifically, the recoverable amount of the CGU referring to the Construction segment was obtained using a method based on income flows which involved the discounting of each year's income, as found in the forecasts contained in the 2016-2020 Strategic Plan approved by the Parent's Board of Directors on 11 May 2016.

A rate equal to the cost of the Parent's own capital (Ke) (8.31% for 2016 and 8.37% for the following years[4]) was used for the discounting process. Lastly, the flow used to calculate the Terminal Value was equal to the average net income of the last 5 years, conservatively forecasting a zero growth rate and a 4% add-on on Ke.

As regards the CGU referring to the Concessions segment, it must be noted that the relative recoverable amount was calculated using the sum of the parts method. Specifically, the amount of investees was estimated separately in accordance with a cascade logic, from the bottom up, so as to allow for replacement of the carrying amount of investments with the respective pro-quota value at all levels.

Specifically, with regard to the measurement techniques referred to the main investees, it must be noted that the amount of each of these was identified using the "Dividend Discount Model" (DDM) method, discounting the future forecast dividend flows from corporate transactions. The economic and financial plans of the investees were used in order to apply said method, as drawn up by the individual companies' respective corporate bodies.

Lastly, it must be noted that the Parent's management availed itself of the specific consulting services of an international network in order perform all the relative Impairment Tests.

Further to performance of the Level-Two Impairment Tests, which were also integrated with additional sensitivity specifications, the recoverable amount of the Group's net assets, expressed per ordinary share, was considerably greater than the corresponding market capitalisation, thus confirming the complete recoverability of the Group's Book Equity.

Consolidation scope

At 30 June 2016, the consolidation scope of Astaldi Group was as follows:

	Type of influence	Consolidation method	Construction	Concessions	Maintenance and plant	Total
Subsidiaries	Control	Full	49	6	10	65

3 Details will be provided further on herein with regard to the results of the Level-One Impairment Tests performed, also with regard to the methods and assumptions used to develop the individual tests.

4 The difference in the Ke used as from 2017 for discounting of flows can be attributed to the different IRES rate used to calculate the tax burden on income produced by the same financial year.

- *of which Italy*			*25*	*1*	*9*	*35*
Joint Ventures	Joint control	Equity	16	5	0	21
- *of which Italy*			*12*	*1*	*0*	*13*
Associates	Significant influence	Equity	38	11	2	51
- *of which Italy*			*29*	*7*	*2*	*38*

The Astaldi Group companies

Subsidiaries

Construction	Registered office	Operating headquarters	Share/quota capital nominal amount	Funct. currency	% interest	Direct interest	Indirect interest	Companies with indirect interest
Italy								
Afragola FS S.C.r.l.	Rome	Italy	10,000 EUR	EUR	100.00%	76.76%	23.24%	NBI S.p.A.
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 liquidation	Rome	Italy	25,500 EUR	EUR	78.90%	78.90%	0.00%	
C.O.MES. in liquidation S.r.l.	Rome	Italy	20,000 EUR	EUR	55.00%	55.00%	0.00%	
Capodichino AS.M S.c.r.l	Naples	Italy	10,000 EUR	EUR	66.83%	66.83%	0.00%	
CO.ME.NA. S.c.r.l. in liquidation	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%	
Consorzio Stabile Operae	Rome	Italy	500,000 EUR	EUR	99.00%	98.00%	1.00%	Sartori Tecnologie Industriali S.r.l.
Dirpa 2 S.c.ar.l.	Rome	Italy	50,009,998 EUR	EUR	99.00%	0.00%	100.00%	Consorzio Stabile Operae
Forum S.c.r.l. in liquidation	Rome	Italy	51,000 EUR	EUR	79.98%	79.98%	0.00%	
Garbi Linea 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 liquidation	Rome	Italy	10,200 EUR	EUR	74.99%	74.99%	0.00%	
Ospedale del Mare S.C.r.l. in liquidation	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 liquidation	Milan	Italy	25,500 EUR	EUR	99.98%	99.98%	0.00%	
S. Filippo S.c.r.l. in liquidation	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%	
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 Quattro S.c.r.l. in liquidation	Rome	Italy	51,000 EUR	EUR	90.00%	90.00%	0.00%	
Toledo S.c.r.l. in liquidation	Naples	Italy	50,000 EUR	EUR	90.39%	90.39%	0.00%	
International								
Asocierii Astaldi SpA, 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 Design & Construcion Inc.	Montreal (Canada)	Canada	100 CAD	CAD	100.00%	0.00%	100.00%	Astaldi Canada Enterprises Inc.
Astaldi Canada Enterprises Inc.	Montreal (Canada)	Canada	100 CAD	CAD	100.00%	100.00%	0.00%	
Astaldi Canada Inc	Montreal (Canada)	Canada	50,020,000 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. Zo.o.	Warsaw (Poland)	Poland	120,000 PLN	PLN	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	98.00%	98.00%	0.00%	
Astalrom S.A.	Calarasi (Romania)	Romania	3,809,898 RON	RON	99.68%	99.68%	0.00%	
Astur Construction and Trade AS	Ankara (Turkey)	Tukey	35,500,000 TRY	USD	100.00%	100.00%	0.00%	
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%	
Kopalnia Kruszywa S5 Sp.Zo.o.	Warsaw (Poland)	Poland	5,000	PLN	100.00%	0.00%	100.00%	Astaldi Polska Sp. Zo.o.
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%	
Seac S.p.a.r.l. in liquidation	Kinshasa (Congo)	Congo	400 CDF	EUR	100.00%	100.00%	0.00%	
T.E.Q. Construction Enterprise Inc.	Montreal (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	37,234,761 USD	USD	100.00%	0.00%	100.00%	Inversiones Assimco Limitada
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	15,002,991,411 CLP	CLP	80.06%	0.00%	80.06%	Astaldi Concessioni S.p.A.
Sociedad Concesionaria Metropolitana de Salud s.a.	Santiago (Chile)	Chile	15,000,000,000 CLP	CLP	100.00%	0.00%	100.00%	Astaldi Concessioni S.p.A. NBI 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.
Careggi S.c.r.l. in liquidation	Bologna	Italy	10,000 EUR	EUR	57.00%	0.00%	57.00%	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
DEAS Società Consortile a Responsabilità Limitata	Bologna	Italy	10,000 EUR	EUR	57.00%	0.00%	57.00%	NBI S.p.A.
Sartori Tecnologie Industriali Srl	Brindisi	Italy	500,000 EUR	EUR	100.00%	0.00%	100.00%	NBI S.p.A.
Tione 2008 Scrl in liquidation	Bologna	Italy	100,000 EUR	EUR	76.00%	0.00%	80.00%	Consorzio Stabile Busi
3E System Srl	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. headquarters	Op. segment	Share/quota capital nominal amount	Funct. currency	% interest	Direct interest	Indirect interest	Companies with indirect interest
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

Asocierea Astaldi - FCC - Delta ACM- AB Construct	Bucharest (Romania)	Romania	C	- - - -	EUR	47.50%	47.50%	0.00%	
Astaldi-Turkerler Joint Venture	Ankara (Turkey)	Turkey	C	- - - -	EUR	51.00%	51.00%	0.00%	
Astadim S.C.	Warsaw (Poland)	Poland	C	- - - -	EUR	90.00%	90.00%	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%	
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%	
IC Ictas Astaldi Simple Partnership – M11 Project	St. Petersburg (Russia)	Russia	C	- - - -	RUB	50.00%	50.00%	0.00%	
Metro Blu S.c.r.l.	Milan (Italy)	Italy	C	10,000 EUR	EUR	50.00%	50.00%	0.00%	
UJV Astaldi Spa Chile Branch, Vinci CGP Chile Branch, and VCGP	Santiago (Chile)	Chile	C	- - - -	CLP	50.00%	49.50%	1.00%	VCGP - Astaldi Ingenieria y Construccion Limitada

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	3,000,000,000 TRY	TRY	18.86%	18.86%	0.00%	
Pacific Hydro Chacayes	Santiago (Chile)	Chile	CO	117,843,221 USD	USD	27.30%	0.00%	27.30%	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.

* Associates and joint ventures whose carrying amount is greater than EUR 15 million and joint operations whose production value is greater than EUR 7.5 million have been taken as significant.

C = Construction; CO = Concessions

Main changes in the consolidation scope

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

Consolidation scope at 31/12/2015 No. consolidated companies	67
Excluded in consolidation scope in 2016	
Name	**Event**
Romstrade S.r.l.	Liquidation
Astaldi-Astaldi International J.V.	Liquidation
Consolidation scope at 30/06/2016 No. consolidated companies	**65**

Business Combinations established in the first half of 2016

No business combination transactions were performed during HY1 2016.

Newly-issued and endorsed accounting standards and interpretations, in force from 1 January 2016

As regards the description of recently-issued accounting standards in force from 1 January 2016, please refer to the 2015 Annual Financial Report.

It must be noted that the changes introduced did not generate any significant effects during HY1 2016 as regards the measurement of balance sheet items and financial disclosure provided.

Specifically, as regards the amendments made by (EU) Regulation No. 2015/2406 of 18 December 2015, to IAS 1 "Presentation of Financial Statements" it must be noted that as from HY1 2016, the Group's management has deemed it appropriate to amend the statement of other comprehensive income items.

More specifically, in compliance with the provisions of the aforementioned regulation, the share of Other Comprehensive Income referring to SPVs, joint ventures and associates, recognised using equity accounting, was represented separately in the section of other comprehensive income items. Therefore, said amounts were presented in an aggregate manner, distinguishing only the share that may be subsequently reclassified among profit/(loss) for the year from the share that will never be represented in the income statement. A breakdown of the individual items by kind has, in any case, been included in the notes to the financial statements.

Endorsed standards and interpretations not adopted in advance by the Group

At the draft date of this Consolidated Interim Report, there are no endorsed Accounting Standards and Interpretations in force as from the second half of 2016.

Notes to the Consolidated Financial Statements

1 Revenue: EUR 1,332,904 thousand (EUR 1,333,431 thousand)

Revenue at 30 June 2016 totalled EUR 1,332,904 thousand, down compared to the previous year by EUR 527 thousand. This item consists of the following:

	HY1 2016	HY1 2015	Change
Revenue from goods and services	1,318,501	1,319,204	(703)
Concessions - Commercial services under arrangement	8,280	9,758	(1,478)
Periodical instalments on plant maintenance contracts	6,123	3,098	3,025
Closing inventories of assets and plant under construction	0	1,371	(1,371)
Total	**1,332,904**	**1,333,431**	**(527)**

“Revenue from goods and services” includes the amount of the works performed and accepted by the respective customers, including the portion of long-term works done during the financial year, but not yet completed.

“Concessions – Commercial services under arrangement” comprises the amounts accrued for infrastructure operation services, essentially regarding the four Hospitals in Tuscany.

“Periodical instalments on plant maintenance contracts”, on the other hand, comprises the activities undertaken in the half year by the subsidiary NBI, the company operating in the plant engineering 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.

“Closing inventories of assets and plant under construction” item, with no contribution during HY1 2016 included, 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 tailings of the “Codelco” (Chilean State-Owned Copper Mining Company) mines in the corresponding interim comparative period.

The revenue in terms of geographical breakdown is as follows.

	HY1 2016	%	HY1 2015	%	Change
Italy	203,631	15.28%	248,860	18.66%	(45,229)
Europe	610,368	45.79%	623,292	46.74%	(12,924)
America	414,956	31.13%	387,695	29.08%	27,261
Africa	92,108	6.91%	52,668	3.95%	39,440
Asia	11,841	0.89%	20,916	1.57%	(9,075)
Total	**1,332,904**	**100.00%**	**1,333,431**	**100.00%**	**(527)**

Domestic production benefitted from the positive contribution (i) of new contracts acquired during 2015 (Marche-Umbria Quadrilatero Road Network, Maxi-Lot 2 – 1st functional phase, Naples-Afragola HS Railway Station) and (ii) works on Line 4 of Milan Underground. This effect makes it possible only in part to offset the forecast reduction in production on other projects that are reaching the last phase of the relative activities (Jonica National Road, Line 5 of Milan Underground, Pedemontana Lombarda Motorway, New Hospital in Naples).

As regards Europe, the good performance of projects in progress in Turkey (Third Bosphorus Bridge, Etlik Health Integrated Campus and Gebze-Orhangazi-Izmir Motorway) and Russia (M-11 Moscow-St. Petersburg Motorway) must be noted. However, when compared with HY1 2015, this area was affected by the planned reduction in production volumes for some projects in progress in Poland (John Paul II Krakow-Balice International Airport) and Russia (WHSD in St. Petersburg) that are nearing a natural conclusion of activities.

There was a major increase in the contribution to revenue recorded by the American area, which benefitted from the positive effect of the works in progress in Chile (West Metropolitan Hospital in Santiago, Santiago Airport, and the Chuquicamata Mining project).

As regards America and specifically with regard to Venezuela, it must be noted that, in line with the previous year, the substantial standstill of railway works among the backlog was confirmed, pending a situation able to ensure greater stability for the relative activities.

Lastly, as regards the Muskrat Falls Hydroelectric Project in Canada, it must be noted that, as described in greater details in the section dealing with Events after the reporting period, a bridge agreement was signed with the Customer prior to an overall review of the contract, the results of which are expected by the end of 2016. This agreement which provides for an extension of the contract duration and a first increase in the contract amount in order to allow for works to continue, represents a first positive step towards resolving the issues this contract has experienced. The contract in question has been valorised within the limit of costs incurred as from HY2 2016, pending the final outcome of negotiations.

As regards Africa, there was an increase in the contribution of works in progress in Algeria compared to the corresponding interim period of the previous year. This was due to the intensification of activities (signalling, telecommunications and energy plants and systems) given forthcoming consignment of the Saida – Moulay Slissen section.

Asia was affected by the reduction of works in progress in Saudi Arabia as a result of a slowdown in some production phases for Jedda and KAEC HS stations.

For more information regarding this item, please refer to note 36 on Segment Disclosures pursuant to IFRS 8.

2 Other Operating Revenue: EUR 67,531 thousand (EUR 58,241 thousand)

Other operating revenue, totalling EUR 67,531 thousand, comprises economic items not directly connected with the Company's main production activity, while however being accessory to the core business.

	HY1 2016	HY1 2015	Change
Revenue from sale of goods	16,312	13,006	3,306
Services – third parties	27,035	15,862	11,173
Services – management of joint projects	191	898	(707)
Rents and leases	1,539	1,778	(239)
Net gains on disposals of property, plant and equipment	3,214	10,982	(7,768)
Other	19,240	15,715	3,525
Total	**67,531**	**58,241**	**9,290**

The increase in "Services – third parties" was mainly to be attributed to Turkey (Third Bosphorus Bridge and North Marmara Highway), which contributed to the half year's production, including through greater development of ancillary activities related to the main contract.

3 Purchase costs: EUR 211,940 thousand (EUR 227,749 thousand)

Purchase costs comprise changes in inventories of raw materials and consumables at 30 June 2016, totalling EUR 211,940 thousand, showing a decrease of EUR 15,809 thousand compared to the previous year.

	HY1 2016	HY1 2015	Change
Purchase costs	205,574	235,597	(30,023)
Change in raw materials, consumables and goods	6,366	(7,848)	14,214
Total	**211,940**	**227,749**	**(15,809)**

Below is a detailed analysis of the geographical breakdown of the item.

	HY1 2016	%	HY1 2015	%	Change
Italy	36,680	17.31%	38,630	16.96%	(1,950)
Europe	114,035	53.81%	126,592	55.58%	(12,557)
America	48,884	23.07%	49,009	21.52%	(125)
Africa	12,322	5.81%	13,514	5.93%	(1,192)
Asia	19	0.01%	4	0.00%	15
Total	**211,940**	**100.00%**	**227,749**	**100.00%**	**(15,809)**

The decrease recorded in Europe is to be mostly related to the completion of some project production phases related to the Third Bosphorus Bridge in Turkey, which had required a larger quantity of raw materials in order to perform the works during the first half of 2015.

4 Service costs: EUR 725,399 thousand (EUR 716,667 thousand)

Service costs, totalling EUR 725,399 thousand, are up compared to HY1 2015 by EUR 8,732 thousand. This item consists of the following:

	HY1 2016	HY1 2015	Change
Consortium costs	43,576	72,896	(29,320)
Subcontracts and other services	572,491	520,184	52,307
Technical, administrative and legal consultancy	42,559	54,192	(11,633)
Directors' and statutory auditors' fees	2,179	1,921	258
Utilities	4,172	4,748	(576)
Travel and transfers	4,021	3,183	838
Insurance	7,875	8,553	(678)
Leases and other costs	23,656	19,073	4,583
Lease and building management costs	5,114	5,382	(268)
Maintenance of third party assets	482	5,165	(4,683)
Other	19,274	21,370	(2,096)
Total	**725,399**	**716,667**	**8,732**

The consortium costs connected with the performance of works, in association with other entities in the segment, show a decrease of EUR 29,320 thousand compared to HY1 2015. The change is mainly due to the lower contribution of initiatives for construction works of the Pedemontana Lombarda Motorway and of Line C of the Rome Underground.

With regard to the item "Subcontracts and other services", up compared to the previous year by EUR 52,307 thousand, the geographical breakdown is shown below.

	HY1 2016	%	HY1 2015	%	Change
Italy	74,113	12.95%	88,541	17.02%	(14,428)
Europe	295,477	51.61%	256,346	49.28%	39,131
America	148,231	25.89%	140,838	27.07%	7,393
Africa	43,720	7.64%	13,953	2.68%	29,767
Asia	10,950	1.91%	20,506	3.94%	(9,556)
Total	**572,491**	**100.00%**	**520,184**	**100.00%**	**52,307**

There was an increase in the item in question compared to HY1 2015 as a result of the increase in production volumes of works in progress in Turkey (Third Bosphorus Bridge, Etlik Health Integrated Campus and Gebze-Orhangazi-Izmir Motorway), Russia (M-11 Moscow-St. Petersburg Motorway) and Algeria (Saida – Moulay Slissen Road), partially offset by the effects of the drop in values referring to projects being developed in Italy and Asia.

Note must also be taken of the decrease compared to the previous year in Technical, Administrative and Legal Consultancy costs, mainly seen in relation to projects being performed in Canada, Russia and Turkey. This decrease can be attributed in particular to the higher costs incurred during HY1 2015 by the aforementioned country areas in relation to the executive design of works.

5 Personnel expenses: EUR 277,186 thousand (EUR 254,352 thousand)

This item consists of the following:

	HY1 2016	HY1 2015	Change
Wages and salaries	197,365	179,661	17,704
Social security contributions	39,730	37,873	1,857
Other costs	38,820	35,753	3,067
Other post-employment benefits	581	464	117
Cost of share-based payments	690	601	89
Total	**277,186**	**254,352**	**22,834**

The Other costs mainly refer to expenses incurred for the training of employees, costs for meals and lodging, and the accrual for post-employment benefits as a defined contribution plan set forth in IAS 19.

The accrual for post-employment benefits in the context of the "defined benefit plan" is included in the "Other post-employment benefits" item.

The geographical breakdown of personnel expenses is shown below.

	HY1 2016	%	HY1 2015	%	Change
Italy	48,245	17.41%	48,517	19.07%	(272)
Europe	46,812	16.89%	44,215	17.38%	2,597
America	170,364	61.46%	148,957	58.56%	21,407
Africa	11,058	3.99%	11,947	4.70%	(889)
Asia	707	0.26%	716	0.28%	(9)
Total	**277,186**	**100.00%**	**254,352**	**100.00%**	**22,834**

As for the geographical breakdown of personnel expenses, note should be taken of a significant increase as regards international activities related to works in progress in Chile, and more specifically, to the fact that recently-acquired contracts (West Metropolitan Hospital and International Airport in Santiago) have entered the full production phase, and to the higher production volumes recorded during the half year in relation to the Chuquicamata Mining Project.

5.1 Average number of employees

The average number of employees by category is the following:

	HY1 2016	HY1 2015	Change
Managers	296	324	(28)
Junior managers	206	188	18
White collars	3,693	3,111	582
Blue collars	7,297	6,722	575
Average number of employees	**11,492**	**10,345**	**1,147**

On 30 June 2016, the Group had an average workforce of 11,492 employees. On an aggregate basis, the figure recorded an increase of 11% compared to the figure of the corresponding interim period, and confirms the prevalence of personnel employed abroad (90% of the total), due to the significant revenue produced outside Italy as well as the larger number of contracts in progress involving direct works.

5.2 Senior management incentive plan

Stock grant plan

"Cost of Share-based payments" includes the measurement of an incentive plan for senior managers linked to their achievement of specific financial targets. The main features of the plan are defined hereunder.

The plan consists of assigning the Beneficiaries company shares free of charge. The Beneficiaries were identified as follows: the CEO, up to a maximum number of (i) six General Managers and (ii) two "Managers with relevant responsibilities within the Group". The assignment period refers to the 2016-2018 three-year period.

The CEO can be assigned, free of charge, 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 shares; each "Manager with relevant responsibilities" can be assigned, free of charge, a maximum number of 40,000 shares for each year of validity of the plan.

The maximum number of shares that can be assigned as a whole to the Beneficiaries during each year will be equal to 420,000, and they cannot exceed the number of 1,260,000 shares during the three-year period of validity of the plan.

Assignment of the shares every year is subordinate to the Group's achievement of the financial performance targets defined each year by the Board of Directors. In accordance with the regulations, the assignment date of the shares is the date of resolution with which the Board of Directors ascertains achievement of said targets and the occurrence of the required conditions and consequently provides for assigning the shares to the Beneficiaries.

In connection with what has been described up to this point, the plan has determined for this reporting period a cost of EUR 690 thousand, with a balancing entry in an equity reserve.

The following are the actuarial assumptions with regard to the plan's calculation:

- Dividend rate: 5.00%;
- Volatility: 60%;
- Risk free rate: deduced from Euroswap rates on the measurement dates.

It was also hypothesised that the performance objectives are achieved with the following likelihood:

- 95% for 2016;
- 90% for 2017;
- 85% for 2018.

Medium-term Incentive Plan – "Management By Objectives" (MBO)

During its meeting on 27 June 2016, the Parent's Board of Directors, at the proposal of the Appointments and Remuneration Committee, approved a medium-term incentive plan to be disbursed to the Chairman having the authorisation to implement the concession asset disposal programme, in accordance with the 2016-2020 Strategic Plan.

The maximum bonus to be disbursed, upon achievement of all the set targets, amounts to EUR 6,000 thousand. "Other costs" included EUR 202 thousand referring to the actuarial valuation of expense connected to the incentive plan referring to activities performed during HY1 2016.

6 Other operating costs: EUR 19,079 thousand (EUR 13,081 thousand)

Other operating costs total EUR 19,079 thousand and show a slight increase of EUR 5,998 thousand compared to the previous year. Details are shown in the following table:

	HY1 2016	HY1 2015	Change
Prior year expense and fair value losses	1,693	1,103	590
Tax expense	5,466	5,914	(448)
Other administrative and sundry costs	11,920	6,064	5,856
Total	**19,079**	**13,081**	**5,998**

"Other administrative and sundry costs" increased considerably as a result (EUR 2,892 thousand) of the capital loss resulting from the sale of machinery and equipment related to contracts in Europe that are no longer operative.

7 Share of profits from joint ventures, SPVs and associates: EUR 32,748 thousand (EUR 33,984 thousand)

The share of profits of equity-accounted investees decreased by EUR 1,236 thousand compared to the previous year and consists of the following:

	HY1 2016	HY1 2015	Change
Special Purpose Vehicles and Associates	31,692	35,522	(3,830)
Joint Ventures	1,056	(1,538)	2,594
Total	**32,748**	**33,984**	**(1,236)**

The balance of this item at 30 June 2016 specifically refers to the following (i) EUR 18,231 thousand for the design, construction and operation of the Third Bosphorus Bridge, (ii) EUR 13,505 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.

8 Amortisation, depreciation and impairment losses: EUR 29,515 thousand (EUR 38,616 thousand)

Amortisation, depreciation and impairment losses totalled EUR 29,515 thousand, decreasing in absolute terms compared to HY1 2015 by EUR 9,101 thousand. This item consists of the following:

	HY1 2016	HY1 2015	Change
Amortisation	4,318	9,973	(5,655)
Depreciation	25,195	26,952	(1,757)
Impairment losses on receivables	2	1,691	(1,689)
Total	**29,515**	**38,616**	**(9,101)**

The balance of "Amortisation" is mainly attributable to amortisation of the contractual rights acquired for the development of works referring to "Maxi Lot 2" of the Quadrilatero Marche-Umbria Road Network (EUR 3,462 thousand). As regards comparison with the comparative figure, it must be recalled that at 30 June 2015, the item in question included (EUR 8,922) the shares of amortisation of the intangible asset related to the concession services agreement for Mondial Milas-Bodrum International Airport in Turkey, which reached its natural expiry in October 2015.

9 Provisions: EUR 10,258 thousand (EUR 892 thousand)

The provisions for risks and charges, totalling EUR 10,258 thousand at 30 June 2016, substantially represent the measurement made pursuant to paragraph 36 of IAS 11 "Construction Contracts" of the life-long economic result of certain contracts underway in Peru and USA.

10 Financial income: EUR 44,018 thousand (EUR 58,659 thousand)

Financial income fell compared to the previous year by EUR 14,641 thousand and consists of the following:

	HY1 2016	HY1 2015	Change
Income from associates	37	202	(165)
Income from other investees	0	227	(227)
Income from financial transactions with banks	929	2,285	(1,356)
Commissions on sureties	191	804	(613)
Exchange rate gains	16,667	28,569	(11,902)
Financial income on leases	682	795	(113)
Income from derivatives	1,132	414	718
Fair value income on the derivative embedded in the convertible bonds	5,014	0	5,014
Interest income on financial assets from concession activities	2,395	1,414	981
Other financial income	16,971	23,949	(6,978)
Total	**44,018**	**58,659**	**(14,641)**

It must be noted that during HY1 2016, updating of the fair value of the embedded derivative, connected to potential exercise of the cash settlement option on the convertible bond, resulted in reduction of the related liability for EUR 5,014 thousand whose financial return was recognised in the aggregate in question. This value was especially affected by listing of Astaldi shares, which showed a lower value at 30/06/2016 compared to 31/12/2015.

With regard to currency management, we can also point to a decrease in the exchange rate gains, ascribable to the fluctuating dollar, an effect partially offset by the greater amounts ascribable to the oscillation of the rouble.

11 Financial expense: EUR 139,554 thousand (EUR 143,768 thousand)

Financial expense decreases compared to the previous year by EUR 4,214 thousand, and consists of the following:

	HY1 2016	HY1 2015	Change
Interest on bonds	30,388	30,413	(25)
Commissions on sureties	18,091	19,876	(1,785)
Expense on financial transactions with banks	28,152	20,917	7,235
Exchange rate losses	43,740	34,679	9,061
Expense on derivatives	5,380	2,973	2,407
Fair value losses on the derivative embedded in convertible bonds	0	27,248	(27,248)
Lease expense	581	862	(281)
Interest for extended payment terms on trade items	2,507	2,835	(328)
Factoring of receivables without recourse	5,807	2,061	3,746
Other financial expense	4,533	1,452	3,081
Total	**139,179**	**143,316**	**(4,137)**
Impairment losses on equity investments	373	261	112
Impairment losses on securities and receivables	2	191	(189)
Total	**375**	**452**	**(77)**
Total financial expense	**139,554**	**143,768**	**(4,214)**

The main changes during the half year included (i) the higher value for exchange rate losses recorded above all in relation to America and Europe and (ii) the reduction in expense related to valuation of the cash settlement option on convertible bonds, in accordance with what has been described in detail in Note 10 above.

12 Tax expense: EUR 15,433 thousand (EUR 27,101 thousand)

The Group's tax expense at 30 June 2106 was calculated provisionally and as an estimate on the basis of what the Group would expect to pay at the end of the year, with specific reference to the tax rates envisaged by differing tax legislation in force in the areas where the Group operates.

The total amount of the tax expense for the reporting period is EUR 15,433 thousand.

The tax rate for HY1 2016, including the impact of IRAP, is 24% (HY1 2015: 30%). The details of the item are shown in the table below:

	HY1 2016	HY1 2015	Change
Current income tax (*)	18,134	11,548	6,586
Deferred income tax (*)	(4)	21,022	(21,026)
IRAP, current	430	749	(319)
IRAP, deferred	18	0	18
Tax expense of previous financial years and other	(3,145)	(6,218)	3,073
Total	**15,433**	**27,101**	**(11,668)**

(*) Income tax refers to IRES for Italy and similar taxes for the foreign areas

Therefore, it was possible to confirm the overall effects resulting from recent measures regarding international taxation, adopted by the financial administration at a national level and with effect on previous years too, already recorded in the financial statements for the year ending 31 December 2015. In particular, the new elements have in fact made clear that the assets earned abroad through Joint Operations are subject to taxation exclusively in the country producing the income. And they are thus considered exempt for the purposes of worldwide taxation pursuant to provisions in force in Italy.

Moreover, for IRAP purposes too, there was consolidation of the additional positive effect resulting from structural reduction of the incidence of this tax, taking into account on the one hand, the significant increase in international production activities, and on the other the renewed personnel expense deduction system for the purpose of calculating the relative taxable base.

Moreover, as usual, the tax rate takes into account the various taxation regimes in force in the countries where the Group operates, with specific reference to the modes of taxation of the income produced in the sphere of long-term contracts.

13 Net loss from discontinued operations: EUR 18,075 thousand (EUR 388 thousand)

This item includes the total income items recognised in relation to the investee Re.Consult, classified as a Discontinued Operation, in accordance with what is described in more detail under Note 26. More specifically, the half year result comprised (i) EUR 3,113 thousand for equity accounting of the investee up to the period immediately preceding reclassification among Discontinued Operations (i.e. 20 April 2016), (ii) EUR 14,962 thousand for fair value of investment net of sale costs, in accordance with IFRS 5 “Non-current assets held for sale and Discontinued operations”. This measurement is the result of the financial item linked to discounting of the agreed amount for asset disposal.[5]

As regards the figurative interest rate used to discount the disposal amount, it must be noted that this was considered as equal to 1.375%, in line with the interest rate applied to similar financial instruments issued by the counterparty.

14 Earnings per share: EUR 0.32 (EUR 0.64)

Basic earnings per share are calculated as follows:

		HY1 2016	HY1 2015
Numerator (EUR/000)			
Profit from continuing operations attributable to the ordinary shareholders of the Parent	**(a)**	49,583	62,775
Profit of the ordinary shareholders of the Parent	**(b)**	31,509	62,387
Denominator (in units)			
Weighted average shares (all ordinary)		98,424,900	98,424,900
Weighted average treasury shares		(789,562)	(836,123)
Weighted average shares used to calculate basic earnings per share	**(c)**	**97,635,338**	**97,588,777**
Basic earnings per share - (EUR)	**(b)/(c)**	**EUR 0.3227**	**EUR 0.6393**
Basic earnings per share from continuing operations - (EUR)	**(a)/(c)**	**EUR 0.5078**	**EUR 0.6433**

Diluted earnings per share, equal to EUR 0.2543 (EUR 0.4106, considering profit from continuing operations only), was calculated by dividing the profit for HY1 2016 referring to the Parent’s shareholders – adjusted for

5 Payment of the agreed amount for asset disposal, which was largely in line with the carrying amount of the investment prior to reclassification as per IFRS 5, was set at the end of the 78th month following the closing date.

the total of revenue items presumed to be no longer incurred following conversion of potential ordinary shares (net income of EUR 2,089 thousand) – by the average weighted number of Astaldi S.p.A. shares in circulation during the year, excluding treasury shares, increased by the weighted average of shares that could potentially be put into circulation (18,038,517 shares) in relation to:

(i) Stock Grant plans (470,000 shares) for managers with strategic responsibilities and more specifically to shares already assigned to beneficiaries and pending delivery related to the 2015 window of the 2013-2015 Incentive Plan, as well as those that may be assigned in relation to the 2016 window of the 2016-2018 Plan;

(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 (max. number of shares: 17,568,517. The Company shall be entitled to settle any conversion by cash payment or a combination of ordinary shares and cash.

15 Property, plant and equipment: EUR 205,422 thousand (EUR 210,120 thousand)

The following table shows changes in the amount of property, plant and equipment at the beginning and at the end of the reporting period:

	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 December 2015, net of depreciation (1)	47,590	94,010	31,322	27,422	9,776	210,120
Additions from acquisitions	4,020	7,666	4,085	2,817	11,318	29,906
Gross amount	**51,610**	**101,676**	**35,407**	**30,239**	**21,094**	**240,026**
Depreciation	(605)	(13,178)	(6,117)	(5,291)	0	(25,191)
Other disposals	(48)	(8,976)	(2,397)	(1,066)	(34)	(12,521)
Reclassification and transfers	0	1,865	89	(26)	(1,928)	0
Net exchange rate gains (losses)	(134)	1,317	303	342	799	2,627
Change in consolidation scope and other changes	0	588	63	(9)	(161)	481
Amount at 30 June 2016, net of depreciation (2)	**50,823**	**83,292**	**27,348**	**24,189**	**19,770**	**205,422**
(1) of which:						
Cost	61,041	195,805	133,994	93,364	9,776	493,980
Accumulated depreciation	(13,451)	(101,795)	(102,673)	(65,942)	0	(283,860)
Carrying amount	**47,590**	**94,010**	**31,322**	**27,422**	**9,776**	**210,120**
(2) of which:						
Cost	64,844	194,728	129,532	92,347	19,770	501,221
Accumulated depreciation	(14,022)	(111,435)	(102,185)	(68,158)	0	(295,799)
Carrying amount	**50,823**	**83,293**	**27,347**	**24,189**	**19,770**	**205,422**

It must be noted that “Assets under construction and payments on account” mainly includes the costs incurred to purchase equipment – not yet ready for its destined use – needed to perform the recently-acquired contract involving extension of the Chuquicamata Underground Mining Project in Chile.

The most significant changes included:

- Increases totalling EUR 29,906 thousand related mainly to investments in projects in progress in Chile (Chuquicamata) and Turkey (Third Bosphorus Bridge, Etlik Health Integrated Campus in Ankara);
- Depreciation during the half year totalled EUR 25,191;
- Disposals during the half year (EUR 12,521 thousand) mainly involved the disposals of assets related to projects being completed in Peru (Cerro del Águila) and Romania (Line 4 of Bucharest Underground).

The value of property, plant and equipment included leased assets for a total value of EUR 17,487, as detailed below.

	Land and Buildings	Generic and specific plant	Excavators, power shovels and vehicles	Sundry equipment and machines	Total at 30/06/16
Cost	1,196	12,487	15,758	955	30,397
Accumulated depreciation	(173)	(5,571)	(6,927)	(239)	(12,910)
Total	**1,023**	**6,916**	**8,832**	**716**	**17,487**

16 Investment property: EUR 670 thousand (EUR 682 thousand)

The "Investment property" item, totalling EUR 670 thousand, includes buildings and land held for investment purposes, whose amount, substantially stable in comparison with the previous financial year, declines essentially due to the normal depreciation cycle (EUR 4 thousand) and to the effect of the translation of the balances of the subsidiaries with a functional currency different from the presentation currency. In relation to measurement of fair value, it is noted that since the indicators were not wholly reliable and due to the low significance of the investment in question, it was not deemed necessary to list a precise measurement or a range of fair values.

17 Intangible assets: EUR 46,558 thousand (EUR 47,108 thousand)

Net intangible assets consist of the following:

	30/06/2016	31/12/2015	Change
Goodwill	14,745	14,745	0
Other assets	31,813	32,363	(550)
Total	**46,558**	**47,108**	**(550)**

17.1 Goodwill: EUR 14,745 thousand (EUR 14,745 thousand)

This item does not show changes compared to the end of 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 engineering 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 reporting period, the impairment test was performed on the carrying amount of the CGU by comparison with the relative recoverable amount.
  Value in use was estimated by discounting operating financial flows, or the available flows prior to repayment of financial loans and remuneration of shareholders (Unlevered Discounted Cash Flow (UDCF) method) obtained from the financial and economic plan approved by the subsidiary's Board of Directors

for the 2016-2018 period. The cash flow of each year was suitably discounted (mid-year convention) at the weighted average cost of capital (WACC) estimated at 8.71% for 2016 and 8.80% for 2017.[6]
The result of the Impairment Test showed there was no need to perform any impairment on goodwill. It must also be note that the sensitivity analysis performed showed how the reasonable difference in measurement of the financial parameters used to calculate the discounting rate (+100 bps) would confirm substantial stability of the headroom, just as a hypothetical difference of -10% of annual EBITDA on a linear basis for all the years of the plan would confirm the stability of goodwill.

- EUR 3,111 thousand for goodwill recognised, during 2012, following the acquisition of *T.E.Q. Construction Enterprise Inc.* that was allocated to the Cash Generating Unit with reference to the investee alone. This is because it is believed that it will generate incoming cash flows, deriving from the continuity of the pertinent corporate activities, broadly independent from the other activities of the Group.
At the end of the reporting period, the Impairment Test was conducted on the carrying amount of the CGU by the comparison with the relative recoverable amount. Specifically, the recoverable amount of the CGU was considered to be equal to the relative fair value identified by the market multiples method for comparable companies, applied to the 2016 EBITDA.
The value of EBITDA 2016 was estimated by integrating EBITDA for HY1 2016, as recorded by the IAS/IFRS Reporting Package approved by the Company's Board of Directors with the economic forecasts of the second half of the year, as found in the Annual Budget 2016 of said Investee. The multiple utilised is the ratio Enterprise Value/EBITDA on a sample of comparable companies. Implicit goodwill was thus calculated by adjusting the Enterprise Value to take into account net invested capital.
The result of the impairment test on goodwill, recognised after the acquisition of T.E.Q. Construction Enterprise Inc., did not show any need to apply impairment.

It must be noted that at the draft date of this report, it proved necessary to check the recoverability of goodwill given the presence of impairment indicators linked to the market capitalisation of Astaldi S.p.A.

17.2 Other intangible assets: EUR 31,813 thousand (EUR 32,363 thousand)

The value of "Other intangible assets", which remained largely unvaried compared to the end of the year, experienced changes as a result of (i) the normal amortisation cycle (EUR 4,318 thousand) and (ii) in relation to new acquisitions made during the half year, especially at a domestic level (EUR 3,757 thousand).

It must also be noted that at the end of HY1 2016, the item in question mainly referred (EUR 26,566 thousand) to the net value of contractual rights acquired from third parties for performance of Maxi Lot 2 of the Quadrilatero Marche-Umbria Road Network.
As regards the latter asset, given the presence of impairment indicators linked to Astaldi S.p.A.'s share performance, recoverability of the relative investment was checked at the end of the half year.
More specifically, value in use was estimated by discounting the operating financial flows (Unlevered Discounted Cash Flow (UDCF) method) as calculated on the basis of forecasts formulated using reasonable and sustainable assumptions able to represent the best estimate possible by the Parent's management. Each year's cash flow was suitably discounted (mid-year convention) at the weighted average cost of capital (WACC) equal to 8.71% in 2016 and 8.80% from 2017. It must be noted that the 2016 cash flow was adjusted in order to take into account the relevant period (six-monthly flow).
The Impairment Test result showed there was no need to perform impairment on the intangible asset. It must also be noted that the sensitivity analysis performed shows how the reasonable difference in measurement of the financial parameters used to calculate the discounting rate (+100 bps) would confirm substantial stability of the headroom, just as a hypothetical difference of -10% of annual EBITDA on a linear basis for all the years of the plan would confirm stability of the intangible asset's carrying amount.

It is finally noted that the aggregate in question does not include lease items.

6 The change in the Ke used as from 2017 to discount flows can be attributed to the different IRES rate used to calculate the tax burden on income produced by the same year.

18 Equity investments: EUR 477,662 thousand (EUR 578,997 thousand)

Investments in associates, special purpose vehicles, joint ventures and other entities net of accumulated impairment, totals EUR 477,662 thousand, down by EUR 101,335 thousand compared to 2015.

	30/06/2016	31/12/2015	Change
Equity investments measured at cost	26,952	23,604	3,348
Equity-accounted investments	450,710	555,393	(104,683)
Total	**477,662**	**578,997**	**(101,335)**

As regards the item in question, it must be noted that the main changes during HY1 2016 were due, in addition to the overall economic effects resulting from equity accounting of investees, (i) to the increase by way of equity in the SPV Otoyol Yatirim Ve Isletme A.S. (EUR 46,945 thousand) and (ii) to reclassification among discontinued operations of the carrying amount of the SPV Re.Consult Infrastrutture (EUR 129,613 thousand) in accordance with what is described in greater detail in Note 26 below.

Finally, it is pointed out that the carrying amounts of the investments, as in the previous year, are shown net of injections still to be made on the quotas and/or shares subscribed.

18.1 Checking of existence of impairment

At the end of HY1 2016, given the presence of impairment indicators lined to Astaldi S.p.A.'s[7] market capitalisation, checks were performed of stability of the carrying amount of equity investments in the Concessions sector, which is of significance within the Group.

As far as the measurement techniques used to draw up the Impairment Test of the main investee Operators is concerned, it must be noted that the recoverable amount of each of these was identified using the "Dividend Discount Model" (DDM) method, discounting the flows of future forecast dividends from corporate operations. In order to apply this method, the economic and financial plans of the investees were used, as compiled by the individual company's respective corporate bodies.

A table summarising the impairment tests performed can be found below.

Company name	Project	Concession phase	% held	Ke
Ica Ic Ictas Astaldi Ucuncu Bogaz Koprusu Kuzey Marmara Otoyolu Yatirim Ve Isletme A.S.	Third Bosphorus Bridge and Northern Marmara Highway	Construction	33.33%	15.90%
Metro 5 S.p.A.	Line 5 – Milan Underground	Operation	38.70%	7.19%
Pacific Hydro Chacayes	Chacayes Hydroelectric Plant	Operation	27.30%	7.70%
SA.T. S.p.A.	Tuscan Hospitals	Operation	35.00%	7.19%
Veneta Sanitaria Finanza di Progetto S.p.A.	New Hospital in Venice - Mestre	Operation	37.00%	7.19%
Otoyol Yatirim Ve Isletme A.S.[8]	Gebze - Orhangazi – Izmir Motorway	Construction	18.86%	15.90%
Sociedad Concesionaria Nuevo Pudahuel S.A.[9]	Arturo Merino Benítez International Airport in Santiago de Chile	Construction	15.00%	8.29%

The Impairment Test result showed there was no need to perform any impairment on the carrying amount of the investments. It must also be noted that the sensitivity analysis performed showed how the reasonable difference in the measurement of financial parameters used to calculate the discounting rate (+50 bps) would

7 Astaldi S.p.A.'s market capitalisation (EUR 357,873 thousand) was less than the Group's equity (EUR 585,047 thousand) at 30/06/2016.

8 At the draft date of this financial report, Phase 1 had been completed and was operational while construction of the sections related to Phases 2-A and 2-B was going ahead.

9 As from 1 October 2015, Consorcio Nuevo Pudahuel took over from the previous operator as regards operation of the existing facilities. At the same time, upgrading and expansion of the existing terminal are going ahead.

confirm the substantial stability of the headroom, just as a hypothetical difference of -5% of the dividend flow on a linear basis for all the years of the plan would confirm the stability of equity investments.

19 Financial assets

19.1 Non-current financial assets: EUR 369,838 thousand (EUR 325,627 thousand)

A breakdown of non-current financial assets can be found in the table below.

	30/06/2016	31/12/2015	Change
Financial assets from concession activities	81,442	41,907	39,535
Non-current financial assets	243,274	236,691	6,583
Other financial assets - investees	9,012	8,764	248
Other financial assets – third parties	379	125	254
Finance lease receivables	35,731	38,140	(2,409)
Total	**369,838**	**325,627**	**44,211**

At 30 June 2016 the balance of financial assets from concession activities exclusively comprise the non-current portion of the present value of minimum payments guaranteed by the grantor, related to the Chile area and especially the concession for the West Metropolitan Hospital in Santiago. This item increased compared to the previous year as a result of additional investments made during 2016 to construct the aforementioned infrastructure.

“Non-current financial assets” refers substantially to the market-rate interest-bearing loans issued in favour of Special Purpose Vehicles and Joint Ventures, and providing financial support to the Group operational strategy, especially in the concessions segment.

There follow the amounts issued to the main Special Purpose Vehicles and Joint Ventures:

	30/06/2016	31/12/2015	Change
Ica Ic Ictas-Astaldi Kuzey Marmara Otoyolu	155,481	140,416	15,065
Otoyol Yatirim Ve Isletme A.S.	20,997	45,703	(24,706)
Metro 5 S.p.A.	34,264	32,461	1,803
SA.T. S.p.A.	6,993	6,806	187
Veneta Sanitaria di Progetto SpA	2,372	2,307	65
Ankara Etlik Hastante A.S.	11,658	2,550	9,108
Pacific Hydro Chacayes	2,362	1,406	956
Ast VT Parking S.r.l.	3,842	3,842	0
Ast B Parking S.r.l.	1,199	1,199	0
SPV Linea M4 S.p.A.	4,106	0	4,106
Total	**243,274**	**236,691**	**6,583**

As regards the investee Otoyol Yatirim Ve Isletme A.S., it must be noted that the change during HY1 2016 can be mainly attributed to the sums used in exchange for the amount due for the share capital increase resolved upon on 30 March 2016 (EUR 46,945 thousand) which was partially offset by the additional investments made in the second quarter to finance concession works.

Financial lease receivables regard the transaction, pursuant to IFRIC 4, implemented by the subsidiary Valle Aconcagua A.S. with reference to the Relaves Project.

For the “Other financial assets - investees” item, see note 35 “Disclosure on related party transactions”.

19.2 Current financial assets: EUR 29,671 thousand (EUR 34,646 thousand)

Current financial assets totalling EUR 29,671 thousand decreased compared to the previous year by EUR

4,975 thousand and consist of the following:

	30/06/2016	31/12/2015	Change
Securities in portfolio	1,189	1,153	36
Derivatives	3,220	266	2,954
Current loan assets	25,262	33,227	(7,965)
Total	**29,671**	**34,646**	**(4,975)**

"Current financial assets" saw a decrease of EUR 7,965 thousand, mainly as a result of repayment of part of the financial resources which, at the end of the previous year, had been recognised temporarily as available to fund some construction activities performed by the Group in Turkey as part of a partnership.

The agreements governing the above-mentioned loan contracts, also in terms of return of the investment, provide for the recovery of the amounts stated by HY1 2017.

20 Other assets

20.1 Other non-current assets: EUR 33,800 thousand (EUR 50,509 thousand)

The composition of this item is shown in the table below.

	30/06/2016	31/12/2015	Change
Indirect tax	7,126	22,706	(15,580)
Direct tax	10,385	7,064	3,321
Tax assets	**17,511**	**29,770**	**(12,259)**
Advances to suppliers and subcontractors	1,093	5,221	(4,128)
Guarantee deposits	3,231	3,136	95
Prepaid insurance premiums	6,505	7,483	(978)
Prepaid surety commissions	3,040	4,058	(1,018)
Other prepayments	2,418	838	1,580
Receivables from social security institutions	1	0	1
Receivables from employees	1	3	(2)
Other assets	**16,290**	**20,739**	**(4,449)**
Total	**33,800**	**50,509**	**(16,709)**

The change in "Tax assets" mainly referred to reclassification among current assets of VAT refunds from the Financial Administration related to projects in progress in Turkey. Said reclassification was considered necessary since the collection of the relative refunds is expected by 30 June 2017 at the latest on the basis of available information at the draft date of this Interim Financial Report.

20.2 Other current assets: EUR 313,150 thousand (EUR 294,989 thousand)

The "Other current assets" item totalling EUR 313,150 thousand increases compared to the previous year by EUR 18,161 thousand.

	30/06/2016	31/12/2015	Change
Receivables from third parties for the sale of goods and services	142,275	136,984	5,291
Advances to suppliers and subcontractors	134,286	129,058	5,228
Receivables from employees	669	955	(286)
Receivables from social security institutions	5,620	4,680	940
Prepaid insurance premiums	4,668	4,977	(309)
Prepaid commissions on sureties	4,880	4,230	650
Other prepayments	1,986	2,462	(476)
Other sundry receivables	18,766	11,643	7,123
Total	**313,150**	**294,989**	**18,161**

The "Receivables from third parties for the sale of goods and services" item, totalling EUR 142,275 thousand, up compared to the previous year by EUR 5,291 thousand, refers to its counterpart mentioned in the "Other revenue" item 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. The geographical breakdown of this item is shown below:

	30/06/2016	%	31/12/2015	%	Change
Italy	4,529	3.18%	989	0.72%	3,540
Europe	101,254	71.17%	91,168	66.55%	10,086
America	20,188	14.19%	27,714	20.23%	(7,526)
Africa	11,068	7.78%	12,134	8.86%	(1,066)
Asia	5,236	3.68%	4,979	3.63%	257
Total	**142,275**	**100.00%**	**136,984**	**100.00%**	**5,291**

It is pointed out that the recoverable amount of receivables from third parties has been adjusted as shown below:

	31/12/15	Accruals	Use Profit or loss	Use Statement of financial position	Exchange rate differences and other changes	30/06/16
Allowance for impairment	(5,455)	0	0	760	(1)	**(4,696)**
Total	**(5,455)**	**0**	**0**	**760**	**(1)**	**(4,696)**

21 Inventories: EUR 63,251 thousand (EUR 70,676 thousand)

This item consists of the following:

	30/06/2016	31/12/2015	Change
Raw materials, consumables and supplies	61,423	68,267	(6,844)
Finished goods	1,530	1,575	(45)
Goods and materials in transit	298	834	(536)
Total	**63,251**	**70,676**	**(7,425)**

The following table shows the geographical breakdown of this item:

	30/06/2016	%	31/12/2015	%	Change
Italy	6,547	10.35%	7,647	10.82%	(1,100)
Europe	19,352	30.60%	18,964	26.83%	388
America	33,838	53.50%	38,174	54.01%	(4,336)
Africa	3,514	5.56%	5,891	8.34%	(2,377)
Total	**63,251**	**100.00%**	**70,676**	**100.00%**	**(7,425)**

The decrease in the item in question is mainly attributable to the sale of materials and spare parts related to non-operational projects in America.

With regard to the international sector, we should also point out the decrease in the African area, substantially due to the completion of some phases of the works for the Saida Tiaret Railway in Algeria and the consequent use of the inventories recorded at 31 December 2015.

22 Amounts due from customers: EUR 1,493,075 thousand (EUR 1,242,991 thousand)
Amounts due to customers: EUR 384,471 thousand (EUR 411,459 thousand)

These items are shown in the following table:

	30/06/2016	31/12/2015	Change
CURRENT ASSETS			
Contract work in progress	16,341,123	13,405,951	2,935,172
Provision for contract losses to complete	(20,161)	(10,865)	(9,296)
Total contract work in progress	**16,320,962**	**13,395,086**	**2,925,876**
Progress billings	(14,827,887)	(12,152,095)	(2,675,792)
Total amounts due from customers	**1,493,075**	**1,242,991**	**250,084**
CURRENT LIABILITIES			
Contract work in progress	1,019,591	2,752,544	(1,732,953)
Provision for contract losses to complete	(764)	(2,441)	1,677
Total contract work in progress	**1,018,827**	**2,750,103**	**(1,731,276)**
Progress payments	(1,077,912)	(2,816,261)	1,738,349
Subtotal	**(59,085)**	**(66,158)**	**7,073**
Contractual advances	(325,386)	(345,301)	19,915
Total amounts due to customers	**(384,471)**	**(411,459)**	**26,988**

Contract work in progress, recognised separately between amounts due from customers and amounts due to customers, has, for the international sector, shown an increase with reference in particular to the greater production volumes achieved the first six months of 2016 in Turkey (Third Bosphorus Bridge) and Russia (M-11 Moscow-St. Petersburg Motorway) as well as with regard to the portion attributable to the Muskrat Falls Hydroelectric Project in Canada.

Contract work in progress also grew in the domestic setting, mainly in the segment of transport infrastructure (Line 4 of the Milan Underground, Maxi-Lot 2 of Quadrilatero Marche-Umbria Road Network).

Lastly, note must be taken of the decrease in progress payments, due above all to the partial recovery in respect of contract progress made during the half year, in relation to construction works for (i) the WHSD in St. Petersburg in Russia, (ii) the Muskrat Falls Hydroelectric Project in Canada and (iii) the Third Bosphorus Bridge and Gebze-Orhangazi-Izmir Motorway in Turkey. Moreover, this effect was partially offset by the sum collected during HY1 2016 in Chile for extension of the Chuquicamata Underground Mining Project and construction of the E-ELT (European Extremely Large Telescope) in Cerro Armazones.

23 Trade receivables: EUR 663,463 thousand (EUR 692,994 thousand)

Trade receivables show a decrease from the previous financial year of about EUR 29,531 thousand, and consist of the following:

	30/06/2016	31/12/2015	Change
Customers	634,423	678,925	(44,502)
Investees	41,630	26,872	14,758
Allowance for impairment	(12,590)	(12,803)	213
Total	**663,463**	**692,994**	**(29,531)**

The geographical breakdown of this item is shown in the following table:

	30/06/2016	%	31/12/2015	%	Change
Italy	223,465	33.68%	213,896	30.87%	9,569
Europe	151,050	22.77%	136,009	19.63%	15,041
America	277,700	41.86%	325,919	47.03%	(48,219)
Africa	11,217	1.69%	16,395	2.37%	(5,178)
Asia	31	0.00%	775	0.11%	(744)
Total	**663,463**	**100.00%**	**692,994**	**100.00%**	**(29,531)**

Note must be taken of a decrease recorded in America as regards the geographical breakdown of trade receivables.

As regards the assumptions formulated by the Parent's management concerning the recoverability of receivables from the Venezuelan government, please refer to what has been described in more detail in the Notes to the Consolidated Financial Statements at 31/12/2015 given that no significant changes occurred during the first half of 2016.

The changes in the allowance for impairment are as follows:

	31/12/15	Accruals	Use Profit or loss	Use Statement of financial position	Exchange rate differences and other changes	30/06/2016
Allowance for impairment	(11,037)	(226)	0	0	0	**(11,263)**
Allowance for impairment - default interest	(1,766)	0	0	439	0	**(1,327)**
Total	**(12,803)**	**(226)**	**0**	**439**	**0**	**(12,590)**

24 Tax assets: EUR 131,477 thousand (EUR 138,645 thousand)

This item consists of the following:

	30/06/2016	31/12/2015	Change

Indirect tax assets	124,986	89,238	35,748
Direct tax assets	6,689	49,605	(42,916)
Allowance for impairment	(198)	(198)	0
Total	**131,477**	**138,645**	**(7,168)**

The increase in “Indirect tax assets” referred above all to projects in progress in Turkey. Basically the increase concerns VAT assets on projects that are structurally in the black thanks to the specific applicable taxation system. Moreover, mobilisation of the amounts in question is expected by the first half of 2017 based on available information at the draft date of this interim financial report.

While there was a decrease in “Direct tax assets” as a result of the collection of part of the tax assets calculated by applying specific legislation regarding the systems envisaged to neutralise dual taxation on income produced abroad by permanent establishments.

25 Cash and cash equivalents: EUR 327,011 thousand (EUR 611,263 thousand)

Cash and cash equivalents decreased compared to 2015 by EUR 284,252 thousand and consist of the following:

	30/06/2016	31/12/2015	Change
Bank and post office accounts	326,547	610,656	(284,109)
Cash-in-hand and cash equivalents	464	607	(143)
Total	**327,011**	**611,263**	**(284,252)**

The following table shows the geographical breakdown of this item:

	30/06/2016	%	31/12/2015	%	Change
Italy	116,382	35.59%	192,301	31.46%	(75,919)
Europe	123,540	37.78%	285,673	46.73%	(162,133)
America	77,506	23.70%	104,080	17.03%	(26,574)
Africa	3,167	0.97%	22,828	3.73%	(19,661)
Asia	6,416	1.96%	6,381	1.04%	35
Total	**327,011**	**100.00%**	**611,263**	**100.00%**	**(284,252)**

25.1 Disclosure on the statement of cash flows

The cash flow trends for HY1 2016 showed an overall decrease in net cash and cash equivalents of EUR 284,252 thousand, compared to a decrease of EUR 106,295 thousand recorded in the same interim period of 2015. This decrease was basically the result of financial support given to works under construction during the first half of the year, in order to fully comply with contractual undertakings.

Cash flows from operating activities

Cash flows from operating activities during the HY1 2016, equal to EUR 302,522 thousand, reflected the effects of

- support guaranteed in order to complete Phase 1 of the Gebze-Orhangazi-Izmir Motorway, including Izmit Bay Bridge, as well as the Third Bosphorus Bridge in Turkey;

- development of works in progress in Russia (M-11 Moscow-St. Petersburg, WHSD in St. Petersburg), Canada (Muskrat Falls Hydroelectric Project) and Italy (Quadrilatero Marche-Umbria Road Network and Line 4 of Milan Underground);
- the advance payment trend, characterised by a drainage of resources resulting from the fact that receipts in Chile for recent acquisitions (extension of Chuquicamata Underground Mining Project and construction of the E-ELT in Cerro Armazones) were offset by progressive repayments related to contracts involving construction of the Muskrat Falls Hydroelectric Plant (Canada), WHSD in St. Petersburg (Russia) and projects underway in Turkey;
- support for the Subcontractors and Suppliers involved in the works which made the greatest contributions to operating revenue.

As regards the breakdown of cash flow from operating activities, note must also be taken of collection of the direct tax assets which had been recognised at the end of the previous year as a result of the systems providing for neutralisation of dual taxation on income produced abroad by permanent establishments.

Cash flow from investing activities

Cash flow used in investing activities during the first half of 2016 totalled EUR 130,400 thousand and was mainly due to:

- EUR 22,240 thousand for payments of equity and subordinate loans to the SPV Otoyol Isletme Ve Bakim A.S., holder of the concession for the Gebze-Orhangazi-Izmir Motorway in Turkey;
- EUR 15,065 thousand for subordinate loans disbursed to the SPV Ica Ic Ictas-Astaldi Kuzey Marmara Otoyolu which is developing the concession project related to the Third Bosphorus Bridge and Northern Marmara Highway in Turkey;
- EUR 39,534 thousand for capital invested in the concession project in progress in Chile involving the design, construction and subsequent operation of the West Metropolitan Hospital in Santiago, Chile;
- EUR 14,380 thousand for sums disbursed to pay the agreed amount in relation to acquisition of the Quadrilatero Industrial Complex concluded during HY2 2015;
- The remaining amount mainly for capital invested in technical facilities and equipment for construction contracts.

Cash flows from financing activities

In HY1 2016, cash flows from financing activities produced financial resources for EUR 148,671 thousand. These flows are basically due to net cash and cash equivalents acquired after partial use (EUR 100,000 thousand) of the revolving credit facility, and further existing committed and uncommitted credit lines. This effect is partly mitigated by the cash and cash equivalents utilised for the payment of dividends to the shareholders of the Parent for EUR 19,524 thousand.

Lastly, it must be noted that there were no net financial flows attributable to discontinued operations during HY1 2016, nor during the comparative period.

26 Non-current assets held for sale and discontinued operations: EUR 116,255 thousand (EUR 0)

The Parent’s management is involved in a programme to dispose of some concession assets in accordance with the guidelines contained in the 2016-2020 Strategic Plan. Based on available information at the draft date of this Interim Financial Report, it is highly probable that the asset disposal described below will be completed by the first half of 2017. This is the reason why said assets were classified among the item in question as from 30 June 2016.

Re.Consult Infrastrutture S.p.A. (EUR 114,651)

Astaldi, through its subsidiary Astaldi Concessioni, together with CIF, IL, INFRA and 2G, signed the agreement to dispose of Re.Consult, the SPV which holds 44.85% of A4 Holding, with the Spanish company Abertis. The interest held by Astaldi, equal to 31.85%, was valued at approximately EUR 130 million. Payment of the price was set for the end of the 78th month following the closing date, hence Astaldi and the other sellers have structured an assignment of credit without recourse which will allow the Company to collect the net amount of approximately EUR 110 million upon closure of the transaction, set for the end of September 2016. As regards the conditions precedent provided for in the disposal agreement, it must be noted that, as mentioned in greater detail in the note relative to the events after the reporting period, the authorisation has been received from the Antitrust Authority together with authorisation from the Granting Authority (Ministry of Infrastructures and Transport) while approval by CIPE of extension of the A31 Valdastico Nord Motorway is still pending.

Aguas de San Pedro S.A. de C.V. (EUR 1,604)

On 30 May 2016, the subsidiary Astaldi Concessioni signed with Acea S.p.A. a preliminary contract for the sale of 23,985 shares of Aguas de San Pedro S.A. de C.V. representing 15% of said investee’s capital, at a price of EUR 1,604 thousand (EUR 184 thousand for dividends resolved upon by the investee and still to be distributed). Closing of the transaction is scheduled by 30 September 2016 and is subordinate to some conditions including Antitrust authorisation.

27 Equity: EUR 590,051 thousand (EUR 637,031 thousand)

27.1 Share capital: EUR 196,850 thousand (EUR 196,850 thousand)

The share capital subscribed and fully paid in comprises 98,424,900 ordinary shares with a nominal amount of EUR 2 and totals EUR 196,850 thousand.

At 30 June 2016, according to the Shareholders’ Ledger and other information in this respect obligatory by law (pursuant to Art. 120 of Legislative Decree 58/98), the shareholders of Astaldi S.p.A. holding a share in excess of 2% are shown below:

DIRECT SHAREHOLDER	Number of shares	% investment
Fin.Ast S.r.l.	39,605,495	40.239%
Finetupar International S.A.	12,327,967	12.525%
Total Fin.Ast. S.r.l.	**51,933,462**	**52.764%**
FMR LLC	5,150,042	5.232%
NORGES BANK	2,033,061	2.066%
Total shareholders with significant investment	**59,116,565**	**60.062%**
Treasury shares	688,338	0.699%
Market	38,619,997	39.238%
Grand total	**98,424,900**	**100.000%**

Therefore, at 30 June 2016 the shares in circulation totalled 97,736,562 (97,624,130 shares at 31/12/2015) and recorded a decrease of 112,432 shares compared to the previous year. The breakdown is as follows:

Shares outstanding in 2016	
01/01/2016	**97,624,130**
Outgoing for buy-back	(306,276)
Incoming for buy-back	217,296
Incoming for stock grant plan	201,412
30/06/2016	**97,736,562**

The shares of the Parent gradually granted to employees under the stock grant plan totalled 1,625,130 shares at the end of the reporting period (1,423,718 shares at the end of 2015).

27.2 Other financial instruments giving right to subscribe newly-issued shares

During 2013, the Parent issued, with qualified Italian and foreign investors, a 6-year Equity Linked bond for a nominal amount totalling EUR 130 million.

Starting from January 2014, the bonds can become convertible into ordinary shares of the Parent, existing or newly issued. The conversion price of the bonds was set at EUR 7.3996, which incorporates a conversion premium equal to 35% of the weighted average price for the volumes of Astaldi shares traded on the Italian stock exchange during the timeframe between the bond issue and the pricing equal to EUR 5.4812.

The Parent is entitled to settle any future conversion by cash payment or a combination of ordinary shares and cash (cash settlement option).

Towards this end, at their Meeting of 23 April 2013, the shareholders approved the proposed share capital increase, reserved exclusively and irrevocably in service of the “Equity Linked” bond issue, in cash, for payment and also in separate issues, with the exclusion of the pre-emption right pursuant to art. 2441, paragraph 5, of the Italian Civil Code, for a total nominal amount of EUR 35,137 thousand, to be released in one or more tranches through the issue of a maximum of 17,568,517 ordinary shares of the Company of a nominal amount of EUR 2.00, having the same characteristics as the outstanding ordinary shares. The number of shares servicing any conversion will be determined by dividing the nominal amount of the bonds, for which the conversion request will be submitted, by the conversion price.

It is also specified that as of the reporting date, no conversion requests were submitted to the Parent.

27.3 Treasury shares owned by Parent: EUR 1,377 thousand (EUR 1,602 thousand)

Treasury shares owned by the Parent at the end of the reporting period totalled 688,338, equivalent to 0.699% of share capital (800,770 shares in 2015), with the nominal amount totalling EUR 1,377 thousand being recognised in accordance with the international financial reporting standards as a decrease of share capital.

27.4 Reserves: EUR 358,065 thousand (EUR 355,280 thousand)

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

	30/06/2016	31/12/2015	Change
Legal reserve	33,062	31,141	1,921
Extraordinary reserve	314,253	296,328	17,925
Retained earnings	161,250	118,891	42,359
Other reserves	(2,174)	(311)	(1,863)
Other comprehensive expense	(181,395)	(107,766)	(73,629)
Deferred tax from other comprehensive income	33,069	16,996	16,073
Total	**358,065**	**355,280**	**2,785**

- **Legal reserve**

The legal reserve increased by EUR 1,921 thousand in relation to the provision of Art. 2430 of the Italian Civil Code.

- **Extraordinary reserve**

The extraordinary reserve increased compared to the previous year by EUR 17,925 thousand. In detail:

- EUR 16,781 thousand as the remaining amount of the allocation of profit of the year of the Parent for 2015;
- EUR 1,253 thousand as a result of the buyback transactions;
- EUR -109 thousand substantially as a result of the use by the subsidiary Consorzio Stabile Busi of this reserve to cover the losses accrued in 2015.

With regard to buyback transactions, it should be pointed out that the total of the provision for treasury shares held in the portfolio set up pursuant to Art. 2357-*ter* of the Italian Civil Code totalled EUR 4,336 thousand and pursuant to the relevant accounting standards, applying EUR 2,959 thousand to reduce the Extraordinary Reserve and Euro 1,377 thousand corresponding to the nominal amount of treasury shares in the portfolio, to reduce the share capital.

- **Retained earnings**

Retained earnings, totalling EUR 161,250 thousand, reflected the financial effects arising from the consolidation of investments in subsidiaries, and from the application of the equity method for the valuation of associates and joint ventures.

This item also includes entries related to transactions regarding the acquisition of non-controlling interests in entities that are already controlled by the Group as governed by IFRS 10.

- **Dividends distributed**

In 2016, dividends totalling EUR 19,524,321 were paid (EUR 19,522,029 in 2015). The dividend approved at the Shareholders' Meeting of 20 April 2016 of EUR 0.20 per share (EUR 0.20 in 2015), was paid on 11 May 2016, ex-dividend date on 9 May 2016; likewise, part of the profit for 2015, EUR 192 thousand, was allocated to the provision pursuant to art. 27 of the Company's Bylaws.

- **Other reserves**

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

	30/06/2016	31/12/2015	Change
Stock grant reserve	1,053	2,045	(992)
IFRS FTA reserve	(13,373)	(13,373)	0
IFRIC 12 FTA reserve	10,396	10,396	0
Reserve for trading in treasury shares	2,946	3,817	(871)
Other	(3,196)	(3,196)	0
Total	**(2,174)**	**(311)**	**(1,863)**

The stock grant reserve represents the amount of the shares assigned to employees, but not yet handed over, calculated in accordance with 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 time of transition to IFRS, not recalculated following exercise of the exemption set forth in IFRS 1 paragraph 13, (iv) the consolidation differences emerging from business combinations prior to the transition date to IFRS, not recalculated following exercise of the option set forth in IFRS 1 paragraph 13.

The IFRIC 12 FTA reserve has been calculated, within the service concession arrangements, upon the first application of accounting interpretation "IFRIC 12", with specific reference to the accurate identification, measurement and classification of the individual investments (Financial or intangible assets).

The reserve for trading in treasury shares includes the gains and losses from the buyback plan.

The "Other" item includes minor items deriving from the equity accounting of some associates.

- **Other comprehensive income**

The following is the breakdown of and changes in other comprehensive income.

	Hedging reserve	Translation Reserve	AFS financial assets	Net actuarial gains / losses	Deferred tax from OCI	Total
Balance 01/01/2015	(49,767)	(52,535)	(34)	(735)	13,133	(89,937)
Change from subsidiaries and JOs	691	1,139	0	263	(422)	1,671
Change from associates, SPVs and JVs	(28,590)	21,650	63	89	4,285	(2,503)
Balance 31/12/2015	**(77,666)**	**(29,746)**	**29**	**(383)**	**16,996**	**(90,770)**
Change from subsidiaries and JOs	(16,236)	6,795	0	(361)	3,874	(5,928)
Change from associates, SPVs and JVs	(58,766)	(5,061)	0	0	12,199	(51,628)
Balance 30/06/2016	**(152,668)**	**(28,012)**	**29**	**(744)**	**33,069**	**(148,326)**

When analysing other comprehensive income items, note must be taken of the negative effect resulting from the increase in the hedging reserve, mainly attributable to hedging on the loans of SPVs developing concession projects involving the Gebze-Orhangazi-Izmir Motorway and Etlik Health Integrated Campus in Turkey.

Nevertheless, it is important to note that the relative loan costs – set a fixed amount with the relative hedging transactions – are recoverable through profit from the individual projects, which will obviously recognised on accrual and stratification basis in the separate relevant years. Therefore, exposure of said amount among equity, which, given the current interest rate situation, appears to be significantly negative, is to be interpreted with a view to its complete recoverability. Hence, it will not go to definitively form an impoverishment of equity attributable to owners of the parent, but just a temporary representation to be interpreted as if the relative loans were all paid off at the same moment.

27.5 Equity attributable to non-controlling interests: EUR 5,004 thousand (EUR 5,626 thousand)

The equity attributable to non-controlling interests is substantially stable compared to the previous year, with changes basically resulting from the comprehensive income and expense for the reporting period.

The changes in other comprehensive income attributable to non-controlling interests are shown below:

	Hedging Reserve	Translation reserve	AFS financial assets	Actuarial gains / losses	Deferred tax from OCI	Total
Balance 01/01/2015	(339)	142	0	(1)	80	(118)
Change for the reporting period	176	(1)	0	(6)	(42)	126
Balance 31/12/2015	**(164)**	**140**	**0**	**(7)**	**38**	**8**
Change for the reporting period	(34)	91	0	(7)	11	61
Balance 30/06/2016	**(198)**	**232**	**0**	**(14)**	**50**	**69**

27.6 Capital management

There follows the disclosure required by IAS 1 – paragraph 134.

A) Qualitative information

By capital, the Group means both shareholder contributions, and operating profit (retained earnings and other reserves). On the other hand, the Group does not include in this definition the equity items recognised after the measurement of cash flow hedging derivatives, since these will be offset against income components in future years, thus enabling the Group to undertake this hedging.

The objectives 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 its growth. The Group thus intends to maintain an adequate level of capitalisation, in order to achieve both a satisfactory economic return for the shareholders and to guarantee economical access to external sources of funding. The Group constantly monitors the evolution of the level of debt in relation to equity and, in particular, the level of net debt and the generation of cash flow from operating activities with the effects derived from the investing activities both in the construction and in the concessions segments, all in line with the provisions of the Business Plan. In order to achieve the above goals, the Group pursues the constant improvement of the profitability of the business segments where it operates.

To complete the qualitative information, it is pointed out that the Group has respected the financial covenant levels required with reference to corporate “committed” borrowing with banks financing the Group. For further information, see note 28 below.

B) Quantitative information

There follows the quantitative analysis of the individual capital items as defined in the previous paragraph.

	30/06/2016	31/12/2015
A - Total financial debt	**(1,378,430)**	**(988,526)**
Total equity	590,051	637,031
Less amounts accumulated in equity for cash flow hedges	(152,866)	(77,830)
B - Adjusted capital	**742,917**	**714,861**
C - Debt/Capital ratio (A/B)	**1.86**	**1.38**

28 Financial liabilities

28.1 Non-current financial liabilities: EUR 1,447,759 thousand (EUR 1,288,473 thousand)*

Non-current financial liabilities show a total increase of EUR 159,286 thousand, and consist of the following:

	30/06/2016	31/12/2015	Change
Convertible bonds	130,000	130,000	0
Senior unsecured bonds	750,000	750,000	0
Bonds - Nominal amount	**880,000**	**880,000**	**0**
Issue and placement commissions	(6,744)	(7,772)	1,028
Cash Settlement Option – Fair Value	1,911	6,925	(5,014)
Total Bonds	**875,167**	**879,153**	**(3,986)**
Banks loans and receivables	540,825	394,222	146,603
Loans backed by personal guarantees	4,540	4,708	(168)
Finance lease payables	15,070	15,655	(585)
Banks loans and borrowings and finance lease payables - Nominal amount	**560,435**	**414,585**	**145,850**
Loan commissions	(16,685)	(14,182)	(2,503)
Hedging derivatives	27,252	7,328	19,924
Total bank loans and borrowings and finance lease payables	**571,003**	**407,731**	**163,272**
Other loans and borrowings	9	9	0
Loans and borrowings - associates and joint ventures	1,580	1,580	0
Total	**1,447,759**	**1,288,473**	**159,286**

(*) Included in NFD for an amount of EUR 1,417,006 thousand (2015: EUR 1,272,631 thousand).

The overall increase shown in this item, compared to 31 December 2015, is to be related to investments in Turkey, in the concessions segment and more generally to the financing of the capital invested in projects in progress.

With reference to the Concessions segment, it ought to be pointed out that the corresponding debt is by its very nature “without recourse” or, at any rate, self-liquidating, also taking into account the financial assets from concession activities guaranteed by the Grantor.

Bonds

Bonds contain, in addition to the nominal amount of the loans, determined and expressed based on the amortised cost, the fair value of the cash settlement option equal to EUR 1,911 thousand for the equity linked bond issue falling due in 2019.

This option confers to the subscriber the power to exercise the conversion right in the timeframe of 1 February 2014 to expiration.

At 30 June 2016, the Group’s bonds are broken down as follows:

The issue in January 2013 of an Equity-Linked senior unsecured bond reserved for qualified Italian and foreign investors. The bond issue, of a nominal amount of EUR 130,000 thousand, has a 6-year duration (falling due 31 January 2019), and a fixed-rate six-month coupon equal to 4.50% per annum, payable on 31 January and 31 July every year. The bonds may become convertible into ordinary shares of the Company, existing or newly issued, starting 1 February 2014, without prejudice to the Company’s right to regulate any conversion request through the delivery of ordinary shares, or through payment in cash or by a combination of ordinary shares and cash (the “cash settlement option”). The bonds’ conversion price was set at EUR 7.3996 and incorporates a conversion premium of 35% of the average price of Astaldi shares traded on the Italian stock exchange on 14 January 2013.

- A fixed-rate senior unsecured bond issued in December 2013 for an amount of EUR 500,000, thousand, falling due in 2020. The bonds have a six-month coupon of 7.125% per annum and the issue price is 100%. Integration in December 2013 to the aforementioned fixed-rate senior unsecured bond for an amount of EUR 100,000 thousand, falling due in 2020 (the “1st Tap”). The bonds, having the same characteristics, terms, and conditions as those issued in accordance with the similar senior bond for

EUR 500 million and entirely combinable with them, were placed at a price equal to 102.25% of their nominal amount by the same banks that acted for the placement of the first senior unsecured bond issue.

- Additional integration in February 2014 to the fixed-rate senior unsecured bond issued in December 2013, for an amount of EUR 150,000 thousand falling due in 2020 (the “2nd Tap”). The bonds, having the same characteristics, terms, and conditions as those issued in accordance with the similar senior bond for EUR 500 million and entirely combinable with them, were placed at a price equal to 105.00% of their nominal amount by the same banks that acted for the placement of the first senior unsecured bond issue.

As to the indication of the fair value measurement of the bonds, it is specified that, based on the market prices measured at the end of HY1 2016, the value of the notes for equity linked bonds was EUR 90.53 thousand, while the value of the senior unsecured bonds was EUR 98.45 thousand.

The total fair value of the bonds at 30 June thus equals EUR 856,056 thousand.

Bank loans and loans backed by personal guarantees

Among the main bank loan transactions performed during HY1 2016, the following are noted:

- Bilateral “committed” loan for the sum of EUR 12 million, subscribed in January 2016 with Banco do Brasil and with final expiry in December 2016.
- Bilateral “committed” loan for the sum of 11 million, subscribed in January 2016 with Banco do Brasil and with final expiry in December 2017.
- Bilateral “committed” loan for the sum of 30 million subscribed in January 2016 with Credito Valtellinese (counterguaranteed by SACE for 50% of the amount) and with final expiry in December 2017.
- Bilateral “committed” loan for the sum of 45 million, subscribed in February 2016 with BNP Paribas (counterguaranteed by SACE for 70% of the amount) and with final expiry in July 2017.
- Bilateral “committed” loan for the sum of 10 million, subscribed in May 2016 with Banco do Brasil and with final expiry in May 2017.

As regards loan repayments made during the first half of 2016, note must be taken of repayment of the EUR 30-million committed loan subscribed with Banca del Mezzogiorno in May 2016 and with expiry in June 2016.

The following table shows the key data with regard to the Group’s main bank loans existing at 30 June 2016.

Type of loan	Company	Outstanding 30/06/16	Signing date	Expiry*
Bilateral - BNP Paribas	Astaldi S.p.A.	45,000	22/02/2016	31/07/2017
Bilateral – Cariparma	Astaldi S.p.A.	50,000	27/06/2014	27/06/2017
Bilateral - Banco do Brasil	Astaldi S.p.A.	12,000	07/01/2016	30/12/2016
Bilateral - Banco do Brasil	Astaldi S.p.A.	11,000	07/01/2016	R.P. 27/12/2017
Bilateral - Banco Popolare	Astaldi S.p.A.	20,000	13/07/2015	R.P. 31/01/2018
Bilateral - Banca del Mezzogiorno – Mediocredito Centrale S.p.A.	Astaldi S.p.A.	43,905	06/03/2015	R.P. 31/03/2018
Bilateral - Banco do Brasil	Astaldi S.p.A.	17,333	29/05/2015	R.P. 11/05/2018
Bilateral - Banco do Brasil	Astaldi S.p.A.	10,000	04/09/2015	R.P. 17/08/2018
Bilateral - Banco do Brasil	Astaldi S.p.A.	10,000	20/05/2016	12/05/2017
Bilateral - Banca Popolare dell'Emilia Romagna	Astaldi S.p.A.	20,000	30/06/2015	R.P. 30/06/2018
Bilateral - Banca Carige	Astaldi S.p.A.	4,315	19/10/2015	R.P. 30/06/2019
Bilateral - Credito Valtellinese	Astaldi S.p.A.	22,500	28/01/2016	R.P. 31/12/2017
Syndicate	Astaldi S.p.A.	300,000	07/11/2014	07/11/2019
Syndicate	Astaldi S.p.A.	52,500	22/12/2014	R.P. 31/07/2018
Syndicate	Societad Conc. Metr. de Salud	77,468	27/04/2016	R.P. 30/10/2026
Other Corporate loans		514,302		
Total loans and borrowings		**1,210,323**		
of which non-current		545,365		
of which current		664,958		

*R.P. = Repayment plan

It must be noted that an agreement was reached with the main lending banks regarding the alignment of relative covenants to the new targets of the 2016-2020 Strategic Plan. The new covenants, defined in accordance with a principle of consistency with the Group's forecast development plans, are positioned at higher levels than those set in the past and guarantee the flexibility needed to tackle the new business plan cycle. The covenant limits to be complied with at 30 June 2016 were as follows:

- Ratio between Net Financial Indebtedness[10] (NFI) and Net Worth[10] (NW) less than or equal to 2.40x;
- Ratio between Net Financial Indebtedness[10] (NFI) and EBITDA less than or equal to 5.40x;
- Priority Leverage Ratio[10] less than or equal to 0.5x.

In addition to the financial covenants, the loan agreements regulate additional conditions such as those related to *pari passu*, negative pledge and change of control, in line with international practice.

All covenants at 30 June 2016 were complied with.

Finance lease payables

The Group, during HY1 2016, signed finance leases for EUR 2,024 thousand. The leases involved assets regarding the categories of heavy vehicles, generic machinery and plant, specific machinery and plant, light constructions, excavators and power shovels; these leases contain a redemption clause. The following table shows the amount of future instalments deriving from finance leases and the present value of the instalments:

10 Measurements traditionally set by current loan contracts.

	30/06/2016 Instalments	Present value	31/12/2015 Instalments	Present value
Within one year	7,767	6,767	10,232	9,256
Over one year and within five years	12,716	10,538	12,563	10,271
Over five years	4,779	4,532	5,993	5,384
Total lease instalments	**25,262**		**28,788**	
Financial expense	3,425		3,877	
Present value	**21,837**	**21,837**	**24,911**	**24,911**

28.2 Current financial liabilities: EUR 680,880 thousand (EUR 655,726 thousand)*

Current financial liabilities show an overall increase totalling EUR 25,154 thousand from the previous year, and are composed as follows:

	30/06/2016	31/12/2015	Change
Bonds	6,282	6,494	(212)
Issue and placement commissions	(2,031)	(1,959)	(72)
Total Bonds	**4,252**	**4,535**	**(283)**
Bank loans and borrowings	514,442	520,286	(5,844)
Current portion of loans	150,286	118,543	31,743
Current portion of loans backed by personal guarantees	230	233	(3)
Finance lease payables	6,767	9,256	(2,489)
Bank loans and borrowings and finance lease payables - Nominal amount	**671,725**	**648,318**	**23,407**
Loan commissions	(5,909)	(5,469)	(440)
Interest on bank loans	5,265	3,327	1,938
Hedging derivatives	5,547	5,015	532
Total loans and borrowings and finance lease payables	**676,628**	**651,191**	**25,437**
Total	**680,880**	**655,726**	**25,154**

(*) Included in NFD for an amount of EUR 675,333 thousand (2015: EUR 650,711 thousand).

The "Bonds" item refers to the instalment of the coupons accrued and not yet paid, adjusted by the portion of the costs of issue and placement, so as to reflect the value at expiration of the bonds based on the effective interest.

28.3 Hedging derivatives

The main inputs used to measure the fair value of heading derivatives include interest rates, return curves and exchange rates that can be observed on the market.

- **Interest rate risk**

At 30 June 2016, the notional remainder of interest rate hedging derivatives amounted to EUR 605,701 thousand of which EUR 7,331 thousand for which hedge accounting did not qualify.

The percentage of fixed-rate debt, also considering issue of the EUR 750,000-thousand senior unsecured bond and EUR 130,000-thousand equity linked bond, is equal to approximately 60% of the Group's total gross debt.

The aforementioned hedges had an impact of EUR 27,619 thousand on Equity (Hedging Reserve).

The tables shown below summarise the aforementioned transactions based on the principles of cash flow hedging, split between those that qualify for hedge accounting and those for which Astaldi Group has opted not to apply hedge accounting.

Type of derivative	Hedged item	Notional remainder 30/06/16	Fair Value 30/06/16	Fair Value 31/12/15
IRS	Medium/long-term debt	598,370	(27,817)	(11,714)
Total		**598,370**	**(27,817)**	**(11,714)**

As regards the aforementioned hedge-accounted transactions, the change in value had an impact above all on the Equity attributable to owners of the Parent, resulting in a final Hedging Reserve value of EUR 27,619 thousand.

A breakdown of the changes in the hedging reserve during the first half of 2016 can be found below.

Hedging reserve – interest rate risk	**30/06/16**	**31/12/15**
Opening reserve	(11,547)	(12,412)
Impact on reserve net of release to profit or loss	(16.270)	865
Final reserve	**(27,817)**	**(11,547)**
Ineffectiveness	0	(168)

With regard to transactions for which hedge accounting has not been applied, the changes in amounts of these financial instruments were recognised directly in profit or loss.

Type of derivative	Hedged item	Notional remainder 30/06/16	Fair Value 30/06/16	Fair Value 31/12/15
IRS	Medium/long-term debt	7,331	(231)	(589)
Total		**7,331**	**(231)**	**(589)**

- **Currency risk**

At 30 June 2016, the notional amount of hedges related to currency risk, converted into Euros, totalled EUR 82,998 million. Given that said instruments hedge both receivables and payables, their nature means that hedge accounting is not applicable and their fair value has an impact on the Income Statement.

Type of derivative	Hedged item	Notional remainder 30/06/16	Fair Value 30/06/16	Income Statement
Forward Sell RUB / Buy EUR	Hedging of payables in EUR	5,000	(355)	(355)
Forward Sell RUB / Buy EUR	Hedging of payables in EUR	5,000	(370)	(370)
Forward Sell CAD / Buy EUR	Hedging of receivables in CAD	6,952	(2)	(2)
Forward Sell CAD / Buy EUR	Hedging of receivables in CAD	27,809	(331)	(331)
Forward Sell CAD / Buy EUR	Hedging of receivables in CAD	38,237	(454)	(454)
Total		**82,998**	**(1,512)**	**(1,512)**

28.4 Net financial debt

The following table shows the amount of the net financial debt with the details of the main items as required by CONSOB communication no. DEM/6064293 of 28 July 2006, which refers to the Recommendation of the European Securities and Markets Authority – ESMA (formerly CESR) of 10 February 2005.

			30/06/2016	31/12/2015
A	Cash		327,011	611,263
B	Securities held for trading		1,189	1,153
C	**Cash and cash equivalents**	**(A+B)**	**328,200**	**612,416**
	Current loan assets		25,262	33,226
	of which from related parties		*1,155*	*1,975*
D	**Current loan assets**		**25,262**	**33,226**
E	Current portion of bank loans and borrowings		(513,799)	(518,144)
F	Current portion of bonds		(4,252)	(4,535)
G	Current portion of non-current debt		(150,516)	(118,776)
H	Other current loans and borrowings		(6,767)	(36,821)
I	**Current financial debt**	**(E+F+G+H)**	**(675,333)**	**(678,276)**
J	**Net current financial debt**	**(I+D+C)**	**(321,871)**	**(32,634)**
K	Non-current portion of bank loans and borrowings		(528,680)	(384,748)
L	Bonds		(873,256)	(872,228)
	of which to related parties		*(13,000)*	*(13,000)*
M	Other non-current financial liabilities		(15,070)	(15,655)
N	**Non-current financial debt**	**(K+L+M)**	**(1,417,006)**	**(1,272,631)**
O	**Net financial debt from Continuing operations**	**(J+N)**	**(1,738,877)**	**(1,305,265)**
	Non-current loan assets		35,731	38,140
	Subordinated loans		243,274	236,691
	of which to related parties		*234,127*	*231,649*
	Non-current portion of financial assets from concession activities		81,442	41,907
P	**Non-current loan assets**		**360,447**	**316,739**
Q	**Total financial debt**	**(O+P)**	**(1,378,430)**	**(988,526)**

The total financial debt takes into account, in addition to the net financial debt (letter O in the above table) determined in accordance with the provisions of the recommendation of the European Securities and Markets Authority – ESMA (formerly CESR) of 10 February 2005, the non-current loan assets – mostly, as regards Joint Ventures and Special Purpose Vehicles established for activities under Project Financing. As regards the latter, it must be noted that Astaldi Group's net financial debt includes EUR 73,315 thousand referring to the no-recourse debt of the subsidiary Sociedad Concesionaria Metropolitana de Salud S.A., holder of the concession involving construction and operation of the new hospital "Hospital Félix Bulnes" in Santiago de Chile.

It is finally pointed out that the Parent has treasury shares in its portfolio totalling EUR 4,336 thousand which determine a net financial debt totalling EUR 1,374,094 thousand. It is likewise pointed out that the net financial debt, also in comparative terms, does not contain the amount of the derivatives used in hedging activities since by their very nature they do not represent financial amounts.

It is also specified that cash and cash equivalents (EUR 328,200 thousand), along with the possibility of using available revolving credit facilities, both committed and uncommitted (totalling about EUR 548,601 thousand), give the Group a more than adequate ability to face planned financial commitments.

29 Other liabilities

29.1 Other Non-current liabilities: EUR 6,356 thousand (EUR 15,257 thousand)

The difference recorded by the item in question compared to the end of the previous year mainly referred to reclassification among current liabilities of the debt to Simest S.p.A. (EUR 11,593 thousand) for acquisition of non-controlling interests of the subsidiary Inversiones Assimco Limitada. Said reclassification proved necessary since payment of the amount due is expected by 30 June 2017 as per the relative contractual agreements.

29.2 Other Current liabilities: EUR 173,153 thousand (EUR 230,698 thousand)*

Other current liabilities totalled EUR 173,153 thousand and consist of the following:

	30/06/2016	31/12/2015	Change
Associates and joint ventures	3,115	5,066	(1,951)
Other companies	1,318	1,313	5
Personnel	30,743	19,163	11,580
Social security institutions	13,481	13,934	(453)
Accrued expenses and deferred income	8,289	4,167	4,122
Other	116,207	187,055	(70,848)
Total	**173,153**	**230,698**	**(57,545)**

(*) Included in NFD for an amount of EUR 0 (2015: EUR 27,565 thousand).

"Other" saw a decrease compared to 2015 by EUR 70,848 thousand, with reference mainly to the international sector. This item mainly contains the effects of the consolidation of the Group's operating entities with reference to the value of existing relations with various partners in joint initiatives.

While there was an increase in "Personnel" as a result of the ongoing development of production activities which required a greater use of human resources.

As for relations with associates, Joint Ventures and SPVs, see note 35, with information on related parties.

We should finally point out that amounts due to associates, Joint Ventures and SPVs for principal to be paid and not yet called-up by the individual Boards of Directors, were reclassified, as in the previous year, as a direct reduction of the respective carrying amounts of equity investments.

30 Current portion of provisions for employee benefits: EUR 8,068 thousand (EUR 8,057 thousand)

This item's amount, and the changes taking place during the year, are summarised in the following table:

	Defined benefit plans	Liabilities for redundancy incentives	30/06/2016
a) Amount of previous year	**7,318**	**739**	**8,057**
b) Increases during the year			
b.1) Service Cost	411	0	411
b.2) Interest Cost	64	0	64
b.3) Actuarial Gains or Losses	368	0	368
c) Amount of the year and exchange rate loss	(670)	(161)	(831)
d) Total amount of Defined Benefit Obligation	**7,489**	**579**	**8,068**

30.1 Defined benefit pension plans

The item refers mostly to the post-employment benefits regulated by article 2120 of the Italian Civil code.

The following are the main assumptions used for the purposes of the actuarial estimate of post-employment benefits at 30 June 2016:

- Annual discounting rate: 1.05%
- Annual inflation rate:
  - 1.50% for 2016
  - 1.80% for 2017
  - 1.70% for 2018
  - 1.60% for 2019
  - 2.00% from 2020 on
- Annual rate of increase of 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%

30.2 Liabilities for redundancy incentives

The “Liabilities for redundancy incentives” item reflects the estimates of the charges related to the agreements taking place during 2014 – based on the provisions established by article 4, paragraphs 1 – 7-*ter* of Law no. 92 of 2012, the so-called “Fornero Law” – for consensual early terminations of the employment relationship of eight employees in the Italian main office.

In particular, the agreement in question, authorised by Istituto Nazionale della Previdenza Sociale on 27 November 2014, guarantees early retiring employees a benefit for an amount equal to the pension that would be owed based on the rules in force and the accrual of additional imputed contributions necessary for achieving the minimum pension requirements.

As to the main assumptions used to determine the present value of the obligation, it is specified that the discount rate was determined with reference to the Eurirs index at two years (in line with the duration of the plan in question).

31 Trade payables: EUR 970,263 thousand (EUR 1,013,237 thousand)

This item consists of the following:

	30/06/2016	31/12/2015	Change
Suppliers	900,578	938,064	(37,486)
Associates and joint ventures	62,213	66,241	(4,028)
Other investees	7,472	8,932	(1,460)
Total	**970,263**	**1,013,237**	**(42,974)**

Trade payables on the whole recorded a decrease of EUR 37,486 thousand and included a drop of approximately EUR 100,000 thousand mainly seen in Italy, Turkey, Poland and Peru. This was partially offset by an increase of approximately EUR 65,000 thousand attributable to construction works in progress in Chile, Russia and Algeria directly related to the levels of revenue produced.

32 Tax liabilities: EUR 50,980 thousand (EUR 66,444 thousand)

Tax liabilities decreased by EUR 15,464 thousand compared to the previous year and consist of the following:

	30/06/2016	31/12/2015	Change
Indirect tax liabilities	20,431	7,881	12,550
Direct tax liabilities	26,286	50,164	(23,878)
Withholding tax liabilities	4,263	8,399	(4,136)
Total	**50,980**	**66,444**	**(15,464)**

The increase in “Indirect tax liabilities” mostly referred to Algeria and specifically to VAT accrued on the milestones billed during the first half of 2016 in relation to railway works in progress.

While there was a drop in “Direct tax liabilities” due to the lower tax incidence recorded during HY1 2016 as a result of the new reference legislative framework combined with the different geographical composition of the areas generating taxable income.

33 Current portion of provisions for risks and charges: EUR 14,170 thousand (EUR 13,794 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	Provisions as per Art. 27 of Company's Bylaws	Total
Balance at 01/01/2016	**7,147**	**2,824**	**1,552**	**2,271**	**13,794**
Allocations	0	0	203	0	203
Utilisation	0	0	(26)	0	(26)
Allocation of 2015 profit	0	0	0	192	192
Restatement	(2)	8	1	0	7
Balance at 30/06/2016	**7,145**	**2,832**	**1,730**	**2,463**	**14,170**

- Provisions for contractual obligations mainly include the conservative provision for 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 with respect to investment’s carrying amounts;
- The provision for potential losses includes the accrual for likely risks measured 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 Company’s Bylaws was used for charitable donations and increased through the allocation of profits in accordance with specific resolutions.

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.

		30/06/2016	31/12/2015
Provisions deducted directly from assets	**Note**	**37,726**	**29,328**
Allowance for impairment (equity investments)	18. Equity investments	81	8

Provision for contract losses to complete	22. Amounts due from customers	20,161	10,865
Allowance for impairment	23. Trade receivables	11,263	11,037
Allowance for impairment – default interest	23. Trade receivables	1,327	1,765
Interest due to tax authorities	24. Tax assets	198	198
Allowance for impairment – other assets	20. Other current assets	4,696	5,455
Provisions recognised under liabilities			
Provision for risks and charges		**14,934**	**16,235**
of which:			
• For risks on equity investments	33. Provisions for risks and charges	2,832	2,824
• For contractual obligations	33. Provisions for risks and charges	7,145	7,147
• For contract losses to complete	22. Amounts due to customers	764	2,441
• Other provisions for risks and charges	33. Provisions for risks and charges	4,193	3,823
Total provisions/allowances		**52,660**	**45,563**

33.1 Disclosure on potential risks

It must be noted that the Group is involved in civil and administrative proceedings and lawsuits related to its daily performance of its business activities. On the basis of currently available information and taking into account existing provisions for risks, it is felt that said proceedings and lawsuits will not have any significant effects on the consolidated financial statements. The content of the Notes to the Financial Statements at 31 December 2015 in this regard can be confirmed and should be referred to.

34 Fair value measurement

The following table provides the fair value hierarchy of the Group's assets and liabilities:

			Measurement at fair value with		
	Measurement date	**Total**	**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	30/06/16	(1,509)		(1,509)	
Securities	30/06/16	1,189	1,189		
Liabilities measured at fair value					
Interest Rate Swaps	30/06/16	(28,048)		(28,048)	
Conversion options - bonds	30/06/16	1,911			1,911

34.1 Measurement techniques and inputs used to process measurements

a) Assets and liabilities measured at fair value on a recurring basis:

- **Interest rate swaps**

The fair value of the derivatives was measured through the use of a pricing tool. The floating-rate, indexed leg was measured by generating the forward rates for the deadlines provided for by the contract, and then calculating the present value by discounting the corresponding cash flows.

The fixed-rate, indexed leg was measured by calculating the present value of the flows.

The forward rates and discount rates were calculated starting from the zero coupon rates implicit in the curve of short-term rates (deposits quotation) and long-term rates (swap rates quotation) at 30 June 2016.

In calculating the fair value of the derivatives, the so-called Debt Value Adjustment (DVA) was measured in order to take into account the risk of non-compliance.

The total value of the instrument is provided by the difference of the present values of the floating and fixed component.

The effectiveness of the transactions is determined by means of internal assessment models using the Dollar Offset Method, relying on the use of the hypothetical derivative for determining the fair value of the hedged item.

- **Forward exchange rate contracts**

The instruments in question were measured through the use of a pricing tool.

The measurement was done through discounting of the value at maturity of the contract, determined as the difference between the forward exchange rate at maturity, quoted by the market on the measurement date, and the working exchange rate provided for by the contract, weighted for the nominal amount provided for by the contract.

The discount rates were calculated starting from the zero coupon rates implicit in the curve of short-term rates (deposits quotation) and long-term rates (swap rates quotation) at 30 June 2016. The forward exchange rates were estimated by linear interpolation starting from the curve of exchanges at term acquired from the info provider.

- **Securities**

The fair value of the securities is equal to the market price referring to the quotations (bid price) on the measurement year's reference date.

- **Conversion options - bonds**

A convertible bond entitles the holder to convert the bond into a given number of shares of the issuer. The instrument may therefore be classified as a standard obligation that incorporates the sale of a call-type option.

The pricing tool is used to measure the convertible bond.

The measurement model breaks the instrument down into its basic components: an equity component and a debt component. Towards this end, it defines a hypothetical "cash only part of the convertible bond" instrument. The amount of the two aforementioned components is determined based on the Black-Scholes equation.

The model uses the following input data: the market price of the Parent's shares, the rate curves (swap and deposits), volatility of the share price, and the company's credit spread.

Of the aforementioned input data, the Parent's credit spread is not a figure that is currently observable on the market.

b) Assets and liabilities measured at fair value on a non-recurring basis

There were no assets and liabilities measured at fair value on a non-recurring basis at 30/06/2016 for which it proved necessary to provide the supplementary information provided for in IFRS 13 "Fair Value Measurement".

c) Transfers of financial instruments between the various levels of the fair value hierarchy

During HY1 2016, there were no transfers between the different levels of the fair value hierarchy.

35 Disclosure on related party transactions

In accordance with IAS 24, as well as CONSOB communication no. 6064293 of 28 July 2006, there follow the totals of existing transactions and balances resulting from financial and commercial relations with related parties. In this regard, it is noted that the relevant transactions were carried out at market conditions. It should be pointed out that relations with consortia and consortium companies (special purpose vehicles), taking into account the specific segment the Group operates in, are to be related to receivables due from third parties – recognised under Trade Receivables (note 23) – not summarised in the following table:

Company name	Amounts due from Customers	Receivables and other assets	Financial assets	Amounts due to Customers	Payables and Other liabilities	Financial liabilities	Operating revenue	Operating costs	Financial income and expense
Parents									
Fin.Ast. S.r.l.	0	5	0	0	0	6,500	7	0	(147)
Company under joint control									
Finetupar International S.A.	0	0	0	0	0	6,500	0	0	(147)
Joint ventures									
Ankara Etlik Hastante A.S.	0	4,879	11,911	78,361	(65)	0	27,210	0	283
Astaldi Bayindir J.V.	0	6,138	0	0	820	0	0	0	0
Consorzio A.F.T. Kramis	0	5,156	578	0	222	0	0	5	18
Ic Içtaş Astaldi Ica Inşaat A.S.	35,356	2,779	0	48,831	2,098	0	58,064	0	24
Other*	0	7,792	1,518	0	3,945	0	136	395	3
	35,356	**26,744**	**14,007**	**127,192**	**7,021**	**0**	**85,409**	**400**	**328**
Associates									
Consorzio Iricav Due	0	1,376	0	0	15,035	0	454	913	0
Consorzio MM4	17,933	27	311	0	504	0	22,966	503	0
Diga di Blufi S.c.r.l. in liq.	0	6,836	0	0	5,465	0	1	1	1
GE. SAT S.c.a.r.l.	0	23,805	0	0	18,592	0	10,875	6,226	0
ICA Ic Ictas Astaldi ucuncu bogaz koprusu ve kuzey marmara otoyolu yatirim ve isletme AS	107,093	32	155,481	18,809	0	0	202,205	0	722
Metro 5 S.p.A.	2,963	967	34,262	0	73	0	4,172	0	976
METRO C S.c.p.a.	445	2,854	0	0	10,129	0	508	8,717	0
Otoyol Yatirim Ve Isletme A.S	34,537	115	20,997	812	0	0	38,688	0	500
SA.T. S.p.A.	7,012	166	6,993	0	155	0	956	0	187
Other*	289	13,649	12,158	753	8,353	1,580	1,006	6,318	43
	170,272	**49,826**	**230,202**	**20,373**	**58,307**	**1,580**	**281,830**	**22,678**	**2,429**
Total	**205,628**	**76,575**	**244,208**	**147,566**	**65,328**	**14,580**	**367,245**	**23,078**	**2,464**
Percentage of incidence	**13.77%**	**7.58%**	**61.13%**	**38.38%**	**5.68%**	**0.69%**	**26.22%**	**1.87%**	**-2.58%**

* for relations of a unit amount under EUR 5,000 thousand.

36 Segment reporting

The operating segments subject to segment reporting were determined according to reporting used by senior management as an information set for their decisions. This reporting is specifically based on the various geographical segments where the Group operates, and it is determined by using the same accounting policies used to draw up the consolidated financial statements.

The following tables show the segment disclosure as per IFRS 8.

Reporting at 30/06/2016	Italy	Europe	America	Africa	Asia	Other activities	Adjustments and eliminations	Total
Revenue	406,247	596,128	464,434	92,192	11,841	(631)	(237,307)	**1,332,904**
Net gains on equity-accounted investees								**32,748**
Operating profit (loss)	4,473	105,767	54,930	17,604	(1,092)	(1,476)	(20,399)	**159,807**
Net financial expense								**(95,537)**
Pre-tax profit and non-controlling interests								**64,270**
Tax expense								**(15,433)**
Profit for the year								**31,509**

Reporting at 30/06/2015	Italy	Europe	America	Africa	Asia	Other activities	Adjustments and eliminations	Total
Revenue	330,864	641,561	396,990	52,114	20,916	927	(109,942)	**1,333,431**
Net gains on equity-accounted investees								**33,984**
Operating profit (loss)	18,995	98,810	869	5,091	(1,468)	1,989	50,012	**174,298**
Net financial expense								**(85,108)**
Pre-tax profit and non-controlling interests								**88,802**
Tax expense								**(27,101)**
Profit for the year								**62,387**

The amounts in the “Other activities” column in correspondence with the operating profit (loss) refer mainly to the general liabilities incurred by the Parent.

37 Other information

37.1 Guarantees and sureties

- **Personal guarantees**

The total amount of the personal guarantees provided is EUR 2,833,564 thousand and refers to the following cases:

- sureties for opening credit facilities, to be used to ensure regular cash flow in relation to individual contracts, issued in favour of Joint Ventures, Special Purpose Vehicles, Associates and other investees, set up for this purpose pursuant to the relevant current laws for the total amount of EUR 82,430 thousand of which EUR 26,367 thousand referring to joint ventures;

- sureties for works, issued in the Group’s interest by banks and insurance companies in favour of customers for various purposes, on its own account and in the interest of subsidiaries, joint ventures, associates and other investees for the total amount of EUR 2,679,146 thousand, of which EUR 47,286 thousand referring to joint ventures;

- other sureties issued for various purposes for a total of EUR 71,988 thousand of which EUR 10,398 thousand referring to joint ventures.

- **Third party sureties given to the Group**

They refer to sureties of EUR 351,620 thousand issued by banks and insurance companies on behalf of Italian and foreign suppliers and subcontractors, in relation to contract obligations vis-à-vis the Group.

37.2 Events after the reporting period

There follows information on the events after the reporting period.

As mentioned above, a bridge agreement was signed with the Customer (NALCOR) in Canada in July regarding the definition, expected by the end of 2016, of new conditions for the contract to construct the Muskrat Falls Hydroelectric Plant. This agreement, which provides for an extension of the contract duration and an increase in the contractual value in order to allow for works to continue, represents a positive step towards resolving the issues related to this project. The aforementioned agreement provides for the availability of additional funding to be invested in the contract in relation to resolving the general situation. Astaldi will continue to perform works in line with the new works schedule. In this regard, it must be noted that the contract being performed by Astaldi forms part of a much larger Muskrat Falls project for which the Customer has already publicly acknowledged a review of costs and the timeframe of the whole project.

A USD 513 million loan was subscribed in July in Chile (structured on a non-recourse basis for Astaldi Group) for construction of Arturo Merino Benítez International Airport in Santiago de Chile. It was subscribed by a syndicate of international banks and will allow for completion of the works to upgrade and expand the infrastructure. It must be recalled that Santiago airport represents a valid example of the strategy the Group wishes to implement over the coming years as regards concession development. This approach is aimed at favouring a project development model which will see Astaldi holding a smaller investment in SPVs and a larger investment in the construction contracts related to the project, resulting in a significantly lower undertaking in terms of invested capital than in the past.

Two construction contracts for the performance of two road projects were awarded in Florida (USA) in July worth a total of USD 38 million, more specifically:

- Beachline Road – for expansion of Beachline Road in the direction of Turnpike Road. The project has a strategic value for the area insofar as it is part of a larger development project. The contract involves the expansion of approximately 8 kilometres of motorway and the construction of 7 bridges and related works (sub-services, street lighting, etc.). The works have been commissioned by FDOT, the Florida Department of Transportation and the contract may ensure interesting synergies with projects in progress in the area given the vicinity of other Astaldi Group operating sites;
- CR 490a Halls Rivers – for the construction of a road section of approximately 500 metres including a bridge built using innovative techniques, which will replace an existing structure and be made of concrete with GFRP (Glass Fibre Reinforced Polymer) and CFRP (Carbon Fibre Reinforced Polymer) hybrid girders. The planned project duration is 320 days and works will be financed by federal funding.

The Pianello-Valfabbrica section of the SS-138 related to the Marche-Umbria Quadrilatero Road Network project in Italy was opened to traffic at the end of July. This represents the achievement of a key target of the project, the remaining sections of which are currently under construction.

As regards disposal of the investment in A4 Holding, it is to be noted that to date authorisation has been received from the Antitrust Authority together with authorisation from the Granting Authority (Ministry of Infrastructures and Transport). A preparatory meeting for the CIPE was held on 19 July whose agenda also included examination of the agreement reached by the "Joint Committee" involving the State, Autonomous Province of Trento and Veneto Region for construction of the A31 Valdastico Nord Motorway in Trento province which is a necessary condition for concluding the disposal procedure. The CIPE meeting is expected to be convened in the near future. The operation should be completed by September 2016.

Moreover, it must be noted that in July it was brought to our attention that the Public Prosecutor's Office of Rome is carrying out a preliminary criminal investigation with regard to works to construct Line C of the Rome Underground. These works were assigned by the Customer, Roma Metropolitane to the SPV Metro C which Astaldi has a 34.5% interest in. Given the early stages of the proceedings, the Parent's management does not feel there are any risks for Astaldi S.p.A., based on assessments made by its legal department with the help of external professionals called upon to provide their opinion. It must also be noted that there are no proceedings against Astaldi S.p.A. as per Legislative Decree No. 231/01.

37.3 Authorisation for publication

Pursuant to current legislation, the Board of Directors of Astaldi S.p.A., approved this Interim Financial Report, authorising its publication, on 3 August 2016.

Filippo Stinellis

Chief Executive Officer

Paolo Citterio

Manager in charge of financial reporting

(Translation from Italian original which remains the definitive version – Translation under review)

Statement on the Condensed Interim 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 integrations

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 Filippo Stinellis, 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 draft the Condensed Interim Consolidated Financial Statements for HY1 2016.

2. The administrative and accounting procedures used to draft the Condensed Interim Financial Statements at 30 June 2016 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 system 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 Condensed Interim Financial Statements at 30 June 2016:

   a) were drafted in compliance with the applicable international financial reporting standards acknowledged within the European Community 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 appropriate for providing a truthful and accurate representation of the financial position and results of operations of the parent and of all the companies included in the consolidation scope.

   3.2 The Interim Report on Operations at 30 June 2016 includes a reliable analysis of the most significant events that occurred during the first six months of the year, and their incidence on the Condensed Interim Financial Statements, combined with a description of the main risks and uncertainties for the remaining six months of the year. The aforementioned Interim Report on Operations also includes a reliable analysis of key transactions with related parties.

Rome, 3 August 2016

(Translation from Italian original which remains the definitive version – Translation under review)

Signed: Filippo Stinellis

Chief Executive Officer

Signed: Paolo Citterio

Manager in charge of Financial Reporting