Izmit Bay Bridge (Turkey) – Opened to the traffic on June 2016

H1 2016 results

3rd August 2016

Agenda

- H1 2016 results
- FY 2016 outlook
- Appendix

Fit for the Future – our Strategy Plan

Sustainable growth strategy and improved financial strength facilitated by business restructuring

Sustainable growth

Operational discipline

Financial strength

- ✓ **Focus on EPC contracts**
- ✓ **New approach to concessions**
- ✓ **Maintain geographic diversification**

- ▪ **Debt reduction**
- ✓ **Asset disposals**
- ✓ **Working capital task force**
- ✓ **Investments compatible with improving financial strength**

H1 2016 highlights

Healthy backlog development underpins Group's future

Sustainable growth

Positive commercial developments over H1 help secure Astaldi's future growth:

- €2bn in new orders secured: ≈60% are EPC contracts and of these orders >80% have advanced payments
- Most of these new orders will come into production in H2
- Financing arranged for €770m worth of concession options which are now in construction phase

Operational discipline

Signed a bridge agreement for Canada's Muskrat Falls hydroelectric project

Significant Turkish concession assets delivered on time and budget:

- Motorway Gebze-Orhangazi-Izmir and bridge opened to traffic 30 June
- Third Bosphorus Bridge to be opened for traffic in August
- Guaranteed hard currency (USD) income flows can commence. No volume risk

Financial strength

Renegotiated covenant terms to align with Strategy Plan targets, improving financial flexibility

Asset disposal plan underway:

- A4 Holding cash-in expected 3Q 2016
- Non-binding offers for Italian assets and expression of interests for Chilean assets – due diligence in progress in line with Strategic Plan timeline
- On track to start market testing disposal options for mature Turkish assets from 2017

H1 2016 highlights

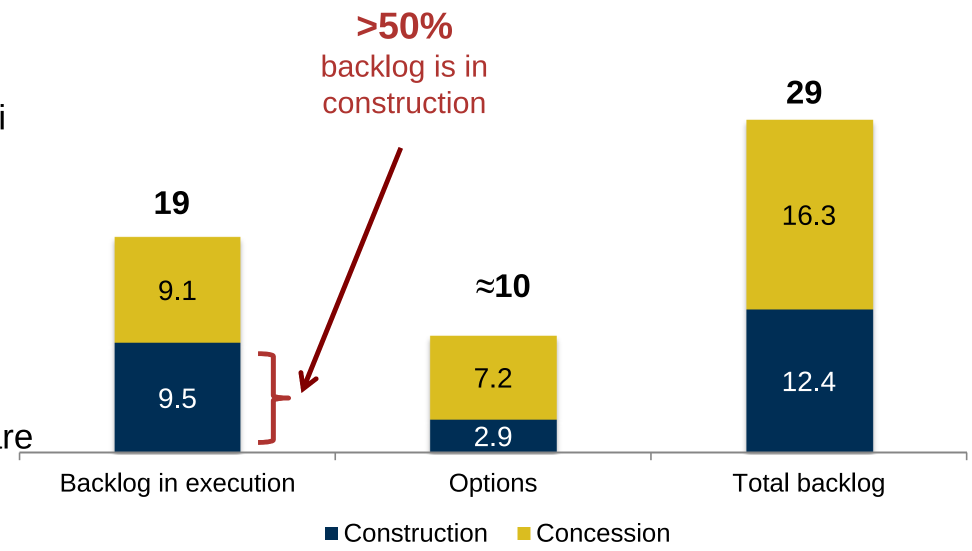
Third Bridge on Bosphorus (Turkey) – To be opened to the traffic in August 2016

Encouraging backlog development

>€2bn new orders secured in H1, heavily-weighted towards construction

- **Nearly 80% of new orders in construction,** with 80% of these EPC contracts
- **Work will begin on the majority of new projects in H2 2016**

Current total order backlog in execution (€bn)



Major new orders

- Italy: Brenner Base Tunnel (Mules 2-3 Lot) – €1bn, with 42.5% Astaldi share
- Chile:
  - ESO Project – €400m, with 60% Astaldi share
  - Western Metropolitan Hospital in Santiago – €236m of total investment with a €151m for EPC contract
  - Chuquicamata Contract #3 – USD460m
- Romania: Brasov-Oradea Motorway – €100m, with 48,5% Astaldi share
- Poland:
  - Rzeszów Waste-to-Energy plant – €67m, with 49% Astaldi share
  - S-7 road – €190m

Addressing areas of concern: Canada

Bridge agreement signed; positive step towards a comprehensive solution

- **Bridge agreement signed with Nalcor in July 2016 is a positive step**
- **Margins for the project sterilised in 2015 and for entire Strategy Plan period**

Recent developments:

- In June 2016, Nalcor publically presented a cost and schedule update for all components of the Muskrat Falls Project
- In July 2016, Astaldi and Nalcor signed a bridge agreement for the Muskrat Falls Civil works which represents a positive step to allow project execution to continue while the parties pursue negotiations in good faith to achieve a commercially reasonable solution for a comprehensive settlement agreement by the end of 2016
- Main items of the bridge agreement:
  - An increase of the contract value to allow, during the negotiation phase, works to continue on a performance based contract. Further funds are available to be allocated to the project within the above mentioned comprehensive settlement
  - Astaldi is continuing to execute the contract pursuant to the new extended works programme

Addressing areas of concern: Turkey and Venezuela

Major Turkish assets operational | Venezuela

- **Major assets, with IRRs >15%, have become operational and income-generating**
  - Motorway Gebze-Orhangazi-IzmirIn, 23k vehicles per day on average in 1st month of operation (H2 2016). Guaranteed hard currency (USD) income flows; no volume risk
  - Third Bosphorus Bridge to be opened for traffic in August
- **Construction activity in Turkey is pursuing regularly, notwithstanding recent political developments. S**tart market testing disposal options for mature assets from 2017

- **Strategy Plan assumes a freeze in operations**
- Certified €250m receivables as at end June 2016
- Bilateral negotiations, backed by the Italian Government, continue

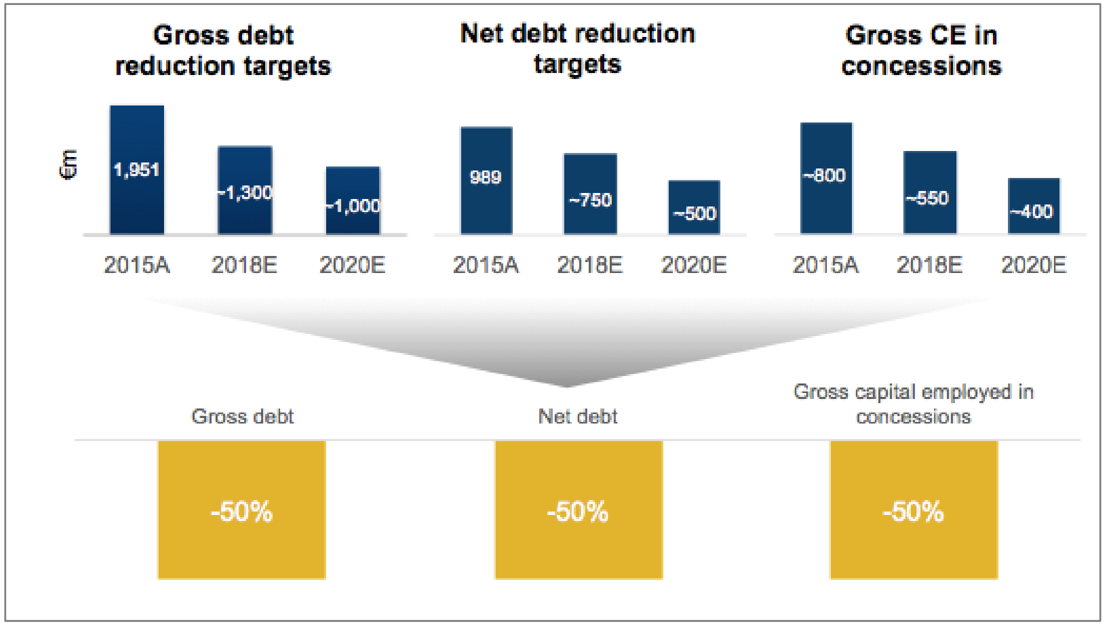
Financial projections: Strategy Plan recap

We set out concerted actions to reduce debt

Objectives

- **To materially reduce net debt over the medium term, through:**
  - Planned asset disposals
  - Rationalisation of capex
  - “Capital light” business model
  - Focus on EPC integrated offers & strategic partnerships
  - Enhanced working capital discipline
- **To improve our financing structure and lower our debt costs**

Targets



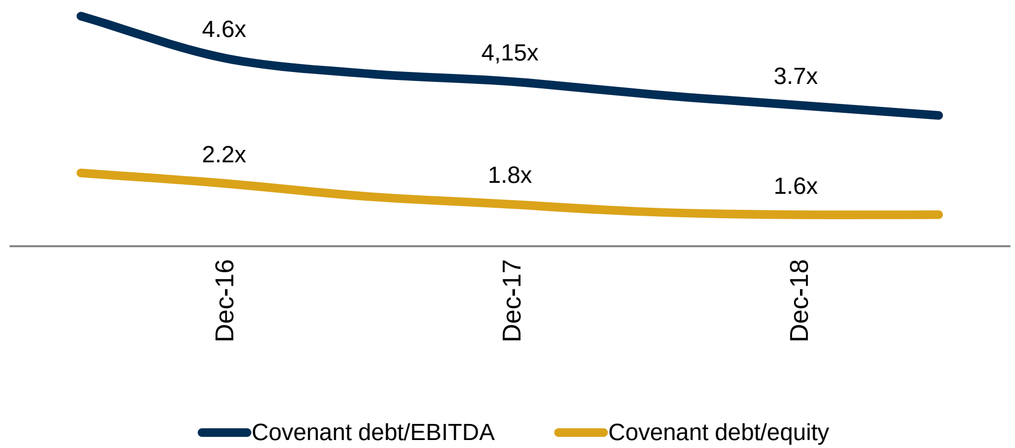
Target Net Debt / EBITDA: <2.0x

Financial flexibility: restored

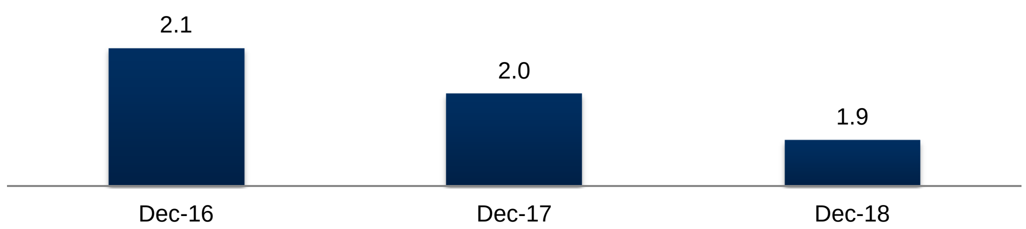
New covenant schedule now in place, tailored to Strategy Plan targets

- **Successfully renegotiated covenant terms for entire period**
  - Additional headroom created giving scope to achieve strategic objectives
- **H1 2016 represents peak net debt levels as expected under Strategy Plan**
  - Refocused pipeline will begin to reflect in lower working capital trends
  - Disposals remain a major component of de-leveraging
- **Gross debt levels, which have remained reasonably constant in past year, also set to decline**

Renegotiated covenants[1]

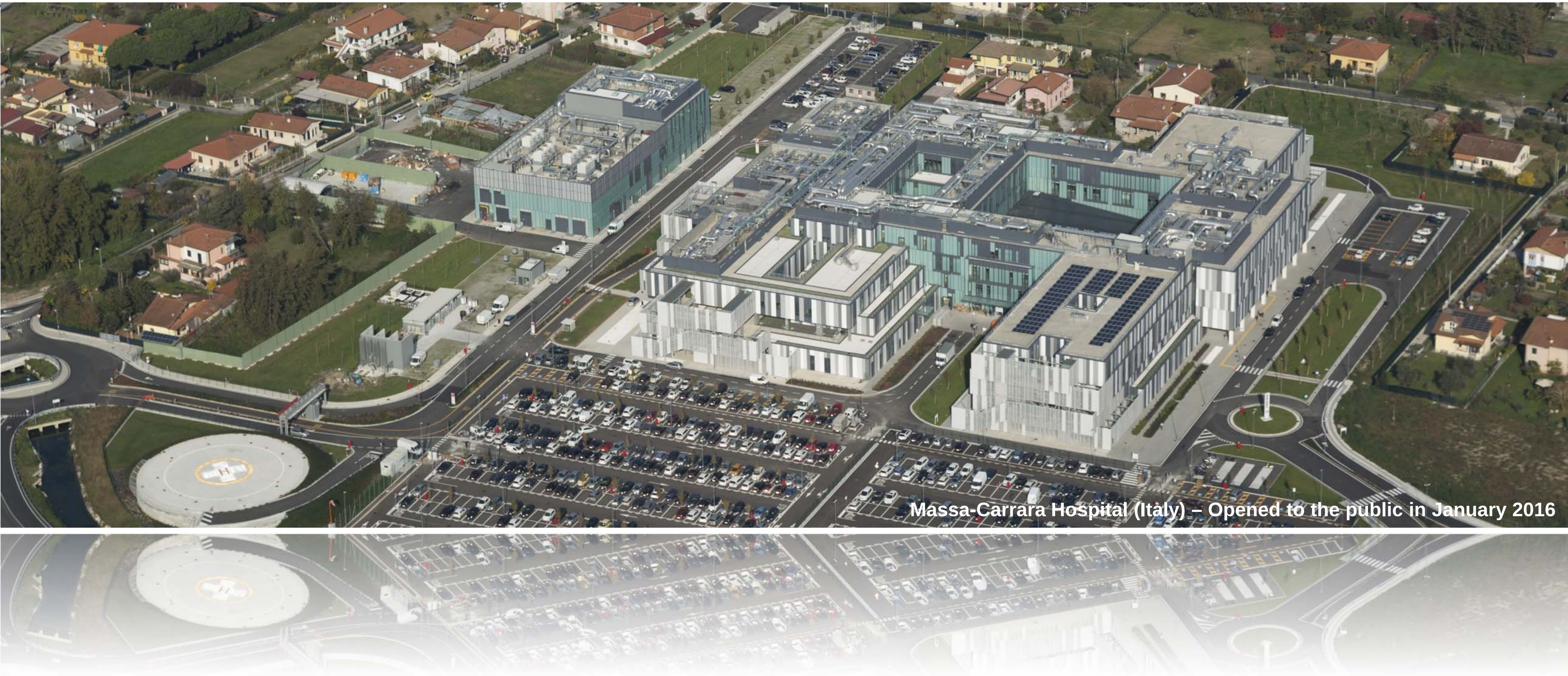


New covenant: gross debt (€bn)



Note: (1) Metrics calculated as per covenant specification.

H1 2016 results

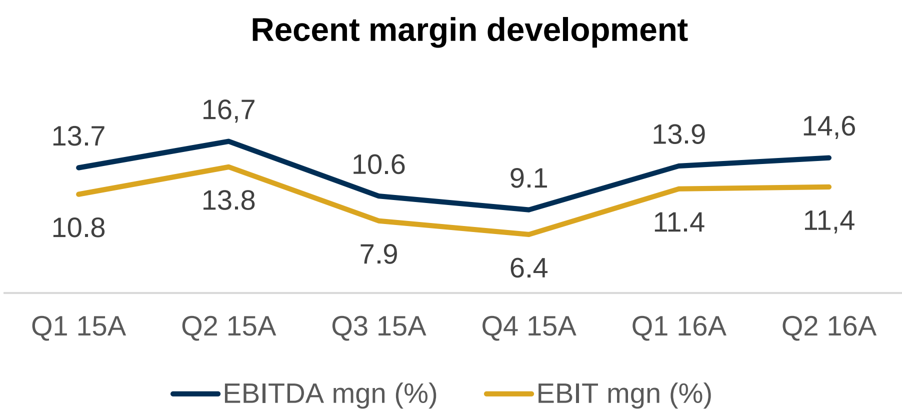


Massa-Carrara Hospital (Italy) – Opened to the public in January 2016

H1 2016 results: income statement

Robust operational performance

€m	H1 2016	2H 2015	Var. (%)	1H 2015	Var. (%)
Total revenue	1,400.4	1,463.3	-4.3%	1,391.7	0.6%
EBITDA	199.6	141.4	41.2%	213.8	-6.7%
EBIT	159,8	101.9	56.8%	174.3	-8.3%
Resuts from continuing operations	48.8	16.2	201.5%	62.1	-21.3%
Results from discontinued operations	(18.1)	1.6	n.a.	(0.4)	n.a.
Net income	31.5	18.5	70.4%	62.4	-49.5%



- **Flat revenue growth yoy, inline with management expectations, due to:**
  - **Tough comparable base** (H1 2015, +15.8% yoy**)** on account of slower production in Italy as major projects delivered in 2015 have not been replaced
  - **Work on new projects** will start in H2 16
- **Financial charges of €95.5m** (from €85.1m in H1 15A) have risen due to higher average gross debt and negative net currency effects
- One-off charge of €(18.1m) due to the discounting of the €110m cash-in expected at settlement on the sale of A4 Holding

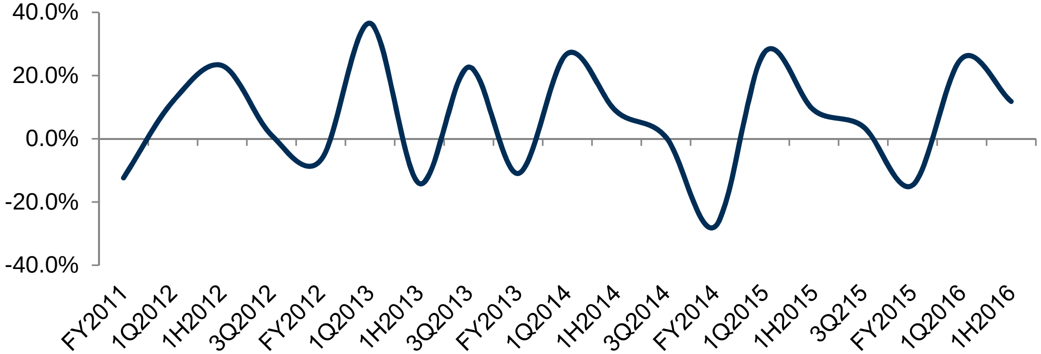
- **Strong margin performance** reflecting increased share of higher margin projects in execution this half
  - **EBITDA margin 14.3%, EBIT margin 11.4%** sustained by Turkish projects in the final stage of completion
  - **€32.7m (€34 H1 15A) income from participations**
  - Margins continue to strengthen from H2 2015A, when impacted by issues in Canada

H1 2016 results: balance sheet

Working capital and debt evolution in line with expectations

€m	30.06.2016	31.03.2016	31.12.2015	30.06.2015
Total fixed assets	980.5	902.9	957.9	900.4
Net working capital	1,010.2	965.3	689.5	870.0
Net invested capital	1,968.5	1,842.3	1,625.5	1,747.6
Cash and cash equivalents	327.0	462.8	611.3	423.9
Gross debt	(2,092.3)	(2,061.2)	(1,950.9)	(1,838.0)
Net debt net of own shares	(1,374.1)	(1,232.9)	(983.0)	(1,109.3)
Total Net equity	590.0	604.0	637.0	633.7

Seasonality of financial development (% NFP, QoQ)

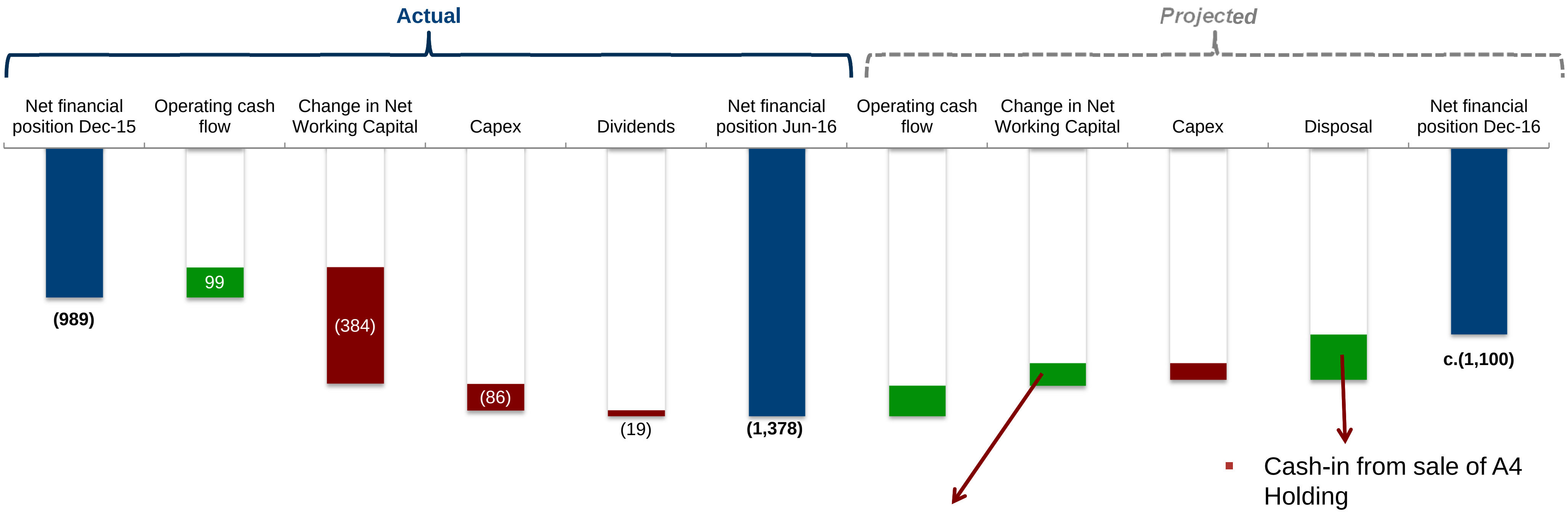


- **Net working capital of €1.0bn** (€965m at Q1 2016) reflecting high amount of work in progress (mainly in Turkey, Russia and Poland), reduction in advanced payments (not yet replenished through new orders), and payments to suppliers to ensure timely execution
  - Working towards long-term target of NWC at <20% revenues as per Strategy Plan
- **Gross debt position remained relatively stable** at €2.1bn, +1.5% qoq thanks to cash pooling strategy in line with Strategic Plan
- **Net debt at €1.4bn,** compared to €1.2bn at Q1 2016
  - Net debt position expected to improve in H2 thanks to advanced payments relating to new orders in execution that have not yet been realised, plus cash-in from sale of A4 Holding (€110m)

FY 2016: cash flow evolution

Actions to improve cash flow expected to reduce net debt by year end

Net debt evolution (2015A – 2016E) (€m)



- Cash-in from sale of A4 Holding

- **Improvement in net working capital** thanks to advanced payments relating to new orders and working capital task force

FY 2016 outlook

Steady progress set to continue

- **On track to meet Strategy Plan targets:**

	Strategy Plan targets	FY 16 Guidance
Revenue	7% CAGR 2016-20E	>€3bn
EBITDA margin	~12% 2016-18E	In line with target
EBIT margin	~10% 2016-18E	In line with target

- **Expect stronger H2 relative to H1**, as newly commissioned projects come into production
- EBITDA and EBIT margins expected to be broadly in line with Strategy Plan target due to new projects in start-up phase
- **Net debt planned to move toward ~€1.1bn by year end**

Appendix

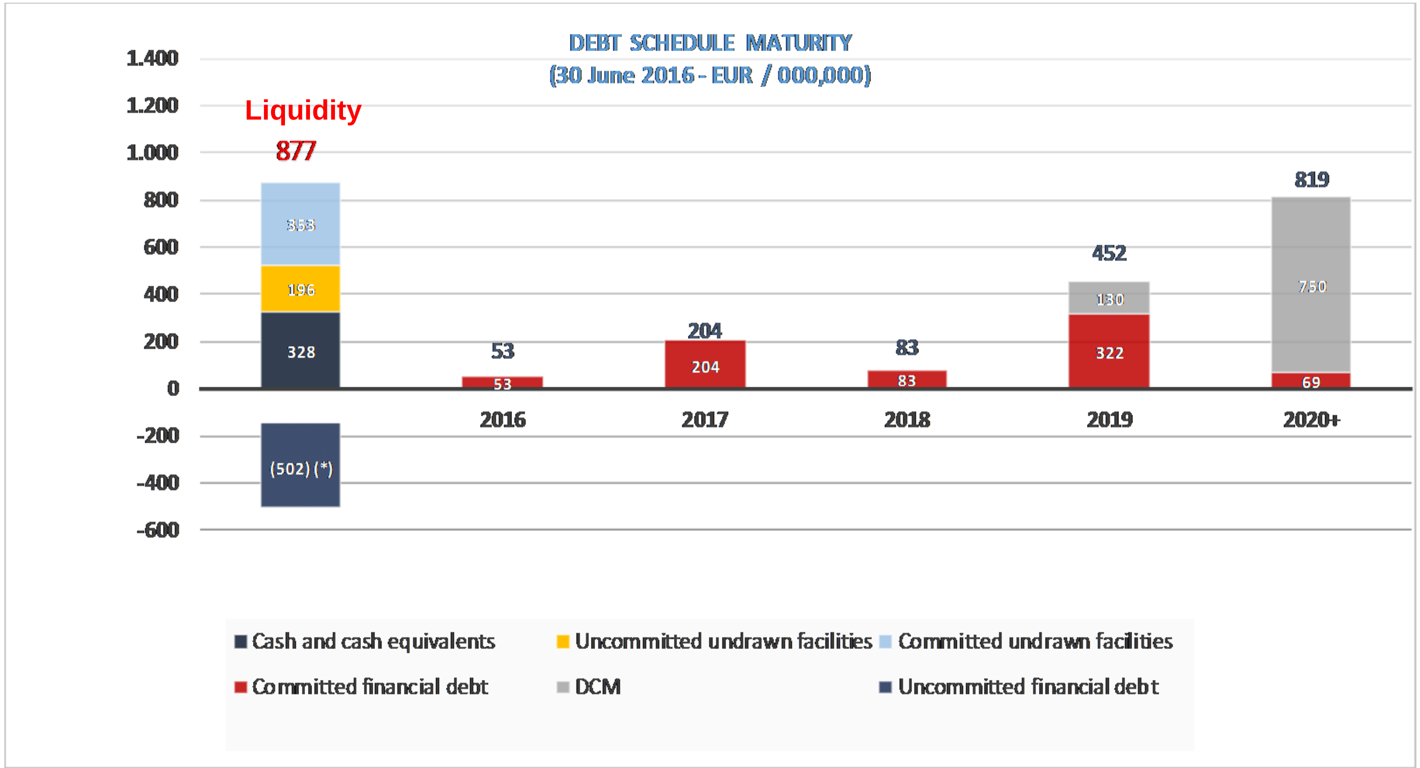
Order Backlog

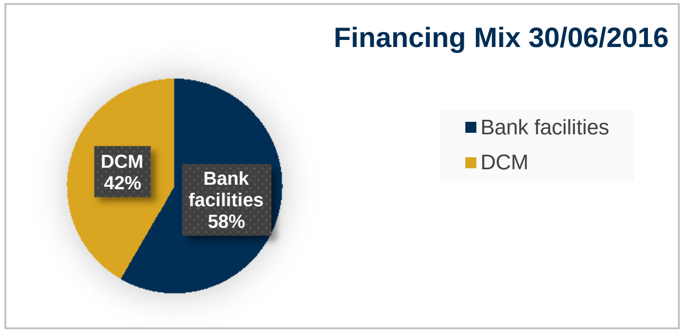
Top 10 Biggest Projects[1]

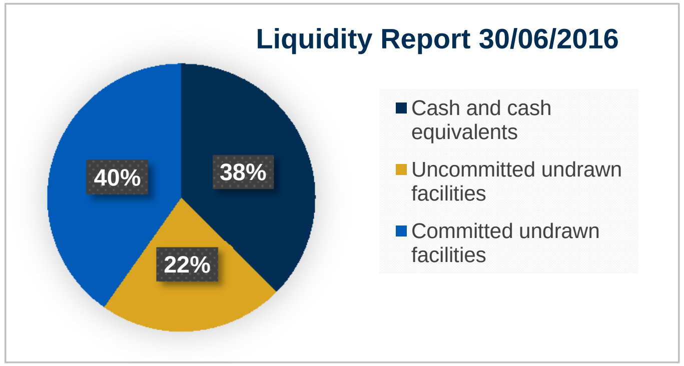
Country	Project	% Completion	Exp. Year of Completion	Total Production (€m)	Residual Backlog (€m)
Italy	Jonica National Road (Lot "DG41")	1%	> 2018	1,112.0	1,097.0
Italy	Milan Subway, Line 4	23%	> 2017	745.9	573.8
Italy	Verona-Padova high-speed railway	0%	> 2018	549.2	549.2
Italy	Brennero Railway	0%	> 2018	425.0	425.0
Russia	M11 Moscow-St. Petersburg motorway	11%	2018	462.4	409.3
Italy	"Quadrilatero" motorway links project	17%	> 2018	489.5	405.4
Chile	Ext. Chuquicamata	0%	> 2018	400.0	400.0
Turkey	Etlik Health Integrated Campus in Ankara	12%	> 2018	443.0	389.8
Canada	Muskrat Falls hydroelectric project	54%	2018	813.4	371.6
Turkey	Gebze-Orhangazi-Izmir motorway	56%	> 2018	822.0	357.8

Note: (1) Excludes Venezuela (**€1,177m**) , where operations have been frozen.

FY 2016: liquidity and debt maturity







(*) These represent the uncommitted facilities used at 30 June 2016, which Astaldi rolls over on an ongoing basis.