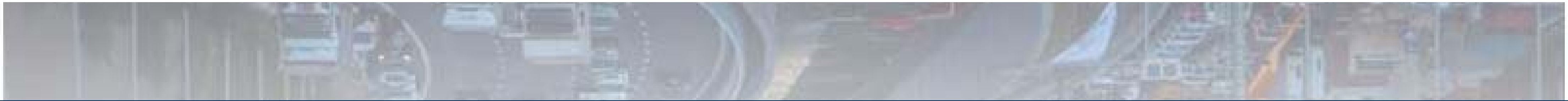

Third Bosphorus Bridge - opened for traffic on 26 August

9M & Q3 2016 results • 9th November 2016

ASTALDI



Agenda

- Financial highlights and strategic update
- 9M & Q3 2016 results
- Appendix

Disclaimer

By their nature, forward-looking statements are subject to risk and uncertainty since they are dependent upon circumstances which should be or are considered likely to occur in the future and are outside of the Company's control. These include, but are not limited to: forex and interest rate fluctuations, credit and liquidity risks, the levels of capital expenditure in construction industry and other sectors, political instability in areas where the Group operates, actions by competitors, success of commercial transactions, risks associated with the execution of projects (including ongoing investment projects), in addition to changes in stakeholders' expectations and other changes affecting business conditions.

Actual results could therefore differ materially from the forward-looking statements.

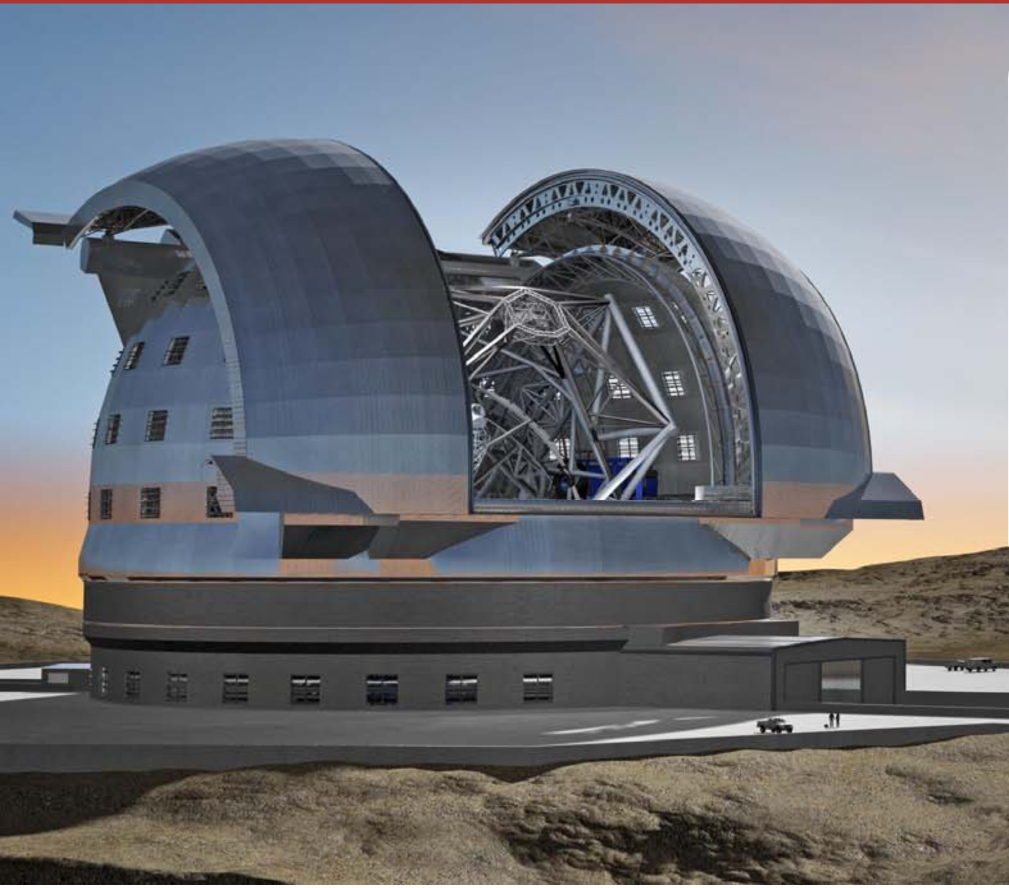
The Financial Reports contain analyses of some of the aforementioned risks.

Forward-looking statements are to be considered in the context of the date of their release. Astaldi S.p.A. does not undertake to review, revise or correct forward-looking statements once they have been released, barring cases required by Law.

Forward-looking statements neither represent nor can be considered as estimates for legal, accounting, fiscal or investment purposes. Forward-looking statements are not intended to provide assurances and/or solicit investment.

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

Delivering premium engineering solutions to clients

March 2016: FY 2015 results

- Completion and start of operation for Massa-Carrara Hospital, Italy in March 2016
- Completion of the New Police Officers' Academy in Florence, Italy in April 2016

May 2016: Strategy Plan

- Contract for construction of world's largest optical telescope, EELT, Chile, signed May 2016
- Astaldi's strategy focusing on EPC contracts
- Alignment of covenant terms with strategic plan targets

August 2016: 1H 2016 results

- Izmit Bay Bridge, Turkey the world's 4th longest suspension bridge

  Opened to traffic June 2016

November 2016: 3Q 2016 Results

- Third Bosphorus Bridge, the widest suspension bridge in the world opened to traffic August 26
- Contract for Brennero Tunnel, Italy, the world's longest underground rail link, signed September 2016

9M 2016 highlights

A solid set of results, on track to meet Strategy Plan targets and FY16 guidance

- **9M revenues at €2.15bn, +4.1% yoy**
- **€3bn FY16 revenue target confirmed**
- 9M EBIT at €242m, margin 11.3%
- **Margin developments as anticipated**
- **Results from continuing operations at €78.8m, +4.7% yoy**
- **€2.5bn new orders booked in the 9M in-line with expectations**

- **Tangible progress made in Q3 on NWC,** reflecting positive effects of new strategic focus on EPC contracts with advance payments
  - NWC €916m, -9.3% vs. €1,010 June 2016
  - Further reduction expected in Q4, mainly driven by advance payments
- **9M net debt €1.2bn** (€1.4bn at H1)
- **Confirm FY target net debt €1.1bn**

- **Ample financial flexibility,** following renegotiation of covenant terms to align terms with new Strategy Plan
- **Focus on asset disposals continues**
  - Sale of A4 Holding, €110m cash-in early September
  - Offers received on additional assets (Italy, Chile)

Delivering sustainable revenue growth

€2.2bn revenues for 9M 2016 – confirming full year guidance

Stated targets

***"Expect stronger H2 relative to H1**, as newly commissioned projects come into production"*

FY 16 Guidance

Revenue **>€3bn**

Achievements to date

- 9M revenues +4.1% yoy to €2.15bn
- Q3 revenues +11.2% yoy to €750m
  - Acceleration of quarterly trend expected over Q4
- €2.5bn in new orders secured over 9M period
  - New orders in line with shift in commercial strategy towards EPC contracts with advance payments
  - Winning orders in geographies which support the de-risking of the Group's risk profile
- Backlog in execution at over €18bn of which > €9bn in construction equal to ~3.0x current revenues
  - > 90% of 2017E target revenues covered by existing backlog
  - ~ 80% of construction backlog in transport infrastructure

New orders and options weighted towards construction

Focus on securing new construction orders, in line with Strategy Plan

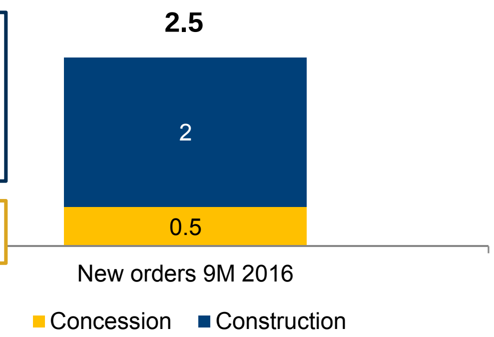
- 80% of new orders year to date are construction contracts
- Over 60% are EPC contracts, of which 80% foresee advance payments, positively impacting NWC trends

€2.5bn new orders secured YTD

(€bn)

- Chile - €896m
- US & Canada - €200m
- Italy - €472m
- Poland - €256m

- Chile - €485m

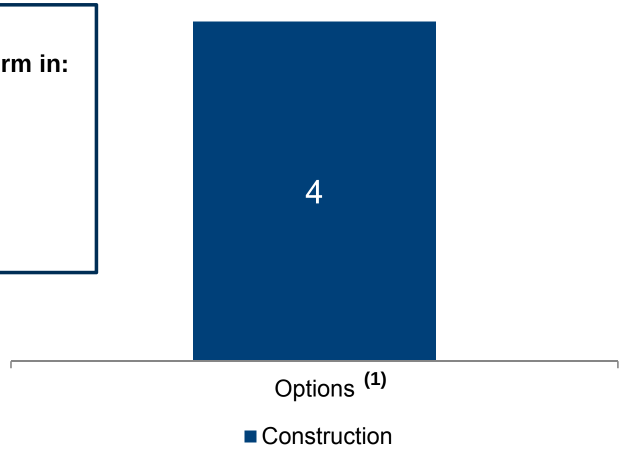


Promising pipeline of options in construction

(€bn)

Includes orders to be booked in the short-term in:

- Sweden
- Italy
- Romania
- Chile
- US (California)



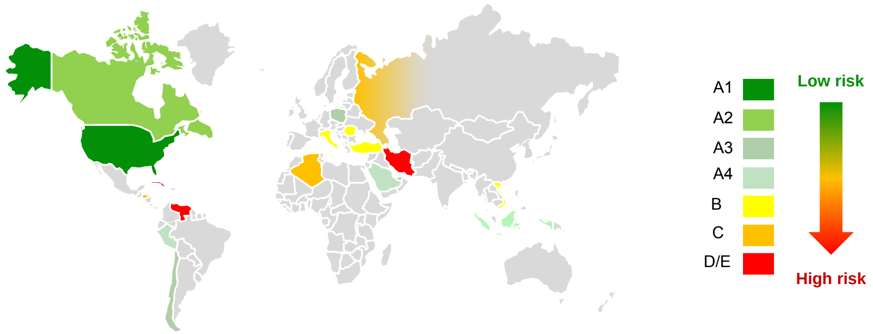
Confident of achieving targeted construction book-to-bill ratio of >1.1x

Note: (1) Options, signed contracts and contracts pending to date, that express acquired rights subject to the occurrence of various conditions (financial closing, approval of various qualified bodies, etc.)

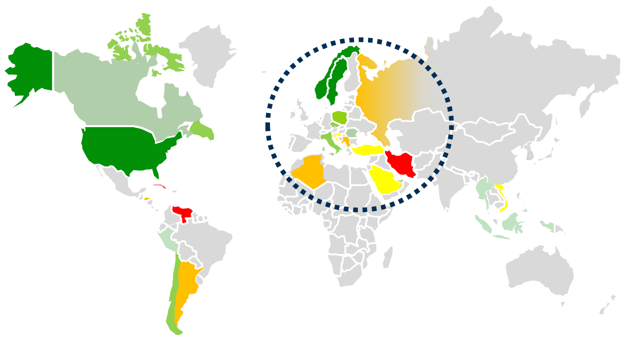
New orders and options contributing to de-risking of portfolio

Geographic diversification lowering overall group risk perception

May 2016



Today



- **New projects in low risk countries – Sweden, US (California)**
  - **Sweden**: new contract waiting for final awarding in transportation sector
  - **California**: preferred bidder for contract in transportation sector
- **New commercial targets in low to medium risk countries – Norway, Singapore, Indonesia, Vietnam, Argentina**
- **Improvement in risk profiles of home geographies** in Italy, Central Europe (Poland, Romania), South America (Chile, Peru)
- Note to new geographies:
  - **Iran:** partnership with Italian State-owned railway company to develop HS railway local plan
  - **Vietnam:** partnership focusing on large local investment plan for new subway lines

Source: Coface country risk assessments, latest available data (Q3 2016).

Delivering healthy margin development

Operational discipline delivering margins as promised

Stated targets

*"EBITDA and EBIT margins expected to be **broadly in line** with Strategy Plan target due to **new projects in start-up phase**"*

	Strategy Plan targets	FY 16 Guidance
EBITDA margin	~12% 2016-18E	In line with target
EBIT margin	~10% 2016-18E	In line with target

Achievements to date

- Secure, sustainable margins delivered, with EBITDA margin 13.2% and EBIT margin 11.3% over 9M period, and 11.4% and 11.0% over Q3 period, respectively
- Margins fully recovered to normalised levels from H2 '15 where issues in Canada impacted and aided by full commissioning of Turkish assets
- Bridge agreement for Muskrat Falls, Canada contributing towards revenues, margins remain sterilised

9M 2016 in line with guidance

9M 2016 in line with expectations and FY 2016 targets confirmed

1H 2016 RESULTS	9M 2016 RESULTS	FY 2016 GUIDANCE
Revenues €1,400m	Revenues €2,151m	Revenues >€3.0bn
EBITDA Margin 14.3%	EBITDA Margin 13.2%	EBITDA Margin in line with target
EBIT Margin 11.4%	EBIT Margin 11.3%	EBIT Margin in line with target

- Revenues target >€3bn at YE 2016 confirmed
- Good margin levels, YE targets confirmed
- Backlog trend towards risk diversification is sustaining future revenues and margins

Debt reduction process commences

Improved cash flow, working capital disciplines and disposals driving net debt reduction

Stated targets

*"Net debt planned **to move toward ~€1.1bn by year end**"*

	FY 16 Guidance
Net debt	~€1.1bn

Achievements to date

- **Tangible progress on net working capital in Q3**, due to actions taken to improve cash flow and signing of bridge agreement in Canada
  - **NWC €916m, -9.3%** vs. €1,010m of June 2016
  - **Further NWC reduction expected in Q4,** driven by advance payments and cash flow
- FCF generation is H2-weighted due to inherent seasonality of business, but overall FCF generation now set on a rising path due to management initiatives
- **9M net debt €1.2bn** compares to €1.4bn at H1, also aided by A4 Holding disposal

9M 2016 in line with guidance

9M 2016 in line with expectations and FY 2016 targets confirmed

1H 2016 RESULTS	→	9M 2016 RESULTS	→	FY 2016 GUIDANCE
Net Working Capital €1,010m	▪ Ca. €100m reduction thanks to the positive effect of the bridge agreement signed in Canada in July stopping cash absorption, and good performance of ordinary business with positive effect on cash flow	Net Working Capital €916m	▪ Further reduction expected thanks to collection of advanced payments	Net Working Capital further reduction expected in 4Q
Net Debt €1,378m	▪ Ca. €150m reduction thanks to extraordinary cash-in from A4 disposal (€110m) and positive cash flow generation of the underlying business (€40m)	Net Debt €1,231m	▪ Expected improvement thanks to further Working Capital reduction generated from ordinary business	Net Debt ~€1.1bn

Aiding working capital and cash flow through our new commercial strategy

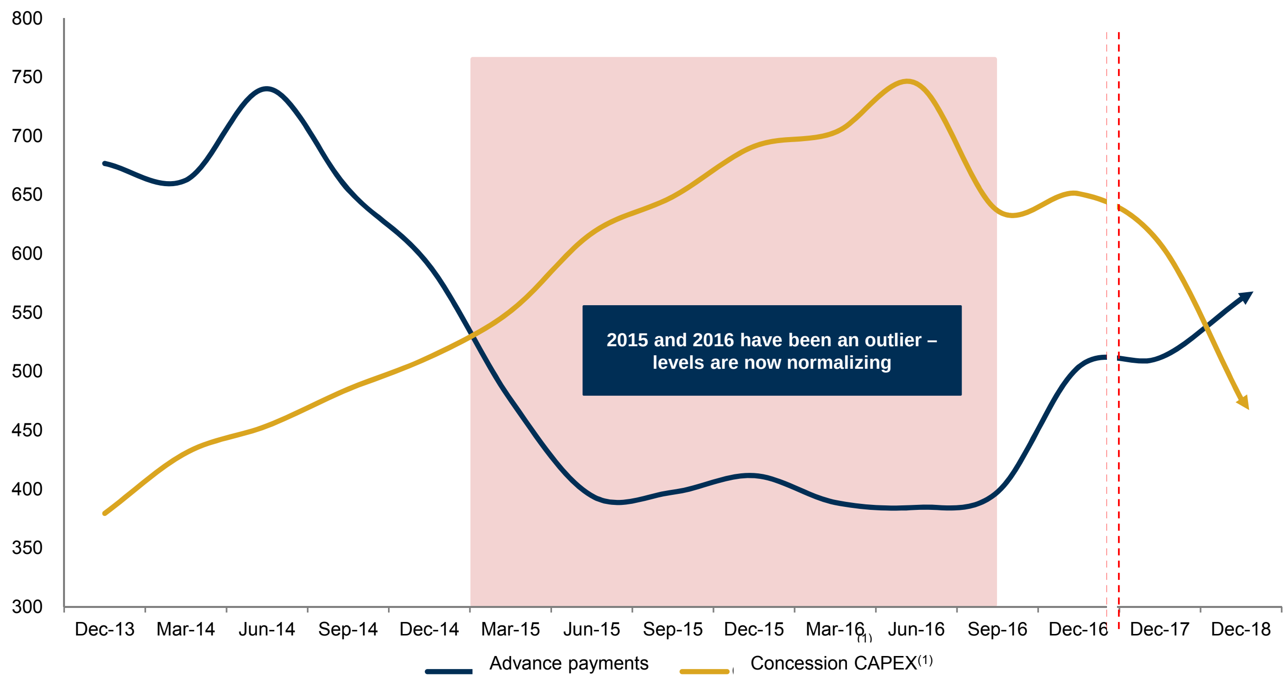
Reducing cash absorption levels

Actions implemented

Increased EPC contracts with advance payments covering investments in concessions

1. **Improved EPC contract terms**
   - **Advance payments** for construction contracts have commenced **on an upward trend** after 2015's relative lows

2. **New approach to concessions**
   - **Partnerships with operator/ financial investor** (who has higher stake in concession SPV) in order to focus on construction work
     - e.g. Santiago Airport, Chile: Astaldi 15% share in concession, but 50% share of construction work



Note: (1) Also benefitting from asset disposal program

Accelerating debt reduction process through asset disposals

Discussions to divest concession assets continue

	ASSET	NEGOTIATIONS STATUS	2016	1H2017	2H2017	2018	2019	2020
			EXIT TIMING					
✓	**A4 HOLDING** (Italy) ***14.3% stake***	▪ Signed in 1H 2016 ▪ Cashed-in on September 2016	●					
	WESTERN METROPOLITAN HOSPITAL (Chile) ***100% stake***	▪ Project currently in construction phase ▪ Offers received		●				
	MILAN SUBWAY LINE 5 (Italy) ***38.7% stake***	▪ Offers received		●	●			
	TUSCANY HOSPITALS (Italy) ***35% stake***	▪ Offers received		●	●			
	CHACAYES HYDRO PLANT (Chile) ***27.3% stake***	▪ Ongoing negotiations	●	●				
	MESTRE HOSPITAL (Italy) ***37% stake***	▪ Start-up negotiation in 2017				●		
	3rd BRIDGE ON BOSPHORUS (Turkey) ***33.3% stake***	▪ Project completed and opened to traffic in August 2016 – ramp-up phase by 2017 ▪ Planned disposal of semi-equity share				●		
	GEBZE-ORHANGAZI-IZMIR MOTORWAY (Turkey) ***18.9% stake***	▪ Phase 1 started operations in 1H 2016 ▪ Highway construction expected to be completed by 1H 2019 and disposal in 2H 2019					●	

Canada: project issues managed

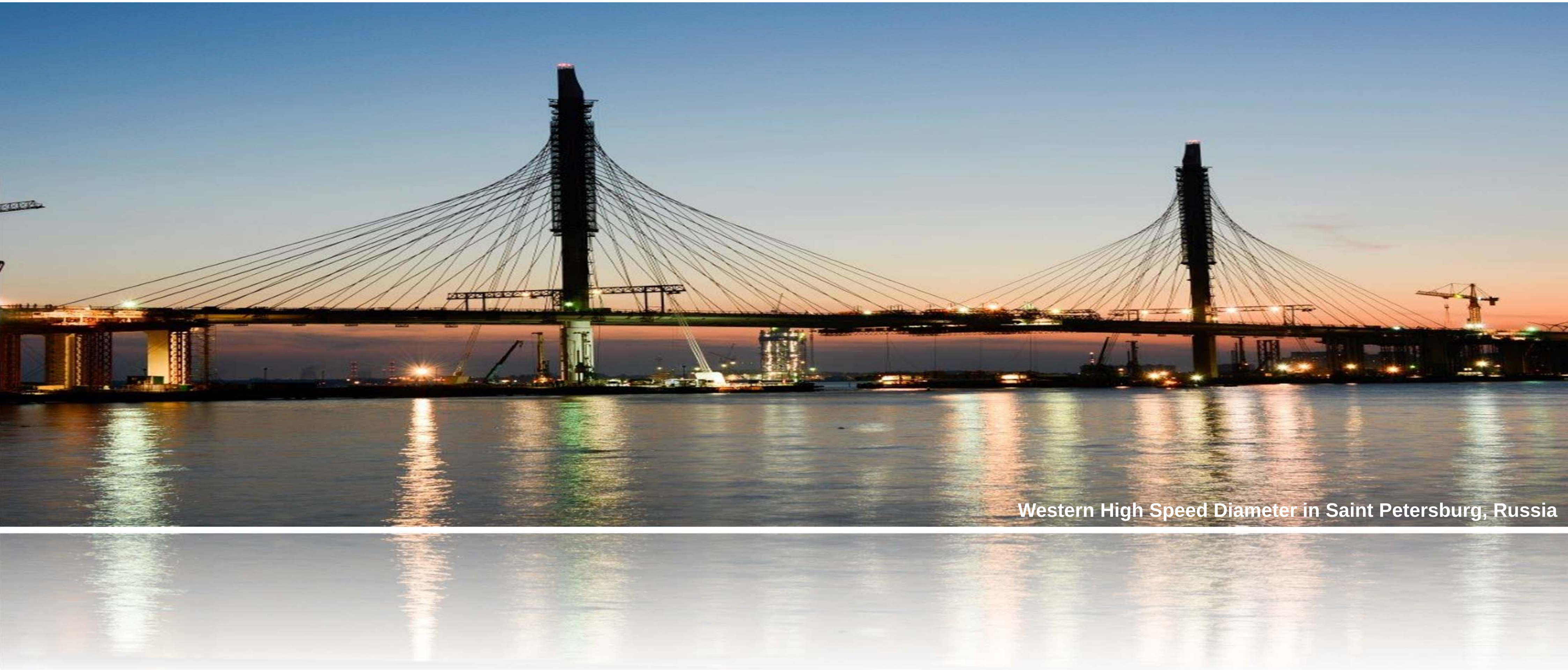
Positive steps towards a comprehensive solution

Good ongoing dialogue with the Client (NALCOR) with common goal to find a final solution

- **July 2016 Bridge agreement signed with NALCOR:**
  - First contract increase of CAD150m
  - Stop of cash absorption that affected 1H2016 working capital
- **November 2016**: Canadian Central Government set to approve additional CAD 2.9B loan guarantee to cover extra costs for Muskrat Falls project
- Works programs for all contractors at the Muskrat Falls project are being rescheduled to redefine the new contracts values.
- Within this framework, **Astaldi is working with the Client to extend the bridge agreement to cover production needs while simultaneously pursuing negotiations to achieve a comprehensive settlement by 1H 2017.**
- **Project execution at ~ 60% completion**

Margins for the project sterilized in 2015 and for entire Strategy Plan period

9M & Q3 2016 results



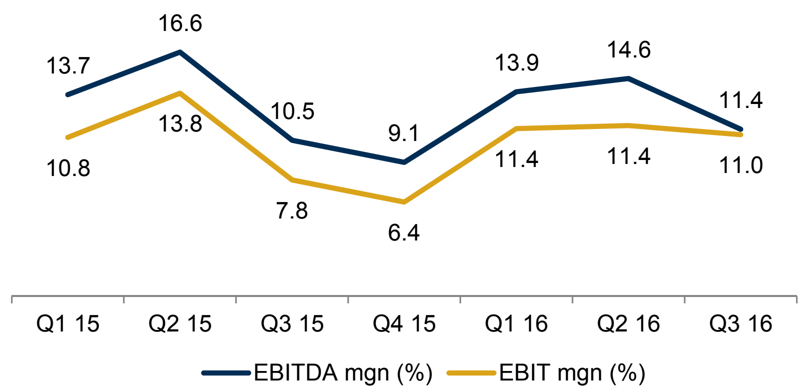
Q3 & 9M 2016 results: income statement

Solid operational performance delivered

€m	9M 2016	9M 2015	Var. (%)	Q3 2016	Q3 2015	Var. (%)
Total revenues	2,150.8	2,066.7	4.1%	750.4	675.1	11.2%
Contribution from JVs & associates	56.9	42.2	35.0%	24.2	8.2	195.4%
EBITDA	284.8	285.0	-0.1%	85.2	71.2	19.7%
EBITDA margin	13.2%	13.8%		11.4%	10.5%	
EBIT	242.2	227.2	6.6%	82.4	52.9	55.8%
EBIT margin	11.3%	11.0%		11.0%	7.8%	
Results from continuing operations	78.8	75.3	4.7%	30.0	13.2	127.0%
Results from discontinued operations	(23.6)	0.0		(5.6)	0.4	
Net income	55.6	76.0	-26.9%	24.0	13.7	76.1%

- **9M revenue +4.1% yoy, Q3 revenue +11.2% yoy, driven by good progress of works abroad (+5.7% vs. 9M 2015)**, especially in Turkey, Canada, Chile, Russia and Poland
- **Profits from JVs** has grown substantially, reaching €24.2m in Q3, +195% yoy, and €57m for the 9M period, +35% yoy.
- **Financial charges in Q3 of €40.7m** (from €34.5m in Q3 15A) have risen due to higher average gross debt and negative net currency effects
- Results from discontinued operations reflect the overall actualization costs of the cash-in of A4 disposal proceeds
- 9M effective tax rate 25.6%

Quarterly margin development



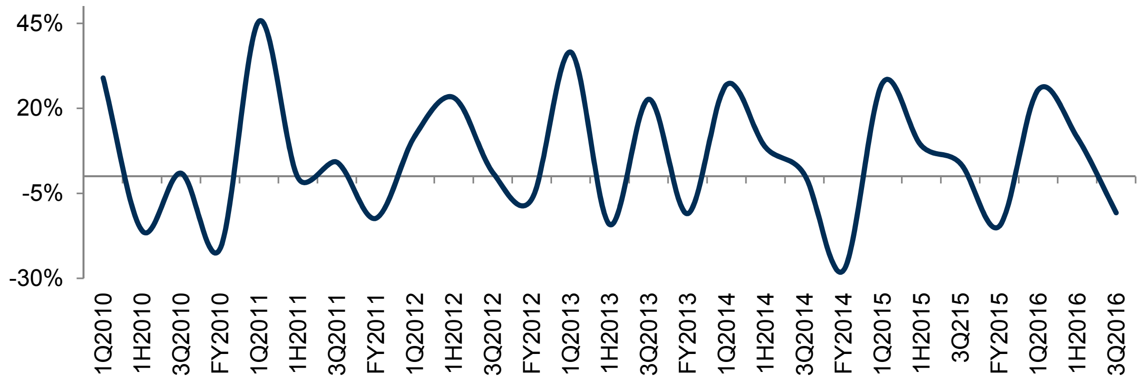
- **Good quarterly margin development**
  - **EBITDA margin 11.4%, EBIT margin 11.0%** in Q3
  - Bridge agreement for Muskrat Falls, Canada, has secured income generation for works undertaken, although margins remain sterilised

9M & Q3 2016 results: balance sheet

Working capital and debt commence reduction trend

€m	30.09.2016	30.06.2016	31.12.2015
Total fixed assets	948.2	980.5	957.9
Net working capital	915.9	1,010.2	689.5
Net invested capital	1,839.5	1,968.5	1,625.6
Cash	389.0	327.0	611.3
Gross debt	(2,036.6)	(2,092.3)	(1,950.9)
Net debt	(1,231.1)	(1,378.4)	(988.5)
Total Net equity	608.3	590.0	637.0

Seasonality of financial development (% NFP, QoQ)

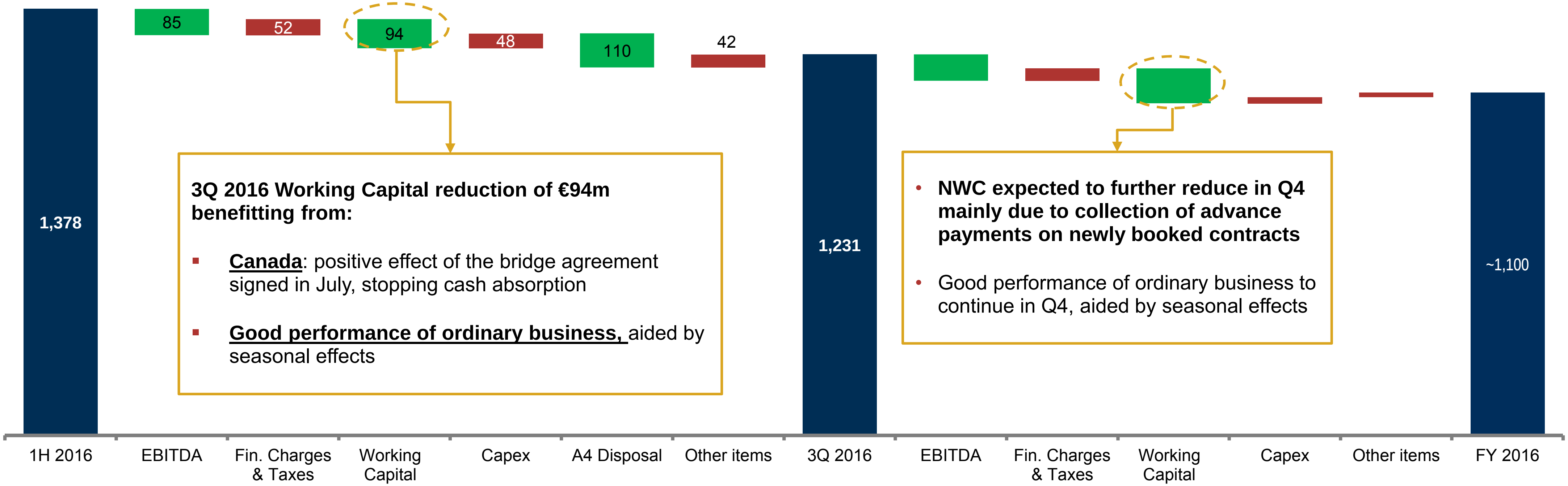


- **Working Capital of €916m, -9.3% qoq** (vs €1bn at H1 2016) shows beginning of reduction trend
  - Approx. €100m Working Capital reduction in 3Q2016, thanks to the commercial discipline envisaging focus on EPC contracts; higher cash-in implies better capital management, also thanks to positive effect of the bridge agreement signed in Canada
- **Gross debt position slightly improved** at €2.0bn, -2.7% qoq
- **Net debt at €1.2bn**, -10.7% qoq
  - Approx. €150m Net Debt reduction thanks to ordinary (cash flow generation) and extraordinary (A4 disposal) business management

9M 2016 results: debt reduction drivers

Improving trends shown in Q3 16 expected to continue by year-end

Net debt evolution (1H 2016A – FY 2016E) (€m)



3Q 2016 Working Capital reduction of €94m benefitting from:

- **Canada**: positive effect of the bridge agreement signed in July, stopping cash absorption
- **Good performance of ordinary business,** aided by seasonal effects

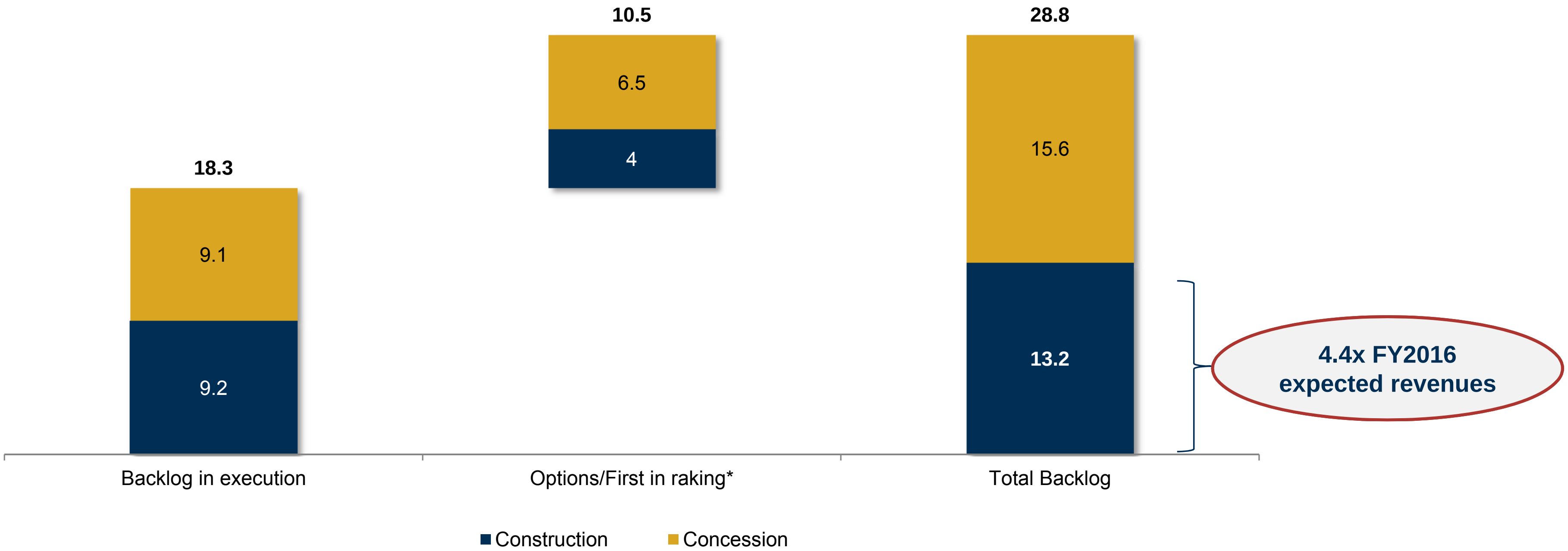
- **NWC expected to further reduce in Q4 mainly due to collection of advance payments on newly booked contracts**
- Good performance of ordinary business to continue in Q4, aided by seasonal effects

Appendix

Current Backlog as of 30 September 2016

Total construction backlog 4.4x FY 2016 forecast revenues

Total Backlog (€bn)



Note: (*) Options, signed contracts and contracts pending to date, that express acquired rights subject to the occurrence of various conditions (financial closing, approval of various qualified bodies, etc.)

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	1,096.7
Italy	Milan Subway, Line 4	26%	> 2018	745.9	555.6
Italy	Verona-Padova high-speed railway	0%	> 2018	549.2	549.2
Italy	Brennero railway tunnel	0%	> 2018	425.0	425.0
Russia	M11 Moscow-St. Petersburg motorway	17%	2018	462.4	386.0
Italy	"Quadrilatero" motorway links project	22%	> 2018	489.5	383.4
Chile	Chuquicamata – Contract #3	2%	> 2018	444.0	436.9
Turkey	Etlik Health Integrated Campus in Ankara	15%	> 2018	443.0	378.0
Canada	Muskrat Falls hydroelectric project	~ 60%	2018	919.0	365.5
Turkey	Gebze-Orhangazi-Izmir motorway	60%	> 2018	822.0	326.8

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

For further info: www.astaldi.com