

ASTALDI Società per Azioni

Registered Office in Rome - Via Giulio Vincenzo Bona, 65

Share capital Euro 196,849,800.00 - fully paid-up

Registered with the Register of Companies of Rome

under taxpayer code No. 00398970582

(already registered in aforementioned Register under no. 847/50 - Court of Rome)

R.E.A. No. 152353

VAT No. 00880281001

Financial Statements as at December 31, 2013

Board of Auditors' Report to Shareholders' Meeting

Dear Shareholders,

in compliance with the laws and regulations in force applicable to stock companies issuers of securities listed in regulated stock markets and in accordance with the provisions of the Company's By-laws, during the financial year ended December 31, 2013, we conducted our audit activity in accordance with the laws and the provisions of the Code of Conduct of the Board of Auditors issued by the Italian National Board of Chartered Accountants.

This report was drawn up by also taking into account the recommendations given by CONSOB through its communications.

1. Considerations on the main economic, financial and equity operations carried out by the Company and on their compliance with the laws, regulations and Company's By-laws

We attended all the meetings held by the Shareholders and by the Board of Directors during the year, and obtained from the Directors, also pursuant to art. 151 paragraph 1 of T.U.F. (Italian Financial Services Act) periodical information on the activities and on most important transactions carried out by the Company and its Subsidiaries, the Directors having further reported about their characteristics and economic effects. To such respect we can reasonably assure you that the actions resolved upon and implemented comply with the law and the corporate by-laws, as well as with the principles of fair management and do not appear to be imprudent, risky, in potential conflict of interest or in contrast with Shareholders' resolutions, or likely to adversely affect corporate assets. The recurrence of Board of Directors' meetings, the average percentage of directors' attendance and the duration thereof have been adequate and any significant resolution was taken by giving proper information to directors and auditors. The Board of Auditors checked that the resolutions was supported by appropriate documents and, possibly, by experts' opinions, whenever so deemed advisable, about the economic-financial consistency of transactions.

The Company avails itself of the authority, given by CONSOB by resolution No. 18079 of January 20, 2012, to disregard the obligation to make an information document available to the public on the occasion of significant operations of merger, split-up, share capital increase by contribution in kind, acquisition and assignment. Information about such decision is set out in the Annual Report, in compliance with art. 70 of Issuers' Regulation. The Board of Auditors supervised the fulfilment of the obligations connected with the laws and regulations on "Market abuse" and "Protection of public savings" in matter of corporate information and "Internal Dealing", with particular reference to the handling of price-sensitive information and to the procedure for the circulation of communications and disclosure of such information to the public. In particular, the Board of Auditors monitored the compliance with the provisions of art. 115-bis of T.U.F. and of the Regulation about the update of the Register of individuals having access to price-sensitive information.

2. Atypical and/or unusual transactions, including intragroup transactions or transactions with related parties; adequacy of the relevant information set forth in the Directors' Report

We have neither found nor received information from the Board of Directors, the Independent Auditor or the Head of the Internal Audit Department or the shareholders themselves about atypical and/or unusual transactions carried out during the fiscal year with third parties, related parties or group companies. During our control activities, we have found no evidence of the fulfilment of any such transactions.

As regards transactions with related parties and intragroup transactions, the information provided by the Directors in their report and in the supplementary notes to the financial statements is suitable for describing the activities carried out in 2013.

In accordance with the provisions of IAS 24 as well as CONSOB communication No. 6064293 of July 28, 2006, concerning the definition of related parties, we underline that

the supplementary notes to the individual financial statements and to the consolidated financial statements show the totals of existing transactions and balances resulting from financial and commercial relations with related companies, as well as the fees due to Directors, Auditors and General Managers.

No transactions which may be considered as atypical or unusual with respect to normal management have been found.

3. Remarks and proposals on information remarks and cross-references set forth in the Independent Auditor's report.

The Independent Auditor issued, on April 7, 2013, the reports on the individual financial statements and the consolidated financial statements, respectively, as at December 31, 2013, drafted in accordance with the International Financial Reporting Standards adopted by the European Union and in compliance with laws and regulations enacted as implementation of art. 9 of Italian *Decreto Legislativo* No. 38/2005. Such reports show that both the individual financial statements and the consolidated financial statements of Astaldi S.p.A. present clearly and give a true and fair view of the financial position, the results of operations, the changes in shareholders' equity and the cash flows of Astaldi S.p.A. for the year then ended, and that the directors' report is consistent with said financial statements;

4. Notice of the tasks, if any, entrusted to the independent auditor and relevant costs

We supervised the independence of the Independent Auditor, thus verifying both compliance with the laws and regulations governing the matter, and the nature and the scope of services, other than the audit of accounts, rendered to the Issuer and its subsidiaries by the Independent Auditor itself and the entities belonging to its group, and received proper written declaration, issued in compliance with the provisions of Art. 17 of Italian *Decreto Legislativo* 39/10.

To such respect, it is underlined that the Independent Auditor provided us with the list of tasks attributed to the same during financial year 2013 and we have no remark in connection therewith. Moreover, the Directors' Report to the Financial Statements set forth comprehensive information about the consideration due to the Independent Auditor, pursuant to art. 149-duodecies of Issuers' Regulation.

5. Notifications as per Section 2408 of the Italian civil code and filing of claims

During the period which the Financial Statements you are asked to approve refer neither notifications under Article 2408 of Italian Civil Code, nor claims of any kind were filed by third parties.

6. Opinions issued in accordance with the law during the period

All the information on the nature and importance of the remuneration policy is set forth in the remuneration report (drawn up in accordance with the provisions of art. 123-ter of D.Lgs. 58/98), with reference to which we acknowledge that the same was produced to the Board of Directors on March 28, 2014 and we have no observation in connection therewith.

7. Compliance with good management principles

We verified - also by means of direct observation and meetings with department managers and with the audit company - compliance with the principles of correct management, as well as with the law and corporate by-laws, and found the existence of an adequate organization allowing to comply with the laws and regulation and to fulfil the obligations provided for thereby. The Board of Auditors deems that governance instruments and prescriptions adopted by the company may validly assure compliance with the principles of good management throughout operational practices.

During the period, we checked the fair application of verification criteria and procedures

adopted by the Board of Directors in order to assess the independence of its own members and established, on the basis of the declarations made by the single Auditors and kept with the corporate records, the inexistence of any causes of ineligibility and incompatibility of Auditors, as well as the fulfilment of the requirements provided for by the laws and the by-laws for appointment as such, also with reference to the criteria set forth in the "Self-Governance Code for listed companies" and to be met by Independent Directors and the members of the Board of Auditors.

The Board of Auditors gave the Board of Directors notice of the outcome of such verification for the latter's considerations thereon, pursuant to Section 144-novies, paragraph 1-ter, who gives notice thereof to the Shareholders' Assembly by means of the Corporate Governance Report.

The Board of Auditors acknowledges of having submitted to Consob, on April 24, 2013, in compliance with Consob Communication No. 6031329 of April 7, 2006, the "Report summarizing the control activity".

8. Adequacy of the organizational structure

We have taken knowledge and verified, to the extent of our responsibility, the adequacy of the Company's organizational structure. To such respect, we acknowledged the existence of a corporate organization chart clearly identifying functions, roles and lines of responsibility, supplemented by a clear and well-defined system of powers and delegations. Decision-making powers are exercised in accordance with the powers conferred, with appropriate separation and distinction of responsibilities between the various tasks and functions.

9. Adequacy of the internal control system, in particular with reference to the activity carried out by the Head of the Internal Audit Department

We appraised and evaluated the suitability of the internal control and risk management

system, as well as its effectiveness and efficiency by gathering information from managers of the respective departments, as well as by examining corporate documents and analyzing the results of the work carried out by the independent auditor, and of the activities carried out by the Control and Risk Committee by holding joint meetings with its Chairman or other auditor designated by the same.

In particular, we supervised the action plan worked out by the Manager of the Internal Audit Department and examined the relevant reports summarizing the activities carried out during the period, mainly addressed to verifying compliance with, and the effectiveness and efficiency of the Group's internal control system.

More in detail, control activities focused on verifying the compliance with current laws and regulations, Group's guidelines and corporate procedures, as well as the observance of delegations of powers and correct behaviours, and proposing corrective actions or solutions aimed at improving the procedural and audit system, also for the purpose of improving the corporate organization's efficiency.

To such respect, no deficiency was detected within the corporate control system. We further verified that the Company proposed corrective actions in relation to the aspects capable of being improved which have been found and, in the meanwhile, took the improvement actions recommended in 2012 follow-up activities.

Moreover, we held meetings with the Manager of the Corporate Risk Management Department which focused on the risk management system, and analyzed the activity plans and outcome of the activities carried out by the same during the period, in connection with ERM targets and the main corporate risks, as identified and assessed by the Project Managers and by Country Managers as significant within the framework of the corporate business; we further analyzed the information flows with the other corporate offices, also with reference to the Internal Audit Department, and analyzed with closer attention the methods adopted to identify, manage and monitor risks. On such occasions, we monitored, jointly with the Control and Risk Committee, the Company's approach to

risk management and the relevant flows of information toward the Board of Directors, the Control and Risk Committee and the Board of Auditors itself.

Still in connection with internal control system, we report that, in 2013, the project of analysis of the internal control system with reference to the international sector and the relevant corporate offices and departments involved was fully carried out, and the Internal Audit Manual was finally drawn up by taking advantage of the contribution provided by the company *Ernst & Young Financial Business Advisors*.

Moreover, we have been provided with up-to-date information about the completion of two other project, which are relevant to the intents and purposes of the control system and which concerned the 1st phase of the "Fraud and IT Audit", with the professional assistance provided by KPMG Financial Advisory, and the update of the Company's Model of Organization, Management and Control as per D.Lgs. 231/01, in connection with cybercrime offences (art. 24-bis) and copyright offences (art. 25-novies), with the professional assistance provided by *Macfin Management Consultants S.r.l.*

Thus, we agree upon the substantial adequacy of the internal control and risk management system.

10. Adequacy of the administrative-accounting system and on its reliability of the in correctly representing management matters

With reference to the verification of the effectiveness and efficiency of the administrative-accounting system and its reliability, as well as to all intents and purposes of art. 19 paragraph 1 lett. a) of Italian *Decreto Legislativo* 39/2010, we took notice of the tests on the audit activities carried out and of the plan of audit activities to be carried out by the operational structure which, pursuant to art. 154-bis, paragraph 4, of T.U.F., provides support to the Executive in charge of drawing up corporate accounting documents. We further verified that the Company proposed corrective actions in relation to the aspects capable of being improved which have been found and that improvement actions have

been implemented as recommended in 2012 follow-up activities.

Based on the activity carried out, we agree upon the substantial suitability of the administrative-accounting system and its reliability in correctly representing management matters in compliance with the law provisions governing the preparation and drawing up of the financial statements and the directors' report, by obtaining information from the managers of the respective departments, as well as by examining corporate documents and analyzing the results of the work carried out by the Independent Auditor.

We further verified the effectiveness of the procedures concerning the preparation, filing and publication of the financial statements and interim financial reports, the fulfilment of law requirements concerning the information to be disclosed in the directors' report attached to the financial statements, as well as the procedures governing the collection, working out and issue of press releases setting forth price-sensitive information.

We did not find any particular critical aspect or impediment to the issue of the declaration by the Manager in charge of drawing up corporate accounting documents and of the statement by the Chief Executive Officer on the effectiveness and efficiency of administrative and accounting procedures to draw up the statutory individual financial statements and the consolidated financial statements of Astaldi S.p.A. as at December 31, 2013.

To such respect, we acknowledged that the Company entrusted the company KPMG with the task of establishing the adequacy of the declarations included in the statements issued by the Chief Executive Officer and by the Manager in charge of drawing up corporate accounting documents pursuant to art. 154 bis, paragraph 5, of Italian *Decreto Legislativo* No. 58/98.

11. Some significant aspects which have become apparent during the meetings held with the auditors pursuant to art. 150, paragraph 2, of D.Lgs. 58/1998

we supervised the statutory audit of accounts, thus examining, jointly with the Manager in

charge of drawing up the corporate accounting documents, the independent auditor's plan of activities, supervising the effectiveness of the audit process by holding periodical meetings and exchanging information with the independent auditor also in matter of the accounting principles and practices to be adopted, and further verifying that all the data and information specifically requested by the independent auditor had been duly provided. In fact, the Independent Auditor reported to the Board of Auditors, pursuant to the provisions of art. 19, paragraph 3, of Italian *Decreto Legislativo* 39/2010, on the fundamental issues becoming evident during the statutory audit which did not show any significant deficiency of the internal control system in relation to the financial disclosure process. Finally, it is underlined that the Independent Auditor did not provide this Board, while fulfilling its duties, with any report according to the provisions of the Accounting Standard No. 260 "*Disclosure of facts and circumstances concerning the audit to corporate governance managers*";

To such respect, we held meetings with the representatives of the Audit Firm, in compliance with the provisions of article 150 of D.Lgs. No. 58/98, who provided us with regular updates on the progress of audit activities and with proper information.

12. Adequacy of directions and instructions given by the Company to its subsidiaries, pursuant to art. 114, 2nd clause, of D.Lgs. 58/1998

We verified the adequacy of instructions given by the company to subsidiaries in accordance with article 114, sub-section 2 of Italian *Decreto Legislativo* No. 58/98; by gathering information from managers of the organizational departments and meetings with the independent auditor and the corresponding Control Bodies in order to mutually exchange significant data and information.

13. Company's adoption of the Corporate Governance Code of the Corporate Governance Committee for listed companies

The Company has adopted the Corporate Governance Code for listed companies, established by Borsa Italiana S.p.A. and the internal organization is consistent with the guidelines of said Code, as set forth in the Corporate Governance Report. Board of Directors' decisions disregarding the above are comprehensively explained in the relevant sections of the Corporate Governance Report. The Board of Auditors has materially ascertained the adoption of said Code, as properly set forth in the Corporate Governance and Shareholding Structure Report, in compliance with art. 124-ter of T.U.F. and art. 89-bis of Consob Regulation.

14. Supervisory Body's activities

We obtained information on activities implemented in accordance with Italian *Decreto Legislativo* No. 231/2001 regarding the Entities' administrative responsibilities, also by exchanging information with the Supervisory Board set up by the Company. To such respect, the Supervisory Body reported its activity carried out in 2013 to the Board of Directors, as set forth in the Annual Corporate Governance Report, at your disposal.

15. Health, Safety and Environment

As to the supervision activity in matter of health, safety and environment, we acknowledge that the Company implemented and maintained a valid certification according to recognized standards (ISO 14001 and OHSAS 18001) for effective management systems aimed at minimizing specific risks.

16. Supervision of Financial Statements preparation

As to the Individual Financial Statements, the Board of Auditors established, by direct verification and information taken from the independent auditor, the compliance with laws

and regulation governing the preparation and drawing up of the Financial Statements and the Directors' Report, the model statements adopted and the accounting standards, described in the Supplementary Notes to the Financial Statements and in the Directors' Report.

As stated above, as implementation of Consob Resolution No. 15519/2006, the financial statements tables expressly show the effects of the relationships with related parties.

The Notes to the Financial Statements set forth the information to be provided in accordance with the International Accounting Standards in connection with the impairment of assets. The consistency of the impairment test with the provisions of IAS 36, and of Document No. 4 of March 3, 2010 jointly drawn up by the Bank of Italy/Consob/Isvap, was officially approved by the Board of Directors during its meeting held on January 28, 2014, independently from and earlier than the approval of the financial statements, as recommended by the above-mentioned Document. The Board of Auditors acknowledge that the Control and Risk Committee verified, in particular, the effectiveness and efficiency of the impairment test from a methodological point of view.

The Chief Executive Officer and the Manager in charge of drawing up the corporate accounting documents issued the attestation, pursuant to art. 81-ter of Consob Regulation n. 11971/1999 as subsequently amended and supplemented and to art. 154-bis of D.Lgs. 58/1998 (T.U.F.).

In fact, the Financial Statements represents the facts and information which the Board of Auditors has become aware of during the period while fulfilling its supervision duties and exercising its powers of control and inspection.

The Directors' Report complies with the provisions of the law and is consistent with the data and information set forth in the financial statements; it provides comprehensive information on significant activities and transactions, which the Board of Auditors had regularly made aware of, as well as the Company's and its subsidiaries' main risks connected with intragroup transactions and with the transactions with related parties, as

well as on the process of harmonization of the corporate organization with the corporate governance principles, consistently with the Corporate Governance Code for Listed Companies.

Pursuant to the provisions of art. 123-ter of D.Lgs. 58/1998 (TUF), the Remuneration Report, examined by the Control and Risk Committee and by the Appointments Committees, notice of which has been given to the Board of Auditors, is submitted to the Shareholders' Assembly.

17. Final considerations on the outcome of the supervision activity carried out

The aforementioned supervisory activities for 2013, were carried out throughout 9 Board of Auditors' Meetings, and the resolutions taken thereat are set forth in the minutes recorded in the book of meetings of the Board of Auditors itself, and by attending 1 meeting of the shareholders of the Company, 12 Board of Directors' meetings and 6 meetings held by the Control and Risk Committee. To such respect, the activity carried out by the Control and Risk Committee was reported by the same to the Board of Directors and described in the Annual Corporate Governance Report which is at your disposal.

While carrying out the supervisory activity, and according to information obtained from the Audit Firm, neither omissions and/or reprehensible facts and/or irregularities were found — nor, in any case, important facts worthy being reported to control bodies or being mentioned in this report.

18. Proposals to the Shareholders' Assembly pursuant to art. 153, paragraph 2, of D.Lgs. 58/98

Taking into account the above, the Board of Auditors, to the extent of its own competence, has found no grounds for objecting to the approval of both the financial statements as at December 31, 2013, and the proposals of resolution made by the Board of Directors.

Rome, this 8th of April, 2014

THE BOARD OF AUDITORS

(SIGNED Daria Beatrice Langosco di Langosco)

(SIGNED Lelio Fornabaio)

(SIGNED Ermanno La Marca)