Translation under review from the Italian original, that remains the definitive version.
This report has been translated into the English language solely for the convenience of the international readers.

ASTALDI

Annual Financial Report 2015

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

Annual Financial Report 2015

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-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.

TURKEY, THIRD BOSPHORUS BRIDGE – the widest suspension bridge in the world.

CHILE, CHUQUICAMATA MINE – the largest open-air copper mine in the world.

General Information

DISCLAIMER

Astaldi Group's Annual Financial Report at 31 December 2015 contains forecasts especially in the section entitled "Outlook". Said forecasts, by their very nature, contain a component of riskiness and uncertainty since they are dependent on the occurrence of future events and developments. Therefore, the actual future results may differ, including significantly, from those forecast with regard to a number of factors including: actual start-up timeframes for new projects, the management's ability as regards the performance of business plans and success in commercial negotiations, the future development of the demand, the actual operating performance, the general macroeconomic conditions, geopolitical factors such as international tension and socio-political instability, changes in the reference financial and legal framework, success in the development and application of new technologies, changes in stakeholders' expectations and the competition's actions

The Group's economic and financial performance is also assessed on the basis of indicators not provided for in the IFRSs (*International Financial Reporting Standard*). The alternative performance indicators used are described at the end of the section entitled "Comment on the General Performance".

Corporate Bodies

(Composition as at draft date of Annual Financial Report)

BOARD OF DIRECTORS

Chairman
Paolo Astaldi

Deputy Chairmen
Ernesto Monti
Giuseppe Cafiero

Chief Executive Officers
Stefano Cerri
Filippo Stinellis[1]

Directors
Caterina Astaldi
Luigi Guidobono Cavalchini
Giorgio Cirla
Paolo Cuccia
Piero Gnudi[2]
Chiara Mancini
Nicoletta Mincato
Eugenio Pinto

GENERAL MANAGEMENT

Paolo Citterio (*Administration & Finance*)
Marco Foti (*Domestic Area*)[3]
Cesare Bernardini (*International Area and Railway Works*)
Mario Lanciani (*International Area*)
Filippo Stinellis (*International Area*)
Luciano De Crecchio (*Industrial Services*)[4]

INDEPENDENT AUDITORS

KPMG S.p.A.

[1] Appointed Director at the Shareholders' Meeting of 29 January 2015 and Chief Executive Officer at the Board of Directors' meeting of 11 November 2015
[2] Appointed at the Shareholders' Meeting of 29 January 2015.
[3] Appointed General Manager (Domestic Area) on17 July 2015.
[4] Luciano De Crecchio, former General Manager (Domestic Area) was appointed General Manager (Industrial Services) on 17 July 2015.

HONORARY CHAIRMAN

Vittorio Di Paola

BOARD OF STATUTORY AUDITORS[5]

Paolo Fumagalli[6] (*Chairman*)

Standing Auditors
Anna Rosa Adiutori
Lelio Fornabaio
Alternate Auditors
Andrea Lorenzatti[7]
Giulia De Martino
Francesco Follina

CONTROL AND RISKS COMMITTEE[8]

Nicoletta Mincato (*Chairwoman*)
Eugenio Pinto
Paolo Cuccia

APPOINTMENTS AND REMUNERATION COMMITTEE[9]

Piero Gnudi (*Chairman*)
Giorgio Cirla
Ernesto Monti

RELATED PARTIES COMMITTEE[10]

Chiara Mancini (*Chairwoman*)
Giorgio Cirla
Paolo Cuccia

[5] Board of Statutory Auditors appointed on 23 April 2015 for the 2015/2017 period.
[6] Auditor appointed through slates submitted by minority shareholders.
[7] Auditor appointed through slates submitted by minority shareholders.
[8] Renewal of Committee members on 14 May 2015.
[9] Renewal of Committee members on 14 May 2015.
[10] Renewal of Committee members on 14 May 2015.

Summarised data

INCOME STATEMENT
(Figures shown in EUR/000)

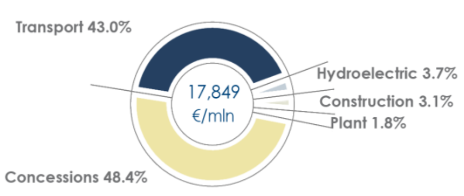
	31.12.2015	% of total revenue	31.12.2014	% of total revenue	YOY change (%)
Total revenue	2,854,949	100%	2,652,565	100%	7.6%
EBITDA	356,408	12.5%	341,252	12.9%	4.4%
EBIT	277,452	9.7%	269,601	10.2%	2.9%
EBT	112,694	3.9%	130,731	4.9%	-13.8%
Profit attributable to owners of the parent	80,876	2.8%	81,559	3.1%	-0.8%

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

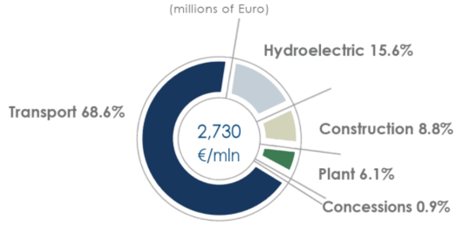
	31.12.2015	31.12.2014	30.09.2015
Total net non-current assets	957,948	790,197	917,942
Operating working capital	689,460	616,714	842,700
Total provisions	(21,851)	(23,002)	(22,477)
Net invested capital	1,625,557	1,383,910	1,738,165
Total loans and borrowings/loan assets	(988,526)	(803,854)	(1,157,510)
Equity attributable to owners of the parent	631,405	574,058	574,543
Total equity	**637,031**	**580,056**	**580,656**

* Including treasury shares in portfolio equal to EUR 5.8 million at 31 December 2015, EUR 5.7 million at 30 September 2013 and EUR 5.2 million at 31 December 2014.

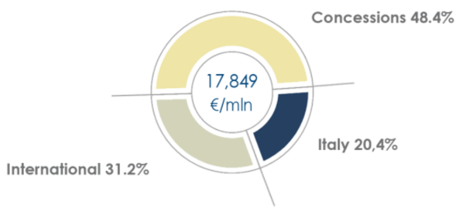
Order Backlog according to business segment
(millions of Euro)



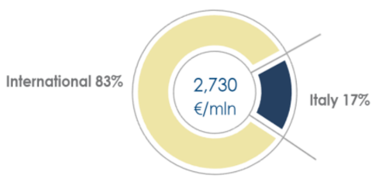
Operating revenue according to business segment
(millions of Euro)



Order Backlog according to geographical area
(millions of Euro)

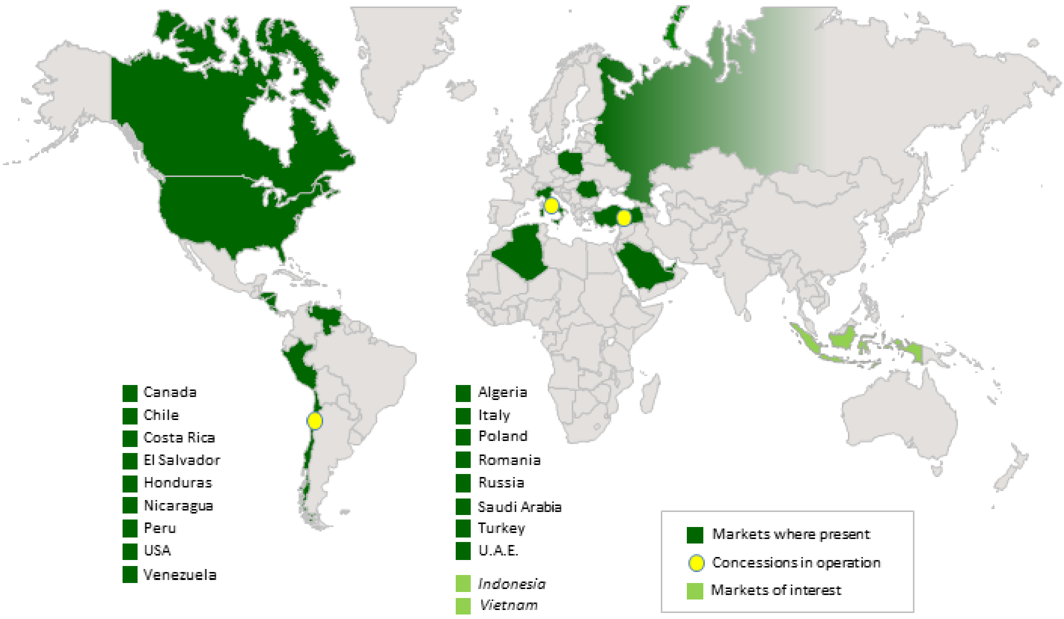


Operating revenue according to geographical area
(millions of Euro)



Group positioning

ASTALDI GROUP WORLDWIDE



OVER 90 YEARS OF MAJOR WORKS

Transport Infrastructures

- *5,000 kilometres of railways and undergrounds*
- *15,000 kilometres of roads and motorways*
- *160 kilometres of viaducts*
- *215 kilometres of road and rail tunnels*

Water and Energy Production Plants

- *68 dams*
- *33 energy production plants*
- *80 aqueducts and water treatment plants*
- *110 kilometres of hydraulic tunnels*

Civil and Industrial Construction

- *20 hospitals for a total of more than 8,500 hospital beds*
- *19 airports*

TURKEY, ETLIK INTEGRATED HEALTH CAMPUS IN ANKARA – The largest healthcare facility under construction to date in Europe

ITALY LINE 5 OF MILAN UNDERGROUND – PFI AWARD 2015 (Best Transport Deal of the Year).

TURKEY, GEBZE-ORHANGAZI-IZMIR MOTORWAY (Izmit Bay Bridge) –This is the fourth suspension bridge in the world.

ITALY, NEW HOSPITAL IN MASSA-CARRARA IN TUSCANY – Became operational in November 2015.

Management Report

ANNUAL FINANCIAL REPORT AT 31 DECEMBER 2015

The Annual Financial Report at 31 December 2015 has been compiled by applying the same accounting standards adopted for the Annual Financial Report at 31 December 2014 except for those coming into effect as from 1 January 2015 outlined in the Annual Consolidated Financial Statements in the section entitled "Newly-issued and endorsed accounting standards and interpretations coming into effect as from 1 January 2015" which should be referred to.

The Annual Financial Report comprises the Management Report, Annual Consolidated Financial Statements, Corporate Governance and Shareholding Structure Report and relative annexes, Considering the Group's structure, the Company has already availed itself for some years now of the possibility, pursuant to Legislative Decree No. 32 of 2 February 2007, of presenting information previously contained in the Management Reports of the Consolidated Financial Statements and of the parent company Astaldi S.p.A.'s Separate Financial Statements, in a single document known as the Management Report.

Macroeconomic Scenario

Astaldi Group is among the leading 100 Global Contractors and the leading 25 European Contractors[11]. It boasts consolidated leadership in Italy and abroad where it enjoys a diversified presence in 5 reference macro-areas. It works mainly as an EPC Contractor[12], but it is also the Operator of projects developed using PPP (public-private partnership) and project financing[13].

Therefore, Astaldi's reference market is the global major infrastructures market which, by its very nature, is characterised by anti-cyclical trends compared to the trends of all the other production segments.

In 2015, the global economy recorded a lower performance level than forecast. The generalised slowdown in the world economy was reflected in a structural cut in raw material prices, and the uncertainties of the Chinese economy and the effects that the resulting reduced demand from this country may generate are being looked on with concern. Moreover the low price of oil products risks placing the economies dependent on these in a difficult position. In the October 2015 review of the *World Economic Outlook*, the International Monetary Fund (IMF) highlighted the risks of new lowest bid trends. Similar observations were made in February by the Organisation for Economic Cooperation and Development (OECD) which introduced additional precautionary measures and estimated a 3% increase in the global GDP in 2016 (3.3% in the November forecasts) and a 3.3% increase 2017 (3% in the previous forecasts)[14].

As regards this scenario, Astaldi Group offers a development model aimed at identifying the opportunities offered by countries that continue to invest in multi-year programmes such as, for example, Turkey, Chile, Poland and Algeria, and at consolidating its presence in areas boasting stable economies, clear investment programmes and that are not affected by these problems. Interest in the careful selection of additional countries with similar characteristics to those mentioned above, able to offer interesting development opportunities, was also confirmed. From this viewpoint, an integrated supply capacity in terms of skills and diversified market positioning from a geographical-sector viewpoint, ensure the sustainability of its growth model. Said model is further strengthened by Astaldi's longstanding leadership in Italy and abroad, also thanks to the innovation generated by its works.

In order to provide complete information, the trends of the Infrastructures sector seen during 2015 in the main reference markets for the Group's business activities are outlined below.

- **Italy[15]**. Italy represents a traditional country of operations for Astaldi and, despite the specific economic situation seen in recent years, it still plays an important role in the Group's commercial development policies. The Economic and Finance Document (DEF, Update September 2015) hints at an increase in planned spending for the public works sector, with a forecast increase in the public administration's gross fixed investments of 2.4% for 2016 and 2.6% for 2017. According to estimates formulated by Italy's National Association of Builders (ANCE), investments in non-residential public construction should total

[11] Source: *The Global Sourcebook 2015*, by ENR *Engineering News Record*, December 2015 – listings compiled on the basis of turnover produced at 31 December 2014.
[12] EPC (Engineering, Procurement, Construction) identifies all the performance phases of a project awarded to a General Contractor, in charge of designing, constructing and consigning the works to the Customer.
[13] PPP is an expression which refers to types of cooperation between public administrations and privates with the aim of financing, constructing and managing infrastructures or providing services of public interest. Project financing is, in brief, an institution which makes it possible to finance the construction of public infrastructures in the long-term, making use of private capital which can be recovered through the cash flow generated by operation of said infrastructures.
[14] Source: *OECD Global and Interim Economic Outlook Presentation* by OECD, 18 February 2016; *World Economic Outlook Update*, by the International Monetary Fund, 19 January 2016.
[15] Sources: *Osservatorio Congiunturale sull'Industria delle Costruzioni. Dicembre 2015*, edited by ANCE – Economic Affairs Division and Research Centre; "*Il Settore delle Costruzioni in Italia*", edited by ANCE - Economic Affairs Division and Research Centre, 29 January 2016.

EUR 26.5 billion in 2016, increasing by 6% in real terms compared to the previous year. This estimate takes into account some measures contained in the 2016 Stability Law: doing away with the Internal Stability Pact which allows for the relaunch of investments by local authorities, but also recourse to the European clause for investments which provides an additional EUR 5 billion compared to 2015 (EUR 3.5 billion of which for infrastructure projects). Therefore 2016 could represent a turnaround for the construction sector, also in light of the fact that the production and employment levels of a significant number of production segments depend heavily, if not completely, on the segment's activities. According to ANCE estimates, an additional demand of EUR 1000 million in the construction segment generates direct and indirect effects of EUR 2,292 million (EUR 3,513 million if satellite activities are included). In terms of employment, this means an increase of 15,555 work units. Additional positive effects may result from the greater financial stability guaranteed by the Italian government for the ANAS 2015-2019 Multi-Year Plan and for the Italian Railways' Programme Contract thanks to which ANAS (the operator of Italy's road and motorway network) may benefit by EUR 6.8 billion from 2016 to 2020, and RFI (the operator of Italy's railway network) may have access to approximately EUR 8.3 billion from 2016 to 2018. The market may be boosted by the process of aligning award and operation procedures of public works concessions to the best European practices. Indeed, the Italian government has started a public consultation to devise a standard PPP-based agreement model in order to implement the most recent European Directive concerning public contracts (EU Directive Nos. 23/2014 24/2014 and 25/2014) into Italian national legislation. The government and parliament are committed to implementing European contract legislation. It is hoped that Italy will, at long last, have a streamlined, transparent instrument for managing public contracts, in line with those in force in other EU countries.

- **Turkey.** Turkey is one of the main areas for the Group's operations which are currently focused on concession projects of international standing with a high technological content (motorways, bridges, hospitals). During 2015, the country experienced a series of political events which generated uncertainty on the financial markets. The elections in November restored the internal stability needed for the government to relaunch its development programmes. The problems and difficulties linked to geopolitical equilibrium and the country's geographical position as a "bridge" between Europe and Asia obviously remain. Turkey is currently the 16th global economy. It has seen its GDP more than triple in recent years and it is forecast to become one of the most rapidly-expanding economies among OECD members by 2016 (OECD, February 2015). The private sector is mature and dynamic and the EBRD has confirmed its desire to support the country throughout its growth. As regards investment in public works, the Turkish government aims to relaunch transport infrastructures, construction and energy. Improvement of the high-speed railway line (from the current 888 km to 10,000 km) and of the motorway network (from 2,155 km to 8,000 km) is planned by 2023 along with the construction of over 400 km of underground in Istanbul alone, improvement of airport handling capacity (from the current 165 million passengers per year to 400 million, an increase in the number of maritime ports to 100 units and improvement of the installed energy capacity (from the current 71,430 MW to 100,000 MW). In this scenario, Astaldi Group is paying major attention to the commercial opportunities that may arise for the sectors where it traditionally operates, both construction and concession projects. Development opportunities linked to projects currently in progress are not to be excluded.

- **Russia**[16]. During 2015, the Russian economy was affected by the drop in the price of oil and by international sanctions applied following the "Ukraine" problem. This led to tension on the financial and currency markets which further penalised the country's growth opportunities. This is part of the reason why the Russian government approved an anti-crisis plan at the beginning of 2016 which includes measures totalling EUR 9 billion. According to the IMF, the Russian GDP experienced a 3.7% drop in 2015; an additional drop (-1%) is forecast for 2016 followed by a partial upturn as from 2017 (+1%), also further to possible loosening of sanctions applied by the end of this year. In response to this scenario, Astaldi Group is adopting a conservative approach, paying major attention to the area trends, also in light

[16] Source: *FMI World Economic Outlook gennaio 2016*, edited by the Technical Department of Italy's Ministry of Economic Development (Reading Note No. 10/2016, 25 January 2016).

of a possible cooling off of relations between Russia and Turkey. Indeed, it must be recalled that Astaldi works in Russia with a Turkish partner. In any case, it is considered appropriate to note that, despite the geo-political and financial problems (including the weak position of the Rouble), projects in progress are not experiencing any operating problems and hence Astaldi continues to consider the country to be an area of potential future development.

- **Eastern Europe**[17]. Astaldi Group boasts a major presence in Poland, while there has been a slowdown in operations in Romania and Bulgaria linked to the decrease in the number of invitations to tender. During 2015, Poland continued to guarantee significant economic stability and increasing investment opportunities for the Infrastructures sector, thanks also to a high capacity to use funds provided by the European Community. The Polish government elected in October 2015 also approved a multi-year plan which is aimed at ensuring EUR 230 billion of investments to support businesses and innovation, with the goal of helping the Polish economy maintain sustained growth. Half of the approved investments should come from funds provided by the European Community, EUR 34 billion from the state, EUR 20 billion from the banking system and the rest from international loans. It must be recalled that Astaldi Group is present in Eastern Europe solely in relation to projects classed as priority projects (railways, waste-to-energy plants) in national development policies and financed using dedicated EU funding. As regards the future, given the stable economic and legislative framework, further consolidation of Astaldi Group in this area is not to be excluded.

- **Maghreb.** Astaldi Group boasts a significant presence in Algeria and is also present in Tunisia with a single road project of an extremely low value where its involvement is limited to project management. Algeria is one of the traditional areas of operation for the Group which has already performed numerous projects in the Transport Infrastructures and Energy Production Plants segments. Algeria's current macro-economic situation boasts largely positive indicators, even if its major dependency on the price of natural gas has exposed the country's economy to the risk of raw material price fluctuations on the international market which could lead the local government to postpone its announced infrastructure projects. In any case, the country is of interest in the Group's commercial development policies, with attention paid to the aforementioned phenomena. It must be recalled that Astaldi currently has railway projects in progress in Algeria which are proceeding as planned without any delays in payments.

- **Nord America**[18]. At the draft date of this Management Report, Astaldi Group boasts a significant presence in Canada and an operating base in the United States. Canada is a recently acquired country for Astaldi Group which operates in this area in the Hydroelectric Plants segment and in the civil and healthcare construction segment through its 100%-owned subsidiary TEQ Construction Enterprise. From a macro-economic viewpoint, in 2015 Canada confirmed a stable economy with additional growth opportunities which it is felt that the Infrastructures segment may benefit from too. The country has sizeable natural resources and is the leading global producer of electricity. This has exposed Canada to the structural drop in raw material prices seen in 2015, but it has not prevented it from confirming development levels close to those of the leading G-8 countries. Important infrastructure development programmes have also been implemented in the hydroelectric and transport segments, with interesting opportunities for the PPP market too. As regards the United States, Astaldi has been operating there for over 20 years in the Transport Infrastructures segment. All activities in this country are handled through Astaldi Construction Corporation (ACC), a 100% Astaldi-owned company regulated by US law. For more information, please refer to the comments on TEQ Construction Enterprise and ACC included in the section «Main Group Companies».

[17] Source: "Polonia, un super-piano per imprese e ricerca", Il Sole 24 Ore, 18 February 2016.
[18] Source: *Canada. Rapporto Congiunto Ambasciate/Consolati*, edited by the Foreign and Economic Cooperation Ministry; "*Recent Developments in the Canadian Economy: Fall 2015*", Statistic Canada, 12 November 2015.

- **Chile[19].** During 2015, the country's political stability favoured foreign investment and economic development. Chile is currently one of South America's freest and most interesting economies, showing major growth opportunities for the Infrastructures segment. Investments concern improvement of the motorway network and airport transport infrastructures (which Astaldi is already involved in with upgrading of Arturo Merino Benítez International Airport in Santiago). Interesting opportunities are also to be found in the renewable energy production segment. Additional benefits may arise from approval of the Italy-Chile agreement for elimination of the dual taxation system introduced in October 2015. This agreement is of particular commercial importance insofar as it increases the competitiveness of Italian businesses at a local level, increasing their development opportunities in Chile.

- **Peru[20].** Peru's GDP increased by 3.26% during 2015, recording a better performance than forecast. The country's economic activity was boosted by the start-up of new copper mines. Peru is one of the leading global producers of copper. This makes it possible to envisage an even more positive scenario for 2016 with an estimated 4% increase in GDP. In this context, Astaldi is paying great attention to the opportunities that may arise from development of the mining segment which it is felt may also promote upgrading of transport infrastructures (to improve logistics) and construction of energy production plants (to ensure sufficient energy for extraction activities).

- **Venezuela.** The country continued to experience a complex economic and social scenario during 2015. Venezuela has been tackling a difficult political situation for some years, worsened by a major economic crisis caused by the local economy's dependence on oil prices. This resulted in inflation and currency trends which, in turn, worsened the crisis at a social level. Astaldi Group is adopting a very conservative approach in the face of this scenario, which led to the reduction of operations in Venezuela as from 2012. It must be recalled that the company has 3 projects in progress in Venezuela that are of strategic importance for development of the national economy. Payments, albeit smaller in size, continued to be made in 2015 too. Despite this, given the country's specific current condition, the project production levels are significantly lower than the potential levels, pending the return of a greater equilibrium.

- **Central America.** At the draft date of this Management Report, the Group's presence in this area is mainly related to road projects of a low value in Honduras, Nicaragua and Guatemala. During 2015, socio-economic conditions compatible with the projects in progress to date were confirmed. New areas of interest are Panama and Cuba, where it is felt that conditions are right for relaunch of the Infrastructures segment.

- **Middle East.** Astaldi Group's operations in the Middle East are limited to Saudi Arabia, the United Arab Emirates, Oman and Qatar, where it is basically performing commercial activities, thanks to experience accrued in the Transport Infrastructures and Oil&Gas (no longer of interest) segments.

- **Far East.** Astaldi Group is present in Indonesia and is carefully studying development of the Infrastructures segment in Vietnam. Specifically, Indonesia offers interesting Infrastructure upgrading plans and is considered to be one of the Emerging Countries with highest growth potential, thanks to its political stability and ability to attract foreign investments.

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[19] "Source: "Investire in Cile: cosa occorre sapere", Inside Marketing, 20 February 2016.

[20] Source: INEI (Instituto Nacional de Estadistica e Informatica), February 2016.

Operating Performance

The year's figures are the result of an overall business renovation cycle which led Astaldi Group to tend FY 2015 with a turnover almost 3 times that of 2005 and an overall order backlog almost 5 times that of 2005.

Astaldi Group ended 2015 with **total revenue up by 8% to approximately EUR 2.9 billion** (EUR 2.65 at 31 December 2014). **EBITDA and EBIT of EUR rose respectively to 356.4 million and EUR 277 million** (EUR 341.2 million and EUR 269 million in 2014) **with an EBITDA margin of 12.5% and EBIT margin of 9.7%. Consolidated profit amounted to EUR 80.9 million** (largely in line with the EUR 81.6 million of 2014). **Net financial debt showed an improvement compared to forecasts,** totalling **EUR 938 million (EUR 1.15 billion in September 2015), despite investments made during the latter part of the year and thanks to cash generation of approximately EUR 170 million during the same period. The total order backlog amounts to EUR 28 billion,** with EUR 17.8 billion of projects under execution and EUR 6.9 billion of potential projects (options, first classified and contracts secured and to be financed). **New orders during the year totalled EUR 6.7 billion.**

It is important to note that the year just ended includes a sum of approximately EUR 16 million among financial charges to take into account the current net value of receivables due from the Venezuelan government which has commissioned railway projects in progress in Venezuela. This policy is in line with the one adopted for the 2014 Financial Statements; considering the lack of suitable financial coverage in the 2016 State Budget, it was deemed appropriate to recalculate the current net value of receivables. After this was done, the share related to local currency was largely neutralised, with it being recalled that the contract is paid mainly in Euro. The management was responsible for assessing the realisable value of said receivables, also on the assumption that the contracts are performed under the aegis of an Italian-Venezuelan bilateral agreement and that a series of institutional actions are being performed in order to normalise the contract situation, pending return of the country's overall situation to normality.

As regards margins, the year's EBITDA includes reclassification of EUR 54.1 million (EUR 34.8 million in 2014) to be attributed to the results of projects under operation in Italy, as well as investment in concession projects in Turkey. Said reclassification means that the Group has aligned its own income statement to international practices as regards the representation of profit from equity investments in joint ventures, SPVs and associates. This practise is in line with the provisions of IAS1 – Presentation of Financial Statements – as regards the need to present earnings in the most congruent way of showing the Group's financial-economic performance. The aim of reclassification is to demonstrate at a core business level, as is the case for the Group's leading international competitors, the results of operating activities which are greater than in the past. It is hoped that this new classification will make for better representation of earnings related to the Group's core business. If we are to exclude the reclassification, the EBITDA value would, in any case, be able to express intensification of the Group's growth process seen in recent years. The YOY comparison of margins is affected by the fact that the previous year benefitted from release of the end margins of some projects (Warsaw underground Line 2 Phase 1). Moreover, as regards the Muskrat Falls Hydroelectric Project in Canada, this experienced initial difficulties due to operating circumstances which penalised the start-up phase. The Group's working efforts, which made it possible to bring production to fairly significant levels, meant that a dialogue and cooperation were entered into with the customer and are still in progress with the aim of rescheduling the remaining activities and recalculating the project value. Therefore, the project was valued in the 2015 Income Statement within the limits of the costs incurred, deemed recoverable, hence adjusting the margin of previous years on the basis of relative schedules disclosed at that time.

It must be recalled that at a global level, the company is 3rd for bridges, 5th for hydroelectric plants, 12th for undergrounds, 23rd for airports and motorways and 25th for healthcare construction on the international contractors market[21]. Therefore, it has acquired a significant competitive advantage which can also be seen in a highly international order backlog which sees the Group involved in the construction of some of the most important infrastructures currently under construction at a global level:

- Third Bosphorus Bridge – the widest suspension bridge in the world whose towers are taller than the Eiffel Tower;
- WHSD in St. Petersburg;
- Chuquicamata Mine – project to develop the largest underground copper mine in the word in which Astaldi is constructing tunnels at a maximum depth of 1.2 kilometres, the equivalent of a 400-floor skyscraper;
- ESO Project – to construct the largest optical telescope in the world which will be built at 3,000 metres asl and with a greater space-probing capacity than the total of all telescopes of this kind currently operated on the planet.

Therefore we are talking about iconic works that are representative of the Group's advanced performance capacities, the completion of which will help increase Astaldi's prestige and competitiveness within the international community. Indeed for the most part these are works performed for the first time in the world and hence have extremely complex performance phases. To this end, in 2015 Astaldi Group introduced a series of organisational changes which are detailed in the section «Human Resources and Organisation». It has been considered appropriate to recall herein that Astaldi has had a set of Control Committees (Project Committee, Commercial Development Committee, Human Resources Committee and Sustainability Committee) for some years. These Committees comprising top management and department heads are control groups that keep a close eye on specific corporate dynamics for the sole purpose of monitoring compliance with business plan targets. This has made it possible to further improve the ability to check project trends and analyse problems with an aim to promptly bring to light opportunities linked to individual projects, but also to formulate preventive or corrective action in the event of differences with set targets.

Therefore there is no lack of new challenges to tackle, but it is felt that all of this can be a valid point of departure for the start of a new growth cycle, based on figures which already express the Group's significant growth potential.

Please refer below for a detailed analysis of the trends characterising the individual Income Statement and Statement of Financial Position items as well as the Group's financial structure trends.

***

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 IFRSs (International Financial Reporting Standards), whose specific components are described below.

<u>EBITDA.</u> This is calculated by subtracting production costs, personnel costs 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.

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

<u>EBT</u>. This is calculated as like EBIT excluding financial income and expense.

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

[21] Source: *The Global Sourcebook 2015*, edited by ENR *Engineering News Record*, December 2015 – listings compiled on the basis of turnover at 31 December 2014.

Net financial position. This is obtained by subtracting non-current loan assets and financial assets from concession activities from the net financial position (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 receivable rights arising 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 Statement 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 net operating profit or loss (EBIT) and net invested capital.

Income Statement at 31 December 2015

MAIN CONSOLIDATED INCOME STATEMENT RESULTS
(Figures shown in thousands of Euro)

	31.12.2015	% of total revenue	31.12.2014	% of total revenue	YOY change (%)
Total revenue	2,854,949	100%	2,652,565	100%	7.6%
EBITDA	356,408	12.5%	341,252	12.9%	4.4%
EBIT	277,452	9.7%	269,601	10.2%	2.9%
EBT	112,694	3.9%	130,731	4.9%	-13.8%
Profit attributable to owners of the parent	80,876	2.8%	81,559	3.1%	-0.8%

PRODUCTION

Total revenue at 31 December 2015 increased by approximately 8% YOY totalling approximately EUR 2.9 billion (EUR 2.65 billion at the end of 2014) thanks to a good level of contributions from Europe (Poland, Romania, Russia, Turkey), North and South America (Canada, Chile, Peru, United States) and Algeria. Italy also contributed while, however, confirming a trend that was affected by the country's specific economic situation. The performance benefitted from completely endogenous growth and the successful geographical and sector positioning pursued over the last five years which made it possible to make the most of the Group's high level of skills and know-how. As regards total revenue, **operating revenue accounted for EUR 2.7 billion** (+7.5% YOY compared to EUR 2.5 billion in 2014) and other **operating revenue for EUR 124.9 million** (+11.4%, EUR 112.2 million in 2014); the latter refer to activities supplementary to the main construction contracts which still express the Group's operating and production capacity.

BREAKDOWN OF REVENUE BY SEGMENT

Construction activities mainly accounted for the year's revenue, but operating activities also made a contribution. It must be recalled that the Group's business model for investment in concession activities results in limiting of the risk associated with individual projects, providing mainly for minority investments in specific projects. This makes it impossible to consolidate the results of concession holders using the line-by-line method. This means that the share of revenue from Concessions included in the Income Statement only expresses a part of the return on projects in progress in this segment. The test is quantified as results from projects in progress under the heading «Shares of profit/(loss) from joint ventures, SPVs and associates». **Construction accounted for 99% of operating revenue equal to EUR 2.7 billion (+7.6% YOY,** EUR 2.5 billion in 2014). The year's figure is to mainly attributed to the good project results linked to the road and motorways segment which, together with railway projects, account for 65% of the total volume of revenue. **Concessions accounted for 1.1% of revenue, equal to EUR 24 million,** to be attributed to the projects consolidated using the line-by-line method, in other words the investee GE.SAT (Tuscan Hospitals in Italy) and Milas-Bodrum International Airport in Turkey.

OPERATING REVENUE BY SEGMENT
(Figures shown in millions of Euro)

	31.12.2015	% on total revenue	31.12.2014	% on total revenue	YOY change (%)
CONSTRUCTION	**2,706**	**99.1%**	**2,516**	**99.1%**	***7.6%***
Transport Infrastructures	1,875	68.6%	1,824	71.8%	*2.8%*
Railways and undergrounds	*604*	22.1%	*821*	*32.3%*	*-26.4%*
Roads and motorways	*1,179*	43.2%	*933*	*36.7%*	*26.4%*
Ports and airports	*92*	3.3%	*70*	*2.8%*	*31.4%*
Hydraulic and Energy Production Plants	425	15.6%	349	13.7%	*21.8%*
Civil and Industrial Construction	240	8.8%	163	6.4%	*47.2%*
Facility Management, Plant Engineering and Management of Complex Systems	166	6.1%	180	7.1%	*-7.8%*
CONCESSIONS	**24**	**0.9%**	**24**	**0.9%**	***0.0%***
OPERATING REVENUE	**2,730**	**100.0%**	**2,540**	**100.0%**	***7.5%***

Construction. The Construction sector is fuelled mainly by the Transport Infrastructures segment but significant contributions also came from all the other segments where Astaldi Group traditionally operates. **Transport Infrastructures accounted for 68.6% of operating revenue equal to EUR 1.9 billion,** with a 2.8% increase compared to EUR 1.8 billion in 2014: the Roads and Motorways segment generated EUR 1.2 billion (EUR 933 million in 2014) thanks to the constant progress of works in Turkey (Third Bosphorus Bridge and the Gebze-Orhangazi-Izmir motorway which will enter the operation phase in 2016); in Russia (WHSD in St. Petersburg); in Poland (S-8 National Road Wisniewo-Mezenin section, S-5 National Road Poznań-Wrocław Lot 3), as well as Romania and the United States. A good performance was also seen in the Railways and Undergrounds segment thanks to progress on works being performed in Italy (Lines 4 and 5 of Milan underground, Naples-Afragola HS station), as well as abroad in Algeria (Saida-Moulay Slissen and Saida-Tiaret railway lines), Poland (Line 2 of Warsaw underground, Krakow-Balice railway line) and Romania (Lines 4 and 5 of Bucharest underground). As regards Italy, it must also be noted that even if Line C of the Rome underground experienced a stoppage in the end of the year due to contractual trends detailed in the section «Main Projects in Progress », nevertheless it guaranteed suitable production during the first nine months of the year. The contribution from Ports and Airports also increased to EUR 92 million (EUR 70 million in 2014) thanks to results recorded in Poland (John Paul II International Airport Krakow-Balice) and Italy (Amendola Military Airbase) and the start-up of new contracts in Chile (Arturo Merino Benítez International Airport in Santiago de Chile). **Hydraulic and Energy Production Plants generated 15.6% of operating revenue, equal to EUR 425 million** (EUR 349 million at the end of 2014), with a trend supported by the good results of the project being performed in Canada (Muskrat Falls Hydroelectric Plant) and the progress of works in Peru (Cerro del Águila Hydroelectric Project) and Poland (Bydgoszcz-Torun Waste-to-Energy Plant). **Civil and Industrial Construction contributed with EUR 240 million, equal to 8.8% of operating revenue** (EUR 163 million and 6.4% respectively in 2014), with excellent results achieved in Italy thanks to the intensification of works related to the new hospital in Naples (linked to completion of the last construction phases) and completion of the new Hospital in Massa-Carrara; as regards international activities, mention must be made of progress on the West Metropolitan Hospital in Santiago de Chile and the commencement of works for the Etlik Integrated Health Campus in Ankara in Turkey. The **Facility Management, Plant Engineering and Management of Complex Systems contributed with EUR 166 million, equal to 6.1% of operating revenue** (EUR 180 million and 7,1% respectively in 2014); the year's figure include the good results achieved by NBI (in Italy and abroad) and the progress of works for the Chuquicamata Mine in Chile.

Concessions. Concessions generated revenue of EUR 24 million (EUR 24 million in 2013). The annual figure includes the results of operation of Milas-Bodrum International Airport in Turkey (EUR 13.2 million) and the hospitals in Prato, Lucca and Pistoia in Italy (EUR 11.3 million). As regards the Turkish airport project, it must be noted that the concession expired in October 2015 and that ownership of the infrastructure was transferred to the customer as provided for in the contract. Moreover, as already mentioned, in accordance with current accounting standards and the size of equity investments held by the Group in concession projects, the results of the relative SPVs are not included among operating revenue, but among EBITDA under «Shares of profit/(loss) from joint ventures, SPVs and associates», as detailed in the section «Margins and earnings».

BREAKDOWN OF REVENUE BY GEOGRAPHICAL AREA

The 2015 figures confirm progressive consolidation of the Group's international activities, able to offset the considerable slowdown in Italy (-25% YOY). Specifically, as regards international activities, Europe and America saw an increase, thanks above all to the progress of EPC contracts linked to concession projects in progress. This serves to further confirm the validity of the integrated Construction-Concessions business model which the Group has adopted in recent years. The annual figures also confirm the success of the geographical diversification pursued and the flexibility of the adopted business model: indeed, the first 10 countries where the Group operates account for approximately 90% of turnover, with an average incidence of less than 10% for each geographical area.

OPERATING REVENUE BY GEOGRAPHICAL AREA
(Figures shown in millions of Euro)

	31.12.2015	% of total revenue	31.12.2014	% of total revenue	YOY change (%)
ITALY	**468**	**17.1%**	**620**	**24.4%**	**-24.5%**
INTERNATIONAL	**2,262**	**82.9%**	**1,920**	**75.6%**	**17.8%**
Rest of Europe	1,255	46.0%	1,106	43.5%	13.5%
America	835	30.6%	633	24.9%	31.9%
Asia (Middle East)	49	1.8%	26	1.0%	88.5%
Africa (Algeria)	123	4.5%	155	6.1%	-20.6%
OPERATING REVENUE	**2,730**	**100.0%**	**2,540**	**100.0%**	**7.5%**

Italy. The domestic sector's contribution amounted to EUR 468 million, equal to approximately 17% of operating revenue, and saw a 25% drop compared to EUR 620 million at the end of 2014. Despite the trends recorded in the public works segment in Italy, the Group managed to maintain a significant order backlog at a domestic level thanks to the development of operations in the Plant Engineering and Facility Management segment and to the synergies generated with NBI (100% Astaldi-owned, specialised in this segment). The progress achieved during the year on the Marche-Umbria Quadrilatero road network and on underground-related works (Lines 4 and 5 of Milan underground, Line C of Rome underground) is especially worthy of mention. There was also a positive contribution in relation to progress on the new hospital in Naples and operation of the Tuscan Hospitals through the investee GE.SAT (Astaldi Group has a 35% stake).

International. International activities accounted for over 80% of operating revenue at 31 December 2015,equal to EUR 2.3 billion (+18%, EUR 1.9 billion in 2014). Among the areas that made the largest contribution to this result, the trend recorded in **Europe**, which generated EUR 1.3 billion showing a 14%b increase compared to EUR 1.1 billion in 2014, is to be especially appreciated: the annual figure includes the progress of EPC contracts being performed in Turkey (Third Bosphorus Bridge, Gebze-Orhangazi-Izmir, motorway and Etlik Integrated Health Campus in Ankara), as well as the excellent results achieved in Russia (WHSD in St. Petersburg) and Poland (S-8 National Road Wiśniewo-Meżenin section, S-5 National Road Poznań-Wrocław section, Line 2 of Warsaw underground, John Paul II International Airport Krakow-Balice); there was also an unvaried contribution from Romania (Lines 4 and 5 of Bucharest underground, road works). **America** experienced major growth (more than 30%) and amounts to EUR 835 million, equal to approximately 30% of operating revenue, mainly thanks to the progress of works in Canada (Muskrat Falls Hydroelectric Project), Chile (West Metropolitan Hospital, Chuquicamata mine, Arturo Merino Benítez International Airport) and Peru (Cerro del Águila Hydroelectric Project). The **Maghreb** contributed EUR 123 million, equal to approximately 5% of operating revenue as a result of the progress of railway works in Algeria (Saida-Moulay Slissen, Saida-Tiaret). The **Middle-East** contributed EUR 49 million as a result of the progress of railway projects in Saudi Arabia (Jeddah and KAEC HS stations).

TOTAL COSTS

Production costs at 31 December 2015 **totalled EUR 1.97 billion** (EUR 1.89 billion in 2014), with a drop in the incidence on revenue to 69% (71.3% in 2014). The annual figure shows the specific attention placed on project selection criteria, as well as the positive effects of the matrix structure adopted by the Group which involves the centralisation of some strategic processes (procurement, tenders and prequalification, engineering, etc.), with resulting synergies at a central and project level. The geographical distribution of production costs echoed the production trend, with an increase in Europe (Turkey, Poland) and North and South America (Canada, Chile). There was a 4.1% increase in costs at a YOY level and hence less than proportional compared to the increase in turnover (7.6%). **Personnel costs amounted to EUR 548.2 million** (EUR 420 million at the end of 2014), with a 19% incidence on revenue (16% in 2014) and an annual rise which reflected the results of consolidation at a local level following increased production in North America, Turkey and Chile.

EARNINGS AND MARGINS

EBITDA totalled EUR 356.4 million, equal to 12.5% of operating revenue (EUR 341.2 million and 12.9% respectively in 2014), with a 4.4% YOY increase. **EBIT totalled EUR 227 million** net of amortisation, depreciation, impairment losses and provisions, up by approximately 3% compared to EUR 269.6 million in 2014, with an **EBIT margin of 9.7%**. It is important to note that as from 2015 this income statement item includes reclassification of EUR 54.1 million (EUR 34.8 million in 2014) to be attributed to the results of projects under operation in Italy (Line 5 of Milan underground, Venice-Mestre hospital), as well as investment in some initiatives in progress in Turkey (Third Bosphorus Bridge, Gebze-Orhangazi-Izmir motorway). Indeed the Group considered it appropriate to align its own income statement to international practices as regards the representation of profit from equity investments in joint ventures, SPVs and associates. As already mentioned, the aim is to bring to light the results of concession projects at a core business level, as is done by its leading international competitors. The YOY comparison of margins was affected by the fact that the previous year had benefitted from release of the end margins of some projects (Warsaw underground, Line 2 Phase 1) and by what has already been mentioned above for the Canadian hydroelectric project.

FINANCING ACTIVITIES

Net financial expense amounted to EUR 164.8 million (+19%, EUR 138.9 million in 2014). The year was affected by the negative trend of some foreign currencies (Turkish Lira and Russian Rouble). Financial expense included a sum of EUR 16 million which takes into account the current net value of receivables due from the Venezuelan government that commissioned the railway projects being performed in Venezuela. This policy is in line with that already applied in the 2014 Financial Statements. Indeed in consideration of the lack of sufficient financial coverage in Venezuela’s 2016 Budget, it proved necessary to recalculate the current net value of the sum due. At the end of this procedure, the share related to the local currency was largely neutralised, while it must be recalled that the contract is mainly paid in Euro. The management was responsible for assessing the realisable value of said receivables, also on the assumption that the contracts are performed under the aegis of an Italian-Venezuelan bilateral agreement and that a series of institutional actions are being performed in order to normalise the contract situation, pending return of the country's overall situation to normality.

PROFIT FOR THE YEAR

EBT totalled EUR 112.7 million (-13.8%, EUR 130.7 million in 2014) equal to 4% of total revenue. Taxes amounted to EUR 33.2 million (EUR 47.9 million in 2014) with a 30% tax rate. The drop in the tax burden compared to 2014 reflected the geographical structure of business activities and included the benefits arising from measures recently adopted by the relevant authorities as regards some legal interpretations, as well as the effects of the tax systems of some countries where the Group operates. This resulted in **a net profit of EUR 80.9 million** (-1%, EUR 81.6 million for 2014), **equal to 2.8% of total revenue**. The YOY comparison is heavily penalised by the trends recorded in Venezuela and by a 2014 affected, inter alia, by the release of margins of projects nearing completion (Line 2 Phase 1 of Warsaw underground), as well as by the precautionary measures introduced for the Canadian project mentioned previously.

Statement of financial position at 31 December 2015

MAIN CONSOLIDATED RESULTS
(Figures shown in thousands of Euro)

	31.12.2015	31.12.2014	30.09.2015
Total net non-current assets	957,948	790,197	917,942
Operating working capital	689,460	616,714	842,700
Total provisions	(21,851)	(23,002)	(22,477)
Net invested capital	1,625,557	1,383,910	1,738,165
Loans and borrowings/loan assets *	(988,526)	(803,854)	(1,157,510)
Equity attributable to owners of the parent	631,405	574,058	574,543
Total equity	**637,031**	**580,056**	**580,656**

* Figure shown inclusive of treasury shares in portfolio equal to EUR 5.8 million at 31 December 2015, EUR 5.7 million at 30 September 2015 and EUR 5.2 million at 31 December 2014.

The **Group's financial position** reflects the effects of the adopted business model which, during this growth phase, is characterised by a planned increase in investments in SPVs linked to completion of the concession project investment cycle. From a strictly operational viewpoint, the Group's brilliant financial performance stands out despite the investments made during the last part of the year seeing as it was able generate approximately cash flow of EUR 170 million, thus bringing the **year-end consolidated net financial debt to approximately EUR 983 million** (EUR 798.7 million at December 2014) from the figure of more than EUR 1.15 billion recorded in September 2015.

Net non-current assets increased to EUR 957.9 million (EUR 790.2 million in 2014). The figure includes **additional investments made during the year totalling approximately EUR 90 million,** related to projects in progress in Turkey (EUR 22 million for Etlik Integrated Health Campus in Ankara, EUR 47 million for the Gebze-Orhangazi-Izmir motorway), Chile (EUR 10.6 million for Arturo Merino Benítez International Airport in Santiago) and Italy (EUR 9.8 million for Line 4 of Milan underground). **Intangible assets also increased during the year, amounting to EUR 47.1 million** from EUR 32.5 million in 2014. This trend is mainly to be attributed to (i) the decrease related to complete amortisation of the intangible assets related to the Milas-Bodrum International Airport concession in Turkey which reached its natural expiry in October 2015, and (ii) the increase related to the purchase of contractual rights related to the Marche-Umbria Quadrilatero road network in Italy.

Operating working capital totalled EUR 689.4million (EUR 842.7 million in September 2015 and EUR 616.7 million in December 2014). This item, which remained largely unvaried compared to the previous year, recorded a trend in Q4 2015 with specific validity: indeed, the last three months of the year saw a reduction of approximately 20%,in other words EUR 150 million, with relative cash flow generation. The trend is in line with that traditionally recorded by the Group in the last part of the year but the scale of the reduction is to be attributed to the positive business performance and outcome of an attentive, successful policy aimed at ongoing optimisation of working capital dynamics.
More specifically, there was a major drop in **amounts due from customers, which totalled EUR 662.1 million (EUR 850.7 million in December 2014)** thanks to amounts collected in Italy (Lines 4 and 5 of Milan underground, Jonica National Road, Pedemontana Lombarda motorway) and abroad (Europe and specifically the Third Bosphorus Bridge in Turkey). At the same time the **level of payables to suppliers remained largely unvaried, despite the major boost to production seen during the year** Indeed, the figure stood at EUR 809 million (EUR 817.4 million in 2014) despite there being a 4%YOY increase in production costs. This trend can be explained by the Group's strategic desire to favour its own strategic suppliers in order to ensure full compliance with the most important project delivery deadlines, especially those linked to construction and subsequent operation contracts. This effort is all the more appreciable if linked to the payment on account from customers trend which basically had no effect on figures during 2015: indeed refunds seen in Algeria (railway works), Russia (WHSD in St. Petersburg) and Canada (Muskrat Falls Hydroelectric Plant) largely offset the payments on account received in Turkey (Etlik Integrated Health Campus in Ankara) and Russia (M-11 Moscow-St. Petersburg motorway).

Net invested capital totalled EUR 1,625.5 million (EUR 1,383.9 million in 2014), especially following the trends highlighted for net non-current assets.

Equity attributable to owners of the parent totalled EUR 631.4 million (EUR 574.1 million in 2014) and included the year's profit, items suspended among equity related to hedging instruments and distribution of dividends totalling EUR 19.5 million (payment on 13 May). **Equity attributable to non-controlling interests amounted to EUR 5.6 million** (EUR 5.9 million in 2014). The result was **total equity of EUR 637 million** (EUR 580.1 million in 2014).

Consolidated net financial debt

2015 was an especially demanding year from a financial viewpoint. At year-end, the total net financial debt amounted to **approximately EUR 983 million** (798.7 million at the end of December 2014) showing an improvement compared to EUR 1,151.8 million at the end of September 2015 which represented the maximum figure recorded during the year. The annual figure reflects the Group's significant undertaking in the Concessions sector, but also the support granted to the working capital of key projects in progress.

The debt/equity ratio stood at 1.5x, while the corporate debt/equity ratio (which excludes the share of debt related to concessions insofar as self-liquidating) totalled approximately 0.7x.

It must also be noted that the sum of cash and cash equivalents equalled EUR 612.4 million and, combined with the chance of using available revolving, committed and uncommitted credit facilities (totalling EUR 585 million) grant the Group suitable capacity to cover its planned financial undertakings.

BREAKDOWN OF NET FINANCIAL DEBT
(Figures shown in thousands of Euro)

		31/12/2015	30/09/2015	30/06/2015	31/03/2015	31/12/2014
A	Cash	611,263	464,819	423,917	472,985	530,212
B	Securities held for trading	1,153	1,032	1,026	1,521	1,396
C	**Cash and cash equivalents**	**612,416**	**465,851**	**424,943**	**474,506**	**531,607**
-	Current loan assets	33,226	36,291	48,991	13,252	20,870
-	Current portion of financial assets from concession activities				16,057	17,813
D	**Current loan assets**	**33,226**	**36,291**	**48,991**	**29,309**	**38,683**
E	Current portion of bank loans and borrowings	(518,144)	(440,734)	(366,305)	(439,060)	(336,636)
F	Current portion of bonds	(4,535)	(16,583)	(4,424)	(16,486)	(4,676)
G	Current portion of non-current debt	(118,776)	(138,780)	(129,586)	(95,530)	(37,472)
H	Other current loans and borrowings	(36,821)	(11,735)	(11,909)	(13,558)	(8,803)
I	**Current financial debt**	**(678,276)**	**(607,831)**	**(512,224)**	**(564,634)**	**(387,587)**
J	**Net current financial debt**	**(32,634)**	**(105,690)**	**(38,291)**	**(60,819)**	**182,703**
K	Non-current portion of bank loans and borrowings	(384,748)	(430,913)	(436,978)	(304,972)	(275,976)
L	Bonds	(872,228)	(871,724)	(871,225)	(870,745)	(870,269)
M	Other non-current financial liabilities	(15,655)	(16,004)	(17,637)	(20,343)	(18,021)
N	**Non-current financial debt**	**(1,272,631)**	**(1,318,641)**	**(1,325,839)**	**(1,196,060)**	**(1,164,266)**
O	**Gross financial debt from continuing operations**	**(1,950,908)**	**(1,926,472)**	**(1,838,064)**	**(1,760,694)**	**(1,551,853)**
P	**Net financial debt from continuing operations**	**(1,305,265)**	**(1,424,331)**	**(1,364,130)**	**(1,256,878)**	**(981,563)**
-	Non-current loan assets	38,140	39,091	39,805	44,186	37,281
-	Subordinated loans	236,691	197,124	187,058	175,408	133,652
-	Non-current portion of financial assets from concession activities	41,907	30,606	23,370	15,188	6,776
Q	**Non-current loan assets**	**316,739**	**266,821**	**250,233**	**234,783**	**177,709**
R	**Total financial debt**	**(988,526)**	**(1,157,510)**	**(1,113,897)**	**(1,022,096)**	**(803,854)**
	Treasury shares in portfolio	**5,814**	**5,703**	**4,579**	**4,676**	**5,198**
	Total net financial debt	**(982,712)**	**(1,151,807)**	**(1,109,318)**	**(1,017,420)**	**(798,656)**

Investments

Capital expenditure for the year totalled EUR 42 million (1.5% of total revenue), mainly referring to projects in Canada (Muskrat Falls Hydroelectric Project), Russia (WHSD in St. Petersburg), Chile (Chuquicamata Mine), Peru (Cerro del Águila Hydroelectric Project), Poland (S-8 Wiśniewo-Mężenin, S-5 Poznań-Wrocław), Turkey (Third Bosphorus Bridge, Etlik Health Campus in Ankara) and Italy (Line 4 of Milan underground).

Gross investments in concession activities totalled approximately EUR 181 million for the year, of which (i) EUR 90 as capital injection in Turkey (Etlik Integrated Health Campus in Ankara, Gebze-Orhangazi-Izmir motorway) and Chile (Arturo Merino Benítez International Airport in Santiago) and (ii) EUR 91 million in the form of shareholder loan (semi-equity) in Italy (Line 5 of Milan undergrounds) and Turkey (Third Bosphorus Bridge, Gebze-Orhangazi-Izmir motorway, Etlik Integrated Health Campus in Ankara). The result is EUR 781 million of investments in concessions to date (equity and semi-equity attributable to Astaldi injected into the operators of the concessions and relative operating working capital). The annual figure also includes EUR 42 million for the West Metropolitan Hospital in Santiago de Chile in the form of financial assets from concession activities – meaning the share of investments covered by guaranteed cash flow, as detailed in IFRIC-12.

Reclassified Income Statement

(Figures shown in thousands of Euro)

	Notes regarding reconciliation with consolidated financial statements	**31/12/2015**	% of total revenue	**31/12/2014**	% of total revenue
Revenue	*1*	2,730,024	95.6%	2,540,388	95.8%
Other operating revenue	*2*	124,925	4.4%	112,177	4.2%
Total Revenue		**2,854,949**	**100.0%**	**2,652,565**	**100.0%**
Production costs	*3 - 4*	(1,968,504)	-69.0%	(1,890,357)	-71.3%
Added value		**886,445**	**31.0%**	**762,207**	**28.7%**
Personnel expenses	*5*	(548,249)	-19.2%	(420,006)	-15.8%
Other operating costs	*6*	(35,919)	-1.3%	(35,718)	-1.3%
Shares of profit / (loss) from joint ventures, SPVs and associates	*7*	54,131	1.9%	34,769	1.3%
EBITDA		**356,408**	**12.5%**	**341,252**	**12.9%**
Amortisation and depreciation	*8*	(74,784)	-2.6%	(66,087)	-2.5%
Provisions	*9*	(4,060)	-0.1%	(1,534)	-0.1%
Impairment losses	*8*	(113)	0.0%	(4,547)	-0.2%
(Internal costs capitalised)			0.0%	516	0.0%
EBIT		**277,452**	**9.7%**	**269,601**	**10.2%**
Net financial expense	*–10 - 11*	(164,757)	-5.8%	(138,870)	-5.2%
Pre-tax profit		**112,694**	**3.9%**	**130,731**	**4.9%**
Tax expense	*12*	(33,188)	-1.2%	(47,980)	-1.8%
Profit from continuing operations		**79,506**	**2.8%**	**82,751**	**3.1%**
Loss from discontinued operations	***13***		**0.0%**	**(2,006)**	**-0.1%**
Profit for the year		**79,506**	**2.8%**	**80,745**	**3.0%**
Profit attributable to non-controlling interests		1,371	0.0%	814	0.0%
Profit attributable to owners of the parent		**80,876**	2.8%	**81,559**	3.1%

Reclassified Statement of Financial Position

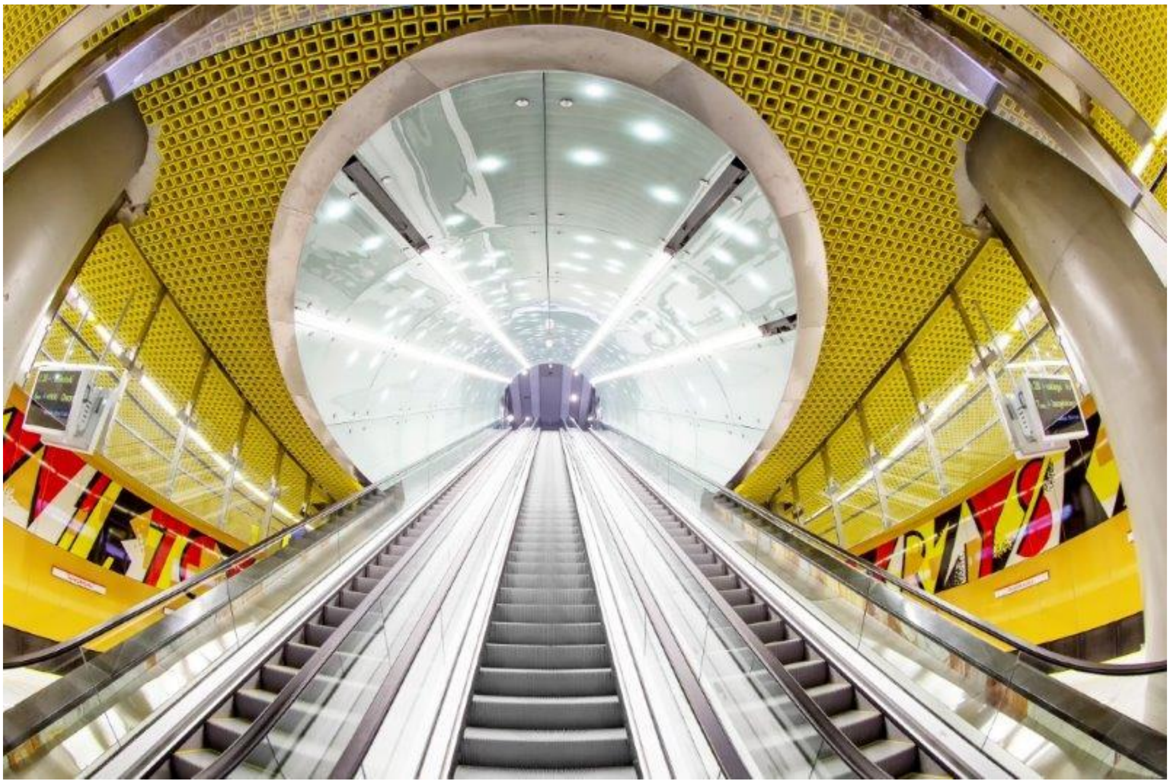
(Figures shown in thousands of Euro)

	Notes regarding reconciliation with consolidated financial statements	31/12/2015	31/12/2014
Intangible assets	17	47,108	32,555
Property, plant, equipment and investment property	15	210,802	224,165
Equity investments	18	578,997	436,909
Other net non-current assets	12 - 19 – 20	121,041	96,568
Non-current assets (A)		**957,948**	**790,197**
Inventories	21	70,676	64,870
Contract work in progress	22	1,242,991	1,165,348
Trade receivables	23	30,928	52,299
Amounts due from customers	23	662,066	850,742
Other assets	–19 – 20	166,197	183,793
Tax assets	24	138,645	97,834
Payments on account from customers	22	(411,459)	(589,785)
Subtotal		**1,900,043**	**1,825,101**
Trade payables	–30	(75,173)	(68,777)
Payables to suppliers	20 - 30–	(809,006)	(817,430)
Other liabilities	12 - 27 – 28 - 31	(326,404)	(322,180)
Subtotal		**(1,210,583)**	**(1,208,387)**
Operating working capital (B)		**689,460**	**616,714**
Employee benefits	29	(8,057)	(9,595)
Non-current portion of provisions for risks and charges	32	(13,794)	(13,407)
Total provisions(C)		**(21,851)**	**(23,002)**
Net invested capital (D) = (A) + (B) + (C)		**1,625,557**	**1,383,910**
Cash and cash equivalents	25	611,263	530,212
Current loan assets	19	33,226	20,870
Non-current loan assets	19	274,832	170,933
Securities	19	1,153	1,396
Current financial liabilities	27	(678,276)	(387,587)
Non-current financial liabilities	27	(1,272,631)	(1,164,266)
Net loans and borrowings (E)		**(1,030,434)**	**(828,442)**
Financial assets from concession activities	19	41,907	24,589
Total net loans and borrowings (F)		**(988,526)**	**(803,854)**
Equity attributable to owners of the parent	26	(631,405)	(574,058)
Equity attributable to non-controlling interests	26	(5,626)	(5,998)
Equity (G) = (D) - (F)		**637,031**	**580,056**

Reconciliation between equity and profit for the year of the Parent and corresponding consolidated figures

(Figures shown in thousands of Euro)

	Equity 31/12/2015	Income Statement 2015	Equity 31/12/2014	Income Statement 2014
Amounts as per Astaldi S.p.A.'s separate financial statements	**616,174**	**38,418**	**600,661**	**64,144**
- Elimination of carrying amount of controlling interests	(497,585)		(437,018)	
- Equity and profit for the year (calculated on the basis of same standards) of consolidated companies net of non-controlling interests	229,543	(37,393)	204,481	(62,636)
- Net gains on equity-accounted investees	90,155	54,131	38,694	34,769
- Elimination of allowance for impairment on investments in subsidiaries and equity-accounted investees	96,594	17,899	78,956	18,169
- Elimination of provisions for risks on investments in subsidiaries and equity-accounted investees	103,870	19,249	84,915	23,016
- Intragroup dividends and losses		23		6,038
- Elimination of unrealised intragroup profit and other minor adjustments	(7,346)	(11,450)	3,368	(1,942)
Consolidated financial statements amount (attributable to owners of the parent)	**631,405**	**80,876**	**574,058**	**81,559**
Consolidated financial statements amount (attributable to non-controlling interests)	**5,626**	**(1,371)**	**5,998**	**(814)**
Consolidated financial statements amount	**637,031**	**79,506**	**580,056**	**80,745**



POLAND, WARSAW UNDERGROUND LINE 2 – Underground station.

ITALY, NAPLES-AFRAGOLA HS STATION – Designed by the architect Zaha Hadid.

Order backlog

The **order backlog in execution totals EUR 17.8 billion**, with the contribution of **EUR 6.7 billion of new orders and contractual addenda, 8% of which refer to Italy and the remaining 92% to international projects**. 58% of acquisitions during the year refer to the Construction sector and comprise orders planned to commence largely by 2016.

The total backlog amounts to over EUR 28 billion, including EUR 10.7 billion (25% Construction,75% Concessions) of various options and contracts that have been signed and are pending funding to date and which are not included among new orders. It must be recalled that the latter are to be taken as acquired rights but subject to the occurrence of various conditions precedent (financial closing, approval by various types of qualified bodies, etc.). Therefore differentiation from orders in execution (which form the consolidated backlog) is used solely to properly represent what the Group is actually able to transform into production in the short-term.

As regards the backlog in execution, 71% of orders refer to international activities, while Italy accounts for the remaining 29%; from a sector viewpoint, Construction accounts for 52% and total approximately EUR 9.2 billion (EUR 3.6 billion in Italy), referred mainly to general contracting projects and traditional contracts with a high technological content, while the remaining 48% refers to Concessions equal to EUR 8.6 billion (EUR 1.6 billion in Italy).

As regards the total backlog (including potential orders), 64% of orders refer to international activities, while Italy accounts for the remaining 36%. Construction account for 42% of the total, equal to EUR 11.9 billion, while the remaining 58% refers to Concessions, equal to 16.7 billion.

NEW ORDERS

MARCHE-UMBRIA QUADRILATERO ROAD NETWORK (Maxi Lot 2)| Italy (general contracting) – contractual value of over EUR 500 million for the completion of works to improve the Perugia-Ancona road and to upgrade the Pedemontana delle Marche road. The works were acquired further to the agreement reached with the Extraordinary Administrator of Impresa, SAF and Dirpa (all under extraordinary administration proceedings). Maxi Lot 2 of Marche-Umbria Quadrilatero Road Network is a complex project entailing performance, using the general contracting formula, of works to upgrade the Perugia-Ancona road along the Fossato di Vico-Cancelli and Albacina-Serra San Quirico sections of the SS-76 (Lot 1.1 – Sub Mots 1.1.1,1.1.2, 1.1.3) and the Pianella-Valfabbrica section of the SS-138 (Lot 1.2), as well as to construct a new part of the Pedemontana delle Marche road along the route between Fabriano and Muccia/Sfercia (lots 2.1 and 2.2). Please refer to «Main projects in progress» for more details.

ETLIK INTEGRATED HEALTH CAMPUS - ANKARA | Turkey (construction and operation concession) – Total investment of EUR 1.1 billion **for the construction and operation of one of the largest healthcare facilities in the world as regards the number of hospital beds**. Astaldi is involved in this project with a 51% stake for both construction and operation. Pro-quota inclusion of this project in the backlog was recorded in June subsequent to signing of the EUR 883 million financing agreement (structured on a non-recourse basis for Astaldi Group).The concession contract involves the construction and subsequent operation of a highly specialised healthcare facility that will have a total of over 3,500 beds and occupy a total surface area of approximately 1.1 million m^2. The construction of a hotel, congress centre, various commercial areas and a car park providing 11,000 spaces is also planned, as well as the supply of electromedical equipment and furnishings. The project has been commissioned by the Turkish Ministry of Health (MOH). The duration of the concession is 27.5 years, 3.5 of which for design and construction activities and 24 for the operation of non-healthcare hospital, clinical and commercial services At the draft date of this report, construction activities were going ahead. The works are scheduled to be completed by February 2019 with commencement of operation within the first half of 2019.

GEBZE-ORHANGAZI-IZMIR MOTORWAY - PHASE 2-B (Bursa-Izmir section) | Turkey (*construction and operation concession*) – Astaldi is involved in this concession project as a partnership with Turkish companies and holds a 17.5% stake for construction activities and a 18.86% for operation. On the whole, the project involves the construction and operation of one of the most important **infrastructure works under construction to date at a global level, including the 4th longest suspension bridge in the world**, for a total of over 400 kilometres of motorway. Phase 2-B refers to the last operational section of the project (53 kilometres, Bursa-Izmir section) included among the backlog in June 2015 subsequent to signing of the USD 5 billion financing agreement subscribed by a pool of Italian and Turkish lending banks (structured on a non-recourse basis for Astaldi Group). The total investment amounts to USD 6.9 million. Works are scheduled for completion by June 2019 as regards the whole project, with commencement of operation as from the first half of 2016. For more information on the project, please see «Main projects in progress».

M-11 MOSCOW-ST. PETERSBURG MOTORWAY (Lots Nos 7 and 8) | Russia (*construction*) – 68 billion roubles, 50% of which refers to Astaldi's stake, for the design and construction of 140 kilometres of the M-11 Moscow-St. Petersburg Motorway. The joint venture comprising Astaldi and IC Ictas will construct the motorway in the capacity of General Contractor on behalf of Two Capitals Highway LLC – 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. For more information on the project, please see «Main projects in progress»

WARSAW SOUTH BYPASS ROAD (Lot A) | Poland (*construction*) – EUR 240 million for completion of a key project for development of the city's infrastructures 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 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 are planned along the route. The works will last 41 months, with the start-up of design activities scheduled for the first half of 2016. The works have been commissioned by Poland's Road and Motorways Authority (GDDKiA) and are financed through funding provided by the European Community.

LINE 2 WARSAW UNDERGROUND (Lot 2) | Poland (*construction*) – EUR 209 million for construction of the extension of Line 2 of the Warsaw underground. The contract involves the executive design and construction of the east section of the line from Dworzec Wileński station to the depot tracks behind C-18 station for a total of 3 kilometres of tunnels and 3 underground stations. The use of 2 TBMs is planned for excavation of the tunnels. The contract also provides for the performance of civil and railway plants, infrastructure installations and all related works. The works are to be completed in 36 months with start-up at the beginning of 2016.

LINE 5 BUCHAREST UNDERGROUND (Phase 2) | Romania (*construction*) – EUR 180 million, 37% of which refers to Astaldi's stake, for a new construction phase of Line 5 of the Bucharest underground, already under construction by Astaldi. The new contract refers to architectural works, electromechanical plants and infrastructure installations for the Drumul Taberei-Pantelimon section (Raul Doamnei-Opera). Preliminary activities prior to the performance of works have commenced for this second contract phase which is scheduled to last 16 months. The works have been commissioned by METROREX S.A., the operator of Bucharest City's underground network which reports to the local Ministry of Transport and Infrastructures. Astaldi will perform the works in the capacity of leader of a group of companies comprising the Spanish firm FCC S.A. (with a 37% stake) and two local firms. For more information on the project, please see «Main projects in progress».

CHUQUICAMATA MINE | Chile (*construction*) – EUR 86 million of various contractual addenda to the project involving underground development of Chuquicamata, the largest open-air copper mine in the world. The contractual increase results from the excellent working relationship established during the performance of contracts in progress with the customer CODELCO, the Chilean state-owned company which is the leading copper producer in the world. This increase brings the total value of works in progress to date for Chuquicamata Mine to over EUR 400 million, referring mainly to the construction of access tunnels and tunnels to transport the mineral to the surface, for a total of 37 kilometres of tunnel (from the 28 km prior to the addenda). For more information on the project, please see «Main projects in progress».

ARTURO MERINO BENÍTEZ INTERNATIONAL AIRPORT - SANTIAGO | Chile (*construction and operation concession – construction*) – The 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 m2 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 with the start-up of operation of existing facilities as from 1 October 2015. The works have been commissioned by Chile's Ministry of Public Works (M.O.P.). Consorcio Nuevo Pudahuel, comprising Astaldi (with a 15% stake through its investee Astaldi Concessioni) and the French companies, Aéroport de Paris (45%) and Vinci Airports (40%) will be responsible for operation of the facilities. Design and construction activities will be performed by Astaldi (with a 50% stake), and the French firm Vinci Construction (50%). At the draft date of this report, design activities and preliminary activities prior to construction had commenced.

UPPER CISOKAN PUMPED STORAGE POWER PLANT PROJECT (Package 1 – Lot 1-A) | Indonesia (construction) – 234 million dollars, 30% of which refers to Astaldi's stake, for performance of the first two phases of the Upper Cisokan Hydroelectric Project on Java in Indonesia. The project is one of the most important in progress to date in the country in the hydroelectric sector and is funded by the World Bank. The works have been commissioned by PT PLN PERSERO, the state company that manages energy plants in Indonesia. The works will be performed as a joint venture with the Korean company DAELIM (representative, with a 40% stake) and with the local firm WIKA (30%). The two contracts acquired for this project involve performance of all the civil works related to the construction of two dams, Lower Dam and Upper Dam (75 and 98 metres in height respectively), for a total volume of 1,000,000 m3 of RCC (Roller Compacted Concrete) and an installed power of 1,040MW. Intake and transportation systems complete the works along with 6 kilometres of tunnels of a maximum diameter of 10 metres, an underground plant (26 metres wide, 51 metres tall and 156 metres long), ventilation works and an electric substation. The works are set to last 50 months with start-up scheduled for the beginning of 2016.

MAIN OPTIONS AND CONTRACTS TO BE FORMALISED OR FINANCED TO DATE

RZESZÓW WASTE-TO-ENERGY PLANT| Poland (*construction*) – The project has been awarded and signing of the contract is pending. It involves the executive design and construction of a waste-to-energy type plant for the production of energy by transforming urban solid waste, as well as the supply and installation of equipment and the process technological system. The plant will be organised into 2 incineration areas, able to receive and thermally treat 180,000 tonnes of mixed urban waste per year to recover energy. The contract value is EUR 67 million (Astaldi has a 49% share) and the works will be performed as part of a joint venture with the Italian firm TM.E. Termomeccanica Ecologia (with a 51% stake and project leader). 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. The duration of works is 30 months, with start-up by mid 2016, subsequent to signing of the contract.

WEST METROPOLITAN DI SANTIAGO | Chile (*construction and operation concession***) –** The contract involves the construction and operation of a hospital facility that will provide 523 hospital beds. On the basis of policies adopted by the Group, this project will be included among the backlog subsequent to financial closing (structured on a non-recourse basis for Astaldi Group) scheduled for the first half of 2016. In the meantime, construction activities have commenced on the basis of an USD 30 million bridge loan signed at the start of 2015.

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% stake in through 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 submitted to the Italian Ministry of Transport and Infrastructures in September 2015 is pending. 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.

SUMMARY TABLES

TOTAL ORDER BACKLOG BY GEOGRAPHICAL AREA
(Figures shown in millions of Euro)

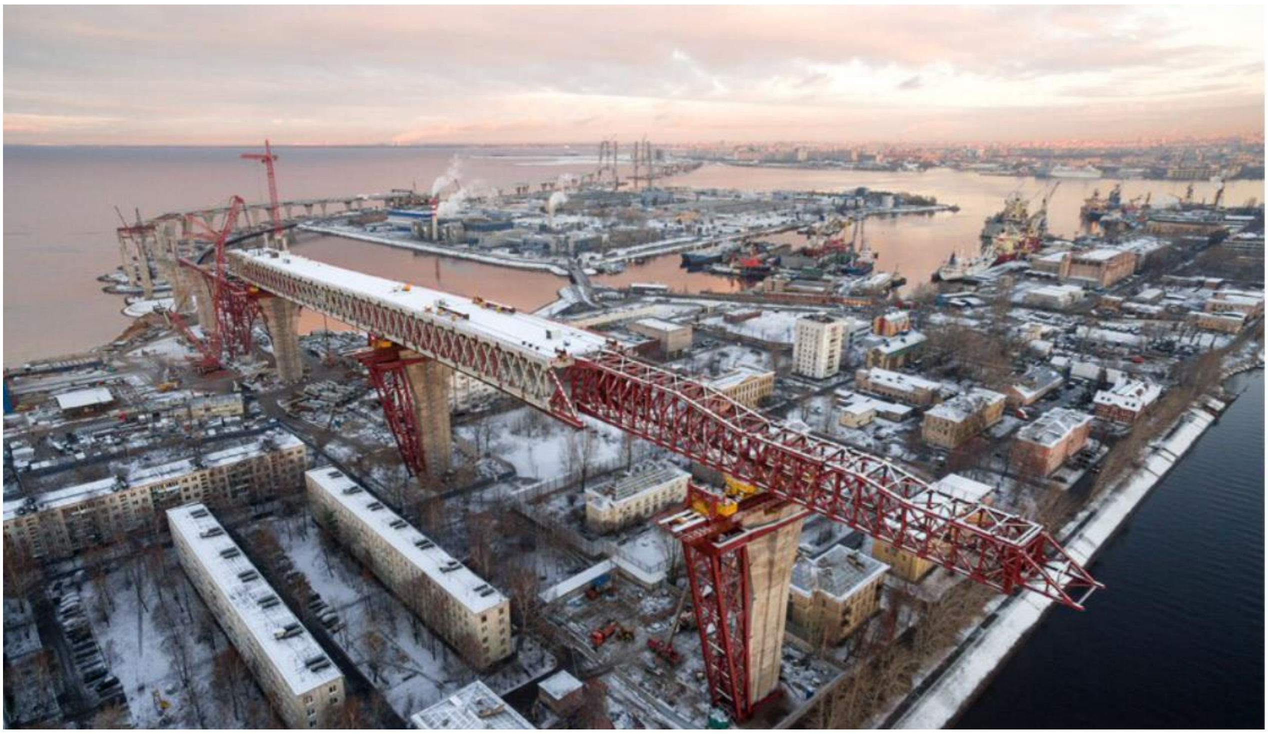
	01/01/2015	Acquisitions	Decreases for production	31/12/2015	Options and First classified	Total order backlog
Italy	5,206	506	(468)	5,244	5,052	10,296
International	8,634	6,233	(2,262)	12,605	5,651	18,256
Europe	5,008	5,169	(1,255)	8,922	1,246	10,168
America	3,207	967	(835)	3,339	4,405	7,744
Africa	353	18	(123)	248	0	248
Asia	66	79	(49)	96	0	96
Order backlog	13,840	6,739	(2,730)	17,849	10,703	28,552

TOTAL ORDER BACKLOG BY SEGMENT
(Figures shown in millions of Euro)

	01/01/2015	***Acquisitions***	***Decreases for production***	***31/12/2015***	***Options and First classified***	***Total order backlog***
Construction:	**7,912**	**4,012**	**(2,706)**	**9,218**	**2,664**	**11,882**
Transport infrastructures of which:	**6,619**	**2,921**	**(1,875)**	**7,665**	**1,791**	**9,456**
Railways and undergrounds	*3,796*	*269*	*(604)*	*3,461*	*170*	*3,631*
Roads and motorways	*2,710*	*2,223*	*(1,179)*	*3,754*	*1,576*	*5,330*
Airports and ports	*113*	*429*	*(92)*	*450*	*45*	*495*
Hydraulic works and energy plants	**816**	***273***	**(425)**	***664***	**477**	***1,141***
Civil construction	**174**	***627***	**(240)**	***561***	**359**	***920***
Industrial plants and maintenance	**303**	***191***	**(166)**	***328***	**37**	***365***
Concessions	**5,928**	**2,727**	**(24)**	**8,631**	**8,039**	**16,670**
Order backlog	**13,840**	**6,739**	**(2,730)**	**17,849**	**10,703**	**28,552**

BACKLOG IN EXECUTION – CONSTRUCTION CONTRACTS BY GEOGRAPHICAL AREA
(Figures shown in millions of Euro)

	01/01/2015	Acquisitions 2015	Decreases for production	31/12/2015
Italy	**3,511**	**596**	**(457)**	**3,650**
International	**4,401**	**3,416**	**(2,249)**	**5,568**
Europe	1,663	2,341	(1,242)	2,762
America	2,319	978	(835)	2,462
Africa	353	18	(123)	248
Asia	66	79	(49)	96
CONSTRUCTION CONTRACTS	**7,912**	**4,012**	**(2,706)**	**9,218**



RUSSIA, WHSD IN ST. PETERSBURG – Built with a complex system of seabed foundations.

CHILE, ARTURO MERINO BENÍTEZ INTERNATIONAL AIRPORT IN SANTIAGO – Latin America's 8th airport.

Main projects in progress

Country	Project	Contract value(1) (€ / millions)	Residual order backlog(2) (€ / millions)
Transport Infrastructures — Railways and Undergrounds			
Italy	Line C, Rome Underground……………………………….	996.1	401.9
Italy	Verona-Padua HS/HC Railway Line…………………………	549.2	549.2
Italy	Line 4, Milan Underground………………………………	745.9	597.3
Italy	Bologna Centrale HS Station……..……………………...	527.2	2.3
Italy	Naples-Afragola HS Station…………………………………	51.0	45.7
Italy	Line1, Naples Underground (Capodichino Station)…..	95.2	93.7
Algeria	Saida-Mulay Slissen Railway ………………………….	710.2	99.2
Algeria	Saida-Tiaret Railway…………………………………………..	298.3	128.6
Poland	Łódź Railway Project …………………………………	136.8	12
Poland	Line 2, Warsaw Underground (Phase 2)…………………	209.0	209.0
Romania	Line 4, Bucharest Underground……………………………	154.7	56.6
Romania	Line 5, Bucharest Underground……………………………	111.8	31.1
Romania	Line 5, Bucharest Underground (Phase 2)………………..	60.6	60.2
Venezuela	Puerto Cabello-La Encrucijada Railway....……………..	2,238.0	1,176.8
Transport Infrastructures — Roads and Motorways			
Italy	Marche-Umbria Quadrilatero Road Network	489.5	446.9
Italy	Jonica National Road, Lot DG-41…………………………..	1,112.0	1,097.3
Italy	Infraflegrea Project………………………………...………	230.9	113.4
Poland	S-2 National Road ……………………………………………..	236.6	236.4
Poland	S-8 National Road Wisniewo-Mezenin……………….…...	84.1	29.1
Poland	S-8 National Road Jezewo-Mezenin……………………….	85.3	59.9
Poland	S-5 National Road Wroclaw-Poznan...……………………...	115.7	83.1
Poland	S-8 National Road Marki-Radzymin South…………………	70.8	68.1
Turkey	Gebze-Orhangazi-Izmir Motorway……………………..…..	822.0	426.3
Turkey	Third Bosphorus Bridge and Northern Marmara Highway...	880.6	201.5
Russia	WHSD, St. Petersburg…………………	861.8	118.8
Russia	M11 Moscow-St. Petersburg Motorway……………………	462.4	456.9
Transport Infrastructures — Ports and Airports			
Italy	Taranto Port………………………………………………..	52.1	51.6
Poland	John Paul II International Airport, Krakow-Balice…………………………………………………	71.7	7.2
Chile	Arturo Merino Benítez International Airport, Santiago………………………………………………………	374.8	364.7
Hydroelectric and Energy Production Plants			
Canada	Muskrat Falls Hydroelectric Project ……………………..	813.4	454.3

Indonesia	Pumped Storage Power Plant	62.5	62.5
Peru	Hydroelectric Alto Piura	53.8	53.8
Civil and Industrial Construction			
Italy	Police Officers Academy, Florence……………………………	226.1	2.9
Italy	New Hospital, Naples…………..……………………..	150.4	26.7
Chile	Chuquicamata Mining Project-Contract 1…..…………	200.7	81.7
Chile	Chuquicamata Mining Project-Contract 2…………	210.9	71.5
Turkey	Etlik Integrated Health Campus, Ankara	443.0	419.9

(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.

Italy

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% stake) operating in the capacity of General Contractor.
Amount: EUR 3.26 billion, of which approximately EUR 1 billion in relation to Astaldi's stake.

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. Technologically advanced, Line C is the largest public transport infrastructure in Italy with a fully-automated remote control driving system (driverless trains with no driver aboard). Its construction entails a high level of complexity, also considering interaction with the area's pre-existing archaeological features. The use of 4 TBMs is provided for to dig the tunnel sections and soil reinforcement also involves complex and highly innovative techniques such as using liquid nitrogen to freeze soil. 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 operational lots. The Monte Compatri/Pantano-Lodi (18 kilometres, 21 stations) was delivered to the Operator and is operational. While as regards the rest of the route, construction of the San Giovanni- Fori Imperiali/Colosseum section (3 kilometres, 3 stations) was suspended on 15 December 2015 because of financial tension caused by late payments and continuing uncertainty regarding the customer's actual availability of financial resources to go ahead with the works. It must be noted that as from 22 December 2015, the backers have been meeting to reformulate the Project's General Financial Framework and to decide on mutual financial undertakings. On 29 February 2016, the Board of Directors of Metro C decided to recommence works have acknowledged the administration's commitment to pay part of the sums long overdue. It must also be recalled that as regards the Fori Imperiali/Colosseum-Clodio/Mazzini section, the final design for the Fori Imperiali/Colosseum-Venezia subsection (0.66 kilometres, 1 station) was delivered in December 2015. In 2011, a proposal was also submitted for this section for construction using the project finance formula which also envisaged an extension of the line to Farnesina.

LINE 5, MILAN UNDERGROUND | Italy

Customer: Municipality of Milan acting in the capacity of Granting Authority.
Operator: Metro 5 S.p.A. (Astaldi Group has a 38.7% stake).
EPC Contractor: Astaldi.
Value of investment: EUR 1.36 billion
EPC Contract: EUR 716 million in relation to Astaldi's stake

The contract is part of the project finance initiative for the design (final and executive), construction and operation of the public transport service of the new Line 5 of the Milan underground. The route covers a total of approximately 13 kilometres, along the Garibaldi-Bignami section (Phase 1: 6 kilometres, 9 stations) and Garibaldi-San Siro extension (Phase 2: 7.1 kilometres, 10 stations) The new line runs underground and has a maximum capacity of 26,000 passengers/hour in each direction. At the draft date of this Management Report, the line has been completed. Operation was started-up in functional sections: in 2013 for the Zara-Bignami section, in 2014 for the Garibaldi-Zara section and in 2015 for the remaining part of the route. Please refer to «Concession Projects», for more information.

LINE 4, MILAN UNDERGROUND | Italy

Customer: Municipality of Milan acting in the capacity of Granting Authority.
Operator: SPV Linea M4 S.p.A., a private-public mixed capital company, with the JV awarded the contract (Astaldi has a 28.9% stake) operating in the capacity of private shareholder.
EPC Contractor: Consorzio MM4 (Astaldi has a 32.135% stake) which operates through Metro Blu S.c.r.l. (Astaldi has a 50% stake) for civil works, infrastructure installations and non-system plants
EPC Contract (direct share): EUR 932 million (Astaldi has a 50% stake) for civil works, infrastructure installations and non-system plants.

The concession involves the design (final and executive), construction and 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 stock is also planned in the San Cristoforo area. The related EPC contract involves the design and performance of all the new line's civil works, infrastructure installations and plants, including the supply of rolling stock (47 vehicles). The works are financed through an EUR 516-million loan(structured on a non-recourse basis for Astaldi Group) subscribed in December 2014 by a pool 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 are going ahead and are expected to be completed by the first half of 2022. It must also be noted that, as regards this project, Milan's city authority approved a change 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% stake), the approval of which by the relevant authorities is pending. Please refer to the section herein entitled "Concession Projects"» for more information.

LINE 1, NAPLES UNDERGROUND (Capodichino Station) | Italy

Customer: Municipality of Naples.
Contractor: Capodichino AS.M. S.c.r.l. (Astaldi has a 66.83% stake).
Amount: over EUR 95 million, of which EUR 65 million in relation to Astaldi's stake.

The contract involves the performance of civil works and plants at Capodichino Station with an attached interchange car park. The new station will be used to connect the city centre with Naples International Airport. The project is part of the programme to improve the city of Naples' infrastructure, within the Concession framework which the granting authority, the Municipality of Naples, signed with the contractor M.N. Metropolitana di Napoli, to build Line 1 of the Naples underground (Centro Direzionale-Capodichino section). The project forms part of the «Art Stations» programme which is the result of successful cooperation between architects and artists of global fame. In this regard, Astaldi has already built Università and Toledo stations (winners of international awards). Works commenced in May 2015 for this project. At the draft date of this report, construction activities are going ahead and the works are scheduled for completion in 2020.

LINE 6, NAPLES UNDERGROUND (San Pasquale Station) | Italy

Customer: Municipality of Naples.
Contractor: AS.M S.c.r.l. (Astaldi has a 75.91% stake).
Amount: EUR 68 million, of which EUR 52 million in relation to Astaldi's stake.

The contract involves the performance of civil works for construction of San Pasquale station along Line 6 of the Naples underground. The project forms part of the programme to improve the city of Naples' infrastructures, within the concession framework which the granting authority, the Municipality of Naples, signed with the Contractor, Ansaldo STS, for design, site management and construction of the new Line 6 of the Naples underground (Mergellina-Municipio section). At the draft date of this report, finalisation of a variant related to the external areas of the station is pending. 98% of works had been completed at the end of 2015.

VERONA-PADUA HIGH-SPEED/HIGH-CAPACITY RAILWAY LINE

Customer: Italferr S.p.A. (Ferrovie dello Stato Italiane Group).
Contractor: Consorzio IRICAV DUE (Astaldi has a 37.49% stake).
Amount: approximately EUR 560 million, referring to Astaldi's stake.

The contract refers to works for design and construction of the Verona-Vicenza operational subsection which Astaldi holds a 37.49% stake in through the consortium IRICAV DUE, the General Contractor the works were awarded to. Inclusion among the backlog of this first operational phase was performed in 2015 further to the provisions regarding the project set forth in the 2015 Stability Law. Design activities also continued during

2015. Following these, in October 2015,RFI (the company responsible for managing the national railway network) sent the final design for the operational lot in question (Verona-Vicenza) to the Ministry of Transport and Infrastructures. The authorisation procedures provided for in Legislative Decree No. 163/2006 (Public Utility, Environmental Impact Assessment, Public Agencies' Meeting) have also been started-up. The Supplementary Deed for the start-up of works is expected during the second half of 2016.

NAPLES-AFRAGOLA HIGH-SPEED RAILWAY STATION| Italy
Customer: Italferr S.p.A. (Gruppo Ferrovie dello Stato Italiane).
Contractor: Astaldi.
Amount: EUR 61 million.

The contract refers to works to complete the passengers building including all station and plants of the new high-speed railway station at Afragola in the province of Naples. The project has been designed by the architect Zaha Hadid. The works are financed using already available funding. Works commenced in 2015 and have a planned duration of approximately 2 years.

BOLOGNA CENTRALE HIGH-SPEED RAILWAY STATION | Italy
Customer: Italferr S.p.A. (Gruppo Ferrovie dello Stato Italiane).
Contractor: Astaldi.
Amount: EUR 579 million.

The contract refers to works to construct the new railway station dedicated to the high-speed line, built under ground level and located below the existing Bologna Centrale station (Platforms 12-17). The project forms part of the urban penetration project for the Milan–Naples high-speed railway line with regard to the Bologna railway junction. The works to be performed by Astaldi refer specifically to Lot 11 (construction of the new station) and Lot 50 (works needed to make it possible to put the station into operation). The station is organised on several levels, the deepest of which - built at a depth of 25 metres below the tracks of the old station – is dedicated to the transit of trains, while the others feature railway transport-related services, commercial areas and car parks. The station was opened to the public on the basis of successive operational lots as from 2012. Works were completed in March 2015 together with final and complete commissioning of the station. Management and maintenance activities are in progress together with a technical and administrative inspection.

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. As listed under «New Orders», the works were acquired in 2015 further to the agreement finalised with the Extraordinary Administrator of Impresa, SAF e Dirpa (all subject to extraordinary administration proceedings). The works consist in upgrading, using the general contracting formula, of the Perugia-Ancona road along the Fossato di Vico-Cancelli and Albacina-Galleria Valtreara-Serra San Quirico sections of the SS-76 (Lot 1.1 – Sub Lots 1.1.1,1.1.2, 1.1.3) and the Pianella-Valfabbrica section of the SS-138 (Lot 1.2), as well as construction of a new part of the Pedemontana delle Marche road along the route between Fabriano and Muccia/Sfercia (lots 2.1 and 2.2). Works along the Perugia-Ancona road are going ahead as at the date of this report and some contractual changes are also being formulated for the same lots. Approval of the executive design of the Fabriano-Matelica section of the Pedemontana delle Marche road is also pending.

JONICA NATIONAL ROAD (SS-106), MEGA LOT 3 | 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% stake and is the principal) operating in the capacity of General Contractor.
Amount: project worth 1.1 billion to submit for approval by CIPE (Interdepartimental Committee for Economic Planning).

The contract involves performance, using the EPC formula, of Mega Lot 3 of the Jonica National Road also known as DG-41. The project involves construction in a new location of the section running from the junction with SS-534 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 duration of works is just over 11 years, 4 years and 8 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 just over 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 Maxi Lot and executive design and performance of works for a first operational 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 first half of 2016.

INFRAFLEGREA PROJECT | Italy
Customer: President of Campania's regional authority in the capacity of Special Government Commissioner pursuant to Article 11, subsection 18, of Law No. 887/1984.
Contractor: Infraflegrea Progetto S.p.A. (Astaldi has a 51% stake) 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 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 4 years, executive design activities for Parco San Paolo station commenced in 2015 together with preliminary activities prior to the recommencement of works on the Monte Sant'Angelo rail link following decisions adopted by the customer at the end of 2014 and provisions issued over the following months by various control bodies (which, inter alia, resulted in contractual value increasing to EUR 17 million. However, works were suspended again during the second half of 2015 due to continued late payments and failure to resolve the dispute in progress with the customer. Campania's regional authority consequently organised a series of meetings in order to check the conditions for quick settlement of the problems experienced. The customer's decisions are pending also with regard to the consignment 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.

RECLAMATION OF PORTO TORRES INDUSTRIAL DISTRICT, SARDINIA | Italy
Customer: Syndial (ENI Group).
Amount: EUR 34 million in relation to Astaldi's stake.

The contract includes the design and performance of integrated reclamation and permanent containment works for three sites polluted by industrial process waste, for a total surface area of approximately 350,000 m2. Restoration of the sites' status is also planned along with upgrading of all the areas involved known as Minciaredda, Peci and Palte Fosfatiche. The works will involve the treatment of more than 1,000,000 m^3 of contaminated soil which will be analysed, classified and treated using a multifunctional, hi-tech platform with a surface area of 60,000 m^2 which will be installed on site. The works are to be performed in 4 years, with start-up subsequent to the design phase and obtainment of authorisation from relevant bodies. At the draft date of this report, the Ministerial Decree ratifying technical approval of the Reclamation Project (resolved on 27 January 2016) is pending. Following the issue of said Decree, all the design and authorisation procedures will be embarked on.

TARANTO PORT | Italy
Customer: Taranto Port Authority.
Contractor: Astaldi.
Amount: EUR 52 million.

The contract involves dredging of the port's seabed. The works form part of the plan to upgrade the container terminal area approved by the relevant Port Authority and will involve the stretch of sea in front of the multi-sector dock. The contract provides for the depth of the seabed to be increased by 2.5 metres and decontamination of the contaminated sediments. At the draft date of this report, approval of the project by the contracting authority is pending.

MONTE NIEDDU DAM | Italy
Customer: Consorzio di Bonifica Sardegna Meridionale.
Contractor: Astaldi.
Amount: EUR 45.
The contract involves the construction of a dam in Sardinia with a maximum height of 75 metres, 391,000 m^3 of which made of roller-compacted concrete (RCC) and 110,000 m*3* of conventional vibrated concrete (CVC). Performance of related electro-mechanical works is also envisaged. The planned duration of works is 42 months, with start-up scheduled for March 2015. Design activities were in progress at the draft date of this report

FOUR TUSCAN HOSPITALS | Italy
Customer: SIOR, comprising the local health authorities of Massa Carrara, Lucca, Pistoia and Prato, operating as Granting Authority.
Operator: SA.T S.p.A. (Astaldi Group has a 35% stake).
Contractor – EPC Contract: CO.SAT S.c.r.l. (Astaldi has a 50% stake).
Total investment: EUR 419 million (excluding financial expense and VAT*).*
EPC Contract: EUR 396 million for construction, of which EUR 198 million in relation to Astaldi's stake.

The contract forms part of the project finance initiative for the construction and subsequent operation of four hospitals in Tuscany: San Luca Hospital in Lucca, Hospital in Massa-Carrara, Hospital in Prato and San Jacopo Hospital in Pistoia. The new facilities will occupy a total surface area of over 200,000 m^2 and provide over 2,019 hospital beds and 4,450 parking spaces. At the draft date of this report, construction activities had been completed for all four hospitals which are now in the operation phase. For more information, please refer to «Concession Projects».

ANGELINI PHARMACEUTICAL GROUP HEAD OFFICE | Italy
Customer: Gruppo Farmaceutico Angelini.
Contractor: Astaldi.
Amount: EUR 30 million in total.

The contract involves the performance of a series of works (structural, plant engineering and civil works, etc.) for upgrading and office conversion of Gruppo Farmaceutico Angelini's head offices in Rome. The works for which contracts have been finalised to date amount to EUR 16 million, with the remaining EUR 14 million to come into play upon completion of the first phase. The new real estate complex will comprise a central building to be used as a multifunctional centre as well as four office blocks arranged in an "L" shape, topped by a bridge building, with underground car parking and storage areas. The use of eco-sustainable materials and technologies that allow for improved energy efficiency is also planned, as well as obtainment of LEED® Leadership in Energy and Environmental Design certification for environmentally sustainable buildings. At the draft date of this report, construction works are going ahead, with completion scheduled for November 2016.

POLICE OFFICERS ACADEMY IN FLORENCE | Italy
Customer: Ministry of Infrastructures and Transport.
Contractor: S.CAR. S.c.r.l. (Astaldi has a 61.4% stake)
Amount: EUR 217.2 million, of which EUR 133.4 million in relation to Astaldi's stake.

The contract involves construction of the new Police Officers' Academy [Scuola Marescialli e Brigadieri dei Carabinieri] in Florence. The academy is **one of the largest military construction projects in progress to date in Europe**. The project involves a vast surface area measuring over 260,000 m2 and involves the construction of 4 functional centres: (i) a sports centre including a football and athletics stadium, indoor swimming pool, tennis courts and gym; (ii) a centre dedicated to student housing with 9 buildings to accommodate 1,900 students; (iii) a logistics centre with an auditorium, teaching rooms, canteen and kitchens, clubs, infirmary, command offices, cadre housing, shooting range and technological facilities; (iv) a centre for residences to be used to house academy workers and their families. The works were completed in October 2015 and final testing and inspection are underway.

NEW HOSPITAL IN NAPLES ("OSPEDALE DEL MARE"), NAPLES | Italy
Customer: Naples Local Health Authority (Napoli 1 Centro).
Contractor: Partenopea Finanza di Progetto S.c.p.A. (Astaldi has a 99.99% stake).
Amount: approximately EUR 150 million in relation to Astaldi's stake.

The contract involved the design (final and executive) and construction of a new, highly-specialised hospital complex in the eastern area of Naples. The new hospital complex will provide 450 hospital beds and is a **state-of-the-art public facility** insofar as it is among the largest in Europe located on seismic isolators. Basically these isolators make it possible to mitigate the effect of any seismic waves on overlying structures which, therefore, are able to remain operational even in the event of seismic phenomena of a significant scale. This project has allowed Astaldi to make use of key experience accrued in relation to anti-seismic design. Indeed, a similar solution was adopted for construction of the Anatolian Highway, built on a secondary branch of the Anatolian fault, whose immense viaducts stood up to two major seismic events in the 1990s. Works on the hospital progressed as planned during 2015 and it was partially opened to the public March. Further to changes approved during the last year, the completion of works is scheduled for the first half of 2016.

Turkey

GEBZE-ORHANGAZI-IZMIR MOTORWAY | Turkey
Customer: KGM (Motorways General Directorate, Turkish Ministry of Transport) operating in the capacity of Granting Authority.
Operator: OTOYOL (Astaldi Group has an 18.86% stake).
Contractor – EPC Contract: NOMAYG (Astaldi has a 17.5% stake).
Value of investment: Approximately USD 7 billion.
EPC Contract: more than USD 5.2 billion (Astaldi has a 17.5% stake).

The project refers to the BOT contract for the design and construction, using the concession formula, of a new section of motorway along the Gebze-Orhangazi-Bursa-Izmir route in Turkey, which will run for more than 400 kilometres. The project also includes a suspension bridge over Izmit bay which will be the world's 4th longest suspension bridge upon completion, 3 tunnels, 33 viaducts, 109 bridges, 340 minor hydraulic works, 26 intersections, 20 motorway toll gates, 6 maintenance centres and 17 service areas. The works are financed through a USD 5-billion non-recourse loan, subscribed in June 2015 by a pool 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. Indeed, the project is being performed in separate operational 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). Once completed, the infrastructure will ensure the link between the cities of Gebze (near Istanbul) and Izmir (on the Aegean coast), halving the current car journey times which are in excess of eight hours. At the draft date of this report, Phase 1 was largely completed: opening to the public is scheduled by June 2016. Construction works are also going ahead along the sections related to Phases 2-A and 2-B. Please refer to «Concession Projects», for more information.

THIRD BOSPHORUS BRIDGE AND NORTHERN MARMARA MOTORWAY PROJECT | Turkey
Customer: Turkish Ministry of Transport operating in the capacity of Granting Authority.
Operator: JV awarded the contract (Astaldi Group has a 33.33% stake).
Contractor – EPC Contract: ICA (Astaldi has a 33.33% stake).
EPC Contract: over USD 3 billion (Astaldi has a 33.33% stake).

The project refers to the concession contract for the construction and subsequent operation of a section of approximately 160 kilometres of motorway links between the cities of Odayeri and Paşaköy, as well as a cable-stayed/suspension bridge which will connect Europe and Asia. This bridge, also known as the Third Bosphorus Bridge, will hold a number of records such as (i) the only suspension bridge in the world whose deck includes a motorway and railway on the same level, (ii) the widest suspension bridge in the world, (iii) the longest suspension bridge in the world whose deck features a railway line and (iv) the suspension bridge with the tallest “A”-shaped towers in the world. Once completed it will connect Europe to Asia and will measure 59 metres in width with a span of 1.4 kilometres, the equivalent of 14 football pitches lined up. It will also have 2 towers measuring 322 metres (more than the Eiffel Tower which is 300 metres tall). In addition to the bridge, the project also involves the construction of approximately 95 kilometres of motorway, 27 kilometres of link roads, 67 kilometres of access roads, 64 viaducts, 2 double-tube motorway tunnels, 2 cut-and-cover railway tunnels, 47 underpasses, 52 overpasses, 213 minor hydraulic works, 20 intersections, 5 service areas and 2 maintenance centres. Construction activities for this contract commenced in 2013 subsequent to signing of the contract. The works are financed through a USD 2.3 billion non-recourse loan subscribed in May 2014 by a pool of Turkish banks. At the draft date of this report, the bridge was largely completely and works on the remaining sections of motorway are going ahead. Termination of works and subsequent start-up of operation on an operational lot basis is scheduled by the end of 2016. Please refer to «Concession Projects», for further information.

ETLIK INTEGRATED HEALTH CAMPUS, ANKARA | Turkey
Customer: Turkish Ministry of Health operating in the capacity of Granting Authority.
Operator: JV awarded the contract (Astaldi Group has a 51% stake).
Contractor – EPC Contract: EUR 870 million (Astaldi has a 51% stake).
Value of investment: USD 1.12 billion.
EPC Contract: EUR 870 million (Astaldi has a 51% stake)

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 management under concession of a hospital complex boasting 3,566 beds split among 8 healthcare facilities and a hotel, for a total of 1,080,000 m2. For its size, the project is one of the most extensive to date in Europe in the healthcare sector. Studio Altieri, which has already worked with Astaldi on the concession project to build and manage the new hospital in Mestre-Venice in Italy, will be responsible for design activities. The works are financed through a EUR 883 million loan (structured on a non-recourse basis for Astaldi Group), subscribed in June 2015 by a pool of international banks. Construction activities are going ahead at the draft date of this report. For more information, please see «Concession Projects».

Russia

WESTERN HIGH-SPEED DIAMETER, ST. PETERSBURG | Russia
Customer: NCH LLC.
Contractor: ICA Astaldi-IC Ictas WHSD Insaat A.S. (Astaldi has a 50% stake).
Amount: EUR 2.2 billion (Astaldi has a 50% stake).

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 36 months. At the draft date of this report, works are going ahead and are scheduled for completion by 2016.

M-11 MOSCOW-ST. PETERSBURG MOTORWAY | Russia
Customer: TWO CAPITALS HIGHWAY.
EPC Contractor: Joint Venture Astaldi-IC Ictas (Astaldi has a 50% stake).
Amount: 68 billion roubles, 50% of which refers to Astaldi's stake

As already mentioned in «New Orders», the contract was acquired in 2015 and 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, all preliminary activities had been completed and works commenced.

Poland

ŁÓDŹ RAILWAY PROJECT AND ŁÓDŹ FABRYCZNA STATION | Poland
Customer: PKP and PKP PLK, Poland's railways, and the Municipality of Łódź.
Contractor: Torpol-Astaldi-PBDiM-Intercor (Astaldi has a 40% stake).
Amount: EUR 340 million (Astaldi has a 40% stake).

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, double-tube tunnel (1.5 kilometres) and the systems and infrastructure installations 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 the first work already boasting high-speed standards) and for the city of Łódź (Poland's number-two city for its number of inhabitants). At the draft date of this report, finishing and plant installation works are being performed. The works are scheduled for completion by the second half of 2016.

LINE 2, WARSAW UNDERGROUND | Poland
Customer: Municipality of Warsaw.
Contractor: Astaldi.
Amount: EUR 209 million.

As mentioned in «New Orders», the contract was acquired in 2015 and refers extension of Line 2 of the Warsaw underground, already completed by Astaldi for the Rondo Daszynskiego-Dworzec Wilenski section (6 kilometres, 7 stations). 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 plants, infrastructure installations and all related works. Works are to be completed in 36 months, with start-up at the beginning of 2016.

KRAKOW-BALICE RAILWAY LINE | Poland
Customer: PKP Polskie Linie Kolejowe S.A. (Poland's railways).
Contractor: Astaldi.
Amount: EUR 50 million.

The contract was completed in 2015. The performance of works entailed the construction of a railway link between Krakow Central Station and John Paul II International Airport Krakow-Balice, with the latter already being extended and upgraded by Astaldi. The project is of strategic importance for Krakow's communications system and is aimed at ensuring an efficient, good-value alternative to road links between the airport (constantly expanding as regards passenger traffic) and the city centre. The lines was opened in the second half of 2015.

WARSAW SOUTH BYPASS ROAD (Lot A) | Poland
Customer: GDDKiA (Poland's Roads and Motorways Authority).
Contractor: Astaldi.
Amount: Approximately EUR 240 million.

As mentioned in «New Orders», the contract was acquired in 2015. 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 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 will last 41 months, with the start-up of design activities scheduled for the first half of 2016. The works are financed through funding provided by the European Community.

S-8 WROCLAW-BIALYSTOK EXPRESSWAY, Mezenin-Jezewo Lot | Poland
Customer: GDDKiA (Poland's Roads and Motorways Authority).
Contractor: Astaldi.
Amount: over EUR 85 million.

The contract involves the construction of approximately 15 kilometres of expressway in the lot adjacent to the project acquired by Astaldi in August 2014 on the Warsaw-Bialystok section. The project involves the construction of a dual carriageway with two lanes in each direction. The contract was signed in December 2014. Construction works are going ahead at the draft date of this report and completion is scheduled for the second quarter of 2017.

S-8 WROCLAW-BIALYSTOK EXPRESSWAY, Wisniewo-Mezenin Lot | Poland
Customer: GDDKiA (Poland's Roads and Motorways Authority).
Contractor: Astaldi.
Amount: EUR 84 million.

The project involves the construction of approximately 15 kilometres of dual carriageway expressway with two lanes in each direction. The lot in question forms part of the road linking Warsaw and Bialystok, much used by freight traffic in the direction of Eastern Europe (especially Belarus). At the draft date of this report, works are going ahead and are scheduled for completion by the end of 2016.

S-5 WROCLAW-POZNAN EXPRESSWAY, Korzensko-Widawa Section (Lot 3) | Poland
Customer: GDDKiA (Poland's Roads and Motorways Authority).
Contractor: Astaldi.
Amount: EUR 116 million.

The contract, signed in September 2014, 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 (service roads, upgrading of local road network, etc.). At the draft date of this report, construction works are going ahead and are scheduled for completion by the second quarter of 2017.

S8 WROCLAW-BIALYSTOK EXPRESSWAY, Marki-Radzymin South Lot | Poland
Customer: GDDKiA (Poland's Roads and Motorways Authority).
Contractor: Astaldi–PBDiM (Astaldi is the leader with a 90% stake)
Amount: EUR 79 million (Astaldi has a 90% stake).

The contract involves the design and construction of approximately 7 kilometres of expressway with three lanes in each direction. The road will serve to bypass Marki (Warsaw) in order to speed up incoming and outgoing traffic from the city on the road towards Bialystok. Once the new section of road has been completed, upgrading of the current route is also planned. The contract was signed in November 2014 and design activities are going ahead at the draft date of this report, with completion scheduled for the last quarter of 2017.

JOHN PAUL II INTERNATIONAL AIRPORT KRAKOW-BALICE | Poland
Customer: Międzynarodowy Port Lotniczy im. Jana Pawła II Kraków-Balice Sp. z o.o., a state-controlled company responsible for developing and managing the airport.
Contractor: Astaldi.
Amount: EUR 72 million.

The project involves extension and upgrading of the airport. Specifically, it will involve rebuilding of the international passenger terminal, installation of external plants and construction of links with the multi-storey car park and railway station, as well as construction and upgrading of the internal transport system. Upon completion of the works, the new facility will occupy an indoor surface area of 26,000 m^2, for a volume of 424,000 m^3 and the airport will be able to serve 8,000,000 passengers per year, guaranteeing a Level C service according to IATA standards. The works will be performed in operational lots so as to allow the existing terminal to continue operating as usual. Said terminal shall be renovated from an architectural and plant engineering viewpoint to fit with the new building. Modernisation of the existing building commenced subsequent to completion of the new facilities. The latter were opened for use by passengers in September 2015. Completion of works is scheduled by the end of 2016.

BYDGOSZCZ-TORUN WASTE-TO-ENERGY PLANT | Poland
Customer: Międzygminny Kompleks Unieszkodliwiania Odpadów ProNatura Sp., a company set up by the Municipality of Bydgoszcz to manage urban waste.
Contractor: Astaldi-Termomeccanica Ecologia Joint Venture (Astaldi has a 51% stake and is leader).
Amount: EUR 95 million (Astaldi has a 51% stake).

The project involves the construction of a waste-to-energy plant that produces energy through the transformation of urban solid waste. The plant was completed and consigned to the customer in November 2015. Astaldi, as part of a joint venture, was responsible for the design and performance of civil and electromechanical works comprising two incineration facilities with a total nominal potential of 180,000 tons/year of processed waste. The plant will allow for the salvage, transformation and conveyance of electricity and heat for district heating to be included in the municipal network serving the cities of Bydgoszcz and Torun. The plant will function continuously, 24 hours a day, 7 days a week, for a minimum of 7,800 hours/year. The project also involved the construction of a waste acceptance unit and a compost production unit. Analysis of the components of the fumes emitted by the plant are permanently transmitted in real time to two electronic display units located in the city centre and constantly available for viewing by citizens. The values of these emission are markedly lower than the limits set by European standards, as per project forecasts.

Romania

LINE 5, BUCHAREST UNDERGROUND (Phase 1 – civil works) | Romania
Customer: METROREX S.A., the operator of the Municipality of Bucharest's underground network 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% stake and is the leader).
Amount: EUR 226 million (Astaldi has a 47.495% stake).

The project refers to construction of Line 5 of the Bucharest underground for the Drumul Taberei-Pantelimon (Raul Doamnei-Opera) section, using the Design and Build formula. The project forms part of a wider programme to expand Bucharest's underground network, 85% of which is funded by the EIB (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 are 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 – plants and architectural works) | Romania
Customer: METROREX S.A., the operator of the Municipality of Bucharest's underground network 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% stake and is the leader).
Amount: over EUR 160 million (Astaldi has a 37% stake).

As stated in «New Orders», the contract refers to a new phase of the project to construct Line 5 of the Bucharest underground. This phase involves the performance of architectural works, electromechanical plants and infrastructure installations for the Drumul Taberei-Pantelimon section (Raul Doamnei-Opera) where Astaldi is already carrying out civil works. Preliminary activities prior to the performance of works commenced in 2015 with the planned duration of works being 16 months.

LINE 4, BUCHAREST UNDERGROUND | Romania
Customer: METROREX S.A., the operator of the Municipality of Bucharest's underground network under the control of Romania's Ministry of Transport and Infrastructures.
Contractor: Astaldi-Somet-Tiab-UTI Joint Venture (Astaldi has a 40% stake and is the leader).
Amount: over EUR 160 million (direct + indirect share).

The contract involves the design and performance of structural works and plants of Line 4 of the Bucharest underground, along the Laminorului-Straulesti section. The route will run for approximately 2 kilometres with approximately 1.8 kilometres of tunnel to be bored 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. Excavation of the tunnel sections using TBMs also commenced in 2015. At the draft date of this report, construction activities are going ahead and works are scheduled for completion by the 3rd quarter of 2016.

NĂDLAC-ARAD MOTORWAY (LOT 1) | Romania
Customer: CNADNR - Romania's National Motorways and Roads Company.
Contractor: Astaldi-MaxBogl Joint Venture (Astaldi has a 50% stake and is leader).
Amount: EUR 56 million (Astaldi has a 50% stake).
The contract involves the design and performance of Lot 1 of the Nădlac-Arad motorway forming part of the Trans-European Corridor IV linking to Hungary. The project involves completion of just over 22 kilometres of motorway. The planned duration of the works is 12 months and they commenced at the beginning of 2014. 85% of the project is financed by European Cohesion Funds (Pos-T) and the remaining 15% by the Romanian government. As regards this project, just over 20 kilometres of road were delivered and opened to the public at the end of 2014 and all works were completed in 2015.

NĂDLAC-ARAD MOTORWAY (LOT 2) | Romania
Customer: CNADNR - Romania's National Motorways and Roads Company.
Contractor: Astaldi-MaxBogl Joint Venture (Astaldi has a 50% stake and is leader).
Amount: EUR 20 million
The contract involves the design and performance of works to complete Lot 2 of the Nădlac-Arad motorway. The section runs for 16 kilometres and is a continuation of Lot 1, already under construction by Astaldi. 85% of the project is financed by European Cohesion Funds (Pos-T) and the remaining 15% by the Romanian government. The works commenced in October 2014 and a first section measuring approximately 6.5 km was opened to traffic in December 2014. The works had been largely completed at the draft date of this report.

MIHAI BRAVU OVERPASS | Romania
Customer: PMB – Municipality of Bucharest.
Contractor: Astaldi–ASTALROM Joint Venture which Astaldi holds a 75% stake in.
Amount: approximately EUR 29 million.
The contract involves the construction of a section of the dual-carriageway Bucharest Bypass comprising an arched bridge with a 103-metre span, a 12-span viaduct, access ramps and the underlying road and tramline works, for a total length of just under 1 kilometre. The works were started up in October 2014. The works had been completed at the draft date of this report.

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% stake).
Amount: EUR 417 million (Astaldi has a 60% stake).
The contract refers to the design and construction of a new railway line from Saida to Tiaret. The project involves the construction of 153 kilometres of single-track railway line featuring 45 railway bridges and viaducts, 35 road overpasses as well as 4 main stations (2 of which will be passenger stations while the other 2 will serve as a freight village and maintenance depot) and 9 interchange stations. The contract also includes the installation of signalling, telecommunications and energy-related plants. The route runs along the "Rocade des Hauts Plateaux" to link up with the Bechar-Mecheria–Oran line, and is the natural continuation of the railway line linking Saida and Moulay-Slissen which is already under construction by Astaldi. Works commenced in January 2011, with a total duration of 36 months. Further to approved changes, the contractual deadlines for the works were extended to October 2016. Construction activities are going ahead at the draft date of this report.

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 a railway line along the Saida-Moulay Slissen section. The project is included in Algeria's national plan to create an integrated infrastructure network and forms part of the "Rocade des Hauts Plateaux", which stretches from East to West in the northern part of the country's high ground. The project consists in the design and construction of a new single-track railway line, not electrified but able to include a second track. The route stretches over approximately 120 kilometres and includes, inter alia, 19 viaducts, 17 overpasses, 33 underpasses, 4 passenger stations and 1 freight station. The contract also provides for the installation of signalling, telecommunications and energy systems. Works got underway during the third quarter of 2008. Further to approved changes the contractual deadlines for these works were extended to March 2016. Construction works are going ahead at the draft date of this report.

Canada

MUSKRAT FALLS HYDROELECTRIC PROJECT | Canada
Customer: Muskrat Falls Corp., an 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).
Contract value: CAD 1 billion.
The contract involves the performance of civil works related to an 820MW hydroelectric plant on the Lower Churchill River (Newfoundland and Labrador, NL). The project forms part of a larger investment project that also involves the construction of two dams. Within said project, Astaldi Group is responsible for construction of the plant and the performance of related water intake and return works. The duration of works is four years and works commenced at the end of 2013. Significant progress was made on works in 2015. Specifically, the hydraulic spillway was virtually completed along with the plant's foundations. It must also be remembered that the project experienced initial problems for working circumstances which penalised the start-up phase. The Group's real operating efforts, which made it possible to bring production to fairly significant levels, resulted in the customer starting up cooperation and dialogue which is still continuing with the aim of rescheduling the remaining activities and recalculating the project value .

Chile

ARTURO MERINO BENÍTEZ INTERNATIONAL AIRPORT, SANTIAGO | Chile
Customer: Chile's Ministry of Public Works (M.O.P.), operating in the capacity of granting authority.
Contractor: Consorcio Neuvo Pudahuel (Astaldi Group has a 15% stake).
EPC Contractor: JV Astaldi-Vinci Construction (Astaldi has a 50% stake).
The contract refers to the EPC contract related to the concession initiative to expand and operate Arturo Merino Benítez International Airport in Santiago de Chile. As already mentioned in «New Orders», the contract is one of those acquired in 2015. 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 a stake in). The 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% stake 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 October 1 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% stake), and the French firm Vinci Construction (50%). At the draft date of this report, design activities and preliminary activities prior to construction of the new building had commenced pending financial closing scheduled for the first half of 2016.

WEST METROPOLITAN HOSPITAL SANTIAGO | Chile
Customer: Chile's Ministry of Public Works (M.O.P.), operating in the capacity of granting authority.
Contractor: Sociedad Concesionaria Metropolitana de Salud S.A. (100% Astaldi-owned).
EPC Contractor: Astaldi.
Investment: EUR 236 million.
EPC Contract: EUR 151 million.
The contract refers to the EPC contract related to the project to construct and operate, using the concession formula, the West Metropolitan Hospital in Santiago de Chile (also known as the New Felix Bulnes Hospital). On the basis of policies adopted by the Group, as detailed in «Main options and contracts to be financed to date», this project will be included among the backlog subsequent to financial closing (structured on a non-recourse basis for Astaldi Group) scheduled by the first half of 2016. In the meantime, construction activities have commenced on the basis of an USD 30-million bridge loan subscribed at the start of 2015 which is used to temporarily finance works pending financial closing. On the whole, the contract involves the design, financing, construction and operation of commercial and non-medical services of a 10-storey hospital facility which will provide 523 hospital beds and 559 parking spaces over a surface area of 120,000 m^2 Supply and maintenance of electromedical equipment and furnishings (USD 40 million included in the aforementioned investment) is planned. The concession has a duration of 20 years with 52 months for construction activities and 15 years for operation. At the draft date of this report, construction works are going ahead and are scheduled for completion by the second half of 2019.

CHUQUICAMATA MINE| Chile
Customer: CODELCO (Corporación Nacional del Cobre de Chile), the state-owned company that is currently the leading copper producer in the world.
Contractor: Astaldi.
Amount: over EUR 400 million referring to the first and second phase including the contractual addendum made in 2015
The project involves a series of works aimed at transforming Chuquicamata, the largest open-air copper mine in the world, into an underground deposit. Further to substantial depletion of the surface production capacity, a series of works have been performed since 2012 to make use of the mine at an underground level. In this regard, Astaldi is building 37 kilometres of tunnels to access and transport the mineral to the surface. The works involve an oval-shaped surface area measuring 8,000,000 m^2 (almost 1,000 football fields), 4.5 kilometres long and 2.5 kilometres wide. The works are being performed at a maximum depth of 1.2 kilometres (the equivalent of a 400-floor skyscraper). Therefore, 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. Astaldi is the first Italian company to work for CODELCO on a project of such a large scale which is **the most important work in progress in the mining sector to date in Chile**. Moreover, the site is working in extreme conditions. It is located in the Atacama Desert, the most arid location in the world. However, this does not prevent compliance with the highest safety standards, with Astaldi achieving even higher performance levels than requested by the customer. As regards this project, the first phase (approximately 14 kilometres of tunnels) was completed in 2014. Activities related to the second phase (commenced in 2013) also continued in 2015 and a contractual addendum, already described in detail in «New orders» was made.

Peru

CERRO DEL ÁGUILA HYDROELECTRIC PROJECT | Peru
Customer: KALLPA Generación S.A., one of Peru's leading electricity generators.
Contractor: Consorcio Cerro del Águila (Astaldi has a 50% stake and is leader).
Amount: USD 670 million (Astaldi has a 50% stake).
The contract involves the performance of civil and electromechanical works related to Cerro del Águila hydroelectric plant in Peru, using the EPC formula. The project consists in the design and construction of a hydroelectric plant with a nominal power of 510 MW, making use of water provided by the Mantaro river. More specifically, the contract involves the construction of 70 km of access roads, a 340,000 m^3 concrete dam, a tunnel measuring 6 kilometres, a 140 metre-tall charge basin, an underground hydroelectric plant and an outlet tunnel measuring approximately 5 kilometres. The supply and installation of three Francis turbines is also envisaged. As regards this project, it must be noted that an agreement was signed with the customer in 2015 which acknowledges to Astaldi the sum of 40 million dollars for additional costs incurred following increased operating costs. This agreement also provides for a 6-month extension of the performance timeframe, extending the duration to 57 months. At the draft date of this report, construction activities are going ahead and works are scheduled for completion by July 2016.

ALTO PIURA WATER PROJECT | Peru
Customer: PEHIAP, the regional government of Piura's organisation for agricultural and energy development.
Contractor: ATI Astaldi-Obrainsa (Astaldi has a 51% stake).
Amount: EUR 110 million (Astaldi has a 50% stake).
This new contract involves the construction of a plant for the intake and transportation of the water of the River Huancabamba in the Piura region, 800 kilometres to the north of Lima, for irrigation. The project will result in construction of a tunnel measuring 13 kilometres in length and with a 4.2-metre diameter, a mobile barrier and a dam (36 metres long and with a maximum height of 15 metres), as well as 47 kilometres of access roads and related works. The works will be financed using funding provided by Peru's Ministry of Econoy and Finance and will last for 5 years.

Venezuela

PUERTO CABELLO - LA ENCRUCIJADA RAILWAY LINE | Venezuela
Customer: I.F.E. (Instituto de Ferrocarriles del Estado), an independent organisation responsible for managing railway transport infrastructures in Venezuela.
Contractor: Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles (Astaldi has a 33.33% stake).
Contract base value: EUR 3.3 billion (Astaldi has a 33.33% stake).
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 is aimed at ensuring 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 year and 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. For complete information, please refer to «Main risks and uncertainties».

SAN JUAN DE LOS MORROS - SAN FERNANDO DE APURE RAILWAY LINE | Venezuela
Customer: I.F.E. (Instituto de Ferrocarriles del Estado), an independent organisation responsible for managing railway transport infrastructures in Venezuela.

Contractor: Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles (Astaldi has a 33.33% stake).
Contract base value: EUR 1.26 billion (Astaldi has a 33.33% stake).
The contract provides for construction of 252 kilometres of new railway line with 17 kilometres of tunnels and 6.3 kilometres of viaducts, 7 stations and 3 maintenance areas. Design and installation of the railway infrastructure are also planned. The project is developed under the aegis of the same Italo-Venezuelan intergovernmental agreements signed for the Puerto Cabello-La Encrucijada railway line. During 2014 it was considered opportune to bring contract production activities to a virtual standstill pending relative financial backing and given the customer's lack of resources allocated to the project in its budget. For complete information, please see «Main risks and uncertainties».

CHAGUARAMAS – CABRUTA RAILWAY LINE | Venezuela
Customer: I.F.E. (Instituto de Ferrocarriles del Estado), an independent organisation responsible for managing railway transport infrastructures in Venezuela.
Contractor: Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles (Astaldi has a 33.33% stake).
Contract base value: EUR 591 million (Astaldi has a 33.33% stake).
The contract involves the construction of 201 kilometres of a new railway line, with 6 stations and a maintenance area, as well as the design and installation of the infrastructure. The area involved in the project is characterised by logistic difficulties (distance from residential areas) and technical difficulties (performance of works in areas subject to flooding). During 2014 it was considered opportune to bring contract production activities to a virtual standstill pending relative financing and given the customer's lack of resources allocated to this project in the budget. For complete information, please see «Main risks and uncertainties ».

Indonesia

UPPER CISOKAN PUMPED STORAGE POWER PLANT PROJECT (Package 1 – Lot 1-A) | Indonesia
Customer: PT PLN PERSERO, the state company operating energy plants in Indonesia
Contractor: JV Astaldi-Daelim-Wika (Astaldi has a 30% stake)
Amount: USD 234 million (Astaldi has a 30% stake).
As already mentioned in «New orders», the project refers to two contracts acquired in 2015 for performance of the first two phases of the Upper Cisokan Hydroelectric Project in Java in Indonesia. The works have been commissioned by PT PLN PERSERO, the state company that manages energy plants in Indonesia. The works will be performed as a joint venture with the Korean company DAELIM (representative, with a 40% stake) and with the local firm WIKA (30%). The two contracts acquired for this project involve performance of all the civil works related to the construction of two dams, Lower Dam and Upper Dam (75 and 98 metres in height respectively), for a total volume of 1 million m^3 of RCC (Roller Compacted Concrete) and an installed power of 1,040MW. Upper Cisokan will be the first pumped storage hydroelectric plant in Indonesia and as such will function by inverting the water flow cycle: a night time collection phase by pumping water from the Lower Dam to the Upper Dam will be followed by a daytime production phase thanks to flow inversion. Intake and transportation systems complete the works along with 6 kilometres of tunnels of a maximum diameter of 10 metres, an underground plant (26 metres wide, 51 metres tall and 156 metres long), ventilation works and an electric substation. The works are set to last 50 months with start-up scheduled for the beginning of 2016.

CHACAYES HYDROELECTRIC PLANT – The 1st totally eco-compatible plant built in Chile

ITALY, NEW VENICE-MESTRE HOSPITAL – First project finance initiative performed in Italy in the Healthcare segment.

Concession projects

Concessions of interest for Astaldi Group generally consist in BOT type projects which are characterised by (i) an initial construction phase during which Astaldi Group operates as an EPC Contractor and service supplier, (ii) a subsequent operation phase for a generally long period, (iii) a last phase involving transfer of the infrastructure to the granting authority at the end of the operation period.

Concession activities are performed through SPVs which the company normally holds non-controlling interests in.

The investment model adopted to date in the sector sees a prevalence of project with public funding and/or types of guaranteed minimum disbursed by the Granting Authority among the projects in progress. Generally speaking they are financed on a non-recourse basis through equity, dedicated project debt, medium/long-term bridge loans and structured project finance. Please refer to «Investments» for more information regarding the Group's undertaking vis-à-vis investments in the Concessions sector. It must be noted at this stage and in order to provide complete information that equity and semi-equity paid at the end of 2015 in relation to projects in progress at a Group level totalled EUR 685 million.

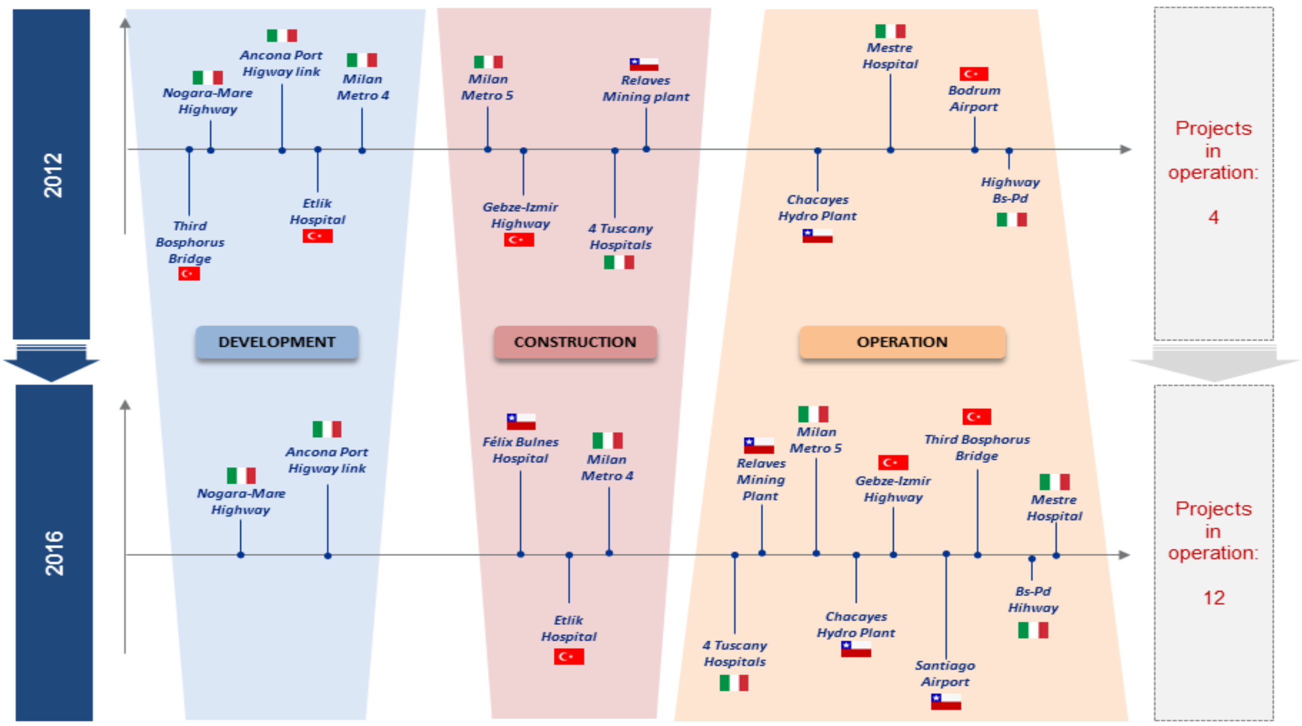
It is important to note that Astaldi Group's experience accrued in the Concessions sector, including through partnerships with operators of international standing, currently represents an asset of strategic value in the Group's commercial development policies. To date, the Concessions sector has represented a flywheel of growth for the Group, guaranteeing the acquisition of works with a guaranteed margin, even in situations where the economic context could have generated financial restrictions such as to slow down spending by public administrations. The experience accrued as a Contractor arising from this development approach has, in fact, increased the Group's supply capacity. On today's market, Astaldi is looked on as a General Contractor, but also as a party able (i) to design the work, aware of the needs of the future operator, (ii) to operate it if necessary.

Please find below a model summarising the Group's equity investments at the draft date of this report, followed by details of the evolution of the individual projects over the last years.

Concessions Participations

Sector: Transport	Sector: Energy & Mining	Sector: Healthcare
Country: Italy, Turkey, Chile	Country: Chile	Country: Italy, Turkey, Chile
Motorways • Total of 899 km of motorways *of which, in operation:* • Total of 180+ km length of motorways Undergrounds • Total of 40 *of which, in operation:* • 13 km • 19 stations Airports • 1, with a max. capacity of 30 million pax/year	Energy – *in operation* • 1 Hydroelectric Power Plant • 557 Gwh/year output capacity • 111 MW Installed power Mining – *in operation* • 1 mining plant • 2,200 tons/year of copper	Healthcare • 6,703 hospital beds • 6,192 parking spaces *of which, in operation:* • 2,735 hospital beds • 5,600 parking spaces

PROGRESS OF PROJECTS FROM 2012 TO DATE



Projects in operation

VENETA SANITARIA FINANZA DI PROGETTO | Italy
New Hospital in Venice-Mestre
Project status: In operation.
Concession expiry: 2032.
Financial indicators: 680 hospital beds, 1,240 parking spaces.
Granting Authority: Local Health Authority U.L.S.S. 12 Veneziana.
Operator: Veneta Sanitaria Finanza di Progetto S.p.A. (Astaldi Group has a 37% stake).
Veneta Sanitaria Finanza di Progetto (VSFP) is the company responsible for the concession project involving construction and operation of the new hospital in Venice-Mestre in Italy. Astaldi has a 37% stake in VSFP (directly and through the subsidiary, Astaldi Concessioni). The infrastructure was built by Astaldi and has been operational since 2008: it provides 680 beds and 1,240 parking spaces and occupies a surface area of 127,000 m^2 (plus an additional 5,000m^2 for the Eye Bank). The concession expires in 2032 and its purpose is hospital and commercial services. As regards this project, operation went ahead as planned in 2015 and in complete compliance with the agreement in force. It must also be noted that, a partial award was delivered in June 2015 in which the Arbitration Board, with regard to arbitration proceedings started by VSFP in 2014, rejected all the objections raised by the granting authority with regard to the non-validity of the agreement and the claims advanced by the latter with regard to activities performed by the operator both during construction and operation, also declaring the resolution for the self-reduction of contractual fees adopted by the granting authority to be illegal. Nevertheless, the Board formally noted the applicability of the provision as per Legislative Decree No. 95/2012 (so-called Spending Review) to the concession, ascertaining and declaring that the operator's fees be reduced in compliance with the amount and timeframe provided for therein, assigning the quantification of this to a an accounting expert. The final award, delivered on 25 February 2016, ascertained the new fee framework established by the accounting expert and set the sum

due to the company for services rendered through to 2014 at EUR 19 million. The investee's management, which considered the decision of the partial award regarding the applicability of the Spending Review to the contract in question to be incorrect from both a processual and substantial viewpoint submitted a contestation of the partial award in this regard in February 2016. The partial award was also challenged by the granting authority.

A4 HOLDING | Italy
Brescia-Verona-Vicenza-Padua Motorway
Project status: In operation.
Concession expiry: 2026.
Financial indicators: 193 kilometres of motorway.
Granting Authority: ANAS S.p.A., the body responsible for operating Italy's road and motorway network of national interest.
Operator: A4 Holding S.p.A. (Astaldi Group has a 14.29% stake, in transparency).
A4 Holding S.p.A., through its investee Autostrada Brescia-Verona-Vicenza-Padova S.p.A., is the concession holder for the A4 motorway (Brescia-Padua section) and the A31 Valdastico-Vicenza motorway (Vicenza-Piovene Rocchette and Vicenza-Badia Polesine sections), all located in the north-east of Italy. This concession is regulated by the Single Agreement of 2007 and expires in December 2026.
A4 Holding Group also has further investments in projects in the real estate sector, technological networks and mobility. At the draft date of this report, Astaldi Group's investment in this project consists in a stake in A4 Holding of 14.29% in transparency, held through Re.Consult Infrastrutture. Astaldi entered into A4 Holding in phases as from 2011 further to invitations to bid put out by the Municipalities of Milan and Brescia to sell the stakes held at that time. During 2015, A4 Holding achieved a higher net profit than forecast, mainly thanks to the greater revenue recorded for the motorway sector. Specifically, the annual figures show an increase in revenue and earnings for the Brescia-Padua motorway which ended 2015 with motorway revenue of EUR 357 million (+6.8% compared to 2014) and a 4.9% increase in vehicle traffic. It is important to note that in March 2015, a project bond was issued for this project pursuant to Article 157 of the Contract Code. This is the first example of project bond issued with regard to the new legislative framework approved by the Italian government with the «Sblocca Italia» decree. The EUR 600-millio bond with a 5-year duration will mainly be used for construction of the A-31 motorway (Valdastico South section) and to meet financial commitments related to completion of the A-31 motorway (Valdastico North). The issue was a considerable success on international financial markets. The sound legislative framework in force in Italy as regards government concessions (starting with the compensation provided for by the state for the operator in the event of early expiry of the concession), as well as the rating assigned to the operator by the international agencies, Fitch and Standard & Poor's (BB+ e BBB- respectively) helped mitigate the operating and financial risks for this investment.

SAT | Italy
Four Hospitals in Tuscany
Project status: In operation.
Concession expiry: 2033.
Financial indicators: 2,019 beds, 4,450 parking spaces.
Granting Authority: Reference local health authorities.
Operator: SA.T S.p.A. (Astaldi Group has a 35% stake).
The investment refers to the project finance initiative for the construction and subsequent operation of four hospitals in Tuscany: San Luca Hospital in Lucca, Hospital in Massa-Carrara, Hospital in Prato, San Jacopo Hospital in Pistoia. The facilities occupy a total surface area of 200,000 m^2 for a total of 2,019 hospital beds and 4,450 parking spaces.
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 management of the plants and works performed, as well as non-healthcare services. The project operator is SA.T S.p.A., an SPV which Astaldi Group holds a 35% stake in, that awarded the management services to GE.SAT S.c.a.r.l. (Astaldi Group has a 35% stake). The return on investment is guaranteed through payment by the granting authority of fees for the provision of non-healthcare services and right of exclusive use of commercial services. As regards this project, the 3rd

Supplementary Act to the Agreement in force between SAT and the 4 local health authorities granting the concession, which led to rebalancing of the project's Economic and Financial Plan, further to a series of changes and amendments to the operation specifications requested by the granting authorities. Subsequently to rebalancing of the economic and financial plan, a non-recourse project refinancing contract was signed in November which resulted in an improvement of earning margins. The original financing agreement signed in August 2012 between SAT and a pool of international banks provided for more burdensome financial conditions and more stringent restrictions for dividend distribution. In light of the supplementary act and refinancing, the project is now structured on a non-recourse loan for Astaldi Group of a total of EUR 134 million, subscribed by the operator with a pool of leading banks. The financial leverage is 23/77, with a contribution of own resources (shareholder loan and equity) of approximately EUR 39 million and public funding of EUR 273 million excluding VAT. As regards operation activities, annual revenue of EUR 60 million are forecast for the operator for the supply of fixed-charge services (works and plant maintenance, cleaning, automated transport, maintenance of green areas), variable-charge services (catering services for patients and employees, laundry and clothing management, surgical instrument sterilisation, waste disposal, private medical services provided inside public facilities), and commercial services (car parks, bars, newsstand/bookshop, etc.). Fixed-charge and variable-charge services amount to 96% of forecast revenue. 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 Hospital in Massa-Carrara (426 beds) became operational in November 2015. The project has recorded a turnover of EUR 99 million for the Operator SAT since the start-up of operation through to 31 December 2015 (EUR 47 million of which in 2015) and revenue of EUR 70 million for GE.SAT (EUR 32 million of which in 2015).

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 capacity of 26,000 passengers per hour in each direction.

Granting Authority: Municipality of Milan.

Operator: Metro 5 S.p.A. (Astaldi Group has a 38.7% stake).

The investment refers to the project finance initiative for the construction and subsequent operation of the new Line 5 of the Milan underground. 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). As regards this project, two different Agreements were initially signed (one for each section), then converted into a Single Agreement in 2014. Subsequent to signing of the Single Agreement and Single Economic and Financial Plan, signing of the relative single Financing Agreement to refinance the whole project was performed during 2015. The concession, as amended further to signing of the Single Agreement, has a duration of 34 years and expires in December 2040. The operation is structured on a non-recourse, EUR 495-million loan for Astaldi Group with financial leverage of 21/79 which provides for a contribution of EUR 135 million from own resources (share capital and subordinate loan). The concession includes the performance of civil works, signalling, supply of rolling stock and operation of the complete section. 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 in the agreement are 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. At the draft date of this report, operation has commenced for the complete Garibaldi-San Siro line, with the Bignami-Zara section (4.1 kilometres, 7 stations) operational since February 2013, the Zara-Garibaldi extension (1.4 kilometres, 2 stations) since March 2014 and the Garibaldi-San Siro section since April 2015.

PACIFIC HYDRO CHACAYES | Chile
Chacayes Hydroelectric Project
Project status: In operation
Concession expiry: perpetual.
Financial indicators: installed capacity of 111MW.
Granting Authority: CHILECTRA, Chile's leading energy distribution company
Operator: Pacific Hydro Chacayes S.A. (Astaldi Group has a 27.3% stake).
The project consists in the equity investment in the SPV Pacific Hydro Chacayes S.A., responsible for constructing and managing the Chacayes hydroelectric plant, located in Chile. The investment in the S.P.V. is through a 100% stake 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 Group 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 agreement provides for user rights for an unlimited period of time: a PPA agreement means that 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. At 31 December 2015, Pacific Hydro Chacayes had produced 474GwH, achieving revenue of 40.9 million dollars and a profit of 227 thousand dollars.

VALLE ACONCAGUA | Chile
Relaves Project
Project status: In operation.
Concession expiry: 2032.
Financial indicators: Annual recovery capacity of 4,000 tonnes of copper
Granting Authority: CODELCO, Chilean state company and leading global producer of copper.
Operator: Valle Aconcagua S.A. (Astaldi Group has a 77.51% stake).
The investment refers to the concession agreement for the design, construction and subsequent management of a plant to treat sludge produced by the Andes mine for the recovery of copper and molybdenum. The mine is owned by CODELCO, a Chilean state company set up in 1976 and the leading global producer of copper. The total value of the investment is USD 55 million with total concession revenue amounting to approximately USD 120 million. The plant has been operational since the second half of 2013 and has a capacity of 2,200 tonnes of copper per year which CODELCO has undertaken to buy at set conditions. At the draft date of this report, negotiations are in progress with the customer to improve the plant's production, with consequent benefits in terms of concession revenue. At 31 December 2015, the Operator recorded revenue of 6 million dollars. In 2015, Astaldi Group increased its own stake in this project from 55% to 77.51%.

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.
Concession expiry: 2035.
Financial indicators: 30,000.000 passengers/year in terms of transportation capacity.
Granting Authority: Chile's Ministry of Public Works (M.O.P.)
Operator: Consorcio Neuvo Pudahuel (Astaldi Group has a 15% stake).
The contract refers to the EPC contract related to the concession initiative to expand and operate Arturo Merino Benítez International Airport in Santiago de Chile. As already mentioned in «New Orders», the contract is one of those acquired in 2015. 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 a stake in). The 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% stake 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 October 1 2015 insofar as the JV awarded the contract took over from the previous operator as from said date. At the draft date of this report, design activities and preliminary activities prior to construction of the new building had commenced. It must also be noted that the project has not yet been fully included among the backlog insofar as the relative financial closing is pending and scheduled by the first half of 2016. For more information, please refer to «Main projects in progress».

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 capacity of 24,000 passengers per hour in each direction.
Granting Authority: Municipality of Milan.
Operator: SPV Linea M4 S.p.A. (Astaldi Group has a 9.7% share).
The project involves the construction and subsequent operation of Line 4 of the Milan underground, to be performed using the PPP[22] formula. The infrastructure will be a driverless, fully-integrated, light underground with a CBTC (Communication Based Train Control) signalling system and platform doors. The project entails the design, construction and subsequent management 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 Agreement (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% stake. The operation provides for the disbursement of public funding (municipal and state funding) during construction and the payment of a minimum guaranteed fee by the granting authority 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 (EUR 1.1 billion of which of public funding). As regards this project, an EUR 516-million loan (on a non-recourse basis for the Astaldi Group), signed by a pool of leading banks, was concluded. At the draft date of this report, construction of the infrastructure is going ahead. For more information, please refer to «Main projects in progress».

OTOYOL | Turkey
Gebze-Orhangazi-Izmir Motorway
Project status: Under construction.
Concession expiry: 2035.
Financial indicators: over 400 kilometres of motorway section, including Izmit Bay Bridge.
Granting Authority: KGM (Turkish Ministry of Transport's National Motorway Authority).
Operator: OTOYOL (Astaldi Group has a 18.86% stake).
The investment refers to the design and construction, using the concession formula, of a new section of motorway along the Gebze-Orhangazi-Bursa-Izmir route in Turkey which will measure over 400 kilometres.

[22] 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.

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 OTOYOL was signed in September 2010 and the works are being performed in separate operational phases. Financial closing (on a non-recourse basis for Astaldi Group) was achieved in March 2013 as regards Phase 1 and in July 2014 as regards Phase 2-A. A USD 5-billion dollar loan agreement was signed during 2015 to complete the infrastructure and refinance the previously financed route at more advantageous conditions. The total resulting investment amounts to approximately USD 7 billion, with a guaranteed minimum of 67% of forecast concession revenue. The services provided for in the agreement are operation and maintenance of the complete section; concession revenue of USD 17 billion is forecast for the Operator for services provided. Please refer to «Main projects in progress» for more information.

ICA IC ITAS ASTALDI | Turkey
Third Bosphorus Bridge and Northern Marmara Highway
Project status: Under construction.
Concession expiry: 2024.
Financial indicators: over 160 kilometres of motorway including a bridge crossing over the Bosphorus.
Granting Authority: KGM (Turkish Ministry of Transport's National Motorway Authority).
Operator: ICA IC ICTAS ASTALDI (Astaldi Group has a 33.33% stake).
The investment refers to the concession contract for the construction and subsequent operation of a section of over 160 kilometres of motorway links between the cities of Odayeri and Paşaköy, as well as a suspension bridge of 1.408 kilometres with pierless spans between the neighbourhoods of Poyrazköy and Garipçe in Istanbul. The works are currently under construction and the concession duration is 10 years, 2 months and 20 days, 30 months of which for design and construction activities and the remaining 7 years, 8 months and 20 days for operation and maintenance. The resulting investment totals over USD 3 billion with a guaranteed minimum of 90%. The concession services are operation and maintenance of the motorway section, including service areas. Concession revenue totalling USD 5.9 billion is expected for the services provided. As regards this project, financial closing (on a non-recourse basis for Astaldi Group) was achieved in May 2014 in the form of a USD 2.3 billion loan subscribed by a pool of Turkish banks. The loan is being used in order to achieve construction progress as planned, with completion scheduled for 2016. For more information, please refer to «Main projects in progress».

ANKARA ETLIK HASTANESI | Turkey
Etlik Integrated Health Campus, Ankara
Project status: Under construction.
Concession expiry: 2042
Financial indicators: over 3,577 beds.
Granting Authority: Turkish Ministry of Health (MOH).
Operator: ANKARA ETLIK HASTANESI A.S. (Astaldi Group has a 51% stake).
Ankara Etlik Hastanesi A.S. is the SPV set up in January 2012, responsible for the design, construction and management, using the concession formula, of the Etlik health campus in Ankara, Turkey. The project is being performed on behalf of the Turkish Ministry of Health (MOH) by the joint venture in which Astaldi Group holds a 51% stake and the Turkish company, Türkerler, the remaining 49%. The investment involves the construction of a healthcare facility that will provide 3,577 beds split over 9 departments and occupying a total surface area of approximately 1,100,000 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% stake) is forecast for the supply of services. The investment amounts to approximately EUR 1.2 billion with a guaranteed minimum of approximately 66%. Construction activities are supported by an EUR 883-million loan agreement (structured on a non-recourse basis for Astaldi Group), subscribed in June 2015.

Projects to be financed

SOCIEDAD CONCESIONARIA METROPOLITANA DE SALUD | Chile
West Metropolitan Hospital, Santiago de Chile
Project status: To be financed.
Concession expiry: 2033.
Financial indicators: 523 beds, 599 parking spaces.
Granting Authority: 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 agreement for the design, financing, construction and operation of commercial and non-medical services of a facility which will occupy 10 floors, for a total of 523 beds, 599 parking spaces and a surface area of 120,000 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 Obras Publicas)* 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. As regards this project, approval of the final design and definition of financial closing, scheduled for the first half of 2016, are reaching completion at the draft date of this report. Construction activities are going ahead at the same time. Please refer to «Main projects in progress», for more information regarding the progress of construction activities.

DORICO BYPASS | Italy
Ancona Port motorway link
Project status: to be financed.
Financial indicators: 11 kilometres of motorway.
Granting Authority: ANAS S.p.A. (body operating the road and motorway network of national interest).
Operator: JV which Astaldi holds a 24% stake in.
As regards this project, approval of the final design and Economic and Financial Plan submitted to the Italian Ministry of Transport and Infrastructures in September 2015 is pending. The contract involves the construction and operation, using the concession formula, of 11 kilometres of toll motorway connecting the A-14 motorway with Ancona Port, as well as complementary road works.

Projects completed in 2015

MONDIAL MILAS BODRUM AIRPORT | Turkey
Infrastructure: Milas-Bodrum International Airport.
Project status: concession expired.
Concession expiry: 2015.
Operator: Astaldi.
As regards this project, it must be noted that the concession reached its natural expiry date in October 2015. The investment referred to the concession agreement for the design, construction and operation of the passenger terminal of Milas-Bodrum International Airport in Turkey. The agreement entailed operation of airport services, all commercial services (duty free, car rental, exchange offices, ATMs and Tourism Offices) and catering services from 2012 to 2015. An increase in passenger satisfaction levels was recorded during 2015 even if the results of operation of the infrastructure saw a drop of approximately 10% in the volume of passenger traffic further to the particular geo-political situation seen in Turkey during 2015.

Main Group Companies

Astaldi S.p.A. (Parent)

Astaldi S.p.A. is the parent of Astaldi Group and generates approximately 80% of the Group's revenue. As at 31 December 2015, the parent's total revenue amounted to EUR 2.2 billion (EUR 2.1 billion in 2014). EBITDA totalled EUR 286.5 million (EUR 298.3 million in 2014). Pre-tax profit was EUR 59.9 million (EUR 110.9 million in 2014) and profit for the year amounted to EUR 38.4 million (EUR 64.1 million in 2013). These results reflect the policy adopted by the Group which provides for awarding of works of on average higher amount and cooperation with partners through joint venture as well as investments in non-controlling interests in SPVs which, therefore, do not allow for consolidation within the separate financial statements.

FINANCIAL RESULTS

Total revenue amounted to EUR 2.2 billion (+4%, EUR 2.1 billion in 2014) and comprised revenue from works totalling EUR 2.1 billion (+4%, EUR 2 billion in 2014) and other operating revenue of EUR 11.8 million (EUR 107 million in 2014). The most important contributions came from major contracts in progress in Turkey (Gebze-Orhangazi-Izmir Motorway, Third Bosphorus Bridge), Russia (WHSD in St. Petersburg), Poland (Line 2 Warsaw underground, S8 Wiśniewo-Meżenin National Road, S-5 Poznań-Wrocław National Road), Chile and Peru (energy plants), as well as the traditional contribution from projects in Algeria (railway works). The international sector was able to offset the lower contribution from the domestic market which saw about a 20% drop. Recent acquisitions in Italy make it possible to forecast a gradual return to higher levels of production in the coming years. The Concessions sector also made its contribution, accounting for EUR 12 million (EUR 9 million in 2014), to be attributed to the operation of hospitals in Tuscany.

ASTALDI S.P.A. OPERATING REVENUE BY GEOGRAPHICAL AREA
(Figures shown in millions of Euro)

	31.12.2015	% of total revenue	31.12.2014	% of total revenue	YOY change (%)
Italy	**410**	**19.5%**	**509**	**25.1%**	**-19.4%**
International	**1,697**	**80.5%**	**1,515**	**74.9%**	**12.0%**
Europe	*1,190*	*56.5%*	*1,043*	*51.5%*	*14.1%*
America	*385*	*18.3%*	*319*	*15.8%*	*20.7%*
Asia	*0*	*0.0%*	*0*	*0.0%*	*n.a.*
Africa (Algeria)	*122*	*5.8%*	*153*	*7.6%*	*-20.3%*
OPERATING REVENUE	**2,107**	**100.0%**	**2,024**	**100.0%**	**4.1%**

ASTALDI S.P.A. OPERATING REVENUE BY SEGMENT
(Figures shown in millions of Euro)

	31.12.2015	% on total revenue	31.12.2014	% on total revenue	YOY change (%)
Transport infrastructures	1,714	81.3%	1,690	83.5%	1.4%
Energy production plants	127	6.0%	144	7.1%	-11.8%
Civil and industrial construction	135	6.4%	93	4.6%	45.2%
Facility Management, Plant Engineering and Management of Complex Systems	119	5.6%	88	4.3%	35.2%
Concessions	12	0.6%	9	0.4%	33.3%
OPERATING REVENUE	**2,107**	**100.0%**	**2,024**	**100.0%**	**4.1%**

The **production cost** totalled EUR 1,598.4 million (+3.2%, EUR 1,548.2 million in 2014) and echoed the geographical distribution of revenue, with a drop in the incidence on revenue from 73% in 2014 to 72%. **Personnel expenses** totalled EUR 296.9 million, showing an increase compared to EUR 256.3 million in 2014, above all due to the higher levels of production achieved in Europe (Turkey and Russia) and South America (Chile). Other operating costs totalled EUR 36.8 million (EUR 28.2 million in 2014), with a 1.7% incidence on revenue.

Amortisation and depreciation totalled EUR 50.6 million (EUR 38.5 million in 2013) and took into account property, plant and equipment and intangible assets.

EBIT totalled EUR 233.5 million with an EBIT margin of 10.5% (EUR 258.6 million and 12.1% in 2014).

Net financial expense amounted to EUR 173.6 million (EUR 147.6 million in 2014), with a 7.8% incidence on revenue (6.9% in 2014), above all due to the negative trend of some foreign currencies as well as higher than average levels of debt

EBT totalled EUR 59.9 million (EUR 110.9 million in 2014) and generated an **operating profit** of EUR 38.4 million (EUR 64.1 million in 2014) following taxes of EUR 21.5 million (with an estimated tax rate of 36%).

FINANCIAL POSITION

Net non-current assets increased to EUR 950.8 million (EUR 866.9 million in 2014), with the trend mainly reflecting equity investments made in relation to concession projects in progress in Turkey (Gebze-Izmir motorway, Third Bosphorus Bridge) and Italy (Line 4 of Milan underground), as well as the acquisition of contractual rights related to the completion of works for the Marche-Umbria Quadrilatero road network .

Operating working capital amounted to EUR 851.4 million, compared to the total of EUR 648.7 million at 31 December 2014 as a result of the increase in **contract work in progress** to EUR 1,115 million (compared to EUR 988 million in 2014). Said increase was due above all to the increase in production volumes in Turkey (Gebze-Orhangazi-Izmir motorway, Third Bosphorus Bridge) and Italy (Line 4 and 5 of Milan underground, Marche-Umbria Quadrilatero road network). Note must also be taken of the trend in contractual advances as a result of the partial recovery related to construction works for the WHSD in St. Petersburg in Russia.

Equity increased to EUR 616.2million (EUR 600.7 million in 2014) thanks to operating profit, items entered in the statement of comprehensive income and payment of dividends totalling EUR 19.5 million in May 2015.

NET FINANCIAL DEBT

Please find below the statement showing a breakdown of Astaldi S.p.A.'s net financial debt. For an analysis of the year's trends, please refer to what has already been mentioned when representing changes at a consolidated level.

BREAKDOWN OF NET FINANCIAL DEBT
(Figures shown in thousands of Euro)

		31/12/2015	31/12/2014
A	Cash	455,140	467,230
B	Securities held for trading	1,153	1,159
C	**Cash and cash equivalents**	**456,294**	**468,390**
-	Current loan assets	30,968	19,418
-	Current portion of financial assets from concession activities		
D	**Current loan assets**	**30,968**	**19,418**
E	Current portion of bank loans and borrowings	(459,289)	(298,385)
F	Current portion of bonds	(4,535)	(4,676)
G	Current portion of non-current debt	(111,442)	(34,020)
H	Other current loans and borrowings	(6,825)	(7,107)
I	**Current financial debt**	**(582,091)**	**(344,188)**
J	**Net current financial debt**	**(94,830)**	**143,619**
K	Non-current portion of bank loans and borrowings	(379,591)	(261,620)
L	Bonds	(872,228)	(870,269)
M	Other non-current financial liabilities	(2,761)	(5,615)
N	**Non-current financial debt**	**(1,254,580)**	**(1,137,504)**
O	**Gross financial debt – Continuing operations**	**(1,836,672)**	**(1,481,692)**
P	**Net financial debt – Continuing operations**	**(1,349,410)**	**(993,885)**
-	Non-current portion of loan assets		
-	Subordinate loans	227,629	126,565
-	Non-current portion of financial assets from concession activities		
Q	**Non-current loan assets**	**227,629**	**126,565**
R	**Total financial debt**	**(1,121,782)**	**(867,320)**
	Treasury shares in portfolio	**5,814**	**5,198**
	Total net financial debt	**(1,115,967)**	**(862,122)**

RECLASSIFIED INCOME STATEMENT
(Figures shown in thousands of Euro)

	Notes regarding reconciliation with separate financial statements	31/12/2015		31/12/2014	
Revenue	1	2,106,765	95.0%	2,023,895	95.0%
Other operating revenue	2	111,835	5.0%	107,041	5.0%
Total Revenue		**2,218,600**	**100.0%**	**2,130,936**	**100.0%**
Production cost	3 - 4	(1,598,443)	-72.0%	(1,548,185)	-72.7%
Added value		**620,157**	**28.0%**	**582,752**	**27.3%**
Personnel expenses	5	(296,886)	-13.4%	(256,289)	-12.0%
Other operating costs	6	(36,779)	-1.7%	(28,182)	-1.3%
EBITDA		**286,491**	**12.9%**	**298,281**	**14.0%**
Amortisation and depreciation	7	(50,627)	-2.3%	(38,460)	-1.8%
Provisions	8	(2,340)	-0.1%	(1,241)	-0.1%
Impairment losses	7	(25)	0.0%		0.0%
EBIT		**233,500**	**10.5%**	**258,579**	**12.1%**
Net financial expense	–9 - 10	(173,582)	-7.8%	(147,630)	-6.9%
Pre-tax profit		**59,918**	**2.7%**	**110,950**	**5.2%**
Tax expense	11	(21,500)	-1.0%	(46,806)	-2.2%
Profit for the year		**38,418**	**1.7%**	**64,144**	**3.0%**

RECLASSIFIED STATEMENT OF FINANCIAL POSITION
(Figures shown in thousands of Euro)

	Notes regarding reconciliation with separate financial statements	**31/12/2015**	**31/12/2014**
Intangible assets	15	20,995	3,208
Property, plant and equipment and investment property	–13 – 14	171,850	189,321
Equity investments	16	572,582	506,306
Other net non-current assets	10 – 17 – 18	185,394	168,106
Total non-current assets (A)		**950,820**	**866,941**
Inventories	19	56,813	53,875
Contract work in progress	20	1,115,495	987,967
Trade receivables	21	99,352	213,979
Amounts due from customers	21	653,060	695,447
Other assets	–17 – 18	367,339	207,638
Tax assets	22	101,892	72,618
Payments on account from customers	20	(364,063)	(425,432)
Subtotal		**2,029,887**	**1,806,092**
Trade payables	–28	(319,849)	(256,056)
Amounts due to suppliers	18 - 28	(625,805)	(626,451)
Other liabilities	–10 – 25 – 26 - 29	(232,838)	(274,868)
Subtotal		**(1,178,492)**	**(1,157,374)**
Operating working capital (B)		**851,395**	**648,718**
Employee benefits	27	(5,246)	(6,281)
Non-current portion of provisions for risks and charges	30	(59,014)	(41,397)
Total provisions (C)		**(64,259)**	**(47,679)**
Net invested capital (D) = (A) + (B) + (C)		**1,737,956**	**1,467,981**
Cash and cash equivalents	23	455,140	467,231
Current loan assets	17	30,968	19,418
Non-current loan assets	17	227,629	126,565
Securities	17	1,153	1,159
Current financial liabilities	17	(582,091)	(344,188)
Non-current financial liabilities	17	(1,254,580)	(1,137,504)
Net loans and borrowings (E)		**(1,121,782)**	**(867,320)**
Equity (F) = (D) - (E)	**24**	**616,174**	**600,661**

Astaldi Concessioni

Astaldi Concessioni (100%-owned by Astaldi) is the Astaldi Group company dedicated to developing and operating concession and project finance initiatives. The company was set up in 2010 as part of a broader project to streamline Astaldi Group's activities in the Concessions sector which entailed the standardisation of skills and know-how acquired at a central level, in terms of planning, organisation and start-up of concession projects.

At 31 December 2015, the projects included in the consolidation area of Astaldi Concessioni, were:

- Chacayes Hydroelectric Plant (Astaldi Concessioni has a 27.3% stake), Chile – in operation;
- Agua de San Pedro Sula Plant (Astaldi Concessioni has a 15% stake), Honduras – in operation;
- New Hospital in Venice-Mestre (Astaldi Concessioni has a 6% stake), Italy – in operation;
- A4 Holding S.p.A. (Astaldi Concessioni has a 14.29% stake), owner of the Operator Autostrada Brescia-Padova S.p.A., Italy – in operation;
- Milas-Bodrum International Airport (100% owned by Astaldi Concessioni), Turkey – ended in October 2015;
- Relaves Mining Project (Astaldi Concessioni has a 77.51% stake), Chile – in operation;
- Etlik Integrated Health Campus in Ankara (Astaldi Concessioni has a 46% stake), Turkey – under construction;
- Medio Padana Veneta Nogara-Mare Adriatico regional motorway (Astaldi Concessioni has a 13% stake), Italy – being launched;
- West Metropolitan Hospital in Santiago (100% owned by Astaldi Concessioni), Chile – under construction;
- Arturo Merino Benítez International Airport in Santiago (Astaldi Concessioni has a 15% stake), Chile – in operation;
- 5 car parks (Piazza Cittadella di Verona, Porta Palazzo and Corso Stati Uniti in Turin, Piazza VIII Agosto and Riva Reno in Bologna) (Astaldi Concessioni has a 5% stake), in Italy – the remaining 95% of the equity investment was disposed of during 2014.

It must be recalled that the company supports Astaldi in its activities related to the development of concessions which to date are controlled by Astaldi S.p.A., in other words:

- Third Bosphorus Bridge in Turkey, under construction;
- Line 5 of Milan underground in Italy, in operation;
- Four Hospitals in Tuscany in Italy, in operation;
- Ancona Port motorway link in Italy for which the final design was submitted in September 2015, and for which approval is pending.
- Gebze-Orhangazi-Izmir motorway in Turkey, under construction.

For a description of each project mentioned, please refer to «Order backlog». It has been considered appropriate herein to highlight the results achieved by the company as regards the operation of contract specifically included in its consolidation area only.

At 31 December 2015, Astaldi Concessioni produced revenue of EUR 10 million (EUR 1.5 million in 2014), to be attributed mainly to activities developed in Chile and Turkey. EBITDA totalled EUR 2.3 million; EBT totalled EUR 1 million. The operating profit was largely the same as the previous year.

NBI

NBI is the Astaldi Group company dedicated to the development of Facility Management, Renewable Energies, Engineering, Plant Engineering, and Management of Complex Systems. It is the result of Astaldi Group's acquisition of a business unit of the longstanding company Busi Impianti based in Bologna and is currently 100% owned by Astaldi S.p.A.

NBI is among the leading Italian companies working in the Engineering and Civil and Industrial Plant Engineering segment in the private and public sectors, also thanks to the high level of specialisation it can boast. At an international level, it works with Astaldi, offering specialist support in the countries in question.

The main segments of interest for NBI are as follows: healthcare, commerce, industry, infrastructures, airports, hotel and tourism, pharmaceutics and renewable energies (photovoltaic, wind energy, micro-cogeneration and sustainable development). The main activities performed are integrated design and construction; electrical, mechanical, hydraulic and technological systems; heating, conditioning and hydraulic plants; electrical distribution systems; engineering; civil works; special integrated systems; automation of civil and industrial systems; security systems; global maintenance engineering; and electrical and thermal energy production systems.

NBI Group's total production for the year was approximately EUR 70 million.

Please find below a brief overview of the activities performed by the company in each reference segment.

PLANT DIVISION. Despite the difficult market situation, performance of the Plant Division's contracts went ahead during 2015, achieving progress more or less in line with forecasts. These contracts include, inter alia, activities related to construction of (i) the Accident and Emergency Department at Pavia Hospital, (ii) the Cardiovascular Centre at S. Orsola-Malpighi Hospital in Bologna, (iii) San Luca Hospital in Lucca and Massa-Carrara Hospital, in Tuscany, (iv) Reggio Calabria Hospital in Calabria and Tione Hospital in Trentino, (v) the INAIL Prothesis Centre in Vigorso di Budrio in Bologna, (vi) the plants at the new Hospital in Naples ("Ospedale del Mare"), (vii) Poste Italiane's new Data Centre in Turin, (viii) the office buildings (Blocks B and C) and canteen (M1) at Seb Investments in Rome, (ix) Granarolo's factory in Soliera, (x) the tunnel plants of the new Sorrentina National Road, (xi) the A24 Dei Parchi motorway (Gran Sasso, San Rocco and San Domenico tunnels), (xii) Milan-Naples motorway (tunnels of Lot 13), (xiii) the Jonica National Road (SS-106) (Maxi Lot DG-22), (xiv) Dalmine-Como-Varese-Valico del Gaggiolo motorway link of the Pedemontana Lombarda motorway, (xv) Line 4 and Line 5 of Milan underground, (xvi) buildings of Nuclear Physics Institute in Padua (xvii) renovation of Ferrovie dello Stato's offices at Villa Patrizi in Rome, (xviii) ANAS' Campo Felice-Altipiano delle Rocche road link, (xix) the A14 motorway – 3rd lane Rimini, (xx) EMPAM's offices in Milan, (xxi) Careggi hospital in Florence; (xxii) replacement of equipment at the trigeneration plant in Bologna for Finanziaria Bolognese Metropolitana. Contracts were also acquired during the year in relation to construction of the new HERA management offices in Bologna, the head office of Angelini in Rome, the Naples-Afragola HS station and the Marche-Umbria Quadrilatero road network (Maxi Lot 2).

FACILITY MANAGEMENT, PLANT ENGINEERING AND MANAGEMENT OF COMPLEX SYSTEMS DIVISION. The segment confirmed the forecast levels of production and margins during the year. The development plans envisage an additional increase in turnover together with strengthening of positions on the specific market of public and private complex technological management contracts. The main contracts developed in Italy in this segment during 2015 were:

- MAINTENANCE: Bologna University – thermo-technical plant maintenance; HERA Bologna – substation maintenance – district heating plants; Villalba – technological plant maintenance overview; Teatro Comunale in Bologna – technological plant maintenance; ALMAMATER (Bologna University) – maintenance of various faculty plants; plant maintenance, logistic fields – Line 5 of Milan underground; photovoltaic plant maintenance, Puglia (INTHE, HELIOS); plant maintenance - GOGLIO SpA – Daverio (VA) factory; 20-year full-risk routine and non-recurring maintenance contract for Lucca's new hospital and the new hospital in Massa Carrara; maintenance of electrical generators – Brescia underground; Plant maintenance - S. Matteo Hospital in Pavia; Maintenance- European Commission Research Centre in Ispra (VA); Almaviva maintenance of Prenestino yard and maintenance of Bologna offices.

- CONSTRUCTION: IDEA Fimit Sgr SpA – plant renovation; Banca d'Italia – new electrical systems; Brescia underground – commissioning and start-up of operation; ADR - Aeroporti di Roma – non-recurring maintenance at Fiumicino and Ciampino airports; plants at European Commission Research Centre in Ispra (VA); Plants for various railway stations for ALMAVIVA; renovation of former wine warehouse of Cassa Risparmio di Trieste; construction of electricity substations for ATM Metro-MI; photovoltaic plant for SCAR in Florence; plants for various buildings for GVM RE.

OPERATIONS MANAGEMENT - INTERNATIONAL. NBI works abroad, specifically providing specialist support to Astaldi in Poland, Romania, Russia, Turkey, Algeria, Venezuela, Chile, Peru, Panama, the United States and Canada. It operates directly in Turkey through its subsidiary, NBI Elektrik and in Chile through the branch, "NBI S.p.A. Agencia en Chile". As regards Turkey, the Facility Management contract entered into with MONDIAL (Astaldi Group company) at Bodrum Airport, continued during 2015 and terminated on 15 October 2015, as provided for in the contract. Two contracts linked to the project to build the Third Bosphorus Bridge in Turkey were acquired in September 2015: the contract for the supply, construction and commissioning of ITS signalling and operation plants for 120 kilometres of motorway and the contract for the supply, installing and commissioning of lighting, ventilation and fire-prevention plants for the Riva and Camlik tunnels. The contract to perform plant engineering works at the West Metropolitan Hospital in Santiago de Chile was finalised and related engineering activities were started-up. The contract for design consulting activities for the Arturo Merino Benítez Airport in Santiago was also formalised in April 2015.

Sartori Tecnologie Industriali

Sartori Tecnologie Industriali is the Astaldi Group company - 100% owned by Astaldi S.p.A. - dedicated to the maintenance and repair of industrial plants and equipment, supply and installation of steel structural work, lifting of industrial equipment in difficult situations and highly critical conditions.

During 2015, the company continued its commercial activities within the captive market, consolidating relations with Metro C, Metro 5, SCAR and CO.VA (Pedelombarda). As regards said relations, there was continuation and consolidation of the activities already in progress that provide the forecast continuity for steel structural work for civil construction in an increasingly independent way from industrial plant mechanical maintenance activities. Moreover, the following contracts were secured: COVA – supply and installation of recovery portals; NBI – supply and assembly of metalwork for emergency stairs at I.N.F.N. in Legnaro Padua; NBI – supply and assembly of metalwork for boiler and chimney bases at the HERA thermal plant in Modena; supply and installation of provisional station excavation structures for MetroBlu (Line 4 of Milan underground); Finanziaria Bolognese Metropolitana – metalwork for a trigeneration plant.

The total annual production in 2015 amounted to EUR 2 million, to be attributed mainly to the following contracts: Metro C – supply and assembly of metal safety platforms; CO.VA – supply and installation of recovery portals for Pedemontana Lombarda motorway; I.N.F.N. di Legnaro Padua – supply and assembly of metalwork for emergency stairs; CT HERA Giardino Modena – supply and assembly of metalwork for boiler and chimney bases.

TEQ Construction Enterprise

TEQ Construction Enterprise (TEQ), is the Astaldi Group company dedicated to supporting development of the Canadian market. TEQ is based in Montreal, operates within the Canadian province of Quebec, and boasts specific skills and know-how in the civil construction segment, as both a contractor and as an operator in relation to construction management.

At 31 December 2015, TEQ recorded a turnover of CAD 89 million, to be attributed mainly to the performance of projects related to public and private contracts. Some of the main projects the company is currently involved in are listed below.

DEL Project (Le Carre Cultural Centre) in Victoriaville – Equivalent of EUR 15 million for the demolition and reconstruction of an arts and culture centre in Victoriaville, in Quebec. The works involve a surface area of 6,505 m^2. The new centre will boast 2 rooms seating 450 and 850 respectively, changing rooms, bar, dance hall, exhibition area and connected areas.

Football stadium in Montréal – EUR 26 million for construction of a football stadium for Montréal city. The project involves the construction of a new indoor football stadium with a scaled wooden structure and a synthetic outdoor pitch. The stadium will be built in compliance with LEED® *Leadership in Energy and Environmental Design*, certification, a benchmark for sustainable buildings from an environmental viewpoint.

St. Jerome regional area – Equivalent of EUR 12 million for construction of a new sports centre with 2 skating rinks seating 300 and 1000 spectators respectively. The works involve a surface area of 8,000 m^2 which will also feature a lobby, coffee bar, shopping area and 8 changing rooms.

Maisonneuve-Rosemont Hospital (Lot 3) – Equivalent of EUR 30 million for expansion and renovation of the Accident & Emergency Department at Maisonneuve-Rosemont Hospital.

Ilot Balmoral Office Tower in Montréal – Equivalent of EUR 56 million for construction management services in relation to the project to build a 17-storey building in the centre of Montréal which will occupy a total surface area of 32,500 m^2.

Astaldi Construction Corporation

Astaldi Construction Corporation (100% owned by Astaldi) is the company operating under U.S. law, based in Florida, which has handled the Group's activities in the USA for over 20 years. It performs transport infrastructure construction projects (mainly motorways and viaducts) for public counterparties and procurement and project management activities to support the Group's branches at a central level.

Among projects in progress or completed in 2015, mention must be made in particular of those with the customer, FDOT - Florida Department of Transportation involving the following infrastructures:

- SR-862/ Eller Dr ICTF (Fort Lauderdale, Broward County, FL): USD 40 million for the upgrading and widening of a motorway junction, including 4 overpasses, located near SR-862/I-595, in the vicinity of Fort Lauderdale Airport and Port Everglades in Broward County (FL). The works were completed during 2015;
- NW 25th Street (Doral, Miami-Dade County, FL): USD 58 million for the upgrading and widening to 4-6 lanes of an expressway in Doral, in Miami-Dade County, in the vicinity of Miami International Airport. Works include the construction of a steel frame overpass near SR-826 Palmetto Expressway and of a viaduct, for a total length of 1.9 km. The works are still in progress and approximately 93% of works had been completed at 31 December 2015.
- SR-5/US1 (Cocoa, Brevard County, FL): USD 30.4 million for the upgrading and widening from 4 to 6 lanes of a 6-km long section of the SR-5/US1 in Cocoa City, Brevard County. Said contract is especially strategic given the infrastructure plans to be developed in the Orlando area which, in the medium-term, include the performance of significant motorway, railway and airport projects. The works commenced in March 2013 and are still in progress with approximately 90% completed at 31 December 2015.
- Veterans Expressway, SR-589 (Tampa, Hillsborough County, FL): USD 46 million for the widening and upgrading, including automatic toll systems, of 5 kilometres of the Veterans Expressway SR-589 in Tampa, along the Memorial Highway-Barry Road section. The works are still in progress with approximately 72% of works completed at 31 December 2015.

- I-95 Spanish River Interchange (Boca Raton, Palm Beach County, FL): USD 66.6 million for the design and construction of approximately 6 kilometres of route along the Interstate I-95, the main motorway linking the east coast of the United States, from the north intersection with Yamato Road to the south intersection with Spanish River Boulevard in Boca Raton city. The contract also involves the widening and construction of 13 bridges and road works along the I-95 and Yamato Road. Approximately 53% of works had been completed at 31 December 2015.

In September 2015, Astaldi Construction was also awarded the I-75 project from Charlotte/Sarasota County Lines to Toledo Blade, worth 72.9 million and Astaldi has a 100% stake, for the performance of resurfacing and widening from 2 to 3 lanes in each direction, of State Road 93 (I-75), and out-of-town expressway running between Port Charlotte in Charlotte County and North Port in Sarasota County (USA), for a total of approximately 25 kilometres. The contract also involves the expansion of 7 concrete bridges for a total length of 0.5 kilometres, hydraulic improvements and barriers, signalling, lighting and smart traffic management system. The customer is the *Florida Department of Transportation* (FDOT). The duration of works is approximately 22 months.

Astaldi Construction Corporation ended 2015 with a residual order backlog of approximately USD 124 million, against revenue from work of USD 56 million. Following some commercial projects with a negative outcome for the company, as well as the conditions of the local construction market that differed greatly from tender forecasts, the company closed the year’s accounts with a loss. Therefore, in 2015, action was taken to strengthen Astaldi’s structure in the US in order to allow the company to achieve a greater volume of opportunities in the major infrastructures sector, so as to be able to guarantee an increase in turnover in the short-term, with optimisation of results.

Human Resources

Personnel trends

During 2015 Astaldi Group’s average workforce totalled 10,886 units, showing a 13.2% increase compared to the previous year (9,602 units in 2014). This increase is the result of a largely unvaried figure for Italy (1,138 units) and an increase abroad thanks to contracts in progress in Canada, Chile, Russia and Turkey. At the date in question, 90% of the total workforce was deployed abroad, in other words 9,728 units. In Italy, the maintenance of levels at those of 2014 (+3%) is due to the absorption of personnel from Impresa following acquisition of the business division related to the Marche-Umbria Quadrilatero road network. Overhaul of the workforce and skills and know-how needed continued in the Corporate area through hirings and resignations which resulted in an overall turnover of 26% in 2015. The population of expatriates abroad (387 units) increased by 6%, while the local personnel (9,341 units) increased by 15%. Action to transfer onto foreign projects Italian personnel that are available for work following completed contracts and unable to be re-employed in Italy, also continued during 2015 as much as possible. With the 20 Italian resources transferred abroad in 2015, a total of 120 resources have been transferred during the last 5 years with the aim of “protecting” skills and know-how in Italy which the company has available due to the drop in the domestic market.

Astaldi Corporate Academy

The Astaldi Corporate Academy, the company’s internal management training school, entered into full swing in 2015. Following an in-depth and detailed phase during 2014 was dedicated to training courses specifically for the technical and management positions within the company, courses focusing on the various areas of expertise were started-up in March 2015. On the whole 25 courses of varying length – from one to six days –

were held, focusing on project management, competitive strategy, strategic vision and analysis, leadership and resource management and time management. The courses, held in different languages, involved selected profiles – from general managers to recent graduates – for a total of 350 people of different nationalities and from all over the world, for a total of 13,500 hours of training. The design and supply of courses was largely financed through interprofessional funds. The tools for measuring the success of training highlighted a high level of satisfaction among participants and a high level of learning. Important information was also obtained from participants which is of use for developing training for 2016. It is felt that during its first year, the Astaldi Corporate Academy has already met its target of becoming the genuine expression of the company's desire to invest in enhancing its wealth of internal skills and know-how, in expanding and retaining resources and, lastly, in creating value for all internal and external stakeholders.

«Future Managers» Project

During 2015, the company continued its careful process of selecting and hiring young graduates with growth potential, to be assigned to a management career scheme within the company's production divisions. The young graduates holding top marks in technical and business qualifications, and speaking more than one language, were chosen through a selection procedure comprising individual interviews, psychological and attitude testing and assessment centres. This selection made it possible to identify candidates with the personal characteristics and skills needed to successfully undertake a demanding career, yet one offering many opportunities such as those typically experienced while working on contracts the Group is involved in worldwide. The project is part of a broader scheme to hire young resources with degrees in various fields which, in recent years, has led to the hiring of 500 resources worldwide.

IT tools to support HR processes

Work to expand and improve the personnel management information system (Talentia) continued during 2014. Specifically the functions to support recruiting processes were improved with consequent benefits in terms of integration with internal systems and improvement of collection and selection of profiles accessible on the market. The new tool's capacity can be seen through the increase of new curricula from the market at a rhythm of 1,000 per month.

Organisational changes

A series of organisational changes were introduced during 2015 aimed at supporting the know-how sharing, process control and risk management processes. Specifically, operations were strengthened with the appointment of two Deputy General Managers – International and the setting up of two Operations Management Divisions dedicated to the commercial development of business in Italy and abroad. The control and risk management division was also strengthened. More specifically, the General Management for Business Services was set up whose job will be to promote the transfer and sharing of strategic corporate processes for the good outcome of projects (Engineering, PMO, Procurement, Tenders and Prequalification, Project Control, Project QHSE). The activities of Control Committees was streamlined and that of the Projects Committee increased. Indeed, it must be recalled that in order to ensure suitable governance and integration of strategies in corporate actions, the Group already set-up some years a series of Control Committees (Projects Committee, Commercial Development Committee, Human Resources Committee, Sustainability Committee). These Committees comprising top management and heads of the relevant divisions are real control group and keep a close eye on specific corporate trends, holding regular meetings and with the sole aim of monitoring compliance with business plan targets. This has made it possible to further improve the ability to control project trends and analyse problems with a view to promptly bringing to light the opportunities linked to the individual projects, but also to defining preventive or corrective action in the event of set targets failing to be met. The management model has also been consolidated, with setting up of the Sustainability and Integrated Management Division: in short, this division will be responsible for writing the rules of corporate processes, assisted by the people in charge of said processes, while the General Management Division for Business Services will support the integration of said rules into projects.

Sustainability Management

Astaldi Group places Sustainability among the values at the base of its own business model and business development. As far as Astaldi is concerned, Sustainability is an asset able to generate value, a challenge to be tackled along the path to constantly improving competitiveness which it undertakes daily through the construction of high-quality, state-of-the-art works. From this viewpoint, each work represents an instrument of value for shareholders and for all stakeholders and, hence, also for the areas and communities that will make use of them.

Basing itself on this assumption, Astaldi Group further developed its own business model during 2015 with the end goal of increasingly inserting and integrating the Sustainability issue into the company's processes and real actions. The result was consolidation of management of operating risks involved in the activities performed, but also an overall improvement of the Group's capacity to highlight its traditional ability to grasp the opportunities of a market that focuses more and more on these issues.

The Sustainability Model adopted is the natural evolution of the Quality, Health, Safety and Environment (QHSE) Integrated Management Model which the Group has adopted for many years and constantly improved on a voluntary basis year after year. We must recall that Astaldi's QHSE Model is the subject of annual audits in order to obtain certification. These audits are performed by DNV *Det Norske Veritas*, an independent, third-party certification body which, during 2015, confirmed compliance of the model with the following international standards: ISO 9001, ISO 14001 and OHSAS 18001.

Astaldi Group's Sustainability Model is based on a series of commitments/targets which can be summarised as follows:

- Pursuit of a approach based on the shares value so as to increasingly link the Group's success with social progress, generating an economic result and at the same time producing a tangible value for the company;
- Construction of infrastructure works that improve people's lives, at the same time increasing the areas' competitiveness and attractiveness and hence, indirectly the social wellbeing of the people who live there;
- Promotion and pursuit of employees' wellbeing through health and life protection programmes in the workplace, but also of the development of skills and knowledge;
- Involvement in the challenges of climate change and pollution, taking advantage of the boosts provided by the new energy investment sectors aimed at doing away with the dependency on fossil fuels;
- Involving the supplier chain and third parties in general with whom it works, in the commitment to sustainable development through strict selection, qualification and measurement of the performance achieved.

The many projects developed in this sense by the Group include:

- Consolidation of centralisation of strategic services for the Group's activity (tenders and prequalification, engineering, procurement) which currently report to the General Management Division for Business Services, with considerable synergies in terms of operating efficiency of processes and sharing of the know-how the Group can boast;
- Updating of the organisational structure and operating processes adopted to support and consolidate the centralisation of procurement processes at a Group level, aimed at further improving effectiveness and efficiency through key synergies involving the central offices and countries/projects;
- Definition of the «Materiality Matrix», in other words the determinants of the company's sustainable value, an interpretation to support and benefit the sustainability strategy defined with the methodological contribution of independent third-parties of international renown in the field of Corporate Strategy linked to the issue of Social Responsibility (CSR);

- The setting-up of a Sustainability Committee comprising Astaldi's top management which is periodically called upon to define sustainability targets on the basis of the strategy identified by measuring the progress of support activities.

Within this framework, the Group's Sustainability and Integrated Management Division, which reports to the CEO, forms part of the path embarked upon and has the task of promoting the diffusion of these issue at all company levels, coordinating and contributing, where needed, to the improvement projects undertaken.

Main risks and uncertainties

The high capacity of risk control and management which Astaldi Group manages to guarantee as regards processes and contracts is based on the detailed and consolidated risk management policies which the company has adopted. Over the years these policies have taken on an ever-increasing central role, becoming a real shared asset within the company. 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 and is deeply enrooted in the company's decision-making mechanisms involving identification of the type of risk (operating, financial, strategic, compliance-related), reference level (corporate, country, contract) and the project phase (development, performance, operation).

The aim of codifying the main so-called key risks into a common language and of neutralising the resulting unwanted and unsustainable situations is the function of efficient risk management, aimed at exploiting business opportunities in order to promote future growth while, at the same time, protecting the value created.

In order to guarantee ongoing optimisation of risk management trends, also in light of the financial markets' increasing focus on these issues, the project of implementing the Enterprise Risk Management (ERM) Model, started-up by Astaldi Group in recent years, was completed. This was also achieved through diffusion and development of risk management-related issues within the Group, with the aim of strengthening and standardising the risk culture within the company, integrating and developing an analysis method, assessment and management of risks at different company levels (country, contract, enterprise) and therefore minimising the different risk profiles which can be singled out within the Group's complete business cycle.

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 company performance, allowing for knowledgeable undertaking of risks and mitigation of any negative consequences of these. The ERM Model adopted by Astaldi complies with the provisions contained in the Italian Stock Exchange's Code of Self-Discipline (Article 7 – Internal Control and Risk Management System) thus safeguarding shareholders.

In order to ensure the coherency 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 for:

- Defining and developing a knowledgeable risk culture within the company which provides for suitable training regarding the risk management system (ERM) 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 coherency of process methods and instruments used within the Group to identify, assess and measure key risks;
- Guaranteeing constant and suitable information for the company's management, Control and Risks Committee and other stakeholders.

Please find below the risk categories, meaning the main sources of problems in achieving the Business Plan targets, which have been identified by the company's management as typical and recurrent for its reference business segments, 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 company 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 operations (natural and non-natural hedging).

Reference-situation related risks. Astaldi 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 company's assets. In order to mitigate this type of risk, the Group has set risk tolerance levels 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 has long since adopted a development model for international commercial activities that focuses on countries (i) offering long-term infrastructure investment plans and opportunities, (ii) that consider works of interest as priorities in local investment policies, (iii) which provide for international insurance cover or projects developed under the aegis of bilateral government agreements, (iv) with a definite, consolidated reference legislative framework. The resulting conservative approach is consolidated by the practice of flanking the joining of foreign markets with preliminary, detailed assessment of political, economic, financial and operating risks connected with the geographical area of interest, and guaranteeing close monitoring of the evolution of the local political, social and economic situation during the project's complete lifecycle, from commercial development through to completion of works. For all those circumstances that cannot be assessed a priori insofar as connected to unforeseeable and exceptional events, the Group is able to implement a series of well-defined procedures in line with international practice that make it possible to protect the safety of personnel and assets at a local level, minimising the resulting operational and economic impact. For the purpose of providing complete information, please find below a brief description of the countries where the Group operates that are felt to be most exposed to this type of risk.

- *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 customer's payment obligations as regards contracts in progress in Venezuela to date. Certified, and hence collectable, receivables due from the Venezuelan government at the draft date of this report remained largely unvaried compared to 31 December 2014.

- *Russia*. The country is of interest for Astaldi's development policies, but it is still the subject of focus for the company. In the medium-term, the main country risks linked to this area are related to the possible effects of (i) the continuation of a weak economic performance even if the local government is formulating an anti-crisis investment plan, and (ii) the stiffening of Russian relations with western countries further to the Ukraine and Turkey questions. As regards the first, it must be recalled that Astaldi Group's projects in Russia consist in contracts with private counterparties of high international standing, with already guaranteed financial coverage. As regards the second point, it must be noted that Astaldi's projects do not fall under the embargo Russia is exposed to following the situation in Ukraine. It must also be recalled that Astaldi operates in Russia with projects performed with Turkish partners. At the moment this is not creating any operating problems since the embargo ordered by Russia vis-à-vis Turkey does not concern projects in progress. Should any problems arise, the Group is ready to take action, adopting procedures and measures needed to minimise the resulting operating and economic impact. On the whole, it is important to note that the Group's commercial approach to Russia is based on a stand-alone assessment of the individual projects and that do not have significant value in terms of permanent capital invested in the area.
- *Turkey.* The country is of major interest in Astaldi Group's development policies. In light of the election results from the end of 2015, Turkey continues to be a stable area with great development opportunities. It must be recalled that Astaldi Group has operated in this country for 30 years and has diversified its projects, focusing on priority projects for Turkey.

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 problems linked to cultural and organisational integration with partners that, in the worst case scenario, could even mean separation between Astaldi's vision and the partnership's vision. There are also other problems linked to exposure to partners' financial positions. 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 shareholder agreements.

Human resources-related risks. In order to guarantee the high-quality specialist/technical skills and know-how which are a characteristic of its activities, albeit in different working and geographical contexts, 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, therefore guaranteeing a centralised, reliable data source as regards the allocation/availability of resources within its reference area of operations. Moreover, the Astaldi Corporate Academy, a training school within the Group dedicated to developing and improving managerial resources, has been set up aimed at optimising the most successful internal and external experiences. The latter is a tangible expression of the Group's desire to make the most of and increase 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, 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 HSE management system, certified by independent third-parties. For more details, please refer to the section entitled "Sustainability, Quality, Safety and Environment".

FOCUS CANADA – MUSKRAT FALLS HYDROELECTRIC PROJECT

As regards this project, please refer to what is stated in «Main projects in progress».

Events after the reporting period

In February, the ACe consortium which Astaldi (leader) holds a 65% stake in was the **winning bidder** in **awarding** of the contract 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 ESO (European Southern Observatory) Financial Committee authorised ESO to commence financial negotiations with the ACE consortium, with the aim of signing the final contract in May 2016. All the details will be defined and disclosed subsequent to signing. The new telescope will be built in Chile on the Cerro Armazones, in the central part of the Atacama Desert, at an altitude of 3,000 metres asl. It will have a focalisation capacity that is 100,000,000 times greater than the human eye and can capture more light on the whole than all the most important telescopes on the planet to date, which have primary mirrors with an 8 to 10-inch diameter compared to the E-ELT’s 39.3 metres.

At the beginning of March, the last keystone was laid to close the deck of the Third Bosphorus Bridge, in Turkey. The work is the only suspension bridge in the world to feature on its deck an 8-lane motorway (4 lanes in each direction), separated by 2 railway lines, all at the same level. The Third Bosphorus Bridge forms part of a broader project, The Northern Marmara Highway Project, which involves the construction and subsequent operation of approximately 190 kilometres of motorway.

Outlook

Astaldi Group has experienced ongoing growth in recent years. It ended 2015 with a turnover that was almost 3 times that of 2005 and an order backlog almost 5 times larger that has become international and sees the Group involved in building some of the most important infrastructures under construction at a global level.

Astaldi Group aims to pursue its planned growth over the coming months, focusing on systematic development of its activities, further consolidating the Group’s distinctive hallmarks (consolidated competitive positioning, high-quality order backlog), while at the same time optimising its integrated supply capacity.

A **commercial strategy** will be followed that is in line with the Group’s risk management policies, able to promote even more marked diversification of activities. Specifically, the aim will be to consolidate the Group’s presence in countries where it traditionally operates that continue to invest in multi-year infrastructure programmes such as Turkey, Chile, Poland and Algeria, and hence to strengthen its role in areas with steady economies and clear investment programmes. At the same time, the focus will also be placed on new markets able to guarantee that optimal country/risk diversification which is an increasingly necessary condition for maintaining suitable levels of competitiveness. The development of strategic, high standing partnerships, able to ensure suitable risk sharing as well as greater opportunities for success in entering new markets/areas, will also help promote growth.

From a segment viewpoint, commercial efforts will be focused on acquiring EPC contracts, together with careful, cautious assessment of the opportunities the Concessions sector has to offer, always within a logic of rotation with projects currently being disposed of. After all, the expertise gained as an Operator has expanded the Group's supply capacity. The Group is currently viewed as a General Contractor of high standing, but also as an Operator able to (i) design the work being fully aware of the future operator's needs, (ii) to operate the work if needed. The focus will be on promoting synergies with NBI Group companies which already offer interesting skills and know-how within the Facility Management segment.

From a geographical viewpoint, Chile, Peru and Turkey will continue to be markets of major interest for the Group's traditional business segments, as well as in relation to projects developed using the concession formula. As regards Canada, now that the problems related to the Muskrat Falls Hydroelectric Project have been dealt with, consolidation of this geographical area is planned through the development of local partnerships. TEQ, the Canadian company acquired and reorganised in recent years, will also contribute to growth in Canada. Additional opportunities may also arise from markets of new interest Panama, Iran, Cuba, Sweden and Norway, which it is felt may, on the whole, offset the planned reduction of production in Venezuela and the slowdown in Romania and Bulgaria. There will be further development in Poland, also thanks to the ability the country traditionally boasts in making use of cohesion funding provided by the European Community.

At an operating level, even if growth is not forecast for Italy, the current level of production will be maintained thanks to recent acquisitions and progress on the approval procedures for the executive design of the Verona-Padua HS/HC railway line (Verona-Vicenza subsection) and for the DG-41 Jonica National Road. Benefits will be seen in Turkey in relation to progress on construction of the Etlik Integrated Health Campus in Ankara, the Third Bosphorus Bridge and the Gebze-Orhangazi-Izmir motorway (with start-up of operation in the second half of 2016 for Phase 1 of the motorway). Additional commercial developments are expected from projects in progress (Third Bosphorus Bridge). In Russia, the M-11 Moscow-St. Petersburg motorway will benefit from the logistic vicinity to work sites for the WHSD St. Petersburg, currently under construction, resulting in intensification of production in this area. In Canada, performance of the Muskrat Falls Hydroelectric Project will go ahead; moreover the results of contracts (of a smaller size) performed by the subsidiary TEQ, will also start to be seen. Chile will experience the start-up of construction of the West Metropolitan Hospital and Arturo Merino Benítez International Airport, both in Santiago. As regards Venezuela, extremely reduced production levels will continue given the slowdown recorded for some years now in payments of the sums due from the local government; as regards the sums collected, it must be noted that payments by the customer continued to be made during 2015, albeit at a slower rate, and at the draft date of this report, the certified and hence collectable receivables owed to Astaldi Group by the Venezuelan government amounted to a countervalue of EUR 267 million, including contract advances.

As regards Concessions, benefits will be seen from start-up of operation of the new hospital in Massa-Carrara in Italy (in November 2015) and of Arturo Merino Benítez International Airport in Santiago de Chile (in October 2015). At a financial level, efforts are going ahead to achieve financial closing for the West Metropolitan Hospital and the aforementioned international airport in Santiago, Chile. These will be structured on a non-recourse and limited recourse basis respectively for Astaldi Group.

From an organisational viewpoint, the operating area and control and risk management processes will be further improved and efforts will be made to support the forecast growth. Specifically, the training programmes started up with the Astaldi Corporate Academy will go ahead. The project launched to insert young high-potential graduates ("Future Managers") will also continue with dedicated career development paths which are already starting to produce positive results and which aim to create the Group's future management.

As regards Financial Strategy, the main goal will be to reduce the cost and levels of debt, also by pursing a further reduction in structural costs. It is also good to note that even if all the projects in progress are financed in full, the working capital is one of the areas most exposed to exogenous factors – insofar as linked to the budget trends of the public administrations which Astaldi mainly works with. Awareness of this means that efforts over the coming months will focus on optimising payment cycle management, which will also be aided by the work of an operating group set up specifically to manage relative needs on a quarterly basis. To this end, debt recovery activities will go ahead, with centralisation of processes able to make flows more sizeable and increase the Group's self-financing ability. It must also be noted that the Group's current net financial debt includes the significant investments in concessions to date, which will be recovered in the medium-term by the disposal of assets. Hence the concession disposal process, started up in recent years, will continue, for which specifically the outcomes of negotiations in progress to dispose of equity investments in A4 Holding (Brescia-Verona-Vicenza-Padua motorway in Italy) and in Pacific Hydro Chacayes (Chacayes Hydroelectric Plant in Chile) are pending.

Other information

Resolutions regarding Information Documents in the event of Significant Operations. Astaldi's Board of Directors has already resolved for some years now to avail itself of the faculty to depart from publication obligations regarding information documents in the event of significant operations such as mergers, splits, share capital increases, contributions of goods 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 «Issuers Regulations» issued by CONSOB (Italy's authority responsible for supervising financial markets).

Remuneration Report. For information regarding the remuneration of the company's Directors, Auditors and Managers with strategic responsibilities, please refer to the content of the «Remuneration Report» drafted by the Board of Directors pursuant to Article 123-ter of the «Finance Consolidation Act» (Legislative Decree No. 58, 24 February 1998, as subsequently amended). This document is also available in the «Governance» section of the Group's website (www.astaldi.com), in accordance with the procedures and timeframe provided for by law.

Astaldi S.p.A. shares held by Directors, Auditors and Managers with strategic responsibilities at 31 December 2015. For information in this regard, please see the «Remuneration Report».

Treasury shares. In relation to Astaldi's share buy-back plan implemented during the year, 937,142 shares were purchased during 2015 while 1,032,873 shares were sold. Treasury shares in portfolio at 31 December 2015 amounted to 800,770 with a nominal value of EUR 2.

Parent shares held by subsidiaries. No parent shares were held by subsidiaries at the draft date of this report.

Information on related-party transactions. As regards related party transactions during 2015, please refer to the Notes to the Consolidated and Separate Financial Statements at 31 December 2015. 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 year pursuant to relevant legislation and relative procedures adopted by the Group. 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 S.p.A. For more details, please refer to the «Corporate Governance and Shareholding Structure Report».

Management and coordination activities (pursuant to Article 2497 et seq. of the Italian Civil Code). Astaldi S.p.A. is not subject to "management and coordination" by any of its shareholders insofar as the company's Board of Directors is fully and independently responsible for all the most appropriate decisions related to management of the company's activities.

Research and development. The Group did not incur any costs for research and development during the year.

Atypical or unusual transactions*.* No atypical or unusual transactions were performed during the year.

Conclusions

Dear Shareholders,

Astaldi Group's consolidated financial statements at 31 December 2015 show a net profit of EUR 80.9 million, excluding amortisation and depreciation, provisions and consolidation adjustments. Astaldi S.p.A.'s separate financial statements at the same date show a net profit of EUR 38.4 million, net of amortisation and depreciation and provisions

Statement pursuant to Article 36 of CONSOB Regulation No.16191/07

Astaldi S.p.A. hereby states that its internal procedures are aligned with the provisions as per Article 36, letters a), b) and c) of Market Regulations ("*Conditions for listing of shares of controlling companies incorporated and regulated by legislation of states not belonging to the European Union*"), issued to implement Article 62, subsection 3-bis of Legislative Decree No. 58/1998.

Specifically, Astaldi S.p.A. states that:

1. The Parent, Astaldi S.p.A., has access in an ongoing manner to the bylaws and breakdown of corporate bodies of all significant, non-EU subsidiaries as per Article 36, subsection 2 of the Market Regulations, with listing of the corporate offices held;

2. The Parent, Astaldi S.p.A., makes available to the public, inter alia, the accounts of all significant, non-EU subsidiaries as per Article 36, subsection 2 of the Market Regulations, formulated for the purpose of drafting consolidated financial statements comprising at least the statement of financial position and income statement;

3. The administrative, accounting and reporting procedures currently adopted by Astaldi Group are suitable for making available to the Parent's top management and auditors, at regular intervals, the financial data of significant, non-EU foreign subsidiaries as per Article 36, subsection 2 of the Market Regulations, needed to draft consolidated financial statements.

As regards ascertainment by the Parent of the flow of information to the central auditors, of use for annual and interim auditing of the Parent's accounts, it is felt that the current process of communicating with the independent auditors', organised on various levels of the corporate auditing chain and active throughout the whole year, is effective in this regard.

The application scope, with regard to 2015, concerns 5 subsidiaries, with offices in 3 countries not belonging to the European Union that are of specific significance as per subsection 2 of the aforementioned Article 36.

Consolidated annual financial report 2015

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Consolidated Financial Statements

Statement of profit (loss)

(EUR/000)	notes	2015	2014
Revenue	1	2,730,024	2,540,388
of which with related parties		*652,083*	*521,436*
Other Operating Revenue	2	124,925	112,177
of which with related parties		*13,237*	*4,423*
Total Operating Revenue		**2,854,949**	**2,652,565**
Purchase costs	3	(456,635)	(401,399)
Service costs	4	(1,511,869)	(1,488,958)
of which with related parties		*(79,109)*	*(118,974)*
Personnel expenses	5	(548,249)	(420,006)
Other operating costs	6	(35,919)	(35,718)
of which with related parties		*(414)*	*(550)*
Total Operating Costs		**(2,552,672)**	**(2,346,081)**
Quota of profits (losses) from joint ventures, SPVs and investee companies	7	54,131	34,769
EBITDA		**356,408**	**341,252**
Amortisation, depreciation and impairment	8	(74,897)	(70,633)
Provisions	9	(4,060)	(1,534)
(Capitalisation of internal construction costs)		(0)	516
Operating Profit		**277,452**	**269,601**
Financial income	10	84,079	98,286
of which with related parties		*22,770*	*11,450*
Financial expense	11	(248,836)	(237,156)
of which with related parties		*(636)*	*(40)*
Total Financial area and investments		**(164,757)**	**(138,870)**
Profit / (Loss) before tax from continuing operations		**112,694**	**130,731**
Tax	12	(33,188)	(47.980)
PROFIT (LOSS) FROM CONTINUING OPERATIONS		**79,506**	**82,751**
Profit (Loss) related to disposal Groups	13	**0**	**(2,006)**
PROFIT (LOSS) FOR THE YEAR		**79,506**	**80,745**
Profit attributable to the owners of the Parent		80,876	81,559
Profit attributable to non-controlling interests		(1,371)	(814)
Basic earnings per share	14	EUR 0,83	EUR 0,83
Diluted earnings per share	14	EUR 0,78	EUR 0,75

Consolidated Comprehensive Income

(EUR/000)	notes	2015	2014
Profit (loss) for the year (A)		**79,506**	**80,745**
Changes in hedging reserve		(27,724)	(15,654)
- of which from equity method		(28,590)	(16,370)
Change in Translation Reserve		22,788	(17,313)
- of which from equity method		21,650	15,336
Gains (Losses) on measurement of AFS financial assets		63	161
- of which from equity method		63	161
Tax effect on other items of the comprehensive income statement		3,821	3,993
- of which from equity method		4,285	4,108
Comprehensive income related to disposal groups		0	2,919
Tax effect on comprehensive income related to disposal groups		0	(803)
Other comprehensive Gains (Losses) net of tax effect to be subsequently reclassified to profit or loss (B1)	**26**	**(1,052)**	**(26,698)**
Actuarial Gains (losses) from defined benefit plans		345	(719)
- of which from equity method		89	(330)
Other comprehensive Gains (Losses) net of t tax effect not to be reclassified subsequently to profit or loss (B2)	**26**	**345**	**(719)**
Total Other Gains (Losses) net of tax effect (B1)+(B2)=(B)		**(706)**	**(27,417)**
TOTAL COMPREHENSIVE PROFIT (LOSS) (A)+(B)		**78,800**	**53,328**
of which attributable to the owners of the Parent		80,044	54,210
of which attributable to non-controlling interests		(1,244)	(882)

Consolidated Statement of Financial Position

	notes	31/12/2015	31/12/2014
ASSETS			
Non-current assets			
Property, plant and equipment	15	210,120	223,111
Investment property	16	682	1,054
Intangible assets	17	47,108	32,555
Equity investments	18	578,997	436,909
of which:			
Equity accounted investments		555,393	433,619
Non-current financial assets	19	325,627	186,732
of which with related parties		*240,363*	*137,756*
Other Non-current assets	20	50,509	56,935
Deferred tax assets	12	61,644	30,611
Total Non-current assets		**1,274,687**	**967,907**
Current assets			
Inventories	21	70,676	64,870
Amounts due from customers	22	1,242,991	1,165,348
of which with related parties		*104,454*	*81,210*
Trade receivables	23	692,994	903,041
of which with related parties		*26,163*	*46,308*
Current financial assets	19	34,646	40,273
of which with related parties		*1,975*	*18,316*
Tax assets	24	138,645	97,834
Other current assets	20	294,989	329,128
of which with related parties		*37,473*	*19,825*
Cash and cash equivalents	25	611,263	530,212
Total Current assets		**3.086,202**	**3,130,705**
Total Assets		**4,360,889**	**4,098,612**

	Notes	31/12/2015	31/12/2014
EQUITY AND LIABILITIES			
Equity	26		
Share capital		196,850	196,850
Treasury shares		(1,602)	(1,793)
Reserves:			
Legal reserve		31,141	27,934
Extraordinary reserve		296,328	256,581
Retained earnings		118,891	102,373
Other reserves		(311)	491
Other items of comprehensive income statement		(107,766)	(103,070)
Deferred tax from other items of comprehensive income statement		16,996	13,133
Total capital and reserves		**550,528**	**492,499**
Profit (loss) for the year		80,876	81,559
Equity attributable to owners of the Parent		**631,405**	**574,058**
Profit (Loss) attributable to non-controlling interests		(1,371)	(814)
Other comprehensive expense attributable to non-controlling interests		(30)	(199)
Deferred tax on other comprehensive expense attributable to non-controlling interests		38	80
Capital and Other Reserves attributable to non-controlling interests		6,988	6,931
Equity attributable to non-controlling interests		**5,626**	**5,998**
Total Equity		**637,031**	**580,056**
Non-current liabilities			
Non-current financial liabilities	27	1,288,473	1,178,999
of which with related parties		*14,580*	*14,634*
Other non-current liabilities	28	15,257	17,034
Employee benefits	29	8,057	9,595
Deferred tax liabilities	12	20,713	11,402
Total Non-current liabilities		**1,332,501**	**1,217,030**
Current liabilities			
Amounts due to customers	22	411,459	589,785
of which with related parties		*142,318*	*126,606*
Trade payables	30	1.013.237	1,031,736
of which with related parties		*66,241*	*59,057*
Current financial liabilities	27	655,726	395,070
Tax liabilities	31	66,444	103,997
Current portion of provisions for risks and charges	32	13,794	13,407
Other current liabilities	28	230,698	167,530
of which with related parties		*5,066*	*792*
Total Current liabilities		**2,391,358**	**2,301,526**
Total Liabilities		**3,723,858**	**3,518,556**
Total Equity and Liabilities		**4,360,889**	**4,098,612**

Statement of changes in equity at 31/12/2015

(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 01/01/2015	**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	80,876	**80,876**	(1,371)	**79,506**
Other comprehensive income items	0	0	0	(27,899)	22,789	351	63	3,863	0	0	0	**(833)**	126	**(706)**
TOTAL COMPREHENSIVE INCOME	**0**	**0**	**0**	**(27,899)**	**22,789**	**351**	**63**	**3,863**	**0**	**0**	**80,876**	**80,044**	**(1,244)**	**78,800**
Owner transactions and other changes in equity:														
Treasury shares	191	0	(808)	0	0	0	0	0	1,073	0	0	**456**	0	**456**
Dividends	0	0	0	0	0	0	0	0	0	0	(19,522)	**(19,522)**	(207)	**(19,729)**
Provision pursuant to 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	(1,115)	0	**(1,115)**	1,057	**(58)**
Changes in Consolidation Scope	0	0	0	0	0	0	0	0	0	0	0	**0**	22	**22**
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**
Other changes	0	0	0	0	0	0	0	0	(827)	0	0	**(827)**	0	**(827)**
Stock Grant Reserve	0	0	0	0	0	0	0	0	(1,048)	0	0	**(1,048)**	0	**(1,048)**
Balance at 31/12/2015	***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**

*The amount indicated in the highlighted items is shown net of total investment in treasury shares totalling EUR 5,814 thousand of which EUR 1,602 thousand corresponding to the nominal value of the shares, shown as reduction of share capital, and EUR 4,212 thousand shown as reduction of the extraordinary reserve.

Statement of changes in equity at 31/12/2014

EUR/000	*Share capital*	*Legal Reserve*	*Extraordinary reserve*	*Hedging reserve*	*Translation Reserve*	*Actuarial gains (losses)*	*on measurement of AFS financial*	*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 01/01/2014*	**195,810**	**26,201**	**244,376**	**(37,146)**	**(35,209)**	**(66)**	**(147)**	**9,979**	**114**	**75,844**	**67,337**	**547,093**	**45,101**	**592,193**
Profit from continuing operations 2014	0	0	0	0	0	0	0	0	0	0	81,559	**81,559**	(814)	**80,745**
Other comprehensive income items	0	0	0	(12,621)	(17,326)	(669)	113	3,155	0	0	0	**(27,349)**	(68)	**(27,417)**
TOTAL COMPREHENSIVE INCOME (EXPENSE)	**0**	**0**	**0**	**(12,621)**	**(17,326)**	**(669)**	**113**	**3,155**	**0**	**0**	**81,559**	**54,210**	**(882)**	**53,328**
Owner trans actions and other changes in equity:														
Treasury shares	(753)	0	(1,585)	0	0	0	0	0	210	0	0	**(2,128)**	0	**(2,128)**
Dividends	0	0	0	0	0	0	0	0	0	0	(18,701)	**(18,701)**	0	**(18,701)**
Provision pursuant to Art,27	0	0	0	0	0	0	0	0	0	0	(520)	**(520)**	0	**(520)**
Transactions with non-controlling interests	0	0	0	0	0	0	0	0	0	(6,063)	0	**(6,063)**	(1,392)	**(7,455)**
Change in Consolidation Scope	0	0	0	0	0	0	0	0	0	0	0	**0**	(36,827)	**(36,827)**
Allocation of 2013 profit from continuing operations	0	1,733	13,790	0	0	0	0	0	0	32,592	(48,115)	**0**	0	**0**
Stock Grant reserve	0	0	0	0	0	0	0	0	168	0	0	**168**	0	**168**
Balance at 31/12/2014	****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**

* Following the retrospective application of the accounting standard IFRS 11 – "Joint Arrangements", the data at 31/12/2013, shown for comparative purposes, were recalculated. See Consolidated Financial Statements at 31/12/2014 for greater details on the effects.

**The amount shown in the highlighted item is shown net of overall investment in treasury shares totalling EUR 5,198 thousand of which EUR 1,793 thousand, corresponding to the nominal amount of the shares, recognised as a reduction of share capital, and EUR 3,405 thousand recognised as a reduction of Extraordinary reserve.

Consolidated statement of cash flows

(EUR/000)	2015	2014
CASH FLOW FROM OPERATING ACTIVITY		
Profit of the year attributable to the owners of the Parent and non-controlling interests	**79,506**	**80,745**
Tax	33,188	47,980
Pre-tax profit	**112,694**	**128,724**
Adjustments for:		
Non-monetary item		
Amortisation and depreciation	74,784	66,087
Impairment	113	4,547
Net gains on equity accounted investees	(54,131)	(34,769)
Post-employment benefits and defined benefit plans	1,391	2,327
Stock grant plan costs	1,211	1,325
Accruals to provisions for risks and charges	4,060	1,534
Fair value losses / (gains)	(4,558)	(562)
Losses / (Gains) from discounting	15,434	36,005
Subtotal	**38,304**	**76,493**
Monetary items		
(Gains) / Losses from disposal	(14,612)	(2,162)
Other adjustments necessary to reconcile profit with cash flow from operating activities		
Net interest income and expense and dividends received / (Coverage of losses)	86,704	92,813
Subtotal	**72,092**	**90,651**
Cash flow from operating activities before changes in net working capital	**223,090**	**295,868**
Changes in working capital		
Trade receivables	193,804	20,400
of which with related parties	20,145	829
Inventories and amounts due from Customers	(81,655)	93,291
of which with related parties	(23,244)	(20,763)
Trade payables	(47,260)	(85,141)
of which with related parties	*7,184*	*33,728*
Provisions for risks and charges	(4,315)	(11,238)
Amounts due to customers	(177,630)	(85,119)
of which with related parties	*15,712*	*52,473*
Other operating assets	(21,446)	53,964
of which with related parties	(17,649)	1,975
Other operating liabilities	38,419	25,615
of which with related parties	*4,274*	*(462)*
Payments of post-employee benefits and defined benefit plans	(2,672)	(1,127)
Subtotal	**(102,755)**	**10,644**
Effect of exchange rate differences from translation of foreign operations	**1,138**	**(32,650)**
Cash flows from operating activities	**121,473**	**273,863**
Interest and dividends received / (Coverage of losses)	17,611	7,371
Interest paid	(103,834)	(100,665)
Tax paid	(48,555)	(50,957)
A) Net cash flows used in operating activities	**(13,305)**	**129,612**

(EUR/000)	2015	2014
CASH FLOW FROM INVESTMENT ACTIVITIES		
Constructions		
Net investment in property	0	(5)
Net investment in intangible assets	(1,623)	(591)
Property, plant and machinery	(40,334)	(61,657)
Proceeds for sale or reimbursement of property, plant and machinery	24,423	14,795
Changes in financing of equity investments	134	1,379
of which with related parties	*228*	*357*
Acquisitions of investments in associates and other companies	(8)	(388)
Gains on the sale of investments in associates and other companies	25	33
Sale/purchase of securities	242	11
Change in other net loan assets	(24,001)	(3,760)
Subtotal	**(41,141)**	**(50,182)**
Concessions		
Change in financial assets from concession activities	(17,319)	64,192
Net investment in concession infrastructures	0	1,579
Change in financing of equity investments	(120,919)	(132,076)
of which with related parties	*(120,499)*	*(127,239)*
Acquisitions of investments in associates and other companies	(49,493)	(25,271)
Gains on the sale of investments in associates and other companies	1,952	1,985
Change in other net loan assets	(4,625)	21,905
Change in financial lease receivable	(787)	(8,984)
Subtotal	**(191,190)**	**(76,669)**
Changes in the consolidation scope	**(7,240)**	**33,069**
B) Cash flows used in investment activities	**(239,571)**	**(93,783)**
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Dividends distributed to owners of parent	(19,522)	(18,701)
Dividends distributed to non-controlling interests	(207)	0
Net investment in treasury shares	(616)	(2,339)
Sale (acquisition) of treasury shares	1,073	210
Bond issues	0	150,000
(Repayments) / Net use of credit lines	373,030	36,320
Changes in other financial liabilities	(2,487)	5,224
of which with related parties	*(54)*	(11)
Repayment of financial leases	(11,735)	(11,504)
Change in minority stakes and other changes	(5,610)	(38,661)
C) Cash flows from financial activities	**333,926**	**120,549**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**81,051**	**156,379**
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	**530,212**	**373,833**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**611,263**	**530,212**

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 promoter of project finance initiatives.

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.

On the draft date of the consolidated 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 consolidated financial statements at 31 December 2015 were approved by the Board of Directors of the Parent at the meeting of 9 March 2016.

Basis of preparation and sector reporting

The consolidated financial statements of Astaldi Group at 31 December 2015 were drafted in compliance with International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board (IASB), and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), recognised in the European Union pursuant to EC Regulation no. 1606/2002 in force at the end of the year.

All the standards and pertinent interpretations stated above and taken together are henceforth referred to as "IFRS –EU". Reference is also made to the measures issued by CONSOB implementing paragraph 3, Art. 9 of Legislative Decree 38/2005.

The consolidated financial statements 2015 consists of the following statements:

1. Statement of profit (loss);
2. Statement of comprehensive income;
3. Statement of financial position;
4. Statement of Cash Flows;
5. Changes in equity;
6. Notes.

In this regard, it is pointed out that the Group has decided to present the Statement of Comprehensive Income in two separate statements, allowed by IAS 1.81. Thus, it presents a statement showing the profit (loss) items for the year (Statement of profit (loss)) and a second statement which adds to the profit (loss) for the year the "other comprehensive income" (statement of comprehensive income).

It is likewise pointed out that the Statement of profit (loss) is prepared based on a classification of each individual item by nature. This classification reflects the management reporting methods used in the Group and is therefore considered more representative compared to presentation of items according to their destination, providing more relevant indications with respect to their specific segment.

Finally, it is pointed out that from the current year the Parent company management has decided, in order to show the yield of operating assets of the Group whatever the specific legal and organisational structures adopted in the various geographical areas where it operated, to modify the statement showing the profit for the year by including in the "Operating Profit" a new subtotal called "EBITDA". This intermediate item represents the difference between: (i) the total operating revenue, (ii) the total operating costs (purchase costs, service costs, personnel expenses and other operating costs, the latter being considered net of provisions) and (iii) the quotas of profits / (losses) of the Special Purpose Vehicles and Joint Ventures operating in the Astaldi core business. The decision to include the profit deriving from the equity valuation of the aforesaid investments under the "EBITDA", a practice used in reporting by other major international groups operating in the sector, is aligned to the business model adopted by the Group, and is also considered to be coherent with the provisions of IAS 1 "Presentation of Financial Statements" as to the need to show the income items in the way deemed most appropriate to allow an adequate understanding of the Group's financial position. As regards the Statement of profit (loss), it is also specified that the data for the previous financial year, for the purposes of an accurate comparability with those for the period in question, were restated in such a way as to adopt the modifications introduced during 2015 with regard to the composition of the "EBITDA."

With reference to the Statement of Financial Position, a form of presentation has been adopted with the distinction of assets and liabilities into current and non-current, as allowed by paragraph 60 and following of IAS 1.

The Statement of Cash Flows presents the cash flows occurring in the year, classified in operating, investment and funding activities. The cash flows deriving from the operating activity are shown using the indirect method. It is likewise recalled that cash flows from investments are shown separately for constructions and concessions.

The statement of changes in equity was drawn up in compliance with IAS, 1 obviously taking into account the overall profit results.

Finally, with regard to segment reporting, the so-called management approach was applied, meaning that the elements that senior management uses for taking its strategic and operational decisions are considered. The operating segments subject to disclosure referred especially to the various geographical segments where the Group works, and were determined on the basis of the same accounting standards used for drawing up the consolidated financial statements. Refer to Note 36 for a presentation of segment reporting.

Basis of preparation

The consolidated financial statements were drafted applying the historical cost principle, except for the items in the financial statements which, in accordance with IFRS-EU, are recognised at fair value, as indicated in the criteria for measurement of the individual items.

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.

The consolidated financial statements have been drawn up with the prospect of the Group's ability to continue as a going concern.

Consolidation scope

At 31 December 2015 the consolidation scope of the Astaldi Group was as follows:

	Type of influence	Consolidation method	Constructions	Concessions	Maintenance and plant	Total
Subsidiaries	Control	Full	51	6	10	67
of which Italy			*25*	*1*	*9*	*35*
Joint Ventures	Joint control	Equity	16	5	0	21
of which Italy			*12*	*1*	*0*	*13*
Joint operations	Joint control	Proportionate	42	0	0	42
of which Italy			*3*	*0*	*0*	*3*
Associated	Significant influence	Equity	38	11	2	51
of which Italy			*29*	*7*	*2*	*38*

The Astaldi Group companies

Subsidiaries

Constructions	Registered office	Operating headquarters	Share capital nominal amount	Funct. currency	% stake	Direct stake	Indirect stake	Companies with indirect stake
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 liquid.	Rome	Italy	25,500 EUR	EUR	78.90%	78.90%	0.00%	
C.O.MES. in liquid. 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 liquid.	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	100.00%	99.00%	1.00%	Sartori Tecnologie Industriali S.r.l.
Dirpa 2 S.c.ar.l.	Rome	Italy	50,009,998 EUR	EUR	99.98%	0.00%	99.98%	Consorzio Stabile Operae
Forum S.c.r.l. in liquid.	Rome	Italy	51,000 EUR	EUR	79.98%	79.98%	0.00%	
Garbi Line 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 liquid.	Rome	Italy	10,200 EUR	EUR	74.99%	74.99%	0.00%	
Ospedale del Mare S.C.r.l. in liquid.	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 liquid.	Milan	Italy	25,500 EUR	EUR	99.98%	99.98%	0.00%	
S. Filippo S.c.r.l. in liquid.	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 four S.c.r.l. in liquid.	Rome	Italy	51,000 EUR	EUR	90.00%	90.00%	0.00%	
Toledo S.c.r.l. in liquid.	Naples	Italy	50,000 EUR	EUR	90.39%	90.39%	0.00%	

Subsidiaries

Constructions International	Registered office	Operating headquarters	Share capital nominal amount	Funct. currency	% stake	Direct stake	Indirect stake	Companies with indirect stake
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.	Montréal (Canada)	Canada	100 CAD	CAD	100.00%	0.00%	100.00%	Astaldi Canada Enterprises Inc.
Astaldi Canada Enterprises Inc.	Montréal (Canada)	Canada	100 CAD	CAD	100.00%	100.00%	0.00%	
Astaldi Canada Inc	Montréal (Canada)	Canada	20,000 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. z o.o.	Warsaw (Poland)	Poland	120,000 PLN	PLN	100.00%	100.00%	0.00%	
Astaldi-Astaldi	Maputo	Mozambique	10,000 USD	EUR	100.00%	100.00%	0.00%	

International J.V.	(Mozambique)							
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)	Turkey	21,000,000 TRY	TRY	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. z o.o.	Warsaw (Poland)	Poland	5,000	PLN	100.00%	0.00%	100.00%	Astaldi Polska Sp. z o.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%	
Romstrade S.r.l.	Bucharest (Romania)	Romania	1,000,000 RON	EUR	100.00%	100.00%	0.00%	
Seac S.p.a.r.l. in liquid.	Kinshasa (Congo)	Congo	400 CDF	EUR	100.00%	100.00%	0.00%	
T.E.Q. Construction Enterprise Inc.	Montréal (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	13,302,991,411 CLP	CLP	77.51%	0.00%	77.51%	Astaldi Concessioni S.p.A.
Sociedad Concesionaria Metropolitana de Salud s.a.	Santiago (Chile)	Chile	15,000,000,000 CLP	CLP	99.99%	0.00%	99.99%	Astaldi Concessioni 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.	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 S.r.l.
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 S.r.l.	Brindisi	Italy	200,000 EUR	EUR	100.00%	0.00%	100.00%	NBI S.p.A.
Tione 2008 Scrl	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 capital nominal value	Funct. currency	% stake	Direct stake	Indirect stake	Companies with indirect stake
Ankara Etlik Hastane Salik Hizmetleri Isletme Yatirim A.s.	Istanbul (Turkey)	Turkey	CO	130,820,000 TRY	EUR	51.00%	5.00%	46.00%	Astaldi Concessioni S.p.A.
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									
AGP Metro Polska	Warsaw (Poland)	Poland	C	- - - -	EUR	45.00%	45.00%	0.00%	
Asocierea Astaldi - FCC - Delta ACM- AB Construct	Bucharest (Romania)	Romania	C	- - - -	EUR	47.50%	47.50%	0.00%	
Astaldi-Turkerler Joint Venture	Ankara (Tukey)	Turkey	C	- - - -	EUR	51.00%	51.00%	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%	
Metro Blu S.c.r.l.	Milan (Italy)	Italy	C	10,000 EUR	EUR	50.00%	50.00%	0.00%	
UJV Astaldi Spa Succursale Chile, 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	2,200,000,000 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.

* The associates and Joint Ventures considered relevant are those with a carrying value over EUR 15 million, and joint operations with a production value over EUR 15 million.

C = Constructions; CO = Concessions

Stakes in unconsolidated structured entities

Astaldi S.p.A., also through subsidiaries, does not hold stakes in structured entities in which it has voting rights or similar rights representing the preponderant factor for establishing the control of such entity. (paragraphs 24-31 IFRS 12 and paragraph B21 of Operational Guide for IFRS 12).

Information on fully consolidated Group Companies with significant non-controlling interests

Non-controlling interests n Group companies do not comprise holdings that can individually affect in a significant way the financial position and results of operations of the Group. Furthermore, even if evaluated as a whole, the quota pertaining to non-controlling interests in the Group's net assets, cash flows and overall profit should be considered marginal with respect to the corresponding consolidated figures, as shown below:

	31/12/2015	%	31/12/2014	%
Revenue	14,075	0.49%	26,649	1.00%
Operating loss	(1,302)	-0.47%	(1,150)	-0.43%
Profit (loss)	(1,371)	-1.72%	(814)	-1.01%
Net financial resources (Total financial debt)	3,599	-0.36%	8,323	-1.04%
Net cash flows generated (used)	(1,078)	-1.33%	(1,203)	-0.77%
Dividends paid to non-controlling interests	207		0	

The proportional quota of voting rights held by non-controlling interests in most cases reflects the proportional quota of the stake held.

Evaluations and assumptions used in defining the consolidation scope

Some evaluations and assumptions were needed to identify the correct inclusion of some stakes, in particular with reference to:

- **Control of specific assets:**

During the year 2015, in the context of the broader operation for the purchase of the Quadrilatero industrial complex, Astaldi S.p.A. acquired from the Extraordinary Controller of the companies Impresa and SAF the subsidiary Consorzio Stabile Operae (CSO or Consortium). In this context, the aforesaid purchase contract guaranteed to Astaldi S.p.A. the complete equity of CSO on the purchase date by the commitment by Dirpa S.c.r.l. in Special Management[1] not to press its credit claims against CSO except insofar as they correspond to the actual revenue accrued by CSO in favour of Impresa S.p.A. in A.S., thus also ensuring the separation of CSO payables with regard to CSO liabilities to third parties at the date of acquisition.

In the light of the provisions of the purchase contract and the specific regulations on receivership, the management of the Parent decided that the equity relationships of CSO previous to the transfer should be approached as a separate entity (*silo*) pursuant to IFRS 10, paragraph B76 and following, since:

- No *silo* assets can be used to fulfil other obligations of CSO;
- The *silo* assets are the sole sources of payment for the liabilities in the *silo*;
- The parties other than claimants on liabilities in the *silo* have no rights or obligations connected with the activities of the portion or the residual cash flows deriving from such activities.

Once it was ascertained that the assets/liabilities of CSO, previous to the transfer of the business unit, can be identified as *silo*, the management of the Parent verified whether Astaldi held a controlling interest in the separate entity.

To this end, it was deemed that CSO cannot utilise any element of assets pertaining to the receivership (since these assets are earmarked to satisfy the creditors with claims recognised to the companies that controlled Consorzio Operae), and similarly, no previous liabilities can be taken over by the current management, as clearly set forth in the contract mechanism for "neutralising" the effects on the consortium

[1] Special purpose vehicle incorporated by the joint venture of Consorzio Operae, Toto, and Ergon – general contractor awarded Maxi-Lot 2 of Quadrilatero Umbria Marche road network – for the common performance of the activities referable to building the aforementioned project.

assets transferred, Furthermore, all the assets relevant for the management of the *silo* have, under the contract agreements, been shown to be under the de facto management of the receivership. In the light of the aforesaid considerations, the management of the Parent has concluded that the *silo* is not controlled by Astaldi, and therefore there has been no consolidation of the assets and liabilities of this separate entity.

- **Companies that are subsidiaries although the Group owns less than half the voting rights:**

As pointed out in the notes to the 2014 consolidated financial statements, the Group considers the joint venture “Asocieri Astaldi SpA, Sc Somet sa, sc Tiab sa, sc Uti grup sa” (Line 4 Bucharest), as a subsidiary although it holds 40% of the voting rights. This is because the Parent, main shareholder and project leader, has the de facto power of autonomously determining the management and financial policies of that company following the internal agreements signed in 2013 to regulate the governance of the association as to functioning of the Executive Committee.

- **Companies that are not subsidiaries although the Group owns over half the voting rights:**

Astaldi S.p.A. has stakes in various projects conducted in partnership with other companies in the sector, where the unanimous approval of the parties is required for decisions concerning the major activities. Consequently, in some of these entities - referring to projects not especially significant for the Group’s business - although Astaldi S.p.A. holds over half the voting rights -, these entities have been classified as Joint Arrangements.

- **Companies in which the Group exercises considerable influence although holding less than 20% of the voting rights:**

Considering the occurrence of the circumstances stated in IAS 28 paragraph 6, the Group feels that it can exercise considerable influence on the investees that are developing the initiative regarding the Gebze-Orhangazi-Izmir Motorway in Turkey although its holds less than 20% of the voting rights in these entities (Astaldi S.p.A. holds 18.86% of the voting rights). Especially, the analysis conducted leads us to believe that the Parent can actively participate in defining the corporate policies of the investees in the light of the following considerations:

(i) The capital of the investees is held by 6 shareholders, 5 of which all hold quotas of approximately 20%;
(ii) None of the project shareholders can, individually or in combination with others, exercise control or joint control over these entities;
(iii) The Parent has adequate representation on the board of the investees.

- **Type of Joint Arrangements when the Joint Arrangement is structured through a separate vehicle:**

During the year 2015, Astaldi S.p.A., also through subsidiaries, took part in new Joint Arrangements (JA). In order to classify these agreements as joint operations (JO) rather than Joint Ventures (JV), an overall assessment was made on all the Joint Arrangements (JA) in order to identify the relevant elements in the various countries where the Group operates, also with the help of specific opinions issued in this regard. This was done in order to verify the responsibility status and the rights accruing directly to the Venturer in relation to the execution of the various projects. Studies conducted showed that part of the arrangements made in 2015 were defined as JOs, since there were structured through “transparent” vehicles not implying the segregation of the vehicle equity with respect to that of the participants. The rest of the arrangements, given the provisions of IFRS 11 “Joint Arrangements”, were classified as Joint Ventures.

This analysis thus involves the overall assessment conducted in 2014, on the basis of the which, after the implementation on 1 January 2014 of IFRS 11 “Joint Arrangements”, all the agreements existing on 31/12/2014 were examined in order to verify the elements which, on the basis of the aforesaid standard, should be deemed relevant for classifying the JA as JO or JV. In this context, for a very limited number of structured agreements through corporate vehicles (three agreements), for the purposes of the aforesaid analysis it was necessary to verify whether the clauses of the agreements went beyond the "corporate screen" of the vehicle to accrue rights and responsibilities deriving from the execution of the projects directly to the shareholders. On the basis of the analysis conducted at that time, the specific opinions acquired from experts of primary standing, and the overall agreements signed, the management of the Parent had deemed that these agreements involved the assignment to the Venturers (and thus to Astaldi) of titles to assets and obligations for liabilities of the corporate vehicles, thus showing the qualification of the JAs as joint operations pursuant to IFRS11.

Main changes in the consolidation scope

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

Consolidation scope at 31/12/2014 **No. consolidated companies**		**58**
	Included in consolidation scope in 2015	
Name	**Event**	**Method 31/12/2015**
Afragola FS S.c.r.l	Setting up	Full
Astaldi Canada Enterprises Inc.	Setting up	Full
Astaldi Canada Design & Construcion Inc.	Setting up	Full
Capodichino AS.M S.c.r.l	Setting up	Full
Careggi S.c.r.l.	Setting up	Full
Consorzio Stabile Operae	Acquisition	Full
DEAS Società Consortile a Responsabilità Limitata	Setting up	Full
Dirpa 2 S.c.ar.l.	Acquisition	Full
Kopalnia Kruszywa S5 Sp. z o.o.	Acquisition	Full
Consolidation scope at 31/12/2015 **Consolidated companies no.**		**67**

With reference to the main changes in the consolidation scope the following is pointed out.

Losses of control over the investees occurring during the year

In 2015, Astaldi S.p.A., also through subsidiaries, did not perform any operations involving the loss of control over investees.

Changes in the Group's stake in subsidiaries after operations not involving the loss of control over the investees

The main changes occurring in the year are shown below:

December 2015	% Acquired	Amount paid	Adjustment for minority interests
Valle Aconcagua S.A.	22.51%	2,093	(969)
Astur Construction and Trade A.S.	0.01%	57	(66)
Astalnica S.A.	2.00%	1	(1)

With regard to the subsidiary Valle Aconcagua S.A., it is pointed out that during 2015, the Shareholders'

Meeting of the investee approved, by four different resolutions passed in the months of January, May, September and December, the increase in the share capital from CLP 6,647,991,411 to CLP 13,302,991,411 by the issue of 6,655,000 new shares. In this context, the Group, through the subsidiary Astaldi Concessioni S.p.A., subscribed the entire capital increase approved, increasing its stake from 55.00% to 77.51%. As a result of this operation the Group, for the payment of the share in the capital increase theoretically pertaining to non-controlling interests (equivalent to EUR 2,093 thousand), has acquired a share of equity corresponding to EUR 969 thousand.

Reference dates of financial statements of consolidated companies

The reference dates of the financial statements of the subsidiaries coincide with that of the Parent. With regard to a limited number of associates and Joint Ventures, it is pointed out that the last financial statements officially sent to the Parent, though referring to a date not coinciding with the reference date, have been used to draft these consolidated financial statements.

It is pointed out that the companies involved, of which the Group does not control the administrative management, generally operate on specific projects for contracted work pending commissioning or nearing completion. It should in any case be stressed that the economic effects of these projects are in general reflected in the consolidated financial statements since these companies are characterised by the fact of pursuing their activities exclusively for the purpose of consortiums (so-called special purpose vehicles – Consortium Companies and Consortiums), reversing all the charges they incur for executing the works to the partner companies in the consortium belonging to Astaldi Group.

Accounting Standards adopted

The most significant accounting standards and measurement criteria adopted for drawing up the consolidated financial statements at 31 December 2015 are the following.

Basis of consolidation

Subsidiaries

An investor controls an investee company when it has the effective capacity to unilaterally direct the activities that significantly influence the economic returns of the investee.

With special regard to the consolidation procedures adopted, it is pointed out that the Group, as stated in IFRS 10 “Consolidated Financial Statements”, Appendix A, uses the line-by-line method to aggregate the assets and liabilities, charges and income of the Parent and its subsidiaries, adding up the corresponding values of assets, liabilities, equity and the revenue and expenses. In this context it should likewise be pointed out that the values of the subsidiaries are included in the consolidated financial statements starting from the date when Astaldi took the controlling stake and up to the date of cessation of such control.

In order to present accounting information on the Group as if it were a single economic entity, the following adjustments were made subsequently:

a) The carrying value of the investments is offset by the corresponding portion of the equity of the investees;
b) The portions of equity and the profit pertaining to the interests attributable to non-controlling interests are recognised under specific items of equity and the income statement;
c) Profits deriving from operations between consolidated companies and not yet realised and attributable to non-controlling interests are eliminated; receivables, payables, receipts and charges, guarantees, commitments and the risks between consolidated companies are also offset;
d) Losses within the Group are not offset since they represent a lower value effect of the asset disposed.

In the presence of stakes acquired after control has been taken (acquisition of interests attributable to non-controlling interests), any difference between the purchase cost and the corresponding portion of equity acquired is recognised in the equity pertaining to the Group; similarly, the effects deriving from the transfer of shares attributable to minority interests without loss of control are recognised in equity. On the other hand, the transfer of shares involving the loss of control is recognised in the income statement: (i) for any gains/losses calculated as the difference between the amount received and the corresponding portion of consolidated equity transferred; (ii) for the effect of reversal of impairment of any residual investment maintained in order to align it to fair value; (iii) for any values recognised under Other items of comprehensive profit pertaining to the former subsidiary, involving recognition in the income statement.

Interests in Joint Arrangements

A Joint Arrangement is an agreement by which two or more parties share by contract the control over an arrangement, when the decisions concerning the relevant activities connected with it and requiring the unanimous consent of the parties.

With regard to the methods for valuation and recognition in the financial statements, IFRS 11 provides for different methods for:

- JOINT OPERATIONS (JO): a Joint Arrangement in which the parties having joint control have rights on the assets and obligations for the liabilities pertaining to the arrangement.
- JOINT VENTURES (JV): a Joint Arrangement in which the parties having joint control have rights over the net assets pertaining to the arrangement.

The formulation of IFRS 11 regarding the distinction between JO and JV is thus based on the rights and obligations pertaining to the co-venturers in relation to their holding in the arrange, i.e. on the substance of the relationship and not on its legal form.

With regard to the recognition of the JV in the consolidated financial statements, IFRS 11 states that the equity method is the sole method usable.

With regard to the JO, since the parties to the arrangement share rights over the assets and take on obligations for the liabilities pertaining to the arrangement, IFRS 11 states that every joint operator must recognise in its own financial statements the proportionate value of the assets, liabilities, expenditure and revenue of the JO concerned.

Investments in associates

An associate is an enterprise on which Astaldi exercises considerable influence, allowing it, while not having control or joint control, to participate in the decision of the financial and management choices of the company. Investments in associated are valued with the equity method.

Equity method

The investments in Joint Ventures and associates are valued with the equity method. At the time of initial recognition with the equity method, the investments are recorded at purchase cost.

Any difference between the cost incurred and the portion of interest in the fair value of the net identifiable assets of the investee, calculated on the basis of IFRS 3 “Business Combinations”, is covered as shown below:

a) <u>Cost of investment higher than the quota of interest in the fair value of the single assets and liabilities acquired</u>: the difference usually results in goodwill for the acquisition of the investee company which according to IAS 28 (para.32), is not an autonomous element of assets, but rather an item to be included in the carrying value of the investee;
b) <u>Cost of investment lower than the quota of interest in the fair value of the single assets and liabilities acquired</u>: this difference is recognised under profit or loss for the period of the investee in the year in which acquisition takes place.

After the carrying value is adjusted to take into account: (i) the quota pertaining to the investor of the profit or loss of the investee realised after the data of acquisition; and (ii) the quota pertaining to the investor in Other items of the comprehensive income statement of the investee. The dividends distributed by the investee are recognised as an offset to the carrying value of the investment.

The profit deriving from operations with companies valued by the equity method and not yet realised, attributable to non-controlling interests, are eliminated for the quota pertaining to the Group, while losses are not offset since they represent an effective lower value of the assets disposed.

Translation of items and financial statements in foreign currency

The consolidated financial statements of the Astaldi Group are drafted in Euro, which is the functional and presentation currency of the Parent.

Translation of operations in foreign currency into the functional currency

The balances included in the financial statements of each Group company are recorded in the currency of the primary economic setting where the entity operates (functional currency). In the context of the individual financial statements, the items expressed in a currency other than the functional currency, whether monetary (cash and cash equivalents, assets and liabilities payable or receivable with pre-set or determinable sums of money) or non-monetary (inventories, property, plant and equipment, goodwill, other intangible assets etc.) are initially recognised at the exchange rate in force on the transaction date. The items are subsequently translated into the functional currency on the basis of the exchange rate at the reporting date, and the resulting differences are recognised in profit or loss. With regard to the latter it should be pointed out that the exchange rate gains or losses are classified in the Statement of profit (loss), on the basis of the type of equity item that has generated them

The non-monetary items are kept at the translation rate at the transaction date, unless they are valued at fair, in accordance with the pertinent accounting standards. In the latter context the exchange rate differences for non-monetary elements follow the accounting rules laid down for the changes of value of these elements, and thus can be recognised (i) in the income statement if associated with property investments valued at fair value pursuant to IAS 40 or as reductions of fair values recognised in accordance with IAS 16, or alternatively (ii) with the equity method if referring to Instruments representing capital classified under assets available for disposal, or as increases fair value recognised in accordance with IAS 16.

Translation of the financial statements into the presentation currency

The rules for the translation of the financial statements expressed in foreign currency into the presentation currency are as follows:

- The assets and liabilities included in the financial statements are translated at the end of year exchange rate;
- The costs and revenue, charges and receipts included in the financial statements are translated at the average exchange rate for the year, or at the exchange rate on the transaction date should this differ significantly from the average rate;
- Equity items, excluding profit for the year, are translated at historical exchange rates;
- The “translation reserve” comprises both the exchange rate gains or losses generated by translation of income statement items at a different exchange rate from the year-end rate, and those generated by translation of opening equity balances at a different exchange rate from the year-end rate.

The following main exchange rates were used for the translation into Euro of income statement and statement of financial position amounts of companies with a functional currency other than the Euro:

Currency	Final December 2015	Average 12 Months 2015	Final December 2014	Average 12 Months 2014
Dinar - Algeria	116.7020	111.3613	106.6067	106.8672
New Lev - Bulgaria	1.9558	1.9558	1.9558	1.9558
Dollar - Canada	1.5116	1.4186	1.4063	1.4661
Peso - Chile	772.7130	726.4062	737.2967	756.9327
Kroner - Denmark	7.4626	7.4587	7.4453	7.4548
Dirham - Arab Emirates	3.9966	4.0733	4.4594	4.8796
Dirham - Morocco	10.7881	10.8140	10.9802	11.1630
Cordoba Oro Nicaragua	30.4055	30.2445	32.2931	34.4737
Nuevo Sol - Peru	3.7083	3.5324	3.6326	3.7678
Pound Sterling - UK	0.7340	0.7258	0.7789	0.8061
Zloty - Poland	4.2639	4.1841	4.2732	4.1843
New Leu - Romania	4.5240	4.4454	4.4828	4.4437
Rouble - Russia	80.6736	68.0720	72.3370	50.9518
Dollar - USA	1.0887	1.1095	1.2141	1.3285
Lira - Turkey	3.1765	3.0255	2.8320	2.9065
Bolivar - Venezuela	6.8502	6.9812	7.6392	8.3591

In case of economies with hyperinflation under the definition set forth in IAS 29, the measurement provided for in this standard shall apply .

To conclude, with regard, in particular, the exchange rate utilised for the translation into Euro of the income statement and financial position amounts expressed in Venezuelan Bolivares, it is pointed out that the Management of the Parent, given that the country has three co-existing currency markets, and thus three recognised exchange rates (official CENCOEX exchange rate, SICAD exchange rate and SIMADI exchange rate), separately governed by specific rules, it was necessary to make the proper assessment to identify the exchange rate that would represent the income statement and financial position amounts of the activities conducted in the area. To this end, the Group has conducted an assessment of the financial structure of the contracts under way in the country.

In this regard, it was considered that the relative contracts involve the payment of amounts both in Euro and in local current, with the latter basically used to cover costs denominated in that currency.

It is therefore reasonable to believe that the relative net cash flow for contracts will be in Euro, thus without generating the need to negotiate the Venezuelan Bolivares.

On the basis of the above and of its estimates, the Group has decided that for the purposes of the translations the proper official exchange rate of 6.3 VEF per 1 USD should be applied, in the context of the First Exchange Market (CENCOEX), as can be seen from the rate published by Ufficio Italiano Cambi, and applicable to operations with the government and public administrations.

Property, plant and equipment

Tangible assets are measured at purchase or production cost, net of accumulated depreciation and any impairment losses. The cost includes all expenses directly incurred in order to prepare the assets for use, as well as any charges for dismantling and removal needed to restore the site to its original conditions.

Charges incurred for routine and/or cyclical maintenance are charged directly to the income statement in the financial year when incurred. Costs related to extension, renovation or the improvement of facilities owned or used by third parties are capitalised exclusively within the limits in which they can meet the requirements for separate classification as an asset. Financial expenses are capitalised when the conditions envisaged by IAS 23 occur, i.e. when are specifically referred to loans received to purchase single assets.

The carrying amount of an asset is adjusted by depreciation on a straight-line basis, calculated in relation to the residual possibility of use based on its useful life. Depreciation is applied when the asset becomes available for use. The useful life estimated by the Group for the various categories of assets is as follows:

	Years
Buildings	20 - 33
Plant and machinery	5 - 10
Equipment	3 - 5
Other goods	5 - 8

Land, including land pertaining to buildings, is not depreciated.
Should the asset subject to depreciation be composed of distinctly identifiable elements, whose useful life differs significantly from that of the other components forming the asset, depreciation is applied separately for each of the components forming the asset, applying the component approach policy.

Profits and losses deriving from the sale of assets or groups of assets are calculated by comparing the fair value, net of costs to sell, with the relevant carrying amount.

Leased property, plant and machinery

In leases, the lessor transfers to the lessee the use of an asset for a set period of time, in exchange for a payment or series of payments.

In some types of leases, the economic substance of the operation may qualify them as leases even when they do not have this legal form.

The valuation of the eventual existence of a lease within a contract agreement not expressly containing this form must, as stated in accounting interpretation IFRIC 4, be based on the substance of the agreement and requires the fulfilment of two conditions:

a) *The fulfilment of the agreement depends on the use of one or more specific assets; and*

b) *The agreement conveys the right to use the asset*.

The first condition is fulfilled only if a given supply of goods or services can be provided exclusively through the use of a specific asset, i.e. when it is not economically suitable or feasible for the supplier to fulfil its obligation by the use of assets alternative to the one identified, also implicitly.

The second requisite is fulfilled when *one of the following conditions is satisfied:*

A) The purchaser has the capacity or right to manage the asset or direct others to manage it in such a way that the purchaser obtains or controls more than an insignificant amount of the production or other benefit of the asset;

B) The purchaser has the capacity or right to control physical access to the underlying asset while obtaining or controlling more than an insignificant amount of the production or other benefit of the asset;

C) The facts and circumstances indicate that an acquisition by one or more parties other than the purchaser of a more than insignificant amount of the production or other benefit produced or generated by the asset in the year of the agreement is a remote eventuality, and the price to be paid by the purchaser for the production is not fixed by contract for unit of product and is not equal to the current market price for unit of product at the time of the distribution of production.

In the context of IAS 17 there are two types of lease:

Finance lease

Property, plant and equipment held under ***finance lease***, by which the risks and rewards related to ownership are substantially transferred to the Group, are recognised in the financial statements, on the commencement of the lease term, as assets of the Group at their present value or, if lower, at the present value of the minimum lease payment, including the amount to be paid for exercising the option to purchase. The corresponding liability towards the lessor is recognised in the financial statements under financial liabilities.

If there is no reasonable certainty that ownership of the assets will be acquired upon the expiry of the lease, the leased assets are depreciated over the term of the lease or the useful life of the asset, whichever is shorter.

Operating lease

Leases by which the lessor substantially retains all the risks and rewards related to the ownership of the assets are classified as **operating lease**. The instalments for operating leases are taken to profit or loss in the years of the lease term.

Intangible assets

Intangible assets are non-monetary items having no physical consistency, and clearly identifiable and suited to generating future economic benefits for the company. These items are recognised in the financial statements at purchase and/or production cost, including expenses that may be directly attributed during the preparation phase to bring them into operation, net of accumulated amortisation (with the exception of assets with an indefinite useful life, where the carrying amount is subjected to impairment testing pursuant to IAS 36) and any impairment losses. Amortisation is calculated from when the asset becomes available for use, and is applied on a straight-line basis according to the remaining possibility of use, i.e. on the basis of its useful life. A rate taking its actual use into account is applied in the year in which the intangible asset is recorded for the first time.

Industrial patents and intellectual property rights are recognised net of amortisation and impairment losses accumulated over time.

Amortisation is calculated starting from the financial year in which the rights, for which ownership has been acquired, make the asset available for use, and takes into account the useful life (2 –5 years).

Licenses and similar rights are recognised at cost net of amortisation and impairment losses accumulated over time. Amortisation is calculated starting from the financial year in which the purchased right is available for use and takes into account the useful life.

Rights for the utilisation of infrastructures under concession are amortised over the duration of the concession, with criteria reflecting the way in which the economic benefits are estimated to accrue to the company. Amortisation is calculated from the time when the rights for the exploitation of the concession infrastructures start to produce the relative economic benefits.

Goodwill, recorded in relation to business combinations, is allocated to each cash generating unit identified and is recorded under intangible assets. It represents the positive difference between the cost incurred for the acquisition of a company or business unit and the quota of interest acquired with regard to the present value of these assets and liabilities forming the capital of that company or business unit. The potential assets and liabilities (including the respective non-controlling interests) acquired and identifiable are recognised at their present value (fair value) on the date of acquisition. While any negative difference is recognised in profit or loss at the time of purchase. Goodwill, after the initial recognition, is not subject to amortisation, but tested for impairment.

It is subjected to checking to identify any impairment losses, in accordance with the provisions of IAS 36 (Impairment of assets) annually, or more frequently if specific events or changed circumstances indicate that goodwill may have been impaired.

Business Combinations

At first-time adoption of IFRS, the Group decided not to apply IFRS 3 (Business Combinations) retrospectively for acquisitions made before 1 January 2004.

Business combinations prior to 1 January 2010 and completed within that financial year are recognised in accordance with the provisions of IFRS 3 (2004). Specifically, these combinations are recognised using the acquisition method, where the acquisition cost equals the fair value on the transfer date of the assets, of the liabilities incurred or undertaken, plus the costs directly attributable to the acquisition. This cost is allocated by recognising the assets, liabilities and contingent liabilities identifiable for the acquisition at fair value. Any surplus of acquisition costs compared to fair value of the share in net assets attributable to owners of the Parent is recorded as goodwill; if the difference is negative, it is recognised in profit or loss. When the fair value of the assets, liabilities and contingent liabilities can only be calculated on a provisional basis, the business combination is recognised by using these provisional amounts. The amount of equity attributable to non-controlling interests is determined proportionally to the non-controlling interests held in net assets. In business combinations undertaken in several phases, the adjustments at fair values for the net assets previously owned by the purchaser are shown under equity at the time of acquisition of the controlling interest. Any adjustments arising from the completion of the valuation process are detected within twelve months of the acquisition date.

Business combinations after 1 January 2010 are recognised in accordance with the provisions of IFRS 3 (2008). Specifically,, these combinations are recognised using the acquisition method, where the acquisition cost equals fair value on the transfer date of the assets, of the liabilities incurred or undertaken, plus the costs directly attributable to the acquisition, plus any equity instruments issued by the purchaser. The costs directly attributable to the acquisition are recognised in profit or loss. The acquisition cost is allocated by recognising the assets, liabilities and contingent liabilities identifiable of the purchase at fair value on the acquisition date. Any surplus between the amount of the assets transferred, and the amount of any non-controlling interests, compared to the net amount of the assets and liabilities identifiable in the acquisition, measured at fair value, is recognised as goodwill; or under profit or loss if the balance is negative. The amount of equity attributable to non-controlling interests is determined proportionally to the non-controlling interest held in net assets identifiable in the acquisition, or their fair value on the acquisition date.

If the fair value of the assets, liabilities and contingent liabilities can only be calculated on a provisional basis, the business combination is recognised by using these provisional amounts. Any adjustments deriving from the completion of the measurement process are detected within twelve months of the acquisition date, with adjustment of corresponding figures.

In business combinations undertaken in several phases, the net assets previously owned by the purchaser are adjusted at fair value at the time of acquisition of the controlling interest, and any differences (positive of negative) are shown in profit or loss.

Business Combinations undertaken in 2015

Allocation of purchase price of assets and liabilities acquired in the Quadrilatero industrial complex

In July 2015, the Parent, after a complex series of corporate operations conducted in the context of the special management proceedings of the companies Impresa, SAF and DIRPA, agreed with the Special Manager of those companies on the acquisition of the Quadrilatero industrial complex. This industrial complex comprises two business units, the Impresa/SAF business unit and the Dirpa business unit. In the light of the analyses conducted, it was shown that the two business units, from the economic point of view, are a single entity definable as a business pursuant to the definition contained in Appendix A of IFRS 3 "Business Combinations". By the effect of this agreement, Astaldi will thus create a strategic infrastructure for the area concerned (the so-called Maxi Lotto 2 of the Marche-Umbria Quadrilatero road network) foreseeing the execution as general contractor of works for improving the Perugia-Ancona road, on the Fossato di Vico Cancelli and Albacina-Valtreara Tunnel-Serra San Quirico section of SS-76 (Lot 1.1 – Sub-Lots 1.1.1, 1.1.2, 1.1.3) and Pianello-Valfabbrica section of SS-318 (Lot 1.2), as well as the construction on the new roadbed of the Pedemontana delle Marche road, along the section between Fabriano and Muccia/Sfercia (Lots 2.1 and 2.2). The overall amount of the works is EUR 745 million, of which approximately EUR 500 million still to be executed at the end of July 2015.

On the date of acquisition, the current value of the assets and liabilities of the business units was identified on the basis of an expert opinion commissioned from an independent expert. The final outcome of these valuations involved an upwards adjust, totalling EUR 33,479 thousand of which EUR 11,879 relative to DIRPA's business unit, of the net accounting assets of the aforesaid business units, substantially attributable to contract rights acquired for the development of the works for Maxi Lot 2 of the Marche-Umbria Quadrilatero road network.

The following table, with regard to the Purchase Price Allocation (PPA) process, shows a summary of the fair value of the assets acquired and the liabilities undertaken at the time of acquisition of the business unit:

Assets	EUR/000
Property, plant and equipment	1,153
Intangible assets	33,479
Inventories	1,168
Other assets	200
Total Assets (A)	**36,000**

Liabilities	**EUR/000**
Total liabilities (B)	**0**
Net assets acquired (A-B)	**36,000**
Cost of the business combination	36,000
delta	**0**

As shown in the previous table, the amount of the payment agreed for the acquisition of the Quadrilatero industrial complex, EUR 36,000 thousand, is substantially equivalent to the fair value of the assets acquired and liabilities undertaken, and therefore not giving rise to any goodwill (positive or negative).

The following table shows the amount of cash used for the acquisition:

	EUR/000
Cost of the business combination	**36,000**
Deduction of liquidity acquired	0
Deduction of payables to the seller	28,760
Net liquidity net of the assets acquired used (received) for the acquisition	**7,240**

It is specified in accordance with the provisions of IFRS 3 that the amount of the revenue referring to the Quadrilatero industrial complex earned starting from the acquisition date and until the end of the financial year amounts to EUR 35,201 thousand, and moreover the profit earned during the same period amounts to EUR 1,255 thousand. It also bears pointing out that the revenue referring to the acquired business units, measured hypothetically if the acquisition date were verified from the start of the reporting year, would amount to EUR 71,299 thousand, which is moreover substantially in line with what was recorded as an effect of the business unit leasing agreement beginning from the month of February 2015 and ending on the acquisition date of the aforementioned industrial Complex.

<u>Allocation of purchase price of the assets acquired and liabilities undertaken for the company Kopalnia Kruszywa S5</u>

On 17 April 2015, the subsidiary Astaldi Polska signed a contract with the limited liability company Wika Kruszywa for the acquisition of the entire stake in the share capital of the limited liability company registered under Polish law S5 (the company S5).

The company S5, recently set up (December 2014), is the holder of the concession for the exploitation of a gravel quarry located at Januszkowice, Municipality of Długołęka, in Poland. The operation has enabled the Astaldi Group to optimise the supply process of the materials necessary for the construction of the high-speed road S5 between Poznań and Wrocław - Lot 3. The amount paid for the acquisition of the company, totalling PLN 1,850 thousand (equivalent to EUR 460 thousand at EUR/PLN exchange rate of 17 April 2015) is equal to the fair value of the assets acquired and liabilities undertaken, and therefore not giving rise to any goodwill (positive or negative).

Investment property

Investment property is recognised as an asset when it held for the purpose of receiving rent or appreciation of the invested capital, provided that the cost of the asset can be reliably established and the relevant economic future benefits can be used by the company.

Investment property is measured at purchase or production cost, increased by any additional costs, net of accumulated depreciation and any impairment losses.

The useful life of the property is between 20 and 33 years.

Investment property is eliminated from the financial statements when transferred or when the investment is unusable in the long-term and no future economic benefits are expected from its transfer.

Impairment of assets

The Impairment for intangible assets with an indefinite useful life, and for intangible assets with a definite useful life being carried out is done at least annually.

For tangible assets, intangible assets (other than those with an indefinite useful life, or in progress), it is verified, at every reference date in the financial statements, that there are no events or changes of circumstances that can give rise to any reductions of value.

In addition to the provisions of IAS 36, the directors of the Parent, at any reference date of the financial statements, assess, pursuant to IAS 39 (paragraphs 58-62) whether, with reference to the financial assets representing capital instruments, there is any objective evidence of a reduction in value.

The Group, where necessary, performs the Impairment Test on the smallest group of assets that generates financial flows broadly independent of the financial flows generated by other assets or groups of assets ("Cash Generating Units"), if it is not possible to determine the recoverable amount of the individual assets.

The impairment test is done by comparing the carrying amount of the asset (or groups of assets) and the corresponding recoverable amount[2]. Should the carrying amount be greater than the corresponding recoverable amount, the asset is depreciated by recognition of an impairment loss in the income statement. Should the prerequisites for the previously performed impairment cease to exist, such impairment loss is reversed within the limits of the carrying amount of the asset. Any reversal of impairment loss is recognised in profit or loss. Conversely, impairment losses on goodwill or an intangible asset with an indefinite useful life are never reversed.

It is pointed out that in 2015 the management of the Parent availed itself of the consultancy of an advisor of an international network as well as of major standing professionals for conducting the first and second level impairment tests.

These were performed, pursuant to and for the effects of the provisions of IAS 36, according to the procedures adopted by the Group and approved pursuant to the Banca d'Italia – Consob and Isvap Joint Document no. 4 of 3 March 2010, and to Art. 7.C.2 of the New Self-Regulatory Code for Listed Companies.

At the outcome of the impairment tests, there was no need to recognise any losses due to impairment.

Presence of impairment indicators – Market capitalisation lower than Equity

In the first nine months of 2015, the prices of the share showed a significant increase in Market Capitalisation. In particular, in the period between the month of January and August, the share price reached a maximum level of EUR 10.88 per share, this exceeding EUR 1,000,000 thousand in overall stock exchange capitalisation. In the later part of the year, the share price fell back to much lower levels, and on 31 December was at EUR 5.615 per share, with a Market Capitalisation of EUR 552,656 thousand, lower than

[2] In particular, the recoverable amount is defined as the greater between the fair value less costs to sell and the asset's value in use.

the Group Equity at 31 December 2015 of EUR 631,405 thousand.

The Management of the Parent in the presence of this Impairment indicator, conducted a detailed analysis of all the facts and circumstances that may have caused it.

For this purpose, the Management, on the basis of the provisions of the Organismo Italiano di Valutazione, decided to conduct a second level Impairment Test in order to compare the recoverable amount of the Group's net assets with its accounting equity.

In this regard, the company has availed itself of the specific consultancy of a network with international standing to which a specific task was entrusted.

The second level Impairment Test involved the identification of two macro CGUs in the Constructions and Concessions segments in order to calculate the recoverable amount of each of them.

Specifically, the recoverable amount of the CGU for the constructions segment was obtained through a method based on revenue flows involving the discounting of the revenue for each year, as calculated on the basis of the forecasts developed on reasonable and sustainable assumptions able to represent the best estimate that can be made by the Management of the Parent.

For the discount process, a rate equivalent to the cost of own capital (Ke) of the Parent (8.76% for 2016, 8.85% from 2017[3]) was used. The flow used for calculation of the Terminal Value was set at the average net revenue over the past 5 years, with a prudential hypothesis of growth rate zero and an add-on to the Ke of 4%.

With regard to the CGU for the Concessions segment it is pointed out that the relative recoverable amount was calculated by the method of the sum of the parts. Specifically, the value of the investees was estimated separately using bottom-up cascade model so that at each level the book value of the investments is replaced with the respective proportionate value.

With special regard to the measurement techniques applied to the main investees, it is pointed out that the value of each was identified by the “Dividend Discount Model” (DDM), discounting the flows of future dividends expected by the management of the companies. In order to apply this method, the economic-financial plans of the investees were used as drafted by the pertinent bodies of the individual companies.

The recoverable amount of the net assets of the Group expressed per ordinary share, after the impairment test in addition to specific sensitivity analysis, emerged as considerably higher than the corresponding Market Capitalisation, thus confirming the full recoverability of the Group accounting equity.

Service concession arrangements

The service concession arrangement, in which the authority granting the concession is an entity of the public sector and the operator is an entity of the private sector, fall under the application of IFRIC 12 – *Service concession arrangements (IFRIC 12 and/or interpretation)*, if they are referred to infrastructures relative to important economic and social services rendered to the public. IFRIC 12 envisages that the following conditions must be fully respected for its application:

- the authority granting the concession controls or he services that the operator must provide with the infrastructure, to whom it must supply them and at what price;
- The authority granting the concession controls any remaining interest in the infrastructure at the expiry date of the agreement through its ownership or in another way.

According to the interpretation, in particular, under an agreement for service concession, the operator operates as a service provider which essentially involves

- Construction and improvement services: the operator builds or improves the infrastructure to be used by the same operator to provide the public service;
- Management service: the operator manages and maintains the infrastructure throughout the duration of the concession

[3] The change of Ke utilised starting from 2017 for the discounting of flows is attributable to the different IRES rate applicable for calculating the tax rate on the revenue produced in that year.

The amount payable to the granting authority for the concession of services is thus distributed over the services provided in relation to the respective fair value amounts in order to reflect the substance of the operation

With regard to the measurement of the state of advancement of the contract activities, the operator measures the amounts for the service it provides (i) in accordance with IAS 11 paragraph 22 with regard to the construction and improvement phase and (ii) in accordance with IAS 18 paragraph 20 for the management service.

The interpretation also states that if the concession agreement has certain characteristics, the right to use the infrastructure (asset in concession) for providing the service can be recognised as:

- *A financial asset*, when there is an unconditioned right of the operator to receive a fee whatever the effective use of the infrastructure by the public (guaranteed minimum).Under this model, the operator recognises a financial asset in its financial statements - IAS 39 “Financial Instruments: Recognition and Measurement” - on which interest receivable accrues. This financial asset is initially recognised for an amount corresponding to the fair value of the infrastructures built, and subsequently at amortised cost. The credit is settled by the payments of the guaranteed minimums received by the granting authority. The interest receivable calculated on the basis of the effective interest rate are recognised under financial income;
- *An intangible asset*, when there is a right to charge the users for the use of the public service (charging right). In this regard, IFRIC 12 specifies that the services under concession, in terms of recognition and measurement, come within the sphere of application of IAS 38. With regard to the method for amortising the intangible asset, it is pointed out that this asset is amortised on a straight-line basis over the duration of the concession in such a way as to reflect the procedures by which it is presumed that the future economic benefits deriving from the use of the infrastructures will be received by the Group.
- *Both an intangible asset and a financial asset (so-called “mixed method”)*, when the operator is paid for the construction of the infrastructure with both of the above forms. In this case the intangible asset is calculated as the difference between the fair value of the investment made and the amount of the financial asset obtained by the discounting of cash flows deriving from the minimum guaranteed amount. With regard to the measurement of the present value of the guaranteed minimums, it is pointed out that the discount rate used by the Group for concession agreements is equal to the effective interest rate recognised for each individual project as already remarked with reference to the financial assets model.

There follows a brief description of the main concession projects of the Astaldi Group.

Concessions	Segment	Main activity	Subject to IFRIC 12	Accounting model	Expiry	Country	%
Subsidiaries							
Mondial Milas – Bodrum A.S.	Airports	Milas-Bodrum International Airport	Yes	Mixed	October 2015	Turkey	100.00%
Sociedad Concesionaria Metropolitana de Salud s.a.	Healthcare	Felix Bulnes Hospital	Yes	Financial assets	2033	Chile	99.99%
Valle Aconcagua S.A.	Mines	Relaves mining facility	No	N.A.	2032	Chile	77.51%
Joint Ventures							
Ankara Etlik Hastane Saglik Hizmetleri Isletme Yatirim A.S.	Healthcare	Etlik health campus	Yes	Financial Assets	2042	Turkey	51.00%
Autostrada Brescia Verona Vicenza Padova S.p.A.	Motorways	Brescia Verona Vicenza Padua Motorway	Yes	Intangible Assets	2026	Italy	14.29%
Associates							
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	Healthcare	New Hospital of Venice - Mestre	Yes	Financial Assets	2032	Italy	37.00%

Metro 5 S.p.A.	Underground lines	Milan Underground Line 5	Yes	Financial Assets	2040	Italy	38.70%
Pacific Hydro Chacayes	Water	Chacayes hydroelectric facility	No	N.A.	Perpetual	Chile	27.30%
Otoyol Yatirim ve Isletme A.S.	Motorways	Gebze - Orhangazi – Izmir Motorway	Yes	Financial Assets	2035	Turkey	18.86%
ICA Ic ICTAS - Astaldi Ücüncü Bogaz Köprüsü ve Kuzey Marmara Otoyolu Yatirim ve Isletme AS	Motorways	Third Bridge on the Bosphorus and Northern Marmara Highway	Yes	Financial Assets	2026	Turkey	33.33%

Equity investments

Equity investments in companies other than subsidiaries, associates and joint ventures (in which the Group generally holds a share of less than 20%) are classified, at the time of purchase, under “equity investments” classifiable in the category of financial instruments available for sale as defined by IAS 39. These instruments are initially recognised at cost, recorded at the date when the transaction took place, as representing fair value, inclusive of transaction costs directly referring to the transaction.

After initial recognition, these investments are measured at fair value, if determinable, with recognition of the effects in the statement of comprehensive income, and, then in a specific equity reserve. At the time of realisation or recognition of an impairment loss, in case of objective evidence that these instruments have undergone a significant and prolonged reduction of value, the profits and losses recognised in this reserve are reclassified in profit or loss.

If at the updating of the corresponding fair value the impairment loss has been wholly or partially reversed, the related effects will also be recognised in the statement of comprehensive income, while then charging the specific reserve set up previously.

If the fair value cannot be reliably determined, the investments classified among the financial instruments available for sale are measured at cost, adjusted for impairment.

Inventories

Inventories are recognised at cost or the net recoverable amount, whichever is lower. The amount of inventories is calculated at weighted average cost, applied to homogeneous categories of goods. The cost includes all charges related to purchase and transformation and all other costs incurred to bring inventories to the site where being used and in the conditions to be suitable for the production process.

Construction contracts

Contract work in progress is recognised in accordance with the method of percentage of completion accrued with reasonable certainty, calculated by applying the “incurred cost” (cost to cost) criterion.

The measurement reflects the best estimate of works performed at the reporting date. Assumptions, underlying measurements, are periodically updated. Any income statement effects deriving therefrom are accounted for in the year in which such update is made.

Contract revenue comprises:

- Contract amounts agreed, changes in works, price reviews and incentives, to the extent to which these are likely to be reliable, with application of the conditions set forth in IAS 11 “Construction Contracts”.

In this regard they refer to:

- Specific legislation regarding public works and international legislation;

- Contract clauses;
- The status of negotiations with the customer and likelihood that these negotiations will have a positive result;
- Technical-legal studies also conducted with external consultants, to confirm that the valuations made are reliable when necessary due to the complexity of specific situations.

Contract costs include:

- All costs that refer directly to the contract, costs that may be attributed to contract activity in general and that may be allocated to such contract, as well as any other costs that may be specifically charged to the customer on the basis of contract clauses.

Such costs moreover include:

- Pre-operating costs, i.e. the costs incurred during the initial phase of the contract prior to the start of construction activity (tender preparation costs, design costs, organisation and production start-up costs, construction site installation costs), as well as
- Post-operating costs incurred after completion of the contract (site removal, return of equipment/machinery to base, insurance, etc.), and additionally
- Costs for services to be performed after the completion of works, remunerated in the contract referring to the contract activity (for example, periodic maintenance, assistance and supervision during the first phase of operation of individual works).

It is likewise pointed out that contract costs include financial expense, as allowed by the amendment to IAS 11 in connection with IAS 23, resulting from financing specifically referred to works carried out. In fact, during the call for tenders, specific terms of payment are defined on the basis of legal conditions that require the Group to perform structured financing transactions on the contract's invested capital, the relative charges for contract fee calculation.

Should forecasts suggest that completion of a contract may generate a loss, this shall be entirely recognised in the financial year when reasonably expected.

When the outcome of a long-term contract cannot be reasonably estimated, the amount of contract work in progress is calculated on the basis of costs incurred, assuming it is reasonably expected that such will be recovered without recognition of the margin.

When favourable or unfavourable events attributable to present situations at the reporting date occur after the reporting date, the amounts recognised in the financial statements are adjusted to reflect the consequent income statement and statement of financial position effects.

Contract work in progress is presented net of any allowance for impairment and/or losses on contracts, as well as of any advances for the contract in progress.

In this regard, it is noted that invoiced amounts related to individual progress reports (Advances) reduce the gross contract amount, if the latter is higher, and any surplus is recognised under liabilities. On the other hand, invoiced advances are considered as financial transactions and are not relevant for the purpose of revenue recognition. Therefore, since advances represent simple financial events, these transactions are always recognised among liabilities insofar as received not as consideration for works carried out. However, such advances are progressively decreased, usually by virtue of contract agreements, to offset invoicing of the contract.

With regard to the Allowance for losses on contracts, it is noted that should said allowance exceed the contract amount recognised among assets, such excess is recognised under "Amounts due to customers".

The aforementioned analyses are conducted on a contract-by-contract basis: if the differential is positive (due to contract work in progress being greater than the amount of advances), such amount is classified among assets under "Amounts due from customers"; on the other hand, if this differential is negative, the amount is classified among liabilities, under "Amounts due to customers".

Receivables and financial assets

The Group classifies financial assets in the following categories:

- Assets at fair value through profit or loss;
- Receivables and loans;
- Held to maturity investments;
- Financial assets available for sale.

Classification depends on the reasons why the asset was acquired, the nature thereof and the valuation made by management at the purchase date.

Initially, all the financial assets are recognised at fair value, increased by additional charges in the case of assets other than those classified at fair value through profit or loss.

The Group determines the classification of its own financial assets after initial recognition and, if appropriate and allowed, reviews such classification at the end of each financial year.

Financial assets at fair value through profit or loss
This category comprises the financial assets acquired for short-term trading or financial assets originally designated for this purpose by management. Assets held for trading include all assets purchased in order to be sold in the short term. Derivatives, including separated derivatives, are classified as held-for-trade financial instruments unless designated as effective hedging instruments. Gains or losses on assets held for trading are recognised in profit or loss. Upon initial recognition, financial assets may be classified as financial assets in the category in question, if the following conditions are met: (i) the designation eliminates or significantly reduces the inconsistency of recognition which would arise by measuring the assets or recognising gains and losses generated by such assets in accordance with a different criterion; or (ii) the assets are part of a group of managed financial assets and their return is measured on the basis of their fair value, in accordance with a documented risk management strategy.

Receivables and loans
This category comprises assets which are not derivatives and that are not quoted in an active market, from which fixed or calculable payments are expected. Such assets are measured at the amortised cost based on the effective interest rate method. Any impairment losses calculated through the impairment test are recognised in profit or loss. These assets are classified as current assets, except for portions whose terms expire after more than 12 months, which are included under non-current assets.

Held to maturity investments
This category comprises assets which are not derivatives, with a pre-set maturity and for which the Group has the intention and capacity to hold to maturity.
Such assets are initially recognised at fair value, calculated at the trading date, and subsequently measured at the amortised cost based on the effective interest rate method. Assets with a contract maturity within the subsequent 12 months are included within current assets. Any impairment calculated through the impairment test is recognised in profit or loss.

Financial assets available for sale
This category comprises financial assets which are not derivatives, have been designated as such or are not classified in any of the three previous categories. They are measured at fair value, with changes in the amount shown against a specific equity reserve ("reserve for assets available for sale"). This reserve is recognised in profit or loss only when the financial asset is effectively transferred, or if there is real evidence that it has undergone a significant impairment loss. Its classification as a current or non-current asset depends on the intentions of management and the real negotiability of the asset. Items expected to be realised in the subsequent 12 months are recorded under current assets.

Impairment losses on financial assets

At the end of each financial year the Group verifies whether any financial asset or group of financial assets were impaired according to the following criteria.

Assets measured at amortised cost

If there is actual evidence that financing or a receivable recognised at amortised cost might be impaired, an impairment test is performed in order to determine the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding losses on future amounts receivable not yet incurred) discounted by the initial actual rate of interest of the financial assets (i.e. the actual interest rate calculated at the date of initial recognition). The carrying amount of the asset will be reduced by application of an allowance. The amount of the loss will be recognised in profit or loss.

In particular, with reference to trade receivables, impairment losses are recognised when there is evidence, largely based on the nature of the counterpart, that there is no possibility of collecting such receivables according to the original conditions. If, subsequently, the amount of impairment decreases, the impairment loss may be reversed. Any subsequent reversals of impairment losses are recognised in profit or loss, to the extent in which the asset's carrying amount does not exceed the amortised cost at the date of reversal.

Financial assets available for sale

In case of impairment of a financial asset available for sale, an amount corresponding to the difference between its cost (net of repayment of capital and amortisation) and its current fair value is deducted from equity and recognised in profit or loss, net of any impairment loss previously recognised in profit or loss.

Reversals of impairment losses relating to equity investments classified as available for sale are not recognised in profit or loss. Reversal of impairment losses relating to debt instruments is recognised in profit or loss if the increase in instrument's fair value may be objectively attributed to an event which occurred after the impairment losses were recognised in profit or loss.

Derivatives

Derivatives are usually considered as instruments suitable for hedging and effective in neutralising the underlying assets, liabilities or commitments assumed by the Group, unless these instruments are considered as assets held for trading in which case they are measured at fair value through profit or loss.

Specifically, the Group uses derivatives within the context of hedging strategies aimed at neutralising the risk of fluctuations of cash flows expected with regard to contractually defined or highly probable transactions (cash flow hedge). Specifically, fair value fluctuations of derivatives designated as cash flow hedges and qualified as such are recognised in a specific reserve charged to the statement of comprehensive income ("hedging reserve"), which is then recognised in the income statement when the income statement effects of the hedged item arise. The difference in fair value referable to the ineffective share is immediately recognised in the income statement for the year. If the derivative instrument is transferred or no longer qualified as an effective hedge against the risk for which the transaction had been made, or the occurrence of the underlying transaction is no longer considered highly probable, the relative share of the "hedging reserve" is immediately reversed to the income statement. These derivatives are initially recognised at fair value at the signing date; subsequently, such value is periodically adjusted. Derivative instruments are recognised as assets when the fair value is positive, and as liabilities when the fair value is negative. Possible gains or losses deriving from changes in the fair value of derivatives not suitable for hedge accounting are recognised directly in profit or loss in the year. The effectiveness of hedging transactions is documented both at the start of the transaction and periodically (at least at every date of publication of financial statements or interim reports), and is measured by comparing the changes in the fair value of the hedging instrument with those of the hedged item, or, in the case of more complex instruments, through statistical analyses based on risk fluctuation.

It is pointed out that the Group does not stipulate derivative contracts for speculative purposes. However, not all derivative transactions carried out for risk hedging purposes are recognised in accordance with the rules of hedge accounting.

Calculation of fair value

Fair value is defined by IFRS 13 as a criterion for market valuation, not specific for the entity, representing the price that would be received for the sale of an asset or the amount that would be paid for the transfer of a liability, in a regular transaction between market operators on the valuation date.

When a price cannot be identified for an identical asset or liability, the fair value is assessed by applying a valuation technique that maximises the use of significant observable inputs and reduces to a minimum the use of non-observable inputs.

It may be suitable to use single or multiple valuation techniques. If several valuation techniques are used to measure the fair value, the results must be assessed considering the reasonableness of the range of amounts indicated by these results.

The three most widely used valuation techniques are as follows:

- **Market approach:** this uses the prices and other significant information produced by market transactions regarding assets and liabilities, or a group of assets and liabilities, identical or comparable (i.e. similar);
- **Cost approach:** this reflects the amount that would be necessary at that time to replace the service capacity of an asset; and
- **Income approach:** this converts future amounts (for example, cash flows or income and expense) into a single current amount at present value.

On the basis of the extent to which the significant inputs used in the context of the valuation technique used are observable, the assets and liabilities measured at fair value in the consolidated financial statements are measured and classified according to the hierarchy of fair value set forth in IFRS 13:

- **Level 1**: refers to quoted prices (not adjusted) in active markets by identical assets or liabilities to which the entity can have access on the date of valuation;
- **Level 2**: inputs other than the quoted prices included in Level 1, directly or indirectly observable for the assets or liabilities;
- **Level 3:** refers to inputs that are not observable for the assets or for liabilities.

The classification of the entire value of fair value of an asset or of liability is made on the basis of the level of hierarchy corresponding to the one to which reference is made, at the lowest significant input used for calculation.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised from financial statements when:

- The rights to receive cash flow from the asset have expired;
- The right to receive cash flow from the asset is retained, but according to contractual obligations such cash flow has to be paid immediately and entirely to a third party;
- The Group transferred the right to receive cash flows from the asset and the Group: (a) has substantially transferred all risks and rewards deriving from ownership of the financial asset, or (b) has neither transferred nor kept all the risks and rewards deriving from the asset, but has transferred the control of the asset.

When the Group has transferred the rights to receive cash flow from an asset and has neither transferred nor kept all the risks and rewards or has not lost the control of the asset, the asset is recognised in the Group's financial statements to the extent of the Group's residual involvement in the asset itself. The residual involvement which, by way of example, is represented by a guarantee on the transferred asset, is measured at the initial carrying amount of the asset or the maximum value of the consideration the Group may be required to pay, whichever is lower.

Financial liabilities are derecognised from the financial statements when the obligation underlying the liability expires, is cancelled, or discharged. In the cases where an existing financial liability is replaced by another liability from the same lender, under substantially different conditions, or the conditions of an existing liability are substantially changed, such replacement or change is considered as derecognition of the original liability and recognition of a new liability with the consequent recognising in profit or loss of any differences between carrying amounts.

Cash and cash equivalents

These include cash, deposits or other amounts with banks or other financial institutions, available for current transactions, postal current accounts, and other equivalent securities, as well as investments with terms expiring within three months of the purchase date. Cash and cash equivalents are recognised at fair value, which normally corresponds to their nominal amount.

Assets / Liabilities connected with disposal groups

The assets related to and liabilities connected with disposal groups, the carrying amount of which will be recovered mainly through sale rather than through continuing use, are shown separately from other assets and liabilities in the statement of financial position.

Immediately before being classified among disposal groups, they are recognised on the basis of the specific IFRS applicable for each asset and liability, and subsequently recognised at the carrying amount or presumed fair value, whichever is lower, net of the related selling costs. Any losses are recognised immediately in profit or loss.

The overall income statement effects of these operations, net of the related tax effects, are shown separately in a single item of the income statement.

Equity

Share capital
The share capital comprises the Parent's subscribed and paid up capital. Costs strictly related to share issues are classified as reducing the share capital when such costs are directly attributable to the capital transaction.

Treasury shares
Treasury shares are recognised as a reduction of equity. Specifically, the nominal amount of treasury shares is recognised as a reduction of the issued share capital, while the excess of the purchase value compared to the nominal amount is carried-over to reduce other reserves as resolved at the Shareholders' Meeting. Therefore, profits or losses relating to the purchase, sale, issue, or cancellation of treasury shares are not recognised in profit or loss.

Retained earnings (Losses carried forward)
These include the profits or losses of previous years for the part not distributed or allocated to reserves (in the case of profit) or balanced (in the case of loss).

Other reserves
These are reserves deriving from first-time application of international financial reporting standards and other equity reserves (such as share option reserve).

Other comprehensive income
The items of comprehensive income (O.C.I. – Other Comprehensive Income) include income items recognised directly under the equity reserves in compliance with IFRS rules regarding their origin and changes.

The items included in the statement of comprehensive income of these consolidated financial statements are presented according to type and grouped in two categories:

(i) **Items that will not be subsequently reclassified to profit or loss**:

- Actuarial gains and losses on defined benefit plans (IAS 19);

(ii) **Items to be subsequently reclassified to profit or loss, when certain specific conditions occur as required by IFRS**:

- Gains and losses from the translation of the financial statements of foreign operations using a functional currency other than the Euro (IAS 21);
- Gains and losses on measurement available-for-sale financial assets (IAS 39);
- An effective part of gains and losses from hedging instruments (IAS 39).

Financial liabilities

Financial liabilities are initially recognised in the financial statements at fair value net of transaction costs, and are subsequently measured at their amortised costs.

Any difference between the sum received (net of transaction costs) and the nominal amount of the payable is recognised in profit or loss by applying the effective interest rate method.
Financial liabilities are classified as current liabilities, unless the Group has the contract rights to fulfil their obligations at least more than 12 months after the reporting date.

It is noted that the Group has not designated any financial liability at fair value through profit or loss.

Convertible bonds

Convertible bonds are generally financial instruments consisting of a liabilities component and an equity component. At the date of issue, the fair value of the liabilities component is estimated using the current market interest rate for similar non-convertible bonds. The difference between the net amount gained for the issue and the fair value assigned to the liabilities component, which represents the implicit option to convert the bonds into Group shares, is included under Equity.

On the other hand, convertible bonds offering the issuer with the choice between repayment through ordinary shares, or alternatively by payment in cash (Cash Settlement Option), are referred to as hybrid financial instruments.

In the latter case, the relative financial liabilities are recognised at amortised cost, while the implicit incorporated amount representing the conversion option is recognised at fair value through profit or loss.

Trade payables and other payables

Trade payables, whose term of expiry falls within the normal commercial terms, are not discounted and are recognised at cost (identified by their nominal amount).

Income tax

Current taxes
Current taxes for the year and those of previous years are recognised at the amount expected to be paid to the tax authorities. Tax rates and tax laws used to calculate the amount are those substantially issued at the

reporting date in the individual countries where the Group operates.

Deferred taxes

Deferred taxes are calculated by adopting the so-called liability method, applied to the temporary taxable or deductible differences between the carrying amount of assets and liabilities recognised in the financial statements and the taxable amount.

Deferred tax liabilities are recognised against all temporary taxable differences, except when:

- Deferred tax liabilities derive from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and which at the moment of the transaction does not affect the profit for the year, calculated for the purpose of the financial statements, or the profit or loss calculated for tax purposes;
- Temporary taxable differences related to interests in subsidiaries, associates and joint ventures, the reversal of the temporary differences may be checked and it is likely that it will not occur in the future.

Deferred tax assets are recognised against all deductible temporary differences and for tax losses carried forward, to the extent to which sufficient future tax profits that can make its use applicable are likely, except when the deferred tax asset results from initial recognition of an asset or liability in a transaction that is not a business combination and that, at the moment of the transaction, does not affect the profit for the year, calculated for the purpose of financial statements, or the profit or loss calculated for tax purposes.

The amount of deferred tax assets to be recognised in the financial statements is reassessed at each reporting date and reduced to the extent in which sufficient future tax profits are no longer likely, in order to allow all or part of the credit to be used. Deferred tax assets that are not recognised are reassessed on an annual basis at the reporting date, and are recognised in the extent in which it is likely that the tax profit is sufficient to allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured on the basis of tax rates expected to be applied for the period in which such assets will be realised or such liabilities will be settled, considering the rates in force and those already substantially issued at the reporting date.

Deferred tax assets and liabilities are offset in the event of a legal right to offset current tax assets with current tax liabilities and when the deferred taxes refer to the same tax and the same tax authority.

Income tax (deferred and current) referring to items recognised directly under equity are also recognised under equity and not in profit or loss.

Employee benefits

Benefits due to employees for early retirement

Benefits due for the termination of employment are amounts payable to employees following the decision by the company to terminate the employment of an employee before the retirement date and the decision by the employee to accept voluntary resignation in exchange for this indemnity.

These benefits must be recognised as liabilities and expenses at the date nearest to (i) the time when the Company can no longer withdraw the offer of these benefits; and (ii)the time when the Company recognises the costs of restructuring coming under the application of IAS 37 which implies the payment of benefits due for the termination of employment. These liabilities are measured on the basis of the type of benefit granted. In particular, if the benefits granted are an improvement with respect to other benefits subsequent to the end of employment and recognised to the employees, the relative liabilities are measured in accordance with IAS 19 paragraph 50-60 “Post-employment benefits”. Otherwise, the rules to be applied for measuring the benefits due to employees for the termination of employment differ according to the time when such benefits are expected to be paid:

- If it is expected that the benefits will be fully settled within twelve months from the end of the year, the rules stated for short-term employee benefits shall apply (IAS 19 paragraph 9-25);
- If it is not expected that the benefits will be fully settled twelve months from the end of the year, the rules

stated for long-term employee benefits shall apply (IAS 19 para.153-158).

Post-employment benefits

Liabilities for benefits guaranteed to employees, issued at the time of or subsequent to the termination of employment through defined benefit plans, are recognised in the year of maturity of the entitlement in relation to the employment period required to obtain the benefits, on the basis of actuarial tables and net of any advances paid. The valuation of the liabilities is conducted by independent actuaries using the “projected unit credit method”.

In this context, the following income items are recognised among personnel expenses in the statement of profit (loss):

- The costs deriving from current employment services representing the actuarial estimates of the benefits to which employees are entitled in relation to the employment services rendered in the year;
- The net interest cost representing the change in the amount of liabilities in the year due to the effect of the elapse of time; and
- The costs and income deriving from amendments to defined benefit plans (“costs or income related to past employment services”) fully recognised in the period in when the changes are made.

Moreover, the changes in the amounts of liabilities for defined benefit plans regarding actuarial gains or losses, are fully recognised in the year of maturity in the section Other Comprehensive Income (OCI) of the statement of comprehensive income.

The liabilities referring to benefits guaranteed to employees, and paid out at the time of or subsequent to the termination of employment by a defined contribution plan, are recognised for the amount accrued at the end of the year.

Liabilities referring to other employee benefits are recognised for the amount accrued at the end of the year also on the basis of actuarial estimates if referring to medium-long term benefits.

Stock grant plan

The Parent has formulated an Incentive Plan for senior management (Chief Executive Officer with delegation for economic and financial operation and General Managers) consisting in the assignment to them, free of charge, of Company shares upon the achievement of specific financial targets.

The share option plan structured in this way falls under the scope of application of IFRS 2 under the category of “equity settled” operations.

The cost of the Incentive Plan is spread over the period to which the incentive refers (vesting period) and is calculated with reference to the fair value of the right assigned to senior management on the date when the commitment is made, in such a way as to reflect the market conditions on the date in question.

At every reporting date, the hypotheses are verified as to the number of options expected to mature. The charges referring to the year are recognised in profit or loss, under personnel expenses, and are offset by an equity reserve.

Provisions for risks and charges

Allocations to provisions for risks and charges are recognised when, on the reporting date, there is a current obligation (legal or implicit) deriving from a past event, if there is a probable outlay of resources to satisfy the obligation, and a reliable estimate can be made on the amount of the obligation.

The provisions are recognised at the amount representing the best estimate of the amount that the company would pay to extinguish the obligation, or to transfer it to third parties on the reporting date. If the effect of discounting the value of money is significant, the provisions are calculated by discounting the expected future cash flows at a pre-tax discount rate reflecting the current market valuation. When the discount is applied, the increase in the provision due to the passing of time is recognised as a financial charge in the income statement.

Revenue other than contract work in progress

Revenue is stated at the fair value of the amount received, taking into account any discounts and reductions related to quantity.

Revenue for the sale of goods is recognised when the company has transferred significant risks and the benefits connected with ownership of the goods to the purchaser; in many cases this coincides with the transfer of ownership or possession to the purchaser, or when the amount of the revenue can be reliably determined.

Revenue from the supply of services is recognised when it can be reliably estimated, on the basis of the percentage of completion.

Government grants

Government grants are recognised in the financial statements at fair value, when there is reasonable certainty that they will be received and all the relative conditions have been satisfied. When the grants are related to cost items, they are recognised as revenue, while being spread systematically over the years in such a way as to match the costs they are intended to offset. If the grant is related to an asset, the fair value is recognised as a decrease of the said asset. It is also accrued under liabilities if the asset to which it is related does not come into operation, or is in the construction phase, and the related amount does not cover the value of the asset.

Financial expense

Interest is recognised on an accruals basis under the effective interest method, by using the interest rate that makes all incoming and outgoing flows (including premiums, discounts, commissions, etc.) related to such transaction financially equivalent. Financial expense is capitalised in accordance with the provisions set out by IAS 23.

Dividends

Dividends are recognised when the shareholders become entitled to receive the payment that normally corresponds to the dividend distribution approved at the Shareholders' Meeting. Distribution of dividends to the shareholders is recognised as a liability in the financial statements for the year in which the distribution thereof is approved at the Shareholders' Meeting.

Costs

Costs are recognised on an accruals basis and on the basis of the Group companies' ability to continue as a going concern.

Earnings per share

The basic earnings per share are calculated by dividing the share of the Group's profit attributable to ordinary shares by the weighted average of outstanding ordinary shares, excluding treasury shares. Diluted earnings are calculated by adjusting the profit or loss attributable to the holders of ordinary shares, and the weighted average of the shares in circulation, as defined above, to take into account the effects of all the potential ordinary shares with a dilution effect.

Use of estimates

The drafting of the financial statements and notes in compliance with IFRSs requires the formulation of estimates and assumptions affecting the carrying amounts of assets and liabilities and the information regarding potential assets and liabilities.

In the light of the Banca d'Italia/ CONSOB/Isvap Joint Document No. 2 of 6 February 2009 it should be pointed out that such estimates are based on the most recent information available to senior management at the time of preparing these financial statements, the reliability of which is, therefore, unprejudiced. Estimates are used, among other things, to perform impairment tests and recognise bad debt provisions, receivables discounting on the grounds of the estimated collection times, contract revenue, amortisation and depreciation, impairment losses on assets, employee benefits, taxes, other amounts allocated, and provisions.

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 of the period when the change occurred.

In particular, taking into account the Group's specific segment which involves a payment amount at the time when the individual contracts are assigned, it is to be noted that the margins on these contracts, credited in the income statement on the basis of systematic calculation criteria, may undergo changes with respect to the initial estimate. This is related to the likelihood of being able to recover the higher charges that may be incurred during the performance of the works.

Newly issued and endorsed accounting standards and interpretations, in force from 1 January 2015

There follows a summary of the new EU Regulations effective at January 2015.

EU Regulation 2014/634 of the Commission of 13 June 2014, published in Official Gazette L 175 of 14 June 2014: Adoption of interpretation IFRIC 21 "Levies".

The aim of the interpretation is to provide guidelines for the appropriate recognition of levies falling under the scope of application of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", in order to improve the comparability of the financial statements for users.

For the purposes of this interpretation, a levy represents a payment due, in accordance with current legislation, to a public administration, except for:

a) Income tax falling under the scope of application of IAS 12 "Income Taxes"; and

b) Fines or other sanctions levied for violation of laws.

IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", states that a liability is recognised when the event causing the obligation to arise has occurred (binding event).

Pursuant to IFRIC 21, the binding event is that event, typically specified in the law of the jurisdiction concerned, for the occurrence of which the payment of a levy is requested.

The interpretation considers different types of levies:

- The levy requirement manifests gradually at the time when the entity produces revenue: the binding event is the production of revenue, as set forth in local rules, and the obligation will thus be recognised at the same time as the revenue is produced;
- The levy requirement arises fully when the entity produces the first revenue in a given year.

There is no requirement if the amount to be paid is based on the sales of the previous year;

- The levy requirement arises fully if the company is operational on a certain date: in this case, even if the amount of the levy is calculated on the basis of balances of the previous year, no obligation is recognised until the specific date is reached. The basic assumption of the continuation of the company as a going concern therefore does not imply as such the need to recognise and obligation before the specific date;
- The levy requirement arises if the entity produces revenue over a certain specified minimum threshold, and only at that time a liability is recognised, independently from the probability/reasonable certainty of exceeding this threshold.

The changes made have not produced significant effects for purposes of the measurement of the financial statement items and disclosure.

EU Regulation 2014/1361 of the Commission of 18 December 2014, published in Official Gazette L 365 of 19 December 2014: Annual Improvements cycle to the IFRSs 2011-2013.

The aim of the annual improvements is to cover the topics necessary with respect to any inconsistency observed in the IFRSs or for terminological clarifications which are not urgent but which have been discussed by IASB during the planning cycle started in 2011.

The changes introduced by the regulations to the IFRS 3 “Business Combinations” and IFRS 13 “Fair Value Measurement” contain slight technical clarifications to the standards involved. The changes to IAS 40 “Investment Property” provide indications regarding the classification of property held by lessees by operating lease.

The changes made have not produced effects for purposes of the measurement of the financial statement items and disclosure.

Endorsed standards and interpretations not adopted in advance by the Group

EU Regulation 2015/28 of the Commission of 17 December 2014, published in Official Gazette L 5 of 9 January 2015: Annual Improvements cycle to the IFRSs 2010-2012.

The changes introduced by the regulation to IFRS 8 “Operating Segments” and IAS 16 “Property, Plant and Equipment”, IAS 24 “Related Party Disclosures” and IAS 38 “Intangible Assets” contain slight changes, essentially technical and textual, in the aforesaid international accounting standards. The changes to IFRS 3 “Business Combinations” provide further indications regarding the recognition of the contingent amount connected with a business combination. The changes to IFRS 2 “Share-based Payments” utilise the definition of the “vesting condition”, contained in Appendix A of the aforesaid standard, to define the “service condition” and "performance condition " and provide some clarifications regarding the definition of “market condition”. The changes will be applied starting from the financial years starting on 1 February 2015 or subsequently (for the Astaldi Group from 2016). It is currently believed that this will not produce relevant effects for purposes of the measurement of the financial statement items and disclosure.

EU Regulation 2015/29 of the Commission of 17 December 2014, published in Official Gazette L 5 of 9 January 2015: Changes to IAS 19 “Employee Benefits”

The changes introduced aim to simplify and clarify the recognition of the contributions by employees or third parties connected with the defined benefit plans, allowing them, upon occurrence of certain conditions, to recognise these contributions as a reduction of costs for providing employment services (“service costs”) in the period when such work has been done.

The changes will be applied starting from the financial years starting on 1 February 2015 or subsequently (for the Astaldi Group from 2016). It is currently believed that this will not produce relevant effects for purposes of the measurement of the financial statement items and disclosure.

EU Regulation 2015/2113 of the Commission of 23 November 2015, published in Official Gazette L 306 of 24 November 2015: Changes to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"

With the changes introduced to IAS 16 and IAS 41, the IASB has clarified that the plants used exclusively for the cultivation of agricultural products over various years, known as fruit-bearing plants, must be subjected to the same accounting procedures utilised for property, plant and equipment pursuant to IAS 16.

The Group has estimated that the adoption of this standard, due to start from 1 January 2016, will not produce any effects for purposes of the measurement of the financial statement items and disclosure.

EU Regulation 2015/2173 of the Commission of 24 November 2015, published in Official Gazette L 307 of 25 November 2015: Changes to IFRS 11 "Joint Arrangements"

The changes introduced by the IASB on IFRS 11 "Joint Arrangements", aim to clarify the accounting procedure that a joint operator must apply in its financial statements for the acquisitions of interests in a joint operation.

Specifically, it was clarified that if the joint operation involved constitutes a business pursuant to IFRS 3 "Business Combinations", the joint operator must apply the accounting rules set forth by the latter standard for recognition of the accounting effects connected with the acquisition.

The changes to IFRS 11 must be applied on a straight-line basis starting from the financial statements for the years starting from 1 January 2016. On the date of the present consolidated financial statements, the Group has estimated that the adoption of this standard will not involve any substantial changes in terms of the measurement, recognition and presentation of the profit and loss and the equity items.

EU Regulation 2015/2231 of the Commission of 2 December 2015, published in Official Gazette L 317 of 3 December 2015: Changes to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"

The changes introduced by the IASB to IAS 16 "Property, Plant and Equipment" are aimed to clarify that the method for depreciation and amortisation for the elements included within the field of application of the aforesaid standard can never be based on the estimate of the revenue produced by such assets over their useful life.

This assertion is due to the fact that the method for depreciation and amortisation of assets must reflect the procedures by which their economic benefits are expected to be utilised, and not on the value of the economic benefits that the assets are able to generate over their useful life.

The IASB has also amended IAS 38 "Intangible Assets" introducing, with reference to intangible assets with defined useful life, a general prohibition to utilise the revenue as a basis for calculating, which can be waived only upon the following conditions:

a) *The intangible asset is expressed as a measurement of revenue:* The use of an intangible asset, in this case, depends on a fixed amount of revenue to be generated and not on a pre-set time period or a given amount of goods produced or sold.

b) *The entity manages to demonstrate that the forecast revenue and utilisation of the economic benefits of the intangible asset are closely related:* In this case, it must be clearly demonstrated that the use of revenue as a basis for calculating the amortisation of an intangible asset does not involve significant differences compared to the other methods allowed by IAS 38.

The changes to IAS 16 and IAS 38 must be applied on a straight -line basis starting from the financial statements of the years starting from 1 January 2016.

On the date of the present consolidated financial statements, the Group has estimated that the adoption of this standard will not involve any substantial changes in terms of the measurement, recognition and presentation of the profit and loss and the equity items.

EU Regulation 2015/2343 of the Commission of 15 December 2015, published in Official Gazette L 330 of 16 December 2015: Annual Improvements cycle to the IFRSs 2012-2014

The changes introduced by the regulation to IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations“, IFRS 7 “Financial Instruments: Disclosures”, IAS 19 “Employee Benefits” and IAS 34 “Interim Financial Reporting” are the result of the annual process of improvement to simplify and clarify some aspects, essentially technical and textual, of the aforesaid international accounting standards. This also involved the amendment of accounting standard IFRS 1 “First-time Adoption of International Financial Reporting Standards” in order to ensure the consistency of the international accounting standards as a whole. The changes will be applied starting from the financial years beginning on 1 January 2016. Currently it is believed that this will not produce relevant effects for purposes of the measurement of the financial statement items and disclosure.

EU Regulation 2015/2406 of the Commission of 18 December 2015, published in Official Gazette L 333 of 19 December 2015: changes to IAS 1 “Presentation of Financial Statements”

The changes introduced to accounting standard IAS 1 “Presentation of Financial Statements” are aimed at defining specific areas of improvement for the presentation and disclosure of the financial statements, specifically referring to the following aspects:a) Relevance and aggregation of the information:

It was clarified that the concept of relevance and aggregation of information must be applied with reference to the financial statements as a whole, thus including the Notes. If an item of information is irrelevant, it should therefore not be given, although IAS 1 other IFRSs request certain information as minimum requirements.

b) Aggregation/disaggregation of the items in financial statements:

It was clarified that the items in the financial statements required as minimum contents in the items of the Statement of Financial Position can be aggregated if not significant. Conversely, the items of the financial statements must be further broken down if this can provide clear information to the users of the financial statements.

c) Interim results in the financial statements layouts

If the entity presents interim results in the layouts of the financial statements, these must be presented and identified in such a way that the items forming the sub-total are clear and comprehensible, and consistent from one year to the next. With reference to interim results included in the layouts for profit/(loss) for the year and other items of comprehensive income statement, the measure requires the reconciling of these results with the sub-totals and totals requested in IAS 1 for this layout.

d) Order of the Notes to the financial statements:

No specific order is any longer requested for the explanatory notes, which thus be ordered and grouped in the financial statements in the way deemed most suitable in order to guarantee that they are comprehensible and comparable.

e) Quota of Other items of comprehensive income statement pertaining to associates and joint ventures recognised with the equity method:

It was clarified that in the section Other items of comprehensive income statement, the quota pertaining to associates and joint ventures recognised with the equity method must not be broken down by type of the single components. These amounts must therefore be presented on an aggregate basis, distinguishing only the portion that can be subsequently reclassified in Profit/(loss) for the year from the quota that will never by recognised in the income statement.

The Group will adopt the changes to IAS 1 starting from 2016, revising the overall structure of the financial statements in order to implement any changes necessary for improving the effectiveness of disclosure.

EU Regulation 2015/2441 of the Commission of 18 December 2015, published in Official Gazette L 336 of 23 December 2015: Changes to IAS 27 "Separate Financial Statements"

The regulation makes some changes to IAS 27 in order to introduce the possibility, in the context of drafting the separate financial statements, of using the equity method for the recognition of investments in subsidiaries, associates or joint ventures.

The changes introduced will be applicable starting from 2016 and in the context of the consolidated financial statements, will not have any effect on the measurement of the items in question, since the provision refers exclusively to the drafting of the separate financial statements.

Notes to the consolidated financial statements

1 Revenue: EUR 2,730,024 thousand (EUR 2,540,388 thousand)

Revenue at 31 December 2015 totalled EUR 2,730,024 thousand, up compared to the previous year by EUR 189,636 thousand. This item is consists of the following:

	2015	2014	Change
Revenue from works	2,696,322	2,504,776	191,546
Concessions - Commercial services under arrangement	24,417	24,127	290
Periodical instalments Periodical instalments	7,976	5,072	2,904
Closing inventories, buildings and plant under construction	1,309	6,413	(5,104)
Total	**2,730,024**	**2,540,388**	**189,636**

The item "revenue from works" shows the value of the works completed and accepted by the respective Customers, including the proportional amount of long-term works undertaken in the year, but not yet completed.

This item has shown a net increase of EUR 191,546 thousand, which derives from the growth of the major foreign contracts in Europe (in particular Turkey and Poland) and in the Americas (Canada and Chile).

The item "Concessions – Commercial services under arrangement" comprises the amounts accrued for infrastructure management services, essentially regarding: (i) the Milas-Bodrum Airport (EUR 13,163 thousand) and (ii) the four Hospitals in Tuscany (EUR 11,254 thousand).

The item "Periodical instalments Periodical instalments", on the other hand, comprises the activities undertaken in the year by the subsidiary NBI, the company operating in the plant 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.

The item "Closing inventories of assets and plant under construction" records 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 waste products of the "Codelco" (Chilean National Mining Corporation) mine.

The revenue in terms of geographical breakdown is as follows.

	2015	%	2014	%	Change
Italy	468,109	17.15%	620,545	24.43%	(152,436)
Europe	1,254,847	45.96%	1,106,101	43.54%	148,746
America	834,599	30.57%	633,005	24.92%	201,594
Africa	123,362	4.52%	154,730	6.09%	(31,368)
Asia	49,107	1.80%	26,007	1.02%	23,100
Total	**2,730,024**	**100.00%**	**2,540,388**	**100.00%**	**189,636**

The decrease recorded on the domestic market is due to a macroeconomic context that is unfavourable for the entire sector, thus preventing in previous years the natural turnover of major contracts under way in Italy, with the natural reduction of the activities (Bologna High Speed Railway Station, Jonica national road, Line 5 of the Milan Underground, Pedemontana Lombarda Motorway and the four Hospitals in Tuscany).

The recent acquisitions recorded on the domestic market (Marche-Umbria Quadrilatero road network, Maxi-Lot 2 – 1st Functional Phase, Naples – Afragola High Speed Railway Station, Centro Direzionale – Capodichino Naples), lead us to believe that in the medium term there will be a return to the traditionally higher production levels.

Again in the domestic sector, we should point out the positive contribution deriving from the works of Line 4 of the Milan Underground, the new hospital in Naples ("Ospedale del Mare"), and Line C of the Rome

Underground. With regard to the latter project, it is also pointed out that although there was a slowdown in production at the end of the year due to the persisting uncertainty regarding the effective availability by the Client of the financial resources to go ahead with the works, , the initiative in any case guaranteed an adequate production level in the first nine months of the year. It is specified that starting 22 December 2015, the Financing Bodies have been meeting to remodulate the Project's General Economic Framework and to determine the mutual economic and financial commitments.

With regard to the European area, there was a significant increase in production volumes despite circumstances adversely affecting annual comparisons, such as (i) the effect of the translation of values expressed in Roubles and (ii) the planned decrease of production volumes due to the substantial completion of the road works in Romania (Arad Nadlac Motorway Lot 1 and Mihai Bravu Overpass) and of the Warsaw Underground Line 2 in Poland. This result was possible thanks to the positive contribution of works in progress in Turkey (Third Bosphorus Bridge, Gebze-Orhangazi-Izmir Motorway and Etlik Health Campus in Ankara) and Poland (John Paul II International Airport at Krakow-Balice, national road S-8 Wisniewo-Mezenin section, national road S-5 Poznań-Wrocław section, Lot 3).

There was a substantial increase in the contribution to the value of production recorded in the American area, due to the positive effect of the works under way in Chile (West Metropolitan Hospital in Santiago, Santiago Airport and the Chuquicamata mining project) as well as the activities under way in Canada (Muskrat Falls Hydroelectric Project). With reference to the latter project, it is pointed out that it has had initial difficulties due to operational circumstances that have inhibited the start-up phase. Thanks to the concrete operational effort of the Group, which has enabled us to bring production to quite significant levels, discussion and cooperation has been under way with the Customer in order to re-plan the activities to be finished and redefine the amount of the project. In the 2015 Income Statement, the order was valued within the limits of the costs incurred, deemed to be recoverable, thus adjusting the margin recorded in the previous years (equivalent to approximately CAD 15 million) on the basis of the programmes known at the time.

With regard to the American area and in particular Venezuela, it should be pointed out that in 2015 the country again had a complex economic and social situation leading to inflation and currency dynamics that have further exacerbated the social crisis. With regard to this scenario, the Astaldi Group has continued to have a prudent approach, thus confirming the reduction of operations in the country, already started since 2012. We can recall that Astaldi has three railway projects under way in Venezuela, strategic for the development of the economy. Nevertheless, given the particular status of the country, the production levels of projects are well below their effective potentials, until the situation is again more balanced. See notes 11 and 23 for broader discussion as to the recognition of the credits to the customer the Venezuelan government.

The Asian area benefits from the positive advancement of railway works in progress in Saudi Arabia (Jeddah and KAEC High Speed Railway Stations). This effect is partially compensated by the effects of the gradual disengagement of the Group in the Oil&Gas segment, no longer of strategic interest.

In the African area the contribution of works in progress in Algeria on the Saida – Moulay Slissen railway section have decreased compared to the previous year, while maintaining major production levels, and are going towards the natural completion of the activities.

For further considerations on this item, see note 36 on segment information pursuant to IFRS 8.

2 Other Operating Revenue: EUR 124,925 thousand (EUR 112,177 thousand)

Other revenue, totalling EUR 124,925 thousand, items not directly related to the core business of the Group, but nevertheless accessory to the core business.

	2015	2014	Change
Revenue from sale of goods	20,868	12,217	8,651
Services – third parties	56,043	52,872	3,171
Services – management of joint projects	1,975	5,094	(3,119)
Rents and leases	5,029	2,940	2,089
Net gains on disposal of property, plant and equipment	15,684	4,344	11,340
Other	25,326	34,710	(9,384)
Total	**124,925**	**112,177**	**12,748**

This item increased over the previous year by EUR 12,748 thousand, substantially due to the sale of machines, equipment and spares in non-operational business in the American area.

3 Purchase costs: EUR 456,635 thousand (EUR 401,399 thousand)

Purchase costs comprise changes in inventories of raw materials and consumables at 31 December 2015, totalling EUR 456,635 thousand, showing an increase of EUR 55,236 thousand compared to the previous year.

	2015	2014	Change
Purchase costs	463,039	405,655	57,384
Change in raw materials, consumables and goods	(6,404)	(4,256)	(2,148)
Total	**456,635**	**401,399**	**55,236**

There follows a detailed analysis of the geographical breakdown of this item.

	2015	%	2014	%	Change
Italy	75,750	16.59%	87,988	21.92%	(12,238)
Europe	251,191	55.01%	197,379	49.17%	53,812
America	105,039	23.00%	88,894	22.15%	16,145
Africa	24,647	5.40%	27,131	6.76%	(2,484)
Asia	8	0.00%	7	0.00%	1
Total	**456,635**	**100.00%**	**401,399**	**100.00%**	**55,236**

Trends in purchase costs by geographical area are related to the dynamics of production, recording a definite increase in Europe (Turkey, Poland) and in the Americas (Canada, Chile) and conversely, a decrease on the domestic market.

4 Service costs: EUR 1,511,869 thousand (EUR 1,488,958 thousand)

Service costs, totalling EUR 1,511,869 thousand, are up compared to 2014 by EUR 22,911 thousand. This item is consists of the following:

	2015	2014	Change
Consortium costs	129,683	191,953	(62,270)
Subcontracts and other services	1,142,133	1,073,294	68,839
Technical, administrative and legal consultancy	102,724	100,613	2,111
Directors' and statutory auditors' fees	3,862	3,664	198
Utilities	10,210	11,303	(1,093)
Travel and transfers	6,261	5,838	423
Insurance	26,698	24,575	2,123
Leases and other costs	39,770	29,020	10,750
Lease and building management costs	10,668	9,465	1,203
Maintenance of third party assets	1,530	732	798
Other	38,330	38,501	(171)
Total	**1,511,869**	**1,488,958**	**22,911**

Consortium costs for the execution of works, in association with other enterprises in the segment, show a decrease of EUR 62,270 thousand compared to the previous year. The change is mainly due (i) to the lower contribution of initiatives for construction works of the Pedemontana Lombarda Motorway and of Line C of the Rome Underground, (ii) only partially offset by the increase, recorded in Italy, for the activities connected with the resumption of definitive planning of the Verona Padua High Speed Line.

With regard to the item "Subcontracts and other services", up compared to the previous year by EUR 68,839 thousand, the geographical breakdown is shown below:

	2015	%	2014	%	Change
Italy	159,700	13.98%	238,067	22.18%	(78,367)
Europe	602,510	52.75%	541,152	50.42%	61,358
America	289,399	25.34%	210,290	19.59%	79,109
Africa	42,113	3.69%	54,711	5.10%	(12,598)
Asia	48,411	4.24%	29,074	2.71%	19,337
Total	**1,142,133**	**100.00%**	**1,073,294**	**100.00%**	**68,839**

The changes in this item substantially reflect production trends in the year which, as specified in note 1, show a growth in volumes for works being executed in in Turkey (Third Bosphorus Bridge), Poland (John Paul II International Airport in Krakow-Balice, national road S-8 and national road S-5), Chile (West Metropolitan Hospital in Santiago), Saudi Arabia (Jeddah and KAEC High Speed Stations) and the hydroelectric project in Canada (Muskrat Falls) partly offset by the effects of the reduction of the amounts for contract work in progress in Italy and Africa.

We should likewise point out an increase in costs for leases, mainly due to the growth of the activities in progress in Chile (West Metropolitan Hospital in Santiago, the mining project in Chuquicamata) and Canada (Muskrat Falls).

5 Personnel expenses: EUR 548,249 thousand (EUR 420,006 thousand)

This item is consists of the following:

	2015	2014	Change
Wages and salaries	395,011	302,675	92,336
Social security contributions	81,003	65,039	15,964
Other costs	69,648	48,640	21,008
Other post-employment benefits	1,376	2,327	(951)
Cost of share-based payments	1,211	1,325	(114)
Total	**548,249**	**420,006**	**128,243**

Other costs mainly refer to expenses incurred for employee training, costs for board and lodging, and the accrual for post-employment benefits, such as the defined benefit plan, as specified by IAS 19.

The accrual for post-employment benefits in the defined benefit plans is recognised in the item “other post-employment benefits”.

There follows the geographical breakdown of personnel expenses:

	2015	%	2014	%	Change
Italy	99,446	18.14%	97,597	23.24%	1,849
Europe	98,782	18.02%	84,336	20.08%	14,446
America	324,796	59.24%	215,187	51.23%	109,609
Africa	23,910	4.36%	21,677	5.16%	2,233
Asia	1,315	0.24%	1,209	0.29%	106
Total	**548,249**	**100.00%**	**420,006**	**100.00%**	**128,243**

With regard the geographical breakdown of personnel expenses, there is a significant increase in the international sector related to the contract work in progress in Canada, and more specifically the Muskrat Falls hydroelectric plant in which, due to the overall complexity of the project, a type of organisation using more direct works was required.

5.1 Average number of employees

The average number of employees by category is as follows:

	2015	2014	Change
Managers	284	274	10
Junior managers	197	188	9
White collars	3,335	3,145	190
Blue collars	7,050	5,995	1,055
Average number of employees	**10,866**	**9,602**	**1,264**

On 31 December 2015, the Group had an average workforce of 10,866 employees. On an aggregate basis, the figure recorded an increase of 13% compared to the previous year, and confirms the prevalence of personnel employed abroad (89.5% of the total), due to the significant revenue produced abroad as well as the larger number of contracts in progress involving direct works.

5.2 Senior management incentive plan

Stock grant plan

The item “Share-based payments” comprises the valuation of an incentive plan for senior managers linked to the achieving of specific financial targets. The main features of the plan are described here.

The Plan consists of assigning to the Beneficiaries (Chief Executive Officer and General Managers) Astaldi shares free of charge. Six Beneficiaries have been identified: the CEO and five General Managers. The

assignment period refers to the 2013-2015 three-year period.
The CEO can be assigned 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.
The maximum number of shares that can be assigned as a whole to the Beneficiaries during each year will equal 300,000 and they cannot exceed 900,000 shares during the three-year period of validity of the plan.
Assignment of the shares is subordinated every year to the Company's achievement of the financial performance targets defined annually by the Board of Directors; the date of assignment of the shares, for the purposes of the Regulation, means the date of the resolution by which the Board of Directors ascertains the reaching of these targets and upon the occurrence of the aforesaid required conditions, consequently assigns the shares to the Beneficiaries.

In connection with what has been described up to this point, the implementation of the plan has determined a cost of EUR 1,211 thousand, with a balancing entry in an equity reserve.

There follow the actuarial assumptions regarding the measurement of the plan:

- Dividend rate: 3.22%;
- Volatility: 28%;
- Risk free rate: deducted from Euroswap rates at the valuation date,

It has been hypothesised that the performance targets for the year 2015 have an 85% probability of being reached.

6 Other operating costs: EUR 35,919 thousand (EUR 35,718 thousand)

Other operating costs total EUR 35,919 thousand and show a slight increase of EUR 201 thousand compared to the previous year. Details are shown in the following table:

	2015	2014	Change
Prior year expense and fair value losses	3,807	3,948	(141)
Tax expense	11,762	7,683	4,079
Other administrative and sundry costs	20,350	24,087	(3,737)
Total	**35,919**	**35,718**	**201**

7 Net gains on joint ventures, SPVs and associates: EUR 54,131 thousand (EUR 34,769 thousand)

The share of gains (losses) on equity-accounted investees rose by EUR 19,362 thousand compared to the previous year and consists of the following:

	2015	2014	Change
Special Purpose Vehicles and associates	53,215	38,459	14,756
Joint Ventures	916	(3,690)	4,606
Total	**54,131**	**34,769**	**19,362**

The increase is essentially due to operational development through Joint Ventures and Special Purpose Vehicles of important initiatives regarding transport infrastructures and in Concessions.

The balance of this item at 31 December 2015 specifically refers to the following (i) EUR 24,518 thousand for the design, construction and operation of the Third Bosphorus Bridge, (ii) EUR 3,805 thousand or the company M5 S.p.A., operator of Line 5 of the Milan Underground, (iii) EUR 23,728 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.

It is likewise pointed out that the Group, while having no direct obligations for recapitalisation, has fully taken on its own share of the losses in Joint ventures and associates, both for the year (EUR 366 thousand) and accumulated (EUR 837 thousand), even if equal to or greater than its stake in these companies.

8 Amortisation, depreciation and impairment losses: EUR 74,897 thousand (EUR 70,633 thousand)

Amortisation, depreciation and impairment, losses totalled EUR 74,897 thousand, increasing in absolute terms compared to the previous year by EUR 4,264 thousand. This item is consists of the following:

	2015	2014	Change
Amortisation	19,844	23,597	(3,753)
Depreciation	54,940	42,490	12,450
Impairment losses	0	3,724	(3,724)
Impairment on receivables	113	822	(709)
Total	**74,897**	**70,633**	**4,264**

The item “amortisation” is essentially attributable (i) to the Turkish area and especially management of the Milas-Bodrum International Airport (EUR 14,523 thousand) and (ii) to the amortisation of contract rights acquired for the development of the works under Maxi Lot 2 of the Marche-Umbria Quadrilatero road network (EUR 2,746 thousand).

The increase in depreciation is due in particular to the works in progress (i) in Canada, where production volumes achieved during 2015 higher compared to the previous year and (ii) in Russia due to the execution of particular working phases involving greater use of machinery and equipment.

The item “impairment losses”, not utilised during the year, showed at 31/12/2014 the impairment applied after the impairment test, the intangible concession rights for the management of Milas Bodrum Airport in Turkey.

9 Provisions: EUR 4,060 thousand (EUR 1,534 thousand)

The provisions for risks and charges, totalling EUR 4,060 thousand at 31 December 2015, substantially represent the recognition made pursuant to paragraph 36 of IAS 11 “Construction Contracts” of the life-long economic result of certain contracts underway in Poland and USA.

10 Financial income: EUR 84,079 thousand (EUR 98,286 thousand)

Financial income rose compared to the previous year by EUR 14,207 thousand and consists of the following:

	Year 2015	Year 2014	Change
Income from associates	287	753	(466)
Income from other investees	227	0	227
Income from financial transactions with banks	3,555	3,384	171
Commissions on sureties	1,798	2,039	(241)
exchange rate gains	41,589	56,121	(14,532)
Financial income on leases	1,510	1,534	(24)
Income from derivatives	1,054	808	246
Interest income on financial assets from concession activities	2,448	2,001	447
Other financial income	31,611	31,646	(35)
Total	**84,079**	**98,286**	**(14,207)**

The item “Other financial income” basically comprises (i) the amount of default interest payable by single Customers totalling EUR 20,225 thousand, for Contract work in progress in Italy and abroad and (ii) the amount of interest on loans issued to associates, joint ventures and partners in joint projects for EUR 11,162 thousand.

With regard to currency management, the decrease in exchange rate gains was essentially due to the fluctuation of the Rouble, partially offset by the higher values deriving from the fluctuation of the Dollar.

11 Financial expense: EUR 248,836 thousand (EUR 237,156 thousand)

Financial expense rose compared to the previous year by EUR 11,680 thousand and consist of the following:

	2015	2014	Change
Interest on bonds	61,105	59,169	1,936
Commissions on sureties	34,331	37,636	(3,305)
Expense on financial transactions with banks	44,994	41,614	3,380
Exchange rate losses	67,097	30,045	37,052
Expense on derivatives	6,253	7,353	(1,100)
Fair value losses on the derivative embedded in convertible bonds	2,291	245	2,046
Lease expense	1,522	1,486	36
Interest for extended payment terms on trade items	6,048	5,463	585
Factoring of receivables without recourse	5,009	8,038	(3,029)
Discount expense	15,434	35,974	(20,540)
Other financial expense	4,155	9,892	(5,737)
Total	**248,239**	**236,915**	**11,324**
Impairment losses on equity investments	494	31	463
Impairment losses on securities and receivables	103	210	(107)
Total	**597**	**241**	**356**
Total charges expense	**248,836**	**237,156**	**11,680**

Among the main changes for the year there are higher amounts for the following:

- Interest on senior unsecured bonds (EUR 1,936 thousand). It is pointed out that in February 2014 the 2nd Tap of these bonds, for a value of EUR 150,000 thousand, was issued. The income statement for 2014 thus comprises the financial expenses related to the 2nd Tap only starting from the month of February 2014;
- The expenses deriving from financial transactions with banks (EUR 3,380 thousand) recorded in the presence of growing production volumes and considerable investments made in the period;
- Exchange rate losses (EUR 37,052 thousand) recorded above all with reference to the Russian and Turkish areas;
- Charges in valuation at fair value of the incorporated derivative deriving from the potential year of

the cash settlement option for the convertible bond issue (EUR 2,046 thousand). This increase is essentially due to the greater volatility of the share price compared to 31/12/2014.

Conversely, there has been a reduction of:

- Commissions on sureties (EUR 3,305 thousand) basically due to the conversion of values referring to the contract for the construction of the Western High-Speed Diameter in St. Petersburg, affected by the further devaluation of the Rouble with respect to the Euro in 2015;
- Expenses for the factoring of receivables without recourse (EUR 3,029 thousand) substantially due to the effect of the smaller use, compared to the previous year, of this form to secure liquidity.

With regard to the item discount expenses, it is pointed out that it comprises the amount attributable to the discounting of receivables for railway works (Chaguaramas-Cabruta and Los Morros-San Fernando de Apure) in progress in Venezuela. This item, calculated at the outcome of a complex discounting process, comprises the results of the updating of the estimate of the timeframe required with the updating of the estimated time for receipt of the relative amounts. This is due to the lack of financial coverage of these investments in the government budget for 2016, and takes into account the further deferral of the payments due to the possible operating and financial rescheduling of the country’s infrastructure system.

The rate applied to the nominal amounts of receivables subject to discounting was established on the basis of the macroeconomic items specifically referring to Venezuela. In particular, this takes into account Country Risk, expected inflation rate and the price of bonds denominated in strong currencies and issued by the Venezuelan Government.

It is likewise pointed out that for the Group, the discounting process, started in 2014, involved the incurring of expenses at the end of the year, considered net of interest income due by contract, totalling approximately EUR 51,408 thousand.

With regard to the composition of the item “Other financial expense” it is pointed out that it comprises EUR 4,107 thousand for commissions on borrowing (e.g. agency, commitments etc.). The difference recorded compared to the previous year (EUR 5,737 thousand) is mainly due to the tranche payment during 2014, after a settlement reached with the customers, of default interest payable for items connected with activities undertaken in areas of East Africa where projects are no longer operational.

12 Tax expense: EUR 33,188 thousand (EUR 47,980 thousand)

The overall amount of tax expense for the year was EUR 33,188 thousand.

The tax rate for the year, including the impact of IRAP, is 29% (2014: 37%), The details of the item are shown in the table below:

	2015	2014	Change
Current income tax (*)	43,420	58,959	(15,539)
Deferred income tax (*)	(1,650)	(17,562)	15,912
IRAP, current	1,002	5,820	(4,818)
IRAP, deferred	2	158	(156)
Tax for previous years and other	(9,586)	605	(10,191)
Total	**33,188**	**47,980**	**(14,792)**

(*) Income tax refers to IRES for Italy and similar taxes for other countries

The item in question was positively impacted by the overall effects of recent provisions in the matter of international taxation, adopted by the tax authorities nationally, and affecting the previous financial years as well. 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 the purposes of IRAP, an additional positive effect was recorded in comparison with the 2014 financial year, taking into account the considerable increase in productive activities abroad, in addition to the fact that national lawmakers have modified the regulations of reference, making the personnel expenses deductible for the purposes of determining the corresponding basis of assessment.

The tax rate takes into account, as is normal, the various taxation systems in force in the countries where the Group operates, with specific reference to the procedure for taxation of revenue produced during the undertaking of long term contracts.

There follows a breakdown of deferred tax assets totalling and deferred tax liabilities totalling respectively EUR 61,644 thousand and a EUR 20,713 thousand.

	31/12/2015	31/12/2015	31/12/2014	31/12/2014
Equity	***IRES***	***IRAP***	***IRES***	***IRAP***
a) Deferred tax assets deriving from:	**80,122**	**208**	**49,570**	**283**
- Taxed provisions for risks	18,184	208	14,940	283
- Taxed allowance for impairment - default interest	2,056	0	2,347	0
- Exchange rate differences	6,079	0	11,595	0
- Tax losses	7,722	0	3,709	0
- Interest liabilities under Art. 96 and other minor items	46,081	0	16,979	0
b) Deferred tax liabilities deriving from:	**(38,865)**	**(532)**	**(30,112)**	**(532)**
- Buildings recognised to fair value in substitution of cost	(3,401)	(532)	(3,752)	(532)
- Dividend taxable share	(183)	0	(180)	0
- Default interest to be collected	(18,394)	0	(18,836)	0
- Taxable foreign items in subsequent years	(19,474)	0	(10,292)	0
- Other + hedging reserve	2,587	0	2,948	0
c) Deferred tax net assets (a + b)	**41,257**	**(324)**	**19,458**	**(249)**
d) Deferred taxes for the year recognised in profit or loss	**(1,650)**	**2**	**(17,562)**	**158**

The increase in net deferred tax assets from the 2014 financial year, equal to approximately EUR 22 million, is due essentially to the effects derived from recent provisions in the matter of international taxation, adopted by the tax authorities nationally, and affecting the previous financial years as well.

Furthermore, as regards the recognition and measurement of deferred tax assets deriving from tax losses – mainly recognised with regard to the subsidiary Valle Aconcagua S.A - it must be noted that the item in question was recognised in so far as there is considerable evidence that this investee will generate a future taxable income that will allow for offsetting in the medium-term of tax losses accrued during project start-up.

To this end, it must be noted that the check in question was conducted by examining forecast earnings obtained from the financial plan approved by the board of the subsidiary holding the concession for the construction and management of a plant to recover the copper and molybdenum contained in sludge from the mines belonging to “Codelco” (Chile’s National Copper Corporation).

It is likewise pointed out that due to the effect of the implementation of Law no. 208 of 28 December 2015 (Stability Law 2016) enacting the reduction of the IRES rate from 27.5% to 24% starting from 2017, adjustments have been made for the assets for anticipated tax expense and for deferred tax liabilities for which the underlying temporary differences will apply starting from 2017. The net balance of this adjustment is not significant.

Reconciliation, for IRES tax purposes only, between tax recognised in the accounts (current and deferred) and the theoretical tax resulting from the application of the current tax rate in Italy (27.5%) to the pre-tax profit is the following:

	31/12/2015	%	31/12/2014	%
Pre-tax profit	**112,694**		**130,731**	
Theoretical income tax	30,991	27.50%	35,951	27.50%
Net effect of permanent increases (decreases)	(610)	(0.54%)	(4,177)	(3.20%)
Net effect of deferred and current taxation of foreign operations and other adjustments	11,389	10.11%	9,623	7.36%
Tax for previous years and other	(9,586)	(8.51%	605	0.46%
IRAP (current and deferred)	1,004	0.89%	5,978	4.57%
Income tax recognised in the financial statements (current and deferred)	**33,188**	**29.45%**	**47,980**	**36.70%**

13 Profit (Loss) related to disposal groups: EUR 0 thousand (EUR 2,006 thousand)

This item, which showed no entries in 2015, comprised, at 31 December 2014, the expenses and receipts, net of expense and income, net of tax, recorded on a cumulative basis in relation to the Car Parks Business Unit of Astaldi Concessioni classified as a discontinued operation starting from the second half of 2013 and completely discontinued in the second half of 2014. For further information see the notes to the consolidated financial statements at 31/12/2014.

14 Earnings per share: EUR 0.83 (EUR 0.83)

Basic earnings per share are calculated as follows:

	2015	2014
Numerator (EUR/000)		
Profit attributable to the ordinary shareholders of the Parent	80,876	81,559
Denominator (in units)		
Weighted average of the shares (all ordinary)	98,424,900	98,424,900
Weighted average of the treasury shares	(805,387)	(538,435)
Weighted average of the shares to be used to calculate basic earnings per share	**97,619,513**	**97,886,465**
Basic earnings per share - (EUR)	**0.8285**	**0.8332**

Diluted earnings per share (EUR 0.7750) were calculated by dividing the profit for the year attributable to the ordinary shareholders of the Parent – adjusted by the amount of the revenue items that it is assumed will not be incurred after conversion of the potential ordinary shares (EUR 8,757 thousand) – by the weighted average Astaldi S.p.A. shares in circulation in the year, excluding treasury shares, incremented by the weighted average shares that could potentially be placed in circulation (no. shares 18,039,930) in relation to:

(i) Share option plans or key management personnel, and more precisely the shares already assigned to the beneficiaries and awaiting delivery, referring to the period 2011-2013, and those that could be assigned for 2015;

(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. The Parent shall be entitled to settle any eventual conversion by cash payment or a combination of ordinary shares and cash.

15 Property, plant and equipment: EUR 210,120 thousand (EUR 223,111 thousand)

There follows the statement of property, plant and equipment held at the beginning and the end of the year, with the changes that occurred:

	Land and Buildings	Generic and specific plant	Excavators, power shovels and vehicles	Sundry equipment and machines	Assets under construction and advances	Total
Amount at 31.12.14, net of depreciation (1)	42,867	83,378	44,238	28,969	23,660	223,111
Additions from acquisitions	6,138	23,987	8,379	8,921	3,964	51,388
Gross amount	**49,004**	**107,364**	**52,617**	**37,890**	**27,624**	**274,499**
Depreciation	(1,406)	(26,163)	(15,472)	(11,870)	0	(54,911)
Disposals	(217)	(3,952)	(4,990)	(1,330)	(225)	(10,713)
Reclassification and transfers	35	15,935	(2,032)	1,251	(15,189)	0
Exchange rate differences	173	776	1,121	187	(1,677)	581
Change in consolidation scope and other changes	0	50	77	1,295	(758)	665
Amount at 31.12.2015, net of depreciation (2)	**47,590**	**94,010**	**31,322**	**27,422**	**9,776**	**210,120**
(1) of which:						
Cost	55,071	167,567	144,726	87,334	23,660	478,358
Accumulated depreciation	(12,204)	(84,190)	(100,487)	(58,365)	0	(255,246)
Carrying amount	**42,867**	**83,378**	**44,238**	**28,969**	**23,660**	**223,111**
(2) 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**

It is pointed out that the item “Assets under construction and payments on account” mainly includes the costs incurred to purchase equipment - not yet ready for their assigned use – specifically designed to perform some specific operating phases regarding construction of the Western High-Speed Diameter in St. Petersburg, Russia.

Among the most significant changes, the following are pointed out:

- The increases of EUR 51,388 thousand are mainly regard the investments made for contract work in progress in Canada (Muskrat Falls Hydroelectric Project), Russia (WHSD in St. Petersburg), Chile (Chuquicamata Mine), Peru (hydroelectric project at Cerro de Águila), Poland (S-8 Wiśniewo-Meżenin, S-5 Poznań-Wrocław), Turkey (Third Bosphorus Bridge, Etlik Health Campus in Ankara) and Italy (Milan Underground Line 4);
- Depreciation for the year totalling EUR 54,911 thousand;
- The disposals made in the period totalled EUR 10,713 thousand. These mainly regard the disposal of assets of contracts being completed in Central America.

The amount of property, plant and machinery comprises a component of leased assets amounting to EUR 19,685 thousand as shown below:

	Land and Buildings	Generic and specific plant	Excavators, power shovels and vehicles	Sundry equipment and machines	Total at 31/12/2015
Cost	1,196	12,583	15,330	1,534	30,643
Accumulated depreciation	(160)	(4,816)	(5,478)	(504)	(10,958)
Total	**1,036**	**7,767**	**9,852**	**1,030**	**19,685**

16 Investment property: EUR 682 thousand (EUR 1,054 thousand)

The item Investment property, totalling EUR 682 thousand, comprises the amount of land and buildings held for investment purposes, with a substantially stable amount compared to the previous year, basically decreasing due to the normal rate of depreciation (EUR 29 thousand) and for the effect of the translation of the balances of the subsidiaries with a working currency different from the presentation currency. With regard to the amount of the fair value, it is pointed out that given the lack of reliable indicators and the low significance of the investments in question, it was not deemed necessary to list a precise measurement nor a range of fair values.

17 Intangible assets: EUR 47,108 thousand (EUR 32,555 thousand)

Net intangible assets consist of the following.

	31/12/2015	31/12/2014	Change
Intangible assets – Rights to infrastructures under concession	0	14,527	(14,527)
Goodwill	14,745	14,745	0
Other intangible assets	32,363	3,283	29,080
Total	**47,108**	**32,555**	**14,553**

17.1 Rights to infrastructures under concession: EUR 0 thousand (EUR 14,527 thousand)

On 31/12/2014 this item exclusively referred to the residual amount of the intangible asset recorded in the context of the agreement for services under concession, which duly expired in October 2015m in relation to the construction and subsequent management of the passenger terminal at the Mondial Milas-Bodrum International Airport in Turkey.

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

This item does not show changes compared to the 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 and maintenance segment, allocated to the <u>*Cash Generating Unit "Plant and maintenance",*</u> 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 year, the impairment test was performed on the carrying amount of the CGU by comparison with the relative recoverable amount. In particular, the recoverable amount of the CGU was considered to be equal to the value in use calculated using the Discounted Cash Flow (DCF) method, using the future cash flows forecast by company management, hypothesising an explicit estimate period of three years (2016-2018) and a terminal value for the end of this 3-year period. With reference to the specific estimate period, forecast operating flows for each of these years were calculated net of tax, with reference to the data of the economic and financial plan approved by the board of directors of the subsidiary with reference to the period 2016-2018. As for the terminal value, the flow expected for the purposes of the estimate was calculated on the basis of the formula of a perpetual return with a flat growth rate. Specifically, the expect flow was calculated on the basis of the net operating flow forecast for 2018, assuming a growth rate of zero. The cost of capital (WACC - weighted average cost of capital) considered for purposes of the application of the DCF method was estimated at 8.1%.

The result of the impairment test thus confirmed the full recoverability of the' goodwill recognised on the CGU "plant and maintenance". Therefore no impairment was recorded.

With reference to the sensitivity analysis conducted, and in particular with regard to the examination of the reasonable nature of the cash flows shown in the economic and financial plan of the subsidiary, it is noted that there was a careful examination of the causes of discrepancies observed between the 2015 financial statements and the forecasts for the same year shown in the economic and financial plan developed at the end of 2014. In this regard it should be noted that production in 2015 was significantly affected by the difficulties in starting up some Contract work, due to: (i) delays in formalising some contracts with respect to the timeframe for starting up the works; (ii) the extension of the approval procedures of the executive projects of some contracts; (iii) difficulties in the advancement of some projects due to lack of availability of the operational areas. Currently, the aforesaid hindering conditions have been substantially solved, and, therefore, the management of the subsidiary believes that these contracts can fully contribute to production in 2016. It is likewise noted that also in the light of the considerations stated above, the forecast volume of production for 2016 is already substantially covered by the projects in the portfolio. It is also pointed out that even if it were suitable to utilise a higher WACC in order to take into account the (greater) risks connected with the failure to reach in 2015 the targets stated in the economic and financial plan developed in 2014, also for relatively significant changes in the WACC rate, the Impairment Test of goodwill would still be passed. Specifically, the amount of WACC necessary to make the use value of NBI equal to the carrying amount of net invested capital at 31 December 2015 is approximately 13.2%.

- 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 company 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 year, 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 EBITDA 2015, as stated in the Reporting Package IAS/IFRS approved by the board of directors of the 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.

17.3 Other intangible assets: EUR 32,363 thousand (EUR 3,283 thousand)

This item essentially regards (EUR 31,017 thousand) the net amount of the contract rights acquired by third parties, mainly on the domestic level, for the execution of construction segment contracts.

More specifically, the value of the other net assets: (i) increased compared to the previous year mainly due to the effect of the acquisition of the contract rights involved in the completion of works for Maxi Lot 2 of the Marche-Umbria Quadrilatero road network (EUR 33,479 thousand as per the note relative to business combinations in 2015); and (ii) conversely, decreased in relation to the normal amortisation process (EUR 5,319 thousand) made on the basis of the progress of the relevant projects. It is finally noted that the aggregate figure does not include lease items.

18 Equity investments: EUR 578,997 thousand (EUR 436,909 thousand)

The value of the investments in associates, special purpose vehicles, joint ventures and other enterprises net of accumulated impairment, totals EUR 578,997 thousand, up by EUR 142,088 thousand compared to 2014.

	31/12/2015	31/12/2014	Change
Equity investments measured at cost	23,604	3,290	20,314
Equity investments measured at equity	555,393	433,619	121,774
Total	**578,997**	**436,909**	**142,088**

With regard to this item it is pointed out that the main changes during 2015 are occurring in the year, besides the overall economic effects resulting from equity-accounted investments, are due to equity injections totalling EUR 89,941 thousand, in the companies operating in the Concessions segment. Specifically, these injections were basically made in relation to the companies Otoyol Yatirim Ve Isletme A.S (EUR 47,294 thousand), Ankara Etlik Hastante A.S (EUR 22,002 thousand), Linea M4 S.p.A. (EUR 9,825 thousand) and Sociedad Concesionaria Nuevo Pudahuel S.A. (EUR 10,570 thousand).

As regards the Concession for the Construction and Operation of the new hospital in Venice-Mestre ("Ospedale dell'Angelo"), it is pointed out that at June 2015, the partial award was pronounced, with which the Arbitration Board – in the arbitration brought by the associate Veneta Sanitaria Finanza di Progetto S.p.A. (V.S.F.P. S.p.A.) during 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 Concessionaire, both in the construction phase and in the project operation phase, also declaring illegitimate the decisions for self-reduction of contractual rates adopted by the Grantor. The Board, however, automatically found the applicability to the concession of the supervening regulations pursuant to Legislative Decree no. 95/2012 (the "Spending Review"), ascertaining and declaring that the rates to which the concessionaire 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 rate framework established by the CTU, and determined at EUR 19 million the credit payable to the company for the services rendered throughout 2014. 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. These circumstances are specific indicators of impairment, which led the Parent to carry out the corresponding tests to assess the recoverability of the investment. With specific regard to the verification of the recoverable amount of V.S.F.P. S.p.A., it is pointed out that this was considered equivalent to the use value calculated using the Dividend Discount Model (DDM), discounting the future flow of the dividends forecast by corporate management at a rate of 7.67%, representing the Ke (cost of equity) of the company concerned. For the purposes of application of this method, the financial plan of the associate was projected over the duration of the concession held by that company (2016-2032). This plan reflects the assumptions formulated by the management of the associate as to the disputes with the authority granting the concession – substantially positive for the investee

The result of the impairment test did not show any need to impair the carrying amount of the investment.

Moreover, it is pointed out that the sensitivity analysis performed highlights how the change in the measurement of the discount rate (+100 bps) would confirm the substantial presence of headroom, and a hypothetical change of -10% of the dividend flow with linear dynamics in all the years of the plan would confirm the stability of the investment. With regard to the verification of recoverability of the amount of the further equity investments recognised in these consolidated financial statements, there are no impairment factors requiring the conducting of further specific tests.

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

18.1 Information on main Joint Ventures, SPVs and investees

The following table shows the financial data derived from the IAS/IFRS Reporting Packages of the main Joint ventures and equity-accounted Investees.

It is likewise pointed out that the data on equity and overall profit shown in the tables below include, when applicable, the component related to non-controlling stakes.

Main financial data at 31/12/2015 for Joint Ventures, Special Purpose Vehicles and associates

Amounts at 31/12/2015	Re.Consult Infrastrutture (*)	Ankara Etlik Hastante (**)	Non relevant JVs	**Total Joint Ventures**	Otoyol Yatirim Ve Isletme A.S	ICA Ic Ictas Astaldi - 3rd Bridge	Pacific Hydro Chacayes	Metro 5	Metro C	Veneta Sanitaria	Non-relevant associates	**Total associates**	**Total associates and Joint Ventures**
Main equity data													
Non-current assets	2,036,113	104,890	10,502	**2,151,505**	3,320,389	2,700,734	387,032	665,322	6,326	118,739	285,383	**7,483,925**	**9,635,430**
Current assets	329,222	164,617	143,314	**637,153**	219,463	89,452	24,449	133,817	309,658	94,974	616,552	**1,488,365**	**2,125,518**
Total Assets	**2,365,335**	**269,507**	**153,816**	**2,788,658**	**3,539,852**	**2,790,186**	**411,481**	**799,138**	**315,984**	**213,713**	**901,934**	**8,972,288**	**11,760,946**
Non-current liabilities	780,744	208,348	4	**989,096**	2,244,221	2,458,166	280,567	635,875	2,368	116,026	258,752	**5,995,975**	**6,985,071**
Current liabilities	594,932	29,408	154,314	**778,654**	423,077	4,804	33,278	79,701	256,598	45,829	535,686	**1,378,973**	**2,157,627**
Equity	989,660	31,750	(502)	**1,020,908**	872,553	327,215	97,636	83,562	57,018	51,858	107,497	**1,597,339**	**2,618,247**
Total equity and liabilities	**2,365,335**	**269,507**	**153,816**	**2,788,658**	**3,539,852**	**2,790,186**	**411,481**	**799,138**	**315,984**	**213,713**	**901,934**	**8,972,288**	**11,760,946**
Income statement													
Revenue	559,242	89,507	35,806	**684,554**	1,269,469	1,352,977	67,150	27,730	91,588	58,484	291,408	**3,158,806**	**3,843,360**
Amortisation, depreciation and impairment	(181,378)	(3)	(410)	**(181,791)**	0	0	(8,062)	(660)	(3,606)	(6,544)	(3,548)	**(22,420)**	**(204,211)**
Operating profit	46,549	(0)	2,384	**48,933**	271,021	237,934	19,622	(367)	2,267	6,857	2,842	**540,176**	**589,109**
Financial income and expense	(15,212)	1,406	(2,932)	**(16,738)**	(115,323)	(144,880)	(19,072)	16,662	(1,684)	1,418	(897)	**(263,776)**	**(280,514)**
Tax	(19,025)	(784)	(11)	**(19,820)**	(29,889)	(19,493)	(346)	(6,463)	(584)	(3,239)	(4,314)	**(64,328)**	**(84,148)**
Net profit	12,313	(168)	(560)	**11,585**	125,809	73,561	204	9,832	(0)	5,036	(2,368)	**212,074**	**223,659**
Other comprehensive income (expense)	1,062	(12,575)	(68)	**(11,581)**	(51,971)	26,082	(1,139)	10,222	0	2,640	670	**(13,496)**	**(25,077)**
Total comprehensive income statement	**13,374**	**(12,743)**	**(628)**	**4**	**73,837**	**99,643**	**(935)**	**20,054**	**(0)**	**7,676**	**(1,699)**	**198,576**	**198,580**
Group quota													
Investment	31.85%	51.00%			18.86%	33.33%	27.30%	38.70%	34.50%	37.00%			
Carrying amount	**132,252**	**16,193**	**652**	**149,096**	**164,564**	**109,061**	**26,655**	**32,338**	**19,671**	**19,187**	**34,821**	**406,297**	**555,393**
Net profit	1,220	(86)	(218)	**916**	23,728	24,518	56	3,805	0	1,863	(754)	**53,215**	**54,131**
Other comprehensive income (expense)	152	(6,413)	(34)	**(6,296)**	(9,802)	8,693	(311)	3,956	0	977	280	**3,793**	**(2,502)**
Overall profit	**1,372**	**(6,499)**	**(253)**	**(5,380)**	**13,926**	**33,211**	**(255)**	**7,761**	**0**	**2,840**	**(474)**	**57,009**	**51,629**
Dividends received	0	0	0	**0**	0	0	0	0	0	0	0	**0**	**0**

* Cash and cash equivalents and equivalents totalling EUR 172,580 thousand; Non-current financial liabilities totalling EUR 707,526 thousand; current financial liabilities totalling EUR 276,847 thousand.
** Cash and cash equivalents and equivalents totalling EUR 3,882 thousand; current financial liabilities totalling EUR 186,390 thousand.

Main financial data at 31/12/2014 of Joint Ventures, Special Purpose Vehicles and associates

Amounts at 31/12/2014	Re.Consult Infrastrutture (*)	Ankara Etlik Hastante (**)	Non relevant JVs	**Total Joint Ventures**	Otoyol Yatirim Ve Isletme A.S	ICA Ic Ictas Astaldi - 3rd Bridge	Pacific Hydro Chacayes	Metro 5	Metro C	Veneta Sanitaria	Non-relevant associates	**Total associates**	**Total associates and Joint Ventures**
Statement of financial position													
Non-current assets	2,119,075	7,509	2,927	**2,129,511**	1,823,272	1,190,105	354,255	623,876	11,443	121,502	298,999	**4,423,452**	**6,552,963**
Current assets	214,431	5,234	22,148	**241,813**	105,857	227,350	30,212	115,960	290,846	85,102	810,669	**1,665,996**	**1,907,809**
Total Assets	**2,333,506**	**12,742**	**25,075**	**2,371,324**	**1,929,129**	**1,417,456**	**384,467**	**739,836**	**302,289**	**206,605**	**1,109,668**	**6,089,450**	**8,460,774**
Non-current liabilities	520,951	(0)	0	**520,951**	877,810	1,137,793	263,667	294,758	2,351	120,548	144,269	**2,841,196**	**3,362,147**
Current liabilities	836,117	11,261	25,605	**872,982**	503,364	52,090	25,868	381,570	242,921	41,875	856,817	**2,104,505**	**2,977,487**
Equity	976,439	1,481	(529)	**977,391**	547,955	227,573	94,932	63,508	57,018	44,182	108,582	**1,143,750**	**2,121,141**
Total equity and liabilities	**2,333,506**	**12,742**	**25,075**	**2,371,324**	**1,929,129**	**1,417,456**	**384,467**	**739,836**	**302,289**	**206,605**	**1,109,668**	**6,089,450**	**8,460,774**
Income statement													
Revenue	561,040	1,406	630	**563,076**	712,552	721,653	67,214	107,652	163,282	53,361	383,698	**2,209,412**	**2,772,488**
Amortisation, depreciation and impairment	(141,080)	(1)	0	**(141,082)**	0	0	(6,725)	(197)	(6,636)	(93)	(2,395)	**(16,046)**	**(157,128)**
Operating profit	64,212	575	62	**64,850**	41,664	103,941	14,060	26,949	2,487	7,824	(390)	**196,535**	**261,385**
Financial receipts and expense	(48,946)	(353)	(73)	**(49,372)**	(3,713)	(44,023)	(16,268)	13,564	(1,536)	4,617	8,772	**(38,587)**	**(87,959)**
Tax	(10,254)	0	(15)	**(10,269)**	(7,980)	(10,939)	(767)	(7,898)	(950)	(4,157)	(3,342)	**(36,033)**	**(46,302)**
Net profit	5,012	222	(25)	**5,209**	29,971	48,979	(2,975)	32,615	0	8,284	5,041	**121,915**	**127,124**
Other comprehensive income (expense)	(1,008)	997	(12)	**(23)**	10,446	31,350	(8,308)	(7,100)	0	(6,081)	(7,491)	**12,816**	**12,793**
Total comprehensive income statement	**4,005**	**1,218**	**(37)**	**5,186**	**40,417**	**80,329**	**(11,283)**	**25,515**	**0**	**2,204**	**(2,450)**	**134,732**	**139,918**
Group quota													
Investment	31.85%	51.00%			18.86%	33.33%	27,30%	38.70%	34.50%	37.00%			
Carrying amount	**130,880**	**690**	**443**	**132,012**	**103,344**	**75,850**	**25,916**	**24,578**	**19,671**	**16,347**	**35,901**	**301,607**	**433,619**
Net profit	***(3,793)	113	(10)	**(3,690)**	5,653	16,325	(812)	12,622	0	3,065	1,606	**38,459**	**34,769**
Other comprehensive income (expense)	(166)	508	2	**344**	1,970	10,449	(2,268)	(2,748)	0	(2,250)	(2,591)	**2,562**	**2,906**
Overall profit	**(3,959)**	**621**	**(9)**	**(3,346)**	**7,623**	**26,774**	**(3,080)**	**9,874**	**0**	**815**	**(985)**	**41,021**	**37,675**
Dividends received	0	0	0	**0**	0	0	0	0	0	0	0	**0**	**0**

* Cash and cash equivalents and equivalent totalling EUR 42,304 thousand; Non-current financial liabilities totalling EUR 260,925 thousand; current financial liabilities totalling EUR 648,033 thousand.
** Cash and cash equivalents and equivalent totalling EUR 215 thousand; current financial liabilities totalling EUR 10,111 thousand.
*** Includes EUR (2,504) thousand for the effects of adjusting the stake held by the Astaldi Group in the fair value of the assets and liabilities of Re.Consult, on the merger date.

The items “Non-significant JVs” and “Non-significant Investees” include investees that are not strategic for the development of the Group business, and generally undertake their business for exclusively consortium purposes (so-called special purpose vehicles – Consortium Companies and Consortiums), with a carrying amount lower than EUR15 million.

18.2 Significant restrictions on Joint Ventures, Special Purpose Vehicles and associates

At the end of 2015, the commitments of the Group for companies measured with the equity method and active in the Concessions segment, defined as future injections of capital or subordinated loans, for initiatives involving, up to now, a defined commitment totalling approximately EUR 230 million to be paid in the following give financial years

With regard to the companies associates and the joint ventures active in the Concessions segment, the project financing projects generally involve covenants which, is not respected, may limit payments of dividends of these enterprises or the reimbursement of subordinated loans granted by the Group.

Moreover, it is planned to issue a pledge in favour of the banks on the shares of the Special Purpose Vehicles and Joint Ventures active in the concessions segment.

19 Financial assets

19.1 Non-current financial assets: EUR 325,627 thousand (EUR 186,732 thousand)

The following table shows the composition of non-current financial assets:

	31/12/2015	31/12/2014	Change
Financial assets from concession activities	41,907	6,776	35,131
Non-current financial assets	236,691	133,652	103,039
Other financial assets - investees	8,764	8,994	(230)
Other financial assets – third parties	125	29	96
Finance lease receivables	38,140	37,281	859
Total	**325,627**	**186,732**	**138,895**

At the end of 2015 the balance of financial assets from concession activities exclusively comprise the non-current portion of the present value of minimum payments guaranteed by the concession grantors, related to the Chile area and especially the concession for the West Metropolitan Hospital in Santiago.

The item “non-current financial asset” 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:

	31/12/2015	31/12/2014	Change
Ica Ic Ictas-Astaldi Kuzey Marmara Otoyolu	140,416	55,650	84,766
Otoyol Yatirim Ve Isletme A.S	45,703	40,449	5,254
Metro 5 S.p.A.	32,462	24,736	7,726
SA.T. S.p.A.	6,806	3,868	2,938
Veneta Sanitaria di Progetto SpA	2,307	2,177	130
Ankara Etlik Hastante A.S.	2,550	0	2,550
Pacific Hydro Chacayes	1,406	1,935	(529)
Ast VT Parking S.r.l.	3,842	3,638	204
Ast B Parking S.r.l.	1,199	1,199	0
Total	**236,691**	**133,652**	**103,039**

Financial lease receivables regard the transaction, pursuant to IFRIC 4, of the item from the subsidiary Valle

Aconcagua A.S with reference to the Relaves Project.

For the “Other financial assets - investees” see the annex on related party transactions in note 35.

19.2 Current financial assets: EUR 34,646 thousand (EUR 40,273 thousand)

Current financial assets totalling EUR 34,646 thousand rose compared to the previous year by EUR 5,627 thousand and consist of the following:

	31/12/2015	31/12/2014	Change
Financial assets from concession activities	0	17,813	(17,813)
Securities in portfolio	1,153	1,396	(243)
Derivatives	266	194	72
Current loan assets	33,227	20,870	12,357
Total	**34,646**	**40,273**	**(5,627)**

The decrease in the item “Financial assets from concession activities" compared to the previous year is due to the normal offset of the assets after the receipts recorded during the year in the Turkish area and specifically with reference to the Milas-Bodrum Airport concession. With regard to the latter, it should also be noted that the concession reached it natural completion in October 2015.

The item “current loan assets” rose by EUR 12,357 thousand compared to the previous year, substantially as a result of the financial resources available on a transitory basis for funding some activities undertaken by the Group in partnership in Turkey.

The agreements governing the above-mentioned loan contracts, also in terms of remuneration of the investment, provide for the repetition of the amounts stated by the year 2016.

20 Other assets

20.1 Other Non-current assets: EUR 50,509 thousand (EUR 56,935 thousand)

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

	31/12/2015	31/12/2014	Change
Indirect tax	22,706	13,367	9,339
Direct tax	7,064	22,485	(15,421)
Tax assets	**29,770**	**35,852**	**(6,082)**
Advances to suppliers and subcontractors	5,221	1,216	4,005
Guarantee deposits	3,136	3,805	(669)
prepaid insurance premiums	7,483	7,901	(418)
prepaid surety commissions	4,058	6,010	(1,952)
Other prepayments	838	2,151	(1,313)
Receivables from employees	3	0	3
Other assets	**20,739**	**21,083**	**(344)**
Total	**50,509**	**56,935**	**(6,426)**

The change in “Tax assets” substantially reflects: (i) the increase in VAT receivables through reimbursement requested to the tax authorities, with special reference to the Turkish area and mainly relation to contracts for which there are structurally receivables, considering the special tax system applicable; (ii) the decrease in direct tax, substantially due to the initiatives in progress in the Turkish area, recorded as a result of the use of tax withheld at the source by the customers to offset tax amounts due.

20.2 Other current assets: EUR 294,989 thousand (EUR 329,128 thousand)

The item “Other current assets” totalling EUR 294,989 thousand decreases compared to the previous year by EUR 34,139 thousand.

	31/12/2015	31/12/2014	Change
Receivables from third parties for sale of goods and services	136,984	154,871	(17,887)
Advances to suppliers and subcontractors	129,058	145,529	(16,471)
Receivables from employees	955	3,372	(2,417)
Receivables from social security institutions	4,680	3,634	1,046
prepaid insurance premiums	4,977	2,293	2,684
prepaid commissions on sureties	4,230	5,488	(1,258)
Other prepayments	2,462	1,863	599
Other sundry receivables	11,643	12,078	(435)
Total	**294,989**	**329,128**	**(34,139)**

The item "receivables for sale of goods and services" totalling EUR 136,984 thousand, up compared to the previous year by EUR 17,887 thousand, referring to its counterpart in the item "Other revenue", to the 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:

	31/12/2015	%	31/12/2014	%	Change
Italy	989	0.72%	18,925	12.22%	(17,936)
Europe	91,168	66.55%	96,016	62.00%	(4,848)
America	27,714	20.23%	20,719	13.38%	6,995
Africa	12,134	8.86%	17,627	11.38%	(5,493)
Asia	4,979	3.63%	1,584	1.02%	3,395
Total	**136,984**	**100.00%**	**154,871**	**100.00%**	**(17,887)**

The item "Advances to suppliers and subcontractors for EUR 16,471 thousand, referring essentially to the projects in progress in the South American area, and in particular due to the normal use – mostly related to the substantial completion of the Cerro del Águila Hydroelectric Project in Peru – of the contractual advances paid, deducted from the amount owed for the services rendered by the subcontractors.

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

	31/12/2014	Accruals	Use in income statement	Use in statement of financial position	Exchange rate differences and other changes	31/12/2015
Allowance for impairment	(5,326)	(70)	0	0	(59)	**(5,455)**
Total	**(5,326)**	**(70)**	**0**	**0**	**(59)**	**(5,455)**

21 Inventories: EUR 70,676 thousand (EUR 64,870 thousand)

This item consists of the following:

	31/12/2015	31/12/2014	Change
Raw materials, consumables and supplies	68,267	62,967	5,300
Finished products and goods	1,575	1,590	(15)
Goods and materials in transit	834	313	521
Total	**70,676**	**64,870**	**5,806**

The following table shows the geographical breakdown of this item:

	31/12/2015	%	31/12/2014	%	Change
Italy	7,647	10.82%	3,483	5.37%	4,164
Europe	18,964	26.83%	18,509	28.53%	455
America	38,174	54.01%	33,624	51.83%	4,550
Africa	5,891	8.34%	9,254	14.27%	(3,363)
Total	**70,676**	**100.00%**	**64,870**	**100.00%**	**5,806**

The increase recorded on the domestic market is mainly attributable to the start-up of the activities for the works on Maxi Lot 2 of the Marche-Umbria Quadrilatero road network.

With regard to the international sector, we should point out: (i) the increase recorded in Poland (national road S-8) connected with the higher production volumes during the year 2015, (ii) the increase in amounts for the "I-95 & Spanish River Interchange DB" roadworks contract in progress in the United States, recognised as a result of the supply of prefabricated beams for the viaducts required for undertaking the works.

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 2014.

22 Amounts due from customers: EUR 1,242,991 thousand (EUR 1,165,348 thousand) Amounts due to customers: EUR 411,459 thousand (EUR 589,785 thousand)

These items consist of the following:

	31/12/2015	31/12/2014	Change
CURRENT ASSETS			
Contract work in progress	13,405,951	10,796,783	2,609,168
Allowance for impairment losses on contracts	(10,865)	(8,827)	(2,038)
Total Contract work in progress	**13,395,086**	**10,787,956**	**2,607,130**
Progress billing	(12,152,095)	(9,622,608)	(2,529,487)
Total amount due from Customers	**1,242,991**	**1,165,348**	**77,643**
CURRENT LIABILITIES			
Contract work in progress	2,752,544	2,773,862	(21,318)
Allowance for impairment losses on contracts	(2,441)	(645)	(1,796)
Total Contract work in progress	**2,750,103**	**2,773,217**	**(23,114)**
Progress billing	(2,816,261)	(2,972,271)	156,010
Subtotal	**(66,158)**	**(199,054)**	**132,896**
Contract advances	(345,301)	(390,731)	45,430
Total amount due to Customers	**(411,459)**	**(589,785)**	**178,326**

Contract work in progress, recognised separately between amounts due from customers and amounts due to customers, recorded an increase in the international sector with particular reference to the higher production volumes achieved during 2015, in relation to the works in progress in Canada (Muskrat Falls Hydroelectric Project) and Turkey (Third Bosphorus Bridge, Gebze-Orhangazi-Izmir Motorway).

Works in progress also increased on the domestic market, mainly in the sector of transportation infrastructures (Line 4 and Line 5 of the Milan Underground, Maxi Lot 2 of the Marche-Umbria Quadrilatero road network).

We should likewise point out, for the European area, the decrease in works in progress on the projects conducted in Russia, thanks to the positive outcome of the activities for certification of the contract amount by the Customer for the works undertaken for the Western High Speed Diameter in St. Petersburg.

We should finally point out the decrease of the item “Contract advances”, recorded above all as a result of the partial recovery of the contract amounts accrued in the period for the works to build the Western High Speed Diameter in St. Petersburg in Russia, the Muskrat Falls hydroelectric project in Canada and the railway works in Algeria. This effect is offset by receipts in the year for the construction works of the Etlik Health Campus in Ankara, Turkey, and for the M-11 Moscow-St. Petersburg Motorway in Russia.

23 Trade receivables: EUR 692,994 thousand (EUR 903,041 thousand)

The item trade receivables recorded a decrease compared to the previous year of approximately EUR 210,047 thousand and is consists of the following:

	31/12/2015	31/12/2014	Change
Receivables from customers	678,925	862,114	(183,189)
Receivables from investees	26,872	53,716	(26,844)
Receivables from parent	0	3	(3)
Accumulated impairment	(12,803)	(12,792)	(11)
Total	**692,994**	**903,041**	**(210,047)**

The following table shows the geographical breakdown of this item:

	31/12/2015	%	31/12/2014	%	Change
Italy	213,896	30.87%	315,426	34.93%	(101,530)
Europe	136,009	19.63%	218,142	24.16%	(82,133)
America	325,919	47.03%	334,866	37.08%	(8,947)
Africa	16,395	2.37%	22,829	2.53%	(6,434)
Asia	775	0.11%	11,778	1.30%	(11,003)
Total	**692,994**	**100.00%**	**903,041**	**100.00%**	**(210,047)**

With regard to the geographical breakdown of trade receivables, there was a significant reduction: (i) on the domestic market, due to the collection of part of the amounts accrued in relation to works undertaken for the construction of the Milan Underground Line 4, Jonica national road and the Pedemontana Lombarda Motorway, and; (ii) in the European area for the collection of some milestone items for works on the Third Bosphorus Bridge and Gebze-Orhangazi-Izmir Motorway in Turkey.

With regard to the American area and namely Venezuela, it is pointed out that the receivables of the Group owned by the local government at 31 December 2015 totalled EUR 267 million, without significant changes compared to 2014.

During the year, amounts collected for the Puerto Cabello – La Encrucijada section on the consortium level totalled approximately EUR 130 million. This fact, involving limited receipts (EUR 15 million) on the Group level considering the limited production levels, nevertheless confirms the willingness of the Venezuelan government to continue the activities of infrastructure development in the transportation sector, considered in any case to be of major importance for the Country, for those sections considered to be of great commercial interest.

The recoverable amount of these receivables was likewise appreciated by the Management of the Parent because: (i) the contracts are undertaken under the umbrella of a bilateral government agreement between Italy and Venezuela; and (ii) the institutional initiatives aimed at normalising the contract status, while awaiting a return to normality in the country's overall situation, are being pursued in the context of the complex political relations between the two countries.

It is further pointed out that the receivables for the Chaguaramas-Cabruta and San Juan de Los Morros-San

Fernando de Apure railway concession (Southern Lots) are expressed at their corresponding current amount, as calculated on the basis of the factors illustrated in note 11 above on financial expense, thus taking into account the priorities that the current government has assigned to the various types of infrastructures under construction in the country.

The changes in the allowance for impairment on receivables are as follows:

	31/12/2014	Provisions	Use in income statement	Use in statement of financial position	Exchange rate differences and other changes	31/12/2015
Allowance for impairment	(11,020)	(17)	0	0	0	**(11,037)**
Allowance for impairment - default interest	(1,772)	0	6	0	0	**(1,766)**
Total	**(12,792)**	**(17)**	**6**	**0**	**0**	**(12,803)**

24 Tax assets: EUR 138,645 thousand (EUR 97,834 thousand)

This item consists of the following:

	31/12/2015	31/12/2014	Change
Indirect tax assets	89,238	72,377	16,861
Direct tax assets	49,605	25,655	23,950
Accumulated impairment	(198)	(198)	0
Total	**138,645**	**97,834**	**40,811**

The increase in the item “tax assets” is due above all to contract work in progress in Italy, Turkey, Chile, Peru and Russia, substantially the invoicing dynamics attributable to some contracts under VAT exemption for the Customer, and as a result of the split payment system introduced in Italy in 2015. The appropriate procedures provided under the law are undertaken for the recovery of the items in these cases.

The increase in “Direct tax assets” derives from the settlement of corporate income tax related to foreign tax credit, and should be examined together with the corresponding tax liabilities item in note 31. The further effect is due to advances paid during the year and recovered under the new regulations enacted in the year on taxation of some projects undertaken on a partnership basis on foreign markets.

25 Cash and cash equivalents: EUR 611,263 thousand (EUR 530,212 thousand)

The Cash and cash equivalents are up compared to 2014 by EUR 81,051 thousand and consist of the following:

	31/12/2015	31/12/2014	Change
Bank and post office accounts	610,656	529,848	80,808
Cash in hand and cash equivalents	607	364	243
Total	**611,263**	**530,212**	**81,051**

The following table shows the geographical breakdown of this item:

	31/12/2015	%	31/12/2014	%	Change
Italy	192,301	31.46%	213,386	40.25%	(21,085)
Europe	285,673	46.73%	227,528	42.91%	58,145
America	104,080	17.03%	73,958	13.95%	30,122
Africa	22,828	3.73%	15,332	2.89%	7,496
Asia	6,381	1.04%	8	0.00%	6,373
Total	**611,263**	**100.00%**	**530,212**	**100.00%**	**81,051**

25.1 Disclosure on the Consolidated Statement of Cash Flows

Cash flow rates for 2015 show an overall increase in net Cash and cash equivalents of EUR 81,051 thousand, compared to an increase of EUR 156,379 thousand recorded in 2014.

Cash flows from operating activities

The cash flows form operating activities in 2015, totalling EUR 13,305 thousand, reflect: (i) the effect deriving from the increase in production activities, in particular abroad, leading to an increase of contract work in progress (Muskrat Falls Hydroelectric Project in Canada and Third Bosphorus Bridge in Turkey); (ii) the results of the partial recovery of advance payments received from customers on contract amounts accrued in the period with respect for works on the Western High Speed Diameter in St. Petersburg, Russia, the Muskrat Falls hydroelectric project in Canada and the railway works in Algeria; (iii) the benefit related to the collection of receivables from Customers recorded in Italy (Milan Underground Line 4 and Line 5, Jonica national road, Pedemontana Lombarda Motorway) and abroad (Third Bosphorus Bridge in Turkey).

Cash flows from investment activities

Cash flow used in investment activities during 2015 totalled EUR 239,571 thousand and is due essentially to the following:

- Approximately EUR 49,493 thousand for capital injection of concession initiatives essentially related to the companies Ankara Etlik Hastante A.S., Sociedad Concesionaria Nuevo Pudahuel S.A., Otoyol Isletme Ve Bakim A.S and Linea M4 S.p.A.;
- Approximately EUR 120,919 thousand for subordinated loans connected with the Joint Ventures and Special Purpose Vehicles operating in concessions projects (Third Bosphorus Bridge, Gebze-Orhangazi-Izmir Motorway and Line 5 of the Milan Underground);
- Approximately EUR 35,918 thousand for capital invested in concessions projects in progress in Chile (West Metropolitan Hospital in Santiago, Chile, Relaves mining project);
- The remaining amount mainly for capital invested in technical facilities and equipment for construction contracts and for the funding of some activities undertaken by the Group on a partnership basis in Turkey.

Cash flows from financing activities

In 2015, cash flows from financing activities produced financial resources of EUR 333,926 thousand. These flows are basically due to net cash and cash equivalents acquired after partial use (EUR 135,000 thousand) of the revolving credit facility subscribed in November 2014, 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 19,522 thousand.

26 Equity: EUR 637,031 thousand (EUR 580,056 thousand)

26.1 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 value of EUR 2 and totals EUR 196,850 thousand.

On 31 December 2015, according to the results of the Shareholders' Ledger and other pertinent information required by law (pursuant to Art 120 of Legislative Decree 58/98), the shareholders of Astaldi S.p.A. holding shares in excess of 2% are shown below:

DIRECT SHAREHOLDER	Number of shares	Investment %
Fin.Ast S.r.l.	39,506,495	40.139%
Finetupar International S.A.	12,327,967	12.525%
Total Fin.Ast. S.r.l.	**51,834,462**	**52.664%**
FMR LLC	5,150,042	5.232%
NORGES BANK	2,015,088	2.047%
Total shareholders with significant investment	**58,999,592**	**59.944%**
Treasury shares	800,770	0.814%
Market	38,624,538	39.243%
Grand total	**98,424,900**	**100.000%**

Outstanding shares at 31 December 2015 totalled 97,624,130 (97,528,399 shares at 31/12/2014) and recorded a decrease, compared to the previous year, of no. 95,731 shares calculated as follows:

Shares outstanding in 2015	
01/01/2015	**97,528,399**
Outgoing for buy back	(937,142)
Incoming for buy back and Stock grant plan	1,032,873
31/12/2015	**97,624,130**

The shares of the Parent regularly granted to employees under the stock grant plan totalled 1,423,718 shares at the end of the year (1,230,971 shares at the end of 2014).

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

During 2013, the Parent issued an equity linked bond offer with a duration of 6 years, for a nominal amount of EUR 130 million, completely placed with qualified Italian and foreign investors.

From January in the previous year, the bonds may become convertible into existing or newly-issued ordinary company shares. The bond conversion price has been set at EUR 7.3996 that incorporates a conversion premium of 35% of the weighted average price for Astaldi shares traded on the Italian Stock Exchange during the interval from the bond issue to pricing, equal to EUR 5.4812.

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

To this end, at their meeting of 23 April 2013, the Shareholders approved the proposed share capital increase, reserved exclusively and irrevocably to service the equity-linked bond issue, in cash, by payment and in more than one transaction, with exclusion of the pre-emption right pursuant to Article 2441, subsection 5 of the Italian Civil Code for a maximum nominal amount of EUR 35,137 thousand, to be released on one or more tranches through the issue of a maximum of 17,568,517 ordinary company shares of a nominal amount of EUR 2.00 with the same characteristics as outstanding ordinary shares. The number of shares involved in the eventual conversion shall be calculated by dividing the nominal amount of bonds, in relation to which the conversion application was submitted, by the conversion price.

It is likewise pointed out that at the reporting date of these consolidated financial statements no applications for conversion have been made to the Parent.

26.3 Treasury shares owned by Parent: EUR 1,602 thousand (EUR 1,793 thousand)

Treasury shares owned by the Parent at the end of the year are totalled 800,770, equivalent to 0.814% of share capital (896,501 shares in 2014), with the nominal value amount totalling EUR 1,602 thousand being recognised in accordance with IAS standards as a decrease of share capital.

26.4 Reserves: EUR 355,280 thousand (EUR 297,442 thousand)

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

	31/12/2015	31/12/2014	Change
Legal reserve	31,141	27,934	3,207
Extraordinary reserve	296,328	256,581	39,747
Retained earnings	118,891	102,373	16,518
Other reserves	(311)	491	(802)
Other comprehensive income (expense)	(107,766)	(103,070)	(4,696)
Deferred taxation from other comprehensive income	16,996	13,133	3,863
Total	**355,280**	**297,442**	**57,838**

- **Legal Reserve**

The legal reserve was increased by EUR 3,207 thousand in relation to the provisions of Art. 2430 of the Civil Code.

- **Extraordinary reserve**

The extraordinary reserve increased compared to the previous year by EUR 39,747 thousand as follows:

- EUR 40,773 thousand as the remainder of the allocation of the profits of the year of the Parent for 2014;
- EUR -808 thousand as a consequence of buy back operations;
- EUR -218 thousand substantially as a result of the use by the subsidiary Sartori Tecnologie Industriali S.r.l. of this reserve to cover the losses accrued in 2014.

With regard to the buy back operations, it is pointed out that the overall amount of the reserve for treasury shares in the portfolio, set up pursuant to Art. 2357-ter of the Civil Code, totalled EUR 5,814 thousand, and pursuant to the pertinent accounting standards was raised by EUR 4,212 thousand, as a reduction of the extraordinary reserve and by EUR 1,602, corresponding to the nominal value of the treasury shares in the portfolio, as a reduction of share capital.

- **Retained earnings**

Retained earnings, totalling EUR 118,891 thousand, reflected the 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.

- **Dividends distributed**

In 2015 dividends totalling EUR 19,522,029 (EUR 18,700,731 in 2014) were paid. The dividend approved at the Shareholders' Meeting of 23 April 2015 of EUR 0.20 per share (EUR 0.19 in 2014), was paid on 13 May 2015, ex dividend date on 11 May 2015; likewise, part of the profit for 2014, EUR 641 thousand, was allocated to the provision pursuant to Art 27 of the Company's by-laws.

- **Other reserves**

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

	31/12/2015	31/12/2014	Change
Stock grant reserve	2.045	3,093	(1,048)
IFRS	(13,373)	(13,373)	0
Reserve for IFRIC 12	10,396	10,396	0
Reserve for trading in treasury shares	3,817	2,744	1,073
Other	(3,196)	(2,369)	(827)
Total	**(311)**	**491**	**(802)**

The share option reserve represents the amount of the shares assigned to the employees, but not yet delivered, calculated on the basis of the regulations in force and the relative actuarial appraisal.

The IFRS reserve represents: (i) the total amount of adjustments recorded in the opening statement of financial position of the first financial statements drafted according to international accounting standards; (ii) the amount recognised following subsequent endorsements of new IFRSs compared to the first application, (iii) the cumulative translation differences at the time of transition to the IFRSs, not recalculated following exercise of the exemption set forth in 1 para.13, (iv) the consolidation differences emerging from business combinations prior to the transition date to IFRSs, not recalculated following exercise of the option set forth in IFRS 1 paragraph 13.

The reserve for first application of IFRIC 12 was calculated, as regards service concession arrangements, during first-time application of IFRIC 12, with specific reference to the identification, measurement and classification of individual investments (Financial or Intangible assets).

The reserve for trading treasury shares comprises the gains and losses deriving from the buy back plan.

Other reserves include minor items deriving from the equity accounting of some associates.

- **Other comprehensive income**

There follow the composition and changes in other comprehensive income:

	Hedging reserve	Translation Reserve	ASF financial assets	Net actuarial losses	Deferred tax from OCI	Total
Balance 01/01/2014	(37,146)	(35,209)	(147)	(66)	9,979	(62,588)
Change for the year	(12,621)	(17,326)	113	(669)	3,155	(27,349)
Balance 31/12/2014	**(49,767)**	**(52,535)**	**(34)**	**(735)**	**13,133**	**(89,937)**
Change for the year	(27,899)	22,789	63	351	3,863	(833)
Balance 31/12/2015	**(77,666)**	**(29,746)**	**29**	**(383)**	**16,996**	**(90,770)**

When analysing other comprehensive income, note must be taken of the positive of the translation of items in the statements of financial position and the income statements expressed in currencies other than the Euro, attributable in particular to the translation of the financial statements expressed in dollars for consolidated companies with equity accounting. This effect is partially offset by the translations of items expressed in Roubles for the Joint Operations in Russia. On the other hand, in this setting, mention is to be made of the increase in the cash flow hedge attributable essentially to the start of hedging relations for the financing of SPVs that are developing the initiatives under Concession referring to the Gebze-Orhangazi-Izmir Motorway and to the Etlik health campus in Ankara, Turkey.

26.5 Equity attributable to non-controlling interests: EUR 5,626 thousand (EUR 5,998 thousand)

The equity attributable to non-controlling interests substantially stable compared to the previous year, with changes basically resulting from the comprehensive profit and loss for the year.

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

	Hedging reserve	Translation Reserve	AFS financial assets	Net actuarial losses	Deferred taxation from OCI	Total
Balance 01/01/2014	(226)	129	(48)	49	45	(51)
Change for the year	(114)	13	48	(50)	35	(68)
Balance 31/12/2014	**(339)**	**142**	**0**	**(1)**	**80**	**(118)**
Change for the year	176	(1)	0	(6)	(42)	126
Balance 31/12/2015	**(164)**	**140**	**0**	**(7)**	**38**	**8**

26.6 Capital management

There follows the disclosure provided for in IAS 1 – paragraph 134.

A) Qualitative information

The Group uses the term capital to refer to both shareholder contributions, and operating profit (retained earnings and other reserves). While the Group does not include in this definition the equity items recognised subsequent to the measurement of cash flow hedging derivatives since these will be offset against income components in future years, thus allowing the Group to achieve the goal of hedging.

The goals 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 the growth of the Group itself. The Group thus intends to maintain a suitable level of capitalisation in order to achieve both a satisfactory economic return for shareholders and to guarantee economic access to external sources of funding. The Group constantly monitors the evolution of the level of debt in relation to equity and taking into account the generation of cash flow from operating activities with the effects of investment in the construction and concessions segments. All of the above in complete compliance with the Group's related Business Plan. In order to achieve the above goals, the Group pursues constant improvement of the profitability of the business segments where it operates.

In order to provide complete qualitative disclosure, it must be noted that the Group has complied with the financial covenant required as regards corporate "committed" borrowing with banks financing the Group. For further information, see note 27.

B) Quantitative information

There follows the quantitative breakdown of the individual capital items, as defined in the paragraph above.

	31/12/2015	31/12/2014
A - Total financial debt	**(988,526)**	**(803,854)**
Total equity	637,.031	580,056
Less amounts accumulated in equity for cash flow hedges	(77,830)	(50,106)
B - Adjusted capital	**714,861**	**630,162**
C - Debt/Capital ratio (A/B)	**1.38**	**1.28**

27 Financial liabilities

27.1 Non-current financial liabilities: EUR 1,288,473 thousand (EUR 1,178,999 thousand)*

The Non-current financial liabilities show an overall increase totalling EUR 109,474 thousand and consist of the following:

	31/12/2015	31/12/2014	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	(7,772)	(9,731)	1,959
Cash Settlement Option – fair value	6,925	4,635	2,290
Total bonds	**879,153**	**874,904**	**4,249**
Banks loans and receivables	394,222	287,082	107,140
Loans backed by personal guarantees	4,708	4,812	(104)
Finance lease payables	15,655	18,021	(2,366)
Banks loans and borrowings and finance lease payables - Nominal amount	**414,585**	**309,915**	**104,670**
Loan commissions	(14,182)	(15,918)	1,736
Hedging derivatives	7,328	7,879	(551)
Total bank loans and borrowings and finance lease payables	**407,731**	**301,876**	**105,855**
Other loans and borrowings	9	0	9
Loans and borrowings - associates and joint ventures	1,580	1,634	(54)
Loans and borrowings - other investees	0	585	(585)
Total	**1,288,473**	**1,178,999**	**109,474**

(*) included in NFP a value of EUR 1,272,631 thousand (2014: EUR 1,164,266 thousand)

The overall increase in this item compared to 2014 is related to investments in the concessions segment in Italy and in Turkey, and more generally to borrowings for the capital invested in contract work in progress.

With reference to the concessions segment, it should also be pointed out that the related debt is by definition “without-recourse”, or in any case self-liquidating, also taking into account the financial assets from concession activities guaranteed by the party granting the concession.

Bonds

Bonds comprise the fair value of the cash settlement option totalling EUR 6,925 thousand relating to the equity-linked bond falling due in 2019, n addition to the nominal amount of loans, calculated and expressed on the basis of the related amortised cost.

This option grants the subscriber the right to exercise the right of conversion from 01/02/2014 through to the due date.

In December 2015 the bonds of the Group were as follows:

- The issue of an equity-linked bond loan in January 2013, reserved for qualified Italian and foreign investors. The bond loan with a nominal amount of EUR 130,000 thousand has a six-year duration (falling due on 31 January 2019) and has a six-monthly coupon at a fixed rate of 4.50%, payable on 31 January and 31 July of each year. The bonds can become convertible into existing or newly-issued ordinary company shares as from 1 February 2014, save for the Company’s right to settle any conversion application through the delivery of ordinary shares, or through payment in cash, or through a combination of ordinary shares and cash (cash settlement option). The bond conversion price has been set at EUR 7.3996 and incorporates a conversion premium of 35% compared to the average price of Astaldi shares traded on the Italian Stock Exchange on 14 January 2013.
- The issue of a senior unsecured fixed-rate bond in December 2013, for the sum of EUR 500,000 thousand, falling due in 2020. The bonds have an annual coupon of 7.125% and the issue price is equal to 100%. The bonds were rated B1 (Moody’s), B+ (Fitch) and B+ (S&P) and offered exclusively to qualified investors and listed on the official list of the Luxembourg Stock Exchange.
- The issue of an integration of the aforementioned senior unsecured fixed-rate bond in December 2013, for the sum of EUR 100,000 thousand, falling due in 2020 (so-called Tap). The bonds, which had the same characteristics, terms and conditions of those issued pursuant to the senior loan for the sum of EUR 500,000 thousand and could be completely combined with these, were placed at a price equal to

102.250% of their nominal amount by the same banks that placed the first senior unsecured loan.

- The issue in February 2014 of an integration of the aforementioned senior unsecured fixed-rate bond in December 2013, for the sum of 150,000 thousand falling due in 2020 (so-called 2nd Tap). The bonds, which had the same characteristics, terms and conditions of those issued pursuant to the senior loan for the sum of EUR 500,000 thousand and could be completely combined with these, were placed at a price equal to 105.000% of their nominal amount by the same banks that placed the first senior unsecured loan.

The following table shows the main figures related to the aforementioned bonds:

Type of loan	Expiry	Coupon	Outstanding 31/12/2015
Bond (Equity Linked)	January 2019	Half-yearly 4.5%	130,000
Bond (Senior Unsecured)	December 2020	Half-yearly 7.125%	750,000
Total bonds			**880,000**

In relation to indication of the fair value of bonds, it must be noted that, on the basis of market prices recorded at the end of 2015, the value of the equity-linked bonds was 102.55 while the value of the senior unsecured bonds was 99.01.

The total fair value of bonds on 31 December therefore totalled EUR 875,912 thousand.

Bank loans and loans backed by personal guarantees

The main bank loan transactions undertaken in 2015 were as follows:

- Committed revolving loan of EUR 50 million, signed in March 2015 with Banca del Mezzogiorno and with final expiry in March 2018.
- Committed revolving loan of EUR 26 million, signed in May 2015 with Banco Do Brasil and with final expiry in May 2018.
- Committed revolving loan of EUR 30 million, signed in June 2015 with BPER and with final expiry in June 2018.
- Committed revolving loan of EUR 25 million, signed in July 2015 with Banco Popolare and with final expiry in January 2018.
- Committed revolving loan of EUR 10 million , signed in September 2015 with Banco Do Brasil and with final expiry in September 2018.
- Committed revolving loan of EUR 5 million, signed in October 2015 with Banca Carige and with final expiry in June 2019.

With regard to loan repayments made in 2015, we can note the following:

- Early repayment of the residual quota of EUR 10 million of the committed loan of EUR 20 million signed with BPER
- Early repayment of the residual quota of EUR 11.3 million of the committed loan of EUR 35 million signed with ING Bank.
- Early repayment of the residual quota of EUR 3.3 million of the committed loan of EUR 10 million signed with ING Bank.

The following table shows the key figures related to the Group’s main bank loans at 31 December 2015.

Type of loan	Company	Outstanding 31/12/2015	Signing date	Expiry*
Bilateral - BNP Paribas	Astaldi S.p.A.	45,000	06/08/2013	15/01/2016
Bilateral - Cariparma	Astaldi S.p.A.	50,000	27/06/2014	27/06/2017
Bilateral - Banco do Brasil	Astaldi S.p.A.	23,000	11/12/2014	04/01/2016
Bilateral - Banco Popolare	Astaldi S.p.A.	25,000	13/07/2015	R.P. 31/01/2018
Bilateral - Banca del Mezzogiorno – Mediocredito Centrale S.p.A.	Astaldi S.p.A.	5,285	17/05/2013	R.P. 30/06/2016
Bilateral - Banca del Mezzogiorno – Mediocredito Centrale S.p.A.	Astaldi S.p.A.	50,000	06/03/2015	R.P. 31/03/2018
Bilateral - Banco do Brasil	Astaldi S.p.A.	26,000	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 - Banca Popolare dell'Emilia Romagna	Astaldi S.p.A.	25,000	30/06/2015	R.P. 30/06/2018
Bilateral - Banca Carige	Astaldi S.p.A.	5,000	19/10/2015	R.P. 30/06/2019
Pool	Astaldi S.p.A.	200,000	07/11/2014	07/11/2019
Pool	Astaldi S.p.A.	60,000	22/12/2014	R.P. 31/07/2018
Pool	Inversiones Assimco Limitada	4,452	05/08/2009	R.P. 30/06/2016
Other corporate loans		509,255		
Total bank loans		**1,037,992**		
of which non-current		398,930		
of which current		639,062		

*R.P. = Repayment Plan

With reference to financial covenants, calculated conventionally pursuant to the loan contracts in force, the threshold values to comply with at 31 December 2015 are as follows:

- Ratio between Net Financial Position (NFP) and Equity less than or equal to 2.30x
- Ratio between Net Financial Position (NFP) and Ebitda less than or equal to 3.60x
- Priority Leverage Ratio less than or equal to 0.5x.

In addition to financial covenants, the loan agreements, in keeping with international practice, include clauses that place restrictions on the Group's financial operations and other undertakings such as clauses regarding pari passu, negative pledges and change of control.

All the covenants at 31/12/2015 have been complied with.

Finance lease payables

During the year, the Group signed finance leases totalling EUR 8,081 thousand. The leases regarded assets comprising the fiscal categories of heavy vehicles, generic plant and equipment, specific plant and equipment, light constructions, excavators and mechanical power shovels; these leases contain a redemption cause. The following table shows the amount of future instalments deriving from finance leases and the present value of the relative instalments.

	31/12/2015		31/12/2014	
	Instalments	Present value	Instalments	Present value
Within one year	10,232	9,256	9,916	8,802
Over one year and within five years	12,563	10,271	15,843	13,121
Over five years	5,993	5,384	5,459	4,901
Total lease instalments	**28,788**		**31,218**	
Financial expense	3,877		4,394	
Present value	**24,911**	**24,911**	**26,824**	**26,824**

27 Current financial liabilities: EUR 655,726 thousand (EUR 395,070) thousand*

Current financial liabilities show an overall increase totalling EUR 260,656 thousand compared to the previous year and consist of the following:

	31/12/2015	31/12/2014	Change
Bonds	6,494	6,494	0
Issue and placement commissions	(1,959)	(1,818)	(141)
Total bonds	**4,535**	**4,676**	**(141)**
Bank loans and borrowings	520,286	338,495	181,791
Current portion of medium/long term loans	118,543	37,251	81,292
Current portion of loans backed by personal guarantees	233	221	12
Finance lease payables	9,256	8,803	453
Bank loans and borrowings and finance lease payables - Nominal amount	**648,318**	**384,770**	**263,548**
Loan commissions	(5,469)	(4,815)	(654)
Interest on bank loans	3,327	2,956	371
Hedging derivatives	5,015	7,483	(2,468)
Total loans and borrowings and finance lease payables	**651,191**	**390,394**	**260,797**
Total	**655,726**	**395,070**	**260,656**

(*) included in NFP for a value of EUR 678,276 thousand (2014: EUR 387,587 thousand)

The item “Bonds” refers to instalment on interest falling due and not yet settled, adjusted by the portion of the costs of issue and placement in such a way as to reflect the value of the bonds upon expiry, calculated on the basis of the effective interest.

Bank loans and borrowings rose mainly due to the partial use of the short-term revolving lines (committed and uncommitted) in order to continue the general policy of support to production activity, by financing the contract working capital, a policy pursued by the Group with continuity despite the extremely complex macroeconomic context.

27.3 Net financial debt

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

			31/12/2015	31/12/2014
A	Cash		611,263	530,212
B	Securities held for trading		1,153	1,396
C	**Cash and cash equivalents**	**(A+B)**	**612,416**	**531,607**
	Current loan assets		33,226	20,870
	of which from related parties		*1,975*	*18,316*
	Current portion of financial assets from concession activities		-	17,813
D	**Current loan assets**		**33,226**	**38,683**
E	Current portion of bank loans and borrowings		(518,144)	(336,636)
F	Current portion of bonds		(4,535)	(4,676)
G	Current portion of non-current debt		(118,776)	(37,472)
H	Other current loans and borrowings		(36,821)	(8,803)
I	**Current financial debt**	**(E+F+G+H)**	**(678,276)**	**(387,587)**
J	**Net current financial debt**	**(I+D+C)**	**(32,634)**	**182,703**
K	Non-current portion of bank loans and borrowings		(384,748)	(275,976)
L	Bonds		(872,228)	(870,269)
	of which to related parties		*(13,000)*	*(13,000)*
M	Other payables non-current		(15,655)	(18,021)
N	**Non-current financial debt**	**(K+L+M)**	**(1,272,631)**	**(1,164,266)**
O	**Net financial debt from continued operations**	**(J+N)**	**(1,305,265)**	**(981,563)**
	Non-current loan assets		38,140	37,281
	subordinated loans		236,691	133,652
	of which to related parties		*236,691*	*133,652*
	Non-current portion of financial assets from concession activities		41,907	6,776
P	**Non-current loan assets**		**316,739**	**177,709**
Q	**Total financial debt**	**(O+P)**	**(988,526)**	**(803,854)**

Total financial debt takes into account not only the net financial debt (letter O in the above table) calculated in accordance with European Securities and Markets Authority ESMA (formerly CESR), Recommendation of 10/02/2005, but also non-current loan assets mainly from associates set up for project financing activities.

It should likewise be pointed out that the Parent holds treasury shares in its portfolio totalling EUR 5,814 thousand, which generate a net financial debt totalling EUR 982,712 thousand. It is likewise pointed out that the net financial debt, also in comparative terms, does not contain the amount of derivatives used in hedging activities since, by their very nature, they do not represent financial amounts.

The increase in total debt recorded compared to last year is to be attributed to significant investments in the concessions segment, as well as support to working capital for major projects in progress.

It is likewise pointed out that the available funds (EUR 612,416 thousand) together with the possibility of using revolving credit lines, committed and uncommitted (available for an overall amount totalling approximately EUR 585,000 thousand), provide the Group with a more than sufficient capacity to meet planned financial commitments.

28 Other liabilities

28.1 Other Non-current liabilities: EUR 15,257 thousand (EUR 17,034 thousand)

Other non-current liabilities, totalling EUR 15,257 thousand, did not show significant differences compared to the previous year and mainly comprise payables to Simest S.p.A. (EUR 11,594 thousand) for the acquisition of non-controlling interest of the subsidiary Inversiones Assimco Limitada.

28.2 Other Current liabilities: EUR 230,698 thousand (EUR 167,530 thousand)*

Other current liabilities totalled EUR 230,698 thousand and consist of the following:

	31/12/2015	31/12/2014	Change
Associates and joint ventures	5,066	792	4,274
Other companies	1,313	2,074	(761)
Personnel	19,163	22,722	(3,559)
Social security institutions	13,934	11,446	2,488
Accrued expenses and deferred income	4,167	6,884	(2,717)
Other	187,055	123,612	63,443
Total	**230,698**	**167,530**	**63,168**

(*) included in the NFP for a value of EUR 27,565 thousand (2014: EUR 0 thousand).

The item "Other" rose compared to 2014 by EUR 63,443 thousand, with reference mainly to the international sector, and 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.

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

We should finally point out that payables 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.

29 Employee benefits: EUR 8,057 thousand (EUR 9,595 thousand)

The amount of this item, and the changes occurring during the year, are shown in the table below.

Actuarial value	Pension plans and defined benefits	Liabilities for redundancy incentive	31/12/2015
a) Amount at 01/01/2015	**8,437**	**1,158**	**9,595**
b) increases during the year			
b.1) Social security cost of current services	985	0	985
b.2) Interest payable/financial expense	124	17	141
b.3) Actuarial Gains (Losses) from experience	(64)	0	(64)
b.4) Actuarial Gains (Losses) from change in financial hypothesis	(194)	0	(194)
c) Amount of the year	(2,011)	(435)	(2,446)
d) Exchange rate differences and other changes	41		41
e) Total amount of obligation at 31/12/2015 (Defined Benefit Plan)	**7,318**	**739**	**8,057**

This item mainly refers post-employment benefits regulated by Article 2120 of the Italian Civil Code.

29.1 Additional information on post-employment benefits (IAS 19 – paragraph 135 and subsequent)

Characteristics of the plan

At 31 December 2006, post-employment benefits of Italian companies were considered to be a defined benefit plan. Regulation of this provision was amended under Law No. 296 of 27 December 2006 (2007 Finance Act) and subsequent decrees and regulations issued in the early part of 2007. In the light of said amendments, and with specific regard to companies with a minimum of 50 employees, said provision is to be classified as a defined benefit plan solely for sums accrued prior to January 1 2007 (and still to be paid at the reporting date), while subsequent to this date it is to be considered a defined contribution plan.

The liability referring to post-employment benefits, recognised Group's statement of financial position, net of any advance payments made, show (i) the Group's obligation as regards the sums acknowledged to employees up to 31 December 2006 that will be paid upon the employee leaving the company, as regards companies with more than 50 employees, (ii) the progressive amount of benefits due to employees, accrued during their working life, recognised on an accruals basis in keeping with the provision of services needed to obtain benefits, as regards other companies.

Main assumptions used

There follows a summary of the main assumptions used for the actuarial estimate of post-employment benefits at 31 December 2015:

- Annual discount rate: 2.03%
- Annual rate of inflation:
  - 1.50% for 2016
  - 1.80% for 2017
  - 1.70% for 2018
  - 1.60% for 2019
  - 2.00% from 2020 onward
- Annual rate of increase in 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%

Sensitivity analysis

There follows a summary of the potential effects which would be recorded for the obligation for defined benefits after hypothetical changes in the actuarial rates reasonably possible at the reporting date:

	Turnover frequency		Inflation rate		Discounting rate	
	+ 1%	- 1%	+1/4 %	-1/4 %	+1/4 %	-1/4 %
Change in the total amount of the obligation	(33)	37	118	(115)	(159)	165

Effect of the defined benefits plan on the Group's future cash flows

There follows a summary, based on the estimates reasonably possible at the reporting date, of effects on the Group's future cash flows with regard to the defined benefit plan:

- Forecast plan contributions for 2016: EUR 972 thousand
- Weighted average duration of the obligation for benefits: 11.73 years.
- Forecast disbursements:
  - 2016: EUR 977 thousand
  - 2017: EUR 790 thousand
  - 2018 and subsequent: EUR 14,787 thousand.

29.2 Liabilities for redundancy incentives

The item "liabilities for redundancy incentives" reflects the estimate of the charges related to offers for agreed early retirement under the agreements made in 2014, on the basis of the provisions of Art. 4, paragraph 1 – 7*ter* of Law 92 of 2012 (the so-called Fornero Law), for the early retirement of some employees at the Italian headquarters.

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.

With regard to the main assumptions used to calculate the current value of the obligation, it is pointed out that the discount rate was calculated on the basis of the Eurirs index over two years (in line with the duration of the said plan).

30 Trade payables: EUR 1,013,237 thousand (EUR 1,031,736 thousand)

This item consists of the following:

	31/12/2015	31/12/2014	Change
Suppliers	938,064	962,959	(24,895)
Associates and joint ventures	66,241	59,057	7,184
Other investees	8,932	9,720	(788)
Total	**1,013,237**	**1,031,736**	**(18,499)**

Payables to suppliers decreased by EUR 5,529 thousand, and set against the increase of production volumes recorded during the year, once more testifies the careful policy to support production activities adopted by the Group in an ongoing manner despite the macroeconomic situation characterised by especially complex items, if we are also to consider the unfavourable overall reference framework. In particular, the difference in the item in question includes a decline equal to about EUR 85,000 thousand recorded domestically as well as in Russia and Peru, partially offset by an increase equal to about EUR 60,000 thousand that may be assigned to the activities being carried out in Turkey and Chile, directly correlated with the revenue levels produced.

Payables to associates and joint ventures increased above all on the domestic market, basically due to the resumption of definitive planning of the Verona-Padua High Speed Line.

31 Tax liabilities: EUR 66,444 thousand (EUR 103,997 thousand)

Tax liabilities decreased by EUR 37,553 thousand compared to the previous year and consist of the following:

	31/12/2015	31/12/2014	Change
Indirect tax liabilities	7,881	54,631	(46,750)
Direct tax liabilities	50,164	44,904	5,260
Withholding tax liabilities	8,399	4,462	3,937
Total	**66,444**	**103,997**	**(37,553)**

The decrease in the item "indirect tax liabilities" is mainly attributable to the domestic area, and in particular payment of VAT due on significant milestones invoiced in December 2014 in the transport infrastructures sector.

On the other hand, there was an increase in "Direct tax liabilities" with reference to the countries where the Group works mainly through permanent organisations. These liabilities, though higher than in the previous year, were substantially recovered through the ordinary Foreign Tax Credit process, mentioned under item 24.

32 Current portion of provisions for risks and charges: EUR 13,794 thousand (EUR 13,407 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 by-laws	Total
Balance at 31/12/2014	**7,152**	**2,693**	**1,527**	**2,035**	**13,407**
Provisions	0	0	25	0	25
Utilisation	0	0	0	(406)	(406)
Allocation of 2014 profit	0	0	0	642	642
Restatement	(5)	131	0	0	126
Balance at 31/12/2015	**7,147**	**2,824**	**1,552**	**2,271**	**13,794**

- Provisions for contractual obligations mainly include a conservative assessment of 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 considering to investment's carrying amounts;
- The provision for potential losses includes the accrual for likely risks measured on a 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 By-laws was used for charitable donations and increased through the allocation of profits in accordance with specific resolutions.

Disclosure on potential risks

It is pointed out that on 3 November 2010 the Group Company COMERI S.p.A. received a Formal Notice of Assessment from the Italian Tax Police, Rome Unit, following a general check made for the purposes of direct and indirect taxation.

During the 2015 financial year, the Revenue Office gave the company notice of an audit that adopted wholesale the same findings contained in the aforementioned tax assessment. The Company therefore promptly challenged this notice and the consultation with the Revenue Office to void the document is currently underway.For complete information, we can recall that the aforementioned Notice of Assessment contains an objection concerning taxation of the agreement signed between Astaldi and ANAS S.p.A. on 3 May 2010, regarding the definition of technical reserves included in the construction site accounts up to 31.12.2008, some of which were erroneously considered by the Tax Police to be higher fees rather than penalties for compensation of damage, and thus fully subject to 20% VAT.

In relation to the objection raised, it was shown that COMERI S.p.A. had previously registered the out-of-court settlement in question with the Internal Revenue Office on 15 June 2010; on this occasion the internal revenue office requested and accepted payment of the proportional registration tax on the aforesaid reserves, thus conclusively confirming the tax treatment for these amounts for the purposes of indirect taxation, considering them to be compensatory and thus excluded from VAT taxation.

Given that, as mentioned, the Revenue Office adopted the same arguments contained in the tax assessment, without providing additional arguments in support of the finding, the Company, also with the consultants' support, confirms, as already reported in the financial statements for the previous years, the risk of an adverse decision as remote.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.

	note	31/12/2015	31/12/2014
Provisions deducted directly from assets		29,328	27,151
Allowance for impairment (equity investments)	17. Equity investments	8	8
Allowance for impairment losses on contracts	21. Amount due by Customers	10,865	8,827
Allowance for impairment	22. Trade receivables	11,037	11,020
Allowance for default interest	22. Trade receivables	1,765	1,772
Provision for default interest due to tax authorities	23. Tax assets	198	198
Allowance for impairment of other assets	19. Other current assets	5,455	5,326
Provisions recognised under liabilities			
Provision for risks and charges		16,235	14,052
of which:			
• For risks on equity investments	31. Provisions for risks and charges	2,824	2,693
• For contract obligations to complete	31. Provisions for risks and charges	7,147	7,152
• For contract losses to complete	21. payments on account	2,441	645
• Other Provisions for risks and charges	31. Provisions for risks and charges	3,823	3,562
Total provisions / allowances		45,563	41,203

33 Fair value measurement

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

	Measurement date	Total	Fair value with		
			Prices quoted in active markets (Level 1)	Observable significant inputs (Level 2)	Non-observable significant inputs (Level 3)
Assets measured at fair value					
Intangible assets	31/12/2015	33,479			33,479
Forward exchange contracts	31/12/2015	266		266	
Securities	31/12/2015	1,153	1,153		
Liabilities measured at fair value					
Interest Rate Swaps	31/12/2015	12,303		12,303	
Conversion options - bonds	31/12/2015	6,925			6,925

33.1 Measurement techniques and inputs used to process measurements

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

- **Interest rate swap**

The fair value of derivatives was measured using a pricing tool. The indexed floating leg was measured by generating the forward rates for the deadlines provided for in the contract, and subsequently by calculating the present value by discounting relative cash flows.

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

The forward rates and discount rates were calculated as from the zero coupon rates implicit in the short-term rate (deposit quotation) and long-term rate (swap rate quotation) curves 31 December 2015.

When calculating the fair value of derivatives, the so-called Debit Value Adjustment (DVA) was also measured in order to take into account the default risk.
The overall value of the derivative is obtained from the difference of the present values of the floating and fixed item.

As regards the efficacy of operations, it is obtained through internal valuation models using the Dollar Offset Method, employing the hypothetical derivative to calculate the difference in fair value of the underlying derivative.

- **Forward exchange rate contracts**

The instruments in question were measured by using a pricing tool.
Measurement was performed by discounting the value upon contract expiry, calculated as the difference between the forward exchange rate upon expiry, quoted by the market at the measurement date, and the yearly exchange rate provided for in the contract, weighted by the nominal amount provided for in the contract.

The discount rates were calculated as from the zero coupon rates implicit in the short-term rate (deposit quotation) and long-term rate (swap rate quotation) curves at 31 December 2015. The forward exchange rates were estimated through linear interpolation starting from the forward exchange curve acquired by the info providers.

- **Securities**

The fair value of securities is equal to the market price of bid prices at the reference date of the period considered.

- **Conversion option - bonds**

A convertible bond grants the holder the possibility to convert the bond into a set number of shares of the issuer. Therefore, the instrument can be compared to a standard bond that incorporates the sale of a call option.
A pricing tool is used to measure the convertible bond.
The measurement model breaks up the instrument into its basic parts: an equity component and a debt component. To this end it defines the “cash only part of the convertible bond” as a hypothetical instrument. The value measurement of the two aforesaid items is calculated on the basis of the Black- Scholes equation. The model uses the following inputs: the market price of the Company’s shares, the rate (swap and deposit) curves, share price volatility and the company’s credit spread.

As regards the aforementioned inputs, the company’s credit spread is not currently observable on the market.

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

<u>Intangible assets referring to the Contractual Rights acquired in the business combination for the Quadrilatero industrial Complex</u>

The fair value of the contractual rights acquired in the business combination referring to the Quadrilatero industrial Complex[4] was determined, by an expert opinion done by a professional of major standing, using the Discounted Cash Flow (DCF) method, discounting the future financial flows expected from the management of the business units acquired for an explicit forecast period of five-year scope (2015-2020). Also considered were the other assets acquired in the aforementioned business combination as initial endowment (whose carrying amounts were moreover deemed reasonably close to the corresponding fair value) functional to the performance of the object of said contractual rights.

In particular, the net operating flows expected for each of these financial years were identified based on the projections developed on reasonable and sustainable assumptions capable of representing the best estimate that may be made by the Parent’s Management.

The weighted average cost of capital, or “WACC,” considered for the purposes of application of the DCF method was estimated as equalling 8.14%.

[4] For greater details on the Acquisition of the Quadrilatero industrial complex, see “Business Combinations undertaken in 2015” section.

c) Transfers of financial instruments between different fair value hierarchy levels

During the year, there were no transfers between different fair value hierarchy levels.

34 Information on risk management, financial instruments and guarantees

34.1 Financial risk management

The Astaldi Group operates in an international context where transactions are conducted in different currencies; moreover, in order to support and develop its own industrial activities, it makes use of external sources of financing in Euro and foreign currencies.

The Astaldi Group is exposed to the following financial risks:

- Market risk: the Group's exposure to fluctuations in interest rates and exchange rates between the Euro and the other currencies in which it operates;
- Liquidity risk: related to the possibility that the Astaldi Group might not be able to meet its financial commitments resulting from contractual undertakings and, more generally, from its short-term financial commitments;
- Credit risk: the Group's exposure to potential loss resulting from default on obligations undertaken by counterparts.

The various types of risk are monitored in such a way as to evaluate in advance their potential negative effects, and take suitable mitigating actions. The optimisation and reduction of risk levels is pursued through a suitable organisational structure, the adopting of rules and procedures, the implementation of targeted sales and procurement policies, and the use of insurance policies and hedging derivatives.

In order to maintain corporate value, Astaldi Group has drawn up guidelines for controlling its exposure to market risks and entrusted to an internal Financial Risks Committee the definition of policies and strategies to manage risks through derivatives and the monitoring of hedged positions.

With regard to these policies, Astaldi Group mainly uses cash flow hedging to cover exposure to fluctuations in financial flows attributable to a specific risk associated with an asset or liability, or to a planned transaction likely to have an effect on the income statement.

There follow the hedging derivative operations at 31 December 2015, with distinction between hedge accounting, representing most of Astaldi Group's transactions, and non-hedge accounting transactions with the fair value, notional value and changes in the respective reserves and income statement listed for each. For transactions in currencies other than the Euro, the amounts are converted into Euro at the exchange rate at year-end.

- **Interest rate risk**

Group exposure to the risk of changes in interest rates is mainly related to floating-rate financial debt; changes in interest rates affect the market value of financial assets and liabilities of the company and the level of net financial expense.

The Astaldi Group, also taking into account contractual obligations, duly assesses exposure to the risk of changes in interest rates and manages these risks through non-speculative derivatives, in order to pursue a Cash Flow Hedge strategy. The Group's hedging policy, regulated by a specific interest rate risk management policy, involves the definition of an ideal mix between fixed rate and floating rate borrowing in the borrowing structure in order to minimise the risk of interest rate fluctuation, mainly the Euribor, while pursuing set financial structure targets.

Astaldi Group therefore undertakes hedging transactions through simple derivatives ("plain vanilla"), on a cash flow hedge basis, in order to convert the floating rate into a fixed rate (Interest Rate Swap), or to allow a limited interest rate fluctuation within a predefined range (Collar), and in any event guaranteeing a maximum risk exposure level (Cap). These instruments are generally at zero cost.

At 31 December 2015, the notional value of derivative hedging on the interest rate risk totalled EUR 557 million. Taking into account said hedging and the fixed-rate debt associated with bond issues, the percentage of fixed rate debt equalled approximately 74% of the gross debt.

The following tables show details of the aforesaid transactions, all designed to hedge financial flows, and subdivided into cash flow hedges and transactions for which Astaldi Group decided not to apply hedge accounting.

Type of derivative	Underlying	Notional Remainder 31/12/2015	Fair Value 31/12/2015	Fair Value 31/12/2014
IRS	Medium-long term debt	529,958	(11,714)	(12,635)
Total		**529,958**	**(11,714)**	**(12,635)**

With reference to the aforementioned Hedge Accounting transactions, the change in value had an impact above all on equity attributable to owners of the Parent, generating a final balance of the hedging reserve of EUR 11.5 million.

There follow details of changes in the hedging reserve in 2015:

Hedging reserve - interest rate risk	31/12/2015	31/12/2014
Opening reserve	(12,412)	(16,224)
Impact on reserve net of release to profit or loss	865	3,812
Final reserve	**(11,547)**	**(12,412)**
Ineffectiveness	(168)	(222)

With regard to transactions for which hedge accounting was not employed, the changes of value of these financial instruments were recognised directly in profit or loss.

Type of derivative	Underlying	Notional Remainder 31/12/2015	Fair Value 31/12/2015	Fair Value 31/12/2014
IRS	Medium-long term debt	27,021	(589)	(1,024)
Total		**27,021**	**(589)**	**(1,024)**

Sensitivity analysis

There follows a summary of the potential effects of a hypothetical marginal increase or decrease in interest rates on the Group’s Income Statement and Statement of financial position in terms of greater or lower interest payable over the entire remaining duration of floating-rate financial payables.

The analysis was conducted based on market curves at 31/12/2015 and considers a parallel rate shock by 1% upwards (shock up) and 0.30% downwards (shock down) on interest rates.

Interest rate risk *Sensitivity analysis*	**Income Statement**		**Equity**	
	Shock up 31/12/2015	**Shock down 31/12/2015**	**Shock up 31/12/2015**	**Shock down 31/12/2015**
Financial liabilities				
• Cash flow	(10,380)	3,114		
Hedging derivatives				
• Cash flow	16,645	(7,705)		
Total	**6,265**	**(4,591)**	**0**	**0**
• Fair value	32	(96)	16,076	(7,803)

With reference to 31/12/2015, the analysis shows how, considering a hypothetical increase of 1% in interest rates, due to the positive impact of derivative hedging (approximately EUR 16.6 million), there would be a decrease in financial expense of EUR 6.3 million; in this hypothetical scenario, the fair value of hedging recognised in the income statement, compared to the effective amount recorded at 31/12/2015, would show an increase of EUR 32 thousand, while the equity reserve (negative) would drop by approximately EUR 16 million.

Similarly, as can be seen from the table, a shock down of 0.30% in interest rates would lead to a decrease in financial expense of approximately EUR 4.6 million.

- **Exchange rate risk**

With reference to the exchange rate risk, the Astaldi Group performs cash flow hedges for specific foreign contracts in order to neutralise or mitigate the effect of exchange rate fluctuations on related foreign-currency costs or revenue.

The Group policy is aimed at hedging a percentage of exposure to currency risk, depending on business characteristics and the specific volatility of certain currencies, for the entire duration of the works with regard to specific contracts, and when this is not possible, for a period of 12 months.

Hedging is performed by using forward plain vanilla derivatives, cost zero cylinders and cross currency interest rate swaps.

As regards specific foreign currencies especially those of emerging countries whose financial markets do not allow for mitigation of currency risk through derivatives, Astaldi Group tends to protect the imbalance between trade receivables and payables in local currency through financial debt in the same currency (so-called “natural hedging”).

At 31 December 2015, the notional value of existing hedging for currency risk, amounted to a total counter-value of EUR 16.5 million.

Type of derivative	**Underlying**	**Notional Remainder 31/12/2015**	**Fair Value 31/12/2015**	**Income Statement**
Forward Buy CAD/Sell EUR	Hedging of funding Canada	16,539	266	266
Total		**16,539**	**266**	**266**

- **Liquidity risk**

The main factors contributing to the Group's liquidity risk are, on the one hand, the financial resources generated by or used in the Group’s operating and investing activities, and on the other, financial debt maturity and use of cash, as well as the contingent conditions of financial markets.

Astaldi Group aims to maintain a sufficient cash margin to allow for coverage of financial requirements with the availability of committed and uncommitted credit facilities.
Cash flows, the need for financing and liquidity are monitored in an ongoing manner and managed with the aim of ensuring effective and efficient financial resource management.

The following table shows the timeframe of the Group’s financial liabilities:

Analysis of maturities	Use	On sight	2016	2017	2018	2019	2020	beyond
Short term loans*	(497,287)	497,287						
Medium-long term loans*	(565,616)		151,033	115,816	81,856	203,733	2,732	10,446
Equity linked bonds	(130,000)					130,000		
Senior unsecured bonds	(750,000)						750,000	
Total	**(1,942,903)**	**497,287**	**151,033**	**115,816**	**81,856**	**333,733**	**752,732**	**10,446**
Derivatives								
- Interest rate risk derivatives**	(12,303)	0	5,112	4,718	3,154	571	(322)	(930)
- Currency risk derivatives**	266		(266)					
Total	**(12,037)**	**0**	**4,846**	**4,718**	**3,154**	**571**	**(322)**	**(930)**
EXPOSURE AT 31.12.2015		**497,287**	**155,879**	**120,534**	**85,010**	**334,304**	**752,410**	**9,516**

Note:
* The figures shown in the table coincide with the nominal amount of financial liabilities and therefore do not include (i) commission directly related to the granting of loans that in turn is included in the measurement at amortised cost of the financial liabilities, and (ii) accrued interest not yet settled.
** The figure coincides with the total amount of the derivatives, both receivable and payable, and does not include the accrual on the differentials accrued and not yet settled.

The Astaldi Group has adopted a series of policies and processes aimed at making the most of management of financial resources, reducing the liquidity risk, such as, specifically:

- the tendency towards centralised management of collection and payment flows (cash management systems) where deemed advantageous in compliance with the various civil, currency and tax laws of the countries where the Group operates and in keeping with the rules for managing the financial flows of individual contracts;
- maintenance of a suitable level of available liquidity;
- existence of an investment portfolio with a corresponding liquid market and whose securities are available for sale in order to cope with any liquidity needs;
- diversification of instruments for obtaining financial resources and ongoing focus on capital markets;
- obtaining of suitable bank credit facilities (committed and uncommitted), guaranteeing an adequate availability of committed lines (not used);
- access to debt capital markets;
- monitoring of future liquidity conditions in relation to corporate monitoring of future liquidity conditions in relation to corporate planning.

- **Credit risk**

The credit risk represents the Group's exposure to the potential default risks of a counterpart.

The Group's credit risk is limited by the solvency characteristics of the customers served. The portfolio of receivables falling due is constantly monitored by the relevant departments.

The type of Group customers is basically government and public bodies, by their very nature solvent.

Therefore, the credit risk, represented by the possible default of customers, is considered to have little significance, also considering the insurance coverage that can be obtained through specific policies stipulated with insurance companies.

It should be noted that for some countries, collection times may go beyond the usual terms. At 31 December 2015 the percentage of overdue trade receivables was approximately 33%, of which 23% overdue by more than 12 months. Nevertheless, the analysis of credit risk exposure according to maturity is not very significant since the receivables are measured in relation to other working capital items, and in particular payables to subcontractors and suppliers typical in the segment, the due dates of which tend to be aligned to customer collection time (back-to-back), as regards the management of operating leverage.

With particular regard to Russia, it is observed that although the country is going through an economic slowdown due to; (i) the political uncertainty linked to the Ukrainian crisis and the consequent international sanctions and (ii) the fall in the price of oil, the Group believes that there is no reason to raise the risk rate in relation to the overall recoverability of the amounts accrued, since the contract work in progress in the country consist in contracts with private counterparts with a high financial standing, and with financial coverage already guaranteed, which do not fall under the embargo imposed on the country in relation to the situation in the Ukraine.

With regard to Venezuela, see the extensive explanation in notes 1, 11 and 23.

34.2 Guarantees and sureties

- **Personal guarantees**

The overall amount of personal guarantees provided is EUR 2,466,719 thousand and refers to the following items:

- Sureties opening credit facilities, in order to ensure the regular cash flow of individual contracts, issued in the interest of associates and other investees, set up for this purpose under the laws in force, for a total amount of EUR 68,201 thousand EUR 19,376 thousand referring to Joint Ventures;
- Sureties for works, issued for various purposes by banks and insurance companies in the interest of the Group, in favour of commissioning bodies, on the Group's own account and that of subsidiaries, jointly-controlled entities, associates and other investees, for a total amount of EUR 2,316,982 thousand of which EUR 199,932 thousand referring to Joint Ventures;
- Other sureties issued for various purposes totalling EUR 81,536 thousand, of which EUR 11,042 thousand referring to Joint Ventures.

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

The item amounting to EUR 240,990 thousand represents the guarantees issued by banks and insurance companies on behalf of Italian and foreign suppliers and subcontractors, in relation to contract obligations undertaken by the latter with the Group.

35 Information on related parties and fees due to Directors, Statutory Auditors, General Managers and other key management personnel

In accordance with IAS 24, as well as CONSOB Communication no. 6064293 of 28 July 2006, there follow the amounts of existing transactions and balances resulting from financial and commercial relations with related parties. In this regard, it must be noted that the relevant transactions were carried out at market conditions. Moreover, it is specified that relations with consortia and consortium companies (special purpose vehicles), taking into account the specific segment in which the Group operates, are to be related to receivables due from third parties, recognised under the item trade receivables (note 23) and 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 expenses	Operating revenue	Operating costs	Financial receipts and expenses
Parent companies									
Fin.Ast. S.r.l.	0	18	0	0	0	6,500	13	0	(293)
Company under joint control									
Finetupar International S.A.	0	0	0	0	0	6,500	0	0	(293)
Joint ventures									

Ankara Etlik Hastante A.S.	0	6,295	2,550	68,786	142	0	27,670	1,559	(22)
Astaldi Bayindir J.V.	0	6,138	0	0	828	0	0	0	0
Consorzio A.F.T. Kramis	0	5,008	578	0	221	0	0	42	6
Ic Içtaş Astaldi Ica Inşaat Anonim Şirket	3,248	1,265	0	41,501	4,538	0	5,070	8	32
Other*	0	8,525	1,518	0	3,679	0	454	450	6
	3,248	**27,231**	**4,646**	**110,287**	**9,409**	**0**	**33,195**	**2,058**	**23**

Company name	Amounts due from Customers	Receivables and other assets	Financial assets	Amounts due to Customers	Payables and Other liabilities	Financial expenses	Operating revenue	Operating costs	Financial receipts and expenses
Associates									
Consorzio Iricav Due	0	920	0	0	14,122	0	714	11,016	0
Consorzio MM4	3,660	60	311	0	578	0	36,406	1,232	0
Diga di Blufi S.c.r.l. in liq.	0	6,834	0	0	5,464	0	0	1	0
GE. SAT S.c.a.r.l.	0	11,365	0	0	11,655	0	13,069	11,106	0
ICA Ic Ictas Astaldi ucuncu bogaz koprusu ve kuzey marmara otoyolu yatirim ve isletme AS	35,214	0	140,416	26,028	0	0	359,199	0	12,215
Metro 5 S.p.A.	0	799	32,461	1,089	2,389	0	47,718	2,573	1.727
METRO C S.c.p.a.	445	2,314	0	0	10,681	0	1,692	30,223	0
Otoyol Yatirim Ve Isletme A.S	54,088	92	45,703	4,914	0	0	152,461	0	7,796
Pedelombarda S.c.p.A.	1,643	1,792	0	0	7,489	0	6,338	12,984	0
SA.T. S.p.A.	6,156	157	6,806	0	155	0	11,348	0	345
Other*	0	12,053	11,994	0	9,366	1,580	3,169	8,332	614
	101,206	**36,387**	**237,691**	**32,032**	**61,898**	**1,580**	**632,113**	**77,466**	**22,697**
Total	**104,454**	**63,637**	**242,337**	**142,318**	**71,307**	**14,580**	**665,321**	**79,524**	**22,134**
Percentage of impact	**8.40%**	**6.13%**	**67.27%**	**34.59%**	**5.66%**	**0.75%**	**23.30%**	**3.12%**	**13.43%**

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

As regards the disclosure on fees due to Directors, Statutory Auditors, General Managers and other key management personnel of the Parent, reference is made to the table below, referring to the Remuneration Report as per Art. 123-ter of the Consolidated Finance Act for more details.

Category	Fixed fees	Fees for attending committee meetings	Variable non-equity fees (bonuses and other incentives)	Non-monetary benefits	Other fees	Total	Fair Value of equity fees
Directors	4,422	28	150	48	22	**4,670**	565
Statutory auditors	120	0	0	0	0	**120**	0
General Managers	1,524	0	650	36	33	**2,243**	646
Key management personnel no. 9	2,087	0	590	29	174	**2,880**	0

36 Segment information

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

The following tables show segment reporting as per IFRS 8.

Information at 31/12/2015	Italy	Europe	America	Africa	Asia	Other activities	Adjustments and eliminations	Total
Revenue	683,305	1,305,977	861,308	123,068	49,107	517	(293,259)	**2,730,024**
Net gains on equity accounted investees								**54,131**
Operating profit	25,800	153,870	15,618	15,878	(2,690)	(815)	69,791	**277,452**
Net financial expense								**(164,757)**
Profit before tax and non-controlling interest								**112,694**
Tax expense								**(33,188)**
Net profit for the year								**80,876**
Assets and liabilities								
Segment assets	1,552,116	2,420,384	1,451,924	305,026	29,075	2,311,610	(3,709,245)	**4,360,889**
of which equity investments						890,220	(311,223)	**578,997**
Segment liabilities	(1,264,807)	(2,199,544)	(1,333,323)	(313,826)	(31,092)	(1,801,727)	3,220,462	**(3,723,858)**
Other segment information								
Tangible assets	11,305	71,271	85,110	4,986	479	43,638	(6,671)	**210,120**
Intangible assets	42,709	417	25	0	0	846	3,111	**47,108**
Depreciation	3,334	24,034	21,887	3,386	197	3,978	(1,905)	**54,911**
Provisions						4,060		**4,060**

Information 31/12/2014	Italy	Europe	America	Africa	Asia	Other activities	Adjustments and eliminations	Total
Revenue	796,534	1,121,585	626,845	154,125	26,007	491	(185,199)	**2,540,388**
Net gains on equity accounted investees								**34,769**
Operating profit	83,804	97,353	27,397	31,870	(8,184)	70	37,290	**269,601**
Net financial expense								**(138,870)**
Profit before tax and non-controlling interest								**130,731**
Tax expense								**(47,980)**
Net profit for the year								**81,559**
Assets and liabilities								
Segment assets	1,670,116	2,125,302	1,235,525	323,754	23,440	1,867,905	(3,147,430)	**4,098,612**
- of which equity investments						893,910	(457,001)	**436,909**
Segment liabilities	(1,354,263)	(2,068,786)	(1,159,230)	(321,800)	(23,990)	(1,490,467)	2,899,980	**(3,518,556)**
Other segment information								
Tangible assets	11,828	74,559	90,298	8,467	674	44,244	(6,959)	**223,111**
Intangible assets	14,184	14,779	1	0	0	480	3,111	**32,555**
Depreciation	1,887	15,262	17,057	4,390	243	4,700	(1,087)	**42,452**
Provisions						1,534		**1,534**

The amounts shown in the column Other activities for operating profit refers to general expenses incurred by the Parent.

37 Other information

Non-recurring significant events and transactions

The Astaldi Group's financial position and results of operations were not influenced in 2015 by non-recurring significant events and transactions as defined in CONSOB Communication no. DEM/6064293.

Positions or transactions deriving from atypical and unusual operations

In 2015 the Astaldi Group did not undertake any atypical and unusual transactions as defined in CONSOB Communication no. DEM/6064293.

37.1 Authorisation for publication

The publication of the Financial Statements was authorised by the Parent Company's Board of Directors meeting of 09 March 2016.

At that time, the Board of Directors also decided to submit for the approval of the Shareholders' Meeting called for this coming 20 April the proposal to distribute a dividend for a total amount of EUR 19,524,321 (EUR 0.2 per outstanding share on that date) with ex-dividend date on 09 May 2016, record date 10 May 2015, and payment 11 May 2016. It is specified that this amount was determined taking into account the proportional division for outstanding shares of the dividend for 803,297 treasury shares in the portfolio.

37.2 Events after the reporting period

There follows information on the events after the reporting period.

In February, Consorzio ACe, an Astaldi investee (65% held by Parent) was the winning bidder in the awarding of the contract for design and construction of the two main structures (Dome and Main Structure) of the European Extremely Large Telescope (E-ELT), the largest optic telescope in the world. The Financial Committee of the ESO (European Southern Observatory) has authorised the ESO to start up the final negotiation phase with Consorzio ACe, with the aim of being able to sign the definitive contract by May 2016. All the details will be defined and announced after the signature. The new telescope will be built in Chile on the Cerro Armazones, in the central part of the Atacama Desert, at an altitude of 3,000 metres. It will have a focus capacity 100,000,000 higher than the human eye can capture more light than all the telescopes existing on the planet, taken together, which have primary mirrors with a diameter of 8-10 metres instead of the 39.3 metres of the E-ELT.

In early March, the last "keystone" closing the platform of the Third Bosphorus Bridge in Turkey. This is the world's only suspension bridge with a platform designed to carry on 8-lane motorway (4 per direction) separated by 2 railway lines, all on the same level. The Third Bosphorus Bridge is part of a broader project, the Northern Marmara Highway Project, which provides for the construction and subsequent management of approximately 190 kilometres of 8-lane motorway.

It is also pointed out that, according to news announced publicly, Venezuela seems to be changing the legislation currently governing the foreign exchange system. Nevertheless, at the time of drafting of this note, no details were available on what the country's currency exchange system will be, nor how it will be applied. As far as we know, the laws have not yet been approved, not having been published in the pertinent Official Gazette.

In any case, we can hypothesise that the local government will decide for a further devaluation of the Bolivar, considering the economic, political and social tension affecting the country for some time. It is believed that this will be a competitive devaluation aimed at relaunching the local economy, given the already obvious inflationary effects shown on the currency market in the area.

For the Group, this is not an unexpected event, since during about 40 years of activity in the area it has already witnessed a number of similar operations. The resulting experience and the in-depth knowledge of the context have in any case enabled us to develop a business model on the local level that has always taken into account these phenomena, in the recording of profit, and have led us to focus the resources at work in the area solely on infrastructure projects of priority importance for the country.

37.3 Fees payable to independent auditors KPMG and their network pursuant to Art. 149-duodecies of the Issuer Regulations

There follow the fees paid during 2015 to KPMG on the basis of their audit engagement for the financial years 2011-2019 assigned by the shareholders' resolution dated 18 April 2011:

Type	Year 2015
A) Auditing services	**1,162**
- Referred to Parent Astaldi S.p.A. (*)	557
- Referred to subsidiaries	605
B) Attestation services (**)	**220**
C) Other Services	**110**
Total fees	**1,491**

(*) Including expenses and CONSOB fees	
(**) Referred to Parent Astaldi S.p.A.	220
of which:	
1) For fees related to comfort letters related to bond issue	21
2) For fees related to agreed-upon procedures, signing of tax returns and other attestation activities	199

Stefano Cerri

CEO with delegation for economic and financial operation

Paolo Citterio

Manager in charge of financial reporting

Certification of the Consolidated 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 additions

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 Stefano Cerri, 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 formulate the 2015 consolidated financial statements.

2. The administrative and accounting procedures used to formulate the consolidated financial statements at 31 December 2015 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 systems 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 consolidated financial statements:

   a) were drafted in compliance with the applicable international accounting 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 suitable for providing a truthful and accurate representation of the equity, economic and financial situation of the issuer and of all the companies included in the consolidation scope.

   3.2 The management report contains a reliable analysis of the operating performance and result, as well as of the situation of Astaldi S.p.A. and of all the companies included in the consolidation scope, together with a description of the main risks and uncertainties they are exposed to.

Rome, 9 March 2016

Stefano Cerri	**Paolo Citterio**
Chief Executive Officer	***Manager in charge of financial reporting***

Financial Statements of Astaldi S.p.A.

Statement of profit (loss)

	notes	2015	2014
Revenue	1	2,106,765,145	2,023,895,345
of which with related parties		*670,264,868*	*539,340,405*
Other operating revenue	2	111,834,563	107,040,914
of which with related parties		*14,725,175*	*13,892,546*
Total Operating Revenue		**2,218,599,708**	**2,130,936,259**
Purchase costs	3	(366,308,553)	(317,370,844)
Service costs	4	(1,232,134,650)	(1,230,813,782)
of which with related parties		*(216,624,319)*	*(233,109,269)*
Personnel expenses	5	(296,886,257)	(256,288,533)
Other operating costs	6	(36,779,402)	(28,182,273)
of which with related parties		*(13,409,987)*	*(805,531)*
Total Operating Costs		**(1,932,108,862)**	**(1,832,655,432)**
EBITDA		**286,490,846**	**298,280,827**
Amortisation, depreciation and impairment losses	7	(50,651,632)	(38,460,339)
Provisions	8	(2,339,704)	(1,241,304)
Operating Profit		**233,499,510**	**258,579,184**
Financial income	9	85,144,749	97,054,259
of which with related parties		*34,354,789*	*19,913,619*
Financial expense	10	(258,726,682)	(244,683,771)
of which with related parties		*(39,392,692)*	*(30,492,185)*
Net financial expense and net gains on investments		**(173,581,933)**	**(147,629,512)**
Pre-tax profit from continuing operations		**59,917,577**	**110,949,672**
Tax expense	11	(21,499,533)	(46,805,507)
PROFIT FOR THE YEAR		**38,418,044**	**64,144,165**
Basic earnings per share	12	EUR 0.39	EUR 0.66
Diluted earnings per share	12	EUR 0.39	EUR 0.60

Statement of comprehensive income

	notes	2015	2014
Profit for the year (A)		**38,418,044**	**64,144,165**
Change in hedging reserve		716,260	71,712
Change in translation reserve		(2,637,900)	(37,465,621)
Tax effect on other items of the comprehensive income statement		(427,972)	(19.721)
Other Comprehensive expense net of tax effect to be subsequently reclassified to profit or loss (B1)	**24**	**(2,349,612)**	**(37,413,630)**
Actuarial gains (losses) on defined benefit plans		199,454	(177,625)
Other Comprehensive income (expense) net of tax effect that will not be subsequently reclassified to profit or loss (B2)	**24**	**199,454**	**(177,625)**
Total Other Comprehensive expense net of tax effect (B1)+(B2)=(B)		**(2,150,158)**	**(37,591,255)**
TOTAL COMPREHENSIVE INCOME (A)+(B)		**36,267,886**	**26,552,910**

Statement of Financial Position

ASSETS		31/12/2015	31/12/2014
Non-current assets			
Property, plant and equipment	13	171,691,634	189,155,283
Investment property	14	157,985	165,652
Intangible assets	15	20,994,675	3,207,890
Equity investments	16	572,581,605	506,306,449
Non-current financial assets	17	319,798,119	224,891,300
of which with related parties		*319,623,062*	*224,781,053*
Other non-current assets	18	40,084,883	44,645,968
Deferred tax assets	11	53,139,620	25,133,563
Total non-current assets		**1,178,448,521**	**993,506,105**
Current assets			
Inventories	19	56,812,964	53,875,197
Amounts due from customers	20	1,115,494,943	987,966,898
of which with related parties		*142,264,881*	*113,378,759*
Trade receivables	21	752,411,897	909,425,740
of which with related parties		*182,984,118*	*222,517,933*
Current financial assets	17	128,800,254	20,932,533
of which with related parties		*98,321,593*	*18,315,907*
Tax assets	22	101,891,609	72,617,863
Other current assets	18	395,693,068	343,383,996
of which with related parties		*180,704,794*	*69,652,234*
Cash and cash equivalents	23	455,140,150	467,230,598
Total Current assets		**3,006,244,885**	**2,855,432,825**
Total Assets		**4,184,693,406**	**3,848,938,930**

EQUITY AND LIABILITIES		31/12/2015	31/12/2014
Equity	24		
Share capital		196,849,800	196,849,800
Treasury shares		(1,601,540)	(1,793,002)
Reserves:			
Legal reserve		31,141,468	27,934,260
Extraordinary reserve		293,096,745	253,131,219
Retained earnings		77,257,818	77,257,818
Other reserves		39,842,999	39,817,731
Other comprehensive expense		(61,557,108)	(59,834,922)
Deferred tax from other items of comprehensive income statement		2,725,777	3,153,749
Total capital and reserves		**577,755,959**	**536,516,653**
Profit for the year		38,418,044	64,144,165
Total Equity		**616,174,003**	**600,660,818**
Non-current liabilities			
Non-current financial liabilities	25	1,270,074,737	1,152,003,972
of which with related parties		*14,725,864*	*14,850,384*
Other non-current liabilities		922,558	2,247,833
Employee benefits	27	5,245,612	6,281,344
Deferred tax liabilities	11	8,519,384	9,525,406
Total Non-current liabilities		**1,284,762,291**	**1,170,058,555**
Current liabilities			
Amounts due to customers	20	364,063,382	425,431,789
of which with related parties		*149,378,134*	*110,677,254*
Trade payables	28	1,070,686,799	1,018,608,269
of which with related parties		*318,969,020*	*255,019,642*
Current financial liabilities	25	586,832,719	350,811,563
Tax liabilities	29	55,045,344	94,734,279
Current portion of provisions for risks and charges	30	59,013,757	41,397,228
Other current liabilities	26	148,115,111	147,236,429
of which with related parties		*15,990,725*	*12,580,766*
Total Current liabilities		**2,283,757,112**	**2,078,219,557**
Total Liabilities		**3,568,519,403**	**3,248,278,112**
Total Equity and Liabilities		**4,184,693,406**	**3,848,938,930**

Statement of changes in equity at 31 December 2015

	Share capital	*Legal reserve*	*Extraordinary reserve*	*Hedging reserve*	*Translation reserve*	*Actuarial gains (losses)*	*OCI deferred tax*	*Other reserves*	*Retained earnings*	*Profit for the year*	*Total equity*
Balance at 01 January 2015	**195,056,798**	**27,934,260**	**253,131,219**	**(11,468,177)**	**(47,946,595)**	**(420,150)**	**3,153,749**	**39,817,731**	**77,257,818**	**64,144,165**	**600,660,818**
Profit from continuing operations 2015										38,418,044	**38,418,044**
Other comprehensive income (expense)				716,260	(2,637,900)	199,454	(427,972)				**(2,150,158)**
TOTAL COMPREHENSIVE INCOME (EXPENSE)				**716,260**	**(2,637,900)**	**199,454**	**(427,972)**			**38,418,044**	**36,267,886**
Owner transactions and other changes in equity:											
Treasury shares	191,462		(807,960)					1,073,213			**456,715**
Dividends										(19,522,029)	**(19,522,029)**
Provisions as per Art. 27										(641,442)	**(641,442)**
Allocation of 2014 profit from continuing operations		3,207,208	40,773,486							(43,980,694)	
Stock grant reserve								(1,047,945)			**(1,047,945)**
Balance at 31 December 2015	***195,248,260**	**31,141,468**	***293,096,745**	**(10,751,917)**	**(50,584,495)**	**(220,696)**	**2,725,777**	**39,842,999**	**77,257,818**	**38,418,044**	**616,174,003**

*The amount shown in these items is net of overall investment in treasury shares of EUR 5,814 thousand, of which EUR 1,602 thousand corresponding to the nominal amount of the shares, reducing the share capital, and EUR 4,212 thousand reducing the Extraordinary Reserve.

Statement of changes in equity at 31 December 2014

	Share capital	*Legal reserve*	*Extraordinary reserve*	*Hedging reserve*	*Translation reserve*	*Actuarial gains (losses)*	*OCI deferred tax*	*Other reserves*	*Retained earnings*	*Profit for the year*	*Total equity*
Balance at 01 January 2014*	**195,809,560**	**26,200,814**	**241,001,883**	**(11,539,888)**	**(10,480,974)**	**(242,525)**	**3,173,469**	**39,439,866**	**(823,180)**	**112,749,819**	**595,288,844**
Profit from continuing operations 2014	0	0	0	0	0	0	0	0	0	64,144,165	**64,144,165**
Other comprehensive income (expense)	0	0	0	71,711	(37,465,621)	(177,625)	(19,720)	0	0	0	**(37,591,255)**
COMPREHENSIVE INCOME (EXPENSE)	**0**	**0**	**0**	**71,711**	**(37,465,621)**	**(177,625)**	**(19,720)**	**0**	**0**	**64,144,165**	**26,552,910**
Transactions with shareholders and other changes in equity:							0				
Treasury shares	(752,762)	0	(1,585,369)	0	0	0	0	209,701	0	0	**(2,128,430)**
Dividends	0	0	0	0	0	0	0	0	0	(18,700,636)	**(18,700,636)**
Provisions as per Art.27	0	0	0	0	0	0	0	0	0	(520,034)	**(520,034)**
Allocation of profit from continuing operations 2013	0	1,733,446	13,714,705	0	0	0	0	0	78,080,998	(93,529,149)	**0**
Stock grant reserve	0	0	0	0	0	0	0	168,164	0	0	**168,164**
Balance at 31 December 2014	****195,056,798**	**27,934,260**	****253,131,219**	**(11,468,177)**	**(47,946,595)**	**(420,150)**	**3,153,749**	**39,817,731**	**77,257,818**	**64,144,165**	**600,660,818**

* Further to application (retrospective) of IFRS-11 – Joint arrangements, figures at 31 December 2013, shown for the purpose of comparison, were restated. See Consolidated Financial Statements at 31/12/2014 for greater details on the effects.

** The amount shown in these items is net of overall investment in treasury shares of EUR 5,198 thousand, of which EUR 1,793 thousand corresponding to the nominal amount of the shares, reducing the share capital, and EUR 3,405 thousand reducing the Extraordinary Reserve.

Statement of cash flows

	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	**38,418,044**	**64,144,165**
Tax expense	21,499,533	46,805,507
Pre-tax profit	**59,917,577**	**110,949,672**
Adjustments for:		
Non-monetary items		
Amortisation and depreciation	50,626,850	38,460,339
Impairment losses	34,946,753	17,008,278
Post-employment benefits and defined benefit plan costs	647,576	1,666,153
Stock grant plan costs	1,211,145	1,325,088
Accruals to Provisions for risks and charges	2,339,704	1,241,304
Fair value losses	(4,598,844)	(525,038)
Losses / (Gains) from discounting	15,433,953	36,004,660
Subtotal	**100,607,137**	**95,180,784**
Monetary items		
(Gains) / Losses from disposals	(10,096,378)	(1,304,280)
Other adjustments needed to reconcile profit with cash flow from operating activities		
Net interest income and expense and dividends received / (Coverage of losses)	70,707,092	86,426,378
Subtotal	**60,610,714**	**85,122,098**
Cash flows from operating activities before changes in net working capital	**221,135,428**	**291,252,554**
Change in working capital		
Trade receivables	140,859,450	21,301,048
of which with related parties	*39,533,815*	*(25,292,230)*
Inventories and amounts due from customers	(128,671,880)	212,502,496
of which with related parties	*(28,886,122)*	*40,863,386*
Trade payables	32,878,530	(50,671,572)
of which with related parties	*63,949,378*	*(28,346,493)*
Current portion of provisions for risks and charges	(3,039,682)	(11,680,136)
Amounts due to customers	(60,672,749)	(172,991,038)
of which with related parties	*38,700,880*	*36,543,294*
Other operating assets	(88,525,740)	33,522,548
of which with related parties	*(111,052,560)*	*(10,472,114)*
Other operating liabilities	(35,490,628)	50,673,846
of which with related parties	*3.409,959*	*3,110,478*
Payments of post-employment benefits and for defined benefit plans	(1,483,854)	(558,736)
Subtotal	**(144,146,553)**	**82,098,457**
Change in translation reserve of subsidiaries	(2,637,900)	(37,465,621)
Cash flows from operating activities	**74,350,975**	**335,885,390**
Interest and dividends received (coverage of losses)	28,626,683	6,954,460
Interest paid	(98,698,977)	(92,764,849)
Taxes paid	(44,080,476)	(46,364,000)
A) Net cash flows from (used in) operating activities	**(39,801,795)**	**203,711,000**

	2015	2014
CASH FLOW FROM INVESTING ACTIVITIES		
Net intangible assets	(1,104,578)	(502,631)
Property, plant and equipment	(24,591,495)	(41,675,599)
Proceeds from the sale or reimbursement of property, plant and equipment	13,434,548	8,735,625
Change in financing of equity investments	(225,288,030)	(131,609,290)
of which with related parties	*(225,194,486)*	*(130,969,207)*
Acquisitions of investments in subsidiaries, associates, joint ventures and other companies	(42,873,548)	(35,153,162)
Sale / (Purchase) of securities	6,079	23,252
Change in other loan assets, net	(11,498,056)	8,588,449
of which with related parties	*16,341,324*	*(13,402,907)*
Acquisition of business unit	(4,850,000)	0
B) Net cash flows used in investment activities	**(296,765,080)**	**(191,593,356)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends distributed to shareholders	(19,522,029)	(18,700,636)
Net investment in treasury shares	(616,498)	(2,338,528)
Sale / (Acquisition) of treasury shares	1,073,213	209,701
Bond issues	0	150,000,000
Repayments / Net use of credit lines	357,442,560	100,914,032
Changes in other Financial Liabilities	(1,978,047)	(66,505,738)
of which with related parties	*(124,520)*	*(68.226.314)*
Repayment of finance leases	(9,663,682)	(9,896,302)
Other changes	(2,259,090)	(1,156,527)
C) Net cash flows from financing activities	**324,476,427**	**152,526,002**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(12,090,448)**	**164,643,646**
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	**467,230,598**	**302,586,952**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**455,140,150**	**467,230,598**

Notes to the Separate Financial Statements of Astaldi

General information

Astaldi S.p.A. (the "Company") is a company limited by shares with registered offices at Via Giulio Vincenzo Bona 65, Rome, and has been listed on the STAR segment of the Milan Stock Exchange since June 2002.

The Company has been operating for over 90 years in Italy and abroad in the segment of the design and construction of major civil engineering works, and is one of the most important corporate groups operating in the construction segment on the international level; it is a leader in Italy as general contractor and a sponsor of project finance initiatives.

The duration of the Company is currently set to 31 December 2100.

On the date of the drawing up of the separate financial statements, Astaldi S.p.A. was not subject to the management and coordination of any its shareholders, since its Board of Directors, in complete autonomy and independence, takes all the suitable decisions with regard to its management.

These draft separate financial statements were approved by the Board of Directors of the Company at the meeting of 09 March 2016.

The Company, which holds significant controlling interests in other enterprises, also drafts the Group consolidated financial statements, published at the same time as these separate financial statements.

Basis of preparation and segment reporting

The separate financial statements of Astaldi S.p.A. at 31 December 2015 have been drawn up in compliance with the International Financial Reporting Standards – IFRS, issued by the International Accounting Standards Board (IASB), and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), recognised in the European Union pursuant to EC Regulation no. 1606/2002 in force at the end of the year. All the principles and pertinent interpretations stated above and taken together are henceforth referred to as "IFRS –EU". Reference has likewise been made to CONSOB regulations implementing para. 3, Art. 9 of Legislative Decree no. 38/2005.

The 2015 separate financial statements include the following statements:

1. Statement of profit (loss);
2. Statement of comprehensive income;
3. Statement of financial position;
4. Statement of cash flows;
5. Statement of changes in equity;
6. Notes.

It should be pointed out that the Company decided to present the Statement of comprehensive income in two separate statements as allowed by IAS 1.81. Therefore, it presents a statement showing the profit (loss) items for the year (Statement of profit (loss)) and a statement which adds to the profit (loss) for the year and the "other comprehensive income" (statement of comprehensive income).

It should likewise be highlighted that the Income statement is prepared based on a classification of each individual item by nature. This classification reflects the management reporting methods used in the Company and is therefore considered more representative compared to presentation of items according to their destination, providing more relevant indications with respect to their specific segment.

It is lastly specified that since the financial year in question, the Company's management, in order to provide a more complete representation of the intermediate margins, deemed it appropriate to modify the statement of profit (loss) for the year, including within the "Operating Profit" a new sub-total called "EBITDA." This partial result is the difference between the (i) total revenues and (ii) the total operating costs (costs for purchases, for services, for personnel, and other operating costs, considered net of provisions). As regards the Statement of profit (loss), it is also specified that the data for the previous financial year, for the purposes of an accurate comparability with those for the period in question, were restated in such a way as to adopt the modifications introduced during 2015 with regard to the composition of the "EBITDA."
With reference to the statement of financial position, it was decided to enter items by separating assets and liabilities into current and non-current assets and liabilities, in accordance with the provisions of paragraph 60 and following of IAS 1.

The statement of cash flows shows cash flow for the year, broken down into operating, investing and financing activities; cash flows from operating activities are recognised using the indirect method.

The statement of changes in equity was prepared in compliance with IAS 1, obviously taking into account comprehensive income.

Finally, with regard to segment reporting, the so-called management approach was applied, meaning that the elements that senior management uses for taking its strategic and operational decisions are considered. The operating segments subject to disclosure referred in particular to the various geographical areas where the Company works, and were determined on the basis of the same accounting standards used for drawing up the separate financial statements. Refer to note 34 for a presentation of segment reporting.

Basis of preparation

The financial statements were drafted taking into account the ongoing nature of activities, applying the historical cost method with the exception of derivatives which were measured and recognised at fair value, as indicated in the individual items' measurement criteria.

The financial statements are shown in Euro units, while the related notes are shown in thousands of Euros unless indicated otherwise. Therefore, in some statements, the total amounts could slightly deviate from the sum of the individual addenda comprising the amount due to round-offs.

Accounting standards

The most important accounting standards and measurement criteria adopted for the drawing up of the separate financial statements at 31 December 2015 are shown below.

Translation of items and financial statements in foreign currency

The separate financial statements of Astaldi S.p.A. are drafted in Euro, which is the Company's presentation and functional currency.

The balances recognised in each foreign activity (e.g. overseas branches and jointly-controlled operations) have been recognised in the currency of the entity's main economic environment (functional currency). In particular, IAS 21, under paragraph 11, identifies the elements to be taken into consideration for verifying whether or not an operation's functional currency coincides with the functional currency of the Parent. Specifically, the two functional currencies coincide when the activities of the foreign operation are carried out without a significant degree of autonomy, in such a way as to represent, de facto, an extension of the Parent's activity. While when foreign operations are carried out autonomously, the Entity's functional currency is the currency of the prevalent economic setting where it operates.

In the case of economies in hyperinflation in accordance with the definition provided by IAS 29, account is made of the measurement criteria provided for in that standard.

In the individual financial statements, the items expressed in a currency other the functional currency, whether monetary (cash and cash equivalents, assets and liabilities payable or receivable with pre-set or determinable sums of money) or non-monetary (inventories, property plant and equipment, goodwill, other intangible assets etc.) are initially recognised at the exchange rate in force on the transaction date. The monetary items are subsequently translated into the functional currency on the basis of the exchange rate at the reporting date, and the resulting differences are recognised in profit or loss. With regard to the latter it should be pointed out that the exchange rate gains or losses are classified in the Statement of profit (loss), on the basis of the type of equity item that has generated them.

The non-monetary elements are maintained at the conversion exchange at the transaction date, unless they are measured, based on the accounting standards of reference, at fair value. In this latter setting, the exchange differences regarding non-monetary elements follow the accounting treatment established for the variations of value of these elements, and therefore may be recorded in (i) the income statement, if associated with real estate investments measured at fair value pursuant to IAS 40, or with decreases in fair value measured on the basis of the provisions of IAS 16 or, alternatively (ii) equity, if referring to Instruments representing capital, classified in the activities available for sale or to fair value increases measured on the basis of the provisions of IAS 16.

Translation of financial statements into presentation currency

The rules for translating financial statements expressed in foreign currency into the presentation currency are as follows:

- assets and liabilities included in financial statements are translated at the exchange rate on the reporting date;
- costs and revenue, charges and income included in financial statements are translated at the average exchange rate for the closing financial year, or at the exchange rate on the transaction date should this differ significantly from the average rate;
- equity items, with the exception of profit for the year, are translated at the historical exchange rates;
- the “translation reserve” includes both the exchange rate gains or losses generated by translation of income statement items at a different rate from the year-end rate, and the differences generated by translation of opening equity balances at a different rate than the year-end one.
- The main exchange rates used for translation into Euro the income statement and statement of financial position figures of foreign operations with functional currencies other than the Euro were as follows:

Currency	**End of December 2015**	**Twelve-month average 2015**	**End of December 2014**	**Twelve-month average 2014**
Chilean Peso	772.7130	726.4062	737.2967	756.9327
Peruvian Nuevo Sol	3.7083	3.5324	3.6326	3.7678
Russian Rouble	80.6736	68.0720	72.3370	50.9518
US Dollar	1.0887	1.1095	1.2141	1.3285
New Turkish Lira	3.1765	3.0255	2.8320	2.9065

To conclude, as regards, in particular, the exchange rate used for the translation into Euros of economic and financial amounts expressed in Venezuelan Bolivares, it is specified that the Company’s Management, in the presence of a scenario in the country marked by the co-existence of three exchange markets, and thus of three recognised exchange rates (CENCOEX Official Exchange Rate, SICAD Exchange Rate, and SIMADI

Exchange Rate), governed distinctly by specific regulations, had to make the necessary assessments as to identifying the exchange rate capable of representing the economic and financial trend of the activities performed in the area. Towards this end, the Group conducted a deep assessment of the financial structure of the contracts in progress in the country.

In this regard, it was considered that these contracts provide for payments both in Euros and in local currency, and that the latter is used substantially to cover the costs denominated in that currency.

It may therefore be reasonably believed that the projects' corresponding net cash flow will be in Euros, and thus without generating the need to negotiate Venezuelan Bolivares.

The company, based on the above, and on the strength of its own estimates, deemed it consistent to apply, for the purposes of the conversions, the official exchange rate equal to 6.3 Vef per USD, regulated under the Prime Exchange Market (CENCOEX), as may be gleaned from that published by Ufficio Italiano Cambi, applicable among transactions with the State and Public Administrations.

Property, plant and equipment

Property, plant and equipment are measured at purchase or production cost, net of accumulated depreciation and any impairment losses. The cost includes all expenses directly incurred in order to prepare the assets for use, as well as any charges for dismantling and removal needed to restore the site to its original conditions.

Charges incurred for routine and/or cyclical maintenance are charged directly to the income statement in the financial year when incurred. Costs related to extension, renovation or the improvement of facilities owned or used by third parties are capitalised exclusively within the limits in which they can meet the requirements for separate classification as an asset or part of an asset. Financial expense incurred are capitalised when the conditions set forth in IAS 23 are met, which is to say when specifically referable to paid financing received for the purchase of the individual assets.

The carrying amount of an asset is adjusted by depreciation on a straight-line basis, calculated in relation to the residual possibility of its use based on its useful life. Depreciation is applied when the asset becomes available for use. The useful life for the various categories of assets is as follows:

	Years
Buildings	20 - 33
Plant and machinery	5 - 10
Equipment	3 - 5
Other assets	5 - 8

Land, including land pertaining to buildings, is not depreciated.

Should the asset subject to depreciation be composed of distinctly identifiable elements, whose useful life differs significantly from that of the other components forming the asset, depreciation is performed separately for each of the components forming the asset, applying the component approach policy.

Profits and losses deriving from the sale of assets or groups of assets are calculated by comparing the fair value, net of costs to sell, with the relevant carrying amount.

Leased property, plant and equipment

A lease is an agreement through which the lessor transfers to the lessee, in exchange for a payment or a series of payments, the right to use an asset for a defined period of time.

In some types of leases, the economic substance of the operation may qualify the *operation* as leases even without having the legal form of a lease.

Determining whether a lease exists within a contractual agreement that does not expressly contain this case must be based, as provided for by accounting interpretation IFRIC 4, on the substance of the agreement, and requires that two conditions be met:

a) *Fulfilment of the agreement depends on the use of one or more specific assets; and*

b) *The agreement conveys a right to use the asset*.

The first condition is met only if a given supply of goods/services can be done exclusively through the use of a specific asset, or when it is not economically feasible or practical for the supplier to fulfil the arrangement by providing the use of alternative assets, even implicitly, to the identified asset.

The second requirement, on the other hand, is met when *one of the underlying conditions is met:*

a) *the purchaser has the ability or right to operate the asset or direct others to operate the asset as they wish while obtaining or controlling more than an insignificant amount of the output or other benefit of the asset;*

b) *the purchaser has the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output or other benefit of the asset);*

c) *the facts and circumstances indicate there is only a remote possibility that parties other than the purchaser will take more than an insignificant amount of the output or other benefit generated by the asset, and the price that the purchaser will pay is neither fixed per unit of output nor equal to the current market price at the time of delivery.*

IAS 17 distinguishes two categories of lease:

- **Finance lease**
  Property, plant and equipment owned through ***finance leases***, which basically transfer to the Company all the risks and rewards of ownership, are recognised in the financial statements at the effective date of the agreement as Astaldi S.p.A. assets at their present value or, if lower, at the present value of the minimum lease payments, including the sum to be paid in the financial year for exercising the purchase option. The corresponding liabilities vis-à-vis the lessor are included under financial liabilities.
  If there is no reasonable certainty that ownership of the asset shall be acquired upon expiry of the lease, the leased assets are depreciated over term of the lease or the useful life of such asset, whichever is shorter.

- **Operating lease**

  Leases in which the lessor substantially maintains all the risks and rewards connected with owning the assets are classified as operating leases. The payments for operating leases are recognised in profit or loss in the financial years of the lease term.

Intangible assets

Intangible assets are non-monetary items having no physical consistency, and clearly identifiable and suited to generating future economic benefits for the company. These items are recognised in the financial statements at purchase and/or production cost, including expenses that may be directly attributed during the preparation phase to bring them into operation, net of accumulated amortisation (with the exception of assets with an indefinite useful life, whose carrying amount is subjected to impairment tests as per IAS 36) and any impairment losses. Amortisation is calculated from when the asset is available for use, and is applied on a straight-line basis in relation to the residual possibility of its use, i.e. based on its useful life. A rate taking its actual use into account is applied in the year in which the intangible asset is recorded for the first time.

Industrial patents and intellectual property rights are recognised at purchase cost net of amortisation and impairment losses accumulated over time.

Amortisation is calculated starting from the financial year in which the purchased right is available for use and takes into account the useful life (2-5 years).

Licenses and similar rights are recognised at cost net of amortisation and impairment losses accumulated over time. Amortisation is calculated starting from the financial year in which ownership is acquired in relation to their useful life.

Rights for the utilisation of infrastructures under concession are amortised over the duration of the concession, with criteria reflecting the way in which the economic benefits are estimated to accrue to the company. Amortisation is calculated from the time when the rights for the exploitation of the concession infrastructures start to produce the relative economic benefits.

Goodwill, recorded in relation to business combinations, is allocated to each Cash Generating Unit identified and is recorded under intangible assets. It represents the positive difference between the cost incurred for the acquisition of a business unit and the quota of interest acquired with regard to the present value of these assets and liabilities of that business unit. The potential assets and liabilities acquired and identifiable are recognised at their present value (fair value) on the date of acquisition. While any negative difference is recognised in profit or loss at the time of purchase. Goodwill, after the initial recognition, is not subject to amortisation, but tested for impairment.

It is subjected to checking to identify any impairment losses, in accordance with the provisions of IAS 36 (Impairment of assets) annually, or more frequently if specific events or changed circumstances indicate that goodwill may have been impaired.

Business combinations

Business combinations are measured based on the provisions of IFRS 3.Specifically, these business combinations are recognised using the acquisition method, where the acquisition cost equals the fair value on the transfer date of the assets, of the liabilities incurred or undertaken, as well as capital instruments, if any, issued by the acquirer. The costs directly attributable to the acquisition are recognised in profit or loss. The acquisition cost is allocated by recognising the assets, liabilities and contingent liabilities identifiable of the acquired entity at the relevant fair value on the acquisition date. Any surplus between the amount of the assets transferred, measured at fair value at the acquisition date compared to the net amount of the assets and liabilities identifiable in the acquisition, measured at fair value, is recognised as goodwill; or under profit or loss if the balance is negative. If the fair value of the assets, liabilities and contingent liabilities can only be calculated on a provisional basis, the business combination is recognised by using these provisional amounts. Any adjustments deriving from the completion of the measurement process are detected within twelve months of the acquisition date, with adjustment of corresponding figures.

Business Combinations undertaken in 2015

Allocation of purchase price of assets and liabilities acquired in the Quadrilatero industrial complex

In July 2015, Astaldi finalised with the Special Manager of the companies Impresa, SAF under special management the agreement for the acquisition of the Impresa/SA business unit of the Quadrilatero industrial complex. In this setting, Astaldi S.p.A. also acquired the equity investment in Consorzio Stabile Operae, and with it – upon the outcome of a series of corporate transactions done in the setting of the special management procedure of the aforementioned companies – the Dirpa business unit of the aforementioned industrial Complex. In light of the analyses performed, it emerges that the two Business Units are, from an economic standpoint, a single unit that may be qualified as a business pursuant to the content of Appendix A to IFRS 3 “Business Combinations”. By the effect of this agreement, Astaldi will thus create a strategic infrastructure for the area concerned (the so-called Maxi Lot 2 of the Marche-Umbria Quadrilatero road network foreseeing the execution as general contractor of works for improving the Perugia-Ancona road, on the Fossato di Vico Cancelli and Albacina-Valtreara Tunnel-Serra San Quirico sections of national road SS-76 (Lot 1.1 – Sub-Lots 1.1.1, 1.1.2, 1.1.3) and Pianello-Valfabbrica section of national road SS-318 (Lot 1.2), as well as the construction on the new roadbed of the Pedemontana delle Marche road, along the section between Fabriano and Muccia/Sfercia (Lots 2.1 and 2.2). On the date of acquisition, the current value of the assets and liabilities of the business units was identified on the basis of an expert opinion commissioned from an independent expert. The final outcome of these valuations involved an upwards adjust totalling Euro 21.600 thousand of the net accounting assets of the aforesaid business units, substantially attributable to contract rights acquired for the development of the works for Maxi Lot 2 of the Marche-Umbria Quadrilatero road network.

The following table, with regard to the Purchase Price Allocation (PPA) process, shows a summary of the fair value of the assets acquired and the liabilities undertaken at the time of acquisition of the business units:

Assets	**EUR/000**
Property, plant and equipment	1,082
Intangible assets	21,600
Equity investments	200
Inventories	1,168
Total Assets (A)	**24,050**

Liabilities	**EUR/000**
Total Liabilities (B)	**0**
Net assets acquired (A-B)	**24,050**
Cost of the business combination	24,050
delta	**0**

As shown in the previous table, the amount of the payment agreed for the acquisition of the Quadrilatero industrial complex, Euro 24,050 thousand, is substantially equivalent to the fair value of the assets acquired and liabilities undertaken, and therefore not giving rise to any goodwill (positive or negative).

The following table shows the amount of cash used for the acquisition:

	Euro/000
Cost of the business combination	**24,050**
deduction of liquidity acquired	0
deduction of payables to the seller	19,200
Net liquidity of the assets acquired used (received) for the acquisition	**4,850**

It is specified in accordance with the provisions of IFRS 3 that the amount of the revenue referring to the Quadrilatero industrial complex earned starting from the acquisition date and until the end of the financial year amounts to EUR 35,201 thousand, and moreover the profit earned during the same period amounts to EUR 1,255 thousand. It also bears pointing out that the revenue referring to the acquired business units, measured hypothetically if the acquisition date were verified from the start of the reporting year, would amount to EUR 71,299 thousand, which is moreover substantially in line with what was recorded as an effect of the business unit leasing agreement beginning from the month of February 2015 and ending on the acquisition date of the aforementioned industrial Complex.

Investment property

Investment property is recognised as an asset when it is held for the purpose of receiving rent or appreciation of the invested capital, provided that the cost of the asset can be reliably established and the relevant economic future benefits can be used by the company.

Investment property is measured at purchase or production cost, increased by any additional costs, net of accumulated depreciation and any impairment losses.

The useful life of the property belonging to the following item is between 20 and 33 years.

Investment property is eliminated from the financial statements when transferred or when the investment is unusable in the long-term and no future economic benefits are expected from its transfer.

Impairment losses on assets

The Impairment for intangible assets with an indefinite useful life, and for intangible assets with a definite useful life being carried out is done at least annually.

For tangible assets, intangible assets (other than those with an indefinite useful life, or in progress), it is verified, at every reference date in the financial statements, that there are no events or changes of circumstances that can give rise to any reductions of value.

In addition to the provisions of IAS 36, the directors, at any reference date in the financial statements, assess, pursuant to IAS 39 (paragraphs 58-62) whether, with reference to the financial assets representing capital instruments, there is any objective evidence of a reduction in value.

The Company, where necessary, performs the Impairment Test on the smallest group of assets that generates financial flows broadly independent of the financial flows generated by other assets or groups of assets ("Cash Generating Units"), if it is not possible to determine the recoverable amount of the individual assets.

The impairment test is done by comparing the carrying amount of the asset (or groups of assets) and the corresponding recoverable amount[1]. Should the carrying amount be greater than the corresponding recoverable amount, the asset is depreciated by recognition of an impairment loss in the income statement. Should the prerequisites for the impairment performed previously no longer apply, such impairment loss is reversed within the limits of the carrying amount of the asset. Any reversal of impairment loss is recognised in profit or loss. Conversely, impairment losses on goodwill or an intangible asset with an indefinite useful life are never reversed.

It is pointed out that in 2015 the management of the Company availed itself of the consultancy of an advisor of an international network as well as of major standing professionals, for conducting the first and second level impairment tests.

These were performed, pursuant to and for the effects of the provisions of IAS 36, according to the procedures adopted by the Company and approved pursuant to the Banca d'Italia – Consob and Isvap Joint Document no. 4 of 3 March 2010, and to Art. 7.C.2 of the New Self-Regulatory Code for Listed Companies.

At the outcome of the impairment tests, there was no need to recognise any losses due to impairment of tangible and intangible fixed assets.

[1] In particular, the recoverable amount is defined as the greater between the fair value less costs to sell and the asset's value in use.

As to investments, see the specific indications in note 16.

Presence of impairment indicators – Market capitalisation less than equity

In the first nine months of 2015, the prices of the share showed a significant increase in Market Capitalisation. In particular, in the period between the month of January and August, the share price reached a maximum level of Euro 10.88 per share, this exceeding EUR 1,000,000 thousand in overall stock exchange capitalisation. In the later part of the year, the share price fell back to much lower levels, and on 31 December was at EUR 5.615 per share, with a Market Capitalisation of EUR 552,656 thousand, lower than the Company's Equity at 31 December 2015 of EUR 616,174 thousand.

The Management of the Company in the presence of this Impairment indicator, conducted a detailed analysis of all the facts and circumstances that may have caused it.

For this purpose, the Management, on the basis of the provisions of the Organismo Italiano di Valutazione, decided to conduct a second level Impairment Test in order to compare the recoverable amount of the Company's net assets with its accounting equity.

In this regard, the company has availed itself of the specific consultancy of a network with international standing to which a specific task was entrusted.

The second level Impairment Test involved the identification of two macro CGUs in the Constructions and Concessions segments in order to calculate the recoverable amount of each of them.

Specifically, the recoverable amount of the CGU for the constructions segment was obtained through a method based on revenue flows involving the discounting of the revenue for each year, as calculated on the basis of the forecasts developed on reasonable and sustainable assumptions able to represent the best estimate that can be made by the Management of the Parent.

For the discount process, a rate equivalent to the cost of own capital (Ke) of the Parent (8.76% for 2016, 8.85% from 2017[2]) was used. The flow used for calculation of the Terminal Value was set at the average net revenue over the past 5 years, with a prudential hypothesis of growth rate zero and an add-on to the Ke of 4%.

With regard to the CGU for the Concessions segment it is pointed out that the relative recoverable amount was calculated by the method of the sum of the parts. Specifically, the value of the investees was estimated separately using bottom-up cascade model so that at each level the book value of the investments is replaced with the respective proportionate value.

With special regard to the measurement techniques applied to the main investees, it is pointed out that the value of each was identified by the "Dividend Discount Model" (DDM), discounting the flows of future dividends expected by the management of the companies. In order to apply this method, the economic-financial plans of the investees were used as drafted by the pertinent body of the individual companies.

The recoverable amount of the net assets of the Company expressed per ordinary share, after the impairment test in addition to specific sensitivity analysis, emerged as considerably higher than the corresponding Market Capitalisation, thus confirming the full recoverability of the accounting equity.

Equity investments

Equity investments in subsidiaries, associates, and joint ventures are classified among "Equity investments" and measured at cost in compliance with IAS 27. These investments are subject to periodical impairment testing under IAS 36.

Equity investments in entities other than subsidiaries, associates and joint ventures (generally with a share of less than 20%) are classified, at the time of purchase, under "equity investments" classifiable in the category

[2] The change of Ke utilised starting from 2017 for the discounting of flows is attributable to the different IRES rate applicable for calculating the tax rate on the revenue produced in that year.

of financial instruments available for sale as defined in IAS 39, and are initially recorded at the cost determined on the settlement date as representing fair value, inclusive of directly attributable transaction costs.

After initial recognition, these investments are measured at fair value, if this can be determined, with the effects being recognised in the statement of comprehensive income, and therefore in a specific equity reserve. At the time of realisation or recognition of an impairment loss, the profits and losses accrued in this reserve are reclassified in the income statement.

If, upon the outcome of updating of fair values, any impairment losses are reversed, in whole or in part, their effects will also be recognised in the statement of comprehensive income, through the specific reserve already established.

Should it not prove possible to reliably determine the fair value, the investments classifiable under financial instruments available for sale are measured at cost, adjusted for impairment.

Interests in joint arrangements

A joint arrangement is an arrangement over which two or more parties share joint control, which is to say when the decisions concerning the relevant activities correlated with it require the unanimous consent of the parties.

As concerns the procedure for measurement and representation in the financial statements, IFRS 11 provides for different procedures for:

- JOINT OPERATIONS (JO): a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.
- JOINT VENTURES (JV): a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

IFRS 11's formulation as to the distinction between JO and JV is therefore based on the rights and obligations derived for the joint venturers in connection with participation in the joint arrangement, which is to say on the substance of the relationship and not on its legal form.

As regards JOs, since the parties to the arrangement share rights to the assets and take on the liabilities connected with the agreement, IFRS 11 provides that each joint operator must recognize, in its own financial statements, the proportional value of the assets, liabilities, costs, and revenues of the JO.

However, as concerns JVs, IFRS 11 provides that they are not represented in the Venturers' financial statements.

Assessments and assumptions used in the classification of joint arrangements

During the 2015 financial year, Astaldi S.p.A. took part in additional new joint arrangements (JAs). For the purpose of classifying these arrangement as Joint Operations (JO) rather than Joint Ventures (JV), a comprehensive analysis of the contractual terms was done, setting them within the context of the regulatory specifications in force in the various countries where the Company operates, also with the aid of specific opinions issued in this regard. This is for the purpose of recognising the regime of responsibilities, as well as the rights enjoyed directly by the Venturers with regard to carrying out the various projects. The examinations that have been carried out have shown that part of the agreements executed during 2015 were qualified as JOs, in that they are structured through "transparent" vehicles that do not require segregating the vehicle's equity from that of the participants. The remaining portion of the agreements, given the provisions of IFRS 11 "Joint Arrangements," are classified as Joint Ventures.

Moreover, this analysis follows the comprehensive assessment done in the 2014 financial year, based on which – following the entry into force, on 01 January 2014 – of IFRS 11 “Joint Arrangements” – all the arrangements existing as of 31 December 2014 had been examined for the purpose of verifying the elements that, based on said standard, had to be deemed of relevance for the purposes of classifying the JAs as JOs or JVs. In this context, for a highly limited number of arrangements structured through corporate vehicles (three arrangements), for the purpose of this analysis, it had been necessary to verify whether the clauses of the contractual agreements exceeded the vehicle’s “corporate screen” to ascribe directly to the shareholders the rights and responsibilities derived from carrying out the projects. Based on the analyses done at the time, the specific opinions acquired from professionals of top standing, as well as the agreements signed overall, the Company’s management had deemed that these agreements configured for the Venturers (and therefore Astaldi) titles on assets e obligations on liabilities of corporate vehicles, highlighting with this the JAs’ qualification as joint control activities pursuant to IFRS 11.

Inventories

Inventories are recognised at cost or the net recoverable amount, whichever is lower. The amount of inventories is calculated, at the time of recognition, at the weighted average cost, applied to homogenous categories of goods. The cost includes all charges related to purchase and transformation and all other costs incurred to bring inventories to the site where being used and in the conditions to be suitable for the production process.

Construction contracts

Contract work in progress is recognised based on the contractual payments accrued with reasonable certainty as to their progress, using the percentage of completion method, determined using the cost to cost method. The measurement reflects the best estimate of works performed at the reporting date. Assumptions, underlying measurements, are periodically updated. Any income statement effects deriving therefrom are accounted for in the year in which such update is made.

Contract revenue includes:

The contract amounts agreed, changes in works, price reviews and incentives, to the extent to which these are likely to be reliable, with application of the conditions set forth in IAS 11 “Construction contracts.”

In this regard, the valuations made refer to:

- Specific legislation regarding public works and international legislation;
- Contract clauses;
- The status of negotiations with the customer and likelihood that these negotiations will have a positive result;
- When necessary due to the complexity of specific situations, technical-legal studies also conducted with external consultants, to confirm that the valuations made are reliable.

Contract costs include:

All costs that refer directly to the contract, costs that may be attributed to contract activity in general and that may be allocated to such contract, as well as any other costs that may be specifically charged to the customer on the basis of contract clauses.

Such costs also include:

- Pre-operating costs, i.e. the costs incurred during the initial phase of the contract prior to the start of construction activity (tender preparation costs, design costs, organisation and production start-up costs, construction site installation costs), as well as
- Post-operating costs incurred after completion of the contract (site removal, return of equipment and/or machinery to base, insurance, etc.), and additionally
- Costs for services to be performed after the completion of works, remunerated in the contract referring to the project activity (for example, routine maintenance, assistance and supervision during the first phase of operation of individual works).

Finally, it is noted that contract costs include financial expense, as allowed by the amendment to IAS 11 in connection with IAS 23, resulting from financing specifically referred to the works performed. As early as the tender phase, in fact, based on the specific regulatory provisions, special payment conditions are defined that require the Company to rely on structured finance transaction on the invested project capital, the charges for which affect the determination of the corresponding payments.

Should it be forecast that completion of a contract may generate a loss, this shall be entirely recorded in the financial year when reasonably expected.

When the outcome of a long-term contract cannot be reasonably estimated, the amount of contract work in progress is calculated on the basis of costs incurred, assuming it is reasonably expected that such will be recovered without recognition of the margin.

When favourable or unfavourable events attributable to present situations at the reporting date occur after the reporting date, the amounts recognised in the financial statements are adjusted to reflect the consequent income statement and statement of financial position effects.

Contract work in progress is presented net of any allowance for impairment and/or losses on contracts, as well as of any advances for the contract in progress.

In this regard, it is noted that invoiced amounts related to individual progress reports (Advances) reduce the gross contract amount, if the latter is higher, and any surplus is recognised under liabilities. On the other hand, invoiced advances are considered as financial transactions and are not relevant for the purpose of revenue recognition. Therefore, since advances represent simple financial events, these transactions are always recognised among liabilities insofar as received not as consideration for works carried out. However, such advances are progressively decreased, usually by virtue of contract agreements, to offset invoicing of the contract.

With reference to the allowance for losses on contracts, it is noted that in case such allowance exceed the contract amount recognised among assets, this excess is recorded under “Amounts due to customers.”

Such analyses are carried out on a contract-by-contract basis: should the differential be positive (due to contract work in progress being greater than the amount of advances), such amount is classified among assets under “Amounts due *from customers*”; on the other hand, should this differential be negative, the amount is classified among liabilities, under “*Amounts due to customers*.”

Receivables and Financial assets

Astaldi classifies financial assets in the following categories:

- Assets at fair value through profit or loss;
- Receivables and loans;
- Held to maturity investments;
- Financial assets available for sale.

Classification depends on the reasons why the asset was acquired, the nature thereof and the valuation made by management at the purchase date.

All financial assets are initially recognised at fair value, increased by additional charges in the case of assets other than those classified at fair value through profit or loss.

It is also pointed out that the classification of financial assets is reviewed upon the close of each financial year, where this is appropriate and allowed.

Financial assets at fair value through profit or loss

This category includes the financial assets acquired for short-term trading or financial assets originally designated for this purpose by management. Assets held for trading include all assets purchased in order to be sold in the short term. Derivatives, including separated derivatives, are classified as held-for-trade financial instruments unless designated as effective hedging instruments. Gains or losses on assets held for trading are recognised in profit or loss. Upon initial recognition, financial assets may be classified in this category if the following conditions are met: (i) the designation eliminates or significantly reduces the inconsistency of recognition which would arise by measuring the assets or recognising gains and losses generated by such assets in accordance with a different criterion; or (ii) the assets are part of a group of managed financial assets and their return is measured on the basis of their fair value, in accordance with a documented risk management strategy.

Receivables and loans

This category includes assets which are not derivatives and that are not quoted in an active market, from which fixed or calculable payments are expected. Such assets are initially recognised at fair value net of the transaction costs, and then measured at the amortised cost based on the effective interest rate method. Any impairment losses calculated through the impairment test are recognised in profit or loss. These assets are classified as current assets, except for portions whose terms expire after more than 12 months, which are included under non-current assets.

Held to maturity investments

Unlike derivatives, these assets have a pre-established maturity and are the assets which the Company intends to hold in its portfolio until maturity.

Such assets are initially recognised at fair value, determined on the trading date, and then measured at the amortised cost based on the effective interest rate method. Those whose contractual term is established within 12 months are classified under current assets. Any impairment losses calculated through the impairment test are recognised in profit or loss.

Financial assets for sale

This category includes financial assets which are not derivatives, and that have been designated as such or are not classified in any of the three previous categories. They are measured at fair value, with changes in the amount shown against a specific equity reserve (“reserve for assets available for sale”). This reserve is recognised in profit or loss only when the financial asset is effectively transferred, or if there is real evidence that it has undergone a significant and prolonged impairment loss. The classification as current or non-current asset depends on management’s intentions and on the real negotiability of the security itself: assets whose realisation is expected in the subsequent 12 months are recognised among current assets.

Impairment losses on financial assets

At the end of each financial year, it is verified whether any financial asset or group of financial assets were impaired according to the following criteria.

Assets measured at amortised cost

If there is actual evidence that financing or a receivable recognised at amortised cost might be impaired, an impairment test is performed in order to determine the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding losses on future receivables not yet incurred) discounted by the initial actual rate of interest of the financial assets (i.e. the actual interest rate calculated at the date of initial recognition). The carrying amount of the asset will be reduced by application of an allowance. The amount of the loss will be recognised in profit or loss. With reference to trade receivables, impairment losses are recognised when there is evidence, largely based on the nature of the counterpart, that there is no possibility of collecting such receivables according to the original conditions. If, subsequently, the amount of impairment loss decreases, and such decrease can be objectively referred to an event occurred after the impairment recognition, the impairment may be reversed. Any subsequent reversals of impairment losses are recognised in profit or loss, to the extent in which the asset's carrying amount does not exceed the amortised cost at the date of reversal.

Financial assets available for sale

In the case of impairment losses on a financial asset available for sale, an amount corresponding to the difference between its cost (net of repayment of capital and amortisation) and its current fair value is deducted from equity and recognised in profit or loss, net of any impairment loss previously recognised in profit or loss.

Reversals of impairment losses relating to investments classified as available for sale are not recognised in profit or loss. Reversals of impairment losses relating to debt instruments are recognised in profit or loss if the increase in the instrument's fair value may be objectively attributed to an event which occurred after the impairment losses were recognised in profit or loss.

Derivatives

Derivatives are usually considered as instruments suitable for hedging and effective in neutralising the risk of underlying assets or liabilities or commitments taken on by Astaldi, except when they are classed as assets held for trading and measured at fair value through profit or loss.

In particular, use is made of derivatives within the context of hedging strategies aimed at neutralising the risk of fluctuations of forecast cash flows with regard to contractually defined or highly probable transactions (cash flow hedge). In particular, fair value fluctuations of derivatives designated as cash flow hedges and qualified as such are recognised, limited to the "effective" share only, in a specific reserve charged to the statement of comprehensive income ("hedging reserve"), which is then recognised in the income statement when the income statement effects of the hedged item arise. The difference in fair value referable to the ineffective share is immediately recognised in the income statement for the year. If the derivative instrument is transferred or no longer qualified as an effective hedge against the risk for which the transaction had been made, or the occurrence of the underlying transaction is no longer considered highly probable, the relative share of the "hedging reserve" is immediately reversed to the separate income statement. These derivatives are initially recognised at fair value at the stipulation date; subsequently, such value is periodically adjusted. Derivative instruments are recognised as assets when the fair value is positive, and as liabilities when the fair value is negative. Possible gains or loss deriving from changes in the fair value of derivatives not suitable for hedge accounting are recognised directly in profit or loss during the year. The effectiveness of hedging transactions is documented both at the start of the transaction and periodically (at least at every date of publication of financial statements or interim reports), and is measured by comparing the changes in the fair value of the hedging instrument with those of the hedged item, or, in the case of more complex instruments, through statistical analyses based on risk fluctuation.

It is pointed out that Astaldi does not sign derivative contracts for speculative purposes.

Calculation of fair value

Fair value is defined by IFRS 13 as a criterion of market valuation, not specific to the entity, that represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When a price cannot be measured for an identical asset or liability, the fair value is assessed by applying another valuation technique that maximises the use of observable inputs and minimises the use of unobservable inputs.

There may be appropriate single or multiple valuation techniques. If a number of valuation techniques are used to measure the fair value, the results must be assessed taking into account the reasonability of the range of values shown for these results.

The three most widely used valuation techniques are:

- **Market approach:** uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets, liabilities, or a group of assets and liabilities;
- **Cost approach:** reflects the amount that would be required currently to replace the service capacity of an asset; and
- **Income approach:** converts future amounts (cash flows or income and expenses) to a single current amount to the present value.

Based on the observability of the relevant inputs used in the employed valuation technique, the assets and liabilities valued at fair value in the separate financial statements are measured and classified in accordance with the fair value hierarchy established by IFRS 13:

- **Level 1 inputs**: refer to quoted (non-adjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2 inputs**: are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- **Level 3 inputs:** refer to unobservable inputs for the asset or liability.

The entire fair value of an asset or of a liability is classified on the basis of thee hierarchical level corresponding to that for the lowest significant input used for the measurement.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised from financial statements when:

- the rights to receive cash flow from the asset have expired;
- the right to receive cash flow from the asset is retained, but according to contractual obligations such cash flow has to be paid immediately and entirely to a third party;
- the right is transferred to receive cash flows from the asset and the Company: (a) has substantially transferred all risks and rewards deriving from ownership of the financial asset, or (b) has neither

transferred nor kept all the risks and rewards deriving from the asset, but has transferred the control of the asset.

When the Company has transferred the rights to receive cash flow from an asset and has neither transferred nor kept all the risks and rewards or has not lost the control of the asset, the asset is recognised in the financial statements to the extent of the residual involvement in the asset itself – the residual involvement which, by way of example, is represented by a guarantee on the transferred asset, is measured at the initial carrying amount of the asset or the maximum value of the consideration the Company may be required to pay, whichever is lower.

Financial liabilities are derecognised from the financial statements when the obligation underlying the liability expires, is cancelled, or discharged. In the cases where an existing financial liability is replaced by another liability from the same lender, under substantially different conditions, or the conditions of an existing liability are substantially changed, such replacement or change is considered as derecognition of the original liability and recognition of a new liability, with the consequent recognition in profit or loss.

Cash and cash equivalents

These include cash, deposits or other amounts with banks or other financial institutions, available for current transactions, postal current accounts, and other equivalent securities, as well as investments with terms expiring within three months of the purchase date. Cash and cash equivalents are recognised at fair value, which normally corresponds to their nominal amount.

Equity

Share capital

The share capital is the subscribed and paid up capital. Costs strictly related to share issues are classified as reducing the share capital when such costs are directly attributable to the capital transaction.

Treasury shares

Treasury shares are recognised as a reduction of equity. Specifically, the nominal amount of treasury shares is recognised as a reduction of the issued share capital, while the excess of the purchase value compared to the nominal amount is carried-over to reduce other reserves as resolved at the Shareholders' Meeting. Therefore, profits or losses relating to the purchase, sale, issue, or cancellation of treasury shares are not recognised in profit or loss

Retained earnings (losses carried forward)

This includes the profits or losses of the previous financial years for the part not distributed or allocated to reserves (in the case of profit) or balanced (in the case of loss).

Other reserves

These are reserves deriving from first-time application of international financial reporting standards and other equity reserves (such as the share option reserve).

Other comprehensive income

The items of other comprehensive income include income items measured directly in the equity reserves in accordance with the provisions of IFRS with regard to their origin and variation.

The items included in the statement of comprehensive income in these separate financial statements are presented by type and grouped into two categories:

(i) Items that will not be subsequently reclassified to profit or loss:

- Actuarial gains and losses on defined benefit plans (IAS 19);

(ii) Items to be subsequently reclassified to profit or loss, when certain specific conditions occur as required by IFRS:

- Gains and losses from the translation of the financial statements of foreign operations with a functional currency other than the Euro (IAS 21);
- Gains and losses on measurement of available-for-sale financial assets (IAS 39);
- Effective part of gains and losses on hedging instruments (IAS 39).

Financial liabilities

Financial liabilities are initially recognised in the financial statements at fair value net of transaction costs, and are subsequently measured at their amortised cost.

Any difference between the sum received (net of transaction costs) and the nominal amount of the payable is recognised in profit or loss by applying the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Company has the contractual right to fulfil its obligations at least more than twelve months after the reporting date.

It is noted that Astaldi has not designated any financial liability at fair value through profit or loss.

Convertible bonds

Convertible bonds are generally financial instruments consisting of a liabilities component and an Equity component. At the issue date, the fair value of the liabilities component item is estimated using the current market interest rate for similar non-convertible bonds. The difference between the amount of the proceeds from the issue and the fair value assigned to the liabilities component, which represents the implicit option of converting the bonds to shares in Astaldi, is included in Equity.

To the contrary, convertible bonds that offer the Issuer the choice between ordinary shares or, alternatively, through the payment of cash (Cash Settlement Option), are qualified as hybrid financial instruments.

In this case, the financial liability is measured at the amortised cost, while the implicit incorporated derivative representing the conversion option is recognised at fair value through profit or loss.

Trade payables and other payables

Trade payables, whose term of expiry falls within the normal commercial terms, are not discounted and are recognised at cost (identified by their nominal amount).

Tax expense

Current taxes

Current taxes for the year and those of previous years are recognised at the amount expected to be paid to the tax authorities. Tax rates and tax laws used to calculate the amount are those substantially issued at the reporting date in the individual countries where Astaldi operates.

Deferred taxes

Deferred taxes are calculated by adopting the so-called liability method, applied to the temporary taxable or deductible differences between the carrying amount of assets and liabilities recognised in the financial statements and the taxable amount.

Deferred tax liabilities are recognised against all temporary taxable differences, except when:

- deferred tax liabilities derive from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and which at the moment of the transaction does not affect the profit for the year, calculated for the purpose of the financial statements, or the profit or loss calculated for tax purposes;
- with reference to temporary taxable differences related to interests in subsidiaries, associates, and joint ventures, the reversal of the temporary differences may be checked and it is likely that it will not occur in the future.

Deferred tax assets are recognised against all deductible temporary differences and for tax losses carried forward, to the extent to which sufficient future tax profits that can make its use applicable are likely, except when the deferred tax asset results from initial recognition of an asset or liability in a transaction that is not a business combination and that, at the moment of the transaction, does not affect the profit for the year, calculated for the purpose of financial statements, or the profit or loss calculated for tax purposes.

The amount of deferred tax assets to be recognised in the financial statements is reassessed at each reporting date and reduced to the extent in which sufficient future tax profits are no longer likely, in order to allow all or part of the credit to be used. Deferred tax assets that are not recognised are reassessed on an annual basis at the reporting date, and are recognised to the extent to which it is likely that the tax profit is sufficient to allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured on the basis of tax rates expected to be applied for the period in which such assets will be realised or such liabilities will be settled, considering the rates in force and those already substantially issued at the reporting date.

Deferred tax assets and liabilities are offset in the event of a legal right to offset current tax assets with current tax liabilities and when the deferred taxes refer to the same tax and the same tax authority.

Tax expense (deferred and current) directly related to equity items is recognised under equity and not in profit or loss.

Employee benefits

Benefits due to employees for early termination of employment

The benefits owed for termination of employment are represented by amounts payable to employees following the company’s choice to terminate the employment of an employee before the retirement date and the employee’s decision to accept voluntary resignation in exchange for this indemnity.

These benefits must be recognised as liabilities and expenses (i) on the date when the Company can no longer withdraw the offer of said benefits; or (ii) the date when the Company recognises the costs for a restructuring included within the scope of application of IAS 37, which involves the payment of benefits owed for termination of employment, whichever is sooner. These liabilities are measured based on the nature of the benefit being granted. In particular, if the benefits that are granted represent an improvement of other benefits following the conclusion of employment paid to the employees, the corresponding liability is measured in accordance with the provisions of IAS 19 par. 50-60 “Post-employment benefits.” Otherwise, the provisions to be applied to measure the benefits owed to employees for termination of employment differ depending on the timeframe in which said benefits are to be paid:

- if the benefits are expected to be entirely paid by twelve months of the close of the financial year, the provisions established for short-term employee benefits (IAS 19 par. 9-25) are applied;

- if the benefits are not expected to be paid off within twelve months of the close of the financial year, the provisions for the other long-term benefits (IAS 19 par. 153-158) are applied.

Post-employment benefits

The liabilities for benefits guaranteed to employees, paid coinciding with or after termination of employment through defined benefit plans, are recognised in the financial year the right accrues, in line with the working services needed to obtain benefits based on actuarial hypotheses and net of advances paid. The liabilities are assessed by independent actuaries using the "Projected unit credit method."

In this context, the following items are recorded among personnel expenses in the statement of profit (loss):

- Costs from current working services, which are the actuarial estimates of the benefits to which employees are entitled for the work performed during the year;
- The net interest cost, which is the change in the amount of the liability during the year due to the passage of time; and
- The costs and income from changes to the defined benefit plans ("costs or income from past working services") fully recognised during the period in which the changes take place.

Moreover, the changes in the amounts of liabilities for defined benefit plans with regard to actuarial gains or losses are fully recognised in the financial year they accrue, in the Other Comprehensive Income (OCI) section of the statement of comprehensive income.

Liabilities from benefits guaranteed to employees, paid coinciding with or after termination of employment through defined contribution plans, are recognised for the amount accrued at the end of the year.

Liabilities for other employee benefits are recognised for the amount accrued at the end of the year also on the basis of the actuarial hypotheses if referring to medium/long-term benefits.

Stock grant plan

The Company has set up an incentive plan for senior management (CEO with delegation for economic and financial operation and General Managers), which offers the CEO the free disbursement of Astaldi shares upon achieving specific economic-financial targets.

The share option plan as structured falls within the scope of application of IFRS 2, in the "equity settled" type of operations.

The cost of the incentive plan is divided along the period to which the incentive refers (the "vesting period") and is determined with reference to the fair value of the right assigned to the senior management on the commitment is made, so as to reflect the market conditions existing on the date in question.

At every reporting date, the hypotheses regarding the number of share options expected to come due are verified. The charges for the financial year are recognised in profit or loss, among the personnel expenses, and are offset by an equity reserve.

Provisions for risks and charges

The provisions for risks and charges are recognised when at the reporting date there is a current obligation (legal or implicit) resulting from a past event, the outflow of resources to settle the obligation are likely and a reliable estimate of the obligation can be made.

The provisions are recognised at the amount representing the best estimate to settle the obligation or to transfer it to third parties at the reporting date. If the effect of discounting the cash outflow is significant, the provisions are calculated by discounting the future expected financial flows at a pre-tax discount rate that reflects the current market valuation. When discounting is performed, the increase in the provision due to the passing of time is recognised as a financial charge in profit or loss.

Revenue other than contract work in progress

Revenue is measured at the fair value of the payment received, taking into account any discounts and reductions linked to quantities.

Revenue related to the sale of goods is recognised when the company has transferred the significant risks and rewards connected with ownership of the assets to the buyer, which in many cases coincides with transferring ownership or possession to the buyer, or when the amount of the revenue may be reliably calculated.

Revenue from services rendered is recognised, when it can be reliably estimated, on the basis of the percentage-of-completion method.

Government grants

Government grants are recognised in the financial statements at fair value, when there is reasonable certainty that such grants will be received and all the conditions relating thereto are met. When the grant relates to cost items, it is recognised as revenue, but is systematically released over the years in such proportion that it offsets the corresponding costs. Should the grant be linked to an asset, the grant's fair value is recognised as a reduction of the asset. The grant is accrued among liabilities should the underlying asset not be in operation or should it be under construction and the related amount is not included in the amount of the asset.

Financial expense

Interest is recognised on an accruals basis under the effective interest method by using the interest rate that makes all incoming and outgoing flows (including premiums, discounts, commissions, etc.) related to such transaction financially equivalent. Financial expense is capitalised in accordance with provisions set out by IAS 23.

Dividends

Dividends are recognised when the right arises from shareholders to receive the payment that normally corresponds to the dividend distribution approved at the Shareholders' Meeting. Distribution of dividends to the shareholders is recorded as a liability in the financial statements for the year in which the distribution thereof is approved at the Shareholders' Meeting, and reflected as a change in equity.

Costs

Costs are recognised on an accruals basis and on the basis of the Company's ability to continue as a going concern.

Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shares by the weighted average of outstanding ordinary shares, adjusted to take treasury shares into account. Diluted earnings are calculated by adjusting the profit or loss attributable to ordinary shares, as well as the weighted average of outstanding shares, as defined above, to take into account the effects of all the potential ordinary shares with diluting effects.

Use of estimates

Preparing the financial statements and notes in compliance with IFRS rules requires the formulation of estimates and assumptions affecting the carrying amounts of assets and liabilities and the disclosure regarding potential assets and liabilities.

In the light of the Banca d'Italia / CONSOB / Isvap Joint Document no. 2 of 6 February 2009 it should be pointed out that such estimates are based on the most recent information available to senior management at the time of preparing these financial statements, the reliability of which is, therefore, unprejudiced. Estimates are used, inter alia, to perform impairment tests and recognise bad debt provisions, receivables discounting on the grounds of the estimated collection times, contract revenue, amortisation and depreciation, impairment losses on assets, employee benefits, taxes, other accruals, and provisions.

The final results may differ from these estimates. Estimates and assumptions are periodically reviewed and the effects of all changes are reflected in the income statement of the period when the change occurred.

In particular, taking into account the Company's specific segment which involves a payment amount at the time when the individual contracts are assigned, it is to be noted that the margins on these contracts, credited in the income statement on the basis of systematic calculation criteria, may undergo changes with respect to the initial estimate. This is related to the likelihood of being able to recover the higher charges that may be incurred during the performance of the works.

Newly issued accounting standards and interpretation, endorsed by the EU effective at 1 January 2015

There follows a summary of the approved EU Regulations effective at 1 January 2015.

<u>Regulation (EU) 2014/634 of the Commission of 13 June 2014</u>, published in Official Gazette L 175 of 14 June 2014: Adoption of the interpretation of IFRIC 21 "Levies"

The objective of the interpretation is to provide guidance for the appropriate recognition of the levies included in the scope of application of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets," in order to improve the comparability of financial statements for users.

For the purposes of said interpretation, a levy represents a payable, in accordance with the legislation in force, to a public administration, except for:

a) the income taxes included in the scope of application of IAS 12 Income Taxes; and
b) fines or other sanctions levied for violation of laws.

"IAS 37 Provisions, Contingent Liabilities and Contingent Assets" establishes that a liability is entered when the fact giving rise to the obligation (binding event) takes place.

Pursuant to IFRIC 21, the binding event is that event – typically specified in the law of the affected jurisdiction – upon the occurrence of which the payment of the levy is required.

The interpretation considers different types of levies:

- the levy is triggered progressively when the entity generates revenue: the binding event is the generation of revenue, as provided for by local laws. The obligation will thus be entered with the generated revenue;
- the levy is triggered in full when the entity generates its first revenue in a given period: in this type of levy, the obligation is triggered when the entity generates the first revenue in the period. It is of no relevance if the amount to be paid is based on the revenues for the previous period;

- the levy is triggered in full if the company is operative on a certain date: in this case, even if the amount of the levy is calculated based on balances from the previous period, no obligation is recognised until the specific date is reached. Therefore, the underlying assumption with regard to the going concern principle does not imply, in and of itself, the need to enter an obligation before the specific date;
- the levy is generated if the entity generates income above a certain specific minimum threshold: the obligation is triggered only by recognising income above a certain threshold, and only when a liability is recorded, regardless of the likelihood/reasonable certainty of exceeding said threshold.

The changes made have not produced significant effects for purposes of the measurement of the financial statement items and disclosure.

EU Regulation 2014/1361 of the Commission of 18 December 2014, published in Official Gazette L 365 of 19 December 2014: Annual Improvements cycle to the IFRSs 2011-2013.

The aim of the annual improvements is to cover the topics necessary with respect to any inconsistency observed in the IFRSs or for terminological clarifications which are not urgent but which have been discussed by IASB during the planning cycle started in 2011.

The changes introduced by the regulations to the IFRS 3 “Business Combinations” and IFRS 13 “Fair value measurement” contain slight technical clarifications to the standards involved. The changes to IAS 40 “Investment property” provide indications regarding the classification of property held by lessees by operating lease.

The changes made have not produced effects for purposes of the measurement of the financial statement items and disclosure.

Endorsed principles and interpretations not adopted in advance by the Company

EU Regulation 2015/28 of the Commission of 17 December 2014, published in Official Gazette L 5 of 9 January 2015: Annual Improvements cycle to the IFRSs 2010-2012.

The changes introduced by the regulation to IFRS 8 “Operating Segments” and IAS 16 “Property, Plant and Equipment”, IAS 24 “Related Party Disclosures” and IAS 38 “Intangible Assets” contain slight changes, essentially technical and textual, in the aforesaid international accounting standards. The changes to IFRS 3 “Business Combinations” provide further indications regarding the recognition of the contingent amount connected with a business combination. The changes to IFRS 2 “Share-based Payments” utilise the definition of the “vesting condition”, contained in Appendix A of the aforesaid standard, to define the “service condition” and “performance condition” and provide some clarifications regarding the definition of “market condition”. The changes will be applied starting from the financial years starting on 1 February 2015 or subsequently (for Astaldi from 2016). It is currently believed that this will not produce relevant effects for purposes of the measurement of the financial statement items and disclosure.

EU Regulation 2015/29 of the Commission of 17 December 2014, published in Official Gazette L 5 of 9 January 2015: Changes to IAS 19 “Employee Benefits”

The changes introduced aim to simplify and clarify the recognition of the contributions by employees or third parties connected with the defined benefit plans, allowing them, upon occurrence of certain conditions, to recognise these contributions as a reduction of costs for providing employment services (“service costs”) in the period when such work has been done.

The changes will be applied starting from the financial years starting on 1 February 2015 or subsequently (for Astaldi from 2016). It is currently believed that this will not produce relevant effects for purposes of the measurement of the financial statement items and disclosure.

EU Regulation 2015/2113 of the Commission of 23 November 2015, published in Official Gazette L 306 of 24 November 2015: Changes to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"

With the changes introduced to IAS 16 and IAS 41, the IASB has clarified that the plants used exclusively for the cultivation of agricultural products over various years, known as fruit-bearing plants, must be subjected to the same accounting procedures utilised for property, plant and equipment pursuant to IAS 16.

The Company has estimated that the adoption of this standard, due to start from 1 January 2016, will not produce any effects for purposes of the measurement of the financial statement items and disclosure.

EU Regulation 2015/2173 of the Commission of 24 November 2015, published in Official Gazette L 307 of 25 November 2015: Changes to IFRS 11 "Joint Arrangements"

The changes introduced by the IASB on IFRS 11 "Joint Arrangements" aim to clarify the accounting procedure that a joint operator must apply in its financial statements for the acquisitions of interests in a joint operation.

Specifically, it was clarified that if the joint operation involved constitutes a business pursuant to IFRS 3 "Business Combinations", the joint operator must apply the accounting rules set forth by the latter standard for recognition of the accounting effects connected with the acquisition.

The changes to IFRS 11 must be applied on a straight-line basis starting from the financial statements for the years starting from 1 January 2016. On the date of these separate financial statements, the Company has estimated that the adoption of this standard will not involve any substantial changes in terms of the measurement, recognition and presentation of the financial items.

EU Regulation 2015/2231 of the Commission of 2 December 2015, published in Official Gazette L 317 of 3 December 2015: Changes to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"

The changes introduced by the IASB to IAS 16 "Property, Plant and Equipment" are aimed to clarify that the method for depreciation and amortisation for the elements included within the field of application of the aforesaid standard can never be based on the estimate of the revenue produced by such assets over their useful life.

This assertion is due to the fact that the method for depreciation and amortisation of assets must reflect the procedures by which their economic benefits are expected to be utilised, and not on the value of the economic benefits that the assets are able to generate over their useful life.

The IASB has also amended IAS 38 "Intangible Assets" introducing, with reference to intangible assets with defined useful life, a general prohibition to utilise the revenue as a basis for calculating the amortisation, which can be waived only upon the following conditions:

a) *The intangible asset is expressed as a measurement of revenue:* The use of an intangible asset, in this case, depends on a fixed amount of revenue to be generated and not on a pre-set time period or a given amount of goods produced or sold.

b) *The entity manages to demonstrate that the forecast revenue and utilisation of the economic benefits of the intangible asset are closely related:* In this case, it must be clearly demonstrated that the use of revenue as a basis for calculating the amortisation of an intangible asset does not involve significant differences compared to the other methods allowed by IAS 38.

The changes to IAS 16 and IAS 38 must be applied on a straight-line basis starting from the financial statements of the years starting from 1 January 2016.

On the date of the present separate financial statements, the Company has estimated that the adoption of this standard will not involve any substantial changes in terms of the measurement, recognition and presentation of the financial items.

EU Regulation 2015/2343 of the Commission of 15 December 2015, published in Official Gazette L 330 of 16 December 2015: Annual Improvements cycle to the IFRSs 2012-2014

The changes introduced by the regulation to IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", IFRS 7 "Financial Instruments: Disclosures", IAS 19 "Employee Benefits" and IAS 34 "Interim Financial Reporting" are the result of the annual process of improvement to simplify and clarify some aspects, essentially technical and textual, of the aforesaid International Accounting Standards. This also involved the amendment of accounting standard IFRS 1 "First-time Adoption of International Financial Reporting Standards" in order to ensure the consistency of the international accounting standards as a whole. The changes will be applied starting from the financial years beginning on 1 January 2016. Currently it is believed that this will not produce relevant effects for purposes of the measurement of the financial statement items and disclosure.

EU Regulation 2015/2406 of the Commission of 18 December 2015, published in Official Gazette L 333 of 19 December 2015: Changes to IAS 1 "Presentation of the Financial Statements"

The changes introduced to accounting standard IAS 1 "Presentation of Financial Statements" are aimed at defining specific areas of improvement for the presentation and disclosure of the financial statements, specifically referring to the following aspects: a) Relevance and aggregation of the information:

It was clarified that the concept of relevance and aggregation of information must be applied with reference to the financial statements as a whole, thus including the Notes. If an item of information is irrelevant, it should therefore not be given, although IAS 1 other IFRSs request certain information as minimum requirements.

b) Aggregation/disaggregation of the items in financial statements:

It was clarified that the items in the financial statements required as minimum contents in the items of the Statement of Financial Position can be aggregated if not significant. Conversely, the items of the financial statements must be further broken down if this can provide clear information to the users of the financial statements.

c) Interim results in the financial statements layouts

If the entity presents interim results in the layouts of the financial statements, these must be presented and identified in such a way that the items forming the sub-total are clear and comprehensible, and consistent from one year to the next. With reference to interim results included in the layouts for profit/(loss) for the year and other items of comprehensive income statement, the measure requires the reconciling of these results with the sub-totals and totals requested in IAS 1 for this layout.

d) Order of the Notes to the financial statements:

No specific order is any longer requested for the Notes, which thus be ordered and grouped in the financial statements in the way deemed most suitable in order to guarantee that they are comprehensible and comparable.

e) Quota of Other items of comprehensive income statement pertaining to associates and joint ventures recognised with the equity method:

It was clarified that in the section Other items of comprehensive income statement, the quota pertaining to associates and joint ventures recognised with the equity method must not be broken down by type of the single components. These amounts must therefore be presented on an aggregate basis, distinguishing only the portion that can be subsequently reclassified in profit/(loss) for the year from the quota that will never by recognised in the income statement.

The Company will adopt the changes to IAS 1 starting from 2016, revising the overall structure of the financial statements in order to implement any changes necessary for improving the effectiveness of disclosure.

EU Regulation 2015/2441 of the Commission of 18 December 2015, published in Official Gazette L 336 of 23 December 2015: Changes to IAS 27 "Separate Financial Statements"

With the modifications to IAS 27, IASB introduced the possibility of recording in the separate financial statements the equity investments in subsidiaries, associates, or joint ventures following the equity method described in IAS 28 Investments in associates and joint venture.

This measurement method is in addition to other alternative methods already existing in IAS 27, which remained unchanged:

a) the cost method

b) the method provided for by IAS 39 Financial instruments: recognition and measurement.

It is also made clear that the same measurement method must be applied to each category of equity investment.

The power to use the equity method for all or for some categories of equity investment must be applied retroactively starting from the financial statements from the 2016 financial year; currently, the Company is still assessing whether it is appropriate to use the new permitted alternative method.

Notes to the Financial Statements

1 Revenue: EUR 2,106,765 thousand (EUR 2,023,895 thousand)

Revenue at 31 December 2015 amounted to EUR 2,106,765 thousand, increasing by EUR 82,870 thousand from the previous financial year. Details are shown in the following table:

	2015	2014	Change
Revenue from goods and services	2,095,511	2,014,698	80,813
Concessions – Commercial services under arrangement	11,254	9,197	2,057
Total	**2,106,765**	**2,023,895**	**82,870**

The item “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.

This item on the whole showed a net increase of EUR 80,813 thousand, which derives from the development of major foreign projects in Europe (particularly Turkey and Poland) and in Chile.

“Concessions – Commercial services under arrangement” includes the payments accrued for the managements services for the four Tuscan hospitals.

Revenue broken down by geographical composition is shown below:

	2015	%	2014	%	Change
Italy	409,994	19.46%	508,731	25.14%	(98,737)
Europe	1,189,991	56.48%	1,043,025	51.54%	146,966
America	384,845	18.27%	318,565	15.74%	66,280
Africa	121,963	5.79%	153,105	7.56%	(31,142)
Asia	(28)	0.00%	469	0.02%	(497)
Total	**2,106,765**	**100.00%**	**2,023,895**	**100.00%**	**82,870**

The decline recorded domestically originates from an unfavourable macroeconomic context for the entire industry, which in past financial years hampered the natural turnover of major projects being carried out in the country that have reached a natural reduction in activity (Bologna High-Speed Railway Station, Jonica national road, Line 5 of the Milan Underground, the Pedemontana Lombarda motorway, and the four Tuscan hospitals).

Recent acquisitions recorded domestically (Quadrilatero Marche-Umbria, Maxi-Lot 2 – 1st Functional Phase, Naples– Afragola High-Speed railway station, management centre– Capodichino Naples) raise hopes that traditionally higher production levels may be returned to in the medium term.

Domestically, mention ought also to be made of the positive contribution derived from the works on Line 4 of the Milan Underground, new hospital in Naples (“Ospedale del Mare”), and Line C of the Rome Underground. For the latter project, it is also pointed out that, although production activities had slowed at year’s end as a result of the persisting uncertainty regarding the effective availability by the Client of the financial resources to go ahead with the works, the initiative in question at any rate guaranteed a suitable production level in the first nine months of the year. It is specified that starting 22 December 2015, the Financing Bodies have been meeting to remodulate the Project’s General Economic Framework and to determine the mutual economic and financial commitments.

The European area saw a significant increase in production volumes despite the presence of elements that penalize year-to-year comparison, such as (i) the effect of conversion of values expressed in Roubles and (ii) the programmed reduction of production volumes due to the substantial completion of the road works in

Romania (Arad Nadlac motorway lot 1 and Mihai Bravu overpass) and of the Warsaw Underground Line 2 in Poland. This result was possible thanks to the positive contribution of the works in progress in Turkey (Third Bosphorus Bridge, the Gebze-Orhangazi-Izmir motorway, and the Etlik health campus in Ankara) and Poland (John Paul II International Airport Kraków-Balice, national road S-8, Wisniewo-Mezenin section, national road S-5, Poznań-Wrocław section, Lot 3).

There has been strong growth in the contribution to the production value recorded by the American area, which has 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 the American area and Venezuela in particular, it also bears pointing out that during 2015, the country confirmed a complex economic and social landscape that has resulted in inflationary and monetary dynamics that have even further intensified the social crisis. In this scenario, Astaldi has continued its highly approach, thus confirming the reduction in operations in the country, a process already begun in 2012. It is stressed that in Venezuela, Astaldi has three strategic railway projects underway for the development of the economy. Despite this, given the country's particular condition, the projects' production levels are kept well below their actual potential, while waiting for the situation to return to conditions of greater equilibrium. See notes 10 and 21 for broader discussion as to the recognition of the credits to the customer the Venezuelan government.

For the African area, the contribution of the works underway on the Saida-Moulay Slissen railway section has increased; while maintaining high production levels, these works are heading towards their natural conclusion.

For further details on these items, see note 34 on Segment reporting pursuant to IFRS 8.

2 Other operating revenue: EUR 111,835 thousand (EUR 107,041 thousand)

Other operating revenue, totalling EUR 111,835 thousand, comprises economic items not directly connected with the Company's main production activity, while however being accessory to the core business.

	2015	2014	Change
Revenue from sale of goods	20,226	6,545	13,681
Services - third parties	52,822	53,137	(315)
Services - management of joint projects	2,235	5,916	(3,681)
Rents and leases	4,285	3,191	1,094
Net gains on disposals of property, plant and equipment	10,763	2,942	7,821
Other	21,504	35,310	(13,806)
Total	**111,835**	**107,041**	**4,794**

The difference in this item is ascribable essentially to the increase in the "Revenue from sale of goods" and "Net gains on disposals of property, plant and equipment" items, equal to EUR 21,502 thousand, attributable mainly to the sale of machines, equipment, and spare parts in the context of non-operative projects in the American area, partially offset by the opposing change domestically with reference to the "Other" item. This difference is mostly referable to the use, during 2014, of some funds downstream of the definition of the corresponding disputes.

3 Purchase costs: EUR 366,309 thousand (EUR 317,371 thousand)

The purchase costs, including variation in inventories of raw materials and consumables, amount to EUR 366,309 thousand at 31 December 2015, showing a EUR 48,938 increase from the corresponding period the previous year.

	2015	2014	Change
Purchase costs	369,501	316,814	52,687
Change in raw materials, consumables, supplies and goods	(3,192)	557	(3,749)
Total	**366,309**	**317,371**	**48,938**

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

	2015	%	2014	%	Change
Italy	47,306	12.91%	40,273	12.69%	7,033
Europe	229,787	62.73%	187,698	59.14%	42,089
America	65,513	17.88%	62,283	19.62%	3,230
Africa	23,696	6.47%	27,113	8.54%	(3,417)
Asia	7	0.00%	4	0.00%	3
Total	**366,309**	**100.00%**	**317,371**	**100.00%**	**48,938**

The increase in the domestic setting is related essentially to the start of activities for the recently acquired project for the construction of Quadrilatero Marche-Umbria Maxi-Lot 2.

With reference to the European area, mention should be made of a decisive increase connected with the greater production volumes for the Third Bosphorus Bridge in Turkey, and national road S-8, Wisniewo-Mezenin section in Poland.

The increase found for the American area is to be linked to the positive trend in works in progress in Chile (West Metropolitan Hospital in Santiago and the Chuquicamata mining project).

Internationally, further mention is made of a decrease in consumption in the Algerian area due to the reduced volumes referring to the railway projects that are reaching their natural conclusion.

4 Service costs: EUR 1,232,135 thousand (EUR 1,230,814 thousand)

Services costs, amounting to EUR 1.232.135 thousand, rose by EUR 1,321 thousand compared to 2014. Details are shown in the following table:

	2015	2014	Change
Consortium costs	213,337	299,013	(85,676)
Subcontracts and other services	836,573	760,155	76,418
Technical, administrative and legal consultancy	76,968	75,989	979
Directors' and statutory auditors' fees	3,152	3,077	75
Utilities	7,186	7,719	(533)
Travel and transfers	4,204	3,682	522
Insurance	23,729	19,136	4,593
Leases and other costs	23,141	19,706	3,435
Lease and building management costs	7,281	6,269	1,012
Maintenance of third party assets	1,359	633	726
Other	35,205	35,435	(230)
Total	**1,232,135**	**1,230,814**	**1,321**

The consortium costs connected with the performance of works, in association with other enterprises in the segment, show a decrease of EUR 85.676 thousand from the previous year, attributable particularly (i) to the lesser contribution of initiatives connected with works for the construction of the Pedemontana Lombarda motorway, Line C of the Rome Underground and the Jonica national road, (ii) only partially offset by the increase, again in Italy, in activities connected with restarting the final design of the Verona Padua High-Speed line and as regards the works for the construction of the Naples – Afragola high-speed railway station.

To the contrary, the item “Subcontracts and other services” shows an increase from the previous financial year equal to EUR 76.418 thousand, with the following geographical breakdown:

	2015	%	2014	%	Change
Italy	105,929	12.66%	131,583	17.31%	(25,654)
Europe	575,881	68.84%	503,725	66.27%	72,156
America	112,201	13.41%	70,165	9.23%	42,036
Africa	42,557	5.09%	54,678	7.19%	(12,121)
Asia	5	0.00%	4	0.00%	1
Total	**836,573**	**100.00%**	**760,155**	**100.00%**	**76,418**

The variations in this item substantially reflect the production for the period, which shows, as detailed in note 1, a growth in volumes related to the works in progress in Turkey (Third Bosphorus Bridge), Poland (John Paul II International Airport Kraków-Balice, national road S-8 and national road S-5), and Chile (West Metropolitan Hospital in Santiago), in part offset by the effects of the reduction in values for projects being carried out in Italy and Africa.

5 Personnel expenses: EUR 296,886 thousand (EUR 256,289 thousand)

This item consists of the following:

	2015	2014	Change
Wages and salaries	207,356	179,738	27,618
Social security charges	35,985	33,404	2,581
Other costs	51,686	40,156	11,530
Other post-employment benefits	648	1,666	(1,018)
Cost of share-based payments	1,211	1,325	(114)
Total	**296,886**	**256,289**	**40,597**

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 item “Other post-employment benefits.”

The geographical breakdown of personnel expenses is shown below:

	2015	%	2014	%	Change
Italy	70,049	23.59%	67,235	26.23%	2,814
Europe	91,782	30.91%	78,285	30.55%	13,497
America	110,738	37.30%	88,863	34.67%	21,875
Africa	23,515	7.92%	21,329	8.32%	2,186
Asia	802	0.27%	577	0.23%	225
Total	**296,886**	**100.00%**	**256,289**	**100.00%**	**40,597**

As to the geographical breakdown of personnel expenses, noteworthy is the increase in the foreign sector in relation chiefly to the higher production volumes of contract work in progress in Chile and Turkey.

5.1 Average number of employees

The average number of employees by category is the following:

	2015	2014	Change
Managers	208	211	(3)
Junior managers	151	142	9
White collars	2,618	2,546	72
Blue collars	5,296	4,787	509
Average number of employees	**8,273**	**7,686**	**587**

At 31 December 2015, the Company's work force averaged 8,273 employees. On an aggregate basis, the figure shows a 7.6% increase from the previous financial year, and the prevalence of personnel deployed abroad (91.6% of the total) is also confirmed due to the significant revenue produced outside Italy, but also to the presence overseas of a greater number of contracts that require being carried out through a greater reliance on direct performance.

5.2 Senior management incentive plan

Stock grant plan

The item "Share-based payments" includes the valuation 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 (CEO with delegated powers for economic and financial management, and General Managers) company shares free of charge. The Beneficiaries were identified in a number equal to six persons: the CEO with delegated powers for economic and financial management and five General Managers. The assignment period refers to the 2013-2015 three-year period.

The CEO with delegated powers for economic and financial management 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 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 300,000, and they cannot exceed the number of 900,000 shares during the three-year period of validity of the plan.

Assignment of the shares every year is subordinate to the Company'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 a cost of EUR 1,211 thousand, with a balancing entry in an equity reserve.

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

- Dividend rate: 3.22%;
- Volatility: 28%;
- Risk free rate: deduced from Euroswap rates on the measurement dates.

It was also hypothesised that the performance objectives for the 2015 financial year are achieved with 85% likelihood.

6 Other operating costs: EUR 36,779 thousand (EUR 28,182 thousand)

Other operating costs totalling EUR 36,779 thousand show a decisive increase of EUR 8.597 from the previous year. Details are shown in the following table:

	2015	2014	Change
Prior year expense and fair value losses	2,169	3,969	(1,800)
Tax expenses	8,468	5,902	2,566
Other administrative and sundry costs	26,142	18,311	7,831
Total	**36,779**	**28,182**	**8,597**

The increase in the "Other administrative and sundry costs" item equal to EUR 7,831 thousand may be ascribed substantially to the liquidation, following a settlement with the Customer, of some receivables related to the project referring to the construction of the Bodrum international airport in Turkey.

7 Amortisation, depreciation and impairment losses: EUR 50,652 thousand (EUR 38,460 thousand)

Amortisation, depreciation and impairment losses, totalling EUR 50,652 thousand, have grown in absolute value by EUR 12,192 thousand in comparison with the previous financial year. The item consists of the following:

	2015	2014	Change
Amortisation	4,213	1,906	2,307
Depreciation	46,414	36,554	9,860
Impairment losses on receivables	25	0	25
Total	**50,652**	**38,460**	**12,192**

The change in amortisation may be ascribed essentially to the amortisation of the contractual rights acquired for the development of the works for the so-called Maxi-Lot 2 of Quadrilatero Marche-Umbria (EUR 2,159 thousand).

The increased depreciation was found particularly with reference to the projects underway in Russia due especially to the performance of working phases requiring a greater use of machinery and equipment.

8 Provisions: EUR 2,340 thousand (EUR 1,241 thousand)

The provisions for risks and charges, totalling EUR 2,340 thousand at 31 December 2015, substantially represent the recognition made pursuant to paragraph 36 of IAS 11 "Construction Contracts" of the life-long economic result of certain contracts underway in Poland.

9 Financial income: EUR 85,145 thousand (EUR 97,054 thousand)

Financial income fell compared to the previous year by EUR 11,909 thousand and consists of the following:

	2015	2014	Change
Income from subsidiaries	215	721	(506)
Income from associates and joint ventures	178	524	(346)
Income from investees	0	39	(39)
Income from financial transactions with banks	3,353	2,989	364
Commissions on sureties	5,380	5,837	(457)
Exchange rate gains	37,553	53,626	(16,073)
Income from derivatives	1,095	888	207
Other financial income	37,371	32,430	4,941
Total	**85,145**	**97,054**	**(11,909)**

The “Other financial income” item essentially includes (i) the value of default interest payable by individual customers, for a total amount of EUR 20,091 thousand, for contract work in progress in Italy and abroad, and (ii) the interest on financing paid to subsidiaries, associates, Joint Ventures, and partners in joint initiatives, totalling EUR 17,110 thousand.

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

10 Financial expenses: EUR 258,727 thousand (EUR 244,684 thousand)

Financial expense increased compared to the previous year by EUR 14,043 thousand, and consists of the following:

	2015	2014	Change
Interest on bonds	61,105	59,169	1,936
Commissions on sureties	25,941	30,515	(4,574)
Expense on financial transactions with banks	39,843	36,567	3,276
Exchange rate losses	59,631	30,037	29,594
Expense from derivatives	6,287	6,076	211
Fair value losses on the derivative embedded in convertible bonds	2,291	245	2,046
Lease expenses	700	693	7
Interest for extended payment terms on trade items	3,591	4,037	(446)
Factoring of receivables without recourse	4,683	7,667	(2,984)
Discounting expense	15,434	35,974	(20,540)
Other financial expense	4,089	9,058	(4,969)
Total	**223,595**	**220,038**	**3,557**
Impairment losses on equity investments	35,131	24,608	10,523
Impairment losses on securities and loans and receivables	0	38	(38)
Total	**35,131**	**24,646**	**10,485**
Total financial expenses	**258,727**	**244,684**	**14,043**

Of the main variations for the period, of importance are the greater values related to:

- The interest on senior unsecured bond issues (EUR 1,936 thousand). Towards this end, it is specified that in the month of February 2014, the so-called “2nd Tap” of the aforementioned loans was issued for EUR 150.000 thousand. The 2014 income statement thus includes the financial

expense connected with the so-called “2nd Tap” only starting from the month of February 2014;
- Expense on financial transactions with banks (EUR 3,276 thousand), recorded in the presence of growing production volumes and major investment made in the period;
- Exchange rate losses (EUR 29,594 thousand) recognised above all with reference to the Russian and Turkish area;
- The expense from fair value measurement of the incorporated derivative from the potential exercise of the cash settlement option on the convertible bond (EUR 2,046 thousand). This increase may be ascribed essentially to the share price’s greater volatility in comparison with 31/12/2014.

On the other hand, the following items have declined:
- Commissions on sureties (EUR 4,574 thousand) essentially due to the conversion of amounts referring to the project for the construction of the Saint Petersburg motorway link, affected by the additional devaluation of the Rouble against the Euro taking place during 2015;
- The expense for the transfer of receivables without recourse (EUR 2,984 thousand) substantially due to a lower recourse than in the previous financial year on this technical form for liquidation of working capital.

Moreover, as regards the discounting expense item, it is specified that it includes what may be ascribed to the process of discounting of the credits referring to railway works (Chaguaramas-Cabruta and Los Morros-San Fernando de Apure) in progress in Venezuela. The item, determined upon the outcome of an articulated discounting process, includes the results consequent to the updating of the estimate of the times established for collecting the corresponding payments. This is in consideration of the lack of financial coverage of these investments in the state budget for 2016, and taking into account the additional postponement of the payments based on the possible operative and financial re-planning of the country’s infrastructural system. As to the financial variables used in the discounting process, it is also specified that the discounting rate applied to the corresponding nominal amounts of the receivables was established on the basis of the macroeconomic components of specific reference to Venezuela. Particular consideration was made of the Country Risk, of the expected Inflation Rate, and of the trend in the bonds issued in strong currency by the Venezuelan government

Moreover, it is also pointed out that the discounting process begun in the last financial year entailed for the Company the overall incurrence, at the reporting date hereof, of expenses – considered net of the interest income provided for by contract – equal to approximately EUR 51,408 thousand.

Moreover, as concerns the “Other financial expense” item, it bears mentioning that this refers chiefly to commissions on financing (e.g. agency, commitment, etc.). The deviation found with respect to the previous financial year (EUR 4,969 thousand) is mostly ascribable to the payment that took place in 2014, after a settlement agreement made with the customer, of default interest related to activities progressively carried out in areas of East Africa that are no longer operational.

Lastly, with reference to the charges from investments, it is pointed out that the increase in this item over the previous financial year is for the most part due to the registration of the equity investment risk fund with regard to the subsidiary Astaldi Canada Inc (EUR 16,036 thousand). This allocation became necessary in order to reflect in these financial statements the losses recorded thus far by the investee due mainly to the commercial expenses for taking part in various tenders, as well as to structure expenses. It is also pointed out that the Company in question is developing the Muskrat Falls hydroelectric project in Canada; this initiative has recorded initial difficulties due to circumstances of an operational kind, that penalised its start-up phase. With to the investee’s concrete operative effort, which made it possible to bring production to quite significant levels, the Customer initiated a negotiating and cooperation table, still in progress, with the aim of reaching the re-planning of the activities to be finished and redefining the project’s value. Therefore, in the 2015 Income Statement of Astaldi Canada Inc, the project was valuated within the limit of the incurred expenses, deemed recoverable, and thus adjusting the margin recorded in the previous financial years (equivalent to approximately CAD 15 million) on the basis of the corresponding programmes known at the time.

Analysis of the Impairment losses on equity investments at 31 December 2015 is illustrated in the following table:

Investee	Geographical Area	Coverage of losses	Impairment loss	Provision for risks	Total
Astaldi Construction Corporation	America	0	16,160	0	16,160
Astaldi Canada Inc.	America	0	15	16,036	16,051
Other minor	Italy	175	66	421	662
Other minor	Europe	0	487	901	1,388
Other minor	Africa	0	0	317	317
Other minor	Asia	0	553	0	553
Total		**175**	**17,281**	**17,675**	**35,131**

As regards in particular the impairment loss on the equity investment in Astaldi Construction Corporation, see the specific comments made in note 16 below.

11 Tax expense: EUR 21,500 thousand (EUR 46,806 thousand)

The total amount of the tax expense for the period is EUR 21.500 thousand.

The tax rate for the financial year, including the impact of the IRAP regional tax, was 36% (2014: 42%). They are composed as follows:

	2015	2014	Change
Current income tax (*)	39,165	56,530	(17,365)
Deferred income tax (*)	(3,145)	(14,632)	11,487
IRAP, current tax	578	4,545	(3,967)
IRAP, deferred tax	(23)	132	(155)
Substitute tax and other	(15,075)	230	(15,305)
Total	**21,500**	**46,806**	**(25,306)**

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

The item in question was positively impacted by the overall effects of recent provisions in the matter of international taxation, adopted by the tax authorities nationally, and affecting the previous financial years as well. 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 the purposes of IRAP, an additional positive effect was recorded in comparison with the 2014 financial year, taking into account the considerable increase in productive activities abroad, in addition to the fact that national lawmakers have modified the regulations of reference, making the personnel expenses deductible for the purposes of determining the corresponding basis of assessment.

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

The following is a breakdown of deferred tax assets totalling EUR 53,140 thousand and deferred tax liabilities totalling EUR 8,519 thousand.

	31/12/2015	31/12/2015	31/12/2014	31/12/2014
Equity	***IRES***	***IRAP***	***IRES***	***IRAP***
a) Deferred tax assets deriving from:	**71,124**	**208**	**44,996**	**283**
- taxed provisions for risks	18,184	208	14,940	283
- taxed allowance for impairment – default interest	2,056	0	2,347	0
- exchange rate gains or losses	6,731	0	11,817	0
- Interest expenses pursuant to art. 96 and other minor	44,153	0	15,892	0
b) Deferred tax liabilities deriving from:	**(26,180)**	**(532)**	**(29,139)**	**(532)**
- buildings recognised at fair value in substitution of cost	(3,401)	(532)	(3,752)	(532)
- dividend taxable share	(180)	0	(180)	0
- default interest to be collected	(18,394)	0	(18,836)	0
- foreign items taxable in subsequent financial years	(7,219)	0	(9,526)	0
- others + hedging reserve	3,014	0	3,155	0
c) Net deferred tax assets (a + b)	**44,944**	**(324)**	**15,857**	**(249)**
d) Deferred tax for the year recognised in profit or loss	**(3,145)**	**(23)**	**(14,632)**	**132**

The increase in net deferred tax assets from the 2014 financial year, equal to approximately EUR 29 million, is due essentially to the effects derived from recent provisions in the matter of international taxation, adopted by the tax authorities nationally, and affecting the previous financial years as well.

It is also specified that due to the entry into force of law no. 208 of 28 December 2015 (2016 Stability Law), ordering the reduction of the IRES rate from 27.5% to 24% starting from the 2017 financial year, both the assets for prepaid taxes and the liabilities for deferred taxes, for which the underlying temporary differences will be transferred starting from the 2017 financial year, were adjusted. The net balance of this adjustment was insignificant.

Reconciliation, for income tax (IRES) purposes only, between the tax recognised in the accounts (current and deferred) and the theoretical tax resulting from the application of the current tax rate (27.5%) to the pre-tax profit is the following:

	2015	%	2014	%
Pre-tax profit	**59,918**		**110,950**	
Theoretical income tax	16,477	27.50%	30,511	27.50%
Net effect of permanent increases (decreases)	(369)	(0.62%)	(1,357)	(1.22%)
Net effect of deferred and current taxation of foreign entities and other adjustments	19,911	33.23%	12,744	11.49%
Substitute tax and other	(15,075)	(25.16%)	230	0.21%
IRAP (current and deferred)	555	0.93%	4,677	4.22%
Income tax recognised in the financial statements (current and deferred)	**21,500**	**35.88%**	**46,805**	**42.19%**

12 Earnings per share: EUR 0.39 (EUR 0.66)

Base earnings per share are calculated as follows:

	2015	2014
Numerator (EUR/000)		
Profit of Company's ordinary shareholders	38,418	64,144
Denominator (in units)		
Weighted average shares (all ordinary)	98,424,900	98,424,900
Weighted average treasury shares	(805,387)	(538,435)
Weighted average shares used to calculate basic earnings per share	**97,619,513**	**97,886,465**
Basic earnings per share – (Euro)	**0.3935**	**0.6553**

In this regard, it is pointed out that the existence of the share option plans in favour of managers with strategic responsibilities brings a dilution effect that is not particularly significant. In fact, considering the effect of potential shares already assigned to the beneficiaries with delivery pending, referring to the 2012-2013 windows, as well as those that might be assigned for the 2015 window, a result of EUR 0.3917 is obtained.
It is also pointed out that, as provided for by IAS 33 paragraph 43, the calculation of the diluted earnings did not take into account the hypothetical conversion of the bond issue since, considering the economic effects derived from potential conversion, there would have been an increase in the earnings per share.

13 Property, plant and equipment: EUR 171,692 thousand (EUR 189,155 thousand)

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

	Land and buildings	General and specific plant	Excavators, power shovels, and Vehicles	Sundry equipment and machinery	Assets under construction and payments on account	Total
Amount at 31 December 2014, net of amortisation (1)	34,690	71,530	41,695	19,929	21,311	189,155
Additions from acquisitions	901	13,234	7,689	6,509	3,948	32,281
Gross amount	**35,591**	**84,764**	**49,384**	**26,438**	**25,259**	**221,436**
Depreciation	(1,220)	(22,098)	(14,484)	(8,605)	0	(46,406)
Other disposals	(145)	(254)	(3,948)	(736)	0	(5,083)
Reclassification and transfers	35	14,534	(1,694)	394	(13,269)	0
Net exchange rate gains or losses	11	1,401	1,126	578	(1,650)	1,466
Other changes	0	10	76	951	(758)	279
Amount at 31.12.2015 net of depreciation (2)	**34,273**	**78,357**	**30,460**	**19,020**	**9,582**	**171,692**
(1) of which						
Cost	45,255	151,482	124,463	67,433	21,311	409,943
Accumulated depreciation	(10,564)	(79,952)	(82,768)	(47,504)	0	(220,788)
Carrying amount	**34,690**	**71,530**	**41,695**	**19,929**	**21,311**	**189,155**
(2) of which:						
Cost	45,834	174,849	118,021	72,878	9,582	421,164
Accumulated depreciation	(11,561)	(96,493)	(87,562)	(53,857)	0	(249,472)
Carrying amount	**34,273**	**78,357**	**30,460**	**19,020**	**9,582**	**171,692**

It is specified that the “Assets under construction and payments on account” item mainly includes the costs incurred for the acquisition of equipment – not yet ready for the use for which it is intended – specifically designed for the performance of certain working phases regarding in particular the construction of the Saint Petersburg motorway link in Russia.

The following most significant changes are pointed out:

- The EUR 32,281 thousand increases mainly refer to the investments made for the projects in progress in Russia (WHSD in Saint Petersburg), Chile (Chuquicamata mine), Peru (Cerro de Àguila hydroelectric project), Poland (S-8 Wiśniewo-Meżenin, S-5 Poznań-Wrocław), Turkey (Third Bosphorus Bridge, Etlik Health Campus in Ankara) and Italy (Linea 4, Milan Underground);

- Depreciation for the year totalling EUR 46,406 thousand;
- Disposals made in the year total EUR 5,083 thousand and mainly regard the disposal of assets for projects completed in Central America.

The amount of property, plant and equipment includes a component of leased goods for a net carrying amount of EUR 16,992 as shown in the following table:

	Specific plant	Excavators, power shovels and Vehicles	Sundry equipment and machinery	Total at 31/12/2015
Historical cost	10,564	15,149	1,454	27,166
Accumulated depreciation	(4,389)	(5,305)	(480)	(10,174)
Total	**6,175**	**9,843**	**974**	**16,992**

14 Investment property: EUR 158 thousand (EUR 166 thousand)

The Investment property item, totalling EUR 158 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 8 thousand). 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.

15 Intangible assets: EUR 20,995 thousand (EUR 3,208 thousand)

The item refers essentially (EUR 19,725 thousand) to the carrying amount of the contractual rights acquired from third parties, mostly in the domestic setting, for the performance of the contracts in the construction segment.

In detail, the amount of the intangible assets (i) has grown in comparison with the previous financial year due to the acquisition of the contractual rights related to the completion of the works referring to the so-called Maxi-Lot 2 of Quadrilatero Marche-Umbria (EUR 21,600 thousand) as per note relative to business combinations undertaken in 2015, and (ii) to the contrary, has been reduced in connection with the normal depreciation cycle (EUR 4,213 thousand) made on the basis of the progress of the relevant projects. It is lastly pointed out that the aggregate in question includes no leasing assets.

16 Equity investments: EUR 572,582 thousand (EUR 506,306 thousand)

Investments net of accumulated impairment amounted to EUR 572,582 thousand, for an increase compared to 31 December 2014 of EUR 66,276 thousand.

	31/12/2015	31/12/2014	Change
Subsidiaries	278,456	271,768	6,688
Associates and joint ventures	283,966	234,204	49,762
Other investees	10,160	334	9,826
Total	**572,582**	**506,306**	**66,276**

The changes taking place during 2015 were essentially determined by capital injections made in favour of the following investees:

- EUR 18,258 thousand regarding the subsidiary Astaldi Construction Corporation. With reference to the latter Company, it is also specified that during the financial year, given the presence of impairment indicators, the investee's carrying amount was aligned with the corresponding recoverable amount as described more fully below in this note;
- EUR 5,620 thousand referring to the subsidiary Astur Construction and Trade A.S.;
- EUR 47,294 thousand in relation to the associate Otoyol Yatirim Ve Isletme A.S, holder of the concession for the design, construction, and operation of the new Gebze-Orhangazi-Izmir motorway in Turkey;
- EUR 9,825 thousand in favour of Linea M4 S.p.A., holder of the concession for the construction, maintenance, and operation of Milan Underground line M4.

Lastly, it is specified that the carrying amount of the investments, in continuity with the previous financial year, are presented net of the capital proceeds yet to be paid in on subscribed shares and/or quotas.

16.1 Impairment tests

Astaldi Concessioni S.p.A.

During the financial year, given the presence of impairment indicators found following the final balance of the result in the Concession of the Mondial Milas – Bodrum Airport in Turkey, which reached its natural expiration this past month of October, the recoverable amount of the investment in Astaldi Concessioni S.p.A. was checked.

Specifically, the recoverable amount of Astaldi Concessioni was calculated using income statement and statement of financial position data regarding the holding and the individual subsidiaries and investees (Investee Companies).

In this way, the value of the investees' economic capital was estimated separately, using a bottom-up logic that made it possible to replace, at all levels, the carrying amount of equity investments with the respective pro-quota economic value.

The following is a summary table showing the main data on the measurement techniques used to identify the economic value of the main investees:

Corporate name	Project	Concession phase	% held	Ke	Measurement method
Re.Consult Infrastrutture S.p.A.	Holding - Brescia-Padua motorway	n.a.	31.85%	n.a.	Sum of the Parties
Inversiones Assimco Limitada	Chacayes hydroelectric plant in Chile	Operation	100.00%	8.06%	DDM
Ankara Etlik Hastante A.S.	Etlik hospital in Ankara – Turkey	Construction	46.00%	12.73%	DDM
Valle Aconcagua S.A.	"Relaves" plant in Chile	Operation	77.51%	8.06%	DDM
Sociedad Concesionaria Metropolitana de Salud S.A.	West Metropolitan Hospital in Santiago de Chile	Construction	99.99%	9.24%	DDM
Sociedad Concesionaria Nuevo Pudahuel S.A	Arturo Merino Benítez international airport in Chile	Construction	15.00%	9.24%	DDM

As regards the impairment test carried out, the following is pointed out:

- The economic value of the jointly controlled entity Re.Consult Infrastrutture S.p.A. was estimated by measuring the only asset held by Re.Consult, consisting of the investment in the A4 Holding Group. As concerns in particular the techniques for the measurement of the economic capital of the A4 Group – estimated on the basis of a report done by an independent expert – it is pointed out that the main asset, the Brescia-Padua motorway, the operator, (equalling 95% of the total valuation), was measured with a multitude of criteria widely applied in practise for these business categories, and that is (i) the financial criterion in the unlevered version; (ii) the market multiples criterion, using the

"Enterprise Value/operating profit(loss)" multiple. Considering the importance of this investment, the simultaneous use of two criteria made it possible to mutually compare the results of each.
More specifically, as regards the financial criterion, the following are the main applicative choices made in measuring the Concessionaire:

a. The operative cash flows are estimated, in the analytical period (2016-2026), by assuming as a reference the "gross operating margins" (or Ebitda) forecast by the 2014 business plan, reduced by the pertinent tax effect; these net margins are then corrected to take into account: i) the changes in net working capital ii) the changes in the provisions for risks and charges, and iii) the investments in fixed capital (capex);
b. As regards the estimate of the Terminal Value, two different scenarios were hypothesised: (i) in the scenario hypothesising that the concession is not renewed, the terminal cash flow is taken as equal to the value of the residual net asset at the end of 2026, (ii) in the scenario hypothesising renewal, at the flow for the first year following the extension of the Concession (2027) capitalised over a 20-year horizon;
c. The discount rate used corresponds with the weighted average cost of capital (WACC) equal to 6.88%. It is specified that for the purposes of calculating the WACC, the cost of debt capital takes the pertinent tax effect into account. In the scenario hypothesising renewal of the concession, it was deemed appropriate to differentiate the cost of own capital between the analytical forecast period and the period following it, in such a way as to appreciate, in the terminal period, the greatest level of risk connected with a set of factors, including uncertainty of the renewal of the convention with the commissioning body. Towards this end, the cost of own capital in the terminal period is supplemented by a premium for specific risk (2.0%); for this reason, the Terminal Value WAAC was 8.08%;
d. The long-term growth rate (g) is taken as equal to the inflation rate provided for in the Plan (1%).

The other minor assets were assessed at fair value or at use value. For the purpose of the quantification of the fair value of the investment in Re.Consult, account was also taken of the so-called "control premium" over the A4 group by virtue of the fact that the vehicle, starting from the 2014 financial year, has exercised control over the majority of the voting rights of A4 Holding. It is also specified that for the purposes of this measurement, an intermediate value was used, between the segment deemed consistent by the hired expert, such as to make the economic value of Re.Consult equivalent to the carrying amount of said investee as resulting from the consolidated financial statements of the Astaldi Group;

- The economic value of the subsidiary Inversiones Assimco Limitada, indirect holder of the concession related to management of the Chacayes hydroelectric plant in Chile, was estimated using the dividend discount model (DDM), discounting the future dividends forecast by company management at a rate of 8.06%, representing the Ke of the company in question. In order to apply said method, the financial plan of the subsidiary, formulated by the company's bodies, was used, projected over the concession duration. As regards the effect of the financial variables adopted on the measurement, it must be noted that the difference of +50/-50 bps in the discounting rate would entail a difference of approximately EUR (9,436)/10,958 thousand in the project's economic value;

- The economic value of Ankara Etlik A.S., holder of the concession for the design, construction and management of non-healthcare and commercial services of the new Etlik health campus, was estimated using the dividend discount model (DDM), discounting the future dividends forecast by company management at a rate of 12.73%, representing the Ke of the company in question. In order to apply said method, the financial plan of the investee, formulated by the company's bodies, was used, projected over the concession duration. As regards the effect of the financial variables adopted on the measurement, it must be noted that the difference of +50/-50 bps in the discounting rate would entail a difference of approximately EUR (6,702) /7,384 del thousand in the project's economic value;

- The economic value of the subsidiary Valle Aconcagua S.A., holder of the concession for the design and management of a plant for the recovery of copper and molybdenum contained in processing waste of mines owned by Codelco (Chiles' national copper corporation), was estimated using the dividend discount model (DDM), discounting the future dividends forecast by company management at a rate of 8.06%, the Ke of the company in question. For the purposes of the application of this method, use was made of the subsidiary's financial plan, prepared by the Company's bodies, projected over the duration of the concession. As to the effect on the measurement of the financial variables adopted, it is pointed out that the +50/-50 bps variation in the discount rate would mean a variation of about EUR (1.181) /1,291 thousand in the project's economic value;

- The economic value of Sociedad Concesionaria Metropolitana de Salud s.a., holder of the concession for the design, construction, and management of the Western Metropolitan Hospital of Santiago de Chile, was estimated using the "dividend discount model" (DDM) method, by discounting the future financial dividends expected by company management at a rate of 9.24%, representing the company's Ke. In order to apply said method, the financial plan of the subsidiary, formulated by the company's bodies, was used, projected over the concession duration. As to the effect on the measurement of the adopted financial variables, it is pointed out that a variation of +50/-50 bps in the discounting rate would result in a variation of about EUR (1,509)/1,583 thousand in the project's economic value;
- The economic value of "Sociedad Concesionaria Nuevo Pudahuel S.A" holder of the concession for the expansion and operation of Arturo Merino Benìtez International Airport in Santiago, Chile., was estimated using the "dividend discount model" (DDM) method, by discounting the future financial dividends expected by company management at a rate of 9.24%, representing the company's Ke. In order to apply said method, the financial plan of the subsidiary, formulated by the company's bodies, was used, projected over the concession duration. As to the effect on the measurement of the adopted financial variables, it is pointed out that a variation of +50/-50 bps in the discounting rate would result in a variation of about EUR (1.353)/1.477 thousand in the project's economic value.

The results of the impairment test showed that there was no need to recognise any impairment loss on the equity investment in Astaldi Concessioni S.p.A.

Veneta Sanitaria Finanza di Progetto S.p.A. (V.S.F.P. S.p.A.)

As regards the Concession for the Construction and Operation of the new hospital in Venice-Mestre ("Ospedale dell'Angelo"), it is pointed out that at June 2015, the partial award was pronounced, with which the Arbitration Board – in the arbitration brought by the associate Veneta Sanitaria Finanza di Progetto S.p.A. (V.S.F.P. S.p.A.) during 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 Concessionaire, both in the construction phase and in the project operation phase, also declaring illegitimate the decisions for self-reduction of contractual rates adopted by the Grantor. The Board, however, automatically found the applicability to the concession of the supervening regulations pursuant to Legislative Decree no. 95/2012 (the "Spending Review"), ascertaining and declaring that the rates to which the concessionaire 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 rate framework established by the CTU, and determined at EUR 19 million the credit payable to V.S.F.P. S.p.A. for the services rendered throughout 2014. 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. These circumstances are specific indicators of impairment, which led the Company to carry out the corresponding tests to assess the recoverability of the investment. As regards in particular the verification of the recoverable amount of V.S.F.P. S.p.A., it is specified that it is considered equal to the corresponding use value determined using the "dividend discount model" (DDM) method, by discounting the future financial dividends expected by company management at a rate of 7.67%, representing the company's Ke. For the purposes of applying this method, the business plan of the

"Associate" was used, projected over the residual duration of the concession said company holds (2016-2032). This plan reflects the assumptions made by the associate's management with regard to the dispute vis-à-vis the grantor – substantially positive, moreover, for the investee.

The results of the impairment test showed that there was no need to recognise any impairment loss on the carrying amount of the investee.

It is also pointed out out that the sensitivity analysis that was performed shows how the reasonable variation in the measurement of the financial parameters used with regard to determining the discounting rate (+100 bps) would confirm the substantial maintenance of headroom, and a hypothetical variation of -10% in the flow of dividends on a linear basis in all the years of the plan would confirm the investee's endurance.

Astaldi Construction Corporation

Upon the close of the financial year, given the presence of impairment indicators, the recoverability of the investment referring to that held in Astaldi Construction Corporation (A.C.C.) was verified.

As regards in particular the verification of the recoverable amount of A.C.C., it is pointed out that it is considered equal to the corresponding use value determined using income method by discounting the net income of the subsidiary as resulting from the 2016-2018 Budget approved by A.C.C.'s Board of Directors at the Ke of the company in question, equal to 11.31%. In particular, it is specified that:

a) The 2016–2018 economic projects resulting from the subsidiary's Budget were conservatively reduced to introduce appropriate adjustments to the hypotheses regarding the new initiatives (-30% on the economic projections referring to the new initiatives);
b) The net income of the projects in the backlog, forecast over the plan's horizon, were at any rate included in the calculation in question;
c) Moreover, out of prudence, no Terminal Value was considered.

The current value thus determined was then converted into Euros, applying the exchange rate (€/$) at 31 December 2015, equal to 1.0887.

The results that were obtained showed the need to make impairment adjustments on the carrying amount of the investment being tested, as the recoverable amount (EUR 10,066 thousand) was less than the respective carrying amount (EUR 26,200 thousand). The investee's impairment, equal to EUR 16,134 thousand, is reflected in the "impairment losses on equity investments" item of the aggregate of financial expense in the statement of profit (loss).

The following are the results of the sensitivity analysis that was performed:

- The reasonable difference in the measurement of the financial parameters used as to determining the discount rate (-50/+50 bps) would entail a corresponding difference of approximately EUR 100/-100 thousand in the recoverable amount of the equity investment;
- The reasonable difference in the adjustments referring to the economic projections of the new initiatives of -5%/+5% would entail a corresponding difference of approximately EUR 2,900/-2,900 thousand in the recoverable amount of the equity investment.

With regard to the verification of the recoverability of the value of additional investments entered in these financial statements, to date no impairment indicators that have determined the need to proceed with additional specific tests are believed to have emerged.

17 Financial assets

17.1 Non-current financial assets: EUR 319,798 thousand (EUR 224,891 thousand)

The following table shows the composition of non-current financial assets:

	31/12/2015	31/12/2014	Change
Non-current loan assets	227,629	126,565	101,064
Other financial assets - investees	92,045	98,216	(6,171)
Other financial assets - third parties	124	81	43
Derivatives	0	29	(29)
Total	**319,798**	**224,891**	**94,907**

The item "Non-current loan assets" substantially refers to market-rate interest-bearing loans given to Special Purpose Vehicles and Joint Ventures, that express the financial support to the operative strategy, particularly in the concessions business.

The following is the amount of the loans made the main Special Purpose Vehicles and Joint Ventures:

	31/12/2015	31/12/2014	Change
Ica Ic Ictas-Astaldi Kuzey Marmara Otoyolu	140,416	55,650	84,766
Otoyol Yatirim Ve Isletme A.S	45,703	40,449	5,254
Metro 5 S.p.A.	32,462	24,736	7,726
SA.T. S.p.A.	6,806	3,868	2,938
Veneta Sanitaria di Progetto SpA	1,992	1,862	130
Ankara Etlik Hastante A.S.	250	0	250
Total	**227,629**	**126,565**	**101,064**

For "Other financial assets – Investees," see the financial statements annex regarding transactions with related parties.

17.2 Current financial assets: EUR 128,800 thousand (EUR 20,933 thousand)

Current financial assets, totalling EUR 128,800 thousand, grew from the previous financial year by EUR 107,867 thousand, and consist of the following:

	31/12/2015	31/12/2014	Change
Securities in portfolio	1,153	1,159	(6)
Derivatives	332	356	(24)
Current loan assets	127,315	19,418	107,897
Total	**128,800**	**20,933**	**107,867**

"Current loan assets" grew by EUR 107.897 thousand from the previous financial year, due mainly to:

- the temporary loan to finance the operating activities performed in Canada (EUR 20,195 thousand);
- the sums loaned to the subsidiary Astaldi Concessioni S.p.A. in order to give it the resources to meet the considerable investments made during the period (EUR 76,152 thousand).

The agreements governing the mentioned loans, also in terms of repaying the investment, also include the repayment of the sums in question by the end of the 2016 financial year.

18 Other assets

18.1 Other non-current assets: EUR 40,085 thousand (EUR 44,646 thousand)

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

	31/12/2015	31/12/2014	Change
Indirect tax	19,731	8,341	11,390
Direct tax	5,932	21,023	(15,091)
Tax assets	**25,663**	**29,364**	**(3,701)**
Advances to suppliers and subcontractors	4,765	1,216	3,549
Guarantee deposits	2,617	3,416	(799)
Prepaid insurance premiums	5,248	7,561	(2,313)
Prepaid surety commissions	1,091	981	110
Other prepayments	698	2,108	(1,410)
Receivables vis-à-vis employees	3	0	3
Other assets	**14,422**	**15,282**	**(860)**
Total	**40,085**	**44,646**	**(4,561)**

The change in the tax assets refers substantially to (i) the growth in VAT receivables collected by the financial administration, regarding in particular the Turkish area and referring mostly to receivable initiatives in consideration of the particular applicable tax regime, (ii) the decrease in indirect taxes, due substantially to initiatives in progress in the Turkish area, recorded by effect of the use of tax withholding done at the source by customers against the taxes owed.

18.2 Other current assets: EUR 395,693 thousand (EUR 343,384 thousand)

Other current assets, totalling EUR 395,693 thousand, increased by EUR 52,309 thousand from the previous financial year.

	31/12/2015	31/12/2014	Change
Receivables from third parties for the sale of goods and services	251,641	189,869	61,772
Advances to suppliers and subcontractors	125,033	136,101	(11,068)
Receivables from employees	537	2,989	(2,452)
Receivables from social security institutions	3,508	2,538	970
Prepaid insurance premiums	2,604	778	1,826
Prepaid commissions on sureties	1,573	1,265	308
Other prepayments	1,673	1,151	522
Other sundry loans and receivables	9,124	8,693	431
Total	**395,693**	**343,384**	**52,309**

The item “Receivables from third parties for of the sale of goods and services” totalling EUR 251,641 thousand, up by EUR 61,772 thousand from the previous year, mirroring what was indicated for the other income item, refers to individual components not directly related to the production activities for the Company’s works, but nevertheless accessory to the core business and continuing over time. The following is the breakdown of this item by geographical area:

	31/12/2015	%	31/12/2014	%	Change
Italy	100,512	39.94%	50,086	26.38%	50,426
Europe	91,498	36.36%	93,700	49.35%	(2,202)
America	44,090	17.52%	28,463	14.99%	15,627
Africa	10,525	4.18%	16,013	8.43%	(5,488)
Asia	5,016	1.99%	1,607	0.85%	3,409
Total	**251,641**	**100.00%**	**189,869**	**100.00%**	**61,772**

The item "Advances to suppliers and subcontractors for EUR 11,068 thousand, referring essentially to the projects in progress in the South American area, and in particular due to the normal use – mostly related to the substantial completion of the Cerro del Águila Hydroelectric Project in Peru – of the contractual advances paid, deducted from the amount owed for the services rendered by the subcontractors.

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

	31/12/2014	Accruals	Uses Profit or Loss	Uses Statement of financial position	Exchange rate differences and other movements	31/12/2015
Allowance for impairment	(4,011)	0	0	0	(55)	**(4,066)**
Total	**(4,011)**	**0**	**0**	**0**	**(55)**	**(4,066)**

19 Inventories: EUR 56,813 thousand (EUR 53,875 thousand)

This item has the following composition:

	31/12/2015	31/12/2014	Change
Raw materials, consumables and supplies	55,980	53,563	2,417
Goods and materials in transit	833	312	521
Total	**56,813**	**53,875**	**2,938**

In greater detail, the following table shows the geographical breakdown of inventories:

	31/12/2015	%	31/12/2014	%	Change
Italy	5,626	9.90%	2,729	5.07%	2,897
Europe	15,805	27.82%	15,296	28.39%	509
America	29,491	51.91%	26,596	49.37%	2,895
Africa	5,891	10.37%	9,254	17.18%	(3,363)
Total	**56,813**	**100.00%**	**53,875**	**100.00%**	**2,938**

The increase in the domestic setting is ascribable mainly to the start of activities related to the works on Maxi-Lot 2 of Quadrilatero Marche-Umbria.

For the foreign segment, the following is pointed out (i) the increase recorded in Poland (national road S-8) and in Chile (Chuquicamata mining project) connected with the greater production volumes recorded during the 2015 financial year (ii) the decline recorded in the African area, referring substantially to the completion of some working phases pertaining to the Saida Tiaret railway in Algeria and the consequent use of inventories at 31 December 2014.

20 Amounts due from customers: EUR 1,115,495 thousand (EUR 987,967 thousand) Amounts due from customers: EUR 364,063 thousand (EUR 425,432 thousand)

These items are shown in the following table:

	31/12/2015	31/12/2014	Change
CURRENT ASSETS			
Contract work in progress	11,882,659	9,638,967	2,243,692
Allowance for impairment losses on contracts	(10,332)	(8,299)	(2,033)
Total Contract work in progress	**11,872,327**	**9,630,668**	**2,241,659**
Progress billings	(10,756,832)	(8,642,701)	(2,114,131)
Total amounts due from customers	**1,115,495**	**987,967**	**127,528**

CURRENT LIABILITIES			
Contract work in progress	2,586,169	2,715,397	(129,228)
Allowance for impairment losses on contracts	(689)	(645)	(44)
Total Contract work in progress	**2,585,480**	**2,714,752**	**(129,272)**
Progress payments	(2,645,813)	(2,817,469)	171,656
Subtotal	**(60,333)**	**(102,717)**	**42,384**
Contractual advances	(303,730)	(322,715)	18,985
Total amounts due to customers	**(364,063)**	**(425,432)**	**61,369**

Contract work in progress, recognised separately in the amounts recognised under amounts due from customers and those under amounts due to customers, has, for the overseas sector, shown an increase with reference in particular to the greater production volumes achieved during 2015, with regard to the works in progress in Turkey (Third Bosphorus Bridge, Gebze-Orhangazi-Izmir motorway).

Contract works in progress also grew in the domestic setting, mainly in the sector of transport infrastructure (Line 4 and Line 5 of the Milan Underground, Maxi-Lot 2 of Quadrilatero Marche-Umbria).

Also to be pointed out, for the European area, is the decrease in the contract work in progress in Russia, which benefit from the regular trend of the activity of certification of the contractual payments by the customer, with reference to the works performed for the Saint Petersburg motorway link.

Lastly, we point to the decrease in the contractual advances item recorded above all due to the partial recovery, against the contractual payments accruing in the reference period, in the area of the works to build the Saint Petersburg motorway link in Russia and the railway works in Algeria. This effect is moreover offset by what was collected during the financial year for the works to build the Etlik health campus in Turkey, and with reference to the M-11 Moscow-Saint Petersburg motorway in Russia.

21 Trade receivables: EUR 752,412 thousand (EUR 909,426 thousand)

Trade receivables show a decrease from the previous financial year by about EUR 157,014 thousand, and consist of the following:

	31/12/2015	31/12/2014	Change
Customers	573,909	687,551	(113,642)
Subsidiaries	183,097	226,472	(43,375)
Parents	0	3	(3)
Allowance for impairment	(4,594)	(4,600)	6
Total	**752,412**	**909,426**	**(157,014)**

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

	31/12/2015	%	31/12/2014	%	Change
Italy	289,810	38.52%	337,964	37.16%	(48,154)
Europe	129,744	17.24%	234,165	25.75%	(104,421)
America	321,096	42.68%	317,851	34.95%	3,245
Africa	11,444	1.52%	16,242	1.79%	(4,798)
Asia	318	0.04%	3,204	0.35%	(2,886)
Total	**752,412**	**100.00%**	**909,426**	**100.00%**	**(157,014)**

With regard to the geographical breakdown of trade receivables, a sharp reduction was recorded,: (i) in the domestic setting, attributable to the collection of part of the payments accrued for the works performed to build Line 4 of the Milan Underground, the Jonica national road, and the Pedemontana Lombarda motorway, and (ii) in the European area, attributable to the collection of certain milestones referring to the works to build the Third Bosphorus Bridge and the Gebze-Orhangazi-Izmir motorway in Turkey.

As regards the American area and more particularly Venezuela, it is pointed out that the Group's exposure to the local government at 31 December 2015 amounts to, net of contract advance payments, to EUR 267 million, showing no significant variations from 2014.

During the financial year, collections were recorded with regard to the Puerto Cabello-La Encrucijada section for a total consortium amount for a countervalue of approximately EUR 130 million. This circumstance, which at the Group level, in consideration of the continued limited production levels brought about a limited collection (EUR 15 million), would still confirm the Venezuelan Government's will to continue the activities of infrastructural development in the transport sector, deemed at any rate to be of considerable importance to the country, for those sections deemed to be of greater commercial interest.

The realisable value of these receivables was also appreciated by the Management of the Parent Company, due to the fact that: (i) the contracts are carried out under the aegis of a bilateral agreement between the Italian and Venezuelan governments, and (ii) the institutional actions aimed at normalising the contracts situation, pending a return to normality of the country's overall situation, are continuing within the context of the complex political relationships that have always existed between the two countries.

With regard to the receivables referable to the *Chaguaramas-Cabruta* and *San Juan de Los Morros-San Fernando de Apure* railway projects (the "southern Lots"), it is specified that these are expressed at their corresponding present amount, as measured on the basis of what is reported in the financial expenses in note 10 above, and thus taking into account the priorities that the current administration has assigned to the various types of infrastructure in progress in the country.

Lastly, as regards movements in the allowance for impairment, it is pointed out that during 2015 no new elements in comparison with what was already noted in the comparative financial year emerged that were such as to require changes as to the estimates on the recoverability of receivables.

22 Tax assets: EUR 101,892 thousand (EUR 72,618 thousand)

This item consists of the following:

	31/12/2015	31/12/2014	Change
Indirect tax assets	58,029	51,777	6,252
Direct tax assets	44,061	21,039	23,022
Allowance for impairment	(198)	(198)	0
Total	**101,892**	**72,618**	**29,274**

The increase in the "indirect tax assets" item is recorded above all with reference to projects underway in Italy, Turkey, Chile, Peru and Russia. The reference is in substance to the billing dynamics ascribable to certain projects operating under VAT exemption regime for the customer, as well as by effect of the split payment regime introduced to Italy in 2015. For these positions, the procedures provided for by the regulations in force for recovery are regularly activated.

Also increasing are the "Direct tax assets" determined when paying the corporate income taxes by effect of the Foreign Tax Credit, and for these reason to be read jointly under the corresponding debt item as per Note 29. The additional effect is to be referred to the deposits paid during the financial year and recovered following the new regulatory framework that was outlined during the financial year, on the tax regime of certain initiatives carried out in partnership on overseas markets.

23 Cash and cash equivalents: EUR 455,140 thousand (EUR 467,231 thousand)

Cash and cash equivalents fell by EUR 12,091 thousand the 2014 financial year and consist of the following:

	31/12/2015	31/12/2014	Change
Bank and post office accounts	454,794	466,984	(12,190)
Cash-in-hand and cash equivalents	346	247	99
Total	**455,140**	**467,231**	**(12,091)**

In terms of geographical breakdown this item is as follows

	31/12/2015	%	31/12/2014	%	Change
Italy	93,829	20.62%	173,485	37.13%	(79,656)
Europe	270,866	59.51%	218,794	46.83%	52,072
America	62,557	13.74%	59,767	12.79%	2,790
Africa	21,507	4.73%	15,177	3.25%	6,330
Asia	6,381	1.40%	8	0.00%	6,373
Total	**455,140**	**100.00%**	**467,231**	**100.00%**	**(12,091)**

23.1 Disclosure on the statement of cash flows

The cash flow rates for the 2015 financial year show an overall decrease in net cash and cash equivalents of EUR 12,091 thousand, against an EUR 164,644 thousand increase recorded in the 2014 financial year.

Cash flows from operating activities

Cash flows from operating activities during the 2015 financial year, equal to EUR 39,802 thousand, reflects (i) the effect derived from the acceleration of production activities, particularly overseas, which brought with it an increase in contract work (Third Bosphorus Bridge, Gebze-Orhangazi-Izmir motorway in Turkey), (ii) the results of the partial recovery of the advances received from customers against the payments accrued in the reference period, in the context of the works to construct the St. Petersburg motorway link in Russia and the Algerian railway works, (iii) as well as the benefit related to the collections of receivables from customers recorded in Italy (Line 4 and Line 5 of the Milan Underground, Jonica national road, Pedemontana Lombarda motorway) and overseas (Third Bosphorus Bridge in Turkey).

Cash flows from investing activities

Cash flows from investing activities in the 2015 financial year came EUR 296,765 thousand, and may be attributed mainly to:

- For EUR 12,661 thousand, equity invested in initiatives in concession ascribable essentially to the project companies Otoyol Isletme Ve Bakim A.S., Ankara Etlik Hastante A.S and Linea M4 S.p.A.;
- For about EUR 30,200 thousand, equity invested in Companies operating in the Constructions sector, referable essentially to the investees Astaldi Construction Corporation and Astur Construction and Trade A.S.;
- For EUR 125,171 thousand, subordinated loans regarding Joint Ventures and Special Purpose Vehicles active in initiatives under concession (Third Bosphorus Bridge, Gebze-Orhangazi-Izmir motorway and Line 5 of the Milan Underground);
- For EUR 59,319 thousand, net sums invested in the subsidiary Astaldi Concessioni S.p.A. in order to provide it with the necessary resources to be able to face the major investments made during the period;
- For about EUR 20,194 thousand, sums invested in the subsidiary Astaldi Canada Inc for the temporary financing of operating activities carried out in the country;
- For the remainder, chiefly capital invested in technical apparatus and equipment for construction contracts and for the financing of certain activities done in partnership in Turkey.

Cash flows from financing activities

During the 2015 financial year, the management of financing activities produced financial resources for EUR 324,476 thousand. These flows essentially regard the net liquid cash flows acquired following the partial use (EUR 135,000 thousand) of the revolving credit facility subscribed in November 2014, as well as of additional existing committed and uncommitted credit lines. This effect is therefore partially mitigated by the cash flows used to pay the dividends to the Company’s shareholders for EUR 19,522 thousand.

24 Equity: EUR 616,174 thousand (EUR 600,661 thousand)

24.1 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 31 December 2015, according to the Shareholders’ Register 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.	39,506,495	40.139%
Finetupar International S.A.	12,327,967	12.525%
Total Fin.Ast. S.r.l.	**51,834,462**	**52.664%**
FMR LLC	5,150,042	5.232%
NORGES BANK	2,015,088	2.047%
Total shareholders with significant investment	**58,999,592**	**59.944%**
Treasury shares	800,770	0.814%
Market	38,624,538	39.243%
Grand total	**98,424,900**	**100.000%**

On 31 December 2015, outstanding shares thus totalled 97,624,130 (97,528,399 shares at 31 December 2014) and recorded a decrease, compared with the previous financial year, of 95,731 shares calculated as follows:

Shares outstanding in 2015	
01/01/2015	**97,528,399**
Outgoing with buy-back	(937,142)
Incoming for buy-back and the stock grant plan	1,032,873
31/12/2015	**97,624,130**

The shares of the Parent gradually granted to employees under the stock grant plan totalled 1,423,718 shares at the end of the year (1,230,971 shares at the end of 2014).

24.2 Other financial instruments giving the right to subscribe newly-issued shares

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

Starting from January of the last financial year, the bonds can become convertible into ordinary shares of the Company, 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 Company 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 prices were submitted to the company.

24.3 Treasury shares: EUR 1,602 thousand (EUR 1,793 thousand)

The treasury shares owned by the Company at the end of the year totalled 800,770 equivalent to 0.814% of share capital (896,501 shares in 2014), with the nominal amount totalling EUR 1,602 thousand being recognised in accordance with the IFRS as a decrease of the share capital.

24.4 Reserves: EUR 382,508 thousand (EUR 341,460 thousand)

The following table shows the breakdown of the grouping of reserves:

	31/12/2015	31/12/2014	Change
Legal reserve	31,141	27,934	3,207
Extraordinary reserve	293,097	253,131	39,966
Retained earnings (Losses carried forward)	77,258	77,258	0
Other reserves	39,843	39,818	25
Other comprehensive expense	(61,557)	(59,835)	(1,722)
Deferred taxation from other comprehensive expense	2,726	3,154	(428)
Total	**382,508**	**341,460**	**41,048**

- **Legal reserve**

The legal reserve increased by EUR 3,207 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 39,966 thousand. In detail:

- EUR 40,773 thousand as the remaining amount of the allocation of profit for the 2014 financial year;
- EUR -808 thousand as a result of the buy back transactions.

With regard to buy-back 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 5,814 thousand and pursuant to the relevant accounting standards, applying EUR 4,212 thousand to reduce the Extraordinary Reserve and Euro 1,602 thousand corresponding to the nominal amount of treasury shares in the portfolio, to reduce the share capital.

- **Retained earnings and losses carried forward**

This item covers the economic effects of the previous financial years derived from joint arrangements structured through separate vehicles.

- **Dividends**

In 2015, dividends totalling EUR 19,522,029 were paid (EUR 18,700,731 in 2014). The dividend approved at the General Meeting of 23 April 2015 of EUR 0.20 per share (EUR 0.19 in 2014), was paid on 13 May 2015, ex-dividend date on 11 May 2015; likewise, part of the profit for the year 2014, EUR 641 thousand, was allocated to the provision pursuant to art. 27 of the Company's by-laws.

- **Other reserves**

The composition of this item is shown in the following table:

	31/12/2015	31/12/2014	Change
Stock grant reserve	2,045	3,093	(1,048)
IFRS FTA	(21,631)	(21,631)	0
IFRIC 11 FTA	34,873	34,873	0
IFRIC 12 FTA	9,739	9,739	0
Reserve for trading in treasury shares	3,817	2,744	1,073

Goodwill	11,000	11,000	0
Total	**39,843**	**39,818**	**25**

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 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, and the amount recorded following subsequent endorsements of IFRS compared to the FTA.

Separately, the IFRS 11 FTA reserve was recorded, determined at the first application of IFRS 11, within the context of redefining the regulations on "joint arrangements."

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 buy-back plan.

The "goodwill" reserve originated from the merger of Italstrade S.p.A., an important company operating in the construction segment and completed in previous periods (2001-2006); it represents the difference between the carrying amount of the investment and the corresponding portion of the equity of the incorporated assets.

- **Other comprehensive income**

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

	Hedging reserve	Translation reserve	Net actuarial losses on defined benefit plans	Deferred taxes from OCI	Total
Balance at 01 January 2014	(11,540)	(10,481)	(243)	3,173	(19,091)
Changes for the year	72	(37,466)	(177)	(19)	(37,590)
Balance at 31 December 2014	**(11,468)**	**(47,947)**	**(420)**	**3,154**	**(56,681)**
Changes for the year	716	(2,638)	199	(428)	(2,151)
Balance at 31 December 2015	**(10,752)**	**(50,584)**	**(221)**	**2,726**	**(58,831)**

The negative effect deriving from translation of the income statement and statement of financial position items denominated in currencies other than the Euro is essentially attributable to the translation of items expressed in Roubles with reference to Joint Operations operating in Russia.

24.5 Capital management

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

A) Qualitative information

By capital, the Company means both shareholder contributions, and operating profit (retained earnings and other reserves). On the other hand, the Company 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 company to undertake this hedging.

The objectives identified by the Company regarding capital management are the creation of value for shareholders as a whole, the safeguarding of the continuation of business and support to the growth. The Company 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 Company 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 Company pursues the constant improvement of the profitability of the business segments where it operates.

To complete the qualitative disclosure, it is pointed out that the Company has respected the financial covenant required with reference to corporate "committed" borrowing with banks financing the company. For further information, see note 25 below.

B) Quantitative information

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

	31/12/2015	31/12/2014
A – Total financial debt	**(1,121,782)**	**(867,320)**
Total equity	616,174	600,661
Less amounts accumulated in equity for cash flow hedges	(10.752)	(11,468)
B – Adjusted capital	**626,926**	**612,129**
C - Debt/Capital ratio (A/B)	**1,79**	**1,42**

24.6 Availability of equity reserves pursuant to Art. 2427 no. 7-bis of the Italian Civil Code

With reference to the availability of the equity reserves pursuant to Art. 2427 no. 7-bis of the Italian Civil Code, see the following table:

	31/12/2015	Possibility of use*	Available amount
Share capital	195,248		
Reserves			
• Legal reserve	31,141	B	
• Extraordinary reserve	293,097	A,B,C	293,097
• (Negative) goodwill	11,000	A,B,C	11,000
• Reserves (negative balances) from change in standards	22,980	A,B,C	22,980
• Stock grant reserve	2,045		
• Profit realised and allocated directly to equity **	3,817	A,B,C	3,817
• Retained earnings (losses carried forward)	77,258	A,B,C	77,258
• Other components of the comprehensive income statement	(58,831)		
Total	**577,756**		

* A: for capital increase – B: for coverage of losses – C: for distribution to shareholders
** Net profit realised by negotiation of treasury shares

25 Financial liabilities

25.1 Non-current financial liabilities: EUR 1,270,075 thousand (EUR 1,152,004 thousand)*

Non-current financial liabilities show a total increase of EUR 118,071 thousand, and consist of the following:

	31/12/2015	31/12/2014	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	(7,772)	(9,731)	1,959
Cash Settlement Option - Fair Value	6,925	4,635	2,290
Total Bonds	**879,153**	**874,904**	**4,249**
Bank loans and receivables	390,615	274,044	116,571
Loans backed by personal guarantees	3,136	3,363	(227)
Finance lease payables	2,761	5,615	(2,854)
Bank loans and borrowings and finance lease payables - Nominal amount	**396,513**	**283,022**	**113,491**
Loan commissions	(14,161)	(15,788)	1,627
Hedging derivatives	6,843	7,430	(587)
Total bank loans and borrowings and finance lease payables	**389,195**	**274,665**	**114,530**
Loans and borrowings – subsidiaries	145	216	(71)
Loans and borrowings - associates and joint ventures	1,580	1,634	(54)
Loans and borrowings -other investees	0	585	(585)
Total	**1,270,075**	**1,152,004**	**118,071**

(*) Included in the NFP for an amount of EUR 1,254,580 thousand (2014: EUR 1,137,504 thousand)

The overall increase shown in this item, compared to 2014, is to be related to investments in Italy and 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 Euro 6,925 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.

As of December 2015, the Company’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 yearly coupon of 7.125% and the issue price is 100%. The bonds have received ratings of B1 (Moody’s), B+ (Fitch) and B+ (S&P), have been offered exclusively to qualified investors, and are quoted on the official listings of the Luxembourg stock exchange
- 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 500,000 thousand and entirely combinable with them, were placed at a price equal to 102.250% of their nominal amount by the same banks that acted for the placement of the first senior unsecured bond issue.

- 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 500,000 thousand and entirely combinable with them, were placed at a price equal to 105.000% of their nominal amount by the same banks that acted for the placement of the first senior unsecured bond issue.

The following table provides the key data with regard to the aforementioned bonds:

Type of financing	Expiry	Coupon	Outstanding 31/12/2015
Bond (*Equity Linked*)	January 2019	Six-month 4.5%	130,000
Bond (*Senior Unsecured*)	December 2020	Six-month 7.125%	750,000
Total bonds			**880,000**

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 2015, the value of the notes for equity linked bonds was 102.55, while the value of the senior unsecured bonds was 99.01.

The total fair value of the bonds at 31 December thus equals EUR 875,912 thousand.

Bank loans and loans backed by personal guarantees

Among the main bank loan transactions performed during 2015, the following are noted:

- Bilateral "committed" loan for the sum of 50 million, subscribed in March 2015 with Banca del Mezzogiorno and with final expiry in March 2018.
- Bilateral "committed" loan for the sum of 26 million, subscribed in May 2015 with Banco Do Brasil and with final expiry in May 2018.
- Bilateral "committed" loan for the sum of 30 million, subscribed in June 2015 with BPER and with final expiry in June 2018.
- Bilateral "committed" loan for the sum of 25 million, subscribed in July 2015 with Banco Popolare and with final expiry in January 2018.
- Bilateral "committed" loan for the sum of 10 million, subscribed in September 2015 with Banco Do Brasil and with final expiry in September 2018.
- Bilateral "committed" loan for the sum of 5 million, subscribed in October 2015 with Banca Carige and with final expiry in June 2019.

As to the loan repayment operations carried out in 2015, the following are noted:

- Early repayment of the remaining share equal to EUR 10 million of the "committed" loan for the sum of EUR 20 million subscribed with BPER;
- Early repayment of the remaining share equal to 11.3 million of the "committed" loan for the sum of EUR 35 million subscribed with ING Bank;
- Early repayment of the remaining share equal to 3.3 million of the "committed" loan for the sum of EUR 10 million subscribed with ING Bank.

The following table shows the key data with regard to the main bank loans existing at 31 December 2015.

Type of financing	Outstanding 31/12/2015	Date taken out	Expiry
Bilateral - BNP Paribas	45,000	06/08/2013	15/01/2016
Bilateral – Cariparma	50,000	27/06/2014	27/06/2017
Bilateral - Banco do Brasil	23,000	11/12/2014	04/01/2016
Bilateral - Banco Popolare	25,000	13/07/2015	R.P. 31/01/2018
Bilateral - Banca del Mezzogiorno – Mediocredito Centrale S.p.A.	5,285	17/05/2013	R.P. 30/06/2016
Bilateral - Banca del Mezzogiorno – Mediocredito Centrale S.p.A.	50,000	06/03/2015	R.P. 31/03/2018
Bilateral - Banco do Brasil	26,000	29/05/2015	R.P. 11/05/2018
Bilateral - Banco do Brasil	10,000	04/09/2015	R.P. 17/08/2018
Bilateral - Banca Popolare dell'Emilia Romagna	25,000	30/06/2015	R.P. 30/06/2018
Bilateral - Banca Carige	5,000	19/10/2015	R.P. 30/06/2019
Syndicate	200,000	07/11/2014	07/11/2019
Syndicate	60,000	22/12/2014	R.P. 31/07/2018
Other Corporate loans	442,339		
Total loans and borrowing	**966,624**		
of which non-current	393,751		
of which current	572,873		

*R.P. = Repayment Plan

With reference to financial covenants, determined by convention on the basis of the provisions of the loan agreements in force, the threshold levels to be complied with at 31 December 2015 are as follows:

- Debt/equity ratio less than or equal to 2,30x
- Debt/operating profit ratio, less than or equal to 3.60x
- Priority Leverage Ratio less than or equal to a 0.5x.

In addition to the financial covenants, the loan agreements, in line with international practise, include clauses that involve certain limitations to the Company's financial operations and other commitments, such as *pari passu*, negative pledge, and change of control clauses.

All covenants were fully complied with at 31 December 2015.

Financial lease payables

The Company, during this financial year, signed financial leases for EUR 6,116 thousand. The leases involved assets regarding the categories of heavy vehicles, generic machinery and plant, excavators and mechanical 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:

	31/12/2015		31/12/2014	
	Instalments	Present value	Instalments	Present value
Up to 1 year	7,125	6,825	7,515	7,106
Over 1 year and within five years	3,034	2,761	6,012	5,616
Total lease instalments	**10,159**		**13,527**	
Financial expense	573		805	
Present value	**9,586**	**9,586**	**12,722**	**12,722**

25.2 Current financial liabilities: EUR 586,833 thousand (EUR 350,812 thousand)

The current financial liabilities show an overall increase equal to EUR 236,021 thousand from the previous year, and are composed as follows:

	31/12/2015	31/12/2014	Change
Bonds	6,494	6,494	0
Issue and placement commissions	(1,959)	(1,818)	(141)
Total Bonds	**4,535**	**4,676**	**(141)**
Bank loans and borrowings	461,431	300,545	160,886
Current portion of loans	111,215	33,800	77,415
Current portion of loans backed by personal guarantees	227	220	7
Finance lease payables	6,825	7,107	(282)
Bank loans and borrowings and finance lease payables - Nominal amount	**579,698**	**341,672**	**238,026**
Loan commissions	(5,469)	(4,814)	(655)
Interest on bank loans	3,327	2,655	672
Hedging derivatives	4,741	6,623	(1,882)
Total bank loans and borrowings and finance lease payables	**582,298**	**346,136**	**236,162**
Total	**586,833**	**350,812**	**236,021**

(*) Included in the NFP fora n amount of EUR 582,091 thousand (2014: EUR 344,188 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.

Bank loans and borrowings have grown mainly due to the partial use of the short-term revolving facilities (committed and uncommitted) in order to follow up on the general policy of supporting the production activity – through the financing of the contract working capital – which the Company is pursuing with continuity albeit in a macroeconomic setting marked by elements of particular complexity.

25.3 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.

			31/12/2015	31/12/2014
A	Cash		455,140	467,230
B	Securities held for trading		1,153	1,159
C	**Cash and cash equivalents**	**(A+B)**	**456,294**	**468,390**
	Current loan assets		30,968	19,418
	of which with related parties		*1,975*	*18,316*
D	**Current loan assets**		**(30,968)**	**(19,418)**
E	Current portion of bank loans and borrowings		459,289	298,385
F	Current portion of bonds		4,535	4,676
G	Current portion of non-current debt		111,442	34,020
H	Other current loans and borrowings		6,825	7,107
I	**Current financial debt**	**(E+F+G+H)**	**(582,091)**	**(344,188)**
J	**Net current financial debt**	**(I+D+C)**	**94,830**	**(143,619)**
K	Non-current portion of bank loans and borrowings		379,591	261,620
L	Bonds		(872,228)	(870,269)
	of which to related parties		*(13,000)*	*(13,000)*
M	Other non-current financial liabilities		2,761	5,615
N	**Non-current financial debt**	**(K+L+M)**	**(1,254,580)**	**(1,137,504)**
O	**Net financial debt Continued operations**	**(K+L+M)**	**(1,349,410)**	**(993,885)**
	Non-current loan assets		227,629	126,565
	of which with related parties		*227,629*	*126,565*
P	**Non-current loan assets**		**227,629**	**126,565**
Q	**Total financial debt**	**(O+P)**	**(1,121,782)**	**(867,320)**

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.

It is also pointed out that the company has treasury shares in its portfolio totalling EUR 5,814 thousand which determine a net financial debt totalling EUR 1,115,967 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.

The increase in total debt found in comparison with the previous financial year reflects the Company's significant commitment to the Concession sector, but also the support for the working capital of the important initiatives in progress.

It is also specified that available funds (EUR 456,294 thousand), along with the possibility of using available revolving credit facilities, both committed and uncommitted (totalling about EUR 585,000 thousand), give the Company a more than adequate ability to face planned financial commitments.

26 Other liabilities

26.1 Other current liabilities: EUR 148,115 thousand (EUR 147,236 thousand)

Other current liabilities amounted to EUR 148,115 thousand and consist of the following:

	31/12/2015	31/12/2014	Change
Subsidiaries	11,123	11,500	(377)
Associates and joint ventures	4,867	1,080	3,787
Other investees	1,188	2,564	(1,376)
Personnel	13,758	19,256	(5,498)
Social security institutions	11,399	8,188	3,211
Accrued expenses and deferred income	3,556	6,050	(2,494)
Others	102,224	98,598	3,626
Total	**148,115**	**147,236**	**879**

The “Other” item has grown in comparison with the 2014 financial year by EUR 3,626 thousand, with reference mainly to the foreign sector, and substantially contains the existing relationships with various associates in joint initiatives.

As to relationships with subsidiaries, associates, Joint Ventures, and SPVs, for details see the annex on related parties. It is to be pointed out at this time that amounts due to subsidiaries, associates, joint ventures and SPVs for principal to be paid and not yet called-up by the individual boards of directors, have been reclassified, as in the previous year, as a direct reduction of the respective carrying amounts of the equity investments.

27 Employee benefits: EUR 5,246 thousand (EUR 6,281 thousand)

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

Actuarial value	**Defined benefit pension plans**	**Liabilities for redundancy incentives**	**31/12/2015**
a) Amount at 01/01/2015	**5,124**	**1,158**	**6,281**
Increases for the financial year			
b.1) Service Cost	488	0	488
b.2) Interest Cost	74	17	91
b.3) Actuarial Gains or Losses	(71)	0	(71)
b.4) Actuarial Gains or Losses from variation in financial hypothesis	(129)	0	(129)
c) Uses in the financial year	(998)	(435)	(1,433)
d) Exchange differences and other changes	17	0	17
e) Total amount of Defined Benefit obligation at 31 December 2015	**4,506**	**739**	**5,246**

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

27.1 Additional information on Post-employment benefits (as per IAS 19 – paragraphs 135 and following)

Features of the plan

At 31 December 2006, the post-employment benefits of Italian companies were considered to be a defined benefit plan. The rules in this regard were changed by Law dated 27 December 2006, no. 296 (2007 Finance Law) and subsequent decrees and regulations issued in the early months of 2007. Following these changes this system is to be considered as follows:

- For companies with more than 50 employees, (i) a defined benefit plan exclusively for the amounts accrued up to 1 January 2007 (and not yet paid out at the reporting date) and (ii) a defined contribution plan for the amounts accrued after that date;
- For companies with fewer than 50 employees, a defined benefits plan.

The following are the main assumptions used for the purposes of the actuarial estimate of post-employment benefits at 31 December 2015:

- Annual discounting rate: 2.03%
- 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%

Sensitivity analysis

The following are the effects on future cash flows referring to the defined benefit plan, based on the reasonably possible estimates as of this date:

	Turnover Freq.		Inflation rate		Discounting rate	
	+ 1%	- 1%	+1/4 %	-1/4 %	+1/4 %	-1/4 %
Change in the total amount of the obligation	(6)	6	37	(37)	(58)	59

Effect of defined benefit plan on future cash flows

The following are the effects on future cash flows referring to the defined benefit plan, based on the reasonably possible estimates as of this date:

- Contributions to the plan planned for the 2016 financial year: EUR 361 thousand.
- Average weighted duration of the benefits obligation: 7.64 years.
- Payments planned:
  - 2016: EUR 556 thousand
  - 2017: EUR 548 thousand
  - 2018 and following: EUR 5,877 thousand.

27.2 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, authorized 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).

28 Trade payables: EUR 1,070,687 thousand (EUR 1,018,608 thousand)

The item consists of the following:

	31/12/2015	31/12/2014	Change
Suppliers	750,838	762,553	(11,715)
Subsidiaries	252,817	191,377	61,440
Associates and joint ventures	66,152	63,643	2,509
Other investees	880	1,035	(155)
Total	**1,070,687**	**1,018,608**	**52,079**

Domestically, the increase in this item is mostly ascribable to the change in payables to subsidiaries, which reflects in particular the effects of the reversal of the costs of consortium companies. This change comprises an increase with regard to (i) Partenopea Finanza di Progetto S.c.p.A., totalling EUR 36,005 thousand recorded by effect of the greater production volumes achieved during the financial year with a view to the completion of the new hospital in Naples (“Ospedale del Mare”) planned for April 2016, and (ii) Consorzio Stabile Operae, equal to EUR 22,757 thousand recorded by effect of the start of the activities related to the recently acquired project related to the construction of the Maxi-Lot of Quadrilatero Marche-Umbria.

Also to be pointed out, as regards the payables to subsidiaries item, is the increase recognised international with regard to the amounts due to Astur Construction and Trade A.S., substantially ascribable to the activities carried out by the subsidiary in Turkey as part of the works referring to the construction of the Third Bosphorus Bridge and the Gebze-Orhangazi-Izmir motorway.

Decreasing, on the other hand, are the payables to suppliers for EUR 11,715 thousand, particularly due to the decline recorded in Russia and Peru, partially offset by the greater amounts that may be assigned to the activities being carried out in Turkey and Chile, directly correlated with the revenue levels produced.

29 Tax liabilities: EUR 55,045 thousand (EUR 94,734 thousand)

Tax liabilities decreased by EUR 39,689 thousand from the previous financial year and consist of the following:

	31/12/2015	31/12/2014	Change
Indirect tax liabilities	6,545	49,692	(43,147)
Direct tax liabilities	41,454	41,777	(323)
Withholding tax liabilities	7,046	3,265	3,781
Total	**55,045**	**94,734**	**(39,689)**

The decrease in the "indirect tax liabilities" item is largely attributable to the domestic area, and in particular to the payment of VAT owed on important milestones billed in the month of December 2014 in the sector of transport infrastructures.

The "direct tax liabilities," which have held substantially steady in comparison with the previous financial year, refer to countries where the Company operates mainly through Stable Organisations. These liabilities were substantially recovered with the ordinary institution of the Foreign Tax Credit, account of which is made in item 22.

30 Current portion of provisions for risks and charges: EUR 59,014 thousand (EUR 41,397 thousand)

The provisions for risks and charges are analysed as follows:

	Provisions for contractual obligation	Provisions for risks on investments	Provision for potential losses	Provision as per Art.27 of Company by-laws	Total
Balance at 31 December 2014	**7,069**	**30,943**	**1,350**	**2,035**	**41,397**
Accruals		17,675			17,675
Utilisations		(294)		(406)	(700)
Allocation of 2014 profit				642	642
Balance at 31 December 2015	**7,069**	**48,324**	**1,350**	**2,271**	**59,014**

- 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 company's deficit of investees compared to investment's carrying amounts. The balance of the item in question refers mainly to the investees (i) Constructora Astaldi Cachapoal Limitada (EUR 18,734 thousand) and (ii) Seac S.p.a.r.l. in liquidation (EUR 10,013 thousand). These companies, now soon to be liquidated, operated exclusively in the area of specific projects related to now completed contract work. It also bears pointing out that Astaldi S.p.A. has already seen to the financial support of the operating activities of the Investees in question, through the payment of specifically dedicated financing. Moreover, as regards the provisions made during the financial year, see what is more fully described under note 10;
- The provision for potential losses includes the accrual for likely risks measured on a 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.

It is pointed out that the Company is a party to civil and administration legal proceedings and lawsuits connected with the regular corporate activities. Based on information currently available, and taking account of existing allowances for impairment, it is deemed that these proceedings and legal actions will not have any negative impact on the separate financial statements, as the risk of losing the cases appears remote.

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.

	note	31/12/2015	31/12/2014
Provisions deducted directly from assets		**94,425**	**75,357**
Allowance for impairment losses on equity investments	15. Investments	75,234	58,248
Allowance for impairment losses on contracts	19. Amounts due from customers	10,333	8,299
Allowance for impairment	20. Trade receivables	2,904	2,904
Allowance for impairment - default interest	20. Trade receivables	1,690	1,697
Provision for default interest due to tax authorities	21. Tax assets	198	198
Allowance for impairment of other assets	17. Other current assets	4,066	4,011
Provisions recognised under liabilities			
Provisions for risks and charges		**59,703**	**42,043**
of which:			
• For risks on equity investments	29. Provisions for risks and charges	48,324	30,943
• For contractual obligations	29. Provisions for risks and charges	7,069	7,069
• For contract losses to complete	19. Amounts due to customers	689	645
• Other provisions for risks and charges	29. Provisions for risks and charges	3,621	3,386
Total provisions/allowances		**154,128**	**117,400**

31 Fair value measurement

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

	Measurement date	Total	Valuation at fair value with Quoted Prices observed on active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Intangible assets	31/12/2015	21,600			21,600
Forward exchange contracts	31/12/2015	266		266	
Securities	31/12/2015	1,153	1,153		
Liabilities measured at fair value					
Interest Rate Swap	31/12/2015	(11,509)		(11,509)	
Conversion options – bonds	31/12/2015	(6,925)			(6,925)

31.1 Measurement techniques and inputs used to process measurements

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

- **Interest rate swap**

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 valued 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 31 December 2015.

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.

With reference to the effectiveness of the operation, this 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 contract**

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 31 December 2015. 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 Company'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 company'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

<u>Intangible assets referring to the Contractual Rights acquired in the business combination for the Quadrilatero industrial Complex</u>

The fair value of the contractual rights acquired in the business combination referring to the Quadrilatero industrial Complex[3] was determined, by an expert opinion done by a professional of major standing, using the Discounted Cash Flow (DCF) method, discounting the future financial flows expected from the

[3] For greater details on the Acquisition of the Quadrilatero industrial complex, see "Business Combinations undertaken in 2015" section.

management of the business units acquired for an explicit forecast period of five-year scope (2015-2020). Also considered were the other assets acquired in the aforementioned business combination as initial endowment (whose carrying amounts were moreover deemed reasonably close to the corresponding fair value) functional to the performance of the object of said contractual rights.

In particular, the net operating flows expected for each of these financial years were identified based on the projections developed on reasonable and sustainable assumptions capable of representing the best estimate that may be made by the Company's Management.

The weighted average cost of capital, or "WACC," considered for the purposes of application of the DCF method was estimated as equalling 8.14%.

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

During the financial year, there were no transfers between the different levels of the fair value hierarchy.

32 Information on risk management, financial instruments and guarantees

32.1 Financial risk management

Astaldi operates in an international context where transactions are performed in various currencies; moreover, in order to support and develop its own industrial activities, it funds itself with external sources of financing in Euro and foreign currencies.

Astaldi is therefore exposed to the following financial risks:

- Market risk: exposure of the Company to fluctuations in interest rates and exchange rates between the Euro and the other currencies in which it operates;
- Liquidity risk: the possibility that the Astaldi might not be able to meet its financial commitments deriving from contracts and, more generally, from its short-term financial commitments;
- Credit risk: exposure of the Company to potential loss deriving from the failure to fulfil commitments undertaken by counterparts.

The various types of risk are monitored in such a way as to evaluate in advance their potential negative effects, and take suitable mitigating actions. The optimisation and reduction of risk levels is pursued by an adequate organisational structure, the adopting of rules and procedures, the implementation of targeted commercial and purchasing policies, and the use of insurance policies and hedging derivatives.

In order to maintain corporate value, Astaldi has drawn up guidelines for controlling its exposure to market risks and entrusted the definition of policies and strategies to be adopted to manage the same through derivatives and monitoring of hedged positions, to a Risks Committee.

With respect to these policies, Astaldi mainly uses cash flow hedging to cover exposure to fluctuations in cash flows especially due to risks identified and associated with assets or liabilities, or for a planned transaction highly likely to have an effect on the income statement.

There follow the hedging derivatives operations at 31 December 2015, with a distinction between hedge accounting, representing most of the Company's transactions, and non-hedge accounting transactions shown for each type of financial instruments with fair value, notional value and the changes in the respective provisions and the income statement. For transactions in currencies other than the Euro, the corresponding amounts are calculated at the exchange rate at the end of the year.

- **Interest rate risk**

Company exposure to the risk of changes in interest rates is mainly related to floating interest financial debt; changes in interest rates affect the market value of financial assets and liabilities of the company and the level of net financial expense.

Astaldi, also taking into account contract obligations, duly assesses exposure to the risk of changes in interest rates and manages these risks by the use of non-speculative derivatives, in order to pursue a Cash Flow Hedge strategy. The Company's hedging policy, governed by a specific interest rate risk management policy, involved the definition of an ideal mix between fixed rate and floating rate borrowing (mainly Euribor) in the borrowing structure in order to reduce borrowing costs and their volatility.

Therefore, Astaldi undertakes hedging transactions through simple derivatives ("plain vanilla"), on a cash flow hedge basis, in order to convert the floating rate into a fixed rate (Interest Rate Swap), or to allow a limited interest rate fluctuation within a predefined range (Collar), and in any event guaranteeing a maximum risk exposure level (Cap). These instruments are generally at zero cost.

At 31 December 2015, the notional value of derivatives hedging on the interest rate risk totalled EUR 537 million. Taking these hedges into account, as well as the fixed rate debt associated with the bond issues, the percentage of fixed rate debt equalled approximately 76% of the gross debt.

The following tables show the aforementioned transactions, all designed to hedge financial flows, split into cash flow hedges and transactions for which Astaldi decided not to apply hedge accounting.

Type of Derivative	Hedged item	Notional reminder 31/12/2015	Fair Value 31/12/2015	Fair Value 31/12/2014
IRS	Medium/long-term debt	510,000	(10,919)	(12,635)
Total		**510,000**	**(10,919)**	**(12,635)**

With reference to the aforesaid Hedge Accounting, the change in value had an impact above all on the Company's equity, leading to a final balance of the hedging reserve of 10.7 million.

Details on changes in the hedging reserve in 2015 are shown below:

Hedging reserve – interest rate risk	31/12/2015	12/31/2014
Opening reserve	(12,412)	(16,224)
Impact on reserve net of release to profit or loss	1.661	3,812
Final reserve	**(10,751)**	**(12,412)**
Ineffectiveness	(168)	(222)

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 reminder 31/12/2015	Fair Value 31/12/2015	Fair Value 31/12/2014
IRS	Medium/long-term debt	27,021	(589)	(1,024)
Total		**27,021**	**(589)**	**(1,024)**

Sensitivity analysis

The potential effects of a hypothetical increase or decrease in interest rates on the Company's Income Statement and statement of financial position are shown hereunder in terms of higher or lower interest expense payable over the entire remaining duration of floating rate financial payables.

The analysis was carried out based on market curves at 31 December 2015 and considers a parallel rate shock by 1% upwards (shock up) and 0.30% downwards (shock down) on interest rates.

Interest rate risk ***sensitivity analysis***	**Income statement**		**Equity**	
	Shock up 31/12/2015	***Shock down 31/12/2015***	***Shock up 31/12/2015***	***Shock down 31/12/2015***
Financial liabilities				
• cash flow	(9,666)	2,900		
Hedging derivatives				
• cash flow	16,010	(7,515)		
Total	**6,344**	**(4,615)**	**0**	**0**
• fair value	98	(30)	15,523	(7,630)

With reference to 31 December 2015 the analysis shows how, considering a hypothetical 1% increase in interest rates, as a consequence of hedging through derivatives (approximately EUR 16 million), financial expense would decrease by EUR 6.3 million; in this hypothetical scenario the fair value of hedging recognised in profit or loss, compared to the effective amount recorded at 31 December 2015, would show an increase of EUR 98 thousand, while the equity reserve would show a negative effect of about EUR 15.5 million.

Similarly, as shown in the table, a shock down of 0.30% in interest rates would lead to an increase in financial expense of approximately EUR 4.6 million.

- **Currency risk**

With reference to the currency risk, Astaldi performs cash flow hedges for specific foreign orders, in order to mitigate the effect of exchange rate fluctuations on the related costs or revenue in terms of foreign currency.

The Company policy is aimed at hedging a percentage of exposure to currency risk depending on the characteristics of the business and the particular volatility of certain currencies, for the entire duration of the works regarding specific contracts, and when this is not possible, for a period of 12 months.

Hedging is performed by the use of forward plain vanilla derivatives, cost zero cylinders, knock-in forward and cross currency interest rate swaps.

In those cases where, in connection with specific foreign currencies especially those of emerging countries, financial markets do not allow for mitigation of the currency risk through derivatives, Astaldi tends to protect the currency imbalance between trade receivables and payables in local currency through financial debt in the same currency (the so-called “natural hedge”).

At 31 December 2015, the notional value of existing currency risk hedges amounted to a total counter-value of EUR 16.5 million.

Type of derivative	**Hedged item**	**Notional reminder 31/12/2015**	**Fair Value 31/12/2015**	**Income Statement**
Forward Buy CAD/Sell EUR	Hedging of financing Canada	16,539	266	266
Total		**16,539**	**266**	**266**

- **Liquidity risk**

The main factors determining the Company’s liquidity risk are, on one hand, the financial resources generated by or used in corporate operating and investing activities, and on the other, the characteristics of debt maturity and use of cash, as well as contingent cash terms of financial markets.

Astaldi aims to maintain a sufficient cash margin to allow for coverage of financial requirements with the availability of committed and uncommitted credit lines.

Cash flows, the need for financing and the liquidity are constantly monitored and managed with the aim of guaranteeing effective and efficient management of financial resources.

The following table shows the timeframe of the Company’s financial liabilities:

Analysis of maturities	Use	On sight	2016	2017	2018	2019	2020	beyond
Short-term loans*	(438,431)	438,431						
Medium/Long term loans*	(537,780)		141,268	113,048	79,251	201,528	524	2,161
Equity- Linked bond	(130,000)					130,000		
Senior unsecured bond	(750,000)						750,000	
Total	**(1,856,211)**	**438,431**	**141,268**	**113,048**	**79,251**	**331,528**	**750,524**	**2,161**
Derivatives								
- interest rate risk derivatives**	(11,509)	0	4,698	4,509	3,027	491	(365)	(852)
- currency risk derivatives**	266		(266)					
Total	**(11,243)**	**0**	**4,432**	**4,509**	**3,027**	**491**	**(365)**	**(852)**
EXPOSURE AT 31 DECEMBER 2015		**438,431**	**145,700**	**117,557**	**82,278**	**332,019**	**750,159**	**1,309**

Note:

* The figures shown in the table coincide with the nominal amount of financial liabilities and therefore do not include (i) commission directly related to the granting of loans that in turn are included in the measurement at amortised cost of the financial liabilities, and (ii) accrued interest still to be liquidated.

** The figures coincide with the total value of the payable and receivable derivative Financial Instruments, and therefore do not include the accrued interest on the differentials accrued and yet to be liquidated.

Astaldi has adopted a series of policies and processes aimed at making the most of management of sources of financing, reducing the liquidity risk, such as, in particular:

- Orientation towards centralised management of collection and payment flows (cash management systems) where deemed advantageous in compliance with the various civil, currency and tax laws of the countries where the Company operates, and in keeping with the rules for managing the financial flows of individual contracts;
- Maintenance of a suitable level of available funds;
- Existence of an investment portfolio with a corresponding liquid market and whose securities are available for trading in order to cope with liquidity needs;
- Diversification of instruments for obtaining financial resources and ongoing focus on financial markets;
- Obtainment of appropriate bank credit facilities (committed and uncommitted), guaranteeing an adequate availability of committed (unused) lines;
- Access to the debt capital market;
- Monitoring of future liquidity conditions in relation to corporate planning.

- **Credit risk**

The credit risk is the Company’s exposure to potential default risks by a counterpart.

The Company’s credit risk is limited by the solvency characteristics of the customers served. The portfolio of receivables maturing is constantly monitored by the appropriate departments.

The Company customers are basically government and public bodies, by their very nature solvent.

Therefore, the credit risk, represented by the possible default of customers, is considered to have little significance, also considering the insurance coverage that can be set up by policies with insurance companies.

We should likewise point out that for some countries, collection times may go beyond the usual terms. At 31 December 2015 the percentage of overdue trade receivables was approximately 32%, of which 23% for those overdue by over 12 months. However, the analysis of credit risk exposure according to maturity is not very significant, since the receivables are measured in relation to the other items of working capital and in particular the payables to subcontractors and suppliers typical in the segment the due dates of which, in the management of operational leverage, tend to be aligned to the collection time by customers (back to back).

As regards Russia in particular, it is pointed out that although the country is recording a phase of economic slow-down due (i) to the economic sanctions applied to the country following the Ukrainian crisis (ii) to falling oil prices, the Group believes that there are no elements to affirm a risk with regard to the overall collectability of relative receivables, since the contact work in progress in the country relates to contracts with private parties of high financial standing, with an already-guaranteed financial coverage, that do not come under the embargo to which the country has been exposed since the situation in Ukraine.

Moreover, as concerns Venezuela, see what was fully described in notes 1, 10, and 21.

32.2 Guarantees and securities

- **Personal guarantees**

The total amount of the personal guarantees provided is EUR 3,424,046 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 subsidiaries, joint ventures, Special Purpose Vehicles, associates and other investees, set up for this purpose pursuant to current tax laws for the amount of EUR 779,636 thousand of which EUR 19,376 thousand referring to joint ventures;
- sureties for works, issued in the Company'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 amount of EUR 2,316,982 thousand, of which EUR 199,932 thousand referring to joint ventures;
- Other sureties issued for various purposes for a total of EUR 327,428 thousand of which EUR 11,042 thousand referring to joint ventures.

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

They refer to sureties of EUR 205,110 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 Company.

33 Disclosure on related party transactions and fees due to Directors, Statutory Auditors, General Managers and key management personnel

In accordance with IAS 24 as well as CONSOB communication no. 6064293 of 28 July 2006, Annex 1 to these Notes shows 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 Company operates in, are to be related to receivables due from third parties – recognised under Trade Receivables (note 21) – not summarised in the annex regarding related party transactions.

Information regarding fees due to Directors, Statutory Auditors, General Managers and key management personnel is shown in the table below in accordance with the provisions of the remuneration report as per Art. 123-ter of the Consolidated Finance Act.

Category	Fixed fees	Fees for committee meetings	Variable non-equity fees (bonuses and other incentives)	Non-monetary benefits	Other fees	Total	Fair Value of equity benefits
Administrators	4,422	29	150	48	22	4,671	565
Statutory Auditors	120	0	0	0	0	120	0
General managers	1,524	0	650	36	33	2,243	646
Key management personnel no. 9	2,087	0	590	29	174	2,880	0

34 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 areas where the Company operates, and it is determined by using the same accounting policies used to draw up the separate financial statements.

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

Reporting at 31 December 2015	Italy	Europe	America	Africa	Asia	Other activities	Adjustments and eliminations	Total
Revenue	450,039	1,214,027	382,764	121,670	(28)	517	(62,223)	2,106,765
Operating profit (loss)	19,119	146,328	38,590	16,342	(2,164)	(815)	16,100	233,500
Net financial expense								(173,582)
Pre-tax profit								(59,918)
Tax expense								(21,500)
Profit for the year								(38,418)
Assets or liabilities								
Segment assets	696,960	2,193,908	1,029,798	276,718	14,476	2,311,610	(2,338,776)	4,184,693
of which investments						575,097	(2,515)	572,582
Segment liabilities	(594,303)	(1,943,774)	(996,629)	(279,608)	(16,784)	(1,801,727)	2,064,306	(3.568,519)
Other segment reporting								
Property, plant and equipment	7,164	59,517	62,970	3,909	471	43,638	(5,978)	171,692
Intangible assets	19,750	373	25	0	0	846	0	20,995
Depreciation of property, plant and equipment and investment property	2,330	22,720	16,027	2,706	183	3,978	(1,538)	46,406
Provisions						2,340		2,340

Reporting at 31 December 2014	Italy	Europe	America	Africa	Asia	Other activities	Adjustments and eliminations	Total
Revenue	535,677	1,081,161	304,478	152,500	470	491	(50,881)	2,023,895
Operating profit (loss)	74,561	120,147	29,602	30,064	(1,219)	70	5,355	258,579
Net financial expense								(147,630)
Pre-tax profit								110,950
Tax expense								(46,806)
Profit for the year								64,144
Assets or liabilities								
Segment assets	978,590	1,928,235	901,230	293,387	7,876	1,867,905	(2,128,285)	3,848,939
of which investments						630,167	(123,861)	506,306
Segment liabilities	(863,083)	(1,810,417)	(900,602)	(286,372)	(9,257)	(1,490,467)	2,111,919	(3,248,278)

Other segment reporting								
Property, plant and equipment	15,272	67,847	69,784	6,619	654	35,302	(6,323)	**189,155**
Intangible assets	2,508	218	1	0	0	480	0	**3,208**
Depreciation of property, plant and equipment and investment property	4,310	13,943	14,382	3,456	185	1,108	(837)	**36,547**
Provisions						1,241		**1,241**

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

35 Other information

Non-recurring significant events and transactions

The financial position and results of operations of Astaldi S.p.A. were not affected in the year 2015 by non-recurring significant events and transactions as defined in CONSOB Communication no. DEM/6064293.

Positions or transactions deriving from atypical or unusual transactions

In 2015 Astaldi did not undertake any atypical or unusual transactions as defined in CONSOB Communication no. DEM/6064293.

35.1 Authorisation for publication

The publication of the Financial Statements was authorised by the Parent Company’s Board of Directors meeting of 09 March 2016.

At that time, the Board of Directors also decided to submit for the approval of the Shareholders’ Meeting called for this coming 20 April the proposal to distribute a dividend for a total amount of EUR 19,524,321 (EUR 0.2 per outstanding share on that date) with ex-dividend date on 09 May 2016, record date 10 May 2015, and payment 11 May 2016. It is specified that this amount was determined taking into account the proportional division for outstanding shares of the dividend for 803,297 treasury shares in the portfolio.

35.2 Events after the reporting period

There follows information on the events after the reporting period.

In February, ACe consortium, an Astaldi investee (holding a 65% as the group leader) won the award process for the contract to build and develop the two main structures (Dome and Main Structure) of the European Extremely Large Telescope (E-ELT), the world’s largest optical telescope. The Finance Committee of the ESO (European Southern Observatory) authorised ESO to start, with the ACe Consortium, the final bargaining phase, with the aim of signing the final contract in May 2016. All the details will be defined and communicated after signing. The new telescope will be built in Chile 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 telescope have main mirrors 8-10 metres in diameter, as against 39.3 metres for E-ELT.

The first days of the month of March saw the installation of the final “key section” closing the deck of the

Third Bosphorus Bridge in Turkey: the world's only suspension bridge with a deck capable of accommodating 8 lanes (4 in each direction) separated by 2 railway lines, all on the same level. The Third Bosphorus Bridge is part of a broader project, the Northern Marmara Highway Project, the scope of which foresees the construction and subsequent operation of about 190 kilometres of 8-lane motorway.

It is also pointed out that, from publicly known information, Venezuela is said to be changing the regulations of reference governing the current exchange system. At the time of drafting hereof, neither the terms of what the country's exchange regime may be, nor its respective spheres of application, are known. In fact, as far as is known, the approval of the legislative acts is not thought to have taken place, as there is no word of publication thereof in the Official Gazette.

It may at any rate be hypothesised that the local government will decide in favour of a further devaluation of the bolivar, in consideration of the economic and political/social tension the country has been suffering from for some time. It is deemed that this might be a competitive type devaluation aimed at relaunching the local economy, given the clear inflationary effects that have been characterising the area's currency market for some time.

For the Group, this phenomenon does not represent an unforeseen event given that in about 40 years of activity in the area, the Group has already witnessed a number of similar operations. This experience, and in-depth knowledge of the context, have at any rate made it possible to develop a business model at the local level that has always taken these phenomena into account as well in representing the margins, and has resulted in focusing the resources operating in the Area solely on infrastructure projects that are priorities for the country.

35.3 Fees payable to the independent auditors KPMG and their network pursuant to Art. 149-duodecies of the Issuer Regulation

There follow the fees payable in the year 2015 to KPMG on the basis of their audit engagement for the financial years 2011-2019, assigned by shareholders' resolution dated 18 April 2011

Type	2015
A) Auditing services (*)	557
B) Attestation services (**)	220
C) Other services	110
Total fees	886

(*) Including expenses and CONSOB fees	
(**) of which	
1) For fees regarding comfort letters related to bond issue	21
2) For fees for activities regarding agreed-upon procedures, signing of tax declarations, and other attestation activities	199

Stefano Cerri

CEO with delegation for economic and financial operation

Paolo Citterio

Manager in charge of financial reporting

ANNEXES TO THE SEPARATE FINANCIAL STATEMENTS

ANNEX 1 to the Separate Financial Statements at 31 December 2015 – RELATED PARTIES

Group's companies	Non-current financial assets	Amounts due from customers	Trade receivables	Current financial assets	Other current assets	Non-current financial liabilities	Amounts due to customers	Trade payables	Other current liabilities	Revenue	Other operating revenue	Service costs	Other operating costs	Other financial income	Interest and other financial charges
3E System S.r.l	0	0	0	0	0	0	0	1,659	0	0	0	0	0	0	0
A4 Holding S.p.A.	0	0	0	0	28	0	0	0	0	0	25	0	0	0	0
Afragola FS Società consortile a Responsabilità Limitata	0	0	0	0	1,125	0	0	6,254	0	0	819	9,004	0	181	0
Ankara etlik Hastante A.S.	250	0	0	0	1,179	0	68,786	142	0	22,556	13	1,422	137	0	22
AR.GI S.c.p.A.	0	0	53,962	0	3,224	0	0	65,786	0	0	203	8,251	0	3	0
AS. M. S.c.r.l.	0	0	0	0	1,413	0	0	0	0	0	150	2,736	0	0	0
Astaldi - UTI - Romairport Joint Venture	0	0	178	0	350	0	0	0	4	0	0	0	0	178	0
Astaldi Algerie - E.u.r.l.	36	0	0	0	754	0	0	1,712	0	0	0	888	0	0	1
Astaldi Arabia Ltd.	459	0	36	0	4,793	125	0	4,052	426	0	21	154	1	99	557
Astaldi Bayindir J.V.	0	0	0	0	6,138	0	0	828	0	0	0	0	0	0	0
Astaldi Bulgaria LTD	0	0	0	0	1	20	0	15	0	0	0	0	0	0	1
Astaldi Canada Inc.	0	0	2	20,195	9,027	0	0	0	0	0	405	0	0	3,886	18,926
Astaldi Concessioni S.p.A.	50,757	0	8	76,152	26,108	0	0	2,219	0	0	930	2,039	0	5,512	0
Astaldi Construction Corporation	0	0	26	0	2,569	0	0	2,181	0	0	137	680	2	0	16,318
Astaldi de Venezuela C.A.	0	0	0	0	2,472	0	0	2,246	3,696	0	0	412	0	251	161
Astaldi International Inc.	0	0	0	0	0	0	0	387	0	0	0	0	0	0	0
Astaldi International Ltd.	0	0	0	0	11	0	0	2,996	0	0	0	0	0	0	15
Astaldi Polska Sp. z o.o.	0	0	1	0	151	0	0	544	0	0	344	1,904	0	4	0
Astaldi-Astaldi International J.V.	916	0	0	0	397	0	0	0	0	0	0	0	0	50	0
Astaldi-Max Bogl-CCCF JV S.r.l.	447	0	0	0	5,137	0	0	1,863	466	0	0	0	0	0	0
Astalnica S.A.	0	0	0	0	10	0	0	0	0	0	0	0	0	0	0
ASTALROM S.A.	0	0	0	0	15,311	0	0	11,490	1,167	0	255	5,238	1	23	1
Astur Construction and Trade A.S.	0	0	0	0	5,984	0	0	16,332	0	0	876	36,521	0	64	59
Autostrada Brescia Verona Vicenza Padova S.p.A.	0	0	0	0	56	0	0	0	0	0	56	0	0	0	0
Autostrada Nogara Mare Adriatico S.c.p.a.	0	0	0	0	12	0	0	0	0	0	0	0	0	0	0
Avola S.c.r.l. in liquidation	84	0	0	0	828	0	0	162	0	0	7	0	0	0	0
Avrasya Metro Grubu Srl	1,100	0	0	0	129	0	0	0	0	0	0	0	0	0	378
Blufi 1 S.c.rl. in liquidation	0	0	0	0	48	0	0	0	0	0	0	0	0	0	0
Bussentina S.c.r.l. in liquidation	279	0	0	0	294	0	0	176	0	0	0	0	0	0	2
C.F.M. S.c.r.l. in liquidation	0	0	0	0	222	0	0	124	0	0	16	0	0	5	0
C.O.MES. In liquidation S.C.r.l.	0	0	0	0	1,084	0	0	0	0	0	0	6	0	0	0
Cachapoal Inversiones Limitada	0	0	320	0	1,767	0	0	0	459	0	0	0	0	70	50
Capodichino AS.M S.c.r.l	0	0	0	0	659	0	0	1,149	0	0	505	1,832	0	0	0
CO.ME.NA. S.c.r.l. in liquidation	0	0	145	0	0	0	0	16	0	0	0	15	0	0	0
CO.MERI S.p.A.	0	37,811	0	0	5	0	0	2,955	0	18,182	0	0	0	8	0
Colli Albani S.c.r.l. in liquidation	5	0	0	0	819	0	0	343	0	0	0	0	0	0	1

ANNEX 1 to the Separate Financial Statements at 31 December 2015 – RELATED PARTIES

Group's companies	Non-current financial assets	Amounts due from customers	Trade receivables	Current financial assets	Other current assets	Non-current financial liabilities	Amounts due to customers	Trade payables	Other current liabilities	Revenue	Other operating revenue	Service costs	Other operating costs	Other financial income	Interest and other financial charges
Consorcio Astaldi-ICE	0	0	0	0	416	0	0	0	0	0	0	0	0	0	0
Consorcio Contuy Medio	0	0	0	0	52	0	0	437	19	0	0	0	0	0	0
Consorcio Grupo Contuy - Proyectos y Obras de Ferrocarriles	0	0	0	0	4,320	0	0	1,841	0	0	1,682	2,357	0	1	0
Consorcio Rio Pallca	0	0	14	0	382	0	0	0	0	0	0	27	0	6	0
Consorzio A.F.T. in liquidation	375	0	0	0	467	0	0	14	226	0	0	1	0	0	0
Consorzio A.F.T. Kramis	578	0	0	0	5,008	0	0	221	0	0	0	42	0	19	13
Consorzio Consarno	127	0	0	0	70	0	0	121	0	0	0	87	0	0	0
Consorzio Consavia S.c.n.c. in liquidation	0	0	0	0	5	0	0	0	2	0	0	0	0	0	1
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	90	0	0	0	0	0	0	42	0	0	0	0	0	0	0
Consorzio Ferrofir in liquidation	0	0	0	0	0	0	0	307	0	0	0	76	0	0	0
Consorzio Gi.It. in liquidation	0	0	0	0	0	0	0	220	0	0	0	0	0	0	0
Consorzio Iricav Due	0	0	0	0	754	0	0	14,122	0	0	548	11,016	0	0	0
Consorzio Iricav Uno	0	0	0	0	928	0	0	1,460	0	0	627	454	78	0	0
Consorzio Ital.Co.Cer.	0	0	0	0	6	0	0	400	0	0	0	189	0	0	0
Consorzio Italvenezia	0	0	0	0	0	0	0	158	0	0	0	0	0	0	0
Consorzio MM4	311	3,660	0	0	35	0	0	578	0	36,381	25	1,232	0	0	0
Consorzio Novocen in liquidation	82	0	0	0	0	0	0	277	0	0	0	32	0	0	0
Consorzio Pedelombarda 2	0	0	199	0	0	0	0	116	0	0	0	83	0	20	0
Consorzio Qalat	0	0	0	0	0	0	0	91	0	0	0	0	0	0	0
Consorzio Stabile Busi	0	0	0	0	0	0	0	1,814	0	0	0	6,331	0	0	0
Consorzio Stabile Operae	12,500	0	13,616	0	0	0	0	22,757	0	0	0	3,865	0	0	0
Constructora Astaldi Cachapoal Limitada	9,750	0	12,548	0	2,775	0	0	2,585	3,913	0	0	12	0	537	0
Diga di Blufi S.c.r.l. in liquidation	0	0	6,198	0	637	0	0	5,436	28	0	0	1	0	0	0
Dirpa 2 S.c.ar.l.	0	0	7,060	0	46	0	0	538	0	0	17	0	0	0	0
Ecosarno S.c.r.l. in liquidation	0	0	0	0	0	0	0	311	0	0	0	267	0	0	0
FINETUPAR	0	0	0	0	0	6,500	0	0	0	0	13	0	0	0	293
FINAST	0	0	0	0	18	6,500	0	0	0	0	0	0	0	0	293
Forum S.c.r.l. in liquidation	0	0	0	0	1,031	0	0	1,007	0	0	0	1	0	0	0
Fosso Canna S.c.r.l. in liquidation	205	0	0	0	253	0	0	78	0	0	0	0	0	0	1
Garbi Linea 5 S.c.a.r.l.	0	0	0	0	7,314	0	0	7,025	654	0	62	1,034	0	97	0
GE. SAT S.c.a. r.l.	0	0	9,468	0	5	0	0	11,646	0	13,054	14	11,106	0	0	0
GEI - Grupo Empresas Italianas	0	0	0	0	2,014	0	0	0	17	0	0	384	0	0	0
Groupement Eurolep	0	0	0	0	0	0	0	0	26	0	0	0	0	0	0
Ic Içtaş Astaldi Ica Inşaat A.S.	0	3.248	0	0	1.278	0	41.501	0	4.538	3.849	1.234	0	8	33	0

ANNEX 1 to the Separate Financial Statements at 31 December 2015 – RELATED PARTIES

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Ica Ic Ictas Astaldi Ucuncu Bogaz Koprusu Ve Kuzey Marmara Otoyolu Yatirim Ve Isletme Anonim Sirketi	140,416	35,214	0	0	0	0	26,028	0	0	359,199	0	0	0	12,215	0
Infraflegrea Progetto S.p.A.	0	0	0	0	937	0	0	0	0	0	89	0	0	215	0
Infraflegrea S.c.r.l. in liquidation	0	0	0	0	532	0	0	520	0	0	0	1	0	0	8
Inversiones Assimco Limitada	0	0	0	0	178	0	0	0	0	0	0	0	0	0	0
Italstrade CCCF JV Romis S.r.l.	0	0	0	0	333	0	0	165	0	0	0	2	0	0	12
Italstrade IS S.r.l.	0	0	0	0	4,854	0	0	7	31	0	22	0	0	87	50
Kopalnia Kruszywa S5 Sp. z o.o.	0	0	0	0	90	0	0	0	0	0	77	0	0	0	0
M.N. Metropolitana di Napoli S.p.A.	0	0	0	0	6	0	0	6	0	0	1	0	1	0	4
Messina Stadio S.c.r.l. in liquidation	2,470	0	0	0	1,490	0	0	3,677	25	0	0	39	0	0	0
Metro Brescia S.r.l.	0	0	0	0	159	0	0	113	0	19	255	18	75	14	0
Metro 5 S.p.A.	32,461	0	0	0	798	0	1,089	2,389	0	47,150	568	2,556	17	1,727	0
METRO C S.c.p.a.	0	445	0	0	2,237	0	0	10,681	0	151	1,540	30,210	12	0	0
Metrogenova S.c.r.l.	0	0	0	0	247	0	0	499	4	0	50	883	0	0	0
Mondial Milas - Bodrum Havalimani Uluslararasi Terminal Isletmeciligi Ve Yatirim A.S.	0	0	0	0	47	0	0	62	16	0	2	0	13,072	0	0
Mormanno S.c.r.l. in liquidation	28	0	0	0	1	0	0	0	0	0	0	0	0	0	17
Mose Bocca di Chioggia Società consortile a Responsabilità Limitata	0	0	0	0	24	0	0	450	0	0	24	450	0	0	0
Mose-Treporti S.c.r.l.	0	0	0	0	494	0	0	1,509	0	0	85	1,383	0	0	0
N.P.F. - Nuovo Polo Fieristico S.c.r.l. in liquidation	0	0	0	0	339	0	0	0	0	0	0	236	0	0	0
nBI Elektrik Elektromekanik Tesisat Insaat Sanayi Ve	0	0	0	0	14	0	0	90	0	0	60	0	0	0	0
nBI S.p.A	2,260	0	1	0	6,102	0	0	355	0	0	365	673	0	13	61
Nova Metro S.c.r.l. in liquidation	0	0	0	0	0	0	0	38	0	0	0	9	0	0	0
Ospedale del Mare S.C.r.l. in liquidation	0	0	0	0	331	0	0	2,275	0	0	0	2	0	0	0
Otoyol Isletime Ve Bakim AS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11
Otoyol Yatirim Ve Isletme A.S	45,703	54,088	0	0	92	0	4,914	0	0	152,461	0	0	0	7,796	0
Pacific Hydro Chacayes	0	0	0	0	35	0	0	0	0	0	0	0	0	0	0
Partenopea Finanza di Progetto ScpA	0	0	67,125	0	1,727	0	0	62,563	1	0	106	46,337	3	0	0
Passante Dorico S.p.A.	0	0	0	0	21	0	0	0	3	0	18	0	0	0	0
Pedelombarda S.c.p.A.	0	1,643	0	0	90	0	0	7,482	0	6,151	187	12,983	1	0	0
Pegaso S.c.r.l. in liquidation	0	0	0	0	1,037	0	0	0	0	0	53	213	0	0	0
Piana di Licata S.c.r.l. in liquidation	307	0	0	0	259	0	0	139	0	0	0	0	0	0	0
Pont Ventoux S.c.r.l. in liquidation	0	0	664	0	399	0	0	728	0	0	1	373	0	0	0
Portovesme S.c.r.l. in liquidation	0	0	0	0	253	0	0	4	0	0	0	1	0	0	0
Principe Amedeo S.c.r.l. in liquidation	0	0	0	0	453	0	0	232	0	0	0	0	0	0	2

ANNEX 1 to the Separate Financial Statements at 31 December 2015 – RELATED PARTIES

Group's companies	Non-current financial assets	Amounts due from customers	Trade receivables	Current financial assets	Other current assets	Non-current financial liabilities	Amounts due to customers	Trade payables	Other current liabilities	Revenue	Other operating revenue	Service costs	Other operating costs	Other financial income	Interest and other financial charges
Progetto Nuraghe S.c.r.l.	0	0	0	0	330	0	0	150	0	0	304	150	0	0	0
Re.Consult Infrastrutture S.p.A.	0	0	0	0	10	0	0	0	0	0	0	0	0	0	0
Redo-Association Momentanée	0	0	0	0	0	0	0	569	0	0	0	0	0	0	0
Romairport S.p.A.	0	0	0	0	11,437	0	0	2,977	49	0	102	58	0	0	460
Romstrade S.r.l.	0	0	0	0	1,551	0	0	226	0	0	0	0	0	0	901
S. Filippo S.c.r.l. in liquidation	0	0	0	0	1,009	0	0	89	0	0	0	0	0	0	25
S. Leonardo S.c.r.l. in liquidation	22	0	0	0	2,630	0	0	698	0	0	0	0	0	0	1
S.A.C.E.S. S.r.l. in liquidation	0	0	0	0	0	1,580	0	0	0	0	0	0	0	0	0
S.E.I.S. S.p.A.	4,250	0	0	0	21	0	0	0	0	0	0	0	0	80	0
S.P.T. - Società Passante Torino SCrl	0	0	0	0	3,178	0	0	0	0	0	51	1,047	2	0	0
SA.T. S.p.A.	6,806	6,156	116	0	41	0	0	155	0	11,111	237	0	0	345	0
Sartori Tecnologie Industriali S.r.l.	0	0	0	0	1,336	0	0	32	15	0	8	0	0	0	174
Scuola Carabinieri S.C.r.l.	0	0	0	0	3,079	0	0	4,600	0	0	537	6,496	0	25	0
Seac S.p.a.r.l. in liquidation	4,558	0	9	0	5,439	0	0	0	0	0	0	0	0	305	317
Serenissima Costruzioni S.p.A.	0	0	0	0	528	0	0	0	0	0	335	0	0	0	0
Sirjo Scpa	0	0	0	0	3,068	0	0	15,095	6	0	280	1,624	0	0	0
Sociedad Concesionaria Metropolitana de Salud s.a.	0	0	6,764	0	1,837	0	7,060	0	0	0	0	10	0	0	91
SP M4 S.C.p.A in liquidation	0	0	0	1,975	0	0	0	864	0	0	0	864	0	356	0
Susa Dora Quattro S.c.r.l. in liquidation	0	0	0	0	3	0	0	204	0	0	3	0	0	0	0
Tangenziale Seconda S.c.r.l. in liquidation	0	0	0	0	85	0	0	20	0	0	7	4	0	1	0
Toledo S.c.r.l. in liquidation	0	0	0	0	1,519	0	0	70	132	0	135	302	0	0	0
Valle Aconcagua S.A.	0	0	4,524	0	79	0	0	0	67	0	214	0	0	0	165
VCGP - Astaldi Ingenieria y Construccion Limitada	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	1,992	0	0	0	28	0	0	1	0	0	23	0	0	130	0
Total	**319,623**	**142,265**	**182,984**	**98,322**	**180,705**	**14,726**	**149,378**	**318,969**	**15,991**	**670,265**	**14,725**	**216,624**	**13,410**	**34,355**	**39,393**
Percentage of incidence of transactions	**99.95%**	**12.75%**	**24.30%**	**76.34%**	**43.61%**	**1.16%**	**41.03%**	**29.26%**	**10.80%**	**31.81%**	**13.17%**	**17.58%**	**36.46%**	**40.35%**	**15.23%**

ANNEX 2 to the Separate Financial Statements at 31 December 2015 – LIST OF INVESTMENTS

Companies	Registered Office	A) Share capital	B) Equity	C) Unpaid capital share	D) Operating profit (loss)	E) % of ownership	F) Carrying amount	G) Historical cost	H) Exchange rate gains or losses	I) FS net value	L) Equity share	M) Paid out profit	N) Provision share for inv. risks	O) Change
										I = (F + G+H)	L = (B * E)			O = (F-G-L-M-N)
1 - Subsidiaries														
Afragola FS Società consortile a Responsabilità Limitata	Rome	10,000	10,000	0	0	76.76%	7,676	0	0	7,676	7,676	0	0	0
AR.GI S.c.p.A.	Rome	35,000,000	14,024,091	21,750,000	0	99.99%	34,996,500	-21,747,375	0	13,249,125	14,022,689	0	0	-773,564
AS. M. S.c.r.l.	Naples	10,000	10,000	0	0	75.91%	7,591	0	0	7,591	7,591	0	0	0
Astaldi Algerie - E.u.r.l.	Algeria	564,090	2,470,980	0	-399,585	100.00%	564,090	0	0	564,090	2,470,980	0	0	-1,906,890
Astaldi Arabia Ltd.	Saudi Arabia	995,818	233,410	0	-679,681	99.90%	233,177	0	0	233,177	233,177	0	0	0
Astaldi Bulgaria LTD	Bulgaria	2,557	40,610	0	-12,022	100.00%	2,557	0	0	2,557	40,610	0	0	-38,054
Astaldi Canada Enterprises Inc.	Canada	6	0	0	0	100.00%	72	-72	0	0	0	0	0	0
Astaldi Canada Inc	Canada	15,244	-16,035,972	0	-19,957,877	100.00%	0	0	0	0	-16,035,972	0	16,035,972	0
Astaldi Concessioni S.p.A.	Rome	83,000,000	109,553,395	0	-110,507	100.00%	191,880,888	0	0	191,880,888	109,553,395	0	0	82,327,493
Astaldi Construction Corporation	U.S.A.	4,871,345	9,317,323	0	-17,578,621	100.00%	10,066,000	0	0	10,066,000	10,066,000	0	0	0
Astaldi de Venezuela C.A.	Venezuela	1,297,205	5,256,599	0	3,398,691	99.80%	1,297,205	0	0	1,297,205	5,246,244	0	0	-3,949,038
Astaldi International Inc.	Liberia	3,404,062	1,585,727	0	0	100.00%	1,329,229	0	0	1,329,229	1,585,727	0	0	-256,498
Astaldi International Ltd.	United Kingdom	3,175,952	2,824,684	0	-190,993	100.00%	2,824,684	0	0	2,824,684	2,824,684	0	0	0
Astaldi Polska Zo.O.	Warsaw	28,886	121,807	0	42,366	100.00%	28,886	0	0	28,886	121,807	0	0	-92,921
Astaldi S.p.a-S.C. Somet S.A.-Tiab S.A.-S.C. UTI Gruo S.A.	Romania	0	0	0	0	40.00%	0	0	0	0	0	0	0	0
Astaldi-Astaldi International J.V.	Mozambique	8,477	965,769	0	156,608	100.00%	2,761	0	0	2,761	965,769	0	0	-963,008
Astaldi-Max Bogl-CCCF JV S.r.l.	Romania	10,073	-1,185,491	0	575	66.00%	0	0	0	0	-782,424	0	782,804	-380
Astalnica S.A.	Nicaragua	59,980	-20,115	65,778	-15,578	98.00%	58,986	-58,986	-5,476	-5,476	-19,713	0	0	19,713
ASTALROM S.A.	Romania	967,225	3,422,368	0	-111,916	99.68%	2,211,143	0	0	2,211,143	3,411,266	0	0	-1,200,123
Astur Insaat Ve Ticaret Anonim Sirketi	Turkey	7,374,254	8,987,009	0	1,979,154	100.00%	6,311,586	0	0	6,311,586	8,987,009	0	0	-2,675,423
Bussentina S.c.r.l. in liquidation	Rome	25,500	-321,645	0	-2,044	78.90%	0	0	0	0	-253,778	0	253,778	0
C.O.MES. in liquidation S.C.r.l.	Rome	20,000	20,000	0	0	55.00%	11,000	0	0	11,000	11,000	0	0	0
Cachapoal Inversiones Limitada	Chile	25,479,527	33,648,078	0	-325,729	0.00%	7	-7	0	0	5	0	0	-5
Capodichino AS.M S.c.r.l.	Naples	10,000	10,000	0	0	66.83%	6,683	0	0	6,683	6,683	0	0	0
CO.ME.NA. S.c.r.l. in liquidation	Naples	20,658	20,658	0	0	70.43%	14,550	0	0	14,550	14,550	0	0	0
CO.MERI S.p.A.	Rome	35,000,000	10,070,001	24,954,557	26,000	99.99%	34,996,500	-24,951,932	0	10,044,568	10,068,994	0	0	-24,426
Consorcio Rio Pallca	Peru	0	99,727	0	-340,378	60.00%	0	0	0	0	59,836	0	0	-59,836
Consorzio Stabile Operae	Rome	500,000	200,000	-300,000	0	99.00%	495,000	-300,000	0	195,000	198,000	0	0	-3,000

ANNEX 2 to the Separate Financial Statements at 31 December 2015 – LIST OF INVESTMENTS

Companies	Registered Office	A) Share capital	B) Equity	C) Unpaid capital share	D) Operating profit (loss)	E) % of ownership	F) Carrying amount	G) Historical cost	H) Exchange rate gains or losses	I) FS net value	L) Equity share	M) Paid out profit	N) Provision share for inv. risks	O) Change
Constructora Astaldi Cachapoal Limitada	Chile	11,464	-18,381,948	0	-519,530	99.90%	0	0	0	0	-18,363,566	0	18,734,322	-370,756
Forum S.c.r.l. in liquidation	Rome	51,000	51,646	0	0	79.99%	41,177	0	0	41,177	41,311	0	0	-134
Garbi Linea 5 S.c.a.r.l.	Rome	10,000	10,000	0	0	100.00%	6,000	0	0	6,000	10,000	0	0	-4,000
Infraflegrea Progetto S.p.A.	Naples	500,000	1,625,691	0	299,832	51.00%	204,000	0	0	204,000	829,102	215,436	0	-840,539
Italstrade CCCF JV Romis S.r.l.	Romania	137,091	534,887	0	-23,036	51.00%	272,792	0	0	272,792	272,792	0	0	0
Italstrade IS S.r.l.	Rome	16,515,578	16,003,756	0	-50,456	100.00%	16,003,756	0	0	16,003,756	16,003,756	0	0	0
Messina Stadio S.c.r.l. in liquidation	Milan	45,900	46,481	0	0	100.00%	46,288	0	0	46,288	46,481	0	0	-193
Mormanno S.c.r.l. in liquidation	Rome	10,200	-22,882	0	-23,259	74.99%	0	0	0	0	-17,159	0	17,159	0
NBI S.p.A.	Rome	7,500,000	8,145,818	0	-2,561,693	100.00%	7,500,000	0	0	7,500,000	8,145,818	0	0	-645,818
Ospedale del Mare S.C.r.l. in liquidation	Rome	50,000	50,000	0	0	100.00%	50,000	0	0	50,000	50,000	0	0	0
Partenopea Finanza di Progetto S.C.p.A.	Naples	9,300,000	9,388,472	0	0	99.99%	9,224,042	0	0	9,224,042	9,387,533	0	0	-163,492
Portovesme S.c.r.l. in liquidation	Milan	25,500	25,823	0	0	99.98%	25,753	0	0	25,753	25,818	0	0	-65
Redo-Association Momentanée	Dem. Rep. of the Congo	0	678,275	0	0	75.00%	29,487	0	0	29,487	508,706	0	0	-479,219
Romairport S.p.A	Rome	500,000	111,671	0	-465,046	99.26%	110,848	0	0	110,848	110,848	0	0	0
Romstrade S.r.l.	Romania	253,872	-1,191,661	0	-901,225	100.00%	0	0	0	0	-1,191,661	0	1,191,661	0
S. Filippo S.c.r.l. in liquidation	Rome	10,200	-42,339	0	-30,711	80.00%	0	0	0	0	-33,871	0	33,871	0
S.P.T. - Società Passante Torino S.C.r.l.	Rome	50,000	50,000	0	0	74.00%	37,000	0	0	37,000	37,000	0	0	0
Scuola Carabinieri S.C.r.l.	Rome	50,000	50,000	0	0	61.40%	30,700	0	0	30,700	30,700	0	0	0
Seac S.p.a.r.l. in liquidation	Dem. Rep. of the Congo	337,102	-10,012,751	0	-316,960	100.00%	0	0	0	0	-10,012,751	0	10,012,751	0
SIRJO Società Consortile per Azioni	Rome	30,000,000	7,500,000	22,500,000	0	60.00%	18,000,000	-13,500,000	0	4,500,000	4,500,000	0	0	0
Susa Dora Quattro S.c.r.l. in liquidation	Rome	51,000	51,646	0	0	90.00%	46,481	0	0	46,481	46,481	0	0	0
Toledo S.c.r.l. in liquidation	Naples	50,000	50,000	0	0	90.39%	45,197	0	0	45,197	45,197	0	0	0
Total 1) – Subsidiaries							***339,020,294***	***-60,558,372***	***-5,476***	***278,456,446***	***163,284,340***	***215,436***	***47,062,318***	***67,899,827***

ANNEX 2 to the Separate Financial Statements at 31 December 2015 – LIST OF INVESTMENTS

Companies	Registered Office	A) Share capital	B) Equity	C) Unpaid capital share	D) Operating profit (loss)	E) % of ownership	F) Carrying amount	G) Historical cost	H) Exchange rate gains or losses	I) FS net value	L) Equity share	M) Paid out profit	N) Provision share for inv. risks	O) Change
2- Associates														
Association en participation SEP Astaldi-Somatra-Bredero	Tunisia	0	0	0	0	40.00%	0	0	0	0	0	0	0	0
Autostrada Nogara Mare Adriatico Scpa	Verona	120,000	120,000	0	0	10.00%	12,000	0	0	12,000	12,000	0	0	0
Blufi 1 S.c.rl. In liquidation	Agrigento	25,823	-70,913	0	0	32.00%	0	0	0	0	-22,692	0	22,692	0
Consorcio Astaldi-ICE	Bolivia	0	0	0	0	50.00%	0	0	0	0	0	0	0	0
Consorcio Contuy Medio	Venezuela	0	912	0	0	28.30%	109,618	0	0	109,618	258	0	0	109,360
Consorcio Grupo Contuy - Proyectos y Obras de Ferrocarriles	Venezuela	0	498,464	0	0	32.33%	0	0	0	0	161,153	0	0	-161,153
Consorzio A.F.T. in liquidation	Rome	46,481	46,481	0	0	33.33%	15,494	0	0	15,494	15,492	0	0	2
Consorzio Consarno	Castellammare di Stabia (NA)	20,658	20,659	0	0	25.00%	5,165	0	0	5,165	5,165	0	0	0
Consorzio Consavia S.c.n.c. in liquidation	Rome	20,658	19,272	0	-1,388	25.00%	5,165	0	0	5,165	4,818	0	0	347
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	Rome	206,583	206,583	0	0	25.00%	51,646	0	0	51,646	51,646	0	0	0
Consorzio Iricav Due	Rome	510,000	516,458	0	0	37.49%	193,329	0	0	193,329	193,620	0	0	-291
Consorzio Iricav Uno	Rome	520,000	444,153	75,847	0	27.91%	145,132	-21,182	0	123,950	123,963	0	0	-13
Consorzio Ital.Co.Cer.	Rome	51,600	51,645	0	0	30.00%	15,494	0	0	15,494	15,494	0	0	0
Consorzio Italvenezia	Rome	77,450	77,469	0	0	25.00%	19,367	0	0	19,367	19,367	0	0	0
Consorzio MM4 (CMM4)	Milan	200,000	200,000	0	0	32.14%	64,270	0	0	64,270	64,270	0	0	0
Consorzio Novocen in liquidation	Naples	51,640	-140,190	0	0	40.76%	0	0	0	0	-57,141	0	57,141	0
Consorzio Pedelombarda 2	Milan	10,000	10,000	0	0	17.96%	1,796	0	0	1,796	1,796	0	0	0
Consorzio Qalat	Misterbianco (CT)	10,327	6,197	4,133	0	40.00%	4,132	-4,132	0	0	2,479	0	0	-2,479
Diga di Blufi S.c.r.l. in liquidation	Milan	45,900	30,213	16,268	0	50.00%	23,241	0	0	23,241	15,107	0	0	8,134
Ecosarno S.c.r.l. in liquidation	Sesto S. Giovanni (MI)	50,490	51,129	0	0	33.33%	17,043	0	0	17,043	17,043	0	0	0
Fosso Canna S.c.r.l. in liquidation	Milan	25,500	-76,403	0	-2,109	32.00%	0	0	0	0	-24,449	0	24,449	0
GE.SAT S.c.r.a.r.l.	Prato	10,000	10,000	0	0	35.00%	3,500	0	0	3,500	3,500	0	0	0
GEI - Grupo Empresas Italianas	Venezuela	2,039,163	875,881	0	0	33.34%	654,883	0	0	654,883	291,975	0	0	362,909
Groupement Eurolep	Switzerland	62,127	56,335	0	0	22.00%	8,088	0	0	8,088	12,394	0	0	-4,306

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Companies	Registered Office	A) Share capital	B) Equity	C) Unpaid capital share	D) Operating profit (loss)	E) % of ownership	F) Carrying amount	G) Historical cost	H) Exchange rate gains or losses	I) FS net value	L) Equity share	M) Paid out profit	N) Provision share for inv. risks	O) Change
ICA IC Ictas - Astaldi Ucuncu Bogaz Koprusu Ve Kuzey Marmara Otoyolu Yatirim Ve Isletme Anonim Sirketi	Turkey	147,152,616	315,780,405	0	75,843,480	33.33%	53,618,180	0	0	53,618,180	105,249,609	0	0	-51,631,429
M.N. Metropolitana di Napoli S.p.A.	Naples	3,655,397	30,473,532	0	-1,687,595	22.62%	3,298,708	0	0	3,298,708	6,893,113	0	0	-3,594,405
Metro 5 S.p.A.	Milan	53,299,997	69,221,703	0	10,429,561	38.70%	23,777,100	0	0	23,777,100	26,788,799	0	0	-3,011,699
Metro Brescia S.r.l.	Brescia	4,020,408	4,392,763	0	241,686	24.50%	985,000	0	0	985,000	1,076,227	0	0	-91,227
METRO C S.c.p.a.	Rome	150,000,000	57,017,780	92,500,000	0	34.50%	51,583,634	-31,912,500	0	19,671,134	19,671,134	0	0	0
Metrogenova S.c.r.l.	Genoa	25,500	25,823	0	0	21.81%	5,055	0	0	5,055	5,632	0	0	-577
Mose Bocca di Chioggia Società consortile a responsabilità limitata	Padua	10,000	2,500	7,500	0	15.00%	1,500	-1,125	0	375	375	0	0	0
Mose-Treporti S.c.r.l.	Padua	10,000	10,000	0	0	35.00%	3,500	0	0	3,500	3,500	0	0	0
N.P.F. - Nuovo Polo Fieristico S.c.r.l. in liquidation	Rome	40,000	40,000	0	0	50.00%	20,000	0	0	20,000	20,000	0	0	0
Nova Metro S.c.r.l. in liquidation	Rome	40,800	41,317	0	0	24.10%	9,934	0	0	9,934	9,957	0	0	-23
Otoyol Deniz Tasimaciligi A.S.	Turkey	2,073,327	1,793,474	0	0	17.50%	362,832	0	0	362,832	313,858	0	0	48,974
Otoyol Isletme Ve Bakim Anonim Sirketi	Turkey	1,334,024	1,244,491	0	0	18.86%	251,597	0	0	251,597	234,711	0	0	16,886
Otoyol Yatirim Ve Isletme A.S.	Turkey	830,703,632	872,553,478	0	125,808,706	18.86%	156,670,484	0	0	156,670,484	164,563,586	0	0	-7,893,102
Passante Dorico S.p.A.	Milan	24,000,000	6,000,000	18,000,000	0	24.00%	5,760,000	-4,320,000	0	1,440,000	1,440,000	0	0	0
Pedelombarda S.c.p.A.	Milan	80,000,000	20,000,000	60,000,000	0	24.00%	19,200,000	-14,400,000	0	4,800,000	4,800,000	0	0	0
Pegaso S.c.r.l. in liquidation	Rome	260,000	260,000	0	0	43.75%	113,750	0	0	113,750	113,750	0	0	0
Progetto Nuraghe Società consortile a responsabilità Limitata	Rome	10,000	10,000	0	0	48.55%	4,855	0	0	4,855	4,855	0	0	0
S.A.C.E.S. S.r.l. in liquidation	Rome	26,000	-461,958	0	69,351	37.00%	0	0	0	0	-170,924	0	196,584	-25,660
S.E.I.S. S.p.A.	Milan	3,877,500	26,859,350	0	-665,044	48.33%	1,996,958	0	0	1,996,958	12,981,124	0	0	-10,984,166
SA.T. S.p.A.	Prato	19,126,000	16,989,797	0	-270,663	35.00%	6,694,100	0	0	6,694,100	5,946,429	0	0	747,671
Società di Progetto Consortile per Azioni M4	Milan	360,000	360,000	0	0	28.90%	104,040	0	0	104,040	104,040	0	0	0
Tangenziale Seconda S.c.r.l. in liquidation	Rome	45,900	45,398	1,084	0	42.73%	16,268	0	0	16,268	19,399	0	0	-3,130
Veneta Sanitaria Finanza di Progetto S.p.A.	Mestre (VE)	20,500,000	49,719,551	0	5,036,011	31.00%	6,355,000	0	0	6,355,000	15,413,061	0	0	-9,058,061
Total 2) – Associates							***332,181,858***	***-50,658,939***	***0***	***281,522,919***	***366,389,491***	***0***	***300,866***	***-85,167,439***

ANNEX 2 to the Separate Financial Statements at 31 December 2015 – LIST OF INVESTMENTS

Companies	Registered Office	A) Share capital	B) Equity	C) Unpaid capital share	D) Operating profit (loss)	E) % of ownership	F) Carrying amount	G) Historical cost	H) Exchange rate gains or losses	I) FS net value	L) Equity share	M) Paid out profit	N) Provision share for inv. risks	O) Change
2b - Joint Ventures														
Ankara Etlik Hastane Salik Hizmetleri Isletme Yatirim A.s.	Turkey	44,996,610	31,750,490	0	622,351	5.00%	2,293,960	0	0	2,293,960	1,587,525	0	0	706,435
Astaldi Bayindir J.V.	Turkey	0	0	0	0	50.00%	0	0	0	0	0	0	0	0
Avola S.c.r.l. in liquidation	Milan	10,200	-202,484	0	-374	50.00%	0	0	0	0	-101,242	0	101,242	0
Avrasya Metro Grubu Srl	Agliana (PT)	10,000	-889,868	0	-914,552	42.00%	0	0	0	0	-373,745	0	373,745	0
C.F.M. S.c.r.l. in liquid.	Naples	40,800	41,317	0	0	50.00%	20,658	0	0	20,658	20,658	0	0	0
Colli Albani S.c.r.l. in liquidation	Rome	25,500	-12,908	0	-1,918	60.00%	0	0	0	0	-7,745	0	7,745	0
Consorzio A.F.T. Kramis	Rome	100,000	-29,749	0	0	50.00%	0	0	0	0	-14,873	0	14,873	0
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	Naples	2,582	0	0	0	50.00%	0	0	0	0	0	0	0	0
Consorzio Ferrofir in liquidation	Rome	30,987	534,800	0	0	66.67%	20,658	0	0	20,658	356,530	0	0	-335,872
Consorzio Gi.It. in liquidation	Naples	2,582	2,582	0	0	50.00%	1,291	0	0	1,291	1,291	0	0	0
Etlik Hastane PA S.r.l.	Rome	110,000	110,000	0	0	51.00%	56,100	0	0	56,100	56,100	0	0	0
Grand Capital Ring	Russia	5,199	-3,841	0	0	25.10%	1,305	0	0	1,305	-964	0	0	2,269
IC Ictas Astaldi Ica Insaat Anonim Sirketi	Turkey	17,348	1,934,872	8,208	2,289,816	50.00%	8,674	-6,505	603	2,771	967,436	0	0	-965,268
Infraflegrea S.c.r.l. in liquidation	Naples	46,600	30,290	16,310	0	50.00%	15,145	0	0	15,145	15,145	0	0	0
Piana di Licata S.c.r.l. in liquidation	Milan	10,200	-352,046	0	-1,026	43.75%	0	0	0	0	-154,020	0	154,020	0
Pont Ventoux S.c.r.l. in liquidation	Rome	51,000	51,646	0	0	56.25%	23,241	0	0	23,241	29,051	0	0	-5,810
Principe Amedeo S.c.r.l. in liquidation	Rome	10,200	-184	0	-3,626	50.00%	0	0	0	0	-92	0	92	0
S. Leonardo S.c.r.l. in liquidation	Rome	10,200	-96,881	0	-1,865	51.00%	0	0	0	0	-49,409	0	49,409	0
SOC 24, Russia	Russia	5,199	-1,534	0	0	25.10%	1,305	0	0	1,305	-385	0	0	1,690
VCGP - Astaldi Ingenieria y Construccion Limitada	Chile	98,138	2	85,412	0	50.00%	49,069	-49,069	6,362	6,362	1	0	0	-1
Total 2b) - Joint Ventures							***2,491,405***	***-55,574***	***6,965***	***2,442,796***	***2,331,262***	***0***	***701,126***	***-596,557***
3 – Other investees														
Astaldi - Ozkar JV	Sultanate of Oman	0	-135,265	0	0	0.01%	0	0	0	0	-14	0	0	14
C.F.C. S.c.r.l.	Naples	45,900	46,481	0	0	0.01%	5	0	0	5	5	0	0	0
Co.Sa.Vi.D. S.c.r.l.	Rome	25,500	22,351	0	0	0.01%	3	0	0	3	2	0	0	0
Consorzio Asse Sangro in liquidation	Rome	464,811	9	464,802	0	4.76%	22,134	-22,134	0	0	0	0	0	0
Consorzio Centro Uno in liquidation	Naples	154,937	28,750	0	0	2.00%	3,099	0	0	3,099	575	0	0	2,524

ANNEX 2 to the Separate Financial Statements at 31 December 2015 – LIST OF INVESTMENTS

Companies	Registered Office	A) Share capital	B) Equity	C) Unpaid capital share	D) Operating profit (loss)	E) % of ownership	F) Carrying amount	G) Historical cost	H) Exchange rate gains or losses	I) FS net value	L) Equity share	M) Paid out profit	N) Provision share for inv. risks	O) Change
Consorzio Ferroviario Vesuviano	Naples	153,000	154,937	0	0	0.00%	6	0	0	6	6	0	0	0
Consorzio Groupement Lesi-Dipenta	Rome	258,228	103,328	154,900	0	0.01%	36	-15	0	21	10	0	0	10
Consorzio Malagrotta	Rome	2,841	0	0	0	0.00%	300	0	0	300	0	0	0	300
Consorzio TRA.DE.CI.V.	Naples	155,535	155,535	0	0	17.73%	27,571	0	0	27,571	27,572	0	0	-1
Consorzio Utenti Servizi Salaria Vallericca	Rome	0	0	0	0	0.00%	16,500	0	0	16,500	0	0	0	16,500
Dirpa S.c.a.r.l. in A.S.	Rome	50,000,000	0	0	0	99.98%	0	0	0	0	0	0	0	0
Fondazione Accademia Nazionale di S. Cecilia	Rome	0	0	0	0	0.00%	5,165	0	0	5,165	0	0	0	5,165
Fondazione Filarmonica Arturo Toscanini	Parma	0	0	0	0	0.00%	5,000	0	0	5,000	0	0	0	5,000
Fusaro S.C.r.l. in liquidation	Naples	10,200	10,329	0	0	0.01%	1	0	0	1	1	0	0	0
G.G.O. S.c.r.l. in liquidation	Agrigento	25,500	1,267	0	0	10.00%	127	0	0	127	127	0	0	0
Guida Editori S.r.l. in liquidation	Naples	0	0	0	0	0.02%	5	0	0	5	0	0	0	5
I.SV.E.UR. Istituto per lo Sviluppo Edilizio ed Urbanistico S.p.A.	Rome	2,500,000	4,938,134	0	0	0.20%	7,334	0	0	7,334	9,876	0	0	-2,543
IGI - Istituto Grandi Infrastrutture	Rome	0	0	0	0	0.00%	51,646	0	0	51,646	0	0	0	51,646
Imprese Riunite Genova S.c.r.l. in liquidation	Genoa	25,500	25,823	0	0	16.10%	4,157	0	0	4,157	4,157	0	0	0
Imprese Riunite Genova Seconda S.c.r.l. in liquidation	Genoa	25,000	-1,616,533	0	0	16.10%	0	0	0	0	-260,262	0	260,262	0
Italstrade CCCF JV Bucuresti S.r.l.	Romania	72	0	0	0	1.00%	0	0	0	0	0	0	0	0
M.N.6 S.C.r.l.	Naples	51,000	51,000	0	0	1.00%	510	0	0	510	510	0	0	0
NO.VI.F.IN. Nova Via Festinat Industrias S.c.r.l.	Naples	10,329	10,329	0	0	0.01%	1	0	0	1	1	0	0	0
Pantano S.c.r.l.	Rome	40,800	41,317	0	0	10.00%	4,132	0	0	4,132	4,132	0	0	0
Pavimental S.p.A.	Rome	4,669,132	44,621,018	0	0	0.60%	62,007	0	0	62,007	267,726	0	0	-205,719
Skiarea Valchiavenna S.p.A.	Campodolcino	8,118,182	11,198,977	1,033	0	0.23%	17,839	0	0	17,839	25,422	0	0	-7,583
Sociedad Concesionaria BAS S.A.	Chile	12,699,044	12,699,044	0	0	0.10%	12,827	0	0	12,827	12,699	0	0	128
SPV Linea M4 S.p.A.	Milan	103,200,000	103,200,000	0	0	9.63%	9,941,200	0	0	9,941,200	9,938,160	0	0	3,040
Total 3) – Other investees							***10,181,603***	***-22,149***	***0***	***10,159,454***	***10,030,706***	***0***	***260,262***	***-131,514***
Grand total							***683,875,160***	***-111,295,034***	***1,489***	***572,581,615***	***542,035,799***	***215,436***	***48,324,572***	***-17,995,682***

ANNEX 3 to the Separate Financial Statements at 31 December 2015 – INFORMATION ON CHANGES IN INVESTMENTS

Companies	Currency	Share capital nominal amount	Share total number	Number of shares held	Carrying amount at 31.12.2014	Total Increases	Total Decreases	Carrying amount at 31.12.2015	Direct %	Indirect %	Total %
1 - Subsidiaries											
3E System Srl	EUR	10,000	0	0	0	0	0	0	0.00%	100.00%	100.00%
Afragola FS Società consortile a Responsabilità Limitata	EUR	10,000	0	0	0	7,676	0	7,676	76.76%	23.24%	100.00%
AR.GI S.c.p.A.	EUR	35,000,000	350,000	0	13,249,125	0	0	13,249,125	99.99%	0.00%	99.99%
AS. M. S.c.r.l.	EUR	10,000	0	0	7,591	0	0	7,591	75.91%	0.00%	75.91%
Astaldi Algerie - E.u.r.l.	DZD	54,979,619	0	0	564,090	0	0	564,090	100.00%	0.00%	100.00%
Astaldi Arabia Ltd.	SAR	5,000,000	5,000	3,000	786,561	0	-553,384	233,177	99.90%	0.10%	100.00%
Astaldi Bulgaria LTD	BGN	5,000	100	100	2,557	0	0	2,557	100.00%	0.00%	100.00%
Astaldi Canada Design & Construction INC	CAD	100	100	0	0	0	0	0	0.00%	100.00%	100.00%
Astaldi Canada Enterprises Inc.	CAD	100	100	100	0	0	0	0	100.00%	0.00%	100.00%
Astaldi Canada Inc	CAD	20,000	0	0	15,244	0	-15,244	0	100.00%	0.00%	100.00%
Astaldi Concessioni S.p.A.	EUR	83,000,000	83,000,000	83,000,000	191,880,888	0	0	191,880,888	100.00%	0.00%	100.00%
Astaldi Construction Corporation	USD	6,000,000	2,000	2,000	7,967,783	18,258,431	-16,160,214	10,066,000	100.00%	0.00%	100.00%
Astaldi de Venezuela C.A.	VEF	110,300	110,300	110,083	1,297,205	0	0	1,297,205	99.80%	0.00%	99.80%
Astaldi International Inc.	USD	3,000,000	300,000	300,000	1,329,229	0	0	1,329,229	100.00%	0.00%	100.00%
Astaldi International Ltd.	GBP	2,000,000	2,000,000	2,000,000	2,839,656	0	-14,972	2,824,684	100.00%	0.00%	100.00%
Astaldi Polska Zo.O.	PLN	120,000	0	0	28,886	0	0	28,886	100.00%	0.00%	100.00%
Astaldi S.p.a-S.C. Somet S.A.-Tiab S.A.-S.C. UTI Gruo S.A.	RON	0	0	0	0	0	0	0	40.00%	0.00%	40.00%
Astaldi-Astaldi International J.V.	USD	10,000	0	0	2,761	0	0	2,761	100.00%	0.00%	100.00%
Astaldi-Max Bogl-CCCF JV S.r.l.	RON	40,000	100	0	0	0	0	0	66.00%	0.00%	66.00%
Astalnica S.A.	NIO	2,000,000	100	98	0	0	0	0	98.00%	0.00%	98.00%
ASTALROM S.A.	RON	3,809,898	1,523,959	1,519,016	2,211,053	90	0	2,211,143	99.68%	0.00%	99.68%
Astur Insaat Ve Ticaret Anonim Sirketi	TRY	21,000,000	2,100,000	2,100,000	691,199	5,620,387	0	6,311,586	100.00%	0.00%	100.00%
Bielle Impianti S.c.a.r.l.	EUR	100,000	0	0	0	0	0	0	0.00%	75.00%	75.00%
Bussentina S.c.r.l. in liquidation	EUR	25,500	0	0	0	0	0	0	78.90%	0.00%	78.90%
C.O.MES. in liquidation S.C.r.l.	EUR	20,000	0	0	11,000	0	0	11,000	55.00%	0.00%	55.00%
Cachapoal Inversiones Limitada	USD	37,234,761	0	0	0	0	0	0	0.00%	100.00%	100.00%
Capodichino AS.M S.c.r.l.	EUR	10,000	0	0	0	6,683	0	6,683	66.83%	0.00%	66.83%
Careggi Società Consortile a Responsabilità Limitata (Carreggi Scarl)	EUR	10,000	0	0	0	0	0	0	0.00%	57.00%	57.00%
CO.ME.NA. S.c.r.l. in liquidation	EUR	20,658	0	0	14,550	0	0	14,550	70.43%	0.00%	70.43%
CO.MERI S.p.A.	EUR	35,000,000	350,000	0	10,044,568	0	0	10,044,568	99.99%	0.00%	99.99%
CO.VA. Società a Responsabilità Limitata (S.c.r.l.)	EUR	10,000	0	0	0	0	0	0	0.00%	60.00%	60.00%
Consorcio Rio Pallca	PEN	0	0	0	0	0	0	0	60.00%	0.00%	60.00%
Consorzio Stabile Busi	EUR	100,000	0	0	0	0	0	0	0.00%	95.00%	95.00%
Consorzio Stabile Operae	EUR	500,000	0	0	0	200,000	-5,000	195,000	99.00%	1.00%	100.00%
Constructora Astaldi Cachapoal Limitada	CLP	10,000,000	0	0	0	0	0	0	99.90%	0.00%	99.90%

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Companies	Currency	Share capital nominal amount	Share total number	Number of shares held	Carrying amount at 31.12.2014	Total Increases	Total Decreases	Carrying amount at 31.12.2015	Direct %	Indirect %	Total %
DEAS Società Consortile a Responsabilità Limitata	EUR	10,000	0	0	0	0	0	0	0.00%	57.00%	57.00%
Dirpa 2 Scarl	EUR	50,009,998	0	0	0	0	0	0	0.00%	99.98%	99.98%
Forum S.c.r.l. In liquidation	EUR	51,000	0	0	41,177	0	0	41,177	79.99%	0.00%	79.99%
Garbi Linea 5 S.c.a.r.l.	EUR	10,000	0	0	6,000	0	0	6,000	100.00%	0.00%	100.00%
Infraflegrea Progetto S.p.A.	EUR	500,000	50,000	25,500	204,000	0	0	204,000	51.00%	0.00%	51.00%
Inversiones Assimco Limitada	USD	40,633,000	0	0	0	0	0	0	0.00%	100.00%	100.00%
Italstrade CCCF JV Romis S.r.l.	RON	540,000	5,400	0	284,541	0	-17,225	267,316	51.00%	0.00%	51.00%
Italstrade IS S.r.l.	EUR	16,515,578	45,000	0	16,053,847	0	-50,091	16,003,756	100.00%	0.00%	100.00%
Kopalnia Kruszywa S5 Sp. z o.o.	PLN	5,000	100	0	0	0	0	0	0.00%	100.00%	100.00%
Messina Stadio S.c.r.l. in liquidation	EUR	45,900	0	0	46,288	0	0	46,288	100.00%	0.00%	100.00%
Mondial Milas - Bodrum Havalimani Uluslararasi Terminal Isletmeciligi Ve Yatirim A.S.	TRY	37,518,000	37,518,000	0	0	0	0	0	0.00%	100.00%	100.00%
Mormanno S.c.r.l. in liquidation	EUR	10,200	0	0	283	0	-283	0	74.99%	0.00%	74.99%
NBI Elektrik Elektromekanik Tesisat Insaat Sanayi Ve Ticaret L.S.	TRY	200,000	0	0	0	0	0	0	0.00%	100.00%	100.00%
NBI S.p.A.	EUR	7,500,000	75,000	75,000	7,500,000	0	0	7,500,000	100.00%	0.00%	100.00%
Ospedale del Mare S.C.r.l. in liquidation	EUR	50,000	0	0	50,000	0	0	50,000	100.00%	0.00%	100.00%
Partenopea Finanza di Progetto S.C.p.A.	EUR	9,300,000	9,300,000	9,299,070	9,224,042	0	0	9,224,042	99.99%	0.00%	99.99%
Portovesme S.c.r.l. in liquidation	EUR	25,500	0	0	25,753	0	0	25,753	99.98%	0.00%	99.98%
Redo-Association Momentanée	CDF	0,5	0	0	29,487	0	0	29,487	75.00%	25.00%	100.00%
Romairport S.p.A	EUR	500,000	500,000	496,317	570,700	0	-459,852	110,848	99.26%	0.00%	99.26%
Romstrade S.r.l.	RON	1,000,000	0	0	0	0	0	0	100.00%	0.00%	100.00%
S. Filippo S.c.r.l. in liquidation	EUR	10,200	0	0	0	0	0	0	80.00%	0.00%	80.00%
S.P.T. - Società Passante Torino S.C.r.l.	EUR	50,000	0	0	37,000	0	0	37,000	74.00%	0.00%	74.00%
Sartori Tecnologie Industriali S.r.l.	EUR	200,000	0	0	128,869	44,983	-173,852	0	0.00%	100.00%	100.00%
Scuola Carabinieri S.C.r.l.	EUR	50,000	0	0	30,700	0	0	30,700	61.40%	0.00%	61.40%
Seac S.p.a.r.l. in liquidation	CDF	400	180,565	0	0	0	0	0	100.00%	0.00%	100.00%
SIRJO Società Consortile per Azioni	EUR	30,000,000	300,000	180,000	4,500,000	0	0	4,500,000	60.00%	0.00%	60.00%
Sociedad Concesionaria Metropolitana de Salud S.A.	CLP	15,000,000,000	15,000	0	0	0	0	0	0.00%	99.99%	99.99%
Susa Dora Quattro S.c.r.l. in liquidation	EUR	51,000	0	0	46,481	0	0	46,481	90.00%	0.00%	90.00%
T.E.Q. Construction Enterprise Inc.	CAD	323	323	0	0	0	0	0	0.00%	100.00%	100.00%
Tione 2008 Scrl	EUR	100,000	0	0	0	0	0	0	0.00%	80.00%	80.00%
Toledo S.c.r.l. in liquidation	EUR	50,000	0	0	45,197	0	0	45,197	90.39%	0.00%	90.39%
Valle Aconcagua S.A.	CLP	13,302,991,411	13,302,991	0	0	0	0	0	0.00%	77.51%	77.51%
Total 1) - Subsidiaries					**271,768,311**	**24,138,250**	**-17,450,117**	**278,456,444**			

ANNEX 3 to the Separate Financial Statements at 31 December 2015 – INFORMATION ON CHANGES IN INVESTMENTS

Companies	Currency	Share capital nominal amount	Share total number	Number of shares held	Carrying amount at 31.12.2014	Total Increases	Total Decreases	Carrying amount at 31.12.2015	Direct %	Indirect %	Total %
2 - Associates											
Association en participation SEP Astaldi-Somatra-Bredero	TND	0	0	0	0	0	0	0	40.00%	0.00%	40.00%
Autostrada Nogara Mare Adriatico Scpa	EUR	120,000	120,000	12,000	12,000	0	0	12,000	10.00%	13.00%	23.00%
Blufi 1 S.c.rl. In liquidation	EUR	25,823	0	0	0	0	0	0	32.00%	0.00%	32.00%
Consorcio Astaldi-ICE	BOB	0	0	0	0	0	0	0	50.00%	0.00%	50.00%
Consorcio Contuy Medio	USD	40,000	0	0	109,618	0	0	109,618	28.30%	0.00%	28.30%
Consorcio Grupo Contuy - Proyectos y Obras de Ferrocarriles	VEF	0	0	0	0	0	0	0	32.33%	0.00%	32.33%
Consorzio A.F.T. in liquidation	EUR	46,481	0	0	15,494	0	0	15,494	33.33%	0.00%	33.33%
Consorzio Consarno	EUR	20,658	0	0	5,165	0	0	5,165	25.00%	0.00%	25.00%
Consorzio Consavia S.c.n.c. in liquidation	EUR	20,658	0	0	5,165	0	0	5,165	25.00%	0.00%	25.00%
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	EUR	206,583	0	0	51,646	0	0	51,646	25.00%	0.00%	25.00%
Consorzio Iricav Due	EUR	510,000	0	0	193,329	0	0	193,329	37.49%	0.00%	37.49%
Consorzio Iricav Uno	EUR	520,000	0	0	123,950	0	0	123,950	27.91%	0.00%	27.91%
Consorzio Ital.Co.Cer.	EUR	51,600	0	0	15,494	0	0	15,494	30.00%	0.00%	30.00%
Consorzio Italvenezia	EUR	77,450	0	0	19,367	0	0	19,367	25.00%	0.00%	25.00%
Consorzio MM4 (CMM4)	EUR	200,000	0	0	62,100	2,170	0	64,270	32.14%	0.00%	32.14%
Consorzio Novocen in liquidation	EUR	51,640	0	0	0	0	0	0	40.76%	0.00%	40.76%
Consorzio Pedelombarda 2	EUR	10,000	0	0	1,796	0	0	1,796	17.96%	0.00%	17.96%
Consorzio Ponte Stretto di Messina in liquidation	EUR	100,000	0	0	24,740	0	-24,740	0	51.97%	0.00%	51.97%
Consorzio Qalat	EUR	10,327	0	0	0	0	0	0	40.00%	0.00%	40.00%
Diga di Blufi S.c.r.l. in liquidation	EUR	45,900	0	0	23,241	0	0	23,241	50.00%	0.00%	50.00%
Ecosarno S.c.r.l. in liquidation	EUR	50,490	0	0	17,043	0	0	17,043	33.33%	0.00%	33.33%
Fosso Canna S.c.r.l. in liquidation	EUR	25,500	0	0	0	0	0	0	32.00%	0.00%	32.00%
GE.SAT S.c.r.a.r.l.	EUR	10,000	0	0	3,500	0	0	3,500	35.00%	0.00%	35.00%
GEI - Grupo Empresas Italianas	VEF	2,000,100	0	0	654,883	0	0	654,883	33.34%	0.00%	33.34%
Groupement Eurolep	CHF	100,000	0	0	8,088	0	0	8,088	22.00%	0.00%	22.00%
Groupement Italgisas	MAD	207,014,000	0	0	0	0	0	0	0.00%	40.00%	40.00%
ICA IC Ictas - Astaldi Ucuncu Bogaz Koprusu Ve Kuzey Marmara Otoyolu Yatirim Ve Isletme Anonim Sirketi	TRY	400,000,000	40,000,000	13,332,000	53,618,180	0	0	53,618,180	33.33%	0.00%	33.33%
Italsagi Sp. Zo. O.	PLN	100,000,000	0	0	0	0	0	0	0.00%	34.00%	34.00%
M.N. Metropolitana di Napoli S.p.A.	EUR	3,655,397	7,310,794	1,653,725	3,298,708	0	0	3,298,708	22.62%	0.00%	22.62%
Metro 5 S.p.A.	EUR	53,300,000	533,000	20,627,100	23,777,100	0	0	23,777,100	38.70%	0.00%	38.70%
Metro Brescia S.r.l. (MB-S.r.l.)	EUR	4,020,408	0	0	985,000	0	0	985,000	24.50%	0.00%	24.50%
METRO C S.c.p.a.	EUR	150,000,000	1,500,000	517,500	19,671,134	0	0	19,671,134	34.50%	0.00%	34.50%
Metrogenova S.c.r.l.	EUR	25,500	0	0	5,055	0	0	5,055	21.81%	0.00%	21.81%
Mose Bocca di Chioggia Società consortile a responsabilità limitata	EUR	10,000	0	0	0	375	0	375	15.00%	0.00%	15.00%

ANNEX 3 to the Separate Financial Statements at 31 December 2015 – INFORMATION ON CHANGES IN INVESTMENTS

Companies	Currency	Share capital nominal amount	Share total number	Number of shares held	Carrying amount at 31.12.2014	Total Increases	Total Decreases	Carrying amount at 31.12.2015	Direct %	Indirect %	Total %
Mose-Treporti S.c.r.l.	EUR	10,000	0	0	3,500	0	0	3,500	35.00%	0.00%	35.00%
N.P.F. - Nuovo Polo Fieristico S.c.r.l. in liquidation	EUR	40,000	0	0	20,000	0	0	20,000	50.00%	0.00%	50.00%
Nova Metro S.c.r.l. in liquidation	EUR	40,800	0	0	9,934	0	0	9,934	24.10%	0.00%	24.10%
Otoyol Deniz Tasimaciligi A.S.	TRY	6,000,000	600,000	105,000	362,832	0	0	362,832	17.50%	0.00%	17.50%
Otoyol Isletme Ve Bakim Anonim Sirketi	TRY	500,000	50,000	9,430	3,231	248,366	0	251,597	18.86%	0.00%	18.86%
Otoyol Yatirim Ve Isletme A.S.	TRY	2,200,000,000	2,200,000	282,900	109,376,915	47,293,570	0	156,670,484	18.86%	0.00%	18.86%
Pacific Hydro Chacayes S.A.	USD	117,843,221	185,360,220	0	0	0	0	0	0.00%	27.30%	27.30%
Passante Dorico S.p.A.	EUR	24,000,000	0	0	1,440,000	0	0	1,440,000	24.00%	0.00%	24.00%
Pedelombarda S.c.p.A.	EUR	80,000,000	80,000,000	19,200,000	4,800,000	0	0	4,800,000	24.00%	0.00%	24.00%
Pedemontana Lombarda Manutenzioni S.c.a.r.l. (PLM Scarl)	EUR	10,000	0	0	0	0	0	0	0.00%	35.40%	35.40%
Pegaso S.c.r.l. in liquidation	EUR	260,000	0	0	113,750	0	0	113,750	43.75%	0.00%	43.75%
Progetto Nuraghe Società consortile a responsabilità Limitata	EUR	10,000	0	0	0	4,855	0	4,855	48.55%	0.00%	48.55%
S.A.C.E.S. S.r.l. in liquidation	EUR	26,000	0	0	0	0	0	0	37.00%	0.00%	37.00%
S.E.I.S. S.p.A.	EUR	3,877,500	750,000	362,475	1,996,958	0	0	1,996,958	48.33%	0.00%	48.33%
SA.T. S.p.A.	EUR	19,126,000	191,260	66,941	6,694,100	0	0	6,694,100	35.00%	0.00%	35.00%
Società di Progetto Consortile per Azioni M4 (SP M4 S.C.p.A.)	EUR	360,000	360,000	104,040	104,040	0	0	104,040	28.90%	0.00%	28.90%
Tangenziale Seconda S.c.r.l. in liquidation	EUR	45,900	0	0	16,268	0	0	16,268	42.73%	0.00%	42.73%
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	EUR	20,500,000	205,000	63,550	6,355,000	0	0	6,355,000	31.00%	6.00%	37.00%
Total 2) - Associates					**233,998,323**	**47,549,335**	**-24,740**	**281,522,919**			
2b - Joint Ventures											
Ankara Etlik Hastane Isletme Ve Bakim Anonim Sirketi	TRY	50,000	50,000	0	0	0	0	0	0.00%	51.00%	51.00%
Ankara Etlik Hastane Salik Hizmetleri Isletme Yatirim A.s.	TRY	130,820,000	130,820,000	6,541,000	108,225	2,185,735	0	2,293,960	5.00%	46.00%	51.00%
Astaldi Bayindir J.V.	TRY	0	0	0	0	0	0	0	50.00%	0.00%	50.00%
Avola S.c.r.l. in liquidation	EUR	10,200	0	0	0	0	0	0	50.00%	0.00%	50.00%
Avrasya Metro Grubu Srl	EUR	10,000	0	0	4,200	0	-4,200	0	42.00%	0.00%	42.00%
C.F.M. S.c.r.l. in liquidation	EUR	40,800	0	0	20,658	0	0	20,658	50.00%	0.00%	50.00%
Colli Albani S.c.r.l. in liquidation	EUR	25,500	0	0	0	0	0	0	60.00%	0.00%	60.00%
Consorzio A.F.T. Kramis	EUR	100,000	0	0	0	0	0	0	50.00%	0.00%	50.00%
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	EUR	2,582	0	0	0	0	0	0	50.00%	0.00%	50.00%
Consorzio Ferrofir in liquidation	EUR	30,987	0	0	20,658	0	0	20,658	66.67%	0.00%	66.67%
Consorzio Gi.It. in liquidation	EUR	2,582	0	0	1,291	0	0	1,291	50.00%	0.00%	50.00%
Etlik Hastane PA S.r.l.	EUR	110,000	0	0	0	56,100	0	56,100	51.00%	0.00%	51.00%
Grand Capital Ring	RUB	400,000	0	0	0	1,305	0	1,305	25.10%	0.00%	25.10%
IC Ictas Astaldi Ica Insaat Anonim Sirketi	TRY	50,000	5,000	2,500	2,266	505	0	2,771	50.00%	0.00%	50.00%

ANNEX 3 to the Separate Financial Statements at 31 December 2015 – INFORMATION ON CHANGES IN INVESTMENTS

Companies	Currency	Share capital nominal amount	Share total number	Number of shares held	Carrying amount at 31.12.2014	Total Increases	Total Decreases	Carrying amount at 31.12.2015	Direct %	Indirect %	Total %
Infraflegrea S.c.r.l. in liquidation	EUR	46,600	0	0	23,300	0	-8,155	15,145	50.00%	0.00%	50.00%
Monte Vesuvio S.c.r.l. in liquidation	EUR	45,900	0	0	0	0	0	0	50.00%	0.00%	50.00%
Piana di Licata S.c.r.l. in liquidation	EUR	10,200	0	0	0	0	0	0	43.75%	0.00%	43.75%
Pont Ventoux S.c.r.l. in liquidation	EUR	51,000	0	0	23,241	0	0	23,241	56.25%	0.00%	56.25%
Principe Amedeo S.c.r.l. in liquidation	EUR	10,200	0	0	1,721	0	-1,721	0	50.00%	0.00%	50.00%
Re.Consult Infrastrutture S.p.A.	EUR	340,000,000	0	0	0	0	0	0	0.00%	31.85%	31.85%
S. Leonardo S.c.r.l. in liquidation	EUR	10,200	0	0	0	0	0	0	51.00%	0.00%	51.00%
SOC 24, Russia	RUB	400,000	0	0	0	1,305	0	1,305	25.10%	0.00%	25.10%
VCGP - Astaldi Ingenieria y Construccion Limitada	CLP	66,000,000	0	0	0	6,362	0	6,362	50.00%	0.00%	50.00%
Total 2b) - Joint Ventures					**205,560**	**2,251,312**	**-14,076**	**2,442,796**			

3 – Other investees

Companies	Currency	Share capital nominal amount	Share total number	Number of shares held	Carrying amount at 31.12.2014	Total Increases	Total Decreases	Carrying amount at 31.12.2015	Direct %	Indirect %	Total %
Aguas de San Pedro S.A. de C.V.	HNL	100,000,000	0	14,700,000	0	0	0	0	0.00%	15.00%	15.00%
Ast B Parking S.r.l.	EUR	10,000	0	0	0	0	0	0	0.00%	5.00%	5.00%
Ast VT Parking S.r.l.	EUR	10,000	0	0	0	0	0	0	0.00%	5.00%	5.00%
Astaldi - Ozkar JV	EUR	0	0	0	0	0	0	0	0.01%	0.00%	0.01%
C.F.C. S.c.r.l.	EUR	45,900	0	0	5	0	0	5	0.01%	0.00%	0.01%
C.I.T.I.E. Soc. coop.	EUR	0	0	0	0	0	0	0	0.00%	0.04%	0.04%
Co.Sa.Vi.D. S.c.r.l.	EUR	25,500	0	0	3	0	0	3	0.01%	0.00%	0.01%
Consorzio Asse Sangro in liquidation	EUR	464,811	0	0	0	0	0	0	4.76%	0.00%	4.76%
Consorzio Centro Uno in liquidation	EUR	154,937	0	0	3,099	0	0	3,099	2.00%	0.00%	2.00%
Consorzio Cona	EUR	1,500,000	0	0	0	0	0	0	0.00%	2.91%	2.91%
Consorzio Ferroviario Vesuviano	EUR	153,000	0	0	6	0	0	6	0.00%	0.00%	0.00%
Consorzio Groupement Lesi-Dipenta	EUR	258,228	0	0	21	0	0	21	0.01%	0.00%	0.01%
Consorzio Malagrotta	EUR	2,841	0	0	300	0	0	300	0.00%	0.00%	0.00%
Consorzio TRA.DE.CI.V.	EUR	155,535	0	0	27,571	0	0	27,571	17.73%	0.00%	17.73%
Consorzio Utenti Servizi Salaria Vallericca	EUR	0	0	0	16,500	0	0	16,500	0.00%	0.00%	0.00%
Fondazione Accademia Nazionale di S. Cecilia	EUR	0	0	0	5,165	0	0	5,165	0.00%	0.00%	0.00%
Fondazione Filarmonica Arturo Toscanini	EUR	0	0	0	5,000	0	0	5,000	0.00%	0.00%	0.00%
Fusaro S.C.r.l. in liquidation	EUR	10,200	0		1	0	0	1	0.01%	0.00%	0.01%
G.G.O. S.c.r.l. in liquidation	EUR	25,500	0	0	127	0	0	127	10.00%	0.00%	10.00%
Guida Editori S.r.l. in liquidation	EUR	0	0	0	5	0	0	5	0.02%	0.00%	0.02%
I.SV.E.UR. Istituto per lo Sviluppo Edilizio ed Urbanistico S.p.A.	EUR	2,500,000	2,500	5	7,334	0	0	7,334	0.20%	0.00%	0.20%
IGI - Istituto Grandi Infrastrutture	EUR	0	0	0	51,646	0	0	51,646	0.00%	0.00%	0.00%
Imprese Riunite Genova S.c.r.l. in liquidation	EUR	25,500		0	4,157	0	0	4,157	16.10%	0.00%	16.10%
Imprese Riunite Genova Seconda S.c.r.l. in liquidation	EUR	25,000	0	0	0	0	0	0	16.10%	0.00%	16.10%

ANNEX 3 to the Separate Financial Statements at 31 December 2015 – INFORMATION ON CHANGES IN INVESTMENTS

Companies	Currency	Share capital nominal amount	Share total number	Number of shares held	Carrying amount at 31.12.2014	Total Increases	Total Decreases	Carrying amount at 31.12.2015	Direct %	Indirect %	Total %
Italstrade CCCF JV Bucuresti S.r.l.	RON	200	0	0	0	0	0	0	1.00%	0.00%	1.00%
M.N.6 S.C.r.l.	EUR	51,000	0	0	510	0	0	510	1.00%	0.00%	1.00%
NO.VI.F.IN. Nova Via Festinat Industrias S.c.r.l.	EUR	10,329	0	0	1	0	0	1	0.01%	0.00%	0.01%
Pantano S.c.r.l.	EUR	40,800	0	0	4,132	0	0	4,132	10.00%	0.00%	10.00%
Pavimental S.p.A.	EUR	4,669,132	35,916,399	468,029	62,007	0	0	62,007	0.60%	0.00%	0.60%
Prog. Este S.p.A.	EUR	11,956,151	11,956,151	0	0	0	0	0	0.00%	2.70%	2.70%
Skiarea Valchiavenna S.p.A.	EUR	8,118,182	3,146,582	7,143	17,839	0	0	17,839	0.23%	0.00%	0.23%
Sociedad Concesionaria BAS S.A.	CLP	8,876,340,000	990	169	12,827	0	0	12,827	0.10%	0.00%	0.10%
Sociedad Concesionaria Nuevo Pudahuel	CLP	70,000,000,000	70,000,000	10,500,000	0	0	0	0	0.00%	15.00%	15.00%
SPV Linea M4 S.p.A. (M4 S.p.A.)	EUR	26,700,000	267,000	25,723	116,000	9,825,200	0	9,941,200	9.63%	0.00%	9.63%
Total 3) – Other investees					**334,254**	**9,825,200**	**0**	**10,159,454**			
Grand total					**506,306,448**	**83,764,097**	**-17,488,933**	**572,581,613**			

Certification of Separate 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 additions

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 Stefano Cerri, 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 formulate the 2015 separate financial statements.

2. The administrative and accounting procedures used to formulate the separate financial statements at 31 December 2015 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 systems 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 separate financial statements:

   a) were drafted in compliance with the applicable international accounting 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 suitable for providing a truthful and accurate representation of the equity, economic and financial situation of the issuer.

   3.2 The management report contains a reliable analysis of the operating performance and result, as well as of the situation of Astaldi S.p.A. together with a description of the main risks and uncertainties it is exposed to.

Rome, 9 March 2016

Stefano Cerri
Chief Executive Officer

Paolo Citterio
Manager in charge of financial reporting

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, 2015

Board of Auditors' Report to Shareholders' Meeting

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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, 2015, 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, as well as in accordance with the provisions of art. 19 of D.Lgs. 39/2010.

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

The Board of Auditors acquired the information necessary to fulfil the audit tasks attributed to the same by attending the meetings of the Board of Directors and of the Committees set up within the latter, by interviewing the Company's and Group's management, by holding meetings with the independent auditor and with the equivalent auditing bodies of Group companies, by analyzing the flows of information from the competent corporate structures, as well as by means of additional audit activities.

Appointment of the Board of Auditors

The Board of Auditors in office at the date of this report was appointed by the Shareholders' Meeting held on April 23, 2015 and is formed of Paolo Fumagalli (President), Anna Rosa Adiutori (Standing Auditor), Lelio Fornabaio (Standing Auditor). Andrea Lorenzatti, Giulia De Martino and Francesco Follina hold office as Alternate Auditors.

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

The Board of Auditors 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(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 by the Company 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 Board of Directors' resolutions, or likely to adversely affect corporate assets.

The transactions and events of a significant importance having qualified the Group's activity during 2015 are set forth in the Directors' Report, to which reference is made for more detailed information.

The recurrence and duration of Board of Directors' meetings, as well as the average percentage of directors' attendance have been adequate and any significant resolution was taken by giving proper information to directors and auditors.

By making specific reference to the recurrence of Board of Directors' meetings, we report that, during 2015, in addition to the Board of Directors' meetings scheduled in the financial calendar (March 10, May 14, August 3 and November 11), meetings of the Board of Directors were further held on January 22, July 17 and December 21, 2015. The average duration of Board of Directors' meetings was of approximately two hours per meeting.

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 carried out.

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 at page 80 of the Annual Report, in compliance with art. 70(8) and with art. 71(1-bis) of Issuers' Regulation issued by Consob.

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 transactions carried out by relevant persons on Company's financial instruments, 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.

1.1. Request for information pursuant to art. 115(1) of D.Lgs. 58/98

Following to the calling of the Shareholders' Extraordinary Meeting, to be held on January

29, 2015 to resolve upon the amendments to the Company's By-laws in matter of increased voting rights (as per art. 127-quinquies of TUF), on January 16, 2015, the Company received Consob's communication relating to the request for information pursuant to art. 115(1) of D.Lgs. 58/1998 in connection with the Directors' Report of Astaldi S.p.A., explicitly "in order to provide the shareholders and the market with a full set of information about the actual method of adoption of increased voting rights and the relevant effects on the Company's control".

In such context, the Board of Auditors attended the Board of Directors' meeting held on January 22, 2015, ensuring that each of the Supervisory Authority's requests was duly followed up.

As set forth above, the Shareholders' Assembly resolved to adopt, on January 29, 2015, the amendments to the By-laws, pursuant to art. 127-*quinquies* of TUF, in matter of increase in voting rights.

1.2. Requests for information pursuant to art. 115(b) of D.Lgs. 58/98

On November 18, 2015, the Company provided to Consob, pursuant to art. 115(b) of TUF, explanations useful to construe the market's reactions to the data of the third 2015 quarterly report published on November 11, 2015. The Board of Auditors – considering the performance of the shares – had already summoned, on November 12, 2015, the Chief Executive Officers, the General Manager Administration and Finance, the Manager of the Strategic Planning and Management Control Department, the Administration Manager, the Manager of the Legal Affairs, Corporate Governance and Chairman's Office Department, the Investor Relation Manager, to obtain information on the facts and re-examine the corporate procedure governing the preparation of the quarterly financial report.

The verification proved that the activities were carried out in strict compliance with the provisions of the corporate procedure of reference.

Consequently to the above, the Company received, on November 27, 2015, an additional request for information, pursuant to art. 115 of TUF, with reference to the 2014 Individual

Financial Statements, to the 2014 Consolidated Financial Statements, the 2015 Half-Yearly Report, and to the Interim Report in Operations as at September 30, 2015.

In such a context, the Board of Auditors, having been informed by the Chairman, Dr. Paolo Astaldi, about said request made by the Supervisory Authority on November 27, 2015, followed the drafting of the reply (which was sent to Consob on December 14, 2015) and, on December 9, 2015, invited the Company's General Manager Administration and Finance, Dr. Paolo Citterio, ensuring that each request made by the Supervisory Authority had been duly replied to.

During its meeting held on January 29, 2016, the Board of Auditors was informed by the General Manager Administration and Finance, Dr. Paolo Citterio, that not any action was taken by the Supervisory Authority following to the request for information and to the information provided by the Company.

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 KPMG, 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.

Moreover, 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 Individual Financial Statements is suitable for describing the activities carried out in 2015.

In accordance with the provisions of the "International Accounting Standard - IAS 24" as well as CONSOB communication no. 6064293 of July 28, 2006, concerning the definition of related parties, we underline that the notes to the Company's 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.

Finally, we acknowledged, pursuant to the provisions of reference laws and regulations, the amendments made, during the period, to the corporate procedure governing the transactions with related parties, by previously obtaining the Related Parties Committee's favourable opinion (which, in the procedure, is named "Committee of Independent Directors").

3. 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 Section 2408 of Italian Civil Code, nor claims of any kind were filed by third parties.

4. Compliance with good management principles

The Board of Auditors verified - also by means of meetings with the managers of corporate department and with the Audit Company KPMG – the compliance with the principles of correct management, as well as with the law and corporate by-laws, and found the existence of an adequate corporate 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 grounds for 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.

Pursuant to the provisions of art. 144-novies, § 1-ter of Consob Regulation No. 11971, we gave the Board of Directors notice of the outcome of such verification for the latter's considerations thereon, which shall give notice of the same to the Shareholders' Assembly through the Corporate Governance Report.

The Board of Auditors submitted to Consob, on April 24, 2015, in compliance with Consob Communication No. 6031329 of April 7, 2006, the "Report summarizing the control activity".

All the information on the nature and importance of the remuneration policy is set forth in the remuneration report (in accordance with the provisions of art. 123-ter of D.Lgs. 58/98), produced to the Board of Directors on March 10, 2015 and we made no observation in connection therewith.

Moreover, during 2015, the Board of Auditors, as presently formed, attended, by means of its President, Dr. Paolo FUMAGALLI, two meetings of the Appointments and Remuneration Committee, held on July 17 and November 11, 2015, the latter one held jointly with the Related Parties Committee.

During the meeting of July 17, 2015, the proposal relating to the definition of parameters of the 2015 Stock Grant Plan was examined.

5. 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 balance of responsibilities between the various tasks and functions.

To such respect, by means of the control activity carried out by the Board of Auditors itself (Board of Auditors' report relating to 2015 financial year), we have examined all the communications relating to the corporate organization issued in 2015.

With reference to the changes in the corporate organization which we consider as particularly significant for the management of the corporate business, we underline the following:

- the appointment of Dr.Ing. Luciano De Crecchio as General Manager for Industrial Operations (as per internal communication of August 4, 2015);
- the appointment of Dr.Ing. Marco Foti as General Manager Domestic (as per internal communication of August 4, 2015);
- the appointment of a second Chief Executive Officer and, consequently thereto, the attribution of new powers for the Industrial Management and for the Economic-Financial Management to Dr.Ing. Filippo Stinellis and to Dr. Stefano Cerri, respectively (as per internal communication of November 27, 2015).

Finally, during the Board of Directors' meeting of March 9, 2016, the agreement for the termination of the contracts in force between the Company and the Chief Executive Officer Dr. Stefano Cerri, entailing the termination from his office, was approved, although the latter shall hold office until the fulfilment of the activities connected with the drafting and disclosure of the Annual Financial Report. The management of the Company is entrusted to the Chief Executive Officer, Dr.Ing. Filippo Stinellis.

6. 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 the Managers of the respective corporate departments, such as the Manager of the Management Control and Corporate Risk Management Department, the Head of the Internal Audit Department, 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, in such latter case by the Board of Auditors' attendance at the meetings of the Committee itself, held on January 12, February 23, July 27 and November 11, 2015.

With reference to financial year 2016, prior to approval of the draft financial statements, the Board of Auditors held meetings with the Control and Risk Committee on January 27 and February 22, 2016.

In particular, we supervised the action plan worked out by the Internal Audit Department and examined the relevant reports summarizing the activities carried out during the period, mainly aimed at verifying compliance with, and the effectiveness and efficiency of the Group's internal audit and risk management 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 effectiveness and efficiency.

To such respect, no deficiency was detected within the internal audit and risk management system.

We further verified that the Company, based on the corrective actions proposed during the previous financial year (2014) in relation to the aspects capable of being improved which have been found, took during the current period (2015) the improvement actions recommended.

Moreover, we held meetings with the Manager of the Management Control and Corporate Risk Management Department, Dr. Carlo Mussi, which focused on the risk management system, and analyzed the relevant activity plans and outcome of the activities carried out by the same in connection with ERM targets and the main corporate risks, identified and assessed by the Top Management (Chief Executive Officers, General Managers), by the Country Managers and by the Project Managers, to the extent of their significance with respect to the corporate business.

We also analyzed the Company's approach to the management of risk and the relevant flows of information toward the Board of Directors, the Control and Risk Committee, the Board of Auditors, as well as toward the other corporate offices, also with reference to the Internal Audit Department, thus focusing on the methods adopted to identify, manage and monitor risks.

To such respect, we have received, jointly with the Control and Risk Committee, updated information on the progress of Gruppo Astaldi's Enterprise Risk Management project (hereinafter also referred to as "ERM") which led, even during the previous period, to an update of the 2011 ERM, following to the changes occurred in the corporate business, in order to identify or confirm the "Top Risks" which may significantly affect the achievement of the Business Plan targets.

To this regard, we have acknowledged that, following to the "Risk Management" update, adequate "Risk Responses" have been defined and arranged, and "Risk Tolerance" has been identified (linked to the "Key Risk Indicator") with reference to the Top Risks already defined during the previous financial year. Still during 2015, the Management Control and Corporate Risk Management Department worked out a Group's "Risk Appetite Statement" submitted to the Board of Directors' approval during its meeting held on March 9, 2016.

Still with reference to the internal control and risk management system, we report that, during 2015, the Company's Integrated Management System ("SGI") was amended so as to conform to: the organizational changes determined by the Board of Directors' resolutions and the internal communications relating to the Company's organization; the Action Plan, following to the review of the set of regulations and procedures adopted by Astaldi S.p.A. in order to comply with the provisions of D.Lgs. 231/01; the specific requests made by the Control Bodies.

Without detriment to the above, we acknowledged that, on March 10, 2015, the Board of Directors approved the Group's new Code of Ethics and the new Model of Organization, Management and Control as per D.Lgs. 231/01, resolving the implementation of the measured set forth in the action plan.

To this respect, we have been informed, by the Head of the Internal Audit Department and by the Supervisory Body, during the meetings held on a half-yearly basis, of the changes made to existing corporate procedures and of the issue of new management procedures.

Moreover, we have acknowledged the preparation, by Astaldi S.p.A. as parent company of the Group, of Guidelines for the Prevention of Offence-related Risks intended for subsidiaries, affiliates and other equity investments organized under the laws of Italy or foreign countries.

Finally, we have acknowledged the drafting, by the Internal Audit Department, which availed itself of the professional assistance of the advisory company Ernst & Young Financial Business Advisors, of the Manual for Compliance with D.Lgs. 231/01, jointly with the update, by taking advantage of the professional assistance of the advisory company KPMG Financial Advisory, of the Internal Audit Manual for Fraud/IT Audit, and the official definition of a Policy for the prevention of frauds and corruption in the management of the corporate business.

Moreover, we have been provided with up-to-date information about the completion of other projects, which are significant to the intents of the control system and which concerned:

- the implementation of the functions of the software application (MEGA) introduced in 2014 to support SIA in the activities set forth in the Audit Plan, also from a point of view of integration with the compliance with D.Lgs. 231/01;
- the execution of an IT Audit on a foreign branch-office, in agreement with the assessment made with the support of the advisory company Macfin Group;
- the execution of audits on the actual application of anti-fraud controls defined in 2013, following to the Fraud/IT Audit project;
- SIA's uninterrupted pursuit of Quality Assurance, to all intents and purposes of International Standard 1300, in order to obtain a certification from an independent third-party body.

Thus, we agree upon the substantial adequacy of the Company's internal control and risk management system, also in terms of effectiveness and efficiency in the implementation of the improvement actions required.

7. 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(1)(a) of Italian *Decreto Legislativo* 39/2010, the Board of Auditors acknowledged, also during meetings held jointly with the Control and Risk Committee, the plan of audit activities to be carried out and the tests on controls carried out by the operational structure which, pursuant to art. 154-bis(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 the recommendations made during previous testing activities (2014 audit / 2015 follow-up) have been implemented.

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 Individual Financial Statements, of the Consolidated 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.

To such respect, we have been informed by the General Manager Administration and Finance, Dr. Paolo Citterio, and by the Administration Manager, Mr. Bartolomeo Bonfigli, about the ongoing project for the review of administrative-accounting procedures, adopted by the Company, in order to harmonize the same with the best practices of the reference sector and to take into account the evolution of the corporate business.

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 in charge of the economic and financial management, on the effectiveness and efficiency of administrative and accounting procedures to draw up the Individual Financial Statements and the Consolidated Financial Statements of Astaldi S.p.A. as at December 31, 2015.

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 in charge of the economic and financial management, Dr. Stefano Cerri, 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, Dr. Paolo Citterio.

8. Significant aspects which have become apparent during the meetings held with the auditors pursuant to art. 150(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.

As expressly requested by the Board of Auditors, on the occasion of defining its calendar of activities for financial year 2015, the Audit Company KPMG was constantly invited to attend all the meetings of the Board of Auditors.

To such respect, during the various meetings held, the Independent Auditor reported to the Board of Auditors, pursuant to the provisions of art. 19(3) of Italian *Decreto Legislativo* 39/2010, on the fundamental issues becoming evident during the statutory audit, preliminarily to the approval of the draft Individual Financial Statements by the Board of Directors.

To such respect, the Independent Auditor reported to the Board of Auditors, under the form of "Internal Audit Committee and audit of accounts pursuant to the provisions of art. 19 of the Italian *Decreto Legislativo* 39/2010", the report on the fundamental issues becoming evident during the statutory audit which did not show any significant deficiency of the internal audit 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 Independent Auditor KPMG on May 4, May 14, July 27, August 3 and November 11, 2015 while, as far as financial year 2016 is concerned, expecting approval of 2015 financial statements, held meetings with the Independent Auditor KPMG on January 27, February 22, March 2 and March 9, 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.

9. 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 § 9 lett. a) 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 2015 and we have no remark in connection therewith.

In particular, the amounts paid by Gruppo Astaldi to the audit company KPMG and to the companies belonging to the KPMG's network are as follows:

	Thousands of Euro
Audit of accounts	1,123
Certification services (connected with the audit of accounts)	220
Other services	110
Total	**1,453**

Therefore, the percentage that "Other services" bear to "Audit of Accounts" and "Certification services (connected with the audit of accounts)" is 8.19%.

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.

Taking into account the document "Annual Report on Transparency" drawn up by KPMG S.p.A., published in its own Internet website and provided to the Board of Auditors, the formal confirmation of its own independence issued by said company as well as the notice of the tasks entrusted, also through entities belonging to its network, by Astaldi S.p.A. and its Consolidated Companies, considering that no task was conferred for services which may adversely affect the Independent Auditor's independence, pursuant to arts. 10 and 17 of D.Lgs. 39/2010, the Board of Auditors deems there is no critical aspect affecting the independence of KPMG S.p.A.

10. Adequacy of directions and instructions given by the Company to its subsidiaries, pursuant to art. 114(2) of D.Lgs. 58/1998

We verified the adequacy of instructions given by the company to its most important Subsidiaries in accordance with art. 114(2) of Italian *Decreto Legislativo* No. 58/98, by gathering information from Managers of the Company's departments, meetings with the Independent Auditor and the corresponding Control Bodies in order to mutually exchange significant data and information.

To such respect, we deem we have received proper information, during a meeting called by the Board of Auditors, on the most significant aspects, exhaustively explained by the corresponding Control Bodies of some "relevant" subsidiaries of Astaldi S.p.A., such as the President of the Board of Auditors of Astaldi Concessioni S.p.A., Dr. Pierumberto Spanò, and the Statutory Auditor of NBI S.p.A., Dr. Gregorio Antonio Greco, also by the illustration of appropriate reports.

11. 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 its internal organization is consistent with the guidelines of said Code, as set forth in the Corporate Governance Report.

The Company's governance complies with the recommendations set forth in Corporate Governance Code which it constantly conforms to, as stated in the Corporate Governance Report.

In fact, in order to better represent the application of the "comply or explain principle" to the various decisions made by the Board of Directors, proper evidence is given in the specific sections of the Corporate Governance Report, further providing – with reference to the recommendations which have been deemed not to be adopted – the reasons therefor, and describing the alternative decision implemented, if any.

The Board of Auditors has ascertained the adoption of said Code, as properly set forth in the 2015 Corporate Governance and Shareholding Structure Report, in compliance with art. 124-ter of T.U.F. and art. 89-bis of Consob Regulation.

12. 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, in accordance with the provisions of the Company's Model of Organization, Management and Control as per D.Lgs. 231/01, we held two joint meetings with the Supervisory Body, and subsequently received up-to-date information about the activities carried out by the latter to all intents and purposes of the compliance with D.Lgs. 231/01 during the first and second half of 2015.

To such respect, the Supervisory Body reported its activity carried out in 2015 to the Board of Directors, as set forth in the Annual Corporate Governance Report, at your disposal, and by its Half-yearly Report on activities carried out in compliance with the 2015 Audit Plan approved.

Both detailed reports prepared by the Supervisory Body have been submitted to the Board of Auditors, for information purposes, in accordance with the provisions of the General Part of the Company's Organization, Management and Control Model as per D.Lgs. 231/2001.

As far as concerns the projects carried out during the period, for harmonizing the control and risk management system with the provisions of D.Lgs. 231/01, please refer to paragraph 6 hereof.

13. 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.

To such respect, during the period, we acknowledged the changes in the Company's organization in relation to the supervision in matter of health, safety and environment on projects under execution.

In fact, it is presently managed within the framework of the Industrial Operations General Manager's Office, by setting up, on August 4, 2015, the Project's Health, Safety and Environment Department, whose purpose is to provide support to Projects' management on specific issues.

As far as concerns the update of the Health, Safety and Environment (HSE) component of the Company's Integrated Management System, also in connection with the maintenance of the certifications referred to above, the same is entrusted to the Manager of the Group

Integrated Management and Sustainability Department, with whom the Board of Auditors held a meeting on December 9, 2015.

14. Supervision of Financial Statements preparation

The Financial Statements of Astaldi have been drawn up in accordance with IAS/IFRS issued by the International Accounting Standards Board (IASB) and approved by the European Union, as well as in accordance with the regulations issued and resolutions taken by Consob as implementation of art. 9(3) of D.Lgs. 38/2005.

The Directors' Report summarizes the main risks and uncertainties and sets forth the expected evolution of operations.

The Company's financial statements were prepared in accordance with the law and include the documents required by the Italian Civil Code and the TUF (the Italian Financial Services Act).

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 February 22, 2016, earlier than approval of the financial statements, following to a preliminary examination carried out by the Control and Risk Committee, within the framework of a meeting held jointly with the Board of Auditors, the Independent Auditor and the General Manager Administration and Finance, the Strategic Planning and Management Control Department Manager and the Administration Manager of the Company.

The Board of Auditors acknowledges 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 in charge of the economic and financial management 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 represent 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 Remuneration Committee and by the Control and Risk Committee, is submitted to the Shareholders' Assembly.

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

The Independent Auditor issued on today's date, the Reports relating to the Individual Financial Statements and to the Consolidated Financial Statements as at December 31, 2015, respectively, drawn up in accordance with International Financial Reporting Standards approved by the European Union, as well as in accordance with the regulations issued and resolutions taken by Consob as implementation of art. 9 of D.Lgs. 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, and the cash flows for the year then ended.

Moreover, the Audit Reports set forth opinions on the consistency of the Directors' Report and of the information disclosed in the Corporate Governance Report pursuant to art. 123-bis of D.Lgs. 58/98 with said financial statements.

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

The aforementioned supervisory activities for 2015, were carried out throughout 12 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 2 meetings of the shareholders of the Company, 7 Board of Directors' meetings and 4 meetings held by the Control and Risk Committee.

Moreover, the Board of Auditors attended 2 meetings held jointly with the Supervisory Body on September 30, 2015 and on March 2, 2016, respectively (the latter one focusing on the activities carried out during the second half of 2015), 2 meetings of the Appointments and Remuneration Committee and 1 meeting of the Related Parties 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, pages 23 through 25.

Insofar as the activity carried out by the Supervisory Body is concerned, the same was reported to the Board of Directors and is set out in the Annual Corporate Governance Report, pages 32 through 34.

While carrying out the supervisory activity, and according to information obtained from the Audit Company, 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.

17. Proposals to the Shareholders' Assembly pursuant to art. 153(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, 2015, and the proposals of resolution made by the Board of Directors.

Rome, this 29th of March, 2016

THE BOARD OF AUDITORS

(Paolo Fumagalli) ____________________________

(Lelio Fornabaio) ____________________________

(Anna Rosa Adiutori) ____________________________