



**ASTALDI SOCIETÀ PER AZIONI**

**BOARD OF DIRECTORS' REPORT PURSUANT TO**

**ARTICLE 125-TER OF LEGISLATIVE DECREE No. 58/1998**

**APPROVAL OF 2017 SEPARATE FINANCIAL STATEMENTS**

**AND RESOLUTIONS RELATED TO THE OPERATING**

**RESULT**

Dear Shareholders,

The Board of Directors of Astaldi S.p.A. makes known the following with regard to the proposals which the Board wishes to submit to the forthcoming Shareholders' Meeting scheduled for 27 April 2018 in first call, and for 30 April 2018 in second call.

**Item 1. Approval of the separate financial statements at 31 December 2017. Resolutions pertaining thereto and resulting therefrom.**

Dear Shareholders,

With regard to the first item on the agenda of the Shareholders' Meeting, the Annual Financial Report of Astaldi S.p.A. at 31 December 2017, approved during the meeting of the Board of Directors of 15 March 2018, made available in accordance with the procedures and timeframe provided for in Article 154-ter of Legislative Decree No. 58/98 (Consolidated Finance Act – T.U.F.) should be referred to in full.

The revenue of Astaldi S.p.A. during 2017 amounted to EUR 1,938.1 million, 24.2% generated in Italy, while the total revenue amounted to EUR 2,063.1 million.

As regards earnings, Astaldi S.p.A. achieved an operating result of EUR 25.5 million inclusive of the effects of equity accounting of subsidiaries, associates and joint ventures, and a net loss of EUR 98.7 million.

Total net financial debt at 31 December 2017 totalled EUR 1,538.3 million comprising cash and cash equivalents of EUR 393.6 million, current loan assets totalling EUR 79.2 million, non-current loan assets amounting to EUR 11.4 million, the net financial position resulting from assets to be disposed of totalling EUR 180.8 million, current loans and borrowings of EUR 832.7 million, non-current loans and borrowings of EUR 1,373.6 million and treasury shares on hand amounting to EUR 3.1 million.

Considering that, pursuant to Article 6 of Legislative Decree No. 38/2005, profit for the year corresponding to capital gains recognised in the income statement as a result of equity accounting of investments held in subsidiaries, associates and joint ventures cannot be distributed until realised, but is allocated to a reserve unavailable for distribution, and that the total amount of capital gains for 2017 net of related tax burden amounted to EUR 123,424,110, the reserve unavailable for distribution must be replenished by the same amount, using the extraordinary reserve to do so pursuant to Article 6, subsection 2 of Legislative Decree No. 38/2005.

A part of the reserve pursuant to Article 6, subsection 2 of Legislative Decree No. 38/2005, allocated in previous years, also became available for the amount of EUR 23,671,845, in relation to the company's asset disposal programme and as a result of dividend distribution of some subsidiaries, during 2017. Therefore, this amount will be allocated to the extraordinary reserve further to allocation to the legal reserve of a 5% share amounting to EUR 1,183,592.

Therefore, in light of the above, we would like to ask you to approve the separate financial statements at 31 December 2017.

## **Item 2. Resolutions related to the operating result.**

Dear Shareholders,

In relation to the second item on the agenda, considering that as regards what has been outlined in Item 1) above, the year closed with a loss of EUR 98,723,255, and referring in full to the Annual Financial Report of Astaldi S.p.A. at 31 December 2017, approved during the meeting of the Board of Directors of 15 March 2018 and made available in accordance with the procedures and timeframe provided for in Article 154-*ter* of Legislative Decree No. 58/98 (Consolidated Finance Act – T.U.F.), we hereby ask you to approve carrying forward of the operating loss.