Astaldi 2013

annual report

2013, a year of new great works.

We started new works
in all sectors of our activity.
Here are the most significant.

Water and Energy

Canada, Muskrat Falls Hydroelectric Project.

820MW Hydroelectric
Power Plant
on the Lower Churchill
River.

Transportation

Turkey, Third Bosphorus Bridge and the North Marmara Highway.

The world's largest suspended bridge: 60 meters wide, 2x4 motorways lanes, with the world's highest "A"-shaped towers (above 320 meters).

Turkey, Gebze-Orhangazi-Izmir Motorway (Phase 1).

53 kilometers of motorway, including the Izmit Bay Bridge.

Chile, Chuquicamata Mining Project.

11 kilometers of tunnels and further underground works.

Poland, John Paul II International Airport in Krakow-Balice.

26,000 square meters of covered area, 424,000 cubic meters of volume, a capacity of 8,000,000 passengers per year.

Poland, Krakow-Balice Railway.

Railway line to connect Krakow Central Railway Station to John Paul II International Airport.

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ASTALDI

The future, if you can build it, you can measure it.

—

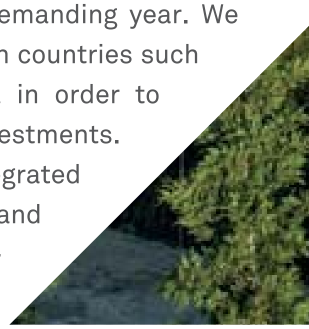
Can everything be reduced to a formula? If you ask an engineer, the reply is, it is mathematics. You will be told that everything is numbers, measurements and formulas. It is true that numbers can tell lots of things. The future of a nation is measured in GDP, in kilometres of roads and tunnels, bridge spans, oil pipeline diameters and in hydroelectric plant power. But with the numbers of these financial statements, you can also measure our solidity, the breadth of our horizon and the distance that separates us from our goals. Financial statements do not just comprise pluses and minuses. Behind the results, there is a year's work of our employees; above all, there is an ongoing commitment to innovation and to increasing our skills and know-how. And there is an asset item that cannot be expressed in numbers: the ability to satisfy Clients' needs and to invest in quality, in order to be able to tackle increasingly demanding projects. Because our unit of measure is reliability and the common denominator of our work is concreteness. Our mission is to support progress, to link far-off worlds, in short to build the future, paving the way for development in Italy and in the Countries we operate in.

Our works: increasing value.

Bridges, undergrounds, motorways, railways, hydroelectric plants. They transport and fuel the development of the countries we operate in. The measurements related to these works also reflect the efforts of an especially demanding year. We have broadened our horizons in countries such as Turkey, Chile and Canada in order to increase the value of our investments. We have worked in an integrated manner, using different skills and technologies in order to maintain our business solidity.

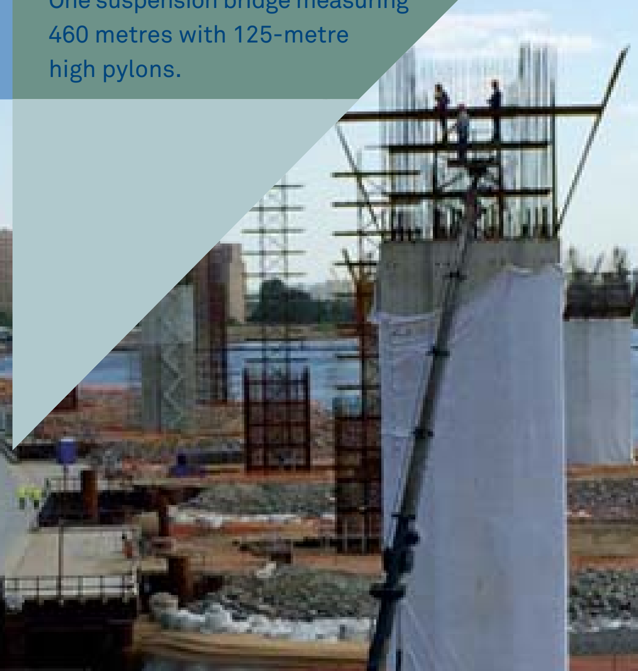
Turkey: the Third Bridge on Bosphorus, the widest in the world.

Length: 1.4 kilometres in Istanbul, from the Poyrazköy district in Asia to the Garipçe district in Europe.
Width: 60 metres.
8 motorway lanes, two high-speed railway corridors.
Height: A-shape pylons measuring more than 320 metres in height.



Russia, St. Petersburg: Western High-Speed Diameter.

Completion of motorway ring road in St. Petersburg.
Length: 11.58 kilometres.
7.35 kilometres of viaducts.
3 bridges.
One twin-level bridge measuring 168 metres on a sea canal. One suspension bridge measuring 620 metres in length, with two 125-metre high pylons.
One suspension bridge measuring 460 metres with 125-metre high pylons.



The length, width, height and transportation capacity say a great deal, but there is more than that. Each of these projects has generated jobs, has been performed while respecting the surrounding environment and has allowed us to continue to promote the Italian product throughout the world.

€ 2.5 BILLION
total revenue

+1.5%
NET PROFIT

€13.3 BILLION
orders in progress

Astaldi Group is among the leading General Contractors in Italy and among the most important in Europe. As regards Transport Infrastructures, it holds 6th position for airports, 10th for undergrounds, 14th for motorways, and it holds 9th position for hydroelectric and energy production plants. EBITDA, operating margins and profit are numbers, percentages, but above all they are targets.

The most important among these indicators is the order backlog which recorded a 31% increase in 2013; a sign that our business model works, because flexibility and know-how go hand in hand.

Numbers: the units of measurement for our future.

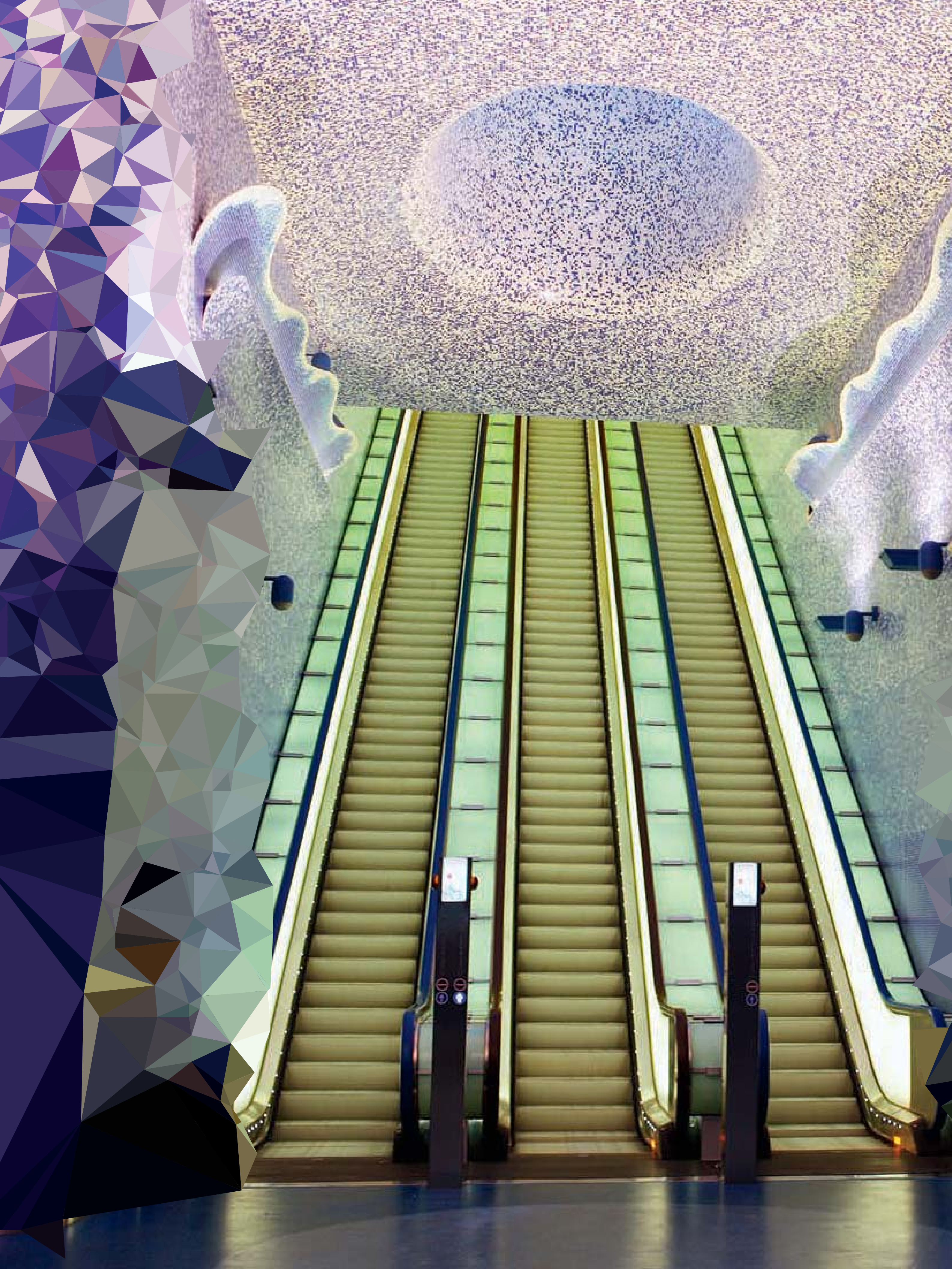
9.4%
EBIT MARGIN

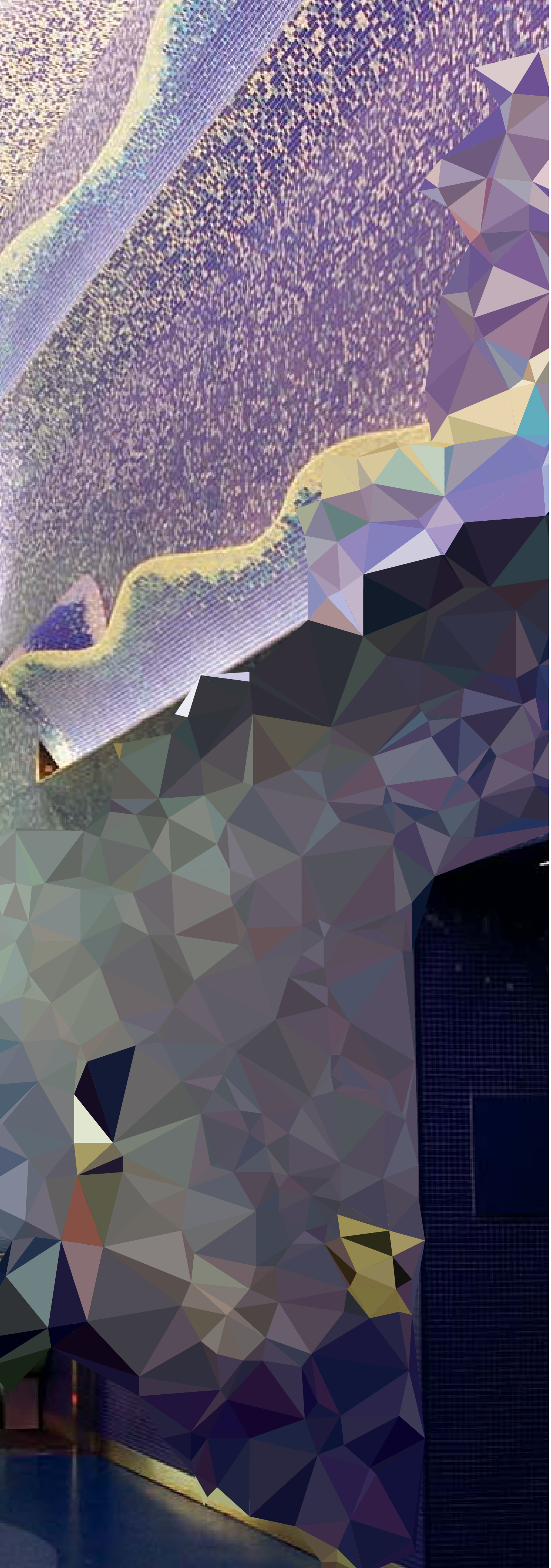
12.9%
EBITDA MARGIN

9,579
EMPLOYEES

more than 100
SITES IN OPERATION

€ 20.6
BILLION
order backlog





Financial Statements: the length and breadth.

Italy, Toledo Station (Line 1 of the Naples underground).

Dear Shareholders,

Paolo Astaldi

Chairman of Astaldi S.p.A.

It is with special pleasure that I welcome this opportunity to talk about our achievements over this past year, and here are just a few to start with: winning the contract for the Muskrat Falls Hydroelectric Project in Canada, further strengthening our presence in Turkey, and consolidating our standing in Russia.
More than others, these countries tell us the full extent of the work done in 2013. Canada is the result of a choice we made over time, and built step by step; and the work in Russia and Turkey shows our concrete commitment to the development of countries that continue to offer us major growth opportunities. All bear witness to how the collaborations established with companies in these countries are among the winning elements in the strategy we have implemented.

The financial year saw the business model take solid shape, and confirmed the soundness of the integrated supply strategy. Thanks also to new commercial opportunities, the ability to create value was further improved, thereby guaranteeing a +31% increase in the order backlog, which topped EUR 20 billion. From an economic standpoint, our pre-established goals were met: EUR 2.5 billion in total revenues, with more than 100 work sites open worldwide; EBITDA and EBIT respectively recorded +22.5% and +11.4% gains. On the financial front, 2013 was a very important year. The Company obtained, from the three leading international rating agencies, a rating that allowed it to gain entry to the bond market, with two distinct transactions – an equity-linked issue and a fixed-rate senior loan in a number of tranches – that met with great success among Institutional Investors in Italy and abroad.

Today, being a major player in the development plans of such countries as Canada, Turkey, Poland, Romania, and Algeria (to name just a few) is a major responsibility, earned by placing an emphasis on concreteness and on the quality of the work being done. Meeting deadlines, transparency, and competitive offers have done the rest. Each project that has been done expresses the value of the Group's knowledge, built in more than 90 years of history.

What about the future? The future holds the full measure of the large-scale works the Company is carrying out, like the Third Bosphorus Bridge in Turkey – the widest in the world – or the Muskrat Falls Hydroelectric Project in Canada, a major part of one of the country's chief hydroelectric development projects.
Astaldi is one of Italy's standard bearers of excellence, and although the country is continuing to show a particularly complex situation, we are proud to affirm our sense of cultural identification with Italy. It is a sense of identity played out in the work we do, projects that are appreciated around the world. And starting this year, we have decided to affirm this identity through our trademark as well, linking the Astaldi name to the colours of the Italian flag.

The Chairman

Astaldi Group. Firmly linked to our history.

We have been working for over 90 years to make complex projects become a reality. We combine solid expertise, we widen our outlook to take in new business segments and we set ourselves increasingly high goals. We are active in design and construction, mainly working as EPC Contractors, but we are also involved in public-private partnerships and project finance initiatives where we have consolidated our role of sponsor and operator of concession works.
Transport Infrastructures currently represent the Group's core business, together with Hydroelectric and Energy Production Plants and Civil and Industrial Construction. In recent years, we have also diversified to include the Plant Engineering, Maintenance and Management of Complex System segment where we mainly operate through our subsidiary NBI.

Astaldi's history is one of entrepreneurship, Italian quality and international vocation. Three factors that have always made Italian production great worldwide. Astaldi Group was set up in 1922, with the business focus on major public works in Italy and projects in African colonies. Its growth since said date has been constant and steadfast, characterised by innovative technologies and business models. The Group contributed to Italy's history in the years following the Second World War, paving the way in the 1960s and 1970s to Italy's industrialisation and motorisation with the construction of two major works: the Rome-Bologna section of the A1 motorway and the Rome-Florence fast railway line. Astaldi became an international brand during the same period with new projects in Europe, the Middle East, Central America, Asia and Africa. During the 1990s, the Group expanded its global presence to North Africa (Algeria and Morocco), Eastern Europe (Romania) and the United States, and it joined the concessions sector in Italy and Honduras. The Group continued to grow and in 2002 was listed in the STAR index of the Italian Stock Exchange. It continued to consolidate its role of General Contractor, backed up by growing expertise in the concessions sector.

From 1990 on, the Group acquired a series of specialist companies in order to consolidate its presence on the market and make it more competitive: Italstrade and Dipenta joined the Group in the 1990s and Astaldi Concessioni was set up in 2010. The Group completed acquisition of Busi Impianti (now NBI) and Sartori Tecnologie Industriali between 2011 and 2012. In 2012 the Canadian company T.E.Q. Construction Enterprise joined the Group, thus consolidating the Group's presence in Canada.

Over 90 years of history characterised by courageous intuition, state-of-the-art technologies, skilled resources and ongoing acquisition of skills and know-how that have allowed the Group to tackle increasingly demanding challenges and maintain constant growth on international markets.

A journey almost 20,000 kilometres long.

4,750 km of track, 209 stations, 14,825 km of roads and motorways, 160 bridges and viaducts, 185 tunnels.

Transport infrastructures.

Transport infrastructures (roads, motorways, railways, undergrounds, airports and ports) represent Astaldi Group's main area of business. Technological innovation is the key feature of all our works. A prime example of this is the Rome-Naples high-speed line which was the first in the world to use *European Train Control Level 2* for its train control and safety system. Integration of top-level technology and organisation capacity has led us to be among the top 20 operators worldwide in the sector. It has allowed us to optimise resources and comply with timeframes, even in difficult situations such as the Anatolian Motorway, built in a highly seismic area, or the Third Bosphorus Bridge in Turkey which is the longest and widest suspension bridge to date under construction.

5,880 MW to power a world.

92 works including dams and aqueducts, 33 hydroelectric plants.

106 buildings, 20+ hospitals, 8,200+ beds.

25,700,000 m^3, increase in the area's value.

Water and energy.

Our engineers still feel a thrill when looking at the dams and plants they designed and built. This is understandable; they are large-scale works like the Chacayes plant, the first ecological plant built in Chile, or the Inga hydroelectric project in the Democratic Republic of the Congo, or the Pont Ventoux plant in Val di Susa in Italy, built entirely inside a mountain. Astaldi Group boasts lengthy experience in the sector, with works designed and built the world over, from dams and hydroelectric plants to aqueducts, oil and gas pipelines and purification plants. Astaldi is the 9th global contractor in the hydroelectric plants sector.

Construction.

Our work can be measured in m^3, but above all in added value for the area where we work thanks to the construction of key works for the community and for the economic fabric: hospitals, schools, public offices, car parks, industrial plants and research centres. We have worked with architects of international renown such as Massimiliano Fuksas for the New Trade Fair Centre in Milan, Emilio Ambasz for the new hospital in Venice-Mestre and Karim Rashid for Università station of the Naples underground.

Know-how acquired over time, project after project, which has generated key works such as Ospedale dell'Angelo in Venice-Mestre, a highly specialised facility built using the project finance formula. And which has also allowed to achieve top-level results as regards appearance, as in the case of Toledo station of the Naples underground, chosen as the most impressive underground station in Europe according to a list compiled by CNN.

Business model.

Construction and Concessions combined to boost development.

We have combined different operating methods with those we regularly use in construction and concession activities in order to obtain the maximum from our strategic know-how. This combination allows us to be more competitive in markets subject to major expansion.

Concessions represent an effective flywheel for Construction, especially when public funding is insufficient to ensure financial cover for infrastructures. The development of an area cannot be slowed down because resources are lacking. The growth of services cannot be stopped through the non-construction of a hospital or underground. Concessions and project finance can be the solution when there is a crisis that also affects the performance of all-important works for the community.

Concession projects entail investment, but this also means multiplying the business opportunities for the construction sector.

This way of working allows us to provide continuity for projects started up, and to optimise transversal skills (in terms of infrastructure construction, structured finance, risk management, operational management) which result in increasingly integrated offers with the construction sector when used for the concessions sector.

Integration is the key word of our business model. Integration also gave birth to a new opportunity, which combines construction with activities subsequent to the performance of works such as Plant Engineering, Maintenance and Management of Complex Systems. Complete and integrated management of projects (from construction to maintenance) has allowed us to develop and retain within the Group, skills and know-how arising from working processes that, together with management activities, make it possible to further expand the range of products offered.

In relation to said integrated model, the Engineering Division and Corporate Project Management Department take on a key role. These are internal units working in the integrated design, works supervision and project management sectors with the common goal of codifying and spreading the standard of excellence in processes, methods and works performance.

The Engineering Division provides Integrated Engineering and Total Project Management services to all the company's business segments, working with operating units in Italy and abroad. It is the depositary of the Group's technical and specialist skills and know-how and boasts UNI EN ISO 14001 (Directives for the mitigation of direct and indirect impact arising from works supervision and works performance) and UNI EN ISO 9001 (Directives for the quality and correctness of procedures used) certification.

The Corporate Project Management Department promotes the Project Management model adopted within the Group, in order to make available knowledge, skills, instruments and techniques, applying the integrated approach to project management, from offer formulation and for the complete duration of the contract.

The future is marked with a plus.

Consolidation.
Internationalisation.
Know how-building.

The future is equal to growth. A growth that is set to be solid since it is based on a business model and organisational structure able to react to the effects of the crisis, and able to be proactive even in difficult situations.

Our plans include consolidation of the Group's leadership in Italy and strengthening of international positioning.

In Italy we will focus on identifying new opportunities, with a selective approach in order to maintain the margins of projects in progress.

At a global level, we will aim at consolidating our role in foreign markets where already present, and especially Turkey, Canada, Russia, Peru and Chile.

Growth will take place in the name of an increasingly integrated offer, supporting the construction sector which continues to be our core business. Growth aimed at diversifying business activities and consolidating synergy and complementariness between construction and concessions.

We will continue along the path already embarked on with creation of the Corporate Project Management Department in order to incorporate into our projects a modus operandi (culture, values, organisation and project management models) able to accompany the complete contract life cycle with the same standard of quality.

In order to achieve our plans, financial management focused on generating cash flows and diversifying sources of financing will be needed.

We will continue to invest in all our tangible and intangible assets.

We will increase our know-how. We will mould the managers of the future, supporting knowledge sharing and lifelong learning.

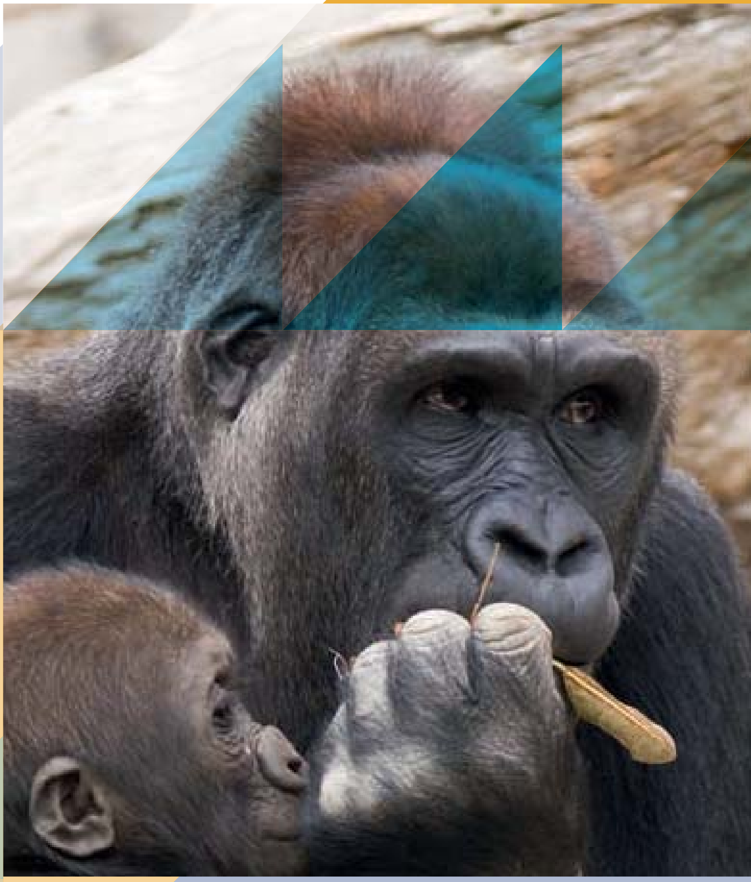
We will make sustainability and respect for the planet a flywheel for development.

Creating knowledge in order to pave the way for the future.

12,000 hours of managerial training.

The Group's solidity is guaranteed by the key role of training activities which Astaldi has always placed major focus on. In 2013, Astaldi's management training process was synergically integrated with other HR management processes. The first key action consisted in an Economics & Project Management training programme for Line Managers working at Project and Country levels, with the aim of developing the management's strategic and economic and financial skills in order to achieve improved control of management, economic and financial levers of their areas of responsibility, and to increase awareness of the impact of their decisions on the company's key numbers. 12,000 hours of training provided globally within 12 different programmes. Numerous Team Building activities in specific geographical areas – America and Turkey – in order to learn to work as a team, even at a distance of thousands of kilometres.

Major works and protection of the planet can go hand-in-hand.



Respect for the environment is no longer sufficient. In order to ensure a healthy future for our planet, we need to make the best use of its resources. We need to design major works while respecting the local area and its characteristic biodiversities, without wasting energy and working to steer the whole production process in this direction. For Astaldi, protection of the environment is much more than a statement of intent. It is an integral part of our guide to total quality; it is a management model that singles out environmental goals and formulates projects in relation to these. It is possible to construct major works in unspoilt areas, in the planet's nature reserves while still respecting the environment and Astaldi has chosen to improve its QHSE performance in an ongoing way and in each and every project. In the Astaldi world of quality, the environment has been incorporated into the corporate management system since the early 2000s and is inspired by the strictest regulations: from ISO14001 to EMAS regulations.

In 2013 we started to certify our works in Italy in accordance with the LEED ITALIA scheme (held by Green Building Council Italia, for the design and construction of eco-sustainable buildings). And Astaldi has also been a member of the Green Building Council Italia since 2013. The latter is a no-profit organisation dedicated to the development and diffusion of sustainable construction and design methods.

The process of improving Safety and Environment elements within the corporate management system is ongoing with the adoption and diffusion of HSE best practices in order to create value through knowledge sharing. The management is also constantly updated in order to standardise the approach and application of HSE regulations in all our projects.

ISO 14001, a focus on environmental management system.

Turkey, The Third Bridge on Bosphorus.

Consolidated annual financial report

Russia (St. Petersburg), Pulkovo International Airport.

Shareholders' Call

An Ordinary and Extraordinary Meeting of the Shareholders entitled to vote is called to be held at the Company's registered office in Rome, Via Giulio Vincenzo Bona 65, on the 30th of April, 2014, at 9,00 a.m. at first calling and, if necessary, at second calling on the 2nd of May, 2014, same place and time, to discuss and resolve upon the following agenda:
Ordinary session:
1. Approval of the Company's Financial Statements as of December 31, 2013. Resolutions relating thereto and deriving therefrom.
2. Resolutions on the purchase and sale of Company's own shares.
3. Resolutions on the remuneration policy.

Extraordinary session:
1. Amendments to the Company's By-Laws (Art. 19).

Share Capital and Voting Rights
The subscribed and paid-up share capital of Astaldi S.p.A. amounts to € 196,849,800.00 and is divided into 98,424,900 common shares of a nominal value of Euro 2.00 each, of which 555,153 treasury shares presently held. Each share entitles its registered holder to one vote, exclusive of treasury shares held by the Company at the date of the meeting, the voting rights of which, in accordance with the law, are suspended, and the amount of which will be made known upon opening meeting. The information set forth in this paragraph is available at www.astaldi.com

Entitlement to Attend the Meeting
Pursuant to art. 11 of the Company's By-laws, Shareholders' meetings may be attended by those who are entitled to vote in accordance with the appropriate attestations issued and forwarded by the brokers pursuant to the law. To this respect, pursuant to art. 83-sexies of the T.U.F. (the Italian Financial Services Act), the entitlement to attend Shareholders' meeting and to vote thereat is attested by a notice to be given to the Company by the broker according to the latter's accounting records, setting forth the name of the entity entitled to vote, as it appears from the records of the accounts as per art. 83-quater, paragraph 3, of the Italian Financial Services Act, as at the end of the accounting day of the seventh stock market working day prior the date fixed for the Shareholders' meeting (i.e. April 17, 2014). Those who appear to have become Shareholders after such date will not be entitled to attend the Shareholders' meeting and vote thereat. The notices to be given by the brokers as per this paragraph, shall have to be received by the Company within the end of the third stock market working day prior to the date fixed for the first-call meeting (i.e. the 25th of April, 2014). It is understood that the entitlement to attend the Shareholders' meeting and to vote thereat is granted also in the event the Company receives any such notice beyond said deadline provided that it is received before the start of the meeting of each respective call.

Vote by Proxy and Vote by Mail or by Electronic Means
The holder of the voting right may have himself/herself represented by written proxy, subject to any incompatibility and within the limits provided for by the laws and regulations in force and the provisions of the Company's By-laws. To such purpose may be used the form of proxy attached at foot of the authorized broker's certification, to be issued to the entity who is entitled to vote, or the form of proxy available at the Company's website www.astaldi.com *("Governance/Shareholders Meeting"* menu*)*. In accordance with art. 12 of the Company's By-laws, every Shareholder may issue the proxy through the website section *"Governance/Shareholders Meeting"* of the Company website.
As provided for by the Company's By-laws, the Company

waives the right to appoint a "common representative", as provided for by art. 135-undecies, § 1, of the Italian Financial Services Act.
The Company's By-laws do not provide for any procedure for casting votes by mail or by electronic means.

Questions on the Topics of the Agenda
Pursuant to art. 127-ter of the Italian Financial Services Act, those entitled to vote may make questions on the topics of the agenda also prior to the Meeting. Any such question, jointly with the information required to establish the identity of the one entitled thereto, will have to be made to the Chairman of the Board of Directors in writing, by means of registered letter with acknowledgement of receipt, to be sent to the Company's registered office, attn.: *Servizio Affari Societari, Corporate Governance e Ufficio di Presidenza*, or by means e-mail to segreteria.societaria@astaldi.com. Any such question has to be received within 3 working days prior to the first-call meeting (i.e. April 24, 2014) and they will be answered, also by one sole answer in the event of questions on the same subject, at the latest during the Meeting.

Supplements to the Agenda and Introduction of New Proposals of Resolution
Pursuant to art. 126-bis of the Italian Financial Services Act, the Shareholders who represent, also jointly, one fortieth of the share capital may request, within ten days after publication of this notice of calling (i.e. within April 7, 2014), to supplement the list of the topics to be discussed, setting forth the additional topics proposed by the same in their request, or submit proposals of resolution on topics already included in the agenda. The request, jointly with the certificate attesting the entitlement to attend the meeting, has to be made to the Chairman of the Board of Directors in writing, by means of registered letter with acknowledgement of receipt, to be sent to the Company's registered office, attn.: *Servizio Affari Societari, Corporate Governance e Ufficio di Presidenza*, or by means e-mail to segreteria.societaria@astaldi.com, jointly with the information required to establish the identity of the requesting parties. A report setting forth the grounds for the proposals of resolution on the new topics they propose to discuss or the grounds for the additional proposals of resolution made in connection with topics already included in the agenda, has also to be filed, according to the same procedure and within the same deadline, to the managing body. It is further reminded that the agenda can not be supplemented with topics upon which the Shareholders' Assembly resolves, pursuant to the law, on the directors' proposal or on the basis of a project or plan drawn up by the same, other than those provided for by art. 125-ter, paragraph 1, of the Italian Financial Services Act.

Documents
The documents relating to the topics of the agenda shall be filed with the Company's registered office (in Rome – Via Giulio Vincenzo Bona, 65) and in the Company's website www.astaldi.com ("*Governance/Shareholders' Meeting*" menu) and, anyway, as provided for by the laws and regulations in force, the Shareholders being entitled to examine the same and to obtain copy thereof. More precisely, the following documents will be made available: (i) the Directors' Reports on topics 1, 2 and 3 of the agenda of the ordinary session, and on topic 1 of the agenda of the extraordinary session, at least 30 days prior to be Meeting, under art. 125-ter of the Italian Financial Services Act; (ii) the annual financial report and the other documents as per art. 154-ter, paragraph 1, of the Italian Financial Services Act, the Remuneration Report and the Report on the Purchase and Sale of Company's Own Shares, at least 21 days prior to the Meeting, pursuant to arts. 123-ter, 125-ter and 154-ter of the Italian Financial Services Act, and arts. 73 and 84-quater of Consob Regulation 11971/99. The same documents will be further made available at www.astaldi.com *("Governance/Shareholders Meeting"* menu*).* A report summarizing the vote results, setting forth the number of shares attending the Shareholders' meeting, personally and by proxy, the number of shares voted, the percentage of capital represented by such shares, as well as the number of shares voted for and against the resolution, and the number of abstentions, will be published within five days after the Shareholders' Meeting in the same section of the Company website. The minutes of the Shareholders' Meeting as per section 2375 of the Italian Civil Code will be anyway made available at www.astaldi.com ("*Governance/Shareholders Meeting*" menu) within thirty days after the date on which Shareholders' Meeting was held.

Experts, Financial Analysts and Journalists
Accredited experts, financial analysts and journalists desiring to attend the Shareholders' Meeting will have to file a proper application with Astaldi S.p.A. – Attn. External Relations and Investor Relations Dept. – by e-mail to the address to investor.relations@astaldi.com or by fax to No. +39-06-41.76.67.33 – not later than two working days before the date fixed for the first call Meeting.
This notice of calling is published in the Company's website www.astaldi.com ("*Governance/Shareholders Meeting*" menu) on March 28, 2014, and as an abstract in the daily newspaper "Il Sole 24 Ore" of March 29, 2014.
Rome, this 28th of March,2014

On behalf of the Board of Directors
The Chairman
Paolo Astaldi

Corporate Bodies

Board of Directors

Chairman
Paolo Astaldi

Deputy Chairmen
Ernesto Monti
Giuseppe Cafiero

Chief Executive Officer
Stefano Cerri

Company Directors
Caterina Astaldi
Luigi Guidobono Cavalchini
Giorgio Cirla
Paolo Cuccia
Guido Guzzetti[1]
Mario Lupo
Chiara Mancini
Nicoletta Mincato
Eugenio Pinto

General Management

Paolo Citterio (*Administration and Finance*)
Luciano De Crecchio (*Domestic*)
Cesare Bernardini (*International and Railway Works*)
Mario Lanciani (*International*)
Filippo Stinellis (*International*)

Honorary Chairman

Vittorio Di Paola

Board of Statutory Auditors

Chairwoman
Daria Beatrice Langosco di Langosco[2]

Standing Auditors
Ermanno La Marca
Lelio Fornabaio

Alternate Auditors
Andrea Lorenzatti[3]
Giulia De Martino
Francesco Follina

Independent Auditors

KPMG S.p.A.

[1] Director appointed through slates presented by minority.
[2] Auditor appointed through slates presented by minority.
[3] Auditor appointed through slates presented by minority.

Control and Risks Committee

Chairman
Eugenio Pinto

Committee Members
Luigi Guidobono Cavalchini
Guido Guzzetti
Nicoletta Mincato

Remuneration Committee

Chairman
Ernesto Monti

Committee Members
Eugenio Pinto
Giorgio Cirla

Related Parties Committee

Chairman
Eugenio Pinto

Committee Members
Giorgio Cirla
Paolo Cuccia

Appointments Committee

Chairman
Ernesto Monti

Committee Members
Eugenio Pinto
Mario Lupo

Management Report

Introduction

The 2013 Annual Financial Report has been compiled by applying the same accounting standards adopted in the Annual Financial Report at 31 December 2012 except for those coming into effect as from 1 January 2013 outlined in the Annual Consolidated Financial Statements in the section entitled "Newly-issued and approved accounting standards and interpretations coming into effect as from 1 January 2013".
Legislative Decree No. 32 of 2 February 2007 ("Implementation of Directive 2003/51/EC, which amends EEC Directive Nos. 78/660, 83/349, 86/635 and 91/674, regarding the annual accounts and consolidated accounts of some types of companies, banks and other financial institutes and insurance companies") amended, *inter alia*, Articles 40 (Management Report) and 41 (Auditing of consolidated financial statements) of Legislative Decree No. 127/1991. Specifically, with regard to Article 40 of Legislative Decree No. 127/1991, it was envisaged that, as far as companies drafting consolidated financial statements are concerned, the management report for the consolidated financial statements and the parent's separate financial statements "may be presented in a single document, emphasising, where appropriate, the issues which are significant for all the companies included in the consolidation scope". Taking into account the Group's structure, the company opted to avail itself of said possibility and hence this annual report (referred to the 2013 annual financial statements) includes information previously provided in the management report for the consolidated financial statements and in the management report for the separate financial statements of the parent, ASTALDI S.p.A.
Lastly, it must be noted that Astaldi's Board of Directors resolved to avail itself of the faculty to eschew obligations regarding the publication of required disclosures on the occasion of significant mergers, demergers, share capital increases involving considerations other than cash, acquisitions and transfers, pursuant to Article 70, subsection 8 and Article 71, subsection 1-bis of the Issuers' Regulations issued by CONSOB.

Consolidated financial statement

For the Consolidated Financial Statements at December 31st 2013, please refer also to the CD attached to this volume.

Background scenario

In order to better understand the financial results of the year, please find below a brief analysis of the approved infrastructure development investment plans in the markets of greatest interests for the Group's operations.

Italy[1]

Italy represents the country with the greatest percentage incidence for Astaldi Group activities. The Group is active at a domestic level, mainly in the capacity of General Contractor in the Transport Infrastructures (motorways, railways, underground lines, high-speed), Civil Construction and Plant Engineering, Maintenance and Management of Complex Systems. It is appropriate to point out that, in recent years, the Group has also developed the role of Concessionaire, acquiring more than ten years of experience in the Healthcare Construction (6,788 beds, more than 5,000 parking spaces), Car Parks (3,675 parking spaces, transferred to leading investment funds at the end of December 2013), Transport Infrastructures (875 kilometres of motorway links, 28 kilometres of underground line and 40 stations). Italy accounted for 34% of the Group's operating revenue at 31 December 2013 and represented 31% of its order backlog in progress.

Construction Segment

The macroeconomic data for FY 2013 confirm that Italy is still experiencing a tendentially negative economic cycle, also because it lacks the support of a legislative and political framework able to provide sufficient support for the productive fabric. While, at a European level, the first signs of a recovery are starting to be seen. Specifically, the EU GDP showed a 0.1% increase for the whole year, against a 0.3% increase in Q2 and a 0.4% increase in Q4. If we are to limit this figure to the Eurozone only, we can see a GDP with a YOY drop of 0.4%, which, however, comprises a 0.1% increase in Q2 and a 0.3% increase in Q4. Said figure reflects the upturn recorded in countries such as France and Germany, which ended the year with a 0.8% and 0.4% increase respectively in the GDP, but also shows the effect of a last quarter influenced heavily by Romania, the Czech Republic and Lithuania. As regards Italy, the situation continues to be a complex and difficult one. The GDP in Italy increased by 0.1% in the last quarter of the year, but a 1.9% YOY drop was recorded. If we are to look back at past years, the situation appears even more penalising. From 2008 to 2013, the Italian GDP dropped by 8.6%, with a 6.6% drop from 2008 to 2009, a smaller drop (2.2%) from 2010 to 2011 and once again a considerable drop (equal to 4.4%) from 2012 to 2013. With regard to said situation, Astaldi Group adopts a specific policy of balancing domestic and international activities that, however, does not result in Italy losing its key role in growth strategies. Indeed, a well-balanced revenue structure, an average lifecycle of the construction order backlog for Italy of 3 to 5 years and the considerable potential synergies resulting from an integrated Construction-Concessions development model guarantee that Italy will continue to make a significant contribution to the Group's activities over the coming years. Despite this, the slowdown in the Italian construction segment recorded in recent years cannot be overlooked. In terms of public investment, the construction market in Italy saw a 6.9% drop in 2013. In real terms, this means a 34.4% drop for the 2008-2013 five-year period. The figure speaks for itself if we are to consider that the countries responsible for boosting the growth in GDP seen in Europe in 2013, in other words France and Germany, are those that have planned major infrastructure investments in the medium-term as from 2011. The construction segment in Italy is and has undoubtedly been one of the reference segments for the country's relaunch, singled out by the various governments that have held power in recent years. However, unfortunately, the public finance policy still appears to be insufficient, even if the decision to favour works, the approval and/or performance of which is at a good stage, when allocating funding is to be appreciated. As regards the future, streamlining of authorisation procedures and a quicker use of available funds at a national, but above all European level, is to be hoped for. Also because Italy's ability to make use of community funding is extremely low. According to ANCE (Italy's National Association of Builders) estimates, only 47.5% of EU funding made available to Italy for the 2007-2013 period had been spent and certified as at October 2013. Said observation is worrying if the shortage of national resources is to be taken into account. It is suffice to consider that funding for infrastructures for the 2014-2020 period ("2014-2020 Financial Framework") totals EUR 111 billion, comprising EUR 56 billion of European structural funds and EUR 55 billion of national funding (Italy's Development and Cohesion Fund formerly known as FAS). Therefore, relaunch of the infrastructure policy at a domestic level cannot help but involve quick usage of available funds.

Concessions Segment

The strict policies adopted by the government to ensure compliance with the limitations of the Maastricht Treaty have led public administrations to make almost exclusive use of Public-Private Partnerships (PPP) with regard to infrastructure activities performed in recent years. Despite this, the "mortality rate" of PPP initiatives in Italy is extremely high. From a general viewpoint, this can be explained by the direct correlation of the PPP market to the financial markets. Financial instability generates a crisis situation as regards liquid assets and difficulty as regards accessing credit and hence reduces the number of projects that actually achieve the financial closing needed to proceed with the works. At the same time, in Italy there are also more structure-related problems that have slowed down the actual development of the market. Lengthy and

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[1] Source: "*Osservatorio Congiunturale sull'Industria delle Costruzioni – dicembre 2013*" and "*Congiuntura ANCE – gennaio 2014*", by the Economic Affairs Division and Research Centre of ANCE (Italy's National Association of Builders).

complex administrative procedures within the different macroeconomic framework have meant that most of the Financial and Economic Plans forming the base of the sustainability of approved projects, are not longer applicable, making numerous projects started-up in past years no longer bankable. According to analyses performed by ANCE (Italy's National Association of Builders), the first ten months of 2013, compared to the same period of 2012, saw a major reduction in calls for tenders (-46.4%, net of maxi-works worth more than EUR 500 million), even given an increase in amounts (+19.6%). Moreover, only a small amount of awarded contracts resulted in the actual start-up of site activities. In this context, Astaldi Group can offer integrated Construction-Concession skills and know-how, able to satisfy customers' requirements with excellent quality standards as well as with a major capacity to attract funding (a useful and necessary condition for structuring sustainable PPP initiatives). The Group is currently focused on priority initiatives for granting authorities in the transport infrastructure (motorways, undergrounds) and healthcare construction segments. Moreover, none of the governments that have held power in recent years has been able to approve measures aimed at resolving the problems in this segment (for example, through the setting-up of guarantee funds to support private individuals when procuring capital). Unfortunately, the defiscalisation measures introduced in current legislation in order to limit the share of public contribution and the regulations introduced for the issue of project bonds have proved to be largely ineffective. As regards the future, greater support from the reference legislative framework, especially in terms of simplification, is to be hoped for in order to relaunch the segment.

Rest of Europe

For the purposes of this 2013 Annual Financial Report, the rest of Europe is to be taken as Poland, Romania, Russia and Turkey. These countries together accounted for approximately 43% of Astaldi Group's operating revenue for 2013 and represented 38% of its order backlog in progress. Please refer to the content below for a brief analysis of the situation identified in each of the countries of major interest.

Turkey

Astaldi Group has seen an increase in the value of its activities in Turkey in recent years. Dating from the 1980s with the construction of a key section of the Anatolian Motorway, its experience in the country has been consolidated with the acquisition of projects of international standing. Astaldi's role in Turkey has progressed from pure Contractor to manager of assets constructed using the concession formula. Transport infrastructures (motorways, railways, bridges) represent the reference segment, but Civil Construction (hospitals) in the medium-term will make a significant contribution. When in full operation, upon completion of the works, Astaldi will be responsible for managing: (i) more than 500 kilometres of motorway links, including a suspension cable bridge among the longest in the world, (ii) a hospital with more than 3,500 beds. Turkey has shown excellent real growth potential for the infrastructure segment in recent years. An awareness of its role as a strategic meeting point for economic, social and cultural flows running across Europe, Central Asia and the Middle East, has accelerated growth of the Turkish construction market, making it one of the most interesting foreign markets as regards the opportunities it can offer. Mention must be made of the socio-political events witnessed in 2013 that generated tension within the country. It must be noted that said events had no knock-on effects on works in progress. In order to have complete information with regard to this area, please refer to the section entitled "Main risks and uncertainties" contained herein.

Russia

Astaldi Group operates in Russia solely with well-identified private counterparties of high international standing. Its presence in Russia does not correspond to a traditional logic of joining a new market, but rather represents an opportunity for geographical diversification resulting from the consolidation of international industrial partnerships, in relation to projects characterised by a suitable risk-return profile and with guaranteed funding. Therefore, unlike what generally happens in the rest of the world, investments in Russia are not directly linked to public infrastructure investment plans. The Group is currently active in the country, mainly in the transport infrastructure (motorways, airports) segment where it operates as an EPC Contractor. As regards the future, no commercial development of the country is being examined as such, but the possibility of grasping new additional opportunities that may arise from partnerships with qualified counterparties with a high credit rating, is not ruled out.

Turkey, Gebze-Orhangazi-Izmir Motorway (Izmit Bay Bridge).

Poland[2]

Astaldi Group has operated in Poland since 2008. Inspired by a logic of balancing and diversifying its geographical positioning in Poland, the Group's presence in the country has been consolidated over time and acts as a driving force for Astaldi's operations, including through the performance of works of a high value and major technological content. The Group is currently present in Poland in the transport infrastructures segment and is involved in a project to construct a waste-to-energy plant. From a macroeconomic viewpoint, the country guarantees a certain level of stability: according to European Commission estimates disclosed in February 2014, the growth rate of the GDP should be 2.9% during the current year (3% according to the IMF). Moreover, thanks to EU membership, the Polish construction industry has gained access to structural funding, succeeding in focusing its development strategies on improving the existing infrastructure system. This focus was confirmed by the Partnership Agreement approved by the Polish government in January 2014, an informative document that defined the procedures of use of EU funds allocated for Poland as part of the 2014-2020 Financial Framework. The agreement must be submitted to the European Commission for final approval, but, at the present time, it envisages that, as regards the EUR 114 billion allocated to Poland (equal to 23% of the EU Funds for Cohesion Policies), EUR 27.5 billion will be managed by the central government for the Infrastructures and Environment Operational Programme. Therefore, thanks to its technical and financial skills, in addition to specific experience in the use of EU structural funds, Astaldi Group feels it is able to grasp interesting development opportunities, for both the construction and concession segments, especially as regards transport infrastructures and energy and environment.

Romania[3]

Despite the Country's structural problems, Romania continues to offer interesting opportunities for the infrastructure segment. Indeed, it continues to guarantee medium-size public works tenders, especially in the transport infrastructures segment, but also offers interesting opportunities linked to commitments undertaken with regard to cohesion infrastructure funding allocated by the European Union (mainly related to construction of the Trans-European Railway/Motorway Corridor IV). In the medium-/long-term, new investment opportunities may arise from the PPP law approved at the end of 2010. The Romanian government is also negotiating the 2014-2020 Partnership Agreement with the European Commission. This is an informative document containing the main proposals for implementing European funding for the planning period in question. In relation to said document, the priority segments to be developed using new funding include infrastructures (transport, environment, energy) to which

[2] Sources: "*Poland Business Forecast Report*", by Business Monitor International, "*Polonia: la Commissione Europea prevede al rialzo le stime 2014 per l'economia*", 26 February 2014 and "*Polonia: varato l'accordo di partenariato sulla strutturazione dei Fondi UE 2014-2020*", 9 January 2014 - ICE (Foreign Trade Institute).

[3] Sources: "*Romania Business Forecast Report*", by Business Monitor International, "*Nuova Programmazione dei Fondi Europei 2014-2020*", by ICE (Foreign Trade Institute).

over EUR 9 billion will be allocated out of a total sum of EUR 21.4 billion allocated to Romania. Considering the above and in light of the specific experience acquired over the years, including in the use of structural funding, Astaldi Group feels that interesting opportunities may be on offer in the medium-term in Romania, also in relation to partnerships with leading European companies operating in the segment.

Algeria[4]

Algeria is a country where Astaldi can boast a well-established presence and where it has operated for more than 20 years. The Group is active in Algeria, mainly in the role of Contractor in transport infrastructures (motorways, railways) and hydroelectric plants (aqueducts). As regards the macroeconomic situation, despite the general crisis, the country continues to remain solid and boasts positive indicators, including in terms of GDP. The country is also fairly stable and rich as regards currency reserves linked to production and export of the main energy sources – gas and oil. Moreover, it is felt that the forthcoming presidential elections will give a new boost to the Public Investment Programme that envisages USD 290 billion to be concentrated over the next five years in various segments such as residential construction (new towns and renovation of existing ones), hospitals, waste disposal plants (incinerators), new tram lines, roads, motorways, railway and underground lines. All of these are opportunities that could be defined as natural given Astaldi's know-how and experience, also thanks to the specific attention granted by the Algerian government to opportunities to develop partnerships involving local and foreign companies. Therefore, Algeria continues to be of definite interest in the Group's commercial development policies. In 2013, Algeria accounted for 6% of the Group's operating revenue and 4% of the order backlog in progress.

Middle East[5]

As regards the Middle East, Astaldi Group is present mainly in Saudi Arabia and the United Arab Emirates. During 2013, the Group undertook a process of streamlining non-core activities in this area leading to progressive closure of the oil & gas segment. At the present time, commercial interest in the segments where the Group's boasts high levels of specialisation can be confirmed, including in light of plans of action approved by individual countries of interest. Specifically, USD 79 billion of investments have been allocated over the next ten years to improve and upgrade the railway and underground network in Saudi Arabia. Major investments are also planned in Qatar and the United Arab Emirates that, on the whole, recorded USD 75 billion of investments in 2013, with an additional USD 20 billion forecast for the 2014-2019 period, and with projects peaking in 2016. In 2013, the Middle East accounted for 2% of the Group's operating revenue and represented approximately 1% of the order backlog in progress.

North America

In 2013, the Area accounted for 4% of Astaldi Group's operating revenue and represented 7% of its order backlog in progress. Please refer to the sections below for a brief analysis of the situation in each of the countries of interest for the Group, in other words Canada (Newfoundland and Labrador, Quebec, Ontario) and the USA (Florida, California). Canada represents one of the recently joined markets for the Group's activities, and at the end of December had already witnessed a major commercial success with the Muskrat Falls hydroelectric plant project. The USA is an area where Astaldi has long since operated through its subsidiary Astaldi Construction Corp., mainly as an EPC Contractor in the transport infrastructures segment (roads, motorways, viaducts, undergrounds).

Canada[6]

Canada is a low-risk market due to a stable political and economic system, an advanced legislative and its financial framework. It also boasts clear strong points that are of interest for Astaldi Group, insofar as: (i) it has significant natural resources (metals, hydrocarbons) and it is the leading global producer of electricity; (ii) it has a highly developed infrastructures market; (iii) it has implemented major development programmes in the hydroelectric and transport segments, where Astaldi is able to boast considerable expertise; (iv) it has instruments (Building Canada Plan, PPP Canada) able to promote the start-up of medium and large-size projects, including through private-public partnerships. Moreover, the Building Canada Plan drawn up by the federal government in 2013 provides for the allocation of CAD 53 billion (equivalent to EUR 34 billion) over the coming ten years for the construction of roads, bridges, undergrounds and other public infrastructures to be built together with the provinces and municipalities.

USA - Florida, SR-862/ Eller Dr ICTF (Fort Lauderdale, Broward County).

Moreover the investments to be made by Canada in public infrastructures by 2020 are estimated at CAD 200 billion (equivalent to approximately EUR 130 billion), with interesting opportunities for the PPP market as well. Therefore, it is felt that the area may offer interesting opportunities which may also arise from a logic of integration and synergy between Astaldi Canada (a company owned entirely by Astaldi) and its subsidiary TEQ (a Canadian company owned entirely by Astaldi, operating since the 1970s and offering interesting skills and know-how with regard to construction and project management, acquired in 2012).

United States of America[7]

The USA continued to offer positive signals throughout 2013. The GDP increased by 4.1% in Q3, reviewed compared to previous forecast of 3.6%. In Q2, the real GDP increased by 2.5%. This was the best growth figure recorded since Q1 2012. The increase mainly reflects the positive contribution of investments in private reserves (potentially volatile). Consumption also increased once again (+2%) as well as private investments (+17.2%). As regards Q4 2013, the leading private analysts increased their forecasts as regards the increase in GDP from 2.1% (from the forecast 1.7% in November). The increase forecast for the whole year has been increased for 2013 (between 2.2% and 2.3%) and ranges from 2.8% to 3.2% for 2014. On the whole, the ongoing and constant expansion of the US economy, that officially came out of the recession in 2009, is guaranteed and boosted by key segments such as real estate and the car industry (for example, the sale of cars increased by 7.7%), exports, fixed investments (residential and non-residential) and state and local public spending (while federal government spending shows a decrease). The US economy should also continue to increase in 2014 and subsequent years at real rates of almost 3%, even if the weather conditions of the first part of 2014 have led analysts to formulate more conservative forecasts. The growth in the economy remains a key item on the agenda of President Obama who has defined the main challenges to be faced in this regard during the rest of his presidency: reduction of economic inequality and improvement of reduced social mobility. The tools include greater investment in education, in the manufacturing industry, in the energy and technology segments and in infrastructures. Within said context, Astaldi Group acts as a reference Contractor in the area – the subsidiary ACC holds 16th position in the listings of the Top Southeast US Contractors in Transportation (Source: *Engineering News Record*) – and will continue to study the interesting opportunities that arise, especially in the field of transport infrastructures.

[4] Sources: "*Algeria & Lybia Business Forecast Report*", by Business Monitor International, "*Algeria. Nota congiunturale 2013 – Marzo 2014*" by ICE (Foreign Trade Institute) Algiers Office, "*Inside Algeria. Forti incentivi per investire*", MF International Africa – December 2013.

[5] Source: "*Golfo, l'ingorgo delle grandi opere*", 10 December 2013 – Il Sole 24 Ore, "*Saudi spending on rail projects to reach $79bn in next 10 years*", 8 January 2014 – ICE (Foreign Trade Institute).

[6] Source: "*Canada. Il settore delle infrastrutture*", by ICE (Foreign Trade Institute).

[7] Source: "*Info Mercati Esteri. Quadro Macroeconomico USA*" – update at 24 January 2014, by the Ministry of Foreign Affairs.

Latin America

The Group's role in Latin America mainly refers to recently joined markets such as Chile and Peru, as well as areas where traditionally present such as Venezuela and Central America. The reference segments are transport infrastructures, energy production plants and mining infrastructures where the Group operates as an EPC Contractor as well as a Concessionaire, Latin America as a whole accounted for 11% of Astaldi Group's operating revenue at 31 December 2013 and represented 20% of its order backlog in progress. Please refer below for details regarding the situation identified in each of the countries of greater interest.

Chile[8]

Many interesting opportunities are presenting themselves in Chile regarding the construction, often using the concession formula, of energy production plants, motorways, railways, hospitals and major infrastructures. The investment programme of the MOP (Chile's Public Works Ministry) is of special interest and could, in the medium-term, guarantee excellent opportunities for the Group in the hospital construction segment, also in light of projects the awarding of which will shortly be disclosed. Moreover, major investments to improve the infrastructure network will also be necessary in the immediate future in order to support the country's intensive foreign trade and maintain its current growth levels. In the railway segment, the 2014-2016 three-year plan compiled by EFE, entails investments of approximately USD 1 billion, while in the airport segment, expansion of the complete national network is already underway due to the major increase in passenger traffic and planned arrival of new airline companies. New projects are also being examined and defined in the road segment for the construction of new urban and out-of-town roads and motorways. In this regard, Chile represents an interesting opportunity for geographical and segment diversification for Astaldi thanks to its socio-political and economic stability, the validity of its legislative framework and the important opportunities it has to offer in the concessions segment, especially in the renewable energy and hospital segments. It must be recalled that, to date, Astaldi Group operates in Chile mainly with private counterparties (Pacific Hydro for the hydroelectric segment; CODELCO, the largest copper producer in the world, for mining works). It also holds a 27.3% stake in the concession project to manage a plant boasting 111MW of installed power (built by Astaldi), as well as a 55% stake in the concession project to construct and manage an industrial plant for the recovery of copper and molybdenum. As regards the future, interesting opportunities may also arise from the hospital construction and mining segments. As regards the latter, investments totalling USD 70 billion are expected over the next ten years. CODELCO alone – with whom Astaldi Group is already performing the Relaves and Chuquicamata projects – announced investments of USD 15 billion in Chile over the next five years. Mining activities are the main component of the GDP and mineral represent the leading exports. From a macroeconomic viewpoint, according to recent estimates by Chile's Central Bank, Chile recorded a 4.7% increase in GDP in 2013, which the positive trend in the mining and construction segments in particular helped achieve.

Peru

Astaldi Group's presence in Peru corresponds to a logic of diversification of the risk profile of activities in Latin America. The Group is currently focused on initiatives with private customers in relation to projects aimed at constructing hydroelectric plants. As regards the future, interesting opportunities may emerge, including with public counterparties, in transport infrastructures (undergrounds, airports) and hydroelectric and energy production plants (aqueducts).

Venezuela

Astaldi has operated in Venezuela for over 40 years. All the activities in progress are performed under the aegis of Italo-Venezuelan intergovernmental agreements and refer to priority railway works for the country being performed along the Puerto Cabello-La Encrucijada, San Juan de Los Morros-San Fernando de Apure and Chaguaramas-Cabruta routes. Considering the particular socio-political situation the country has been experiencing for some years, further commercial development is not planned and production levels are limited and decidedly lower than the considerable potential of the projects in progress. 2013 saw the persistence of a climate of uncertainty with devaluation of the *Bolivar fuerte* in February and the death of President Hugo Chavez in March 2013. As regards devaluation, said phenomenon was not unexpected and the business model, based on conservative criteria, made it possible to deal with said contingencies, also thanks to the fact that major importance was given to the component in Euros when defining contractual currencies. As regards the political situation, following in the steps of action taken in recent years, it was deemed appropriate to further reduce

Peru, Huanza Hydroelectric Power Plant.

the Group's presence in this country. While, as regards the future, Venezuela's socio-economic development will be carefully monitored prior to recommencing a normal level of business activity. In any case, the business development model for Latin America provides for the smaller contribution from Venezuela to be offset by the growth of surrounding areas of more recent interest (Chile, Peru). In order to have complete information with regard to this area, please refer to the section entitled Main risks and uncertainties contained herein.

Comments on the year's operating performance

Astaldi Group **ended 2013 with an increase in results** despite the complex reference markets thus confirming the solidity of its business and its ability to achieve its own development plans. It recorded a turnover of **EUR 2,519.7 million, EBITDA of EUR 324 million, EBIT of EUR 235.9 million** and **net profit of EUR 75.2 million** with **YOY increases of 2.6% for turnover, 22.5% for EBITDA, 11.4% for EBIT and 1.5% for net profit. Net financial debt totalled EUR 798.1 million** with an **expiry structure increasingly focused on the medium/long-term,** also thanks to the issue of an equity-linked bond of EUR 130 million in January 2013 and a senior bonded loan of EUR 750 million, in several tranches from November 2013 to January 2014, supported by the valuation of leading international rating agencies.

The 2013 was in any case a demanding year at many levels (commercial, industrial and financial) and, among other things, saw rebalancing of production in relation to the macroeconomic trend of the various countries where it operates. The ability to rebalance production in the various markets made it possible to tackle the crisis with the awareness of having adopted **a balanced model as regards geographical diversification, able to deal with the slowdown in different economic cycles.**

During the year, commercial activities were aimed at identifying new opportunities in Italy (with a selective approach, able to maintain margins), consolidating its presence in recently joined countries (Canada, Chile and Peru) and identifying new areas of development able to guarantee development plans in keeping with the Group's investment policies. The commercial focus in areas where traditionally present remained constant in order to ensure a flow of orders in keeping with planned growth.

From an industrial viewpoint, the problems seen in reference markets did not prevent the Group from achieving important targets in the concessions and construction segments. As regards construction, Canada started to make a significant contribution to the order backlog thanks to securing of the Muskrat Falls hydroelectric project; Russia consolidated its contribution to production with virtually complete opening to the public of Pulkovo International Airport in St. Petersburg and entry into oper-

[8] Source: "*Chile Business Forecast Report*", by Business Monitor International; "*Info Mercati Esteri. Cile*", by the Italian Embassy in Chile.

ation of the Western High-Speed Diameter (WHSD), in St. Petersburg. Other key projects were also completed such as Line 5 of the Milan underground (first operational section), the Brescia underground, Bologna Centrale high-speed station (first operational section), the Jonica National Road (Lot DG-21) and the Turin Railway Junction (Platforms 1 and 2) in Italy and, the Huanza hydroelectric plant in Peru. Completion of these works, *inter alia*, made it possible to focus operations on some key projects such as Phase 1 of the Gebze-Orhangazi-Izmir motorway and the Third Bosphorus Bridge in Turkey and the St. Petersburg WHSD in Russia. The Group also undertook a process of streamlining non-core activities, with progressive closure of the oil & gas segment in the Middle East, and the process of integration with Concessions and Plant Engineering, Maintenance and Management of Complex Systems went ahead successfully, with consequent benefits in terms of margins. As regards concessions, the management phase commenced for Line 5 of the Milan underground – First Operational Section, and for the hospitals in Prato and Pistoia in Tuscany, as mentioned previously. From a financial viewpoint, financial closing was performed for Phase 1 of the Gebze-Orhangazi-Izmir motorway and the Third Bosphorus Bridge in Turkey, with consequent inclusion of relative contractual values among orders in progress and speeding-up/start-up of the relative construction phases. Specifically, as regards the Third Bosphorus Bridge, it must be noted that the project finance, no-recourse loan agreement of USD 2.3 billion was signed at the end of August 2013 and that as regards the first disbursement, finalisation of some contractual documents with the Turkish Treasury Ministry and the Granting Authority (KGM) is underway.

Additional strategic goals achieved during the year were: assignment of a credit rating by Fitch, Standard&Poor's and Moody's in October and signing in December of the transfer agreement relating to the Car Parks Division, now classified as a mature asset with regard to the lifecycle of projects under management to date.

For a better understanding of the year's trends that will be looked at below, it must be noted that ASTALDI's management assesses the financial performance of the Group and its business segments on the basis of some indicators not provided for in IFRSs, the specific components of which are listed below.

<u>EBITDA</u>. This is obtained by excluding the following from EBIT, as defined below: (i) amortisation and depreciation of intangible assets and property, plant and equipment; (ii) impairment losses and provisions; (iii) capitalisation of internal construction costs.

<u>EBIT</u>. This is equal to the profit or loss prior to taxation and financial income and charges, without any adjustments. The following are excluded from EBIT: income and charges resulting from the management of non-consolidated investments and securities, as well as the results of any transfers of consolidated investments, included in financial statements under the heading of "financial income and charges", or under the heading of "effects of equity accounting" for the share of profit or loss of equity-accounted investees.

<u>EBT</u>. This is calculated as the net operating profit or loss, excluding financial income and charges, as well as the effects of equity accounting.

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

<u>Net financial position</u>. This is obtained by subtracting the total of non-current financial receivables and receivable rights arising from concessions, as well as other specific items such as treasury shares, from net financial debt, calculated as required under CONSOB 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 Statement dated 28/07/2006.

<u>Total financial debt</u>. 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 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.

<u>Net non-current assets</u>. These are to be taken as the total of non-current asset items; specifically, this refers to intangible assets, the Group's technical resources, the amount of investments as well as other non-current residual items compared to those listed above.

Working capital. This is the result of the total of receivables and payables linked to the core business (trade receivables and payables, inventories, works in progress, tax assets, payments on account from customers, residual current asset items).

Net invested capital. This is the total of net non-current assets, working capital, provisions for risks and provisions for employee benefits.

ROI. This is the ratio between net operating profit or loss (EBIT) and net invested capital.

Consolidated income statement figures for 2013

(thousands of euros)	2013	%	2012	%	YOY diff. (%)
Total revenue	2,519,675	100.0%	2,456,897	100.0%	2.6%
Total costs	(2,195,652)	(87.1%)	(2,192,428)	(89.2%)	0.1%
EBITDA	**324,023**	**12.9%**	**264,469**	**10.8%**	**22.5%**
EBIT	**235,952**	**9.4%**	**211,822**	**8.6%**	**11.4%**
Net financial charges	(103,667)	(4.1%)	(85,131)	(3.5%)	21.8%
EBT	**138,586**	**5.5%**	**129,837**	**5.3%**	**6.7%**
Group profit	**75,213**	**3.0%**	**74,133**	**3.0%**	**1.5%**

Total revenue

Total revenue amounted to EUR 2,519.7 million (+2.6% YOY, EUR 2,456.9 million in 2012), with operating revenue accounting for 95%, hence attributable to the Group's actual business activity, and other revenue for 5%, which are not directly referred to the core business. The excellent fourth-quarter performance in terms of **increase in production volumes and margins** had a positive effect on said figure, backed up by an effective market positioning strategy and consolidated industrial capacity that made it possible to deal with the persisting difficulties in reference markets. It also reflected the negative impact linked to some foreign currencies (dollar, rouble) which, in a YOY comparison, generated lower amounts for the same production volumes.
Operating revenue increased to EUR 2,392.9 million (+2.9% YOY, EUR 2,325.9 million in 2012). They reflected the shift from production with geographical hinge pins, such as Italy and Venezuela, to a diversified contribution system that sees input from various areas such as Russia (Pulkovo International Airport and Western High-Speed Diameter, in St. Petersburg), Turkey (Gebze-Orhangazi-Izmir motorway, Third Bosphorus Bridge), Poland (Line 2 of the Warsaw underground), Algeria (Saida-Moulay Slissen and Saida-Tiaret railways), Peru (Cerro del Águila hydroelectric project). However, Italy confirms a significant contribution in particular thanks to the good progress of Line 5 of the Milan underground, Bologna Centrale HS station, Pedemontana Lombarda motorway and Tuscan hospitals.
Other operating revenue totalled EUR 126.8 million (-3.6%, EUR 131.6 million in 2012), showing a slight drop compared to the same figure for 2012.

Breakdown of revenue by segment

The table below offers a breakdown of operating revenue by business sector and segment.

(millions of euros)	2013	%	2012	%	YOY diff. (%)
CONSTRUCTION	**2,366**	**98.9%**	**2,295**	**98.7%**	**3.1%**
Transport Infrastructures	1,945	81.3%	1,970	84.7%	(1.3%)
Railways and undergrounds	*790*	33.0%	*1,039*	*44.7%*	*(24.0%)*
Roads and motorways	*953*	39.8%	*685*	*29.5%*	*39.1%*
Ports and airports	*202*	8.4%	*246*	*10.6%*	*(17.9%)*
Hydraulic and Energy Production Plants	116	4.8%	85	3.7%	36.5%
Civil and Industrial Construction	160	6.7%	140	6.0%	14.3%
Plant Engineering, Maintenance and Management of Complex Systems	145	6.1%	100	4.3%	45.0%
CONCESSIONS	**27**	**1.1%**	**30**	**1.3%**	**(10.0%)**
TOTAL OPERATING REVENUE	**2,393**	**100.0%**	**2,325**	**100.0%**	**2.9%**

The breakdown of revenue by segment shows the traditional prevalence of the construction segment benefitting from the Group's high level of specialisation in the transport infrastructures segment and from the integration of the subsidiaries NBI (Plant Engineering, Maintenance and Management of Complex Systems) and TEQ (Civil Construction) into its industrial processes. Concessions continue to make a significant contribution to production, to be attributed to transport infrastructures (airports) and civil construction (hospitals).

Construction

Transport infrastructures generated EUR 1,945 million of revenue (-1.3%, EUR 1,970 million in 2012). In a YOY comparison, the figure was affected by a smaller contribution from the railways and undergrounds segment, largely offset by the intensification of activities in the roads and motorways segment. **Railways and undergrounds generated EUR 790 million** (-24%, EUR 1,039 million in 2012). They reflected the planned reduction of activities in Venezuela (Puerto Cabello-La Encrucijada, Chaguaramas-Cabruta, San Juan de Los Morros-San Fernando de Apure) and a smaller contribution from major contracts in Italy (Line C of the Rome underground), that were only partially offset by the progress on projects in Algeria (Saida-Moulay Slissen, Saida-Tiaret), Poland (Line 2 of the Warsaw underground) and Italy (Line 5 of the Milan underground, Bologna Centrale high-speed station, Parma-La Spezia railway). **Roads and motorways generated EUR 953 million showing a 39% YOY increase (EUR 685 million in 2012)** thanks to considerable contributions from Russia (Western High-Speed Diameter) and Turkey (Gebze-Orhangazi-Izmir motorway, Third Bosphorus Bridge) and progress on contracts in Italy (Pedemontana Lombarda motorway). The segment also benefitted, *inter alia*, from the performance of prestigious projects of international standing that characterise a high level of specialisation and technical know-how on the part of the Group, especially in terms of bridge construction (Third Bosphorus Bridge) and Sea Works (WHSD). **Ports and airports totalled EUR 202 million** (-17.9%, EUR 246 million) and in a YOY comparison were affected by completion of the airport in Turkey (Milas-Bodrum), only partially offset by the activities in progress in Russia (Pulkovo) and Poland (Krakow-Balice). **Plant Engineering, Maintenance and Management of Complex Systems generated EUR 145 million (+45%,** EUR 100 million in 2012), thanks to progress on mining projects in Chile (Relaves, Chuquicamata) and to the integration of the subsidiary NBI (specialising in plant engineering) into industrial and commercial processes, with the latter generating EUR 28 million of revenue. **Civil and Industrial Construction increased by 14.3% to EUR 160 million** (EUR 140 million in 2012) and included the contribution from the Canadian company, T.E.Q. (acquired in 2012) and progress made in Italy on the Police Officers' Academy in Florence [Scuola Carabinieri] and new hospitals in Tuscany (specifically Pistoia and Prato, completed in 2013). **Hydroelectric and Energy Production Plants contributed EUR 116 million** (+36.5%, EUR 85 million in 2012) thanks to projects in Peru (Huanza, Cerro del Águila, Santa Teresa) and, in a residual manner, in Poland (Bydgoszcz-Torun).

Concessions

Concessions generated EUR 27 million of revenue (-10%, EUR 30 million in 2012). Said figure includes the results of management of **Milas-Bodrum International Airport in Turkey (EUR 14.2 million),** the first six months of proportional consolidation of **Ospedale dell'Angelo in Venice-Mestre in Italy (EUR 9.2 million)**, the start-up as from the second half of the year of management of **Prato and Pistoia Hospitals in Italy (EUR 3 million)** and the management of **5 car parks in Italy (0.4 million)**. In a YOY comparison, the figure is penalised by deconsolidation as from HY2 2013 of the equity investment in Veneta Sanitaria Finanza di Progetto, the SPV set up to manage Venice-Mestre Hospital in Italy, now entered among valuations at equity as a result in a change in governance logics. We must also recall that due to the consolidation rules applied, the other concession projects under management (Chacayes, Line 5 of the Milan underground – First operational section) do not contribute to the Group's results at a revenue level, but as the result of valuation at equity of the relative equity investments (with a total contribution of EUR 22.8 million, inclusive of the fair value valuation of first-time entry at equity of A4 Holding) and with the payment of dividends (totalling EUR 3.1 million). As regards the Relaves project, the effects of entry into operation of the plant planned as from the second half of 2014 are still not visible in terms of revenue.

Breakdown of revenue by geographical segment

The table below offers a breakdown of operating revenue by individual reference market.

(millions of euros)	2013	%	2012	%	YOY diff. (%)
ITALY	**813**	**34.0%**	**913**	**39.3%**	**(11.0%)**
INTERNATIONAL	**1,580**	**66.0%**	**1,412**	**60.7%**	**11.9%**
Rest of Europe	1,020	42.6%	789	33.9%	29.3%
America	372	15.5%	355	15.3%	4.8%
Asia (Middle East)	44	1.8%	79	3.4%	(44.3%)
Africa (Algeria)	144	6.0%	189	8.1%	(23.8%)
TOTAL OPERATING REVENUE	**2,393**	**100.0%**	**2,325**	**100.0%**	**2.9%**

A geographical breakdown of revenue shows the **geographical rebalancing of activities** performed over the last two years while still confirming **Italy's key role**. Indeed, the Group has moved from a system based on two hinge pins (Italy and Venezuela) to a more balanced system based on diversification where each foreign country of reference normally accounts for 10/15% of total revenue.

Italy

The domestic market maintains a key role but with a smaller contribution than in the past, to the benefit of foreign areas. **Italy generated EUR 813 million of revenue** (-11%, EUR 913 million) and in a YOY comparison was penalised by the virtual completion of the Turin Railway Junction and the Jonica National Road (Lots DG-21 and DG-22), as well as by the slowdown in work on Line C of the Rome underground. While good progress was recorded on Bologna Centrale high-speed station and Line 5 of the Milan underground, even if the figure was lower than last year, as well as the progressive performance of works related to the Pedemontana Lombarda motorway and the Tuscan Hospitals project.

International

The geographical rebalancing of activities resulted in a diversified contribution from the foreign areas where the Group operates. The **Rest of Europe, which for the purposes of this Annual Report includes Turkey, generated EUR 1,020 million** (+29.3%, EUR 789 million), thanks to the progress of construction activities in Turkey and Russia. **America generated EUR 372 million** (+4.8%, EUR 355 million in 2012) thanks to the results of the Group's recent joining of the Canadian market and progress on construction activities in Chile, the United States and Peru that, on the whole, fully offset the planned reduction in activities in Venezuela. **Asia generated EUR 44 million** (-44.3%, EUR 79 million in 2012) and in a YOY comparison reflected the result of the streamlining of activities in the Middle East performed by the Group during the year, with its exit from the oil & gas segment in Oman. The Group aims to maintain a role in this area, focusing on countries able to guarantee interesting development opportunities in its areas of greater specialisation (transport infrastructures). **Africa generated EUR 144 million** (-23.8%, EUR 189 million in 2012). The figure for the year includes the results of activities in progress in Algeria which, when compared to the previous year, showed a drop, also as a result of the slowdown in some activities pending formalisation of technical/contractual amendments.

Total costs

Production costs totalled EUR 1,835.7 million (EUR 1,828.1 million in 2012), with **a drop in incidence on revenue from 74.4% in 2012 to 72.9%**, as well as a much more limited YOY growth of 0.4% to be attributed to the increased production during the year in question. At a structural level, costs benefitted from economies of scale resulting from optimisation of Construction-Concession integration processes, more marked centralisation of procurement activities and the development of a centralised core of skills for staff services and engineering (used by local facilities). **Personnel expenses totalled EUR 320.7 million**, (EUR 305.4 million in 2012) with a 12.7% incidence on revenue (largely in line with 12.4% recorded in 2012) and a YOY growth of 5% to be attributed to increased production as well as to the prevalence of direct production in countries such as Chile where the Group directly performs specialist activities. **Other operating costs** totalled EUR 39.2 million (-33.4%, EUR 58.9 million in 2012), with a 1.6% incidence on revenue (from 2.4% in 2012). The drop on a YOY basis is to be attributed to non-repeatable entries recorded in 2012. This resulted in a drop in the incidence of total costs on revenue from 89.2% in 2012 to 87.1%.

Profit margins

Profit margins remained at high levels compared to the leading Italian and international competitors. They reflected an increasingly integrated offer compared to the past, able to keep margins with high added value within the Group, acknowledgement of the high standards of quality the Group operates with, the focus placed on complex, high-value projects, as well as specific attention paid to operating-economic-financial risk profiles that guarantee constant monitoring during all the production and management phases of each individual project.

EBITDA showed a considerable increase of 22.5%, amounting to EUR 324 million (EUR 264.5 million in 2012), with an **EBITDA margin of 12.9%** (10.8% in 2012). **EBIT amounted to EUR 235.9 million** (+11.4% YOY, EUR 211.8 million in 2012) with an **EBIT margin of 9.4%** (8.6% in 2012). The results of action taken in previous years made it possible to mature natural economies of scale with benefits also in the long-term.

Transport infrastructure projects made a significant contribution to yearly figures, especially roads and motorways (Turkey, Russia, Italy) and railways and undergrounds (Algeria, Poland and Italy). In a YOY comparison, said figure benefits from the greater prevalence among the backlog of contracts with a higher technological content

Lastly, it must be noted that, with regard to Milas-Bodrum Airport, a project in Turkey consolidated line-by-line and currently in the management phase, the concomitance of Gezi Park protests with the airport's peak season meant lower than expected passenger traffic volumes for 2013. This made it necessary to subject the project to an impairment test (based on a more conservative estimate of forecast cash flows) resulting in realignment of the project's value to its new value in compliance with the terms listed in the notes to this report. From a financial viewpoint, the effects were already shown in the net financial position at 31 December 2013.

Financing activities

Net financial charges totalled EUR 103.7 million (+21.8%, EUR 85.1 million in 2012). The YOY increase can be attributed to a number of factors: the increase in operating guarantees due to the increased average project value, a higher average level of debt linked to working capital support provided during the first part of the year by some projects in Italy (especially Line 5 of the Milan underground), the impact of the net exchange rate differences recorded with devaluation of the Venezuelan Bolivar and the oscillation in some currencies (US dollar, rouble, Turkish lira) which, from an economic viewpoint, was offset by the provisions made as regards individual projects affected by the phenomenon.

Profit for the year

EBT (earnings before taxes) increased to EUR 138.6 million (+6.7%, EUR 129.8 million in 2012). Said figure benefits from EUR 6.3 million referring to the effects of valuation at equity of the Group's equity interests (EUR 3.1 million in 2012) that takes into account the results of management of projects under concession in Chile (Chacayes hydroelectric plant, Relaves industrial plant) and Italy (Line 5 of the Milan underground and, as from the second half of 2013, Venice-Mestre Hospital). Moreover, the following were recorded: (i) EUR 19.8 million inclusive of minorities for first-time entry at equity of the equity investment in A4-Holding S.p.A. (as regards this project, there was a change in the criterion of valuation of said equity investment, held through AI2 (now equal to 15.45% including the minority share), entered at cost in previous financial statements, due to the increase seen during the year and consequent change in the investee's governance); (ii) EUR (16.8) million, already entered in 2013 accounts for the economic and financial settlement of an arbitration award referring to litigation involving the party responsible for commissioning the contract to build the Copenhagen underground, completed several years ago. The yearly trends resulted in an **increase in profit to EUR 75.2 million (+1.5% YOY,** EUR 74.1 million in 2012). Said figure was achieved with a tax rate, inclusive of the incidence of IRAP, estimated at 40.1% (43% in 2012). The decrease compared to last year reflects the different geographical structure of activities and includes the effects of tax regulations related to some foreign countries the Group operates in.

Consolidated statement of financial position figures at 31 December 2013

Main consolidated statement of financial position figures (thousands of euros)	**31-Dec-13**	**31-Dec-12**
Total net non-current assets	731,346	642,720
Working capital	704,155	575,178
Total provisions	(30,594)	(37,945)
Net invested capital	1,404,906	1,179,953
Total financial payables/receivables	(800,983)	(626,005)
Equity	603,923	553,948

2013 was extremely important for the Group's financial position. In keeping with plans, the Group performed a series of operations on the financial markets that made it possible to rebalance its own sources system and extend the average life of debts. In January 2013, the Group placed an EUR 130-million equity-linked bond, followed by the issue of a seven-year senior bond in several tranches for a total of EUR 750 million (EUR 150 million calculated in 2014), backed up by the valuation of leading credit rating agencies. At the end of 2013, it signed a contract related to transfer of the Car Parks Division that will generate cash flow by the end of HY1 2014.

Total debt amounted to approximately EUR 800 million, excluding treasury shares (EUR 626 million at 31 December 2012), showing an improvement of approximately EUR 98 million compared to the figure of EUR 898 million recorded at 30 September 2012. The YOY increase can be attributed to planned investments in the concessions segment, but also to delays in payments for projects in progress in Italy, partially resolved during the fourth quarter. The unblocking of some of these credit items lies at the base of the improvement in the item in question seen during the fourth quarter of 2013.

Net non-current assets increased to EUR 731.3 million (EUR 642.7 million at 31 December 2012) as a combined effect of the increase in investments and the decrease in property, plant and equipment and intangible assets. Specifically, investments increased due to: (i) first-time consolidation at equity of A4 Holding (entered at cost in previous financial statements) and deconsolidation of the investment in Veneta Sanitaria Finanza di Progetto due to changes in governance logics; (ii) investments in the form of share capital increases in the concession project for the Third Bosphorus Bridge (Turkey); and (iii) reclassification at capital of sums previously paid in as a subordinate loan (semi-equity) in the concession project for the Gebze-Orhangazi-Izmir motorway (Turkey) following the share capital increase resolved upon by the SPV. Property, plant and equipment and intangible assets decreased due to the combined effect: (i) of investments to support production in Chile, Peru and Russia that were in any case lower than amortisation; (ii) disinvestment of assets related to contracts in closure in Saudi Arabia; (iii) reclassification resulting from deconsolidation of investments in Veneta Sanitaria Finanza di Progetto (Ospedale dell'Angelo in Venice-Mestre), Ozkar (BidBid-Sur National Road) and Metrobrescia (Brescia underground – operation and maintenance contract); and (iv) amortisation of intangible assets related to the concession to manage Milas-Bodrum International Airport (Turkey).

Working capital totalled EUR 704.1 million (EUR 575.2 million at 31 December 2012), recording a significant increase during the year that made possible the progress on projects in compliance with timeframes and did not worsen the Group's earnings profile (a ROI in excess of 18% was recorded in 2013). The item in question was affected by a delay in the payments of some projects, which the Group opted to cover with its own resources in order to avoid significant problems from an operating viewpoint. However, it is important to point out that an inversion in the trend was seen during the latter part of the year, with a reduction in working capital in Italy and abroad. Specifically, the greatest differences in this equity item referred to:

- Work in progress totalling EUR 1,261.8 million (EUR 1,058.0 million in 2012) as a result of increases in the production volumes of projects in progress in Russia and Turkey, partially offset by the drops seen in America (Venezuela) and Algeria;
- Payments on account from customers totalling EUR 674.7 million (EUR 479.4 million in 2012) for sums collected during the year in relation to the Western High-Speed Diameter in St. Petersburg and the Muskrat Falls hydroelectric plant in Canada;
- Trade receivables totalling EUR 915.6 million (EUR 803.6 million in 2012) due to the increase in projects in Canada and Venezuela, Poland (Łódź Fabryczna Station), Turkey (Third Bosphorus Bridge) and decreases recorded in Algeria. The domestic area remains largely unvaried compared to 2012.

Invested capital amounted to EUR 1,404.9 million (EUR 1,179.9 million in 2012).

Equity increased to EUR 603.9 million due to the profit for the year, deferred items under equity and payment of dividends (totalling EUR 16.6 million) in June of last year.

Consolidated net financial debt

The net financial debt at 31 December 2013 (excluding treasury shares and receivable rights arising from concessions and treasury shares) amounted to EUR 798.1 million, to be compared to EUR 895.7 million at 30 September 2013 and EUR 623 million at the end of 2012. Therefore, the figure saw an improvement of approximately EUR 100 million during the last quarter of the year, to be attributed to the aforementioned dynamics.

On the whole, the financial structure benefited from the bond issues placed during the year, with an extension of expiry dates and greater availability on credit facilities that will serve to support the Group's future operational development. The bond loan issue in November (EUR 500 million) and subsequent Tap in December (an additional EUR 100-million tranche), for a total EUR 600 million at 31 December 2013, basically strengthened the Group's capital structure. Indeed income from the two issues was dedicated in full to repayment of the existing debt, largely represented by short- and medium-/long-term revolving loans. Specifically, at 31 December 2013, the so-called EUR 325-million Forward Start Facility, expiring in December 2016, was fully repaid and available for use. The Group's cash on hand (EUR 374 million) and total availability as regards committed and uncommitted revolving credit facilities (totalling approximately EUR 800 million) provide the Group with a more than sufficient capacity to meet planned financial undertakings. Its liquidity profile was also defined as "sufficient" by all the rating agencies (S&P, Moody's, Fitch) that, to date, assess the Group's credit rating.

The debt/equity ratio stood at 1.32x. The corporate debt/equity ratio, which excludes the share of debt related to concessions insofar as self-liquidating, was equal to 0.7x.

Breakdown of the consolidated net financial debt

	(thousands of euros)		31/12/2013	30/09/2013	30/06/2013	31/03/2013	31/12/2012
A	Cash and cash equivalents		373,772	306,347	354,894	317,291	400,215
	Other available funds						
B	Securities held for trading		1,407	1,367	1,376	1,332	1,347
C	Available funds	(A+B)	375,179	307,714	356,271	318,622	401,562
-	Short-term financial receivables		29,412	21,786	23,375	669	3,393
-	Current share of receivable rights arising from concessions		15,447	16,092	16,611	15,314	16,306
D	Current financial receivables		44,859	37,878	39,986	15,982	19,700
E	Current bank loans and borrowings		(306,168)	(439,599)	(423,561)	(519,508)	(460,526)
F	Current share of payables for bonds issued		(3,315)	(409)	(1,920)	(447)	
G	Current share of non-current debt		(66,931)	(60,080)	(49,909)	(47,180)	(51,030)
H	Other current financial payables		(9,940)	(11,477)	(10,922)	(12,352)	(16,059)
I	Current financial debt	(E+F+G+H)	(386,354)	(511,565)	(486,311)	(579,487)	(527,614)
J	Net current financial debt	(I+D+C)	33,683	(165,973)	(90,054)	(244,882)	(106,353)
K	Non-current bank loans and borrowings		(225,622)	(695,633)	(673,178)	(692,786)	(696,432)
L	Issued bonds		(713,268)	(127,132)	(127,258)	(127,127)	
M	Other non-current payables		(15,992)	(17,265)	(6,251)	(7,889)	(9,575)
N	Non-current financial debt	(K+L+M)	(954,881)	(840,030)	(806,687)	(827,801)	(706,007)
O	Gross financial debt - Continuing Operations	(I+N)	(1,341,236)	(1,351,595)	(1,292,998)	(1,407,288)	(1,233,621)
P	Net financial debt – Continuing Operations	(J+N)	(921,198)	(1,006,003)	(896,741)	(1,072,683)	(812,359)
Q	Net financial debt – Disposal groups		30,680	34,484	33,874		
R	Net financial debt	(P+Q)	(890,518)	(971,519)	(862,867)	(1,072,683)	(812,359)
-	Non-current financial receivables		24,547	25,098	15,003	30,764	7,683
-	Subordinate loans		46,439	28,710	87,686	75,846	43,252
-	Non-current share of receivable rights arising from concessions		18,549	19,311	27,799	136,524	135,419
S	Non-current financial receivables		89,534	73,120	130,489	243,134	186,354
T	Total financial debt	(R+S)	(800,983)	(898,399)	(732,378)	(829,549)	(626,005)
	Treasury shares on hand		2,859	2,725	2,808	2,698	3,019
	Total net financial debt		(798,124)	(895,674)	(729,570)	(826,851)	(622,986)
	Debt/Equity		*1.32*	*1.48*	*1.24*	*1.44*	*1.12*
	Corporate Debt/Equity		*0.66*	*0.87*	*0.72*	*0.92*	*0.58*

Investments

Investments in technical resources during the year totalled EUR 46 million (1.8% of total revenue), mainly referring to purchases made in Chile, Peru and Russia. The year also saw EUR 13 million of disposals following streamlining of the Group's role in the Middle East.

Gross investments in equity during the year related to concession activities totalled EUR 97 million. Therefore, the historical value of investments at 31 December 2013 stood at EUR 590 million, EUR 92 million of which referring to receivable rights arising from concessions (to be taken as the shares of investments covered by guaranteed cash flows, as provided for in IFRIC-12) inclusive of items related to discontinuing operations (Car Parks). The ongoing management of some assets generated cash inflow in the form of collection of guaranteed minimum fees (EUR 15 million for Milas-Bodrum International Airport in Turkey, EUR 4.3 million for Car Parks in Italy) and payment of dividends (EUR 0.6 million from management of Ospedale dell'Angelo in Mestre, Italy and EUR 2.5 million for the Chacayes hydroelectric plant).

Reclassified consolidated income statement

(thousands of euros)	Notes regarding reconciliation with consolidated financial statements	31/12/2013		31/12/2012 Restated (*)	
Revenue	1	2,392,871	95.0%	2,325,299	94.6%
Other operating revenue	2	126,804	5.0%	131,598	5.4%
Total Revenue		**2,519,675**	**100.0%**	**2,456,897**	**100.0%**
Cost of production	3 - 4	(1,835,715)	(72.9%)	(1,828,136)	(74.4%)
Added value		**683,960**	**27.1%**	**628,761**	**25.6%**
Personnel expenses	5	(320,715)	(12.7%)	(305,430)	(12.4%)
Other operating costs	7	(39,221)	(1.6%)	(58,862)	(2.4%)
EBITDA		**324,023**	**12.9%**	**264,469**	**10.8%**
Amortisation and depreciation	6	(71,178)	(2.8%)	(52,018)	(2.1%)
Provisions	7	(4,471)	(0.2%)	(1,595)	(0.1%)
Impairment losses	6	(14,074)	(0.6%)	(598)	0.0%
(Capitalisation of internal construction costs)	8	1,652	0.1%	1,565	0.1%
EBIT		**235,952**	**9.4%**	**211,822**	**8.6%**
Net financial income and charges	9 - 10	(103,667)	(4.1%)	(85,131)	(3.5%)
Effects of equity accounting	11	6,302	0.3%	3,146	0.1%
Pre-tax profit		**138,586**	**5.5%**	**129,837**	**5.3%**
Taxes	12	(55,571)	(2.2%)	(55,882)	(2.3%)
Profit from continuing operations		**83,015**	**3.3%**	**73,956**	**3.0%**
Profit (loss) arising from operations related to disposal groups	**13**	**(4,575)**	**(0.2%)**		**0.0%**
Profit (loss) for the year		**78,440**	**3.1%**	**73,956**	**3.0%**
Profit (loss) attributable to non-controlling interests		(3,227)	(0.1%)	177	0.0%
Profit attributable to owners of the parent		**75,213**	3.0%	**74,133**	3.0%

(*) Following application (retroactive) of IAS 19 (2011) – Employee benefits, the figures at 31/12/2012, listed for comparative purposes, were restated.

Reclassified consolidated statement of financial position

(thousands of euros)	Notes regarding reconciliation with consolidated financial statements	31/12/2013	31/12/2012 Restated (*)
Intangible assets	17	58,971	107,523
Property, plant and equipment	15 - 16	205,063	222,199
Investments	18	395,564	257,441
Other net non-current assets	12 - 19 - 20	82,102	55,558
Non-current assets held for sale	26	1,936	
Liabilities directly associated with non-current assets held for sale	26	(12,290)	
TOTAL non-current assets (A)		**731,346**	**642,720**
Inventories	21	61,711	84,343
Contract work in progress	22	1,261,797	1,058,039
Trade receivables	23	46,291	31,517
Receivables from customers	23	915,569	803,560
Other assets	19 - 20	174,077	209,821
Tax assets	24	105,893	143,067
Payments on account from customers	22	(674,738)	(479,397)
Subtotal		**1,890,599**	**1,850,950**
Trade payables	20 - 31	(101,286)	(143,451)
Payables to suppliers	20 - 31	(807,613)	(817,538)
Other liabilities	12 - 28 - 29 - 32	(277,545)	(314,783)
Subtotal		**(1,186,444)**	**(1,275,772)**
Working capital (B)		**704,155**	**575,178**
Employee benefits	30	(8,003)	(9,367)
Provisions for non-current risks and charges	33	(22,591)	(28,578)
Total provisions (C)		**(30,594)**	**(37,945)**
Net invested capital (D) = (A) + (B) + (C)		**1,404,906**	**1,179,953**
Cash and cash equivalents	25	373,772	400,215
Current financial receivables	19 - 20	29,412	3,393
Non-current financial receivables	19 - 20	70,986	50,935
Securities	19	1,407	1,347
Current financial liabilities	28	(386,354)	(527,614)
Non-current financial liabilities	28	(954,881)	(706,007)
Net financial liabilities (E)		**(865,659)**	**(777,730)**
Receivable rights arising from concessions	19	33,996	151,725
Net financial debt – disposal groups	26	30,680	
Total financial liabilities (F)		**(800,983)**	**(626,005)**
Equity attributable to owners of the parent	27	(558,822)	(507,050)
Equity attributable to non-controlling interests	27	(45,101)	(46,897)
Equity (G) = (D) - (F)		**603,923**	**553,948**

(*) Following application (retroactive) of IAS 19 (2011) – Employee benefits, the figures at 31/12/2012, listed for comparative purposes, were restated.

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

	Equity 31/12/2013	Income statement 2013	Equity 31/12/2012(*)	Income statement 2012
Amounts as per Astaldi S.p.A.'s financial statements	**486,793**	**34,669**	**468,423**	**45,414**
- Elimination of carrying amount of controlling interests	(556,735)		(548,322)	
- Equity and profit for the year (calculated on the basis of same standards) of consolidated companies net of non-controlling interests	474,516	(29,908)	491,479	(7,318)
- Effect of equity accounting	(31,946)	1,436	(24,397)	3,144
- Revaluation of equity interests	11,729	11,729		
- Elimination of allowance for impairment on investments in subsidiaries and equity-accounting investees net of use	65,535	23,709	54,056	8,143
- Elimination of provisions for risks on investments in subsidiaries and equity-accounted investees	104,144	57,550	68,207	44,593
- Intragroup dividends and losses		(21,159)		(19,859)
- Elimination of unrealised intragroup profit and other minor adjustments	4,785	(2,813)	(2,396)	16
Consolidated financial statements amount (attributable to owners of the parent)	**558,822**	**75,213**	**507,050**	**74,133**
Consolidated financial statements amount (attributable to non-controlling interests)	**45,101**	**3,227**	**46,897**	**(177)**
Consolidated financial statements amount	**603,923**	**78,440**	**553,948**	**73,956**

(*) Following application (retroactive) of IAS 19 (2011) – Employee benefits, the figures at 31/12/2012, listed for comparative purposes, were restated.

Order backlog

The consolidated order backlog totalled EUR 13.3 billion, showing a 31% YOY increase (EUR 10.2 billion at 31 December 2012), a particularly significant result if we are to consider the general situation it was achieved in. **It comprises EUR 5.5 billion of new orders**, to be attributed mainly (i) to the **Gebze-Orhangazi-Izmir motorway (for the share related to Phase 1)** and to the **Third Bosphorus Bridge in Turkey,** subsequent to closing of the relative financing, (ii) to the recent commercial success in Canada (**Muskrat Falls hydroelectric project**) and, for smaller amounts, (iii) to new projects and/or contractual increases for contracts in progress in Italy, Europe (Poland, Romania, Russia and Turkey), America (Chile, Canada, El Salvador, Honduras, Peru and the USA). Said figures were achieved despite deconsolidation totalling EUR 388 million related to the transfer of car parks in Italy and streamlining of the Group's presence in the Middle East. Therefore, the figures demonstrate a commercial ability able to suitably offset the year's production: indeed, new orders represent more than double the figure for operating revenue that totalled EUR 2.4 billion.

The order backlog structure reflects the policy adopted by the Group in recent years and hence (i) geographical rebalancing of activities which guarantees a flexible, more diversified business model; (ii) the integrated Construction-Concessions model that increases the backlog thanks to an increasingly integrated offer and improved margins; (iii) integration of the recently-purchased companies (NBI and TEQ) into the company's business processes; (iv) streamlining of the Group's role in the Middle East; and (v) optimisation of concession projects currently classified as mature assets.

Constructions account for 57% of the backlog in progress, equal to EUR 7.6 billion (+8%, EUR 7 billion at 31 December 2012); concessions account for the remaining 43% amounting to EUR 5.7 billion (+81%, EUR 3.2 billion at 31 December 2012). On an aggregated basis, the backlog comprises transport infrastructures (75%), hydraulic and energy production plants (14%), civil construction (8%), and Plant Engineering, Maintenance and Management of Complex Systems (3%).

Turkey, Etlik Healthcare Campus in Ankara.

31% of the backlog, equal to EUR 4.1 billion, refers to Italy (-7.4%, EUR 4.4 billion at 31 December 2012); the remaining 69%, totalling EUR 9.2 billion, refers to international activities (+59%, EUR 5.8 billion at 31 December 2012), with an incidence of the individual areas on the total backlog as follows: Europe (38%), America (27%), Africa (3%) and Asia (1%).

It must be recalled that the amounts listed refer to the backlog in progress and do not reflect the positive results of investments made to optimise concessions (awarded) and currently awaiting financing closing. If we are to take said projects into account, **the total potential backlog amounts to EUR 20.6 billion**, showing an additional EUR 1.9 billion for Construction and EUR 5.4 billion for Concessions. Said figures mainly refer to:

- **Gebze-Orhangazi-Izmir motorway (Turkey) for the share related to Phase 2**: pending closing of the relative financing scheduled for the first half of 2014 for Phase 2A (25 km) and by the end of 2016 for Phase 2B (301 km). For more information regarding the content of this project, please refer to details regarding performance of Phase 1 of the project found in the section entitled "Main projects in progress" contained herein;
- **Etlik healthcare campus in Ankara (Turkey),** for which construction activities have commenced, but for which financial closing is pending. For more information regarding the content of this project, please refer to details found in the section entitled "Main projects in progress" contained herein;
- **Motorway link to Ancona port (Italy)**, which saw signing of the concession agreement in December that will come into effect further to registration by the Court of Auditors, in progress to date. It should be recalled that this project involves the construction and management using the concession formula of approximately 11 kilometres of toll motorway connecting the existing A-14 motorway with Ancona Port, as well as complementary traffic works, to be performed using the DBFOM (Design-Build-Finance-Operate-Maintenance) formula. The total investment amounts to EUR 580 million (Astaldi has a 24% stake). The planned duration of the concession is 36 years, 30 of which for management. Concession revenue will be those typically attributable to the motorway business with concession revenue of EUR 76 million (Astaldi has a 24% stake). The contract provides for a mechanism to review concession parameters, typical of motorway concessions in Italy which offsets any traffic risk;
- **Medio Padana Veneta Nogara-Mare Adriatico regional motorway (Italy)**, which was finally awarded on 18 December 2013 and which will see signing of the concession agreement with the granting authority, Veneto's regional authority, during 2014. It should be recalled that this project involves the construction and management using the concession formula of approximately 105 kilometres of toll motorway links along the section from Nogarole (adjacent to the A-22) to Adria in the North-East of Italy. The motorway is to be built using the DBFOM (*Design-Build-Finance-Operate-Maintenance*) formula. The total investment during the first six years of the concession will be EUR 1.5 billion (Astaldi Group has a 23% stake); management and maintenance of the first section built will commence at the end of said period. Construction of the complete section will be performed

in phases, with the total amount of works to be performed equal to approximately EUR 1.9 billion over a period of 10 years. The planned duration of the concession is 36 years, 30 of which for management, that will commence as from entry into operation of the first section. Concession revenue will be those typically attributable to the motorway business with concession revenue of EUR 340 million (Astaldi has a 23% stake). The contract provides for a mechanism to review concession parameters, typical of motorway concessions in Italy which offsets any traffic risk;

- additional projects in Italy and abroad for which, for various reasons, completion in the medium-term of formal awarding procedures for the relative contracts is pending and/or for which the relative financing is pending.

New orders – Construction

Muskrat Falls Hydroelectric Project | Canada: CAD 1 billion, equivalent to EUR 760 million, to perform civil works related to an 820MW hydroelectric plant on Lower Churchill River (Labrador, NL). The contract awarded during Q4 2013 involves construction of the plant and performance of the related water intake and discharge facilities and forms part of a larger investment that also involves the construction of 2 dams. The duration of works is four years and works commenced at the end of 2013. The project has been commissioned by Nalcor Energy, a Canadian company for the development, transmission and supply of energy in Newfoundland and Labrador. 1% of the project had been completed at 31 December 2013.

Third Bosphorus Bridge and North Marmara Highway, Odayeri-Paşaköy section | Turkey: USD 2.5 billion (Astaldi has a 33.33% stake), for the BOT (Build-Operate-Transfer) project finance initiative to build and subsequently manage a 1.4 kilometre suspension bridge which will allow for a road and railway crossing across the Bosphorus Strait in Istanbul, from the Poyrazköy district located in Asia to the Garipçe district located in Europe. Once constructed, the bridge will be the widest in the world, standing 60 metres wide and housing 8 motorway lanes (four in each direction separated by two high-speed railway corridors) and will also achieve a first as regards its A-shaped pylons that will stand over 320 metres tall. The project also involves the construction of 115 kilometres of the North Marmara Highway along the Odayeri-Paşaköy route. The project has been commissioned by the Turkish Ministry of Transport. Pro-quota inclusion of this project in the backlog took place in Q3, subsequent to relative financial closing. Preliminary activities were underway at 31 December 2013 with 13% of works completed.

Gebze-Orhangazi-Izmir motorway, Phase-1 | Turkey: USD 2.3 billion (Astaldi has an 18.6% share) for works related to the first 53 kilometres of the motorway including Izmit Bay Bridge. Pro-quota inclusion of this first phase in the backlog took place in Q1, subsequent to relative financial closing in March. Approximately 46% of works had been completed at 31 December 2013 with regard to Phase 1 only.

Chuquicamata Mining Project, Contract-2 | Chile: EUR 117 million for the performance of a new contract related to the project to reconvert (from open-air to underground mine) the CODELCO mine in Chuquicamata where Astaldi is already performing some works. The new project involves the construction of 11 kilometres of tunnels and additional related works. The contract was included among the backlog during the second quarter and, at 31 December 2013, 22% of works had been completed.

John Paul II International Airport Krakow-Balice | Poland: EUR 72 million for upgrading and improvement of the airport. 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. It was included among the backlog in Q1 and the first lot of construction activities have already commenced with 9% of works completed at 31 December 2013.

Nădlac-Arad motorway (Lot 1) | Romania: EUR 56 million (Astaldi is the project leader with a 50% stake) for the design and construction of 22 kilometres of motorway to link Arad with Nădlac, one of the most important cities along the Hungarian border. The project has been commissioned by Romania's National Motorways and Roads Company. It was included among the backlog in December 2013.

Krakow-Balice railway line | Poland: approximately EUR 50 million for the railway link between Krakow Central Station and John Paul II International Airport, currently undergoing upgrading and improvement by Astaldi. The project was included among the backlog during Q2 and design activities had commenced at 31 December 2013.

Interstate-95 | US, Florida: USD 67 million for the design

Poland (Krakow), John Paul II International Airport – Krakow-Balice.

and construction of approximately 6 kilometres of the I-95 from the north intersection with Yamato Road to the south intersection with Spanish River Boulevard. The contract also includes the extension and construction of 15 bridges as well as road works along the I-95 and Yamato Road. The contract was included among new orders during Q2 and more than 12% of works had been completed at 31 December 2013.

Additional projects: More than EUR 900 million referred to new contracts and/or increases for projects in progress in Italy, Europe (Poland, Romania, Russia and Turkey) and America (Canada, Chile, El Salvador, Honduras, Peru, USA).

New orders – Concessions

Third Bosphorus Bridge and North Marmara Highway Odayeri-Paşaköy section | Turkey: USD 4.7 billion (Astaldi has a 33.33% stake), for forecast, non-inflated revenue (98%-guaranteed) against the project finance-based investment to perform the project already described above in new orders for the construction segment. The project envisages a concession duration of just over 10 years with approximately 3 years for design and construction activities and 7 years for subsequent management. Pro-quota inclusion of this project in the backlog took place during Q3 subsequent to the relative financial closing.

Gebze-Orhangazi-Izmir motorway, Phase-1 | Turkey: USD 11 billion (Astaldi has an 18.86% stake) for forecast (non-inflated) revenue from management of the first financed lot of the works already described above in new orders for the construction segment. The project envisages a concession duration of 22 years and 4 months with total toll revenue of USD 24 billion. The first financed section, which the aforementioned USD 11 billion (equal to USD 570 million per year) refer to, will enter into management subsequent to completion, scheduled within the next three years.

Order backlog	At 01/01/2013	Increases/ Decreases (*)	Decreases for production	At 31/12/2013
CONSTRUCTION	**7,031**	**2,928**	**(2,366)**	**7,593**
Transport infrastructures	6,252	1,798	(1,945)	6,105
Water and energy	328	798	(116)	1,010
Civil and industrial construction	255	170	(160)	265
Plant Engineering, Maintenance and Management of Complex Systems	196	162	(145)	213
CONCESSIONS	**3,171**	**2,585**	**(27)**	**5,729**
ORDER BACKLOG	**10,202**	**5,513**	**(2,393)**	**13,322**

(*) Inclusive of changes in the consolidation scope and exchange rate differences for foreign currency contracts.

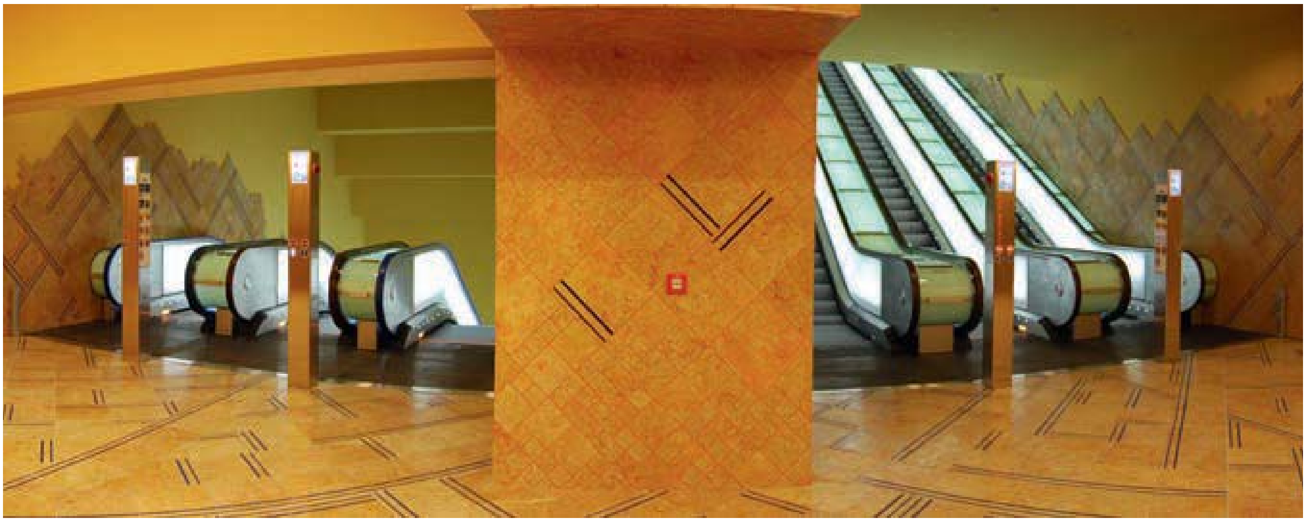
Order backlog	At 01/01/2013	Increases/ Decreases (*)	Decreases for production	At 31/12/2013
ITALY	**4,396**	**486**	**(813)**	**4,069**
of which construction	*2,382*	*698*	*(800)*	*2,280*
of which concessions	*2,014*	*(212)*	*(13)*	*1,789*
INTERNATIONAL	**5,806**	**5,027**	**(1,580)**	**9,253**
of which construction	*4,649*	*2,230*	*(1,566)*	*5,313*
of which concessions	*1,157*	*2,797*	*(14)*	*3,940*
Europe	2,166	3,970	(1,020)	5,116
America	2,772	1,165	(372)	3,565
Africa *(Algeria)*	644	(13)	(144)	487
Asia *(Middle East)*	224	(95)	(44)	85
ORDER BACKLOG	**10,202**	**5,513**	**(2,393)**	**13,322**

(*) Inclusive of changes in the consolidation scope and exchange rate differences for foreign currency contracts.

Breakdown of construction backlog	At 01/01/2013	Increases/ Decreases (*)	Decreases for production	At 31/12/2013
ITALY	**2,382**	**698**	**(800)**	**2,280**
INTERNATIONAL	**4,649**	**2,230**	**(1,566)**	**5,313**
Europe	2,000	1,222	(1,006)	2,216
America	1,781	1,116	(372)	2,525
Africa *(Algeria)*	644	(13)	(144)	487
Asia *(Middle East)*	224	(95)	(44)	85
CONSTRUCTION BACKLOG	**7,031**	**2,928**	**(2,366)**	**7,593**

(*) Inclusive of changes in the consolidation scope and exchange rate differences for foreign currency contracts.

Breakdown of concessions backlog	31/12/2013
ITALY	**1,789**
INTERNATIONAL	**3,940**
Europe	2,900
America	1,040
CONCESSIONS BACKLOG	**5,729**



Italy, Toledo Station (Line 1 of the Naples underground) – Photo by Daniele Puglia.

Main projects in progress

Please find below details regarding progress of the main projects in progress in Italy and abroad followed by a brief description of the main projects and/or those considered appropriate to be highlighted. As regards projects forming concession agreements, it has been deemed appropriate to offer preliminary information related to their content in this section; however, the subsequent section entitled "Concession projects" should be referred to for further information.

Country (millions of euros)	Project	Contract value[1]	Residual order backlog[2]
Transport infrastructures — Railways and Undergrounds			
Italy	Line C, Rome underground — Phase 1	576.1	40.3
Italy	Line C, Rome underground — Section T3[3]	201.5	195.5
Italy	Line C, Rome underground — Section T2[3]	218.7	218.7
Italy	Line 5, Milan underground Phase 1[4]	261.9	1.2
Italy	Line 5, Milan underground Phase 2[4]	446.3	114.6
Italy	Line 4, Milan underground	482.1	469.9
Italy	Bologna Centrale HS Station	502.0	35.2
Italy	ParmaLa Spezia Railway	185.3	17.3
Italy	Turin Railway Junction	582.6	9.1
Algeria	Saida-Mulay Slissen Railway	729.1	279.3
Algeria	Saida-Tiaret Railway	258.6	186.2
Poland	Line 2, Warsaw underground	361.9	86.9
Poland	Lodz railway project	136.2	102.1
Romania	Line 5, Bucharest underground	111.5	78.3
Venezuela	Puerto CabelloLa Encrucijada Railway	1,678.0	681.8
Venezuela	San Juan de Los MorrosSan Fernando de Apure Railway	670.7	381.3
Venezuela	ChaguaramasCabruta Railway	308.0	141.1
	Other projects		187.0

Country	Project	Contract value(1)	Residual order backlog(2)
(millions of euros)			
Transport infrastructures — Roads and Motorways			
Italy	Jonica National Road, Lot DG-41	788.9	780.5
Italy	Pedemontana Lombarda motorway	219.3	32.8
Italy	Infraflegrea Project	140.7	30.8
Turkey	GebzeOrhangazilzmir motorway –Phase 1	306.5	164.2
Turkey	Third Bosphorus Bridge and Northern Marmara Highway	614.1	535.9
Russia	Western High Speed Diameter	1,023.3	815.3
	Other projects		381.5
Transport infrastructures — Ports and Airports			
Russia	Pulkovo International Airport, St. Petersburg	368.8	40.2
Poland	John Paul II International Airport Krakow Balice	71.4	65.2
	Other projects		32.6
Hydroelectric and Energy Production Plants			
Canada	Muskrat Falls Hydroelectric Project	762.2	758.2
Peru	Cerro del Águila Hydroelectric Project	256.7	190.9
	Other projects		60.9
Civil and Industrial Construction			
Italy	Four Tuscan Hospitals	192.3	12.5
Italy	Police Officers Academy, Florence	227.3	39.4
Italy	Ospedale del Mare, Naples	140.6	131.1
Chile	Chuquicamata Mining Project – Contract 1	138.4	79.2
Chile	Chuquicamata Mining Project – Contract 2	106.9	83.4
	Other projects		132.4
	TOTAL CONSTRUCTION BACKLOG		**7,593**

(1) This refers to the share of the construction contract related to Astaldi Group's stake unless the SPVs are fully integrated 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's stake.

(3) For the purposes of the table, Line C of the Rome underground is split into three different operational sections so as to represent the actual progress of works. The three sections are identified as: (i) Phase 1, related to the Monte Compatri/PantanoSan Giovanni section (Sections T4, T5, T6a, T7) and Deposito Graniti, (ii) Section T3, related to the San GiovanniFori Imperiali section, and (iii) Section T2, related to the Fori ImperialiClodio/Mazzini section.

(4) Line 5 of the Milan underground is split into two different operational sections, identified as (i) Phase 1, related to the Stazione GaribaldiBignami section, and (ii) Phase 2, related to the BignamiStadio San Siro section.

Italy – Transport infrastructures (Railways and Undergrounds)

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 2.9 billion, of which EUR 1 billion in relation to Astaldi's stake

The contract, to be performed using the EPC formula, involves the design, construction, supply of rolling stock and commissioning of the new Line C of the Rome underground. The complete planned route involves the construction of 25.4 kilometres and 29 stations along the Monte Compatri/Pantano-Clodio/Mazzini route, served by driverless trains, in other words with no driver aboard and a remote control system. At the draft date of this report, activities are being performed to complete the First Strategic Phase which runs for 22 kilometres with 24 stations along the Monte Compatri/Pantano-Fori Imperiali/Colosseo route. As regards this phase, the Monte Compatri/Pantano-Parco di Centocelle (12.84 kilometres, 15 stations) was consigned in 2013, the Parco di Centocelle-San Giovanni (5.65 kilometres, 7 stations) is being completed

Italy, Zara Station (Line 5 of the Milan underground).

and the T-3 section San Giovanni-Fori Imperiali/Colosseo (2.96 kilometres, 2 stations) is under construction. This means that 69% of all works along the Monte Compatri/Pantano-Fori Imperiali/Colosseo have been completed (93% of the Monte Compatri/Pantano-Parco di Centocelle section). While as far as the T-2 section (Fori Imperiali/Colosseo-Clodio/Mazzini) is concerned, it must be noted that funding is pending; however final design of the Fori Imperiali/Colosseo-Venezia subsection is being carried out (0.66 kilometres, 1 station). It must be recalled that as regards the T-2 section, in 2011, the JV responsible for building Line C presented, as agreed with the Customer, a project finance proposal for construction of the T-2 section, as well as extension of the line to Farnesina, a proposal in whose regard no statement has been issued by Rome's municipal authority to date. It must also be noted that on 9 September 2013 the "Deed implementing CIPE Ruling No. 127 dated 11 December 2012 and consequent amendment of the contract dated 12 October 2006" was signed by the General Contractor, Metro C and the Customer Roma Metropolitane. Said deed, signed following discussion between Metro C, Roma Metropolitane and other lending bodies with regard to the effect and applicative procedures of the Settlement Agreement dated 6 September 2011 and CIPE Ruling No. 127 dated December 2012 (which said Settlement Agreement financed) definitively set down the payment obligations of Roma Metropolitane. Specifically, said deed settled all unresolved matters involving Metro C and Roma Metropolitane, with waiver of all pending litigation and reserves. Said deed confirmed acknowledgement of the sum of EUR 230 million which was decided on by the parties in September 2011 by way of settlement and which was agreed upon as suitable compensation for the economic damages incurred by Metro C due to delays generated by the project changes that have proved necessary while performing works. Payment was also agreed on of the arbitration award of September 2012 related to the General Contractor's charges in addition to acknowledgement of additional charges incurred by the General Contractor on all works awarded from January 2009 on. The terms of consignment of the sections under construction and of presentation of the final design of the Fori Imperiali/Colosseo-Venezia subsection were also re-established. It must be noted that on 7 January 2014, Roma Metropolitane paid the sum of EUR 166 million, which represents partial payment of the total sum due to Metro C, and on 17 March 2014 the sums owed by the Ministry of Infrastructures and Transport corresponding to EUR 45 million referring to the CIPE Ruling of December 2012, were collected.

Line 5, Milan underground | Italy

Customer: Municipality of Milan acting in the capacity of Granting Authority

Concessionaire: Metro 5 S.p.A. (Astaldi Group has a 38.7% stake) for the Garibaldi-Bignami section and Metro 5 Lilla S.p.A. (100% owned by Metro 5 S.p.A.)

Contractor – Civil works: Astaldi

Value of investment: EUR 550 million for the Garibaldi-Bignami section and EUR 694 million for the Garibaldi-San Siro section

EPC Contract: EUR 710 million in relation to Astaldi's stake (considering both sections)

The contract forms part of the project finance initiative related to Line 5 of the Milan Underground. On the whole it involves the design (final and executive), construction and subsequent management, using the concession formula, of the public transport service of the new line for the Garibaldi-Bignami section (Phase 1: 6 kilometres, 9 stations) and extension of the Garibaldi-San Siro section (Phase 2: 7.1 kilometres, 10 stations) with a maximum capacity of 26,000 passengers/hour in each direction. To date, two different agreements (one for each section) are envisaged for this project; however, during 2012, a series of activities were undertaken with the Municipality of Milan aimed at merging said agreements, also with a view to having a single Concessionaire for the whole section. At the draft date of this report, negotiations with the Granting Authority in this regard are being finalised. The Single Agreement (which will replace the two existing Agreements to date) will come into effect as from financial closing, expected to be completed during 2014.

Construction contract

The construction contract related to the project, to be performed using EPC (Engineering, Procurement, Construction) formula, involves the design (final and executive) and performance of civil works to construct a new section of underground line which will run along the Bignami-Stazione Garibaldi-San Siro route. During 2013, construction activities went ahead on the Bignami-Stazione Garibaldi section, with opening to the public and start-up of management activities for the Bignami-Zara section in February 2013 and of Isola and Garibaldi stations in March 2014 (thus completing the section). As regards extension of the line from Stazione Garibaldi to San Siro, at the present time activities to construct this section are underway for all 10 stations provided for in the project. As regards the extension, it must be noted that excavation works have commenced to construct the line's tunnels, using the 4 TBMS provided for. At the draft date of this report, the TBMs have completed excavation works. More than 74% of works for the complete line of Phase 2 had been completed at 31 December 2013.

Concession contract – Stazione Garibaldi-Bignami section

The concession has a duration of 31 years and 9 months, 27 years of which for management activities. The project concessionaire is the SPV, Metro 5 S.p.A. (Astaldi has a 38.7% stake). The operation is structured on non-recourse funding of approximately EUR 275 million, with 18/82 financial leverage entailing a contribution of own resources totalling EUR 40 million (share capital and subordinate loan). The concession includes the civil works (as mentioned previously), signalling, supply of rolling stock and management of the complete section. The total investment amounts to EUR 552 million (excluding financial charges and VAT), with public funding of EUR 350 million, excluding VAT (EUR 116 million from the Municipal Authority and the rest from the state). The services covered by the concession agreement are management and maintenance of the complete line; concession revenue of EUR 26 million per year are forecast for the provision of said services, with a guaranteed minimum of 98% of the total forecast concession revenue. The concession agreement for this project was signed in 2006. At the draft date of this report, management activities for the whole line have commenced, with the Bignami-Zara section (4.1 kilometres, 7 stations) operational since February 2013 and the Zara-Stazione Garibaldi extension (1.4 kilometres, 2 stations) operational since March 2014.

Concession contract – Garibaldi-San Siro section

The concession has a duration of 30 years, of which 25 years and 8 months for management activities. The project concessionaire is Metro 5 Lilla S.r.l. (100% owned by Metro 5 S.p.A.). Public funding of EUR 443 million, excluding VAT (EUR 88 million from the Municipal Authority and the rest from the state) is envisaged for this project. The total investment amounts to EUR 778 million (excluding financial charges and VAT). The project's economic-financial equilibrium is based on forecast concession revenue for the SPV, with an availability charge provided for.

Line 4, Milan underground | Italy

Customer: Municipality of Milan acting in the capacity of Granting Authority
Concessionaire: Public-Private mixed capital company, with the JV awarded the contract (Astaldi has a 29% stake) operating in the capacity of private shareholder in the concessionaire company being set up
Contractor – EPC Contract Share: Consorzio MM4 (Astaldi has a 31.05% stake)
EPC Contract: EUR 482 million in relation to Astaldi's stake

The contract forms part of the concession project related to Line 4 of the Milan underground, to be performed using the PPP (Private-Public Partnership) formula. The new line will be a driverless, light underground railway, with an integral automation system, with CBTC (Communication

Italy, Zara Station (Line 5 of the Milan underground).

Based Train Control) platform doors and signalling system. The project as a whole involves the design and subsequent management of the public transport service of the complete Line 4 (San Cristoforo-Sforza/Policlinico-Linate Airport), for a total of 15.2 kilometres and 21 stations, with a maximum capacity of 24,000 passengers/hour in each direction. The construction of a Depot/Workshop is also planned in the San Cristoforo area.

Construction contract

The construction contract related to the project, to be performed using the EPC formula, involved the design (final and executive) and performance of all the new line's civil works and plants, including the supply of rolling stock. Thanks to early consignment of works on the Linate-Forlanini FS section, 2013 saw the start of site set-up activities and works prior to tunnel excavation. At the draft date of this report, assembly of the first two TBMs is being completed together with set-up of the first TBM power supply site at Linate Airport Station. Activities to construct the first three stations (Linate Aeroporto, Forlanini Quartiere, Forlanini FS), as well as 9 structures and a cut-and-cover tunnel are also underway. At the draft date of this report, approximately 4% of works had been completed.

Concession contract

The concession has a duration of 30 years as from stipulation of the agreement, 6.5 years of which for construction activities and 23.5 years for management activities. The project concessionaire will be SPV Linea M4 S.p.A. with a mixed private and public capital, 2/3 of which provided by the Granting Municipal Authority and 1/3 by the JV awarded the concession, with Astaldi holding a 9.7% stake. The operation provides for public funding during construction and payment of a guaranteed minimum by the Granting Authority during the management phase. The concession includes the civil works and supplies (as mentioned previously), as well as the maintenance and management (technical, operative, administrative and financial) of the complete line. The resulting total investment amounts to EUR 1.6 billion, with a guaranteed minimum of 97% of total forecast concession revenue. Concession services comprise the management and maintenance of the complete line. As regards this project, the partners in the JV awarded the contract set up the SP M4 S.c.p.A. during 2013, future private shareholder in the mixed-capital company being set up, SPV Linea M4 S.p.A., which will act in the capacity of concessionaire. Signing of the concession agreement is planned upon incorporation of the mixed company and subsequent to financial closing of the project. To date, the arranging mandate regarding structuring of the project finance funding with a pool of leading banks is in the process of being finalised.

Naples underground | Italy

Customer: Municipality of Naples
Contractor: Toledo S.c.r.l. (Astaldi has a 90.391% stake) for Line 1 and ASM S.c.r.l (Astaldi has a 75.91% stake) for Line 6
Amount: EUR 254 million (for Line 1) and EUR 66 million (for Line 6) in relation to Astaldi's stake

The initiative forms part of the project to improve the underground transport system in the Municipality of Naples, with activities regarding Lines 1 and 6.

Line 1, Naples underground

The awarded works form part of the concession granted to M.N. Metropolitana di Napoli S.p.A. (the granting authority is the Municipality of Naples) for the design, works supervision and construction of the new Line 1 of the Naples underground for which works related to the Dante-Centro Direzionale section are currently underway. In relation to this project Astaldi has completed the construction of Università station (completed in 2011) and Toledo station (completed in various phases between 2012 and 2013), as well as the railway superstructure for the whole section. Both stations are the result of cooperation between architects and artists of international renown and form part of the Municipality's urban upgrading project entitled Art Stations. It must also be noted that the beauty and artistic value of works performed for Toledo Station gained international acknowledgement with assignment of the prestigious **LEAF AWARD 2013** for the *Public Building of the Year | Transport and Infrastructure* category. As regards progressive physical progress on this project, 100% of works had been completed at the end of 2013. Testing and inspection of civil works and plants is planned during 2014.

Line 6, Naples underground. The awarded works form part of the concession held by Ansaldo STS (the granting authority is the Municipality of Naples) for the design, works supervision and construction of the new Line 6 for which works related to the Mergellina-Municipio section are currently in progress. The works provided for in the contract refer to the performance of the civil works related to San Pasquale station. As regards progressive physical progress on this project, 90% of works had been completed at the end of 2013.

Brescia underground | Italy

Customer: Brescia Infrastrutture, a company owned by the Municipality of Brescia

Contractor: JV awarded the contract (Astaldi has a 50% stake)

Amount: EUR 724 million, of which EUR 416 million in relation to Astaldi's stake

The contract refers to the design, construction, operation and maintenance of a first operational section – the Prealpino-Sant'Eufemia section – of a light underground in the municipality of Brescia. As part of the JV awarded the contract, Astaldi was responsible for the design and performance of civil works and non-system plants. The route runs along a double-track line measuring 13.7 kilometres, with 9.6 km underground (5.9 kilometres of which dug using a TBM), 4.05 kilometres above ground, and 1.7 km of viaduct. The complete line also features 17 stations and an outdoor depot for vehicle storage and maintenance. The line was opened for commercial operation in March 2013. Testing and inspection activities were performed during the year. The underground line is currently under management by Metrobrescia S.r.l. (Astaldi has a 24% stake) which, based on the Settlement Agreement reached in 2011, will be responsible for its operation and maintenance until March 2020.

Bologna Centrale High-Speed Station | Italy

Customer: Italferr S.p.A., a company belonging to Gruppo Ferrovie dello Stato, that operates in the name and on behalf of RFI Rete Ferroviaria Italiana S.p.A., the operator of Italy's national railway infrastructure

Contractor: Astaldi

Amount: EUR 502 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 "historical" 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 – will be used for the transit of trains, while the others will be used for railway transport-related services, commercial areas and car parks. At the draft date of this report, the station is operational with the operational configuration introduced in June 2013. Specifically, said configuration entailed complete enablement of the High-Speed level (with platforms and the four dedicated tracks), the High-Speed hall level (with traveller services), part of the Kiss&Ride level, the new subways linking to those of the existing station, a car park and the new lobby located in Via de' Carracci. The other service areas will be completed and made available during 2014, specifically the whole Kiss&Ride level that will house the service road for public and private vehicles, and the underground car parks inside the station. Moreover, the final urban design will be completed. At the draft date of this report, 93% of works had been completed. The contractual date for the completion of works is set for the end of June 2014.

Italy, Bologna Centrale High-Speed Station.

Turin railway junction | Italy

Customer: Italferr S.p.A., a company belonging to Gruppo Ferrovie dello Stato, that operates in the name and on behalf of RFI Rete Ferroviaria Italiana S.p.A., the operator of Italy's national railway infrastructure
Contractor: S.P.T. Società Passante Torino S.c.r.l. (Astaldi has a 74% stake)
Amount: EUR 582 million, of which EUR 430 million in relation to Astaldi's stake

The contract forms part of the project to expand the Turin Railway Junction and involves the upgrading, doubling and laying under ground level of the existing historical Turin–Milan railway line. The contract involves the executive design and performance of works to complete expansion and quadrupling of the railway line for a five-kilometre section between Corso Vittorio Emanuele II and Corso Grosseto, including the crossing under the River Dora Riparia. Works were largely completed during 2013 and Platforms 1 and 2 of the underground Porta Susa station were also put into operation in December. At the draft date of this report, approximately 98% of works had been completed. The completion of works has been rescheduled for August 2014 following the Customer's request to perform some additional works and the relative 3rd Addendum is in the process of being formalised.

Parma - La Spezia railway ("Pontremolese" railway) | Italy

Customer: Italferr S.p.A., a company belonging to Gruppo Ferrovie dello Stato, that operates in the name and on behalf of RFI Rete Ferroviaria Italiana S.p.A., the operator of Italy's national railway infrastructure
Contractor: Astaldi
Amount: EUR 203 million

The project forms part of the programme to improve and modernise the Parma-La Spezia railway which forms an integral part of the Tyrrhenian-Brenner freight corridor. The contract involves the executive design and performance of doubling works to widen the existing railway line for the section between Solignano and Osteriazza stations, along a section measuring a total of approximately 12.5 kilometres. The new railway line runs for the first 5 kilometres along an alternative route to the current one, and the most significant works included in the contract refer to said section: Marta Giulia Tunnel (4.1 kilometres, the excavation and final lining of which were completed in 2013), the viaduct running over the River Taro (440 metres, completed) and the viaduct over the Galgana torrent (275 metres, completed). The remaining 7.5 kilometres of the section will run alongside the railway line currently in use. The deadline for the completion of works is set for July 2015. At the draft date of this report, 90% of works had been completed.

Italy – Transport infrastructures (Roads and Motorways)

Jonica National Road (SS-106) Maxi Lot Dg-41 | 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: Approximately EUR 790 million, EUR 474.5 million of which in relation to Astaldi's stake

The contract, to be performed using the EPC formula, involves the awarding of construction works, using the general contracting formula, for the 3rd Maxi Lot of the Jonica National Road. The project will involve the performance of works to upgrade the section of the Jonica National Road running from the junction with SS-534 to Roseto Capo Spulico. The project runs along a route measuring 38 kilometres with 7 twin-tube tunnels, 14 viaducts, 4 separated bored tunnels and 6 junctions. The planned duration of works is approximately 9 years and 4 months, 38 months of which for design activities (final and executive) and for preliminary activities prior to the commencement of works, and the remaining 6 years and 3 months for construction activities. The Final Design was consigned to ANAS during 2013 and the procedure for approval by CIPE (Interdepartmental Committee for Economic Planning) is currently in progress.

Jonica National Road (NR-106) Maxi Lot Dg-22 | Italy

Customer: ANAS S.p.A., the operator of Italy's road and motorway network of national interest
Contractor: AR.GI S.c.p.A., (Astaldi has a 99.99% stake and is the principal) operating in the capacity of General Contractor
Amount: EUR 341 million

The contract, performed using the EPC formula, involved construction of the 1st Maxi Lot of the Jonica National Road. The project entailed the awarding of works, using the general contracting formula, comprising the executive design and performance of works to upgrade the national road with regard to the Palizzi-Caulonia section (Lots 6-7-8, including Marina di Gioiosa Jonica junction). The total route runs for 17 kilometres, 19% of which are viaducts and 37% of which are bored and cut-and-cover tunnels. Works were completed during 2013.

Jonica National Road (SS-106) Maxi Lot Dg-21 | Italy

Customer: ANAS S.p.A., the operator of Italy's road and motorway network of national interest
Contractor: CO.MERI S.c.p.A. (Astaldi has a 99.99% stake and is the principal) operating in the capacity of General Contractor
Amount: EUR 581 million

The contract, performed using the EPC formula, involved construction of the 2nd Maxi Lot of the Jonica National Road. The project entailed the awarding of works, using the general contracting formula, for construction of the E-90 for the section running from Squillace junction to Simeri Crichi junction, as well as extension of the SS-280 (Strada dei Due Mari) from San Sinato junction to Germaneto junction. The total route runs for 17.2 kilometres, with 11 tunnels, 10 viaducts, 2 separate carriageway bridges and 8 flyover junctions. Works were completed during 2013. At the present time, works are in progress to complete the SS-280 (5.2 kilometres of motorway). More than 95% of works had been completed at 31 December 2013.

Pedemontana Lombarda Motorway | Italy

Customer: APL Autostrada Pedemontana Lombarda S.p.A.
Contractor: Pedelombarda S.c.p.A. (Astaldi has a 24% stake)
Amount: EUR 914 million

The project refers to awarding, using the general contracting formula, of the final and executive design and construction of Lot 1 of the Como Bypass, Lot 1 of the Varese Bypass and the A8-A9 section between Cassano Magnago and Lomazzo (Section A) of the Pedemontana Lombarda motorway. The complete route runs for approximately 25 kilometres and comprises, inter alia, the construction of 3 bored tunnels (Solbiate – 600 metres in Section A, Grandate – 400 metres along the Como Bypass, and Morazzone – 2.2 kilometres along the Varese Bypass). As regards this project, works have commenced along the complete route. Works related to Section A were largely completed in November 2013 while the Como and Varese Bypasses are in the process of being completed. 78% of works had been performed at 31 December 2013.

Italy, Jonica National Road (NR-106), Siderno junction.

Infraflegrea Project (Activities involving the urban road network within the Municipality of Naples) | Italy

Customer: President of Campania's regional authority – 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 141 million

The project refers to a number of activities aimed at streamlining the internal transport system in the Phlegrean area to the north-west of Naples city. The project involves upgrading and improvement of the existing infrastructures (roads, railway, port, pedestrian zones) with the aim of achieving a single intermodal transport network comprising various, already existing transport systems and communication systems. The funding administrations are Campania's regional authority and the Ministry of Transport and Infrastructures. The party responsible for awarding the contract is the President of the Region of Campania in the capacity of Special Commissioner pursuant to Article 11, subsection 18 of Law No. 887/1984. The works involve construction of the Monte Sant'Angelo rail link for the Soccavo-Mostra d'Oltremare section, with relative interim stations and interchange junctions (Application Document No. 15), works to extend and upgrade Pozzuoli port (Application Document No. 12), construction of a multi-storey car park in the Municipality of Pozzuoli with related access roads and upgrading of Parco della Cava Regia and areas of the former Capuchin Convent (Application Document No. 13) and upgrading of Lungomare Sandro Pertini and the urban road network in Pozzuoli (Application Document No. 14). It must be pointed out that performance of the works in stages has been envisaged for some of the aforementioned Application Documents in order to satisfy the priority actions decided on by the Customer, as well as for reasons linked to the funding of works. Works were suspended during 2012, with the start-up of negotiations with the customer due to the financial problems caused, both through non-payment and the continuing uncertainty regarding the customer's actual available financial resources to go ahead with the works. In May 2013, a "Settlement Proposal" was entered into with the Customer, aimed at positive settlement of previous matters, with specific reference to the payment of receivables, resolution of the ongoing dispute and immediate recommencement of works. However, failure to obtain the opinion of the State Legal Advisory Service pursuant to Article 239 of Legislative Decree No. 163/2006 did not allow for formal endorsement of the definitive settlement during the year. Additional funding for the new initiatives forming part of the Infraflegrea Project, already assigned under CIPE Ruling Nos. 55/2009 and 62/2011, were confirmed during 2013 by regional planning for strategic infrastructures (DGRC No. 377 dated 13.09.2013), with regard to EUR 121 million for performance of Phase 1 of Lot 3 of the Monte Sant'Angelo rail link (Parco San Paolo–Terracina section) and EUR 73.5 million for the construction of Parco San Paolo station. Not taking into account the latter two projects, soon to be started up, 78% of works had been completed at 31 December 2013.

Italy – Civil construction

Four Hospitals in Tuscany | Italy

Customer: SIOR, comprising the local health authorities of Massa Carrara, Lucca, Pistoia and Prato
Concessionaire: 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 415 million (excluding financial charges and VAT)
EPC Contract: approximately EUR 390 million for construction alone, of which EUR 193.5 million in relation to Astaldi's stake

The contract forms part of the project finance initiative for the construction and subsequent management of four hospital complexes in Tuscany located in Lucca (Nuovo Ospedale di Lucca), Massa (Ospedale delle Apuane), Prato (Nuovo Ospedale di Prato) and Pistoia (Ospedale San Jacopo). The new facilities will occupy a total surface area of over 200,000 m^2 and make available over 2,019 hospital beds (68 for day hospital patients, 72 for short-term stay patients, 134 for haemodialysis patients and 103 cots), 49 operating theatres and a total of 4,450 parking spaces.

Construction contract

Design (final and executive) and construction activities for this project were awarded by the concession holder SA.T S.p.A. (Astaldi Group has a 35% stake) to a joint venture set up by two of its partners. The consortium company CO.SAT S.c.r.l., in which Astaldi holds a 50% stake, was set up to perform works. All the hospitals feature a main five-floor building with one basement level and an additional four-floor building with one underground level. While there are differences between the hospitals as regards the surface area occupied and the number of hospital beds made available. Construction activities for all four hospitals went ahead during 2013: at the draft date of this report, the hospitals in Prato and Pistoia had been completed and were under management, while the hospitals in Massa Carrara and Lucca are still under construction. Specifically, it is planned for the hospital in Lucca to be completed by the first part of 2014, while more than 60% of works on Ospedale delle Apuane in Massa Carrara had been completed.

Concession contract

The duration of the concession is 25 years and 8 months, of which 3 years and 2 months for design and construction activities and 19 years for management of plants and works as well as non-healthcare services. The project concessionaire is SA.T S.p.A. (an SPV which Astaldi Group holds a 35% stake in) that awarded the management services to GESAT S.c.a.r.l. (Astaldi Group has a 35% stake). The operation provides for public funding during the construction phase and the payment of fees for the supply of non-healthcare services (with a guaranteed minimum for variable-charge services) by the Granting Authority during the management phase. The agreement also includes the right of exclusive use of commercial services. The operation, as provided for in the financing agreement signed in 8 August 2012, is structured on non-recourse funding of approximately EUR 133 million, with 21/79 financial leverage that entails a contribution of approximately EUR 38 million of own resources (share capital and subordinate loan). Public funding amounts to EUR 263 million, excluding VAT (to be paid as EUR 253 million while works are in progress and EUR 10 million upon final inspection). The total investment amounts to EUR 415 million (excluding financial charges and VAT). A loan agreement of EUR 174 million was also signed for this project – signed between SAT and a pool of international banks (Banco Bilbao Vizcaya Argentaria SA, Centro Banca, Credit Agricole Corporate and Investment Bank, Dexia Crediop and Unicredit). Said loan provides for a base facility of EUR 133 million, a bridge facility for the funding upon inspection of approximately EUR 10 million, EUR 18 million to cover VAT, a stand-by facility on public funding of approximately EUR 3 million, and a facility for unforeseen costs for approximately EUR 10 million. As regards management activities, annual revenue of EUR 58.8 million are forecast, of which EUR 25.8 million for fixed-charge services (works and plant maintenance, cleaning, automated transport, maintenance of green areas), EUR 29.1 million of guaranteed minimum for 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 EUR 3.8 million for commercial services (visitor car parks, bars, bank, vending machines, newsstand/bookshop, etc.). Fixed charges and guaranteed minimum fees amount to approximately 93% of forecast revenue. Concession revenue for services provided for the complete duration of the project are estimated to total approximately EUR 1.1 billion (Astaldi has a 35% stake). During 2013, the concessionaire SAT collected approximately EUR 10 million from management of Ospedale San Jacopo in Pistoia (operational from the end of July 2013) and from the new hospital in Prato (oper-

Italy, San Jacopo Hospital in Pistoia (Tuscany).

ational from the end of September 2013). GE.SAT invoiced approximately EUR 8 million for management of the two facilities for the same period.

Police Officers' Academy, Florence | Italy

Customer: Ministry of Infrastructure and Transport
Contractor: S.CAR. S.c.r.l. (Astaldi has a 61.4% stake)
Amount: EUR 216.5 million, of which EUR 133 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 project involves a large area comprising four functional centres: (i) a sports centre which entails construction of a football and athletics stadium, indoor swimming pool, tennis courts and gym (Centre 1); (ii) a centre dedicated to student housing with 9 buildings to accommodate 1,900 students (Centre 2); (iii) a logistics centre with an auditorium, teaching rooms, canteen and kitchens, clubs, infirmary, command offices, cadre housing, shooting range and technological plates (Centre 3); (iv) a centre for cadre residences to be used to house academy workers and their families (Centre 4). During 2013, Lot A (Centres 1-2-3) activities focused mainly on Centre 3 (construction of teaching buildings and outdoor areas) and Centre 1 and Centre 2 were largely completed. As regards Lot B (Centre 4), work on which was completed during 2012, operations regarding the consignment of residential units by the administration are being performed. Approximately 87% of works had been completed at 31 December 2013.

New Hospital in Naples ("Ospedale del Mare") | 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: EUR 140.6 million in relation to Astaldi's stake

During 2013, the new final and executive design of the hospital was developed by PFP (Partenopea Finanza di Progetto), as provided for in the schedule attached to the Settlement Agreement signed on 29 November 2012, in compliance with the timeframe provided for, both with regard to consignment of documentation to the Customer's administration and to approval by said administration. Following approval of the executive design, works to complete the hospital recommenced on 2 September 2013. Approximately 7% of the works needed to complete the hospital, listed in the Settlement Agreement had been completed during the period from the recommencement of works to 31 December 2013. As regards the move made by the Regional Public Prosecutor of the Court of Auditors, as a result of official notification by the Public Prosecutor's Office in Naples of the commitment for trial of PFP and its pro tem legal representative, it must be noted that the Regional Public Prosecutor of the Court of Auditors informed PFP that the dispute had been dismissed in its notification dated 15 April 2013. As far as the criminal proceedings in progress, in which PFP is accused of the illegal administrative action as per Articles 5, 24 and 26 of Legislative Decree No. 231/2001, it must be noted that said proceedings are pending with the relevant judicial authority. Lengthy and complex preliminary hearings are envisaged during which numerous witnesses will be called upon. In any case, to date, considering signing of the settlement by the local health authority and PFP as referred to above, a favourable outcome to said proceedings is envisaged with regard to Partenopea Finanza di Progetto.

Europe

For the purposes of the 2013 Annual Financial Report, Europe refers to Poland, Romania, Russia and Turkey. Said countries as a whole accounted for 43% of Astaldi Group's operating revenue at 31 December 2013 and represent 38% of its orders backlog in progress.

Turkey is one of the main areas of activity for the Group. At the present time, its presence in Turkey is in relation to projects of international standing and with a high technological content, developed in the construction (transport infrastructures) and concessions (airports, hospitals, motorways) segments.

Poland has featured for some years among the areas of guaranteed interest for the development policies of the Group which has already secured some significant contracts in Poland from both an engineering and economic viewpoint. At the moment, the Group is active in Poland solely in relation to priority projects (railway transport infrastructures, power plants) included among the Country's development policies and financed through dedicated EU funds. As regards the future, given the country's political and economic stability as well as the legislative framework, further consolidation is not to be excluded with the opening up of the renewable energy and concessions market.

Romania continues to have an important strategic value for the Group insofar as it is still able to guarantee new commercial opportunities which Astaldi continues to examine with great interest. Indeed, the local offices continue to monitor the opportunities on offer in Romania, which the Group tries to take up, also with the aim of ensuring ever-increasing customer diversification.

Russia represents a recently acquired market, yet an already consolidated one given the recent completion of Pulkovo International Airport in St. Petersburg. Astaldi Group operates in Russia with private customers only. Its entry into the Country is not the result of a typical commercial penetration strategy, but rather an opportunity to diversify activities as a result of consolidation of industrial partnerships with Turkish firms in relation to projects in progress in Turkey. As regards the future, commercial development as such is not being examined, but additional opportunities arising from synergies with qualified partners boasting a high credit rating are not to be excluded.
Please find below a brief description of the main projects in progress in each of the countries listed above.

Turkey – Transport infrastructures

Gebze-Orhangazi-Izmir Motorway | Turkey

Customer: KGM (Motorways General Directorate, Turkish Ministry of Transport) operating in the capacity of Granting Authority
Concessionaire: OTOYOL (Astaldi Group has an 18.86% stake)
Contractor – EPC Contract: NOMAYG (Astaldi has a 17.5% stake)
Value of investment: USD 6.9 billion
EPC Contract: USD 5.2 billion (Astaldi has a 17.5% stake)

The project involves the design and construction, using the concession formula, of a new section of motorway along the Gebze-Orhangazi-Izmir route in Turkey, which will run for more than 400 kilometres. It must be recalled that at the draft date of this report, said project has been included among the backlog with regard to Phase 1 only which refers to the first 55 kilometres of the route including the Izmit Bay Bridge. As regards the remaining part of the route, definition of the relative funding, in compliance with the terms and conditions detailed below, is pending.

Construction contract
The project consists in a BOT contract for the design, construction, maintenance and management of a section of the motorway detailed above. The project also includes a suspension bridge over Izmit Bay and additional link roads to existing roads. As regards this project, the EPC contract has a value of USD 5.2 billion (Astaldi has a 17.5% stake) against investments totalling USD 6.9 billion. The SPV set up for this project is OTOYOL, while the SPV set up to perform works is called NOMAYG. The EPC contract between OTOYOL and NOMAYG was signed in July 2011. On the whole, the project involves the construction of approximately 384 kilometres of motorway, 43 kilometres of link roads, 64 kilometres of access roads and 31 kilometres of national roads to be upgraded, 3 tunnels, 33 viaducts, 109 bridges, 340 minor hydraulic works, 26 intersections, 20 motorway toll gates, 6 maintenance centres and 17 ser-

Turkey, Gebze-Orhangazi-Izmir Motorway.

vice areas. The suspension bridge, measuring a total of approximately 2.6 kilometres in length and worth USD 1.1 billion, was subcontracted in July 2011 to IHI/ITOCHU and must be completed in the space of 3 years corresponding to the duration of Phase 1 of the project. This first phase, for which construction activities are currently in progress, also includes the sections of motorway from Km 0 (Gebze) to Km 58 (9 kilometres after Orhangazi), the approach viaducts for the suspension bridge on the north side (0.25 km) and on the south side (1.4 km) and a tunnel of approximately 3.4 km. Construction of said tunnel - Samnalı Tunnel – was awarded to Dağcan Inşaat ve Ticaret A.Ş. in October 2011 and the contract provides for a planned duration of works of 32 months. As regards Phase 2A, including the section from Km 58 to Km 83 (Bursa), this must be completed by the end of 2016; while Phase 2B will be performed mainly during the second part of the 7 years of construction activities and includes the section from Km 107 (Bursa) to Km 408 (Izmir). Just under 20% of works (approximately 43% for Phase 1 only) had been completed at 31 December 2013.

Concession contract

The contractual duration of the concession is 22 years and 4 months, including a maximum of 7 years for construction activities. The project concessionaire is OTOYOL (Astaldi Group has an 18.86% stake). The concession agreement between the Customer, KGM and OTOYOL was signed in September 2012 and financial closing was completed in March 2013 with regard to Phase 1 only. As regards Phase 2A, financial closing is expected during the first part of 2014 while as regards Phase 2B it is expected by the end of 2016. The concession includes the design and construction (as mentioned previously) and management of the infrastructure. The total investment amounts to USD 6.9 billion, with a guaranteed minimum of 67% of the forecast total concession revenue. Concession services comprise management and maintenance of the complete section; USD 17 billion of concession revenue (Astaldi has an 18.86% stake corresponding to USD 3.2 billion) are forecast for the provision of said services.

Third Bosphorus Bridge and Northern Marmara Highway | Turkey

Customer: Turkish Ministry of Transport operating in the capacity of Granting Authority
Concessionaire: JV awarded the contract (Astaldi Group has a 33.33% stake)
Contractor – EPC Contract: ICA (Astaldi has a 33.33% stake)
Value of investment: USD 2.9 billion
EPC Contract: USD 2.5 billion (Astaldi has a 33.33% stake)

The project refers to the concession contract for the construction and subsequent management of a section of over 160 kilometres of motorway links between the cities of Odayeri and Paşaköy, as well as a suspension bridge measuring 1.408 kilometres with pillarless spans between the districts of Poyrazköy and Garipçe in Istanbul.

Construction contract

The project consists in a BOT contract for the construction and management of the Third Bosphorus Bridge and the Odayeri-Pasakoy section of the North Marmara Highway.

The BOT contract between the Turkish Ministry of Transport and JV Ictaş - Astaldi, responsible for the construction and management of the motorway, was signed in December 2012. The total value of the investment is approximately USD 2.5 billion (in which Astaldi has a 33.33% stake). The project involves the construction of approximately 60 kilometres of motorway, 54 kilometres of link roads, 45 kilometres of access roads for a total of approximately 160 kilometres of motorway links between Odayeri and Paşaköy, as well as a suspension bridge measuring 1.4 kilometres with pillarless spans between the districts of Poyrazköy and Garipçe in Istanbul. Construction activities commenced during 2013. 9% of works has been completed while as regards the suspension bridge alone, 17% of works has been completed.

Concession contract

The duration of the concession is 10 years, 2 months and 20 days, 30 months of which for design and construction and the remaining 7 years, 8 months and 20 days for management and maintenance. The total investment amounts to USD 2.9 billion with a guaranteed minimum of 90%. Concession services comprise management and maintenance of the motorway section, including service areas. Total concession revenue of USD 5.9 billion is forecast for the provision of said services (Astaldi has a 33.33% stake corresponding to USD 2 billion).

Golden Horn Bridge (Halic Bridge), Istanbul | Turkey

Customer: Municipality of Istanbul
Contractor: JV awarded the contract (Astaldi has a 51% stake)
Contract value: EUR 165 million (Astaldi has a 51% stake)

The project refers to the contract to construct the Golden Horn Bridge, also known as Haliç Bridge, worth a total EUR 147 million (Astaldi has a 51% stake). Taking into account the changes approved during works in progress, the total amended contractual value is now EUR 165 million. Haliç Bridge runs across the inlet on the European side of the Bosphorus, known as the Golden Horn, linking the district of Topкapi to the district of Galata in Istanbul. The route measures approximately one kilometre and allows the new Unкapanı-Yenikapı line of the Istanbul underground to run along it. Inauguration of the first train to cross the bridge was held in February 2014.

Turkey – Civil construction

Etlik Hospital Campus, Ankara | Turkey

Customer: Turkish Ministry of Health operating in the capacity of Granting Authority
Concessionaire: 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

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 of a hospital complex boasting 3,566 beds split among 8 healthcare facilities and a hotel, for a total of 1,080,000 m^2. Studio Altieri that has already worked with Astaldi on the concession project to build and manage Ospedale dell'Angelo in Mestre-Venice in Italy will be responsible for design activities. <u>It must be recalled that financial closing for this project is still pending, hence the relative values have not been included to date among Astaldi Group's backlog in progress.</u> Despite this, thanks to the preliminary activities performed and investments made, it has been considered appropriate to detail herein the progress made on this project in 2013.

Construction contract

The project refers to the BOT contract for the construction and management of Etlik Hospital Campus. The total value of the investment amounts to approximately EUR 900 million which will be used to build the largest hospital complex in Europe. Preliminary and introductory activities prior to construction commenced in 2012. To date, we are waiting for the Turkish Ministry of Health to make operational some decisions that will allow for concession projects in the hospital segment to be bankable.

Concession contract

The duration of the concession is 28.5 years, 3.5 of which for design and construction activities and the remaining 25 for management of non-healthcare services (cleaning, on-site catering, waste collection, laundry, disinfestation, security, patient assistance, help desk, maintenance of civil works, IT services and green areas), as well as clinical services (laboratories, imaging, sterilisation and rehabilitation) and commercial services (bars, public services and car parks). Non-inflated total concession revenue of EUR 5.6 billion (Astaldi has a 51% stake) are forecast for the

Russia (St. Petersburg), Pulkovo International Airport.

provision of services, of which EUR 2.4 billion as per the contract and EUR 3.2 billion for additional services. The concession includes the works as detailed above and management. The total investment amounts to approximately EUR 1.12 billion, with a guaranteed minimum of 66%.

Russia – Transport infrastructures

Pulkovo International Airport, St. Petersburg | Russia

Customer: Northern Capital Gateway
Contractor: IC Ictas-Astaldi Insaat A.S. (Astaldi has a 50% stake)
Amount: EUR 710 million (Astaldi has a 50% stake)

The project refers to the contract to expand Pulkovo International Airport in St. Petersburg, the number four airport in Russia for its number of passengers. The project was awarded to ASTALDI as part of a joint venture with the Turkish construction firm, IC Ictas, in 2011. The project was commissioned by Northern Capital Gateway (NCG), an international consortium in which the German company Fraport (Frankfurt Airport Group), an international leader in airport management, and VTB Capital (VTB Group), the second-most important Russian bank, hold a stake. The senior lenders of the project promoted by NCG are the European Bank for Reconstruction and Development (EBRD), International Finance Corporation (IFC), Vnesheconombank - Bank for Development and Foreign Economic Affairs of Russian Federation, Nordic Investment Bank (NIB), Black Sea Trade and Development Bank (BSTDB) and Eurasian Development Bank (EDB). The contract is an EPC contract for the construction of a new international terminal as well as renovation of the existing terminal (Pulkovo 1). Following the works performed, the airport is already recognised as the most important in the Baltic Area with an improved transit capacity of 14 million passengers per year and a guaranteed level of service equivalent to IATA C. The works comprised the construction of a main building (total surface area of 95,475 m^2), with 85 check-in desks, boarding gates and links with car parks and the existing Pulkovo 1 terminal and North Pier, as well as an office district (Class B, 11,660 m^2), a four-star hotel (200 rooms, 13,800 m^2) and all works connected to commissioning of the new facility (airside facility, snow storage area, fire station, de-icing facility, commercial areas, etc.). At the draft date of this report, activities related to the outdoor areas and renovation of the existing Pulkovo 1 terminal are being finalised, with 90% of works already completed.

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 was awarded to Astaldi during 2012 and refers to the EPC contract to perform works to complete the St. Petersburg ring road, a work of strategic importance for the city's transport system. The project was commissioned by the NCH consortium – comprising VTB Capital and Gazprombank, respectively Russia's second and third most important bank – that holds the concession agreement for completion and subsequent management of the whole ring road. As regards this project, one of the most important in progress in Russia, Astaldi will be responsible for construction activities only. Indeed, the EPC contract awarded to Astaldi involves the design and performance of the most technically complex section of the road (12 kilometres), which closes the ring road along the seafront. The planned duration of works is 36 months. The project saw development of the executive design during 2013, with the start-up of site set-up and virtual completion of the service jetties used to construct the piers of the bridges and viaducts. The main supply contracts for the steel frameworks of the viaducts and bridges were also concluded. 20% of works had been completed at 31 December 2013.

Romania – Transport infrastructures

Line 5, 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: JV Astaldi-FCC-Delta ACM-AB Construct (Astaldi has a 47.495% stake and is the leader)
Amount: EUR 215 million (Astaldi has a 47.495% stake)

The project refers to construction of the new Line 5 of the Bucharest underground for the Drumul Taberei-Pantelimon section, using the Design and Build formula. The project forms part of a wider programme to expand Bucharest's underground network and is funded by the EIB (European Investment Bank) as regards 75%, as well as by the State (25%). The project involves the design and construction of approximately 4.5 kilometres of new underground line, limited to civil structures only, along the section between Raul Doamnei and the Bucharest Opera House (Hasdeu), with 9 stations and 7.7 kilometres in total of tunnels dug using TBMs. As regards this project, construction activities went ahead during 2013; specifically, excavation on the line's first tunnel began in September. In this regard, it must be noted that this represent the first tunnel dug in Romania using TBM-EPB technology. Over 30% of works had been completed at 31 December 2013.

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: JV Astaldi-Somet-Tiab-UTI (Astaldi has a 40% stake and is the leader)
Amount: EUR 164 million (Astaldi has a 40% stake)

The contract involves the design and performance of structural works and plants for two kilometres of tunnel, to be dug using TBM technology. The construction of 2 stations and a depot with an intermodal terminal is also envisaged. The planned duration is 30 months and activities commenced during 2012. Astaldi, the leader of the JV performing the contract, will be responsible for tunnel excavation works using TBMs. Said works are currently being started-up. More than 10% of the whole project had been completed at 31 December 2013.

Constanta Bypass Road | Romania

Customer: CNADNR-Romania's National Motorways and Roads Company
Contractor: JV Astaldi-FCC (Astaldi has a 50% stake)
Amount: EUR 120 million (Astaldi has a 50% stake)

The project involves the design and construction of the motorway link between the A-2 motorway from Bucharest and the maritime port of Constanta on the Black Sea, as well as with the DN-2 national road towards the Ukrainian border to the north and the Bulgarian border to the south. The project forms part of the European plan to develop a sea-road transport infrastructure network to link Europe with Asia and, as a whole, will entail the construction of 22 kilometres of motorway to link the A-2 to the city of Ovidiu and to Gate No. 9 of the maritime port of Constanta. The motorway has 4 lanes for a total width of 26 metres, including 2 hard shoulders. The construction of 5 interchanges and 21 overpasses and bridges has also been completed. The works, started up during the first half of 2009 and a first section of approximately 9 kilometres was consigned to the customer in 2011, with an additional section consigned during 2012. All the works were not completed due to problems related to delays regarding expropriation and reallocation of funds to the following year. We are waiting to see how the customer intends to handle some contractual and design problems in order to schedule final completion of the works.

Lot 4, Orastie–Sibiu Motorway | Romania

Customer: CNADNR-Romania's National Motorways and Roads Company
Contractor: JV Astaldi-Euroconstruct-Astalrom (Astaldi has a 70% stake and is leader)

Poland, Łódź Fabryczna Railway Station.

Amount: EUR 120 million (Astaldi has a 70% stake)

The contract involved the design and construction of Section 4 of the Orastie-Sibiu motorway forming part of the Trans-European Corridor IV. The project involved the construction, using the Design & Build formula, of approximately 16.5 kilometres of motorway, including a cut-and-cover tunnel (200 metres) and two viaducts (900 metres). 85% of the project was financed using European cohesion funds and 15% using state funding. As regards this project, works were completed during 2013 and the section of motorway was opened on 19 December 2013.

Lot 1, Nădlac-Arad Motorway | Romania

Customer: CNADNR-Romania's National Motorways and Roads Company
Contractor: JV awarded the contract (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 in Romania. The project involves completion of construction of just over 22 kilometres of motorway, from Km 0+000 to Km 22+218, linking the city of Arad to the town of Nădlac, one of the most important borders with Hungary. The works must be completed within 12 months and commenced in January 2014. The project has been commissioned by Romania's National Roads and Motorways Company and will be funded by European Cohesion Funds (Pos-T) with regard to 85%, and by the Romanian government with regard to the remaining 15%.

Poland – Transport infrastructures

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: PLN 1.4 billion, equivalent to EUR 340 million (Astaldi has a 40% stake)

The project refers to 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, twin-bore tunnel (1.5 kilometres) and the plant design and superstructure of the whole section, as well as an underground car park and multi-modal interchange junction at Fabryczna railway station. The planned duration of works is 49 months. The project forms part of the Infrastructure and Environment Operating Programme, funded by EU Cohesion Funds, 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). All the reinforced concrete diaphragms to support excavation works related to the underground station and car park were completed in 2013, and works commenced on constructing the tunnel. 25% of works had been completed at 31 December 2013.

Line 2, Warsaw underground | Poland

Customer: Municipality of Warsaw
Contractor: Astaldi-Gulermark-PBDiM (Astaldi has a 45% stake and is leader)
Amount: PLN 3.4 billion, equivalent to EUR 800 million (Astaldi has a 45% stake)

The project involves the construction of a central section of Line 2 of the Warsaw underground between Rondo Daszynskiego and Dworzec Wilenski. The project forms part of the Infrastructure and Environment Operating Programme, the most important project planned in Poland in relation to the national development policy funded by the EU. The project involves the design and construction of approximately 6 kilometres of new line with 7 stations, 6 ventilation shafts and 3 buildings for train deposit and shunting. The route will run mainly underground and also include passage under the River Vistula. 4 TBMs with a 6.3 metre diameter are being used to dig the tunnel sections. The structural works of all the structures provided for in the project were completed during 2013 and finish-related activities and electromechanical installations commenced. 75% of works had been completed at 31 December 2013 and consignment is scheduled for September 2014.

Krakow-Balice Railway Line | Poland

Customer: PKP Polskie Linie Kolejowe S.A. (Poland's railways)
Contractor: Astaldi
Amount: EUR 50 million

The contract refers to works to construct the 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 involves upgrading of the Krakow Central Station-Krakow Mydlniki section (currently single-track) and construction of the new double-track links (500 metres in length) from Krakow Mydlniki to the Airport. The construction of 3 stations (Uniwersytet Rolniczy, Kraków Zakliki, Kraków Krzyżówka) is also planned as well as upgrading of 2 existing stations (Kraków Łobzów, Kraków Balice) along the section in question. The planned duration of works is 18 months, with works commencing in 2013 (the year the contract was awarded). Indeed, design activities were started up during the year.

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 passengers 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 phases 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. The duration of works is 2 years. Preliminary construction activities commenced during 2013 (the year the contract was awarded), with 9% of works having been completed at 31 December 2013.

Poland – Energy production plants

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 (Astaldi has a 51% stake and is leader)
Amount: EUR 95 million (Astaldi has a 51% stake)

The project involves the construction of a plant that produces energy through the transformation of urban solid waste. The contract involves the design and performance of the plant's civil and electromechanical works that will comprise two incineration facilities with a total nominal potential of 180,000 tons/year of processed waste. The plant will allow for the salvage, conversion and conveyance of electricity and heat for district heating that will be included in the municipal network serving the cities of Bydgoszcz and Torun, with non-stop operation for 24 hours a

Poland, Bydgoszcz-Torun Waste-to-Energy Plant.

day, 7 days a week, for a minimum of 7,800 hours/year. The project also involves the construction of a waste acceptance unit and a compost production unit. The project forms part of a wider programme funded by the European Union for the construction of plants producing energy through waste conversion. Construction activities commenced during 2013 and have a planned duration of approximately 3 years. Specifically, following obtainment of the building permit (the first for this type of plant issued in Poland), excavation works were performed together with the foundations and part of the elevation of the reinforced concrete sections of the main building. 19% of works had been completed at 31 December 2013.

The Maghreb (Algeria)

Algeria is one of the long-standing choices for Astaldi Group's international activities. Indeed, it has operated there since the 1990s, mainly in transport infrastructures (roads, motorways, railways) and hydroelectric and energy production plants (aqueducts, dams). At the present time, the Group is also showing an interest in the civil construction segment where commercial opportunities may arise from the major development plans approved by the local government with regard to the country's urban organisation and infrastructures. Algeria accounted for 6% of Astaldi Group's operating revenue at 31 December 2013 and represents 4% of its order backlog in progress.

Algeria – Transport infrastructures

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 39 railway bridges and viaducts, 36 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 systems. The route, which will run along the "*Rocade des Hauts Plateaux*" to link up with the Bechar-Mecheria-Oran line, 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. Approximately 28% of works had been completed at 31 December 2013.

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: EUR 730 million

The project refers to construction of a section of railway measuring approximately 120 kilometres that runs along the Saida-Moulay Slissen section. The project forms part of Algeria's plan to create an integrated infrastructure network and specifically, this initiative 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, 18 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. The project experienced a slowdown during 2013 pending the formalisation of some technical/contractual amendments under approval. In any case, Change Report No. 2 approved during 2013 extended consignment of the works to January 2015. Over 60% of works had been completed at 31 December 2013.

Middle East

Jubail Industrial Plant (Jubail Export Refinery Project) | Saudi Arabia

Customer: TECHNIP
Contractor: Astaldi Arabia Ltd. (100% Astaldi)
Amount: USD 80 million

The project refers to the performance of civil works and electromechanical plants for the construction of an oil refinery in the Jubail industrial district, largely completed in 2012. However, right from the early stages of the project, some circumstances, not considered to fall under the responsibility of the subsidiary Astaldi Arabia (the Contractor), resulted in irregular performance of works thus generating higher charges and an excess of costs for performance of the works provided for in the contract. Specifically, design of the works – for which the Customer was responsible pursuant to the contract – resulted in continuous and substantial changes to the morphology, type and size of the works to be performed, making significant amendments to the standard, scheduled performance of works. Given the lack of acknowledgement by the Customer of the higher charges and costs as a result of the aforementioned circumstances, in May 2012, the Contractor started up international arbitration in accordance with International Chamber of Commerce (ICC) regulations provided for in the contract. During 2013, the parties submitted their briefs in compliance with the deadlines set by the Arbitration Board. In this regard, the subsidiary requested the sum of USD 49.7 million for damage incurred, with overall definitive calculation of said amount to be performed during arbitration. Therefore, in relation to any counterclaim submitted by the Customer, for the sum of approximately USD 12 million with regard to the alleged delay in completion of works, the Contractor will be able to support its defence in an especially effective manner. With reference to said counterclaim and the additional circumstances detailed above, the directors feel that the risk of losing and having to cover legal expenses during arbitration proceedings is a remote one.

Latin America

Astaldi Group's presence in Latin America refers mainly to the more recently-joined markets such as Chile and Peru as well as markets where traditionally present such as Venezuela and Central America. The reference segments are transport infrastructures, energy production plants and mining infrastructures where the Group operates in the capacity of EPC Contractor as well as Concessionaire. The area as a whole accounted for 10% of Astaldi Group's operating revenue in 2013 and represented 20% of its order backlog in progress. Please refer below for more details regarding the main projects in progress in the countries of greatest interest for Astaldi Group's operations.

Chile, Chuquicamata Mining Project.

Peru – Hydroelectric and energy production plants

Santa Teresa Hydroelectric Plant | Peru

Customer: Luz del Sur, one of Peru's leading electricity distributors
Contractor: Astaldi-Grana y Montero (Astaldi has a 40% stake)
Amount: USD 100 million (Astaldi has a 40% stake)

The contract involves the performance of civil works related to Santa Teresa underground hydroelectric plant in the Machu Picchu region of Peru. The project consists in the construction of a hydroelectric plant with a nominal power of 98 MW, making use of water provided by the Urubamba river, waters that are already "turbined" by the Machu Picchu plant currently in operation. Construction of this plant will involve, inter alia, the construction of an underground water intake facility, a series of tunnels to access the plant and the main tunnel. A headrace tunnel is also planned along with a supply shaft for the underground plant and the performance of plant excavation works, for an underground excavation volume of 270,000 m^3 of rock. The project was acquired during 2011 and the works are expected to be completed over 30 months. 80% of works had been completed at 31 December 2013.

Cerro del Águila Hydroelectric Plant | 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. Construction of this plant will involve, inter alia, the construction of 70 km of access roads, a weir consisting in a gravity dam of 340,000 m^3 of concrete, a tunnel measuring 6 kilometres with a 100 m^2 section, a 140 metre-tall charge basin, the underground hydroelectric plant and a discharge tunnel measuring approximately 5 kilometres. The contract also provides for the supply and installation of three Francis turbines. The project was acquired during 2011 and site installation activities were started up during the same year. The works are expected to be completed over 51 months. Approximately 30% of works had been completed at 31 December 2013.

Chile – Industrial plants

Chuquicamata Mining Project – Contract 1 | Chile

Customer: CODELCO (Corporación Nacional del Cobre del Chile), the state-owned company that is currently the leading copper producer in the world
Contractor: Astaldi
Amount: USD 165 million

The project forms part of a larger project aimed at transforming the world's largest open-air mine into an underground mine. It consists in construction of the access tunnel to the new underground system to access copper deposits (7.5 km) and a tunnel to transport copper extracted externally (6.2 km), as well as tunnels to link the two aforementioned ones, and ventilation and emergency shafts for a total length of 3.5 km. This project is technically difficult given the gradient (between 8% and 15%, downhill) of the two tunnels to be built. 43% of works had been completed at 31 December 2013.

Chuquicamata Mining Project – Contract 2 | Chile

Customer: CODELCO (Corporación Nacional del Cobre del Chile), the state-owned company that is currently the leading copper producer in the world
Contractor: Astaldi
Amount: EUR 117 million

The project involves the performance of a new lot of the Chuquicamata Mining Project for which Astaldi is already performing Contract 1 as detailed above. The project involves the construction of 11 kilometres of tunnels as well as additional works related to the existing mining complex. The planned duration of works is 26 months and activities already commenced during 2013 (the year the contract was awarded). 22% of works had been completed at 31 December 2013.

Venezuela – Transport infrastructures

Venezuela - Puerto Cabello - La Encrucijada railway line

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 project involves the construction, using the EPC formula, of a double-track railway line running along the Puerto Cabello-La Encrucijada section for approximately 128 kilometres, with 33 km of tunnels, 23 km of viaducts and 10 stations. Performance of the project will make it possible to link the line under construction with Puerto Cabello port and will guarantee Valencia, one of the country's main cities, access to the sea that is all-important for trade. The project fits into the Economic, Industrial, Infrastructure and Development Cooperation Agreement signed by the Italian and Venezuelan governments in February 2001, and ratified in subsequent agreements, the most recent in May 2010. The works Astaldi is responsible for are split into two lots, one situated in the mountains and one in the plains. Activities were rescheduled during 2013 in agreement with the Customer, reducing the progress of works under construction to achieve progress of 60% by the end of the year with regard to works being performed by Astaldi. Due to the specific economic and socio-political situation the country is experiencing, this contract's production level has been limited and decidedly lower than the project's potential as from 2012. As regards the future, and also considering the delays in payments in 2013, the country's socio-economic development will be closely monitored prior to returning to a normal level of activity.

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 a new railway line running along a route measuring approximately 252 kilometres, with 17 kilometres of tunnels and 6.3 kilometres of viaducts, 7 stations and 3 maintenance areas. Design and installation of the railway superstructure 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. Activities were rescheduled during 2013 in agreement with the customer, reducing the progress on works under construction to achieve 43% of progress by the end of the year with regard to works being performed by Astaldi.

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)

USA-Florida, NW 25th Street – Doral, Miami-Dade County.

The contract involves the construction of a new railway line that will run for 201 kilometres, with 6 stations and a maintenance area. The design and installation of the railway superstructure are also planned. 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). Activities were rescheduled during 2013 in agreement with the customer, reducing the progress on works under construction to achieve 54% of progress by the end of the year with regard to works being performed by Astaldi.

Central America Transport infrastructures

Central America is a long-standing choice for the Group's operations and it is active in this area mainly in the transport infrastructures segment (roads). At the present time the Group is involved in works in Honduras and El Salvador. Even if the contracts in progress in this area do not involve any especially complex construction activities, these countries succeed in guaranteeing a satisfactory flow of new orders on an annual basis, able to repay the investment made. As regards 2013, new orders related to Central America total EUR 33 million. The new projects include the Trans-450 Project (a road contract in Honduras worth EUR 9 million) and the La Esperanza-Marcala road (a contract worth EUR 5.2 million for the upgrading of 17.7 kilometres of road in Honduras). As regards the works completed during 2013, mention must be made of the inauguration in October of the Olanchito-San Lorenzo road in Honduras.

North America

Astaldi Group has been present in the USA for over 20 years, operating mainly in the transport infrastructures segment (roads, motorways, bridges and viaducts). All the activities in the USA are managed through Astaldi Construction Corporation, a US-regulated, 100%-owned company of Astaldi S.p.A. More recently, it decided to enter the Canadian market where it has already recorded a significant commercial success in the Energy Production Plants segment (Muskrat Falls hydroelectric project) and is working on some projects in the Civil Construction segment. The Group operates in Canada through its subsidiary Astaldi Canada Inc. (100% owned by Astaldi S.p.A.) and T.E.Q., a Canadian company working in the construction and project management segment, acquired in 2012. For more information regarding the Group's operations in this area, please refer to the sections dealing with the Group's main companies. We will limit ourselves to mentioning the contract of most significant value acquired in Canada in this section.

Muskrat Falls hydroelectric project | Canada

Customer: Muskrat Falls Corp., an SPV owned by Nalcor Energy
Contractor: Astaldi Canada Inc. (100% Astaldi)
Contract value: CAD 1 billion, equivalent to EUR 760 million

The contract involves the performance of civil works related to an 820MW hydroelectric plant on the Lower Churchill River (Newfoundland and Labrador, NL). The contract involves construction of the plant and performance of the related water intake and discharge facilities and forms part of a larger investment project that also involves the construction of two dams. The duration of works is four years and works commenced at the end of 2013. The project has been commissioned by Nalcor Energy, a Canadian company for the development, transmission and supply of energy in Newfoundland and Labrador. 1% of works had been completed at 31 December 2013.

Concession projects

Astaldi Group has acquired over ten years of experience in the Concessions segment where it usually operates on the basis of long-term concession agreements for the management of assets it is also responsible for constructing. Its reference segments are Transport Infrastructures (motorways, airports, undergrounds, mining) and Civil Construction (hospitals, car parks). Even if the Group's first experiences date back to the 1990s (5 car parks in Italy), the Group really started to focus on concession projects as from 2005, with the start-up of management activities at Ospedale dell'Angelo in Venice-Mestre (Italy). Astaldi Concessioni S.r.l. (converted into S.p.A. in March 2014), Group company dedicated to the Concessions segment, was incorporated in 2010.

Nowadays, Astaldi Group boasts an integrated Construction-Concessions model within which Construction maintains a key role, but which lends Concessions the role of a natural catalyst for Construction, especially in situations characterised by insufficient public resources with regard to infrastructure requirements.

The concessions of interest generally consist in BOT projects characterised by (i) an initial construction phase during which the Group operates as an EPC Contractor and service provider, (ii) a subsequent management phase following construction and, on average, for a lengthy period of time, (iii) a last phase of transfer of the infrastructure to the Granting Authority at the end of the management period. Generally speaking, projects are funded on a non-recourse base through injects of equity, debt dedicated to the project, medium-/long-term bridge loans and project finance.

At the present time, Astaldi Group is involved in 14 concession projects split as follows (i) civil and healthcare construction for a total of 6,180 hospital beds and 5,470 parking spaces, (ii) undergrounds and motorways for a total of 900 kilometres of motorway, 28 kilometres of underground lines and 40 stations, (iii) airports, with a sole airport with a transit capacity of 5,000,000 passengers per year, (iv) car parks, for a total of 3,675 parking spaces (transferred to third parties in December 2013), (v) water and energy, with a 111MW hydroelectric plant able to produce 557 GW per year, (vi) mining segment infrastructures.

Concessions in progress include (i) *projects under management*, such as a section of Line 5 of the Milan underground, two hospitals in Tuscany and Ospedale dell'Angelo in Venice-Mestre in Italy, Milas-Bodrum International Airport in Turkey and Chacayes hydroelectric plant and the Relaves Project plant in Chile, (ii) *projects under construction*, such as Phase 1 of the Gebze-Orhangazi-Izmir motorway and the Third Bosphorus Bridge in Turkey and a second section of Line 5 of the Milan underground and two more hospitals in Tuscany in Italy, (iii) *projects to be funded*, such as the Etlik Hospital Campus in Ankara and Phase 2 of the Gebze-Orhangazi-Izmir motorway in Turkey, the Ancona Port Link Road, Medio Padana Veneta Nogara-Mare Adriatico regional motorway and the new offices for Rome's municipal authorities in Italy. It must be recalled that the 5 car parks, which contributed to the Group's production in 2013, were the subject of a transfer agreement signed in December 2013.

Concessions contribute to the Group's results in the form of profits or revenue from the management of typical services of the segments the individual projects refer to (motorway charges, parking fees, etc.). The investment model implemented to date in the segment sees a prevalence of projects with public funding and/or with forms of guaranteed minimums paid by the Granting Authority. Concession activities are generally performed through an SPV in which the Group holds minority interests. The result is that, in compliance with consolidation standards applied, the contribution of the revenue of said SPVs to consolidated accounts is not recorded at a turnover level, but rather among "Effects of equity accounting".

It is also important to consider that the structured finance of concession initiatives implies an equity commitment by Astaldi Group. The equity and semi-equity paid in relation to projects in progress totalled EUR 356 million at 31 December 2013, of which (i) EUR 228 million definitively acquired and hence already included among the backlog in relation to relevant stakes, (ii) EUR 128 million related to

Turkey, The Third Bridge on Bosphorus.

projects for which financial closing is pending and hence not included among the backlog in progress, but among the potential backlog. Moreover, the effects of the Group's equity investment in Autostrada Brescia Verona Vicenza Padova S.p.A. have not been included among the backlog. The project refers to the sole brownfield project Astaldi Group has invested in to date and it is felt that it may represent an interesting opportunity to access new additional projects in the motorway concessions segment. For more details regarding this specific project, please refer to the information provided below on the individual concessionaire companies.

At 31 December 2013 concessions generated EUR 27 million of revenue, equal to 1.1% of total revenue and EUR 22.8 million of effects of equity accounting of projects with minority interests, as well as dividends totalling EUR 3.1 million. At the same date, concessions accounted for 43% of the order backlog in progress.

Please find below a brief description of the individual projects in progress. Some are still under construction and hence for more detailed information in this regard, please refer to the content regarding these projects found in the section "Main projects in progress" contained herein.

Projects under management

	5 Car Parks(*)
Country	Italy
Project description	Concession (BOT *Build-Operate-Transfer*) for the construction and management of 5 car parks: Corso Stati Uniti and Porta Palazzo in Turin, Piazza Cittadella in Verona, Piazza VIII Agosto and Riva Reno in Bologna, for a total of 3,675 car parks
Granting Authority	Municipalities of Turin, Verona and Bologna, respectively
Concessionaire	Astaldi Concessioni-APCOA Parking Italia JV (Astaldi has a 50% stake)
Consolidation method	Line by line until 30 June 2013; then placed among "Disposal Groups"
Management start date	From 1999
Management end date	Riva Reno: December 2040; Piazza Cittadella: June 2048; Piazza VIII Agosto: July 2058; Porta Palazzo: August 2076; Corso Stati Uniti: February 2079

(*) The 5 car parks under management – identified as a whole as the Car Parks Division – are in the process of being transferred to a group of leading corporate funds as at December 2013. These projects, together with the related debt, were transferred to specific SPV set up to perform the sale in July 2013.

	Ospedale dell'Angelo in Venice-Mestre
Country	Italy
Project description	Concession for the design, construction, management and maintenance of Ospedale dell'Angelo in VeniceMestre, awarded using the PPP formula, for a total of 680 beds and 1,092 parking spaces
Granting Authority	Local health authority
Concessionaire	Veneta Sanitaria Finanza di Progetto S.p.A. (Astaldi has a 31% stake and Astaldi Concessioni a 6% stake)
Consolidation method	Valued at equity from 30 June 2013
Management start date	April 2008
Management end date	November 2032

	Milas-Bodrum International Airport
Country	Turkey
Project description	Concession, using the BOT formula for the construction and management of an international passenger terminal at the airport located in the south-west of Turkey, for a total transit capacity of 5 million per year
Granting Authority	Ministry of Transport, Maritime Affairs and Communication
Concessionaire	Mondial Milas Bodrum, SPV with Astaldi Concessioni holding a 100% stake
Consolidation method	Line by line
Management start date	May 2012
Management end date	2015

	Chacayes hydroelectric plant
Country	Chile
Project description	Concession, using the BOO formula (Build-Own-Operate) for the construction and management of Chacayes hydroelectric plant in the Cachapoal river valley, with 111 MW of installed power and an output of 557 GWh/year
Granting Authority	Codelco, El Teniente division (Corporación National del Cobre de Chile)
Concessionaire	Pacific Hydro Chacayes S.A. (Astaldi Concessioni has a 27.3% stake)
Consolidation method	Valuation at equity
Management start date	October 2011
Management end date	Perpetual

	Relaves mining plant
Country	Chile
Project description	Concession, using the BOT formula, for the construction and management of a copper (4,000 tons/year) and molybdenum (85 tons/year) recovery plant
Granting Authority	Codelco Andean division (*Corporación Nacional del Cobre de Chile*)
Concessionaire	Valle Aconcagua S.A. (Astaldi Concessioni has a 55% stake)
Consolidation method	Line by line
Management start date	August 2013
Management end date	2032

Projects under construction

	Line 5, Milan underground
Country	Italy
Project description	Phase 1: concession, using the BOT formula, for the construction and management of Line 5 of the Milan underground, awarded as a PPP, for a total of 13.2 kilometres of line, 19 stations and a transportation capacity of 26,000 passengers in each direction Phase 2: concession, using the BOT formula, for extension of the underground line from Garibaldi to San Siro
Granting Authority	Municipality of Milan
Concessionaire	Phase 1: Metro 5 S.p.A. (Astaldi Spa has a 38.7% stake) Phase 2: Metro 5 Lilla S.r.l.(*) (100% owned by Metro 5 S.p.A.)
Consolidation method	Valuation at equity
Management start date	Phase 1: March 2013; Phase 2: May 2015
Management end date	Phase 1: March 2038; Phase 2: December 2040

(*) Metro 5 Lilla S.r.l. is currently 100%-owned by Metro 5 S.p.A. A process of unifying the two concessions currently held by Metro 5 S.p.A. and Metro 5 Lilla S.r.l. is in progress and they will be replaced by a single concession agreement and Metro 5 Lilla S.r.l. will be incorporated into Metro 5 S.p.A.

	Four Tuscan Hospitals (*)
Country	Italy
Project description	Concession, using the BOT formula, for the construction and management of four hospitals located in Massa Carrara, Lucca, Pistoia and Prato, in Tuscany, for a total of 2,019 beds and 4,500 parking spaces
Granting Authority	SIOR, comprising the four local health authorities in question
Concessionaire	SA.T. S.p.A., (Astaldi Spa has a 35% stake)
Consolidation method	Valuation at equity
Management start date	New hospital - Prato: 26 September 2013; Ospedale San Jacopo - Pistoia: 26 July 2013; New hospital - Lucca: 2014; New hospital - Massa: July 2014
Management end date	July 2033

(*) The hospitals in Pistoia and Prato have been under management respectively since July 2013 and September 2013.

	Gebze-Orhangazi-Izmir motorway(*)
Country	Turkey
Project description	Concession, using the BOT formula, for the construction and management of the motorway to link the cities of Gebze and Izmir, including Izmit Bay Bridge
Granting Authority	Motorways General Directorate (Turkish Ministry of Transport and Communications)
Concessionaire	Otoyol Yatirim ve Isletme A.S. (GOI), (Astaldi Spa has a 18.86% stake)
Consolidation method	Valuation at equity
Management start date	Phase 1: 2016; Phase 2: 2020
Management end date	2034

(*) Phase 2 has not been included among the backlog yet and financial closing is pending.

	Turkey, The Third Bridge on Bosphorus
Country	Turkey
Project description	Concession, using the BOT formula, for the construction and management of the Third Bosphorus Bridge and highway
Granting Authority	Motorways General Directorate (Ministry of Transport, Maritime Affairs and Communications)
Concessionaire	ICA Ic IctasAstaldi Ucuncu Bogaz Koprusu ve Kuzey Marmara Otoyolu Yatirim ve Isletme A.S. (Astaldi has a 33.3% stake)
Consolidation method	Valuation at equity
Management start date	June 2016
Management end date	February 2024

Projects to be funded (and still to be included among the backlog)

	Etlik Hospital Campus
Country	Turkey
Project description	Concession, using the BOT formula, for the construction and management of a hospital complex that will guarantee 3,566 beds in the Etlik district in Ankara
Granting Authority	Turkish Ministry of Health
Concessionaire	Ankara Etlik Hastane Saglik Hizmetleri Isletme Yatirim A.S. (Astaldi S.p.A. has a 5% stake and Astaldi Concessioni a 46% stake)
Consolidation method	Proportional
Management start date	42 months from consignment of the areas, scheduled for early 2014
Management end date	2042

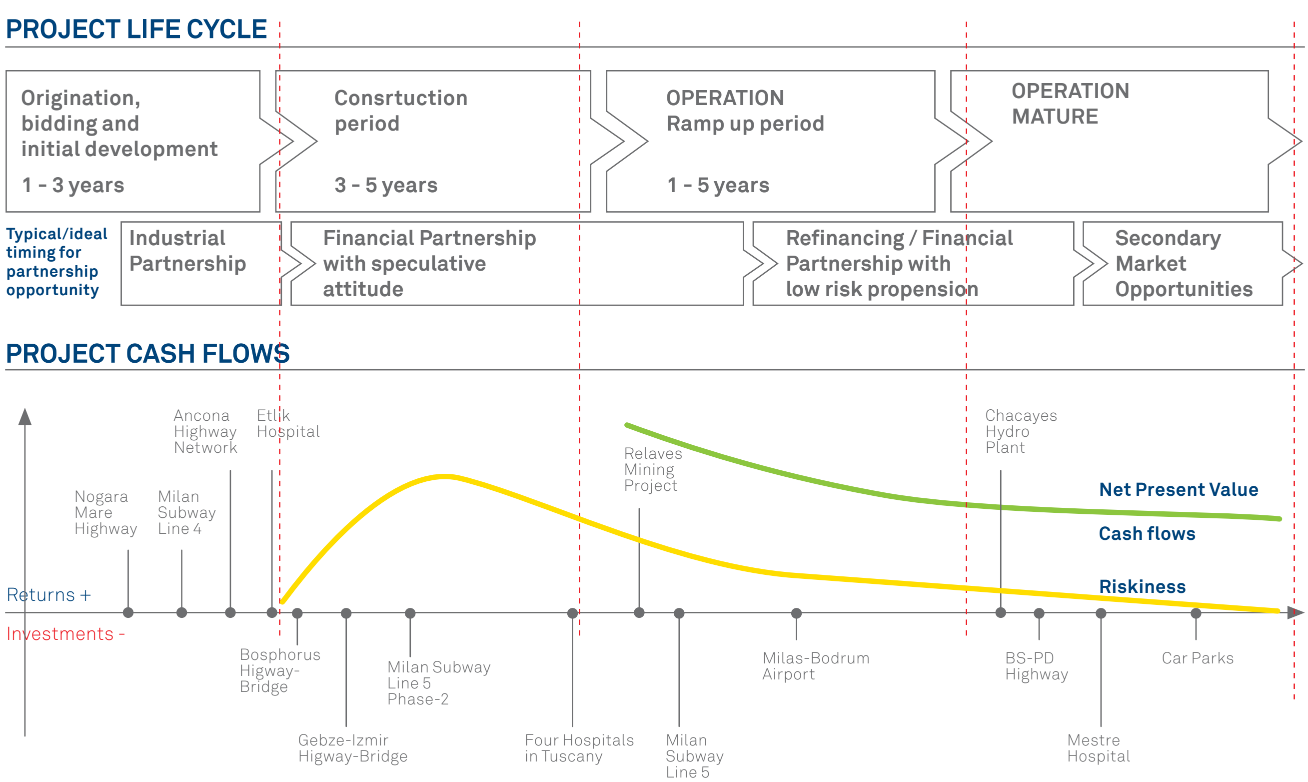
	Line 4, Milan underground
Country	Italy
Project description	Concession, using the BOT formula, for the construction and management of Line 4 of the Milan underground, awarded as a PPP, for a total of 15.2 kilometres and 21 stations
Granting Authority	Municipality of Milan
Concessionaire	SPV Linea M 4 S.p.A., mixed public-private capital SPV which Astaldi has a 9.7% stake in
Consolidation method	Valuation at equity
Management start date	2017
Management end date	2040

	Ancona Port motorway links
Country	Italy
Project description	Concession, using the BOT formula, for the construction of 10.7 kilometres of motorway links
Granting Authority	ANAS S.p.A., operator of Italy's motorways, controlled by Italy's Ministry of Economics
Concessionaire	JV which Astaldi has a 24% stake in
Consolidation method	Valuation at equity
Management start date	July 2018
Management end date	June 2048

	Medio Padana Veneta Nogara-Mare Adriatico regional motorway
Country	Italy
Project description	Concession, using the BOT formula, for the construction and management of the Medio Padana Veneta Nogara-Mare Adriatico regional motorway, for a total of 105 kilometres
Granting Authority	Veneto's regional authority
Concessionaire	Astaldi S.p.A. (10%) Astaldi Concessioni (13%)
Consolidation method	Valuation at equity
Management start date	January 2018
Management end date	December 2057

	Campidoglio 2
Country	Italy
Project description	Concession, using the BOT formula, for the construction and management of the Municipality of Rome's new offices
Granting Authority	Municipality of Rome
Concessionaire	Astaldi S.p.A. 100%
Consolidation method	Line by line
Management start date	To be defined
Management end date	To be defined

It has also been considered appropriate to note that in recent years, the backlog of concession projects has undergone major changes as regards type and quality. We have gone from having projects almost exclusively in the commercial development/construction phase and hence more risky, to projects that have passed the ramp-up and re-financing phase that has considerably increased their economic value. This shift has also guaranteed consolidation of a considerable wealth of specialist skills and know-how within the Group and has helped reduce the risk related to individual projects, making them more appealing for future transfer/partnerships with investment funds.



It must also be noted that for some years now, the Group has been working on gradually transferring all the projects to the subsidiary Astaldi Concessioni. The main aim of said transfer is to bring together skills, know-how and units into a single company so as to guarantee optimal and more efficient management of processes and projects. At the draft date of this report, the projects still being managed by Astaldi are shown in the table below.

ITALY	Astaldi S.p.A.	Astaldi Con.	CHILE	Astaldi S.p.A.	Astaldi Con.	TURKEY	Astaldi S.p.A.	Astaldi Con.
			ASTALDI S.p.A.					
1 Tuscan Hospitals	35%					**12** Gebze Orangazi Izmir motorway - GOI	18.86%	
2 Line 5 - Milan underground	39%					**13** Bosphorus Bridge - Istanbul	33.34%	
3 Line 4 - Milan underground	9.7% share 29.1% sub. loan							
4 Ancona Port motorway link	24%							
5 Campidoglio 2 Rome	100%							
			ASTALDI CONCESSIONI					
6 Mestre Hospital	31.0%	6.0%	**10** Chacayes hydtroelectirc plant(**)	-	27.30%	**14** Bodrum Airport - Milas Bodrum	-	100%
7 Brescia-Padova motorway(*)	-	14.29%	**11** Relaves plant	-	55.00%	**15** Etlik Hospital - Ankara	5.0%	46.0%
8 5 car parks (2 BO - 2 TO - 1 VE)	-	100.0%						
9 Nogara Mare motorway	10.0%	13.0%						

(*) Ast. Con's stake om BS-PD is held through Reconsult that holds a 44.87% stake in A4H, A4H holds a 100% stake in BS-PD.
(**) The stake in Chacayes is held through 2 SPVs Inversiones Assimco Ltda and in Chacapoal Inversiones Ltda.

In order to provide complete information, please find below a brief description of the results achieved by the individual SPVs Astaldi Group has invested in to date.

Investments – Italy

A4 Holding S.p.A.
(Italy – 193 km of motorway links)

ASTALDI CONCESSIONI – through its subsidiary AI2 S.r.l. – is the owner of an investment in A4 Holding S.p.A. (formerly Autostrada Brescia-Verona-Vicenza-Padova S.p.A.), the concession holder for the A4 Brescia-Padova motorway (also known as Serenissima motorway), in other words 193 kilometres of high-density traffic motorway links located in the North-East of Italy. The Group's entry into A4 Holding S.p.A. is of particular strategic importance if considered within the broader development plans for the Astaldi Group's activities, insofar as it has allowed it to join a segment in Italy – the motorway transport infrastructures segment – which it is felt can guarantee significant synergies between the construction and concessions segments. The investment was acquired in several stages during 2011. In 2012, in order to consolidate its role as industrial partner for A4 Holding, ASTALDI CONCESSIONI signed an investment agreement with other shareholders – IN.FRA S.p.A. (Gruppo Intesa) and 2G Investimenti S.p.A. Said agreement regulated joint exercise of the right of pre-emption with regard to acquisition of additional shares in A4 Holding put up for sale by the municipalities of Vicenza and Padova, but it also outlined total reorganisation of the shares held in order to acquire control of the concessionaire by concentrating said shares in a majority package headed by a single company. In this regard, ASTALDI CONCESSIONI set up AI2 S.r.l. to which it transferred the share package held in A4 Holding, subsequently transferring 22.17% and 6.08% of shares in AI2 to IN.FRA and 2 G Investimenti respectively. During 2013, in a follow up to the agreements entered into the company AI2 S.r.l. was merged into the SPV RE.CONSULT S.p.A., with effect as from 1 January 2014. At the draft date of this report, ASTALDI CONCESSIONI held a 14.29% stake in A4 Holding through RE.CONSULT S.p.A.

Veneta Sanitaria Finanza di Progetto S.p.A.
(Italy – 680 hospital beds, 1,240 parking spaces)

Veneta Sanitaria Finanza di Progetto S.p.A. is the SPV responsible for construction and management of Ospedale dell'Angelo in Mestre-Venice, Italy. Astaldi Group holds a 37% stake in the company. The hospital has 680 beds and 1,240 parking spaces and occupies a surface area of 127,000 m^2 (plus another 5,000 m^2 for the Eye Bank). The hospital has been operational since 2008, and manage-

Italy, New Hospital in Venice-Mestre.

ment activities will be performed until 2032. Management activities went ahead as planned during 2013, in compliance with concession agreement specifications and with results in line with project's business plan forecasts. In keeping with forecasts, the SPV distributed dividends totalling EUR 1.6 million to shareholders. With regard to the requests formulated by the local health authority ULSS 12 Veneziana to Veneta Sanitaria Finanza di Progetto S.p.A. (the Concessionaire), it must be noted that said requests can be split into two groups: the first related to the construction phase and to the structure of the concession agreement, while the second refers to management of the hospital, both as regards the activities under management and the procedures for performance and payment of said activities. The concessionaire, on the basis of an in-depth analysis, also performed with the help of its own legal experts, feels that the disputed matters represent a remote risk as regards the possibility of potential liabilities to be borne by the concessionaire.

Autostrada Nogara Mare Adriatico S.c.p.A. (Italy – 107 km of motorway)

Firstly, it must be recalled that to date, this project has still not been included among Astaldi Group's order backlog but forms part of its potential backlog, pending finalisation of the relative award procedure followed by financial closing. On 14 December 2011, ASTALDI CONCESSIONI – through A4 Holding S.p.A. – acquired a 13% stake in Autostrada Nogara-Mare Adriatico S.c.p.A. The latter is the company set up by the Sponsor (pursuant to Article 37-bis of Law No. 109/1994 as subsequently amended and added to) in relation to the invitation to tender put out by Veneto's regional authority to award the concession for the design, construction and management – using the project finance formula – of the toll motorway link known as Autostrada Regionale Medio-Padana Veneta Nogara-Mare Adriatico. As regards this project, 2012 saw the reorganisation of the JV with the Sponsor that took part in the second phase of the invitation to tender and which saw the involvement of Astaldi – in the capacity of principal company – with a 23% stake, 10% of which held by Astaldi and the remaining 13% by Astaldi Concessioni. Final awarding of the project arrived on 18 December 2013 and 2014 will see stipulation of the concession agreement with the granting authority, Veneto's regional authority.

Investments – International

Pacific Hydro Chacayes S.A. (Chile – 1 111MW hydroelectric plant)

The project consists in its stake in the SPV Pacific Hydro Chacayes S.A., responsible for constructing and managing the Chacayes hydroelectric plant, located in Chile and with an installed capacity of approximately 110 MW (557 Gw/year). Its stake in the S.P.V. consists in a 60% interest 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. SIMEST S.p.A. also holds a 31.39% stake in Inversiones Assimco Ltd. and the remaining 8.61% is held by F.V.C. (SIMEST S.p.A.'s venture capital fund). 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 hydro power plant, in other words a hydroelectric plant which works by exploiting the kinetic energy generated by the plentiful flow of the rivers located in the valley. Therefore, the plant produces clean energy and is totally eco-compatible, a characteristic that, inter alia, allowed it to win the 2012 Best Hydro Project Award in the World awarded by the prestigious Renewable Energy World Magazine in December 2012. The concession agreement provides for user rights for the area's water for an unlimited period of time: moreover, a long-term sales agreement means that 60% of the energy produced is sold on the Chilean energy market while the remaining 40% is for the spot market. Management of the plant commenced in October 2011 with spot sale of energy. Subsequently, the PPA contract came into force as of 1 January 2012. The SPV distributed dividends totalling EUR 2,462 million to its shareholders, in line with forecasts.

MONDIAL Milas-Bodrum Airport A.S. (Turkey – 1 airport with transportation capacity of 5,000,000 passengers/year)

MONDIAL Milas-Bodrum Airport A.S. is the SPV that holds the concession agreement for the design, construction and management of the international passenger terminal of Milas-Bodrum International Airport in Turkey, currently in operation. The airport is located in a high-density tourist area in the south-west of Turkey and occupies a total surface area of 100,000 m^2. The works were performed by Astaldi Group with an EPC contract and the airport as a whole is able to cater for 5,000,000 passengers/year. Management activities commenced on 16 May 2012, recording passenger traffic of approximately 1.9 million during 2013. Subsequently, all the commercial services that are typical of the airport business were gradually started-up, including duty-free activities – managed by Unifree, a leader in the segment in Turkey and currently expanding in Eastern Europe and North Africa – that alone can guarantee 30% of airport revenue. The following were also started-up, albeit at different times (i) food and beverage, managed by DO&CO, a leading company in the catering and refreshment segment in Turkey: indeed various food outlets are envisaged in the passenger departures and arrivals areas, (ii) minor commercial activities such as rent a car, currency exchange, ATM, tourism offices), (iii) the rental of technical areas to segment operators and management of car, bus and mini bus car parks. All the aviation services provided for in the concession agreement were provided by the company in accordance with arrangements made with the relevant authority (bridge service, supply of additional services such as slot assignment management) prior to the start-up of operations. During the first part of 2014, the Granting Authority, DHMI, put out a call for tenders for management for the next twenty years of the international terminal as from 2016, and of the domestic terminal as from 2014. The contract was awarded to another operator and hence Mondial will terminate its concession period at the end of 2015.

Ankara Etlik Hastanesi A.S. (Turkey – 1 hospital providing 3,500+ hospital beds)

Ankara Etlik Hastanesi A.S. is the SPV set up on 5 January 2012, responsible for the design, construction and management, using the concession formula, of the Etlik hospital campus in Ankara, Turkey. The project involves the construction of a healthcare facility that will have a total of 3,500 beds split over 9 departments and occupying a total surface area of approximately 1,080,000 m^2. The complex will be built on behalf of the Turkish Ministry of Health (MOH) by the joint venture in which ASTALDI CONCESSIONI holds a 46% stake, Astaldi S.p.A. a 5% stake and the Turkish company, Türkerler, the remaining 49%. The planned duration of the concession is 28.5 years, 3.5 of which for construction activities and 25 for management activities that will commence subsequent to completion of the construction phase. The project involves a total investment of EUR 940 million, the return on which will be guaranteed by an annual availability charge (that can be reassessed for inflation), as well as a charge for the performance of some non-healthcare services (routine and non-recurring maintenance of buildings, roads, green areas, electromedical equipment and furnishings and utility management) and the commercial development of some real estate areas. As regards this project, financial closing was still pending at the draft date of this report. For more details, please refer to the information about this project contained in the section entitled "Main projects in progress".

VALLE ACONCAGUA S.A. (Chile – 1 mineral recovery plant)

ASTALDI CONCESSIONI as part of a joint venture with local partners and through the SPV, Valle Aconcagua S.A., acquired from CODELCO (*Corporación Nacional del Cobre de Chile*, a Chilean state-owned company set up in 1976 that is currently the leading copper producer in the world) a 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 plant, completed in 2013 and currently being put into operation will make it possible to recover

Chile, Chacayes Hydroelectric Power Plant.

approximately 4,000 tons/year of copper and 80 tons/year of molybdenum which CODELCO has already undertaken to purchase at predefined and agreed conditions. The total value of the investment is USD 34 million, with concession revenue amounting to approximately USD 300 million. As regards 2014, some works aimed at increasing the plant's efficiency are planned.

SAT S.p.A. (Italy – 4 hospitals, 1,510 hospital beds)

SAT S.p.A. is the concession holder for the project finance initiative for the final and executive design, construction and management of relative non-healthcare and commercial services of 4 hospital complexes in Tuscany – Massa (delle Apuane), Lucca, Pistoia and Prato, for a total of 1,700 beds. The supply of electromedical equipment and furnishings is excluded. The local health authorities granting the concessions are U.S.L. 1-Massa and Carrara, U.S.L. 2-Lucca, U.S.L. 3 – Pistoia and U.S.L. 4-Prato. Astaldi holds a 35% stake in SAT S.p.A. The duration of the concession is 25 years and 8 months, of which 3 years and 2 months for design and construction activities and 19 years for management of the plants and facilities as well as non-healthcare services. The project concessionaire is SA.T S.p.A. (an SPV which Astaldi Group holds a 35% stake in) that awarded the management services to GESAT S.c.a.r.l. (Astaldi Group has a 35% stake). The operation provides for public funding during construction and for payment by the Granting Authority of charges for the provision of non-healthcare services (with a guaranteed minimum for variable-charge services) during the management phase; the agreement also includes the right of exclusive use of commercial services. As per the financing agreement stipulated on 8 August 2012, the operation is structured on the basis of non-recourse financing of approximately EUR 133 million, with 21/79 financial leverage which entails a contribution of own resources (share capital + subordinate loan) of approximately EUR 38 million. Total public funding of approximately EUR 263 million (excluding VAT) is envisaged, (EUR 253 million to be paid on the basis of progress of works and a final amount of EUR 10 million upon testing and inspection). The total investment is approximately EUR 415 million (excluding VAT and financial charges). A loan agreement of EUR 174 million was also signed for this project – stipulated between SAT and a pool of international banks (Banco Bilbao Vizcaya Argentaria SA, Centro Banca, Crédit Agricole Corporate and Investment Bank, Dexia Crediop and Unicredit). Said loan provides for a base facility of EUR 133 million, a bridge facility for the funding upon inspection of approximately EUR 10 million, EUR 18 million to cover VAT, a stand-by facility on public funding of approximately EUR 3 million, and a facility for unforeseen costs for approximately EUR 10 million. As regards management activities, annual revenue of EUR 58.8 million are forecast, of which EUR 25.8 million for fixed-charge services (works and plant maintenance, cleaning, automated transport, maintenance of green areas), EUR 29.1 million of guaranteed minimum for 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 EUR 3.8 million for commercial services (visitor car parks, bars, bank, vending machines, newsstand/bookshop, etc.). Fixed charges and guaranteed minimum fees amount to approximately 93% of forecast revenue. Concession revenue for services provided for the complete duration of the project are estimated to total approximately EUR 1.1 billion (Astaldi has a 35% stake). For more information regarding construction progress, please refer to the section dealing with construction projects in progress. It has been considered appropriate to note that management of the new hospitals in Prato and Pistoia (Ospedale San Jacopo) commenced during 2013. For the year just ended, the concessionaire SAT collected approximately EUR 10 million from management of Ospedale San Jacopo in Pistoia (operational from the end of July 2013) and from the new hospital in Prato (operational from the end of September 2013). GE.SAT invoiced approximately EUR 8 million for management of the two facilities for the same period.

METRO 5 S.p.A.
(Italy – 6.1 kilometres of underground line, 26,000 passengers/hour in each direction)

Metro 5 S.p.A. is the concession holder for the project finance initiative for the final and executive design, construction and management of the new Line 5 of the Milan underground for the Stazione Garibaldi-Bignami section (6.1 kilometres, 9 stations and a capacity of 26,000 passengers/hour in each direction). The line is currently under construction by ASTALDI as part of a joint venture. February 2013 saw the opening of an operational section along the Zara-Bignami route and Isola and Garibaldi stations were opened in February 2014, with entry of the complete line into operation as from 1 March 2014. The authority granting the concession is the Municipality of Milan. The duration of the concession is 31 years and 9 months, 27 years of which for management activities. The project concessionaire is the SPV Progetto Metro 5 S.p.A. (Astaldi holds a 38.7% stake). The operation is structured on the basis of non-recourse financing of approximately EUR 275 million, with 18/82 financial leverage and consequent contribution of own resources (share capital + subordinate loan) of approximately EUR 40 million. The concession includes civil works (as mentioned previously), signalling, the supply of rolling stock and management of the complete section. The total investment amounts to EUR 552 million (excluding financial charges and VAT) with public funding of approximately EUR 350 million excluding VAT (of which EUR 116 million from the Municipality and the rest from the state). The services covered by the concession agreement are management and maintenance of the complete line; concession revenue of EUR 26 million per year are forecast for the provision of said services, with a guaranteed minimum of 98% of the total forecast concession revenue. The concession agreement for this project was signed in 2006. As mentioned previously, at the draft date of this report, management activities for the whole line have commenced, with the Bignami-Zara section (4.1 kilometres, 7 stations) operational since February 2013 and the Zara-Stazione Garibaldi extension (1.4 kilometres, 2 stations) operational since March 2014.

METRO 5 LILLA S.p.A.
(Italy – 7.1 kilometres of underground line, 26,000 passengers/hour in each direction)

The project refers to the project finance initiative for the executive design, construction and management of the extension of Line 5 of the Milan underground for the section running from Stazione Garibaldi to San Siro (7.1 kilometres, 10 stations and a capacity of 26,000 passengers/hour in each direction). The project concession holder is METRO 5 LILLA S.r.l., 100%-owned by METRO 5 S.p.A. (which ASTALDI holds a 38.7% stake in). The authority granting the concession is the Municipality of Milan. The duration of the concession is 30 years, 25 years and 8 months of which for management activities. The project concessionaire is Metro 5 Lilla S.r.l. (100% owned by Metro 5 S.p.A.). Public funding of EUR 443 million, excluding VAT (EUR 88 million from the Municipal Authority and the rest from the state) is envisaged for this project. The total investment amounts to EUR 778 million (excluding financial charges and VAT). The project's economic-financial equilibrium is based on forecast concession revenue for the SPV, with an availability charge provided for. For more details regarding construction, please refer to the information about this project contained in the section dealing with projects under construction. It has been considered appropriate to note that during 2012, a series of activities were embarked on with the Municipality of Milan, aimed at uniting the agreements for the two sections of Line 5 in progress to date (by Astaldi) – the Stazione Garibaldi-Bignami section (concession held by Metro 5 S.p.A.) and the Stazione Garibaldi-San Siro section (concession held by Metro 5 Lilla S.p.A., as detailed in full in the section below) – so as to have a single line (Bignami-San Siro) and a sole concessionaire. Said activities were still in progress at the draft date of this report.

Astaldi Group's main companies

Astaldi S.p.A. (Parent)

Astaldi S.p.A.'s final figures for 2013 reflect the Group's strategic choices with regard to geographical diversification and product integration, already outlined in its current Business Plan. The holding company's role, while still remaining operational and not typically financial, is gradually taking on a different dimension due to the associative forms used to perform works. Hence, for the year just closed, the total incidence of revenue generated by the Parent was 65%, compared to approximately 77% in 2012.

In any case, the financial results continue to be significant: revenue totalled EUR 1,644.8 million (EUR 1,897.8 million in 2012); EBIT totalled EUR 130.9 million (EUR 178.6 million in 2012); the pre-tax profit was EUR 60.9 million (EUR 85.8 million in 2012) and the operating profit amounted to EUR 34.7 million (EUR 45.4 million in 2012).

Financial results

Reclassified income statement

(thousands of euros)	Notes regarding reconciliation with separate financial statements	2013		2012 Restated(*)	
Revenue	1	1,538,035	93.5%	1,767,397	93.1%
Other operating revenue	2	106,801	6.5%	130,353	6.9%
Total revenue		**1,644,836**	**100.0%**	**1,897,750**	**100.0%**
Cost of production	3 - 4	(1,249,071)	(75.9%)	(1,449,315)	(76.4%)
Added value		**395,765**	**24.1%**	**448,435**	**23.6%**
Personnel expenses	5	(208,422)	(12.7%)	(195,885)	(10.3%)
Other operating costs	7	(24,388)	(1.5%)	(43,905)	(2.3%)
EBITDA		**162,955**	**9.9%**	**208,645**	**11.0%**
Amortisation and depreciation	6	(27,695)	(1.7%)	(29,428)	(1.6%)
Provisions	7	(4,334)	(0.3%)	(1,200)	(0.1%)
Impairment losses	6	(31)	0.0%	(441)	0.0%
(Capitalisation of internal construction costs)	8		0.0%	1,026	0.1%
EBIT		**130,895**	**8.0%**	**178,602**	**9.4%**
Net financial charges	9 - 10	(69,954)	(4.3%)	(92,804)	(4.9%)
Pre-tax profit		**60,941**	**3.7%**	**85,798**	**4.5%**
Taxes	11	(26,272)	(1.6%)	(40,383)	(2.1%)
Profit for the year		**34,669**	**2.1%**	**45,414**	**2.4%**

(*) Following application (retroactive) of IAS 19 (2011)-Employee Benefits, the figures for 2012, listed for comparative purposes, were restated.

Revenue

Revenue from works amounted to EUR 1,538 million (EUR 1,767.4 million in 2012) with a drop of approximately 13% as a result of the performance of some Italian projects (Pedemontana Lombarda motorway, Line 5 of the Milan underground and Four Tuscan Hospitals) and international projects (Phase 1, Gebze-Orhangazi-Izmir motorway and Third Bosphorus Bridge in Turkey and Western High Speed Diameter in St. Petersburg, Russia) that only partially offset the smaller contribution from some projects reaching completion (Jonica National Road and Turin Railway Junction in Italy, NR-8 National Road in Poland and motorway and airport works in Romania); or some projects that are resolving some complex production phases related to construction (railway works in Algeria).

The breakdown of revenue by geographical area shows a general decrease in contributions for each individual area: Italy accounted for 45% with EUR 699 million (45% and EUR 798 million in 2012); while foreign areas generated 55% of revenue, in line with 2012 with significant contributions from the various areas: Europe (EUR 519 million), America (EUR 177 million) and Africa (Algeria) (EUR 143 million).

As regards a breakdown of revenue according to segment, transport infrastructures continued to represent the company's core business, accounting for 88% of revenue and totalling EUR 1,354 million (93% and EUR 1,645 million in 2012). Note must also be taken of the growth of the business segments related to energy production plants that contributed EUR 18 million to 2013 accounts (EUR 5 million in 2012), and of those related to Plant Engineering, Maintenance and Management of Complex Systems which contributed EUR 88 million (EUR 30 million in 2012) thus showing perfect integration with the company's core business. While a slight drop was seen in civil and industrial construction that totalled EUR 75 million (EUR 87 million in 2012), partially offset by revenue related to infrastructure management services for Ospedale di San Jacopo in Pistoia and the new hospital in Prato, opened during 2013, totalling EUR 3 million.

Breakdown of operating revenue by geographical area and segment

(millions of euros)	2013	%	2012	%
Italy	699	45.4%	798	45.2%
International	839	54.6%	969	54.8%
Europe	519	33.7%	568	32.1%
America	177	11.5%	213	12.1%
Africa (Algeria)	143	9.3%	188	10.6%
TOTAL OPERATING REVENUE	**1,538**	**100.0%**	**1,767**	**100.0%**

(millions of euros)	31.12.2013	%	31.12.2012	%
Transport infrastructures	1,354	88.0%	1,645	93.1%
Energy production plants	18	1.2%	5	0.3%
Civil and industrial construction	75	4.9%	87	4.9%
Plant Engineering, Maintenance and Management of Complex Systems	88	5.7%	30	1.7%
Concessions	3	0.2%	0	0.0%
TOTAL OPERATING REVENUE	**1,538**	**100.0%**	**1,767**	**100.0%**

Other revenue amounted to EUR 106.8 million (EUR 130.3 million in 2012) and refers to items not directly related to the company's production activities, but, in any case, secondary to the core business and of a lasting nature.

Therefore, total revenue amounted to EUR 1,644.8 million compared to EUR 1,897.8 million in 2012.

The cost of production amounted to EUR 1,249.1 million (EUR 1,449.3 million in 2012) with a drop in keeping with the trend of revenue from works; **personnel expenses** totalled EUR 208.4 million (EUR 195.9 million in 2012) up by approximately 6% in relation to costs incurred for staff training, costs for food and board and the allocation of costs for post-employment benefits such as defined benefit plan, as specified in IAS 19 as well as an increase in costs in Chile where the use of sub-contractors able to guarantee standard levels of quality is proving complicated. Other operating costs amounted to EUR 24.4 million (EUR 43.9 million in 2012) with a 1.5% incidence on revenue, significantly down on 2012 since the previous year comprised the effects linked to the settlement of complex contractual situations totalling approximately EUR 21 million.

Amortisation totalled EUR 27.7 million (EUR 29.4 million in 2012) and took into account both technical resources and intangible investments. **Provisions** totalled EUR 4.3 million (EUR 1.2 million in 2012) and were directly related to previous operating situations where the possibility of out-of-court settlement has entailed the relative estimate of probable costs to be incurred.

Therefore, **EBIT** totalled EUR 130.9 million with an EBIT margin of 8% (EUR 178.6 million and 9.4% in 2012).

Net financial charges amounted to EUR 69.9 million (EUR 92.8 million in 2012) with a 4.3% incidence (4.9% in 2012). Therefore **EBT** amounted to EUR 60.9 million (EUR 85.8 million in 2012), **taxes** totalled EUR 26.3 million with an estimated tax rate of 45.4% meaning an **operating profit** of EUR 34.7 million.

Financial position

Reclassified statement of financial position

(thousands of euros)	Notes regarding reconciliation with separate financial statements	31/12/2013	31/12/2012 Restated (*)
Intangible assets	15	4,540	
Property, plant and equipment	13 - 14	143,034	151,333
Investments	16	456,803	356,041
Other net non-current assets	12 - 17 - 18	175,869	122,769
TOTAL non-current assets (A)		**780,246**	**638,358**
Inventories	19	39,161	58,653
Contract work in progress	20	882,091	964,765
Trade receivables	21	211,064	163,687
Receivables from customers	21	770,684	636,106
Other assets	17 - 18	170,861	207,219
Tax assets	22	72,155	108,304
Payments on account from customers	20	(281,902)	(309,969)
Subtotal		**1,864,113**	**1,828,764**
Trade payables	28 - 18	(317,434)	(414,839)
Payables to suppliers	28 - 18	(475,199)	(504,992)
Other liabilities	25 - 26 - 29	(333,295)	(278,442)
Subtotal		**(1,125,928)**	**(1,198,273)**
Working capital (B)		**738,185**	**630,491**
Employee benefits	27	(4,611)	(5,154)
Provisions for non-current risks and charges	30	(92,504)	(85,472)
Total Provisions (C)		**(97,115)**	**(90,626)**
Net invested capital (D) = (A) + (B) + (C)		**1,421,317**	**1,178,223**
Cash and cash equivalents	23	239,192	220,670
Current financial receivables	17 - 18	4,952	
Non-current financial receivables	17 - 18	45,390	42,181
Securities	17	1,183	1,129
Current financial liabilities	25	(345,014)	(437,046)
Non-current financial liabilities	25	(880,226)	(536,735)
Net financial liabilities (E)		**(934,524)**	**(709,800)**
Equity (F) = (D) - (E)	**24**	**486,793**	**468,423**

(*) Following application (retroactive) of IAS 19 (2011)-Employee benefits, the figures at 31/12/2012, shown for comparative purposes, were restated.

Net non-current assets increased to EUR 780.2 million (EUR 638.4 million at 31 December 2012), mainly due to investments made in the Turkish-law companies that will be responsible for developing the concession for design, construction and management of the Gebze-Orhangazi-Izmir motorway in Turkey and the Third Bosphorus Bridge and the Odayeri-Pasakoy section of the North Marmara Highway in Turkey.

Working capital amounted to EUR 738.2 million (EUR 630.5 million at 31 December 2012), showing an increase with regard to commercial items referring to projects in Venezuela (where, in any case, operations are going ahead in compliance with political and commercial agreements between the two countries), and projects in progress in Poland (ŁódźFabryczna station) and Turkey (Third Bosphorus Bridge and North Marmara Highway). While there was a decrease in exposure with regard to railway projects in Algeria. As regards the trend in the domestic market, **receivables from customers** increased especially in relation to works on the Pedemontana Lombarda motorway and Line C of the Rome underground, partially offset by collection of a part of the fees accrued in relation to works performed to construct Line 5 of the Milan underground. The trend of **payables to suppliers**, EUR 475.2 million (EUR 504.9 million at 31 December 2012) must also be noted, testifying to the careful policy to support production activities which the company adopts in an ongoing manner, even given the macroeconomic context characterised by especially difficult questions. Other significant items for the company's business cycle are **contractork in progress** that totalled EUR 882.1 million (EUR 964.8 million at December 2012) with a major decrease in Venezuela and Algeria and **payments on account from customers** that amounted to EUR 281.9 million (EUR 309.9 million in 2012) as the combined effect of the increase related to the Third Bosphorus Bridge and North Marmara Highway projects in Turkey and the Chuquicamata Mining Project in Chile, and the decrease related to the Gebze-Orhangazi-Izmir motorway in Turkey.

Thanks to the aforementioned trends, **invested capital** increased to EUR 1,421.3 million (EUR 1,178.2 million at 31 December 2012).

Equity increased to EUR 486.8 million (EUR 468.4 million at 31 December 2012) thanks to the operating profit, items entered in the comprehensive income statement and payment of dividends totalling EUR 16.6 million in June 2013.

Total net financial debt

The parent's financial structure underwent major changes during 2013 thanks to the bond issues that took place in the latter part of the year. The expiry structure is now increasingly aligned to the timeframe of return on investment, especially in the concessions segment. Note must also be made of the great efforts made from a financial viewpoint to push ahead some priority works especially in Italy, and in concession investments that affected the company's net financial debt.

			31/12/2013	31/12/2012
(A)	Cash and cash equivalents		239,191	220,670
(B)	Securities held for trading		1,183	1,129
(C)	**Available funds**	**(A+B)**	**240,374**	**221,799**
	Short-term financial receivables		4,952	
	Current share of receivable rights arising from concessions			
(D)	**Current financial receivables**		**4,952**	
(E)	Current bank loans and borrowings		**(268,571)**	**(390,816)**
(F)	Current share of payables for issued bonds		(3,315)	
(G)	Current share of non-current debt		(65,074)	(31,272)
(H)	Other current financial payables		(74,546)	(14,958)
(I)	**Current financial debt**	**(E+F+G+H)**	**(411,507)**	**(437,046)**
(J)	**Net current financial debt**	**(I+D+C)**	**(166,180)**	**(215,246)**
(K)	Non-current bank loans and borrowings		(163,382)	(528,602)
(L)	Issued bonds		(713,268)	
(M)	Other non-current payables		(85,637)	(56,798)
(N)	**Non-current financial debt**	**(K+L+M)**	**(962,286)**	**(585,400)**
(O)	**Net financial debt**	**(J+N)**	**(1,128,466)**	**(800,647)**
	Non-current financial receivables		45,390	42,181
	Non-current share of receivable rights arising from concessions			
(P)	**Non-current financial receivables**		**45,390**	**42,181**
(Q)	Share of debt related to Related Parties		148,553	48,666
(R)	**Total financial debt**	**(O+P+Q)**	**(934,524)**	**(709,800)**
	Treasury shares on hand		2,859	3,019
	Total net financial debt		**(931,664)**	**(706,781)**

Astaldi Concessioni

ASTALDI CONCESSIONI is the Astaldi Group company – 100%-owned by the parent, Astaldi S.p.A. – dedicated to developing and managing concession and project finance initiatives assigned to said company by Astaldi S.p.A., as well as future projects which the Group plans to undertake in this segment. ASTALDI CONCESSIONI was set as part of a broader project to streamline Astaldi Group's activities which, inter alia, provides for the standardisation of skills and know-how acquired at a central level, in terms of planning, organisation and start-up of concession projects. Therefore, in keeping with the Group's development plans, ASTALDI CONCESSIONI is currently able to generate synergies with the construction segment and exploit skills and know-how in the concessions segment, both with regard to singling out, development and investment in infrastructures, and to structured finance, risk management, lifecycle improvements and subsequent operational management. The prime goal is to work in the concessions segment, maximising margins which, by their very nature, are higher than those typically attributed to the construction segment. In this regard, the key skills developed over time and borrowed from the construction segment represent an all-important asset for profitable, sound management of concession projects. Said skills are used by ASTALDI CONCESSIONI that is directly involved in a well-defined set of activities aimed at conceiving, constructing and managing concession works, as explained in more detail below.

Conception

The project conception phase consists in a set of strategic activities whose aim is to collect and analyse exogenous data so as to obtain recommendations which investment decisions will be subsequently optimised on, i.e.:

- analysis and identification of new investment opportunities through assessment of main risk drivers;
- investigation of main criteria for selecting new projects (segment, geography, diversification or skills, greenfield and brownfield projects, budgeting, revenue);
- preliminary screening of new projects and analysis of potential impact on existing backlog;
- price/return assessment in stand-alone phase and in

terms of incremental contribution to existing backlog;
- identification of growth strategies (new markets, new segments, greenfield and brownfield);
- creation and development of synergies with construction segment.

Invitation to tender and awarding

Regardless of technical assessments that are needed during this phase and that obviously provide for optimisation of technical skills that can be borrowed from the construction segment, the phase comprising invitation to tender and awarding is managed on the basis of experience and professional skills accrued that make it possible to:
- focus on economic-financial parameters to assess the tender;
- make use of, for new projects, knowledge of organisational and standardisation processes so as to ensure subsequent monitoring and relative value.

Monitoring

Monitoring of individual contracts provides for a close agreement with financing bodies that, hence, becomes all-important in the taking of decisions regarding the project's strategic development. From a general viewpoint, this phase involves:
- standardised business reporting processes;
- backlog analysis by location and monitoring of operating and financial risks;
- cost controlling of projects with the involvement of the project's main players (e.g. grantor, financial partner, EPC Contractor);
- optimisation and standardisation of dividend policy for the development of brownfield backlog projects;
- credit rating of projects among backlog.

Post-project performance

The activities included in this phase are numerous and are all aimed at encouraging the best balance of project sources/investments as well as the overall basket of activities which the company (and more generally Astaldi Group) is investing or plans to invest in. Therefore, they consist in:
- study of opportunities to sell shares to reduce the commitment on individual concessions;
- assessment of project refinancing opportunities with an overall increase in leverage during repayment of part of invested equity;
- improvement of financing terms and conditions;
- possible inclusion on the market of company shares so as to speed up the development and acquisition of new projects in the short/medium-term;
- possible issue of corporate bonds to improve financial conditions, with positive consequences for debt duration.

For a description of the projects in progress, please refer to the section herein dealing with concession projects.

NBI

NBI is the Astaldi Group company operating in Engineering applied to Plant Engineering, Maintenance and Management of Complex Systems and Renewable Energy. 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 a typically Italian company that also works in synergy with Astaldi, offering specialist support in the reference countries for the Group's business activities. At a domestic level, it is among the top 55 Italian companies working in the Engineering and Plant Engineering segment (Source: Speciale Classifiche Edilizia e Territorio, November 2013), also thanks to the high level of specialisation it can boast and which ranges from civil to industrial plant engineering in the private and public sectors. 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, sustainable development). Specifically, in the integrated plant engineering and energy production plants segment, NBI, in the capacity of operator and manager/maintenance manager, is able to perform the following: 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.

Please find below a brief outline of the main projects characterising NBI's activities during 2013.

Plant Division

During 2013, project activities went ahead mostly in line with contractual undertakings that made it possible to achieve good results for the year. Said projects include: Construction of new Emergency Department at Pavia Polyclinic; plants for tunnel along the new National Road "Sorrentina"; Prosthesis centre in Vigorso; S. Orsola Cardiovascular Centre in Bologna; Lucca Hospital; new Poste Italiane Data Center in Turin; renovation of Reggio Calabria and Tione Hospitals; A24 Dei Parchi motorway - Gran Sasso tunnel and S. Rocco and S. Domenico tunnels; Milan-Naples motorway – Tunnels Lot 13; Massa Hospital; Dalmine-Como-Varese-Valico del Gaggiolo motorway link (Pedelombarda S.c.p.A.); Milan underground – Line 5; SS. 106 Jonica National Road – Maxi Lot DG22; office buildings (Buildings B and C) in Rome for Seb Investments; buildings of Institute of Nuclear Physics in Padova; Granarolo – Soliera factory; plants for Ospedale del Mare in Naples; renovation of Ferrovie dello Stato's offices at Villa Patrizi in Rome; and ANAS Campo Felice-Altopiano delle Rocche road links in L'Aquila.

Moreover, further acquisitions that were defined and for which the contracts were signed during 2013 still have to be started-up, including: A14 motorway – 3rd lane Rimini; renovation of Reggio Calabria hospital (Lot 2); EMPAM offices in Milan (MI); and Line 4 of the Milan underground.

Maintenance and Energy Division

The year confirmed interesting results for the Facility Management and Maintenance market. Specifically, during 2013, the subsidiary company nBI Elektrik Elektromekanik Tesisat İnşaat Sanayi Ve Ticaret L.S., working in Turkey in relation to the Facility Management contract stipulated with MONDIAL (Astaldi Group company and concessionaire of Milas-Bodrum International Airport), as well as to the contract signed with Astaldi for completion of the airport's plants, continued to remain active. As regards the future, the company's development programmes include further consolidation of positioning on the specific market of complex technological management contracts, both public and private, as well as optimisation of strategic synergies with other Astaldi Group companies in Italy and abroad.

As regards this segment, the contracts performed during 2013 included:

- Maintenance: Cariparma S.p.A. – plant maintenance at offices in Bologna, Parma and Modena; Bologna Fiere – electrical plant maintenance; Università di Bologna – thermo-technical plant maintenance; HERA Bologna – substation maintenance – district heating plants; Villalba – technological plant maintenance overview; Teatro Comunale Bologna – technological plant maintenance; maintenance and organisation – "VIII Agosto" and "Riva Reno" car parks in Bologna; 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 S.p.A. – Daverio (VA) factory;
- Construction: IDEA Fimit Sgr S.p.A. – plant renovation; Banca d'Italia – new power plants; building renovation and base management – Sigonella: Brescia underground – commissioning and start-up of operations; ADR - Aeroporti di Roma – non-recurring maintenance at Fiumicino and Ciampino airports.

Moreover, further acquisitions that were defined and for which the contracts were signed during 2013 still have to be started-up, including: full-risk routine and non-recurring maintenance contract for 20 years with the new hospital in Lucca; full-risk routine and non-recurring maintenance contract for 20 years with the new Ospedale delle Apuane in Massa Carrara; and ALMAVIVA (FFSS) – various railway station plants.

Total industrial production for the year as regards NBI group amounted to EUR 74 million, of which EUR 67 million for plant engineering and EUR 7 million for maintenance.

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 2013, the company continued its commercial activities within the captive market, consolidating relations with Metro C, Metro 5 and SCAR s.r.l. 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 Tione and Villa Patrizi (civil metalworks) were acquired together with NBI S.r.l. and formalisation is pending of the contract, which has been already temporarily awarded, regarding the construction of roofing for coal deposits in Savona.

Without prejudice to the desire to diversify the customer portfolio, note must be made of the important contribution that production inside the petrochemical factory in Brindisi (Versalis, formerly Polimeri Europa) is continuing to offer in terms of numbers. Pending the invitation to tender for renewal of the three-year contract, said customer has agreed with Sartori on an extension of the current contract until November 2014.

Confirmation of the company's intent to effectively tackle new activities and set new, challenging growth targets for the coming years can be seen in acquisition in 2012 of the factory located in Brindisi's industrial district, used as a external mechanical workshop of Brindisi's petrochemical factory, that is now the main operating office as well as a transformation workshop pursuant to civil construction technical provisions (Certificate No. 1124 of the High Council of Public Works).

Overall production during 2013 totalled EUR 6 million, to be attributed mainly to the following contracts:

- Metro C S.c.p.A. – Supply and assembly of metal safety platforms in relation to the contract to build the new Line C of the Rome underground using the general contracting formula;
- Astaldi (Line 5, Milan underground) – Supply of metal safety platforms and prefabricated segments for the TBM;
- Versalis S.p.A. – Framework maintenance agreement for the Brindisi petrochemical factory;
- Tione 2008 – Supply of metalwork for seismic updating;
- S.Car s.c.r.l.– Supply and installation of metal structures in relation to contract to build the new Police Officers Academy in Florence;
- AGP Metro Polska – Supply of metal platforms in relation to the contract to build the new Line 2 of the Warsaw underground.

TEQ Construction Enterprise

TEQ Construction Enterprise, has been 100% owned by Astaldi Canada Inc. since November 2012.

TEQ, based in Montreal, operates within the Canadian province of Quebec, exclusively in the civil construction segment.

2013 was a year of particular importance for TEQ insofar as the results obtained far surpassed those of the previous three years. Indeed the company was awarded new contracts worth a total of CAD 87 million, equivalent to approximately EUR 56 million.

TEQ mainly takes part in projects related to public contracts and is also involved in some projects in the private sector. TEQ was awarded 7 projects out of the 35 tenders and qualifications prepared during 2013, an excellent result compared to the usual standard for the awarding of state projects in Quebec.

At the present time, TEQ is working on two projects of important standing:

- Renovation and Expansion of the Emergency Department of Maisonneuve – Rosemont Hospital in Montreal worth CAD 38.7 million, equivalent to EUR 25 million. This project consists in complete re-building of a new accident and emergency department subject to demolition of the existing department. Maisonneuve – Rosemont Hospital is the most popular hospital in East Montreal. The new department can house 57 beds. The four-floor building will be built between two pavilions of the existing hospital that will remain operational throughout the works. The contract also includes renovation of the machinery rooms and electricity switchboards as well as the administrative offices;
- Construction of a new football stadium for Montreal City worth CAD 30.5 million, equal to approximately EUR 19.73 million, as well as an additional sum of CAD 8.9 million, equal to EUR 5.75 million for wooden roofing. The project involves a new roofed stadium characterised by a plywood structure and an outdoor synthetic pitch. The works will be built in compliance with LEED certification.

The other projects TEQ worked on during 2013, and which are still in progress, include:

- Extension of ED Meagher Arena inside Concordia University campus – CAD 7.2 million – approximately EUR 4.65 million;

- New laboratories for Prometic – CAD 1.9 million – EUR 1.22 million;
- Modernisation of Douglas Hall at McGill University – CAD 2.8 million – approximately EUR 1.8 million.
- Infrastructure works for Jean Talon station on the Montreal underground, performed for STM (Montreal's public transport company) – CAD 4.6 million – approximately EUR 2.97 million;
- Montreal University – CAD 3 million – approximately EUR 1.93 million.

The most important projects completed by TEQ in 2013 are the Foyer of Place des Arts Theatre in Montreal and the new Valleyfield Court.

Awards won by TEQ include the 2-22 St. Catherine commercial building project that won the award of excellence for steel constructions. This and other TEQ projects obtained LEED certification.

Recently, TEQ also obtained certification from AMF (Quebec's financial markets authority) needed to take part in public invitations to tender for a value equal to or more than CAD 10 million (approximately EUR 6.46 million), in compliance with new legislation issued in Quebec that made said certification a basic requisite for participation in public invitations to tender.

Astaldi Construction Corporation

Astaldi Construction Corporation (ACC) is the company operating under U.S. law, based in Fort Lauderdale in Broward County, Florida and owned entirely by Astaldi S.p.A., which has handled the Group's activities in the USA for over 20 years. In 2013, ACC was placed 16th in the list compiled by Engineering News Record (Top 20 Southeast Top US Contractors in Transportation). The reference geographical area is the centre-south of Florida, including both the east coast from Miami to Orlando, and the west coast from Naples to Tampa, with additional possibilities of future expansion in other west coast states such as California where the company started to develop commercial projects during the year and where it is pre-qualified, as part of a joint venture with other local companies, to take part in tendering for a major project in the transport infrastructures segment. ACC is currently involved in two business areas:

- Heavy Civil Infrastructures Construction (mainly motorways and bridges);
- Procurement, Engineering and Project Management Services, offered both to its own local operating units and to Astaldi Group's foreign areas located outside the US, to support the head office's dedicated facilities.

The procurement division avails itself of a network of accredited suppliers located throughout North America as far as Canada. The activities performed by said division have made it possible to carry out widespread monitoring of opportunities in the local market and the consolidation of relations with leading US manufacturers and dealers, with consequent benefits at a Group level too. As regards infrastructure construction works, ACC holds a General Contractor License for Florida and for California where it recently opened a commercial office with the aim of developing opportunities in this area. ACC is also accredited with several public authorities including the Florida Department of Transportation (FDOT) and the US Army Corps of Engineers, as well as various counties and local administrations.

As regards results achieved during the year, the company continued to tackle a highly competitive market during 2013, with few opportunities in terms of medium-high level projects. Despite this, it achieved significant commercial goals with the acquisition of three major contracts in Florida (for a total value of USD 142 million) on behalf of the Florida Department of Transportation (FDOT), one of ACC's long-standing strategic customers:

1. *SR-5/US1 – Cocoa, Brevard County, FL:* acquired in January 2013, the contract has a value of USD 29.4 million (ACC has a 100% stake) and refers to the expansion and reconstruction from 4 to 6 lanes of a 6-km long section of the SR-5/US1 in Cocoa City, in 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, commissioned by the FDOT (*District* 5), commenced in March and are still in progress with more than 23% completed at 31 December 2013;
2. *Veterans Expressway, SR-589 – Tampa, Hillsborough County, FL:* the contract worth USD 46 million (ACC has a 100% stake), was acquired and signed in April 2013 and involves the expansion 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 have been commissioned by Florida's Turnpike Enterprise (FDOT, District 8) and are to be completed in just less than 3 years. The works, which commenced in May, are still in progress. More than 18% of works had been completed at 31 December 2013;

3. *I-95 Spanish River Interchange – Boca Raton, Palm Beach County, FL*: the project, worth USD 66.6 million (ACC has a 100% stake) and to be performed using the DB formula, involves 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 expansion and construction of 15 bridges and road works along the I-95 and Yamato Road. The works, commissioned by the FDOT (District 4), commenced in July 2013 and are still in progress. Over 12% of works had been completed at 31 December 2013.

The other projects in progress (or recently completed) in Florida mainly refer to motorway works and bridges, performed on behalf of the FDOT and other counties such as Collier County on the west coast of Naples, where ACC has already performed various projects in the past.

As regards other projects in progress in Florida, mention must be made of:

1. *SR-862/ Eller Dr ICTF – Fort Lauderdale, Broward County, FL:* the project consists in rebuilding and widening a motorway junction, including 4 flyovers, located near SR-862/I-595, in the vicinity of Fort Lauderdale Airport and Port Everglades in Broward County (FL). The updated contract value amounts to USD 40 million (100% ACC).The works are still in progress and over 80% had been completed at 31 December 2013;
2. *SR-84/Davis/Collier Boulevard – Naples, Collier County, FL*: the project consists in the widening and upgrading of SR-84 (Davis Boulevard) along the section from Radio Road to Collier Boulevard, and of CR-951 (Collier Boulevard) from Davis Boulevard to Golden Gate Canal in Naples, in Collier County, Florida. The updated contract value amounts to USD 24.6 million (100% ACC) and the works have almost been completed, with the customer's great satisfaction, and issue in January 2014 of the Substantial Completion Certificate;
3. *NW 25th Street – Doral, Miami-Dade County, FL*: the project, strategic for improvement of traffic flow in the area, consists in the rebuilding 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 metal frame flyover near SR-826 Palmetto Expressway and of a viaduct, for a total length of 1.9 km. The contract value amounts to USD 58 million (100% ACC). The works are still in progress and installation of the steel girders of the single-span main viaduct measuring 67 metres in length and running above the Palmetto Expressway, commenced in November 2013. More than 57% of works had been completed at 31 December 2013.

Astaldi Construction Corporation's remaining order backlog at 31 December 2013 amounted to approximately USD 153 million.

As regards the performance of activities during 2013, the company recorded USD 59.9 million of revenue from works, up by 27% on USD 47 million recorded in 2012.

During 2013 ACC also continued to obtain important recognition for the excellence of its safety records achieved during the year, thus testifying to the company's ongoing commitment to guaranteeing excellence with regard to HSE (Health, Safety, Environment), that has always been considered a priority for the safeguard of employees and their working environments. Specifically, we must mention:

- "*2013 FTBA Safety Award*" issued for the third year running by Florida Transportation Builders Association;
- "*2013 STEP Award*" issued for the eighth year running by Associated Builders and Contractors Inc.

Lastly, it must be recalled that ACC has been registered since 2008 with the USGBC (United States Green Building Council), a no-profit organisation dedicated to developing and making known sustainable design and construction methods (green building). It has also developed commercial agreements with local partners working in the renewable energy segment in order to explore possible photovoltaic-related projects in North America, also making use of the partnerships generated through procurement activities and with the expertise of NBI, an Astaldi Group company specialising in Plant Engineering, Maintenance and Management of Complex Systems.

Events after the reporting period

In February, the company issued a last EUR 150-million tranche related to the operation to place the senior, seven-year bond issued in December 2013. The operation that goes to further extend the average deadlines of the Group's total debt was a resounding success as regards the financial markets, confirming interest in the sustainability of development plans.

From an operating viewpoint, the first months of 2014 saw the inauguration trip of Halic Bridge (February) and the ceremony to lay the seabed foundations of Izmit Bay Bridge (March). Two new stations (Isola and Garibaldi) of Line 5 of the Milan underground were opened in Italy with consequent launch of the management phase for the relevant line. Excavation works using TBM got underway in March at the Linate site of Line 4 of the Milan underground.

In February, Toledo station on Line 1 of the Naples underground was acknowledged by CNN as the most beautiful and breathtaking underground station in Europe, thus confirming the station's aesthetic as well as functional value.

Moreover, as regards the subsidiary, A.I. 2 S.r.l., it must be noted that in order to fulfil undertakings entered into in the investment agreement signed in April 2012, as amended in the Addendum dated August 2013, the merger of the same company into Re.Consult S.p.A. was performed with effect as from 1 January 2014.

Outlook

Over the coming months, the Group's operations will be focused on accomplishing some important milestones in Italy and abroad, with the aim of achieving its Business Plan targets. The latter can largely be reconfirmed even given a different structure of business activities that takes into account the changes in recent months in the domestic and international market, as well as in the financial markets.

From a commercial viewpoint, efforts will be made to consolidate countries where traditionally present (especially Central Europe) as well as recently-joined markets, so as to offset the smaller contribution from areas such as Italy and the Middle East. As regards concessions, the policy regarding the sale of mature assets will be followed up on. In this phase said policy focused on the Car Park Division in Italy and will entail assessment of additional opportunities of increasing the value of the projects in progress backlog. There will be a greater contribution from projects for which the management phase has just been started up (Pistoia and Prato hospitals in Italy, Relaves mining project in Chile) that will be joined by the results of management of Lucca hospital as from Q2 2014.

Maximum operating and financial efforts will also be guaranteed for the start-up of works related to the significant order backlog acquired in recent years. In this regard, it is important to note that the average earnings of these new orders are significantly higher than that of the backlog already completed. This is generating a sizeable increase in self-financing that will generate sufficient resources from an operating viewpoint to support concession investments. This working leverage will be accompanied by the search for long-term sources of financing in order to align financial deadlines with cash flow arising from the return on investment. This will make it possible to achieve the goal of optimal consolidation of the sources/investments structure in order to meet the Group's financing and development needs.

Human resources and organisation

Organisation

Some important changes were made to the company's general organisational structure during 2013, in keeping with the development of its business activities.

The first change concerned consolidation of its presence in reference geographical areas through the setting-up of four general management offices, one for Italy and three for abroad (Americas, Turkey and Europe-Maghreb-Middle East) in order to ensure more effective management of the order backlog in progress and more targeted development of areas of interest.

The second change, in keeping with and aimed at developing the matrix organisational model implemented in recent years, entailed the creation within the Industrial Services Division of a Corporate Project Management Office aimed at bringing a modus operandi (culture, values, organisation and project management models) to projects, able to accompany the complete project lifecycle, from study of the tender through to the project launch and performance.

The third change, aimed at standardising and integrating management control processes with project control processes, redefined and more clearly attributed responsibilities as regards business planning.
Lastly, other changes helped to better define the roles of the main corporate departments and their relations with investees.

Staff trends

In 2013 the Group boasted an average workforce of 9,579 employees. On an aggregated basis, there was a slight decrease compared to last year (-3.8%); while there continued to be a prevalence of staff posted abroad (86% of total), not only as a result of the predominant turnover generated outside Italy, but also as a result of a greater number of contracts in progress in foreign markets where activities are performed directly by the company.
As per last year, there was a constant increase in the number of expatriated personnel (365 units, up by 3.7% compared to 2012), due above all, compared to 2012, to less use of the external market (-20%). This is due to the fact that during 2013 a large-scale internal mobility policy, without precedent, was implemented to direct Italian personnel towards foreign projects with the aim of "protecting" existing professional skills in Italy that were at the company's disposal due to the drop in the domestic market. Therefore, dozens of resources boasting valuable technical and management skills and know-how were transferred abroad, above all from the second half of the year and this trend is set to be consolidated during the early part of 2014.

Management activities

Realignment of procedures and terms and conditions applied for personnel posted to foreign and Italian projects continued during 2013, with the aim of defining a structured policy for homogeneous distribution of non-monetary benefits and allowances.
A Manual for the Management of Expatriated Staff performing International Assignments summarising the above actions was published and sent to all foreign offices. Said manual contains rules and parameters for measuring consumption and inconveniences that are updated and distributed annually.
Processes were also reviewed in Italy even if there was less need to standardise conditions compared to abroad, in particular with regard to car policy in order to manage the benefit in question in a more economic and efficient manner.

Training activities

2013 saw start-up of the project to create a management training structural programme whose target is the creation of an Astaldi Academy.
The first significant action consisted in the design and distribution of an Economics & Project Management training programme for Segment Managers working at a project and country level, with the aim of developing managers' strategic and economic/financial skills and know-how in order to better control managerial, economic and financial levers in their own areas of responsibility.
The programme saw the participation of 233 resources from Italian and international facilities, for a total of 12,000 hours of training provided at a global level in 12 different programmes.
As regards initiatives focusing on integration processes, already embarked on during 2011-2012, Team Building events were organised for specific geographical areas, Americas and Turkey, in order to increase awareness as regards the importance, especially in situations with major physical and cultural distances, of developing the ability to work in a team, creating the culture of dialogue and building an environment that promotes trust and interaction within the vision of a Group and sense of belonging.

Recruitment and selection activities

With the aim of improving recruitment processes, especially as regards potential candidates residing abroad, recruitment channels were improved through the structured use of professional social networks (Linkedin) and an increase in the team of head-hunters with specific experience in the reference segment. Said actions, inter alia, also made it possible to strengthen the corporate brand and communicate the company's image and values.

Personnel Information Systems

Extension of the centralised information system for managing data and the main processes related to human resources to foreign countries continued during 2013. The system which was implemented in Algeria, Chile and Peru in 2012, was also extended to Turkey and Poland in 2013. The result is an increasingly integrated system with benefits in terms of standardisation of processes and management of information and internal availability.

Quality, safety and environment

2013 was a year of further development of the corporate management system, accompanied by a review of the organisational structure which led to the issue of a new corporate general organisation chart in July 2013 that confirmed the matrix model, catering even more for criteria regarding cheapness and synergic approach between corporate and project facilities.

The General Management offices were redefined with the setting up of a General Management – Americas responsible for all the countries in the American continent where the Group operates, and a General Management – Turkey. While the General Management – Europe, Maghreb and Middle East, General Management – Italy and General Management – Administration and Finance were confirmed.

Moreover, the following were also set up: Corporate Project Management Office with the aim of promoting the project management model adopted within the Group, Organisation service with the aim of contributing to overall optimisation of the corporate organisational model and Strategic Investees and Subsidiaries with the aim of promoting integration and adoption of management policies in keeping with those of Astaldi S.p.A.

During 2013, in compliance with regulations regarding certification management, the certification body, DNV, Det Norske Veritas, performed periodical, independent third-party checking of maintenance with regard to quality, environment and safety of the corporate management system. The positive outcome of these checks, performed at a head office, country and project level, made it possible to confirm the validity of the certificates of conformity issued in accordance with ISO 9001, ISO 14001 and OHSAS 18001.

2013 also saw the start-up of certification, in accordance with LEED ITALIA protocol (held by the Green Building Council Italy, for the design and construction of eco-sustainable buildings) for projects in progress in Italy.

Moreover, confirmation of its commitment as regards environmental matters can be found in the fact that in 2013 Astaldi became an Ordinary Member of the Green Building Council (GBC) Italy, a no-profit organisation dedicated to the development and promotion of sustainable building design and construction methods (green building) whose main goals are: (i) to encourage and speed up promotion of a sustainable construction culture, guiding transformation of the market; (i) to increase awareness among the public and institutions of the impact that building design and construction methods have on the quality of life of citizens; (iii) to provide clear reference parameters for segment operators; (iv) to promote dialogue between segment operators, creating a sustainable building community.

Moreover, with regard to ongoing improvement of the Safety and Environment components of the corporate management system, the following were performed during the year:

- review of HSE risk prevention standards that implemented the best practices adopted by various group projects with a view to creating value also through knowledge-sharing;
- extension, also to some HSE Country Managers of the annual calibration session now in its fifth year. HSE calibration is also a knowledge management activity with the main aim of standardising the approach to HSE regulations among Group projects.

Voluntary adoption of international standards regarding the ongoing performance improvement is also pursued by Astaldi Group's main operating companies.

- ASTALDI CONCESSIONI, a company working in the concessions and project finance segment, following the positive outcome of periodical, independent third-party checking of maintenance as regards the corporate quality management system, performed by the certification body DNV, *Det Norske Veritas*, obtained confirmation of the validity of the certificate of conformity to requisites as per ISO 9001;
- NBI, a company operating in engineering applied to the Plant Engineering, Maintenance and Management of Complex Systems, was also subject to periodical, independent third-party checking of maintenance as regards the corporate quality management system, always performed by the certification body DNV, *Det Norske Veritas*. The positive outcome of said checking led to confirmation of the validity of the certificate of conformity issued pursuant to ISO 9001.

Lastly, additional confirmation of Astaldi Group's commitment as regards Quality, Safety and Environment can be found in some important awards obtained during the year from customers and national segment organisations in Italy and abroad, such as:

- Italy: award given by the customer ITALFERR S.p.A. to the "Doubling of the Parma - La Spezia railway line for the section between Solignano station and Osteriazza railroad yard" project following the "Cantiere Virtuoso 2013" (Virtuous Site) initiative forming part of the "L'Unione fa la Sicurezza" (In unity, safety) campaign;
- Chile: acknowledgement of the first part of "Bono de Exelencia en Seguridad, Productividad y Relaciones Laborales" given by Corporación Nacional del Cobre de Chile (CODELCO) to the project entitled "Construcción Túnel de Acceso y Transporte Principal PMCHS" (Chuquicamata);
- Awards to the subsidiary, Astaldi Construction Corporation, related to Quality and Safety, given by the US organisation, Florida Transportation Builders' Association, Inc.

Main risks and uncertainties

With regard to the business model implemented by Astaldi Group in recent years, risk management policies have taken on a key role thus confirming and supporting the capacity vis-à-vis control and presence that the company manages to guarantee at a process and project level. An important and fundamental condition for maintaining the high level of flexibility which allows the Group to promptly react to the ever changing situations it has to deal with.

The risk management policies currently pursued are based on a concept of "risk" taken as an integral part of the generation of value which, in itself, is to be taken as the sum of the current value of the business model and the value of future development opportunities. Hence, successful risk management is aimed at exploiting business opportunities by encouraging future growth and, at the same time, safeguarding the value created. Therefore, it is all-important to align risk management with the key targets looked on as critical for the company's success.

In this regard, the Corporate Risk Management Service assists the management in the decision-making process with a view to neutralising unwanted, unsustainable risk situations during the whole project lifecycle, from tendering through to project launch, performance and possible management of the works, in relation to various processes in progress within diverse contractual formats (traditional, general contracting, concessions and project finance).

The Risk Management logic model adopted within the company is three-dimensional, split according to the type of risk (operational, financial, strategic and compliance), level (corporate, country, contract) and project phase (development, performance, management). A key role is attributed to risks which, during planning, lead to definition of the so-called key risks of the Business Plan and general criticality management procedures.

The result is a model where risk management activities and responsibilities (identification, assessment, management and monitoring) are attributed to the organisation's various levels on the basis of the type of risk in question and the time phase during which said risk arises.

This model also involves integration within decision-making mechanisms of uniform, structured identification, analysis and governance of corporate risks – including through the use of computer media – aimed at:

- supporting the decisions of the Group's top management/departments with an overall vision of the main risks the Group is exposed to;
- lending appropriate importance to the risk dimension with regard to the undertaking of business decisions that systematically take into account the volatility of forecast results;
- helping optimise existing risk management techniques and systems with the aim of improving the company's performance and business sustainability;
- consolidating departments' awareness of risk management issues.

Therefore, the evolution of the Corporate Risk Management Service has made it possible to promote a common language on the risks at all corporate levels, making possible during 2013 consolidation of the risk management process at a corporate and project level. Moreover, Risk Back Analysis started up in recent years continues to provide useful information for understanding what type of risks were dealt with in the past, what mitigation action was taken and with what level of success. Ongoing improvement of the risk management module in the data collection system, Montecarlo simulations and reporting, has made it possible to perfect the quality of information processed and facilitate subsequent use for analysis activities, ensuring clear and constant monitoring of all the risks identified, allowing for determination of the so-called top risks the Group is exposed to.

Please find below a brief overview of the most significant among the key risks identified, split by category.

Financial risks

Liquidity and credit

This risk expresses the possibility that the Group may be unable to cover its financial obligations arising from contractual undertakings and, more generally, from its own financial liabilities, as well as the Group's exposure to potential losses arising from default as regards obligations undertaken by counterparties.

Financial structure and market (interest rate)

The current situation of the financial markets highlights critical phenomenon in terms of limitation of credit and fluctuation in the cost of money. The Group has adopted over the years a financial strategy aimed at rebalancing sources of financing and re-positioning its debt structure in the medium/long-term, curbing variations in the cost of money through a cautious interest risk hedging policy.

Currency market (exchange rate)

The current situation of currency markets can bring to light some extremely volatile situations. The Group has undertaken to control said risk over the years through suitable hedging transactions.

Strategic risks

Country risk

More than 60% of the total amount of Astaldi Group revenue are generated abroad. Therefore, the Group's major internationalisation exposes Astaldi to the obligation to assess the so-called country risk that consists in macro-economic and financial, regulatory and market, geopolitical and social risks, the occurrence of which could have a negative effect on both earnings and the protection of corporate assets. In order to mitigate said risks, the identification of new projects in foreign countries is accompanied by preliminary, in-depth identification and assessment of the risks (political, economic, financial and operating) linked to said countries. The result is that the Group's choices are aimed at concentrating foreign activities solely in countries (i) offering development opportunities for long-term infrastructure investment plans, (ii) that consider the works of interest for the Group as priorities in local investment policies, (iii) for which international insurance cover is guaranteed or in whose regard there are bilateral agreements between the Italian and local governments, (iv) with a definite, consolidated reference legislative framework. Subsequently, Astaldi's management keeps a close eye on development of the political, social and economic situation of the countries it operates in through to completion of the contracts, also drawing on periodic reports on the main project risks and relative trends drafted in accordance with the Corporate Risk Management Policy. Without prejudice to the above, should exceptional and unforeseeable events occur, the Group is able to implement well-defined procedures, in line with international procedures, with the aim of protecting the safety of its personnel and on-site assets, minimising the resulting operational and financial impact

The resulting conservative approach has led, inter alia, as from 2012, to curbing of project activities in progress in Venezuela, also following the specific instable political situation which the local government is experiencing that has in fact caused a major delay in the customer's payment obligations with regard to projects in progress in Venezuela. Therefore, the total receivables that have been certified and hence are collectable, due from the Venezuelan government at 31 December 2013 was EUR 306 million (net of EUR 15 million of contract advances). In any case, it must be noted that the current political situation could result in deferral of payment of the sums due. In the light of recent meetings with the customer, that did not fail to express its satisfaction for work carried out to date, the renewed political and commercial relations between Italy and Venezuela, that are based on the signing of bilateral commercial agreements between the two governments, and confirmation by the new political leaders of the importance of infrastructure works for the country's development, there are not sufficient elements such as to hypothesise a risk with regard to the collectability of relative receivables, with consequent impairment losses to profit or loss.

Thanks to Astaldi Group's significant presence in the country, it has been considered appropriate herein to make brief mention of the socio-economic situation in Turkey which was reason for concern during 2013. Mention must be made of the socio-political events during 2013 that generated tension within the country. Nevertheless, it must be noted that said events did not have any repercussions on works in progress. The concomitance during 2014 of administrative elections (at the end of March) and presidential elections (scheduled for August) make it possible to consider 2014 as a year of transition.

Conformity risks

Contractual/Legislative
A large part of activities in the segment the Group operates in are performed on the basis of contracts which provide for a specific amount upon awarding. The greater charges and/or costs which the Group may encounter and/or incur while performing said contracts must be covered by the Group and can be recovered from the customer in accordance with legislation regulating the contract and/or agreed contractual terms and conditions. Consequently, the margins achieved on contracts of this type can vary with regard to the original estimates as a result of recoverability of the aforementioned greater charges and/or costs.

Operating risks

Procurement
The fluctuation, in some cases considerable, in the price of some raw materials can entail an increase in the costs of production which the Group tends to neutralise through diversified procurement policies, framework agreements with strategic suppliers, contractual price review clauses and the use of ad hoc action by local governments in order to offset the financial consequences for the reference segment.

Corporate governance

The governance model adopted by Astaldi S.p.A. is in keeping with the principles contained in the Self-Regulation Code for listed companies – drawn up by Borsa Italiana in October 1999 and subsequently amended and added to –, with the recommendations formulated by CONSOB in this regard and, more generally, with international best practice.

As regards the information requested by Article 123-bis of the Finance Consolidation Act, please refer to the "Corporate Governance and Shareholding Structure Report" drafted in compliance with current legislation and published hereto. The Corporate Governance and Shareholding Structure Report is made available for consultation on the Group's website (www.astaldi.com), in compliance with the terms and procedures provided for by law.

Remuneration Report

As regards information related to the remuneration of Company Directors, Statutory Auditors and key management personnel, please refer in full to the Remuneration Report drafted by the Board of Directors of Astaldi S.p.A. pursuant to Article 123-ter of the Finance Consolidation Act. Said document is also made available on the Group's website at www.astaldi.com, Governance section, in compliance with the terms and procedures provided for by law.

Other information

Information on transactions with related parties

As regards transactions with related parties during 2013, please refer to the Notes to the Consolidated and Separate Financial Statements at 31 December 2013. 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 company. 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. Moreover, said 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.

Treasury shares

In relation to the Astaldi's share buy-back plan implemented during the year, 289,336 shares were gradually purchased during 2013 while 377,403 shares were sold. Treasury shares on hand at 31 December 2013 amounted to 520,120 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.

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.

Astaldi S.p.A. shares held by Company Directors, Statutory Auditors and key management personnel at 31 December 2013

For information in this regard, please refer to the section herein dealing with the Remuneration Report.

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,
The consolidated financial statements show a profit of EUR 75 million, excluding amortisation and depreciation, provisions and consolidation adjustments.

On behalf of the Board of Directors
(The Chairman)
Paolo Astaldi

Statement pursuant to Article 36 of CONSOB Regulation No. 16191/07 ("Market Regulations")

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. makes known that:

1. the Parent, Astaldi S.p.A., has access in an ongoing manner to the bylaws and break down 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 subsidiary companies 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 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 2013, concerns 7 subsidiaries, with offices in 5 countries not belonging to the European Union that are of specific significance as per subsection 2 of the aforementioned Article 36.

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Consolidated Financial Statements

Consolidated income statement

(thousands of euros)	Notes	31/12/2013	*31/12/2012 Restated
Revenue	1	2,392,871	2,325,299
of which with related parties		*203,530*	*238,111*
Other operating revenue	2	126,804	131,598
of which with related parties		*9,819*	*5,453*
Total revenue		**2,519,675**	**2,456,897**
Purchase costs	3	(423,764)	(487,584)
Service costs	4	(1,411,951)	(1,340,552)
of which with related parties		*(159,192)*	*(161,114)*
Personnel expenses	5	(320,715)	(305,430)
Amortisation, depreciation and impairment losses	6	(85,252)	(52,616)
Other operating costs	7	(43,692)	(60,456)
of which with related parties		*(165)*	*(290)*
Total Costs		**(2,285,375)**	**(2,246,639)**
(Capitalisation of internal construction costs)	8	1,652	1,565
Operating profit		**235,952**	**211,822**
Financial income	9	110,478	78,550
of which with related parties		*4,219*	*2,195*
Financial charges	10	(214,145)	(163,681)
of which with related parties		*(2,126)*	*(627)*
Effect of equity accounting	11	6,302	3,146
TOTAL FINANCIAL AREA AND INVESTMENTS		**(97,365)**	**(81,985)**
PRE-TAX PROFIT (FROM CONTINUING OPERATIONS)		**138,586**	**129,837**
Tax expense	12	(55,571)	(55,882)
PROFIT (FROM CONTINUING OPERATIONS)		**83,015**	**73,956**
PROFIT (LOSS) RELATED TO DISPOSAL GROUPS	13	**(4,575)**	**0**
PROFIT FOR THE YEAR		**78,440**	**73,956**
Profit attributable to owners of the Parent		75,213	74,133
Profit (loss) attributable to non-controlling interests		3,227	(177)
Earnings per share	14		
Basic		Euro 0.77	Euro 0.76
Diluted		Euro 0.76	Euro 0.75

Consolidated statement of comprehensive income

(thousands of euros)	Notes	31/12/2013	*31/12/2012 Restated
Profit for the year (A)		**78,440**	**73,956**
Items to be reclassified subsequently in Profit (loss) for the year	27		
Change in Subsidiaries' hedging reserve net of tax effect		13,637	(9,105)
Change in Associates' hedging reserve net of tax effect		9,089	(5,220)
Change in Subsidiaries' translation reserve		(10,997)	(2,279)
Change in Associates' translation reserve		(18,118)	1,322
Gains (Losses) on equity accounting of AFS financial assets		(194)	0
Comprehensive income related to disposal groups		(34)	0
Total Other comprehensive expense net of tax effect to be reclassified subsequently in Profit (Loss) for the year (B1)		**(6,618)**	**(15,282)**
Items not to be reclassified subsequently in Profit (Loss) for the year	27		
Defined benefit plan actuarial gains (losses)		683	(889)
Defined benefit plan actuarial gains (losses) deriving from *equity* accounting		203	0
Total Other comprehensive income (expense) net of tax effect not to be reclassified subsequently in Profit (Loss) for the year (B2)		**886**	**(889)**
Total Other comprehensive expense net of tax effect (B1)+(B2)=(B)		**(5,732)**	**(16,172)**
TOTAL COMPREHENSIVE INCOME (A)+(B)		**72,708**	**57,784**
of which attributable to owners of the Parent		69,436	58,333
of which attributable to non-controlling interests		3,272	(549)

* Following application (retrospective) of IAS 19 (2011)-Employee benefits, the data at 31/12/2012, shown for comparative purposes only, have been restated.

Consolidated statement of financial position

(thousands of euros)	Notes	31/12/2013	* 31/12/2012 Restated
ASSETS			
Non-current assets			
Property, plant and equipment	15	203,977	221,094
Investment property	16	1,086	1,105
Intangible assets	17	58,971	107,523
Investments	18	395,564	257,441
of which:			
Equity-accounted investees		393,531	104,414
Non-current financial assets	19	99,786	193,448
of which with related parties		*55,567*	*49,926*
Other non-current assets	20	54,723	39,874
Deferred tax assets	12	17,128	8,589
Total non-current assets		**831,234**	**829,074**
Current assets			
Inventories	21	61,711	84,343
Receivables from customers	22	1,261,797	1,058,039
of which with related parties		*4,815*	*41,954*
Trade receivables	23	961,860	835,077
of which with related parties		*46,710*	*30,435*
Current financial assets	19	46,391	17,653
Tax assets	24	105,893	143,067
Other current assets	20	383,043	381,022
of which with related parties		*21,096*	*27,948*
Cash and cash equivalents	25	373,772	400,215
Total current assets		**3,194,467**	**2,919,417**
Assets related to disposal groups	26	**60,273**	**0**
Total Assets		**4,085,974**	**3,748,491**

* Following application (retrospective) of IAS 19 (2011)-Employee benefits, the data at 31/12/2012, shown for comparative purposes only, have been restated.

(thousands of euros)	Notes	31/12/2013	* 31/12/2012 Restated
EQUITY AND LIABILITIES			
Equity	27		
Share capital		196,850	196,850
Treasury shares		(1,040)	(1,216)
Reserves:			
Legal reserve		26,201	23,930
Extraordinary reserve		244,376	218,262
Retained earnings		75,844	48,971
Other reserves		114	(921)
Other comprehensive expense		(58,735)	(52,957)
Total share capital and reserves		**483,609**	**432,918**
Profit for the year		75,213	74,133
Total Equity attributable to owners of the Parent		**558,822**	**507,050**
Profit (loss) attributable to non-controlling interests		3,227	(177)
Other comprehensive income items attributable to non-controlling interests		(51)	(97)
Share capital and other reserves attributable to non-controlling interests		41,925	47,171
Equity attributable to non-controlling interests		**45,101**	**46,897**
Total Equity		**603,923**	**553,948**
Non-current liabilities			
Non-current financial liabilities	28	970,042	734,920
of which with related parties		*1,645*	*1,749*
Other non-current liabilities	29	16,698	13,721
Employee benefits	30	8,003	9,367
Deferred tax liabilities	12	10,957	4,188
Total non-current liabilities		**1,005,701**	**762,195**
Current liabilities			
Payables to customers	22	674,738	479,397
of which with related parties		*24,148*	*103,130*
Trade payables	31	1,117,990	1,128,798
of which with related parties		*91,585*	*142,218*
Current financial liabilities	28	392,680	537,661
Tax liabilities	32	73,679	93,387
Provisions for current risks and charges	33	22,591	28,578
Other current liabilities	29	154,725	164,527
of which with related parties		*1,254*	*1,120*
Total current liabilities		**2,436,404**	**2,432,348**
Liabilities related to disposal groups	26	39,947	0
Total liabilities		**3,482,051**	**3,194,543**
Total Equity and liabilities		**4,085,974**	**3,748,491**

* Following application (retrospective) of IAS 19 (2011)-Employee benefits, the data at 31/12/2012, shown for comparative purposes only, have been restated.

Consolidated statement of changes in Equity

Changes in Equity at 31 December 2013

(thousands of euros)	*Share capital*	*Legal reserve*	*Extraordinary reserve*	*Hedging reserve net of tax effect*	*Translation reserve*
Balance at 01 January 2013 Published	195,633	23,930	218,262	(45,676)	(6,412)
Effects deriving from the application of IAS 19 (2011)	0	0	0	0	0
Balance at 01 January 2013 Restated	**195,633**	**23,930**	**218,262**	**(45,676)**	**(6,412)**
Allocation of profit of continuing operations 2013	0	0	0	0	0
Other comprehensive income (expense)	0	0	0	22,362	(28,797)
COMPREHENSIVE INCOME (EXPENSE)	**0**	**0**	**0**	**22,362**	**(28,797)**
Transactions with shareholders and other changes in equity:					
Treasury shares	176	0	(16)	0	0
Dividends	0	0	0	0	0
Provision pursuant to Art. 27	0	0	0	0	0
Transactions with non-controlling interests	0	0	0	0	0
Changes in consolidation scope	0	0	0	0	0
Allocation of profit from continuing operations 2012	0	2,271	26,130	0	0
Other changes	0	0	0	0	0
Share option allocation reserve	0	0	0	0	0
Balance at 31/12/2013	***195,810**	**26,201**	***244,376**	**(23,314)**	**(35,209)**

*The amount indicated in the highlighted items is shown net of overall investment in treasury shares totalling EUR 2,859 thousand, of which EUR 1,040 thousand corresponding to the nominal value of the shares, recognised as a reduction of share capital, and EUR 1,819 thousand recognised as a reduction of the Extraordinary Reserve.

Changes in Equity at 31 December 2012

(thousands of euros)	*Share capital*	*Legal reserve*	*Extraordinary reserve*	*Hedging Reserve net of tax effect*
Balance at 01 January 2012 Published	193,552	20,797	172,724	(31,799)
Reclassification of treasury shares delivered to employees under the share option plan	2,076	0	3,244	0
Effects deriving from the application of IAS 19 (2011)	0	0	0	0
Balance at 01 January 2012 Restated	**195,628**	**20,797**	**175,968**	**(31,799)**
Profit from continuing operations 2012	0	0	0	0
Other comprehensive expense	0	0	0	(13,877)
COMPREHENSIVE INCOME (EXPENSE)	**0**	**0**	**0**	**(13,877)**
Transactions with shareholders and other changes in equity:				
Treasury shares	5	0	(20)	0
Dividends	0	0	0	0
Provision pursuant to Art. 27	0	0	0	0
Transactions with non-controlling interests	0	0	0	0
Changes in consolidation scope	0	0	0	0
Allocation of profit from continuing operations 2011	0	3,133	42,314	0
Other changes	0	0	0	0
Share option allocation reserve	0	0	0	0
Balance at 31/12/2012 Restated	***195,634**	**23,930**	***218,262**	**(45,676)**

* The amount indicated in the highlighted items is shown net of overall investment in treasury shares totalling EUR 3,019 thousand of which EUR 1,216 thousand, corresponding to the nominal value of the shares, recognised as a reduction of share capital, and EUR 1,803 thousand recognised as a reduction of the Extraordinary Reserve.

Actuarial gains (Losses)	Gains (Losses) on equity accounting of AFS financial assets	Other reserves	Retained earnings	Profit for the year	Total Equity attributable to owners of the Parent	Non-controlling interests	Total Equity
0	0	(921)	48,682	74,126	**507,625**	46,930	**554,555**
(869)	0	0	288	6	**(575)**	(32)	**(607)**
(869)	**0**	**(921)**	**48,971**	**74,133**	**507,050**	**46,897**	**553,948**
0	0	0	0	75,213	**75,213**	3,227	**78,440**
804	(147)	0	0	0	**(5,778)**	46	**(5,732)**
804	**(147)**	**0**	**0**	**75,213**	**69,436**	**3,272**	**72,708**
0	0	330	0	0	**490**	0	**490**
0	0	0	0	(16,639)	**(16,639)**	(167)	**(16,806)**
0	0	0	0	(681)	**(681)**	0	**(681)**
0	0	0	(1,539)	0	**(1,539)**	(7,014)	**(8,553)**
0	0	0	0	0	**0**	2,112	**2,112**
0	0	0	28,412	(56,813)	**0**	0	**0**
0	0	(193)	0	0	**(193)**	0	**(193)**
0	0	898	0	0	**898**	0	**898**
(66)	**(147)**	**114**	**75,844**	**75,213**	**558,822**	**45,101**	**603,923**

Translation reserve	Actuarial Profit (Loss)	Other reserves	Retained earnings	Profit for the year	Total Equity attributable to owners of the Parent	Non-controlling interests	Total Equity
(5,352)	0	3,611	40,493	71,195	**465,222**	5,057	**470,279**
0	0	(5,320)	0	0	**0**	0	**0**
0	(7)	0	287	1	**282**	(6)	**276**
(5,352)	**(7)**	**(1,709)**	**40,780**	**71,196**	**465,502**	**5,051**	**470,553**
0	0	0	0	74,126	**74,126**	(177)	**73,949**
(1,060)	(863)	0	0	6	**(15,794)**	(373)	**(16,167)**
(1,060)	**(863)**	**0**	**0**	**74,132**	**58,333**	**(549)**	**57,784**
0	0	74	0	0	**59**	0	**59**
0	0	0	0	(16,630)	**(16,630)**	(766)	**(17,396)**
0	0	0	0	(940)	**(940)**	0	**(940)**
0	0	0	11	0	**11**	0	**11**
0	0	0	0	0	**0**	43,162	**43,162**
0	0	0	8,178	(53,625)	**0**	0	**0**
0	0	(279)	0	0	**(279)**	0	**(279)**
0	0	993	0	0	**993**	0	**993**
(6,412)	**(869)**	**(921)**	**48,971**	**74,133**	**507,050**	**46,897**	**553,948**

Consolidated statement of cash flows

	31/12/13	31/12/12
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year attributable to owners of the Parent and non-controlling interests	**78,440**	**73,949**
Taxes	55,571	55,879
Pre-tax profit	**134,011**	**129,829**
Adjustments for:		
Non-monetary items		
Depreciation of property, plant and equipment and investment property and amortisation of intangible assets	71,178	52,018
Impairment losses	14,074	598
Effects of equity accounting	(23,141)	(3,146)
Post-employment benefits and defined benefit plans	777	1,568
Costs for employee incentive plans	1,450	993
Provisions for risks and charges	4,471	1,427
Impairment losses (reversals of impairment losses) following adoption of fair value	475	0
Subtotal	**69,284**	**53,458**
Investment management items		
Gains/losses on disposals	(2,447)	1,478
Other adjustments necessary to reconcile profit with cash flow from operating activities		
Net interest receivable and payable and dividends received (coverage of losses)	72,090	39,422
Subtotal	**69,643**	**40,900**
Cash flow from operating activities before changes in net working capital	**272,938**	**224,186**
Changes in working capital		
Trade receivables	(136,097)	(14,113)
of which with related parties	*(16,275)*	*1,890*
Inventories and receivables from customers	(169,825)	(80,830)
of which with related parties	*37,139*	*20,800*
Trade payables	7,204	10,029
of which with related parties	*(25,052)*	*25,581*
Provisions for risks and charges	(8,781)	(2,606)
Payables to customers	206,107	56,755
of which with related parties	*(78,982)*	*46,650*
Other operating assets	(62,775)	(135,105)
of which with related parties	*6,853*	*(3,157)*
Other operating liabilities	5,117	74,948
of which with related parties	*134*	*793*
Payment of post-employment benefits and defined benefit plans	(783)	(735)
Subtotal	**(159,833)**	**(91,657)**
Net cash flows from operating activities	**113,106**	**132,529**
Interest and dividends received (coverage of losses)	3,580	7,993
Interest paid	(65,744)	(47,415)
Taxes paid	(40,976)	(49,949)
A) Net cash flows from operating activities	**9,965**	**43,158**

	31/12/13	31/12/12
CASH FLOW USED IN INVESTING ACTIVITIES		
Construction		
Net investment in intangible assets	3,479	(22,575)
Investment in property, plant and equipment	(27,936)	(91,313)
Sales price or reimbursement value of property, plant and equipment	16,121	19,549
Change in investee financing activities	(2,903)	(8,058)
of which with related parties	*(2,624)*	*(8,058)*
Acquisitions of interests in associate and other investees	(6,966)	(194)
Amounts obtained for the sale of investments in associates and other investees	28	4
Sale – purchase of securities	(60)	0
Change in other net financial receivables	4,606	0
Subtotal	**(13,631)**	**(102,588)**
Concessions		
Change in receivable rights from concessions	10,077	(10,774)
Investment in intangible assets related to concession infrastructure rights	0	(51,327)
Net investment in property, plant and equipment	0	(7,245)
Change in investee financing activities	(22,371)	(28,384)
of which with related parties	*(22,371)*	*(28,384)*
Payment for acquisitions of equity in associates and other investees	(93,422)	(63,737)
Change in other net financial receivables	(20,668)	0
Increase in receivables for finance lease receivables related to investments	(18,604)	0
Subtotal	**(144,989)**	**(161,467)**
B) Cash flows used in investing activities	**(158,619)**	**(264,055)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends distributed to Astaldi shareholders	(16,639)	(16,630)
Dividends distributed to other shareholders	(167)	(761)
Sale (Acquisitions) of treasury shares	160	(14)
Bond issues	730,000	0
Commissions on issue and placement of bonds	(19,110)	0
Reimbursements and other changes net of financial payables	(539,340)	159,707
Change in other financial liabilities	(580)	(2,000)
of which with related parties	*(104)*	*104*
Reimbursement of finance leases	(12,654)	(8,730)
Changes in consolidation scope and other changes	(18,852)	33,330
C) Cash flows from financing activities	**122,818**	**164,902**
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	**(25,836)**	**(55,995)**
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	**400,215**	**456,210**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**374,379**	**400,215**

Notes to the Consolidated Financial Statements

General information

Astaldi Group has been active 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 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 public company with registered offices in Rome, Via Giulio Vincenzo Bona 65, listed on the STAR division of the Milan Stock Exchange since June 2002.
The duration of the Parent is currently set up to 31 December 2100.
On the date of the drawing up of the consolidated financial statements, Astaldi S.p.A. was not subject to the management and coordination of any of its shareholders since the Parent's Board of Directors makes, in full and complete independence and autonomy, any and the most appropriate decisions with regard to managing the Parent's activity. These consolidated financial statements were approved by the Board of Directors of the Parent at the meeting of 28 March 2014.

Form, contents and segment reporting

The consolidated financial statements of Astaldi S.p.A. Group at 31 December 2013 have been 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.
Reference has likewise been made to CONSOB regulations implementing Para. 3, Art. 9 of Legislative Decree 38/2005.
The consolidated financial statements for 2013 consist of the following statements:

1. Consolidated income statement;
2. Consolidated statement of comprehensive income;
3. Consolidated statement of financial position;
4. Consolidated statement of cash flows;
5. Consolidated statement of changes in Equity;
6. Notes to the consolidated financial statements.

It should be pointed out that the Group decided to present the statement of comprehensive income in two separate statements, as allowed by IAS 1.81. Therefore, the income statement consists of a statement showing the profit (loss) items for the year (consolidated income statement) and a second statement which starts from the profit (loss) for the year and algebraically adds "other comprehensive income" (consolidated statement of comprehensive income).
It is likewise pointed out 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 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.
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. It should likewise be observed that investing activities are distinguished between those regarding construction and those regarding concessions.
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 elements the top management uses for taking its strategic and operational decisions are considered. The operating segments subject to disclosure referred especially to the various geographical areas 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 37 for a presentation of segment reporting.
With regard to the statement of cash flows, it should be pointed out that cash flows for 2012, in order to ensure accurate comparability with those in the year concerned, were restated in a more analytical manner without modifying the partial results of the various areas of the statement regarding operating, investing and financing activity.

Basis of preparation

The consolidated financial statements were drafted with the prospect of the group's ability to continue as a going concern, applying the historical cost principle, except for the items in the financial statements which, according to IFRS, 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 individual amounts composing them, due to round-offs.

Accounting standards

The most significant accounting standards adopted for drafting the consolidated financial statements at 31 December 2013 are shown below.

Consolidation scope and principles of consolidation

The Group's consolidated financial statements include the financial statements of the Parent Astaldi S.p.A. and of the Italian and foreign companies under direct or indirect control of Astaldi, including joint control, and have been prepared for consolidation purposes according to Astaldi Group's IFRS accounting standards. At the end of this note there is a list of the companies included in the consolidation scope with the corresponding direct or indirect stakes of the Group together with other significant information. There follows a list of companies in the consolidation scope at 31 December 2013, reporting some changes compared to 2012.

Construction Italy

Company name	Method	Geographical area	%
Astaldi Aedifica S.r.l. in liquidation	Full	Italy	100.00%
Garbi Line 5 S.c.a.r.l.	Full	Italy	100.00%
Italstrade IS S.r.l.	Full	Italy	100.00%
Messina Stadio S.c.r.l. in liquid.	Full	Italy	100.00%
Ospedale del Mare S.c.r.l. in liquid.	Full	Italy	100.00%
P.F.P. S.c.p.A.	Full	Italy	99.99%
AR.GI S.c.p.A.	Full	Italy	99.99%
CO.MERI S.p.A.	Full	Italy	99.99%
Portovesme S.c.r.l. in liquid.	Full	Italy	99.98%
Toledo S.c.r.l.	Full	Italy	90.39%
Susa Dora Four S.c.r.l. in liquid.	Full	Italy	90.00%
S. Filippo S.c.r.l. in liquid.	Full	Italy	80.00%
Forum S.c.r.l. in liquid.	Full	Italy	79.99%
Bussentina S.c.r.l. in liquid.	Full	Italy	78.80%
AS. M. S.c.r.l.	Full	Italy	75.91%
Mormanno S.c.r.l. in liquid.	Full	Italy	74.99%
S.P.T. S.C.r.l.	Full	Italy	74.00%
CO.ME.NA. S.c.r.l. in liquid.	Full	Italy	70.43%
Scuola Carabinieri S.c.r.l.	Full	Italy	61.40%
Quattro Venti S.c.r.l. in liquid.	Full	Italy	60.00%
Sirjo Scpa	Full	Italy	60.00%
C.O.MES. in liquid. S.c.r.l.	Full	Italy	55.00%
Infraflegrea Project S.p.A.	Full	Italy	51.00%
M.O.MES S.c.r.l.	Proportionate	Italy	55.00%
CO.SAT S.c.r.l.	Proportionate	Italy	50.00%
Metro Blu S.c.r.l.	Proportionate	Italy	50.00%
Avrasya Metro Grubu S.r.l.	Proportionate	Italy	42.00%
Total Construction Italy			**27**

Construction International

Company name	Method	Geographical area	%
Astaldi Bulgaria Ltd.	Full	Europe	100.00%
Astaldi International Ltd.	Full	Europe	100.00%
Astur Construction and Trade A.S.	Full	Europe	99.98%
ASTALROM S.A.	Full	Europe	99.63%
Romairport S.p.A.	Full	Europe	99.26%
Astaldi-Max Bogl-CCCF JV S.r.l.	Full	Europe	66.00%
Italstrade CCCF JV Romis S.r.l.	Full	Europe	51.00%
Romstrade S.r.l.	Full	Europe	51.00%
Asocierii Astaldi SpA, Sc Somet sa, sc Tiab sa, sc Uti grup sa (Line 4 Bucharest)	Full	Europe	40.00%
Ic Içtas-Astaldi Insaat A.S.	Proportionate	Europe	50.00%
Ica Astaldi-Ic Ictas WHSD Insaat AS	Proportionate	Europe	50.00%
Astaldi Canada Inc.	Full	America	100.00%
Astaldi Construction Corporation	Full	America	100.00%
T.E.Q. Construction Enterprise Inc.	Full	America	100.00%

Construction International

Company name	Method	Geographical area	%
Constructora Astaldi Cachapoal Limitada	Full	America	99.90%
Astaldi de Venezuela C.A.	Full	America	99.80%
Consorcio Rio Pallca	Full	America	60.00%
Concorcio Obrainsa-Astaldi	Proportionate	America	51.00%
Consorcio Rio Mantaro	Proportionate	America	50.00%
Consorcio Rio Urubamba	Proportionate	America	40.00%
Astaldi Algerie-E.u.r.l.	Full	Africa	100.00%
Astaldi International Inc.	Full	Africa	100.00%
Astaldi-Astaldi International J.V.	Full	Africa	100.00%
Groupement de Raccordement de the Station d'El Hamma (G.R.S.H.)	Full	Africa	100.00%
Redo-Association Momentanée	Full	Africa	100.00%
Seac S.p.a.r.l. in liquid.	Full	Africa	100.00%
Astaldi Arabia Ltd.	Full	Asia	100.00%
Total Construction International			**27**

Concessions

Company name	Method	Geographical area	%
Astaldi Concessioni S.p.A.	Full	Italy	100.00%
Ast B Parking S.r.l.	Full	Italy	100.00%
Ast VT Parking S.r.l.	Full	Italy	100.00%
A.I.2 S.r.l.	Full	Italy	75.43%
Mondial Milas - Bodrum	Full	Europe	100.00%
Ankara etlik Hastante A.S.	Proportionate	Europe	51.00%
Cachapoal Inversiones Limitada	Full	America	100.00%
Inversiones Assimco Limitada	Full	America	100.00%
Valle Aconcagua S.A.	Full	America	55.00%
Total Concessions			**9**

Maintenance and plant

Company name	Method	Geographical area	%
NBI S.r.l.	Full	Italy	100.00%
3E System S.r.l	Full	Italy	100.00%
Sartori Tecnologie Industriali S.r.l.	Full	Italy	100.00%
Consorzio Stabile Busi	Full	Italy	95.00%
Tione 2008 S.c.r.l.	Full	Italy	76.00%
Bielle Plant S.c.r.l.	Full	Italy	75.00%
CO.VA S.c.r.l.	Full	Italy	60.00%
CONA Plant S.c.rl.	Proportionate	Italy	50.00%
nBI Elektrik Elektromekanik Ve	Full	Europe	100.00%
Total Maintenance and plant			**9**

Main changes in the consolidation scope

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

Consolidation scope at 31/12/2012 **No. of consolidated companies**		**71**
New companies in 2013		
Company name	**Event**	**method 31/12/2013**
Astaldi Aedifica S.r.l. in liquidation	Set up	Full
Ast VT Parking S.r.l.	Set up	Full
Ast B Parking S.r.l.	Set up	Full
Concorcio Obrainsa – Astaldi	Set up	Proportionate
Asocierii Astaldi SpA, Sc Somet sa, sc Tiab sa, sc Uti grup sa (Line 4 Bucharest)	Change in Governance	Full
Excluded from the consolidation scope in 2013		
Company name	**Event**	**method 31/12/2012**
Astaldi-Ozcar JV	Reduction of holding with consequent change in Governance	Proportionate
Metro Brescia S.r.l.	Reduction of holding with consequent change in Governance	Proportionate
Veneta Sanitaria Finanza di Progetto S.p.A.-V.S.F.P. S.p.A.	Change in Governance	Proportionate
Euroast S.r.l. in liquid.	Liquidation	Full
Consolidation scope at 31/12/2013 **No. of consolidated companies**		**72**

With reference to the main changes in the consolidation scope it is pointed out that:

- On 1 October 2013, the partners of the Investee Association "ASTALDI S.P.A., S.C. SOMET S.A., S.C. TIAB S.A., S.C. UTI GRUP S.A.", signed an internal agreement amending the governance rules of the Association with regard to the functioning of the Executive Committee.
  Therefore, starting from this date when the aforesaid agreement came into force, the Association must be defined as a "subsidiary" of Astaldi S.p.A.
  For the purposes of verification in compliance with the provisions of IFRS 3, for the fair value of assets acquired and liabilities undertaken with the business combination, it should be pointed out that the relative carrying amounts expressed in the financial statements of the investee should be considered as corresponding to the relative fair value, therefore without reference to any goodwill (positive or negative).
  This is because the investee, recently set up, has a corporate purpose limited to undertaking works for the construction of tunnels, stations, depot, multimedia terminal and relative installations for the execution of the project "Line 4. Branch 2. Bazilescu-Straulesti Park" in Bucharest (Romania).
  It is pointed out in this regard that the amount of revenue of the company concerned, starting from the date of "Business combination" and up to the end of the year totalled EUR16,201 thousand; it is also pointed out that the result of the initiative referred to the same portion of the year substantially recorded a break-even.
  It is likewise pointed out that pursuant to the provisions of IFRS 3, the amount of revenue of the company concerned, which would have been calculated if the date of "Business combination" had been from the start of the year of these

consolidated financial statements, would amount to EUR 24,726 thousand, while the result of the initiative would in any case have substantially recorded a break-even.

Finally, with reference to the determination of equity attributable to non-controlling interests, it is pointed out that this was calculated with the same criteria used for calculation of the fair value of the net assets pertaining to the Group.

- On 10 January 2013, the quotaholders of Metro Brescia S.r.l. approved an increase in quota capital which, as by previous agreements between the quotaholders and after waiver of their option entitlement, was fully subscribed by the third party Brescia Mobilità S.p.A.

  In the same act, all the connected and consequent amendments were made to the bylaws, also regarding the corporate governance system.

  In particular, following the amendments to the bylaws, the Group no longer exercises joint control over the activities of the Company, though still being able to exercise considerable influence over the economic and financial policies of the investee.

  Under this act, and starting from January 2013, the Company was thus classified among the associates, pursuant to the provisions of IAS 28. Consequently, these consolidated financial statements use the equity method for accounting and presenting, in the consolidated financial statements, the interests of the Group in the associate.

  In compliance with the provisions of IAS 31 Para. 45, the fair value of the holding in Metro Brescia S.r.l. was calculated on the date of loss of joint control. The measurement at fair value of the assets and liabilities in the remaining holdings in the investee after the loss of joint control, did not involve effects since the relative carrying amounts in the financial statements of the Company should be considered as corresponding to the relative fair values, so that no difference emerges. This is due to the fact that the company: (i) was recently set up and (ii) has a corporate purpose limited to the management of transport services regarding the light Metro line in the city of Brescia.

- With reference to Joint Venture Astaldi-Ozcar JV Oman, it is pointed out that, on 29 May 2013, the partners signed the act amending the Joint Venture Agreement, after which Astaldi S.p.A. reduced its holding from 51.00% to 0.01% since it was not wholly strategic for the Group development plans.

  In particular, due to the effect of signing the afore-mentioned agreement, and following the connected and consequent amendments to the governance rules, the Joint Venture is no longer placed among the entities subject to "joint control", but must be classified in the category of financial instruments available for sale as defined in IAS 39.

  For the purposes of verifying the fair value of the remaining interest in the holdings after the loss of control, in compliance with the provisions of IAS 31 Para. 45A, it should be pointed out that the relative carrying amounts shown in the financial statements of the joint venture should be considered as corresponding to the relative fair values, and therefore without any difference being recorded.

  This is due to the fact that the *joint venture*: (i) was recently set up; (ii) has a corporate purpose limited to the performance of work for doubling the BidBid-Sur motorway stretch in the Sultanate of Oman and (iii) in connection with this has recently acquired the machinery necessary for undertaking these works.

- It is likewise pointed out that following the agreements made, the governance rules of the company Veneta Sanitaria Finanza di Progetto (V.S.F.P.) S.p.A. have been revised. The Company holds the concession for the design, construction and management of the Angelo Hospital in Mestre. The management period is currently underway and will end in 2032. In particular, with the signature of the new corporate agreements, the Group no longer exercised joint control over the activities of V.S.F.P. though still being able to exercise considerable influence over the economic and financial policies of the investee.

  Starting from June 2013, V.S.F.P. was thus classified among the associates; consequently, pursuant to the provisions of IAS 28, the equity method was used for the accounting and presentation in the consolidated financial statements at 31 December 2013 of the Group interest in V.S.F.P.

  In compliance with the provisions of IAS 31 Para. 45, the fair value of the holding in V.S.F.P. was determined on the date of loss of joint control.

The measurement at fair value of the assets and liabilities of V.S.F.P., determined at the date of the amendment of the contract agreements and on the basis of a report estimating fair value drawn up by an independent consultant, produced an overall impact on the consolidated income statement and on Equity attributable to the parent totalling EUR 11,729 thousand. This amount was recorded among Other financial income.
In particular, the fair value of the assets and liabilities of V.S.F.P. was determined by the dividend discount model (DDM), discounting the future dividend flows expected by company management at a rate of 8.06%, representing the Ke (cost of equity) of V.S.F.P. For the purposes of the application of this method, the V.S.F.P. financial plan drawn up by the Company bodies was used, projected over the duration of the concession.
Furthermore, as stated in Para. 45B of IAS 31, the amounts recognised by V.S.F.P. in the statement of comprehensive income (totalling EUR 3,853 thousand), referring solely to the hedging reserve, were reclassified, in the same way as would have been done had V.S.F.P. directly removed the corresponding liabilities from the specific equity reserve in the income statement.

Other company operations during 2013

Following the 2012 agreements, the details of which are shown in the consolidated financial statements for that year, in 2013 the Group, through the SPV AI2 S.r.l. subscribed the capital increase approved by the Board of Directors of A4 Holding S.p.A. (A4H), and the relative unopted amount, increasing its holding from 14.96% to 15.45%, thus confirming its position as the second reference shareholder of A4H, a company leading a complex of legally autonomous enterprises controlled by it or in which it has invested.
In August 2013, the Group also decided to amend and integrate the 2012 agreements by signing a specific addendum, in order to undertake completion of the operation in the meantime. Due to the effect of this, and after the process of industrial, operational and corporate reorganisation of A4H, concluded in 2013, since August 2013 the Group has been able to exercise considerable influence on A4H, enabling it to participate in the financial and management policies of the investee, given the occurrence of circumstances stated in IAS 28, paragraph 7.
In light of the above and pursuant to IAS 28, and for the purposes of drafting the consolidated financial statements at 31 December 2013, the Group has used the equity method for the valuation, accounting and subsequent presentation of its interests in A4H. On the basis of the provisions of paragraph 23 of the aforesaid standard, this has enabled us to estimate, at the beginning of the year, the considerable influence of the investee at the current value (fair value) of the assets and liabilities acquired.
The fair value was determined on the basis of a specific report made by an independent consultant.
In particular the fair value of the assets and liabilities of the A4 Group was determined by the use of assets, revenue, and financial data of the holding and the individual companies that are its subsidiaries or investees.
In this way, the value of the equity value of the investees was estimated separately going upwards in the organisational chart, so that the carrying amounts of the shareholdings owned by each group company can be replaced with the respective economic value considered on a pro-quota basis.
With regard to the valuation techniques used for the equity value of the single investees, it is pointed out that the major asset of A4 Group, represented by the Brescia-Padova motorway (80% of the total valuation), was estimated by discounting the forecast cash flows in the business plan entered into with the granting company ANAS S.p.A., containing estimates on traffic, investments, costs and revenue for the duration of the concession. The estimated cash flows were discounted at the rate of 7.53%, representing the WACC of the concessionaire.
The other minor assets were valued at fair value or value in use.
Following this, the investment held by the subsidiary AI2 S.r.l., with an original value of EUR 159,606 thousand, was recalculated at EUR 178,126 thousand, corresponding to the fair value of the assets and liabilities of A4H, as derived from the relative estimation report.

A4 Holding Group

A4 Holding S.p.A. (A4H) is a *holding* for investees operating in the segment of infrastructures, real estate, technological networks and road works. A4H controls 100% of the capital of Autostrada Brescia Verona Vicenza Padova, and operates mainly in motorway management and related services through corporate equity, mainly controlling holdings.
In particular, the segment of motorway concessions and promotion of new road infrastructures is managed through:

- Autostrada Brescia Verona Vicenza Padova S.p.A. – stake totalling 100%
- Società delle Tangenziali Lombardo Venete S.r.l. – stake totalling 100%
- Società delle Tangenziali Venete S.r.l. – stake totalling 100%
- G.R.A. di Padova S.p.A. – stake totalling 40%
- Pedemontana Veneta S.p.A. – stake totalling 31.92%
- The services and real estate segment and connected activities includes:
- Serenissima Partecipazioni S.p.A. – stake totalling 99.99%
- Serenissima Trading S.p.A. – stake totalling 100%
- Serenissima Società di Servizi Immobiliari S.r.l. – stake totalling 75%
- Globalcar Service S.p.A. – stake totalling 66%
- Mazzi Impresa Generale Costruzioni S.p.A. – stake totalling 30%
- Serenissima SGR S.p.A. – stake totalling 27%
- Centri Interscambio Merci and Servizi C.I.S. S.p.A. – stake totalling 25.23%
- Servizi Utilities Stradale S.c.p.a. – stake totalling 25%

The following companies are in the field of technology connected with mobility and the management of activities with high information, technological and telecommunications contents:

- Serenissima Mobilità S.r.l. – stake totalling 100%
- Infracom Italy S.p.A. – stake totalling 79.16%

Finally, with regard to the design, construction and maintenance of road infrastructures in Italy and abroad we can cite Serenissima Costruzioni S.p.A. – stake totalling 100%.

Translation of items and financial statements in foreign currency

The consolidated financial statements of Astaldi Group are drawn up in Euro, which is the operating and presentation currency of the Parent.

Translation of operations in foreign currency into the operating currency

The balances included in the financial statements of each Group company are recorded in the currency of the primary economic ambient 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, work in progress, advances to suppliers of goods and/or services, goodwill, 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 differences are classified in the income statement, 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, except in the event of an ongoing unfavourable trend in the reference exchange rate. The exchange rate differences relating to non-monetary items are recognised (income statement or equity) in the same way as changes in the amount of these items.

Translation of operations in foreign currency into the operating currency

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

- The assets and liabilities recognised in financial statements are translated at the exchange rate on the reporting date;
- Costs and revenue, income and charges recognised 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 differences 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:

	2013		2012	
CURRENCY	***End of December 2013***	***Average twelve months 2013***	***End of December 2012***	***Average twelve months 2012***
Dinar – Algeria	107.7868	105.5803	103.3836	99.8153
New Lev – Bulgaria	1.9558	1.9558	1.9558	1.9558
Dollar – Canada	1.4671	1.3685	1.3137	1.2848
Peso – Chile	724.7688	658.2664	631.7287	625.073
Kroner – Denmark	7.4593	7.4579	7.461	7.4438
Dirham – Arab Emirates	5.0654	4.8782	4.8462	4.722
Dirham – Morocco	11.2538	11.1684	11.1424	11.0989
Nuevo Sol – Peru	3.8587	3.5904	3.3678	3.3919
Pound Sterling – UK	0.8337	0.8493	0.8161	0.8111
New Leu – Romania	4.471	4.4193	4.4445	4.4581
Rouble – Russia	45.3246	42.3248	40.3295	39.9238
Dollar – USA	1.3791	1.3281	1.3194	1.2856
Lira – Turkey	2.9605	2.5329	2.3551	2.3145
Bolivar – Venezuela	8.6774	8.0012	5.6664	5.5212

It should be pointed out that the exchange rate expresses the amount of foreign currency required to purchase 1 Euro.
In case of economies showing hyper-inflation under the definition set forth in IAS 29, the measurement provided for in this standard shall apply.

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.
The carrying amount of an asset is adjusted by systematic depreciation, 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 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 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 equipment

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:

c) *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;*
d) *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;*
e) *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 during the period 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 main types of lease:

Finance lease:

Property, plant and equipment held under ***finance leases***, 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 current amount or, if lower, at the current amount of the minimum lease payments, 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 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 ownership of the assets are classified as ***operating leases***. 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 acculuated amortisation (with the exception of assets with an indefinte useful life, where the carrying amount is subjected to the impairment tests pursuant to IAS 36) and any impairment losses. Amortisation is calculated from when the asset becomes available for use, and is systematically spread according to the remaining possibility of use, i.e. on the basis of its useful life. In the year in which the intangible asset is recorded for the first time, a rate taking its actual use into account is applied.

Industrial patent and intellectual property 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 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; the amortisation rates are thus calculated taking into account, among other things, the dynamics, if significant, of the fees receivable on the basis of estimated traffic duration the concession period *(revenue-based method)*. 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 combination operations, 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 a business unit and the quota of interest acquired with regard to the current amount of these assets and liabilities composing 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 current amount (fair value) on the date of acquisition. The eventual negative difference, on the other hand, is recognised in profit or loss at the time of purchase. Goodwill, after initial recognition, is not subject to amortisation, but tested for impairment.

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

Business combinations

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

The business combinations previous to 1 January 2010 and completed within that financial year are recognised in accordance with the provisions of IFRS 3 (2004). In particular, 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. This cost is allocated by recognising the assets, liabilities and contingent liabilities identifiable for the acquisition relative to fair value. Any surplus of acquisition costs compared to fair value of the share in net assets attributable to 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 potential 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 stake held in net assets. In business combinations undertaken in several phases, at the time of acquisition of the controlling stake, the adjustments at fair values for the net assets previously owned by the purchaser are shown under equity. Any adjustments deriving 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). In particular, 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 assets and liabilities identifiable in the acquisition, measured at fair value, is recognised as goodwill; or, if the balance is negative, in profit or loss. The amount of non-controlling interests is determined proportionally to the non-controlling stake 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 valuation 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 stake, and any differences (positive of negative) are shown in the income statement.

Completion of accounting activities related to the acquisition of the Busi Impianti business unit

As described in the notes to the consolidated financial statements at 31 December 2012, to which reference is made for greater details, the Group definitively purchased the Busi impianti business unit involved in the plant and maintenance segments in the second half of the previous year.
On the date of purchase, the current amount of the assets and liabilities acquired had only been determined on a provisional basis, on the basis of a report drawn up by an independent consultant, involving a decrease totalling EUR3,173 thousand in the carrying amount of the assets acquired.
The Group, in accordance with IFRS 3, had in any case availed itself of the twelve month period for completion of the Purchase Price Allocation (PPA).
Consequently, the activities for identification and measurement of the fair value of the assets and liabilities were completed in 2013 for the Busi Impianti business unit, and no difference emerged with respect to the amount shown in the consolidated financial statements at 31/12/2012.
The following table shows a summary, taken from the consolidated financial statements at 31/12/2012, of the Purchase Price Allocations (PPA) determined in 2012:

(thousands of euros)	
Fair value of net assets acquired	**1,762**
Non-controlling interests	66
Cost of business combination	13,330
Goodwill	**(11,634)**
Liquid assets, net of amounts acquired, utilised (received) for the purchase	5,635

Completion of accounting activities related to the acquisition of T.E.Q. Construction Enterprise Inc.

The activities for identification and measurement of the fair value of the assets and liabilities of the Company T.E.Q. Construction Enterprise Inc., registered under Canadian law, were completed in 2013; the Group, as illustrated in the Business Combinations section of the consolidated financial statements for 2012, to which reference is made for greater details, acquired control in the third quarter of 2012.
Since completion of the measurement activities, no differences have emerged with respect to the amounts stated in the consolidated financial statements at 31/12/2012.
The following table shows a summary from the consolidated financial statements at 31/12/2012, of the Purchase Price Allocations (PPA) determined in 2012 (the amounts are translated at the Euro/Canadian Dollar exchange rate of 1.3005 recorded on 31/10/2012, date of acquisition of the Canadian company):

(thousands of euros)

Fair value of net assets acquired	**0**
Cost of Business Combination	3,111
Goodwill	**(3,111)**
Liquid assets, net of amounts acquired, utilised (received) for the purchase	339

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 losses on property, plant and equipment and intangible assets

Assets with an indefinite useful life are not subject to amortisation or depreciation, but are subjected to an impairment test, at least once a year. Such test checks the recoverability of the amount recognised in the financial statements.
For assets subject to amortisation and depreciation, the presence of any indicators leading to the possibility of impairment is assessed; consequently the recoverable amount of the asset is estimated. Such amount is defined as the greater between the fair value net of costs to sell and the asset's value in use, with any surplus recognised in profit or loss.
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.
When the recoverable amount of an individual asset cannot be estimated, the Group estimates the recoverable amount of the cash generating unit to which it belongs.
It is pointed out that in 2013 the impairment tests performed, in accordance with Group procedures and the provisions contained in IAS 36, did not show any need to apply impairment to property, plant and equipment and investments.
With regard to intangible assets, it is pointed out that the Group, after conducting the tests, applied an impairment loss to the intangible concession rights referring to management of the Milas Bodrum Airport in Turkey. For further details see note 17 below.

Service concession arrangements

Service concession arrangements, in which the authority granting the concession is an entity of the public sector and the concessionaire is an entity of the private sector, falls under the application of IFRIC 12 if the following conditions occur:
- the authority granting the concession controls or regulates the services that the concessionaire 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.

In accordance with IFRIC 12, the right to use the infrastructure (asset under concession) to supply the service is recorded under property, plant and equipment but as:
- a financial asset, when there is an unconditioned right of the concessionaire to receive a payment regardless of the actual use of the infrastructure;
- an intangible asset, when there is a right to charge the users for the use of the public service;
- both an intangible asset and a financial asset (so-called "mixed method") when the concessionaire 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.

For measurement of the current amount of minimum guaranteed amounts, it is pointed out that the discount rates applied by the Group for concession arrangements incorporate both the time value component and the counterpart risk. The current amount measured in this way (fair value of minimum guaranteed amount) is then compared with the fair value of the construction service and, when higher, is entirely recorded at the current amount under financial assets and subsequently measured at amortised cost; when lower, the difference is recorded under intangible assets. The intangible asset is then amortised over the duration of the concession in accordance with the provisions of IAS 38. Herebelow is a summary of the concessions of the Astaldi Group where IFRIC 12 is applied.

PROJECT: Design, construction and management of three multi-storey Car Parks
Investee holding the concession: Ast VT Parking S.r.l.
Consolidation Method: Full
Segment: Car Parks
Country: Italy
Description of Project: Concession contract (formula BOT *Build-Operate-Transfer*), for the design, construction and management of three multi-storey Car Parks: Corso Stati Uniti and Porta Palazzo in Turin, Piazza Cittadella in Verona.
Currently, the initiatives are under management, starting in December 2001 for the Corso Stati Uniti Car Park; in January 1999 for Porta Palazzo; and more recently, in June 2010 for Piazza Cittadella.
The total number of parking spaces managed is 2,153.
Authority granting concession: Municipalities of Turin and Verona
Concession expiry date: Corso Stati Uniti: February 2079; Porta Palazzo: August 2076, and Piazza Cittadella: June 2048

PROJECT: Design, construction and management of two multi-storey Car Parks
Investee holding the concession: Ast B Parking S.r.l.
Consolidation Method: Full
Segment: Car Parks
Country: Italy
Description of Project: Concession contract (formula BOT *Build-Operate-Transfer*), for the design, construction and management of two multi-storey Car Parks: Piazza VIII Agosto and Riva Reno in Bologna.
Currently, the initiatives, started in March 2001, are being managed, for the Piazza VIII Agosto Car Park and more recently, in June 2009, for the Riva Reno Car Park.
The total number of parking spaces managed is 1,522.

Authority granting concession: Municipality of Bologna
Concession expiry date: Riva Reno: December 2040 and Piazza VIII Agosto: July 2058

PROJECT: Milas-Bodrum International Airport
Investee holding the concession: Mondial Milas–Bodrum A.S. (Astaldi Group 100%)
Consolidation Method: Full
Segment: Airports
Country: Turkey
Description of Project: Concession contract (formula BOT *Build-Operate-Transfer*), for the design, construction and management of the international terminal of the Milas-Bodrum Airport in south-western Turkey.
Authority granting concession: Turkish Ministry of Transport, Maritime Affairs and Communication
Concession expiry date: October 2015

PROJECT: Etlik Hospital Campus
Investee holding the concession: Ankara Etlik Hastane Saglik Hizmetleri Isletme Yatirim A.S. (Astaldi Group 51%)
Consolidation Method: Proportionate
Segment: Healthcare
Country: Italy
Description of Project: Concession contract (formula BOT *Build-Operate-Transfer*), for the design, construction and management of non-healthcare and commercial services in the new Etlik Hospital Campus. The complex will include six different hospitals, where there will be a total of over 3,566 beds.
Authority granting concession: Turkish Ministry of Health
Concession expiry date: 2042

PROJECT: New Venice-Mestre Hospital
Investee holding the concession: Veneta Sanitaria Finanza di Progetto S.p.A. (Astaldi Group 37%)
Consolidation Method: Equity accounted
Segment: Healthcare
Country: Italy
Description of Project: Concession contract for the design, construction and management of non-core services of the New Venice-Mestre Hospital (680 beds and 1,092 parking spaces).
Authority granting concession: ULSS 12 Venice
Concession expiry date: November 2032

PROJECT: Tuscany Hospitals
Investee holding the concession: S.A.T. S.p.A. (Astaldi Group 35%)
Consolidation Method: Equity accounted
Segment: Healthcare
Country: Italy
Description of Project: Concession contract (formula BOT *Build-Operate-Transfer*), for the design, construction and management of non-core services of 4 new Hospitals of Apuane, Lucca, Pistoia and Prato in Tuscany (2,019 beds and 4,500 parking spaces).
Authority granting concession: SIOR, expression of the four local health agencies involved
Concession expiry date: July 2033

PROJECT: Milan Underground, Line 5
Investee holding the concession: Phase 1: Metro 5 S.p.A. (Astaldi Group 38.7%); Phase 2: Metro 5 Lilla S.r.l. (100% subsidiary of Metro 5 S.p.A.)
Consolidation Method: Equity accounted

Segment: Undergrounds
Country: Italy
Description of Project: (i) Phase 1 - Concession contract, (formula BOT *Build-Operate-Transfer*) for the construction and management of Line 5 of the Milan underground, awarded on a PPP basis, for a total of 13.2 kilometres of underground line, 19 stations and a passenger transport capacity of 26,000 in either direction; (ii) Phase 2 – Concession contract, (formula BOT *Build-Operate-Transfer*) for the design, construction of civil and plant works, and management of the Milan underground line along the Garibaldi – San Siro section that will have a 7 km route with 10 stations.
Authority granting concession: Municipality of Milan
Concession expiry date: Phase 1: March 2038. Phase 2: December 2040

PROJECT: Milan Underground, Line 4
Investee holding the concession: SP M 4 S.c.p.A. (Astaldi Group 28.9%)
Consolidation Method: Equity accounted
Segment: Undergrounds
Country: Italy
Description of Project: Concession contract, (formula BOT *Build-Operate-Transfer*), for the design , construction of civil and plant works and management of the new Line 4 of the Milan underground, along the San Cristoforo-Linate section. The new line will have a 15.2 km route, with 21 stations.
Authority granting concession: Municipality of Milan
Concession expiry date: 2040

PROJECT: Gebze-Orhangazi-Izmir Motorway
Investee holding the concession: Otoyol Yatirim ve Isletme A.S. (Astaldi Group 18.86%)
Consolidation Method: Equity accounted
Segment: Roads and Motorways
Country: Turkey
Description of Project: Concession contract (formula BOT *Build-Operate-Transfer*) for the design, construction and management of the motorway between Gebze and Izmir (Turkey). The work is the most important project in the motorways segment ever produced in the country, and involves the construction of 431 km of new motorway and a suspension bridge approximately 3 km long over the Sea of Marmara.
Authority granting concession: Turkish General Directorate for Motorways
Concession expiry date: 2034

PROJECT: Third Bosphorus Bridge and Northern Marmara Highway
Investee holding the concession: ICA Ic ICTAS-Astaldi Ücüncü Bogaz Köprüsü ve Kuzey Marmara Otoyolu Yatirim ve Isletme AS (Astaldi Group 33.3%)
Consolidation Method: Equity accounting
Segment: Roads and Motorways
Country: Turkey
Description of Project: Concession contract (formula BOT *Build-Operate-Transfer*), for the design, construction and management of the Third Bosphorus Bridge and the Odayeri-Pasakoy stretch of the North Marmara Highway. The work will provide motorway and rail connection between the Asiatic and European shores of the city of Istanbul, and connection of the North Marmara Highway with the Trans-European motorway network.
Authority granting concession: Turkish General Directorate for Motorways
Concession expiry date: February 2024

PROJECT: Brescia Verona Vicenza Padova Motorway
Investee holding the concession: Autostrada Brescia Verona Vicenza Padova S.p.A. (Astaldi S.p.A through A4 Holding 11.65%)

Consolidation Method: Equity accounted
Segment: Roads and Motorways
Country: Italy
Description of Project: Concession contract for the design of the A4 motorway stretch between Brescia and Padova and the A31 of the Valdastico route.
Authority granting concession: Anas S.p.A.
Concession expiry date: 2026

PROJECT: Motorway link to Ancona Port
Investee holding the concession: Passante Dorico S.p.a. (Astaldi S.p.a. 24%)
Consolidation Method: Equity accounted
Segment: Roads and Motorways
Country: Italy
Description of Project: The concession involves the design, construction and management of the motorway connection from the A14 to Ancona Port with the SS16 road link. The toll motorway will be 10.7 km long and equipped with a toll system consisting of 20 barriers. The project is part of an agreement between the Ministry of Infrastructures and Transport and the Marche Region, and was prepared by Anas S.p.A.
Authority granting concession: ANAS
Concession expiry date: The duration of the concession is 36 years. The end of the concession is estimated in the year 2048. The start of works is planned for 2016, and the design phase currently is underway.

Investments

Investments in companies other than subsidiaries, associates and joint ventures, for which the consolidation scope should be referred to (generally with a share of less than 20%) are classified, at the time of purchase, under “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 the event of real proof that these instruments have undergone a significant and prolonged impairment, the profits and losses recognised in this reserve are reclassified in the income statement.
If at updating of the corresponding fair value the impairment loss has been wholly or partially reversed, the relative 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 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 ia recognised in accordance with the percentage of completion method, calculated by applying the 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 includes:

agreed contract amounts, 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;
- 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/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, routine maintenance, assistance and supervision during the first phase of operation of individual works).

It is likewise pointed out that contract costs include financial charges, as allowed by the amendment to IAS 11 in connection with IAS 23, referring to 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 charges of which affect the calculation of contract fees.
Should it be forecasted 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 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 impariment 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 ad-

vances 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 should said allowance exceed the contract amount recognised among assets, said excess is recorded under "*Payables to customers*".
The aforementioned analyses are conducted on a contract-by-contract basis: should the differential be positive (due to work in progress being greater than the amount of advances), said amount is classified among assets under "*Receivables from customers*"; on the other hand, should this differential be negative, the amount is classified among liabilities, under "*Payables 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 includes 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 at fair value through profit or loss, 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 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 within non-current assets.

Held to maturity investments

This category includes 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 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 losses calculated through the impairment test are recognised in profit or loss.

Financial assets available for sale

This category includes 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 f*air 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 a loan 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 current amount 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.

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 loss decreases, 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 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 Astaldi Group undertakings, except when they are classed as assets held for trading and measured at fair value through profit or loss.

In particular, the Group uses derivatives within the context of hedging strategies aimed at neutralising the risk of fluctuations of expected cash flows with regard to contractually defined or highly probable transactions (*cash flow hedging*). In particular, 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 economic 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 qualifies 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 stipulation date; subsequently, such amount 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 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 the Group does not sign derivative contracts for speculative purposes. However, not all derivative transactions carried out for risk hedging purposes are recognised according to 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 values 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 expenses) to a current amount.

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 valued at fair value in the consolidated financial statements are measured and classified according to the fair value hierarchy set forth in IFRS 13:

- **Level 1**: refers to quoted prices (not adjusted) in active markets for 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.

Classification of the complete fair value of an asset or of liability is made on the basis of the level of hierarchy corresponding to the one referring to 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 has 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 valued 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 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 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 value.

Assets/liabilities related to disposal groups

The assets and liabilities related to 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 into two disposal groups, they are recognised on the basis of the specific IFRS rule applicable for each asset and liability, and subsequently recognised at the carrying amount or presumed fair value, whichever is lower, net of the relative costs to sell. Any losses are recognised immediately in profit or loss.

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

Equity

Share capital

The share capital is 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 value of treasury shares is recognised as a reduction of the issued share capital, while the excess of the purchase value compared to the nominal value 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 case of profit) or balanced (in case of loss).

Other reserves

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

Other comprehensive income

The items under other comprehensive income include income items recognised directly under the equity reserves in compliance with IFRS rules regarding their origin and changes.
The elements included in the statement of comprehensive income of these consolidated financial statements are presented according to type and grouped in two categories:

(i) Items not to be reclassified subsequently in profit or loss:

- Defined benefit plan actuarial gains and losses (IAS 19).

(ii) Items to be reclassified subsequently in 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 due to the recalculation of 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 cost.
Any difference between the sum received (net of transaction costs) and the nominal value of the payable is recognised in profit or loss by applying the actual interest rate method.
Financial liabilities are classified as current liabilities, unless the Group has the contract rights to fulfil its 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 liability and an equity component. At the date of issue, the fair value of the liability 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 liability 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 the choice between reimbursement through ordinary shares, or alternatively through payment in cash (Cash Settlement Option), are referred to as hybrid securities.
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 value).

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 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 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 discharged, 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 are recognised under equity and not in profit or loss.

Employee 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 items are recorded in the section of the income statement regarding personnel expenses:
- 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 during the year;
- the *net interest* cost representing the change in the amount of liabilities during the year due to the effect of the passing 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.

Furthermore, the changes in the amounts of liabilities for defined benefits plans regarding actuarial gains or losses, are fully recognised in the year of maturity under 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 through 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.

Share option plan

The Parent has formulated an Incentive Plan for top management (Chief Executive Officer and General Managers) consisting in the assignment, free of charge, of Company shares upon the achieving of specific economic and 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 Incentives 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 top 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 *share 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, at 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 at the reporting date. If the effect of discounting the value of money is significant, the provisions are calculated by discounting the expected future financial 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 works 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 recognsied, when it can be reliably estimated, on the basis of the percentage of completion.

Government grants

Government grants are recognised in profit or loss at fair value, when there is reasonable certainty that they will be received and all the relative conditions have been met. 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 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 relative amount does not cover the amount of the asset.

Financial charges

Interest is recognised on an accruals basis under the effective interest method, using the interest rate that makes all incoming and outgoing flows (including premiums, discounts, commissions, etc.) related to such transactions financially equivalent. Financial charges are capitalised in accordance with 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 recorded 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

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 denominator of the ratio with the effect of the potential ordinary shares coming from the Share option plans.

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 disclosure regarding potential assets and liabilities. In the light of 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 top management at the time of preparing these financial statements, the reliability of which is, therefore unprejudiced. Estimates are used, inter alia, to perform the impairment test and to record the allowance for impairment, 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.

Newly issued and approved accounting standards and interpretations effective from 1 January 2013

There follows a summary of the new EU Regulations effective at 1 January 2013.

EU Regulation 475/2012 of the Commission of 5 June 2012, published in Official Gazette L 146 of 6 June 2012: Amendments to IAS 1 – Presentation of items of other comprehensive income and to IAS 19 – Employee benefits

The amendments to IAS 1 are aimed at obtaining a clearer presentation of the growing number of items of other comprehensive income. This is to enable users of the financial statements to identify among the items of other comprehensive income the ones that might be reclassified subsequently in profit or loss.
The adoption of these amendments must be applied from the years starting after or from 1 July 2012.
The Group has adopted the amendment to IAS 1 starting from 1 January 2013 though without producing any effect with regard to the measurement of the financial statement items and with limited effects on the disclosure provided in these consolidated financial statements.
The amendments to IAS 19 involved elimination of the option to defer the recognition of actuarial gains and losses with the corridor method, providing for their recognitition in the statement of comprehensive income.
Furthermore, the new version of the standard no longer allows the deferral of the accounting entry of past service costs, introducing stricter rules requiring immediate and full recognition in the income statement, in the period when amendments are made to the plan, of the cost corresponding to the increase of the commitment.
Furthermore, under these amendments the income statement must contain further distinctions between the items regarding employee benefits, as well as the introduction of additional new information.
In accordance with the transition rules set forth in IAS 19 (2011) in paragraph 173, the Group has applied this standard retrospectively starting from 1 January 2013, adjusting the opening balances of the statement of financial position at 1 January 2012 and the data of the 2012 statement of comprehensive income as if the amendments to IAS 19 have always been applied.

In detail, the Group has calculated the following retrospective effects deriving from the application of IAS 19 (2011):

Effects on the statement of financial position	31/12/2011 Published	Effects deriving from the application of IAS 19 (2011)		01/01/2012 Restated
		Reclassification actuarial Gains/losses recognised in income statement	Actuarial Gains/ losses not recognised	
Equity attributable to owners of the Parent				
Retained earnings	40,493	287		40,780
Other items of comprehensive income	(37,151)	(288)	282	(37,158)
Profit (loss) for the year	71,195	1		71,196
Total Equity attributable to owners of the parent	**465,222**	**0**	**282**	**465,503**
Equity attributable to non-controlling interests				
Profit (loss) attributable to non-controlling interests	729			729
Other items of comprehensive income attributable to non-controlling interests	282	(1)	(6)	276
Capital and Other reserves attributable to non-controlling interests	4,046	1		4,047
Total equity attributable to non-controlling interests	**5,057**	**0**	**(6)**	**5,051**
Liabilities				
Employee benefits	7,926		(276)	7,650
Total liabilities	**2,967,291**	**0**	**(276)**	**2,967,015**
Total equity and liabilities	**3,437,569**	**0**	**0**	**3,437,569**

Effects on the statement of financial position	31/12/2012 Published	Effects deriving from the application of IAS 19 (2011)		31/12/2012 Restated
		Reclassification actuarial Gains/losses amortisation to income statement	Actuarial Gains/ losses not recognised	
Equity attributable to owners of the Parent				
Retained earnings	48,682	288		48,971
Other items of comprehensive income	(52,088)	(295)	(575)	(52,957)
Profit (loss) for the year	74,126	6		74,133
Total Equity attributable to owners of the parent	**507,625**	**0**	**(575)**	**507,050**
Equity attributable to non-controlling interests				
Profit (loss) attributable to non-controlling interests	(177)			(177)
Other items of comprehensive income	(63)	(1)	(32)	(97)
Capital and Other reserves attributable to non-controlling interests	47,170	1		47,171
Total equity attributable to non-controlling interests	**46,930**	**0**	**(32)**	**46,897**
Liabilities				
Employee benefits	8,760		607	9,367
Total liabilities	**3,193,936**	**0**	**607**	**3,194,543**
Total Equity and liabilities	**3,748,491**	**0**	**0**	**3,748,491**

Effects on income statement	31/12/2012 Published	Effects deriving from the application of IAS 19 (2011) Reclassification actuarial Gains/losses amortisation to income statement	Actuarial Gains/ losses not recognised	31/12/2012 Restated
Effects on the income statement				
Personnel expenses	*(305,439)*	*9*	*0*	*(305,430)*
Total costs	(2,246,648)	9	0	(2,246,639)
Operating profit	211,813	9	0	211,822
Pre-tax profit from continuing operations	129,829	9	0	129,837
Tax expense	(55,879)	(2)	0	(55,882)
Profit for the year	**73,949**	**6**	**0**	**73,956**
Profit attributable to owners of the parent	**74,126**	**6**	**0**	**74,133**
Effects on the statement of comprehensive income				
Defined benefits plan actuarial gains (losses) net of tax effect	0	(6)	(883)	(889)
Overall profit attributable to owners of the parent	**59,189**	**0**	**(856)**	**58,333**
Overall loss attributable to non-controlling interests	**(522)**	**0**	**(27)**	**(549)**

It is likewise pointed out that, considering the negligible relevance of the effects deriving from the application of IAS 19 (2011), the balances restated at starting date of the first comparative year (01/01/2012) were not shown in the statement of financial position.

EU Regulation 1255/2012 of the Commission of 11 December 2012, published in Official Gazette L 360 of 29 December 2012: Amendments to IFRS 1 First-time adoption of International Financial Reporting Standards – Severe hyperinflation and removal of fixed dates for first-time adopters – to IAS 12 Income tax – Deferred tax: recovery of underlying assets, to IFRS 13 *Fair value* measurement and IFRIC 20 Stripping costs in the production phase of a surface mine

The amendments to IFRS 1 – First-time adoption of International Financial Reporting Standards (IFRS) – aim to provide a guide to the presentation of the financial statements in accordance with the IFRS after a period of hyperinflation.
The amendments to IAS 12 – Income tax-require the measurement of deferred tax deriving from an asset according to the way in which the carrying amount of this asset is recovered (by continuous use or by sale).
IFRS 13 establishes a single IFRS framework for the fair value measurement and provides a complete guide on how to measure the fair value of financial and non-financial assets and liabilities. IFRS 13 is applied when another IFRS requires or allows fair value measurement or requires additional disclosure on fair value measurement. The standard must be applied in table form from 1 January 2013.
The aim of IFRIC 20 is to provide orientation on the recognition of stripping costs.
The new standards, applied starting from the financial statements for years beginning 1 January 2013, have not produced effects on the measurement of the items included in these consolidated financial statements.

EU Regulation 1256/2012 of the Commission of 13 December 2012, published in Official Gazette L 360 of 29 December 2012: Amendments to IFRS 7 Financial instruments: Disclosures – Offsetting financial assets and financial liabilities and to IAS 32 Financial instruments: Presentation – Offsetting financial assets and financial liabilities

The Amendments to IFRS 7 aim to require additional quantitative information in order to allow users to better compare and reconcile the information deriving from the application of the IFRSs and those deriving from the application of the US Generally Accepted Accounting Principles (GAAP). Furthermore, the IASB has amended IAS 32 in order to provide additional orientation to reduce incongruence in practical application of the standard.
Amendments to IFRS 7 must be applied starting from the financial statements of the years starting 1 January 2013, and further amendments to IAS 32 will be applied from the financial statements of the years starting 1 January 2014.
The Group has adopted the amendment to IFRS 7 starting from 1 January 2013 with limited effects on the information provided in these consolidated financial statements.

EU Regulation 301/2013 of the Commission of 27 March 2013, published in Official Gazette L. 90 of 28 March 2013: Improvements to international financial reporting standards – Cycle 2009-2011

The amendments to IFRS 1 and the international financial reporting standards IAS 1, IAS 16, IAS 32, IAS 34, are measures with a limited scope regarding incongruence observed in the IFRS rules or clarifications of terminology.
In particular, the amendment to IFRS 1 – First-time adoption of international financial reporting standards – states that a company that has suspended application of international financial reporting standards in its financial statements may, if it decides to draft the financial statements in compliance with IFRS again, reapply IFRS 1 or apply IAS 8 as if it had never suspended. The new version of the standard also allows new users to choose, with regard to the capitalisation of financial charges, whether to apply the provisions of IAS 23 from the date of first adoption of IFRS rules or from a previous date, as indicated in paragraph 28 of IAS 23.
The new version of IAS 1 – Presentation of financial statements – clarifies the way for presentation in the financial statements of the comparative information that the company may decide to present voluntarily in addition to that requested by the IFRS.
The amendments to IAS 16 – Property, plant and equipment – clarify that if the spare parts and equipment satisfy the requirements for being classified as “property, plant and equipment”, they must be recognised and measured in accordance with IAS 16, otherwise they must be classified as inventories.
The amendment to IAS 32 – Financial instruments: Presentation and additional information – states that tax effects of distributions to holders of equity instruments and transaction costs of equity transactions must be recognised in accordance with the provisions of IAS 12.
The amendment to IAS 34 – Interim financial reporting – states that the interim financial statements must show the total of assets and liabilities of a specific segment only if this information is duly provided to the highest operational decision making level and if it has undergone a significant change compared to the last annual financial statements presented.
The Group has adopted the amendments starting from 1 January 2013 without there being any effect with respect to the measurement of the financial statement items and the disclosure provided in these consolidated financial statements.

EU Regulation 183/2013 of the Commission of 4 March 2013, published in Official Gazette L 61 of 5 March 2013: Amendments to IFRS 1 First-time adoption of International Financial Reporting Standards – Government loans

The aim of the amendments to IFRS 1 is to exempt first-time adopters, at the time of transition to IFRS, from a full retrospective application of the provisions regarding the recognition of government loans at an interest rate lower than market rates. The amendments to IFRS 1 thus introduce a new exception to retrospective application of the IFRS rule, requiring first-time adopters to comply with the provisions of IAS 39 Financial instruments: Recognition and measurement, and of IAS 20 Accounting for government grants and disclosure of government assistance, regarding only the goverment loans existing at the date of transition to IFRS.

This updated standard is applicable for first-time adopters, in accordance with the Regulations, starting from the financial statements of the years starting 1 January 2013 and therefore cannot involve effects on measurement of financial statement items and the disclosure provided in these consolidated financial statements.

Standards and interpretations approved and not adopted by the Group on an early basis

EU Regulation 1254/2012 of the Commission of 11 December 2012, published in Official Gazette L 360 of 29 December 2012: Adoption of International financial reporting standards IFRS 10 Consolidated financial statements, IFRS 11 Joint arrangements, IFRS 12 Disclosure of interests in other entities, amendments to IAS 27 Separate financial statements and IAS 28 Investments in associates and *joint ventures*

On 11 December 2012, the European Commission adopted EU Regulation no. 1254/2012, which approves IFRS 10, IFRS 11, IFRS 12 and the amended IAS 27 and 28. The regulation published on 29 December 2012 states that the new standards will be applicable starting at the latest from the start date of the first financial year starting on 1 January 2014 or on a subsequent date.
In light of the new rules, the standards applicable to the drafting of the consolidated financial statements are now as follows:
IFRS 10 provides a single reference standard to follow for the drafting of the consolidated financial statements involving control as the basis for the consolidation of all types of entities. IFRS 10 replaces IAS 27 Consolidated and separate financial statements and Interpretation SIC 12 – Special purpose entities.
More particularly, the new IFRS 10 defines in a more specific way the concept of "control" and consequently the basis for determining which entities come within the consolidation scope of the Group consolidated financial statements.
In the broader definition, a company controls an investee if and only if it has at the same time:
a) Power over the investee: Effective significant capacity to manage the assets unilaterally;
(b) Variable liabilities or entitlements to income deriving from the relationship with the investee;
c) The capacity to exercise its power on the investee to affect the amount of its revenue
The consolidation model set forth in IFRS 10 is thus not based, like the previous IAS 27, exclusively on risks and rewards, but is based on the "power" and capacity to exercise it in the management of the entity, thus being able to have greater influence on the "economic returns".
The adoption of the amendments to IFRS 10 do not involve significant effects on the consolidated financial statements of the Group since the subsidiaries of Astaldi S.p.A. are generally set up specifically for the execution of specific projects, and thus regulated by governance agreements allowing the Parent, through the exercising of an ample majority of voting rights, to determine the strategic choices and management decisions of the company in order to obtains the relative benefits. Then there are the other subsidiaries set up on the basis of the business development policies stated in the business plan and fully owned by the Parent.
IFRS 11 establishes the standards for recognising activities conducted by entities forming part of joint arrangements and replaces IAS 31 Interests in joint ventures and SIC-13 Jointly controlled entities – Non-monetary contributions by venturers.
IFRS 11 states that joint control occurs when several parties share control at the same time in an "arrangement", i.e. when the decisions concerning the significant activities connected with it require the unanimous consent of the parties.
With regard to the procedures for measurement and presentation, IFRS 11 has different procedures for:

- *JOINT OPERATIONS (JO)*: an agreement for joint control in which the parties holding joint control have rights to the assets and obligations for the liabilities stated in the agreement;
- *JOINT VENTURES (JV)*: an agreement for joint control in which the parties holding joint control have rights to the net assets of the agreement.

The formulation of IFRS 11 with regard to the distinction between JO and JV is no longer based on the legal form of the entities under joint control, but rather on the rights and obligations on the co-venturers in relation to their participation in the joint arrangement, i.e. the substance of the relationship.

With regard to the recognition of JVs in the consolidated financial statements, IFRS 11 eliminates the accounting option in the current IAS 31, with regard to the consolidation of JVs, consisting in application of the proportionate or equity method, providing for only one criterion for consolidation based exclusively on the equity method.
Under this method, since in a JO the participants in the agreement share the rights to the assets and accept the obligations for the liabilities related to the agreement, each joint operator must recognise the pro quota value of the assets, liabilities, costs and revenue of that JO.
On the date of these consolidated financial statements, the Group has estimated that the adoption of this standard will not involve significant changes in terms of the measurement of the comprehensive income and the other items of consolidated equity.
IFRS 12 combines, strengthens and replaces the requirements for the disclosure to be provided in the notes to the financial statements for subsidiaries, joint arrangements, associates and non-consolidated structured entities.
Application of the new standard will produce greater disclosure requirements regarding (i) indication of the significant valuations used in defining the consolidation scope and (ii) analyses of the type of investments and the connected risks undertaken.
Following these new IFRS rules, the IASB has also issued the amended IAS 27, regarding only the separate financial statements, and the amended IAS 28 to implement the rules introduced with IFRS 11 regarding Joint Ventures.

EU Regulation 313/2013 of the Commission of 4 April 2013, published in Official Gazette L. 95 of 5 April 2013: Transition guidance (Amendments to IFRS 10, 11 and 12)

The amendments limit the obligation to provide adjusted comparative information, for the transition to IFRS 10, IFRS 11 and IFRS 12, only to the previous comparative year.
They also clarify how to adjust the comparative period if the conclusions on consolidation at the "date of first-time application" are not the same under IAS 27 / SIC 12 and IFRS 10.
In particular, the following two cases could arise:
Consolidation in accordance with IFRS 10 of a previously non-consolidated company: this requires the retrospective application of IFRS 3 Business Combinations on the date of obtaining control, as defined by IFRS 10. Any difference between the assets, liabilities and non-controlling *interests* and the previous carrying amount of the interest will be recognised under retained earnings at the start of the most distant comparative period presented, or subsequently if control has been acquired on a subsequent date. There is no obligation if the investment was sold before the date of first application.
Non-consolidation in accordance with IFRS 10 of a previously consolidated company: retrospective application of IFRS 10;. Any difference between the assets, liabilities and *non-controlling* interests previously recognised and the carrying amount of the investment in accordance with IFRS 10 will be recognised under retained earnings at the start of the most distant comparative period presented, or subsequently if control has been acquired on a subsequent date.
Regarding information on non-consolidated structured entities, the obligation to present comparative information for the years previous to the date in which IFRS 12 is applied for the first time has been abolished.
The amendments will be applicable, together with the reference standards, starting from the date of the first year starting on 1 January 2014 at the latest, or on a subsequent date.

EU Regulation 1174/2013 of the Commission of 20 November 2013, published in Official Gazette L. 312 of 21 November 2013: Investment entities (Amendments to IFRS 10, 12 and to IAS 27)

The aim of the amendments is to make some amendments to IFRS 10 and 12 and IAS 27 in order to define the guidelines to follow for drafting the consolidated and separate financial statements of the "investment entities".
The main measures were as follows:
IFRS 10 was amended to require the investment entities to measure the subsidiaries at the fair value recognised in profit or loss rather than consolidating them, in order to better reflect their business model. In particular, an "investment entity" is defined, in the context of the standard (new paragraph 27), as an entity that obtains funds from one or more investors in order to obtain profits from the management of these investments in terms of capital gain or revenue. An "investment

entity" (i) normally holds more than one investment; (ii) has more than one investor; (iii) has investors that are not "related parties"; (iv) holds equity in the form of equity instruments. An "'investment entity" also calculates and measures the yields of almost all the investments on the basis of "fair value".
IFRS 12 was amended to require the presentation of specific information with regard to the subsidiaries of the investment entity.
Paragraph 9A of IFRS 12 likewise states that the entity must provide information regarding the measurements and significant hypotheses according to which, in compliance with paragraph 27 of IFRS 10, it comes within the category of "Investment entities".
The amendments to "IAS 27 Separate financial statements" have eliminated, in this area, the choice for "investment entities" to opt for the measurement of investments in certain subsidiaries at cost or at fair value.
IAS 27 likewise states that an investment entity is required to apply the exception to consolidation for all of its subsidiaries to present its own separate financial statements in individual financial statements, while indicating this in the notes.
The amendments will be applicable starting from the starting date of the first financial year starting 1 January 2014 or on a subsequent date, and without any effect with regard to the measurement of the financial statement items and the disclosure to be provided.

EU Regulation 1374/2013 of the Commission of 19 December 2013 adopting recoverable amount disclosures for non-financial assets (Amendment to IAS 36)

The amendments aim to clarify the information to be provided in the disclosures on the recoverable amount of the assets measured at fair value net of disposal costs in which an impairment loss or the reversal of a previous impairment loss was recognised during the year, following the impairment test.
In particular, in this respect, the new paragraphs 130 and 134 of IAS 36 introduce, for each CGU assigned with a significant part of the carrying amount for goodwill or of intangible assets with indefinite useful life, the requirement to indicate the following information in the disclosures:
- the level of fair value hierarchy in which the measurement as a whole is classified (without considering whether "disposal costs" are observable);
- for the measurements coming under categories 2 and 3 of the fair value hierarchy (i) the description of the measurement techniques adopted to assess the fair value net of disposal costs; (ii) The key assumptions (including the discount rate used) on which management has based the determination of fair value.

The amendments will be applicable from the starting date of the first financial year starting 1 January 2014 or on a subsequent date with limited effects on the disclosure to be provided and without any effect regarding the measurement of the financial statement items.

EU Regulation 1375/2013 of the Commission of 19 December 2013 adopting the Novation of derivatives and continuation of hedge accounting (Amendment to IAS 39)

On the basis of the amendments to paragraphs 91 and 101 of IAS 39 the novation of a derivatives contract, made following legislative or regulatory provisions, that implies the replacement of the original counterpart with a key counterpart, does not represent an event involving the cessation of hedge accounting.
The amendment to IAS 39 is applicable starting from the first financial year starting 1 January 2014 or on a subsequent date.
On the date of these consolidated financial statements, the Group has estimated that the adoption of this standard starting from 1 January 2013, would not involve any changes in terms of measurement, recognising and presentation of the statement of financial position or income statement items.

Notes to the consolidated financial statements

1. Revenue: EUR 2,392,871 thousand (EUR 2,325,299 thousand)

In 2013 the revenue from works totalling EUR/000 2,392,871 show an increase of approximately 3% compared to the previous year. This is especially relevant if seen in a macroeconomic context that tends to be negative for Italy as well as for most European economies. This item consists of the following:

	2013	2012	Difference
Revenue from works	2,340,865	2,275,409	65,456
Concessions - Commercial services under arrangement	26,676	30,137	(3,460)
Periodical instalments for plant maintenance contracts	3,912	12,544	(8,633)
Final inventories of assets and plant under construction	21,417	7,209	14,209
Total	**2,392,871**	**2,325,299**	**67,572**

The item "Revenue from works" shows the amounts of the works completed and accepted by the respective customers, including the proportional amount of long term works undertaken during the year, but not yet completed.
This item also includes EUR/000 2,268 (EUR/000 65,603 in 2012) for amounts referring to works undertaken by the Concessionaries of the Astaldi Group for construction services undertaken in the context of "Concession Arrangements".
This item has recorded an overall net increase of EUR/000 65,456, even given elements making annual comparisons difficult such as: (i) the effect of translation of amounts expressed in currency other than the Euro, which produces lower volumes (albeit without impact on margins) following the change in exchange rates of some foreign currencies, such as the US dollar and the Rouble; (ii) the planned withdrawal from the Middle East Area.
The item "Concessions – Commercial services under arrangement" includes the items accrued for management services of the infrastructures, essentially due (i) to management of the Milas-Bodrum Airport (EUR/000 14,169); (ii) to start-up of the management phase of commercial services connected to the management of the four Hospitals in Tuscany with specific regard to the San Jacopo Hospital in Pistoia and Prato Hospital, inaugurated respectively in July and September 2013 (EUR/000 2,965); (iii) and to the contribution guaranteed up to the de-consolidation date of Veneta Sanitaria Finanza di Progetto S.p.A. for management of Mestre Hospital (EUR/000 9,189).
The item "Periodical instalments for plant maintenance contracts", on the other hand, refers to the activities undertaken in 2013 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 "Final 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 the copper and molybdenum contained in the waste products of the "Codelco" (Chilean National Mining Corporation) mine.
Under the Relaves Project the Chilean subsidiary Valle Aconcagua A.S. has the right to the management of the facility for 20 years.
In this contract, Codelco has agreed to purchase the amount of copper and molybdenum extracted from the mine processing waste, thus guaranteeing the recovery of the investment during the management period.
In the light of the above points, the Company believes that the contract terms, pursuant to IFRIC 4, constitute a lease, and has thus made the relevant accounting entries.

The revenue in terms of geographical breakdown is shown below:

	2013	%	2012	%	Difference
Italy	812,643	33.96%	913,932	39.30%	(101,289)
Europe	1,020,134	42.63%	788,689	33.92%	231,445
America	371,508	15.53%	355,078	15.27%	16,430
Africa	144,194	6.03%	188,905	8.12%	(44,711)
Asia	44,393	1.86%	78,696	3.38%	(34,303)
Total	**2,392,871**	**100.00%**	**2,325,299**	**100.00%**	**67,572**

On the domestic level, production has benefitted from the positive advancement of works for the Pedemontana Lombarda Motorway and the four Hospitals in Tuscany (Lucca, Massa, Pistoia and Prato) which partially mitigate the effects of the forecast reduction of production on other projects now nearing completion (Jonica State Highway, the Pantano-Centocelle stretch of Line C of the Rome underground and the Turin Railway Junction).
On the domestic level, the contribution from the new plant segment, basically related to the activities of the investee NBI Impianti e Energia, shows positive results.
In relation to the geographical breakdown of revenue, there has been a significant increase in Europe, benefitting from the growth recorded in works in progress in Russia (Pulkovo International Airport and Western High Speed Diameter in St. Petersburg) and Turkey (Gebze-Orhangazi-Izmir Motorway, Phase 1 and Third Bosphorus Bridge – North Marmara Highway); at the same time, the year-on-year comparison reflects the planned reduction of production volumes due to the substantial completion of some contracts in progress in Poland (NR-8 National Road) and Romania (motorway and airport works).
The American area has benefitted from the positive effect of the recent commercial entry of the Group in Canada, which took plane in the third quarter of 2012, as well as (i) the development of the activities in Chile, with particular reference to the *Proyecto Minero Chuquicamata Subterráneo* and the completion of the above-mentioned Relaves Project and (ii) the advancement of the works in progress in Honduras (road works). On the other hand, this increase is partially offset by the effects of the planned reduction in volumes of production recorded in relation to the railway works in Venezuela.
With reference to the latter area, the Group, present in the country for over 40 years, still has important infrastructure initiatives in progress in railway works, a priority for Venezuela, developed under bilateral agreements signed between the governments of the two countries. However, due to the particular social and political situation in the country, especially after the death of President Chavez, the production in the period is much lower, also with respect to the major potential of the projects.
For the African area, the production amounts are lower compared to the previous year, also following the slowdown of some activities regarding the construction of the Saida-Moulay-Slissen Railway in Algeria while awaiting the formalization of technical and contract changes.
The Asian area shows a decrease in production totalling EUR/000 34,303, essentially due to the effect of the gradual withdrawal of the Group from Saudi Arabia and Oman.
For further information on this item see note 37 on Segment reporting pursuant to IFRS 8.

2. Other Revenue: EUR/000 126,804 (EUR/000 131,598)

Other revenue, totalling EUR/000 126,804, comprises items not directly related to the core business of the Group, but in any case accessory to the core business.
This item consists of the following:

	2013	2012	Difference
Revenue from sale of goods	22,473	23,400	(927)
Services to third parties	58,829	33,357	25,472
Services to manage joint initiatives	2,871	6,893	(4,022)
Rent and lease receivables	2,823	4,949	(2,127)
Net gains from disposal of property, plant and equipment	5,593	6,968	(1,375)
Other	34,216	56,030	(21,815)
Total	**126,804**	**131,598**	**(4,794)**

This item shows an overall decrease of EUR/000 4,794 compared to 2012. This change, with special reference to the specific item “Other”, is due mainly to revenue that are not repeatable, for an amount of approximately EUR/000 21,000, recorded in 2012 and deriving from the definition of receivables and payables and income and charges with companies subject to bankruptcy procedures in relation to complex contract situations. In this context, on 31/12/2012 the Group recorded a corresponding charge, in terms of amount, recorded in the item “Other operating costs” (see table with changes shown in note 7 below).
On the other hand, we should point out the increase in the item “Services to third parties” to be attributed to the higher volumes recorded in the domestic area (Line 5 of the Milan underground) and Turkey (Third Bosphorus Bridge – North Marmara Highway), compared to 2012, especially due to the effect of some transactions regarding agreements with subcontractors on individual contracts.

3. Purchase costs: EUR/000 423,764 (EUR/000 487,584)

Purchase costs for raw materials and consumables in 2013 totalled EUR/000 423,764 with a decrease of EUR/000 63,820 compared to the previous year:

	2013	2012	Difference
Purchase costs	413,157	470,882	(57,725)
Change in inventories of raw materials, supplies, consumables and goods	10,607	16,702	(6,095)
Total	**423,764**	**487,584**	**(63,820)**

The significant decrease in the item “Purchase costs” and “Change in inventories of raw materials, supplies, consumables and goods” is mainly due to the completion of some contracts in the Turkey area (Milas-Bodrum Airport), the Romania area (Motorway works) and Poland (NR-8 National Road).
On the other hand, there was an increase in consumption in Russia (Western High Speed Diameter), Chile (Proyecto Minero Chuquicamata Subterráneo and Relaves Project) and Honduras (road works) directly related to the higher production volumes achieved in 2013.

A detailed analysis of the geographical breakdown of purchase costs for raw materials and consumables is shown below:

	2013	%	2012	%	Difference
Italy	106,566	25.15%	130,507	26.77%	(23,941)
Europe	197,036	46.50%	237,628	48.74%	(40,592)
America	92,962	21.94%	64,249	13.18%	28,713
Africa	23,993	5.66%	37,714	7.73%	(13,721)
Asia	3,206	0.76%	17,485	3.59%	(14,279)
Total	**423,764**	**100.00%**	**487,584**	**100.00%**	**(63,820)**

4. Service costs: EUR/000 1,411,951 (EUR/000 1,340,552)

Service costs totalling EUR/000 1,411,951 rose by EUR/000 71,399 compared to the previous year.
This item consists of the following:

	2013	2012	Difference
Consortium costs	211,318	158,681	52,637
Subcontracting and other services	947,835	912,094	35,741
Technical, administrative and legal consulting	123,897	92,585	31,312
Directors' and statutory auditors' fees	3,851	3,520	331
Utilities	14,023	16,555	(2,532)
Travel and transfers	5,855	5,146	709
Insurance	20,781	32,672	(11,891)
Rentals and other costs	47,883	84,864	(36,981)
Rent and condominium expenses	8,197	9,400	(1,203)
Maintenance costs for leased assets	682	1,067	(385)
Other	27,630	23,968	3,662
Total	**1,411,951**	**1,340,552**	**71,399**

The consortium costs linked to the execution of works, in association with other firms in the segment, show an increase, of approximately 33%, compared to the previous year, due to (i) the domestic area and especially the construction of the Pedemontana Lombarda Motorway and (ii) and the European area, and more specifically, construction works for the Łódź Fabryczna Station in Poland.
When analysing this item we should likewise observe the significant change of the item "Subcontracting and other services" which is higher compared to the previous year by EUR/000 35,741.
The geographical breakdown of subcontracting costs is shown below:

	2013	%	2012	%	Difference
Italy	315,743	33.31%	398,177	43.66%	(82,434)
Europe	431,772	45.55%	336,785	36.92%	94,987
America	129,847	13.70%	121,223	13.29%	8,623
Africa	33,410	3.52%	15,505	1.70%	17,905
Asia	37,064	3.91%	40,404	4.43%	(3,340)
Total	**947,835**	**100.00%**	**912,094**	**100.00%**	**35,741**

The changes included in the above table substantially reflect the production trend for the year by geographical area, showing, as stated in note 1, a significant increase in the initiatives in progress abroad and namely in Russia, Turkey and Canada as compared to a reduction in the domestic area.
We can likewise observe the increase in costs for technical, administrative and legal costs recorded, essentially related to the works in progress in Russia and Turkey. This increase is especially connected with the start-up phase and the start-up of the production phase for the initiatives, involving especially significant legal and financial assistance activities for defining the work contracts as well as the planning of the works.
On the other hand, there is a fall in rental costs mainly (i) in the European area and more especially due to the fall in production volumes for the motorway contracts in the Romania area; (ii) and due to the railway works in Algeria.

5. Personnel expenses: EUR/000 320,715 (EUR/000 305,430)

Personnel expenses, totalling EUR/000 320,715, rose slightly compared to the previous year. This item consists of the following:

	2013	2012	Difference
Wages and salaries	221,106	210,769	10,337
Social security charges	44,706	47,517	(2,811)
Other costs	52,681	44,583	8,098
Other post-employment benefits	777	1,568	(791)
Cost of share-based payments	1,445	993	452
Total	**320,715**	**305,430**	**15,285**

The other costs mainly refer to expenses incurred for the training of employees, costs for meals and lodging, and the allocation of costs of post-employment benefits as a defined contribution plan as per IAS 19.
The allocation of 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:

	2013	%	2012	%	Difference
Italy	112,096	34.95%	124,068	40.62%	(11,972)
Europe	85,108	26.54%	75,612	24.76%	9,496
America	96,692	30.15%	67,082	21.96%	29,610
Africa	21,398	6.67%	21,152	6.93%	246
Asia	5,421	1.69%	17,516	5.73%	(12,095)
Total	**320,715**	**100.00%**	**305,430**	**100.00%**	**15,285**

As for the geographical breakdown of personnel expenses, we should point out the significant increase in the foreign sector related to the higher production volumes of the contract work in progress in Russia and Chile; in the latter case, the use of subcontracting was more complex due to the need to identify firms able to guarantee the Group quality standards.

Average number of employees

The average number of employees by category is shown in the following table:

Composition of personnel	2013	2012	Difference
Top management	235	207	28
Middle management	187	163	24
White collars	3,216	3,114	102
Workers	5,942	6,479	(537)
Total	**9,579**	**9,963**	**(384)**

In 2013 the Group had an average workforce of 9,579 employees. On an aggregate basis, the figure shows a slight decrease compared to the previous year (-3.8%); it also confirms the prevalence of personnel employed abroad (86% of the total), due to the preponderance of sales produced outside of Italy, but also to the presence abroad of a larger number of contracts in progress that involve direct works.

Incentive plan for top management

Share option plan

The item "Cost of share-based payments" includes the valuation of an Incentive Plan for top management linked to the achieving of specific economic and financial targets. Herebelow are the main features of the Plan.
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 share assignment cycle 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 economic and 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/000 1,445, with an equity reserve.
The actuarial assumptions with regard to the calculation are as follows:

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

The following probabilities of reaching the performance targets have likewise been hypothesised:

- 95% for 2013;
- 90% for 2014;
- 85% for 2015.

"*Management by Objectives*" (MBO) - short term incentive plan

The item "Other costs" includes EUR/000 1,158 for the valuation of a short-term Incentive Plan to be issued in favour of the Chairman and CEO, in relation to the achieving of certain targets by 2014.
The maximum amount of the bonus to be paid upon achieving the set targets totals EUR/000 1,700.
The Board of Directors of 28 January 2014, after positive valuation of the Remuneration Committee, deemed the "RATING" target to be achieved, with the consequent assignment to the beneficiaries, of the corresponding part of the bonus payable, totalling EUR/000 910.
With reference to the further target, due to the completion of a series of disposals defined on the basis of the guidelines of the Business Plan, it is pointed out that at the reporting date, the relative agreements were signed, while in any case being subject to the occurrence of certain conditions that must take place by June 2014. Because of this, and on the basis of the relative actuarial valuation, the determination of the value of the employment services rendered by the beneficiaries in 2013 has been estimated at EUR/000 248.

6. Amortisation, depreciation and impairment losses: EUR/000 85,252 (EUR/000 52,616)

Amortisation, depreciation and impairment losses totalling EUR/000 85,252 rose in absolute terms compared to the previous year by EUR/000 32,636.
This item consists of the following:

	2013	2012	Difference
Amortisation of intangible assets	27,960	10,511	17,448
Depreciation of property, plant and equipment and investment property	43,218	41,506	1,712
Impairment losses on non-current assets – Impairment Test IAS 36	13,927	0	13,927
Impairment losses on receivables	148	598	(451)
Total	**85,252**	**52,616**	**32,636**

The increase of this item is due to the following:
- EUR/000 17,448 for the rise in amortisation of intangible assets, basically due to the Turkey area and especially to management of the Milas-Bodrum International Airport, which started operating in May 2012. As regards this latter project, it must be noted that as from FY 2013, the criterion used for the amortisation of the intangible concession rights has been readjusted prospectively in order to reflect more accurately the methods through which it is assumed that the future economic benefits resulting from use of the asset shall be recorded by the Group;
- EUR/000 1,712 for the rise in depreciation of property, plant and equipment and investment property, especially with reference to the foreign area and in relation to contracts being executed in Chile, Peru and Russia;
- EUR/000 13,927 for the impairment losses on intangible concession rights in connection with the management of Milas Bodrum Airport in Turkey, after the impairment test conducted in 2013, as better specified in note 17 below.

With regard to impairment losses on receivables, it is specified that the test took into account their recoverable amount considering the nature of the counterpart.

7. Other operating costs: EUR/000 43,692 (EUR/000 60,456)

Other operating costs totalled EUR/000 43,692 and show a decrease of EUR/000 16,764 compared to the previous year. Details are shown in the following table:

	2013	2012	Difference
Provision for risks and charges	4,471	1,595	2,876
Prior year expense and inexistant assets	3,532	3,089	444
Tax charges	12,736	8,636	4,100
Other administrative and sundry costs	22,953	47,137	(24,184)
Total	**43,692**	**60,456**	**(16,764)**

The change in this item takes into account the effects connected with solving complex contract situations totalling EUR/000 21,162 recorded during the previous year, as previously commented in note 2.
In 2013, the item "Other administrative and sundry costs" basically refers to: (i) charges incurred for the definition of settlement agreements of approximately EUR/000 5,000 mainly due to the domestic and American areas; (ii) administrative management expenses of approximately EUR/000 7,000; (iii) losses for disposal of assets totalling approximately EUR/000 3,100 and (iv) losses on receivables in relation to substantially conclusive results regarding activities gradually conducted in the Latin American area and no longer operational, totally EUR/000 2,707.
We should also point out the increase in the item "Tax charges" mainly due to the Algerian area and essentially the charges due for the acquisition of rights for the exploitation of concessions for the extraction of aggregate from quarries, mainly used for the production of concrete.
Finally, we should highlight the increase in the provision for risks and charges, recorded in the domestic area, and directly connected with previous operational situations in which the proposed settlement definition involved the probable charges to be incurred.

8. Capitalisation of internal construction costs: EUR/000 1,652 (EUR/000 1,565)

The item comprises capitalised costs incurred for the internal construction of assets, especially in the domestic area and in Russia.

9. Financial income: EUR/000 110,478 (EUR/000 78,550)

Financial income rose compared to the previous year by EUR/000 31,928 and comprises the following:

	2013	2012	Difference
Income from associates	1,153	686	467
Revaluation of investments	11,729	0	11,729
Income from other investees	0	552	(552)
Bank interest income and fees	3,621	6,118	(2,497)
Sureties fees	5,620	2,049	3,571
Exchange rate gains	28,973	22,277	6,696
Financial income on leases	665	0	665
Income on derivatives	1,501	4,142	(2,641)
Interest income on financial receivables from concessions	6,184	9,836	(3,653)
Other financial income	51,032	32,889	18,143
Total	**110,478**	**78,550**	**31,928**

The item "Other financial income" in general includes the amount of default interest payable by individual customers for a total of approximately EUR/000 28,500, for contract work in progress in Italy and abroad, and the release of the late payment provision regarding the activities in progress in Venezuela, for an amount which, net of the effects connected with the devaluation of the strong Bolivar, recognised under financial charges, amounts to approximately EUR/000 14,000. This determination was made because the amount of interest, also established by contract, was defined and recognised at the end of an audit conducted by the works direction, within its own specific sphere of competence, undertaken to guarantee the contract obligations of the customer.
The item revaluation of investments includes the effects of measurement at fair value, instead of at cost in accordance with the applicable IAS 31, of the investment in Veneta Sanitaria Finanza di Progetto S.p.A. This investment, recognised up to 2012 under jointly controlled entities, was classified in these financial statements among the associates, following the amendment of the specific contract agreements within the company that have substantially modified the principles of governance.
The fair value for the purposes of recording of the investment was determined on the basis of a report by an independent expert, as also specified in the section "Changes in the consolidation scope".
Finally, with regard to currency management, we should point out an increase in exchange rate gains, above all related to the domestic area in relation to monetary items expressed in Turkish Lira, an effect to be compared with the increase in exchange rate losses, shown below in the composition of financial charges and which in any case reflect recording of the effects of the devaluation of the strong Bolivar decided by the Venezuelan government in the early months of 2013.

10. Financial charges: EUR/000 214,145 (EUR/000 163,681)

Financial charges rose compared to the previous year by EUR/000 50,464 and comprise the following:

	2013	2012	Difference
Interest on bond issue	9,239	0	9,239
Sureties fees	31,579	23,037	8,542
Bank interest expense and fees	55,536	48,716	6,820
Exchange rate losses	68,983	22,063	46,920
Losses on derivatives	15,139	16,016	(878)
Financial charges on leases	728	585	143
Fair value charges on the POC incorporated derivative	4,389	0	4,389
Other financial charges	28,256	30,608	(2,352)
Total	**213,849**	**141,026**	**72,823**
Impairment losses on investments	0	43	(43)
Impairment losses on securities and receivables	296	22,612	(22,316)
Total	**296**	**22,655**	**(22,359)**
Total financial charges	**214,145**	**163,681**	**50,464**

The increase in this item is substantially due to:

- Interest on the convertible bond issue (EUR/000 5,903) issued by the Group in January 2013;
- Interest on the "senior unsecured" bond issue (EUR/000 3,336) used by the Group in November 2013 (for detailed information on these bond issues see note 28) ;
- The increase in commitments for operational guarantees, deriving from the increased average value of the initiatives concerning the Group, above all with regard to the foreign sector. This has produced higher sureties fees totalling EUR/000 8,542 recognised, in particular, with reference to the contract for the Western High Speed Diameter in St. Petersburg;
- The increase in interest on bank loans totalling EUR/000 6,820 and mainly due to the significant investments made in the year, besides the support to the working capital of some initiatives in progress, above all in the domestic area, due to the macroeconomic difficulties not due to the Group and which are reflected over the entire sector;

- The increase in exchange rate losses totalling EUR/000 46,920. This increase is mainly due (i) to the devaluation of the Rouble and the Turkish Lira affecting contracts in progress in East-Central Europe (Russia and Turkey) for an amount of approximately EUR/000 33,690 and (ii) approximately EUR/000 20,342 for Venezuela, following the devaluation of the strong Bolivar. In this regard, it is specified that the economic valuation of the projects in relation to the operating profit, which is calculated with the cost to cost criterion, has always taken into account the risk coefficients and the operational and financial procedures designed to mitigate any effects that could have accrued from the possible devaluation of the local currency. This involved the substantial neutralisation of these effects in the accounts for the reference year. Furthermore, it should be pointed out that the Group, in the context of a conservative exchange rate management policy, undertakes further actions to cover this devaluation risk by hedging the assets in local currency with similar debit positions. Moreover, a significant part (approximately 50%) of the contract amounts are denominated and paid for a significant part in Euro and the relative overall margin is calculated in this currency, besides the specific contract clauses providing for the gradual adjustment of the relative contract amounts in order to guarantee their nominal values;
- Fair value charges on the incorporated derivative (EUR/000 4,389) deriving from the potential exercise of the cash settlement option on the convertible bond issue, with details shown in note 28.

On the other hand, the other financial charges decreased, basically due to the effect of the lower charges recorded in relation to specific financial operations on separate credit items existing for purposes of the definitive transfer, in accordance with the law and the contract, of the relative risks and rewards to the respective counterparts.

The item “Other financial charges” essentially refers to the following: (i) approximately EUR/000 9,700 for charges incurred for the transfer of receivables on a without-recourse basis; (ii) approximately EUR/000 12,753 for commissions on borrowing (e.g. *agency, commitment, up front* etc); and (iii) approximately EUR/000 5,794 for interest on extended payment for trade payables.

Finally, it is pointed out that the item “Charges on derivatives” includes EUR/000 3,853 for reclassification in the income statement, applied in accordance with Para. 45B of IAS 31, of the net balance of the hedging reserve taken over by the company Veneta Sanitaria Finanza di Progetto S.p.A. in the statement of comprehensive income on the date of loss of joint control over the entity.

It is also pointed out that during the year, differentials were exchanged on hedging transactions, mainly interest rate swaps, totalling EUR/000 9,220. This involved the consequent reclassification of the corresponding amounts from the statement of comprehensive income to the financial charges item of the income statement.

The item Impairment losses on securities and receivables showed a substantial fall, which in the year 2013 was essentially due (EUR/000 20,723) to fair value measurement of default interest receivable especially regarding the Venezuelan area.

11. Effects of equity accounting: EUR/000 6,302 (EUR/000 3,146)

This item comprises the profits and losses for equity-accounted investees, due to: (i) first-time recognition of the investment in A4 Holding S.p.A., as further described in the introduction to these notes, for the amount of EUR/000 19,803; (ii) the loss recorded for the associate COMET JV, in the context of the works, now completed, for the construction of the Copenhagen underground, following the definition on 27 August 2013 of an arbitration award in connection with the dispute with the customer Metroselskabet I/S, totalling EUR/000 16,839, already paid at the reporting date; (iii) further profits deriving especially from investments in companies operating in the concessions segment, in Italy and abroad, totalling EUR/000 3,338 as further described in note 18 below.

See annex 3 for information on equity-accounted investees.

12. Tax expense: EUR/000 55,571 (EUR/000 55,882)

The total amount of taxes for the year totalled EUR/000 55,571.
The *tax rate* for the year, including the impact of IRAP, was 40% (2012: 43%). The decrease, compared to the previous year, reflects the different geographical mix of the business and included the tax effects related to some foreign countries where the Group operates.

	2013	2012	Difference
Current income tax (*)	40,344	41,860	(1,516)
Deferred income tax (*)	11,586	4,485	7,101
IRAP current tax	6,190	7,421	(1,231)
IRAP deferred tax	(35)	314	(349)
Substitute and other tax	(2,514)	1,801	(4,315)
Total	**55,571**	**55,882**	**(311)**

(*) The income tax refers to IRES for Italy and similar taxes for the foreign areas.

The change of deferred tax mainly regards the release of the allowance for impairment - default interest by the Venezuela *branch*, described in the previous paragraphs.
There follows a breakdown of deferred tax assets totalling EUR/000 17,128 and deferred tax liabilities totalling EUR/000 10,957.

	31/12/2013		31/12/2012	
Statement of financial position	***Ires***	***Irap***	***Ires***	***Irap***
a) Deferred tax assets deriving from:	**34,561**	**415**	**31,827**	**1,769**
- Taxed provisions for risks	5,981	280	8,393	380
- Taxed allowance for impairment – default interest	194	0	5,896	0
- Exchange rate differences	17,365	0	8,373	0
- Tax losses	423	0	99	0
- IFRIC 12	0	0	8,200	1,389
- Other minor items	10,598	135	866	0
b) Deferred tax liabilities deriving from:	**(28,273)**	**(532)**	**(25,590)**	**(3,605)**
- Buildings recognised at fair value in substitution of cost	(3,752)	(532)	(3,752)	(532)
- Dividend taxable share	(196)	0	(211)	0
- Default interest to be collected	(16,658)	0	(7,989)	0
- Foreign items taxable subsequent years	(10,840)	0	(2,659)	0
- IFRIC 12	0	0	(18,132)	(3,073)
- Other + hedging reserve	3,173	0	7,153	0
c) Net deferred tax assets a) - b)	**6,288**	**(117)**	**6,237**	**(1,836)**
d) Deferred tax of the year recognised in profit or loss	**11,586**	**(35)**	**4,486**	**313**

In the context of the analysis of these items we can point out the reclassification of statement of financial position items regarding the "Car Parks Branch"; as described in detail in note 26 below, this has been applied on the basis of the provisions of IFRS 5, under the liabilities related to disposal groups.
Reconciliation, for income tax 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:

	2013	%	2012	%
Pre-tax profit	**138,586**		**129,837**	
Theoretical income tax	38,111	27.50%	35,705	27.50%
Net effect of permanent increases (decreases)	5,055	3.61%	6,358	4.90%
Net effect of deferred and current taxation of foreign entities and other adjustments	8,764	6.32%	4,282	3.30%
Substitute tax and other	(2,514)	(1.80%)	1,801	1.39%
IRAP (current and deferred)	6,155	4.44%	7,735	5.96%
Income tax recognised in the financial statements (current and deferred)	**55,571**	**40.10%**	**55,882**	**43.04%**

13. Profit (loss) related to disposal groups: EUR/000 -4,575 (EUR/000 0)

This item comprises charges and revenue, net of tax, recorded on a comprehensive basis in relation to the Car Parks Branch of Astaldi Concessioni, classified on 30 June 2013 as a disposal group, as further described in note 26 below.

Income statement for the period 01/07/13-31/12/13 of Disposal Groups	
Revenue	377
Costs of production	(93)
Personnel expenses	(39)
Impairment losses	(8,239)
Other operating costs	(321)
Operating loss	**(8,315)**
Net financial income	1,543
Pre-tax loss	**(6,772)**
Tax expense	2,197
Loss for the period	**(4,575)**

14. Earnings per share: EUR 0.77 (EUR 0.76)

Basic earnings per share are calculated as follows:

Numerator	**2013**	**2012**
Profit of Parent's ordinary shareholders	**75,213**	**74,133**
Denominator (in units)		
Weighted average number of shares (all ordinary)	98,424,900	98,424,900
Weighted average number of treasury shares	(544,024)	(611,640)
Weighted average number of the shares to be used for calculation of basic earnings per share	**97,880,876**	**97,813,260**
Basic earnings per share	**0.7684**	**0.7579**

In this respect, it can be pointed out that the share option plan for key management personnel does not produce a significant dilution effect. Considering the effect of potential shares, already assigned and awaiting assignment to the beneficiaries for the period 2011/2012, and those that could be assigned for 2013, the result is EUR 0.7637.
It is likewise pointed out that in January 2013, the Parent completed a financing operation by the issue of equity-linked bonds totalling EUR 130,000,000 and placed with qualified Italian and foreign investors.
The bonds may become convertible, at a fixed conversion price of EUR 7.3996, into ordinary shares of the Company, existing or newly issued, 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.
At the date of drafting these consolidated financial statements, the calculation of the diluted earnings has not taken into account the hypothetical conversion of the bond issue, since entitlement to conversion into ordinary shares is activated only starting from January 2014.

15. Property, plant and equipment: EUR/000 203,977 (EUR/000 221,094)

In 2013, property, plant and equipment decreased by EUR/000 17,117 despite new investments totalling EUR/000 45,506. There follows the statement of the property, plant and equipment held at the beginning and the end of the year, with the changes that have occurred:

	Land and buildings	General and specific plant	Excavators, loaders and vehicles	Various equipment and machines	Assets under construction and payments on account	Total
Amount at 31.12.2012, net of depreciation (1)	45,717	87,234	42,004	30,167	15,972	221,094
Increases deriving from acquisitions	20	14,189	17,968	9,965	3,364	45,506
Gross amount	**45,737**	**101,423**	**59,972**	**40,132**	**19,336**	**266,600**
Depreciation	(1,211)	(15,214)	(14,532)	(12,223)	0	(43,180)
Other disposals	(111)	(6,004)	(2,685)	(3,721)	(167)	(12,689)
Reclassification and transfers	3	7,067	2,211	198	(9,478)	0
Exchange rate differences	(107)	(813)	(750)	(685)	(382)	(2,737)
Change in consolidation scope and other changes	(409)	(2,023)	(2,366)	(892)	1,671	(4,018)
Amount at 31.12.2013, net of depreciation (2)	**43,902**	**84,436**	**41,850**	**22,808**	**10,980**	**203,977**
(1) of which						
- Cost	55,097	160,469	133,022	90,082	15,972	454,643
- Accumulated depreciation	(9,380)	(73,236)	(91,018)	(59,915)	0	(233,549)
Net amount	**45,717**	**87,234**	**42,004**	**30,167**	**15,972**	**221,094**
(2) of which						
- Cost	54,840	162,164	136,641	81,436	10,980	446,060
- Accumulated depreciation	(10,938)	(77,728)	(94,790)	(58,627)	0	(242,083)
Net amount	**43,902**	**84,436**	**41,850**	**22,808**	**10,980**	**203,977**

The following most significant changes are pointed out:
- the increases of EUR/000 45,506 mainly regard the investments made for the projects in progress in Chile, Peru and Russia;
- depreciation of the year totalling EUR/000 43,180;
- the disposals made in the year amount to EUR/000 12,689 and mainly regard the disposal of assets from contracts being completed in Arabia, Nicaragua, Peru and Oman.

The item "Changes in the consolidation scope and other changes" mainly refers to: (i) EUR/000 (5,750) for changes in non-current assets occurring after the deconsolidation of the companies Veneta Sanitaria Finanza di Progetto S.p.A., Metro Brescia S.r.l. and Astaldi-Ozcar JV, which left the consolidation scope as previously commented in these notes; (ii)

EUR/000 1,652 for the capitalisation of costs incurred for internal construction works, especially in the domestic area and Russia.

The amount of property, plant and equipment includes a component of leased assets with an amount totalling EUR/000 21,593 as shown below:

Amount at 31.12.2013, net of depreciation	Land and buildings	Specific plant	Excavators loaders and vehicles	Various equipment and machines	Total
Historical cost	1,196	16,250	9,965	2,177	29,588
Accumulated depreciation	(67)	(4,265)	(2,664)	(999)	(7,995)
Net amount	**1,129**	**11,985**	**7,301**	**1,178**	**21,593**

16. Investment property: EUR/000 1,086 (EUR/000 1,105)

The item investment property, totalling EUR/000 1,086, comprises non-instrumental buildings and land measured at cost, having a substantially stable amount compared to the previous year, and decreasing in relation to the normal rate of depreciation (EUR/000 38.2) while, on the other hand, increasing due to the effect of reclassification applied to the item property, plant and equipment (EUR/000 19.9). In relation to the fair value rate, it should be pointed out that given the low significance of the investment in question, it was not deemed necessary to list a precise measurement nor a range of fair values.

17. Intangible assets: EUR/000 58,971 (EUR/000 107,523)

Net intangible assets are shown in the following table:

	31/12/13	31/12/12	Difference
Intangible assets - Rights on infrastructures under concession	39,535	84,143	(44,609)
Goodwill	14,745	14,745	0
Other intangible assets	4,691	8,634	(3,943)
Total	**58,971**	**107,523**	**(48,552)**

Intangible assets – Rights on infrastructures under concession: EUR/000 39,535 (EUR/000 84,143)

The details of this item for the changes in the year are shown in the following table:

	31/12/2012	Amortisation	Impairment losses	Reclassification under IFRS 5	31/12/2013
Airports – Mondial Milas-Bodrum A.S.	80,193	(26,732)	(13,927)	0	39,535
Car Parks – Corso Stati Uniti (Turin)	258	(2)	0	(256)	0
Car Parks – Ex Manif. Tabacchi (Bologna)	3,692	(66)	0	(3,626)	0
Total	**84,143**	**(26,800)**	**(13,927)**	**(3,882)**	**39,535**

The fall in this item, compared to the end of the previous year, is essentially due to the effects of: (i) the impairment losses on intangible concession rights regarding management of the Milas Bodrum Airport in Turkey; (ii) the normal amortisation cycle; (iii) the reclassification, applied pursuant to IFRS 5, of the amounts assigned to the Car Parks Branch of Astaldi Concessioni S.r.l., under assets related to disposal groups, as described in note 26 below.

With regard to the initiative regarding the concession for the management of the new International terminal at the Bodrum Airport (Turkey), it should be pointed out that the fact that the events of Gezi Park coincided with the peak season for the airport resulted in a lower than expected passenger traffic volume in 2013.
Moreover, also taking into account that the concession was not renewed for an additional 20-year period as made known in March 2014, the management of the subsidiary Mondial Milas Bodrum S.A., concession holder of the aforementioned concession, has drawn up a new Business Plan containing the new development plans formulated for the years 2014 and 2015 based on a more conservative estimate of the cash flows, also in the light of the studies conducted by Eurocontrol (the international organisation consisting of EU Member States for air traffic control and flight planning) with regard to estimated traffic.
These factors, as a specific impairment indicator, led to the impairment test being conducted in order to evaluate the recoverability of the investment in accordance with the provisions of IAS 36.
The recoverable amount of the investment was thus identified on the basis of the value in use of the *Cash Generating Unit* involved in the aforesaid concession, determined by the discounting of the cash flows available for the Shareholder (DCF for the shareholder) on the basis of the new Business Plan approved by the Board of Directors of the subsidiary.
For the purposes of the application of this method, the discount rate of expected cash flows (Ke-cost of equity) adopted for the estimate of the recoverable amount of the CGU was set at 16%.
The outcome of the impairment test resulted in the net impairment loss on the intangible concession rights totalling EUR/000 13,927 as reflected in the “impairment losses” item of the separate income statement.
As regards the effect on evaluation of the variables adopted to extrapolate the 2014-2015 cash flow projection, supported by studies developed by independent international bodies, it is pointed out, as provided for by IAS 36, the typical uncertainty affecting the growth rates of the average number of the passengers in transit forecast in the business plan timeframe as 15% per each financial year. To this end it is pointed out that the sensitivity analysis performed highlights that the +5%/-5% change of the growth rate for revenue would correspond to a change of approximately EUR/000 3,000/(3,000) in the project’s economic value.

Intangible assets – Goodwill: EUR/000 14,745 (EUR/000 14,745)

This item does not show changes compared to the previous year. In particular, the amount of EUR/000 14,745 comprises the following:

- EUR/000 11,634 for goodwill recognised following the purchase of the BUSI IMPIANTI business unit, as already commented in the “Business combinations” section of these notes to the financial statements, with reference to the plant and maintenance segments, allocated to the *“Plant and maintenance” Cash Generating Unit,* which comprises the assets of NBI and its investees. This combination represents the basis reference unit within the Group for which goodwill is monitored by management for management purposes, and thus to determine whether or not to retain 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 by the Discounted Cash Flow (DCF) method, using the future financial flows expected by company management. For the purposes of application of this method, the economic and financial plan approved by the Board of Directors of the subsidiary for the period 2014-2016 was used. The rate used for to discount the cash flows was 9.1% (WACC).
The result of the impairment test confirmed the full recoverability of the goodwill recorded for the CGU “plant and maintenance”. Therefore no impairment was applied.
Moreover, it is pointed out that the sensitivity analysis performed highlights how the reasonable change in the measurement of the financial parameters used to determine the discount rate does not significantly affect the estimate results.

- EUR/000 3,111 for goodwill recognised, as already mentioned in the “Business combinations” section of these notes, following the acquisition of *T.E.Q. Construction Enterprise Inc.* which was allocated to the Cash Generating Unit involving the Investee only. This is because it is believed that the CGU will produce financial revenue deriving from the continuity of company business, quite independent from revenue from other Group activities.

At the end of the year, the impairment test was conducted on the carrying amount of the CGU by comparison with the recoverable amount. In particular, the recoverable amount of the CGU was considered equal to the fair value identified by the market method using multiples of comparable companies, applied to the 2013 operating profit, as stated in the IFRS Reporting Package approved by the Board of Directors of the investee.
The multiple used is the Enterprise Value/operating profit ratio recorded as "Average without outliers" on a sample of comparable companies. The implicit goodwill was thus calculated by adjusting the Enterprise Value to take into account the net invested capital.
The result of the impairment test on goodwill, undertaken after the acquisition of T.E.Q. Construction Enterprise Inc, did not entail the need to apply impairment.

Other intangible assets: EUR/000 4,691 (EUR/000 8,635)

The following table shows the changes of this item, with no leased assets being present.

	Intellectual property rights	Other intangible assets	Assets under development	Total
Amount at 31.12.2012, net of amortisation (1)	**1,201**	**4,403**	**3,031**	**8,635**
Increases deriving from acquisitions	341	162	0	503
Disposals	0	0	(2,732)	(2,732)
Other changes and changes in the consolidation scope	(255)	0	(299)	(554)
Gross amount	**1,286**	**4,565**	**0**	**5,851**
Amortisation	(516)	(643)	0	(1,160)
Amount at 31.12.2013, net of amortisation (2)	**770**	**3,921**	**0**	**4,691**
(1) of which				
- Cost	3,149	11,645	3,031	17,825
- Accumulated amortisation	(1,948)	(7,242)	0	(9,190)
Net amount	**1,201**	**4,403**	**3,031**	**8,635**
(2) of which				
- Cost	2,521	11,783	0	14,304
- Accumulated amortisation	(1,751)	(7,861)	0	(9,613)
Net amount	**770**	**3,921**	**0**	**4,691**

The disposals item recognised in the assets under development item regards the transfer to the company "SP M4 S.c.p.a" of the costs for design and building site installation capitalised in 2012, with reference to start-up of the concession for Line 4 of the Milan underground, temporarily assigned by the Municipality of Milan to the private partners of the JV, while awaiting replacement by the concessionaire Company, which occurred in 2013.
The item Other changes and Changes in the consolidation scope mainly refer to changes in assets following the deconsolidation of the companies Veneta Sanitaria Finanza di Progetto S.p.A., Metro Brescia S.r.l. and Astaldi-Ozcar JV which left the consolidation scope as previously commented in the introduction to these notes.

18. Investments: EUR/000 395,564 (EUR/000 257,441)

The amount of investments in associates and other companies net of the provision for risks on investments amounted to EUR/000 395,564 with an increase of EUR/000 138,123 compared to 31 December 2012.

	31/12/13	31/12/12	Difference
Investments measured at cost	2,032	153,027	(150,994)
Equity-accounted investees	393,531	104,414	289,117
Total	**395,564**	**257,441**	**138,123**

The decrease recorded in the item "Investments measured at cost" is exclusively due to reclassification of the investment in the company A4 Holding S.p.A. with respect to "Equity-accounted investees", as already mentioned previously in these notes.

The following table, with reference to "Equity-accounted investees", shows the main changes occurring in 2013:

	31/12/12	Acquisitions and under-writing/ Disposals	Changes in consolidation scope	Profit (loss) from equity accounting	Other items of statement of comp. income	Decrease for divi-dends / Increase coverage of losses	Other changes	31/12/13
A4 Holding S.p.A	0	0	159,605	19,803	13	0	(673)	178,748
Otoyol Yatirim Ve Isletme A.S	21,044	56,921	0	(123)	(13,411)	0	0	64,431
Pacific Hydro Chacayes	27,273	0	0	(98)	3,601	(2,462)	(1,255)	27,059
Veneta Sanitaria di Progetto S.p.A..	0	906	23,500	2,350	504	0	0	27,260
Ica Ucuncu Bogaz Koprusu Ve Kuzey Marmara Otoyolu	0	29,253	0	0	(4,542)	0	0	24,711
METRO C S.c.p.a.	12,771	6,900	0	0	0	0	0	19,671
Metro 5 S.p.A.	9,805	0	0	1,047	3,852	0	0	14,704
S.E.I.S. S.p.A.	14,783	0	0	(234)	0	0	(193)	14,356
M.N. Metropolitana di Napoli S.p.A.	6,444	0	0	560	0	0	0	7,004
SA.T. S.p.A.	5,886	0	0	(188)	1,093	0	0	6,791
Pedelombarda S.c.p.A.	4,800	0	0	0	0	0	0	4,800
Metro Brescia S.r.l.	0	0	933	52	0	0	0	985
COMET	0	0	0	(16,839)	(1)	16,840	0	0
Other minor items	1,609	1,526	0	18	(141)	1	0	3,013
Total	**104,415**	**95,506**	**184,038**	**6,348**	**(9,032)**	**14,379**	**(2,121)**	**393,531**

It is pointed out that the results of the equity-accounted investees, including the effects recorded in the provision for risks on investments, described in note 33 below, have caused a cumulative effect on the profit for the year totalling EUR/000 6,302 and on other comprehensive income totalling EUR/000 (9,020).

With regard to this item, it is pointed out that the main changes occurring in the year are due not only to the overall effect on the income statement caused by equity accounting, but also to the following main factors:

- Change in the consolidation scope of EUR/000 159,605 due to the reclassification of the carrying amount for A4 Holding S.p.A., following the start of the year with considerable influence on the investee occurring in the third quarter of 2013, as already mentioned in these notes;
- Changes in the consolidation scope of EUR/000 24,433 due to the reclassification, following the loss of joint control, of investments referring to the companies Veneta Sanitaria Finanza di Progetto S.p.A. (EUR/000 23.500) and Metro Brescia S.r.l. (EUR/000 933) as already mentioned in these notes;
- Capital injections totalling EUR/000 56,921, made in relation to the development company "Otoyol Yatirim Ve Isletme A.S", an entity set up under Turkish law that will develop the concession for the design, construction and management of the new Gebze-Orhangazi-Izmir motorway in Turkey;
- Capital injections totalling EUR/000 29,253, made in relation to the development company "Ica Ic Ictas Astaldi Ucuncu Bogaz Koprusu Ve Kuzey Marmara Otoyolu Yatirim Ve Isletme A.S", an entity set up under Turkish law that will develop the concession for the construction and management of the Third Bosphorus Bridge and of the Odayeri-Pasakoy stretch of the North Marmara Highway in Turkey.

We should also point out that during the year, considering the presence of impairment indicators, the verification was performed of the recoverable amount of the investment in the company Metro 5 S.p.A.

The recoverable amount of Metro 5 S.p.A. was considered as equal to the relative value in use calculated by the Discounted Cash Flow (DCF) method, discounting the future financial flows expected by company management at a rate of 6.70% representing the WACC of this company. For the purposes of the application of this method, the economic and financial plan of the associate was projected over the duration of the concession held by that company (2014-2040).

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 (+20/-2 bps) does not significantly affects the estimate results.

With regard to verification of the recoverability of the value of other investments recognised in these consolidated financial statements, we do not believe that any indicators of impairment have emerged to determine the need for further specific tests.

Finally, it is pointed out that the carrying amounts of investments, as in the previous year, are shown net of payments still to be made for quotas and/or shares underwritten.

For more detailed information on the main financial data of the equity-accounted investees, see Annex 3.

The information on the major elements of the structure of the concessions held by associates is shown in the section on "Service concession arrangements" as mentioned in the introduction to these notes.

19. Financial assets

Non-current financial assets: EUR/000 99,786 (EUR/000 193,448)

The following table shows the composition of non-current financial assets:

	31/12/13	31/12/12	Difference
Rights to receivables arising from concessions	18,549	135,419	(116,870)
Non-current financial receivables	46,439	50,531	(4,092)
Other financial assets from investees	10,401	7,498	2,903
Lease receivables	24,397	0	24,397
Total	**99,786**	**193,448**	**(93,662)**

Receivable rights from concessions include the non-current quota of the current value of the minimum payments guaranteed by the concession grantors substantially for Turkey, mainly referring to the concession for Milas-Bodrum Airport (EUR/000 15,603).
The substantial decrease in this item compared to the previous year is substantially due to the following:
- EUR/000 42,593 for the deconsolidation of the company Veneta Sanitaria Finanza di Progetto following the loss of joint control on the entity as already described in these notes;
- EUR/000 61,797 following the reclassification, in accordance with IFRS 5, to the assets connected with disposal groups of the amounts of the Car Parks Branch of Astaldi Concessioni S.r.l.

The item "Non-current financial receivables" refers substantially to financial items paid in favour of associates expressing the Group's investment strategy, especially in the concessions business.
The main changes of this item compared to the previous year are due to the following factors:
- Decrease of EUR/000 10,989 in the funding granted to the associate Otoyol Yatirim Ve Isletme A.S., essentially due to the use of the proportional quota of the amounts paid, to reduce the amount due for the share capital increase approved by the investee in July 2013;
- Decrease of EUR/000 7,109 for the reclassification applied to the current financial assets for the amounts paid out for funding the start-up phase of some activities undertaken by the Group in the partnership in Turkey;
- Increase of EUR/000 11,054 of funding granted to the associate Metro 5 S.p.A. and recorded following the paying of a further financial contribution to support the concession works.

The receivables for the transfer of leases regard the operation, defined as such pursuant to IFRIC 4, undertaken by the subsidiary Valle Aconcagua A.S. with reference to the Relaves Project as already mentioned in note 1.
On the basis of the applicable accounting standards and interpretations, the Group has removed from assets the plant for the treatment and recovery of copper and molybdenum, covered in the lease, replacing the relative carrying amount with the financial payable, with the gradual crediting of the relative financial income on the basis of the duration of the lease, using the effective interest rate applicable to the lease.
For "Other Financial assets from investees" see the detailed information on transactionswith related parties attached to these notes.

Current financial assets: EUR/000 46,391 (EUR/000 17,653)

The following table shows the composition of non-current financial assets:

	31/12/13	31/12/12	Difference
Rights to receivables arising from concessions	15,447	16,306	(859)
Securities in portfolio	1,407	1,347	60
Derivatives	164	0	164
Current financial receivables	29,373	0	29,373
Total	**46,391**	**17,653**	**28,738**

The current financial assets increased compared to the previous year by EUR/000 28,738. This increase is due to: (i) EUR/000 23,007 from financial resources made available temporarily and for a period limited to the funding of the start-up phase of some activities undertaken by the Group in partnership in Turkey; (ii) EUR/000 4,913 for the funding granted to the associate Consorzio MM4 to support the concession works in progress. The agreements governing these works provide for the repetition of the sums by the year 2014, also in terms of the remuneration of the amount already provided. The "Rights to receivables arising from concessions" basically consist of the works in progress in Bodrum for the management of the airport international terminal.

20. Other Assets

Other Non-current assets: EUR/000 54,723 (EUR/000 39,874)

The composition of this item is shown in the table below:

	31/12/13	31/12/12	Difference
Indirect tax reimbursements	17,895	7,976	9,919
Direct tax reimbursements	8,439	5,305	3,134
Tax assets	**26,335**	**13,281**	**13,054**
Advances to suppliers and subcontractors	2,268	2,433	(165)
Security deposits	3,795	6,507	(2,712)
Prepayments on insurance premiums	12,064	12,661	(597)
Prepayments for sureties fees	8,754	447	8,307
Other prepayments	1,005	3,804	(2,800)
Receivables from social security bodies	0	16	(16)
Other sundry receivables	502	725	(223)
Other assets	**28,388**	**26,594**	**1,794**
Total	**54,723**	**39,874**	**14,848**

The change in the item Tax assets is substantially due to higher VAT reimbursements requested from the tax authorities, especially for the Turkey area and mainly related to initiatives with structural credit considering the special tax rules applicable.
The item "Other assets", substantially stable compared to the previous year, increased due to the effect of the increase in prepayments for sureties fees and other types for EUR/000 4,910 and on the other hand, fell in relation to the item security deposits by EUR/000 2,712.

Other Current assets: EUR/000 383,043 (EUR/000 381,022)

This item consists of the following:

	31/12/13	31/12/12	Difference
Receivables from associates	22,098	25,321	(3,223)
Receivables from other companies	134	138	(4)
Advances to suppliers and subcontractors	209,091	167,808	41,283
Receivables from third parties for supply of goods and services	127,453	126,364	1,090
Receivables from employees	2,915	2,403	513
Receivables from social security bodies	2,647	2,894	(247)
Prepayments on insurance premiums	4,282	4,202	80
Prepayments for sureties fees	2,055	2,890	(835)
Other prepayments	1,940	2,752	(813)
Other sundry receivables	10,428	46,250	(35,822)
Total	**383,043**	**381,022**	**2,021**

Other current assets rose compared to the previous year by EUR/000 2,021 above all in relation to the change, mainly for the Central-Eastern European area, of the "Advances to suppliers and subcontractors".

In particular, in the contracts in progress in Russia and Turkey, the higher production volumes recorded in the year have made it necessary to utilise subcontractors with adequate quality standing; also in relation to practice in the segment in the areas involved, this has required the payment of higher contract advances for works to be undertaken.

The item "Other sundry receivables" reflects a significant reduction due to the reclassification under works in progress of the amounts (EUR/000 38,786) already involved in the transfer to a factoring company, applied after the natural expiry of the contract agreements underlying the transaction.

The item "Receivables from third parties to supply goods and services" totalling EUR/000 127,453 rose compared to the previous year by EUR/000 1,090 and, as indicated in the comment on the item Other revenue", refers to the components not directly related to production activity for works of the Company, but which are in any case accessory to the core business and with continuity over time.

There follows the geographical breakdown of the item receivables from third parties:

	31/12/13	%	31/12/12	%	Difference
Italy	30,623	24.03%	25,793	20.41%	4,830
Europe	64,238	50.40%	61,653	48.79%	2,585
America	18,345	14.39%	25,459	20.15%	(7,114)
Africa	12,730	9.99%	12,132	9.60%	598
Asia	1,516	1.19%	1,325	1.05%	191
Total	**127,453**	**100.00%**	**126,363**	**100.00%**	**1,090**

For more details regarding the receivables from associates, totalling EUR/000 22,098, see the annex with information on related parties.

It should be pointed out that the recoverable amount of receivables from third parties was adjusted as shown below:

			Use			
	31/12/2012	Allocations	Income	Equity	Other	31/12/2013
Allowance for impairment	(4,398)	(107)	43		(279)	**(4,741)**
Total	**(4,398)**	**(107)**	**43**		**(279)**	**(4,741)**

21. Inventories: EUR/000 61,711 (EUR/000 84,343)

This item has the following composition:

	31/12/13	31/12/12	Difference
Raw materials, supplies and consumables	59,656	71,971	(12,315)
Work in progress and semi-finisched products	113	7,245	(7,132)
Finished products and goods	1,594	1,854	(261)
Goods and materials in transit	347	3,272	(2,925)
Total	**61,711**	**84,343**	**(22,632)**

The following table shows the geographical breakdown of this item:

	31/12/13	%	31/12/12	%	Difference
Italy	4,635	7.51%	14,780	17.52%	(10,145)
Europe	19,000	30.79%	22,651	26.86%	(3,651)
America	29,943	48.52%	34,078	40.40%	(4,135)
Africa	8,023	13.00%	10,965	13.00%	(2,943)
Asia	110	0.18%	1,869	2.22%	(1,759)
Total	**61,711**	**100.00%**	**84,343**	**100.00%**	**(22,632)**

The significant decrease in this item, in the domestic area, is mainly due to (EUR/000 7,696) for completion of some work phases for the construction of Line 5 of the Milan underground and the consequent utilisation of the inventories recorded at 31 December 2012.
For the American area we can observe the following: (i) the change in “Work in progress and semi-finished products” due to the completion of the plant for the recovery of the copper and molybdenum contents (Relaves Project) and the subsequent reclassification, as already commented in note 19, of the carrying amount under financial receivables for leases; (ii) partial offset by the increase in inventories of “Raw materials, supplies and consumables” recorded in relation to the works regarding the Cerro del Àguila Hydroelectric Project in Peru.
We should also point out the decrease in this item in relation to the European area due especially to the lower production volumes of Romanian road work contracts and the contract for the Bridge over the Golden Horn in Istanbul (Haliç Bridge).
The amount of inventories is lower, also for the African area, substantially due to the effect of trends in particular working phases of the Algerian railway works (Saida-Moulay-Slissen Railway, Saida Tiaret Railway).

22. Receivables from customers: EUR/000 1,261,797 (EUR/000 1,058,039)

Payables to customers: EUR/000 674,738 (EUR/000 479,397)

These items consist of the following:

	31/12/13	31/12/12	Difference
CURRENT ASSETS			
Contract work in progress	8,837,402	7,462,049	1,375,352
Allowance for impairment losses on contracts	(10,642)	(12,374)	1,731
Total contract work in progress	**8,826,759**	**7,449,676**	**1,377,084**
Payments on account from customers	(7,564,963)	(6,391,637)	(1,173,326)
Total receivables from customers	**1,261,797**	**1,058,039**	**203,758**
CURRENT LIABILITIES			
Contract work in progress	1,840,650	1,256,318	584,331
Allowance for impairment losses on contracts	(2,889)	(7,602)	4,713
Total contract work in progress	**1,837,760**	**1,248,716**	**589,044**
Payments on account from customers	(2,066,156)	(1,430,773)	(635,383)
Subtotal	***(228,395)***	***(182,057)***	***(46,339)***
Contract advances	(446,343)	(297,340)	(149,003)
Total payables to customers	**(674,738)**	**(479,397)**	**(195,341)**

Contract work in progress, considered separately between the amounts recognised under receivables from customers those contained under payables to customers, has shown, in the foreign sector, an increase with particular reference to: (i) the higher production volumes recorded in the year in relation to the construction of the Western High-Speed Diameter in St. Petersburg in Russia; (ii) the works for the construction of the Pulkovo International Airport; (iii) the start-up of the activities for the construction of the Third Bosphorus Bridge and the Odayeri-Pasakoy stretch of the North Marmara Highway in Turkey.

In the context of activities undertaken abroad, we should likewise point out the decrease in contract work in progress: (i) in the American area, essentially due to railway works in Venezuela; (ii) the African area, with particular reference to the Saida-Tiaret railway works in Algeria.

Contract work in progress rose, also in the domestic area, mainly in the segment of transportation infrastructures (Lots DG-21 of the Jonica National Road, Bologna Centrale High Speed Railway Station, Line 5 of the Milan underground).

With regard to activities in the domestic area, we should point out that after the agreement signed with the customer on 09 September 2013, specific SAL accounting was used for the amounts for works already undertaken for the First, Second and Third Functional Phase of Line C of the Rome underground, for a total of EUR/000 92,243.

Finally, we can point out the increase in the item "Contract advances" recorded above all in relation to: (i) the amounts received in the second quarter of the current year for the Western High Speed Diameter in St. Petersburg in Russia; (ii) the contract advance received in relation to the contract assigning the undertaking of works for the Muskrat Falls hydroelectric plant in Canada.

With regard to the "Muskrat Falls" project, we should recall that the recently acquired contract, with an overall approximate value of CAD 1 billion, involves the construction of a hydroelectric power station and the execution of the connected works for water intakes and outlets, and is part of a broader investment which after completion will endow the Muskrat Falls facility with a capacity of over 820 MW.

23. Trade receivables: EUR/000 961,860 (EUR/000 835,077)

Trade receivables rose compared to the previous year by approximately EUR/000 126,783 and comprise the following:

	31/12/13	31/12/12	Difference
Receivables from customers	928,109	838,285	89,824
Receivables from associates	41,770	30,691	11,079
Receivables from parents	10	74	(64)
Receivables from other investees	4,510	750	3,759
Allowance for impairment	(12,539)	(34,724)	22,185
Total	**961,860**	**835,077**	**126,783**

The following table shows the geographical breakdown of this item:

	31/12/13	%	31/12/12	%	Difference
Italy	397,977	41.38%	402,108	48.15%	(4,131)
Europe	150,877	15.69%	115,026	13.77%	35,851
America	359,633	37.39%	264,895	31.72%	94,737
Africa	36,066	3.75%	44,516	5.33%	(8,450)
Asia	17,307	1.80%	8,532	1.02%	8,775
Total	**961,860**	**100.00%**	**835,077**	**100.00%**	**126,783**

With regard to the geographical breakdown of trade receivables, we can observe an increase in the American area due partly to the contract work in progress in Canada and partly to the completion of the process for the certification of the works already completed in Venezuela. With reference to the latter area, it should be pointed out that during the year and in line with 2012, the customer has continued the activity of certification and acknowledgement of the works completed in the previous years. This is all the more relevant when taking into account the particular socio-political situation in the country after the death of President Chavez. Under this authorisation process, the works to be certified were reduced by approximately EUR/000 75,000 with consequent reclassification under receivables. In particular, this involved the certification and partial invoicing of the works completed up to: (i) July 2013 for the Puerto Cabello-La Encrucijada contract; (ii) August 2013 the Ortiz and Calabozo contracts; (iii) September 2013 for the Chaguaramas-Cabruta contract.
More in general, with reference to the amounts payable by the Venezuelan government, also in the light of recent meetings with the customer, the renewed political and trade relations between Italy and Venezuela and confirmation by the new political leadership of the importance for the country's development of the infrastructure works, including the portions mentioned, there are no conditions that would currently lead us forecast any failure to recover the amounts owed.
In particular it is noted that although Venezuela has experienced a downgrading of its financial rating, no impairment indicators are recognised since at the present time there is no information concerning the financial insolvency of the Venezuelan government, requests of renegotiation of the payment terms of current receivables and limits on the procurement of financial resources on the market by the aforementioned country.
This item also recorded an increase for: (i) the European area, substantially due to the contribution of the initiatives in progress in Poland (Łódź Fabryczna Station) and Turkey (Third Bosphorus Bridge and North Marmara Highway); (ii) the Asian area with specific reference to the high speed Stations of Jeddah and Kaec in Saudi Arabia.
On the other hand, we can point out the decrease due to the African area, especially in connection with the collection of part of the receivables for the works undertaken on the Algerian railway projects.
Trade receivables decreased, also in the domestic area, basically due to the collection of part of the amounts accruing for works undertaken for the construction of Line 5 of the Milan underground; this effect was partially offset by the increase recorded for the greater volumes recorded in the year in relation the construction of the Pedemontana Lombarda Motorway.

The allowance for impairment fell compared to the previous year and the change is shown below:

	31/12/2012	Accruals	Uses		Delta exchanges and other movements	31/12/2013
			Income	Equity		
Allowance for impairment	(11,281)	(28)	0	580	(38)	**(10,767)**
Allowance for impairment-default interest	(23,443)	0	14,250	936	6,484	**(1,772)**
Total	**(34,724)**	**(28)**	**14,250**	**1,516**	**6,446**	**(12,539)**

The decrease in the allowance for impairment-default interest, as commented in note 9, refers to Venezuela.

24. Tax assets: EUR/000 105,893 (EUR/000 143,067)

This item has the following composition:

	31/12/13	31/12/12	Difference
Receivables for indirect taxation	73,423	94,350	(20,927)
Receivables for direct taxation	32,667	48,915	(16,248)
Allowance for impairment	(198)	(198)	0
Total	**105,893**	**143,067**	**(37,175)**

The decrease in this item is especially due to the item “Receivables for indirect taxation” recorded above all with reference to the foreign sector and specifically with regard to Romania, Algeria and Venezuela as well as the domestic area.
There was also a decrease in “Receivables for direct taxation” with reference to the domestic area, Turkey and Algeria, and more in particular, to the use by the Parent and investees of tax assets to set off taxes payable in accordance with the law.

25. Cash and cash equivalents: EUR/000 373,772 (EUR/000 400,215)

The cash and cash equivalents decreased compared to 31 December 2012 by EUR/000 26,443 and comprise the following:

	31/12/13	31/12/12	Difference
Bank and post office deposits	373,338	399,689	(26,351)
Cash and cash equivalents	433	526	(92)
Total	**373,772**	**400,215**	**(26,443)**

In terms of geographical breakdown this item is as follows:

	31/12/13	31/12/12	Difference
Italy	159,475	171,237	(11,762)
Europe	167,308	133,027	34,281
America	8	794	(786)
Africa	34,147	75,461	(41,314)
Asia	12,834	19,696	(6,862)
Total	**373,772**	**400,215**	**(26,443)**

For a more detailed analysis of flows of cash and cash equivalents there follows a comment on the main changes in the consolidated statement of cash flows for 2013.

Information on the consolidated statement of cash flows

The financial flow rates for 2013, including the change in bank deposits referring to disposal groups (EUR/000 607), show an overall decrease in net cash and cash equivalents of EUR/000 25,836, compared to a reduction of EUR/000 55,995 recorded in the previous year.

Cash flows from operating activities

The cash flow from operating activities during 2013, totalling EUR/000 9,965, recorded a decrease of EUR/000 33,193 compared to 2012 (EUR/000 43,158).
This change is due to the increase in trade receivables and work in progress, which especially regarded the work in progress in Russia and Turkey – *where the effects are recorded of the full start-up of the contracts for the Western High Speed Diameter in St. Petersburg and the construction of the Third Bosphorus Bridge* – as well as in Canada and Poland; partially offset by the increase in the item "Contract advances", recorded above all in relation to (i) the amount collected in the second quarter of the current year for the Western High Speed Diameter in St. Petersburg n Russia; (ii) the contract advance received in relation to the contract for undertaking the works for the Muskrat Falls hydroelectric plant in Canada.

Cash flows used in investing activities

The cash flow used in investing activities in 2013 totalled EUR/000 158,619 and is essentially due to:
- the payments made to cover the share capital increases approved by the companies operating in the concessions segment, totalling EUR/000 80,597; especially in Turkey – *with regard to the concessions for the construction and management of the Gebze-Orhangazi-Izmir Motorway and of the Third Bosphorus Bridge* – and in Italy with reference to A4 Holding S.p.A.;
- financial support granted to initiatives for General Construction being started up in Turkey – *Third Bosphorus Bridge* – totalling EUR/000 20,668;
- invested capital, in the context of the execution of a contract defined as a finance lease, for activities in progress in Chile, totalling EUR/000 18,604.

Cash flows from financing activities

In the year 2013 the management of financing activities generated net cash flows totalling EUR/000 122,818, basically regarding:
- net cash assets acquired in January 2013 by the issue of an equity-linked bond issue of EUR/000 130,000;
- net cash assets acquired in December by the issue, in two successive tranches, of senior unsecured bonds for a total amount of EUR/000 600,000;
- net cash assets acquired following: (i) bilateral "committed" financing operations from Banca del Mezzogiorno in May 2013 (EUR/000 30,000); (ii) bilateral committed borrowing, agreed in December 2013 with Banca Popolare dell'Emilia Romagna (EUR/000 20,000).

Partially offset by:
- approximately EUR/000 195,000 from the repayment of short-term revolving credit lines (committed and uncommitted);
- EUR/000 285,000 from the repayment of the principal of the revolving Forward Start Facility utilised up to 31/12/2012, effected with the revenue from the senior unsecured bond;
- approximately EUR/000 120,000 from repayments made in 2013, of the principal of committed borrowing;
- EUR/000 16,806 from cash absorbed by the dividends paid by Astaldi and other Group companies in favour of minority shareholders.

26. Assets/Liabilities related to disposal groups classified as held for sale: EUR/000 60,273 (EUR/000 0) - EUR/000 39,947 (EUR/000 0)

On 23 December 2013, through the subsidiary Astaldi Concessioni S.r.l., in the context of implementation of the strategic policies set during approval of the pertinent business plan, the Group signed an agreement for the sale to a group of corporate investors of 95% of the companies AST VT S.r.l. and AST B S.r.l., holders of the concessions for the "Car Parks Branch" of the Group (consisting of the following Car Parks: "Riva Reno" and "Piazza VIII Agosto" in Bologna, "C.so Stati Uniti" and "Porta Palazzo" in Turin and "P.zza Cittadella" in Verona).

	Porta Palazzo Turin Car Park	C.so Stati Uniti Turin Car Park	P.za Cittadella Verona Car Park	Parch. P.za VII Agosto Bologna	Ex Manif. Tabacchi Bologna Car Park	Other assets	Adjustments and rounding	31/12/2013
Intangible concession rights	0	0	0	0	1,579	0	0	1,579
Trade receivables	28	1	133	193	0	0	0	355
Rights to receivables arising from concessions	852	325	31,216	15,190	10,148	0	0	57,731
Other assets	9	6	213	10	68	0	(305)	1
Cash and cash equivalents	0	0	0	0	0	607	0	607
Non-current assets held for sale	**889**	**331**	**31,563**	**15,393**	**11,795**	**607**	**(305)**	**60,273**
Employee benefits	0	0	0	0	0	2	0	2
Deferred tax liabilities	252	(286)	3,738	4,596	222	(44)	0	8,478
Trade payables	7		2	173	74	61	(74)	244
Financial liabilities	0	0	17,560	0	10,097	1,029	(1,029)	27,657
Tax liabilities	0	0	0	0	0	613	0	613
Other liabilities	0	0	1,948	0	1,389	14	(397)	2,954
Liabilities directly related to non-current assets held for sale	**259**	**(286)**	**23,249**	**4,769**	**11,783**	**1,674**	**(1,501)**	**39,947**

The assets classified as held for sale were measured at the time of recognition, as required by IFRS 5, at the carrying amount or the relative fair value net of costs to sell, whichever is lower. The valuation at fair value of the net assets of the five Car Parks has led to an overall adjustment of the corresponding carrying amounts totalling EUR/000 5,589 net of fiscal effects.

With regard to the sales price agreed with the group of corporate investors for the sale of the business unit, it is observed that the agreed amount will be subject to adjustments if certain revenue targets are reached in the coming years.

For further details regarding the determination of the fair value of the CGU referring to the Car Parks business, see note 34 below.

With regard to the income statement components recognised for the Car Parks business, already commented in note 13 above, it should be pointed out that besides the mentioned impairment losses EUR/000 (5,589), they also express the income statement effect of the ordinary management of the Car Parks in the year, totalling EUR/000 1,014.

27. Equity: EUR/000 603,923 (EUR/000 553,948)

Share capital: EUR/000 196,850 (EUR/000 196,850)

The share capital subscribed and fully paid-in, comprises 98,424,900 ordinary shares with a nominal value of Euro 2 and totals EUR/000 196,850.
According to the Shareholders' Register and other information in this respect, required 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% as at 31 December 2013 are shown below:

DIRECT SHAREHOLDER	Number of shares	% investment
Fin.Ast S.r.l.	39,505,495	40.138%
Finetupar International S.A.	12,327,967	12.525%
Total Fin.Ast. S.r.l.	**51,833,462**	**52.663%**
Odin Forvaltning AS	4,828,885	4.906%
Norges Bank	2,118,499	2.152%
Pictet Asset Management Ltd	2,065,633	2.099%
FMR LLC	1,999,104	2.031%
Total holders of major investments	**62,845,583**	**63.851%**
Treasury shares	520,120	0.528%
Market	35,059,197	35.620%
General total	**98,424,900**	**100.000%**

Therefore, the shares in circulation at 31 December 2013 totalled 97,904,780 (97,816,713 shares at 31/12/2012) and recorded an increase of 88,067 shares, compared to the previous year, calculated as follows:

Shares in circulation in 2013	
01/01/2013	**97,816,713**
Withdrawals for buy back	(289,336)
Entries for buy back and for share option plan	377,403
31/12/2013	**97,904,780**

At the draft date of these Financial Statements there were no shares subject to encumbrances.
The Parent shares regularly consigned to employees under the share option plan totalled 1,063,300 shares at the end of the year (1,038,300 at the end of 2012).

Other financial instruments offering the right to subscribe newly-issued shares

In data On 23 January 2013, the parent launched an equity-linked bond offer with a 6-year duration, of a total nominal value of EUR 130 million, completely placed with qualified Italian and foreign investors on 24 January 2013.
The bonds may become convertible into existing or newly-issued ordinary company shares *after one year from the issue date*. The bond conversion price has been set at EUR 7.3996 that incorporates a conversion premium of 35% of the average weighted price for Astaldi shares traded on the Italian Stock Exchange during the interval from the bond launch to pricing, equal to EUR 5.4812.
The Company shall be 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 serve the equity-linked bond loan, in cash, by payment and in tranches, with exclusion of

the right of option pursuant to Article 2441, subsection 5 of the Italian Civil Code for a maximum, total nominal value of EUR/000 35,137, to be released on one or on several occasions through the issue of a maximum of 17,568,517 ordinary company shares of a nominal value of EUR 2.00 with the same characteristics as ordinary shares in circulation. The number of shares involved in the conversion shall be calculated by dividing the nominal value of shares, in relation to which the conversion application was submitted, by the conversion price.

Treasury shares held by the Parent: EUR/000 -1,040 (EUR/000 1,216)

The treasury shares owned by the Parent at the end of the year totalled 520,120 equivalent to 0.528% of share capital (608,187 shares in 2012), with the nominal value totalling EUR/000 1,040 being recognised in accordance with the international financial reporting standards as a decrease of the share capital.

Equity reserves: EUR/000 287,799 (EUR/000 237,284)

A breakdown of equity reserves can be found in the following table:

	31/12/13	31/12/12	Difference
Legal reserve	26,201	23,930	2,271
Extraordinary reserve	244,376	218,262	26,114
Retained earnings	75,844	48,971	26,873
Other reserves	114	(921)	1,035
Other comprehensive expense	(58,735)	(52,957)	(5,778)
Total	**287,799**	**237,284**	**50,515**

■ Legal reserve
The legal reserve increased by EUR/000 2,271 in relation to the provision set forth in Art. 2430 of the Italian Civil Code.

■ Extraordinary reserve
The extraordinary reserve increased compared to the previous year by EUR/000 26,114. This results from: EUR/000 25,823 as the remaining amount of the allocation of profit of the Parent for 2012; EUR/000 (16) as a result of buy-back transactions; and EUR/000 307 as the remaining amount of the allocation of profits of the subsidiaries for 2012;
With regard to buy-back transactions, it should be pointed out that the total of the provision for treasury shares held in the portfolio, established pursuant to Art. 2357 ter of the Italian Civil Code totalled EUR/000 2,859 used, pursuant to relevant accounting standards, to reduce the Extraordinary reserve by EUR/000 1,819 and to reduce the share capital by EUR/000 1,040, the latter corresponding to the nominal value of treasury shares in the portfolio.

■ Retained earnings
Retained earnings amounting to EUR/000 75,844 reflected the effects arising from consolidation of investments in subsidiaries and jointly controlled entities, and from application of equity accounting.
The item likewise includes entries related to transactions regarding the acquisition of minority investments in entities that are already Group subsidiaries as governed by IAS 27.

■ Dividends paid
In 2013 dividends totalling EUR 16,639,053 were paid (EUR 16,630,295.22 in 2012). The dividend approved at the General Meeting of 23 April 2013 of EUR 0.17 per share (EUR 0.17 in 2012), was paid on 06 June 2013, ex-dividend date on 03 June 2013. The number of shares benefiting from the dividend totalled 97,876,784 (97,825,266 in 2012) on a total number of shares of 98,424,900 and net of the treasury share quota totalling 548,116; likewise, part of the profit for 2012, EUR/000 681, was allocated to the provision pursuant to Art. 27 of the Company's by-laws.

Other reserves

A breakdown of the item can be found in the table below:

	31/12/2013	31/12/2012	Difference
Share option reserve	2,925	2,026	898
IFRS transition reserve	(13,373)	(13,373)	0
Reserve for first-time application of IFRIC 12	10,396	10,396	0
Treasury share negotiation reserve	2,534	2,205	330
Other	(2,368)	(2,175)	(193)
Total	**114**	**(921)**	**1,035**

There was a change in Other reserves mainly due to a share option reserve difference of EUR/000 898.
The share option 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 valuation.
The IFRS transition reserve represents: (i) the total amount of adjustments recorded under the opening balance for equity in the first financial statements drawn up in accordance with international financial reporting standards; (ii) the amount recorded following subsequent IFRS approvals on first-time application; (iii) the amount of cumulative translation differences at the time of transition to IFRS, not restated following exercise of the exemption set forth in IFRS 1 par. 13; (iv) the amount of the consolidation differences emerging from business combinations prior to the transition date to IFRSs, not restated following exercise of the option set forth in IFRS 1 par. 13.
The reserve for first-time application of IFRIC 12 has been 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 treasury share negotiation reserve includes the progressive effects (surplus/deficit) arising from the buy-back plan.
Other reserves include minor items arising from equity accounting.

Other comprehensive income

Other comprehensive income comprises the effects of the hedging reserve, the translation reserve, defined benefit plan actuarial gains and losses and measurement of AFS Financial Assets. The changes are shown hereunder:

	Hedging reserve	Translation reserve	AFS Financial Assets	Defined benefit plan actuarial gains and losses	Total
At 01/01/2012	(31,799)	(5,352)	0	(6)	(37,157)
Changes during the year	(13,876)	(1,060)	0	(863)	(15,800)
At 31/12/2012	**(45,676)**	**(6,412)**	**0**	**(869)**	**(52,957)**
Changes during the year	22,362	(28,797)	(147)	804	(5,778)
At 31/12/2013	**(23,314)**	**(35,209)**	**(147)**	**(65)**	**(58,735)**

When analysing other comprehensive income items, note must be taken of (i) the negative effect arising from the translation of items listed in currencies other than the Euro, specifically attributable to translation of items expressed in Turkish Lira referring mainly to equity-accounted investees, (ii) partially offset by the decrease in the hedging reserve resulting from the increase in the interest rate curve in the Euro zone compared to 31 December 2012 and to the extinction of some hedging transactions during 2013.
A breakdown of the hedging reserve can be found below:

	31/12/13	31/12/12	Difference
Parent/Subsidiaries HR	(16,047)	(34,486)	18,439
Fiscal effect	4,294	9,129	(4,835)
Value net of fiscal effect	**(11,753)**	**(25,357)**	**13,604**
HR Associates	(11,741)	(20,830)	9,089
Total	**(23,494)**	**(46,187)**	**22,693**
Attributable to owners of the parent	(23,314)	(45,676)	22,362
Attributable to non-controlling interests	(181)	(511)	329

Equity attributable to non-controlling interests: EUR/000 45,101 (EUR/000 46,897)

Equity attributable to non-controlling interests, which remained largely unvaried compared to the previous year, underwent changes in relation to the following main factors:

- it decreased by EUR/000 7,014 mainly in relation to changes in the consolidation scope during 2013 and specifically, (i) a decrease of EUR/000 5,806 following acquisition by the subsidiary Astaldi Concessioni S.r.l. of part of the non-controlling interests in A.I.2. S.r.l. and (ii) a decrease of EUR/000 1,042 for acquisition of the remaining part of the non-controlling interests in Società Mondial Milas-Bodrum;
- while it increased as a result of the increase during the year in the share capital of the subsidiary A.I.2 S.r.l. (EUR/000 2,112), and as a result of comprehensive income during the year (EUR/000 3,272).

The changes in other comprehensive income attributable to non-controlling interests can be seen below:

	Hedging reserve	Translation reserve	AFS Financial Assets	Defined benefit plan actuarial gains and losses	Total
At 01/01/2012	(61)	344	0	(7)	276
Changes during the year	(449)	103	0	(27)	(373)
At 31/12/2012	**(510)**	**447**	**0**	**(34)**	**(97)**
Changes during the year	329	(318)	(48)	82	46
At 31/12/2013	**(181)**	**129**	**(48)**	**48**	**(51)**

Share capital management

Please find below the disclosure provided for in IAS 1 – par. 134

A) Qualitative disclosure

The Group uses the term share capital to refer to both capital injections from shareholders, and the value generated by the Group itself in terms of operating results (retained earnings and other reserves). While the Group does not include in this definition the equity items identified subsequent to the valuation of cash flow hedge derivatives since these will be offset in future years by opposite revenue items, thus allowing the company to achieve the goal of hedging.
The goals identified by the Group regarding share 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 relative 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 levels required as regards corporate "committed" borrowing with banks financing the Group. For further information see Note 28 below.

B) Quantitative disclosure
Please find below a quantitative analysis of the individual share capital items as defined in the paragraph above.

	31/12/13	31/12/12
A – Overall financial debt	**(800,983)**	**(626,005)**
Total equity	603,923	553,948
Minus sums accrued among equity related to financial flow hedging	(23,495)	(46,187)
B – Adjusted share capital	**627,418**	**600,135**
C – Debt/Capital ratio (A/B)	**1.28**	**1.04**

28. Financial liabilities

Non-current financial liabilities: EUR/000 970,042 (EUR/000 734,920)*

Non-current financial liabilities showed an overall increase of EUR/000 235,123 and comprised the following:

	31/12/13	31/12/12	Difference
Convertible bonds	130,000	0	130,000
Senior unsecured bonds	600,000	0	600,000
Bond loans – Nominal value	**730,000**	**0**	**730,000**
Issue and placement commissions	(16,732)	0	(16,732)
Cash settlement option – Fair value	4,389	0	4,389
Total bond loans	**717,657**	**0**	**717,657**
Bank loans	230,653	708,378	(477,725)
Loans backed by personal guarantees	4,896	3,797	1,098
Finance lease payables	15,992	9,575	6,417
Bank loans and borrowings and due to leasing companies – Nominal value	**251,540**	**721,751**	**(470,210)**
Loan commissions	(9,927)	(15,744)	5,817
Hedging derivatives	9,032	26,796	(17,764)
Total bank loans and borrowings and due to leasing companies	**250,646**	**732,803**	**(482,157)**
Financial payables to associates	**1,645**	**2,117**	**(471)**
Financial payables to other investees	**94**	**0**	**94**
Total	**970,042**	**734,920**	**235,123**

(*) Included in NFP for an amount of EUR/000 954,881 (31 December 2012: EUR/000 706,007).

The general increase in this item, compared to 2012, is related to the investments made in Italy and Turkey, in the concessions segment, and more generally to the financing of invested capital in relation to projects in progress.
With regard to the concessions segment, it should also be pointed out that the relative debt is by definition "without-recourse", or in any case self-liquidating, also taking into account the receivable rights guaranteed by the party granting the concession.
Lastly, it is also useful to recall, in line with the 2012-2017 Business Plan, the basic focus of the debt structure on the medium-long term, targeted to consolidate an optimal sources/uses structure to meet the Group's financing and development requirements.

Bond loans

The Bonds item comprises the fair value of the cash settlement option equal to EUR/000 4,389 related to the equity-linked bond loan falling due in 2019, in addition to the nominal value of loans, calculated and expressed on the basis of the relative amortised cost. Said option grants the subscriber the right to exercise the right of conversion from 01/02/2014 through to the due date.
During 2013 the Group accessed the debt capital market through:

- The issue of an equity-linked bond loan in January 2013, reserved for qualified Italian and foreign investors. The bond loan with a nominal value of EUR/000 130,000 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 may 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 consignment 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 loan in December 2013, for the sum of EUR/000 500,000, 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 loan in December 2013, for the sum of EUR/000 100,000, 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/000 500,000 and could be completely combined with these, were placed at a price equal to 102.250% of their nominal value by the same banks that placed the first senior unsecured loan.

The following table shows the main figures related to the aforementioned bond loans:

Type of loan	Duration	Coupon	Outstanding 31/12/2013
Bond loan (equity-linked)	Jan 2013-Jan 2020	Half-yearly 4.5%	130,000
Bond loan (senior unsecured)	Dec 2013-Dec 2020	Half-yearly 7.125%	500,000
Bond loan (senior unsecured)	Dec 2013-Dec 2020	Half-yearly 7.125%	100,000
Total Bond Loans			**730,000**

In relation to indication of the fair value of bond loans, it must be noted that, on the basis of market prices recorded at the end of the year, the value of the equity-linked bonds was 120.81 while the value of the senior unsecured bonds was 106.44. Therefore, the total fair value of bond loans at 31 December 2013 was EUR/000 795,708

Bank loans and loans backed by personal guarantees

The amount of the non-current portion of bank loans decreased compared to the previous year mainly as a result of repayment of part of the group's debt through funding resulting from the offer and placement of bond loans as well as repayment of the principal of loans with the repayment plan.
Specifically, it must be noted that the "Forward Start Facility" revolving loan of EUR 325 million signed on 2 December 2011, organised by Unicredit S.p.A., BNP Paribas, Intesa Sanpaolo and The Royal Bank of Scotland and subscribed by a pool of national and international banks, falling due in December 2016, was completely repaid through the bond issue. Therefore, the aforementioned revolving facility was fully available for use at 31 December 2013 and hence represents an important source of available funds for the Group.
Moreover, the Term Loan of EUR 250 million, signed in May 2013, subscribed by a pool of national and international banks and with final expiry in November 2014, was repaid in full through funding resulting from the first senior unsecured bond issue.
The main bank loan transactions performed during 2013 were as follows:

- Committed bilateral loan of EUR 30 million, subscribed by Banca del Mezzogiorno in May 2013: Final expiry June 2016;
- Advance repayment in August of USD 13.5 million concerning the original loan of USD 36 million, subscribed on 5 August 2009 with UniCredit and MPS Capital Services in the capacity of lending banks in favour of Inversiones Assimco Limitada to support the investment in the Chacayes Hydroelectric project in Chile. USD 10.5 million of the loan had been used at 31 December 2013 and it provides for an repayment plan with final expiry in June 2016. 100% repayment of the loan is guaranteed by Astaldi S.p.A. through a corporate guarantee and pledge of equity shares (Astaldi's stake) of the loan beneficiary;
- Committed bilateral loan of EUR 20 million, subscribed in December 2013 with Banca Popolare dell'Emilia Romagna, with final expiry in December 2016.

2013 also saw extension of the committed revolving loan of EUR 35 million, dedicated to covering misalignment between costs and revenue related to the Group's international operations, through its own branches or joint ventures, with Cariparma (and counter-guaranteed by SACE for 70% of the amount), which originally fell due in July 2013 and was extended to January 2015.
The following table shows the key figures related to the Group's main bank loans at 31 December 2013:

Company	Type of loan	Outstanding 31/12/2013	Signing Date	Expiry date
Astaldi Concessioni S.p.A.	Pool	1,844	31/12/10	30/06/2014 repayment plan
Astaldi S.p.A.	Bilateral - BNP Paribas	45,000	04/02/13	20/07/2014
Astaldi S.p.A.	Bilateral - Banco do Brasil	22,000	03/12/13	03/12/2014
Astaldi S.p.A.	Bilateral - Cariparma	10,000	23/07/13	22/01/2015
Mondial Milas - A.S.	Pool	67,858	12/08/11	31/07/2015 repayment plan
Astaldi S.p.A.	Bilateral - Portigon Financial Services AG	12,000	07/08/08	07/08/2015 repayment plan
Astaldi S.p.A.	Bilateral - Banco Bilbao Vizcaya Argentaria	10,000	05/06/12	04/12/2015
Astaldi S.p.A.	Pool	21,875	22/06/11	30/06/2016 repayment plan
Astaldi S.p.A.	Pool	6,660	02/02/12	30/06/2016 repayment plan
Astaldi S.p.A.	Bilateral - Banca del Mezzogiorno – Mediocredito Centrale S.p.A.	25,277	17/05/13	30/06/2016 repayment plan
Astaldi S.p.A.	Pool	35,000	14/07/08	14/07/2016 repayment plan
Inversiones Assimco Limitada	Pool	7,500	05/08/09	08/08/2016 repayment plan
Astaldi S.p.A.	Bilateral - Banca Popolare dell'Emilia Romagna	20,000	04/12/13	04/12/2016 repayment plan
Astaldi S.p.A.	Pool	60,000	30/07/12	30/07/2017 repayment plan
Astaldi S.p.A.	Pool	32,638	16/07/09	30/09/2017 repayment plan
	Other corporate loans	232,990		
	Total bank loans	**610,642**		
	Of which non-current	235,549		
	Of which current	375,093		

It must be noted that at 31 December 2013, the levels of financial covenants applied to the main financings were as follows:
- Ratio between Group's Net Financial Position and Equity: less than or equal to 1.95x;
- Ratio between Group's Net Financial Position and operating profit: less than or equal to 3.95x;
- Operating profit of Astaldi S.p.A. greater than 50% of Group operating profit.

Instead, the following financial covenants are applied at 31 December of each year to the loan of EUR 20 million executed with Banca Popolare dell'Emilia Romagna:
- Ratio between Group's Net Financial Position and Equity: less or equal to 1.75x;
- Ratio between Group's Net Financial Position and operating profit: less or equal to 3.75x;

The following financial covenants are applied at 31 December of each year to the loan granted to Mondial AS and guaranteed by Astaldi:
- Ratio between Group's Net Financial Position and Equity: less or equal to 1.60x;
- Ration between Group's Net Financial Position and operating profit: less or equal to 3.50x.

Non-compliance with financial covenants, if not recovered within a period specified in the agreements (the "cure period"),

may involve cancellation of granting of the loan and hence a request by the lending banks to accelerate repayments.
All covenants were fully complied with.
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.

Finance lease payables

During the past year the Group signed finance leases totalling EUR/000 19,370. Said amounts include EUR/000 12,622 with a ten-year duration for financing by the concessionaire company Valle Aconcagua S.A. of a plant to treat sludge produced by the CODELCO mine in the Andes in Chile to recover copper and molybdenum. The leases referred to assets falling into the categories of specific and generic plant, excavators, mechanical loaders and heavy goods vehicles; these contracts contain a redemption clause. The table below shows the amount of future instalments resulting from finance leases and the current amount of said instalments:

	31/12/13 Instalments	31/12/13 Current amount	31/12/12 Instalments	31/12/12 Current amount
Within one year	10,958	9,770	12,932	11,271
Over one year and within five years	12,830	10,311	8,811	8,874
Over five years	6,470	5,680	936	701
Total lease instalments	**30,258**		**22,679**	
Financial charges	4,497		1,833	
Current amount	**25,761**	**25,761**	**20,846**	**20,846**

Current financial liabilities: EUR/000 392,680 (EUR/000 537,661)*

Current financial liabilities decreased compared to the previous year and comprised the following:

	31/12/13	31/12/12	Difference
Accrued expenses – Bonds	5,693	0	5,693
Issue and placement commissions	(2,378)	0	(2,378)
Total – Bond	**3,315**	**0**	**3,315**
Current bank loans	308,162	464,316	(156,154)
Current portion of medium/long-term loans	66,720	50,822	15,898
Loans backed by personal guarantees – current portion	212	208	4
Finance lease payables	9,770	11,271	(1,501)
Bank loans and borrowings and due to leasing companies – Nominal value	**384,863**	**526,617**	**(141,754)**
Loan commissions	(6,032)	(3,790)	(2,242)
Accrued expenses – Interest on bank loans	4,039	0	4,039
Hedging derivatives	6,325	10,047	(3,722)
Total bank loans and borrowings due to leasing companies	**389,195**	**532,874**	**(143,679)**
Loans and borrowings from other financial backers	**170**	**4,788**	**(4,617)**
Total	**392,680**	**537,661**	**(144,982)**

(*) Included in NFP for an amountof EUR/000 386,354 (31 December 2012: EUR/000 527,614).

Bonds refer to the coupons accrued and still to be paid, adjusted by the share of issue and placement costs so as to reflect the value upon expiry of the bonds, calculated on the basis of actual interest.
Current bank loans decreased mainly as a result of repayment of short-term revolving credit facilities (committed and

uncommitted) through use of funding resulting from the issue of bond loans: it is important to note that, as regards the repaid share, the aforementioned facilities are fully available to be newly used and hence represent an additional source of financing for the Group.
Lastly, as regards the item in question, it must be noted that a bilateral loan of EUR 22 million was subscribed with Banco do Brasil in December 2013, with final expiry in December 2014.

Net financial position

The following table shows the amount of net financial position with a breakdown of the main items as requested by CONSOB DEM/6064293 statement of 28 July 2006 which refers to the European Securities and Markets Authority – ESMA (formerly CESR) Recommendation dated 10 February 2005.

			31/12/2013	31/12/2012
A	Cash and cash equivalents		373,772	400,215
B	Securities held for trading		1,407	1,347
C	**Available funds**	**(A+B)**	**375,179**	**401,562**
-	Short-term financial receivables		29,412	3,393
	Of which from related parties		*4,913*	
-	Current portion of rights to receivables arising from concessions		15,447	16,306
D	**Current financial receivables**		**44,859**	**19,700**
E	Current bank loans and borrowings		(306,168)	(460,526)
F	Current portion of payables for issued bonds		(3,315)	
G	Current portion of non-current debt		(66,931)	(51,030)
H	Other current financial payables		(9,940)	(16,059)
I	**Current financial debt**	**(E+F+G+H)**	**(386,354)**	**(527,614)**
J	**Net current financial debt**	**(I+D+C)**	**33,683**	**(106,353)**
K	Non-current bank loans and borrowings		(225,622)	(696,432)
L	Issued bonds		(713,268)	
M	Other non-current payables		(15,992)	(9,575)
N	**Non-current financial debt**	**(K+L+M)**	**(954,881)**	**(706,007)**
O	**Net financial debt – Continuing operations**	**(J+N)**	**(921,198)**	**(812,359)**
P	**Net financial debt – Disposal groups**		**30,680**	
Q	**Net financial debt**	**(O+P)**	**(890,518)**	**(812,359)**
-	Non-current financial receivables		24,547	7,683
-	Subordinate loans		46,439	43,252
	Of which to related parties		*46,439*	*43,252*
-	Non-current portion of rights to receivables arising from concessions		18,549	135,419
R	**Non-current financial receivables**		**89,534**	**186,354**
S	**Total financial debt**	**(Q+R)**	**(800,983)**	**(626,005)**

Total financial debt takes into account not only the net financial debt (letter Q 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 financial receivables mainly from associates set up for project financing activities and rights to receivables arising from concessions.
It should likewise be pointed out that the Parent has treasury shares in its portfolio totalling EUR/000 2,859 which generate a net financial position for an amount totalling EUR/000 (798,124). It must also be pointed out that the net financial position, including 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 planned investments in the concessions

segment, but also to payments for projects in progress in Italy that have been extended with regard to the original deadlines. Said payments were unblocked in part during the fourth quarter. The financial structure as a whole benefitted from the bond issues placed during the year, with an extension of deadlines and greater availability as regards credit facilities that will support development of the Group's future operations. The amount of available funds (EUR/000 375,179) combined with possible use of already available committed and uncommitted revolving credit facilities (totalling approximately EUR/000 800,000), provide the Group with a more than sufficient capacity to meet planned financial undertakings.

29. Other liabilities

Other non-current liabilities: EUR/000 16,698 (EUR/000 13,721)

Other non-current liabilities, mainly referred to payables to Simest S.p.A. (EUR/000 11,593) for acquisition of the non-controlling interests of the subsidiary Inversiones Assimco Limitada.
The difference compared to the previous year can be mainly attributed to the project regarding construction of Ospedale del Mare in Naples, and specifically to the settlement of previously disputed items totalling EUR/000 2,100, to be paid in instalments to the counterparty as from 2015.

Other current liabilities: EUR/000 154,725 (EUR/000 164,527)

Other current liabilities totalled EUR/000 154,725 and comprised the following:

	31/12/13	31/12/12	Difference
Due to associates	1,254	1,386	(132)
Due to other entities	1,381	33	1,348
Due to personnel	20,955	18,533	2,421
Due to social security bodies	10,793	10,766	27
Accrued expenses and deferred income	3,518	3,815	(297)
Other	116,823	129,992	(13,170)
Total	**154,725**	**164,527**	**(9,802)**

The item in question decreased by EUR/000 9,802 compared to the previous year as a result of the "Other" item which mostly decreased in relation to payment of part of the sum paid to the bankruptcy receivers of "Busi Impianti" for acquisition during 2012 of the business unit comprising the plant engineering and maintenance segments (EUR/000 6,665); partly offset by the increase in Due to personnel mostly referring to the development of production activities in Chile which required greater use of human resources.
With reference to composition of the "Other" item, it must be noted that this mainly contains the effects of the consolidation of the Group's various operating entities with reference to the value of existing relations with various partners in joint initiatives, both in the domestic and the foreign sector.
More details regarding relations with the Group companies can be found in the annex on related parties. It should also be noted that payables to associates, for capital to be paid and not yet called-up by the individual Boards of Directors, have been reclassified, as per the previous year, as a direct reduction of the respective carrying amounts of investments.

30. Employee benefits: EUR/000 8,003 (EUR/000 9,367)

The item in question at 31/12/2013, exclusively comprised defined benefit pension schemes, mainly post-employment benefits as paid by Italian companies.
The amount of the item in question and the changes in said item during the year are shown in the table below:

Post-employment benefits – Actuarial value	
a) At 01/01/2013	**9,367**
b) Increases during the year	
b.1) Social security cost of current services - Service cost	565
b.2) Interest payable/financial charges - Interest cost	212
b.3) Actuarial gain (Loss) from change in demographical theories	(639)
b.4) Actuarial gain (Loss) from change in financial theories	(44)
c) Use during the year	(1,393)
d) Change in consolidation scope	(70)
e) Exchange rate differences	4
f) Total amount of bond at 31/12/2013 (Defined benefit obligation)	**8,003**

Please find below a list of the main assumptions used to make an actuarial estimate of post-employment benefits at 31 December 2013:

- Annual discounting rate: 2.50%;
- Annual inflation rate: 2.00%;
- Annual rate of wage increase:

- Top managers: 2.50%;
- Middle managers / White collars / Manual workers: 1.00%.

It must be noted that as regards 2013, in light of the statements issued by ESMA-European Securities and Markets Authority and CONSOB that tend to favour the use of annual discounting rates obtained from baskets of AA-rated securities, the Group has deemed it appropriate when calculating the discounting rate to comply with said recommendations, using a basket corresponding to the average simple yield, at the actuarial valuation date, of bonds in Euros with AA issuer rating instead of the discounting rate obtained from baskets of A-rated securities used in 2012.
However, it should be noted that the use of a basket of A-rate securities in order to define the discounting rate would have produced a not insignificant positive effect on the statement of comprehensive income and consolidated equity of EUR/000 173.

Additional information

On the basis of what is provided for in IAS 19 paragraphs 135 et seq, the most important information regarding defined benefit plans is as follows.

Plan characteristics

Post-employment benefits

At 31 December 2006, the post-employment benefits of Italian companies was 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 <u>defined benefit plan</u> <u>solely for sums accrued prior to January 1 2007</u> (and still to be paid at the reporting date), <u>while subsequent to said date it is to be considered a defined contribution plan</u>.

Therefore, the post-employment benefits, recognised in the 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.

Sensitivity analysis

Please find below the potential effects said to be recorded on the obligation for defined benefits following hypothetical changes in the reasonably possible actuarial theories at the reporting date:

	Fred. turnover	**Inflation rate**		**Discounting rate**	
	+ 1%	+1/4 %	(1/4 %)	+1/4 %	(1/4 %)
Change in the total amount of the obligation	(8)	91	(89)	(121)	125

Effect of defined benefit plan on Group's future cash flows

Please find below, based on reasonably possible estimates at year-end, the effects on the Group's future cash flows with regard to the defined benefit plan:

- Forecast plan contributions for 2014: EUR/000 664;
- Weighted average duration of obligation for benefits: 9.58 years;
- Forecast disbursements:
  - 2014: EUR/000 1,168;
  - 2015: EUR/000 1,008;
  - 2016 and following: EUR/000 13,553.

31. Trade payables: EUR/000 1,117,990 (EUR/000 1,128,798)

The item in question comprised the following:

	31/12/13	**31/12/12**	**Difference**
Payables to suppliers	1,016,704	985,346	31,358
Payables to associates	91,585	142,241	(50,656)
Payables to other investees	9,701	1,210	8,490
Total	**1,117,990**	**1,128,798**	**(10,807)**

The decrease in the item of EUR/000 10,807, set against the increase in 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.

Specifically, payables to suppliers recorded an overall increase of EUR/000 31,358 which includes an increase of approximately EUR/000 185,000 directly related to the levels of revenue generated, attributable to activities in progress in Russia, Turkey, Poland and Canada, partially offset by a decrease of approximately EUR/000 150,000 recorded in Italy, Algeria and Romania.

While, at a domestic level, there was a decrease in payables to associates, especially with regard to works on Line C of the Rome underground.

32. Tax liabilities: EUR/000 73,679 (EUR/000 93,387)

Tax liabilities decreased by EUR/000 19,708 compared to last year and comprised the following:

	31/12/13	31/12/12	Difference
Liabilities for indirect taxation	31,900	37,414	(5,514)
Liabilities for direct taxation	36,245	50,774	(14,529)
Liabilities for withholding taxes applied	5,534	5,200	335
Total	**73,679**	**93,387**	**(19,708)**

The decrease in the item, mainly recorded with regard to Italy, Turkey and Algeria, can be attributed specifically to "Liabilities for indirect taxation" and is largely related to the use by the Parent and investees, in compliance with law provisions, of tax assets to set off against taxes due in accordance with the content of Note 24 above.

33. Provisions for risks and charges: EUR/000 22,591 (EUR/000 28,578)

La composizione dei fondi per rischi ed oneri è la seguente:

	Provisions for contract obligations	Provisions for investment risks	Provision for potential losses	Provisions as per Article 27 of Bylaws	Total
At 31/12/2012	**22,468**	**2,608**	**1,700**	**1,802**	**28,578**
Accruals	3,453	35			3,488
Use	(7,197)			(453)	(7,650)
Allocation of 2012 profit				681	681
Other and changes in consolidation scope	(2,506)				(2,506)
At 31/12/2013	**16,218**	**2,643**	**1,700**	**2,030**	**22,591**

- Provisions for contract obligations mainly include a conservative assessment of charges relating to works that have already been performed, but for which the final phase of the respective contracts has not yet been defined, as well as activities related to work in progress;
- Provisions for investment risks reflect the deficit, attributable to the owners of the parent, compared to the individual carrying amounts of investments;
- The provision for potential losses includes the allocation of charges measured through a precise analysis of individual cases, carried out with the help of external consultants and based on both objective and evaluation elements;
- The provision as per Art. 27 of the Bylaws was used for donation purposes and increased through the allocation of profits in accordance with specific resolutions.

The Group is a party to penal and tax legal proceedings and lawsuits connected with the regular performance of business activities. Based on information currently available, and taking account of existing allowances for impairment, it is deemed that these proceedings and legal actions shall not have any negative impact on the consolidated financial statements since the possibility of loss of the proceedings is deemed to be remote.

It is to be noted 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.

There were no further developments in 2013, thus confirming what was already stated in this regard with reference to the Financial Statements for 2012 and 2011.

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.
On the basis of the aforesaid, and through the presentation of detailed observations on the circumstances involved, COMERI S.p.A. presented an application to the Internal Revenue Office on 30.12.2010 requesting them not to proceed in this respect with the issue of a notice of assessment notification regarding the objection raised in the preliminary assessment report made by the Tax Police, since otherwise this would give rise to double taxation of a single taxable item.
There has been no response to this application to date, nor has the Internal Revenue Office issued any notice of assessment. Therefore, also with the support of the consultants, the risk of assessment is considered remote.
To complete the information provided regarding provisions for risks and charges, please find below a summary of the allowances and provisions recognised in the financial statements with indication of their nature and specific category.

Allowances as a direct reduction of assets	**Adjusted asset item**	**31/12/2013** **28,128**	**31/12/2012** **51,702**	**Note**
- Allowance for impairment losses on investments	Investments	8	8	18
- Allowance for impairment losses on contracts	Receivables from customers	10,642	12,374	22
- Allowance for impairment	Trade receivables	10,767	11,281	23
- Allowance for impairment – default interest	Trade receivables	1,772	23,443	23
- Allowance for impairment – default interest to tax authorities	Tax assets	198	198	24
- Allowance for impairment losses on other assets	Other current assets	4,741	4,398	20

Provisions recognised under liabilities		**31/12/2013**	**31/12/2012**	**Note**
- Provision for risks and charges		**25,480**	**36,180**	**33**
Of which:				
- for investment risks	Provisions for risks and charges	2,643	2,608	33
- for contract losses	Provisions for risks and charges	15,552	21,305	33
- for contract losses	Payments on account	2,889	7,602	20
- other provisions for risks and charges	Provisions for risks and charges	4,396	4,665	33
Total provisions/allowances		**53,608**	**87,882**	

34. Fair value measurement

Fair value measurement

The following table provides the fair value hierarchy of the Group's assets and liabilities:

			Fair value measurement with		
	Measurement date	Total	Quoted prices in active markets (Level 1)	Observable significant inputs (Level 2)	Unobservable significant inputs (Level 3)
Assets measured at fair value					
Forward exchange contracts	31-Dec-13	164		164	
Securities	31-Dec-13	1,407	1,407		
Assets/liabilities related to disposal groups classified as held for sale	31-Dec-13	20,326			20,326
Liabilities measured at fair value					
Interest rate swaps	31-Dec-13	14,650		14,650	
Conversion options – Bond loans	31-Dec-13	4,389			4,389

Measurement techniques and inputs used to process measurements

Assets and liabilities measured at fair value on a recurring basis

Interest rate swaps

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 at 31 December 2013.
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, availing itself of the hypothetical derivative to calculate the difference in fair value of the underlying derivative.

Forward exchange contracts

The instruments in question are measured by using a pricing tool.
Measurement is 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 value 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 2013. The forward exchange rates were estimated through linear interpolation starting from the forward exchange curve acquired by the info provider.

Securities

The fair value of securities is equal to the market price of bid prices at the reference date of the period being looked at.

Conversion options – Bond loans

A convertible bond grants the holder the possibility to convert the bond into a set number of shares of the issuing company. 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.
The measurement model breaks up the instrument into its basic parts: an equity part and a debt part. To this end it defines the "cash only part of the convertible bond" as a hypothetical instrument. The amount of the aforementioned two parts 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.
The change in "credit spread", made in order to show reasonably possible alternative assumptions, of +50/-50 bps would entail a difference of approximately +25%/-25% compared to the fair value of the conversion option as at 31 December 2013.

Assets and liabilities measured at fair value on a non-recurring basis

Assets/liabilities connected to disposal groups classified as held for sale

The fair value of the CGUs referring to the car park division was calculated by discounting the forecast future financial flows of corporate operations at a rate of 12.5% representing negotiations with corporate investors for the purpose of valuing car park assets. For the purpose of applying said method, the financial and economic plan attached to the investment contract signed on 23/12/13 projected on concession durations, was used.
Therefore, the amount thus calculated was in line with the amount defined in the agreements entered into on 23 December 2013 with a group of corporate investors for the transfer of 95% of AST VT S.r.l. and AST B S.r.l., holders of the concessions regarding "Riva Reno" and "Piazza VIII Agosto" car parks in Bologna, "C.so Stati Uniti" and "Porta Palazzo" car parks in Torino and "P.zza Cittadella" car park in Verona.

Transfers within the fair value hierarchy of financial instruments

There were no transfers between the various levels of the fair value hierarchy during 2013.

35. Information on risk management, financial instruments and guarantees

Financial risk management

Astaldi Group operates in an international context where transactions are performed in various currencies; moreover, in order to support and develop its own industrial activities, it makes use of external sources of financing in Euros and foreign currencies.
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 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 counterparties.

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.
As regards said 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.
Please find below the hedging derivative operations at 31 December 2013, 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 Euros 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 charges.
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 2013, the notional value of derivative hedging on the interest rate risk totalled EUR 408.5 million. Taking into account said hedging and the fixed-rate debt associated with bond issues, the percentage of fixed rate debt equalled approximately 85% 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 Group decided not to apply hedge accounting.

Type of derivate	Hedge item	Notional remainder 31/12/2013	Fair Value 2013	Fair Value 2012
IRS	Medium/Long-term debt	384,910	(16,501)	(34,391)
Options	Medium/Long-term debt	6,250		(727)
Total		**391,160**	**(16,501)**	**(35,118)**

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 16.2 million, together with the related effect for deferred taxes of EUR 4.3 million.
Please find below a breakdown of the changes in the hedging reserve in 2013:

Hedging reserve – Interest rate risk	31/12/2013	31/12/2012
Opening reserve	(34,507)	(23,098)
Impact on hedging reserve net of release to profit or loss	18,283	(11,409)
Closing reserve	(16,224)	(34,507)
Ineffectiveness	(277)	(283)

It should be noted that the figure for ineffectiveness also includes the time value of hedges performed via options for which hedge accounting is applied.
With regard to transactions for which hedge accounting was not applied, the changes in amounts of these financial instruments were recognised directly in profit or loss.

Type of derivative	Hedged item	Notional remainder 31/12/2013	Fair Value 2013	Fair Value 2012
IRS	Medium/Long-term debt	17,392	(1,218)	(484)
Totale		**17,392**	**(1,218)**	**(484)**

Sensitivity analysis

The potential effects of a hypothetical marginal increase or decrease in interest rates on the Group's Income Statement and Statement of financial position are shown hereunder in terms of greater or lower interest payable over the entire remaining duration of floating-rate financial payables.
The analysis was carried out based on market curves at 31/12/2013 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 31/12/2013	Shock down 31/12/2013	Shock up 31/12/2013	Shock down 31/12/2013
Financial liabilities				
- cash flow	(6,082)	1,825		
Hedging derivatives				
- cash flow	2,828	(621)		
Total	**(3,254)**	**1,204**	**0**	**0**
- fair value	320	(98)	9,915	(2,532)

As at 31/12/2013 the analysis shows how, considering a hypothetical 1% increase in interest rates, as a result of the positive impact of hedging through derivatives (approximately EUR 2.8 million), financial charges would increase by EUR 3.2 million; in this hypothetical scenario, the fair value of hedging recognised in profit or loss, compared to the effective amount recorded at 31/12/2013, would show an increase of EUR 0.3 million, while the equity reserve (negative) would drop by approximately EUR 9.9 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 charges of approximately EUR 1.2 million.

Currency risk

With reference to the currency risk, 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 2013 the notional value of existing currency risk hedges amounted to a total counter-value of EUR 66.8 million.

Description	National	Fair Value	Income Statement	Hedging reserve
Forward sales EUR/CAD	66,798	164	(13)	177
Total	**66,798**	**164**	**(13)**	**177**

A breakdown of the changes in the hedging reserve during 2013 due to exchange rate hedges is shown below:

Hedging reserve – Currency risk	31/12/2013	31/12/2012
Opening reserve	22	1,130
Impact on hedging reserve net of release to profit or loss	155	(1,108)
Closing reserve	177	22
Ineffectiveness	0	(10)

Liquidity risk

The main factors determining the Group's liquidity risk are, on 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**	**2014**	**2015**	**2016**	**2017**	**2018**	**After**
Short-term loans*	(214,038)	214,038						
Medium/long-term loans*	(1,152,365)		170,825	130,203	73,972	32,647	2,023	742,695
Total	**(1,366,403)**	**214,038**	**170,825**	**130,203**	**73,972**	**32,647**	**2,023**	**742,695**
Derivatives								
- interest rate risk derivatives**	(14,800)		5,768	5,438	2,574	868	487	(335)
- currency risk derivatives**	164		(164)					
Total	**(14,636)**		**5,604**	**5,438**	**2,574**	**868**	**487**	**(335)**
EXPOSURE AT 31.12.2013		**214,038**	**176,429**	**135,641**	**76,546**	**33,515**	**2,510**	**742,360**

* The figures shown in the table coincide with the nominal value 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 amount of the derivatives, both receivable and payable, and do not include the accrual on the differentials accrued and not liquidated.

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:

- 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;
- obtainment of suitable bank credit facilities (committed and uncommitted);
- monitoring of future liquidity conditions in relation to corporate planning;
- access to debt capital markets.

Credit risk

The credit risk represents the Group's exposure to the potential default risks of a counterparty.
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 2013 the percentage of overdue trade receivables was 26%, 14% of which for receivables 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 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.
Lastly, as regards exposure to the Venezuelan government, marked by a considerable delay in payments, it must be noted that the Group's business model, which is inspired by conservative criteria, has resulted in the curbing of activities in progress in Venezuela as from 2012, also following the socio-economic situation the country is experiencing following President Chavez's death.
Therefore, the amount of certified receivables to be collected from the Venezuelan government at 31 December 2013 totalled EUR 306 million (net of EUR 15 million of contract advances).
However it must be noted that the current political situation could lead a slowdown of payment of the receivables to be collected. In the light of recent meetings with the Customer which expressly marked its satisfaction with the works carried out as well as for the renewed political and commercial relations between Italy and Venezuela, the basis of which lie in the signing of bilateral commercial agreements between the two governments in the past, and confirmation by the new political rulers of the importance of infrastructure works for the country's development, it is felt that there are insufficient elements as to affirm a risk with regard to the overall collectability of relative receivables, with consequent impairment losses recognised in profit or loss, as largely described in Note 23.

Guarantees and sureties

Personal guarantees

The overall amount of the guarantees provided is EUR/000 3,147,775 and refers to the following items:

- sureties for opening credit facilities with the purpose of ensuring 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/000 315,013;
- 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/000 2,755,517, EUR/000 683,166 of which refers to jointly-controlled companies;
- other sureties issued for various purposes for a total amount of EUR/000 77,245.

Third party sureties in favour of the Group

The item amounting to EUR/000 270,014 concerns guarantees issued by banks and insurance companies in the interest of Italian and foreign suppliers and sub-contractors, in relation to contractual obligations undertaken by the latter with the Group.

36. Disclosure on transactions with 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, Annex 2 to these Notes shows the totals 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 the Group operates in, are to be related to receivables due from third parties – recognised among Trade Receivables (note 23) – not summarised in the annex regarding transactions with related parties.
As regards the disclosure on fees due to Directors, Statutory Auditors, General Managers and other key management personnel of the Parent, please refer 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	4,025	34	1,243	41	17	5,359	482
Statutory auditors	120	0	0	0	0	120	0
General managers	1,539	0	167	33	38	1,777	964
Key management personnel - 9	1,790	0	495	39	58	2,382	0

37. Segment reporting

The operating segments subject to segment reporting were determined in accordance with reporting used by the top 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 standards used to draw up the consolidated financial statements.

The following tables show segment reporting as per IFRS 8.

Segment reporting 2013

(thousands of euros)	Italy	Europe	America	Africa	Asia	Other assets	Adjustments and cancellations	**Consolidated total**
Revenue								
Revenue	1,010,889	1,029,170	400,504	145,001	35,532	(135)	(228,091)	**2,392,871**
Operating profit (loss)	87,673	150,200	(6,740)	35,619	(5,154)	(14,446)	(11,200)	**235,952**
Net financial charges								**(103,667)**
Share of profit (loss) of equity-accounted investees								**6,302**
Profit before tax and non-controlling interests								**138,586**
Tax expense								**(55,571)**
Profit for the year								**75,213**
Assets and liabilities								
Segment assets	1,931,112	2,050,535	1,116,532	291,974	38,188	1,678,582	(3,020,949)	**4,085,974**
of which investments						1,004,968	(609,404)	**395,564**
Segment liabilities	(1,410,401)	(1,952,497)	(1,078,081)	(272,696)	(43,549)	(1,320,762)	2,595,935	**(3,482,051)**
Other segment reporting								
Property, plant and equipment	10,096	52,819	76,436	12,684	1,838	51,408	(1,306)	**203,977**
Intangible assets	15,593	39,805	7	0	3	452	3,111	**58,971**
Depreciation of property, plant and equipment and investment property	1,871	12,958	15,720	5,239	872	6,577	(57)	**43,180**
Provisions						4,471		**4,471**

Segment reporting 2012

(thousands of euros)	Italy	Europe	America	Africa	Asia	Other assets	Adjustments and cancellations	**Consolidated total**
Revenue								
Revenue	1,212,108	865,942	356,940	179,058	64,420	10,151	(363,320)	**2,325,299**
Operating profit (loss)	103,027	52,384	28,573	62,685	(21,900)	(12,725)	(222)	**211,822**
Net financial charges								**(85,131)**
Share of profit (loss) of equity-accounted investees								**3,146**
Profit before tax and non-controlling interests								**129,837**
Tax expense								**55,882**
Profit for the year								**74,133**
Assets and liabilities								
Segment assets	2,073,650	1,383,816	1,050,817	301,371	88,987	1,390,123	(2,540,273)	**3,748,491**
of which investments						889,539	(632,098)	**257,441**
Segment liabilities	(1,559,342)	(1,355,339)	(945,389)	(263,945)	(111,138)	(1,035,178)	2,075,788	**(3,194,543)**
Other segment reporting								
Property, plant and equipment	9,482	53,826	72,666	16,479	10,517	58,752	(628)	**221,094**
Intangible assets	14,717	80,415	11	-	101	9,168	3,111	**107,523**
Depreciation of property, plant and equipment and investment property	2,431	9,901	12,519	5,187	2,902	8,205	325	**41,470**
Provisions						1,427		**1,427**

38. Other information

Non-recurring significant events and transactions

Astaldi Group's financial position and results of operations were not affected during 2013 by non-recurring significant events and transactions as defined in CONSOB communication No. DEM/6064293.

Positions or transactions arising from atypical or unusual transactions

In 2013 Astaldi Group did not undertake any atypical or unusual transactions as defined in CONSOB communication No. DEM/6064293.

Authorisation for publication

Publication of the Financial Statements was authorised by the Board of Directors of the Parent on 28 March 2014.
During said meeting the Board of Directors also resolved to submit to the approval of the Shareholders at their Meeting to be held on 30 April 2014 the proposal regarding the distribution of a dividend of EUR 0.19 per share (ex-dividend date 12 May 2014, record date 14 May 2014, payment on 15 May 2014).

Events after the reporting period

Please find below some information regarding events that occurred after the reporting period.
In February, the Parent placed an additional EUR 150 million tranche of the senior bond issued in December, once again obtaining considerable success on the financial markets.

From an operating viewpoint, the first part of 2014 saw: (i) opening of Halic Bridge in Turkey (ii) opening of Isola and Garibaldi stations of Line 5 of the Milan underground in Italy with consequent entry into operation of the relevant line. Toledo station of Line 1 of the Naples underground was awarded by CNN the title of the most beautiful and spectacular underground station in Europe, thus confirming the station's aesthetic as well as functional value.
Moreover, it must be noted that with regard to the railway works currently underway in Venezuela, in March 2014 after finalisation of the certification process and acknowledgement of the works carried out in previous years, a share of the fees accrued was invoiced for an amount of EUR 48 million and relative to the Puerto Cabello-La Encrucijada project. This step makes start-up of payment of the amounts due a reality.
Moreover, as regards the subsidiary A.I. 2 S.r.l. , it must be noted that in order to fulfil the commitments undertaken in the investment agreement signed in April 2012, as amended by the Addendum in August 2013, merger of said company into Re.Consult S.p.A. commenced as from 1 January 2014.

Fees payable to the independent auditors KPMG and their network pursuant to Art. 149-duodecies of the Issuers Regulation

Please find below the fees paid during 2013 to KPMG on the basis of their audit engagement for the financial years 2011-2019, assigned by a shareholders' resolution made at their meeting held on 18 April 2011:

Type	Amount
A) Auditing Services	**1,191**
- Referred to the Parent, Astaldi S.p.A. (*)	610
- Referred to subsidiaries	581
B) Attestation Services (**)	**722**
C) Other services	**108**
Total Fees	**2,020**

(*) Total amount of expenses and CONSOB contribution.

(**) Referred to Parent Astaldi S.p.A.	
Of which:	720
1) For fees related to comfort letters issued at the same time as the bond loan issue	333
2) For fees regarding fairness opinion on the issue price of Astaldi S.p.A. shares	155
3) For fees related to agreed-upon procedures, signing of tax returns and other attestation activities	232

Annexes to the Consolidated Financial Statements

The companies of Astaldi Group at 31 December 2013 (Annex 1)

A) Companies consolidated on a full basis

Company Name	Registered Office
A.I.2 S.r.l. (Merged into Re.Consult S.p.A. effective 1 January 2014)	Via G.V. Bona, 65 - Rome - Italy
AR.GI S.c.p.A.	Via G.V. Bona, 65 - Rome - Italy
AS. M. S.c.r.l.	Via Vannella Gaetani, 27 - Naples - Italy
Asocierii Astaldi SpA, Sc Somet sa, sc Tiab sa, sc Uti grup sa (Bucharest, Line 4)	Str.Carol Davilla n°70 - Bucharest - Romania
Ast VT Parking S.r.l.	Via G.V. Bona, 65 - Rome - Italy
Ast B Parking S.r.l.	Via G.V. Bona, 65 - Rome - Italy
Astaldi Aedifica S.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Astaldi Algerie - E.u.r.l.	25 Citè Mohamed Hadj Ahmed Hydra wilaya d'Alger - Algiers - Algeria
Astaldi Arabia Ltd.	P.O. Box 58139 - Riyadh - Saudi Arabia
Astaldi Bulgaria Ltd.	67 Tsanko Tserkovski Str., Entrance V, 4 floor - Sofia - Bulgaria
Astaldi Canada Inc.	4001 Rue Saint-Antoine O Montréal- Québec- Canada
Astaldi Concessioni S.p.A.	Via G.V. Bona, 65 - Rome - Italy
Astaldi Construction Corporation	8220 State Road 85 Davie - Florida - U.S.A.
Astaldi de Venezuela C.A.	C.C. C.T. 1ra Etapa Piso 6 Of. 620 - Caracas - Venezuela
Astaldi International Inc.	Bank of Liberia Building P.O. Box 660 - Monrovia - Liberia
Astaldi International Ltd.	34-36 Gray's Inn Road - London - United Kingdom
Astaldi-Astaldi International J.V.	R. Armando Tivane, 466 - Matola Maputo - Mozambique
Astaldi-Max Bogl-CCCF JV S.r.l.	Str.Carol Davilla n°70 - Bucharest - Romania
ASTALROM S.A.	Varianta Nord, 1 - Calarasi - Romania
Astur Construction and Trade A.S.	Aydinpinar Cad. Kucukmehmetler Koyu - Ankara - Turkey
Bielle Impianti S.c.a.r.l.	Viale Lincoln 84/A - Bologna - Italy
Bussentina S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
C.O.MES. in liquidation S.c.r.l.	Via G.V.Bona, 65 - Rome - Italy
Cachapoal Inversiones Limitada	Avenida Apoquindo 3846, oficinas 1101 y 1102 - Santiago - Chile
CO.ME.NA. S.c.r.l. in liquidation	Via Vannella Gaetani, 27 - Naples - Italy

	Share Capital Nominal Value	Functional Currency	% Interest	Direct Interest %	Indirect Interest %	Companies with Indirect Interest
EUR	100,000,000	EUR	75.43%	0.00%	75.43%	Astaldi Concessioni S.p.A.
EUR	35,000,000	EUR	99.99%	99.99%	0.00%	
EUR	10,000	EUR	75.91%	75.91%	0.00%	
EUR	0	EUR	40.00%	40.00%	0.00%	
EUR	10,000	EUR	100.00%	0.00%	100.00%	Astaldi Concessioni S.p.A.
EUR	10,000	EUR	100.00%	0.00%	100.00%	Astaldi Concessioni S.p.A.
EUR	10,000	EUR	100.00%	100.00%	0.00%	
DZD	50,000,000	DZD	100.00%	100.00%	0.00%	
SAR	5,000,000	USD	100.00%	60.00%	40.00%	Astaldi International Ltd.
BGN	5,000	BGN	100.00%	100.00%	0.00%	
CAD	20,000	CAD	100.00%	100.00%	0.00%	
EUR	83,000,000	EUR	100.00%	100.00%	0.00%	
USD	66,005,000	USD	100.00%	100.00%	0.00%	
VEB	110,300,000	EUR	99.80%	99.80%	0.00%	
US$	3,000,000	EUR	100.00%	100.00%	0.00%	
GBP	2,000,000	GBP	100.00%	100.00%	0.00%	
USD	10,000	EUR	100.00%	100.00%	0.00%	
EUR	10,000	EUR	66.00%	66.00%	0.00%	
RON	3,809,898	RON	99.62%	99.62%	0.00%	
TRY	3,000,000	EUR	99.98%	89.97%	10.01%	Astaldi Arabia Ltd
EUR	100,000	EUR	75.00%	0.00%	75.00%	NBI S.r.l.
EUR	25,500	EUR	78.80%	78.80%	0.00%	
EUR	20,000	EUR	55.00%	55.00%	0.00%	
USD	41,964,761	USD	100.00%	0.00%	100.00%	Inversiones Assimco Limitada
EUR	20,658	EUR	70.43%	70.43%	0.00%	

Company Name	Registered Office
CO.MERI S.p.A.	Via G.V. Bona, 65 - Rome - Italy
CO.VA. Società a Responsabilità Limitata (S.c.r.l.)	Via del Tappezziere, 4 - Bologna - Italy
Consorcio Rio Pallca	Avenida Camino Real 390, Torre Central Officina 810, San Isidro - Lima - Peru
Consorzio Stabile Busi	Via del Tappezziere, 4 - Bologna - Italy
Constructora Astaldi Cachapoal Limitada	Avenida El Condor 844, Oficina 401, Ciudad Empresarial, Huechuraba - Santiago - Chile
Forum S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Garbi Linea 5 S.c.a.r.l.	Via G.V. Bona, 65 - Rome - Italy
Groupement de Raccordement de la Station d'El Hamma (G.R.S.H.)	25 Rue Mohamed Hadj Ahmed Hydra - Algiers - Algeria
Infraflegrea Progetto S.p.A.	Via privata D. Giustino, 3/A - Naples - Italy
Inversiones Assimco Limitada	Avenida Apoquindo 3846, oficinas 1101 y 1102 - Santiago - Chile
Italstrade CCCF JV Romis S.r.l.	Piata Pache Protopopescu, 9 - Bucharest - Romania
Italstrade IS S.r.l.	Via G.V. Bona, 65 - Rome - Italy
Messina Stadio S.c.r.l. in liquidation	Via Adige, 19 - Milan - Italy
Mondial Milas - Bodrum Havalimani Uluslararasi Terminal Isletmeciligi Ve Yatirim A.S.	Kizkulesi Sokak, 38/4, Gaziosmanpasa, Cankaya - Ankara - Turkey
Mormanno S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
nBI Elektrik Elektromekanik Tesisat Insaat Sanayi Ve Ticaret L.S.	Inonu Caddesi Devres Han No.50 Kat.1 Gumussuyu Beyoglu - Istanbul - Turkey
nBI S.r.l.	Via G.V. Bona, 65 - Rome - Italy
Ospedale del Mare S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Partenopea Finanza di Progetto S.c.p.A.	Via Luca Pacioli s.n.c. - Naples - Italy
Portovesme S.c.r.l. in liquidation	Via Adige, 19 - Milan - Italy
Quattro Venti S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Redo-Association Momentanée	Av. De la Justice, 1257 - Kinshasa - Dem. Rep. of the Congo
Romairport S.p.A.	Via G.V. Bona, 65 - Rome – Italy
Romstrade S.r.l.	Piata Pache Protopopescu, 9 - Bucharest - Romania
S. Filippo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
S.P.T. - Società Passante Torino S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Sartori Tecnologie Industriali S.r.l.	Via Bettolo, 17 - Brindisi - Italy
Scuola Carabinieri S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Seac S.p.a.r.l. in liquidation	Avenue des Fleurs - Kinshasa/Gombe - Dem. of the Congo
SIRJO Società Consortile per Azioni	Via G.V. Bona, 65 - Rome - Italy
Susa Dora Quattro S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
T.E.Q. Construction Enterprise Inc.	4001 Saint Antoine Quest - Montreal - Quebec - Canada
Tione 2008 S.c.r.l.	Via del Tappezziere, 4 - Bologna - Italy
Toledo S.c.r.l.	Via Vannella Gaetani, 27 - Naples - Italy
Valle Aconcagua S.A.	Calle Badajoz 130, Oficina 1501, Comuna La Condes, Santiago - Chile
3E System S.r.l.	Via del Tappezziere, 4 - Bologna - Italy

	Share Capital Nominal Value	Functional Currency	% Interest	Direct Interest %	Indirect Interest %	Companies with Indirect Interest
EUR	35,000,000	EUR	99.99%	99.99%	0.00%	
EUR	10,000	EUR	60.00%	0.00%	60.00%	NBI S.r.l.
PEN	0	USD	60.00%	60.00%	0.00%	
EUR	100,000	EUR	95.00%	0.00%	95.00%	NBI S.r.l., 3E System S.r.l.
CLP	10,000,000	CLP	99.90%	99.90%	0.00%	
EUR	51,000	EUR	79.99%	79.99%	0.00%	
EUR	10,000	EUR	100.00%	100.00%	0.00%	
DZD	0	EUR	100.00%	72.00%	28.00%	Astaldi Algerie Eurl
EUR	500,000	EUR	51.00%	51.00%	0.00%	
USD	40,633,000	USD	100.00%	0.00%	100.00%	Astaldi Concessioni S.p.A.
LEI	5,400,000,000	EUR	51.00%	51.00%	0.00%	
EUR	16,515,578	EUR	100.00%	100.00%	0.00%	
EUR	45,900	EUR	100.00%	100.00%	0.00%	
TRY	37,518,000	EUR	100.00%	0.00%	100.00%	Astaldi Concessioni S.p.A.
EUR	10,200	EUR	74.99%	74.99%	0.00%	
TRY	200,000	TRY	100.00%	0.00%	100.00%	nBI S.r.l - Astur Construction and Trade A.S.
EUR	1,000,000	EUR	100.00%	100.00%	0.00%	
EUR	50,000	EUR	100.00%	100.00%	0.00%	
EUR	9,300,000	EUR	99.99%	99.99%	0.00%	
EUR	25,500	EUR	99.98%	99.98%	0.00%	
EUR	51,000	EUR	60.00%	60.00%	0.00%	
ZRZ	50,000	EUR	100.00%	75.00%	25.00%	Astaldi International Ltd.
EUR	500,000	EUR	99.26%	99.26%	0.00%	
LEI	10,000,000,000	EUR	51.00%	51.00%	0.00%	
EUR	10,200	EUR	80.00%	80.00%	0.00%	
EUR	50,000	EUR	74.00%	74.00%	0.00%	
EUR	1,000,000	EUR	100.00%	100.00%	0.00%	
EUR	50,000	EUR	61.40%	61.40%	0.00%	
ZRZ	200,000,000	EUR	100.00%	100.00%	0.00%	
EUR	30,000,000	EUR	60.00%	60.00%	0.00%	
EUR	51,000	EUR	90.00%	90.00%	0.00%	
CAD	323	CAD	100.00%	0.00%	100.00%	Astaldi Canada Inc.
EUR	100,000	EUR	76.00%	0.00%	80.00%	Consorzio Stabile Busi
EUR	50,000	EUR	90.39%	90.39%	0.00%	
CLP	5,000,000,000	CLP	55.00%	0.00%	55.00%	Astaldi Concessioni S.p.A.
EUR	50,000	EUR	100.00%	0.00%	100.00%	NBI S.r.l.

B) Companies consolidated on a proportionate basis

Company Name	Registered Office
Ankara Etlik Hastane Salik Hizmetleri Isletme Yatirim A.S.	Ilkbahar Mahallesi Turan Gunes Bulvari 15. Cad.No. 11 Yildiz Cankaya - Ankara - Turkey
Avrasya Metro Grubu S.r.l.	Via S. Michele, 35 - Agliana (PT) - Italy
CO.SAT Società Consortile a responsabilità limitata	Via G.V. Bona, 65 - Rome - Italy
Cona Impianti S.c.r.l.	Viale Lincoln, 84/A - Bologna - Italy
Concorcio Obrainsa - Astaldi	AV. Emilio Cavenecia Nro.225, Lima S. Isdro- Peru
Consorcio Rio Mantaro	Calle Las Palmeras n. 326, Camacho, Distrito de la Molina - Lima - Peru
Consorcio Rio Urubamba	Av. Paseo de la Republica 4675, Surquillo - Lima - Peru
IC Ictas-Astaldi Insaat A.S.	Konur Sokak n. 58/207, Kizilay - Ankara - Turkey
ICA Astaldi-IC Ictas WHSD Insaat A.S.	Konur Sokak n. 58/208, Kizilay - Ankara - Turkey
M.O.MES S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Metro Blu S.c.r.l.	Via Adige, 19 - Milan - Italy

C) Equity-accounted investees

Company Name	Registered Office
A4 Holding S.p.A.	Via Flavio Gioia, 71 - Verona - Italy
Autostrada Nogara Mare Adriatico S.c.p.A.	Via Flavio Gioia, 71 Verona - Italy
Avola S.c.r.l. in liquidation	Via Adige, 19 - Milan - Italy
Biomedica S.c.r.l.	Via delle Violette, 12 Z.I. - Modugno (BA) - Italy
Blufi 1 S.c.rl. in liquidation	Zona Industriale - Agrigento - Italy
C.F.M. S.c.r.l. in liquidation	Via privata D. Giustino , 3/A - Naples - Italy
Colli Albani S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Consorcio Contuy Medio	Avida Andres Bello, Ed. Atlantic Piso 7, Of. 1-7 - Venezuela
Consorzio A.F.T. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Consorzio A.F.T. Kramis	Via G.V. Bona, 65 - Rome - Italy
Consorzio Consarno	Via Napoli, 329 - Castellammare di Stabia (NA) - Italy
Consorzio Consavia S.c.n.c. in liquidation	Via F. Tovaglieri, 17 - Rome - Italy
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	Via G.V. Bona, 65 - Rome - Italy
Consorzio Ferrofir in liquidation	Via F.Tovaglieri, 17- Rome - Italy
Consorzio Gi.It. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy
Consorzio Iricav Due	Via F. Tovaglieri, 413 - Rome - Italy
Consorzio Iricav Uno	Via F. Tovaglieri, 17 - Rome - Italy
Consorzio Ital.Co.Cer.	Via Giovanni da Procida, 36 - Rome - Italy
Consorzio Italvenezia	Via Salaria, 1039 - Rome - Italy
Consorzio Metrofer in liquidation	Via Salaria , 1033 - Rome - Italy
Consorzio MM4 (CMM4)	Via dei Missaglia, 97 - Milan - Italy
Consorzio Novocen in liquidation	Via Orazio, 143 - Naples - Italy
Consorzio Pedelombarda 2	Via dei Missaglia, 97 - Milan - Italy
Consorzio Ponte Stretto di Messina in liquidation	Via G.V.Bona, 65 - Rome - Italy
Consorzio Qalat	Corso Carlo Marx, 19 - Misterbianco (CT) - Italy

	Share Capital Nominal Value	Functional Currency	% Interest	Direct Interest %	Indirect Interest %	Companies with Indirect Interest
TRY	15,000,000	TRY	51.00%	5.00%	46.00%	Astaldi Concessioni S.p.A.
EUR	10,000	EUR	42.00%	42.00%	0.00%	
EUR	10,000	EUR	50.00%	50.00%	0.00%	
EUR	10,000	EUR	50.00%	0.00%	50.00%	NBI S.r.l.
----	0	PEN	51.00%	51.00%	0.00%	
----	0	USD	50.00%	50.00%	0.00%	
----	0	PEN	40.00%	40.00%	0.00%	
TRY	2,000,000	EUR	50.00%	50.00%	0.00%	
TRY	2,000,000	RUB	50.00%	50.00%	0.00%	
EUR	10,000	EUR	55.00%	55.00%	0.00%	
EUR	10,000	EUR	50.00%	50.00%	0.00%	

	Share Capital Nominal Value	Functional Currency	% Interest	Direct Interest %	Indirect Interest %	Companies with Indirect Interest
EUR	134,057,937	EUR	11.65%	0.00%	15.45%	AI2 S.R.L.
EUR	120,000	EUR	23.00%	10.00%	13.00%	Astaldi Concessioni S.p.A.
EUR	10,200	EUR	50.00%	50.00%	0.00%	
EUR	10,000	EUR	42.66%	0.00%	44.90%	Consorzio Stabile Busi
EUR	25,823	EUR	32.00%	32.00%	0.00%	
EUR	40,800	EUR	50.00%	50.00%	0.00%	
EUR	25,500	EUR	60.00%	60.00%	0.00%	
US$	40,000	VEF	28.30%	28.30%	0.00%	
EUR	46,481	EUR	33.33%	33.33%	0.00%	
EUR	100,000	EUR	50.00%	50.00%	0.00%	
EUR	20,658	EUR	25.00%	25.00%	0.00%	
EUR	20,658	EUR	25.00%	25.00%	0.00%	
EUR	206,583	EUR	25.00%	25.00%	0.00%	
EUR	30,987	EUR	66.67%	66.67%	0.00%	
EUR	2,582	EUR	50.00%	50.00%	0.00%	
EUR	510,000	EUR	37.49%	37.49%	0.00%	
EUR	520,000	EUR	27.91%	27.91%	0.00%	
EUR	51,600	EUR	30.00%	30.00%	0.00%	
EUR	77,450	EUR	25.00%	25.00%	0.00%	
EUR	25,823	EUR	33.32%	33.32%	0.00%	
EUR	200,000	EUR	31.05%	31.05%	0.00%	
EUR	51,640	EUR	40.76%	40.76%	0.00%	
EUR	10,000	EUR	17.96%	17.96%	0.00%	
EUR	100,000	EUR	51.97%	51.97%	0.00%	
EUR	10,327	EUR	40.00%	40.00%	0.00%	

Company Name	Registered Office
Copenhagen Metro Construction Group J.V. (COMET)	Refshaleoen, 147 P.O. Box 1920 - Copenhagen – Denmark
Diga di Blufi S.c.r.l. in liquidation	Via Adige,19 - Milan - Italy
Ecosarno S.c.r.l.	Viale Italia,1 - Sesto S. Giovanni (MI) - Italy
Fosso Canna S.c.r.l. in liquidation	Via Adige, 19 - Milan - Italy
GEI - Grupo Empresas Italianas	C.C.C. Tamanaco 1ra Etapa, Piso 6, Oficina 620, Chuao - Caracas - Venezuela
Ge.Sat S.c.r.l.	Via Rimini, 27- Prato- Italy
Groupement Italgisas	Angle Boulevard de la Resistance et Rue de Puissesaux - Casablanca - Morocco
Ica Ic Ictas Astaldi Ucuncu Bogaz Koprusu Ve Kuzey Marmara Otoyolu Yatirim Ve Isletme Anonim Sirketi	Kavaklidere Mahallesi Konur. Sokak 58/304, postcode: 06640 Çankaya/Ankara
Infraflegrea S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples – Italy
M.N. Metropolitana di Napoli S.p.A.	Via Galileo Ferraris, 101 - Naples – Italy
Metro Brescia S.r.l. (MB-S.r.l.)	Via Leonida Magnolini, 3 - Brescia – Italy
Metro 5 S.p.A.	Via Adige, 19 - Milan – Italy
METRO C S.c.p.a.	Via di Torre Spaccata, 172 - Rome – Italy
Metrogenova S.c.r.l.	Via IV Novembre snc -Spianata Acquasola - 16121 Genoa - Italy
Monte Vesuvio S.c.r.l. in liquidation	Via dei Missaglia, 97 - Milan – Italy
Mose-Treporti S.c.r.l.	Via C.Battisti n°2 - Venice - Mestre – Italy
N.P.F. - Nuovo Polo Fieristico S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome – Italy
Nova Metro S.c.r.l. in liquidation	Via Montello, 10 - Rome - Italy
Otoyol Yatirim Ve Isletme A.S.	Bugday Sokak n. 9, Kavaklidere, Cankaya - Ankara - Turkey
Pacific Hydro Chacayes	9th floor, Isidora Goyenechea Avenue, Santiago - Chile -
Passante Dorico S.p.A.	Via dei Missaglia, 97 - Milan - Italy
Pedelombarda S.c.p.A.	Via dei Missaglia, 97 - Milan - Italy
Pegaso S.c.r.l. in liquidation	Via F. Tovaglieri, 17 - Rome - Italy
Piana di Licata S.c.r.l. in liquidation	Via Adige, 19 - Milan – Italy
Pont Ventoux S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Principe Amedeo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
S. Leonardo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
S.A.C.E.S. S.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
S.E.I.S. S.p.A.	Via P. Delitala, 11 - Cagliari - Italy
SA.T. S.p.A.	Via Rimini, 27- Prato- Italy
Sharaf - Astaldi LLC	Emirate of Dubai – United Arab Emirates
Società di Progetto Consortile per Azioni M4	Via dei Missaglia, 97 - Milan – Italy
Tangenziale Seconda S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
TME - Busi S.c.r.l. in liquid.	Via del Molo, 3 - La Spezia - Italy
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	Via Paccagnella, 11 - Mestre (VE) - Italy

	Share Capital Nominal Value	Functional Currency	% Interest	Direct Interest %	Indirect Interest %	Companies with Indirect Interest
DKK	0	DKK	15.00%	15.00%	0.00%	
EUR	45,900	EUR	50.00%	50.00%	0.00%	
EUR	50,490	EUR	33.33%	33.33%	0.00%	
EUR	25,500	EUR	32.00%	32.00%	0.00%	
VEB	2,000,100,000	VEF	33.34%	33.34%	0.00%	
EUR	10,000	EUR	35.00%	35.00%	0.00%	
MAD	207,014,000	MAD	40.00%	0.00%	40.00%	Italstrade IS S.r.l.
TRY	230,000,000	TRY	33.33%	33.33%	0.00%	
EUR	46,600	EUR	50.00%	50.00%	0.00%	
EUR	3,655,397	EUR	22.62%	22.62%	0.00%	
EUR	4,020,408	EUR	24.50%	24.50%	0.00%	
EUR	53,300,000	EUR	38.70%	38.70%	0.00%	
EUR	150,000,000	EUR	34.50%	34.50%	0.00%	
EUR	25,500	EUR	21.81%	21.81%	0.00%	
EUR	45,900	EUR	50.00%	50.00%	0.00%	
EUR	10,000	EUR	35.00%	35.00%	0.00%	
EUR	40,000	EUR	50.00%	50.00%	0.00%	
EUR	40,800	EUR	24.10%	24.10%	0.00%	
TRY	1,000,000,000	TRY	18.86%	18.86%	0.00%	
USD	138,466,579	USD	27.35%	0.00%	27.35%	Cachapoal Inversiones Limitada
EUR	24,000,000	EUR	24.00%	24.00%	0.00%	
EUR	80,000,000	EUR	24.00%	24.00%	0.00%	
EUR	260,000	EUR	43.75%	43.75%	0.00%	
EUR	10,200	EUR	43.75%	43.75%	0.00%	
EUR	51,000	EUR	56.25%	56.25%	0.00%	
EUR	10,200	EUR	50.00%	50.00%	0.00%	
EUR	10,200	EUR	51.00%	51.00%	0.00%	
EUR	26,000	EUR	37.00%	37.00%	0.00%	
EUR	3,877,500	EUR	48.33%	48.33%	0.00%	
EUR	19,126,000	EUR	35.00%	35.00%	0.00%	
AED	3,000,000	AED	49.00%	49.00%	0.00%	
EUR	360,000	EUR	28.90%	28.90%	0.00%	
EUR	45,900	EUR	42.73%	42.73%	0.00%	
EUR	12,000	EUR	23.75%	0.00%	25.00%	Consorzio Stabile Busi
EUR	20,500,000	EUR	37.00%	31.00%	6.00%	Astaldi Concessioni S.p.A.

D) Companies measured at cost

Company Name	Registered Office
Aguas de San Pedro S.A. de C.V.	Barrio Las Palmas entre 20 y 27 calle, 3a avenida - San Pedro Sula - Honduras
Area Bersaglio S.r.l.	Via G. Devitofrancesco, 31 - Bari- Italy
Astaldi Bayindir J.V.	Ilkadim Sokak, 19 Gaziomanpasa- Ankara - Turkey
Association en participation SEP Astaldi-Somatra-Bredero	Tunisia
Astaldi - Ozkar J.V.	Al Masriq Building, office 45 - 4 floor Azaibah - Muscat – Sultanate of Oman
Astaldi-Sarantopulos J.V.	Athens – Greece
C.F.C. S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy
C.I.T.I.E. Soc. coop.	Viale Lincoln, 84/a , Bologna - Italy
Co.Sa.Vi.D. S.c.r.l.	Carini - Contrada Foresta Z.I. - Palermo - Italy
Consorcio Astaldi-ICE	Av. Libertador Bolivar, 1842 - Cochabamba - Bolivia
Consorcio Grupo Contuy - Proyectos y Obras de Ferrocarriles	CCC T. 1ra Etapa Piso 6 Of. 620 Chuao - Caracas - Venezuela
Consorzio Asse Sangro in liquidation	Via della Fonte di Fauno, 2/A bis - Rome - Italy
Consorzio C.U.B.O.	Via Murri, 24- Bologna- Italy
Consorzio Centro Uno in liquidation	C.so Vittorio Emanuele, 130 - Naples - Italy
Consorzio CONA	Via Carlo Pisacane,2 - Carpi - Italy
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	Via Chiatamone, 57 - Naples - Italy
Consorzio Ferroviario Vesuviano	Via Argine, 425 - Naples – Italy
Consorzio Groupement Lesi-Dipenta	Via Indonesia, 100 - Rome - Italy
Consorzio Italia Costruttori	Corso di Porta Romana, 6 - Milan - Italy
Consorzio TRA.DE.CI.V.	Via Galileo Ferraris, 101 - Naples - Italy
Fondazione Accademia Nazionale di S. Cecilia	Via Vittoria, 6 - Rome – Italy
Fondazione Filarmonica Arturo Toscanini	Strada della Repubblica, 57 - Parma - Italy
FSC S.c.r.l. in liquidation	Via Scapacchiò, 41 - Selvazzano Dentro (PD) - Italy
Fusaro S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy
G.G.O. S.c.r.l. in liquidation	Zona Industriale - Agrigento - Italy
Groupement Eurolep	Shifflandestrasse, 35 - Aaran 5000 - Switzerland
Guida Editori S.r.l. in liquidation	Via D. Morelli, 16/8 - Naples - Italy
IGI - Istituto Grandi Infrastrutture	Via Ovidio, 32 - Rome - Italy
Imprese Riunite Genova S.c.r.l. in liquidation	Brigata Liguria, 1/18 - Genoa - Italy
Imprese Riunite Genova Seconda S.c.r.l. in liquidation	Via Serra, 2/9 - Genoa - Italy
I.SV.E.UR. Istituto per lo Sviluppo Edilizio ed Urbanistico S.p.A.	Via Lungotevere dè Cenci n°9 - Rome - Italy
Italsagi Sp. Zo. O.	Ul. Powstancow - Katowice - Poland
Italstrade CCCF JV Bucuresti S.r.l.	Gheorghe Manu, 20 Sector 1 - Bucharest - Romania
M.N.6 S.c.r.l.	Via G.Ferraris n.101 - Naples - Italy
NO.VI.F.IN. Nova Via Festinat Industrias S.c.r.l.	Riviera di Chiaia, 72 - Naples - Italy
Pantano S.c.r.l.	Via Montello, 10 - Rome - Italy
Pavimental S.p.A.	Piazza Ferdinando De Lucia, 15 - Rome - Italy
Platamonas Sarantopulos J.V.	Athens – Greece
Primus Partners S.r.l.	Via Santa Radegonda n. 8, Milan
Prog. Este S.p.A.	Via Carlo Pisacane,2 - Carpi - Italy
Skiarea Valchiavenna S.p.A.	Via del Crotto, 52 - Campodolcino - Italy
Sociedad Concesionaria BAS S.A.	Santiago - Chile
Teheran Laviran	Iran

	Share Capital Nominal Value	% Interest	Direct Interest %	Indirect Interest %	Companies with Indirect Interest
HNL	100,000,000	15.00%	0.00%	15.00%	Astaldi Concessioni S.p.A.
EUR	1,000,000	0.00%	0.00%	0.001%	Consorzio Stabile Busi
----	0	50.00%	50.00%	0.000%	
----	0	40.00%	40.00%	0.000%	
EUR	0	0.01%	0.01%	0.00%	
----	0	14.00%	14.00%	0.00%	
EUR	45,900	0.01%	0.01%	0.00%	
EUR	0	0.48%	0.00%	0.48%	NBI S.r.l., 3E System S.r.l.
EUR	25,500	0.01%	0.01%	0.00%	
----	0	50.00%	50.00%	0.00%	
----	0	32.33%	32.33%	0.00%	
EUR	464,811	4.76%	4.76%	0.00%	
----	0	0.00%	0.00%	0.00%	Consorzio Stabile Busi
EUR	154,937	2.00%	2.00%	0.00%	
EUR	1,500,000	2.91%	0.00%	2.91%	NBI S.r.l.
EUR	2,582	50.00%	50.00%	0.00%	
EUR	153,000	0.004%	0.004%	0.000%	
EUR	258,228	0.01%	0.01%	0.00%	
EUR	120,000	16.70%	0.00%	16.70%	NBI S.r.l.
EUR	154,937	17.73%	17.73%	0.00%	
----	0	0.00%	0.00%	0.00%	
----	0	0.00%	0.00%	0.00%	
EUR	3,000	30.00%	0.00%	30.00%	Sartori Tecnologie Industriali S.r.l.
EUR	10,200	0.01%	0.01%	0.00%	
EUR	25,500	10.00%	10.00%	0.00%	
CHF	100,000	22%	22.00%	0.00%	
----	0	0.02	0.02	0.00	
----	0	0.00%	0.00%	0.00%	
EUR	25,500	16.10%	16.10%	0.00%	
EUR	25,000	16.10%	16.10%	0.00%	
EUR	2,500,000	0.92%	0.92%	0.00%	
PLN	100,000,000	34.00%	0	34.00%	Italstrade IS S.r.l.
LEI	2,000,000	1.00%	1.00%	0.00%	
EUR	51,000	1.00%	1.00%	0.00%	
EUR	10,329	0.01%	0.01%	0.00%	
EUR	40,800	10.00%	10.00%	0.00%	
EUR	4,669,132	1.30%	1.30%	0.00%	
----	0	14.45%	14.45%	0.00%	
EUR	100,000	10.00%	0.00%	10.00%	NBI S.r.l.
EUR	13,250,000	5.04%	0.00%	5.04%	NBI S.r.l.
EUR	8,118,182	0.23%	0.23%	0.00%	
CLP	8,876,340,000	0.10%	0.10%	0.00%	
----	0	16.50%	16.50%	0.00%	

Related Parties (Annex 2)

Company Name	Non-current financial assets	Receivables from customers	Trade receivables	Current financial assets	Other current assets	Non-current financial liabilities
A4 HOLDING S.p.A.	0	0	3	0	0	0
Adduttore Ponte Barca S.c.r.l. in liquidation	0	0	0	0	0	0
Astaldi - UTI - Romairport Joint Venture	402	0	2,302	0	1,173	0
Astaldi Bayindir J.V.	0	0	538	0	5,984	0
Autostrada Nogara Mare Adriatico S.c.p.A.	0	0	0	0	0	0
Avola S.c.r.l. in liquidation	84	0	778	0	41	0
Biomedica S.c.r.l.	0	0	0	0	0	0
Blufi 1 S.c.r.l. in liquidation	0	0	0	0	48	0
C.F.M. S.c.r.l. in liquidation	0	0	82	0	113	0
Colli Albani S.c.r.l. in liquidation	5	0	815	0	5	0
Consorcio Astaldi-ICE	0	0	416	0	0	0
Consorcio Contuy Medio	0	0	569	0	510	0
Consorcio Grupo Contuy - Proyectos y Obras de Ferrocarriles	0	0	322	0	4,257	0
Consorzio A.F.T. in liquidation	354	0	142	0	801	0
Consorzio A.F.T. Kramis	560	0	2,522	0	2,971	0
Consorzio C.I.R.C. in liquidation	0	0	0	0	0	0
Consorzio Consarno	127	0	70	0	0	0
Consorzio Consavia S.c.n.c. in liquidation	0	0	5	0	1	0
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	0	0	0	0	0	0
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	90	0	0	0	0	0
Consorzio Ferrofir in liquidation	0	0	0	0	0	0
Consorzio Gi.It. in liquidation	0	0	0	0	0	0
Consorzio Iricav Due	0	0	151	0	0	0
Consorzio Iricav Uno	0	0	480	0	109	0
Consorzio Ital.Co.Cer.	0	0	0	0	0	0
Consorzio Italvenezia	0	0	0	0	0	0
Consorzio MM4	311	4,203	173	0	0	0
Consorzio Novocen in liquidation	82	0	0	0	0	0
Consorzio Pedelombarda 2	0	0	0	0	0	0
Consorzio Ponte Stretto di Messina in liquidation	200	0	0	0	1	0
Consorzio Qalat	0	0	0	0	0	0
Diga di Blufi S.c.r.l. in liquidation	0	0	6,198	0	637	0
Ecosarno S.c.r.l.	0	0	0	0	0	0
FINAST	0	0	10	0	0	0
Fosso Canna S.c.r.l. in liquidation	205	0	247	0	6	0
G.T.J Étude et Réalisation d'un Tunnel	0	0	0	0	30	0
GE. SAT S.c.r.l.	0	0	2,926	0	0	0
GEI - Grupo Empresas Italianas	0	0	1,078	0	1,517	0
Groupement Eurolep	0	0	0	0	0	0
Groupement Italgisas	838	0	274	0	38	0

Payables to customers	Trade payables	Other current liabilities	Revenue	Other operating revenue	Service costs	Other operating costs	Other financial income	Interest and other financial charges
0	0	0	0	2	0	0	0	0
0	0	0	0	0	1	0	0	0
0	73	0	0	0	0	0	0	0
0	1,272	0	0	0	0	0	0	0
0	82	0	0	0	0	0	0	0
0	162	0	0	0	0	0	0	0
0	64	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	124	0	0	0	0	0	5	0
0	343	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	1,383	16	0	0	85	0	0	0
0	3,364	0	0	369	304	0	0	218
0	33	657	0	0	0	0	0	0
0	801	379	0	0	294	0	19	0
0	0	0	0	22	0	8	0	0
0	52	0	0	0	49	1	0	0
0	1	0	0	0	0	0	0	0
0	2	0	0	0	0	0	0	0
0	42	0	0	0	0	0	0	0
0	126	0	0	0	126	0	0	0
0	220	0	0	0	0	0	0	0
0	2,518	0	0	62	410	0	0	0
0	4,696	0	0	160	2,425	0	0	0
0	534	0	0	0	37	0	0	0
0	151	0	0	0	13	0	0	0
0	675	5	10,865	106	1,159	5	0	0
0	214	0	0	0	139	0	0	0
0	44	0	0	0	36	0	0	0
0	2	0	0	0	16	0	0	0
0	91	0	0	0	0	0	0	0
0	5,463	0	0	0	9	0	0	0
0	172	0	0	0	189	0	0	0
0	0	0	0	13	0	0	0	0
0	78	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	2,699	54	2,379	77	2,467	0	0	0
0	1,055	17	0	0	452	0	0	734
0	0	26	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

Company Name	Non-current financial assets	Receivables from customers	Trade receivables	Current financial assets	Other current assets	Non-current financial liabilities
Ica Ic Ictas-Astaldi Kuzey Marmara Otoyolu	0	0	(0)	0	0	0
Infraflegrea S.c.r.l. in liquidation	0	0	523	0	85	0
Italsagi Sp. Zo. O.	340	0	14	0	28	0
M.N. Metropolitana di Napoli S.p.A.	0	0	17	0	0	0
Metro 5 Lilla S.r.l.	0	0	747	0	0	0
Metro 5 S.p.A.	15,658	0	2,879	0	27	0
Metro Brescia S.r.l.	1,912	0	1	0	0	0
METRO C S.c.p.a.	0	0	2,914	0	83	0
Metrogenova S.c.r.l.	0	0	69	0	795	0
Monte Vesuvio S.c.r.l. in liquidation	250	0	255	0	0	0
Mose-Treporti S.c.r.l.	0	0	691	0	0	0
N.P.F. - Nuovo Polo Fieristico S.c.r.l. in liquidation	0	0	5	0	574	0
Nova Metro S.c.r.l. in liquidation	0	0	2	0	0	0
Otoyol Yatirim Ve Isletme A.S	24,288	0	448	0	0	0
Pacific Hydro Chacayes	714	0	128	0	0	0
Passante Dorico S.p.A.	0	0	0	0	0	0
Pedelombarda S.c.p.A.	0	0	8,726	0	351	0
Pegaso S.c.r.l. in liquidation	0	0	77	0	790	0
Piana di Licata S.c.r.l. in liquidation	307	0	257	0	2	0
Pont Ventoux S.c.r.l. in liquidation	0	0	5,123	0	0	0
Principe Amedeo S.c.r.l. in liquidation	0	0	339	0	114	0
S. Leonardo S.c.r.l. in liquidation	22	0	2,628	0	2	0
S.A.C.E.S. S.r.l. in liquidation	0	0	0	0	0	1,645
S.E.I.S. S.p.A.	3,210	0	0	0	0	0
SA.T. S.p.A.	3,563	612	220	0	0	0
Serenissima Costruzioni S.p.A.	0	0	59	0	0	0
Sharaf - Astaldi LLC	0	0	27	0	0	0
SP M4 S.c.p.A.	0	0	373	4,913	0	0
Tangenziale Seconda S.c.r.l. in liquidation	0	0	71	0	4	0
Veneta Sanitaria di Progetto S.p.A.	2,046	0	17	0	1	0
Total	**55,567**	**4,815**	**46,710**	**4,913**	**21,096**	**1,645**
Percentage of incidence of transactions	**55.69%**	**0.38%**	**4.86%**	**10.59%**	**5.51%**	**0.17%**

Payables to customers	Trade payables	Other current liabilities	Revenue	Other operating revenue	Service costs	Other operating costs	Other financial income	Interest and other financial charges
0	0	0	0	0	0	0	723	0
0	518	0	0	0	1	0	0	0
0	0	0	0	0	0	0	0	0
0	1	0	0	42	0	0	0	4
0	62	10	0	256	463	0	0	0
24,148	4	1	134,891	533	2,581	12	380	0
0	55	0	0	0	46	0	0	0
0	14,632	0	1,944	1,199	67,893	0	0	0
0	321	17	0	51	1,086	22	0	0
0	0	0	0	0	0	0	0	0
0	2,534	0	0	212	4,578	0	0	0
0	0	0	0	1	21	0	0	0
0	33	0	0	0	0	0	0	0
0	19	11	0	353	0	0	2,755	1,133
0	0	0	0	8	0	62	28	0
0	0	0	0	0	0	0	0	0
0	43,775	18	8,172	692	73,673	0	0	0
0	0	0	0	61	481	12	0	0
0	139	0	0	0	0	0	0	0
0	1,827	0	0	5,049	0	0	10	0
0	232	0	0	0	0	0	0	0
0	698	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	155	43	45,280	254	155	43	129	36
0	0	0	0	28	0	0	0	0
0	27	0	0	0	0	0	13	0
0	0	1	0	241	0	0	77	0
0	14	0	0	0	1	0	1	0
0	1	0	0	27	1	0	78	0
24,148	**91,585**	**1,254**	**203,530**	**9,819**	**159,192**	**165**	**4,219**	**2,126**
3.58%	**8.19%**	**0.81%**	**8.51%**	**7.74%**	**11.27%**	**0.38%**	**3.82%**	**0.99%**

Information on equity-accounted investees and entities consolidated on a proportionate basis (Annex 3)

Equity-accounted investees

	Carrying amount of interest	Effects of equity accounting
A4 Holding S.p.A.	178,748	19,803
Adduttore Ponte Barca S.c.r.l. liquidated	0	17
Autostrada Nogara Mare Adriatico S.c.p.a.	28	0
Avola S.c.r.l. in liquidation	0	(1)
Biomedica S.c.r.l.	4	0
Blufi 1 S.c.rl. in liquidation	0	0
C.F.M. S.c.r.l. in liquidation	21	0
Colli Albani S.c.r.l. in liquidation	0	(1)
Consorcio Contuy Medio	0	0
Consorzio A.F.T. in liquidation	15	0
Consorzio A.F.T. Kramis	0	0
Consorzio Consarno	5	0
Consorzio Consavia S.c.n.c. in liquidation	5	(0)
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	52	0
Consorzio Ferrofir in liquidation	357	0
Consorzio Gi.It. in liquidation	1	0
Consorzio Iricav Due	171	0
Consorzio Iricav Uno	124	0
Consorzio Ital.Co.Cer.	15	0
Consorzio Italvenezia	19	0
Consorzio Metrofer in liquidation	9	0
Consorzio MM4	62	0
Consorzio Novocen in liquidation	0	0
Consorzio Pedelombarda 2	2	0
Consorzio Ponte Stretto di Messina in liquidation	52	0
Consorzio Qalat	0	0
Copenhagen Metro Construction Group J.V. (COMET)	0	(16,839)
Diga di Blufi S.c.r.l. in liquidation	23	0
Ecosarno S.c.r.l.	17	0
Fosso Canna S.c.r.l. in liquidation	0	(0)
GE. SAT S.c.a. r.l.	4	0
GEI - Grupo Empresas Italianas	230	0
Groupement Italgisas	0	0
ICA IC ICTAS ASTALDI UCUNCU BOGAZ KOPRUSU VE KUZEY MARMARA OTOYOLU YATIRIM VE ISLETME ANONIM SIRKETI	24,711	0
Infraflegrea S.c.r.l. in liquidation	23	0

Total equity	Total liabilities	Total assets	Total revenue	Total costs of production	Profit / Loss for the year
580,830	1,659,962	1,659,962	554,582	207,578	36,238
0	0	0	0	0	0
120	2,430	2,430	142	141	0
(200)	1,025	1,025	0	0	(1)
10	1,303	1,303	741	739	0
(71)	0	0	0	0	0
41	937	937	0	0	0
(10)	817	817	0	0	(1)
1	1,133	1,133	330	308	(0)
46	3,346	3,346	7	0	0
(30)	0	0	0	0	0
21	13,511	13,511	6,704	6,552	0
19	33	33	0	1	(1)
207	568	568	1	1	0
535	1,814	1,814	196	144	0
3	445	445	0	0	0
455	60,914	60,914	1,061	945	0
444	3,549,177	3,549,177	9,141	8,009	0
52	2,474	2,474	1,072	1,039	0
77	356	356	32	16	0
26	42	42	0	0	0
200	22,132	22,132	6,057	4,138	0
(140)	1,893	1,893	341	249	0
10	257	257	198	198	0
76	775	775	31	31	0
6	6	6	0	0	0
(245,478)			(43,172)	14,888	(112,261)
30	11,011	11,011	19	2	0
51	1,189	1,189	638	82	0
(73)	504	504	0	0	(1)
10	20,730	20,730	16,280	15,843	0
691	6,176	6,176	1,228	595	(0)
(2,825)	0	0	0	0	0
76,687	330,688	330,688	289,487	254,343	(0)
30	1,602	1,602	2	1	0

	Carrying amount of interest	Effects of equity accounting
M.N. Metropolitana di Napoli S.p.A.	7,004	560
Metro Brescia S.r.l.	985	52
Metro 5 S.p.A.	14,703	1,047
METRO C S.c.p.a.	19,671	0
Metrogenova S.c.r.l.	6	0
Monte Vesuvio S.c.r.l. in liquidation	0	(7)
Mose-Treporti S.c.r.l.	4	0
N.P.F. - Nuovo Polo Fieristico S.c.r.l. in liquidation	20	0
Nova Metro S.c.r.l. in liquidation	10	0
Otoyol Yatirim Ve Isletme A.S.	64,432	(123)
Pacific Hydro Chacayes	27,059	(98)
Passante Dorico S.p.A.	1,440	0
Pedelombarda S.c.p.A.	4,800	0
Pegaso S.c.r.l. in liquidation	114	0
Piana di Licata S.c.r.l. in liquidation	0	(1)
Pont Ventoux S.c.r.l. in liquidation	29	0
Principe Amedeo S.c.r.l. in liquidation	2	(0)
S. Leonardo S.c.r.l. in liquidation	0	(7)
S.A.C.E.S. S.r.l. in liquidation	0	(31)
S.E.I.S. S.p.A.	14,355	(234)
SA.T. S.p.A.	6,791	(188)
Sharaf - Astaldi LLC	6	0
SP M4 S.C.p.A	104	0
Tangenziale Seconda S.c.r.l. in liquidation	23	0
TME Busi S.c.r.l.	3	0
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	27,261	2,350
Total	**393,523**	**6,301**

Total equity	Total liabilities	Total assets	Total revenue	Total costs of production	Profit / Loss for the year
30,965	1,649,845	1,649,845	128,777	117,710	2,476
4,022	4,022	4,022	105	0	105
23,055	23,055	23,055	2,705	0	2,705
57,018	472,170	472,170	197,951	165,719	0
26	7,442	7,442	5,420	4,308	0
(538)	380	380	0	7	(13)
10	11,440	11,440	15,740	15,732	0
40	1,201	1,201	43	45	0
41	456	456	0	0	0
341,635	824,159	824,159	0	2,622	(652)
92,265	342,350	342,350	76,106	50,761	(357)
6,000	6,000	6,000	0	0	0
20,000	464,060	464,060	310,516	282,278	(0)
260	4,435	4,435	936	822	0
(350)	358	358	0	0	(1)
52	13,775	13,775	10,000	9,951	0
5	916	916	0	0	(1)
(94)	2,900	2,900	0	2	(13)
(480)	3,070	3,070	0	0	(83)
29,703	37,985	37,985	28	213	(484)
19,404	186,099	186,099	15,157	8,403	(536)
592	592	592	0	0	0
360	360	360	0	0	0
45	121	121	2	0	0
12	21	21	1	0	0
39,841	189,394	189,394	54,133	42,724	8,628
1,075,741	**9,943,853**	**9,943,853**	**1,662,738**	**1,217,143**	**(64,255)**

Entities consolidated on a proportionate basis

	% interest	Total non-current liabilities	Total current liabilities
Ankara Etlik Hastante A.S.	51.00%	0	9,989
Avrasya Metro Grubu S.r.l.	42.00%	0	7,325
CO.SAT. S.c.r.l.	50.00%	581	40,263
CONA Impianti S.c.r.l.	50.00%	4	848
Concorcio Obrainsa - Astaldi	51.00%	0	5,520
Consorcio Rio Mantaro	50.00%	5,711	131,997
Consorcio Rio Urubamba	40.00%	1,837	13,362
IC ICTAS-ASTALDI Insaat A.S.	50.00%	36	219,598
ICA ASTALDI-IC ICTAS WHSD Insaat A.S.	50.00%	14,521	782,169
M.O.MES S.c.r.l.	55.00%	0	728
Metro Blu S.c.r.l.	50.00%	98	56,226
Total		**22,789**	**1,268,025**

Total equity	Total non-current assets	Total current assets	Total revenue	Total costs of production	Profit / Loss for the year
597	5,804	4,781	4,447	3,291	(817)
52	2,590	4,787	1,289	1,230	40
10	674	40,181	89,611	81,020	0
10	0	862	49	51	0
4	201	5,323	5	2	5
11,258	39,962	109,004	139,369	100,664	7,724
5,170	7,307	13,063	30,482	15,720	2,721
93,845	37,490	275,989	386,421	261,567	46,779
106,808	83,273	820,225	553,974	326,233	113,229
10	0	738	996	995	0
2	6,479	49,848	19,057	15,493	0
217,767	**183,780**	**1,324,801**	**1,225,700**	**806,265**	**169,681**

Management Certification

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 Executive appointed to draft corporate accounts 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 2013 consolidated financial statements.

2. The administrative and accounting procedures used to formulate the consolidated financial statements at 31 December 2013 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 area.

   3.2 The annual financial 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 area, together with a description of the main risks and uncertainties they are exposed to.

Rome, 28 March 2014

Stefano Cerri
Chief Executive Officer

Paolo Citterio
Executive appointed to draft corporate accounts

Independent Auditors’ Report

KPMG S.p.A.
Revisione e organizzazione contabile
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00197 ROMA RM

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(Translation from the Italian original which remains the definitive version)

Report of the auditors in accordance with articles 14 and 16 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Astaldi S.p.A.

1 We have audited the consolidated financial statements of the Astaldi Group as at and for the year ended 31 December 2013, comprising the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes thereto. The parent’s directors are responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards issued by Consob, the Italian Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors. We believe that our audit provides a reasonable basis for our opinion.

The consolidated financial statements present the prior year corresponding figures for comparative purposes. As disclosed in the note “Newly issued and approved accounting standards and interpretations effective from 1 January 2013”, as a result of the adoption of IAS 19 (2011) Employee Benefits, the parent’s directors restated some of the corresponding figures included in the prior year consolidated financial statements. We audited such financial statements and issued our report thereon on 29 March 2013. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of expressing an opinion on the consolidated financial statements at 31 December 2013.

KPMG

Astaldi Group
Report of the auditors
31 December 2013

3 In our opinion, the consolidated financial statements of the Astaldi Group as at and for the year ended 31 December 2013 comply with the International Financial Reporting Standards endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05. Therefore, they are clearly stated and give a true and fair view of the financial position of the Astaldi Group as at 31 December 2013, the results of its operations and its cash flows for the year then ended.

4 The directors of Astaldi S.p.A. are responsible for the preparation of a management report and a corporate governance and shareholding structure report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the management report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the corporate governance and shareholding structure report with the financial statements to which they refer, as required by the law. For this purpose, we have performed the procedures required by the Italian Standard on Auditing 001 issued by the Italian Accounting Profession and recommended by Consob. In our opinion, the management report and the information required by article 123-bis.1.c/d/f/l/m and article 123-bis.2.b of Legislative decree no. 58/98 disclosed in the corporate governance and shareholding structure report are consistent with the consolidated financial statements of the Astaldi Group as at and for the year ended 31 December 2013.

Rome, 7 April 2014

KPMG S.p.A.

(signed on the original)

Benedetto Gamucci
Director of Audit

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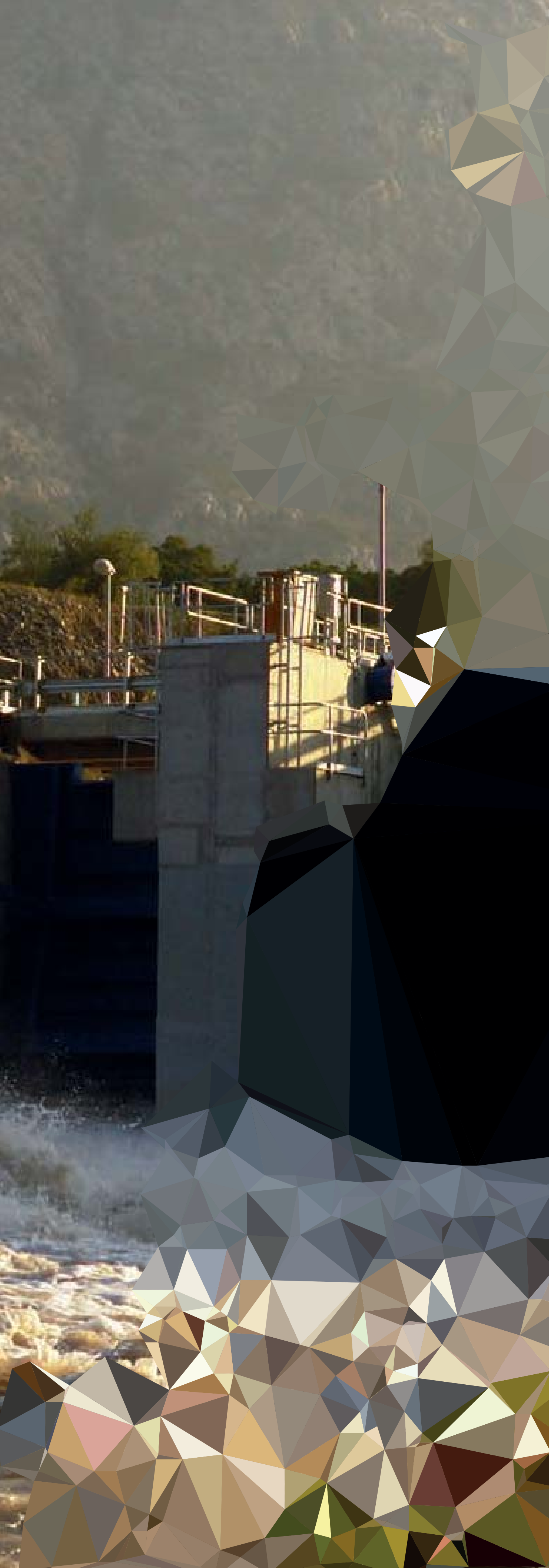

Corporate Governance Report

Chile, Chacayes Hydroelectric Power Plant.

Corporate governance and shareholding structure report

1. Issuer's profile

Also this year, the corporate governance model adopted by Astaldi S.p.A. is in line with the principles set forth in the "Code of Conduct for listed companies" – drawn up by Borsa Italiana S.p.A. in October 1999 and subsequently amended and supplemented – with the relevant recommendations worked out by Consob, and more generally, with the international best practice.
Taking into account the above, the corporate governance model of Astaldi S.p.A., setting forth the main events after the reporting period, is described herebelow.

2. Information on shareholding structure (as per art. 123-bis of the Consolidated Finance Act) as at 28 march 2014

a) Share capital structure (as per art. 123-bis, paragraph 1(a) of the Consolidated Finance Act)

- Subscribed and paid-up share capital amount in Euro: **196,849,800.00 Euro.**
- Classes of shares constituting the share capital: **ordinary shares with voting rights.**

The share capital is divided into 98,424,900 ordinary shares of a nominal value of Euro 2 each.

Share capital data

	Number of shares	% with respect to share capital	Listing Market
Ordinary shares	98,424,900	100%	Italy - STAR Segment

On 23 April, the Shareholders resolved a share capital increase without right of option as per article 2441, paragraph 5, of the Italian Civil Code, exclusively servicing the equity-linked notes issue, reserved to Italian and foreign qualified investors. In connection with such notes issue, the noteholders are entitled to apply for the conversion, if any, of the notes into already existing or newly issued shares and the Company is entitled to repay the principal amount by delivery of shares or by cash, or by a combination of shares and cash. The main data are summarised in the following table:

Other financial instruments

	Listing Market	Number of outstanding convertible notes	Class of shares allocated for conversion	Number of shares allocated for conversion
Convertible notes	Luxembourg - MTF	130,000	Common	17,568,517

No share-based benefit plan was adopted entailing any increase, also on a free-of-charge basis, in the company's share capital.

b) Restrictions on the transfer of shares (as per art. 123-bis, paragraph 1(b) of the Consolidated Finance Act)
There are no restrictions on the transfer of shares.

c) Significant shareholdings (as per art. 123-bis, paragraph 1(c) of the Consolidated Finance Act)
The shareholders owning a number of shares representing more than 2% of the share capital, as appearing from the Shareholders' Register, from the notices received pursuant to art. 120 of the Consolidated Finance Act and from other information available are, as at January 2, 2013, the following:

Declarant	Direct shareholder	Number of shares	Shareholding %
FIN.AST S.r.l.	*FIN.AST. S.r.l.*	39,505,495	40.138%
	Finetupar International S.A.	12,327,967	12.525%
		51,833,462	**52.663%**
Odin Forvaltning A.S.	*Odin Forvaltning A.S.*	4,828,885	4.906%
Norges Bank	*Norges Bank*	2,118,499	2.152%
Pictet Asset Management Ltd.	*Pictet Asset Management Ltd.*	2,065,633	2.099%
FMR LCC	*FMR LCC*	1,999,104	2.031%
TOTAL		**62,845,583**	**63.851%**

d) Shares with special rights (as per art. 123-bis, paragraph 1(d) of the Consolidated Finance Act)
No shares with special controlling interests have been issued.

e) Employees' shareholding: manner of exercise of voting rights (as per art. 123-bis, paragraph 1(e) of the Consolidated Finance Act)
No employees' shareholding scheme has been adopted.

f) Restrictions on voting rights (as per art. 123-bis, paragraph 1(f) of the Consolidated Finance Act)
There are no restrictions on voting rights.

g) Shareholders' agreements (as per art. 123-bis, paragraph 1(g) of the Consolidated Finance Act)
Within the framework of the issue of equity-linked notes, as set forth under point 2 a) above, Fin.Ast. S.r.l., in its capacity as shareholder holding the controlling interest in Astaldi S.p.A., entered into a commitment in favour of the latter to support said issue of notes and to vote in favour of the share capital increase connected therewith, approved by the Shareholders of Astaldi S.p.A. at their meeting held on 23 April 2013.

h) Clauses of change of control (as per art. 123-bis, paragraph 1(h) of the Consolidated Finance Act) and By-laws provisions related to Public Take-over Bids (as per art. 104, paragraph 1-ter, and 104-bis, paragraph 1)

Astaldi S.p.A. and its subsidiaries have not entered into any significant agreement which becomes effective or is terminated in the event of change in the holder of the controlling interest in the contracting party.
In relation to Public Take-over Bids, the By-laws of Astaldi S.p.A. do not contain any provision which is applicable notwithstanding the passivity rule under art. 104, paragraphs 1 and 2, of the Consolidated Finance Act nor do they provide for the application of breakthrough rules in accordance with art. 104-bis, paragraphs 2 and 3, of the Consolidated Finance Act.

i) Powers to increase the Company's share capital and authorisation to purchase Company's treasury shares (as per art. 123-bis, paragraph 1(m) of the Consolidated Finance Act)
The Board of Directors of Astaldi S.p.A. has neither been vested with any power to increase the Company's share capital pursuant to article 2443 of the Italian Civil Code, nor is authorised to issue participating financial instruments.

On 23 April 2013, the Shareholders of Astaldi S.p.A., with reference to the plan of purchase and sale of the Company's treasury shares, pursuant to articles 2357 et seq. of the Italian Civil Code and art. 132 of Legislative decree No. 58 of 24 February 1998, approved the renewal of the authorisation to purchase the Company's treasury shares for a period of twelve months effective from 27 May

2013 and expiring on Monday 26 May 2014, considering that, also in view of Consob Resolution No. 16839 of 19 March 2009, the purposes of favouring the normal course of negotiations, avoiding price fluctuations inconsistent with market trend and ensuring appropriate support to the market trading volume of the Company's treasury shares may still be attained.

Therefore, the Shareholdersconsidered the possibility of renewing, for a period of 12 months starting from 27 May 2013, the authorisation granted to the Board of Directors:

- *to purchase Company's ordinary shares of a nominal value of Euro 2.00 each, up to a maximum rolling number of 9,842,490 shares, including treasury shares already held by the Company, with the additional obligation that the amount of shares shall never exceed Euro 24,600,000.00 (without detriment to the limit of distributable profits and reserves available under art. 2357, 1st paragraph, of the Italian Civil Code);*
- *to fix a unit price of purchase not lower than Euro 2.00 and not higher than the average price of the last 10 stock market working days immediately preceding the date of purchase, increased by 10%.*

Moreover, the plan provides that the Board of Directors be authorised, by virtue of the Shareholders' resolution of 18 April 2011, without any time limit, to sell the Company's treasury shares purchased at a unit price not lower than the average price of the last 10 stock market working days immediately preceding the date of sale, decreased by 10%, and to dispose, similarly without any time limit, of treasury shares through share exchange transactions within the framework of strategic transactions which the Company is interest in, among which, in particular, securities exchange and/or contribution, provided that the value attributed to the shares within the framework of such transactions is not lower than the average carrying amount of treasury shares held. The Company's treasury shares may also be used, without any time limit, in connection with possible future stock grant and/or stock option plans, notwithstanding, in this case, the above-mentioned criteria of determination of the price of sale, which shall not in any case be lower than the so-called "normal value" as provided for by tax laws.
The Board of Directors is further authorised to carry out securities lending transactions – in which Astaldi S.p.A. acts as lender – on the Company's treasury shares.
As to the manner of sale and/or disposal of the shares purchased as above, without detriment to the authorisation already granted in such respect, without any time limit, by the Shareholders at their Meeting held on 18 April 2011 mentioned above, and in addition thereto, at their meeting held on 23 April 2013, the shareholders resolved to authorise – within the framework of the equity-linked notes issue approved on 23 January 2013 and entirely placed on 24 January 2013 (the "Notes Issue"), the Board of Directors to use – effective from 27 May 2013 and without any time limit – the shares intended for setting up the "provision of treasury shares", in accordance with the Regulation governing the Notes Issue and in accordance with the provisions of Consob Resolution No.16839 of 19 March 2009, also for the possible conversion, which the noteholders are entitled to apply for, of the equity-linked notes into Company ordinary shares already issued.
Moreover, as implementation of said resolution, the Company held 520,120 treasury shares as at 31 December 2013.

l) Management and coordination (as per article 2497 et seq. of the Italian Civil Code)
Astaldi S.p.A. **is not subjected to the "management and coordination"** of any of its shareholders, since the Company's Board of Directors takes any and all of its decisions on the management of Company activities in full autonomy and independence.

*** * * * ***

Finally, it is underlined that:
- the information to be disclosed under art. 123-bis, first paragraph, letter i) *("the agreements between the company and its directors ... providing for any indemnity in the event of resignation or dismissal without just cause, or in the event of termination following a public take-over bid")* is set forth in the Report's section focusing on directors' remuneration (Section 9), as well as in the Remuneration Report published in accordance with art. 123-ter of the Consolidated Finance Act;
- the information to be disclosed under art. 123-bis, first paragraph, letter l) *("the provisions applicable to the appointment and replacement of directors ... as well as to the amendment of the By-laws, if different from the provisions of laws and regulations applicable if not otherwise provided for")* is set forth in the Report's section relating to the Board of Directors (Section 4.1).

3. Compliance (as per art. 123-bis, paragraph 2(a) of the Consolidated Finance Act)

Astaldi S.p.A., as a company listed in the STAR Segment, complies with the "**Code of Conduct for listed companies**", drawn up by Borsa Italiana S.p.A.
It is reminded that such Code is made available at the website of Borsa Italiana S.p.A. (www.borsaitaliana.it).

Astaldi S.p.A. and its strategic subsidiaries do not appear to be subjected to any provision of foreign laws affecting the Company's corporate governance structure.

4. Board of Directors

4.1 Appointment and replacement (as per art. 123-bis, paragraph 1(l) of the Consolidated Finance Act)

Pursuant to the provisions of related legislation, the By-laws of Astaldi S.p.A. provide for the "**list vote**" for the appointment of the Board of Directors.

In particular, in accordance with the provisions of the By-laws, the shareholders globally holding, individually or collectively with the other shareholders with whom they **file** the same list, a number of shares representing at least **2.5%** (or the lower percentage provided for by the provisions of applicable laws and regulations) of the company's share capital with voting rights in Shareholders' Ordinary Meetings, are entitled to file lists.

Still in accordance with the By-laws, the lists, signed by the filing parties and complying with the provisions of the law, must be **filed** at the Company's registered office, in accordance with the terms and manner provided for by applicable laws and regulations.

The members of the Board of Directors are **elected** as follows:

1) a number of directors equivalent to the total number of the members of the Board of Directors fixed at the shareholders' meeting minus one are drawn, in the progressive number in which they are listed in the list, from the list that has obtained the higher number of votes cast by the shareholders. In the event no list has obtained a number of votes higher than the others, the Shareholders' Meeting shall be called again for a new voting session to be held in accordance with the By-laws;
2) one Director, that is the candidate ranking first in the list, is drawn from the list which ranked second in number of votes and which is not connected, in accordance with the criteria provided for by the laws governing the appointment of minority auditors, with the shareholders having submitted or voted the list which ranked first in number of votes. In the event two or more lists filed by minority shareholders have obtained the same number of votes, the candidate senior in age among those ranking first in the lists having obtained an equal number of votes is appointed as Director.

In the event **one sole list** or no list is submitted, the Shareholders shall resolve according to the majorities provided for by the law, without following the above procedure.

For the purpose of **allotment** of the directors to be appointed, the lists which have not obtained a percentage of votes of at least one half the minimum percentage required for submitting the lists themselves, shall not be taken into account.

The By-laws provide that the lists shall be accompanied, *inter alia*, with the candidates' statements by which the same attest, under their own responsibility, their fulfilment or not of the **requirements of independence** provided for by the law.

Moreover, in order to ensure the appointment of the **minimum number of independent Directors** in accordance with the provisions of art. 147-ter, paragraph 4, of the Consolidated Finance Act, the By-laws expressly provide that "*each list shall include the candidature of individuals meeting the requirements of independence provided for by the law and their number shall be at least equal to the number of independent directors who, in accordance with the law, shall be members of the Board of Directors*".

In order to ensure, with a view to substantial equality, the balance between genders as far as concerns the access to corporate offices, one fifth of the members of the Board of Directors, appointed by the Shareholders at their meeting held on 23 April 2013 to renew the board, belongs to the gender which is less represented within the Board of Directors.

As far as the **termination of office of Directors is concerned**, in accordance with the By-laws, in the event, during the financial year, of one or more directors appointed from the **list having obtained the higher number of votes** leaving office and provided that the majority is still constituted of directors appointed by the shareholders, any such vacancy shall be filled in accordance with the provisions of Article 2386 of the Italian Civil Code.

While, in the event, during the financial year, of the director appointed from the **list which ranked second in number of votes** leaving office, the By-laws provide for his or her replacement pursuant to the following:

a) the Board of Directors appoints the new director from the candidates within the same list to which the director leaving office belonged, provided that the shareholders who submitted such list still hold the interest required for submitting the list, and at their meeting to be held thereafter the shareholders shall resolve, according to the majorities provided for by the law, in compliance with the same principle. In the event the termination of office of such director occurs after the first renewal of the Board of Directors taking place after 12 August 2012, or during the two terms of office subsequent thereto, and determines any change in the balance of genders within the Board of Directors, replacement shall take place by scrolling down the list up to a candidate belonging to the less represented gender;

b) in the event the new director cannot be appointed from the list which ranked second in number of votes pursuant to paragraph a) above, the Board of Directors – in compliance with the provisions governing the balance between genders, in the event the termination occurs after the first renewal of such board taking place after 12 August 2012 or during the two terms of office subsequent thereto - appoints the new director from the candidates within the lists which ranked lower than second in number of votes, in progressive order, provided that the shareholders who submitted the list from which the new director is appointed still hold the interest required for submitting the list, and at their meeting to be held thereafter the shareholders shall resolve, according to the majorities provided for by the law, in compliance with the same principles;

c) in the event there is no candidate who has not been appointed yet, or in any case when the provisions of paragraphs a) and b) cannot be complied with for any reason whatsoever, the Board of Directors shall appoint the new director, as the same shall be appointed by the shareholders at their meeting to be held thereafter, in accordance with the majorities provided for by the law and notwithstanding the list vote, but still in compliance with the legislation and the By-laws related to the minimum number of independent directors and the provisions on the balance of genders, in the event the termination occurs after the first renewal of such managing body taking place after 12 August 2012, or during the two terms of office subsequent thereto.

Moreover, in accordance with the By-laws, should for any reason the majority of the board members leave office, the entire Board of Directors shall fall from office, and the directors still holding office shall urgently call the Shareholders' Meeting for the appointment of the new Board of Directors. The Board of Directors shall also hold office until the Shareholders have resolved upon the renewal of such body and until the appointment shall have been accepted by more than half of the new Directors; until then, the Board of Directors may perform exclusively ordinary administration tasks.

The Company is not subjected to any additional sector regulations related to the composition of the Board of Directors.

Succession plans

The Company did not deem it advisable to adopt any plan for the succession of executive directors, also taking into account the Company's shareholding structure.

4.2 Composition (as per art. 123-bis, paragraph 2(d) of the Consolidated Finance Act)

The Board of Directors of Astaldi S.p.A. was appointed on 23 April 2013 for the three-year period 2013/2015 and its term of office **expires upon approval of the financial statements as at and for the year ending 31 December 2015.** Such appointment was made in compliance with the provisions of the Company's By-laws and of art. 147-ter of the Consolidated Finance Act, on the basis of:

- a list submitted by the shareholder Fin.Ast. S.r.l. owning 39,505,495 shares, corresponding to 40.138% of the share capital;
- list submitted by the following shareholders:
  - Arca SGR S.p.A. manager of investment funds Arca

Azioni Italia and Arca BB;
- Eurizon Capital SA, manager of investment funds EEF - Equity Italy and EEF - Equity Italy LTE;
- Eurizon Capital SGR, manager of investment funds Eurizon Azioni Italia and Eurizon Azioni PMI Italia;
- Pioneer Asset Management SA;
- Pioneer Investment Management SGR p.A., manager of investment funds Pioneer Italia Azionario Crescita and Fondo Pioneer Italia Azionario Paese Emergenti,

collectively owning, as at the date of the Shareholders' Meeting, 3,134,788 shares, corresponding to 3.187% of the share capital.

The list submitted by the shareholder Fin.Ast. S.r.l. obtained the favourable vote of 71.869% of holders of the Company's share capital attending the meeting, thus appointing 12 Directors. The list submitted by the Investment Funds mentioned above obtained the favourable vote of 28.087% of holders of the Company's share capital, thus appointing 1 Director.

As far as concerns the candidates' personal and professional characteristics, please refer to the information published on the Company's website (www.astadi.com), Governance/ Board of Directors menu.

In relation to the composition and characteristics of the Board of Directors in office, please refer to Table 2 attached hereto.

Maximum cumulative number of positions held in other companies

In this respect, the Company's Board of Directors, in its Meeting of 13 November 2006, defined, by a specific resolution, the general criteria adopted by the Company relating to the maximum number of positions as director or statutory auditor which may be held by the Company's Directors in other companies listed on regulated markets (including foreign markets), in financial, bank, insurance or any large-size companies, as provided for by art. 1.C.3 of the Code of Conduct.

In particular, on such occasion, the Board of Directors resolved to set:

- *the (cumulative) number of positions as director or statutory auditor which may be held by "non-executive" and "independent" directors, up to a maximum of **6**;*
- *the (cumulative) number of positions as director or statutory auditor which may be held by "executive" directors, up to a maximum of **4**.*

However, for the purpose of the above calculation, the positions as director or statutory auditor held by Astaldi S.p.A.'s Directors within the Group's companies shall not be taken into account.

Induction Programme

The Chairman invited the Company's executives, and the executives of Group's companies to take part in Board of Directors' meetings periodically held in order to produce proper information in relation to the Company's dynamics and the reference sector in which Astaldi S.p.A. carries out its activity.

Moreover, the Chairman called for meetings to be jointly attended by Directors, Statutory auditors and some Company's executives, aimed at better explaining the evolution of the corporate business and providing them with a closer knowledge of the Company's Business Plan.

4.3 Board of Directors' Role (as per art. 123-bis, paragraph 2(d) of the Consolidated Finance Act)

The Board of Directors plays a key role within the Company's organisation. In fact, it is responsible for setting the Company's strategic and organisational policies, as well as for ensuring the implementation of the necessary controls aimed at monitoring the Company's and the Group's performance. Pursuant to art. **22** of the Company's By-laws, the Board of Directors is vested with full powers for the management of the Company.

In agreement with the Company's By-Laws, **12 meetings** of the Board of Directors, of an **average duration** of approximately 2 hours each, were held in 2013, with a limited number of absences of Directors and Statutory auditors, all of which were duly justified.

Moreover, the Board of Directors, pursuant to stock exchange regulations on this matter, approved and subsequently forwarded to Borsa Italiana S.p.A. and to the market, with reference to financial year 2014, the **calendar** setting forth the dates of future Board meetings to be held for the approval of the draft financial statements, interim report and quarterly reports (the so-called "2014 Corporate Calendar"), as set forth below and made available on the company's website ("Governance/ Financial Calendar" menu).

Date	Corporate event	Subject
28 March 2014	Board of Directors' Meeting	Approval of the 2013 **Draft Separate and Consolidated Financial Statements**
30 April 2014	Shareholders' Meeting	Approval of 2013 **Annual Financial Report**
14 May 2014	Board of Directors' Meeting	Approval of 2014 First Quarterly Report
4 August 2014	Board of Directors' Meeting	Approval of **Interim Report** at 30 June 2014
12 November 2014	Board of Directors' Meeting	Approval of 2014 Third Quarterly Report

Moreover, during 2014, meetings of the Company's Board of Directors were held on the following dates: 28 January 2014 and 10 February 2014. Such meetings were not included in the above Financial Calendar since the topics discussed thereat did not concern Company's accounting documents and/or periodical financial reports.

It is further underlined that pre-meeting documents are made available (if possible, in electronic format, through an Internet portal) by the Board of Directors' Secretary, upon mandate given by the Board of Directors' Chairman, to the Directors and to the Statutory auditors, prior to the Board of Directors' meeting, in order to ensure a complete and correct evaluation of the topics brought to the Board of Directors' attention. In accordance with the established practice, pre-meeting documents are made available as set forth above upon calling the Board of Directors' meeting, or the next day. Such practice is generally observed.

Moreover, Board of Directors' meetings may be attended, upon invitation, by Company's managers so as to provide proper details on the topics of the agenda, in compliance with the provisions of Application Criterion 1.C.6 of the Code of Conduct for Listed Companies.

* * * * *

In particular, in compliance with Application Criterion 1.C.1 of the Code of Conduct for listed companies, the Board of Directors:

a) examines and approves the Company's and the Group's strategic, business and financial plans, periodically monitoring their application, and defines the Company's corporate governance system and the Group's corporate structure;
b) defines the nature and the degree of risk compatible with the Company's strategic targets;
c) evaluates the adequacy of the organisational, management and accounting structure of the Company and of its strategically important subsidiaries, with particular reference to the internal control system and risk management;
d) defines the frequency, which shall never exceed a period of three months, with which Chief Executive Officer, upon whom powers have been conferred, shall report to the board in connection with the activities carried out while exercising the relevant powers.

The Board of Directors, pursuant to **Application Criterion 1.C.1.(e) of the Code of Conduct**, on the occasion of the meetings held during 2013, regularly evaluated the general operating performance, also on the basis of the information collected from corporate bodies, thus periodically comparing actual results with scheduled results.

Pursuant to Application Criterion 1.C.1(f) of the Code of Conduct, the Board of Directors was entrusted, in accordance with the laws and the By-laws, with the exclusive task of examining and approving the Company's and its subsidiaries' transactions in advance, whenever such transactions are of a significant strategic financial importance for the Company itself.

The Board of Directors has not set any general criteria to identify the transactions which are of significant strategic financial importance for the Issuer. This because, due to the peculiarity of the Company's business, it is considered as more appropriate to assess, the importance of the transactions carried out, from time to time, within the framework of the periodical information provided by the company bodies to the Board of Directors.
As far as transactions with related parties are concerned, please refer to paragraph 12 herebelow.

The Board of Directors, in compliance with Application ***Criterion 1.C.1(g) of the Code of Conduct,*** *properly considered the dimension, composition and manner of operation of the Board itself and of its Committees, by also taking into account the characteristics of professionalism, experience and gender, as well as seniority, of the relevant members.*

Such evaluation was carried out by means of a proper self-evaluation system (the so-called Board Performance Review) in which all the Company's Directors were involved. In particular, a proper questionnaire, prepared by the Legal Affairs, Corporate Governance and Chairman's Office Department, was distributed to the Directors, by which each Director could express his/her own considerations on the following most important aspects of the Company's governance:

- *Board of Directors' role and influence on the Company's strategic decisions and in defining management's organisational structure, as well as on the verification of the Company's strategic framework and main risks;*
- *Directors' relationship with the Company's Top Management, with particular reference to Independent Directors, and existence of initiatives aimed at enhancing the Directors' knowledge of the Company's business;*
- *recurrence and duration of Board of Directors' meetings, timeliness and completeness of the documents provided to the Directors and closer investigation of the relevant issues;*
- *composition of internal Committees, with particular reference to the Control and Risk Committee and the Remuneration Committee, and reporting of the activities carried out by the Committees themselves to the Board of Directors;*
- *number of members of the Board of Directors belonging to the less represented gender;*
- *Board of Directors' role in determining management's remuneration and reward plan.*

Board Performance Review results, illustrated to the Board of Directors during its meeting held on 11 November 2013, confirmed that Company's Directors consider themselves as fully satisfied in connection with some specific aspects, such as, more in detail:

- *the atmosphere in which Board of Directors' meetings are held, which allows the Directors' active participation;*
- *Board of Directors' leadership and management, which is considered in line with the best standards;*
- *the relationship between independent Directors and Company's Top Management, which is considered as positive and profitable;*
- *the comprehension and sharing of objectives in matter of operations and results;*
- *number of members of the Board of Directors belonging to the female gender.*

Prior to its renewal, the Board of Directors has not expressed any recommendation to the Shareholders about the professionals whose presence is deemed advisable, thus deciding to let the shareholders take such decision directly on their own.

With reference to Application ***Criterion 1.C.4 of the Code of Conduct****, it is underlined that the Shareholders of Astaldi S.p.A. did not authorise, either from a general point of view or as a precautionary measure, any waivers to article 2390 of the Italian civil code.*

4.4 Company Bodies

Chief Executive Officer

The Company's Board of Directors, during its meeting held on 23 April 2013, appointed Stefano Cerri as Chief Executive Officer, entrusting the same with the task of defining, in agreement with the Company's Chairman and the Deputy Chairman Giuseppe Cafiero, the Company's development strategies to be submitted to the Board of Directors and of taking care of their application in compliance with the directives given and the resolutions taken by the Board of Directors itself.
The Board of Directors set the following restrictions to the powers conferred upon Stefano Cerri: (i) signing bids for acquiring works on contract and/or concessions, including those under the form of project financing, up to the amount of Euro 600 million and, in the event of successful bids, entering into the relevant contracts, and signing any other deed necessary therefor; (ii) entering into, amending and terminating contracts for the purchase or sale of real-estate up to the maximum amount of Euro 2,600,000.00 per each transaction.

Stefano Cerri, who holds office as Chief Executive Officer (and, as such, taking on the main responsibility for the management of Astaldi S.p.A.) is presently holding no other position as director in any other issuer which is not a Group company, the Chief Executive Officer of which holds office as director of Astaldi S.p.A.. In particular, the situation of interlocking directorate provided for by Application Criteria 2.C.5 of the Code of Conduct adopted by the Company does not occur.

Chairman

The activities of the Board of Directors are coordinated by the Chairman. The Chairman calls the Board meetings and directs their operation, ensuring that members are given reasonably well in advance – except in cases of necessity or urgency – all the documents and information necessary to the Board so that the latter may knowledgeably decide on the relevant topics.
No lead independent director has been designated, because the Chairman of the Board of Directors has not been vested with any exclusive power on the basis of which the same is liable for the management of the Company nor controls the same, as set forth in closer detail in paragraph 4.7 below.

Reporting to the Board

The Chief Executive Officer reports to the Board of Directors and the Board of Statutory auditors, on a regular and at least quarterly basis in accordance with the provisions of the By-laws, on the main activities carried out in performing his duties.

4.5 Other Executive Directors

The Board of Directors, as set forth in Table 2 attached hereto, is presently constituted of **3 Executive Directors** holding executive tasks within the Company.

4.6 Independent Directors

The Board of Directors, following its appointment at the Shareholders' Meeting held on 23 April 2010, pursuant to the **Application Criterion 3.C.3 of the Code of Conduct**, deemed that **independence requirements** are met by the Directors Giorgio Cirla, Paolo Cuccia, Mario Lupo, Guido Guzzetti, Chiara Mancini, Nicoletta Mincato and Eugenio Pinto. Such evaluation was made by taking into account independence parameters set forth in the Code of Conduct itself, as well as significance criteria as defined in the Instructions given by Borsa Italiana S.p.A., considering substance over form.
The Board of Statutory auditors verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its own members.
Notice of the outcome of such verification activities, which were carried out following the appointment, at the Shareholders' Meeting, of the Board of Directors presently in office, was given to the market on 23 April 2013 (please refer to the specific press release available on the Company's website in the "Media Center/Press Release" menu).

Pursuant to **Application Criterion 3.C.4 of the Code of Conduct**, during today's meeting, the Board of Directors carried out the annual assessment of the fulfilment of independence requirements of the above-mentioned Directors, the outcome of which showed no change with respect to the previous situation.

During financial year 2013, independent directors deemed that it was not advisable to hold meetings in the absence of the other directors.

The Company organised, during the last few years, visits to construction sites, meetings aimed at providing a closer knowledge of the corporate business and other initiatives with the focus on enhancing the directors', and especially independent and non-executive directors' knowledge, of the Company's activities and dynamics.

4.7 Lead Independent Director

It is underlined that, since the preconditions of the Code of Conduct (Application Criterion 2.C.4) are not met, further taking into account the statements of paragraphs 4.4 of this Report, the Board of Directors deemed not to designate any **Lead Independent Director**.

5. Processing of Company Information

Pursuant to **Application Criterion 1.C.1.(j) of the Code of Conduct**, the Company, in order to ensure correct internal management and timely external communication of any significant event taking place within the sphere of activity of the Company and its subsidiaries and which, at least potentially, is capable of significantly affecting the price of the Company's shares (the so-called "price sensitive information"), avails itself of the "Continuous Disclosure" procedure (the most recent revision of which by the Board of Directors was made on 1 August 2012).
In short, the above procedure governs the timing and methods for the management of corporate information, further providing, *inter alia*, that those who become acquainted with the aforementioned information act as a link between their respective area of responsibility and

the Company's top management, so as to allow proper assessment of such facts or information.
In fact, the involvement of an Assessment Committee (formed of the Managers of the Legal Affairs and Corporate Governance Department, the Investor Relations and the Directorate concerned) specifically set up to this purpose is provided for as a subsequent step, in order to provide, on the basis of an attentive examination of the fact, proper assistance in the correct construction of the sector's regulations and possibly draft and circulate such communications.

6. Committees within the Board of Directors (as per art. 123-bis, paragraph 2(d) of the Consolidated Finance Act)

The Company set up an Appointments Committee, a Remuneration Committee, a Control and Risk Committee and a Related Parties Committee.

7. Appointments Committee

The Company set up an Appointments Committee effective from 23 April 2013.

Composition and operation of the Appointments Committee (as per art. 123-bis, paragraph 2(d) of the Consolidated Finance Act)

The Appointments Committee is presently formed of three non-executive Directors, the majority of whom are independent directors, as follows:

Ernesto Monti (Chairman)	Non-executive
Eugenio Pinto	Non-executive/Indipendent
Mario Lupo	Non-executive/Indipendent

No meeting of such Committee was held in 2013.

In relation to the composition and characteristics of the Appointments Committee, please refer to Table 2 attached hereto.

Appointments Committee's functions

The Appointments Committee has the duty of (i) providing the Board of Directors with opinions on the number of its members and its composition, (ii) expressing recommendations on the professionals the presence of whom within the Board of Directors is deemed advisable, (iii) proposing candidates for director in the cases of co-optation, in the event independent directors have to be replaced.

8. Remuneration Committee

The Company set up, effective from 5 February 2002, a Remuneration Committee, also responsible for stock options and stock grant plans, if any.

Composition and operation of the Remuneration Committee (as per art. 123-bis, paragraph 2(d) of the Consolidated Finance Act)

Therefore, the Remuneration Committee is presently formed of three non-executive Directors, the majority of whom are independent directors, as follows:

Ernesto Monti (Chairman)	Non-executive
Eugenio Pinto	Non-executive/Indipendent
Mario Lupo	Non-executive/Indipendent

As far as the Chairman of the Committee is concerned, the Company decided not to apply Principle 6.P.3 of the Code of Conduct. The reason for such non-application arises from the fact that the Chairman of the Remuneration Committee, Ernesto Monti, despite not being independent director in accordance with the Code itself, is the most appropriate member of the Board of Directors, in terms of skills, professionalism and experience, to act as Chairman of such Committee, besides being independent pursuant to the provisions of the the Consolidated Finance Act

As recommended by the Code of Conduct, the Committee's members have appropriate knowledge and skills in accounting and financial matters.

During 2013, the Remuneration Committee held 6 (six) meetings, of an average duration of 1 hour each, attended by all Committee members.

The Committee, depending on the topics discussed, invited non-members of the Committee, among whom, in particular, the Chairman, the Chief Executive Office and Giuseppe Cafiero, Deputy Chairman, to attend its meetings. It is understood that no director attended Committee's meetings during which proposals were made and resolutions taken in connection with any such director's remuneration.

In relation to the composition and characteristics of the Remuneration Committee in office, please refer to Table 2 attached hereto.

Remuneration Committee's functions

In particular, in compliance with **Application Criteria 6.C.5 of the Code of Conduct,** the Remuneration Committee is essentially entrusted with the following tasks:

- periodically assessing the adequacy, the global consistency and the actual application of the policy adopted in matter of remuneration of directors and key management personnel, by availing itself, with respect to such latter aspect, of the information provided by the Chief Executive Officer;
- submitting to the Board of Directors proposals on such matter;
- submitting proposals and expressing opinions to the Board of Directors on the remuneration of executive directors and of other directors performing specific functions, as well as on the determination of performance targets linked to the variable components of such remuneration;
- monitoring the application of the decisions adopted by the Board of Directors itself by checking, in particular, the actual achievement of performance targets.

During the 6 meetings held in 2013, all evidenced by valid minutes, the Committee provided opinions and made proposals, particularly in connection with the following:

- the remuneration of directors vested with special powers and of General Managers;
- the 2013/2013 Stock Grant incentive plan;
- validating the achievement of the parameters required for 2012 stock grant vesting;
- defining the parameters upon the achievement of which 2013 stock grant vests;
- defining the Top Management's incentive plan (the so-called MBO).

Three of said meetings of the Remuneration Committee were attended by the Chairman of the Company, Paolo Astaldi, while only one of such meetings was attended by the Deputy Chairman, Giuseppe Cafiero, the Chief Executive Officer Stefano Cerri and the Director Luigi Guidobono Cavalchini, all invited by the Committee members.

In order to fulfil its functions, as set forth above, the Committee was granted access to the necessary information, by means of the respective company offices, with the Legal Affairs, Corporate Governance and Chairman's Office Department.

9. Remuneration of Directors

General Remuneration Policy

During its meeting, the Board of Directors approved, pursuant to art. 123-ter of the Consolidated Finance Act, the Remuneration Report to be submitted to the next Shareholders' Meeting held to approve the financial statements and setting forth 2014 general remuneration policy.
Therefore, more detailed information is set forth in said Remuneration Report to be published in the Company's website in accordance with the laws and regulations governing the matter.

Share-based Remuneration Plans

At their Meeting of 23 April 2013, the shareholders approved the guidelines of the **Company's "Stock Grant Plan" for the three-year period 2013/2015**, as previously defined by the Board of Directors during its meeting held on 22 March 2013, upon the Remuneration Committee's proposal of 21 March 2013. Subsequently, the Board of Directors, during its meeting held on 2 August 2013, by virtue of the powers conferred upon the same during said shareholders' meeting, approved the relevant Regulation for the application of the Plan.
More in detail, the Plan is based on a reward system mainly providing for the grant, on a free-of-charge basis, of Astaldi S.p.A. shares to six top managers (i.e. the Chief Executive Officer and five General Managers), vesting annually during the three-year period, upon achievement of performance objectives annually defined by the Board of Directors, upon the Remuneration Committee's proposal.
More detailed information on the Stock Grant Plan is set forth in the "Information document pursuant to art. 84-

bis, paragraph 1, of the Regulation adopted by Consob by Resolution No. 11971 of 14 May 2013, as subsequently amended and supplemented" relating to the Astaldi S.p.A. 2013-2015 Stock Grant Plan, published in the corporate website ("Governance/Documents" menu).
It is underlined that the Stock Grant Plan provides for specific lock-up periods on the shares which annually vest the respective grantees. More detailed information are set forth in the "Remuneration Report" and in the "Information Document pursuant to art. 84-bis, paragraph 1, of the Regulation adopted by Consob by Resolution No. 11971 of 14 May 2013, as subsequently amended and supplemented" relating to the Astaldi S.p.A. 2013-2015 Stock Grant Plan".

Remuneration of Executive Directors

The Chief Executive Officer is one of the executive directors taking part in 2013-2015 stock grant Plan.
The Board of Directors, during its meetings held on 14 May 2013 and 27 June 2013, approved a short-term incentive plan exclusively reserved to top managers (the so-called "MBO") and, in particular, to the Chairman of the Board of Directors and to the Chief Executive Officer, consisting in the attribution, within the end of 2014, of a cash bonus upon the achievement of objectives which are of a particular importance to the Company.
Such bonus plans are described in closer details in said Remuneration Report published on the Company's website in accordance with the laws and regulations governing the matter.

Remuneration of key management personnel

As to the remuneration of "key management personnel" of Astaldi S.p.A., please refer to the above-mentioned Remuneration Report published on the Company's website in accordance with the laws and regulations governing the matter.

Incentive plans applicable to the Head of the Internal control Department and to the Manager in charge of financial reporting

With reference to financial year 2013, no specific incentive plan has been provided for the "head of the internal control department" and the "manager in charge of financial reporting".

Remuneration of non-executive Directors

It is specified that the remuneration of non-executive Directors is not linked to the Company's financial performance, and the same are not the grantees of any share-based benefit plan.

Entitlement due to the Directors in the event of resignation, dismissal or termination of office following to a public take-over bid (as per art. 123-bis, paragraph 1(i) of the Consolidated Finance Act)

There is no presently valid agreement entered into with the Company's Directors providing for any entitlement in the event of resignation, dismissal, revocation without just cause or termination of office following to a public take-over bid.

10. Control and risk committee

Effective from 5 February 2002, the Company set up an Internal Control Committee whose name was changed, on the occasion of the Board of Directors' meeting held on August 1, 2012, into Control and Risk Committee, following the amendments to the Code of Conduct for Listed Companies having an impact on the Company's organisation.

Formation and operation of the Control and Risk Committee

During the meeting held on 23 April 2013, a resolution was taken on the composition of the Control and Risk Committee which is presently formed of 4 non-executive directors, the majority of whom are independent directors, as follows:

Eugenio Pinto (Chairman)	Non-executive / Independent / Expert in accounting and finance
Luigi Guidobono Cavalchini	Non-executive / Non-independent
Nicoletta Mincato	Non-executive / Independent
Guido Guzzetti	Non-executive/ Independent

The activity of the Control and Risk Committee is coordinated by the Chairman and, during 2013, the Control and Risk Committee held 6 (six) meetings, of an average duration of approximately 2 hours, attended by the majority of its members, on January 22, February 19 and 25, May 23, July 23, October 23, respectively, all attended by the Chairman of the Board of Statutory auditors. In particular, during the meeting held on May 24, 2013, the new composition of the Control and Risk Committee was acknowledged.
The Committee's meeting are mainly held on a quarterly basis and, as far as financial year 2014 is concerned, a meeting was already held on the 28th of January.
The meetings of said Committee are always attended by the Chairman of the Board of Statutory auditors, in compliance with Application Criteria 7.C.3 of the Code of Conduct. Such meetings are attended also by the Internal Control Department, since the Manager of said Department acts as Secretary of the Control and Risk Committee.
Upon the Committee's invitation – with reference to the topics discussed in connection with the provisions of Application Criterion 7.C.2 – the meetings were attended by the following: the Manager in charge of financial reporting, the independent auditors, the Corporate Risk Management Department, other company Offices/Departments involved in the various topics discussed.

Functions attributed to the Control and Risk Committee

The Committee provides the Board of Directors with assistance in connection with the activities of direction and evaluation of the internal control and risk management system, as set forth in greater detail in Application Criterion 7.C.1 of the Code of Conduct, expressing in such respect its prior opinion on the functions of evaluation, proposal and information attributed to the Committee itself (7.C.2).
More particularly, it fulfils the following tasks:

a) it evaluates, jointly with both the Manager in charge of financial reporting and after hearing the independent auditors and the Board of Statutory auditors, the suitability of the accounting standards adopted and, in the event of Groups, their homogeneity for the purposes of drafting the consolidated financial statements;
b) it expresses opinions on specific aspects concerning the identification of main corporate risks;
c) it examines the periodical reports of the internal control department concerning the assessment of the internal control and risk management system. More in detail, with reference to the internal control system, it examines – during the preliminary examination phase – the action plan and the most important periodical reports drawn up by the Manager of the Internal Control Department;
d) it monitors the independence, the adequacy, the effectiveness and the efficiency of the Internal control Department;
e) it asks – if necessary – the Internal Control Department to audit specific operational areas, concurrently giving the Chairman of the Board of Statutory auditors notice thereof;
f) it reports to the Board of Directors, at least on a six-month basis, on the occasion of approval of the annual financial statements and of the interim report, on the activities carried out and the suitability of the internal control and risk management system;
g) it expresses its opinion on the appointment, revocation, remuneration, suitability of resources of Head of the Internal control Department.

During its 6 meetings held in 2013, the Control and Risk Committee performed audit activities and tackled a number of various issues. More in detail, during said meetings, it examined and checked:

- the most important corporate risks in connection with financial year 2013, as illustrated by the Corporate Risk Management Department;
- the proposed 2013 Audit Plan, drafted by the Internal control Department (hereinafter also referred to as "SIA") on the basis of a well-organised process of analysis of risks, propaedeutical to approval by the Board of Directors;
- the provisions of the application criterion 7.C.2(a) of the Code of Conduct, jointly with the Manager in charge of financial reporting and after hearing the independent auditors and the Board of Statutory auditors;
- the internal control activities planned and carried out during 2012 and the follow-up relating to the audits carried out in 2011;
- the "Internal control Manual", drawn up by taking advantage of the advice provided by Ernst & Young Financial Business Advisors, with a view to improving the methods adopted by SIA in compliance with the provisions of the Code of Conduct for Listed Companies and of the International best practices;
- the process of audit activities in accordance with the 2013 Audit Plan with reference to selected projects being executed in Italy and abroad;
- the maintenance in force of the Quality Safety and Environment integrated management system certifications (DNV Det Norske Veritas acting as Certification Provider);

- the information on the projects being executed which are significant to the intents and purposes of the internal control system, focusing on Fraud and IT Audit (1st Phase) and to the intents and purposes of the Italian Legislative decree 231/01 with reference to the offences as per art. 24-bis ("cybercrime offences") and 25-novies ("copyright offences").

The Committee reported to the Directors about its activities carried out during the first and second half of 2013.
The Control and Risk Committee's meetings held during 2013 were always attended by the Chairman of the Board of Statutory auditors. All the meetings of the Control and Risk Committee are evidenced by proper minutes recorded in an appropriate book.
In order to fulfil its duties, the Control and Risk Committee may have access to any information and may invite any company body to attend its meetings, as necessary, and may also avail itself of third-party advisors.

During 2014, one meeting of the Control and Risk Committee was held on January 28,2014, which was attended by the Chairman of the Board of Statutory auditors, and during which the following topics were discussed:

- verification of the internal control activities planned and carried out with reference to the 2013 Audit Plan;
- examination and approval of the 2014 Audit Plan proposed;
- examination of the impairment test procedure relating to the financial statements at December 31,2013, jointly with the Administration Department Manager;
- analysis, with reference to the main project being executed, of the items included in the Statement of financial position relating to: "contract work in progress" and "receivables from customers";
- detailed examination of the financial performance and of the equity- and income-related aspects of the projects constituting the works backlog.

11. Internal control and risk management system, and financial reporting internal control system

The Company deems that the maintenance of an effective internal control and risk management system which the whole company may rely upon in order to achieve its objectives is of fundamental important for the development and the management of its own activities.

An effective risk management and internal control system, in accordance with national and international best practice, must be aimed at allowing, through an appropriate process of identification, measurement and management of risks and of the relevant controls, to manage the company in a sound manner, correctly and consistently with the targets set, in order to meet not only internal requirements, but also those of shareholders, corporate control bodies, and reference laws and regulations.
In such respect, the Company defined its own risk management and internal control system by adopting a set of rules, procedures, organisational structures aimed at allowing, through an appropriate process of identification, measurement, management and monitoring of the main risks, to manage the company in a sound manner, correctly and consistently with the targets set, which may be divided into the following categories:

a) the compliance of each of the Company's activities with the Company's business object and Top Management's directives, pursuant to internal procedures and regulations and legislation;
b) the effectiveness and efficiency of corporate processes;
c) the reliability and accuracy of accounting data, of financial information and reporting;
d) the safeguard of company assets by identifying behaviours which may be detrimental to the company's interests and/or fraud.

The main and topical methodological reference used by the Company is the CO.S.O. Report which, specifically adapted according to the Company's characteristics, represents an effective analytical instrument for carrying out audit activities and assessing the various components of the Company's Internal Control System and providing Top Management with a clear outlook of how the Risk Management and Internal Control System may be improved in terms of effectiveness and efficiency.
Since 2010 the Company, by setting up the Corporate Risk Management Department, started to evolve toward to "CoSO ERM – Enterprise Risk Management Integrated Framework" model in order to systematise a well organised and integrated risk management system. Such framework is becoming more and more important for the Internal Control System assessment activities.
The main parties involved in the Company's risk management and internal control system are the Board of Directors, the Control and Risk Committee, the Chief Executive Officer responsible for the risk management and internal control system, the Board of Statutory auditors, the Auditing Company, the Supervisory Body, the Manager of the

Internal control Department, the Manager in charge of financial reporting, the Corporate Risk Management Department, second-party assurance departments/offices, Top Management and all the operative personnel to the extent of the respective roles and responsibilities.
The Board of Directors – consistently with the internal control and risk management system guidelines defined by the same and taking advantage of the assistance constantly provided by the Control and Risk Committee in terms of advice and proposals – ascertains that the main risks affecting Astaldi S.p.A. and its subsidiaries are correctly identified, assessed, managed and monitored, determining the grade of compatibility thereof with a sound and correct management of the Company, consistently with the strategic, industrial and financial objectives set.
During the financial year, the Board of Directors was asked to evaluate corporate governance aspects in connection with the verification of the Company's main risks and of the corporate internal control system, also on the basis of the reports of the activities carried out by the Control and Risk Committee.
In such respect, the Board of Directors, during its meeting held on August 2, 2013 and on January 28, 2014, also on the basis of the results of the activity carried out by the Control and Risk Committee during its meetings held on July 23, 2013 and on January 28, 2014, expressed its generally positive opinion on the adequacy, effectiveness and efficiency of the Company's internal control and risk management system, taking into account the Company's characteristics and risk profile.
In such circumstances, with a view to the continuous improvement and enhancement of the effectiveness and efficiency of the entire system, it asked - in connection with the improvement areas identified, which were the subject-matter of specific recommendations - for the actual implementation of the corporate structure.

As far as concerns the specific considerations on the adequacy, effectiveness and efficiency of the internal control and risk management system, please refer to the contents of paragraphs 11.1 and 11.2 hereof.

Main Characteristics of existing Internal Control and Risk Management Systems in relation to Financial reporting

As to financial reporting – which is an integral part of the internal control system - the activities are managed by a company body specifically devoted thereto, operating as a unit providing support to the Manager in charge of financial reporting.
The financial reporting risk management system is an integral part of the internal control system implemented by the Company because it is a fundamental part of the corporate processes aimed at ensuring the reliability, accuracy, trustworthiness and timeliness of financial reporting.
The Company's approach, based on the reference best practice and, in particular, on the Co.S.O. Framework, is the result of a company control environment placing particular attention to the definition of the main corporate governance instruments. In fact, the risk management system and, more in general, the internal control system, provides for the official adoption of appropriate administrative-accounting procedures, the definition of roles and relevant responsibilities, through an organisational chart and the relevant attribution of powers, as well as the definition of internal regulations, codes of conduct and segregation of duties.
In particular, the definition of processes and of the relevant controls results from the constant identification and analysis of those inbound and outbound factors which may be detrimental to the achievement of company objectives, in order to determine how such risks may be managed (identification, assessment, monitoring), and to ensure that financial information is correctly prepared.
To such purpose, operational/line controls (i.e. first level controls), hierarchical-functional controls, controls over the management of risks and on compliance with internal procedures and regulations and law provisions (i.e. second-level controls) and internal control (third-level controls) have been defined. The effectiveness of the control system watching over the risks which may significantly affect financial information is assessed – in particular – through a testing activity, on the occasion of both annual and interim (half-yearly) closing of accounts, and such assessment is characterised by a top-down approach in which the involved entities, processes and relevant accounting items are identified. In such respect, a sampling of the entities is carried out on the basis of the significance of items set forth in the income statement and in the statement of financial position of the relevant separate and consolidated financial statements. Such specific testing activity is carried out by a unit specifically devoted thereto, depending upon the Manager in charge of financial reporting, and the assessment results, as well as the corrective actions recommended, if any, are submitted by said Manager to the Board of Directors for consideration.
For the sake of a comprehensive listing of the main char-

acteristics, it should be noted that, since the enactment of Law No. 262/05, the Parent issued directives that annual and interim (half-yearly) accounts of its branch-offices and subsidiaries be accompanied by a statement to be drawn up and duly signed by their legal representative and administrative managers. The statement form replicates the form provided by Consob regulation implementing Law 272/05.

The system adopted as above is monitored and continually updated.

11.1 Director Responsible for the Internal Control and Risk Management System

Taking into account the provisions of Art. 7.P.3(a), (i) of the Code of Conduct, the Company's Board of Directors, during its meeting held on April 23, 2013, designated the Chief Executive Office, Stefano Cerri, as "the director responsible for supervising the effectiveness and efficiency of the internal control and risk management system", who shall thus fulfil the duties provided for by art. 7.C.4 of the Code in accordance with the Company's risks management and control model and with the Board of Directors' guidelines.

More in detail, the Chief Executive Officer:

- takes care of identifying the main corporate risks, by taking into account the activities carried out by the issuers and by its subsidiaries, and periodically submits the same to the Board of Directors for examination;
- causes the Board of Directors' guidelines to be implemented, thus designing, implementing and managing the internal control system, and constantly checking its global adequacy, effectiveness and efficiency;
- takes care of adjusting such system in accordance with the operational conditions and to the provisions of applicable laws and regulations;
- may ask the internal control department to carry out checks on specific areas of operation and on the compliance with internal procedures and regulations governing company operations, concurrently giving notice thereof to the Chairman of the Board of Directors, to the Chairman of the Control and Risk Committee and to the Chairman of the Board of Statutory Auditors;
- promptly reports to the Control and Risk Committee (or to the Board of Directors) on issues and problems which may have become apparent during the fulfilment of his duties or about which the same may have been informed, so that the Committee (or the Board of Directors) may take appropriate actions in connection therewith.

With reference to the Application Criterion 7.C.4(a), it is underlined that, effective from July 2010, a Corporate Risk Management Department (hereinafter also referred to as "CRM") was set up to provide the Company's Management with support in the decision-making process concerning the mitigation of risks throughout the entire company business cycle, in the various forms of contract (traditional contracts, general contracting initiatives, concessions and project finance initiatives) and at the various levels of the company's organisation (head-office, country, project).

The logical model of risk management adopted by the Company is a three-dimensional one, divided by nature of risk (operational, financial, strategic, compliance-related), by level (head office, country, project), and by project phase (development, construction and operation).

The development path followed by the Corporate Risk Management Department spurred the spreading of a risk culture and a common language, also through a well-established new method of assessment of the Group's risk, officially stated under the form of guidelines for the quantification and mitigation of the most important risk/opportunity events.

During the meeting held on January 22, 2013, the Corporate Risk Management Department updated the Control and Risk Committee and the Board of Statutory Auditors on the progress of the activities carried out in connection with ERM objectives and on the most important corporate risks (Top Risks), identified and assessed by the Project Managers and by Country Managers as significant within the corporate business framework.

In such respect, reference is made to the contents of the sections illustrating the activities of the Control and Risk Committee (Section 10), of the Internal Control and Risk Management System (Section 11), of the Board of Statutory auditors (Section 13).

During its meeting, the Company's Board of Directors, taking into account the provisions of the Code of Conduct for Listed Companies, made its own evaluations, by causing each director to express his/her opinion, on the Board of Directors' role and influence in checking the strategic framework and the Company's main risks, also relying on the preliminary examination activity carried out by the Control and Risk Committee.

The Chief Executive Officer draws particular attention to all the changes/updates in laws and regulations which may have an impact of the Company's business and, therefore, on the corporate internal control and risk management system. In such respect, particular attention was drawn to the corporate and organisational evolution path in order to cause Astaldi to progressively comply with the provisions of the new Code of Conduct. In fact, during the Board of Directors' meeting held on April 23, 2013, the most important changes in laws and regulations resulting from the revision of the Code of Conduct, with particular reference to internal control and risk management activities, have been dealt with.

During 2013, the Chief Executive Officer was provided, by the Head of the Internal control Department, with up-to-date information on: the audit plans and the advancement of activities relating to the internal control system, and on the adequacy of controls in terms of their suitability to cope with/mitigate the risks shared and accepted by the Top Management, by the minutes of the meetings held by the Control and Risk Committee and the Board of Statutory auditors and the reports on the outcome of controlactivities.

11.2 Head of the Internal Control Department

In accordance with the provisions of the Code of Conduct (Principle 7.P.3(b)), the Internal Control Department (hereinafter also referred to as "SIA") is managed by Fabio Accardi in his capacity as Head of the Internal Control Department (hereinafter also referred to as "RIA"), who formerly held office as Internal Control Officer starting from May 13, 2009, appointed by the Board of Directors, upon proposal made by the Chief Executive Officer responsible for the Internal Control and Risk Management System, and with the Control and Risk Committee's favourable opinion.
Annually, on the occasion of the approval of the Audit Plan, the Board of Directors ensures that the SIA is provided with (internal and/or specialised external) resources appropriate to meeting the requirements of the Plan itself.
In such respect, RIA determines the financial resources necessary to fulfil its tasks, in connection with the activities to be carried out during the period.
The Head of SIA depends, from a hierarchical point of view, on the Board of Directors and, in agreement with the provisions of the above-mentioned application criterion:

- verifies, both on a continual basis and in connection with specific needs and in compliance with the International standards, the suitability and the effectiveness and efficiency of the internal control and risk management system through an audit plan to be approved by the Board of Directors, based on a well-organised process of analysis of and attribution of priority to the main risks;
- is not responsible for any operational area;
- has direct access to any and all information considered useful to carry out his/her task;
- draws-up periodical reports setting forth specific information on his/her activity, stating the adequacy of controls in terms of their suitability to cope with/mitigate the level of risk shared and accepted by Top Management. The periodical reports focus on the assessment of the internal control and risk management system;
- promptly draws up reports on particularly significant events;
- forwards the above reports to the Chairman of the Board of Statutory auditors, to the Chairman of the Control and Risk Committee, and to the Chairman of the Board of Directors, as well as to the Director responsible for the internal control and risk management system;
- verifies, within the audit plan, the reliability of the IT systems, including accounting systems.

<u>Moreover:</u>

- collaborates with the Supervisory Board of Astaldi (the parent) to update the Organisational, Management and Control Model as per D. Lgs. 231/01 and provide support to carrying out monitoring and inspection activities to check compliance with the Model itself;
- upon instructions given by the Supervisory Board of ASTALDI, carries out checks control pursuant to Legislative decree 231/01;
- carries out investigations in connection with the reports of infringement of the Company's Code of Ethics, reporting to the Supervisory Body in the event the reports received envisage a breach or alleged breach of the Organisational Model as per D. Lgs. 231/01;
- holds office as Head of the Internal control Department of Company's subsidiaries and some relevant related parties, thus taking on the following responsibilities:
  1. provides the Managing Bodies and the Supervisory Boards of Groups' companies with assistance in drawing up and updating the Organisational, Management and Control Model as per D. Lgs. 231/01;
  2. upon instructions given by the Supervisory Boards, carries out checks pursuant to Legislative decree 231/01;
  3. taking advantage of the assistance provided by the related parties' competent departments, carries out investigations in connection with the reports of infringement of the Company's Code of Ethics, reporting to the Supervisory Body in the event the reports received envisage a breach or alleged breach of the Organisational Model as per D. Lgs. 231/01.

The method of execution of control activities, within the framework of SIA's activities, are described in the "Internal control Manual", examined and approved by the Control and Risk Committee and by the Board of Statutory auditors, which applies to the whole Group as far as concerns the activities inherent to the Internal control System and is further useful for carrying out integrated activities aimed at establishing the compliance with the provisions of Legislative decree 231/01.

During 2013 and, in particular, in the Board of Directors' meeting held on February 1, subsequently to the propaedeutical verification carried out by the Control and Risk Committee and by the Board of Statutory auditors during its meeting held on January 22, the 2013 Audit Plan which, being drawn up by SIA, is based on a well-organised process of analysis and attribution of priority to the most important corporate risks in compliance with the provisions of the Code of Conduct for Listed Companies, was submitted to the Board of Directors for approval.

On such occasion, the Board of Directors:

- shared the operational methods of execution of checks and the criteria adopted for the selection of the sample of projects and processes to be audited;
- considered the Internal control Department's resource requirements to carry out the checks scheduled, with a focus on the international sector and taking into account a more extensive involvement of the SIA (Internal control Department) on the field. The foregoing, in compliance with the provisions of the Code of Conduct for listed companies (department's independence).

The findings of said checks were periodically reported by the Head of the Internal control Department to the Top Management, to the Control and Risk Committee, to the Board of Statutory auditors and to the Supervisory Body pursuant to Legislative decree 231/01, by minutes of the meetings held with Control and Supervision Bodies, Audit Reports, Half-Yearly Reports to the Board of Directors focusing on the progress of activities.

With reference to the activities carried out in 2013 for updating the internal control system, a series of projects have been completed by SIA with the support of external advisors meeting the requirements of professionalism, independence and appropriate organisation. They focused on:

a) the update of the system watching over the main risks connected with the activities in foreign countries, which is preliminary to drafting the 2013 Audit Plan;
b) the activity of recognition of internal control controls on the events potentially attributable to fraudulent acts within the framework of corporate management and administrative-accounting processes (Model Process) also with reference to the impacts on the corporate IT systems supporting process transactions/operations;
c) the update of the Organisational Model pursuant to Legislative decree 231/01, with reference to the offences as per art. 24-bis ("cybercrime offences") and 25-novies ("copyright offences").

The activities set forth at paragraphs b) and c) above were carried out in compliance with the provisions of application criterion 7.C.5.(g) of the Code of Conduct.

Finally, a meeting of the Control and Risk Committee was held on January 28, 2014, which was attended by the Chairman of the Board of Statutory auditors, and during which the following topics were discussed:

- verification of the internal control activities planned and carried out with reference to the 2013 Audit Plan;
- examination and approval of the 2014 Audit Plan proposed.

11.3 Organisational model as per Legislative decree 231/2001

With reference to further initiatives taken to improve the corporate governance system, it is worth reminding that the Board of Directors of Astaldi S.p.A., and the Board of Directors of each strategically important subsidiary have already adopted a "Corporate Code of Ethics" setting forth general principles and governing, through codes of conduct, the activities of the employees and collaborators, also in connection with relationships with the shareholders, Public Authorities, suppliers, contractors and subcontractors.

In particular, such Code sets forth:

- the general principles and reference values which Astaldi S.p.A. and Group companies must comply with when carrying out their activities;
- the codes of conduct that the Company's representatives, executives and personnel must observe when holding relations with a series of business, entrepreneurial and financial parties;
- the manner of implementation of the Code itself within the corporate structure.

Moreover, the Board of Directors of Astaldi S.p.A., as well as the Board of Directors of each strategically important subsidiary, adopted a Organisational, Management and Control Model as per Legislative decree No. 231/01 which, by identifying the areas and company activities exposed to potential risks in connection with the various offences provided for by said Decree, is aimed at protecting the Company in the event that directors, employees and collaborators were to commit any such offence set forth in said Legislative decree 231/01.

More specifically, the Model defines:

- the corporate risk-related activities, that is to say those activities within which, because of their nature, may be committed the offences as per Legislative decree 231/01 and, therefore, to be analysed and monitored;
- the protocols (i.e. the principles) watching over the risks of committing the offences as per Legislative decree 231/01 in connection with "risk-related" activities;
- the manner in which the financial resources devoted to the prevention of offences are managed;
- the rules for the formation of the Supervisory Body and the attribution of specific tasks of supervision on the correct implementation of the Model;
- the information flows to the Supervisory Body;
- the activities of information, training, sensitisation and communication at all corporate levels, on codes of conduct and procedures established;
- the responsibilities concerning the approval, supplementation, amendment and implementation of the Model, as well as the verification of its effectiveness and efficiency and of corporate practices, with the relevant periodical updates.

The main categories of offences that the Organisational Model of Astaldi S.p.A. purports to prevent are the following:

- offences against public authorities and against State property and the property of any other public authority;
- offences of handling of stolen goods and money laundering;
- offences against corporate law (including corruption between private entities) and abuse of privileged information and market abuse;
- offences against the person, committed in breach of the laws and regulations in matter of occupational safety;
- cybercrime offences;
- offences of organised crime and obstruction of justice;
- environmental offences;
- offences of employment of illegal non-nationals.

The Company's "Code of Ethics" and "Organisational, Management and Control Model as per Legislative decree No. 231/01" are constantly updated in order to harmonise the same with the laws and rules in force and with the changes occurring within the corporate organisation.

To such respect, it is specified that:

during the Board of Directors' meeting held on June 27, 2013, the new wording of the two texts was approved both for the purpose of harmonisation with the occurred law provisions included in the list of offences provided for by the Italian Legislative decree 231/01, and consequently to a more detailed analysis carried out by the Supervisory Board on the following:

- art. 25-duodecies on the " employment of illegal non-nationals ";
- art. 25-ter, lett. s-bis, on the "corruption between private entities";
- art. 25, within the limits of the "offence of illegal inducement to give or promise money or other benefits";
- corporate groups and the offences committed in foreign countries.

Article 5 of the Organisational Model, governing the operation of the Supervisory Board, was amended during the Board of Directors' meeting held on November 11, 2013.

With reference to financial year 2014:
The Board of Directors' meeting held on March 28, 2014 approved both the amendment of the Organisational Model relating to cybercrime offences and copyright offences, and the budget of the Supervisory Board for financial year 2014.

The Company's Code of Ethics and Organisational Model are published in the corporate e-room and in the Company's official website at the following URL:

www.astaldi.com/governance/documents

In order to avoid the risks of committing any of the offences provided for by Legislative decree No. 231/01, Astaldi S.p.A. and each of its strategically important subsidiaries, has appointed its own Supervisory Body, whose members meet the requirements of autonomy, independence and professionalism in accordance with the above laws and regulations.

As to Astaldi S.p.A., effective from June 27, 2013, the members of the Supervisory Bodies are:
Dr. Piero Spanò, holding office as Chairman of the Supervisory Board, Dr. Nicoletta Mincato, non-executive and independent member of the Board of Directors, and Dr. Marco Annoni and Dr. Giorgio Luceri as Company's external experts.

The Supervisory Body, having its own expenditure budget, has adopted a set of rules and is classed as a top staff unit reporting directly to the Chief Executive Officer the outcomes of the audits, possible critical issues which may be found, and possible remedies and improvements which, if having a particular significance, may be submitted to the Board of Directors for consideration.

The Supervisory Body avails itself of the Head of the Internal control Department in order to perform its activities.

During 2013, the Supervisory Body, while continuing the activity of supervision on the effectiveness and efficiency of the Organisational Model, held ten meetings and carried out the activities summarised herebelow:

a) update of the Code of Ethics and Organisational Model of Astaldi S.p.A. in order to harmonise the same with the changes in laws and regulations and in the company's organisation which had taken place in the meantime;
b) verification of the actual implementation of the Model by the corporate departments – following to approval of a specific plan - by means of specific audits over a sample of duly selected domestic and foreign projects and corporate processes, and by examining the results of audits carried out, for Internal control System purposes, considered as relevant in order to assess the compliance with the provisions of Legislative decree 231/01;
c) acknowledgement of the outcomes of the audits carried out and of corrective measures implemented in order to solve the critical issues found during the previous financial year (follow-up);
d) revision of the Supervisory Board's regulation and of the flow of attestations on the compliance with the provisions of Legislative decree 231/01;
e) training of personnel in matter of Legislative decree No. 231/01, this activity having been carried out directly by the Supervisory Body or entrusted by the Head of the Internal control Department to peripheral Italian and foreign units in accordance with the guidelines set by the Supervisory Body itself;
f) fulfilment, by means of the Head of the Internal control Department, of inquiries as per art. 13 of the Code of Ethics in connection with alleged infringements of the Organisational, Management and Control Model, also by holding meetings with the reference Department Managers in order to mutually exchange up-to-date information on the actions taken and/or to be taken;
g) preparation of a report on the activities carried out during 2013 and submission thereof to the Board of Directors, in accordance with the provisions of the Company's Organisational Model;
h) meetings held jointly with the Board of Statutory auditors, for mutual exchange of information on control activities carried out;
i) meeting held with the Manager in charge of financial reporting focusing on the impact of testing activities pursuant to Law 262/05 in matter of corporate offences;
l) closer analysis of offences committed in foreign countries, by focusing in particular on the issues concerning Joint Venture abroad, aimed at updating protocols and guidelines in connection with the Group's investments;
k) proposal of budget for the financial year 2014;
n) monitoring of the activities carried out by the Group relating to the compliance with the provisions of Legislative decree 231/01.

With reference to the activities being carried out in 2014, during its meeting held on March 6, 2014, the Supervisory Board resolved the start-up of the project of analysis of the general setting of the Code of Ethics and of the Organisational Model adopted by the Company in 2013, taking into account the revisions made to the documents in the meanwhile, in order to check the existence of possible elements or areas of improvement with reference to both rulings in matter of entities' administrative responsibility and to the evolution having characterised the corporate organisation over the years.

11.4 Independent auditors

The activity of audit of the financial statements of Astaldi S.p.A. is carried out by KPMG S.p.A. which was entrusted with the legally-required audit of the financial statements for the period 2011-2019.

11.5 Manager in charge of financial reporting

The office of "Manager in charge of financial reporting" has been being held by Paolo Citterio, Administration and Finance Manager since July 31, 2007.
It is reminded that, pursuant to the Company's By-laws, the Manager in charge of financial reporting was appointed as such by the Board of Directors after hearing the Board of Statutory auditors' previous opinion. Moreover, it is hereby reminded that, still in accordance with the provisions of the Company's By-laws, anyone meeting the honour requirements provided for by the laws in connection with directors, and having accrued an adequate professional experience on the basis of a three-year period activity as manager of the administrative, accounting, financial or audit sector of a company listed in a regulated market or of a company carrying out the financial, insurance or banking activity or in a company whose corporate capital amounts to not less than Euro 2 million or having carried out a three-year activity as auditor in any of the auditing companies registered with the special register kept by Consob, may be appointed as Manager in charge of financial reporting.
The Company further adopted an Internal Regulation setting forth in detail the functions, means and powers of the Manager in charge of financial reporting, as well as his relationships with other Companys offices and bodies.

11. 6 Coordination between the Offices and Departments involved in the Internal Control and Risk Management System

A controlsystem, in order to be effective, must be integrated, that is to say all of its components must be coordinated and interdependent and the system, as a whole, must be integrated within the Company's general organisational setting.
The laws and regulations and the new Code of Conduct consider the internal control and risk management system as a unitary system of which risk is the dominant recurring topic and the control system, in order to be effective, must have all of its components integrated within themselves, that is, must provide for coordination methods and flows between the various company offices and departments involved, on any account, in the internal control and risk management system (Board of Directors, Manager of the internal control and risk management system, Control and Risk Committee, Board of Statutory auditors, Head of the Internal Control Department, manager in charge of financial reporting, Chief Risk Officer, and all other company offices and departments fulfilling specific tasks in matter of internal control and management of risks).
In such respect, Astaldi operates in compliance with the provisions of the new Code of Conduct, as set forth in the foregoing sections of the Corporate Governance Report.
In particular, it is underlined as follows:

- the coordination of the activities carried out by the Internal control Department and the Corporate Risk Management Department, taking into account the modern concept of audit, is focused on the notion of company risks, on their detection, assessment and monitoring;
- with specific reference to financial reporting, the coordination of the activities carried out by the Internal control Department and the operational structure providing support to the Manager in charge of financial reporting;
- the coordination between SIA's activities and second-level departments and office as far as concerns the specific risks monitored by the same (by way of example, safety and environment).

More in general, as far as concerns the coordination of all the entities involved in the internal control and risk management system: Control and Risk Committee, Board of Statutory auditors, Supervisory Body, Director responsible for the Internal Control and Risk Management System, Head of the Internal Control Department, reference is made to paragraphs 10., 11.1, 11.2, 11.3,14.

12. Directors' interests and transactions with related parties

it is hereby reminded that the Board of Directors, during its meeting held on November 10, 2010, in agreement with the provisions of Consob Regulation in matter of procedures governing the "transactions with related parties", approved by Consob resolution no: 17221 of March 12, 2010, and subsequently amended by resolution dated June 23, 2010, approved, by the favourable vote expressed by the committee of independent directors set up for this purpose, the new internal corporate procedures for the identification, approval and implementation of transactions with related parties carried out by Astaldi S.p.A. on a direct basis or through its subsidiaries.

By virtue of such approval and in compliance with said laws and regulations, the Company set up a Related Parties

Committee formed of the following independent directors:

Eugenio Pinto (Chairman)	Indipendent Director
Paolo Cuccia	Indipendent Director
Giorgio Cirla	Indipendent Director

In short, such procedures:

1) designate transactions of “lesser” and “greater” importance.
   As to transactions of “*lesser*” importance, such procedures provide that:
   (i) an information *ex ante* be promptly given to the corporate body having competence to resolve thereon and to said Committee, so that the latter may express its own opinion;
   (ii)said Committee may avail itself of independent experts to be selected by the same;
   (iii)a justified non-binding opinion, to be expressed by the Related Parties Committee, is required;
   (iv) the competence to resolve thereupon falls within the sphere of competence of the Board of Directors or the Chief Executive Office within the powers conferred upon the latter, on an alternative basis.
   While, as far as concerns the transactions of “*greater*” importance, such procedures provide that:
   (i) said Related Parties Committee’s binding opinion is required;
   (ii) a reservation of competence to resolve thereon be attributed to the Board of Directors.
2) set forth the methods for examination and approval of transactions with related parties, as well as the formation and rules of operation of the “Related Parties Committee” which, consistently with Consob’s decisions, is formed exclusively of independent directors both in the event of transactions of “lesser” and “greater” importance;
3) establish the methods and timing in accordance with which said Committee, as well as the management and control bodies, are provided with the information on transactions before the relevant resolution, and during and after implementation of such transactions;
4) set the rules governing the cases in which the Company examines and approves transactions with Italian or foreign subsidiaries;
5) designate the cases of “default exemption” from the rules and the cases of “optional exemption”.

It is understood that the Company shall describe in detail all said transactions in the Management Report.

Closer details on this matter are set forth in the “Procedures governing transactions with related parties” published on the Company’s website (“*Governance/Documents*” menu).

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In relation to the specific case in which a Director has interests on his/her own behalf or on behalf of third parties, it is specified that the Company’s Board of Directors shall adopt, from time to time and in compliance with the laws and regulations in force, the operational solutions it may consider as more appropriate (such as, by way of example, such director shall be prevented from voting or asked to temporarily leave the meeting at the time when resolution is taken)

13. Appointment of Statutory auditors

The Company By-Laws provide for the list vote mechanism in order to guarantee the presence of representatives of minority shareholders in the Board of Statutory auditors.
As expressly set forth by the By-laws, the lists must be filed at the Company’s registered office, in accordance with the terms and manner provided for by applicable laws and regulations, jointly with the documents required by the laws and the Company’s By-laws.
Only shareholders globally holding, individually or collectively with the other shareholders, a number of shares representing at **least 1%** (or the lowest percentage provided for by the provisions of applicable laws and regulations) **of the company’s share capital** with voting right in shareholders’ ordinary meetings, are entitled to file lists.

The members of the Board of Statutory auditors are **elected** as follows:

- two standing and two alternate auditors are drawn, in the progressive number in which they are listed in the corresponding sections of the list, from the list that has obtained the higher number of votes cast by the shareholders attending the meeting;
- the remaining standing member, who shall also be appointed as Chairman of the Board of Statutory auditors, and the other alternate member are drawn from the list that ranked second in number of votes, among the lists submitted and voted by the shareholders holding no relationship of affiliation with the reference shareholders in compliance with the laws and regulations in force, on the basis of the progressive number with which they

were listed in the corresponding sections of the list.
In the event two or more lists filed by minority shareholders have obtained the same number of votes, the candidates senior in age among those appearing under number one in the corresponding sections of the lists obtaining an equal number of votes are appointed as Standing Auditor and Alternate Auditor.
In the event only one list is submitted, all the standing and alternate auditors are drawn therefrom, to be elected according to the order in which they are listed. Also in this case, the title of Chairman of the Board of Statutory auditors is attributed to the person registered as first in the list.

In order to ensure the balance between genders, art. 25 of the Company's By-laws provide that each list containing three or more candidates shall include a number of candidates who, meeting the requirements provided for by the laws and the By-laws, belong to the gender which is less represented within the Board of Statutory auditors, in the proportion of **one fifth** of the candidates for members of the Board of Statutory auditors to be appointed on the occasion of the first renewal of such auditing body taking place after August 12, 2012, and **one third** of the candidates for members of the Board of Statutory auditors to be appointed for the two terms of office subsequent thereto.
In order to ensure, with a view to substantial equality, the balance between genders as far as concerns the access to corporate offices, one fifth of the standing members of the Board of Statutory auditors to be appointed on the occasion of the first renewal of such auditing body having taken place on April 24, 2012, belongs to the gender which is less represented within the Board of Statutory auditors.

In the event a Statutory auditor leaves office, for any reason whatsoever, the same is replaced by the first alternate auditor elected in the same list, by previously verifying fulfilment of the laws and By-laws requirements. However, in the event the termination, for any reason whatsoever, of any standing Auditor occurs after the first renewal of the body taking place after August 12, 2012, or during the two terms of office subsequent thereto, replacement shall take place by taking into account the balance between genders within the Board of Statutory auditors in accordance with the provisions of article 25 of the Company's By-laws.
In the event the Standing auditor drawn from the list which ranked second in number of vote falls from office and cannot be replaced, for any reason whatsoever, by the alternate auditor appointed from that same list, the same shall be replaced – by previously verifying fulfilment of the laws and By-laws requirements – by the candidate registered immediately thereafter within that same list or, in default, by the candidate registered as first in the list which ranked second in number of votes among the lists filed by minority shareholders. However, in the event the termination, for any reason whatsoever, of the Standing Auditor drawn from the list which ranked second in number of votes occurs after the first renewal of the body taking place after August 12, 2012, or during the two terms of office subsequent thereto, replacement shall take place by taking into account the balance between genders within the Board of Statutory auditors in accordance with the provisions of article 25 of the Company's By-laws.

For more details on other aspects connected with the appointment and replacement of the members of the Board of Statutory auditors please refer to art. 25 of the By-laws of Astaldi S.p.A. published in the Company's website ("Governance/Documents" menu).

14. Composition and operation of the Board of Statutory auditors (as per art. 123-bis, paragraph 2(d) of the consolidated Finance Act)

The Board of Statutory auditors presently holding office for the three-year period 2012/2014, the composition of which is described in closer detail in Table 4 attached hereto, was appointed during the **Shareholders' Meeting held on April 24, 2012.**
It is underlined that, on such occasion, **2 lists** were filed, in accordance with the provisions of the By-laws and of art. 148 of the Consolidated Finance Act.
The first one was filed by the shareholder FIN.AST. S.r.l., proposing Lelio Fornabaio and Ermanno La Marca as candidates for Standing Auditors, and Giulia De Martino and Francesco Follina as candidates for Alternate Auditors.

The second list was filed by the shareholders Allianz Global Investors Italia SGR S.p.A., ANIMA SGR S.p.A., AZ Fund Management S.A., Ersel Asset Management SGR S.p.A., Eurizon Capital SGR S.p.A., Pioneer Asset Management S.A., Pioneer Investment Management SGR S.p.A., Eurizon Capital SA, ARCA SGR S.p.A., JP Morgan Asset Management LTD, who proposed Dr. Daria Beatrice Langosco Di Langosco as candidate for Standing Auditor and Dr. Andrea Lorenzatti as candidate for Alternate Auditor.

At the end of the voting process, the first list obtained the favourable vote of 2 (two) shareholders globally holding 51,618,462 (fifty-one millions six hundred eighteen thousand four hundred and sixty-two) shares corresponding to 75.06% of the share capital held by those attending the Shareholders' Meeting, and the second list obtained the favourable vote of 114 (one hundred fourteen) shareholders globally holding 14,928,888 (fourteen millions nine hundred twenty-eight thousand eight hundred and eighty-eight) shares, corresponding to 21.70% of the share capital held by those attending the Shareholders' Meeting.

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During its meeting held on March 5, 2014, **the Board of Statutory auditors, pursuant to the Application Criterion 8.C.1 of the Code of Conduct, deemed that independence requirements are (still) met by its members, such assessment having been carried out by application** of all the criteria provided for by the subject-matter Code in matter of independence of Directors.

As to the composition of the Board of Statutory auditors presently in office, please refer to Table 3. All the Statutory auditors meet the personal and professional requirements as provided for by art. 144-decies of the Issuers' Regulation and the By-laws of Astaldi S.p.A. (art. 25).

The Chairman called for meetings to be jointly attended by Directors, Statutory auditors and some Company's executives, aimed at better explaining the evolution of the corporate business and providing them with a closer knowledge of the Company's Business Plan.

Moreover, the Company complies with the principles of the Code of Conduct in accordance with which the statutory auditor who, on his/her own account or on the account of third parties, has an interest in any of the transactions carried out by the Company, shall promptly give comprehensive notice thereof to the other Statutory auditors and to the Chairman of the Board of Directors, setting forth in detail the nature, origin and scope of his/her interest (Application Criterion 8.C.3).

The Board of Statutory Auditors carries out supervision activities in matter of the audit of financial statements in compliance with the provisions of Legislative decree 39/2010 and in agreement with Communication No. 18916 by Borsa Italiana S.p.A..

Moreover, the Board of Statutory auditors supervises the independence of the independent auditors, 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 financial statements, rendered to the Company and its subsidiaries by such independent auditors and the entities belonging to its group.

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The Board of Statutory auditors, while carrying out its activities, avails itself of the collaboration of the Head of the Internal Control Department, in accordance with the deadlines set by the laws and regulations and the internal deadlines set on the basis of meetings scheduled during the financial year of reference.

Nine meetings of the Board of Statutory auditors were held during 2013 and, more precisely: on the 14th of January, on the 13th, 26th and 29th of March, on the 19th and 20th of June, on the 31st of July, on the 9th of October (twice). More particularly, on October 9, after the Board of Statutory auditors' meeting, a meeting was held jointly with the Supervisory Board. The meeting held on March 26, was attended by the Chairman of the Board of Statutory auditors of Astaldi Concessioni S.p.A. in compliance with the provisions of art. 151(2) of the Consolidated Finance Act.
The meetings of the Board of Statutory auditors are coordinated by the Chairman and they have been attended by the majority of the Statutory auditors. The average duration of such meetings is of approximately two hours.

As a general rule, Board of Statutory auditors' meetings are held in accordance with the deadlines provided for by the law and, as far as concerns 2014, the Board of Statutory auditors has already held two meetings, on the 8th of January and on the 5th of March, respectively.

Moreover, the Board of Statutory Auditors acted in coordination with the Control and Risk Committee, constantly exchanging information with the latter, by causing the Chairman of the Board of Statutory auditors to attend the meetings of said Committee (Application Criteria 8.C.5).

15. Relations with shareholders

The Company, also considering its admission to the listing on the STAR segment of the Telematic Stock Market, ap-

pointed, as of 2002, Alessandra Onorati as **Head of Investor Relations** ("Investor Relator"), who is also head of the relevant company department.
Moreover, in order to promote dialogue with the shareholders and the market, the Company regularly makes available on its website, all information of both an accounting nature (financial statements, half-yearly and quarterly reports) and of general interest to shareholders (such as, for example, press releases, the company Code of Ethics, the Organisational, Management and Control Model as per Legislative decree No. 231/01, Directors' Reports on the topics of Shareholders' Meetings agenda, etc.).

16. Shareholders' meetings (as per art. 123-bis, paragraph 2(C) of the Consolidated Finance Act)

Pursuant to art. 10 of the By-laws presently in force, Shareholders' Meetings shall be called by the Board of Directors by notice to be published in accordance with the terms and manner provided for by the law.
The Company's By-laws further provide that the same notice may also set forth a different date for second call meeting, should the first call meeting be unattended; in the case of Shareholders' Extraordinary Meetings, that same notice may also set forth the date for the third call meeting.

The Shareholders' Meeting is responsible for fulfilling the tasks as per Article 2364 of the Italian civil code; moreover, in accordance with the provisions of art. 2365, second paragraph, of the Italian civil code, art. 22 of the By-laws expressly attributed to the Board of Directors the competence to resolve upon the following:

(i) merger and demerger, in the events provided for by articles 2505 and 2505-bis, Italian civil code, in the terms and manner provided for therein;
(ii) setting up and closing down of secondary offices, also abroad;
(iii) designation of the directors having the power to represent the Company;
(iv) decrease the share capital in the event a shareholder withdraws;
(v) adaptation of the Company's By-laws to legislative provisions;
(vi) relocation of the registered office within the national territory.

With reference to the Shareholders' rights and, more particularly, their entitlement to attend Shareholders' meetings, the By-laws presently in force, in accordance with the provisions of article 2370, first paragraph of the Italian civil code, and art. 83-sexies of the Consolidated Finance Act, expressly provide that "Shareholders' meetings may be attended by those who are entitled to vote in accordance with the appropriate attestations issued and forwarded by the brokers pursuant to the law".

Moreover, the Company, pursuant to art. 135-novies, paragraph 5, of the Consolidated Finance Act and art. 12 of the Company's By-laws, makes available to the shareholders a specific section of its Internet website through which they may electronically deliver the proxies with power to vote, by using the form of proxy made available therein ("Governance/Shareholders' Meeting" menu).

At present, the Company's By-laws do not provide, in connection with Shareholders' Meetings, for any procedure for casting votes by electronic means or any audiovisual connection.

* * * * *

In accordance with the provisions contained in Art. 13 of the Company By-Laws – according to which "the operation of the Shareholders' Meeting, both ordinary and extraordinary, is governed by a regulation approved by the Shareholders at their Ordinary Meeting and valid for all subsequent ones, until amended or replaced" – at their Ordinary Meeting of March 11, 2002, the shareholders approved the **"Shareholders' Meeting Regulation"**, subsequently updated by resolution of November 5, 2010, which sets clear and univocal rules for orderly and functionally holding Shareholders' Meetings, without being, at the same time, prejudicial to each Shareholder's right to express his/her own opinion and to formulate requests for closer detail and explanations regarding the topics of the agenda.

In fact, in relation to the above, the Shareholders' Meeting Regulation provides that the those entitled to cast votes, may ask to speak in connection with the topics of the agenda, in order to make remarks and proposals or to ask for additional information, until the Chairman of the Meeting closes the discussion of such topic. The Chairman of the Shareholders' Meeting, or those providing the same with assistance, shall answer the relevant questions, and the Shareholders' Meeting Regulation provides that those who asked to speak may concisely reply thereto.

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It is underlined that the Board of Directors, in order to ensure that the shareholders are given proper information so as to take part, with full knowledge, in the resolutions to be taken at the Shareholders' Meeting, makes available to the Shareholders all the documents and reports relating to the topics of the agenda, by forwarding such documents to Borsa Italiana S.p.A. and by publishing the same in its own Internet website.

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17. Additional corporate governance practices (as per art. 123-bis, paragraph 2(A) of the Consolidated Finance Act)

No corporate governance practice is provided for in addition to those already described above.

18. Changes occurred after the Reporting period

No change in Company's corporate governance structure occurred after the reporting period.

Rome, this 28th of March,2014

The Chairman of the Board of Directors
Paolo Astaldi

Summary tables

Table 1: Information on shareholding structure

SHARE CAPITAL STRUCTURE as at december 31, 2013

	Number of shares	***% of share capital***	***Listed (mention markets) / Not listed***	***Rights and Obligations***
Ordinary shares	98,424,900	100%	MTA - STAR	-
Shares with limited voting rights	-	-	-	-
Shares without voting rights	-	-	-	-

OTHER FINANCIAL INSTRUMENTS (conferring the right to subscribe newly issued shares)

	Listing Market	***Number of outstanding convertible notes***	***Class of shares allocated for conversion***	***Number of shares allocated for conversion***
Convertible notes	Luxembourg - MTF	130,000	Common	17,568,517
Warrants	-	-	-	-

Table 2: Board of Directors' and Committees' structure as at december 31, 2013

Board of Directors in office as at December 31, 2013

Office	Members	In office from until	List* (M/m)	Execu-tive	Non Execu-tive	Independent pursuant to the Code of Conduct	Inde-pendent pursuant to the the Consol-idated Finance Act	% ****	Number of other positions **	Control and Risk Committee ***	Control and Risk Committee ****	Remuneration Committee ***	Remuneration Committee ****	Appoint-ments Committee ***
Chairman	Paolo Astaldi	Board of Directors appointed at the Shareholders' Meeting of April 23, 2013 for financial years 2013/2015. Therefore, the Board of Directors' term of office expires upon approval of the Company's financial statements at December 31, 2015.	M	x				100%	1					
Deputy Chairman	Ernesto Monti		M		x		x	100%	-			x	100%	x
Deputy Chairman	Giuseppe Cafiero		M	x				100%	-					
CEO	Stefano Cerri		M	x				100%	2					
Director	Caterina Astaldi		M		x			67%	1					
Director	Luigi G. Cavalchini		M		x			92%	1	x	84%			
Director	Giorgio Cirla		M		x	x	x	100%	1			x	100%	
Director	Paolo Cuccia		M		x	x	x	84%	-					
Director	Guido Guzzetti		m		x	x	x	100%	-	x	100%			
Director	Chiara Mancini		M		x	x	x	100%	-					
Director	Nicoletta Mincato		M		x	x	x	100%	-	x	100%			
Director	Mario Lupo		M		x	x	x	84%	-					x
Director	Eugenio Pinto		M		x	x	x	92%	3	x	84%	x	100%	x

Quorum required for filing lists: 2.5%

Number of meetings held during the period	BoD: 12	Control and Risk Committee: 6	Remuneration Committee: 6	Appointments Committee: 0

* In this column, M/m is shown depending on whether the member was appointed from the list having obtained the majority (M) or a minority (m) vote.

** This column shows the number of positions as director or statutory auditor held by the individual concerned in other companies listed on regulated markets, in Italy or abroad, in finance, banking and insurance companies as well as other large-size companies. The subject-matter positions are shown in Table 3.

*** The "X" mark means that the Director is a member of the Committee.

**** This column shows the percentage of each of the directors' attendance at BoD's and Committee's meetings held in 2013. It should be noted that the percentage shown refers to the number of meetings each director or committee member has attended since the date of his/her appointment.

Table 3: number of positions as Director or Statutory auditor held by each director in other companies listed on regulated markets, in italy or abroad, in finance, banking and insurance companies or other large-size companies as at December 31, 2013

Name and Surname	Other offices held pursuant to Article 1.3 of the Code of Conduct
Paolo Astaldi	Chief Executive Officer of Fin.Ast S.r.l.
Ernesto Monti	none
Giuseppe Cafiero	none
Stefano Cerri	Director of A4 Holding S.p.A. and of Società delle AUTOSTRADE Serenissima S.p.A.
Caterina Astaldi	Director of Fin.Ast. S.r.l.
Luigi Guidobono Cavalchini	Director of Reale Mutua Assicurazioni
Giorgio Cirla	Director of IMMSI S.p.A.
Paolo Cuccia	none
Mario Lupo	none
Guido Guzzetti	none
Chiara Mancini	none
Nicoletta Mincato	none
Eugenio Pinto	Chairman of the Board of Statutory auditors of Stogit S.p.A. and Snam Rete Gas S.p.A.; Standing Statutory auditor of Finmeccanica S.p.A.

Table 4: Board of Statutory Auditors structure as at December 31, 2013

Office	Members	In office from until	List	Independence pursuant to the Code	Percentage of attendance at Board of Statutory auditors meetings	Number of other positions*
Chairman	Daria Beatrice Langosco di Langosco	Board of Statutory auditors appointed by the Shareholders' Meeting of April 24, 2012 for financial years 2012/2014, holding office until approval of the Company's financial statements as at December 31, 2014	minority	x	100%	1
Standing Auditor	Lelio Fornabaio		majority	x	100%	16
Standing Auditor	Ermanno La Marca		majority	x	100%	1
Alternate Auditor	Andrea Lorenzatti		minority	x	100%	0
Alternate Auditor	Giulia De Martino		majority	x	100%	7
Alternate Auditor	Francesco Follina		majority	x	100%	14

Number of meetings held in 2013: 9

Quorum required for filing lists by minorities for the election of one or more standing auditors (pursuant to Art. 148 of the Consolidated Finance Act). In accordance with the Company's By-laws, only shareholders who individually or collectively with other shareholders represent at least 1% of the share capital are entitled to file lists.

* This column shows the number of offices as director or statutory auditor held by the concerned individual considered as significant to all intents and purposes of art. 148 bis of TUF. The full list of positions held is published by Consob in its own Internet website pursuant to art. 144-quinquiesdecies of the Issuers' Regulations issued by Consob.

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Other Information

Italy, Jonica National Road (SS-106), Siderno junction.

Report of Board of Auditors

Dear Shareholders,
in compliance with the laws and regulations in force applicable to stock companies issuers of securities listed in regulated stock markets and in accordance with the provisions of the Company's By-laws, during the financial year ended December 31, 2013, we conducted our audit activity in accordance with the laws and the provisions of the Code of Conduct of the Board of Auditors issued by the Italian National Board of Chartered Accountants.
This report was drawn up by also taking into account the recommendations given by CONSOB through its communications.

1. **Considerations on the main economic, financial and equity operations carried out by the Company and on their compliance with the laws, regulations and Company's By-laws**
   We attended all the meetings held by the Shareholders and by the Board of Directors during the year, and obtained from the Directors, also pursuant to art. 151 paragraph 1 of T.U.F. (Italian Financial Services Act) periodical information on the activities and on most important transactions carried out by the Company and its Subsidiaries, the Directors having further reported about their characteristics and economic effects. To such respect we can reasonably assure you that the actions resolved upon and implemented comply with the law and the corporate by-laws, as well as with the principles of fair management and do not appear to be imprudent, risky, in potential conflict of interest or in contrast with Shareholders' resolutions, or likely to adversely affect corporate assets. The recurrence of Board of Directors' meetings, the average percentage of directors' attendance and the duration thereof have been adequate and any significant resolution was taken by giving proper information to directors and auditors. The Board of Auditors checked that the resolutions was supported by appropriate documents and, possibly, by experts' opinions, whenever so deemed advisable, about the economic-financial consistency of transactions.
   The Company avails itself of the authority, given by CONSOB by resolution No. 18079 of January 20, 2012, to disregard the obligation to make an information document available to the public on the occasion of significant operations of merger, split-up, share capital increase by contribution in kind, acquisition and assignment. Information about such decision is set out in the Annual Report, in compliance with art. 70 of Issuers' Regulation.
   The Board of Auditors supervised the fulfilment of the obligations connected with the laws and regulations on "Market abuse" and "Protection of public savings" in matter of corporate information and "Internal Dealing", with particular reference to the handling of price-sensitive information and to the procedure for the circulation of communications and disclosure of such information to the public. In particular, the Board of Auditors monitored the compliance with the provisions of art. 115-bis of T.U.F. and of the Regulation about the update of the Register of individuals having access to price-sensitive information.

2. **Atypical and/or unusual transactions, including intragroup transactions or transactions with related parties; adequacy of the relevant information set forth in the Directors' Report**
   We have neither found nor received information from the Board of Directors, the Independent Auditor or the Head of the Internal Audit Department or the shareholders themselves about atypical and/or unusual transactions carried out during the fiscal year with third parties, related parties or group companies. During our control activities, we have found no evidence of

the fulfilment of any such transactions.

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

In accordance with the provisions of IAS 24 as well as CONSOB communication No. 6064293 of July 28, 2006, concerning the definition of related parties, we underline that the supplementary notes to the individual financial statements and to the consolidated financial statements show the totals of existing transactions and balances resulting from financial and commercial relations with related companies, as well as the fees due to Directors, Auditors and General Managers.

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

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

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

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

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

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

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

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

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

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

7. Compliance with good management principles

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

During the period, we checked the fair application of verification criteria and procedures adopted by the Board of Directors in order to assess the independence of its own members and established, on the basis of the declarations made by the single Auditors and kept with the corporate records, the inexistence of any causes of ineligibility and incompatibility of Auditors, as well as the fulfilment of the requirements provided for by the laws and the by-laws for appointment as such, also with reference to the criteria set forth in the "Self-Governance Code for listed compa-

nies" and to be met by Independent Directors and the members of the Board of Auditors.
The Board of Auditors gave the Board of Directors notice of the outcome of such verification for the latter's considerations thereon, pursuant to Section 144-novies, paragraph 1-ter, who gives notice thereof to the Shareholders' Assembly by means of the Corporate Governance Report.
The Board of Auditors acknowledges of having submitted to Consob, on April 24, 2013, in compliance with Consob Communication No. 6031329 of April 7, 2006, the "Report summarizing the control activity".

8. Adequacy of the organizational structure

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

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

We appraised and evaluated the suitability of the internal control and risk management system, as well as its effectiveness and efficiency by gathering information from managers of the respective departments, as well as by examining corporate documents and analyzing the results of the work carried out by the independent auditor, and of the activities carried out by the Control and Risk Committee by holding joint meetings with its Chairman or other auditor designated by the same.
In particular, we supervised the action plan worked out by the Manager of the Internal Audit Department and examined the relevant reports summarizing the activities carried out during the period, mainly addressed to verifying compliance with, and the effectiveness and efficiency of the Group's internal control system.
More in detail, control activities focused on verifying the compliance with current laws and regulations, Group's guidelines and corporate procedures, as well as the observance of delegations of powers and correct behaviours, and proposing corrective actions or solutions aimed at improving the procedural and audit system, also for the purpose of improving the corporate organization's efficiency.
To such respect, no deficiency was detected within the corporate control system. We further verified that the Company proposed corrective actions in relation to the aspects capable of being improved which have been found and, in the meanwhile, took the improvement actions recommended in 2012 follow-up activities.
Moreover, we held meetings with the Manager of the Corporate Risk Management Department which focused on the risk management system, and analyzed the activity plans and outcome of the activities carried out by the same during the period, in connection with ERM targets and the main corporate risks, as identified and assessed by the Project Managers and by Country Managers as significant within the framework of the corporate business; we further analyzed the information flows with the other corporate offices, also with reference to the Internal Audit Department, and analyzed with closer attention the methods adopted to identify, manage and monitor risks. On such occasions, we monitored, jointly with the Control and Risk Committee, the Company's approach to risk management and the relevant flows of information toward the Board of Directors, the Control and Risk Committee and the Board of Auditors itself.
Still in connection with internal control system, we report that, in 2013, the project of analysis of the internal control system with reference to the international sector and the relevant corporate offices and departments involved was fully carried out, and the Internal Audit Manual was finally drawn up by taking advantage of the contribution provided by the company *Ernst & Young Financial Business Advisors*.
Moreover, we have been provided with up-to-date information about the completion of two other project, which are relevant to the intents and purposes of the control system and which concerned the 1st phase of the "Fraud and IT Audit", with the professional assistance provided by KPMG Financial Advisory, and the update of the Company's Model of Organization, Management and Control as per D.Lgs. 231/01, in connection with cybercrime offences (art. 24-bis) and copyright offences (art. 25-novies), with the professional assistance provided by *Macfin Management Consultants* S.r.l.
Thus, we agree upon the substantial adequacy of the internal control and risk management system.

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

With reference to the verification of the effectiveness and efficiency of the administrative-accounting system and its reliability, as well as to all intents and purposes of art. 19 paragraph 1 lett. a) of Italian *Decreto Legislativo* 39/2010, we took notice of the tests on the audit activities carried out and of the plan of audit activities to be carried out by the operational structure which, pursuant to art. 154-bis, paragraph 4, of T.U.F., provides support to the Executive in charge of drawing up corporate accounting documents. We further verified that the Company proposed corrective actions in relation to the aspects capable of being improved which have been found and that improvement actions have been implemented as recommended in 2012 follow-up activities.

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

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

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

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

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

We supervised the statutory audit of accounts, thus examining, jointly with the Manager in charge of drawing up the corporate accounting documents, the independent auditor's plan of activities, supervising the effectiveness of the audit process by holding periodical meetings and exchanging information with the independent auditor also in matter of the accounting principles and practices to be adopted, and further verifying that all the data and information specifically requested by the independent auditor had been duly provided.

In fact, the Independent Auditor reported to the Board of Auditors, pursuant to the provisions of art. 19, paragraph 3, of Italian *Decreto Legislativo* 39/2010, on the fundamental issues becoming evident during the statutory audit which did not show any significant deficiency of the internal control system in relation to the financial disclosure process. Finally, it is underlined that the Independent Auditor did not provide this Board, while fulfilling its duties, with any report according to the provisions of the Accounting Standard No. 260 "*Disclosure of facts and circumstances concerning the audit to corporate governance managers*";

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

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

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

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

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

14. Supervisory Body's activities

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

15. Health, Safety and Environment

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

16. Supervision of Financial Statements preparation

As to the Individual Financial Statements, the Board of Auditors established, by direct verification and information taken from the independent auditor, the compliance with laws and regulation governing the preparation and drawing up of the Financial Statements and the Directors' Report, the model statements adopted and the accounting standards, described in the Supplementary Notes to the Financial Statements and in the Directors' Report.

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

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

The Board of Auditors acknowledge that the Control and Risk Committee verified, in particular, the effectiveness and efficiency of the impairment test from a methodological point of view.

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

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

The Directors' Report complies with the provisions of the law and is consistent with the data and information set forth in the financial statements; it provides comprehensive information on significant activities and transactions, which the Board of Auditors had regularly made aware of, as well as the Company's and its subsidiaries' main risks connected with intragroup transactions and with the transactions with related parties, as well as on the process of harmonization of the corporate organization with the corporate governance principles, consistently with the Corporate Governance Code for Listed Companies.

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

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

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

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

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

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

Rome, this 8th of April, 2014

THE BOARD OF AUDITORS
Signed Dr. Daria Beatrice Langosco di Langosco
Signed Dott. Lelio Fornabaio
Signed Avv. Ermanno La Marca

Shareholders' Meeting resolutions

The Shareholders' Meeting, which met on 30 April 2014 in first call, specifically resolved:

- To approve the annual financial statements for the year ending 31 December 2013 and the Board of Directors' Report on Operations, drafted pursuant to Article 2428 of the Italian Civil Code and Article 40 of Legislative Decree No. 127/1991, together with the allocation of dividends as proposed by the Board of Directors;
- To renew authorisation, for a twelve-month period as from 27 May 2014, for the Board of Directors to purchase ordinary company shares on the Electronic Share Market within the set terms, pursuant to Articles 2357 et seq. of the Italian Civil Code and Article 132 of Legislative Decree No. 58 of 24 February 1998;
- To approve the Remuneration Report prepared by the company pursuant to Article 123-ter, point 6 of Legislative Decree No. 58 of 24 February 1998;
- To amend Article 19 of the Company Bylaws, changing from two days to one, the minimum time needed to convene an urgent meeting of the Board of Directors, also as a result of the increasing incidence in the company's business of operations requiring prompt organisation and resolution so as to facilitate the company's operability.

ASTALDI

Share Capital EUR 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

Registered Office and Headquarters
Rome (Italy), Via Giulio Vincenzo Bona 65 – 00156
Milan Office: Milan (Italy), Via Adige 19 – 20123

External Relations and IR Department
Rome (Italy), Via Giulio Vincenzo Bona 65 – 00156 – Tel. +39.(0)6. 41766.1 – Fax +39.(0)6. 41766.733
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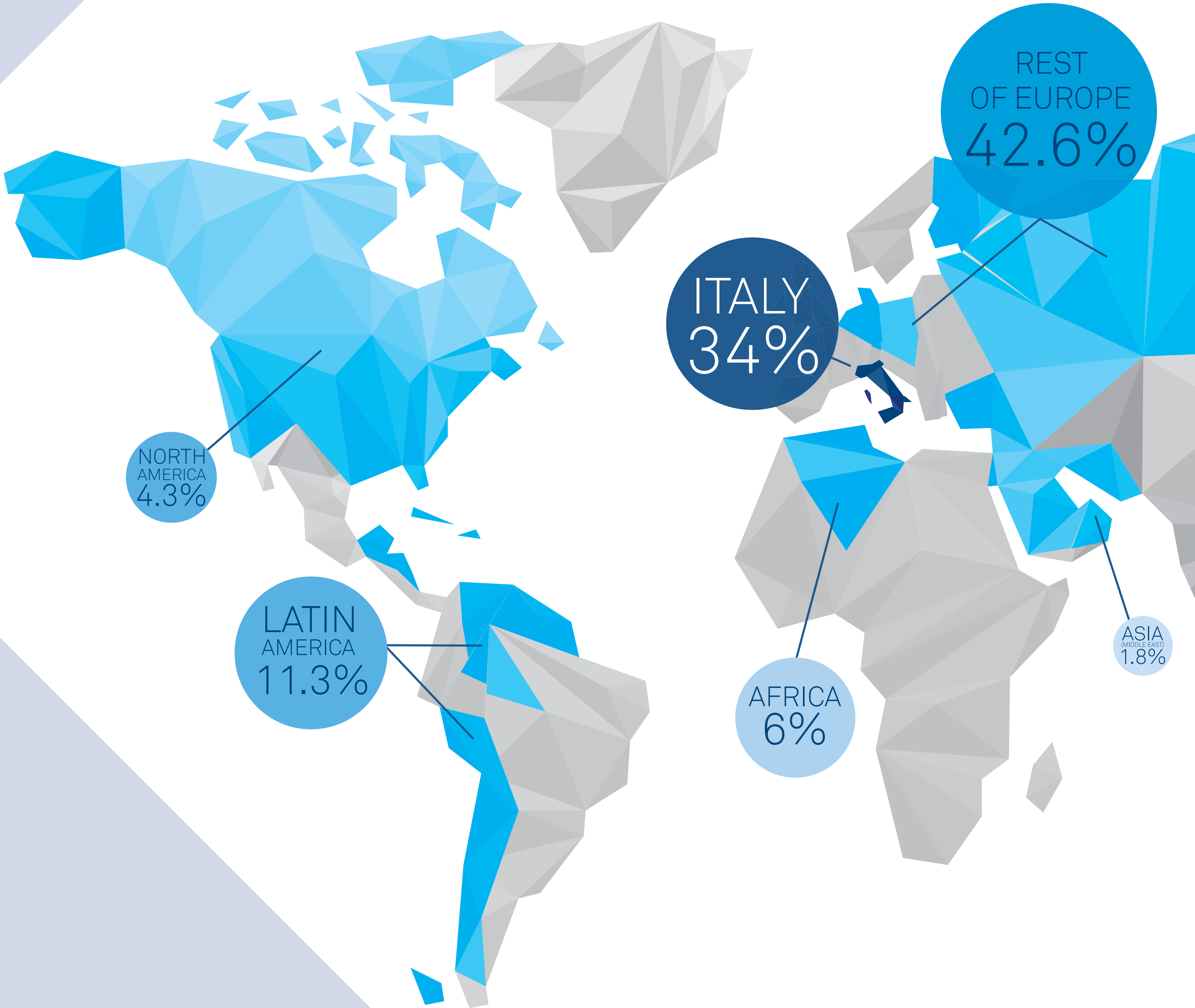
The length and breadth of the Astaldi world.

Our work bears a single hallmark, be it in the Canadian forests or the Algerian desert: respect for the environment, focus on safety, transparency and integration with the socio-economic fabric of the area we are operating in.

We are active in 16 countries with over 100 sites in operation and approximately 9,600 employees. As regards Europe, we are present in Poland, Romania and Russia. We operate in Turkey, Algeria, Saudi Arabia and the United Arab Emirates. In North America and in key South American countries. We contribute to the development of these countries by building railways and undergrounds, dams and hydroelectric plants, hospitals and research centres. We are involved in the main infrastructure plans of the countries we operate in, both as General Contractors and project finance initiatives.



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Lotissement 19/20 Aissat Idir Cheraga –
W. Alger - Alger

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Avenida La Guardia, Km 6 ½ 7° Anillo
Santa Cruz de la Sierra

BULGARIA
N. 67 Tsanko Tserkoski Str.,
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Las Condes – Santiago de Chile

COSTA RICA
Bello Horizonte Escazu de
Distribuidora Santa Bárbara
200 mts. sur, 200 mts. este,
Urbanización la Suiza 150 mts.
noroeste condominio Ingrid No. 6
Casa Blanca a Mano Derecha
San José

EL SALVADOR
Blvd. El Hipódromo Pasaje 10
Casa No. 139, Colonia San Benito
San Salvador

GUATEMALA
Oficina Legal: 6ª Calle 5-47,
zona 9, Quinto Nivel
Ciudad de Guatemala

HONDURAS
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Blvd Fuerzas Armadas,
Salida Carretera del Norte
Ap. Postal 3199 – Tegucigalpa

NICARAGUA
Reparto Villa Fontana, Boulevard
Jean Paul Genie No. 38 – Managua

OMAN
Office 44 – 4th floor – Al Masriq Building
Azaibah – Muscat

Revenue by Geographical Area
(euro/million)

34 %	**Italy**	813
66 %	**Rest of World**	1,580
	Total Revenue	2,393

PANAMA
Edificio Proconsa 1, Piso 10, Oficina 10A,
Area Bancaria
Frente A Movistar – Panamá

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Calle Los Nardos 1018, piso 2,
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VENEZUELA
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San Diego
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Estado Carabobo

VENEZUELA (Legal Head Office)
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Chuao 1064
Caracas

ASTALDI