



## ASTM – AUTOSTRADA TORINO-MILANO S.p.A.

Turin, 5 August, 2008

### PRESS RELEASE “HALF-YEARLY FINANCIAL REPORT” AS AT 30 JUNE 2008

The Board of Directors has approved the “Half-Yearly Financial Report” as at 30 June 2008:

- stable traffic volumes, with growth of EUR 4.9 million (+1.41%) in “motorway sector revenue”;
- the “gross operating margin” (EBITDA) stood at EUR 227 million (-6.6%) as a result of both greater maintenance operations and a reduction in the activities in the “construction”, “engineering” and “technology” sectors;
- the “Group’s share of profit for the period” amounted to EUR 34 million, also as a result of imputing the one-off cost component (amounting to EUR 11.4 million, net of the tax effect) relating to the repurchase of a call option by associated company Autostrade Sud America s.r.l.;
- investments in motorway infrastructures during the half-year, amounting to EUR 156 million.

#### GROUP ECONOMIC PERFORMANCE

The main revenue and expenditure items of the first half of 2008 (with the corresponding “pro-forma”<sup>(1)</sup> figures for the same period of 2007) may be summarised as follows:

| <i>(values in thousands of EUR)</i>                       | 1 <sup>st</sup> Half 2008 | 1 <sup>st</sup> Half 2007<br>pro forma | Changes         |
|---|---------------------------|--|-----------------|
| Motorway sector revenue                                   | 350,567                   | 345,680                                | 4,887           |
| Construction sector revenue                               | 1,003                     | 6,081                                  | (5,078)         |
| Engineering sector revenue                                | 3,806                     | 5,738                                  | (1,932)         |
| Technology sector revenue                                 | 7,038                     | 15,418                                 | (8,380)         |
| Other revenues  | 27,252                    | 29,996                                 | (2,744)         |
| Operating costs   | (204,991)                 | (214,705)                              | 9,714           |
| Capitalised costs on non-current assets                   | 42,178                    | 54,169                                 | (11,991)        |
| <b>Gross operating margin</b>                             | <b>226,853</b>            | <b>242,377</b>                         | <b>(15,524)</b> |
| Significant “non-recurring” items                         | 4,325                     | 3,701                                  | 624             |
| <b>Adjusted gross operating margin</b>                    | <b>231,178</b>            | <b>246,078</b>                         | <b>(14,900)</b> |
| Net amortisation/depreciation and provisions              | (98,848)                  | (92,629)                               | (6,219)         |
| <b>Operating income</b>                                   | <b>132,330</b>            | <b>153,449</b>                         | <b>(21,119)</b> |
| Financial income  | 13,428                    | 15,300                                 | (1,872)         |
| Financial charges   | (53,442)                  | (48,638)                               | (4,804)         |
| Capitalised financial charges                             | 17,135                    | 13,827                                 | 3,308           |
| Profit (loss) of companies valued using the equity method | (13,789)                  | 6,524                                  | (20,313)        |
| <b>Net financial charges</b>                              | <b>(36,668)</b>           | <b>(12,987)</b>                        | <b>(23,681)</b> |
| <b>Profit before tax</b>                                  | <b>95,662</b>             | <b>140,462</b>                         | <b>(44,800)</b> |
| Income taxes (current and deferred)                       | (35,644)                  | (55,635)                               | 19,991          |
| <b>Profit (loss) for the period</b>                       | <b>60,018</b>             | <b>84,827</b>                          | <b>(24,809)</b> |
| ▪ Minority interests’ share                               | 26,077                    | 37,491                                 | (11,414)        |
| ▪ <b>Group’s share</b>                                    | <b>33,941</b>             | <b>47,336</b>                          | <b>(13,395)</b> |

Due to the current uncertainty weighing on the regulatory regime of the “motorway sector”, as a result of factors external to the Group, it is not possible to (i) carry out suitable planning of expansion/improvement operations on the infrastructures managed, and (ii) obtain the approval of the toll increases required to cover the components linked to both the return on planned investments and the recovery of the inflation trend.

Examining the revenue and expenditure items, it is noted that despite the unfavourable general trend, “traffic volumes” remain substantially unchanged compared to the corresponding figure of 2007. Specifically,

<sup>(1)</sup> Readers will already be aware that the corporate reorganisation of the SIAS and ASTM Groups – completed in July 2007 – led to the takeover, by the ASTM Group, of the motorway companies SATAP S.p.A., SAV S.p.A., ATIVA S.p.A. and their respective subsidiaries, from the second half of the 2007 financial year. In order to provide comparable figures, a proper “pro-forma” statement for the first half of 2007 has been prepared, in which the effects of the reorganisation are shown as if it had taken place on 1 January 2007.



“*motorway sector revenues*” increased by around EUR 4.9 million (+1.41%) mainly due to the partial adjustment in toll rates, approved starting from 1 January 2008.

Due to the reasons set forth above, the “*construction and engineering*” sector saw a decrease in both the work carried out for third parties and in the activities for Group companies, as highlighted by the decrease in the item “*capitalised costs on fixed assets*”. This resulted in a decrease in the “works portfolio” of the companies operating in this sector.

The decrease in business in the “*technology*” sector can be mainly attributed to the fact that the previous half-year benefited from the recording of revenues deriving from the completion of a significant work order on behalf of the Consorzio CAV.TO.MI. (amounting to EUR 6.3 million) by SSAT S.p.A.

The aforesaid revenue decrease affected “*operating costs*” just partially, mainly as a consequence of both higher maintenance costs (due to a different schedule for maintenance operations with respect to the previous financial year) and costs originating from “winter services”, which were lower in the previous financial year, due to the favourable weather conditions characterising the first few months of financial year 2007.

For the reasons set forth above, the “*gross operating margin*” (EBITDA) amounted to **EUR 226.9 million**. The decrease compared to the corresponding “pro-forma” figure for the first half of 2007, amounting to EUR 15.5 million, is attributable to the “motorway sector” for EUR 8.7 million, to the “engineering sector” for EUR 1,6 million, to the “construction sector” for EUR 2 million and to the “technological sector” for EUR 3.2 million”.

“*Significant non-recurring items*” regard the extraordinary income linked to the recognition, by the Consorzio CAV.TO.MI., of the reconstruction costs for the Novara Sud service area (on the A4 section). This service area was relocated in order to eliminate its interference with the stretch of the “High Speed” Turin-Milan railway line. In the previous financial year, this item referred to the one-off effect on the value of the actuarial adjustment to the staff severance indemnity, as a result of the changes introduced by Law no. 296 of 27 December 2006 and the related implementing decrees.

The item “*net amortisation/depreciation and provisions*”, up by around EUR 6.2 million, reflected – for motorway companies – the contents of the financial plans annexed to the related agreements.

“*Financial charges*” were affected by both the increase in the benchmark interest rates and increased financial exposure.

The item “*profit (loss) of companies valued using the equity method*” included the Group’s share of profits (losses) from associated companies. This item was affected – to the amount of EUR 15.7 million (which, net of related tax charges, totalled EUR 11.4 million) by the recording in the financial statements of Autostrade Sud America – ASA s.r.l. of the pro-quota share of costs relating to the exercise of the “right to repurchase” the option previously granted by ASA to Impregilo International Infrastructures N.V. on 10% of the share capital of the subsidiary Autopista do Pacifico S.A.; the above cost reflects the incremental value of Costanera Norte S.A. since the acquisition date (as arising from an updated independent evaluation).

As a result of the above, the Group’s share of “*profit for the period*” amounted to **EUR 33.9 million** (EUR 47.3 million in the first half of 2007). Net of the one-off costs incurred for the repurchase of the aforementioned option, this figure would amount to **EUR 41.1 million**.



## **GROUP FINANCIAL RESULTS**

The main items of the consolidated financial position as at 31 June 2008, compared with the corresponding “pro-forma” figures as at 31 December 2007, may be summarised as follows:

| <i>(values in thousands of EUR)</i>   | <b>30/6/2008</b> | <b>31/12/2007</b> | <b>Changes</b> |
|---|------------------|-------------------|----------------|
| Non-current assets  | 3,173,562        | 3,116,710         | 56,852         |
| Equity investments  | 451,406          | 467,517           | (16,111)       |
| Working capital   | 147,097          | 51,455            | 95,642         |
| <b>Invested capital</b>   | <b>3,772,065</b> | <b>3,635,682</b>  | <b>136,383</b> |
| Provision for restoration or replacement of non-compensated revertible assets       | (155,305)        | (145,798)         | (9,507)        |
| Employee severance indemnity and other provisions                                   | (46,165)         | (47,663)          | 1,498          |
| <b>Invested capital less provisions for medium- and long-term risks and charges</b> | <b>3,570,595</b> | <b>3,442,221</b>  | <b>128,374</b> |
| Shareholders' equity and profit (loss) (including minority interests)               | 1,648,935        | 1,666,435         | (17,500)       |
| Net borrowing   | 1,293,574        | 1,147,700         | 145,874        |
| Payable to ANAS-Central Insurance Fund (*)  | 367,903          | 417,205           | (49,302)       |
| Other medium- and long-term payables (**)   | 260,183          | 210,881           | 49,302         |
| <b>Equity and third party funds</b>   | <b>3,570,595</b> | <b>3,442,221</b>  | <b>128,374</b> |

(\*) The Standard Agreement of Autocamionale della Cisa S.p.A. – recently approved – extends the duration of the concession to 2031. As a result, the plan for repayment of the payable due to ANAS and the Central Insurance Fund was restructured, and the present value of this payable was redetermined.

(\*\*) This relates to the income deriving from the discounting of the payable to ANAS-Central Insurance Fund (which implements the restructuring of the payable by Autocamionale della Cisa S.p.A.).

A breakdown of the item “*Net borrowing*” has been provided below:

| <i>(values in thousands of EUR)</i>                      | <b>30/6/2008</b>   | <b>31/12/2007</b>  | <b>Changes</b>   |
|--|--------------------|--------------------|------------------|
| A) Cash and cash equivalents                             | 286,295            | 323,670            | 37,375           |
| B) Securities held for trading                           | -                  | 100,000            | (100,000)        |
| <b>C) Liquidity (A) + (B)</b>                            | <b>286,295</b>     | <b>423,670</b>     | <b>(137,375)</b> |
| <b>D) Financial receivables (*)</b>                      | <b>21,535</b>      | <b>20,683</b>      | <b>852</b>       |
| E) Current bank payables                                 | (78,294)           | (81,432)           | 3,138            |
| F) Short-term portion of debt                            | (215,891)          | (179,659)          | (36,232)         |
| G) Other short-term financial payables                   | (3,905)            | (7,031)            | 3,126            |
| <b>H) Short-term borrowing (E) + (F) + (G)</b>           | <b>(298,090)</b>   | <b>(268,122)</b>   | <b>(29,968)</b>  |
| <b>I) Net cash (indebtedness) (C) + (D) + (H)</b>        | <b>9,740</b>       | <b>176,231</b>     | <b>(166,491)</b> |
| J) Medium to long-term bank payables                     | (1,100,580)        | (1,122,551)        | 21,971           |
| K) Bonds issued (**)                                     | (201,913)          | (200,381)          | (1,532)          |
| L) Other medium- to long-term payables                   | (821)              | (999)              | 178              |
| <b>M) Medium- to long-term borrowing (J) + (K) + (L)</b> | <b>(1,303,314)</b> | <b>(1,323,931)</b> | <b>20,617</b>    |
| <b>N) Net cash (indebtedness) (I) + (M)</b>              | <b>(1,293,574)</b> | <b>(1,147,700)</b> | <b>(145,874)</b> |

(\*) This relates to capital guaranteed index-linked financial instruments: although they are long term, they may be converted into cash in the short term if required.

(\*\*) Net of bonds “SIAS 2.625% 2005-2017” owned by the parent company ASTM S.p.A. (for about EUR 90 million).

The Group’s net financial position as at 30 June 2008 revealed net borrowings amounting to EUR 1,293.6 million (EUR 1,147.7 million as at 31 December 2007); such amount, including the present value of the “Payable to ANAS-Central Insurance Fund”, would be EUR 1,661.5 million (EUR 1,564.9 million as at 31 December 2007).

As shown in the “consolidated cash flow statement”, cash flows generated by management, together with the liquidity from the disposal of equity investments, amounting to EUR 8.7 million, were used to carry out **enhancement works** on the Group’s motorway infrastructure (which, during the **half year** in question, increased by approximately **EUR 156 million**, including capitalised financial charges), to acquire equity investments amounting to a total of around EUR 25.9 million and to acquire treasury stocks for about EUR 22 million.



Dividends were paid both by the parent company, amounting to EUR 17.3 million, and by its subsidiaries (to third-party shareholders) for a total of EUR 21.2 million; the parent company had already paid taxes, related to the corporate reorganisation of ASTM and SIAS Groups, for about EUR 51 million.

\* \* \*

It is noted that in the **first half of 2008**, Legislative Decree no. 59 of 8 April 2008 (known as the “remedy of breach” decree) was converted into law. This Decree includes a specific regulation approving, by way of law, the Outline Agreements previously subscribed by the licensees with ANAS, at the date the Decree was issued (8 April 2008), irrespective of the status of approval procedures set forth in the general sector regulations.

By virtue of this provision, the following have been **approved** by law: the “**Standard Outline Agreements**” subscribed by **SATAP S.p.A.** (A4 Stretch: Turin-Milan and A21 Stretch: Turin-Alessandria-Piacenza) on 10 October 2007, by **ATIVA S.p.A.** on 7 November 2007 and by Autocamionale della **CISA S.p.A.** on 26 March 2008. As regards the latter licensee, prior to the date of conversion of the aforementioned Decree, the Interministerial Decree approving the “Standard Agreement” (currently awaiting registration at the Court of Auditors), had already been issued, pursuant to the general sector regulations.

Regarding the Agreements recently approved, it is noted that specific discussions are in course with the Granting Body, for the purpose of defining several aspects of implementation of the Agreements, including the objective of obtaining the application of the toll increases set forth in the financial plans, in relation to the investment plan involving the Group. Specifically, the amount of **investments planned** in the aforementioned Agreements (including those relating to the “Asti-Cuneo Motorway” Agreement, which took effect on 11 February 2008) **exceed EUR 4 billion**.

The licensees which did not benefit from the approval of their agreements by law (which include the subsidiaries Autostrada dei Fiori S.p.A., SALT S.p.A. and SAV S.p.A.) have requested that ANAS subscribe the respective “Standard Agreements”. It is hoped that these agreements will soon be approved by way of regulatory provision (in compliance with the contents of the recommendations to the Government which were agreed with – through specific agendas – by the Parliament upon approval of Law no. 101 of 4 June 2008, regarding the conversion of the aforementioned Legislative Decree 59/08).

The Chief Executive Officer  
Mr Alberto Sacchi

*The manager in charge of drawing up the corporate accounting documents, Mr Graziano Settime, hereby declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.*

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