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intermediate management report as at 31
march 2016

Testo del comunicato

Si tramette il Comunicato Stampa - in lingua inglese - relativo all'approvazione del Resoconto Intermedio di gestione al 31.03.2016 da parte del CdA tenutosi in data odierna.



PRESS RELEASE

BOARD OF DIRECTORS APPROVES INTERMEDIATE MANAGEMENT REPORT AS AT 31 MARCH 2016

REVENUES +5%

INCREASE IN TRAFFIC +6.19%

Highlights of financial results as at 31 March 2016

- Revenues: EUR 245.3 million (+5%)
- EBITDA: EUR 142.4 million (+6.8%)
- Traffic: +6.19%
- Net financial indebtedness at 31 March 2016: EUR 1,197 million
- Investments in motorway infrastructures: EUR 41 million

Tortona, 11 May 2016. The ASTM Board of Directors, in today's meeting, reviewed and approved the "Intermediate Management Report as at 31 March 2016".

Highlights

Motorway traffic in the first quarter of 2016 **increased 6.19%** benefiting both from the additional day (as it is a leap year) and the fact that Easter was held in March (in 2015 it was in April). **Net toll revenues** increased **EUR 14.7 million**.

This increase, alongside growth in "other motorway revenues" (EUR +0.4 million) and higher "operating costs" (EUR +2.9 million, primarily due to different maintenance scheduling), resulted in an increase in the "motorway sector" gross operating margin of roughly EUR 12.2 million. Taking into account the change in the contribution of the "ancillary sectors" (EUR -3.1 million), the **gross operating margin** saw **growth** of **EUR 9.1 million**, amounting to **EUR 142.4 million**.

Investments in motorway assets in the quarter amounted to **EUR 41 million**.

As at 31 March 2016, "**adjusted net financial indebtedness**" totalled EUR 1,197 million (EUR 1,245.5 million as at 31 December 2015).

ANALYSIS OF MAIN ECONOMIC AND FINANCIAL FIGURES

MOTORWAY TRAFFIC PERFORMANCE

The figures for the first quarter of 2016 shows further consolidation of the recovery in traffic already seen in previous years. Specifically, traffic volumes grew 6.19% (light vehicles: +7.33%; heavy vehicles: +3.07%); this figure benefited both from the additional day in February 2016 (as it is a leap year) and the fact that Easter was held in March (in 2015 it was in April). Adjusted to take account of the leap year, the increase in traffic was about 5.04%.

GROUP INCOME DATA

The main **revenue and expenditure items** of the first quarter of 2016 (compared with those of the corresponding period of 2015) can be summarised as follows:

<i>(amounts in thousands of EUR)</i>	1st quarter 2016	1st quarter 2015	Changes
Motorway sector revenue – operating activities ⁽¹⁾	222,037	207,333	14,704
Construction and engineering sector revenue	3,212	5,761	(2,549)
Technology sector revenue	10,613	11,453	(840)
Parking sector revenue ⁽³⁾	732	720	12
Other revenues ⁽⁴⁾	8,753	8,455	298
Revenues (A)	245,347	233,722	11,625
Operating costs ⁽¹⁾⁽²⁾⁽⁴⁾ (B)	(102,929)	(100,406)	(2,523)
Gross operating margin (A+B)	142,418	133,316	9,102

(1) Amounts net of the fee/additional fee payable to ANAS (EUR 16.4 million in the first quarter of 2016 and EUR 15.5 million in the first quarter of 2015).

(2) With regard to motorway concession companies, IFRIC 12 requires full recognition in the income statement of costs and revenues for "construction activity" concerning non-compensated revertible assets. In order to provide a clearer representation in the table above, these components – amounting to EUR 41 million in the first quarter of 2016 and EUR 55.8 million in the first quarter of 2015 were reversed for the same amount from the corresponding revenue/cost items.

(3) Given the acknowledgement of a "minimum guaranteed amount" by the Granting Body, IFRIC12 requires: (i) the recognition in the financial statements of a financial receivable for the discounted amount of minimum cash flows guaranteed by the Granting Body; (ii) the decrease in revenues with regard to the portion attributable to the guaranteed minimum amount; and (iii) the recognition of financial income against said financial receivable. With regard to above, proceeds from parking activities and the gross operating margin of the subsidiary Fiera Parking S.p.A. were reduced by EUR 1 million, due to the so-called "minimum guaranteed amount".

(4) Amounts net of costs/revenues for reversals were EUR 1.4 million in 2016 (EUR 0.3 million in 2015)

The item "**motorway sector revenue**" totalled EUR 222 million (EUR 207.3 million in the first quarter of 2015) and breaks down as follows:

<i>(amounts in thousands of EUR)</i>	1st quarter 2016	1st quarter 2015	Changes
Net toll revenues	215,726	201,013	14,713
Rental income – Royalties from service areas	6,311	6,320	(9)
Total motorway sector revenue	222,037	207,333	14,704

The increase in "**net toll revenues**", equal to EUR 14.7 million (+7.32%) was due to the growth in traffic volumes for EUR 11.3 million (a 6.19% increase, which had a 5.65% effect on "net toll revenues" considering the traffic mix) and to a +1.67% increase in tolls as of 1 January 2016 (EUR 3.4 million), limited to the Turin-Milan stretch.

"**Rental income – Royalties from service areas**" is essentially unchanged compared to the first quarter of the previous year.

The "construction and engineering" sector showed a decrease in the quarter in the work carried out for both third parties and Group companies; this reduction is only partially reflected in "operating costs".

The "technology" sector shows a decrease in the activities carried out for third parties, with a subsequent reduction in "operating costs".

"**Parking sector revenue**" refers to the payments received (net of the so-called "minimum guaranteed amount") by Fiera Parking S.p.A. and are in line with the first quarter of 2015.

The increase in "operating costs" of EUR 2.5 million is the result of: (a) the increase in the costs of the motorway sector totalling EUR 2.9 million as a result of (i) higher costs for "maintenance of non-compensated revertible assets" (+4.7 million due to a different schedule of maintenance operations, (ii) higher payroll costs (EUR +0.8 million), (iii) lower costs for "winter services" (EUR -1.3 million) and (iv) lower costs for services and other operating costs (EUR -1.3 million), and (b) the decrease in operating costs of companies operating in "ancillary sectors" due to reduction in production carried out for third parties (EUR 0.4 million).

With regard to the above, the “*gross operating margin*” increased by EUR 9.1 million, broken down as follows:

(amounts in millions of EUR)	1st quarter 2016	1st quarter 2015	Changes
• Motorway sector	139.7	127.5	12.2
• Construction/engineering sector	0.8	3.0	(2.2)
• Technology sector	4.2	4.4	(0.2)
• Parking sector	0.3	0.3	-
• Services Sector (holding companies)	(2.6)	(1.9)	(0.7)
Total	142.4	133.3	9.1

The item **net financial indebtedness** breaks down as follows:

(amounts in thousands of EUR)	31/3/2016	31/12/2015	Changes
A) Cash and cash equivalents	860,813	1,176,540	(315,727)
B) Securities held for trading	545,569	-	545,569
C) Liquidity (A) + (B)	1,406,382	1,176,540	229,842
D) Financial receivables	457,797	480,167	(22,370)
E) Bank short-term borrowings	(19,780)	(18,155)	(1,625)
F) Current portion of medium/long-term borrowings	(236,931)	(176,232)	(60,699)
G) Other financial liabilities (current) ^(*)	(35,106)	(43,579)	8,473
H) Short-term borrowings (E) + (F) + (G)	(291,817)	(237,966)	(53,851)
I) Current net cash (C) + (D) + (H)	1,572,362	1,418,741	153,621
J) Bank long-term borrowings	(1,308,116)	(1,208,880)	(99,236)
K) Hedging derivatives	(110,234)	(107,018)	(3,216)
L) Bonds issued ^(*)	(1,218,715)	(1,217,437)	(1,278)
M) Other long-term payables	(1,620)	(1,671)	51
N) Long-term borrowings (J) + (K) + (L) + (M)	(2,638,685)	(2,535,006)	(103,679)
O) Net financial indebtedness^(**) (I) + (N)	(1,066,323)	(1,116,265)	49,942
P) Non-current financial receivables	50,400	49,237	1,163
Q) Discounted value of the payable due to ANAS-Central Insurance Fund	(181,139)	(178,479)	(2,660)
R) "Adjusted" net financial indebtedness (O) + (P) + (Q)	(1,197,062)	(1,245,507)	48,445

^(*) Net of “SIAS 2.625% 2005-2017” convertible bond held by the parent company ASTM (equal to approximately EUR 100.7 million)

^(**) Pursuant to CESR Recommendation

As at 31 March 2016, “*net financial indebtedness*” totalled EUR 1,066 million (EUR 1,116.3 million as at 31 December 2015).

In particular, it is worth mentioning that:

- the change in the item “*Cash and cash equivalents*” is attributable to (i) the investment in Brazilian bank deposit certificates (CDB – Santander-Bradesco-Intesa Sao Paolo-BNP Paribas) for a total of BRL 2,233.5, with a disbursement of about EUR 532.2 million (as described in detail under the item “*securities held for trading*”), (ii) the payment of interest on bond issues for around EUR 23.1 million (corresponding to a reduction in “*other financial liabilities (current)*”), (iii) the purchases of shares in Autocamionale della Cisa S.p.A. (EUR 17.2 million), (iv) the purchase of treasury shares (EUR 2.8 million) and (v) investments in motorway assets. These disbursements were partially offset by (i) the loan agreed by the Parent Company with UniCredit S.p.A. in December 2015 and disbursed in Q1 2016 for EUR 150 million, (ii) the receipt of EUR 26.7 million relative to “*non-deliverable forward*” derivatives entered into in January 2016 to hedge exchange rate risk connected to the new initiative in Brazil, (iii) the refund of an insurance policy that reached natural expiry taken out by the subsidiary SATAP S.p.A. (EUR 26.9 million) and (iv) operating liquidity generated in the period.
- the item “*securities held for trading*” comprises the subscription, as a temporary investment of liquidity in the above-mentioned Brazilian bank deposit certificates, pending the finalisation of the acquisition of joint control of Primav Infraestrutura

S.A., which took place on 4 May 2016; this item includes the interest accrued (EUR 3 million) and is shown at the EUR/BRL exchange rate at 31 March 2016 (EUR 10.4 million);

- the change in the item *"financial receivables"* (amounting to EUR 22.4 million) is due to: (i) the refund of the policy taken out by the subsidiary SATAP S.p.A. in 2010 with Allianz S.p.A. (EUR 26.9 million); (ii) the increase in receivables for the interconnection system (EUR 3.2 million); (iv) the assessment of income accrued on these policies (EUR 1 million), and (v) from other financial receivables (EUR 0.3 million);
- the change in the item *"bank short-term borrowings"* was mainly due to the use of available credit lines by Autostrada Asti-Cuneo S.p.A.;
- the change in the item *"current portion of medium/long-term borrowings"* was mainly the result of the reclassification of the item *"Bank long-term borrowings"*, of the loans taken out by the subsidiary SIAS S.p.A. with Barclays Bank Plc and instalments due in the next 12 months (EUR 50.8 million), the assessment of accrued interest (EUR 12 million) and the payment of instalments and interest due in the period (EUR 2.1 million);
- the change in *"other financial liabilities (current)"* is mostly attributable to: (i) the payment of interest on bond issues (EUR 23.1 million), (ii) the assessment of interest accrued in the period (EUR 11.5 million) and (iii) higher payables for the interconnection system and other payables (EUR 3.1 million);
- the change in the item *"Bank long-term borrowings"* was mainly due to (i) the opening of the aforesaid loan by the Parent Company (EUR 150 million) and (ii) the said reclassification from the item *"current portion of medium/long-term borrowings"* (EUR 50.8 million) of the loan instalments due in the following 12 months;
- *"hedging derivatives"* amount to EUR 110 million, due to the recognition of the negative difference concerning the fair value of IRS contracts. As at 31 March 2016, approximately 84% of the consolidated medium/long-term indebtedness is at *"fixed rate"/"hedged"*. The all-in **weighted average rate** related to total Group indebtedness is equal to **3.36%**;

With regard to the "adjusted net financial position", in addition to the above it is noted that:

- the item "non-current financial receivables" represents, as provided for in IFRIC 12, the discounted value of the medium/long-term portion of cash flows related to the so-called "minimum amount guaranteed by the Granting Body" with regard to the concession agreements signed by Fiera Parking S.p.A. and Euroimpianti Electronic S.p.A.;
- the change in the "discounted value of the payable due to ANAS-Central Insurance Fund" is due to the assessment of the charges for discounting the payable.

It is noted that the "net financial position" does not include units of "investment funds" for approximately EUR 10 million subscribed during the year in order to invest cash.

The **financial resources available** as at 31 March 2016 are broken down as follows:

(amounts in millions of EUR)

Cash and financial receivables	1,864
• Cassa Depositi e Prestiti loan (pertaining to SATAP S.p.A.)	350
• pool loan (pertaining to Sias S.p.A.)	270
• VAT loan (pertaining to Autovia Padana S.p.A.)	66
• "Uncommitted" credit lines (pertaining to ASTM S.p.A. and consolidated companies)	403
Subtotal	1,089
Total financial resources as at 31 March 2016	2,953

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE QUARTER

As reported in the press release of 28 April 2016, the general meeting of shareholders approved an increase in the share capital of ASTM S.p.A., against payment and with exclusion of the pre-emption right, in accordance with article 2441, paragraph four, clause one, of the Civil Code, for a maximum overall amount of EUR 5,499,300.00, plus a share premium of EUR 122,524,404.00 to be executed through the issue of 10,998,600 ordinary shares with no par value and with regular dividend rights, at an issue price of EUR 11.64 per share, through the contribution by Argo Finanziaria S.p.A. and its subsidiary Codelfa S.p.A. of the equity investments held in Itinera S.p.A. representing a total of 53.35% of its share capital.

The contribution agreement was signed today and will become effective after the 30-day term described in art. 2440, paragraph five, of the Civil Code unless (x) the check described in art. 2343-quater, paragraph one, second clause, of the Civil Code results in the application of art. 2343, paragraph two, of the Civil Code, or (y) a new valuation is requested pursuant to art. 2440, paragraph six, of the Civil Code.

As reported in the press release of 4 May 2016, SIAS S.p.A. and the parent company ASTM S.p.A. – via IGLI S.p.A. – have closed the transaction with CR Almeida S.A. Engenharia e Costrucoes (“CR Almeida”) for the acquisition by IGLI S.p.A. of joint control, together with Primav Construções e Comércio S.A. (a wholly-owned subsidiary of CR Almeida), of the Brazilian-law special purpose vehicle Primav Infraestrutura S.A., which holds 64% of the capital stock of Ecorodovias Infraestrutura e Logística S.A., a company that manages a motorway network of approx. 1,860 km in Brazil, and 55% of the capital stock of Concessionaria Monotrilho Linha 18 – Bronze S.A., which is active in the urban mobility industry.

BUSINESS OUTLOOK FOR THE CURRENT YEAR

Despite the fact that on 1 January 2016 the toll increases of the subsidiaries operating in the Italian motorway sector were recognised limited to the A4 Turin-Milan section, the positive signs of recovery in traffic, along with the expected recognition of the toll increases due on the other sections managed by the Group, should permit further consolidation of the income results of the ASTM Group for the current year. These results also reflect the effects of the transaction to acquire joint control of Ecorodovias and control of Itinera, which could enhance the strategic positioning and competitive strength of the Group in the reference markets over the medium term.

FILING OF DOCUMENTATION

The Intermediate Management Report as at 31 March 2016 is filed at the registered office and at Borsa Italiana S.p.A., on the authorised storage mechanism www.emarketstorage.com, and is available on the web site www.astm.it.

Please note that this communication on the consolidated results as at 31 March 2016 was made upon decision of the Board of Directors in continuity with past arrangements, pending clarifications on the regulatory framework set out in Legislative Decree 25 of 15 February 2016, which eliminated the obligation for listed companies to publish interim management reports, empowering CONSOB to assess the necessity of reintroducing mandatory publication of “additional periodic financial disclosures” within the limits and under the conditions set out in the said decree.

The Intermediate Management Report as at 31 March 2016 of the ASTM Group, as contained in this communication, does not constitute an interim report prepared in accordance with IAS 34 and is not subject to audit by the independent auditors.



The Manager in charge of drawing up the corporate accounting documents, Ms. Lucia Scaglione, hereby declares, pursuant to paragraph 2 of Article 154 bis of the Italian 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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Numero di Pagine: 8