



**SIAS GROUP**

**QUARTERLY REPORT  
AS AT 31 MARCH 2007**

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**SOCIETA' INIZIATIVE  
AUTOSTRADALI E SERVIZI**

Issued capital €63,750.000, fully paid-in  
Tax Registration and Turin  
Company Register No.: 08381620015  
Registered Office 22, Via Bonzanigo Turin  
website: [www.grupposias.it](http://www.grupposias.it)  
Subject to the direction and coordination of:  
Argo Finanziaria SpA

**BOARD OF DIRECTORS**

*Chairman*  
Bruno Binasco (1)

*Managing Director*  
Enrico Arona

*Directors*  
Gianfranco Boschetti  
Alessandro Braja (2)  
Ernesto Maria Cattaneo (2)  
Paolo Andrea Colombo  
Beniamino Gavio (1)  
Daniela Gavio  
Rinaldo Lascialfare  
Vincenzo Macchia  
Ferruccio Piantini (1)  
Paolo Pierantoni  
Gianfranco Pittatore  
Alberto Sacchi (2)

*Secretary*  
Cristina Volpe

- (1) Member of the Remuneration Committee
- (2) Member of the Internal Control Committee

**BOARD OF STATUTORY AUDITORS**

*Chairman*  
Lionello Jona Celesia

*Auditors*  
Alfredo Cavanenghi  
Ernesto Ramojno

*Alternate Auditors*  
Paolo della Valle  
Pietro Mandirola

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers SpA

**TERM OF OFFICE**

The Board of Directors and Board of Statutory Auditors were appointed by the General Meeting of Shareholders held on 6 May 2005 for three financial years, i.e. until the AGM's approval of the Financial Statement for 2007.

The Independent Auditors were appointed by the General Meeting of Shareholders held on 6 May 2005 for three financial years, i.e. until the AGM's approval of the Financial Statement for 2007.

**POWERS OF COMPANY OFFICERS**

The Chairman (appointed on 6 May 2005) is authorized under Art. 24 of the Articles of Association to represent the Company in law. The Board of Directors resolved on 16 May 2005 to appoint a Managing Director with full powers to manage the company, excepting only those which are explicitly reserved by law to the Board itself.

**REPORT BY THE BOARD OF DIRECTORS**

## 1. SIGNIFICANT EVENTS FOR THE THREE MONTHS ENDED 31 MARCH 2007

### **Relations with the Concession-awarding Authority**

So far as relations with the Concession-awarding Authority ANAS are concerned, and further to the full account given in the Board's Annual Report accompanying the Consolidated Financial Statement for 31 December 2006, we should recall that on 10 March 2007 ANAS announced toll revisions in accordance with a special Interministerial Order (issued by the Infrastructure and Economics Ministries): in view of certain alleged "financial advantages" connected with the postponement in the carrying out of certain investments provided for in the Revenue, Expenditure and Financial Plans, SALT SpA was allowed no increase in toll rates at all (instead of a requested 1.88%), on the assumption of a 1.93% "advantage" arising from the postponement of the investments provided for, while CISA SpA got 0.88% instead of 1.24%; only ADF SpA was awarded the full increase it had applied for (1.54%); these toll increases have been applied from 15 March 2007. SALT SpA and CISA SpA lost no time in challenging the method and the substantive amounts of the ANAS/interministerial awards; they reserved their right to advance their own arguments in any hearing with a view to vindicating their rights and interests, and indeed winning compensation for all losses already incurred and still to be incurred as a result of the refusal to bring toll rates up to date as required under the concession contracts in force at the time; Autostrada dei Fiori SpA, for its part, claimed compensation for losses due to the unenhanced toll tariffs applied during the period 1 January – 14 March 2007.

Moreover, as part of the measures instituted in order to fund ANAS itself, Law 296/06 of 27 December 2006 (the 2007 Finance Act) provided that from 1 January 2007 the annual concession lease payment will rise from 1% to 2.4% of total net toll receipts; this is also being challenged in court by the concession companies.

### **Investments acquisition**

During the quarter the Group's stake in **Generali Assicurazioni SpA** has increased, and at present stands at 0.23%; the Group has also acquired a stake of 32.85% in the share capital of FIMPRE **Finanziaria Imprenditoriale Srl**, which owns 50% of the motorway construction company CODELFA SpA.

## 2. ANALYSIS OF THE SIAS GROUP'S RESULTS FOR THE FIRST QUARTER OF 2007

The main **revenue and expenditure items** for the three months ended 31 March 2007 (with the corresponding 2006 figures for comparison) can be summarised as follows:

<i>(€000s)</i>	<b>Q1 2007</b>	<b>Q1 2006</b>	<b>Change</b>
<b>Motorway Sector revenue</b>	81,347	77,162	4,185
<b>Technology Sector revenues</b>	8,637	6,305	2,332
<b>Construction and Engineering Sector sales</b>	2,104	1,479	625
<b>Other revenues</b>	6,802	6,736	66
<b>Total turnover (A)</b>	<b>98,890</b>	<b>91,682</b>	<b>7,208</b>
<b>Total operating costs (B)</b>	<b>(63,130)</b>	<b>(60,635)</b>	<b>(2,495)</b>
<b>Capitalised costs on fixed assets (C)</b>	<b>17,372</b>	<b>18,737</b>	<b>(1,365)</b>
<b>Gross operating margin (A+B+C)</b>	<b>53,132</b>	<b>49,784</b>	<b>3,348</b>

Despite being awarded only part of the toll adjustments to which it should be entitled – and even that being applied late – and despite the €1.1m increase in the concession lease payments to ANAS, dynamic growth this quarter in each of the Group's business sectors has boosted operating profit (EBITDA) by 6.7% overall, compared with the same period last year.

In detail: motorway operating revenue rose by some €4.2m; this 5.4% increase is almost entirely due to the vigorous growth in traffic, since the toll adjustment finally awarded to Autostrada dei Fiori SpA (1.54%) and Autocamionale della Cisa SpA (0.88%) only came into effect on 15 March 2007.

Technology Sector revenue rose by approximately €2.3m, following greater activity in connection with the installation and maintenance of motorway technology systems.

The increase in revenue from the Construction and Engineering Sector is the result of this quarter's "sales mix", in which a rise in work done for non-Group customers outweighed the overall decline in activities due to a reduction in the work amount for Group companies (reflected in the lower amount for "Capitalised Costs on Fixed Assets").

The change in operating costs is the net result of a rise in motorway concessionaires' expenses (mainly due to the higher concession lease payment) and those of the Technology Sector subsidiaries, and the current lower expenditure by subsidiaries in the Construction and Engineering Sector.

As a result of all these changes, Gross Operating Margin is some €3.3m higher (+6.7%).

The main components affecting the **cash flow position** can be summarised as follows:

<i>(€000s)</i>	<b>31/3/2007</b>	<b>31/12/2006</b>	<b>Change</b>
A) Cash and near-cash	225,060	240,575	(15,515)
B) Securities held for trading	-	-	-
<b>C) Liquid funds (A) + (B)</b>	<b>225,060</b>	<b>240,575</b>	<b>(15,515)</b>
<b>D) Financial receivables (*)</b>	<b>155,391</b>	<b>154,193</b>	<b>1,198</b>
E) Short-term bank debt	(80,520)	(96,024)	15,504
F) Short-term portion of long-term debt	(36,998)	(30,483)	(6,515)
G) Other short-term financial debt	(684)	(815)	131
<b>H) Total short-term financial debt</b>	<b>(118,202)</b>	<b>(127,322)</b>	<b>9,120</b>
<b>I) (Indebtedness) net short-term financial liquidity (C) + (D) + (H)</b>	<b>262,249</b>	<b>267,446</b>	<b>(5,197)</b>
J) Medium/long-term bank debt	(419,126)	(417,013)	(2,113)
K) Bonds issued	(286,606)	(285,667)	(939)
L) Other long/medium-term debts	(919)	(959)	40
<b>M) Long/medium-term financial indebtedness (J) + (K) + (L)</b>	<b>(706,651)</b>	<b>(703,639)</b>	<b>(3,012)</b>
<b>N) (Indebtedness) Net financial liquidity (I) + (M)</b>	<b>(444,402)</b>	<b>(436,193)</b>	<b>(8,209)</b>

(\*) This heading refers to endowment contracts and indexed, guaranteed-capital financial instruments which, though not due for more than one year, can readily be encashed on demand.

The Group's net financial position on 31 March 2007 showed net indebtedness of €444.4m (€436.2m on 31 December 2006); this figure rises to €754m (€742m on 31 December 2006), if the discounted present value of the sums due to the Central Guarantee Fund and ANAS is included. Some €32m of the bank debt is guaranteed by the State.

Cashflow generated by operations has been applied partly to investments enhancing the Group's motorway infrastructure and partly to the acquisition – by the Holding Company – of a total of some €23.4m of shareholdings.

### 3. ANALYSIS OF MAIN SUBSIDIARIES' RESULTS FOR THE FIRST QUARTER OF 2007

#### Motorway Sector

Società Autostrada Ligure Toscana S.p.A.



The key **income and expenditure figures** for the three months ended 31 March 2007 (with the corresponding 2006 figures for comparison) can be summarised as follows:

<i>(€000s)</i>	<b>Q1 2007</b>	<b>Q1 2006</b>	<b>Change</b>
<b>Motorway operating revenue</b>	36,153	34,193	1,960
<b>Other revenues</b>	2,320	2,214	106
<b>Total turnover (A)</b>	<b>38,473</b>	<b>36,407</b>	<b>2,066</b>
<b>Operating costs (B)</b>	<b>(16,675)</b>	<b>(15,378)</b>	<b>(1,297)</b>
<b>Gross operating margin (A-B)</b>	<b>21,798</b>	<b>21,029</b>	<b>769</b>

Total turnover was €38.5m (€36.4m in the first quarter of 2006).

Net Toll Receipts came to €34.3, up about €1.8m compared with the same period in 2006; the 5.53% rise has been completely due to the traffic increase during the period, since ANAS had not allowed the Company its contractually-deserved toll increase.

Operating Costs for the first quarter of 2007 were €16.7m (€15.4m in the first quarter of 2006), higher following the increase in maintenance costs and in the concession payment levied on tolls.

The net effect of the above figures is that Gross Operating Margin rose to €21.8m, up €0.8m from the corresponding period last year (+3.66%).

The main components affecting the **cash flow position** can be summarised as follows:

<i>(€000s)</i>	<b>31/3/2007</b>	<b>31/12/2006</b>	<b>Change</b>
A) Cash and near-cash	33,890	23,782	10,108
B) Securities held for trading	-	-	-
<b>C) Liquid funds (A) + (B)</b>	<b>33,890</b>	<b>23,782</b>	<b>10,108</b>
<b>D) Financial receivables (*)</b>	<b>74,258</b>	<b>73,662</b>	<b>596</b>
E) Short-term bank debt	-	-	-
F) Short-term portion of long-term debt	(27,471)	(27,471)	-
G) Other short-term financial debt	-	-	-
<b>H) Total short-term financial debt</b>	<b>(27,471)</b>	<b>(27,471)</b>	<b>-</b>
<b>I) (Indebtedness) net short-term financial liquidity (C) + (D) + (H)</b>	<b>80,677</b>	<b>69,973</b>	<b>10,704</b>
J) Medium/long-term bank debt	(180,072)	(180,009)	(63)
K) Bonds issued	-	-	-
L) Other long/medium-term debts	-	-	-
<b>M) Long/medium-term financial indebtedness (J) + (K) + (L)</b>	<b>(180,072)</b>	<b>(180,009)</b>	<b>(63)</b>
<b>N) (Indebtedness) Net financial liquidity (I) + (M)</b>	<b>(99,395)</b>	<b>(110,036)</b>	<b>10,641</b>

(\*) This consisted of an endowment contract which, though not due for more than one year, can readily be encashed on demand.

The financial position on 31 March 2007 was better than on 31 December 2006, showing total net indebtedness of €9.4m; if the discounted present value of the sums due to the Central Guarantee Fund and ANAS were included, this figure would be €170.1m (€179.9m on 31 December 2006).

The financial position on 31 March 2007 includes approximately €27.6m of State-guaranteed loans.

The improvement in the net financial position is largely due to cash flow generated by operations during the period considered.

## Autostrada dei Fiori S.p.A



The key **income and expenditure figures** for the three months ended 31 March 2007 (with the corresponding 2006 figures for comparison) can be summarised as follows:

(€000s)	Q1 2007	Q1 2006	Change
<b>Motorway operating revenue</b>	30,731	29,130	1,601
<b>Other revenues</b>	2,774	3,449	(675)
<b>Total turnover (A)</b>	<b>33,505</b>	<b>32,579</b>	<b>926</b>
<b>Operating costs (B)</b>	<b>(16,791)</b>	<b>(16,565)</b>	<b>(226)</b>
<b>Gross operating margin (A-B)</b>	<b>16,714</b>	<b>16,014</b>	<b>700</b>

Total turnover was €33.5m (€32.6m in the first quarter of 2006).

Net Toll Receipts came to €29.2, up €1.6m compared with the same period in 2006; this 5.82% increase is almost entirely due to the traffic increase (+6.9% for light vehicles and +2.1% for heavy ones) since the toll adjustment (1.54%) only came into effect on 15 March 2007.

The decrease in Other Revenues is related to the lesser amount of work carried out on behalf of ANAS SpA.

The rise in Operating Costs is basically the net effect of the increase in the concession payment levied on tolls and the absence of costs similar to last year's for work carried out on behalf of ANAS.

The net effect of all the above figures is that Gross Operating Margin rose in the first quarter of 2007 by 4.37% to reach €16.7m (€16m in the first quarter of 2006).

The main components affecting the **cash flow position** can be summarised as follows:

<i>(€000s)</i>	<b>31/3/2007</b>	<b>31/12/2006</b>	<b>Change</b>
A) Cash and near-cash	1,427	3,128	(1,701)
B) Securities held for trading	-	-	-
<b>C) Liquid funds (A) + (B)</b>	<b>1,427</b>	<b>3,128</b>	<b>(1,701)</b>
<b>D) Financial receivables (*)</b>	<b>20,400</b>	<b>20,214</b>	<b>186</b>
E) Short-term bank debt	(68,027)	(76,218)	8,191
F) Short-term portion of long-term debt	(6,347)	(6,347)	-
G) Other short-term financial debt	-	-	-
<b>H) Total short-term financial debt</b>	<b>(74,374)</b>	<b>(82,565)</b>	<b>8,191</b>
<b>D) (Indebtedness) net short-term financial liquidity (C) + (D) + (H)</b>	<b>(52,547)</b>	<b>(59,223)</b>	<b>6,676</b>
J) Medium/long-term bank debt	(105,949)	(106,378)	429
K) Bonds issued	-	-	-
L) Other long/medium-term debts	-	-	-
<b>M) Long/medium-term financial indebtedness (J) + (K) + (L)</b>	<b>(105,949)</b>	<b>(106,378)</b>	<b>429</b>
<b>N) (Indebtedness) Net financial liquidity (I) + (M)</b>	<b>(158,496)</b>	<b>(165,601)</b>	<b>7,105</b>

(\*) This heading refers to an indexed, guaranteed-capital financial instrument which, though not due for more than one year, can readily be encashed on demand.

The financial position on 31 March 2007 was better than on 31 December 2006, showing total net indebtedness of €158.5m; if the discounted present value of the sums due to the Central Guarantee Fund were included, this figure would be €301.1m (€306.4m on 31 December 2006). Some €4.4m of Bank Debt is guaranteed by the State.

The net improvement in the financial position is largely due to cash flow generated by operations during the quarter.

## Autocamionale della Cisa S.p.A



The key **income and expenditure figures** for the three months ended 31 March 2007 (with the corresponding 2006 figures for comparison) can be summarised as follows:

(€000s)	Q1 2007	Q1 2006	Change
<b>Motorway operating revenue</b>	15,272	14,620	652
<b>Other revenues</b>	1,904	1,709	195
<b>Total turnover (A)</b>	<b>17,176</b>	<b>16,329</b>	<b>847</b>
<b>Operating costs (B)</b>	<b>(7,204)</b>	<b>(7,318)</b>	<b>114</b>
<b>Gross operating margin (A-B)</b>	<b>9,972</b>	<b>9,011</b>	<b>961</b>

Total turnover was €17.2m (€16.3m in the first quarter of 2006).

Net Toll Receipts came to €4.2, up about €0.6m compared with the same period in 2006; this 4.39% increase is almost entirely due to the rise in traffic since the toll adjustment allowed (0.88%, only a fraction of what was contractually deserved) came into effect from 15 March 2007.

In spite of the rise in the concession payment levied on tolls, Operating Costs were in line with the figure for the corresponding period of 2006.

The cost stability, despite a significant increase in motorway operating revenue, produced a Gross Operating Margin of €10m, about €1m up (+10.7%) from the same period last year.

The main components affecting the **cash flow position** can be summarised as follows:

<i>(€000s)</i>	<b>31/3/2007</b>	<b>31/12/2006</b>	<b>Change</b>
A) Cash and near-cash	2,787	2,982	(195)
B) Securities held for trading	-	-	-
<b>C) Liquid funds (A) + (B)</b>	<b>2,787</b>	<b>2,982</b>	<b>(195)</b>
<b>D) Financial receivables (*)</b>	<b>60,733</b>	<b>60,317</b>	<b>416</b>
E) Short-term bank debt	(5,000)	(5,000)	-
F) Short-term portion of long-term debt	-	-	-
G) Other short-term financial debt	-	-	-
<b>H) Total short-term financial debt</b>	<b>(5,000)</b>	<b>(5,000)</b>	<b>-</b>
<b>I) (Indebtedness) net short-term financial liquidity (C) + (D) + (H)</b>	<b>58,520</b>	<b>58,299</b>	<b>221</b>
J) Medium/long-term bank debt	(132,586)	(130,107)	(2,479)
K) Bonds issued	-	-	-
L) Other long/medium-term debts	-	-	-
<b>M) Long/medium-term financial indebtedness (J) + (K) + (L)</b>	<b>(132,586)</b>	<b>(130,107)</b>	<b>(2,479)</b>
<b>N) (Indebtedness) Net financial liquidity (I) + (M)</b>	<b>(74,066)</b>	<b>(71,808)</b>	<b>(2,258)</b>

(\*) This consisted of an endowment contract which, though not due for more than one year, can readily be encashed on demand.

The financial position on 31 March 2007 shows total net indebtedness of €74.1m; if the discounted present value of the sums due to the Central Guarantee Fund and ANAS were included, this figure would be €170.4m (€167m on 31 December 2006).

The change in the net financial position compared with 31 December 2006 is mainly related to the ongoing scheduled investments relating to motorway fabric.

### **Autostrada Asti-Cuneo S.p.A**

Autostrada Asti-Cuneo SpA was set-up on 1 March 2006 and is awaiting the Interministerial Order approving the concession to build and operate the stretch of motorway from Asti to Cuneo; it is still at the pre-operational stage.

In the first quarter of 2007 the company had a negative Gross Operating Margin (-€0.3m). This is essentially related to the start-up costs of its main business functions: Technical, Operations, Maintenance and Company Administration/Financial Management.

The net financial position on 31 March 2007 showed a surplus of some €49.5m, the shareholders having now paid in the agreed proportion (25%) of the authorized share capital.

## **Technology Sector**

### **SSAT S.p.A**

Turnover in the first quarter of 2007 was €1.9m (Q1 2006: €2.2m). The change is almost entirely due to the absence, in this quarter, of revenues from work performed for the CAVTOMI Consortium, (€0.4m in the first quarter of 2006); but this reduction was virtually balanced by a similar fall in Costs for Services.

Operating Costs in the first quarter of 2007 were €1.3m (€1.6m in the first quarter of 2006).

The net effect of the above figures is that Gross Operating Margin for the first quarter of 2007 was €0.6m (€0.5m for the same period last year).

The financial position on 31 March 2007 showed a surplus of €1.7m (€1.8m on 31 December 2006).

### **SINELEC S.p.A**

Total turnover was €6.9m (€6.6m in the first quarter of 2006).

Operating Costs for the first quarter of 2007 were €5.7m (€5.3m in the first quarter of 2006).

The net effect of the above figures is that Gross Operating Margin for the first quarter of 2007 was €1.2m (€1.3m in the first quarter of 2006).

The financial position on 31 March 2007 showed a surplus of €0.9m (€3.4m on 31 December 2006). The fall in cash flow is essentially due to the payment of the dividend for 2006.

### **EURO IMPIANTI ELECTRONIC S.p.A**

This company's business (the design, manufacture and installation of electrical, electronic and telephone equipment for companies working in the Motorway Sector) grew significantly this quarter, achieving sales of €5.1m (€2.2m in the first quarter of 2006); Operating Costs were €4.6m (€1.8m in the first quarter of 2006), and Gross Operating Margin for the quarter accordingly came to €0.5m (€0.4m in the first quarter of 2006).

The financial position on 31 March 2007 showed a surplus of €2.1m (€1.6m on 31 December 2006).

## **Construction Sector**

### **ABC Costruzioni S.p.A**

Total turnover was €21.7m (€22.5m in the first quarter of 2006), virtually all representing work done for SIAS Group motorway concession companies.

Operating Costs for the first quarter of 2007 were €19.1m (€20.8m in the first quarter of 2006). The net effect of the above figures is that Gross Operating Margin this quarter came to €2.6m (€1.7m in the first quarter of 2006).

The financial position on 31 March 2007 showed a surplus of €4.8m (€4m on 31 December 2006).

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#### **4. SUBSEQUENT MATERIAL EVENTS**

There have been no such events from March 31, 2007 to date.

#### **5. FORECAST FOR THE CURRENT YEAR**

So far as the Motorway Sector is concerned, toll receipts should – like traffic levels – continue the vigorous growth of the year's early months. The Technology Sector and Construction Sectors should consolidate the good income and expenditure results achieved so far.

We expect, accordingly, that the full financial year 2007 will see an improvement in the operating profitability of the SIAS Group following a healthy growth in toll receipts and a growing contribution from the companies working in the so-called "Technology" and "Construction" Sectors.

## **CONSOLIDATED ACCOUNTS**

**SIAS GROUP**  
**CONSOLIDATED QUARTERLY REPORT AS OF 31 MARCH 2007**

ACCOUNTS – CONSOLIDATED OPERATING TURNOVER AND PROFIT FIGURES

(€000s)	Q1 2007	Q1 2006	Change
<b>(A) Total turnover</b>			
1) Motorway Sector revenue	81,347	77,162	4,185
2) Technology Sector revenue	8,637	6,305	2,332
3) Construction and Engineering Sector sales	2,104	1,479	625
4) Other revenues	<u>6,802</u>	<u>6,736</u>	<u>66</u>
<b>T o t a l</b>	<b>98,890</b>	<b>91,682</b>	<b>7,208</b>
<b>(B) Operating Costs</b>			
5) Staff Costs	(20,588)	(19,668)	(920)
6) Costs of services bought in	(26,573)	(25,921)	(652)
7) Raw materials costs	(11,725)	(11,196)	(529)
8) Other costs	(4,244)	(3,850)	(394)
9) Capitalised costs on fixed assets	<u>17,372</u>	<u>18,737</u>	<u>1,365</u>
<b>T o t a l</b>	<b>(45,758)</b>	<b>(41,898)</b>	<b>(3,860)</b>
<b>GROSS PROFIT FROM OPERATIONS (A) - (B)</b>	<b>53,132</b>	<b>49,784</b>	<b>3,348</b>

**SIAS GROUP**  
**CONSOLIDATED QUARTERLY REPORT AS OF 31 MARCH 2007**

ACCOUNTS – NET CONSOLIDATED CASH FLOW

<i>(€000s)</i>	<b>31/3/2007</b>	<b>31/12/2006</b>
A) Cash and near-cash	225,060	240,575
B) Securities held for trading	-	-
<b>C) Liquid funds (A) + (B)</b>	<b>225,060</b>	<b>240,575</b>
<b>D) Financial receivables (*)</b>	<b>155,391</b>	<b>154,193</b>
E) Short-term bank debt	(80,520)	(96,024)
F) Short-term portion of long-term debt	(36,998)	(30,483)
G) Other short-term financial debt	(684)	(815)
<b>H) Total short-term financial debt</b>	<b>(118,202)</b>	<b>(127,322)</b>
<b>I) (Indebtedness) net short-term financial liquidity (C) + (D) + (H)</b>	<b>262,249</b>	<b>267,446</b>
J) Medium/long-term bank debt	(419,126)	(417,013)
K) Bonds issued	(286,606)	(285,667)
L) Other long/medium-term debts	(919)	(959)
<b>M) Long/medium-term financial indebtedness (J) + (K) + (L)</b>	<b>(706,651)</b>	<b>(703,639)</b>
<b>N) (Indebtedness) Net financial liquidity (I) + (M)</b>	<b>(444,402)</b>	<b>(436,193)</b>

(\*)This heading refers to endowment contracts and indexed, guaranteed-capital financial instruments which, though not due for more than one year, can readily be encashed on demand.

**NOTES TO THE  
CONSOLIDATED FINANCIAL STATEMENTS**

**CONTENT OF THE QUARTERLY REPORT**

The quarterly report for the three months ended 31 March 2007 has been prepared in accordance with the International Accounting Standards (IAS/IFRS). Last year's figures given for comparison are accordingly also prepared in accordance with those accounting standards. This document has been prepared in accordance with the provisions of Art. 82 of the Implementing Regulations (Listed Companies) of the Consolidated Financial Regulation Act, Legislative Order No. 58 of 1998 (CONSOB Resolution No. 11971 of 14 May 1999, as amended.).

Some estimating procedures may be used which differ from those normally adopted in the drawing up of the annual accounts; these are nevertheless such as to be capable of providing reliable information. Details of such procedures (if any) are given in the Notes.

The Company has opted, as permitted under CONSOB Resolution No. 11661 of 20/10/98, to express amounts in both the Accounts and the accompanying Notes in thousands of euros.

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## OPERATING TURNOVER AND PROFITS

### *Motorway operating revenue*

The breakdown of this item is as follows:

<i>(€000s)</i>	Q1 2007	Q1 2006	Change
- Toll income	79,934	75,381	4,553
- Less: State levy	<u>(2,316)</u>	<u>(1,715)</u>	<u>(601)</u>
<b>Net toll receipts (a)</b>	<b>77,618</b>	<b>73,666</b>	<b>3,952</b>
Other income: rent received (b)	<u>3,729</u>	<u>3,496</u>	<u>233</u>
<b>Motorway operating revenue (a + b)</b>	<b>81,347</b>	<b>77,162</b>	<b>4,185</b>

Toll income for the first quarter of 2007 has been calculated on the basis of the actual figures for 28 February 2007 and an estimate of the amounts for March, based on traffic levels reported by the individual toll points.

Net Toll Receipts in the first quarter of 2007 came to €77.6, about €4m higher than in the same period in 2006; this 5.36% increase is almost entirely due to the rise in traffic, since the toll adjustment awarded to Autostrada dei Fiori SpA (1.54%) and Autocamionale della Cisa SpA (0.88%) only came into effect on 15 March 2007.

Other income are mainly represented by motorway service area rentals received.

### *Construction and Engineering Sector Revenue*

Details of these revenues are as follows:

<i>(€000s)</i>	Q1 2007	Q1 2006	Change
- Revenues from construction and design work, and changes in work in progress on orders received	1,682	866	816
- Other revenues	<u>422</u>	<u>613</u>	<u>(191)</u>
<b>Total</b>	<b>2,104</b>	<b>1,479</b>	<b>625</b>

This concerns total sales outside the Group made by the controlled subsidiaries ABC Costruzioni SpA, Cisa Engineering SpA, LAS Scarl and TiBre Scarl. The amount has been entered net of motorway maintenance and improvement charges invoiced within the Group to SALT SpA, Autostrada dei Fiori SpA, Autocamionale della Cisa SpA and Autostrada Asti-Cuneo SpA.

These revenues reflect a growth in sales outside the Group, while – as the change in the item Capitalised Costs on Fixed Assets shows – sales to SIAS Group companies were considerably lower.

### **Technology Sector revenues**

These revenues were made up as follows:

<i>(€000s)</i>	Q1 2007	Q1 2006	Change
- Sales	7,164	5,392	1,772
- Changes in work in progress on orders received	1,301	917	384
- Changes in product under preparation, semi-finished and finished goods and other revenues	<u>172</u>	<u>(4)</u>	<u>176</u>
<b>Total</b>	<b>8,637</b>	<b>6,305</b>	<b>2,332</b>

This revenue is the entire production of the controlled subsidiaries Sinelec SpA, SSAT SpA, Infosystem SpA and Euroimpianti Electronic SpA. The amount has been entered net of motorway maintenance and improvement sales invoiced within the Group to SALT SpA, Autostrada dei Fiori SpA, Autocamionale della Cisa SpA and Autostrada Asti-Cuneo SpA. The increase in the quarter is due to higher sales by the controlled subsidiaries Infosystem SpA and Euroimpianti SpA.

### **Other revenues and receipts**

These were made up as follows:

<i>(€000s)</i>	Q1 2007	Q1 2006	Change
- Compensation for damages	882	882	-
- Recovery of expenses and similar receipts	2,126	2,026	106
- Benefit during the period from the discounting of the sum due to ANAS – Central Guarantee Fund	3,768	3,803	(35)
- Operating subsidies	<u>26</u>	<u>31</u>	<u>(5)</u>
<b>Total</b>	<b>6,802</b>	<b>6,736</b>	<b>66</b>

The heading “benefit during the period from the discounting of the sum due to ANAS - Central Guarantee Fund” refers to the portion of the difference between the original amount of the debt and its present value.

## OPERATING COSTS

### Staff costs

Details of this item are as follows:

(€000s)	Q1 2007	Q1 2006	Change
- Wages and salaries	14,783	14,037	746
- Social sec. & pension costs	4,760	4,574	186
- Severance Pay Fund (TFR)	951	945	6
- Other costs	<u>94</u>	<u>112</u>	<u>(18)</u>
<b>Total</b>	<b>20,588</b>	<b>19,668</b>	<b>920</b>

Higher staff costs are due, for the most part, to the greater activity of the companies working in the Technology Sector and the cost of Autostrada Asti-Cuneo SpA staff hired during the second half of 2006.

### Costs of services bought in

This item breaks down as follows:

(€000s)	Q1 2007	Q1 2006	Change
Maintenance of non-compensated reversionary assets	6,699	6,903	(204)
Other costs relating to non-compensated reversionary assets	530	839	(309)
Other costs for services	<u>19,344</u>	<u>18,179</u>	<u>1,165</u>
<b>Total</b>	<b>26,573</b>	<b>25,921</b>	<b>652</b>

The heading “maintenance of non-compensated reversionary assets” has been entered net of amounts billed to concession companies within the Group by Group companies in the Construction and Technology Sectors. The total amount of **maintenance** carried out in the first three months of 2007 was **€14,437,000** (€13,687,000 in the first quarter of 2006). Better weather than in the corresponding period of 2006 allowed certain maintenance operations to be done earlier, and reduced the costs of winter services (in the heading “Other costs relating to non-compensated reversionary assets”).

The heading “Other costs for services” essentially comprises charges for professional services, legal advice and support, the remuneration of the Board of Directors, and also the subcontractor services provided to the subsidiaries ABC Costruzioni SpA, Euroimpianti Electronic SpA and Cisa Engineering SpA.

The amount is higher this quarter because of the Technology companies’ higher level of activity than in the same period last year.

### Raw material costs

This expenditure item breaks down as follows:

<i>(€000s)</i>	Q1 2007	Q1 2006	Change
Raw materials, consumables and input products	11,893	11,373	520
Change in stocks of raw materials, consumables and input products	<u>(168)</u>	<u>(177)</u>	<u>9</u>
<b>Total</b>	<b>11,725</b>	<b>11,196</b>	<b>529</b>

This heading refers to raw materials and subsidiary inputs, including consumables; it mainly involves the controlled subsidiaries ABC Costruzioni SpA, Euro Impianti Electronic SpA, Infosystem SpA and SINELEC SpA.

The difference compared with the corresponding period of last year is related to the increase (already mentioned) in business done by the companies operating in the Technology Sector.

### Other Operating Costs

This expenditure item breaks down as follows:

<i>(€000s)</i>	Q1 2007	Q1 2006	Change
Rental and hire costs	1,430	1,997	(567)
Concession payments	1,955	823	1,132
Other operating expenses	<u>859</u>	<u>1,030</u>	<u>(171)</u>
<b>Total</b>	<b>4,244</b>	<b>3,850</b>	<b>394</b>

“Rental and hire costs” mainly refers to operating leases on cars and other motor vehicles, computers, printers, and premises used by Group companies. The item is smaller in view of the decreased activity of ABC Costruzioni SpA.

The significant increase in the concession payment is due to the fact that Law 296/06 of 27 December 2006 (the 2007 Finance Act) included measures for funding ANAS which provided for an increase in this payment from 1 January 2007, from 1% to 2.4% of total net toll receipts.

### Capitalised costs for in-house work

This heading, totalling €17,372,000 (€18,737,000 in the first quarter of 2006), mainly relates to the capitalisation of in-house work carried out within the Group and capitalised as an increase in Non-Compensated Reversionary Assets. The figure is lower than that for the same period last year because of the reduction in business done for Group companies, as already mentioned.

## NET CONSOLIDATED CASH FLOW

(€000s)	31/3/2007	31/12/2006	Change
A) Cash and near-cash	225,060	240,575	(15,515)
B) Securities held for trading	-	-	-
<b>C) Liquid funds (A) + (B)</b>	<b>225,060</b>	<b>240,575</b>	<b>(15,515)</b>
<b>D) Financial receivables (*)</b>	<b>155,391</b>	<b>154,193</b>	<b>1,198</b>
E) Short-term bank debt	(80,520)	(96,024)	15,504
F) Short-term portion of long-term debt	(36,998)	(30,483)	(6,515)
G) Other short-term financial debt	(684)	(815)	131
<b>H) Total short-term financial debt</b>	<b>(118,202)</b>	<b>(127,322)</b>	<b>9,120</b>
<b>I) (Indebtedness) net short-term financial liquidity (C) + (D) + (H)</b>	<b>262,249</b>	<b>267,446</b>	<b>(5,197)</b>
J) Medium/long-term bank debt	(419,126)	(417,013)	(2,113)
K) Bonds issued	(286,606)	(285,667)	(939)
L) Other long/medium-term debts	(919)	(959)	40
<b>M) Long/medium-term financial indebtedness (J) + (K) + (L)</b>	<b>(706,651)</b>	<b>(703,639)</b>	<b>(3,012)</b>
<b>N) (Indebtedness) Net financial liquidity (I) + (M)</b>	<b>(444,402)</b>	<b>(436,193)</b>	<b>(8,209)</b>

(\*)This heading refers to endowment contracts and indexed, guaranteed-capital financial instruments which, though not due for more than one year, can readily be encashed on demand.

The financial position of the Group on 31 March 2007 showed total net indebtedness of €444.4m (€436.2m on 31 December 2006); if the discounted present value of the sums due to the Central Guarantee Fund and ANAS were included, this figure would be €754m (€742m on 31 December 2006). Some €32m of Bank Debt was guaranteed by the State.

Cash flow generated by operations was in part invested in motorway infrastructure enhancements and in part used to pay for the acquisition– by the Holding Company – of shareholdings amounting in all to some €23.4m.

Turin, 4 May 2007

for the Board of Directors  
Dr. Bruno Binasco, Chairman