



**SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT 31 DECEMBER 2007**

**SOCIETÀ INIZIATIVE  
AUTOSTRADALI E SERVIZI**

Società per Azioni (public limited company)  
Share capital EUR 113,750,000 fully paid-up  
Tax code and registration number at the Register of Companies of Turin: 08381620015  
Registered Office in Turin - Via Bonzanigo 22  
Web site: [www.grupposias.it](http://www.grupposias.it)  
Management and coordination: Argo Finanziaria S.p.A.

**MEMBERS OF THE BOARD OF DIRECTORS**

*Chairman*  
Bruno Binasco

*Managing Director*  
Enrico Arona

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

*Secretary*  
Cristina Volpe

- (1) Members of the "Remuneration Committee"  
(2) Members of the "Internal Auditing Committee"

**BOARD OF STATUTORY AUDITORS**

*Chairman*  
Lionello Jona Celesia

*Standing Auditors*  
Alfredo Cavanenghi  
Ernesto Ramojno

*Substitute Auditors*  
Paolo Della Valle  
Pietro Mandirola

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers S.p.A.

TERM OF OFFICE

The Board of Directors and the Board of Statutory Auditors were appointed for three financial years by the Shareholders' Meeting on 6 May 2005 and their term of office will expire with the approval by the Shareholders' Meeting of the 2007 Financial Statements. The Independent Auditors were appointed by the above-mentioned Shareholders' Meetings and are in office for three financial years. Their term of office will expire with the approval by the Shareholders' Meeting of the 2007 Financial Statements.

POWERS OF COMPANY OFFICERS

The Chairman – who was appointed on 6 May 2005 – legally represents the Company, pursuant to art. 24 of the Articles of Association. On 16 May 2005, the Board of Directors appointed a Managing Director, who was assigned all powers for the management of the Company, except for those which the law expressly reserves to the Board of Directors.

# **Management Report**

## MANAGEMENT REPORT

Dear Shareholders,

the 2007 Financial Statements of SIAS S.p.A., which we hereby present for your approval, showed a profit of EUR 93.2 million; as illustrated below, this result was mainly due to the dividends collected from subsidiaries.

With regard to the Consolidated Financial Statements of the SIAS Group, the profit or loss for the period – which was determined according to the income statement – showed a “profit attributable to the Group” equal to EUR 126.5 million<sup>1</sup>, also following amortisation of intangible and tangible assets (including “non-compensated revertible assets”) for a total amount of EUR 143.5 million.

### 2007 SIGNIFICANT EVENTS

#### **Group Corporate Reorganisation Project**

On 28 May 2007, the Boards of Directors of SIAS S.p.A. and ASTM S.p.A. – by implementing the Reorganisation project of their Groups (hereinafter the “Corporate Reorganisation”) – simplified their organisational structure with the aim of reinforcing their competitive position both on the domestic and international markets.

With regard to the said project, reference should be made to its main stages:

- on 22 June 2007, the “Holding Piemonte e Valle d’Aosta S.p.A. – **HPVdA**” was set up with registered office in Turin and a share capital of EUR 350,000,000, fully paid-up by the parent company SIAS S.p.A.. Part of the equity investments held in the motorway companies located in the north-western part of the Piedmont region and in the Valle d’Aosta region were concentrated in this company;
- the Extraordinary Shareholders’ Meeting – which was held on 29 June 2007 – approved the **increase in SIAS S.p.A. Share Capital** (from EUR 63,750,000 to EUR 113,750,000), by means of a issue – against the **allocation of equity investments** – of **100,000,000 shares** with a par value of EUR 0.50 per share (with a share premium equal to EUR 9.69) reserved for the transferor ASTM S.p.A., pursuant to art. 2441, paragraph 4 of the Italian Civil Code;
- on 3 July 2007, the **agreement for the allocation** of equity investments held by ASTM S.p.A. in SATAP S.p.A. (99.874% of share capital) and in Road Link Holdings Limited (20% of share capital) was signed, while on 5 July 2007 – following the registration of the allocation agreement at the Business Registry of Turin – the said 100,000,000 shares of SIAS S.p.A. were issued;
- on 6 July 2007, the following equity investments were **transferred** from ASTM S.p.A. to HPVdA S.p.A.:

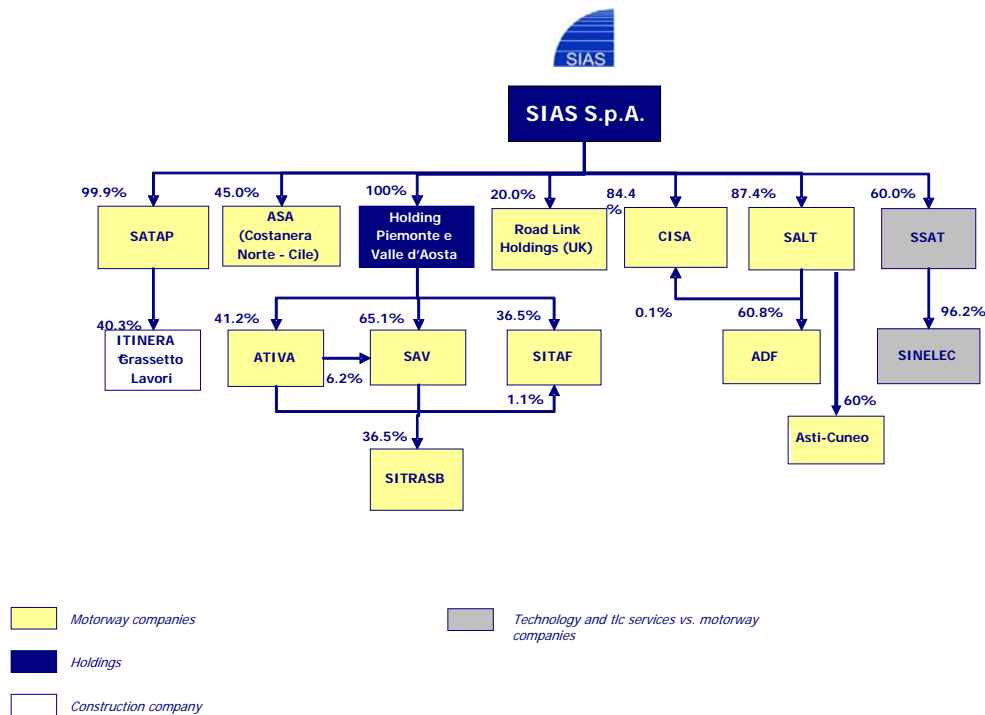
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<sup>1</sup> The relating “pro-forma” amount, as stated below, is equal to EUR 169.7 million.

- 2,642,622 shares, corresponding to 41.17% of the share capital of **ATIVA S.p.A.** – a company that manages under a licensing system both the “Sistema Autostradale Tangenziale di Torino” (Turin Bypass Motorway System) from Pinerolo junction to its extension up to Quincinetto, and the road link from Ivrea to Santhià – for a total value of EUR 113.8 million;
- 15,620,425 shares, corresponding to 65.085% of the share capital of **SAV S.p.A.** - a licensee for the construction and management of the A5 motorway Quincinetto-Aosta – for a total value of EUR 95.7 million;
- 4,602,895 shares, corresponding to 36.531% of the share capital of **SITAF S.p.A.** - a licensee company for both the Turin-Bardonecchia motorway (A32) and the Frejus motorway tunnel (T4) – for an amount of EUR 134.1 million, as well as 228,273 bonds convertible into ordinary shares of SITAF S.p.A., for a total value of EUR 3.9 million;
- on 31 July 2007 – and pursuant to art. 2343 of the Italian Civil Code – the Board of Directors of SIAS S.p.A. **reviewed the assessment** made by the Valuer appointed by the Court of Turin and it did not recognise the need to carry out the review of the estimates and assessments according to which the increase in share capital was approved;
- on 28 September 2007 – and with the permit of CONSOB – the Prospectus relating to the admission to MTA listing of 100,000,000 ordinary shares of SIAS S.p.A. (with a par value of EUR 0.50 per share) was filed with the CONSOB. As of this date, the “**new shares**” reserved to the transferor ASTM (in respect of the allocation of equity investments held by it in SATAP S.p.A. and Road Link Holdings Limited) were **traded on the MTA** (Italian Electronic Stock Market).

Moreover, within the scope of the reorganisation project, 50,000 shares corresponding to 10% of the share capital of SINECO S.p.A., were transferred to ASTM S.p.A. (by SALT S.p.A. and ADF S.p.A.), for a total value of EUR 2.8 million.

The following chart shows the structure of the SIAS Group following the said reorganisation:



As shown in the above section, at the end of the reorganisation project all equity investments related to the “motorway sector” have been concentrated within the SIAS Group. Moreover, as of today SIAS S.p.A. – following the increase in share capital approved as consideration for the allocation of equity investments – is a subsidiary of ASTM S.p.A..

**Conventional requirements and relationships with the Granting Body**

As described in detail in the section of the Management Report relating to previous year’s Financial Statements, the enactment of Decree Law no. 262 of 3 October 2006 (art. 12) – later converted with modifications to Law no. 286 of 24 November 2006, subsequently amended by art. 1, paragraph 1030 of Law no. 296 of 27 December 2006 – caused major changes to the regulatory framework concerning companies operating in the motorway sector.

With regard to the 2007 regulatory evolution, it should be underlined that, at the meeting held on 26 January 2007, the CIPE (Interministerial Economic Planning Committee) approved by Resolution no. 1/07 the “Directive on economic regulation for the motorway sector”. Following the observations made by each single licensee, by AISCAT (Italian association of motorway operators) and by the European Community, the said Directive was fully replaced by Resolution no. 39/07 of

15 June 2007. According to art. 1.1, the provisions contained in this resolution shall apply in the following cases:

- a) new concessions;
- b) outstanding concessions:
  - i) if the licensee requires the rebalancing of the economic-financial plan;
  - ii) except for the situation described at section (i), limited to new investments which have not been granted under concession as at 3 October 2006 or which have been granted as of that date, but which have not been included in the economic-financial plans yet.

With regard to contents, the Directive governs, among other things:

- eligibility criteria for operating costs with regard to the determination of tariffs;
- definition criteria for the “regulatory capital employed” and for its return;
- the formula for tariff adjustment;
- methods for the recovery of financial benefits resulting from the failure to, or delay in realising investments.

More specifically, making reference to the practices applied within other public utility service sectors (electricity, gas, airports, etc.), the Directive introduces a RAB (regulatory asset base) method for tariff adjustment, which envisages - in addition to operating costs - both the return on investment (through depreciation charges) and on capital employed, on the basis of a “fair” rate of return proportionate to the weighted average cost of capital (WACC).

In this context, **standard outline agreements** were **signed**, in the presence of the Minister for Infrastructure, by Autocamionale della CISA S.p.A. (on 8 May 2007), SATAP S.p.A. (on 10 October 2007) and ATIVA S.p.A. (on 7 November 2007).

**Autocamionale della CISA S.p.A.** required the “rebalancing” of its own financial plan, which envisages an investment amount of approximately EUR 2 billion for the construction of the road link between Parma and the Brenner motorway.

With regard to **SATAP S.p.A.**, the “rebalancing” of financial plans was chosen for each of the motorway sections licensed to the Company (A4 Turin – Milan Section and A21 Turin – Alessandria – Piacenza Section), pursuant to art. 1.1, letters b) i) of the said Directive. According to the financial plans, planned investments for the “A4 Section: Turin – Milan” amount to approximately EUR 1 billion, while those for the “A21 Section: Turin – Alessandria – Piacenza” are equal to approximately EUR 260 million.

**Ativa S.p.A.** prepared the validation plan, according to which additional investments will be made for approximately EUR 140 million.

The effectiveness of the said outline agreements is subject to the completion of the authorisation process - in accordance with Law 286/2006 - which includes: the examination of the agreements by CIPE (with regard to Autocamionale della CISA S.p.A. and SATAP S.p.A., the CIPE has already expressed its favourable opinion, together with its provisions, on their related agreements), the opinion of the parliamentary Committees (a favourable opinion has already been expressed for

Autocamionale della CISA S.p.A.), the drawing up of agreements, the enactment of interministerial decrees for approval (by the Ministry of Infrastructure and the Ministry of Economy), as well as the filing of decrees with the Court of Auditors. The current national political environment does not allow to forecast the end of the said process.

Following the notification forwarded by ANAS and concerning the filing of the said decree with the Court of Auditors, on 11 February 2008 the agreement for the construction and management of the motorway section “**Asti-Cuneo**” entered into force. This concession has a duration of 23 years and 6 months with effect from the completion of construction works.

In February 2008, the Standard Agreement proposals together with the updated financial plans for **SALT S.p.A.**, **ADF S.p.A.** and **SAV S.p.A.** were sent to ANAS. The said licensees chose the validation plans and included an investment forecast totalling approximately EUR 480 million.

With regard to the adjustment of **tolls**, it should be underlined that ANAS S.p.A. - by means of a decision dated 10 March 2007 - announced to the Group’s licensees the following toll adjustments for **2007** (with effect from 15 March 2007):

• ATIVA S.p.A.:	+0.74%	(against a request of 1.74%)
• Autocamionale della Cisa S.p.A.:	+0.88%	(against a request of 1.24%)
• Autostrada dei Fiori S.p.A.:	+1.54%	(against a request for the same amount)
• SALT S.p.A.:	--	(against a request of 1.88%)
• SATAP S.p.A. A4 Section:	--	(against a request of 1.42%)
• SATAP S.p.A. A21 Section:	+0.36%	(against a request of 1.18%)
• SAV S.p.A.:	+10.41%	(against a request of 11.78%)

As the figures show, toll increases have been only partially approved (and in some cases refused) because of alleged “financial benefits” related to the delay occurred during the implementation of some investments planned in the related financial plans. The licensees have promptly challenged the method and the content of the decisions taken by both the Minister and ANAS.

On 29 December 2007, the said Authorities notified the Group’s licensees of the toll increases, with effect from 1 January **2008**. More specifically:

• ATIVA S.p.A.:	+0.85%
• Autocamionale della Cisa S.p.A.:	+0.68%
• SATAP S.p.A. A4 Section (Turin-East Novara):	+0.76%
• SATAP S.p.A. A4 Section (East Novara-Milan):	+0.74%
• SATAP S.p.A. A21 Section:	+0.80%

With regard to the other licensees of the Group (ADF S.p.A., SALT S.p.A. and SAV S.p.A.), toll increases for 2008 were not approved by ANAS because of the said alleged failure to comply with conventional obligations for the realisation of investments and/or maintenance operations. On this

point, each Group's licensee carried out all necessary activities in order to protect their own legitimate economic-financial interests.

In this regard, in February 2008 ANAS once again asked to the Group's licensees to make specific provisions corresponding to the alleged "financial benefits" resulting from delay in the implementation of the investments set forth in the agreement, in the period between the date on which current agreements were signed and 31 December 2007.

The requirements of the Granting Body on provisions had already been questioned during the previous year, also according to authoritative legal opinions that confirmed their inconsistency with regard to both the rules on preparation of financial statements and on related accounting policies; for this reason, no provisions were recognised in the Consolidated Financial Statements as at 31 December 2006.

As a consequence, the repeated request made by the Granting Body also in 2008 is quite unjustified, since the investments made by the Group's licensees - except for SAV S.p.A. and SALT S.p.A. (which set aside an amount of EUR 2.5 million and EUR 6.9 million respectively in a specific equity reserve of their financial statements, also in order to avoid additional objections by ANAS and in the hope of facilitating future toll increases) - are higher than those set forth in their related agreements. As at the consolidated balance sheet date, the **investment surplus** of the Group's licensees, compared to the estimates contained in the current financial plans, totalled approximately **EUR 313 million** (with a "realisation percentage" of 122%).

\* \* \*

Moreover, it should be noted that - with effect from 1 January 2008 - the legal surcharge in favour of ANAS S.p.A. equal to EUR 0.0025 per kilometre for A and B toll classes and EUR 0.0075 per kilometre for 3, 4 and 5 toll classes was applied, while as part of the measures adopted to finance ANAS, the said Law no. 262/2007 arranged, with effect from 1 January 2007, the increase in the annual **fee** up to 2.4% (in respect of 1% until 31 December 2006). This implied **higher costs for the Group, amounting to approximately EUR 9.5 million** (on an annual pro-forma basis), in addition to the **loss** of revenues resulting from the refusal by ANAS to approve part of the **toll increases** due in 2007, for a total amount of approximately **EUR 6.7 million** (on an annual pro-forma basis).

## ECONOMIC AND FINANCIAL RESULTS

As already mentioned, the Corporate Reorganisation – which was completed in July 2007 – led to the takeover, by the SIAS Group, of the motorway companies SATAP S.p.A., SAV S.p.A., ATIVA S.p.A. and their respective subsidiaries, with effect from the second half of 2007. As a consequence, income statement data relating to these companies was consolidated with effect from 1 July 2007.

However, in order to provide comparable figures, proper “pro-forma” statements have been prepared (income statement figures of the Group relate to FY 2006-2007, while financial results refer to FY 2006). While preparing this “pro-forma” data, the effects of the corporate reorganisation have been shown as if it had taken place on 1 January of each financial year.

The Explanatory Notes (“Changes in the consolidation scope - Corporate Reorganisation”) contain the reconciliation statements between “actual figures” and the related “pro-forma data”.

### Group economic performance

The main 2007 “pro-forma” revenue and expenditure items (with the corresponding 2006 figures for comparison) may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>	<b>Changes</b>
	<b>“pro-forma”</b>	<b>“pro-forma”</b>	
Motorway sector revenue	713,622	692,749	20,873
Construction and engineering sector revenue	10,519	6,536	3,983
Technology sector revenue	27,310	17,808	9,502
Other revenue	60,444	59,576	868
Operating costs	(416,981)	(402,202)	(14,779)
Capitalised costs on fixed assets	82,395	91,915	(9,520)
<b>Gross operating margin</b>	<b>477,309</b>	<b>466,382</b>	<b>10,927</b>
Significant "non-recurring" items	3,426	1,396	2,030
<b>Adjusted gross operating margin</b>	<b>480,735</b>	<b>467,778</b>	<b>12,957</b>
Net amortisation/depreciation and provisions	(166,203)	(149,501)	(16,702)
<b>Operating profit</b>	<b>314,532</b>	<b>318,277</b>	<b>(3,745)</b>
Financial income	46,349	39,738	6,611
Financial charges	(99,668)	(88,534)	(11,134)
Capitalised financial charges	32,468	13,031	19,437
Profit (loss) of companies valued using the equity method	8,297	13,525	(5,228)
<b>Net financial income</b>	<b>(12,554)</b>	<b>(22,240)</b>	<b>9,686</b>
<b>Profit before tax</b>	<b>301,798</b>	<b>296,037</b>	<b>5,941</b>
Income taxes (current and deferred)	(104,180)	(111,459)	7,279
<b>Profit (loss) for the period</b>	<b>197,798</b>	<b>184,578</b>	<b>13,220</b>
▪ Minority interests' share	28,111	29,720	(1,609)
▪ <b>Group's share</b>	<b>169,687</b>	<b>154,858</b>	<b>14,829</b>

The “*motorway sector revenue*” increased by around EUR 20.9 million (+3%), mainly as a result of the rise in “toll revenues” (+ EUR 20.2 million) due to both the growth in traffic volumes (in line with the figure for the “national network” of approximately 2.3%) and the adjustment in toll rates, with effect from 15 March 2007, for some of the managed sections.

The change in “*construction and engineering sector revenue*” reflected the type of “production” carried out in 2007, which saw an increase in the work carried out for third parties against a reduction in the production for the SIAS Group companies (as reflected in the decrease of item “capitalised costs on fixed assets”).

The item “*technology sector revenue*” rose by around EUR 9.5 million, as a result of the increase in the work performed for third parties, which related, in particular, to the completion by SSAT S.p.A. of a major contract for the CAV.TO.MI. Consortium (+ EUR 8.3 million): this growth also had an impact on the total operating costs for the period.

As regards “*operating costs*”, a decline in the “production” carried out by the Companies in the construction sector was offset by an increase in both “concession fees” (equal to approximately EUR 9.5 million), in costs related to the work performed on behalf of the above-mentioned Consortium, as well as in maintenance costs for the managed motorway infrastructures (+ EUR 5.2 million).

With regard to the above-mentioned items, the “*gross operating margin*” increased by around EUR 10.9 million (+2.34%).

For the financial year 2007, the item “*significant non-recurring items*” related 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. In the previous financial year, this item related primarily to contingencies associated with the acquisition, as non-compensated revertible assets, of buildings and installations in the service areas for which the sub-concession agreements had expired.

The item “*net amortisation/depreciation and provisions*”, up by around EUR 16.7 million, reflected – for motorway companies – the contents of the financial plans annexed to the related agreements.

The item “*financial income*” included the gains from the disposal – in 2007 – of the shares of Assicurazioni Generali S.p.A., Ca.Ri.Ge. S.p.A. and Capitalia S.p.A. (for a total amount of EUR 11.8 million).

The rise in the item “*Financial charges*” was linked to the increase in both interest rates and borrowing (following the significant investment programme that, in 2007, involved the managed motorway infrastructures). The change in “*Capitalised financial charges*” was a direct consequence of the above.

The item “*profit (loss) of companies valued using the equity method*” included the Group’s share of profits (losses) from associated companies. The decrease compared to the previous year was essentially due to the smaller contribution from the associated company ASA s.r.l. (whose consolidated result for the previous financial year included significant gains).

The amount of “*income taxes*” fell mainly as a result of the discharge – through a substitute tax – of the deductions made “off the books” in previous years.

As a result of the above, the Group’s share of “*profit for the period*”, up by around 9.6% on the previous year, amounted to EUR 169.7 million (EUR 154.9 million in 2006).

**Group financial results**

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

<i>(amounts in thousands of EUR)</i>	<b>31/12/2007</b>	<b>31/12/2006 “pro-forma”</b>	<b>Changes</b>
Fixed assets	3,088,628	2,853,655	234,973
Equity investments	445,963	497,856	(51,893)
Working capital	83,434	59,149	24,285
<b>Capital employed</b>	<b>3,618,025</b>	<b>3,410,660</b>	<b>207,365</b>
Provision for restoration, replacement and maintenance of non-compensated revertible assets	(145,798)	(148,730)	2,932
Employee severance indemnity and other provisions	(43,150)	(50,818)	7,668
<b>Capital employed less provisions for medium to long-term risks and charges</b>	<b>3,429,077</b>	<b>3,211,112</b>	<b>217,965</b>
Shareholders’ equity and profit (loss) (including minority interests)	1,478,382	1,376,255	102,127
Net borrowing	1,322,609	1,170,640	151,969
Payable due to ANAS-Fondo Centrale di Garanzia	417,205	431,347	(14,142)
Other long-term payables (*)	210,881	232,870	(21,989)
<b>Equity and minority interests</b>	<b>3,429,077</b>	<b>3,211,112</b>	<b>217,965</b>

(\*) This relates to the prepayment on the discounting of the payable due to ANAS-Fondo Centrale di Garanzia

The investments in “revertible assets” made in 2007, amounting to EUR 400 million, were reflected – net of the relevant depreciation – in the increase in the item “Fixed assets”.

The change in the item “Equity investments” was mainly due to the disposal of the shares held in Assicurazioni Generali S.p.A., Capitalia S.p.A. and Banca Ca.Ri.Ge. S.p.A. (recorded at a value of EUR 73 million) and the purchase of the equity investments in FIMPRES r.l., Milano Serravalle-Milano Tangenziali S.p.A. and Mediobanca S.p.A. (for a total amount of EUR 24 million).

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

<i>(amounts in thousands of EUR)</i>	<b>31/12/2007</b>	<b>31/12/2006 “pro-forma”</b>	<b>Changes</b>
A) Cash and cash equivalents	240,687	72,593	168,094
B) Securities held for trading	100,000	1,623	98,377
<b>C) Liquidity (A) + (B)</b>	<b>340,687</b>	<b>74,216</b>	<b>266,471</b>
<b>D) Loans (*)</b>	<b>20,520</b>	<b>204,916</b>	<b>(184,396)</b>
E) Short-term borrowings	(81,432)	(119,658)	38,226
F) Current portion of medium/long-term borrowings	(179,659)	(77,412)	(102,247)
G) Other financial liabilities	(9,700)	(9,604)	(96)
<b>H) Short-term borrowings</b>	<b>(270,791)</b>	<b>(206,674)</b>	<b>(64,117)</b>
<b>I) Net short-term (borrowings) available funds (C) + (D) + (H)</b>	<b>90,416</b>	<b>72,458</b>	<b>17,958</b>
J) Long-term borrowings	(1,122,551)	(956,470)	(166,081)
K) Bonds issued	(289,475)	(285,667)	(3,808)
L) Other long-term payables	(999)	(959)	(40)
<b>M) Long-term borrowings (J) + (K) + (L)</b>	<b>(1,413,025)</b>	<b>(1,243,096)</b>	<b>(169,929)</b>
<b>N) Net borrowing (I) + (M)</b>	<b>(1,322,609)</b>	<b>(1,170,638)</b>	<b>(151,971)</b>

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

As at 31 December 2007, this item showed a “net borrowing” of EUR 1,323 million (EUR 1,171 million as at 31 December 2006, “pro-forma”), which, together with the discounted value of the “payable due to ANAS-Fondo Centrale di Garanzia”, would amount to EUR 1,740 million (EUR 1,602 million as at 31 December 2006 “pro-forma”). The “bank debt” is guaranteed by the State, for an amount of around EUR 24.7 million.

The “Operating cash flow”, amounting to around EUR 331.5 million, together with the liquidity from the disposal of equity investments (amounting to around EUR 85.2 million) were used for both the abovementioned enhancement work on Group’s motorway infrastructure and the purchase of equity investments for a total value of around EUR 24.2 million (mainly in relation to the purchase of shares of Milano Serravalle-Milano Tangenziali S.p.A., Fimpre s.r.l. and Mediobanca S.p.A., amounting respectively to EUR 13.4 million, EUR 6.2 million and EUR 4.5 million). Dividends were also distributed by the Parent Company (for a total amount – as the balance for the financial year 2006 and the interim dividend for 2007 – amounting to EUR 56.6 million) and by the Subsidiaries (to Third Party Shareholders) for an amount of EUR 18.4 million.

## ANALYSIS OF 2007 RESULTS OF THE PARENT COMPANY AND THE MAIN INVESTEE COMPANIES<sup>1</sup>



### Società Iniziative Autostradali e Servizi S.p.A.

The main revenue and expenditure items of the Company may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>	<b>Changes</b>
Investment income	107,744	183,851	(76,107)
Other financial income	5,231	3,776	1,455
Interest and other financial charges	(18,459)	(12,667)	(5,792)
<b>Financial income and charges</b>	<b>94,516</b>	<b>174,960</b>	<b>(80,444)</b>
<b>Value adjustments to investments</b>	<b>103</b>	<b>(1,125)</b>	<b>1,228</b>
<b>Other operating income</b>	<b>46</b>	<b>38</b>	<b>8</b>
<b>Other operating expenses</b>	<b>(2,321)</b>	<b>(1,880)</b>	<b>(441)</b>
<b>Pre-tax profit</b>	<b>92,344</b>	<b>171,993</b>	<b>(79,649)</b>
Income taxes	809	2,444	(1,635)
<b>Profit for the period</b>	<b>93,153</b>	<b>174,437</b>	<b>(81,284)</b>

The items contained in the Parent Company's income statement reflect the industrial *holding* activity carried out by it. More specifically, the item "*Investment income*" (amounting to EUR 107.7 million) was mainly due to both the dividends and the interim dividends which were collected, during 2007, from SATAP S.p.A. (EUR 47.5 million), SALT S.p.A. (EUR 33.6 million), Autocamionale della Cisa S.p.A. (EUR 7 million), SSAT S.p.A. (EUR 1.5 million), Road Link Holdings Ltd (EUR 0.6 million), Milano Serravalle-Milano Tangenziali S.p.A. (EUR 3.6 million), Assicurazioni Generali S.p.A. (EUR 2.3 million), Capitalia S.p.A. (EUR 0.2 million), as well as to the gains from the disposal of part of the equity investment held in Assicurazioni Generali S.p.A. (EUR 10.8 million) and of the one held in Capitalia S.p.A. (EUR 0.7 million). The decrease recorded in 2007 was essentially due to lower dividends distributed by the subsidiary SALT S.p.A. (whose result in the previous years benefited from substantial gains from the disposal of equity investments) and was only partially offset by the dividends collected from SATAP S.p.A. following the control acquired over it in the framework of the Corporate Reorganisation.

The item "*Other financial income*" related to both the temporary investment of liquidity and to the income resulting from the disposal of options from equity investments.

"*Interest and other financial charges*", amounting to EUR 18.5 million, referred to charges - which were recalculated on the basis of the market rate - related to the "liability component" of the convertible bond issued in July 2005 for an amount of EUR 12.5 million and, with regard to the remaining part, to interest expense on borrowings incurred during the year.

"*Value adjustments to investments*" related to the partial revaluation of the equity investment held in CIE (Compagnia Italiana Energia S.p.A.), which was written down in the previous year.

The main items related to the financial management as at 31 December 2007, compared with those as at 31 December 2006, can be summarised as follows:

<sup>1</sup> Data related to the Parent Company and the investee companies is consistent with IAS/IFRS International Accounting Standards.

<i>(amounts in thousands of EUR)</i>	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>Changes</b>
A) Cash and cash equivalents	48,889	141,808	(92,919)
B) Securities held for trading	-	-	-
<b>C) Liquidity (A) + (B)</b>	<b>48,889</b>	<b>141,808</b>	<b>(92,919)</b>
<b>D) Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>
E) Short-term borrowings	(50,847)	-	(50,847)
F) Current portion of medium/long-term borrowings	(8,786) <sup>(1)</sup>	(8,786)	-
G) Other financial liabilities	(121,544) <sup>(2)</sup>	-	(121,544)
<b>H) Short-term borrowings</b>	<b>(181,177)</b>	<b>(8,786)</b>	<b>(172,391)</b>
<b>I) Net short-term (borrowings) available funds (C) + (D) + (H)</b>	<b>(132,288)</b>	<b>133,022</b>	<b>(265,310)</b>
J) Long-term borrowings	-	-	-
K) Bonds issued	(289,475)	(285,667)	(3,808)
L) Other long-term payables	-	-	-
<b>M) Long-term borrowings (J) + (K) + (L)</b>	<b>(289,475)</b>	<b>(285,667)</b>	<b>(3,808)</b>
<b>N) Net (borrowing) available funds (I) + (M)</b>	<b>(421,763)</b>	<b>(152,645)</b>	<b>(269,118)</b>

1) Payable due to Bondholders for interest accrued as at 31 December 2007 (and paid on 1 January 2008).

2) Intragroup loan granted by the subsidiary SATAP S.p.A..

The net financial position as at 31 December 2007 revealed a debt exposure of around EUR 421.7 million (EUR 152.6 million as at 31 December 2006).

The change that took place in 2007 was due to the subscription of the entire share capital of the newly-formed Holding Piemonte e Valle d'Aosta S.p.A. (for EUR 350 million) funded by the liquidity generated from the dividends collected (amounting to EUR 96 million), the sale of equity investments (EUR 84 million) and the raising of specific loans (amounting – as at 31 December 2007 – to EUR 173 million, including EUR 120 million provided by the subsidiary SATAP S.p.A.). During 2007, payments were also made for the interest on the convertible bond (EUR 8.9 million), the dividends for the financial year 2006 (EUR 19.1 million) and the interim dividend for 2007 (EUR 37.5 million). The Company also provided a loan amounting to EUR 15 million to the subsidiary CISA S.p.A..

*The "Reconciliation statement between the Shareholders' equity, the profit (loss) for the period of SIAS S.p.A. and the corresponding amounts of the SIAS Group", as required by the CONSOB Communication no. DEM/6064293 of 28 July 2006, is included among the "Consolidated Financial Statements".*

**Motorway sector**

At present, the SIAS Group controls the following motorway companies:

- **SATAP:** Società Autostrada Torino-Alessandria-Piacenza S.p.A., with 99.87% of the share capital;
- **SALT:** Società Ligure Toscana p.A., with 87.39% of the share capital;
- **CISA:** Autocamionale della Cisa S.p.A., with 84.44% of the share capital;
- **SAV:** Società Autostrade Valdostane S.p.A., with 67.63% of the share capital;
- **ADF:** Autostrada dei Fiori S.p.A., with 60.77% of the share capital;
- **Asti-Cuneo:** Società Autostrada Asti-Cuneo S.p.A., with 60% of the share capital;
- **ATIVA:** Autostrada Torino-Ivrea-Valle d’Aosta S.p.A., with 41.17% of the share capital (the company is consolidated using the “proportional method”).

In addition to the above-mentioned controlling shareholdings, reference should be made to the relevant equity investments held in Autostrade Sud America s.r.l. (45%), in Milano Serravalle – Milano Tangenziali S.p.A. (13.55% of the share capital) and in Autostrada Tirrenica S.p.A. (5.58% of the share capital). Following the Corporate Reorganisation, the Group also acquired equity investments in Società Italiana per il Traforo Autostradale del Frejus - S.I.T.A.F. S.p.A. (equal to 36.976% of the share capital), in Società Italiana per il Traforo del Gran San Bernardo - SITRASB S.p.A. (36.50% of the share capital) and in Road Link (A69) Holdings Ltd. (equal to 20% of the share capital; this company manages the road section New Castle – Carlisle in the United Kingdom).

The following table shows the extension of the motorway network that is directly managed by the SIAS Group:

	km of managed network
• Società Autostrada Torino Alessandria Piacenza p.A. (A4 Section Turin-Milan)	130.3
• Società Autostrada Torino Alessandria Piacenza p.A. (A21 Section Turin-Piacenza)	167.7
• Società Autostrada Ligure Toscana p.A.	154.9
• Autocamionale della Cisa S.p.A.	182.0 (1)
• Società Autostrade Valdostane S.p.A.	59.5
• Autostrada dei Fiori S.p.A.	113.2
• Società Autostrada Asti-Cuneo S.p.A.	90.0 (2)
• Autostrada Torino-Ivrea-Valle d’Aosta S.p.A.	155.8
Total amount managed by subsidiaries (a)	1,053.4
• Autostrade Sud America s.r.l.	43.0 (3)
• SITAF S.p.A.	94.0
• SITRASB S.p.A.	12.8
• Road Link Holdings Ltd	84.0
Total amount managed by associated companies (b)	233.8
<b>TOTAL (a+b)</b>	<b>1,287.2</b>

(1) Including the 81 km-long road link between Parma and Nogarole Rocca (not yet built)

(2) Under construction

(3) This company controls the Chilean licensee Costanera Norte S.A. through the sub-holding Autopista do Pacifico S.A..



### Società Autostrada Ligure Toscana p.A.

The Company manages the motorway sections Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia for a total of 154.9 kilometres. As at 31 December 2007, this company is a subsidiary of the Group (87.39% of the share capital).

The main *revenue and expenditure items* of the Company may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>	<b>Changes</b>
Motorway sector revenue	169,105	166,347	2,758
Other revenue	9,245	8,764	481
Operating costs	(63,580)	(59,564)	(4,016)
<b>Gross operating margin</b>	<b>114,770</b>	<b>115,547</b>	<b>(777)</b>
Significant “non-recurring” items	731	-	731
<b>Adjusted gross operating margin</b>	<b>115,501</b>	<b>115,547</b>	<b>(46)</b>
Net amortisation/depreciation and provisions	(47,455)	(46,654)	(801)
<b>Operating profit</b>	<b>68,046</b>	<b>68,893</b>	<b>(847)</b>
Financial income	22,101	37,439	(15,338)
Financial charges (net of capitalisation)	(10,393)	(9,150)	(1,243)
Value adjustments to investments	-	(7)	7
<b>Net financial income</b>	<b>11,708</b>	<b>28,282</b>	<b>(16,574)</b>
<b>Pre-tax profit</b>	<b>79,754</b>	<b>97,175</b>	<b>(17,421)</b>
Income taxes	(23,035)	(25,522)	2,487
<b>Profit for the period</b>	<b>56,719</b>	<b>71,653</b>	<b>(14,934)</b>

The item “*Motorway sector revenue*” increased by EUR 2.8 million (+1.66%).

“Net toll revenues” amounted to EUR 162.2 million (EUR 159 million in 2006); the increase in net toll revenues, amounting to 2.07%, was exclusively due to the increase in traffic for the period, since ANAS did not approve toll increases. Moreover, mention should also be made of a temporary decrease in the turnover for some service areas, where major refurbishment works were carried out during the year.

“*Operating costs*”, amounting to EUR 63.6 million, increased in their entirety by 6.74%, due to both the increase in concession fees pertaining to ANAS and to higher personnel expenses (mainly due to the payment of the second tranche set forth by C.C.N.L. and to the renewal of the supplementary labour contract).

With regard to the above, the “*gross operating margin*” totalled EUR 114.8 million, substantially in line with the value of the previous year.

The item “*significant non-recurring items*” related 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*” reflected the contents of the Financial Plan annexed to this Agreement.

The “*net financial income*” showed a positive balance of EUR 11.7 million euro (EUR 28.3 million in 2006); the decrease was mainly due to lower dividends distributed by the subsidiary Autostrada dei Fiori S.p.A..

According to the above-mentioned figures, the “*profit for the period*” totalled EUR 56.7 million (EUR 71.7 million in 2006).

\* \* \*

The main items related to the *financial income* as at 31 December 2007, compared with those as at 31 December 2006, may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>Changes</b>
A) Cash and cash equivalents	46,455	23,782	22,673
B) Securities held for trading	100,000	-	100,000
<b>C) Liquidity (A) + (B)</b>	<b>146,455</b>	<b>23,782</b>	<b>122,673</b>
<b>D) Loans (*)</b>	<b>-</b>	<b>73,662</b>	<b>(73,662)</b>
E) Short-term borrowings	-	-	-
F) Current portion of medium/long-term borrowings	(46,672)	(27,961)	(18,711)
G) Other financial liabilities	-	-	-
<b>H) Short-term borrowings</b>	<b>(46,672)</b>	<b>(27,961)</b>	<b>(18,711)</b>
<b>I) Net short-term (borrowings) available funds (C) + (D) + (H)</b>	<b>99,783</b>	<b>69,483</b>	<b>30,300</b>
J) Long-term borrowings	(201,856)	(180,009)	(21,847)
K) Bonds issued	-	-	-
L) Other long-term payables	-	-	-
<b>M) Long-term borrowings (J) + (K) + (L)</b>	<b>(201,856)</b>	<b>(180,009)</b>	<b>(21,847)</b>
<b>N) Net (borrowing) available funds (I) + (M)</b>	<b>(102,073)</b>	<b>(110,526)</b>	<b>8,453</b>

(\*) As at 31 December 2006, this item related to capitalisation agreements that, although they were long-term, could be converted into cash in the short term, if required.

The “net financial position” as at 31 December 2007 showed a debit balance of EUR 102.1 million (EUR 110.5 million as at 31 December 2006); this amount - including the discounted value of the “payable due to the Fondo Centrale di Garanzia” - would be equal to EUR 172.9 million (EUR 180.4 million as at 31 December 2006).

The “net financial position” as at 31 December 2007 included borrowings guaranteed by the State, for a total amount of approximately EUR 9.9 million.

Cash flows generated during the period were used both to carry out enhancement works on the motorway infrastructure (EUR 44.4 million) and to pay the increase in share capital of Autostrade dei Parchi S.p.A. (EUR 10.5 million). Moreover, the interim dividend for 2007 was also paid (EUR 38.4 million).

With regard to the financial structure, reference should be made to the mobilisation of capitalisation agreements (which were included under the item “Loans” in 2006) and to their recognition - together with the liquidity at year end - under the item “Securities held for trading” (these are Commercial Papers and Credit linked notes expiring in April and May 2008, with risk borne by the Issuer; these investments can guarantee a liquidity return higher than the one which is generally available on the money market).



### **Autostrada dei Fiori S.p.A.**

The Company manages the motorway section Savona-Ventimiglia, for a total of 113.2 kilometres. As at 31 December 2007, this company is a subsidiary of the Group (60.77%).

The main *revenue and expenditure items* of the Company may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>	<b>Change</b>
Motorway sector revenue	141,038	136,810	4,228
Other revenue	11,935	12,167	(232)
Operating costs	(67,036)	(59,805)	(7,231)
<b>Gross operating margin</b>	<b>85,937</b>	<b>89,172</b>	<b>(3,235)</b>
Significant “non-recurring” items	833	-	833
<b>Adjusted gross operating margin</b>	<b>86,770</b>	<b>89,172</b>	<b>(2,402)</b>
Net amortisation/depreciation and provisions	(36,082)	(27,323)	(8,759)
<b>Operating profit</b>	<b>50,688</b>	<b>61,849</b>	<b>(11,161)</b>
Net financial charges	(11,435)	(11,556)	121
Value adjustments to investments	-	-	-
<b>Net financial income</b>	<b>(11,435)</b>	<b>(11,556)</b>	<b>121</b>
<b>Pre-tax profit</b>	<b>39,253</b>	<b>50,293</b>	<b>(11,040)</b>
Income taxes	(13,505)	(19,400)	5,895
<b>Profit for the period</b>	<b>25,748</b>	<b>30,893</b>	<b>(5,145)</b>

The item “*Motorway sector revenue*” increased by EUR 4.2 million (+3.09%).

“*Net toll revenues*” totalled EUR 133.3 million (EUR 129.3 million in 2006); the increase of 3.07% in net toll revenues was due to both toll increases with effect from 15 March 2007 (equal to 1.54%) and to the increase in fare-paying traffic (+2.4% for passenger vehicles and +0.4% for heavy-duty vehicles).

“*Operating costs*”, amounting to EUR 67 million, increased by 12% mainly due to higher levels of maintenance activities (+ EUR 4.2 million) and to the increased expense resulting from the application of concession fees pertaining to ANAS (+ EUR 1.9 million).

With regard to the above, the “*gross operating margin*” totalled EUR 85.9 million (EUR 89.2 million in 2006).

The item “*significant non-recurring items*” related 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*” reflected the contents of the financial plan annexed to this Agreement and recorded an increase of EUR 8.8 million.

The “*net financial income*” was substantially in line with the value of the previous year. The increase in financial charges on borrowings was offset by higher investment income that includes, among other things, the gain from the disposal of the equity investment held in Sineco S.p.A. (EUR 1.4 million).

According to the above-mentioned figures, the “*profit for the period*” was equal to EUR 25.7 million (EUR 30.9 million in 2006).

\* \* \*

The main items related to the *financial income* as at 31 December 2007, compared with those as at 31 December 2006, may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>Changes</b>
A) Cash and cash equivalents	2,308	3,128	(820)
B) Securities held for trading	-	-	-
<b>C) Liquidity (A) + (B)</b>	<b>2,308</b>	<b>3,128</b>	<b>(820)</b>
<b>D) Loans (*)</b>	<b>20,670</b>	<b>20,214</b>	<b>456</b>
E) Short-term borrowings	(68,497)	(76,218)	7,721
F) Current portion of medium/long-term borrowings	(3,694)	(6,347)	2,653
G) Other financial liabilities	-	-	-
<b>H) Short-term borrowings</b>	<b>(72,191)</b>	<b>(82,565)</b>	<b>10,374</b>
<b>I) Net short-term (borrowings) available funds (C) + (D) + (H)</b>	<b>(49,213)</b>	<b>(59,223)</b>	<b>10,010</b>
J) Long-term borrowings	(102,798)	(106,378)	3,580
K) Bonds issued	-	-	-
L) Other long-term payables	-	-	-
<b>M) Long-term borrowings (J) + (K) + (L)</b>	<b>(102,798)</b>	<b>(106,378)</b>	<b>3,580</b>
<b>N) Net (borrowing) available funds (I) + (M)</b>	<b>(152,011)</b>	<b>(165,601)</b>	<b>13,590</b>

(\*) This item relates to a capital guaranteed indexed financial instruments that, although it is long-term, may be converted into cash in the short term, if required.

The “net financial position” as at 31 December 2007, showing an improvement compared to previous year, disclosed borrowings for EUR 152 million (EUR 165.6 million as at 31 December 2006); this amount - including the discounted value of the “payable due to the Fondo Centrale di Garanzia” - would be equal to EUR 289.6 million (EUR 306.4 million as at 31 December 2006).

The “net financial position” as at 31 December 2007 included borrowings guaranteed by the State, for a total amount of approximately EUR 3.9 million.

Cash flows generated during the period, together with the liquidity from the disposal of the equity investment held in Sineco S.p.A., were mainly used to carry out enhancement works on the motorway infrastructure (EUR 8.3 million), to pay the dividend for 2006 (EUR 4 million) and the interim dividend for 2007 (EUR 18 million), as well as to repay the instalment due with regard to the payable due to the Fondo Centrale di Garanzia (EUR 10.3 million).



### Autocamionale della Cisa S.p.A.

The Company manages the motorway section La Spezia – Parma, which will be 182 kilometres long following the realisation of the 81 km-long road link (currently under construction) between Parma and the Brenner motorway. As at 31 December 2007, this company is a subsidiary of the Group (84.44% of the share capital).

The main *revenue and expenditure items* of the Company may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>	<b>Changes</b>
Motorway sector revenue	81,315	78,959	2,356
Other revenue	6,698	6,710	(12)
Operating costs	(35,164)	(32,823)	(2,341)
<b>Gross operating margin</b>	<b>52,849</b>	<b>52,846</b>	<b>3</b>
Significant “non-recurring” items	259	-	259
<b>Adjusted gross operating margin</b>	<b>53,108</b>	<b>52,846</b>	<b>262</b>
Net amortisation/depreciation and provisions	(29,132)	(28,970)	(162)
<b>Operating profit</b>	<b>23,976</b>	<b>23,876</b>	<b>100</b>
Financial income	2,955	3,987	(1,032)
Financial charges (net of capitalisation)	(5,536)	(5,086)	(450)
Value adjustments to investments	(805)	(378)	(427)
<b>Net financial income</b>	<b>(3,386)</b>	<b>(1,477)</b>	<b>(1,909)</b>
<b>Pre-tax profit</b>	<b>20,590</b>	<b>22,399</b>	<b>(1,809)</b>
Income taxes	(5,998)	(8,762)	2,764
<b>Profit for the period</b>	<b>14,592</b>	<b>13,637</b>	<b>955</b>

The item “*Motorway sector revenue*” increased by EUR 2.4 million (+2.98%).

“Net toll revenues” totalled EUR 74.8 million (EUR 72.8 million in 2006); the increase in net toll revenues, equal to 2.83%, was due to both toll increases with effect from 15 March 2007 (equal to 0.88%) and to the increase in fare-paying traffic (+2.43%).

“*Operating costs*”, amounting to EUR 35.2 million, increased in total by 7.1%, mainly due to the increase in concession fees pertaining to ANAS.

On the basis of the foregoing, the “*gross operating margin*” totalled EUR 52.8 million, in line with previous year.

The item “*significant non-recurring items*” related 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*” reflected the contents of the financial plan annexed to this agreement.

The “*financial income*” showed a negative balance of EUR 3.4 million, due to higher financial charges and to the write-down of equity investments.

In 2007, “*income taxes*” benefited from the discharge - through a substitute tax - of the allocation made “off the books” to the “Provision for restoration, replacement and maintenance of non-compensated revertible assets”.

According to the above-mentioned figures, the “*profit for the period*” totalled EUR 14.6 million (EUR 13.6 million in 2006).

\* \* \*

The main items related to the *financial income* as at 31 December 2007, compared with those as at 31 December 2006, may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>Changes</b>
A) Cash and cash equivalents	15,711	2,982	12,729
B) Securities held for trading	-	-	-
<b>C) Liquidity (A) + (B)</b>	<b>15,711</b>	<b>2,982</b>	<b>12,729</b>
<b>D) Loans (*)</b>	<b>-</b>	<b>60,317</b>	<b>(60,317)</b>
E) Short-term borrowings	-	-	-
F) Current portion of medium/long-term borrowings	(10,000)	(5,000)	(5,000)
G) Other financial liabilities	(15,000)	-	(15,000)
<b>H) Short-term borrowings</b>	<b>(25,000)</b>	<b>(5,000)</b>	<b>(20,000)</b>
<b>I) Net short-term (borrowings) available funds (C) + (D) + (H)</b>	<b>(9,289)</b>	<b>58,299</b>	<b>(67,588)</b>
J) Long-term borrowings	(94,896)	(130,107)	35,211
K) Bonds issued	-	-	-
L) Other long-term payables	-	-	-
<b>M) Long-term borrowings (J) + (K) + (L)</b>	<b>(94,896)</b>	<b>(130,107)</b>	<b>35,211</b>
<b>N) Net (borrowing) available funds (I) + (M)</b>	<b>(104,185)</b>	<b>(71,808)</b>	<b>(32,377)</b>

(\*) As at 31 December 2006, this item related to capitalisation agreements that, although they were long-term, could be converted into cash in the short term, if required.

The “net financial position” as at 31 December 2007 showed a debit balance of EUR 104.2 million (EUR 71.8 million as at 31 December 2006); this amount - including the discounted value of the “payable due to the Fondo Centrale di Garanzia and ANAS” - would be equal to EUR 188.4 million (EUR 167 million as at 31 December 2006).

The change in the net financial position compared to 31 December 2006 was mainly due to the implementation of the investment plan for the motorway network (which increased by EUR 58.2 million in the period), to the payment of the interim dividend for 2007 (EUR 8.3 million), as well as to the repayment of the instalment due with regard to the payable due to the Fondo Centrale di Garanzia (EUR 15.5 million).



### SATAP – Società Autostrada Torino – Alessandria – Piacenza S.p.A.<sup>1</sup>

The Company manages the motorway sections Turin-Milan (A4) and Turin – Alessandria – Piacenza (A21). As at 31 December 2007, the Company is a subsidiary of the Group (99.87% of the share capital).

The main 2007 revenue and expenditure items (with the corresponding 2006 figures for comparison) may be summarised as follows:

#### A4 and A21 Sections

<i>(amounts in thousands of EUR)</i>	2007	2006	Changes
Motorway sector revenue	235,076	228,194	6,882
Other revenue	25,789	24,440	1,349
Operating costs	(115,662)	(114,820)	(842)
<b>Gross operating margin</b>	<b>145,203</b>	<b>137,814</b>	<b>7,389</b>
Significant “non-recurring” items	1,156	(2,574)	3,730
<b>Adjusted gross operating margin</b>	<b>146,359</b>	<b>135,240</b>	<b>11,119</b>
Amortisation/depreciation, provisions and their utilisation	(48,767)	(43,693)	(5,074)
<b>Operating profit</b>	<b>97,592</b>	<b>91,547</b>	<b>6,045</b>
Financial income	23,929	24,060	(131)
Financial charges (net of capitalisation)	(4,286)	(11,051)	6,765
Value adjustments to investments	(539)	(261)	(278)
<b>Net financial income</b>	<b>19,104</b>	<b>12,748</b>	<b>6,356</b>
<b>Pre-tax profit</b>	<b>116,696</b>	<b>104,295</b>	<b>12,401</b>
Income taxes	(42,310)	(40,382)	(1,928)
<b>Profit for the period</b>	<b>74,386</b>	<b>63,913</b>	<b>10,473</b>

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In order to enable the analysis of the revenue and expenditure items related to the two managed sections, the item “net operating margin” (EBIT) for the sections “Turin – Alessandria – Piacenza” (A21) and “Turin – Milan” (A4) can be broken down as follows.

#### A21 Section Turin – Alessandria – Piacenza

<i>(amounts in thousands of EUR)</i>	2007	2006	Changes
Motorway sector revenue	118,698	114,727	3,971
Other revenue	6,558	6,121	437
Operating costs	(50,621)	(52,898)	2,277
<b>Gross operating margin</b>	<b>74,635</b>	<b>67,950</b>	<b>6,685</b>
Significant “non-recurring” items	395	-	395
<b>Adjusted gross operating margin</b>	<b>75,030</b>	<b>67,950</b>	<b>7,080</b>
Amortisation/depreciation, provisions and their utilisation	(10,231)	(11,598)	1,367
<b>Net operating margin</b>	<b>64,799</b>	<b>56,352</b>	<b>8,447</b>

The item “*Motorway sector revenue*” increased by 3.5%.

More specifically, “*net toll revenues*” were equal to EUR 111.1 million, with an increase of EUR 3.4 million (+3.2%), which was mainly due to traffic performance, since the increase in toll rates equal to 0.36% took effect from 15 March 2007.

“*Rental income*” stood at EUR 7 million, in line with the values recorded in the previous year.

<sup>1</sup> As from 1 July 2007, this company was consolidated following the Corporate Reorganisation.

The item “*other revenue*” was equal to EUR 6.6 million (EUR 6.1 million in 2006).

“*Operating costs*” decreased by approximately EUR 2.3 million compared to 2006. The decrease in maintenance activities of the motorway network and in other costs for services (for a total amount of EUR 3.4 million) was countered by an increase in concession fees, which rose from 1% up to 2.4% (for a total amount of EUR 1.6 million) with effect from 1 January 2007.

The “*gross operating margin*” was therefore equal to EUR 74.6 million, up 9.8% in comparison to the corresponding 2006 figures.

The item “*significant non-recurring items*” related 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 “*amortisation/depreciation, provisions and their utilisation*” mainly reflected the contents of the financial plan annexed to this agreement.

The “*net operating margin*” was therefore equal to EUR 64.8 million, up EUR 8.4 million compared to the previous year (+15%).

#### A4 Section Turin – Milan

<i>(amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>	<b>Changes</b>
Motorway sector revenue	116,378	113,467	2,911
Other revenue	19,231	18,319	912
Operating costs	(65,041)	(61,922)	(3,119)
<b>Gross operating margin</b>	<b>70,568</b>	<b>69,864</b>	<b>704</b>
Significant “non-recurring” items	761	(2,574)	3,335
<b>Adjusted gross operating margin</b>	<b>71,329</b>	<b>67,290</b>	<b>4,039</b>
Amortisation/depreciation, provisions and their utilisation	(38,536)	(32,095)	(6,441)
<b>Net operating margin</b>	<b>32,793</b>	<b>35,195</b>	<b>(2,402)</b>

The increase in “*motorway sector revenue*”, while “*rental income*” (+ EUR 0.1 million) remained substantially unchanged, was almost entirely due to the increase in “*net toll revenues*” for 2007, which totalled EUR 107.4 million, up 2.7% as a sole consequence of the increase in traffic volumes, since the Granting Body did not approve the increase in toll rates for 2007.

The item “*other revenue*” was equal to EUR 19 million, substantially in line with the figures of the previous year, since the increase due to the execution of works on behalf of the CAV.TO.MI. Consortium (equal to EUR 1.8 million) was totally offset by the absence of contingent assets recorded in the previous year.

The increase in “*operating costs*” (equal to EUR 3.1 million) was mainly due to the increase in both the services rendered on behalf of the CAV.TO.MI. Consortium (EUR 1.8 million) and the concession fees for the A4 Section, equal to EUR 1.5 million.

The “*gross operating margin*” rose by EUR 0.7 million compared to the figures of the previous year.

For the financial year 2007, the item “*significant non-recurring items*” related 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. In the

previous year, this item referred to contingent liabilities related to the failure of the CAV.TO.MI Consortium to recognise the services rendered on its behalf.

The item “*amortisation/depreciation, provisions and their utilisation*” was equal to EUR 38.5 million, up EUR 6.4 million compared to the previous year, due to higher amortisation/depreciation (EUR 3.3 million) and to a higher net allocation to the Provision for restoration, replacement and maintenance of non-compensated revertible assets (EUR 3.1 million).

The “*net operating margin*” was therefore equal to EUR 32.8 million, down EUR 2.4 million compared to the previous year.

\* \* \*

The changes in “financial components” of SATAP S.p.A. (A4 + A21 Sections) are described below:

- the item “*financial income*”, equal to EUR 23.9 million, was substantially in line with previous year’s figures and benefited from the realised gains on the disposal of equity investments held in the companies SINA S.p.A. e SINECO S.p.A. to Autostrada Torino - Milano S.p.A. (EUR 15.5 million), as well as from the convertible bond “SIAS 2.625% 2005 – 2017”. During the previous year, this item included the special dividend equal to EUR 9.5 million issued by the associated company ITINERA S.p.A.;
- “*Financial charges*” were equal to EUR 4.3 million (EUR 11.1 million in 2006); their decrease, despite the growth in related interest rates, was due to the increase in capitalised financial charges (+ EUR 18.1 million) concerning major investments that were mainly related to the Turin - Milan motorway section.

With regard to “*income taxes*”, reference should be made to a decrease in taxation due to both the tax exemption for gains on disposal of equity investment and to the discharge - through a substitute tax - of deductions made “off the books” during previous years.

\* \* \*

The main items related to the *financial income* as at 31 December 2007, compared with those as at 31 December 2006, can be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>Changes</b>
A) Cash and cash equivalents	45,016	42,996	2,020
B) Securities held for trading	-	-	-
<b>C) Liquidity (A) + (B)</b>	<b>45,016</b>	<b>42,996</b>	<b>2,020</b>
<b>D) Loans (*)</b>	<b>-</b>	<b>46,136</b>	<b>(46,136)</b>
E) Short-term borrowings	-	-	-
F) Current portion of medium/long-term borrowings	(15,886)	(31,038)	15,152
G) Other financial liabilities	-	-	-
<b>H) Short-term borrowings</b>	<b>(15,886)</b>	<b>(31,038)</b>	<b>15,152</b>
<b>I) Net short-term (borrowings) available funds (C)+(D)+(H)</b>	<b>29,130</b>	<b>58,094</b>	<b>(28,964)</b>
J) Long-term borrowings	(637,991)	(437,910)	(200,081)
K) Bonds issued	(3)	(3)	-
L) Other long-term payables	-	-	-
<b>M) Long-term borrowings (J) + (K) + (L)</b>	<b>(637,994)</b>	<b>(437,913)</b>	<b>(200,081)</b>
<b>N) Net (borrowing) available funds (I) + (M)</b>	<b>(608,864)</b>	<b>(379,819)</b>	<b>(229,045)</b>

(\*) As at 31 December 2006, this item related to capitalisation agreements that, although they were long-term, could be converted into cash in the short term, if required.

The “*net financial position*” as at 31 December 2007 showed a debit balance of EUR 609 million (EUR 380 million as at 31 December 2006); this amount - including the discounted value of the “payable due to the Fondo Centrale di Garanzia and ANAS” - would be equal to EUR 641.8 million (EUR 415.2 million as at 31 December 2006).

It should be noted that, as at 31 December 2007, there was an outstanding loan (equal to EUR 120 million) granted on 1 October 2007 to the parent company SIAS S.p.A., given the temporary liquid funds resulting from intragroup transactions within the Corporate Reorganisation Project. This interest-bearing loan is governed by normal market conditions, at an annual rate equal to 3-month Euribor plus a spread of 0.25% (25 b.p.). The loan expires on 31 September 2008 and is renewable.

The increase in debt position was due to both the considerable investment plan of non-compensated revertible assets made during the financial year under review (equal to approximately EUR 270 million) and to the payment of the interim dividend for 2007 (equal to EUR 47.5 million), which was only partially financed by the operating cash flow.



### SAV – Società Autostrade Valdostane S.p.A.<sup>1</sup>

The Company manages the 59.5 km-long motorway section Quincinetto – Aosta and, as at 31 December 2007, is a subsidiary of the Group (67.63%).

The main 2007 revenue and expenditure items (with the corresponding 2006 figures for comparison) may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>	<b>Changes</b>
Motorway sector revenue	46,060	42,836	3,224
Other revenue	5,956	5,754	202
Operating costs	(25,111)	(21,553)	(3,558)
<b>Gross operating margin</b>	<b>26,905</b>	<b>27,037</b>	<b>(132)</b>
Significant “non-recurring” items	68	-	68
<b>Adjusted gross operating margin</b>	<b>26,973</b>	<b>27,037</b>	<b>(64)</b>
Amortisation/depreciation, provisions and their utilisation	(2,667)	(4,278)	1,611
<b>Operating profit</b>	<b>24,306</b>	<b>22,759</b>	<b>1,547</b>
Financial income	3,901	699	3,202
Financial charges	(9,754)	(8,501)	(1,253)
<b>Net financial income</b>	<b>(5,853)</b>	<b>(7,802)</b>	<b>1,949</b>
<b>Pre-tax profit</b>	<b>18,453</b>	<b>14,957</b>	<b>3,496</b>
Income taxes	(5,102)	(5,917)	815
<b>Profit for the period</b>	<b>13,351</b>	<b>9,040</b>	<b>4,311</b>

The “*motorway sector revenue*” totalled EUR 46.1 million, up EUR 3.2 million compared to the previous year. This 7.67% growth was mainly due to the partial increase in toll rates (equal to 10.41% with effect from 15 March 2007) and was offset by the decrease in traffic volumes (passenger vehicles: -0.15%, heavy-duty vehicles: -1.14%). The *royalties* paid by service areas’ operators were substantially in line with previous year’s figures.

The change in “*operating costs*” was mainly due to the substantial increase in maintenance operations (+ EUR 3 million) and to the increase in concession fees pertaining to ANAS (+ EUR 0.7 million).

With reference to the above-mentioned figures, the “*gross operating margin*” was substantially in line with previous year’s figures.

The item “*significant non-recurring items*” related 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 change in the item “*net amortisation/depreciation and provisions*” was due to higher amortisation/depreciation (+ EUR 2.2 million) and to lower net allocations to the provision for renewal (- EUR 3.4 million).

The “*net financial income*” showed a negative value of EUR 5.9 million (EUR 7.8 million in 2006); during the year, the Company benefited from gains resulting from disposal of equity investments for EUR 3.1 million, against higher interest accrued on loans and lower dividends received by investee companies.

<sup>1</sup> As from 1 July 2007, this company was consolidated following the Corporate Reorganisation.

In 2007, “*income taxes*” benefited from both the participation exemption related to the above-mentioned gains and from the realignment of the provision for deferred taxation according to the new tax rates (that took into account the discharge - through a substitute tax - of the allocation made “off the books” to the “Provision for restoration, replacement and maintenance of non-compensated revertible assets”).

According to the above-mentioned figures, the “*profit for the period*” was equal to EUR 13.4 million (EUR 9 million in 2006).

\* \* \*

The main items related to the *financial income* as at 31 December 2007, compared with those as at 31 December 2006, may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>Changes</b>
A) Cash and cash equivalents	1,069	3,947	(2,878)
B) Securities held for trading	-	-	-
<b>C) Liquidity (A) + (B)</b>	<b>1,069</b>	<b>3,947</b>	<b>(2,878)</b>
<b>D) Loans</b>	-	-	-
E) Short-term borrowings	(9,448)	(10,370)	922
F) Current portion of medium/long-term borrowings	(38,438)	(24,833)	(13,605)
G) Other financial liabilities	-	-	-
<b>H) Short-term borrowings</b>	<b>(47,886)</b>	<b>(35,203)</b>	<b>(12,683)</b>
<b>I) Net short-term (borrowings) available funds (C)+(D)+(H)</b>	<b>(46,817)</b>	<b>(31,256)</b>	<b>(15,561)</b>
J) Long-term borrowings	(45,833)	(60,935)	15,102
K) Bonds issued	-	-	-
L) Other long-term payables	-	-	-
<b>M) Long-term borrowings (J) + (K) + (L)</b>	<b>(45,833)</b>	<b>(60,935)</b>	<b>15,102</b>
<b>N) Net (borrowing) available funds (I) + (M)</b>	<b>(92,650)</b>	<b>(92,191)</b>	<b>(459)</b>

The net financial position as at 31 December 2007 showed an exposure of approximately EUR 96.2 million, substantially in line with the figures as at 31 December 2006. This amount - which included the discounted value of the “payable to ANAS-Fondo Centrale di Garanzia” - would be equal to EUR 167.1 million (EUR 164.1 million as at 31 December 2006). “*Short-term borrowings*” are guaranteed by the State, for an amount of EUR 10.9 million.

The liquidity generated from operating activities and from the disposal of equity investments held in Sineco S.p.A. and Ativa Engineering S.p.A. was used for the enhancement work on the motorway infrastructure (with an increase of approximately EUR 4.8 million), for the payment of the instalment due with regard to the payable due to ANAS-Fondo Centrale di Garanzia (EUR 1.3 million), as well as for the payment of dividends for a total of EUR 6.5 million (EUR 4.1 million for the 2006 dividend and EUR 2.4 million for the 2007 interim dividend).



### ATIVA – Autostrada Torino – Ivrea – Valle d’Aosta S.p.A.<sup>1</sup>

The Company manages Turin’s bypass network, its extension up to Quincinetto, the road link from Ivrea to Santhià and the Turin - Pinerolo section for a total of 155.8 kilometres and, together with another entity, it is a subsidiary of the Group (41.17%). This company and its related subsidiaries were consolidated according to the “proportion with the investment held” method.

The main revenue and expenditure items of the Company may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>	<b>Changes</b>
Motorway sector revenue	109,795	104,893	4,902
Other revenue	5,952	5,569	383
Operating costs	(49,973)	(54,476)	4,503
<b>Gross operating margin</b>	<b>65,774</b>	<b>55,986</b>	<b>9,788</b>
Significant “non-recurring” items	592	9,644	(9,052)
<b>Adjusted gross operating margin</b>	<b>66,366</b>	<b>65,630</b>	<b>736</b>
Amortisation/depreciation, provisions and their utilisation	(17,652)	(14,782)	(2,870)
<b>Operating profit</b>	<b>48,714</b>	<b>50,848</b>	<b>(2,134)</b>
Financial income	1,541	3,589	(2,048)
Financial charges	(7,646)	(7,128)	(518)
<b>Net financial income</b>	<b>(6,105)</b>	<b>(3,539)</b>	<b>(2,566)</b>
<b>Pre-tax profit</b>	<b>42,609</b>	<b>47,309</b>	<b>(4,700)</b>
Income taxes	(14,935)	(18,028)	3,093
<b>Profit for the period</b>	<b>27,674</b>	<b>29,281</b>	<b>(1,607)</b>

The “*motorway sector revenue*” increased by EUR 4.9 million (+4.67%); this change was due to both the increase in rental income (+ EUR 1.4 million) resulting from service areas, also following previous year’s renegotiations, as well as to the increase in “net toll revenues” (+ EUR 3.5 million, i.e. 3.71%), which was mainly due to the increase in toll rates with effect from 15 March 2007 (equal to 0.74%) and, with regard to the remaining portion, to the increase in fare-paying traffic.

“*Operating costs*”, equal to EUR 50 million, decreased by 8.3%, mainly due to the decline in maintenance operations.

With regard to the above-mentioned figures, the “*gross operating margin*”, equal to EUR 65.8 million, increased by EUR 9.8 million (+17.5%).

For the financial year 2007, the item “*significant non-recurring items*” related 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 (in 2006, this item referred to the extraordinary income following the acquisition - as non-compensated revertible asset - of buildings and installations in the service areas where sub-concession agreements had expired).

The item “*amortisation/depreciation and provisions*” increased by EUR 2.9 million, mainly due to higher accounted amortisation/depreciation following the entry into service of the works.

The “*financial income*” decreased by EUR 2.6 million, due to both lower dividends received from subsidiaries and to higher financial charges.

<sup>1</sup> As from 1 July 2007, this company was consolidated following the Corporate Reorganisation.

With reference to the above-mentioned figures, FY 2007 showed a “*profit for the period*” of EUR 27.7 million (EUR 29.3 million in 2006).

\* \* \*

The main items related to the *financial income* as at 31 December 2007, compared with those as at 31 December 2006, may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>Changes</b>
A) Cash and cash equivalents	5,179	8,359	(3,180)
B) Securities held for trading	-	-	-
<b>C) Liquidity (A) + (B)</b>	<b>5,179</b>	<b>8,359</b>	<b>(3,180)</b>
<b>D) Loans (*)</b>	<b>-</b>	<b>15,024</b>	<b>(15,024)</b>
E) Short-term borrowings	(8,196)	-	(8,196)
F) Current portion of medium/long-term borrowings	(11,346)	(10,868)	(478)
G) Other financial liabilities	-	-	-
<b>H) Short-term borrowings</b>	<b>(19,542)</b>	<b>(10,868)</b>	<b>(8,674)</b>
<b>I) Net short-term (borrowings) available funds (C)+(D)+(H)</b>	<b>(14,363)</b>	<b>12,515</b>	<b>(26,878)</b>
J) Long-term borrowings	(87,174)	(98,491)	11,317
K) Bonds issued	-	-	-
L) Other long-term payables	-	-	-
<b>M) Long-term borrowings (J) + (K) + (L)</b>	<b>(87,174)</b>	<b>(98,491)</b>	<b>11,317</b>
<b>N) Net (borrowings) available funds</b>	<b>(101,537)</b>	<b>(85,976)</b>	<b>(15,561)</b>

(\*) As at 31 December 2006, this item referred to both capitalisation agreements and government bonds that, although they are long-term, may be converted into cash in the short term, if required.

The “net financial position” as at 31 December 2007 showed a net borrowing of EUR 101.5 million (EUR 86 million as at 31 December 2006); this amount - including the discounted value of the “payable due to the Fondo Centrale di Garanzia and ANAS” - would be equal to EUR 142.5 million (EUR 129.9 million as at 31 December 2006).

The change in net financial position compared to 31 December 2006 was mainly due to both the implementation of the investment plan (EUR 17.7 million) and the distribution of dividends (2006 balance and 2007 interim dividend) totalling EUR 22.5 million, as well as to the payment of the instalment due with regard to the payable due to ANAS-Fondo Centrale di Garanzia (EUR 5.2 million).



**SITAF – Società Italiana per il Traforo Autostradale del Frejus S.p.A.<sup>1</sup>**

SITAF S.p.A. manages the Turin - Bardonecchia (A32) motorway section, as well as the international Frejus motorway tunnel (T4) and is a subsidiary of the Group (36.97%).

The preliminary figures as at 31 December 2007 showed “*net proceeds from tolls*” equal to EUR 111 million (up EUR 4.3 million compared to 2006) and a “*profit for the period*” of EUR 14 million.

With regard to the relationships with the Granting Body, it should be underlined that - by means of a decision dated 29 December 2007 - it did not approve the 2008 toll increase, because of the alleged failure to comply with conventional obligations for the realisation of maintenance operations. Hence, in February 2008 ANAS once again asked to the Company to create a specific provision corresponding to the alleged “financial benefits” resulting from the delay in the implementation of the investments included in the agreement during the first five years of the current financial plan (2002-2007). This request is quite unjustified, since SITAF S.p.A. complied with maintenance programmes and, as at 31 December 2007, investments were higher than the requirements set out in the current financial plan (approximately EUR 80 million). On this point, the Licensee will carry out all necessary activities in order to protect its own legitimate economic-financial interests.

Moreover, it should be underlined that on 14 February 2008 SITAF S.p.A. sent to ANAS - on instruction of the latter - the Standard Agreement proposal, together with the updated Financial Plan.



**SITRASB – Società Italiana Traforo del Gran San Bernardo S.p.A.<sup>(\*)</sup>**

This Company manages the Gran San Bernardo international tunnel and is a subsidiary of the Group (36.5%).

The item “*motorway sector revenue*” totalled EUR 6.8 million (EUR 7.2 million in 2006).

FY 2007 showed a “*profit for the period*” of EUR 0.1 million (EUR 0.7 million in 2006).

The “*net financial position*” as at 31 December 2007 revealed net liquid funds equal to EUR 8 million (EUR 8.5 million as at 31 December 2006).

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<sup>1</sup> Company valued using the equity method as from 1 July 2007, following the Corporate Reorganisation.



S.A. Bro.M. S.p.A.

### **S.A. Bro.M. – Società Autostrada Broni – Mortara S.p.A.**

S.A. Bro.M. S.p.A. (a company for the realisation of the preliminary project for the regional motorway “Direttrice Broni – Pavia – Mortara”) is in a start-up phase and ended 2007 with a loss equal to EUR 0.2 million. As at 31 December 2007, net borrowing was equal to EUR 9.5 million (EUR 4 million as at 31 December 2006).

On 11 January 2008, SATAP S.p.A. transferred a 30% stake (18% to Impregilo S.p.A, 10% to CMB, 1% to SINA S.p.A., 1% to SINECO S.p.A.) in S.A. Bro.M. S.p.A., for a total value of EUR 750 thousand. As of today, the Group’s equity investment in the said Company is equal to 52% of the share capital.

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

The company was set-up on 1 March 2006 with a share capital of EUR 200 million, following the concession award on 29 September 2005 for the construction of the Asti-Cuneo motorway link. 65% of the company is owned by the reference Group (SALT S.p.A. 60%, Itinera S.p.A. 5%) and the remaining 35% is owned by ANAS S.p.A.. The corporate purpose is the completion of the planning stage, as well as the realisation, management and maintenance of the 90 km-long motorway link between Asti and Cuneo. The duration of the concession is 23.5 years as of the infrastructure’s completion date.

The 2007 Financial Statements recorded a profit of approximately EUR 0.6 million (EUR 0.5 million in 2006), mainly due to the management of the liquidity from the subscription by the Shareholders of a 25% stake of the share capital that was originally approved.

The “*net financial position*” as at 31 December 2007 showed a credit balance of approximately EUR 46.4 million, due to the above-mentioned payment.

### **Autostrade Sud America – ASA s.r.l.**

ASA s.r.l. (which is held by the Group for 45% of the share capital) controls, through the Chilean company Autopista do Pacifico S.A., the Sociedad Concesionaria Costanera Norte S.A., a company that manages a 43 km-long motorway section in Santiago (Chile).

Autostrade Sud America – ASA s.r.l. ended 2007 at the break-even point. The consolidated result of the ASA Group posted a profit of approximately EUR 2.4 million, due to the recognition of “non-recurring” income by the Chilean licensee Sociedad Concesionaria Costanera Norte S.A., which was partially offset by the registration of major foreign exchange loss.

**Technology sector****SSAT S.p.A.**

The Company mainly operates in the lease sector of both fibre optics and sites for the positioning of transmission devices for companies operating in the mobile telephony sector. As at 31 December 2007, the Group held 60% of the share capital of this Company.

The main *revenue and expenditure items* of the Company may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>	<b>Changes</b>
Technology sector revenue	16,703	8,614	8,089
Other revenue	165	16	149
Operating costs	(11,338)	(6,225)	(5,113)
<b>Gross operating margin</b>	<b>5,530</b>	<b>2,405</b>	<b>3,125</b>
Net amortisation/depreciation and provisions	(786)	(644)	(142)
<b>Operating profit</b>	<b>4,744</b>	<b>1,761</b>	<b>2,983</b>
Financial income	2,750	2,150	600
Financial charges	(3)	-	(3)
Value adjustments to investments	-	-	-
<b>Net financial income</b>	<b>2,747</b>	<b>2,150</b>	<b>597</b>
<b>Pre-tax profit</b>	<b>7,491</b>	<b>3,911</b>	<b>3,580</b>
Income taxes	(1,921)	(756)	(1,165)
<b>Profit for the period</b>	<b>5,570</b>	<b>3,155</b>	<b>2,415</b>

During the year under review, the company completed an important contract concerning the works carried out on behalf of the CAV.TO.MI. Consortium. The completion of the said contract enabled to post a *turnover* equal to EUR 16.7 million and a gross operating margin of EUR 5.5 million (EUR 2.4 million in 2006).

The item “*net financial income*” equal to EUR 2.7 million mainly related to the dividends collected from the subsidiaries Sinelec S.p.A. and Euroimpianti S.p.A..

With regard to the above-mentioned figures, 2007 showed a “*profit for the period*” of EUR 5.6 million (EUR 3.2 million in 2006).

The “*net financial position*” as at 31 December 2007 revealed a credit balance equal to EUR 1.3 million (EUR 1.8 million as at 31 December 2006). During the period under review, the company paid the dividend for 2006 (equal to approximately EUR 3 million).



### Sinelec S.p.A.

The Company operates in the sector of outsourcing management and supply of integrated IT systems for motorway companies. As at 31 December 2007, the Group held 97.06% of the share capital of the Company.

The main *revenue and expenditure items* of the Company may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>	<b>Changes</b>
Technology sector revenue	27,225	32,297	(5,072)
Other revenue	278	158	120
Operating costs	(22,120)	(26,296)	4,176
<b>Gross operating margin</b>	<b>5,383</b>	<b>6,159</b>	<b>(776)</b>
Significant “non-recurring” items	115	-	115
<b>Adjusted gross operating margin</b>	<b>5,498</b>	<b>6,159</b>	<b>(661)</b>
Net amortisation/depreciation and provisions	(685)	(722)	37
<b>Operating profit</b>	<b>4,813</b>	<b>5,437</b>	<b>(624)</b>
Financial income	769	517	252
Financial charges	(69)	(63)	(6)
Value adjustments to investments	-	-	-
<b>Net financial income</b>	<b>700</b>	<b>454</b>	<b>246</b>
<b>Pre-tax profit</b>	<b>5,513</b>	<b>5,891</b>	<b>(378)</b>
Income taxes	(2,156)	(2,583)	427
<b>Profit for the period</b>	<b>3,357</b>	<b>3,308</b>	<b>49</b>

During the year, the company recorded a turnover equal to EUR 27.2 million euro (EUR 32.3 million in 2006); the decrease in “production” was reflected in the operating costs and, for this reason, the “*gross operating margin*” was equal to EUR 5.5 million (EUR 6.2 million in 2006).

The item “*significant non-recurring items*” related 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.

“*Net financial income (charges)*” increased as a consequence of the recording of higher dividends from the subsidiary Euroimpianti Electronic S.p.A..

Based on the above statements, the “*profit for the period*” was equal to EUR 3.4 million and was substantially in line with previous year’s figures.

The “*net financial position*” as at 31 December 2007 revealed liquid funds equal to EUR 2.6 million (EUR 3.4 million as at 31 December 2006).



### **Euroimpianti Electronic S.p.A.**

The Company operates in the area of planning and production of electrical, telephone and electronic systems for motorway companies. As at 31 December 2007, this Company is wholly-owned by the Group (100% of the share capital).

The main *revenue and expenditure items* of the Company may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>	<b>Changes</b>
Technology sector revenue	17,940	13,671	4,269
Other revenue	19	27	(8)
Operating costs	(14,747)	(10,968)	(3,779)
<b>Gross operating margin</b>	<b>3,212</b>	<b>2,730</b>	<b>482</b>
Net amortisation/depreciation and provisions	(70)	(100)	30
<b>Operating profit</b>	<b>3,142</b>	<b>2,630</b>	<b>512</b>
Financial income	47	43	4
Financial charges	(13)	(9)	(4)
Value adjustments to investments	-	-	-
<b>Net financial income</b>	<b>34</b>	<b>34</b>	<b>-</b>
<b>Pre-tax profit</b>	<b>3,176</b>	<b>2,664</b>	<b>512</b>
Income taxes	(1,238)	(1,092)	(146)
<b>Profit for the period</b>	<b>1,938</b>	<b>1,572</b>	<b>366</b>

During 2007, this Company consolidated its activity and posted a “*turnover*” equal to EUR 17.9 million, up 31% compared to 2006. The “*gross operating margin*” amounted to EUR 3.2 million (EUR 2.7 million in 2006).

The increase in operating activities was reflected in the “*profit for the period*”, which totalled EUR 1.9 million (EUR 1.6 million in 2006).

The “*net financial position*” as at 31 December 2007 showed liquid funds for EUR 2.5 million (EUR 1.6 million as at 31 December 2006) and is fully represented by the liquid funds available on the Company’s current accounts.

**Construction and engineering sector****ABC Costruzioni S.p.A.**

The Company carries out construction and maintenance activities for motorway assets; as at 31 December 2007, the Group held 85.921% of the Company's share capital.

The main *revenue and expenditure items* of the Company may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>	<b>Changes</b>
Construction sector revenue	85,398	85,215	183
Other revenue	1,072	1,090	(18)
Operating costs	(75,632)	(77,691)	2,059
<b>Gross operating margin</b>	<b>10,838</b>	<b>8,614</b>	<b>2,224</b>
Net amortisation/depreciation and provisions	(2,031)	(1,259)	(772)
<b>Operating profit</b>	<b>8,807</b>	<b>7,355</b>	<b>1,452</b>
Financial income	446	264	182
Financial charges	(226)	(278)	52
Value adjustments to investments	-	-	-
<b>Net financial income</b>	<b>220</b>	<b>(14)</b>	<b>234</b>
<b>Pre-tax profit</b>	<b>9,027</b>	<b>7,341</b>	<b>1,686</b>
Income taxes	(3,555)	(3,243)	(312)
<b>Profit for the period</b>	<b>5,472</b>	<b>4,098</b>	<b>1,374</b>

In 2007, the Company - which mainly carries out maintenance and enhancement activities for the motorway network on behalf of SALT S.p.A., Autostrada dei Fiori S.p.A. and Autocamionale della Cisa S.p.A. - posted a "*profit for the period*" equal to EUR 5.5 million (EUR 4.1 million in 2006). This result reflected, among other things, the early completion bonuses for major contracts.

The main items related to the *financial income* as at 31 December 2007, compared with those as at 31 December 2006, may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>Changes</b>
A) Cash and cash equivalents	8,542	7,299	1,243
B) Securities held for trading	-	-	-
<b>C) Liquidity (A) + (B)</b>	<b>8,542</b>	<b>7,299</b>	<b>1,243</b>
<b>D) Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>
E) Short-term borrowings	-	-	-
F) Current portion of medium/long-term borrowings	-	(1,014)	1,014
G) Other financial liabilities	(902)	(806)	(96)
<b>H) Short-term borrowings</b>	<b>(902)</b>	<b>(1,820)</b>	<b>918</b>
<b>I) Net short-term (borrowings) available funds (C) + (D) + (H)</b>	<b>7,640</b>	<b>5,479</b>	<b>2,161</b>
J) Long-term borrowings	-	(519)	519
K) Bonds issued	-	-	-
L) Other long-term payables	(999)	(950)	(49)
<b>M) Long-term borrowings (J) + (K) + (L)</b>	<b>(999)</b>	<b>(1,469)</b>	<b>470</b>
<b>N) Net (borrowing) available funds (I) + (M)</b>	<b>6,641</b>	<b>4,010</b>	<b>2,631</b>

Despite the payment of the 2006 dividend for EUR 1.6 million, the flow of resources generated by operating activities caused an increase in the net financial position equal to approximately EUR 2.6 million.

**Cisa Engineering. S.p.A.**

In 2007, the Company - which operates in the study and planning area for motorway works - posted a turnover of EUR 2.6 million (EUR 2.2 million in 2006), with a gross operating margin equal to EUR 1 million (EUR 0.6 million in 2006) and a “*profit for the period*” of EUR 0.6 million (EUR 0.4 million in 2006).

The “*net financial position*” as at 31 December 2007 revealed net available funds equal to EUR 1.6 million (EUR 1.3 million as at 31 December 2006).

**ATIVA Engineering. S.p.A.**

In 2007, the Company - which operates in the study and planning area for motorway works and as service provider for companies operating in the motorway sector - posted a turnover equal to EUR 5.2 million (EUR 6.3 million in 2006), together with a “*profit for the period*” of EUR 0.6 million (EUR 1.3 million in 2006).

The “*net financial position*” as at 31 December 2007 revealed a credit balance equal to EUR 1.7 million (EUR 1.4 million as at 31 December 2006).

**ITINERA S.p.A.**

This Company operates in the construction sector and its main activities are the construction and maintenance of road, motorway and railway infrastructures, building works, as well as works for the construction of tunnels and underground railways. As at 31 December 2007, the Company was a subsidiary of the Group (which held 40.303% of its share capital); in the framework of the current consolidated financial statements, the Company was carried at equity.

In 2007, the company recorded a “*value of production*” equal to EUR 369 million (EUR 479 million in 2006), together with a “*profit for the period*” of EUR 3.1 million (EUR 1.1 million in 2006)<sup>1</sup>.

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<sup>1</sup> Data prepared according to the national accounting standards.

## **Services sector**

### **Autostrade dei Parchi S.p.A.**

During 2007, the Company increased its share capital (from EUR 26.2 million to EUR 36.7 million) by means of an issue at par of 21,000,000 new shares with a nominal value of EUR 0.50 each. SALT S.p.A. - having subscribed both its own share and the unassigned part - increased its shareholding up to 96.19% of the share capital.

With regard to the impugment by ANAS of the arbitral award dated 20 July 2005 - which awarded to the Company a compensation equal to EUR 23.5 million to be paid by ANAS with regard to the management of the A24 and A25 motorways carried out for more than twenty years by the Granting Body - the litigation has been postponed to the hearing of 27 April 2010.

The company will carry out all activities necessary to defend and acknowledge its own reasons, as well as to confirm the award by the Court of Appeal.

In 2007, Autostrade dei Parchi S.p.A. posted a “*profit*” equal to EUR 0.5 million (EUR 2.3 million in 2006), mainly due to the dividends collected from the investment held in Banca Ca.Ri.Ge. S.p.A..

\* \* \*

### **Other equity investments**

On 29 October 2007, SIAS S.p.A. purchased from ABM Network Investments S.A. 1,800,000 shares of **Milano Serravalle - Milano Tangenziali S.p.A.**, corresponding to 1% of its share capital, for a total value of EUR 13.4 million. As a consequence of the above-mentioned transaction, the equity investment held by the SIAS Group in Milano Serravalle - Milano Tangenziali S.p.A. increased from 12.55% to **13.55%** of the share capital.

## **SEGMENT INFORMATION**

Pursuant to CONSOB Communication no. 98084143 of 27 October 1998, it should be underlined that - as already pointed out in the previous section “Business segments and Group composition”, the primary business segment of the Group is represented by the management of motorway networks under concession, as well as by related activities. As a consequence, the economic-financial components of the consolidated financial statements are mainly attributable to this type of activity.

In the Explanatory Notes, an analysis of the results by business sector is included in the related section “Segment reporting”, pursuant to IAS 14.

The geographical segment reporting may not be applied, since the activity of the Companies included in the consolidation scope of the SIAS Group is mainly carried out at national level.

**EQUITY INVESTMENTS HELD BY DIRECTORS AND AUDITORS**

Pursuant to art. 79 of the CONSOB Resolution no. 11971/99 and following amendments, the disclosures on equity investments held by Directors and Statutory Auditors in the Issuer<sup>(1)(2)</sup> are provided below:

SURNAME AND NAME	INVESTEES COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR	NUMBER OF PURCHASED SHARES	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT YEAR END
CAVANENGGHI ALFREDO	SOCIETA' INIZIATIVE AUTOSTRADALI E SERVIZI S.p.A.	16,000	3,000	-	19,000
GAVIO BENIAMINO	SOCIETA' INIZIATIVE AUTOSTRADALI E SERVIZI S.p.A.	500	-	-	500 <sup>(3)</sup>
LASCIALFARE RINALDO	SOCIETA' INIZIATIVE AUTOSTRADALI E SERVIZI S.p.A.	2,000	-	(2,000)	- <sup>(4)</sup>
PIERANTONI PAOLO	SOCIETA' INIZIATIVE AUTOSTRADALI E SERVIZI S.p.A.	1,750	-	-	1,750
SACCHI ALBERTO	SOCIETA' INIZIATIVE AUTOSTRADALI E SERVIZI S.p.A.	2,000	-	-	2,000 <sup>(5)</sup>

- (1) Mrs. Daniela Gavio and Mr. Beniamino Gavio hold respectively 3,255 and 53,283 shares of the subsidiary SATAP S.p.A..  
(2) Mrs. Daniela Gavio holds 5,000 bonds related to the loan "SIAS 2.625% 2005-2017 convertible into ordinary shares".  
(3) These shares are held by the spouse. Moreover, the latter holds 125 bonds related to the loan "SIAS 2.625% 2005-2017 convertible into ordinary shares".  
(4) The spouse holds 5,250 bonds related to the loan "SIAS 2.625% 2005-2017 convertible into ordinary shares".  
(5) Mr. Alberto Sacchi holds 500 bonds related to the loan "SIAS 2.625% 2005-2017 convertible into ordinary shares".

**OTHER DISCLOSURES REQUIRED BY CURRENT LEGISLATION**

The Company does not hold own shares.

As at 31 December 2007, the subsidiary ATIVA S.p.A. held 21,500 shares (par value EUR 10,750) of the parent company Autostrada Torino-Milano S.p.A..

During the year, neither own shares, nor shares or stakes of parent companies (neither through a trust company or third party) were purchased or sold.

Your Company has no branches.

With regard to the relationships with subsidiaries, associated companies, parent companies and with enterprises subject to the control of these latter companies, reference should be made to the explanatory notes.

In respect of the policies adopted as regards financial risk management, please refer to the related note contained in the explanatory notes.

\* \* \*

As regards the "Personal Data Protection Code, during 2007 the Company reviewed the Programmatic document on data corporate security, which was adopted pursuant to Legislative Decree no. 196 of 30 June 2003 and subsequent amendments, in compliance with the provisions

contained in Annex B with regard to the same legislative act (security measures procedural specification).

\* \* \*

With regard to the “**REPORT ON CORPORATE GOVERNANCE**”, reference should be made to the annex to this Management Report, as shown at the bottom of these financial statements.

## **FINANCIAL COMMUNICATIONS AND INVESTOR RELATIONS**

The Company takes action so to create and maintain a constant dialogue with its own Shareholders and with Institutional Investors.

More specifically:

- the website is constantly updated ([www.grupposias.it](http://www.grupposias.it)) with regard to “financial information”, so to provide adequate and exhaustive information to both the Shareholders and the market. Moreover, it contains financial statements, half-yearly reports, quarterly reports of the Company, press releases and reports concerning the issues discussed at the Shareholders’ Meetings;
- institutional meetings are organised with investors and analysts, both in Italy and abroad;
- intense contact activities are carried out - also by means of personal meetings - with financial analysts and institutional investors (in particular foreign experts, taking into account the presence of a significant percentage of foreign investors, especially Anglo-Saxons, in the Company’s capital);
- detailed and timely information is provided through daily, periodical and financial press.

On 20 September 2007, Borsa Italiana S.p.A. announced the inclusion of the SIAS S.p.A. security among those traded on the **MIDEX index**.

## **SIGNIFICANT SUBSEQUENT EVENTS**

As already mentioned above, on 11 February 2008 the Agreement for the construction and management of the **Asti-Cuneo** motorway section became effective. The Company Asti-Cuneo S.p.A. will therefore be able to start the completion works for the 53 kilometres which are still under construction, assuming at the same time the management of the sections that have been already completed (amounting to 37 kilometres).

It should be noted that the SIAS Group was the subject of an analysis – conducted at world level by ECPI International SA – to identify value creation, within a sample of listed companies, through “non conventional and intangible” factors (known as the ESG Factors – “Environmental, Social and Governance”).

Following the analysis, the SIAS Group was assigned a **EE+ rating**. Given that the highest rating in the “Eligible Names” category is EEE, this award is a recognition of the policies implemented by the Group within environmental, social and governance spheres.

## **BUSINESS OUTLOOK**

At present, as regards the motorway sector, the changes to the sector legislation and the failure to update the agreements and financial plans concerning motorway sections under concession give rise to an uncertain situation, with an impact on both the investment plan to be carried out and on the operating activities of the Group’s motorway companies. However, traffic performance should confirm the positive trend recorded in 2007.

With regard to the other sectors in which the Group operates, FY 2008 should confirm the positive financial performance recorded up to now.

The performance of the SIAS Group during the year will clearly reflect the evolution of all above-mentioned factors, thus expecting a positive result.

\* \* \*

## **PROPOSAL FOR THE RECLASSIFICATION OF RESERVES**

Dear Shareholders,

taking into account the significant share premium resulting from the increase in share capital approved during the year for the allocation of equity investments, we hereby present for your approval the reclassification proposal for an amount equal to EUR 10,000,000 from the item “Share premium reserve” to “Legal reserve”.

Thanks to this reclassification, the item "Legal reserve" will reach the limit set out in art. 2430 of the Italian Civil Code, thus providing your Company with a more flexible structure with regard to equity.

**PROPOSAL FOR ALLOCATION OF THE NET PROFIT**

Dear Shareholders,

the financial statements that we hereby present for your approval show a “profit for the period” equal to EUR 93,153,171.

We propose to allocate the “profit for the period” as follows:

	EUR
• 2007 net profit	93,153,171
• “interim dividend” approved by the Board of Directors on 12 November 2007 and paid in the amount of EUR 0.165 for each of the 227,500,000 shares of the share capital, for a total amount of	
• a unit balance dividend of EUR 0.160 for each of the 227,500,000 shares of the share capital, for a total amount of	37,537,500
	<u>36,400,000</u>
• residual amount	<u>19,215,671</u>

to be allocated to the item “Retained earnings”.

The dividend - in compliance with the regulations issued by Borsa Italiana S.p.A. - may be paid from 8 May 2008 (in such event the shares shall be quoted ex-dividend from 5 May 2008, against detachment of the coupon no. 13) if the Shareholders’ Meeting approves the financial statements on 29 April 2008 (1<sup>st</sup> call), or from 22 May 2008 (in such event the shares will be quoted ex-dividend from 19 May 2008, against detachment of the abovementioned coupon) if the Shareholders’ Meeting approves the financial statements on 12 May 2008 (2<sup>nd</sup> call).

**APPOINTMENT OF THE BOARD OF DIRECTORS AND OF THE BOARD OF STATUTORY AUDITORS**

Dear Shareholders,

the three-year mandate given to the Board of Directors and to the Board of Statutory Auditors by the Ordinary Shareholders’ Meeting on 6 May 2005 expires with the Shareholders’ Meeting held for the approval of the Financial Statements as at 31 December 2007.

You are therefore required to appoint the new Board of Directors and the Board of Statutory Auditors, according to the terms and within the period prescribed by art. 16 and 27 of the Articles of Associations, by means of list voting.

As prescribed by Consob Resolution no. 16319 of 29 January 2008, the Shareholders who, alone or together with others, hold shares representing at least 2% of the share capital have the right to submit the lists of candidates.

Turin, 27 March 2008

for the Board of Directors  
The Chairman  
(Bruno Binasco)

**Separate Financial Statements  
at 31 December 2007**

**Financial statements  
of the parent company**

**Balance Sheet**

<i>(Amounts in thousands of EUR)</i>	<b>31 December 2007</b>	<b>31 December 2006</b>
<b>Assets</b>		
<b>Non-current assets</b>		
1. Intangible assets	-	-
2. Tangible assets	-	-
3. Noncurrent financial assets (Note 1)		
a. equity investments in subsidiaries	1,826,685	469,703
b. equity investments in associated companies	57,034	45,016
c. equity investment in other companies	147,193	215,437
d. receivables	15,011	-
e. Other	-	-
<b>Total non-current financial assets</b>	<b>2,045,923</b>	<b>730,156</b>
4. Deferred tax credits (Note 2)	573	131
<b>Total non-current assets</b>	<b>2,046,496</b>	<b>730,287</b>
<b>Current assets</b>		
5. Inventories		
6. Trade receivables		
7. Current tax credits (Note 3)	3,118	4,640
8. Other receivables (Note 4)	4,304	3,076
9. Assets held for trading		
10. Assets available for sale		
11. Financial receivables		
<b>Total current assets</b>	<b>7,422</b>	<b>7,716</b>
12. Cash and cash equivalents (Note 5)	48,889	141,808
<b>Total current assets</b>	<b>56,311</b>	<b>149,524</b>
<b>Total assets</b>	<b>2,102,807</b>	<b>879,811</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>		
1. Shareholders' equity (Note 6)		
a. share capital	113,750	63,750
b. reserves and retained earnings	1,494,466	496,174
<b>Total shareholders' equity</b>	<b>1,608,216</b>	<b>559,924</b>
<b>Liabilities</b>		
<b>Noncurrent liabilities</b>		
2. Provisions for risks, charges and severance indemnities (Note 7)	114	105
3. Trade payables		
4. Other payables		
5. Bank debt		
6. Other financial liabilities (Note 8)	289,475	285,667
7. Deferred tax liabilities (Note 9)	14,241	19,320
<b>Total noncurrent liabilities</b>	<b>303,830</b>	<b>305,092</b>
<b>Current liabilities</b>		
8. Trade payables (Note 10)	1,771	144
9. Other payables (Note 11)	7,738	5,771
10. Bank overdrafts and borrowing (Note 12)	50,847	
11. Other financial liabilities (Note 13)	130,330	8,786
12. Current tax liabilities (Note 14)	75	94
<b>Total current liabilities</b>	<b>190,761</b>	<b>14,795</b>
<b>Total liabilities</b>	<b>494,591</b>	<b>319,887</b>
<b>Total shareholders' equity and liabilities</b>	<b>2,102,807</b>	<b>879,811</b>

**Income statement**

<i>(Amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>
<b>Financial income and expenses (Note 15)</b>		
1. Income from equity investments:		
a. from subsidiaries	89,520	175,415
b. from associated companies	552	-
c. from other businesses	17,672	8,436
Total equity investment income	107,744	183,851
2. Other financial income	5,231	3,776
3. Interest and other financial expenses	(18,459)	(12,667)
<b>Total financial income and expenses (A)</b>	<b>94,516</b>	<b>174,960</b>
<b>Value adjustments for financial assets (Note 16)</b>		
1. Revaluations	103	-
2. Write-downs	-	(1,125)
<b>Total value adjustments for financial assets (B)</b>	<b>103</b>	<b>(1,125)</b>
<b>Other operating income (Note 17) (C)</b>	<b>46</b>	<b>38</b>
<b>Other operating costs (Note 18)</b>		
a. payroll costs	(328)	(342)
b. services	(1,778)	(1,352)
c. cost of materials		
d. other costs	(215)	(186)
e. amortization, depreciation and write-downs		
f. other provisions for risks and charges		
<b>Total other operating costs (D)</b>	<b>(2,321)</b>	<b>(1,880)</b>
<b>Profit (loss) before taxes (A+B+C+D)</b>	<b>92,344</b>	<b>171,993</b>
Taxes (Note 19)		
a. Current taxes	(577)	(1,568)
b. Deferred taxes	1,362	1,118
c. Income from tax consolidation	24	2,894
<b>Income (loss) for the year</b>	<b>93,153</b>	<b>174,437</b>

*Note:* To take into account the activity by SIAS S.p.A. as an industrial holding company, we have used the format required by CONSOB Notice No. 94001437 of 23 February 1994 for that type of Company. For this reason it differs from the one used for the SIAS Group.

**Cash flow statement**

<i>(Amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>
<b>Beginning cash and cash equivalents (a)</b>	<b>141,808</b>	<b>81,306</b>
<b>Operating activity:</b>		
<b>Profit (loss)</b>	<b>93,153</b>	<b>174,437</b>
<b>Adjustments</b>		
Update provisions to the Employee Severance Indemnities Reserve	9	13
Write-down (revaluations) of financial assets	(103)	1,124
Net change in deferred tax credits and liabilities	(1,923)	(955)
Change in net working capital (Note 20)	3,868	(859)
Other changes from operating activity	-	-
<b>Cash generated (absorbed) by operating activity (b)</b>	<b>95,004</b>	<b>173,760</b>
<b>Investment activity:</b>		
Investments in property, plant, machinery and other assets		
Investments in intangible assets		
Investments in non-current financial assets	(386,395)	(120,125)
Divestiture of current financial assets	95,383	43,422
<b>Cash generated (absorbed) by investment activity (c)</b>	<b>(291,012)</b>	<b>(76,703)</b>
<b>Financial activity:</b>		
Opening loans	172,391	-
Change in financial receivables	(15,011)	-
Change in other borrowings	3,808	8,070
Changes to shareholders' equity	(1,436)	-
Dividends (and interim dividends) distributed	(56,663)	(44,625)
<b>Cash generated (absorbed) by financial activity (d)</b>	<b>103,089</b>	<b>(36,555)</b>
<b>Ending cash and cash equivalents (a+b+c+d)</b>	<b>48,889</b>	<b>141,808</b>

Additional information:

Taxes paid during the period	-	-
Financial charges paid during the period	11,946	4,260
Dividends collected during the period	96,231	179,851

## Statement of changes in shareholders' equity

<i>Amounts in thousands of EUR</i>	Share capital	Reserves and retained earnings	Shareholders' equity
<b>31 December 2005</b>	<b>63,750</b>	<b>361,043</b>	<b>424,793</b>
Distribution balance of 2005 dividend (EUR 0.20 per share)		(25,500)	(25,500)
Distribution of 2006 interim dividend (EUR 0.15 per share)		(19,125)	(19,125)
Update financial assets to fair value		5,319	5,319
Profit for the period		174,437	174,437
<b>31 December 2006</b>	<b>63,750</b>	<b>496,174</b>	<b>559,924</b>
Distribution balance of 2006 dividend (EUR 0.15 per share)		(19,125)	(19,125)
Increases in share capital from contribution of holdings	50,000	969,000	1,019,000
Expenses connected with the share capital increase		(1,445)	(1,445)
Distribution of 2007 interim dividend (EUR 0.165 per share)		(37,538)	(37,538)
Update financial assets to fair value:		(6,054)	(6,054)
Other changes (Changes on the rate of deferred taxes, deb. loans )		301	301
Profit for the period		93,153	93,153
<b>31 December 2007</b>	<b>113,750</b>	<b>1,494,466</b>	<b>1,608,216</b>

### The breakdown of the item "Reserves and retained earnings" is as follows:

<i>Amounts in thousands of EUR</i>	Share premium reserve	Revaluati on reserve	Statutory reserve	Reserves for revaluation to fair value	Capital reserves	Retained earnings (losses)	Profit (loss) for the year	Total
<b>31 December 2005</b>	<b>178,619</b>	<b>5,434</b>	<b>5,650</b>	<b>1,652</b>	<b>34,590</b>	<b>52,810</b>	<b>82,288</b>	<b>361,043</b>
Allocation of 2005 profits			7,100			49,688	(56,788)	-
Distribution balance of 2005 dividend (EUR 0.20 per share)							(25,500)	(25,500)
Distribution of 2006 interim dividend (EUR 0.15 per share)							(19,125)	(19,125)
Update financial assets to fair value				5,319				5,319
Profit for the period							174,437	174,437
<b>31 December 2006</b>	<b>178,619</b>	<b>5,434</b>	<b>12,750</b>	<b>6,971</b>	<b>34,590</b>	<b>102,498</b>	<b>155,312</b>	<b>496,174</b>
Allocation of 2006 profits						136,187	(136,187)	-
Distribution balance of 2006 dividend (EUR 0.15 per share)							(19,125)	(19,125)
Increases in share capital from contribution of holdings	969,000							969,000
Expenses connected with the share capital increase						(1,445)		(1,445)
Distribution of 2007 interim dividend (EUR 0.165 per share)							(37,538)	(37,538)
Update financial assets to fair value:				(6,054)				(6,054)
Other changes (Changes on the rate of deferred taxes, SIAS bond loan)						301		301
Profit for the period							93,153	93,153
<b>31 December 2007</b>	<b>1,147,619</b>	<b>5,434</b>	<b>12,750</b>	<b>917</b>	<b>34,590</b>	<b>237,541</b>	<b>55,615</b>	<b>1,494,466</b>

## **General information**

Società Iniziative Autostradali e Servizi S.p.A. (SIAS S.p.A.) is organised according to the laws of the Italian Republic.

SIAS S.p.A. operates in Italy as an industrial holding company through its subsidiaries, mainly in the sectors of licensed motorway construction and operation.

The registered office of the Company is at via Bonzanigo 22 - Turin, Italy.

The ordinary shares and convertible bonds of the Company are listed on the MTA [*electronic stock market*] operated by Borsa Italiana S.p.A. The shares of the Company are included in the MIDEX index.

The Board of Directors of SIAS S.p.A. examined and recommended the financial statements of the Parent Company (SIAS S.p.A.) on 27 March 2008.

### **Preparation criteria**

Based on the provisions of Article 4, Paragraph 1 of Legislative Decree No. 38 of 28/2/2005, this financial statements were prepared in accordance with the **international accounting standards (IAS/IFRS)** issued by the International Accounting Standard Board (IASB) and approved by the European Commission.

## Accounting principles and explanatory notes

## **Accounting principles**

### Equity investments in subsidiaries and associated companies

Equity investments in subsidiary and associated companies have been valued at cost, net of any loss of value.

### Financial assets available for sale

These are recorded at fair value as at the settlement date of the transaction; Gains and losses from later changes in fair value are recorded using net equity as the counterparty until the asset is sold and the income is posted to the income statement. When fair value cannot be reliably determined, the financial asset is valued at cost, adjusted in the event of any loss of value.

The original value is restored in later accounting periods should the reasons for the write-down no longer hold.

### Receivables

These are initially booked at their fair value at the date of the transaction, with any accumulated impairment losses being posted to the income statement.

The original value is restored in later accounting periods should the reasons for the write-down no longer hold.

### Cash and cash equivalents

Cash includes cash on hand, including cheques, and bank demand deposits. Cash equivalents are represented by financial investments with a maturity of three months or less from the date of purchase, readily convertible into cash and with an insignificant risk of change in value.

These items are recorded at fair value. Profits and losses from any change in the fair value are posted to the income statement.

### Loans and other liabilities

These are recorded when opened, net of any costs that can be ascribed to them. Later, they are valued at their amortized cost using the criterion of effective interest.

With regard to the *bond loan convertible* into ordinary shares, because it is a composite financial instrument, we separated the components of the loan itself at the time of initial posting, in accordance with IAS 32.

The “*liability component*” is equal to the present value of net cash (principal + interest) related to the debenture loan, discounted at the market interest rate (equal to the cost of the debt capital of the issuer over 12 years; this rate is considered representative of the yield on similar fixed-income securities that do not carry a right of conversion).

The “shareholders' equity component” is equal to the difference between the present value of net cash (as determined above) and the cash from of the bond issue net of related deferred tax effects.

Financial expenses are calculated on the "liability component". They are imputed to the income statement based on the market interest rate mentioned above, taking into account also the related deferred tax effects.

#### Provisions for risks and charges

Provisions for risks and charges concern costs and charges of known type and of certain and probable existence, the amount and date of occurrence of which is not known at the closing date of the accounting period. Provisions are recorded when:(i) a current, legal or implied obligation probably exists from a past event; (ii) it is probable that meeting the obligation will be burdensome; (iii) the amount of the obligation can be reliably estimated.

The provisions to reserves represents our best estimate of the amount needed to extinguish the obligation or to transfer it to third parties as at the closing date of the financial statements. When the financial impact of time is significant and the dates for paying off the obligations can be reliably estimated, the provisions are discounted.

The Notes also explain any potential liabilities represented by: (i) possible (but not probable) obligations from past events, the existence of which will be confirmed only upon the occurrence of one or more uncertain future events not completely under the control of the business; (ii) current obligations from past events, the total of which cannot be reliably estimated or the fulfilment of which is probably not costly.

#### *Employee benefits (Employee Severance Indemnity)*

Liabilities related to the Employee Severance Indemnity (a “defined-benefit plan”) have been determined based on actuarial assumptions and recorded using the matching principle consistent with the service periods required to obtain the benefits. Liability was appraised with the help of independent actuaries.

Because of changes in the actuarial assumptions used or changes in the plan conditions, actuarial gains and losses from these plans are posted to the income statement.

#### Revenues

Revenues are posted based on the matching principle when it is probable that the future economic benefits will accrue to the Company and their value can be determined reliably.

#### Dividends

Dividends paid by subsidiaries are posted when the right to receive them is established, which corresponds to the date that the subsidiary Shareholders' Meeting approves the distribution. Such dividends are recorded:

- in the income statement

or

- as a value adjustment to the investment, when the dividends refer to profits generated before the purchase date of the investment itself or before the reference date of the valuations used to purchase the investment involved.

Any interim dividends are recorded when the distribution is approved by the Board of Directors of the subsidiary.

#### Financial expenses

Financial expenses are recorded as a cost in the accounting periods in which they are borne.

#### Income taxes

Current and deferred taxes are posted to the income statement when they do not relate to transactions directly posted to shareholders' equity.

Income taxes are posted based on an estimate of the taxable income for the period, in compliance with current regulations.

In accordance with IAS 12, “deferred tax liabilities” and “advance tax payments” are calculated based on the temporal differences between the recognized value for tax purposes of an asset or a liability and its value on the balance sheet, when it is probable that these differences will not cancel themselves out in the foreseeable future. The amount of the “deferred tax liabilities” or “advance tax payments” is determined based on tax rates that are expected to apply to the period in which the tax credit is realized or the tax liability is extinguished. The tax rates are those established in current fiscal legislation as at the reference date of the individual accounting entries.

Deferred tax credits are posted when their recovery is probable.

Advance tax payments and deferred tax liabilities are offset when it is legally allowed.

### **ESTIMATES AND VALUATIONS**

The preparation of these financial statements and the related Notes required estimates and assumptions that had an effect on the values of the assets and liabilities in the financial statements and on the information related to potential assets and liabilities as at the date of the financial statements. Actual results achieved may differ from these estimates. Among other things, the valuation used fair value to appraise assets available for sale, and to record write-downs of assets and provisions for risks. The estimates and assumptions are reviewed periodically and the effects of any changes are reflected immediately in the income statement.

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The accounting principles shown above have been applied coherently and consistently in preparing these financial statements.

Pursuant to Article 5, Paragraph 2 of Legislative Decree No. 38 of 28 February 2005 and in compliance with Paragraph 46 of IAS 1, these financial statements were prepared in thousands of euro. For SIAS S.p.A., the euro is both the "operating currency" and the "presentation currency".

## Notes - Information on the balance sheet

### Note 1 – Non-current financial assets

#### 1.a – Equity investments in subsidiaries

Changes to equity investments in subsidiaries during the period were as follows:

Equity investments	Percentage held	31 December 2006	Changes during the period			31 December 2007
			Purchases	Sales	Other	
Autocamionale della Cisa S.p.A.	84.357%	127,046				127,046
Holding Piemonte e Valle d'Aosta S.p.A.	100.000%	-	350,000			350,000
Società Autostrada Ligure-Toscana p.A.	87.392%	339,129				339,129
SATAP S.p.A.	99.874%	-	1,006,982			1,006,982
SSAT S.p.A.	49.000%	3,528				3,528
<b>Total</b>		<b>469,703</b>	<b>1,356,982</b>	<b>-</b>	<b>-</b>	<b>1,826,685</b>

Changes during 2007 can be traced to the Reorganisation Plan and in particular to the following operations:

- On 22 June 2007, the establishment of Holding Piemonte e Valle d'Aosta - HPVdA S.p.A., with share capital of EUR 350 million, entirely subscribed and paid in by SIAS S.p.A.
- Contribution of 158,200,000 shares of SATAP S.p.A. (99.874% of share capital) by Autostrada Torino-Milano S.p.A.

The principal data concerning subsidiaries are shown below:

Subsidiary	Registered office	Share capital	Number of shares	Shareholders' Equity per Company financial statements(*)	Profit/loss, last period (*)	Financial statements data as at
Autocamionale della Cisa S.p.A.	Ponte Taro (PR) – Via Camboara, 26/A	41,600	83,200,000	68,977	14,436	31/12/2007
Holding Piemonte e Valle d'Aosta S.p.A.	Torino - Via Bonzanigo 22	350,000	350,000,000	363,333	13,333	31/12/2007
Società Autostrada Ligure-Toscana p.A.	Lido di Camaiore (LU) – Via Don Tazzoli, 9	120,000	120,000,000	473,313	57,612	31/12/2007
SATAP S.p.A.	Torino - Via Bonzanigo 22	158,400	158,400,000	805,164	73,355	31/12/2007
SSAT S.p.A.	Torino – Via Piffetti, 15	7,200	1,440,000	16,893	6,460	31/12/2007

(\*) Company financial statements prepared in compliance with national accounting principles.

**1.b – Equity investments in associated companies**

Changes to equity investments in associated companies during the period were as follows:

Equity investments	Percentage held	31 December 2006	Changes during the period			31 December 2007
			Purchases	Sales	Others	
Autostrade Sud America s.r.l.	45.000%	45,000				45,000
Autopista di Pacifico S.A.	0.002%	2				2
Road Link Ltd	20.000%	-	12,018			12,018
Sistemi e Servizi s.c.a.r.l.	14.000%	14				14
<b>Total</b>		<b>45,016</b>	<b>12,018</b>	<b>-</b>	<b>-</b>	<b>57,034</b>

Changes during 2007 can be traced to the contribution of 200 shares of Road-Link Holdings Limited (20% of share capital) by Autostrada Torino-Milano S.p.A. as part of the Reorganisation Plan mentioned above.

The principal data concerning associated companies are shown below:

Associated company	Registered office	Share capital	Number of shares	Shareholders' Equity per Company financial statements	Profit/loss, last period	Financial statements data as at
Autostrade Sud America s.r.l.	Milan – Piazzetta Bossi, 1	100,000	100,000	98,911	(1,089)	31/12/06
Autopista do Pacifico S.A.	Santiago (Chile) – Av. El Golf, 40	65,000,000 <sup>(1)</sup>	65,000	65,281,325 <sup>(1)</sup>	586,268 <sup>(1)</sup>	31/12/06
Road Link Ltd	Northumberland - 4 Gilsgate UK	1,000 <sup>(2)</sup>	1,000	1 <sup>(1)</sup>	2,750 <sup>(2)</sup>	31/3/2007
Sistemi e Servizi s.c.a.r.l. <sup>(3)</sup>	Tortona (AL) – S.S. 211 Loc. San Guglielmo 3/13	100	100,000	100	-	31/12/2007

(1) In thousands of CLP

(2) In thousands of GBP

(3) Financial statements prepared in compliance with national accounting principles.

**1.c – Equity investment in “other businesses” - available for sale**

Changes to equity investments in "other businesses" during the period were as follows:

	% held	31 December 2006			Changes during the period				31 December 2007		
		Original value	Updates to fair value	Total	Purchases	Sales	Updates to fair value	Other / Write-downs	Original value	Updates to fair value	Total
<b>Investments:</b>											
Alerion Industries S.p.A.	0.622%	972	219	1,191			583		972	802	1,774
Assicurazioni Generali S.p.A.	0.032%	71,911	9,667	81,578	19,522	(79,169)	(7,981)		12,264	1,686	13,950
Capitalia S.p.A.	-	13,187	758	13,945	3,027	(16,214)	(758)		-		-
C.I.E. Compagnia Italiana Energia S.p.A.	3.842%	19		19				103	122		122
FNM S.p.A.	0.416%	538	(35)	503	436		(242)		974	(277)	697
Milano Serravalle - Milano Tangenziali S.p.A.	10.655%	118,293	(294)	117,999	13,411		(1,189)		131,704	(1,483)	130,221
SINA S.p.A.	0.500%	202		202			227		202	227	429
<b>Total</b>		<b>205,122</b>	<b>10,315</b>	<b>215,437</b>	<b>33,370</b>	<b>(95,383)</b>	<b>(9,360)</b>	<b>103</b>	<b>145,238</b>	<b>955</b>	<b>147,193</b>

The principal data concerning "other businesses" are shown below:

Associated company	Registered office	Share capital	Number of shares	Shareholders' Equity per Company financial statements	Profit/loss, last period	Financial statements data as at
Alerion Industries S.p.A.	Milano – Via Durini 16/18	148,042	400,112,675	170,090	6,123	31/12/06
Assicurazioni Generali S.p.A.	Trieste – Piazza Duca degli Abruzzi, 2	1,406,114	1,406,114	10,435,400	1,213,600	31/12/06
C.I.E. Compagnia Italiana Energia S.p.A. (1)	Torino – Via Bellardi, 21 bis	13,040	1,304,000	3,176	2,685	31/12/06
FNM S.p.A.	Milano – Milano P.le Cadorna 14			149,146	2,455	31/12/06
Milano Serravalle - Milano Tangenziali S.p.A.(1)	Assago Milanofiori (MI) – Strada 3 Palazzo B4	93,600	180,000,000	331,845	37,249	31/12/06
SINA S.p.A. (1)	Milano – Via F. Casati, 1/A	2,028	4,056,250	49,350	6,289	31/12/07

(1) Financial statements prepared in compliance with national accounting principles

The principal changes during the period are shown below:

- Transfer of 2,002,000 shares of Assicurazioni Generali S.p.A. net of purchases and bonus issues;
- Purchase of 1,800,000 shares of Milano Serravalle-Milano Tangenziali (1% of share capital);
- Complete transfer of the shares of Capitalia S.p.A.(0.075% of share capital);
- Partial revaluation of the investment in Compagnia Italiana Energia S.p.A, written down during the previous year;
- Purchase of 485,837 shares of FNM S.p.A.(0.416% of share capital);
- Updates to fair value for 2007.

As shown in the table above, at 31 December 2007, the value of investments "available for sale" included about EUR 955 thousand bearing on the update to fair value of the investments (EUR 917 thousand net of the related tax effect).

Finally, we point out that at 31 December 2007, 125,000 shares of Assicurazioni Generali S.p.A. in the portfolio were in "call options". These options, which matured in early 2008, were not exercised by those entitled to them.

#### 1.d – Receivables

This item, totalling EUR 15,011 thousand, refers to the loan made to the subsidiary Autocamionale della Cisa S.p.A. in December 2007. This loan was made under normal market conditions and bears interest at an annual fixed rate equal to the 3-month EURIBOR increased by a spread of 0.50% (50 basis points). It matures on 24 December 2008 and may be renewed at maturity.

#### **Note 2 – Deferred tax credits**

This item totalled EUR 573 thousand (EUR 131 thousand at 31 December 2006). For the breakdown of this item, please refer to Note 19 – Income taxes.

#### **Note 3 – Current tax credits**

This item totalled EUR 3,118 thousand (EUR 4,640 thousand at 31 December 2006). It refers to IRES [*corporate income tax*] credits resulting from greater estimated taxes paid with respect to tax consolidation.

**Note 4 – Other receivables**

This item can be detailed thus:

	<b>31 December 2007</b>	<b>31 December 2006</b>
from subsidiaries	4,285	3,051
from associated companies	10	-
from others	9	25
<b>Total</b>	<b>4,304</b>	<b>3,076</b>

Receivables from subsidiaries refer almost entirely to loans made to the subsidiaries ABC Costruzioni S.p.A., SSAT S.p.A., SALT S.p.A., Autocamionale della Cisa S.p.A. and Euroimpianti Electronic S.p.A. after they joined the tax consolidation.

**Note 5 – Cash and cash equivalents**

These consist of:

	<b>31 December 2007</b>	<b>31 December 2006</b>
Bank and postal deposits	48,889	141,808
Cheques	-	-
Cash and cash equivalents on hand	-	-
<b>Total</b>	<b>48,889</b>	<b>141,808</b>

"Cash and cash equivalents" dropped because of their partial drawdown to underwrite the share capital of the subsidiary Holding Piemonte e Valle d'Aosta S.p.A.

## **Note 6 – Shareholders' equity**

### 6.1 – Share capital

At 31 December 2007, shared capital consisted of 227,500,000 ordinary shares at a nominal value of EUR 0.50 each for a total value of EUR 113,750 thousand (EUR 63,750 thousand at 31 December 2006), entirely subscribed and paid in. The Extraordinary Shareholders' Meeting of 29 June 2007 approved the share capital increase that occurred during the period. This increase consisted of 100,000,000 shares at a nominal unit value of EUR 0.50 (with a share premium of EUR 9.69). Pursuant to Article 2441, Paragraph 4 of the Civil Code, the increase was reserved to ASTM S.p.A., in consideration of its contribution of investments held in SATAP S.p.A. (99.874% of share capital) and in Road Link Holdings Limited (20% of share capital).

### 6.2 – Reserves

#### 6.2.1 – Share premium reserve

This totalled EUR 1,147,619 thousand (EUR 178,619 thousand at 31 December 2006). EUR 178,6 million refers to the share premium on 39,500,000 shares for EUR 4.522 each, established at the same time as the share capital increase, reserved to SATAP S.p.A., which took place during 2002. The remaining part, EUR 969 million, refers to the share premium on EUR 100,000,000 shares for EUR 9.69 each, issued during this accounting period with reference to the share capital increase reserved to ASTM S.p.A.

#### 6.2.2 – Revaluation reserve

This totalled EUR 5,434 thousand (EUR 5,434 thousand at 31 December 2006).

In the event of distribution, the revaluation reserve will constitute income for the Company and the Shareholders.

In compliance with the provisions of IAS 12, deferred tax liabilities have not been entered against these reserves, for which there are valid reasons to expect that they will not be used under conditions making them taxable.

#### 6.2.3 – Statutory reserve

This totalled EUR 12, 750 thousand (EUR 12,750 thousand at 31 December 2006).

#### 6.2.4 – Reserves for revaluation to fair value

This item was established and moves as a direct contra entry at fair value of the financial assets classified as "available for sale". At 31 December 2007, this totalled EUR 917 thousand , net of the related deferred tax effect (EUR 6,971 thousand at 31 December 2006). For changes in this item, please see Note 1.c above (Investments in "other businesses" - available for sale).

6.2.5 – Capital reserves

This item totalled EUR 34,590 thousand and was unchanged from 31 December 2006.

6.2.6 – Retained earnings (losses)

This item totalled EUR 237,541 thousand (EUR 102,498 thousand at 31 December 2006). This reserve was increased by the allocation of the quota of profits from 2006 (EUR 136,187 thousand) and by the recalculation of deferred taxes on the "shareholders' equity component" of the Convertible Bond Loan issued by the company in 2005. It was decreased by EUR 1,445 thousand because of the costs associated with the share capital increase reserved to ASTM S.p.A.

This item also includes amounts related to the differences in accounting handling that emerged on the date of transition to the IFRS (1 January 2005), which can be traced to adjustments made to the balances on the financial statements that had been prepared in compliance with national accounting principles as at that date. "Retained earnings (losses)" also includes the amount related to the "shareholders' equity component" of the convertible bond loan. At 31 December 2007, the "not available" portion of this reserve totalled EUR 29.7 million.

This component will become "available" as the difference in interest recalculated based on "market rates" is gradually posted to the income statement.

6.3 – Income (loss) for the year

This item gathers the profits/losses for the period. It totalled EUR 93,153 thousand (EUR 174,437 thousand in 2006).

The interim dividend approved by the Board of Directors on 12 November 2007, totalling EUR 37,538 thousand, is shown with a negative sign, reducing this item.

The table below shows a breakdown of the "type, possible use and distribution of the items of Shareholders' Equity" at 31 December 2007, as well as any drawdowns made during the last three accounting periods (values in thousands of EUR).

Type and a description of the items of shareholders' equity	Amount at 31 December 2007	Possibility of use	Quota available	Summary of drawdowns in the last three years
<b>Share capital</b>	113,750			
<b>Capital reserves</b>				
- Share premium reserve	1,147,619	A, B, C (1)	1,147,619	
- Revaluation reserve	5,434	A, B, C (2)	5,434	
- Capital reserves	34,590	A, B, C	34,590	
<b>Profit reserves</b>				
- Statutory reserve	12,750	B	-	
- Retained earnings (losses)	237,541	A, B, C	207,813 (3)	
- Reserves for revaluation to fair value	917	B	-	
<b>Total</b>			<b>1,395,456</b>	
Quota that cannot be distributed			10,000 (4)	
<b>Residual quota that can be distributed</b>			<b>1,385,456</b>	

Legend:

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

(1)(4) EUR 10,000 thousand is "not available for distribution", because the "Statutory Reserve" after the share capital increase approved in 2007 has not yet reached the limit established by Article 2430 of the Civil Code. As explained in the Management Report, a proposal has been formulated to reclassify EUR 10 million from the "Share Premium Reserve" to the "Statutory Reserve".

(2) In the event of distribution to shareholders, these reserves will be subject to taxation in compliance with individually applicable laws. Any distribution must also comply with the provisions of Article 2445 of the Civil Code.

(3) EUR 29,728 thousand attributed to the "shareholders' equity component" of the convertible bond loan is also "not available".

## Note 7 – Provisions for risks and charges and Employee benefits (Severance Employee Severance Indemnity)

### 7.1 – Employee benefits (Employee Severance Indemnity)

At 31 December 2007, the item totalled EUR 114 thousand (EUR 105 thousand and 31 December 2006).

Changes during the period were as follows:

<b>1 January 2007</b>	<b>105</b>
Period contributions	9
Indemnities advanced/liquidated during the period	-
<b>31 December 2006</b>	<b>114</b>

The tables below show the economic/financial and demographic assumptions respectively used for the actuarial appraisal of these liabilities.

#### **Economic/financial assumptions**

Annual discount rate	4.75%
Annual inflation rate	2.00%
Annual rate of increase in severance pay	3.00%
Annual rate of salary increases	3.00% - 4.50%

**Demographic assumptions**

Mortality	ISTAT 2000 index
Disability	INPS tables by age and sex
Retirement age	Meeting requirements
% of frequency of advances	2.00%
Turnover	2.50%

**Note 8 – Other financial liabilities (non-current)**

This item totalled EUR 289,475 thousand (EUR 285,667 thousand at 31 December 2006). It relates to the "liability component" of the convertible bond loan "SIAS 2.625% 2005 – 2017 convertible into ordinary shares". In compliance with IAS 32, this item was posted net of the cost incurred to issues/listed on the MTA.

The bond loan consists of 31,875,000 bonds with a unit nominal value of EUR 10.50. The bonds have the following principal features:

- Duration: 12 years (maturity 2017);
- Interest rate: 2.625% per year, gross;
- Conversion option: Beginning at the end of the fifth year, one ordinary share of SIAS S.p.A. for each Bond held;
- Redemption: Unconverted bonds upon maturity (30 June 2017) will be redeemed in a lump sum at par value.

As reported above, at the time of initial entry, the "shareholders' equity component" was separated, discounting the net cash of the debenture loan based on market interest rates.

**Note 9 – Deferred tax liabilities**

This item totalled EUR 14,241 thousand (EUR 19,320 thousand at 31 December 2006). For a breakdown of this item, see Note 19 - Income taxes.

**Note 10 – Trade payables (current)**

Trade payables totalled EUR 1,771 thousand (EUR 144 thousand at 31 December 2006). The significant increase relates to charges for the share capital increase that were not yet settled by 31 December 2007.

**Note 11 – Other payables (current)**

These consist of:

	31 December 2007	31 December 2006
Accounts payable to subsidiaries	7,208	5,447
Accounts payable to associated companies	3	2
Accounts payable to controlling companies	21	-
Payable to welfare organizations	25	20
Other payables	481	302
<b>Total</b>	<b>7,738</b>	<b>5,771</b>

"Accounts payable to subsidiaries" were entered for the subsidiaries Autostrade dei Parchi S.p.A., Sinelec S.p.A. and Autostrada dei Fiori S.p.A. after they joined the tax consolidation.

“Accounts payable to controlling companies” relate to ASTM S.p.A. for services rendered.

**Note 12 – Bank overdrafts and borrowings (current)**

This item totalled EUR 50,847 thousand (zero at 31 December 2006). It represents the balance of the loan (originally EUR 300 million) disbursed by the Banca di Roma during the year. This loan matures on 20 June 2008. It bears interest at an annual rate of the EURIBOR increased by a spread of 15 to 35 basis points.

**Note 13 – Other financial liabilities (current)**

This item totalled EUR 130,330 thousand (EUR 8,786 thousand at 31 December 2006). EUR 121,544 thousand relates to a current account loan received by the subsidiary SATAP S.p.A. on 1 October 2007. This loan was made under normal market conditions and bears interest at an annual fixed rate equal to the 3-month EURIBOR increased by a spread of 0.25% (25 basis points.). It matures on 30 September 2008 and may be renewed at maturity.

The remaining EUR 8,786 thousand was payable to bondholders for interest accrued as at 31 December 2007. This debt was paid on 1 January 2008.

**Note 14 – Current tax liabilities**

Current tax liabilities totalled EUR 75 thousand (EUR 94 thousand at 31 December 2006). They refer to personal income taxes withheld.

## Notes - Information on the income statement

### Note 15 – Financial income and expenses

#### 15.1 – Financial income

These break down as follows:

	2007	2006
<b>Income from investments:</b>		
• Income from subsidiaries	89,520	175,416
• Income from associated companies	552	-
• Income from other businesses	17,672	8,435
<b>Total</b>	<b>107,744</b>	<b>183,851</b>

"Income from subsidiaries" and "income from associated companies" refers to dividends and interim dividends collected during the year from SATAP S.p.A. (EUR 47.5 million), SALT S.p.A. (EUR 33.6 million), Autocamionale della Cisa S.p.A. (EUR 7 million), SSAT S.p.A. (EUR 1.5 million) and Road Link Holdings Ltd (EUR 0.6 million).

The reduction in 2007 can be traced essentially to the reduced dividends distributed by the subsidiary SALT S.p.A., which had earned significant capital gains from the sale of investments during previous accounting periods. The reduction was only partially compensated by dividends collected from SATAP S.p.A. because of the control acquired during the Corporate Reorganisation.

"Income from other businesses" related to dividends and to the distribution of reserves collected by Milano Serravalle-Milano Tangenziali S.p.A. (EUR 3,643 thousand), Assicurazioni Generali S.p.A. (EUR 2,250 thousand), Capitalia S.p.A. (EUR 228 thousand) and SINA S.p.A. (EUR 38 thousand), as well as capital gains from the sale of shares of Assicurazioni Generali S.p.A. (EUR 10,845 thousand) and Capitalia S.p.A. (EUR 668 thousand).

#### 15.2 – Other financial income

These break down as follows:

	2007	2006
<b>Interest income and other financial income</b>		
• from credit institutions	2,239	2,783
• from financial assets	981	993
• from loans	11	-
• other	2,000	-
<b>Total</b>	<b>5,231</b>	<b>3,776</b>

The item "income from credit institutions" refers to interest accruing on bank current accounts during the period.

The item "income from financial assets" refers to swap transactions carried out during the period.

The item "income from loans" refers to interest accruing on the loan made to the subsidiary Autocamionale della Cisa S.p.A.

The item "revenues from others" refers to the third-party payments for "call options" on Assicurazioni Generali S.p.A. shares held.

15.3 – Interest and other financial expenses

This item breaks down as follows:

	<b>2007</b>	<b>2006</b>
<b>Interest expense to credit institutions:</b>		
• on loans	4,005	-
• on current accounts at banks	2	-
<b>Miscellaneous interest expense:</b>		
• from financial discounting	5	4
• from intercompany loans	1,544	-
• from convertible bond loan	12,479	12,325
<b>Other financial expenses:</b>		
• other financial expenses	424	338
<b>Total</b>	<b>18,459</b>	<b>12,667</b>

Interest paid on "*loans*" refers to interest accrued at 31 December 2007 on the loan disbursed by the Banca di Roma S.p.A.

Interest expense from "*financial discounting*" refers to the "financial component" of the provisions to the Employee Severance Indemnity.

Interest paid on "*intercompany loans*" refers to interest accrued at 31 December 2007 on the loan received by the subsidiary SATAP S.p.A.

Interest expense on the "*convertible bond loan*" (issued in July 2005) refers to the charges related to the "liabilities component" of the loan itself, recalculated based on the market interest rate.

**Note 16 – Value adjustments of financial assets**

"*Value adjustments for financial assets*", EUR 103 thousand, refers to the partial revaluation of the investment held in the C.I.E. Compagnia Italiana Energia S.p.A., which had been written down during the previous period.

**Note 17 – Other operating income**

This item totalled EUR 46 thousand (EUR 38 thousand in 2006). It refers essentially to costs debited to the subsidiaries.

**Note 18 – Other operating costs****Staff costs**

This item can be detailed thus:

	<b>2007</b>	<b>2006</b>
Salaries and wages	240	249
Social security contributions	74	83
Actuarial updating of Employee Severance Indemnity	9	9
Other costs	5	1
<b>Total</b>	<b>328</b>	<b>342</b>

Average staffing breaks down by category as follows:

	<b>2007</b>	<b>2006</b>
Executives	1	1
Middle managers	-	-
Staff	3	3
<b>Total</b>	<b>4</b>	<b>4</b>

**Services**

This expense items breaks down thus:

	<b>2007</b>	<b>2006</b>
Consultants and legal expenses	532	371
Compensation and reimbursements for Directors and Statutory Auditors	808	501
Other costs for services	438	480
<b>Total</b>	<b>1,778</b>	<b>1,352</b>

**Other costs**

This expense item breaks down thus:

	<b>2007</b>	<b>2006</b>
Lease and rental expenses	68	70
Other operating expenses	147	116
<b>Total</b>	<b>215</b>	<b>186</b>

“Leases and rental expenses” refers mainly to operating lease contracts for motor vehicles, computers, printers and premises used by the Company.

The associated contracts for these assets contain clauses for both redemption upon maturity at market prices for the contracted asset and renewal options upon maturity. The lease payments increase annually based on the ISTAT index.

**Note 19 – Income taxes**

This item can be detailed thus:

	<b>2007</b>	<b>2006</b>
<b>Current taxes:</b>		
• IRES [ <i>corporate income tax</i> ]	577	1,568
• IRAP [ <i>regional tax on production</i> ]	-	-
	<b>577</b>	<b>1,568</b>
<b>Taxes (prepaid)/deferred:</b>		
• IRES	(895)	(1,124)
• IRAP	(467)	6
	<b>(1,362)</b>	<b>(1,118)</b>
<b>Income from tax consolidation</b>	<b>(24)</b>	<b>(2,894)</b>
<b>Total</b>	<b>(809)</b>	<b>(2,444)</b>

In particular, during the accounting period, EUR 3.3 million in deferred taxes were credited directly to shareholders' equity, related to the valuation of fair value of financial assets available for sale, and EUR 0.3 million following a redetermination of deferred taxes on the "shareholders' equity component" of the Convertible Bond Loan.

In compliance with Paragraph 81 (c) of IAS 12, shown below is the reconciliation of the effective and theoretical income taxes posted to the financial statements at 31 December 2007 and 2006.

Reconciliation between effective and theoretical rates (**IRES**):

	<b>2007</b>		<b>2006</b>	
<b>Period income before taxes</b>	<b>92,344</b>		<b>171,993</b>	
<b>Effective balance of income taxes (from financial statements)</b>	<b>(342)</b>	<b>-0.37%</b>	<b>(2,450)</b>	<b>-1.42%</b>
<b>Lower taxes (compared to the theoretical rate):</b>				
• lower taxes on dividends and partially tax-exempt capital gains	30,875	33.43%	59,277	34.46%
• other tax deductions	74	0.08%	-	-
<b>Higher taxes (compared to the theoretical rate):</b>				
• Non-deductible write-downs and other changes	(133)	-0.14%	(69)	-0.04%
<b>Theoretical income taxes (rate of 33.00% on income before taxes)</b>	<b>30,474</b>	<b>33.00%</b>	<b>56,758</b>	<b>33.00%</b>

With regard to reconciliation of the theoretical and effective **IRAP** tax rates, the company calculates IRAP based on the requirements for financial companies, and thus the IRAP taxable base becomes negative.

The tables below shows the total deferred tax income and expenses (posted to the income statement) and the total deferred tax assets and liabilities (posted to the balance sheet).

	2007	2006
<b>Deferred tax income</b> related to: (*)		
• "Repayment" of deferred taxes on the "shareholders' equity component" of the Convertible Bond Loan.	1,219	1,169
• Other	167	21
<b>Total (A)</b>	<b>1,386</b>	<b>1,190</b>
<b>Deferred tax expenses</b> related to: (*)		
• actuarial recalculation of the Employee Severance Indemnities Reserve	2	-
• transfers of advance tax payments	22	72
<b>Total (B)</b>	<b>24</b>	<b>72</b>
<b>Taxes (prepaid)/deferred (B) – (A)</b>	<b>(1,362)</b>	<b>(1,118)</b>

(\*) Deferred tax income and expenses are accounted for based on tax rates in effect at the time that their "repayment" is expected.

	31 December 2007	31 December 2006
<b>Deferred tax credits</b> related to: (*)		
• costs deductible over several periods	-	-
• costs deductible for cash	19	22
• other	554	109
<b>Total deferred tax credits</b>	<b>573</b>	<b>131</b>
<b>Deferred tax liabilities</b> related to: (*)		
• shareholders' equity component of the convertible bond loan	(14,195)	(15,705)
• valuation of financial assets at fair value	(37)	(3,452)
• other	(9)	(163)
<b>Total deferred tax liabilities</b>	<b>(14,241)</b>	<b>(19,320)</b>
<b>Balance</b>	<b>(13,668)</b>	<b>(19,189)</b>

(\*) Deferred tax assets and liabilities are accounted for based on tax rates in effect at the time that their "repayment" is expected.

Of the reduction in the "Balance" shown above, EUR 1,362 thousand can be ascribed to pre-paid taxes posted to the income statement for the period. The remaining EUR 4,159 thousand was imputed directly to shareholders' equity.

## Note 20 – Information on the cash flow statement

### 20.1 – Change in net working capital

	2007	2006
Receivables form subsidiaries	(1,234)	8,603
Current tax assets	1,522	(4,640)
Receivables from others	5	(24)
Accounts payable to subsidiaries	1,761	(3,083)
Current trade accounts payable	1,627	(50)
Other current payables	206	65
Current tax liabilities	(19)	(1,730)
<b>Total</b>	<b>3,868</b>	<b>(859)</b>

The change to the items "receivables from subsidiaries", "current tax credits", "payable to subsidiaries" and "current tax liabilities" can be traced to advances paid and certification of taxes related to the establishment of the tax consolidation.

## Other information

Information is shown below related to the commitments undertaken by the Company, the determination of fair value, risk management, Director and Statutory Auditor compensation, fees for the independent auditors and related party transactions. With regard to information about the company, about "**events after the closing date**" and about the "**performance outlook**", please see the "Management Report".

### Commitments undertaken by the Company

"Commitments related to the acquisition of Sociedad Concesionaria Costanera Norte S.A. (CNN)", totalling **EUR 132,000,000**.

The acquisition of CNN took place through ASA S.r.l. It brought about a joint commitment by SIAS S.p.A. and Atlantia S.p.A. (to a proportional extent) to guarantee repayment of the loan that Mediobanca S.p.A. disbursed to the Chilean sub holding company Autostrade do Pacifico S.A. (totalling a maximum of EUR 264 million, of which the company share would be **EUR 132,000,000**).

We point out that at the project completion date in December 2007, the commitment to AMBAC posted to the previous financial statements fell short by EUR 248 million. During 2007, the shared commitment made to Intesa Sanpaolo S.p.A. concerning a contingency reserve letter of credit issued by the bank also fell short by EUR 7 million.

### Financial instruments: supplemental information

Concerning the valuation of the fair value of financial instruments, we specify the following in compliance with IFRS 7:

#### *Assets*

- noncurrent financial assets – receivables      The value posted to the financial statements represents their fair value
- cash and cash equivalents:                      The value posted to the financial statements represents their fair value
- Investments available for sale:                      The value posted to the financial statements represents their fair value

#### *Liabilities*

- trade accounts payable:                              The value posted to the financial statements represents their fair value
- convertible bond loan:                                This loan is posted to the financial statements at nominal value, with the "shareholders' equity component" shown separately. Because this involves a listed financial instrument, we show below a comparison between its fair value and a corresponding book value/issue value:

Convertible bond loan: (amounts in millions of EUR)	31 December 2007	31 December 2006
- book value in the financial statements ("liabilities component")	298	394
- issue value ("liabilities component" + "shareholders' equity component")	343	343
- Fair value (official market listing at 31 December)	347	363

Financial risk management

In compliance with IFRS7, we specify that in the normal conduct of its operating activities, SIAS S.p.A. is potentially exposed to the following financial risks:

- "Market risk" mainly from exposure to interest rate fluctuations;
- "Liquidity risk" from a lack of financial resources adequate for operational activities and repayment of liabilities assumed in the past.

The risks cited above are broken down in detail below:

*Market risk*

With regard to the risks associated with *interest rate fluctuations*, the goal of the SIAS S.p.A. strategy is to contain such risk where possible through an adequate division between fixed-rate and variable-rate loans.

With regard to exposure to interest rates, the borrowing of SIAS S.p.A. at 31 December 2007 consisted of 62.7% at fixed rate (the convertible bond loan) and 37.3% at variable rate.

With regard to the "risk" related to interest rates, a "sensitivity analysis" was conducted to determine the impact on the 2007 income statement of a change of +/- 100 basis points in the interest rates to which SIAS S.p.A. was exposed. This analysis made it possible to state that a positive/negative change of 100 basis points in the interest rate would affect the 2007 results by EUR 0.8 million (net of the theoretical tax effect).

*Liquidity risk*

The "liquidity risk" is the risk that financial resources available may be insufficient to cover maturing obligations. SIAS S.p.A. believes that the flow of dividends from the subsidiaries together with the diversification of sources of financing and the availability of lines of credit guarantee being able to satisfy scheduled financial requirements.

The table below shows the breakdown of financial liabilities in place at 31 December 2007, by maturity date. The amounts shown below also include interest payments (we clarify that the interest on variable-rate loans is calculated based on the last available rate, keeping it constant to maturity).

	<b>Total contractual flows</b>	<b>Within <sup>(*)</sup> the year</b>	<b>2 to 5 years <sup>(*)</sup></b>	<b>Beyond 5 years <sup>(*)</sup></b>
Banca di Roma S.p.A loan	51,225	51,225	-	-
Convertible bond loan 2005-2017	418,091	8,786	35,143	374,162
SATAP loan	124,600	124,600	-	-
<b>Total</b>	<b>593,916</b>	<b>184,611</b>	<b>35,143</b>	<b>374,162</b>

(\*) The distribution of maturity dates is based on the current residual contractual lives.

Compensation of Company Directors and Statutory Auditors

The cumulative amount is as follows:

	<b>2007</b>	<b>2006</b>
Compensation to Directors	715	414
Compensation to Statutory Auditors	85	82
<b>Total</b>	<b>800</b>	<b>496</b>

As required by Article 78 of CONSOB Resolution No. 11971/99 as amended, the detail of compensation paid to Directors and Statutory Auditors, including subsidiaries, is provided by name (amounts in EUR):

SUBJECT	DESCRIPTION OF POSITION		COMPENSATION				
	NAME AND SURNAME	POSITION	TERM OF THE POSITION	COMPENSATION FOR THE POSITION	NONMONETARY BENEFITS	BONUSES AND OTHER INCENTIVES	OTHER COMPENSATION
<b><u>DIRECTORS</u></b>							
BRUNO BINASCO	Chairman	2005-2007	262,000			42,191	(1)
ENRICO ARONA	Managing Director	2005-2007	312,000			98,547	(2)
GIOVANNI ANGIONI	Director	2007	4,692				
GIANFRANCO BOSCHETTI	Director	2005-2007	11,750				
ALESSANDRO BRAJA	Director	2005-2007	13,250			56,000	(3)
ERNESTO MARIA CATTANEO	Director	2005-2007	13,000				
PAOLO ANDREA COLOMBO	Director	2005-2007	10,750				
BENIAMINO GAVIO	Director	2005-2007	11,250				
DANIELA GAVIO	Director	2005-2007	11,500			88,330	(4)
RINALDO LASCIALFARE	Director	2005-2007	12,000				
VINCENZO MACCHIA	Director	2005-2007	12,750				
FERRUCCIO PIANTINI	Director	2005-2007	11,250				
PAOLO PIERANTONI	Director	2005-2007	11,500			165,788	(5)
GIANFRANCO PITTATORE	Director	2005-2007	5,154				
ALBERTO SACCHI	Director	2005-2007	12,000			28,443	(6)
<b><u>STATUTORY AUDITORS</u></b>							
LIONELLO JONA CELESIA	Chairman Board of Statutory Auditors	2005-2007	35,500			7,305	(7)
ALFREDO CAVANENGI	Statutory auditor	2005-2007	25,000			87,315	(8)
ERNESTO RAMOINO	Statutory auditor	2005-2007	24,500			8,000	(9)
PAOLO DELLA VALLE	Alternate auditor	2005-2007					
PIETRO MANDIROLA	Alternate auditor	2005-2007					
<b>TOTAL</b>			799,846			581,919	

- (1) Compensation as Director and member of the Executive Committee of Società Autostrada Ligure Toscana p.a., Director and member of the Executive Committee of Autocamionale della Cisa S.p.A., Director and member of the Executive Committee of Ativa S.p.A. and Director of Infosistem S.p.A. for EUR 15 thousand, EUR 14 thousand, EUR 12 thousand and EUR 1 thousand, respectively.
- (2) Compensation as Vice Chairman, MD and member of the Executive Committee of Società Autostrada Ligure Toscana p.a., Director of Autostrada dei Fiori S.p.A. and Director of SATAP S.p.A. for EUR 85 thousand, EUR 6 thousand and EUR 7 thousand, respectively.
- (3) Compensation as Chairman of Sicogen s.r.l.
- (4) Compensation as Director and member of the Executive Committee of Società Autostrada Ligure Toscana p.a., Chairman of SSAT S.p.A., Director of Autostrada dei Fiori S.p.A. and Director of Sinelec S.p.A., Vice Chairman of Infosistem S.p.A. and Vice Chairman of SATAP S.p.A. for EUR 13 thousand, EUR 28 thousand, EUR 6 thousand, EUR 3 thousand, EUR 5 thousand and EUR 33 thousand, respectively.
- (5) Compensation as MD and member of the Executive Committee of Società Autostrada Ligure Toscana p.a., Director and member of the Executive Committee of Autocamionale della Cisa S.p.A. for EUR 78 thousand and EUR 88 thousand, respectively.
- (6) Compensation as Director and member of the Executive Committee of Società Autostrada Ligure Toscana p.a., Director of Autostrada dei Fiori S.p.A. and Director of Autocamionale della Cisa S.p.A. for EUR 14 thousand, EUR 6 thousand and EUR 8 thousand, respectively.
- (7) Compensation as Chairman of the Board of Statutory Auditors of SSAT S.p.A.
- (8) Compensation as a regular auditor of Società Autostrada Ligure Toscana p.a., regular auditor of Autostrade dei Parchi S.p.A., alternate auditor of Infosistem S.p.A., regular auditor of Autostrada Asti-Cuneo S.p.A., regular auditor of SATAP S.p.A. and regular auditor of SABROM S.p.A. for EUR 33 thousand, EUR 10 thousand, EUR 5 thousand, EUR 23 thousand, EUR 13 thousand and EUR 2 thousand, respectively.
- (9) Compensation as Chairman of the Board of Statutory Auditors of HPVdA S.p.A.

There are currently no stock option plans in effect.

Fees paid to the independent auditors.

Pursuant to Art. 149 – duodecies of the Issuer Regulation, we show below the details of the fees paid during the period to PricewaterhouseCoopers S.p.A. (auditor of SIAS S.p.A.) and companies belonging to the "network" of the independent auditors for services provided to SIAS S.p.A. and its subsidiaries.

<i>(Amounts in thousands of EUR)</i>		
Type of services	Parent company	Subsidiaries
<b>Auditing services</b>		
Accounting audit of the company financial statements	9.4	139.4
Accounting audit of the consolidated financial statements	9.4	9.8
Limited accounting audit of the half-year report at 30 June	5.2	23.7
Accounting audit of the consolidation forms at 31 December	30.0	-
<b>Miscellaneous services other than certification audit.</b>		
Agreed auditing procedures for the quarterly reports at 31 March and 30 September	1.6	18.6
Opinion on the distribution of interim dividends	6.0	45.0
Examination of the pro-forma consolidated balance sheet and income statement	15.0	-
Fairness opinion on the share capital increase	100.0	-
Inspection procedures for the Corvette, Serti MIP and Connect II grant	-	10.0
<b>Other services</b>		
Assistance to the Oversight Authority per Legislative Decree No. 231/01	2.2	38.8
<b>Total</b>	<b>178.8</b>	<b>285.3</b>

Related party disclosures

As required by CONSOB Notices No. 98015375 of 27 February 1998 and No. DEM/6064293 of 28 July 2006, and by IAS 24, information on related party transactions during the period in question are summarized below (amounts in millions of EUR):

	Related-party transactions	Financial statements	Impact (A) / (B)%
	(A)	(B)	
Financial income	90.1	113.0	79.7%
Financial expenses	1.5	18.5	8.1%
Revenues	-	-	-
Operating costs	0.5	2.3	21.7%
Noncurrent financial assets – receivables	15.0	15.0	100%
Other financial liabilities	121.5	130.3	93.2%
Other receivables (Current)	4.3	4.3	100%
Other payables (current)	7.2	7.7	93.4%

Because of the activity performed by the company as an industrial holding company, related party transactions have a significant impact on the item "financial income", because they involve dividends collected from the subsidiaries. Pursuant to CONSOB Resolution No. 15519 of 27 July 2006, we specify that in the accounting statements, such "financial income" is indicated separately under the item "income from subsidiaries".

Financial asset entries refer to loans disbursed to/received from the subsidiaries; the current asset entries refer essentially to subsidiaries' joining in the tax consolidation.

In particular, the principal relationships with subsidiaries, associated companies, holding companies and

the companies that they control concern:

- Dividends collected from SALT S.p.A., Autocamionale della Cisa S.p.A., SATAP S.p.A., SSAT S.p.A., Road Link Holdings Ltd. and SINA S.p.A. totalling EUR 90,108 thousand;
- Expenses for administrative-corporate services debited by Autostrada Torino-Milano S.p.A., totalling EUR 83 thousand;
- Managerial assistance and services debited by Argo Finanziaria S.p.A. totalling EUR 300 thousand;
- Lease payments debited by Appia S.p.A., for EUR 26 thousand;
- Lease payments and services debited by SATAP S.p.A. totalling EUR 44 thousand;
- Human resources management services debited by the associated company Sistemi e Servizi s.c.a.r.l. for EUR 5 thousand;
- Expenses for administrative-corporate services debited by SINA S.p.A., totalling EUR 83 thousand;
- Interest earned on the loan disbursed to the subsidiary Autocamionale della Cisa S.p.A. totalling EUR 11 thousand;
- Interest paid on a loan disbursed by the subsidiary SATAP S.p.A. totalling EUR 1,544 thousand;
- Balance sheet relationships (credit/debit) with the subsidiaries SALT S.p.A., Autocamionale della Cisa S.p.A., Autostrada dei Fiori S.p.A., Autostrade dei Parchi S.p.A., SSAT S.p.A. and Sinelec S.p.A. associated with their joining in the tax consolidation of SIAS S.p.A.
- Loan disbursed to the subsidiary Autocamionale della Cisa S.p.A. for EUR 15,011 thousand;
- Loan received from the subsidiary SATAP S.p.A. for EUR 121,544 thousand.

Concerning changes to the investment portfolio, as reported previously, the Company acquired 158,200,000 shares of SATAP S.p.A. and 200 shares of Road Link Holdings Ltd. through the contribution from Autostrada Torino-Milano S.p.A. Against this contribution, SIAS S.p.A. issued 100,000,000 shares reserved to the transferee Autostrada Torino-Milano S.p.A.

Pursuant to Article 2497 of the Civil Code, because of the "Direction and Coordination" activity performed by Argo Finanziaria S.p.A., the cited relationships with Argo Finanziaria S.p.A., Autostrada Torino-Milano S.p.A., SATAP S.p.A., Autocamionale della Cisa S.p.A. and SINA S.p.A. are also reported for purposes of providing the information required by Article 2497-bis, Paragraph 5 of the Civil Code.

The transactions indicated above were carried out under normal market conditions.

Pursuant to Article 2391-bis of the Civil Code, we specify that based on the general principles indicated by CONSOB and the rules of corporate governance in the "Code of Self-Governance" adopted by the Company, related party transactions (either direct or through subsidiaries) were performed in accordance with regulations that assure their transparency as well as their essential and procedural correctness.

#### Information on direction and coordination of the Companies

As indicated above, Argo Finanziaria S.p.A. exercises direction and coordination of the companies pursuant to Article 2497 of the Civil Code.

Pursuant to Article 2497-bis, Paragraph 4 of the Civil Code, the statement shown below summarizes the essential data from the latest company financial statements of the company cited above (at 31 December 2006). This company has also prepared the consolidated financial statements at the same date.

For an adequate and complete understanding of the balance sheet, financial situation and income statement of Argo Finanziaria S.p.A. for the period ending the 31 December 2006, please see the financial statements which are available, supplemented by the report of the independent auditors, in the forms and manner required by law.

For the additional information required by Articles 2497-bis, Paragraph 5 and 2497-ter of the Civil Code, see the preceding paragraph “Information on related party transactions”.

**Financial statements at 31 December 2006 of Argo Finanziaria SpA, parent company that exercises "Direction and Coordination"**

**BALANCE SHEET**

**ASSETS**

<i>Amounts in EUR</i>		<b>31/12/2006</b>
A	Subscribed capital unpaid	-
B	Noncurrent assets	324,440,831
C	Current assets	100,010,739
D	Accrued income and prepaid expenses	22,912
<b>TOTAL ASSETS</b>		<b>424,474,482</b>

**LIABILITIES AND  
SHAREHOLDERS' EQUITY**

<i>Amounts in EUR</i>		<b>31/12/2006</b>
A	Shareholders' equity	
	Share capital	30,000,000
	Reserves	284,237,205
	Income (loss) for the year	23,835,897
B	Provisions for risks and charges	-
C	Employee Severance Indemnity	681,296
D	Payables	85,671,221
E	Accrued expenses and deferred income	48,863
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>424,474,482</b>

**Contingent liabilities and guarantees**

<i>Amounts in EUR</i>		<b>31/12/2006</b>
	Personal guarantees issued	186,105,828
	Real collateral issued	-
<b>TOTAL</b>		<b>186,105,828</b>

**INCOME STATEMENT**

<i>Amounts in EUR</i>		<b>2006</b>
A	Value of production	5,502,153
B	Production cost	(5,789,414)
C	Financial income and expenses	27,261,749
D	Value adjustments of financial assets	(3,613,990)
E	Extraordinary income and expenses	709,221
	Income taxes	(233,822)
<b>Income (loss) for the year</b>		<b>23,835,897</b>

**Certification of the Company Financial Statements  
pursuant to Article 81-ter  
of Consob Regulation No. 11971  
of 14 May 1999  
as amended and supplemented**

**Certification of the Company Financial Statements  
pursuant to Article 81-ter of Consob Regulation No. of 14 May 1999 as amended  
and supplemented**

- The undersigned Enrico Arona as Managing Director and Sergio Prati as Manager in charge of drawing up the corporate accounting documents of SIAS S.p.A., taking into account the provisions of Article 154-bis, Paragraphs 3 and 4 of Legislative Decree No. 58 of 24 February 1998, do attest to:
  - its adequacy with regard to the characteristics of the business and
  - the actual implementation of the administrative and accounting procedures for preparing the company financial statements for 2007.
  
- Furthermore, we attest that the company financial statements at 31 December 2007:
  - a) corresponds to the books and accounting entries;
  - b) was prepared in compliance with the IAS/IFRS international accounting principles issued by the International Accounting Standards Board (IASB) and approved by the European Commission, and provides a true and correct representation of the equity, economic and financial position of the issuer.

Turin, 27 March 2008

Managing Director

*Enrico Arona*

Manager in charge of  
drawing up the corporate accounting documents

*Sergio Prati*

**Report of the  
Board of Statutory Auditors**

**REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE GENERAL MEETING OF SHAREHOLDERS OF SIAS SpA as required under Civil Code Art. 2429(ii) and TUF Art. 153 (the Consolidated Financial Code, Legislative Order 58/98)**

Shareholders,

In the course of 2007 we have carried out our supervisory duties as required by law, and this is our report thereon, drafted so as to comply, among other things, with the recommendations of CONSOB.

The Financial Statement for the period has been prepared under International Accounting Standards (IAS/IFRS); and the comparative data for the corresponding period last year have accordingly been established likewise under those standards.

In particular:

- we have taken part in General Meetings of Members and meetings of the Board of Directors; we have obtained information from the Directors on their activities including those carried out through subsidiaries where your Company has a controlling interest, and on all transactions of particular importance to your Company's revenues, expenses, assets, liabilities and finances; in respect of such activities and transactions we have investigated whether the actions decided on and taken by your Board have been in accordance with the law and the company's Articles of Association and not at variance with any resolution of the General Meeting, nor giving rise to any potential conflict of interests, but in each case informed by the principles of proper governance;
- we have supervised the SIAS Group and ASTM Group Reorganisation project (hereinafter the "Corporate Reorganisation").

With regard to the said project, reference should be made to its main stages:

- on 22 June 2007, the "Holding Piemonte e Valle d'Aosta S.p.A. – **HPVdA**" was set up with registered office in Turin and a share capital of EUR 350,000,000, fully paid-up by the parent company SIAS S.p.A.. Part of the equity investments held in the motorway companies located in the north-western part of the Piedmont region and in the Valle d'Aosta region were concentrated in this company;
- the Extraordinary Shareholders' Meeting – which was held on 29 June 2007 – approved the **increase in SIAS S.p.A. Share Capital** (from EUR 63,750,000 to EUR 113,750,000), by means of a issue – against the **allocation of equity investments** – of **100,000,000 shares** with a par value of EUR 0.50 per share (with a share premium equal to EUR 9.69) reserved for the transferor ASTM S.p.A., pursuant to art. 2441, paragraph 4 of the Italian Civil Code;
- on 3 July 2007, the **agreement for the allocation** of equity investments held by ASTM S.p.A. in SATAP S.p.A. (99.874% of share capital) and in Road Link Holdings Limited (20% of share capital) was signed, while on 5 July 2007 – following the registration of the allocation agreement at the Business Registry of Turin – the said 100,000,000 shares of SIAS S.p.A. were issued;
- on 6 July 2007, the following equity investments were **transferred** from ASTM S.p.A. to HPVdA S.p.A.:
  - 2,642,622 shares, corresponding to 41.17% of the share capital of **ATIVA S.p.A.** – a company that manages under a licensing system both the "Sistema Autostradale Tangenziale di Torino"

(Turin Bypass Motorway System) from Pinerolo junction to its extension up to Quincinetto, and the road link from Ivrea to Santhià – for a total value of EUR 113.8 million;

- 15,620,425 shares, corresponding to 65.085% of the share capital of **SAV S.p.A.** - a licensee for the construction and management of the A5 motorway Quincinetto-Aosta – for a total value of EUR 95.7 million;
- 4,602,895 shares, corresponding to 36.531% of the share capital of **SITAF S.p.A.** - a licensee company for both the Turin-Bardonecchia motorway (A32) and the Frejus motorway tunnel (T4) – for an amount of EUR 134.1 million, as well as 228,273 bonds convertible into ordinary shares of SITAF S.p.A., for a total value of EUR 3.9 million.

The transactions above have been adequately explained and quantified in the Directors' Annual Report, and we may add that all have been executed on normal market terms. Our view is that these transactions are compatible with and indeed advance the company's interest.

In particular, the principal relationships with subsidiaries, associated companies, holding companies and the companies that they control concern:

- Dividends collected from SALT S.p.A., Autocamionale della Cisa S.p.A., SATAP S.p.A., SSAT S.p.A., Road Link Holdings Ltd. and SINA S.p.A. totalling EUR 90,108 thousand;
- Expenses for administrative-corporate services debited by Autostrada Torino-Milano S.p.A., totalling EUR 83 thousand;
- Managerial assistance and services debited by Argo Finanziaria S.p.A. totalling EUR 300 thousand;
- Lease payments debited by Appia S.p.A., for EUR 26 thousand;
- Lease payments and services debited by SATAP S.p.A. totalling EUR 44 thousand;
- Human resources management services debited by the associated company Sistemi e Servizi s.c.a.r.l. for EUR 5 thousand;
- Expenses for administrative-corporate services debited by SINA S.p.A., totalling EUR 83 thousand;
- Interest earned on the loan disbursed to the subsidiary Autocamionale della Cisa S.p.A. totalling EUR 11 thousand;
- Interest paid on a loan disbursed by the subsidiary SATAP S.p.A. totalling EUR 1,544 thousand;
- Balance sheet relationships (credit/debit) with the subsidiaries SALT S.p.A., Autocamionale della Cisa S.p.A., Autostrada dei Fiori S.p.A., Autostrade dei Parchi S.p.A., SSAT S.p.A. and Sinelec S.p.A. associated with their joining in the tax consolidation of SIAS S.p.A.
- Loan disbursed to the subsidiary Autocamionale della Cisa S.p.A. for EUR 15,011 thousand;
- Loan received from the subsidiary SATAP S.p.A. for EUR 121,544 thousand.

Concerning changes to the investment portfolio, as reported previously, the Company acquired 158,200,000 shares of SATAP S.p.A. and 200 shares of Road Link Holdings Ltd. through the contribution from Autostrada Torino-Milano S.p.A. Against this contribution, SIAS S.p.A. issued 100,000,000 shares reserved to the transferee Autostrada Torino-Milano S.p.A.

Pursuant to Article 2497 of the Civil Code, because of the "Direction and Coordination" activity performed by Argo Finanziaria S.p.A., the cited relationships with Argo Finanziaria S.p.A., Autostrada Torino-Milano S.p.A., SATAP S.p.A., Autocamionale della Cisa S.p.A. and SINA S.p.A. are also

reported for purposes of providing the information required by Article 2497-bis, Paragraph 5 of the Civil Code.

The transactions indicated above were carried out under normal market conditions.

Lastly, we can confirm that no other transactions with related parties have been detected apart from those identified as above. For the purposes of Civil Code Art.2391-bis, the rules adopted by the company (and described in the Annual Report and the Report on the Consolidated Financial Statement) in our opinion ensure the transparency of all transactions with related parties, as well as their substantive and procedural correctness;

- the accounts have been independently audited as required by law by the Independent Auditors, PricewaterhouseCoopers SpA, who have issued a report as prescribed by TUF Art.156 on the Financial Statement and the Consolidated Financial Statement for the period; that report raises no issues and contains no reservations, nor any objections concerning unavailability of information.
- we have received no complaints under Civil Code Art. 2408, nor are we aware of any made by parties outside the company.

PricewaterhouseCoopers SpA, the Independent Auditors commissioned to conduct the accounting audit under TUF Art.159 of the Financial Statement of SIAS SpA and the Consolidated Financial Statement of the SIAS Group for the period ended 31 December 2007, have notified us that they received the following instructions:

<i>(Amounts in thousands of EUR)</i>		
<b>Type of services</b>	<b>Parent company</b>	<b>Subsidiaries</b>
<b>Auditing services</b>		
Accounting audit of the company financial statements	9.4	139.4
Accounting audit of the consolidated financial statements	9.4	9.8
Limited accounting audit of the half-year report at 30 June	5.2	23.7
Accounting audit of the consolidation forms at 31 December	30.0	-
<b>Miscellaneous services other than certification audit.</b>		
Agreed auditing procedures for the quarterly reports at 31 March and 30 September	1.6	18.6
Opinion on the distribution of interim dividends	6.0	45.0
Examination of the pro-forma consolidated balance sheet and income statement	15.0	-
Fairness opinion on the share capital increase	100.0	-
Inspection procedures for the Corvette, Serti MIP and Connect II grant	-	10.0
<b>Other services</b>		
Assistance to the Oversight Authority per Legislative Decree No. 231/01	2.2	38.8
<b>Total</b>	<b>178.8</b>	<b>285.3</b>

- In the course of 2007 your Board of Statutory Auditors has met 7 times and has attended 8 meetings of the Board of Directors; the Internal Control Committee has met 4 times, on each occasion attended also by the Chairman of the Board of Statutory Auditors; the Remuneration Committees has met once;
- we have gathered information on and, so far as our remit extends, monitored the adequacy of the company's organisational structure, its compliance with the principles of proper administration, and the adequacy of the instructions given to its controlled subsidiaries as required by TUF Art.

114(ii); we have moreover assessed and monitored the adequacy of the Internal Control system and the administrative/accounting system, and the latter's suitability for giving a true representation of the conduct of the company's business. The outcome of those activities (carried out by examining company documents, gathering information from heads of department, analysing the results of the Independent Auditors' work and discussing these with the Independent Auditors themselves) is that we have no issues to raise; we consider that the company's organisational structure and internal control are adequate for its size and the nature of its business as a Holding Company, that the instructions given to its controlled subsidiaries have been adequate, and that the administrative/accounting system is capable of giving a true representation of the conduct of the company's business;

- no significant aspects requiring mention in this report emerged in the course of the periodic meetings held by the Board of Statutory Auditors with the Independent Auditors' staff as required by TUF Art. 150;
- concerning Corporate Governance, the company has subscribed to the Self-Regulation Code and incorporated virtually in its entirety the document prepared by the relevant Committee coordinated by Borsa Italiana SpA (the Italian Stock Market); its Remuneration Committee and Internal Control Committee are fulfilling the functions assigned to them within that framework. In accordance with the instructions issued by Borsa Italiana SpA, the Board of Directors has drawn up an "Annual report on the system of corporate governance and adherence to the Self-Regulation Code", which provides an adequate description of the arrangements for implementing that Code in practice;
- the company has adopted the "reference principles for the adoption and implementation of models of organisation, management and control as prescribed by Legislative Order 231/2001" and the "Code of Ethics and Behaviour"; it has appointed the Invigilating Panel required under that Order;
- in accordance with the provisions introduced by the Italian Privacy Code (Legislative Order No. 196 of 30 June 2003), the company drew up its Data Security Plan (Documento programmatico sulla sicurezza aziendale dei dati) in December 2004, and has reviewed it annually since then;
- in the course of the Independent Auditors' monitoring activities and on the basis of the information gathered by them, no significant matters have emerged such as might need to be reported to the supervisory body or mentioned in the present report.

The Board of Directors has drawn up a Half-year Report for the first half and Quarterly Reports for the first and third quarters of 2007, and has published these in accordance with the arrangements and by the deadlines prescribed by the relevant laws and regulations.

No reports have been published for the second or fourth quarters, since your Company has made use of the exemption provided for in CONSOB Regulation 11971/99.

The Financial Statement for the period ended 31 December 2007 shows a profit of €93,153,171 and has

been presented to the Board of Statutory Auditors in the manner and by the deadlines required by law, together with the Annual Report.

The Board of Statutory Auditors has, by means of its own controls and the information provided by the Independent Auditors, verified that the Financial Statement (including the Annual Report) has been laid out and drafted in accordance with the legally-required standards.

The Board of Statutory Auditors, noting the satisfactory report of the Independent Auditors PricewaterhouseCoopers SpA, considers that the Financial Statement for the period ended 31 December 2007 is fit for your approval, as is the proposal by the Board of Directors for the allocation of the profit for the period.

Turin, 11 April 2008

MEMBERS OF  
THE BOARD OF STATUTORY AUDITORS

(Lionello Jona Celesia)  
(Alfredo Cavanenghi)  
(Ernesto Ramojno)

**Report of the  
Independent Auditors**

**AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LAW  
DECREE N° 58 DATED 24 FEBRUARY 1998**

To the Shareholders of  
S.I.A.S. - Società Iniziative Autostradali e Servizi SpA

- 1 We have audited the financial statements of S.I.A.S. - Società Iniziative Autostradali e Servizi SpA, which comprise the balance sheet, income statement, cash flow statement, statement of changes in shareholders' equity and the related illustrative notes as of 31 December 2007. These financial statements are the responsibility of S.I.A.S. - Società Iniziative Autostradali e Servizi SpA's Directors. 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 and criteria recommended by CONSOB. In accordance with those standards and criteria, the audit has been planned and performed to obtain the necessary assurance about whether the financial statements are free of material misstatement and, taken as a whole, are reliable. An audit includes examining, on a sample basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated 12 April 2007.

- 3 In our opinion, the financial statements of S.I.A.S. - Società Iniziative Autostradali e Servizi SpA as of 31 December 2007 comply with the International Financial Reporting Standards as adopted by the European Union, as well as with regulations issued in accomplishment of article 9 of Law Decree n° 38/2005; accordingly, they give a true and fair view of the financial position, the results of operations, the changes in shareholders' equity and cash flows of S.I.A.S. - Società Iniziative Autostradali e Servizi SpA for the year then ended.

- 4 We draw your attention on the information provided by the Directors in the management report and in the notes to the financial statements, concerning the group reorganization and the related accounting effects that, during the financial year 2007, involved the groups of companies held by S.I.A.S. - Società Iniziative Autostradali e Servizi SpA and by its parent company Autostrada Torino - Milano SpA.

Turin, 11 April 2008

PricewaterhouseCoopers SpA

Signed by

Piero De Lorenzi  
(Partner)

(This report has been translated from the original which was issued in accordance with Italian legislation. We have not examined the translation of the financial statements referred to in this report).

**Consolidated Financial Statements**  
**as at 31 December 2007**

# Consolidated Financial Statements <sup>(1)</sup>

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<sup>(1)</sup>The breakdown of the pro forma financial statements is shown in the appropriate paragraph of the Management Report (“economic, equity and financial data”)

**Balance Sheet**

<i>(amounts in thousands of EUR)</i>	<b>31 December 2007</b>	<b>31 December 2006</b>
<b>Assets</b>		
<b>Non-current assets</b>		
1. Intangible assets (Note 1)	74,712	39,922
<b>Total intangible assets</b>	<b>74,712</b>	<b>39,922</b>
2. Tangible assets (Note 2)		
a. non-compensated revertible assets in operation	2,157,472	1,153,015
b. non-compensated revertible assets under construction	793,170	271,494
c. property, plant, machinery and other assets	60,106	41,646
d. assets in lease-purchase	3,168	3,292
<b>Total tangible assets</b>	<b>3,013,916</b>	<b>1,469,447</b>
3. Noncurrent financial assets (Note 3)		
a. equity investments valued with the equity method	175,842	48,867
b. unconsolidated investments	227,634	285,717
c. receivables	36,069	32,431
d. other	26,938	154,193
<b>Total non-current financial assets</b>	<b>466,483</b>	<b>521,208</b>
4. Deferred tax credits (Note 4)	7,222	3,402
<b>Total non-current assets</b>	<b>3,562,333</b>	<b>2,033,979</b>
<b>Current assets</b>		
5. Inventories (Note 5)	36,855	28,611
6. Trade receivables (Note 6)	60,419	31,954
7. Current tax credits (Note 7)	41,380	13,907
8. Other receivables (Note 8)	244,596	104,781
9. Assets held for trading	-	-
10. Assets available for sale (Note 9)	100,000	-
11. Financial receivables	-	-
<b>Total</b>	<b>483,250</b>	<b>179,253</b>
12. Cash and cash equivalents (Note 10)	240,687	240,575
<b>Total current assets</b>	<b>723,937</b>	<b>419,828</b>
<b>Total assets</b>	<b>4,286,270</b>	<b>2,453,807</b>
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity (Note 11)</b>		
1. Group shareholders' equity		
a. share capital	113,750	63,750
b. reserves and retained earnings	1,113,820	670,045
<b>Total</b>	<b>1,227,570</b>	<b>733,795</b>
2. Minority interests	250,812	204,349
<b>Total shareholders' equity</b>	<b>1,478,382</b>	<b>938,144</b>
<b>Liabilities</b>		
<b>Noncurrent liabilities</b>		
3. Provisions for risks and charges and severance indemnities (Note 12)	188,948	117,512
4. Trade payables	9	-
5. Other payables (Note 13)	583,522	377,377
6. Bank debt (Note 14)	1,122,551	417,013
7. Other financial liabilities (Note 15)	290,474	286,626
8. Deferred tax liabilities (Note 16)	26,725	29,741
<b>Total noncurrent liabilities</b>	<b>2,212,229</b>	<b>1,228,269</b>
<b>Current liabilities</b>		
9. Trade payables (Note 17)	148,464	82,674
10. Other payables (Note 18)	159,611	72,173
11. Bank overdrafts and borrowing (Note 19)	261,091	117,721
12. Other financial liabilities (Note 20)	9,700	9,601
13. Current tax liabilities (Note 21)	16,793	5,225
<b>Total current liabilities</b>	<b>595,659</b>	<b>287,394</b>
<b>Total liabilities</b>	<b>2,807,888</b>	<b>1,515,663</b>
<b>Total shareholders' equity and liabilities</b>	<b>4,286,270</b>	<b>2,453,807</b>

**Income statement**

<i>(amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>
<b>Revenues (Note 22)</b>		
1. from the motorway sector (Note 22.1)	553,382	379,186
2. from the construction sector (Note 22.2)	9,679	6,150
3. from the technology sector (Note 22.3)	35,498	35,823
4. other (Note 22.4)	42,852	26,414
<b>Total Revenues</b>	<b>641,411</b>	<b>447,573</b>
5. Payroll costs (Note 23)	(100,740)	(75,359)
6. Services (Note 24)	(165,887)	(105,100)
7. Cost of materials (Note 25)	(51,658)	(47,113)
8. Other costs (Note 26)	(28,478)	(15,859)
9. Capitalised costs on non-current assets (Note 27)	78,723	71,866
10. Amortization, depreciation and write-downs (Note 28)	(143,457)	(106,851)
11. Update provisions for recovery/replacement of non-compensated revertible assets (Note 29)	12,191	1,188
12. Other provisions for risks and charges (Note 30)	(856)	(155)
13. Financial income: (Note 31)		
a. From unconsolidated investments	20,020	14,410
b. other	22,254	15,407
14. Financial expenses: (Note 31)		
a. interest expense	(56,445)	(40,184)
b. other	(1,661)	(2,463)
15. Profit (loss) from companies valued using the equity method (Note 32)	4,721	5,729
<b>Profit (loss) before taxes</b>	<b>230,138</b>	<b>163,089</b>
17. Taxes (Note 33)		
a. Current taxes	(83,987)	(58,436)
b. Deferred taxes	8,121	(2,393)
<b>Income (loss) for the year</b>	<b>154,272</b>	<b>102,260</b>
- minority interests' share	27,763	26,457
- <b>Group share</b>	<b>126,509</b>	<b>75,803</b>
<b>Earnings per share (Note 34)</b>		
Profit (euro per share)	0.711	0.595
Earnings per share, diluted (euro per share)	0.643	0.527

**Cash flow statement**

<i>(amounts in thousands of EUR)</i>	<b>2007</b>	<b>2006</b>
Beginning cash and cash equivalents	240,575	
Change in the scope of consolidation (*)	(186,211)	
<b>Beginning cash and cash equivalents, adjusted (a)</b>	<b>54,363</b>	<b>233,164</b>
<b>Operating activity:</b>		
<b>Profit (loss)</b>	<b>154,272</b>	<b>102,260</b>
<b>Adjustments</b>		
Depreciation and amortization	143,313	106,851
Update provisions for recovery/replacement of non-compensated revertible assets	(12,191)	(1,188)
Update provisions for severance indemnities	3,161	1,039
Provisions for risks	856	155
(Profit (loss) from companies valued using the equity method	(4,721)	(5,729)
(Revaluations) write-downs of financial assets	772	1,523
Net change in deferred tax credits and liabilities	(11,521)	2,998
Change in net working capital (Note 35.1)	18,330	(16,077)
Other changes from operating activity (Note 35.2)	(9,218)	(2,604)
<b>Cash generated (absorbed) by operating activity (b)</b>	<b>283,054</b>	<b>189,228</b>
<b>Investment activity:</b>		
Investments in property, plant, machinery and other assets	(9,716)	(6,882)
Investments in non-compensated revertible assets	(250,212)	(117,883)
Investments in intangible assets	(3,066)	(1,126)
Investments in non-current financial assets	(47,839)	(170,213)
Net divestiture of property, plant, machinery and other assets	1,026	824
Divestiture of non-compensated revertible assets	3,309	20
Net divestiture of intangible assets	3	-
Divestiture of non-current financial assets	96,226	70,972
<b>Cash generated (absorbed) by investment activity (c)</b>	<b>(210,269)</b>	<b>(224,288)</b>
<b>Financial activity:</b>		
Net change in bank debt	161,193	72,954
Change in financial assets	75,941	49,999
Change in other financial liabilities (including FCG)	(47,048)	(9,404)
Changes in shareholders' equity, minority interest	-	20,673
Changes in shareholders' equity, Group share	(1,445)	-
Dividends (and interim dividends) distributed by the Parent Company	(56,663)	(44,625)
Dividends (and interim dividends) distributed by Subsidiaries of Minority Shareholders	(18,439)	(47,126)
<b>Cash generated (absorbed) by financial activity (d)</b>	<b>113,539</b>	<b>42,471</b>
<b>Ending cash and cash equivalents (a+b+c+d)</b>	<b>240,687</b>	<b>240,575</b>

(\*) This involves the cost of investments acquired, net of their liquidity at 30 June 2007:

- Cash-out from the purchase of SAV S.p.A., ATIVA S.p.A., SITAF S.p.A. and the SITAF S.p.A. bond loan.	(347,459)	}	(222,135)
- Cash-in from the transfer of SINECO S.p.A., SINA S.p.A. and the SIAS S.p.A. convertible bond loan	125,324		
- Cash from the acquired/contributed investments	35,924		
	<u>(186,211)</u>		

Additional information:

Taxes paid during the period	71,469	76,152
Financial charges paid during the period	69,908	23,575

- With regard to the “net financial position” of the Group at 31 December 2007, please refer to the appropriate paragraph in the Management Report.

## Statement of changes in shareholders' equity

<i>Amounts in thousands of EUR</i>	Share capital	Reserves and retained earnings	Group shareholders' equity	Minority interests	Total shareholders' equity
<b>31 December 2005</b>	<b>63,750</b>	<b>631,076</b>	<b>694,826</b>	<b>204,345</b>	<b>899,171</b>
Distribution balance of 2005 dividend (EUR 0.20 per share)		(25,500)	(25,500)	(40,232)	(65,732)
Distribution of 2006 interim dividend (EUR 0.15 per share)		(19,125)	(19,125)	(6,894)	(26,019)
Update financial assets to fair value		10,494	10,494	1,355	11,849
Update provisions for foreign exchange differences		(2,703)	(2,703)	-	(2,703)
Other changes (changes to the scope of consolidation and purchase of minority shares)		-	-	19,318	19,318
Profit for the period		75,803	75,803	26,457	102,260
<b>31 December 2006</b>	<b>63,750</b>	<b>670,045</b>	<b>733,795</b>	<b>204,349</b>	<b>938,144</b>
Distribution balance of 2006 dividend (EUR 0.15 per share)		(19,125)	(19,125)	(3,447)	(22,572)
Contribution and other effects of the Corporate Reorganisation operation	50,000	386,058	436,058 (1)	40,029	476,087
Other changes (purchase of minority shares)		-	-	(742)	(742)
Distribution of 2007 interim dividend (EUR 0.165 per share)	-	(37,538)	(37,538)	(14,992)	(52,530)
Update financial assets to fair value:					
- Financial assets	-	(9,994)	(9,994)	(2,004)	(11,998)
- Interest Rate Swap	-	(342)	(342)	(144)	(486)
Update provisions for foreign exchange differences	-	(2,092)	(2,092)	-	(2,092)
Other changes	-	299	299	-	299
Profit for the period	-	126,509	126,509	27,763	154,272
<b>31 December 2007</b>	<b>113,750</b>	<b>1,113,820</b>	<b>1,227,570</b>	<b>250,812</b>	<b>1,478,382</b>

(1) Effects related to the "Corporate Reorganisation of the SIAS and ASTM groups" (effective 1 July 2007) are detailed as follows:

*(values in thousands of EUR)*

Contribution:

Value of including SATAP S.p.A. in the consolidated half-year report of the ASTM Group at 30 June 2007	567,250
Value of including Road Link Holdings Ltd in the consolidated half-year report of the ASTM Group at 30 June 2007	3,317

Acquisitions:

Value of including SAV S.p.A., ATIVA S.p.A., SITAF S.p.A. and the SITAF Bond Loan in the consolidated half-year report of the ASTM Group at 30 June 2007	201,409
Purchase price (appraised value) of SAV S.p.A., ATIVA S.p.A., SITAF S.p.A. and the SITAF S.p.A. Bond Loan	(347,459)
Total (a)	424,517
"Capital gain" on transfer of the investment in SINA S.p.A., SINECO S.p.A. and the SIAS S.p.A. Convertible Bond Loan.	(b) 12,986
Costs related to the Corporate Reorganisation operation	(c) (1,445)
<b>Total (a) + (b) + (c)</b>	<b>436,058</b>

As illustrated in the section "Principles of consolidation and accounting criteria", it can be seen that transactions related to the Corporate Reorganisation operation were booked according to ongoing value and therefore the differences between the acquired/contributed assets (from the appraisals prepared by the Court-appointed expert) and the values previously posted to the consolidated half-year report of the ASTM Group at 30 June 2007 were posted directly as a reduction of the consolidated shareholders' equity of the SIAS Group (therefore not showing any additional goodwill on the difference between the appraised value and the corresponding portion of shareholders' equity). This accounting is in line with the current policy for presenting the equity, financial and economic effects of "business combinations between companies subject to common control" (Assirevi-OPI Document No. 1). Furthermore, based on the cited OPI No. 1, the capital gain from the transfer of the investments to ASTM S.p.A. was imputed directly to shareholders' equity, without going through the income statement.

The breakdown of the item “Reserves and retained earnings” is as follows:

<i>Amounts in thousands of EUR</i>										
	Share premium reserve	Revaluation reserves	Statutory reserve	Reserves for revaluation to fair value	Capital reserves	Profit reserves	Provisions for foreign exchange differences	Retained earnings (losses)	Profit (loss) for the year	Total
<b>31 December 2005</b>	<b>178,619</b>	<b>5,434</b>	<b>5,650</b>	<b>76,716</b>	<b>34,590</b>	<b>38,892</b>	<b>-</b>	<b>183,517</b>	<b>107,658</b>	<b>631,076</b>
Allocation of 2005 profits			7,100			49,688		25,370	(82,158)	-
Distribution balance of 2005 dividend (EUR 0.20 per share)									(25,500)	(25,500)
Distribution of 2006 interim dividend (EUR 0.15 per share)									(19,125)	(19,125)
Update financial assets to fair value				10,494						10,494
Update provisions for foreign exchange differences							(2,703)			(2,703)
Profit for the period									75,803	75,803
<b>31 December 2006</b>	<b>178,619</b>	<b>5,434</b>	<b>12,750</b>	<b>87,210</b>	<b>34,590</b>	<b>88,580</b>	<b>(2,703)</b>	<b>208,887</b>	<b>56,678</b>	<b>670,045</b>
Allocation of 2006 profits								37,553	(37,553)	-
Distribution balance of 2006 dividend (EUR 0.15 per share)									(19,125)	(19,125)
Contributions/acquisition of investments related to the Corporate Reorganisation	520,567	(1)						(134,509)	(2)	386,058
Reconstitution of reserves by the fair value of the companies entering the scope of consolidation following the Corporate Reorganisation				3,681				(3,681)		-
Distribution of 2007 interim dividend (EUR 0.165 per share)									(37,538)	(37,538)
Update financial assets to fair value:										
- Financial assets				(9,994)						(9,994)
- Interest Rate Swap				(342)						(342)
Update provisions for foreign exchange differences							(2,092)			(2,092)
Other changes								299		299
Profit for the period									126,509	126,509
<b>31 December 2007</b>	<b>699,186</b>	<b>5,434</b>	<b>12,750</b>	<b>80,555</b>	<b>34,590</b>	<b>88,580</b>	<b>(4,795)</b>	<b>108,549</b>	<b>88,971</b>	<b>1,113,820</b>

(1)	- Value of including the contributed investments (in the consolidated half-year report of the ASTM Group at 30 June 2007):	567,250
	- SATAP S.p.A.	
	- Road Links Holdings Ltd	3,317
	(a)	570,567
	▪ Portion posted to the share capital increase	(b) (50,000)
	<b>Total (a) + (b)</b>	<b>520,567</b>

(2)	Value of including SAV S.p.A., ATIVA S.p.A., SITAF S.p.A. and the SITAF Bond Loan in the consolidated half-year report of the ASTM Group at 30 June 2007	201,409
	Purchase price (appraised value) of SAV S.p.A., ATIVA S.p.A., SITAF S.p.A. and the SITAF S.p.A. Bond Loan	(347,459)
	(a) Impact of the purchase of the investments	(146,050)
	“Capital gain” on transfer of the investment in SINA S.p.A., SINECO S.p.A. and the SIAS S.p.A. Convertible Bond Loan	12,986
	Costs related to the Corporate Reorganisation operation	(1,445)
	(b)	11,541
	<b>Total (a) + (b)</b>	<b>(134,509)</b>

## Reconciliation between the shareholders' equity and the profit for the period of SIAS S.p.A. and the corresponding figures for the SIAS Group

<i>(amounts in millions of EUR)</i>	<b>Shareholders' equity</b>	<b>Profit</b>
<b>SIAS S.p.A. at 31 December 2006</b>	<b>559.9</b>	<b>174.4</b>
Shareholders' equity and profit of the consolidated companies	643.6	76.8
Book value of the consolidated companies	(469.7)	-
Reversal of dividends collected from the subsidiaries and associated companies	-	(175.4)
<b>SIAS Group at 31 December 2006</b>	<b>733.8</b>	<b>75.8</b>

<i>(amounts in millions of EUR)</i>	<b>Shareholders' equity<sup>(1)</sup></b>	<b>Profit</b>
<b>SIAS S.p.A. at 31 December 2007</b>	<b>1,608.2</b>	<b>93.2</b>
Shareholders' equity and profit of the consolidated companies	1,446.9	123.4
Book value of the consolidated companies	(1,826.7)	-
Reversal of dividends collected from the subsidiaries and associated companies	-	(90.1)
<b>SIAS Group at 31 December 2007</b>	<b>1,227.6</b>	<b>126.5</b>

- (1) The investments granted/acquired as part of the Corporate Reorganisation were booked on the basis of current value in the company financial statements of SIAS S.p.A. at 31 December 2007 (using the appraisals prepared by the Court-appointed expert). These are greater than the corresponding values shown in the consolidated financials, because, as shown in the section "principles of consolidation and accounting criteria", transactions related to the Corporate Reorganisation operation were booked according to ongoing value in the consolidated financial statements. For this reason, the shareholders' equity of the holding company appears greater than that of the Group.

## General information

Società Iniziative Autostradali e Servizi S.p.A. (SIAS S.p.A.) is organised according to the laws of the Italian Republic.

SIAS S.p.A. operates in Italy as an industrial holding company through its subsidiaries, mainly in the sectors of licensed motorway construction and operation.

The registered office of the Parent Company is at via Bonzanigo 22 - Turin, Italy.

The ordinary shares and convertible bonds of the Company are listed on the MTA [*electronic stock market*] operated by Borsa Italiana S.p.A. The shares of the Company are included in the MIBEX index.

The Board of Directors of SIAS S.p.A. examined and recommended the consolidated financial statements of the SIAS Group on 27 March 2008.

### Preparation criteria

Based on the provisions of Article 3, Paragraph 1 of Legislative Decree No. 38 of 28/2/2005, these consolidated financial statements were prepared in accordance with the **international accounting standards (IAS/IFRS)** issued by the International Accounting Standard Board (IASB) and approved by the European Commission. Consequently, the comparative data referring to the same period in the previous accounting year also comply with the cited accounting standards.

**Principles of consolidation,  
valuation criteria and  
explanatory notes**

## Principles of consolidation and valuation criteria

### **Consolidation principles and procedures**

In addition to the financial statements of the parent company, Società Iniziative Autostradali e Servizi S.p.A., these consolidated financial statements include the financial statements of the companies over which it exercises control. These financial statements were suitably adjusted or restated to make them compatible with the IAS/IFRS international accounting principles for preparing financial statements. Control exists when the parent company holds 50% of the voting rights directly or indirectly, that is, it has the power to determine the financial and operational policies of the company. The accounts of subsidiaries are included in the consolidated accounts starting from the date upon which control is assumed until the moment when control ceases to exist.

Companies over which control is held jointly with minority shareholders, based on agreements with them, are consolidated with the proportional method.

Companies over which "significant influence" is exercised on the subject of financial and operational policies are valued with the equity method.

Furthermore, we specify that the subsidiaries Rites s.c.a.r.l. and Tangenziale Est s.r.l. were evaluated with the equity method, because they are small. Consolidating them would not have produced any significant effect on the consolidated financial statements.

In the paragraph "Scope of consolidation" below, consolidated investments and changes to them are shown in detail.

\* \* \*

#### *Corporate Reorganisation operation - acquisition and transfer of investments between companies subject to common control*

It can be seen that transactions related to the Corporate Reorganisation operation of the SIAS and ASTM Groups were booked according to ongoing value and therefore the differences between the acquired/contributed assets (from the appraisals prepared by the Court-appointed expert) and the values previously posted to the consolidated half-year report of the ASTM Group at 30 June 2007 were posted directly as a reduction of consolidated shareholders' equity of the SIAS Group (therefore not showing any additional goodwill on the difference between the appraised value and the corresponding portion of shareholders' equity). This accounting is in line with the current policy for presenting equity, financial and economic effects of "*business combinations between companies subject to common control*" (Assirevi-OPI Document No. 1). Furthermore, based on the cited OPI No. 1, the capital gains from the transfer of the investments to ASTM S.p.A. was imputed directly to shareholders' equity, without going through the income statement.

\* \* \*

#### *Consolidation by the line-by-line method*

In brief, consolidation by the line-by-line method involves taking the assets and liabilities, income and expenses of the consolidated companies, accounting for the amount of investment held and attributing to

third-party shareholders the share of profits and provisions applicable to them in a dedicated heading of Shareholders' Equity called "Minority interests".

The principal consolidation adjustments made were the following:

1. Elimination of investments in businesses included in the scope of consolidation and of their corresponding fractions of shareholders' equity, attributing the current value as at the date of acquiring control to the individual elements of the balance sheet. If the requirements are met, any positive difference is posted to the asset heading "Goodwill". A negative difference is imputed to the income statement.

The premium price paid for a corresponding fraction of shareholders' equity, from the acquisition of additional shares of subsidiaries, is allocated to the heading "Goodwill".

2. Elimination of receivables and payables between businesses included in the scope of consolidation, as well as income and expenses related to transactions between the businesses themselves. Furthermore, profits and losses from transactions between these businesses and related to securities included in the balance sheet and the income statement are also eliminated.

Concerning internal work capitalised on non-compensated revertible assets, margins generated within the Group have not been reversed, both because these margins are not significant, and because the work was awarded, among other things, through competitive bidding at market prices.

3. Reversal of dividends collected from the consolidated companies.

#### *Consolidation by the proportional method*

In brief, the proportional method of consolidation involves aggregating, line by line, the parent company portion of each asset, liability, income and expense of the subsidiary in the respective headings of the consolidated financial statements.

With the proportional method of consolidation, we see only that part of the value of the subsidiary that belongs to the Group, and not its total value. Furthermore, as a contra entry to the value of the investments, only that part of shareholders' equity belonging to the Group is eliminated, and the items "Shareholders' equity, minority interest" and "Minority interest" (in the income statement) do not appear, because these items are automatically excluded.

Furthermore, intercompany profits and losses are eliminated proportionally and all other consolidation adjustments are also made in a similar manner.

#### *Valuation of investments with the equity method.*

The equity investment is initially entered at cost and the book value is increased or decreased to record the share of profits and losses of the subsidiary accruing to the holding company, which are realized after the acquisition date. Any goodwill included in the value of the investment is subject to an impairment test. The portion of operating profits of the subsidiary accruing to the holding company is posted to the income statement of the holding company. However, excess losses compared to the book value of the investment on the financial statements are not entered, to the extent that the Group is not obliged to cover them. Dividends received from a subsidiary reduce the book value of the investment.

## Valuation criteria

### Intangible assets

#### *Goodwill*

As an intangible asset, this is not subject to amortization. An impairment test is conducted at least annually, and in any case when events arise that may indicate a reduction in value. If significant, this check is carried out at the level of the individual cash generating unit to which goodwill has been allocated and based on which Management evaluates the yield of the investment. Write-downs are not subject to reversal.

#### *Other intangible assets*

Other intangible assets are posted at cost. They are systematically amortized over the period in which the assets are expected to be used by the business.

Expenses associated with development activities are capitalised when they are intended to define products (or processes) that are technically and commercially profitable to the Group and for which the Group possesses sufficient resources to complete the activity mentioned above. These intangible assets are amortised over a period not to exceed five years.

When events arise that indicate a reduction in value of intangible assets, the difference between the book value and the associated recovery value is imputed to the income statement.

Expenses for research activities are posted to the income statement of the period in which they are incurred.

### Tangible assets

These assets are posted at purchase cost or production cost (including directly imputable auxiliary costs) and include the related directly imputable financial expenses needed to make the assets available for use.

Depreciation rates used to distribute systematically the value of tangible assets based on their useful life are as follows:

<u>Category</u>	<u>Rate</u>
Land	Not depreciated
Non-industrial and industrial buildings	3% - 4%
Plant, machinery and vehicles	4% - 5% - 8% - 10% - 20%
Technical equipment	12% - 15% - 25%
Facilities and light structures	10% - 12% - 25%
Automobiles and motor vehicles	20% - 25%
Office furniture and machines	12% - 20%

"Non-compensated revertible assets" have been posted in accordance with national accounting practices, because these are compatible with the IAS/IFRS. Also, we specify that the information required by the Standing Interpretations Committee No. 29 (SIC 29 Supplemental information – Agreements for licensed services) has been provided.

Non-compensated revertible assets are systematically depreciated based on the duration of their respective concessions, in accordance with the provisions in current financial plans attached to the agreements stipulated with the Granting Body. In determining the depreciation of the non-compensated revertible assets of ATIVA S.p.A., SALT S.p.A. and Autocamionale della Cisa S.p.A., Item 2 of Article 25 the current Convention provides that the outgoing concessionaire is entitled to indemnification by the incoming concessionaire for the terminal value, that is, that part of new works that have been realized but not yet depreciated to the expiration of the concession.

Concerning non-compensated revertible assets, the depreciation reserve and the provisions for recovery or replacement, considered overall, provide adequate coverage of the following expenses:

- Free alienation to the State of non-compensated revertible assets with a useful life greater than the duration of the concession;
- Recovery and replacement of components of non-compensated revertible assets, which are subject to wear;
- Recovery of the investment in new works scheduled in the financial plans.

When events arise that indicate a reduction in value of tangible assets, the difference between the book value and the associated recovery value is imputed to the income statement.

Ordinary maintenance costs of tangible assets are posted to the income statement for the period in which they are incurred.

\* \* \*

Concerning the account and treatment of non-compensated revertible assets, at the end of 2006, the **IFRIC** (International Financial Reporting Interpretations Committee) approved **Interpretation No. 12** concerning accounting treatment of licensed services. The purpose of this document is to indicate the procedures for entering and valuing concession contracts between a public entity and a private business, referring especially to the procedures for displaying non-compensated revertible assets, the operation of those assets as well as the obligations for recovery and maintenance of the same. During 2007, coordinating with AISCAT, the SIAS Group set up a panel to study the applicability of the cited interpretation document as well as possible impacts from applying that interpretation to the financial statements of the concessionaire companies.

During the approval process, Interpretation No. 12 encountered some resistance within the European Union, including testimony presented to the European Commission on 20 July 2007, in which it was shown that one of the accounting models recommended by the IFRIC (the so-called "intangible asset model") generated many significant operational, management and accounting critical issues (feasibility problems in public-private partnerships, pressures on the tax codes of member States, limitations on support for new infrastructure projects, accounting inconsistencies based on the role of the operators, changes to current regulations, a brake on the competitiveness of European concessionaire businesses and their presence at the international level, etc.). In September 2007, the Director-General for Internal Market and Financial Services prepared a reply to the testimony, which pointed out the need to evaluate a new and different accounting solution on which European concessionaire businesses could agree.

On 7 December 2007, the European Commission decided to open a public review aimed at examining the effects of introducing the Interpretation, in which the SIAS Group participated (together with its

subsidiaries who prepared consolidated financial statements according to national accounting standards), underscoring some significant problems encountered in applying the accounting models required by the cited document.

Although the IFRIC had set 1 January 2008 as the implementation date for IFRIC 12, considering what was explained and the pending approval process by the European Commission, the SIAS Group will adopt IFRIC 12 beginning on the date that will be established during its approval process. This is because the IFRS apply generally only after they are approved and published in the Official Journal of the European Union.

Concerning IFRIC Interpretation 12, it can be seen that unlike the practice of Italian operators heretofore in the absence of specific criteria from the IASB, overlooking both the concept of transferring risks and benefits which has prevailed in the body of IFRS principles heretofore and the special legal nature of national agreements, this document establishes that the concessionaire does not need to enter the revertible infrastructure among tangible assets because it does not maintain control, but rather, only the right to use the infrastructure to provide the services in accordance with the terms of procedures defined by the Conceding Authority. This right can be classified as a financial asset or an intangible asset depending on whether there is an unconditional right to receive compensation for the effective use of the infrastructure itself or to charge users a specific payment for using a public service.

Considering that the payment expected or received by the concessions of the SIAS Group for the construction, expansion and operation of the motorway network consists of the right to charge users fee for using the infrastructure, the principal impact (exclusively in terms of accounting presentation) from a theoretical application of the cited Interpretation would be the adoption of the so-called "intangible asset model", with the consequent restatement of "non-compensated revertible assets" among "intangible assets". However, the depreciation process would continue for the life of the concession based on what is contained in the respective financial plans.

### Leased assets

#### *Financial lease contracts*

Assets purchased using a financial lease transaction are posted among the assets of the balance sheet at the lesser of fair value or present value of the lease payments owed to purchase them, which is determined using the interest rate implied in the lease. As a contra entry, the value is posted among liabilities as a financial payable to the lessor. Any direct costs incurred in finalizing the leasing contract (e.g., costs to negotiate and finalize the financial leasing transaction) are recorded as an increase to the value of the asset. Leased assets are routinely depreciated using the depreciation criteria for owned assets of the same type. When it is not reasonably certain that the asset will be purchased at the end of the lease, it is completely depreciated over the shorter of the lease contract or its useful life.

Lease payments are divided between repaid principal and financial charges posted according to the matching principle.

#### *Operating lease contracts*

Lease payments for operating leases are posted to the income statement and constant amounts distributed across the duration of the underlying contract.

#### Inventories

*Raw materials, ancillary materials, consumables, semi finished goods, finished goods and merchandise*

These are valued at the lesser of average weighted cost and net realizable value.

#### *Contracted work in process*

Based on agreed fees, this is valued as a function of the state of progress of construction/realization of the asset at the reference date of the accounting statement, using the percentage of completion method. Advances paid by the buyers are subtracted from the value of inventory up to the limit of the accrued fees. The remainder is posted to liabilities. Any losses at the end are posted to the income statement.

Requests for additional payments because of change orders or other claims (for example for greater expenses incurred for reasons that can be imputed to the buyer) are posted to the financial statements in the total payments, when and to the extent that it is probable that the counterparty will accept them.

#### Assets held for trading

These are recorded at fair value as at the settlement date of the transaction. Gains and losses from any changes in the fair value are posted to the income statement. When fair value cannot be reliably determined, the financial asset is valued at cost, adjusted in the event of any loss of value.

The original value is restored in later accounting periods should the reasons for the write-down no longer hold true.

#### Financial assets held to maturity

These are posted at the time of purchase based on the cost incurred (including the costs incurred to purchase). Later, they are valued at their amortized cost using the criterion of effective interest. Any loss in value is posted to the income statement.

The original value is restored in later accounting periods should the reasons for the write-down no longer hold true.

#### Loans and Receivables

These are initially posted at fair value (including costs incurred to purchase or issue) at the date of the transaction. Later, they are valued at their amortised cost using the criterion of effective interest. Any loss in value is posted to the income statement.

The original value is restored in later accounting periods should the reasons for the write-down no longer

hold true.

#### Financial assets available for sale

These are recorded at fair value as at the settlement date of the transaction. Profits and losses from later changes in fair value are valued using the equity method as the contra entry until the asset is sold and the income is posted to the income statement. When fair value cannot be reliably determined, the financial asset is valued at cost, adjusted in the event of any loss of value.

The original value is restored in later accounting periods should the reasons for the write-down no longer hold true.

#### Cash and cash equivalents

Cash includes cash on hand, including cheques, and bank demand deposits. Cash equivalents are represented by financial investments with a maturity of three months or less from the date of purchase, readily convertible into cash and with an insignificant risk of change in value.

These items are recorded at fair value. Profits and losses from any changes in the fair value are posted to the income statement.

#### Loans and other liabilities

These are recorded when opened, net of any costs that can be ascribed to them. Later, they are valued at their amortised cost using the criterion of effective interest.

With regard to the *bond loan convertible* into ordinary shares, because it is a composite financial instrument, we separated the components of the loan itself at the time of initial posting, in accordance with IAS 32.

The “*liability component*” is equal to the present value of net cash (principal + interest) related to the debenture loan, discounted at the market interest rate (equal to the cost of the debt capital of the issuer over 12 years; this rate is considered representative of the yield on similar fixed-income securities that do not carry a right of conversion).

The “*shareholders' equity component*” is equal to the difference between the present value of net cash (as determined above) and the cash from of the bond issue net of related deferred tax effects.

Financial expenses are calculated on the “liability component”. They are imputed to the income statement based on the market interest rate mentioned above, taking into account also the related deferred tax effects.

#### Payables to ANAS and the Central Insurance Fund [FCG]

These payables refers to operations undertaken by the parties in question during earlier accounting periods on behalf of the concessionaires SALT S.p.A., Autostrada dei Fiori S.p.A., Autocamionale della Cisa S.p.A., SATAP S.p.A., SAV S.p.A. and ATIVA S.p.A. to make instalment payments and for accounts payable to suppliers. To facilitate the economic and financial equilibrium of the respective

concessions, the financial plans attached to them require retirement of these liabilities based on the duration of the concession, in the absence of related interest payments.

Therefore, these payables have been discounted based on a specific interest rate for each concessionaire. In compliance with IAS 39, this interest rate is established using as a reference financial instruments with essentially the same conditions and features. The difference between the original amount of the debt and its current value is posted among liabilities to "deferred income".

The charge from the discounting process is imputed to the income statement among "financial charges". At the same time, the amount previously deferred (and included in "deferred income") is posted to the item "other income".

#### Provisions for risks and charges

Provisions for risks and charges concern costs and charges of known type and of certain and probable existence, the amount and date of occurrence of which was not known at the closing date of the accounting period. Provisions are recorded when: (i) a current, legal or implied obligation probably exists from a past event; (ii) it is probable that meeting the obligation will be burdensome; (iii) the amount of the obligation can be reliably estimated.

The provisions to reserves represents our best estimate of the amount needed to extinguish the obligation or to transfer it to third parties as at the closing date of the financial statements. When the financial impact of time is significant and the dates for paying off the obligations can be reliably estimated, the provisions are discounted.

#### *Provision for restoration or replacement of non-compensated revertible assets*

Consistent with the contractual obligations in the financial plans attached to current agreements, as at the date of the report, the "Provision for restoration or replacement of non-compensated revertible assets" receives the provisions needed to carry out maintenance to ensure the due functionality and safety of the motorway network during later accounting periods.

The Notes also explain any potential liabilities represented by: (i) possible (but not probable) obligations from past events, the existence of which will be confirmed only upon the occurrence of one or more uncertain future events not completely under the control of the Group; (ii) current obligations from past events, the total of which cannot be reliably estimated or the fulfilment of which is probably not costly.

#### *Employee benefits (Employee Severance Indemnity)*

Liabilities related to the Employee Severance Indemnity (a defined-benefit plan) have been determined based on actuarial assumptions and recorded using the matching principle consistently with the service periods required to obtain the benefits. Liability was appraised with the help of independent actuaries.

Because they come from changes in the actuarial assumptions used or changes in the plan conditions, actuarial gains and losses from these plans are posted to the income statement.

### Revenues

Revenues are posted based on the matching principle when it is probable that the future economic benefits will accrue to the Group and their value can be determined reliably. In detail:

#### *Tolls*

These are posted based on the related transits and are shown net of the portion owed to the State under Article 15 of Law No. 231 of 12 August 1982, as amended by Item 2 of Article 11 of Law No. 407 of 29 December 1990.

#### *Rental income and royalties*

Rental income and royalties are valued based on the payment indicated in the underlying contracts with the respective counterparties.

#### *Revenues from product sales*

Revenues from product sales are recognized when the risks are transferred to the buyer, a moment that usually coincides with shipping/delivery.

#### *Revenues for services*

Revenues for services are recognized based on the accrued payment.

#### *Revenues for work and planning*

Revenues accruing during the period related to contracted work in process are posted based on the agreed payments as a function of the state of progress of the work, according to the percentage of completion method.

### Dividends

Dividends paid by unconsolidated companies are posted when the right to receive them is established, which corresponds to the date that the subsidiary Shareholder Meeting approves the distribution.

Any interim dividends are recorded when the distribution is approved by the Board of Directors of the subsidiary.

### Grants

Grants are recognised when there exists a reasonable certainty that they will be received and that all the conditions for their disbursement will be met. Capital grants are posted to the balance sheet as an adjustment entry to the book value of the asset to which they refer. Operating grants are imputed as income and systematically allocated to the cost related to them using the matching principle.

### Financial expenses

Financial expenses are recorded as a cost in the accounting periods in which they are incurred except for those which are directly imputable to the construction of non-compensated revertible assets and other assets, which are capitalised as an additional part of the cost of production. Capitalisation of financial expenses begins when activity begins to prepare the asset for use, and it ends when the assets are essentially completed.

### Income taxes

Current and deferred taxes are posted to the income statement when they do not relate to transactions directly posted to shareholders' equity.

Income taxes are posted based on an estimate of the taxable income for the period, in compliance with current regulations.

In accordance with IAS 12, “deferred tax liabilities” and “advance tax payments” are calculated based on the temporal differences between the recognized value for tax purposes of an asset or a liability and its value on the balance sheet, when it is probable that these differences will not cancel themselves out in the foreseeable future. The amount of the “deferred tax liabilities” or “advance tax payments” is determined based on tax rates that are expected to apply to the period in which the tax credit is realized or the tax liability is extinguished. The tax rates are those established in current fiscal legislation as at the reference date of the individual accounting entries.

Deferred tax credits are posted when their recovery is likely.

Advance tax payments and deferred tax liabilities are offset when it is legally allowed.

Furthermore, tax effects have been considered, deriving from the adjustments made to the financial statements of consolidated businesses while applying uniform Group valuation criteria.

### Derivatives

Derivatives are assets and liabilities recognized at fair value.

Derivatives are classified as hedging instruments when the relationship between the derivative and the subject of the coverage is formally documented and the coverage is highly effective, which is verified periodically. When hedging derivatives cover the risk of changes to the fair value of the instruments being covered (a “fair value hedge”, for example, covering the variability of the fair value of assets/liabilities at a fixed rate), the derivatives are recognized at fair value and their effects are imputed to the income statement. At the same time, the instruments subject to coverage are updated to reflect the changes to their fair value associated with the covered risk. When derivatives cover the risk of changes in net cash from the instruments being covered (cash flow hedge, for example, covering the variability of cash flows from assets/liabilities at a fixed rate), changes to fair value of the derivatives are initially posted to shareholders' equity and later imputed to the income statement along with the economic effects produced by the covered transaction. Changes to the fair value of derivatives that do not satisfy the conditions to be classified as hedges are posted to the income statement.

## **ESTIMATES AND VALUATIONS**

The preparation of these financial statements and the related Notes required estimates and assumptions that had an effect on the values of the assets and liabilities in the financial statements and on the information related to potential assets and liabilities as at the date of the financial statements. Actual results achieved may differ from these estimates. Among other things, the valuation used fair value to appraise assets available for sale, and to record depreciation and amortization, write-downs of assets and provisions for risks. The estimates and assumptions are reviewed periodically and the effects of any changes are reflected immediately in the income statement.

With regard to the valuation of concessionaire companies operating in the motorway sector, the financial plans approved by the Granting Body were used to perform the impairment test.

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The accounting principles shown above have been applied coherently and consistently in preparing these financial statements.

Pursuant to Article 5, Paragraph 2 of Legislative Decree No. 38 of 28 February 2005 and in compliance with Paragraph 46 of IAS 1, these financial statements were prepared in thousands of euro. For the SIAS Group, the euro is both the operating currency and the presentation currency.

## Notes - Scope of consolidation

### Changes to the scope of consolidation - Corporate Reorganisation

The Corporate Reorganisation was completed and effective 1 July 2007. It included in the scope of consolidation the following subsidiaries:

#### *Companies consolidated with the line-by-line method*

Holding Piemonte e Valle d'Aosta S.p.A.; Strade Co.Ge S.p.A.; SATAP S.p.A.; Società Autostrada Broni-Mortara S.p.A.; SAV S.p.A.; Collegamenti Integrati Veloci S.p.A.

#### *Companies consolidated with the proportional method*

ATIVA S.p.A.; ATIVA Engineering S.p.A.; Si.Co.Gen. s.r.l.; Pinerolo s.c.a.r.l.

#### *Companies consolidated with the equity method*

SITAF S.p.A.; SITRASB S.p.A.; Road Link Holdings Ltd.; Tangenziale Est s.r.l.; Corso Marche s.r.l.; Itinera S.p.A.; INPAR S.p.A.; ASTA S.p.A.; Alberga Garessio Ceva S.p.A.; CIM S.p.A.; VA Bitumi s.r.l.; Vesima s.c.a.r.l. (in liquidation).

This operation was configured as a "purchase and sale of investments between companies subject to common control" and therefore was entered at ongoing value, based on what was shown previously (on this subject, see both the "Statement of changes in shareholders' equity" and "Consolidation principles and procedures").

To allow adequate comparability of data, the "*Management report - economic, equity and financial data*" shows pro forma summaries for 2006 and 2007 (Group economic data) and 2006 only (Group equity and financial data) which display the impact of the reorganisation as if it had occurred on 1 January of the respective accounting periods. The summaries below show in detail the reconciliation between effective data and the related pro forma data.

The following table sets forth the reconciliation between the **consolidated income statement** of the SIAS Group for **2006** and the corresponding pro forma data.

<i>(amounts in thousands of EUR)</i>	SIAS Group 2006	Changes to the scope of consolidation(1)	SIAS Group 2006 pro forma 2006
<b>Revenues</b>			
Motorway sector revenue	379,186	313,563	692,749
Construction sector revenue	6,150	386	6,536
Technology sector revenue	35,823	(18,015)	17,808
Other revenues	26,414	33,162	59,576
<b>Total Revenues</b>	<b>447,573</b>	<b>329,096</b>	<b>776,669</b>
Operating costs	(243,431)	(158,771)	(402,202)
Capitalised costs on noncurrent assets	71,866	20,049	91,915
<b>Gross operating margin</b>	<b>276,008</b>	<b>190,374</b>	<b>466,382</b>
Significant nonrecurring items	-	1,396	1,396
<b>Adjusted gross operating margin</b>	<b>276,008</b>	<b>191,770</b>	<b>467,778</b>
Net amortization/depreciation and provisions	(105,818)	(43,683)	(149,501)
<b>Operating income</b>	<b>170,190</b>	<b>148,087</b>	<b>318,277</b>
Financial income	29,817	9,921	39,738
Financial expenses	(50,571)	(37,963)	(88,534)
Capitalised financial charges	7,924	5,107	13,031
Profit (loss) from companies valued using the equity method	5,729	7,796	13,525
<b>Net financial income</b>	<b>(7,101)</b>	<b>(15,139)</b>	<b>(22,240)</b>
<b>Profit (loss) before taxes</b>	<b>163,089</b>	<b>132,948</b>	<b>296,037</b>
Taxes	(60,829)	(50,630)	(111,459)
<b>Income (loss) for the year</b>	<b>102,260</b>	<b>82,318</b>	<b>184,578</b>
Minority interests' share	26,457	3,263	29,720
<b>Group's share</b>	<b>75,803</b>	<b>79,055</b>	<b>154,858</b>

(1) Involves the income statement for all of 2006 for the acquired/transferred Companies

The following table sets forth the reconciliation between the **consolidated income statement** of the SIAS Group for **2007** and the corresponding pro forma data.

<i>(amounts in thousands of EUR)</i>	SIAS Group 2007	Changes to the scope of consolidation (2)	SIAS Group 2006 pro forma 2007
<b>Revenues</b>			
Motorway sector revenue	553,382	160,240	713,622
Construction sector revenue	9,679	840	10,519
Technology sector revenue	35,498	(8,188)	27,310
Other revenues	42,852	17,592	60,444
<b>Total Revenues</b>	<b>641,411</b>	<b>170,484</b>	<b>811,895</b>
Operating costs	(348,726)	(68,255)	(416,981)
Capitalised costs on noncurrent assets	78,723	3,672	82,395
<b>Gross operating margin</b>	<b>371,408</b>	<b>105,901</b>	<b>477,309</b>
Significant nonrecurring items	1,963	1,463	3,426
<b>Adjusted gross operating margin</b>	<b>373,371</b>	<b>107,364</b>	<b>480,735</b>
Net amortization/depreciation and provisions	(132,122)	(34,081)	(166,203)
<b>Operating income</b>	<b>241,249</b>	<b>73,283</b>	<b>314,532</b>
Financial income	42,274	4,075	46,349
Financial expenses	(81,049)	(18,619)	(99,668)
Capitalised financial charges	22,943	9,525	32,468
Profit (loss) from companies valued using the equity method	4,721	3,576	8,297
<b>Net financial income</b>	<b>(11,111)</b>	<b>(1,443)</b>	<b>(12,554)</b>
<b>Profit (loss) before taxes</b>	<b>230,138</b>	<b>71,840</b>	<b>301,978</b>
Taxes	(75,866)	(28,314)	(104,180)
<b>Income (loss) for the year</b>	<b>154,272</b>	<b>43,526</b>	<b>197,798</b>
Minority interests' share	27,763	348	28,111
<b>Group's share</b>	<b>126,509</b>	<b>43,178</b>	<b>169,687</b>

(2) Involves the income statement only for the first six months for the purchased/transferred Companies (because the Corporate Reorganisation took effect on 1 July 2007).

The following table shows the reconciliation between the **consolidated balance sheet of the SIAS Group at 31 December 2006** and the corresponding pro forma data.

<i>(amounts in thousands of EUR)</i>	<b>SIAS Group 31/12/2006</b>	<b>Changes to the scope of consolidation</b>	<b>SIAS Group 2006 pro forma 31/12/2006</b>
Noncurrent assets	1,509,369	1,344,286	2,853,655
Equity investments	367,015	130,841	497,856
Working capital	20,677	38,472	59,149
<b>Invested capital</b>	<b>1,897,061</b>	<b>1,513,599</b>	<b>3,410,660</b>
Provision for restoration or replacement of non-compensated revertible assets	(87,049)	(61,681)	(148,730)
Employee severance indemnity and other provisions	(30,463)	(20,355)	(50,818)
<b>Invested capital less provisions for medium- and long-term risks and charges</b>	<b>1,779,549</b>	<b>1,431,563</b>	<b>3,211,112</b>
Shareholders' equity including minority interests	938,144	438,111	1,376,255
Net borrowing	436,193	734,447	1,170,640
Payable to ANAS-Central Insurance Fund	305,884	125,463	431,347
Other medium- and long-term payables (*)	99,328	133,542	232,870
<b>Equity and third party funds</b>	<b>1,779,549</b>	<b>1,431,563</b>	<b>3,211,112</b>

(\*) This relates to the accrued liability on the discounting of the payable due to ANAS-Central Insurance Fund

The following table shows the reconciliation between the "*net borrowing*" of the SIAS Group at 31 December 2006 and the corresponding pro forma data

<i>(amounts in thousands of EUR)</i>	<b>SIAS Group 31/12/2006</b>	<b>Change in the scope of consolidation</b>	<b>Acquisitions and transfers(1)</b>	<b>SIAS Group 31/12/2006 pro forma</b>
A) Cash and cash equivalents:	240,575	54,153	(222,135)	72,593
B) Securities held for trading	-	1,623	-	1,623
<b>C) Liquidity (A) + (B)</b>	<b>240,575</b>	<b>55,776</b>	<b>(222,135)</b>	<b>74,216</b>
<b>D) Financial receivables (*)</b>	<b>154,193</b>	<b>50,721</b>	-	<b>204,914</b>
E) Current bank payables	(117,721)	(79,349)	-	(197,070)
F) Short-term portion of debt	(8,786)	-	-	(8,786)
G) Other short-term financial payables	(815)	(3)	-	(818)
<b>H) Short-term borrowing</b>	<b>(127,322)</b>	<b>(79,352)</b>	-	<b>(206,674)</b>
<b>I) Net cash (indebtedness) (C) + (D) + (H)</b>	<b>267,446</b>	<b>27,145</b>	<b>(222,135)</b>	<b>72,456</b>
J) Medium to long-term bank payables	(417,013)	(539,457)	-	(956,470)
K) Bonds issued	(285,667)	-	-	(285,667)
L) Other medium- to long-term payables	(959)	-	-	(959)
<b>M) Medium- to long-term borrowing (J) + (K) + (L)</b>	<b>(703,639)</b>	<b>(539,457)</b>	-	<b>(1,243,096)</b>
<b>N) Net cash (indebtedness) (I) + (M)</b>	<b>(436,193)</b>	<b>(512,312)</b>	<b>(222,135)</b>	<b>(1,170,640)</b>

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

(1) In the context of the Corporate Reorganisation, financial movements related to "acquisitions and transfers of investments" break down as follows:

<i>(values in thousands of EUR)</i>	
Acquisition of ATIVA S.p.A.	(113,794)
Acquisition of SAV S.p.A.	(95,740)
Acquisition of SITAF S.p.A.	(134,070)
Purchase of 9,792,264 SITAF S.p.A. convertible bonds	(3,854)
Transfer of SINECO S.p.A.	12,835
Transfer of SINA S.p.A.	4,357
Transfer of 9,792,264 SIAS S.p.A. convertible bonds	108,131
<b>Total</b>	<b>(222,135)</b>

\* \* \*

The list of subsidiary companies included in the scope of consolidation is shown below.

### Parent company

Name	Registered office
SIAS S.p.A.	Torino – Via Bonzanigo 22

### Subsidiaries – consolidated with the line-by-line method

Name	Registered office	Share capital	Group %	directly-held %
Cisa Engineering S.p.A.	Ponte Taro (PR) – Via Camboara 26/A	1,000,000	100.000	
Euroimpianti Electronic S.p.A.	Tortona (AL) – Via Balustra 15	120,000	100.000	
Fiori Real Estate s.r.l.	Imperia - Piazza della Repubblica 46A	90,000	100.000	
Holding Piemonte e Valle d'Aosta S.p.A.	Torino - Via Bonzanigo 22	350,000,000	100.000	100.000
Infosistem S.p.A.	Tortona (AL) – S.S. 211 Loc. San Guglielmo 3/13	1,500,000	100.000	
Logistica Tirrenica S.p.A.	Lido di Camaiore (LU) – Via Don Tazzoli 9	120,000	100.000	
Strade Co.Ge. S.p.A.	Aosta - Regione Borgnalle	500,000	100.000	
SATAP S.p.A.	Torino – Via Bonzanigo 22	158,400,000	99.874	99.874
Sinelec S.p.A.	Tortona (AL) – S.S. 211 Loc. San Guglielmo 3/13	1,500,000	97.059	
Autostrade dei Parchi S.p.A.	Tortona (AL) – S.S. 211 Loc. San Guglielmo 3/13	31,500,000	96.193	
L.A.S. s.c.a.r.l.	Tortona (AL) – Regione Ratto	10,000	95.000	
Autostrada Ligure Toscana S.p.A.	Lido di Camaiore (LU) – Via Don Tazzoli 9	120,000,000	87.392	87.392
ABC Costruzioni S.p.A.	Ponte Taro (PR) – Via Camboara 26/A	5,326,938	85.921	
Autocamionale della Cisa S.p.A.	Ponte Taro (PR) – Via Camboara 26/A	41,600,000	84.436	84.357
Società Autostrada Broni-Mortara S.p.A.	Milano – Via F. Casati 1/A	2,500,000	82.000	
SAV S.p.A.	Châtillon (AO) – Strada Barat 13	24,000,000	67.634	
Autostrada dei Fiori S.p.A.	Savona – Via Don Minzoni 7	40,000,000	60.768	
Autostrada Asti-Cuneo S.p.A.	Roma – Via XX Settembre 98/E	200,000,000	60.000	
SSAT S.p.A.	Torino – Via Piffetti 15	7,200,000	60.000	49.000
Collegamenti Integrati Veloci S.p.A.	Tortona (AL) – S.S. 211 Loc. San Guglielmo 3/13	15,000,000	59,146	
Tibre s.c.a.r.l.	Ponte Taro (PR) – Via Camboara 26/A	10,000	55.000	

### Subsidiaries – consolidated with the proportional method

Name	Registered office	Share capital	Group %	directly-held %
Ativa S.p.A.	Torino – Strada Cebrosa 86	38,512,500	41.170	
Si.Co.Gen. s.r.l.	Torino – Strada Cebrosa 86	260,000	41.170	
Pinerolo s.c.a.r.l.	Torino – C.so Francia 22	20,000	20.585	
ATIVA Engineering S.p.A.	Torino – Strada Cebrosa 86	200,000	41.170	

**List of investments in subsidiaries and associated companies valued with the equity method.**

<b>Name</b>	<b>Registered office</b>	<b>Share capital</b>	<b>Group %</b>	<b>directly-held %</b>
RITES S.c.a.r.l.	Tortona-Località Passalacqua S.S. 211 KM. 13	10,000	86.660	
TANGENZIALE EST s.r.l.	Torino (TO) - C.so R. Margherita, 165	90,000	80.586	
CON.SIL.FER.	Roma-Via Indonesia 100	5,164	50.000	
V.A. BITUMI s.r.l.	Issogne (AO) - Fraz. Mure	20,800	50.000	
CORSO MARCHE s.r.l.	Torino (TO) - C.so R. Margherita, 165	90,000	47.057	
CO.LA.CI S.c.a.r.l.	Parma-Via A.M. Adorni 1	10,200	45.715	
Autostrade Sud America s.r.l.	Milano – Piazzetta Maurilio Bossi 1	100,000,000	45.000	45.000
SISTEMI E SERVIZI S.c.a.r.l.	Tortona (AL) S.S.211 Loc. San Guglielmo 3/13	100,000	44.000	14.000
ITINERA S.p.A.	Tortona (AL) – Via Balustra 15	60,000,000	40.303	
MALPENSA 92 S.c.a.r.l. (in liquidation)	Tortona (AL)- Regione Ratto	10,000	40.000	
MICROLUX s.r.l.	Tortona (AL) – Via Balustra 15	10,400	40.000	
Fondo Valle S.c.a.r.l. (in liquidation)	Tortona (AL)-Strada privata Ansaldi 8	10,000	39.330	
SITAF S.p.A.	Susa (TO) - Fraz. S. Giuliano, 2	65,016,000	36.976	
SITRASB S.p.A.	S.Rhémy-en-Bosses Frazione S.Léonard (AO)	8,000,000	36.500	
BEINASCO S.c.a.r.l.	Torino-Corso Francia 22	20,000	36.468	
OMT S.p.A.	Tortona (AL) - S.P. Pozzolo Formigaro 3/5	1.120.00	35.714	
S.A.C. S.r.l. Consortile (in liquidation)	Carini (PA)-S.S. 113 Zona Industriale	10,200	35.000	
INPAR S.p.A. (in liquidation)	Torino - Via M. Schina 5	6,196,800	33.333	
FIMPRE S.r.l.	Tortona-Località Passalacqua S.S. 211 KM. 13	10,400	32.846	
ASTA S.p.A.	Torino - C.so Matteotti 57	2,000,000	30.000	
VESIMA S.c.a.r.l. (in liquidation)	Tortona (AL) - Via Balustra 15	25,500	30.000	
ALBENGA-GARESSIO-CEVA S.p.A.	Cuneo - C.so Nizza 36	600,000	25.642	
S.A.C.S. S.r.l. Consortile (in liquidation)	Licata (AG)-Via Bengasi 26	10,200	25.000	
Autostrada Estense S.c.p.A.	Carpi (MO) – Via Carlo Pisacane 2	1,000,000	22.500	
C.I.M. S.p.A.	Novara - Via Carlo Panseri 100	21,200,000	21.230	
ROAD LINK Holdings Ltd.	Northumberland - 4 Gilsgate - U.K.	GBP 1,000	20.000	

(\*) Value expressed in CLP.

**List of unconsolidated investments - available for sale**

Name	Registered office	Share capital	Group %	directly-held %
FIUMICINO PISTA 3 S.c.a.r.l.	Roma-L.go Lido Duranti 1/a	10,200	19.990	
Confederazione Autostrade S.p.A.	Verona- Via Flavio Gioia, 71	6,000,000	16.667	
Consorzio Autostrade Italiane Energia	Roma-Via A. Bergamini 50	86,848	16.537	
MILANO SERRAVALLE - MILANO TANGENZIALI S.P.A.	Assago Milanofiori(MI)-Strada 3 Palazzo B/4	93,600,000	13.546	10.655
P I S T A S.p.A. (in liquidation)	Torino - Galleria S.Federico 54	2,464,499	13.055	
SOCIETÀ TRAFORO CIRIEGIA S.p.A.	Cuneo - C.so Nizza 36	3,167,100	12.657	
EURETE S.c.a.r.l.	Genova-Via Cairoli 11/3C	65,239	12.290	
SO.GE.A.P. S.p.A.	Fontana (PR)-Via dell'Aeroporto 44/a	6,157,865	11.041	
NUOVO MONDO S.c.r.l.	Genova - Via Macaggi 23/18	10,200	10.000	
TANGENZIALI EST DI MILANO S.p.A.	Milano – Via Conservatorio, 22	5,252,000	8.000	
SPEDIA S.p.A.	La Spezia-Via Fontevivo 25	2,413,762	7.971	
Terminal Container Civitavecchia S.c.a.r.l.	Tortona (AL) – Via Balustra 15	50,000	7.000	
AGENZIA di POLLENZO S.p.A.	Bra, Fraz. Pollenzo (CN) – Piazza Vittorio Emanuele 13	23,864,180	6.493	
AUTOSTRADA TIRRENICA S.p.A.	Roma-Via Bergamini 50	24,460,200	5.579	
CO.C.I.V.	Genova (GE) - Via De Marini 1- Palazzo WTC	516,457	5.000	
FNM S.p.A.	Milano – P.le Cadorna 14	107,690,160	3.942	0.411
COMPAGNIA ITALIANA ENERGIA C.I.E. S.p.A.	Torino-Via Bellardi 21 bis	13,040,000	3.842	3.842
COMPUTRON ENGINEERING S.r.l.	Piano di Sorrento (NA)	100,000	3.000	
AEROPORTO PAVIA RIVANAZZANO s.r.l.	Pavia - Via Mentana 27	1,161,459	2.971	
Argo Costruzioni Infrastrutture ACI S.c.p.a.	Tortona (AL)- Regione Ratto	120,000	2.000	
Agognate S.c.a.r.l.	Tortona (AL) – Strada privata Ansaldo 8	10,000	1.000	
Biandrate s.c.a.r.l.	Tortona (AL) – Strada privata Ansaldo 8	10,000	1.000	
INTERPORTO TOSCANO A. VESPUCCI S.p.A.	Livorno - L.go Strozzi 1	11.7656.695	0.659	
ALERION INDUSTRIES S.p.A.	Milano- Via Durini n. 16/18	148,041,690	0.622	0.622
BANCA CARIGE S.p.A.	Genova- Via Cassa di Risparmio 15	1,390,074,083	0.620	
SINA S.p.A.	Milano- Via F. Casati n. 1/A	2,028,125	0.500	0.500
C.e.P.I.M. S.p.A.	Fontevivo (PR)- Piazza Europa, 1	6,643,000	0.211	
Assicurazioni Generali S.p.A.	Trieste – Piazza Duca degli Abruzzi 2	1,406,113,907	0.032	0.032
Mediobanca S.p.A.	Milano - Piazzetta Enrico Cuccia 1	409,549,083	0.038	
ASSOSERVIZI INDUSTRIE S.r.l.	Carrara (MS)-Viale XX September 118	443,700	0.055	
C.A.A.F.IND. E.C. S.p.A.	Bologna- Via Massarenti 190	375,200	0.014	
Autostrada Torino-Milano S.p.A.	Torino - Corso Regina Margherita 165	44,000,000	0.010	
VALTREBBIA S.c.a.r.l.	Genova - Via Porta degli Archi 10/16	10,200	0.005	
ATLANTIA S.p.A.	Roma-Via Bergamini 50	571,711,557	0.000	

## Notes - Segment reporting

The companies included in the scope of consolidation of the SIAS Group carry out their activity almost entirely within national boundaries. Therefore, in accordance with IAS 14, we have adopted an information outline by business sector.

### Business sectors

The activity of the group is divided into four principal sectors:

- a. Motorway sector
- b. Technology sector
- c. Construction and engineering sector
- d. Services sector

The financial and equity data for each sector are shown in the table below. Transactions between sectors are reversed in the "eliminations" column.

	Activity sector								Eliminations		Consolidated	
	Motorway		Technology		Construction and engineering		Services		2007	2006	2007	2006
	2007	2006	2007	2006	2007	2006	2007	2006				
Revenues, minority interests:												
Motorway (tolls)	524,798	361,107									524,798	361,107
Other motorway revenues	28,584	18,079									28,584	18,079
Construction and engineering					9,679	6,150					9,679	6,150
Services												
Technology			35,498	35,823							35,498	35,823
Other	41,219	25,065	279	189	1,265	1,118	89	42			42,852	26,414
<b>Total revenues, minority interests</b>	<b>594,601</b>	<b>404,251</b>	<b>35,777</b>	<b>36,012</b>	<b>10,944</b>	<b>7,268</b>	<b>89</b>	<b>42</b>			<b>641,411</b>	<b>447,573</b>
Intersegment Revenues	7,019	5,507	34,564	22,753	90,817	82,572	2,249	24	(134,649)	(110,856)	-	-
<b>Total Revenues</b>	<b>601,620</b>	<b>409,758</b>	<b>70,341</b>	<b>58,765</b>	<b>101,761</b>	<b>89,840</b>	<b>2,338</b>	<b>66</b>	<b>(134,649)</b>	<b>(110,856)</b>	<b>641,411</b>	<b>447,573</b>
Operating costs	(254,315)	(152,825)	(54,620)	(46,525)	(88,699)	(80,643)	(5,055)	(2,428)	134,649	110,856	(268,040)	(171,565)
<b>Sector GOM</b>	<b>347,305</b>	<b>256,933</b>	<b>15,721</b>	<b>12,240</b>	<b>13,062</b>	<b>9,197</b>	<b>(2,717)</b>	<b>(2,362)</b>	<b>-</b>	<b>-</b>	<b>373,371</b>	<b>276,008</b>
Depreciation, amortization and provisions	(128,363)	(102,979)	(1,653)	(1,580)	(2,144)	(1,259)	38	-	-	-	(132,211)	(105,818)
<b>Operating income</b>											<b>241,249</b>	<b>170,190</b>
Financial expenses											(58,106)	(42,647)
Financial income											42,274	29,818
Net income, associated companies portion	3,791	5,682	97	47	1,229	-	(396)	-			4,721	5,729
Income taxes											(75,866)	(60,829)
<b>Net income, including minority interests</b>											<b>154,272</b>	<b>102,261</b>

	Activity sector								Eliminations		Consolidated	
	Motorway		Technology		Construction and engineering		Services		2007	2006	2007	2006
	2007	2006	2007	2006	2007	2006	2007	2006				
Sector activity	4,588,812	2,064,114	54,491	58,128	96,553	66,076	2,052,319	896,135	(2,681,747)	(679,680)	4,110,428	2,404,773
Investments in affiliated companies	41,680	324	1,677	517	381	33	132,104	47,993	-	-	175,842	48,867
Assets not attributed to the sectors											-	-
<b>Total assets</b>											<b>4,286,270</b>	<b>2,453,640</b>
Sector liabilities	4,630,492	2,064,438	56,168	58,645	96,934	66,109	2,184,423	944,128	(4,160,129)	(1,616,824)	2,807,888	1,516,495
Liabilities not attributed to the sectors											-	-
Shareholders' equity											1,478,382	938,144
<b>Liabilities</b>											<b>4,286,270</b>	<b>2,453,639</b>
Investments in tangible assets	259,027	119,682	3,021	962	1,057	2,317	1,786	1,812			264,891	124,773

## Notes - Information on the balance sheet

### Note 1 – Intangible assets

This item breaks down as follows:

	Goodwill	Other intangible assets		Total
		In operation	In process	
<b>Cost:</b>				
<b>at 1 January 2007</b>	<b>35,126</b>	<b>13,576</b>	<b>141</b>	<b>48,843</b>
Change in the scope of consolidation	23,831	2,062	9,726	35,619
Investments	-	1,957	1,109	3,066
Restatements	-	10	(10)	-
Write-downs	(851)	-	-	(851)
Divestitures	-	(1,666)	(131)	(1,797)
Other	-	-	-	-
<b>at 31 December 2007</b>	<b>58,106</b>	<b>15,939</b>	<b>10,835</b>	<b>84,880</b>
<b>Accumulated amortization:</b>				
<b>at 1 January 2007</b>	-	<b>(9,242)</b>	-	<b>(9,242)</b>
Change in the scope of consolidation	-	(1,243)	-	(1,243)
Depreciation 2007	-	(1,346)	-	(1,346)
Restatements	-	-	-	-
Drawdowns	-	1,663	-	1,663
Other	-	-	-	-
<b>at 31 December 2007</b>	-	<b>(10,168)</b>	-	<b>(10,168)</b>
<b>Net book value:</b>				
<b>at 1 January 2007</b>	<b>35,126</b>	<b>4,334</b>	<b>141</b>	<b>39,601</b>
<b>at 31 December 2007</b>	<b>58,106</b>	<b>5,771</b>	<b>10,835</b>	<b>74,712</b>

The item "goodwill" essentially represents the difference between the price paid to purchase investment shares in the subsidiaries SALT S.p.A., Autocamionale della Cisa S.p.A., ATIVA S.p.A., SATAP S.p.A. and Collegamenti Integrati Veloci S.p.A., and the corresponding fractions of shareholders' equity.

The increase during the period can be traced to the change in the scope of consolidation following completion of the reorganisation of the SIAS and ASTM Groups.

At 31 December 2007, the item "goodwill" broke down as follows:

SALT S.p.A.	7,282		
Infosistem S.p.A.	379		
Autostrada dei Fiori S.p.A.	313		
Autocamionale della Cisa S.p.A.	27,152		
		23,831	Change to scope <sup>(2)</sup>
SATAP S.p.A.	2,907	(851)	Period write-down
ATIVA S.p.A.	19,806	22,980	
Collegamenti Integrati Veloci S.p.A.	267		
<b>Total</b>	<b>58,106</b>		

The item "other intangible assets" essentially refers to capitalisation of basic expenses and application software expenses and licences for software programs.

The "intangible assets in process" mainly refers to the expenses for preliminary planning of the Broni-Mortara motorway.

<sup>(2)</sup> The goodwill entered corresponds to that already present in the consolidated half-yearly report of the ASTM Group at 30 June 2007 (because the Corporate Reorganisation was booked as ongoing value)

**Note 2 – Tangible assets**

This item breaks down as follows:

**Non-compensated revertible assets**

	Motorway in operation	Motorway under construction	Total
<b>Cost:</b>			
<b>at 1 January 2007</b>	<b>2,706,434</b>	<b>271,494</b>	<b>2,977,928</b>
Change in the scope of consolidation	1,854,781	609,079	2,463,860
Investments	59,753	195,416	255,169
Restatements	231,578	(231,578)	-
Divestitures	(1,051)	(2,258)	(3,309)
<b>at 31 December 2007</b>	<b>4,851,495</b>	<b>842,153</b>	<b>5,693,648</b>
<b>Capital grants:</b>			
<b>at 1 January 2007</b>	<b>(185,190)</b>	-	<b>(185,190)</b>
Change in the scope of consolidation	(156,983)	(44,025)	(201,008)
Increases	-	(4,958)	(4,958)
<b>at 31 December 2007</b>	<b>(342,173)</b>	<b>(48,983)</b>	<b>(391,156)</b>
<b>Accumulated amortization:</b>			
<b>at 1 January 2007</b>	<b>(1,368,229)</b>	-	<b>(1,368,229)</b>
Change in the scope of consolidation	(847,769)	-	(847,769)
Depreciation 2007	(135,852)	-	(135,852)
Restatements	-	-	-
Drawdowns	-	-	-
<b>at 31 December 2007</b>	<b>(2,351,850)</b>	-	<b>(2,351,850)</b>
<b>Net book value:</b>			
<b>at 1 January 2007</b>	<b>1,153,015</b>	<b>271,494</b>	<b>1,424,509</b>
<b>at 31 December 2007</b>	<b>2,157,472</b>	<b>793,170</b>	<b>2,950,642</b>

The overall cost of the motorway network totals EUR 5,694 million. It includes EUR 1,296 million in capitalised financial charges (EUR 22.9 million for 2007). The increase during the period can be imputed both to the change in the scope of consolidation and to the significant investment program put in place during 2007.

During the year, following completion of some work related to the sections operated by SATAP S.p.A., SALT S.p.A. and Autocamionale della Cisa S.p.A., EUR 231,578 thousand were restated from the item "Motorway under construction" to the item "Motorway in operation".

Non-compensated revertible assets referred to the following motorway concessions:

Concessionaire company	Motorway section	Expiry of the concession
SATAP S.p.A.	Torino – Milano	31 December 2026
SATAP S.p.A.	Torino – Piacenza	30 June 2017
SAV S.p.A.	Quincinetto – Aosta	31 December 2032
Ativa S.p.A.	Tangenziale of Torino, Torino – Quincinetto, Ivrea – Santhià and Torino – Pinerolo	31 August 2016
SALT S.p.A.	Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia	31 July 2019
ADF S.p.A.	Savona-Ventimiglia	30 November 2021
CISA S.p.A.	La Spezia-Parma	31 December 2031 (*)
Asti-Cuneo S.p.A.	Asti-Cuneo	(**)

(\*) Expiry extended thus on 8 May 2007, while signing an updated agreement outline to include the extension between Parma and Nogarole Rocca.

(\*\*) The duration of the concession is set at 23.5 years, counting from the date of completing the infrastructure.

**Property, plant, machinery and other assets**

	Land and buildings	Plant and mach.	Ind. and comm. equip.	Other assets	Assets in lease-purchase	Constr. in progress and advance payments	Total
<b>Cost:</b>							
<b>at 1 January 2007</b>	<b>30,800</b>	<b>12,148</b>	<b>9,391</b>	<b>21,399</b>	<b>6,506</b>	<b>2,629</b>	<b>82,873</b>
Change in the scope of consolidation	5,474	10,149	4,280	12,192	6,039	3,621	41,755
Investments	5,759	364	1,082	1,238	849	431	9,723
Restatements	1,290	(31)	31	2	-	(1,299)	(7)
Write-downs	-	-	-	-	-	-	-
Divestitures	(383)	(193)	(793)	(1,136)	(877)	-	(3,382)
<b>at 31 December 2007</b>	<b>42,940</b>	<b>22,437</b>	<b>13,991</b>	<b>33,695</b>	<b>12,517</b>	<b>5,382</b>	<b>130,962</b>
<b>Accumulated amortization:</b>							
<b>at 1 January 2007</b>	<b>(7,317)</b>	<b>(3,712)</b>	<b>(7,097)</b>	<b>(16,595)</b>	<b>(3,214)</b>	-	<b>(37,935)</b>
Change in the scope of consolidation	(1,464)	(5,773)	(3,732)	(9,850)	(6,035)	-	(26,854)
Depreciation 2006	(833)	(1,031)	(926)	(1,825)	(650)	-	(5,265)
Restatements	-	28	(28)	-	-	-	-
Drawdowns	69	161	607	865	664	-	2,366
<b>at 31 December 2007</b>	<b>(9,545)</b>	<b>(10,327)</b>	<b>(11,176)</b>	<b>(27,405)</b>	<b>(9,235)</b>	-	<b>(67,688)</b>
<b>Net book value:</b>							
<b>at 1 January 2007</b>	<b>23,483</b>	<b>8,436</b>	<b>2,294</b>	<b>4,804</b>	<b>3,292</b>	<b>2,629</b>	<b>44,938</b>
<b>at 31 December 2007</b>	<b>33,395</b>	<b>12,110</b>	<b>2,815</b>	<b>6,290</b>	<b>3,282</b>	<b>5,382</b>	<b>63,274</b>

**Assets in lease-purchase**

At 31 December 2007, the Group had in place 22 lease-purchase contracts to acquire plant and machinery, and industrial and commercial equipment. At 31 December 2007, their net book value totalled EUR 3,282 thousand.

Lease payments are based on the value of the asset at the beginning of the contract and the duration of the contract. The lease payments are updated periodically as a function of the specific financial parameters in each contract.

Guarantees were not issued for the commitments from contracts in place at 31 December 2007.

**Note 3 – Non-current financial assets****3.a Investments valued with the equity method**

Changes during the period to investments in businesses valued by the equity method were as follows:

	31 December 2006	Changes during the period				31 December 2007
		Purchases/Sub scriptions	Restmt.	Change in the scope of consolidation	Update “sh. eq.” Other	
<b>Equity investments:</b>						
<b>a) in unconsolidated subsidiaries:</b>						
Fiori Real Estate s.r.l.	90			(90)		-
Rites S.c.a.r.l.	9					9
Tangenziale Est				66	(2)	64
<b>b) in associated companies</b>						
Albenga Garessio Ceva S.p.A.	-			993		993
ASTA S.p.A.	-	67	490	513	(396)	674
Autostrada Estense S.c.p.a.	225					225
Autostrade Sud America s.r.l.	47,979				(954)	47,025
Autopista do Pacifico S.A.	2					2
Beinasco S.c.a.r.l.	4			3		7
CIM S.p.A.	-			3,442		3,442
CO.LA.CI. S.c.a.r.l.	3					3
CONSILFER	3					3
Corso Marche s.r.l.	-	13		31	(44)	-
FIMPRE s.r.l.	-	6,222				6,222
Fondo Valle S.c.a.r.l. (in liquidation)	4					4
INPAR S.p.A. (in liquidation)	-			680	(25)	655
ITINERA S.p.A.	-			26,328	1,229	27,557
Malpensa 92 S.c.a.r.l.	4					4
Microlux s.r.l.	61				87	148
OMT S.p.A.	447	200			10	657
Road Link Holdings Ltd	-			3,317	(152)	3,165
S.A.C. s.r.l. Consortile (in liquidation)	-					-
S.A.C.S. S.r.l. Consortile (in liquidation)	-					-
Sistemi e Servizi s.c.a.r.l.	36			8		44
SITAF S.p.A.	-			74,539	2,073	76,612
SITRASB S.p.A.	-			7,990	(14)	7,976
VA Bitumi s.r.l.	-			351		351
Vesima S.c.a.r.l.	-					-
<b>Total</b>	<b>48,867</b>	<b>6,502</b>	<b>490</b>	<b>118,171</b>	<b>1,812</b>	<b>175,842</b>

The change during the period can be traced to the purchase of 32.85% of the share capital of FIMPRE Finanziaria Imprenditoriale s.r.l. (which holds 50% of the share capital of CODELFA S.p.A., a company operating in the construction sector) and to changes to shareholders' equity of the companies valued with the equity method, as well as changes to the scope of consolidation.

Updating the value of the equity investment in ASA s.r.l. was the result of receiving the pro-quota share of its profits (EUR 1.1 million) and losses on foreign exchange (EUR 2 million) converting the accounting entries at ASA s.r.l. relating to the Sociedad Concesionaria Costanera Norte S.A.

At 31 December 2007, the value of the equity investment in SITAF S.p.A. included EUR 0.7 million as the share of the update of fair value performed by the subsidiary.

3.b – Unconsolidated investments - available for sale

Changes to investments in "other businesses" during the period were as follows:

	31 December 2006			Changes during the period					31 December 2007		
	Original value	Updates to fair value	Total	Purchases	Sales and restmt.	Chg. Scope	Updates to fair value	Other / Write-downs	Original value	Updates to fair value	Total
<b>Equity investments:</b>											
ACI s.c.p.a.	-	-	-	2	-	-	-	-	2	-	2
Aeroporto Pavia Rivanazzano s.r.l.	-	-	-	-	-	56	-	-	56	-	56
Agenzia di Pollenzo S.p.A.	-	-	-	-	-	1,500	-	-	1,500	-	1,500
Alerion Industries S.p.A.	972	219	1,191	-	-	-	583	-	972	802	1,774
Assicurazioni Generali S.p.A.	71,911	9,667	81,578	19,522	(79,169)	-	(7,981)	-	12,264	1,686	13,950
Assoservizi Industria s.r.l.	1	-	1	-	-	-	-	-	1	-	1
ASTA S.p.A.	490	-	490	-	(490)	-	-	-	-	-	-
ASTM S.p.A.	-	-	-	-	-	45	88	-	45	88	133
Atlantia S.p.A.	-	-	-	-	-	-	-	-	-	-	-
Banca CA.RI.GE. S.p.A.	20,543	7,439	27,982	-	(627)	-	(1,020)	-	19,916	6,419	26,335
Capitalia S.p.A.	13,188	758	13,946	3,026	(16,214)	-	(758)	-	-	-	-
Milano Serravalle-Milano Tangenziali S.p.A.	75,599	77,653	153,252	13,431	-	92	(1,189)	-	88,841	76,746	165,587
Società per Autostrada Tirrenica S.p.A.	2,028	-	2,028	-	-	-	-	-	2,028	-	2,028
C.A.A.F. Industria Emilia Centrale S.p.A.	-	-	-	-	-	-	-	-	-	-	-
CE.P.I.M. S.p.A.	14	-	14	-	-	-	-	-	14	-	14
C.I.E. Compagnia Italiana Energia S.p.A.	19	-	19	-	-	-	-	103	122	-	122
C.R.S. S.p.A.	-	-	-	-	-	-	-	-	-	-	-
Computron Engineering s.r.l.	-	-	-	-	-	-	-	-	-	-	-
Società Confederazione Autostrade S.p.A.	500	-	500	-	-	500	-	(15)	985	-	985
Consorzio Autostrade Energia	10	-	10	-	-	3	-	-	13	-	13
Consorzio COCIV	-	-	-	-	-	1,177	-	-	1,177	-	1,177
Eurete s.c.a.r.l.	8	-	8	-	-	-	-	-	-	-	8
Fiumicino Pista 3 s.c.a.r.l.	2	-	2	-	-	-	-	-	-	-	2
FNM S.p.A.	538	(35)	503	436	-	9,798	(4,117)	-	11,097	(4,477)	6,620
Interporto Toscano A. Vespucci S.p.A.	77	-	77	-	-	-	-	-	77	-	77
Mediobanca S.p.A.	-	-	-	4,528	-	-	(151)	-	4,528	(151)	4,377
Nuovo Mondo s.c.a.r.l.	-	-	-	-	-	1	-	-	1	-	1
PISTA S.p.A.	-	-	-	-	-	322	-	-	322	-	322
SINA S.p.A.	202	-	202	-	(164)	164	227	-	202	227	429
SINECO S.p.A.	52	2,242	2,294	-	(52)	-	(2,242)	-	-	-	-
SITRACI S.p.A.	-	-	-	-	-	543	-	(70)	473	-	473
SO.GE.A.P. S.p.A.	959	-	959	400	-	-	-	(790)	569	-	569
SPEDIA S.p.A.	656	-	656	-	-	-	-	-	656	-	656
Tangenziali Esterne Milano S.p.A.	-	-	-	-	-	419	-	-	419	-	419
Terminal Container Civitavecchia scarl	4	-	4	-	-	-	-	-	4	-	4
<b>Total</b>	<b>187,773</b>	<b>97,943</b>	<b>285,716</b>	<b>41,345</b>	<b>(96,716)</b>	<b>14,620</b>	<b>(16,560)</b>	<b>(772)</b>	<b>146,294</b>	<b>81,340</b>	<b>227,634</b>

In addition to changes to the scope of consolidation, principal changes occurring during the period were as follows:

- Transfer of 2,002,000 shares of Assicurazioni Generali S.p.A. net of purchases and bonus issues, carried out by the Parent Company;
- Transfer of 241,000 shares of Banca CA.RI.GE. S.p.A. (0.023% of share capital) carried out by Autostrade dei Parchi S.p.A.;
- Purchase of 1,800,000 shares of Milano Serravalle-Milano Tangenziali (1% of share capital), carried out by the Parent Company;
- Transfer of the investment in Capitalia S.p.A., carried out by the Parent Company;
- Partial revaluation of Compagnia Italiana Energia S.p.A., previously written down by the parent company;
- Purchase of 310,000 shares of Mediobanca S.p.A. (0.038% of share capital) carried out by Autostrade dei Parchi S.p.A.;

- Purchase of 485,837 shares of FNM S.p.A. (0.234% of share capital), carried out by the Parent Company;
- Acquisitions related to the change in the scope of consolidation following completion of the reorganisation of the SIAS and ASTM Groups;
- Updates to fair value and write-downs.

As can be seen by the table above, the value of investments "available for sale" at 31 December 2007 (group and minority interests) included about EUR 81.3 million (EUR 98 million at 31 December 2006), which related to the fair value update of the investments.

It can be seen that 3,993,611 shares of Banca CA.RI.GE. S.p.A. were pledged as collateral for the loan of EUR 10,000,000 received to purchase them.

Furthermore, we point out that at 31 December 2007, 125,000 shares of Assicurazioni Generali S.p.A. in the portfolio were in call options. These options, which matured in early 2008, were not exercised by those entitled to them.

### 3.c – Receivables

These consist of:

	<b>31 December 2007</b>	<b>31 December 2006</b>
<b>Loans:</b>		
• Loans to subsidiaries	1,169	225
<b>Receivables:</b>		
• from INA	13,787	13,630
• as collateral on fidejussory policies	18,000	17,000
• from suppliers as security deposits	431	218
• on account for taxes on Employee Severance Indemnities Reserve	54	195
• from others	2,628	1,163
<b>Total</b>	<b>36,069</b>	<b>32,431</b>

"Loans to subsidiaries" refers to the loan of EUR 905,000 from SATAP S.p.A. to INPAR S.p.A. (in liquidation).

"Receivables from INA" represents the provisions during previous periods to the employee severance indemnity of motorway concessionaire companies.

"Receivables as collateral on fidejussory policies" represents the value of the pledge issued against fidejussory policies by the Insurance Institute on behalf of SALT S.p.A., in conjunction with the bidding competition for the Asti-Cuneo concession.

The item "receivables from others" includes EUR 1.5 million to update the fair value of the interest rate swap arranged by SAV S.p.A.

**3.d – Other**

These consist of:

	<b>31 December 2007</b>	<b>31 December 2006</b>
• SITAF convertible bond loan	6,418	-
• Insurance policies	-	133,979
• Other financial assets	20,520	20,214
<b>Total</b>	<b>26,938</b>	<b>154,193</b>

The *SITAF convertible bond loan*, arising out of the Corporate Reorganisation, refers to convertible bonds issued by SITAF S.p.A..

The *"insurance policies"* in 2006 related to capitalisation contracts arranged by SALT S.p.A. and Autocamionale della Cisa S.p.A. with INA Vita S.p.A. During the accounting period, these policies were extinguished and the then monetized.

The *"other financial assets"* refer to Autostrada dei Fiori S.p.A. subscribing to an indexed financial instrument with guaranteed principle from Merrill Lynch Bank.

**Note 4 – Deferred tax credits**

This item totals EUR 7,222 thousand (EUR 3,402 thousand at 31 December 2006). For the breakdown of this item, please refer to Note 33 – Income taxes.

**Note 5 – Inventories**

These consist of:

	<b>31 December 2007</b>	<b>31 December 2006</b>
Raw materials, ancillary materials and consumables	8,593	8,083
Work in process and semi-finished goods	-	-
Contracted work in process	27,413	19,736
Finished goods and merchandise	486	462
Advance payments	363	330
<b>Total</b>	<b>36,855</b>	<b>28,611</b>

Contracted work in process breaks down as follows:

	<b>31 December 2007</b>	<b>31 December 2006</b>
Gross value of the orders	301,749	257,453
Advance payments on work progress	(258,719)	(229,241)
Advance payments on price changes and reserves	(6,689)	(948)
Provisions to guarantee work in progress	(8,928)	(7,528)
<b>Net value</b>	<b>27,413</b>	<b>19,736</b>

At 31 December 2007, the item "contracted work in process" included reserves totalling EUR 10.4 million.

**Note 6 – Trade receivables**

Trade accounts receivable totalled EUR 60,419 thousand (EUR 31,954 thousand at 31 December 2006), not including provisions for bad debts of EUR 1,922 thousand.

**Note 7 – Current tax credits**

This item totalled EUR 41,380 thousand (EUR 13,907 thousand at 31 December 2006). It refers to receivables for VAT, IRAP, IRES and other tax credits.

**Note 8 – Other receivables**

This item breaks down as follows:

	31 December 2007	31 December 2006
from unconsolidated subsidiaries	1	3
from associated companies	776	81
receivables from controlling companies	12	4
from connected companies	141,666	65,077
from ANAS for arbitration award to Autostrade dei Parchi	23,456	23,456
from ANAS for capital grants	57,816	-
from others	14,737	14,113
prepaid expenses	6,132	2,047
<b>Total</b>	<b>244,596</b>	<b>104,781</b>

“*Receivables from subsidiaries*” refers to receivables from Rites S.c.a.r.l.

“*Receivables from associated companies*” refers mainly to receivables from some consortia companies, from Itinera S.p.A. and INPAR S.p.A. (in liquidation).

The item “*receivables from connected companies*” refers to receivables from connected companies not belonging to the Group for tolls collected on behalf of concessionaires of the Group, which had not yet been allocated by the end of the period. The significant increase in this item can be traced to the change in the scope of consolidation.

“*Receivables from ANAS for arbitration award to Autostrade dei Parchi*” refers to the certified receivable resulting from the arbitration award dated 20 July 2005, by which the board of arbitrators unanimously awarded the subsidiary Autostrade dei Parchi S.p.A. an indemnity in that amount from ANAS, for managing the A24 and A25 motorways on behalf of ANAS for more than 20 years. As shown in the “Management report”, the ANAS suit challenging the arbitration award has been remanded to a hearing on 27 April 2010.

“*Receivables from ANAS for capital grants*” referred to the certification of the grant to which SATAP S.p.A. is entitled both for construction of the Novara-Malpensa connector and for realization of motorway access facilities for the New Milano Rho-Però Fairgrounds. These receivables occurred after the SIAS Group acquired control of SATAP S.p.A. during the Corporate Reorganisation.

**Note 9 – Assets available for sale (current)**

This item breaks down as follows:

	<b>31 December 2007</b>	<b>31 December 2006</b>
• Commercial paper	50,000	-
• Credit linked notes	50,000	-
<b>Total</b>	<b>100,000</b>	<b>-</b>

This involves investments by SALT S.p.A. in commercial paper and credit linked notes with maturities of April and May 2008, respectively. This involves short-term financial products with all the risk borne by the Issuing Institution, capable of guaranteeing a greater yield than the alternatives normally available on the money markets.

The Group owns 917,112 shares of Sitech S.p.A. (9.185% of share capital). These shares were completely written down during previous accounting periods.

**Note 10 – Cash and cash equivalents**

These consist of:

	<b>31 December 2007</b>	<b>31 December 2006</b>
Bank and postal deposits	234,445	238,804
Cheques	66	41
Cash and cash equivalents on hand	6,176	1,730
<b>Total</b>	<b>240,687</b>	<b>240,575</b>

Please see the cash flow statement for a detailed analysis of the changes to this item.

## **Note 11 – Shareholders' equity**

### 11.1 – Share capital

At 31 December 2007, shared capital consisted of 227,500,000 ordinary shares at a nominal value of EUR 0.50 each for a total value of EUR 113,750 thousand (EUR 63,750 thousand at 31 December 2006), entirely subscribed and paid in. The Extraordinary Shareholders' Meeting of 29 June 2007 approved the share capital increase that occurred during the period. This increase consisted of 100,000,000 shares at a nominal unit value of EUR 0.50 (with a share premium of EUR 9.69). Pursuant to Article 2441, Paragraph 4 of the Civil Code, the increase was reserved to ASTM S.p.A., in consideration of its contribution of investments held in SATAP S.p.A. (99.874% of share capital) and in Road Link Holdings Limited (20% of share capital).

### 11.2 – Reserves

#### 11.2.1 – Share premium reserve

This totals EUR 699,186 thousand (EUR 178,619 thousand at 31 December 2006). EUR 178.6 million refers to the share premium on 39,500,000 shares for EUR 4.522 each, established at the same time as the share capital increase, reserved to SATAP S.p.A., which took place during 2002. The remaining EUR 520.6 million refers to the share premium related to the share capital increase reserved to ASTM S.p.A. against their contribution of investments under the Corporate Reorganisation.

#### 11.2.2 – Revaluation reserves

These total EUR 5,434 thousand (EUR 5,434 thousand at 31 December 2006).

In the event of distribution, the revaluation reserve will constitute income for the parent company and the Shareholders.

In compliance with the provisions of IAS 12, deferred tax liabilities have not been entered against these reserves, for which there are valid reasons to expect that they will not be used under conditions making them taxable.

#### 11.2.3 – Statutory reserve

This totals EUR 12,750 thousand (EUR 12,750 thousand at 31 December 2006).

#### 11.2.4 – Reserves for revaluation to fair value

This item was established and moves as a direct contra entry at fair value of the financial assets classified as "available for sale". At 31 December 2007, this totalled EUR 80,555 thousand, net of the related deferred tax effect (EUR 87,210 thousand at 31 December 2006).

#### 11.2.5 – Available reserves

##### *Capital reserves*

This item totals EUR 34,590 thousand and is unchanged from 31 December 2006.

##### *Profit reserves*

This item totals EUR 88,580 thousand and is unchanged from 31 December 2006

#### 11.2.6 – Provisions for foreign exchange differences

This item totals -EUR 4,795 thousand (-EUR 2,703 thousand at 31 December 2006). It receives the differences on foreign exchange related to the net equities of associated companies.

#### 11.2.7 – Retained earnings (losses)

This item totals EUR 108,549 thousand (EUR 208,887 thousand at 31 December 2006). It collects the prior-year profits/losses of the subsidiaries and also includes amounts related to the differences in accounting handling that arose on the date of transition to IFRS (1 January 2004), which can be traced to the adjustments made to the financial statements that were prepared on that date in compliance with national accounting principles.

As detailed in the summary of changes in shareholders' equity, after being booked as ongoing value during the Corporate Reorganisation operation, this item dropped by EUR 134,500 thousand.

#### 11.3 – Profit (loss) for the period

This item gathers the profits/losses for the period. It totals EUR 126,509 thousand (EUR 75,803 thousand in 2006).

The interim dividend approved by the Board of Directors on 12 November 2007, totalling EUR 37,538 thousand, is shown with a negative sign, reducing this item.

#### 11.4 – Minority interests

At 31 December 2007, this item totalled EUR 250,812 thousand (EUR 204,349 thousand at 31 December 2006). It includes the minority interest share of the period profit/loss totalling EUR 27,763 thousand. This item also increased because of changes to the scope of consolidation as a consequence of the previously mentioned Corporate Reorganisation operation.

## Note 12 – Provisions for risks and charges and Employee benefits (Employee Severance Indemnity)

### 12.1 – Provisions for risks and charges

The following table shows the changes in provisions for risks and charges compared to the values at the end of the previous accounting period.

	Provision for restoration	Tax reserve	Other reserves	Total
<b>31 December 2006</b>	<b>87,049</b>	<b>3</b>	<b>2,051</b>	<b>89,103</b>
Change in the scope of consolidation	68,160		1,354	69,514
Provisions	87,164	-	855	88,019
Drawdowns	(96,575)	-	(602)	(97,177)
<b>31 December 2007</b>	<b>145,798</b>	<b>3</b>	<b>3,658</b>	<b>149,459</b>

A brief description of the types of obligations associated with the provisions follows.

#### Provision for restoration or replacement of non-compensated revertible assets.

Taking into account the consolidation of data related to SATAP S.p.A., SAV S.p.A. and ATIVA S.p.A., 2007 provisions for renewal dated from the last half of the year and totalled EUR 87,164 thousand. Meanwhile, drawdowns totalled EUR 96,575 thousand, and represented all maintenance operations.

#### Other reserves

This item totalled EUR 3,658 thousand and referred mainly to:

- EUR 1,627 thousand set aside for possible risks and charges borne by Autocamionale della Cisa S.p.A., mainly for work on behalf of ANAS on the Ghiare di Berceto-Bivio di Bertorella section;
- EUR 1,217 thousand set aside by ATIVA S.p.A. against risks from work in progress, disputes in process and environmental and safety regulations;
- EUR 0.7 million set aside by ABC Costruzioni S.p.A. for expenses of disputes in progress.

### 12.2 – Employee benefits (Employee Severance Indemnity)

At 31 December 2007, the item totalled EUR 39,489 thousand (EUR 28,409 thousand at 31 December 2006). Changes during the period were as follows:

<b>1 January 2007</b>	<b>28,409</b>
Period contributions (see Note 23)	3,161
Update related to the implementation of reforms to Employees Severance Indemnity (see Note 23)	(1,963)
Change in the scope of consolidation	16,845
Transfers to other companies	(510)
Indemnities advanced/liquidated during the period	(6,453)
<b>31 December 2007</b>	<b>39,489</b>

“Update related to the implementation of reforms to Employee Severance Indemnity” reflects the changes made by Law No. 296 of 27 December 2006 and its implementing decrees.

In particular, considering that shares of the Employee Severance Indemnity accruing at 1 January 2007 are to go to supplemental Social Security, that is to the Treasury account for the INPS, we have used actuarial calculations to redetermine the total provisions to the "Employee Severance Indemnity at 31 December 2006", excluding the component related to future salary increases.

The tables below show the economic/financial and demographic assumptions respectively used for the actuarial appraisal of these liabilities.

#### **Economic/financial assumptions**

Annual discount rate	4.75%
Annual inflation rate	2.0%
Annual rate of increase in severance pay	3.0%
Annual rate of salary increases (for Companies with less than 50 employees)	From 3.0% to 4.5%

#### **Demographic assumptions**

Mortality	ISTAT 2000 INDEX
Disability	INPS tables by age and sex
Retirement age	Meeting requirements
% of frequency of advances	4%
Turnover	From 1% to 10.0%

### **Note 13 – Other liabilities (noncurrent)**

These consist of:

	<b>31 December 2007</b>	<b>31 December 2006</b>
To ANAS-Central Insurance Fund	370,702	277,479
Deferred income related to discounting the payable to ANAS-Central Insurance Fund	206,896	94,821
CIV S.p.A. share of advances paid by TAV to COCIV	4,002	-
To others	1,922	5,077
<b>Total</b>	<b>583,522</b>	<b>377,377</b>

The item "to ANAS - Central Insurance Fund" refers to operations undertaken by the parties in question during earlier accounting periods on behalf of the concessionaires SALT S.p.A., Autostrada dei Fiori S.p.A., Autocamionale della Cisa S.p.A., SATAP S.p.A., SAV S.p.A. and Ativa S.p.A. to make instalment payments and for accounts payable to suppliers. The amount of the debt has been discounted based on repayment plans in the respective agreements. As already reported last year, Article 1025 of Law No. 296 of 27 December 2006 (2007 Finance Law) provided for elimination of the Central Insurance Fund and for ANAS to take over management of the fund. The increase during the period can be imputed to change in the scope of consolidation.

The item "deferred income related to discounting the payable to ANAS-Central Insurance Fund" collects the difference between the original amount of the debt and its present value. The charge from the discounting process is imputed to the income statement among "financial charges". At the same time, the amount previously deferred is posted to the item "other income". With regard to the increase during 2007, the same reasons apply that were used for the corresponding debit item.

The payables shown above are broken down by maturity as follows:

	Between one and five years	Beyond five years	Total
Payable to ANAS-Central Insurance Fund	212,377	158,325	370,702
Deferred income related to discounting the payable to ANAS-Central Insurance Fund	55,040	151,856	206,896
Other payables	5,644	280	5,924
<b>Total</b>	<b>273,061</b>	<b>310,461</b>	<b>583,522</b>

#### Note 14 – Bank debt (noncurrent)

Bank debt totalled EUR 1,122,551 thousand (EUR 417,013 thousand at 31 December 2006). This shows an increase connected with the changes that came about as a result of the Corporate Reorganisation.

Almost all the medium- and long-term loan contracts in place at 31 December 2007 require compliance with certain economic and financial parameters (covenants) that are normal for loans of this type. As of 31 December 2007, these parameters had been satisfied.

The tables below show the medium-term bank debt at 31 December 2007 and 31 December 2006, indicating the related balance due (current and noncurrent portion) and summarizing the principal conditions applied to each liability.

31 December 2007									
Lending bank	Company	Due date	Initial amount	Interest rate	Currency	Balance at 31 December 2007	Maturity		
							Within 1 year	1 to 5 years	Beyond 5 years
Banca OPI S.p.A.	SATAP	15/06/2024	75,000	Variable	EUR	75,000	-	24,194	50,806
Mediobanca	SATAP	15/03/2022	15,000	Variable	EUR	15,000	-	4,800	10,200
Mediobanca	SATAP	15/06/2024	59,450	Variable	EUR	59,450	-	19,177	40,273
Mediobanca (1)	SATAP	14/12/2009	400,000	Variable	EUR	398,916	-	398,916	-
Mediobanca	SATAP	05/05/2008	150,000	Variable	EUR	15,000	15,000	-	-
MCC	SATAP	31/05/2014	90,000	Variable	EUR	89,625	-	80,625	9,000
Intesa San Paolo	SAV	30/06/2008	151,838	Variable	EUR	10,935	10,935	-	-
BNL – Mediobanca (2)	SAV	21/12/2019	50,000	Variable	EUR	49,954	4,167	20,787	25,000
Banca di Roma S.p.A.	SAV	18/06/2008	15,000	Variable	EUR	15,000	15,000	-	-
Banca di Roma S.p.A.	SAV	30/06/2008	10,000	Variable	EUR	10,000	10,000	-	-
Banca di Roma S.p.A.	S.A.Bro.M	01/10/2008	9,550	Variable	EUR	9,550	9,550	-	-
Banca OPI	Ativa	15/06/2015	120,000	Variable	EUR	40,561	4,671	20,855	15,035
Banca OPI	Cisa	30/06/2018	110,000	Variable	EUR	104,896	10,000	39,896	55,000
Banca Carige S.p.A.	ADF	30/06/2008	54,700	Variable	EUR	2,737	2,737	-	-
Unicredit Banca d'Impresa S.p.A.	ADF	30/06/2016	100,000	Variable	EUR	99,745	-	29,850	69,895
Unicredit Banca d'Impresa S.p.A.	ADF	24/02/2012	150,000	Variable	EUR	3,925	872	3,053	-
Cassa Risparmio La Spezia S.p.A.	Logistica Tirrenica	01/10/2018	3,400	Variable	EUR	3,313	31	1,131	2,151
West LB	SALT	26/04/2010	70,000	Variable	EUR	70,436	20,618	49,818	-
Monte dei Paschi di Siena	SALT	30/06/2018	170,000	Variable	EUR	168,229	16,191	69,413	82,625
Monte dei Paschi di Siena	SALT	30/06/2008	108,400	Variable	EUR	9,863	9,863	-	-
Banca di Roma	SIAS	21/06/2008	300,000	Variable	EUR	50,000	50,000	-	-
Intesa San Paolo	Strade Co.Ge	19/12/2010	150	Variable	EUR	75	24	51	-
Total loans						1,302,210	179,659	762,566	359,985
<b>Total bank debt (noncurrent)</b>								<b>1,122,551</b>	

Notes:

- (1) There is an option at maturity to extend the loan to 31 December 2021 ("Extension Option")  
(2) To prevent the risk from interest rate swings, SAV has drawn up an interest rate swap contract connected with this loan

31 December 2006									
Lending bank	Company	Due date	Initial amount	Interest rate	Currency	Balance at 31 December 2006	Maturity		
							Within 1 year	1 to 5 years	Beyond 5 years
Banca Regionale Europea S.p.A.	ABC	30/06/2008	3,000	Variable	EUR	1,533	1,014	519	-
Citybank International plc	ADF	24/02/2012	8,723	Variable	EUR	4,879	953	3,926	-
Banca Carige S.p.A.	ADF	30/06/2008	54,744	Variable	EUR	8,211	5,474	2,737	-
Unicredit Banca d'Impresa S.p.A.	ADF	26/06/2016	100,000	Variable	EUR	99,738	23	29,850	69,865
Monte Paschi Fondiario e Opere Pubbliche S.p.A. in a pool with Banca Carige S.p.A. and Cariverona Banca S.p.A.	SALT	30/06/2018	108,456	Variable	EUR	27,586	17,723	9,863	-
Monte dei Paschi di Siena S.p.A. with Monte dei Paschi Merchant and M.P.S. Bancaverde S.p.A.	SALT	30/06/2008	133,100	Variable	EUR	111,123	9,748	38,991	62,384
West LB	SALT	26/04/2010	70,000	Variable	EUR	68,771	-	68,771	-
Banca OPI S.p.A.	CISA	30/06/2018	110,000	Variable	EUR	109,862	5,000	39,862	65,000
Banca Popolare Italiana S.p.A.	CISA	30/06/2008	25,000	Variable	EUR	20,235	-	20,235	-
Banca di Roma S.p.A.	CISA	18/05/2008	25,000	Variable	EUR	5,010	-	5,010	-
Total loans						456,948	39,935	219,764	197,249
<b>Total bank debt (noncurrent)</b>								<b>417,013</b>	

The interest on the loans above is essentially tied to the EURIBOR plus a spread ranging from 0.15% to 1.15%.

“Other information - Financial risk management” contains the description of the financial risks of the group and the management policies for them.

## Note 15 – Other financial liabilities (noncurrent)

These consist of:

	31 December 2007	31 December 2006
Liabilities to bondholders ("liability component")	289,475	285,667
Other liabilities	999	959
<b>Total</b>	<b>290,474</b>	<b>286,626</b>

“Liabilities to bondholders” relate to the "liability component" of the convertible bond loan “SIAS 2.625% 2005 – 2017 convertible in ordinary shares”. In compliance with IAS 32, this item was posted net of the cost incurred to issues/listed on the MTA.

The bond loan consists of 31,875,000 bonds with a unit nominal value of EUR 10.50. The bonds have the following principal features:

- Duration: 12 years;
- Interest rate: 2.625% per year, gross;
- Conversion option: beginning at the end of the fifth year, one ordinary share of SIAS S.p.A. for each Bond held;
- Redemption: unconverted bonds upon maturity (30 June 2017) will be redeemed in a lump sum at par value.

As reported above, at the time of initial entry, the "shareholders' equity component" was separated, discounting the net cash of the debenture loan based on market interest rates.

“*Other liabilities*” refers to that portion of medium- and long-term loans related to the lease-purchase of assets. These liabilities mature between one and five years.

### Note 16 – Deferred tax liabilities

This item totals EUR 26,725 thousand (EUR 29,741 thousand at 31 December 2006). For a breakdown of this item, see Note 33 - Income taxes.

### Note 17 – Trade payables (current)

Trade payables total EUR 148,464 thousand (EUR 82,674 thousand at 31 December 2006). The significant change from the previous year can be traced to the cited change in the scope of consolidation.

### Note 18 – Other payables (current)

These consist of:

	31 December 2007	31 December 2006
Advance payments	9,674	7,823
Payable to unconsolidated subsidiaries	69	46
Payable to associated companies	16,977	91
Payable to controlling companies	1,786	6
Payable to welfare organizations	7,350	4,077
Payable to connected companies	10,179	4,359
Payable to ANAS-Central Insurance Fund	46,503	28,405
Deferred income	18,276	10,179
Other payables	48,817	17,185
<b>Total</b>	<b>159,611</b>	<b>72,173</b>

The item “*advance payments*” includes advances received from buyers in accordance with the law and intended to be recovered based on the progress of the work.

“*Payable to unconsolidated subsidiaries*” and “*payable to associated companies*” refer to payables to consortia companies and other associated companies for services rendered.

“*Payable to controlling companies*” refers essentially to the managerial assistance and other services provided to the companies of the Group by the parent companies ASTM S.p.A. and Argo Finanziaria S.p.A.

“*Payable to ANAS-Central Insurance Fund*” represents that portion of the debt maturing during the next accounting period.

“*Other payables*” includes EUR 4,876 thousand, which was the valuation (at 31 December 2007) of a commitment vis-à-vis ASTM S.p.A. to supplement the contractual price for Autostrada dei Fiori S.p.A. to purchase the shares of the company Milano Serravalle – Milano Tangenziali during 2005.

**Note 19 – Bank overdrafts and borrowing (current)**

These consist of:

	<b>31 December 2007</b>	<b>31 December 2006</b>
Short-term loans and advances	81,432	77,786
Maturing portion of medium-and long-term loans	179,659	39,935
<b>Total</b>	<b>261,091</b>	<b>117,721</b>

“Short-term loans and advances” refers to revolving-type pool loans, other short-term loans and advances, and current account overdrafts.

Concerning the “maturing portion of medium-and long-term loans” please refer to Note 14.

Of the total amount of tax debt (current and noncurrent), EUR 24,700 thousand are guaranteed by the State.

**Note 20 – Other financial liabilities (current)**

This item totals EUR 9.7 million (EUR 9,601 thousand at 31 December 2006). EUR 8,786 thousand is payable to bondholders for accrued interest at 31 December 2007. EUR 911 thousand refers to the short-term portion of loans for the lease-purchase of assets.

With regard to the total debt (short-, medium- and long-term) for assets in lease-purchase, we show below the reconciliation at 31 December 2007 between total future payments for leased assets and their present value using the interest rate implicit in the respective contract.

<b>Future payments</b>	<b>1,998</b>
Near present value of the instalments based on the implicit rate in the contracts	(88)
<b>Present value of future payments</b>	<b>1,910</b>

**Note 21 – Current tax liabilities**

Current tax liabilities total EUR 16,793 thousand (EUR 5,225 thousand at 31 December 2006). They refer to liabilities for IRES, IRAP and personal income taxes withheld, as well as conveyance to the State per Law No. 531/82.

## Notes - Information on the income statement

Specific notations have been inserted in the Notes below to allow valuation of the impact of changes in the scope of consolidation. (For the second half only, 2007 includes consolidation of data for SAV S.p.A. and SATAP S.p.A. and their subsidiaries using the line-by-line method and data for the ATIVA Group using the proportional method.)

### Note 22 – Revenues

#### 22.1 – Motorway sector revenues

These break down as follows:

	<b>2007</b>	<b>2006</b>
Tolls	543,273	369,405
Conveyance to the State (Art. 15 (b) Law No. 531/82)	(18,475)	(8,298)
Net toll payments	524,798	361,107
Other accessory revenues - rental income	28,584	18,079
<b>Total</b>	<b>553,382</b>	<b>379,186</b>

“*Net toll payments*” total EUR 524,798 thousand (EUR 361,107 thousand in 2006). The increase over 2006 of EUR 163,691 thousand includes EUR 154,456 thousand for the cited changes in the scope of consolidation and EUR 9,235 thousand (2.56%) for the increase in traffic volume and price changes that took effect on 15 March 2007 on some of the sections under management.

“*Other accessory revenues*” refer mainly to rents on service areas. This item increased exclusively because of the change in the scope of consolidation.

#### 22.2 – Construction and engineering sector revenues

These break down as follows:

	<b>2007</b>	<b>2006</b>
Revenues for work and planning and changes in contract work in process	7,218	4,009
Other revenues	2,461	2,141
<b>Total</b>	<b>9,679</b>	<b>6,150</b>

This involves the total "production", net of change orders, carried out by these subsidiaries ABC Costruzioni S.p.A., Strade Co.Ge S.p.A., Sicogen s.r.l., Ativa Engineering S.p.A., Cisa Engineering S.p.A., LAS s.c.a.r.l. and Tibre s.c.a.r.l. This amount is posted net of the intercompany "production" related to maintenance and expansion services performed on the motorway network by the cited Companies of the Group on behalf of SALT S.p.A., Autostrada dei Fiori S.p.A., Autocamionale della Cisa S.p.A., ATIVA S.p.A., SAV S.p.A. and SATAP S.p.A.

The change from the preceding year can be traced essentially to the greater activity carried out for third parties by ABC Costruzioni S.p.A.

22.3 – Technology sector revenues

These break down as follows:

	<b>2007</b>	<b>2006</b>
Revenues	37,038	29,409
Changes in contract work in process	(2,457)	4,036
Change in work in progress, semi-finished products, finished goods and other revenues	917	2,378
<b>Total</b>	<b>35,498</b>	<b>35,823</b>

This involves the total "production" carried out by the subsidiaries Sinelec S.p.A., SSAT S.p.A., Infosistem S.p.A. and Euroimpianti Electronic S.p.A. This amount is posted net of the intercompany "production" related to maintenance and expansion services performed on the motorway network by the cited Companies of the Group on behalf of SALT S.p.A., Autostrada dei Fiori S.p.A., Autocamionale della Cisa S.p.A. and Autostrada Asti-Cuneo S.p.A. for all of 2007, and on behalf of SATAP S.p.A., SAV S.p.A. and ATIVA S.p.A. for the second half of 2007.

The volume of production of the technology sector remained essentially in line with the previous year, because the major intercompany eliminations (related to the change in the scope of consolidation) were compensated by completion of an important work order on behalf of the Consorzio CAV.TO.MI. by SSAT S.p.A.

22.4 – Other revenues

These break down as follows:

	<b>2007</b>	<b>2006</b>
Indemnification of damages	5,191	2,910
Recovery of expenses and other income	18,859	8,085
Accruing portion of the income from discounting the payable due to ANAS-Central Insurance Fund	18,530	15,215
Operating grants	272	204
<b>Total</b>	<b>42,852</b>	<b>26,414</b>

“*Recovery of expenses and other income*” includes income from services performed by SATAP S.p.A. on behalf of the Consorzio CAV.TO.MI. related to the construction of the High Capacity railway between Torino and Milan.

The item “*Accruing portion of the income from discounting the payable due to ANAS-Central Insurance Fund*” refers to the accrued portion of the previously deferred difference between the original amount of the debt and its near present value.

**Note 23 – Payroll costs**

This item can be detailed thus:

	<b>2007</b>	<b>2006</b>
Salaries and wages	74,476	55,472
Social security contributions	22,395	17,843
Actuarial updating of Employee Severance Indemnity	1,198	1,039
Other costs	2,671	1,005
<b>Total</b>	<b>100,740</b>	<b>75,359</b>

Changes to "Payroll costs" can be traced mainly to the changes in the scope of consolidation.

“Actuarial updating of Employee Severance Indemnity” increased by EUR 1,963 thousand because of income from the “*update related to the implementation of reforms to Employees Severance Indemnity*”. As reported in Note 12.2, this item reflects the changes made to Employees Severance Indemnity by Law No. 296 of 27 December 2006 and the related implementing decrees.

Average employee staffing breaks down by category as follows:

	2007	2006
Executives	49	35
Middle managers	57	44
Staff	1,865	1,025
Workers	425	303
<b>Total</b>	<b>2,396</b>	<b>1,407</b>

The staffing of the ATIVA Group (consolidated using the proportional method) is composed as follows:

	<b>ATIVA Group 2007 Total</b>	<b>ATIVA Group 2007 pro-rata (41.17%)</b>
Executives	9	4
Middle managers	15	6
Staff	326	134
Workers	82	34
<b>Total</b>	<b>432</b>	<b>178</b>

**Note 24 – Services**

This expense item breaks down as follows:

	<b>2007</b>	<b>2006</b>
Maintenance of non-compensated revertible assets	48,779	22,964
Other costs related to non-compensated revertible assets	11,384	5,324
Other costs for services	105,724	76,812
<b>Total</b>	<b>165,887</b>	<b>105,100</b>

The item “*Maintenance of non-compensated revertible assets*” appears net of intercompany "production" carried out by Group Companies in the construction and technology sectors on behalf of motorway companies. **Maintenance** during the period totalled **EUR 85,138 thousand** (EUR 50,359 thousand in 2006). EUR 54,020 thousand went to the companies SALT S.p.A., Autostrada dei Fiori S.p.A. and

Autocamionale della Cisa S.p.A. and the remainder went for maintenance performed during the second half of the year by the companies SATAP S.p.A., SAV S.p.A. and ATIVA S.p.A.

“Other costs for services” essentially includes cost for professional services, legal assistance, Director compensation as well as services by subcontractors provided to the subsidiaries ABC Costruzioni S.p.A., Strade Co.Ge S.p.A. and Euroimpianti Electronic S.p.A. In essence, the increase in this item can be traced to the change in the scope of consolidation.

## Note 25 – Cost of materials

This expense item breaks down as follows:

	2007	2006
Raw materials	37,856	34,101
Production supplies	5,347	4,581
Merchandise	7,535	7,967
Changes in inventories of raw materials, production supplies and merchandise	920	464
<b>Total</b>	<b>51,658</b>	<b>47,113</b>

This item refers mainly to the subsidiaries ABC Costruzioni S.p.A., Strade Co.Ge. S.p.A., Euroimpianti Electronic S.p.A. and SINELEC S.p.A.

## Note 26 – Other operating costs

This expense item breaks down as follows:

	2007	2006
License fee	13,248	4,033
Lease and rental expenses	7,755	7,556
Other operating expenses	7,475	4,270
<b>Total</b>	<b>28,478</b>	<b>15,859</b>

The increase of about EUR 9 million in “license fee” consisted of about EUR 5 million for the increase in the quota due to ANAS and the remaining EUR 4,000,000 to the change in the scope of consolidation.

“Leases and rental expenses” refers mainly to operating lease contracts for motor vehicles, computers, printers and premises used by the Company.

The associated contracts for these assets contain clauses for both redemption upon maturity at market prices for the contracted asset and renewal options upon maturity. The lease payments increase annually based on the ISTAT index.

## Note 27 – Costs for capitalised internal work

In 2007, this item totalled EUR 78,723 thousand (EUR 71,866 thousand in 2006). It relates mainly to the capitalisation of internal work within the Group, capitalised as an increase to “non-compensated revertible assets”.

**Note 28 – Depreciation and amortization**

These break down as follows:

	<b>2007</b>	<b>2006</b>
Intangible assets:		
- Other intangible assets	1,346	1,316
Tangible assets:		
- Buildings	839	743
- Plant and machinery	1,029	839
- Manufacturing and commercial equipment	790	838
- Other assets	1,973	1,552
- Assets in financial lease	634	669
- Non-compensated revertible assets	135,852	100,478
<b>Total depreciation and amortization</b>	<b>142,463</b>	<b>106,435</b>
Write-downs	994	416
<b>Total amortization, depreciation and write-downs</b>	<b>143,457</b>	<b>106,851</b>

The increase in depreciation of "non-compensated revertible assets" can be seen in the numbers in the financial plans of the motorway companies, attached to their respective agreements. Among other things, it reflects the change in the scope of consolidation.

The item "write-downs" refers to the reduction of EUR 851 thousand made to goodwill by ATIVA S.p.A. following an impairment test.

**Note 29 – Update Provisions for restoration or replacement of non-compensated revertible assets**

Updating of provisions for restoration or replacement of non-compensated revertible assets is detailed as follows:

	<b>2007</b>	<b>2006</b>
Use of the provisions for recovery/replacement of non-compensated revertible assets	(92,580)	(53,952)
Set-aside to provisions for recovery/replacement of non-compensated revertible assets	80,389	52,764
<b>Net update provisions for recovery/replacement of non-compensated revertible assets</b>	<b>(12,191)</b>	<b>(1,188)</b>

Use of the provisions for recovery/replacement of non-compensated revertible assets represents all maintenance costs borne by the motorway concessionaires during the period. The set-aside captures the amount needed to up date the provisions to meet scheduled maintenance programs in the financial plans attached to the individual concessions in later accounting periods, in order to ensure the appropriate functionality and safety of the respective motorway infrastructures.

**Note 30 – Provisions for risks and charges**

These break down as follows:

	<b>2007</b>	<b>2006</b>
Reserve for contractual risks and litigation	856	155
<b>Total</b>	<b>856</b>	<b>155</b>

The item refers to EUR 155 thousand set aside by Autocamionale della Cisa to cover potential expenses on work carried out on behalf of ANAS on the Ghiare-Bretorella section. The remainder was set aside by ABC Costruzioni S.p.A. for disputes and litigation.

**Note 31 – Financial income and expenses****31.1 – Financial income**

This breaks down as follows:

	<b>2007</b>	<b>2006</b>
<b>Income from investments:</b>		
• Dividends from other businesses	8,254	6,781
• Capital gains from the disposal of investments	11,766	7,629
<b>Total</b>	<b>20,020</b>	<b>14,410</b>
<b>Interest income and other financial income</b>		
• from credit institutions	11,513	5,939
• from financial assets	8,638	9,468
• from loans	-	-
• others	2,103	-
<b>Total</b>	<b>22,254</b>	<b>15,407</b>

“*Dividends from other businesses*” mainly refers to dividends approved by the subsidiaries Milano Serravalle – Milano Tangenziali S.p.A. (EUR 4,637 thousand), Assicurazioni Generali (EUR 2,250 thousand), Banca CA.RI.GE. S.p.A. (EUR 567 thousand), SAT S.p.A. (EUR 328 thousand), Capitalia S.p.A. (EUR 228 thousand) and SINECO S.p.A. (EUR 200 thousand).

“*Capital gains from the disposal of investments*” refers to the capital gains realized from the sale of the subsidiaries Assicurazioni Generali S.p.A. (EUR 10,845 thousand), Capitalia S.p.A. (EUR 668 thousand) and Banca CA.RI.GE. S.p.A. (EUR 253 thousand).

The item “*others*” refers to the third-party payments for call options on Assicurazioni Generali S.p.A. shares held.

**31.2 – Financial expenses**

These break down as follows:

	<b>2007</b>	<b>2006</b>
<b>Interest expense to credit institutions:</b>		
• on loans	43,406	16,875
• on current accounts at banks	3,461	2,440
<b>Miscellaneous interest expense:</b>		
• from financial discounting	19,974	16,418
• from convertible bond loan	12,479	12,325
• from financial lease contracts	68	50
<b>Other financial expenses:</b>		
• Other financial expenses	1,661	2,463
<b>Total</b>	<b>81,049</b>	<b>50,571</b>
<b>Capitalised financial charges (1)</b>	<b>(22,943)</b>	<b>(7,924)</b>
<b>Total</b>	<b>58,106</b>	<b>42,647</b>

(1) As reported in Note 2 – Tangible assets, EUR 22,943 thousand was capitalised under the item "non-compensated revertible assets".

Interest expense related to “*financial discounting*” of noncurrent liabilities refers to EUR 18,530 thousand for liabilities to ANAS- Central Insurance Fund and EUR 1,444 thousand for the financial component of Employee Severance Indemnity.

Interest expense on the “*convertible bond loan*” represents the charges on the "liabilities component" of the loan issued by the Parent Company in July 2005, recalculated based on the market interest rate.

**Note 32 – Profit (loss) from companies valued using the equity method**

This item is detailed as follows:

	<b>2007</b>	<b>2006</b>
<b>Revaluations of equity investments:</b>		
• Autostrade Sud America - ASA s.r.l.	1,052	5,682
• Itinera S.p.A.	1,229	-
• Microlux s.r.l.	87	-
• SITAF S.p.A.	2,273	-
• Road Link Ltd.	482	-
• OMT S.p.A.	10	47
<b>Write-downs on equity investments:</b>		
• ASTA S.p.A.	(396)	-
• SITRASB S.p.A.	(14)	-
• Tangenziale Est s.r.l.	(2)	-
<b>Total</b>	<b>4,721</b>	<b>5,729</b>

**Note 33 – Income taxes**

This item can be detailed thus:

	<b>2007</b>	<b>2006</b>
<b>Current taxes:</b>		
- IRES	69,092	48,357
- IRAP	14,876	10,079
	<b>83,968</b>	<b>58,436</b>
<b>Taxes (prepaid)/deferred:</b>		
- IRES	(7,671)	2,052
- IRAP	(450)	341
	<b>(8,121)</b>	<b>2,393</b>
<b>Taxes related to prior years</b>		
- IRES	20	-
- IRAP	(1)	-
	<b>19</b>	<b>-</b>
<b>Total</b>	<b>75,866</b>	<b>60,829</b>

In compliance with Paragraph 81 (c) of IAS 12, we provide below the reconciliation of the effective and theoretical income taxes posted to the financial statements at 31 December 2007 and 2006.

Reconciliation between effective and theoretical rates (**IRES**):

	<b>2007</b>		<b>2006</b>	
<b>Period income before taxes</b>	<b>230,069</b>		<b>163,089</b>	
<b>Effective income taxes (from financial statements)</b>	<b>61,421</b>	<b>26.70%</b>	<b>50,409</b>	<b>30.91%</b>
<b>Lower taxes (compared to the theoretical rate):</b>				
- Lower taxes on dividends	2,588	1.12%	1,571	0.97%
- lower taxes on capital gains ("pex")	3,262	1.42%	209	0.13%
- substitute tax on off-book deductions and rate change	12,503	5.43%	-	-
- other changes	-	-	1,782	1.09%
<b>Higher taxes (compared to the theoretical rate):</b>				
- Prior year non-deductible expenses, taxes on intercompany dividends and change to the right on "advance tax payments"	(3,851)	-1.67%	(152) (*)	-0.10%
<b>Theoretical income taxes (rate of 33.00% on income before taxes)</b>	<b>75,923</b>	<b>33.00%</b>	<b>53,819</b>	<b>33.00%</b>

(\*) The datum for 2006 refers exclusively to "non-deductible expenses"

Reconciliation between effective and theoretical rates (**IRAP**):

	<b>2007</b>		<b>2006</b>	
<b>Value added (IRAP taxable base)</b>	<b>366,639</b>		<b>253,473</b>	
<b>Effective income taxes (from financial statements)</b>	<b>14,426</b>	<b>3.93%</b>	<b>10,420</b>	<b>4.11%</b>
<b>Lower taxes (compared to the theoretical rate):</b>				
- rate change for off-book deductions	1,076	0.29%	-	-
- net miscellaneous deductible expenses	80	0.03%	353	0.14%
<b>Theoretical income tax (rate of 4.25% on income before taxes)</b>	<b>15,582</b>	<b>4.25%</b>	<b>10,773</b>	<b>4.25%</b>

Furthermore, during the year EUR 4,400 thousand were posted directly to shareholders' equity, deferred taxes related to the fair value of financial assets available for sale. During the year EUR 2,200 thousand were debited directly to shareholders' equity, related to capital gains on equity investments held by SINA S.p.A. and SINECO S.p.A. and to the SIAS convertible bond loan, at the same time that the related capital gains were posted to shareholders' equity.

\* \* \*

The tables below shows the total deferred tax income and expenses (posted to the income statement) and the total deferred tax assets and liabilities (posted to the balance sheet).

	2007	2006
<b>Deferred tax income</b> related to: (*)		
- valuation of work in progress according to percentage of completion	243	-
- repayment" of deferred taxes on the "shareholders' equity component" of the Convertible Bond Loan.	1,219	1,168
- repayment of deferred taxes and other	10,078	717
<b>Total (A)</b>	<b>11,540</b>	<b>1,885</b>
<b>Deferred tax expenses</b> related to: (*)		
- off-book deductions to the provision for restoration	-	1,490
- valuation of work in progress according to percentage of completion	304	1,188
- actuarial recalculation of the Employee Severance Indemnities Reserve	600	425
- assets in financial lease	1	1
- transfer of amortization on reversed intangible assets	67	199
- other	2,447	975
<b>Total (B)</b>	<b>3,419</b>	<b>4,278</b>
<b>Taxes (prepaid)/deferred (B) – (A)</b>	<b>(8,121)</b>	<b>2,393</b>

(\*) Deferred tax income and expenses are accounted for based on tax rates in effect at the time that their repayment is expected.

	31 December 2007	31 December 2006
<b>Deferred tax credits</b> related to: (*)		
- intangible assets not capitalised in accordance with IAS/IFRS	434	81
- provisions to tax deferral reserves	3,017	1,246
- Other	3,771	2,075
<b>Total deferred tax credits</b>	<b>7,222</b>	<b>3,402</b>
<b>Deferred tax liabilities</b> related to: (*)		
- shareholders' equity component of the convertible bond loan	(14,195)	(15,705)
- off-book deductions	(7,872)	(5,921)
- assets in financial lease	(391)	(517)
- valuation of work in progress	(1,937)	(2,440)
- valuation of financial assets at fair value	(1,416)	(4,996)
- other	(914)	(162)
<b>Total deferred tax liabilities</b>	<b>(26,725)</b>	<b>(29,741)</b>

(\*) Deferred tax assets and liabilities are accounted for based on tax rates in effect at the time that their repayment is expected.

### Note 34 – Earnings per share

In accordance with IAS 33, earnings per share are calculated by dividing the Group share of net profit/loss by the average number of shares in circulation during the period.

	2007	2006
Net profit, Group share (in thousands of EUR)	126,509	75,803
Average number of shares in circulation during the period (*)	177,910,959	127,500,000
<b>Earnings per share (euro per share)</b>	<b>0.711</b>	<b>0.595</b>

(\*) Weighted average of shares, considering the share capital increase after the grant

To calculate the "diluted earnings per share", the weighted average shares in circulation is modified (compared to that shown above) by assuming complete conversion of the bond issue into shares. The net

income (loss) for the Group is consequently adjusted also. In detail:

	<b>2007</b>	<b>2006</b>
Net profit, Group share (in thousands of EUR) (1)	134,869	84,061
"Modified" average number of shares in circulation during the period (2)	209,785,959	159,375,000
<b>Earnings per share, diluted (euro per share)</b>	<b>0.643</b>	<b>0.527</b>

	<b>2007</b>	<b>2006</b>
(1) - Net profit - Group share	126,509	75,803
- Financial expenses on convertible bond loan	12,479	12,325
- Tax effect on financial expenses	(4,118)	(4,067)
	<u>134,869</u>	<u>84,061</u>
(2) - Average number of shares in circulation	177,910,959	127,500,000
- Maximum number of shares from conversion of the bond loan	31,875,000	31,875,000
	<u>209,785,959</u>	<u>159,375,000</u>

### Note 35 – Information on the cash flow statement

#### 35.1 – Change in net working capital

	<b>2007</b>	<b>2006</b>
Inventories	(5,095)	13,524
Trade receivables	(967)	(2,011)
Current tax assets	(8,772)	(2,058)
Receivables from others	14,841	(7,071)
Current trade accounts payable	(10,367)	(14,023)
Other current payables	26,676	3,781
Current tax liabilities	2,014	(8,219)
<b>Total</b>	<b>18,330</b>	<b>(16,077)</b>

#### 35.2 – Other changes from operating activity

	<b>2007</b>	<b>2006</b>
Drawdown on provisions for Employee Severance Indemnities	(6,963)	(3,690)
Change in other provisions and other changes	(2,255)	1,086
<b>Total</b>	<b>(9,218)</b>	<b>(2,604)</b>

## Other information

Information is shown below related to the commitments undertaken by the Companies of the Group, the determination of fair value, risk management and relationships with related parties. With regard to information about the Group, about "Events after the closing date" and about the "Performance outlook", please see the "Management Report".

### Commitments undertaken by the Companies of the Group

On this subject, we point out the following:

- The guarantee for EUR 3,100 thousand issued by SATAP S.p.A. to TAV S.p.A. to guarantee the redesign, development and maintenance work for the junction on the ANAS ring road of Novara and the interchange for the new station (this guarantee is renewed annually until ANAS accepts the project).
- Guarantees totalling EUR 13,700 thousand (prorated) issued in favour of the Banca di Roma with which SATAP S.p.A. (together with the other Shareholders of S.A.Bro.M S.p.A.) guaranteed the commitments undertaken by S.A.Bro.M S.p.A., for both the presentation of the preliminary design for the Broni-Mortara motorway section (which took place on 9 October 2006) and for a loan.

The acquisition of Sociedad Concesionaria Costanera Norte S.A. took place through ASA s.r.l. It brought about a joint commitment by SIAS S.p.A. and Atlantia S.p.A. (to a proportional extent) to guarantee repayment of the loan that Mediobanca S.p.A. disbursed to the Chilean sub holding company Autostrade do Pacifico S.A. (totalling a maximum of EUR 264 million, of which the prorated share would be EUR 132 million).

We point out that at the project completion date in December 2007, the commitment to AMBAC posted to the previous financial statements fell short by EUR 248 million. During 2007, the shared commitment made to Intesa Sanpaolo S.p.A. concerning a contingency reserve letter of credit issued by the bank also fell short by EUR 7 million.

### Financial instruments: supplemental information

Concerning the valuation of the fair value of financial instruments, we specify the following in compliance with IFRS 7:

#### *Assets*

- noncurrent financial assets - receivables: The value posted to the financial statements represents their fair value
- cash and cash equivalents: The value posted to the financial statements represents their fair value
- Investments available for sale: The value posted to the financial statements represents their fair value

#### *Liabilities*

- variable rate loans: The value posted to the financial statements represents their fair value
- trade payables: The value posted to the financial statements represents their fair value
- convertible bond loan: This loan is posted to the financial statements at nominal value, with the "shareholders' equity component" shown separately. Because this involves a listed financial instrument, we show below a comparison

between its fair value and a corresponding book value/issue value:

Convertible bond loan (amounts in millions of EUR)	31 December 2007	31 December 2006
- book value in the financial statements ("liabilities component"):	298	294
- issue value ("liabilities component" + "shareholders' equity component"):	343	343
- fair value (official market listing at 31 December):	347	363

### Derivatives

At 31 December 2007, there was also an Interest Rate Swap transaction in place. This contract was signed by the subsidiary SAV S.p.A. It is classified as a hedging instrument because the relationship between the derivative and the subject of the coverage (maturity, rates) is formally documented. This financial instrument is valued at their value and changes are imputed completely to a specific reserve in shareholders' equity.

The fair value of derivatives is determined by discounting the expected net cash, using the market interest rate curves for the date of reference. The features of the derivative contract in place at 31 December 2007 and the related fair value are summarized below:

Type	Purpose of coverage	Counterparty	Currency	Duration of the derivative contract		31 December 2007		Covered financial liability		
				From	To	Notional reference	Fair value	Description	Nominal amount	Duration
Interest Rate Swap	Change in interest rate	Unicredit	EUR	15/12/2005	15/12/2016	50,000	+1,550	Loan	50,000	21/12/2019

### Financial risk management

In compliance with IFRS7, we specify that in the normal conduct of its operating activities, the SIAS Group is potentially exposed to the following financial risks:

- "Market risk" mainly from exposure to interest rate fluctuations and it to a marginal extent to the change in foreign exchange rates;
- "Liquidity risk" from a lack of financial resources adequate for operational activities and repayment of liabilities assumed in the past.

The risks cited above are broken down in detail below:

#### Market risk

With regard to the risks connected with the *fluctuation of interest rates*, the SIAS Group strategy has been designed to contain this risk mainly by carefully monitoring the dynamics associated with interest rates.

As for the exposure to interest rates, SIAS Group financial indebtedness at 31 December 2007 consisted of 21.3% at fixed rate. This takes into account both the convertible bond loan and the loan to the subsidiary SAV S.p.A. (which has taken out coverage against interest-rate swings). The portion of indebtedness at variable rate is 78.7%.

With regard to the risk related to interest rates, a sensitivity analysis was conducted to determine the impact on the 2007 income statement of a change of +/- 100 basis points in the interest rates. This

analysis makes it possible to state that a positive/negative change of 100 basis points in the interest rate would affect the 2007 pro forma results by EUR 8.5 million (net of the theoretical tax effect).

*Liquidity risk*

The "liquidity risk" is the risk that financial resources available may be insufficient to cover maturing obligations. The SIAS Group believes that the generation of cash flow, together with the diversification of sources of financing and the availability of lines of credit guarantee being able to satisfy scheduled financial requirements.

The tables below show the breakdown of financial liabilities in place at 31 December 2007, by maturity date. The amounts shown below also include interest payments (we clarify that the interest on variable-rate loans is calculated based on the last available rate, keeping it constant to maturity).

Lending bank	Company	Total net cash		Maturity (*)					
		Share capital	Interest	Within 1 year		2 to 5 years		Beyond 5 years	
				Share capital	Interest	Share capital	Interest	Share capital	Interest
Banca OPI S.p.A.	SATAP	75,000	36,571	-	4,091	24,194	17,391	50,806	15,089
Mediobanca	SATAP	15,000	6,942	-	848	4,800	3,675	10,200	2,419
Mediobanca	SATAP	59,450	30,183	-	3,377	19,177	14,353	40,273	12,453
Mediobanca	SATAP	398,916	40,206	-	20,610	398,916	19,596	-	-
Mediobanca	SATAP	15,000	274	15,000	274	-	-	-	-
MCC	SATAP	89,625	20,350	-	4,895	80,625	15,253	9,000	202
Intesa San Paolo	SAV	10,935	293	10,935	293	-	-	-	-
BNL – Mediobanca	SAV	49,954	16,983	4,167	2,769	20,787	10,153	25,000	4,061
Banca di Roma S.p.A.	SAV	15,000	421	15,000	421	-	-	-	-
Banca di Roma S.p.A.	SAV	10,000	273	10,000	273	-	-	-	-
Banca di Roma S.p.A.	S.A.Bro.M	9,550	359	9,550	359	-	-	-	-
Banca OPI	Ativa	40,561	8,397	4,671	1,992	20,855	6,001	15,035	404
Banca OPI	Cisa	104,896	27,473	10,000	4,950	39,896	17,325	55,000	5,198
Banca Carige S.p.A.	ADF	2,737	73	2,737	73	-	-	-	-
Unicredit Banca d'Impresa S.p.A.	ADF	99,745	32,305	-	5,174	29,850	19,904	69,895	7,227
Unicredit Banca d'Impresa S.p.A.	ADF	3,925	531	872	213	3,053	318	-	-
Cassa Risparmio La Spezia S.p.A.	Logistica Tirrenica	3,313	1,035	31	122	1,131	553	2,151	360
West LB	SALT	70,436	9,975	20,618	3,745	49,818	6,230	-	-
Monte dei Paschi di Siena	SALT	168,229	53,833	16,191	9,552	69,413	28,886	82,625	15,395
Monte dei Paschi di Siena	SALT	9,863	574	9,863	574	-	-	-	-
Banca di Roma	SIAS	50,000	1,225	50,000	1,225	-	-	-	-
Intesa San Paolo	Strade Co.Ge	75	2	24	1	51	1	-	-
	<b>Total loans</b>	<b>1,302,210</b>	<b>288,278</b>	<b>179,659</b>	<b>65,831</b>	<b>762,566</b>	<b>159,639</b>	<b>359,985</b>	<b>62,808</b>
Convertible bond loan	SIAS	334,687	83,404	-	8,786	-	35,143	334,687	39,475
	<b>Total borrowing</b>	<b>1,636,897</b>	<b>371,682</b>	<b>179,659</b>	<b>74,617</b>	<b>762,566</b>	<b>194,782</b>	<b>694,672</b>	<b>102,283</b>

(\*) Distribution upon maturity is based on current residual contract duration

Related party disclosures

As required by CONSOB Notices No. 98015375 of 27 February 1998 and No. DEM/6064293 of 28 July 2006, and by IAS 24, information on related party transactions during the period in question are summarised below (amounts in millions of EUR):

	<b>Related-party transactions (a)</b>	<b>Consolidated Financial statements (B)</b>	<b>Impact (A) / (B)%</b>
Revenues	17.9	641.4	2.8%
Operating costs	29.3	346.8	8.5%
Tangible/intangible assets	13.6	3,013.9	0.4%
Financial assets	1.1	463.4	0.2%

As shown in the above table, related party transactions had an insignificant impact on the figures are shown in the consolidated financial statements of the SIAS Group. Consequently, pursuant to Consob Resolution No. 15519 of 27 July 2006, the cited transactions were not specifically explained under their respective items in the consolidated accounting statements.

In particular, the **principal** relationships between the Companies of the Group, arranged by items in the financial statements, are the following (taking into account the Corporate Reorganisation that brought about the change to the scope of consolidation effective 1 July 2007).

Revenues

- Data processing assistance services provided by SINELEC S.p.A. to SINA S.p.A. and ASTM S.p.A., totalling EUR 700 thousand; <sup>(1) (2)</sup>
- Data processing services, supply and maintenance of toll collection equipment, provided by SINELEC S.p.A. during the first half of 2007 - to SATAP S.p.A., SAV S.p.A., ATIVA S.p.A. and ATIVA Engineering S.p.A., totalling EUR 6.8 million; <sup>(2)</sup>
- Services provided by Infosistem S.p.A. during the first half of 2007 to SATAP S.p.A., SAV S.p.A., SINA S.p.A., ATIVA S.p.A. and ATIVA Engineering S.p.A., totalling EUR 300 thousand; <sup>(2)</sup>
- Services provided by Euroimpianti Electronic S.p.A. during the first half of 2007 to ATIVA S.p.A., SICOGEN s.r.l., SATAP S.p.A. and SAV S.p.A. , totalling EUR 300 thousand; <sup>(2)</sup>
- Services provided by Euroimpianti Electronic S.p.A. to ITINERA S.p.A., ACI s.c.p.a. and Marcallo S.c.a.r.l., totalling EUR 3.3 million; <sup>(2)</sup>
- Services provided by SSAT S.p.A. during the first half of 2007 to ATIVA S.p.A., SATAP S.p.A., SATAP S.p.A. and SAV S.p.A., totalling EUR 600 thousand; <sup>(2)</sup>
- Services provided by ABC Costruzioni S.p.A. to Itinera S.p.A., ACI s.c.p.a., Marcallo S.c.a.r.l. and Castelnuovo s.c.a.r.l., totalling EUR 1.3 million; <sup>(2)</sup>

<sup>(1)</sup> Relationships with controlling companies

<sup>(2)</sup> Relationships with businesses subject to the control of the same parent companies

- Services provided by CISA engineering to SINA S.p.A. totalling EUR 400 thousand. <sup>(2)</sup>

#### Costs

- Managerial assistance and consulting divided by the parent company Argo Finanziaria S.p.A. to the Companies of the Group, totalling about EUR 2.6 million; <sup>(1)</sup>
- Professional services rendered by SINECO S.p.A. to SALT S.p.A., Autostrada dei Fiori S.p.A., Autocamionale della Cisa S.p.A. and ABC Costruzioni S.p.A., totalling EUR 2 million; <sup>(2)</sup>
- Professional and design services rendered by SINA S.p.A. and SINECO S.p.A. to SALT S.p.A., Autostrada dei Fiori S.p.A., Autocamionale della Cisa S.p.A. and Ti.Bre. s.c.a.r.l., totalling EUR 6 million; <sup>(2)</sup>
- Professional and design services rendered by SINA S.p.A. and SINECO S.p.A. during the second half of 2007 to SATAP S.p.A., SAV S.p.A. and ATIVA S.p.A., totalling EUR 3.5 million; <sup>(2)</sup>
- Services and delivery of materials provided by SEA s.r.l. to SALT S.p.A., Autostrada dei Fiori S.p.A., SATAP S.p.A., SAV S.p.A., ATIVA S.p.A., ABC Costruzioni S.p.A. and Autocamionale della Cisa S.p.A., totalling EUR 9.2 million; <sup>(2)</sup>
- Services provided by Itinera S.p.A. to ABC Costruzioni S.p.A. SSAT S.p.A. and Euroimpianti Electronic S.p.A., totalling EUR 7 million; <sup>(2)</sup>
- Insurance services provided by the broker P.C.A. s.r.l. to the Companies of the SIAS Group, totalling EUR 4.2 million; <sup>(3)</sup>
- Managerial assistance and services provided by ASTM S.p.A. to the Companies of the Group, totalling EUR 2.3 million; <sup>(1)(2)</sup>
- Payroll and financial data processing services provided by Sistemi e Servizi s.c.a.r.l. to the Companies of the Group, totalling EUR 600 thousand; <sup>(2)</sup>
- Services and delivery of materials provided by Itinera to SATAP S.p.A. during the second half of 2007, totalling EUR 30.3 million; <sup>(2)</sup>
- Services provided by the companies Autosped S.p.A. and Gavio S.p.A. to the Companies of the SIAS Group, totalling EUR 1.7 million. <sup>(2)</sup>

#### Increases in tangible/intangible assets

- Professional services performed by SINECO S.p.A. and SINA S.p.A. for SALT S.p.A., Autostrada dei Fiori S.p.A., Autocamionale della Cisa S.p.A., ASTI – CUNEO S.p.A. and ABC Costruzioni S.p.A., capitalised into the motorway infrastructure for a total of EUR 7.6 million; <sup>(2)</sup>
- Professional and design services rendered by SINA S.p.A. and SINECO S.p.A. during the second half of 2007 for SATAP S.p.A., SAV S.p.A. and ATIVA S.p.A., capitalised into the motorway infrastructure for a total of EUR 8 million. <sup>(2)</sup>
- Work services provided by ITINERA S.p.A. and ACI s.c.p.a. During the second half of 2007 to SATAP S.p.A., totalling EUR 48.7 million; <sup>(2)</sup>

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<sup>(1)</sup> Relationships with controlling companies

<sup>(2)</sup> Relationships with businesses subject to the control of the same parent companies

<sup>(3)</sup> Relationships with other related parties

- SSAT S.p.A. purchased an industrial building from OMT S.p.A. for EUR 2.7 million. <sup>(2)</sup>

#### Change in financial assets

As part of the Corporate Reorganisation operation of the SIAS and ASTM Groups, the following operations were completed:

- HPVdA S.p.A. purchase the following investments from ASTM S.p.A.:
  - 2,642,622 shares of ATIVA S.p.A. (41.17% of share capital), for a countervalue of EUR 113.8 million; <sup>(1)</sup>
  - 15,620,425 shares of SAV S.p.A. (65.085% of share capital), for a countervalue of EUR 95.7 million; <sup>(1)</sup>
  - 4,602,895 shares of SITAF S.p.A. (36.531% of share capital) for a countervalue of EUR 134,100, 000, and 228,273 bonds convertible into ordinary shares of SITAF S.p.A. for a countervalue of EUR 3.9 million; <sup>(1)</sup>
  - SALT S.p.A., Autostrada dei Fiori S.p.A., SAV S.p.A. and SATAP S.p.A. sold 230,000 shares of SINECO S.p.A. (46% of share capital) to ASTM S.p.A. for a countervalue of EUR 12.8 million. <sup>(1)</sup>
  - SATAP S.p.A. sold 205,997 shares of SINA S.p.A. (5.079% of share capital) to ASTM S.p.A. for a countervalue of EUR 4.4 million. <sup>(1)</sup>
  - SATAP S.p.A. sold 9,792,264 bonds convertible into SIAS ordinary shares to ASTM S.p.A. for a counter value of EUR 108.1 million. <sup>(1)</sup>

In addition to what is shown above, there are relationships between the businesses of the group concerning transactions in the system that interconnects motorway tolls.

The transactions indicated above were carried out under normal market conditions.

Pursuant to Article 2391-bis of the Civil Code, we specify that based on the general principles indicated by Consob and the rules of corporate governance in the "Code of Self-governance" adopted by the Company, related party transactions (either direct or through subsidiaries) were performed in accordance with regulations that assure their transparency as well as their essential and procedural correctness.

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<sup>(1)</sup> Relationships with controlling companies

<sup>(2)</sup> Relationships with businesses subject to the control of the same parent companies

**Certification of the Consolidated Financial  
Statements  
pursuant to Article 81-ter  
of Consob Regulation No. 11971  
of 14 May 1999 as amended and  
supplemented**

**Certification of the Consolidated Financial Statements  
pursuant to Article 81-ter  
of Consob Regulation No. 11971 of 14 May 1999 as amended and supplemented**

- The undersigned Enrico Arona as Managing Director and Sergio Prati as Manager in charge of drawing up the corporate accounting documents of SIAS S.p.A., taking into account the provisions of Article 154-bis, Paragraphs 3 and 4 of Legislative Decree No. 58 of 24 February 1998, do attest to:
  - its adequacy with regard to the characteristics of the business, and
  - the actual implementation of the administrative and accounting procedures for preparing the Consolidated Financial statements during 2007.
  
- Furthermore, we attest that the consolidated financial statements at 31 December 2007:
  - a) correspond to the books and accounting entries;
  - b) were prepared in compliance with the IAS/IFRS international accounting principles issued by the International Accounting Standards Board (IASB) and approved by the European Commission, and provides a true and correct representation of the equity, economic and financial position of the Issuer and all the businesses included in the consolidation.

Turin, 27 March 2008

Managing Director

*Enrico Arona*

Manager in charge of drawing up the  
accounting documents

*Sergio Prati*

**Report of the  
Board of Statutory Auditors**

**REPORT OF THE BOARD OF STATUTORY AUDITORS UNDER ART. 41 OF LEGISLATIVE ORDER NO. 127/1991 on the Consolidated Financial Statement of the SIAS Group for the period ended 31 December 2007**

Shareholders,

The Consolidated Financial Statement of the SIAS Group for the period ended 31 December 2007, which is now presented for your approval, shows a profit of €126,509 net of minority interests.

The Consolidated Financial Statement has been drawn up on the basis of the provisions of Art.3(i) of Legislative Order No. 38 of 28/02/2005 and under International Accounting Standards (IAS/IFRS); the comparative data for the corresponding period last year have accordingly been established likewise under those standards.

It has been presented to us in the manner and by the deadlines required by law, together with the Annual Report, and has been drawn up in accordance with the relevant provisions of Legislative Order No. 127 of 09/04/1991.

The controls conducted by PricewaterhouseCoopers SpA, the Independent Auditors commissioned to conduct the accounting audit, reveal that the figures in the Financial Statement match those in the accounts of the Holding Company, the Financial Statements and Consolidated Financial Statements of its controlled subsidiaries, and details supplied by the latter.

The Financial Statements provided by the controlled subsidiaries to the Holding Company for the purpose of drawing up the Consolidated Financial Statement have been drafted by their appropriate governing bodies and examined both by the supervisory bodies/officers of the individual companies and by PricewaterhouseCoopers SpA as part of its procedures in the accounting audit of the Consolidated Financial Statement. Those Financial Statements have not therefore been included in the monitoring carried out by your Board of Statutory Auditors.

The determination of the scope of consolidation and the choice of principles, criteria and procedures for the consolidation of the various holdings are all in accordance with the provisions of Legislative Order No. 127 of 09/04/1991.

The Annual Report gives an adequate picture of the Group's assets, liabilities, income, expenditure, and finances, as well as the conduct of its business during the financial year 2007; it also contains adequate information on transactions between companies belonging to the Group, significant post-Balance Sheet events, and some observations on prospects for 2008. Our examination shows that it matches the Consolidated Financial Statement.

On the basis of the above considerations and in view of the unreservedly satisfactory opinion of the Independent Auditors expressed in their Report issued under TUF Art.156 (the Consolidated Financial

Code, Legislative Order 58/98), we can assert that the Group's Consolidated Financial Statement and Annual Report have been laid out and drafted in accordance with the legally-required standards.

Turin, 11 April 2008

MEMBERS OF  
THE BOARD OF STATUTORY AUDITORS

(Lionello Jona Celesia)  
(Alfredo Cavanenghi)  
(Ernesto Ramojno)

**Report of the  
Independent Auditors**

**AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LAW  
DECREE N° 58 DATED 24 FEBRUARY 1998**

To the Shareholders of  
S.I.A.S. - Società Iniziative Autostradali e Servizi SpA

- 1 We have audited the consolidated financial statements of S.I.A.S. - Società Iniziative Autostradali e Servizi SpA and its subsidiaries ("S.I.A.S. Group"), which comprise the balance sheet, income statement, cash flow statement, statement of changes in shareholders' equity and the related illustrative notes as of 31 December 2007. These consolidated financial statements are the responsibility of S.I.A.S. - Società Iniziative Autostradali e Servizi SpA's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB. In accordance with those standards and criteria, the audit has been planned and performed to obtain the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are reliable. An audit includes examining, on a sample basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated 12 April 2007.

- 3 In our opinion, the consolidated financial statements of the S.I.A.S. Group as of 31 December 2007 comply with the International Financial Reporting Standards as adopted by the European Union, as well as with regulations issued in accomplishment of article 9 of Law Decree n° 38/2005; accordingly, they give a true and fair view of the financial position, the results of operations, the changes in shareholders' equity and cash flows of the S.I.A.S. Group for the year then ended.

- 4 We draw your attention on the information provided by the Directors in the management report and in the notes to the financial statements, concerning the group reorganization and the related accounting effects that, during the financial year 2007, involved the groups of companies held by S.I.A.S. - Società Iniziative Autostradali e Servizi SpA and by its parent company Autostrada Torino - Milano SpA.

Turin, 11 April 2008

PricewaterhouseCoopers SpA

Signed by

Piero De Lorenzi  
(Partner)

(This report has been translated from the original which was issued in accordance with Italian legislation. We have not examined the translation of the financial statements referred to in this report).

**“ANNEX” to the Management Report**

**REPORT  
ON CORPORATE GOVERNANCE**

pursuant to art. 124-bis of the Consolidated Law on Finance, art. 89-bis of the Consob Regulation on Issuers and art. IA.2.6 of the Stock Exchange Rules Instructions.

**(“Traditional” administration and control model)**

**SOCIETÀ INIZIATIVE AUTOSTRADALI E SERVIZI S.p.A. (“SIAS”)**  
**(www: grupposias.it)**

Report period: **2007**

Date of approval of the Report: **27 March 2008**

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## GLOSSARY

**Code:** the Code of Conduct of listed companies, as approved in March 2006 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A..

**Civ. cod./c.c.:** the Italian Civil Code

**Board:** the Issuer's Board of Directors.

**Issuer/SIAS:** the issuer of listed shares referred to in this Report.

**Financial Year/year:** the financial year referred to in this Report.

**Stock Exchange Rules Instructions:** the Instructions on the Stock Exchange Rules for the markets that are organised and managed by Borsa Italiana S.p.A..

**Stock Exchange Rules:** the Stock Exchange Rules for the markets that are organised and managed by Borsa Italiana S.p.A..

**Consob Regulation on Issuers:** the Regulation issued by Consob by resolution no. 11971/1999 concerning issuers.

**Consob Market Regulation:** the Regulation issued by Consob by resolution no. 16191/2007 concerning markets.

**Report:** the corporate governance report that must be drafted by companies pursuant to art. 124-bis of the Consolidated Law on Finance, art. 89-bis of the Consob Regulation on Issuers and art. IA.2.6 of the Stock Exchange Rules Instructions.

**Consolidated Law on Finance:** the Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance).

## 1. ISSUER'S PROFILE

The Issuer was set up on 8 February 2002 as beneficiary of the partial proportional split of the listed company ASTM, which was approved on 27 September 2001 by the Extraordinary Shareholders' Meeting of ASTM.

On 11 February 2002 - following provision no. 2169 dated 8 February 2002 of Borsa Italiana - SIAS shares were first traded on the MTA (Italian Electronic Stock Market).

Pursuant to art. 4 of the Articles of Association, the duration of the Company is set at 31 December 2100 and may be extended in accordance with the law, excluding the right of withdrawal for those shareholders who did not take part in the resolution approval.

The Issuer - that operates as an "industrial holding" - is managed by the Board of Directors and supervised by the Board of Statutory Auditors. These boards are assigned the powers and functions set out by the Italian Civil Code, special laws and the Articles of Association.

The Shareholders' Meeting represents the entirety of the shareholders and takes decisions - on an ordinary and extraordinary basis - on the issues that fall under its responsibilities in compliance with the law.

Please refer to the following sections contained in this report for further details on operation, composition and powers of the above-mentioned corporate bodies.

It should be underlined that the first stage of the corporate reorganisation of the ASTM and SIAS Groups - which started in December 2006 - was completed during the year. According to this reorganisation, the equity investments held in the motorway companies' sector were concentrated in the SIAS Group (in this regard, reference should be made to the detailed information contained in the Management Report to the 2007 financial statements under section "2007 SIGNIFICANT EVENTS").

During 2007, the Board of Directors also submitted for approval to the Extraordinary Shareholders' Meeting held on 27 June 2007 a new version of the Articles of Association so to implement the amendments introduced - by Law no. 262/2005 and Legislative Decree no. 303/2006 - to the Consolidated Law on Finance and the related implementing provisions issued by Consob and concerning the appointment of the "manager in charge of drawing up the corporate accounting documents", as well as the procedures for the appointment of corporate bodies.

\*\*\*\*\*

Having said that, this Report aims at providing description of the corporate governance system and of compliance with the Code, by showing the recommendations that were implemented and those that were considered inapplicable, since they did not comply with the current management and organisational model.

This Report - that was prepared according to the "Guidelines for drawing up the annual corporate governance report (issued by Borsa Italiana in February 2003) and the "Guide to the compilation of the corporate governance report (issued by Assonime ed Emittenti Titoli S.p.A., after having obtained the opinion of Borsa Italiana S.p.A. in February 2004) - takes into account the explanatory criteria and methods contained in the "experimental format" prepared by Borsa Italiana in January 2008.

## **2. INFORMATION ON OWNERSHIP STRUCTURE (pursuant to art. 123-bis of the Consolidated Law on Finance) as at 27 March 2008**

### **a) Share capital structure**

The share capital, amounting to EUR 113,750,000.00 consists of 227,500,000 ordinary shares with a par value of EUR 0.50 each, traded on the MTA (Blue Chip Segment).

On 20 May 2005, the Issuer's Board approved - based on the powers given to it by the Extraordinary Shareholders' Meeting on 16 May 2005, pursuant to art. 2420-ter of the Italian Civil Code - a bond issue called "SIAS 2.625% 2005 - 2017 convertible in ordinary shares", composed of 31,875,000 bonds with a par value of EUR 10.50 each, fully underwritten for a total value of EUR 334,687,500. These bonds - which were offered as options to shareholders at par, at the ratio of one bond to every four shares owned - have the following characteristics:

- duration: 12 years
- interest rate: 2.625% gross annual
- conversion option: as from the end of the fifth year, at a ratio of 1 SIAS ordinary share to each bond owned
- repayment: bonds that were not converted upon expiry shall be reimbursed as a lump sum, at par.

As from 8 August 2008, bonds are listed on the MTA (Blue Chip Segment).

On 4 December 2007, the Bondholders' Meeting re-appointed Mr. Roberto Petrignani as representative of bondholders for the financial years 2008, 2009 and 2010.

The Issuer did not approve share-based incentive plans (stock option, stock grant, etc.) that imply increases in share capital (as well as scrip issues).

### **b) Restrictions on the transfer of securities**

There are no restrictions on the transfer of securities, such as limits to the holding of securities or the need to obtain approval by the Issuer or other securities' holders.

Pursuant to art. 6 of the Articles of Association, shares are registered if required by law; otherwise, if fully paid, these can be registered shares or bearer shares, at the choice and expense of the shareholder.

### **c) Significant equity investments in the share capital**

The following table shows the Persons who hold - directly or indirectly and for more than 2% - the share capital subscribed that is represented by shares with voting rights, according to the records contained in the shareholders' register, as supplemented by the communications received pursuant to art. 120 of the Consolidated Law on Finance and by other available information:

Declarant	Direct shareholder	% share of ordinary share capital	% share of voting share capital
<b>Aurelia S.p.A.</b>	Aurelia S.p.A.	11.139	11.139
	Astm S.p.A. (listed company)	61.705	61.705
	Sina S.p.A. <sup>(1)</sup>	1.718	1.718
	<b>Total Group</b>	<b>74.561</b>	<b>74.561</b>
<b>Lazard Asset Management LCC</b>	Lazard Asset Management LCC	5.591 of which 0.413 without voting right	5.591 of which 0.413 without voting right
<b>Assicurazioni Generali S.p.A.</b>	Assicurazioni Generali S.p.A.	2.088	2.088
	Generalie Vie SA	1.407	1.407
	Augusta Vita S.p.A.	0.049	0.049
	Augusta Assicurazioni S.p.A.	0.090	0.090
	Toro Assicurazioni S.p.A.	0.045	0.045
	<b>Total Group</b>	<b>3.679</b>	<b>3.679</b>

<sup>(1)</sup> Subsidiary of ASTM S.p.A.

#### **d) Securities granting special rights**

The Issuer did not issue securities granting special control rights.

#### **e) Employee shareholding: procedure for the exercise of voting rights**

The Issuer did not approve any employee shareholding scheme with regard to its share capital.

#### **f) Restrictions on voting right**

There is no restriction on voting right.

The Issuer has only issued ordinary shares and there are no shares with voting rights other than ordinary shares.

#### **g) Agreements between shareholders**

As of today, no agreement was signed between shareholders, pursuant to art. 122 of the Consolidated Law on Finance.

#### **h) Appointment and replacement of directors and amendments to the Articles of Association**

According to the provisions contained in art. 16 of the Articles of Association - amended by the Extraordinary Shareholders' Meeting on 27 June 2007 as described above - the Issuer is managed by a Board composed of a number of members ranging between seven and fifteen, according to the decision taken by the Shareholders' Meeting, and of a number of independent directors as required by law.

The Board is appointed on the basis of the lists submitted by the Shareholders who - alone or together with others - hold shares representing the shareholding in the share capital, as set out by law. The legal title to the above-mentioned stake shall be proved at least two days prior to the Shareholders' Meeting on first call, together with any document proving the right to participate in the Meeting.

Each Shareholder can draw up or submit only one list; each person entitled to vote may vote only one list.

The lists - which include i) information concerning personal and professional details of the candidates; ii) the written acceptance of the candidature and the declaration that the candidate does

not belong to other lists; as well as iii) any other document provided for by applicable law - shall be filed with the registered office fifteen days prior to the date of the Meeting in first call. A written notification of deposit and of the possibility for the Shareholders to view the said documents shall be published in a national daily newspaper.

Upon next renewal, lists shall also be published on the website of the Issuer, as provided for by application criterion 6.C.1 of the Code.

The list that does not comply with the above-mentioned provisions shall be considered as “not submitted”.

The procedure for the appointment of the Board’s members is described below:

a) four-fifths of the Directors who shall be appointed are chosen from the list that obtains the majority of votes expressed by the shareholders, in the order in which they are listed, rounding off in case of fractional number;

b) the remaining Directors are chosen from other lists; to this purpose, the votes obtained by the lists are subsequently divided by one, two and three, according to the number of Directors who shall be elected. The ratios obtained are progressively assigned to the candidates of each list, according to their related order. The ratios assigned to the candidates of the lists are listed in a single ranking and those with the highest ratios are elected.

If more candidates obtain the same ratio, the one belonging to the list with no Directors - or with the smallest number of Directors - appointed, shall be elected. In the event of a tie in list votes - and therefore in ratios - the Meeting shall vote again and the candidate who obtains the simple majority of votes is elected.

If, for any reason, the appointment of one or more Directors may not be carried out according to the above-mentioned rules, law provisions on the subject shall apply.

If, during the year, one or more Directors resign from office, law provisions shall apply.

If, in case of resignation or other reasons, the majority of Directors fails, the whole Board shall resign and its termination shall be effective from the moment when the Board will be re-established, following the appointments made by the Meeting that shall be convened as soon as possible.

The Directors are in office for the time agreed by the Meeting (in any case, not more than three years) and can be re-appointed; the persons appointed during this period shall fall from office together with those members who were already in office upon their appointment.

#### **i) Powers to increase share capital and authorisations to purchase own shares**

No powers to increase share capital were granted to the Board, pursuant to art. 2343 of the Italian Civil Code.

As already mentioned in paragraph 2, letter a), on 20 May 2005 the Board - in execution of the powers granted to it pursuant to art. 2420-ter of the Italian Civil Code by resolution of the extraordinary shareholders’ meeting on 16 May 2005 - approved the issue of the convertible bond called “SIAS 2.625% 2005 – 2017 convertible in ordinary shares”.

The meeting has never authorised the purchase of own shares, in compliance with art. 2357 and following of the Italian Civil Code.

#### **l) Change of control clauses**

The Issuer and its subsidiaries have never signed agreements which become effective, are amended or terminated in case of a change in the control of the contracting company.

#### **m) Directors' indemnity in case of resignation, dismissal or termination of the employment relationship following a take over bid**

The Issuer and the Directors did not sign agreements for indemnities in case of resignation, removal without just cause or termination following a take over bid.

### **3. COMPLIANCE**

Since its incorporation, the Issuer has adopted a corporate governance model that is substantially in line with the Code of Conduct of listed companies, which was issued in 1999 and subsequently updated in July 2002.

On 14 March 2006, the *Corporate Governance Committee* – in the light of both the evolution in the national and international best practice and the change in the regulatory framework concerning corporate law and protection of savings – issued an updated version of the Code, by reviewing the governance principles that shall be adopted by listed issuers by the end of FY 2006.

In December 2006, the Issuer's Board approved to bring its own corporate model in line with the provisions of the new Code according to a gradual and flexible process that took into account both the structure of the SIAS Group following the implementation of the said corporate reorganisation project and the management and organisational models of each single business structure. As described in detail below, the said adjustment process was carried out in 2007 and in January 2008.

The Issuer's governance model takes into account the company size, the ownership structure, as well as the sector.

The Issuer and its subsidiaries with strategic importance are not subject to foreign law provisions that affect the Issuer's corporate governance structure.

### **4. MANAGEMENT AND COORDINATION ACTIVITIES**

The Issuer is subject to the management and coordination activities of ARGO FINANZIARIA S.p.A..

### **5. BOARD OF DIRECTORS**

#### **5.1. MEMBERS**

The Board - that was appointed by the Shareholders' Meeting on 6 May 2005 for the financial years 2005-2006-2007 - is composed of 14 members: Bruno Binasco (Chairman), Enrico Arona

(Managing Director), Giovanni Angioni, Gianfranco Boschetti, Alessandro Braja, Ernesto Maria Cattaneo, Paolo Andrea Colombo, Beniamino Gavio, Daniela Gavio, Rinaldo Lascialfare, Vincenzo Macchia, Ferruccio Piantini, Paolo Pierantoni, Alberto Sacchi.

The Director Paolo Andrea Colombo - coopted on 28 September 2005 in place of Giuseppe Giordana who died in August 2005 shortly after his appointment - was subsequently re-appointed by the Shareholders' Meeting held on 5 May 2006, upon proposal of the minority Shareholder Fondazione Cassa di Risparmio di Alessandria.

The Director Giovanni Angioni was coopted on 31 July 2007 in place of the director Gianfranco Pittatore, who resigned from office on 29 June 2007.

The Directors B. Binasco, E. Arona, B. Gavio, D. Gavio, P. Pierantoni and A. Sacchi were appointed - as representatives of the majority - in the list submitted by the Shareholders Aurelia S.p.A., Argo Finanziaria S.p.A. and Satap S.p.A.. The Directors A. Braja, E. M. Cattaneo, V. Macchia and R. Lascialfare were appointed - as representatives of the minority - in the list submitted by the Shareholder La Federation Continentale, while the Directors G. Boschetti, G. Giordana, F. Piantini and G. Pittatore were appointed - as representatives of the minority - in the list submitted by the Shareholder Fondazione Cassa di Risparmio di Alessandria.

The Directors G. Angioni, G. Boschetti, A. Braja, E. M. Cattaneo, P. A. Colombo, R. Lascialfare, V. Macchia, F. Piantini comply with the independence requirements set out by the application criterion 3.C.1 of the Code. These requirements were fully implemented by the Issuer.

It should be noted that the verification of compliance with independence requirements set out in art. 148, paragraph 3 of the Consolidated Law on Finance will be carried out upon renewal of the Management Body.

It should be underlined that the Ordinary Shareholders' Meeting, that shall be convened to resolve on the 2007 financial statements, shall appoint the new Management Body - subject to previous determination of the number of components - according to the procedures and within the terms provided for in art. 16 of the Articles of Association, which have already been mentioned in paragraph 2, letter h).

In this regard, it should be underlined that - as provided for by the law in force - Consob specified, by means of resolution no. 16319 of 29 January 2008 and with regard to listed companies that ended the financial year on 31 December 2007, the stakes in the share capital for the presentation of candidates' lists for the following renewal of Corporate Bodies.

The Issuer's stake - which was calculated according to specific parameters such as capitalisation, outstanding shares and ownership structure - was fixed in the amount of 2% of the share capital.

As can be inferred from the short bibliographical notes detailed below, the Directors have adequate professional experience - with regard to legal, technical, economic and financial subjects - as well as specific skills through which they actively participate and contribute to the works and decisions of the Board, by ensuring all necessary professionalism required to achieve the strategies and purposes of both the Issuer and the Group:

**Bruno Binasco:** (born in Tortona - AL - on 06/08/1944) - He obtained a degree in Political Science and was mainly employed within the Gavio group where he holds, among other things, the position of Managing Director of Argo Finanziaria, a major reference holding for motorway, building and construction companies.

**Enrico Arona:** (born in Tortona - AL - on 23/01/1944) After obtaining a diploma in Accountancy, he mainly worked within the Gavio group, where he follows and coordinates finance-related issues.

**Giovanni Angioni:** (born in Cuneo on 31/01/1941) - He obtained a degree in Economics and Business; since 1967, he is a chartered accountant and holds the position of Director and Member of the Board of Statutory Auditors in several companies.

**Gianfranco Boschetti:** (born in Biella on 14/01/1936) - After obtaining a diploma in Accountancy, he carried out his activities mainly with regard to the management of companies operating in the national and international transport and logistics sectors.

**Alessandro Braja:** (born in Caselle Torinese - TO - on 21/12/1934) - He obtained a degree in Economics and Business at the University of Turin. He is a chartered accountant, holds the position of Extraordinary Director for extraordinary administration companies (“Prodi Law”) and exercises other public and trade union functions for industrial and financial companies.

**Ernesto Maria Cattaneo:** (born in Magnago - MI - on 23/09/1949) - He obtained a degree in Economics and Business at the University Cattolica del Sacro Cuore of Milan. He is a chartered accountant, focusing in particular on corporate, tax and accounting matters.

**Paolo Andrea Colombo:** (born in Milan on 12/04/1960) - He is a tenured professor of Accountancy and Budget at the Bocconi University of Milan. He has a deep knowledge of corporate management matters and he is a member of the boards of directors and of statutory auditors of major companies.

**Beniamino Gavio:** (born in Alessandria on 13/10/1965) - After obtaining a diploma in Economics at the Kensington University in Glendale (California), he acquired expertise in corporate management matters mainly within the Gavio Group, with particular reference to the motorway concession, building and construction sectors.

**Daniela Gavio:** (born in Alessandria on 16/02/1958) - She obtained a degree in Medicine at the University of Genoa. She acquired expertise in corporate management matters mainly within the Gavio Group, with particular reference to the motorway concession, logistics and road transport sectors.

**Rinaldo Lascialfare:** (born in Livorno on 14/09/1938) - He obtained a degree in Law and held major positions within the banking sector. He currently operates in the credit and financial sectors.

**Vincenzo Macchia:** (born in Naples on 21/09/1973) - He obtained a degree in Law at the University of Salerno. He carries out forensic activities with particular reference to the financial markets reform, corporate and insolvency law.

**Ferruccio Piantini:** (born in Venice on 28/01/1953) - He obtained a degree in Economics and Business at the Bocconi University of Milan. He held major positions within the banking and brokerage sectors, with particular reference to corporate acquisitions and disposals, as well as project finance within the corporate finance area.

**Paolo Pierantoni:** (born in Genoa on 09/12/1956) - He obtained a degree in Civil Engineer (Hydraulics) and acquired expertise in corporate management matters within both major construction companies and the Gavio Group, with particular reference to the motorway concession and planning sectors.

**Alberto Sacchi:** (born in Tortona - AL - on 14/03/1960) - He obtained a degree in Economics and Business at the University of Pavia and acquired expertise in corporate management matters mainly within the Gavio Group - where he works since 1984 - with increasing responsibilities in the strategic planning and corporate sectors.

As described in detail below, in January 2008 the Board - pursuant to the application criterion 1.C.3. of the Code - adopted the regulations on the limitation on total mandates for directors and auditors and approved that it shall enter into force as from the next Board's renewal.

Having said that - and in compliance with the application criterion 1.C.2 of the Code - the offices held by some Directors in other companies are shown below:

Director	Company	Office held
Angioni G.	Autostrada Torino-Milano S.p.A. (*) Holding Piemonte e Valle d'Aosta S.p.A. (*) Autostrada Asti-Cuneo S.p.A. (*)	Director Director Director
Arona E.	Argo Finanziaria S.p.A. (*) Autostrada dei Fiori S.p.A. (*) Autostrada Torino-Milano S.p.A. (*) Società Autostrada Torino-Alessandria-Piacenza S.p.A. (*) Società Autostrada Ligure Toscana S.p.A. (*)  PCA S.p.A.	Director Director Director Director Vice-Chairman (vicarious) - Managing Director & E.C. member Board Chairman
Binasco B.	Argo Finanziaria S.p.A. (*) Autostrada Torino-Ivrea-Valle d'Aosta S.p.A. (*) Autocamionale della Cisa S.p.A. (*) Autostrade dei Parchi S.p.A. (*) Autostrade Sud America - ASA S.r.l. Codelfa S.p.A. (*) FNM S.p.A. G&A S.p.A. (*) Holding Piemonte e Valle d'Aosta S.p.A. (*) Igli S.p.A. Milano Logistica S.p.A. PCA S.p.A. Società Italiana Traforo Autostradale del Frejus S.p.A. Società Autostrada Ligure Toscana S.p.A. (*) Società Iniziative Nazionali Autostradali S.p.A. (*)	Managing Director Director and E.C. member Director and E.C. member Director Board Chairman Director Director Director Board Chairman Board Chairman Director Director Director Director and E.C. member Director
Braja A.	Santander Consumer Banca S.p.A. Santander Private Banking S.p.A. Eurizontutela S.p.A. Fondaco SGR S.p.A. Ferrero S.p.A. Holding Piemonte e Valle d'Aosta S.p.A. (*)	Chairman of the Board of Statutory Auditors Standing Auditor Chairman of the Board of Statutory Auditors Standing Auditor Standing Auditor Director
Cattaneo E.M.	Autostrada Torino-Milano S.p.A. (*)	Director
Colombo P.A.	Mediaset S.p.A. Binda S.p.A. Ceresio SIM S.p.A. Forumnet Holding S.p.A. Gianni Versace S.p.A. Givi Holding S.p.A. Interbanca S.p.A. Open Care S.p.A. Partecipazioni Italiane S.p.A. Raggio di Luna S.p.A. Angelo Moratti S.p.A. di G. Moratti e M. Moratti Aviva Vita S.p.A. Credit Agricole Assicurazioni Italia Holding S.p.A. Eigenmann & Veronelli S.p.A. Eni Servizi S.p.A. (former Sieco S.p.A.) Epsilon SGR S.p.A.	Director Director Director Board Chairman Director Director Director Board Chairman Board Chairman Director Standing Auditor Chairman of the Board of Statutory Auditors Standing Auditor Standing Auditor Chairman of the Board of Statutory Auditors Standing Auditor

	Eurizon AI SGR S.p.A. (former Caam Alternative Investments SGR S.p.A.) Finanziaria BTP S.p.A. Humanitas Mirasole S.p.A. Iniziativa Gestione Investimenti SGR S.p.A. Intesa Trade SIM S.p.A. Quadrante – Riqualificazione Quadrante Orientale S.p.A. Techint Cimimontubi S.p.A. Ansaldo STS S.p.A. Saipem S.p.A. Eni S.p.A. Sirti S.p.A. Lottomatica S.p.A.	Standing Auditor Standing Auditor Standing Auditor Standing Auditor Standing Auditor Standing Auditor Chairman of the Board of Statutory Auditors Chairman of the Board of Statutory Auditors Chairman of the Board of Statutory Auditors Chairman of the Board of Statutory Auditors Standing Auditor Standing Auditor
Gavio B.	Argo Finanziaria S.p.A. (*) Aurelia S.p.A. (*) Autostrade Sud America S.r.l. Igli S.p.A. Impregilo S.p.A. Interstrade S.p.A. (*) Sea - Segnaletica Stradale S.p.A. (*) PCA S.p.A.	Board Chairman Managing Director Director Director Director and E.C. member Chairman and Managing Director Board Chairman Director
Gavio D.	Appia S.r.l. (*) Autostrada dei Fiori S.p.A. (*) Autostrada Torino-Milano S.p.A. (*) Società Autostrada Torino-Alessandria-Piacenza S.p.A. (*) Sea - Segnaletica Stradale S.p.A. (*) Società Autostrada Ligure Toscana S.p.A. (*) PCA S.p.A.	Board Chairman Director Vice-Chairman Vice-Chairman Director Director and E.C. member Director
Lascialfare R.	Efibanca S.p.A. Bipielle Bank Suisse SA Efigestioni SGR Bipielle International Holding SA Easy Network S.p.A.	Vice-Chairman Board Chairman Director Board Chairman Director
Pierantoni P.	Società Autostrada Ligure Toscana S.p.A. (*) Autocamionale della Cisa S.p.A. (*) Argo Finanziaria S.p.A. (*) Autostrada Estense S.p.A. Cassa di Risparmio della Spezia S.p.A.	Managing Director & E.C. member Man. Director and E.C. member Director Director Director
Sacchi A.	Argo Finanziaria S.p.A. (*) Autocamionale della Cisa S.p.A. (*) Autostrada dei Fiori S.p.A. (*) Autostrada Torino-Milano S.p.A. (*) Autostrade Sud America S.r.l. Impregilo S.p.A. Milano Serravalle-Milano Tangenziali S.p.A. Sitrasb S.p.A. Società Autostrada Ligure Toscana S.p.A. (*)	Managing Director Director Director Managing Director Director Director Standing Auditor Director Director and E.C. member

(\*) Group company

Having said that, the following table shows a summary of the above-mentioned information concerning the current members of the Board:

Name	Office held	In office since	List	Executive	Non-executive	Independent - Code	% of attendance at the B.o.D.	Other offices
Binasco Bruno	Chair.	06/05/05	M	x			100	15
Arona Enrico	MD	06/05/05	M	x			100	6
Angioni Giovanni	Dir.	31/07/07	Coopted		x	x	100	3
Boschetti Gianfranco	Dir.	06/05/05	m		x	x	75	=
Braja Alessandro	Dir.	06/05/05	m		x	x	87.5	6
Cattaneo Ernesto Maria	Dir.	06/05/05	m		x	x	100	1
Colombo Paolo Andrea	Dir.	28/09/05	m		x	x	37.5	28
Gavio Beniamino	Dir.	06/05/05	M	x			62.5	8
Gavio Daniela	Dir.	06/05/05	M		x		75	7
Lascialfare Rinaldo	Dir.	06/05/05	m		x	x	87.5	5
Macchia Vincenzo	Dir.	06/05/05	m		x	x	100	=
Piantini Ferruccio	Dir.	06/05/05	m		x	x	50	
Pierantoni Paolo	Dir.	06/05/05	M	x			75	5
Sacchi Alberto	Dir.	06/05/05	M	x			100	9

**LEGEND**

*M/m*: indicates if the director has been appointed by the list voted by the majority or by a minority (art. 144-decies of the Consob Regulation on Issuers)

**Other offices**: indicates the total number of offices held in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises, identified according to the criteria set out by the Board.

**Creation of Committees**

The Board set up the Remuneration Committee and the Internal Audit Committee, since it did not deem it necessary to create neither the Executive Committee, nor the Appointment Committee, for the reasons described below.

Until 29 March 2007 the Remuneration Committee, which was appointed on 16 May 2005, comprised - with reference to the 2002 Code of Conduct - the non-executive Directors Bruno Binasco, Ferruccio Piantini (independent) and Beniamino Gavio, who was appointed on 28 September 2005 in place of Giuseppe Giordana.

During the meeting held on 29 March - having acknowledged that Bruno Binasco and Beniamino Gavio were included in the “executive directors” category, in the light of the application criterion 2.C.1. of the Code - the Committee appointed, in their place, the independent non-executive directors Gianfranco Boschetti and Rinaldo Lascialfare. It should be noted that in the period from 01/01/2007 to 29/03/2007 the Remuneration Committee did not hold any meeting.

Similar decisions have been taken with regard to the Internal Audit Committee, that was appointed on 16 May 2005 and included until 29 March 2007 the Directors Alessandro Braja, Ernesto Maria Cattaneo and Alberto Sacchi; Vincenzo Macchia was appointed in place of Alberto Sacchi, who became “executive director” according to the above-mentioned criterion.

At the moment, also the Internal Audit Committee is composed of independent non-executive Directors.

Moreover, it should be noted that the Director Alberto Sacchi - in the course of the decisions taken by the Management Body - did not take part in the Committee’s meeting that was held prior to its replacement.

With regard to the aforementioned issues, the following table summarises the data related to the current Committees’ members:

Members	Office held	Remuneration Committee	Internal Audit Committee	% of attendance at the Rem. Com.	% of attendance at the Int. Aud. Com.
Boschetti G.	M	x		100	
Braja A.	M		X		100
Cattaneo E. M.	M		X		100
Lascialfare R.	M	x		100	
Macchia V.	M		X		100
Piantini F.	M	x		100	

**LEGEND**

**Office held**: M indicates that he/she is a member of the Remuneration Committee or the Internal Audit Committee

The following tables show the Directors who fell from office and those who are no longer members of the Committees, in the light of the changes occurred during FY 2007 (see previous tables’ legend):

Name	Office held	Term of office	List	Executive	Non-executive	Independent - Code	% of attendance at the B.o.D.	Other offices <sup>(1)</sup>
Pittatore Gianfranco	Dir.	From 06/05/05 to 29/06/07	m		x	x	20	5

<sup>(1)</sup> This information refers to the recognition made with regard to the drawing up of the 2007 corporate governance report.

Members	Office held	Remuneration Committee	Internal Audit Committee	% of attendance at the Rem. Com.	% of attendance at the Int. Aud. Com.
Binasco B.	M	From 16/05/05 to 29/03/07		<sup>(1)</sup>	
Gavio B.	M	From 28/09/05 to 29/03/07		<sup>(1)</sup>	
Sacchi A.	M		From 16/05/05 to 29/03/07		<sup>(2)</sup>

<sup>(1)</sup> In the period from 01/01/07 to 29/03/07 the Remuneration Committee did not hold any meeting.

<sup>(2)</sup> With regard to the above-mentioned reasons, the Director A. Sacchi did not take part in the meeting held prior to his replacement.

### Maximum number of offices held in other companies

During the meeting held on 29 January 2008 - and in compliance with application criterion 1.C.3. of the Code - the Board, as mentioned above, adopted the procedure aimed at identifying the maximum number of offices as director or auditor in other companies. This decision was taken considering the level of commitment implied in each position, also with regard to the nature and size of the companies in which offices are held, as well as whether or not these belong to the Group.

With reference to the above-mentioned aspects, the definition of large enterprises is provided below:

- a. Italian companies with shares listed on Italian regulated markets or on markets of other European Union countries;
- b. banks, financial brokers pursuant to art. 107 of Legislative Decree no. 385 of 1 September 1993, securities companies (SIM) pursuant to art. 1, paragraph 1, letter e) of the Consolidation Act, investment companies with variable capital (SICAV) pursuant to art. 1, paragraph 1, letter i) of the Consolidation Act, asset-management companies pursuant to art. 1, paragraph 1, letter o) of the Consolidation Act, insurance companies pursuant to art. 1, paragraph 1, letters s), t) and u) of Legislative Decree no. 209 of 7 September 2005, incorporated as companies pursuant to Book V, Title V, Chapters V, VI, and VII of the Italian Civil Code, with shares that are not listed on Italian regulated markets or on markets of other European Union countries;
- c. companies pursuant to Book V, Title V, Chapters V, VI and VII of the Italian Civil Code which - individually or at group level in case they draw up the consolidated financial statements - show i) revenue from sales and services higher than EUR 500 million; and ii) balance sheet assets higher than EUR 800 million, with shares that are not listed on Italian regulated markets or on markets of other European Union countries.

With regard to the commitment implied in each single position, the maximum limits on offices were defined and are described below:

1. Executive Directors with management powers: 4
2. Executive Directors without management powers: 6
3. Non-executive directors: 8

With regard to the calculation of offices:

- those positions held in companies directly and/or indirectly controlled by the Issuer, as well as in its Parents are not taken into account;
- substitute auditor offices are not taken into account;
- in case of offices held in large enterprises belonging to the same group, the weight given to each of the offices mentioned at points 1, 2 and 3 - except for the first one - is reduced by half and, in any case, the fact of holding several positions within the same group shall not imply a total "weight" higher than 2.

However, the Board is allowed to grant derogations (including temporary ones) with regard to the exceeding of the above-mentioned limits, which shall enter into force as from the next Board's renewal.

## **5.2. ROLE OF THE BOARD OF DIRECTORS**

During 2007, the Board held 8 meetings that - as indicated in the tables contained in the previous paragraph - were attended on average by 82% of the Directors. The attendance of Independent Directors was on average equal to 70%. The average duration of each meeting was approximately 1 hour.

With regard to FY 2008 - as detailed in the annual schedule of corporate events sent to Borsa Italiana S.p.A. on 21 January 2008 - at least 4 meetings have been forecasted to approve the financial statements, the first and third quarterly reports, as well as the half-yearly report. The Company availed itself of the exemption from the publication of the fourth 2007 quarterly report, by making available to the general public the draft financial statements and consolidated financial statements as at 31 December 2007 - examined by the Board of Directors - within 90 days of year end.

On 29 January 2008, a meeting - that was not included in the above-mentioned schedule - was held, during which decisions for the implementation of the Code were taken; these are illustrated in detail in the following sections.

### **Powers and authorities of the Board**

Pursuant to art. 21 of the Articles of Association, the Board is endowed with broad and unrestricted powers for the ordinary and extraordinary administration of the company and has the authority to carry out all actions (including acts of disposal) that it deems necessary to achieve the corporate purpose, with the sole exception of those which the law expressly reserves to the Shareholders' Meeting.

The Management Body is responsible for the examination and approval of strategic, industrial and financial plans of SIAS and its Group; having taken into account the information provided by the Managing Director - also with regard to the exercise of his/her management powers - the Management Body constantly assesses the general results of operations.

With reference to the specific powers set out by the Code, the Board constantly monitors the

adequacy of the organisational, administrative and accounting structure of the Issuer and subsidiaries with strategic importance, which were mainly identified among motorway companies and represent the main strategic asset with regard to the core business of the Issuer (ATIVA S.p.A., Autocamionale della Cisa S.p.A., Autostrada Asti-Cuneo S.p.A., Autostrada dei Fiori S.p.A., HPVdA S.p.A., SALT S.p.A., SATAP S.p.A., SAV S.p.A.).

In order to achieve the strategies and purposes of the Group, the Boards of Directors of the above-mentioned companies alternatively include the Chairman, the Managing Director and some Issuer's Directors who are expert in specific sectors and functions.

Moreover, in compliance with the application criterion 9.C.1. of the Code, the Board approved that the examination of the following significant transactions carried out by the Issuer or its subsidiaries and that have an impact on the company's strategic, economic and financial position and results, shall fall under its responsibilities:

- 1) the issuance of financial instruments, for a total value higher than EUR 10 million;
- 2) the granting of guarantees, for amounts higher than EUR 10 million;
- 3) merger and split-off transactions, where at least one of the involved companies is not a subsidiary of the SIAS Group;
- 4) acquisition or disposal of real estate whose value is equal or higher than EUR 5 million;
- 5) acquisition or disposal of equity investments (in one or more tranches), companies or business units, fixed assets and other assets, whose transaction value is equal or higher than EUR 30 million;
- 6) the subscription of outline agreements, and new agreements, related to subsidiaries operating in the "motorway sector";
- 7) any other transaction that, according to the competent Bodies of a subsidiary, has an impact on the strategic, economic and financial position and results of SIAS S.p.A..

With reference to the above-mentioned aspects - and for a correct implementation of the procedure within the SIAS Group - the Board immediately notified its subsidiaries of any relevant information. As regards the decisions taken by the Board on the identification of transactions with related parties and implementing procedures, reference should be made to the specific information contained in the following paragraph 13 "Directors' interests and transactions with related parties".

#### **Assessment on the size, composition and functioning of the Board**

During the meeting held on 29 January 2008, the Directors carried out the assessment on the size, composition and functioning of the Board, pursuant to the criterion 1.C.1, letter g) of the Code.

The Directors - with specific reference to the activities carried out and the objectives achieved during FY 2007 - underlined that they took part in corporate activities and actively contributed to the works and decisions, as confirmed by their continued participation in the meetings.

With regard to the industrial holding activity carried out by the Issuer, they confirmed to have adequate professional experience - with regard to legal, technical, economic and financial subjects - as well as

specific skills through which they ensure all necessary professionalism required to achieve the strategies and purposes of both SIAS and its Group.

In this regard, all documents and information on the subjects assessed by them were provided well in advance of each single meeting, so to allow them to adequately prepare.

The Board was supported in its duties by the Internal Audit Committee and by the Remuneration Committee, according to their functions; in March 2007, their composition was conformed to the Code's provisions, as already mentioned before.

More specifically, the Internal Audit Committee supported the Directors in those activities aimed at verifying the adequacy and the functioning of the internal audit system of SIAS and its subsidiaries by identifying, assessing and managing the main corporate risks.

Taking into account the above-mentioned aspects, the Directors - also in the light of the positive results of the activities carried out during 2007, such as in particular i) the completion of the first phase of the corporate reorganisation project of the ASTM and SIAS Groups; and ii) the satisfying economic performance that was confirmed, among other things, by the distribution of a 2007 interim dividend (approved in November) - expressed a favourable opinion on the functioning of the Board and its internal Committees.

#### **Non-competition clause pursuant to art. 2390 of the Italian Civil Code**

The Meeting did not grant derogations with regard to the non-competition clause pursuant to art. 2390 of the Italian Civil Code.

### **5.3. DELEGATED BODIES**

#### **Managing Directors**

In order to ensure more flexibility in the management of corporate activities, the Managing Director legally represents the company and is granted management powers within the limits set out by law, Articles of Association and Code of Conduct, except for the following powers that shall be previously authorised by the Board of Directors and by the Executive Committee, if present:

- sell, exchange and transfer real estate in incorporated companies or under incorporation;
- transfer, sell, award and generally dispose of the shares of Società Autostrada Ligure Toscana S.p.A., so that the investment is under 50.1% of the share capital;
- allow mortgage registrations, cancellations or annotations;
- waive legal mortgages;
- take out secured loans;
- employ managers.

#### **Chairman**

The Chairman - who has not been granted management powers on a permanent basis - legally represents the Company before third parties and in court, pursuant to art. 24 of the Articles of Association.

### **Executive Committee**

The current organisational and operating structure of the Issuer does not include the Executive Committee, as already mentioned before.

### **Information to the Board**

In compliance with art. 24 of the Articles of Association, the Managing Director reports directly to the Board of Directors and the Board of Statutory Auditors on the activities carried out in the exercise of its powers, as well as on the overall performance and the outlook, during single meetings or directly, in due time and at least on a quarterly basis.

Moreover, the Board is notified of the purchase and disposal transactions of corporate equity investments.

### **5.4. OTHER EXECUTIVE DIRECTORS**

In addition to the Managing Director, and in the light of the definition contained in the application criterion 2.C.1. of the Code, the Directors B. Binasco, B. Gavio, P. Pierantoni and A. Sacchi are also executive directors on the basis of the following corporate offices:

- B. Binasco: Chairman of HPVdA S.p.A. and Managing Director of Argo Finanziaria S.p.A.
- B. Gavio: Chairman of Argo Finanziaria S.p.A. and Managing Director of the parent company Aurelia S.p.A.
- P. Pierantoni: Managing Director and member of the E.C. of SALT S.p.A., as well as Managing Director and member of the E.C. of Autocamionale della Cisa S.p.A.
- A. Sacchi: Managing Director of Argo Finanziaria S.p.A. and Managing Director of the parent company ASTM S.p.A.

With regard to their roles and powers, the Chairman and the Managing Director ensure that - in order to allow the Directors to increase their knowledge of corporate facts and dynamics - the Directors and Auditors are provided - well in advance of the meeting (except for those cases of explicit confidentiality, necessity and urgency) - with any document and information necessary to allow them to express on the subjects under assessment.

The Directors and Auditors are constantly and duly informed of the main legal and regulatory developments concerning the Issuer and corporate bodies.

As already mentioned, during each meeting the Managing Director reports on the operations carried out in the exercise of his powers.

So that the greatest number of Directors can participate in the corporate activities pursuant to art. 19 of the Articles of Association, it is possible to take part in the meetings by attending at distance, using audiovisual connection systems that ensure promptness and efficiency of the flow of information.

### **5.5. INDEPENDENT DIRECTORS**

The independence statement was submitted upon presentation of the lists with regard to the requirements set out by the 2002 Code of Conduct in force at that time. Afterwards, it was confirmed

also on the basis of the principles provided for by the application criterion 3.C.1. both following compliance with the new Code and during the periodic assessment that was carried out by the Board in January 2008.

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In the framework of its specific powers and authorities, the Board of Statutory Auditors favourably examined and verified the correct application of the assessment criteria and procedures adopted by the Board to assess the independence of its members.

### **Independent Directors' Meeting**

Pursuant to the application criterion 3.C.6. of the Code, on 27 February 2008 the Independent Directors' Meeting was held, who - in the light of the corporate activities carried out during 2007 and of related results - confirmed the positive assessment made during the meeting of 29 January 2008, with regard to the composition and operations of the whole Management Body. In this context, they expressed their favourable opinion on the existing information flow that enable them to monitor corporate activities and the internal audit system of SIAS S.p.A. and its main subsidiaries.

More specifically, the Chairman and the Managing Director have always reported to the Board on the ordinary and extraordinary administration of the Issuer, by providing information on relevant events and reporting on both initiatives under assessment and on those carried out by the Managing Director in the exercise of his/her management powers.

This was possible also thanks to the activities carried out by the Internal Audit Committee and the Supervisory Body, which periodically report on the results of their activities, in the framework of their powers and authorities.

It was acknowledged that corporate operations are carried out on the basis of transparency criteria, according to which the Directors indicate those situations in which they have an interest and express, at the same time, the will to refrain from the discussion and from any related decision.

So to better comply with the above-mentioned transparency and efficiency criteria, the Independent Directors agreed on the importance that the Issuer - in view of each single meeting - provides any document and information well in advance so to acquire a better knowledge of the issues that shall be examined and approved.

### **5.6. LEAD INDEPENDENT DIRECTOR**

The current organisational structure of the Board, with regard to the distribution and allocation of management powers, complies with the principles contained in the new Code. For this reason, there is no need to appoint a lead independent director among independent directors.

## **6. HANDLING OF CORPORATE INFORMATION**

The Chairman and the Managing Director, in cooperation with the Administration Manager, are in

charge of the management of corporate information, with particular reference to price-sensitive information.

The external disclosure of documents and information on the Issuer and its subsidiaries is carried out - in agreement with the Chairman and the Managing Director - by the Board's and Corporate Secretariats with regard to communications to the relevant Authorities and the Shareholders and by the investor relations' supervisor for press releases and information to institutional investors.

With the implementation of the "organizational, management and control models pursuant to Legislative Decree no. 231/01", the Board has already adopted the procedure for the "handling of confidential information", whose disclosure is carried out by means of a network connection with Borsa Italiana S.p.A. (NIS - Network Information System) and whose access is protected by passwords which are only known to the Board's Secretariat.

With regard to the hypothesis of "insider trading", as from 1 April 2006 the Issuer and its relevant subsidiaries created a register of individuals who have access to inside information, in accordance with the terms and conditions set out by Consob regulation.

The said register is managed according to a specific IT procedure prepared for that purpose.

With regard to the Internal dealing procedure - with effect from the above-mentioned date - the internal audit supervisor is responsible for the receipt, management and diffusion on the market of those transactions - equal or higher than EUR 5,000 - carried out with regard to the Issuer's security and the related financial instruments by "significant parties", as identified by the current legal requirements.

In order to promptly comply with disclosure requirements, a document entitled "*Transactions carried out by significant parties and persons closely related to them*" was drawn up and given to significant parties. This document contains all legal and regulatory provisions that constitute the regulatory framework, as well as the terms and conditions for communications to Consob, Issuer and market.

During 2007, the Issuer transmitted via the NIS system three internal dealing notices made by the Managing Director E. Arona, the Director R. Lascialfare and by the Standing Auditor A. Cavaneghi respectively.

## **7. BOARD OF DIRECTORS' INTERNAL COMMITTEES**

As already mentioned before, the Board appointed an Internal Audit Committee and a Remuneration Committee, whose powers and authorities are set out in the Code.

## **8. APPOINTMENT COMMITTEE**

In line with the assessments made in the past - and with reference to the new Code - the Board does not deem it necessary to create an internal Appointment Committee, assuming that the appointment of Directors is carried out by means of list voting, in compliance with the terms and conditions set out in art. 16 of the Articles of Association, which are described in section 2, letter h) of this report.

## **9. REMUNERATION COMMITTEE**

As already mentioned before, the Remuneration Committee - in compliance with the provisions contained in the Code - is composed of the independent non-executive Directors G. Boschetti, F. Piantini and R. Lascialfare.

During 2007, the Committee held 1 meeting.

The Committee is convened - upon request of its members - by the Board's Secretariat, that also transcribes the minutes of each single meeting.

Pursuant to the application criterion 7.C.4 of the Code, the Directors do not attend the Committee's meetings during which proposals are made to the Board with regard to their remuneration.

### **Remuneration Committee functions**

In compliance with the application criterion 7.C.3. of the Code, the Committee has to i) submit proposals to the Board concerning the remuneration of Managing Directors and other directors holding specific offices, by monitoring compliance with the decisions taken by the board; ii) periodically assess the criteria adopted for the remuneration of key management personnel, by monitoring compliance on the basis of the information provided by the Managing Directors; iii) draw up general recommendations on the subject for the Board.

In order to carry out its activities, the Committee - that, to date, has decided not to make use of the advice of external consultants - has access to corporate information and functions, as considered necessary.

With reference to the above-mentioned aspects, during the meeting held in 2007 the Committee - having examined the problem concerning the revaluation of the annual gross consideration payable to the Managing Director and in the light of the increasing commitment required to carry out the tasks related to the office - proposed an adjustment that was approved by the Board in the absence of the person concerned and with the favourable opinion of the Board of Statutory Auditors.

The Remuneration Committee does not have a specific spending budget to fulfil its tasks.

## **10. DIRECTORS' REMUNERATION**

The Issuer does not provide for remuneration to executive directors linked to the economic results achieved and/or to the achievement of specific objectives, since its adoption is not envisaged by the current corporate policy.

No share-based incentive plans are envisaged for executive directors.

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With reference to the above-mentioned reasons, neither remuneration linked to the economic results achieved by the Issuer, nor share-based incentive plans are expected for non-executive directors.

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The Shareholders' Meeting approves the annual fee payable to the members of the Board; this fee is valid also for the financial years following the one for which it was approved, until a new decision is taken by the meeting.

The considerations for those persons holding corporate offices are established by the Board upon proposal of the Committee and having consulted the Board of Statutory Auditors, pursuant to art. 2389 of the Italian Civil Code.

The members of the Board of Directors are entitled to reimbursement of the costs incurred to carry out their duties.

The following table shows the fees received by Directors during the year:

Name	Fee for the office held	Benefits in kind	Bonuses and other incentives	Other fees	Total
BINASCO BRUNO	262,000			42,191 <sup>(1)</sup>	304,191
ARONA ENRICO	312,000			98,547 <sup>(2)</sup>	410,547
ANGIONI GIOVANNI	4,692				4,692
BOSCHETTI GIANFRANCO	11,750				11,750
BRAJA ALESSANDRO	13,250			56,000 <sup>(3)</sup>	69,250
CATTANEO ERNESTO MARIA	13,000				13,000
COLOMBO PAOLO ANDREA	10,750				10,750
GAVIO BENIAMINO	11,250				11,250
GAVIO DANIELA	11,500			88,330 <sup>(4)</sup>	99,830
LASCIALFARE RINALDO	12,000				12,000
MACCHIA VINCENZO	12,750				12,750
PIANTINI FERRUCCIO	11,250				11,250
PIERANTONI PAOLO	11,500			165,788 <sup>(5)</sup>	177,288
PITTATORE GIANFRANCO	5,154				5,154
SACCHI ALBERTO	12,000			28,443 <sup>(6)</sup>	40,443

- (1) Fees payable as director and member of the E.C. of Società Autostrada Ligure Toscana p.A., director and member of the E.C. of Autocamionale della Cisa S.p.A., director and member of the E.C. of Ativa S.p.A. and director of Infosistem S.p.A. for amounts of EUR 15 thousand, EUR 14 thousand, EUR 12 thousand and EUR 1 thousand respectively.
- (2) Fees payable as Vice-Chairman, Managing Director and member of the E.C. of Società Autostrada Ligure Toscana p.A., director of Autostrada dei Fiori S.p.A. and SATAP S.p.A. for amounts of EUR 85 thousand, EUR 6 thousand and EUR 7 thousand respectively.
- (3) Fees payable as Chairman of Sicogen s.r.l.
- (4) Fees payable as director and member of the E.C. of Società Autostrada Ligure Toscana p.A., Chairman of SSAT S.p.A., director of Autostrada dei Fiori S.p.A., director of Sinelec S.p.A., Vice-Chairman of Infosistem S.p.A. and SATAP S.p.A. for amounts of EUR 13 thousand, EUR 28 thousand, EUR 6 thousand, EUR 3 thousand, EUR 5 thousand and EUR 33 thousand respectively.
- (5) Fees payable as Managing Director and member of the E.C. of Società Autostrada Ligure Toscana p.A. and as managing director and member of the E.C. of Autocamionale della Cisa S.p.A., for amounts of EUR 78 thousand and EUR 88 thousand respectively.
- (6) Fees payable as director and member of the E.C. of Società Autostrada Ligure Toscana p.A., director of Autostrada dei Fiori S.p.A. and Autocamionale della Cisa S.p.A. for amounts of EUR 14 thousand, EUR 6 thousand and EUR 8 thousand respectively.

## 11. INTERNAL AUDIT COMMITTEE

The Internal Audit Committee - in line with the provisions contained in the Code - is composed of the independent non-executive Directors A. Braja, E. M. Cattaneo, V. Macchia, two of which have deep knowledge of accounting and financial issues.

During 2007, the Committee held 4 meetings that were attended by the Chairman of the Board of Statutory Auditors and during which the "internal audit supervisor" reported on his work.

The Committee is convened - upon request of its members - by the Board of Directors' Secretariat, that

also transcribes the minutes of each single meeting.

### **Tasks assigned to the Internal Audit Committee**

As set out in the Code, the Committee does not only support the Board in carrying out its tasks concerning internal audit matters, but it also supervises the following functions, for which it has access to all necessary corporate information and functions:

- a) together with the manager in charge of drawing up the corporate accounting documents and the auditors, it assesses the correct use of accounting policies and, in case of groups, their uniformity with regard to the preparation of the consolidated financial statements;
- b) on request of the appointed executive director, if any, it expresses opinions on specific aspects concerning the identification of the main corporate risks, as well as the planning, realisation and management of the internal audit committee;
- c) it assesses the action plan prepared by the internal audit supervisors, as well as the periodic reports drawn up by them;
- d) it assesses the proposals made by the Independent Auditors for the audit assignment, as well as the audit plan and the results contained in the report and management letter, if any;
- e) it supervises the effectiveness of the audit process;
- f) it carries out the other tasks assigned by the board of directors;
- g) it reports to the board on its activity and the adequacy of the internal audit system at least on a half-yearly basis, at the time of approval of the financial statements and the half-yearly report.

More specifically, during 2007 the Committee supported the Board in carrying out its activities aimed at assessing, at regular intervals, the adequacy and the functioning of the internal audit system of SIAS and its subsidiaries, by adequately identifying, assessing and managing the main corporate risks.

In particular, on the basis of the action plan prepared and subscribed by the Board, the Committee carried out its activities by making use, among other things, of the reports which are periodically drawn up by SIAS and its subsidiaries.

These reports - which contain data and information on corporate areas and on the most representative business segments - allow to identify the main significant events of the period under review, the activity carried out by the Independent Auditors and the Board of Statutory Auditors, as well as to identify, monitor and manage corporate risks, with particular reference to financial ones.

This working method - according to which the Committee can access all necessary corporate information and functions - together with the activities carried out by the internal audit supervisor and the results of the assessments made by the Independent Auditors which are recorded in an appropriate register, enables the Committee - through its own assessments and data acquisitions - to monitor the effectiveness of corporate transactions, the reliability of financial information, the compliance with law and regulations, as well as the safeguard of corporate assets.

Moreover, during the meeting held on 29 January 2008, the Committee gave its favourable opinion on the decisions taken by the Board - in compliance with the application criteria 8.C.1., letter b) and 9.C.1 - with regard to the task given to the Managing Director to supervise the functionality of the internal

audit system, as well as to identify any transaction with related parties, and any related approval arrangements, carried out by the Issuer, also through its subsidiaries.

The Committee reports to the Board on the activities carried out and on the adequacy of the internal audit system, at least on a quarterly basis.

To this date, the Committee has decided not to make use of the advice of external consultants to carry out its activities and does not have a specific spending budget.

## **12. INTERNAL AUDIT SYSTEM**

The Board is responsible for the internal audit system; as already mentioned before, thanks to the support given by the internal audit Committee, it determines its policies and regularly assesses its suitability and effectiveness, ensuring that the main corporate risks are identified and managed in a suitable manner.

Taking into account its character of industrial holding, the Company currently has an adequate organisational structure, since it carries out its activities through its subsidiaries, which enjoy full management autonomy. This structure - which is composed of a limited number of persons with operational functions in the administration and general Secretary areas - reports directly to the Managing Director.

In order to better comply with the principles of proper and efficient management, the internal audit supervisor function was set up in December 2002. The supervisor is not subordinate to any of the heads of the operating divisions and reports directly to the Board of Directors, the Internal Audit Committee and the Auditors.

Moreover, reference is also made to the implementation of the “Project 231” and to internal audit activities; for detailed information, see the following chapters.

With reference to the above-mentioned aspects, the Board believes that the internal audit system of both the company and the Group is structured and organised so to ensure effectiveness and efficiency of corporate transactions, reliability of financial information, compliance with current law and safeguard of corporate assets.

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### **12.1. EXECUTIVE DIRECTOR RESPONSIBLE FOR THE INTERNAL AUDIT SYSTEM**

The Board identified the Managing Director as the “executive director” in charge of supervising the functionality of the internal audit system. In execution of the guidelines provided for by the Board, the executive director constantly identifies and recognises corporate risks, especially with regard to the operating and organisational conditions of both the Issuer and the Group.

### **12.2. INTERNAL AUDIT SUPERVISOR**

In December 2002, the Issuer set up the internal audit supervisor function.

As from November 2006, Mr. Roberto Sanino was appointed to this function by the Board. Mr. Sanino works for Group Companies, has extensive knowledge of the administrative and management sectors and, in line with the independence principles set out in application criterion 8.C.6., letter b) of the

Code, he is not subordinate to any of the heads of the operating divisions, including the administration and finance departments.

While carrying out his duties, the supervisor has direct access to information which are deemed necessary and can make use of the reports that are drawn up by the Group's companies, on the basis of the action plan that was implemented by the internal audit Committee.

As already mentioned before, the supervisor reports directly to the Board of Directors, the Internal Audit Committee and the Auditors.

Finally, he is not equipped with financial resources.

### **Internal Audit function**

With regard to the internal audit function, during 2007 the Issuer and the main companies of the Group carried out an analysis of corporate risks, as in previous years. This analysis led to the updating of the procedures aimed at preventing identified risks, as well as to the preparation of an assessment plan to verify the correct implementation of the said procedures. In this context, also the analyses of control models and related procedures - which were prepared in compliance with the regulatory obligations set out in Legislative Decree no. 231 of 8 June 2001 (administrative responsibility of legal entities) and in Law no. 262 of 28 December 2005 - were carried out.

At the end of the analysis phase, the sectors and related procedures were identified and divided according to each type of corporate activity and will be tested during 2008.

Taking into consideration the extent and the concurrence of the controls that should be carried out for the above-mentioned procedures and for efficiency reasons, the Group decided to make use of the advice provided by Protiviti s.r.l. (a consulting firm that, among other things, supported the Group's Companies in the creation of the internal audit system and its related procedures).

The assessment of the above-mentioned procedures will be carried out during 2008, on the basis of a plan prepared by each single Company of the Group, according to which tests shall concentrate in the periods during which the financial statements and the half-yearly report are drawn up. The support provided by Protiviti s.r.l. during 2008 is estimated at approximately 350 man/days, in addition to the commitment of employees of each Group company.

With regard to the current structure of the Group, as well as the activities carried out by its main companies (which mainly operates within a regulated sector), the Issuer believes that the solution adopted can be considered adequate for the internal audit function to achieve its objectives.

### **12.3. ORGANISATIONAL MODEL PURSUANT TO Legislative Decree 231/2001**

With regard to the "Administrative responsibility of Companies", the "Project 231" - which was carried out during 2004 - aimed at analysing and adapting the organisational, management and control instruments of the Company and its significant subsidiaries to the requirements set out in Legislative Decree no. 231/2001.

With regard to the above-mentioned aspects, both SIAS and its main subsidiaries approved - following specific resolutions - the "organisational, management and control models pursuant to Legislative Decree 231/01" and the related "Code of Ethics and Code of conduct". Moreover, a disciplinary

system was created to punish failure to comply with the provisions and principles contained in the said documents.

The models adopted comply with the principles set out in the “Confindustria Guidelines” - which are considered by the Ministry of Justice “as being adequate to achieve the purpose set out in art. 6, paragraph 3 of Legislative Decree 231/01” - and were considered compatible, by the related management bodies, with the achievement of the objectives set out in the regulations on the subject.

The Issuer and the Group companies interested in this issue appointed a Supervisory Body, that shall supervise the functioning, effectiveness and observance of the models, as well as update them. The Supervisory Bodies are composed of three members (one of whom is the Chairman) who, according to independent judgement principles, report directly to the Board of Directors. The Issuer’s Body is currently composed of Alessandro Braja (Director), Alfredo Cavaneghi (Standing Auditor) and Roberto Sanino (Group Companies’ employee and internal audit supervisor).

Each Body sets the rules for its own operations and prepares proper regulations.

The members of the Body remain in office for a period similar to the one set out for the Management Body by the Shareholders’ Meeting.

In carrying out their duties, the Supervisory Bodies work with a major consulting firm that supports them in the periodic assessment procedures established by them.

In 2007, the Issuer’s Supervisory Body held 2 meetings during which - on the basis of its own action plan - monitored and assessed corporate procedures, with particular reference to the most representative ones. Following the assessment, no observation or comments were made with regard to failure or error in their application.

#### **12.4. INDEPENDENT AUDITORS**

PricewaterhouseCoopers S.p.A. - with registered office in Milan, Via Monte Rosa 91, enrolled in the Independent Auditors’ Register pursuant to art. 165 of the Consolidated Law on Finance - carried out audit activities for the Issuer pursuant to art. 155 and following of the Consolidated Law on Finance, as mandated by the Shareholders’ Meeting on 6 May 2005 for the financial years 2005-2006-2007.

#### **12.5. MANAGER IN CHARGE OF DRAWING UP THE CORPORATE ACCOUNTING DOCUMENTS**

In September 2007, the Board - pursuant to the provisions set out in art. 21, paragraph 6 of the Articles of Association, as amended by the Extraordinary Shareholders’ Meeting on 27 June 2007 and having consulted the Board of Statutory Auditors - appointed Mr. Sergio Prati as “manager in charge of drawing up the corporate accounting documents”. Mr. Prati is Administration Manager of the Issuer and has extensive professional experience in administrative and financial matters; moreover, he complies with the requirements of integrity required for the position of director.

The manager has the power to obtain from the heads of each corporate department any information relevant to carry out his duties, as well as the power to i) structure and organise - within his own activities - the human resources available; ii) talk to the board of directors and statutory auditors, including the participation *ad audiendum* in the Board’s meetings held for the examination and

approval of accounting documents; iii) talk to the Internal Audit Committee and the Supervisory Body; iv) take part in the planning of information systems that have an impact on the economic and financial situation.

The manager - who was appointed for a period similar to that approved for the Management Body by the Shareholders' Meeting - can dispose of funds which can be integrated by the Chairman and/or the Managing Director upon his request, with subsequent ratification by the Board of Directors.

### **13. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES**

In May 2006 - in order to ensure more flexibility in the management of corporate activities - the Board granted to the Managing Director the power to carry out transactions with related parties that fell into the normal corporate management and were made at market conditions, up to a maximum amount of EUR 200,000, with an expected limit of EUR 1,000,000 for those carried out with companies whose financial statements were entirely included in the consolidated financial statements of the SIAS Group.

Afterwards - in compliance with the application criterion 9.C.1. of the Code - the Board formalised a new procedure through which it was possible to identify transactions with related parties - carried out by the Issuer also through the subsidiaries - that shall be examined by the Board with regard to their nature or value.

"Transactions with related parties" are those carried out with subjects identified according to the definition provided by the accounting standard on "*Related Party Disclosures*" (IAS 24), contained in art. 9 of the EC Regulation no. 2238/2004.

With regard to the decisions taken, the Board is the sole responsible for transactions that - regardless of their value - show atypical or unusual characteristics or that are carried out at non-standardised conditions; "typical" or "usual" transactions are those that, due to their purpose or nature, fall within the normal course of the Company's business and/or do not contain particularly critical elements in relation to the nature of the counterpart, while "standardised" transactions are those concluded under equal conditions with any other party.

In addition to the above-mentioned transactions, the following are also recorded:

- 1) the granting of guarantees, for amounts higher than EUR 2 million;
- 2) transactions dealing with the provision of works and services, collaboration agreements for the exercise and development of corporate activities, for amounts higher than EUR 1 million;
- 3) acquisition or disposal of real estate, equity investments (in one or more tranches), companies or business units, fixed assets and other assets, whose transaction value is equal or higher than EUR 1 million.

Transactions with related parties (represented by Companies whose financial statements are fully consolidated within those of the SIAS Group) that - although they fall into the above-mentioned category with regard to purpose or value - do not require prior examination by the Board, show the following additional characteristics:

- are carried out at market conditions and supported by specific assessment and/or opinions of independent experts;
- are “typical” or “usual” or carried out at “standardised” conditions.

Those transactions that, as a result of the above-mentioned aspects, shall be examined in advance by the Board, must be approved - subject to the opinion of the Internal Audit Committee and/or with the support of independent experts - upon proposal of the Chairman or the Managing Director.

As regards transactions with related parties that, based on the procedure adopted, shall not be approved in advance, the Managing Director has to report directly to the Board in a concise, yet exhaustive way and at least on a quarterly basis.

For a correct implementation of the procedure within the SIAS Group, the Issuer’s Board immediately notified its subsidiaries of any relevant information and operating instruction. To this date, no transactions were carried out such to require prior assessment by the Management Body.

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Any Director who has an interest - potential or indirect - in corporate transactions shall promptly and fully inform the Board, showing willingness to withdraw from the meeting or refrain from any discussion and related resolution, in case such interest is considered “relevant” by the other Directors. However, the Board has the power to take the most appropriate decisions in case transactions are carried out at normal market conditions - on the basis of independent experts’ appraisals - or if the withdrawal from the meeting of the above-mentioned Directors upon resolution gives reason to believe that the necessary constituent quorum may not be reached.

This procedure was applied with regard to the corporate reorganisation project of the ASTM and SIAS Groups; during the meeting held to assess and approve the project, the Directors E. Arona, D. Gavio, E. M. Cattaneo and A. Sacchi informed the Board of their interest resulting from the positions held within ASTM.

On that occasion, taking into account the reasons, objectives and operating procedures of the project - that was carried out at normal market conditions (and supported by independent experts’ appraisals) - the other Directors gave their consent so that the said Directors could take part in the decisions for the approval of the project.

Also the Management Bodies of the Group Companies which were involved in the corporate reorganisation took similar decisions in relation to the statements of interest made by some members.

#### **14. AUDITORS’ APPOINTMENT**

Pursuant to art. 26 of the Articles of Association, the Board of Statutory Auditors is composed of three Standing Auditors - two of whom were appointed by the majority of the Meeting and one by the minority - and of two Substitute Auditors appointed by the Meeting.

In order to appoint a Standing and a Substitute Auditor from the minority group - pursuant to art. 27 of the Articles of Association, as amended by the Extraordinary Shareholders’ Meeting on 27 June 2007 - the Board of Statutory Auditors is appointed on the basis of the lists submitted by the Shareholders

who, alone or together with others, hold shares representing the shareholding in the share capital, as set out by law. The legal title to the above-mentioned stake shall be proved within the time limits set out by law.

Each shareholder - as well as those belonging to the same group and those who adhere to a shareholders' agreement concerning Company's shares - cannot submit or vote more than one list, neither through a trust company nor a third party. Each candidate may be included in one list only or is declared ineligible.

Those lists in which candidates are listed by name and marked by a sequence number are composed of two sections: one for the candidates for the office of Standing Auditor and the other for the office of Substitute Auditor.

Lists shall be filed with the registered office of the company at least fifteen days prior to the date of the meeting in first call. Disclosure of that fact is made in the notice of call.

In implementation of the application criterion 10.C.1. of the Code, lists are also published on the website.

The declarations by which candidates irrevocably accept their candidacy and represents that there are no reasons for their ineligibility and incompatibility, together with any document required by law, must be deposited with the lists within the above-mentioned term; they also confirm they comply with legislative and statutory requirements.

Those candidates who do not comply with the requirements of integrity and professionalism established by law may not be included in the lists.

At least one Standing Auditor and one Substitute Auditor are chosen among those enrolled in the auditors' register and shall have exercised legal audit activities for not less than three years.

Those Auditors who do not comply with the said requirement are chosen among those who have three year's experience in:

- a) administration and control activities and executive duties for corporations with a share capital no lower than EUR 2 million; and
- b) professional or tenured university teaching activities in legal, economic, financial and technical-scientific subjects, with regard to the industrial, commercial, banking, transport services, logistics, technology and IT sectors; and
- c) management functions at public institutions or administrations operating in the credit, financial, insurance, industrial, commercial, transport services, logistics, technology and IT sectors.

The list that does not comply with the above-mentioned provisions shall be considered as "not submitted".

The procedure for the appointment of the Auditors is described below:

1. two standing auditors and one substitute auditor are chosen from the list that obtained the highest number of votes at the meeting, according to the order in which they are listed in the sections;
2. the other standing auditor and substitute auditor are chosen from the second list that obtained the highest number of votes at the meeting, according to the order in which they are listed in the sections;

In the event of a tie between two or more lists, the eldest Auditors shall be elected until the maximum number of places available is achieved.

The Board of Statutory Auditors shall be chaired by the candidate proposed by the second list (as representative of “minorities”), who obtained the highest number of votes at the meeting; in the event of a tie between two or more lists, the provisions contained in the previous paragraph shall apply.

In case of replacement of an Auditor, the substitute belonging to the same list shall be appointed.

If the appointment cannot be made according to the system detailed above, the Meeting shall resolve according to the simple majority principle.

The Auditor falls from office if he/she does not comply with legislative and statutory requirements.

In case of integration of the Board of Statutory Auditors following termination of office of one of its members for any reason, the Meeting shall resolve according to the simple majority principle and ensure representation on the Board to the minority.

## **15. AUDITORS**

The Board of Statutory Auditors was appointed by the Shareholders' Meeting on 6 May 2005 for the financial years 2005-2006-2007, with Lionello Jona Celesia (Chairman), Alfredo Cavanenghi and Ernesto Ramojno as Standing Auditors and Pietro Mandirola and Paolo della Valle as Substitute Auditors.

For this reason, the Ordinary Shareholders' Meeting - that will be convened to resolve upon the 2007 financial statements - shall appoint the Board of Statutory Auditors.

As already mentioned before - and similarly to the provisions set out for the Board's renewal - the shareholding in the share capital that is necessary to submit the lists was fixed in the amount of 2% by Consob Resolution no. 16319 of 29 January 2008.

The Auditors Lionello Jona Celesia, Alfredo Cavanenghi and Pietro Mandirola were appointed, as representatives of the majority, in the list submitted by the Shareholders Aurelia S.p.A., Argo Finanziaria S.p.A. and Satap S.p.A., while the Auditors Ernesto Ramojno and Paolo Della Valle were appointed, as representatives of minorities, in the list submitted by the Shareholder Fondazione Cassa di Risparmio di Alessandria.

All members of the Board confirmed compliance with independence requirements, as set out in criterion 3.C.1. of the Code.

Some short bibliographical notes on the members of the Board of Statutory Auditors are detailed below:

**Lionello Jona Celesia:** (born in Turin on 14/06/1936) - He obtained a degree in Economics and Business at the University of Turin. He is a chartered accountant and was Lecturer of Public Accounts and Associate Professor of Tax Law at the University of Turin. He has extensive knowledge of tax and accounting matters.

**Alfredo Cavanenghi:** (born in Genoa on 13/03/1935) - He obtained a degree in Law at the University of Genoa. He carries out forensic activities - he is also lawyer for the Supreme Court - and has extensive knowledge of company and insolvency matters.

**Ernesto Ramojno:** (born in Turin on 05/07/1949) - He obtained a degree in Economics and Business at the University of Turin. He is a chartered accountant and holds the position of member of the Board of Statutory Auditors and Special Ministerial Commissioner for numerous Companies; thanks to these activities, he has extensive knowledge of corporate management matters, with particular reference to the corporate, tax and banking sectors.

**Pietro Mandirola:** (born in Tortona on 26/02/1939) - He obtained a degree in Economics and Business at the University Cattolica del Sacro Cuore of Milan. Since 1971, he is a chartered accountant and auditor and holds the position of member of the Board of Statutory Auditors for some Companies (one of which is listed).

**Paolo Della Valle:**(born in Aosta on 30/01/1969) - He obtained a degree in Economics and Business at the University Cattolica del Sacro Cuore of Milan. He is a chartered accountant and holds the position of Director and member of the Board of Statutory Auditors for some Companies of the Valle d' Aosta region.

On the basis of the records made, the positions held by the members of the Board of Statutory Auditors in other listed Companies are detailed below:

- Lionello Jona Celesia: Chairman of the Board of Statutory Auditors of Retelit S.p.A., Standing Auditor of IFI S.p.A. and Autostrada Torino-Milano S.p.A., Substitute Auditor of Ifil Investments S.p.A. and Director of Conafi Prestito S.p.A.;
- Alfredo Cavanenghi: Chairman of the Board of Statutory Auditors of Società Autostrada Torino-Milano S.p.A. and Director of Società Impregilo S.p.A.;
- Pietro Mandirola: Standing Auditor of Alerion Industries S.p.A..

Having said that, the following table summarises the data related to the current Board's members:

Name	Office held	In office since	List	Independent - Code	% of attendance at the B. Stat. Aud.	Other offices <sup>(1)</sup>
Jona Celesia Lionello	Chairman	06/05/05	M	x	100	5
Cavanenghi Alfredo	Standing Auditor	06/05/05	M	x	100	2
Ramojno Ernesto	Standing Auditor	06/05/05	m	x	100	=
Mandirola Pietro	Substitute Auditor	06/05/05	M	x		1
Della Valle Paolo	Substitute Auditor	06/05/05	m	x		=

<sup>(1)</sup> Pursuant to the Consob Resolution no. 15915, the annual disclosure obligation of the Auditors - as detailed in the legend under item "Other offices" - shall apply with regard to the reports on supervisory activity issued for the meetings that shall approve the annual financial statements for the periods ended as from 30 June 2008. As a consequence - for reasons of compliance with the above-mentioned regulatory provision - the data shows, as for previous years, the offices held in other listed companies.

**LEGEND**

**M/m:** indicates if the auditor has been appointed by the list voted by the majority or by a minority (art. 144-decies of the Consob Regulation on Issuers)

**Other offices:** the total number of offices held at companies pursuant to Book V, Title V, Chapters V, VI and VII of the Italian Civil Code shall be indicated, as resulting from the list attached - in compliance with art. 144-quinquiesdecies of the Consob Regulation on Issuers - to the report on supervisory activity prepared by the auditors pursuant to art. 153, paragraph 1 of the Consolidated Law on Finance.

During 2007, the Board of Statutory Auditors held 7 meetings which were attended by all members, who all took part also in the Board of Directors' meetings.

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The members of the Board of Statutory Auditors confirmed compliance with independence requirements, as set out in criterion 3.C.1. of the Code, both upon adoption of the Code and in conjunction with the annual assessment made in January 2008 by the Board with regard to its own members.

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The Issuer did not formalise a specific procedure in case an Auditor - on his own behalf or on behalf of third parties - has an interest in a specific transaction.

As set out in the application criterion 10.C.5., the Board of Statutory Auditors supervised the independence of the Independent Auditors, by assessing the nature and entity of the services, other than the audit, provided to the Issuer and its subsidiaries. The results of these controls were published in the annual report to the Shareholders' Meeting on 4 May 2007, pursuant to art. 153 of the Consolidated Law on Finance.

Within its functions, the Board acquires information also through constant and frequent meetings with the Independent Auditors' representatives and with the internal audit supervisor.

In accordance with the application criterion 8.C.4. of the Code, the Chairman of the Board of Statutory Auditors takes part in the activities of the Internal Audit Committee.

## **16. RELATIONSHIPS WITH SHAREHOLDERS**

In order to make the access to information quicker and easier, the Issuer pays particular attention to the creation and updating of its website ([www.grupposias.it](http://www.grupposias.it)), with particular reference to "financial information" and "corporate governance". Moreover, the website contains a descriptive profile of the Group and its investee companies, as well as the financial statements, the half-yearly report, the quarterly reports of the Issuer, the Articles of Association, the Regulations for Shareholders' Meetings, press releases (including the English version) and the reports on the issues discussed at the Shareholders' Meetings, including notice of call and related minutes.

As required by law - and upon the next renewal of Corporate Bodies - the lists of candidates, together with personal and professional details, shall be made available on the website.

Detailed and timely information to the market is also provided through daily, periodical and financial press.

In any case, the Chairman and the Managing Director - in compliance with the procedure concerning the disclosure of documents and information on the Issuer - take any necessary action so to create and promote dialogue with the Shareholders and Institutional Investors, based on the comprehension of reciprocal roles and functions.

So to make sure that these relationships are professionally handled and managed, an investor relations'

supervisor was appointed, who - also taking into account the principles contained in the “*Guidelines for disclosure of information to the market*” - carries out intense and constant information activities with regard to the results, as well as the growth and development prospects of SIAS and the Group, by means of both personal meetings and institutional meetings with investors and analysts, both in Italy and abroad.

The investor relations’ supervisor, Mr. Graziano Settime, may be contacted on the following numbers: (tel: +39 (0)11-4392102 – Fax: +39 (0)11-4731691).

With regard to their roles, the Chairman, the Managing Director and the investor relations’ supervisor avail themselves of the Board’s and Corporate Secretariats, especially as regards communications to the relevant Authorities and Shareholders.

## **17. SHAREHOLDERS' MEETINGS**

Pursuant to art. 10 of the Articles of Association, the Shareholders who have specific certifications issued by authorised intermediaries two days prior to the meeting are entitled to attend it.

The current provisions contained in the Articles of Association do not envisage that shares are unavailable until the meeting is held.

Each Shareholder can appoint in writing a proxy to attend the meeting, in compliance with the law.

The Meeting’s Chairman shall ascertain the right of intervention, as well as the validity of proxies.

As of today, the Issuer does not provide for the possibility of taking part in the Meetings by means of audiovisual connection systems, electronic vote or voting by correspondence.

### **Regulations for Shareholders’ Meetings**

In June 2002, the Issuer adopted the Regulations for Shareholders’ Meetings - in line with the model issued by ABI and Assonime - to enable the orderly and proper functioning of meetings, without prejudice to the right of each shareholder to express his opinion on the matters under discussion.

More specifically, the said Regulations govern the operating methods for the Meeting’s activities and the exercise of participants’ rights. In this regard, the Chairman opens the discussion and calls those members who requested to speak according to a priority order; if necessary, the Chairman may decide that speeches shall be booked in writing, with indication of the subject.

After having provided any personal detail and the number of votes represented - each person who can take part in the meeting has the right to report on each of the issues on the agenda, make observations as well as proposals.

Taking into account the subject and relevance of each single issue - as well as the number of persons who want to speak - the Chairman may predetermine the duration of speeches and answers by notifying the participants, so to make sure that works are completed within one single meeting.

Pursuant to art. 9 of the Articles of Association, the rules governing the meetings’ operational methods are approved and amended by the ordinary shareholders’ meeting.

For further information on the rules governing the Issuer's meetings, reference should be made to Regulations' provisions published on the website: [www.grupposias.it](http://www.grupposias.it) (under section "corporate governance").

#### **Information to the Shareholders**

At the meetings, the Board provides the Shareholders with information on the Issuer, in compliance with the regulations on insider trading information.

During the meetings, the Chairman ensures that the Shareholders are provided with all information necessary or useful for the adoption of resolutions.

More specifically - on the basis of the documents, concerning the points on the agenda, that are given to all participants - he explains the main features of any transaction and resolution that shall be examined and approved by the Shareholders; together with the Managing Director, the Chairman is available to talk and discuss on the requests made by the participants.

#### **Changes in shareholding structure**

During 2007, the Issuer - in execution of the corporate reorganisation project of the ASTM and SIAS Groups - increased the share capital from EUR 63,750,000 to EUR 113,750,000, by means of an issue of 100,000,000 ordinary shares assigned to ASTM with regard to the allocation of the equity investments held by it in SATAP and ROAD LINK HOLDING LIMITED. This increase led to the takeover of SIAS by ASTM S.p.A. (which currently holds 61.7% of the share capital), as well as to an increase in the market capitalisation, equal to the number of shares resulting from the said allocation.

As regards the change in market capitalisation of shares and in the shareholding structure, the Directors did not propose to the Meeting any amendment to the Articles of Association concerning percentages for the exercise of rights for the safeguard of minorities.

#### **18. CHANGES OCCURED AFTER YEAR END**

After the end of FY 2007, no changes occurred in the Issuer's governance structure.