



SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2008

**SOCIETA' 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
Direction and coordination: Argo Finanziaria S.p.A.

MEMBERS OF THE BOARD OF DIRECTORS

Chairman
Bruno Binasco

Managing Directors
Enrico Arona
Paolo Pierantoni

Directors
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Giulio Antonello (1)
Gianfranco Boschetti (1)
Alessandro Braja (2)
Ernesto Maria Cattaneo (2)
Sergio Corbello
Beniamino Gavio
Daniela Gavio
Vincenzo Macchia (2)
Ferruccio Piantini (1)
Alberto Sacchi

Secretary
Cristina Volpe

(1) Members of the "Remuneration Committee"
(2) Members of the "Internal Audit Committee"

BOARD OF STATUTORY AUDITORS

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Standing Auditors
Giorgio Cavalitto
Alfredo Cavanenghi

Substitute Auditors
Pietro Mandirola
Nazareno Tiburzi

INDEPENDENT AUDITORS

Deloitte & Touche 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 12 May 2008 and their term of office will expire with the approval by the Shareholders' Meeting of the 2010 Financial Statements.

The Independent Auditors were appointed by the above-mentioned Shareholders' Meeting and are in office for nine financial years. Their term of office will expire with the approval by the Shareholders' Meeting of the 2016 Financial Statements.

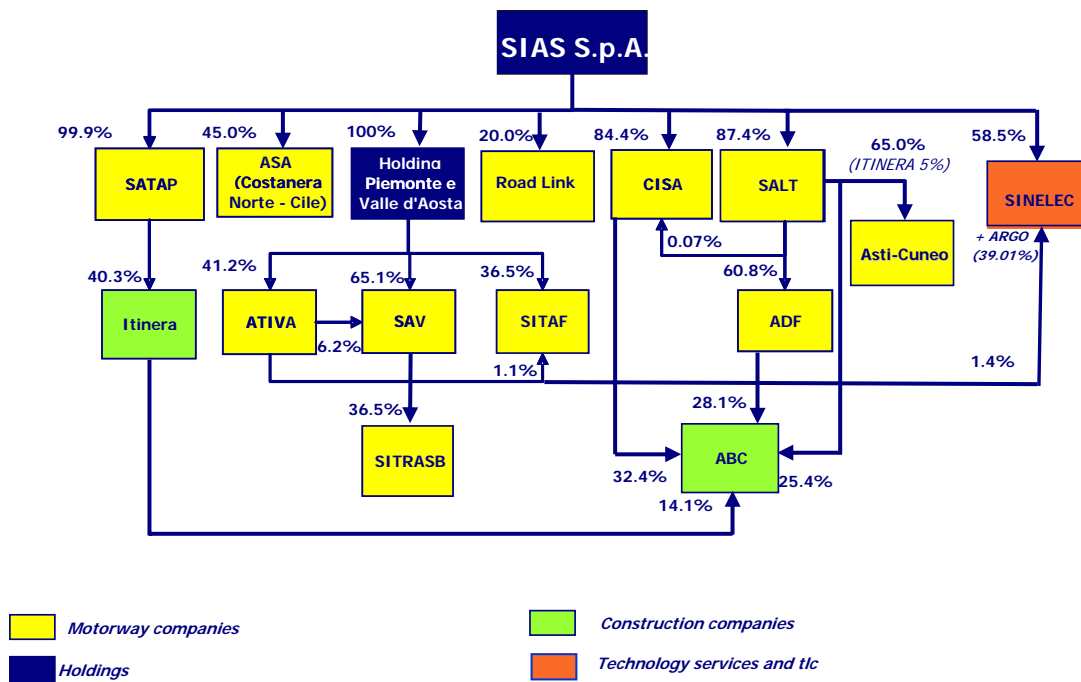
POWERS OF COMPANY OFFICERS

The Chairman – who was appointed on 12 May 2008 – legally represents the Company, pursuant to art. 24 of the Articles of Association. On 15 May 2008, the Board of Directors appointed two Managing Directors, who were assigned all powers for the management of the Company, except for those which the law expressly reserves to the Board of Directors.

GROUP STRUCTURE AND BUSINESS SEGMENTS

The SIAS Group operates through its investee companies in the sectors of licensed motorway operation, technology and construction.

The current structure of the Group – only with regard to the main investee companies – is detailed below⁽¹⁾:



(1) The entire list of investee companies is included in the “Notes – Scope of consolidation” in the consolidated financial statements.

Management Report

MANAGEMENT REPORT

Shareholders,

the 2008 *Financial Statements of SIAS S.p.A.*, which we hereby present for your approval, showed a *profit of EUR 77.3 million*; as illustrated below, this result was mainly due to the dividends collected from subsidiaries and includes write-downs related to the equity investments held, for a total amount of EUR 12.4 million.

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 76.9 million*, despite (i) the non-adjustment in toll rates and the time needed for toll increases to be conventionally approved (with regard to the financial year under review, this implies lower “toll revenues” for an estimated amount of more than EUR 50 million); ii) the write-downs attributable to the investment portfolio, which implied adjustments (including adjustments related to the equity investments accounted for by the equity method and to the impairment loss related to goodwill) for a total amount of EUR 37.5 million, also taking into account the performance of the stock exchange market; and iii) an economic situation that is progressively deteriorating.

More specifically, the results achieved in 2008 are affected by two main factors: on the one hand, the worsening of the international financial crisis, which is the prelude to a period of deep economic recession; on the other, the continuing criticality linked to the implementation of the motorway sector’s agreements. However, Group revenues were substantially stable, since motorway traffic slightly decreased only in the fourth quarter of the financial year under review. Moreover, the said tariff-related effects caused a decrease in both margins and profit for the year.

ECONOMIC AND FINANCIAL RESULTS

Group economic performance

The main 2008 **revenue and expenditure items** (with the corresponding “pro-forma”⁽¹⁾ figures of FY 2007) may be summarised as follows:

| <i>(values in thousands of EUR)</i> | 2008 | 2007 pro forma | Changes |
|---|-----------------|---------------------------|------------------|
| Motorway sector revenue | 713,785 | 713,622 | 163 |
| Construction and engineering sector revenue | 3,943 | 10,519 | (6,576) |
| Technology sector revenue | 16,260 | 27,310 | (11,050) |
| Other revenues | 56,986 | 60,444 | (3,458) |
| Operating costs | (405,487) | (416,981) | 11,494 |
| Capitalised costs on fixed assets | 45,567 | 82,395 | (36,828) |
| Gross operating margin | 431,054 | 477,309 | (46,255) |
| Significant “non-recurring” items | 8,875 | 3,426 | 5,449 |
| Adjusted gross operating margin | 439,929 | 480,735 | (40,806) |
| Net amortisation/depreciation and provisions | (177,709) | (162,601) | (15,108) |
| Write-down of goodwill | (6,633) | (3,602) | (3,031) |
| Operating income | 255,587 | 314,532 | (58,945) |
| Financial income | 22,960 | 46,349 | (23,389) |
| Financial charges/write-downs of equity investments | (133,305) | (99,668) | (33,637) |
| Capitalised financial charges | 37,303 | 32,468 | 4,835 |
| Profit (loss) of companies accounted for by the equity method | (15,704) | 8,297 | (24,001) |
| Net financial income | (88,746) | (12,554) | (76,192) |
| Profit before tax | 166,841 | 301,978 | (135,137) |
| Income taxes (current and deferred) | (73,559) | (104,180) | 30,621 |
| Profit (loss) for the period | 93,282 | 197,798 | (104,516) |
| ▪ Minority interests’ share | 16,365 | 28,111 | (11,746) |
| ▪ Group’s share | 76,917 | 169,687 | (92,770) |

With regard to the item “*motorway sector revenue*”, “net toll revenues” (equal to EUR 674.7 million) were in line with the previous year, due to the tolls applied to the Asti-Cuneo motorway section as from 1 April 2008 (EUR 4.7 million) and to a similar decrease linked to the reduction in traffic volumes in the fourth quarter of 2008 (this reduction was equal to 1.2% on an annual basis).

The “*construction and engineering*” sector saw a decrease in both the work carried out for third parties and in the activities for Group companies, as highlighted by the decrease in the item “*capitalised costs on fixed assets*”: the latest change was mainly connected with the delays in the approval/updating process for agreements and relevant investment plans.

The decrease in business in the “*technology*” sector can be mainly attributed to the fact that 2007 figures benefited from the recording of revenues deriving from the completion, by SSAT S.p.A. (now SINELEC S.p.A.), of a significant work order on behalf of the CAV.TO.MI. Consortium (amounting to EUR 8.5 million).

⁽¹⁾ Readers will already be aware that the corporate reorganisation of the SIAS and ASTM Groups – completed in July 2007 – led to the takeover, by the SIAS Group, of the motorway companies SATAP S.p.A., SAV S.p.A., ATIVA S.p.A. and their subsidiaries, from the second half of the 2007 financial year. In order to provide comparable figures, a proper “pro-forma” statement for FY 2007 has been prepared, in which the effects of the reorganisation are shown as if it had taken place on 1 January 2007. These figures have not been audited.

As already mentioned above, the decrease in the activities carried out by each single sector – including the share relating to the “capitalised internal production” – affected “operating costs” just partially, as a consequence of both higher maintenance costs and costs originating from “winter services”, which were lower in the previous financial year, thanks to the favourable weather conditions characterizing the first few months of 2007.

With reference to the above-mentioned aspects, the “gross operating margin” totalled EUR 431.1 million, down EUR 46.2 million compared to the corresponding 2007 “pro-forma” figure.

This decrease was due to the “motorway sector”⁽¹⁾ for EUR 30.6 million and was mainly affected by tariff trends. More specifically, taking into account both the current agreement mechanism according to which there is a significant delay in the approval of the toll increases related to the investments made and the considerable investment plan carried out by the Group Companies that, as at 31 December 2008, shows a surplus of investments – not remunerated to this date – for a value of EUR 557 million, the estimated effects for the financial year under review – based on the “remuneration rates” of the capital employed that are included in the signed Agreements – are represented by more than **EUR 50 million of additional “toll revenues”**. With regard to the “technology sector” and the “construction/engineering sector”, there was a decrease in profitability for EUR 5.1 million and EUR 7.4 million, respectively.

“Significant non-recurring items” refer (for EUR 3.8 million) to the “one-off” income recorded by SATAP S.p.A. and relate to toll revenues, which were originally suspended, in the financial years 2003 and 2004. These revenues – that are linked to the “X” component of the toll increase contained in the price cap formula – were set aside on request of the Regulator pending realisation of the investments planned in the financial plan annexed to the previous agreement. Following the notification forwarded by ANAS concerning the effectiveness of the “new” Agreement and the constraint imposed – within available reserves – for alleged “financial benefits” resulting from delay in the implementation of the investments, such amounts were recorded as “one-off” income. In addition to the above-mentioned toll revenues for the financial years 2003 and 2004, this item includes EUR 5.1 million related to the extraordinary income linked to the recognition, by the CAV.TO.MI. Consortium, of the reconstruction costs for the Novara Sud service area. The latter was relocated in order to eliminate its interference with the stretch of the “High Speed” Turin-Milan railway line.

In the previous financial 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.

⁽¹⁾ Net of the amount equal to EUR 3.1 million due to the restructuring – that is reflected in a similar decrease in financial charges – of the payable due to FCG following the extension of the duration of the Autocamionale della Cisa S.p.A. concession to 2031.

The item “*net amortisation/depreciation and provisions*”, up by around EUR 15 million, reflected – for motorway companies – the contents of the financial plans annexed to the related agreements.

The item “*write-down of goodwill*” refers for EUR 6.4 million to the impairment loss related to the goodwill entered for ATIVA S.p.A..

“*Financial income*” decreased compared to the previous year, due to both lower dividends collected from unconsolidated investee companies and the absence of gains from the disposal of equity investments, which characterised the previous financial year.

The increase in the item “*financial charges/write-downs of equity investments*” is mainly due to the write-down of equity investments for EUR 20.6 million, which was carried out to align their value to year-end listing. Finally, losses from the disposal of equity investments were recorded for EUR 2.4 million.

The item “*profit (loss) of companies accounted for by the equity method*” included the Group’s share of profits (losses) from associated companies. The item was affected – for an amount equal to about EUR 15 million – by the recording in the consolidated financial statements of the Autostrade Sud America Group (ASA) of the pro-quota share of costs relating to the exercise of the “right to repurchase” the option previously granted by ASA to Impregilo International Infrastructures N.V. on 10% of the share capital of the subsidiary Autopista do Pacifico S.A.. These costs were determined on the basis of the increase in value of the licensee Costanera Norte S.A. compared to the acquisition date, as reflected in a recent independent appraisal.

“*Income taxes*” showed an increase in the incidence of the tax burden, despite the decrease in the reference tax rates, which was mainly due to the non-deductibility of the adjustments made within the investment portfolio. Moreover, FY 2007 benefited from both significant gains under participation exemption and the discharge - through a substitute tax - of deductions made “off the books” during previous years.

With regard to the above, the Group’s share of “*profit for the period*” amounted to EUR 76.9 million (EUR 169.7 million in FY 2007, “pro-forma”).

Group financial results

The main items of the consolidated financial position as at 31 December 2008, compared with the corresponding figures of the previous year, may be summarised as follows:

| <i>(values in thousands of EUR)</i> | 31/12/2008 | 31/12/2007 | Changes |
|--|-------------------|-------------------|----------------|
| Fixed assets | 3,201,534 | 3,088,628 | 112,906 |
| Equity investments | 439,420 | 445,963 | (6,543) |
| Working capital | 115,282 | 83,434 | 31,848 |
| Invested capital | 3,756,236 | 3,618,025 | 138,211 |
| Provision for restoration, replacement and maintenance of assets subject to reversion free of charge | (145,014) | (145,798) | 784 |
| Employee severance indemnity and other provisions | (42,182) | (43,150) | 968 |
| Invested capital less provisions for medium- and long-term risks and charges | 3,569,040 | 3,429,077 | 139,963 |
| Shareholders' equity and profit (loss) (including minority interests) | 1,469,251 | 1,478,382 | (9,131) |
| Net financial indebtedness | 1,498,009 | 1,322,609 | 175,400 |
| Payable to ANAS-Central Insurance Fund (*) | 351,018 | 417,205 | (66,187) |
| Other long-term payables (**) | 250,762 | 210,881 | 39,881 |
| Equity and minority interests | 3,569,040 | 3,429,077 | 139,963 |

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

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

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

| <i>(values in thousands of EUR)</i> | 31/12/2008 | 31/12/2007 | Changes |
|---|--------------------|--------------------|------------------|
| A) Cash and cash equivalents | 192,067 | 240,687 | (48,620) |
| B) Securities held for trading | - | 100,000 | (100,000) |
| C) Liquidity (A) + (B) | 192,067 | 340,687 | (148,620) |
| D) Financial receivables (*) | - | 20,520 | (20,520) |
| E) Short-term borrowings | (93,985) | (81,432) | (12,553) |
| F) Current portion of medium/long-term borrowings (**) | (109,040) | (179,659) | 70,619 |
| G) Other financial liabilities | (9,508) | (9,700) | 192 |
| H) Short-term borrowings | (212,533) | (270,791) | 58,258 |
| I) Net short-term (borrowings) available funds (C) + (D) + (H) | (20,466) | 90,416 | (110,882) |
| J) Long-term borrowings (**) | (1,183,449) | (1,122,551) | (60,898) |
| K) Bonds issued | (293,443) | (289,475) | (3,968) |
| L) Other long-term payables | (651) | (999) | 348 |
| M) Long-term borrowings (J) + (K) + (L) | (1,477,543) | (1,413,025) | (64,518) |
| N) Net borrowing (I) + (M) | (1,498,009) | (1,322,609) | (175,400) |

(*) As at 31 December 2007, this item referred to capital guaranteed index-linked financial instruments converted into cash during the year

(**) With regard to the Mediobanca loan of EUR 400 million disbursed to the subsidiary SATAP S.p.A. maturing in 2009, the exercise of the extension option was taken into account, according to which the expiry date of this loan is extended to December 2021. This classification among non-current items differs from the information provided in the statements and in the notes to the financial statements, where such loan is booked to current items.

This item as at 31 December 2008 showed a “*net borrowing*” of EUR 1,498 million (EUR 1,323 million as at 31 December 2007); this amount – including the discounted value of the “payable due to ANAS-Central Insurance Fund” – would be equal to EUR 1,849 million (EUR 1,740 million as at 31 December 2007).

As reported in the “consolidated cash flow statement”, the “cash generated from operating activities” (equal to EUR 300 million) together with the liquidity from the disposal of equity investments,

amounting to EUR 20.8 million, were used to carry out **enhancement works** on the Group's motorway infrastructure (which, during 2008, increased by approximately **EUR 295 million**, including capitalised financial charges) and to acquire equity investments amounting to a total of around EUR 61 million.

Dividends were also distributed by the Parent Company (for a total amount – as the balance for the financial year 2007 and the interim dividend for 2008 – amounting to EUR 72.8 million) and by the Subsidiaries (to Third Party Shareholders) for an amount of EUR 21.3 million. Moreover, the maturing portion of the payable due to ANAS-Central Insurance Fund was also paid (EUR 26.3 million).

It should be noticed that a loan was disbursed to the parent company Argo Finanziaria S.p.A. equal to EUR 23 million under normal market conditions (this loan was fully repaid on 12 March 2009), while the deconsolidation of SABROM S.p.A. implied a decrease in borrowings for the loans attributable to it (EUR 10.8 million).

To prevent the risk from interest rate changes, the Group companies signed “hedging” agreements with major financial institutions with regard to medium/long-term loans, for a current total amount of EUR 250 million.

ANALYSIS OF 2008 RESULTS OF THE PARENT COMPANY AND THE MAIN INVESTEE COMPANIES



Società Iniziative Autostradali e Servizi S.p.A.

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

| <i>(values in thousands of EUR)</i> | 2008 | 2007 | Changes |
|--|-----------------|----------------|-----------------|
| Investment income | 107,307 | 107,744 | (437) |
| Other financial income | 3,111 | 5,231 | (2,120) |
| Interest and other financial charges | (22,355) | (18,459) | (3,896) |
| Financial income and charges | 88,063 | 94,516 | (6,453) |
| Value adjustments of financial assets | (12,441) | 103 | (12,544) |
| Other operating income | 82 | 46 | 36 |
| Other operating expenses | (2,713) | (2,321) | (392) |
| Pre-tax profit | 72,991 | 92,344 | (19,353) |
| Income taxes | 4,306 | 809 | 3,497 |
| Profit for the period | 77,297 | 93,153 | (15,856) |

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 107.3 million) was mainly due to both the dividends and the interim dividends which were collected, during 2008, from SATAP S.p.A. (EUR 45.9 million), SALT S.p.A. (EUR 39.8 million), HPVdA S.p.A. (EUR 9.3 million), Autocamionale della Cisa S.p.A. (EUR 7.7 million), SINELEC S.p.A. (EUR 2.1 million), Road Link Holdings Ltd (EUR 0.9 million), Milano Serravalle-Milano Tangenziali S.p.A. (EUR 0.9 million), Assicurazioni Generali S.p.A. (EUR 0.4 million), as well as to the gains from the sale of shares of Alerion Industries S.p.A. and FNM S.p.A. (for a total amount of EUR 0.2 million).

The item "*other financial income*" mainly related to the temporary investment of liquidity.

"*Interest and other financial charges*", amounting to EUR 22.4 million, referred to (i) 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 12.6 million, (ii) interest expense on outstanding borrowings, for EUR 9 million; and (iii) to losses from the disposal of equity investments, for EUR 0.8 million.

"*Value adjustments for financial assets*" referred – for EUR 2.9 million – to the write-down of the equity investments held in Assicurazioni Generali S.p.A. and FNM S.p.A., so as to align the book value with year-end listing (i.e. as at 31 December 2008). Moreover, the Company wrote down the equity investment held in the subsidiary Holding Piemonte e Valle d'Aosta S.p.A. for EUR 9.5 million, in order to recognise the losses incurred by it. Such losses were due to the write-down concerning the impairment test made with regard to the equity investment held in ATIVA S.p.A..

The item "*income taxes*" reflected the peculiarity of the activity carried out by the company and included the "income" related to the so-called "tax consolidation".

The main items related to the financial income as at 31 December 2008, compared with those as at 31 December 2007, may be summarised as follows:

| <i>(values in thousands of EUR)</i> | 31/12/2008 | 31/12/2007 | Changes |
|---|--------------------------|-------------------|-----------------|
| A) Cash and cash equivalents | 22,583 | 48,889 | (26,306) |
| B) Securities held for trading | - | - | - |
| C) Liquidity (A) + (B) | 22,583 | 48,889 | (26,306) |
| D) Financial receivables | - | - | - |
| E) Short-term borrowings | (17,421) | (50,847) | 33,426 |
| F) Current portion of medium/long-term borrowings | (8,786) ⁽¹⁾ | (8,786) | - |
| G) Other financial liabilities | (134,207) ⁽²⁾ | (121,544) | (12,663) |
| H) Short-term borrowings | (160,414) | (181,177) | 20,763 |
| I) Current net cash (indebtedness) (C) + (D) + (H) | (137,831) | (132,288) | (5,543) |
| J) Long-term borrowings | - | - | - |
| K) Bonds issued | (293,443) | (289,475) | (3,968) |
| L) Other long-term payables | - | - | - |
| M) Long-term borrowings (J) + (K) + (L) | (293,443) | (289,475) | (3,968) |
| N) Net cash (indebtedness) (I) + (M) | (431,274) | (421,763) | (9,511) |

1) Payable due to Bondholders for interest accrued as at 31 December 2008 (and paid on 1 January 2009).

2) Intragroup loan granted by the subsidiaries SATAP S.p.A. and HPVdA S.p.A..

The net financial position as at 31 December 2008 revealed a debt exposure of around EUR 431.3 million (EUR 421.8 million as at 31 December 2007).

Given the liquidity generated from the collection of dividends paid by Investee Companies (equal to EUR 107.1 million) and from the disposal of equity investments (for EUR 2.8 million), dividends were paid (2007 balance and 2008 interim dividend) for EUR 72.8 million, as well as interests for a total amount of EUR 17.5 million; finally, the share capital increase of ASA was approved – with regard to the prorated share – for a total amount of EUR 16.2 million. The balance of the components linked to the working capital was negative for EUR 12.9 million.

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 Società Italiana per il Traforo Autostradale del Frejus - S.I.T.A.F. S.p.A. (36.976%), in Società Italiana per il Traforo del Gran San Bernardo - SITRASB S.p.A. (36.50%), in Road Link (A69) Holdings Ltd. (20%; this company manages the road section New Castle – Carlisle in the United Kingdom), 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).

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) | <u>1,053.4</u> |
| • 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) | <u>233.8</u> |
| TOTAL (a+b) | <u><u>1,287.2</u></u> |

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

(2) Of which 37 km already in use and 53 km under construction

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

Motorway sector requirements and relationships with the Granting Body

Upon approval of Law no. 101 of 4 June 2008, a specific regulation was included approving, by way of law, the Concession Agreements previously subscribed by the motorway companies with ANAS, at the date the related Legislative Decree was issued (8 April 2008). As a consequence, the “**Standard Concession Agreements**” (“*Convenzione Unica*”) were **approved** by law and subscribed by **SATAP S.p.A.** (A4 Stretch: Turin-Milan and A21 Stretch: Turin-Alessandria-Piacenza) on 10 October 2007, by **ATIVA S.p.A.** on 7 November 2007 and by Autocamionale della **CISA S.p.A.** on 9 July 2007.

Moreover, by means of letters sent on 6 October 2008, ANAS informed SATAP S.p.A. and ATIVA S.p.A. about the full **effectiveness** of the signed **Standard Agreements** as from 8 June 2008 (the day following publication of the said Law no. 101 on the Italian Official Gazette). With regard to Autocamionale della Cisa S.p.A., ANAS – by means of a letter sent on the same day – subordinated the effectiveness of the Agreements to the closing of the infringement procedure no. 2006/4419 started by the European Commission concerning the licensing relationship in place. Upon receipt of this letter, the Company has immediately lodged an appeal with the competent offices, with an annulment request. This procedure is still pending.

With regard to the licensees that did not benefit from the approval – by way of law – of the related agreements (among which the subsidiaries Autostrada dei Fiori S.p.A., SALT S.p.A. and SAV S.p.A. are included), it is noted that specific discussions are in course with ANAS for the purpose of signing the related “Standard Agreements”.

The following table shows the status of each licensee of the SIAS Group:

| Company | Agreement | Approval process |
|---------------------------------|---|---|
| ATIVA S.p.A. | Standard Agreement signed with ANAS on 7 November 2007 | Concession Agreement approved by way of law (Law no. 101 of 4 June 2008) |
| Autocamionale della Cisa S.p.A. | Standard Agreement signed with ANAS on 9 July 2007 | Concession Agreement approved by way of law (Law no. 101 of 4 June 2008) ⁽¹⁾ |
| Autostrada Asti-Cuneo S.p.A. | Standard Agreement signed with ANAS on 1 August 2007 | Interministerial Decree of 21 November 2007 filed at the Court of Auditors on 31 January 2008 |
| SATAP S.p.A. (A4 Section) | Standard Agreement signed with ANAS on 10 October 2007 | Concession Agreement approved by way of law (Law no. 101 of 4 June 2008) |
| SATAP S.p.A. (A21 Section) | Standard Agreement signed with ANAS on 10 October 2007 | Concession Agreement approved by way of law (Law no. 101 of 4 June 2008) |
| Autostrada dei Fiori S.p.A. | -- | Standard Agreement under negotiation with ANAS |
| SALT S.p.A. | -- | Standard Agreement under negotiation with ANAS |
| SAV S.p.A. | -- | Standard Agreement under negotiation with ANAS |

⁽¹⁾ By means of a letter sent on 6 October 2008, ANAS subordinated the effectiveness of the Agreement to the closing of the infringement procedure no. 2006/4419 started by the European Commission concerning the extension of the duration of the concession to 2031. Upon receipt of this letter, the Company has immediately lodged an appeal with the competent offices, with an annulment request.

The said agreements require **investments for more than EUR 5 billion**, as from 1 January 2009.

Before the agreed deadline of 30 September 2008, the licensees of the Group notified ANAS of the toll increases required for their own motorway sections that shall take effect from 1 January 2009. These increases are mainly related to the significant investments made in previous financial years.

Similarly, before the agreed deadline of 31 October 2008, the toll increase set out in the Agreements signed by SATAP S.p.A. and ATIVA S.p.A. was also requested for the additional investments made in 2008 (the so-called “K factor”).

The implementation of these toll increases was postponed for four months, pursuant to Legislative Decree no. 185/2008, as detailed below.

* * *

With regard to the **regulatory framework**, reference is made to Law Decree no. 185 of 29 November 2008: “*Emergency measures in favour of households, work, employment and companies and to redesign the national strategic framework in response to the crisis*”, which was converted into Law no. 2 of 28 January 2009. This Law was issued on the basis of the difficult economic situation due to the current recession and set out, among other things, the suspension of 2009 tariff increases for four months.

This also impacts on Art. 12 of Law Decree no. 262/06, according to which licensee companies may agree with ANAS a simplified adjustment system for toll rates based – as set out in the ASPI agreement and for the whole duration of the concession – on a percentage of “real” inflation, as well as on specific components for the return on investments (the so-called “K” parameter).

Moreover, some discretionary powers granted to Ministries and ANAS with regard to tariff approval were repealed, so as to make the tariff update procedure less random. The rules concerning the cancellation of those licensees that did not come to an understanding about the “new standard agreement” were removed. In particular, these rules were in conflict with legal principles and were strongly criticised by the European Union. Finally, it was agreed that the “adequate requirements concerning balance sheet strength” with which the licensee shall comply will not be identified by interministerial decrees anymore, but shall be set out in the agreements.

Moreover, it should be underlined that – on 24 February 2009 – the Chamber of Deputies approved Bill no. 1305 for the conversion of Law Decree no. 207/2008, containing the extension of the terms set out by urgent legal and financial provisions. The bill definitively clarifies the obligation, for the holders of concessions, to entrust third parties with at least 40% of the works to be carried out, by acting as contracting authorities only with regard to this portion, without prejudice to the power to directly **assign intragroup works** for the remaining **60%**. The application of such regulation will enable a quicker opening of construction sites for the works scheduled in the financial plans attached to the agreements which were recently approved/are currently being defined.

Traffic performance

The following table shows the traffic performance ⁽¹⁾:

| <i>(figures in millions of km)</i> | 1/1-31/12/2008 | | | 1/1-31/12/2007 | | | Changes | | |
|------------------------------------|---------------------------|----------------------------|---------------|---------------------------|----------------------------|---------------|---------------------------|----------------------------|---------------|
| Company | Passenger vehicles | Heavy-duty vehicles | Total | Passenger vehicles | Heavy-duty vehicles | Total | Passenger vehicles | Heavy-duty vehicles | Total |
| SATAP A4 | 1,686 | 582 | 2,268 | 1,619 | 567 | 2,186 | 4.14% | 2.65% | 3.75% |
| SATAP A21 | 1,456 | 710 | 2,166 | 1,499 | 754 | 2,253 | -2.87% | -5.84% | -3.86% |
| SAV | 311 | 80 | 391 | 317 | 82 | 399 | -1.89% | -2.44% | -2.10% |
| ATIVA | 1,683 | 356 | 2,039 | 1,707 | 372 | 2,079 | -1.41% | -4.30% | -1.92% |
| Autostrada dei Fiori | 1,034 | 288 | 1,322 | 1,047 | 298 | 1,345 | -1.24% | -3.36% | -1.71% |
| SALT | 1,627 | 433 | 2,060 | 1,662 | 444 | 2,106 | -2.11% | -2.48% | -2.18% |
| Autocamionale della Cisa | 647 | 216 | 863 | 659 | 218 | 877 | -1.82% | -0.92% | -1.60% |
| Total | 8,444 | 2,665 | 11,109 | 8,510 | 2,735 | 11,245 | -0.79% | -2.51% | -1.21% |

The above table shows that “passenger vehicles” represent about 76% of traffic volumes, while the remaining 24% is represented by “heavy-duty vehicles”.

The decrease in “traffic volumes” was equal to 1.21% and was mainly recorded in the fourth quarter of 2008, especially with regard to “heavy-duty traffic”.

Figures for the A4 section (Turin-Milan) reflected the benefits resulting from the opening to traffic of the road link with the Malpensa International Airport.

⁽¹⁾ The “Asti-Cuneo” section is not included in the statement since it was only partially opened to traffic in 2008.



SATAP – Società Autostrada Torino – Alessandria – Piacenza S.p.A.

The Company manages the motorway sections Turin-Milan (A4) and Turin – Alessandria – Piacenza (A21). As at 31 December 2008, the Company is a subsidiary of the Group (99.87% of the share capital).

The main 2008 revenue and expenditure items (with the corresponding 2007 figures for comparison) may be summarised as follows:

A4 and A21 Sections

| <i>(values in thousands of EUR)</i> | 2008 | 2007 | Changes |
|--|----------------|----------------|-----------------|
| Motorway sector revenue | 235,553 | 235,076 | 477 |
| Other revenues | 24,572 | 25,789 | (1,217) |
| Operating costs | (129,940) | (115,662) | (14,278) |
| Gross operating margin | 130,185 | 145,203 | (15,018) |
| Significant “non-recurring” items | 8,875 | 1,156 | 7,719 |
| Adjusted gross operating margin | 139,060 | 146,359 | (7,299) |

In order to enable the analysis of the revenue and expenditure items related to the two managed stretches, the item “gross operating margin” (EBITDA) for the stretches “Turin – Piacenza” (A21) and “Turin – Milan” (A4) may be broken down as follows:

A21 Section Turin – Alessandria – Piacenza

| <i>(values in thousands of EUR)</i> | 2008 | 2007 | Changes |
|--|---------------|---------------|-----------------|
| Motorway sector revenue | 114,296 | 118,698 | (4,402) |
| Other revenues | 7,494 | 6,558 | 936 |
| Operating costs | (60,108) | (50,621) | (9,487) |
| Gross operating margin | 61,682 | 74,635 | (12,953) |
| Non-recurring items | - | 395 | (395) |
| Adjusted gross operating margin | 61,682 | 75,030 | (13,348) |

The item “motorway sector revenue” decreased by EUR 4.4 million (-3.71%) compared to the previous year. More specifically, “net toll revenues” decreased by approximately EUR 3.9 million, given the reduction in traffic volumes due to both the general economic trend and the “repositioning” of traffic on the A4 section.

The item “other revenue” was equal to EUR 7.5 million (EUR 6.6 million in 2007).

The increase in “operating costs” was mainly due to higher costs incurred for “maintenance activities of the motorway network” (+EUR 5.8 million) and for “winter services” (+EUR 2.1 million), as well as for “other costs related to non-compensated revertible assets” (+EUR 0.5 million).

The “gross operating margin” totalled EUR 61.7 million (EUR 74.6 million in 2007).

In the previous financial year, the item “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.

A4 Section Turin – Milan

| <i>(values in thousands of EUR)</i> | 2008 | 2007 | Changes |
|--|---------------|---------------|----------------|
| Motorway sector revenue | 121,257 | 116,378 | 4,879 |
| Other revenues | 17,078 | 19,231 | (2,153) |
| Operating costs | (69,832) | (65,041) | (4,791) |
| Gross operating margin | 68,503 | 70,568 | (2,065) |
| Significant “non-recurring” items | 8,875 | 761 | 8,114 |
| Adjusted gross operating margin | 77,378 | 71,329 | 6,049 |

The increase in the item “*motorway sector revenue*” (equal to EUR 4.9 million, i.e. +4.2%) was mainly due to the increase in “*net toll revenues*”, as a result of the growth in traffic volumes due to both the above-mentioned “repositioning” of traffic (following the significant improvements in the infrastructure) and to the opening to traffic of the road link between the motorway and Malpensa International Airport.

The item “*other revenues*” includes both the services rendered to the CAV.TO.MI. Consortium (EUR 11.2 million) and an extraordinary income (equal to EUR 1.6 million) resulting from the transaction carried out with the said consortium related to previous years’ items. This extraordinary income is reflected in a similar amount recognised in the item “operating costs”.

The growth in “*operating costs*” was mainly due to both the increase in costs incurred for “*maintenance activities of the motorway network*” (+EUR 3.6 million) and for “*winter services and cleaning activities*” (+EUR 1.4 million), to the recognition of the above-mentioned extraordinary expenditure (EUR 1.6 million) and to the drop (approximately EUR 1.7 million) in costs incurred for the works carried out on behalf of the CAV.TO.MI. Consortium.

With regard to the above, the “*gross operating margin*” totalled EUR 68.5 million (EUR 70.6 million in 2007).

“*Significant non-recurring items*” refer (for EUR 3.8 million) to the “one-off” income of toll revenues which were originally suspended in the financial years 2003 and 2004. These revenues – that are linked to the “X” component of the toll increase contained in the price cap formula – were set aside on request of the Regulator pending realisation of the investments planned in the financial plan annexed to the previous agreement. Following the notification forwarded by ANAS concerning the effectiveness of the “new” Agreement and the constraint imposed – within available reserves – for alleged “financial benefits” resulting from delay in the implementation of the investments, such amounts were recorded as “one-off” income. In addition to the above-mentioned toll revenues for the financial years 2003 and 2004, this item includes EUR 5.1 million related to the extraordinary income linked to the recognition, by the CAV.TO.MI. Consortium, of the reconstruction costs for the Novara Sud service area. The latter was relocated in order to eliminate its interference with the stretch of the “High Speed” Turin-Milan railway line.

* * *

The main items related to the *financial income* as at 31 December 2008, compared with those as at 31 December 2007, can be summarised as follows:

| <i>(values in thousands of EUR)</i> | 31/12/2008 | 31/12/2007 | Changes |
|---|-------------------|-------------------|------------------|
| A) Cash and cash equivalents | 31,644 | 45,016 | (13,372) |
| B) Securities held for trading | - | - | - |
| C) Liquidity (A) + (B) | 31,644 | 45,016 | (13,372) |
| D) Financial receivables | - | - | - |
| E) Short-term borrowings | - | - | - |
| F) Current portion of medium/long-term borrowings | (20,668) | (15,886) | (4,782) |
| G) Other financial liabilities | - | - | - |
| H) Short-term borrowings | (20,668) | (15,886) | (4,782) |
| I) Current net cash (indebtedness) | (10,024) | (10,870) | 846 |
| (C)+(D)+(H) | 10,976 | 29,130 | (18,154) |
| J) Long term borrowings ¹ | (739,922) | (637,991) | (101,931) |
| K) Bonds issued | (3) | (3) | - |
| L) Other long-term payables | - | - | - |
| M) Long-term borrowings (J) + (K) + (L) | (739,925) | (637,994) | (101,931) |
| N) Net cash (indebtedness) (I) + (M) | (728,949) | (608,864) | (120,085) |

The net financial position as at 31 December 2008 revealed borrowings amounting to EUR 728.9 million (EUR 608.9 million as at 31 December 2007); such amount, including the present value of the “payable due to the Central Insurance Fund and ANAS”, would be EUR 759.2 million (EUR 641.8 million as at 31 December 2007).

The increase in debt position was due to both the considerable investment plan in revertible assets made during the financial year under review (equal to approximately EUR 184.3 million) and to the payment of dividends (for a total amount of EUR 45.9 million, as the balance for the financial year 2007 and the interim dividend for 2008), which was only partially financed by the operating cash flow.

As at 31 December 2008, there was an outstanding loan (equal to EUR 120 million) granted during the previous financial year to the parent company SIAS S.p.A., given the temporary liquid funds resulting from intragroup transactions within the Corporate Reorganisation Project that involved ASTM and SIAS Groups. 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 bps). The loan expires on 30 September and is renewable from year to year.

¹ The exercise of the extension option was taken into account for the Mediobanca loan of EUR 400 million.

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 2008, 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>(values in thousands of EUR)</i> | 2008 | 2007 | Changes |
|--|----------------|----------------|----------------|
| Motorway sector revenue | 167,131 | 169,105 | (1,974) |
| Other revenues | 8,406 | 9,245 | (839) |
| Operating costs | (64,398) | (63,580) | (818) |
| Gross operating margin | 111,139 | 114,770 | (3,631) |
| Non-recurring items | - | 731 | (731) |
| Adjusted gross operating margin | 111,139 | 115,501 | (4,362) |

“*Motorway sector revenue*” decreased by EUR 2 million compared to the previous year. The reduction in traffic volumes implied a decrease in “net toll revenues” of approximately EUR 2.6 million (-1.62%). This decrease was partially offset by the increase in rental income from service areas, where major refurbishment works were carried out for some of them during the previous financial year.

“*Operating costs*” totalled EUR 64.4 million, up EUR 0.8 million compared to 2007.

With regard to the above, the “*gross operating margin*” totalled EUR 111.1 million (EUR 114.8 million in 2007).

In the previous financial year, the item “*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 main items related to the *financial income* as at 31 December 2008, compared with those as at 31 December 2007, may be summarised as follows:

| <i>(values in thousands of EUR)</i> | 31/12/2008 | 31/12/2007 | Changes |
|---|-------------------|-------------------|-----------------|
| A) Cash and cash equivalents | 103,901 | 46,455 | 57,446 |
| B) Securities held for trading | - | 100,936 | (100,936) |
| C) Liquidity (A) + (B) | 103,901 | 147,391 | (43,490) |
| D) Financial receivables | - | - | - |
| E) Short-term borrowings | - | - | - |
| F) Current portion of medium/long-term borrowings | (16,723) | (46,672) | 29,949 |
| G) Other financial liabilities | - | - | - |
| H) Short-term borrowings | (16,723) | (46,672) | 29,949 |
| I) Current net cash (indebtedness) (C) + (D) + (H) | 87,178 | 100,719 | (13,541) |
| J) Long-term borrowings | (188,367) | (201,856) | 13,489 |
| K) Bonds issued | - | - | - |
| L) Other long-term payables | - | - | - |
| M) Long-term borrowings (J) + (K) + (L) | (188,367) | (201,856) | 13,489 |
| N) Net cash (indebtedness) (I) + (M) | (101,189) | (101,137) | (52) |

The “net financial position” as at 31 December 2008 showed a debit balance of EUR 101.2 million (EUR 101.1 million as at 31 December 2007); this amount - including the discounted value of the

“payable due to the Central Insurance Fund” - would be equal to EUR 172.9 million (EUR 171.9 million as at 31 December 2007).

Cash flows generated during the period were used to both carry out enhancement works on the motorway infrastructure (up EUR 20.3 million) and to pay dividends for a total amount of EUR 45.6 million (EUR 9.6 million for the 2007 balance dividend and EUR 36 million as interim dividend for 2008).

As at 31 December 2008 there were two outstanding loans – at market conditions – in favour of the subsidiaries Finanziaria di Partecipazioni e Investimenti S.p.A. and Logistica Tirrenica S.p.A., for EUR 20 million and EUR 0.8 million respectively.

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 2008, 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>(values in thousands of EUR)</i> | 2008 | 2007 | Changes |
|--|---------------|---------------|----------------|
| Motorway sector revenue | 81,326 | 81,315 | 11 |
| Other revenues | 3,643 | 6,698 | (3,055) |
| Operating costs | (36,429) | (35,164) | (1,265) |
| Gross operating margin | 48,540 | 52,849 | (4,309) |
| Non-recurring items | - | 259 | (259) |
| Adjusted gross operating margin | 48,540 | 53,108 | (4,568) |

With regard to “*motorway sector revenue*”, net toll revenues (equal to EUR 74.8 million) were substantially in line with previous year’s figures, due to the combined effect of the decrease in traffic volumes (-1.63%) and the tariff adjustment as from 1 January 2008.

The change in the item “*other revenues*” was mainly due to the restatement of the income from discounting the payable due to ANAS (Central Insurance Fund), following the recent signing of the “Standard Agreement” and the extension of the duration of the concession to 2031.

“*Operating costs*” increased due to both higher costs incurred for “winter services” and to maintenance costs compared to the previous year.

With regard to the above, the “*gross operating margin*” totalled EUR 48.5 million (EUR 52.8 million in 2007).

In the previous financial year, the item “*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 main items related to the *financial income* as at 31 December 2008, compared with those as at 31 December 2007, may be summarised as follows:

| <i>(values in thousands of EUR)</i> | 31/12/2008 | 31/12/2007 | Changes |
|---|-------------------|-------------------|-----------------|
| A) Cash and cash equivalents | 440 | 15,711 | (15,271) |
| B) Securities held for trading | - | - | - |
| C) Liquidity (A) + (B) | 440 | 15,711 | (15,271) |
| D) Financial receivables | - | - | - |
| E) Short-term borrowings | (9,711) | - | (9,711) |
| F) Current portion of medium/long-term borrowings | (10,000) | (10,000) | - |
| G) Other financial liabilities | - | (15,000) | 15,000 |
| H) Short-term borrowings | (19,711) | (25,000) | 5,289 |
| I) Current net cash (indebtedness) (C) + (D) + (H) | (19,271) | (9,289) | (9,982) |
| J) Long-term borrowings | (84,931) | (94,896) | 9,965 |
| K) Bonds issued | - | - | - |
| L) Other long-term payables | - | - | - |
| M) Long-term borrowings (J) + (K) + (L) | (84,931) | (94,896) | 9,965 |
| N) Net cash (indebtedness) (I) + (M) | (104,202) | (104,185) | (17) |

The “net financial position” as at 31 December 2008 revealed borrowings amounting to EUR 104.2 million, in line with the previous financial year. This amount - including the discounted value of the “payable due to ANAS and the Central Insurance Fund” - would be equal to EUR 130.7 million (EUR 188.4 million as at 31 December 2007). As already mentioned above, in 2008 the present value of the “payable due to ANAS and the Central Insurance Fund” was restated, following the extension of the duration of the concession set out in the Agreement recently signed (the 2010 expiry date has been extended to 31 December 2031).

The cash generated by the management was used to both finance the investment plan for the motorway network (which was up EUR 20.3 million) and to pay dividends for a total amount of EUR 9.1 million (EUR 3.3 million for the 2007 balance dividend and EUR 5.8 million as interim dividend for 2008).


SAV – Società Autostrade Valdostane S.p.A.

The Company manages the 59.5 km-long motorway section Quincinetto – Aosta and, as at 31 December 2008, is a subsidiary of the Group (67.63%).

The main 2008 revenue and expenditure items (with the corresponding 2007 figures for comparison) may be summarised as follows:

| <i>(values in thousands of EUR)</i> | 2008 | 2007 | Changes |
|--|---------------|---------------|----------------|
| Motorway sector revenue | 46,169 | 46,060 | 109 |
| Other revenues | 6,208 | 5,956 | 252 |
| Operating costs | (26,103) | (25,111) | (992) |
| Gross operating margin | 26,274 | 26,905 | (631) |
| Non-recurring items | - | 68 | (68) |
| Adjusted gross operating margin | 26,274 | 26,973 | (699) |

“Motorway sector revenue” totalled EUR 46.2 million, in line with the corresponding 2007 figure.

The change in “operating costs” was mainly due to the increase in “winter services”.

With regard to the above, the “gross operating margin” totalled EUR 26.3 million (EUR 27 million in 2007).

In the previous financial year, the item “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.

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The main items related to the *financial income* as at 31 December 2008, compared with those as at 31 December 2007, may be summarised as follows:

| <i>(values in thousands of EUR)</i> | 31/12/2008 | 31/12/2007 | Changes |
|---|-------------------|-------------------|----------------|
| A) Cash and cash equivalents | 3,741 | 1,069 | 2,672 |
| B) Securities held for trading | - | - | - |
| C) Liquidity (A) + (B) | 3,741 | 1,069 | 2,672 |
| D) Financial receivables | - | - | - |
| E) Short-term borrowings | (50,765) | (32,324) | (18,441) |
| F) Current portion of medium/long-term borrowings | (5,105) | (15,521) | 10,416 |
| G) Other financial liabilities | - | - | - |
| H) Short-term borrowings | (55,870) | (47,845) | (8,025) |
| I) Current net cash (indebtedness) | (52,129) | (46,776) | (5,353) |
| (C)+(D)+(H) | (52,129) | (46,776) | (5,353) |
| J) Long-term borrowings | (41,625) | (45,787) | 4,162 |
| K) Bonds issued | - | - | - |
| L) Other long-term payables | - | - | - |
| M) Long-term borrowings (J) + (K) + (L) | (41,625) | (45,787) | 4,162 |
| N) Net cash (indebtedness) (I) + (M) | (93,754) | (92,563) | (1,191) |

The net financial position as at 31 December 2008 showed an exposure of about EUR 93.8 million (EUR 92.6 million as at 31 December 2007); this amount – including the discounted value of the “payable due to ANAS-Central Insurance Fund” – would be equal to EUR 171.7 million (EUR 167.4 million as at 31 December 2007).

The cash generated from operating activities was used to carry out enhancement works on the motorway infrastructure (which were up approximately EUR 4 million), to pay the instalment due with regard to the payable due to ANAS-Central Insurance Fund (EUR 1.4 million), as well as to pay dividends for a total amount of EUR 7.2 million (EUR 4.8 million for the 2007 balance dividend and EUR 2.4 million as interim dividend for 2008).



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 2008, 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>(values in thousands of EUR)</i> | 2008 | 2007 | Change |
|--|---------------|---------------|----------------|
| Motorway sector revenue | 138,445 | 141,038 | (2,593) |
| Other revenues | 11,489 | 11,935 | (446) |
| Operating costs | (70,970) | (67,036) | (3,934) |
| Gross operating margin | 78,964 | 85,937 | (6,973) |
| Non-recurring items | - | 833 | (833) |
| Adjusted gross operating margin | 78,964 | 86,770 | (7,806) |

“*Motorway sector revenue*” decreased by EUR 2.6 million (-1.84%). More specifically, the reduction in “*net toll revenues*” (from EUR 133.3 million in 2007 to EUR 130.7 million in 2008) was due to the change in fare-paying traffic.

“*Operating costs*” (EUR 71 million) increased by 5.9%, mainly due to higher maintenance charges.

With regard to the above, the “*gross operating margin*” totalled EUR 79 million (EUR 85.9 million in 2007).

In the previous financial year, the item “*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 main items related to the *financial income* as at 31 December 2008, compared with those as at 31 December 2007, may be summarised as follows:

| <i>(values in thousands of EUR)</i> | 31/12/2008 | 31/12/2007 | Changes |
|---|------------------|------------------|-----------------|
| A) Cash and cash equivalents | 13,907 | 2,308 | 11,599 |
| B) Securities held for trading | - | - | - |
| C) Liquidity (A) + (B) | 13,907 | 2,308 | 11,599 |
| D) Financial receivables | 350 | 20,670 | (20,320) |
| E) Short-term borrowings | (50,000) | (68,497) | 18,497 |
| F) Current portion of medium/long-term borrowings | (943) | (3,694) | 2,751 |
| G) Other financial liabilities | - | - | - |
| H) Short-term borrowings | (50,943) | (72,191) | 21,248 |
| I) Current net cash (indebtedness) (C) + (D) + (H) | (36,686) | (49,213) | 12,527 |
| J) Long-term borrowings | (101,956) | (102,798) | 842 |
| K) Bonds issued | - | - | - |
| L) Other long-term payables | - | - | - |
| M) Long-term borrowings (J) + (K) + (L) | (101,956) | (102,798) | 842 |
| N) Net cash (indebtedness) (I) + (M) | (138,642) | (152,011) | 13,369 |

The “*net financial position*” as at 31 December 2008, showing an improvement compared to previous year, disclosed borrowings for EUR 138.6 million (EUR 152 million as at 31 December 2007); this amount - including the discounted value of the “*payable due to the Central Insurance Fund*” - would be equal to EUR 267.6 million (EUR 289.6 million as at 31 December 2007).

Cash flows generated by the management during the period were used to carry out enhancement works on the motorway infrastructure (EUR 5 million), to pay the dividend for 2007 (EUR 6 million)

and the interim dividend for 2008 (EUR 18 million), as well as to repay the instalment due with regard to the payable due to the Central Insurance Fund (EUR 15.5 million).

Autostrada Asti-Cuneo S.p.A.

As from 1 April 2008, ⁽¹⁾, the Company manages the motorway section Asti-Cuneo for a total of 90 kilometres, of which 37 km already in use and 53 km under construction. As at 31 December 2008, this company is a subsidiary of the Group (60%).

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

| <i>(values in thousands of EUR)</i> | 2008 | 2007 | Change |
|-------------------------------------|----------------|----------------|---------------|
| Motorway sector revenue | 4,732 | - | 4,732 |
| Other revenues | 229 | 47 | 182 |
| Operating costs | (7,170) | (1,280) | (5,890) |
| Gross operating margin | (2,209) | (1,233) | (976) |

The item “*motorway sector revenue*” (for the period 1 April to 31 December 2008) totalled EUR 4.7 million and benefited from the opening of the Govone toll gate on 7 August 2008 (with a consequent toll collection for the section between Isola d’Asti and Guarene, that was not subject to toll).

“*Operating costs*” referred to the main functional activities related to the Technical, Management, Maintenance and Administrative-Financial areas of the Company.

With regard to the above, in 2008 the Company posted an “*operating loss*” equal to EUR 2.2 million.

As regards the **financial position**, a summary of its main components is provided below:

| <i>(values in thousands of EUR)</i> | 31/12/2008 | 31/12/2007 | Changes |
|---|-------------------|-------------------|-----------------|
| A) Cash and cash equivalents | 570 | 46,358 | (45,788) |
| B) Securities held for trading | - | - | - |
| C) Liquidity (A) + (B) | 570 | 46,358 | (45,788) |
| D) Financial receivables | - | - | - |
| E) Short-term borrowings | (7,487) | - | (7,487) |
| F) Current portion of medium/long-term borrowings | - | - | - |
| G) Other financial liabilities | - | - | - |
| H) Short-term borrowings | (7,487) | - | (7,487) |
| I) Current net cash (indebtedness) (C) + (D) + (H) | (6,917) | 46,358 | (53,275) |
| J) Long-term borrowings | - | - | - |
| K) Bonds issued | - | - | - |
| L) Other long-term payables | - | - | - |
| M) Long-term borrowings (J) + (K) + (L) | - | - | - |
| N) Net cash (indebtedness) (I) + (M) | (6,917) | 46,358 | (53,275) |

The “*net financial position*” as at 31 December 2008 revealed borrowings totalling EUR 6.9 million (liquid funds amounting to EUR 46.4 million as at 31 December 2007). The change from the situation as at 31 December 2007 was due to both the costs incurred for operating activities and the payment to SALT S.p.A. of EUR 18 million for the transfer of additional guarantees stipulated by it as representative of ATI SALT – Grassetto – Itinera upon awarding of the tender. An additional amount equal to EUR 19.3 million was paid to ANAS S.p.A. concerning the reimbursement due to the grantor for the sums advanced by it

⁽¹⁾ On 11 February 2008, the concession for the construction and management of the infrastructure entered into force while, on 31 March 2008, the motorway assets were transferred from ANAS to the Company.

for the works carried out for the Cherasco toll gate and the Castagnito junction for EUR 4.3 million and the consideration for planning activities – as set out in the agreement – for EUR 15 million.


ATIVA – Autostrada Torino – Ivrea – Valle d’Aosta S.p.A.

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, by virtue of a specific agreement – it is a subsidiary of the Group (41.17%). This company and its 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>(values in thousands of EUR)</i> | 2008 | 2007 | Changes |
|--|---------------|---------------|----------------|
| Motorway sector revenue | 108,097 | 109,795 | (1,698) |
| Other revenues | 5,360 | 5,952 | (592) |
| Operating costs | (53,499) | (49,973) | (3,526) |
| Gross operating margin | 59,958 | 65,774 | (5,816) |
| Non-recurring items | - | 592 | (592) |
| Adjusted gross operating margin | 59,958 | 66,366 | (6,408) |

The item “*motorway sector revenue*” decreased by EUR 1.7 million. This change was due to the reduction of both “net toll revenues” (-EUR 0.7 million) linked to the decrease in fare-paying traffic and rental income (-EUR 1.0 million) resulting from service areas.

“*Operating costs*” are equal to EUR 53.5 million (EUR 50 million in 2007); this increase was mainly due to higher costs incurred for “winter services”.

With regard to the above, the “*gross operating margin*” totalled EUR 60 million (EUR 65.8 million in 2007).

In the previous financial year, the item “*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 main items related to the *financial income* as at 31 December 2008, compared with those as at 31 December 2007, may be summarised as follows:

| <i>(values in thousands of EUR)</i> | 31/12/2008 | 31/12/2007 | Changes |
|---|-------------------|-------------------|----------------|
| A) Cash and cash equivalents | 2,705 | 5,179 | (2,474) |
| B) Securities held for trading | - | - | - |
| C) Liquidity (A) + (B) | 2,705 | 5,179 | (2,474) |
| D) Financial receivables | - | - | - |
| E) Short-term borrowings | (7,383) | (8,196) | 813 |
| F) Current portion of medium/long-term borrowings | (11,870) | (11,346) | (524) |
| G) Other financial liabilities | - | - | - |
| H) Short-term borrowings | (19,253) | (19,542) | 289 |
| I) Current net cash (indebtedness) | (16,548) | (14,363) | (2,185) |
| J) Long-term borrowings | (75,332) | (87,174) | 11,842 |
| K) Bonds issued | - | - | - |
| L) Other long-term payables | - | - | - |
| M) Long-term borrowings (J) + (K) + (L) | (75,332) | (87,174) | 11,842 |
| N) Net cash (indebtedness) | (91,880) | (101,537) | 9,657 |

The “net financial position” as at 31 December 2008, showing an improvement compared to the previous year, revealed net borrowings for EUR 91.9 million (EUR 101.5 million as at 31 December 2007); this amount - including the discounted value of the “payable due to the Central Insurance Fund” and ANAS - would be equal to EUR 129.7 million (EUR 142.5 million as at 31 December 2007).

Cash flows generated by the management during the period were used to carry out enhancement works on the motorway infrastructure (EUR 12.6 million), to pay the dividend for 2007 (EUR 10.9 million) and the interim dividend for 2008 (EUR 12.2 million), as well as to repay the instalment due with regard to the payable due to the Central Insurance Fund (EUR 5.2 million).

SITAF – Società Italiana per il Traforo Autostradale del Frejus S.p.A.



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 (36.976%).

The financial statements as at 31 December 2008 show “*net toll payments*” for a total amount of EUR 108 million (EUR 111.5 million in 2007). “*Operating costs*” were in line with the previous year (EUR 59.1 million), while “*net amortisation/depreciation and provisions*” increased by approximately EUR 5.3 million compared to the previous year. Consequently, profit was equal to EUR 10.8 million (EUR 14 million in 2007).



SITRASB – Società Italiana Traforo del Gran San Bernardo S.p.A.

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 6.9 million (EUR 6.8 million in 2007).

The “*profit for the period*” in 2008 totalled EUR 0.2 million (EUR 0.1 million in 2007).

The “*net financial position*” as at 31 December 2008 revealed net liquid funds equal to EUR 9.9 million (EUR 8.5 million as at 31 December 2007).

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



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

Following the tendering procedure during 2008, S.A.Bro.M. S.p.A. **was awarded**, on a provisional basis, the concession for the definitive planning and final design, construction and management of the regional motorway “**Broni-Pavia-Mortara**” (approximately 50 km). The definitive awarding is subject to the performance of the fulfilments required by law and by the tender documentation, as well as to the approval of the Lombardy Regional Council and the Grantor (Infrastrutture Lombarde S.p.A.). To this extent, it should be underlined that the Lombardy Regional Administrative Court (TAR) suspended the above-mentioned awarding based on the appeal lodged by the competitor “Consorzio Stabile SIS” led by the Sacyr Group.

The Company – that is currently in a start-up phase – closed 2008 with a loss of EUR 0.1 million. As at 31 December 2008, net borrowing was equal to EUR 11.3 million (EUR 9.5 million as at 31 December 2007).

During the year, the subsidiary SATAP S.p.A. transferred a 62% stake in S.A.Bro.M S.p.A. (40% to Impregilo S.p.A., 10% to CMB, 10% to CCC, 1% to SINA S.p.A. and 1% to SINECO S.p.A.), for a total value of EUR 1.5 million. As of today, the Group’s equity investment in the said Company is equal to 20% of the share capital.

Autostrade Sud America – ASA s.r.l.

ASA s.r.l., through the Chilean company Autopista do Pacifico S.A., controls 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. closed the year with a loss of EUR 35.3 million. This result was due to the recording of the cost relating to the exercise of the “right to repurchase” the option previously granted by the Company to Impregilo International Infrastructures N.V. on 10% of the share capital of the subsidiary Autopista do Pacifico S.A..

The Extraordinary Shareholders’ Meeting held on 22 December 2008 approved to reduce the share capital and restore it at its original value (EUR 100 million), based on the financial position as at 30 September 2008. SIAS S.p.A. subscribed this increase with regard to its own share (EUR 16.2 million).

On 4 July 2008, Autopista do Pacifico S.A. was awarded the tender issued by the Chilean Ministry of Public Works for the licensed management (for a maximum of 30 years) of two road links north (yet to be constructed) and south (already existing) of the Benitez Airport (i.e. 3 and 5 kilometres respectively), one of which is linked to the Costanera Norte stretch (more specifically, the existing southern stretch). The value of the works is estimated at approximately UF 1.6 million (US\$ 54 million at the current exchange rate).

Technology sector

Within the scope of the reorganisation process of the technology sector's companies, during the year SSAT S.p.A. incorporated the subsidiary SINELEC S.p.A. (which in turn incorporated the subsidiary Infosistem S.p.A.) and was renamed after the incorporated company. This integration project will enable to achieve operational, commercial and financial synergies, as well as to increase the "critical mass" of the technology sector, also based on the considerable investment programme that will be implemented in the following years by the motorway companies of the Group.

Sinelec S.p.A.



The Company 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 well as in the sector of outsourcing management and supply of integrated IT systems for motorway companies. As at 31 December 2008, this Company is a subsidiary of the Group (59.087% of the share capital).

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

| <i>(values in thousands of EUR)</i> | 2008 | 2007 pro-forma¹ | Changes |
|--|--------------|---------------------------------------|----------------|
| Technology sector revenue | 37,132 | 45,314 | (8,182) |
| Other revenues | 410 | 361 | 49 |
| Operating costs | (29,543) | (33,281) | 3,738 |
| Gross operating margin | 7,999 | 12,394 | (4,395) |
| Non-recurring items | - | 115 | (115) |
| Adjusted gross operating margin | 7,999 | 12,509 | (4,510) |

During the year, the company posted a turnover of EUR 37.1 million (EUR 45.3 million in 2007, "pro-forma"). The decrease compared to the previous year was due to the completion of work orders carried out on behalf of the Group's motorway companies. Moreover, the previous year benefited from the completion of a major contract concerning the works carried out on behalf of the CAV.TO.MI. Consortium.

The "operating costs" incurred in 2008 totalled EUR 29.5 million (EUR 33.3 million in 2007, "pro-forma").

The "gross operating margin" totalled EUR 8 million (EUR 12.4 million in 2007, "pro-forma").

In the previous financial year, the item "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.

¹ Following the merger, the transactions of incorporated companies were posted to the financial statements of the merging company as from 1 January 2008. In order to provide comparable figures, a proper "pro-forma" statement and net financial position for 2007 have been prepared, in which the effects of the merger are shown as if it had taken place on 1 January 2007. These figures have not been audited.

The “*net financial position*” as at 31 December 2008 revealed liquid funds for EUR 4.7 million (EUR 7.1 million as at 31 December 2007, “pro-forma”). During the year, the company paid the dividend for the 2007 profit (equal to approximately EUR 4.3 million).

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 2008, 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>(values in thousands of EUR)</i> | 2008 | 2007 | Changes |
|-------------------------------------|--------------|--------------|----------------|
| Technology sector revenue | 14,640 | 17,940 | (3,300) |
| Other revenues | 15 | 19 | (4) |
| Operating costs | (12,107) | (14,747) | 2,640 |
| Gross operating margin | 2,548 | 3,212 | (664) |

During 2008, the Company posted a “*turnover*” of EUR 14.6 million (EUR 17.9 million in 2007). The decrease compared to the previous year was due to the completion of work orders carried out on behalf of the Group’s motorway companies and third parties. The decrease in operating costs reflected the reduction in turnover: the “*gross operating margin*” totalled EUR 2.5 million (EUR 3.2 million in 2007).

The “*net financial position*” as at 31 December 2008 revealed liquid funds for EUR 1.3 million (EUR 2.5 million as at 31 December 2007). During the year, the company paid the dividend for the 2007 profit (equal to approximately EUR 1.2 million).

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

The Company carries out construction and maintenance activities for motorway assets; as at 31 December 2008, 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>(values in thousands of EUR)</i> | 2008 | 2007 | Changes |
|-------------------------------------|--------------|---------------|----------------|
| Construction sector revenue | 54,029 | 85,398 | (31,369) |
| Other revenues | 1,869 | 1,072 | 797 |
| Operating costs | (51,231) | (75,632) | 24,401 |
| Gross operating margin | 4,667 | 10,838 | (6,171) |

The Company 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.. In 2008, the value of production totalled EUR 54 million, in line with forecasts, down approximately EUR 31.3 million compared to the corresponding figure for 2007 (which benefited, among other things, from the awarding by Autocamionale della Cisa S.p.A. of an early completion bonus equal to approximately EUR 8.2 million). The decrease in production was reflected in operating costs. With regard to the above, the “*gross operating margin*” reduced to EUR 4.7 million.

The main items related to the *financial income* as at 31 December 2008, compared with those as at 31 December 2007, may be summarised as follows:

| <i>(values in thousands of EUR)</i> | 31/12/2008 | 31/12/2007 | Changes |
|---|-------------------|-------------------|----------------|
| A) Cash and cash equivalents | 2,369 | 8,542 | (6,173) |
| B) Securities held for trading | - | - | - |
| C) Liquidity (A) + (B) | 2,369 | 8,542 | (6,173) |
| D) Financial receivables | - | - | - |
| E) Short-term borrowings | - | - | - |
| F) Current portion of medium/long-term borrowings | - | - | - |
| G) Other financial liabilities | (721) | (902) | 181 |
| H) Short-term borrowings | (721) | (902) | 181 |
| I) Current net cash (indebtedness) (C) + (D) + (H) | 1,648 | 7,640 | (5,992) |
| J) Long-term borrowings | - | - | - |
| K) Bonds issued | - | - | - |
| L) Other long-term payables | (651) | (999) | 348 |
| M) Long-term borrowings (J) + (K) + (L) | (651) | (999) | 348 |
| N) Net cash (indebtedness) (I) + (M) | 997 | 6,641 | (5,644) |

The “*net financial position*” as at 31 December 2008 revealed net liquid funds equal to EUR 1 million (EUR 6.6 million as at 31 December 2007). The change in the net financial position was due to the payment of the 2007 dividend for EUR 3.2 million.

Cisa Engineering S.p.A.

In 2008, the Company - which operates in the study and planning area for motorway works - posted a turnover equal to EUR 1.8 million (EUR 2.6 million in 2007), together with a gross operating margin of EUR 0.3 million (EUR 1 million in 2007).

The “*net financial position*” as at 31 December 2008 revealed net liquid funds equal to EUR 0.8 million (EUR 1.6 million as at 31 December 2007). During the year, the company paid the dividend for the 2007 profit (equal to approximately EUR 0.3 million).

ATIVA Engineering S.p.A.

In 2008, 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 4.7 million (EUR 5.2 million in 2007), together with a “*gross operating margin*” of EUR 1.1 million (EUR 1.2 million in 2007).

The “*net financial position*” as at 31 December 2008 revealed net liquid funds equal to EUR 0.9 million (EUR 1.7 million as at 31 December 2007).

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 2008, 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 2008, the company recorded a “*value of production*” equal to EUR 246 million (EUR 369 million in 2007), together with a “*gross operating margin*” of EUR 18.4 million (EUR 17.9 million in 2007).

Services sector

Finanziaria di Partecipazioni e Investimenti S.p.A. (former Autostrade dei Parchi S.p.A.)

As at 31 December 2008, the Company was a subsidiary of the Group (which held 96.19% of its share capital).

In 2008, the company posted a loss of EUR 9.7 million (profit of EUR 0.4 million in 2007). This loss was due to the write-down related to the investment portfolio, for a total amount of EUR 11.6 million. More specifically, the value of the shares held in Carige S.p.A. (written down for EUR 8.3 million), Mediobanca S.p.A. (written down for EUR 2.9 million) and Banco Popolare S.p.A. (written down for EUR 0.4 million) was aligned with the listings as at 31 December 2008.

The “*net financial position*” as at 31 December 2008 revealed net borrowings totalling EUR 10 million (net liquid funds amounting to EUR 1.1 million as at 31 December 2007).

The borrowings during the year were due to the subscription of a 2.36% stake of the share capital of Alitalia – Compagnia Aerea Italiana S.p.A.. In December 2008, EUR 11.1 million were paid, while the remaining amount (EUR 8.9 million) was paid in January 2009.

It should be noted that the extraordinary shareholders’ meeting of CAI – held on 19 January 2009 – approved a non-divisible share capital increase for a total amount of EUR 167,088,836.00, to be offered in subscription to the company Air France KLM S.A.. If this increase is subscribed before the agreed deadline of 31 December 2009, the stake held in CAI by Finanziaria di Partecipazione e Investimenti S.p.A. will reduce to 1.771%.

With regard to the impugment by ANAS of the arbitral award dated 20 July 2005 - which awarded a compensation equal to EUR 23.5 million to the Company, 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.

* * *

RISK FACTORS AND UNCERTAINTIES

The main risks⁽¹⁾ and uncertainties to which the Company is exposed are detailed below:

- *Future traffic performance within the context of an unfavourable economic situation*
The current recession in the global economy resulted in the stagnating demand for goods and services, with a subsequent reduction in consumption. In this context, the reduction in traffic volumes – which had already begun in the last months of 2008 – may continue in the current and following financial years.
- *Delayed approval of the toll increases required*
The measures adopted by the Italian Government to counter recession implied a delay and/or a partial implementation of the toll increases required. In 2009, these measures will result in a decrease in revenues from motorway tolls compared to those estimated in the financial plans annexed to current agreements.
- *Autocamionale della Cisa S.p.A.: effectiveness of the agreement-EU infringement procedure*
As already mentioned above, Law no. 101 of 6 June 2008 approved the Standard Concession Agreement signed on 9 July 2007 concerning the redetermination of the duration of the concession of Autocamionale della Cisa to 2031 (following the planned realisation of the Parma-Nogarole Rocca motorway junction). Based on the information provided by ANAS, the effectiveness of this agreement is subject to the closing of the EU infringement procedure that was opened upon the said redetermination of the concession duration.
- *Five-year renewal of the financial plans attached to the agreements*
As at 31 December 2008, the Standard Concession Agreements for the subsidiaries Autostrada dei Fiori S.p.A., SALT S.p.A. and SAV S.p.A., and the associated company SITAF S.p.A. are under negotiation. The delayed update of the plans results in uncertainties related to the investments to be made, as well as in the delayed implementation of tariffs, with inevitable consequences for the Company management.
- *Disputes with the Revenue Office*
During 2008, some Group companies were subject to tax investigations by the Italian Inland Revenue and the Tax Police. During these investigations, no wilful misconduct, tax evasion/elusion or criminal-related facts were recorded. Therefore, the formal and substantial correctness of the activities carried out by the Companies was confirmed. If some observations were made with regard to different interpretations of tax provisions compared to those adopted by the Companies, these confirmed to have acted in compliance with the rules governing the preparation of the financial statements and in line with the reference accounting standards. In case such observations resulted in a subsequent tax assessment by the Revenue Office, the Companies lodged an appeal and reaffirmed the correctness of the procedures adopted.

⁽¹⁾ With regard to the “financial risk management”, reference should be made to the “other information” section included in the notes of the “consolidated financial statements”.

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, the disclosures on equity investments held by Directors and Statutory Auditors in the Issuer⁽¹⁾ are provided below:

| NAME AND SURNAME | 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 |
|---------------------|---|---|----------------------------|-----------------------|--|
| ARONA ENRICO | SIAS S.p.A. shares | - | 70,000 | - | 70,000 |
| CAVALITTO GIORGIO | SIAS S.p.A. shares | - | 900 ⁽²⁾ | - | 900 |
| CAVANENGGHI ALFREDO | SIAS S.p.A. shares | 19,000 | 1,000 | - | 20,000 |
| GAVIO DANIELA | SIAS S.p.A. convertible bonds | 5,000 | - | - | 5,000 |
| GAVIO BENIAMINO | SIAS S.p.A. shares SIAS S.p.A. convertible bonds | 500 ⁽³⁾ 125 ⁽³⁾ | 361,604 - | - - | 362,104 ⁽⁴⁾ 125 ⁽³⁾ |
| LASCIALFARE RINALDO | SIAS S.p.A. convertible bonds | 5,250 ⁽³⁾ | - | - | 5,250 ⁽³⁾⁽⁵⁾ |
| PIERANTONI PAOLO | SIAS S.p.A. shares | 1,750 | 3,300 | - | 5,050 |
| SACCHI ALBERTO | SIAS S.p.A. shares SIAS S.p.A. convertible bonds | 2,000 500 | - - | - - | 2,000 500 |

- (1) Mrs. Daniela Gavio and Mr. Beniamino Gavio hold respectively 3,255 and 53,283 shares of the subsidiary SATAP S.p.A..
(2) Shares held as at 12/5/2008 (date of appointment)
(3) Held by the spouse.
(4) Of which 500 shares held by the spouse.
(5) Held as at 12/05/08 (date of termination of office)

OTHER SPECIFIC DISCLOSURES PURSUANT TO CURRENT LEGISLATION**Information on Environment and Staff**

With regard to **environment**-related information, it should be underlined that the Group Companies carry out their activities in full compliance with environmental and hygiene requirements at work. Moreover, the Group motorway companies adopted a series of measures aimed at limiting the environmental impact. The main measures are detailed below:

- the installation of noise barriers;
- the use of special drainage, low-noise asphalts, which capture pollutants;
- the recycling of the bitumen used;
- the treatment and purification of wastewater in the service areas;
- the special disposal of bituminous substances that cannot be reused;
- the adaptation of systems for waste disposal and management, for the waste produced in connection with motorway accidents, with the help of specialised companies.

With regard to **employee**-related information, the following table shows the staff employed as at 31 December 2008 compared to the figures as at 31 December 2007:

| | 31/12/2008 | 31/12/2007 | changes |
|-----------------|--------------|--------------|------------|
| Executives | 50 | 49 | +1 |
| Middle managers | 56 | 57 | -1 |
| Staff | 1,855 | 1,865 | -10 |
| Workers | 418 | 425 | -7 |
| Total | 2,379 | 2,396 | -17 |

Also in 2008, the Group Companies carried out the enhancement policy for human resources, aimed at improving the organisational model, also in order to obtain higher operational flexibility. With regard to the Group's motorway companies, the programme for the improvement of staff efficiency (especially concerning the toll collection staff) is related to the blockage of turnover due to the automation process of motorway toll gates, which is still under way.

Moreover, it should be underlined that the national collective agreement for the motorway sector was signed on 18 December 2008.

Own shares and shares or stakes of parent companies

The Company does not hold own shares.

As at 31 December 2008, 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.

Branches

Your Company has no branches.

Relationships with subsidiaries, associated companies, parent companies and with companies subject to control

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 (both in the “financial statements” and in the “consolidated financial statements”).

Personal Data Protection Code

As regards the “Personal Data Protection Code”, during 2008 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).

Report on Corporate Governance

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) 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 percentage of foreign investors, especially Anglo-Saxons, in the Company’s capital);
- detailed and timely information is provided through daily, periodical and financial press.

Certifications pursuant to art. 36 and 37 of CONSOB resolution no. 16191/07 (“Market regulation”)

The Company does not fall within the scope of the regulations set out by **Art. 36** of CONSOB Resolution no. 16191/07, since at present it does not control “companies incorporated and governed by the law of States not belonging to the European Union”.

Pursuant to **Art. 37** of the above-mentioned CONSOB Resolution, it should be noted that the Company meets the requirements for the listing of own shares on the Italian regulated market, which are listed in paragraph 1 of the same article.

SIGNIFICANT SUBSEQUENT EVENTS

With regard to any significant event occurred after 31 December 2008, in addition to the above information it should be noted that – concerning a **consolidation and strengthening programme of the Group's presence in the Chilean motorway sector** – SIAS S.p.A. and Atlantia S.p.A. recently signed an agreement according to which SIAS will join the special-purpose vehicle through which the Atlantia Group will indirectly acquire the investments detailed below and covered by the agreement signed on 1 December 2008 between Atlantia, Citi Infrastructure Partners (CIP) and Sacyr Vallehermoso.

The acquisition by Atlantia will be concluded on completion of a takeover bid that CIP will promote with regard to the Itinere company (listed on the Madrid Stock Exchange) and upon completion of the conditions and agreements to which the company is subject.

The equity investments covered by the agreement signed between SIAS and Atlantia are detailed below:

- **50% of Sociedad Concesionaria Vespucio Sur S.A.** (Vespucio Sur), holder of the concession (expiry date in 2032) of the southern stretch of the toll ring road of Santiago de Chile, for a total of 23 km;
- **50% of Sociedad Concesionaria Litoral Central S.A.** (Litoral Central), holder of the concession (expiry date in 2031) of the toll motorway network (80 km) between Algarrobo, Casablanca and Cartagena (Chile);
- **100% of Sociedad Concesionaria Autopista Nororiental S.A.** (Nororiental), holder of the concession (expiry date in 2044) of the North-Eastern link road (21 km) in Santiago de Chile, opened at the beginning of March;
- **100% of Gestion Vial S.A.**, responsible for the management of maintenance activities and works for the sections licensed to Litoral Central and Los Lagos S.A. (this company is not included in the agreement);
- **50% of Operacion y Logistica de Infraestructuras S.A.** (Operalia), responsible for the management of maintenance activities and works for the section licensed to Vespucio Sur.

The agreement involves the subscription of a reserved share capital increase. Upon completion of the transaction, SIAS will hold 50% of the share capital of the special-purpose vehicle of the Atlantia Group, which will acquire the said investments from the Itinere Group.

Moreover, the agreement provides for the merger of the special-purpose vehicle with Autostrade Sud America S.r.l., a company whose share capital is held by Atlantia (45%), SIAS (45%) and Mediobanca S.p.A. (10%) and that indirectly holds 100% of the share capital of Sociedad Concesionaria Costanera Norte S.A., to which belongs the 43 km-long Costanera Norte motorway in Santiago.

Thanks to this transaction, the equity investments held by SIAS and Atlantia in the said licensee companies – which all operate near the metropolitan area of Santiago – will be grouped together, thus enabling the development of significant operational synergies (especially with regard to the interconnection of payment systems) and the sharing of the know-how and professional skills acquired.

The share capital increase reserved to SIAS concerning the special-purpose vehicle – which will acquire the said equity investments from the Itinere Group – involves a share premium that shall be established based on the difference between the valuation of the economic value of equity investments, equal to EUR 254 million (plus any charges additional to the transaction) and the amount (estimated at approximately

EUR 212 million, including additional charges) that Atlantia will pay to CIP for the purchase of the investments.

This transaction is subject to the unconditional acquisition by Atlantia of the said investments and to all required authorisations and approvals, including those of the relevant Authorities.

BUSINESS OUTLOOK

With regard to the business sectors of the Group, we point out the following:

- the business of the “**technology**” and “**construction and engineering**” sectors is directly linked to the investment programme included in the Standard Agreements (signed or currently being defined). The desirable effectiveness of the agreements will impinge on the “production” of the Companies operating in these sectors;
- with regard to the **motorway sector**, the uncertainties linked to the current national and international economic crisis do not allow to provide reliable estimates on traffic performance. Moreover, it is believed that in 2009 there will be a decrease in traffic volume, especially with regard to “heavy-duty vehicles”.

The implementation of the toll increases required as from 1 May will allow the Group’s motorway companies to mitigate the said traffic decrease.

However, a positive 2009 result is expected both at Group and Parent Company level.

* * *

PROPOSAL FOR ALLOCATION OF THE NET PROFIT

Shareholders,

the financial statements that we hereby present for your approval show a “profit for the period” equal to EUR 77,297,433.

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

| | EUR |
|--|--------------------------|
| • 2008 net profit | 77,297,433 |
| • interim dividend approved by the Board of Directors on 12 November 2008 and paid in the amount of EUR 0.160 for each of the 227,500,000 shares of the share capital, for a total amount of | 36,400,000 |
| • a unit balance dividend of EUR 0.040 for each of the 227,500,000 shares of the share capital, for a total amount of | <u>9,100,000</u> |
| • residual amount | <u><u>31,797,433</u></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 7 May 2009 (in such event the shares shall be quoted ex-dividend from 4 May 2009, against detachment of the coupon no. 15) if the Shareholders’ Meeting approves the financial statements on 27 April 2009 (1st call), or on 28 April 2009 (2nd call).

Turin, 23 March 2009

for the Board of Directors
The Chairman
(Mr Bruno Binasco)

Separate Financial Statements
as at 31 December 2008

**Financial Statements
of the Parent Company**

Balance Sheet

| <i>(amounts in thousands of EUR)</i> | 31 December 2008 | 31 December 2007 |
|--|-------------------------|-------------------------|
| Assets | | |
| Non-current assets | | |
| 1. Intangible assets | - | - |
| 2. Tangible assets | - | - |
| 3. Non-current financial assets (Note 1) | | |
| a. equity investments in subsidiaries | 1,817,191 | 1,826,685 |
| b. equity investments in associated companies | 73,234 | 57,034 |
| c. equity investment in other companies | 138,740 | 147,193 |
| d. receivables | - | - |
| e. other | - | - |
| Total non-current financial assets | 2,029,165 | 2,030,912 |
| 4. Deferred tax credits (Note 2) | 482 | 573 |
| Total non-current assets | 2,029,647 | 2,031,485 |
| Current assets | | |
| 5. Inventories | | |
| 6. Trade receivables | | |
| 7. Current tax credits (Note 3) | 23,711 | 3,118 |
| 8. Other receivables (Note 4) | 23,154 | 19,315 |
| 9. Assets held for trading | | |
| 10. Assets available for sale | | |
| 11. Financial receivables | | |
| Total current assets | 46,865 | 22,433 |
| 12. Cash and cash equivalents (Note 5) | 22,583 | 48,889 |
| Total current assets | 69,448 | 71,322 |
| Total assets | 2,099,095 | 2,102,807 |
| Shareholders' equity and liabilities | | |
| Shareholders' equity | | |
| 1. Shareholders' equity (Note 6) | | |
| a. share capital | 113,750 | 113,750 |
| b. reserves and retained earnings | 1,511,072 | 1,494,466 |
| Total shareholders' equity | 1,624,822 | 1,608,216 |
| Liabilities | | |
| Non-current liabilities | | |
| 2. Provisions for risks and charges and severance indemnities (Note 7) | 140 | 114 |
| 3. Trade payables | | |
| 4. Other payables | | |
| 5. Bank debt | | |
| 6. Other financial liabilities (Note 8) | 293,443 | 289,475 |
| 7. Deferred tax liabilities (Note 9) | 10 | 14,241 |
| Total non-current liabilities | 293,593 | 303,830 |
| Current liabilities | | |
| 8. Trade payables (Note 10) | 1,260 | 1,771 |
| 9. Other payables (Note 11) | 18,938 | 7,738 |
| 10. Bank debt (Note 12) | 17,421 | 50,847 |
| 11. Other financial liabilities (Note 13) | 142,993 | 130,330 |
| 12. Current tax liabilities (Note 14) | 68 | 75 |
| Total current liabilities | 180,680 | 190,761 |
| Total liabilities | 474,273 | 494,591 |
| Total shareholders' equity and liabilities | 2,099,095 | 2,102,807 |

Income statement

| <i>(amounts in thousands of EUR)</i> | 2008 | 2007 |
|---|-----------------|----------------|
| Financial income and charges (Note 15) | | |
| 1. Investment income: | | |
| a. from subsidiaries | 104,841 | 89,520 |
| b. from associated companies | 895 | 552 |
| c. from other businesses | 1,571 | 17,672 |
| Total investment income | 107,307 | 107,744 |
| 2. Other financial income | 3,111 | 5,231 |
| 3. Interest and other financial charges | (22,355) | (18,459) |
| Total financial income and charges (A) | 88,063 | 94,516 |
| Value adjustments for financial assets (Note 16) | | |
| 1. Revaluations | - | 103 |
| 2. Write-downs | (12,442) | - |
| Total value adjustments for financial assets (B) | (12,442) | 103 |
| Other operating income (Note 17) (C) | 82 | 46 |
| Other operating costs (Note 18) | | |
| a. payroll costs | (361) | (328) |
| b. costs for services | (2,089) | (1,778) |
| c. cost of materials | | |
| d. other costs | (263) | (215) |
| e. amortisation, depreciation and write-downs | | |
| f. other provisions for risks and charges | | |
| Total other operating costs (D) | (2,713) | (2,321) |
| Profit (loss) before taxes (A+B+C+D) | 72,990 | 92,344 |
| Taxes (Note 19) | | |
| a. Current taxes | (633) | (577) |
| b. Deferred taxes | (154) | 1,362 |
| c. Income from tax consolidation | 5,094 | 24 |
| Profit (loss) for the year | 77,297 | 93,153 |

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> | 2008 | 2007 |
|---|-----------------|------------------|
| Beginning cash and cash equivalents (a) | 48,889 | 141,808 |
| Operating activity: | | |
| Profit (loss) | 77,297 | 93,153 |
| Adjustments | | |
| Update provisions for severance indemnities | 26 | 9 |
| Write-down (revaluations) of financial assets | 12,441 | (103) |
| Net change in deferred tax credits and liabilities | 156 | (1,923) |
| Change in net working capital (Note 20) | (5,742) | 3,868 |
| Other changes from operating activity | - | - |
| Cash generated (absorbed) by operating activity (b) | 84,178 | 95,004 |
| Investment activity: | | |
| Investments in property, plant, machinery and other assets | | |
| Investments in intangible assets | | |
| Investments in non-current financial assets | (16,285) | (386,395) |
| Divestiture of current financial assets | 3,406 | 95,383 |
| Cash generated (absorbed) by investment activity (c) | (12,879) | (291,012) |
| Financial activity: | | |
| Opening (repayment of) loans | (29,458) | 172,391 |
| Change in financial receivables | (8,010) | (15,011) |
| Change in other borrowings | 12,663 | 3,808 |
| Changes in shareholders' equity | - | (1,436) |
| Dividends (and interim dividends) distributed | (72,800) | (56,663) |
| Cash generated (absorbed) by financial activity (d) | (97,605) | 103,089 |
| Ending cash and cash equivalents (a+b+c+d) | 22,583 | 48,889 |

Additional information:

| | | |
|--|---------|--------|
| Taxes paid during the period | - | - |
| Financial charges paid during the period | 19,904 | 11,946 |
| Dividends collected during the period | 107,102 | 96,231 |

- The Company's "net financial position" as at 31 December 2008 – prepared in compliance with the CESR Recommendation of 10 February 2005 – is provided in 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 | Shareholders' equity |
|---|----------------|--------------------------------|----------------------|
| 31 December 2006 | 63,750 | 496,174 | 559,924 |
| Distribution of 2006 balance dividend (EUR 0.15 per share) | | (19,125) | (19,125) |
| Increases in share capital from contribution of investments | 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 |
| 31 December 2007 | 113,750 | 1,494,466 | 1,608,216 |
| Distribution of 2007 balance dividend (EUR 0.160 per share) | | (36,400) | (36,400) |
| Distribution of 2008 interim dividend (EUR 0.160 per share) | | (36,400) | (36,400) |
| Reclassification of deferred taxes, SIAS bond loan | | 14,258 | 14,258 |
| Update financial assets to fair value | | (2,149) | (2,149) |
| Profit for the period | | 77,297 | 77,297 |
| 31 December 2008 | 113,750 | 1,511,072 | 1,624,822 |

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

| <i>Amounts in thousands of EUR</i> | Share premium reserve | Revaluat. reserves | Legal reserve | Reserves for revaluation to fair value | Capital reserves | Retained earnings (losses) | Profit (loss) for the period | Total |
|---|-----------------------|--------------------|---------------|--|------------------|----------------------------|------------------------------|------------------|
| 31 December 2006 | 178,619 | 5,434 | 12,750 | 6,971 | 34,590 | 102,498 | 155,312 | 496,174 |
| Allocation of 2006 profits | | | | | | 136,187 | (136,187) | - |
| Distribution of 2006 balance dividend (EUR 0.15 per share) | | | | | | | (19,125) | (19,125) |
| Increases in share capital from contribution of investments | 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 |
| 31 December 2007 | 1,147,619 | 5,434 | 12,750 | 917 | 34,590 | 237,541 | 55,615 | 1,494,466 |
| Reclassification of reserves | (10,000) | | 10,000 | | | | | - |
| Allocation of 2007 profits | | | | | | 19,215 | (19,215) | - |
| Distribution of 2007 balance dividend (EUR 0.160 per share) | | | | | | | (36,400) | (36,400) |
| Distribution of 2008 interim dividend (EUR 0.160 per share) | | | | | | | (36,400) | (36,400) |
| Reclassification of deferred taxes, SIAS bond loan | | | | | | 14,258 | | 14,258 |
| Update financial assets to fair value | | | | (2,149) | | | | (2,149) |
| Profit for the period | | | | | | | 77,297 | 77,297 |
| 31 December 2008 | 1,137,619 | 5,434 | 22,750 | (1,232) | 34,590 | 271,014 | 40,897 | 1,511,072 |

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 traded in the “Blue Chip” segment.

The Board of Directors of SIAS S.p.A. examined and recommended the financial statements of the Parent Company (SIAS S.p.A.) on 23 March 2009.

Preparation criteria and contents of the financial statements

Based on the provisions of Article 4, Paragraph 1 of Legislative Decree No. 38 of 28/2/2005, these financial statements were prepared in accordance with the **international accounting standards (IFRS)** issued by the International Accounting Standard Board (IASB) and approved by the European Commission. The designation “IFRS” also includes all valid International Accounting Standards (“IAS”), as well as all interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), formerly the Standing Interpretations Committee (“SIC”).

The financial report comprises the balance sheet, the income statement, the cash flow statement, the statement of changes in shareholders’ equity and these explanatory notes and applies the provisions contained in IAS 1 “Presentation of Financial Statements”, as well as the general cost method. The balance sheet has been prepared by distinguishing between current and non-current assets and liabilities, while in the income statement costs have been presented and classified based on their nature. The cash flow statement has been prepared using the indirect method.

Accounting principles and explanatory notes

Valuation criteria

Equity investments in subsidiaries and associated companies

Equity investments in subsidiaries and associated companies are accounted for according to the cost method. Whenever appropriate tests highlight signs of an impairment in value, the value is adjusted. The original cost is restored in later years, should the reasons for the adjustments no longer hold true.

Financial assets available for sale

This category includes the shares not held for trading and not eligible as control, connection or joint control.

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

Every year or at the closing of an interim period, the presence of significant/accumulated impairment losses is assessed. If impairment is detected, the related loss is entered into the income statement at market prices, for listed securities, or, for non-listed, at the current value of the estimated future financial flows discounted at the actual interest rate. Specifically, with regards to listed securities, the impairment parameters are represented by a reduction in the fair value which is approximately one third greater or prolonged for more than 18 months compared to the value posted originally. In any case, the accounting of an accumulated impairment in the income statement is dependent on a valuation of each investment that takes into account, among other things, particularly volatile or unusual market trends. If, subsequently, the reasons for the impairment should no longer hold true, a write-back is entered into the shareholders' equity.

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 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 or 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 charges are calculated on the “*liability component*”. They are imputed to the income statement based on the market interest rate mentioned above.

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 represent 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 company’s control; (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 (“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.

As 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 Company and their value can be determined reliably.

Dividends

Dividends paid by investee companies are posted when the right to receive them is established, which corresponds to the date that the investee company 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 investee company.

Financial charges

Financial charges 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 the 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.

Since 2004 the company, in its capacity as consolidating company, has opted for the national tax consolidation pursuant to articles 117/129 of the Consolidated Law on Income Taxes. The company calculates only one taxable base for the group of companies included in the tax consolidation, benefiting

from the possibility to compensate taxable income with tax losses in a single tax statement. Each company involved in the tax consolidation transfers its entire taxable income to the Parent Company posting a payable towards SIAS S.p.A. for an amount corresponding to the IRES to be paid. The companies transferring tax losses can record a receivable towards SIAS S.p.A. for an amount corresponding to the IRES for the part of the loss effectively compensated at Group level.

Impairment test

The book values of the Company's assets are assessed for impairment at every reference date of the financial statements. If impairment is detected, the recoverable value of the asset is estimated. Impairment is accounted for in the income statement when the book value of an asset or of a cash generating unit exceeds the recoverable value.

The recoverable value of non-financial assets corresponds to the higher between their fair value net of sale costs and their useful life. In order to establish their useful life, the estimated future financial flows are discounted at a rate that reflects the current market valuation of the money value and the risk related to that type of asset. If the assets do not generate incoming cash flows deemed as widely independent, the recoverable value of the cash generating unit to which the asset belongs is calculated.

The losses posted in the income statement are written back in case of changes in the valuation criteria used to determine the recoverable value. A value write-back is recorded in the income statement by adjusting the book value of the assets to its recoverable value. The latter cannot exceed the value that would have been determined, net of depreciation and amortisation expense, if impairment had not been posted in previous years.

ESTIMATES AND VALUATIONS

The preparation of this report and the related notes required estimates and assumptions that had an effect on the values of the assets and liabilities in the report and on the information related to potential assets and liabilities as at the date of the report. 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.

The accounting standards 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.

* * *

ACCOUNTING STANDARDS, NEWLY-ISSUED INTERPRETATIONS OR REVISIONS AND AMENDMENTS TO EXISTING STANDARDS, NOT YET IN EFFECT OR NOT YET APPROVED BY THE EUROPEAN UNION

As required by IAS 8 “Accounting policies, changes in accounting estimates and errors”, below are the new standards and new accounting interpretations, in addition to the amendments to the standards and to existing interpretations that are not yet into effect or have not yet been adopted by the European Union (EU), which might apply to the Company’s future financial statements.

Amendments to IAS 39 – Financial instruments: Recognition and Measurement and to IFRS 7 – Financial instruments: supplemental information

On 13 October 2008, IASB issued a new amendment to IAS 39 – Financial instruments: Recognition and Measurement and to IFRS 7 – Financial instruments: supplemental information, which permits, under particular circumstances, to reclassify certain financial assets other than derivatives, from the category “measured at fair value through the income statement”.

In addition, the amendment permits to transfer loans and receivables from the accounting category “available for sale” to that of “held to maturity”, if the company has the intention and the capacity to hold these instruments for a specific time in the future. The amendment applies from 1 July 2008, however its adoption did not result in the recording of any effect on the current financial statements, considering that the Company did not make any of the reclassifications permitted.

Further details on accounting standards and newly-issued interpretations can be found in the Explanatory Notes of the Consolidated Financial Statements.

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 2007 | Changes during the period | | | 31 December 2008 |
|---|-----------------|---------------------|---------------------------|-------|----------------|---------------------|
| | | | 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 | | | (9,494) | 340,506 |
| Società Autostrada Ligure-Toscana p.A. | 87.392% | 339,129 | | | | 339,129 |
| SATAP S.p.A. | 99.874% | 1,006,982 | | | | 1,006,982 |
| SINELEC S.p.A. (ex SSAT S.p.A.) | 47.783% | 3,528 | | | | 3,528 |
| Total | | 1,826,685 | - | - | (9,494) | 1,817,191 |

The Company wrote down the equity investments held in the subsidiary Holding Piemonte e Valle d'Aosta S.p.A.- HPVdA, in order to record the losses incurred by the investee company. These losses were due to the write-down made in connection with the impairment test on the equity investment in ATIVA S.p.A.

More specifically, in line with the provisions of IAS 36, the Company determined the “useful life” of ATIVA S.p.A. (Cash Generating Unit) by discounting the future cash flows deriving from the motorway management activity. The data contained in the financial plan annexed to the agreement approved by the Regulator were used as the basis for the calculations. The data were adjusted solely to reflect the factors that occurred after the preparation date of the financial plans (e.g. delays in obtaining the approval of toll increases, forecast reduction in traffic due to the current economic scenario, different amount and timings of investments in revertible assets, etc.).

Considering that the financial plans were drawn up using a “constant currency”, a “real” rate was used when discounting the cash flows, separating real inflation from the nominal rate.

The discounting rate was calculated on the basis of the financial structure of the company. When determining the discounting rate, the following parameters were taken into account:

| |
|--|
| “Free-risk” rate equal to the return of the 10-year BTP (Pluriannual Treasury Bonds) benchmark – average of the last 12 months as of the assessment date |
| Risk premiums in line with the CIPE Resolution No. 38/2007 (basis to calculate the WACC of Standard Agreements) |
| Beta of the Italian motorway sector (SIAS/Atlantia) releveraged on the company’s financial structure as of the assessment date |
| Cost of debt equal to the average of 2008 IRS 10 year+ spread |
| Inflation rate equal to the real inflation component included in the 10-year IRS. |

On the basis of these elements, the *real* post-tax average weighted cost of capital used was 3.69%.

With regards to the above-mentioned equity investment, for which the “useful life” was calculated, a *sensitivity analysis* of the profit was also carried out, changing both the flows components (toll revenues/traffic volumes) and the discounting rates applied. This analysis did not highlight significant differences with the “useful life” originally obtained.

The principal data concerning subsidiaries are shown below:

| Investee company | 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 | 70,076 | 10,251 | 31/12/2008 |
| Holding Piemonte e Valle d'Aosta S.p.A. | Turin - Via Bonzanigo 22 | 350,000 | 350,000,000 | 340,920 | -9,750 | 31/12/2008 |
| Società Autostrada Ligure-Toscana p.A. | Lido di Camaiore (LU) – Via Don Tazzoli, 9 | 120,000 | 120,000,000 | 473,093 | 45,381 | 31/12/2008 |
| SATAP S.p.A. | Turin - Via Bonzanigo 22 | 158,400 | 158,400,000 | 809,492 | 50,264 | 31/12/2008 |
| SINELEC S.p.A. | Tortona (AL) – S.P. 211 della Lomellina n. 3/13 | 7,383 | 1,476,687 | 18,643 | 5,778 | 31/12/2008 |

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

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 2007 | Changes during the period | | | 31 December 2008 |
|-------------------------------|-----------------|------------------|---------------------------|----------|----------|------------------|
| | | | Purchases | Sales | Other | |
| Autostrade Sud America s.r.l. | 45.000% | 45,000 | 16,200 | | | 61,200 |
| 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 |
| Total | | 57,034 | 16,200 | - | - | 73,234 |

With regards to the equity investment in Autostrade Sud America s.r.l., during 2008 the Company subscribed and paid its pertaining part of the share capital increase approved by the Extraordinary Shareholders' Meeting held on 22 December 2008.

The principal data concerning associated companies are shown below:

| Investee 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 | 99,603 | (35,269) | 31/12/08 |
| Autopista do Pacifico S.A. | Santiago (Chile) – Av. ElGolf, 40 | 65,000,000 ⁽¹⁾ | 65,000 | 77,500,666 ⁽¹⁾ | 1,220,642 ⁽¹⁾ | 31/12/08 |
| Road Link Ltd | Northumberland - 4 Gilsgate UK | 1 ⁽²⁾ | 1,000 | 1 ⁽²⁾ | 3,500 ⁽²⁾ | 31/3/2008 |
| Sistemi e Servizi s.c.a.r.l. ⁽³⁾ | Tortona (AL) – S.S. 211 Loc. San Guglielmo 3/13 | 100 | 100,000 | 100 | - | 31/12/2008 |

⁽¹⁾ In thousands of CLP

⁽²⁾ In thousands of GBP

⁽³⁾ Financial statements prepared in compliance with national accounting standards

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

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

| | % held | 31 December 2007 | | | Changes during the period | | | | 31 December 2008 | | |
|---|---------|------------------|-----------------------|----------------|---------------------------|----------------|-----------------------|----------------|------------------|-----------------------|----------------|
| | | Original value | Updates to fair value | Total | Purchases | Sales | Updates to fair value | | Original value | Updates to fair value | Total |
| | | | | | | | Sharehol. d. Eq. | Inc. stat. | | | |
| Equity investments: | | | | | | | | | | | |
| Alerion Industries S.p.A. | 0.488% | 972 | 802 | 1,774 | | (134) | (774) | | 838 | 28 | 866 |
| Assicurazioni Generali S.p.A. | 0.025% | 12,264 | 1,686 | 13,950 | | (2,726) | (1,686) | (2,717) | 6,821 | | 6,821 |
| C.I.E. Compagnia Italiana Energia S.p.A. | 4.034% | 122 | | 122 | 19 | | | | 141 | | 141 |
| FNM S.p.A. | 0.215% | 974 | (277) | 697 | 66 | (548) | 277 | (230) | 262 | | 262 |
| Milano Serravalle-Milano Tangenziali S.p.A. | 10.655% | 131,704 | (1,483) | 130,221 | | | | | 131,704 | (1,483) | 130,221 |
| SINA S.p.A. | 0.500% | 202 | 227 | 429 | | | | | 202 | 227 | 429 |
| Total | | 146,238 | 955 | 147,193 | 85 | (3,408) | (2,183) | (2,947) | 139,968 | (1,228) | 138,740 |

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

| Investee 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. | Milan – Via Durini 16/18 | 162,842 | 440,112,675 | 177,299 | 17,124 | 31/12/07 |
| Assicurazioni Generali S.p.A. | Trieste – Piazza Duca degli Abruzzi, 2 | 1,410,113 | 1,410,113,747 | 10,914,701 | 1,401,096 | 31/12/07 |
| C.I.E. Compagnia Italiana Energia S.p.A. (1) | Turin – Corso Matteotti 57 | 13,040 | 1,304,000 | 3,552 | 376 | 31/12/07 |
| FNM S.p.A. | Milano – P.le Cadorna 14 | 129,228 | 248,515,754 | 153,108 | 3,962 | 31/12/07 |
| Milano Serravalle - Milano Tangenziali S.p.A.(1) | Assago Milanofiori (MI) – Strada 3 Palazzo B4 | 93,600 | 180,000,000 | 329,935 | 32,824 | 31/12/07 |
| SINA S.p.A. (1) | Milano – Via F. Casati, 1/A | 2,028 | 4,056,250 | 49,675 | 4,588 | 31/12/08 |

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

The principal changes during the period are shown below:

- transfer of 342,004 Alerion Industries S.p.A. shares;
- transfer of 100,000 Assicurazioni Generali S.p.A. shares;
- purchase of 2,505 CIE S.p.A. (Compagnia Italiana Energia) shares;
- transfer of 327,675 FNM S.p.A. shares, net of purchases and bonus issues;
- write-downs recorded in the income statement of the equity investments in Assicurazioni Generali S.p.A. and FNM S.p.A. in order to adjust their value to their stock exchange prices as at 31 December 2008.
- updates to fair value for 2008 (with contra-entry in the shareholders' equity).

As shown in the table above, the value of investments “available for sale” at 31 December 2008 was net of approximately EUR 1.2 million bearing on the update to fair value of the investments.

Note 2 – Deferred tax credits

This item totalled EUR 482 thousand (EUR 573 thousand at 31 December 2007). For the breakdown of this item, please refer to Note 19 – Income taxes.

Note 3 – Current tax credits

This item, amounting to EUR 23,711 thousand (EUR 3,118 thousand at 31 December 2007) refers to the excess IRES credit accrued in connection with the “tax consolidation”, as a result of the advance payments made by the Group Companies.

Note 4 – Other receivables

This item can be detailed as follows:

| | 31 December 2008 | 31 December 2007 |
|---------------------------|-------------------------|-------------------------|
| from parent companies | 23,021 | - |
| from subsidiaries | 67 | 19,296 |
| from associated companies | - | 10 |
| from others | 66 | 9 |
| Total | 23,154 | 19,315 |

Receivables from parent companies refer to the loan issued to the parent company Argo Finanziaria S.p.A. 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 was repaid in early 2009.

Receivables from subsidiaries refer to loans made to HPVdA S.p.A. after this company joined the tax consolidation. In the previous year, this item included also the loan issued to the subsidiary Autocamionale della Cisa S.p.A. and repaid in March 2008.

Note 5 – Cash and cash equivalents

These consist of:

| | 31 December 2008 | 31 December 2007 |
|-----------------------------------|-------------------------|-------------------------|
| Bank and postal deposits | 22,583 | 48,889 |
| Cheques | - | - |
| Cash and cash equivalents on hand | - | - |
| Total | 22,583 | 48,889 |

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

Note 6 – Shareholders' equity

6.1 – Share capital

At 31 December 2008, the share 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 (unchanged compared to the corresponding figures at 31 December 2007), entirely subscribed and paid in.

6.2 – Reserves

6/2/1 – Share premium reserve

This item totalled EUR 1,137,619 thousand (EUR 1,147,619 thousand at 31 December 2007). This item decreased by EUR 10 million following the reclassification to the item “Legal reserve”, as approved by the Shareholders' Meeting on 12 May 2008.

6/2/2 – Revaluation reserves

These totalled EUR 5,434 thousand (EUR 5,434 thousand at 31 December 2007).

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 – Legal reserve

It totalled EUR 22,750 thousand (EUR 12,750 thousand at 31 December 2007). As approved by the Shareholders' Meeting on 12 May 2008, this item increased following the reclassification of EUR 10 million from the item “Share premium reserve”, thus reaching the limit required by Article 2430 of the Italian Civil Code.

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 2008, this was negative for EUR 1,232 net of the related deferred tax effect (positive for EUR 917 thousand at 31 December 2007). For changes in this item, please see Note 1.c (Investments in “other businesses” – available for sale).

6/2/5 – Capital reserves

This item totalled EUR 34,590 thousand and is unchanged from 31 December 2007.

6/2/6 – Retained earnings

This item totalled EUR 271,014 thousand (EUR 237,541 thousand at 31 December 2007). This reserve was increased by the allocation of the quota of profits from 2007 (EUR 19,215 thousand) and by the reclassification of the “provision for deferred taxation” (EUR 14,258 thousand) in connection with the convertible bond loan. This reclassification was the outcome of the amendments introduced by the Law No. 244 of 24 December 2007 concerning the calculation of the taxable income of companies drawing up their financial statements in accordance with the International Accounting Standards, which attributed significance to the qualification, time recognition and classification criteria established by the IASs (so-called “derivation standard”). This amendment attributed also tax relevance to the financial charges component calculated on the differential between the “issuing rate” and the corresponding “market rate” connected to the convertible bond loan.

This item also includes: (i) 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 (ii) the amount related to the “shareholders’ equity component” of the convertible bond loan (at 31 December 2008, the “not available” portion of that reserve totalled EUR 40.1 million). This component becomes gradually “available”, as the differential of interest recalculated on the basis of “market rates” is recorded in the income statement.

6.3 – Income (loss) for the year

This item gathers the profits/losses for the period. It totalled EUR 77,297 thousand (EUR 93,153 thousand in 2007).

The interim 2008 dividend approved by the Board of Directors on 12 November 2008, totalling EUR 36,400 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 2008, as well as any drawdowns made during the last three accounting periods (values in thousands of EUR).

| Type and description of the items of shareholders' equity | Amount at 31 December 2008 | Possibility of use | Quota available | Drawdowns in the last three years |
|---|----------------------------|--------------------|------------------|-----------------------------------|
| Share capital | 113,750 | | | |
| Capital reserves | | | | |
| - Share premium reserve | 1,137,619 | A, B, C | 1,137,619 | |
| - Revaluation reserve | 5,434 | A, B, C (1) | 5,434 | |
| - Capital reserves | 34,590 | A, B, C | 34,590 | |
| Profit reserves | | | | |
| - Legal reserve | 22,750 | B | - | |
| - Retained earnings (losses) | 271,015 | A, B, C | 230,865 (2) | |
| - Reserves for revaluation to fair value | (1,232) | B | (1,232) (3) | |
| Total | | | 1,407,276 | |
| Quota that cannot be distributed | | | - | |
| Residual quota that can be distributed | | | 1,407,276 | |

Legend:

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

- (1) 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.
- (2) EUR 40,150 thousand attributed to the "shareholders' equity component" of the convertible bond loan is also "not available".
- (3) The negative amount of the fair value reserve was used to reduce the reserves available.

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

7.1 – Employee benefits (Employee Severance Indemnity)

As at 31 December 2008, this item totalled EUR 140 thousand (EUR 114 thousand at 31 December 2007). Changes during the period were as follows:

| | |
|---|------------|
| 1 January 2008 | 114 |
| Period contributions | 26 |
| Indemnities advanced/liquidated during the period | - |
| 31 December 2008 | 140 |

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 | 3.20% |
| Annual rate of increase in severance pay | 3.90% |
| Annual rate of salary increases | From 1.00% to 2.50% |

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 293.443 thousand (EUR 289.475 thousand at 31 December 2007). 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: as from the end of the fifth year, at a ratio of 1 SIAS ordinary share to each Bond owned;
- 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 at the time of the issue.

Note 9 – Deferred tax liabilities

This item amounted to EUR 10 thousand (EUR 14,241 thousand at 31 December 2007). The considerable reduction was due to the above-mentioned reclassification to the item “Retained earnings (losses)”. For the breakdown of this item, please refer to Note 19 – Income taxes.

Note 10 – Trade payables (current)

This item totalled EUR 1,260 thousand (EUR 1,771 thousand at 31 December 2007).

Note 11 – Other payables (current)

These consist of:

| | 31 December 2008 | 31 December 2007 |
|-----------------------------------|------------------|------------------|
| Payables to subsidiaries | 18,506 | 7,208 |
| Payables to associated companies | 114 | 3 |
| Payables to parent companies | - | 21 |
| Payables to welfare organizations | 24 | 25 |
| Other payables | 294 | 481 |
| Total | 18,938 | 7,738 |

The item *Payables to subsidiaries* refers to amounts owed by the subsidiaries Finanziaria di Partecipazioni e Investimenti S.p.A., SALT S.p.A., Autocamionale della Cisa S.p.A., Sinelec S.p.A., Autostrada dei Fiori S.p.A., ABC Costruzioni S.p.A., Euroimpianti Electronic S.p.A., SAV S.p.A., Logistica Tirrenica S.p.A. and Asti-Cuneo S.p.A. when they joined the tax consolidation.

Note 12 – Bank debt (current)

This item totalled EUR 17,421 thousand (EUR 50,847 thousand at 31 December 2007) and refers to the overdraft granted by Unicredit Corporate Banking S.p.A.

Note 13 – Other financial liabilities (current)

This item totalled EUR 142,993 thousand (EUR 130,330 thousand at 31 December 2007) and refers to the current account loans received by the subsidiaries SATAP S.p.A. (EUR 120,000 thousand) and HPVdA S.p.A. (EUR 14,207 thousand). These interest-bearing loans are governed by normal market conditions, at an annual rate equal to 3-month Euribor plus a 0.25% spread (25 b.p.). They mature on 30 September 2009 and may be renewed at maturity.

The remaining EUR 8,786 thousand was payable to bondholders for interest accrued as at 31 December 2008. This debt was paid on 1 January 2009.

Note 14 – Current tax liabilities

Current tax liabilities totalled EUR 68 thousand (EUR 75 thousand at 31 December 2007). They refer to personal income taxes withheld.

Notes - Information on the income statement

Note 15 – Financial income and charges

15.1 – Financial income

This item breaks down as follows:

| | 2008 | 2007 |
|------------------------------------|----------------|----------------|
| Investment income: | | |
| • Income from subsidiaries | 104,841 | 89,520 |
| • Income from associated companies | 895 | 552 |
| • Income from other businesses | 1,571 | 17,672 |
| Total | 107,307 | 107,744 |

“Income from subsidiaries” and “Income from associated companies” refer to dividends and interim dividends collected during the year from SATAP S.p.A. (EUR 45.9 million), SALT S.p.A. (EUR 39.8 million), HPVdA S.p.A. (EUR 9.3 million), Autocamionale della Cisa S.p.A. (EUR 7.7 million), SINELEC S.p.A. (EUR 2.1 million) and Road Link Holdings Ltd (EUR 0.9 million).

The increase on the previous year was essentially due to higher dividends distributed by the subsidiaries HPVdA S.p.A. and SALT S.p.A.

“Income from other businesses” related to dividends collected by Milano Serravalle-Milano Tangenziali S.p.A. (EUR 940 thousand), Assicurazioni Generali S.p.A. (EUR 405 thousand), SINA S.p.A. (EUR 21 thousand), as well as capital gains from the sale of shares of Alerion Industries S.p.A. (EUR 181 thousand) and FNM S.p.A. (EUR 24 thousand). The previous year had benefited from considerable capital gains resulting from the transfer of shares in Assicurazioni Generali S.p.A. and Capitalia S.p.A.

15.2 – Other financial income

This item breaks down as follows:

| | 2008 | 2007 |
|---|--------------|--------------|
| Interest income and other financial income | | |
| • from credit institutions | 2,593 | 2,239 |
| • from financial assets | - | 981 |
| • from loans | 170 | 11 |
| • others | 348 | 2,000 |
| Total | 3,111 | 5,231 |

The item “income from credit institutions” refers to interest accruing on bank current accounts 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. and to the parent company Argo Finanziaria S.p.A.

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

15.3 – Interest and other financial charges

This item breaks down as follows:

| | 2008 | 2007 |
|---|---------------|---------------|
| Interest expense to credit institutions: | | |
| • on loans | 2,224 | 4,005 |
| • on current accounts at banks | 18 | 2 |
| Miscellaneous interest expense: | | |
| • from financial discounting | 5 | 5 |
| • from intercompany loans | 6,392 | 1,544 |
| • from convertible bond loan | 12,639 | 12,479 |
| Other financial charges: | | |
| • other financial charges | 1,077 | 424 |
| Total | 22,355 | 18,459 |

Interest expense from “*loans*” refers to the interest accrued in 2008 on the loan received from banks.

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 2008 on the loan received by the subsidiaries SATAP S.p.A. and HPVdA 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.

“*Other financial charges*” includes EUR 763 thousand of capital losses arising from the transfer of Assicurazioni Generali S.p.A. shares.

Note 16 – Value adjustments of financial assets

“*Value adjustments for financial assets*”, amounting to EUR 12,442 thousand, refers to the write-down of the equity investments held in Assicurazioni Generali S.p.A. (EUR 2,717 thousand) and FNM S.p.A. (EUR 230 thousand) in order to adjust their book value to their stock exchange prices at 31 December 2008. In addition, the Company wrote down by EUR 9,494 thousand the equity investment held in the subsidiary Holding Piemonte e Valle d’Aosta S.p.A. – HPVdA, in order to record the losses incurred by the investee company. These losses were due to the write-down made in connection with the impairment test on the equity investment in ATIVA S.p.A.

Note 17 – Other operating income

This item totalled EUR 82 thousand (EUR 46 thousand in 2007). It refers essentially to costs debited to the subsidiaries.

Note 18 – Other operating costs**Payroll costs**

This item can be detailed as follows:

| | 2008 | 2007 |
|--|-------------|-------------|
| Salaries and wages | 253 | 240 |
| Social security contributions | 79 | 74 |
| Actuarial updating of Employee Severance Indemnity | 24 | 9 |
| Other costs | 5 | 5 |
| Total | 361 | 328 |

Average staffing breaks down by category as follows:

| | 2008 | 2007 |
|-----------------|-------------|-------------|
| Executives | 1 | 1 |
| Middle managers | - | - |
| Staff | 3 | 3 |
| Total | 4 | 4 |

Costs for services

This expense item breaks down thus:

| | 2008 | 2007 |
|--|--------------|--------------|
| Consultants and legal expenses | 769 | 532 |
| Compensation and reimbursements for Directors and Statutory Auditors | 969 | 808 |
| Other costs for services | 351 | 438 |
| Total | 2,089 | 1,778 |

Other costs

This expense item breaks down thus:

| | 2008 | 2007 |
|---------------------------|-------------|-------------|
| Lease and rental expenses | 68 | 68 |
| Other operating expenses | 195 | 147 |
| Total | 263 | 215 |

“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 as follows:

| | 2008 | 2007 |
|--------------------------------------|----------------|----------------|
| Current taxes: | | |
| • IRES | 633 | 577 |
| • IRAP | - | - |
| | 633 | 577 |
| Taxes (prepaid)/deferred: | | |
| • IRES | 130 | (895) |
| • IRAP | 24 | (467) |
| | 154 | (1,362) |
| Income from tax consolidation | (5,094) | (24) |
| Total | (4,307) | (809) |

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 as at 31 December 2008 and 2007.

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

| | 2008 | | 2007 | |
|--|----------------|---------------|---------------|---------------|
| Period income before taxes | 72,990 | | 92,344 | |
| Effective balance of income taxes (from financial statements) | (4,331) | -5.93% | (342) | -0.37% |
| Lower taxes (compared to the theoretical rate): | | | | |
| • dividends and partially tax-exempt capital gains | 28,027 | 38.39% | 30,875 | 33.43% |
| • other tax deductions | 11 | 0.02% | 74 | 0.08% |
| Higher taxes (compared to the theoretical rate): | | | | |
| • Non-deductible write-downs and other changes | (3,636) | -4.98% | (133) | -0.14% |
| Theoretical income taxes | 20,071 | 27.50% | 30,474 | 33.00% |

With regard to reconciliation of the theoretical and effective **IRAP** tax rates, it is specified that the IRAP taxable base calculated on the basis of the requirements for financial companies is 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).

| | 2008 | 2007 |
|--|------------|----------------|
| Deferred tax income related to: (*) | | |
| • “repayment” of deferred taxes on the “shareholders’ equity component” of the Convertible Bond Loan | - | 1,219 |
| • others | 10 | 167 |
| Total (A) | 10 | 1,386 |
| Deferred tax expenses related to: (*) | | |
| • actuarial recalculation of the Employee Severance Indemnities Reserve | 2 | 2 |
| • transfers of advance tax payments | 162 | 22 |
| Total (B) | 164 | 24 |
| Taxes (prepaid)/deferred (B) – (A) | 154 | (1,362) |

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

| | 31 December 2008 | 31 December 2007 |
|---|---------------------|---------------------|
| Deferred tax credits related to: (*) | | |
| • costs deductible over several periods | 415 | 554 |
| • costs deductible for cash | 8 | 19 |
| • other | 59 | - |
| Total deferred tax credits | 482 | 573 |
| Deferred tax liabilities related to: (*) | | |
| • shareholders’ equity component of the convertible bond loan | - | (14,195) |
| • valuation of financial assets at fair value | (3) | (37) |
| • other | (7) | (9) |
| Total deferred tax liabilities | (10) | (14,241) |

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

The decrease in “*Deferred tax liabilities*” is due – as previously reported – to the reclassification into the shareholders’ equity items of the provision for deferred taxation (EUR 14,261 thousand) in connection with the convertible bond loan. This reclassification was the result of the amendments introduced by the Law No. 244 of 24 December 2007 concerning the calculation of the taxable income of companies drawing up their financial statements in accordance with the International Accounting Standards, which attributed significance to the qualification, time recognition and classification criteria established by the IASs (so-called “derivation standard”). This amendment attributed also tax relevance to the financial charges component calculated on the differential between the “issuing rate” and the corresponding “market rate” connected to the convertible bond loan.

Note 20 – Information on the cash flow statement20.1 – Change in net working capital

| | 2008 | 2007 |
|----------------------------------|----------------|--------------|
| Receivables from subsidiaries | 4,218 | (1,234) |
| Current tax assets | (20,593) | 1,522 |
| Receivables from others | (47) | 5 |
| Accounts payable to subsidiaries | 11,298 | 1,761 |
| Current trade accounts payable | (511) | 1,627 |
| Other current payables | (114) | 206 |
| Current tax liabilities | 7 | (19) |
| Total | (5,742) | 3,868 |

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 the fair value, risk management, Director and Statutory Auditor compensation, fees for independent auditors and related party transactions. For information about the Company, “**Events after the closing date**” and the “**Business 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**).

“*Commitments undertaken with the Revenue Office regarding payment of Group VAT*” amounting to **EUR 1 million**.

The Company provided guarantees to the Revenue Office – for a total amount of EUR 1 million – related to the excess credit compensated among the subsidiaries SALT S.p.A., Logistica Tirrenica S.p.A. and Fiori Real Estate s.r.l. when calculating the Group VAT.

Financial instruments: supplemental information

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

Assets

- non-current 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 payables: The value posted to the financial statements represents their fair value

* * *

In accordance with the valuation criteria, the “convertible bond loan” is posted to the financial statements at nominal value, with the "shareholders' equity component" shown separately. As this involves a listed financial instrument, shown below is a comparison between its market value and the corresponding book value:

| Convertible bond loan: <i>(amounts in millions of EUR)</i> | 31 December 2008 | 31 December 2007 |
|--|------------------|------------------|
| - book value in the financial statements ("liabilities component") | 302 | 298 |
| - issue value ("liabilities component" + "shareholders' equity component") | 343 | 343 |
| - Official market listing at 31 December | 259 | 347 |

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 2008 consisted of 69.3% at fixed rate (the convertible bond loan) and 30.7% at variable rate.

With regard to the "risk" related to interest rates, a "sensitivity analysis" was conducted to determine the impact on the 2008 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 2008 results by EUR 0.9 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 dividend flow from investee companies, together with the diversification of financing sources and the availability of credit lines, guarantee being able to satisfy scheduled financial requirements.

The table below shows the breakdown of financial liabilities in place at 31 December 2008, 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).

| | Total contractual flows | Within ^(*) the year | 2 to 5 years^(*) | Beyond 5 years^(*) |
|---------------------------------|--------------------------------|---------------------------------------|-----------------------------------|-------------------------------------|
| Convertible bond loan 2005-2017 | 418,091 | 8,786 | 35,143 | 374,162 |
| HPVdA loan | 14,440 | 14,440 | - | - |
| SATAP loan | 122,892 | 122,892 | - | - |
| Total | 555,423 | 146,118 | 35,143 | 374,162 |

^(*) 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:

| | 2008 | 2007 |
|------------------------------------|-------------|-------------|
| Compensation to Directors | 868 | 715 |
| Compensation to Statutory Auditors | 91 | 85 |
| Total | 959 | 800 |

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 | | | | |
|----------------------------------|--------------------------|-----------|----------------------|----------------------------------|-----------------------|------------------------------|--------------------|
| | SURNAME AND NAME | POSITION | TERM OF THE POSITION | COMPENSATION FOR THE OFFICE HELD | NON-MONETARY BENEFITS | BONUSES AND OTHER INCENTIVES | OTHER COMPENSATION |
| <u>DIRECTORS</u> | | | | | | | |
| BINASCO BRUNO | Chairman | 2008-2010 | 265,933 | | | 52,678 (1) | |
| ARONA ENRICO | Managing Director | 2008-2010 | 315,933 | | | 97,918 (2) | |
| PIERANTONI PAOLO | Managing Director | 2008-2010 | 110,863 | | | 169,817 (3) | |
| ANGIONI GIOVANNI | Director | 2008-2010 | 15,933 | | | 27,390 (4) | |
| ANTONELLO GIULIO | Director | 2008-2010 | 12,049 | | | | |
| BOSCHETTI GIANFRANCO | Director | 2008-2010 | 15,183 | | | | |
| BRAJA ALESSANDRO | Director | 2008-2010 | 18,183 | | | 24,288 (5) | |
| CATTANEO ERNESTO MARIA | Director | 2008-2010 | 17,933 | | | | |
| CORBELLO SERGIO | Director | 2008-2010 | 11,549 | | | | |
| COLOMBO PAOLO ANDREA (*) | Director | 2005-2007 | 4,134 | | | | |
| GAVIO BENIAMINO | Director | 2008-2010 | 13,183 | | | | |
| GAVIO DANIELA | Director | 2008-2010 | 14,933 | | | 93,295 (6) | |
| LASCIALFARE RINALDO (*) | Director | 2005-2007 | 4,384 | | | | |
| MACCHIA VINCENZO | Director | 2008-2010 | 17,933 | | | | |
| PIANTINI FERRUCCIO | Director | 2008-2010 | 14,683 | | | | |
| SACCHI ALBERTO | Director | 2008-2010 | 15,933 | | | 35,556 (7) | |
| <u>STATUTORY AUDITORS</u> | | | | | | | |
| GALASSI LUCA | Chairman Bd of Stat. Aud | 2008-2010 | 24,598 | | | | |
| CAVANENGI ALFREDO | Statutory auditor | 2008-2010 | 26,500 | | | 110,943 (8) | |
| CAVALITTO GIORGIO | Statutory auditor | 2008-2010 | 16,732 | | | 10,860 (9) | |
| JONA CELESIA LIONELLO (*) | Chairman Bd of Stat. Aud | 2005-2007 | 13,652 | | | 9,024 (10) | |
| RAMOINO ERNESTO (*) | Statutory auditor | 2005-2007 | 9,268 | | | 8,000 (11) | |
| MANDIROLA PIETRO | Substitute Auditor | 2008-2010 | | | | | |
| TRIBURZI NAZARENO | Substitute Auditor | 2008-2010 | | | | | |
| TOTAL | | | 959,492 | | | 639,769 | |

(*) No longer in office

- (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., Chairman of HPVdA S.p.A. and Director of Infosistem S.p.A. (now merged into Sinelec S.p.A.) for EUR 16 thousand, EUR 12 thousand, EUR 13 thousand, EUR 11 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., Director of Autostrada Asti-Cuneo S.p.A. and Director of SATAP S.p.A. for EUR 79 thousand, EUR 8 thousand, EUR 4 thousand and EUR 7 thousand, respectively.
- (3) 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 69 thousand and EUR 101 thousand, respectively.
- (4) Compensation as Director of Autostrada Asti-Cuneo S.p.A. and Director of HPVdA S.p.A. for EUR 16 thousand and EUR 11 thousand, respectively.
- (5) Compensation as Chairman of Sicogen s.r.l. and Director of HPVdA S.p.A. for EUR 13 thousand and EUR 11 thousand, respectively.
- (6) Compensation as Director and member of the Executive Committee of Società Autostrada Ligure Toscana p.A., Chairman of Sinelec S.p.A. (and incorporated companies during the year), Director of Autostrada dei Fiori S.p.A. and Vice Chairman of SATAP S.p.A. for EUR 16 thousand, EUR 36 thousand, EUR 7 thousand and EUR 34 thousand, respectively.
- (7) 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 18 thousand, EUR 8 thousand and EUR 9 thousand, respectively.
- (8) Compensation as a regular auditor of Società Autostrada Ligure Toscana p.A., regular auditor of Autostrada dei Fiori S.p.A., regular auditor of Finanziaria di Partecipazioni e Investimenti S.p.A., regular auditor of Infosistem S.p.A. (incorporated into Sinelec S.p.A.), regular auditor of Autostrada Asti-Cuneo S.p.A., regular auditor of SATAP S.p.A. for EUR 30 thousand, EUR 14 thousand, EUR 10 thousand, EUR 4 thousand,

EUR 28 thousand and EUR 25 thousand, respectively.

- (9) Compensation as Director of Autostrada Asti-Cuneo S.p.A. and Director of SATAP S.p.A. (until 08/04/2008) for EUR 9 thousand and EUR 2 thousand, respectively.
- (10) Compensation as Chairman of the Board of Statutory Auditors of SSAT S.p.A.
- (11) 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 CONSOB Resolution No. 11971/99, below are details of the fees paid during the period to Deloitte & Touche 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 |
| Auditing services | | |
| Accounting audit of the company financial statements | 8.0 | 99.1 |
| Accounting audit of the consolidated financial statements | 8.0 | 9.5 |
| Limited accounting audit of the half-year report at 30 June | 5.0 | 13.0 |
| Assessment of regular bookkeeping | 3.0 | 33.0 |
| | | |
| Miscellaneous services other than certification audit | | |
| Agreed auditing procedures for the quarterly reports at 30 September | 1.0 | 6.3 |
| Opinion on the distribution of interim dividends | 6.0 | 36.0 |
| | | |
| Other services | | |
| Agreed inspection procedures | 0.1 | - |
| | | |
| Total | 31.1 | 196.9 |

These amounts do not include EUR 77.4 thousand of fees paid to PricewaterhouseCoopers S.p.A. for their auditing of the subsidiaries SATAP S.p.A., SAV S.p.A., HPVdA S.p.A., Finanziaria di Partecipazione ed Investimenti S.p.A. and Strade Co.Ge. S.p.A., and EUR 18 thousand for their agreed auditing procedures of the quarterly reports at 31 March.

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):

| | Transactions with "Related parties" (A) | Fin. Statem. (B) | Impact (A) / (B)% |
|-----------------------------|--|---------------------|----------------------|
| Financial income | 105.9 | 110.4 | 95.9% |
| Financial charges | 6.4 | 22.4 | 28.6% |
| Revenues | - | - | - |
| Operating costs | 0.7 | 2.7 | 25.9% |
| Other financial liabilities | 134.2 | 143.0 | 93.8% |
| Other payables (current) | 18.5 | 18.9 | 97.9% |

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 investee companies' 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., Sinelec S.p.A., HPVdA S.p.A., Road Link Holdings Ltd. and SINA S.p.A. totalling EUR 105,757 thousand;
- expenses for administrative-corporate services debited by Autostrada Torino-Milano S.p.A., totalling EUR 85 thousand;
- managerial assistance and services debited by Argo Finanziaria S.p.A. totalling EUR 481 thousand;
- lease payments and services debited by Appia S.p.A., for EUR 31 thousand;
- lease payments and services debited by SATAP S.p.A. totalling EUR 45 thousand;
- human resources management services debited by the associated company Sistemi e Servizi s.c.a r.l. for EUR 7 thousand;
- expenses for administrative-corporate services debited by SINA S.p.A., totalling EUR 4 thousand;
- interest earned on the loan disbursed to the subsidiary Autocamionale della Cisa S.p.A. totalling EUR 149 thousand;
- interest earned on the loan disbursed to the parent company Argo Finanziaria S.p.A. totalling EUR 21 thousand;
- interest paid on a loan disbursed by the subsidiary SATAP S.p.A. totalling EUR 6,286 thousand;
- interest paid on a loan disbursed by the subsidiary HPVdA S.p.A. totalling EUR 107 thousand;
- financial relationships (credit/debit) with the subsidiaries Finanziaria di Partecipazioni e Investimenti S.p.A., SALT S.p.A., Autocamionale della Cisa S.p.A., Sinelec S.p.A., Autostrada dei Fiori S.p.A., ABC Costruzioni S.p.A., Euroimpianti Electronic S.p.A., SAV S.p.A., Logistica Tirrenica S.p.A. and Asti-Cuneo S.p.A. connecting with their joining the tax consolidation of SIAS S.p.A.;
- loan disbursed to the parent company Argo Finanziaria S.p.A. for EUR 23,021 thousand;
- loan received from the subsidiary SATAP S.p.A. for EUR 120,000 thousand;
- loan received from the subsidiary HPVdA S.p.A. for EUR 14,207 thousand.

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. and Autostrada Torino-Milano 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 Italian 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 2007).

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 2007, 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(*) as at 31 December 2007 of Argo Finanziaria SpA, parent company that exercises "Direction and Coordination"

BALANCE SHEET

ASSETS

| <i>Amounts in EUR</i> | | 31/12/2007 |
|-----------------------|-------------------------------------|--------------------|
| A | Subscribed capital unpaid | - |
| B | Fixed assets | 340,346,854 |
| C | Current assets | 40,973,439 |
| D | Accrued income and prepaid expenses | 12,214 |
| TOTAL ASSETS | | 381,332,507 |

LIABILITIES

| <i>Amounts in EUR</i> | | 31/12/2007 |
|--------------------------|---|--------------------|
| A | Shareholders' equity | |
| | Share capital | 30,000,000 |
| | Reserves | 308,073,093 |
| | Income (loss) for the year | 20,167,769 |
| B | Provisions for risks and charges | 323,683 |
| C | Employee Severance Indemnity | 725,121 |
| D | Payables | 21,908,088 |
| E | Accrued liabilities and deferred income | 134,753 |
| TOTAL LIABILITIES | | 381,332,507 |

Contingent liabilities and guarantees

| <i>Amounts in EUR</i> | | 31/12/2007 |
|-----------------------|----------------------------|--------------------|
| | Personal guarantees issued | 158,808,117 |
| | Real collateral issued | - |
| TOTAL | | 158,808,117 |

INCOME STATEMENT

| <i>Amounts in EUR</i> | | 2007 |
|-----------------------------------|---------------------------------------|-------------------|
| A | Value of production | 5,878,917 |
| B | Production cost | (6,076,414) |
| C | Financial income and charges | 25,778,193 |
| D | Value adjustments of financial assets | (4,773,242) |
| E | Extraordinary income and expenses | (14,979) |
| | Income taxes | (624,706) |
| Profit (loss) for the year | | 20,167,769 |

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

**Certification of the Company Financial Statements
pursuant to art. 154-bis of Legislative Decree No.
58/98**

**Certification of the Company Financial Statements pursuant to art. 154-bis of
Legislative Decree no. 58/98**

- The undersigned Enrico Arona and Paolo Pierantoni as Managing Directors 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:
 - its adequacy with regard to the characteristics of the business and
 - the actual implementationof the administrative and accounting procedures for preparing the company financial statements for 2008.

- Furthermore, we attest that the company financial statements as at 31 December 2008:
 - a) were prepared in compliance with the international accounting standards approved by the European Community pursuant to EC Regulation No. 1606/2002 of the European Parliament and the Council dated 19 July 2002 and also in accordance with the regulations issued in accomplishment of art. 9 of the Legislative Decree No. 38/2005;
 - b) correspond to the books and accounting entries;
 - c) provide a true and correct representation of the equity, economic and financial position of SIAS S.p.A.

- the Management Report includes a reliable analysis of the trend and results of the Company's management as well as a description of the main risks and uncertainties to which it is exposed.

Turin, 23 March 2009

the Managing Directors

Enrico Arona
Paolo Pierantoni

the 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 SHAREHOLDERS'
MEETING OF
- SOCIETA' INIZIATIVE AUTOSTRADALI E SERVIZI S.p.A. - SIAS SPA -
PURSUANT TO ART. 153 OF LEGISLATIVE DECREE NO. 58/98 AND ART. 2429,
PARAGRAPH 2 OF THE ITALIAN CIVIL CODE

Shareholders,

pursuant to Art. 153 of Legislative Decree no. 58 of 24 February 1998, the Board of Statutory Auditors has to report to the meeting convened for the approval of the financial statements on the supervisory activity and on any omission and reprehensible action, and it can make proposals with regard to the financial statements, their approval and the issues under its responsibilities.

Pursuant to this legal provision and any relevant regulation and recommendation, and in compliance with Art. 2429, paragraph 2, the following report is provided to you.

Firstly, it should be noted that this Board of Statutory Auditors was appointed by the Shareholders' Meeting held on 12 May 2008. Therefore, it began to carry out its activities on that date, although it examined the activities of the previous Board by reading all related minutes.

- ❖ We have taken part in the meetings of the Board of Directors, during which the Directors reported on the activities carried out and the most significant economic and financial transactions made by the company and/or its subsidiaries. We believe that these transactions were not evidently imprudent, risky or in potential conflict of interest, in contrast with the approvals of the meeting or such as to compromise the integrity of the company equity.
- ❖ No atypical and/or unusual transactions were carried out with both Group companies and related parties. Ordinary intragroup transactions and transactions with related parties – which were thoroughly described in the Management Report – are detailed below:
 - dividends collected from SALT S.p.A., Autocamionale della Cisa S.p.A., SATAP S.p.A., Sinelec S.p.A., HPVdA S.p.A., Road Link Holdings Ltd. and SINA S.p.A. totalling EUR 105,757 thousand;

- expenses for administrative-corporate services debited by Autostrada Torino-Milano S.p.A., totalling EUR 85 thousand;
- managerial assistance and services debited by Argo Finanziaria S.p.A. totalling EUR 481 thousand;
- lease payments and services debited by Appia S.p.A., for EUR 31 thousand;
- lease payments and services debited by SATAP S.p.A. totalling EUR 45 thousand;
- human resources management services debited by the associated company Sistemi e Servizi s.c.a.r.l. for EUR 7 thousand;
- expenses for administrative-corporate services debited by SINA S.p.A., totalling EUR 4 thousand;
- interest earned on the loan disbursed to the subsidiary Autocamionale della Cisa S.p.A. totalling EUR 149 thousand;
- interest earned on the loan disbursed to the parent company Argo Finanziaria S.p.A. totalling EUR 21 thousand;
- interest paid on a loan disbursed by the subsidiary SATAP S.p.A. totalling EUR 6,286 thousand;
- interest paid on a loan disbursed by the subsidiary HPVdA S.p.A. totalling EUR 107 thousand;
- balance sheet relationships (credit/debit) with the subsidiaries Finanziaria di Partecipazioni e Investimenti S.p.A., SALT S.p.A., Autocamionale della Cisa S.p.A., Sinelec S.p.A., Autostrada dei Fiori S.p.A., ABC Costruzioni S.p.A., Euroimpianti Electronic S.p.A., SAV S.p.A., Logistica Tirrenica S.p.A. and Asti-Cuneo S.p.A. associated with their joining in the tax consolidation of SIAS S.p.A.;
- loan disbursed to the parent company Argo Finanziaria S.p.A. for EUR 23,021 thousand;
- loan received from the subsidiary SATAP S.p.A. for EUR 120,000 thousand;
- loan received from the subsidiary HPVdA S.p.A. for EUR 14,207 thousand.

Since the “Direction and Coordination” activities are carried out by Argo Finanziaria S.p.A. – pursuant to Art. 2497 of the Italian Civil Code – the said relationships with both Argo Finanziaria S.p.A. and Autostrada Torino-Milano S.p.A. are also reported for purposes of providing the information required by Article 2497-bis, paragraph 5 of the Italian Civil Code. Therefore, the directors complied with this obligation.

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

- ❖ Legal audit activities were carried out by the Independent Auditors Deloitte & Touche S.p.A., which expressed in their reports a positive opinion on the financial statements and the consolidated financial statements, pursuant to Art. 156 of Legislative Decree no. 58/1998. Moreover, no further observations or proposals were made.
- ❖ No complaints were received pursuant to Art. 2408 of the Italian Civil Code, nor were complaints submitted by third parties.
- ❖ The Independent Auditors Deloitte & Touche S.p.A. – appointed pursuant to Art. 159 of Legislative Decree no. 58/1998 – or any related subject performed the following tasks, as specified by the Independent Auditors:

| <i>(amounts in thousands of EUR)</i> | | |
|--|-----------------------|---------------------|
| Type of services | Parent company | Subsidiaries |
| Auditing services | | |
| Accounting audit of the company financial statements | 8.0 | 99.1 |
| Accounting audit of the consolidated financial statements | 8.0 | 9.5 |
| Limited accounting audit of the half-year report at 30 June | 5.0 | 13.0 |
| Assessment of regular bookkeeping | 3.0 | 33.0 |
| Miscellaneous services other than certification audit | | |
| Agreed auditing procedures for the quarterly reports at 30 September | 1.0 | 6.3 |
| Opinion on the distribution of interim dividends | 6.0 | 36.0 |
| Other services | | |
| Agreed inspection procedures | 0.1 | - |
| Total | 31.1 | 196.9 |

There are no critical issues with regard to the independence of the Independent Auditors.

- ❖ During the year, opinions were expressed, pursuant to the law, concerning the appointment of the “manager in charge of drawing up the corporate accounting documents” and the remuneration of delegated bodies, as approved by the Board of Directors.

- ❖ During 2008, the Board of Statutory Auditors held 9 meetings and took part in 7 meetings of the Board of Directors. The Internal Audit Committee held 5 meetings that were attended by the Chairman of the Board of Statutory Auditors; the Remuneration Committee held 1 meeting.
- ❖ We can confirm that, during the annual assessment carried out by the Board of Directors, the Directors who qualify as “Independent Directors”, pursuant to the application criterion 3.C.1. of the Code of Conduct, confirmed compliance with the said requirement.
- ❖ Moreover, we acknowledge that the members of the Board of Statutory Auditors comply with the independence requirements set out in the said application criterion.
- ❖ We can affirm that the organisational structure of the company is adequate and there is compliance with the principles of proper administration. The instructions given by the company to subsidiaries – pursuant to Art. 114, paragraph 2 of the said Legislative Decree no. 58/1998 – are also fair and proper. We have verified compliance by analysing corporate documents, collecting information from the heads of each department, analysing the results of the work performed by the Independent Auditors and those obtained during the meetings with them. We have also monitored the adequacy of the internal audit system and the administrative and accounting system, by assessing their ability of correctly representing management events.
- ❖ Pursuant to Art. 150 of Legislative Decree no. 58/1998, during the periodic meetings held by the Board of Statutory Auditors with the representatives of the Independent Auditors no relevant aspects emerged that need to be underlined in this report.
- ❖ From the exchange of information with the auditors of subsidiaries, no relevant events emerged that need to be underlined in this report.
- ❖ With regard to Corporate Governance, the company complies with the Code of Conduct and has fully implemented the document issued by Borsa Italiana SpA. In this context, the Remuneration Committee and the Internal Audit Committee exercise the functions given to them. Pursuant to the instructions given by Borsa Italiana, the Board of Directors issued the “annual report on corporate

governance and compliance with the Code of Conduct”, which provides an adequate description of the implementation methods of the said Code.

- ❖ The company adopted the “reference principles for the adoption and implementation of the organisational, management and control models, pursuant to Legislative Decree no. 231/2001” and the “Code of Ethics and Code of conduct”. Moreover, it appointed the Supervisory Body.
- ❖ Within the provisions introduced by Legislative Decree no. 196/2003 “Personal Data Protection Code” (the so-called privacy consolidation act), the company prepared the “Programmatic document on data corporate security” that is subject to annual review.
- ❖ The Board of Directors prepared the report on the first half of FY 2008, as well as the intermediate management reports for the first and third quarter of 2008 and published them according to the terms and methods set out by current legislation.
- ❖ The financial statements as at 31/12/2008 show a profit of EUR 77,297,433.00 and were notified to the Board of Statutory Auditors together with the Management Report, by the deadlines required by law.

The Board of Statutory Auditors – having acknowledged the positive opinion expressed in the report of the Independent Auditors Deloitte & Touche S.p.A. – believes that the financial statements as at 31 December 2008 may be subject to your approval, together with the proposal of the Board of Directors concerning the allocation of the net profit.

The list of administration and control offices held by the members of the Board of Statutory Auditors in other companies on the date when this report was drawn up (Annex pursuant to Art. 144 quinquiesdecies of the Regulation on Issuers) is detailed below. The date in brackets indicates the approval of the financial statements which coincides with the termination of the office.

Luca Galassi:

Chairman of the Board of Statutory Auditors of: PORRO & C. SpA (2010), *Standing Auditor* of: SOFIE S.p.A (2011), MAVIB S.p.A (2008), – *Director* of: WINDON S.p.A (2008), EOS SERVIZI FIDUCIARI S.p.A (2010), SMABS S.r.l. (until resignation), TRUSTFID S.r.l. (until resignation).

Offices held within Issuers: 1 – Total number of offices: 8

Alfredo Cavanenghi:

Director of IMPREGILO S.p.A. (2011) – *Standing Auditor* of: AUTOSTRADA TORINO-MILANO S.p.A., SOCIETA' AUTOSTRADA LIGURE TOSCANA P.A. (2008), G&A S.p.A. (2010), SATAP S.p.A. (2010), LEAS FINANZIARIA S.p.A. (2010), LEAS S.p.A. (2010), FINANZIARIA DI PARTECIPAZIONI E INVESTIMENTI S.p.A. (2008), AUTOSTRADA DEI FIORI S.p.A. (2010), VERSIGLIA S.p.A. (2010), AUTOSTRADA ASTI CUNEO S.p.A. (2008), IBP S.p.A. (2010).

Offices held within Issuers: 3 – Total number of offices: 13

Giorgio Cavalitto:

Chairman of the Board of Statutory Auditors of: ASTRA VEICOLI INDUSTRIALI S.p.A. (2009), SATA Società Automobilistica Tecnologie Avanzate S.p.A. a Socio Unico (2011), TECNOSITAF S.p.A. (2010), 4G HOLDING S.p.A. (2009), CONSEPI S.p.A. (2010) – *Standing Auditor* of: FERRARI S.p.A. (2010), FERRARI FINANCIAL SERVICE S.p.A. (2010), IRISBUS ITALIA S.p.A. (2009), LEASYS S.p.A. (2009), MUSINET ENGINEERING S.p.A. (2011), ASTA S.p.A. (2009), SOCIETÀ ITALIANA TRAFORO AUTOSTRADALE DEL FREJUS – SITAF S.p.A. (2010), TUNNEL FERROVIARIO DEL BRENNERO – FINANZIARIA DI PARTECIPAZIONI S.p.A. (2008), IVECO S.p.A. (2010), NOVA S.p.A. (2008).

Offices held within Issuers: 1 – Total number of offices: 16

Turin, 9 April 2009

The Board of Statutory Auditors

Mr. Luca Galassi

Mr. Alfredo Cavanenghi

Mr. Giorgio Cavalitto

Report of the
Independent Auditors

4. The Directors of SIAS S.p.A. are responsible for the preparation of the Management Report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Management Report with the separate financial statements, as required by art. 156, paragraph 4-bis, letter d), of Legislative Decree 58/98. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Management Report is consistent with the separate financial statements of SIAS S.p.A. as of December 31, 2008.

DELOITTE & TOUCHE S.p.A.

Signed by
Giorgio Barbieri
Partner

Turin, Italy
April 9, 2009

This report has been translated into the English language solely for the convenience of international readers.

Consolidated Financial Statements
as at 31 December 2008

Consolidated financial statements

Balance Sheet

| <i>(amounts in thousands of EUR)</i> | 31 December 2008 | 31 December 2007 |
|--|-------------------------|-------------------------|
| Assets | | |
| Non-current assets | | |
| 1. Intangible assets (Note 1) | 56,760 | 74,712 |
| Total intangible assets | 56,760 | 74,712 |
| 2. Tangible assets (Note 2) | | |
| a. non-compensated revertible assets in operation | 2,709,948 | 2,157,472 |
| b. non-compensated revertible assets under construction | 374,310 | 793,170 |
| c. property, plant, machinery and other assets | 57,782 | 60,106 |
| d. financial lease assets | 2,734 | 3,168 |
| Total tangible assets | 3,144,774 | 3,013,916 |
| 3. Non-current financial assets (Note 3) | | |
| a. equity investments accounted for by the equity method | 162,165 | 175,842 |
| b. unconsolidated investments - available for sale | 235,637 | 227,634 |
| c. receivables | 35,026 | 36,069 |
| d. other | 6,592 | 26,938 |
| Total non-current financial assets | 439,420 | 466,483 |
| 4. Deferred tax credits (Note 4) | 17,831 | 7,222 |
| Total non-current assets | 3,658,785 | 3,562,333 |
| Current assets | | |
| 5. Inventories (Note 5) | 27,715 | 36,855 |
| 6. Trade receivables (Note 6) | 62,515 | 60,419 |
| 7. Current tax credits (Note 7) | 57,656 | 41,380 |
| 8. Other receivables (Note 8) | 228,558 | 244,596 |
| 9. Assets held for trading | - | - |
| 10. Assets available for sale (Note 9) | - | 100,000 |
| 11. Financial receivables | - | - |
| Total | 376,444 | 483,250 |
| 12. Cash and cash equivalents (Note 10) | 192,067 | 240,687 |
| Total current assets | 568,511 | 723,937 |
| Total assets | 4,227,296 | 4,286,270 |

Shareholders' equity and liabilities**Shareholders' equity (Note 11)**

| | | |
|-------------------------------------|------------------|------------------|
| 1. Group shareholders' equity | | |
| . a. share capital | 113,750 | 113,750 |
| . b. reserves and retained earnings | 1,109,572 | 1,113,820 |
| Total | 1,223,322 | 1,227,570 |
| 2. Minority interests | 245,929 | 250,812 |
| Total shareholders' equity | 1,469,251 | 1,478,382 |

Liabilities**Non-current liabilities**

| | | |
|---|------------------|------------------|
| 3. Provisions for risks and charges and severance indemnities (Note 12) | 187,196 | 188,948 |
| 4. Trade payables | 11 | 9 |
| 5. Other payables (Note 13) | 581,442 | 583,522 |
| 6. Bank debt (Note 14) | 783,449 | 1,122,551 |
| 7. Other financial liabilities (Note 15) | 294,094 | 290,474 |
| 8. Deferred tax liabilities (Note 16) | 3,343 | 26,725 |
| Total non-current liabilities | 1,849,535 | 2,212,229 |

Current liabilities

| | | |
|---|------------------|------------------|
| 9. Trade payables (Note 17) | 132,999 | 148,464 |
| 10. Other payables (Note 18) | 150,793 | 159,611 |
| 11. Bank debt (Note 19) | 603,025 | 261,091 |
| 12. Other financial liabilities (Note 20) | 9,508 | 9,700 |
| 13. Current tax liabilities (Note 21) | 12,185 | 16,793 |
| Total current liabilities | 908,510 | 595,659 |
| Total liabilities | 2,758,045 | 2,807,888 |
| Total shareholders' equity and liabilities | 4,227,296 | 4,286,270 |

Income statement

| <i>(amounts in thousands of EUR)</i> | 2008 | 2007⁽¹⁾ |
|---|----------------|---------------------------|
| Revenues (Note 22) | | |
| 1. Motorway sector revenue (Note 22.1) | 713,785 | 553,382 |
| 2. Construction sector revenue (Note 22.2) | 3,943 | 9,679 |
| 3. Technology sector revenue (Note 22.3) | 16,260 | 35,498 |
| 4. Other (Note 22.4) | 65,861 | 42,852 |
| Total Revenues | 799,849 | 641,411 |
| 5. Payroll costs (Note 23) | (131,184) | (100,740) |
| 6. Costs for services (Note 24) | (201,222) | (165,887) |
| 7. Costs for raw materials (Note 25) | (39,647) | (51,658) |
| 8. Other costs (Note 26) | (33,434) | (28,478) |
| 9. Capitalised costs on fixed assets (Note 27) | 45,567 | 78,723 |
| 10. Amortisation, depreciation and write-downs (Note 28) | (184,925) | (143,457) |
| 11. Update of the provision for restoration, replacement and maintenance of non-compensated revertible assets (Note 29) | 780 | 12,191 |
| 12. Other provisions for risks and charges (Note 30) | (197) | (856) |
| 13. Financial income: (Note 31) | | |
| a. from unconsolidated investments | 4,635 | 20,020 |
| b. other | 18,325 | 22,254 |
| 14. Financial charges: (Note 31) | | |
| a. interest expense | (72,083) | (56,445) |
| b. write-down of equity investments and other charges | (23,919) | (1,661) |
| 15. Profit (loss) of companies accounted for by the equity method (Note 32) | (15,704) | 4,721 |
| Profit (loss) before taxes | 166,841 | 230,138 |
| 17. Taxes (Note 33) | | |
| a. Current taxes | (80,475) | (83,987) |
| b. Deferred taxes | 6,916 | 8,121 |
| Profit (loss) for the year | 93,282 | 154,272 |
| • minority interests' share | 16,365 | 27,763 |
| • Group share | 76,917 | 126,509 |
| Earnings per share (Note 34) | | |
| Profit (euro per share) | 0.338 | 0.711 |
| Earnings per share, diluted (euro per share) | 0.332 | 0.643 |

(1) The 2007 data cannot be compared with those of 2008 – due to the Corporate Restructure implemented in July 2007 – as they incorporate the data for the Motorway Companies SATAP S.p.A., SAV S.p.A. and ATIVA S.p.A. (and their subsidiaries) only for the second quarter of 2007. Analysis of the “pro-forma” income statement is shown in the appropriate paragraph of the Management Report (“Economic, equity and financial data”).

Cash flow statement

| <i>(amounts in thousands of EUR)</i> | 2008 | 2007⁽¹⁾ |
|---|------------------|---------------------------|
| Beginning cash and cash equivalents | 240,687 | 240,575 |
| Change in the scope of consolidation | - | (186,211) (*) |
| Beginning cash and cash equivalents, adjusted (a) | 240,687 | 54,363 |
| Operating activity: | | |
| Profit (loss) | 93,282 | 154,272 |
| Adjustments | | |
| Amortisation and depreciation | 184,587 | 143,313 |
| Update of the provision for restoration, replacement and maintenance of non-compensated revertible assets | (780) | (12,191) |
| Update provisions for severance indemnities | 3,363 | 3,161 |
| Provisions for risks | 197 | 856 |
| Profit (loss) of companies accounted for by the equity method | 15,704 | (4,721) |
| (Revaluations) write-downs of financial assets | 20,681 | 772 |
| Net change in deferred tax credits and liabilities | (23,189) | (11,521) |
| Change in net working capital (Note 35.1) | 11,135 | 18,330 |
| Other changes from operating activity (Note 35.2) | (4,532) | (9,218) |
| Cash generated (absorbed) by operating activity (b) | 300,448 | 283,054 |
| Investment activity: | | |
| Investments in property, plant, machinery and other assets | (3,789) | (9,716) |
| Investments in revertible assets | (295,023) | (250,212) |
| Investments in intangible assets | (622) | (3,066) |
| Investments in non-current financial assets | (63,741) | (47,839) |
| Net divestiture of property, plant, machinery and other assets | 600 | 1,026 |
| Divestiture of non-compensated revertible assets | 493 | 3,309 |
| Net divestiture of intangible assets | - | 3 |
| Divestiture of non-current financial assets | 21,231 | 96,226 |
| Cash generated (absorbed) by investment activity (c) | (340,851) | (210,269) |
| Financial activity: | | |
| Net change in bank debt | 5,871 | 161,193 |
| Change in financial assets | 100,000 | 75,941 |
| Change in other financial liabilities (including FCG) | (20,443) | (47,048) |
| Changes in shareholders' equity, minority interest | 412 | - |
| Changes in shareholders' equity, Group share | - | (1,445) |
| Dividends (and interim dividends) distributed by the Parent Company | (72,800) | (56,663) |
| Dividends (and interim dividends) distributed by Subsidiaries of Minority Shareholders | (21,257) | (18,439) |
| Cash generated (absorbed) by financial activity (d) | (8,217) | 113,539 |
| Ending cash and cash equivalents (a+b+c+d) | 192,067 | 240,687 |

Additional information:

| | | |
|--|---------|--------|
| Taxes paid during the period | 114,079 | 71,469 |
| Financial charges paid during the period | 90,366 | 69,908 |

- The Group's "net financial position" as at 31 December 2008 – prepared in compliance with the CESR Recommendation of 10 February 2005 – is provided in the appropriate paragraph in the Management Report.

(*) This involves the cost of investments acquired, net of their liquidity as 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) |
| • 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> |

(1) The 2007 data cannot be compared with those of 2008 – due to the Corporate Restructure implemented in July 2007 – as they incorporate the data for the Motorway Companies SATAP S.p.A., SAV S.p.A. and ATIVA S.p.A. (and their subsidiaries) only for the second quarter of 2007.

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 |
|--|----------------|--------------------------------|----------------------------|--------------------|----------------------------|
| 31 December 2006 | 63,750 | 670,045 | 733,795 | 204,349 | 938,144 |
| Distribution of 2006 balance 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 | 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 (Equity investments available for sale) | - | (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 |
| 31 December 2007 | 113,750 | 1,113,820 | 1,227,570 | 250,812 | 1,478,382 |
| Distribution of 2007 balance dividend (EUR 0.16 per share) | | (36,400) | (36,400) | (7,935) | (44,335) |
| Distribution of 2008 interim dividend (EUR 0.16 per share) | - | (36,400) | (36,400) | (13,322) | (49,722) |
| Update financial assets to fair value: | | | | | |
| - Financial assets (Equity investments available for sale) | | (4,346) | (4,346) | 365 | (3,981) |
| - Interest Rate Swap | | (10,795) | (10,795) | (768) | (11,563) |
| Update provisions for foreign exchange differences | | (7,483) | (7,483) | - | (7,483) |
| Other changes | | 14,259 | 14,259 | 412 | 14,671 |
| Profit for the period | | 76,917 | 76,917 | 16,365 | 93,282 |
| 31 December 2008 | 113,750 | 1,109,572 | 1,223,322 | 245,929 | 1,469,251 |

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

| Amounts in thousands of EUR | Share premium reserve | Revaluat. reserves | Legal reserve | Reserves for revaluation to fair value | Capital reserves | Profit reserves | Provis. for foreign exchange differ. | Retained earnings (losses) | Profit (loss) for the period | Total |
|--|-----------------------|--------------------|---------------|--|------------------|-----------------|--------------------------------------|----------------------------|------------------------------|------------------|
| 31 December 2006 | 178,619 | 5,434 | 12,750 | 87,210 | 34,590 | 88,580 | (2,703) | 208,887 | 56,678 | 670,045 |
| Allocation of 2006 profits | | | | | | | | 37,553 | (37,553) | - |
| Distribution of 2006 balance dividend (EUR 0.15 per share) | | | | | | | | | (19,125) | (19,125) |
| Contributions/acquisition of investments related to the Corporate Reorganisation | 520,567 | | | | | | | (134,509) | | 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 (Equity investments available for sale) | | | | (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 |
| 31 December 2007 | 699,186 | 5,434 | 12,750 | 80,555 | 34,590 | 88,580 | (4,795) | 108,549 | 88,971 | 1,113,820 |
| Reclassification of reserves | (10,000) | | 10,000 | | | | | | | - |
| Allocation of 2007 profits | | | | | | | | 52,571 | (52,571) | - |
| Distribution of 2007 dividend (EUR 0.16 per share) | | | | | | | | | (36,400) | (36,400) |
| Distribution of 2008 interim dividend (EUR 0.160 per share) | | | | | | | | | (36,400) | (36,400) |
| Update financial assets to fair value: | | | | | | | | | | |
| - Financial assets (Equity investments available for sale) | | | | (4,346) | | | | | | (4,346) |
| - Interest Rate Swap | | | | (10,795) | | | | | | (10,795) |
| Update provisions for foreign exchange differences | | | | | | | (7,483) | | | (7,483) |
| Reclassification of deferred taxes, SIAS bond loan | | | | | | | | 14,259 | | 14,259 |
| Profit for the period | | | | | | | | | 76,917 | 76,917 |
| 31 December 2008 | 689,186 | 5,434 | 22,750 | 65,414 | 34,590 | 88,580 | (12,278) | 175,379 | 40,517 | 1,109,572 |

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> | Shareholders' equity (1) | Profit |
|--|---------------------------------|---------------|
| SIAS S.p.A. as at 31 December 2007 | 1,608.2 | 93.2 |
| Shareholders' equity and profit of the consolidated companies | 1,446.1 | 123.4 |
| Book value of the consolidated companies | (1,826.7) | - |
| Reversal of dividends collected from the subsidiaries and associated companies | - | (90.1) |
| SIAS Group as at 31 December 2007 | 1,227.6 | 126.5 |

| <i>(amounts in millions of EUR)</i> | Shareholders' equity (1) | Profit |
|--|---------------------------------|---------------|
| SIAS S.p.A. as at 31 December 2008 | 1,624.8 | 77.3 |
| Shareholders' equity and profit of the consolidated companies | 1,415.7 | 95.9 |
| Book value of the consolidated companies | (1,817.2) | - |
| Reversal of dividends collected from the subsidiaries and associated companies | - | (105.7) |
| Reversal of write-downs of subsidiaries | - | 9.4 |
| SIAS Group as at 31 December 2008 | 1,223.3 | 76.9 |

- (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. as at 31 December 2007 (using the appraisals prepared by the Court-appointed expert). These values are greater than the corresponding values shown in the consolidated financial statements, 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 these reasons the amount of shareholders' equity of the holding company appears higher than the Group one.

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 traded on the Blue Chip Segment.

The Board of Directors of SIAS S.p.A. examined and recommended the consolidated financial statements of the SIAS Group on 23 March 2009.

Preparation criteria and contents of the consolidated financial statements

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 (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. The designation “IFRS” also includes all valid International Accounting Standards (“IAS”), as well as all interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), formerly the Standing Interpretations Committee (“SIC”).

The consolidated financial report comprises the balance sheet, the income statement, the cash flow statement, the statement of changes in shareholders’ equity and these explanatory notes and applies the provisions contained in IAS 1 “Presentation of Financial Statements”, as well as the general cost method. The balance sheet has been prepared by distinguishing between current and non-current assets and liabilities, while in the income statement costs have been presented and classified based on their nature. The cash flow statement has been prepared using the indirect method.

**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/restated to make them compatible with the IAS/IFRS international accounting standards 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.

* * *

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 item “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 item “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, if significant. Intercompany losses are not eliminated if they reflect an impairment in value of the underlying asset.

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 investee company in the respective items of the consolidated financial statements.

With the proportional method of consolidation, we see only that part of the value of the investee company 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 investee company accruing to the holding company, which are realised 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 investee company 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 an investee company reduce the book value of the investment.

Valuation criteria

Intangible assets

Goodwill

As an intangible asset, this is not subject to amortisation. An impairment test is conducted at least annually, and in any case when events arise that may indicate a reduction in value. 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 amortised over the period in which the assets are expected to be used by the business.

Expenses associated with development activities are posted to the balance sheet assets when: (i) the expense related to the intangible asset can be reliably determined; (ii) there is the intention, the availability of financial resources and the technical ability to make the asset available for use or sale; (iii) it can be proved that the asset can produce future economic benefits. 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 charges 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 on the basis of the duration of their respective concessions. Their depreciation corresponds to the provisions contained in the current financial plans attached to the individual agreements stipulated with the Granting Body, and is authorised by specific regulations of the Revenue Office pursuant to art. 104, paragraph 4 of the Consolidated Law on Income Taxes. In determining the depreciation of 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 of the current Convention provides that the outgoing licensee is entitled to indemnification by the incoming licensee for the terminal value, that is, that part of new works that have been realised 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 valuating 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 licensee companies.

As already pointed out in the notes to the consolidated financial statements as at 31 December 2007, during the approval process, Interpretation No. 12 encountered some resistance within the European Union, which resulted in the postponement of the approval.

Although the IFRIC had set 1 January 2008 as the implementation date for IFRIC 12, considering 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 licensee 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 the application of the cited Interpretation would be the adoption of the so-called “intangible asset model”. This will essentially entail the restatement of “non-compensated revertible assets” among “intangible assets”, which will systematically continue the amortisation process for the remaining life of each concession (based on what is contained in the respective financial plans).

Leased assets

Financial lease contracts

Assets purchased with 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 finalising the leasing contract (e.g. costs to negotiate and finalise 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/realisation 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 include the financial assets/securities held for the purpose of trading.

They are recorded at fair value as at the 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 include debt securities with fixed payments or payments that can be determined and with a fixed maturity, intended to be held to maturity from the start.

These are posted at fair value upon their acquisition. 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.

Loans and Receivables

These are initially posted at fair value (including costs incurred for the purchase/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

Included in this category are the financial assets not included in the items “Financial assets held for trading”, “Financial assets held to maturity” or “Loans and Receivables”. More specifically, this item includes the shares not held and not eligible as control, connection or joint control.

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

Every year or at the closing of an interim period, the presence of significant/accumulated impairment losses is assessed. If impairment is detected, the related loss is entered into the income statement at market prices, for listed securities, or, for non-listed, at the current value of the estimated future financial flows discounted at the actual interest rate. Specifically, with regards to listed securities, the impairment parameters are represented by a reduction in the fair value which is approximately one third greater or prolonged for more than 18 months compared to the value posted originally. In any case, the accounting

of an accumulated impairment in the income statement is dependent on a valuation of each investment that takes into account, among other things, of particularly volatile or unusual market trends. If, subsequently, the reasons for the impairment cease to exist, a write-back is posted into the shareholders' equity.

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 or 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 charges are calculated on the “*liability component*”. They are imputed to the income statement based on the market interest rate mentioned above.

Payables to ANAS and the Central Insurance Fund

These payables refer to operations undertaken by the parties in question during earlier accounting periods on behalf of the licensees 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 licensee. 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 represent 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, replacement and maintenance 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, replacement and maintenance 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 (“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.

As 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 on the basis of the related transits and are shown net of the toll premiums in accordance with article 1, 1021, Law No. 296/06.

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 recognised when the risks are transferred to the buyer, a moment that usually coincides with shipping/delivery.

Revenues for services

Revenues for services are recognised 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 Shareholders' Meeting of the investee companies approves the distribution.

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

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 charges

Financial charges are recorded as a cost in the accounting period 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 charges begins when activities are under way to prepare the asset for use, and it ends when these activities 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 recognised 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 realised 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 recognised 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 recognised 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.

Impairment test

The book values of the Company’s assets are assessed for impairment at every reference date of the financial statements. If the impairment is detected, the recoverable value of the asset is estimated. Impairment is accounted for in the income statement when the book value of an asset or of a cash generating unit exceeds the recoverable value.

Intangible assets with indefinite useful life are assessed every year and whenever there is an indication of potential impairment, in order to ascertain if such impairment effectively exists.

The recoverable value of non financial assets corresponds to the highest between their fair value net of sale costs and their useful life. In order to establish their useful life, the estimated future financial flows are discounted at a rate that reflects the current market valuation of the money value and the risk related to that type of asset. If the assets do not generate incoming cash flows deemed as widely independent, the recoverable value of the cash generating unit to which the asset belongs is calculated.

The losses posted in the income statement are written back in case of changes in the valuation criteria used to determine the recoverable value. A value write-back is recorded in the income statement by aligning the book value of the assets to its recoverable value. The latter cannot exceed the value that

would have been determined, net of depreciation and amortisation expense if impairment had not been posted in the previous years.

ESTIMATES AND VALUATIONS

The preparation of these consolidated financial statements and the related notes required estimates and assumptions that had an effect on the values of the assets and liabilities in the report and on the information related to potential assets and liabilities as at the date of the report. 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 amortisation/depreciation, 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.

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 consolidated financial statements were prepared in thousands of euro. For the SIAS Group, the euro is both the operating currency and the presentation currency.

ACCOUNTING STANDARDS, NEWLY-ISSUED INTERPRETATIONS OR REVISIONS AND AMENDMENTS TO EXISTING STANDARDS, NOT YET IN EFFECT OR NOT YET APPROVED BY THE EUROPEAN UNION

As required by IAS 8, below are the new standards and new accounting interpretations, or the amendments to the standards and to existing interpretations that are not yet into effect or have not yet been adopted by the European Commission (EC), which might apply to the Group's future financial statements.

IFRIC 12 – Agreements for licensed services

As previously described, IFRIC 12 defines the procedures for entering and valuating concession contracts between a public institution 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.

According to IFRIC 12, its application should have started on 1 January 2008. However, this interpretation has not yet been approved by the EU, as previously described in detail.

IFRS 3 – Business combinations and IAS 27 – Consolidated and company financial statements

On 10 January 2008, IASB published a revised version of IFRS 3 and some amendments to IAS 27. This completed the second phase of changes to business combinations, the purpose of which, among other things, was to bring them closer to the US GAAP. The main changes concern the recognition of acquisitions over different phases, the recognition of transaction costs, the full goodwill method (which requires that even stakes linked to minority shareholders must be recorded), the recognition of acquisitions of further stakes in an entity which is already a subsidiary or the transfer of stakes in subsidiaries over which the control is maintained.

The amended standards will come into effect starting from the periods subsequent to 1 July 2009, but they have not been approved by the EU.

IFRS 8 – Operating segments

IFRS 8, approved by the EU in November 2007, establishes how an entity provides information on the operating segments in its annual reports and, as amended in IAS 14 – Sector information, the same information is also required for interim reports. The same standards provides also for the information required on products and services, the geographical areas in which it operates and the entity's main clients.

IFRS 8 replaces IAS 14 and its application will start from the financial statements for the year commencing on 1 January 2009. An earlier application is also permitted.

IAS 1 – Presentation of the financial statements

On 6 September 2007, IASB published a revised version of IAS 1, which aims at improving the quality and comparability of financial statements information, as part of the IFRS - US GAAP convergence project mentioned above.

The revised standard will come into effect on 1 January 2009, An earlier application is permitted, even though the EU has not yet approved the revised standard.

IAS 23 – Financial charges

In 2007, IASB amended this standard. The main change concerns the elimination of the possibility to recognise financial charges related to assets requiring a considerable length of time before being available for use or for sale in the income statement. The standard will come into effect on 1 January 2009, but an earlier application is permitted.

Notes - Scope of consolidation

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

Parent company

| Name | Registered office |
|-------------|--------------------------|
| SIAS S.p.A. | Turin – 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. | Turin - Via Bonzanigo 22 | 350,000,000 | 100.000 | 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. | Tortona (AL) – Via Balustra 15 | 500,000 | 100.000 | |
| SATAP S.p.A. | Turin – Via Bonzanigo 22 | 158,400,000 | 99.874 | 99.874 |
| Finanziaria di Partecipazioni e Investimenti S.p.A. | Tortona (AL) – S.S. 211 Loc. San Guglielmo 3/13 | 36,750,000 | 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 | 84.437 | 84.357 |
| SAV S.p.A. | Châtillon (AO) – Strada Barat 13 | 24,000,000 | 67.634 | |
| Collegamenti Integrati Veloci S.p.A. | Tortona (AL) – S.S. 211 Loc. San Guglielmo 3/13 | 20,000,000 | 66.235 | |
| Autostrada dei Fiori S.p.A. | Savona – Via Don Minzoni 7 | 40,000,000 | 60.768 | |
| Autostrada Asti-Cuneo S.p.A. | Rome – Via XX settembre 98/E | 200,000,000 | 60.000 | |
| SINELEC S.p.A. | Tortona (AL) – S.S. 211 Loc. San Guglielmo 3/13 | 7,383,435 | 59.087 | 47.783 |
| 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. | Turin – Strada Cebrosa 86 | 38,512,500 | 41.170 | |
| Si.Co.Gen. s.r.l. | Turin – Strada Cebrosa 86 | 260,000 | 41.170 | |
| Pinerolo s.c.a r.l. | Turin – C.so Francia 22 | 20,000 | 41.170 | |
| ATIVA Engineering S.p.A. | Turin – Strada Cebrosa 86 | 200,000 | 41.170 | |

List of investments in subsidiaries and associated companies accounted for by the equity method

| Name | Registered office | Share capital | Group % | Directly-held % |
|---|--|----------------------|----------------|------------------------|
| RITES S.c.a r.l. | Tortona-Località Passalacqua S.S. 211 KM. 13 | 10,000 | 86.660 | |
| TANGENZIALE EST s.r.l. | Turin (TO) - C.so R. Margherita, 165 | 90,000 | 80.586 | |
| CON.SILL.FER. | Rome - 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. | Turin (TO) - C.so R. Margherita, 165 | 90,000 | 47.057 | |
| Autostrade Sud America s.r.l. | Milan – 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 | |
| ATON s.r.l. | Tortona (AL) S.S.211 Loc. San Guglielmo 3/13 | 100,000 | 40.000 | |
| MALPENSA 92 S.c.a r.l. (in liquidation) | Tortona (AL)- Regione Ratto | 10,000 | 40.000 | |
| Fondo Valle S.c.a r.l. (in liquidation) | Tortona (AL)-Strada privata Ansaldo 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. | Turin-Corso Francia 22 | 20,000 | 36.468 | |
| OMT S.p.A. | Tortona (AL) - S.P. Pozzolo Formigaro 3/5 | 1,680,000 | 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) | Turin - Via M. Schina 5 | 6,196,800 | 33.333 | |
| ASTA S.p.A. | Turin - C.so Matteotti 57 | 5,000,000 | 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. | Carpì (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 | |
| Società Autostrada Broni-Mortara S.p.A. | Milan – Via F. Casati 1/A | 2,500,000 | 20.000 | |
| ROAD LINK Holdings Ltd. | Northumberland - 4 Gilsgate - U.K. | GBP 1,000 | 20.000 | |

List of unconsolidated investments - available for sale

| Name | Registered office | Share capital | Group % | Directly-held % |
|---|--|--------------------|---------|-----------------|
| FIUMICINO PISTA 3 S.c.a r.l. | Rome-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 | Rome-Via A. Bergamini 50 | 86,848 | 16.537 | |
| CODELFA S.p.A. | Tortona-Località Passalacqua S.S. 211 KM. 13 | 2,500,000 | 16.423 | |
| 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) | Turin - Galleria S.Federico 54 | 2,464,499 | 13.055 | |
| SOCIETA' TRAFORO CIRIEGIA S.p.A. | Cuneo - C.so Nizza 36 | 3,167,100 | 12.671 | |
| EURETE S.c.a.r.l. | Genoa-Via Cairoli 11/3c | 65,232 | 12.290 | |
| MICROLUX s.r.l. | Tortona (AL) – Via Balustra 15 | 10,400 | 10.000 | |
| NUOVO MONDO S.c.r.l. | Genoa - Via Macaggi 23/18 | 10,200 | 10.000 | |
| TANGENZIALI EST DI MILANO S.p.A. | Milan – Via Conservatorio, 22 | 7,350,000 | 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 | 25,610,365 | 6.050 | |
| AUTOSTRADA TIRRENICA S.p.A. | Rome-Via Bergamini 50 | 24,460,200 | 5.579 | |
| CO.C.I.V. | Genoa (GE) - Via De Marini 1- Palazzo WTC | 516,457 | 5.000 | |
| COMPAGNIA ITALIANA ENERGIA C.I.E. S.p.A. | Turin-Via Bellardi 21 bis | 13,040,000 | 4.034 | 4.034 |
| FNM S.p.A. | Milan – P.le Cadorna 14 | 130,000,000 | 3.746 | 0.215 |
| Industria e Innovazione S.p.A. | Milan – Galleria del Corso 1 | 40,900,000 | 3.667 | |
| AEROPORTO PAVIA RIVANAZZANO s.r.l. | Pavia - Via Mentana 27 | 1,161,459 | 2.971 | |
| ALITALIA – Compagnia Aerea Italiana S.p.A. | Milan – Via Camperio Manfredo 9 | 501,266,508 | 2.362 | |
| Argo Costruzioni Infrastrutture ACI S.c.p.a. | Tortona (AL)- Regione Ratto | 120,000 | 2.000 | |
| SO.GE.A.P. S.p.A. | Fontana (PR)-Via dell'Aeroporto 44/a | 28,609,600 | 1.986 | |
| Agognate S.c.a r.l. | Tortona (AL) – Strada privata Ansaldi 8 | 10,000 | 1.000 | |
| Biandrate s.c.a r.l. | Tortona (AL) – Strada privata Ansaldi 8 | 10,000 | 1.000 | |
| INTERPORTO TOSCANO A. VESPUCCI S.p.A. | Livorno - L.go Strozzi 1 | 117,656,695 | 0.659 | |
| BANCA CARIGE S.p.A. | Genoa- Via Cassa di Risparmio 15 | 1,789,930,903 | 0.576 | |
| SINA S.p.A. | Milan- Via F. Casati 1/A | 2,028,125 | 0.500 | 0.500 |
| ALERION INDUSTRIES S.p.A. | Milan- Via Durini n. 16/18 | 162,841,690 | 0.488 | 0.488 |
| C.e.P.I.M. S.p.A. | Fontevivo (PR)- Piazza Europa, 1 | 6,643,000 | 0.211 | |
| Mediobanca S.p.A. | Milan - Piazzetta Enrico Cuccia 1 | 409,549,083 | 0.079 | |
| ASSOSERVIZI INDUSTRIE S.r.l. | Carrara (MS)-Viale XX Settembre 118 | 443,700 | 0.055 | |
| Assicurazioni Generali S.p.A. | Trieste – Piazza Duca degli Abruzzi 2 | 1,406,113,907 | 0.031 | 0.031 |
| Banco Popolare Soc. Cooperativa | Verona – Piazza Bogara 2 | 2,305,734,628 | 0.016 | |
| C.A.A.F. IND. E.C. S.p.A. | Bologna- Via Massarenti 190 | 375,200 | 0.014 | |
| Autostrada Torino-Milano S.p.A. | Turin - Corso Regina Margherita 165 | 44,000,000 | 0.010 | |
| VALTREBBIA S.c.a r.l. | Genoa - Via Porta degli Archi 10/16 | 10,200 | 0.005 | |
| Autopista do Pacifico S.A. | Avenida El Golf 40 – Lascondes Santiago (Chile) | 65,000,000,000 CLP | 0.002 | 0.002 |

Changes in the scope of consolidation

With regard to the **changes in the scope of consolidation**, it should be underlined that – following the transfers made during the period in question – the Group reduced its investment in S.A.Bro.M. S.p.A. (from 82% to 20%). As a result, the company was consolidated using the equity method as from 1 January 2008.

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 ⁽¹⁾. Transactions between sectors are reversed in the “eliminations” column.

| | Activity sector | | | | | | | | Eliminations | | Consolidated | |
|---|-----------------|----------------|---------------|---------------|------------------------------|----------------|----------------|----------------|-----------------|------------------|----------------|----------------|
| | Motorway | | Technology | | Construction and engineering | | Services | | 2008 | 2007 | 2008 | 2007 |
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | | | | |
| Revenues, minority interests: | | | | | | | | | | | | |
| Motorway (tolls) | 674,694 | 524,798 | | | | | | | | | 674,694 | 524,798 |
| Other motorway revenues | 39,091 | 28,584 | | | | | | | | | 39,091 | 28,584 |
| Construction and engineering Services | | | | | 3,943 | 9,679 | | | | | 3,943 | 9,679 |
| Technology | | | 16,260 | 35,498 | | | | | | | 16,260 | 35,498 |
| Other | 54,112 | 41,219 | 292 | 279 | 2,476 | 1,265 | 106 | 89 | | | 56,986 | 42,852 |
| Total revenues, minority interests | 767,897 | 594,601 | 16,553 | 35,777 | 6,419 | 10,944 | 106 | 89 | | | 790,975 | 641,411 |
| Intersegment Revenues | 6,625 | 7,019 | 34,158 | 34,564 | 55,172 | 90,817 | 173 | 2,249 | (96,127) | (134,649) | - | - |
| Total Revenues | 774,522 | 601,620 | 50,710 | 70,341 | 61,591 | 101,761 | 279 | 2,338 | (96,127) | (134,649) | 790,975 | 641,411 |
| Operating costs | (356,943) | (254,315) | (40,164) | (54,620) | (55,695) | (88,699) | (3,246) | (5,055) | 96,127 | 134,649 | (359,920) | (268,040) |
| Sector GOM | 417,579 | 347,305 | 10,547 | 15,721 | 5,896 | 13,062 | (2,967) | (2,717) | - | - | 431,054 | 373,371 |
| Non-recurring items | 8,875 | | | | | | | | | | 8,875 | |
| Amortisation/depreciation and provisions | (174,984) | (128,363) | (1,379) | (1,653) | (1,484) | (2,144) | (6,495) | 38 | - | - | (184,342) | (132,122) |
| Operating profit | | | | | | | | | | | 255,587 | 241,249 |
| Financial charges | | | | | | | | | | | (96,003) | (58,106) |
| Financial income | | | | | | | | | | | 22,960 | 42,274 |
| Net income, associated companies portion | (17,468) | 3,791 | (6) | 97 | 1,812 | 1,229 | (42) | (396) | | | (15,704) | 4,721 |
| Income taxes | | | | | | | | | | | (73,559) | (75,866) |
| Net income, including minority interests | | | | | | | | | | | 93,282 | 154,272 |

| | Activity sector | | | | | | | | Eliminations | | Consolidated | |
|---|-----------------|-----------|------------|--------|------------------------------|--------|-----------|-----------|--------------|-------------|------------------|------------------|
| | Motorway | | Technology | | Construction and engineering | | Services | | 2008 | 2007 | 2008 | 2007 |
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | | | | |
| Sector activity | 4,233,044 | 4,588,812 | 39,957 | 54,491 | 91,328 | 96,553 | 2,402,984 | 2,052,319 | (2,709,898) | (2,681,747) | 4,057,415 | 4,110,428 |
| Investments in associated companies | 44,755 | 41,680 | 1,573 | 1,677 | 364 | 381 | 123,189 | 132,104 | - | - | 169,881 | 175,842 |
| Assets not attributed to the sectors | | | | | | | | | | | - | - |
| Total assets | | | | | | | | | | | 4,227,296 | 4,286,270 |
| Sector liabilities | 4,277,799 | 4,630,492 | 41,530 | 56,168 | 91,692 | 96,934 | 2,526,173 | 2,184,423 | (4,179,149) | (4,160,129) | 2,758,045 | 2,807,888 |
| Liabilities not attributed to the sectors | | | | | | | | | | | - | - |
| Shareholders' equity | | | | | | | | | | | 1,469,251 | 1,478,382 |
| Liabilities | | | | | | | | | | | 4,227,296 | 4,286,270 |

(1) The 2007 data cannot be compared with those of 2008 – due to the Corporate Restructure implemented in July 2007 – as they incorporate the data for the Motorway Companies SATAP S.p.A., SAV S.p.A. and ATIVA S.p.A. (and their subsidiaries) only for the second quarter of 2007.

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 | |
| Cost: | | | | |
| as at 1 January 2007 | 35,126 | 13,576 | 141 | 48,843 |
| 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 | - | - | - | - |
| as at 31 December 2007 | 58,106 | 15,939 | 10,835 | 84,880 |
| Accumulated amortisation: | | | | |
| as at 1 January 2007 | - | (8,921) | - | (8,921) |
| Change in the scope of consolidation | - | (1,564) | - | (1,564) |
| 2007 amortisation | - | (1,346) | - | (1,346) |
| Restatements | - | - | - | - |
| Drawdowns | - | 1,663 | - | 1,663 |
| Other | - | - | - | - |
| as at 31 December 2007 | - | (10,168) | - | (10,168) |
| Net book value: | | | | |
| as at 1 January 2007 | 35,126 | 4,655 | 141 | 39,922 |
| as at 31 December 2007 | 58,106 | 5,771 | 10,835 | 74,712 |

| | Goodwill | Other intangible assets | | Total |
|--------------------------------------|---------------|-------------------------|---------------|-----------------|
| | | In operation | In process | |
| Cost: | | | | |
| as at 1 January 2008 | 58,106 | 15,939 | 10,835 | 84,880 |
| Change in the scope of consolidation | - | - | (10,807) | (10,807) |
| Investments | - | 616 | 8 | 624 |
| Restatements | - | - | - | - |
| Write-downs | (6,633) | - | - | (6,633) |
| Divestitures | - | (295) | - | (295) |
| Other | - | - | - | - |
| as at 31 December 2008 | 51,473 | 16,260 | 36 | 67,769 |
| Accumulated amortisation: | | | | |
| as at 1 January 2008 | - | (10,168) | - | (10,168) |
| Change in the scope of consolidation | - | - | - | - |
| 2008 amortisation | - | (1,136) | - | (1,136) |
| Restatements | - | - | - | - |
| Drawdowns | - | 295 | - | 295 |
| Other | - | - | - | - |
| as at 31 December 2008 | - | (11,009) | - | (11,009) |
| Net book value: | | | | |
| as at 1 January 2008 | 58,106 | 5,771 | 10,835 | 74,712 |
| as at 31 December 2008 | 51,473 | 5,251 | 36 | 56,760 |

Goodwill and the related impairment loss accumulated during the year are summarised below:

| Cash Generating Unit | Amount as at 01/01/2008 | Increases | Write-downs | Amount as at 31/12/2008 |
|--------------------------------------|-------------------------|-----------|----------------|-------------------------|
| ATIVA S.p.A. | 19,806 | - | (6,366) | 13,440 |
| Autocamionale della Cisa S.p.A. | 27,152 | - | - | 27,152 |
| Autostrada dei Fiori S.p.A. | 313 | - | - | 313 |
| SALT S.p.A. | 7,282 | - | - | 7,282 |
| SATAP S.p.A. | 2,907 | - | - | 2,907 |
| Sinelec S.p.A. | 379 | - | - | 379 |
| Collegamenti Integrati Veloci S.p.A. | 267 | - | (267) | - |
| Total | 58,106 | - | (6,633) | 51,473 |

In accordance with IAS 36, goodwill is not subject to amortisation but to impairment test, which is conducted when events arise that may indicate a reduction in value. For the purpose of this test, goodwill has been allocated on the cash generating units shown above.

With regards to goodwill related to motorway companies, in line with the provisions of IAS 36, the Company determined the “useful life” of each cash generating unit by discounting the future cash flows deriving from the motorway management activity. The data contained in the financial plans annexed to the agreement approved by the Regulator were used as the basis for the calculations. The data were adjusted solely to reflect the factors that occurred after the preparation date of the financial plans (e.g. delays in obtaining the approval of toll increases, forecast reduction in traffic due to the current economic scenario, different amount and timings of investments in revertible assets, etc.).

Considering that the financial plans were drawn up using a “constant currency”, a “real” rate was used when discounting the cash flows, unbundling real inflation from the nominal rate.

The discounting rate was calculated, specifically for each licensee, in order to reflect the financial structure of that company. When determining the discounting rate, the following parameters were taken into account:

| |
|--|
| “Free-risk” rate equal to the return of the 10-year BTP (Pluriannual Treasury Bonds) benchmark – average of the last 12 months as of the assessment date |
| Risk premiums in line with the CIPE Resolution No. 38/2007 (basis to calculate the WACC of Standard Agreements) |
| Beta of the Italian motorway sector (SIAS/Atlantia) releveraged on the company’s financial structure as of the assessment date |
| Cost of debt equal to the average of 2008 IRS 10 year + spread |
| Inflation rate equal to the real inflation component included in the 10-year IRS. |

On the basis of these elements, the *real, post-tax* average weighted cost of capital used was within the range 3.60-3.80%.

With regards to the above-mentioned cash generating units, for which the “useful life” was calculated, a *sensitivity analysis* of the results was also carried out, changing both the flows components (toll revenues/traffic volumes) and the discounting rates applied. This analysis did not highlight significant differences with the “useful lives” originally obtained.

With regards to goodwill related to non-licensees, the useful life was calculated on the basis of recent transactions/appraisals.

The item “*other intangible assets*” essentially refers to capitalisation of basic expenses and application software expenses and licences for software programmes. The decrease due to the “change in the scope of consolidation” refers to the items of S.A.Bro.M. S.p.A.: this company, following the transfers made in 2008, was accounted for by the equity method.

Note 2 – Tangible assets

This item breaks down as follows:

Non-compensated revertible assets

| | Motorway in operation | Motorway under construction | Total |
|--------------------------------------|------------------------------|--------------------------------|--------------------|
| Cost: | | | |
| as at 1 January 2007 | 2,706,434 | 271,494 | 2,977,928 |
| 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) |
| as at 31 December 2007 | 4,851,495 | 842,153 | 5,693,648 |
| Capital grants: | | | |
| as at 1 January 2007 | (185,190) | - | (185,190) |
| Change in the scope of consolidation | (156,983) | (44,025) | (201,008) |
| Increases | - | (4,958) | (4,958) |
| as at 31 December 2007 | (342,173) | (48,983) | (391,156) |
| Accumulated depreciation: | | | |
| as at 1 January 2007 | (1,368,229) | - | (1,368,229) |
| Change in the scope of consolidation | (847,769) | - | (847,769) |
| 2007 depreciation | (135,852) | - | (135,852) |
| Restatements | - | - | - |
| Drawdowns | - | - | - |
| as at 31 December 2007 | (2,351,850) | - | (2,351,850) |
| Net book value: | | | |
| as at 1 January 2007 | 1,153,015 | 271,494 | 1,424,509 |
| as at 31 December 2007 | 2,157,472 | 793,170 | 2,950,642 |
| | | | |
| | Motorway in operation (*) | Motorway under construction | Total |
| Cost: | | | |
| as at 1 January 2008 | 4,851,495 | 842,153 | 5,693,648 |
| Change in the scope of consolidation | - | - | - |
| Investments | 172,923 | 122,100 | 295,023 |
| Restatements | 546,604 | (546,105) | 499 |
| Divestitures | (5) | (488) | (493) |
| as at 31 December 2008 | 5,571,017 | 417,660 | 5,988,677 |
| Capital grants: | | | |
| as at 1 January 2008 | (342,173) | (48,983) | (391,156) |
| Change in the scope of consolidation | - | - | - |
| Increases/decreases | - | 5,633 | 5,633 |
| as at 31 December 2008 | (342,173) | (43,350) | (385,523) |
| Accumulated depreciation: | | | |
| as at 1 January 2008 | (2,351,850) | - | (2,351,850) |
| Change in the scope of consolidation | - | - | - |
| 2008 depreciation | (170,872) | - | (170,872) |
| Restatements | - | - | - |
| Other changes | 3,826 | - | 3,826 |
| as at 31 December 2008 | (2,518,896) | - | (2,518,896) |
| Net book value: | | | |
| as at 1 January 2008 | 2,157,472 | 793,170 | 2,950,642 |
| as at 31 December 2008 | 2,709,948 | 374,310 | 3,084,258 |

(*) The amounts do not include the value of the sections built by ANAS and the sections on the Asti-Cuneo motorway in operation

The overall cost of the motorway network totals EUR 5,989 million. It includes EUR 1,333 million in capitalised financial charges (EUR 37.3 million for 2008). The increase during the period can be attributed to the change in the investment program put in place by each licensee.

During the year, following completion of some work related to the sections operated by SATAP S.p.A. and Autocamionale della Cisa S.p.A., EUR 546 thousand were restated from the item "Motorway under construction" to the item "Motorway in operation".

The EUR 5.6 million decrease occurred to the item "Capital grants" was due to the reversal of grants related to the construction of the road link between the Turin-Milan Motorway and the Milan Fairgrounds resulting from a reduction in the investment originally agreed.

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

| Licensee company | Motorway section | Expiry of the concession |
|-------------------|--|--------------------------|
| SATAP S.p.A. | Turin – Milan | 31 December 2026 |
| SATAP S.p.A. | Turin – Piacenza | 30 June 2017 |
| SAV S.p.A. | Quincinetto – Aosta | 31 December 2032 |
| ATIVA S.p.A. | Tangenziale di Torino (Turin bypass), Turin-Quincinetto, Ivrea-Sanhià and Turin-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 while signing the new agreement outline to include the extension between Parma and Nogarole Rocca. Based on the information provided by ANAS, the effectiveness of this agreement is subject to the closing of the EU infringement procedures that was opened upon the said redetermination of the concession duration.

(**) The duration of the concession is 23.5 years as of the infrastructure's completion date.

Property, plant, machinery and other assets

| | Land and buildings | Plant and mach. | Ind. and comm. equip. | Other assets | Financial lease assets | Constr. in progress and advance payments | Total |
|--------------------------------------|--------------------|-----------------|-----------------------|-----------------|------------------------|--|-----------------|
| Cost: | | | | | | | |
| as at 1 January 2007 | 30,800 | 12,148 | 9,391 | 21,399 | 6,506 | 2,629 | 82,873 |
| 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) |
| as at 31 December 2007 | 42,940 | 22,437 | 13,991 | 33,695 | 12,517 | 5,382 | 130,962 |
| Accumulated depreciation: | | | | | | | |
| as at 1 January 2007 | (7,317) | (3,712) | (7,097) | (16,595) | (3,214) | - | (37,935) |
| Change in the scope of consolidation | (1,464) | (5,773) | (3,732) | (9,850) | (6,035) | - | (26,854) |
| 2006 depreciation | (833) | (1,031) | (926) | (1,825) | (650) | - | (5,265) |
| Restatements | - | 28 | (28) | - | - | - | - |
| Drawdowns | 69 | 161 | 607 | 865 | 664 | - | 2,366 |
| as at 31 December 2007 | (9,545) | (10,327) | (11,176) | (27,405) | (9,235) | - | (67,688) |
| Net book value: | | | | | | | |
| as at 1 January 2007 | 23,483 | 8,436 | 2,294 | 4,804 | 3,292 | 2,629 | 44,938 |
| as at 31 December 2007 | 33,395 | 12,110 | 2,815 | 6,290 | 3,282 | 5,382 | 63,274 |

| | Land and buildings | Plant and mach. | Ind. and comm. equip. | Other assets | Financial lease assets | Constr. in progress and advance payments | Total |
|--------------------------------------|--------------------|-----------------|-----------------------|-----------------|------------------------|--|-----------------|
| Cost: | | | | | | | |
| as at 1 January 2008 | 42,940 | 22,437 | 13,991 | 33,695 | 12,517 | 5,382 | 130,962 |
| Change in the scope of consolidation | - | - | - | - | - | - | - |
| Investments | 29 | 80 | 465 | 1,656 | 320 | 1,241 | 3,792 |
| Restatements | 1,325 | - | (24) | 41 | - | (1,395) | (53) |
| Write-downs | - | - | - | - | - | - | - |
| Divestitures | (3) | (290) | (798) | (1,406) | (552) | - | (3,049) |
| as at 31 December 2008 | 44,291 | 22,227 | 13,635 | 33,986 | 12,285 | 5,228 | 131,652 |
| Accumulated depreciation: | | | | | | | |
| as at 1 January 2008 | (9,545) | (10,327) | (11,176) | (27,405) | (9,235) | - | (67,688) |
| Change in the scope of consolidation | - | - | - | - | - | - | - |
| 2008 depreciation | (1,045) | (1,179) | (957) | (2,070) | (698) | - | (5,949) |
| Restatements | - | - | - | - | - | - | - |
| Drawdowns | - | 221 | 603 | 1,296 | 382 | - | 2,502 |
| as at 31 December 2008 | (10,590) | (11,285) | (11,530) | (28,179) | (9,552) | - | (71,136) |
| Net book value: | | | | | | | |
| as at 1 January 2008 | 33,395 | 12,110 | 2,815 | 6,290 | 3,282 | 5,382 | 63,274 |
| as at 31 December 2008 | 33,701 | 10,942 | 2,105 | 5,807 | 2,734 | 5,228 | 60,516 |

With regard to the item “land and buildings”, there is a mortgage in favour of Cassa di Risparmio di La Spezia (for a value of EUR 3.4 million) for the building owned by Logistica Tirrenica S.p.A. as guarantee for a loan of the same amount issued by the said bank.

Financial lease assets

As at 31 December 2008, the Group had in place 20 lease-purchase contracts to acquire plant and machinery, and industrial and commercial equipment. As at 31 December 2008, their net book value totalled EUR 2,734 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 as at 31 December 2008.

Note 3 – Non-current financial assets**3.a – Investments accounted for by the equity method**

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

| | 31 December 2007 | Changes during the period | | | | 31 December 2008 | |
|---|---------------------|-----------------------------|----------------|--|---------------------------|---------------------|----------------|
| | | Purchases/ Subscriptions | Restmt. | Change in the scope of consolidation | Update “sh. eq.” Other | | |
| Equity investments: | | | | | | | |
| a) in unconsolidated subsidiaries: | | | | | | | |
| Rites S.c.a r.l. | 9 | | | | | 9 | |
| Tangenziale Est | 64 | | | | (2) | 62 | |
| b) in associated companies | | | | | | | |
| Albenga Garessio Ceva S.p.A. | 993 | | | | 28 | 1,021 | |
| ASTA S.p.A. | 674 | 985 | | | (6) | 1,653 | |
| ATON S.p.A. | - | 40 | | | | 40 | |
| Autostrada Estense S.c. p.a. | 225 | | | | | 225 | |
| Autostrade Sud America s.r.l. | 47,025 | 16,200 | | | (29,684) | 33,541 | |
| Autopista do Pacifico S.A. | 2 | | | | | 2 | |
| Beinasco S.c.a r.l. | 7 | | | | | 7 | |
| CIM S.p.A. | 3,442 | | | | (42) | 3,400 | |
| CO.LA.CI. S.c.a r.l. | 3 | (3) | | | | - | |
| CONSILFER | 3 | | | | | 3 | |
| Corso Marche s.r.l. | - | | | | | - | |
| Codelfa S.p.A. (formerly 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) | 655 | | | | (99) | 556 | |
| ITINERA S.p.A. | 27,557 | | | | 1,812 | 29,369 | |
| Malpensa 92 S.c.a r.l. | 4 | | | | | 4 | |
| Microlux s.r.l. | 148 | (46) | | | (65) | 37 | |
| OMT S.p.A. | 657 | | | | 2 | 659 | |
| Road Link Holdings Ltd | 3,165 | | | | (125) | 3,040 | |
| SABROM S.p.A. | - | | | 461 | (27) | 434 | |
| 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. | 44 | | | | | 44 | |
| SITAF S.p.A. | 76,612 | | | | 3,053 | 79,665 | |
| SITRASB S.p.A. | 7,976 | | | | 76 | 8,052 | |
| VA Bitumi s.r.l. | 351 | | | | (13) | 338 | |
| Vesima S.c.a r.l. | - | | | | | - | |
| Total | 175,842 | 17,176 | (6,222) | 461 | (24,993) | (99) | 162,165 |

The principal changes during the first half of the year are shown below:

- subscription of capital increase approved by ASTA S.p.A.;
- incorporation of ATON S.p.A.;
- consolidation of S.A.Bro.M. S.p.A. using the equity method (the company was previously consolidated using the line-by-line method);
- subscription – for the pertaining part – of the capital increase approved by the Extraordinary Shareholders’ Meeting of Autostrade Sud America s.r.l.;
- restatement among “equity investments available for sale” of the investment in FIMPRE s.r.l. following its merger with Codelfa S.p.A. with consequent reduction in the share held;
- adjustment to shareholders’ equity related to 2008.

It should be underlined that the “adjustment to shareholders’ equity” of Autostrade Sud America s.r.l. was the result of receiving the pro-quota share of its profit for EUR 22.5 million (of which EUR 15.7 million

related to the cost of the said repurchase option) and of the foreign exchange differences, with the shareholders' equity as contra entry (approximately EUR 7.2 million).

As at 31 December 2008, the value of the equity investment in SITAF S.p.A. included EUR 0.1 million as the share of the update of fair value performed by the associated company.

3.b – Unconsolidated investments - available for sale

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

| | 31 December 2007 | | | Changes during the period | | | | | 31 December 2008 | | |
|---|------------------|-----------------------|----------------|---------------------------|-----------------|-----------------|---------------------------------------|-----------------|------------------|-----------------------|----------------|
| | Original value | Updates to fair value | Total | Purchases | Sales and rest. | Change in scope | Updates to fair value Sharehold . Eq. | Inc. stat. | Original value | Updates to fair value | Total |
| Equity investments: | | | | | | | | | | | |
| ACI s.c.p.a. | 2 | | 2 | | | | | | 2 | | 2 |
| Aeroporto Pavia Rivanazzano s.r.l. | 56 | | 56 | | | | | | 56 | | 56 |
| Agenzia di Pollenzo S.p.A. | 1,500 | | 1,500 | | | | | | 1,500 | | 1,500 |
| Alerion Industries S.p.A. | 972 | 802 | 1,774 | | (133) | | (774) | | 839 | 28 | 867 |
| Alitalia Compagnia Aerea Italiana S.p.A. | - | | - | 20,000 | | | | | 20,000 | | 20,000 |
| Assicurazioni Generali S.p.A. | 12,264 | 1,686 | 13,950 | | (2,725) | | (1,686) | (2,717) | 6,822 | | 6,822 |
| Assoservizi Industria s.r.l. | 1 | | 1 | | | | | | 1 | | 1 |
| ASTM S.p.A. | 45 | 88 | 133 | | | | (84) | | 45 | 4 | 49 |
| Atlantia S.p.A. | - | | - | | | | | | - | | - |
| Banca CA.RI.GE. S.p.A. | 19,916 | 6,419 | 26,335 | 16,370 | (12,209) | | (6,419) | (8,279) | 15,798 | | 15,798 |
| Banco Popolare S.p.A. | - | | - | 4,562 | (3,672) | | | (376) | 514 | | 514 |
| Milano Serravalle-Milano Tangenziali S.p.A. | 89,123 | 76,464 | 165,587 | 19 | | | 17 | | 89,142 | 76,481 | 165,623 |
| 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. | 122 | | 122 | 19 | | | | | 141 | | 141 |
| Codelfa S.p.A. | | | - | | 6,222 | | | | 6,222 | | 6,222 |
| C.R.S. S.p.A. | - | | - | | | | | | - | | - |
| Società Confederazione Autostrade S.p.A. | 985 | | 985 | | | | | (14) | 971 | | 971 |
| Consorzio Autostrade Energia | 13 | | 13 | | | | | | 13 | | 13 |
| Consorzio COCIV | 1,177 | | 1,177 | | | | | | 1,177 | | 1,177 |
| Eurete s.c.a r.l. | 8 | | 8 | | | | | | 8 | | 8 |
| Fiumicino Pista 3 s.c.a r.l. | 2 | | 2 | | | | | | 2 | | 2 |
| FNM S.p.A. | 11,097 | (4,477) | 6,620 | 66 | (548) | | 4,477 | (6,056) | 4,559 | | 4,559 |
| Industria e Innovazione S.p.A. | - | | - | 1,500 | | | | | 1,500 | | 1,500 |
| Interporto Toscano A. Vespucci S.p.A. | 77 | | 77 | | | | | | 77 | | 77 |
| Mediobanca S.p.A. | 4,528 | (151) | 4,377 | 5,122 | (1,895) | | 151 | (3,058) | 4,697 | | 4,697 |
| Nuovo Mondo s.c.a.r.l. | 1 | | 1 | | | | | | 1 | | 1 |
| PISTA S.p.A. | 322 | | 322 | | | | | | 322 | | 322 |
| SINA S.p.A. | 202 | 227 | 429 | | | | | | 202 | 227 | 429 |
| SITRACI S.p.A. | 473 | | 473 | | | | | (44) | 429 | | 429 |
| SO.GE.A.P. S.p.A. | 569 | | 569 | | | | | | 569 | | 569 |
| SPEDIA S.p.A. | 656 | | 656 | | | | | | 656 | | 656 |
| Tangenziali Esterne Milano S.p.A. | 419 | | 419 | 167 | | | | | 586 | | 586 |
| Terminal Container Civitavecchia scarl | 4 | | 4 | | | | | | 4 | | 4 |
| Total | 146,576 | 81,058 | 227,634 | 47,825 | (14,960) | - | (4,318) | (20,544) | 158,897 | 76,740 | 235,637 |

The principal changes during the period are shown below:

- transfer of 342,004 shares in Alerion Industries S.p.A. carried out by the parent company;
- subscription of the share capital and subsequent increases, for a total of 11,838,402 Alitalia – Compagnia Aerea Italiana S.p.A. shares made by Finanziaria di Partecipazioni e Investimenti S.p.A.;
- transfer of 100,000 shares in Assicurazioni Generali S.p.A. carried out by the parent company;
- subscription of capital increase and purchase – net of transfers – of 1,790,149 Banca Ca.Ri.Ge. S.p.A. shares by Finanziaria di Partecipazioni e Investimenti S.p.A.;

- purchase – net of transfers – of 103,699 shares of Banco Popolare S.p.A. carried out by Finanziaria di Partecipazioni e Investimenti S.p.A.;
- transfer – net of purchases – of 327,675 FNM S.p.A. shares, carried out by the parent company;
- purchase – net of transfers – of 341,000 Mediobanca S.p.A. shares carried out by Finanziaria di Partecipazioni e Investimenti S.p.A.;
- purchase of a 3.7% investment in the share capital of Industria e Innovazione S.p.A.;
- subscription of capital increase approved by Tangenziali Esterne di Milano S.p.A.;
- updates to fair value and write-downs.

In more detail, the equity investments in Assicurazioni Generali S.p.A., Banca Carige S.p.A., Banco Popolare S.p.A., Mediobanca S.p.A. and FNM S.p.A. were written down for a total of EUR 20.5 million, in order to update the book value to the market listing as at 31 December 2008, with a contra item recorded in the income statement.

The value of investments “available for sale” as at 31 December 2008 (group and minority interests) included about EUR 76.7 million (EUR 81.1 million as at 31 December 2007) which related to the fair value update of the investments.

It should be underlined that 5,134,641 shares of Banca Ca.Ri.Ge. S.p.A. were pledged as collateral for the credit line granted – upon opening of a credit – to the subsidiary Finanziaria di Partecipazioni e Investimenti S.p.A.

3.c – Receivables

These consist of:

| | 31 December 2008 | 31 December 2007 |
|--|------------------|------------------|
| Loans: | | |
| • Loans to investee companies | 1,544 | 1,169 |
| Receivables: | | |
| • from INA | 12,432 | 13,787 |
| • as collateral on fidejussory policies | 19,000 | 18,000 |
| • from suppliers as security deposits | 408 | 431 |
| • on account for taxes on Employee Severance Indemnity | 7 | 54 |
| • from others | 1,635 | 2,628 |
| Total | 35,026 | 36,069 |

“Loans to investee companies” refer to the loan of EUR 905 thousand from SATAP S.p.A. to INPAR S.p.A. (in liquidation).

“Receivables from INA” represent the provisions during previous periods to the employee severance indemnity of motorway companies.

The item “Receivables as collateral on fidejussory policies” represents the value of the pledge issued against fidejussory policies by the Insurance Institutes on behalf of Autostrada Asti-Cuneo S.p.A., in conjunction with the bidding competition for the Asti-Cuneo concession.

3.d – Other

These consist of:

| | 31 December 2008 | 31 December 2007 |
|-------------------------------|------------------|------------------|
| • SITAF convertible bond loan | 6,418 | 6,418 |
| • Other financial assets | 174 | 20,520 |
| Total | 6,592 | 26,938 |

The “*SITAF convertible bond loan*” refers to the convertible bonds 31 December 2001-30 June 2009 issued by SITAF S.p.A.

“*Other financial assets*” decreased as a result of Autostrada dei Fiori S.p.A. carrying out a monetisation of the indexed financial instruments with guaranteed principal subscribed with Merrill Lynch Bank.

Note 4 – Deferred tax credits

This item totalled EUR 17,831 thousand (EUR 7,222 thousand as at 31 December 2007). For the breakdown of this item, please refer to Note 33 – Income taxes.

Note 5 – Inventories

These consist of:

| | 31 December 2008 | 31 December 2007 |
|--|------------------|------------------|
| Raw materials, ancillary materials and consumables | 10,093 | 8,593 |
| Work in progress and semi-finished goods | - | - |
| Contracted work in process | 17,186 | 27,413 |
| Finished goods and merchandise | 384 | 486 |
| Advance payments | 52 | 363 |
| Total | 27,715 | 36,855 |

Contracted work in process breaks down as follows:

| | 31 December 2008 | 31 December 2007 |
|--|------------------|------------------|
| Gross value of the orders | 296,248 | 301,749 |
| Advance payments on work progress | (269,446) | (258,719) |
| Advance payments on price changes and reserves | (688) | (6,689) |
| Provisions to guarantee work in progress | (8,928) | (8,928) |
| Net value | 17,186 | 27,413 |

As at 31 December 2008, the item “contracted work in process” included claims totalling EUR 10.4 million. The decrease in the “works portfolio” related to the uncertainty weighing on the motorway sector and, consequently, on the planned infrastructure works for the managed network.

Note 6 – Trade receivables

Trade accounts receivable totalled EUR 62,515 thousand (EUR 60,419 thousand as at 31 December 2007), not including provisions for bad debts of EUR 1,962 thousand.

Note 7 – Current tax credits

This item totalled EUR 57,656 thousand (EUR 41,380 thousand as at 31 December 2007). It refers to receivables for VAT, IRAP, IRES and other tax credits.

Note 8 – Other receivables

This item breaks down as follows:

| | 31 December 2008 | 31 December 2007 |
|--|-------------------------|-------------------------|
| from unconsolidated subsidiaries | 1 | 1 |
| from associated companies | 182 | 776 |
| from parent companies | 23,056 | 12 |
| from connected companies | 133,409 | 141,666 |
| from ANAS for arbitration award to Autostrade dei Parchi | 23,456 | 23,456 |
| from ANAS for capital grants | 26,774 | 57,816 |
| from others | 15,769 | 14,737 |
| prepaid expenses | 5,911 | 6,132 |
| Total | 228,558 | 244,596 |

“*Receivables from subsidiaries*” mainly relate to receivables from some consortia companies and from Itinera S.p.A.

“*Receivables from parent companies*” includes the loan disbursed by the parent company to Argo Finanziaria S.p.A. totalling EUR 23.1 million. This loan was repaid in early 2009.

The item “*receivables from connected companies*” refers to receivables from connected companies not belonging to the Group for tolls collected on behalf of licensees of the Group, which had not yet been allocated by the end of the period.

The item “*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. – now Finanziaria di Partecipazioni e Investimenti 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. During 2006, ANAS appealed against the said award at the Court of Appeal of Rome. The suit challenging the arbitration award has been remanded to the hearing on 27 April 2010. Despite the complexity of the dispute and the inevitable uncertainty about the conduct of the Court of Appeal upon examination of the appeal, it is believed that there are no elements such as to suggest that, based on the result of the litigation, the company will be denied the right to credit.

“*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 realisation of motorway access facilities for the New Milano Rho-Pero Fairgrounds. The decrease on the previous year can be attributed to the collection of contributions certified in previous years for EUR 25.4 million, and to the EUR 5.6 million reduction due to the decrease in the amount of the investment originally agreed.

Note 9 – Assets available for sale (current)

This item zeroed in the year (EUR 100,000 thousand as at 31 December 2007), since commercial papers and credit linked notes underwritten by SALT S.p.A. expired.

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:

| | 31 December 2008 | 31 December 2007 |
|-----------------------------------|-------------------------|-------------------------|
| Bank and postal deposits | 185,512 | 234,445 |
| Cheques | 125 | 66 |
| Cash and cash equivalents on hand | 6,430 | 6,176 |
| Total | 192,067 | 240,687 |

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

Note 11 – Shareholders' equity

11.1 – Share capital

As at 31 December 2008, the share 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 (unchanged compared to the corresponding figures as at 31 December 2007), entirely subscribed and paid in.

11.2 – Reserves

11/2/1 – Share premium reserve

This item totalled EUR 689,186 thousand (EUR 699,186 thousand as at 31 December 2007). This item (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 510.6 million refer to the share premium related to the share capital increase reserved to ASTM S.p.A. against their contribution of investments during 2007 under the corporate reorganisation of the ASTM and SIAS Groups. This item decreased by EUR 10 million following the reclassification to the item “Legal reserve”, as approved by the Shareholders' Meeting on 12 May 2008.

11/2/2 – Revaluation reserves

These totalled EUR 5,434 thousand (EUR 5,434 thousand as at 31 December 2007).

In the event of distribution, the revaluation reserves 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 – Legal reserve

It totalled EUR 22,750 thousand (EUR 12,750 thousand as at 31 December 2007). As approved by the Shareholders' Meeting on 12 May 2008, this item increased following the reclassification of EUR 10 million from the item “Share premium reserve”, thus reaching the limit required by Article 2430 of the Italian Civil Code.

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” and of interest rate swap contracts. As at 31 December 2008, this totalled EUR 65,414 thousand, net of the related deferred tax effect (EUR 80,555 thousand as at 31 December 2007).

11/2/5 – Available reserves

Capital reserves

This item totalled EUR 34,590 thousand and is unchanged from 31 December 2007.

Profit reserves

This item totalled EUR 88,580 thousand and is unchanged from 31 December 2007.

11/2/6 – Foreign exchange difference reserve

This item totalled -EUR 12,278 thousand (-EUR 4,795 thousand as at 31 December 2007). It received the differences on foreign exchange related to the shareholders' equities of associated companies.

11/2/7 – Retained earnings

This item totalled EUR 175,379 thousand (EUR 108,549 thousand as at 31 December 2007). 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 standards.

This reserve was increased by the allocation of the quota of profits from 2007 (EUR 52.6 million) and by the reclassification of the “provision for deferred taxation” (EUR 14.3 million) in connection with the convertible bond loan. This reclassification was the result of the amendments introduced by the Law No. 244 of 24 December 2007 concerning the calculation of the taxable income of companies drawing up their financial statements in accordance with the International Accounting Standards, which attributed significance to the qualification, time recognition and classification criteria established by the IASs (so-called “derivation standard”). This amendment attributed also tax relevance to the financial expenses component calculated on the differential between the “issuing rate” and the corresponding market rate connected to the convertible bond loan issued by the parent company.

11.3 – Profit (loss) for the period

This item gathers the profits/losses for the period. It totalled EUR 76,917 thousand (EUR 126,509 thousand in 2007).

11.4 – Minority interests

As at 31 December 2008, this item totalled EUR 245,929 thousand (EUR 250,812 thousand as at 31 December 2007). It includes the minority interest share of the period profit/loss totalling EUR 16,365 thousand.

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 |
|-------------------------|--|--------------------|---------------------------|----------------|
| 31 December 2007 | 145,798 | 3 | 3,658 | 149,459 |
| Provisions | 120,505 | 100 | 196 | 120,801 |
| Drawdowns | (121,284) | - | (407) | (121,691) |
| 31 December 2008 | 145,019 | 103 | 3,447 | 148,569 |

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

Provision for restoration, replacement and maintenance of non-compensated revertible assets

The provisions for renewal for the first half of 2008 totalled EUR 120,505 thousand, while drawdown amounted to EUR 121,284 thousand and represented all maintenance operations.

Tax reserve

During 2008, the subsidiary ABC Costruzioni S.p.A. made a provisions in relation to the dispute arisen with the Revenue Office.

Other reserves

This item totalled EUR 3,447 thousand and referred mainly to:

- EUR 1,781 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 1,233 thousand set aside by ATIVA S.p.A. against risks from work in progress, disputes in process and environmental and safety regulations;
- EUR 370 thousand set aside by ABC Costruzioni S.p.A. for expenses of disputes in progress.

12.2 – Employee benefits (Employee Severance Indemnity)

As at 31 December 2008, this item totalled EUR 37,627 thousand (EUR 39,489 thousand as at 31 December 2007). Changes during the period were as follows:

| | |
|--|---------------|
| 1 January 2008 | 39,489 |
| Period contributions | 1,708 |
| Financial component from discounting of Employee Severance Indemnity | 1,655 |
| Indemnities advanced/liquidated during the period and transfers | (4,225) |
| 31 December 2008 | 38,627 |

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 | 3.2% |
| Annual rate of increase in severance pay | 3.9% |
| Annual rate of salary increases (for Companies with less than 50 employees) | From 1.0% to 2.5% |

Demographic assumptions

| | |
|----------------------------|----------------------------|
| Mortality | ISTAT 2000 index |
| Disability | INPS tables by age and sex |
| Retirement age | Meeting requirements |
| % of frequency of advances | From 1.0% to 4% |
| Turnover | From 1% to 10.0% |

Note 13 – Other payables (long-term)

These consist of:

| | 31 December 2008 | 31 December 2007 |
|---|------------------|------------------|
| To ANAS-Central Insurance Fund | 324,329 | 370,702 |
| Deferred income related to discounting the payable to ANAS-Central Insurance Fund | 250,763 | 206,896 |
| CIV S.p.A. share of advances paid by TAV to COCIV | 4,002 | 4,002 |
| To others | 2,348 | 1,922 |
| Total | 581,442 | 583,522 |

The item payable “to ANAS-Central Insurance Fund” refers to operations undertaken by the parties in question on behalf of the licensees 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.

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”.

It should be underlined that in 2008 – following the redetermination of the duration of the concession of Autocamionale della CISA S.p.A. to 2031 – the present values of the “payable due to ANAS and the Central Insurance Fund” and consequently of the related “deferred income” were restated.

The payables shown above are broken down by maturity as follows:

| | Between one and five years | Beyond five years | Total |
|---|-------------------------------|----------------------|----------------|
| Payables to ANAS-Central Insurance Fund | 160,884 | 163,445 | 324,329 |
| Deferred income related to discounting the payable to ANAS-Central Insurance Fund | 57,122 | 193,641 | 250,763 |
| Other payables | 2,232 | 4,118 | 6,350 |
| Total | 220,238 | 361,204 | 581,442 |

Note 14 – Bank debt (non-current)

This item totalled EUR 783,449 thousand (EUR 1,122,551 thousand as at 31 December 2007).

Almost all the medium- and long-term loan contracts in place as at 31 December 2008 require compliance with certain economic and financial parameters (covenants) that are normal for loans of this type. As of 31 December 2008, these parameters had been satisfied.

The tables below show the medium-term bank debt as at 31 December 2008 and 31 December 2007, indicating the related balance due (current and non-current portion) and summarising the principal conditions applied to each liability.

| 31 December 2008 | | | | | | | | | |
|--------------------------------------|---------------------|------------|----------------|---------------|----------|--------------------------------|---------------|----------------|----------------|
| Lending bank | Company | Due date | Initial amount | Interest rate | Currency | Balance as at 31 December 2008 | Maturity | | |
| | | | | | | | Within 1 year | 1 to 5 years | Beyond 5 years |
| Banca BIIS (ex Banca OPI S.p.A.) | SATAP | 15/06/2024 | 75,000 | Variable | EUR | 75,000 | 4,839 | 19,355 | 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 | 59,012 | 3,836 | 15,342 | 39,834 |
| Mediobanca (1)(2) | SATAP | 14/12/2009 | 400,000 | Variable | EUR | 409,061 | 409,061 | - | - |
| Mediobanca (1) | SATAP | 15/1/2010 | 110,000 | Variable | EUR | 109,724 | - | 109,724 | - |
| MCC | SATAP | 31/05/2014 | 90,000 | Variable | EUR | 89,812 | 9,000 | 71,812 | 9,000 |
| BNL – Mediobanca (2) | SAV | 21/12/2019 | 50,000 | Variable | EUR | 45,884 | 4,259 | 16,659 | 24,966 |
| Banca di Roma S.p.A. | SAV | 2009 | 45,000 | Variable | EUR | 45,817 | 45,817 | - | - |
| Banca BIIS (ex Banca OPI S.p.A.) | ATIVA | 15/06/2015 | 49,404 | Variable | EUR | 35,901 | 4,887 | 21,796 | 9,218 |
| Banca BIIS (ex Banca OPI S.p.A.) (2) | CISA | 30/06/2018 | 110,000 | Variable | EUR | 96,338 | 10,000 | 41,339 | 44,999 |
| Unicredit Banca d'Impresa S.p.A. | ADF | 30/06/2016 | 100,000 | Variable | EUR | 99,775 | - | 69,850 | 29,925 |
| Unicredit Banca d'Impresa S.p.A. | ADF | 24/02/2012 | 150,000 | Variable | EUR | 3,124 | 943 | 2,181 | - |
| Cassa Risparmio La Spezia S.p.A. | Logistica Tirrenica | 01/10/2018 | 3,400 | Variable | EUR | 3,432 | 182 | 1,195 | 2,055 |
| West LB | SALT | 26/04/2010 | 70,000 | Variable | EUR | 49,878 | - | 49,878 | - |
| Monte dei Paschi di Siena (2) | SALT | 30/06/2018 | 170,000 | Variable | EUR | 154,680 | 16,191 | 64,763 | 73,726 |
| Intesa San Paolo | Strade Co.Ge | 19/12/2010 | 150 | Variable | EUR | 51 | 25 | 26 | - |
| Total loans | | | | | | 1,292,489 | 509,040 | 488,720 | 294,729 |
| Total bank debt (non-current) | | | | | | | | 783,449 | |

Notes:

- (1) According to the agreement, SATAP S.p.A. is given the option to extend the loan to December 2021 ("Extension Option")
(2) To prevent the risk from interest rate swings, the company has drawn up an interest rate swap contract connected with this loan

The interest on the loans is essentially tied to the EURIBOR plus a spread ranging from 0.35% to 1.15%.

The section "Other information - Financial risk management" contains the description of the financial risks of the Group and the management policies for them.

The balance of “bank debt (non-current)” includes EUR 13 million related to the fair value as at 31 December 2008 of hedging agreements (IRS).

| 31 December 2007 | | | | | | | | | |
|--------------------------------------|---------------------|------------|----------------|---------------|----------|--------------------------------|---------------|------------------|----------------|
| Lending bank | Company | Due date | Initial amount | Interest rate | Currency | Balance as 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 |
| Total bank debt (non-current) | | | | | | | | 1,122,551 | |

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, the company has drawn up an interest rate swap contract connected with this loan

Note 15 – Other financial liabilities (non-current)

These consist of:

| | 31 December 2008 | 31 December 2007 |
|--|------------------|------------------|
| Liabilities to bondholders (“liability component”) | 293,443 | 289,475 |
| Other payables | 651 | 999 |
| Total | 294,094 | 290,474 |

“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 for the issue/listing 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 of bond loans with similar features but without the conversion right.

“Other liabilities” refer 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 totalled EUR 3,343 thousand (EUR 26,725 thousand as at 31 December 2007). For a breakdown of this item, see Note 33 - Income taxes.

Note 17 – Trade payables (current)

This item totalled EUR 132,999 thousand (EUR 148,464 thousand as at 31 December 2007).

Note 18 – Other payables (current)

These consist of:

| | 31 December 2008 | 31 December 2007 |
|---|------------------|------------------|
| Advance payments | 7,578 | 9,674 |
| Payables to unconsolidated subsidiaries | 80 | 69 |
| Payables to associated companies | 20,437 | 16,977 |
| Payables to parent companies | 1,980 | 1,786 |
| Payables to welfare organisations | 7,852 | 7,350 |
| Payables to connected companies | 7,378 | 10,179 |
| Payables to ANAS-Central Insurance Fund | 27,706 | 46,503 |
| Deferred income | 25,636 | 18,276 |
| Other payables | 52,146 | 48,797 |
| Total | 150,793 | 159,611 |

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 parent 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*” essentially represents that portion of the debt maturing during the next accounting period. The decrease during the period was due to the restatement of the

amount related to Autocamionale della Cisa S.p.A., following the extension of the repayment schedule, linked to the redetermination of the duration of the concession, to 2031.

The item “*deferred income*” relates to prepaid lease, easement payments, grants received by SATAP S.p.A. (A4 and A21 stretches) and given by TAV S.p.A., RFI S.p.A., Autostrade Centro Padane S.p.A., Autostrade per l’Italia S.p.A. as well as to grants received by SAV S.p.A. and given by RAV S.p.A. and the Autonomous Region of Valle d’Aosta.

Note 19 – Bank debt (current)

These consist of:

| | 31 December 2008 | 31 December 2007 |
|---|------------------|------------------|
| Short-term loans and advances | 93,985 | 81,432 |
| Maturing portion of medium-and long-term loans ⁽¹⁾ | 509,040 | 179,659 |
| Total | 603,025 | 261,091 |

(1) As previously mentioned, at maturity date SATAP S.p.A. is given the option to extend the loan to December 2021 (“Extension Option”) for an amount of EUR 400 million

The item “*short-term loans and advances*” refers to revolving-type pool loans, other short-term loans and advances, and current account overdrafts.

“*Maturing portion of medium-and long-term loans*” includes EUR 400 million of the loan granted by Mediobanca S.p.A. reclassified from “bank debt (non-current)”, because this is due in 2009. An extension option has been agreed for this loan, which postpones the due date to 2021.

Concerning the “maturing portion of medium-and long-term loans”, please refer to Note 14.

Note 20 – Other financial liabilities (current)

This item totalled EUR 9,508 thousand (EUR 9,700 thousand as at 31 December 2007). EUR 8,786 thousand is payable to bondholders for accrued interest as at 31 December 2008, while EUR 719 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 as at 31 December 2008 between total future payments for leased assets and their present value using the interest rate implicit in the respective contract.

| | |
|---|--------------|
| Future payments | 1,421 |
| Near present value of the instalments based on the implicit rate in the contracts | (51) |
| Present value of future payments | 1,370 |

Note 21 – Current tax liabilities

Current tax liabilities totalled EUR 12,185 thousand (EUR 16,793 thousand as at 31 December 2007). 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 included 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 revenue

This item breaks down as follows:

| | 2008 | 2007 |
|--|----------------|----------------|
| Tolls | 706,961 | 543,273 |
| Toll premiums pursuant to art. 1, 1021, Law No. 296/06 | (32,267) | (18,475) |
| Net toll payments | 674,694 | 524,798 |
| Other accessory revenues - rental income | 39,091 | 28,584 |
| Total | 713,785 | 553,382 |

“*Net toll payments*” totalled EUR 674.7 million (EUR 524.8 million in 2007). The increase over 2007 – amounting to EUR 149.9 million – was due for EUR 153.2 million to the cited changes in the scope of consolidation and for EUR 4.7 million to the tolls applied (from 1 April 2008) to the Asti-Cuneo motorway as well as the EUR 8 million reduction following the decrease in traffic volumes.

“*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:

| | 2008 | 2007 |
|--|--------------|--------------|
| Revenues for work and planning and changes in contract work in process | 1,949 | 7,218 |
| Other revenues | 1,994 | 2,461 |
| Total | 3,943 | 9,679 |

This involves the total “production”, net of change orders, carried out by the 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., Autostrada Asti-Cuneo S.p.A., ATIVA S.p.A., SAV S.p.A. and SATAP S.p.A..

These revenues show a decrease in both the work carried out for third parties and – as highlighted by the change in the item “capitalised costs on fixed assets” – in the production carried out for the companies of the SIAS Group.

22.3 – Technology sector revenue

This item breaks down as follows:

| | 2008 | 2007 |
|---|---------------|---------------|
| Revenues | 17,302 | 37,038 |
| Changes in contract work in process | (1,369) | (2,457) |
| Change in work in progress, semi-finished products, finished goods and other revenues | 327 | 917 |
| Total | 16,260 | 35,498 |

This is the total amount of “production” carried out by the subsidiaries Sinelec S.p.A. and Euroimpianti Electronic S.p.A.. This amount is recognised net of intragroup “production” related to maintenance and enhancement activities for the motorway network carried out by the said Companies for the Group motorway companies.

The significant decrease in production of the technology sector compared to the same period last year was due to both major intercompany eliminations (related to the change in the scope of consolidation) and to the fact that previous year’s figures benefited from the completion of an important work order on behalf of the CAV.TO.MI. Consortium by SSAT S.p.A (now Sinelec S.p.A.).

22.4 – Other revenues

These break down as follows:

| | 2008 | 2007 |
|---|---------------|---------------|
| Indemnification of damages | 5,136 | 5,191 |
| Recovery of expenses and other income | 26,966 | 17,316 |
| Contingent assets | 14,525 | 1,543 |
| Accruing portion of the income from discounting the payable due to ANAS- Central Insurance Fund | 18,925 | 18,530 |
| Operating grants | 309 | 272 |
| Total | 65,861 | 42,852 |

“*Recovery of expenses and other income*” includes income (EUR 10.9 million) from services performed by SATAP S.p.A. on behalf of the CAV.TO.MI. Consortium for the construction of the High Capacity railway between Turin and Milan.

“*Contingent assets*” includes (i) EUR 1.6 million due to an extraordinary income resulting from the transaction carried out with the said Consortium, relating to previous years’ items. This extraordinary income is reflected in a similar amount recognised in the item “*other costs – other operating expenses*”; (ii) EUR 5 million, linked to the recognition, by the CAV.TO.MI Consortium, of the reconstruction costs for the Novara Sud service area (A4 Stretch). This service area was relocated in order to eliminate its interference with the stretch of the “High Speed” Turin-Milan railway line; (iii) “one-off” income for EUR 3.8 million recorded by SATAP S.p.A. and referring to toll revenues for the financial years 2003 and 2004, which were originally suspended. These revenues, linked to the “X” component of the toll increase contained in the price cap formula, were set aside – on request of the Regulator – pending realisation of the investments planned in the financial plan annexed to the previous agreement. Following the notification forwarded by ANAS concerning the effectiveness of the “new” Agreement and the

constraint imposed – within the Licensee’s available reserves – for alleged “financial benefits” resulting from delay in the implementation of the investments, such amounts were recorded as “one-off” income.

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 as follows:

| | 2008 | 2007 |
|--|----------------|----------------|
| Salaries and wages | 92,335 | 74,476 |
| Social security contributions | 28,986 | 22,395 |
| Actuarial updating of Employee Severance Indemnity | 6,896 | 1,198 |
| Other costs | 2,967 | 2,671 |
| Total | 131,184 | 100,740 |

Changes to “payroll costs” can be traced mainly to the “changes in the scope of consolidation”.

Average staffing breaks down by category as follows:

| | 2008 |
|-----------------|--------------|
| Executives | 50 |
| Middle managers | 56 |
| Staff | 1,854 |
| Workers | 418 |
| Total | 2,378 |

The staffing of the ATIVA Group (consolidated using the proportional method) is composed as follows:

| | ATIVA Group 2008 Total | 2008 pro-quota (41.17%) |
|-----------------|-----------------------------------|------------------------------------|
| Executives | 9 | 4 |
| Middle managers | 15 | 6 |
| Staff | 342 | 141 |
| Workers | 91 | 37 |
| Total | 457 | 188 |

Note 24 – Costs for services

This expense item breaks down as follows:

| | 2008 | 2007 |
|--|----------------|----------------|
| Maintenance of non-compensated revertible assets | 73,046 | 48,779 |
| Other costs related to non-compensated revertible assets | 22,886 | 11,384 |
| Other costs for services | 105,290 | 105,724 |
| Total | 201,222 | 165,887 |

The item “*maintenance of non-compensated revertible assets*” is recognised net of intragroup “production” carried out by Group companies operating in the “construction” and “technology” sectors in favour of motorway companies. The total amount of **maintenance operations** carried out in the period under review totalled **EUR 119 million** (EUR 85.1 million in 2007). The overall increase in maintenance costs and other costs associated with non-compensated revertible fixed assets was due to the change in the scope of consolidation, higher maintenance costs and to the increase in costs incurred for “*winter services*”, which were lower in the previous year given the favourable climatic conditions that characterised the first months of 2007.

The item “*other costs for services*” mainly included professional fees, costs for legal assistance, fees for corporate bodies, as well as services provided by subcontractors to the subsidiaries ABC Costruzioni S.p.A., Strade Co.Ge S.p.A. and Euroimpianti Electronic S.p.A.. This item is essentially in line with the previous year, as the higher costs due to changes in the scope of consolidation were offset by the lower levels of activities carried out by the companies operating in the “construction and engineering” and “technology” sectors.

Note 25 – Costs for raw materials

This expense item breaks down as follows:

| | 2008 | 2007 |
|--|---------------|---------------|
| Raw materials | 35,265 | 37,856 |
| Production supplies | 5,699 | 5,347 |
| Merchandise | 181 | 7,535 |
| Changes in inventories of raw materials, production supplies and merchandise | (1,498) | 920 |
| Total | 39,647 | 51,658 |

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.. The decrease compared to 2007 – despite the change in the scope of consolidation – was due to lower levels of activities carried out by the Companies operating in the “construction and engineering” and “technology” sectors.

Note 26 – Other operating costs

This expense item breaks down as follows:

| | 2008 | 2007 |
|---------------------------|---------------|---------------|
| License fee | 17,253 | 13,248 |
| Lease and rental expenses | 7,565 | 7,755 |
| Other operating expenses | 8,616 | 7,475 |
| Total | 33,434 | 28,478 |

The increase in the item “*license fee*” was mainly due to the change in the scope of consolidation.

The item “*leases and rental expenses*” refers mainly to operating lease contracts for motor vehicles, computers, printers and premises used by the Group Companies.

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.

“*Other operating expenses*” takes also into account the recognition by SATAP S.p.A. of an extraordinary expenditure (EUR 1.6 million) resulting from the transaction carried out with the CAV.TO.MI Consortium.

Note 27 – Costs for capitalised internal work

This item totalled EUR 45,567 thousand (EUR 78,723 thousand in 2007) and relates mainly to the capitalisation of internal work within the Group, capitalised as an increase to “non-compensated revertible assets”.

Despite the change in the scope of consolidation, the significant decrease was due to the reduction of the activities carried out in favour of the Group by the companies operating in the “construction and engineering” and “technology” sectors, as a consequence of the delay in the updating procedure of agreements and related investment plans.

Note 28 – Amortisation, depreciation and write-down of goodwill

This item breaks down as follows:

| | 2008 | 2007 |
|---|----------------|----------------|
| Intangible assets: | | |
| • Other intangible assets | 1,134 | 1,346 |
| Tangible assets: | | |
| • Buildings | 1,055 | 839 |
| • Plant and machinery | 1,200 | 1,029 |
| • Manufacturing and commercial equipment | 931 | 790 |
| • Other assets | 2,069 | 1,973 |
| • Assets in financial lease | 692 | 634 |
| • Non-compensated revertible assets | 170,873 | 135,852 |
| Total amortisation and depreciation | 177,954 | 142,463 |
| Write-down of goodwill and other write-downs | 6,971 | 994 |
| Total amortisation, depreciation and write-downs | 184,925 | 143,457 |

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.

Following an impairment test, the item “*write-down of goodwill and other write-downs*” refers to reduction totalling EUR 6,633 thousand made to goodwill by ATIVA S.p.A. (EUR 6,366 thousand) and by Collegamenti Integrati Veloci S.p.A. (EUR 267 thousand).

Note 29 – Update of the provision for restoration, replacement and maintenance of non-compensated revertible assets

The updating of provision for restoration, replacement and maintenance of non-compensated revertible assets is detailed as follows:

| | 2008 | 2007 |
|--|--------------|-----------------|
| Use of the provision for restoration, replacement and maintenance of non-compensated revertible assets | (121,285) | (92,580) |
| Set-aside to provision for restoration, replacement and maintenance of non-compensated revertible assets | 120,505 | 80,389 |
| Net update of the provision for restoration, replacement and maintenance of non-compensated revertible assets | (780) | (12,191) |

The use of the provision for restoration, replacement and maintenance of non-compensated revertible assets represents all maintenance costs borne by the motorway companies during the period. The reserve captures the amount needed to update the provisions to meet scheduled maintenance programmes 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:

| | 2008 | 2007 |
|--|-------------|-------------|
| Reserve for contractual risks and litigation | 197 | 856 |
| Total | 197 | 856 |

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 charges**31.1 – Financial income**

This item breaks down as follows:

| | 2008 | 2007 |
|---|---------------|---------------|
| Investment income: | | |
| • dividends from other businesses | 4,149 | 8,254 |
| • capital gains from the disposal of investments | 486 | 11,766 |
| Total | 4,635 | 20,020 |
| Interest income and other financial income | | |
| • from credit institutions | 12,869 | 11,513 |
| • from financial assets | 2,800 | 8,638 |
| • from loans | 213 | - |
| • others | 2,443 | 2,103 |
| Total | 18,325 | 22,254 |

The item “*dividends from other businesses*” refers to the dividends collected from the investee companies Milano Serravalle - Milano Tangenziali S.p.A. (EUR 1,194 thousand), Banca Ca.Ri.Ge. S.p.A. (EUR 1,079 thousand), Codelfa S.p.A. (EUR 651 thousand), Mediobanca S.p.A. (EUR 423 thousand), Assicurazioni Generali S.p.A. (EUR 405 thousand), SAT S.p.A. (EUR 373 thousand), SINA S.p.A. (EUR 21 thousand) and Autostrada Torino-Milano S.p.A. (EUR 3 thousand).

The item “*capital gains from the disposal of investments*” was due to the capital gains from the sale of Alerion industries S.p.A. (EUR 181 thousand), Microlux s.r.l. (EUR 130 million), Banco Popolare S.p.A. (EUR 88 thousand), Mediobanca S.p.A. (EUR 63 million) and FNM S.p.A. (EUR 24 thousand) shares.

31.2 – Financial charges

This item breaks down as follows:

| | 2008 | 2007 |
|--|-----------------|-----------------|
| Interest expense to credit institutions: | | |
| • on loans | 72,495 | 43,406 |
| • on current accounts at banks | 3,593 | 3,461 |
| Miscellaneous interest expense: | | |
| • from financial discounting | 20,580 | 19,974 |
| • from convertible bond loan | 12,639 | 12,479 |
| • from financial lease contracts | 79 | 68 |
| Other financial charges: | | |
| • Write-down of equity investments and other charges | 23,919 | 1,661 |
| Total | 133,305 | 81,049 |
| Capitalised financial charges (1) | (37,303) | (22,943) |
| Total | 96,002 | 58,106 |

(1) As reported in Note 2 – Tangible assets, an amount equal to EUR 37.3 million was capitalised under the item “non-compensated revertible assets”.

Interest paid “*on loans*” increased due to both the increased financial exposure to credit institutions and the increase in the scope of consolidation.

Interest expense related to “*financial discounting*” of non-current liabilities refers to payables due to ANAS and the Central Insurance Fund (EUR 18.9 million) and to the financial component of the Employee Severance Indemnity (EUR 1.7 million).

Interest expense on the “convertible bond loan” represents the charges on the “liabilities component” of the loan issued by SIAS S.p.A. in July 2005, recalculated based on the market interest rate.

The item “write-down of investments and other charges” includes write-downs of investments for EUR 20.5 million and losses from the transfer of “Unconsolidated investments – available for sale” (equal to EUR 2.4 million). These investments refers to the losses accumulated when transferring the investments in Assicurazioni Generali S.p.A. (EUR 0.7 million) and in Banca Carige S.p.A. (EUR 1.7 million). Details of the write-downs applied on these investments are provided in the previous Notes 3.a and 3.b.

The increase in the item “capitalised financial charges” was due to the implementation of the investment plan, especially with regard to the “A4 Stretch” managed by the subsidiary SATAP S.p.A..

Note 32 – Profit (loss) of companies accounted for by the equity method

This item is detailed as follows:

| | 2008 | 2007 |
|--|-----------------|--------------|
| Revaluations (write-downs) of equity investments: | | |
| • Autostrade Sud America - ASA s.r.l. | (22,528) | 1,052 |
| • Albenga Garessio Ceva S.p.A. | 28 | - |
| • ASTA S.p.A. | (6) | (396) |
| • CIM S.p.A. | (42) | - |
| • Itinera S.p.A. | 1,812 | 1,229 |
| • Microlux s.r.l. | - | 87 |
| • OMT S.p.A. | - | 10 |
| • Road Link Ltd. | 1,097 | 482 |
| • SABROM S.p.A. | (27) | - |
| • SITAF S.p.A. | 3,901 | 2,273 |
| • SITRASB S.p.A. | 76 | (14) |
| • Tangenziale Est s.r.l. | (2) | (2) |
| • VA Bitumi s.r.l. | (13) | - |
| Total | (15,704) | 4,721 |

The write-down of the Autostrade Sud America – ASA s.r.l. equity investment reflects the recording, for an amount equal to EUR 15.7 million, of the pro-quota share of costs relating to the exercise of the “right to repurchase” the option previously granted by ASA s.r.l. to Impregilo International Infrastructures N.V. on 10% of the share capital of the subsidiary Autopista do Pacifico S.A.. These costs were determined on the basis of the increase in value of the licensee Costanera Norte S.A. compared with the acquisition date, as reflected in a specific independent appraisal.

Note 33 – Income taxes

This item can be detailed as follows:

| | 2008 | 2007 |
|-------------------------------------|----------------|----------------|
| Current taxes: | | |
| • IRES | 60,195 | 69,092 |
| • IRAP | 19,203 | 14,876 |
| | 79,398 | 83,968 |
| Taxes (prepaid)/deferred: | | |
| • IRES | (4,833) | (7,671) |
| • IRAP | (2,083) | (450) |
| | (6,916) | (8,121) |
| Taxes related to prior years | | |
| • IRES | 954 | 20 |
| • IRAP | 123 | (1) |
| | 1,077 | 19 |
| Total | 73,559 | 75,866 |

Furthermore, during the year, advance tax payments for EUR 5 million, related to the fair value measurement of financial assets available for sale and interest rate swaps, were posted directly to shareholders' equity.

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 as at 31 December 2008 and 2007.

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

| | 2008 | | 2007 | |
|--|----------------|---------------|----------------|---------------|
| Period income before taxes | 166,841 | | 230,069 | |
| Effective income taxes (from financial statements) | 55,362 | 33.19% | 61,421 | 26.70% |
| Lower taxes (compared to the theoretical rate): | | | | |
| • lower taxes on dividends | 1,084 | 0.66% | 2,588 | 1.12% |
| • lower taxes on capital gains ("pex") | 127 | 0.08% | 3,262 | 1.42% |
| • substitute tax on off-book deductions and rate change | - | - | 12,503 | 5.43% |
| Higher taxes (compared to the theoretical rate): | | | | |
| • Prior year non-deductible expenses ⁽¹⁾ , taxes on intercompany dividends and change to the rate on "advance tax payments" | (5,849) | -3.50% | (3,851) | -1.67% |
| • Write-downs of investments and non-deductible capital losses | (4,842) | -2.93% | - | - |
| Theoretical income taxes | 45,871 | 27.50% | 75,923 | 33.00% |

(1) losses on equity investments valued with the equity method

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

| | 2008 | | 2007 | |
|---|----------------|--------------|----------------|--------------|
| Value added (IRAP taxable base) | 424,271 | | 366,639 | |
| Effective income taxes (from financial statements) | 17,119 | 4.04% | 14,426 | 3.93% |
| Lower taxes (compared to the theoretical rate): | | | | |
| • rate change for off-book deductions | - | - | 1,076 | 0.29% |
| • net miscellaneous deductible expenses | (572) | 0.14% | 80 | 0.03% |
| Theoretical income taxes | 16,547 | 3.90% | 15,582 | 4.25% |

* * *

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).

| | 2008 | 2007 |
|--|----------------|----------------|
| Deferred tax income related to: (*) | | |
| • valuation of work in progress according to percentage of completion | 71 | 243 |
| • provisions to tax deferral reserves | 2,495 | - |
| • “repayment” of deferred taxes on the “shareholders’ equity component” of the Convertible Bond Loan | - | 1,219 |
| • repayment of deferred taxes and other | 5,603 | 10,078 |
| Total (A) | 8,169 | 11,540 |
| Deferred tax expenses related to: (*) | | |
| • valuation of work in progress according to percentage of completion | 21 | 304 |
| • actuarial recalculation of the Employee Severance Indemnities Reserve | - | 600 |
| • assets in financial lease | 36 | 1 |
| • transfer of amortisation on reversed intangible assets | 29 | 67 |
| • other | 1,167 | 2,447 |
| Total (B) | 1,253 | 3,419 |
| Taxes (prepaid)/deferred (B) – (A) | (6,916) | (8,121) |

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

| | 31 December 2008 | 31 December 2007 |
|---|---------------------|---------------------|
| Deferred tax credits related to: (*) | | |
| • intangible assets not capitalised in accordance with IAS/IFRS | 337 | 434 |
| • provisions to tax deferral reserves | 6,209 | 3,017 |
| • maintenance costs exceeding deductible share | 810 | 328 |
| • valuation of financial assets at fair value - IRS | 5,158 | 47 |
| • provisions for renewal | 804 | - |
| • other | 4,513 | 3,396 |
| Total deferred tax credits ⁽¹⁾ | 17,831 | 7,222 |
| Deferred tax liabilities related to: (*) | | |
| • shareholders’ equity component of the convertible bond loan | - | (14,261) |
| • off-book deductions | - | (7,872) |
| • assets in financial lease | (426) | (391) |
| • valuation of work in progress | (1,589) | (1,937) |
| • valuation of financial assets at fair value | (65) | (1,416) |
| • actuarial appraisal of the Employee Severance Indemnities Reserve | (544) | (554) |
| • other | (719) | (294) |
| Total deferred tax liabilities | (3,343) | (26,725) |

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

(1) The increase in “deferred tax credit” is primarily due to provisions to tax deferral reserves (reserves for renewal temporarily non deductible for IRAP purposes) and to advance tax payments resulting from the recognition in the shareholders’ equity of losses connected with hedging agreements – IRS.

The decrease in “*Deferred tax liabilities*” is due – as previously reported – to the reclassification into the shareholders’ equity items of the provision for deferred taxation (EUR 14,261 thousand) in connection with the convertible bond loan. This reclassification was the result of the amendments introduced by the Law No. 244 of 24 December 2007 concerning the calculation of the taxable income of companies drawing up their financial statements in accordance with the International Accounting Standards, which

attributed significance to the qualification, time recognition and classification criteria established by the IASs (so-called “derivation standard”). This amendment attributed also tax relevance to the financial charges component calculated on the differential between the “issuing rate” and the corresponding “market rate” connected to the convertible bond loan issued by the parent company.

It is also specified that no deferred tax assets resulted from retained tax losses.

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.

| | 2008 | 2007 |
|--|--------------|-----------------|
| Net profit, Group share (<i>in thousands of EUR</i>) | 76,917 | 126,509 |
| Average number of ordinary shares in circulation during the period | 227,500,000 | 177,910,959 (*) |
| Earnings per share (euro per share) | 0.338 | 0.711 |

(*) 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. More specifically:

| | 2008 | 2007 |
|--|--------------|--------------|
| Net profit, Group share (<i>in thousands of EUR</i>) (1) | 86,080 | 134,870 |
| “Modified” average number of shares in circulation during the period (2) | 259,375,000 | 209,785,959 |
| Earnings per share, diluted (euro per share) | 0.332 | 0.643 |

| | 2008 | 2007 |
|---|--------------------|--------------------|
| (1) - Net profit - Group share | 76,917 | 126,509 |
| - Financial charges on convertible bond loan | 12,639 | 12,479 |
| - Tax effect on financial charges | (3,476) | (4,118) |
| | <u>86,080</u> | <u>134,870</u> |
| (2) - Average number of ordinary shares in circulation | 227,500,000 | 177,910,959 |
| - Maximum number of shares from conversion of the bond loan | 31,875,000 | 31,875,000 |
| | <u>259,375,000</u> | <u>209,785,959</u> |

Note 35 – Information on the cash flow statement35.1 – Change in net working capital

| | 2008 | 2007 |
|--------------------------------|---------------|---------------|
| Inventories | 9,140 | (5,095) |
| Trade receivables | (2,096) | (967) |
| Current tax assets | (16,276) | (8,772) |
| Receivables from others | 29,100 | 14,841 |
| Current trade accounts payable | (15,463) | (10,367) |
| Other current payables | 11,338 | 26,676 |
| Current tax liabilities | (4,608) | 2,014 |
| Total | 11,135 | 18,330 |

35.2 – Other changes from operating activity

| | 2008 | 2007 |
|---|----------------|----------------|
| Drawdown on provisions for Employee Severance Indemnities | (4,127) | (6,963) |
| Change in other provisions and other changes | (405) | (2,255) |
| Total | (4,532) | (9,218) |

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 “**Business outlook**”, please see the “Management Report”.

Commitments undertaken by the Companies of the Group

On this subject, we point out the following:

Guarantees

- Guarantees, totalling EUR 15.8 million (for SATAP – A21 Stretch), EUR 35.2 million (for SATAP – A4 Stretch) and EUR 14.4 million (for ATIVA S.p.A.) were issued in favour of ANAS as guarantee of the good management of concessions, as provided for by art. 6.3 of the Standard Agreements currently in force. The amounts of these guarantees, initially 3% of the total monetary operating charges included in the financial plans annexed to the said agreements, is untied on an annual basis with regards to the amount of the pro-rata of each year of the concession.
- The guarantee for EUR 3.1 million 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 13.7 million (prorated) issued in favour of Banca di Roma with which SATAP S.p.A. (together with the other Shareholders of S.A.Bro.M S.p.A.) guarantees 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.

Pledge

This item, amounting to EUR 13 million, refers to the first-degree pledge set up by SATAP S.p.A. on 6 November 2008 in favour of Fondiaria – SAI S.p.A. to guarantee the payment commitments (for principal, interests and charges) pursuant to the provisions of the above-mentioned guarantee – related to the A4 Stretch – issued in favour of ANAS.

The acquisition of Sociedad Concesionaria Costanera Norte S.A. took place through ASA s.r.l. brought about a commitment by SIAS 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).

Financial instruments: supplemental information

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

Assets

- non-current 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

* * *

In accordance with the valuation criteria, the “convertible bond loan” is posted to the financial statements at nominal value, with the "shareholders' equity component" shown separately. As this involves a listed financial instrument, shown below is a comparison between its market value and the corresponding book value:

| Convertible bond loan <i>(amounts in millions of EUR)</i> | 31 December 2008 | 31 December 2007 |
|---|------------------|------------------|
| • book value in the financial statements (“liabilities component”): | 302 | 298 |
| • issue value (“liabilities component” + “shareholders’ equity component”): | 343 | 343 |
| • Official market listing as at 31 December | 259 | 347 |

Derivatives

As at 31 December 2008, an Interest Rate Swap transaction was in place. These contracts, signed by the subsidiaries Autocamionale della Cisa S.p.A., SALT S.p.A., SATAP S.p.A. and SAV S.p.A., were 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 fair 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 as at 31 December 2008 and the related fair value are summarised below:

(amounts in thousands of EUR)

| Company | Type | Purpose of hedging | Counterparts | Currency | Duration of the derivative contract | | 31 December 2008 | | Hedged financial liability | | |
|---------|--------------------|-------------------------|------------------|----------|-------------------------------------|------------|--------------------|------------|----------------------------|----------------|------------|
| | | | | | from | to | Notional reference | Fair value | Description | Nominal amount | Expiry |
| CISA | Interest Rate Swap | Change in interest rate | Société Générale | EUR | 31/12/2008 | 29/6/2018 | 7,500 | -176 | Loan | 95,000 | 29/6/2018 |
| CISA | Interest Rate Swap | Change in interest rate | Société Générale | EUR | 31/12/2008 | 29/6/2018 | 7,500 | -365 | Loan | 95,000 | 29/6/2018 |
| CISA | Interest Rate Swap | Change in interest rate | Société Générale | EUR | 31/12/2008 | 29/6/2018 | 15,000 | -866 | Loan | 95,000 | 29/6/2018 |
| SALT | Interest Rate Swap | Change in interest rate | Société Générale | EUR | 31/12/2008 | 22/5/2018 | 12,500 | -296 | Loan | 153,810 | 22/5/2018 |
| SALT | Interest Rate Swap | Change in interest rate | Société Générale | EUR | 31/12/2008 | 22/5/2018 | 12,500 | -690 | Loan | 153,810 | 22/5/2018 |
| SALT | Interest Rate Swap | Change in interest rate | Société Générale | EUR | 31/12/2008 | 22/5/2018 | 25,000 | -1,493 | Loan | 153,810 | 22/5/2018 |
| SATAP | Interest Rate Swap | Change in interest rate | Mediobanca | EUR | 31/12/2008 | 13/12/2021 | 125,000 | -9,299 | Loan | 400,000 | 14/12/2021 |
| SAV | Interest Rate Swap | Change in interest rate | Unicredit | EUR | 15/12/2005 | 15/12/2016 | 45,833 | -44 | Loan | 45,833 | 21/12/2019 |
| Total | | | | | | | | -13,229 | | | |

Financial risk management

In compliance with IFRS 7, 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, 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 as at 31 December 2008 consisted of 34.3% at fixed rate. This takes into account both the convertible bond loan and the loans, for which coverage against interest-rate swings has been taken out. The portion of indebtedness at variable rate is 65.7%.

With regard to the risk related to interest rates, a sensitivity analysis was conducted to determine the impact on the income statement for 2008 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 profit for the year by EUR 9 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 financing sources and the availability of credit lines, guarantee being able to satisfy scheduled financial requirements.

The tables below show the breakdown of financial liabilities in place as at 31 December 2008, 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 (*) | | | | | |
|----------------------------------|------------------------|---------------------|----------------|---------------|---------------|----------------|----------------|------------------|----------------|
| | | | | Within 1 year | | 2 to 5 years | | Beyond 5 years | |
| | | Share | Interest | Share | Interest | Share | Interest | Share | Interest |
| Banca BIIS (ex Banca OPI S.p.A.) | SATAP | 75,000 | 24,305 | 4,839 | 3,119 | 19,355 | 9,960 | 50,806 | 11,226 |
| Mediobanca (***) | SATAP | 592,797 | 259,697 | 3,836 | 27,119 | 20,142 | 96,319 | 568,819 | 136,259 |
| MCC | SATAP | 89,812 | 13,680 | 9,000 | 4,553 | 71,812 | 8,953 | 9,000 | 174 |
| BNL – Mediobanca | SAV | 45,884 | 11,968 | 4,259 | 2,040 | 16,659 | 6,260 | 24,966 | 3,668 |
| Banca di Roma S.p.A. (****) | SAV | 45,817 | 901 | 45,817 | 901 | - | - | - | - |
| Banca BIIS (ex Banca OPI S.p.A.) | ATIVA | 35,901 | 5,084 | 4,887 | 1,345 | 21,796 | 3,379 | 9,218 | 360 |
| Banca BIIS (ex Banca OPI S.p.A.) | Autocamionale Cisa | 96,338 | 14,944 | 10,000 | 3,136 | 41,339 | 8,856 | 44,999 | 2,952 |
| Unicredit Banca d'Impresa S.p.A. | ADF | 3,124 | 348 | 943 | 161 | 2,181 | 187 | - | - |
| Unicredit Banca d'Impresa S.p.A. | ADF | 99,775 | 17,926 | - | 3,414 | 69,850 | 13,490 | 29,925 | 1,022 |
| Cassa Risparmio La Spezia S.p.A. | Logistica Tirrenica | 3,432 | 990 | 182 | 172 | 1,195 | 527 | 2,055 | 291 |
| West LB | SALT | 49,878 | 2,425 | - | 1,819 | 49,878 | 606 | - | - |
| Monte dei Paschi di Siena | SALT | 154,680 | 29,915 | 16,191 | 5,827 | 64,763 | 17,006 | 73,726 | 7,082 |
| Intesa San Paolo | Strade Co.Ge | 51 | 2 | 25 | 1 | 26 | 1 | - | - |
| | Total loans | 1,292,489 | 382,185 | 99,979 | 53,607 | 378,996 | 165,544 | 813,514 | 163,034 |
| Convertible bond loan | SIAS | 334,687 | 83,404 | - | 8,786 | - | 35,143 | 334,687 | 39,475 |
| | Total borrowing | 1,627,176 | 465,589 | 99,979 | 62,393 | 378,996 | 200,687 | 1,148,201 | 202,509 |

(*) Distribution upon maturity is based on current residual contract duration

(**) The above-mentioned hedging agreements on interest rate swings have been included when calculating the flow of interest on loans.

(***) With regards to the loan disbursed by Mediobanca S.p.A. for a total of EUR 510 million (expiring on 14 December 2009 and 15 January 2010, respectively), the option of extending its duration to December 2021 on those dates (“Extension Option”) was taken into consideration.

(****) This loan – expiring within twelve months – includes the possibility of renewal at maturity.

It is worth highlighting that the payable due to ANAS-Central Insurance Fund as at 31 December 2008 amounts to EUR 602 million. The discounted value of said debt totals EUR 351 million (this payable is not included in the data provided above).

As at 31 December 2008 there were credit lines and portions of loans already stipulated but not yet disbursed by the bank for a total of EUR 290 million.

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):

| | Transactions with “Related parties” (A) | Consolidated Financial Statements (B) | Impact (A) / (B)% |
|----------------------------|--|---|----------------------|
| Revenues | 5.5 | 799.8 | 0.7% |
| Operating costs | 106.1 | 405.5 | 26.2% |
| Tangible/intangible assets | 74.7 | 3,144.8 | 2.4% |

With regard to the amount of “operating costs” due to transactions with related parties, EUR 55.3 million out of a total of EUR 106.1 million mainly referred to services rendered by the associated company Itinera S.p.A. to the subsidiary SATAP S.p.A..

More specifically, the **principal** relationships between the Companies of the Group, arranged by items in the financial statements, are the following:

Revenues

- data processing assistance services provided by SINELEC S.p.A. to Itinera S.p.A., Microlux s.r.l., Energrid S.p.A., ACI S.c.p.A., SINA S.p.A. and ASTM S.p.A. totalling EUR 2.2 million; ⁽¹⁾⁽²⁾
- services provided by Euroimpianti Electronic S.p.A. to ITINERA S.p.A., ACI s.c.p.a. Marcallo S.c.a r.l. and TCC s.c.a.r.l., totalling EUR 1.4 million; ⁽²⁾
- services provided by Strade S.p.A. to Itinera S.p.A. totalling EUR 0.3 million; ⁽²⁾
- services provided by SATAP S.p.A. to Itinera S.p.A. and ACI S.c.p.A. totalling EUR 1.3 million; ⁽²⁾

Costs

- managerial assistance and consulting provided by the parent company Argo Finanziaria S.p.A. to the Companies of the Group, totalling about EUR 2.1 million; ⁽¹⁾
- 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., SATAP S.p.A., SAV S.p.A., ATIVA S.p.A., Autostrada Asti-Cuneo S.p.A. and ABC Costruzioni S.p.A. totalling EUR 7 million; ⁽²⁾
- studies and professional services carried out by SINA S.p.A. to SALT S.p.A., Autostrada dei Fiori S.p.A., Autocamionale della Cisa S.p.A., SATAP S.p.A., SAV S.p.A., ATIVA S.p.A., Autostrada Asti-Cuneo S.p.A. and Ti.Bre. s.c.a.r.l. totalling EUR 4.3 million; ⁽²⁾

⁽¹⁾ Relationships with parent companies

⁽²⁾ Relationships with businesses subject to the control of the same parent companies

- 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., Autostrada Asti-Cuneo S.p.A., ABC Costruzioni S.p.A. and Autocamionale della Cisa S.p.A., totalling EUR 8 million;⁽²⁾
- services and delivery of materials provided by Itinera S.p.A. to SATAP S.p.A., SAV S.p.A., ABC Costruzioni S.p.A., SSAT S.p.A., Euroimpianti Electronic S.p.A. totalling EUR 55.3 million;⁽²⁾
- insurance services provided by the broker P.C.A. s.r.l. to the Companies of the SIAS Group, totalling EUR 4.2 million;⁽³⁾
- managerial assistance and services provided by ASTM S.p.A. to the Companies of the Group, totalling EUR 4.5 million;^{(1) (2)}
- payroll and financial data processing services provided by Sistemi e Servizi s.c.a r.l. to the Companies of the Group, totalling EUR 0.9 thousand;⁽²⁾
- services provided by Gavio S.p.A. and Interstrade S.p.A. to the Companies of the SIAS Group, totalling EUR 6.9 million;⁽²⁾
- supply of electricity and services by Energrid S.p.A. to the companies of the Group totalling EUR 10 million;⁽²⁾
- services and delivery of materials provided by Mattioda Pierino & Figli S.p.A. to ATIVA S.p.A. and S.I.CO.GEN. s.r.l. totalling EUR 1,8 million.⁽³⁾

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., SATAP S.p.A., SAV S.p.A., ATIVA S.p.A., Autostrada Asti-Cuneo S.p.A. and capitalised into the motorway infrastructure for a total of EUR 33 million;⁽²⁾
- work services provided by ITINERA S.p.A. and ACI S.c.p.a. to SATAP S.p.A., totalling EUR 40 million.⁽²⁾

As at 31 December 2008, 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..

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 Italian 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.

⁽¹⁾ Relationships with parent companies

⁽²⁾ Relationships with businesses subject to the control of the same parent companies

⁽³⁾ Relationships with other related parties

**Certification of the Consolidated Financial Statements
pursuant to art. 154-bis of Legislative Decree No. 58/98**

**Certification of the Consolidated Financial Statements pursuant to art. 154-bis of
Legislative Decree no. 58/98**

- The undersigned Enrico Arona and Paolo Pierantoni as Managing Directors and Sergio Prati as Manager in charge of drawing up the corporate accounting documents of the SIAS Group, taking into account the provisions of Article 154-bis, Paragraphs 3 and 4 of Legislative Decree No. 58 of 24 February 1998, do attest:
 - its adequacy with regard to the characteristics of the business and
 - the actual implementationof the administrative and accounting procedures for preparing the consolidated financial statements for 2008.

- Furthermore, we attest that the consolidated financial statements as at 31 December 2008:
 - a) were prepared in compliance with the international accounting standards approved by the European Community pursuant to EC Regulation No. 1606/2002 of the European Parliament and the Council dated 19 July 2002 and also in accordance with the regulations issued in accomplishment of art. 9 of the Legislative Decree No. 38/2005;
 - b) correspond to the books and accounting entries;
 - c) provide a true and correct representation of the equity, economic and financial position of the SIAS Group.

- the Management Report includes a reliable analysis of the trend and results of the management of the Company and the other companies included in the consolidation as well as a description of the main risks and uncertainties to which they are exposed.

Turin, 23 March 2009

the Managing Directors

Enrico Arona

Paolo Pierantoni

the 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 PURSUANT TO ART. 41 OF
LEGISLATIVE DECREE NO. 127/1991 ON THE CONSOLIDATED FINANCIAL
STATEMENTS AS AT 31/12/2008**

GRUPPO SOCIETA' INIZIATIVE AUTOSTRADALI E SERVIZI – SIAS GROUP

Shareholders,

the Consolidated Financial Statements of the SIAS GROUP for the period ended 31 December 2008, which are now brought to your attention, show a profit of EUR 76,917 thousand, net of minority interests. They have been presented to us in the manner and by the deadlines required by law, together with the management report, and have been prepared – based on the provisions contained in Art. 3, paragraph 1 of Legislative Decree no. 38 of 28 February 2005 – in accordance with the IAS/IFRS international accounting standards issued by the International Accounting Standard Board (IASB) and adopted by the European Commission.

The controls conducted by Deloitte & Touche S.p.A. – the Independent Auditors commissioned to conduct the accounting audit – reveal that the figures in the consolidated financial statements match those in the accounts of the Parent Company, in the financial statements and consolidated financial statements of its Subsidiaries, and in the details supplied by the latter.

The Financial Statements provided by the Subsidiaries to the Parent Company for the purpose of drawing up the Consolidated Financial Statements have been drafted by their appropriate corporate bodies and examined by both the supervisory bodies and/or officers of the individual companies and by the Independent Auditors of the Consolidated Financial Statements. Those Financial Statements have not therefore been included in the assessment made by the Board of Statutory Auditors, pursuant to Art. 41, paragraph 3 of Legislative Decree no. 127 of 9 April 1991.

The determination of the scope of consolidation and the choice of principles, criteria and procedures for the consolidation of equity investments are all in accordance with legal provisions.

The Management Report gives an adequate picture of the Group's equity, economic and financial position, as well as the conduct of its business during 2008; it also contains adequate

information on transactions between companies belonging to the Group and on significant subsequent events.

In the light of the above considerations, the information provided by the Independent Auditors and their unreserved opinion expressed pursuant to Art. 156 of Legislative Decree no. 58/98, the Board has no observations to make on the Consolidated Financial Statements of the Sias Group as at 31 December 2008.

Turin, 9 April 2009

The Auditors

Mr. Luca Galassi

Mr. Alfredo Cavanenghi

Mr. Giorgio Cavalitto

Report of the
Independent Auditors

“ANNEX” to the Management Report

**REPORT
ON CORPORATE GOVERNANCE**

pursuant to 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: **2008**

Date of approval of the Report: **23 March 2009**

CONTENTS

| | |
|--|----|
| CONTENTS | 2 |
| GLOSSARY | 4 |
| 1. ISSUER'S PROFILE | 5 |
| 2. INFORMATION ON OWNERSHIP STRUCTURE | 6 |
| a) <i>Share capital structure</i> | 6 |
| b) <i>Restrictions on the transfer of securities</i> | 7 |
| c) <i>Significant equity investments in the share capital</i> | 7 |
| d) <i>Securities granting special rights</i> | 7 |
| e) <i>Employee shareholding: procedure for the exercise of voting rights</i> | 7 |
| f) <i>Restrictions on voting right</i> | 7 |
| g) <i>Agreements between shareholders</i> | 8 |
| h) <i>Appointment and replacement of directors and amendments to the Articles of Association</i> | 8 |
| i) <i>Powers to increase share capital and authorisations to purchase own shares</i> | 9 |
| l) <i>Change of control clauses</i> | 9 |
| m) <i>Directors' indemnity in case of resignation, dismissal or termination of the employment relationship following a take over bid</i> | 9 |
| 3. COMPLIANCE | 10 |
| 4. MANAGEMENT AND COORDINATION ACTIVITIES | 10 |
| 5. BOARD OF DIRECTORS | 10 |
| 5.1. <i>MEMBERS</i> | 10 |
| 5.2. <i>ROLE OF THE BOARD OF DIRECTORS</i> | 16 |
| 5.3. <i>DELEGATED BODIES</i> | 18 |
| 5.4. <i>OTHER EXECUTIVE DIRECTORS</i> | 18 |
| 5.5. <i>INDEPENDENT DIRECTORS</i> | 19 |
| 5.6. <i>LEAD INDEPENDENT DIRECTOR</i> | 20 |
| 6. HANDLING OF CORPORATE INFORMATION | 20 |
| 7. BOARD OF DIRECTORS' INTERNAL COMMITTEES | 21 |
| 8. APPOINTMENT COMMITTEE | 21 |
| 9. REMUNERATION COMMITTEE | 22 |
| 10. DIRECTORS' REMUNERATION | 22 |
| 11. INTERNAL AUDIT COMMITTEE | 24 |
| 12. INTERNAL AUDIT SYSTEM | 25 |
| 12.1. <i>EXECUTIVE DIRECTOR RESPONSIBLE FOR THE INTERNAL AUDIT SYSTEM</i> | 26 |
| 12.2. <i>INTERNAL AUDIT SUPERVISOR</i> | 26 |
| 12.3. <i>ORGANISATIONAL MODEL pursuant to Legislative Decree 231/2001</i> | 26 |
| 12.4. <i>INDEPENDENT AUDITORS</i> | 28 |

| | |
|---|----|
| 12.5. <i>MANAGER IN CHARGE OF DRAWING UP THE CORPORATE ACCOUNTING DOCUMENTS</i> | 28 |
| 13. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES | 30 |
| 14. AUDITORS' APPOINTMENT | 31 |
| 15. AUDITORS | 33 |
| 16. RELATIONSHIP WITH SHAREHOLDERS | 36 |
| 17. SHAREHOLDERS' MEETINGS | 36 |
| 18. CHANGES OCCURED AFTER YEAR END | 38 |

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. 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.

As a consequence of the corporate reorganisation – which was completed in July 2007 and about which detailed information was provided to the market, as required by current legislation – the equity investments held in the motorway companies' sector were concentrated within the SIAS Group.

At present, S.I.A.S. is an industrial holding company which mainly operates in the following sectors:

- i)* the motorway sector through the subsidiaries Società Autostrada Torino-Alessandria-Piacenza S.p.A., Autostrada Ligure Toscana S.p.A., Autocamionale della Cisa S.p.A., Società Autostrade Valdostane S.p.A., Autostrada dei Fiori S.p.A., Autostrada Asti-Cuneo S.p.A., Autostrada Torino-Ivrea-Valle d'Aosta S.p.A., which manage approximately 1,053 km of the Italian motorway network. The associated companies Autostrade Sud America s.r.l., Società Italiana per il Traforo Autostradale del Frejus S.p.A., Società Italiana per il Traforo del Gran San Bernardo S.p.A. and Road Link Holding Ltd. manage 233 km of the motorway network in Italy and abroad;
- ii)* the technology sector, through the subsidiary SINELEC S.p.A. (former SSAT S.p.A.);
- iii)* the construction sector (maintenance and enhancement activities of the motorway infrastructure, mainly on behalf of Group licensees), through the subsidiary ABC Costruzioni S.p.A..

Based on the type of activity, the Issuer is enrolled in the proper section of the general list required by art. 113 of Legislative Decree no. 385/1993 to carry out the "Acquisition of investments".

As prescribed by the "traditional" administration and control model, the Issuer is managed by the Board of Directors and supervised by the Board of Statutory Auditors. These boards have 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.

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 February 2008.

2. INFORMATION ON OWNERSHIP STRUCTURE

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).

To this end, the Board of Directors held on 12 November 2008 verified that the Issuer complies with the requirements set out in art. 36 and 37 of the Market Regulation (adopted by Consob Resolution no. 16191 of 29 October 2007 and subsequently amended by Consob Resolution no. 16530 of 25 June 2008) concerning the trading of own shares on the Italian regulated market.

More specifically, the application requirements set out by the said art. 36 are not met, considering that the Issuer does not have foreign subsidiaries in its investment portfolio.

Similarly, the requirements set out in art. 37 are met, assuming that the Issuer i) which is subject – as is well known – to the management and coordination activities of Argo Finanziaria S.p.A., has sent to the Chamber of Commerce of Turin the notice required by art. 2497-bis of the Italian Civil Code, by the deadlines required by law; ii) has an independent negotiating ability with customers and suppliers; iii) does not have a centralised treasury service; iv) has 8 Directors who meet the independence requirements set out by the Code.

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% per year, gross;
- conversion option: beginning from the end of the fifth year, one ordinary share of SIAS for each bond held;
- redemption: unconverted bonds upon maturity will be redeemed in a lump sum at par value.

As from 8 August 2005, bonds are listed on the MTA (Blue Chip Segment).

On 4 December 2007, the Bondholders' Meeting re-appointed Mr. Roberto Petrigani 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 as at 23/03/2009

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 |
|--------------------------------------|-------------------------------|---|---|
| Aurelia S.p.A. | Aurelia S.p.A. | 9.922 | 9.922 |
| | Astm S.p.A. (listed company) | 61.705 | 61.705 |
| | Sina S.p.A. (1) | 1.718 | 1.718 |
| | Total Group | 73.344 | 73.344 |
| Lazard Asset Management LCC | Lazard Asset Management LCC | 5.591 of which 0.413 without voting right | 5.591 of which 0.413 without voting right |
| Assicurazioni Generali S.p.A. | Assicurazioni Generali S.p.A. | 1.868 | 1.868 |
| | 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 |
| | Alleanza Assicurazioni S.p.A. | 0.220 | 0.220 |
| | Total Group | 3.634 | 3.634 |

⁽¹⁾ *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

Pursuant to art. 16 of the Articles of Association, 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 on 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.

In implementation of the application criterion 6.C.1. of the Code, lists are also published on the Issuer's website.

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 corporate reorganisation project completed in July 2007 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 12 May 2008 for the financial years 2008-2009-2010 (i.e. until the approval of the 2010 financial statements) - is composed of 14 Directors: Bruno Binasco (Chairman), Enrico Arona (Managing Director), Paolo Piernatoni (Managing Director), Giovanni Angioni, Giulio Antonello, Gianfranco Boschetti, Beniamino Gavio, Daniela Gavio, Ferruccio Piantini, Alberto Sacchi (appointed - as representatives of the majority - in the list submitted by the Shareholders Aurelia S.p.A., Autostrada Torino-Milano S.p.A., Sina S.p.A., all of them owning 73.975% of the share capital), Alessandro Braja, Ernesto Maria Cattaneo, Sergio Corbello, Vincenzo Macchia (appointed, as representatives of minorities, in the list submitted by the Shareholder Assicurazioni Generali S.p.A., holding 2.088% of the share capital).

The whole Management Body was appointed in accordance with the terms and conditions set out by art. 16 of the Articles of Association, as indicated in paragraph 2, letter h).

Pursuant to current legislation, the minimum shareholding in the share capital of the Issuer, which is

necessary to submit the candidates' lists, was established by Consob Resolution no. 16319 of 29 January 2008 and is equal to 2%.

Together with the filing of lists, and upon acceptance of the candidature, the Directors G. Angioni, G. Antonello, G. Boschetti, A. Braja, E. M. Cattaneo, S. Corbello, V. Macchia and F. Piantini confirmed compliance with independence requirements pursuant to the application criterion 3.C.1 of the Code. These requirements were fully implemented by the Issuer.

The Directors G. Antonello, G. Boschetti, A. Braja, E. M. Cattaneo, S. Corbello, V. Macchia, F. Piantini confirmed compliance with the independence requirements set out in art. 148, paragraph 3 of the Consolidated Law on Finance.

Moreover, the Directors comply with the requirements of integrity set out in art. 4 of Decree no. 516 of 30 December 1998, since the Issuer is enrolled in the proper section of the general list required by art. 113 of Legislative Decree no. 385/1993.

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:

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.

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.

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.

Giulio Antonello: (born in Bari on 12/04/1968) – He obtained a degree in Economics (Finance) at The Wharton School of Finance (University of Pennsylvania), as well as a Master of International Affairs. He also attended specialisation courses at the Columbia Business School. He acquired knowledge and expertise in corporate management matters by holding executive positions within major national and foreign companies which operate mainly in the banking, financial and industrial sectors.

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.

Sergio Corbello: (born in Asti on 8/07/1951) – He obtained a degree in Law at the University of Turin and has been responsible for the social security policies of the San Paolo Group for many years. Moreover, he held top-level positions at organisations and boards for welfare and supplementary pension schemes.

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.

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.

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.

The *curricula* of the members of the Board of Directors are available on the Issuer’s website (under section “corporate governance”).

Maximum number of offices held in other companies

During the meeting held on 29 January 2008, and pursuant to the application criterion 1.C.3. of the Code, the Board adopted the procedure aimed at identifying the maximum number of offices as director or auditor in other companies listed on regulated markets (including foreign markets), in financial, banking, insurance or large enterprises. This procedure – available on the website under section “corporate governance – takes into consideration 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.

Having taken into account the commitment implied in each single position, the following maximum limits on administration or control offices that can be held in other large enterprises were defined:

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 - 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.

In consideration of the above – and in the light of the said parameters and criteria – the offices held by some Directors are detailed below:

| Director | Company | Office held |
|---------------|---|---|
| Angioni G. | Autostrada Torino-Milano S.p.A. ⁽¹⁾ | Director |
| Antonello G. | Alerion Industries S.p.A. Realty Vailog S.p.A. | Managing Director Director |
| Arona E. | Autostrada Torino-Milano S.p.A. ⁽¹⁾ Società Autostrada Torino-Alessandria-Piacenza S.p.A. ⁽²⁾ Società Autostrada Ligure Toscana S.p.A. ⁽²⁾ | Director Director Vice-Chairman (vicarious) - Managing Director & E.C. member |
| Binasco B. | Compagnia Italiana Energia S.p.A. FNM S.p.A. Società Italiana Traforo Autostradale del Frejus S.p.A. Società Autostrada Ligure Toscana S.p.A. ⁽²⁾ | Director Director Director Director and E.C. member |
| Braja A. | Ferrero S.p.A. Fondaco SGR S.p.A. Santander Consumer Banca S.p.A. Santander Private Banking S.p.A. | Standing auditor Standing auditor Chairman of the Board of Statutory Auditors Standing auditor |
| Cattaneo E.M. | Autostrada Torino-Milano S.p.A. ⁽¹⁾ | Director |
| Corbello S. | Banca della Nuova Terra – BNT S.p.A. FIMIT SGR – Fondi Immobiliari Italiani S.p.A. | Director Director |
| Gavio B. | Aurelia S.p.A. ⁽¹⁾ Impregilo S.p.A. | Managing Director Director and E.C. member |
| Gavio D. | Autostrada Torino-Milano S.p.A. ⁽¹⁾ Società Autostrada Torino-Alessandria-Piacenza S.p.A. ⁽²⁾ Società Autostrada Ligure Toscana S.p.A. ⁽²⁾ | Vice-Chairman Vice-Chairman Director and E.C. member |
| Pierantoni P. | Società Autostrada Ligure Toscana S.p.A. ⁽²⁾ Cassa di Risparmio della Spezia S.p.A. | Managing Director & E.C. member Director |
| Sacchi A. | Autostrada Torino-Milano S.p.A. ⁽¹⁾ Impregilo S.p.A. Società Autostrada Ligure Toscana S.p.A. ⁽²⁾ | Managing Director Director Director and E.C. member |

⁽¹⁾ Issuer's parent company.

⁽²⁾ Issuer's subsidiary.

Having said that, the following table shows a summary of the information concerning the members of the Board:

| Name | Office held | In office since | List | Executive | Non-executive | Independent - Code | Independent - Consolidated Law on Finance | % of attendance at the B.o.D. (1) | Other offices |
|------------------------|-------------|-----------------|------|-----------|---------------|--------------------|---|-----------------------------------|---------------|
| Binasco Bruno | Chair. | 12/05/08 | M | x | | | | 100 | 4 |
| Arona Enrico | MD | 12/05/08 | M | x | | | | 100 | 3 |
| Pierantoni Paolo | MD | 12/05/08 | M | x | | | | 100 | 2 |
| Angioni Giovanni | Dir. | 12/05/08 | M | | x | x | | 100 | 1 |
| Antonello Giulio | Dir. | 12/05/08 | M | | x | x | x | 100 | 2 |
| Boschetti Gianfranco | Dir. | 12/05/08 | M | | x | x | x | 50 | = |
| Braja Alessandro | Dir. | 12/05/08 | m | | x | x | x | 100 | 4 |
| Cattaneo Ernesto Maria | Dir. | 12/05/08 | m | | x | x | x | 100 | 1 |
| Corbello Sergio | Dir. | 12/05/08 | m | | x | x | x | 100 | 2 |
| Gavio Beniamino | Dir. | 12/05/08 | M | x | | | | = | 2 |
| Gavio Daniela | Dir. | 12/05/08 | M | | x | | | 75 | 3 |
| Macchia Vincenzo | Dir. | 12/05/08 | m | | x | x | x | 100 | = |
| Piantini Ferruccio | Dir. | 12/05/08 | M | | x | x | x | 50 | = |
| Sacchi Alberto | Dir. | 12/05/08 | M | x | | | | 100 | 3 |

⁽¹⁾ The percentage value indicates attendance at the 4 meetings held by the Board following the appointment (12 May 2008). The Board – in office until 12 May 2008 – held 3 meetings that were attended on average by 76.2% of the members and by 79.2% of the independent Directors.

LEGEND

List: 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

Following renewal of Corporate Bodies, during the meeting held on 15 May 2008 the Board reappointed the Remuneration Committee and the Internal Audit Committee, which are composed of independent non-executive directors, pursuant to the provisions contained in the Code.

The Remuneration Committee is composed of the Directors G. Antonello, G. Boschetti, F. Piantini. The latter two were already in office in the previous appointment.

The Internal Audit Committee is composed of the Directors A. Braja, E. M. Cattaneo, V. Macchia, who were all re-appointed.

The Board decided not to appoint the Executive Committee, nor the Appointment Committee, for the reasons described below.

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 Remuneration Committee (1) | % of attendance at the Internal Audit Committee (2) |
|----------------|-------------|------------------------|--------------------------|---|---|
| Boschetti G. | M | x | | 100 | |
| Braja A. | M | | x | | 100 |
| Cattaneo E. M. | M | | x | | 100 |
| Antonello G. | M | x | | 100 | |
| Macchia V. | M | | x | | 100 |
| Piantini F. | M | x | | = | |

⁽¹⁾ The Remuneration Committee – that will remain in office until 12/05/2008 – did not hold any meeting in the period 01/01/08-12/05/08.

⁽²⁾ The Internal Audit Committee - unchanged with regard to its members - held 5 meetings in 2008.

LEGEND

Office held: C/M indicates if he/she is Chairman/Member of the Remuneration Committee or the Internal Audit Committee

The following tables show the data and information concerning the Directors Paolo Andrea Colombo and Rinaldo Lascialfare, who fell from office due to the non-reappointment during the renewal of the Management Body, in the light of the changes occurred during FY 2008 (*see previous tables' legend*):

| Name | Office held | Term of office | List | Executive | Non-executive | Independent - Code | % of attendance at the meetings of the B.o.D. | Other offices (2) |
|-------------------------------------|-------------|---------------------------|------|-----------|---------------|--------------------|---|-------------------|
| Colombo Paolo Andrea ⁽¹⁾ | Dir. | From 28/09/05 to 12/05/08 | m | | x | x | 66.67 | 28 |
| Lascialfare Rinaldo | Dir. | From 06/05/05 to 12/05/08 | m | | x | x | 100 | 5 |

⁽¹⁾ Coopted on 28 September 2005, he 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.

⁽²⁾ This information refers to the recognition made in 2008 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. (1) | % of attendance at the Int. Aud. Com. |
|---------------------|-------------|---------------------------|--------------------------|--------------------------------------|---------------------------------------|
| Lascialfare Rinaldo | M | From 16/05/05 to 12/05/08 | | = | |

⁽¹⁾ As mentioned above, the Remuneration Committee did not hold any meeting in the period 01/01/08 – 12/05/08.

5.2. ROLE OF THE BOARD OF DIRECTORS

After 12 May 2008 (date of renewal), the Board held 4 meetings that were attended on average by 83.93% of the members, as shown in the tables above. The attendance of Independent Directors was on average equal to 87.50%. The average duration of each meeting was approximately 1 hour.

With regard to FY 2009 - as detailed in the annual schedule of corporate events sent to Borsa Italiana S.p.A. in January 2009 - at least 4 meetings have been forecasted to approve the financial statements, the first and third intermediate management report, as well as the half-yearly financial report.

Moreover, since the beginning of FY 2009 two meetings have already been held, although not included in the above-mentioned schedule.

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 Directors - also with regard to the exercise of their 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.).

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 concession 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

In March 2009, the Directors carried out for the second time the assessment on the size, composition and functioning of the Board, pursuant to the criterion 1.C.1, letter g) of the Code. The results obtained confirmed those for FY 2007.

The Directors - with specific reference to the activities carried out and the objectives achieved during FY 2008 - 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 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 the Remuneration Committee, according to their functions; please refer to the following sections contained in this report for further details on operation.

Taking into account the above-mentioned aspects, and in the light i) of the activities carried out during the financial year, which were characterised by an extremely prudent and careful corporate policy, and ii) of the satisfying economic performance that was confirmed, among other things, by the distribution of a 2008 interim dividend (approved in November), the Directors 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, during the meeting held on 15 May 2008 two Managing Directors were appointed, i.e. the Directors Enrico Arona (re-appointed) and Paolo Pierantoni.

Based on their specific professionalism and the experience gained in the business sector of the Issuer, the said Managing Directors were granted the same powers, which shall be exercised with separate signature (with regard to Paolo Pierantoni, only the power to employ managers was excluded):

- 1) to carry out all actions included in the corporate purpose, subject to the limitations set out by law, Articles of Association and Code of Conduct, except for the following actions that shall be previously authorised by the Board of Directors:
 - sell, exchange and transfer real estate in incorporated companies or under incorporation;
 - allow mortgage registrations, cancellations or annotations;
 - waive legal mortgages;
 - take out secured loans.

Moreover, the Managing Directors have the power to appoint and revoke appointment of proxies and attorneys, as well as to file lawsuits, requests and complaints, promote and support legal actions on behalf of the company – acting as both claimant or defendant – at any court (civil, penal or administrative) and at any level of jurisdiction, both in Italy and abroad.

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 Directors report directly to the Board of Directors and the Board of Statutory Auditors on the activities carried out in the exercise of their 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 Directors, and in the light of the definition contained in the application criterion 2.C.1. of the Code, the Directors B. Binasco, B. Gavio and A. Sacchi are also

executive directors on the basis of the following corporate offices held in parent companies (Aurelia S.p.A., Argo Finanzia S.p.A., ASTM S.p.A.) or in the subsidiary with strategic importance (HPVdA S.p.A.):

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 Aurelia S.p.A.

A. Sacchi: Managing Director of Argo Finanziaria S.p.A. and Managing Director of ASTM S.p.A.

With regard to their roles and powers, the Chairman and the Managing Directors 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 meetings (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 Directors report on the operations carried out in the exercise of their 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

As already mentioned above, 8 out of 14 members of the Board of Directors comply with the independence requirements set out by the Code.

The independence statement was submitted upon presentation of the lists, together with the acceptance of the candidature. It was subsequently confirmed both during the independent directors' meeting held on 12 December 2008 and during the periodic annual assessment that was carried out in January 2009 and analysed by the Board during the meeting held on 6 March 2009.

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 12 December 2008 the Independent Directors' Meeting was held, who - in the light of the corporate activities carried out during 2008 and of related results - confirmed the positive assessment made for the previous financial year.

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 and its main subsidiaries, also thanks to the cooperation of the corporate management and the responsible staff.

More specifically, the Chairman and the Managing Directors have always reported to the Board on the ordinary and extraordinary administration of the Issuer, by providing information on relevant events and initiatives under assessment.

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. In particular, intragroup transactions are carried out if requirements are met, pursuant to the "transactions with related parties" procedure adopted by the Company.

So to better comply with the above-mentioned transparency and efficiency criteria, the Independent Directors underlined 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 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 Directors, 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 Directors - by the Board's and General 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 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 2008, the Issuer transmitted via the NIS system nine internal dealing notices concerning transactions carried out by the Members of the Board of Directors with regard to the SIAS security (5 for the Managing Director E. Arona, 1 for the Managing Director P. Pierantoni and 3 for the Director B. Gavio). The said notices are also published on the website under section "financial information".

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 Code in force - 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).

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. Antonello, G. Boschetti and F. Piantini.

The Committee is convened - upon request of its members - by the Board's Secretariat, that also transcribes the minutes of each single meeting.

Following the appointment (15 May 2008), the Committee held 1 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 regard to the above, during the meeting held in August 2008 the Committee examined the problem concerning the consideration payable to the Managing Directors – appointed during the meeting held on 15 May 2008 – and proposed some solutions that were approved by the Board in the absence of the persons 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.

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.

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.

Except for the Chairman – whose annual fee and appointment have been so far approved by the Shareholders' 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:

| SUBJECT | DESCRIPTION OF POSITION | | COMPENSATION | | | | |
|--------------------------|-------------------------|---------------|----------------------|-------------------------------|-----------------------|------------------------------|--------------------|
| | NAME AND SURNAME | POSITION HELD | TERM OF THE POSITION | COMPENSATION FOR THE POSITION | NON-MONETARY BENEFITS | BONUSES AND OTHER INCENTIVES | OTHER COMPENSATION |
| <u>DIRECTORS</u> | | | | | | | |
| BINASCO BRUNO | Chairman | 2008-2010 | 265,933 | | | 52,678 | (1) |
| ARONA ENRICO | Managing Director | 2008-2010 | 315,933 | | | 97,918 | (2) |
| PIERANTONI PAOLO | Managing Director | 2008-2010 | 110,863 | | | 169,817 | (3) |
| ANGIONI GIOVANNI | Director | 2008-2010 | 15,933 | | | 27,390 | (4) |
| ANTONELLO GIULIO | Director | 2008-2010 | 12,049 | | | | |
| BOSCHETTI GIANFRANCO | Director | 2008-2010 | 15,183 | | | | |
| BRAJA ALESSANDRO | Director | 2008-2010 | 18,183 | | | 24,288 | (5) |
| CATTANEO ERNESTO MARIA | Director | 2008-2010 | 17,933 | | | | |
| CORBELLO SERGIO | Director | 2008-2010 | 11,549 | | | | |
| COLOMBO PAOLO ANDREA (*) | Director | 2005-2007 | 4,134 | | | | |
| GAVIO BENIAMINO | Director | 2008-2010 | 13,183 | | | | |
| GAVIO DANIELA | Director | 2008-2010 | 14,933 | | | 93,295 | (6) |
| LASCIALFARE RINALDO (*) | Director | 2005-2007 | 4,384 | | | | |
| MACCHIA VINCENZO | Director | 2008-2010 | 17,933 | | | | |
| PIANTINI FERRUCCIO | Director | 2008-2010 | 14,683 | | | | |
| SACCHI ALBERTO | Director | 2008-2010 | 15,933 | | | 35,556 | (7) |

(*) Fell from office

- (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., Chairman of HPVdA S.p.A. and Director of Infosistem S.p.A. (now incorporated into Sinelec S.p.A.) for EUR 16 thousand, EUR 12 thousand, EUR 13 thousand, EUR 11 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., Director of Autostrada Asti-Cuneo S.p.A. and Director of SATAP S.p.A. for EUR 79 thousand, EUR 8 thousand, EUR 4 thousand and EUR 7 thousand, respectively.
- (3) 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 69 thousand and EUR 101 thousand, respectively.
- (4) Compensation as Director of Autostrada Asti Cuneo S.p.A. and Director of HPVdA S.p.A. for EUR 16 thousand and EUR 11 thousand, respectively.
- (5) Compensation as Chairman of Sicogen s.r.l. and Director of HPVdA S.p.A. for EUR 13 thousand and EUR 11 thousand, respectively.
- (6) Compensation as Director and member of the Executive Committee of Società Autostrada Ligure Toscana p.A., Chairman of Sinelec S.p.A. (and companies incorporated during the financial year), Director of Autostrada dei Fiori S.p.A. and Vice-Chairman of SATAP S.p.A. for EUR 16 thousand, EUR 36 thousand, EUR 7 thousand and EUR 34 thousand, respectively.
- (7) 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 18 thousand, EUR 8 thousand and EUR 9 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.

In 2008, the Committee – whose members were re-appointed – held 5 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’s 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.

More specifically, the Committee supports the Board in those activities aimed at periodically assessing the adequacy and the functioning of the internal audit system of SIAS and its main subsidiaries.

To this end, the Committee makes use – based on the related action plan – of the reports which are drawn up on a quarterly basis by the Issuer and the subsidiaries and contain the data and information concerning the most representative corporate areas and business segments.

This working method allows to monitor the main significant events of the period under review, the changes in the organisational structures and the sector legislation of each single company, the activities carried out by the independent auditors, the Boards of Statutory Auditors and the Supervisory Bodies. Particular attention is paid to the identification and management of corporate risks, with specific reference to financial and tax risks.

This activity is supported by the powers and authorities of the internal audit supervisor, as well as the results of the assessments made by the Independent Auditors.

During the year, the Committee favourably examined the audit proposal made by Deloitte & Touche S.p.A., which thoroughly describes the type and methods of operation, the auditing plan and the

accounting standards used for the assessment, the staff employed, the necessary time and the consideration.

The said appointment was subsequently submitted for approval to the Shareholders' Meeting held on 12 May 2008, upon justified proposal of the Board of Statutory Auditors, as provided for by applicable law.

Finally, within its own duties, the Committee supported the Board's activities by analysing and assessing in advance intragroup transactions, which shall be approved by the Board, pursuant to the provisions contained in the "transactions with related parties" procedure adopted in compliance with the Code.

The Committee reports to the Board on the results of the assessments made on a quarterly basis, during the meetings held to approve the annual and interim accounting documents.

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 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 Directors.

In order to monitor the achievement of the Group's strategies and purposes, the Boards of Directors of the main investee companies alternatively include the Chairman, the Managing Directors and some Issuer's Directors who are expert in specific sectors and functions.

Moreover, the "internal audit supervisor" and the "manager in charge of drawing up the corporate accounting documents", as well as the implementation of the "Project 231" and the "Control model 262" aim at safeguarding the principles of proper and efficient management. Please refer to the following sections contained in this report for further details on these functions and projects.

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 of corporate transactions, reliability of financial information, compliance with current law and safeguard of corporate assets.

12.1. EXECUTIVE DIRECTOR RESPONSIBLE FOR THE INTERNAL AUDIT SYSTEM

The Board, with the favourable opinion of the Internal Audit Committee, identified the Managing Director Enrico Arona 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, also with regard to the operating and organisational conditions of both the Issuer and the Group, as well as the legislative and regulatory provisions.

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

Taking into account the structure of the SIAS Group and the activities carried out by its main companies – which mainly operate within a regulated sector – to this date, the Issuer did not set up the internal audit function.

As already mentioned in paragraph 12, the Board believes that the current internal audit committee (described in this report) is able, among other things, to guarantee compliance with proper management objectives, as well as to ensure any monitoring and recognition purpose set out for the internal audit function.

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 were approved in March 2002 and 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 Supervisory Bodies were appointed upon the implementation of the said “Project 231” and are responsible for monitoring the function, effectiveness and observance of the “Models” and updating 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.

Each Body – whose members remain in office for a period similar to that approved for the Management Body – sets the rules for its own operations and prepares proper regulations.

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.

During 2008, the Supervisory Bodies – with the advice of external consultants – carried out an analysis of the sensitive activities and management models applied in the light of the progressive expansion of the scope of application of Legislative Decree no. 231/2001.

With specific regard to the Issuer – and taking into account corporate operations – the analysis mainly focused on some specific cases, such as i) market abuse, i.e. “*insider trading*” and “*market manipulation*”; ii) crimes of receiving stolen goods, recycling, use of criminal money or stolen goods; iii) cyber attacks and unlawful processing of data; iv) transnational crime; and v) offences connected with the breach of rules concerning accident prevention, hygiene at work and safety of workers.

Following the risk assessment, the adequacy of the current organisational model with regard to the risks described in points i), ii) and iii) above was confirmed. As regards transnational crime (point iv), it was supposed that the activities carried out by the Issuer are not characterised by risk profiles, for which there are valid reasons to expect that such crimes are committed in the interest, or to the benefit, of the company.

The adjustment process – which took into account the provisions contained in the new “Confindustria Guidelines” published in March 2008 and approved by the Ministry of Justice – focused on the implementation of the measures concerning safety and hygiene at work.

During the meeting held on 6 March 2009, the Board – having agreed to the integration and adjustment proposals made by the Supervisory Body – approved the adoption of both the new “Organisational, management and control model” and the “Code of Ethics and Code of conduct”.

The Issuer’s Body (which was appointed on 15 May 2008, following the Board’s renewal) is composed of Alessandro Braja (Director), Alfredo Cavanenghi (Standing Auditor) and Roberto Sanino (internal audit supervisor), who were all re-appointed.

In 2008, the Body held 2 meetings, during which it focused on the analysis to achieve compliance with the current regulatory framework concerning administrative responsibility of companies. Moreover, based on its action plan, it 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

Deloitte & Touche S.p.A. – with registered office in Milan, Via Tortona 25, enrolled in the Independent Auditors' Register pursuant to art. 165 of the Consolidated Law on Finance – carries out audit activities for the Issuer, as mandated by the Shareholders' Meeting on 12 May 2008 for the financial years 2008 to 2016.

12.5. MANAGER IN CHARGE OF DRAWING UP THE CORPORATE ACCOUNTING DOCUMENTS

In compliance with art. 21, paragraph 6 of the Articles of Association, on 15 May 2008 the Board – having consulted the Board of Statutory Auditors – re-appointed Mr. Sergio Prati (Administration Manager of the Issuer) as “manager in charge of drawing up the corporate accounting documents”.

Mr. Prati – who has extensive professional experience in administrative and financial matters and complies with the requirements of integrity required for the position of director – was appointed for the same term of office of the Management Body (i.e. until approval of the 2010 financial statements).

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.

Moreover, the Board approved funds which can be integrated by the Chairman and/or the Managing Directors upon the manager's request, with subsequent ratification by the Board of Directors.

With regard to the above, during 2008 the manager monitored the proper functioning of the “control model 262”, which was implemented following the analysis carried out in 2007 with regard to the organisational structure of SIAS and its main subsidiaries, in order to achieve compliance with administrative-accounting procedures concerning the activities governed by art. 154-bis of Legislative Decree no. 58/98 (Consolidated Law on Finance). Moreover, the implementation of the said model also entailed the appointment of specific managers within all Group companies involved. The assessment of the correct application of the said procedures was based on a top-down approach: having identified i) the main investee companies within the SIAS Group (the so-called “significant subsidiaries”) and ii) the corporate sectors which are considered relevant based on the type of activity carried out by these investee companies (motorway, construction and services companies),

the control matrices and related tests were formulated within both the holding company and the said investee companies.

With a view to the optimisation of controls within the funds made available to each Manager, testing activities were carried out by Protiviti s.r.l., based on the plan drawn up by each single Group Company, according to which tests shall concentrate in the periods dedicated to the preparation of the financial statements and the half-yearly financial report. The results of these controls confirmed the correct application of the administrative-accounting procedures under review.

The support provided by Protiviti s.r.l. was equal to approximately 286 man/days, in addition to the commitment of employees of each Group company, in line with the estimates made at the beginning of the project.

Monitoring activities also included the review of the identification and assessment process of the risks linked to the accounting information (risk scoring), which confirmed – for each business sector in which the SIAS Group operates – the “significant” subsidiaries that were originally identified, as well as the accounting processes/flows that were already subject to review.

Again with regard to the creation of the “control model 262”, the Managers of all Companies involved transmitted any related “statement” and “certification” concerning annual and interim accounting documents, based on the information provided to them for that purpose.

In view of the operational continuity, the “control model 262” was further updated and provides a summary of all guidelines applied within the SIAS Group, concerning the obligations set out by the said art. 154-bis.

More specifically, the update was carried out to implement both the amendments/supplements introduced by the Directive 2004/109/EC (the so-called “transparency directive”), which was implemented at national level by means of Legislative Decree no. 195 of 6 November 2007 and the provisions contained in the “Consultation document” issued by Consob on 7 July 2008. The changes introduced by the said Decree concern i) the definition of the interim accounting documents which – as already known – are now called “half-yearly financial report” and “intermediate management report”; and ii) the implementation of a specific paragraph concerning relevant events, risks and uncertainties, etc., with regard to the certifications of managers and delegated bodies.

13. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

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 Directors upon resolution gives reason to believe that the necessary constituent quorum may not be reached.

In January 2008 – in compliance with the application criterion 9.C.1. of the Code and having consulted the Internal Audit Committee – it was possible to identify transactions with related parties, carried out by the Issuer also through the subsidiaries, that shall be examined and approved by the Board with regard to their nature or value.

First of all, “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 10 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 higher than EUR 10 million.

The amounts indicated at points 2) and 3) – which were originally equal to EUR 1 million – were increased to EUR 10 million in November 2008, having consulted the Internal Audit Committee.

With specific regard to the assumptions detailed in point 2), the new amounts are more compliant with the total amount of investments carried out by the Group's motorway segment, also taking into account that these operations are a simple implementation of licensing commitments and are in any case constrained by law and agreement provisions, with regard to their implementing procedures and prices.

In any case, transactions (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.

The Issuer’s Board - for a correct implementation of the procedure within the SIAS Group – immediately notified its subsidiaries of any relevant information and operating instruction.

With regard to the above, during the year the Issuer’s Board, among others, gave its approval to the subsidiary Autostrada Asti-Cuneo S.p.A. for the planning assigned to SINA S.p.A. (a Company of the ASTM Group) concerning the construction of some motorway stretches between Asti and Cuneo.

In these occasions, the Directors G. Angioni and B. Binasco notified the corporate offices held in the Companies involved (Director of Autostrada Asti-Cuneo S.p.A. and Director of SINA S.p.A., respectively), showing willingness to withdraw from the meeting or refrain from any discussion and related resolution.

Taking into account the methods for the calculation of economic values – which reflect normal market conditions, since they were calculated based on professional lists and fees – the other Directors gave their consent so that the said Directors could take part in the decisions for the approval of offices.

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 - 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 Issuer's 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.

As in the case of Directors, also the Auditors comply with the requirements of integrity set out in art. 4 of Decree no. 516 of 30 December 1998 for the members of the Boards of Statutory Auditors of the Companies enrolled in the proper section of the general list required by art. 113 of Legislative Decree no. 385/1993.

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 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 in office – appointed by the Shareholders’ Meeting on 12 May 2008 for the financial years 2008-2009-2010 (i.e. until the approval of the 2010 financial statements) is composed of the Standing Auditors Luca Galassi (Chairman), Giorgio Cavalitto, Alfredo Cavanenghi and the Substitute Auditors Pietro Mandirola and Nazareno Tiburzi, who all confirmed compliance with the independence requirements pursuant to the application criterion 10.C.2 of the Code.

The Auditors Giorgio Cavalitto, Alfredo Cavanenghi and Pietro Mandirola were appointed - as representatives of the majority - in the list submitted by the Shareholders Aurelia S.p.A., Autostrada Torino-Milano S.p.A., Sina S.p.A. (all of them owning 73.975% of the share capital), while the Auditors Luca Galassi and Nazareno Tiburzi were appointed, as representatives of minorities, in the list submitted by the Shareholder Assicurazioni Generali S.p.A. (holding 2.088% of the share capital).

Based on the decisions taken by Consob – and similarly to the Board of Directors – the minimum shareholding in the share capital that is necessary to submit the lists is equal to 2% of the share capital, also in case of renewal of the Board of Statutory Auditors.

Pursuant to art. 148, paragraph 2 of the Consolidated Law on Finance, the Board of Statutory Auditors is chaired by the Auditor Luca Galassi, as representative of minorities.

Some short bibliographical notes on the members of the Board of Statutory Auditors are detailed below. The related *curricula* are available on the Issuer’s website (under section “corporate governance”):

Luca Galassi: (born in Modena on 28/12/1962) - He obtained a degree in Economics and Business at the Università Statale of Genoa. He is a chartered accountant specialised in corporate tax consulting and holds the position of Director and member of the Board of Statutory Auditors in companies which mainly operate in the real estate and insurance sectors.

Giorgio Cavalitto: (born in Turin on 12/05/1960) – He obtained a degree in Economic Science (Economics and Business division) at the Guglielmo Marconi University in Rome. He is a chartered accountant and technical adviser at the Court of Turin and exercises trade union functions for industrial, transport and logistics companies. He acquired particular expertise in corporate, contractual, accounting and tax matters, as well as in the corporate reorganisation of company groups.

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.

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).

Nazareno Tiburzi: (born in Latera - VT - on 09/03/1958) – He obtained a diploma in Accountancy. He holds the position of trustee in bankruptcy, auditor for Local Bodies and Standing Auditor. He acquired expertise in tax and planning matters, both at national and international level.

Having said that, the following table summarises the data related to the current Board's members:

| Name | Office held | In office since | List | Independent from Code | % of attendance at the meetings of the Board of Statutory Auditors ⁽¹⁾ | Other offices |
|--------------------|--------------------|-----------------|------|-----------------------|---|------------------|
| Galassi Luca | Chairman | 12/05/08 | m | x | 100 | 9 |
| Cavalitto Giorgio | Standing auditor | 12/05/08 | M | x | 100 | 13 |
| Cavanenghi Alfredo | Standing auditor | 12/05/08 | M | x | 100 | 12 |
| Mandirola Pietro | Substitute Auditor | 12/05/08 | M | x | | 29 |
| Tiburzi Nazareno | Substitute Auditor | 12/05/08 | m | x | | = ⁽²⁾ |

⁽¹⁾ The percentage value indicates attendance at the 4 meetings held by the Board of Statutory Auditors following the appointment (12 May 2008). In the period 01/01/08 – 12/05/08, the Board – in office until 12 May 2008 – held 5 meetings that were attended by 93.33% of the members, while the three meetings of the Board of Directors were attended by all members.

⁽²⁾ He does not hold any position as member of the boards of statutory auditors within issuer Companies.

LEGEND

List: M/n 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: it refers to the total number of offices held at companies pursuant to Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, as resulting from the list that will be 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.

The following table shows the data and information on Auditors who were not re-appointed upon renewal of the Board of Statutory Auditors, in the light of the changes occurred in 2008:

| Name | Office held | Term of office | List | Independent from Code | % of attendance at the meetings of the Board of Statutory Auditors | Other offices |
|-----------------------|--------------------|---------------------------|------|-----------------------|--|---------------|
| Jona Celesia Lionello | Standing auditor | From 06/05/05 to 12/05/08 | M | x | 100 | 25 |
| Ramojno Ernesto | Standing auditor | From 06/05/05 to 12/05/08 | m | x | 100 | = (1) |
| Della Valle Paolo | Substitute Auditor | From 06/05/05 to 12/05/08 | m | x | = | = (1) |

(1) This information refers to the recognition made in 2008 with regard to the drawing up of the 2007 corporate governance report.

After 12 May 2008, the Board of Statutory Auditors held 4 meetings which were attended by all members, who all took part also in the Board of Directors' meetings.

The members of the Board of Statutory Auditors confirmed compliance with the independence requirements set out in the Code, with regard to both the filing of lists upon acceptance of the candidature and in conjunction with the annual assessment made by the Board with regard to its own members.

If requirements are met, the Auditors shall promptly provide information on the transactions in which - on own account or on behalf of third parties - they have an interest as provided for by criterion 10.C.4. of the Code with which the Issuer complies.

As set out in the application criterion 10.C.5. of the Code, 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 12 May 2008, pursuant to art. 153 of the Consolidated Law on Finance.

Moreover, pursuant to art. 159, paragraph 1 of the Consolidated Law on Finance, the Board submitted to the Shareholders' Meeting the assignment of the audit mandate to Deloitte & Touche S.p.A., at the conditions detailed in the related proposal made available to the general public, by the deadlines required by law.

Within their functions, the Auditors acquire information also through constant and frequent meetings with the Independent Auditors' representatives, the internal audit supervisor and the members of the Board of Statutory Auditors of the subsidiaries.

As provided for by the application criterion 8.C.4. of the Code, the Chairman of the Board of Statutory Auditors takes part in the meetings of the Internal Audit Committee, by reporting to the other Auditors on the works carried out and their results.

16. RELATIONSHIP 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), 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 financial report, the intermediate management 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 appointment of Corporate Bodies - the lists of candidates, together with personal and professional details, are 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 Directors - 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 Directors and the investor relations’ supervisor avail themselves of the Board’s and General 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 (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; the Chairman is available to talk and discuss on the requests made by the participants.

Changes in shareholding structure

In the period 31/12/2007 – 31/12/2008, market capitalisation of SIAS decreased by 57.23% and totalled EUR 1,010.1 million as at 31/12/2008, in line with the performance of the international stock exchange markets.

Taking into account that this decrease was due to factors external to the Company – as proved by the strength of the results achieved in FY 2008 – as of today, the Directors do not foresee the adoption of amendments to the Articles of Association concerning percentages for the exercise of the actions and rights for the safeguard of minorities.

No significant changes in the shareholding structure of the Issuer occurred during the year.

18. CHANGES OCCURED AFTER YEAR END

After the end of FY 2008, no changes occurred in the Issuer's governance structure.