



SIAS GROUP

Half-year interim report and accounts

30 June 2007

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**SOCIETA' INIZIATIVE
AUTOSTRADALI E SERVIZI**

Società per Azioni [plc]
Issued capital €13.75m, fully paid-in
Tax Registration and Turin
Company Register No.: 08381620015
Regd. Office 22, Via Bonzanigo, Turin
Website: www.grupposias.it
Direction and coordination: Argo Finanziaria SpA.

COMPANY OFFICERS

Chairman
Bruno Binasco (1)

Managing Director
Enrico Arona

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

Secretary
Cristina Volpe

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

(*) Co-opted on 31 July 2007 to replace
Gianfranco Pittatore, resigned

BOARD OF STATUTORY AUDITORS

Chairman
Lionello Jona Celesia

Full Auditors
Alfredo Cavanenghi
Ernesto Ramojno

Alternate Auditors
Paolo Della Valle
Pietro Mandirola

INDEPENDENT AUDITORS

PricewaterhouseCoopers SpA.

TERM OF OFFICE

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

POWERS OF COMPANY OFFICERS

The Chairman, appointed on 6 May 2005, is authorized under Art. 24 of the Articles of Association to represent the company in law.

The Managing Director, (appointed by Board of Directors resolution dated 16 May 2005), has full powers to manage the company, excepting only those which are explicitly reserved by law to the Board itself Board of Directors.

Information general

Società Iniziative Autostradali e Servizi per Azioni (SIAS SpA.) is a company incorporated under Italian law.

SIAS SpA operates in Italy as an industrial holding company. Through its controlled subsidiaries it is mainly engaged in the construction and operation of motorway networks under licence.

The company's registered office and headquarters are at 22, Via Bonzanigo, Turin, Italy.

Its ordinary shares and convertible bonds are listed on the MTA exchange operated by Borsa Italiana SpA; the shares are included in the basket of mid-cap stocks that make up the MIBEX index.

The Consolidated Interim Report of the SIAS Group for the six months ended 30 June 2007, and the Interim Accounts of the holding company for 30 June 2007 were approved by the Board of Directors on 12 September 2007.

CONSOLIDATED INTERIM REPORT
FOR 30 JUNE 2007

Introduction

The present Interim Report of the SIAS Group for the first six months of 2007 has been drawn up in accordance with the combined provisions of Civil Code Article 2428(iii) and Article 81 of CONSOB Resolution No. 11971 of 14 May 1999, as amended. The report also takes account of CONSOB's requirements concerning Financial Statement layout and company disclosure (Resolution No. 15519 of 27 July 2006 and Notice No. DEM/6064293 of 28 July 2006).

In accordance with the provisions of Article 82(ii)(a) of CONSOB Resolution No. 11971 dated 14 May 1999, as amended, the company has chosen not to publish a quarterly interim report for the three months to 30 June 2007 since the present half-year report has been published within sixty-five days of the end of the six month period.

This document consists of the Consolidated Interim Report of the SIAS Group for the six months ended 30 June 2007, and the Interim Accounts of the Holding Company (SIAS SpA) for 30 June 2007.

This interim half-year report is accompanied, in accordance with CONSOB Resolution No. 10867 of 31 July 1997, by the report of the Independent Auditors.

REPORT ON ACTIVITIES

The first-half results for the SIAS Group, as given in the interim Income Statement figures, show a profit of €31.5m after providing €8.2m for amortization on its intangible and tangible fixed assets (including the “non-compensated reversionary assets”).

SIGNIFICANT EVENTS IN THE FIRST SIX MONTHS OF 2007

Group Company reorganisation project

On 28 May 2007 the Board of Directors of SIAS SpA decided to implement the reorganisation project in accordance with the outline approved at the Board meeting of 21 December 2006.

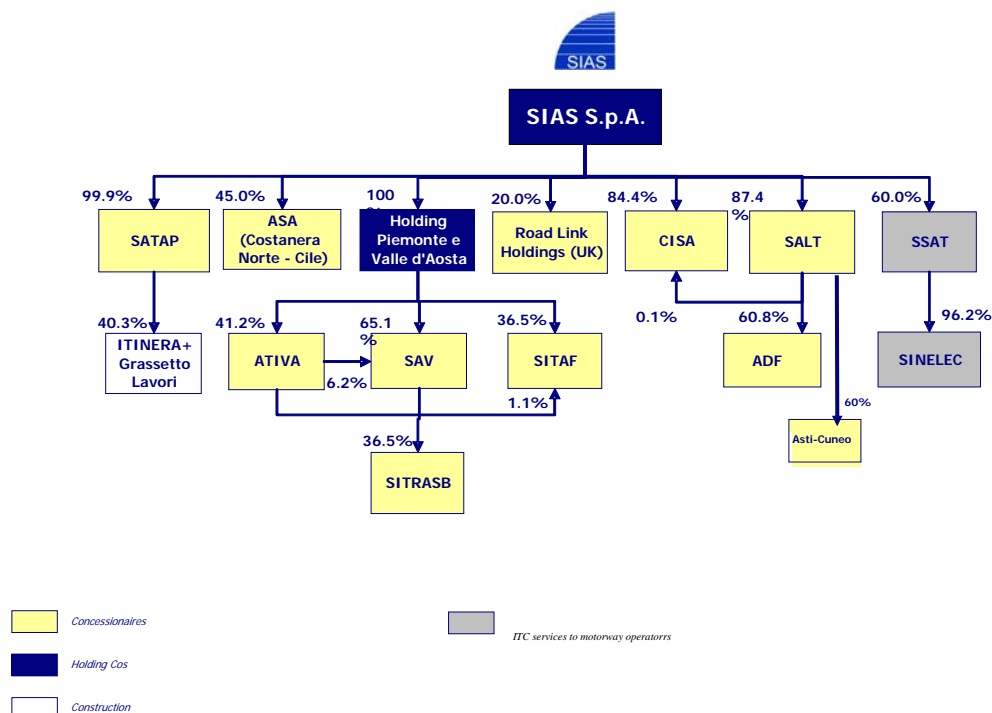
Developments in terms of the individual stages of the project’s implementation have been as follows:

- A new company, Holding Piemonte and Valle d’Aosta - HPVdA SpA, was formed on 22 June 2007 with its registered office in Turin and an issued capital of €50,000,000 subscribed in full by SIAS SpA; all the Group’s shareholdings in the motorway concession companies located in north-western Piedmont and the Valle d’Aosta have, as shown below, been brought together in this company’s ownership;
- the Extraordinary General Meeting of Shareholders held on 29 June 2007 approved the increase in the share capital (from €3,750,000 to €13,750,000) by issuing – in return for a contribution in the form of shareholdings – of 100,000,000 shares of nominal value €0.50 each (at an issue premium of €0.69), reserved to ASTM SpA as the contributor in accordance with Article 2441(iv) of the Civil Code;
- the Deed contributing these shareholdings held by ASTM SpA (99.874% of SATAP SpA and 20% of Road Link Holdings Ltd.) was signed on 3 July 2007, following which on 5 July 2007, once that Deed had been registered with the Turin Company Register, the 100,000,000 shares in SIAS SpA were issued;
- on 6 July 2007 SIAS SpA sold the following shareholdings to HPVdA SpA:
 - 2,642,622 shares (41.17%) in ATIVA SpA (which as concessionaire manages Turin’s system of bypasses, the extension as far as Quincinetto, the Ivrea - Santhià link and the Turin – Pinerolo motorway), for €13.8m;
 - 15,620,425 shares (65.085%) in SAV SpA (which has the concession to build and operate the A5 motorway between Quincinetto and Aosta), for €5.7m;
 - 4,602,895 shares (36.531%) in SITAF SpA (company which as concessionaire operates manages the stretch of motorway between Turin and Bardonecchia (A32) and the international Fréjus Tunnel (T4) for €134.1m, together with 228,273 bonds convertible into ordinary shares of SITAF SpA, for €3.9m.
- on 31 July 2007 the Board of Directors of SIAS SpA completed, as required under Civil Code 2343, its check on the valuation made by the Expert Valuer appointed by the Court of Turin, and decided there was no reason to revise the estimates and valuations on the basis of which the capital increase had been resolved on;
- CONSOB is currently conducting its assessment before issuing its approval of the Prospectus drawn up by SIAS with a view to a listing for the 100,000,000 newly-issued SIAS shares.

As part of this reorganisation process, moreover, SALT SpA and ADF SpA sold to ASTM SpA a total of

50,000 shares (10%) in SINECO SpA, for €2.8m.

As a result of these reorganisation measures, the present organization chart of the SIAS Group is as follows:



In detail, the SIAS Group today controls the following motorway operating companies:

- **SATAP:** Società Autostrada Torino-Alessandria-Piacenza 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 SpA, with 84.36% of the share capital;
- **SAV:** Società Autostrade Valdostane p.A., with 67.63% of the share capital;
- **ADF:** Autostrada dei Fiori SpA, with 60.77% of the share capital;
- **ATIVA:** Autostrada Torino-Ivrea-Valle d'Aosta SpA, with 41.17% of the share capital (this company is consolidated with the proportional method);
- **Asti-Cuneo:** Società Autostrada Asti-Cuneo p.A., with 65% of the share capital.

In addition to these holdings where the company has a controlling interest, there are significant stakes in Autostrade Sud America Srl (45%), in the Società Italiana per il Traforo Autostradale del Fréjus – SITAF SpA (36.976%), in the Società Italiana per il Traforo del Gran San Bernardo - SITRASB SpA (36.50%), Road Link (A69) Holdings Ltd. (20%: this company manages the section of road between Newcastle and Carlisle in the United Kingdom), Milano Serravalle – Milano Tangenziali SpA (12.59%), and Autostrada Tirrenica SpA (5.58%).

The mileage of highways currently managed by SIAS Group is now therefore as follows:

	km of highways managed
• Società Autostrada Torino Alessandria Piacenza p.A. (section A4 Turin-Milan)	130.3
• Società Autostrada Torino Alessandria Piacenza p.A. (section A21 Turin-Piacenza)	167.7
• Società Autostrada Ligure Toscana p.A.	154.9
• Autocamionale della Cisa SpA.	182.0 (1)

• Società Autostrade Valdostane SpA.	59.5
• Autostrada dei Fiori SpA.	113.2
• Società Autostrada Asti-Cuneo SpA.	90.0 (2)
• Autostrada Torino-Ivrea-Valle d'Aosta SpA.	155.8
Total managed by controlled subsidiaries (a)	<u>1,053.4</u>
• Autostrade Sud America Srl	43.0 (3)
• SITAF SpA.	94.0
• SITRASB SpA.	12.8
• Road Link Holdings Ltd	84.0
Total managed - directly or indirectly - by subsidiaries (b)	<u>233.8</u>
TOTAL (a+b)	<u><u>1,287.2</u></u>

(1) Including the 81 km Parma – Nogarole Rocca link (not yet constructed)

(2) Under construction

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

Relations with the public concession authority

So far as relations with the public concession authority ANAS are concerned, and the changes to the legal and regulatory framework of the industry, the reader is invited to refer to the full account given in the Annual Report for the year ended 31 December 2006.

In connection with the Group's new shape following the reorganisation, it should be noted that the agreement between ANAS and Autostrada Asti-Cuneo SpA for completion of the Asti – Cuneo motorway and the operation of the whole motorway section was signed on 1 August 2007.

Once this agreement has been registered with the Corte dei Conti, this company (60% owned by SALT SpA, 5% by ITINERA SpA and the remaining 35% by ANAS) will be in a position to start work on constructing the final 53km of motorway, for which there is a four-year completion schedule: work is due to end in 2010 or 2011. On the basis of this agreement, the operating concession is to be for 23 years and 6 months from completion of the work.

In the case of the motorway link between **Parma** and the **Brenner Pass motorway**, the revised schedule for the agreement between ANAS and Autocamionale della Cisa SpA was signed on 8 May 2007; this provides for further investments of some €2.2bn for building this 82km link. On the basis of this schedule, the concession is due to last until 31 December 2031, on which date the concessionaire will be paid an indemnity for the resumption of some €1.6bn. The agreement schedule has now been submitted to the appropriate official bodies for their approval.

As to the Group's remaining motorway concession companies, discussions with the public concession authority are continuing with a view to renewal of the Financial Plans that have now expired.

GROUP REVENUES, EXPENSES AND PROFITS

The key income and expenditure figures for the first six months of 2007 (with the corresponding figures for the same period last year for comparison) can be summarised as follows:

(€000s)	First half 2007	First half 2006	Change
Motorway Sector revenues	185,440	179,765	5,675
Technology Sector revenues	23,655	15,704	7,951
Construction and Engineering Sector revenues	5,324	1,638	3,686
Other revenues	12,677	13,146	(469)
Operating costs	(131,885)	(124,471)	(7,414)
Capitalised Costs on Fixed Assets	35,882	39,866	(3,984)
Gross operating margin	131,093	125,648	5,445
Significant extraordinary	1,963	-	1,963
Gross operating margin, “adjusted”	133,056	125,648	7,408
Amortization & other provisions, net of drawin	(58,227)	(52,663)	(5,564)
Operating profit	74,829	72,985	1,844
Net financial revenue (charge)	(9,970)	(6,291)	(3,679)
Net dividend income from subsidiaries valued by the Shareholders’ Equity method	3,052	44	3,008
Net financial income	(6,918)	(6,247)	(671)
Profit before taxes	67,911	66,738	1,173
Income taxes (current and deferred)	(25,819)	(26,717)	898
Profit (loss) for the period	42,092	40,021	2,071
▪ Minority interests’ share	10,552	11,259	(707)
▪ Group’s share	31,540	28,762	2,778

In the first six months of 2007 the Group earned some €185.4m in Motorway Sector revenues (+3.16%), which reflects the further growth in traffic volumes already seen in the earliest months of the year.

Technology Sector revenues rose by about €7.9m, both because of the greater activity in connection with the installation and maintenance of motorway technical systems (+€2.4m) and because of SSAT SpA’s completion of a major contract for work on behalf of the CAV.TO.MI. Consortium (+€5.5m): this increase, though, was echoed in the amount of operating costs for the period.

The increase in Construction and Engineering Sector revenues reflects the “product mix” this half-year; though there was a decline overall, more work was done for non-Group organizations and less on behalf of Group ones; this almost exactly matches a corresponding decrease in Capitalised Costs on Fixed Assets.

The change in operating costs is the net result of two factors: the higher costs of the motorway concession companies (mainly attributable to the rise in the concession payments) and of the Technology Sector companies, and the fall in costs of companies operating in the Construction and Engineering Sector.

The net effect of the above figures is that Gross Operating Margin is up by about €5.4m (+4.3%).

“Significant exceptional items” refers to the non-recurring adjustment to the actuarial value of the superannuation funds (or TFR), arising from the changes made by the Pensions Reform Act (Law No. 296 of 27 December 2006) and its Implementing Orders.

“Amortization and other provisions, net of drawings” (up by some €5.6m) reflects, so far as the motorway concession companies are concerned – the provisions of the Financial Plans associated with the various concession agreements.

“Net financial charges” refers for the most part to the increase in the relevant interest rates.

“Net dividends received from companies valued by the Shareholders’ Equity method” includes the Group’s share of the profits earned by its part-owned subsidiary Autostrade Sud America – ASA Srl (which controls the Chilean concession operator Sociedad Concesionaria Costanera Norte SA).

As a result, the Group’s share of consolidated profit for the period was €31.5m (€28.8m in the first six months of 2006).

GROUP CASH FLOW

The cash flow position for 30 June 2007 can be summarised as follows (figures for 31 December 2006 are given for comparison:

(€000s)	30/6/2007	31/12/2006	Change
A) Cash and near-cash	616,417	240,575	375,842
B) Securities held for trading	-	-	-
C) Liquid funds (A) + (B)	616,417	240,575	375,842
D) Financial receivables (*)	82,620	154,193	(71,573)
E) Short-term bank debt	(373,044)	(96,024)	(277,020)
F) Short-term portion of long-term debt	(79,167)	(30,483)	(48,684)
G) Other short-term financial debt	(683)	(815)	132
H) Total short-term financial debt (E) + (F) + (G)	(452,894)	(127,322)	(325,572)
I) (Indebtedness) Net short-term financial liquidity (C) + (D) + (H)	246,143	267,446	(21,303)
J) Medium/long-term bank debt	(400,280)	(417,013)	16,733
K) Bonds issued	(287,557)	(285,667)	(1,890)
L) Other long/medium-term debts	(740)	(959)	219
M) Long/medium-term financial indebtedness (J) + (K) + (L)	(688,577)	(703,639)	15,062
N) (Indebtedness) Net financial liquidity (I) + (M)	(442,434)	(436,193)	(6,241)

(*) This heading refers to endowment contracts and bonds which, though not due for more than one year, can readily be encashed on demand. Most of these credits have now been encashed

The Group's financial position on 30 June 2007 showed net indebtedness of €442.4m, essentially in line with the corresponding figure for 31 December 2006; would be €755.9m (€42.1m on 31 December 2006) if the discounted present value of the sums due to the Central Guarantee Fund and ANAS were included. Some €2.5m of the bank debt is guaranteed by the State.

As shown by the Consolidated Cash flow Statement, the cash flows generated by operations together with the €14m proceeds from the disposal of shareholdings have been applied partly to investments of some €8m enhancing the Group's motorway infrastructure, and partly to the acquisition of shareholdings (approximately €4.2m, mainly for the purchase of shares in Assicurazioni Generali SpA and FIMPRE Srl (€18m and €6.2m respectively). €19.1m was also paid by the Holding Company as final dividend for 2006.

As to the composition of the Group's financial structure, the significant change in Cash and Near-Cash is due to the payment for the share capital of the newly-formed company HPVdA SpA; this €350m increase in share capital – paid by the holding company – was funded by means of a loan specifically for this purpose (with a corresponding increase in Short-term bank debt).

There was also during this period a significant increase in cash flow generated by operations which, at €87m, was €6.9m (or 8.7%) higher than the figure for the first six months of 2006.

ANALYSIS OF RESULTS FOR THE FIRST SIX MONTHS OF 2007: HOLDING COMPANY AND MAIN SUBSIDIARIES

Società Iniziative Autostradali e Servizi per Azioni.

The breakdown of the parent company's interim Income Statement for 30 June 2007 reflects its core business: that of an industrial holding company. In the first six months of 2007 the company made a profit of €1.4m (€128.4m in the same period of 2006).

Dividends were received this half-year only from the controlled subsidiary SSAT SpA, while the figure for the first six months of 2006 had been boosted by dividends from the part-owned subsidiaries which reflected the significant capital gains arising from their sale of certain financial assets.

The financial position on 30 June 2007 shows net indebtedness of about €24.9m (€152.6m on 31 December 2006). The significant difference this year is mainly attributable to the payment for the share capital of the newly-formed company Holding Piemonte and Valle d'Aosta SpA (€350m).

The final dividend for 2006 was also paid during this half-year (€9.1m).

The Schedule of Reconciliation between SIAS SpA Shareholders' Equity and Profit for the Period and the corresponding figures for the SIAS Group (as required by CONSOB Notice No. DEM/6064293 of 28 July 2006) is included in the "Consolidated Accounts".

Motorway Sector

On 30 June 2007, the SIAS SpA controlled the following motorway operating companies:

- **SALT:** Società Autostrada Ligure Toscana p.A., with 87.39% of the share capital;
- **CISA:** Autocamionale della CISA SpA (84.42%);
- **ADF:** Autostrada dei Fiori SpA (60.77%);
- **Asti-Cuneo:** Società Autostrada Asti-Cuneo SpA (60%);;

In addition to these controlling interests, the Group also held significant shareholdings on 30 June 2007 in Autostrade Sud America Srl (45%), Milano Serravalle – Milano Tangenziali SpA (12.54%) and Autostrada Tirrenica SpA (5.58%).

Società Autostrada Ligure Toscana p.A.



The Company manages the Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia stretches of motorway, a total of 154.9 kilometres. It is controlled by the Group, which owned 87.392% of the share capital on 30 June 2007.

The company's main revenue, expenditure and financial items for these six months can be summarised as follows:

<i>(€000s)</i>	First half 2007	First half 2006	Change
Motorway Sector revenues	80,948	78,918	2,030
Other revenues	4,316	4,548	(232)
Operating costs	(32,047)	(30,616)	(1,431)
Gross operating margin	53,217	52,850	367
Significant extraordinaries	731	-	731
Gross operating margin, "adjusted"	53,948	52,850	1,098
Amortization & other provisions, net of draw	(23,835)	(23,293)	(542)
Operating profit	30,113	29,557	556
Financial revenue	5,458	19,815	(14,357)
Financial charges	(4,887)	(4,042)	(845)
Value adjustments, financial assets	-	-	-
Net financial income	571	15,773	(15,202)
Profit before taxes	30,684	45,330	(14,646)
Income taxes	(11,463)	(11,471)	8
Profit for the period	19,221	33,859	(14,638)

Overall Motorway Sector revenues were up by €2m (+2.57%).

Net Toll Receipts came to €77.3m (€75.5m in the first six months of 2006); the 2.37% rise is entirely due to the increase in traffic in this period, as the increase in toll rates which the company was due was not awarded by ANAS.

Operating costs (€2m) rose overall by 4.67% partly due to the increase in the concession payments due to ANAS from 1 January 2007, which as a percentage of toll receipts rose from 1% to 2.4%, and partly due to higher staff costs with the renewal of the own addendum to the industry labour contract.

The net effect of the above figures is that Gross Operating Margin in the first six months of 2007 was €3.2m (€2.8m in the first six months of 2006).

“Significant exceptional items” refers to the non-recurring adjustment to the actuarial value of the superannuation funds (or TFR), arising from the changes made by the Pensions Reform Act and its Implementing Orders.

“Amortization and other provisions, net of drawings” reflects the provisions of the Financial Plan attached to the current Agreement.

Net Financial Income was positive (€0.6m, against €15.8m in the first six months of 2006); the decline compared with last year is mainly due to a change in the timing of dividend distribution by Autostrada dei Fiori SpA..

The net result of all the above figures was a definitive profit for the period of €19.2m (€33.9m in the first six months of 2006).

CASH FLOW

The key cash flow figures for 30 June 2007 can be summarised as follows (with those for 31 December 2006 for comparison):

<i>(€000s)</i>	30/6/2007	31/12/2006	Change
A) Cash and near-cash	128,465	23,782	104,683
B) Securities held for trading	-	-	-
C) Liquid funds (A) + (B)	128,465	23,782	104,683
D) Financial receivables (*)	-	73,662	(73,662)
E) Short-term bank debt	-	-	-
F) Short-term portion of long-term debt	(25,381)	(27,471)	2,090
G) Other short-term financial debt	-	-	-
H) Total short-term financial debt (E) + (F) + (G)	(25,381)	(27,471)	2,090
I) (Indebtedness) Net short-term financial liquidity (C) + (D) + (H)	103,084	69,973	33,111
J) Medium/long-term bank debt	(194,682)	(180,009)	(14,673)
K) Bonds issued	-	-	-
L) Other long/medium-term debts	-	-	-
M) Long/medium-term financial indebtedness (J) + (K) + (L)	(194,682)	(180,009)	(14,673)
N) (Indebtedness) Net financial liquidity (I) + (M)	(91,598)	(110,036)	18,438

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

The financial position on 30 June 2007 showed total net indebtedness of €1.6m (€10m on 31 December 2006); if the discounted present value of the sums due to the Central Guarantee Fund and ANAS were included this figure would be €163.2m (€179.9m on 31 December 2006).

The financial position on 30 June 2007 includes approximately €19m of State-guaranteed loans.

The cash flow generated in the period was in part invested in motorway infrastructure enhancements (€25.2m) and in part used to pay for the increase in the share capital of Autostrade dei Parchi SpA (€5.3m).

As to the financial structure, the noteworthy development was the cashing-in of endowment contracts and the consequent increase in the figure for Cash and Near-Cash.

Autostrada dei Fiori SpA.



The Company manages the Savona-Ventimiglia stretch of motorway, a total of 113.2 kilometres. It is controlled by the Group, which owned 60.77% of the share capital on 30 June 2007.

The company's key income and expenditure figures can be summarised as follows:

(€000s)	First half 2007	First half 2006	Change
Motorway Sector revenues	67,858	65,618	2,240
Other revenues	5,722	6,235	(513)
Operating costs	(32,851)	(32,524)	(327)
Gross operating margin	40,729	39,329	1,400
Significant extraordinary	833	-	833
Gross operating margin, "adjusted"	41,562	39,329	2,233
Amortization & other provisions, net of drawings	(18,154)	(13,347)	(4,807)
Operating profit adjusted	23,408	25,982	(2,574)
Financial charges net	(6,781)	(4,918)	(1,863)
Value adjustments, financial assets	-	-	-
Net financial income	(6,781)	(4,918)	(1,863)
Profit before taxes	16,627	21,064	(4,437)
Income taxes	(6,570)	(8,022)	1,452
Profit for the period	10,057	13,042	(2,985)

Overall Motorway Sector revenues were up by €2.2m (+3.41%).

Net Toll Receipts came to €64.4m (€62.2m in the first six months of 2006); this 3.44% increase is due to two factors: the 1.54% rise in toll rates with effect from 15 March 2007 and the increasing volume of paying traffic (+2.7%).

Other Revenues were lower because less work was done on behalf of ANAS, corresponding to an almost identical fall in operating costs.

Operating costs overall were €32.9m, up 1% as the net result of €0.9m higher concession payments to ANAS (from 1 January 2007 2.4% of toll receipts instead of the former 1%) and the decline in work for outside bodies mentioned above.

The net effect of the above figures is that Gross Operating Margin in the first six months of 2007 was €40.7m (€39.3m in the first six months of 2006).

"Significant exceptional items" refers to the non-recurring adjustment to the actuarial value of the superannuation funds (or TFR), arising from the changes made by the Pensions Reform Act (Law 296 of 27 December 2006) and its Implementing Orders.

“Amortization and other provisions, net of drawings” reflects the provisions of the Financial Plan attached to the current convention and rose by €4.8m (+36%) compared with the corresponding six months of last year.

Net Financial Income was negative (-€6.8m) and lower than in the first six months of 2006 because of greater amounts of interest payable on loans as well as lower dividends received from subsidiaries.

The net result of all the above figures was a definitive profit for the period of €10.1m (€13m in the first six months of 2006).

CASH FLOW

The key cash flow figures for 30 June 2007 can be summarised as follows (with those for 31 December 2006 for comparison):

<i>(€000s)</i>	30/6/2007	31/12/2006	Change
A) Cash and near-cash	1,784	3,128	(1,344)
B) Securities held for trading	-	-	-
C) Liquid funds (A) + (B)	1,784	3,128	(1,344)
D) Financial receivables (*)	22,615	20,214	2,401
E) Short-term bank debt	(73,294)	(76,218)	2,924
F) Short-term portion of long-term debt	(6,437)	(6,347)	(90)
G) Other short-term financial debt	-	-	-
H) Total short-term financial debt (E) + (F) + (G)	(79,731)	(82,565)	2,834
I) (Indebtedness) Net short-term financial liquidity (C) + (D) + (H)	(55,332)	(59,223)	3,891
J) Medium/long-term bank debt	(103,219)	(106,378)	3,159
K) Bonds issued	-	-	-
L) Other long/medium-term debts	-	-	-
M) Long/medium-term financial indebtedness (J) + (K) + (L)	(103,219)	(106,378)	3,159
N) (Indebtedness) Net financial liquidity (I) + (M)	(158,551)	(165,601)	7,050

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

The financial position on 30 June 2007 showed total net indebtedness of €158.6m (€165.6m on 31 December 2006); if the discounted present value of the sums due to the Central Guarantee Fund were included, this figure would be €302.9m (€306.4m on 31 December 2006). The financial position on 30 June 2007 includes approximately of €3.5m State-guaranteed loans.

In spite of the continuing heavy investment in the motorway infrastructure (€4.8m) and the paying of the final dividend for 2006 (€4m), the net financial position has improved by about €7.1m, thanks to the healthy growth in cash flow from operations.

Autocamionale della Cisa SpA.



The Company manages the La Spezia – Parma stretch of motorway which, with the inclusion of the unfinished link between Parma and the Brenner Pass motorway (81 km), amounts to 182 kilometres; it is controlled by the Group, which owned 84.43% of the share capital on 30 June 2007.

The company's key income and expenditure figures can be summarised as follows:

<i>(€000s)</i>	First half 2007	First half 2006	Change
Motorway Sector revenues	38,269	36,694	1,575
Other revenues	3,371	3,408	(37)
Operating costs	(16,445)	(16,116)	(329)
Gross operating margin	25,195	23,986	1,209
Significant extraordinary items	259	-	259
Gross operating margin, "adjusted"	25,454	23,986	1,468
Amortization & other provisions, net of draw	(14,781)	(14,569)	(212)
Operating profit adjusted	10,673	9,417	1,256
Financial revenue	2,033	1,997	36
Financial charges	(3,094)	(2,424)	(670)
Value adjustments, financial assets	(294)	(88)	(206)
Net financial income	(1,355)	(515)	(840)
Profit before taxes	9,318	8,902	416
Income taxes	(3,654)	(3,335)	(319)
Profit for the period	5,664	5,567	97

Overall Motorway Sector revenues were up by €1.6m (+4.29%).

Net Toll Receipts came to €5.3m (€3.9m in the first six months of 2006); the 4.21% increase is due to two factors: the 0.88% rise in toll rates with effect from 15 March 2007 and the rise in paying traffic (+4%).

Overall operating costs were 2% higher at €16.4m than in the same period last year, mainly due to the higher concession payments to ANAS, which rose from 1% of toll receipts to 2.4% with effect from 1 January 2007.

As a result Gross Operating Margin was €5.2m, up by about 5% compared with the same period last year.

"Significant exceptional items" refers to the non-recurring adjustment to the actuarial value of the superannuation funds (or TFR), arising from the changes made by the Pensions Reform Act and its Implementing Orders.

"Amortization and other provisions, net of drawings" reflects the provisions of the Financial Plan attached to the current convention.

Net Financial Income was negative (a net charge of €1.3m) because of higher financial charges and a write-down of shareholdings.

The net result of all the above figures was a definitive profit for the period of €5.7m, in line with the figures for the same period last year.

CASH FLOW

The key cash flow figures for 30 June 2007 can be summarised as follows (with those for 31 December 2006 for comparison):

<i>(€000s)</i>	30/6/2007	31/12/2006	Change
A) Cash and near-cash	4,192	2,982	1,210
B) Securities held for trading	-	-	-
C) Liquid funds (A) + (B)	4,192	2,982	1,210
D) Financial receivables (*)	61,400	60,317	1,083
E) Short-term bank debt	(42,993)	(5,000)	(37,993)
F) Short-term portion of long-term debt	-	-	-
G) Other short-term financial debt	-	-	-
H) Total short-term financial debt (E) + (F) + (G)	(42,993)	(5,000)	(37,993)
I) (Indebtedness) Net short-term financial liquidity (C) + (D) + (H)	22,599	58,299	(35,700)
J) Medium/long-term bank debt	(99,879)	(130,107)	30,228
K) Bonds issued	-	-	-
L) Other long/medium-term debts	-	-	-
M) Long/medium-term financial indebtedness (J) + (K) + (L)	(99,879)	(130,107)	30,228
N) (Indebtedness) Net financial liquidity (I) + (M)	(77,280)	(71,808)	(5,472)

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

The financial position on 30 June 2007 showed total net indebtedness of €77.3m (€71.8m on 31 December 2006); if the discounted present value of the sums due to the Central Guarantee Fund were included this figure would be €74.7m (€67m on 31 December 2006).

The change in the net cash flow is mainly related to the continuing investment in motorway fabric which was greater by €7.5m in this half-year.

Autostrada Asti-Cuneo SpA.

This company is still awaiting completion of the process for official approval of the agreement with ANAS, and is therefore not fully operational yet.

The first six months of 2007 show a “profit” of €0.3m (€0.2m in the first six months of 2006), mainly due to operations with the cash proceeds from Members’ subscriptions of 25% of the share capital.

The financial position on 30 June 2007 showed a net positive balance of some €49.2m due to these receipts.

Autostrade Sud America – ASA Srl

Through the Chile-registered company Autopista do Pacifico S.A., ASA Srl controls Sociedad Concesionaria Costanera Norte S.A., which manages 43km of motorway in Santiago de Chile.

Autostrade Sud America – ASA Srl ended this half-year breaking roughly even. The consolidated figure, though, shows a profit of about €6.9m because of certain “non-recurring” receipts by the Chilean motorway operator Sociedad Concesionaria Costanera Norte S.A..

Technology Sector

SSAT SpA.

This company's business is the leasing of fibre optic cables and sites for transmission apparatus to mobile phone companies; in this half-year it completed a major contract for work on behalf of the CAV.TO.MI Consortium. The completion of this job meant that its turnover came to €9.9m and its gross operating margin to €3.5m (€1m in the first six months of 2006). The profit for the period, including the dividend received from its controlled subsidiary SINELEC SpA, was €4.6m (€2.5m in the first six months of 2006).

The net financial position on 30 June 2007 showed a positive balance of €1.8m, unchanged from 31 December 2006.

In this period the company paid the dividend for 2006 (about €3m).

SINELEC SpA.

The company's business is that of an operational subcontractor and supplier of integrated IT systems for motorway concession companies; in these six months it had a turnover of €14.6m (€14.3m in the first six months of 2006), and a gross operating margin of €2.7m (€2.9m in the first six months of 2006).

The profit for the period (boosted by the dividends from its controlled subsidiary Euroimpianti Electronic SpA) was €2m (€1.8m in the first six months of 2006).

The net financial position on 30 June 2007 showed a positive balance of €2.4m (€3.4m on 31 December 2006); the decrease in the period is essentially due to the payment of the dividend for 2006 (€2.7m).

EUROIMPIANTI ELECTRONIC SpA.

This company's business is the design, manufacture and installation of electrical, electronic and telephone equipment for companies working in the Motorway Sector; in this half it earned profits of some €0.7m (€0.6m in the first six months of 2006) on a turnover of about €1.1m.

The net financial position on 30 June 2007 showed a positive balance of €0.6m (€1.6m on 31 December 2006).

Construction Sector

ABC Costruzioni SpA.

The company's business is the construction and maintenance of motorway assets for SALT SpA, Autostrada dei Fiori SpA and Autocamionale della Cisa SpA; it made half-year profits of about €2.8m (€2.5m in the first six months of 2006) on a turnover of about €45m.

The net financial position on 30 June 2007 showed a positive balance of €5.5m (€4m on 31 December 2006).

Services Sector

Autostrade dei Parchi SpA.

In the course of the first six months of 2007 this company increased its share capital from €26.2m to €31.5m by means of issuing (at par) 10,500,000 new shares of nominal value €0.50 each. SALT SpA subscribed all its own quota of the increase and some unwanted quotas, raising its stake to 95.56% of the share capital.

In the first six months of 2007 the company earned a profit of €0.6m (€0.7m in the first six months of 2006), mainly due to the dividends received from its holding in Banca CaReGe SpA..

ANAS' appeal against the decision of the Arbitration Panel on 20 July 2005 (which awarded the company compensation of €23.5m from ANAS for the company's operation of motorways A24 and A25 for over two decades, on behalf of ANAS as commissioning authority) is to be heard on 25 September 2007.

SEGMENT INFORMATION: DETAILS OF GROUP PERFORMANCE BY BUSINESS AND BY GEOGRAPHICAL AREA

In accordance with CONSOB Notice No. 98084143 of 27 October 1998, it should be explained that, as already explained under "Group's Composition and Areas of Business" above, the Group's primary area of business is the operation of motorway networks under concession, and related activities: the Income Statement and Balance Sheet headings of its Consolidated Accounts are accordingly for the most part accounted for by this kind of activity.

As required under IAS 14 a breakdown of the Group figures by area of business is given in the Notes to the Accounts which accompany the Consolidated Accounts: see the special section entitled "Details by Sector".

Reporting by "geographical region" does not apply, since the business of the companies including in the scope of consolidation of the SIAS Group is essentially carried on within Italy.

SIGNIFICANT POST-BALANCE SHEET EVENTS

Apart from developments mentioned already in this report, there have been no significant events since 30 June 2007.

SHORT-TERM PROSPECTS

Implementation of the corporate reorganisation project concentrating the motorway concession companies within the SIAS Group will bring significant benefits in terms of size, improving its capacity to handle debt and, consequently, to allocate financial resources efficiently within the Group.

In particular, the Motorway Sector will see its own “critical mass” considerably increased, resulting – as early as second half of 2007 – in improvements in profitability; as to its financial performance, the rise in indebtedness due to the share acquisitions will be balanced by a significant improvement in cash flow connected with the extended scope of consolidation of the SIAS Group, which will give it the benefit of a sizeable boost to its cash flow from operations.

For the **Technology** and **Construction Sectors**, we expect the second half of 2007 to provide a further consolidation of the encouraging profitability figures for these first six months.

The positive expectations for the financial year’s final figures will of course be affected by developments in all the factors mentioned above.

Turin, 12 September 2007

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Dr. Bruno Binasco, Chairman

for the Board of Directors

Consolidated Interim Accounts

Balance Sheet

30 June 2006	(€000s)	30 June 2007	31 December 2006
Assets			
Fixed assets			
39,921	1. Intangible assets (note 1)	39,774	39,922
39,921	Total intangible assets	39,774	39,922
2. Tangible fixed assets (note 2)			
1,133,707	a. non-compensated reversionary assets in service	1,109,096	1,153,015
286,190	b. non-compensated reversionary assets under construction	316,213	271,494
40,982	c. buildings, plant, machinery and other goods	41,397	41,646
2,894	d. assets held on finance leases	2,870	3,292
1,463,773	Total tangible fixed assets	1,469,576	1,469,447
3. Financial fixed assets (note 3)			
a. shareholdings valued by the Shareholders' Equity			
45,663	method	57,402	48,867
252,035	b. shareholdings not consolidated	287,543	285,717
31,331	c. long-term credits	31,300	32,431
131,085	d. other	82,620	154,193
460,114	Total financial fixed assets	458,865	521,208
4,478	4. Deferred tax assets (note 4)	3,246	3,402
1,968,286	Total fixed assets	1,971,461	2,033,979
Current assets			
38,659	5. Stocks (note 5)	30,294	28,611
17,213	6. Trade receivables (note 6)	24,361	31,954
12,109	7. Current tax assets (note 7)	6,090	13,907
125,530	8. Other receivables (note 8)	124,501	104,781
-	9. Assets held for trading	-	-
-	10. Assets available for sale (note 9)	-	-
94,057	11. Financial receivables	-	-
287,568	Total current assets	185,246	179,253
164,233	12. Cash at bank and in hand and cash equivalents (note 10)	616,417	240,575
451,801	Total current assets	801,663	419,828
2,420,087	Total assets	2,773,124	2,453,807
Shareholders' Equity and liabilities			
Shareholders' Equity (Capital and Reserves) (note 11)			
1. Shareholders' Equity, Group's share			
63,750	a. share capital	63,750	63,750
635,576	b. reserves and profits brought forward	682,433	670,045
699,326	Total	746,183	733,795
204,999	2. Capital and reserves, minority interests	211,729	204,349
904,325	Total Shareholders' Equity	957,912	938,144
Liabilities			
Long-term liabilities			
3. Provision for risks and charges and Superannuation			
118,985	Benefit (TRF) (note 12)	112,458	117,512
-	4. Trade payables	-	-
406,419	5. Other debts (note 13)	372,769	377,377
445,200	6. Bank debt (note 14)	400,280	417,013
284,799	7. Other financial debts (note 15)	288,297	286,626
26,754	8. Deferred tax liabilities (note 16)	26,970	29,741
1,282,157	Total long-term liabilities	1,200,774	1,228,269
Current liabilities			
82,856	9. Trade payables (note 17)	73,975	82,674
67,528	10. Other debts (note 18)	75,955	72,173
62,847	11. Bank debt (note 19)	447,855	117,721
4,950	12. Other financial debts (note 20)	5,039	9,601
15,424	13. Current tax liabilities (note 21)	11,614	5,225
233,605	Total current liabilities	614,438	287,394
1,515,762	Total liabilities	1,815,212	1,515,663
2,420,087	Total Shareholders' Equity and liabilities	2,773,124	2,453,807

Income Statement ⁽¹⁾

Full Year 2006	(€000s)	First half 2007	First half 2006
Revenues (note 22)			
379,186	1. from the Motorway Sector (note 22.1)	185,440	179,765
6,150	2. from the Construction Sector (note 22.2)	5,324	1,638
35,823	3. from the Technology Sector (note 22.3)	23,655	15,704
26,414	4. other revenues (note 22.4)	12,677	13,146
447,573	Total Revenues	227,096	210,253
(75,359)	6. Staff costs (note 23)	(40,539)	(39,080)
-	6.1 Significant extraordinaries (note 23.1)	1,963	-
(105,100)	7. Costs of services bought in (note 24)	(56,610)	(54,597)
(47,113)	8. Raw material costs (note 25)	(24,478)	(22,491)
(15,859)	9. Other costs (note 26)	(10,258)	(8,303)
71,866	10. Capitalised Costs on Fixed Assets (note 27)	35,882	39,866
(106,851)	11. Amortization and impairments (note 28)	(60,238)	(53,165)
	12. Provisions to the fund for restoration/replacement of non-compensated reversionary assets (note 29)	2,088	579
1,188			
(155)	13. Other provisions for risks and charges (note 30)	(77)	(77)
	14. Financial revenue: (note 31)		
14,410	a. from non-consolidated shareholdings	4,467	7,776
15,407	b. other financial income	8,204	6,507
	15. Financial charges: (note 31)		
(40,094)	a. interest paid	(21,704)	(18,726)
(2,553)	b. other financial charges	(937)	(1,848)
	16. Net dividends received from companies valued by the Shareholders' Equity method (note 32)	3,052	44
5,729			
163,089	Profit (loss) before taxes	67,911	66,738
	17. Taxes (note 33)		
(58,436)	a. Current taxes	(26,170)	(25,931)
(2,393)	b. Deferred taxes	351	(786)
102,260	Profit (loss) for the period	42,092	40,021
26,457	• minority interests' share	10,552	11,259
75,803	• Group's share	31,540	28,762
Profit per share (note 34)			
0.595	Profit (euros per share)	0.247	0.226
0.527	"Diluted" profit per share (euros per share)	0.224	0.206

⁽¹⁾ The Group has opted for a classification based on the "nature" of the items (Income Statement "by kind.

Cash flow Statement

Full Year 2006	(€000s)	First half 2007	First half 2006
233,164	Opening cash at bank and in hand and cash equivalent (a)	240,575	233,164
	Operational activities:		
102,260	Profit (loss)	42,092	40,021
	Adjustments		
106,851	Amortization	60,238	53,165
(1,188)	Net provision (drawings), fund for restoration/replacement of non-compensated reversionary assets	(2,088)	(579)
1,039	Net provision (drawings), superannuation fund (TFR)	(1,045)	2,250
155	Provision for risks	77	77
(5,729)	Dividends from companies valued by the Shareholders' Equity method	(3,052)	(44)
1,523	Impairments (revaluations) of financial assets	191	1,162
2,998	Net change in deferred tax assets and liabilities	(2,916)	721
(16,077)	Change in net circulating capital (note 35.1)	(4,521)	(13,854)
(2,604)	Other changes generated by operational activities (note 35.2)	(1,998)	(2,873)
189,228	Liquidity generated (absorbed) by operational activities (b)	86,978	80,046
	Investment activities:		
(6,882)	Investments in buildings, plant, machinery and other goods	(1,862)	(3,387)
(117,883)	Investments in reversionary assets	(58,115)	(62,969)
(1,126)	Investments in intangible assets	(429)	(418)
(170,213)	Investments in financial fixed assets	(26,190)	(107,362)
824	Net divestment: buildings, plant, machinery and other goods	187	661
20	Net divestment: reversionary assets	-	-
-	Net divestment: intangible assets	-	11
70,972	Net divestment: financial fixed assets	18,281	55,983
(224,288)	Liquidity generated (absorbed) by investment activities (c)	(68,128)	(117,481)
	Financial assets:		
72,954	Net change in medium/long-term financial debts	313,401	46,267
49,999	Changes in current financial assets	73,662	(44,058)
(9,404)	Changes in other financial debt (including the Central Guarantee Fund)	(7,499)	2,831
20,673	Changes in Shareholders' Equity, minority interests	-	19,787
-	Changes in Shareholders' Equity, Group's share	-	-
(44,625)	Dividends (including interim dividends) distributed by the Holding Company	(19,125)	(25,500)
(47,126)	Dividends (including interim dividends) distributed to minority interests by fully-consolidated subsidiaries	(3,447)	(30,823)
42,471	Liquidity generated (absorbed) by financial activities (d)	356,992	(31,496)
240,575	Closing cash at bank and in hand and cash equivalent (a+b+c+d)	616,417	164,233

Supplementary information:

76,152	Taxes paid during this financial period	20,027	29,486
23,575	Financial charges paid during this financial period	20,435	14,161

- For the Group's Net Cash Flow, please refer to the relevant paragraph of the Report

Schedule of Changes in Shareholders' Equity

€000s	Share capital	Reserves and profits brought forward	Shareholders' Equity, Group's share	Capital and reserves, minority interests	Total Shareholders' Equity
31 December 2005	63,750	631,076	694,826	204,345	899,171
2005 final dividend distribution (€0.20 per share)		(25,500)	(25,500)	(40,232)	(65,732)
2006 interim dividend distribution (€0.15 per share)		(19,125)	(19,125)	(6,894)	(26,019)
Adjustment of financial assets to Fair Value		10,494	10,494	1,355	11,849
Net provisions (drawings), fund for exchange gains and losses		(2,703)	(2,703)	-	(2,703)
Other changes (changes to scope of consolidation; buying shares from minority interests)		-	-	19,318 ⁽¹⁾	19,318
Profit for the period		75,803	75,803	26,457	102,260
31 December 2006	63,750	670,045	733,795	204,349	938,144
2007 final dividend distribution (€0.15 per share)		(19,125)	(19,125)	(3,447)	(22,572)
Adjustment of financial assets to Fair Value		708	708	275	983
Net provisions (drawings), fund for exchange gains and losses		(735)	(735)	-	(735)
Profit for the period		31,540	31,540	10,552	42,092
30 June 2007	63,750	682,433	746,183	211,729	957,912

(1) This mainly consists of the subscription by the Minority Interests of their portion of the share capital of Autostrada Asti-Cuneo SpA

The composition of the item "Reserves and profits carried forward" is as follows:

€000s	Issue premium reserve	Revaluation reserves	Statutory reserves	Fair Valuation reserves	Capital reserve	Profits carried forward	Reserve for exchange gains and losses	Profits (losses) brought forward	Profit (loss) for the period	Total
31 December 2005	178,619	5,434	5,650	76,716	34,590	38,892	-	183,517	107,658	631,076
Allocation of profit(loss) for 2005			7,100			49,688		25,370	(82,158)	-
2005 final dividend distribution (€0.20 per share)									(25,500)	(25,500)
2006 interim dividend distribution (€0.15 per share)									(19,125)	(19,125)
Adjustment of financial assets to Fair Value				10,494						10,494
Net provisions (drawings), fund for exchange gains and losses							(2,703)			(2,703)
Profit for the period									75,803	75,803
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 profit(loss) for 2006								37,553	(37,553)	-
2006 final dividend distribution (€0.15 per share)									(19,125)	(19,125)
Adjustment of financial assets to Fair Value				708						708
Net provisions (drawings), fund for exchange gains and losses							(735)			(735)
Profit for the period									31,540	31,540
30 June 2007	178,619	5,434	12,750	87,918	34,590	88,580	(3,438)	246,440	31,540	682,433

Schedule of reconciliation between SIAS SpA Shareholders' Equity and Profit for the Period and the corresponding figures for the SIAS Group

<i>(€m)</i>	Shareholders' Equity	Profit
SIAS SpA on 30 June 2007	543.1	1.4
Shareholders' Equity and profits of consolidated companies	1,022.7 ^(*)	31.6
Book values of consolidated companies	(819.7) ^(*)	-
Reclassification of dividends received from controlled subsidiaries and minority holdings	-	(1.5)
SIAS Group on 30 June 2007	746.1	31.5

<i>(€m)</i>	Shareholders' Equity	Profit
SIAS SpA on 31 December 2006	559.9	174.4
Shareholders' Equity and profits of consolidated companies	643.6	76.8
Book values of consolidated companies	(469.7)	-
Reclassification of dividends received from controlled subsidiaries and minority holdings	-	(175.4)
SIAS Group on 31 December 2006	733.8	75.8

^(*) Both the "Shareholders' Equity and profits of consolidated companies" and the "Book values of consolidated companies" are €350m higher this half-year, following the formation of HPVdA SpA

Principles of consolidation

Valuation criteria

Notes to the Accounts

Principles of consolidation and valuation criteria

Principles and consolidation procedures

In addition to the Half-year Accounts of the holding company Società Iniziative Autostradali e Servizi per Azioni, the Consolidated Accounts of the SIAS Group cover the accounts of companies subject to its control. “Control” applies where the Group directly or indirectly owns over 50% of the voting stock, or has the power to determine the company’s financial and operating policies. Controlled subsidiaries’ accounts are included in the Consolidated Accounts from the date when the parent company takes control until the date when such control ceases.

Companies over whose financial and operating policies the parent company exercises “considerable influence” have been consolidated and valued with the Shareholders’ Equity method.

It should also be pointed out that the controlled subsidiaries Retes scarl and Fiori Real Estate Srl have been valued with the Shareholders’ Equity method in view of their small size. Full consolidation of these companies would not have had any significant effect on the Consolidated Accounts of the Group.

The section below entitled “Scope of consolidation” gives details of all consolidated shareholdings and their changes.

* * *

Full consolidation

Briefly, consolidation with the “full” (or “line by line”) method consists of including all the assets and liabilities, costs and revenues of the companies consolidated, regardless of the stake held by non-Group shareholders (the “minority interests”), but then making separate provision for those interests under a special heading within the Capital and Reserves for their share, known as “Capital and reserves, minority interests”, and likewise providing in the Income Statement for their share of the profits.

The main adjustments that have been made on consolidation are as follows:

1. Shareholdings in firms included in the scope of consolidation have been eliminated, and the corresponding fractions of their Shareholders’ Equity removed, while the individual items of their Balance Sheet assets and liabilities have been incorporated, line by line, at their value on the date when control was first acquired; any residual difference, if positive, has been entered under Assets as “Goodwill” (provided the conditions for this are met); if negative the difference is charged to the Income Statement.

Any amount paid in excess of the corresponding fraction of Shareholders’ Equity, arising from acquisition of further shares in controlled subsidiaries, is allocated to Goodwill.

2. Sums owed by one firm within the consolidation to another, and also revenues and charges appearing in their accounts for transactions with each other, are eliminated, as are any non-trivial gains and losses arising from any operation between such firms and relating Balance Sheet or Income Statement items.

In the case of capitalised work done in-house on non-compensated reversionary assets, margins generated within the Group have not been eliminated because wherever such margins have been of

any importance the contracts on which they were earned have been awarded at arm's length and at market prices following public tender.

3. Dividends received from consolidated companies have been eliminated.

Valuation of shareholdings under the Shareholders' Equity method

The shareholding is initially entered at cost, and the book value is increased or diminished as a function of the holding company's share of all profits and/or losses made by the subsidiary after the date of acquisition. Any amounts of goodwill included in the shareholding's value are subjected to an "impairment test". The holding company's proportion of the subsidiary's profit or loss for each period is included in the holding company's Income Statement for that period; but any excess of the subsidiary's losses beyond the shareholding's book value is not recognized, since the Group is not liable to account for it. The book value of shareholdings in these subsidiaries falls when the shares go "ex-dividend".

Valuation criteria

Intangible assets

Goodwill

This intangible asset is not amortized, but instead the prospect of recovering the book value is checked in an "impairment test" at least once a year, or on any occurrence giving grounds to suspect a loss of value. This test applies to every single "cash generating unit" of any significance to which an element of goodwill has been assigned and from which the company management looks for a return. Impairments, once booked, are not reversed.

Other intangible assets

Other intangible assets are entered at cost and systematically amortized on the basis of the period over which the asset is expected to be used by the firm.

Costs of development activities are capitalised if intended to produce products (or processes) that the Group can put to operational or commercial use, and where the Group has sufficient resources to complete the activity in question itself. These intangible assets are amortized over a period of not more than five years.

Whenever an event occurs which gives grounds for presuming a reduction in an intangible asset's value, the difference between its book value and its "recoverable value" is charged to the Income Statement.

Costs of research activities are shown in the Income Statement for the period in which the expense was incurred.

Tangible fixed assets

These goods are entered at the cost of purchase or production, including directly-attributable ancillary costs and any financial charges which must be paid if the asset is to be available for use. The book value

of some tangible assets include, as provided for in IFRS 1, the revaluations made on the basis of specific provisions of the law prior to the changeover to IFRS, on the grounds that these revaluations can, taken all together, be held to be part of the asset's fair value.

The amortization quotas used for systematically distributing tangible assets' amortizable values over their useful lifetimes are as follows:

<u>Category</u>	<u>Quota</u>
Land	not amortised
Non-industrial and industrial buildings	3% - 4%
Plant, machinery and motor vehicles	4% - 5% - 8% - 10% - 20%
Technical equipment	12% - 15% - 25%
Light equipment and constructions	10% - 12% - 25%
Cars and other motor vehicles	20% - 25%
Furniture and fittings, office machinery	12% - 20%

Non-Compensated Reversionary Assets have been entered in accordance with Italian accounting practice, since this is compatible with IAS/IFRS. It should be pointed out here that the information required by Standing Interpretations Committee No. 29 (SIC 29 Supplementary Disclosure – Service Concession Arrangements) has been provided.

Non-Compensated Reversionary Assets are systematically amortized on the basis of the duration of the relevant concession, in accordance with the provisions of the Financial Plans annexed to the agreements with the public concession authority, as those plans stand at the Balance Sheet date. It should be noted that in determining the amortization of the reversionary assets of SALT SpA and Autocamionale della Cisa SpA, the provisions of Art. 25 of the current agreement have been taken into account: this Article provides that in the case of “new works” (as identified in its subpara. 2) a retiring concession operator is entitled to compensation from an incoming one for the portion of such works that has been carried out and not yet amortized at the end of the concession (known as the “terminal value”).

In the case of non-compensated reversionary assets, the accumulated amortization and the provision for restoration or replacement costs together ensure adequate cover for the following charges:

- uncompensated restoration to the State upon expiry of the concession of all reversionary assets whose useful lifetime is longer than that concession's duration;
- restoration and replacement of all components of reversionary assets liable to wear and tear;
- recovery of sums invested, including investment in new works provided for in the Financial Plans.

Whenever an event occurs which gives grounds for suspecting that a tangible asset has fallen in value, the difference between its book value and its recoverable value is charged to the Income Statement.

The costs involved in the ordinary maintenance of tangible assets are shown in the Income Statement for the period in which they are incurred.

Leased assets

Finance leases

Assets acquired through a finance lease are entered as Balance Sheet assets at their fair value or, if lower, the present value of any remaining lease instalments required for their purchase discounted at the rate of interest implied in the lease; as a counter-entry the amount of the debt to the lessor is included among the

liabilities. Any direct costs incurred on the lease contract (e.g. costs of negotiating and completing the finance lease transaction) are included in the asset's initial book value. Leased assets are systematically amortized at the same rate as that used for goods of the same type. If there is no reasonable certainty that the asset will be purchased at the end of the lease then it is fully amortized over the duration of the lease or its useful lifetime, whichever is shorter.

Lease instalments are divided into capital repaid and financial charges recognized in the Income Statement for the period in which they accrue.

Operating leases

Instalments paid on operating leases are entered in the Income Statement as equal amounts over the whole duration of the underlying lease.

Stocks

Raw materials, parts, consumables, semi-finished goods, finished products and goods

These are valued at the lower of their cost – determined by the Mean Weighted Cost method – and their Net Realizable Value.

Work in progress on orders received

These are valued on the basis of the payments agreed, in accordance with the state of progress of their construction or manufacture on the Balance Sheet date under the Percentage of Completion method. Advances paid by commissioning parties are subtracted from the value of stocks or work in progress, up to the limit of the fees actually accrued; any excess is entered as a liability. Known losses to Completion, if any, are charged to the Income Statement.

Claims for additional fees arising from alterations to contractually-agreed works, and other claims arising, for instance, from costs increased by the commissioning party's actions, are entered in the Financial Statement as part of total fees to the extent that they are likely to be admitted.

Financial assets held for trading

These are entered at fair value on the transaction date; gains or losses arising from any subsequent changes in the fair value are entered in the Income Statement. Where the fair value cannot be reliably determined, the financial assets is valued at cost, adjusted on any impairment.

The original value is restored in later financial periods if and when the reason for the impairment ceases to apply.

Financial assets held to maturity

These are booked, when acquired, on the basis of the cost incurred (inclusive of purchasing expenses). They are subsequently valued at amortized cost using the “real interest” criterion, any impairment being charged to the Income Statement.

The original value is restored in later financial periods if and when the reason for the impairment ceases to apply.

Loans and receivables

These are initially recognized at their fair value (inclusive of costs of purchase or issue) on the transaction date. They are subsequently valued at amortized cost using the “real interest” criterion, any impairment being charged to the Income Statement.

The original value is restored in later financial periods if and when the reason for the impairment ceases to apply.

Financial assets available for sale

These are entered at fair value on the transaction date; gains or losses arising from any subsequent changes in their fair value are entered with a corresponding counter-entry in Shareholders’ Equity until the asset is disposed of and the real gain booked accordingly to the Income Statement.

Where the fair value cannot be reliably determined, financial assets are valued at cost, adjusted where there are grounds for an impairment.

Cash at bank and in hand and cash equivalents

Cash at bank and in hand comprises ready money including cheques, and bank account credit balances payable on demand. “Cash equivalent” consists of short term financial assets (three months or less remaining to maturity on the date of purchase) that are readily convertible into cash and carry a negligible risk of any change in their value.

These items are entered at their fair value; gains or losses arising from any changes in the fair value are entered in the Income Statement.

Loans and other debts

These are stated, at the time the obligation is incurred, net of any attributable expenses. They are subsequently valued at amortized cost using the “real interest” criterion.

So far as the *convertible bond* is concerned, being a composite financial instrument it was split into “components” when first entered in the accounts, in accordance with IAS 32:

a *Liability Component*, equal to the present value of the financial outflows (interest and redemption) on the bond, discounted at the market rate of interest (or cost of 12-year loan capital to the company issuing the bond; this rate was regarded as representative of the return on fixed-yield securities in the absence of any conversion option).

- an *Equity Component*, equal to the difference between the present value of the financial outflows determined as above and the cash proceeds from issuing the bond, net of the corresponding deferred tax effect.

The financial costs – calculated on the Liability Component – are charged to the Income Statement on the basis of the market rate of interest as described above, again taking the corresponding deferred tax effect into consideration.

Sums due to ANAS and the Central Guarantee Fund

These debts refer to action taken by these organizations in the past on behalf of the concession operators SALT SpA, Autostrada dei Fiori SpA and Autocamionale della Cisa SpA for the settlement of certain loan repayments and trade payables. The Financial Plans annexed to the various concession agreements provided, in order to preserve the economic and financial balance of those agreements, for these debts to be repaid, interest-free, over the lifetime of the concessions.

The present value of these debts has accordingly been determined on the basis of a specific discount rate for each concession operator, determined, as IAS 39 requires, by reference to other financial instruments with substantially the same terms and characteristics. The difference between the original amount of the debt and its present value has been entered in Liabilities under “Deferred Income”.

The cost determined by the discounting process has been booked as a financial charge in the Income Statement; at the same time the amount entered last year under “Deferred Income” now appears in the Income Statement under “Other Revenues”.

Provision for risks and charges

Provision for risks and charges concerns costs and charges whose nature is known and whose existence is certain or likely, but whose amount or date of payment is uncertain as of the closing date of the period to which the Financial Statement refers. Such provisions are made when: (i) it is likely that a present obligation arising from a past event exists or is implied in law; and (ii) it is likely that its performance will have a cost; and (iii) its total cost can be estimated reliably.

The provisions made represent the best estimate of the total amount that will be needed to discharge the obligation or transfer it to another party, as of the closing date of the period to which the Financial Statement refers. Where the financial effect of the timing is significant and the date(s) on which payment will be required can be reliably estimated, the provisions are discounted appropriately.

Fund for restoration or replacement of non-compensated reversionary assets

Provision for restoration or replacement of non-compensated reversionary assets is made in accordance with the contractual obligations under the Financial Plans annexed to concession agreements currently in force; they cover the amounts needed, as of the reporting date, to ensure that the motorway fabric is maintained in the next financial period and thereafter as necessary to ensure its proper functioning, safety and security.

The Notes to the Accounts give further details of any potential liabilities represented by: (i) possible but unlikely obligations arising from past events, which would only become real liabilities on the occurrence or non-occurrence of one or more future events which are at present uncertain and not entirely under the control of Group companies; (ii) present obligations arising from past events, whose cost to the firm either cannot be reliably estimated or which are unlikely to involve a cost.

Staff benefits (Superannuation Benefit - TRF)

The liability relating to the Superannuation Benefit Fund (a “defined-benefits” scheme) is determined on the basis of actuarial assumptions and entered under the accruals principle in accordance with the period of employment needed to obtain the benefits; the liabilities are valued with the help of an independent actuary.

Actuarial gains and losses on these schemes, arising from changes in the actuarial assumptions used or in the scheme rules, are shown in the Income Statement.

Revenues

Revenues are recognized – on the basis of the accruals principle – as soon as it is probable that the Group will actually gain the future economic benefits and their value can be reliably determined; details are given below.

Toll receipts

These are entered on the basis of the corresponding journeys and are shown net of the State royalties provided for by Art. 15 of Law No. 531 of 12 August 1982 as amended by Art. 11(ii) of Law No. 407 of 29 December 1990.

Lease income and royalties

Lease income and royalties are valued on the basis of the rents and royalties payable under the various leases and contracts signed.

Revenues from sales

Revenues from the sale of products are entered when the risks are transferred to the purchaser, which is generally the time of dispatch/delivery.

Revenues for services rendered

Revenues for services rendered are entered on the basis of the accrued amount of fees, &c.

Revenues for design and construction work

Revenues accrued in the period relating to work in progress on orders received are entered on the basis of the progress payments agreed in accordance with the Percentage of Completion method.

Dividends

Dividends paid by companies outside the scope of consolidation are booked as soon as entitlement to the payment is established on the basis of the dividend distribution resolution taken by the company’s AGM.

Any interim dividend is booked as soon as the company's Board of Directors has decided on its distribution.

Subsidies

Subsidies are included in the accounts once it is reasonably certain that they will be received and that all their conditions will be met. Capital subsidies are entered in the Balance Sheet as an adjustment to the book values of the assets to which they refer. Operating subsidies are entered as revenue, distributed systematically over the various financial periods in which they mitigate the corresponding cost items.

Financial charges

Financial charges are entered as costs in the period during which they are incurred, with the exception of those which are directly due to the construction of non-compensated reversionary or other assets, in which case such costs are capitalised as an integral part of the cost of production. The start point for the capitalisation of these financial costs is the start of the activities involved in preparing the asset for use, and its end point is when these activities are essentially completed.

Income taxes

Current and deferred taxes are entered in the Income Statement if not related to transactions directly recognized or to be recognized in the Shareholders' Equity.

Corporate income taxes are entered on the basis of an estimate of the taxable income for the period, in accordance with the regulations in force at the time.

"Deferred tax liabilities" and "Credits for taxes paid in advance" are calculated – in accordance with IAS 12 – on the temporary differences between the fiscal value of an asset or liability and its Balance Sheet value, where it is probable that the difference will reverse in the foreseeable future. The amount of the "deferred tax liabilities", or of the "Credits for taxes paid in advance" is determined on the basis of the tax rates which – according to the tax regulations in force on the accounting entry reference date – will apply at the time when the tax asset will be realised or the tax liability will be due.

Deferred tax assets are only recognized if likely to be recovered.

Credits for taxes paid in advance are offset against liabilities for deferred taxes where this is allowed by law.

The tax effects arising from adjustments made to consolidated firms' Accounts when applying the Group's standard valuation criteria have also been taken into account.

Derivatives

Derivatives (both assets and liabilities) are recognized at fair value.

They are classified as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the effectiveness of hedging (checked periodically) is high. Hedging derivatives whose purpose is to provide a "Fair Value hedge", for instance against changes in the fair value of fixed-rate assets/liabilities, are carried at fair value and their effects entered in the Income Statement; the values of the hedged instruments are accordingly adjusted to reflect changes in the fair

value associated with the risk covered. In the case of derivatives used as “cash flow hedges”, for instance against changes in cash yields from variable-rate assets/liabilities, changes in the fair value of these derivatives are initially recognized in Shareholders’ Equity and subsequently charged to the Income Statement in accordance with the hedge’s income effects. Changes in the fair value of derivatives which do not qualify as hedges are entered in the Income Statement.

Estimates and valuations

The drafting of the present Consolidated Interim Report & Accounts and the Notes to the Accounts has required the making of estimates and assumptions affecting the stated values of the assets and liabilities and the details of potential assets and liabilities as of the reporting date. The definitive figures may be different from these estimates. Items for which estimates are used include the Fair Valuation of the assets available for sale, and also the figures for amortization, asset impairments, and provisions for risks. These estimates and assumptions are periodically revised and the effects of any changes entered in the Income Statement.

Certain valuation processes, especially the more complicated ones such as the determination of any impairments in losses of value of fixed assets, are generally carried out in full only on the occasion of drawing up the full-year Financial Statement, when all the necessary information is available. Nevertheless, where there is reason to suspect potential losses of value an impairment test is carried out, and any such loss of value reflected in the individual book values.

So far as the valuation of the motorway concession operators is concerned, the impairment tests are based on the Financial Plans approved by the commissioning authority or submitted for its approval.

The valuation criteria described above have been applied in a consistent and coherent manner in the drafting of the present Consolidated Interim Report & Accounts.

As provided for in Art. 5(ii) of Legislative Order No. 38 of 28 February 2005 and in accordance with para. 46 of IAS 1, it should be explained that the present Consolidated Interim Report has been drawn up in euros, and the figures in tables are expressed in thousands of euros. For the SIAS Group the euro is the “operating currency” and also the reporting currency.

Notes to the Accounts - Scope of consolidation

A list of the controlled subsidiaries included in the scope of consolidation is given below.

Holding company

Company name	Registered Office
SIAS SpA.	22, Via Bonzanigo, Turin

Controlled subsidiaries – fully consolidated

Company name	Registered Office	Share capital	Group stake%	direct stake%
Holding Piemonte e Valle d'Aosta S.p.A.	Torino – 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	
Euroimpianti Electronic S.p.A.	Tortona (AL) – Via Balustra 15	120,000	100.000	
Cisa Engineering S.p.A.	Ponte Taro (PR) – Via Camboara 26/A	1,000,000	100.000	
Infosistem S.p.A.	Tortona (AL) – S.S. 211 Loc. San Guglielmo 3/13	1,500,000	100.000	
SINELEC S.p.A.	Tortona (AL) – S.S. 211 Loc. San Guglielmo 3/13	1,500,000	96.167	
Autostrade dei Parchi S.p.A.	Tortona (AL) – S.S. 211 Loc. San Guglielmo 3/13	31,500,000	95.559	
L.A.S. s.c.a r.l.	Tortona (AL) – Regione Ratto	10,000	90.000	
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	84.428	84.357
Autostrada dei Fiori S.p.A.	Savona – Via Don Minzoni 7	40,000,000	60.768	
Autostrada Asti-Cuneo S.p.A.	Roma – Via XX settembre 98/E	200,000,000	60.000	
SSAT S.p.A.	Torino – Via Piffetti 15	7,200,000	56.000	49.000
Tibre s.c.a r.l.	Ponte Taro (PR) – Via Camboara 26/A	10,000	55.000	

List of the shareholdings in controlled subsidiaries and part-owned subsidiaries valued by the Shareholders'

Equity method

Company name	Registered Office	Share capital	Group stake%	direct stake%
Fiori Real Estate s.r.l.	Imperia - Piazza della Repubblica 46A	110,000	100.000	
RITES S.c.a r.l.	Tortona-Località Passalacqua S.S. 211 KM. 13	10,000	86.660	
CON.SI.L.FER.	Roma-Via Indonesia 100	5,164	50.000	
CO.LA.CI S.c.a r.l.	Parma-Via A.M. Adorni 1	10,200	45.715	
Autostrade Sud America s.r.l.	Milano – Piazzetta Maurilio Bossi 1	100,000,000	45.000	45.000
MALPENSA 92 S.c.a r.l. (in liquidation)	Tortona (AL)- Regione Ratto	10,000	40.000	
MICROLUX s.r.l.	Tortona (AL) – Via Balustra 15	10,400	40.000	
Fondo Valle S.c.a r.l. (in liquidation)	Tortona (AL)-Strada privata Ansaldi 8	10,000	39.330	
OMT S.p.A.	Tortona (AL) - S.P. Pozzolo Formigaro 3/5	1,120.00	35.714	
SISTEMI E SERVIZI S.c.a r.l.	Tortona (AL) S.S.211 Loc. San Guglielmo 3/13	100,000	35.000	14.000
S.A.C. S.r.l. Consortile (in liquidation)	Carini (PA)-S.S. 113 Zona Industriale	10,200	35.000	
FIMPRES s.r.l.	Tortona (AL) - Località Passalacqua	10,400	32.846	
S.A.C.S. S.r.l. Consortile (in liquidation)	Licata (AG)-Via Bengasi 26	10,200	25.000	
Autostrada Estense S.c.p.A.	Carpi (MO) – Via Carlo Pisacane 2	1,000,000	22.500	
BEINASCO S.c.a r.l.	Torino-Corso Francia 22	20,000	20.000	

List of shareholdings not consolidated and available for sale

Company name	Registered Office	Share capital	Group stake%	direct stake%
FIUMICINO PISTA 3 S.c.a r.l.	Roma-L.go Lido Duranti 1/a	10,200	19.990	
ASTA S.p.A.	Torino - C.so Matteotti 57	2,000,000	15.000	
MILANO SERRAVALLE - MILANO TANGENZIALI S.P.A.	Assago Milanofiori(MD)-Strada 3 Palazzo B/4	93,600,000	12.539	9.655
EURETE S.c.a.r.l.	Genova-Via Cairoli 11/3c	65,239	12.290	
Consorzio Autostrade Italiane Energia	Roma-Via A. Bergamini 50	86,848	11.262	
SINECO S.p.A.	Milano-Via F.Casati 1/A	500,000	10.000	
SO.GE.A.P. S.p.A.	Fontana (PR)-Via dell'Aeroporto n. 44/a	9,587,864	10.000	
Confederazione Autostrade S.p.A.	Verona- Via Flavio Gioia, 71	6,000,000	8.333	
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	
AUTOSTRADA TIRRENICA S.p.A.	Roma-Via Bergamini 50	24,460,200	5.579	
Compagnia Italiana Energia - C.I.E. S.p.A.	Torino-Via Bellardi n. 21 bis	13,040,000	3.842	3.842
COMPUTRON ENGINEERING S.r.l.	Piano di Sorrento (NA)	100,000	3.000	
Agognate S.c.a r.l.	Tortona (AL) – Strada privata Ansaldo 8	10,000	1.000	
Biandrate s.c.a r.l.	Tortona (AL) – Strada privata Ansaldo 8	10,000	1.000	
Interporto Toscano A. Vespucci S.p.A.	Livorno - L.go Strozzi 1	11,756,695	0.659	
BANCA CA.RI.GE S.p.A.	Genova- Via Cassa di Risparmio 15	1,374,212,033	0.630	
ALERION INDUSTRIES S.p.A.	Milano- Via Durini n. 16/18	148,041,689.75	0.622	0.622
SINA S.p.A.	Milano- Via F. Casati n. 1/A	2,028,125	0.500	0.500
Assicurazioni Generali S.p.A.	Trieste – Piazza Duca degli Abruzzi 2	1,406,113,907	0.235	0.235
C.e.P.I.M. S.p.A.	Fontevivo (PR)- Piazza Europa, 1	6,643,000	0.211	
FNM S.p.A.	Milano – P.le Cadorna 14	107,690,160	0.182	0.182
ASSOSERVIZI INDUSTRIE S.r.l.	Carrara (MS)-Viale XX Settembre 118	443,700	0.055	
C.A.A.F. IND. E.C. S.p.A.	Bologna- Via Massarenti n. 190	375,200	0.014	
Autopista do Pacifico S.A.	Santiago del Chile	65,000,000,000 (*)	0.002	0.002

(*) Value in Chilean pesos (CLP)..

Changes of the scope of consolidation

So far as **changes** in the **scope of consolidation** are concerned, it should be noted that following the formation of Holding Piemonte and Valle d'Aosta - **HPVdA SpA** on 22 June 2007), this company's Income Statement and Balance Sheet figures have been consolidated, with effect from the present half-year accounts.

Notes to the Accounts - Details by sector

The business of the SIAS Group is almost entirely conducted within the territory of the Italian republic; in accordance with IAS 14, therefore, details are given by sector.

Sectors

The Group's activity is divided into four main sectors:

- a. Motorway Sector
- b. Technology Sector
- c. Construction and Engineering Sector
- d. Services Sector

Details of the assets, liabilities, revenues and expenses of each sector are given in the table below. Transactions between sectors have been stripped out and entered in the separate column headed "Eliminated".

	Sector								Eliminated		Consolidated	
	Motorway Operation		Technological		Construction and Engineering		Services		2007	2006	2007	2006
	2007	2006	2007	2006	2007	2006	2007	2006				
Revenue from outside sector:												
Motorway Operation (tolls)	176,975	171,617									176,975	171,617
Other motorway revenue	8,465	8,148									8,465	8,148
Construction and Engineering					5,324	1,638					5,324	1,638
Services			23,655	15,704							23,655	15,704
Technological			263	91	393	563					12,677	13,146
Other	12,021	12,492										
Total revenue from outside sector	197,461	192,257	23,918	15,795	5,717	2,201					227,096	210,253
Revenues from within sector	2,823	2,661	13,905	10,005	41,722	47,445	25	25	(58,475)	(60,136)	-	-
Total revenues	200,284	194,918	37,823	25,800	47,439	49,646	25	25	(58,475)	(60,136)	227,096	210,253
Operating costs	(81,740)	(78,856)	(29,692)	(20,533)	(41,661)	(44,281)	(1,385)	(1,071)	58,475	60,136	(96,003)	(84,605)
Gross operating margin for sector	118,544	116,062	8,131	5,267	5,778	5,365	(1,360)	(1,046)			131,093	125,648
Extraordinaries (*)	1,823		25		115						1,963	-
Amortization and provisions	(56,788)	(51,211)	(750)	(755)	(689)	(697)	-	-	-	-	(58,227)	(52,663)
Operating profit											74,829	72,985
Financial charges											(22,641)	(20,574)
Financial revenue											12,671	14,283
Share of net profits of part-owned subsidiaries	-	-	10	44	-	-	3,042	-			3,052	44
Income taxes											(25,819)	(26,717)
Net profit before minority interests											42,092	40,021

	Sector								Eliminated		Consolidated	
	Motorways		Technological		Construction and Engineering		Services		2007	2006	2007	2006
	2007	2006	2007	2006	2007	2006	2007	2006				
Assets of sector	2,116,311	2,064,114	58,830	58,128	69,361	66,076	1,534,856	896,135			2,715,722	2,404,773
Shareholdings in part-owned subsidiaries	322	324	527	517	30	33	56,523	47,993	(1,063,636)	(679,680)	57,402	48,867
Assets not attributed to any sector											-	-
Total assets											2,773,124	2,453,640
Liabilities of sector	2,116,633	2,064,438	59,357	58,645	69,391	66,109	1,591,379	944,128			1,815,212	1,516,496
Liabilities not attributed to any sector									(2,021,550)	(1,616,824)		
Shareholders' Equity											957,912	938,144
Liabilities											2,773,124	2,453,640
Investments in tangible fixed assets							1,218				59,977	124,773

58,568	119,682	83	962	108	2,317	1,812
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(*) Non-recurring adjustment to the actuarial value of the superannuation funds (or TFR), resulting from changes made by the Pensions Reform Act and its implementing orders

Notes to the Accounts - Details of the Balance Sheet

Note 1 – Intangible assets

The breakdown of this item is given below:

	Goodwill	Other intangible assets		Total
		In use	WIP	
Cost:				
on 1 January 2007	35,126	13,576	141	48,843
Investments		273	156	429
Reclassifications				-
Impairments				-
Change in scope of consolidation				-
Divestment		(202)		(202)
on 30 June 2007	35,126	13,647	297	49,070
Cumulative amortization:				
on 1 January 2007		(8,921)		(8,921)
Amortization, 1st half 2007		(577)		(577)
Reclassifications				-
Change in scope of consolidation				-
Write-backs		202		202
on 30 June 2007	-	(9,296)	-	(9,296)
Net book value:				
on 1 January 2007	35,126	4,655	141	39,922
on 30 June 2007	35,126	4,351	297	39,774

“Goodwill” is, in essence, the difference between the price paid for the stake acquired in the controlled subsidiaries SALT SpA and Autocamionale della Cisa SpA and the corresponding portions of Shareholders’ Equity. The recoverability of the book value is checked in an “impairment test”, at least once a year and on the occurrence of any event giving grounds for suspecting a loss of value.

The item Other Intangible Assets mainly consists of capitalized costs of software (operating systems and applications) and software licences, as well as exclusive rights in the use of optic fibres.

Note 2 – Tangible fixed assets

The breakdown of this item is given below:

Non-compensated reversionary assets

	Motorways in service	Motorway under construction	Total
Cost:			
on 1 January 2007	2,706,434	271,494	2,977,928
Investments	13,396	44,719	58,115
Reclassifications			-
Divestment			-
on 30 June 2007	2,719,830	316,213	3,036,043
Provision for capital subsidies:			
on 1 January 2007	(185,190)	-	(185,190)
Increases			
on 30 June 2007	(185,190)	-	(185,190)
Cumulative amortization:			
on 1 January 2007	(1,368,229)	-	(1,368,229)
Amortization, 1st half 2007	(57,315)		(57,315)
Reclassifications			
Write-backs			
on 30 June 2007	(1,425,544)	-	(1,425,544)
Net book value:			
on 1 January 2007	1,153,015	271,494	1,424,509
on 30 June 2007	1,109,096	316,213	1,425,309

The total cost of the Group's motorway fabric, €3,036m, includes €37.2m of capitalised financial charges (€32.9m on 31 December 2006).

“Non-compensated reversionary assets” refers to the following motorway concessions:

Concession operator	Motorway section	Concession expires
SALT SpA.	Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia	31 July 2019
ADF SpA.	Savona-Ventimiglia	30 November 2021
CISA SpA.	La Spezia-Parma	31 December 2031 (*)
Asti-Cuneo SpA.	Asti-Cuneo	(**)

(*) expiry date extended on 8 May 2007, on signing the revised schedule for the Agreement including the extension from Parma to Nogarole Rocca.

(**) The duration of the concession has been set at 23.5 years from the infrastructure's date of completion of the infrastructure.

Buildings, plant and machinery and other goods

	Land and buildings	Plant and machinery	Industrial & commercial equipment	Other goods	Assets held on finance leases	WIP, deposits	Total
Cost:							
on 1 January 2007	30,800	12,148	9,391	21,399	6,506	2,629	82,873
Investments	5	39	252	348	-	1,218	1,862
Reclassifications							-
Change in scope of consolidation							-
Divestment	(69)	(51)	(256)	(394)	(102)		(872)
on 30 June 2007	30,736	12,136	9,387	21,353	6,404	3,847	83,863
Cumulative amortization:							
on 1 January 2007	(7,317)	(3,712)	(7,097)	(16,595)	(3,214)	-	(37,935)
Amortization, 1st half 2007	(367)	(426)	(417)	(742)	(394)		(2,346)
Reclassifications							-
Change in scope of consolidation							-
Write-backs	71	41	250	249	74		685
on 30 June 2007	(7,613)	(4,097)	(7,264)	(17,088)	(3,534)	-	(39,596)
Net book value:							
on 1 January 2007	23,483	8,436	2,294	4,804	3,292	2,629	44,938
on 30 June 2007	23,123	8,039	2,123	4,265	2,870	3,847	44,267

Under “Land and Buildings”, a €3.4m mortgage has been given to Cassa di Risparmio della Spezia on the building belonging to Logistica Tirrenica SpA as collateral for a loan (€2.5m due on 30 June 2007).

Assets held on finance leases

On 30 June 2007 the Group had 17 outstanding finance leases relating to the acquisition of plant and machinery, industrial and commercial equipment; their net book value, on 30 June 2007, was €2,870,000.

The lease payments were determined on the basis of the duration of the lease and the asset’s value at its start; these lease instalments are periodically adjusted according to the financial terms of the particular lease.

No guarantees have been issued for any of the commitments arising from leases outstanding on 30 June 2007.

Note 3 – Financial fixed assets

3.a – Shareholdings valued by the Shareholders' Equity method

Changes in shareholdings in firms valued by the Shareholders' Equity method during the period are given below:

	31 December	Changes during the period			30 June
	2006	Purchases/ Subscriptions	Disposals	Shareholders' Equity adjustments	2007
Holding:					
a) in non-consolidated controlled subsidiaries:					
Fiori Real Estate Srl	90				90
Retes Scarl	9				9
b) in part-owned subsidiaries					
Autostrada Estense S.c. p.a.	225				225
Autostrade Sud America s.r.l.	47,979			2,307	50,286
Autopista do Pacifico S.A.	2				2
Beinasco S.c.a r.l.	4				4
CO.LA.CI. S.c.a r.l.	3				3
CONSILFER	3				3
FIMPRES Finanziaria Imprenditoriale s.r.l.	-	6,218			6,218
Fondo Valle S.c.a r.l. (in liquidazione)	4				4
Malpensa 92 S.c.a r.l.	4				4
Microlux s.r.l.	61				61
S.A.C. s.r.l. Consortile (in liquidazione)	-				-
S.A.C.S. s.r.l. Consortile (in liquidazione)	-				-
Sistemi e Servizi S.c.a.r.l.	36				36
OMT S.p.A.	447			10	457
Total	48,867	6,218		2,317	57,402

The change in the period is due on the one hand to the purchase of a 32.85% stake in FIMPRES Finanziaria Imprenditoriale Srl (which owns 50% of the construction company CODELFA SpA) and on the other to the accommodation of the profit (loss) for the period and the changes in the Shareholders' Equity of each of the companies valued by the Shareholders' Equity method.

The adjustment to the value of the stake in ASA Srl is the net effect of accommodating the Group's quota of its profit (€m) and of the €0.7m loss on exchange arising from the conversion of the accounting values for Costanera Norte SA within ASA Srl.

In accordance with IAS 28, it should be explained that the financial periods of all the companies valued with the Shareholders' Equity method coincide with that of the holding company.

3.b – Non-consolidated shareholdings - available for sale

Changes in Other Shareholdings during the period are given below:

	31 December 2006			Changes during the period				30 June 2007		
	Original value	Fair Value adjustments	Total	Purchases	Disposals / changes in scope	Fair Value adjustments	Other / Impairments	Original value	Fair Value adjustments	Total
Holding:										
Alerion Industries S.p.A.	972	219	1,191			612		972	831	1,803
Assicurazioni Generali S.p.A.	71,911	9,667	81,578	19,524	(1,496)	(1,397)		89,939	8,270	98,209
Assoservizi Industria s.r.l.	1		1					1		1
ASTA S.p.A.	490		490	22				512		512
Banca CA.RIGE. S.p.A.	20,543	7,439	27,982	21	(572)	(1,452)		19,992	5,987	25,979
Capitalia S.p.A.	13,188	758	13,946	3,026	(16,214)	(758)		-		-
Milano Serravalle-Milano Tangenziali S.p.A.	75,600	77,653	153,253					75,600	77,653	153,253
Società per Autostrada Tirrenica S.p.A.	2,028		2,028					2,028		2,028
C.A.A.F. Industria Emilia Centrale S.p.A.			-							-
CE.P.I.M. S.p.A.	14		14					14		14
C.I.E. Compagnia Italiana Energia S.p.A.	19		19				103	122		122
C.R.S. S.p.A.	-		-					-		-
Società Confederazione Autostrade S.p.A.	500		500				(15)	485		485
Consorzio Autostrade Energia	10		10					10		10
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.	538	(35)	503			(20)		538	(55)	483
Gemina S.p.A.	-		-					-		-
Interporto Toscano A. Vespucci S.p.A.	77		77					77		77
SINA S.p.A.	202		202			227		202	227	429
SINECO S.p.A.	52	2,242	2,294			494		52	2,736	2,788
SO.GE.A.P. S.p.A.	959		959				(279)	680		680
SPEDIA S.p.A.	656		656					656		656
Terminal Container Civitavecchia scarl	4		4					4		4
Total	187,774	97,943	285,717	22,593	(18,282)	(2,294)	(191)	191,894	95,649	287,543

The main changes during the period are given below:

- net purchase by the holding company of 848,000 shares in Generali Assicurazioni SpA (0.043% of the share capital);
- disposal by the holding company of all shares of the Capitalia SpA (0.75% of the share capital);
- sale by Autostrade dei Parchi SpA of 220,000 shares in Banca Carige SpA (0.021% of the share capital);
- Fair Value adjustments and impairments/revaluations relating to the first six months of 2007.

The value of the shareholdings available for sale on 30 June 2007 included a total amount (counting Group and minority interests together) of approximately €5.6m (€7.9m on 31 December 2006) relating to the fair value adjustment of these items.

3.c – Receivables

These are as follows:

	30 June 2007	31 December 2006
Loans:		
• Loans to part-owned subsidiaries	-	225
Receivables:		
• due from INA	12,857	13,630
• cautionary deposits with suppliers	17,000	17,000
• tax credit on TFR	236	218
• other receivables	77	195
• due from INA	1,130	1,163
Total	31,300	32,431

The sum receivable from the privatised insurance company INA represents an amount set aside in the past for guaranteeing the Superannuation Benefit (TRF) of motorway concession operators' employees.

The credit for a pledge on sureties represents the value of the pledge given for the surety policies issued by insurance companies on behalf of SALT SpA in connection with the award of the Asti-Cuneo concession.

3.d – Other financial fixed assets

Other financial fixed assets total €2,620,000 (€154,193,000 on 31 December 2006). Of this, €1,400,000 consists of an endowment policy taken out by Autocamionale della Cisa SpA with INA Life SpA (this €50m policy has been pledged to Banca Popolare Italiana and Banca di Roma against a line of credit); the remainder of €1,220,000 relates to the purchase by Autostrada dei Fiori SpA of an indexed, guaranteed-capital financial instrument from Banca Merrill Lynch; the present figure includes a Fair Value adjustment of €1m made in this half.

These policies do not mature this year or next, but the sums invested can be encashed at short notice, on the basis of a formal request by the company which took out the policies.

The reduction in this item is due to the cashing in by SALT SpA of its endowment policy with INA Life SpA..

Note 4 – Deferred tax assets

This heading came to €3,246,000 (€3,402,000 on 31 December 2006); or its breakdown please refer to the details in Note 33 – Income taxes.

Note 5 – Stocks

This item is made up as follows:

	30 June 2007	31 December 2006
Raw materials, parts and consumables	8,014	8,083
Products in preparation and semi-finished goods	-	-
Work in progress on orders received	20,701	19,736
Finished products and goods	1,160	462
Deposits	419	330
Total	30,294	28,611

Details of work in progress on orders received are as follows:

	30 June 2007	31 December 2006
Gross value of orders	279,379	257,453
Progress payments	(250,192)	(229,241)
Advances for price revisions and reserves	(958)	(948)
Provision for guarantees on current work	(7,528)	(7,528)
Net value	20,701	19,736

On 30 June 2007, Work in progress on orders received included a total of €1.5m entered as reserves.

Note 6 – Trade receivables

Sums due from customers totalled €24,361,000 (€31,954,000 on 31 December 2006), net of the €375,000 set aside for bad debt.

Note 7 – Current tax assets

This item, amounting to €6,090,000 (€13,907,000 on 31 December 2006), refers to receivables for VAT, IRAP, IRES and other tax credits.

Note 8 – Other receivables

Details of this heading are as follows:

	30 June 2007	31 December 2006
Due from non-consolidated controlled subsidiaries	223	3
due from part-owned subsidiaries	452	81
due from parent company/ies	3	4
due from fellow operators	85,889	65,077
other receivables	10,268	14,113
due from ANAS under the Autostrade dei Parchi arbitration award	23,456	23,456
pre-paid expenses	4,210	2,047
Total	124,501	104,781

Receivables due from controlled subsidiaries concern credit balances with Autostrada dei Fiori SpA in respect of Fiori Real Estate Srl.

The heading “Due from fellow operators” represents sums owed by non-Group companies arising from tolls collected by them on behalf of Group concession operators and awaiting payment on 30 June 2007. The increase compared with 31 December is mainly because of the growth in traffic, itself partly due to the season.

The sum due from ANAS under the Autostrade dei Parchi arbitration award is a credit recognized following the successful outcome of the arbitration on 20 July 2005, in which the arbitration panel unanimously awarded the Group's controlled subsidiary Autostrade dei Parchi SpA compensation of this amount from ANAS for the company's operation of motorways A24 and A25 on behalf of ANAS for more than two decades.

As stated in the accompanying Report, appeal against the decision of the Arbitration Panel is to be heard on 25 September 2007.

Note 9 – Assets available for immediate sale

The Group holds 596,800 shares in Sitech SpA (5.97% of the stock); these shares have been written off in earlier financial periods.

Note 10 – Cash at bank and in hand and cash equivalents

This item is made up as follows:

	30 June 2007	31 December 2006
Bank and PO a/c credit balances	614,384	238,804
Cheques	49	41
Money and encashable assets on hand	1,984	1,730
Total	616,417	240,575

The item "Cash at bank and in hand and cash equivalents" is significantly higher, because of the payment for the share capital (€350m) of the newly-formed company HPVdA SpA and, as explained above, as a result of the encashment of the endowment policies held by SALT SpA..

The cash proceeds of the payment for the share capital of HPVdA SpA have now (July 2007) been used in the overall corporate reorganisation to acquire ASTM SpA's holdings in ATIVA SpA, SAV SpA and SITAF SpA..

Note 11 – Shareholders' Equity (Capital and Reserves)

11.1 – Share capital

The share capital consisted on 30 June 2007 of 127,500,000 ordinary shares of nominal value €0.50 each, fully subscribed and paid: a nominal total of €63,750,000 (unchanged from last year).

11.2 – Reserves

11.2.1 – Share issue premium reserve

This amounted to €178,619,000 (€178,619,000 on 31 December 2006), and concerns the reserve consisting of the premium of €4.522 each on the 39,500,000 shares valued at the time (2002) of the capital increase reserved for SATAP SpA.

12.2.2 – Revaluation reserves

These totalled €5,434,000 (€5,434,000 on 31 December 2006).

The revaluation reserves would, if distributed, count as part of the income of the Holding Company and its shareholders.

In accordance with IAS 12, no deferred tax liability has been provided for in the accounts in respect of these reserves, which there is every reason to believe will not be used in any way that would compromise the presumption that they will not attract tax.

12.2.3 – Statutory reserve

This amounted to €12,750,000 (€12,750,000 on 31 December 2006).

11.2.4 – Fair Valuation reserve

This reserve has been set up as the direct accounting counterpart of the valuation at fair value of the financial assets classified as “available for sale”. On 30 June 2007 it came to €87,210,000 net of the corresponding deferred tax effect: the increase this half-year was €708m.

11.2.5 – Reserves available

Capital reserve

This item was €34,590,000, unchanged from 31 December 2006.

Profits carried forward

This item was €88,580,000 (€88,892,000 on 31 December 2006).

11.2.6 – Reserve for exchange gains and losses

This item totalling –€3,438,000 (-€2,703,000 on 31 December 2006), represents the net exchange-rate gain (here a loss) for Shareholders' Equity of the part-owned subsidiaries ASA Srl.

11.2.7 – Profits carried forward

This heading, which came to €246,440,000 (€208,887,000 on 31 December 2006) represents consolidated companies' profits retained from earlier years, and also includes the amounts relating to the changes in accounting practice on the date of transition to IFRS (1 January 2004), due to the adjustments that had to be made to the Financial Statement figures drawn up on that date under Italian accounting standards.

The amount is higher this half-year because of the allocation of the quota of profit for 2006 following a resolution of the General Meeting of Shareholders held on 4 May 2007.

11.3 – Profit for the period

Under this heading comes the €31,540,000 profit for the half-year (€28,762,000 in the first six months of 2006).

11.4 – Capital and reserves, minority interests

On 30 June 2007 this heading came to €211,729,000 (€204,349,000 on 31 December 2006) and includes the minority interests' share (€10,552,000) of profit for the period.

Note 12 – Provision for risks and charges and Staff benefits (Superannuation Benefit - TRF)

12.1 – Provision for risks and charges

The following table shows changes in provisions for risks and charges since the end of last year.

	Provision for restoration	Provision for taxes	Other funds	Total
31 December 2006	87,049	3	2,051	89,103
Provisions	27,091		78	27,169
Drawings	(29,179)		(185)	(29,364)
30 June 2007	84,961	3	1,944	86,908

The nature of the obligations for which contingency provision is made is briefly described below:

Provision for restoration or replacement non-compensated reversionary assets.

Further provision in the first six months of 2007 to this renewal fund amounted to €27,091,000, while drawings (the total cost of maintenance work carried out in the period) came to €29,179,000.

Other funds

This item, amounting to €1,944,000 refers:

- to €1,550,000 set aside against potential risks and charges affecting Autocamionale della Cisa SpA, principally in connection with its work on behalf ANAS on the Ghiare di Berceto-Bivio di Bertorella section;
- to €384,000 set aside by SALT SpA against the cost of the employee's leaving incentive;
- to €10,000 set aside by Autostrade dei Parchi SpA against current disputes.

12.2 – Staff benefits (Superannuation Benefit - TRF)

This heading came to €25,550,000 on 30 June 2007 (€28,409,000 on 31 December 2006). Changes during the period were as follows:

1 January 2007	28,409
Provisions during the period (see note 23)	918
Adjustment to accommodate TFR reform (see note 23.1)	(1,963)
Financial element from revision of TFR (see note 31.2)	567
Transfers to other companies	(71)
Payments/advances made in the period	(2,310)
30 June 2007	25,550

The Adjustment to accommodate TFR reform reflects the changes made to this institution by the Pensions Reform Act and its Implementing Orders.

In particular, since TFR contribution quotas due after 1 January 2007 will be going to supplementary pension schemes or the national social security fund INPS, steps have been taken, on the basis of actuarial calculations, to re-calculate the total liability of the Superannuation Benefit fund (TRF) on 31 December 2006 by excluding the element relating to future pay increases.

The tables below set out the economic, financial and demographic assumptions used in the actuarial valuation of the liability in question.

Economic and financial assumptions

Annual discount rate	4.25%
Annual rate of inflation	2.0%
Annual rate of increase in TFR	3.0%

Demographic assumptions

Mortality	ISTAT
Disability	INPS Tables, by age and sex
Retirement age	On meeting requirements
advances, weighted%	2.0% - 2.5%
Staff turnover	2.5% - 10.0%

Note 13 – Other debts (long-term)

These are as follows:

	30 June 2007	31 December 2006
Due to ANAS and the Central Guarantee Fund	285,016	277,479
Accrued liability (on discounting of the debt to ANAS & Central Guarantee Fund)	87,545	94,821
Other long-term debts	208	5,077
Total	372,769	377,377

The item “Due to ANAS & Central Guarantee Fund” refers to action taken by these organizations in the past on behalf of the concession operators SALT SpA, Autostrada dei Fiori SpA and Autocamionale della Cisa SpA for the settlement of certain loan repayments and trade payables. The present value of this debt has been arrived at on the basis of the repayment plans specified in the individual concession agreements.

The item “Accrued liability (on discounting of the debt to ANAS & Central Guarantee Fund)” is included to account for the difference between the original amount of the debt and its present value; the charge determined by the discounting process has been booked as a financial charge in the Income Statement; at the same time the amount entered last year under “Deferred Income” now appears in the Income Statement under “Other Revenues”.

The heading “other debts” includes €1,856,000 as the valuation (as of 30 June 2007) of the amount due to ASTM SpA as the contractually-defined supplementary consideration on the purchase by Autostrada dei Fiori SpA in 2006 of ASTM’s shares in Milano Serravalle – Milano Tangenziali.

The maturity breakdown of the various debts listed above is as follows:

	One to five years	Over five years	Total
Owed to ANAS- Central Guarantee Fund	182,394	102,622	285,016
Accrued liability on discounting the above debt	21,434	66,111	87,545
Other debts	208	-	208
Total	204,036	168,733	372,769

Note 14 – Bank debt (long-term)

Bank debt totalled €400,280,000 (€417,013,000 on 31 December 2006).

Almost all the Group’s medium/long-term loan agreements on 30 June 2007 stipulate certain covenants (usual for loans of this kind) concerning profit and financial parameters; as of 30 June 2007 these were fully satisfied.

Note 15 – Other financial debts (long-term)

These are as follows:

	30 June 2007	31 December 2006
Owed to bondholders (Liability Component)	287,557	285,667
Other debts	740	959
Total	288,297	286,626

The amount entered as owing to bondholders is the Liability Component of the convertible bond known as “SIAS 2.625% 2006 – 2017, equity-convertible”; in accordance with IAS 32 the item has been entered net of the costs incurred for its issue and MTA listing.

The bond loan consists of 31,875,000 bonds of nominal value €10.50 each. The bonds have the following main characteristics:

- duration: 12 years;
- rate of interest: 2.625% p.a. gross;
- conversion option: from the fifth anniversary, at the rate of 1 SIAS SpA ordinary share per bond;
- redemption: bonds not converted by maturity will be redeemed by a single payment at par.

As indicated above, when the convertible bond was first entered in the accounts an “Equity Component” was identified by separating out the present value of the financial outflows on the bond, discounted at the market rate of interest.

“Other debts” refers to the medium/long-term portion of the loans involved in finance leases.

The maturity breakdown of bank debt and other sums owed to financial creditors is as follows:

	One to five years	Over five years	Total
Owed to banks	170,170	230,110	400,280
Owed to bondholders	-	287,557	287,557
Other debts	740	-	740
Total financial liabilities	170,910	517,667	688,577

Note 16 – Deferred tax liabilities

This heading came to €6,970,000 (€29,741,000 on 31 December 2006); for its breakdown please refer to the details in Note 33 – Income taxes.

Note 17 – Trade payables (current)

Trade payables totalled €73,975,000 (€82,674,000 on 31 December 2006).

Note 18 – Other debts (current)

These are as follows:

	30 June 2007	31 December 2006
Deposits	3,695	7,823

Owed to non-consolidated controlled subsidiaries	27	46
Owed to part-owned subsidiaries	47	91
Owed to parent company/ies	118	6
Owed to social security institutions	5,682	4,077
Owed to fellow operators	7,975	4,359
Owed to ANAS-Central Guarantee Fund	28,405	28,405
Deferred income	11,061	10,179
Other debts	18,945	17,187
Total	75,955	72,173

Deposits are sums advanced by commissioning parties as required by law, to be worked off on the basis of agreed progress reports.

The items “owed to non-consolidated controlled subsidiaries” and “owed to part-owned subsidiaries” are sums due to fellow consortium members and other part-owned subsidiaries for services performed.

Amounts owed to parent company/ies are mainly for managerial support and other services provided by the parent company Argo Finanziaria SpA to Group companies.

The sums owed to ANAS & Central Guarantee Fund each year represent the next year’s portion of the debt to those bodies.

As mentioned above, the heading “other debts” includes €4,856,000 as the valuation of the amount due to ASTM SpA as the supplementary consideration on the purchase by Autostrada dei Fiori SpA in 2006 of ASTM’s shares in Milano Serravalle – Milano Tangenziali.

Note 19 – Short-term bank debt

Bank debt totalled €447,855,000 (€117,721,000 on 31 December 2006). This heading refers to the maturing portion of longer-term loans plus short-term loans/overdrafts.

The significant increase in this period is due to the €50m loan taken out by the holding company in order to pay for the share capital of the newly-formed company HPVdA SpA..

€2.5m of total long- and short-term bank debt is guaranteed by the State.

Note 20 – Other short-term financial debt

This heading came to €5,039,000 (€9,601,000 on 31 December 2006); €4,356,000 was the interest accruing to bondholders on 30 June 2007, and the remaining €683,000 was the short-term portion of the borrowing involved in finance leases.

So far as the total of liabilities in respect of assets on finance leases is concerned (short, medium and long term), the following table shows the reconciliation on 30 December 2007 between the total of future payments related to leased assets and their present value determined by using the implied rate of interest for each lease.

Future payments	1,494
Discounting of future payments, on the basis of the rate implied in the leases	(71)

Discounted present value of the future payments	1,423
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Note 21 – Current tax liabilities

Current tax liabilities totalled €1,614,000 (€5,225,000 on 31 December 2006) and refer to sums due for IRES, IRAP, IRPEF by way of substitute tax, and also State royalties under Law 531/82.

Notes to the Accounts - Details of the Income Statement

Note 22 – Revenues

22.1 – Motorway Sector revenues

This item is made up as follows:

	First half 2007	First half 2006
Toll receipts	182,208	175,570
State royalties (Art. 15(b) of Law 531/82)	(5,233)	(3,953)
Net toll income	176,975	171,617
Ancillary income including rents	8,465	8,148
Total	185,440	179,765

Net toll income totalled €177m (€171.6m in the first six months of 2006); the 3.12% increase since 2006 is due to the rise in volumes of traffic and toll rate increases effective 15 March 2007 for Autostrada dei Fiori SpA (1.54%) and Autocamionale della Cisa SpA (0.88%).

Ancillary Revenues mainly refer to rental income on service areas.

22.2 – Construction and Engineering Sector revenues

This income was as follows:

	First half 2007	First half 2006
Revenues from construction and design work, and changes in work in progress on orders received	3,950	618
Other revenues	1,374	1,020
Total	5,324	1,638

This heading includes the entire turnover, net of changes in work in progress on orders received, of the controlled subsidiaries ABC Costruzioni SpA, Cisa Engineering SpA, LAS Scarl and TiBre Scarl. The amount has been entered net of motorway maintenance and improvement charges invoiced within the Group to SALT SpA, Autostrada dei Fiori SpA and Autocamionale della Cisa SpA.

These revenues reflect the growth in work done for non-Group organizations, while considerably less was done for SIAS Group companies, as the change in Capitalised Costs on Fixed Assets shows.

22.3– Technology Sector revenues

Details of this revenue are as follows:

	First half 2007	First half 2006
Sales	26,231	12,161
Changes in work in progress on orders received	(3,749)	3,406

Changes in product under preparation, semi-finished and finished goods and other revenues	1,173	137
Total	23,655	15,704

This revenue is the entire production of the controlled subsidiaries Sinelec SpA, SSAT SpA, Infosystem SpA and Euroimpianti Electronic SpA. The amount has been entered net of motorway maintenance and improvement sales invoiced within the Group to SALT SpA, Autostrada dei Fiori SpA, Autocamionale della Cisa SpA. and Autostrada Asti-Cuneo SpA.. The increase this period is due on the one hand to the completion by SSAT SpA of a major contract for work on behalf of the CAV.TO.MI. Consortium and to higher sales by the controlled subsidiaries Infosystem SpA and Euroimpianti SpA..

22.4 – Other revenues

These were made up as follows:

	First half 2007	First half 2006
Compensation for damages	1,366	1,494
Recovery of expenses and similar receipts	3,708	4,010
Benefit during the period from the discounting of the sum due to ANAS – Central Guarantee Fund	7,536	7,611
Operating subsidies	67	31
Total	12,677	13,146

The heading “benefit during the period from the discounting of the sum due to ANAS - Central Guarantee Fund” refers to the portion of the difference between the original amount of the debt and its present value, formerly entered under Liabilities as “deferred income” and now entered as income for the present period.

Note 23 – Staff costs

Details of this item are as follows:

	First half 2007	First half 2006
Wages and salaries	29,526	28,091
Social sec. & pension costs	9,751	9,093
Actuarial adjustment to TFR	918	1,655
Other costs	344	241
Total	40,539	39,080

The higher staff costs are mainly due to the greater amount of work done by the companies in the Technology Sector and to the effects of renegotiating SALT SpA’s addendum to the industry-wide labour contract as well as costs of new hirings for Autostrada Asti-Cuneo SpA in the second half 2006.

Mean employee numbers by category for this year and last are given below:

	First half 2007	First half 2006
Senior managers	37	33
Middle managers	47	40
Employees	1,018	1,000
Workers	301	303

Total	1,403	1,376
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23.1 – Significant extraordinaries

In the first six months of 2007 this item was €1,963,000 it refers to the windfall arising from the adjustment made to accommodate the TFR reform; this adjustment – as explained in Note 13.2 – reflects the changes made to this compulsory superannuation scheme by the Pensions Reform Act and its Implementing Orders.

Note 24 – Costs of services bought in

This expenditure item breaks down as follows:

	First half 2007	First half 2006
Maintenance of non-compensated reversionary assets	13,093	13,964
Other costs relating to non-compensated reversionary assets	1,644	2,460
Costs for other services	41,873	38,173
Total	56,610	54,597

The heading “maintenance of non-compensated reversionary assets” has been entered net of amounts billed to concession companies within the Group by Group companies in the Construction and Technology Sectors. The total amount of **maintenance** carried out in this period came to **€28m**, in line with the amount relating to the first six months of 2006. The clement weather conditions of early 2007 resulted in significant reduction in the cost of winter services under the heading “Other costs relating to non-compensated reversionary assets”.

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

The amount is higher this half-year due to the greater amount of work done by companies in the Technology Sector, as mentioned above.

Note 25 – Raw material costs

This expenditure item breaks down as follows:

	First half 2007	First half 2006
Raw materials	17,158	17,344
Consumables	2,192	2,801
Goods	5,060	2,390
Changes of stocks of raw materials, consumables and goods	68	(44)

Total	24,478	22,491
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This heading refers to materials required for production, spare parts and consumables and mainly refers to the controlled ABC Costruzioni SpA, Euroimpianti Electronic SpA, Infosystem SpA and SINELEC SpA..

The change compared with the corresponding period of last year is again related to the increase in Technology Sector activity.

Note 26 – Other operating costs

This expenditure item breaks down as follows:

	First half 2007	First half 2006
Rental and hire costs	3,754	4,014
Concession payments	4,451	1,910
Other operating expenses	2,053	2,379
Total	10,258	8,303

“Rental and hire costs” mainly refers to operating leases on cars and other motor vehicles, computers, printers, and premises used by Group companies. The item is smaller because less work has been done by ABC Costruzioni SpA..

The significant increase in “concession payments” reflects the rise in these payments from 1% to 2.4% of total net toll receipts ordered with effect from 1 January 2007.

Note 27 – Capitalised costs for in-house work

This item, amounting to €5,882,000 in the first six months of 2007 (€9,866,000 in the first six months of 2006) mainly relates to the capitalisation of in-house work carried out within the Group and capitalised as an increase in Non-Compensated Reversionary Assets.

The smaller amount compared with the same period last year is due – as explained above – to the reduction in work done for Group companies by the construction arm.

Note 28 – Amortization

This item is made up as follows:

	First half 2007	First half 2006
Intangible assets:		
• Other fixed intangible assets	577	603
Tangible assets:		
• Buildings	367	387
• Plant and machinery	426	409
• Industrial and commercial equipment	417	434
• Other goods	742	777
• Assets held on finance leases	394	359

• Non-compensated reversionary assets	57,315	50,196
Total amortization	60,238	53,165

The increase in amortization relating to Non-Compensated Reversionary Assets is accounted for by the concession companies' Financial Plans as annexed to the various concession agreements.

Note 29 – Provisions to the non-compensated reversionary assets restoration/replacement fund

Details of changes in the fund for restoration/replacement of non-compensated reversionary assets are given below:

	First half 2007	First half 2006
Drawings from the fund for restoration/replacement of non-compensated reversionary assets	(29,179)	(29,004)
Further provisions to the fund for restoration/replacement of non-compensated reversionary assets	27,091	28,425
Net provision to (drawings from) the non-compensated reversionary assets restoration/replacement fund	(2,088)	(579)

The drawings from the fund for restoration or replacement of non-compensated reversionary assets represent the total maintenance costs incurred by motorway concession operators during the period. The corresponding provision is the amount needed to ensure that the fund is sufficient for the maintenance programmes for future years prescribed by the Financial Plans annexed to the individual concessions for ensuring the proper functionality, safety and security of the various parts of the motorway infrastructure.

Note 30 – Further provisions for risks and charges

These provisions are made up as follows:

	First half 2007	First half 2006
Provision for contract risk	77	77
Total	77	77

The heading refers to the sum set aside by Autocamionale della Cisa to cover potential charges on work done for ANAS on the Ghiare-Bretorella stretch of motorway.

Note 31 – Financial income and charges

31.1 – Financial revenue

This item is made up as follows:

	First half 2007	First half 2006
Income from shareholdings:		
• dividends from other holdings	3,484	3,018
• capital gains from disposal of shareholdings	983	4,860
Interest received and other financial revenue		
• from banks	2,569	3,425
• from financial assets	5,222	2,975

• from loans	-	5
• other	413	-
Total	12,671	14,283

The heading “dividends from other holdings” refers to dividends decided on by the various minority-owned companies: Generali Assicurazioni (€2,250,000), Capitalia SpA (€228,000), Banca CaReGe SpA (€566,000), Sineco SpA (€200,000), SAT SpA (€163,000), Milano Serravalle - Milano Tangenziali SpA (€7,000) and SINA SpA (€20,000).

The heading “capital gain from disposal of shareholdings” refers to the capital gains realized on the sale of holdings in Capitalia SpA (€668,000), Banca CaReGe SpA (€35,000) and Generali Assicurazioni (€80,000).

The increase in “interest received and other financial income” arises from the temporary investment of spare cash.

31.2 – Financial charges

This item is made up as follows:

	First half 2007	First half 2006
Interest paid to banks:		
• on loans	10,564	7,092
• on current accounts	1,470	1,562
Other interest paid:		
• on financial discounting of financial fixed assets	8,139	8,214
• on convertible bond	6,188	6,117
• on finance leases	37	18
Other financial charges:		
• Other financial charges	545	1,233
Total	26,943	24,236
Capitalised financial charges (1)	(4,302)	(3,662)
Total	22,641	20,574

(1) As described in Note 2 – Tangible fixed assets, €4,302,000 was capitalised under the heading Non-Compensated Reversionary Assets.

Interest paid on financial discounting of financial fixed assets consisted of €7.5m paid on the amount owed to ANAS and the Central Guarantee Fund, and €0.6m on the finance element of the provision to the Employees’ Superannuation Benefit (TRF) Fund.

Interest paid on the convertible bond represents the charge (recalculated on the basis of the market rate of interest) relating to the Liability Component of the loan issued by the Holding Company.

The heading “other financial charges” mainly consists of impairments (write-downs) this year on non-consolidated shareholdings available for sale (€0.3m).

Note 32 – Profits (losses) arising from companies valued with the Shareholders’ Equity method

The details of this item are as follows:

	First half 2007	First half 2006
Revaluations of shareholdings:		
• OMT SpA.	10	47
• Autostrade Sud America – ASA Srl	3,042	
Impairments on shareholdings:		
• Computron Engineering Srl	-	(3)
Total	3,052	44

The revaluation of the holding in Autostrade Sud America Srl is connected with the windfall gain to its controlled subsidiary Sociedad Concesionaria Costanera Norte S.A. from the payment of compensation by the Ministry of Public Works of Chile.

Note 33 – Income taxes

Details of this item are as follows:

	First half 2007	First half 2006
Current taxes:		
• IRES	21,128	21,421
• IRAP	5,042	4,510
	26,170	25,931
Taxes (paid in advance) / deferred:		
• IRES	(404)	641
• IRAP	53	145
	(351)	786
Total	25,819	26,717

Deferred taxes of €2.3m relating to the Fair Valuation of financial assets available for sale have also been credited directly to Shareholders' Equity this half; a further €2.2m refers to the holding in Generali Assicurazioni SpA, for which deferred tax has been calculated this half by taking into account the benefits arising from what is known as "participation exemption".

In accordance with para. 81(c) of IAS 12, the table below shows the reconciliation of corporate income taxes recognized in the Accounts for 30 June 2007 and 2006 ("actual tax") with the "theoretical tax" as of the same dates.

Reconciliation between Theoretical Rate and Actual Rate (IRES):

	First half 2007		First half 2006	
Profit for the period before tax	67,911		66,738	
Actual tax (in the half-year accounts)	20,724	30.52%	22,062	33.06%
Actual tax paid at less than the theoretical rate:				
• lower tax paid on dividends and tax-exempt capital gains	1,166	1.72%	1,131	1.69%
• adjustment: shareholdings valued with the Shareholders' Equity method	1,004	1.48%		
Actual tax paid at more than the theoretical rate:				
• Non-deductibles and other differences	(483)	(0.72)%	(1,168)	(1.75)%

Tax at the theoretical rate (33.00% of pre-tax profit)	22,411	33.00%	22,025	33.00%
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Reconciliation between Theoretical Rate and Actual Rate (IRAP):

	First half 2007		First half 2006	
Value added (taxable income for IRAP)	113,482		112,065	
Actual tax (in the half-year accounts)	5,095	4.49%	4,655	4.15%
Actual tax paid at less than the theoretical rate:				
• Differences in deductibles, net	(272)	0.24%	108	0.10%
Tax at the theoretical rate (4.25% of pre-tax profit)	4,823	4.25%	4,763	4.25%

The tables below show, for these six months and for the corresponding period of 2006, the amounts of deferred tax revenues and charges (shown in the Income Statement) and deferred tax assets and liabilities (shown in the Balance Sheet).

	First half 2007	First half 2006
Deferred tax revenues relating to: (*)		
• maintenance costs exceeding the amount deductible in the period	41	29
• valuation of work in progress	189	-
• Actuarial recalculation of the TFR fund	66	118
• Deferred tax credit on the Equity Component of the Convertible Bonds	604	584
• tax credit for deferred taxes on other provisions	29	29
• other	966	104
Total (A)	1,895	864
Deferred tax charges relating to: (*)		
• tax credit for deferred taxes on other provisions and maintenance costs exceeding the deductible amount	129	117
• valuation of work in progress	-	780
• actuarial re-calculation of superannuation fund (TFR)	683	-
• Assets held on finance leases	1	1
• other	731	752
Total (B)	1,544	1,650
Total (B) – (A)	(351)	786

(*) These deferred tax revenues and charges have been calculated on the basis of the tax rates in force at the time when they are expected to be paid or re-credited

	30 June 2007	31 December 2006
Deferred tax assets relating to: (*)		
• intangible assets not to be capitalized under IAS/IFRS	67	81
• contingency provision for suspended tax liabilities	653	1,246
• other	2,526	2,075
Total	3,246	3,402
Deferred tax liabilities relating to: (*)		
• Equity Component of the convertible bond	(15,105)	(15,705)
• deductions made outside the accounts	(5,625)	(5,921)
• Assets held on finance leases	(492)	(517)
• valuations of work in progress	(2,065)	(2,440)
• valuation of financial assets at fair value	(1,967)	(4,237)
• other	(1,716)	(1,758)
Total	(26,970)	(30,578)

(*) These deferred tax revenues and charges have been calculated on the basis of the tax rates in force at the time when they are expected to be paid or re-credited

The change this half-year is mainly due (see the start of this Note) to the deferred taxes credited to Shareholders' Equity in respect of the **valuation of financial assets** available for sale at fair value (€2.3m).

Note 34 – Profits per share

Profit per share is calculated, in accordance with IAS 33, by dividing the net profit (Group's share) by the mean number of shares in circulation during the period. The mean number shares is calculated taking into account the mean number of treasury shares held by the Holding Company and by controlled subsidiaries.

	First half 2007	First half 2006
Net profit, Group's share (€000s)	31,540	28,762
Mean number of ordinary shares in circulation in the period	127,500,000	127,500,000
Profit per share (€)	0.247	0.226

For the purposes of the calculation of the “diluted” profit per share, the weighted mean number of the shares in circulation has been increased as if all the equity options on the bond issue had been converted into shares; the net profit of the Group has also been adjusted under the same assumption. Details are as follows:

	First half 2007	First half 2006
Net profit, Group's share, adjusted (€000s)	35,686 ⁽¹⁾	32,832
“Adjusted” mean number of ordinary shares in circulation in the period	159,375,000 ⁽²⁾	159,375,000
“Diluted” profit per share (€)	0.224	0.206

(1) - Group's share of net profit	31,540
- Finance charges on convertible bond	6,188
- Tax effect on finance charge	(2,042)
	<u>35,686</u>

(2) - Mean number of ordinary shares in circulation	127,500,000
- Max. possible no. of new shares from conversion of bonds	31,875,000
	<u>159,375,000</u>

In the course of 2006 and in the first six months of 2007 there were no options, warrants or similar financial instruments involving “potential” ordinary shares that would dilute the stock.

Note 35 – Details of the cash flow statement

35.1 – Changes in net circulating capital

	First half 2007	First half 2006
Stocks	(1,683)	3,476
Trade receivables	7,593	13,146
Current tax assets	7,817	(260)
Other receivables	(19,720)	(27,820)

Current trade payables	(8,699)	(13,841)
Other debts	3,782	9,465
Current tax liabilities	6,389	1,980
Total	(4,521)	(13,854)

The change in the heading “other receivables” is mainly due to the higher amounts due from fellow concession companies, linked to the growth in traffic due in part to seasonal factors.

35.2 – Other changes generated by operational activities

	First half 2007	First half 2006
Drawings from the superannuation fund (TFR)	(2,071)	(2,467)
Change in other provisions	73	(406)
Total	(1,998)	(2,873)

Other information

Information is given below relating to the determination of fair value, undertakings entered into by Group companies, and dealings with Related Parties; for information about the company, **Post-Balance Sheet events** and **Future Prospects**, please refer to the details given earlier in this Interim Report.

Details of the determination of fair value

The fair value criterion is used in valuing financial assets and liabilities where such values can be reliably determined.

In the case of financial assets and liabilities listed in active markets, Fair Value is determined by reference to the market price on the date of recognition and/or later valuations of the asset/liability. Where no official market price is available, Fair Value is determined by reference to the prices obtained in the latest similar transaction (purchase, sale or redemption of the financial asset or liability).

The fair value of trade receivables and payables is the same as their book value, mainly because they are generally short-term term and so do not require the application of discounting techniques, &c.

Memorandum accounts: undertakings entered into by Group companies

Commitments in relation to the acquisition of Sociedad Concesionaria Costanera Norte SA (CNN), €399.6m.

The acquisition of CNN (through ASA Srl) involved SIAS SpA and Atlantia SpA (formerly Autostrade SpA) in providing a joint guarantee through AMBAC Assurance Corporation and the Inter-American Development Bank for the repayment of the bond (and associated interest) issued by this Chilean concession operator in the amount of **€249.7m** (or 9.5m Chilean UF – Unidad de Fomento).

SIAS has provided a surety in the form of a “Contingency reserve letter of credit” issued by San Paolo IMI SpA for 4,900m Chilean Pesos (**€6.9m**) to guarantee the Group’s 50% share of another CNN debt, to Banco Santander - Chile.

SIAS SpA and Atlantia SpA have also provided proportional guarantees for the repayment of the loan from Mediobanca SpA to the Chilean sub-holding company Autostrade do Pacifico SA (a maximum **€64m** in total, of which the Group’s share is **€132m**).

SIAS also has an undertaking to pay a further supplementary consideration on the purchase price, to be calculated in accordance with toll receipts during the financial periods 2006 – 2009; the maximum possible due (Group’s share) would be **\$14.85m**.

Undertaking to ANAS

Following the transfer by ASTM SpA of the company division consisting of the A4 Turin-Milan motorway section to SATAP SpA on 3 December 2004, SATAP SpA and ASTM SpA signed an agreement with ANAS arranging for SATAP SpA to replace ASTM SpA without a break as party to the agreement entered into by ASTM SpA for the construction and operation of A4 motorway. Article 7 of the 3 December 2004 agreement provided that ASTM SpA would retain a controlling stake in SATAP

SpA.

Recently, while transferring its stake in SATAP SpA to SIAS SpA, ASTM SpA acquired control of SIAS SpA itself, accordingly retaining control of SATAP SpA, though now indirectly. ASTM SpA has undertaken, before reducing its stake in SIAS SpA below the “legal control” threshold, to make a shareholders’ pact with its own parent company Aurelia SpA enabling the two to act jointly in exercising their voting rights as shareholders in SIAS SpA, of which the two together wield a majority of the share capital. Furthermore SIAS SpA itself is bound under the same Article 7, in the event that this shareholders’ pact should not be renewed or should become ineffective, or the joint shareholding fall below the threshold for legal control of SIAS SpA, to sell a controlling stake in SATAP SpA to ASTM SpA (ASTM SpA is likewise bound to purchase that stake).

Information on dealings with Related Parties

As provided for in CONSOB Order No. 98015375 of 27 February 1998 and DEM/6064293 of 28 July 2006, as well as by IAS 24, details of transactions with related parties during the period in question are summarised below (€m):

	Transactions with related parties (A)	Total revenues (B)	Proportion (A) / (B)%
Revenues	13.3	227.1	5.8%
Operating costs	15.0	129.9	11.5%
Financial revenue	0.2	12.7	1.7%
Increases in Intangible/Tangible Fixed Assets	4.1	1,509.1	0.3%

As the above table shows, transactions with related parties have a negligible impact on the figures in the Consolidated Financial Statement of the SIAS Group; in accordance with CONSOB Resolution No. 15519 of 27 July 2006, therefore, this year’s Consolidated Income Statement does not state the amount of these transactions separately for each heading.

Details are given below of the **main** dealings with related parties, by Financial Statement heading.

Revenues

- ♦ IT support services, supply and maintenance of toll-collecting equipment, provided by Sinelec SpA to ASTM SpA, SATAP SpA, SAV SpA, SINA SpA, ATIVA SpA and Ativa Engineering SpA: a total of €6.8m;⁽²⁾
- ♦ services provided by Euroimpianti Electronic SpA to ATIVA SpA, SATAP SpA and SAV SpA: €2.8m;⁽²⁾
- ♦ services provided by SSAT SpA to SATAP SpA and SAV SpA: €0.6m;⁽²⁾
- ♦ services provided by ABC Costruzioni SpA to ITINERA SpA and Edilvie Srl: €0.4m.⁽²⁾

Costs

- ♦ managerial support and consultancy services provided by the parent company Argo Finanziaria SpA to Group companies: a total of approximately €1.2m;⁽¹⁾
- ♦ professional services provided by SINECO SpA to SALT SpA, Autostrada dei Fiori SpA,

Autocamionale della Cisa SpA and ABC Costruzioni SpA: a total of €2.1m;⁽²⁾

- ♦ design, research and other professional services provided by SINA SpA to SALT SpA, Autostrada dei Fiori SpA, Autocamionale della Cisa SpA and Società Autostrada Asti-Cuneo SpA: €0.9m;⁽²⁾
- ♦ services and supplies provided by the SEA Srl to SALT SpA, Autostrada dei Fiori SpA, ABC Costruzioni SpA and Autocamionale della Cisa SpA: €2.7m;⁽²⁾
- ♦ services provided by ITINERA SpA, to ABC Costruzioni SpA and Euroimpianti Electronic SpA: €0.8m;⁽²⁾
- ♦ insurance services provided by the broker PCA Srl to SALT SpA, Autostrada dei Fiori SpA, Autocamionale della Cisa SpA and SINELEC SpA: €1.5m;⁽³⁾
- ♦ services provided by Interstrade SpA to ABC Costruzioni SpA: €3.5m⁽³⁾

Increases in Tangible/Intangible Fixed Assets

- ♦ professional services by SINECO SpA to SALT SpA, Autostrada dei Fiori SpA, and Autocamionale della Cisa SpA, capitalised as part of the motorway infrastructure: €1.9m;⁽²⁾
- ♦ research and other professional services provided by SINA SpA to SALT SpA, Autostrada dei Fiori SpA, Autocamionale della Cisa SpA, and Società Autostrada Asti-Cuneo SpA capitalised as part of the motorway infrastructure: €2m.⁽²⁾

⁽¹⁾ Dealings with parent companies

⁽²⁾ Dealings with other firms controlled by the same parent company/ies

⁽³⁾ Dealings with other associated parties

In addition to the dealings shown above there are relationships among Group companies involving transactions under the general motorway toll collection system.

All the transactions listed above were conducted on normal market terms.

For the purposes of Civil Code Art. 2391-bis it should be explained that transactions with related parties, whether direct or through controlled subsidiaries, are carried out in accordance with rules which, being based on the general principles prescribed by CONSOB and the corporate governance provisions of the company's adopted Self-Regulation Code, guarantee that they are transparent and entirely proper in both substance and procedure.

Interim Accounts
of the holding company
for 30 June 2007

Balance Sheet

30 June 2006	(€000s)	30 June 2007	31 December 2006
Assets			
Fixed assets			
-	1. Intangible assets	-	-
-	2. Tangible fixed assets	-	-
3. Financial fixed assets			
469,702	a. shareholdings in controlled subsidiaries	819,702	469,702
45,014	b. shareholdings in part-owned subsidiaries	45,016	45,016
177,373	c. other shareholdings	219,045	215,438
-	d. long-term credits	-	-
-	e. other	-	-
692,089	Total financial fixed assets	1,083,763	730,156
828	4. Deferred tax assets	739	131
692,917	Total fixed assets	1,084,502	730,287
Current assets			
5. Stocks			
6. Trade receivables			
19,496	7. Current tax assets	18,789	4,640
162	8. Other receivables	324	3,076
9. Assets held for trading			
10. Assets available for sale			
49,999	11. Financial receivables		
69,657	Total current assets	19,113	7,716
86,456	12. Cash at bank and in hand and cash equivalents	66,745	141,808
156,113	Total current assets	85,858	149,524
849,030	Total assets	1,170,360	879,811
Shareholders' Equity and liabilities			
Shareholders' Equity (Capital and Reserves)			
1. Shareholders' Equity			
63,750	a. share capital	63,750	63,750
460,819	b. reserves and profits brought forward	479,381	496,174
524,569	Total Shareholders' Equity	543,131	559,924
Liabilities			
Long-term liabilities			
98	2. Provision for risks and charges and Superannuation Benefit (TRF)	113	105
3. Trade payables			
4. Other debts			
5. Bank debt			
283,944	6. Other financial debts	287,557	285,667
16,297	7. Deferred tax liabilities	16,213	19,320
300,339	Total long-term liabilities	303,883	305,092
Current liabilities			
124	8. Trade payables	170	144
19,585	9. Other debts	18,924	5,771
10. Bank debt			
4,393	11. Other financial debts	4,356	8,786
20	12. Current tax liabilities	189	94
24,122	Total current liabilities	323,346	14,795
324,461	Total liabilities	627,229	319,887
849,030	Total Shareholders' Equity and liabilities	1,170,360	879,811

Income Statement

Full Year 2006	(€000s)	First half 2007	First half 2006
Financial income and charges			
	1. Income from shareholdings:		
175,415	a. from controlled subsidiaries	1,482	129,595
	b. from minority holdings	-	-
8,436	c. from other holdings	3,245	4,862
183,851	Total income from investments	4,727	134,457
3,776	2. Other financial revenue	2,868	1,630
(12,667)	3. Interest paid and other financial charges	(6,575)	(6,118)
174,960	Total net financial income (A)	1,020	129,969
Value adjustments, financial assets			
-	1. Revaluations	103	-
(1,125)	2. Impairments	-	(1,057)
(1,125)	Total value adjustments, financial assets (B)	103	(1,057)
38	Other operating revenue (C)	25	25
Other operating costs			
(342)	a. staff costs	(187)	(205)
(1,352)	b. costs of services bought in	(917)	(645)
	c. raw material costs		
(186)	d. other costs	(92)	(87)
	e. amortization and impairments		
	f. other provisions for risks and charges		
(1,880)	Total other operating costs (D)	(1,196)	(937)
171,993	Profit (loss) before taxes (A+B+C+D)	(48)	128,000
	17. Taxes		
(1,568)	a. Current taxes	-	(91)
1,118	b. Deferred taxes	1,454	537
2,894	c. Gain from "fiscal consolidation"		
174,437	Profit (loss) for the period	1,406	128,446

Note: in view of the fact that SIAS SpA's core business is that of an industrial holding company, the accounting layout used is that provided for in CONSOB Notice No. 94001437 of 23 February 1994 for this type of company, and is accordingly different from that used for the SIAS Group.

Cash flow Statement

Full Year 2006	(€000s)	First half 2007	First half 2006
81,306	Opening cash at bank and in hand and cash equivalent (a)	141,808	81,306
	Operational activities:		
174,437	Profit (loss)	1,406	128,446
	Adjustments		
13	Net provision (drawings), superannuation fund (TFR)	8	6
1,124	Impairments (revaluations) of financial assets	103	1,057
(955)	Net change in deferred tax assets and liabilities	(1,453)	(1,265)
(859)	Change in net circulating capital	1,876	2,873
-	- Other changes generated by operational activities	-	-
173,760	Liquidity generated (absorbed) by operational activities (b)	1,940	131,117
	Investment activities:		
	- Investments in buildings, plant, machinery and other goods		
	- Investments in intangible assets		
(120,125)	Investments in financial fixed assets	(372,754)	(93,889)
43,422	Net divestment: current financial assets	17,709	43,421
(76,703)	Liquidity generated (absorbed) by investment activities (c)	(355,045)	(50,468)
	Financial assets:		
	- New borrowing	301,597	-
8,070	Changes in other financial debt	(4,430)	-
	- Changes in current financial assets	-	(49,999)
	- Changes in Shareholders' Equity	-	-
(44,625)	Dividends (including interim dividends) distributed by the Holding Company	(19,125)	(25,500)
(36,555)	Liquidity generated (absorbed) by financial activities (d)	278,042	(75,499)
141,808	Closing cash at bank and in hand and cash equivalent (a+b+c+d)	66,745	86,456
Supplementary information:			
	- Taxes paid during this financial period	-	-
4,260	Financial charges paid during this financial period	8,786	4,260

Schedule of Changes in Shareholders' Equity

€000s	Share capital	Reserves and profits brought forward	Shareholders' Equity
31 December 2005	63,750	361,043	424,793
2005 final dividend distribution (€0.20 per share)		(25,500)	(25,500)
2006 interim dividend distribution (€0.15 per share)		(19,125)	(19,125)
Adjustment of financial assets to Fair Value		5,319	5,319
Profit for the period		174,437	174,437
31 December 2006	63,750	496,174	559,924
2006 final dividend distribution (€0.15 per share)		(19,125)	(19,125)
Adjustment of financial assets to Fair Value		926	926
Profit for the period		1,406	1,406
30 June 2007	63,750	479,381	543,131

The composition of the heading "Reserves and profits brought forward" is as follows:

€000s	Issue premium reserve	Revaluation reserves	Statutory reserve	Fair Valuation reserve	Capital reserve	Profits (losses) brought forward	Profit (loss) for the period	Total
31 December 2005	178,619	5,434	5,650	1,652	34,590	52,810	82,288	361,043
Allocation of profit(loss) for 2005			7,100			49,688	(56,788)	-
2005 final dividend distribution (€0.20 per share)							(25,500)	(25,500)
2006 interim dividend distribution (€0.15 per share)							(19,125)	(19,125)
Adjustment of financial assets to Fair Value				5,319				5,319
Profit for the period							174,437	174,437
31 December 2006	178,619	5,434	12,750	6,971	34,590	102,498	155,312	496,174
Allocation of profit(loss) for 2006						136,187	(136,187)	-
2006 final dividend distribution (€0.15 per share)							(19,125)	(19,125)
Adjustment of financial assets to Fair Value				926				926
Profit for the period							1,406	1,406
30 June 2007	178,619	5,434	12,750	7,897	34,590	238,685	1,406	479,381

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