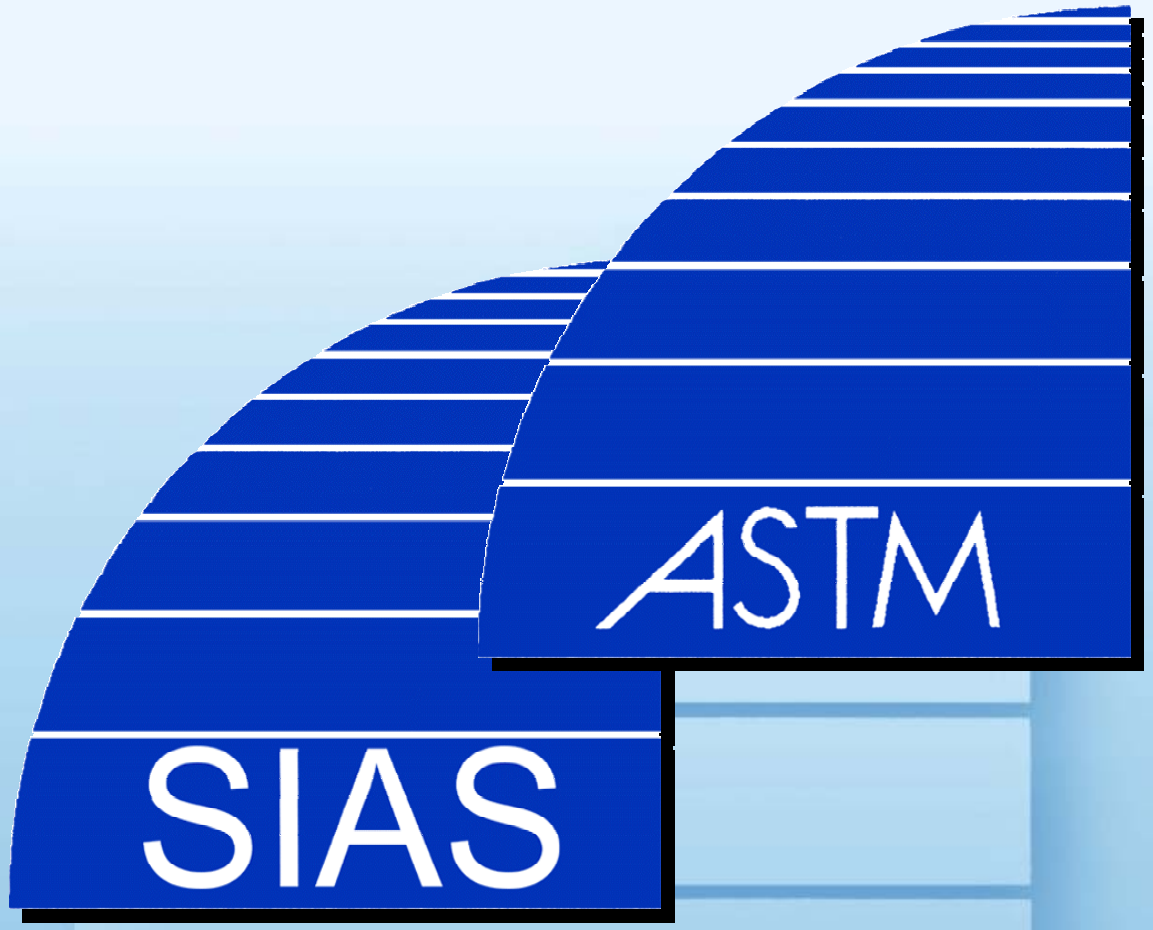

GAVIO GROUP

AUTOSTRADA TORINO – MILANO GROUP
SOCIETA' INIZIATIVE AUTOSTRADALI E SERVIZI GROUP

June2005

AGENDA

- GROUP STRUCTURE
- FINANCIAL RESULTS
- REGULATION
- GROWTH STRATEGY & VALUE DRIVERS
- IAS / IFRS
- CONCLUSION

- **GROUP STRUCTURE**
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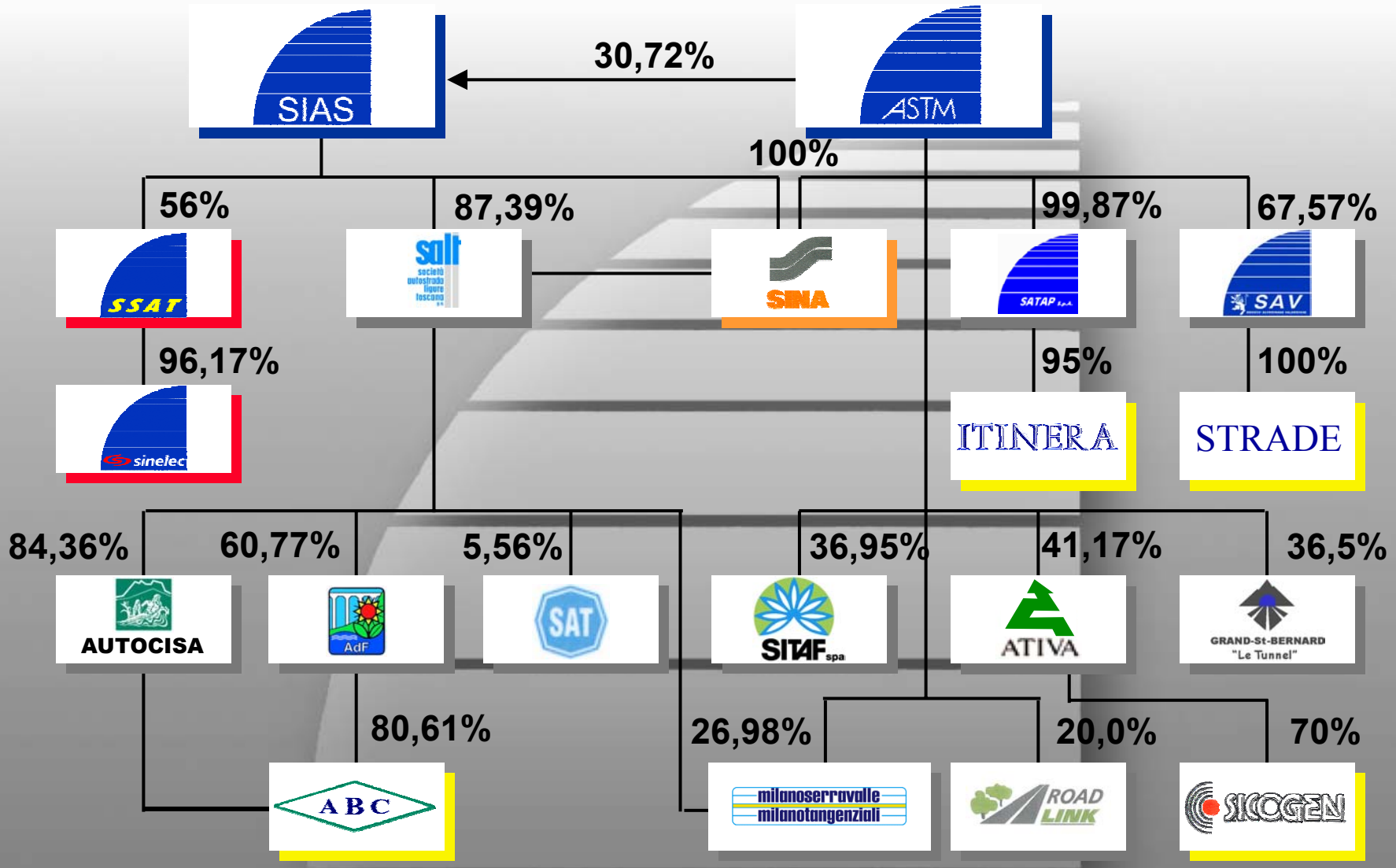
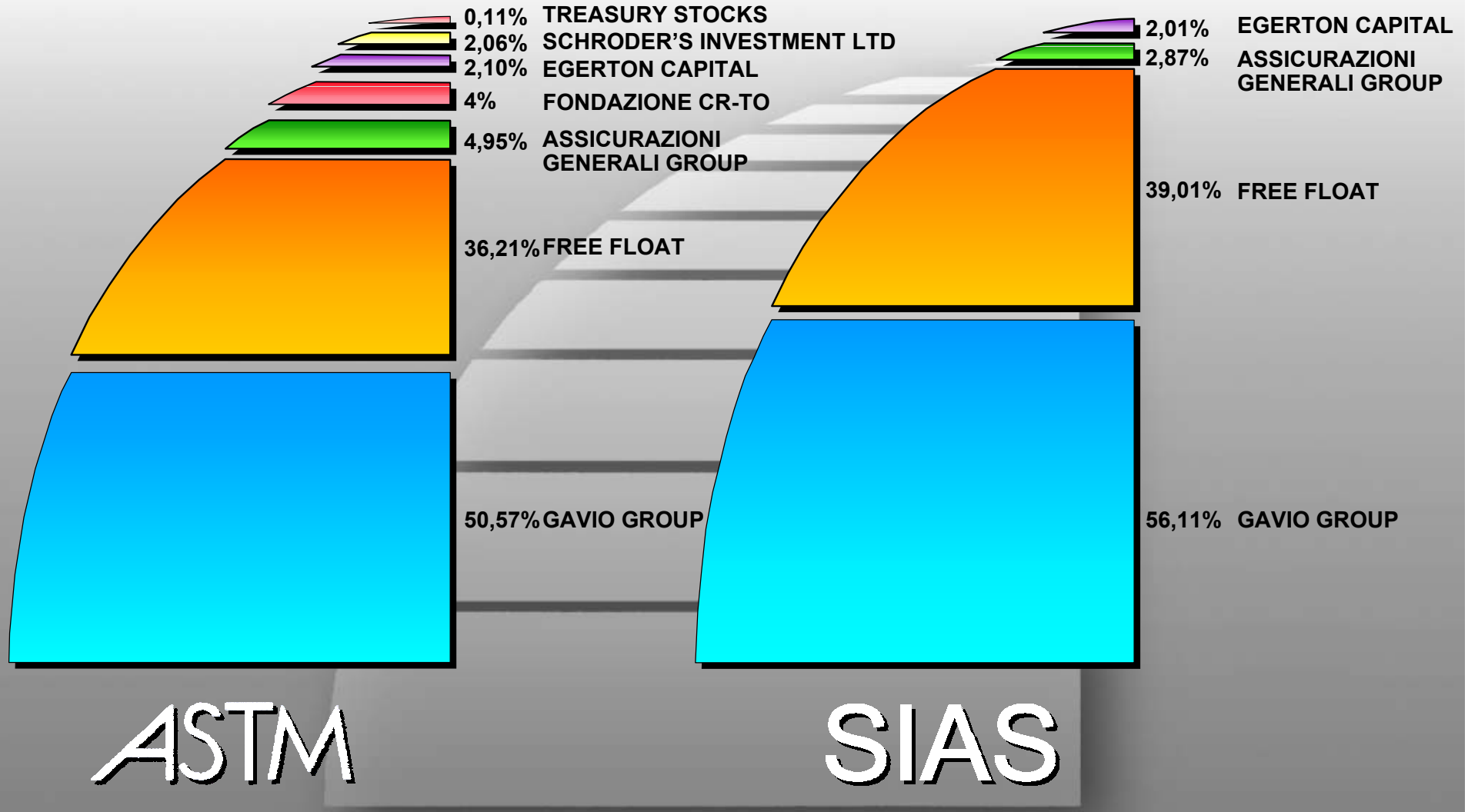
GROUP STRUCTURE



OWNERSHIP STRUCTURE
Holding companies



OWNERSHIP STRUCTURE
Main motorway companies

% / SUBSIDIARIES	GROUP	OTHER	PUBLIC AUTHORITIES					TOTAL
			MUNICIPALITIES	PROVINCES	REGIONS	ANAS	OTHER	
SATAP	99,87	0,13	-	-	-	-	-	100
SAV	68	4	-	-	28	-	-	100
ATIVA	41	41	-	18	-	-	-	100
SITAF	37	11	11	9	-	32	-	100
GRAND-St-BERNARD "Le Tunnel"	36	-	-	-	64	-	-	100
SALT società autostrada ligure toscana	87	6	1	4	-	-	2	100
AdF	61	22	5	6	-	-	6	100
AUTOCISA	84	5	2	9	-	-	-	100
milanoserravalle milanotangenziali	27	-	21	45	-	-	7	100

NETWORK MANAGED

SIAS

	Km.
SALT	154,9
ADF	113,2
CISA	182,0 (1)
ASTI-CUNEO	90,0 (2)
TOTAL	540,1

SUBSIDIARIES

Autostrada dei Fiori S.p.A.
Autostrada Ligure Toscana S.p.A.
Autocamionale della Cisa S.p.A.

SIGNIFICANT INVESTMENTS

Milano Serravalle – Milano Tangenziali S.p.A.
Società Autostrada Tirrenica S.p.A.

(1) inclusive of 81 km stretch linking Parma to the Autostrada del Brennero (under construction)
(2) concession awarded on a preliminary basis

NETWORK MANAGED

	Km.
SATAP	
- Torino-Milano stretch	127,0
- Torino-Piacenza stretch	167,7
ATIVA	152,7
SAV	59,5
SITAF	94,0
TOTAL	600,9

SUBSIDIARIES

Autostrada Torino-Alessandria-Piacenza S.p.A
Autostrade Valdostane S.p.A.
Autostrada Torino-Ivrea-Valle d'Aosta S.p.A.

EQUITY INVESTMENTS

Società Italiana Traforo Autostradale del Frejus p. A.
Società Italiana Traforo del Gr.S.Bernardo S.p.A.
Road Link (A69) Holding Ltd (UK)

SIGNIFICANT INVESTMENTS

Milano Serravalle – Milano Tangenziali S.p.A.

NETWORK MANAGED

SIAS

SALT	154,9
ADF	113,2
CISA	182,0 (1)
ASTI-CUNEO	90,0 (2)
TOTAL (a)	540,1

ASTM

	Km.
SATAP	
- Torino-Milano stretch	127,0
- Torino-Piacenza stretch	167,7
ATIVA	152,7
SAV	59,5
SITAF	94,0
TOTAL (b)	600,9
TOTAL (a) + (b)	**1.141**

SUBSIDIARIES

Autostrada Torino-Alessandria-Piacenza S.p.A
Autostrade Valdostane S.p.A.
Autostrada Torino-Ivrea-Valle d'Aosta S.p.A.
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(1) inclusive of 81 km stretch linking Parma to the Autostrada del Brennero (under construction)
(2) concession awarded on a preliminary basis

GROUP MOTORWAY CONCESSIONS

ASTM Group Subsidiaries	Concession expiry
SATAP (A 4 stretch)	2026
SATAP (A 21 stretch)	2017
ATIVA	2016 (1)
SAV	2032
SITAF	2050
SITRASB	2034
ROAD LINK HOLDING Ltd. (UK)	2026

(1) Terminal value on new investments granted - by the incoming concessionaire – upon expiry of the concession: 150 Eu mn

GROUP MOTORWAY CONCESSIONS

SIAS Group Subsidiaries	Concession expiry
SALT	2019 (1)
ADF	2021
CISA	2010 (1) (2)

(1) Terminal value on new investments granted - by the incoming concessionaire – upon expiry of the concession: SALT (290 Eu mn), CISA (195 Eu mn)

(2) Subject to extension in connection with the construction of the Parma – Autostrada del Brennero stretch

GROUP STRUCTURE

FINANCIAL RESULTS

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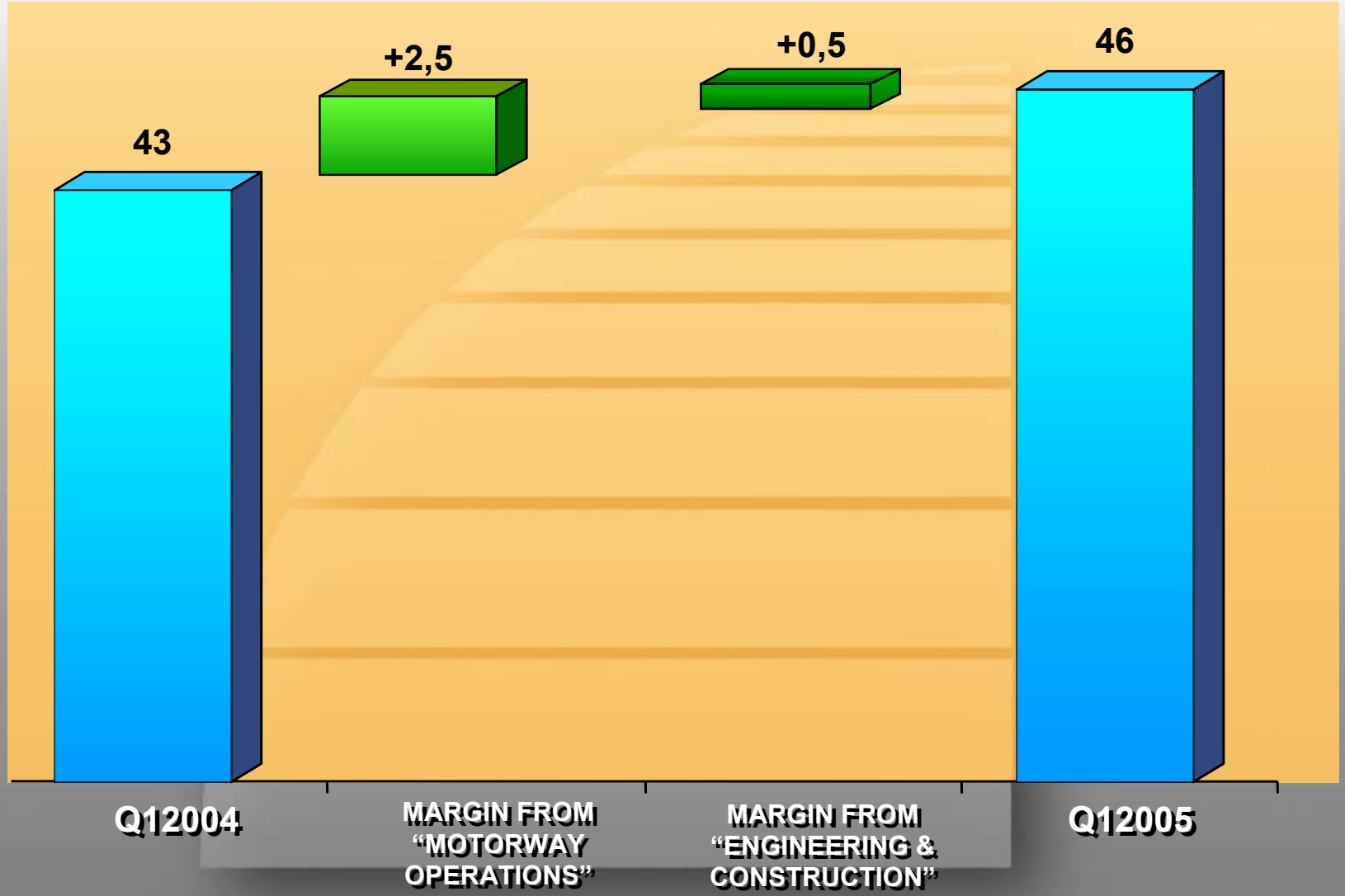
ASTM 3 MONTHS RESULTS – $Q_1$2005 & $Q_1$2004

(Eu mn)

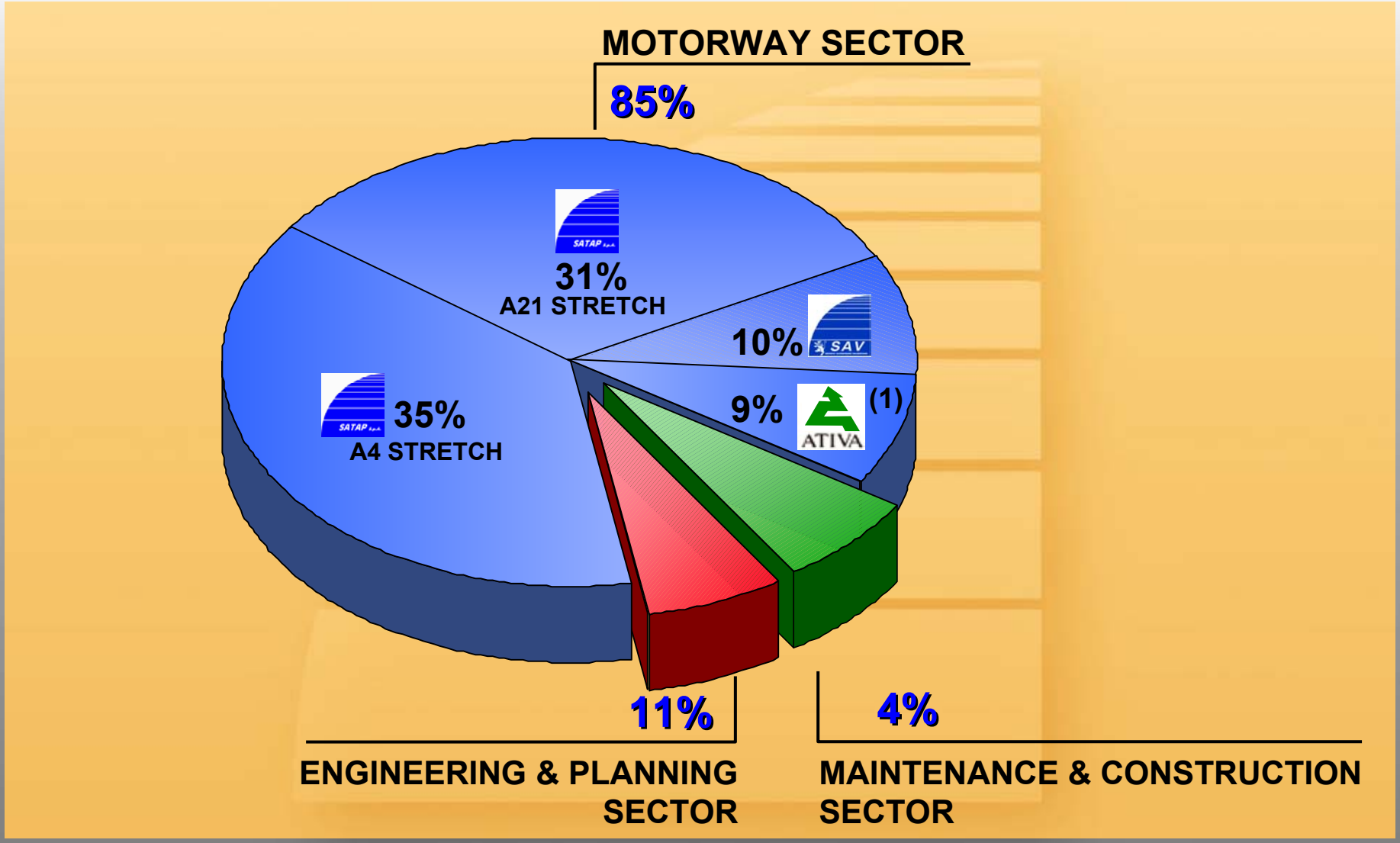
	1/1-31/3/2005	1/1-31/3/2004
REVENUES:		
- Motorways	66.4	64.4
- Construction & Engineering	47.7	45.2
- Other revenues	5.9	6.1
TOTAL REVENUES	**120.0**	**115.7**
OPERATING COSTS	(73.5)	(72.4)
EBITDA	**46.5**	**43.3**
EBITDA margin	***39%***	***37%***

ASTM - EBITDA ANALYSIS, BY OPERATING INCOME DRIVERS

(Eu mn)

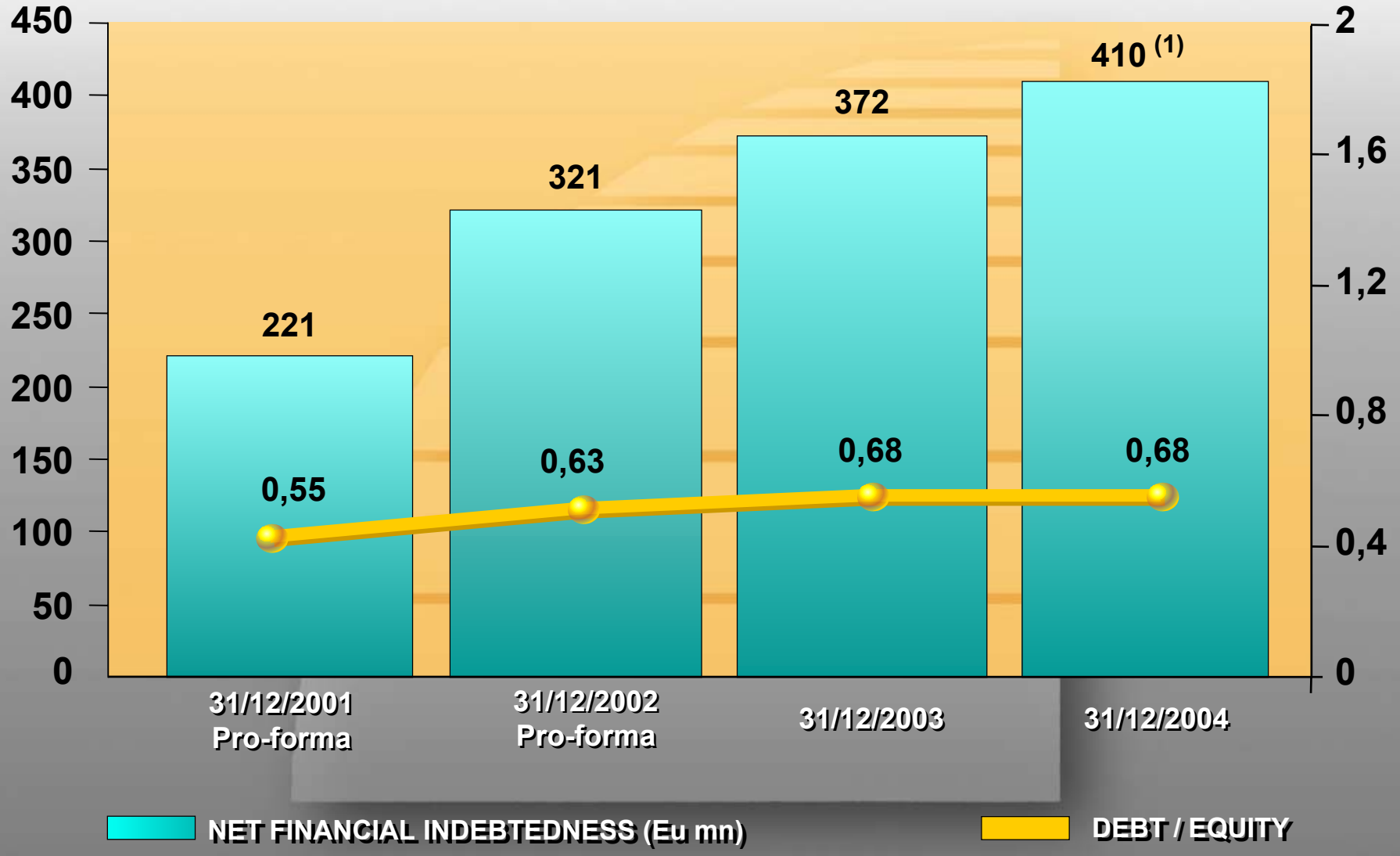


ASTM - $Q_1$2005 EBITDA BY SECTOR



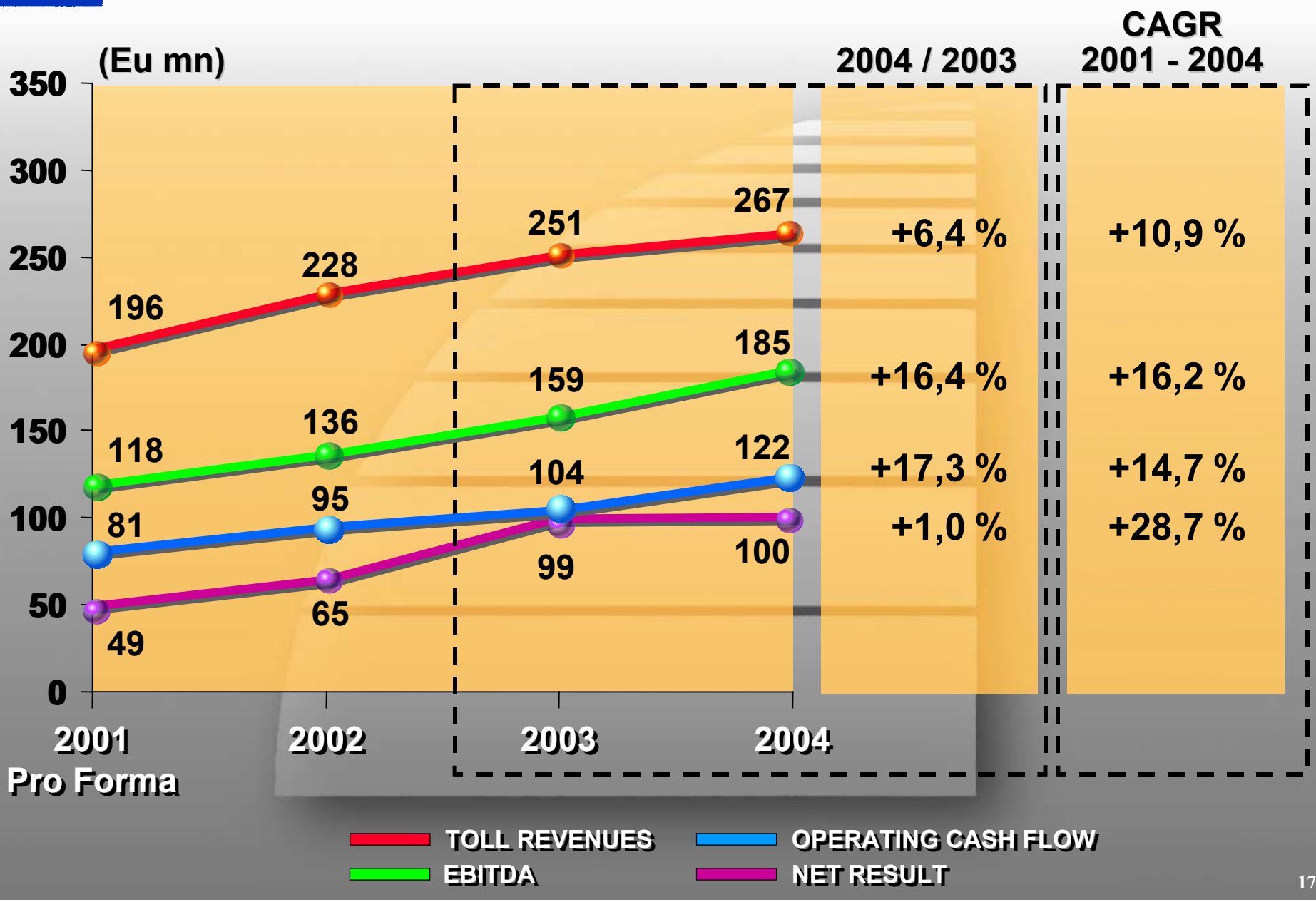
(1) ATIVA is consolidated on a "proportionate basis" (41%)

ASTM - NET FINANCIAL INDEBTEDNESS & LEVERAGE



(1) Loans guaranteed by the Government: 69 Eu mn

ASTM – FINANCIAL RESULTS



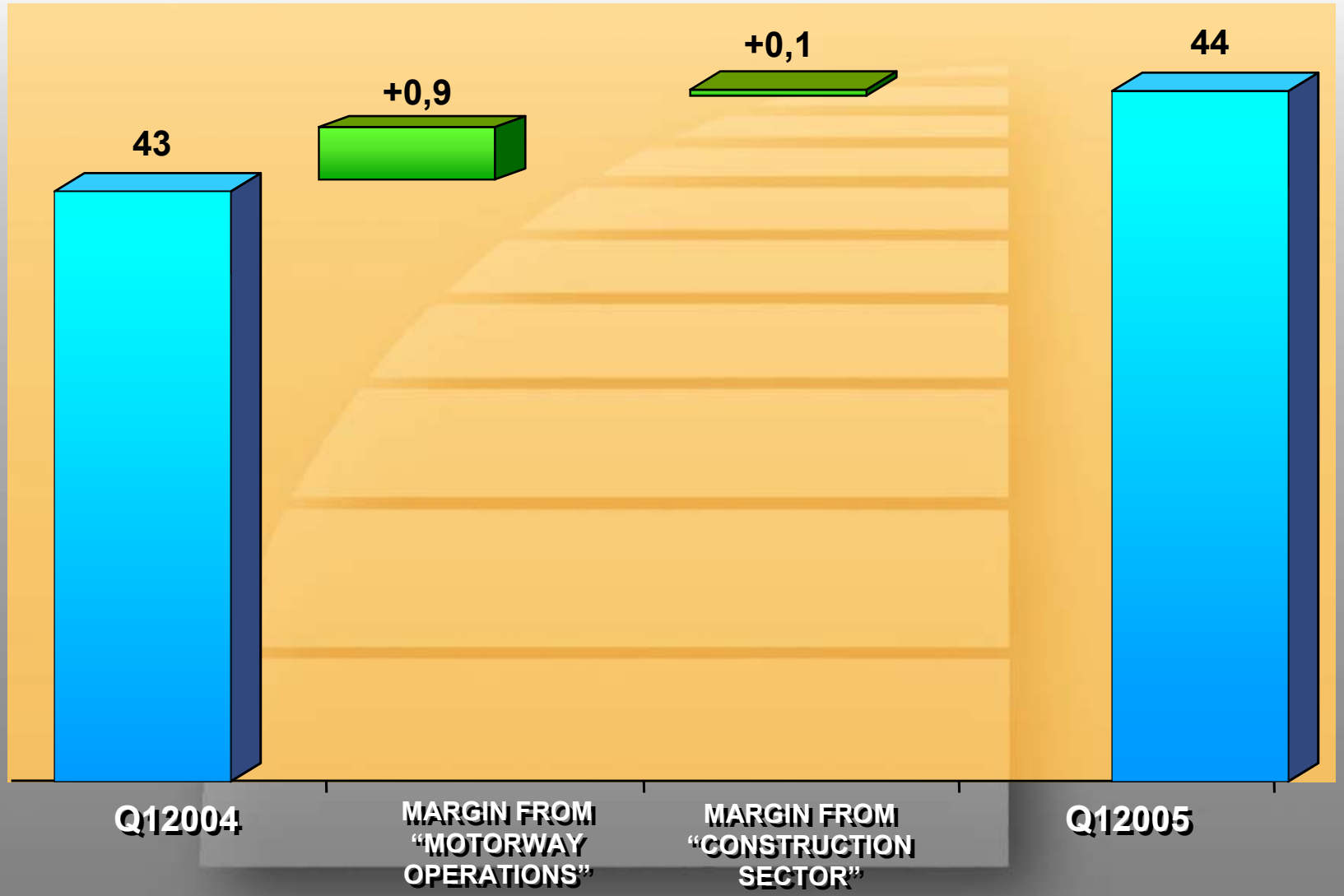
SIAS 3 MONTHS RESULTS – $Q_1$2005 & $Q_1$2004

(Eu mn)

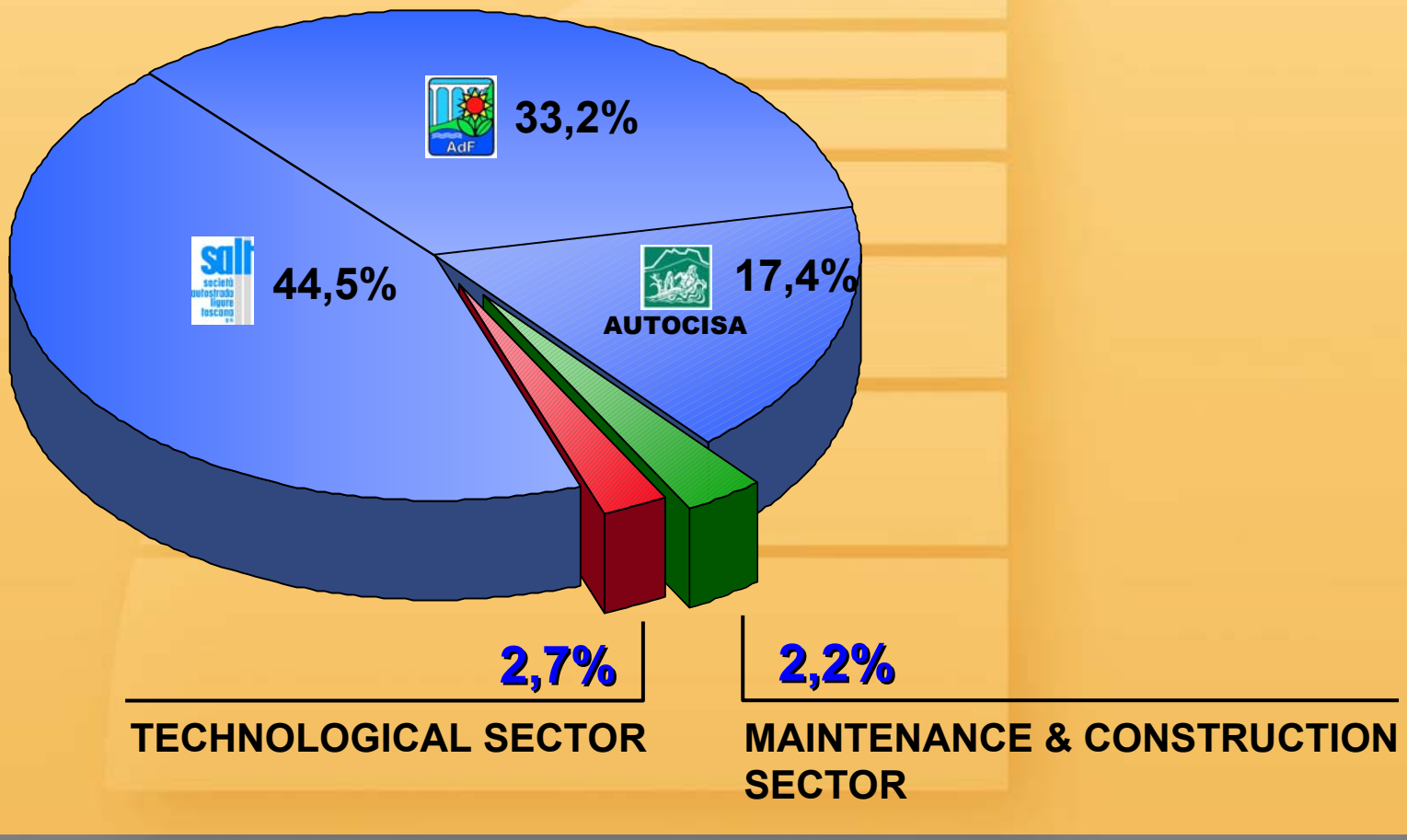
	1/1-31/3/2005	1/1-31/3/2004
REVENUES:		
- Motorways	74.7	71.4
- Construction	19.3	19.1
- Engineering	8.2	6.0
- Other revenues	4.4	5.1
TOTAL REVENUES	**106.6**	**101.6**
OPERATING COSTS	(62.6)	(59.0)
EBITDA	**44.0**	**42.6**
EBITDA margin	***41%***	***42%***

SIAS - EBITDA ANALYSIS, BY OPERATING INCOME DRIVERS

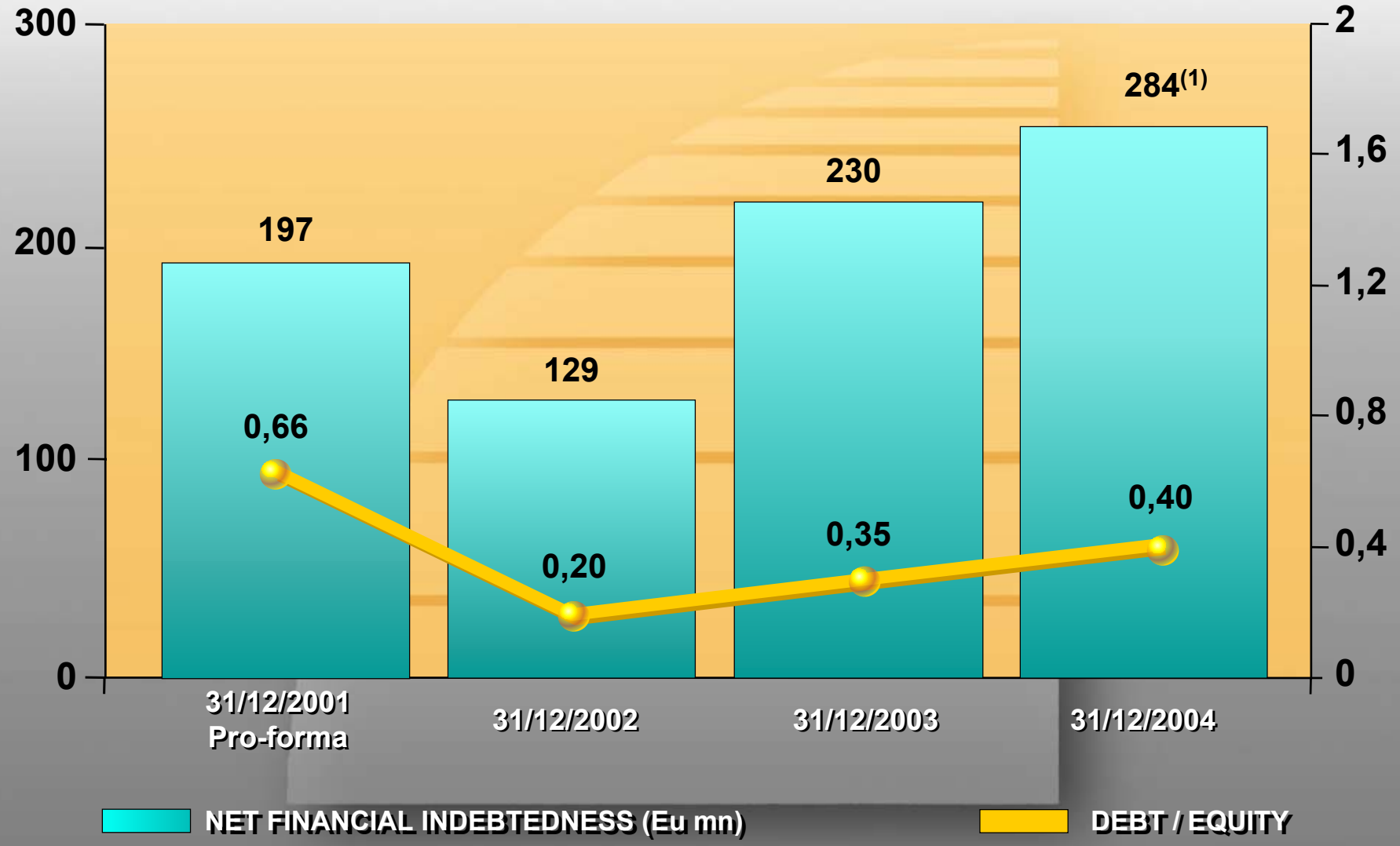
(Eu mn)



SIAS - $Q_1$2005 EBITDA BY SECTOR

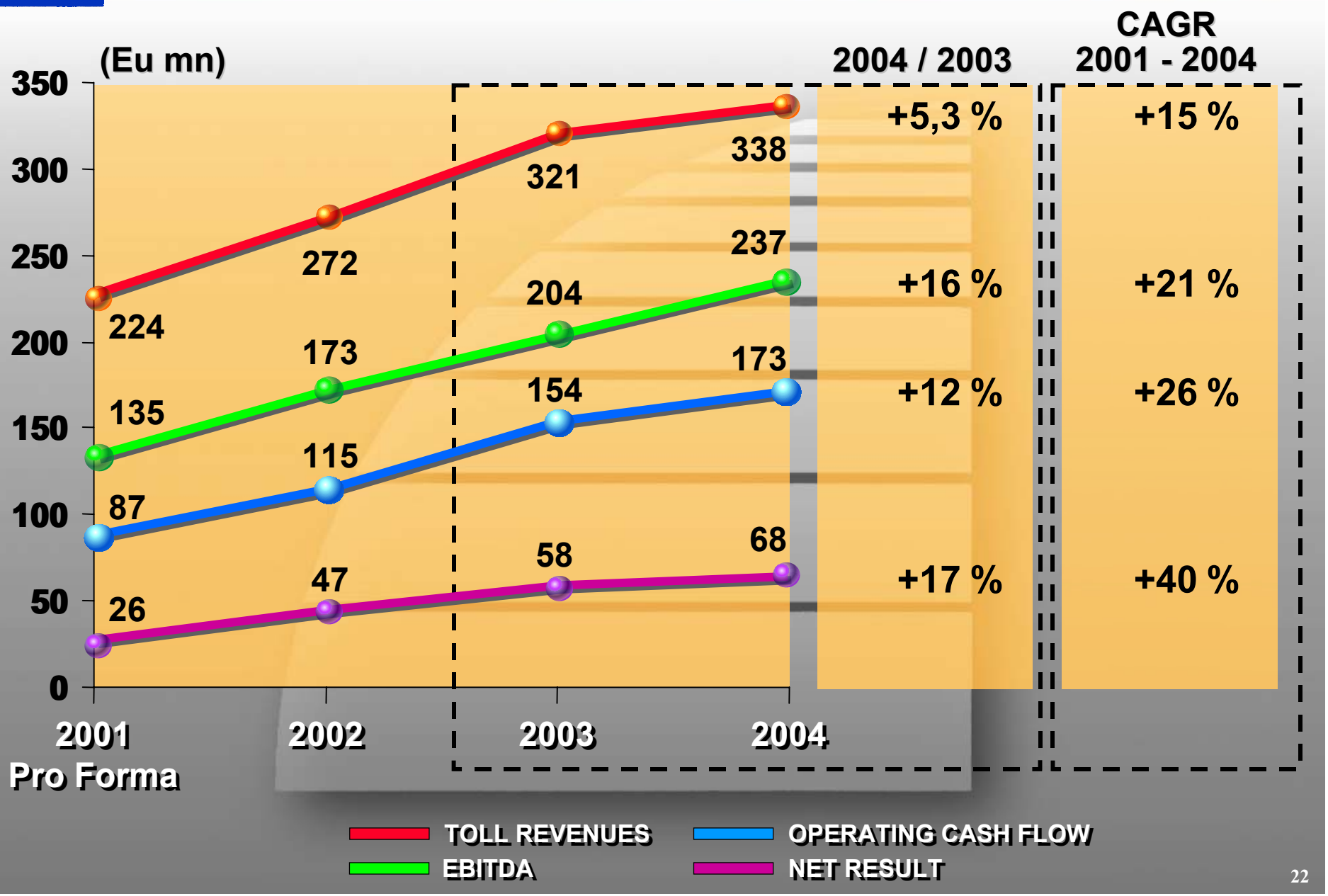


SIAS - NET FINANCIAL INDEBTEDNESS & LEVERAGE



(1) Loans guaranteed by the Government 84 Eu mn

SIAS – FINANCIAL RESULTS



SIAS - BOND

- **ISSUE SIZE: 335 Eu millions**
- **PAR VALUE: 10,50 Eu**
- **OFFERING PERIOD: option rights exercise- 20 June /8 July 2005-**
  option rights trading- 20 June/1 July 2005-
- **DURATION: 12 yrs (2005 - 2017)**
- **INTEREST: 2,625%**
- **CONVERSION RIGHT:**
  - **FROM THE END OF THE 5TH YEAR**
  - **1:1 AT PAR**
  - **OPTION TO EXISTING SHAREHOLDERS (1 BOND TO 4 SHARES)**

GROUP STRUCTURE

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ASTM GROUP – ANNUAL TARIFF CHANGE (1)

(%)	2004 Actual	2005	2006	2007	2008	2009
FORECASTED INFLATION RATE	1,70	1,60	Set annually in the Government's budget			
SAV INVESTMENTS(2)	1,10	1,43	1,43	1,43	-	-
NEW INVESTMENTS	- (3)	Under negotiation with ANAS				
PRODUCTIVITY	0,42(3)	-0,89	-0,90	-0,92	-0,94	-0,96
QUALITY FACTOR	0,52	0,30	Set annually on the basis of quality level achieved			
ANNUAL TARIFF CHANGE	**3,74**	**2,44**				

(1) Calculated as a weighted average on 2004 "toll revenues"
(2) X factor was granted to SAV to cover both the previous and new investiments
(3) 2004 Productivity rate also includes X factor related to the investments made in the period

SIAS GROUP – ANNUAL TARIFF CHANGE (1)

(%)	2004 Actual	2005	2006	2007	2008	2009
FORECASTED INFLATION RATE	1,70	1,60	Set annually in the Government's budget			
NEW INVESTMENTS	- (2)	Under negotiation with ANAS				
PRODUCTIVITY	1,30(2)	-0,89	-0,90	-0,92	-0,94	-0,96
QUALITY FACTOR	0,75	0,65	Set annually on the basis of quality level achieved			
ANNUAL TARIFF CHANGE	**3,75**	**1,36**				

(1) Calculated as a weighted average on 2004 "toll revenues"

(2) 2004 Productivity rate also includes X factor related to the investiments made in the period

GROUP STRUCTURE

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IAS / IFRS

CONCLUSION

STRATEGY: WHAT WE HAVE DONE

- **POSITIVE TRACK RECORD OF MANAGEMENT IN IMPLEMENTING ITS STRATEGY.**

- **OVER THE PAST SEVEN YEARS, THE GROUP:**
  - **became the second biggest motorway player in Italy**
  - **expanded the network from 127 km to 1.141 km(1)**
  - **strengthened the Group network in the highly industrialised north of Italy**

(1) inclusive of the 90 km. Asti-Cuneo stretch (awarded to the SIAS Group on a preliminary basis)

STRATEGY: WHAT WE FORESEE

MOTORWAY SECTOR

- CONCLUDE THE RENEGOTIATION OF THE "NEW" FINANCIAL PLANS WITH ANAS, BOTH DEFINING ADDITIONAL INVESTMENTS (i.e. 3RD lane for SALT, safety lane and 4th lane for TO-MI, …) AND RELATED "X" FACTORS

- CARRY OUT THE PARMA – BRENNERO MOTORWAY PROJECT

- REDUCE MINORITIES THROUGH ACQUISITIONS (MAINLY FROM LOCAL PUBLIC AUTHORITIES)

STRATEGY: WHAT WE FORESEE

OTHER SECTORS

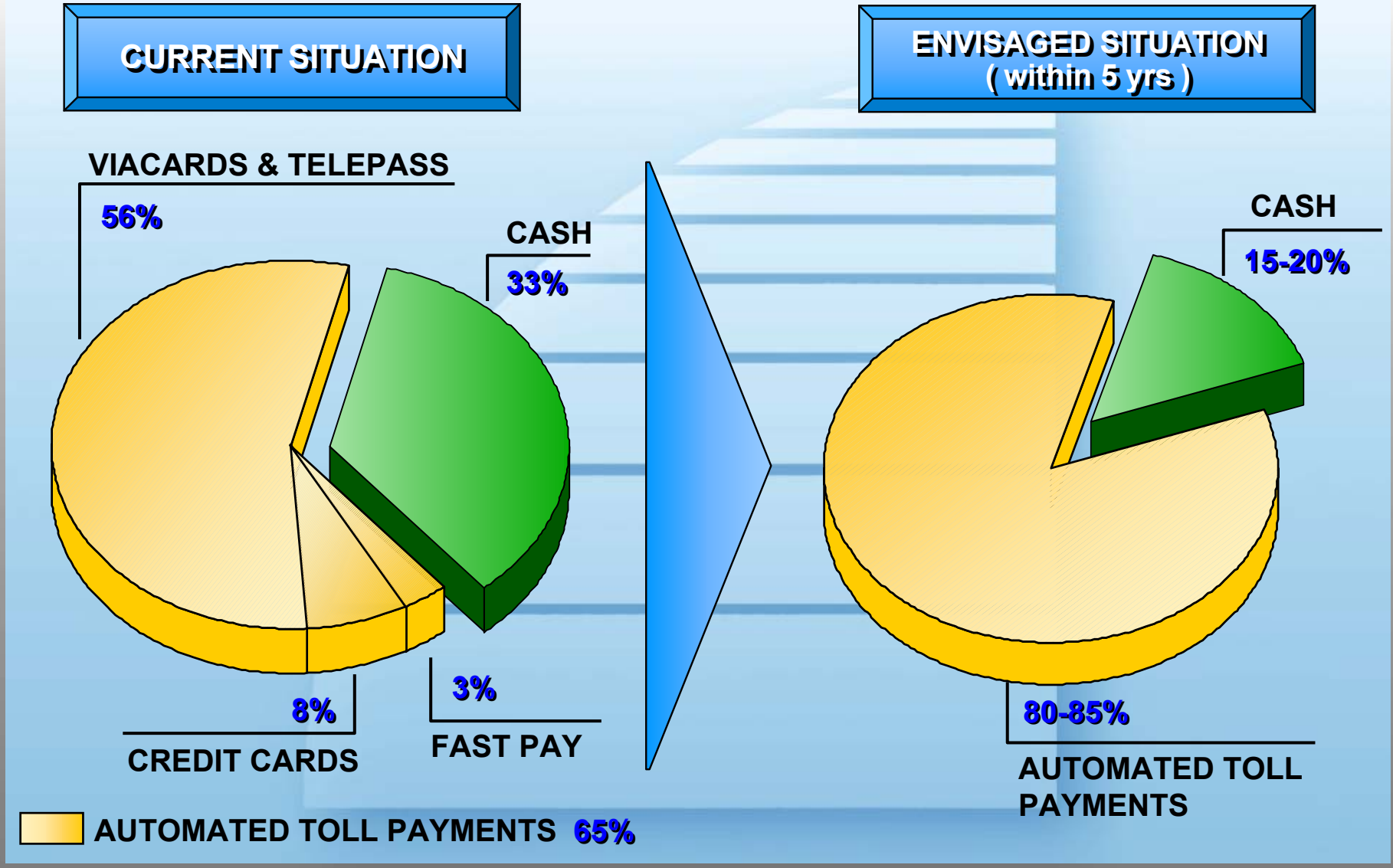
- DEVELOP ENGINEERING & PLANNING ACTIVITIES (i.e. "HIGH SPEED TRAIN" PROJECT)
- WIDEN TELECOM SERVICES (BY USING THE approx. 1000 KM FIBRE-OPTIC MODERN BACKBONE AND TRANSMITTERS FOR MOBILE TELEPHONE OPERATORS)
- INCREASE CONSTRUCTION ACTIVITIES - THROUGH SUBSIDIAIRIES - TO COPE WITH THE MOTORWAYS' INVESTMENT PLAN

...WITHOUT FORGETTING POTENTIAL FROM DIVERSIFICATION IN OTHER "SIDE" BUSINESS AREAS (i.e. LOGISTICS).

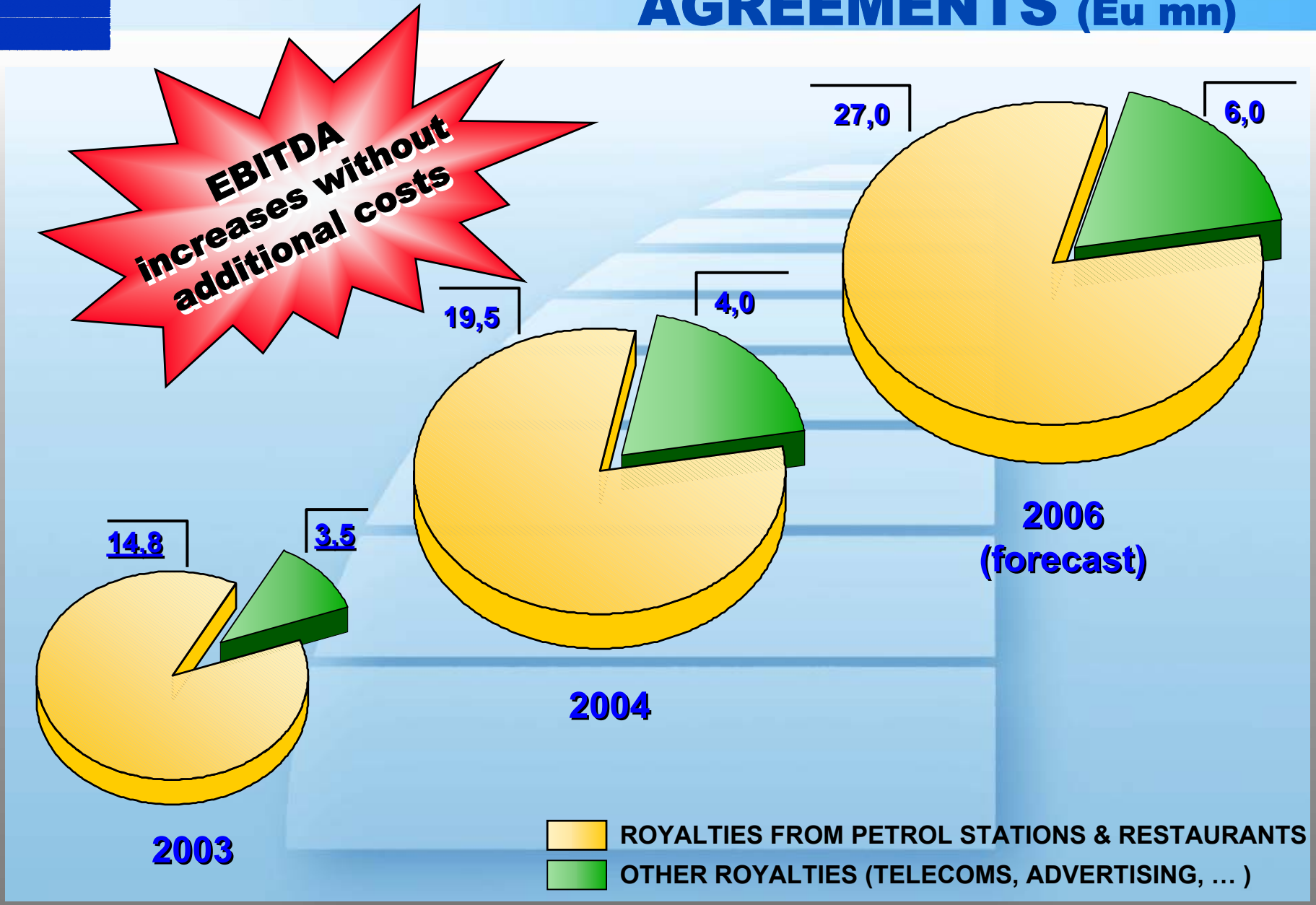
VALUE DRIVERS: TRAFFIC GROWTH

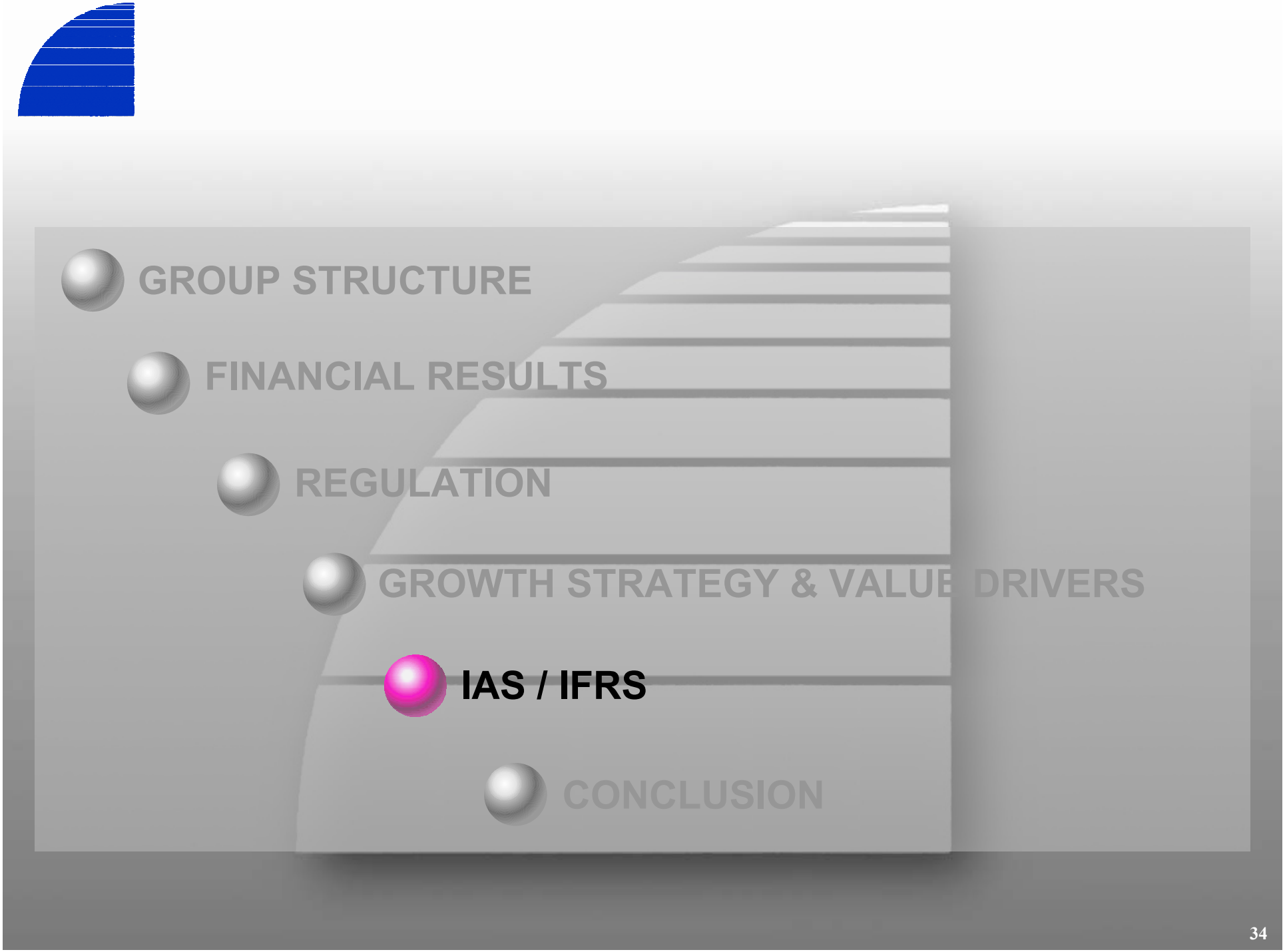
TRAFFIC TREND HISTORICALLY OUTPERFORMED GDP GROWTH EVEN IN RECESSION YEARS

VALUE DRIVERS: AUTOMATED TOLL PAYMENT SYSTEMS



VALUE DRIVERS: SUB – CONCESSION AGREEMENTS (Eu mn)




GROUP STRUCTURE
FINANCIAL RESULTS
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IAS / IFRS
CONCLUSION

ASTM & SIAS - IAS / IFRS

- No significant changes will arise following the adoption of the IAS – IFRS (1)

(Eu mn)	ASTM GROUP	SIAS GROUP
NET EQUITY AS AT 31/12/04	572	490
- Start-up & research costs	(1)	(1)
- Investments at fair value (i.e. Mi-Serravalle)	49	59
-Treasury stocks	(1)	-
NET EQUITY AS AT 31/12/04 according IFRS	619	548

(1) To date, "concession arrangements" are not addressed in the International Accounting Standards; consequently assets "subject to reversion" have been accounted, for IAS purposes, in accordance with the curren local accounting policies.

GROUP STRUCTURE

FINANCIAL RESULTS

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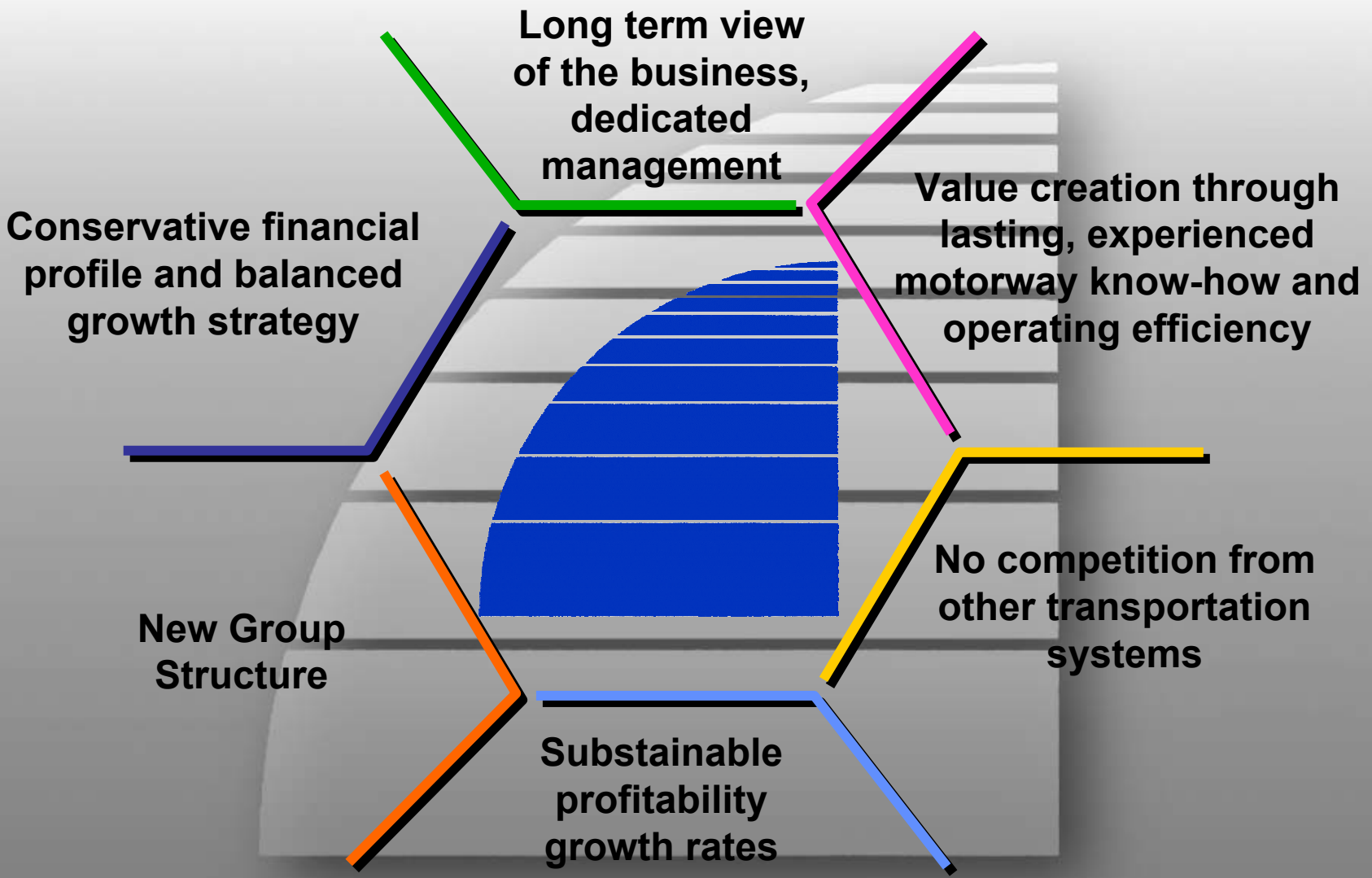
CONCLUSION


Long term view of the business, dedicated management
Value creation through lasting, experienced motorway know-how and operating efficiency
Conservative financial profile and balanced growth strategy
No competition from other transportation systems
New Group Structure
Substainable profitability growth rates

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