ASTM SpA

Half-year interim report and accounts

30 June 2007

Contents

AUTOSTRADA TORINO-MILANO

Società per Azioni [plc]
Issued capital €44m, fully paid-in
Tax Registration and Turin
Company Register No.: 00488270018

Registered Office 165, Corso Regina Margherita, Turin
Website: http://www.autostradatomi.it
e-mail:astm@autostradatomi.it
Subject to direction and coordination by Argo Finanziaria SpA

COMPANY OFFICERS

Chairman
Riccardo Formica

Vice Chairman
Daniela Gavio

Managing Director
Alberto Sacchi

Directors
Giovanni Angioni (1)
Enrico Arona
Alfredo Cammara
Ernesto Maria Cattaneo (1) (2)
Nanni Fabris
Cesare Ferrero (2)
Giuseppe Garofano
Vittorio Rispoli
Alvaro Spizzica (1) (2)
Agostino Spoglianti

Secretary
Cristina Volpe

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

BOARD OF STATUTORY AUDITORS

Chairman
Alfredo Cavanenghi

Full Auditors
Enrico Fazzini
Lionello Jona Celesia

Alternate Auditors
Massimo Berni
Roberto Coda

MANAGEMENT	*Manager General* Graziano Settime
INDEPENDENT AUDITORS	PricewaterhouseCoopers SpA

TERM OF OFFICE

The Board of Directors was appointed by the General Meeting of Shareholders held on 10 May 2007 for three financial years, i.e. until the AGM's approval of the Financial Statement for 2009.

The Board of Statutory Auditors was appointed by the General Meeting of Shareholders held on 29 April 2005 for three financial years, i.e. until the AGM's approval of the Financial Statement for 2007.

The Independent Auditors were appointed by the General Meeting of Shareholders held on 28 April 2006 for three financial years, i.e. until the AGM's approval of the Financial Statement for 2008.

POWERS OF COMPANY OFFICERS

The **Chairman**, appointed by the AGM on 10 May 2007, is authorized under Art. 24 of the Articles of Association to represent the company in law, and has the executive powers conferred by Board of Directors resolution dated 10 May 2007, subject to the restrictions provided for in law and by the Articles of Association.

The **Vice Chairman**, appointed by the Board of Directors on 10 May 2007, has the same powers as the Chairman, to be exercised in the event of the latter's absence or incapacity.

The **Managing Director**, (appointed by Board of Directors resolution dated 10 May 2007) has the same powers as the Chairman.

General information

Autostrada Torino-Milano Società per Azioni (ASTM SpA) is a company incorporated under Italian law.

ASTM 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 165, Corso Regina Margherita, Turin, Italy.

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

The Consolidated Interim Report of the ASTM 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 ASTM 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 ASTM Group for the six months ended 30 June 2007, and the Interim Accounts of the Holding Company (ASTM 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 ASTM Group, as given in the interim Income Statement figures, show a profit of €53.1m after providing €34.4m for amortization on its intangible and tangible fixed assets (including the "non-compensated reversionary assets").

SIGNIFICANT EVENTS IN THE FIRST SIX MONTHS OF 2007

Company reorganisation project: present situation

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

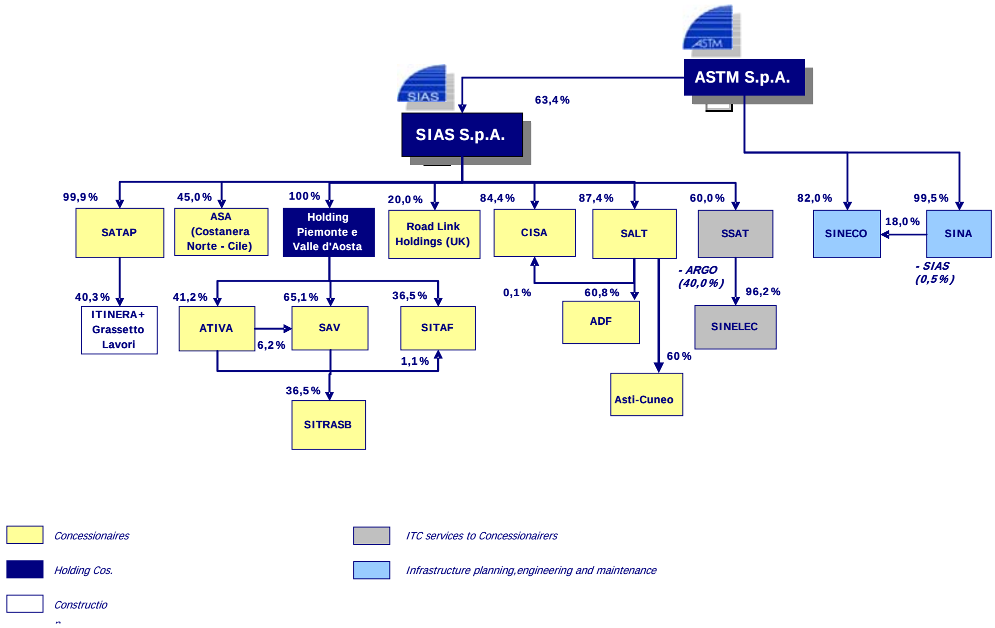
Developments in terms of the individual stages of the project's implementation have been as follows:

- the Extraordinary General Meeting of Shareholders of SIAS SpA held on 29 June 2007 approved the increase in the share capital (from €63,750,000 to €113,750,000) by issuing – in return for ASTM's contribution in the form of its shareholdings in SATAP SpA (99.874% of the share capital) and in Road Link Holdings Ltd (20% of the share capital) – of 100,000,000 shares of nominal value €0.50 each (at an issue premium of €9.69), reserved to ASTM SpA as the contributor in accordance with Article 2441(iv) of the Civil Code;
- on 3 July 2007 the Deed contributing these shareholdings held by ASTM SpA was signed, 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 ASTM SpA sold the following shareholdings to Holding Piemonte and Valle d'Aosta - HPVdA SpA (a company formed on 22 June 2007 with a share capital of €350,000,000 subscribed in full by SIAS SpA),:
  - 2,642,622 shares in ATIVA SpA (41.17% of the share capital) for €113.8m;
  - 15,620,425 shares in SAV SpA (65.085% of the share capital) for €95.7m;
  - 4,602,895 shares in SITAF SpA (36.531% of the share capital) 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, ASTM SpA has purchased a total of 230,000 shares in SINECO SpA (46% of the share capital) from SALT SpA, ADF SpA, SAV SpA and SATAP SpA for a total of €12.8m, and also 205,997 shares in SINA SpA (5.079% of the share capital) from SATAP SpA for €4.4m.

ASTM SpA has also purchased 9,792,264 SIAS bonds convertible into ordinary shares from SATAP SpA, for a total consideration of €108.1m.

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



In detail, the ASTM Group today controls (through SIAS SpA) - the following motorway operating companies:

- **SATAP**: Società Autostrada Torino-Alessandria-Piacenza SpA, 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 SpA, 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 SpA, 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 ASTM 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)	1,053.4	
• 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)	233.8	
TOTAL (a+b)	1,287.2	

(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 with ANAS in respect of **Autostrada Asti-Cuneo SpA** (which has now come under ASTM's control) for completion of its motorway portions 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.

As to the remaining motorway concession companies indirectly controlled by ASTM SpA, discussions with the public concession authority are continuing with a view to renewal of the Financial Plans that have now expired.

The figures for 30 June 2007 given below concern the situation as it was before the reorganisation

GROUP REVENUES, EXPENSES AND PROFITS

The key income and expenditure figures for the first six months of 2007 (with the corresponding proforma[1] figures for the same period last year for comparison) can be summarised as follows:

(€000s)	**First half 2007**	**First half 2006 (proforma)**	**Change**
Motorway Sector revenue	160,621	154,502	6,119
Construction sector revenue	787	2,214	(1,427)
Engineering Sector revenue	12,928	14,554	(1,626)
Other revenues	17,848	14,550	3,298
Operating costs	(92,933)	(96,256)	3,323
Capitalised costs on fixed assets	12,044	9,472	2,572
Gross operating margin	**111,295**	**99,036**	**12,259**
Significant exceptional items	1,738	-	1,738
Gross operating margin, adjusted	**113,033**	**99,036**	**13,997**
Amortization and other provisions, net of drawings	(34,395)	(21,378)	(13,017)
Operating profit	**78,638**	**77,658**	**980**
Financial income	4,358	6,209	(1,851)
Financial charges	(13,534)	(14,483)	949
Net dividend income from subsidiaries valued by the Shareholders' Equity method	14,427	16,933	(2,506)
Net financial income	**5,251**	**8,659**	**(3,408)**
Profit before taxes	**83,889**	**86,317**	**(2,428)**
Income taxes (current and deferred)	(29,816)	(28,137)	(1,679)
Profit (loss) for the period	**54,073**	**58,180**	**(4,107)**
▪ Minority interests' share	960	1,699	(739)
▪ **Group's share**	**53,113**	**56,481**	**(3,368)**

Despite the partial and tardy application of the toll rate adjustments due, and the rise in the concession payments to ANAS, good turnover and a lowering of operating costs have meant that the Motorway Sector improved its operating profit significantly (+12.4% compared with the pro-forma comparable period last year).

Motorway Sector revenue rose by some €6.1m; this increase, of 4%, is due to the increase in lease income from service areas (+€1m) and in toll receipts (+€5.1m); the latter change is due to the rise in

[1] In order to provide comparable figures following the removal of ITINERA SpA from the scope of consolidation (from 1 July 2006) and its consequent valuation by the Shareholders' Equity method, proforma statements of profit and loss accounts have been drawn up in which, for the first half of 2006, the figures for this shareholding are included under the heading "Net dividend income from subsidiaries valued by the Shareholders' Equity method"

traffic volumes and the adjustment of toll rates which took effect on some of the Group's sections on 15 March 2007.

Construction sector revenue were lower as the amount of work done by Strade Co.Ge. SpA was less.

The change in revenue from the Engineering Sector reflects the type of work done in these six months, less being done for non-Group organizations and more on behalf of companies within the ASTM Group (as shown by the in the item "Capitalised costs on fixed assets").

The increase in the figure for Other Revenues is for the most part due to a greater amount of work done by SATAP SpA on behalf of the CAV.TO.MI consortium (which is building the High Capacity line between Turin and Milan); this increase almost exactly matches a corresponding rise in operating costs.

Operating costs themselves, despite the rise in the concession payments and the greater activity of the firms operating in the Engineering Sector, as well as the increase in work done for the CAV.TO.MI. consortium, were lower overall by about €3.3m, mainly due to two factors: a revised scheduling of maintenance operations, and a significant reduction in winter services costs following the clement weather conditions of early 2007.

For all the above reasons, Gross Operating Margin grew by some €12.3m (+12.4%).

"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" rose by about €13m because of the greater amortization provided for by the Financial Plans associated with the current concession agreements and the greater sums set aside for the rehabilitation/replacement of non-compensated reversionary assets; this item also includes the impairment of €2.7m in the goodwill on the motorway concession company ATIVA.

Financial Income refers to the dividends received from shareholdings and the proceeds of investing available cash. The smaller figure for this item is because of the capital gains made in the first six months of 2006 on the sale of shares (about €2.1m).

In spite of the greater financial exposure connected with the progress of the Group's significant programme of investment in motorway assets, Financial Charges as a whole fell by some €0.9m because of the higher capitalisation associated with this.

"Net dividends received from companies valued by the Shareholders' Equity method" includes the Group's share of the profits earned by its subsidiaries SIAS SpA, SITAF SpA and Road Link Ltd.; the reduction this year is mainly due to a smaller contribution from the part-owned subsidiary ITINERA SpA.

In view of all the above, the Group's share of total Profit for the period was €53.1m (€56.5m 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	59,430	81,693	(22,263)
B) Securities held for trading	-	1,623	(1,623)
C) Liquid funds (A) + (B)	**59,430**	**83,316**	**(23,886)**
D) Financial receivables (*)	**47,380**	**51,524**	**(4,144)**
E) Short-term bank debt	(35,019)	(8,661)	(26,358)
F) Short-term portion of long-term debt	(229,139)	(91,416)	(137,723)
G) Other short-term financial debt	(3)	(3)	-
H) Total short-term financial debt	**(264,161)**	**(100,080)**	**(164,081)**
I) (Indebtedness) Net short-term financial liquidity (C) + (D) + (H)	**(157,351)**	**34,760**	**(192,111)**
J) Medium/long-term bank debt	(594,370)	(688,681)	94,311
K) Bonds issued	-	-	-
L) Other long/medium-term debts	-	-	-
M) Long/medium-term financial indebtedness (J) + (K) + (L)	**(594,370)**	**(688,681)**	**94,311**
N) (Indebtedness) Net financial liquidity (I) + (M)	**(751,721)**	**(653,921)**	**(97,800)**

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

The Group's financial position on 30 June 2007 showed net indebtedness of €752m (€654m on 31 December 2006); this amount, including the discounted value of the sum due to the Central Guarantee Fund and ANAS, this figure rises to €881m (€779m on 31 December 2006), if the discounted present value of the sums due to the Central Guarantee Fund and ANAS is included. Some €21.3m of the bank debt is guaranteed by the State.

As shown by the Consolidated Cash flow Statement, the cash flows generated in the period have, for the most part, been applied to investments enhancing the Group's motorway infrastructure (amounting to some €146.7m). Dividends for 2006 have also been paid by the Holding Company, totalling €17.6m.

As to the composition of the Group's financial structure, there has been a significant increase in Total Short-Term Financial Debt due to the reclassification of a €170m medium-term loan taken out by the holding company as a "Short-term portion of long-term debt": this loan was repaid early, on 6 July 2007.

There was also during this period a significant increase in cash flow generated by operations which, at €63m, was €9m (or 17%) 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

Autostrada Torino-Milano SpA

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 €15.1m (€364.8m in the same period of 2006); it will be recalled that the figure for the first six months of 2006 was boosted by an extraordinary dividend of €344.9m distributed by SATAP SpA because of significant capital gains that company had made from the sale of financial assets.

The financial position on 30 June 2007 shows net indebtedness of about €155.1m (€149.4m on 31 December 2006). The cash flow from receipt of dividends from shareholdings (€18m) has been used to buy shares in Road Link Holdings Ltd (€2m) and to pay the final dividend for 2006 (€17.6m), as well as €4.5m of interest due on the loan from Banca di Roma SpA.

The Schedule of Reconciliation between ASTM SpA Shareholders' Equity and Profit for the Period and the corresponding figures for the ASTM 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, Autostrada Torino – Milano SpA controlled the following motorway operating companies:

- **S.A.T.A.P.**: Società Autostrada Turin – Alessandria – Piacenza SpA, with 99.874% of the share capital;
- **S.A.V.**: Società Autostrade Valdostane SpA, with 67.634% of the share capital;
- **ATIVA**: Autostrada Turin – Ivrea – Valle d'Aosta SpA, with 41.17% of the share capital (this company is consolidated with the proportional method);

Furthermore it has a considerable influence over four other companies, though owning only a minority stake: Società Italiana per il Traforo Autostradale del Fréjus (**S.I.T.A.F. SpA:** 36.976%), Società Italiana per il Traforo del Gran San Bernardo (**SITRASB SpA:** 36.50%), Società Iniziative Autostradali e Servizi (**SIAS SpA:** 34.734%), and 20% of Road Link **(A69)** Holdings Ltd., which manages the stretch of road between Newcastle and Carlisle in the United Kingdom.

For the Group structure as it results from the current corporate reorganisation, reference should be made to the account in Part One of this Report.

SATAP – Società Autostrada Torino – Alessandria – Piacenza SpA

The company manages the stretches of motorway between Turin and Milan (A4) and Turin – Alessandria – Piacenza (A21); it is controlled by the Group, which owned 99.874% of the share capital on 30 June 2007.

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

(€000s)	**First half 2007**	**First half 2006**	**Change**
Motorway Sector revenue	116,645	112,917	3,728
Other revenues	13,212	9,859	3,353
Operating costs	(51,239)	(55,679)	4,440
Gross operating margin	**78,618**	**67,097**	**11,521**
Significant exceptional items	1,151	-	1,151
Gross operating margin, adjusted	**79,769**	**67,097**	**12,672**
Amortization and other provisions, net of drawing	(29,541)	(21,577)	(7,964)
Operating profit	**50,228**	**45,520**	**4,708**
Financial income	3,922	18,614	(14,692)
Financial charges	(2,716)	(5,377)	2,661
Net financial income	**1,206**	**13,237**	**(12,031)**
Profit before taxes	**51,434**	**58,757**	**(7,323)**
Income current taxes and deferred	(22,404)	(20,477)	(1,927)

Half-Year Profit	**29,030**	**38,280**	**(9,250)**

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To provide a breakdown of the profit and loss items for the two stretches managed by this company, the composition of the Net Operating Margin (or EBIT) is given below for the "Turin – Alessandria – Piacenza" (A21) and "Turin – Milan" (A4) stretches separately.

Section A21

(€000s)	**First half 2007**	**First half 2006**	**Change**
Motorway Sector revenue	59,363	55,439	3,924
Other revenues	3,500	3,366	134
Operating costs	(22,735)	(26,903)	4,168
Gross operating margin	**40,128**	**31,902**	**8,226**
Significant exceptional items	575	-	575
Gross operating margin, adjusted	**40,703**	**31,902**	**8,801**
Amortization and other provisions, net of drawing	(6,673)	(5,449)	(1,224)
Operating profit	**34,030**	**26,453**	**7,577**

The €3.9m increase in Motorway Sector revenue is due to the increase in Net Toll Receipts (€3.5m) and lease income (€0.4m); the change in Net Toll Receipts (+6.71%) was almost entirely because of an increase in traffic; readers will already be aware that the increase in toll rates (0.36% instead of the 1.18% which was due) was awarded by ANAS only on 10 March 2007, with effect from 15 March 2007. The increase in lease income is due to a renegotiation of royalties with the service area concession operators which took place in the second half of last year.

The change in operating costs is a net figure, resulting mainly from less maintenance activity during the period, the incurring of lower winter services costs and the increase in the concession payments which rose on 1 January 2007 from 1% to 2.4% (and accordingly has cost the company €0.8m).

The gross operating margin was accordingly €40.1m (€31.9m in the first half 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.

The figure for "Amortization and other provisions, net of drawings" is essentially a reflection of the Financial Plan attached to the current agreement.

Section A4

(€000s)	**First half 2007**	**First half 2006**	**Change**
Motorway Sector revenue	57,282	57,478	(196)
Other revenues	9,712	6,493	3,219
Operating costs	(28,504)	(28,776)	272
Gross operating margin	**38,490**	**35,195**	**3,295**
Significant exceptional items	576	-	576

Gross operating margin, adjusted	**39,066**	**35,195**	**3,871**
Amortization and other provisions, net of drawing	(22,868)	(16,128)	(6,740)
Operating profit	**16,198**	**19,067**	**(2,869)**

So far as Section A4 is concerned, Motorway Sector Revenue was essentially in line with the corresponding figure for the first six months of last year. Net Toll Receipts came to €52.9m, roughly the same as the definitive figure for the first half of 2006 (€53.1m); the adjustment in toll rates due for this section during financial year 2007 was not honoured by the public concession authority.

The €3.2m rise in the Other Revenues is a net figure, resulting mainly from the increase of €4.4m in services performed for the CAV.TO.MI. consortium (which is completing the High Capacity line between Turin and Milan) and €0.8m fall in work done for other customers.

The €0.3m rise in operating costs is again a net amount, mainly resulting from the increase of €4.4m in work done for non-Group customers (related to the above change in the amount of services performed for the CAV.TO.MI. consortium), the fall in expenses incurred for maintenance operations, winter services and costs for other services – a total of €4.8m – and, lastly, the already-mentioned increase of €0.7m in the concession payments for the Section A4.

Gross operating margin was accordingly €38.5m (€35.2m in the first six months of 2006).

"Significant exceptional items" refers, as in the case of Section A21, 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.

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SATAP SpA's Net Financial Income (Section A4 +Section A21) showed a positive balance of €1.2m (€13.2m in the first half of 2006).

Financial Income came to €3.9m, down €14.7m compared with the corresponding period last year when the figure was boosted by two factors: an extraordinary dividend of €9.5m paid by the part-owned subsidiary ITINERA SpA on the occasion of its merger, and €3.5m of interest received on the loan which had been provided last year to Autostrada Torino – Milano SpA.

"Financial Charges", at €2.7m, refer to interest paid on medium/long-term loans (€1.1m, net of the €9.6m capitalised as an increase in the value of non-compensated reversionary assets), a further €1.1m of interest paid on the financial discounting of long-term liabilities, and a impairment of financial assets (€0.5m).

The net result of all the above figures was a definitive "Half-Year Profit", net of tax, of €29m.

CASH FLOW

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

(€000s)	**30/06/2007**	**31/12/2006**	**Change**
Cash and near-cash	28,376	42,996	(14,620)
Securities held for trading	-	-	-
Liquid funds	**28,376**	**42,996**	**(14,620)**
Financial receivables (*)	**46,952**	**46,136**	**816**
Short-term bank debt	-	-	-
Short-term portion of long-term debt	(30,781)	(31,038)	257
Other short-term financial debt	-	-	-
Total short-term financial debt	**(30,781)**	**(31,038)**	**257**
(Indebtedness) Net short-term financial liquidity	**44,547**	**58,094**	**(13,547)**
Medium/long-term bank debt	(508,156)	(437,910)	(70,246)
Bonds issued	(3)	(3)	-
Other long/medium-term debts	-	-	-
Long/medium-term financial indebtedness	**(508,159)**	**(437,913)**	**(70,246)**
Net financial position	**(463,612)**	**(379,819)**	**(83,793)**

(*) On 30 June 2007, this consisted of an endowment contract which, though not due for more than one year, can readily be encashed on demand.

The net financial position on 30 June 2007 showed total net indebtedness of €464m (€380m 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 €500m (€415m on 31 December 2006).

The rise in net indebtedness is attributable – for the most part – to the large-scale programme of investment in reversionary assets made during these six months (€141m), which was only partially funded from operational cash flow.

The company manages the 59.5 kilometres of motorway between Quincinetto and Aosta; it is controlled by the Group, which on 30 June 2007 owned 67.63% of the stock.

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

(€000s)	**First half 2007**	**First half 2006**	**Change**
Motorway Sector revenue	21,560	20,523	1,037
Other revenues	2,906	3,032	(126)
Operating costs	(11,192)	(10,243)	(949)
Gross operating margin	**13,274**	**13,312**	**(38)**
Significant exceptional items	68	-	68
Gross operating margin, adjusted	**13,342**	**13,312**	**30**
Amortization and other provisions, net of drawings	(4,248)	(2,856)	(1,392)
Operating profit	**9,094**	**10,456**	**(1,362)**
Financial income (charges), net	(4,225)	(3,502)	(723)
Value adjustments, financial assets	-	-	-
Net financial income	**(4,225)**	**(3,502)**	**(723)**
Profit before taxes	**4,869**	**6,954**	**(2,085)**
Income taxes	(2,036)	(2,641)	605
Profit for the period	**2,833**	**4,313**	**(1,480)**

Motorway Sector revenue as a whole was up by €1m (+5%).

Net Toll Receipts came to €21.1m, up by 5.13% compared with the same period last year. This rise is the result of the 10.41% increase in toll rates toll which took effect on 15 March 2007, though it was diminished by the fall in volumes of heavy goods traffic.

The rise in operating costs is due to greater maintenance activity and the increase in the concession payments due to ANAS from 1 January 2007.

The net effect of the above figures is that Gross Operating Margin in the first six months of 2007 was €13.3m, in line 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.

The increase in the item “Amortization and other provisions, net of drawings” reflects the provisions of the Financial Plan attached to the current agreement.

Net Financial Income was negative (-€4.2m) and lower than in the first six months of 2006 because of greater amounts of interest payable on loans.

The net result of all the above figures was a definitive profit for the period of €2.8m (€4.3m 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):

(€000s)	**30/6/2007**	**31/12/2006**	**Change**
A) Cash and near-cash	1,156	3,947	(2,791)
B) Securities held for trading	-	-	-
C) Liquid funds (A)+ (B)	**1,156**	**3,947**	**(2,791)**
D) Financial receivables	**-**	**-**	**-**
E) Short-term bank debt	(26,084)	(14,950)	(11,134)
F) Short-term portion of long-term debt	(23,388)	(20,203)	(3,185)
G) Other short-term financial debt	-	-	-
H) Total short-term financial debt	**(49,472)**	**(35,153)**	**(14,319)**
I) (Indebtedness) Net short-term financial liquidity (C)+ (D)+ (H)	**(48,316)**	**(31,206)**	**(17,110)**
J) Medium/long-term bank debt	(47,906)	(60,923)	13,017
K) Bonds issued	-	-	-
L) Other long/medium-term debts	-	-	-
M) Long/medium-term financial indebtedness (J)+ (K)+ (L)	**(47,906)**	**(60,923)**	**13,017**
N) (Indebtedness) Net financial liquidity (I)+ (M)	**(96,222)**	**(92,129)**	**(4,093)**

The financial position on 30 June 2007 showed total net indebtedness of about €96.2m; if the discounted present value of the sums due to the Central Guarantee Fund and ANAS were included, this figure would be €170.3m (€164.1m on 31 December 2006). Some €21.3m of the bank debt is guaranteed by the State.

The cash flows generated by operations have been applied to investments enhancing the Group's motorway infrastructure (€1.4m) and to the payment of the dividend for 2006 (€4.1m).

ATIVA – Autostrada Torino-Ivrea-Valle d'Aosta SpA

The company manages Turin's system of bypasses, the extension as far as Quincinetto, the Ivrea - Santhià link and the Turin – Pinerolo motorway, a total of 155.8 kilometres. It is under the joint control of the Group and another party; the Group's stake is 41.17%. ATIVA SpA and its subsidiaries are consolidated by the proportional method (in proportion to the Group's percentage of the stock).
The company's key income and expenditure figures can be summarised as follows:

(€000s)	First half 2007	First half 2006	Change
Motorway Sector revenue	54,448	51,372	3,076
Other revenues	3,310	2,336	974
Operating costs	(23,863)	(26,122)	2,259
Gross operating margin	**33,895**	**27,586**	**6,309**
Significant exceptional items	592	-	592
Gross operating margin, adjusted	**34,487**	**27,586**	**6,901**
Amortization and other provisions, net of draw	(9,223)	(7,027)	(2,196)
Operating profit	**25,264**	**20,559**	**4,705**
Financial income	933	2,740	(1,807)
Financial charges	(3,682)	(3,328)	(354)
Net financial income	**(2,749)**	**(588)**	**(2,161)**
Profit before taxes	**22,515**	**19,971**	**2,544**
Income taxes	(8,736)	(7,232)	(1,504)
Profit for the period	**13,779**	**12,739**	**1,040**

Motorway Sector revenue totalled €54.4m, up by about €3.1m compared with the same period of 2006. Net Toll Receipts came to €49.1m, an increase of 4.3% compared with that period. This increase was mainly caused by the increase in the traffic; the 0.74% rise in toll rates awarded by ANAS came into effect only from 15 March 2007.
Operating costs for the first six months of 2007 were €23.9m, an overall drop of €2.2m mainly due to lower costs incurred for services.
The net effect of the above figures is that the gross operating margin was €33.9m, up by €6.3m compared with the same period last year (+22.9%).
"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" rose by some €2.2m because of the greater amortization and the greater sums set aside for the rehabilitation/replacement of non-compensated reversionary assets.
Net financial charges were €2.2m greater, because of lower dividends distributed by controlled subsidiaries and greater financial costs.

The net result of all the above figures was a definitive profit for the period of €13.8m, up by about €1m compared with 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):

(€000s)	**30/6/2007**	**31/12/2006**	**Change**
A) Cash and near-cash	7,952	8,359	(407)
B) Securities held for trading	-	-	-
C) Liquid funds (A)+ (B)	**7,952**	**8,359**	**(407)**
D) Financial receivables (*)	**-**	**15,024**	**(15,024)**
E) Short-term bank debt	-	-	-
F) Short-term portion of long-term debt	(11,098)	(10,868)	(230)
G) Other short-term financial debt	-	-	-
H) Total short-term financial debt	**(11,098)**	**(10,868)**	**(230)**
I) (Indebtedness) Net short-term financial liquidity (C)+ (D)+ (H)	**(3,146)**	**12,515**	**(15,661)**
J) Medium/long-term bank debt	(92,895)	(98,491)	5,596
K) Bonds issued	-	-	-
L) Other long/medium-term debts	-	-	-
M) Long/medium-term financial indebtedness (J)+ (K)+ (L)	**(92,895)**	**(98,491)**	**5,596**
N) (Indebtedness) Net financial liquidity	**(96,041)**	**(85,976)**	**(10,065)**

(*) On 31 December 2006, this heading contained endowment contracts and government securities 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 €96m (€86m 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 €141.1m (€129.9m on 31 December 2006).

The change in the net financial position compared with 31 December 2006 is mainly related to continuing investment in motorway fabric (€9.3m invested during the period) and the paying of the final dividend for 2006 (€10.3m).

SIAS – Società Iniziative Autostradali e Servizi SpA

The Group owns 34.7% of this company on 30 June 2007.

The gross operating margin of the whole SIAS Group for the first six months of 2007 was €131.1m (€5.4m up, or 4.3%).

The Group's share of SIAS' profit was €31.5m (some €2.7m higher than the corresponding figure for 2006).

The Consolidated Financial Position on 30 June 2007 showed total net indebtedness of €442.4m (€436.2m on 31 December 2006).

SITAF – Società Italiana per il Traforo Autostradale del Fréjus SpA

SITAF SpA manages the stretch of motorway between Turin and Bardonecchia (A32) and the international Fréjus Tunnel (T4). The Group owns 36.9% of the stock.

Net Toll Receipts in the first six months of 2007 came to €57.7m, up by €3.9m compared with the same period last year.

The company earned a profit of €7.9m in the first six months of 2007 (€8.9m in the first six months of 2006).

SITRASB – Società Italiana Traforo del Gran San Bernardo SpA

The company manages the international tunnel of the same name. The Group owns 36.5% of the stock.

Motorway Sector Revenue came to €3.2m (€3.4m in the first six months of 2006).

The first six months of 2007 ended with a profit of €0.1m, in line with the corresponding figure last year (€0.2m).

The financial position on 30 June 2007 showed a net positive balance of €8.9m (against a positive balance of €9.5m on 31 December 2006).

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

On 23 March 2007 SATAP SpA bought from Milano Serravalle – Milano Tangenziali SpA a further 30% tranche of S.A.Bro.M. SpA (a company whose Object is the drafting of the preliminary project for the regional motorway known as the "Broni – Pavia – Mortara Trunk Road") for a consideration of €750,000. The Group's present stake in this firm is accordingly 82% of the share capital.

S.A.Bro.M. SpA, which is currently at the start–up stage, ended the first six months of 2007 with a loss of €0.1m. Net indebtedness on 30 June 2007 was €8.4m (€4m on 31 December 2006).

Engineering Sector

Società Iniziative Nazionali Autostradali – SINA SpA

This company is engaged in the research, design and superintendence of railway and motorway works; it is under the control of the Group, which owned 99.5% 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**
Engineering Sector revenue	18,043	16,612	1,431
Operating costs	(15,243)	(13,509)	(1,734)
Gross operating margin	**2,800**	**3,103**	**(303)**
Significant exceptional items	158	-	158
Gross operating margin, adjusted	**2,958**	**3,103**	**(145)**
Amortization and other provisions, net of draw	(57)	(60)	3
Operating profit	**2,901**	**3,043**	**(142)**
Financial income	2,568	1,345	1,223
Financial charges	(49)	(12)	(37)
Value adjustments, financial assets	-	-	-
Net financial income	**2,519**	**1,333**	**1,186**
Profit before taxes	**5,420**	**4,376**	**1,044**
Income taxes	(1,555)	(1,369)	(186)
Profit for the period	**3,865**	**3,007**	**858**

In the first six months of 2007 the increase in design business, mainly for Group companies, raised total revenue by some €1.4m, to about €18m.
As a result of this greater activity, operating costs rose to €15.2m (€13.5m in the first six months of 2006).
As a result, the gross operating margin for the first six months of 2007 was €2.8m (€3.1m 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.
The financial position was boosted by a €1.5m capital gain arising from the sale to the parent company ASTM SpA of the stake in Road Link Holdings Ltd.
The net result of all the above figures was a definitive profit for the period of €3.9m (€3m in the first six months of 2006).

The net financial position on 30 June 2007 shows a positive balance of €5.7m (€4.7m on 31 December 2006), consisting of the company's current account balances and short term bonds encashable on demand.

SINECO SpA

The company is engaged in the business of monitoring and inspecting the state of conservation of the transport infrastructure within its area; it is controlled by the Group, which owned 90% 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**
Engineering Sector revenue	8,136	7,220	916
Operating costs	(5,748)	(4,790)	(958)
Gross operating margin	**2,388**	**2,430**	**(42)**
Significant exceptional items	117	-	117
Gross operating margin, adjusted	**2,505**	**2,430**	**75**
Amortization and other provisions, net of draw	(121)	(99)	(22)
Operating profit	**2,384**	**2,331**	**53**
Financial income	59	42	17
Financial charges	(28)	(12)	(16)
Net financial income	**31**	**30**	**1**
Profit before taxes	**2,415**	**2,361**	**54**
Income taxes	(1,105)	(982)	(123)
Profit/ (Loss) for the period	**1,310**	**1,379**	**(69)**

Revenue in the first half of 2007 came to €8.1m, an increase of about €0.9m compared with the same period of 2006.

Operating costs totalled €5.7m, up on the 2006 figure by €1m.

As a result, the gross operating margin was €2.4m, essentially in line with the corresponding figure 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.

The net result of all the above figures was a definitive profit for the period of €1.3m (€1.4m in the first six months of 2006).

The net financial position on 30 June 2007 shows a positive balance of €2m (€2.8m on 31 December 2006), consisting of the company’s current account balances and short term bonds encashable on demand.

The lower cash flow compared with last year is mainly due to the payment of the dividend for 2006 (€2m).

SEGMENT INFORMATION: DETAILS OF GROUP PERFORMANCE BY SECTOR AND 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 ASTM 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 has entailed a takeover by ASTM SpA of a controlling interest in SIAS SpA.

Concentrating the motorway concession companies within the SIAS Group will bring significant benefits in terms of size, and at the same time enable the whole Group to considerably increase its own "critical mass", resulting – as early as second half of 2007 – in improvements in profitability; these beneficial effects will be directly reflected in ASTM SpA's performance.

For the full 2007 financial year, therefore, we expect a further consolidation of the ASTM Group's operating profit as a result of higher earnings by both the Motorway and the Engineering Sectors.

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

Turin, 12 September 2007

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Dr. Riccardo Formica, Chairman

for the Board of Directors

Consolidated Interim Accounts

Balance Sheet

30 June 2006	(€000s)	30 June 2007	31 December 2006
	Assets		
	Fixed assets		
29,301	1. Intangible assets (note 1)	34,406	34,778
29,301	**Total intangible assets**	**34,406**	**34,778**
	2. Tangible fixed assets (note 2)		
808,293	a. non-compensated reversionary assets in service	850,027	862,703
385,572	b. non-compensated reversionary assets under construction	565,055	432,206
33,560	c. buildings, plant, machinery and other goods	22,223	22,370
6,837	d. assets held on finance leases	5	19
1,234,262	**Total tangible fixed assets**	**1,437,310**	**1,317,298**
	3. Financial fixed assets (note 3)		
354,995	a. shareholdings valued by the Shareholders' Equity method	399,605	391,950
37,374	b. shareholdings not consolidated	12,235	12,672
12,367	c. long-term credits	11,002	9,957
161,232	d. other	157,977	163,481
565,968	**Total financial fixed assets**	**580,819**	**578,060**
3,861	4. Deferred tax assets (note 4)	3,255	2,354
1,833,392	**Total fixed assets**	**2,055,790**	**1,932,490**
	Current assets		
16,760	5. Stocks (note 5)	3,149	4,475
61,641	6. Trade receivables (note 6)	44,189	56,873
9,893	7. Current tax assets (note 7)	20,461	18,472
139,955	8. Other receivables (note 8)	150,742	132,760
	9. Assets held for trading		
17,636	10. Assets available for sale (note 9)	9,752	11,770
	11. Financial receivables		
245,885	**Total current assets**	**228,293**	**224,350**
77,509	12. Cash at bank and in hand and cash equivalents (note 10)	59,430	81,693
323,394	**Total current assets**	**287,723**	**306,043**
2,156,786	**Total assets**	**2,343,513**	**2,238,533**

	Shareholders' Equity and liabilities		
	Shareholders' Equity (Capital and Reserves) (note 11)		
	1. Shareholders' Equity, Group's share		
43,948	a. share capital	43,996	43,996
808,790	b. reserves and profits brought forward	873,188	837,092
852,738	**Total**	**917,184**	**881,088**
34,258	2. Capital and reserves, minority interests	36,027	36,763
886,996	**Total Shareholders' Equity**	**953,211**	**917,851**
	Liabilities		
	Long-term liabilities		
90,037	3. Provision for risks and charges and Superannuation Benefit (TRF) (note 12)	93,352	86,460
34	4. Trade payables (note 13)	15	45

269,082	5. Other debts (note 14)	257,137	257,139
601,131	6. Bank debt (note 15)	594,370	688,681
2,366	7. Other financial debts	-	-
9,762	8. Deferred tax liabilities (note 16)	23,927	23,551
972,412	**Total long-term liabilities**	**968,801**	**1,055,876**
	Current liabilities		
79,082	9. Trade payables (note 17)	82,909	80,960
102,337	10. Other debts (note 18)	63,449	74,823
104,000	11. Bank debt (note 19)	264,158	100,077
1,903	12. Other financial debts (note 20)	3	3
10,056	13. Current tax liabilities (note 21)	10,982	8,943
297,378	**Total current liabilities**	**421,501**	**264,806**
1,269,790	**Total liabilities**	**1,390,302**	**1,320,682**
2,156,786	**Total Shareholders' Equity and liabilities**	**2,343,513**	**2,238,533**

Income Statement

Full Year 2006	*(€000s)*	First half 2007		First half 2006
	Revenues (note 22)			
314,214	1. from the Motorway Sector (note 22.1)	160,621		154,502
43,641	2. from the Construction Sector (note 22.2)	787		25,519
27,100	3. from the Engineering Sector (note 22.3)	12,928		14,554
836	4. from the Services Sector (note 22.4)	434		506
23,561	5. other revenues (note 22.5)	17,414		14,627
409,352	**Total Revenues**	**192,184**		**209,708**
(72,176)	6. Staff costs (note 23)	(32,031)		(40,387)
-	6.1 Significant extraordinaries (note 23.1)	1,738		-
(171,638)	7. Costs of services bought in (note 24)	(51,135)		(104,799)
			(*)	
(26,677)	8. Raw material costs (note 25)	(2,629)		(20,889)
			(*)	
(16,052)	9. Other costs (note 26)	(7,138)		(7,824)
90,556	10. Capitalised costs on fixed assets (note 27)	12,044		71,545
(43,638)	11. Amortization and impairments (note 28)	(25,109)		(21,506)
	12. Provisions to the fund for restoration/replacement of			
(2,676)	non-compensated reversionary assets (note 29)	(9,258)		(1,805)
(53)	13. Other provisions for risks and charges (note 30)	(28)		-
	14. Financial income: (note 31)			
7,405	a. from non-consolidated shareholdings	270		2,775
7,741	b. other financial income	4,088		3,508
	15. Financial charges: (note 31)			
(25,750)	a. interest paid	(12,243)		(13,780)
(5,286)	b. other financial charges	(1,291)		(983)
	16.Net dividends received from companies valued by the			
30,416	Shareholders' Equity method (note 32)	14,427		13,560
181,524	**Profit (loss) before taxes**	**83,889**		**89,123**
	17. Taxes (note 33)			
(60,359)	a. Current taxes	(30,793)		(29,089)
(1,479)	b. Deferred taxes	977		(1,696)
119,686	**Profit (loss) for the period**	**54,073**		**58,338**
4,093	• minority interests' share	960		1,857
115,593	• **Group's share**	**53,113**		**56,481**
	Profit per share (note 34)			
1,315	Profit (euros per share)	0.604		0.643

(*) Transactions with related parties amounted to €29.2m

Cash flow Statement

Full Year 2006	(€000s)	First half 2007	First half 2006
93,747	Opening cash at bank and in hand and cash equivalent	81,693	93,747
(637)	Change in scope of consolidation (*)		
93,110	**Opening cash at bank and in hand and cash equivalent, “adjusted” (a)**	**81,693**	**93,747**
	Operational activities:		
119,686	**Profit (loss)**	**54,073**	**58,338**
	Adjustments		
43,638	Amortization	25,109	21,506
2,676	Net provision (drawings), fund for restoration/replacement of non-compensated reversionary assets	9,258	1,805
1,843	Net provision (drawings), superannuation fund (TFR)	(630)	1,916
53	Provision for risks	28	-
(30,416)	Dividends from companies valued by the Shareholders’ Equity method	(14,427)	(4,315)
900	Impairments (revaluations) of financial assets	381	-
(1,347)	Net change in deferred tax assets and liabilities	(1,074)	1,665
(41,645)	Change in net circulating capital (note 35.1)	(7,967)	(23,477)
(4,519)	Other changes generated by operational activities (note 35.2)	(1,764)	(3,591)
91,869	**Liquidity generated (absorbed) by operational activities (b)**	**62,987**	**53,847**
	Investment activities:		
(3,159)	Investments in buildings, plant, machinery and other goods	(1,083)	(4,552)
(233,021)	Investments in reversionary assets	(146,722)	(106,123)
(7,988)	Investments in intangible assets	(2,536)	(162)
(5,776)	Investments in financial fixed assets	(23)	(11,804)
144	Net divestment: buildings, plant, machinery and other goods	172	772
5	Net divestment: reversionary assets	-	1
60	Net divestment: intangible assets	10	-
28,736	Net divestment: financial fixed assets	7,549	13,198
(220,999)	**Liquidity generated (absorbed) by investment activities (c)**	**(142,633)**	**(108,670)**
	Financial assets:		
167,351	Net change in medium/long-term financial debts	69,768	61,565
10,381	Changes in current financial assets	7,127	6,505
(14,747)	Changes in other financial debt (including the Central Guarantee Fund)	-	-
-	Changes in Shareholders’ Equity, minority interests	(371)	-
1,704-	Changes in Shareholders’ Equity, Group’s share - sale of treasury shares	-	59
(43,971)	Dividends (including interim dividends) distributed by the Holding Company	(17,600)	(26,371)
(3,005)	Dividends (including interim dividends) distributed to minority interests by fully-consolidated subsidiaries	(1,541)	(3,173)
117,713	**Liquidity generated (absorbed) by financial activities (d)**	**57,383**	**38,585**
81,693	**Closing cash at bank and in hand and cash equivalent (a+b+c+d)**	**59,430**	**77,509**

(*) removal of ITINERA SpA and its subsidiaries from the scope of consolidation (from 1 July 2006)

Supplementary information:

65,181	Taxes paid during this financial period	25,278	41,160
29,034	Financial charges paid during this financial period	18,534	11,429

· 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	**43,946**	**779,507**	**823,453**	**35,574**	**859,027**
2005 final dividend distribution (€0.30 per share)		(26,371)	(26,371)	(2,945)	(29,316)
2006 interim dividend distribution (€0.20 per share)		(17,600)	(17,600)	(60)	(17,660)
Adjustment of financial assets to Fair Value		606	606	101	707
Sale of treasury shares	50	1,655	1,705	-	1,705
Net provisions (drawings), fund for exchange gains and losses		(900)	(900)	-	(900)
Other changes (*)		(15,398)	(15,398)	-	(15,398)
Profit for the period		115,593	115,593	4,093	119,686
31 December 2006	**43,996**	**837,092**	**881,088**	**36,763**	**917,851**
2006 final dividend distribution (€0.20 per share)		(17,600)	(17,600)	(1,541)	(19,141)
Net provisions (drawings), fund for exchange gains and losses		(254)	(254)	-	(254)
Adjustment of financial assets to Fair Value		837	837	216	1,053
Other changes (buying shares from minority interests)		-	-	(371)	(371)
Profit for the period		53,113	53,113	960	54,073
30 June 2007	**43,996**	**873,188**	**917,184**	**36,027**	**953,211**

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

€000s	Issue premium reserve	Revaluati on reserves	Statutory reserves	Fair Valuation reserves	Reserve for exchange gains and losses	Profits (losses) brought forward	Profit (loss) for the period	Total
31 December 2005	**25,861**	**9,325**	**10,538**	**29,966**	**(26)**	**476,069**	**227,774**	**779,507**
Allocation of profit(loss) for 2005						201,403	(201,403)	-
2005 final dividend distribution (€0.30 per share)							(26,370)	(26,370)
2006 interim dividend distribution (€0.20 per share)							(17,600)	(17,600)
Adjustment of financial assets to Fair Value				606				606
Sale of treasury shares						1,654		1,654
Adjustment reserve exchange gains and losses					(900)			(900)
Other changes						(15,398)		(15,398)
Profit for the period							115,593	115,593

31 December 2006	**25,861**	**9,325**	**10,538**	**30,572**	**(926)**	**663,728**	**97,994**	**837,092**
Allocation of profit(loss) for 2006						80,394	(80,394)	-
2006 final dividend distribution (€0.20 per share)							(17,600)	(17,600)
Adjustment of financial assets to Fair Value				837				837
Adjustment reserve exchange gains and losses					(254)			(254)
Profit for the period							53,113	53,113
30 June 2007	**25,861**	**9,325**	**10,538**	**31,409**	**(1,180)**	**744,122**	**53,113**	**873,188**

(*) This refers to taxes set aside by the Holding Company in respect of the difference between the book value and the fiscal value of the shareholding in the subsidiary SATAP SpA.

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

(€m)	Shareholders' Equity	Profit
ASTM SpA on 30 June 2007	**945.3**	**15.1**
Shareholders' Equity and profits of consolidated companies	560.9	49.4
Book values of consolidated companies	(589.0)	
Reclassification of dividends received from controlled subsidiaries and minority holdings	-	(11.4)
ASTM Group on 30 June 2007	**917.2**	**53.1**

(€m)	Shareholders' Equity	Profit
ASTM SpA on 31 December 2006	**947.9**	**421.9**
Shareholders' Equity and profits of consolidated companies	522.2	118.0
Book values of consolidated companies	(589.0)	-
Reclassification of dividends received from controlled subsidiaries and minority holdings	-	(424.3)
ASTM Group on 31 December 2006	**881.1**	**115.6**

Principles of consolidation

Valuation criteria

Notes to the Accounts

Principles of consolidation and valuation criteria

Principles of consolidation

In addition to the Half-year Accounts of the holding company Autostrada Torino-Milano SpA, the Consolidated Accounts of the ASTM Group cover the accounts of companies subject to its control (such accounts having first been appropriately adjusted/reclassified to make them compatible with the rules for drafting Financial Statements enshrined in the IAS/IFRS International Accounting Standards).

"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.

Subsidiaries under joint control on the basis of agreements with others have been consolidated using the "proportional method".

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 INPAR SpA (in liquidation) and Tangenziale Est 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.

Consolidation procedures

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.

Consolidation under the proportional method

Consolidation in accordance with the proportional method essentially consists of incorporating into each item of the Consolidated Accounts the proportional amount of the corresponding asset, liability, revenue or cost heading in the accounts of the subsidiary.

In the case of proportional consolidation only that portion of the subsidiary's value which belongs to the Group is included, not its entire value; but on the other hand the only portion of the Group's Shareholders' Equity eliminated is that which corresponds to the value of the shareholdings: there are no separate entries for "Shareholders' Equity, Minority Interests" or (in the Income Statement) "Minority interests' share of profit": those amounts have been automatically excluded.

Gains and losses within the Group are moreover eliminated proportionally, and all other consolidation adjustments are made on a similar basis.

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

<u>Intangible assets</u>

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:

Category	Quota
Land	not amortized
Non-industrial and industrial buildings	3%
Plant, machinery and motor vehicles	5% - 10% - 20%
Technical equipment	12% - 15% - 25%
Other equipment and machinery	10% - 12% - 25% - 40%
Light constructions	10%
Radio and alarm equipment	25%
Cars and other motor vehicles	20% - 25%
Furniture and fittings, office machinery	12% - 20% - 40%

Non-Compensated Reversionary Assets have been entered in accordance 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 ATIVA 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.

<u>Leased assets</u>

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.

<u>Stocks</u>

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.

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

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.

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 SATAP SpA, SAV SpA and ATIVA 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.

Treasury shares

Treasury shares are entered, at purchase cost, as a reduction of Shareholders' Equity. The proceeds arising from their disposal have also been entered as an adjustment to Shareholders' Equity, with no entry 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.

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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 ASTM 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
ASTM SpA	165, Corso Regina Margherita, Turin

Controlled subsidiaries – fully consolidated

Company name	Registered Office	Group stake%	direct stake%
Strade Co.Ge. SpA	Aosta Regione Borgnalle	100.000	
SATAP SpA	Turin – Via Bonzanigo 22	99.874	99.874
SINA SpA	Milan – Via F. Casati 1/A	99.500	94.421
Società Autostrada Broni-Mortara SpA	Milan – Via F. Casati 1/A	82.000	
SINECO SpA	Milan c/o Politecnico di Milano – Via Durando 10	90.000	36.000
Collegamenti Integrati Veloci SpA	Milan – Via F. Casati 1/A	79.167	
LIRA Srl	Châtillon (AO) – Strada Barat 13	75.000	
SAV SpA	Milan – Via F. Casati 1/A	67.634	65.085

Companies consolidated with the proportional method

Company name	Registered Office	Group stake%	direct stake%
ATIVA SpA	Turin – Strada Cebrosa 86	41.170	41.170
Si.Co.Gen. Srl	Turin – Strada Cebrosa 86	41.170	
Pinerolo s.c.a r.l.	Turin – C.so Francia 22	20.585	
ATIVA Engineering SpA	Turin – Strada Cebrosa 86	61.170	

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

Company name	Registered Office	Group stake%	direct stake%
TANGENZIALE EST Srl	Turin (TO) - C.so R. Margherita, 165	80.586	
INPAR SpA (in liquidation)	Turin - Via M. Schina 5	66.667	33.333
V.A. BITUMI Srl	Issogne (AO) - Fraz. Mure	50.000	
CORSO MARCHE Srl	Turin (TO) - C.so R. Margherita, 165	47.057	
TIBRE Scarl	Bridge Taro (PR) – Via Camboara 26A	45.000	
ITINERA SpA	Tortona (AL) – Regione Ratto	40.303	
DEC Srl	Milan – C.so Buenos Aires, 77	40.000	
SITAF SpA	Susa (TO) - Fraz. S. Giuliano, 2	36.976	36.531

SITRASB SpA	S.Remy-en-Bosses Frazione S.Leonard (AO)	36.500	
SIAS SpA	Turin - Via Bonzanigo No. 22	34.734	31.669
VESIMA Scarl (in liquidation)	Tortona (AL) - Via Balustra 15	30.000	
COALPA SpA	Tortona (AL) S.S.211 Loc. San Guglielmo 3/13	25.900	
SOCIETA' TRAFORO CIRIEGIA SpA	Cuneo - C.so Nizza 36	25.684	13.027
ALBENGA-GARESSIO-CEVA SpA	Cuneo - C.so Nizza 36	25.642	
SISTEMI E SERVIZI Scarl	Tortona (AL) S.S.211 Loc. San Guglielmo 3/13	23.000	14.000
C.I.M. SpA	Novara - Via Carlo Panseri 100	21.230	
ROAD LINK Ltd.	4 Gilsgate, Northumberland - U.K.	20.000	20.000
BEINASCO Scarl	Turin - Corso Francia No. 22	16.468	

List of shareholdings not consolidated and available for sale

Company name	Registered Office	Group stake%	direct stake%
CSI- Consorzio Servizi Ingegneria	Verona – Via Cattaneo 20	19.900	
ASTA SpA	Turin - C.so Matteotti 57	15.000	
P I S T A SpA (in liquidation)	Turin - Galleria S.Federico 54	13.055	
NUOVO MONDO SCRL	Genoa - Via Macaggi 23/18	10.000	
C.R.S. – Centro Ricerche Stradali SpA	Bagnarla Arsa (UD)	10.000	
CONFEDERAZIONE AUTOSTRADE SpA	Verona - Via Flavio Gioia, 71	8.333	
TANGENZIALI IS DI MILANO SpA	Milan – Via Conservatorio, 22	8.000	
AGENZIA DI POLLENZO SpA	Bra, Fraz. Pollenzo (CN) – Piazza Vittorio Emanuele 13	6.493	
AUTOSTRADA ALEMAGNA SpA	Venice - San Marco	5.887	5.887
Consorzio Autostrade Italiane Energia	Rome - Via A. Bergamini 50	5.275	
L.A.S. Scarl	Tortona (AL) - Regione Ratto	5.000	
CIV Consortium	Genoa (GE) - Via De Marini 1- Palazzo WTC	5.000	
INTERPORTO RIVALTA SCRIVIA SpA	Rivalta Scrivia (AL) - Via Savonesa 12/16	4.805	4.805
SSAT SpA	Turin - Via Piffetti No. 15	4.000	
P.S.T. SpA	Tortona (AL) - Via Emilia 168	3.461	
Consorzio Universitario Di Economia Aziendale	Pinerolo (TO) - P.zza Vittorio Veneto 1	3.030	3.030
AEROPORTO PAVIA RIVANAZZANO Srl	Pavia - Via Mentana 27	2.971	
FILSE SpA	Genoa – Via Peschiera 16	1.150	
Taranto Logistica SpA	Tortona (AL) – Via Balustra 15	1.000	
SINELEC SpA	Tortona (AL) - S.P.211 Loc. San Guglielmo 3/13	0.892	
Milano Serravalle-Milano Tangenziali SpA	Assago Milanofiori (MI) - Via 3 Palazzo B/4	0.056	0.048
ASSICURAZIONI GENERALI SpA	Trieste - P.zza Duca degli Abruzzi, 2	0.013	0.013
VALTREBBIA Scarl	Genoa – Via Porta degli Archi 10/16	0.005	
BRISA AUTO-ESTRADAS DE PORTUGAL SA	São Domingos de Rana - Portugal	0.003	0.003
Abertis Infraestructuras SA	Parc Logistic Avenue 12-20 – Barcelona – Spain	0.001	0.001

Changes of the scope of consolidation

There were no changes in the scope of consolidation in this half year.

Notes to the Accounts - Details by sector

The business of the ASTM 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. Construction Sector

c. 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		**Construction**		**Engineering**		**Services**						
	2007	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	
Revenue from outside sector:													
Motorway Operation (tolls)	149,884	144,771									149,884	144,771	
Other motorway revenue	10,737	9,731									10,737	9,731	
Construction			787	25,519							787	25,519	
Engineering					12,928	14,554					12,928	14,554	
Services							434	506			434	506	
Other	17,067	12,988	131	1,449	106		110	190			17,414	14,627	
Total revenue from outside sector	**177,688**	**167,490**	**918**	**26,968**	**13,034**	**14,554**	**544**	**696**			**192,184**	**209,708**	
Revenues from within sector	382	976	2,521	142,652	14,848	9,912	2,195	2,149	(19,946)	(155,689)	-	-	
Total revenues	**178,070**	**168,466**	**3,439**	**169,620**	**27,882**	**24,466**	**2,739**	**2,845**	**(19,946)**	**(155,689)**	**192,184**	**209,708**	
Operating costs	(72,286)	(74,204)	(3,413)	(163,124)	(22,489)	(18,314)	(2,647)	(2,401)	19,946	155,689	(80,889)	(102,354)	
Gross Operating Margin for sector	**105,784**	**94,262**	**26**	**6,496**	**5,393**	**6,152**	**92**	**444**	**-**	**-**	**111,295**	**107,354**	**(**)**
Extraordinaries (*)	1,463				275						1,738		
Amortization and provisions	(33,989)	(20,982)	(106)	(2,038)	(187)	(166)	(113)	(125)	-	-	(34,395)	(23,311)	
Operating profit											**78,638**	**84,043**	
Financial charges											(13,534)	(14,763)	
Financial income											4,358	6,283	
Share of net profits of part-owned subsidiaries	179	(26)	(44)	(363)	957	970	13,335	12,979			14,427	13,560	
Income taxes											(29,816)	(30,785)	
Net profit before minority interests											**54,073**	**58,338**	

	Sector								**Eliminated**		**Consolidated**	
	Motorway Operation		**Construction**		**Engineering**		**Services**					
	2007	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Assets of sector	1,780,292	1,659,856	7,447	16,819	81,812	82,711	894,187	895,704	(819,830)	(808,507)	1,943,908	1,846,583

Shareholdings in part-owned subsidiaries	40,910	40,719	354	398	25,610	25,221	332,731	325,612	-	-	399,605	391,950
Assets not attributed to any sector											-	-
Total assets											**2,343,513**	**2,238,533**
Liabilities of sector	1,821,202	1,700,575	7,801	17,217	107,422	107,932	1,226,918	1,221,316	(1,773,041)	(1,726,358)	1,390,302	1,320,682
Liabilities not attributed to any sector											-	-
Shareholders' Equity											953,211	917,851
Liabilities											**2,343,513**	**2,238,533**
Investments in tangible fixed assets	147,296	231,718	57	73	-	762	1	-			147,354	232,553

(*) 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.

(**) Determination of the Proforma Gross Operating Margin:

- Gross Operating Margin, First half 2006 107,354
- Gross Operating Margin, ITINERA and Controlled First half 2006 (8,318)
- Proforma Gross Operating Margin, First half 2006 99,036

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	**26,582**	**3,512**	**7,349**	**37,443**
Investments		148	2,388	2,536
Reclassifications				
Impairments	(2,751)			(2,751)
Divestment			(10)	(10)
on 30 June 2007	**23,831**	**3,660**	**9,727**	**37,218**
Cumulative amortization:				
on 1 January 2007	**-**	**(2,665)**	**-**	**(2,665)**
Amortization, 1st half 2007		(147)		(147)
Reclassifications				
Write-backs				
on 30 June 2007	**-**	**(2,812)**	**-**	**(2,812)**
Net book value:				
on 1 January 2007	**26,582**	**847**	**7,349**	**34,778**
on 30 June 2007	**23,831**	**848**	**9,727**	**34,406**

“Goodwill” is, in essence, the difference between the price paid for the stake acquired in the controlled subsidiaries ATIVA SpA, SATAP SpA and Collegamenti Integrati Veloci SpA and the corresponding portions of Shareholders’ Equity. The periodic impairment test has led to a reduction in of €2, 751,000 in the goodwill attributed to ATIVA SpA.

The item Other Intangible Assets mainly consists of capitalized costs of software (operating systems and applications) and software licences.

“Other intangible assets –WIP” mainly refers to the costs of the preliminary design for the Broni-Mortara motorway.

Note 2 – Tangible fixed assets

The breakdown of this item is given below:

Non-compensated reversionary assets

	Motorways in service	Motorways under construction	Total
Cost:			
on 1 January 2007	**1,846,316**	**470,821**	**2,317,137**
Investments	2,086	144,636	146,722
Reclassifications	6,377	(6,377)	-
Divestment			
on 30 June 2007	**1,854,779**	**609,080**	**2,463,859**
Provision for capital subsidies:			
on 1 January 2007	**(156,983)**	**(38,615)**	**(195,598)**
Increases	-	(5,410)	(5,410)
on 30 June 2007	**(156,983)**	**(44,025)**	**(201,008)**
Cumulative amortization:			
on 1 January 2007	**(826,630)**		**(826,630)**
Amortization, 1st half 2007	(21,139)		(21,139)
Reclassifications			
Write-backs			
on 30 June 2007	**(847,769)**		**(847,769)**
Net book value:			
on 1 January 2007	**862,703**	**432,206**	**1,294,909**
on 30 June 2007	**850,027**	**565,055**	**1,415,082**

The total cost of the Group’s motorway fabric, €2,463.9m, includes €338.7m of capitalised financial charges (€329.2m on 31 December 2006).

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

Concession operator	Motorway section	Concession expires
SATAP SpA	Turin – Milan	31 December 2026
SATAP SpA	Turin – Piacenza	30 June 2017
SAV SpA	Quincinetto – Aosta	31 December 2032
ATIVA SpA	Turin Bypass, Turin – Quincinetto, Ivrea – Santhià and Turin – Pinerolo	31 August 2016

Buildings, plant and machinery and other goods

	Land and building	Plant and machinery	Industrial & commercial equipment	Other goods	Assets held on finance leases	WIP, deposits	Total
Cost:							
on 1 January 2007	**12,950**	**9,948**	**4,542**	**16,496**	**6,047**	**3,654**	**53,637**
Investments	59	184	63	514		263	1,083
Reclassifications		92	(92)	101		(101)	-
Impairments							
Divestment		(54)	(48)	(350)			(452)
on 30 June 2007	**13,009**	**10,170**	**4,465**	**16,761**	**6,047**	**3,816**	**54,268**
Cumulative amortization:							
on 1 January 2007	**(2,352)**	**(5,426)**	**(3,907)**	**(13,535)**	**(6,028)**	**-**	**(31,248)**
Amortization, 1st half 2007	(173)	(319)	(116)	(450)	(14)		(1,072)
Reclassifications		(89)	89				
Write-backs		50	40	190			280
on 30 June 2007	**(2,525)**	**(5,784)**	**(3,894)**	**(13,795)**	**(6,042)**	**-**	**(32,040)**
Net book value:							
on 1 January 2007	**10,598**	**4,522**	**635**	**2,961**	**19**	**3,654**	**22,389**
on 30 June 2007	**10,484**	**4,386**	**571**	**2,966**	**5**	**3,816**	**22,228**

2.1 – Assets held on finance leases

On 30 June 2007 the Group had two finance leases on industrial and commercial plant, machinery, and equipment used by it; their net book value on 30 June 2007 was €5,000.

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

<u>3.a – Shareholdings valued by the Shareholders' Equity method</u>

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

	31 December 2006	Purchases	Disposals	Shareholders' Equity adjustments			Exchange gains and losses	30 June 2007
				Profit	Dividends	Other (*)		
Holding:								
a) in non-consolidated controlled subsidiaries:								
INPAR SpA (in liquidation)	1,349							1,349
Tangenziale Est Srl	66							66
b) in part-owned subsidiaries								
Albenga Garessio Ceva s.r.l.	821			172				993
Beinasco s.c.a r.l.	3							3
C.I.M. S.p.A.	3,447			(5)				3,442
Coalpa S.p.A.	230			(9)				221
Corso Marche S.r.l.	31							31
DEC s.r.l.	143							143
ITINERA S.p.A.	26,328							26,328
Road Link Ltd.	3,206			553	(445)		3	3,317
SIAS S.p.A.	275,542			10,955	(6,899)	246		279,844
Sistemi e Servizi s.c.a r.l.	23							23
SITAF S.p.A.	71,316			2,900		323		74,539
SITRACI S.p.A.	1,102			(142)				960
SITRASB S.p.A.	7,943			47				7,990
TIBRE s.c.a r.l.	5							5
V.A. Bitumi S.r.l.	395			(44)				351
Total	**391,950**			**14,427**	**(7,344)**	**569**	**3**	**399,605**

(*) Group's share of fair value adjustments shown in the Consolidated Interim Report & Accounts of the SIAS Group and of the SITAF Group

The change in the period is due 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 values of the shareholdings in SIAS SpA and SITAF SpA on 30 June 2007 included amounts of €28.1m and €1m respectively (€27.9m and €0.7m on 31 December 2006) for the Group's share of the fair value adjustments made by these part-owned subsidiaries.

It should also be pointed out that the present share price of the part-owned subsidiary SIAS SpA, though still regarded as fair value, implies a premium of some €200m compared with the book value of the holding.

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

Changes in other shareholdings during the period are detailed 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:										
Abertis Infraestructuras	56	111	167			3		56	114	170
Aeroporto Pavia Rivanazzano s.r.l.	57		57					57		57
Agenzia di Pollenzo S.p.A.	1,500		1,500					1,500		1,500
Assicurazioni Generali S.p.A.	4,172	1,154	5,326			(85)		4,172	1,069	5,241
ASTA S.p.A.	490		490	23				513		513
Autostrada Alemagna S.p.A.	18		18					18		18
Brisa – Autostrada - S.A.	36	60	96			3		36	63	99
Consorzio Autostrade Italiane Energia	4		4					4		4
Consorzio COCIV	1,177		1,177					1,177		1,177
Cons. Univ. di Economia Aziendale	-		-					-		-
Coop Agricola Forza e Luce	-		-					-		-
CRS Centro Ricerche Stradali S.p.A.	52		52					52		52
FILSE S.p.A.	259		259					259		259
Interporto Rivalta Scrivia S.p.A.	576		576					576		576
LAS – Licis ABC Strade S.c.a r.l.	1		1					1		1
Milano Serravalle – Milano Tangenziali S.p.A.	70	610	680					70	610	680
Nuovo Mondo S.c.a r.l.	1		1					1		1
P I S T A S.p.A.	322		322					322		322
P.S.T. S.p.A.	166		166					166		166
SINELEC S.p.A.	14		14					14		14
Società Confederazione Autostrade S.p.A.	500		500					500		500
S.S.A.T. S.p.A.	336		336					336		336
Taranto Logistica S.p.A.	130		130					130		130
Tangenziali Esterne di Milano S.p.A.	800		800				(381)	419		419
Valtrebbia S.c.a r.l.	-		-					-		-
Total	**10,737**	**1,935**	**12,672**	**23**		**(79)**	**(381)**	**10,379**	**1,856**	**12,235**

The main changes during the period are given below:

- subscription (by SATAP SpA) of the Group's share of the increase in the share capital of ASTA SpA;
- impairment of the holding in Tangenziali Esterne di Milano SpA;
- Fair Value adjustments relating to the first six months of 2007.

The value of shareholdings available for sale on 30 June 2007 included an amount of about €1.9m (€1.9m on 31 December 2006) relating to the Fair Value adjustment of those holdings.

$$$3.c – Receivables

These are as follows:

	30 June 2007	31 December 2006
Loans:		

• Loans to part-owned subsidiaries	1,853	1,828
Receivables:		
• due from INA	1,008	1,091
• cautionary deposits with suppliers	261	251
• tax credit on TFR	82	104
• other receivables	7,798	6,683
Total	**11,002**	**9,957**

"Loans to subsidiaries" refers to the total of €1, 837,200 lent by the Holding Company and SATAP SpA to INPAR SpA (in liquidation), and the €16,000 lent by Strade Co.Ge SpA to Nuovo Mondo SCRL (in liquidation).

The sum receivable from the privatised insurance company INA represents an amount set aside in the past for guaranteeing the Severance Indemnities of some of the staff of SATAP SpA and SAV SpA.

"Other receivables" refer to the recognition by Autostrada dei Fiori SpA of €4.8m due in relation to the valuation of the contractually-defined supplementary consideration on the holding company's transfer in the first half of 2005 of shares in Milano Serravalle – Milano Tangenziali SpA. This item also includes a total of €2m for the Fair Value adjustment of the interest rate swap entered into by SAV SpA (€1.2m relating to these six months).

3.d – Other

This item is made up as follows:

	30 June 2007	31 December 2006
• SITAF convertible bond	6,440	6,418
• SIAS convertible bond	104,157	105,539
• Insurance policies	46,952	50,721
• Debt securities and other assets	428	803
Total	**157,977**	**163,481**

"SITAF convertible bonds" refers to bonds issued by SITAF SpA with an option to convert into stock between 31 December 2001 and 30 June 2009.

"SIAS convertible bond" is the purchase cost of bonds issued by SIAS SpA (the "SIAS Bond Loan 2.625% 2005 – 2017").

Insurance policies relate to SATAP SpA's endowment policy with Eurovita Assicurazioni SpA – BPI Group. This policy was terminated by encashment in July 2007.

"Debt securities" mainly concern bonds issued by the Banco di Sicilia.

Note 4 – Deferred tax assets

This heading came to €3,255,000 (€2,354,000 on 31 December 2006); for the breakdown of this heading 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	1,410	1,199
Products in preparation and semi-finished goods	-	-
Work in progress on orders received	1,739	3,276
Finished products and goods	-	-
Deposits	-	-
Total	**3,149**	**4,475**

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

	30 June 2007	31 December 2006
Gross value of orders	21,939	21,372
Progress payments	(20,200)	(18,096)
Provision for guarantees on current work	-	-
Value net	**1,739**	**3,276**

Note 6 – Trade receivables

Sums due from customers totalled €44,189,000 (€66,297,000 on 31 December 2006), net of the €1, 526,000 set aside for bad debt.

Note 7 – Current tax assets

This item, amounting to €20,461,000 (€18,472,000 on 31 December 2006), refers to credits of VAT, IRAP, IRES and other taxes.

Note 8 – Other receivables

Details of this heading are as follows:

	30 June 2007	31 December 2006
Due from non-consolidated controlled subsidiaries	60	60
Due from part-owned subsidiaries	885	637

Due from parent companies	1,967	4,714
Due from fellow operators	78,752	64,438
Capital subsidies due from commissioning authorities	52,856	47,446
Capital subsidies due from other public bodies	3,126	2,442
Other receivables	9,550	9,495
Pre-paid expenses	3,546	3,528
Total	**150,742**	**132,760**

Receivables due from controlled subsidiaries mainly concern services performed for INPAR SpA (in liquidation).

Receivables due from minority holdings mainly concern SINA SpA's credit balance with Coalpa SpA (€752,000) and those of the Holding Company with SIAS SpA, SITAF SpA and Road Link Ltd. (€75,000).

"Due from parent companies" mainly refers to the credit balances of ASTM Group companies with Aurelia SpA following their inclusion in Aurelia's Consolidated Tax Accounting scheme.

The heading "Due from fellow operators" represents sums owed by non-Group organizations arising from tolls collected by them on behalf of Group concession operators and awaiting payment on the Balance Sheet date.

"Capital subsidies due from commissioning authorities" relate to known subsidies for work carried out by SATAP SpA for the construction of the Novara-Malpensa link and the motorway access to the New Milan Rho-Pero Exhibition Centre; the increase this year is related to the progress of these works.

"Capital subsidies due from other public bodies" refers to the Group's share in subsidies awarded to ATIVA SpA on work done for the Regional and Provincial governments.

Note 9 – Assets available for immediate sale

This item is made up as follows:

	30 June 2007	**31 December 2006**
FNM SpA	9,403	9,798
IRI Management SpA	349	349
Bonds, funds and government stock	-	1,623
Sitech SpA	-	-
Total	**9,752**	**11,770**

The Group holds 659,312 shares in Sitech SpA (6.603% of the share capital); these shares have been written off in earlier financial periods.

The change in the Group's stake in FNM SpA relates to the Fair Value adjustment of this holding.

On 30 June 2007, the book value of the stake in the FNM SpA was written down by approximately €0.7m to adjust it to its fair value.

The reduction in “Government stock, bonds and other securities” is due to liquidations needed to finance ATIVA SpA’s programme of investment in reversionary assets.

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	56,645	78,600
Cheques	-	32
Money and encashable assets on hand	2,785	3,061
Total	**59,430**	**81,693**

As the Cash flow Statement shows, the item “Cash at bank and in hand and cash equivalent” is lower this half-year as a result of the significant programme of investment in tangible fixed assets and because of the dividends paid.

Note 11 – Shareholders’ Equity (Capital and Reserves)

11.1 – Share capital

The share capital consisted on 30 June 2007 of 88,000,000 ordinary shares of nominal value €0.50 each, fully subscribed and paid: a nominal total of €44m (unchanged from last year).

The figure for share capital includes €11.8m for a revaluation reserve under Law 72/83. These reserves would, if distributed, count as income for the Holding Company and its shareholders.

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

In accordance with the IAS 1, the value of treasury shares is entered as an adjustment to the share capital; the amounts involved on 30 June 2007 (including any shares in the parent company held by subsidiaries) is given in the table below:

	Number of shares	Nominal value	% of share capital	Mean value per share (€)	Total value
30 June 2007	8,851	4,425	0.01%	5.07	45

The share capital – on 30 June 2007 – was accordingly as follows (amounts in €000s):

- Share capital	44,000
- Treasury shares held by the Holding Company (v.n.)	-
- Shares held by company controlled (v.n.)	(4)
- Share capital, adjusted	43,996

11.2 – Reserves

11.2.1 – Share issue premium reserves

This amounted to €25,861,000 (unchanged from 31 December 2006).

11.2.2 – Revaluation reserves

These totalled €9,325,000 (unchanged from 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.

The same applies to the reserves for suspended tax liabilities relating to fully-consolidated companies.

11.2.3 – Statutory reserve

This amounted to €10,538,000, unchanged from 31 December 2006 since it exceeds the threshold prescribed by Art. 2430 of the Civil Code.

11.2.4 – Fair Valuation reserve

This reserve has been set up as the direct accounting counterpart of the appropriate proportion (under the Shareholders' Equity method) of the "Fair Valuation" adjustment of the minority holdings in SIAS SpA (€28.1m) and SITAF SpA (€1m), of the financial assets classified as "available for sale" (€1.1m) and of the Interest Rate Swap belonging to the controlled subsidiary SAV SpA (€2m). On 30 June 2007 it came to €31,409,000 (€30,572,000 on 31 December 2006), net of the effect of deferred tax and minority interests.

11.2.5 – Reserve for exchange gains and losses

This item totalling -€1,180,000 (-€926,000 on 31 December 2006), represents the net exchange-rate gain (here a loss) for Shareholders' Equity in respect of the minority holdings in Road Link (UK) and SIAS SpA.

11.2.6 – Profits carried forward

On 30 June 2007 this heading totalled €744,122,000 (€663,728,000 on 31 December 2006); it includes amounts arising from 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. This reserve has risen as a result of an allocation from the profits for the 2006 financial period.

11.3 – Profit for the period

Under this heading comes the profit for the first six months: €53,113,000 (€56,481,000 in the first six months of 2006).

11.4 – Capital and reserves, minority interests

This item came to €36,027,000 on 30 June 2007 (€36,763,000 on 31 December 2006) and includes the minority interests' share of Profit for the period (€960,000).

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 compared with the figures for the end of last year.

	Provision for restoration	Other funds	Total
31 December 2006	**61,681**	**2,332**	**64,013**
Provisions	28,289	48	28,337
Drawings	(19,031)	(11)	(19,042)
30 June 2007	**70,939**	**2,369**	**73,308**

The nature of the obligations for which contingency provision is made is briefly described below, with the total amounts of compensation provided for as a matter of prudence:

Provision for restoration or replacement of non-compensated reversionary assets.

Further provision in the first six months of 2007 to this renewal fund amounted to €28,289,000, while drawings (the total cost of maintenance work carried out in the period) came to €19,031,000.

Other provisions

This item, amounting to €2, 369,000, refers to amounts set aside by the holding company and by SINA SpA, ATIVA SpA and Strade Co.Ge SpA against possible disputes.

12.2 – Staff benefits (Superannuation Benefit - TRF)

This heading came to €20,044,000 on 30 June 2007 (€22,447,000 on 31 December 2006). Changes during the period were as follows:

1 January 2007	**22,447**
Provisions during the period (see note 23)	1,108
Adjustment to accommodate TFR reform (see note 23.1)	(1,738)
Financial element from revision of TFR (see note 31.2)	483
Payments/advances made during the period	(2,256)

30 June 2007	**20,044**

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% - 4.0%
Staff turnover	1.0% - 7.0%

Note 13 – Trade payables (long-term)

Amounts owed to suppliers in the longer term totalled €15,000 (€45,000 on 31 December 2006).

Note 14 – Other long-term debts

These are as follows:

	30 June 2007	**31 December 2006**
Due to ANAS & Central Guarantee Fund	121,199	117,741
Accrued liability (on discounting of the debt to ANAS & Central Guarantee Fund)	130,086	133,544
Sums advanced by TAV to COCIV, CIV SpA’s share	4,335	4,335
Other amounts payable	1,517	1,519
Total	**257,137**	**257,139**

The item “Due to ANAS & Central Guarantee Fund” refers to action taken by these organizations in the past on behalf of the concession operators SATAP SpA, SAV SpA and ATIVA 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 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	34,932	86,267	121,199
Accrued liability on discounting the above debt	33,254	96,832	130,086
Other debts	5,852	-	5,852
Total	**74,038**	**183,099**	**257,137**

Note 15 – Bank debt (long-term)

Bank debt totalled €594,370,000 (€560,154,000 on 31 December 2006).; the amount is lower because of the reclassification of one medium-term loan: please refer to Note 19 below.

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.

The maturity breakdown of bank debt was as follows:

	One to five years	**Over five years**	**Total**
Owed to banks	422,552	171,818	594,370

Note 16 – Deferred tax liabilities

This heading came to €23,927,000 (€23,551,000 on 31 December 2006): for its breakdown, please refer to the details in Note 33 – Taxes.

Note 17 – Trade payables (current)

Trade payables totalled €82,909,000 (€80,960,000 on 31 December 2006).

Note 18 – Other short-term debts

These are as follows:

	30 June 2007	31 December 2006
Customers' deposits	4,735	4,735
Owed to non-consolidated controlled subsidiaries	42	42
Owed to part-owned subsidiaries	16,416	30,171
Owed to parent companies	557	35
Owed to social security institutions	3,732	3,116
Owed to fellow operators	4,600	3,904
Owed to ANAS and Central Guarantee Fund	7,721	7,721
Owed to fellow consortium members	-	532
Owed to companies in common ownership	9,341	8,974
Deferred income	16,305	15,593
Total	**63,449**	**74,823**

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

The item "owed to non-consolidated controlled subsidiaries" relates to subscriptions of share capital still to be paid to subsidiaries.

The item "owed to part-owned subsidiaries" mainly concerns money owed to ITINERA SpA and Coalpa SpA for work done on behalf of Group companies.

Amounts owed to parent companies concern, firstly, managerial support and other services provided by the parent company Argo Finanziaria SpA and, secondly, the Group's inclusion in the Consolidated Tax Accounting scheme of the parent company Aurelia SpA.

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

"Deferred income" refers to the early receipt of wayleave payments and of subsidies to SATAP SpA (for Section A4) from TAV SpA and of subsidies to SAV SpA from RAV SpA and the Valle d'Aosta Autonomous Region.

Note 19 – Short-term bank debt

Bank debt totalled €264,158,000 (€100,077,000 on 31 December 2006). This heading refers to the maturing portion of longer-term loans plus short-term loans/overdrafts.

€21.3m of total long- and short-term bank debt is guaranteed by the State.

The significant increase in this half year is due to the reclassification as “short term” of a medium-term loan taken out by the holding company (€170m on 30 June 2007); the loan was in fact repaid early on 6 July 2007.

Note 20 – Other short-term financial debt

This item of €3,000 (€3,000 on 31 December 2006) relates to the remainder of bonds issued and not yet redeemed by SATAP SpA.

Note 21 – Current tax liabilities

Current tax liabilities totalled €10,982,000 (€8,943,000 on 31 December 2006) and consist of sums due for IRES, IRAP, VAT, IRPEF by way of substitute tax, and also for State royalties under Law 531/82.

Notes to the Accounts - Details of the Income Statement

Appropriate details have been included in the following Notes to enable the effects of changes in the scope of consolidation to be assessed (ITINERA SpA was fully consolidated during the first half of 2006).

Note 22 – Revenues

22.1 – Motorway Sector revenue

This item is made up as follows:

	First half 2007	First half 2006
Toll receipts	157,429	150,427
State royalties (Art. 15(b) of Law 531/82)	(7,545)	(5,656)
Net toll income	149,884	144,771
Ancillary income including rents	10,737	9,731
Total	**160,621**	**154,502**

Net Toll Receipts came to €149.9m (€144.8m in the first six months of 2006) and rose by about €5.1m compared with the same period of 2006; this increase, of 3.53%, is due to the rise in traffic volumes and the adjustment of toll rates - with effect from 15 March 2007 – awarded to SATAP SpA (section A21: 0.36%), to ATIVA SpA (0.74%) and to SAV SpA (10.41%).

The "ancillary revenues" mainly refer to rental income received from service areas; this rose following the renegotiation of royalties with some of the service area operators

22.2 – Construction sector revenue

Details of these revenues are as follows:

	First half 2007	First half 2006
Revenues from construction and design work	135	15,116
Changes in work in progress on orders received	568	6,223
Other revenues and changes in stocks of product under preparation, semi-finished and finished goods	84	4,180
Total	**787**	**25,519**

This heading includes the entire turnover of the controlled subsidiaries Strade Co.Ge. SpA and SI.CO.GEN. Srl. The amount has been entered net of motorway maintenance and improvement charges invoiced within the Group to SAV SpA and ATIVA SpA.

The fall in the Construction Sector's revenues this half compared with the first half of 2006 is due to the removal of ITINERA SpA from the scope of consolidation, from 1 July 2006.

22.3 – Engineering Sector revenue

Details of these revenues are as follows:

	First half 2007	First half 2006
Revenues from construction and design work	12,824	14,440
Changes in work in progress on orders received	-	(19)
Other revenues and changes in stocks of product under preparation, semi-finished and finished goods	104	133
Total	**12,928**	**14,554**

This item relates to the total earnings of the controlled subsidiaries SINA SpA, SINECO SpA, LIRA SpA and ATIVA Engineering SpA. The amount is net of intra-Group invoicing of services carried out on the motorway fabric by these Group companies on behalf of SATAP SpA, SAV SpA and ATIVA SpA.

The Engineering Sector's revenue from outside the sector fell, while work done for ASTM Group companies increased considerably, as shown by the rise in the amount of capitalised costs of work done in-house.

22.4 – Revenues from the Services Sector

These revenues, amounting to €434,000 (€506,000 in the first six months of 2006), mainly refer to the financial, accounting and corporate service activities provided by the Holding Company to companies in the SIAS Group.

22.5 – Other revenues

These revenues were made up as follows:

	First half 2007	First half 2006
Compensation for damages	1,324	1,520
Recovery of expenses and similar receipts	5,298	6,766
Benefit during the period from the discounting of the sum due to the Central Guarantee Fund and ANAS	3,458	3,463
Work done for CAV TO.MI.	7,184	2,748
Operating subsidies	150	130
Total	**17,414**	**14,627**

The heading "benefit during the period from the discounting of the sum due to the Central Guarantee Fund and ANAS" 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.

"Work done for CAV TO.MI." refers to revenue earned by services carried out by SATAP SpA on behalf of the CAV.TO.MI Consortium in connection with the construction of the High Capacity railway line between Turin and Milan. The increase compared with the same period last year is due to greater quantity of services carried out on behalf of the Consortium; there is a corresponding rise in the item “costs for services bought in” because of services received from subcontractors.

Note 23 – Staff costs

Details of this item are as follows:

	First half 2007	First half 2006
Wages and salaries	22,802	28,465
Social sec. & pension costs	7,229	9,459
Actuarial adjustment to TFR	1,108	1,443
Other costs	892	1,020
Total	**32,031**	**40,387**

€7.8m of the change in staff costs is due to the removal of ITINERA SpA from the scope of consolidation.

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

	First half 2007	First half 2006
Senior managers	29	38
Middle managers	40	41
Employees	1,033	1,165
Workers	116	358
Total	1,218	1,602

311staff members were employed by ITINERA SpA on 30 June 2006.

The staff composition of the ATIVA Group (consolidated with the proportional method) is given below:

	First half 2007 Total	**First half 2007 pro-quota (41.17%)**
Senior managers	9	4
Middle managers	15	6
Employees	325	134
Workers	85	35
Total	434	179

23.1 Significant extraordinaries

In the first six months of 2007 this item was €1,738,000; it refers to the windfall arising from the adjustment made to accommodate the TFR reform; this adjustment – as explained in Note 12.2 – 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	15,700	4,741
Other costs relating to non-compensated reversionary assets	5,585	4,081
Costs for other services	29,850	95,977
Total	**51,135**	**104,799**

The heading "maintenance of non-compensated reversionary assets" has been entered net of amounts invoiced within the Group by its Construction and Engineering Sector companies to its motorway concession operating companies. The total amount of maintenance carried out in this period came to **€18,470,000 (**€23,677,000 in the first six months of 2006). The fall in this item is mainly attributable to different scheduling of maintenance operations compared with last year.
The increase in the item "other costs relating to non-compensated reversionary assets" is due to the write-back of intra-Group services received from ITINERA SpA in the first six months of 2006.

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 Strade Co.Ge. SpA and Si.Co.Gen. Srl. The fall in the first six months of 2007 is due to the removal of ITINERA SpA from the scope of consolidation as already mentioned.

Note 25 – Raw material costs

This expenditure item breaks down as follows:

	First half 2007	First half 2006
Raw materials	1,769	18,667
Consumables	778	1,892
Goods	176	141
Changes of stocks of raw materials, consumables and goods	(94)	189
Total	**2,629**	**20,889**

This item refers to materials required for production, spare parts and consumables.
The fall in the first six months of 2007 is largely attributable (€16.4m) to the removal of ITINERA SpA and its subsidiary ACI Scpa from the scope of consolidation.

Note 26 – Other operating costs

This expenditure item breaks down as follows:

	First half 2007	First half 2006
Rental and hire costs	1,917	4,015
Concession payments	3,812	1,645
Other operating expenses	1,409	2,164
Total	**7,138**	**7,824**

"Rental and hire costs" mainly refers to operating leases on cars and other motor vehicles, computers, printers, and premises used by Group companies; the amount is lower following the removal of ITINERA SpA from the scope of consolidation.

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 €12,044,000 (€71,545,000 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 change compared with the same period last year is for the most part the net result of the removal of ITINERA SpA from the scope of consolidation (€62.1m) and of the greater amount of work done by the subsidiaries SINA SpA and SINECO SpA on the motorway fabric (€2.6m, now capitalised).

Note 28 – Amortization and impairments

This item is made up as follows:

	First half 2007	First half 2006
Intangible assets:		
• Other fixed intangible assets	147	119
Tangible assets:		
• Buildings and excavations	173	708
• Plant and machinery	319	620
• Industrial and commercial equipment	116	362
• Other goods	450	452
• Assets held on finance leases	14	1,244
• Non-compensated reversionary assets	21,139	18,001
Total amortization	**22,358**	**21,506**
Impairments	2,751	-
Total amortization and impairments	**25,109**	**21,506**

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.

The heading "impairments" essentially refers to the writing down of the goodwill for ATIVA SpA following the normal impairment test.

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	(19,031)	(25,321)
Further provisions to the fund for restoration/replacement of non-compensated reversionary assets	28,289	27,126
Net provision to (drawings from) the non-compensated reversionary assets restoration/replacement fund	**9,258**	**1,805**

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 – Provision for risks and charges

This item was €28,000 (zero in the first six months of 2006).

Note 31 – Financial income and charges

31.1 – Financial income

This item is made up as follows:

	First half 2007	First half 2006
Income from shareholdings:		
• dividends from other holdings	270	604

• capital gains from disposal of shareholdings	-	2,171
Interest received and other financial income		
• from banks	1,635	1,101
• from financial assets	2,453	2,361
• other	-	46
Total	**4,358**	**6,283**

The heading "dividends from other holdings" refers to dividends decided on by the minority holdings SSAT SpA (€121,000), Generali Assicurazioni SpA (€120,000), Sinelec SpA (€24,000) and Abertis Infraestructuras and Brisa Auto-Extrada de Portugal S.A. (€5,000 together).

31.2 – Financial charges

This item is made up as follows:

	First half 2007	**First half 2006**
Interest paid to banks:		
• on loans	17,795	11,222
• on current accounts	99	148
Other interest paid:		
• on financial discounting of financial fixed assets	3,941	4,016
• on finance leases	-	59
• costs of interest rate swap	-	-
Other financial charges:		
• Other financial charges	1,291	983
Total	**23,126**	**16,428**
Capitalised financial charges (1)	**(9,592)**	**(1,665)**
Total	**13,534**	**14,763**

(1) As described in Note 2 – Tangible Fixed Assets, an amount of €9.6m has been capitalised under the heading "non-compensated reversionary assets".

The rise in financial charges in the first six months of 2007 is due to two factors: the additional borrowing needed to fund the Group's major motorway investment programme, and an increase in interest rates.

Interest paid on financial discounting of financial fixed assets consisted of €3,458,000 paid on the amounts owed to the Central Guarantee Fund and ANAS, and €483,000 for the finance element of the provision to the Employees' Severance Indemnity Fund.

Note 32 – Net dividend income from subsidiaries valued by the Shareholders' Equity method

The details of this item are as follows:

	First half 2007	First half 2006
Revaluations (impairments) of shareholdings:		
• Albenga Garessio Ceva s.r.l.	172	70
• CIM S.p.A.	(5)	(126)
• Pavimental S.p.A.	-	(364)
• Road Link Ltd.	553	528
• SITRACI S.p.A.	(142)	(280)
• SIAS S.p.A.	10,955	10,020
• Coalpa S.p.A.	(9)	-
• SITAF S.p.A.	2,900	3,579
• SITRASB S.p.A.	47	132
• V.A. Bitumi s.r.l.	(44)	1
Total	**14,427**	**13,560**

This heading covers the Group's share of the profits of part-owned subsidiaries and non-consolidated controlled subsidiaries.

Note 33 – Income taxes

Details of this item are as follows:

	First half 2007	First half 2006
Current taxes:		
• IRES	25,694	24,146
• IRAP	5,016	4,943
	30,710	**29,089**
Taxes (paid in advance) / deferred:		
• IRES	(1,016)	1,589
• IRAP	39	107
	(977)	**1,696**
Taxes for previous periods:		
• IRES	73	-
• IRAP	10	-
	83	**-**
Total	**29,816**	**30,785**

€0.3m of deferred tax was also directly to Shareholders' Equity credited in this half, mainly on account of the Fair Value revaluation of some financial assets available for sale.

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		**83,889**		**89,123**
Actual tax (in the half-year accounts)	**24,678**	**29.42%**	**25,735**	**28.88%**
Actual tax paid at less than the theoretical rate:				
• lower tax paid on dividends	12	0.01%	189	0.21%
• tax-exempt capital gains	-	-	716	0.80%
• adjustment: shareholdings valued with the Shareholders' Equity method	4,741	5.65%	4,475	5.02%
Actual tax paid at more than the theoretical rate:				
• Non-deductibles and other differences	(1,748)	(2.08)%	(1,704)	(1.91)%
Tax at the theoretical rate (33.00% of pre-tax profit)	**27,683**	**33.00%**	**29,411**	**33.00%**

Reconciliation between Theoretical Rate and Actual Rate (IRAP):

	First half 2007		First half 2006	
Value added (taxable income for IRAP)		**115,093**		**126,095**
Actual tax (in the half-year accounts)	**5,055**	**4.39%**	**5,050**	**4.00%**
Actual tax paid at less than the theoretical rate:				
• Differences in deductibles, net	(164)	(0.14)%	309	0.25%
Tax at the theoretical rate (4.25% of pre-tax profit)	**4,891**	**4.25%**	**5,359**	**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: (*)		
• tax credit for deferred capital gains tax	582	568
• other	1,530	770
Total (A)	**2,112**	**1,338**
Deferred tax charges relating to: (*)		
• tax credit for contingency provision for suspended tax liabilities	63	627
• deductions outside the accounts, restoration provisions	271	1,139

• Assets held on finance leases	4	3
• actuarial re-calculation of superannuation fund (TFR)	537	-
• other	260	1,265
Total (B)	**1,135**	**3,034**
Total (B) – (A)	**(977)**	**1,696**

(*) (*) 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	486	644
• contingency provision for suspended tax liabilities	665	869
• maintenance costs in excess of the deductible proportion	43	64
• other	2,061	777
Total	**3,255**	**2,354**
Deferred tax liabilities relating to: (*)		
• deductions made outside the accounts	(8,370)	(7,395)
• Assets held on finance leases	(16)	(20)
• deferred taxes on the difference between the book value and fiscal value of SATAP SpA	(15,398)	(15,398)
• other	(143)	(738)
Total	**(23,927)**	**(23,551)**

(*) 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

As explained in the Financial Statement for the year ended 31 December 2006, the heading “deferred tax liabilities” includes a provision made by the Holding Company for the difference between the book value and the fiscal value of its stake in SATAP SpA.

Note 34 – Profit 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.

(€000s)	First half 2007	First half 2006

Net profit, Group's share	53,113	56,481
Mean number of ordinary shares in circulation in the period	87,978,500	87,893,876
Profit per share *(€)*	**0.604**	**0.643**
Number of ordinary shares	88,000,000	88,000,000
Weighted mean no. of treasury shares held in the period (including those of controlled subsidiaries)	(21,500)	(106,124)
Weighted mean no. of ordinary shares in circulation in the period	87,978,500	87,893,876

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	1,326	(3,270)
Trade receivables	12,683	4,656
Other receivables	(12,571)	(9,692)
Current tax assets	(1,989)	86
Trade payables current	1,919	(6,565)
Other debts current	(11,374)	(8,712)
Current tax liabilities	2,039	20
Total	**(7,967)**	**(23,477)**

35.2 – Other changes generated by operational activities

	First half 2007	First half 2006
Drawings from the superannuation fund (TFR) and other changes	(1,773)	(1,686)
Change in net other funds	9	(1,905)
Total	**(1,764)**	**(3,591)**

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

These are as follows:

- The guarantee which ASTM SpA gave to ANAS SpA when transferring an entire company division to its subsidiary SATAP SpA; this guarantee of €75.1m, corresponding to the value of assets available for ASTM SpA's use but not forming part of the corporate assets transferred, exceeds 10% of ASTM SpA's Net Worth as shown in the Financial Statement for 31 December 2003.
- The surety in the sum of €3.1m, provided by SATAP SpA to TAV SpA to guarantee the redesign, creation and maintenance work on ANAS' spur linking the Novara bypass and the connection of the new station (this surety will be renewed annually until ANAS has formally accepted delivery of the work).
- The surety in the sum of €0.8m provided by ASTM SpA to Banca Intesa-San Paolo SpA on behalf of Edilrovaccio2 Srl guaranteeing the sum due under a mortgage loan (this guarantee is renewed annually).
- the surety to Banca di Roma (Group's share €9.5m) provided by SATAP SpA together with the other members of S.A.Bro.M SpA to guarantee the latter's obligations in connection with its preliminary design for the section of motorway between Broni and Mortara (presented on 9 October 2006), and for a loan.

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	9.3	192.2	4.8%
Operating costs	29.2	91.3	32.0%
Increases in Intangible/Tangible Fixed Assets	84.0	1,437.3	5.8%

In view of the large proportion of Operating Costs consisting of transactions with related parties, this financial year's Consolidated Income Statement indicates the amount of these transactions separately for each relevant heading, as required by CONSOB Resolution No. 15519 of 27 July 2006.

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

Revenues

- professional services provided by SINECO SpA to SALT SpA, Autostrada dei Fiori SpA, Autocamionale della Cisa SpA, Interstrade SpA and ABC Costruzioni SpA: €4m; (2) (3)
- research and other professional services provided by SINA SpA to SALT SpA, Autostrada dei Fiori SpA, Autocamionale della Cisa SpA, and Autostrada Asti-Cuneo SpA: €3.4m; (2)
- services provided by Strade Co.Ge SpA to LAS Scarl and ITINERA SpA: €0.8m; (2)

Costs

- managerial support and consultancy services provided by the parent company Argo Finanziaria SpA to Group companies, for a total amount of approximately €0.8m; (1)
- services and supplies provided by SEA SpA to SATAP SpA, SAV SpA, SINA SpA and Strade Co.Ge SpA: €1.2m; (2)
- insurance services provided by the broker PCA Srl to the holding company and to SATAP SpA, SAV SpA and ATIVA SpA: €1m; (3)

- services provided by Euroimpianti Electronic SpA to SATAP SpA: €1.4m; (2)
- IT support and maintenance services for toll-collecting equipment provided by Sinelec SpA to SATAP SpA, SAV SpA, SINA SpA, ATIVA SpA and Ativa Engineering SpA: a total amount of approximately €4.2m; (2)
- services provided by ITINERA SpA to SATAP SpA: €19.1 (2)

Increases in Tangible/Intangible Fixed Assets

- services provided by Euroimpianti Electronic SpA to SATAP SpA and SAV SpA: €1.3m; (2)
- services provided by SEA SpA to SATAP SpA and SAV SpA: €0.4m; (2)
- services provided by LAS Scarl to SAV SpA: €0.6m; (2)
- services provided to SATAP SpA by ITINERA SpA and ACI Scpa in the second half: €80.8m; (2)
- Sinelec SpA's supplies of toll-collecting equipment to SATAP SpA and ATIVA SpA: approximately €0.6m; (2)

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.

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(1) Dealings with parent companies

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

(3) Dealings with other associated parties

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		
8	**1. Intangible assets**	**2**	**2**
6,715	**2. Tangible fixed assets**	**6,489**	**6,601**
	3. Financial fixed assets (*)		
589,698	a. shareholdings in controlled subsidiaries	589,673	589,673
502,616	b. shareholdings in part-owned subsidiaries	503,316	501,405
18,823	c. other shareholdings	6,690	6,769
5,783	d. long-term credits	5,770	5,773
1,180	e. other	1,185	1,185
1,124,823	**Total financial fixed assets**	**1,106,634**	**1,104,805**
145	4. Deferred tax assets	1,188	109
1,124,968	**Total fixed assets**	**1,114,313**	**1,111,157**
	Current assets		
	5. Stocks		
214	6. Trade receivables	219	278
312	7. Current tax assets	323	395
2,792	8. Other receivables	3,549	3,067
	9. Assets held for trading		
8,442	10. Assets available for sale		
	11. Financial receivables		
11,760	**Total current assets**	**4,091**	**3,740**
8,962	12. Cash at bank and in hand and cash equivalents	15,700	20,536
20,722	**Total current assets**	**19,791**	**24,276**
1,145,690	**Total assets**	**1,134,104**	**1,135,793**

	Shareholders' Equity and liabilities		
	Shareholders' Equity (Capital and Reserves)		
	1. Shareholders' Equity		
43,952	a. share capital	44,000	44,000
878,259	b. reserves and profits brought forward	901,300	903,906
922,211	**Total Shareholders' Equity**	**945,300**	**947,906**
	Liabilities		
	Long-term liabilities		
	2. Provision for risks and charges and		
1,002	Superannuation Benefit (TRF)	1,053	1,010
	3. Trade payables		
	4. Other debts		
199,126	5. Bank debt		149,224
	6. Other financial debts		
853	7. Deferred tax liabilities	15,498	15,621
200,981	**Total long-term liabilities**	**16,551**	**165,855**
	Current liabilities		
110	8. Trade payables	104	271

1,290	9. Other debts	1,019	861
20,760	10. Bank debt	170,813	20,728
	11. Other financial debts		
338	12. Current tax liabilities	317	172
22,498	**Total current liabilities**	**172,253**	**22,032**
223,479	**Total liabilities**	**188,804**	**187,887**
1,145,690	**Total Shareholders' Equity and liabilities**	**1,134,104**	**1,135,793**

(*) The table below gives details of financial fixed assets transferred/sold as part of the Group company reorganisation project.

(€000s)		**Book value on 30 June 2007**
ATIVA SpA		86,848
SATAP SpA		452,410
SAV SpA		46,480
Road Link Ltd.		4,601
SITAF SpA		114,303
SITAF SpA Convertible Bond Loan		1,185
	Total	705,827

Income Statement

Full Year 2006	(€000s)	First half 2007	First half 2006
	Financial income and charges		
	1. Income from shareholdings:		
409,505	a. from controlled subsidiaries	11,433	357,816
16,468	b. from minority holdings	6,429	8,506
4,563	c. from other holdings	125	3,777
430,536	Total income from investments	17,987	370,099
725	2. Other financial income	407	346
(11,005)	3. Interest paid and other financial charges	(4,430)	(6,951)
420,256	**Total net financial income (A)**	**13,964**	**363,494**
	Value adjustments, financial assets		
-	1. Revaluations	-	-
(166)	2. Impairments	(72)	(142)
(166)	**Total value adjustments of financial assets (B)**	**(72)**	**(142)**
5,609	**Other operating revenue (C)**	**2,739**	**2,845**
	Other operating costs		
(2,386)	a. staff costs	(1,338)	(1,237)
(1,839)	b. costs of services bought in	(986)	(876)
(20)	c. raw material costs	(11)	(12)
(610)	d. other costs	(312)	(276)
(245)	e. amortization and impairments	(113)	(125)
	f. other provisions for risks and charges		
(5,100)	**Total other operating costs (D)**	**(2,760)**	**(2,526)**
420,599	**Profit (loss) before taxes (A+B+C+D)**	**13,871**	**363,671**
	17. Taxes		
1,184	a. Current taxes	-	-
153	b. Deferred taxes	1,198	1,085
421,936	**Profit (loss) for the period**	**15,069**	**364,756**

Note: in view of the fact that ASTM 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 ASTM Group.

Cash flow Statement

Full Year 2006	(€000s)	First half 2007	First half 2006
42,049	**Opening cash at bank and in hand and cash equivalent (a)**	**20,536**	**42,049**
	Operational activities:		
421,936	**Profit (loss)**	**15,069**	**364,756**
	Adjustments		
245	Amortization	113	125
170	Net provision (drawings), superannuation fund (TFR)	85	69
166	Impairments (revaluations) of financial assets	72	142
(158)	Net change in deferred tax assets and liabilities	(1,198)	(97)
(2,363)	Change in net circulating capital	(215)	(1,507)
(153)	Other changes generated by operational activities	(42)	(60)
419,843	**Liquidity generated (absorbed) by operational activities (b)**	**13,884**	**363,428**
	Investment activities:		
-	Investments in buildings, plant, machinery and other goods	(1)	
-	Investments in intangible assets		
(4,076)	Investments in financial fixed assets	(1,983)	(4,067)
1	Divestment: buildings, plant, machinery and other goods		1
31,515	Divestment: financial current assets	3	18,589
27,440	**Liquidity generated (absorbed) by investment activities (c)**	**(1,981)**	**14,523**
	Financial assets:		
(49,802)	Changes in medium/long term loans	861	132
8,131	Changes in current financial assets	-	-
(384,858)	Changes in other financial debt		(384,858)
1,704	Changes in Shareholders' Equity (sale of treasury shares)		59
(43,971)	Dividends (including interim dividends) distributed	(17,600)	(26,371)
(468,796)	**Liquidity generated (absorbed) by financial activities (d)**	**(16,739)**	**(411,038)**
20,536	**Closing cash at bank and in hand and cash equivalent (a+b+c+d)**	**15,700**	**8,962**

Supplementary information:

913	Taxes paid during this financial period	279	125
11,633	Financial charges paid during this financial period	4,488	6,951

Schedule of Changes in Shareholders' Equity

€000s	Share capital	Reserves and profits brought forward	Shareholders' Equity
31 December 2005	**43,950**	**541,062**	**585,012**
2005 final dividend distribution (€0.30 per share)		(26,371)	(26,371)
2006 interim dividend distribution (€0.20 per share)		(17,600)	(17,600)
Adjustment of financial assets to Fair Value, less the resulting fiscal effect		(1,377)	(1,377)
Sale of treasury shares	50	1,654	1,704
Other changes (*)		(15,398)	(15,398)
Profit for the period		421,936	421,936
31 December 2006	**44,000**	**903,906**	**947,906**
2006 final dividend distribution (€0.20 per share)		(17,600)	(17,600)
Adjustment of financial assets to Fair Value		(75)	(75)
Profit for the period		15,069	15,069
30 June 2007	**44,000**	**901,300**	**945,300**

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

€000s	Issue premium reserve	Revaluation reserves	Statutory reserve	Fair Valuation reserve	Retained profits	Profits (losses) brought forward	Profit (loss) for the period	Total
31 December 2005	**25,861**	**9,325**	**10,538**	**3,131**	**-**	**405,985**	**86,222**	**541,062**

Allocation of profit(loss) for 2005						59,851	(59,851)	-
2005 final dividend distribution (€0.30 per share)							(26,371)	(26,371)
2006 interim dividend distribution (€0.20 per share)							(17,600)	(17,600)
Sale of treasury shares						1,654		1,654
Adjustment of financial assets to Fair Value				(1,377)				(1,377)
Other changes (*)						(15,398)		(15,398)
Profit for the period							421,936	421,936
31 December 2006	**25,861**	**9,325**	**10,538**	**1,754**	**-**	**452,092**	**404,336**	**903,906**
Allocation of profit(loss) for 2006						386,736	(386,736)	-
2006 final dividend distribution (€0.20 per share)							(17,600)	(17,600)
Adjustment of financial assets to Fair Value				(75)				(75)
Profit for the period							15,069	15,069
30 June 2007	**25,861**	**9,325**	**10,538**	**1,679**	**-**	**838,828**	**15,069**	**901,300**

(*) This refers to taxes set aside in respect of the difference between the book value and the fiscal value of the shareholding in the subsidiary SATAP SpA

Independent Auditor's Report