



ASTM GROUP

**QUARTERLY REPORT
AS OF 31 MARCH 2007**

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AUTOSTRADA TORINO-MILANO

Company limited by shares
Share capital €44,000,000 fully paid-in
Tax Registration and Turin
Company Register no.: 00488270018

Registered Office Corso Regina Margherita 165, Turin
Website: <http://www.autostradatomi.it>
Email: astm@autostradatomi.it
Direction and coordination: Argo Finanziaria S.p.A.

BOARD OF DIRECTORS

Chairman
Riccardo Formica

Vice Chairman
Daniela Gavio

Managing Director
Alberto Sacchi

Directors
Giovanni Angioni (1)
Enrico Arona
Ernesto Maria Cattaneo (1)(2)
Giorgio Cavalitto
Nanni Fabris
Cesare Ferrero (2)
Vittorio Rispoli
Alvaro Spizzica (1)
Agostino Spoglianti

Secretary to the Board
Cristina Volpe

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

BOARD OF STATUTORY AUDITORS

Chairman
Alfredo Cavanenghi

Standing Auditors
Enrico Fazzini
Lionello Jona Celesia

Alternate Auditors
Massimo Berni
Roberto Coda

MANAGEMENT

General Manager
Graziano Settime

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

TERM OF OFFICE

The Board of Directors was appointed by the Shareholders' Meeting held on 29 April 2004 for three financial years, i.e. until the approval of the Financial Statement for 2006.

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

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

POWERS OF CORPORATE BOARDS

The **Chairman**, appointed by the Shareholders' Meeting held on 29 April 2004, under art. 24 of the by-law, can represent the Company in law and has the executive powers conferred by the Board of Directors' resolution dated 12 May 2005, subject to the restrictions provided for by law and the by-laws.

The **Vice Chairman**, appointed by the Board of Directors on 14 May 2004, 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 the Board of Directors' resolution dated 13 September 2004, has the same powers as the Chairman, conferred by the Board of Directors' resolution dated 12 May 2005.

DIRECTORS' REPORT

1. SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2007

Dealings with the Licensing Authority

Dealings with the Licensing authority ANAS were widely illustrated in the Directors' Report as at 31 December 2006; in particular we confirm that on 10 March 2007 ANAS communicated the toll revisions arising from the specific Interministerial Decree (issued by the Infrastructure and Economics Ministries): in view of the alleged financial "advantages" connected with the postponement in the carrying out of certain investments provided for in the Revenue, Expenditure and Financial Plans, no toll increase was recognised for SATAP S.p.A. (A4 Section), on the assumption of an 8.47% advantage arising from the postponement of the investments provided for (instead of the Company's request for 1.42%); SATAP S.p.A. (A21 Section) again was given a toll rise of 0.36% instead of a requested 1.18%; ATIVA S.p.A. was awarded an increase of 0.74% instead of a requested 1.74%; and SAV S.p.A. was awarded a rise of 10.41% instead of a requested 11.78%. The toll rises, where awarded, were applied as from 15 March 2007.

The aforementioned concession-holders immediately challenged the method and merit of the ANAS and interministerial determinations, and reserved the right to duly present their case in order to protect their rights and interests and also to obtain compensation for the damage suffered, and to come, following the refusal to raise tolls which is in conflict with the provisions of the concession contracts in force.

As part of the measures implemented to finance ANAS, Act 296/06 of 27 December 2006 (the so-called "2007 Finance Act") provided that, as from 1 January 2007, the annual concession lease payment be increased from 1% to 2.4% of total toll payments.

The concession-holding companies appealed this imposition too.

Investment portfolio

On 23 March 2007 SATAP S.p.A. purchased from Milano Serravalle – Milano Tangenziali S.p.A. a further 30% share in **S.A.Bro.M. - Società Autostrada Broni-Mortara S.p.A.** for an overall amount of 0.7 million euros, bringing its own share to **82%** of the share capital.

During the quarter, SATAP S.p.A. arranged to pay the second, third and final tranches for the share capital increase of the **Itinera S.p.A.** for a total of 9.9 million euros.

2. ANALYSIS OF THE FIRST QUARTER 2007 RESULTS OF THE ASTM GROUP

The main **operating figures** for the first quarter of 2007 (compared with the pro forma data for the 2006 period ⁽¹⁾) can be summarised as follows:

(€000s)	1st quarter 2007	1st quarter 2006 “pro forma”	Change
Motorway sector revenues	76,542	73,170	3,372
Construction sector revenues	230	1,031	(801)
Engineering sector revenues	5,304	5,488	(184)
Services sector revenues	228	264	(36)
Other revenues	8,563	6,964	1,599
Total revenues (A)	90,867	86,917	3,950
Operating costs (B)	(45,305)	(45,897)	592
Capitalised costs on fixed assets (C)	5,775	4,209	1,566
Gross operating margin “pro forma” (A-B+C)	51,337	45,229	6,108
Gross operating margin Itinera S.p.A. and subsidiaries (D)	-	3,092	(3,902)
Gross operating margin (A-B+C+D)	51,337	48,321	3,016

The positive performance pointed out in the Motorway Sector, together with an unchanged cost structure, led to a significant improvement in the operating margin (+ 13.5% with respect to the pro-forma data of the prior year period) – despite the partial recognition and delayed application of the due toll increase, as well as the rise in the concession lease payment to be made to ANAS.

“*Motorway sector revenues*” rose by around 3.4 million euros; this increase of 4.6% was due to the rise in rental income (+1.3 million euros) from service areas (partly as a consequence of the renegotiation occurred during the second half of 2006) and the rise in toll receipts (+2.1 million euros); the latter change was due almost entirely to the rising trend in traffic (also due to the favourable weather), since – as noted previously – the toll adjustment, where recognised, was applied as from 15 March 2007.

“*Construction sector revenues*” decreased due to the decline in works carried out by Strade Co.Ge. S.p.A.

The “*engineering sector*” highlight a rise in the work carried out on behalf of Group companies, as results from the increase in the item “*capitalised costs on fixed assets*”.

The increase in the item “*Other revenues*” was mainly due to the increase in services supplied by SATAP S.p.A. on behalf of the C.A.V.TO.MI. Consortium (which is building the high capacity Turin-Milan rail link).

Despite the rise in the concession lease payment and the greater level of work undertaken by companies operating in the engineering sector, as well as the increase in work carried out on behalf of the CAV.TO.MI. consortium, “*Operating costs*” show a decrease of approximately 0.6 million euros mainly due both to the

¹ Due to the removal from the scope of consolidation from 1 July 2006 of Itinera S.p.A., in order to allow a comparison of the figures, it was drawn up a pro forma income statement relating to the 1st quarter of 2006. Therefore the income statement figures relating to the 1st quarter of 2006 are shown net of the individual data of Itinera S.p.A., reporting separately the value of the “gross operating margin” in relation to this company.

different scheduling of maintenance work and the reduction in costs for winter services following the favourable weather which was a feature of the first quarter of 2007.

As a result of the above, the “*gross operating margin*” rose by around 6.1 million euros (+13.5%).

As for the **financial situation**, the following summarises the main data:

<i>(€000s)</i>	31/3/2007	31/12/2006	Change
A) Cash at banks and on hand	93,208	81,693	11,515
B) Securities held for trading	-	1,623	(1,623)
C) Cash and cash equivalents (A) + (B)	93,208	83,316	9,892
D) Financial receivables (*)	47,401	51,524	(4,123)
E) Short-term bank debt	(12,212)	(8,661)	(3,551)
F) Current portion of long-term debt	(90,705)	(91,416)	711
G) Other current financial debt	(3)	(3)	-
H) Total current financial debt	(102,920)	(100,080)	(2,840)
I) Net current financial assets (liabilities) (C) + (D) + (H)	37,689	34,760	2,929
J) Non current bank debt	(708,730)	(688,681)	(20,049)
K) Bonds	-	-	-
L) Other non current debts	-	-	-
M) Non current financial liabilities (J) + (K) + (L)	(708,730)	(688,681)	(20,049)
N) Net financial assets (liabilities) (I) + (M)	(671,041)	(653,921)	(17,120)

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

The Group’s net financial position at 31 March 2007 showed net indebtedness of 671 million euros (654 million euros at 31 December 2006); this amount, including the present value of the debt due to the Central Guarantee Fund and ANAS, is 798 million euros (779 million euros at 31 December 2006). Some 10.9 million euros of the bank debts guaranteed by the State.

The cash flows generated by operations were mainly, used to enhance the Group’s motorway infrastructure.

3. ANALYSIS OF THE RESULTS FOR THE FIRST QUARTER OF 2007 OF THE MAIN SUBSIDIARIES

Motorway Sector



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

The main **operating figures** for the first quarter of 2007 (compared with the same period in 2006) can be summarised as follows:

A21 Section and A4 Section

(€000s)	1st quarter 2007	1st quarter 2006	Change
Motorway sector revenues	55,512	53,024	2,488
Other revenues	6,544	5,074	1,470
Total revenues (A)	62,056	58,098	3,958
Operating costs (B)	(26,453)	(27,317)	864
Gross operating margin (A + B)	35,603	30,781	4,822

In order to allow an analysis of the operating figures for the two sections managed, here below the breakdown of “*gross operating margin*” (EBITDA) relating to the routes “Turin – Piacenza” (A21 Section) and “Turin – Milan” (A4 Section):

Turin – Piacenza (A21 Section)

(€000s)	1st quarter 2007	1st quarter 2006	Change
Motorway sector revenues	27,194	24,733	2,461
Other revenues	1,386	1,337	49
Total revenues (A)	28,580	26,070	2,510
Operating costs (B)	(11,066)	(12,573)	1,507
Gross operating margin (A + B)	17,514	13,497	4,017

The increase in “*Motorway sector revenues*” of 2.5 million euros was due to the rise in both “toll receipts” of 1.4 million euros, and in “rental income” of 1.1 million euros; in particular, the change in “toll receipts” (+5.80% compared to the first quarter of 2006) was almost entirely due to the increase in traffic (+5.50% compared to the first quarter of 2006); as noted previously, the toll increase of 0.36% (compared to an increase due of 1.18%) was granted by the Licensing authority on 10 March 2007 and was applied as from 15 March 2007. The rise in “*rental income*” was due to the renegotiation of royalties with service area operators, which occurred in the second half of the previous year.

The change in “*operating costs*” is largely the result of a different scheduling of maintenance work in the period (which led to a reduction of 0.8 million euros), the reduction in costs for winter services and raw materials of 0.9 million euros overall, and the rise in the “*concession lease payment*” which as from 1 January 2007 rose from 1% to 2.4% (making a difference of 0.4 million euros).

The “*gross operating margin*” (EBITDA) was thus 17.5 million euros (13.5 million euros in the first quarter of 2006).

Turin – Milan (A4 Section)

(€000s)

	1st quarter 2007	1st quarter 2006	Change
Motorway sector revenues	28,318	28,291	27
Other revenues	5,158	3,737	1,421
Total revenues (A)	33,476	32,028	1,448
Operating costs (B)	(15,387)	(14,744)	(643)
Gross operating margin (A + B)	18,089	17,284	805

As for the A4 Section, “*motorway sector revenue*” was largely in line with the corresponding figure for the first quarter of the previous year. In particular, “*toll receipts*” stood at 26.2 million euros and were in line with the final figure in the corresponding period of the previous year (26.1 million euros); for this route ANAS did not award the toll adjustment due for 2007 (1.42%).

The increase of 1.4 million euros in “*other revenues*” was mainly due to the increase in services provided on behalf of the CAV.TO.MI. Consortium (which is building the high capacity Turin-Milan rail link).

The increase of 0.6 million euros in “*operating costs*” is the result of the rise both in “*expenses incurred on behalf of others*” of 1.6 million euros (connected to the above comment regarding services provided on behalf of the CAV.TO.MI. Consortium) and in the “*concession lease payment*” of 0.4 million euros, as well as the decrease in expenses for “*maintenance*” and “*winter services*” of 1.2 million euros overall.

The “*gross operating margin*” (EBITDA) was thus 18.1 million euros (17.3 million euros in the first quarter of 2006).

As for the “**net financial position**”, it may be summarised as follows:

<i>(€000s)</i>	31/3/2007	31/12/2006	Change
A) Cash at banks and on hand	47,818	42,996	4,822
B) Securities held for trading	-	-	-
C) Cash and cash equivalents (A) + (B)	47,818	42,996	4,822
D) Financial receivables (*)	46,715	46,136	579
E) Short-term bank debt	-	-	-
F) Current portion of long-term debt	(30,326)	(31,038)	712
G) Other current financial debt	-	-	-
H) Total current financial debt	(30,326)	(31,038)	712
I) Net short-term financial assets (liabilities)(C) + (D) + (H)	64,207	58,094	6,113
J) Non current bank debt	(457,910)	(437,910)	(20,000)
K) Bonds	(3)	(3)	-
L) Other non current debts	-	-	-
M) Non current financial liabilities (J) + (K) + (L)	(457,913)	(437,913)	(20,000)
N) Net financial assets (liabilities) (I) + (M)	(393,706)	(379,819)	(13,887)

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

The “*net financial position*” at 31 March 2007 showed indebtedness of 394 million euros (380 million euros at 31 December 2006); this amount, including the present value of the sum due to the Central Guarantee Fund, is 429 million euros (415 million euros at 31 December 2006).

The cash flows generated by operations were, principally, used to enhance the Group’s motorway infrastructure.



The main operating figures for the first quarter of 2007 (compared with those for the same period in 2006) can be summarised as follows:

(€000s)	1st quarter 2007	1st quarter 2006	Change
Motorway sector revenues	10,257	10,029	228
Other revenues	1,465	1,474	(9)
Total revenues (A)	11,722	11,503	219
Operating costs (B)	(4,339)	(4,531)	192
Gross operating margin (A + B)	7,383	6,972	411

“Motorway sector revenue” amounted to 10 million euros and rose by 0.2 million euros compared to the same period in 2006; this increase of 2.31% was due to the increase in “toll receipts” due to higher overall levels of traffic (+1.28%) and the toll adjustment of 10.41%, in force as from 15 March 2007.

“Operating costs” decreased largely following the fall that occurred in expenses incurred for “winter services”. Owing to the above, the “gross operating margin” was 7.4 million euros, an improvement of 0.4 million euros (+5.9%) compared to the same period of the previous year.

As for the **financial situation**, it may be summarised as follows:

(€000s)	31/3/2007	31/12/2006	Change
A) Cash at banks and on hand	4,070	3,947	123
B) Securities held for trading	-	-	-
C) Cash and cash equivalents (A)+(B)	4,070	3,947	123
D) Financial receivables	-	-	-
E) Short-term bank debt	(35,154)	(35,153)	(1)
F) Current portion of long-term debt	(1,229)	-	(1,229)
G) Other current financial debt	-	-	-
H) Total current financial debt	(36,383)	(35,153)	(1,230)
I) Net current financial assets (liabilities)			
(C)+(D)+(H)	(32,313)	(31,206)	(1,107)
J) Non current bank debt	(60,923)	(60,923)	-
K) Bonds	-	-	-
L) Other non current debts	-	-	-
M) Non current financial liabilities (J)+(K)+(L)	(60,923)	(60,923)	-
N) Net financial assets (liabilities) (I)+(M)	(93,236)	(92,129)	(1,107)

The “net financial position” at 31 March 2007 was largely unchanged compared to the figure at 31 December 2006 and recorded indebtedness of 93.2 million euros; this amount, including the present value of the sum due to the Central Guarantee Fund, is 166.2 million euros (164.1 million euros at 31 December 2006). Some 10.9 million euros of the bank debt is guaranteed by the State.

The main operating figures for the first quarter of 2007 (compared with those for the same period in 2006) can be summarised as follows:

(€000s)	1st quarter 2007	1st quarter 2006	Change
Motorway sector revenues	26,167	24,573	1,594
Other revenues	1,115	1,147	(32)
Total revenues (A)	27,282	25,720	1,562
Operating costs (B)	(11,361)	(13,261)	1,900
Gross operating margin (A-B)	15,921	12,459	3,462

The increase in “*Motorway sector revenue*” of 1.6 million euros was due to the increase both in “toll receipts”, of one million euros and in “rental income” of 0.6 million euros; in particular, the change in “toll receipts” (+4.56% compared to the first quarter of 2006) was almost entirely due to the increase in traffic; as noted, the toll increase of 0.74% (compared to a due increase of 1.74%) was granted by the Licensing authority on 10 March 2007 and was applied as from 15 March 2007. The increase in “*rental income*” was due to the renegotiation of royalties with service area managers which occurred in the second half of the previous year.

“*Operating costs*” in the first quarter of 2007 fell by approximately 1.9 million euros; this fall was largely due to lower maintenance charges compared to the first quarter of the previous year which, inter alia, was affected by the higher costs incurred during the XX Winter Olympics in Turin.

As for the “*gross operating margin*” of 15.9 million euros, there was an increase of 3.5 million euros compared to the same period of the previous year (+27.8%).

As for the **financial situation**, it may be summarised as follows:

(€000s)	31/3/2007	31/12/2006	Change
A) Cash at banks and cash on hand	21,389	8,359	13,030
B) Securities held for trading	-	-	-
C) Cash and cash equivalents(A)+(B)	21,389	8,359	13,030
D) Financial receivables (*)	-	15,024	(15,024)
E) Short-term bank debt	-	-	-
F) Current portion of long-term debt	(10,868)	(10,868)	-
G) Current financial debt	-	-	-
H) Total current financial debt	(10,868)	(10,868)	-
I) Net current financial assets (liabilities)			
(C)+(D)+(H)	10,521	12,515	(1,994)
J) Non current bank debt	(98,498)	(98,491)	(7)
K) Bonds issued	-	-	-
L) Other non current debts	-	-	-
M) Non current financial liabilities (J)+(K)+(L)	(98,498)	(98,491)	(7)
N) Net financial assets (liabilities)	(87,977)	(85,976)	(2,001)

(*) At 31 December 2006, this item refers to endowment contracts and government securities which, though not due for more than one year, can readily be encashed on demand.

The “*net financial position*” at 31 March 2007 was largely in line with the corresponding figure at 31 December 2006 and showed indebtedness of 88 million euros. This amount, including the present value of the sum due to the Central Guarantee Fund, is 132.4 million euros (129.9 million euros at 31 December 2006).

Engineering Sector

Società Iniziative Nazionali Autostradali – SINA S.p.A.

The intensification of design work, mainly for Group companies, led to “*total revenues*” of approximately 8.7 million euros (up by approximately 1.5 million euros).

Following the higher level of production, “*operating costs*” stood at 7.7 million euros (6 million euros in the first quarter of 2006).

As a result of the above, the “*gross operating margin*” in the first quarter of 2007 was 1 million euros (1.2 million euros in the first quarter of 2006).

The “*net financial position*” at 31 March 2007 showed a positive balance of 5.2 million euros (5 million euros at 31 December 2006).

SINECO S.p.A.

“*Total revenues*” in the 1st quarter of 2007 were 3.3 million euros, up by approximately 0.4 million euros compared to the corresponding figure in 2006.

“*Operating costs*” stood at 2.6 million euros (2.2 million euros in the first quarter of 2006).

In relation to the above, the “*gross operating margin*”, at 0.7 million euros, was largely in line with the figure for the first quarter of 2006.

The “*net financial position*” at 31 March 2007 showed a positive balance of 4.3 million euros (2.8 million euros at 31 December 2006).

4. SIGNIFICANT POST-BALANCE SHEET EVENTS

In relation to significant events after 31 March 2007, note should be taken of the renewed talks between the Ministry of Infrastructure, ANAS and the concession-holding companies, as witnessed, inter alia, by the recent signing by some companies of new agreement models.

5. SHORT-TERM PROSPECTS

With regard to the “**motorway sector**”, toll receipts – compatibly with the trend in traffic – should confirm the positive performance recorded in the first few months of 2007. The “**engineering sector**” should consolidate the positive results achieved so far.

Therefore, an increase in the profitability of the ASTM Group is predicted for 2007 as a whole, due to the positive trend in toll receipts and the growing contribution from companies operating in the so-called “engineering sector”, as well as the control of operating costs.

As for the financial position, it is likely that the continuation of the significant investment plan which currently concerns the routes managed by SATAP S.p.A., will have an impact on the financial structure.

The cash flow which will be generated in the period will thus be earmarked for investment related to the Group’s reversionary assets.

The performance in the year will obviously reflect the development of all the aforementioned factors, and a profit is predicted.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

ASTM GROUP
CONSOLIDATED QUARTERLY REPORT AT 31 MARCH 2007

FINANCIAL STATEMENTS – CONSOLIDATED TOTAL REVENUES AND INCOME FROM OPERATIONS

(€000s)	1st quarter 2007	1st quarter 2006 “pro-forma” ⁽¹⁾	Change
(A) Total revenues			
1) Motorway sector revenues	76,542	73,170	3,372
2) Construction sector revenues	230	1,031	(801)
3) Engineering sector revenues	5,304	5,488	(184)
4) Services sector revenues	228	264	(36)
5) Other revenues	<u>8,563</u>	<u>6,964</u>	<u>1,599</u>
T o t a l	90,867	86,917	3,950
(B) Operating costs			
6) Labour costs	(16,469)	(16,568)	99
7) External services	(24,177)	(24,188)	11
8) Raw material costs	(1,313)	(2,586)	1,273
9) Other costs	(3,346)	(2,555)	(791)
10) Capitalised costs on fixed assets	<u>5,775</u>	<u>4,209</u>	<u>1,566</u>
T o t a l	(39,530)	(41,688)	2,158
OPERATING INCOME “PRO-FORMA” (A) + (B)	51,337	45,229	6,108
(C) Operating income of Itinera S.p.A. and subsidiaries	-	3,092	(3,092)
OPERATING INCOME(A) + (B) + (C)	51,337	48,321	3,016

¹ Following the removal of Itinera S.p.A. from the scope of consolidation as from 1 July 2006, in order to enable a comparison of the figures, a pro forma income statement was prepared for the 1st quarter of 2006. Therefore the income statement figures relating to the 1st quarter of 2006 have been shown net of the individual items due to Itinera S.p.A., reporting separately the value of the “gross margin on operations” for that company (and its subsidiaries).

ASTM GROUP
CONSOLIDATED QUARTERLY REPORT AT 31 MARCH 2007

FINANCIAL STATEMENTS – CONSOLIDATED NET FINANCIAL POSITION

<i>(€000s)</i>	31/3/2007	31/12/2006
A) Cash at banks and cash on hand	93,208	81,693
B) Securities held for trading	-	1,623
C) Cash and cash equivalents (A) + (B)	93,208	83,316
D) Financial receivables (*)	47,401	51,524
E) Short-term bank debt	(12,212)	(8,661)
F) Current portion of long-term debt	(90,705)	(91,416)
G) Other current financial debt	(3)	(3)
H) Total current financial debt	(102,920)	(100,080)
I) Net current financial assets (liabilities)(C) + (D) + (H)	37,689	34,760
J) Non current bank debt	(708,730)	(688,681)
K) Bonds	-	-
L) Other non current debts	-	-
M) Non current financial liabilities (J) + (K) + (L)	(708,730)	(688,681)
N) Net financial assets (liabilities) (I) + (M)	(671,041)	(653,921)

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

**NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS**

CONTENTS OF THE QUARTERLY REPORT

This quarterly report has been prepared in accordance with the IAS/IFRS international accounting standards; consequently, the comparative figures for the same period in the previous year also conform to the same standards. The document has been drawn up in compliance with the provisions of art. 82 of the “Regulation providing provisions implementing Leg. Decree no. 58 of 24 February 1998, regarding issuers” (CONSOB Regulation no. 11971 of 14 May 1999 as amended).

Any estimation procedures, others than those normally adopted in preparing the annual accounts, nonetheless guarantee reliable information. Information is provided about any such procedures in the notes to the financial statements.

The Company, as allowed by CONSOB Resolution no. 11661 of 20/10/98, has expressed numbers in thousands of euros in both the “financial statements” and the “notes to the financial statements”.

TOTAL REVENUES AND OPERATING RESULT

Motorway sector revenues. Details are as follows:

(€000s)	1st quarter 2007	1st quarter 2006 "pro-forma"	Change
- Toll receipts	75,207	72,149	3,058
- Less: toll receipts due to State	<u>(3,628)</u>	<u>(2,695)</u>	<u>(933)</u>
Net toll receipts (a)	71,579	69,454	2,125
Ancillary income including rents (b)	<u>4,963</u>	<u>3,716</u>	<u>1,247</u>
Motorway sector revenue s (a + b)	76,542	73,170	3,372

"Toll receipts" for the first quarter of 2007 were calculated on the basis of the final figures to 28 February 2007 estimating, on the basis of the trend in traffic recorded by the individual stations, the amounts for March.

"Net toll receipts", in the first quarter of 2007 totalled 71.6 million euros and showed an increase of approximately 2.1 million euros compared to the same period in 2006; this increase of 3.1% was due almost entirely to the increase in traffic volumes since the toll adjustment awarded to SATAP S.p.A. – A21 section (0.36%), SAV S.p.A. (10.41%) and ATIVA S.p.A. (0.74%) started as from 15 March 2007.

The increase in "ancillary income" was due to the renegotiation of royalties with some of the service area operators which occurred in the second half of the previous year.

Construction sector revenues

Details of these revenues are as follows:

(€000)	1st quarter 2007	1st quarter 2006 "pro-forma"	Change
- Revenues from construction and design work and changes in work in progress on orders received	183	1,012	(829)
- Other revenues and changes in inventories of work in progress, semi-finished and finished goods	<u>47</u>	<u>19</u>	<u>28</u>
Total	230	1,031	(801)

This item includes the entire turnover of the subsidiaries STRADE Co.Ge. S.p.A. and SI.CO.GEN. s.r.l. The amount has been entered net of intercompany motorway maintenance and improvement charges invoiced by the above mentioned Companies to SAV S.p.A. and ATIVA S.p.A.

The change in the period was due to the reduced activity undertaken by Strade Co.Ge. S.p.A.

Engineering sector revenues

This item amounts to 5,304 thousand euros (5,488 thousand euros in the first quarter of 2006 "pro-forma") and includes the entire turnover of the subsidiaries SINA S.p.A., SINECO S.p.A., LIRA S.p.A. and ATIVA Engineering S.p.A. The amount has been entered net of the intercompany motorway maintenance and

improvement charges invoiced by the above mentioned Companies to SATAP S.p.A., SAV S.p.A., ATIVA S.p.A. and SABROM S.p.A.

This revenue reflects a slight fall in work carried out for third parties, while turnover in relation to ASTM Group companies rose appreciably, as also shown by the change in the heading “capitalised costs on fixed assets”.

Services sector revenues

These revenues amount to 228 thousand euros in the first quarter of 2007 (264 thousand euros in the first quarter of 2006 “pro-forma”), refer mainly to financial, accounting and corporate service activities provided by the Holding Company to companies in the SIAS Group.

Other revenues

These revenues were made up as follows:

(€000s)	1st quarter 2007	1st quarter 2006 “pro-forma”	Change
- Compensation for damages	685	651	34
- Recovery of expenses and other receipts	1,884	1,973	(89)
- Benefit during the period from the discounting of the sum due to the Central Guarantee Fund and ANAS	1,729	1,731	(2)
- Work for CAV TO.MI.	4,190	2,544	1,646
- Operating subsidies	<u>75</u>	<u>65</u>	<u>10</u>
Total	8,563	6,964	1,599

The item “*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, which was formerly deferred.

The heading “*Work for CAV TO.MI.*” refers to revenues arising from the services provided by SATAP S.p.A. on behalf of the CAV.TO.MI Consortium relating to the construction of the high capacity Turin-Milan rail link. The increase compared to the same period in the previous year was due to the greater volume of services provided for the Consortium. In relation to this increase, there was a corresponding increase in “*External services*” for services received from sub-contractors.

LABOR COSTS

Labor costs

Details of this item are as follows:

(€000s)	1st quarter 2007	1st quarter 2006 "pro-forma"	Change
- Wages and salaries	11,629	11,708	(79)
- Social contribution	3,711	3,708	3
- Actuarial adjustment to TFR	734	786	(52)
- Other costs	<u>395</u>	<u>366</u>	<u>29</u>
Total	16,469	16,568	(99)

The reduction in labour costs at motorway companies was partially offset by the higher costs incurred by companies in the engineering sector following the increased level of business.

Costs of external services

This item breaks down as follows:

(€000s)	1st quarter 2007	1st quarter 2006 "pro-forma"	Change
Maintenance and other costs relating to non-compensated reversionary assets	5,817	7,431	(1,614)
Other costs relating to non-compensated reversionary assets	3,991	4,619	(628)
Other costs for services	<u>14,369</u>	<u>12,138</u>	<u>2,231</u>
Total	24,177	24,188	(11)

The fall in the costs for "*maintenance relating to reversionary assets*" is basically due to the different scheduling of maintenance work compared to the previous year.

The fall in the heading "*other costs relating to non-compensated reversionary assets*" is due to the reduction in expenses for "winter services" following the favourable weather which characterised the first quarter of 2007.

The heading "*Other costs for services*" essentially comprises the charges for professional services, legal advice, and the remuneration of Corporate boards, as well as the services supplied by sub-contractors to subsidiaries operating in the construction sector. The change in this item compared to the same period in the previous year was due both to the greater activity undertaken by companies in the engineering sector and the higher costs incurred for services provided for the CAV. TO.MI. Consortium, connected to the construction of the high capacity Turin-Milan rail link and reflects the increase in the corresponding revenue item.

Raw material costs

This expenditure item breaks down as follows:

(€000s)	1st quarter 2007	1st quarter 2006 "pro-forma"	Change
Raw materials, consumables and goods	1,506	1,909	(403)
Changes in inventories of raw materials, consumables and goods	<u>(193)</u>	<u>677</u>	<u>(870)</u>
Total	1,313	2,586	(1,273)

This item refers to production materials and subsidiary materials and consumables.

The change is mainly related to the fall in the costs incurred for the purchase of salt, following the favourable weather which was a feature of the quarter in question.

Other operating costs

This expenditure item breaks down as follows:

(€000s)	1st quarter 2007	1st quarter 2006 "pro-forma"	Change
Rental and leases	870	955	(85)
Concession payment	1,816	777	1,039
Other operating expenses	<u>660</u>	<u>823</u>	<u>(163)</u>
Total	3,346	2,555	791

The rental and leases costs refer mainly to operating leases on cars and other motor vehicles, computers, printers and premises used by Group companies.

The significant rise in the "*concession payment*" was due to the measures implemented to finance ANAS (Act 296/06 of 27 December 2006, the so-called "2007 Finance Act") which, as from 1 January 2007, provided for the increase in the concession payment from 1% to 2.4%, of total net tolls.

Capitalised costs on fixed assets

This heading stood at 5,775 thousand euros (4,209 thousand euros in the first quarter of 2006 pro-forma) and was largely due to the capitalisation of in-house work undertaken within the Group and capitalised as an increase in "non-compensated reversionary assets". The significant increase over the same period in the previous year is due to the progress of the investment program for motorway infrastructure.

CONSOLIDATED NET FINANCIAL POSITION

<i>(€000s)</i>	31/3/2007	31/12/2006	Change
A) Cash at bank and cash on hand	93,208	81,693	11,515
B) Securities held for trading	-	1,623	(1,623)
C) Cash and cash equivalents (A) + (B)	93,208	83,316	9,892
D) Financial receivables (*)	47,401	51,524	(4,123)
E) Short-term bank debt	(12,212)	(8,661)	(3,551)
F) Current portion of long-term debt	(90,705)	(91,416)	711
G) Other current financial debt	(3)	(3)	-
H) Total current financial debt	(102,920)	(100,080)	(2,840)
I) Net short-term financial assets (liabilities) (C) + (D) + (H)	37,689	34,760	2,929
J) Non current bank debt	(708,730)	(688,681)	(20,049)
K) Bonds issued	-	-	-
L) Other non current debts	-	-	-
M) Non current financial liabilities (J) + (K) + (L)	(708,730)	(688,681)	(20,049)
N) Net financial assets (liabilities) (I) + (M)	(671,041)	(653,921)	(17,120)

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

The net financial position of the Group at 31 March 2007 showed indebtedness of 671 million euros (654 million euros at 31 December 2006); this amount, including the present value of the sum due to the Central Guarantee Fund and ANAS, is 798 million euros (779 million euros at 31 December 2006). Bank debt is guaranteed by the State for an amount of approximately 10.9 million euros.

The cash flow generated from operations has largely been used to undertake improvement work on the Group's motorway infrastructure.

Turin, 10 May 2007

for the Board of Directors
The Chairman
(Riccardo Formica)