



ASTALDI

2001 ANNUAL REPORT



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ASTALDI

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Branches abroad

Algerian branch

B.P. 328
Tizi Ouzou - Algeria

Bolivian branch

Avenida Iturralde, 1308
Esquina San Salvador
La Paz - Bolivia

Colombian branch

Carrera 11B n. 96-03
A Sur 267
Edificio Zurich Of. 504
Bogotá - Colombia

Congo branch

28, Avenue MOE Vangoula
Pointe Noire
B.P. 1426
Pointe Noire - Congo

Danish branch

Refshaegøen
P.O. Box 1920
Copenhagen - Denmark

El Salvador branch

Avenida Antiguo Cuscatlan n. 9-A
Colonia La Sultana
Antiguo Cuscatlan
San Salvador - El Salvador

Croatian branch

Petrinjska, 7/III
Zagreb - Croatia

Greek branch

2, Vovliagmenis Ave
Elliniko 16777
Athens - Greece

Guinea branch

Route du Niger
B.P. 2149 Conakry
Rép. de Guinée

Guinea Bissau branch

Zone Industrial de Bra,
Caixa Postal 419
Bissau - Guinea Bissau

Honduras branch

Plantel El Carrizal
Boulevard Fuerzas Armadas
Salida Carretera del Norte
Tegucigalpa - Honduras

Turkish branch

Ilkadam Sokak, 19
06700 Gaziosmanpasa
Ankara - Turkey

Nicaraguan branch

Bolonia de la Iglesia
San Francisco 11/1
al Sur Casa 1220
Managua - Nicaragua

Venezuelan branch

Centro Ciudad Comercial Tamanaco
Primera Etapa, Of. 620,
Piso 6, Av. La Estancia, Chuao
Caracas - Venezuela

Romanian branch

Cap. Av. Alexandru Serbănescu, 49
Bucharest - Romania

Zambia branch

Plot 4772/M Chudleigh Estates
P/BAG E 220
Lusaka - Zambia

Rwanda branch

Rue de la Douane, Gikondo
Kigali - Rwanda

United States branch

8220 State Road 84, Suite 300
Davie - Florida - USA

Tanzanian branch

B.P. Box 63125
Dar es Salaam
Tanzania

Tunisian branch

Résidence Du Lac D24
Deuxième étage
Les Berges Du Lac
2045 Tunis - Tunisia

Shareholders

Astaldi S.p.A.

Share capital Euro 63,304,500.00

divided into 63,304,500 shares of 1 Euro each

SHAREHOLDER	Number of shares owned	Par value	Percentage
FIN.AST S.r.l.			
Via dei Portoghesi, 18 - Rome	39,338,033	39,338,033.00	62.141%
FINETUPAR S.A.			
23, Avenue Monterey - Luxembourg	13,441,967	13,441,967.00	21.234%
FA.MI. S.A.			
5, Rue Emile Bian - Luxembourg	2,464,000	2,464,000.00	3.892%
BANCA DI ROMA S.p.A.			
Via M. Minghetti, 17 - Rome	1,826,125	1,826,125.00	2.885%
INTERBANCA S.p.A.			
Corso Venezia, 56 - Milan	3,652,250	3,652,250.00	5.769%
MEDIOCREDITO CENTRALE S.p.A.			
Via Piemonte, 51 - Rome	1,826,125	1,826,125.00	2.885%
TREASURY STOCK OWNED			
	756,000	756,000.00	1.194%

Company's management

Adriano Anselmino

Honorary Chairman

Board of Directors

Ernesto Monti	<i>Chairman</i>
Paolo Astaldi	<i>Vice-Chairman</i>
Vittorio Di Paola	<i>Managing Director</i>
Pietro Astaldi	<i>Director</i>
Caterina Astaldi	<i>Director</i>
Stefano Cerri	<i>Director</i>
Enrico De Cecco	<i>Director</i>
Franco Grassini	<i>Director</i>
Ermanno La Marca	<i>Director</i>
Lucio Mariani	<i>Director</i>
Giuseppe Marino	<i>Director</i>
Roberto Marraffa	<i>Director</i>
Vittorio Mele	<i>Director</i>
Nicoletta Mincato	<i>Director</i>
Paolo Pagani	<i>Director</i>

Board of Statutory Auditors

Eugenio Pinto	<i>Chairman</i>
Aldo Ramondelli	<i>Auditor</i>
Pierpaolo Singer	<i>Auditor</i>
Domenico Nalin	<i>Substitute auditor</i>
Antonio Sisca	<i>Substitute auditor</i>

General Managers

Giuseppe Cafiero
Stefano Cerri
Giuseppe Marino

Vice-General Managers

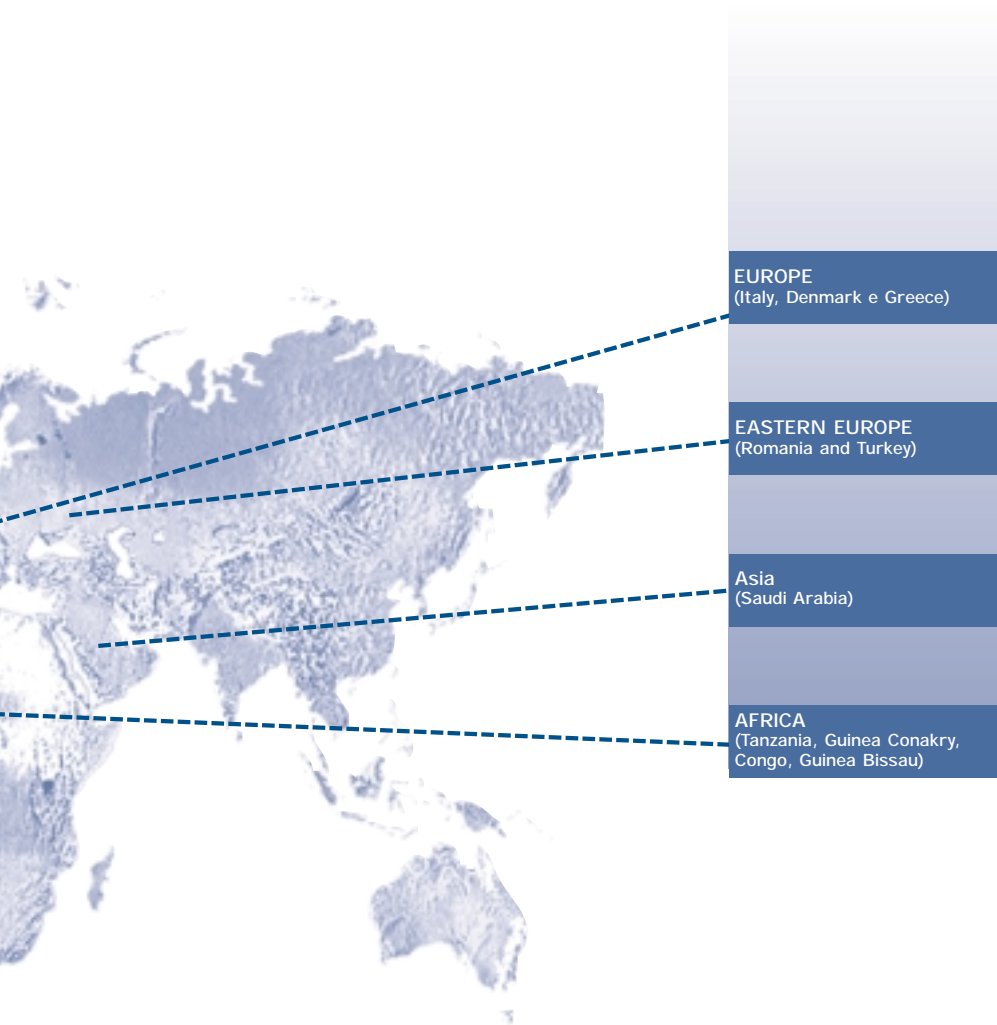
Paolo Citterio

Geographic areas

2001

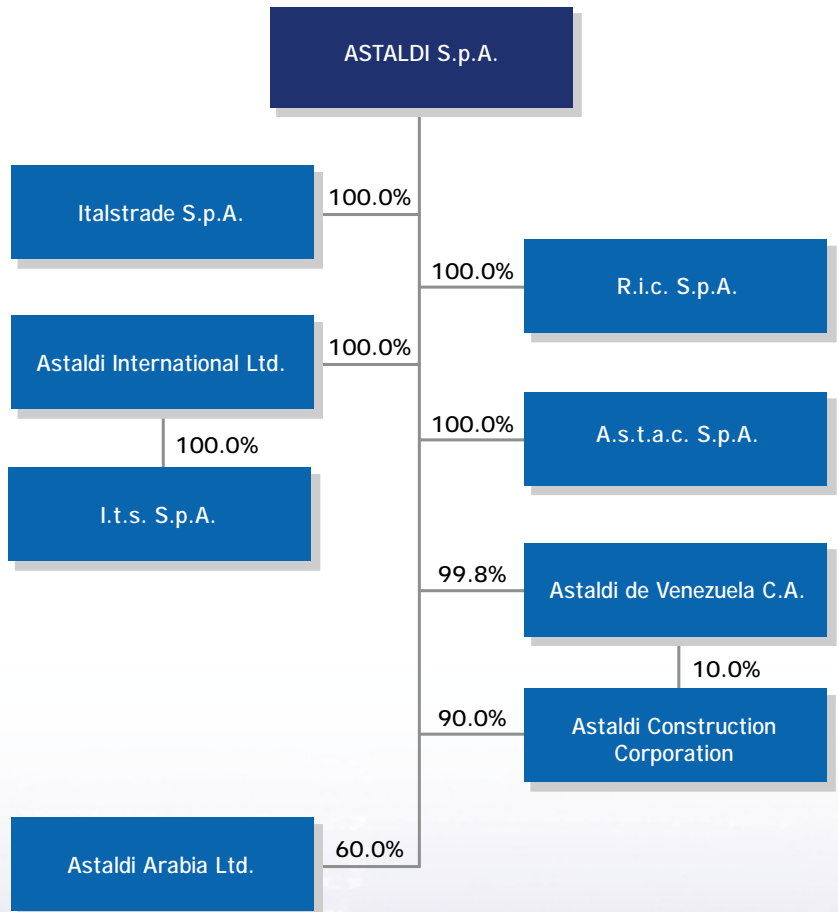


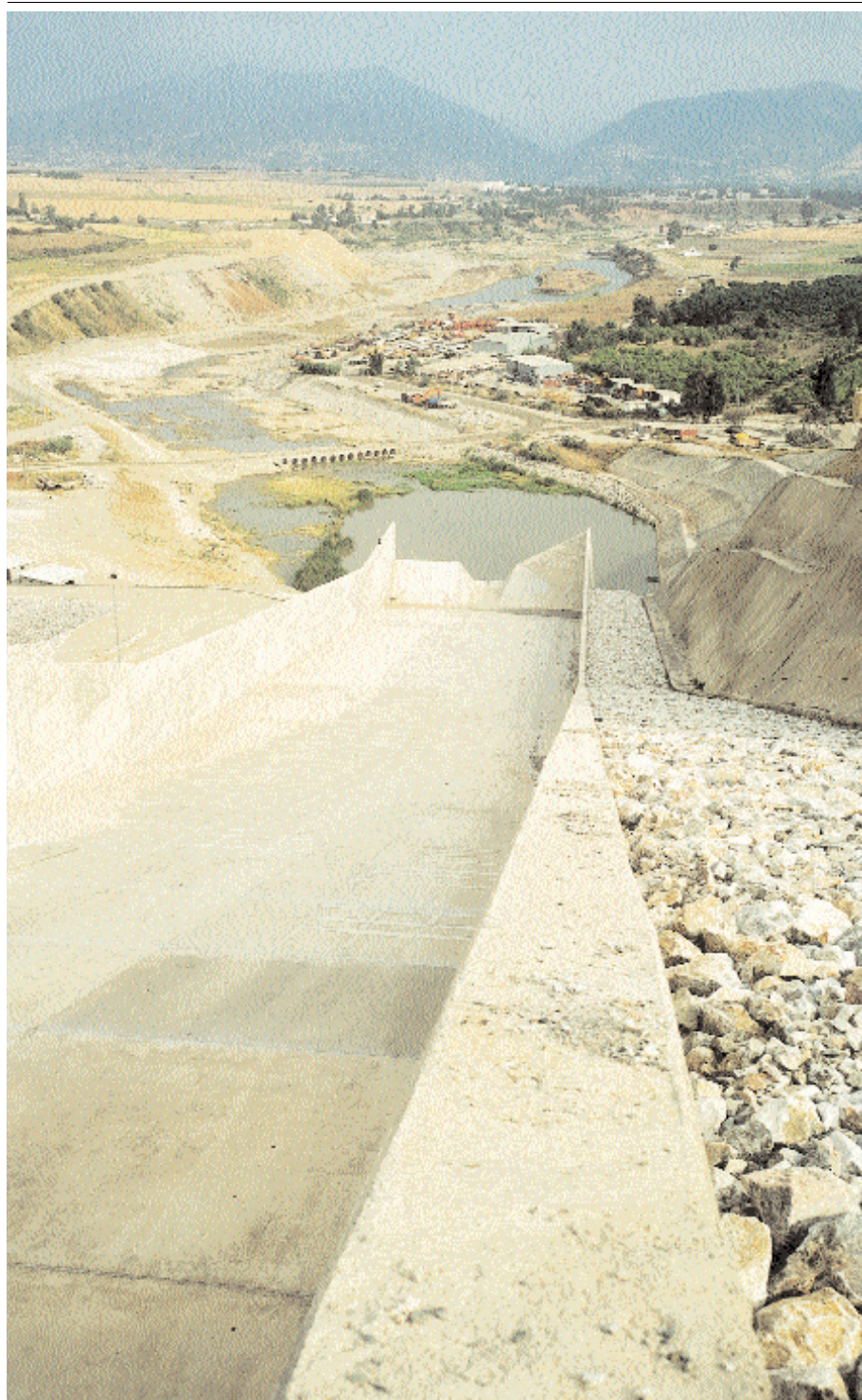
2001



2001

Group chart





Algeria - *Taksebt Dam*

Summon of the General Meeting

The General Meeting of the Shareholders is summoned at the Rome offices, Via Agrigento, 5, on 6 March, 2002, at 15:00, in first calling and, should the need arise, in second calling, on 11 March, 2002, same place and time, to discuss and resolve on the following

Agenda:

Ordinary session:

1. Appointment of one Director.
2. Approval of the financial statements for the year ended 31 December, 2001. Consequent resolutions.
3. Request of admittance of Astaldi ordinary shares to the listing on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. and eventually, should the requisites be present, on the segment STAR - Segmento Titoli Alti Requisiti.
4. Engagement and appointment of the Auditing firm for the years 2002, 2003 and 2004 and for the semi-annual reports relating to this three year term, pursuant to article 159 of Legislative Decree No. 58 of 1998.
5. Communication of the Chairman regarding the adaptation of the Company's organization to the provisions of the code of self discipline.
6. Approval of the Meeting rulings.
7. Authorization for disposal actions of own shares, pursuant to article 2357 of the Civil Code.
8. Miscellaneous.

Extraordinary session:

1. Conversion of debenture loan. Connected resolutions, if any.
2. Free increase of share capital and share split by reduction of the par value. Connected resolutions.
3. Increase of the Company's share capital, with the exclusion of the option right, pursuant to article 2441, paragraph 5 of the Civil Code, to serve the public offering of the Company's shares.
4. Adoption of the new By-Laws of the Company, also in conformity with the requirements for companies listed on regulated markets managed by Borsa Italiana S.p.A..
5. Proposal to close and form foreign branches.

The shareholders who have deposited their shares, according to the terms and conditions provided for by the laws, at the Company or at the entrusted banks (Intesa BCI and Banca di Roma - Rome offices) may participate to the meeting.

The Board of Directors

Directors' Report on the Group activity

for the year ended 31 December, 2001

Dear Shareholders, this report on the consolidated financial statements complies with the provisions of the Civil Code. As usual, the consolidated financial statements were prepared in accordance with the provisions of Legislative Decree 127/91.



Italy - Rome-Naples High Speed Railway

The Group and the market

The general situation deriving from the slowing down of the US economy, the effects of which were already faced at the beginning of 2001, is today in a particularly critic phase, also as a result of the latest tragic terrorist events. The analysis of the economic situation must therefore take into account the present weak cycle and look beyond its conclusion.

The worldwide trend, with an increase in the last quarter of 2001 in the Gross Domestic Product of 1.5% in the Euro Zone and of 1% in the USA, as opposed to a decrease in Japan of 0.4%, disclose that on the Chinese and Indian economies - specializing in the production of goods with low technological contents, relatively resolved to the internal markets - at present appear not to have suffered from the slowing down of the international economy. However, significant interventions in the monetary policy - with a decrease in the cost of american borrowings at the levels of 1962, aimed at encouraging the expansion

agreed with the principal central Banks - contained the exchange fluctuation of the dollar in respect of the Euro and of the yen. This action, accompanied by a huge capital expenditure plan to support the US economy, appears to have opposed the initial distrust of the consumers.

In fact, the International Monetary Fund maintains that on the economic side there are valid reasons to be optimistic and notes that the foundations of the world economy are better than they used to be a few years ago. This circumstance helped a general slowing down of the inflation (the average rate in the Euro zone and in Italy is 2.7%).

On the basis of the above, the growth of the US economy in 2002 is expected at an average annual rate of less than 1%, while a grater growth is forecast in 2003. The appropriate authorities address the expansionist monetary policy, so that to monitor possible effects on inflation, with an adequate increase



Morocco - Sidi Kacem-Meknes railway track

in interest rates, which from 2004 may return to previous levels.

Europe is also facing difficulties to return to satisfactory growth rates. The economic growth is affected by the world slowing down in these first months of 2002; however the expectations for 2003-2004 are optimistic. In the long term recovery expectations remain unchanged.

The national macroeconomic picture – where in 2001 the unemployment rate decreases to 9.5% - appears in line with the international one, with an expected growth in the GDP in 2002 from 2.4% (forecasted prior to the events of September 11, 2001) to a more contained 1.5% (source, Cresme). In substance, the economic scenario shows a significant deceleration and postpones a more solid recovery to 2003.

In Italy the constructions sector may gain a significant role - in 2001 this sector sustained the Italian economy as to both employment and investments - for which forecasts for 2002-2004 indicate a significant increase of investments, thanks to the recent directions of the government policy set by "Legge Obiettivo". This law, passed by the Parliament on December 21, 2001, represents a fundamental tool for the recovery of the Country's Important Infrastructures, after a decade during which the differences in respect of infrastructures with other

European Countries more and more increased. It is to be considered that in 1999 the difference with France was 44% and with Germany 46%. In monetary terms, these differences were estimated between Euro 105 to 135 billions; as such, in order to recover the gap over 10 years, public expenditure should increase at an annual pace of 10-13 billions; in 2001 such investments were slightly over Euro 15 billions.

The "Legge Obiettivo" significantly simplifies the procedures for the realization of important works, identified as strategic for the growth of the Country.

In fact, the Government is assigned the power to annually identify which strategic infrastructures are to be included in the budget law. The realization of these works will also benefit from the derogation of some provisions, in connection with authorizations and environment. The realization of strategic infrastructures will be assigned by public bid to a single General Contractor, able to ensure the completion of the entire realization process of the work, with certainty of timing, costs and quality, assuming full responsibility before the Contracting Administration.

On December 21, 2001 CIPE approved the "Plan for Strategic Infrastructures of Prominent National Interest", providing for a total investment to be financed of Euro 126 billions, excluding works with own funds.

The domestic market

The great infrastructure investment plan prepared by the Government for the entire legislature - as mentioned above, aimed at the recovery of the present gap with the rest of Europe - puts the Astaldi Group in an advanced position as to preparation of resources, commercial activities and alliances, also at an international level, to face the significant projects of motorways, rails, territory safeguarding, and production and distribution of utilities. The presence spread-out on the national territory, the competence, the experiences and the dimension - also resulting from the completed

acquisition process in the last few years - put the Astaldi Group at the top of the national entrepreneurial capacities and allow its candidature among the qualified operators to undertake a primary role in the realization of the investments provided for by the "Legge Obiettivo".

The provisional assignment of the works for the Brescia subway (in Italy the most important contract to date in the sector of public transportation) and the formation of a consortium with three international General Contractors, ranking first, fifth and ninth

respectively in the world lists (source, ENR – December 2001), to participate in the realization of the bridge over the Messina

Straight, are an indication of the results of the Group intense commercial activity in the national market.



Italy - Pont Ventoux hydroelectric power plant: - rotor group 1

The foreign market

Through both the efforts of senior management, totally dedicated, and adequate financial resources, the Group strengthened its presence in the countries where, in addition to favorable political and financial conditions, real commercial perspectives are present in the short and medium term. The presence of these conditions, both objective and subjective, allowed to obtain a greater productivity in the works and to promote new initiatives of such size and technological content to allow interesting contractual conditions in the negotiations.

The first results of the Group strategy on the foreign markets, resulted, in November 2001, to sign with IAFE the important contract in Venezuela for the realization of the Puerto Cabello/La Encrujiada railway, the start of which is expected during the first half of 2002, and permit the acquisition of the motorway La Rocade Mediterranee in Morocco to prob-

able in the short term.

In the meantime, the concentration of resources in some foreign countries made the Group to demobilize structures and to renounce to commercial investments in other areas where the strong competition of local and foreign companies, long operating in those areas, and the nature of investments could have caused the assumption of high risks and unsatisfactory contractual prices. This is the case of countries such as Thailand, Taiwan and Chili on one hand and a number of African countries on the other hand.

The Group is still considering the strategic convenience of the Chinese market, where indeed local companies reached a notable level of technological and management autonomy, while the presence of large international companies is limited to works which require significant financial support, often in terms of risk capital.



Bolivia - Rio Taquesi Valley hydroelectric power plant

The policy of alliances and industrial sinergies

The analysis of the domestic market and the positioning of the Group in the international market, give evidence of the additional efforts of management in the development and consolidation of alliances and synergies with primary operators in the sector both in Italy and abroad, in line with the industrial strategy of the last years, also characterized by significant acquisitions. In this connection, significant relevance gain the contacts developed during 2001 and

confirmed in the first months of 2002 with Finmeccanica S.p.A. for the identification of adequate partnership agreements with the subsidiary Ansaldo Trasporti Sistemi Ferroviari S.p.A. - primary Italian company operating in the rail transportation systems engineering - with the objective of defining an integrated structure, able to operate as General Contractor in the domestic and international market of transportation infrastructures.

Reorganization of equity investments

In accordance with the guidelines of the industrial plan, Your Company, prior to the access to the listing on the Stock Exchange, realized the elimination of some redundant structures and the separation of all those activities deemed marginal for the development of the company.

As such, the split of some activities was effected, including those in Columbia and Panama, through the formation of a new company pursuant to art. 2504 septies of the Civil Code. In connection with the activities split it is noted that as far as the Porce II consortium is concerned, formed for the realization of the works in Colombia and of which Your Company held a 25% interest, there are insurance guarantees, granted by

primary international companies, for a proportional amount of \$ 16.5 million.

On June 18, 2001, the subsidiary Italstrade S.p.A. subscribed a capital increase of its subsidiary Place Moulin S.p.A. by transfer of the foreign business segment of the same Italstrade S.p.A..

The first days of July 2001 Astaldi S.p.A. merged the subsidiary Italstrade, with statutory and fiscal effects from January 1, 2001; in the meantime, the subsidiary Place Moulin changed its name to Italstrade S.p.A..

This has been accomplished in order to protect the Italstrade trade mark, which represents an asset of image and reference in the foreign markets where the company has been long operating satisfactorily.



Algeria - Taksebt Dam

Economic and financial trend

The principal Group's data are the following (Euro million):

	2001	2000
• value of production	843	832
• fixed assets	149	176
• net indebtedness	73	154
• convertible debenture loan	36	36
• operating margin	83	60
• result before taxes	29	22
• current taxes	1	(11)
• net profit	30	11
• auto-financing (profit + depreciation and amortization + accruals)	125	62

The production from works was realized for approximately 53% in Italy and for the remaining 47% abroad, substantially confirming the same data of the prior year, whereas, the operating margin is of approximately Euro 83 million, with an increase of profitability of sales from 7.2% at December 31, 2000 to approximately 10% of 2001. This positive change also includes the economic effect of the gain, realized from the sale of the building located at Via Po, for approximately Euro 16 million, gross of the theoretical tax effect. In any case, the isolation of this amount, would result a profitability of sales of 8.1%, increasing with respect to 2000.

The provision for contractual risks are substantially due to prudent accruals in connection the High Speed work, Rome-Naples line; viceversa, the provision for bad debts relates to those receivables presenting risk of collection.

The result for the year includes the negative effect, for Euro 22 million, deriving from – for Euro 3.4 million – the forgiveness of receivables from the subsidiary Alosa Immobiliare S.p.A. in liquidation following the financial intervention of the Company, as guarantor in favor of financial institutions, as well as from the valuation at realizable value of the african initiatives, substantially completed or in liquidation. As far as these last initiatives are con-

cerned, the result is partially offset by the recognition of extra-contractual proceeds, due to war damages incurred in Democratic Congo, for which favorable appraisals have already been issued by the technical experts engaged by the Court of Rome, prudently valued at Euro 14 million.

Net financial charges amount to Euro 26 million compared to Euro 19 million of 2000. It is worth noting that the data for the prior year was affected for approximately Euro 5.6 million by dividends of unconsolidated affiliates.

The financial cycle of works in progress during 2001 caused, in some cases, a temporary working capital need which required a higher bank indebtedness, particularly in connection with the works in Turkey and Venezuela. In fact, in respect to the former, the export financing for approximately \$ 30 million became operational only in the month of October, whereas the working capital relating to the works in Venezuela was substantially financed for the entire year.

For the purpose of equilibrium of the net financial position, the following operations were entered into, which regarded receivables connected to the Venezuelan initiatives:

- sale with recourse to financial institutions of receivables from the Venezuelan customer for Euro 74 million, in the average anticipated at 85% of the nominal value. As of today, such receivables were collected for Euro 36 million, while the remaining amount will be collected within the month of April, period within which the related export financing will be operational;
- acquisition of Venezuelan state bonds as payment of receivables for Euro 37 million. It is worth noting that the nominal value of the bonds mentioned above - guaranteed by a contractual clause by the customer - is presently reduced by Euro 8.25 million, as a result of sales in the first two months of the current year on the Venezuelan market.

In addition, in December 2001, a sale with recourse was concluded of extra contractual proceeds to LeasingRoma for a nominal value



Morocco - *Sidi Said Dam*

of approximately Euro 70 million, advanced for Euro 58 million. The transaction is guaranteed by pledge which will be cancelled at the time the subject to condition connected to the lack of objection by the debtors sold, already occurred, and following the issuance from a pool of financial institutions, already identified, of a guarantee in favor of LeasinRoma.

In order to monitor the exchange and interest rates fluctuation risk, the Group uses appropriate hedging instruments. These transac-

tions do not have a speculative nature, rather they are aimed at reducing the economic effects of fluctuations of the extra Euro zone currencies.

The ratio between financing and own funds shows a significant improvement in respect of the prior year, at 0.49% compared to 1.2% of the prior year.

As a consequence, the financial structure of Group is the following:

	2001	2000
- short term indebtedness	(157,644)	(158,295)
- medium/long term indebtedness	(115,405)	(158,795)
- liquidity, securities and current financial receivables	176,441	155,060
- non current financial receivables	23,718	7,875
Total	(72,890)	(154,155)
- convertible debenture loan	(36,152)	(36,152)

The reclassified income statement and balance sheet, as well as the cash flow statement are given below (Euro thousand):



Italy - Milan-Naples motorway - Section Orte-Fiano

2001

RECLASSIFIED CONSOLIDATED INCOME STATEMENT		2001	%	2000	%
- Revenues from services and contracts		733,921	87.1%	719,322	86.4%
- Other revenues		109,107	12.9%	112,769	13.6%
VALUE OF PRODUCTION		843,028	100%	832,091	100.0%
- Costs of production		(538,822)	(64.3)%	(586,326)	(70.4)%
ADDED VALUE		304,206	36%	245,765	29.6%
- Labor costs		(93,472)	(11)%	(98,249)	(11.8)%
GROSS OPERATING MARGIN		210,734	25%	147,516	17.8%
- Sundry expenses		(33,198)	(3.9)%	(37,064)	(4.5)%
EBITDA		177,536	21%	110,452	13.3%
- Depreciation, amortization and adjustments		(48,645)	(5.8)%	(38,164)	(4.6)%
- Provisions		(45,885)	(5.4)%	(11,908)	(1.4)%
OPERATING RESULT		83,006	9.8%	60,380	7.3%
- Net financial income (expense)		(26,038)	(3)%	(18,623)	(2.2)%
- Investments write ups (write downs)		(21,835)	(2.6)%	(17,496)	(2.1)%
- Extraordinary income (charges)		(6,265)	(0.7)%	(1,825)	(0.3)%
PROFIT BEFORE TAXES		28,868	3.4%	22,436	2.7%
- Income taxes		(19,079)	(2.3)%	(11,060)	(1.3)%
- Prepaid taxes		20,655	2.4%	-	-
NET PROFIT FOR THE YEAR		30,444	3.6%	11,376	1.4%
- Minority interest		(417)	(0.0)%	125	0.0%
NET PROFIT FOR THE GROUP		30,027	3.5%	11,501	1.4%
CONSOLIDATED RECLASSIFIED BALANCE SHEET		2001	2000		
- Net immaterial fixed assets		36,209	45,685		
- Net material fixed assets		67,200	96,249		
- Equity interest		33,684	30,330		
- Other net fixed assets		11,623	3,571		
Total net fixed assets (A)		148,717	175,833		
- Inventories		34,676	67,058		
- Works in progress		206,991	222,078		
- Trade receivables		193,333	219,802		
- Other assets		231,334	206,868		
- Advances		(77,450)	(97,087)		
Sub total		588,880	618,719		
- Suppliers' payables		(153,792)	(152,483)		
- Other liabilities		(203,414)	(214,783)		
Sub total		(357,206)	(367,266)		
Working capital (B)		231,674	251,453		
- Employees' severance indemnity		(8,628)	(12,711)		
- Contractual risks fund		(80,868)	(80,319)		
- Other funds		(33,764)	(14,723)		
Total funds (C)		(123,260)	(107,753)		
NET INVESTED CAPITAL (D)=(A)+(B)+(C)		257,131	319,535		
- Liquidity and current financial receivables		(176,441)	(155,060)		
- Non current financial receivables		(23,718)	(7,875)		
- Medium/long term indebtedness		115,405	158,795		
- Short term indebtedness		157,644	158,295		
NET INDEBTEDNESS (E)		72,890	154,155		
Convertible debenture loan (F)		36,152	36,152		
NET EQUITY OF THE GROUP		148,083	128,014		
- Minority interests		6	1,214		
NET EQUITY (G)=(D)-(E)-(F)		148,089	129,228		
- Personal guarantees		1,518,183	1,618,844		
- Other memorandum accounts		148,929	40,956		
- Real guarantees		0	82,633		
- Guarantees from third parties on our behalf		21,520	30,164		
Total commitments and guarantees		1,688,632	1,772,597		

2001

CONSOLIDATED STATEMENT OF CASH FLOWS		2000	2001
OPERATING ACTIVITIES			
Profit for the year		11,499	30,027
- Prepaid income taxes		-	(20,655)
- Depreciation of tangible fixed assets		19,127	11,849
- Amortization of intangible fixed assets		16,033	24,371
- Provisions for risks and charges and write down of investments		11,908	65,045
- Provision for employee severance indemnity		4,142	3,441
- Provision for bad debts		-	10,350
- Losses on disposals of fixed assets		2,361	968
- Gains on disposals of fixed assets		(5,862)	(22,248)
Sub total		59,208	103,148
- Utilization of the provision for risks and charges		(39,861)	(28,045)
- Employee severance indemnity paid		(5,493)	(7,132)
- Decrease (increase) in inventory		(2,154)	32,384
- Decrease (increase) in works in progress		(29,143)	15,087
- Decrease (increase) in trade receivables		(12,177)	26,836
- Decrease (increase) in other assets		49,976	(48,360)
- (Decrease) increase in advances		(27,682)	(19,637)
- (Decrease) increase in suppliers		13,516	16,566
- (Decrease) increase in other liabilities		(53,809)	(11,348)
Net effect of split		-	(15,087)
Net change in the consolidation area		5,098	(8,034)
Cash flow from operating activities	a)	(42,521)	56,378
INVESTING ACTIVITIES			
- Purchase of tangible fixed assets		(41,355)	(12,794)
- Increase in intangible fixed assets		(17,332)	(18,359)
- Profits from sale of tangible fixed assets		14,866	37,697
- (Purchase) disposal of investments		417	(18,075)
- Net effect of split		-	15,190
- Net effect of change in consolidation area		(8,439)	16,553
Cash flow from investments activities	b)	(51,843)	20,212
FINANCIAL ACTIVITIES			
- Increase (decrease) in shortterm debt		14,637	2,964
- Net balance of financing obtained and repaid during the year		70,134	(43,390)
- Payment of dividends		(6,521)	(4,616)
- Issuance of convertible debenture loan		36,153	-
- Repayment of debenture loan		-	(3,615)
- Capital increases		15,494	-
Cash flow from financing activities	c)	129,897	(48,657)
Effect of the change in the consolidation area			
- Change in minority interest stockholders' equity		(5,661)	(1,208)
- Effect of split		-	(103)
- Other changes		(2,594)	(327)
- Change in the conversion reserve		13,555	(4,912)
Changes in the conversion and consolidation reserves	d)	5,300	(6,550)
Flow of liquid funds in the year	a)+b)+c)+d)	40,833	21,383
- Liquid funds at beginning of year		114,226	155,059
- Liquid funds at end of year		155,059	176,442
Flow of liquid funds in the year		40,833	21,383

INVESTMENTS

As can be seen from the above statement of cash flows, the investments made during the year at the consolidated level amount to Euro 33 million, divided as follows:

• intangible fixed assets (capitalized costs for new ventures)	18
• tangible fixed assets	13
• equity interests	2

As indicated in the explanatory notes, intangible fixed assets refer to the capitalization of costs for new initiatives and works in progress.

Tangible fixed assets are part of the normal operations.

Quality

During the year, according to the development programs adopted, the usual activities of monitoring of the principal operational and managements processes, at the head offices and at sites, continued as well as the implementation of the management model, according to the ISO 9002 standard.

In fact, during the first quarter of the year, following the evolution of the organization of the Group, a substantial review of the quality system and of the related organizational and management processes was performed, which as a result of periodic checks by the Certification Agency - DNV - satisfied the necessary conditions to confirm the validity of the Certificate issued in 1999.

In March 2001, Your Company, pursuant to the provisions of current laws for contractors of public works, obtained by the chosen attestation entity - PROTOS SOA - the Qualification Attestation for the planning and construction up to the VIII class.

During the month of July 2002, the certification of the quality system is due to be renewed, as, according to regulations, it has a three-year validity.

As a consequence, together with the Certification Entity - DNV - the operational methods for the renewal of said certification are being defined, which will be extended at Group level, including the subsidiary Italstrade S.p.A..

Research and development

The Group did not incur any costs for research and development.

Human resources

Within the program relating to the processes of continually improving professionalism, specific training programs have been implemented on the use of the BaaN Erp system and of a new payroll procedure, as well as seminars on the Quality System and new laws.

The total hours devoted to these formation activities is of approximately 7,000 hours, of which 6,200 at head office level.

The hiring of young graduates continued, according to the three year plan, so as to assure an adequate turnover in the company's structure.

Orders portfolio

The portfolio of works at December 31, 2001 is the result of the following dynamics (amounts in Euro million):

ORDERS PORTFOLIO

	Order book at beginning of 2001	Acquired during the year (construction)	Acquired during the year (management)	Decreases and changes for the year	Production 2001	Order book at end of 2002
TOTAL	2,583	927	7	(118)	(734)	2,665

In accordance with the objective planned by the Holding Company, among the increases in the foreign orders portfolio evidence should be given to the exclusive awarding of the construction of the Anatolian Motorway Gumusova-Gerede in Turkey, with an increase in the orders portfolio for Euro 299 million, the acquisition in the Dominican Republic of transportation infrastructures and industrial building for Euro 39 million, transportation infrastructure work in Guinea for Euro 57 million and in Florida for Euro 46 million.

In Italy, the acquisitions of railway transportation infrastructures are to be noted (Naples subway for approximately Euro 84 million and Milan passage for approximately Euro 54 million), and road works for Euro 36 million.

It is also to be noted the signing of the agreement with the customer TAV S.p.A., which modifies the terms of realization of the work, postponing the deadline to March 31, 2004, increasing the total price which is now Euro 3,253 million, pertaining to Your Company for 27.91%.

The breakdown of the orders portfolio by type and by geographic area is given below (Euro million):

WORKS PORTFOLIO BY TYPE	2001	%
railways and subways	745	28
roads and motorways	904	33.9
harbors and airports	39	1.5
dams and hydraulic works	362	13.6
civil building	238	9
concessions	377	14
TOTAL	2,665	100

WORKS PORTFOLIO BY GEOGRAPHIC AREA	2001	%
Italy	1,466	55
abroad, of which:	1,199	45
- America	507	19
- Europe	515	19.3
- Africa	177	6.7
TOTAL	2,665	100

2001