ASTALDI: 2012 REVENUES DOUBLE TO OVER € 2.6 BILLION

AND NET PROFIT TO € 100 MILLION

The 2008-2012 business plan has been approved

Main targets 2008 - 2012

- Revenues to double to over € 2.6 billion by 2012 (+15% average annual growth)
- Profitability up: EBIT to over € 246 million by 2012 (+17% average annual growth)
- Net profit up, to over € 100 million by 2012 (+20% average annual growth)
- Orders backlog up to over € 13 billion by 2012
  - of which concessions to over € 4 billion by 2012
- Net debt by 2012
  - Net debt in the construction sector down to 200 million (debt/equity ratio 0.37)
  - Net debt for concession activities of €390 million, of which € 340 million without recourse

Forecast for 2008

- For 2008 the following growth rates over the prior year have been confirmed:
  - Total revenues: +15%
  - EBIT: +15%
  - Net profit: +16%

Rome, 15 April 2008 – The Board of Directors of Astaldi S.p.A., chaired by Vittorio Di Paola, has examined and adopted a new Business Plan for the five-year period 2008-2012, which will be presented to the financial community on 17 April in Milan, at Borsa Italiana.

The 2008-2012 Business Plan foresees for a doubling of revenues over the next five years, indicating an overall growth rate that will surpass the rate previously planned, and made sustainable by the outstanding, and improved quality of the orders backlog as it stands today.

On the margins of the Board meeting, Stefano Cerri, the CEO, with responsibility for developing the Group's activities declared, "The new business plan shows the validity and the effectiveness of the strategic approach adopted in prior financial years. This is demonstrated by the 2007 results which actually superseded the outcomes already planned, as well as by the commercial strength which the Group is continuing to develop even in extremely competitive foreign environments. As our positive experience in past years has demonstrated, the 2012 target of revenues in excess of €2.6 billion, net profits of €100 million and orders backlog worth over €13 billion, is proof of our determination to become the absolute leader of Italian General Contractors and to permanently join the ranks of Europe's leading General Contractors."

The main targets of the Plan

2008-2012 Plan			2012	CAGR 08-12	2011
2008-2012 Plan	2007	Growth expected for 2008	New Plan		Previous Plan
Order backlog (€ / bn)	8.3		13		> 12
Total revenues (€ / mn)	1,329	+15%	> 2,650	15%	> 2,100
of which concessions	n.m.		≈150		> 130
EBIT (€ / mn)	114	+15%	246	17%	> 190
Ebit margin (%)	8.6%		>9%		8.8%
Net profit (€ / mn)	38	+16%	> 100	> 20%	> 80

The strategic guidelines of the 2008-2012 Business Plan

The 2008-2012 Business Plan, which is a continuation of the previous planning period, is essentially based on a heightened Group growth capacity on a stand alone basis, driven by improved profitability in Italy and abroad, without excluding the possible benefits deriving from the development of other external growth opportunities offered by both the domestic and international markets.

A number of novel elements are also noteworthy in the light of the new scenarios emerging in Italy and abroad.

In Italy, the political scenario favors growth in particular in transport infrastructure sector especially in the field of urban transport, trans-European rail networks and international road and rail links, and in the infrastructure facilities linked to the environment and to energy where the Group already has outstanding experience in the nuclear field. The award of Expo 2015, coupled with the significant operational presence of the Group in the city of Milan, are opening up a further positive scenario, increasingly strengthening the medium term growth forecasts for this sector in Italy.

At the international level, we expect to further consolidate the areas in which the Group has been traditionally operating, with a broadening of its sphere of activities to take in contiguous areas that can offer substantial commercial development opportunities.

The domestic market

At the domestic level the Group is expected to concentrate on implementing the major contracts already awarded, for which the start-up phase has already been sustained and managed in 2007: these initiatives, purely by way of example, include the Line C of Rome Underground in general contracting, the Line 5 of Milan Underground and the Hospital in Naples under a project financing arrangement, in addition to the High-Speed stations in Turin and Bologna, and the Underground network in Naples.

In the medium term, a considerable boost to operations should also come from the initiatives connected with Expo 2015 to be held in the city of Milan, where Astaldi is currently engaged on building Line 5 of Milan Underground Railway system and where it has already been able to demonstrate its operational and

managerial capabilities when building the new Milan Expo Fair Centre as General Contractor. For coupled with Expo 2015 – which will have important economic fallout on the Italian system that may be quantified in over €40 billion, of which € 15 billion will come from operations directly linked to the Expo itself – are a number of new investments which are estimated to total 60 Km of new Underground Railway lines, and 165 Km of new national railway lines, including more than 30 Km of High Speed/High-Capacity lines.
A further boost to the growth of the Group could also come from the normalization of the domestic market in which Italian General Contractors have hitherto been penalized in comparison with all the other foreign markets by the lack of advance payments and, in the project finance sector, where further benefits could also be come from the reintroduction of promoters into current legislation.

<u>The foreign market</u>
With regard to foreign activities, the Group confirms its policy to consolidate its presence in areas in which Astaldi has traditionally operated and which offers substantial resources for the future implementation of investment plans in infrastructures.
The markets in which Astaldi has been operating for a long time have shown that they can offer major opportunities in future years, also providing a sound strategic basis for developing successful commercial operations in bordering geographic areas.
At the same time, Astaldi has successfully confirmed its commercial strength and its capacity to implement projects that will enable it to secure outstanding commercial successes even in extremely competitive foreign environments. This is demonstrated by the recent award of the Istanbul Underground in Turkey, a market on which there has always been fierce international competition, as well as the opening-up of the new Bulgarian market where substantial infrastructure investment is expected.
The strategic thrusts over the next five years therefore promise further development of the Group's operations in the countries in which it has traditionally operated (Venezuela, Algeria, Turkey, Romania, Qatar) in order to continue to capitalize on its know-how already acquired, without excluding the search for new project financing opportunities, together with the opening-up of new bordering areas (Chile, Panama, the United Arab Emirates) and the evaluation of new markets (Eastern Europe and Latin America).

<u>Concessions</u>
In this area, the new plan aims at strengthening the Group's domestic leadership in sectors where Astaldi has already secured major contracts currently being implemented. Among the outstanding events in 2007 was the inauguration of the New Hospital in Mestre, whose management phase will start in the first half of 2008, the start-up of work on the Line 5 of Milan Underground – Italy's first Underground Railway built on a project financing basis – and the assignment of Four Hospitals in Tuscany.
In the coming financial years the strategy that has been drawn up will focus the Group's commercial attention on ventures in the specific areas of transport infrastructure, healthcare facility construction and car parks, as well as energy and the environment.
The results achieved in these areas will be further strengthened by introducing a novel element forming part of the 2008-2012 Business Plan, aiming at exporting the know-how which the Company has so far built up in this sector in Italy. The new plan provides for the identification of new markets which will offer an adequate legal framework to make it possible to structure project finance initiatives using the model already tested in Italy which – put very concisely – entails a major share of public investment funding, a guaranteed minimum in terms of traffic/supply/occupancy, and country-risk insurance as well as financial coverage.

The order backlog
The order backlog at 2012 should total around € 13 billion (€ 8.3 billion at the end of 2007) with a mix of Italian and foreign orders expected to remain stable over the planning period: about 30% of the activities in foreign markets, where the average contract life is about three years, which is shorter than is typically the case in Italy (around five years).
There will, however, be a significant variation expected in construction and concession activities. In the construction sector, it is expected that transport infrastructure remains an area of great interest to the Group, it will account for about 50% of the orders. Growth will also be sought in the field of energy and environment.
There should also be a substantial increase in concessions, which are expected to increase in line will rise to

account for about 35% of the total orders (compared with 25% in 2007) worth over € 4 billion, compared with the current € 2 billion.

Main economic targets

The growth plan for the next five years involves doubling total revenues and a significant improvement in the main profitability indicators. In this regard, it should be underlined that the orders already included in the current order backlog can ensure 95% of expected revenues for 2008 and over 50% of revenues forecasted at 2012.

The approved plan envisages total revenues of over € 2.6 billion by 2012, with an average yearly growth of 15% compared to the € 1.3 billion of 2007. Overall revenues from Italy and abroad will continue to show, as in 2007 and mainly during the first years in the plan, a greater contribution from activities abroad, while a balance will be gradually achieved.

In 2008, there will be an initial contribution in terms of revenues from the concessions sector, with the New Hospital in Mestre which, in the second half, will enter the management phase. Starting in 2008 and during the following years considered by the plan, revenues from concession activities are expected to grow gradually and will settle at over 5% of total revenues by 2012.

There will be a more than proportionate increase in profitability thanks also to the combined effect of the increased margin in ongoing activities, especially abroad, and of the launching in 2008 of the management phase for the main concession activities currently in the order backlog.

EBIT (operating result) will increase from € 115 million in 2007 to over € 246 million at the end of the period (+17% average yearly growth during the period). *Ebit margin* (operating result/total revenues) is expected to improve and go up to over 9% in 2012.

Net profit will grow from € 38 million in 2007 to over € 100 million in 2012, with an average yearly growth of approximately 20%.

Main equity targets

The growth planned for 2008-2012 is based on a sustainable development program, which aims to improve the working capital turnover index. This during the forthcoming years will start to reap the concrete benefits of a more stable cash flow, supported by better quality orders acquired in the backlog. In addition to this, the incidence of investments in construction activities is to be normalized (approximately 3.5% of total revenues) with more resources allocated to investments in concession activities. Therefore, in the construction sector, financial performance will benefit from reduced indebtedness compared to the planned increase in turnover.

Thanks to the considerable strength of the construction sector in terms of generating cash flow, net financial debt in the construction sector itself is expected to drop to € 200 million by 2012, with a 0.37 debt/equity ratio.

The cash flow generated by the construction sector will be used for investments in concession activities which provide an interesting return on invested capital and for the remuneration for shareholders, with a payout ratio assumption of roughly 25%.

In the concessions' sector net invested capital, and therefore net debt, is expected to amount to approximately € 390 million in 2012, of which € 340 million without recourse.

In consolidated terms, net indebtedness in 2012 will amount, therefore, to € 590 million with a debt/equity ratio which is expected to stabilize at 1.

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Astaldi, listed in the Star segment of the Italian Stock Exchange, has been active for over 80 years in Italy and abroad in designing and building major works in the field of civil engineering.
The Group is active in the following sectors:

- *Transport infrastructures (railways, undergrounds, roads, motorways, airports and ports);*
- *Hydraulic works and power plants (dams, hydroelectric plants, aqueducts, oil and gas pipelines, treatment plants);*
- *Civil and industrial buildings (hospitals, universities, airports, court-houses, car parks);*
- *Concession management for works such as the healthcare facilities, urban transport infrastructures, car parks.*

Astaldi Group currently acts as a General Contractor able to promote all the financial aspects and coordinate all the resources and skills needed for the construction and management of high-value complex public works.

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