Astaldi S.p.A.
Consolidated Financial Statements

Consolidated accounting statements and explanatory notes at 31 December 2011

2011

Astaldi Società per Azioni
Corporate and Head Offices: Rome (Italy), Via Giulio Vincenzo Bona n. 65
Registered with the Companies Register of Rome
Fiscal Code and VAT Number: 00398970582
R.E.A. n. 152353
VAT n. 0080281001
Share Capital: Euro 196,849,800.00 fully paid-in

CONSOLIDATED ACCOUNTING STATEMENTS

SEPARATE CONSOLIDATED INCOME STATEMENT (*)

(*EUR/000*)	***Notes***	31/12/2011	31/12/2010 Reclassified
OPERATING PERFORMANCE			
Revenues	*1*	2,265,284	1,931,588
of which with related parties		*210,863*	*182,112*
Other operating revenues	2	94,975	*124,220*
of which with related parties		*3,326*	*5,559*
Total revenues		**2,360,259**	**2,055,808**
Purchase costs	*3*	(458,640)	(366,906)
Service costs	4	(1,349,308)	(1,180,715)
of which with related parties		*(149,612)*	*(194,659)*
Personnel costs	*5*	(262,492)	(244,102)
Amortization, depreciation and write-downs	*6*	(51,568)	(56,807)
Other operating costs	*7*	(38,409)	(28,227)
of which with related parties		*(1,432)*	
Total Costs		**(2,160,418)**	**(1,876,756)**
(Capitalization of internal costs)	*8*	850	1,241
Operating result		**200,691**	**180,293**
Financial income	*9*	44,772	33,645
of which with related parties		*1,301*	*199*
Financial charges	*10*	(120,444)	(111,717)
of which with related parties		*(5)*	*(284)*
Effect of evaluation of shareholdings with the equity method	*11*	401	262
TOTAL FINANCIAL AREA AND SHAREHOLDINGS		**(75,271)**	**(77,810)**
PRE-TAX PROFIT (LOSS) OF CONTINUED OPERATIONS		**125,420**	**102,483**
Tax	*12*	(53,496)	(38,960)
PROFIT(LOSS) FOR THE YEAR		**71,924**	**63,523**
Group profit		71,195	63,056
Minority profit		729	466
Basic profit per share	13	0,73	0,64
Diluted profit per share -		0,73	0,64

(*) It is pointed out that starting from the financial year 2011 the Group has decided to apply, in the context of IAS 31, the principle of proportional consolidation for companies under joint control; consequently this principle has also been applied for the 2010 period in order to make it comparable with the corresponding 2011 period. For an examination of the effects refer to the paragraph "Change of principle for measurement and identification for jointly controlled enterprises starting from 1 January 2011: proportional consolidation"

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(*EUR/000*)	Note	31/12/2011	31/12/2010 Reclassified
Profit (loss) for the year		**71,924**	**63,523**
Change in Subsidiary cash flow hedge reserve		(696)	(783)
Change in Associated company cash flow hedge reserve		(10,210)	(2,945)
Change in Subsidiary translation reserve		1,601	2,528
Change in Associated company translation reserve		(2,236)	299
Result of the other Group members	**25**	**(11,540)**	**(901)**
Change in third party cash flow hedge reserve		1,021	(1,737)
Change in third party translation reserve		(590)	1,080
Result of the other third party components		**431**	**(658)**
Overall result		**60,815**	**61,964**
of which pertaining to the Group		59,655	62,156
of which pertaining to third parties		1,160	(191)

CONSOLIDATED NET EQUITY (*)

(*EUR/000*)

	Note	31/12/2011	31/12/2010	01/01/2010
Non-current assets			Reclassified	Reclassified
Property, plant and equipment	14	192,278	301,429	321,879
Investment property	15	1,141	1,178	179
Intangible assets	16	44,132	3,739	3,989
Equity investments	17	195,964	84,830	85,165
of which:				
Equity investments valued using the equity method		94,188	82,866	83,156
Non-current financial assets	18	159,671	119,517	89,592
of which with related parties		*20,606*	*19,686*	*9,800*
Other non-current assets	19	28,413	21,440	19,772
Deferred tax receivables	12	3,361	8,610	2,743
Total Non-current assets		**624,961**	**540,744**	**523,320**
Current assets				
Inventories	20	93,369	93,624	93,661
Amounts payable by customers	21	1,010,416	845,877	648,626
of which with related parties		*62,753*	*46,735*	
Trade receivables	22	820,963	624,362	713,896
of which with related parties		*32,325*	*27,000*	*24,616*
Current financial assets	18	6,248	28,276	28,728
Tax receivables	23	116,981	101,523	81,369
Other current assets	19	308,420	308,408	277,836
of which with related parties		*24,791*	*28,332*	*22,041*
Cash and cash equivalents	24	456,210	415,259	468,935
Total current assets		**2,812,608**	**2,417,330**	**2,313,051**
Total assets		**3,437,569**	**2,958,074**	**2,836,371**
NET EQUITY AND LIABILITIES				
Net equity				
Share capital	25	196,850	196,850	196,850
Treasury shares		-3,298	-3,244	-3,239
Provisions:				
Legal reserve		20,797	18,453	14,972
Extraordinary reserve		172,724	143,522	91,278
Profit (loss) carried forward		40,493	27,581	40,986
Other reserves		3,611	4,380	3,083
Other items of comprehensive income		-37,151	-25,611	-24,710
Total capital and reserves		**394,027**	**361,932**	**319,220**
Profit (loss) for the year		71,195	63,056	55,902
Total Group equity		**465,222**	**424,988**	**375,122**
Minority profit (loss)		729	466	1,557

Other items of minority comprehensive income		282	-149	509
Minority consolidation reserve		4,046	17,924	16,199
Minority equity		**5,057**	**18,241**	**18,265**
Total equity		**470,278**	**443,229**	**393,387**
Non-current liabilities				
Non-current financial liabilities	26	655,915	593,925	608,984
of which with related parties		*1,645*	*1,645*	*1,698*
Other non-current liabilities	27	13,716	98,223	94,951
Employee benefits	*28*	7,926	8,460	9,581
Deferred tax liabilities	*12*	1,273	1,587	444
Total non-current liabilities		**678,830**	**702,195**	**713,959**
Current liabilities				
Amounts payable to customers	21	472,120	338,489	413,904
of which with related parties		*56,480*	*9,564*	-
Trade payables	29	1,118,769	922,346	769,304
of which with related parties		*116,637*	*116,767*	*83,514*
Current financial liabilities	26	469,723	354,007	389,617
Tax payables	30	73,142	58,942	57,351
Provisions for current risks and charges	31	29,159	21,777	25,327
Other current liabilities	27	125,547	117,089	73,522
of which with related parties		*327*	*465*	*2,696*
Total current liabilities		**2,288,461**	**1,812,650**	**1,729,025**
Total liabilities		**2,967,291**	**2,514,845**	**2,442,984**
Total equity and liabilities		**3,437,569**	**2,958,074**	**2,836,371**

(*) It is pointed out that starting from the financial year 2011 the Group has decided to apply, in the context of IAS 31, the principle of proportional consolidation for companies under joint control; consequently this principle has also been applied for the 2010 period in order to make it comparable with the corresponding 2011 period. The financial and assets situation at 1 January 2010, adjusted with the same principle, was likewise presented in compliance with IAS 1. For an examination of the effects refer to the paragraph “Change of principle for measurement and identification for jointly controlled enterprises starting from 1 January 2011: proportional consolidation”

Statement of changes in equity

(*EUR/000*)

	Changes in net equity at 31 December 2011										
	Pertaining to shareholders of the Group										
	Share capital	*Share surplus reserve*	*Legal reserve*	*Extra-ordinary reserve*	*Other items of the statement of comprehensive income*	*Other reserves*	*Retained earnings*	*Profit for the period*	**Total Group equity**	**Minority interests**	**Total equity**
Balance at 01 January 2011	193,606	0	18,453	143,522	(25,610)	4,380	27,581	63,056	424,988	18,241	443,229
Profit of continued operations 2011	0	0	0	0	0	0	0	71,195	71,195	729	71,924
Cash flow hedge for the period	0	0	0	0	(10,906)	0	0	0	(10,906)	1,021	(9,885)
Foreign business conversion for the period	0	0	0	0	(635)	0	0	0	(635)	(590)	(1,225)
COMPREHENSIVE ECONOMIC RESULT					**(11,541)**			**71,195**	**59,654**	**1,160**	**60,814**
Treasury shares	(54)	0	0	3	0	(67)	0	0	(118)	0	(118)
Dividends	0	0	0	0	0	0	0	(14,645)	(14,645)	(944)	(15,589)
Provision as per Art,27	0	0	0	0	0	0	0	(704)	(704)	0	(704)
Operations with Minority interests	0	0	0	0	0	0	(3,252)	0	(3,252)	0	(3,252)
Change in Area of Consolidation	0	0	0	0	0	0	0	0	0	(13,400)	(13,400)
Allocation of profit of continued operations 2010	0	0	2,344	29,198	0	0	16,164	(47,707)	0	0	0
Other changes	0	0	0	1	0	(1,896)	0	0	(1,895)	0	(1,895)
Stock grant allocation reserve	0	0	0	0	0	1,194	0	0	1,194	0	1,194
Balance at 31/12/2011	**193,552**	**0**	**20,797**	**172,724**	**(37,151)**	**3,611**	**40,493**	**71,195**	**465,222**	**5,057**	**470,278**

*The effect of the other items of the statement of comprehensive income produces a cash flow hedge totaling Euro (31,799) and a translation reserve totaling Euro (5,352) at 31/12/2011

(*EUR/000*)

	Changes in net equity at 31 December 2010									
	Pertaining to shareholders of the Group									
	Share capital	*Legal reserve*	*Extraordinary reserve*	*Other items of the statement of comprehensive income*	*Other reserves*	*Retained earnings*	*Profit for the period*	*Total*	**Minority interests**	**Total equity**
Balance at 01 January 2010	193,610	14,972	91,278	(24,710)	3,083	40,987	55,902	375,122	18,265	393,387
Profit of continued operations 2010	0	0	0	0	0	0	63,056	63,056	466	63,522
Cash flow hedge for the period	0	0	0	(3,728)	0	0	0	(3,728)	(1,737)	(5,465)
Conversion of foreign management for the period	0	0	0	2,827	0	0	0	2,827	1,080	3,907
COMPREHENSIVE ECONOMIC RESULT				**(901)**			**63,056**	**62,155**	**(191)**	**61,964**
Treasury shares	(4)	0	104	0	(109)	0	0	(9)	0	(9)
Dividends	0	0	0	0	0	0	(12,687)	(12,687)	(1,650)	(14,337)
Provision as per Art,27	0	0	0	0	0	0	(1,044)	(1,044)	0	(1,044)
Change in Area of Consolidation	0	0	0	0	0	0	0	0	1,817	1,817
Allocation of profit of continued operations 2009	0	3,481	52,408	0	0	(13,718)	(42,171)	0	0	0
Other changes	0	0	(268)	0	(39)	312	0	5	0	5
Stock grant allocation reserve					1,445			1,445		1,445
Balance at 31 December 2010	**193,606**	**18,453**	**143,522**	**(25,610)***	**4,380**	**27,581**	**63,056**	**424,988**	**18,241**	**443,229**

*The effect of the other items of the statement of comprehensive income produces a Cash flow hedge reserve totaling Euro (18,067) and a translation reserve totaling Euro (7,543) at 31/12/2010.

Consolidated cash flow statement

(*EUR/000*)	**31/12/2011**	**31/12/2010 Reclassified**
A - CASH FLOW FROM OPERATIONS:		
Group and minority result	**71,924**	**63,523**
Adjustments to reconcile net profit (loss) with the cash flow generated (utilised) by operations:		
Deferred tax	4,868	4,105
Amortization, depreciation and write-downs	51,568	56,807
Provision for risks and charges	7,960	790
Costs for the Employee Severance Indemnity and for defined benefits plans	757	1,155
Costs for employee incentives plans	1,034	1,544
Losses on disposals of non-current assets	4,229	2,353
Effects of valuation with the equity method	(401)	(262)
Surpluses on disposals of non-current assets	(2,527)	(2,217)
Sub-total	67,488	64,276
Changes in operational assets and liabilities (circulating capital):		
Trade receivables	(169,507)	89,534
of which with related parties	*(5,325)*	*(2,384)*
Inventories and Amounts payable by Customers	(164,284)	(197,214)
of which with related parties	*(16,018)*	*46,735*
Trade payables	196,423	153,042
of which with related parties	*(130)*	*33,253*
Risks and charges funds	(578)	(8,257)
Amounts payable to customers	133,631	(75,414)
of which with related parties	*46,916*	*9,564*
Other continued operations	(17,193)	(58,262)
of which with related parties	*3,540*	*(6,290)*
Other operational liabilities	17,791	40,645
of which with related parties	*(138)*	*(2,231)*
Payments by Employee Severance Indemnity fund and defined benefits plan	(1,291)	(2,276)
Sub-total	(5,008)	(58,203)
Cash flows from continued operations	**134,404**	**69,595**
B - CASH FLOW FROM INVESTMENT ACTIVITIES		
- Construction		
Purchases in investment property		(1,019)

Investment in intangible fixed assets	(8,249)	(227)
Investment in tangible fixed assets	(39,293)	(26,735)
Sale (Purchase) of other shareholdings net of the cash assets acquired, coverage of losses of unconsolidated companies and other changes in the consolidation area	18	(628)
Receipts from the sale of tangible and intangible fixed assets, and investment property	(1,702)	(136)
Change in subsidiary financing activity	434	(545)
of which with related parties	*434*	*(545)*
Sub-total cash flow from construction investment activities	(48,792)	(29,290)
- Concessions		
Net investment in tangible fixed assets		(1,257)
Investment in intangible fixed assets	(39,402)	(671)
Sale (Purchase) of other shareholdings net of the cash assets acquired, coverage of losses of unconsolidated companies and other changes in the consolidation area	(122,292)	(1,006)
Change in subsidiary financing activities	(452)	(8,506)
of which with related parties	*(452)*	*(8,506)*
Change in receivables status from activities under concession	(41,080)	(23,797)
Sub-total cash flow from investment in activities under concession	(203,225)	(35,238)
Cash flows from investment activities	**(252,018)**	**(64,528)**
C - CASH FLOW FROM FINANCING ACTIVITIES:		
Dividends paid out	(14,645)	(12,687)
Non-current borrowing (repayment) net of commissions	61,990	(15,059)
of which with related parties		*(52)*
Net change in current financial indebtedness (including leasing)	115,716	(35,611)
Sale (purchase) of securities/bonds and treasury shares	2,601	3,376
Other changes	(7,096)	1,237
Cash flows from financing activities	**158,566**	**(58,743)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**40,951**	**(53,676)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	415,259	468,935
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	456,210	415,259

Additional information to the income statement	**31/12/2011**	**31/12/2010**
Income tax paid in the financial year	62,762	24,154
Net financial charges paid in the financial year	43,536	27,360

EXPLANATORY NOTES TO THE CONSOLIDATED ACCOUNTING STATEMENTS

GENERAL INFORMATION

The Astaldi Group has been active for over 90 years in Italy and abroad in the sector of the design and construction of major civil engineering works, and is one of the most important corporate groups operating in the construction sector on the International level; it is a leader in Italy as general contractor and a promoter of project finance initiatives.

The Group operates through the Parent Company Astaldi S.p.A., a public company with registered offices in Rome, Via Giulio Vincenzo Bona 65, listed on the STAR division of the Milan Stock Exchange since June 2002.

The duration of the Company is currently set up to 31 December 2100.

On the date of the drawing up of the financial statements, Astaldi S.p.A. was not subject to the management and coordination of any of its shareholders since the Company Board of Directors makes, in full and complete independence and autonomy, any and the most appropriate decisions with regard to managing the Company's activity. These consolidated financial statements were approved by the Board of Directors of the Company at the meeting of 16 March 2012.

FORM, CONTENTS AND SEGMENT INFORMATION

The consolidated financial statements of the Astaldi Group S.p.A. at 31 December 2011 have been drawn up in compliance with the International Accounting Standards - IAS and International Financial Reporting

Standards - IFRS issued by the International Accounting Standards Board (IASB), and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), recognised in the European Union pursuant to EC Regulation n° 1606/2002 in force at the end of the year.

Reference has likewise been made to CONSOB regulations implementing para. 3, Art. 9 of Legislative Decree n° 38/2005.

The 2011 consolidated financial statements include the following statements:

1. Separate consolidated income statement;
2. Statement of consolidated comprehensive income;
3. Statement of consolidated financial position;
4. Consolidated cash flow statement;
5. Statement of changes in consolidated equity;
6. Explanatory notes.

It should be pointed out that the Group decided to present the Statement of comprehensive income in two separate statements as allowed by IAS 1.81. Therefore, the income statement includes both a statement showing the profit (loss) items for the period (separate consolidated income statement) and a statement which starts from the profit (loss) and algebraically adds "other components of comprehensive income" (statement of consolidated comprehensive income). In this respect, it should be pointed out that for the Astaldi Group the other items of the statement of comprehensive income include only the cash flow hedge reserve and the translation reserve. It should likewise highlighted that including these provisions in the statement of comprehensive income does not alter their nature as suspended economic items, and therefore not for items referring to the year, pursuant to the provisions in IAS 39 and IAS 21.

It should likewise be highlighted that the separate income statement is prepared based on a classification of each single component by nature. This classification reflects the management reporting methods used in the Group and is therefore considered more representative compared to presentation of items according to their destination, providing more relevant indications with respect to their specific sector.

As far as the statement of financial position is concerned, it was decided to enter items by separating assets and liabilities into current and non-current assets and liabilities, in accordance with the provisions of paragraph 60 and following of IAS 1.

The cash flow statement shows cash flow for the year, broken down into operations, investments and financial activities; cash flows from operations are entered using the indirect method. It should likewise be observed that investment activities are distinguished between those regarding construction and those regarding concessions.

The statement of changes in equity was prepared in compliance with IAS 1, obviously taking into account the comprehensive economic result.

Finally, with regard to sector disclosure, the so-called management approach was applied, meaning that the elements that top management uses for taking its strategic and operational decisions are considered. The operating sectors subject to disclosure referred in particular to the various geographical areas where the Group works, and were determined on the basis of the same accounting standards used for drawing up the consolidated financial statements. Refer to note 34 for the presentation of the models of the segment information.

DRAFTING CRITERIA

The consolidated financial statements were prepared on the basis of the historical cost principle, except for derivative, which are valued at fair value. In this regard, it should be pointed out that since no fair value hedging transactions were performed, there are no financial instruments having their cost adjustment in relation to changes in the fair value attributable to the hedged risk.

All the values are shown in thousands of Euro unless otherwise stated. Therefore, in some statements, the total amounts could slightly deviate from the sum of the single addenda that compose the amount due to round-offs.

The consolidated financial statements, moreover, were drawn up on the assumption of the continuation of business.

Change of principle for measurement and identification for jointly controlled enterprises starting from 1° January 2011: proportional consolidation

The Astaldi Group, starting from the financial year 2011, has adopted, as set forth in accounting standard IAS 31, the proportional consolidation of shareholdings enterprises with joint control, as an alternative to the equity method. It should be recalled that this change does not produce any effect on the statement of income and net equity for the year 2010; generating a consolidation statement on an analytical basis, though proportional, in which the assets and liabilities and the costs and revenues of the enterprise forming part of the Group are reflect in the consolidated financial statements of Parent Company according to their nature. This leads to easier reading of the accounting information and the results. In recent years the Astaldi Group has, in fact, focused on participation in tenders to obtain infrastructure works under general contracting, with the signature of joint venture agreements with other industrial partners, starting up operational organizations specifically dedicated to the construction of the works awarded in the tender. In this regard, the partners have agreed on the sharing of the risks and benefits deriving from execution of single works according to their respective stakes; on the corporate management level, the desire has always prevailed to make unanimous choices to develop activities considered as strategic, both in the contract and industrial aspects and in all the financial and auditing aspects.

The principle of proportional consolidation has also been adopted taking into account the changes introduced in accounting standard IAS 31, published by the IASB in the new IFRS 11 "Joint Arrangements", though at present awaiting approval by the European Union.

There follow are income and assets data at 31 December 2010 showing the comparative effects deriving from the application of proportional consolidation. It should be pointed out that in accordance with IAS 1 and regarding the equity and financial situation only, the effect of proportional consolidation at 1 January 2010 (starting date of the year presented in the financial statements for comparative purposes) has also been shown.

	31/12/2010 Reclassified Proportional consolidation	31/12/2010 Published	Proportional consolidation effect
ASSETS			
Non-current assets			
Property, plant and equipment	301,429	298,680	2,749
Investment property	1,178	1,178	
Intangible assets	3,739	3,716	23
Equity investments	84,830	95,874	-11,045
of which:			
Equity investments valued with the equity method	82,866	93,910	-11,045
Equity investments non-current valued at cost	1,964	1,964	
Non-current financial assets	119,517	82,794	36,723
Other non-current assets	21,440	21,287	153
Deferred tax receivables	8,610	8,609	1
Total non-current assets	**540,744**	**512,138**	**28,606**
Current assets			
Inventories	93,624	86,466	7,159
Amounts payable by customers	845,877	845,877	
Trade receivables	624,362	617,841	6,521
Current financial assets	28,276	27,908	368
Tax receivables	101,523	90,430	11,094
Other current assets	308,408	297,904	10,505
Cash and cash equivalents	415,259	391,527	23,732
Total current assets	**2,417,330**	**2,357,952**	**59,378**
Total assets	**2,958,074**	**2,870,090**	**87,983**
NET EQUITY AND LIABILITIES			
Net equity			
Share capital	196,850	196,850	
Treasury shares	-3,244	-3,244	
Provisions:			
Legal reserve	18,453	18,453	
Extraordinary reserve	143,522	143,522	
Profit (loss) carried forward	27,581	27,581	
Other reserves	4,380	4,380	
Other items of the statement of comprehensive income	-25,611	-25,611	
Total capital and reserves	**361,932**	**361,932**	
Profit (loss) for the year	63,056	63,056	
Total Group equity	**424,988**	**424,988**	
Minority profit (loss)	466	466	

Other items of minority statement of comprehensive income s	-149	-149	
Minority consolidation reserve	17,924	17,924	
Minority equity	**18,241**	**18,241**	
Total equity	**443,229**	**443,229**	
Non-current liabilities			
Non-current financial liabilities	593,925	563,618	30,307
Other non-current liabilities	98,223	98,223	
Employee benefits	8,460	8,382	77
Liabilities for deferred tax	1,587	742	844
Total non-current liabilities	**702,195**	**670,966**	**31,229**
Current liabilities			
Amounts payable to customers	338,489	326,367	12,122
Trade payables	922,346	881,651	40,694
Current financial liabilities	354,007	343,275	10,731
Tax payables	58,942	54,458	4,484
Provisions for current risks and charges	21,777	20,220	1,557
Other current liabilities	117,089	129,924	-12,835
Total current liabilities	**1,812,650**	**1,755,895**	**56,755**
Total liabilities	**2,514,845**	**2,426,861**	**87,983**
Total equity and liabilities	**2,958,074**	**2,870,090**	**87,983**

	01/01/2010 Reclassified	**31/12/09 Published**	**Proportional consolidation effect**
ASSETS			
Non-current assets			
Property, plant and equipment	321,879	319,780	2,100
Investment property	179	179	
Intangible assets	3,989	3,966	23
Equity investments	85,165	93,397	-8,232
of which:			
Equity investments valued with the equity method	83,156	91,389	-8,232
Non-current financial assets	89,592	55,222	34,370
Other non-current assets	19,772	19,454	318
Deferred tax receivables	2,743	2,743	
Total Non-current assets	**523,320**	**494,741**	**28,579**
Current assets			
Inventories	93,661	90,316	3,345
Amounts payable by customers	648,626	648,626	
Trade receivables	713,896	711,076	2,820
Current financial assets	28,728	26,558	2,170

Tax receivables	81,369	78,391	2,978
Other current assets	277,836	268,844	8,992
Cash and cash equivalents	468,935	444,138	24,797
Total current assets	**2,313,051**	2,267,949	45,102
Total assets	**2,836,371**	**2,762,690**	**73,681**

NET EQUITY AND LIABILITIES			
Net equity			
Share capital	196,850	196,850	
Treasury shares	-3,239	-3,239	
Provisions:			
Legal reserve	14,972	14,972	
Extraordinary reserve	91,278	91,278	
Profit (loss) carried forward	40,986	40,986	
Other reserves	3,083	3,083	
Other items of the statement of comprehensive income	-24,710	-24,710	
Total capital and reserves	**319,220**	**319,220**	
Profit (loss) for the year	55,902	55,902	
Total Group equity	**375,122**	**375,122**	
Profit (loss) third parties	1,557	1,557	
Other items of minority statement of comprehensive income	509	509	
Minority consolidation reserve	16,199	16,199	
Minority equity	**18,265**	**18,265**	
Total equity	**393,387**	**393,387**	
Non-current liabilities			
Non-current financial liabilities	608,984	582,565	26,419
Other non-current liabilities	94,951	94,951	
Employee benefits	9,581	9,555	26
Liabilities for deferred tax	444	119	325
Total non-current liabilities	**713,959**	**687,190**	**26,769**
Current liabilities			
Amounts payable to customers	413,904	382,905	30,999
Trade payables	769,304	744,936	24,368
Current financial liabilities	389,617	387,359	2,258
Tax payables	57,351	55,103	2,247
Provisions for current risks and charges	25,327	23,809	1,518

Other current liabilities	73,522	88,001	-14,478
Total current liabilities	**1,729,025**	**1,682,113**	**46,911**
Total liabilities	**2,442,984**	**2,369,303**	**73,681**
Total equity and liabilities	**2,836,371**	**2,762,690**	**73,681**

	31/12/2010 Reclassified	*31/12/2010 Published*	*Proportional consolidation effect*
INCOME STATEMENT			
Revenues	1,931,588	1,918,969	12,620
Other Operating revenues	124,220	125,799	(1,580)
Total revenues	**2,055,808**	**2,044,768**	**11,040**
Purchase costs	(366,906)	(336,344)	(30,562)
Service costs	(1,180,715)	(1,215,891)	35,177
Personnel costs	(244,102)	(236,574)	(7,528)
Amortization, depreciation and write-downs	(56,807)	(56,118)	(689)
Other operating costs	(28,227)	(27,470)	(756)
Total Costs	**(1,876,756)**	**(1,872,398)**	**(4,358)**
(Capitalised costs per internal constructions)	1,241	1,241	
Operating result	**180,293**	**173,611**	**6,682**
Financial income	33,645	26,025	7,620
Financial charges	(111,717)	(103,746)	(7,972)
Effect of valuation of shareholdings with the equity method	262	4,429	(4,167)
TOTAL FINANCIAL AREA AND SHAREHOLDINGS	**(77,810)**	**(73,292)**	**(4,519)**
PRE-TAX PROFIT (LOSS) OF CONTINUED OPERATIONS	**102,483**	**100,319**	**2,164**
Tax	(38,960)	(36,796)	(2,164)
PROFIT(LOSS) OF CONTINUED OPERATIONS	**63,523**	**63,523**	
PROFIT(LOSS) FOR THE YEAR	**63,523**	**63,523**	
Group profit	63,056	63,056	
Minority profit	466	466	

It should be pointed out that the comments shown below on the changes occurring in the year 2011 in the single items of the consolidated financial statements take into account comparative data at 31 December 2010 reclassified on the basis of the information provided in this paragraph.

ACCOUNTING STANDARDS ADOPTED

The most important accounting standards and valuation criteria adopted for the drawing up of the consolidated financial statements at 31 December 2011 are shown below.

<u>Consolidation area and consolidation standards</u>

The consolidated financial statements of the Group comprise the financial statements of the Parent Company Astaldi S.p.A. and of the Italian and foreign companies in which Astaldi holds controlling interest, either directly or indirectly, including joint interest, and have been drawn up for consolidation purposes in according with the IFRSs adopted by Astaldi Group. At the end of this note there is a list of the companies included in the consolidation area with the corresponding direct or indirect stakes of the Group together with other significant information. There follows a list of companies in the consolidation area at 31 December 2011, reporting some changes compared to first half of 2011.

Fully consolidated enterprises

1	Astaldi Concessioni S.r.l.	100.00%
2	Astaldi Arabia Ltd.	100.00%
3	Astaldi Construction Corporation	100.00%
4	Astaldi International Inc.	100.00%
5	Astaldi International Ltd.	100.00%
6	Sartori Tecnologie Industriali S.r.l.	100.00%
7	Garbi Linea 5 S.c.a.r.l.	100.00%
8	Italstrade IS S.r.l.	100.00%
9	Messina Stadio S.c.r.l. in liquidation	100.00%

10	Groupement (G.R.S.H.)	100.00%
11	Astaldi Bulgaria LTD	100.00%
12	Astaldi-Astaldi International J.V.	100.00%
13	Astaldi Algerie - E.u.r.l.	100.00%
14	Euroast S.r.l. in liquidation	100.00%
15	Redo-Association Momentanée	100.00%
16	Seac S.p.a.r.l. in liquidation	100.00%
17	Ospedale del Mare S.C.r.l.	100.00%
18	nBI S.r.l.	100.00%
19	Inversiones Assimco Limitada	100.00%
20	Cachapoal Inversiones Limitada	100.00%
21	CO.MERI S.p.A.	99.99%
22	AR.GI S.c.p.A.	99.99%
23	Partenopea Finanza di Progetto S.c.p.A.	99.99%
24	Portovesme S.c.r.l. in liquidation	99.98%
25	Astur Construction and Trade A.S.	99.98%
26	Astaldi de Venezuela C.A.	99.80%
27	ASTALROM S.A.	99.55%
28	Romairport S.r.l.	99.26%
29	Constructora Astaldi Fe Grande Cachapoal Limitada	95.00%
30	Mondial Milas Bodrum	92.85%
31	Toledo S.c.r.l.	90.39%
32	Susa Dora Quattro S.c.r.l. in liquidation	90.00%
33	S. Filippo S.c.r.l. in liquidation	80.00%
34	Forum S.c.r.l. in liquidation	79.99%
35	Bussentina S.c.r.l. in liquidation	78.80%
36	AS. M. S.c.r.l.	75.91%
37	Mormanno S.c.r.l. in liquidation	74.99%

38	S.P.T. - Società Passante Torino S.C.r.l.	74.00%
39	CO.ME.NA. S.c.r.l. in liquidation	70.43%
40	Astaldi-Max Bogl-CCCF JV S.r.l.	66.00%
41	Scuola Carabinieri S.C.r.l.	61.40%
42	Quattro Venti S.c.r.l. in liquidation	60.00%
43	Consorcio Rio Pallca	60.00%
44	C.O.MES. in liquidation S.C.r.l.	55.00%
45	Italstrade Somet JV Rometro S.r.l.	51.00%
46	Infraflegrea Progetto S.p.A.	51.00%
47	Romstrade S.r.l.	51.00%
48	Italstrade CCCF JV Romis S.r.l.	51.00%
49	Astaldi Ozcar	51.00%

The following changes are reported compared to 31 December 2010: 1) Exits from consolidation due to definitive liquidation: I.F.C. Due S.c.r.l. , CO.NO.CO. S.c.r.l.; 2) Entry in the consolidation area: nBI S.r.l.; Mondial Milas Bodrum; Astaldi Ozcar

Entities with proportional consolidation:

1	M.O.MES S.c.r.l.	55.00%
2	CO.SAT Società Consortile a responsabilità limitata	50.00%
3	Metro Brescia S.r.l.	50.00%
4	Consorcio Rio Urubamba	50.00%
5	Ic Içtas - Astaldi Insaat A.S.	50.00%
6	Ica Astaldi -Ic Ictas WHSD Insaat AS	50.00%
7	Consorzio Cerro del Aguila	50.00%
8	Avrasya Metro Grubu Srl	42.00%
9	Veneta Sanitaria Finanza di Progetto S.p.A.	31.00%

Entries in the consolidation area in 2011: Metro Brescia S.r.l., Consorcio Rio Urubamba, Ic Içtas - Astaldi Insaat A.S. , Ica Astaldi -Ic Ictas WHSD Insaat AS, Consorzio Cerro del Aguila

For the consolidation, the financial statements approved by the general meetings or, failing this, the draft financial statements drawn up by the

Boards of Directors. The financial statement reference dates of the consolidated enterprises coincide with that of the Parent Company, except for the subsidiary Astaldi de Venezuela C.A. which closes its financial year at 30 November 2011. In this regard, the consolidation of this company was applied taking into account of provisions of IAS 27 for these cases. The financial statements included in the consolidation have been drafted according to the accounting standards of the Parent Company, while making, when necessary, any suitable adjustments in order to adjust the valuation of specific items already determined according to different principles. Specifically, the companies in which Astaldi has a controlling interest have been fully consolidated. Such controlling interest consists in the direct or indirect holding of shares with voting rights, or the powers to determine the Company's financial and management choices, obtaining the relevant benefits regardless of shareholder composition.

Equity investments in companies where control is exercised jointly with third parties are consolidated on a proportional basis in accordance with the provisions of IAS 31.

Subsidiaries are consolidated fully and companies under joint control are consolidated proportionally starting from the date of acquisition of controlling interest, and cease to be consolidated as from the date on which the controlling interest is transferred outside the Group.

All inter-group balances and operations, including possible unrealised profit and loss deriving from relations between Group Companies, are completely eliminated.

Shareholdings in companies where considerable influence is exercised, generally involving a stake percentage between 20% and 50%, are valued with the equity method. In the event of application of the equity method, the value of the holding is aligned with equity, adjusted where necessary to reflect the application of IFRSs, and includes goodwill (net of impairment) as identified at the moment of purchase, as well as the effects of adjustments required by standards regarding the drafting of consolidated financial statements. Specifically, any profit and loss deriving transactions between the Group and the associated company is eliminated in proportion to the stake in the associated company.

With regard to investments in associated companies, any losses of value exceeding the book value are entered in the provision for risks on investments solely to the extent to which the associated company has undertaken legal or implicit obligations, or made payments on behalf of the Company.

It should be pointed out that in the consolidated financial statements at 31 December 2011, the net equity pertaining the subsidiary Inversiones Assimco Limitada, for the 40% quota pertaining to minority interests (Euro 11 million net of provisions accrued up to 31 December 2011), has been entered under non-current liabilities in order to provide a better representation of the economic substance of the transaction made in 2009 by the minority shareholder Simest S.p.A. in favour of the Astaldi Group. The valuation of these liabilities was made in accordance with the contract agreements and the industrial plan of the subsidiary. Considering that the amounts involved are not very significant in the context of the Astaldi Group consolidated financial statements, no adjustment was made for comparative purposed of the corresponding data at 31 December 2010.

Conversion of items and translation of financial statements into foreign currency

The consolidated financial statements of the Astaldi Group are drafted in Euro, which is the Parent Company's presentation and operating currency.

The balances included in each of the Group Company's financial statements have been entered in the currency of the Group's main economic environment (operating currency). The items expressed in a currency other than the operating currency, whether monetary (cash and cash equivalents, assets and liabilities payable or receivable with pre-set or determinable sums of money) or non-monetary (inventories, works in progress, advances to suppliers of goods and/or services, goodwill, intangible assets etc.) are initially entered at the exchange rate in force on the transaction date. The items are subsequently converted into the operating currency on the basis of the exchange rate on the closing date of the financial statements, and the resulting differences are entered in the income statement. With regard to the latter it should be pointed out that the exchange rate differences are classified on the separate income statement, on the basis of the type of equity item that has generated them.

The non-monetary items are kept at the conversion rate at the transaction date, except in the end of an ongoing unfavourable trend in the reference exchange rate. The exchange rate differences relating to non-monetary items are entered (income statement or equity) in the same way as changes in the value of these items.

The rules for translating financial statements expressed in foreign currency into the presentation currency are as follows:

- The assets and liabilities entered in financial statements are converted at the exchange rate on the closing date of the financial year;
- Costs and revenues, income and charges entered in the financial statements are converted at the average exchange rate for the period, or at the exchange rate on the transaction date should this differ significantly from the average rate;
- Equity items, excluding profit for the period, are converted at historic exchange rates;
- The "translation reserve" includes both the exchange rate differences generated by conversion of economic items at a different exchange rate from the year-end rate, and those generated by conversion of opening equity balances at a different exchange rate from the year-end rate.

In case of economies showing hyper-inflation under the definition set forth in IAS 29, the measurement provided in this standard shall apply.

Property, plant and equipment

Tangible assets are valued at purchase or production cost, net of accrued depreciation and any impairment. The cost includes all expenses directly incurred in order to prepare the assets for use, as well as any charges for dismantling and removal needed to restore the site to its original conditions.

Charges incurred for routine and/or cyclical maintenance are charged directly to the income statement in the financial year when incurred. Costs related to extension, renovation or the improvement of facilities owned or used by third parties are capitalized exclusively within the limits in which they can meet the requirements for separate classification as an asset or part of an asset. Borrowing costs incurred are capitalized when the conditions set forth in IAS 23 are met.

The value of an asset is adjusted by systematic depreciation, calculated in relation to the residual possibility of based on its useful life. Depreciation is applied when the asset becomes available for use. The useful life estimated by the Group for the various categories of assets is as follows:

	Years
Buildings	20-33
Plant and machinery	5-10
Equipment	3-5
Other assets	5-8

Land, including land pertaining to buildings, is not depreciated.

Should the asset subject to depreciation be composed of distinctly identifiable elements, whose useful life differs significantly from that of the other components forming the tangible asset, depreciation is performed separately for each of the components forming the asset, applying the component approach policy.

Profits and losses deriving from the sale of assets or groups of assets are calculated by comparing the fair value, net of sales costs, with the relevant book value.

Leased property, plant and equipment

Tangible assets owned through financial leasing agreements, which basically transfer all the risks and benefits of ownership to the Group, are entered in the financial statements at the effective date of the agreement as

Group assets at their current value or, if lower, at the current value of the minimum payments due for the leasing agreement, including the sum to be paid in the financial year for exercising the purchase option. The corresponding liabilities via-à-vis the lessor are included under financial payables.

If there is no reasonable certainty that ownership of the asset shall be acquired upon expiry of the leasing agreement, the financially leased assets are depreciated over a period equal to the duration of the leasing agreement or the useful life of such asset, whichever is shorter.

Leases in which the lessor largely maintains all the risks and benefits of ownership of the assets are classified as operating leases. The charges referring to operating leases are entered in the income statement in the financial years of the duration of the leasing agreement.

Intangible assets

Intangible assets are non-monetary items having no physical consistency, and clearly identifiable and suited to generating future economic benefits for the company. These items are recorded in the financial statements at purchase and/or production cost, including expenses that may be directly attributed during the preparation phase to bring it into operation, net of accrued amortisation (with the exception of assets with an undefined useful life) and any impairment. Amortisation is performed when the asset is available for use, and is divided systematically in relation to the residual possibility of its use, which is based on its useful life. A rate is applied which takes into account its actual use during the financial year the intangible asset is entered for the first time.

Industrial patent and intellectual property rights are entered at purchase cost, net of amortisation and impairment accrued over time.
Amortization is performed starting from the financial year in which the rights for which ownership has been acquired make the asset available for use, and takes into account the useful life.
Licenses and similar rights are entered at cost net of amortization and impairment accrued over time. Amortization is performed starting from the financial year in which the purchased right is available for use and takes into account the useful life.
Goodwill, if related to business combination transactions, is allocated to each cash generating unit identified and entered under intangible assets. It represents the positive difference between the cost incurred for the acquisition of a business or a line of business and the acquired share in relation to the current value of the assets and liabilities forming the capital of that business or line of business. Potential purchased assets and liabilities (including respective minority interests) identified are entered at their current value (fair value) at purchase date. The negative difference, if any, is entered in the income statement at the time of purchase. After its initial identification, goodwill is not amortized but is tested for impairment.
In accordance with the provisions of IAS 36 (impairment of assets), goodwill is subjected to impairment tests annually or more often if specific events or changes in circumstances occur.
Please note in this regard that no goodwill items were entered at 31 December 2011.

Business combinations

At the time of initial application of the IFRS-EU standards, the Group decided not to apply IFRS 3 (business combinations) retroactively with respect to acquisitions dating from before 1 January 2004.

The business combinations previous to 1 January 2010 and completed within that financial year are entered according to the provisions of IFRS 3 (2004). In particular, these combinations are entered using the acquisition method, where the acquisition cost equals fair value on the transfer date of the assets, of the liabilities incurred or undertaken, plus the costs directly attributable to the acquisition. This cost is allocated by entering the assets, liabilities and potential liabilities identifiable for the acquisition relative to fair value. Any surplus of acquisition costs compared to fair value of the share in net assets brought into the Group is recorded as goodwill; if the difference is negative, it is entered in the income statement. When the fair value of the assets, liabilities and potential liabilities can only be calculated on a provisional basis, the business combination is entered by using these provisional values. The value of minority equity is determined proportionally to the minority stake held in net assets. In business aggregations undertaken in several phases, at the time of acquisition of the controlling stake, the adjustments at fair values for the net assets previous owned by the purchaser are shown under net equity. Any adjustments deriving from the completion of the valuation process are detected within twelve months from the acquisition date.

Business combinations after 1 January 2010 are entered according to the provisions of IFRS 3 (2008). In particular, these combinations are entered using the acquisition method, where the acquisition cost equals fair value on the transfer date of the assets, of the liabilities incurred or undertaken, plus the costs directly attributable to the acquisition, plus any capital instruments issued by the purchaser. The costs directly attributable to the acquisition are recorded in the income statement. The acquisition cost is allocated by entering the assets, liabilities and potential liabilities identifiable of the purchase at fair value on the acquisition date. Any surplus between the amount of the assets transferred, and the amount of any minority holding, compared to the net value of the amounts of assets and liabilities identifiable in the acquisition, valued at fair value, is entered as goodwill; or, if the balance is negative, in the income statement. The value of minority equity is determined proportionally to the minority stake held in net assets identifiable in the acquisition, or their fair value on the acquisition date. When the fair value of the assets, liabilities and potential liabilities can only be calculated on a provisional basis, the business combination is entered by using these provisional values. Any adjustments deriving from the completion of the valuation process are detected within twelve months from the acquisition date, with adjustment of comparative data. In business aggregations undertaken in several phases, at the time of acquisition of the controlling stake, the net assets previously owned by the purchaser are adjusted at fair value, and any differences (positive of negative) are shown in the income statement.

With regard to the following business combination, there follows a description of the acquisition transaction of the Turkish company MONDIAL MILAS A.S., Concessionaire company of the Milas-Bodrum Airport in Turkey. In April 2011, Astaldi Group, through the associated company Astaldi Concessioni, acquired a stake totalling 92.85% of this Turkish company; in accordance with the provisions of IFRS 3, the acquisition date was identified as 1 April 2011. It should be pointed out that the amount of revenues of the said company, regarding the phase for the construction of the concession, starting from the acquisition date and up to the end of the year totalled EUR/000 68,289, and profit amounted to EUR/000 2,019.

The operation is based on a specific strategic intention to guarantee an extension of the range of offers by the Group in the concessions sector; by the acquisition of a green-field concession means a boosting of leadership in the airport sector thanks the synergies produced with the construction core business. In brief, the initiative consisted for 72.85% of the interest purchased in the entry of Astaldi Concessioni in the equity paid and subscribed by one of the Concessionaire shareholders; the remaining 20% involved the acquisition of rights to enjoy the equity. On the whole, the amount of the operation totalling EUR/000 16,037 corresponds to the book value of the net equity acquired on the acquisition date; this, in turn, equals the fair value of the assets acquired and the liabilities undertaken, and therefore with no goodwill entry (positive or negative). With reference to the measurement of minority equity, this was calculated with the same criteria used for calculating the fair value of the net assets pertaining to the Group.

Investment property

An investment property is recognised as an asset when it held for the purpose of receiving rent or appreciation of the invested capital, provided that the cost of the asset can be reliably established and the relevant economic future benefits can be used by the company.

Investment property is valued at purchase or production cost, increased by any additional costs, net of accrued depreciation and any impairment.

The useful life of the property is between 20 and 33 years.

Investment property is eliminated from the financial statements when transferred or when the investment is unusable in the long-term and no future economic benefits are expected from its transfer.

Impairment of tangible and intangible assets

Assets with an undefined useful life are not subject to systematic amortisation, but are subjected to an impairment test, at least once a year. Such test checks the recoverability of the value entered in the financial statements *(impairment test).*

For assets subject to systematic amortisation and depreciation, the presence of any indicators leading to the possibility of impairment is assessed; consequently the realizable amount of the asset is estimated.

Such amount is defined as the greater between the fair value net of sale costs and the asset's value in use, with any surplus entered in the income statement.

Should the prerequisites for the previously performer impairment cease to exist, the book value of the asset is restored within the limits of the net book value. Any value restoration is recorded in the income statement. Conversely, the value of previously amortised goodwill or an intangible asset with an undefined useful life is never restored.

When the realizable amount of an individual asset cannot be estimated, the Group estimates the realizable amount of the cash generating unit to which it belongs.

It is pointed out that during the year 2011 there were no internal and external indicators of impairments, as defined in IAS 36. Furthermore, it is noted that, in the absence of goodwill and having ascertained that the realizable value of individual assets may be easily calculated, the Group has not identified any impairment.

<u>Agreements for concession activities</u>

Agreements for concession activities, in cui the authority granting the concession is an entity of the public sector and the concessionaire is an entity of the private sector, falls within the application of IFRIC 12 if the following conditions occur:

- The authority granting the concession controls or regulates the services that the concessionaire must provide with the infrastructure, to whom it must supply them and at what price;
- The authority granting the concession controls any remaining interest in the infrastructure at the expiry date of the agreement through its ownership or in another way.

According to IFRIC 12, the right to use the infrastructure (asset under concession) to supply the service is recorded under tangible assets but as:

- A financial asset, when there is an unconditioned right of the concessionaire to receive a payment regardless of the actual use of the infrastructure;
- An intangible asset, when there is a right to charge the users for the use of the public service;
- As both an intangible asset and a financial asset (so-called "mixed method") when the concessionaire is paid for the construction of the infrastructure with both of the above forms. In this case the intangible asset is calculated as the difference between the fair value of the investment made and the value of the financial asset obtained

by the actualization of cash flows deriving from the minimum guaranteed amount.

For the measurement of the current value if the minimum guaranteed amounts, it is pointed out that the actualization rates applied by the Group for concession agreements incorporates both the time value component and the counterpart risk. The current value measured in this way (fair value of minimum guaranteed amount) is then compared with the fair value of the construction service and, when higher, is entirely recorded at the current value under financial assets and subsequently measured at amortized cost; when lower, the difference is recorded under intangible assets. The intangible asset is then amortized over the duration of the concession in accordance with the provisions of IAS 38. There follows a table summarising the concessions of the Astaldi Group in which IFRIC 12 is applied.

Concessions deriving from controlled entities			
Type of Concession: Car Parks			
Group Company holding the concession	**Authority granting the concession**	**Purpose of concession**	**Expiry of concession**
Astaldi Concessioni S.r.L.	**Municipality of Turin (Porta Palazzo Car Park)**	**Design, construction and management of un multi-storey car park**	**Year: 2076**

	Municipality of Turin (Corso Stati Uniti Car Park)	Design, construction and management of a multi-storey car park	Year: 2079
	Municipality of Bologna (Piazza VIII Agosto Car Park)	Design, construction and management of a multi-storey car park.	Year: 2058
	Municipality of Bologna (ex – Manifattura Tabacchi Car Park)	Design, construction and management of a multi-storey car park.	Year: 2040
	Municipality of Verona (Cittadella Car Park)	Design, construction and management of a multi-storey car park.	Year: 2048
Type of Concession: Airports			
MONDIAL	DHMI	Design, construction and management of the new international terminal of Bodrum Airport (Turkey)	Year: 2016

Concessions deriving from entities under joint control

Type of Concession: Hospitals

Associated company holding the concession	Authority granting the concession	Purpose of concession	Expiry of concession
VENETA FINANZIARIA FINANZA DI PROGETTO S.P.A.	ULSS 12 Veneziana	Design, construction and management of non-core services of the Nuovo Ospedale in Mestre	Year: 2032

Concessions deriving from associated companies

Type of Concession: Hospitals

Associated company holding the concession	Authority granting the concession	Purpose of concession	Expiry of concession
S.A.T. S.p.A.	ASL 1,2,3,4 Toscane	Design, construction and management of non-core services of	Year: 2032

		4 new Apuane, Lucca, Pistoia and Prato Hospitals (*)	
Type of Concession: Underground			
M 5 S.P.A.	Municipality of Milan	Design, performance of civil and technological works and management of new Line 5 of the Milan Underground, in the stretch Bignami - Garibaldi. The new line will be 4.9 km long with 9 stations.	Year:2038
M 5 LILLA S.P.A.	Municipality of Milan	Design, performance of civil and technological works and management of the Milan Underground line, in the stretch Garibaldi - San Siro with a route 7 km long with 10 stations.	Year: 2040
Type of Concession: Motorways			
OTOYOL YATIRIM VE ISLETME ANONIM SIRKETI	KGM	Design, construction and management of the Motorway between Gebze and Izmir (Turkey). The work is the most important project in the Motorway sector ever conducted in the country, and involved the construction of 421 km of new Motorway and a suspension bridge about 3 km long over the Marmara Sea.	Year: 2034

Equity investments

Investments in enterprises other than subsidiaries, associated company and joint ventures, for which the consolidation area should be referred to (generally with share of less than 20%) are classified, at the time of purchase, under "equity investments" and valued at cost in case calculation of fair value is not reliable; in this case the cost is adjusted for impairments according to the provisions of IAS 39.

Inventories

Inventories are entered at cost or the net realizable value, whichever is less. The value of inventories is calculated on the weighted average cost, applied to homogenous categories of goods. The cost includes all charges related to purchase and transformation and all other costs incurred to bring inventories to the site where being used and in the conditions to be suitable for the production process.

Long term contracts

Works in progress are entered in accordance with the percentage of completion method, according to which costs, revenues and the margin are entered on the basis of activities carried out. The percentage of completion is calculated by applying the "incurred cost" (cost to cost) criterion.

Valuation reflects the best estimate of works performer at reporting date. Assumptions, underlying measurements, are periodically updated. Any economic effects deriving therefrom are accounted for in the year in which such update is made

Contract revenues include:

The contract amounts agreed, changes in works, price reviews and incentives, to the extent to which these are likely to be reliable, with application of the conditions set forth in IAS 11 "construction contracts". In this regard the relative to:

- Specific legislation in regarding public works and international legislation;
- Contract clauses;
- The status of negotiations with the customer and likelihood that these negotiations will have a positive result;
- When necessary due to the complexity of specific situations, technical-legal studies also conducted with external consultants, to confirm that the valuations made are reliable.

Contract costs include:

All costs that refer directly to the contract, costs that may be attributed to contract activity in general and that may be allocated to such contract, as well as any other costs that may be specifically charged to the customer on the basis of contract clauses.

Such costs moreover include:

- Pre-operating costs, i.e. the costs incurred during the initial phase of the contract prior to the start of construction activity (tender preparation costs, design costs, organisation and production start-up costs, construction site installation costs), as well as
- post-operating costs incurred after completion of the contract (site removal, return of equipment/machinery to base, insurance, etc.), and additionally
- Costs for services to be performed after the completion of works, remunerated in the contract referring to the contract activity (for example, periodic maintenance, assistance and supervision during the first phase of operation of individual works).

Finally, it is noted that contract costs include borrowing costs, as allowed by the amendment to IAS 11 in connection with the new IAS 23 standard, resulting from financing specifically referred to works carried out. In fact, during the call for tenders, specific terms of payment are defined on the basis of law conditions that require the Group to perform structured financing transactions on the contract's invested capital, the relative charges affecting the contract fee calculation.

Should it be forecasted that completion of a contract may generate a loss, this shall be entirely recorded in the financial year when reasonably expected.

When the outcome of a long-term contract cannot be reasonably estimated, the value of work in progress is calculated on the basis of costs incurred, assuming it is reasonably expected that such will be recovered without recognition of the margin.

When favourable or unfavourable events attributable to present situations at date of the financial statements occur after balance-sheet date, the amounts entered in the financial statements are adjusted to reflect the consequent economic, financial and equity effects.

Work in progress is presented net of any provisions for depreciation and/or final losses, as well as of any advances for the contract in progress.

In this regard, it is noted that invoiced amounts related to individual interim work reports (Advances) reduce the gross contract value, if the latter is higher, and any surplus is entered under liabilities. On the other hand, invoiced advances are considered as financial transactions and are not relevant for the purpose of revenue recognition. Therefore, since advances represent simple financial events, these transactions are always entered among liabilities insofar as received not as consideration for works carried out. However, such advances are progressively decreased, usually by virtue of contract agreements, to offset invoicing of the contract.

With reference to provision for losses on individual contracts, it is noted that in case such provision exceed the contract value entered among assets, such excess is recorded under "Amounts due to customers".

Such analyses are carried out on a contract-by-contract basis: in case the differential is positive (due to work in progress being greater than the amount of advances), such amount is classified among assets under "Amounts due from customers"; on the other hand, in case this differential is negative, the amount is classified among liabilities, under "Amounts due to customers".

Accounts receivable and financial assets

The Group classifies financial assets in the following categories:

- Assets at fair value through income statement;
- Accounts receivable and loans;
- Financial assets held to maturity;
- Financial assets available for sale.

Classification depends on the reasons why the asset was acquired, the nature thereof and the valuation made by management at the purchase date.

All financial assets are initially valued at fair value, increate by additional charges in case of assets other than those classified at fair value through income statement.

The Group determines the classification of its own financial assets after initial entry and, if appropriate and allowed, reviews such classification at the end of each financial year. In this regard, it is noted that during 2011, as in the previous year, the categories adopted were accounts receivable and loans and assets at fair value through income statement; the latter includes derivatives and some securities of a minor amount.

Financial assets at fair value through income statement.

This category includes financial assets acquired for short-term trading or financial assets originally designated for this purpose by management. Assets held for trading include all assets purchased in order to be sold in the short term. Derivatives, including stripped derivatives, are classified as held-for-trade financial instruments unless designated as effective hedging instruments. Profits or losses on assets held for trading are recorded in the income statement. Upon initial entry, financial assets may be classified as financial assets at fair value through income statement, if the following conditions are met: (i) the designation eliminates or significantly reduces the inconsistency of entry which would arise by valuing the assets or entering profits and losses generated by such assets in accordance with a different criterion; or (ii) the assets are part of a group of managed financial assets and their return is valued on the basis of their fair value, in accordance with a documented risk management strategy.

Accounts receivable and loans.

This category includes assets which are not derivatives and that are not quoted in an active market, from which fixed or calculable payments are expected. Such assets are valued at the amortised cost based on the effective interest rate method. Any impairment calculated through the impairment test is entered in the income statement. These assets are classified as current assets, except for portions whose terms expire after more than 12 months, which are included within non-current assets.

Financial assets held to maturity

This category includes assets which are not derivatives, with a pre-set maturity and for which the Group has the intention and capacity to hold to maturity. Such assets are valued at the amortised cost based on the effective interest rate method. Assets with a contract maturity within the subsequent 12 months are included within current assets. Any impairment calculated through the impairment test is entered in the income statement.

Financial assets available for sale

This category includes financial assets which are not derivatives, have been designated as such or are not classified in any of the three previous categories. They are valued at fair value, with changes in value shown against a specific equity reserve ("reserve for assets available for sale"). This reserve is entered in the income statement only when the financial asset is effectively transferred, or if there is real evidence that it has undergone a significant reduction of value. Its classification as a current or non-current asset depends on the intentions of management and the real negotiability of the asset; items expected to be realized in the subsequent 12 months are recorded under current assets.

Impairment of financial assets

At the end of each financial year the Group verifies whether any financial asset or group of financial assets were impaired according to the following criteria.

Assets valued at amortized cost

If there is actual evidence that financing or a receivable entered at amortised cost might be impaired, an impairment test is performed in order to determine the difference between the book value of the asset and the current value of estimated future cash flows (excluding losses on future amounts receivable not yet incurred) discounted by the initial actual rate of interest of the financial assets (i.e. the actual interest rate calculated at the date of initial entry). The book value of the asset will be reduced by application of a provision. The amount of the loss will be entered in the income statement

In particular, with reference to trade receivables, amortisation for impairment is made when there is evidence, largely based on the nature of the counterpart, that there is no possibility of collecting such receivables according to the original conditions. If, subsequently, the amount of impairment decreases, the decreased value may be restored. Any subsequent restorations of value are entered in the income statement, to the extent in which the asset's book value does not exceed the amortised cost at the date of restoration.

Financial assets available for sale

In case of impairment of a financial asset available for sale, an amount corresponding to the difference between its cost (net of repayment of capital and amortization) and its current fair value is deducted from equity and entered in the income statement, net of any impairment previously entered in the income statement.

Reversal of value relating to equity investments classified as available for sale is not entered in the income statement. Reversal of values relating to debt instruments is entered in the income statement if the increase in instrument's fair value may be objectively attributed to an event which occurred after impairment was entered in the income statement.

Derivatives

Derivatives are usually considered as instruments suitable for hedging and effective in neutralising the risk of underlying assets or liabilities or Astaldi Group undertakings, except when they are classed as assets held for the purpose of trading and valued at fair value through the income statement.

The Group uses derivatives within the context of hedging strategies aimed at neutralising the risk of fluctuations of cash flows expected with regard to contractually defined or highly probable transactions (cash flow hedge). In particular, fair value fluctuations of derivatives designated as cash flow hedges and qualified as such are entered in a specific reserve charged to the statement of comprehensive income ("cash flow hedge reserve"), which is then entered in the separate income statement when the economic effects of the hedged item arise. The difference in fair value referable to the ineffective share is immediately entered in the separate income statement for the year. If the derivative instrument is transferred or no longer qualified as an effective hedge against the risk for which the operation had been made, or the occurrence of the underlying operation is no longer considered highly probable, the relative share of the "cash flow hedge reserve" is immediately reversed to the separate income statement.

These derivatives are initially entered at fair value at the stipulation date; subsequently, such value is periodically adjusted. Derivative instruments are entered as assets when the fair value is positive, and as liabilities when the fair value is negative. Possible profit or loss deriving from changes in the fair value of derivatives not suitable for hedge accounting are entered directly in the income statement during the year. The effectiveness of hedging operations is documented both at the start of the transaction and periodically (at least at every date of publication of financial statements or interim reports), and is measured by comparing the changes in the fair value of the hedging instrument with those of the hedged item, or, in the case of more complex instruments, through statistical analyses based on risk fluctuation.

It is pointed out that the Group does not stipulate derivative contracts for speculative purposes. However, not all derivative transactions carried out for risk hedging purposes are entered according to the rules of hedge accounting.

Calculation of fair value

The fair value of instruments listed on public markets is calculated with reference to the bid prices at the reference date of the period in question.

The fair value of non-listed instruments is measured with reference to financial valuation techniques. Specifically, the fair value of interest rate swaps is measured by discounting the expected cash flows, while the fair value of foreign exchange forwards is calculated on the basis of market exchange rates at the reference date, and the rate differentials between the currencies in question.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised from financial statements when:

- The rights to receive cash flow from the asset have expired;
- The right to receive cash flow from the asset is retained, but according to contractual obligations such cash flow has to be paid immediately and entirely to a third party;

* The Group transferred the right to receive cash flows from the asset and the Group: (a) has substantially transferred all risks and benefits deriving from ownership of the financial asset, or (b) has neither transferred nor kept all the risks and benefits deriving from the asset, but has transferred the control of the asset.

When the Group has transferred the rights to receive cash flow from an asset and has neither transferred nor kept all the risks and benefits or has not lost the control of the asset, the asset is entered in the Group's financial statements to the extent of the Group's residual involvement in the asset itself. The residual involvement which, by way of example, is represented by a guarantee on the transferred asset, is valued at the initial book value of the asset or the maximum value of the consideration the Group may be required to pay, whichever is lower.

Financial liabilities are derecognised from the financial statements when the obligation underlying the liability expires, is cancelled, or discharged.

In the cases where an existing financial liability is replaced by another liability from the same lender, under substantially different conditions, or the conditions of an existing liability are substantially changed, such replacement or change is considered as derecognition of the original liability and recognition of a new liability.

Any differences between the accounting values are consequently entered in the income statement.

Hierarchical levels for valuation of fair value of financial instruments

With regard to the instruments valued at fair value entered in equity, under IFRS 7 "Financial instruments: additional information" such instruments must be classified on a hierarchy of levels reflecting the significance of the inputs used in calculating fair value.

The principle distinguishes the following levels for financial instruments valued at fair value:

a) Level 1 – when the prices are recorded on an active market;
b) Level 2 – when the values, different from the listed prices in the previous point, can be observed directly (prices) or indirectly (price derivatives) on the market;
c) Level 3 – when the values are not based on observable market data.

No transfers between different levels of the hierarchy of fair value have ever occurred.

Cash and cash equivalents

These include cash, deposits or other amounts with banks or other credit institutes, available for current transactions, postal current accounts, and other equivalent securities, as well as investments with terms expiring within three months of the purchase date. Cash and cash equivalents are entered at fair value, which normally corresponds to their nominal value.

Equity

Share capital

The share capital is the Parent Company's subscribed and paid up capital. Costs strictly related to share issues are classified as reducing the share capital when such costs are directly attributable to the capital transaction.

Treasury shares

Treasury shares are entered as a reduction of equity. Specifically, the nominal value of treasury shares is entered as a reduction of the issued share capital, while the excess of the purchase value compared to the nominal value is carried-over to reduce other reserves as resolved by the Shareholders' Meeting. Therefore, profits or losses relating to the purchase, sale, issue, or cancellation of treasury shares are not entered in the income statement.

Retained earnings

This includes the economic results of the previous financial years for the part not distributed or allocated to reserves (in case of profit) or balanced (in case of loss).

Other reserves

These are reserves deriving from first application of international accounting standards and other equity reserves (such as stock grant reserve).

Other items of comprehensive income

The item includes the reserve for cash flow hedge related to the fair value of hedging derivatives related to the effective component and the translation reserve.

Financial liabilities

Financial liabilities are initially entered in the financial statements at fair value net of transaction costs, and are subsequently valued at their amortized costs.

Any difference between the sum received (net of transaction costs) and the nominal value of the payable is entered in the income statement by applying the actual interest rate method.

Financial liabilities are classified as current liabilities unless the Group has the contractual right to fulfil their obligations at least more than 12 months after the balance sheet date.

It is noted that the Group has not designated any financial liability at fair value through income statement.

Trade payables and other payables

Trade payables, whose term of expiry falls within the normal commercial terms, are not discounted back and are entered at cost (identified by their nominal value).

Income tax

Current taxes

Current taxes for the year and those of previous years are entered at the value expected to be paid to the tax authorities. Tax rates and tax laws used to calculate the amount are those substantially issued at the closing date of the financial statements in the individual countries where the Group operates.

Deferred taxes

Deferred taxes are calculated by adopting the so-called liability method, applied to the temporary taxable or deductible differences between the value of assets and liabilities entered in the financial statements and the taxable value.

Deferred tax liabilities are entered against all temporary taxable differences, except when:

- Deferred tax liabilities derive from the initial valuation of goodwill or an asset or liability in a transaction that is not a business combination and which at the moment of the transaction does not affect the profit for the year, calculated for the purpose of the financial statement, or the profit or loss calculated for tax purposes;
- Temporary taxable differences related to interests in subsidiaries, associated companies and joint ventures, the reversal of the temporary differences may be checked and it is likely that it will not occur in the future.

Deferred tax receivables are entered against all deductible temporary differences and for tax losses carried forward, to the extent to which sufficient future tax profits that can make its use applicable are likely, except when the deferred tax asset results from initial valuation of an asset or liability in a transaction that is not a business combination and that, at the moment of the transaction, does not affect the profit for the year, calculated for the purpose of financial statements, or the profit or loss calculated for tax purposes.

The value of deferred tax assets to be entered in the financial statements is reassessed at each closing date of the financial statements and reduced to the extent in which sufficient future tax profits are no longer likely, in order to allow all or part of the credit to be used. Deferred tax assets that are not entered are reassessed on an annual basis at the closing date of the financial statements, and are entered in the extent in which it is likely that the tax profit is sufficient to allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured on the basis of tax rates expected to be applied for the period in which such assets will be realised or such liabilities will be discharged, considering the rates in force and those already substantially issued at the closing date of the financial statements.

Deferred tax assets and liabilities are offset in the event of a legal right to offset current tax assets with current tax liabilities and when the deferred taxes refer to the same tax and the same tax authority.

Income taxes (deferred and current) directly related to equity items are entered under equity and not in the income statement.

Employee benefits

Provision for Employee Severance Indemnity

The provision for Employee Severance Indemnity), as per IAS 19, represents a "defined contribution plan", except for entities with less than 50 employees, for which the previous regulation for the employee severance indemnity still applies. In this case, a "defined benefit plan" is therefore implemented, according to IAS 19, and the corridor method is applied.

Cash-settled, share-based payments

The Parent Company has set up an incentives scheme for top management (CEO and general managers), linked to their achievement of specific economic-financial targets and falling within the scope of IFRS 2.

Specifically, the scheme offers the CEO the free disbursement of Astaldi shares marked by a lock up period lasting three years, while the others are assigned, free of charge, Astaldi shares, meaning the disbursement - again free - of a packet consisting of shares and cash. The scheme assignment cycle for all beneficiaries refers to the 2010-2012 three-year period. The beneficiaries will be entitled to what is specified above on every date of approval of the financial statements of the years indicated, and they must reach targets.

Provisions for risks and charges

The provisions for risks and charges are entered when at balance date there is a current obligation (legal or constructive) resulting from a past event, the out flow of resources to settle the obligation are likely and a reliable estimate of the obligation can be made.

The provisions are entered at the value representing the best estimate to settle the obligation or to transfer it to third parties at the closing date of the period. If the effect of discounting the cash outflow is significant, the amounts allocated are calculated by discounting the future expected financial flows at a pre-tax discount rate that reflects the current market valuation. When discounting is performed, the increase in the provision is entered as a financial charge in the income statement.

Revenues other than contracts in progress

Revenues are valued at the fair value of the payment received, taking into account any discounts and reductions linked to quantities.

Revenues related to the sale of goods are posted when the company has transferred the significant risks and benefits connected with ownership of the assets to the buyer, which in many cases coincides with transfer ring ownership or possession to the buyer, and the value of the revenue may be reliably calculated.

Revenues from services rendered are entered, when they can be reliably estimated, on the basis of the percentage-of-completion method.

Government grants

Government grants are entered when there is reasonable certainty that such grants will be received and all the conditions relating thereto are satisfied. When the grant relates to cost items, it is deferred and systematically released over the years to income statement in such proportion that it offsets the corresponding costs.

In case the grant is linked to an asset, the grant's fair value is entered as a reduction of the asset. The grant is accrued among liabilities should the underlying asset not be in operation or should it be under construction, and the relative amount is not included in the value of the asset.

Financial charges

Interest is entered on an accrual basis according to the effective interest method. By using the interest rate that makes all incoming and outgoing flows (including premiums, discounts, commissions, etc.) related to such transaction financially equivalent. Borrowing costs are capitalized according to provisions set out by IAS 23.

Dividends

Dividends are entered when the right arises from shareholders to receive the payment that normally corresponds to the dividend distribution approved by the Shareholders' Meeting. Distribution of dividends to the shareholders is recorded as a liability in the financial statements for the period in which the distribution thereof is approved by the Shareholders' Meeting.

Costs

Costs are entered on an accrual basis and on the basis of going concern of the activity of the Group companies.

Profit per share

The basic profit per share is calculated by dividing the share of the Group's economic result attributable to ordinary shares by the weighted average of out standing ordinary shares, excluding treasury shares.

The diluted profit is calculated by adjusting the denominator of the ratio with the effect of the potential ordinary shares coming from the Stock Grant schemes.

Use of estimates

Preparing the financial statements and notes in compliance with IFRSs requires the formulation of estimates and assumptions affecting the values of assets and liabilities and the information regarding potential assets and liabilities. In the light of the Banca d'Italia/CONSOB/Isvap Joint

Document N. 2 of 6 February 2009 it should be pointed out that such estimates are based on the most recent information available to top management at the time of preparing these financial statements, the reliability of which is, therefore unprejudiced. Estimates are used, inter alia, to record provisions for credit risks, contract revenues, amortisation and depreciation, write-down of assets, employee benefits, taxes, other amounts allocated, and provisions. The final results may differ from these estimates. Estimates and assumptions are periodically reviewed and the effects of all changes are reflected in the income statement of the period when the change occurred.

Newly issued accounting standards and interpretation with EU approval effective at 1 January 2011.

EU REGULATION	CONTENTS
REG. (EU) 1293/2009 of 24 December 2009	Amendment to IAS 32 – Classification of rights issues
REG. (EU) N. 574/2010 OF THE COMMISSION of 30 June 2010	Amendment to IFRS 1 Exemption limited by comparative reporting required by IFRS 7 for new users – Amendment of IFRS 7 Financial instruments: additional information
REG. (EU) N. 632/2010 OF THE COMMISSION of 19 July 2010	IAS 24 Financial statements reporting on operations with related parties - Amendment of IFRS 8 Operating sectors

REG. (EU) N. 633/2010 OF THE COMMISSION of 19 July 2010	Amendments to Interpretation IFRIC 14 Anticipated payments related to a forecast minimum contribution
REG. (EU) N. 662/2010 OF THE COMMISSION of 23 July 2010	Interpretation IFRIC 19 Cancellation of financial liabilities with instruments representing capital - Amendment of IFRS 1 First adoption of International Financial Reporting Standards
REG. (EU) N. 149/2011 OF THE COMMISSION of 18 February 2011	Improvements to International Financial Reporting Standards

The principles and interpretations approved with the regulations indicated have not had any special impact on the measurement and identification of income and equity items or on the balance sheet information.

It is also pointed out that EU REGUGULATION N. 1205/2011 OF THE COMMISSION was issued on 22 November 2011, and concerns amendments to IFRS 7 "Financial instruments: additional information – Transfers of financial assets." in this regard the Group is analysing the effects deriving from the amendments to IFRS 7 but an initial analysis shows that the impact will regard reporting only.

__NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS__

1 Revenues: EUR/000 2,265,284 (EUR/000 1,931,588)

Revenues from works amounted to EUR/000 2,265,284 with an increase of approximately 17% compared to 31 December 2010. This increase, in line with the plan objectives, is due to a general increase of the strategic areas where the Group operates, including the domestic area. Details are provided in the following table:

	3t1/12/11	31/12/10	Change
Revenues from sales and services	384,061	375,216	**8,845**
Changes in contracts in progress	1,881,223	1,556,373	**324,850**
Total	**2,265,284**	**1,931,588**	**333,696**

It should be pointed out that the item "Revenues from sales and services" includes amounts of works completed and approved by the respective customers and revenues deriving from the concessions, while the item "Changes in contracts in progress" represents the value of works performed in the financial year, but not yet completed.

Revenues by geographical breakdown are shown below:

	31/12/11	%	31/12/10	%	Change
Italy	1,049,791	46.3%	875,343	45.3%	174,448
Europe	696,933	30.8%	471,891	24.4%	225,042
America	318,435	14.1%	421,055	21.8%	(102,620)
Africa	163,181	7.2%	140,498	7.3%	22,682
Asia	36,944	1.6%	22,800	1.2%	14,144
Total	**2,265,284**	**100.0%**	**1,931,588**	**100.0%**	**333,696**

In connection with the geographical breakdown of revenues, there was a significant increase in the Central and Eastern European area due in particular to the Romanian (Arad-Orodea National Road, Medgida-Costanza Motorway, Arad – Timisoara Motorway) and the Polish area (National Road NR-8, Line 2 of the Warsaw Underground), as well as the Russian area (Pulkovo Airport in St. Petersburg); the African and Asian areas provided their respective contribution, with the SMS Railway in Algeria and the construction of a Motorway stretch in Oman. In this regard, we can also recall the domestic area, where the increase was mainly due to the Jonica state highway, Line 5 of the Milan Underground, and the hospitals in Tuscany (Lucca, Massa, Pistoia, and Prato).

Finally, but equally important, we can cite the revenues from the concessions business (construction phase and management phase), worth EUR/000 91,186, with particular reference to the construction of the Milas-Bodrum Airport and the management of Mestre Hospital.

For further information on this item please refer to note 34 of segment information pursuant to IFRS 8.

2 Other Revenues: EUR/000 94,975 (EUR/000 124,220)

Other revenues, totalling EUR/000 94,975, comprise items not directly related to the Group's main production activity, but rather accessory to the core business and of a lasting nature. Details are provided in the following table:

	31/12/11	31/12/10	Change
Revenues from the sale of goods	37,984	41,261	**(3,277)**
Services to third parties	25,633	33,922	**(8,289)**
Services and activities to manage joint projects	6,933	2,618	**4,314**

Rentals and leases receivable	4,507	2,751	**1,756**
Contributions in the financial year	-	74	**(74)**
Net surpluses from disposal of tangible assets	3,183	2,217	**966**
Other	16,735	41,377	**(24,642)**
Total	**94,975**	**124,220**	**(29,245)**

In this regard we can observe a general decrease of the significant components of this item, and in particular:

- EUR/000 3,277 and EUR/000 8,289 related above all to the Turkish market where in the financial year 2010 operations were undertaken with reference to agreements with subcontractors for individual contracts;
- EUR/000 24,642 related to revenues from residual and marginal assets where the decrease is mainly due, compared to the previous financial year, to the amounts received following payment of insurance repayments and the use of surplus provisions. In particular, in relation to the financial year 2011 the amount totalling EUR/000 16,735 is mainly composed of: EUR/000 2,844 from insurance repayments; EUR/000 3,222 for the use of surplus provisions compared to the requirement of future resources to cover any obligations deriving from past events; EUR/000 5,483 for contingent assets and liabilities; EUR/000 3,771 for other revenues related to ordinary services.

3 Purchase costs: EUR/000 458.640 (EUR/000 366.906)

The costs for the purchase of raw materials, subsidiary materials and consumables, together with the change in warehouse inventories, totalled

EUR/000 458,640 with a net increase of approximately 25% compared to previous period.

Details are provided in the following table:

	31/12/11	31/12/10	Change
Purchase costs	479,538	362,870	116,668
Change in inventories of raw materials, subsidiary materials, consumables and goods	(20,898)	4,036	(24,934)
Total	**458,640**	**366,906**	91,734

With regard to the geographical composition of this item, we can observe a significant increase, mainly due to the rise in production in the year, in the Central-Eastern Europe area, especially Romania Arad-Orodea National Road, Medgida-Costanza Motorway, Arad – Timisoara Motorway) and the Polish area (National Road NR-8, Line 2 of the Warsaw Underground), as well as the African area (Algeria - SMS Railway); in this regard, there is also the domestic area, mainly from the increase in works on the Jonica State Highway, Line 5 of the Milan Underground, and the hospitals in Tuscany (Lucca, Massa, Pistoia, Prato).

The geographical breakdown of purchase costs is the following:

	31/12/2011	%	31/12/2010	%	Change
Italy	131,016	27.30%	112.455	31.00%	18,561
Europe	248,742	51.90%	145,380	40.00%	103,362
America	44,536	9.30%	62,761	17.30%	-18,225
Africa	40,153	8.40%	28,931	8.00%	11,222
Asia	15,091	3.10%	13,343	3.70%	1,748
Total	**479,538**	**100.00%**	**362,870**	**100.00%**	**116,668**

4 Service costs: EUR/000 1,349,308 (EUR/000 1,180,715)

Service costs amounted to EUR/000 1,349,308 and recorded a general increase of EUR/000 168,593 compared to previous period. Details are provided in the following table:

	31/12/11	31/12/10	Change
Consortium costs	147,451	201,676	(54,225)
Subcontracts and other services	956,498	777,153	179,345
Technical, administrative and legal consulting	89,275	74,536	14,739
Remuneration of directors and auditors	3,001	4,234	(1,234)
Utilities	12,679	12,013	665
Travel and travel indemnities	4,338	4,700	(362)
Insurance	23,955	17,328	6,628
Rentals and other costs	86,150	56,970	29,180
Rent and running expenses	6,657	7,806	(1,149)
Maintenance costs for leased assets	835	767	68
Other	18,469	23,531	(5,062)
Total	**1,349,308**	**1,180,715**	**168,593**

Increases in service costs are basically due to costs for subcontracts and especially in the two main operational areas, where there was also a greater increase in production in the financial year and especially in Romania (Arad-Orodea National Road, Medgida-Costanza Motorway, Arad – Timisoara Motorway) and in Poland (NR-8 National Road, Line 2 of the Warsaw Underground). The increase is due to the construction of the Milas-Bodrum Airport in Turkey and domestic orders, in particular the Extension of Line 5 in Milan and the Jonica State Highway. The geographical breakdown of subcontracting costs is shown in the following table:

	31/12/11	%	31/12/10	%	Change

Italy	491,350	51.4%	369,756	47.6%	121,594
Europe	318,257	33.2%	218,485	28.1%	99,772
America	108,877	11.4%	149,032	19.2%	(40,155)
Africa	18,157	1.9%	29,555	3.8%	(11,398)
Asia	19,857	2.1%	10,325	1.3%	9,532
Total	**956,498**	**100.0%**	**777,153**	**100.0%**	**179,345**

We can also point out the increase of rental costs for the Romania, Poland and Algeria.

On the other hand, there was a decrease in consortium costs, related to the execution of works in association with other enterprises in the construction sector, above all due to lower production values, compared to the year 2010, of some orders executed in Italy, and especially in the Rome Underground Line C.

With regard to "Other" costs, down compared to the previous financial year, it is pointed out that this is mainly due to custodian expenses.

5 Personnel costs: EUR/000 262,492 (EUR/000 244,102)

Personnel costs totalling EUR/000 262,492 increased compared to previous period by approximately 7.5% with a less than proportional growth compared to the change in revenues, due to the impact of this item on total revenues, showing a decline compared to the same period in 2010 (2011: 11.1% 2010:11.9%). Details are provided in the following table:

	31/12/11	31/12/10	Change
Wages and salaries	177,266	161,639	15,627
Social security charges	41,737	37,677	4,060
Other costs	41,697	42,084	(387)
Other benefits subsequent to employment	759	1,158	(399)
Cost of share-based payments	1,034	1,544	(510)
Total	**262,492**	**244,102**	**18,390**

With regard to this an increase was recorded due to the higher levels of production achieved in the financial year in Europe, Romania, Poland and Russia (Pulkovo Airport contract) and in Italy. The "Other costs" item, down slightly compared to the previous year, includes both the cost components related to personnel management (training, canteen, meals etc.) the cost allocation of the Employee Severance Indemnity as a defined contribution plan set forth in IAS 19. The component "Other benefits subsequent to employment" represents the revaluation of Employee Severance Indemnity allocated up to the time when the new rules came into force. Refer to note 26 for details on changes in Employee Severance Indemnity.

The item "Cost of share-based payments" includes the valuation of an incentive scheme for top management linked to their achievement of specific economic and financial targets. The main features of the scheme are defined hereunder.

The scheme consists of assigning the Beneficiaries (CEO or General Manager) Astaldi shares free of charge, meaning disbursing – again free of charge – the corresponding value of the shares to the Beneficiaries in the manners and under the conditions specified in the regulations. Five Beneficiaries have been identified.

The share assignment cycle refers to the 2010-2012 three-year period. The CEO can be assigned a maximum number of 100,000 shares for each year of validity of the plan, and each General Manager can be assigned, free of charge, a maximum number of 34,000 or 38,000 shares, depending on the

Beneficiary's choice with regard to the methods of delivery of the right to receive the benefit, for each year of validity of the plan.

The maximum number of shares that can be assigned as a whole to the Beneficiaries during each year will equal 252,000, and they cannot exceed the number of 756,000 during the three-year period of validity of the scheme.

As an alternative, each General Manager will be entitled to receive, at his discretion, the following for each year of validity of the scheme when the conditions set out in the regulations take place:

a. a gross amount equal to the counter-value of 17,000 shares, valued at average closing price of Astaldi's ordinary shares traded on the market during the last quarterly period prior to the date of assignment, and the physical delivery of a number of shares totalling 17,000; in any case, assignment of the "liquidity" cannot exceed 50% of the fixed and ordinary remuneration annually paid to the General Manager;

b. the physical delivery of shares equal to 34,000 multiplied by an inducement factor equal to 1.12 and therefore for a total amount of 38,000 shares.

Assignment of the shares or delivery of their counter-value every year is subordinate to the Company's achievement of the economic-financial performance targets defined each year by the Board of Directors; in accordance with the regulations, the assignment date of the shares is the date of resolution with which the Board of Directors ascertains achievement of said targets and the occurrence of the required conditions consequently provides for assigning the shares to the Beneficiaries.

The achievement of the aforesaid targets is ascertained by the Board of Directors upon approval of the draft financial statements.

In connection with what has been described up to this point, the plan has taken into account the hypothesis of the physical delivery of shares resulting in a cost of EUR/000 1,034 with a net equity provision.

For further information in this regard please refer to the Corporate Governance and Ownership report; actuarial assumptions with regard to the calculation for 2011 are, however, as follows:

- Dividend rate: 3.25%
- Volatility: 43%
- Probability of target achievement: 95%
- Risk free rate: 1.40%

The following tables show personnel costs by geographical area:

	31/12/11	%	31/12/10	%	Change
Italy	109,408	41.7%	100,179	41.0%	9,229
Europe	58,305	22.2%	43,625	17.9%	14,680
America	59,771	22.8%	64,839	26.6%	(5,068)
Africa	22,102	8.4%	22,851	9.3%	(750)
Asia	12,906	4.9%	12,608	5.2%	298
Total	**262,492**	**100.0%**	**244,102**	**100.0%**	**18,390**

Composition of personnel	31/12/2011	31/12/2010	Change
Top management	173	144	29
Middle management	150	141	9
White collars	2,640	2,503	137
Workers	6,229	6,306	(78)
Total	**9,192**	**9,094**	**98**

6 Amortization, depreciation and write-downs: EUR/000 51,568 (EUR/000 56,807)

Costs for amortization, depreciation and write-downs totalling EUR/000 51,568 show a fall in absolute terms, compared to the previous period, of EUR/000 5,239. Details are provided in the following table:

	31/12/11	31/12/10	Change
Amortization of intangible assets	7,259	1,147	6,112
Depreciation of tangible assets	44,309	51,744	(7,435)
Bad debts	-	3,916	(3,916)
Total	**51,568**	**56,807**	**(5,239)**

The item includes depreciation of investment property for a residual value; refer to note 15 for more details.

With regard to impairment of receivables, the amount calculated during the year takes into account their realizable value considering the nature of the counterpart.

7 Other operating costs: EUR/000 38,409 (EUR/000 28,227)

Other operating costs totalling EUR/000 38,409 show an increase attributable to all components of this item and in particular:

	31/12/2011	31/12/2010	Change
Provisions for risks and charges	7,962	791	7,171
Other operating costs	30,447	27,436	3,011
Total	**38,409**	**28,227**	**10,182**

This increase in provisions for risks and charges reflects the estimated cost for the Group in the business combinations set up with other General

Contractors for undertaking initiatives in Italy for transportation infrastructures. The financial effect of these possible costs could occur at the time of the solution of complex contract and participation issues for specific situations, with effects in the coming financial years.

Other operating costs, also showing an increase compared to the previous financial year, are as follows:

	31/12/2011	31/12/2010	Change
Contingent and non-existent liabilities for value adjustments	1,351	2,795	(1,444)
Tax charges	10,405	7,648	2,757
Other administrative and sundry costs	18,691	16,993	1,698
Total	**30,447**	**27,436**	**3,011**

More specifically, the increase is mainly due to fiscal charges (customs duties, concession tax etc.) above all in Venezuela and Turkey. The component "Other administrative and sundry costs" in particular regards cost for transactions with third parties and administrative expenses.

8 Capitalization of internal construction costs: EUR/000 850 (EUR/000 1,241)

Capitalization of internal construction costs refers to activity carried out during the financial year 2011 under contracts not coming under the application of IFRIC 12.

9 Financial income: EUR/000 44,772 (EUR/000 33,645)

Financial income increased compared to the previous year by EUR/000 11,127 and consists of the following:

	31/12/11	31/12/10	Change
Income from associated companies	966	874	92
Income from other enterprises with investment	-	115	(115)
Income deriving from financial transactions with Banks	4,370	2,201	2,169
Commissions on guarantees	2,150	558	1,592
Exchange rate profit	9,589	19,600	(10,011)
Income from derivatives	1,689	2,245	(556)
Other financial income	19,478	2,114	17,364
Interest receivable on financial accounts receivable from concessions	6,530	5,938	592
Total	**44,772**	**33,645**	**11,127**

In the analysis of the components of this item, the increase is basically due to interest on current accounts, commission receivable on guarantees and to the component “Other financial income” showing an increase from interest agreed with clients and from liquidity management operations.

There was a decrease in some components, due to foreign exchange management which, despite the fall in the profits generated, recorded a significant decrease of exchange rate losses as shown below in the composition of financial charges.

10 Financial charges: EUR/000 120,444 (EUR/000 111,717)

This item recorded an increase compared to the financial year 2010, especially in relation to higher interest on borrowing mainly associated with investments in concessions. Nevertheless, it should be stressed that this item rose less than proportionally with respect to the change in revenues (2011: 5.10%; 2010: 5.43%).

The financial components of this item are shown below:

	31/12/11	31/12/10	Change
Commissions on guarantees	22,849	18,775	4,074
Charges from financial relations with Banks	39,675	30,744	8,931
Exchange rate losses	17,746	29,117	(11,371)
Charges from derivatives	16,169	15,694	475
Financial charges on leasing contracts	322	678	(356)
Other financial charges	23,101	16,272	6,829
Total	**119,862**	**111,280**	**8,582**
Depreciation of shareholdings	8	12	(4)
Depreciation of securities and accounts receivable	574	425	149
Total	**582**	**437**	**145**
Total financial charges	**120,444**	**111,717**	**8,727**

The change in financial charges is mainly due to:

- Increases of EUR/000 4,074 for higher commissions on guarantees deriving from the higher average value of projects of interest for the Group, in Italy and abroad, thus increasing the commitments for operating securities;
- Increases of EUR/000 8,931 for higher interest payable related to the domestic area in particular;
- Increases of EUR/000 6,829 mainly regarding the forecast charges deriving from the conclusion of financial transactions on specific borrowing positions in relation to the definitive transfer, pursuant to the law and the contract, of the related risks and benefits to the respective counterparts;
- Decreases of EUR/000 11,371 due to lower exchange rate losses, also deriving from careful currency management.

With regard to the depreciation of financial assets, calculated under the impairment test, trends were basically similar to the previous period.

11 Effects of valuation of investments using the equity method: EUR/000 401 (EUR/000 262)

The effects of the valuation of investments using the equity method are not very significant for the income statement because: i) most of the Group enterprises are consortiums; ii) the change in the accounting standards for jointly controlled enterprises. Refer to Annexe 2 for information on entities valued with the equity method.

12 Tax: EUR/000 53,496 (EUR/000 38,960)

The total amount of taxes for the year is EUR/000 53,496. The tax rate of the financial year, including IRAP, is 43% (2010: 38%). This increase, compared to the corresponding period of the previous year, reflects the different geographical breakdown of the business and includes the taxation effect related to some countries where the Group operates. Details are provided in the following table:

Income statement	*31/12/2011*	*31/12/2010*	*Change*
Current income tax (*)	39,094	29,611	9,483
Deferred income tax (*)	4,362	3.636	726
Current taxes I.R.A.P.	7,976	6,949	1,027
Deferred tax I.R.A.P.	504	509	(5)
Substitute and other tax	1,560	(1,744)	3,304
Total	**53,496**	**38,960**	**14,536**

(*) Income tax refers to IRES for Italy and similar tax in the foreign areas

There follows a breakdown for assets for deferred tax totalling EUR/000 3,361 and liabilities for deferred tax totalling EUR/000 1,273.

	2011 Income Tax	*2011 IRAP*	*2010 Income Tax*	*2010 IRAP*

Net equity				
a) Deferred tax receivables deriving from:	**26,543**	**2,024**	**26,380**	**2,098**
- Taxed provisions for risks	10,819	562	11,307	684
- Taxed provisions for arrears interest risk	197		428	
- Exchange rate differences	5,169		5,525	
- IFRIC 12	8,359	1,462	8,618	1,413
- Other lower	1,999		502	1
b) Deferred tax liabilities deriving from:	**-21,494**	**-3,712**	**-16,637**	**-3,231**
- Buildings entered at fair value in substitution of cost	-3,752	-532	-3,752	-532
- Provisions for deducted contract risks	-32		-47	
- Arrears interest to be collected	-2,371		-1,330	
- IFRIC 12	-18,180	-3,180	-16,456	-2,699
- Other + cash flow hedge reserve	2,841		4,948	
c) Net deferred tax assets a) - b)	**5,049**	**-1,688**	**9,743**	**-1,133**
d) Deferred tax for the period entered on income statement	**4,362**	**504**	**3,636**	**509**

Deferred tax liabilities	*2011 Income Tax*	*2011 IRAP*	*2010 Income Tax*	*2010 IRAP*
Net equity				
a) Deferred tax assets deriving from:	**1,190**		**581**	
- cash flow hedge	1,190		581	
b) Deferred tax liabilities deriving from:	**(2,463)**		**(2,168)**	
- IFRIC 12	(1,984)		(1,425)	
- other	(479)		(743)	
c) Net deferred tax liabilities a) - b)	**(1,273)**		**(1,587)**	

Reconciliation, for income tax purposes only, between the tax entered in the accounts (current and deferred) and the theoretical tax resulting from the application of the current tax rate (27.5%) to the pre-tax profit is the following:

	2011	%	2010	%
Pre-tax profit	125,420		102,483	
Theoretical income tax	34,491	27.5%	28,183	27.5%
Net effect of permanent increases (decreases)	5,850	4.7%	3,278	3.2%

Net effect of deferred and current taxation of foreign entities and other adjustments	3,115	2.5%	41	0.0%
Substitute and other tax	1,560	1.2%	0	0.0%
IRAP (current and deferred)	8,480	6.8%	7,458	7.3%
Income tax recorded in the financial statements (current and deferred)	**53,496**	**42.7%**	**38,960**	**38.0%**

13 Profit per share: Euro 0.73 (Euro 0.64)

The profit per share is calculated as follows:

	31 December 2011	*31 December 2010*
Numerator		
Profit of Parent Company's ordinary shareholders	**71,195**	**63,056**
Denominator (in units)		
Weighted average of shares (all ordinary)	98,424,900	98,424,900
Weighted average of treasury shares	(668,467)	(765,884)
Weighted average of shares to be used to calculate basic profit per share	**97,756,433**	**97,659,016**
Basic profit (loss) per share	**0.728**	**0.645**

In this respect, it can be pointed out that the stock grant scheme for managers with strategic responsibilities does not produce a significant dilution effect. Considering the effect of potential shares that could be assigned to beneficiaries, the result obtained is Euro 0.727.

14 Property, plant and equipment: EUR/000 192,278 (EUR/000 301,429)

Tangible assets decreased in terms of absolute value compared to the previous financial year. This is largely explained by the decrease in the domestic area, due to the effects of new contract scenarios in the concessions business, with the entering of the net investment value resulting from the difference between the fixed assets produced and the contribution received in previous years. The following table shows changes in tangible assets in 2011.

	Land and Buildings	General and specific plant	Excavators, loaders and vehicles	Sundry equipment and machines	Work in progress and advances	Total
Value at 31/12/2010, net of amortization(1)	44,841	81,091	36,821	31,305	107,371	301,429
Increases						
resulting from acquisitions	143	19,439	13,158	11,369	10,006	54,116
	44,985	**100,530**	**49,980**	**42,674**	**117,377**	**355,545**
Amortization	**(1,147)**	**(16,358)**	**(15,196)**	**(11,572)**	**0**	**(44,273)**
Other disposals	(89)	(8,572)	(2,689)	(2,300)	(105,164)	(118,813)
Reclassification and transfers	(380)	359	293	462	(735)	0
Exchange rate differences	49	(160)	(10)	(28)	23	(126)
Other changes	0	(5,284)	637	(34)	4,625	(56)
Value at 31.12.2011, net of amortization (2)	**43,418**	**70,516**	**33,016**	**29,203**	**16,126**	**192,278**
(1) of which						
- Cost	52,072	148,995	116,658	84,077	107,371	509,172
- Accumulated amortization	(7,231)	(67,904)	(79,837)	(52,771)	0	(207,743)
Net value	**44,841**	**81,091**	**36,821**	**31,305**	**107,371**	**301,429**
(2) of which						
- Cost	51,649	139,942	119,801	86,880	16,126	414,398
- Accumulated amortization	(8,231)	(69,426)	(86,785)	(57,677)	0	(222,120)
Net value	**43,418**	**70,516**	**33,016**	**29,203**	**16,126**	**192,278**

The value of property, plant and equipment included leased assets for a value of EUR/000 12,682 as shown below:

	General and specific plant	*Excavators, loaders and vehicles*	*Sundry equipment and machines*	*Total*
Value at 31.12.2011, net of amortization				
of which				
- *Cost*	7,789	6,010	4,247	18,047
- *Accumulated amortization*	(2,230)	(2,281)	(854)	(5,365)
Net value	**5,559**	**3,730**	**3,393**	**12,682**

15 Investment property: EUR/000 1,141 (EUR/000 1,178)

Investment property decreased compared to the previous financial year in relation to the ordinary amortization cycle as shown in the following:

Value at 31/12/2010, net of amortization (1)	**1,178**
Amortization	(37)
Value at 31/12/2011, net of amortization(2)	**1,141**
(1) of which	
- *Cost*	1.222
- *Accumulated amortization*	(44)
Net value	**1,178**
(2) of which	
- *Cost*	1,222
- *Accumulated amortization*	(81)
Net value	**1,141**

In relation to measurement of fair value, it is noted that since the indicators were not remarkably reliable and due to the scarce significance of the investment in question, it was not deemed necessary to list a precise measurement nor a range of fair values.

16 Intangible assets: EUR/000 44,132 (EUR/000 3,739)

Intangible assets rose in connection with investment in the concessions business where investment recovery takes place through the rights of use of the concession facility, classified under intangible assets. This increase is especially due to the concession for the Milas-Bodrum Airport in Turkey where the investment will also be recovered through credit rights guaranteed by the authority granting the concession and included in financial assets. The following table shows changes in this item; it is pointed out that there are no leasing agreements involved.

	Intellectual property rights	Concessions, licenses, and trademarks	Other Intangible assets	Total
Value at 31/12/2010, net of amortization(1)	594	659	2,486	3,739
Increases				
deriving from acquisitions	524	0	7,725	8,249
Agreements for services under concession- construction phase	0	39,402	0	39,402
	1,118	**40,061**	**10,211**	**51,391**
Amortization	**(439)**	**(64)**	**(6,755)**	**(7,259)**
Reclassification	8	(8)	0	0
Value at 31.12.2011, net of amortization (2)	**686**	**39,989**	**3,456**	**44,132**
(1) of which				
- *Cost*	2,085	695	4,022	6,802
- *Accumulated amortization*	(1,491)	(36)	(1,535)	(3,063)

Net value	**594**	**659**	**2,486**	**3,739**

(2) of which				
- *Cost*	2,219	40,073	11,720	54,013
- *Accumulated amortization*	(1,533)	(84)	(8,264)	(9,881)
Net value	**686**	**39,989**	**3,456**	**44,132**

17 Equity investments: EUR/000 195,964 (EUR/000 84,830)

This increase recorded for this item totalling EUR/000 195,964 is basically due to investments made during the financial year in the concessions sector.

The details are shown in the following table:

	31/12/2011	31/12/2010	Change
Equity investments valued with equity method	94,188	82,866	11,322
Equity investments valued at cost	101,776	1,964	99,812
Total	**195,964**	**84,830**	**111,134**

The value of equity investments, valued with the equity method at EUR/000 94,188 (2010: 82,866) refers to shareholdings in associated companies, and the increase is basically due to investments in concessions companies and in particular in Metro 5 S.p.A. and in the company registered under Turkish law Otoyol Yatirim Ve Isletme A.S, set up for the construction and management of the Gebze-Orhangazi-Izmir Motorway in Turkey. It should likewise be pointed out that the value of the shareholdings also takes into account interest rate hedges; in any case, for a summary of the main balance sheet data of these shareholdings including total assets, liabilities, revenues and the result for the period, refer to the corresponding annexe.

The value of shareholdings entered in the financial statements at cost, totals EUR/000 101,776 and is shown net of the amortization fund of EUR/000 7. The increase in value by EUR/000 99,812 is due to the acquisition in 2011 by the Group, through Astaldi Concessioni S.r.l., of a 9.12% stake in the company A4 Holding S.p.A. (formerly Autostrada Brescia-Verona-Vicenza-Padova S.p.A.), Concessionaire of the Serenissima Motorway in Northeastern Italy. It should likewise be pointed out that the investment in this company has a particular strategic role in the wider business development plans of the Astaldi Group, with entry into the sector of motorway infrastructures which is likely to guarantee a considerable degree of synergy between the construction sector and the concessions sector. On the closing date of the financial statements, the impairment test was conducted with the estimate of the fair value of the stake, confirming the likelihood that the value can be recovered. The test for value recovery was conducted on the basis of publicly available information as well as recent valuations made by A4 Holding on the associated companies. In particular, for the calculation of the realizable value of A4 Holding, the equity method was applied, in which the actuarial aspects correspond to the empirical approach used in net asset value, where it is assumed that the company is a divisible entity and the estimate of the company situation can be made equivalent to the sum of the estimates of the single items, each considered as if they were fully available. In the absence of an updated economic plan for 2011, the method using multiples of the company EBITDA was used. On the basis of the aforesaid, a pro-quota equity value of company was made in alignment with the book value of the shareholding entered in the consolidated financial statements.

Finally, it should be pointed out that this item, as in the previous year, is recorded net of payments yet to be made for quotas and/or shares subscribed.

18 Financial assets

Non-current financial assets: EUR/000 159,671 (EUR/000 119,517)

This item includes approximately EUR/000 138,084 (2010: 97,948) in financial assets deriving from the concessions; the increase is due to the amount of EUR/000 37.681 in relation to the Milas-Bodrum Airport concession in Turkey.

The residual part of this item totalling EUR/000 21,587 (2010: 21,569), of which EUR/000 15,030 included in the net financial position in relation to the nature of this financial asset, basically refers to receivables due from third parties and associated companies. The receivables basically derive from financial allocations made by the Parent Company and its subsidiaries for the investment strategy in the concessions business. For detailed information on the operations with investee companies and companies under joint control see the annexe on related parties.

Current financial assets: EUR/000 6,248 (EUR/000 28,276)

This item, showing a decrease mainly due to the changes in credit rights relating to concessions, and refers to:

- Financial assets deriving from concessions equal to EUR/000 2,867;
- Securities in the portfolio, amounting to approximately EUR/000 1,889 and connected with cash flow management;
- Derivatives related to hedging operations of EUR/000 1,492.

19 Other assets

Other non-current assets: EUR/000 28,413 (EUR/000 21,440)

This item increased compared to the previous financial year as shown below:

	31/12/11	31/12/10	Change
Tax receivables	3,550	4,507	(957)
Other assets	24,863	16,933	7,930
Total other non-current assets	28,413	21,440	**6,973**

In relation to the tax receivables, this item includes EUR/000 2,156 (2010: 3,103) for indirect tax credits for which refunds have been requested to the Tax Authorities, and EUR/000 1,393 (2010: 1,404) for direct taxes. With reference to the component "Other assets", this item includes:

- Receivables for advances to suppliers and subcontractors of EUR/000 925;
- Caution deposits of EUR/000 3,798;
- Prepaid expenses on insurance premiums of EUR/000 11,245;
- Prepaid expenses for commissions on guarantees of EUR/000 2,254;
- Other deferrals of EUR/000 6,524.

Other Current assets: EUR/000 308,420 (EUR/000 308,408)

Details are provided in the following table:

	31/12/11	31/12/2010	Change
Receivables from associated companies	24,921	27,985	(3,064)
Receivables from other companies	369	147	222
Other assets	283,130	280,276	2,854
Grand total	**308,420**	**308,408**	**12**

The item "Other current assets" includes:

- Receivables from related parties totalling EUR/000 24,921 and for the residue receivables from other investee companies. For detailed information on operations with related parties refer to the annexe on related parties;
- Other assets totalling EUR/000 283,130 and mainly consisting of: receivables for advances to subcontractors totalling EUR/000 approximately 103,505 and up by EUR/000 7,784 in the European area (Russia and Turkey); other receivables from third parties for sales of goods and services of approximately EUR/000 122,318 and up by approximately EUR/000 16,990 above all in the Romanian area; prepaid expenses for insurance policies of approximately EUR/000 4,075; prepaid expenses for commissions on guarantees of approximately EUR/000 1,770; the difference between the nominal value of receivables factored before 31 December 2003 and the amounts collected. It should be pointed out that the realizable value of receivables from third parties has been adjusted as shown below:

	31/12/2010	Provisions	Uses			31/12/2011
			Income	Equity	Other	
Other current assets						
Provision for bad debts	(4,179)	(10)	0	318	(1)	**(3,872)**
Total	**(4,179)**	**(10)**	**0**	**318**	**(1)**	**(3,872)**

With reference to items coming to maturity refer to note 32 of these explanatory notes.

20 Inventories: EUR/000 93,369 (EUR/000 93,624)

Inventories fell slightly compared to the previous financial year, mostly in the American area, and in particular in Venezuela. This item is as follows:

	31/12/11	31/12/10	Change
Raw materials, subsidiary materials and consumables	89,322	90,292	(970)
Finished products and goods	1,839	1,567	272
Goods and materials in transit	2,208	1,765	443
Total	**93,369**	**93,624**	**(255)**

The following table shows the geographical breakdown of this item:

	31/12/11	%	31/12/2010	%	Change
Italy	8,118	8.7%	7,523	8.0%	595
Europe	46,303	49.6%	35,685	38.1%	10,618
America	27,385	29.3%	42,661	45.6%	(15,276)
Africa	9,033	9.7%	5,760	6.2%	3,273
Asia	2,530	2.7%	1,995	2.1%	535
Total	**93,369**	**100.0%**	**93,624**	**100.0%**	**(255)**

21 Amounts due from customers: EUR/000 1,010,416 (EUR/000 845,877)
Amounts due to customers: EUR/000 472,120 (EUR/000 338,489)

These items are as follows:

	31/12/11	31/12/10	Change
CURRENT ASSETS			
Contracts in progress	6,449,734	4,933,795	1,515,939
provision for write-down of final losses	(12,348)	(16,494)	4,146
Total contracts in progress	**6,437,386**	**4,917,301**	**1,520,085**
Advances from customers	(5,426,970)	(4,071,424)	-1,355,546
Total amount due from customers	**1,010,416**	**845,877**	**164,539**
CURRENT LIABILITIES			
Contracts in progress	815,475	440,107	375,368
Advances from customers	(960,147)	(500,999)	(459,148)
Contract advances	(317,813)	(268,086)	(49,727)
Provision for write-down of final losses	(9,635)	(9,511)	(124)
Total amount due from customers	**(472,120)**	**(338,489)**	**(133,631)**

This increase in works in progress, while general in all the business areas, is mainly due to orders in the European area and the domestic area.

22 Trade receivables: EUR/000 820,963 (EUR/000 624,362)

Trade receivables increased compared to the previous financial year by approximately EUR/000 196,601 and consist of the following:

	31/12/11	31/12/10	Change
Receivables from clients	803,860	610,904	192,956
Receivables from associated companies	31,832	29,509	2,323
Receivables from parent companies	5	13	(8)
Receivables from other investee companies	1,059	940	119
Provision for bad debts	(15,793)	(17,004)	1,211
Total	**820,963**	**624,362**	**196,601**

This increase, compared to the previous year, is basically due to the domestic area (Line 5 in Milan, Line C in Rome, the Turin By-Pass), the European area (Romania: Medgida-Costanza Motorway) and the African area (Algeria: SMS Railway). The following table shows the geographical breakdown of receivables:

	31/12/11	%	31/12/2010	%	Change
Italy	388,419	47.3%	216,504	34.7%	171,915
Europe	116,379	14.2%	94,931	15.2%	21,448
America	224,896	27.4%	256,180	41.0%	(31,284)
Africa	86,173	10.5%	53,239	8.5%	32,934
Asia	5,096	0.6%	3,508	0.6%	1,588
Total	**820,963**	**100.0%**	**624,362**	**100.0%**	**196,601**

The provision for bad debts decreased compared to the previous year and the changes are shown below:

	31/12/2010	Provisions	Use			31/12/2011
			Income	Equity	Other	
Provision for bad debts	(11,065)	0	0	12	18	**(11,035)**
Provision for write-down of interest	(5,939)	(271)	1,451		0	**(4,759)**
Total	**(17,004)**	**(271)**	**1,451**	**12**	**18**	**(15,794)**

23 Tax receivables: EUR/000 116,981 (EUR/000 101,523)

Tax receivables, net of a provision for arrears interest, totalling EUR/000 198, increased compared to the previous financial year by approximately EUR/000 15,458 and are as follows, inclusive of the provision:

- EUR/000 88,013 (2010: 81,528) for receivables for indirect taxes in the foreign area, especially Algeria and Turkey.
- EUR/000 29,166 (2010: 20,193) referring to direct taxes, entered pursuant to and for all effects of the provisions in force in the countries where the Group operates, especially in Italy, Turkey and Poland.

24 Cash and cash equivalents: EUR/000 456,210 (EUR/000 415,259)

Cash and cash equivalents increased compared to 2010 and consist of the following:

	31/12/11	31/12/10	Change
Bank and post office deposits	454,843	414,553	40,290
Cash and cash equivalents	1,367	706	661
Total	**456,210**	**415,259**	**40,951**

In terms of geographical breakdown this item is as follows:

	31/12/2011	31/12/2010	Change
Italy	274,998	270,913	4,085
Europe	138,221	89,503	48,718
Asia	695	4,123	(3,428)
America	19,661	30,506	(10,845)
Africa	22,635	20,214	2,421
Total	**456,210**	**415,259**	**40,951**

25 Net equity: EUR/000 470,278 (EUR/000 443,229)

The share capital, subscribed and fully paid in, comprises 98,424,900 ordinary shares with a nominal value of Euro 2, and amounts to EUR/000 196,850. Treasury shares held at the end of the financial year totalled 610,908 (821,979 shares in 2010), with the nominal value of EUR/000 1,222 being entered directly to reduce share capital. The share capital was reduced by a total of 1,038,300 treasury shares (799,800 shares in 2010) used for the stock grant scheme for a total of EUR/000 2,076. It should also be pointed out that there are no shares subject to encumbrances or capital increases under way subject to pre-emption rights.

At 31 December 2011, according to the Shareholders' Register and other information in this respect, obligatory by law (pursuant to Art. 120 of Legislative Decree 58/98) the shareholders of Astaldi S.p.A. holding a share in excess of 2% are shown below:

DIRECT SHAREHOLDERS	Number of shares	% Shareholding
Fin.Ast S.r.l.	39,290,495	39.919%
Finetupar International S.A.	12,327,967	12.525%
TOTAL Fin.Ast. S.r.l.	**51,618,462**	**52.445%**
Odin Forvaltning AS	**4,841,885**	**4.919%**
Pictet Asset Management Ltd	**2,024,396**	**2.057%**
TOTAL	**58,484,743**	**59.421%**
Market	**39,940,157**	**40.579%**
Grand total	**98,424,900**	**100%**

Equity reserves are shown in the following table:

	31/12/2011	31/12/2010	Change
Legal reserve	20,797	18,453	2,344
Extraordinary reserve	172,724	143,522	29,202
Retained earnings and accrued losses	40,493	27,581	12,912
Other reserves	3,611	4,380	(769)
Other items in the statement of comprehensive income	(37,151)	(25,611)	(11,540)
Total	200,474	**168,326**	**32,148**

The changes in items in the table above are due to the following:

- The legal reserve increased by EUR/000 2,344 in relation to the provision of Art. 2430 of the Italian Civil Code.

- The extraordinary reserve increased over the previous financial year by EUR/000 29,202. This results from EUR/000 29,198 as the remaining amount of the allocation of profit of the 2010 financial statements of the Parent Company; EUR/000 3 as a result of buy back operations, and finally other changes totalling EUR/000 1. With regard to buy back operations, it should be pointed out that the total of the provision for treasury shares held in the portfolio reducing the extraordinary reserve totalled EUR/000 5,027.
- Retained earnings amounting to EUR/000 40,493 reflect the economic effects deriving from the consolidation of the shareholdings in the subsidiaries and companies under joint control, and from the application of the equity method for the valuation of the associated companies, plus other charges. With regard to the allocation of the 2010 profit, it should be pointed out that the dividend (EUR/000 14,645) approved by the Shareholders' Meeting of 18 April 2011 was Euro 0.15 per share (Euro 0.13 in 2010) and was paid on 5 May 2011 coupon detachment on 2 May 2011; part of the profit for the year 2010, EUR/000 703, was allocated to the provision pursuant to Art. 27 of the Company's by-laws.
- There were changes in other provisions following the change in the stock grant reserve of EUR/000 1,194 and for the effects of the buy back for EUR/000 (67). This item mainly represented by:

- The effects resulting from the first application if International Accounting Standards, which showed a positive value of EUR/000

1,093;

- The effects resulting from the application of' IFRIC 12 "Agreements for concession services", which showed a positive value of EUR/000 10,396;
- The effects resulting from the conversion of the financial statements of permanent establishments abroad, as well as other investee companies, with reference to the transition date to the IFRS, which showed negative value of EUR/000 23,770;
- The consolidation reserve which showed a positive value of EUR/000 9,303;
- The effects of recognition of stock grants, which showed a positive value of EUR/000 6,894;
- The effects of negotiation of treasury shares, which showed a positive value of EUR/000 1,590;
- Other provisions with a negative value of EUR/000 1,896

- Other items of the statement of comprehensive income summarize the effects of cash flow hedge reserve and the translation reserves of foreign companies. Changes are shown hereunder.

	Initial cash flow hedge reserve	**Translation reserve**	**Reconciliation of equity changes**
Initial balance 01/01/2010	(17,167)	(7,543)	(24,710)
Changes of previous period	(3,728)	2,827	(901)
Balance 01/01/2011	(20,894)	(4,716)	(25,610)

Changes for the period	(10,906)	(636)	(11,542)
Balance 31/12/2011	**(31,799)**	**(5,352)**	**(37,151)**

The cash flow hedge reserve is described below:

	31/12/2011	31/12/2010	Change
CFH reserve Parent Company/Subsidiaries	21,969	21,634	335
Fiscal effect	(5,718)	(5,529)	(189)
Value net of the fiscal effect	**16,251**	**16,105**	**146**
CFH reserve Associated companies	15,610	5,871	9,739
Total	**31,861**	**21,976**	**9,885**
Group	**31,799**	**20,893**	**10,906**
Third parties	**62**	**1,083**	**(1,021)**

With reference to the reconciliation of shares in circulation at the start and the end of the financial year, refer to the table shown below:

Shares in circulation in the financial year 2011	
01/01/2011	**97,602,921**
Out due to buy back	(420,767)
In due to buy back and for the stock grant scheme	631,838
31/12/2011	**97,813,992**

Finally, the Group's main goal, as far as capital management is concerned, is to obtain an appropriate level of own funds in relation to debts, in order to preserve equity consistency and, where economic conditions allow it, to achieve an effective debt/equity ratio for the purpose of suitable management of financial leverage. Refer to the Management Report for further details regarding financial management.

26 Financial liabilities

Non-current financial liabilities: EUR/000 655,915 (EUR/000 593,925)

Non-current financial liabilities show an increase and consist of the following:

	31/12/11	31/12/10	Change
Bank payables (*)	645,438	584,486	60,952
Non-current share of loans (*)	4,033	4,308	(275)
Financial leasing payables (*)	4,728	3,447	1,281
Financial payables to associated companies	1,716	1,683	32
Total	655,915	593,925	**61,990**

(*) Included in the NFP for a value 654,199 (2010: 592,242)

Non-current financial liabilities showed an increase compared 2010, basically due to significant investments, especially in the concessions sector. With regard to the latter, it should be pointed out, however, that the liability connected with concessions is by nature self-liquidating, also taking into account credit rights guaranteed by the authority granting the concession. It should also be highlighted that the existing financial structure is ensured in terms of maturity by a recent transaction undertaken by the Group for refinancing the medium term instruments, thus ensuring financial resources to sustain the investments planned for the next 5-year period.

Current financial liabilities: EUR/000 469,723 (EUR/000 354,007)

Current financial liabilities increased, and consist of the following:

	31/12/11	31/12/10	Change
Bank payables	341,411	249,235	92,176
Current share of loans	114,659	93,516	21,143
Payables to other financers	9,560	7,772	1,788
Financial leasing payables	4,093	3,484	609
Total	**469,723**	**354,007**	**115,716**

It should be pointed out that the increase in short term payables above all regards foreign areas (Romania and America). This item also includes EUR/000 26,263 (2010: 23,087) for hedging derivatives; in this regard refer to note 32.

Financial leasing payables: EUR/000 8,821 (EUR/000 6,931)

Financial leasing payables, having an average duration of 30-60 months, rose by EUR/000 1,890 compared to the previous financial year.

Details of this item are shown below:

	31/12/11	31/12/11	31/12/10	31/12/10
	Instalments	Current value	Instalments	Current value
Within 1 year	4,397	4,093	3,705	3,484
Over 1 year and within five years	4,945	4,728	3,578	3,447
Total leasing instalments	**9,342**		**7,283**	
Financial charges	521		352	
Current value	**8,821**	**8,821**	**6,931**	**6,931**

There follow the covenants and negative pledges related to the borrowing by the Group and the net financial position pursuant to CONSOB Communication No. 6064293 of 28 July 2006.

Covenants and negative pledges

The levels of financial covenants operating on all the committed loans the Group has taken out with banks are listed below:

- Ratio between net financial position and Group equity: less than or equal to 1.60x at year-end and 1.75x at half year end;
- Ratio between net financial position and EBITDA: less than or equal to 3.50x at year-end and 3.75x at half-year end;

Definition of the items forming the Net Financial Position is in accordance with CONSOB Communication No. 6064293 of 28 July 2006.

The non-compliance with the above ratios, if not recovered within a period specified in the agreements (the "cure period"), may involve the cancellation of the granting and therefore the request, by the financing banks, to accelerate repayments.

The loans to which the above covenants apply are the following:

- Multi-Tranche Facility", for the sum of EUR 325 million, entered into on 18 July 2006, with a duration of 7 years, arranged by Mediocredito Centrale (Unicredito Group) and the Royal Bank of Scotland and subscribed by a pool of leading Italian banks; expiry April 2013;
- Loan amounting to EUR 110 million, entered on 16 July 2009 with Banca Popolare di Milano, acting as Lead arranger of a pool of banks, with a duration of 5 years with final expiry in June 2014;
- Bilateral committed loan for the sum of USD 60 million, taken out in order to cover the misalignment between costs and revenues of the branches in Venezuela and Salvador, entered into with BNP Paribas (and guaranteed by SACE for 70% of the amount) in February 2010, with a duration of 18 months minus one day: expiry in August 2012.

- Bilateral committed loan for the sum of EUR 35 million, taken out in order to cover the misalignment between costs and revenues connected with Group operations abroad through its branches or joint ventures, entered into with Cariparma (and guaranteed by SACE for 70% of the amount) on 22 July 2010, with a duration of 18 months minus one day: expiry in January 2012;
- Bilateral committed revolving credit facility for the sum of EUR 10 million, entered into with Cariparma on 13 December 2010, with a duration of 18 months: expiry in June 2012;
- Bilateral committed revolving credit facility for the sum of EUR 30 mln, entered into with BayernLB Italia on 5 October 2007: expiry in October 2012.

The same covenant levels also apply to the following loan agreements, entered into in connection with specific operational projects:

- Bilateral committed loan of EURO 18.5 mln, entered into on 4 June 2009 with GE Capital (formerly Interbanca S.p.A) for covering design and construction costs of the Verona car park, duration 19 years, expiry in June 2027. The loan is supported by a mortgage on the land rights, transfer of receivables deriving from the minimum guaranteed level and transfer of insurance coverage on the minimum fee.
- The loan for US$ 36 mln, entered on 5 August 2009 with Unicredit and MPS Capital Services as lending banks, to sustain investment in equity of "Chacayes Hydroelectric Project" in Chile. The beneficiary

of the loan, with a duration of 7 years and final expiry on 8 August 2016, is Inversiones Assimco Limitada; loan repayment is 100% guaranteed by Astaldi SpA through a corporate guarantee and pledge issued on the shares (Astaldi stake) of the beneficiary company.

The same covenant levels also apply to a committed credit line for the issue of signature commitments (guarantees) for the sum of Euro 175 mln, signed on 30 November 2006, duration 7 years, organized by Mediocredito Centrale (Unicredito Group) and the Royal Bank of Scotland and subscribed by a pool of banks: expiry November 2013.

In 2011 the following loans expired and were fully repaid:

- Stand-by credit line of Euro 40 mln organised by BNL - BNP Paribas Group and a pool of banks for the subsidiary Co.meri SpA, guaranteed by Astaldi S.p.A.
- Bilateral committed revolving credit facility for the sum of EUR 15 million, entered into with Dexia

Among the main transactions conducted in 2011 we can mention:

- Committed loan for Euro 35 mln to sustain investment in the motorway concessions sector, entered into with Centrobanca and ING Bank in June, with a duration of 5 years and with two renewal options for one year each. Current expiry June 2016;
- Loan for Euro 80 mln agreed in August 2011, between the special purpose company Mondial AS, a subsidiary of Astaldi Concessioni,

and the pool of banks consisting of HSBC and Turkiye Is Bankasi, to sustain investment in the concession in Turkey for the Bodrum Airport. Expiry July 2015; the loan is covered by a corporate guarantee of Astaldi S.p.A.

- Stand-by credit line agreed in August 2011, entered in favour of the subsidiary Co.meri SpA, a special purpose company, granted by a pool banks led by BNL - BNP Paribas Group, guaranteed by Astaldi SpA, for an amount totalling Euro 32 mln with expiry in August 2012.
- Forward Start Facility for Euro 325 mln, agreed on 2 December 2011: the loan, usable from April 2013 upon the expiry of the loan for the same amount granted on 18 July 2006, has a duration of 5 years from stipulation, and was organized Unicredit S.p.A., BNP Paribas, Intesa Sanpaolo and The Royal Bank of Scotland and subscribed by a pool of Italian and international banks.

Furthermore, towards the end of the year, the Company negotiated with the banks for the revision of the repayment plan for the following bilateral loans in such a way as to extend the respective terms of final expiry:

- Bilateral committed revolving credit facility originally for Euro 30 mln, remainder to be repaid Euro 20 million, entered into with West LB on 7 August 2008: new final expiry in August 2015;
- Bilateral committed revolving credit facility for Euro 50 mln, entered into with Efibanca on 14 July 2008: new final expiry in July 2016.

As regards negative pledge clauses, it must be noted that the Group, upon negotiation of loans, tends to align the commitments to those defined in its main corporate loan (the multi-tranche facility for the sum of EUR 325 million arranged by Mediocredito Centrale and the Royal Bank of Scotland).

The agreement stipulates that the Group may not establish any real guarantees (mortgages, pledges, etc.) on its own assets, with the exception of some specific cases. Specifically, the undertaking does not apply):

- To guarantees already existing upon entering into a new loan;
- To guarantees given within the framework of individual contracts to be performed under a traditional tender, project finance or general contracting scheme.

It should be pointed out that there was full compliance with above-mentioned covenants for the period concerned in these financial statements.

This table shows the amount of net financial position with details of the main components as required by CONSOB Communication DEM/6064293 of 28 July 2006.

			31/12/2011	31/12/2010
EUR/000				
A	Cash and cash equivalents		456,210	415,259
B	Securities held for trading		1,889	5,003
C	**Available funds**	**(A+B)**	**458,099**	**420,262**
-	Short term financial receivables		879	20,371
-	Current part of credit rights in concessions business		2,867	1,924
D	**Current financial receivables**		**3,746**	**22,295**
E	Current bank payables		(315,148)	(226,148)
F	Current part of non-current indebtedness		(114,659)	(93,516)
G	Other current financial payables		(13,654)	(11,256)
H	**Current financial indebtedness**	**(E+F+G)**	**(443,460)**	**(330,920)**
I	**Net current financial indebtedness**	**(H+D+C)**	**18,385**	**111,638**
J	Non-current bank payables		(649,471)	(588,794)
K	Other non-current payables		(4,728)	(3,447)
L	**Non-current financial indebtedness**	**(K+J)**	**(654,199)**	**(592,242)**
M	**Net financial indebtedness**	**(L+I)**	**(635,814)**	**(480,604)**
-	Non-current financial receivables		15,030	16,100
	of which related parties		*14,868*	*14,416*
-	Non-current part of credit rights from the concessions business		138,084	97,948
N	**Non-current financial receivables**		**153,114**	**114,047**
O	**Total financial indebtedness**	**(M+N)**	**(482,701)**	**(366,557)**

Total financial indebtedness takes into account not only the net financial indebtedness (letter M in the table) calculated in accordance with the CESR Recommendation of 10/02/2005, but also non-current financial receivables from associated companies set up for project financing activities and credit rights from the concessions business.

It should also be recalled that the Parent Company holds treasury shares in the portfolio totalling EUR/000 3,005 included in the net financial position set forth in the Management Report for the sum of EUR/000 (479,696). Moreover it should be pointed out that the net financial position, also in comparative terms, does not include derivatives used for hedging purposes which by their very nature do not represent financial values.

27 Other liabilities

Other non-current liabilities: EUR/000 13,716 (EUR/000 98,223)

Other non-current liabilities, totalling EUR/000 13,716, show a decrease of EUR/000 84,507 compared to the previous year due to the effect already mentioned in note 14.

Other Current liabilities: EUR/000 125,547 (EUR/000 117,089)

Other current liabilities amount to EUR/000 125,547 and consist of the following:

	31/12/11	31/12/10	Change
Payables to associated companies	362	113	**249**
Payables to other enterprises	33	33	**(0)**
Payables to personnel	28,552	24,561	**3,991**
Other liabilities	96,600	92,382	**4,218**
Total other current liabilities	**125,547**	**117,089**	**8,458**

The remaining component, other liabilities, is mainly composed as follows: sundry payables of EUR/000 96,108 including payables to associated companies of EUR/000 22,845; memorandum accounts of EUR/000 2,582. With regard to relationships with the Group Companies, please refer to the annexe on related parties. We can also observe that payables to associated companies, for capital quotas to be paid and not yet cited by the single Boards of Directors, have been reclassified, as in the previous year, as a direct reduction of the respective book values of the shareholdings.

28 Employee benefits: EUR/000 7,926 (EUR/000 8,460)

This item concerns employee severance pay and the changes were as follows:

	Value at 31/12/2010	Increases of the financial year	Decreases of the financial year	Value at 31/12/2011
Employee severance pay provision	8,460	759	(1,293)	7,926

The liabilities entered in the financial statements are as follows:

	31/12/11	31/12/10
Current value of the obligation	7,650	7,949
Non-recognized actuarial Loss/(Profit)	276	511
Liabilities recorded in the financial statements	**7,926**	**8,460**

	Actuarial value of the obligation
Initial balance	8,460
Costs for services rendered	300
Interest	458
Benefits paid	(1,293)

Actuarial Loss/Profit	1
Final balance	**7,926**

The cost for liabilities is as follows:

	31/12/11	31/12/10
Social security costs for current employment	300	639
Net interest payable (receivable)	458	516
Net actuarial Loss (Profit)	1	2
Total	**759**	**1,157**

For further clarification of such values, the main actuarial assumptions are as follows:

- Annual discounting rate: 4.05%
- Annual inflation rate: 2%
- Annual rate of wage increase:
    - Top management 2.50%;
    - Middle management/White collars/Workers: 1%;

29 Trade payables: EUR/000 1,118,769 (EUR/000 922,346)

This item is as follows:

	31/12/11	**31/12/10**	**Change**
Payables to suppliers	1,001,328	791,395	209,933
Payables to associated companies	116,208	121,141	(4,933)
Payables to parent companies	2	0	2
Payables to other investee companies	1,231	9,810	(8,579)
Total	**1,118,769**	**922,346**	**196,423**

The item showed an increase compared to the previous year of EURO/000 196,423 and is closely related to the process of development and consolidation of Group business in the areas where it operates.

The change is due above all to the areas of Romania, Poland, Turkey, Algeria, Russia with regard to the foreign sector, and in the domestic sector to work on the extension of Line 5 in Milan, and to the construction of the High Speed Railway Station in Bologna.

30 Tax payables: EUR/000 73,142 (EUR/000 58,942)

Tax payables rose by EUR/000 14,200 and consist of the following:

- EUR/000 34,161 (2010: 23,937): indirect tax payables;
- EUR/000 33,446 (2010: 30,881): direct tax payables;
- EUR/000 5,535 (2010: 4,124): payables to Tax Authorities for employee withholding tax.

31 Provisions for risks and charges: EUR/000 29,159 (EUR/000 21,777)

Provisions for risks and charges consist of the following:

	Provisions for contract obligation	Provisions for equity investment risks	Provision for legal commitments	Provision as per Art. 27 of Company by-laws	Total
Balance at 31/12/2010	**15,639**	**2,580**	**2,500**	**1,058**	**21,777**
Provisions	9,281	0	0	0	**9,281**
Use	(807)	0	(1,400)	(370)	**(2,577)**
Charges to accounts	0	0	0	0	**0**
Reclassification	0	0	0	0	**0**

Allocation of 2010 profit	0	0	0	703	**703**
Other	0	(25)	0	0	**(25)**
Balance at 31/12/2011	**24,113**	**2,555**	**1,100**	**1,391**	**29,159**

- Provisions for contract obligations mainly include the prudent provision for charges relating to works that have already been performed, but for which the final phase of the respective contracts has not yet been defined, as well as activities related to work in progress;
- Provisions for equity investment risks reflect the equity deficit, attributable to the Group, compared to the book value of equity investments;
- The provision for legal commitments includes the allocation of charges measured through a punctual analysis of each single case, carried out with the help of external consultants and based on both objective and evaluation elements.
- The provision as per Art. 27 of the company's bylaws was used for donation purposes and increased through the allocation of profits in accordance with specific resolutions.

The Group is a party to civil and administration legal proceedings and lawsuits connected with the regular corporate activities. Based on information currently available, and taking account of existing provisions for bad debt, it is deemed that these proceedings and legal actions will not have any negative impact on the consolidated financial statements.

On 17 October 2011, Major Taxpayers' Office of the Lazio Regional

Directorate sent a Tax Assessment Notification for items pertaining to the financial year 2006 in the Assessment Notification served on 3 June 2010, following the general VAT, Income Tax and IRAP audit, started with access on 23 December 2009, concerning the financial year 2007, with the extension to the financial year 2006 as regards certain cases.

On the whole, the office found and challenged Astaldi S.p.A. with a few relevant observations, including: application of Art. 165 of the Consolidated Tax Act on the subject of tax credit for taxes paid abroad (years from 2006 to 2007); the claimed tax relevance of the higher value of the amounts liquidated through the interim work reports on long-term contracts compared to the assessment of the works in progress carried out according to the cost to cost methodology, as required by IAS11 (year 2007); in addition to other observations of lower relevance.

The total amount of the higher taxes (IRES and IRAP) notified is approximately EUR 20 million, in addition to penalties and interest.

For the year 2006, the Office, confirming the Company's correct behaviour for the calculation of credit for tax paid abroad, previously certified for the years 2004 and 2005, only reported minor violations in the afore-mentioned Notification. In this respect, it should be pointed out that the assessment was concluded in February 2012 with the agreement to pay EUR/000 683 including higher tax, penalties and interest.

With regard to matters not yet defined (claims for the financial year 2007), it is pointed out that the one concerning the claim for tax liability on the higher value of amounts paid out with respect to the valuation of long term works in progress with the cost to cost method commented by the Tax

Authorities in their recent Circular 7/E of 28 February 2011, in which they explicitly stated the fiscal relevance of IAS compliance valuations of long term orders compared to the valuations based, in accordance with Art. 93 of the Single Tax Law, on amounts paid out in the states of advancement of works. In the light of this, as well as on the basis of specific opinions and prestigious external consultants, we believe the risk of tax assessment on these items for the year 2007 to be remote.

Moreover, on 3 November 2010, the Group Company COMERI S.p.A. received a report on findings from the Italian Tax Police of Rome following a general audit carried out on direct and indirect taxes.

The above-mentioned report of findings contained an observation concerning the tax treatment of the transaction deed signed by the undersigned company and ANAS S.p.A. on 3 May 2010 pertaining to definition of the technical reserves recorded in construction site accounting up to 31 December 2008, some of which were erroneously considered higher payments rather than penalties from compensation for damage, hence fully subject to 20% VAT, by the Tax Police.

In connection with the observation made, the company COMERI S.p.A. had previously registered the amicable settlement with the Inland Revenue on 15 June 2010, which at that time had requested and accepted the payment of the proportionate registration fee on the reserves referred to above, confirming their tax treatment for indirect tax purposes as being conclusive after having considered their compensatory nature and therefore not subject to VAT taxation.

Precisely because of the above and by clarifying precise observations on the cases in question, the company COMERI S.p.A. petitioned the Inland Revenue on 30 December 2010 to not issue notice of assessment regarding the observation in the Italian Tax Police report of findings which was considered, on the other hand, as giving rise to double taxation of the same revenue. Up to now, there has been no reply to this application, and the Office has not issued any notification of assessment. Therefore, also with the support of the consultants, the risk of assessment is considered remote.

To complete the information provided regarding provisions for risks and charges, there follows a summary of the provisions entered in the financial statements with indication of their nature and specific category.

		31/12/2011	***31/12/2010***	***note***
Provisions to directly decrease assets	-	*32,220*	*37,883*	
Provision for write-down of equity investments	*Shareholdings*	*8*	*8*	*17*
Provision for write-down of final losses	*Amount payable by Customers*	*12,348*	*16,494*	*21*
Provision for bad debts	*Trade receivables*	*11,035*	*11,065*	*22*
Provision for arrears interest	*Trade receivables*	*4,759*	*5,939*	*22*
Provision for write-down of other assets	*Other current assets*	*3,872*	*4,179*	*19*
Provision for tax arrears interest	*Tax receivables*	*198*	*198*	*23*
Provisions entered under liabilities	-	***38,794***	***31,288***	
of which:				
For equity investment risks	*Provisions for risks and charges*	*2,555*	*2,580*	*31*
For final contract losses	*Provisions for risks and charges*	*24,113*	*15,639*	*31*
For final contract losses	*Amount due to Customers*	*9,635*	*9,511*	*21*
Other funds for risks and charges	*Provisions for risks and charges*	*2,491*	*3,558*	*31*
Total provisions		**71,014**	**69,171**	

32 - Information on risk management, financial instruments and guarantees

Financial risk management

The Astaldi Group operates in an international context where transactions are performed in various currencies.

Moreover, in order to support and develop its own industrial activities, it funds itself with external sources of financing in Euro and foreign currencies.

The Group is therefore exposed to the following financial risks:

- Market risk: exposure of the Group to fluctuations in interest rates and exchange rates between the Euro and the other currencies in which it operates;
- Liquidity risk: the possibility that the Group might not be able to meet its financial commitments deriving from contracts and, more generally, from its financial liabilities;
- Credit risk: exposure of the Group to potential loss deriving from the failure to fulfil commitments undertaken by counterparts.

The various types of risk are monitored in such a way as to evaluate in advance their potential negative effects, and take suitable mitigating actions. The optimization and reduction of risk levels is pursued by an adequate organizational structure, the adopting of rules and procedures, the implementation of targeted commercial and purchasing policies, and the use of insurance policies and hedging derivatives.

In order to maintain corporate value, the Astaldi Group has drawn up guidelines for controlling its exposure to market risks and entrusted the definition of policies and strategies to be adopted to manage the same through derivatives and monitoring of hedged positions, to a Financial Risks Committee.

With respect to these policies, the Group mainly uses cash flow hedging to cover exposure to fluctuations in cash flows especially due to risks identified and associated with assets or liabilities, or for a planned operation highly likely to have an effect on the income statement.

There follow the hedging derivatives operations at 31 December 2011, with a distinction between hedge accounting, representing most of the Astaldi Group operations, and non-hedge accounting operations shown for each type of financial instruments with fair value, notional value and the changes in the respective provisions and the income statement. For operations in currencies other than the Euro, the corresponding values are calculated at the exchange rate at the end of the period. The valuation of these instruments is conducted on the basis of specific pricing models and market data recorded at the end of the financial year. All the operations in derivatives as at 31 December 2011 are in compliance with level 2 fair value. In this respect, it should be pointed out that compared to the previous year, there have not been any changes in the valuation model.

Interest rate risk

Exposure to the risk of changes in interest rates for the Group is mainly associated with variable rate borrowing. The Group, also taking into account contract obligations, duly assesses exposure to the risk of changes interest rates and manages these risks by the use of non-speculative derivatives.

The Group's hedging policy, governed by a specific interest rate risk management policy, involved the definition of an ideal mix between fixed rate and and variable rate borrowing in the borrowing structure in order to reduce borrowing costs and their volatility; the Group therefore undertakes hedging operations through simple derivatives ("plain vanilla"), on a cash flow hedge basis, in order to convert the variable rate into a fixed rate (Interest Rate Swap), or to allow a limited interest rate fluctuation within a predefined range (Collar), and in any event guaranteeing a maximum risk exposure level (Cap). These instruments are generally at zero cost.

At 31 December 2011 the notional value of derivatives hedging on the interest rate risk totalled Euro 591 million of which 35 million on a *forward basis* (April 2013). The hedging percentage of gross borrowing totalling EUR/000 1,109 as specified in the paragraph on "liquidity risk" is approximately 50%.
The following tables show the aforementioned transactions, all designed to hedge financial flows, split into cash flow hedges and transactions for which the Group decided not to apply hedge accounting as a result of the charges and problems linked to the application of hedge accounting to the characteristics of the hedged items.

Type of instrument	Hedged item	Notional 2011	Fair Value 2011	Notional 2010	Fair value 2010
IRS	Financial assets	-	-	20,000	(323)
	Medium/long term indebtedness	538,979	(21,811)	371,153	(740)
	Medium/long term indebtedness	10,000	(518)	15,000	(15,016)
Total IRS		**548,979**	**(22,329)**	**406,153**	**(16,079)**
Options	Medium/long term indebtedness	42,500	(1,007)	52,500	(1,680)
Total options		**42,500**	**(1,007)**	**52,500**	**(1,680)**
Grand total		**591,479**	**(23,335)**	**458,653**	**(17,759)**

With reference to the aforesaid hedge accounting, the change in value above all affected Group net equity, generating a final value of the cash flow hedge reserve of Euro 23 million, together with the related effect for deferred tax of Euro 6 million.

There follow the changes in the cash flow hedge reserve during 2011:

Cash flow hedge reserve - interest rate	**31/12/11**	**31/12/10**
Initial reserve	(21,634)	(20,292)
Impact on CFH reserve net of transfer to income statement	(1,464)	(1,342)
Final reserve	(23,098)	(21,634)
Ineffectiveness	(378)	(412)

It is noted that the figure for ineffectiveness also includes the time value of hedges performed via options for which hedge accounting is applied.

With regard to operations for which hedge accounting has not been applied, the changes in value of these financial instruments were entered directly in the income statement.

Type of instrument	Hedged item	Notional 2011	Fair Value 2011	Notional 2010	Fair value 2010
IRS	Financial assets			55,904	(1,787)
	Medium/long term indebtedness	6,717	(565)	8,766	(495)
Total IRS		**6,717**	**(565)**	**64,670**	**(2,282)**
Options	Financial assets			20,000	(324)
	Medium/long term indebtedness	10,000	(6)	15,000	(104)
Total options		**10,000**	**(6)**	**35,000**	**(429)**
Grand total		**16,717**	**(571)**	**99,670**	**(2,711)**

Sensitivity analysis

The potential effects of a hypothetical increase or decrease in interest rates on the Group's Income Statement and Balance Sheet are shown hereunder in terms of higher or lower interest expense payable over the entire remaining duration of variable rate financial payables.

The analysis was carried out based on market curves at 31 December 2011 and considers a parallel rate shock by 1% upwards (shock up) and 0.50% downwards (shock down) on interest rates.

Interest rate risk - sensitivity analysis	**Income statement**				**Net equity**			
	Shock up		**Shock down**		**Shock up**		**Shock down**	
	31/12/11	**31/12/10**	**31/12/11**	**31/12/10**	**31/12/11**	**31/12/10**	**31/12/11**	**31/12/10**
Financial liabilities								
- cash flow	(11,092)	(8,592)	5,546	2,148				
Derivative hedging instruments								
- cash flow	3,756	4,835	(1,734)	(1,214)				
Total	**(7,336)**	**(3,757)**	**3,812**	**934**	**0**	**0**	**0**	**0**
- fair value	565	949	(189)	(127)	14,540	11,793	(8,022)	(3,073)

With reference to 31/12/2011, the analysis shows how, considering a hypothetical 1% increase in interest rates, as a consequence of hedging through derivatives, borrowing costs would increase by Euro 7.3 million. In this hypothetical scenario ipotetico the fair value of hedging entered in the income statement, compared to the effective amount recorded at 31/12/2011, would have a positive effect worth Euro 0.6 million, while there would be positive a effect of Euro 14.5 million on the equity reserve. Similarly, as shown in the table, a 0.50% shock down of interest rates would produce a Euro 3.7 million decrease in borrowing costs, while the equity reserve would show a negative effect of Euro 8 million.

Exchange rate risk

With reference to the exchange rate risk, the Astaldi Group performs cash flow hedges for specific foreign orders, in order to mitigate the effect of exchange rate fluctuations on the related costs or revenues in terms of foreign currency.

The Group policy is aimed at hedging a percentage of exposure to exchange risk, depending on the characteristics of the business and the particular volatility of certain currencies, for the entire duration of the works regarding specific contracts, and when this is not possible, for a period of 12 months. Also in this case hedging is performed by l'utilizzo di plain derivates, forwards, zero-cost cylinders and cross currency interest rate swaps.

In those cases where, in connection with specific foreign currencies especially those of emerging countries, financial markets do not allow for mitigation of the exchange risk through derivatives, the Group tends to protect the imbalance between trade receivables and payables in local currency through financial indebtedness in the same currency (the so-called "natural hedge").

At 31 December 2011 the notional value of existing exchange rate risk hedges amounted to a total of Euro 69 million.

Type of instrument	Notional	Fair Value	Income statement	CFH reserve
Forward				
Purchase EUR/PLN	10,350	1,005	(95)	1,100
Sale EUR/USD	10,690	9	21	30
Purchase EUR/USD	38,643	(827)	(827)	-
Total	59,683	187	(901)	1,130
CCS EUR/CLP	10,000	(476)	(476)	(476)
Grand total	69,683	(289)	(1,377)	653

A breakdown of the changes in the cash flow hedge reserve during 2011 due to hedges on exchange rates is shown below:

Cash flow hedge reserve - exchange risk	31/12/11	31/12/10
Initial reserve	-	-
Impact on CFH reserve net of flow to income statement	1,130	
Final reserve	1,130	-
Ineffectiveness	(116)	-

Liquidity risk

The main factors determining the Group's liquidity risk are, on one hand, the financial resources generated or absorbed by Group operating and investment activities, and on the other, the characteristics of debt maturity and use of cash, as well as contingent cash terms of financial markets.

The Group aims to maintain a sufficient cash margin to allow for coverage of financial requirements with the availability of committed and uncommitted credit lines.

Cash flows, the need for financing and the liquidity held by Group's companies are monitored in an ongoing manner and managed by the Group with the aim of guaranteeing effective and efficient management of financial resources.

The following table shows the timeframe of the Group's financial liabilities that are exposed to interest rate risk:

Analysis of maturities as at 31 December 2011	Use	On sight	2012	2013	2014	2015	2016	Later
Short term loans	**(303,835)**	238,546	65,289					
Medium/long term loans	**(805,399)**	-	124,795	142,063	57,912	57,946	349,127	73,555
Total	***(1,109,234)***	***238,546***	***190,084***	***142,063***	***57,912***	***57,946***	***349,127***	***73,555***
Derivatives								
- Interest rate risk derivates			8,331	7,440	4,127	2,225	1,292	2,682
- Exchange rate risk derivatives			1,822					
Total			***10,153***	***7,440***	***4,127***	***2,225***	***1,292***	***2,682***
EXPOSURE AT 31.12.2011		***238,546***	***200,237***	***149,503***	***62,040***	***60,171***	***350,419***	***76,237***

Note: The figures for variable rate financial liabilities shown in the table coincide with the nominal value of these liabilities, net of reclassification for valuation of borrowing at amortized cost and of the fair value of interest rate derivatives.

The Astaldi Group has also adopted a series of policies and processes aimed at making the most of management of sources of financing, reducing the liquidity risk, such as, in particular:

- Orientation toward centralized management of collection and payment flows (cash management systems) where deemed advantageous in compliance with the various civil, currency and tax laws of the countries where the Group operates and in keeping with the rules for managing the financial flows of individual contracts;
- Maintenance of a suitable level of available liquidity;

- Existence of an investment portfolio with a corresponding liquid market and whose securities are available for trading in order to cope with liquidity needs;
- Diversification of instruments for obtaining financial resources and ongoing focus on financial markets;
- Obtainment of appropriate bank credit facilities (committed and uncommitted);
- Monitoring of future liquidity conditions in relation to corporate planning.

Credit risk

The Group's customers are mainly public authorities and government bodies which, by their very nature, are solvent.

Therefore, the credit risk represented by the Group's exposure to potential loss deriving from the customer's failure to fulfil their obligations may be considered as insignificant, also in consideration of insurance cover implemented through specific insurance policies taken out with specific insurance institutes.

Moreover, it is noted that, in some countries, the period needed to collect payment may extend beyond usual terms.

At 31 December 2011 the percentage of trade overdue receivables amounted to 27% of which 16% for over 12 months. However, the analysis of exposure to credit risk on the basis of overdue receivables is not very significant insofar as receivables have to be valued with the other working capital items and, specifically, with payables to subcontractors and suppliers, which are typical of this sector, and the due dates of which are generally aligned to receipt of payments by customers in relation to management of operating leverage.

GUARANTEES AND SECURITIES

Personal guarantees

The total value of the guarantees furnished and stated in thousands of Euro is Euro 2,262,714 and refers to the following cases:

- Guarantees for opening credit facilities, to be used to ensure regular cash flow in relation to individual contracts, issued in favour of associated companies and other investee companies, set up for this purpose pursuant to current tax laws for the amount of EUR/000 61,812;
- Guarantees for works, issued in the Group's interest by banks and insurance companies, in favour of customers and in the interest of subsidiaries, associated companies and other investee companies, for the total amount of EUR/000 2,156,877;
- Other guarantees issued for various purposes for a total of EUR/000 44,025.

Third party guarantees in our favour

These refer to guarantees of EURO/000 267,895 issued by Banks and Insurance Companies in the interests of Italian and foreign suppliers and subcontractors, in relation to contract obligations vis à vis the Company.

33 – Information on transactions with related parties and fees payable to Directors, Auditors, General Managers and other top management with strategic responsibilities

In accordance with IAS 24 as well as CONSOB communication no. 6064293 of 28 July 2006, Attachment 1 to these Notes shows the totals of existing transactions and balances resulting from financial and commercial relations with related companies. In this regard, it is noted that the relevant transactions were carried out at market conditions.

Moreover, it is specified that relations with consortia and consortium companies (special purpose vehicles), taking into account the specific sector the Group operates in, are to be related to receivables due from third parties – entered among Trade Receivables (note 22) – not summarised in the attachment regarding transactions with related parties.

Information regarding fees due to Directors, Auditors and General Managers of the Parent Company with strategic responsibilities is shown below in accordance with the provisions of the remuneration report as per Art. 123-ter of the Single Budget Law.

Category	Fixed fees	Fees for committee meetings	Variable non-equity fees (bonuses and other incentives)	Non-monetary benefits	Total	Fair Value of equity benefits
Directors	**4,479**	**30**	**---**	**38**	**4,547**	**455**
Auditors	**149**	**---**	**---**	**---**	**149**	**---**
General Managers	**1,393**	**---**	**150**	**17**	**1,561**	**519**
Top management with strategic responsibilities	**1,744**	**---**	**500**	**28**	**2,271**	**---**

34 – Segment information

The operating sectors subject to segment disclosure were determined according to reporting used by the top management as an information set for their decisions. This reporting is specifically based on the various geographical areas in which the Group operates, and it is determined by using the same accounting standards used to draw up the consolidated financial statements.

The following tables show the segment information regarding provisions set out in information as per IFRS 8.

Segment information 2011								
(thousands of Euro)	Italy	Europe	America	Africa	Asia	Other assets	Adjustments and cancellations	Consolidated total
Revenues								
Revenues	1,486,936	769,640	315,277	162,161	36,944	(38)	(505,636)	**2,265,284**
Operating result	147,278	6,293	47,886	38,245	(31,003)	(10,451)	2,443	**200,691**
Net financial charges								**(75,672)**
Shares of operating in the year of entities valued at equity								**401**
Profit/(loss) before tax and minority interests								**125,420**
Income tax								**(53,496)**
Net profit of the financial year								**71,195**
Assets or liabilities								
Sector assets	1,895,821	1,028,932	1,037,773	362,739	84,161	1,229,180	(2,201,037)	**3,437,569**
of which shareholdings						582,020	(386,055)	**195,964**
Sector liabilities	(1,594,894)	(1,025,664)	(918,626)	(347,550)	(149,529)	(923,751)	1,992,723	**(2,967,291)**
Other sector information								
Tangible fixed assets	8,605	43,122	44,603	15,182	19,547	61,690	(470)	**192,278**
Intangible fixed assets	7,598	36,060	8	-	69	397	-	**44,132**
Depreciation of tangible assets	2,936	9,165	12,214	6,715	4,071	9,536	(364)	**44,273**
Provisions		-	-	-	-	7,960	-	**7,960**

(thousands of Euro)	Italy	Europe	America	Africa	Asia	Other assets	Adjustments and cancellations	Consolidated total
Segment information 2010								
revenues								
Revenues	1,258,139	478,288	423,505	139,301	22,800	(96)	(390,349)	**1,931,588**
Operating result	86,987	37,049	65,395	21,952	(24,338)	(15,222)	8,471	**180,293**
Net financial charges								**(78,072)**
Shares of operating results in the year of entities valued at equity								**262**
Profit/(loss) before tax and minority interests								**102,483**
Income tax								**(38,960)**
Net profit of the financial year								**63,056**
Assets or liabilities								
Sector assets	1,597,708	592,964	1,000,102	352,076	63,912	1,052,677	(1,701,365)	**2,958,074**
of which shareholdings						379,789	(294,959)	**84,830**
Sector liabilities	(1,363,469)	(578,039)	(852,058)	(333,607)	(93,501)	(839,910)	1,545,739	**(2,514,845)**
Other sector information								
Tangible fixed assets	114,926	31,814	54,071	21,623	16,936	62,555	(495)	**301,429**
Intangible fixed assets	3,133	102	0	(0)	6	498	-	**3,739**
Depreciation of tangible assets	3,196	8,820	17,297	7,871	5,309	9,667	(437)	**51,722**
Provisions		-	-	-	-	790	-	**790**

35 – Other information

Non-recurring significant events and operations

The Astaldi Group's economic, equity and financial situation was not affected in the year 2011 by non-recurring significant events and operations as defined in CONSOB Communication n. DEM/6064293.

Positions or transactions deriving from atypical or unusual operations

In 2011 the Astaldi Group did not undertake any atypical or unusual operations as defined in CONSOB Communication n. DEM/6064293.

Subsequent events

The publication of the financial statements was authorised by the Parent Company's Board of Directors on 16 March 2012. There follows a summary of subsequent events.

With reference to the order for the general contracting construction of Mega-Lot 3 of Jonica State Highway (SS-106) in Italy, it is pointed out that the formal procedure for the awarding of the contract ended in January 2012, after the provisional awarding in the early part of the previous year; shares pertaining to Astaldi have therefore been included in the valuation of the works backlog at 31 December 2011.

With reference to the order for the construction, under general contracting, of Line C of the Rome Underground, it is pointed out that the CIPE (Inter-Ministerial Committee for Economic Planning), on 20 January 2012, provided the definitive go-ahead for start-up of the works for the T3 stretch (San Giovanni-Colosseo). The delivery of the areas and the start-up of works for this new stretch are planned for the early months of 2012.

With reference to the order for the construction and management of Line 4 of the Milan Underground in Italy, it is pointed out that in January, the Lombardy TAR (Regional Administrative Court) agreed to the grouping of Astaldi associated companies, rejecting the claim advanced by the second ranking company in the tender procedure for concession of the construction and management of the works. Also taking into account the resolution by the Council of State on this claim, favourable to the group of Astaldi associated companies, initial activities started at the end of February for these works. The insertion of shares pertaining to Astaldi in the works backlog will be recorded in the coming months.

From the operational point of view, the activities were started for the Chuquicamata Project (constructions) and the Relaves Project (concession), previously inserted in the corporate portfolio at 31 December 2011. For the Relaves Project, the Special Purpose Vehicle Valle Aconcagua S.A. was set up. For more details on these initiatives, refer to the paragraph on the management performance by sector and geographical area.

It is furthermore pointed out that Astaldi-Turkeler J.V. and Ankara Etlik Hastante A.S. were set up, both with a 51% stake of the Astaldi Group and respectively joint ventures for the execution of the EPC Construction Contract and SPV (Special Purpose Vehicle) for the execution of the concession contract for the design, construction and subsequent management of the Etlik Hospital Complex in Ankara, Turkey. Confirming the importance of that country for the Group activities in the concessions sector, the Turkish branch of Astaldi Concessioni (the Group Company dedicated to the concession business and 100% owned by Astaldi S.p.A.) was opened in January. The aim of the new branch is to guarantee more direct control over the major initiatives taking place in Turkey.

In March, Astaldi Canada Inc. was set up. This company is 100% owned by Astaldi S.p.A. and its purpose is the development and monitoring of initiatives and opportunities emerging on the Canadian market.

Finally, in March, the Astaldi Group exercised its option for the purchase of shares held in the company A4 Holding S.p.A. (formerly "Autostrada Brescia-Verona-Vicenza-Padova S.p.A."), which among other things is the 100% owner of the equity of the concessionaire of the Serenissima Motorway in north-eastern Italy, with stakes held by the Municipality of Vicenza and the Municipality of Padua. The formal transfer of shares will take place after the procedure for awarding and options set forth in that company's by-laws, due to take place in the coming months, and will bring the stake of the Astaldi Group from 9.12% to 9.8%. For further information, refer to the paragraph below on the forecast performance developments.

Fees payable to the auditing firm KPMG and their network pursuant to Art. 149-duodecies of the Issuers Regulations

With the closing of the financial year 2010 and the auditing of the Annual Report and the Consolidated Report for that financial year, the duration of the auditing appointment conferred on Reconta Ernst Young S.p.A. expired. Therefore after the conducting a tender for this appointment in which the top three companies on the market participated, i.e. KPMG, PWC and Deloitte, the Shareholders' Meeting of 18 April 2011, on the basis of the "most economically advantageous" method, resolved to appoint the firm KPMG S.p.A. as official auditors for Company for the years 2011-2019.

In relation to the aforesaid, there follow the fees paid to KPMG during the financial year 2011:

EUR/000

	KPMG
Type	Amount
Auditing services of which:	397
- *For Parent Company Astaldi S.p.A. (*)*	*96*
- *For subsidiaries*	*301*
Other services (**)	8
Total fees	**405**
(*) Amount relative to Parent Company Astaldi S.p.A. mainly for auditing related to the abbreviated interim consolidated financial statements at 30 June 2011.	€ 96
(**) Of which to Parent Company Astaldi S.p.A.	€ 8

ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ANNEX 1 _RELATED PARTIES

Euro/ooo

Company name	Other non-current financial assets	Amounts due from customers	Trade receivables	Other current assets	Non-current financial liabilities	Amounts due to customers	Trade payables	Other current liabilities	Revenues	Other operating revenues	Costs for services	Other operating costs	Financial income	Interest and other financial charges
Adduttore Ponte Barca S.c.r.l. in liquidation	0	0	6	0	0	0	0	0	0	-1	12	-1	0	0
Astaldi - UTI - Romairport Joint Venture	416	0	1.512	533	0	0	76	0	0	0	0	0	0	0
Astaldi Bayindir J.V.	0	0	350	5.984	0	0	1.272	0	0	0	0	0	0	0
Autostrada Nogara Mare Adriatico S.c.p.a.	0	0	0	0	0	0	39	0	0	0	39	0	0	0
Avola S.c.r.l. in liquidation	84	0	769	41	0	0	162	0	0	90	0	0	0	0
Blufi 1 S.c.rl. in liquidation	0	0	0	48	0	0	0	0	0	0	0	0	0	0
C.F.M. S.c.r.l. in liquidation	0	0	71	113	0	0	124	0	0	0	0	0	5	0
Colli Albani S.c.r.l. in liquidation	5	0	815	5	0	0	343	0	0	0	0	0	0	0
Consorcio Astaldi-ICE	0	0	416	0	0	0	0	0	0	0	0	0	0	0
Consorcio Contuy Medio	0	0	440	575	0	0	1.223	24	0	0	160	0	0	0
Consorcio Grupo Contuy - Proyectos y Obras de Ferrocarr	0	0	973	5.783	0	0	2.983	0	0	252	1.226	0	46	0
Consorzio A.F.T. in liquidation	354	0	562	801	0	0	446	226	0	0	0	0	5	0
Consorzio A.F.T. Kramis	560	0	2.572	417	0	0	0	0	0	0	96	0	19	0
Consorzio C.I.R.C. in liquidation	0	0	22	0	0	0	107	0	0	0	10	0	0	0
Consorzio Consarno	127	0	70	0	0	0	70	0	0	0	70	0	0	0
Consorzio Consavia S.c.n.c. in liquidation	0	0	5	1	0	0	0	0	0	0	0	0	0	0
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	0	0	0	0	0	0	2	0	0	0	0	0	0	0
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	90	0	0	0	0	0	41	0	0	0	5	0	0	0
Consorzio Ferrofir in liquidation	0	0	0	0	0	0	268	0	0	0	269	0	0	0
Consorzio Gi.It. in liquidation	0	0	0	0	0	0	220	0	0	0	0	0	0	0
Consorzio Iricav Due	0	0	25	0	0	0	362	0	0	65	424	0	0	1
Consorzio Iricav Uno	0	0	370	109	0	0	2.954	0	0	399	2.596	7	0	0
Consorzio Ital.Co.Cer.	0	0	0	0	0	0	1.560	0	0	0	235	1.224	0	0
Consorzio Italvenezia	0	0	0	0	0	0	131	0	0	0	6	0	0	0
Consorzio Novocen in liquidation	0	0	0	0	0	0	57	0	0	0	0	0	0	0
Consorzio Pedelombarda 2	0	0	0	0	0	0	7	0	0	0	67	0	0	0
Consorzio Ponte Stretto di Messina in liquidation	220	0	0	1	0	0	0	0	0	0	0	0	0	0
Consorzio Qalat	0	0	0	0	0	0	91	0	0	0	0	0	0	0
Diga di Blufi S.c.r.l. in liquidation	0	0	6.198	637	0	0	5.470	0	0	0	1	0	0	0
Ecosarno S.c.r.l.	0	0	0	0	0	0	198	0	0	0	612	0	0	0
FIN.AST S.r.l.	0	0	5	0	0	0	0	0	0	13	0	0	0	0
Fosso Canna S.c.r.l. in liquidation	205	0	247	6	0	0	83	0	0	0	0	0	0	0
FSC S.c.r.l. in liquidation	0	0	0	27	0	0	0	0	0	0	1	0	0	0
G.T.J Etude et Rèalisation d'un Tunnel	0	0	0	26	0	0	0	0	0	0	0	0	0	0
GEI - Grupo Empresas Italianas	0	0	1.574	7.104	0	0	9.004	17	0	0	1.646	0	0	0
Groupement Eurolep	0	0	0	0	0	0	0	26	0	0	0	0	0	0
Groupement Italgisas	838	0	124	183	0	0	0	0	0	0	0	0	0	0
Infraflegrea S.c.r.l. in liquidation	0	0	523	85	0	0	541	0	0	0	21	0	0	0
Italsagi Sp. Zo. O.	340	0	14	28	0	0	0	0	0	0	0	0	0	0
M.N. Metropolitana di Napoli S.p.A.	0	0	29	0	0	0	9	0	0	4	0	0	0	4
Metro 5 Lilla S.r.l.	0	0	79	0	0	54.989	4	0	58.950	139	1.968	0	0	0
Metro 5 S.p.A.	1.565	35.877	65	53	0	0	700	1	47.567	603	1.886	4	92	0
METRO C S.c.p.a.	0	0	618	5	0	0	59.603	0	2.755	470	104.605	0	0	0
Metrogenova S.c.r.l.	0	0	151	89	0	0	1.334	32	0	140	2.628	0	0	0
Monte Vesuvio S.c.r.l. in liquidation	250	0	255	0	0	0	60	0	0	0	0	0	0	0

ANNEX 1 _RELATED PARTIES

Euro/000

Company name	Other non-current financial assets	Amounts due from customers	Trade receivables	Other current assets	Non-current financial liabilities	Amounts due to customers	Trade payables	Other current liabilities	Revenues	Other operating revenues	Costs for services	Other operating costs	Financial income	Interest and other financial charges
Mose-Treporti S.c.r.l.	0	0	744	0	0	0	11.322	0	0	270	13.013	0	0	0
N.P.F. - Nuovo Polo Fieristico S.c.r.l. in liquidation	0	0	6	679	0	0	0	0	0	11	134	0	0	0
Nova Metro S.c.r.l. in liquidation	0	0	0	0	0	0	33	0	0	0	3	0	0	0
Otoyol Yatirim Ve Isletme A.S	0	0	21	0	0	0	6	0	0	0	3	0	546	0
Pacific Hydro Chacayes	13.303	19.824	101	0	0	274	46	0	47.714	115	85	0	562	0
Pedelombarda S.c.p.A.	0	0	4.859	9	0	0	8.345	0	0	268	17.059	0	0	0
Pegaso S.c.r.l.	0	0	435	724	0	0	498	0	0	159	741	0	0	0
Piana di Licata S.c.r.l. in liquidation	307	0	257	2	0	0	139	0	0	78	0	0	0	0
Pont Ventoux S.c.r.l. in liquidation	0	0	3.286	583	0	0	5.622	0	0	11	-13	198	26	0
Principe Amedeo S.c.r.l. in liquidation	0	0	339	114	0	0	232	0	0	0	0	0	0	0
S. Leonardo S.c.r.l. in liquidation	5	0	2.628	2	0	0	698	0	0	0	0	0	0	0
S.A.C.E.S. S.r.l. in liquidation	0	0	0	0	1.645	0	0	0	0	0	0	0	0	0
S.E.I.S. S.p.A.	1.937	0	0	0	0	0	0	0	0	0	0	0	0	0
SA.T. S.p.A.	0	7.052	420	0	0	1.217	0	0	53.878	241	0	1	0	0
Tangenziale Seconda S.c.r.l. in liquidation	0	0	69	4	0	0	20	0	0	0	1	0	1	0
Viadotti di Courmayeur S.c.r.l. in liquidation	0	0	301	22	0	0	132	0	0	0	2	0	0	0
General Total	**20.606**	**62.753**	**32.325**	**24.791**	**1.645**	**56.480**	**116.637**	**327**	**210.863**	**3.326**	**149.612**	**1.432**	**1.301**	**5**
Percentage of incidence on transactions	**12,91%**	**6,21%**	**3,94%**	**8,04%**	**0,25%**	**11,96%**	**10,43%**	**0,26%**	**9,31%**	**3,50%**	**11,09%**	**3,73%**	**2,91%**	**0,00%**

ANNEX 2 INFORMATION ON ENTITIES VALUED AT EQUITY AND PROPORTIONALLY CONSOLIDATED ENTITIES

EUR/000 values are referred to economic and equity data shown at 100%

Entities valued at equity

Company name	Book value of the holding	Effects of holdings on valuation at equity	Total Equity	Total Liabilities in balance sheet	Total Assets in balance sheet	Total Value of production	Total Production costs	Profit/loss for the year
Adduttore Ponte Barca S.C.R.L. In liquidation	11	0	14	570	570	0	0	0
Autostrada Nogara Mare Adriatico S.C.P.A.	28	0	120	1.191	1.191	170	163	0
Avola S.C.R.L. In liquidation	0	-46	-192	1.023	1.023	0	81	-92
Blufi 1 S.C.Rl. In liquidation	0	0	-71	0	0	0	0	0
C.F.M. S.C.R.L. In liquidation	21	0	41	927	927	0	0	0
Colli Albani S.C.R.L. In liquidation	0	-1	-7	820	820	0	1	-1
Consorcio Contuy Medio	0	0	1	4.726	4.726	478	413	0
Consorzio A.F.T. In liquidation	15	0	46	3.363	3.363	7	2	0
Consorzio A.F.T. Kramis	0	0	-30	0	0	0	0	0
Consorzio C.I.R.C. In liquidation	13	0	52	656	656	41	41	0
Consorzio Consarno	5	0	21	11.007	11.007	7.762	7.612	0
Consorzio Consavia S.C.N.C. In liquidation	5	-0	19	92	92	0	1	-1
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	52	0	207	587	587	38	18	0
Consorzio Ferrofir In liquidation	357	0	535	2.049	2.049	986	287	0
Consorzio Gi.It. In liquidation	1	0	3	444	444	0	0	0
Consorzio Iricav Due	171	0	455	50.991	50.991	1.264	1.219	0
Consorzio Iricav Uno	124	0	444	3.483.428	3.483.428	41.018	39.057	0
Consorzio Ital.Co.Cer.	15	0	52	2.218	2.218	0	0	0
Consorzio Italvenezia	19	0	77	432	432	23	13	0
Consorzio Metrofer In liquidation	9	0	26	104	104	0	0	0
Consorzio Novocen In liquidation	0	0	-140	2.544	2.544	318	111	0
Consorzio Pedelombarda 2	2	0	10	10	10	0	0	0
Consorzio Ponte Stretto Di Messina In liquidation	52	0	76	817	817	4	4	0
Consorzio Qalat	-0	0	6	6	6	0	0	0
Copenhagen Metro Construction Group J.V. (Comet)	0	-933	-131.475	706	706	0	6.055	-6.221
Diga Di Blufi S.C.R.L. In liquidation	23	0	30	11.012	11.012	3	1	0
Ecosarno S.C.R.L.	17	0	51	990	990	1.194	554	0
Fosso Canna S.C.R.L. In liquidation	0	-1	-70	507	507	0	1	-2
Gei - Grupo Empresas Italianas	360	0	1.080	14.228	14.228	4.673	4.123	0
Groupement Italgisas	0	0	-2.861	0	0	0	0	0
Infraflegrea S.C.R.L. In liquidation	23	0	30	1.620	1.620	47	0	0
M.N. Metropolitana Di Napoli S.P.A.	6.379	472	28.202	1.383.584	1.383.584	176.014	165.430	2.089
Metro 5 S.P.A.	5.091	1	16.421	315.322	315.322	578	369	2
Metro C S.C.P.A.	12.771	0	37.018	341.542	341.542	308.525	269.391	0
Metrogenova S.C.R.L.	6	-0	26	10.155	10.155	12.231	9.498	0
Monte Vesuvio S.C.R.L. In liquidation	0	-4	-517	401	401	0	7	-8
Mose-Treporti S.C.R.L.	4	0	10	57.229	57.229	72.044	72.014	0
N.P.F. - Nuovo Polo Fieristico S.C.R.L. In liquidation	20	0	40	1.438	1.438	350	302	0
Nomayg Gebze Izmir Otoyol Insaati Adi Ortakligi	0	0	0	55.385	55.385	26.461	23.283	-0
Nova Metro S.C.R.L. In liquidation	10	0	41	480	480	0	0	0
Otoyol Yatirim Ve Isletme A.S	11.468	0	61.395	77.812	77.812	24.802	31.207	0
Pacific Hydro Chacayes	35.766	1.375	129.879	355.773	355.773	10.306	1.036	5.036
Pedelombarda S.C.P.A.	4.800	0	20.000	49.013	49.013	22.436	16.421	0
Pegaso S.C.R.L.	114	0	260	8.510	8.510	3.421	2.708	0
Piana Di Licata S.C.R.L. In liquidation	0	-39	-347	360	360	0	6	-88

ANNEX 2 INFORMATION ON ENTITIES VALUED AT EQUITY AND PROPORTIONALLY CONSOLIDATED ENTITIES

EUR/000 values are referred to economic and equity data shown at 100%

Entities valued at equity

Company name	Book value of the holding	Effects of holdings on valuation at equity	Total Equity	Total Liabilities in balance sheet	Total Assets in balance sheet	Total Value of production	Total Production costs	Profit/loss for the year
Pont Ventoux S.C.R.L. In liquidation	29	0	52	9.971	9.971	212	191	0
Principe Amedeo S.C.R.L. In liquidation	0	1	0	911	911	0	1	3
S. Leonardo S.C.R.L. In liquidation	0	-1	-79	2.898	2.898	0	1	-1
S.A.C.E.S. S.R.L. In liquidation	0	-12	-280	3.073	3.073	0	3	-33
S.E.I.S. S.P.A.	15.414	-393	31.893	31.893	31.893	0	0	-813
Sa.T. S.P.A.	907	-8	2.592	72.990	72.990	746	811	-24
Sharaf - Astaldi Llc	52	0	631	631	631	0	0	0
Tangenziale Seconda S.C.R.L. In liquidation	23	0	45	119	119	3	2	0
Viadotti Di Courmayeur S.C.R.L. In liquidation	3	0	10	496	496	4	4	0
Yellow River Contractors	289	-10	2.062	2.062	2.062	1	0	-74
	94.468	**401**	**197.478**	**6.379.114**	**6.379.114**	**716.159**	**652.441**	**-230**

Proportionally consolidated equities

Company name	% holding	Total Non-current liabilities	Total Current liabilities	Total Equity	Total Non-current assets	Total Current assets	Total Value of production	Total Production costs	Profit/loss for the year
Avrasya Metro Grubu Srl	42%	0	16.849	1.924	3	18.770	36.868	33.842	1.912
CO.SAT Società Consortile a responsabilità limitata	50%	775	59.035	10	1.392	58.427	96.765	89.543	0
Consorcio Rio Urubamba	50%	0	7.814	5	25	7.794	628	247	5
Consorzio Cerro del Aguila	50%	435	10.324	-276	2.560	7.924	1.172	959	-256
Ic Içtas - Astaldi Insaat A.S.	50%	0	160.587	7.280	47.786	120.082	42.010	29.485	6.989
Ica Astaldi -Ic Ictas WHSD Insaat AS	50%	0	2.381	-1	0	2.381	622	381	34
M.O.MES S.c.r.l.	55%	0	1.310	10	0	1.320	1.520	1.524	0
Metro Brescia S.r.l.	50%	0	33	456	1	490	0	0	-44
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	31%	106.423	37.141	27.996	126.102	45.458	50.646	41.485	4.662
		107.633	**295.475**	**37.405**	**177.867**	**262.646**	**230.231**	**197.466**	**13.302**

ANNEX 3_EXCHANGE RATES APPLIED TO CONVERT FINANCIAL STATEMENTS

IN FOREIGN CURRENCY Source: Banca d'Italia

COUNTRIES	***CURRENCY***	Exchange rates: ➡	*December 2011* ▼	*2011 average* ▼	*December 2010* ▼	*2010 average* ▼
Albania	Albanian Lek	*ALL*	139,036000	140,317083	138,860000	137,737583
Algeria	Algerian Dinar	*DZD*	97,466000	101,502808	99,261200	98,138417
Angola	Angolan Kwanza	*AOA*	122,618000	130,419583	123,790000	121,937250
Saudi Arabia	Saudi Arabian Riyal	*SAR*	4,852360	5,219397	5,010600	4,975708
Bolivia	Bolivian Boliviano	*BOB*	8,963850	9,741838	9,366760	9,314149
Bulgaria	Bulgarian Lev	*BGN*	1,955800	1,955800	1,955800	1,955800
Burundi	Burundian Franc	*BIF*	1.732,820000	1.746,570000	1.641,430000	1.632,734167
Caribbean	East Caribbean Dollar	*XCD*	3,493530	3,757618	3,607740	3,582360
Central African Republic C.F.A	West African CFA	*XOF*	655,957000	655,957000	655,957000	655,957000
Chile	Chilean Peso	*CLP*	671,997000	672,467500	625,275000	676,254833
Colombia	Colombian Peso	*COP*	2.510,570000	2.569,795000	2.571,380000	2.519,228333
Democratic Republic of Congo	Congolese Franc	*CDF*	1.182,470000	1.280,769167	1.222,800000	1.202,892500
Costa Rica	Costa Rica Colon	*CRC*	650,974000	699,944250	678,448000	693,257417
Croatia	Croatian Kuna	*HRK*	7,537000	7,438383	7,383000	7,288738
Denmark	Danish Krone	*DKK*	7,434200	7,450676	7,453500	7,447215
El Salvador	El Salvador Colon	*SVC*	11,321600	12,177483	11,691800	11,609500
United Arab Emirates	UAE Dirham	*AED*	4,752370	5,111683	4,907810	4,873223
Japan	Japanese Yen	*JPY*	100,200000	111,020833	108,650000	116,455167
Djibouti	Djiboutian Franc	*DJF*	229,953000	247,336083	237,471000	235,800083
Guatemala	Guatemalan Quetzal	*GTQ*	10,110700	10,834192	10,694800	10,701607
Guinea	Guinean Franc	*GNF*	9.072,600000	9.227,220000	8.129,370000	7.575,409167
Honduras	Honduran Lempira	*HNL*	24,566500	26,295842	25,247600	25,069883
Libya	Libyan Dinar	*LYD*	1,628230	1,713013	1,676060	1,679183
Malawi	Malawian Kwacha	*MWK*	212,023000	218,235750	202,955000	199,877083
Morocco	Moroccan Dirham	*MAD*	11,112900	11,260800	11,179800	11,157708
Mozambique	New Mozambican Metical	*MZN*	35,097000	40,500033	43,947600	43,619517
Nicaragua	Nicaraguan Cordoba	*NIO*	29,725500	31,203775	29,239400	28,332075
Norway	Norwegian Krone	*NOK*	7,754000	7,793318	7,800000	8,006036
Oman	Omani Rial	*OMR*	0,497949	0,535547	0,514030	0,510363
Pakistan	Pakistan Rupee	*PKR*	116,382000	120,131667	114,475000	113,002583
Panama	Panamanian Balboa	*PAB*	1,293900	1,391710	1,336200	1,326799
Peru	Peruvian Nuevo Sol	*PEN*	3,487470	3,833999	3,750860	3,748688
Poland	Polish Zloty	*PLN*	4,458000	4,118705	3,975000	3,994963
Qatar	Qatari Riyal	*QAR*	4,711640	5,067698	4,863750	4,829833
United Kingdom	UK Pound	*GBP*	0,835300	0,867768	0,860750	0,858238
Dominican Republic	Dominican Peso	*DOP*	50,021700	52,893150	50,003900	48,726858
Romania	Romanian Leu	*RON*	4,323300	4,238564	4,262000	4,210570
Russia	Russian Ruble	*RUB*	41,765000	40,879717	40,820000	40,277975
Rwanda	Rwandan Franc	*RWF*	780,559000	835,189250	793,703000	773,608583
Singapore	Singapore Dollar	*SGD*	1,681900	1,749067	1,713600	1,808008
United States	US Dollar	*USD*	1,293900	1,391710	1,336200	1,326799
South Africa	South African Rand	*ZAR*	10,483000	10,093000	8,862500	9,713545
Switzerland	Swiss Franc	*CHF*	1,215600	1,233984	1,250400	1,382265
Taiwan	New Taiwan Dollar	*TWD*	39,183500	40,885375	39,043800	41,775892
Tanzania	Tanzanian Shilling	*TZS*	2.052,380000	2.204,957500	1.991,010000	1.911,159167
Tunisia	Tunisian Dinar	*TND*	1,935650	1,956436	1,921480	1,896060
Turkey	Turkish Lira	*TRY*	2,443200	2,335055	2,069400	1,997310
European Monetary Union	Euro	*EUR*	1,000000	1,000000	1,000000	1,000000
Venezuela	Venezuelan Bolivar Fuerte	VEF	5,556850	5,976909	5,738510	5,620934
Zambia	Zambian Kwacha	*ZMK*	6.616,980000	6.760,063333	6.400,260000	6.354,305833

It must be noted that the exchange rate expresses the quantity of foreign currency needed to purchase 1 Euro.

Certification of the Consolidated Financial Statements

pursuant to Article 154-bis of Legislative Decree No. 58/98 and Article 81-ter

of CONSOB Regulation No. 11971 of 14 May 1999

and any subsequent amendments and additions

1. Taking into account the provisions contained in Article 154-bis, subsections 3 and 4 of Legislative Decree No. 58 of 24 February 1998, the undersigned Stefano Cerri, in the capacity of Chief Executive Officer, and Paolo Citterio, in the capacity of Executive appointed to draft corporate accounts of Astaldi S.p.A., hereby certify:

• the appropriateness in relation to the company's characteristics and

• the actual application

of administrative and accounting procedures used to formulate the 2011 consolidated financial statements.

2. The administrative and accounting procedures used to formulate the consolidated financial statements at 31 December 2011 were formulated and their appropriateness assessed on the basis of provisions and methodologies defined by Astaldi S.p.A. in compliance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission (so-called CO.S.O. Report) which represents a reference framework for internal audit systems generally accepted at an international level.

   There are no significant observations to be made in this regard.

3. This is also to certify that:

   3.1 The consolidated financial statements:

   a) were drafted in compliance with the applicable international accounting standards acknowledged within the European Community pursuant to (EC) Reg. No. 1606/2002 of the European Parliament and Council of 19 July 2002;

   b) tally with ledgers and account entries;

   c) are suitable for providing a truthful and accurate representation of the equity, economic and financial situation of the issuer and of all the companies included in the consolidation area.

3.2 The management report contains a reliable analysis of the operating performance and result, as well as of the situation of Astaldi S.p.A. and of all the companies included in the consolidation area, together with a description of the main risks and uncertainties they are exposed to.

Rome, 16 March 2012

Stefano Cerri	Paolo Citterio
Chief Executive Officer	*Executive appointed to draft corporate accounts*