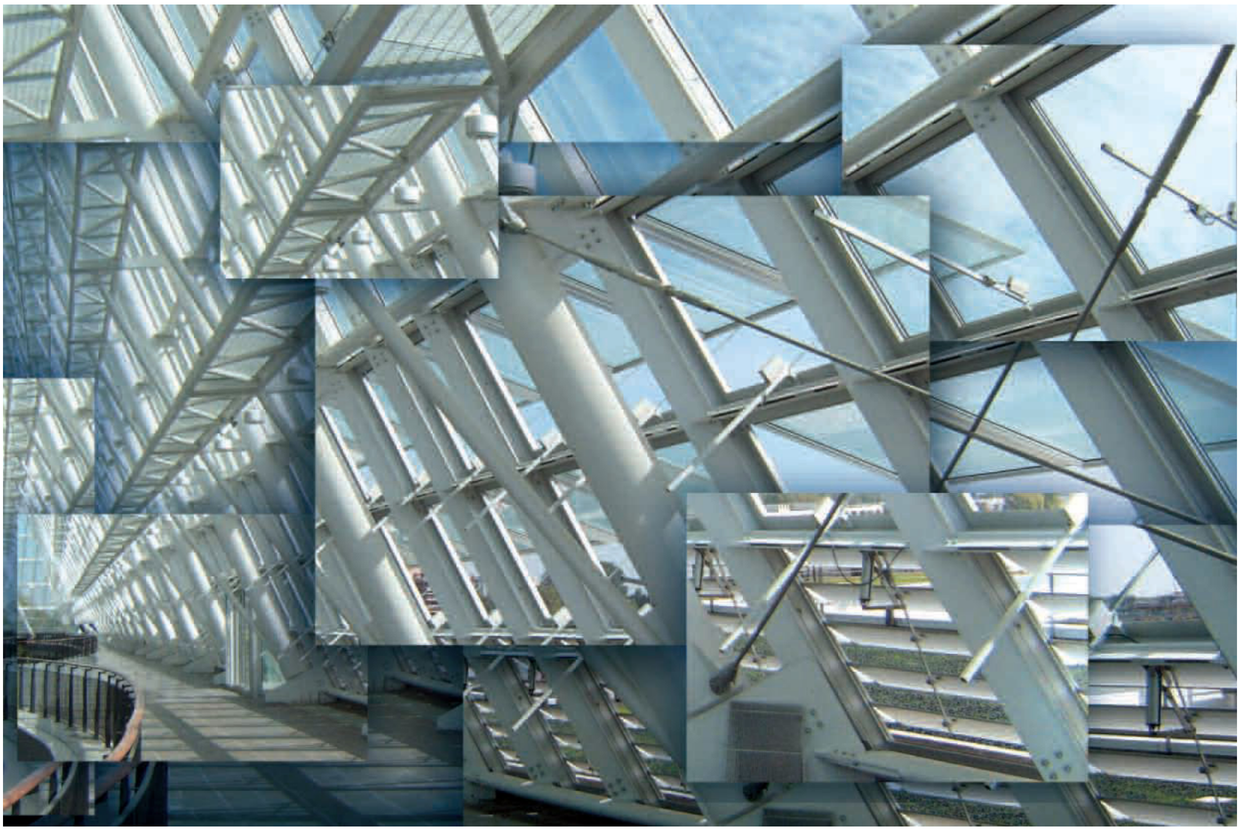


Interim Report on Operations at 31 December 2009

Astaldi Società per Azioni
Corporate and Head Offices: Via Giulio Vincenzo Bona 65, Rome (Italy)
Registered with the Companies Register of Rome
TIN: 00398970582
R.E.A. No.: 152353
VAT No.: 0080281001
Share capital: € 196,849,800.00 fully paid-in

CONTENTS

MAIN GROUP ECONOMIC AND EQUITY RESULTS AT 31 DECEMBER 2009

***Consolidated Reclassified Income Statement** (€/000)*	**Preliminary result at 31 December 2009**	**%**	**31 December 2008**	**%**	**Annual diff.**
Total revenues	1,867,722	100.0%	1,525,640	100.0%	+22.4%
EBITDA	202,345	10.8%	174,960	11.5%	+15.6%
EBIT	156,013	8.4%	132,564	8.7%	+17.7%
Pre-tax profit	85,601	4.6%	71,479	4.7%	+19.8%
Group net profit	51,520	2.8%	42,101	2.8%	+22.4%

***Consolidated Reclassified Balance Sheet** (€/000)*	**Preliminary result at 31 December 2009**	**31 December 2008**
Total fixed assets	467,655	355,594
Working capital	414,133	403,074
Net invested capital	850,957	727,201
Net financial payables/receivables	(472,267)	(395,327)
Equity	378,690	331,874
Debt/Equity ratio (expressed in number of times)	1.23	1.17
Corporate Debt/Equity ratio (expressed in number of times)	0.94	1.01

***Consolidated Net Financial Position** (€/000)*	**Preliminary result at 31 December 2009**	**31 December 2008**
a. Available funds	448,327	338,660
b. Financial receivables	21,789	19,769
c. Current financial debt	**(365,983)**	**(275,448)**
d. Net current financial debt (a+b+c)	**104,132**	**82,981**
e. Non-current financial debt	**(576,400)**	**(478,308)**
f. Net financial debt (d+e)	**(472,267)**	**(395,327)**
Treasury shares	5,172	5,655
Total net financial position	**(467,095)**	**(389,672)**

INTERIM REPORT ON OPERATIONS

Introduction

The unaudited Interim Report on Operations at 31 December 2009 has been drafted in compliance with the provisions contained in art. 154-ter of the Finance Consolidation Act (TUF).

The economic, equity and financial information has been formulated in compliance with the recording and measurement criteria set forth in the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and adopted by the European Union in accordance with the procedure as per art. 6 of (EC) Regulations No. 1606/2002 of the European Parliament and Council of 19 July 2002.

The recording and measurement criteria adopted to draft the Interim Report on Operations at 31 December 2009 are the same as those used to draft the 2008 Annual Financial Report which should be referred to for a description of the same; for criteria with effect as from 2009, the description contained in the Half-Year Financial Report at 30 June 2009 should be referred to. Indeed, it must be noted that even given the numerous European regulations regarding international accounting standards issued during the second half of 2009, most of these regulations shall be enforced as from 2010, and those enforced in 2009 refer to financial statement disclosures.

Astaldi's management assesses the economic and financial performance of the Group and its business areas on the basis of some indicators not provided for in the IFRSs. The components of each of these indicators are described in the Management Report forming part of the 2008 Annual Financial Report and 2009 Half-Year Financial Report.

Economic information is provided with reference to the whole of 2009 and 2008, as well as the fourth quarter of both years; while equity information is provided with reference to the situation at 31 December 2009 as well as 31 December 2008 and 30 September 2009.

The format of the accounts used herein corresponds to that of the accounts included in the Management Report forming part of the 2008 Annual Financial Report and the 2009 Half-Year Financial Report.

Comment on the Group's operating performance

For Astaldi Group, 2009 represents a year in which the **positive results**, **consolidation of its competitive positioning** and **marked economic growth** provided confirmation of the effectiveness of the choices regarding strategy and stabilisation adopted in recent years.

The order backlog increased to approximately EUR 9 billion at 31 December 2009 (EUR 8.5 billion at the end of 2008) with EUR 2.2 billion of new contracts. Total revenues amounted to EUR 1,868 million, showing a 22.4% increase year-on-year (EUR 1,525.6 million in 2008). Excellent levels of earnings were also achieved with an EBITDA margin of 10.8% and an EBIT margin of 8.4% in relation respectively to EBITDA of EUR 202.3 million (+15.6% compared to EUR 175 million at 31 December 2008) and EBIT of EUR 156 million (+17.7%, compared to EUR 132.6 million at the end of 2008). Net profit amounted to EUR 51.5 million, up by 22.4% (compared to EUR 42.1 million at 31 December 2008) with an unaltered net margin of 2.8%.

The levels of production achieved and a positive fourth quarter in terms of equity and financial structure make it possible to confirm the Group's **good self-financing ability**, even given the boost lent to the business growth process and, more specifically, to the investment programme in the concessions sector. Net financial debt, excluding treasury shares, at 31 December 2009 amounted to EUR 467.1 million, showing a drop of -4.7% compared to EUR 490.4 million at 30 September 2009 (EUR 389.7 million at 31 December 2008).

Production levels for the fourth quarter of 2009 also increased and the quarter closed with total revenues of EUR 469.3 million (+7%, compared to EUR 438.7 million in Q4 2008). Net profit totalled EUR 10.4 million (+5.47% compared to EUR 9.9 million in Q4 2008), with a net margin of 2.2%.

Despite the complex international situation, Astaldi Group proved nonetheless able to constantly top the set earnings and commercial targets, achieving a greater than planned growth. Indeed, the validity and coherence of the strategic choices formulated over the years and the effectiveness of the management models adopted have meant that the Group's growth process has not been slowed down by contingent exogenous factors which, instead, have been converted into additional stimuli for diversifying the risk profile of activities and limiting the level of debt.

All of this is founded on a five-year planning model based on the application of necessary guidelines that are aimed at ensuring an optimal equilibrium of sources and investments over the years such as:

- ongoing monitoring of production on the basis of revenue dynamics;
- analysis during project start-up, with the preliminary identification of instruments and actions able to neutralise the effects resulting from the need to combine the possible lack of contract advances with the need to make investments in order to start-up activities;
- the overall investment policy and effective management of technical resources;

- the application of specific risk matrixes such as to ensure correct assessment of the Group's exposure in the various areas that are typical of its reference sector.

The application of these "basic rules" has the direct effect of **mitigating the overall risk profile of activities** which, in turn, is further reinforced by commercial choices aimed at generating partnerships as a result of the Group's consolidated role in countries where traditionally present.

Indeed, in order to ensure **the balanced growth of activities** over the years, the following strategy has been adopted as regards each foreign area of operation: focus by the existing organisations' exclusively on strategic and priority projects for the host countries on the one hand, and the pursuit of "targeted" diversification of production on the other by assessing the possibilities of "rational" expansion in adjacent areas. A policy which is proving able to ensure the Group's expansion even given unfavourable market situations such as the current one, allowing it to adopt a risk control policy which makes the levels of production in each individual area directly dependent on preset levels of invested capital, encouraging suitable combining of the risk profile with the return.

In light of what has been stated above, the current situation in Venezuela deserves a particular mention. This country is one where the Group is traditionally present and accounts for approximately 10% of the backlog and 7% of the forecast turnover for 2010. In January 2010, the government decided to devalue the Bolivar, establishing a double exchange rate. The consequences of this decision are looked at in greater depth in the section entitled Subsequent Events.

A brief analysis of the main economic, financial and equity dynamics seen during the year and in the fourth quarter can be found below.

Consolidated economic results at 31 December 2009

Main consolidated economic results(€/000)	**Preliminary result at 31 December 2009**	**%**	**31 December 2008**	**%**	**Annual diff. (%)**
Total revenues	1,867,722	100.0%	1,525,640	100.0%	+22.4%
EBITDA	202,345	10.8%	174,960	11.5%	+15.6%
EBIT	156,013	8.4%	132,564	8.7%	+17.7%
Net financial income and charges	(69,835)	(3.7%)	(64,729)	(4.2%)	+7.9%
Pre-tax profit	85,601	4.6%	71,479	4.7%	+19.8%
Group net profit	51,520	2.8%	42,101	2.8%	+22.4%

The whole **structure** of the 2009 **accounts** shows the **speeding up of business growth** resulting from the positive performance of projects in progress in Italy and abroad.

Total revenues amounted to EUR 1,868 million (EUR 1,525.6 million at the end of 2008), showing **year-on-year growth of 22.4%**, **outperforming the forecast** set in the business plan which had already been pushed up during 2009 (15-20%). Operating revenues totalled EUR 1,797 million (+22.5%, compared to EUR 1,466.8 million at the end of December 2008); other operating revenues increased to EUR 70.8 million (+20.4%, compared to EUR 58.8 million in 2008).

The revenues structure confirmed a **strengthening of foreign activities** with the **domestic sector maintaining a significant role**, highlighting overall suitable diversification of the risk profile of activities: Italy accounted for 44.9% of operating revenues, i.e. EUR 807 million (EUR 750 million in 2008), the rest of Europe (Turkey, Eastern Europe) for 14.4%, i.e. EUR 258 million (EUR 173 million in 2008) with the remaining 40.7% (EUR 732 million compared to EUR 544 million in 2008) generated abroad, mainly in countries where traditionally present (the Maghreb, Qatar, Latin America) and in those recently acquired (Chile).

Transport infrastructures confirmed its role as the key sector for the Group (79% of operating revenues, i.e. EUR 1,419 million at the end of 2009 compared to EUR 1,107 million in 2008), thanks to the contribution of railways and undergrounds. This was followed by **significant contributions from the civil and industrial construction sector** (12.4%, equal to EUR 223 million at 31 December 2009 compared to EUR 216 million in 2008), which benefitted from stepping up of the “QATALUM” industrial project in Qatar, and from the **energy production plant sector** (8.6%, equal to EUR 155 million compared to EUR 144 million in 2008), which included the recent acquisitions in Chile (Chacayes hydroelectric plant) and El Salvador (El Chaparral dam), and the recommencement of activities in Costa Rica (Pirris dam).

The contracts which made the greatest contribution to revenues in Italy included the **Turin rail junction and the Bologna Central High-Speed Station** (whose extremely positive operating trend was confirmed during the year) and construction of the **underground lines in Rome, Brescia, Milan and Naples,** with the significant progress made being reflected in account figures. Additional positive results were also recorded for the **lots of the Jonica National Road** (SS106). Specifically, the lot in the Catanzaro area (Lot “DG21”) recorded physical progress of works in excess of 50% at the end of the year (65% for tunnel activities alone, with 8 out of 22 tunnel tubes already bored). As regards the lot in the Siderno area (Lot “DG22”), a design change was approved by the client in October which meant that 80% of works could be started up immediately and which guaranteed the recommencement of activities as from November of last year.

As regards the foreign sector’s contribution to production, a positive performance was recorded in relation to contracts in **Algeria and Venezuela** (railways), **Central America and Chile** (energy production plants) as well as **Turkey**, which benefitted from considerable progress of the Istanbul underground project and the start-up of works for the Hălic Bridge, and **the Middle East** in relation to the “QATALUM” project in Qatar (oil&gas).

The Group’s strategic goal of maintaining the production of each individual geographical area at levels such as to ensure balanced, well-diversified growth remains unchanged, backed up by a coherent level of invested capital. The further diversification of activities seen during the year, with the opening of new markets in Chile and Poland, is to be considered as part of this vision.

Lastly, it should be noted that during the year, major focus in Italy (including from a technical and contractual viewpoint) was lent to the problems regarding the **New Hospital in Naples (“Ospedale del Mare”)** (complete reformulation of the project from a technical and economic viewpoint) and the **Brescia underground** projects for which assessment and analysis are underway with the aim of restoring operating and economic equilibrium.

A breakdown of operating revenues by geographical area and sector can be found below.

Breakdown of operating revenues according to geographical area *(€/000,000)*	**31 December 2009**	**%**	**31 December 2008**	**%**
Italy	**807**	**44.9%**	**750**	**51.1%**
Abroad	**990**	**55.1%**	**717**	**48.9%**
Europe	258	14.4%	173	11.8%
America	497	27.7%	300	20.4%
Asia	114	6.3%	85	5.8%
Africa	121	6.7%	159	10.8%
TOTAL Operating revenues	**1,797**	**100.0%**	**1,467**	**100.0%**

Breakdown of operating revenues according to sector *(€/000,000)*	**31 December 2009**	**%**	**31 December 2008**	**%**
Transport infrastructures	1.419	79.0%	1.107	75.5%
Hydraulic works and energy production plants	155	8.6%	144	9.8%
Civil and industrial construction	223	12.4%	216	14.7%
TOTAL Operating revenues	**1,797**	**100.0%**	**1,467**	**100.0%**

The increase in revenues was reflected in costs which were also affected by the backlog’s increasing focus on general contracting projects in the railways and undergrounds sector where the use of outsourcing and joint ventures to manage contracts is more frequent. Indeed, **the volume of costs increased as a result of higher production levels**, but, at the same time, there was a **greater incidence of production costs** (against a drop in personnel costs) **due to the different procedures used to manage contracts.** The cost of production amounted to EUR 1,395.6 million at the end of 2009 (74.7% of total revenues) with a 25% increase year-on-year (EUR 1,117.3 million at 31 December 2008). While personnel costs amounted to EUR 240.5 million (12.9% of total revenues), showing a more limited increase of 12.7% (EUR 213.4 million at 31 December 2008).

An increase in operating results and high earnings margins were achieved during the year, if compared with those achieved on average by the leading European competitors. Said result was obtained thanks to the high quality of orders among the backlog which made it possible to achieve an EBITDA margin of 10.8% and an EBIT margin of 8.4%, in relation respectively to EBITDA (gross operating result) of EUR 202.4 million (+15.7% YOY, compared to EUR 175 million at 31 December 2008) and EBIT (net operating result) of EUR 156 million (+17.7%, compared to EUR 132.6 million at the end of 2008).

The validity of said results is corroborated by the fact that the figures shown include conservative provisions on contracts in progress, aimed at avoiding any worsening of margins. Indeed, it should be remembered that the accounting criteria which the Group adopts are based on the cost to cost method (standardisation of the whole life margin of contracts). Moreover, the conservative policies the Group has always adopted entail the use of provisions to hedge operating and currency risks during review of the overall budget. Therefore, results take into account said provisions even if, at the same time, it is important to note that: (i) almost all the contracts in progress in foreign countries have price escalation clauses; (ii) calculation of contract revenues is generally based on a dual currency component (local currency and strong currency – generally speaking the Euro);(iii) as regards contract management, the local currency covers the costs in local currency (which represent most of the total costs), while the strong currency covers the costs in strong currency and determines the relative profit (which, therefore, is in Euro).

If we are to look once more at accounts structure, **financial operations were affected by the increase in production volumes** and the backlog's increasing focus on projects with a greater technological and financial content, typically associated with guarantees and bonds of a larger amount. Net financial charges amounted to EUR 69.8 million (compared to EUR 64.7 million at the end of 2008), showing dynamics in keeping with the partial drop forecast for this income statement item for the last part of the year. Indeed, net financial charges saw a **drop in the average cost of debt,** in keeping with Group forecasts and as a result of temporary exchange rate losses included among net financial charges.

Group net profit increased to EUR 51.5 million, up by 22.4% year-on-year (EUR 42.1 million at the end of 2008), with a net margin that held steady at 2.8% and an estimated tax rate of 38%.

Consolidated equity and financial results at 31 December 2009

Main consolidated equity and financial results (€/000)	**Preliminary result at 31 December 2009**	**31 December 2008**	**30 September 2009**
Net fixed assets	*467,655*	*355,594*	*436,683*
Working capital	*414,133*	*403,074*	*442,724*
Total provisions	*(30,831)*	*(31,467)*	*(31,339)*
Net invested capital	850,957	727,201	848,069
Net financial debt	(472,267)	(395,327)	(495,521)
Equity	378,690	331,874	352,547

The consolidated **equity and financial structure**, even if affected by the increase in activities, showed itself **able to support operations in excess of the planned level**. It is suffice to consider the boost given to the investment programme in the concession sector, for which the second part of the year paid witness to investment related to the Chacayes plant in Chile (USD 63 million of equity investment as regards Astaldi's stake, USD 50 million of which was paid during Q3 and the remaining USD 13 million in Q4). Therefore, significant amounts which the Group has been able to disburse thanks to the good cash flow trend related to projects in progress in Italy and abroad.

Net fixed assets increased to EUR 467.7 million (EUR 436.7 at 30 September 2009 and EUR 355.6 million at the end of 2008), mainly for investments made during the quarter, **not only to support project finance initiatives, but also in relation to the start-up of new contracts** (especially abroad). In any case, the value of technical investments is in line with forecasts included in the business plan.

Working capital amounted to EUR 414.1 million (EUR 442.7 million at 30 September 2009 and EUR 403.1 million at the end of 2008) showing a virtuous trend which proves that the investments made are suitably covered by advances from customers which increased by approximately EUR 46.3 million compared to the previous end-of-year figure.

The increase in production and **working capital dynamics** largely **justify** the **net invested capital trend** which stood at EUR 850.9 million compared to EUR 848.1 million at 30 September 2009 and EUR 727.2 million at the end of 2008. In this regard it should be noted that the increase in production values seen during the year is entered less than proportionally in the company's accounts compared to the working capital increase. This goes to prove the Group's ability to effectively manage operating leverage while maintaining a balanced financial structure.

Equity increased totalling EUR 378.7 million (EUR 352.5 million at 30 September 2009 and EUR 331.9 million at the end of 2008), mainly as a result of dynamics related to the quarter's results, suspended economic items entered in the overall income statement and distributed dividends.

	Consolidated net financial position (€/000)		**31/12/09**	**30/09/09**	**30/06/09**	**31/03/09**	**31/12/08**
A	Cash and cash equivalents		444,152	374,320	259,970	285,793	333,759
B	Securities held for trading		4,175	4,168	4,154	5,718	4,901
C	**Available funds**	**(A+B)**	**448,327**	**378,489**	**264,124**	**291,511**	**338,660**
D	**Financial receivables**		**21,789**	**18,700**	**27,097**	**21,091**	**19,769**
E	Current bank payables		(334,442)	(307,916)	(277,261)	(281,405)	(241,987)
F	Current share of non-current debt		(20,430)	(14,872)	(1,123)	(15,416)	(22,536)
G	Other current financial payables		(11,111)	(6,105)	(6,767)	(7,660)	(10,925)
H	**Current financial debt**	**(E+F+G)**	**(365,983)**	**(328,894)**	**(285,151)**	**(304,482)**	**(275,448)**
I	**Net current financial debt**	**(H+D+C)**	**104,132**	**68,295**	**6,070**	**8,120**	**82,981**
J	Non-current bank payables		(571,450)	(552,352)	(492,805)	(458,817)	(465,071)
K	Other non-current payables		(4,950)	(11,464)	(12,180)	(13,302)	(13,237)
L	**Non-current financial debt**	**(K+J)**	**(576,400)**	**(563,817)**	**(504,985)**	**(472,119)**	**(478,308)**
M	**Net financial debt**	**(L+I)**	**(472,267)**	**(495,521)**	**(498,915)**	**(463,999)**	**(395,327)**
	Treasury shares on hand		5,172	5,134	5,197	5,905	5,655
	Total net financial position		**(467,095)**	**(490,388)**	**(493,718)**	**(458,093)**	**(389,672)**
	Debt/Equity ratio		*1.23*	*1.39*	*1.46*	*1.36*	*1.17*
	Corporate Debt/Equity ratio (number of times) (*)		*0. 94*	*1.07*	*1.20*	*1.20*	*1.01*

(*)The Corporate Debt/equity ratio is calculated by excluding the share of debt related to project finance initiatives.

The **net financial position** at 31 December 2009, excluding treasury shares, amounted to **EUR (467.1) million** showing an increase compared to the end of 2008, but an increase whose **dynamics were largely forecast.** While on a quarterly basis, there was a **significant drop in debt** (-4,7% i.e. EUR -23.3 million compared to 30 September 2009**) made possible by the excellent trend in cash flow from operations** which lent the Group the ability to perform investments in the hydroelectric concessions sector, achieving targets set a year ahead of schedule.

The debt structure confirmed its focus on the medium-long term, with the first important repayment scheduled for 2013. It must also be recalled that, considering the current situation of credit markets, the Group took out a syndicated loan of EUR 110 million in July which provided medium-term financial resources at extremely advantageous costs. 13 banks (Italian and foreign) are involved in the loan which has a five-year duration and provides for a lower than 2% average spread on the EURIBOR 3-month rate. For more information as regards the conditions and covenants of this and other loans taken out by the Group, please refer to the relevant section of the Half-Year Financial Report at 30 June 2009.

The debt/equity ratio stood at 1.23. The corporate debt/equity ratio (calculated by excluding the share of indebtedness related to concessions/project finance initiatives insofar as self-liquidating), stood at 0.94. The share of debt for project finance initiatives amounted to approximately EUR 115 million related to equity paid into hospital and underground projects, construction costs for car parks under concession and for the equity investment for the concession related to the Chacayes hydroelectric plant in Chile (USD 63 million for Astaldi's stake).

Consolidated results of Q4 2009

The fourth quarter of 2009 recorded total revenues of EUR 469.3 million (+7% compared to EUR 438.7 million in Q4 2008), with operating revenues of EUR 452.2 million (+6.2%) and other operating revenues of EUR 17.1 million (+30.6% compared to EUR 13.1 million in Q4 2008).

The cost structure on a quarterly basis reflected the dynamics seen during the whole year, even if in a less marked manner. Direct production costs totalled EUR 347.2 million, equal to 74% of total revenues (+5.5% compared to EUR 329.2 million in Q4 2008); personnel costs amounted to EUR 63.8 million and accounted for 13.6% of total revenues (+11.5% compared to EUR 57.2 million in Q4 2008).

EBITDA amounted to EUR 49.5 million (-6% compared to EUR 52.8 million in Q4 2008) with an EBITDA margin of 10.6%. EBIT totalled EUR 36 million (-10.4% compared to EUR 40.1 million in Q4 2008), with an EBIT margin of 7.7%. The slight drop in EBIT seen during the quarter was due to the joint effect arising, on the one hand, from the excellent performance of some foreign contracts during Q4 2008 and, on the other hand, by the completion of some phases of mainly domestic contracts which resulted in lower margins.

As forecast, there was a lower incidence of financial charges which amounted to EUR 17.5 million. This figure is indicative and pays for the current level of rates which offsets the increase in guarantee costs which generally goes hand in hand with an increase in production volumes.

Group net profit amounted to EUR 10.4 million (+5.5%, compared to EUR 9.9 million in Q4 2008), with a largely stable net margin of 2.2%.

From an equity and financial viewpoint, the fourth quarter was affected by the equity investments for the Chacayes concession in Chile mentioned above.

As far as site activities are concerned, the fourth quarter paid witness to a large number of events which we recall below for the purpose of providing complete information. As regards the Turin rail junction, operation of the two tracks of the underground line laid on the west side of the route was started up in September and October. As for the Bologna Centrale High Speed Station, the month of December saw the delivery and opening to the public of the new passenger subway. While as regards Lot “DG21” of the Jonica National Road (SS106), the ceremony to knock down the wall of the north tube of the Santa Maria Tunnel, the longest of the tunnels along the route, was held in December.

While from a contractual viewpoint, the first document amending the contract related to the Parma-La Spezia railway was formalised in October which included, inter alia, the definition of design changes aimed at optimising the works schedule and reducing the interference of works with the line already in use. While as regards Lot “DG22” of SS106, a design change was approved by the customer in October which allowed for the full and immediate recommencement of site activities.

For a better understanding of the quarter’s results, the main income statement items and breakdown of revenues by geographical area and sector are shown below.

***Consolidated reclassified income statement** (€/000)*	**Q4 2009**	**%**	**Q4 2008**	**%**
Total revenues	469,304	100%	438,673	100%
EBITDA	49,512	10.6%	52.763	12.0%
EBIT	35,925	7.7%	40.103	9.1%
Group net profit	10,449	2.2%	9,907	2.3%

Breakdown of revenues by geographical area and sector

€/millions	Q4 2009	%	Q4 2008	%
Italy	**195**	**43.1%**	**214**	**50.2%**
Abroad	**257**	**56.9%**	**212**	**49.8%**
Europe	90	19.9%	43	10.1%
America	121	26.8%	92	21.6%
Asia	19	4.2%	39	9.2%
Africa	27	6.0%	38	8.9%
Total	**452**	**100.0%**	**426**	**100.0%**

€/millions	**Q4 2009**	%	**Q4 2008**	%
Transport infrastructures	353	**78.1%**	330	**77.5%**
Hydraulic works and energy production plants	49	**10.8%**	24	**5.6%**
Civil and industrial construction	50	**11.1%**	72	**16.9%**
Total	**452**	**100.0%**	**426**	**100.0%**

Order backlog

Astaldi Group's order backlog at 31 December 2009 amounted to approximately EUR 9 billion, EUR 6.4 billion of which refer to the constructions sector, and mostly to general contracting projects, and the remaining EUR 2.5 billion of which to the concessions/project finance sector. EUR 2.2 billion of new contracts were acquired during the year and refer to new acquisitions in the transport infrastructures and renewable energies sector in Latin America (Chile, Venezuela) and Eastern Europe (Romania, Poland), as well as to contractual increases for projects in progress in Italy, the Middle East and Turkey (transport infrastructures and hydraulic works).

The order backlog boasts an overall structure in keeping with the Group's commercial development policies, which are aimed at strengthening the Group's presence in areas where traditionally present, but also at ensuring suitable diversification of the overall risk profile of activities, pursued during the year with the opening of 3 new markets adjacent to areas the Group already operates in.

This results in an order backlog where 50.5% of activities refer to domestic projects (EUR 4,474 million compared to EUR 5,111 million at the end of 2008), while the remaining 49.5% (EUR 4,388 million compared to EUR 3,346 million at the end of 2008) refer to foreign activities, mainly in Latin America, Europe and Algeria.

As regards sectors, construction activities represent the reference sector for the Group's activities (72.1% of the total backlog, in other words EUR 6,393 million compared to EUR 6,338 million in 2008). With specific reference to the construction sector, transport infrastructures, which are a key sector for the Group's operations (65% of the total backlog which translates into EUR 5,739 at the end of 2009 compared to EUR 5,291 million for 2008), play the key role, followed by energy production plants and renewable energies in general (4%, EUR 410 million compared to EUR 502 million at 31 December 2008) and civil and industrial construction (3%, in other words EUR 244 million compared to EUR 545 million at the end of 2008). The role of the concessions sector has also increased, accounting for 28% (equal to EUR 2,469 million for 2009 compared to EUR 2,119 million for 2008), also thanks to the Group's entry in the renewable energy sector (Chile) which serves to complement activities already developed in relation to urban transport infrastructures, healthcare construction and car parks. The figures shown do not take into account the concession related to the Istanbul-Izmir motorway in Turkey (which was preliminarily assigned in July and for which final signing of the contract is pending) and the contract for the Ancona Port road link and surrounding road network (which sees Astaldi as sponsor, pending finalisation of the award procedure).

For a better understanding of the type of contracts in progress, a brief description of the new orders secured during the year can be found below. For more information regarding the type of orders already included among the backlog, please refer to Astaldi Group's financial statements at 31 December 2008. In brief, it must be remembered that the order backlog only includes contracts with public counterparties and EPC contractors of international standing, characterised by a high average value and technological and managerial content. The resulting quality of contracts represent one of the Group's main assets which in the current macroeconomic situation characterised by so many uncertainties, translates into a real competitive advantage in which the Group plans to continue to invest in order to guarantee its leadership in the reference market that is already acknowledged at a working level.

Chile, Pacific Hydro Chacayes S.A. One of the most important commercial successes recorded during the year concerns the subscription of a 27.3% share in **Pacific Hydro Chacayes S.A.**, the SPV (*Special Purpose Vehicle*) responsible for performing the project finance initiative to design and subsequently manage the Chacayes hydroelectric plant in the River Cachapoal Valley in Chile. Said share makes Astaldi a partner in the project finance initiative, with an investment value of USD 450 million, to manage Chile's most important hydroelectric project in progress to date. The plant, which is already under construction by Astaldi on the basis of an EPC contract worth USD 282 million secured in 2008, will boast a capacity of 111 MW and feature a complex water collection and supply system with 6 kilometres of tunnels, 7 kilometres of pipes and a electric substation with two 5.4 MW turbines. The expected annual production will stand at around 557GWh. In 2011, the plant's scheduled completion date, the SPV will enter the management phase in the capacity of owner of the rights related to use of the water for an unlimited period of time. A long-term trading contract already envisages that 60% of the energy produced will be sold within the Chilean energy market, while the remaining 40% will be assigned to the spot market. The overall investment for this new project finance initiative amounts to approximately USD 450 million, 55% of which is guaranteed by the SPV partners' equity, and USD 200 million of which through a no recourse loan subscribed by a pool of four international banks. Astaldi set up an SPV regulated by Chilean law for the share of partners' equity to be paid, in which Simest (Società Italiana per le Imprese all'Estero) subscribed 40% of the relative share capital. This project's value and potential are further reinforced by the fact that Pacific Hydro, the project partner, is the leading Australian company in the renewable energy sector and is currently committed to developing three other hydroelectric projects in the Cachapoal Valley area worth a total of over USD 1 billion, which will result in the construction of additional hydroelectric plants.

Poland, Line 2 of the Warsaw underground. The contract, entered into with Warsaw city authorities, involves the construction of a central stretch of Line 2 of the Warsaw underground, worth a total of PLN 3.375 billion, equivalent to EUR 800 million (Astaldi has a 45% stake and is the project leader). The project involves the design and construction of approximately 6 kilometres of new underground line along the route between Rondo Daszynskiego and Dworzec Wilenski, with 7 stations and a tunnel underneath the River Vistula. The use of three TBMs is envisaged in order to perform the sections involving tunnels. Consignment of the works is scheduled for 2013.

Poland, NR8 National Road (Piotrków Tribunalski and Rawa Mazowiecka stretch). The contract to modernise a section of the NR8 national road in Poland is worth a total of PLN 1.4 billion, equivalent to EUR 350 million (Astaldi has a 40% stake and is the project leader). The works have been commissioned by Poland's National Roads and Motorways Authority and the planned duration of the works is 33 months, with 12 months calculated for the design phase. The contract involves the design and rehabiliation, with conversion into a fast-flowing dual carriageway, of 62 kilometres of the road called the NR8 running between Piotrków Tribunalski and Rawa Mazowiecka. The construction of 14 junctions (at staggered levels) and 59 major works (including overpasses, bridges and viaducts) is also planned. Design activities got underway at the end of 2009.

Poland, Minsk Mazowiecki motorway bypass. The contract, worth a total EUR 124 million (Astaldi has a 30% stake) involves the construction of a motorway bypass to the east of Warsaw in Poland. On the whole, the project involves the construction of 20 kilometres of bypass with motorway features along National Road No. 2, for the section between Choszczowka and Ryczolek, as well as a series of works regarding interconnection of the local road network including 16 viaducts and bridges. The works have been commissioned by Warsaw's General Department of National Roads and Motorways. Works commenced during 2009 with an expected duration of just over 27 months.

Romania, Bucharest-Constanta motorway (Medgida-Constanta section). The contract, worth a total of EUR 169 million, (Astaldi has a 60% stake) involves construction of the Bucharest-Constanta motorway in Romania for the section between Medgida and Constanta. The contract involves the design and construction of 32 kilometres of motorway including, among other things, the construction of 4 overpasses, 2 viaducts, 2 bridges and a junction. The works have been commissioned by Romania's National Motorway and Road Company. The works commenced during the first half of 2009 and are expected to be completed by the first half of 2011.

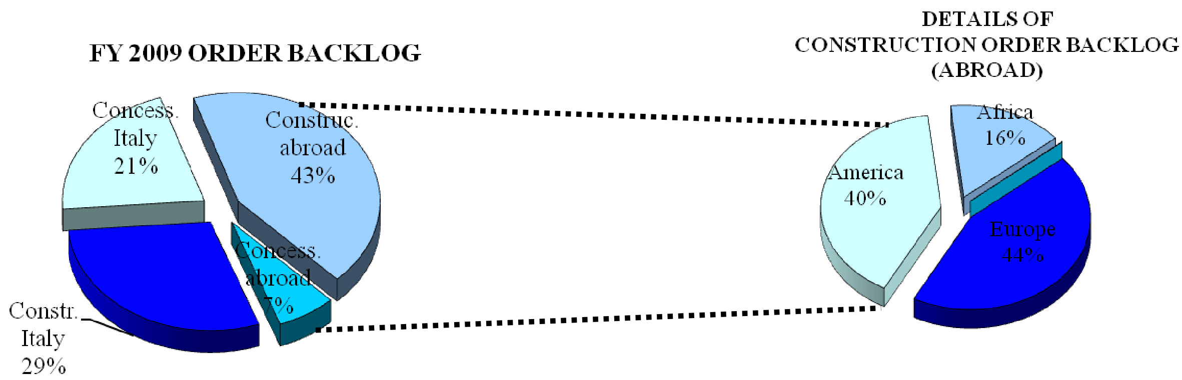
Romania, Arad-Orodea national road. The contract worth EUR 74 million involves the modernisation of 99 kilometres of road in Romania. Specifically, the contract involves the design and rehabilitation of a section of the DN79 national road between Arad and Orodea. The works have been commissioned by Romania's National Motorway and Road Company. The works commenced during the first half of 2009 and are expected to be completed by the first half of 2011.

Peru, Huanza hydroelectric plant. The contract worth USD 116 million (Astaldi has a 60% stake and is the project leader), involves performance of the civil works related to the Huanza hydroelectric plant in Peru. The plant will have a 90MW capacity and involve, inter alia, the construction of a 300,000 m^3 dam in RCC (*Roller Compacted Concrete*), a ten-kilometre tunnel, penstock, hydroelectric plant and switchyard. The works are scheduled to be completed within 29 months. The works have been commissioned by Minera Buenaventura, one of the country's leading mining operators.

Nicaragua, Carretera Empalme de Lóvago-Empalme Pajaro Negro. The contract, worth EUR 18 million, involves modernisation of two lots of the Empalme de Lóvago-Empalme Pajaro Negro road. The first lot (Tramo I.1) refers to a section measuring approximately 30 kilometres between Empalme de Lóvago and Puente Niscala, while the second lot (Tramo I.2) refers to the following 31-kilometre section linking Puente Niscala to Empalme Pajaro Negro. The works have been commissioned by Nicaragua's Ministry of Transport and Infrastructures and funding by the BID (Banco Interamericano de Desarollo) is envisaged in order to perform said works. The expected duration of works is 480 days.

Pie charts showing a breakdown of the order backlog at 31 December 2009 by geographical area and sector can be found below.

Order backlog according to geographical area and sector



Order backlog according to geographical area (€/000,000)	At 01/01/2009	Increases/ Decreases	Decreases for production	At 31/12/2009
Italy	**5,111**	**170**	**(807)**	**4,474**
Abroad	**3,346**	**2,032**	**(990)**	**4,388**
Europe	930	995	(258)	1,667
America	1,658	967	(497)	2,128
Africa	706	6	(121)	591
Asia	52	64	(114)	2
TOTAL Order backlog	**8,457**	**2,202**	**(1,797)**	**8,862**

Order backlog according to sector (€/000,000)	At 01/01/2009	Increases/ Decreases	Decreases for production	At 31/12/2009
Transport infrastructures, of which:	5,291	1,867	(1,419)	5,739
Railways and undergrounds	*3,892*	*1,286*	*(1,074)*	*4,104*
Roads and motorways	*1,264*	*552*	*(319)*	*1,497*
Airports and ports	*135*	*29*	*(26)*	*138*
Hydraulic works and energy production plants	502	63	(155)	410
Civil and industrial construction	545	(78)	(223)	244
Concessions	2,119	350	0	2,469
TOTAL Order backlog	**8,457**	**2,202**	**(1,797)**	**8,862**

In the tables shown above, the Increases/Decreases item includes both increases for new contracts and addenda to contracts in progress, as well as decreases for advance termination of contracts and, specifically, as explained in greater detail below, advance suspension of the contract regarding the Police Officers' Academy ("Scuola dei Carabinieri") in Florence at the start of 2010. Said event makes the commercial result achieved during 2009 even more significant.

It should be remembered that on the basis of the conservative criteria adopted by the Group in relation to the inclusion of new orders among the backlog, the values related to the following still have to be included among new acquisitions: (i) preliminary assignment of the **concession to construct and subsequently manage the Istanbul-Izmir motorway** – a project which still has to be made official and which will be discussed in more detail further on (ii) appointment as sponsor for the **project finance initiative related to the construction and subsequent management of links between Ancona Port and the surrounding road network** for which the final outcome of the award procedure is pending, (iii) possible developments related to projects in progress in Italy (undergrounds) and abroad (railways and water).

Specifically, as regards preliminary assignment of the concession related to the BOT to construct and subsequently manage the **Istanbul-Izmar motorway** in **Turkey** which represents nothing more than a step forward in implementing the Group's desire **to extend the concessions business abroad**. Said project involves an overall investment of approximately USD 6.4 billion against estimated management revenues of USD 23 billion with the duration of the concession standing at 22 years and 4 months. The most important motorway works to date in Turkey involve the construction of 421 kilometres of new motorway linking Gebze, near Istanbul, to Izmir on Turkey's Aegean coast as well as a bridge over the Bay of Izmir. The consortium set up by Astaldi together with a group of local companies, each holding an equal share of 16.7%, will be responsible for performing the project. Astaldi's share will be included among the order backlog upon completion of the procedures to award the contract in question.

Subsequent events

As regards works to construct the Police Officers' Academy in Florence, it should be noted that the contract was suspended in advance in February 2010 for reasons related to the client and not dependent on the company (this followed suspension of the works by the client in May 2009); as a result, the remaining value of the contract was eliminated from the order backlog as from the end of 2009.

As regards Venezuela, in January 2010 the government decided to devalue the Bolivar, establishing a double level of the fixed exchange rate with the dollar in accordance with product sectors.

The country had been experiencing tension as regards the currency for some time which had led to the creation of a double exchange rate (an official rate linked to the dollar and fixed since 2005 and a parallel official rate regulated by an ad hoc procedure). Therefore, the devaluation performed in January 2010 - a phenomenon forecast both by Astaldi group and the main analysts of the Venezuelan market – is of a "competitive" nature, aimed at re-launching the local economy, but whose origin also lies in the need to ensure greater availability of financial resources for 2010 (which is also an election year). Indeed, oil-related revenue in dollars accounts for most of the national GDP and the devaluation which was performed means greater circulation of local currency in order to cover public spending. As far as the country is concerned, all of this will obviously have a negative impact on inflation levels which had already undergone partial adjustment on the basis of the pressure caused by the parallel exchange rate.

As far as Astaldi Group is concerned, the devaluation phenomenon did not represent an unforeseen event considering that it has already witnessed ten or more devaluations ("competitive") during its thirty years of operating in this area. The experience it has acquired and in-depth knowledge of the local situation have allowed it to develop a local-level business model which has always taken into account these phenomena when representing margins, and led the resources operating in the area to focus solely on priority infrastructure projects (the construction of railways which represent strategic projects, developed under the aegis of bilateral government agreements involving Italy and Venezuela). This is the reason why the Group's forecasts for 2010 include a limitation of activities in Venezuela as from early 2010. Indeed, the need to counterbalance activities had already been identified in previous years, resulting in the opening of new markets (Chile and Peru) and consequent streamlining of the area's overall risk profile.

As regards the economic and equity effects of this recent devaluation, it must be specified that, even if the projects in Venezuela were acquired by an Italian consortium in which Astaldi holds a 33.3% stake in, the management of operations and equity and financial effects have been distributed by assigning separate stretches of railway to each consortium member.

The economic assessment of the projects Astaldi Group is responsible for, which it must be remembered uses the cost to cost method (standardisation of whole life margins), has always taken into account risk coefficients and operating and financial methods which tended to neutralise any devaluation-related effects. Hedging of assets in local currency with similar indebtedness and the fact that the contracts contain a significant part of revenues in Euro (approximately 50%) and that the overall margin is formulated in said currency have largely made it possible to neutralise the impact of devaluation and hence, the results at 31 December 2009 already take this into account.

Forecast development of operations

The 2009 results confirm the effectiveness of the growth strategy outlined by the company's management, the validity of which is corroborated by the macro-economic situation in which said results were achieved.

The successes recorded during the period, both at a commercial level (opening of 3 new markets: Poland, Chile and Peru) and an operating level, confirm the growth forecasts and strategies outlined for the coming years.

Indeed, the complexity of financial and real markets has not slowed down the consolidation and "rational" expansion of activities which culminated during the year in the successful opening of new markets in Poland and Chile as well as strengthening of the Group's role in markets where traditionally present.

On the whole, the actions taken during the year have guaranteed diversification of the risk profile of activities which, in economic situations such as the current one, is proving to be a competitive advantage of great value.

New challenges will have to be taken up over the coming years, both in Italy and abroad.

As regards the domestic market, major efforts will be made to perform the important contracts in progress in Italy (Line C of the Rome underground, Line 5 of the Milan underground), and further stepping up of activities related to the Bologna Centrale High Speed Station and Turin junction are also planned. As regards the latter project, activities during 2010 will focus on the performance of works comprising the so-called East Phase before proceeding to subsequently complete all the works. The start-up of works to build Università station is also planned for the first half of the year along the route of Line 1 of the Naples underground.

From a contractual viewpoint, major focus will continue to be placed on resolving problems still to be solved in relation to the Brescia underground and the New Hospital in Naples (“Ospedale del Mare”).

A further boost will come from contracts currently in the design phase (such as the Pedemontana Lombarda motorway for which the first stone was laid in February 2010) or in the process of being made official (such as the concession for the Istanbul-Izmir motorway in Turkey).

While as far as foreign activities are concerned, major efforts will be dedicated to the new contracts secured in Poland (for which the design phase is underway) and Chile (where construction activities are already in progress). All of these activities, when put together, will serve to guarantee increasingly marked diversification of risks. As regards the foreign sector, the contribution to production generated by Chile (to offset the already planned repositioning of activities in Venezuela) and Poland (to ensure greater diversification of activities in Eastern Europe) will increase. Turkey will tend to acquire greater importance in determining Astaldi Group’s overall production levels, together with Algeria. The Group intends to operate in all these areas also by entering into strategic partnerships with sector operators of international standing, as in the specific case of Latin America, that are able to guarantee cooperation and optimisation of employed resources as well as even greater diversification of the risk profile of activities.

An additional boost to growth is expected from the **concessions** sector. Indeed, as regards the future, in addition to projects under construction entering the full production phase, efforts will be made to obtain a greater contribution from the healthcare and urban transport sectors and to benefit from opening of the concessions market in the motorways and **renewable energies** sectors in Italy and abroad, including by entering into strategic partnerships with operators of international standing.

Indeed, the investment programme and diversification of activities in this sector are going ahead. While still remaining a sector which fits in subsequent to construction activities, it is one which will shortly benefit from the setting up of a dedicated holding concession company within Astaldi Group, with the aim of bringing out and maximising the intrinsic value of these projects.

Other information

Alternative performance indicators

Astaldi's management assesses the economic and financial performance of the Group and business segments on the basis of some indicators not provided for in IFRSs.
Please find below, as required by Communication CESR/05 – 178b, a description of the components of each of said indicators.

EBIT: is equal to the result prior to taxation and financial income and charges, without any adjustments. Income and changes resulting from the management of non-consolidated equity investments and securities are also excluded from EBIT together with the results of any transfers of consolidated equity investments, included under the heading of "financial income and charges" in balance sheet statements, or under the heading of "effects of valuation of equity investments using the equity method" for the results of equity investments valued using the equity method.

EBITDA: is obtained by eliminating the following elements from EBIT, as described above:

- amortisation and depreciation of intangible and tangible assets
- write-downs and provisions
- capitalisation of internal construction costs.

Debt/Equity ratio: said indicator is provided by the ratio between the net financial position – drafted in accordance with the CESR model (Committee European Securities Regulators) – as a numerator and equity as a denominator, excluding treasury shares on hand.

Statement by the Executive appointed to draft corporate accounts

(pursuant to Art. 154-bis, paragraph 2 of Legislative Decree No. 58/1998)

The undersigned, Paolo Citterio, Astaldi's General Manager-Administration and Finance, in his capacity as Executive appointed to draft corporate accounts, hereby declares, pursuant to art. 154-bis, paragraph 2 of Legislative Decree No. 58/1998 (Finance Consolidation Act) that the accounting information contained herein tallies with documents, ledgers and account entries.

Rome, 9 February 2010.

Signed Paolo Citterio

General Manager – Administration and Finance

Attachments

Reclassified consolidated income statement

€/000	Note	31/12/09 December		31/12/08 December		Q4 2009		Q4 2008	
Revenues	1	1,796,933	96.2%	1,466,848	96.1%	452,205	96.4%	425,585	97.0%
Other operating revenues	2	70,789	3.8%	58,792	3.9%	17,099	3.6%	13,088	3.0%
Total revenues		**1,867,722**	**100.0%**	**1,525,640**	**100.0%**	**469,304**	**100.0%**	**438,673**	**100.0%**
Cost of production		(1,395,577)	-74.7%	(1,117,312)	-73.2%	(347,222)	-74.0%	(329,217)	-75.0%
Added value		**472,145**	**25.3%**	**408,328**	**26.8%**	**122,082**	**26.0%**	**109,456**	**25.0%**
Personnel costs	5	(240,466)	-12.9%	(213,364)	-14.0%	(63,802)	-13.6%	(57,228)	-13.0%
Other operating costs		(29,334)	-1.6%	(20,004)	-1.3%	(8,767)	-1.9%	534	0.1%
EBITDA		**202,345**	**10.8%**	**174,960**	**11.5%**	**49,512**	**10.6%**	**52,763**	**12.0%**
Amortisation and depreciation		(46,342)	-2.5%	(41,456)	-2.7%	(13,380)	-2.9%	(11,536)	-2.6%
Provisions	7	(620)	0.0%	(1,277)	-0.1%		0.0%	(895)	-0.2%
Write-downs		(192)	0.0%	(500)	0.0%	(192)	0.0%	(500)	-0.1%
(Capitalisation of internal construction costs)		822	0.0%	837	0.1%	(16)	0.0%	271	0.1%
EBIT		**156,013**	**8.4%**	**132,564**	**8.7%**	**35,925**	**7.7%**	**40,103**	**9.1%**
Net financial income and charges	11	(69,835)	-3.7%	(64,729)	-4.2%	(17,474)	-3.7%	(26,712)	-6.1%
Effects of valuation of equity investments using equity method		(578)	0.0%	3,645	0.2%	(1,934)	-0.4%	4,294	1.0%
Pre-tax profit (loss)		**85,601**	**4.6%**	**71,479**	**4.7%**	**16,517**	**3.5%**	**17,686**	**4.0%**
Taxes		(32,523)	-1.7%	(26,718)	-1.8%	(6,271)	-1.3%	(8,159)	-1.9%
Profit (loss) for the year		**53,078**	**2.8%**	**44,761**	**2.9%**	**10,246**	**2.2%**	**9,526**	**2.2%**
Minority profit (loss)		(1,557)	-0.1%	(2,660)	-0.2%	203	0.0%	380	0.1%
Group net profit		**51,520**	**2.8%**	**42,101**	**2.8%**	**10,449**	**2.2%**	**9,907**	**2.3%**

Reclassified consolidated balance sheet

€/000	31 December 2009	31 December 2008	30 September 2009
Intangible assets	3,331	3,711	3,480
Tangible assets	333,183	272,198	310,295
Equity investments	93,007	53,252	92,555
Other net fixed assets	38,135	26,433	30,354
TOTAL fixed assets (A)	**467,655**	**355,594**	**436,683**
Inventories	100,929	108,092	103,707
Works in progress	649,883	584,993	672,046
Trade receivables	54,255	34,984	34,356
Accounts receivable	690,241	481,781	654,256
Other assets	167,542	205,981	163,780
Tax receivables	74,098	89,138	86,709
Advances from customers	(397,820)	(351,544)	(396,047)
Subtotal	**1,339,127**	**1,153,425**	**1,318,805**
Trade payables	(107,586)	(66,676)	(90,435)
Due to suppliers	(538,340)	(480,033)	(518,031)
Other liabilities	(279,069)	(203,642)	(267,615)
Subtotal	**(924,994)**	**(750,350)**	**(876,081)**
Working capital (B)	**414,133**	**403,074**	**442,724**
Employee benefits	(9,546)	(10,314)	(9,649)
Provisions for non-current risks and charges	(21,285)	(21,153)	(21,690)
Total provisions (C)	**(30,831)**	**(31,467)**	**(31,339)**
Net invested capital (D) = (A) + (B) + (C)	**850,957**	**727,201**	**848,069**
Cash and cash equivalents	444,152	333,759	374,320
Current financial receivables	19,371	17,346	16,278
Non-current financial receivables	2,418	2,423	2,423
Securities	4,175	4,901	4,168
Current financial liabilities	(365,983)	(275,448)	(328,894)
Non-current financial liabilities	(576,400)	(478,308)	(563,817)
Net financial payables/receivables (E)	**(472,267)**	**(395,327)**	**(495,521)**
Group equity	(359,954)	(325,327)	(345,692)
Minority equity	(18,735)	(6,547)	(6,856)
Equity (G) = (D) - (E)	**378,690**	**331,874**	**352,547**