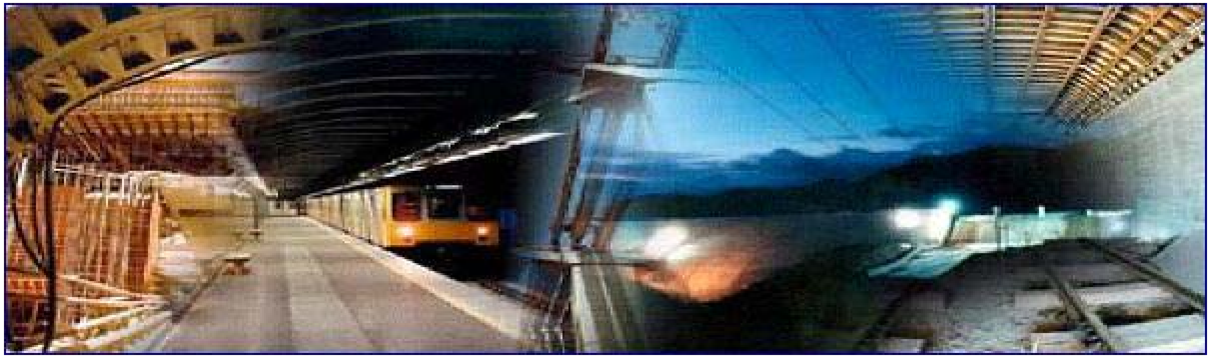
2006-2010 Business Plan



May 2006

ASTALDI

- **New assumptions** of the Business Plan:
  - **strong speed-up of new orders acquisition process**

  allowing to

  - **create value** on the basis of an orders backlog which includes orders selected by quality

  and to

  - adopt a **much more selective approach** to external growth opportunities

2006-2010 Business Plan confirms the growth targets already planned on a "stand-alone" basis

The good performance of concession business allows to expect additional growth, especially in the urban transport infrastructures sector

Previous targets reached in advance

➔ **Validity and effectiveness of the strategic guidelines** of the 2005-2009 Business Plan confirmed by the targets achieved as of today

Commercial Policy - 2005-2009 Strategic Guidelines

- ✓ Focus on *general contracting, project finance and concessions*, in particular in parking, healthcare and transport infrastructures sectors
- ✓ Development of additional opportunities in sectors niches of domestic traditional market (contract value less than € 100Mln)
- ✓ Strengthening of the presence in traditional foreign markets (Venezuela, Romania, Algeria, Turkey)

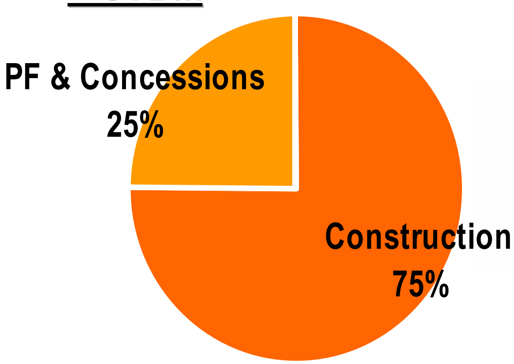
€ 2.8Bln new orders acquired during the last 15 months

to be started-up during the next years

➔ The strong acquisition capacity **allowed to achieve in advance the orders backlog targets** the management planned for 2007

Orders backlog

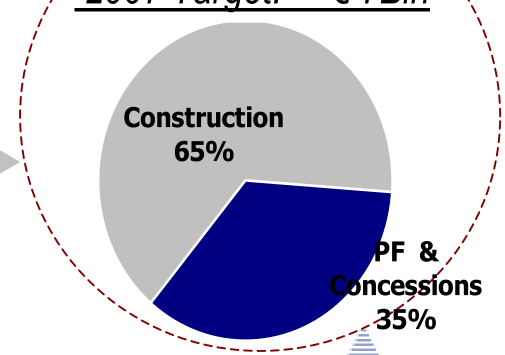
~ € 7Bln



Orders backlog
has already achieved
the targets planned for 2007

Previous Business Plan

2007 Target: > € 7Bln



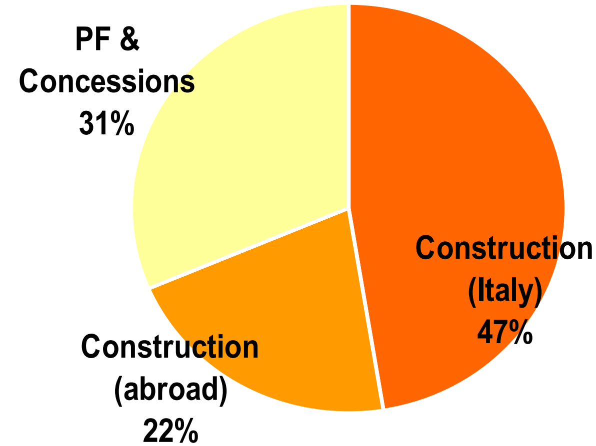
Strong increase in orders backlog

Current orders backlog does not include the contracts for which Astaldi is already a Sponsor or ranks 1st possible contractor

(€/Mln _ Astaldi's shares)	Construction	Concession
Sponsorships		
Appia Antica Underpass in Rome	390	800
Four Hospitals in Tuscany	116	525
Total sponsorships	***506***	***1,325***
Other initiatives		
Venezuela (Puerto Cabello-La Encrucijada and new initiatives)	1,295	--
Romania and additional initiatives	225	--
Total other initiatives	***1,520***	--
Total new orders to be included in orders backlog	***2,026***	***1,325***

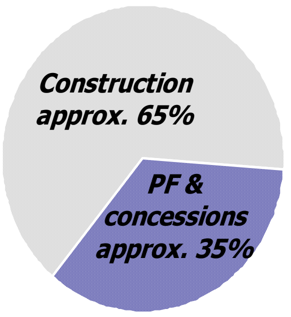
€ 3,4Bln
of additional initiatives

In view that such contracts should be entered into in the short-term, **it is possible to assume a potential orders backlog of approx. € 10Bln**



Potential orders backlog has already exceeded the target planned for 2009

Previous Business Plan
2009 Target: > € 8Bln



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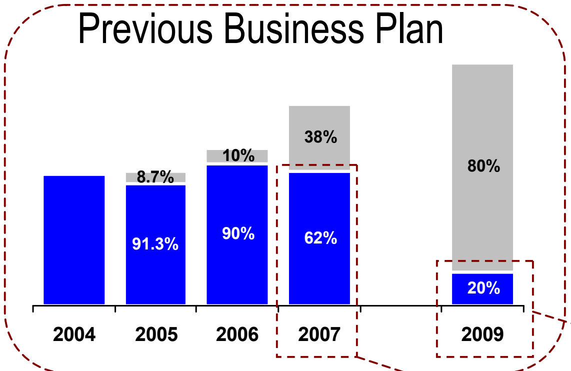
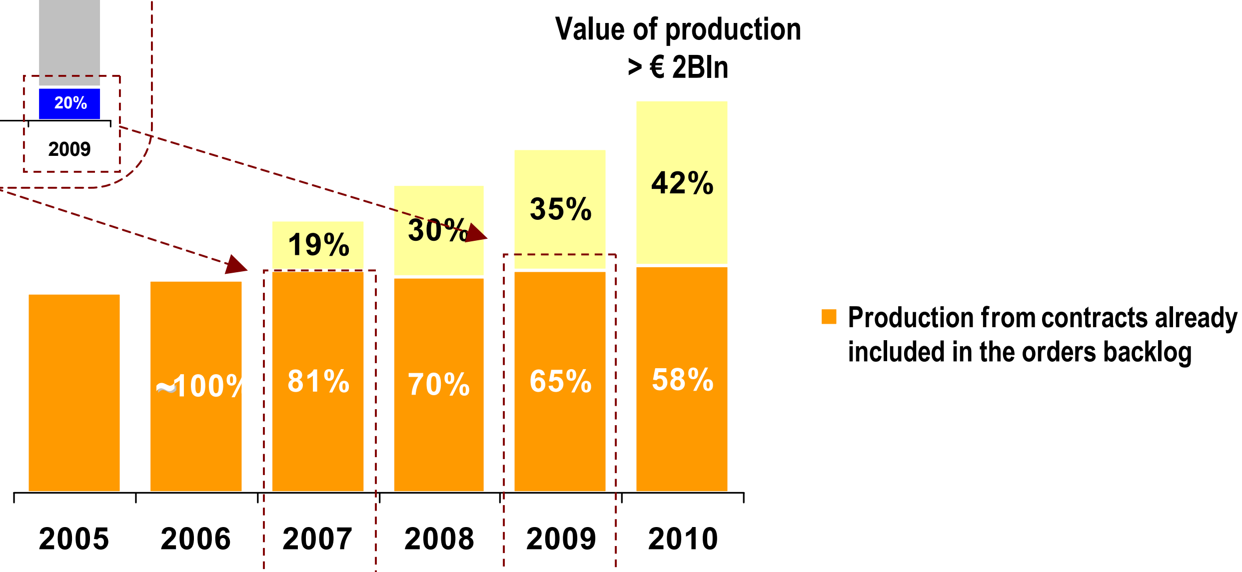
➔ Current orders backlog **allows to achieve the targets of the 2005-2009 Business Plan** on a “stand alone” basis

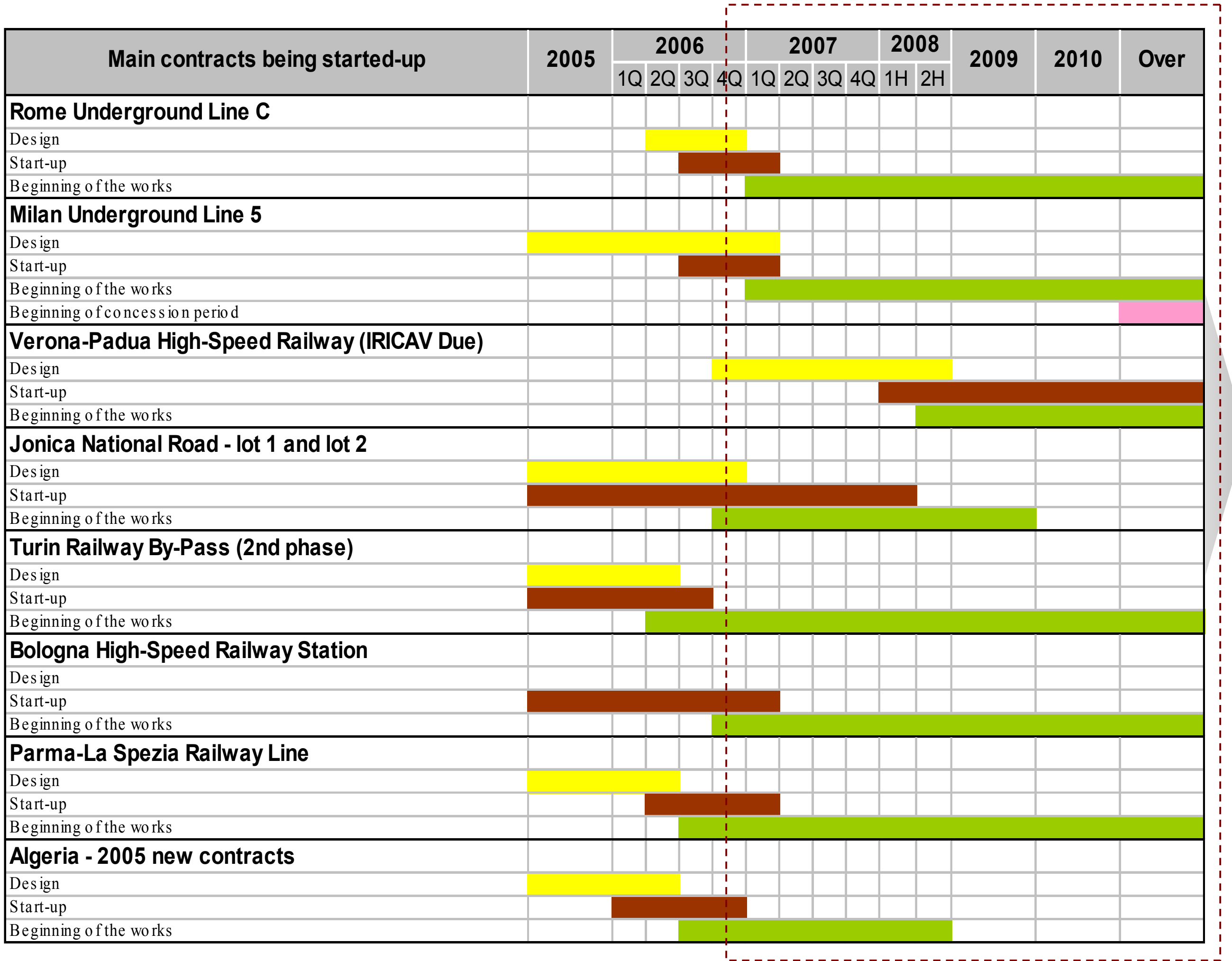


Expected revenues and margins are widely ensured by contracts already included in the orders backlog



➔ Consequently, the Group’s **risk profile has improved,** thus resulting in **better visibility of the margins and cash-flow** generated by the works

➔ Therefore, next years' challenge will be **starting-up the works** relating to the contracts forming the current orders backlog



➔ The contracts acquired during the last 15 months will be fully productive **starting from 2007**

➔ The delayed start-up of the works relating to the two lots of the Jonica National Road (NR 106) – beginning of the works postponed to the end of 2006 – will have an effect on 2006 expected production, which nevertheless will be fully recovered from 2007 onwards

➔ The two-year postponement (from 2007 to 2009) of the expected start-up of the works relating to the Verona-Padua High-Speed Railway Line will have no remarkable effect on this Business Plan since the non-production is balanced by the full production deriving from the new contracts

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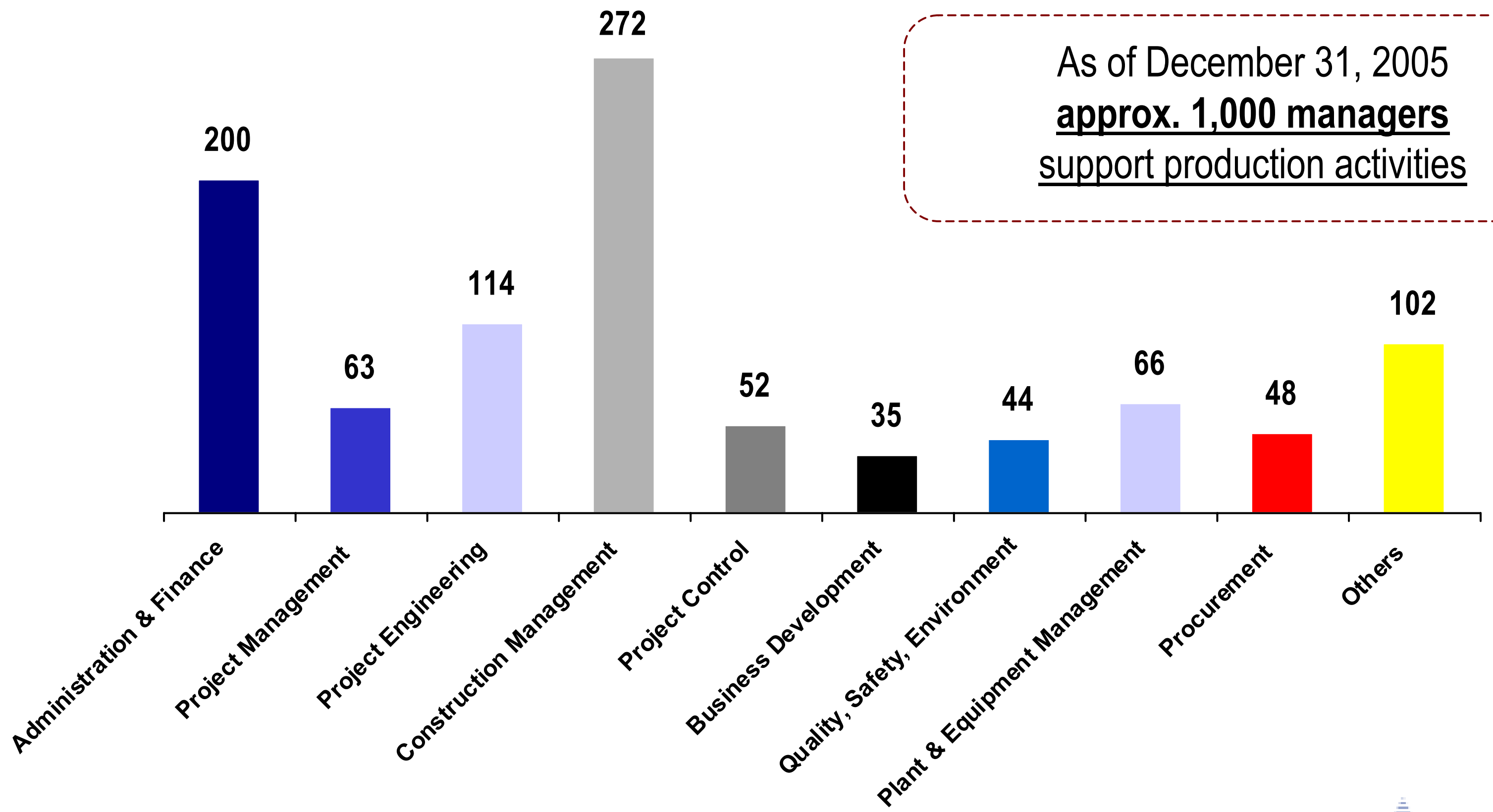
Human resources supporting the Group's growth

- For each relevant contract, Astaldi implements an **organizational structure aimed at guaranteeing the best control processes and the execution of the project**. The structure is also strongly supported by head-office services
- Continues the strong commitment to the training of qualified managers



As of December 31, 2005
approx. 1,000 managers
support production activities

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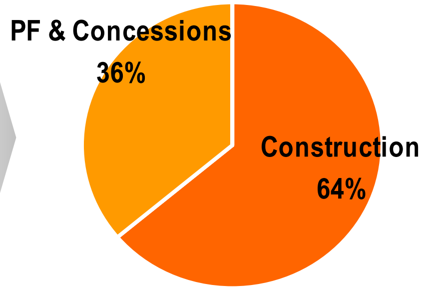
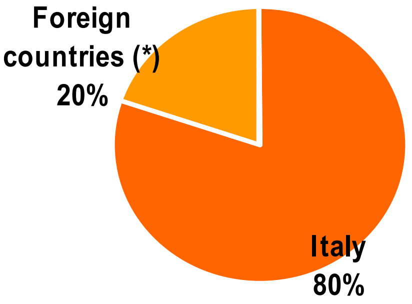
2006-2010 Business Plan Strategic Commercial Guidelines are in line with the previous plan

✓ Focus on *general contracting, project finance and concession* contracts, in particular in parking, healthcare and transport infrastructures sectors

✓ Development of *general contracting, project finance and concession* activities in those foreign countries where the Group traditionally operates and offering important development opportunities (Venezuela, Algeria, Turkey, Romania, Saudi Arabia, Qatar)

~ € 10Bln by December 2010





(*) 2006-2010 Business Plan only partially includes the positive effect on the production and on the margins deriving from the new activities in Venezuela, equivalent to approx. €1.3Bln, since such activities have been included in the orders backlog according to a criterion of prudence as all other standing contracts in Venezuela

➔ The early achievement of previous business plan targets generates a **higher value creation** in comparison with previous plans

➔ Future growth drivers have already been acquired: **the new orders backlog ensures a cash-flow** to support new investments

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Organization - 2005-2009 Strategic Guidelines

- ✓ Actual separation of concession/project finance business from the construction activities and focus on management resources for the development of concession and project finance activities

New concession business unit fully operational

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CONSTRUCTION — Main projects

Italy

- Rome Underground - Line C
- Turin Railway By-Pass
- Verona-Padua High Speed Railway Line
- Brescia Underground
- Bologna High-Speed Railway Station
- Naples Underground
- Parma-La Spezia Railway Line *("Pontremolese")*
- Jonica National Road (NR106) (Lots 1° & 2°)
- Milan Railway By-Pass
- …..

Foreign activities

Abroad

- Rest of Europe — *Turkey, Romania*
- America — *Venezuela, United States, Honduras, El Salvador, Nicaragua, Bolivia, Costa Rica*
- Africa — *Algeria*
- Asia — *Saudi Arabia, Qatar*

CONCESSION / PF — Main initiatives

Healthcare

- New Hospital in Mestre
- New Hospital in Naples
- Four Hospitals in Tuscany *(Astaldi as Sponsor)*

Parkings

- 2 parkings in Bologna
- 2 parkings in Turin
- 1 parking in Verona

Urban transport infrastructures

- Milan Underground Line 5
- Appia Antica Underpass in Rome *(Astaldi as Sponsor)*

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➔ **Increasing concession/project finance activities** in the sectors of healthcare and urban transport infrastructures

TABLE N. 1 - Initiatives currently included in the orders backlog							
(€/Mln)	Total investment	Public grant (%)	Concession revenues	Astaldi's share	Duration		IRR
					Const.	Conc.	
Healthcare	413	50%	2,222	1,038	4.5	26	12%
Transport infrastructures	424	74%	779	181	5.0	27	> 12%
Parkings	33	17%	207	207	2.0	> 30	16%
Other initiatives	--	--	1,615	285			
Total initiatives			**4,823**	**1,711**			

Currently included in the orders backlog

- ➔ **Healthcare**: 2 hospitals (Mestre, Naples)
- ➔ **Urban transport infrastructure**: Milan Underground Line 5
- ➔ **Parkings**: 3 initiatives in "*operation*" phase (Turin (2), Bologna) and 2 initiatives in "*build*" phase (Bologna, Verona)

TABLE N. 2 - Additional initiatives to be promoted							
(€/Mln)	Total investment	Public grant (%)	Concession revenues	Astaldi's share	Duration		IRR
					Const.	Conc.	
Healthcare	494	51%	2,349	1,044	3.5	20.0	17%
Transport infrastructures	1,196	15%	3,717	2,328	5.0	30.0	12%
Total initiatives	**1,690**		**6,066**	**3,372**			

➔ **In Italy, concessions benefit from a public grant** averaging 50% of investment value

➔ Interesting rate of return on invested capital and revenues stabilization

➔ As of 2010, 5% of the value of production derives from concession/project finance activities

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Main Economic Targets of 2006-2010 Business Plan

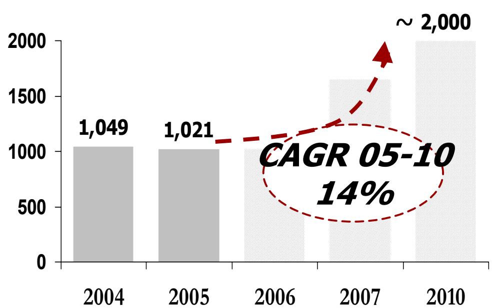
(€/Mln)	2005	2010	CAGR 05-10
Orders backlog	**5,565**	**> 10,000**	**12.5%**
Value of production	**1,021**	**> 2,000**	**14%**
EBIT	**78**	**approx. 170**	**16%**
Ebit margin	*7.6%*	*> 8%*	--
Net profit	**32.5**	**approx. 75**	**18%**

➔ The growth expected by this Business Plan on a "*stand alone*" basis confirms the 2007-2009 targets set forth by the previous business plan on a similar basis

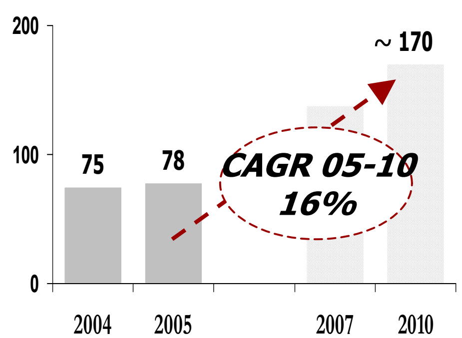
➔ The delayed start-up of some contracts entails a slight decrease in the value of production expected for 2006

➔ **Approx. 60% of 2010 activities and margins is ensured** by the current orders backlog

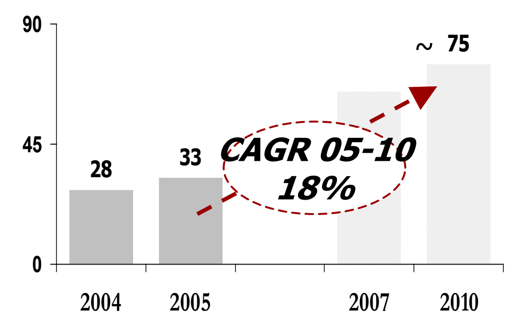
Value of production (€/Mln)



EBIT (€/Mln)

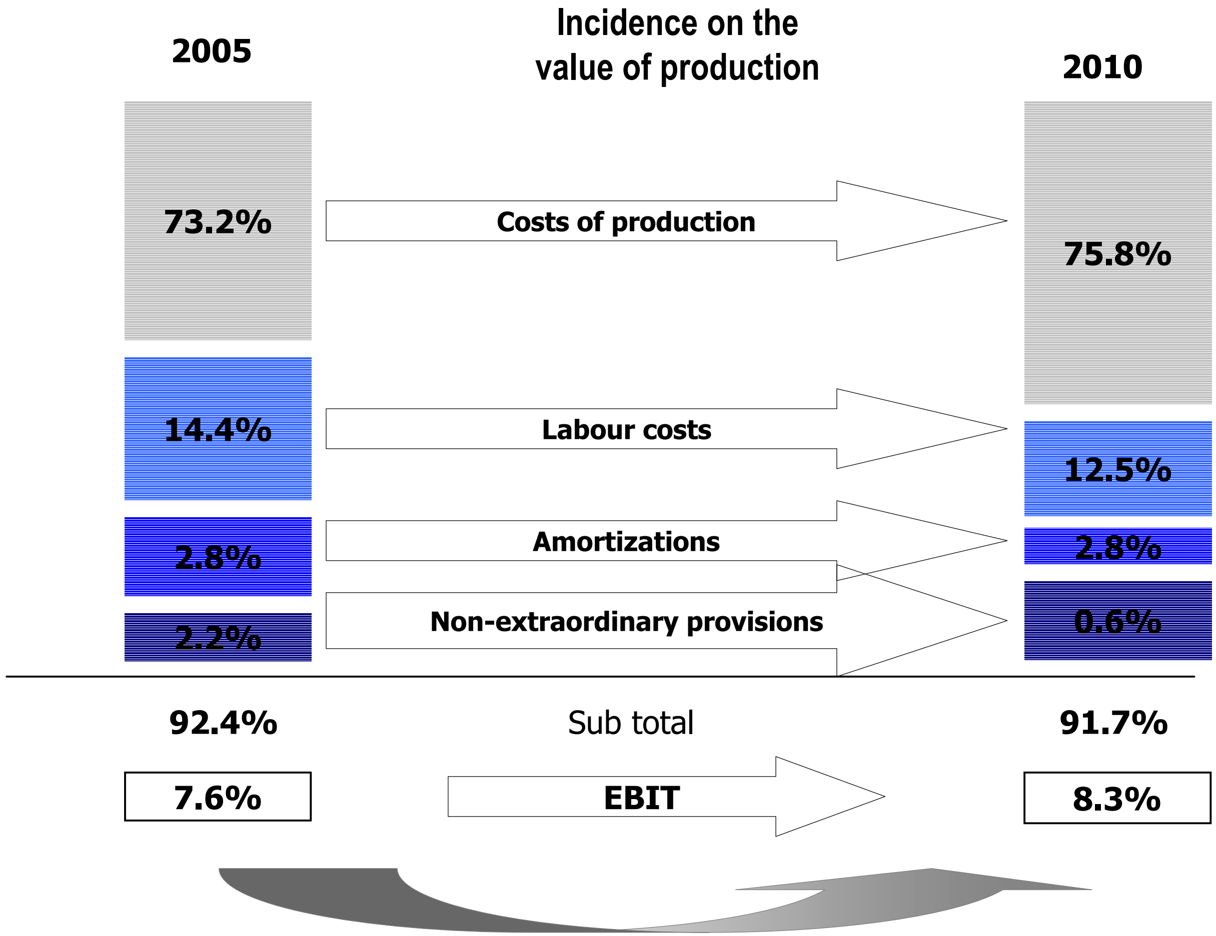


Net profit (€/Mln)



New structure for Consolidated Income Statement

The structure of the <u>Income Statement</u>
reflects the changes incurred in the orders backlog,
which favours the creation of value



Main Equity and Financial targets of 2006-2010 Business Plan

(€/Mln)	2005	2010	CAGR 05-10
Net Invested Capital (NIC)	**496**	**918**	**13%**
NIC Construction Sector	*463*	*537*	*3%*
NIC Concession Sector	*33*	*381*	*n.s.*
Net Financial Position	**(239)***	**(464)**	**--**
of which relating to the concession sector	*(33)*	*(358)*	*n.s.*
Net Equity	**256**	**> 450**	**12%**
Debt/Equity ratio	*0.9*	*1.0*	*--*

(*) Net Financial Position at € 234Mln net of own shares.

CAPEX *Construction Sector*

- ✓ Investments amounting to approx. 4-5% of revenues
- ✓ Important projects start-up as from 2007, with relevant investments

CAPEX *Concession Sector*

- ✓ Equity investments amounting to approx. €170Mln and investments in **non-recourse consolidated debt** equal to approx. €180Mln

- ➔ *Corporate debt/equity ratio* (not including the debt relating to concession/project finance activities since it is non-recourse): < 0.5 in 2010
- ➔ New long-term financing for an amount of €200Mln (bullet repayment after 5-7 years), replacing one sole financing amounting to €80Mln, consequently reducing the cost of debt by approx. 100 b.p.
- ➔ The stated targets take into account the following effects:
  - ✓ non-recourse sale of the receivables relating to the pre-financing of general contracting contracts
  - ✓ non-recourse sale of receivables relating to traditional contracts
  - ✓ collection of advance payment relating to the Verona-Padua High-Speed Railway
  - ✓ pay-out ratio exceeding 30%

(€/Mln)	2005	2010	CAGR 05-10
Value of Production	**1,020**	**> 2,000**	**14%**
of which concessions	*n.m.*	*ca. 100 Mln*	*n.m.*
Gross Operating Margin (GOM)	**152**	**ca. 300**	**14.5%**
EBITDA	**127**	**ca. 230**	**13%**
EBIT	**78**	**ca. 175**	**16%**
Net Profit	**32,5**	**ca. 75**	**18%**

Main Index (%)

	2005	2010
GOM %	**14.9%**	**15%**
EBIT margin	**7.6%**	**8.3%**
Tax rate (*)	**41%**	**35%**

(*) The above data do not take into account possible tax benefits deriving from tax credits accrued abroad.

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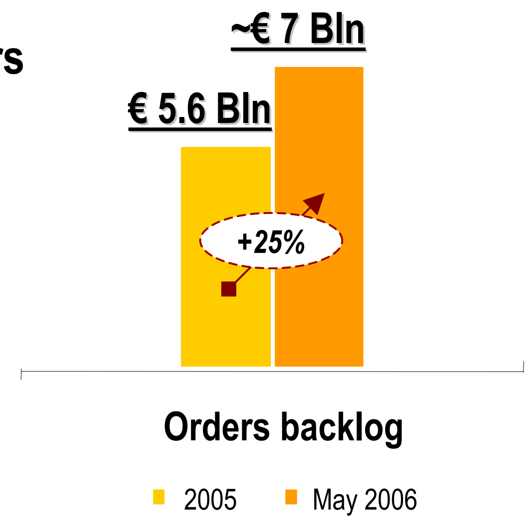
Q1 2006 Results

Strong increase in order backlog: 1.6Bln of new orders mainly in the railway sector

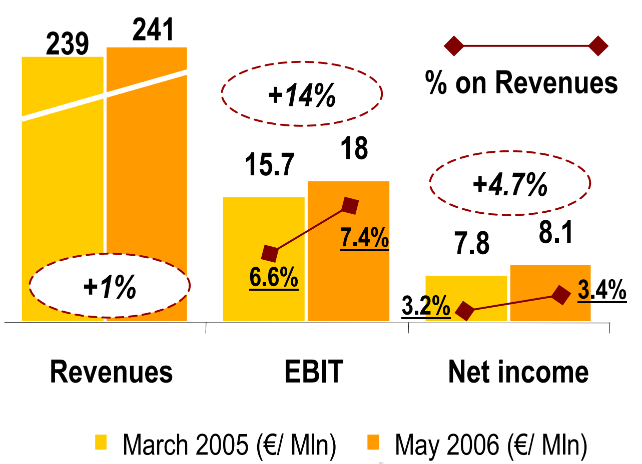
✓ Targeted contracts have been successfully obtained



Slight increase in revenues affected by seasonality

✓ 56% revenues from foreign activities as most important large Italian contracts will start in 2007

Good profitability as a result of the good quality of the contracts in the orders backlog



Sound financial structure

✓ Net Financial Debt: € 248Mln(*) (€ 231Mln as of December 2005)

✓ Debt/equity ratio: 0.93

✓ Corporate Debt/equity ratio: 0.80

(*) Net of own shares.

Consolidated Reclassified Income statement

(€/Mln)	1Q 2006	% on rev.	1Q 2005	% on rev.	YoY
Contract revenues	224.6	93.1%	224.2	93.8%	0.2%
Other revenues	16.8	6.9%	14.7	6.2%	13.8%
Total revenues	**241.4**	**100.0%**	**238.9**	**100.0%**	**1.0%**
Costs of production	(166.0)	(68.8%)	(169.2)	(70.8%)	(1.9%)
Labor costs	(43.4)	(18.0%)	(37.7)	(15.8%)	15.1%
Other operating costs	(5.8)	(2.4%)	(4.6)	(1.9%)	25.5%
Ebitda	**26.2**	**10.8%**	**27.4**	**11.5%**	**(4.5%)**
Ebitda margin	*10.8%*	--	*11.5%*	--	--
Depreciations and amortisations	(6.4)	(2.6%)	(6.3)	(2.6%)	1.3%
Provisions for contractual risks	(2.1)	(0.9%)	(5.3)	(2.2%)	n.m.
Other provisions	-	0.0%	(0.1)	(0.1%)	n.m.
(Capitalization of internal construction costs)	0.2	0.1%	0.0	0.0%	n.m.
Ebit	**18.0**	**7.4%**	**15.7**	**6.6%**	**14.2%**
Ebit margin	*7.4%*	--	*6.6%*	--	--
Interest charges	(4.0)	(1.7%)	(4.7)	(2.0%)	(15.6%)
Impact of measurement of inv. under equity method	(1.1)	(0.4%)	1.0	0.4%	n.m.
Profit before taxes	**12.9**	5.3%	**12.0**	5.0%	**7.5%**
Taxes	(5.3)	(2.2%)	(4.9)	(2.0%)	8.7%
Tax rate	*41.0%*	--	*40.5%*	0.2%	*n.m.*
Net income	**7.6**	**3.2%**	**7.1**	**3.0%**	**6.6%**
Minorities	0.5	0.2%	0.6	0.3%	(17.1%)
Net income	**8.1**	**3.4%**	**7.8**	**3.2%**	**4.7%**

Total revenues

➔ Slight increase in revenues reflects seasonality effects

Labor costs

➔ Partial change in direct costs mix. Labor costs increase mainly due to the increased use of direct works especially in foreign markets, such as Algeria. These are balanced by a similar reduction in the costs of production

➔ In 1Q 2005 New Milan Expo Fair Centre had a production value of approx. € 30 Mln fully outsourced

➔ Increase in **Ebit margin** as a result of improved quality of orders backlog and costs control policy

➔ **Tax rate** does not include fiscal assets from foreign activities

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Sound financial position

(Euro/000)	3M 2006		2005	3M 2005
Intangible fixed assets	*4,841*		*4,977*	*4,879*
Tangible fixed assets	*143,732*		*129,299*	*125,534*
Equity investments	*36,905*		*34,430*	*33,096*
Other net fixed assets	*48,995*		*44,420*	*51,329*
Total net fixed assets	234,473		213,126	214,838
Working capital	355,833		346,372	324,822
Total funds	(71,620)		(66,127)	(60,216)
Net invested capital	**518,686**		**493,371**	**479,444**
Net financial debt	(251,599)	(*)	(237,080)	(239,095)
Net equity	**267,088**		**256,291**	**240,349**

Increase in **tangible assets** due to investments on new contracts start-up

(Euro/000)	3M 2006	2005	3M 2005
Short-term financial debt	(235,905)	(207,885)	(211,726)
Medium-Long term financial debt	(252,386)	(245,370)	(150,101)
Cash	184,512	175,423	111,036
Financial receivables	81,640	61,896	34,725
Leasing	(29,460)	(21,138)	(23,024)
Net eurobond	-	-	-
Net financial position	**(251,599)**	**(237,074)**	**(239,090)**
Own shares	3,276	5,860	637
Net Financial Position	**(248,323)**	**(231,214)**	**(238,453)**

Slight increase in net financial position due to both seasonality effects and to investments on new projects start-up

(*) € 248 Mln net of own shares.

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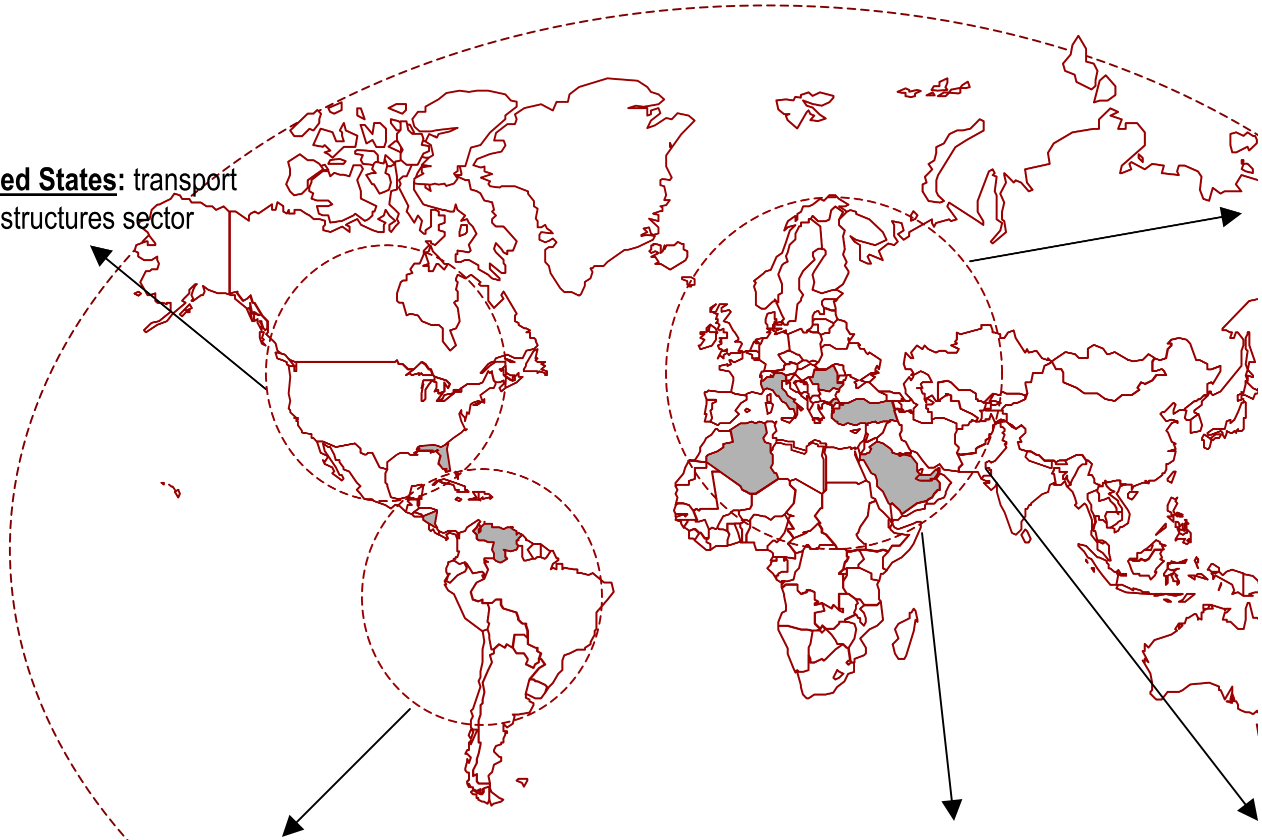
Appendix

International Positioning

United States: transport infrastructures sector



Italy: transport infrastructures sector and project finance initiatives in the sectors of healthcare, parkings and transport infrastructures

- *Rome Underground (Line C)*
- *Milan Underground (Line 5)*
- *Verona-Padua High Speed Railway*
- *Jonica National Road (NR106)*
- *Brescia Underground*
- *Turin Railway By-pass*
- *Bologna High-Speed Railway Station*

Turkey: transport infrastructures sector and promotion of PPP/Project Finance initiatives in healthcare and urban transport sectors

- *Istanbul-Ankara Motorway*

Romania/Eastern Europe: transport infrastructures sector

Venezuela: railway infrastructures sector

- *Puerto Cabello-La Encrucijada Railway*

Central America: hydraulic works and transport infrastructures

Algeria: transport infrastructures and hydraulic works

- *Redjem-Demouche Mecheria railway*
- *Kerradà Dam*

Saudi Arabia and Qatar: oil&gas sector

Value of Construction(*): works to be executed during the next five years

Country	Project	Type	Employer	Project Value (I)	Astaldi's Share (%)	Astaldi's Share (€)	Orders backlog value	Progress (%)	Financing	End of works
ITALY										
Italy	Rome Underground Line C	Railways and undergrounds	Roma Metropolitane S.p.A.	2.180.000	34,50%	752.100	752.100	0,00%	Public Funds	> 2010
Italy	Milan Underground Line 5	Railways and undergrounds	Municipality of Milan	513.734	23,30%	119.700	119.700	0,00%	Project finance	> 2010
Italy	Jonica National Road (NR 106) - lot 1	Roads and motorways	ANAS S.p.A.	480.180	100,00%	480.180	473.381	1,42%	Public Funds	2010
Italy	Turin Railway By-pass	Railways and undergrounds	Italferr S.p.A.	402.568	74,00%	297.900	295.648	0,76%	Public Funds	> 2010
Italy	Verona-Padua High Speed Railway	Railways and undergrounds	T.A.V. S.p.A.	2.712.625	32,99%	894.895	864.174	3,43%	Public Funds	> 2010
Italy	Brescia Underground	Railways and undergrounds	Brescia Mobilità S.p.A.	314.343	100,00%	314.343	284.717	9,42%	Public Funds	2009
Italy	Jonica National Road (NR 106) - lot 2	Roads and motorways	ANAS S.p.A.	310.270	100,00%	310.270	306.393	1,25%	Public Funds	2010
Italy	"Bologna Centrale" High Speed Railway Station	Railways and undergrounds	Italferr S.p.A.	308.798	100,00%	308.798	290.903	5,80%	Public Funds	2009
Italy	Parma-La Spezia Railway Line	Railways and undergrounds	Italferr S.p.A.	165.500	100,00%	165.500	163.643	1,12%	Public Funds	> 2010
Italy	Other initiatives						1.049.341			
Total Italy							**4.600.000**			
Abroad										
Venezuela	Puerto Cabello-La Encrucijada Railway	Railways and undergrounds	I.A.F.E. (Autonomous Institute of Railways of Venezuela)	718.161	33,00%	236.993	105.681	55,41%	SACE	> 2010
Turkey	Anatolian Motorway (Istanbul-Ankara)	Roads and motorways	Ministry of Public Works of Turkey	511.538	100,00%	511.538	98.554	80,73%	Public Funds	2007
Algeria	Redjem Demouche-Mecheria Railway	Railways and undergrounds	S.N.T.F (Ministry of Transport of Algeria)	160.588	51,00%	81.900	81.900	0,00%	Public Funds	2008
Algeria	Akbou-Bejaia water pipeline	Hydraulic works	A.N.B.T. (Dams National Agency)	114.314	51,00%	58.300	56.788	2,59%	Public Funds	2008
Costa Rica	Pirris Dam	Hydraulic works	ICE (Instituto Costarricense de Electricidad)	89.300	100,00%	89.300	89.300	0,00%	JBIC ODA	2010
Algeria	Kerradà Dam	Hydraulic works	A.N.B.T. (Dams National Agency)	77.315	68,68%	53.100	51.725	2,59%	Public Funds	2009
Algeria	East-West Motorway (Troncon-Quedda)	Roads and motorways	A.N.A. (Motorways National Agency)	59.400	100,00%	59.400	55.922	5,86%	Public Funds	2009
Algeria	Hydraulic plant in Hamma	Hydraulic works	Algerienne des Eaux	56.400	100,00%	56.400	56.400	0,00%	Public Funds	2007
Other foreign conutries	Other iniatiatives						294.730			
Total abroad							**891.000**			
TOTAL VALUE OF CONSTRUCTION IN THE ORDERS BACKLOG AS OF APRIL 2006							**5.491.000**			

(*) Does not include concessions.

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Reclassified Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT	2005	2010
Euro/Mln		
Value of production	**1,020.7**	**2,002.2**
Gross Operating Margin (GOM)	**151.7**	**298.7**
GOM %	***14.9%***	***14.9%***
EBITDA	**126.6**	**231.6**
EBIT	**77.9**	**167.7**
EBIT MARGIN	***7.6%***	***8.3%***
Profit before taxes	**54.6**	**115.1**
TAX RATE	***41.6%***	***35.3%***
Net income	**32.5**	**74.8**
RN/VDP	3.2%	3.7%

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Reclassified Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET	2005	2010
Euro/Mln		
Total Net Fixed Assets (A)	**214.5**	**740.6**
Working Capital (B)	**347.7**	**254.5**
Total Funds (C)	**(66.1)**	**(76.8)**
Net Invested Capital (D)=(A)+(B)+(C)	**496.0**	**918.3**
NIC/Value of production	*49%*	*46%*
Net Financial Position (E)	**(239.7)**	**(464.4)**
Net Equity (G)=(D)-(E)-(F)	**256.3**	**453.9**
DEBT/EQUITY RATIO	94%	*102%*
DEBT/EBITDA	1.89	*2.01*

CONSOLIDATED CASH-FLOW	2005	2010
Euro/Mln		
A - Gross Cash-Flow	78.4	134.9
B - Total (Increase)/Decrease in working capital	(44.8)	45.1
C=A+B - Current Operating Cash-Flow	33.6	180.0
D - Total (Increase)/Decrease Fixed Assets	(35.9)	(163.5)
E=C+D - Operating Cash-Flow	(2.3)	16.4
F - Increase/Decrease Equity/Dividends	(9.6)	(19.7)
G=E+F - Available Cash-Flow	(12.0)	(3.3)

COVERAGE:		
(Increase)/Decrease of Cash from Construction Activities	6.0	(56.5)
(Increase)/Decrease of Cash from Project Finance	6.0	59.8
TOTAL	12.0	3.3

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