Astaldi, the BoD approves the quarterly report at September 30, 2006

- **Total revenues of €766.6 million**
- **Group net profit for the first nine months of 2006 of €22.6 million**
- **Total orders backlog of over €8 billion**

Rome - November 13, 2006 – The Board of Directors of Astaldi S.p.A., chaired by Prof. Ernesto Monti, today approved the quarterly report at September 30, 2006.
The figures contained in the report show an economic performance largely in line with that of the same period of 2005, and an increase in the acquisition of new contracts which, during the period in question, totalled approximately €3 billion, bringing the total orders backlog to over €8 billion with a 44% increase since the start of the year.

"We are satisfied with the results achieved", commented Executive Deputy Chairman Vittorio Di Paola, "because despite the current objective difficulties, we have been able to confirm values substantially in line with 2005's already positive results. For 2007, the scheduled start of the large contracts included in the domestic orders backlog, together with the strong current expansion abroad, should give a powerful drive to the Group's growing process."

Consolidated results at September 30, 2006

The economic performance of the first nine months of the year reflects the slowdown in activities on the domestic market on the one hand, and the major increase in foreign activities on the other which, at September 30, accounted for over 60% of total revenues. Moreover, the strategic importance of domestic contracts included among the orders backlog makes it possible to forecast an upturn in the growth trend over the coming years.

A closer look at the income statement for the first nine months of 2006 shows *total revenues* of approximately €766.6 million, largely in line with the previous year (+0.2%) despite the delays on the approval procedures for some projects, mostly concerning Italy.

There was a slight increase in *contract revenues* which totalled €728.6 million (+1.9% compared to €715 million in 2005), 38% of which were generated in Italy and the remaining 62% abroad, mainly in America (26%), Europe and Turkey (25%) and Algeria (11%). The transport infrastructure sector confirmed its leading role in the Group's production activities accounting for 81% of the total, followed by hydraulic works and energy production plants (10%) and civil and industrial construction (9%).

EBIT totalled over €55 million, with an *EBIT margin* decreasing by 0.3% from 7.5% of the previous year to 7.2% due to the combined effect of the aforementioned slowdown in the domestic market and the result recorded in the United States, almost entirely offset by a marked increase in earnings from foreign activities.

The Group's *net profit* amounted to €22.6 million (€24.3 million in the same period of 2005), with a *net margin* of 2.9% compared to 3.2% at September 30, 2005.

Net financial indebtedness at September 30, 2006, net of treasury shares, amounted to €292.9 million, down on the figure of €324.9 million recorded in June 2006. It must also be noted that major investments were made during the first nine months of the year, both in the project finance and general contracting sectors in relation to the start-up of recently acquired key contracts. Therefore, the *debt/equity ratio* stood at 1.07, an improvement on the ratio of 1.2 at June 30, 2006. In any case, the *corporate debt/equity ratio*, which excludes the share of debt related to concessions and project finance activities insofar as without recourse, was lower than the unit.

To conclude, levels of production and margins in line with those of the previous year are expected for the current year given that the delay in the start-up of general contract projects in Italy and the negative results seen in the United States do not make it possible to fully benefit from the good profitability of contracts in progress.

Third quarter results

During the third quarter of 2006, *contract revenues* amounted to €247 million (+6.4% on the same quarter of 2005) while *total revenues* amounted to approximately €262 million (+5%). EBIT, equal to approximately €16 million, was down on the figure of €18 million recorded in the third quarter of 2005, mainly due to the negative results seen in the United States. Therefore, the *EBIT margin* dropped to 6.1% compared to 7.2% in the third quarter of the previous year. *Net profit* amounted to €5 million (compared to €7 million in Q3 2005) with a *net margin* of 2% (3% in 2005).

Orders backlog

The total orders backlog amounts to approximately €8 billion, over €6.3 billion of which is related to the construction sector and €1.7 billion to concessions. New contracts worth a total of approximately €3 billion were acquired during the first nine months of the year. The new contracts mainly concern the transport infrastructure sector in Venezuela, Algeria, Romania and in Italy where the projects included in the Astaldi Group's backlog feature among the current government's priorities.

Moreover, the effects of intergovernmental agreements reached between the Italian and Venezuelan governments in December 2005 are starting to be seen in Venezuela. Therefore, Venezuela is proving to be one of the strategic areas in supporting the Group's growth, in terms of production and profitability.
Mention must also be made of activities underway in Algeria where new orders totalling approximately €170 million have been secured, mainly related to the transport infrastructure and hydraulic works sectors. As regards Italy, a major contribution came from acquisitions in the city rail transport sector in the month of February (Line C of the Rome underground and Line 5 of the Milan underground).

Events subsequent to the end of the quarter

In October, subsequent to the end of the quarter, notice was given of the future awarding of a new contract worth USD 1.7 billion to the joint venture in which Astaldi holds a 33.33% stake. This contract involves construction of the Cua-La Encrucijada-San Juan de los Morros railway section in Venezuela, work on which is scheduled to begin during the first half of 2007. Should this acquisition be also taken into consideration, the orders backlog would total approximately €8.5 billion.

In Algeria, subsequent to technical review, SNTF (the state railway) proceeded to review the bids submitted for the three lots of the high speed railway worth a total in excess of €10 billion. The bid

submitted by Astaldi, the leader of a consortium set up with other key international operators, was the only one reviewed in relation to the main lot.
Moreover, during November an agreement was signed with Banco Bilbao Vizcaya Argentaria which provides for non-recourse factoring on a revolving basis of credits from contracts for total plafond of €60 million.

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As regards the attached model statements, in compliance with CONSOB's most recent provisions, it must be noted that the figures listed have not been subjected to complete auditing and, as regards the reclassified statements, the figures listed are not subject to checks by the auditing firm.

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Listed on the STAR segment of the Italian stock exchange, Astaldi Group has been active for more than 80 years, in Italy and abroad, in designing and constructing large-scale civil engineering works.
The Group operates in the following areas of activity:

- *transport infrastructures (railways, undergrounds, roads, motorways, ports, and airports);*
- *hydraulic works and power production plants (dams, hydroelectric plants, water systems, oil pipelines, gas pipelines, and treatment plants);*
- *civil and industrial construction (hospitals, universities, airports, law courts, construction works for electrical and nuclear plants, car parks);*
- *concession of such works as car parks, remediation plants, etc.*

The Group is currently a General Contractor capable of promoting financial aspects and coordinating all resources and skills for the optimal development and management of complex and high-value public works.

For further information:

Astaldi S.p.A.
tel. 06/41766389
Alessandra Onorati
Head IR & Corporate Communications
a.onorati@astaldi.com
www.astaldi.it

PMS Corporate Communications
Tel. 06/42020970
Giancarlo Frè Torelli
Andrea Lijoi

Reclassified Consolidated Income Statement

(€/000)	Sept. 30, 2006	% on rev.	Sept. 30, 2005	% on rev.	Q3 2006	% on rev.	Q3 2005	% on rev.
Revenues	728,604	95.0%	715,090	93.5%	246,840	94.3%	232,080	93.2%
Other operating revenues	38,040	5.0%	49,672	6.5%	14,795	5.7%	17,033	6.8%
Total revenues	**766,644**	**100.0%**	**764,762**	**100.0%**	**261,635**	**100.0%**	**249,113**	**100.0%**
Costs of production	(550,599)	(71.8%)	(536,151)	(70.1%)	(196,688)	(75.2%)	(175,928)	(70.6%)
Added value	**216,045**	**28.2%**	**228,611**	**32.0%**	**64,947**	**24.8%**	**73,185**	**31.5%**
Labor costs	(122,785)	(16.0%)	(111,011)	(14.5%)	(40,435)	(15.5%)	(37,976)	(15.2%)
Other operating costs	(12,346)	(1.6%)	(18,761)	(2.5%)	(1,806)	(0.7%)	(7,676)	(3.1%)
Ebitda	**80,914**	**10.6%**	**98,839**	**12.9%**	**22,706**	**8.7%**	**27,533**	**11.1%**
Ebitda margin	*10.6%*	--	*12.9%*	--	*8.7%*	--	*11.1%*	--
Depreciations and amortisations	(20,929)	(2.7%)	(20,954)	(2.7%)	(7,418)	(2.8%)	(7,697)	(3.1%)
Provisions for contractual risks	(3,748)	(0.5%)	(16,703)	(2.2%)	-	-	(1,788)	(0.7%)
Write-downs	(2,124)	(0.3%)	(4,319)	(0.6%)	-	-	(57)	(0.0%)
(Capitalization of internal constr. costs)	1,045	0.1%	117	0.0%	551	0.2%	48	0.0%
Ebit	**55,158**	**7.2%**	**56,980**	**7.5%**	**15,839**	**6.1%**	**18,039**	**7.2%**
Ebit margin	*7.2%*	--	*7.5%*	--	*6.1%*	--	*7.2%*	--
Interest charges	(14,154)	(1.8%)	(19,560)	(2.6%)	(4,889)	(1.9%)	(8,191)	(3.3%)
Impact of measurement of investments under equity method	1,812	0.2%	(149)	(0.0%)	344	0.1%	(347)	(0.1%)
Profit before taxes	**42,816**	5.6%	**37,271**	4.9%	**11,294**	4.3%	**9,501**	3.8%
Taxes	(19,091)	(2.5%)	(14,161)	(1.9%)	(5,741)	(2.2%)	(3,395)	(1.4%)
Tax rate	*44.6%*	--	*38.0%*	--	*50.8%*	--	*35.7%*	--
Net income	**23,725**	**3.1%**	**23,110**	**3.0%**	**5,553**	**2.1%**	**6,106**	**2.5%**
Minorities	(1,166)	(0.2%)	1,212	0.2%	(461)	(0.2%)	1,076	0.4%
Net income	**22,559**	**2.9%**	**24,322**	**3.2%**	**5,092**	**1.9%**	**7,182**	**2.9%**

Reclassified Consolidated Balance Sheet

(Euro/000)	***9M 2006***	***2005***	***9M 2005***
Intangible assets	4,053	4,977	5,371
Tangible assets	174,522	129,299	124,671
Equity investments	95,701	34,430	31,155
Other fixed assets	34,994	44,420	39,821
Total net fixed assets (A)	***309,270***	***213,126***	***201,018***
Inventories	44,443	44,702	42,511
Works in progress	434,509	314,383	274,058
Trade receivables	347,102	384,085	329,355
Other assets	134,094	105,004	117,981
Tax receivables	63,702	58,932	62,813
Advances from customers	(125,186)	(116,989)	(56,340)
Subtotal	*898,664*	*790,117*	*770,378*
Payables to suppliers	(413,551)	(354,816)	(356,777)
Other liabilities	(166,875)	(88,929)	(74,060)
Subtotal	*(580,426)*	*(443,745)*	*(430,837)*
Working capital (B)	***318,238***	***346,372***	***339,541***
Employee benefits	(11,934)	(11,518)	(14,770)
Provisions for current risks and charges	(45,784)	(54,609)	(44,472)
Total funds (C)	***(57,718)***	***(66,127)***	***(59,242)***
Net invested capital (D=A+B+C)	**569,790**	**493,371**	**481,317**
Cash and cash equivalent	198,166	175,418	186,576
Current receivables from financial institution	42,771	44,472	8,728
Non current receivables from financial institution	1,372	2,759	32,781
Securities	14,752	14,665	12,629
Current financial payables	(204,920)	(212,756)	(192,121)
Non current financial payables (*)	(349,327)	(261,637)	(280,565)
Net financial payables / receivables (E)	**(297,186)**	**(237,079)**	**(231,972)**
Group net equity	270,871	257,072	252,225
Minority interests	1,730	(780)	(2,879)
Net equity (G=D+E)	**272,601**	**256,292**	**249,346**

(*) Does not include loans to Group companies, amounting to Euro 597Ml in September, 2006 and Euro 609Ml in September, 2005.