The Astaldi Board of Directors approves 2009-2013 Business Plan

ASTALDI, REVENUES +13% PER YEAR TO OVER 2.7 BILLION EUROS IN 2013
NET PROFIT +20% PER YEAR TO 110 MILLION EUROS IN 2013

Main targets at the end of 2013

- Revenues up to over 2.7 billion euros (+13% average growth per year)
- Profitability up, EBIT to 260 million euros (+14% average growth per year)
- Profitability up, EBIT margin to over 9%
- Net profit to over 110 million euros (+20% average growth per year)
- Orders backlog up to 13.5 billion euros
- Net debt in 2013:
    - quota for the construction sector down to 178 million euros (*debt/equity ratio* to 0.3)
    - net debt for concessions at 351 million euros

Rome, 13 May 2009 - The Board of Directors of Astaldi S.p.A., chaired by Vittorio Di Paola, has discussed and approved the Business Plan for 2009-2013 five-year period; the goals and strategies illustrated will be presented to the financial community on 15 May at Borsa Italiana in Milan.
2009-2013 Business Plan calls for a growth in line with respect to the previous planning period, which has endowed the Group with a proven commercial capacity and an excellent quality of the existing orders backlog.

Stefano Cerri, Group CEO, declared*: "Despite the profound changes in the macroeconomic context since last year, we are confirming the goals of significant growth; this has been made possible by a highly flexible business model. The Group policy in the next 5-year period is supported by a significant commercial capacity, a high quality orders backlog and a highly qualified management, all representing our most precious assets. The attentive selection of investments and the strong focus on the containment of the capital invested complete the elements generating value for the shareholders, in order to strengthen leadership on the domestic and international market".*

The targets for 2009-2013 Business Plan

Economic targets

Plan for 2009-2013	2008	2013	Average annual change (%)
Orders backlog (€/bn)	8.5	> 13	--
Total revenues (€/mn)	1,526	> 2,750	13%
Of which, for concessions	n. m.	≈160	
EBIT (€/mn)	133	> 260	14%
EBIT margin	8.7%	> 9%	
Net profit (€/mn)	42	> 110	> 20%

The strategic lines of 2009-2013 Business Plan

2009-2013 Business Plan, in line with the previous plan, basically highlights three elements characterising the Group: the order backlog, consisting of quality orders having a composition such as to ensure consistent profitability; the consolidated competitive positioning, able to guarantee renewed commercial strength, also as a result of the extension of the Group's sphere of operation; management qualified to support the sustainability of the growth targets illustrated. Another innovative factor regards changes in the reference market: while on the one hand, 2008 was a year characterised by fewer resources for infrastructure investments, a recovery in public expenditure rates for infrastructures is expected in the coming financial years, both in Italy and abroad, considering that this type of investment is acknowledged as being useful to contrast the downward trend in the economic cycle.

For the next 5-year period, growth will be guaranteed by intervention on three levels of strategic development, i.e.: the strengthening of the strategic areas where the Group is traditionally present; the extension of the sphere of action to new markets in neighbouring areas, offering interesting commercial opportunities; the development of the concessions sector, not only in Italy, but also abroad.

<u>Domestic market</u>

In the next 5-year period the domestic activities will benefit from the completion of the major initiatives now in the orders backlog, for example Line C of the Rome underground (general contracting), the Turin rail junction, the Naples underground and, as project finance/concessions, Line 5 of the Milan underground, the four hospitals in Tuscany and the new hospital in Naples ("Ospedale del Mare"). In the medium term, further stimulus to business could derive from the extension of the contract value of some of these initiatives (extensions expected for the underground lines now under construction in Rome, Naples and Milan), the initiatives connected with the Expo 2015 in Milan and the investments expected for bridging the current infrastructures gap between Italy and the rest of Europe.

Foreign markets

In the medium term, foreign business continues to support to planned growth. In particular, the Group aims to consolidate its role as a key player in geographical areas of major strategic interest where it is now operating. At the same time, it also aims to optimise its local presence by utilising these areas to explore neighbouring markets that can offer an adequate social and regulatory context as well as major new commercial opportunities.

The plan confirms the interest in: Romania and Bulgaria, which will benefit from the European Union cohesion funds in the forthcoming financial years, and where the Group will continue to look mainly to the transport infrastructures sector and hospital construction; Turkey, which apart from the major initiatives currently under way, offers interesting new opportunities in the motorway and energy concessions sector; Algeria, which has recently launched a major investment plan of which will benefit mainly from the transport infrastructures sector; Venezuela, where existing contract options can be activated for railway projects currently under way; Central and South America, which will offer interesting new opportunities in the transport and renewable energy sectors.

With regard to new markets, several areas have been identified as being of major interest in the planning stage: Poland, where the contribution of EU funds for development should offer interesting opportunities in the infrastructure transportation sector; Chile, which offers a reliable regulatory framework and shows an increasing demand for infrastructures in the sector renewable and energy production sectors; Peru, where the Government has recently launched interesting infrastructure investments.

For all these Areas, there is a focus on the geographical distribution of revenues according to which each area is expected to make a maximum contribution of approximately 10% of total revenues, in order to guarantee the adequate containment of the country risk connected with the activity.

Concessions market

The concessions sector is expected to further boost the growth of the Group. The new plan aims to strengthen the leadership already held on the domestic level in the sectors where Astaldi is already operating, and at the same time, a commercial focus on initiatives abroad is planned in the specific sectors of transport and energy infrastructures, where Astaldi aims to mediate the skills acquired on the domestic market. We can recall that the Group currently manages 4 parking facilities and a hospital (Mestre). For the next 5-year period, other initiatives now under construction will come into operation (a hospital in Naples, 4 hospitals in Tuscany, Line 5 of the Milan underground and a car park in Verona); the aim is to ensure the greater contribution of the health and urban transport sector. Further benefits could derive from the opening to the market of concessions in the motorway and renewable energy sectors, in Italy and abroad, also through of strategic partnerships with major international firms.

The orders backlog

The orders backlog for 2013 is expected to total 13.5 billion euros (8.5 billion euros at the end of 2008), with 58% of the activities linked to the domestic market and the remaining 42% deriving from foreign markets, where the average lifetime of the initiatives is approximately 3/4 years, and thus characterised by a higher turnover compared to average Italian levels (5 years). The structure of the orders backlog is coherent with the previous planning period, with further orientation of the activities towards concessions sector, which account for 34% with approximately 4 billion euros of initiatives. The remaining 66% refers to initiatives under construction; in particular, transport infrastructures account for 55%, confirmed as the Group's major interest. The energy and environment sector accounts for 9% and the civil engineering and industrial sector accounts for the remaining 2%.

Economic targets

The next 5-year period sees an increase in sales and in the main profitability indicators which are partly based on the existing income capacity of the Group. In this regard, it is important to point out that the orders already acquired and now included in the backlog guarantee not only 100% of the revenues planned for the current year, but also 90% of those expected for 2010, as well as over 55% of 2012 and 40% of 2013.

Total revenues at the end of the planning period total over 2.7 billion euros, with a forecast average annual growth of 13% as compared with 1.5 billion euros at the end of 2008. The traditional weight of the construction sector is confirmed, associated with a growing contribution coming from concessions activities that will tend to account for 6% of total revenues in 2013 and 10% of total revenues in the following years. The achieving of these goals will be ensured by income from the management of the Mestre Hospital and 4 parking facilities in Italy starting from 2009, with further initiatives in the health and transport infrastructures sector, in Italy and abroad, in the coming financial years.

Profitability is planned to grow thanks to the combined effect of increasing margins for projects under construction, in Italy and abroad, and the start-up of the management phase of the concession initiatives now in the backlog. EBIT is expected to rise from 133 million euros in 2008 to 260 million euros at the end of 2013 (+14% average annual growth in the period). The EBIT margin is expected to grow and exceed 9% in 2013.

Net profit is expected to reach over 110 million euros in 2013, compared to 42 million euros in 2008, with an average annual growth of 20%.

Main assets targets

Planned growth for the 2009-2013 period is based on a sustainable development plan built over the years, aiming at the improvement of the rotation rate of working capital which, in the next financial years, will start to enjoy the benefits of more stable cash flows from an increasingly high quality orders backlog. Investments in construction activities are planned to set to normalized levels (approx. 3% of total revenues), with resources allocated to the increase of concessions investments. The construction sector, therefore, will see a growth in sales together with a reduction in net debt.

Thanks the considerable capacity of the construction sector to produce cash flows, net financial debt for the construction sector is expected to fall to 178 million euros in 2013, with a debt/equity ratio of 0.3.

The cash flow produced by the construction sector will be employed in new investments for concession/project financing activities, which offer interesting return on capital invested, as well as remuneration for the shareholders, with a payout of approximately the 30%.

The net invested capital, and therefore net debt regarding the concessions sector is expected to reach 351 million euros in 2013.

On the consolidated level, forecast net debt for 2013 is 529 million euros with a debt/equity ratio expected to stabilise at 0.82.

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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, waterworks, oil pipelines, gas pipelines, nuclear power stations, and treatment plants);*
- *civil and industrial construction (hospitals, universities, airports, law courts, and car parks;*
- *concession of such works as healthcare facilities, transport infrastructures, car parks.*

The Astaldi 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:

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