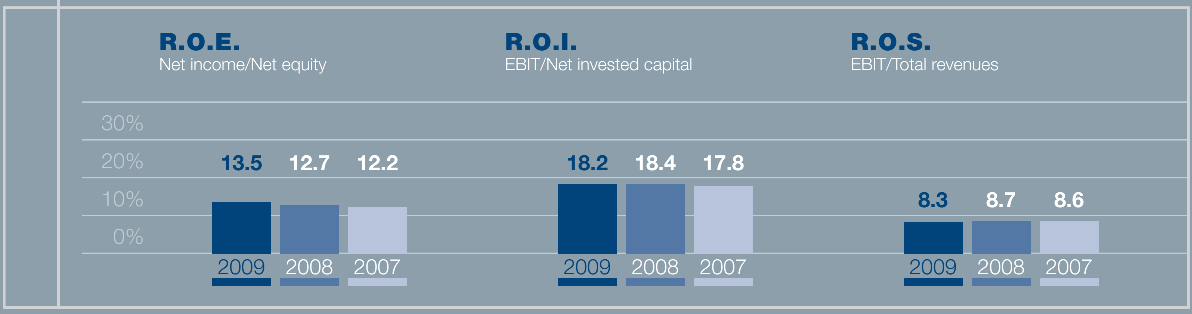
2009 Annual report

Main ratios

(million of euro)

	2009	2008	2007
Main economic ratios			
Revenues	**1,799**	1,467	1,273
Total revenues	**1,869**	1,526	1,329
EBIT	**155**	133	114
EBIT/Total revenues (%)	**8.3%**	8.7%	8.6%
Net income	**51**	42	38
Net income/Total revenues (%)	**2.8%**	2.8%	2.9%
Main balance-sheet ratios			
Fixed assets	**467**	356	333
Net invested capital	**851**	727	714
Net debt (*)	**(467)**	(390)	(397)
Net equity	**378**	332	312

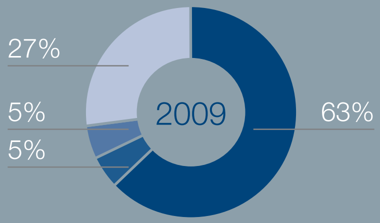
(*) Net debt, net of own shares.



Human resources

	2009	2008	2007
Managers	**126**	135	122
Executives	**131**	115	62
Clerical workers	**2,413**	2,425	2,265
Workers	**8,530**	7,509	6,400
Total employee	**11,200**	**10,184**	**8,849**

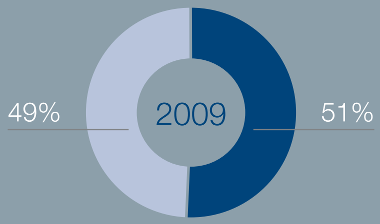
Order backlog by line of business



(million of euro)

	2009	2008	2007
Transport infrastructures	5,724	5,291	5,386
Water and energy	416	502	237
Civil and industrial buildings	422	545	574
Concessions	2,469	2,119	2,119
Total order backlog	**9,031**	**8,457**	**8,316**

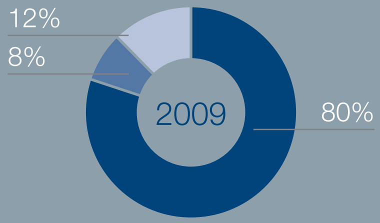
Order backlog by geographical area



(million of euro)

	2009	2008	2007
Italy	4,647	5,111	5,539
Abroad	4,384	3,346	2,777
Total order backlog	**9,031**	**8,457**	**8,316**

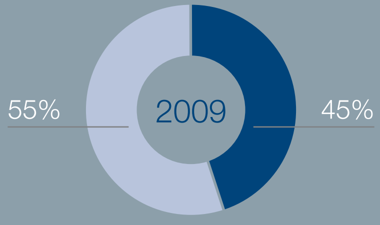
Revenues by line of business



(million of euro)

	2009	2008	2007
Transport infrastructures	1,434	1,107	948
Water and energy	149	144	145
Civil and industrial buildings	216	216	180
Total	**1,799**	**1,467**	**1,273**

Revenues by geographical area



(million of euro)

	2009	2008	2007
Italy	805	750	489
Abroad	994	717	785
Total	**1,799**	**1,467**	**1,273**

A dream, a mission: building for progress

Satisfying clients' needs in the best way possible, achieving growth targets in order to increase company value and providing the market with a suitable response at all times: Astaldi has been committed to creating ongoing progress since the 1920s.

ASTALDI

2009 Annual Report

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Letter to Shareholders

Vittorio Di Paola,
Chairman of Astaldi S.p.A.

Dear Shareholders,

The year just ended -2009- confirmed the Group's constant growth, albeit in an unfavourable macroeconomic context. Net profit increase by 22.2% compared to 2008 which, as we well remember, was one of the most difficult years with regard to the global economy. These positive figures are the result of major consolidation of activities in Italy and abroad which generated total revenues of EUR 1,869.5 billion and brought the order backlog to over EUR 9 billion. The total of new orders during the year amounted to EUR 2.4 billion. Transport infrastructures played the major part, accounting for approximately 80% of operating revenues, but civil and industrial construction also offered great satisfaction with the positive trend of the Qatalum project in Qatar, along with energy production plants with the acquisition of new contracts in Chile and El Salvador. The contracts which made the greatest contribution to the achievement of said results as regards Italy included the Jonica State Road (SS 106), the Turin rail junction, Bologna Centrale High-Speed station and the underground lines in Rome, Naples and Milan, Consolidation of the Group's international position is due to the positive performance of projects in progress in Algeria, Venezuela and the Middle East, and to the opening up of three new markets in Poland, Chile and Peru. In the medium term, a further positive boost will come from projects currently in the design phase such as the Piedmont-Lombardy motorway, or in the construction phase such as the Gebze-Izmir motorway concession in Turkey.

I would personally like to thank the Board of Directors, the Board of Auditors, the management and all the Group's employees for having played a part in achieving such extremely positive results

During the Shareholders' Meeting held in April 2010, I received the great honour of being appointed Honorary Chairman of the Group after more than 30 years of involvement in the company. I have been the head of the company from 1994 to date, for over 15 years, in the various positions of Chief Executive Officer, Executive Deputy Chairman and Chairman. The Group's turnover in 1994 totalled approximately ITL 500 billion, in 2009 it totalled over EUR 1.8 billion. In 2002 the Group was listed on the Milan Stock Exchange.

We have become a leading company in the sector in Italy and are competitive at a global level.

I would like to take this opportunity to thank the shareholders and Board of Directors for the trust and support they have always shown over the years. I am sure that the Group's future will be marked by additional growth and achievement of new prestigious goals.

Chairman

(Vittorio Di Paola)

Main events of 2009

2009 can be looked on as a year that offered great satisfaction and acknowledgement from a working and commercial viewpoint.

The year got underway with an extension of the contract to construct the Istanbul underground which involves extension of the Kadikoy-Kartal line, currently under construction by Astaldi, as far as Kaynarka. The new stretch will increase the entire length of the route from 22 kilometres to approximately 27 kilometres and the complete line will include 16 stations. As regards Italy, the former Manifattura Tabacchi car park in Bologna was opened, providing 543 parking spaces over 3 floors. In March, the Diriamba-La Boquita-Casares road in Nicaragua was opened to traffic while work continued in Italy to construct the most important stretches of undergrounds. The TBM demolished the last diaphragm of the tunnel for the Brescia underground while the third TBM for Line C of the Rome underground was launched and the TBM used to construct Line 5 of the Milan underground came back up to surface level.

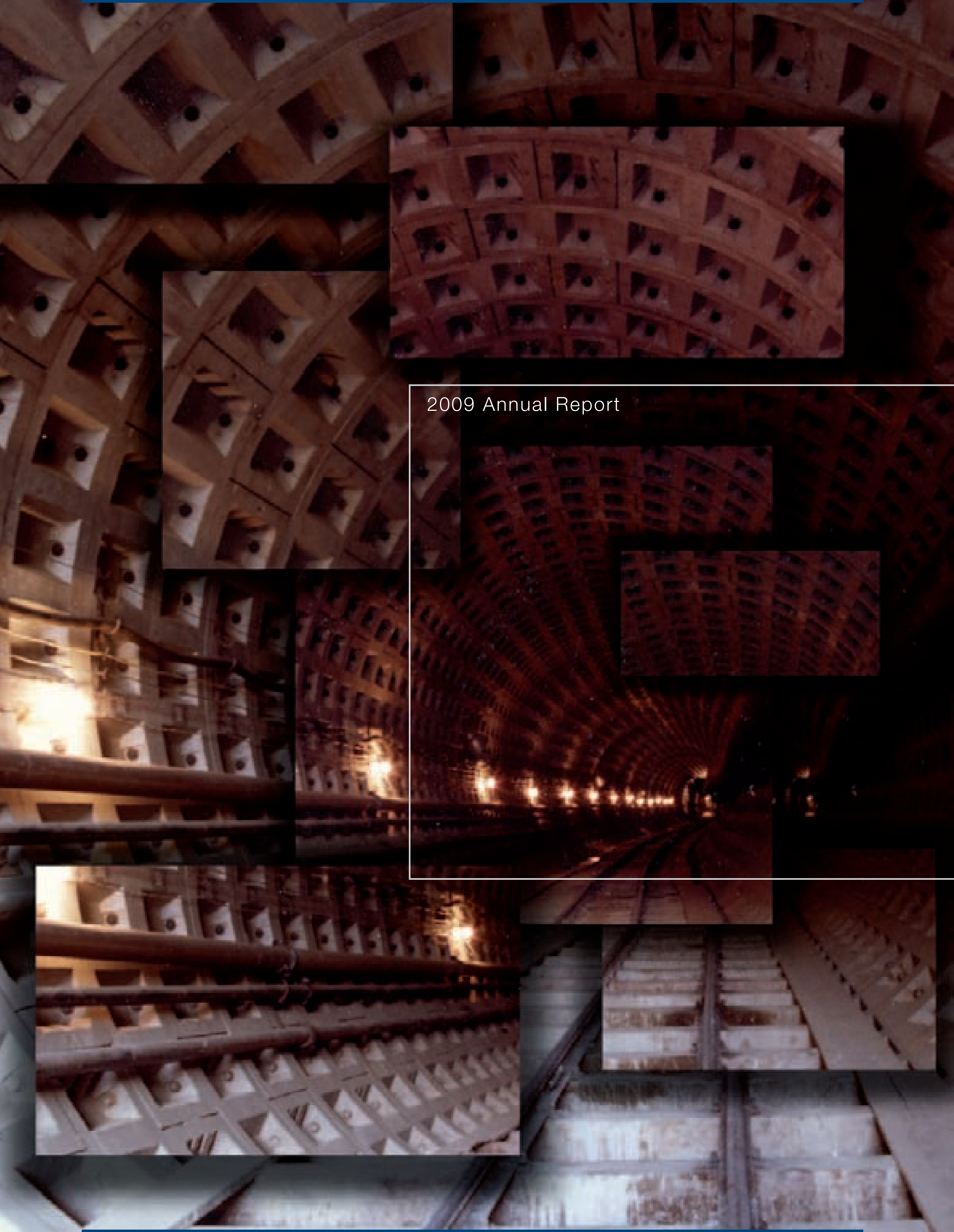
An EUR 750 million contract secured in Poland in April to construct Line 2 of the Warsaw underground opened up a new market for Astaldi Group, allowing for further consolidation of Astaldi's global leadership in its reference sector.

As regards Chile, Astaldi entered the renewable energy concessions market, becoming Hydro Pacific's partner in the country's largest ever hydroelectric project which involves construction of the Chacayes hydroelectric plant.

As for Turkey, a country where the Group is already a well-established player, a consortium of 5 local companies led by Astaldi will be responsible for constructing the country's most important and expensive motorway project running from Gebze to Izmir: 421 km of

motorway which will cut the current journey time from Istanbul to Smyrna by half.
Still as regards Poland, September saw the signing of a contract worth EUR 350 million to upgrade the NR8 national road which brings the order backlog for Eastern Europe to EUR 1.2 billion.
While as far as Italy was concerned, October saw CIPE (Italy's interdepartmental committee for economic and financial planning) allocating new funding for construction of the undergrounds in Rome, Naples and Milan which will ensure a further boost to performance of the works already in progress.
The same month also saw Astaldi entering another new market, this time in Peru, confirming its leadership in the energy production plant sector. Awarding of the contract worth USD 116 million to construct the Huanza hydroelectric plant – a 90 MW plant – further strengthens the Group's presence in Latin America where it is already involved in projects in Honduras, Costa Rica, Nicaragua, Guatemala, El Salvador and Bolivia, mainly in the water and transport infrastructure sector.
From a commercial viewpoint, 2009 ended with the signing of a contract to construct the Warsaw underground, worth EUR 800 million and due to be completed by 2013, while from a working viewpoint, the year ended with the drilling ceremony for the Santa Maria tunnel needed to construct the Jonica State Road (SS106), one of the most important roadwork projects in progress to date in Italy.

Italy, Rome Subway Line C.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Group profile

Astaldi Group

Astaldi: one of the oldest construction companies in Italy, it has always looked towards the future.

”Building” is synonymous with moving into the future: no country or state can fail to create new infrastructures if it wishes to achieve real and concrete progress. Astaldi Group, which is able to boast over eighty years of experience and support for its workers, establishes a new term of comparison for all companies working in this sector, both in technological and managerial terms: a company with a global outlook whose achievements make it an object of admiration the world over. Astaldi Group is one of the most important companies in the construction sector at a global level, as well as a leader in Italy with regard to general contracting projects and promoting project finance initiatives. Established in the 1920s, the Group has skilfully completed countless, large-scale works in the field of infrastructures and civil engineering during its eighty plus years of activity, as well as created a name for itself that is acknowledged worldwide. A Group formed of individuals and high profile managers that have succeeded in guaranteeing continuity with regard to company management, steering the company along the path of constant growth and development. Astaldi operates throughout the whole of Italy and is committed to making known its “modus operandi” beyond the Italian borders: Eastern Europe, South America, the United States, Africa and the Middle East are the areas where it is most active. Indeed, the Group extended its sphere of activity outside Italy right from the very beginning, becoming one of the best-known Italian operators abroad, developing a consolidated ability to construct large-scale civil and industrial public works in a variety of conditions and situations. In its capacity as General Contractor, the Group is able to manage and coordinate all the resources needed to operate using the “turnkey” formula, from design through to organising funding and constructing and managing complex, high-value works. Know-how which will be further developed in the concessions sector with the creation of a dedicated business unit which will see the Group focusing on healthcare construction and transport infrastructures – Astaldi’s traditional sectors –, as well as the new opportunities on offer in the renewable energy sector.

Astaldi currently boasts over 11,000 employees working at 100 sites located in 23 different countries worldwide. Astaldi contributes to said countries’ development with the construction of railway, road and air transport infrastructures, energy production plants and civil and industrial construction, as well as management of transport infrastructures, car parks, hospitals and renewable energy facilities using the concession formula.

Corporate bodies *

Board of Directors [1]

Honorary Chairman	Monti Ernesto
Chairman	Di Paola Vittorio
Deputy Chairman	Astaldi Paolo
Chief Executive Officer	Cafiero Giuseppe
Chief Executive Officer	Cerri Stefano
Directors	Astaldi Caterina
	Astaldi Pietro
	Cavalchini Garofoli Luigi Guidobono
	Grassini Franco Alfredo
	Lupo Mario
	Oliva Nicola
	Poloni Maurizio
	Tosato Gian Luigi

Internal Audit Committee

Chairman	Lupo Mario
Members	Cavalchini Garofoli Luigi Guidobono
	Grassini Franco Alfredo

Remuneration Committee

Chairman	Monti Ernesto
Members	Grassini Franco Alfredo
	Poloni Maurizio

Board of Auditors [2]

Chairman	Spanò Pierumberto
Statutory auditors	Singer Pierpaolo
	Sisca Antonio
Alternate auditors	Marco Rigotti
	Pizzini Flavio
	Tabellini Massimo

Auditing Firm

Auditing firm	Reconta Ernst & Young S.p.A.

General Managers

General Manager - International	Cafiero Giuseppe
General Manager - Domestic	Oliva Nicola
General Manager Administration and Finance	Citterio Paolo [3]
Deputy General Manager International	Nenna Rocco
Deputy General Manager International	Bernardini Cesare
Deputy General Manager Domestic	Giannotti Gianfranco
Deputy General Manager Domestic	Luciano De Crecchio

* Situation at 31 December 2009.

[1] Appointed by the Shareholders' Meeting with resolution of 2 May 2007 for the 3-year period 2007-2009, the Board of Directors will remain in office until the approval of the financial statements for 2009.

[2] Appointed by the Shareholders' Meeting of 24 April 2009 for the years 2009-2011, the Board of Auditors will remain in office until the approval of the financial statements for 2011.

[3] Paolo Citterio, General Manager Administration and Finance, was appointed the Executive in charge of drafting corporate accounts pursuant to Article 154-bis of Legislative Decree No. 58/1998, by the Board of Directors' meeting held on 31 July 2007.

Group activities: over 80 years of large-scale works

Lets make the world move

Railways, undergrounds, roads, motorways, airports and ports in Italy and abroad: transport infrastructures represent the Group's reference sector where Astaldi's high levels of technological knowledge place it among the global leaders in the field of infrastructures.
After constructing major sections of the undergrounds in Rome, Naples, Genoa, Milan, Copenhagen and Caracas, the Rome-Naples stretch of the high-speed railway, Rome's north-west road link and the Anatolia motorway in Turkey, the Group is currently involved in works such as Line C of the Rome underground, new underground stretches in Naples, Genoa and Brescia, the high-speed railway station in Bologna constructed completely below ground level, the Turin rail junction, Line 5 of the Milan underground and two lots of the Jonica state road in Italy as well as the Istanbul underground and the Golden Horn Bridge in Turkey, the Warsaw underground in Poland, strategically important railway links in Venezuela and Algeria and other important initiatives in Latin America and Eastern Europe. The performance of most of these projects has entailed considerable technical problems that have necessitated the construction of large-scale viaducts or underground routes. An example of this can be found in the general contracting project to construct Line C of the Rome underground which offers proof of the Group's level of operating and managerial excellence that is acknowledged worldwide.

You need energy to build progress

Astaldi Group also operates in the energy production plant sector, especially abroad.

Railways and subways

Roads and highways

Ports and seaports

Its past accomplishments include the construction of numerous, large-scale hydraulic works in China, the Congo and Indonesia, as well as in Italy where it was also involved in the construction of nuclear plants that were subsequently reconverted such as the Montalto di Castro plant and the Brasimone PEC plant.
At a national level, there are countless examples of dams, hydroelectric plants, waterworks, oil pipelines, gas pipelines and purification plants. Specifically, special mention must be made of the Pont Ventoux hydroelectric plant in Val di Susa which involved construction of a plant below ground level.
The Group's recent move to enter the renewable energy sector must also be recalled, with Astaldi's involvement in the project to exploit water located in the Alto Cachapoal Valley, the most important hydroelectric project in progress in Chile, and the partnership entered into with one of the leading global operators in the energy production plant sector.

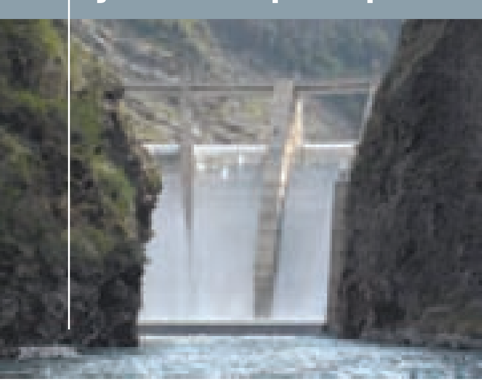
Large-scale works help make countries civilised

Large-scale construction works contribute to a country's structural and social development. The Group has accrued vast know-how in civil and industrial construction, especially as regards healthcare construction. The project finance initiative to construct and subsequently manage four hospitals in Tuscany and the concession to construct and subsequently manage the Ospedale del mare in Naples, currently in progress, fall into the latter category. While some of the most important projects already completed include the new hospital in Mestre, one of the Italy's most innovative structures to date. The highly specialised facility measuring over 117,600 m2 saw the Group's involvement in the final and executive design, construction and supply of electro-medical equipment as well as subsequent management of the hospital. Still with regard to past works, mention can also be made of the new Rho-Pero exhibition centre in Milan, one of the crowning achievements of Astaldi that built the centre in the capacity of General Contractor, putting together 110,000 tons of steel and 200,000 m2 of glass in just 24 months, completing one of the most impressive projects from an design and architectural viewpoint. The diversification strategy adopted in recent years has also resulted in Astaldi Group becoming an important, skilled player in the industrial plant sector in Saudi Arabia and Qatar.

A strategic sector offering considerable potential: the creation of a new company dedicated to concession projects

The Group has accrued significant experience in the concessions sector which confirms the strategic value and considerable development potential in Italy and abroad.
During the year, Astaldi decided to further exploit the opportunities this sector has to offer by creating a dedicated company that is able to fully exploit all the experience accrued in this field and the value created.
The areas of most significant interest for the Group in Italy and abroad are healthcare construction, transport infrastructures, car parks and renewable energy.

Hydraulic and hydroelectric power plant



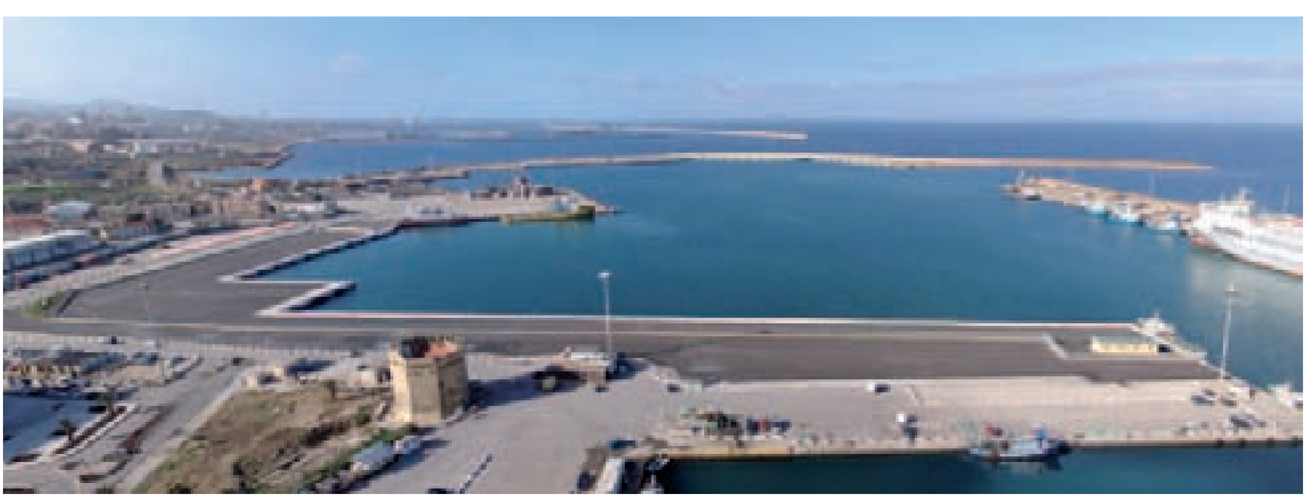
Civil and industrial building

Concessions

Astaldi worldwide

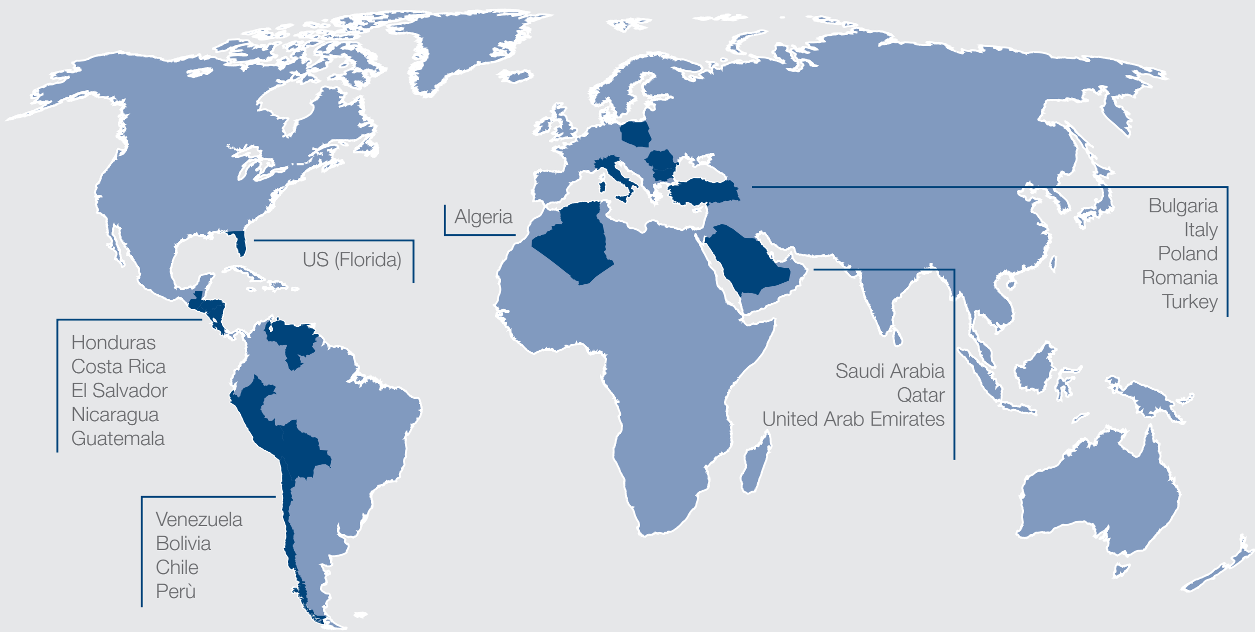
Let's bild up Italy's good name worldwide

The Group has always been a leading player on the international scene and looks on expansion of its sphere of activity as a strategic challenge that has proved to be a winner. Astaldi is a name that is well-known and appreciated throughout Europe and the rest of the world, backed up by the works it has achieved, the scale of its projects and the undeniable contribution it has made to the development of the different countries and situations it operates in. Romania, Bulgaria and Turkey are key areas for the Group that has already completed roads, motorways, railways and undergrounds in said countries. While 2009 saw the Group entering the Polish market where it is working on interesting projects in the underground transport infrastructures sector. As regards Africa, Algeria is the country which sees Astaldi mainly involved in the construction of dams and aqueducts as well as motorways and railways. As regards the American continent, Venezuela, a large part of Central America, the United States (Florida) and more recently Chile and Peru have all awarded Astaldi the design and construction of infrastructures, roads, railways, undergrounds, and water and renewable energy-related projects. Lastly there is the Middle East with Qatar, Saudi Arabia and the United Arab Emirates where the Group's involvement in leading projects in the oil & gas sector mean that Astaldi is helping export Italian know-how in the industrial plant design sector.



Italy, Porto Torres commercial port

Presenza del Gruppo a livello internazionale



Areas of interest: Panama.

Turkey, Anatolian Motorway.

Strategies, resources and responsibilities

The solidity of a major Group

2009 was a year of growth for Astaldi Group which was able to and succeeded in outperforming targets set during the previous year thanks to the improvement in the order backlog's quality and quantity which is guaranteed for years to come. Economic solidity, flexible strategies, an increase in projects managed as a General Contractor, as well as the value of project finance initiatives included among the order backlog allowed the Group to reap the rewards of its commercial efforts and production.

There was an increase in the order backlog in those areas where the Group has been a firmly-established player for many years such as Latin America, the Maghreb, Eastern Europe, Turkey and the Arabian Peninsula – areas which all made a contribution to the year's positive end results. But new markets of interest were also entered into such as Chile and Poland which it is envisaged will help confirm Astaldi's ability to achieve and surpass the strategic targets set. As regards Italy, which represents a genuine international showcase for the Group, Astaldi is ready to benefit from the growth opportunities resulting from all possible infrastructure developments. Concession projects will also provide an additional contribution to the increase in activities with the focus being placed on making the best use of the potential and skills already shown by the Group in this specific sector.

Italy, Naples Underground.

The best resource for growth is a large group of individuals

Optimisation, employee retention and improvement of professional areas of excellence in order to ensure a future in line with current growth: this is the Group's human resource management policy, a policy which has always rewarded the Group's major commitment in this area. Careful management of the Group's wealth of skills and know-how, increase in staff members with qualified professional profiles originating from the foreign market and inclusion of high-potential new graduates among its staff represent Astaldi's winning formula to construct a future in line with the highly positive work carried out to date.

Safety and the environment, a matter of responsibility

Health, safety and the environment have always been the three fundamental issues with regard to the Group's production.
In 2009 a project to further develop occupational health and safety management and protection of the environment was drawn up following the increasing focus given to social and environmental problems. Reference to the international standards ISO 9000, ISO 14000 and OHSAS 18001 ensures the effectiveness of the corporate management system adopted.

Careful maintenance of the wealth of expertise and know-how the Group is able to boast, staff improvement through the inclusion of qualified professionals from foreign markets and the hiring of high-potential graduates

Italy, Jonica National Road (NR106) - Lots DG21 and DG22.

2009 Annual Report

Contents

Calling of Shareholders' Meeting

Dear Sirs, you are called upon to attend a General and Extraordinary Shareholders' Meeting at the company's offices at Via Giulio Vincenzo Bona 65, Rome, at 9:00 am on 23 April 2010 at first call and, if need be at second call at the same time and location on 26 April 2010, to discuss and resolve upon the following
AGENDA:

Extraordinary Meeting:

- Amendments to the Bylaws

General Meeting:

1. Approval of the Annual Financial Statements at 31 December 2009. Related resolutions.
2. Appointment of the Honorary Chairman.
3. Appointment of the members of the Board of Directors for the financial years 2010, 2011 and 2012. Related resolutions.
4. Proposal for integration of activities and adjustment of fees for external auditing of Astaldi S.p.A. for the financial years 2009 and 2010. Related resolutions.
5. Resolutions regarding the purchase and sale of treasury shares.

All parties with voting rights may attend the Shareholders' Meeting provided the authorised broker forwards the relative certification within two days prior to the date of first call of the Meeting. The company hereby requests the shareholders to forward the aforementioned documentation detailing voting rights to INFOMATH S.r.l. – FAO Elisa Zaninelli – Via S.G. Bosco 3, 24126 Bergamo, by post or by fax (035-3840396) or by email (titoli@infomath.it) , at least two days prior to the date of first call of the Meeting.
As regards appointment of the members of the Board of Directors, it should be recalled that, pursuant to Article 16 of the Bylaws, said appointment shall be performed on the basis of slates filed at the company's offices at least 15 (fifteen) days prior to the date of first call of the Meeting, and submitted by shareholders that, either alone or with others, own a total amount of shares equal to at least 2.5% of the share capital with voting rights at the General Meeting.
Documentation regarding the items on the agenda shall be filed at the company's offices and at the offices of Borsa Italiana S.p.A. within the terms provided for in current legislation. The company's shareholders shall be entitled to obtain a copy of said documentation upon request and at their own expense.
Experts, financial analysts and accredited journalists that plan to attend the Meeting must submit a specific request to do so at least two days prior to the date of first call of the Meeting, forwarding said request to Astaldi S.p.A. – FAO External Communications and Investor Relations – by email to investor.relations@astaldi.com or by fax to 06-41766733.

On behalf of the Board of Directors
(The Chairman)
Vittorio Di Paola

Information on operations

Introduction

Legislative Decree no. 32 of 2 February 2007 ("Implementation of Directive 2003/51/EC, amending EEC Directives no. 78/660, no. 83/349, no. 86/635 and no. 91/674 relating to annual accounts and consolidated accounts for some types of companies, banks and other financial institutions and insurance enterprises") has, inter alia, amended Art. 40 (Management Report) and 41 (checking of consolidated financial statements) of Legislative Decree no. 127/1991. In particular, with reference to Art. 40 of Legislative Decree no. 127/1991, for companies drawing up consolidated financial statements, the management report on the consolidated financial statements and the statutory financial statements of the parent company "may be presented in a single document, lending major emphasis where fitting to the issues of importance for all the companies included in the consolidation area". Given the Group's structure, the company has availed itself of this possibility and hence this management report (referring to 2009 Annual Financial Statements) includes information previously found in the management report to the consolidated financial statements and in the management report of the parent company Astaldi S.p.A.'s annual financial statements.

Reference scenario [1]

The assessment of the results for the year of the Group cannot fail to include a brief observation on the global macroeconomic situation and on how the construction sector has reacted to the general crisis in the main geographical areas where Astaldi operates.
With regard to the global system, the economic crisis and the financial crisis have confirmed for 2009 the numerous complex aspects already observed in the previous year.
In all the major world economies, though to different extents in the various countries, there have been global recession mechanisms conditioning all sectors of production, which the Governments have only partially managed to counter through financial stabilisation measures.
Most of the year was characterized by recession: inflation rates were exceptionally low, and there was a simultaneous and definite fall in the indexes for industrial activity throughout the world (also due to the credit crunch on enterprises resulting from the rise in interbank rates and in credit risk premiums).
The crisis was most evident in early 2009, when a significant fall in world trade was recorded: the most industrialised countries were the ones most directly affected, and the developing countries experienced a fall in foreign investment flows and serious falls in exchange rates.
However, starting from the third quarter of the year, there were signs of overall economic recovery which are also expected to extend to 2010.

The local characteristics of this first phase of recovery are obviously highly diversified, also because of the different measures to stimulate the economy by various governments in the year; in general, we can in any case say that by the last part of 2009, greater optimism had spread to all the economic regions, including Italy.
There follows a brief analysis of how the single areas of interest for the activities of the Astaldi Group have reacted to this critical situation.
We should finally make an observation with regard to the construction sector. The economic and financial crisis has, to a certain extent, highlighted the anti-cyclical character of the construction sector, which is often identified as an instrument for intervention in the context of the actions for stimulation undertaken by Governments in periods of economic recession; at the same time, the extent of the crisis and the reduction of the resources available for public expenditure have on the one hand resulted in a lower number of projects tendered, and on the other a considerable increase of the number of competitors, with the arrival in the construction sector of enterprises traditionally active in complementary sectors (e.g. real estate). This is the condition in Italy, but also applicable in many other foreign countries.
Nevertheless, for Astaldi, 2009 was a period of further consolidation of margins and activities: the Group strengthened its presence in the areas and sectors historically covered, and with prompt geographical and sector diversification, faced the slowdown of its operations already planned for the coming years in Venezuela and Romania, guaranteeing, on the whole, the maintenance of margins and the capacity to develop the business even in such complex macroeconomic conditions. In this regard it is significant to point out that in the world classification *"2009 ENR T op Global Contractors"*, a reference point for the sector on the international level, Astaldi has risen to the 107th position (110th in the previous year), in the context of classifications based on overall sales generated for the construction sector [2].

Italy [3]
Although the Astaldi Group has a strongly international character, Italy is still the natural reference country for the activities of the Group. From a macroeconomic point of view, the data produced by ISTAT (Italian national statistical institute) with reference to 2009 show that Italy has, like the rest of the Euro Area, started to react in the year to the financial crisis. Although 2009 on an annual basis showed a fall of -5% (-2.2% in France, -2.4% in the US and -5% in Germany, UK, Japan), in the 4th quarter alone the reduction was much lower (-0.3% compared to the 3rd quarter, compared to -0.6% in France, -0.1% in the US, -2.4% in Germany, -3.3% in the UK and -1.1% in Japan).
If we look at the specific construction sector, the situation is a little more complex. On an annual basis, gross fixed investments for this sector have recorded a significant downturn (-7.9%), due also (but not only) to the fall in new investments in public works and infrastructures. While the current Government has definitely identified the increase of investments in public works as a means to favour recovery, the structural lack of financial resources and the budget restrictions of the various authorities have in practice prevented the launching of many initiatives although these come within the infrastructure priorities announced by the Government.
In the specific case of Astaldi, these critical factors definitely have less impact. This is because the

[1] Sources: "Documento di Programmazione Economico-Finanziaria per gli anni 2010-2013", issued by the Presidency of the Council of Ministers of the Italian Government on 15 July 2009; "Scenari macroeconomici" (Servizio Studi e Ricerche, Intesa San Paolo, December 2009); *"Euro Compass Outlook 2010. The year of living cautiously"* (*Global Economics & FI/FX Research Team*, Unicredit, December 2009).

[2] Source: *"ENR Top Global Sourcebook 2009"* (*Engineering News Record*, August 2009), classifications produced of the basis of overall sales generated for the construction sector at 31 December 2008.

[3] Source: ISTAT, press releases of 1 March 2010 ("Conti economici nazionali. Anni 2007-2009") of 4 March 2010 ("Indice trimestrale della produzione nelle costruzioni. IV trimestre 2009") of 10 March 2010 ("Conti economici trimestrali. IV trimestre 2009").

Company has internal instruments designed to face a continuing situation of slowdown in the sector. These are: a revenues structure well balanced between the domestic and the international component, contracts in progress already covered by adequate financial resources, an estimated average lifetime for domestic construction order backlog of about 5 years, and considerable potentials in the concessions business sector. At the same time, unlike what might be perceived by the market, it is significant to point out that thanks to the presence of Astaldi solely in projects that are top priority and strategic in the Government development policies, delays in payment for works in progress have not been recorded in relations with the typical counterparts with which Astaldi works, i.e. ANAS and RFI.
It should also be pointed out that many of the decisions taken in the infrastructures sector in the session of 6 November 2009 of the CIPE (Interdepartmental Committee for Economic Planning) concerned initiatives of interest to the Group. On that date the CIPE approved:

- The final design for the Pedemontana Lombarda motorway (work started in early 2010), for a total of EUR 4.1 billion;
- The final design of Line 4 of the Milan Underground, Lot 2 Sforza Policlinico – Linate stretch (tender procedures in progress) for a total of EUR 910 million, accompanied by an allocation of EUR 56.1 million from the Infrastructures Fund;
- The final design of Line 5 of the Milan Underground, Lot 2 Garibaldi FS - San Siro stretch (extension of the stretch currently being built by a joint venture of which Astaldi is the qualified company), for a total of EUR 781.8 million, accompanied by an allocation of EUR 385 million from the Infrastructures Fund [4].

There is in any case some concern for a system which, while not being able to fully sustain the extension and modernisation of its infrastructures, runs the risks of widening the already existing infrastructures gap with the rest of Europe.

A final consideration can be made with reference to the concessions sector or more in general PPP (Public-Private Partnership). In 2009, the PPP market in Italy (and abroad) was conditioned by some critical factors directly connected to the financial crisis, i.e.: difficulty for enterprises to obtain financing and the significant increase of bank spreads, the reduction of the duration of loans, bank demands for more guarantees and a more balanced debt/equity ratio than recorded in the past.
However, if we look at how the Italian PPP market performed in 2009, we can see that the year involved a growing trend to assign public works by concession contracts for construction and management.
The data of the PPP National Observatory show, in fact, the rise in the number of PPP tenders on the overall market of tenders for public works; with reference to the volume of business, for all of 2009 the PPP tenders represented 30% of the overall market, compared to 20% of the previous year. The impact in numerical terms was also significant: 10.5% of the tenders in 2009, compared to 5.4% in 2008 [5].
This means that while the need for infrastructure measures remains, with a chronic lack of financial resources, new life for the infrastructures sector could come from PPP, since this instrument can meet the needs, in both financial and management terms, resulting from the construction of complex works.
Further stimulus for this sector will come from the Third Corrective Decree to the Contracting Code (Legislative Decree no. 152 of 11 September 2008), introducing a series of regulatory innovations (that re-established the principle of the right of pre-emption for the sponsor and accelerated the award procedure as regards private initiatives, with elimination of the negotiated procedure). On the whole, these have positively affected the approach to the project finance market for the private sector.

[4] Source: CIPE, press release of 6 November 2009 (“Esito della seduta del 6 novembre 2009”).

[5] Source: “Il PPP in Italia” (Report by the National Observatory of Private Public Partnership, December 2009).

Turkey [6]

The Astaldi Group has been in the Area for over 20 years. It has already successfully completed a significant stretch of the Istanbul - Ankara motorway and is currently engaged in undertaking major infrastructure projects in the urban and metropolitan transport sector. From a macroeconomic point of view, although the country is suffering from the economic crisis recorded on the world level, according to the forecasts by the World Bank, the substantial stability of the local financial system enables us to forecast a 2010 that will be better than 2009. Evidence of the growth expectations are the recent improvements in the credit rating assigned to the country by the agencies *Moody's* and *Fitch*. To favour this recovery, the Turkish Government has planned investments in the public works sector, in particular for motorway infrastructures and for hospital construction. By 2023, there will be a plan for expanding the motorway network, leading to the constructions of 4,773 kilometres of new motorways and within the next 6-7 years, three of the most interesting projects of the plan will be undertaken, i.e.: Tekirdağ– Çanakkale - Balıkesir (433 kilometres of motorway for the connection between the Aegean and Mediterranean regions with Europe, with a bridge on the Straits of Çanakkale 1,450 metres long), with the tender due for issue in 2010; Gebze - ğzmir (assigned to Astaldi in 2009 but not yet included in the order backlog), with authorisation by the Ministry of Finance, Treasury and State Organisation for Planning awaited for starting the works; a third bridge on the Bosporus still being designed, to be built with the B.O.T. (*Build, Operate, Transfer*) model. Other opportunities could derive from the Turkey's candidacy for the 2016 European Football Championships, which could lead to new interventions in the Area, with an expenditure commitment now estimated at EUR 920 million.

Eastern Europe (Bulgaria, Poland, Romania) [7]

While not being immune from the overall economic crisis, there are interesting development opportunities in this area.

For Poland, the modernisation of infrastructures is definitely one of the priorities of the current Government, which aims to fully integrate the country in the European Union as a factor of growth and development. In this sense, the EU cohesion funds are a stimulus for the sector.

In Romania, the heavy crisis recorded in the first part of 2009 seems to have been overcome. During the year, the country benefitted from measures applied to the Area by the International Monetary Fund, which inter alia approved the raising of the country's debt threshold, and made available new resources for the Area (an estimated EUR 20 billion). It remains to be seen how these measures will become new opportunities for the infrastructure sector.

Algeria

For 2009 the Algerian economy, which was not seriously hit by the financial crisis, has confirmed strong growth and relative macroeconomic stability, above all in light of the huge funds generated by the sale of gas, of which the country is one of the major world producers. With regard to the specific infrastructure sector, we can recall the Report for the VI Euro-Mediterranean Workshop of the Milan Chamber of Commerce, according to which the investments expected in the Area for the transport infrastructure sector alone (ports, airports, railways and motorways) should mean EUR 140 billion in new resources for the 3-year period 2008-2010. There is a plan for the expansion of the transport network under which the areas of the country covered by rail transport will rise from 5% to 20% by 2015.

[6] For the identification of the sources, see note no. 4.

[7] Source: FAREFOREX, www.fareforex.com.

Middle East (Saudi Arabia, Emirate of Abu Dhabi, Qatar)

The Group is present in the Area in Qatar, Saudi Arabia and United Arab Emirates, mainly in the industrial sector of oil & gas. In the Arab Emirates, the interest of the Group is concentrated in the Emirate of Abu Dhabi, where Astaldi also opened offices in 2008. Here, in the coming years, there will be major commercial opportunities (highly technological and advanced projects in the field of transport infrastructures and hospital and industrial construction, with adequate government financing already available for implementing them). We can recall in this regard that the Emirate of Abu Dhabi holds 94% of the oil reserves of all the Arab Emirates, and that since its economy is based on the natural resources available, this Emirate is only marginally affected by the serious financial crisis recorded in Dubai in November 2009.
It should likewise be recalled that the interest of the Group in this Area is mainly linked to initiatives in the oil & gas sector developed with the main EPC contractors on the international level. Therefore, the dynamics of these initiatives are separate from the expenditure capacity of the local Governments.

Latin America [8]

In 2009, the crisis was also felt in the Latin America countries, in particular due to the decline in world trade.
The system as a whole seems to have reacted well to the crisis, and starting from the second half of the year, has shown a recovery capacity in some ways higher that the main Western countries. According to *Moody's*, in the third quarter of 2009 Latin America came out of the recession and resumed economic growth thanks to a better macroeconomic situation and the strengthening of the internal markets, also because in many countries of the Area, 2009 was an election year.
For the countries of the Area where Astaldi has a commercial interest, we can report the following.
Brazil enjoys good economic and financial health since, besides being one of the last countries of the Area to be affected by the crisis, it was also among the first to recover; it has recorded an improvement in the credit rating by *Moody's*. We can recall that Brazil is one of the countries of the Area for likely commercial expansion for the activities of the Astaldi Group.
Chile shows a stable and positive macroeconomic and socio-political situation. In February 2010, the country was hit by a serious earthquake (there was no damage to persons or property in activities in progress in the Area for Astaldi); nevertheless, this has not prevented the central bank from confirming the country's good growth forecasts for 2010.
Peru, one of the most recently opened areas in the Group's commercial development policies, is one of the Latin American countries that have best reacted to the global crisis, and recording at the end of 2009 an improvement in the *Moody's* credit rating. The Government has confirmed the data for growth in 2009, totalling 1.12%, and according to the forecasts by the International Monetary Fund, to be seen with due caution, in 2010 the Peruvian economy will grow by between 5.5% and 6.5%, with a public deficit that should be 1.6% in 2010. It should also be pointed out that Peru is one of the countries that has identified the construction sector as a useful area for sustaining internal demand and occupational levels. A further help to growth in the construction sector, could come from private investments in the mining field, a driving factor for the infrastructure sector.

[8] Sources: "Almanacco latinoamericano" (by CeSPI Centro Studi di Politica Internazionale, no. 5-6-7-8-9 of 2009/2010).

With regard to **Venezuela**, it should be pointed out that President Chavez has announced his candidacy for 2012 presidential elections. Therefore, it is possible to assume an even greater commitment by the current Government towards the implementation of the plan for investments in infrastructures launched in recent years to stimulate the local economy; in the context of this plan, the Astaldi initiatives in progress (railway transport infrastructures) have a priority and strategic role. For further considerations in this area and with regard to the evaluation of the effects of the devaluation of the *bolívar fuerte* decided by the Government in January 2010, see the paragraph of this Report dedicated to subsequent events, and the Notes to these consolidated financial statements.
Bolivia, in December 2009, held presidential elections that confirmed the outgoing President, who will therefore hold office until 2015. This electoral result should considerably strengthen the action of the coming government, favouring the further consolidation of the country's social and political equilibrium. We can recall that Astaldi is present in this Area only for the completion of a road building project.
In **Panama**, another country of strategic interest in the commercial development policies of the Astaldi Group, the Government has confirmed allocations of USD 13.6 billion in infrastructure investments for the coming 4-year period. Among the measures contained in the plan there is the widening of the Canal, the underground in the Capital, a third bridge over the Canal, new government buildings and works for motorways, underground systems and the international airport. Astaldi has already shown concrete interest for some of these initiatives, for which the outcome of awarding procedures is being awaited. We should likewise recall the strategic choice by the Government of Panama to officially join the CAF (*Corporation Andina de Fomento*), to allow the country access to a quota (estimated at USD 1.8 billion) of the funds managed by the regional development bank.
In **El Salvador**, the Government is conducting an economic recovery plan to face the country's complex social, political and economic problems. The current President has presented to Parliament the plan for external borrowing from the development banks for 2009, totalling USD 920 million, of which USD 500 million allocated by the IADB (Inter-American Development Bank) for investments and support to budget expenditure, USD 250 million will come from the World Bank for specific projects, mainly linked to local authorities, USD 170 million for measures for hospital and road infrastructures and for the creation of new systems for handling emergencies.
Nicaragua closed 2009 with a negative GDP, after 16 years, confirming that the country is in a state of economic difficulty. Nevertheless, there are positive factors involved thanks to the redoubled financial commitment announced by the IADB for this Area, reaching an estimated USD 170 million in 2010 to support projects to be implemented in the infrastructure sector.
Finally we can mention **Honduras**, where on 28 June 2009 a military coup overthrew the legitimate President Zelaya. After a short phase of crisis, when the *de facto* Government imposed several curfews, in the second half of 2009 the country went towards an internal solution of the crisis leading to the presidential elections of 29 November. In the elections Zelaya's party ran against the opposition, represented by Porfirio Lobo, who won the elections. Currently normalisation of diplomatic relations with the external world is under way, but it should in any case be observed that these

events have not in any way conditioned or prejudiced the activities of the Astaldi Group, which is now present in the Area mainly in the road construction sector.

USA

In 2009, despite the efforts of the US administration with the investment plan under the *ARRA - American Recovery and Reinvestment Act* , the US construction market was extremely difficult due to the serious economic and financial crisis that has both reduced the number of projects in progress and considerably increased the number of competitors, compared to the previous years. We should in any case recall the significance of the investments made under the *ARRA*, which for the infrastructures programme alone involved: USD 49 billion for the Department of Transport, with a quota of approximately USD 7 billion for the State of Florida alone, where Astaldi is present; USD 13 billion for the Buildings sector; USD 20.1 billion for the Water & Environment sector. These funds do not take into account the further investments planned for the specific sector of high speed railways (USD 8 billion for the sector *High-Speed Railway Network*), and the recovery plan launched at the same time by the State of Florida for relaunching employment by new transport infrastructures. Further opportunities could emerge in the project finance sector, in which the Astaldi Group could provide experience already accrued in other parts of the world, and renewable energy.

In light of the above, it is important to note that the overall policy adopted by the Group with regard to managing the country/risk is aimed at ensuring suitable geographical diversification of activities. Therefore, each individual commercial project is assessed within a general strategic framework compiled while performing business planning, which is aimed at not increasing the importance of each individual area beyond set limits.

Analysis of the Group's economic, equity and financial results

For the Astaldi Group 2009 was a year where the positive results, with a strengthening of the competitive position and the definite economic growth, confirmed the effectiveness of the choices for strategy and stabilisation launched in the past years.
Therefore, despite the complex international situation, the Astaldi Group has been able to constantly achieve the planned revenue and business targets, recording growth higher than the planned level.
At 31 December 2009, the order backlog rose to over EUR 9 billion at 31 December 2009 (EUR 8.5 billion at the end of 2008) with the contribution of EUR 2.4 billion of new contracts; total revenues amount to EUR 1,869.5 million, with an increase of +22.5% on an annual basis (EUR 1,525.6 million for 2008). The earnings level achieved was also excellent, with an EBITDA margin of 10.9% and an EBIT margin of 8.3%, and an EBITDA of EUR 203.6 million (+16.4%, compared to EUR 175 million at the end of 2008) and an EBIT of EUR 154.8 million (+16.8%, compared to EUR 132.6 million of the previous year); net profit is EUR 51.5 million, up by +22.2% (compared to EUR 42.1 million at 31 December 2008), with a net margin stable at 2.8%.

Because of the production levels achieved and a highly positive fourth quarter in terms of the equity and financial structure, the favourable self-financing capacity of the Group is confirmed, despite the stepping up of the growth industrial process and, more specifically, the programme for investments in the concessions sector; at 31 December 2009, net financial debt, net of treasury shares, totals EUR 467.1 million, with an increase of +19.9% compared to EUR 389.7 million at 31 December 2008.

The validity and coherence of the strategic choices made in the years and the effectiveness of the management models adopted have contributed to ensuring that the growth of the Group is not slowed down by exogenous contingencies which, on the contrary, have been transformed into a further stimulus for the diversification of the risk profile of the activities and the careful containment of the debt level.

The underlying factor is the 5-year planning model based on the application of some essential guidelines aimed at guaranteeing over time the best balances between sources and expenditure, such as:

- The constant monitoring of production on the basis of income dynamics;
- The analysis of projects in the start-up phase, with the advance identification of instruments and actions to counter the effects deriving from the need to link the possible lack of contract advances with the need to make investments to start up the activities;
- The overall investments policy and effective management of technical resources;
- The application of specific risk/yield ratios to ensure the correct evaluation of the Group commitments in the various areas pertaining to the sector.

The application of these "basic rules" results directly in the mitigation of the overall risk profile of the activities, with further strengthening in commercial choices oriented at producing synergies from the consolidated presence of the Group in the countries it traditionally covers.

In order to guarantee the balanced growth of business over time, each initiative abroad is covered by the focus of existing structures only on strategic, priority projects for the host countries, as well as by the search for "targeted" diversification of the backlog, through the evaluation of "planned" growth opportunities in adjacent areas. This policy has proved adequate to guarantee the expansion of the Group even in less favourable market situations as in the present, and providing a risk control policy which in practice subordinates production levels in each area directly to preset levels of invested capital, favouring an adequate level of the risk-yield ratio.

In light of all this, we should mention the current situation in Venezuela, where the Group is historically present and representing approximately 10% in terms of backlog and approximately 7% in terms of sales expected for 2010. In January 2010, the Government decided the devaluation of the *bolívar fuerte*, defining a double exchange rate. The effects of this decision are examined in the section on subsequent events.

For more information on the dynamics and economic, equity and financial events recorded during the year, see the section below.

Group economic performance

(thousands of euros)	Financial statements notes	31/12/09	%	31/12/08	%
Revenues	1	1,797,875	96.2%	1,466,848	96.1%
Other Operating revenues	2	71,661	3.8%	58,792	3.9%
Total revenues		1,869,536	100.0%	1,525,640	100.0%
Costs of production	3-4	(1,396,098)	(74.7%)	(1,117,312)	(73.2%)
Added value		473,438	25.3%	408,328	26.8%
Personnel costs	7	(240,458)	(12.9%)	(213,364)	(14.0%)
Other operating costs		(29,330)	(1.6%)	(20,004)	(1.3%)
EBITDA		203,650	10.9%	174,960	11.5%
Amortisation and depreciation	6	(46,343)	(2.5%)	(41,456)	(2.7%)
Provisions	7	(3,120)	(0.2%)	(1,277)	(0.1%)
Write-downs	6	(192)	0.0%	(500)	0.0%
(Capitalisation of internal construction)	8	822	0.0%	837	0.1%
EBIT		154,817	8.3%	132,564	8.7%
Net financial income and charges	9-10	(69,852)	(3.7%)	(64,729)	(4.2%)
Effects of the evaluation of shareholdings with the equity method	11	(278)	0.0%	3,645	0.2%
Pre-tax profit (loss)		84,687	4.5%	71,479	4.7%
Tax	12	(31,671)	(1.7%)	(26,718)	(1.8%)
Profit (loss) of the year		53,016	2.8%	44,761	2.9%
Profit (loss) attributable to minorities		(1,557)	(0.1%)	(2,660)	(0.2%)
Net profit of the Group		51,458	2.8%	42,101	2.8%

The accounts for 2009 highlight the acceleration in industrial growth due to the positive performance of initiatives in progress, both in Italy and abroad.
For 2009, after last year's results, the Group accounts record the effects of high production both in Italy and abroad, thanks to the implementation of the activities for major general contracting and project finance initiatives started in recent years. The figures also reflect the gradual improvement in the quality of the order backlog, favouring the stabilisation of Group yield and operational figures at levels higher on average than those achieved by the main competitors on the European level.
The main income statement items are commented on below. For more information regarding the dynamics of the individual components of each item looked at, please refer to the content of the notes to these financial statements.

Revenues

Total revenues amounted to EUR 1,869.5 million (EUR 1,525.6 million at the end of 2008), with an annual growth of +22.5%, therefore higher than the amount stated in business planning and already revised upwards in 2009 (15-20%). Operating revenues totalled EUR 1,797.9 million (+22.6%, compared to EUR 1,466.8 million at the end of December 2008); the other operating revenues rose to EUR 71.7 million (+21.9%, compared to EUR 58.8 million in the previous year).

Operating revenues show a structure confirming the strengthening of the activities abroad and the maintenance of a significant role for the domestic sector, showing on the whole the adequate diversification of the risk profile involved: 44.7% of operating revenues, i.e. EUR 804 million (EUR 750 million in 2008) was produced in Italy, 14.4% i.e. EUR 258 million (EUR 173 million in the previous year) was produced in the rest of Europe (Turkey, Eastern Europe), the remaining 40.9% (EUR 736 million compared to EUR 544 million in 2008) was produced mainly in the traditional business areas (Maghreb, Qatar, Latin America) and in more recent ones (Chile).

For the year 2009, transport infrastructures were confirmed as the leading sector for the Group (80% of operating revenues, i.e. EUR 1,434 million at the end of 2009, compared to EUR 1,107 million for 2008), thanks to the significant contribution of the railways and underground sector; there follow significant contributions from the civil and industrial building sector (12%, equivalent to EUR 215 million at 31 December 2009, compared to EUR 216 million of the previous year), reflecting the good performance of the "QATALUM" industrial project in Qatar, and from the energy production plant sector (8%, equivalent to EUR 149 million, compared to EUR 144 million in 2008), due to the effects of recent acquisitions in Chile (hydroelectric plant of Chacayes) and El Salvador (El Chaparral dam) and the recovery of the activities in Costa Rica (Pirris dam).

Among the contracts most contributing to the production of these revenues, for Italy we can quote the Turin railway junction and the High Speed Railway Station of Bologna Centrale (which during the year have confirmed highly positive operating results) and the construction of the underground lines in Rome, Milan and Naples, with significant increases being recorded in the accounts. Further positive results were recorded for the Jonica National Road (SS106) lots in progress: in particular, for the lot in the Catanzaro area (Lot "DG21"): at the end of the year over 50% of works had been completed (65% for the activities only in the bored tunnel, with 8 tubes on 22 already bored); for the lot in the Siderno area (Lot "DG22"), in October the Client approved a change which substantially made about 80% of the works ready to be performed immediately and ensured the recovery of the activities already from November. We can finally recall in Italy during the year (also from the technical and contract point of view) there was considerable attention for the problems connected with the projects for the new Hospital in Naples ("Ospedale del Mare") - complete technical and economic redefinition - and the Brescia underground, for which evaluation and analysis activities are under way to restore an operational and economic balance, and for the Academy of Italian Police Officers in Florence.

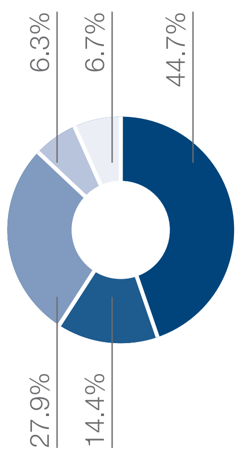
With regard to the contribution to production from the foreign sector, there was good performance of the contracts in Algeria and Venezuela (railways), Central America and Chile (energy production facilities), and in Turkey. The latter enjoys the consistent advancement of the works for the Istanbul underground and the start-up of the works for the *Hăic Bridge*, and in the *Middle East*, for the "QATALUM" project in Qatar.

As already stated, the Group maintains the strategic aim of maintaining production in each geographical area at levels suited to guaranteeing a balanced and well diversified range of activities, supported by a coherent level of capital invested. This is the context for the further diversification of the activities recorded in the year with the definitive opening of new areas in Chile and Poland.

There follows a chart of the current geographical and sector composition of revenues, and the changes occurring on an annual basis.

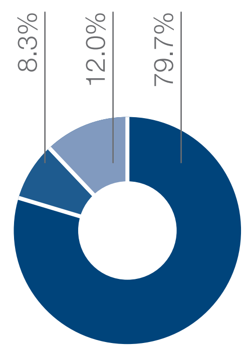
Geographical and sector composition of revenues

Revenues by geographical area



- Italy
- Europe
- America
- Asia
- Africa

Revenues by sector



- Transport infrastructures
- Hydraulic works and energy production plants
- Civil and industrial construction

Revenues by geographical area, compared on an annual basis

(thousands of euros)	31/12/09	%	31/12/08	%
Italy	804	44.7%	750	51%
Foreign	994	55.3%	717	49%
Europe	258	14.4%	173	12%
America	501	27.9%	300	20%
Asia	114	6.3%	85	6%
Africa	121	6.7%	159	11%
TOTAL	1,798	100%	1,467	100%

Revenues by sector of activity, compared on an annual basis

(thousands of euros)	31/12/09	%	31/12/08	%
Transport ingrastructures	1,434	80%	1,107	75%
Hydraulic works and energy production plants	149	8%	144	10%
Civil and industrial engineering	215	12%	180	14%
TOTALE	1,798	100%	1,467	100%

Other operating revenues, as already pointed out, amounted to EUR 71.7 million (+21.9%, compared to EUR 58.8 million in the previous year). These revenues are due to the increase of the activities not directly related to production, but in any case accessory to the core business and having continuity over time.

Total revenues, as already mentioned, therefore total EUR 1,869.5 million (EUR 1,525.6 million at the end of 2008), with an annual growth of +22.5%, i.e. an increase higher than the rate set by business planning, and already revised upwards during the same year 2009 (15-20%).

Costs of production

The structure and extent of the costs of production reflect the upturn of production activities and the gradual orientation of the order backlog towards general contracting and referring to the railways and underground sector, where outsourcing and joint ventures are utilised in the management of the contracts.

The volume of costs rose due to higher production, but at the same time, there was also a greater impact of the costs of production (also given a reduction of personnel costs) due to changes in the way contracts are managed.

The **costs of production**, understood as costs for purchases and costs for services, totalled EUR 1,396.1 million at the end of 2009 (74.7% of total revenues), with a growth of +25% on an annual basis (EUR 1,117.3 million at 31 December 2008). The increase is related to the works undertaken in consortiums, which are not subdivided by type, and to the increased volume of activities commented above, while also being affected by 2008 trends in the prices of raw materials, which thanks to a policy of careful management and containment of costs on the consolidated level, have not had a significant impact on Group accounts.

Personnel costs amounted to EUR 240.5 million (12.9% of total revenues), with a lower growth rate of +12.7% (EUR 213.4 million at 31 December 2008), due to the benefit deriving from greater economies of scale achieved on the general level in the year, and for the greater assignment of activities to third parties, typically involved in general contracting.

The **other operating costs** totalled EUR 29.3 million, compared to EUR 20 million at the end of 2008 and an impact of total revenues rising to 1.6% at 31 December 2009 (compared to 1.3% at the end of the previous year).

Operating results

The yield performance of the Group has benefitted from positive trends in business and the improved average yield for the order backlog; on the whole, this has resulted in interesting yield levels, despite the complex situation that the Group had to face during the year.

The year confirmed improved operating results and interesting margin levels when compared with average sector results. This result was due to the high quality of the order backlog, leading to an EBITDA margin of 10.9% and an EBIT margin of 8.3%, compared to

EBITDA (gross operating result) of EUR 203.6 million (+16.4% annual growth, compared to EUR 175 million at 31 December 2008) and an EBIT (net operating result) of EUR 154.8 million (+16.8%, compared to EUR 132.6 million at the end of the previous year).
The validity of these results is confirmed by the fact that the figures include prudential allocations for the lifetime of the contracts in progress, to prevent any decline in margins.
We can also recall that the accounting principle used by the Group for the economic results of the contracts is based on the cost to cost principle (normalisation of the margin over contract lifetime) and that, due to the prudential provisions policies always adopted by the Group, provisions have been provided to hedge operational and foreign exchange risks during the revision of the overall budget. Therefore, the calculation of the balance sheet results also takes these provisions into account, although, at the same time, it should be stressed that: (i) almost all the contracts in progress in foreign countries have a clause for price revision; (ii) the calculation of the revenues of the contracts is generally based on a double currency component (local currency and strong currency – generally the euro); (iii) in the management of contracts, the local currency covers the costs in local currency (representing most of the total costs), while the strong currency covers the costs in strong currency and determines the profits, which are therefore all accrued in euro.

Net financial charges

Financial management was affected by the increase in production volume and the gradual orientation of the backlog towards initiatives with greater technological and financial contents, typically associated with higher guaranties and collateral.
Net financial charges amounted to EUR 69.8 million (compared to EUR 64.7 million at the end of 2008), reflecting the partial reduction forecast for this item of the income statement for the last part of the year. In line with the Group forecasts, this item showed the effect of a reduction of the average cost of indebtedness, due to interest rates.

Tax

Tax items amounted to EUR 31.7 million (EUR 26.7 million at 31 December 2008), with a tax rate at 37.4%, therefore generally stable compared to the previous year.

Net profit

The positive performance of the Group and the improved costs structure are reflected by a growing net profit.
The **profit for the year** rose to EUR 53 million, up by +18.4% on an annual basis (EUR 44.8 million at the end of 2008) which, net of EUR 1.6 million in minority profits for joint venture initiatives mainly on the domestic market, leading to **net profit of the Group** in 2009 of EUR 51.5 million (up by +22.2% compared to EUR 42.1 million recorded at the end of 2008). Therefore, the net margin is stable at 2.8%.

Group equity and financial performance

(thousands of euros)	Financial statements notes	31 December 2009	31 December 2008
Intangible fixed assets	16	3,334	3,711
Tangible fixed assets	14 - 15	333,528	272,198
Shareholdings	17	91,932	53,252
Other net fixed assets	12 - 18 - 19	38,418	26,433
TOTAL Fixed assets (A)		467,212	355,594
Inventories	20	100,929	108,092
Contracts in progress	21	648,626	584,993
Trade receivables	22	29,607	34,984
Receivables from clients	22	683,536	481,781
Other assets	19	158,187	205,981
Tax receivables	23	78,391	89,138
Advances from clients	21	(382,905)	(351,544)
Subtotal		*1,316,370*	*1,153,425*
Trade payables	19 - 29	(90,034)	(66,676)
Payables to suppliers	19 - 29	(543,639)	(480,033)
Other liabilities	12 - 26 - 27 - 30	(265,716)	(203,642)
Subtotal		*(899,389)*	*(750,350)*
Working capital (B)		416,981	403,074
Employee benefits	28	(9,555)	(10,314)
Provisions for non-current risks and charges	31	(23,809)	(21,153)
Total provisions (C)		(33,364)	(31,467)
Net invested capital (D) = (A) + (B) + (C)		850,829	727,201
Cash and cash equivalents	24	444,138	333,759
Current financial receivables	18 - 19	19,371	17,346
Non-current financial receivables	18	2,418	2,423
Securities	18	4,175	4,901
Current financial liabilities	26	(365,983)	(275,448)
Non-current financial liabilities	26	(576,400)	(478,308)
Net financial payables/receivables (E)		(472,282)	(395,327)
Equity of the Group	25	(360,282)	(325,327)
Minority equity	25	(18,265)	(6,547)
Equity (G) = (D) - (E)		378,547	331,874

The consolidated equity and financial structure, though influenced by the growth of business, has proved able to provide operational performance higher than the planned levels. We need only recall the acceleration of the investment programme in the concessions sector; here, in the second part of the year the investment began on the Chacayes facility in Chile (USD 63 million of Astaldi equity investment for the entire year). The Group has been able to undertake this major effort thanks to the good performance of the cash flows from initiatives in progress in Italy and abroad.
There follow comments on the changes occurring during the year in the main items of equity and a brief analysis of changes in the net financial position. For

further information on the trends in the single components of each item analysed, see the Notes to the consolidated financial statements.

Net fixed assets

The **net fixed assets** rose to EUR 467.2 million (EUR 355.6 million at the end of the previous year), essentially due to the investments made in period, supporting not only the project financing initiatives, but also for the start-up of new contracts acquired (above all abroad); the value of the fixed investments is higher than indicated during business planning, in light of the stepping up of the programme previously diluted over several years. This aspect should be reduced significantly starting from 2010.

Working capital

The **working capital** is equivalent to EUR 417 million (EUR 403.1 million at the end of 2008), showing quality trends proving that the investments made in the period were adequately covered by the advances from clients; compared to the end of the previous year, there was an increase of approximately EUR 31.4 million, apart from the capacity shown in the management of the various contract cash-flows.
Nevertheless, in the period considered working capital, especially in the item of receivables from clients, has recorded a significant increase related to the growth of production levels, and the accelerated effect of the plan for certification of the works in some foreign areas. In particular, with regard to Venezuela, in the year 2009 significant parts of works in progress and new contract prices were defined; together with the new price indexing mechanisms, these have produced high invoiced amounts. Despite the significant income received, especially in the first part of 2009, this has produced an increase in the receivables item, with an impact on average settlement times. As explained in detail in this Report, the aim of the Group for 2010 will be concentrated on the reduction of this item, by the reduction of production volumes in this area together with diversification in newly acquired neighbouring countries, and by the acceleration of settlement rates after the overall revision of the payments plan, currently being drawn up by the local authorities.

Net invested capital

Net invested capital totalled EUR 850.8 million (compared to EUR 727.2 million at the end of 2008), largely justified by the growth of business and investment dynamics.
It should be observed that the growth of production volumes recorded in the year is reflected in the ac-


Italy, Bologna Centrale High-Speed Railway Station.

counts less than proportionally compared to the rate recorded for working capital; this shows the tendency of the Group to effectively manage the operational aspect, with an underlying balanced financial structure.
The increase of net invested capital is also related to a sharp rise in EBIT yield (+16% in the year 2009), confirming the adequate choices of allocation of the capital invested.

Equity

Equity rose, and totalled EUR 378.5 million (EUR 331.9 million at the end of the previous year), essentially due to the trends recorded for the result for the period, regarding the suspended items in the income statement, as well as the dividends paid.

Net financial position

The **net financial position** at 31 December 2009, formulated in accordance with the CESR (*Committee European Securities Regulator*) and net of treasury shares, totalled EUR (467.1) million, an increase compared to the end of 2008, but easily forecast. Nevertheless, although the analysis of accounting data is made on an annual basis, we should highlight the substantial reduction of indebtedness recorded on a quarterly basis (-4.7% i.e. EUR 23.3 million less compared to 30 September 2009). This result, due to balanced financial planning over the years, was possible due to excellent trends in operating cash flows, endowing the Group with the capacity to support investments in the hydroelectric concessions sector, thus achieving the results expected for this sector a year in advance.
There follows a prospectus of the structure of net financial indebtedness and its components.

Net financial position: changes

(thousands of euros)	31/12/09	30/09/09	30/06/09	31/03/09	31/12/08
A Cash and cash equivalents	444,138	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)	448,312	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 indebtedness	(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 indebtedness (E+F+G)	(365,983)	(328,894)	(285,151)	(304,482)	(275,448)
I Net current financial indebtedness (H+D+C)	104,118	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 indebtedness (K+J)	(576,400)	(563,817)	(504,985)	(472,119)	(478,308)
M Net financial indebtedness (L+I)	(472,282)	(495,521)	(498,915)	(463,999)	(395,327)
Treasury shares in portfolio	5,172	5,134	5,197	5,905	5,655
Total Net financial position	(467,110)	(490,388)	(493,718)	(458,093)	(389,672)

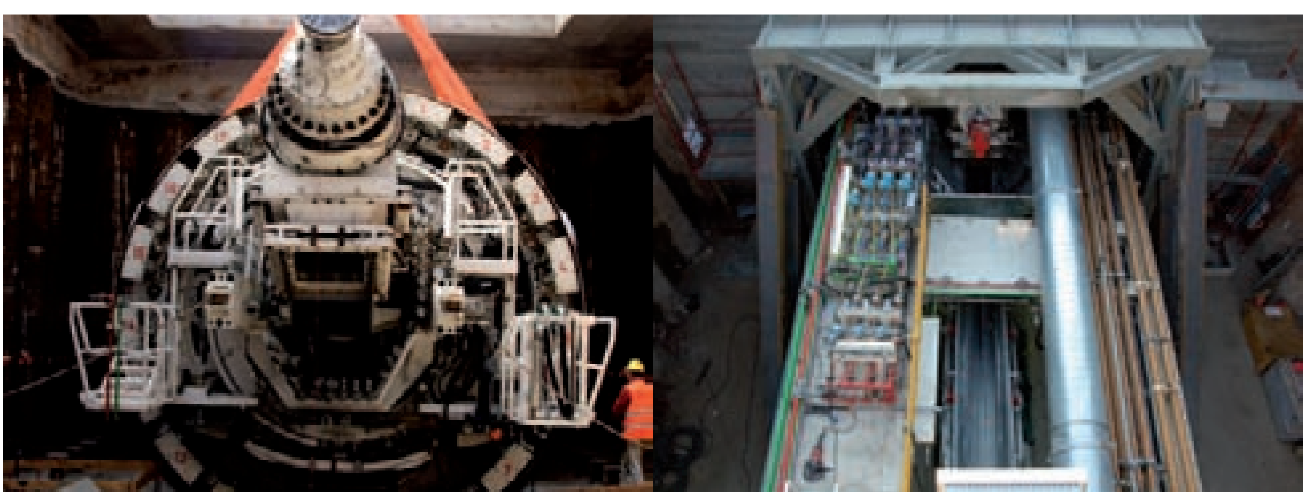
The table shows the debt structure confirming the considerable improvement in the Group's financial profile over the year, with a more flexible cash margin, also thanks to liquidity operations structured for single initiatives, with repayment guaranteed by project financial flows.

The debt structure is oriented towards the medium/long term, with the first significant refinancing falling due in 2013.

We should likewise recall that considering the particular phase on the credit markets, in July 2009 the Group agreed to a syndicated loan of EUR 110 million that has made available new medium-term financial resources at particularly favourable cost conditions. The loan, with a duration of 5 years and having an average spread of less than 2% on the EURIBOR 3-month rate, is provided by 13 banks (Italian and foreign). See the specific section in the Notes to the 2009 financial statements for details on the conditions and covenants of this and other Group borrowing.

The debt/equity ratio is 1.23. The corporate debt/equity ratio (calculated by excluding, as being without recourse or self-liquidating, the quota of indebtedness regarding concession/project financing activities) is equivalent to 0.94. The quota of the debt serving project finance activities is just under EUR 120 million, on the basis of the equity paid in the initiatives regarding hospital and underground sector, the costs for the construction of parking facilities under concession, the investment in equity for the concession works for the Chacayes hydroelectric plant in Chile (USD 63 million for the Astaldi stake).

Finally, it should be pointed out that as illustrated in detail in the Notes to these financial statements, the net financial position does not include the accounting of derivative instruments utilised in hedging activities since by their nature, they do not represent financial values.



Italia, Linea C della metropolitana di Roma.

Reconciliation between equity and operating result of the Parent Company's financial statements and consolidated financial statements

(thousands of euros)	Equity 31.12.2009	Result for the year 31.12.2009	Equity 31.12.2008	Result for the year 31.12.2008
Equity and result for the year as shown in the parent company's financial statements	345,484	69,620	288,103	28,604
Reserves	15,787		7,352	
Elimination of book value of consolidated shareholdings:				
- difference between book value and pro-quota value of equity	9,303		9,303	
- pro-quota results of investee companies	32,581	32,581	72,693	72,693
- consolidation difference				
Elimination of effects of transactions performed between consolidated companies::				
- profits on intragroup transactions	(7,828)	(30)	(7,798)	(838)
- amortisation on intragroup sales	6,639	471	6,168	463
- allocation / (use) on consolidated companies	9,628	129	9,499	1,172
- hedging of losses of consolidated companies	6,097	6,097	1,894	1,894
- dividends from consolidated companies	(57,409)	(57,409)	(61,887)	(61,887)
Equity and result for the year pertaining to the Group	360,282	51,459	325,327	42,101
Minority equity and reserves	18,265	1,557	6,547	2,660
Equity and result for the year as shown in consolidated financial statements	378,547	53,016	331,874	44,761

Investments

For more information with regard to the investments made in 2009, see the details in the Notes to the financial statements. Here, we shall just briefly recall what has already been stated in the previous paragraph, i.e.:

- the value of fixed investments for the year 2009 totalled EUR 80 million, slightly higher than indicated in business planning (3% of total revenues) and is mainly due to the support provided to initiatives in progress undertaken abroad, which have recorded an acceleration of programmes initially planned for subsequent years. This will have an impact in coming years, going back to balanced levels ensuring that the value of investments is in line with the value of amortisation;
- investments in the year in concession and project finance initiatives totalled EUR 60 million (equivalent to EUR 118 million in investments made in the sector in the past four years), essentially due to investments in new initiatives abroad in the sector of renewable energy (Chacayes facility in Chile).

Order backlog

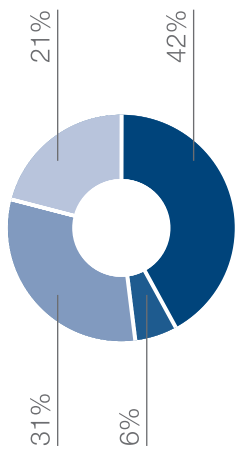
At 31 December 2009, the order backlog of the Astaldi Group totalled over EUR 9 billion, of which EUR 6.6 billion for the construction sector, and referring to general contracting initiatives, and the remaining EUR 2.5 billion for the concessions/project finance sector. The year recorded EUR 2.4 billion in new orders, related to new acquisitions in the transport infrastructure and renew-

able energy sector in Latin America (Chile, Venezuela) and Eastern Europe (Romania, Poland), but also to contract increases for initiatives in progress in Italy, the Middle East and Turkey (transport infrastructures and hydraulic works).
The overall structure of the backlog is coherent with the commercial development policies of the Group, aimed at strengthening Astaldi's presence in traditional business areas, but also to guarantee the adequate diversification of the overall risk profile of the activities, pursued during the year by the opening of three new markets nearby those already existing. Activities on the domestic market thus account for 52% of the backlog (EUR 4,647 million, compared to EUR 5,111 million at the end of 2008) and for the remaining 48% (EUR 4,384 million, compared to EUR 3,346 million at the end of the previous year) from initiatives abroad, mainly in Latin America, Europe, Algeria.
From the sector point of view, the construction sector is the main one in the Group (73% of the total backlog, i.e. EUR 6,562 million compared to EUR 6,338 million in the previous year): in the context of construction, transport infrastructures, reference sector for Group operations are the main area (63% of the overall backlog, equivalent to EUR 5,724 million at the end of 2009, compared to EUR 5,291 million for 2008), followed by the sector of energy production plants and more in general of renewable energy (5%, EUR 416 million, compared with EUR 502 million at 31 December 2008) and civil and industrial construction (5%, i.e. EUR 422 million compared to EUR 545 million for the end of 2008). There was an increased quota for the concessions sector, representing 27% (EUR 2,469 million for the year 2009, compared to EUR 2,119 million for 2008), benefitting from the entry of renewable energy in the sector (Chile), to accompany what has already been developed in urban transport infrastructures, hospital construction and parking facilities.
The values indicated do not yet take into account the concession for the Gebze – Izmir motorway in Turkey (in July preliminary assignment took place, and the company is awaiting the definitive formalisation of the contract) and the one for the connection of the Port of Ancona to nearby roadways (with Astaldi as sponsor, while awaiting the definitive outcome of the tender procedure).
There follows a graph of the geographical and sector composition of the order backlog at 31 December 2009.

Italy, Naples Subway.

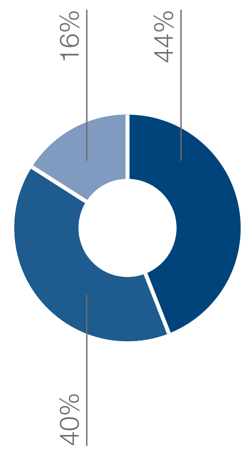
Breakdown of order backlog at 31 December 2009

FY 2009 order backlog



Construction abroad
Concessions abroad
Construction Italy
Concessions Italy

Details of construction order backlog (abroad)



Europe
America
Africa

Order backlog by geographical area

(thousands of euros)	Start of period 01/01/2009	Increases	Decreases for production	End of period 31/12/2009
Italy	5,111	340	(804)	4,647
International	3,346	2,032	(994)	4,384
Europe	930	995	(258)	1,667
America	1,658	967	(501)	2,124
Africa	706	6	(121)	591
Asia	52	64	(114)	2
TOTAL Order backlog	8,457	2,372	(1,798)	9,031

Order backlog by area of activity

(thousands of euros)	Start of period 01/01/2009	Increases	Decreases for production	End of period 31/12/2009
Transport infrastructures, of which:	5,291	1,867	(1,434)	5,724
Railways and underground systems	*3,892*	*1,286*	*(1,083)*	*4,095*
Roads and motorways	*1,264*	*552*	*(325)*	*1,491*
Airports and ports	*135*	*29*	*(26)*	*138*
Energy production plant	502	63	(149)	416
Civil and industrial construction	545	92	(215)	422
Concessions	2,119	350	0	2,469
TOTAL Order backlog	8,457	2,372	(1,798)	9,031

In riferimento alle tabelle su With reference to the above tables, it should be pointed out that due to the effect of the events regarding the Academy of Italian Police Officers in Florence, the residual value of this contract was reinserted in the accounts. For more information on this subject, see the paragraph on this contract.
As mentioned several times previously, on the basis of the prudential criteria adopted by the Astaldi Group for the insertion of new orders in the backlog, the values of the following new acquisitions should be included: (i) the preliminary assignment of the concession for the construction and subsequent management of the Gebze - Izmir motorway, for which formal agreement is awaited and which will be further examined below; (ii) the appointment as Sponsor for the project finance initiative for the construction and subsequent management of the connection between the Port of Ancona and surrounding roads, initiative for which the definitive phase of the awarding procedure is being awaited; (iii) the possible development of initiatives in progress in Italy (underground lines) and abroad (railways and water).
With reference to the preliminary assignment of the BOT concession for the construction and subsequent management of the Gebze - Izmir motorway in Turkey, we can recall that this initiative involves a total investment estimated at USD 6.4 billion, with estimated concession revenues of USD 23 billion, and a duration of the concession of 22 years and 4 months. The project, the most important one in the motorway sector ever undertaken in the country, involves the construction of 422 kilometres of new motorway for the connection of Gebze near Istanbul, with Izmir on the Aegean coast of Turkey, and a bridge on the Bay of Izmit. Astaldi will build it with a group of local enterprises, each having a stake of 16.7%. The value pertaining to Astaldi will be inserted in the order backlog of the Group at the end of the procedures for awarding the tender.
There follows a list of the main contracts which in 2009 contributed to producing EUR 2.4 billion in new orders recorded for the year. For more information on the contents of each initiative, see the paragraph of this Report on performance by geographical area and sector.

Latin America

- CHILE, Pacific Hydro S.A.: the Astaldi stake has a value equivalent to EUR 350 million, regarding the concession in the project financing initiative for the design, construction and subsequent management of the Chacayes hydroelectric plant, in the Cachapoal river valley. The item is recorded in the backlog on the basis of the stake held by Astaldi (27.3%)

of expected revenues (at real values) for the first 30 years of management, although this is an unlimited concession;
- PERU, Huanza hydroelectric plant: contract value equivalent to EUR 65.5 million, for the construction of civil engineering works for the Huanza hydroelectric plant;
- NICARAGUA, Carretera Empalme De Lóvago - Empalme Pajaro Negro: contract worth EUR 18.3 million, for the modernisation of two lots of this motorway.

Turkey And The Middle East
- TURKEY, Istanbul Underground (Kadğkoy - Kartal - Kaynarca stretch): contract increase for EUR 41 million for the Astaldi stake, recorded with reference to extension to Kaynarca of the underground line already under construction (Kartal - Kaynarca);
- QATAR, QATALUM Project: contract increase of EUR 16 million, recorded with reference to the contract for the construction of industrial plant for the QATALUM Project.

North America
- USA (Florida), State Road 823: contract of a value equivalent to EUR 10.4 million, for the construction and widening of this state road.

Eastern Europe
- POLAND, Line 2 of the Warsaw underground: a contract of a value equivalent to EUR 337.5 million for the Astaldi stake, for the construction of the underground stretch between Rondo Daszynskiego and Dworzec Wilenski;
- POLAND, National Road NR8: contract of a value equivalent to EUR 131.2 million for the Astaldi stake, for the modernisation of the stretch between Piotrkğw Tribunalski - Rawa Mazowiecka;
- POLAND, Minsk Mazowiecki Bypass: contract of a value equivalent to EUR 37.1 million for the Astaldi stake, for the construction of a motorway bypass east of Warsaw;
- ROMANIA, Bucharest – Constanta motorway: a contract worth EUR 101.2 million for the Astaldi stake, for the construction of the Medgida – Constanta motorway stretch;
- ROMANIA, National Road DN79: contract worth EUR 74.4 million, for the modernisation of the Arad – Orodea road stretch.

As already mentioned, see the following paragraph for more information with regard to the contents of these contracts, as well as the main contracts in progress.

Turkey, Istanbul underground.

Performance by geographical area and sectors

Italy

Although Astaldi has a strongly international character, the domestic market is the sector where the Group traditionally operates as General Contractor and sponsor of project finance initiatives.
On the basis of the classifications produced by "Edilizia e Territorio", a reference for the entire sector on the domestic level, Astaldi is the second largest domestic company by sales volume [9].
At 31 December 2009, the domestic market generated 44.7% of revenues from works and represented 52% of the total order backlog. In the Italian backlog, EUR 2.8 billion referred to the construction sector (transport infrastructures, civil and industrial construction, water and energy) and the remaining EUR 1.9 billion to initiatives in the concessions sector (urban transport infrastructures, hospital facilities, parking facilities).
From a sector point of view, on the domestic level, transport infrastructures are the core business for the activities of the Group. Projects with high technological content are under way, such as general contracting for the construction of Line C of the Rome Underground and the project finance contract for the construction and subsequent management of Line 5 of the Milan Underground, as well as Bologna Centrale High-Speed Station and the Turin railway junction. With regard to the concessions developed in Italy, current backlog initiatives regard the urban transport infrastructure sector, hospital construction and parking facilities.
There follow details on the main initiatives in progress in Italy, subdivided by type of business.

Transport infrastructures: railways and underground lines

Railway and underground transport infrastructures, a key sector for the activities of the Group, is one in which Astaldi has acquired great expertise and achieved leadership that is now consolidated and widely acknowledged in Italy and abroad.
In this sector, the Group's competitive position has been significant and consolidated for years, and was further strengthened last year with acquisition of a significant stretch of the Warsaw underground, in Poland, a highly significant contract discussed in detail in the analysis of the foreign contracts.
We should recall the International classifications "*2008 Top International Contractors*", provided by the *Engineering News Record* , in which Astaldi is at the 20th place on a world level for sales produced by the trans-

Italy, Rome Subway line C.

port infrastructure sector and at the 6th place for sales from the specific sector of underground and railway transport [10].

Astaldi has built many underground lines and railway lines in the world (the Rome – Naples High Speed Line, some of the finest "art stations" of the Naples Underground, major railways lines in Venezuela, Algeria and Romania, entire stretches of underground lines in Rome, Naples, Genoa, Brescia, Copenhagen and Caracas, just to mention some examples).

We should recall that most of these initiatives are (or have been) completed in the context of significant technical difficulties, involving major viaducts or tunnels. This has enabled Astaldi to reach levels of excellence acknowledged throughout the world, above all thanks to the utilisation of its human resources, highly qualified and trained internally, and the advanced techniques in which investment is constantly made.

There follow brief descriptions of the main projects in Italy in the railways and underground lines sector, completed or in progress at 31 December 2009.

Rome Underground, Line C

The contract regards the general contracting of the works for the final and executive design, construction, works supervision, commissioning and supply of rolling stock, for the new Line C of the Rome Underground.

The work was contracted to the Company Metro C S.c.p.a., which is the *General Contractor* and in which Astaldi has a 34.5% stake.

The company contracting the works is Roma Metropolitane S.r.l., owned by the Rome Municipality, which supervises the process of expansion and modernisation of Rome's underground network.

Line C is one of the most ambitious projects under construction in the field of transport infrastructures, since it will considerably expand the public transport available in the city and because one of the greatest difficulties in construction will be in facing the archaeological remains and dealing with the monuments and historical buildings in the city centre. The trains will be driverless, i.e. remote driven and monitored by a fully-automated system.

The new line will extend the current underground network from 36.5 to 78.7 kilometres.

Out of the entire length planned (42.2 kilometres long, 42 stations), work is under way on the so-called Fundamental Stretch (subdivided into further stretches): 25.5 kilometres long, with 30 stations.

The T2 and T3 stretches (from Piazzale Clodio to San Giovanni Basilica, 7 kilometres, 7 stations) will go through the city centre, where activity continued in 2009 for the designing and safeguarding of the status of historic buildings.

In the rest of the Fundamental Stretch including the first functional stretch (Monte Compatri/Pantano-San Giovanni), 18 kilometres long, with 22 stations, there are 37 construction sites in progress and 4 tunnel boring machines which in a year and a half have completed half of the underground route planned. The large depot/workshop at Graniti, the line's operational headquarters, is nearly finished.

For this initiative, the implementation of the works in 2009 involved the operation of 37 construction sites on the Monte Compatri/Pantano-San Giovanni stretch, the opening of 40 construction sites for archaeological survey, the construction of 9 kilometres of tunnel (equivalent to 48% of the first functional stretch).

Currently, the overall value of the work is EUR 2.5 billion, of which EUR 862 million pertaining to Astaldi. The first fully operational stage has a value of EUR 1.5 billion.

At 31 December 2009 about 44% of the entire fundamental stretch had been completed.

[9] Source: "Speciale Classifiche. Le prime 50 imprese italiane di costruzioni" (by Edilizia e Territorio, October 2009).

[10] Source: *"ENR Top Global Sourcebook 2008"*, "2008 *Top International Contractors in Transportation*" and "2008 *ENR Top 15 International Contractors in Mass Transit & Rail*", classifications drawn up by "Engineering News Record" on the basis of consolidated sales in the year 2007.

Milan Underground, Line 5

The project finance initiative for Line 5 of the Milan Underground, for the final and executive design stage and the construction of civil engineering works regards a new stretch built wholly underground on the Garibaldi - Bignami route located in the main city of Lombardy.

The initiative, included among those having primary national interest in the Strategic Infrastructure Act (Law no. 443/2001), is managed by the special purpose vehicle Metro 5 S.p.A (concessionaire). It is a joint venture of which Astaldi is leader and mandatary with a stake of 23.3%, and was awarded the project finance concession for Line 5 of the Milan underground. In the initiative, civil engineering works were assigned to a joint venture in which Astaldi is the leader with a 60% stake which set up the consortium company, Garbi S.c.r.l. to undertake these works.

As a whole, the initiative will involve the construction of approximately 6 kilometres of new line – including the change of route, approved in the Garibaldi Station area, which will technically enable the extension towards San Siro/Settimo Milanese –, with 9 stations and an underground depot/workshop with control station.

In 2009, activities were accelerated in this contract, also due to the strong commitment of the local authorities and for requirements connected with Expo 2015.

The activities planned are in an advanced state of execution in almost all the construction areas, in particular those regarding the so-called Functional Stretch, i.e. the Bignami – Zara stretch.

In particular, TBM excavation activities in the stretch in tunnel between the Tonale and Marche stations were completed in May, a portion containing 5 of the 9 stations planned for the stretch; subsequently, the last wall of the first of the two single-track tunnels, excavated in the traditional manner for the connection between the Isola and Zara stations, was knocked down in November, in record time. At the end of 2009, approximately 5 kilometres of tunnel were completed, with the completion of 71% of the works.

With regard to the construction of the stations, all the stations along the Deposito – Zara Functional Stretch are in an advance stage, with system and mechanical facilities being installed, as well as the construction of internal masonry work and the installation of escalators.

The total value of the investment for the completion of the works, including design, civil engineering and technological works and the approved modification, is equivalent to EUR 484 million, of which EUR 190 million financed by Metro 5 S.p.A. and the remaining

Italia, Metropolitana di Napoli.

to be financed by a public contribution. The revenues deriving from the 29 years of management agreed in the agreement will total EUR 724 million. The stakes pertaining to Astaldi totalled EUR 134 million for construction works and EUR 165 million for management activities. The duration of the works, including the design, is equivalent to 70 months, to be followed by the management stage.
For further information, see the section of this Report on concessions.

Naples Underground

Astaldi plays an active part in the project for the expansion of the Naples Municipal Underground system. Major examples of what has already been achieved are the so-called "Art Stations" already in operation on Line 1, with the transformation of infrastructures into a fine example of refurbishing of the areas around the surface exists of the new line and its stations.
There follow details on the measures undertaken by Astaldi up to now on Line 6 and Line 1.

Naples Underground, Line 1

The contract involves the concession for the construction of the extension of Line 1 of the Naples Underground, on the Centro Direzionale – Capodichino route, which the concessionaire M. N. Metropolitana di Napoli S.p.A. (of which Astaldi holds the relative majority with a stake of 22.62%) has acquired from the granting authority, Naples Municipality.
The initiative involves the construction of the stretch of Line 1 between the Dante and Centro Direzionale stations, and specifically, the construction of the Università and Toledo stations, with the superstructure for the entire stretch.
The works were undertaken by Toledo S.c.r.l., the company set up for the execution of the works assigned by M.N. Metropolitana di Napoli S.p.A. to the TRA.DE.CI.V. consortium, and by the latter to the joint venture in which Astaldi holds 90.391%.
In 2009, the works continued regularly and on schedule as approved by the granting authority. In particular, with reference to the Toledo station, the measures for consolidation have been completed, preparatory to the start-up of excavation of the corridor towards the second exit in Largo Montecalvario; work continued on the shaft for the construction of the exit in Piazzetta Montecalvario. For the Università station, we can report the substantial completion of the internal structures of the station and the start-up of the works for installation of fittings; activities continued for the transfer of accessory services and archaeological excavations connected with the construction of the exit on Piazza della Borsa and final external works. Works likewise continued for the railway superstructure in the entire Dante - Centro Direzionale stretch.
By 2010, activities undertaken in the year, as planned, will result in the delivery of the Università station, and subsequently, to the installation of the superstructure for the entire stretch and the delivery of Toledo station.
The total value of the measures was EUR 237 million, inclusive of modifications during works.
At the end of 2009, 70% of the works had been completed.

Naples Underground, Line 6

The contract involves the construction of the San Pasquale station on Line 6 of the Naples Underground, in the stretch between the Mergellina station and Municipio station.
The works are undertaken by AS.M. S.c.r.l., of which Astaldi holds 75.91%.
In 2009, the activities were stepped up, leading to the completion of all the works for support and consolidation of the soil. Currently, the first stage of archaeological excavations of the station shaft is under way.
For this initiative, the works pertaining to Astaldi totalled EUR 44 million. At the end of 2009 approximately 50% had been completed.

Bologna Centrale High Speed Station

The contract is a fundamental part of the project for the urban link with the Milan – Naples high speed line in the Bologna railway junction.
The aim of contract basically is the construction of the new Bologna Centrale High Speed Station (Lot 11) and the works necessary for its activation (Lot 50).
The agreement was signed by Astaldi with TAV S.p.A.,

which in 2008 was replaced by RFI S.p.A., the body managing national railway infrastructure, part of the Ferrovie dello Stato Group.
The project for the new Bologna Centrale High Speed Station involves the construction of a large size and structurally complex work, entirely underground under tracks 12-17, currently not used, of the "historic" Bologna Centrale station; the structure has several levels, the deepest of which, at -25 metres, will be dedicated to the transit of high speed trains, while the others will be equipped for services connected with railway transport, commercial areas and parking facilities.
Works were started during 2004 and, now that the unforeseen events which arose during the contract start-up phase have been resolved and the Additional Amendment signed in December 2007, the works went ahead as planned with some new activities introduced by the contracting authority.
The works for the deep foundations were completed in 2009; the reinforced concrete structure topping the main walls and perimeter of the entire station was completed; the new passenger underpass from the existing Bologna Centrale station was opened to the public; the installations of construction site logistical facilities were implemented for the execution of the subsequent phases.
At 31 December, the overall value of the works was EUR 369.3 million, inclusive of all the modifications approved. At the end of 2009 approximately 45.20% had been completed.

Turin Railway Junction
(Corso Vittorio Emanuele II - Corso Grosseto Lot)
The project forms part of the activities in progress to improve Turin's railway junction and refers to the executive design and completion of the extension of an underground railway line along the stretch between Corso Vittorio Emanuele II and Corso Grosseto, including passage under the River Doria Riparia.
The works were commissioned by Italferr S.p.A. in the name of and on behalf of Rete Ferroviaria Italiana S.p.A.
The contract was awarded to a joint venture in which Astaldi S.p.A. has a 70% stake, and is the leader and mandatary company.
Construction took place through S.P.T. - Società Passante di Torino S.c.r.l., of which Astaldi S.p.A. holds a 74% stake.
The project consists, as a whole, in the quadruplication and underground installation of the current "historical" Turin-Milan railway line. The works are being carried out in the urban area, alongside the currently operational Turin–Milan railway line. In order to guarantee operation of the current Turin–Milan railway line while works are in progress, the works are being carried out in two separate sequential macro-phases: the

Italy, Railway station Bologna Central.

West Macro-Phase and the East Macro-Phase.
The West Macro-Phase was completed, as planned, in 2009 with the activation of the two tracks of the line on the west side. Subsequently, the existing surface railway line was closed and activities started for the construction of the East Macro-Phase.
In 2010, the activities for completion of the East Macro-Phase will follow, regarding, inter alia, the construction of reinforced concrete diaphragm walls, as well as the bottom plug of the railway tunnel and the foundation piles.
At 31 December 2009, about 65% of the works had been completed.
The contract value of this initiative, including the approved changes, was EUR 494.8 million, of which approximately EUR 333 million pertaining to Astaldi S.p.A.

Brescia Underground

The contract, awarded to the joint venture in which Astaldi has a 50% stake, regards the construction of a light underground railway, remote driven and monitored by a fully-automated system (driverless system), on the Prealpino - Santa Eufemia stretch in the City of Brescia.
Brescia Mobilità S.p.A., a company owned by the Brescia Municipality, is the contracting company that manages the city transport system.
The works are being undertaken in a joint venture with a group of enterprises, under an agreement for the vertical division of the activities: in the context of this division, Astaldi will handle the electric and mechanical plant, the superstructure and all the civil engineering works.
Specifically, the initiative involves the executive design, construction, technical management and the ordinary and extraordinary maintenance of a first functional lot of the Brescia underground, on the Prealpino - Santa Eufemia stretch. The line will be 14 kilometres long and have 4 kilometres of cut-and-cover tunnels, 6 kilometres of bored tunnels, 1.8 kilometres of viaducts, 17 stations (7 underground) and a depot/workshop. For this initiative, changes to the works are being defined and should solve the problems that emerged in previous years.
In 2009, the cost optimisation and performance rates were higher than planned for the tunnel excavation using TBMs, and have in any case compensated the lower production deriving from slowdowns of the activities, partially offsetting the overall negative result of the contract.
Discussion is under way with the client for the definition of the definitive status of the works, for which Brescia Mobilità has already started the procedure for funding by the CIPE.
At 31 December 2009, the activities for excavation in

Italy, Brescia Underground.

bored and cut-and-cover tunnels were already completed. For the stations, the structural of all the stations have been mostly completed, except for Vittoria and San Faustino stations, delayed due to archaeological factors, so that construction activities of the structures are still in progress.

Genoa Underground

The works related to this project are regulated by a framework contract, performed in subsequent lots, to construct the complete underground line which runs from Genova Principe railway station to Brignole railway station.

The works are being performed by the consortium company Metrogenova S.c.r.l. in which Astaldi holds a 21.81% stake.

Works performed in 2009 regarded the last functional lot, in the De Ferrari – Brignole stretch, with delivery planned for the end of 2010, since the works for the Principe - Caricamento - Grazie, Grazie - Sarzano and Sarzano - De Ferrari stretches are practically completed.

At 31 December 2009, the overall value of this contract is equivalent to EUR 220 million. At the end of the year, 90% of the works were completed.

Parma - La Spezia Railway Line ("Pontremolese")

In the context of the enlargement and renovation of the Parma - La Spezia railway line, called "Pontremolese", Italferr, as contracting body in the name of and on behalf of Rete Ferroviaria Italiana, has contracted Astaldi for the executive design and the undertaking of the works for doubling the railway line in the stretch between the Solignano station and Osteriazza rail traffic station, with a total length of approximately 12.5 kilometres.

The doubling of the railway line will be built for approximately 7.5 kilometres alongside the existing railway line and partly, for approximately 5 kilometres, away from the current route.

The latter stretch includes the most significant works of the contract, such as the "Marta Giulia" bored tunnel, 4.2 kilometres long, the viaduct on the river Taro, 450 metres long, and the viaduct on the Galgana stream.

The 1st Additional Agreement was signed with Italferr in 2009 and involves the contents of the Memorandum of Agreement signed with R.F.I. in April 2008 to overcome the causes that had produced the suspension of the works in the whole previous year.

This agreement likewise contained a series of changes made necessary in the meantime, with the adoption of the Inter-regional Notes for the safety of the tunnel during the excavation, and the dispute over the suspension of the works was resolved. The amount of the Agreement was EUR 197.1 million and the deadline for the execution of the works was set for April 2015.

From the designing point of view, in 2009 the design of changes and minor works was completed, while during the year the execution of the Taro Viaduct, the Galgana Viaduct and other minor works interfering with the railway line in operation was started; likewise, in July 2009 the boring of the Marta Giulia tunnel was started.

In 2010 the Taro and Galgana Viaducts are expected to be completed, and work will continue on the minor works and the Marta Giulia tunnel with the opening of a second excavation front.

At 31 December 2009 approximately 19% of the works had been completed.

Transport infrastructures: roads and motorways

Astaldi can boast vast experience and a number of important projects in this sector in Italy. However, the best example of what Astaldi is able to do to date can be seen abroad, in Turkey, with a major stretch of the Istanbul - Ankara motorway, also known as the Anatolian Motorway. For details of this project, please refer to the section of this Report dealing with an analysis of foreign activities.
There follows a brief description of main projects in Italy for the road and motorway sector, completed or in progress at 31 December 2009.

Jonica National Road (Lot 2/Lot "DG21", Catanzaro)

The initiative involves the general contracting of the executive design and construction of a new main road system in Calabria, along the Jonica route.
Works were commissioned by ANAS S.p.A., the company in charge of managing the Italian road and motorway network of national interest.
The corporate body responsible for performing activities related to this contract is CO.MERI S.p.A. which has the role of general contractor, consisting of the joint venture awardee of the contract in which Astaldi is mandatary with a 99.99% stake.
The works will involve the construction of National Road E90 – for the SS106 stretch between the Squillace and Simeri Crichi junctions, and the extension of the SS280 between the San Sinato and Germaneto junctions, with considerable benefits for travelling time and improved safety of the roads (for the elimination of flat intersections in heavily urbanised areas).
Along the entire route, of approximately 23 kilometres long, 11 double-tube tunnels (total length 13 kilometres), 10 viaducts, 2 bridges and 8 junctions will be built.
With regard to the initiatives undertaken in 2009, from a contract point of view we can point out that in December, ANAS S.p.A. delivered the decision to approve the 1st change during works to solve technical, execution and operational problems that emerged after the approval of the Executive Design. The related inspection produced an increase in the contract amount of EUR 14.7 million.
As for the situation regarding disputes, in October, following the usual procedures for amicable resolution, the Commission set up under Art. 31-bis Law no. 109/94 (now Art. 240 Legislative Decree no. 163/2006) issued its unanimous decision on the problems emerging in previous years (mainly connected to various types of impediments such as preliminary archaeological investigations, changes to be approved, interruptions and unexpected geological factors). We are awaiting a compromise proposal from ANAS S.p.A.
From the operational point of view, the last wall in the north tube of the Santa Maria tunnel was demolished at the end of November; being 1.3 kilometres long, it is the largest tunnel on the Squillace - Simeri Crichi stretch.
At 31 December 2009, the overall value of the contract was EUR 513.1 million. On that date, just over 50% of the works had been completed (67% for the activities in bored tunnels, with 9 tubes out of 22 already bored).

Jonica National Road (Lot 1/Lot "DG22", Siderno)

The initiative entails the general contracting of the works for executive design and construction of the works for the modernisation with a new location of the Palizzi – Caulonia stretch, lots 6-7-8, including the Marina di Gioiosa Jonica junction of the SS 106 "Jonica".
Works were commissioned by ANAS S.p.A., the company in charge of managing the Italian road and motorway network of national interest.
The corporate body responsible for performing activities related to this contract is AR.GI S.p.A. which has the role of general contractor consisting of the joint venture awardee of the contract in which Astaldi is mandatary with a 99.99% stake.
From the technical point of view, 19% of the section consists of viaducts and 37% of bored tunnels and cut-and-cover tunnels. For execution, the works were subdivided into two main functional lots referred to as the functional lot and marginal lot.
In October 2009, the Client approved a change report which basically enabled the immediate execution of approximately 80% of the works included in the contract (functional lot), guaranteeing the recovery of the activities from 9 December, the date of the new delivery of the works. We can recall that in previous years, this initiative recorded a series of events which affected the contract activities, preventing the execution of the works according to the planned schedule.
The total amount of the contract is EUR 353.8 million, revised with the approval of the report to EUR 281.6 million for the functional lot and EUR 72.2 million for the marginal lot.
Approximately 5% of the total contract amount had been completed at 31 December 2009.

Pedemontana Lombarda Motorway

The general contracting initiative refers to the works for the final and executive design and construction of the 1st Lot of the Como bypass, the 1st Lot of the Varese bypass and the stretch identified as A (A8-A9, Cassano Magnago - Lomazzo).
The project is part of a wider and more complex initiative aimed at connecting 5 provinces (Bergamo, Monza, Milan, Como, Varese) by the construction of 67 kilometres of motorways (forming the main route, Cassano Magnago - Osio Sotto), 20 kilometres of bypasses (part of the bypass systems of Varese and Como, respectively 11 and 9 kilometres long), and 80 kilometres of related roadwork.
For the stretch awarded to Astaldi, the design activities continued in 2009, and in November, the CIPE (Interdepartmental Committee for Economic Planning) approved the final design, and this resulted in the start-up of the construction site activities in February 2010.
The total value of the contract is EUR 850 million, of which 24% for the Astaldi stake and involves the design and the construction of approximately 47 kilometres of motorways and secondary roads, with 13 kilometres of tunnels and approximately 1.7 kilometres of bridges and viaducts.

Measures for Urban Roads in the City of Naples

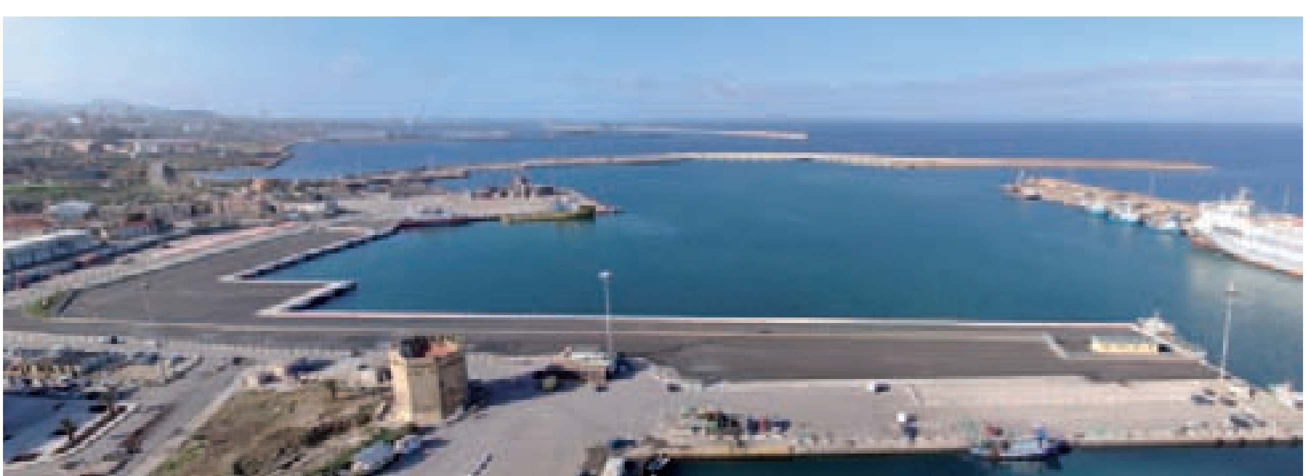
Infraflegrea Progetto S.p.A. is the company, of which Astaldi owns a 51% stake, set up in 2006 for the execution of the concession contract of a series of measures for improving urban roads in the area between Pozzuoli, Soccavo and Mostra d'Oltremare, in the City of Naples.
Specifically, the measures planned are aimed at the rationalisation of the entire transport system in the Phlegrean area, by the recovery and expansion of existing infrastructures (roads, railways, ports, pedestrian routes), and in particular to achieve a fully intermodal network between the various transport systems and communication routes now existing.

The granting authority is the Campania Region. Briefly, the works entail the construction of the Montesantangelo rail bypass, for the stretch from Soccavo to Mostra d'Oltremare, with the intermediate stations and exchange junctions (Application Act no. 15), and the works for the extension and updating of the Port of Pozzuoli (Application Act no. 12), the construction of a multi-storey parking facility, with related access roads and the refurbishing of the Parco della Cava Regia and the areas of the former Cappuccini Monastery (Application Act no. 13), the refurbishing of Lungomare Sandro Pertini, and the urban roads in Pozzuoli (Application Act no. 14).
Work continued in 2009 for all four Application Acts.
The design activities also duly continued.
In particular, the works for the Port of Pozzuoli and Lungomare Sandro Pertini were completed in 2009; the works connected with the multi-storey parking facility are at an advanced stage, and the structural parts are basically complete, while plant is still being installed. With regard to the measures for Application Act no. 15, we can report slowdowns basically due to design changes requested by the Client and the artist Anish Kapoor (with reference to the Montesantangelo station) and the lack of availability of some areas. For the latter measure (1st lot, 2nd stretch), approximately 28% of the works already financed have been completed.

On the whole, the value of the works under this initiative totalled EUR 171 million.
Approximately 47% of the works had been completed at 31 December 2009.
We can finally report that with reference to Application Act no. 15, in January 2010 the CIPE resolution was published for the assignment of funds for the construction of the 3rd lot, 1st section (corresponding to the Parco San Paolo station – Terracina stretch). The total value of works to be completed is approximately EUR 95 million.

Transport infrastructures: ports and airports

Ports and airports are a sector involving numerous interesting initiatives on the domestic level in the past.
Today, in this context, the Group mainly operates abroad. In Italy, the measures under way concern initiatives in the specific sector of port activities, in the context of the projects for the expansion of the commercial port of Porto Torres in Sardinia, and for the so-called MOSE Project being undertaken to safeguard the Venice Lagoon.
There follows a brief description of the main projects in the sector in Italy, completed or in progress at 31 December 2009.



Italy, Porto Torres commercial port

Measures related to the MOSE System, in the Venice Lagoon

Astaldi is participating in the project for the construction of the MOSE System, designed to safeguard the Venice Lagoon from high tides. As a whole, the project involves the construction of a system of mobile dams, installed on each of the three port outlets (Lido, Malomocco, Chioggia), the connecting point between the sea and the lagoon.

The execution of the MOSE works is governed by a contract signed between the State, as represented by the Magistrate for the Waters of Venice, and the Venezia Nuova consortium, to which the works have been awarded under concession.

The Venezia Nuova consortium has, in turn, assigned the works, subdivided by functional sections, to the joint venture formed by its own members for the execution of the works.

The total value of the measures for the MOSE System totalled EUR 4,271 million.

In this context, Astaldi operates as leader and mandatary of a joint venture, which has set up the consortium company Mose-Treporti S.c.r.l. solely responsible for the execution of the construction works for "Bocca di Lido Treporti".

Works completed at 31 December 2009 totalled EUR 218 million, corresponding to 71% of the works assigned and 55% of those pertaining to the joint venture.

Energy production facilities and water works

Energy production facilities and water works are a sector in which the Astaldi Group currently has numerous initiatives, mainly abroad.

The contribution of this sector on the domestic level is less significant, although there are numerous examples in the past of dams, aqueducts, water treatment plants and projects connected with nuclear power plants and energy production facilities, significant and successful.

We should recall international classifications already mentioned, "2008 *Top International Contractors",* in which Astaldi holds 4th place on the world level for the specific sector of aqueducts and 18th place for energy production facilities [11].

There follows a brief description of the main projects for the sector in Italy, completed or under way at 31 December 2009.

Hydroelectric Plant at Pont Ventoux

The contract, performed by the consortium company Pont Ventoux S.c.r.l., established by the joint venture in which Astaldi holds a 56.25% stake, has resulted in the construction in Val di Susa, in Piedmont, of a hydroelectric plant having installed power of 158MW. The plant, with an underground powerhouse has an annual production capacity of over 400GWh.

On 29 February 2008, the plant was delivered to the Client, Iride Energia S.p.A., which then undertook full management.

In 2009 the activities of technical and administrative inspection were conducted. In 2010, the inspector has ascertained the definitive adjustment of the power production equipment supplied by the joint venture Ansaldo Energia, and the inspection certificate will shortly be issued. At the time of the issue and approval of the inspection certificate, some amounts may be deducted for deficits and lack of compliance (already taken into account in the accounts for the period), and charges for the lack of energy production, due to the temporary malfunctioning of the pump, chargeable to the joint venture Ansaldo Energia in the context of the dispute under way.

[11] Source: *"ENR Top Global Sourcebook 2008"* (*"Top 5 International Contractors in Aqueducts", "Top 20 International Contractors in Water Supply"*), classifications drawn up by *Engineering News Record* on the basis of consolidated sales in the year 2007 (*Engineering News Record*, August 2008).

Civil and industrial construction

In the field of civil and industrial construction, the Astaldi Group has acquired and developed extensive know-how, in particular in the specific sector of hospital construction.
There follow the specifications and technical details on the main works in progress or completed in the year 2008 in this sector on the domestic level.

Hospitals in Tuscany

The project finance initiative for the construction and subsequent management of an integrated system of four hospitals in Tuscany, involves the construction of four hospitals located in Lucca, Massa, Prato and Pistoia. The new facilities will have a total area of over 200,000 square metres and make available over 1,700 bed, 52 operating theatres, 134 dialysis units and 103 new cots for infants.
This initiative entails a total investment of EUR 336 million for the construction (with a public contribution of 55%) and EUR 1.2 billion at nominal values for the management activities (35% for the Astaldi stake).
The duration of the concession is 22 years and 9 months, of which 3 years and 9 months for the activities of design and construction and 19 years for the management of the facilities and works completed, besides the non-health services. The concession period starts from the signature of the agreement, which took place on 19 November 2007.
On this occasion the local health authority units USL 1 in Massa and Carrara, USL 2 in Lucca, USL 3 in Pistoia and USL 4 in Prato granted under concession to SAT S.p.A., of which Astaldi owns 35%, the project finance construction of the four new hospitals. The agreement governs the final and executive design, the construction of the works and the management of the new hospitals, besides some hospital and commercial services.
The concessionaire granted the activities of design and construction to a joint venture set up by two of its partners. The consortium company CO.SAT S.c.r.l., in which Astaldi holds a 50% stake, was set up to perform works.

All the hospitals comprise a main 5-floor building with 1 basement level and an additional 4-floor building with 1 underground level. While there are differences between the hospitals as regards the surface area occupied and the number of hospital beds made available.
The most important details regarding the individual hospitals involved in the project can be found below.

Massa Hospital

The facility will occupy a surface area of 80,252m^2, with a total volume of 175,000m^3, 22,500m^2 of car parks and a similar number of square metres of green areas. Construction of the complex will make available 360 hospital beds, 30 dialysis units, 12 hospital beds for short-term observation and 24 cots.

Lucca Hospital

The works involve a total surface area of 72,250m^2. The total volume is 184,300m^3 with 25,700m^2 of outdoor car parks and 13,400m^2 of green areas. 410 hospital beds will be made available along with 38 dialysis units, 20 hospital beds for short-term observation and 24 cots.

Pistoia Hospital

Once this complex is completed, 400 hospital beds will be made available together with 26 dialysis units, 20 hospital beds for short-term observation and 20 cots. The hospital will occupy a total surface area of 86,800m^2, with 25,000m^2 of outdoor car parks and 31,000m^2 of green areas.

Prato Hospital

The hospital in Prato is the largest of the four planned facilities. Indeed, the total surface area involved is 99,000m^2, with a volume of 208,900m^3, 33,750m^2 of outdoor car parks and 31,800m^2 of green areas. The project entails making available 540 hospital beds, 40 beds for haemodialysis, 20 technical beds for short-term observation and 35 cots.

With regard to all these measures, we can point out that during 2009 the executive design activity of the four hospitals continued, after the approval of the final design carried out by the concessionaire SAT.
Upon request by the Client, following new requirements arising after the signature of the contract, some changes were made to the design. After the implementation of the changes, these designs were submitted for approval by the local health authorities having jurisdiction.
At the same time, the areas identified for the construction of the hospitals were handed over; in the conferences of the parties involved, some problems emerged in these areas (the presence of groundwater to be safeguarded at the Pistoia, Lucca and Massa sites; the presence of areas of archaeological interest at the Lucca and Prato sites; the discovery of waste disposal areas at the Massa and Lucca sites; the presence of extensive wooded areas at the Massa and Lucca sites). All the required procedures were started up and are still under way for the solution of the single problems identified.
In 2009, after the completion of executive design, the construction site areas were set up for the Pistoia and Prato projects. In order to enable the actual start-up of the construction works, formal approval of the single projects is being awaited, and should occur in the early months of 2010.
At the same time, negotiations are under way with the granting authority for the adjustment of the contract financial plan made necessary by the changes made to the project, the regulatory modifications made subsequently and the consequent change in the timeframe. These negotiations are substantially completed and should be included in the contract by the first half of 2010.
For further information on this initiative, see the paragraph of this Report on the initiatives in the backlog in the concessions sector.

New Hospital in Naples ("Ospedale del Mare")

The project entails the final and executive design and construction in accordance with the "turnkey" formula, as well as the supply of furnishings and electromedical equipment for a new hospital complex called "Ospedale del Mare", located in the eastern suburbs of Naples.
The works were commissioned by the "special purpose vehicle", Partenopea Finanza di Progetto S.p.A. (PFP), subsidiary of Astaldi, awardee of the concession contract to perform this project using the project finance formula in 2005.
The consortium company, OS.MAR S.c.r.l., in which Astaldi has a 60% stake, was set up to perform the works.
The administration granting the concession is Naples' local health authority ASL Napoli 1.
The new facility will make available 450 new hospital beds, with 50 beds for low care patients and 15 operating theatres, occupying a total surface area of 145,800m^2.
From an operational point of view, in 2009, while awaiting the definition and approval of an agreed project, the company has continued the secondary construction works to which the granting administration had no objections.
From a contract point of view, among the main events of 2009 we can recall that in June, following repeated and serious lack of compliance by the granting authority and, in particular, the failure to pay the price, the concessionaire PFP availed itself of the termination clause in the Act of Recognition. Consequently, in accordance with the law, a Declaration was drawn up for the definition of the existing state of the works performed and for the identification of the works for the conservation, safeguarding and safety of the works completed, and for which execution had been ordered. On 22 July, a Memorandum of Agreement was signed between the granting authority and the concessionaire, providing for the temporary suspension of the effects of contract termination, and a round of talks was started to solve the current problems in the concession. The concessionaire, on its part, agreed to undertake the works not affecting the critical factors that have led to the suspension. We can finally report that in order to meet the requirements of the execution of works after the contract termination and, at the same time, to undertake design recognition in light of

the new decisions resulting from the round of talks, an Additional Amendment to the original contract was signed in January 2010 by the concessionaire and the joint venture undertaking the works.
We can finally report that in October 2009, the Naples Public Prosecutor's Office, in the context of criminal investigations regarding some directors and/or consultants operating in the area, announced the conclusion of preliminary investigations regarding the previous Chairman of the Board of Directors of the Company Partenopea Finanza di Progetto S.p.A. (PFP) and of the PFP itself pursuant to the Legislative Decree no. 231/01. The PFP is helping the magistrates with their inquiries.

Academy for Italian Police Officers ("Scuola dei Brigadieri e dei Marescialli dei Carabinieri") - Florence

The contract is undertaken by the consortium company S.CAR. S.c.r.l., of which Astaldi owns 61.4%, and involves the construction of the new Academy for Italian Police Officers in Florence.
The works were commissioned by the Ministry of Infrastructures.
The work is divided into two contracts, Lot A and Lot B, and occupy a large area around four functional centres: the sports centre which entails construction of a football and athletics stadium, covered swimming pool, tennis courts and gym (Centre 1); a centre dedicated to student housing with approximately 10 buildings to accommodate 1,500 students (Centre 2); a logistics centre with an auditorium, teaching rooms, canteen and kitchens, clubs, infirmary, command offices, cadre housing, shooting range and technological plates (Centre 3); a centre for cadre residences to be used to house academy workers and their families (Centre 4).
For this initiative we can likewise report that on 1 February 2010, the Ministry of Infrastructures and Transport notified their decision to avail themselves of the right to withdraw from the contracts, for their own reasons, independent from the Company (withdrawal following the suspension of the works ordered by the Client in May 2009). Because of this, the Company therefore initially eliminated from the order backlog the remaining value of the works from the end of 2009, reporting this both in the Intermediate Report at 31 December 2009, and in a specific press release. By the Note of 2 March 2010, the Ministry, in light of the opinions expressed by the State Legal Department, notified that it had decided not to continue to exercise the right of withdrawal from the contracts, and withdrew the notifications of 1 February 2010. Following the specific request by the Contractor, the Client specified that the State Legal Department did not deem the right of withdrawal to be applicable in the specific case, and declared that there were no valid reasons to question the validity of the contracts signed with Astaldi. On the basis of this new decision, it seems reasonable to presume that the remaining value of the works will be undertaken, and therefore the amount has been reinserted into the order backlog.
Approximately 30% of works had been completed at 31 December 2009.

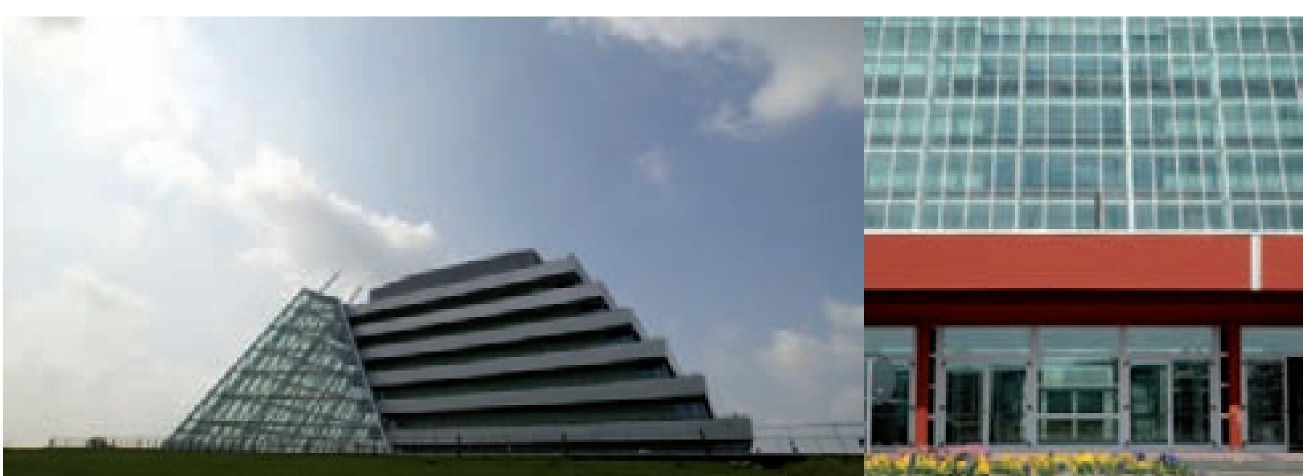
Concessions

The concessions market, by public or private initiative, was significantly affected last year by the macroeconomic situation that has affected the international system.
The events affecting the international economic and financial system and, in particular, the serious crisis of the major American and European banks, has produced a lack of confidence in the banking system, with a resulting credit crunch and an increase in interest rates, which in the concessions sector means an increase in the guarantees requested for the projects and lower availability of bank credit.
At the same time, in Italy, the Third Corrective Decree to the Contracting Code (Legislative Decree no. 152 of 11 September 2008, later updated with Legislative Decree no. 135/2009 and implemented as Law no. 166/09) has reintroduced the pre-emption right for the Sponsor and has accelerated the procedure for awarding operations under private initiative (with the elimination of the negotiated procedure). This has led to a positive change in the approach by the private

sector to project financing, although the development of significant new initiatives, suggested by everyone, have not yet started up due to the market crisis.
In this context, the Group has focused on the sector of hospital construction, in which Astaldi intends to maintain the leadership acquired in the concessions sector (with the hospitals of Mestre, Naples, Massa, Lucca, Pistoia and Prato, Astaldi is currently the Italian corporation with the largest PPP hospitals), and for the transport infrastructure sector (underground lines, parking facilities, motorways). There may be interesting prospects in the renewable energy sector, above all for the hydroelectric, wind energy and photovoltaic sector, besides the energy production facilities, in Italy and abroad.
With reference to the energy sector, in 2009 Astaldi acquired, through the subsidiary Cachapoal Inversiones Limitada S.A., 27.3% of the stake in the SPV Pacific Hydro Chacayes S.A., owner of the hydroelectric concession for the Chacayes power plant in Chile. Through this acquisition, the first investment in the hydroelectric sector, Astaldi has come into the electricity sector not only as a builder, where it already boasts considerable experience, but also as an investor and producer on the electricity market. For more information on this initiative, see the section of this paragraph with details on initiatives in progress in Chile.
Finally, the investment plan is continuing with diversification of the activities in this sector which, though having downstream integration with the construction sector, will soon benefit from the setting up in the Astaldi Group of a dedicated structure for enhancing and highlighting the intrinsic value of these initiatives.

New Hospital in Mestre

The project is managed by Veneta Sanitaria Finanza di Progetto S.p.A., the special purpose vehicle (concessionaire) in which Astaldi, reference partner, has a 31% stake.
The administration granting the concession is Venice's local health authority ULSS 12.
The agreement entails the final and executive design and construction (already completed) as well as the supply of electromedical equipment and furnishings and management of the non-healthcare and commercial services of a highly specialised hospital complex, offering 680 hospital beds in 350 rooms, 22 operating theatres, 25 dialysis units and 20 cots on a site measuring 150,000m^2, for a potential pool of 800,000 users.
In this healthcare facility context, the building to house the Veneto Eye Bank, number one in Europe for the number of corneas collected and distributed, and the epithelial stem cell research centre, were also built.
The concession has a duration of 29 years and 2 months, of which 23 years and 10 months regard the management phase.



Italy, New Hospital in Mestre.

From the financial point of view, the operation involves non-recourse financing of EUR 107 million, with financial leverage 80/20 and the consequent contribution of own funds (share capital + subordinated loan) of approximately EUR 28 million.
The total investment incurred for the works and the supply of fittings and machinery, including indirect charges, totals EUR 236.4 million (excluding VAT and financial charges); the authority granting the concession has provided approximately EUR 116 million (excluding VAT) in total public contributions on capital account, on the basis of the progress of the works.
The return on the investment, net of the public contribution, will take place in 23 years and 10 months through direct management up to 4 February 2032 of non-healthcare and commercial services in the new hospital.
The expected concession revenues for the special purpose vehicle in exchange for providing these services total approximately Euro 50 million per year (at 2007 values), of which EUR 15.5 million pertaining to Astaldi.
The management activities, which began in April 2008, duly continued in 2009 in accordance with the requirements set forth in the contract documents.
To achieve this objective, a service control facility was set up to constantly monitor the quality of the services provided, through the supervision of the information systems set up for the management and control of the various services and with periodical inspection and verification of the Service Provider activity.
We can likewise report that during the year, covenants in addition to the agreement were made with the health authorities to govern the execution of minor additional works requested by the authority granting the concession, and to define various modifications in the existing services, made necessary by regulatory and technological changes in the sphere of healthcare.

Hospitals in Tuscany (Massa, Lucca, Pistoia and Prato)

The project is managed by the SPV SA.T. S.p.A., set up in February 2008, of which Astaldi owns 35%.
The bodies granting the concessions are the local health authorities USL 1 of Massa and Carrara, USL 2 of Lucca, USL 3 of Pistoia, USL 4 of Prato.
There are four agreements, signed in November 2007, one for each of the authorities concerned, but they are based on the principle of the unity of the four measures and of the economic and financial plan of the initiatives.
The purpose of the concessions is final and executive design, the construction and management of the non-healthcare and commercial services of the new highly specialised hospital facilities of Massa, Lucca, Pistoia and Prato which, on the whole, will make available a total of 1,710 hospital beds in an area of approximately 200,000m^2. Supply of electromedical equipment and fittings is not included.
The concession has a duration of 22 years and 9 months, of which 19 years refer to management activities.
The operation for this initiative involves non-recourse financing of approximately EUR 143 million, with a financial leverage 82/18, involving the contribution of own capital (share capital + subordinated loan) of approximately EUR 30 million. Payment of a public contribution totalling approximately EUR 185 million, excluding VAT, is likewise planned (with EUR 175 million to be paid on the basis of the progress of the works, and a final *tranche* of EUR 10 million, upon inspection), with a total investment of approximately EUR 336 million (excluding financial charges and VAT).
For this initiative, the SPV should receive concession revenues of approximately EUR 48 million per year for providing non-healthcare (cleaning, maintenance, sterilisation, laundry, catering etc.) and commercial services.
We can finally report that during 2009, the executive design was drawn up for the four hospitals with the execution of the activities preliminary to construction for all four construction sites. The approval of the designs and the consequent start-up of the construction sites are planned for the first half of 2010.
For a more detailed description of the works, see the part on this initiative in the section of this paragraph on initiatives in the sector of civil and industrial construction.

New Hospital in Naples ("Ospedale del Mare")

The project is managed by Partenopea Finanza di Progetto S.p.A. (PFP), the SPV of which Astaldi holds 59.99%.

The administration granting the concession is Naples' local health authority ASL Napoli 1.

The agreement signed entails the final and executive design, construction and management of related non-healthcare and commercial services of a new, highly specialised, hospital complex in the eastern area of Naples which will make available 450 hospital beds (as well as 50 hospital beds for low care patients) within a total surface area of 145,800m^2. The supply of electromedical equipment and furnishings is also included.

The concession has a duration of 28 years and 7 months, of which 25 years refer to management activities.

The operation is structured on the basis of non-recourse financing of approximately EUR 78 million, with 80/20 financial leverage which entails a contribution of own resources (share capital + subordinated loan) of approximately EUR 20 million. Total public funding of approximately EUR 108 million (excluding VAT) is envisaged, to be paid on the basis of progress of works, in relation to a total investment of approximately EUR 188 million (excluding VAT and financial charges). Concession revenues of approximately EUR 25 million per year for the provision of non-healthcare (cleaning, maintenance, sterilisation, laundry, catering, etc.) and commercial services are forecast for the special purpose vehicle.

As regards the progress of works, please refer to details regarding this project found in the section dealing with projects in the civil and industrial construction sector.

Milan Underground, Line 5

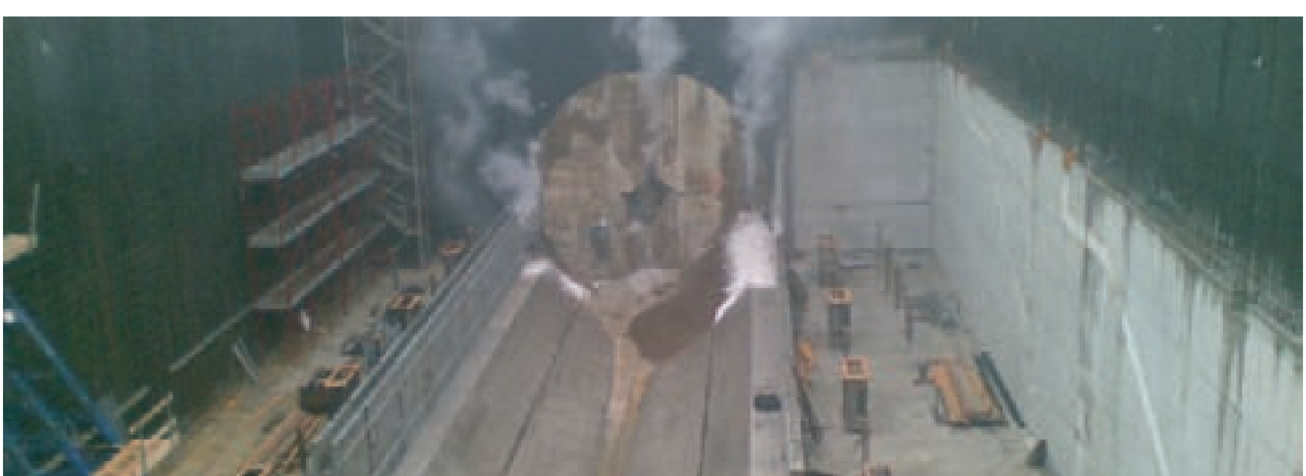
The project is managed by Metro 5 S.p.A., of which Astaldi owns 23.3%.

The authority granting the concession is the Municipality of Milan.

The agreement, signed in June 2006, entails the final and executive design, construction and subsequent management of the new Line 5 of the Milan underground which will take the form of a new underground line driven and controlled at a distance by a fully-automated system (driverless system). The new line will run along a route measuring 6.1km (taking into account the route changes approved during 2007) and include 9 stations. The agreement includes the supply of rolling stock.

The concession has a duration of 31 years and 9 months, of which 27 years refer to management activities.

From a financial viewpoint, the structured operation



Italia, Linea 5 della metropolitana di Milano.

provides for non-recourse financing of approximately EUR 183 million, with 82/18 financial leverage and consequent contribution of own resources (share capital + subordinated loan) of approximately EUR 40 million. Total public funding of approximately EUR 296.6 million excluding VAT (of which EUR 62.6 million from the Municipality and the rest from the state) is envisaged in relation to a total investment of approximately EUR 484 million (excluding VAT and financial charges). Concession revenues of approximately EUR 26 million per year are forecast for the special purpose vehicle.
As regards the progress of works, please refer to details regarding this project found in the section dealing with projects in the transport infrastructures sector.

Managed Parking Facilities

Four of the five concession initiatives in the mobility and the parking facilities sector, which the Astaldi Group can include in its order backlog, were operational at 31 December 2009.
In March 2009, the management activities started for the "Riva Reno" facility (formerly "ex Manifattura Tabacchi") in Bologna. Overall concession revenues from parking facilities, guaranteeing a return on the investment made in the construction phase, totalled approximately EUR 5.2 million per year at 31 December 2009 (sales of 2009), of which 50% pertaining to Astaldi. We can report that for all these initiatives, Astaldi has embarked on a partnership with the APCOA Group, one of the main operators on the international level in the car park management sector.
There follows a brief description of the single initiatives concerned.

"Piazza VIII Agosto" Car Park, Bologna

The concession, awarded in 1998 to the joint venture in which Astaldi is leader and mandatary, entails the design and construction, already completed, as well as the subsequent management of a new underground car park in Piazza VIII Agosto in Bologna.
The authority granting the concession is the Municipality of Bologna.
The car park is organised on three underground levels and offers approximately 979 parking spaces.
The duration of the concession is 60 years, of which 57 years and 10 months refer to management activities. The car park became operational as from March 2001.
The project was financed in part by public funding of EUR 9 million, in part by a private loan taken out by Astaldi and in part by revenues from the sale of 279 parking spaces.

"Corso Stati Uniti" Car Park, Turin

The concession, awarded in 1999 to the joint venture in which Astaldi is leader and mandatary, entails the design and construction, already completed, as well as the subsequent management of a new underground car park in Corso Stati Uniti in Turin.
The authority granting the concession is the Municipality of Turin.
The car park is organised on two underground levels and offers 500 parking spaces.
The duration of the concession is 80 years (as from February 1999), of which 77 years and 5 months refer to management activities.
The works were completed in July 2001, and the car park became operational as from October 2001 following inspection.
The project was financed in part by public funding of EUR 4.7 million, in part by a private loan taken out by Astaldi and in part by revenues from the sale of 46 parking spaces.

"Porta Palazzo" Car Park, Turin

The concession, awarded in 1996 to the joint venture in which Astaldi is leader and mandatary, entails the design and construction, already completed, as well

as the management of a new underground car park at Porta Palazzo in Turin.
The authority granting the concession is the Municipality of Turin.
The car park is organised on six levels, two of which are underground and four of which are above ground level, for a total of approximately 850 parking spaces.
The duration of the concession is 80 years (as from August 1996), of which 77 years and 8 months refer to management activities.
The works were completed in December 1998, and the car park became operational as from January 1999 following inspection.
The project was financed in part by public funding of approximately EUR 6.3 million, in part by a private loan taken out by Astaldi and in part by revenues from the sale of 90 parking spaces.

“Riva Reno” Car Park
(ex Manifattura Tabacchi), Bologna
The concession, awarded in 2003 to the joint venture in which Astaldi is leader and mandatary, entails the design and construction (completed in February 2009), as well as the management of a public underground car park called “Riva Reno” located in the former tobacco production area in Bologna.
The authority granting the concession is the Municipality of Bologna.
The car park comprises three underground levels offering a total of 543 parking spaces as well as a two-storey service building which acts as the main access and three additional areas for pedestrian access. Vehicle access to the three underground levels will be via a two-way spiral ramp.
The operation was financed in full by a private loan taken out by Astaldi, the repayment of which is guaranteed by car park concession revenues. These revenues, once the car park is fully operational, will amount to approximately EUR 2 million per year, 50% of which refers to Astaldi’s stake. The concession will expire on 31 December 2040.
Management activities commenced in March 2009.
For more information regarding this project and a description of the activities performed in 2009, please refer to the section of this Report dealing with projects in the civil and industrial construction sector.

Parking facilities under construction

Following completion of the “Riva Reno” car park, the only car park currently under construction is the “Piazza della Cittadella” car park in Verona. The main technical characteristics of the project are detailed below.

“Piazza della Cittadella” Car Park, Verona
The concession for the Verona car park entails the executive design and construction of underground park-

Italy, Parking “Piazza della Cittadella” (Verona).

ing facilities in Piazza della Cittadella, with the urban requalification of the area.
The initiative will make available 750 parking spaces on three underground levels.
In 2009, after the approval of the executive design and end to the slowdown of the activities (which occurred in the previous year following archaeological discoveries), the area was finally handed over by the Client, with works resuming from May.
In 2009, the loan contract was signed with Interbanca (today GE Capital) for a total of EUR 18.5 million.
The delivery of the works and the management of the facility is planned for the first half of 2010.
The concession has a duration of 30 years, of which 27 years and 6 months refer to management activities.
The total investment for works and indirect charges for this project currently totals approximately EUR 21 million (excluding VAT).
Concession revenues from the car park in full operation will total approximately EUR 2.5 million per year, of which 50% pertaining to Astaldi.
For further information with regard to this initiative and for the description of the activities undertaken during 2009, see the section in the paragraph of this Report dedicated to the civil and industrial construction sector.

Foreign activities

The Astaldi Group, as already mentioned, has a highly international character on the market. Astaldi has operated in some continents for over 50 years, and today, the Group operations abroad may be classified in 5 major operational areas: Europe (especially Italy, Romania, Poland and Bulgaria), Turkey and the Middle East (the latter defined as Saudi Arabia, United Arab Emirates, Qatar; Algeria, with Tunisia as an area of interest); Latin America, with Bolivia, Brazil, Chile, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru and Venezuela; North America, with the USA, mainly Florida.
At 31 December 2009, the overall activities abroad produced 55% of revenues from works, i.e. EUR 994 million. On that date, the foreign sector represented 48% of the total Group backlog, i.e. EUR 4,384 million, mainly consisting of projects in the traditional transport infrastructure sector, but also (more than in Italy) by projects in the water and renewable energy sector, in which the Astaldi Group abroad has developed longstanding and considerable expertise. We can also cite the initiatives in the concessions sector, mainly in the water and renewable energy sector, introduced more recently but none the less of major importance.
There follows a brief description of the contribution, in the international market, of each country where the Group was active at 31 December 2009.

EASTERN EUROPE (Poland, Romania, Bulgaria)

The Astaldi Group is present in the Area only in Poland, Romania and Bulgaria.
Poland is one of the most recently opened markets for the Astaldi Group.
The entrance of the Group in this country, with a basically stable social, political and regulatory situation, and with interesting opportunities to be developed in the infrastructure sector, reflects the desire of the Astaldi management to diversify its traditional presence in Eastern Europe.
The Group is currently present in Poland solely for projects (transport infrastructures) that have been accorded priority in the country's development policy, and financed with EU funds dedicated to specific initiatives.
With regard to Romania, although a strategic activity of diversification has in recent years been implemented in neighbouring areas, the country has a significant strategic value for the Group. Starting from the second half of the year, Romania has offered greater socio-economic stability compared to the first half of the year; it is an Area able to guarantee new and interesting commercial opportunities which the Astaldi Group will continue to view with interest.
Finally there is Bulgaria, handled as a neighbouring area of Poland and Romania, where the Astaldi Group

is now involved in a single project in the transport infrastructure sector.
There follows a description of the main projects acquired and developed in 2009.

POLAND - Warsaw Underground, Line 2 (Rondo Daszynskie - Dworzec Wilenski Stretch)

The contract forms part of the Operational Programme "Infrastructures and Environment", the most important project in Poland in the context of the national development policy funded by the EU and, in particular, in the context of the operational plan for investments in the 5-year period 2007-2013. As a whole, the Programme entails the development of 15 priority areas with a total investment of EUR 37.6 billion, of which EUR 27.9 billion allocated by the EU.
Line 2 in Warsaw is one of these areas – "Transport and Environment" (EUR 7.7 billion of total investment). Specifically, the contract, signed with the Warsaw Municipality, involves the construction of a central stretch of Line 2 of the Warsaw Underground, in Poland, with a total value of 3,375 billion Zloty, equivalent to EUR 800 million (Astaldi holding 45% and leader of the initiative) at current exchange rates.
The initiative involves the design and construction of approximately 6 kilometres of a new underground line, with the route between Rondo Daszynskiego and Dworzec Wilenski, with 7 stations, 6 stretches in double-tube tunnel of 4.5 kilometres long, a single track tunnel for connection with the existing line and 3 depot and junction structures. The work will be mainly underground, and will also have a tunnel under the river Vistula. Three TBMs (*Tunnel Boring Machines*) will be used in tunnel excavation.
The delivery of the works is planned for 2013.
In 2009, after the signature of the contract in November, the design activities were started.

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POLAND - National Road NR8 (Piotrków Tribunalski - Rawa Mazowiecka Stretch)

The contract refers to the design and construction of the new National Road NR8 updated to high speed transit criteria, for the stretch from Piotrków Tribunalski to Rawa Mazowiecka (approximately 62 kilometres).
This project, like Line 2 of the Warsaw Underground, is part of the "Infrastructures and Environment" Programme, as part the priority area "Road and air transport networks TEN - T" (a total investment of EUR 8.8 billion).
The contract has a total value of 1.4 billion Zloty equivalent to EUR 350 million (Astaldi with 40% and leader of the initiative) at current exchange rates. The works were commissioned by the Polish General Directorate of Motorways and National Roads and the planned duration of the works is 33 months, of which 12 months for the design phase.
Specifically, the contract involves the design and rehabilitation, with conversion into a double-carriageway high speed transit road for 62 kilometres of the NR8 road, for the Piotrkǧw Tribunalski - Rawa Mazowiecka stretch. Construction works also include 14 junctions at differentiated levels, besides 59 major works (including overpasses, bridges and viaducts).
After the signature of the contract in September, design activities for this project were started at the end of 2009.

POLAND - Minsk Mazowiecki Motorway Bypass

The contract, with a total value of EUR 124 million (30% for the Astaldi stake), involves the construction of a motorway bypass east of Warsaw, in Poland.
As a whole, the project involves the construction of 20 kilometres of bypass with motorway standards, along National Road no. 2, for the stretch between Choszczowka and Ryczolek, besides a series of measures for links with local roads, including 16 structures (viaducts and bridges).
The works were commissioned by the General Directorate of Motorways and National Roads in Warsaw.
The works were started in 2009, with an expected duration of just over 27 months.

ROMANIA - Bucharest – Constanta Motorway (Medgida – Constanta Stretch)

The contract, with a total value of EUR 169 million (60% for the Astaldi stake), involves the construction of the Bucharest – Constanta motorway, for the stretch between Medgida and Constanta, in Romania.
The contract involves the design and construction of 32 kilometres of motorways, including, inter alia, the construction of 4 overpasses, 2 viaducts, 2 bridges and one junction.
The works were commissioned by the Romanian National Company for Motorways and National Roads.
The works were started in the first half of 2009, and completion is planned by 2011.

ROMANIA - Arad - Orodea National Road

The contract, worth approximately EUR 75 million, refers to the modernization of a 99-kilometre long road in Romania.
The contract involves the design and rehabilitation of a stretch of the National Road DN79, between Arad and Orodea.
The works were commissioned by the Romanian National Company for Motorways and National Roads.
The works were started in the first half of 2009 and completion is planned for 2011.

ROMANIA - Bucharest – Constanta Railway

Among the main works in progress in Romania, mention must be made of the project to construct the Bucharest-Constanta railway which Astaldi is involved in with regard to the performance of works on Section 2, Lots 2, 3 and 4.
The works were commissioned by Romania's national railways and consist of the railway platform being upgraded and completely replacing ballasts, sleepers and tracks.
Lot 2 also includes upgrading existing bridges and viaducts and constructing a new railway viaduct formed of seven spans measuring 33 metres each.
The total value of the contract is approximately EUR 180 million.

ROMANIA - Basarab Overpass Project

The contract for the Basarab Overpass project, executed by Astaldi as part of a joint venture, entails the design and construction of an urban viaduct with motorway features in Bucharest, measuring approximately 2km in length, on which tram lines also have to be installed.
The works also entail the construction of a cable-stayed bridge with a span measuring approximately 250 metres in length and an arched steel bridge with a span measuring 120 metres in length.
The works were commissioned by the Municipality of Bucharest.
In 2009, execution of the works was slowed down by delays on the part of the authorities in making available the areas involved in the works. The delivery is currently planned for early 2011.

ROMANIA - "Lia Manoliu" National Stadium (Bucharest)

The contract related to the "Lia Manoliu" national stadium entails demolition of the existing national stadium and construction of a new, modern sports facility.
The project's contractual value amounts to approximately EUR 140 million, 40% of which refers to Astaldi's stake.
In 2009, the works were slowed down by the lack of financial resources on the part of the commissioning authority and due to the fact that they took time to decide on the mobile cover with which to equip the infrastructure but it was finally decided to adopt this solution. During the year, works continued in any case with the installation of the prefabricated structures and of plant.

ROMANIA - Arad – Timisoara Motorway

The contract, worth EUR 138 million (in which Astaldi has a 50% stake) entails the construction of 31.5 kilometres of motorway in the western part of Romania with 4 lanes, 2 hard shoulders, one junction and 16 bridges.
The works will be performed by a joint venture involving Astaldi and the Spanish company FCC Construcción S.A. (Astaldi holds a 50% stake).

Works were started in the first part of 2009, with a planned duration of 36 months.

ROMANIA – Constanta Bypass Road

The contract, awarded to Astaldi in 2008, as part of a joint venture with the Spanish company FCC Construcción S.A., is worth EUR 120 million (Astaldi has a 50% stake) and entails the design and construction of 22 kilometres of motorway with 5 junctions and 21 structures (overpasses and bridges).
The works were started in the first part of 2009, with a planned duration of 36 months.

ROMANIA - "Henri Coanda" International Airport - Bucharest (Phase 3)

The contracts secured in Romania during 2008 include a new phase – Phase 3 – of the project to develop and modernise "Henri Coanda" International Airport (formerly Otopeni) in Bucharest with a contractual value of EUR 75 million.
Astaldi, which has already successfully completed the first two phases of this project, will perform the civil works and plants and systems aimed, inter alia, at extending the passenger arrivals and departures terminals, reorganising passenger traffic and building a new ground level car park.
In 2009, design activities continued, and works were started for the new terminal, so that the telescopic boarding facilities for aircraft will be increased from 5 to 15, and allow for the division of passenger flows between "Schengen" and "Non-Schengen".

BULGARIA - Plovdiv – Svilengrad Railway

This contract, worth EUR 162.5 million, is the only Astaldi project currently in progress in Bulgaria.
The initiative entails the design and construction of a new railway on the Plovdiv – Svilengrad route, part of the Trans-European Corridor 4, commissioned by the Bulgarian Ministry of Transport.
The contract basically involves the electrification and reconstruction of approximately 115 kilometres of existing railway line between the towns of Parvomai and Svilengrad, in order to improve the quality of the national railway system through its integration with the European system.
The project, inter alia, will lead to the construction of 39 railway bridges, 15 road overpasses, 12 pedestrian underpasses, and the construction and renovation of railway stations, electric substations and power lines along the entire route.
For this initiative, 2009 was characterized by a number of technical and economic contract difficulties, on which the parties are successfully coming to an agreement.

Romania, "Henri Coanda" international airport in Bucharest.

Turkey

Astaldi has been operating in Turkey for over 20 years and has contributed to the construction of a significant stretch of the Anatolian Motorway, one of the best examples of what the Group is able to achieve in the field of motorway transport infrastructures.
In 2009, the Group continued to consolidate its position on the local market where it is now present with the execution of four projects, significant in economic terms and technological content, in the transport infrastructure sector, to be further examined below.
At the same time, it recorded a significant commercial success (not yet included in the accounts) in the field of concessions, with the provisional awarding of the concession for the Gebze - Izmir motorway, the final stages of which are now being awaited. For more details on this initiative, see the above paragraph of this Report dedicated to the order backlog. The characteristics and technical specifications of initiatives in progress in the Area are described below.

Istanbul Underground (Kadiköy - Kartal – Kayanrka Stretch)

Secured in 2008, this project may be taken as the most important project planned to date for the near future by Istanbul's city authorities.
Astaldi, in its capacity as leader and mandatary of a joint venture, was awarded the relative general contracting project initially worth a total of EUR 751 million (in which Astaldi has a 42% stake).
The contract involves construction of a double-track line which will run through a tunnel of approximately 20 kilometres long with 16 stations and includes the supply of electromechanical and signalling systems in addition to civil works. The use of a TBM (Tunnel Boring Machine) is envisaged for excavation works, as is already in use in Italy for Line C of the Rome underground, Line 5 of the Milan underground and the Brescia underground.
The planned duration of the works is 3 years and works were started during 2008.
In 2009, the activities continued in 15 of the 16 planned stations. Excavation work continued in line with forecasts, thanks to record time for excavation guaranteed by the TBMs used, that have reached excavation speeds of up to 36 metres per day.
We should likewise recall that in 2009, this contract underwent an extension worth EUR 97 million (42% for the Astaldi stake). The extension refers to the extension of the line towards Pendik up to the Kaynarka station, for another 4.8 kilometres of tunnel excavation, besides the signalling system for the entire stretch.

Turkey, Istanbul underground.

Golden Horn Bridge ("Hălic Bridge") – Istanbul

The awarding of the contract to construct the Golden Horn Bridge, also known as "Hălic Bridge", worth a total of EUR 147 million (Astaldi has a 51% stake), secured during 2008, is also of great prestige, and not only for the contract value involved.

The Hălic Bridge will run across the famous intake on the European side of the Bosporus, known as the Golden Horn, linking Topкapi to Galata. The route will measure approximately one kilometre and will allow the new Unкapanı-Yeniкapı line of the Istanbul underground to run along it.

The new structure will also involve construction of a steel cable-stayed bridge measuring 387 metres in length as well as a 120-metre swing bridge which will open to allow boats to pass through. The works have been commissioned by Istanbul's city authorities. Astaldi's local partner in performing the works will be Gülermaк, one of the companies Astaldi is already working with to construct the Istanbul underground.

The works were started in 2009 and archaeological investigations are currently under way.

Venezuela

Astaldi has been operating in Venezuela for over 30 years and has already completed significant initiatives, especially in railway and underground transport infrastructures. This success, seen in the execution of these works, and valid for all the areas of the world where Astaldi operates, is due to the technological solutions adopted and the reliability demonstrated in execution times and in the quality of the works.

This has enabled Astaldi to be a protagonist of what the local Government has called the "*Plan de Desarrollo Nacional*", i.e. the project for the overall expansion of the Venezuelan railway system, based on the creation of 5 main routes crossing the country in order to provide infrastructures to enhance the country's economic growth through internal routes.

The Astaldi Group is present in the Area with initiatives in the railway transport infrastructures sector that falls within this Plan. These initiatives are railway lines developed under an intergovernmental agreement executed between Italy and Venezuela to favour economic and industrial cooperation between the two countries. On the whole, the initiatives in progress aim to provide the central and southern areas of the country with a transport system suited to enhancing and support the economic development projects made on the national level. These projects regard the Puerto Cabello - La Encrucijada, San Juan de Los Morros - San Fernando de Apure and Chaguaramas – Cabruta railway lines. Astaldi is working on these projects with a stable joint venture of Italian enterprises, in which the single partners have equal stakes of 33.33%. It should be pointed out that in the context of these agreements the initiatives are undertaken on the basis of the distribution of the activities, so that each partner has a stretch equivalent to one third of the entire project. Each company is fully in charge of its own stretch, based on its own management and operational models, thus guaranteeing the subdivision of the entire project into separate, independent stretches, though still connected.

We should likewise recall that although Venezuela is a country showing signs of deterioration in the overall economic situation, as the 2012 elections approach, the projects in which Astaldi is now engaged are definitely initiatives involving strong commitment by the current Government.

This approach, pursued in Venezuela for some years, and the procedures adopted on the global level for the monitoring and management of the country risk associated with each foreign area where the Group operates, have enabled Astaldi to easily face the devaluation of the bolivar recorded in early 2010. For an assessment of the effects produced by this event on management and on the accounts of the Astaldi Group, see the paragraph of this Report dedicated to events after the end of the year. We can recall that with regard to safeguarding the standards adopted by the Astaldi Group for the insertion of the orders in its backlog, regarding solely secured and fully financed contracts, all these initiatives and the developments under the above-mentioned inter-governmental agreements, have not yet been fully included in the total value of the order backlog of the Group, since in-

sertion in the backlog takes place on a tranche basis, pro-quota and on an annual basis, after the insertion of the contracts signed in the Government budget.
The individual projects in progress or completed in the area in 2009 are described below.

Puerto Cabello - La Encrucijada Railway

The contract entails the construction of a railway line along the Puerto Cabello-La Encrucijada stretch, measuring approximately 108km in length.
Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles, in which Astaldi holds a 33.33% stake, is responsible for construction of the line.
The total value of the contract amounts to EUR 3,000 million (including the so-called “Option 10” signed in 2006, which entails the construction of stations and freight villages), one third of which refers to Astaldi’s stake.
The works for which Astaldi is responsible, started in 2002, are split into two lots, one situated in the mountains and one in the plains.
As regards the mountain lot, activities continued in 2009 with the internal lining of the tunnels (total length of 9.7km) included in the lot; all the viaduct’s piers (for a total of 1,220m) were completed; installations were prepared for mounting the girders of these viaducts.
As regards the plain lot, earthworks continued and diversion of the interfering subservices (electricity, water and gas) was completed which allowed for completion of the foundations and piers of some of the viaducts (a total of 9.3km). Assembly of the girders for the decks of these viaducts also continued.

San Juan de Los Morros - San Fernando de Apure and Chaguaramas - Cabruta Railway Lines

These two contracts resulting from the Italo-Venezuelan intergovernmental agreements of 2005 were signed in June 2006 between IAFE and an Italian joint venture.
The two projects entail construction of a total of 452km of new railway lines, of which 15km of tunnels and 12km of bridges and viaducts, and include design and installation of the railway superstructure, 13 stations, 3 freight villages and a maintenance workshop.

San Juan de Los Morros - San Fernando de Apure railway

Specifically, the San Juan de Los Morros-San Fernando de Apure stretch runs along a route measuring approximately 252km, for a contractual value of EUR 1,218 million, a third of which refers to Astaldi’s stake.
In 2009 the activities duly continued and consisted mainly in excavation and earthworks.

Venezuela, Puerto Cabello - La Encrucijada railway

Chaguaramas – Cabruta railway

The new line is 201 kilometres long and has a contract value of EUR 573 million, of which one third refers to Astaldi's stake.

The project is included in the "*Plan de Desarrollo Nacional*" for Venezuelan railways, the cornerstone of the country's development policy, on the basis of the vision of the current Government to enhance the country's economic growth through internal transport.

In the context of this Plan, the Government has identified 5 priority routes for the creation of infrastructures, aimed at connecting the country with neighbouring countries to which the Venezuelan resources will be directed.

The Chaguaramas - Cabruta railway is one of these routes, and for the stretch pertaining to Astaldi, it should be pointed out that the location of the works is characterised by logistic (distance from populated areas) and technical (execution in areas liable to flooding) difficulties.

Nevertheless, good performance of the works was recorded in 2009, except for the slowdowns produced by the policy of the Group previously mentioned, to guarantee careful control over the capital invested in the initiative.

Chile

Chile is a recently opened market for Astaldi, but undoubtedly interesting.

As a result of the Group policy to diversify and distribute the concentration of activities in nearby Venezuela, the country has become an occasion for sector as well as geographical diversification.

The geographical diversification is guaranteed by the fact that the regulatory and socio-economic situation in the country endows stability which in certain respects is even higher than in so-called Western countries.

The sector diversification is ensured by the fact that today the Group is present in the Area with a concession that besides being of great interest for the underlying value, also offers considerable potentials for further development in the short and medium term.

For more information on this initiative, see the sections below.

Chacayes Hydroelectric Plant

The initiative, secured in 2008, sees Astaldi involved in developing the Alto Cachapoal Project, one of the most important hydroelectric plants under construction in Chile, worth a total of over 1 billion dollars.

Indeed, Astaldi was awarded the contract worth 282 million dollars at tender exchange rates (in which Astaldi has a 95% stake) to construct a new hydroelectric plant.

The project involves construction of the Chacayes dam in the River Cachapoal valley, a plant that will have a 110MW capacity and which will be located at a distance of approximately 20 kilometres from the city of Rancagua.

The project consists in the turnkey construction of a hydroelectric plant comprising approximately 6 kilometres of tunnels, a complex water supply system, a regulating reservoir of approximately 200,000m^3 and a surface-level powerhouse with two 55MW turbines.

The contract also includes the supply, assembly and commissioning of electromechanical components (turbines, generator and flood gates).

The planned duration of the project is approximately 26 months, with start-up of the works from the first half of 2009.

The completion of the works is planned by 2011.

Astaldi's involvement in this project springs from and is developed as part of a strategic partnership with the Australian group Pacific Hydro, responsible for commissioning these works and one of the most important operators in the world in the energy production plants and renewable energies sector that is establishing itself as a key player in the energy field in Chile.

Pacific Hydro Chacayes S.A.

One of the most significant commercial successes recorded in the year was the underwriting of a 27.3% stake of Pacific Hydro Chacayes S.A., the SPV (*"Special Purpose Vehicle"*) concessionaire of the project financing initiative for the design and subsequent management of the Chacayes hydroelectric power plant, in the River Cachapoal valley, Chile.

Astaldi's involvement in this project springs from and is developed as part of a strategic partnership with the Australian group Pacific Hydro, one of the most important operators in the world in the energy production plants and renewable energies sector that is establishing itself as a key player in the energy field in Chile.

The stake makes Astaldi a partner in the *project finance initiative*, with an investment value of approximately USD 450 million, for the management of the Chacayes hydroelectric project under construction by Astaldi as mentioned in the previous paragraph.

In 2011, the planned date for the completion of the facility, the SPV will start up the management phase as owner, for an unlimited time, of the rights connected with the related use of the water. A long-term sales contract already states that 60% of the energy produced will be sold on the Chilean energy market, while the remaining 40% will be sold on the spot market.

From the financial point of view, the concession, based on rights for the exploitation of water resources for an unlimited duration, entails non-recourse financing of USD 200 million, with financial leverage of approximately 45/55 involving the contribution of own capital (share capital + subordinated loan) of approximately USD 250 million. For the quota of own capital to contribute, Astaldi has set up a "special purpose vehicle" registered under Chilean law in which Simest (Società Italiana per le Imprese all'Estero) has subscribed 40% of the share capital.

Annual concession revenues, produced by the sale of electricity and the marketing of carbon credit, will total approximately EUR 29 million.

The value and potentials of this initiative are likewise supported by the fact that Pacific Hydro, partner of the initiative, is the leading Australian company in the sector of renewable energy and is currently involved in the development of four other hydroelectric projects in the Cachapoal Valley, with a total value of over USD 1 billion, with the planned construction of further hydroelectric power plants.

Bolivia

In 2009 the activities in the area, due to the political situation in the country, were limited to the execution and completion of the works for the El Tinto - San José road.

The overall progress of the project, that has recorded negative results, and the operational difficulties involved in the country, suggest the need for a very prudent as to the decision on whether to undertake further initiatives in the Area.

Costa Rica

Activities related to the Pirris hydroelectric project continued in this area and note must be taken of flooding which occurred in 2008 causing damage to the works site and installations. This event led to redefinition of the contract.

In 2009 a contract addendum was executed for this initiative, taking into account the payment of costs to Astaldi for the damage incurred in the flooding.

El Salvador

There are basically two initiatives in the Area and are in the water sector (El Chaparral plant) and hospital construction (San Miguel Hospital).

For more information with regard to this initiative, see the paragraph below.

El Chaparral Hydroelectric Plant

In 2008, the Astaldi Group was awarded the contract worth 220 million dollars (equivalent to EUR 160 million at tender exchange rates) to construct the El Chaparral hydroelectric plant in El Salvador, an initiative which consolidates the Group's presence in Latin America and confirms its leadership in the energy production plant sector.
The project involves the design and construction of a new hydroelectric energy production plant with a 66MW capacity using the turnkey formula.
The project consists in the construction of a hydroelectric power plant with nominal power of 66.1MW, the construction of a substation to be located in the north-east of the country, in the lower Tarola River basin (in the municipalities of San Luis de La Reina and Carolina), up to the municipality of San Antonio del Masco, in the department of San Miguel.
The capacity of the reservoir will be 189,000m^3 and the level will have a fluctuation of 16 metres.
The contract has a turnkey formula and involves the final design of civil and electromechanical works, and the conducting of the commissioning operations of the power station.
The execution of the works will entail, inter alia, the construction of a dam in RCC (*Roller-Compacted Concrete*) 87 metres tall, a crest width of 321 metres, with a volume of 375,000m^3. The spillway will be located near the middle of the dam, 72.5 metres wide with 4 radial sluices 15 metres tall and 11.5 metres wide, with hydraulic control. The spillway will discharge into a stilling basin 112 metres long and 62.5 metres wide. The discharge capacity of the spillway will be 6,500 m^3/sec. Testing is under way for the hydraulic model to confirm the definitive sizes of the spillway and the stilling basin. The intake will be located on the left of the dam and be 25.5 metres wide and 45 metres tall. The water will pass through two rectangular openings 3 metres wide and 4.95 metres tall, and subsequently be conveyed to two penstocks. The latter will be made of steel, with a length of approximately 94 metres and a diameter of 3.75 metres each. There is an ecological outlet to guarantee a permanent flow of 2m^3/sec. to ensure a minimum water flow even when the plant is not in operation. Due to unexpected geological features on the right abutment of the dam, a change, currently being designed, is necessary to adapt the design to the geo-mechanical conditions of the foundation.
The start-up of the works was recorded starting from the last quarter of 2008, with a planned duration of 50 months. The completion of the dam is planned by February 2012.
In 2009 the works duly continued on schedule, except with regard to the right abutment of the dam which, as mentioned above, requires design changes.
The Client is CEL (Rio Lempa Hydroelectric Executive Commission), the Salvadorean electrical company.
The initiative is financed by the BCIE (Central American Bank for Economic Integration) and the local Government.

Peru

As for Chile, the presence of Astaldi in Peru responds to the Group's need and intention to diversify the activities undertaken in Latin America and to compensate the planned slowdown of the activities in Venezuela.
Unlike Chile, Peru is not, however, a totally new area for Astaldi.
We can recall that in the past Astaldi already built the Lima Underground, and for the future, the Group aims to focus its commercial efforts in the area on initiatives in the transport infrastructure sector, and in water and renewable energy.
The Group is currently present in Peru with a single project, described below.

Huanza Hydroelectric Project

The contract of a value equivalent to USD 116 million (60% for the Astaldi stake, leader of the initiative) involves the construction of the civil works for the hydroelectric power plant of Huanza, in Peru. The facility will have power of 90MW and entail, inter alia, the construction of a 34,000m^3 dam in RCC (Roller Compacted Concrete), with a tunnel 10 kilometres long, a penstock, a hydroelectric power plant and a switchyard.

The completion of the works is planned in 29 months. The Client is Minera Buenaventura, one of the country's main mining companies.
The work was secured in 2009, and activities for setting up the construction site were started in the year.

Honduras

The activities performed in this area concerned construction of the basic infrastructures for the Bahía de Tela Project and the La Barca-Pimienta and Comayagua–Taulabe road projects. The Comayagua–Taulabe road project is split into two lots, worth EUR 31 million. Funding from the US government's Millennium Challenge Account is planned for this project. The construction works started in 2008.

Nicaragua

For this area, the activities undertaken during the year mainly regarded the "Carretera Empalme de Lóvago - Empalme Pajaro Negro" road project.
The contract, worth EUR 18 million, involves the modernisation of two lots of the Empalme de Lóvago - Empalme Pajaro Negro road.
The first lot (Tramo I.1) refers to a stretch of approximately 30 kilometres between Empalme de Lóvago and Puente Niscala; the second lot (Tramo I.2) regards the next 31 kilometres, connecting Puente Niscala to Empalme Pajaro Negro.
The works are commissioned by the Nicaraguan Ministry of Transport and Infrastructures, and for their construction funding by the BID (Banco Interamericano de Desarrollo) is planned.
The planned duration of the works is 480 days and the works were started in 2009.

Usa (Florida)

All Astaldi Group's activities within the United States are developed by Astaldi Construction Corp., a company subject to US law and owned entirely, both directly and indirectly, by Astaldi S.p.A.
Therefore, the section of this Report dealing with this company should be referred to for further information regarding activities performed in this area.

Algeria

The Group's interest in this area was confirmed, also in light of the major programme of state investments in progress, mainly in the transport infrastructures sector. Careful commercial monitoring is going ahead while, at the same time, production activities are increasing which, for the coming years, will allow the area to make a significant contribution to the Group's activities.
There follows a description of the main works in progress in the Area at 31 December 2009.

Saida - Moulay Slissen Railway

The project refers to the construction of a stretch of railway between Saida - Moulay Slissen extending for approximately 115 kilometres. The project is part of the Algerian national plan for the creation of an integrated road-rail transport infrastructure.
Specifically, this measure is part of the "*Rocade des hautes plateaux*", running in the east-west direction in the north of the highlands.
The initiative is commissioned by the Algerian Ministry of Transport.
The contract is worth over EUR 600 million and entails the design and construction of 120 kilometres of new railway line, on the Saida - Moulay Slissen stretch, including railway bridges and viaducts, 4 stations, a freight terminal, a maintenance depot and 3 interchange stations. The contract also includes signalling and telecommunications works.
The start-up of the works took place in the third quarter of 2008, with a total planned duration of the works of 46 months.
In 2009, after the design phase, activities continued for the installation of construction sites.
At 31 December 2009, approximately 6% of the works had been completed.

Mecheria - Redjem Demouche Railway

The contract, awarded by SNTF, the Algerian National Railway Company, and subsequently transferred to ANESRIF, entails the design and construction of the new Mecheria - Redjem Demouche railway line.

The construction of this railway line is part of the project for the creation of a railway corridor between the coast city of Oran and Bechar, in the south-west of Algeria. The railway line will run for approximately 140 kilometres, connecting the two cities of Mecheria and Redjem Demouche, located in the south-west of Algeria.

The new line will be used mainly for freight transport and guarantee an operational running speed of 160 km/h.

From an operational point of view, work continued in 2009: inter alia, earthworks for the last 6 kilometres of the route were completed, and track laying is in an advanced state of construction; basically the civil works of the project were completed and the first stage of track laying on the route was performed. Railway works and the activities connected with signalling and telecommunication have to be completed.

From a contract point of view, we can report that the service order for Change no. 3 was received in July 2009, and the one for Change no. 4 in December 2009. These involved new quantities and new prices for additional civil engineering works (unplanned road detours, etc.) and approved the change from solar energy to electric power line energy for signalling and telecommunication. We are awaiting further changes for new quantities and also the consequent change in the terms of delivery.

The contract value of this initiative is approximately EUR 125 million which, taking into account the changes approved during works, will become EUR 140 million.

At 31 December 2009 about 56% of the works had been completed.

Kerrada Dam

The project for the Kerrada Dam is Lot 2 of a larger project called MAO Mostaganem – Arzew - Oran for the supply of drinking water to the entire corridor linking these three cities.

The works were commissioned by the ANBT (*Agence Nationale des Barrages and Transferts*).

Astaldi is completing the works in a joint venture.

The works secured by Astaldi in the context of the joint venture total approximately 68% of the entire contract and mainly regard excavation, embankments, monitoring of the dam, hydro-mechanical equipment, the Cheliff-Kerrada intake, with supply and laying of cast iron pipes.

The project entails the construction of an earth dam, with related intake and tailrace works.

After the activities performed in 2009, at the end of the year the procedure for partial commissioning of the dam was started. Before starting to fill the reservoir to the level defined by the procedure agreed with the Client, the two stretches at the end of the Cheliff–Kerrada intake pipe have to be tested; partial tests had not yet been conducted at the end of the year.

The contract value of this initiative, for the quota pertaining to Astaldi, taking into account the changes approved during the works, is EUR 92 million.

Hamma Waterworks

The project entails the construction of 4 lots of waterworks inside the city of Algiers, starting from a desalination unit.

The work is of major importance for the water supply project of the city of Algiers, and consists of four lots (A, B, C, D) and initially consisted of the executive design and construction of a water supply system from the Hamma desalination unit to three tanks (Telemly and Garidi – already existing – and Kouba – to be built – thus the name TGK system), in order to connect it to the existing drinking water system. Since it proved impossible to use a route in Lot D as planned in the preliminary design, there was a substantial modification to this lot; the works of new Lot D were therefore subjected to a specific contract change, also involving the construction of a new tank, called HARCHA, to be the intake point of Lot D, instead of the Telemly tank.

This has enabled us to overcome the suspension of Lot D that took place in 2008 and to resume the activities on all the lots where Astaldi works.

The contract value of this initiative is EUR 57 million; taking into account the changes approved during the works, the amount is EUR 75 million.

At 31 December 2009, 98% of works were completed for the first lots, and 28% for the subsequent changes.

MIDDLE EAST (Qatar, Saudi Arabia, United Arab Emirates)

The Middle East Area (which for Astaldi means Qatar, Saudi Arabia and United Arab Emirates) is a recently opened zone for Astaldi, although the Astaldi Group has already acquired a significant role thanks to the following:

- the partnerships started up and already consolidated with the main EPC contractors operating on the international level in the oil & gas sector (industrial plant engineering applied to the drilling sector);
- the success of the first experiences in the Area, which by quality, costs and construction timeframes have fully satisfied contractors and clients, acquiring the full confidence of the counterparts operating on the market.

In light of these considerations, we can therefore consider the Astaldi Group presence in Qatar to be stable. From a sector point of view, we can likewise recall that the presence of the Group is currently limited to the oil & gas sector, but taking into account the interesting opportunities opening in the Area (see the paragraph of this Report dedicated to the operational scenarios of the Group), it was decided in 2009 to undertake a "well evaluated" extension of the field of interest of the Group to further initiatives, beyond the oil & gas sector, connected with the transport infrastructure sector and civil construction.

These opportunities were identified in particular in the context of the Emirate of Abu Dhabi (of key interest for the Group growth policies, among the Emirates forming part of the United Arab Emirates). It should be recalled that for now Astaldi is not interested in the execution of works in the residential sector (real estate).

There follow some of the main initiatives in progress or secured in the Middle East in 2009.

QATAR – Mesaieed LLDPE Plant

In 2009, Astaldi recorded another important success in the oil & gas sector, where it has already completed interesting initiatives in the Mesaieed industrial area (south of Doha, the capital of Qatar).
This year recorded the execution of the works relative to the doubling of a LLDPE (*Linear Low Density Polyethylene*) plant, on behalf of Snamprogetti. In the context of this project, after completing all the civil and the mechanical-structural plant works in 2008, the piping was completed in 2009, thus enabling the commissioning of the entire plant by the summer, to the full satisfaction of the awarding authority.

QATAR - "QATALUM" Project

The project refers to the contract for USD 143 million for the design and the performance of civil works for an aluminium production plant in the Mesaieed industrial area in Qatar.
The works were commissioned by one of the main EPC contractors operating in the sector on the international level.
The most important works involved in this contract include the design and construction of four storage silos measuring 40 metres in diameter and with a total volume of over 300,000m^3.
This is undoubtedly an interesting project successfully conducted by Astaldi during the year, creating the conditions for new commercial opportunities which in 2009 led to the signature of a commercial addendum to the QATALUM Project for an amount of EUR 16 million.
At 31 December 2009, the value of this initiative, including the approved addenda, totalled USD 174 million.

Qatar, Impianto LLDPE di Mesaieed.

The main group companies

Astaldi S.p.A. (Parent Company)

Economic performance

Reclassified income statement

(thousands of euros)	Financial statements notes	31/12/09	%	31/12/08	%
Revenues	1	1,444,125	95.3%	1,140,569	95.6%
Other operating revenues	2	71,843	4.7%	53,104	4.4%
Total revenues		1,515,968	100.0%	1,193,673	100.0%
Costs of production	3 - 4	(1,180,641)	(77.9%)	(920,566)	(77.1%)
Added value		335,327	22.1%	273,107	22.9%
Personnel costs	5	(168,506)	(11.1%)	(154,802)	(13.0%)
Other operating costs	7	(23,926)	(1.6%)	(16,737)	(1.4%)
EBITDA		142,894	9.4%	101,567	8.5%
Amortisation and depreciation	6	(35,486)	(2.3%)	(31,607)	(2.6%)
Provisions	7	(3,120)	(0.2%)	(896)	(0.1%)
Write-downs		-	0.0%	(500)	0.0%
(Capitalisation of internal construction)		-	0.0%	42	0.0%
EBIT		104,289	6.9%	68,606	5.7%
Net financial income and charges	8 - 9	(7,905)	(0.5%)	(19,622)	(1.6%)
Pre-tax profit (loss)		96,384	6.4%	48,984	4.1%
Tax	10	(26,765)	(1.8%)	(20,380)	(1.7%)
Profit (loss) of the year		69,620	4.6%	28,604	2.4%

Astaldi S.p.A.'s income statement shows significant improvements of the main performance indicators, with the significant increase of the operating result (EBIT) in absolute and relative terms. This can mainly be explained by the strong growth in production activities recorded on the domestic and the foreign market. The main items on the income statement are described below. For more information regarding the dynamics of the individual components of each item looked at, please refer to the content of the notes to the financial statements of Astaldi S.p.A.

Revenues

At 31 December 2009, revenues totalled EUR 1,444 million and were up by +27% compared to EUR 1,141 million in 2008 in relation to the contracts in the domestic and international sectors, with high quality technical and management characteristics. In particular, the domestic sector accounted for 47% of revenues, thanks to the good performance of the contracts in progress for the construction of Line 5 of the Milan Underground and Line C of the Rome Underground, lot "DG21" of the Jonica National Road and the Parma – La Spezia (Pontremolese) railway line; with regard to the latter, the overcoming of some difficulties at the end of 2008 has led to the increase of production in the year 2009. The foreign sector accounts for 53% of revenues, and we should definitely mention the significant contribution of the Istanbul Underground (Turkey), the El Chaparral hydroelectric plant in El Salvador, the road contracts of Comayegua in Honduras and the transport infrastructure sector in Venezuela.

Geographical distribution of revenues of the Parent Company

(millions of euros)	31/12/09	%	31/12/08	%
Italy	678	47.0%	621	54.4%
International	766	53.0%	520	45.6%
Europe	233	16.1%	135	11.8%
America	414	28.7%	234	20.5%
Africa	119	8.2%	151	13.2%
TOTAL	1,444	100.0%	1,141	100.0%

Transport infrastructures, in particular railways and underground lines, represent 87.1% of revenues and are therefore the main sector for Astaldi operations. Then there is the energy production plant sector (7.4%) and civil and industrial construction (5.5%). On the other hand, the contribution to revenues deriving from concessions has not yet been recorded but there is a major role in this sector, with positive effects on operating margins already appearing in the Group financial statements with implementation of the management of the new hospital in Mestre through the associated company VSFP S.p.A.

Sector distribution of revenues of the Parent Company

(millions of euros)	31/12/09	%	31/12/08	%
Transport infrastructures	1,257	87.1%	916	80.3%
Waterworks and energy production facilities	107	7.4%	134	11.7%
Civil and industrial construction	80	5.5%	91	8.0%
TOTAL	1,444	100.0%	1,141	100.0%

The **other operating revenues** totalled EUR 72 million and refer to components not directly connected with the production activity for Company projects, but nevertheless accessory to the core business and being continuous over time. The increase of this item is due to surpluses deriving from the disposal of some assets in Central America, and the positive contribution of performance items accessory to the operational activity. Therefore, **total revenues** amounted to EUR 1,515.9 million; compared with EUR 1,193.6 million at the end of 2008, there is an increase of 27%, and therefore beyond the expectations deriving from the results under the business plan.

Costs of production

The structure and extent of production costs reflect a greater orientation towards general contracting and pertaining to the railways and underground sector, with more frequent use of outsourcing in the undertaking of works. There has been a greater impact of the costs of production compared to a decrease of the impact of personnel costs as the effect of new procedures in the management of contracts. The **costs of production**, understood as costs for purchases and costs for services, amounted to EUR 1,181 million (+28%, compared to EUR 920.6 million at the end of 2008), with an impact on total revenues of 77.9% (from 77.1% in the previous year). **Personnel costs** totalled EUR 168.5 million (+9%, compared to last year's EUR 154.8 million), with an impact on total revenues down to 11.1% (13% at the end of 2008). The **other operating costs**, referring to trends in sundry operating charges, totalled EUR 24 million, up compared to EUR 16.7 million in 2008, but with a stable impact compared to the previous year.

Net financial charges

Net financial charges totalled approximately EUR 8 million, with decrease of 60% (EUR 19.6 million at 31 December 2008), deriving in particular from higher revenues connected with stakes in subsidiaries in Italy and abroad, in the context of the Group's complex and structured activity, in order to reasonably distribute the operating and financial risks of the single contracts.

Tax

Tax amounted to EUR 26.7 million (EUR 20.3 million at 31 December 2008), with a tax rate of 27.8%, definitely lower compared to 41.6% at the end of the previous year, due to the different impact of the foreign areas, and to permanent changes to the pre-tax result in relation to tax allocation for the year.

Net profit

The significant improvements in economic performance led to definite growth in net profit as well as an increase in the net margin +4.6% (+2.4% in 2008).

Equity and financial performance

Reclassified balance sheet

(thousands of euros)	Financial statements notes	31 December 2009	31 December 2008
Intangible fixed assets	14	3,309	3,676
Tangible fixed assets	12 - 13	183,823	144,569
Shareholdings	15	128,293	111,547
Other Net fixed assets	10 - 16 - 17	68,988	53,344
TOTAL Fixed assets (A)		384,413	313,135
Inventories	18	92,318	99,654
Contracts in progress	19	604,091	538,641
Trade receivables	20	72,686	80,767
Receivables from clients	20	587,205	389,397
Other assets	17	168,300	197,333
Tax receivables	21	56,279	68,550
Advances from clients	19	(344,999)	(336,739)
Subtotal		1,235,881	1,037,603
Trade payables	17 - 27	(216,940)	(175,094)
Payables to suppliers	17 - 27	(333,476)	(275,406)
Other liabilities	24 - 25 - 28	(138,292)	(123,170)
Subtotal		(688,708)	(573,671)
Working capital (B)		547,172	463,932
Employee benefits	26	(6,654)	(7,886)
Provisions for non-current risks and charges	29	(18,721)	(17,503)
Total provisions (C)		(25,375)	(25,389)
Net invested capital (D) = (A) + (B) + (C)		906,211	751,678
Cash and cash equivalents	22	289,383	236,138
Current financial receivables	17		46
Non-current financial receivables	16	2,418	2,418
Securities	16	3,964	4,002
Current financial liabilities	24	(343,048)	(264,281)
Non-current financial liabilities	24	(513,444)	(441,898)
Net financial payables/receivables (E)		(560,727)	(463,576)
Equity (G) = (D) - (E)	23	345,484	288,103

Net fixed assets

At 31 December 2009, **net fixed assets** amounted to EUR 384.4 million, up compared to last year's EUR 313.1 million. The increase recorded is definitely due to the general increase of operations, which also included the increase of shareholdings connected with the Astaldi support policy, also through risk capital in new contracts secured.

Working capital

The increase in working capital and its components reflects the higher production levels reached in the year, but we should also highlight the trend shown by investments made in the period, adequately covered by advances from clients, up compared to the corresponding previous period. In particular, we can mention the increase of **contracts in progress**, equivalent to EUR 604 million at the end of 2009 (EUR 538.6 million at 31 December 2008) and receivables from clients totalling EUR 587 million (EUR 389 million at the end of the previous year).
This means an increase of **working capital**, equivalent to EUR 547 million, compared to EUR 463.9 million at 31 December 2008, in line with the capital budgeting forecasts.

Net invested capital

At the end of 2009, **net invested capital** was EUR 906 million (EUR 751.7 million for 2008) and was up by 21% compared to the previous year, but with improved performance in terms of EBIT with +52% in 2009, confirming the adequate decisions on the allocation of the capital invested.

Equity

At 31 December 2008, **equity** was equivalent to EUR 345.4 million, compared to EUR 288.1 million recorded at the end of 2008. In absolute values, this change means an increase of EUR 57 million, basically due to the profit recorded in the period and changes in reserves, net of dividends paid and the change in the reserve from the fair value evaluation of hedging derivatives.

Net financial position

The **net financial position** at 31 December 2009, calculated in accordance with CESR (*Committee European Securities Regulators*) standards and net of treasury shares, was EUR (555.5) million with an increase compared to the previous year. Nevertheless, these values must be interpreted in light of the Astaldi role as main financing organisation for the Group subsidiaries.

Evolution of the net financial position of the Parent Company

(migliaia di euro)		31/12/09	31/12/08
A Cash and cash equivalents		289,383	236,138
B Securities held for trading		3,964	4,002
C Available funds	(A+B)	293,347	240,140
D Financial receivables		2,418	2,464
E Current bank payables		(314,280)	(232,320)
F Current share of non-current indebtedness		(18,814)	(22,436)
G Other current financial payables		(9,954)	(9,525)
H Current financial indebtedness	(E+F+G)	(343,048)	(264,281)
I Net current financial indebtedness	(H+D+C)	(47,283)	(21,677)
J Non-current bank payables		(509,078)	(430,475)
K Other non-current payables		(4,366)	(11,424)
L Non-current financial indebtedness	(K+J)	(513,444)	(441,898)
M Net financial indebtedness	(L+I)	(560,727)	(463,576)
Treasury shares in portfolio		5,172	5,655
Total net financial position		(555,555)	(457,921)

The current debt structure is geared towards the medium/long term, which serves to limit the negative effects of the current credit crunch and the related crisis of available funds. We should specify that the first significant refinancing deadline is in 2013. Finally, the net financial position, also in comparative terms, does not include derivatives used in hedging activities which, by their very nature, do not represent financial values.

Astaldi Construction Corp.

Astaldi Construction Corporation is the company operating under U.S. law and 100% owned by Astaldi S.p.A. It is based in Davie (Broward County, Florida) and looks after the Group's activities in the USA.
The reference geographical area can be identified with the south of Florida, both the east coast (Miami, Fort Lauderdale, West Palm Beach, Stuart and Port St. Lucie), and the west coast (Naples, Tampa), with additional real possibilities of expansion in the adjacent areas of Orlando and Jacksonville.

The projects currently undertaken by Astaldi Construction Corporation include one for traditional construction and one for the procurement on the US market (undertaken both to support its own operational units, and for other areas of the Astaldi Group located outside of the United States).
The procurement activity, which in 2009 has enabled it to achieve excellent results, utilises a network of suppliers whose quality is ascertained in advance, and located throughout North America (including Canada), and during the year included extensive monitoring of the potentials of the local market and the consolidation of close relationships with major US producers and contractors (we can report, inter alia, the stable relationships with Caterpillar International), with consequent benefits also on the Group level.
More directly regarding the construction sector, Astaldi Construction Corporation has qualified for construction works of major infrastructures, becoming accredited with public bodies such as the Florida Department of Transportation (FDOT), the South Florida Water Management District (SFWMD), the US Army

Corps of Engineers, and various local authorities (counties and cities).
Since 2008 the company has been registered with the USGBC (United States Green Building Council), a non-profit organisation dedicated to the development and dissemination of sustainable standards for design and construction (green building): the USGBC has developed the LEED (Leadership in Energy and Environmental Design) rating system, under which Astaldi Construction Corporation has certified some of its employees in order to create an in-house LEED team to provide support to operational units in future green projects, a sector where significant growth and expansion is expected in the US in the near future.
Astaldi Construction Corporation has likewise been awarded, for the fourth consecutive year, the Gold Level Step Award of the ABC (*Associated Builders & Contractors Inc.*) as a recognition of the level reached in the development and implementation of its system for the management of health and safety at the workplace, which it has always considered to be a priority for safeguarding its employees.
The works in progress (or completed) during the year refer mainly to road infrastructure works, conducted on behalf of the Florida Department of Transportation and local authorities (counties and cities).
In 2009, despite the effort made by the US administration with the investments under the ARRA - American Recovery and Reinvestment Act, the Company had to face market difficulties connected with the serious economic and financial crisis in the country. On the one hand, this has reduced the number of projects tendered, while on the other the number of competitors has considerably increased, compared to previous years; there is an increasing presence in tenders of companies from complementary sectors, compared to major infrastructure firms (e.g. real estate).
This has not prevented the Company from achieving good results in operational terms and in new acquisitions.
In particular, with regard to the projects secured during the year, we can report that in July 2009 Astaldi Construction Corporation was awarded the project for the construction and widening of State Road *823* (NW 57th Ave.), on behalf of the FDOT, in Hialeah, Miami-Dade County. The contract amount is USD 14.3 million and the works, started in September, should be completed in 630 days.
With regard to the works completed, during the year Astaldi Construction Corporation completed two important projects in *Collier County*, i.e. Immokalee Road (final contract value USD 23.2 million), with works completed in June 2009, and Santa Barbara Boulevard (final value USD 62.6 million), completed in August. For both contracts, satisfactory results were recorded, in line with the forecasts, both in terms of economic performance, and of respect for the timeframe.
Finally, with regard to the contracts in progress, besides State Road 823 mentioned above, we should mention the Santa Barbara Boulevard Extension, on the West coast, in Collier County. The contract, worth USD 17 million, involves the new construction of a stretch of road and the widening of an existing road from 2 to 6 lanes, for a total of 3.3 kilometres. The duration of the works is 575 days and completion is planned for June 2010.
Therefore, the residual backlog of works at 31 December 2009 totalled approximately USD 20.6 million, basically for the two road contracts mentioned previously. To this we can add a new contract with the FDOT, for which final awarding is being awaited, for the widening and rebuilding of a stretch of the I-75, in Sarasota County, on the West coast. The contract value is USD 31.7 million and the duration of the works is 625 days.
For the activities undertaken, the net profit of the Company at the end of 2009 was approximately USD 2.1 million, in line with the previous year. This result was achieved despite a decline of revenues recorded on an annual basis due to the joint effect of the management of the final phase of some works and together with the slowdown recorded for the year for new infrastructure investments in the area of interest.
The results stated obviously do not take into account the excellent operating results achieved for procurement activities which, in line with the objectives set,

have enabled us to achieve interesting economies of scale on a consolidated basis.
An acquisitions plan was made for 2010 that should allow increases in annual production volumes, and on a prudential basis compared to what the US administration already allocated in 2009 through the ARRA as mentioned, and planned for 2010 for the specific infrastructure sector. We should also report that in January 2010, the Federal Railroad Administration (FRA) assigned USD 1.25 billion to the Florida Department of Transportation (FDOT) as the share for the High-Speed Intercity Passenger Rail Program, which could generate further commercial opportunities in the area of Tampa and Orlando starting from the end of the second quarter of 2010.

Astaldi Arabia Ltd.

The aim of the company is to undertake projects in the Middle East area, especially in Saudi Arabia and Qatar. For more information regarding activities performed in the area by Astaldi Arabia Ltd., please refer to the section of this Report dealing with this area.
We should in any case point out that the Astaldi Group is present in the Area only in Qatar, Saudi Arabia and United Arab Emirates, mainly in the industrial sector of oil & gas. In 2009 further interesting opportunities were identified in the transport infrastructure sector and civil construction, but it has been confirmed that Astaldi is not interested in undertaking works in the residential sector (real estate).
In the Arab Emirates, the commercial focus of the Group is concentrated mainly in the Emirate of Abu Dhabi, where Astaldi opened offices in 2008 and where in the coming years important commercial initiatives will take place with highly technological and advanced public projects, in the field of transport infrastructures and hospital and industrial construction, with adequate government funding already available to implementation. We can recall in this regard that the Emirate of Abu Dhabi holds 94% of the oil reserves of all the Emirates (5th oil and gas producer on the world level). Basing its economy on its natural resources, this Emirate was only marginally affected by the profound financial crisis recorded in Dubai in November 2009.
With regard to the opportunities that could arise in this Area, we can specifically recall that the 2030 Master Plan approved by the Emirate of Abu Dhabi entails the development of major new infrastructure projects in the railway and underground sector (1,100 kilometres of new railway lines planned), as well as ports and airport, but also in hospital and civil construction. The resources for all the planned initiatives are guaranteed, as already mentioned, by the huge gas and oil resources of the Emirate. It remains to be seen when and how these resources will be converted into titles of expenditure, although it should be pointed out that the local Government seems to be interested in maintaining the timeframe of the largest infrastructure initiatives already started. The second half of 2010 should see the resumption in the Abu Dhabi area of the projects of private developers for various initiatives in the sector, suspended after the Dubai crisis in November.
In 2009, Arabia Astaldi Ltd., set up in 2008, mainly pursued the commercial opportunities identified in the Area. The Company was accredited with all the key bodies (public bodies and private developers, contractors and consulting engineers). Therefore, Astaldi is now able to participate in all the medium and large size projects in the Emirate of Abu Dhabi, and in the initiatives undertaken in the sector of civil construction (institutional buildings), infrastructures, hospitals, and initiatives in the oil & gas sector.
Alliances were likewise developed with local and international partners operating in the construction and engineering sector for many years and which could produce new business opportunities in the medium and long term.
For more information, with regard to the macroeconomic scenario and the opportunities available in this Area, see the paragraph of this Report dedicated to the reference scenario.

Human resources and organisation

In 2009 management and organisational initiatives were conducted, coherent with the main objectives defined for the Area in business planning, summarised as follows:

- further strengthening and integration of corporate skills, in response to the continuing and extensive development of the business;
- implementation of the processes of integration between the corporate structures and the contracts throughout the country.

Specifically, the implementation of the first objective led during the year to an increase of 10% in direct employees of the Group, with the insertion in Italian and foreign units of approximately 40 junior employees and approximately 100 highly experienced employees recruited on the market. To achieve these results, all the channels developed in previous years were used (personnel search websites, advertising in the international press and head hunting for the highest qualified personnel), with particular focus on the link between education and the world of work (career days and on the job training for the selection of junior staff).
At the same time, a more incisive integrated management policy for internal staff was initiated, favouring synergies on the Group level through a greater interchange between contracts (domestic and foreign).

With regard to the implementation of the second objective, initiatives were undertaken to ensure a better flow/exchange of information (inside the corporate system), a condition necessary to guarantee the single, coherent and effective management of these significant assets of the Group, and therefore of the business. There will be two initiatives in this regard:
a) The introduction of new web-based software for human resources management, aimed at rationalising, conveying and disseminating processes and information more effectively and simultaneously. The decision to introduce new human resources management software has been a way to use technology to modernise the instruments currently in use, but also an occasion for the critical review of related processes, undertaking simplification when necessary, or alternatively to supplement or structure them when required. The introduction of this new instrument is the latest step in the *re-engineering* of key processes for human resources management, already started in the previous year with the introduction and improvements of some methods for the analysis and management of internal and external candidates, the evaluation of skills and objectives, *rewarding* and management of internal mobility. In 2009, the implementation of the project started for only Italian employees and expatriates and in the subsequent phase will lead to a gradual application in all foreign areas and also to local personnel. This will guarantee optimal and real time management of all the Group information and processes regarding personnel, providing a strategic instrument for the integrated management of all the resources available on the consolidated level;
b) Creation of the function “Development Head Office Contracts”, i.e. a specific corporate function dedicated to the development of a model to enhance the increasing integration between production units and corporate units, in order to guarantee the proper balance between operational autonomy and needs for standardisation and checking. This new function will give greater impetus and acceleration to the existing model of grid organisation, with increasingly efficient relationships and exchanges between the production units and central corporate services. In particular, it will allow for the analysis and introduction of organisational solutions developed from time to time, according to circumstances or convenience, the setting up of centralised servicing for some activities or the setting up of independent operational structures in peripheral areas. An example of centralised servicing introduced in 2009 is the setting up of the Electromechanical Plant Service, aimed at concentrating the specific skills in the sector in a single working team in order to optimise and convey the skills present in the Group, on the domestic and the international level.

Quality, safety and environment

The year 2009 marked the achievement of an important goal for the Astaldi Group on a path of ongoing voluntary improvement of the company's integrated management system, with particular reference to the environment, health and safety at the workplace.
In April 2009, after a period of approximately 55 days of auditing started in December 2008, the HSE (Health, Safety and Environment) component of the corporate management system secured recognition of certification of compliance with OHSAS standards 18001:2007 and ISO 14001:2004, now to be considered state of the art, in the area of health and safety management at the workplace and in environmental management, respectively. In October 2009, due to International regulations, initial auditing was conducted to confirm the validity of certification issued. Recognition was issued by the DNV (*Det Norske Veritas*), the independent foundation, recognised and accredited on the international level for issuing these certifications.
With regard to HSE, in 2009 the auditing activity entailed sampling which for Italy, regarded the contracts for the Turin railway bypass, Line 5 of the Milan Underground and Jonica national road (SS106) - Lot DG21 - and, for the foreign sector, three contracts in Romania (two for rehabilitation works of the Bucharest – Constanta railway and one for the modernisation and extension of the Otopeni International Airport in Bucharest), the contract in Turkey for the construction of the Kadiköy - Kartal Underground in Istanbul and two contracts in Venezuela for two lots of the San Juan de Los Morros - San Fernando de Apure railway.
The achievements are an important recognition to the project started up by top management in 2006, aimed at the voluntary compliance with the above-mentioned international standards, confirming the explicit corporate commitment to ensuring sustainable business also through the constant improvements in HSE performance.
With regard to the quality component, in 2009 periodical DNV auditing showed positive results in Bulgaria and, in Italy, for Line 5 of the Milan Underground and Jonica National Road (SS106) - Lot DG21 -, as well as at the Rome head office.
Over ten years after the issue of the first certification of the corporate management system, this auditing confirmed the compliance with standard ISO 9001, with the issue of the new certificate for revised edition 9001:2008 published in November 2008.
Confirming the importance of the quality, environment and safety aspects in the Group management processes, we can recall that in 2007 Astaldi was part of a group of approximately twenty major Italian organisations that participated in the pilot process of validating the draft version of this standard.

Privacy safeguard and protection

In order to ensure the correct treatment of personal data, and in particular those defined as sensitive and judicial, in accordance with point 26 of the technical regulation referred to in Annex B of Legislative Decree no. 196/2003, the so-called "Personal Data Protection Code", the Company has, on the basis of the organisational and procedural changes featured in corporate development, updated the Programme Document on Safety drawn up pursuant to provisions of point 19 in the aforesaid decree.

Corporate governance report

The corporate governance model adopted by Astaldi S.p.A. also this year was in line with the main contents of the "Self-Discipline Code for Listed Companies" drawn up by Borsa Italiana S.p.A. in October 1999 and subsequently amended and supplemented, with the recommendations made by Consob in the sector and, more in general, with international best practices.
With regard to the information required by Art. 123 bis of the Finance Act ("Testo Unico della Finanza"), reference is made to the "Annual Corporate Governance Report and Ownership Structure", drawn up in compliance with the law in force and published to-

gether with this Report. Likewise, the "Annual Corporate Governance Report and Ownership Structure" is available on the website *www.astaldi.com*, section Governance – Document Archives.

Subsequent events

We can recall the most significant effects recorded after the closing of the year, in the domestic market and abroad.

For the Italian sector, see the paragraph of this Report on the Academy of Italian Police Officers in Florence, for more information with regard to the developments in this initiative after the closing of the year.
We can report likewise that in February, at Cassano Magnago, in the Province of Varese, the ceremony was held for the laying of the first stone of the Pedemontana Lombarda motorway, made possible by the approval of the final design by the CIPE in November 2009.

For the foreign sector, we should highlight that the earthquake in Chile on 27 February 2010 did not cause any damage to persons or property in such a way as to prejudice the activities in progress at the construction sites in the area (Cachapoal valley) or in the Santiago offices; currently the activities have resumed without particular problems.

With regard to Venezuela, in January 2010 the Government decided to devalue the *bolívar fuerte*, defining a double fixed exchange rate with the dollar, distinguished by types of products.
In any case, the country had been suffering from currency problems for some time, leading to the creation of a double exchange rate (an official one linked to the dollar and fixed since 2005, and a parallel official one governed by a special, procedure). The devaluation of January 2010, widely forecast by the Astaldi Group and the main analysts of the Venezuelan market, was "competitive" and aimed at relaunching the local economy; it derived from the need to guarantee for 2010 (inter alia, an election year) greater availability of financial resources: most of the country's GDP is based on income in dollars from oil, and the devaluation will produce greater circulation of local currency in order to cover public expenditure.
For the country, all this will clearly have a negative impact on inflation levels which in any case had already risen due to the parallel official exchange rate already used for some years.
With regard to the Astaldi Group, the devaluation is not an unexpected event, taking into account that in 30 years of activity in the Area, the Group has already experienced approximately ten "competitive" devaluations. However, the resulting experience and great familiarity with the context have enabled us to develop a local business model that has always taken into account these phenomena in the accounting of margins, and with a focus on resources operating in the Area solely for national priority infrastructure projects (construction of railways under strategic projects, developed under bilateral agreements between Italy and Venezuela). Therefore, in the Group forecasts for 2010 there will be a containment of activities in Venezuela starting in the early months of 2010, and in previous years the need was already identified to counteract this by entry in new countries (Chile and Peru) with the consequent rationalisation of the overall risk profile in the Area.
With regard to the economic and equity effects deriving from the recent devaluation, we should recall that although the projects in Venezuela were acquired by an Italian consortium in which Astaldi holds 33.3%, the operational management and the equity and financial effects were distributed by the assignment to each partner of separate railway stretches.
The economic evaluation of projects of the Astaldi Group, based on the cost to cost rule (normalisation of contract margins) has always taken into account the risk factors and operational and financial solutions that tend to counteract the effects of devaluation; the coverage of the *assets* in local currency with corresponding debt positions and the fact that the contracts likewise contain a significant component of revenues in euro (approximately 50%) and the overall

margin is formed in this currency, basically counteracted the impact of the devaluation, and therefore, the results at 31 December 2009 already take into account this effect.

Forecast development of operations

The 2009 results have confirmed the effectiveness of the growth strategy illustrated by management, and its validity is confirmed by the macroeconomic context in which these results were achieved.
The successes recorded in the period, on a commercial level (opening of 3 new markets: Poland, Chile, Peru) and operational level, confirming the forecasts for growth and the strategies made for the coming years.
The complexity of the financial and real markets have not slowed down the process of consolidation and "reasonable" expansion of the activities; it was confirmed in the period by the success recorded with the opening of the new markets of Poland and Chile, as well as the strengthening of the Group presence in the traditional markets.
On the whole the actions have ensured the diversification of the risk profile of the activities which, in difficult situations like the present, have produced a valuable competitive advantage.
For the next years, new challenges will be faced both in Italy and abroad.
For the domestic market, great efforts will be dedicated for the execution of important contracts in progress in Italy (Line C of the Rome Underground, Line 5 of the Milan Underground), as well as further acceleration for the activities connected with Bologna Centrale High-Speed Station and the Turin junction. For the latter initiative, in particular, the activities of 2010 will be concentrated on the execution of the works for the second and last phase of the activities. For the first half of the year, the inauguration of the construction works of the Università station, on Line 1 of the Naples Underground, is planned.
From a contract point of view, great effort will be dedicated to solving the problems still existing for the Brescia Underground and the new Hospital in Naples "Ospedale del Mare".
Further stimulus will come from projects currently being designed (such as the Pedemontana Lombarda motorway, where the ceremony for the laying of the first stone took place in February) or being defined (such as the concession for the Gebze - Izmir motorway in Turkey).
With regard to business abroad, considerable effort will be dedicated to the new contracts secured in Poland (where the design phase has started) and Chile (where construction is already under way). All these activities, taken as a whole, will ensure the increasing diversification of risk; the foreign market will grow thanks to the contribution from Chile (countering the already planned repositioning of activities in Venezuela) and Poland (to guarantee greater diversification of the activities in Eastern Europe).
In the context of this management model, the Group has developed diversified approaches to identify predefined risk levels. In particular with regard to the evaluation of maximum levels of capital invested, especially for foreign countries, production levels are planned on the basis of the revenues secured. In this context, with specific regard to Venezuela, the increase of the credit position, as occurred in the second half of 2009 and discussed in the previous paragraphs, required careful monitoring; contacts are now under way with the local institutions, in order to verify the adequacy of financial allocations for the projects. These activities should lead to the definition of payment plans allowing for the reduction of the current level of receivables, also considering the strong intention by the local institutions to solve these issues as soon as possible, in order to prevent negative effect on the progress of the works, and therefore on occupational levels.
With regard to the other countries, Turkey will tend to acquire greater importance in providing the overall revenues of the Astaldi Group, together with Algeria. In all these Areas, the Group also intends to operate through strategic partnerships with major international operators in the sector, with a view to guaranteeing synergies and optimising the resources utilised, but

also for the further diversification of the risk profile of the activities.
Further stimulus to the growth of the Group is expected from the concessions sector. For the future, besides the initiatives now in progress becoming operational, the aim is to ensure a greater contribution from the health and urban transport sector, and to exploit the opening of concessions to the market in the motorways and renewable energy sectors, both in Italy and abroad, also through the start-up of strategic partnerships with international operators.
The investment and diversification plan for the activities in this sector is continuing; while involving activities downstream from the construction sector, it will shortly benefit from the setting up in the Astaldi Group of a dedicated structure with a view to optimising and highlighting the intrinsic value of these initiatives.

Specific risks and uncertainties

As regards the provisions contained in current legislation with regard to the “description of the main risks and uncertainties”, it must be noted that at the present time, there are no specific situations which could have a significant impact on the Group’s economic and financial performance.
However, taking into account the reference macroeconomic scenario the Group operates in, note must be taken of the following areas of focus where the Group normally performs scrupulous monitoring activities.

Risks related to foreign activities. The Group is exposed to risks that are typical of international activities, including risks related to unstable political situations and local economies and the risks related to changes in the macroeconomic, fiscal or legislative situation. Therefore, the identification of new Group projects in foreign countries is accompanied by preliminary, in-depth assessment of these risks which are constantly monitored through to completion of the contracts. Moreover, it is important to note that the activities performed by the Group are concentrated solely in countries (i) offering development opportunities for long-term infrastructure investment plans, (ii) that consider the works of interest for the Group as priorities in current local investment policies, (iii) for which international insurance cover is guaranteed or in whose regard there are bilateral agreements between the Italian and local governments, (iv) with a certain reference legislative framework.

Use of estimates. A major part of activities is performed on the basis of contracts which provide for a specific amount upon awarding in the sector the Group operates in. The greater charges and/or costs which the Group may encounter and/or incur while performing these contracts must be covered by the Group and can be recovered from the client in accordance with legislation regulating the contract and/or agreed contractual terms and conditions. Consequently, the margins achieved on contracts of this type can vary with regard to the original estimates as a result of the recoverability of the aforementioned greater charges and/or costs.

Risks related to the trend in infrastructure investments. The main area of the Group’s activities is currently represented by the performance of large-scale and complex works, especially for public clients, and is therefore seriously affected by planned investment in infrastructures in various countries. These investments are affected by the economic cycle trend whose main variables are the growth of the GDP, inflation rate changes, interest rate trends, consumer dynamics and exchange rate dynamics. In light of these variables, the Group has opted to operate solely in situations where infrastructure works are considered priorities in the investment policies of individual countries.

Risks related to capital markets. The current situation of the financial markets highlights critical phenomenon in terms of limitation of credit and fluctuation in the cost of money. The Group has undertaken, as from previous years, to bring into line its indebtedness structure and position it in the medium/long-term, curbing variations in the cost of money through an attentive **interest risk** hedging policy.

Risks connected with the foreign exchange market. The current situation on the exchange markets shows highly volatile situations. The Group, from previous years, has covered this risk with suitable direct and indirect hedging operations.

Risk related to the price trend of raw materials. The fluctuation, in some cases considerable, in the price of some raw materials can entail an increase in the costs of production which the Group tends to neutralise through diversified procurement policies, framework agreements with strategic suppliers, contractual price review clauses and the use of *ad hoc* action by local governments aimed at mitigating the financial consequences.

Other information

Information on operations with related parties

As regards transactions with related parties, it must be remembered that this forms part of the Group's normal corporate activities and are regulated at market conditions. For information regarding these relations, please refer to Note 26 of Astaldi's consolidated financial statements at 31 December 2009.
The transactions performed by Astaldi with related parties mainly concern the exchange of goods, supply of services and the supply and employment of financial resources with its subsidiaries, associates and other investee companies as well as optimisation of the Group's cash management.
These relations form part of the company's ordinary operations and are regulated at market conditions, i.e. at the conditions which would be applied between two independent parties.
All the transactions performed were in the Group's interest.
Please refer to details contained in the notes to the financial statements for quantification of the total amount of commercial, financial and other relations with related parties as well as a description of the type of most important transactions.

Treasury shares

We can report that in the context of the buy-back plan for Astaldi shares implemented in the year, in 2009 no. 511,893 shares were gradually purchased; no. 690,144 shares were sold.
At 31 December 2009 the portfolio contained no. 911,749 shares with a nominal value of EUR 2.

Parent Company Shares owned by subsidiaries

No shares of the Parent Company are held by subsidiaries.

Shares of Astaldi S.p.A. owned by Directors, Auditors and managers with strategic responsibilities at 31 December 2008

Annex 3C – Prospectus 3 - Consob Issuers Regulation no.11971/99

Shares held by directors at 31 December 2009

Board of Directors	Company	Number of shares held at the end of 2008	Number of shares purchased	Number of shares sold	Number of shares held at the end of 2009
Ernesto Monti	-	0			
Vittorio Di Paola	Astaldi S.p.A.	1,520,000	10,000	30,000	1,500,000 (a)
Paolo Astaldi	Astaldi S.p.A.	49,426 (b)	0	0	49,426
Giuseppe Cafiero	Astaldi S.p.A.	80,000	50,000 (c)	5,000	125,000
Stefano Cerri	Astaldi S.p.A.	55,000	50,000 (c)	5,000	100,000
Caterina Astaldi	-	0			
Pietro Astaldi	-	0			
Luigi Guidobono Cavalchini	-	0			
Franco A. Grassini	-	0			
Mario Lupo	-	0			
Nicola Oliva	Astaldi S.p.A.	80,000 (d)	50,000 (c)	25,000	105,000
Maurizio Poloni	-	0			
Gian Luigi Tosato	-	0			

(a) shares held through the company Famifin S.p.A.

(b) due to a material error in the financial statements at 31 December 2008 the number 44,426 was inserted instead of 49,426.

(c) shares from the gratuitous assignment of a stock grant pursuant to the incentives plan of the Company approved in the general meeting of 27 June 2007.

(d) due to a material error in the financial statements at 31 December 2008 the number 70,800 was inserted instead of 80,000.

Shares held by auditors at 31 December 2009

Board of Auditors	Company	Number of shares owned at the end of 2008	Number of shares purchased	Number of shares sold	Number of shares owned at the end of 2009
Pierumberto Spanò	-	0	0	0	0
Pierpaolo Singer	-	0	0	0	0
Antonio Sisca	-	0	0	0	0

Shares held by managers with strategic responsibilities at 31 December 2009

Managers with strategic responsibilities	Company	Number of shares owned at the end of 2008	Number of shares purchased	Number of shares sold	Number of shares owned at the end of 2009
Paolo Citterio	Astaldi S.p.A.	10,000	3,000	0	13,000
Gianfranco Giannotti	-	0	1,000	0	1,000
Rocco Nenna	-	0			
Cesare Bernardini	Astaldi S.p.A.	0	7,500	0	7,500
Luciano De Crecchio	-	0			

"Non-GAAP" 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 these indicators:

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

Liquidity margin: the liquidity margin is the liquidity resulting from cash on hand and bank lending still available.

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

ROI (*Return On Investment*): this indicator is calculated as the ratio between EBIT (net operating result) and average invested capital for the period.

Current ratio: this indicator is calculated as the ratio between short-term assets and short-term liabilities

Research and development activities

During the year, the Group did not incur costs for research and development activities.

Non-typical or unusual operations

During the year, no non-typical or unusual operations were undertaken.

Conclusions

Dear Shareholders,
The consolidated financial statements record a net profit of EUR 51.5 million, excluding amortisation, depreciation, provisions and consolidation adjustments.

On behalf of the Board of Directors
(Chairman)
Vittorio Di Paola

Statement as per article 36 of Consob regulation no. 16191/07 ("Market regulations")

Astaldi S.p.A. hereby declares that its internal procedures are in line with the provisions as per Article 36, letters a), b) and c) of the Market Regulations (*“Conditions for listing of shares of companies controlling companies set up and regulated by laws of non-EU states”*), issued in order to implement Article 62, paragraph 3-bis of Legislative Decree No. 58/1998.

In particular, Astaldi S.p.A. makes known that:

1. the parent company Astaldi S.p.A. has ongoing access to the bylaws and composition of the corporate bodies of all non-EU subsidiary companies of importance as per Article 36, paragraph 2 of the Market Regulations, with highlighting of the corporate offices held;

2. the parent company Astaldi S.p.A. makes available to the public, inter alia, the accounts of non-EU subsidiary companies of importance as per Article 36, paragraph 2 of the Market Regulations, formulated for the purpose of drafting the consolidated financial statements, including at least the balance sheet and income statement;

3. the administrative-accounting and reporting procedures currently in use by Astaldi Group are suitable for transmitting to the parent company’s management and auditors at regular intervals, the economic, equity and financial information of the non-EU subsidiary companies of importance as per Article 36, paragraph 2 of the Market Regulations, needed to draft the consolidated financial statements.

As regards checking by the parent company of the information provided to the central auditor, needed to perform auditing of the parent company’s annual and interim accounts, it is felt that the current procedures used to communicate with the auditing firm, implemented at various levels of the corporate auditing chain throughout the whole year, operates effectively in this direction.

The application area concerns 3 subsidiaries, based in 3 countries not belonging to the European Union, which are of importance as per paragraph 2 of the aforementioned Article 36.

Consolidated financial statements

Consolidated income statement

(thousands of euros)	Note	31/12/09	31/12/08
Operations			
Revenues	1	1,797,875	1,466,848
Other operating revenues	2	71,661	58,792
of which to related parties	*33*	*7,127*	*9,083*
Total revenues		1,869,536	1,525,640
Purchase costs	3	(310,962)	(296,593)
Service costs	4	(1,085,135)	(820,719)
of which to related parties	*33*	*164,947*	*109,745*
Personnel costs	5	(240,458)	(213,364)
Amortisation, depreciation and write-downs	6	(46,534)	(41,956)
Other operating costs	7	(32,450)	(21,281)
Total costs		(1,715,541)	(1,393,913)
(Capitalisation of internal construction costs)	8	822	837
Operating result		154,817	132,564
Financial income	9	37,967	65,115
of which to related parties	*33*	*895*	*976*
Borrowing costs	10	(107,819)	(129,844)
of which to related parties	*33*	*799*	*134*
Effects of valuation of investments using equity method	11	(278)	3,645
Total financial area and investments		(70,130)	(61,084)
Pre-tax profit (loss) of continued operations		84,687	71,479
Taxation	12	(31,671)	(26,718)
Profit (loss) for the year		53,016	44,761
Group profit		51,458	42,101
Minority profit		1,557	2,660
Basic profit per share	13	0,53	0,43
Diluted profit per share		0,53	0,43

Statement of comprehensive income

(thousands of euros)	Note	31/12/09	31/12/08
Profit (loss) for the year		53,016	44,761
Cash Flow hedge reserve of subsidiaries		(3,283)	(12,603)
Cash Flow hedge reserve of associate companies		(2,691)	(1,977)
Translation reserve of subsidiaries		(1,580)	(103)
Translation reserve of associate companies		161	2,276
Result of the other Group components	25	(7,393)	(12,406)
Cash Flow hedge reserve of minority subsidiaries		655	-
Translation reserve for minority subsidiaries		(471)	2,550
Result of the other minority components		184	2,550
Total result		45,806	34,905
of which pertaining to the Group		44,065	29,695
of which pertaining to third parties		1,741	5,210

Consolidated statement of the financial position

Assets

(thousands of euros)	Note	31/12/09	31/12/08
BALANCE SHEET - ASSETS			
Non-current assets			
Property, plant and equipment	14	333,348	272,013
Investment property	15	180	186
Intangible assets	16	3,334	3,711
Equity investments	17	91,932	53,252
of which:			
Equity investments valued using the equity method		89,924	51,222
Non-current financial assets	18	12,518	6,045
of which to related parties	*33*	*10,100*	*3,627*
Other non-current assets	19	19,454	15,454
Deferred tax assets	12	8,865	7,356
Total non-current assets		469,629	358,017
Current assets			
Inventories	20	100,929	108,092
Amounts due from customers	21	648,626	584,993
Trade receivables	22	713,142	516,765
of which to related parties	*33*	*29,606*	*34,982*
Tax receivables	18	23,546	22,299
Tax receivables	23	78,391	89,138
Other current assets	19	269,450	304,088
of which to related parties	*33*	*22,093*	*37,055*
Cash and cash equivalents	24	444,138	333,759
Total current assets		2,278,221	1,959,133
Total assets		2,747,850	2,317,150

Consolidated statement of the financial position

Net Equity and Liabilities

(thousands of euros)	Note	31/12/09	31/12/08
BALANCE SHEET - LIABILITIES			
Equity	25		
Share capital		193,610	193,554
Reserves:			
Legal reserve		14,972	13,542
Extraordinary reserve		91,278	76,710
Retained earnings (losses)		40,986	25,248
Other reserves		(7,313)	(8,511)
Other items of comprehensive income		(24,710)	(17,316)
Total capital and reserves		308,824	283,226
Profit (loss) for the year		51,458	42,101
Total Group equity		360,282	325,327
Minority profit (loss)		1,557	2,660
Other items of minority comprehensive income		509	325
Minority reserve		16,199	3,562
Minority equity		18,265	6,547
Total equity		378,547	331,874
Non-current liabilities			
Non-current financial liabilities	26	582,565	480,615
of which to related parties	*33*	*6,166*	*2,307*
Employee benefits	27	94,951	75,026
Deferred tax liabilities	28	9,555	10,314
Passività per imposte differite	12	119	161
Total non-current liabilities		687,190	566,117
Current liabilities			
Amounts due to customers	21	382,905	351,544
Trade payables	29	744,936	644,866
of which to related parties	*33*	*90,034*	*66,676*
Current financial liabilities	26	387,359	292,481
Tax payables	30	55,103	33,877
Provisions for current risks and charges	31	23,809	21,153
Other current liabilities	27	88,001	75,238
of which to related parties	*33*	*18,052*	*2,180*
Total current liabilities		1,682,113	1,419,160
Total liabilities		2,369,303	1,985,276
Total equity and liabilities		2,747,850	2,317,150

Statement of changes in equity

Changes in equity at 31 December 2008

(thousands of euros)

	Share capital	Legal reserve	Extraordinary reserve
Balance at 1 January 2008	195,050	12,152	61,857
Profit of 2008 continued operations			
Cash flow hedge for the period			
Conversion exchange rate differences			
Comprehensive economic result			
FTA changes			
Treasury shares	(1,496)		(1,604)
Dividends			
Provision as per Art, 27			
Allocation of profit of 2007 continued operations		1,390	16,457
Other changes			
Stock grant allocation reserve			
Balance at 31 December 2008	193,554	13,542	76,710

(*) The effect of other items in comprehensive income generates a Cash flow hedge reserve at 31 December 2008 equal to EUR (11,191) and a Translation reserve equal to EUR (6,125).

Changes in equity at 31 December 2009

(thousands of euros)

	Share capital	Legal reserve	Extraordinary reserve
Balance at 1 January 2009	193,554	13,542	76,710
Profit of 2009 continued operations			
Cash flow hedge for the period			
Conversion exchange rate differences			
Comprehensive economic result			
FTA changes			
Treasury shares	56		(281)
Dividends			
Provision as per Art, 27			
Allocation of profit of 2008 continued operations		1,430	14,727
Other changes			122
Stock grant allocation reserve			
Balance at 31 December 2009	193,610	14,972	91,278

(*) The effect of other items in comprehensive income generates a Cash flow hedge reserve at 31 December 2009 equal to EUR (17,166) and a Translation reserve equal to EUR (7,543).

Other items of comprehensive income	Other reserves	Retained earnings	Profit for the year	Total	Minority interests	Total Equity
(4,910)	(10,308)	18,313	38,097	310,251	1,834	312,086
			42,101	42,101	2,660	44,761
(14,579)				(14,579)		(14,579)
2,173				2,173	2,551	4,724
(12,406)			42,101	29,695	5,211	34,906
	(209)			(209)		(209)
				(3,100)		(3,100)
			(9,752)	(9,752)	(838)	(10,590)
			(417)	(417)		(417)
		10,081	(27,928)	-		-
	(4)	(3,147)		(3,151)	339	(2,812)
	2,010			2,010		2,010
(17,316)*	(8,511)	25,247	42,101	325,327	6,546	331,874

Other items of comprehensive income	Other reserves	Retained earnings	Profit for the year	Total	Minority interests	Total Equity
(17,316)	(8,511)	25,248	42,101	325,328	6,547	331,875
			51,458	51,458	1,557	53,015
(5,974)				(5,974)	655	(5,319)
(1,419)				(1,419)	(471)	(1,890)
(7,393)			51,458	44,065	1,741	45,806
	8			8		8
	659			434		434
			(9,732)	(9,732)	(1,639)	(11,371)
			(429)	(429)		(429)
		15,783	(31,940)	-		-
	(563)	(44)		(485)	11,616	11,131
	1,094			1,094		1,094
(24,709)*	(7,313)	40,987	51,458	360,283	18,265	378,548

Consolidated cash flow statement

(thousands of euros)	31/12/09	31/12/08
A – cash flow from operations:		
Group and minority result for the year	53,016	44,761
Adjustments to reconcile net profit (loss) to cash flow generated (used) by operations:		
Deferred taxes	5,137	2,503
Amortisation, depreciation and write-downs	46,534	41,956
Provisions for risks and charges	3,120	1,277
Costs for employee severance indemnity and defined benefit plans	2,053	1,642
Cost for employee incentive plans	1,660	3,469
Capital loss on transfer of non-current assets	456	517
Effects of valuation using equity method	278	(3,645)
Capital gain on transfer of non-current assets	(7,558)	(2,301)
Subtotal	*51,681*	*45,420*
Changes in operating assets and liabilities (working capital):		
Trade receivables	(196,377)	(53,675)
of which to related parties	*5,376*	*1,899*
Inventories and accounts receivable from customers	(60,707)	(90,626)
Trade payables	100,069	80,763
of which to related parties	*23,822*	*(21,761)*
Provisions for risks and charges	(656)	(4,194)
Amounts due to customers	31,361	114,079
Other operating assets	39,877	(75,135)
of which to related parties	*14,962*	*(13,506)*
Other operating liabilities	47,075	9,586
of which to related parties	*15,872*	*(488)*
Payment of employee severance indemnity and defined benefit plans	(2,812)	(2,260)
Subtotal	*(42,170)*	*(21,462)*
Cash flows from operations	62,527	68,719

Consolidated cash flow statement

(thousands of euros)	31/12/09	31/12/08
B – cash flow from investments:		
Investment property	6	6
Net investment in intangible assets	(458)	(1,288)
Net investment in tangible assets	(76,256)	(38,512)
Net investment for project finance initiatives	(62,958)	(27,523)
Sale (purchase) of other investments net of acquired cash, hedging of losses of non-consolidated companies and other changes in the consolidation area	(2,350)	3,372
Amounts collected from the sale of intangible and tangible assets and investment property	7,101	1,784
Change in financing of equity investments	(6,473)	4,285
of which to related parties	*(6,473)*	*4,285*
Cash flows from investment activities	(141,388)	(57,876)
C – cash flow from financing activities:		
Dividends paid + other changes	(6,342)	(24,972)
Taking out (repayment) of non-current payables net of commissions	101,950	67,091
of which to related parties	*3,859*	*609*
Net change in current financial payables (including leasing agreements)	94,878	(29,904)
Sale (purchase) of securities/bonds and treasury shares	(1,247)	15,164
Cash flows from financing activities	189,240	27,379
Net increase (decrease) in cash and cash equivalents	110,379	38,221
Cash and cash equivalents at beginning of year	333,759	295,538
Cash and cash equivalents at end of year	444,138	333,759

Notes to the consolidated financial statements

General information

Astaldi Group has been operating for over eighty years in Italy and abroad in the design and construction of major civil engineering works. It is one of the most important groups operating in the construction sector at an international level and is a leader in Italy in its capacity as general contractor and promoter of project finance initiatives.
The Group operates through the parent company, Astaldi S.p.A. which is a joint stock company (*società per azioni*) with registered offices at Via Giulio Vincenzo Bona 65, Rome. It has been listed in the STAR division of the Milan Stock Exchange since June 2002.

Sector form, contents and information

Astaldi Group's consolidated financial statements at 31 December 2009 have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union and in compliance with CONSOB regulations regarding international accounting standards. The aforementioned standards have been integrated with the interpretations of the IFRIC (International Financial Reporting Interpretations Committee) and SIC (Standing Interpretations Committee), approved by the European Union on 31 December 2009.
The financial statements include the statements provided for by IAS 1, amended by IASB and approved with EC Reg. 1274/2008, effective from 1 January 2009. This form has already been adopted at the time of drawing up the consolidated half-year report for 2009. The 2009 consolidated financial statements therefore include the following statements:

1. Separate Income Statement and Statement of Comprehensive Income;
2. Statement of Financial Position;
3. Cash Flow Statement;
4. Statement of Changes in Equity;
5. Explanatory Notes.

For this purpose, it is specified that the Group elected to draw up the statement of comprehensive income in two separate statements, as per par. 81 of the abovementioned accounting standard. Therefore, the income statement includes both a statement showing the profit(loss) items for the period (**Separate income statement**) and a statement which starts from the profit(loss) for the period and algebraically adds "other components of comprehensive income" (**Statement of comprehensive income**). For this purpose, it is noted that, As regards to the other components of comprehensive income, for Astaldi Group, only the items "Reserve for cash flow hedge" and "Translation reserve" are included. Moreover, it is underlined that these reserves in the statement of comprehensive income, do not alter its nature of suspended economic items, and therefore, an item not referring to the year, as per provisions set out by IAS 39 and IAS 21, respectively. Finally, it is noted that the balance sheet, in respect to the revised version of IAS 1, is now called the statement of financial position. However, no changes in disclosure of balance sheet items have occurred.
As a result of the above, the Statement of changes in equity and the Statement of financial position will also include changes related to the new layout of the income statement.
The changes described above do not affect the classification/disclosure of the income statement and balance sheet items. Therefore, the separate income statement is prepared based on a classification of each single component by kind. Such classification reflects the management report methods used within the Group and is therefore considered more representative compared to presentation of items according to use, providing more reliable and more relevant information for the sector of origin.
As far as the Statement of financial position is concerned, it has been chosen to enter items, separating assets and liabilities into current and non-current assets and liabilities, in accordance with the provision contained in paragraph 60 and following of IAS 1.
The cash flow statement shows cash flows for the year, broken down into operations, investments and financial activities; cash flows from operations are en-

tered using the indirect method.
The statement of changes in equity was defined according to the new IAS 1 standard, which includes changes related to the new layout.
Sector disclosure is regulated by the new IFRS 8, approved by EC Reg. 1358/2007 and effective as from 1 January 2009. The new standard on sector disclosure requires that the sectors subject to disclosure be identified based on a management approach, or taking account of the elements that the top management uses to take its strategic and operating decisions. It is specified that the operating sectors subject to disclosure were determined according to reporting used by the top management as an information set for their decisions. This reporting is specifically based on the various geographical areas in which the Group operates, and it is determined by using the same accounting standards used to draw up the consolidated financial statements. In this regard, refer to Note 34 for a presentation of the models for sector disclosure.

Drafting criteria

The consolidated financial statements have been prepared on the basis of the historical cost principle, except for derivatives that are valued at fair value. In this regard, since no fair value hedging transactions were performed, there are no financial instruments whose cost has been adjusted in relation to changes in the fair value attributable to the hedged risk.
All amounts are expressed in thousands of Euro unless otherwise indicated. Consequently, the total amounts in some statements can slightly deviate from the sum of the single addenda that compose the amount by virtue of round-offs.
The consolidated financial statements have also been prepared on the assumption of corporate going concern.
Finally, it is noted that specific items of 2008 have been reclassified, where necessary, to allow better comparability.

Changes in accounting standards

The accounting standards adopted in these consolidated financial statements are consistent with those adopted for the previous year, apart from those approved by the European Union which came into force as from 2009.
This refers, specifically, to amendments made to IAS 1 and IFRS 8, previously described and amendments to IAS 23 (EC Reg. 1260/2008). The new version of the standard has, in fact, eliminated alternative accounting; specifically, the new IAS 23 provides for borrowing costs to be capitalised when directly attributable to the acquisition, construction and production of an asset which justifies capitalisation. In other cases, borrowing costs must be entered as costs. It must also be noted that the new version of IAS 23 has generated an amendment to IAS 11. Indeed the new paragraph 18 provides for costs that can be attributed to contract activity in general and that can be charged to specific contracts to include borrowing costs as well. Previously, the aforementioned paragraph contained a cross-reference to IAS 23 with regard to recording of borrowing costs.
Another amendment to be specified, with effect as from 2009, is related to information as per IFRS 7. The amendment to this standard has been approved with EC Reg. 1165/2009 and sets out additional information on the determination of fair value and disclosure on liquidity risk. Other amendments to standards, such as IAS 32 and IAS 1 (EC Reg. 53/2009), IFRS 1 and IAS 27 (EC Reg. 69/2009) and Improvements to IFRS (EC Reg. 70/2009), effective from 2009 and described in the 2008 financial statements, had no equity or economic impact on the Group.

Summary of main accounting standards adopted

The most important accounting standards and valuation criteria adopted to prepare the consolidated financial statements at 31 December 2009 are listed below.

Consolidation area and consolidation standards

The Group's consolidated financial statements comprise the financial statements of the parent company, Astaldi S.p.A. and the Italian and foreign companies in which Astaldi holds the controlling interest, either directly or indirectly, and have been prepared, for the purpose of consolidation, in accordance with the IFRSs adopted by Astaldi Group. A list of the companies included in the area of consolidation and relative percentages held by the Group, either directly or indirectly, together with other important information, is attached to these Notes. Summarized below, a list of the companies included in the consolidation area at 31 December 2009 showing the changes with regard to the previous year.

Consolidation area (*)

1	Astaldi International Ltd	100.00%
2	Messina Stadio S.c.r.l.	100.00%
3	Sartori Sud Srl	100.00%
4	Groupement G.R.S.H.	100.00%
5	Astaldi Bulgaria LTD	100.00%
6	Astaldi International Inc.	100.00%
7	Astaldi-Astaldi International J.V.	100.00%
8	Astaldi Algerie EU r.l	100.00%
9	Astaldi Construction Corporation	100.00%
10	Astaldi Arabia Ltd	100.00%
11	Euroast S.r.l. in liquidation	100.00%
12	Italstrade IS S.r.l.	100.00%
13	Redo-Association Momentanée	100.00%
14	Seac S.p.a.r.l. in liquidation	100.00%
15	I.F.C. Due S.C.a.r.l. in liquidation	99.99%
16	CO.MERI S.p.A.	99.99%
17	AR.GI S.p.A.	99.99%
18	Astaldi de Venezuela C.A.	99.80%
19	Astalrom S.A.	99.51%
20	Romairport S.r.l.	99.26%
21	Silva S.r.l. in liquidation	99.00%
22	Astur Construction and Trade A.S.	99.00%
23	Astaldi Fe Grande Cachapoal Ltda	95.00%
24	Toledo S.c.r.l.	90.39%
25	Susa Dora Quattro S.c.r.l. in liquidation	90.00%
26	S. Filippo S.c.r.l. in liquidation	80.00%
27	CO.NO.CO. S.c.r.l.	80.00%
28	Portovesme S.c.r.l.	80.00%
29	Forum S.c.r.l.	79.99%
30	Bussentina S.c.r.l. in liquidation	78.80%
31	AS.M. S.c.r.l.	75.91%
32	Mormanno S.c.r.l. in liquidation	74.99%
33	S.P.T Società Passante Torino S.c.r.l.	74.00%
34	CO.ME.NA Scarl	70.43%
35	Astaldi-Max-Bogl-CCCF JV S.r.l.	66.00%
36	SCAR Scrl	61.40%
37	Cachapoal Inversiones Limitada	60.00%
38	GARBI Linea 5 S.c.r.l.	60.00%
39	Quattro Venti S.c.r.l. in liquidation	60.00%
40	Inversiones Assimco Limitada	60.00%
41	Consorcio Rio Pallca	60.00%
42	Ospedale del Mare S.c.r.l.	60.00%
43	Partenopea Finanza Progetto S.p.A.	59.99%
44	C.O.MES. S.c.r.l. in liquidation	55.00%
45	Italstrade Somet JV Rometro Srl	51.00%
46	INFRAFLEGREA PROGETTO S.P.A.	51.00%
47	Romstrade S.r.l.	51.00%
48	Italstrade CCCF JV Romis Srl	51.00%

(*) The following changes are noted:

1. Exits from the consolidation area due to final liquidation: Palese Park S.r.l.; Consorzio Astaldi-C.M.B. Due in liquidation;Eco Po Quattro S.C.r.l. in liquidation.
2. The following have been included in the consolidation area: Cachapoal Inversiones Limitada; Inversiones Assimco Limitada; Consorcio Rio Pallca

The investment in the entity Messina Stadio S.c.r.l. (2008:66.67%;2009:100%) and in the entity Astalrom S.A. (2008:99.12%;2009:99.51%) is noted.

The financial statements approved by the Shareholders' Meetings or, if not yet approved, the draft financial statements prepared by the Boards of Directors have been used to perform consolidation. The reference dates of the consolidated companies' financial statements coincide with that of the Parent Company's apart from the investee company Astaldi de Venezuela C.A. whose financial year ended at 30 November 2009. In this regard, the company was consolidated taking into account the provisions contained in IAS 27 for such circumstances. The financial statements included in the consolidation are prepared in accordance with the Parent Company's accounting standards, making adjustments where necessary in order to update the valuation of specific items according to different standards. Specifically, the companies where Astaldi has a controlling interest have been fully consolidated. Such controlling interest consists in holding the majority of voting rights, either directly or indirectly, or the powers to determine the company's financial and managerial choices, obtaining the relevant benefits, regardless of shareholder composition.
Equity investments in companies where control is exercised jointly with third parties are consolidated using the equity method.
Subsidiaries are consolidated on a line-by-line basis starting from the date of acquisition, or from the date on which the Group acquired the controlling interest, and cease to be consolidated as from the date on which the controlling interest is transferred outside the Group.
All intra-group operations and balances, including possible unrealised profits and losses resulting from relations between Group companies, are completely eliminated. In this respect it is noted that, as far as capitalised internal constructions on freely transferable assets are concerned, the margins inside the Group have not been reversed. Both because works were awarded by grantors in accordance with the procedures provided for by law, based on market prices, and because the margins in terms of absolute amounts are insignificant. Moreover, such works performed on behalf of third parties will be freely transferred to the respective grantors upon expiry of the individual concessions.
Equity investments in companies over which a considerable influence is exercised, generally combined with a shareholding of between 20% and 50%, are valued using the equity method. In the event of application of the equity method, the value of the holding is aligned with equity, adjusted where necessary to reflect application of IFRSs, and includes goodwill (net of impairment) as identified at the moment of purchase, as well as the effects of adjustments required by standards regarding the drafting of consolidated financial statements. Specifically, any profit and loss from transactions between the Group and the associate company is eliminated in proportion to the share held in the associate company.
As far as investments in associate companies and companies under joint control are concerned, any losses of value exceeding the book value are entered in the provision for risks on investments, solely to the extent to which the subsidiary has undertaken legal or implicit obligations or made payments on behalf of the companies.

Conversion of items and translation of financial statements in foreign currency

Astaldi Group's financial statements have been prepared in Euro, which is the Parent company's presentation and functional currency.
The balances included in each Group company's financial statements have been entered in the currency of the Company's main economic environment (functional currency). The items expressed in a currency other than the functional currency, being monetary (cash and cash equivalents, assets and liabilities payable or receivable with pre-set or determinable sums of money, etc.) or non-monetary (inventories, works in progress, advances to suppliers of goods and/or services, goodwill, intangible assets etc.) are initially entered at the exchange rate in force at the transaction date. The monetary items are subsequently converted into the functional currency at the exchange rate on the closing date of the financial statements and the resulting differences are entered in the income state-

ment. The non-monetary items are kept at the conversion rate on the transaction date except in the event of an ongoing unfavourable trend in the reference exchange rate. The exchange rate differences relating to non-monetary items are entered (income statement or equity) in the same way as the differences in the value of such items.
The rules for translating financial statements expressed in foreign currency into the presentation currency are as follows:

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

In the event of hyperinflationary economies, according to the definition supplied by IAS 29, measurement criteria provided for by the above-mentioned standard are taken into account.

Property, plant and equipment

Tangible assets are valued at purchase or production cost, net of accrued depreciation and any impairment. The cost includes all expenses directly incurred in order to prepare assets for use, as well as any charges for dismantling and removal needed to restore the site to its original conditions.
Charges incurred for routine and/or cyclical maintenance and repairs are charged directly to the income statement in the financial year when incurred. Costs related to extension, renovation or improvement of facilities owned or used by third parties are capitalised exclusively within the limits in which they meet the requirements for separate classification as an asset or part of an asset. Borrowing costs incurred are capitalized when conditions set out by the new IAS 23 occur.
The value of an asset is adjusted by systematic depreciation, calculated in relation to the residual possibility of use based on its useful life. Depreciation applies as from when the asset becomes available for use. The useful life estimated by the Group for the various categories of assets is as follows:

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

Land, including land pertaining to buildings, is not depreciated.
In case the asset subject to depreciation is composed of distinctly identifiable elements, whose useful life differs significantly from that of the other components forming the tangible asset, depreciation is performed separately for each of the components forming the asset, in application of the component approach policy.
Profits and losses resulting from the sale of assets or groups of assets are calculated by comparing the fair value, net of sales costs, with the relevant net book value.
Pending entrance into force of IFRIC 12, for which reference is made to the following paragraph "Future changes in accounting standards", freely transferrable assets, where assets under concession are classified, are systematically depreciated in every financial year, after completion of their construction, on the basis of their residual possible use, considered in relation to the duration of the concession or the asset's useful life, if shorter. Any provision to cover the cost of restoring or replacing freely transferable assets is entered in the provision for risks and charges.
The Group's main concessions are listed below. Reference is made to the Management Report for more detailed information:

Type of concession: Car parks

Grantor	Purpose of concession	Concession expiry
Municipality of Turin	Design, construction and management of a multi-storey car park	Year: 2076
Municipality of Turin	Design, construction and management of a multi-storey car park	Year: 2079
Municipality of Bologna	Design, construction and management of a multi-storey car park.	Year: 2058
Municipality of Bologna	Design, construction and management of a multi-storey car park	Year: 2040
Municipality of Verona	Design, construction and management of a multi-storey car park (*)	Year: 2055

(*) Currently under construction

Type of concession: Healthcare (*)

Grantor	Purpose of concession	Concession expiry
ULSS 12 Veneziana (**) (Venice Local Health Authority 12)	Design, construction and management of no-core services of the new hospital in Mestre	23.5 years of management
ASL Napoli 1 (***)	Design, construction and management of no-core services of the new hospital in Naples (*)	25 years of management plus 3.7 years for design and construction
SIOR (Hospital Integrated System of Tuscany) (***)	Design, construction and management of no-core services of the four new hospitals in the Apuane area, Lucca, Pistoia and Prato (*)	19 years of management plus 3.9 years for design and construction

Type of Concession: Underground (*)

Grantor	Purpose of concession	Concession expiry
Municipality of Milan (***)	Design, performance of civil and technological works and management of the underground line (*)	27 years of management plus 5.1 years for design and construction

(*) It is noted that the concessions under evaluation were granted by special purpose vehicles in which the Group holds a control investment for the concession of the Hospital in Naples and a link investment for other concessions.

(**) Being managed since 2008

(***) Currently under construction

It is noted that the aforementioned concessions provide for obligations regarding extraordinary maintenance of buildings. It is worth noting a further equity investment in Chile in the water sector. For more detailed information on the business in question, reference is made to the Management Report.

Leased property, plant and equipment

Tangible assets owned through financial leasing agreements, which basically transfer all the risks and benefits of ownership to the Group, are entered in the financial statements, at the effective date of the agreement, as Group assets at their current value or, if lower, at the current value of the minimum payments due for the leasing agreement, including the sum to be paid for exercising the purchase option. The corresponding liabilities, vis-à-vis the lessor, are posted among financial payables.
If there is no reasonable certainty that ownership of the asset shall be acquired upon expiry of the leasing agreement, the financially leased assets are depreciated over a period equal to the duration of the leasing agreement or the useful life of such asset, whichever is shorter.
Leases in which the lessor largely maintains all the risks and benefits of ownership of the assets are classified as operating leases. The charges referring to operating leases are entered in the income statement in the financial years of the duration of the leasing agreement.

Intangible assets

Intangible assets are non-monetary items having no physical consistency, and clearly identifiable and suited to generating future economic benefits for the company. These items are recorded in the financial statements at purchase and/or production cost, including expenses that may be directly attributed during the preparation phase to bring it into operation, net of accrued amortisation (with the exception of assets with an undefined useful life) and any impairment. Amortisation is performed as of when the asset is available for use, and is divided systematically in relation to the residual possibility of its use, which is based on its useful life. A rate is applied which takes into account its actual use during the financial year in which the intangible asset is entered for the first time.
Industrial patent and intellectual property rights are entered at purchase cost, net of amortisation and impairment accrued over time.
Amortisation is performed as from the financial year in which the purchased right is available for use, and takes into account the corresponding useful life.
Concessions, licenses and similar rights are entered at cost, net of amortisation and impairment accrued over time. Amortisation is performed as from the financial year in which ownership is acquired, in relation to its duration.
Goodwill, related to business combination transactions, is entered among intangible assets and represents the positive difference between the cost incurred to acquire a business or line of business and the acquired share in relation to the value of the assets and liabilities forming the capital of the business or line of business. Potential Purchased and identifiable assets and liabilities (including respective minority interests) are entered at their current value (fair value) at purchase date. While the negative difference, if any, is entered in the income statement at the time of purchase. After its initial disclosure, goodwill is not amortised, but it is tested for impairment.
Goodwill undergoes checks to identify any impairment, in accordance with the provisions of IAS 36 (Impairment of assets) on an annual basis, or more frequently if specific events or changed circumstances show the possibility that it has been subject to impairment. In this regard, it is noted that no goodwill was recorded at 31 December 2009.

Business combinations

The Group values the purchased assets and liabilities at its fair value at purchase date; this means that any minority interests in the acquired share must be re-expressed in proportion to the minority share of new fair values, net of such assets and liabilities.
No business combination transactions were performed during 2009.

Investment property

An investment property is recognised as an asset when it is property held for the purpose of receiving rent or appreciation of the invested capital, provided that the cost of the asset can be reliably established and the relevant economic future benefits can be used by the company.
Investment property is valued at purchase or production cost, increased by any additional costs, net of accrued depreciation and any impairment.
The useful life of the property is between 20 and 33 years.
Investment property is eliminated from the financial statements when transferred or when the investment is unusable in the long-term and no future economic benefits are expected from its transfer.

Impairment of tangible and intangible assets

Assets with an undefined useful life are not subject to systematic amortisation, but are subjected to an impairment test, at least once a year. Such test checks the recoverability of the value entered in the financial statements.
For assets subject to systematic amortisation and depreciation, the presence of indicators leading to the possibility of impairment is assessed; consequently the recoverable amount of the asset is estimated. Such amount is defined as the greater between the fair value net of sale costs and the asset's value in use, with any surplus entered in the income statement.
Should the prerequisites for the previously performed impairment cease to exist, the asset's book value is restored within the limits of the net book value. Any value restoration is recorded in the income statement. Conversely, the value of previously amortised goodwill or an intangible asset with an undefined useful life is never restored.
When the recoverable amount of an individual asset cannot be estimated, the Group estimates the recoverable amount of the cash generating unit to which it belongs.
It is noted that during 2009, internal and external indicators of impairments, as defined in IAS 36, showed no need to perform an impairment test on tangible and intangible assets. Furthermore, it is noted that, in the absence of goodwill and having ascertained that the recoverable value of individual assets may be easily calculated, the Group has not identified any impairment.

Equity investments

Investments in companies other than subsidiaries, associate companies and joint ventures, for which the consolidation area should be referred to (generally with a share of less than 20%) are classified, at the moment of purchase, among "equity investments" and valued at cost in case calculation of the fair value is unreliable. In this case, the cost is adjusted for impairments according to provisions set forth by IAS 39.

Inventories

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

Long-term contracts

Works in progress are entered on the basis of progress (or percentage of completion), according to which costs, revenues and the margin are entered on the basis of activities carried out. The percentage of completion is calculated by applying the “incurred cost” (cost to cost) criterion.
Valuation reflects the best estimate of works performed at reporting date. Assumptions, underlying measurements, are periodically updated. Any economic effects deriving therefrom are accounted for in the year in which such update is made.

Contract revenues include:
agreed contractual, changes in works, price reviews, and incentives, to the extent in which these are likely to be valued reliable. Specifically, the relative valuations are performer by referring to:
- specific legislation regarding public works and International legislation,
- contract clauses,
- specific technical-legal studies on the positive results which can be reasonably reached in legal disputes with customers

Contract costs include:
all costs that refer directly to the contract, costs that may be attributed to contract activity in general and that may be allocated to such contract, as well as any other costs that may be specifically charged to the customer on the basis of contract clauses.
Such costs moreover include:
- pre-operating costs, i.e. the costs incurred during the initial phase of the contract prior to the start of construction activity (tender preparation costs, design costs, organisation and production start-up costs, construction site installation costs), as well as,
- post-operating costs incurred after completion of the contract (site removal, return of equipment/machinery to base, insurance, etc.), and additionally,
- costs for services to be performed after the completion of works (for example, regular maintenance, assistance and supervision during the first phase of operation of individual works).

Finally, it is noted that contract costs include borrowing costs, as allowed by the amendment to IAS 11 in connection with the new IAS 23 standard, resulting from financing specifically referred to works carried out under project finance and general contractor schemes. In fact, during the call for tenders, specific terms of payment are defined on the basis of law conditions that require the Group to perform structured financing transactions on the contract’s invested capital, the relative charges for contract fee calculation.
Should it be forecasted that completion of a contract may generate a loss, this shall be entirely recorded in the financial year when reasonably expected.
When the outcome of a long-term contract cannot be reasonably estimated, the value of work in progress is calculated on the basis of costs incurred, assuming it is reasonably expected that such will be recovered without recognition of the margin.
When favourable or unfavourable events attributable to present situations at date of the financial statements occur after balance-sheet date, the amounts entered in the financial statements are adjusted to reflect the consequent economic, financial and equity effects.
Work in progress is presented net of any provisions for depreciation and/or final losses, as well as of any advances for the contract in progress.
In this regard, it is noted that invoiced amounts related to individual interim work reports (Advances) are presented in a manner to reduce the gross contract value, if the latter is higher, and any surplus is entered under liabilities. On the other hand, invoiced advances are considered as financial transactions and are not relevant for the purpose of revenue recognition. Therefore, since advances represent simple financial events, these transactions are always entered among liabilities insofar as received not as consideration for works carried out. However, such advances are progressively decreased, usually by virtue of contract agreements, to offset invoicing of contract.
Relating to provision for losses on individual contracts, it is noted that in case such provision exceed the contract value entered among assets, such excess is recorded under “Amounts due to customers”.

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

Accounts receivable and financial assets

The Group classifies financial assets in the following categories:

- assets at fair value with offset to the income statement;
- accounts receivable and loans;
- financial assets held to maturity;
- financial assets available for sale.

Classification depends on the reasons for which the asset was acquired, the nature thereof, and the valuation made by management as at the purchase date.
All financial assets are initially valued at fair value, increased by additional charges in the case of assets other than those classified at fair value with offset to the income statement.
The Group determines the classification of its own financial assets after initial entry and, if appropriate and allowed, reviews such classification at the end of each financial year. In this regard, it is noted that during 2009, consistently with the previous year, the categories adopted were accounts receivable and loans and assets at fair value with offset to the income statement; the latter includes derivatives and some securities of a minor amount.

Financial assets at fair value with offset to the income statement

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

Accounts receivable and loans

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

Financial assets held to maturity

Contrary to derivatives, these assets have a pre-established maturity and are the assets which the Group intends to hold in its portfolio until maturity.
Such assets are valued at the amortised cost based on the effective interest rate method. Those whose contractual term is established within 12 months are classified under current assets. Any impairment calculated through the impairment test is entered in the income statement.

Financial assets available for sale

This category includes financial assets, which are not derivatives, specifically designated as falling within this category or not classified in any of the three previous categories. They are valued at fair value, with any changes in value being offset to a specific equity provision (“provision for financial assets available for sale”). Such provision is recorded in the income statement only when the financial asset is actually transferred or, in the event of decrease in value, when it is clear that the impairment recorded in equity cannot be recovered. Classification as current or non-current assets depends on the management’s intentions and on the negotiability of the security. Assets whose realization is expected in the subsequent 12 months are entered among current assets.

Impairment of financial assets

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

Assets valued at amortised cost

If there is actual evidence that financing or a receivable entered at amortised cost might be impaired, an impairment test is performed in order to determine the difference between the book value of the asset and the current value of estimated future cash flows (excluding losses on future amounts receivable not yet incurred) discounted by the initial actual rate of interest of the financial assets (i.e. the actual interest rate calculated at the date of initial entry). The book value of the asset will be reduced by application of a provision. The amount of the loss will be entered in the income statement.
With reference to trade receivables, amortisation for impairment is made when there is evidence, largely based on the counterparty’s nature, that there is no possibility of collecting such receivables according to the original conditions. If, subsequently, the amount of impairment decreases, the relatively decreased value may be restored. Any subsequent restorations of value are entered in the income statement, in the extent in which the asset’s book value does not exceed the amortised cost at the date of restoration.

Financial assets available for sale

In case of impairment of a financial asset available for sale, an amount corresponding to the difference between its cost (net of repayment of capital and amortisation) and its current fair value is deducted from equity and entered in the income statement, net of any impairment previously entered in the income statement.
Reversing of value relating to equity investments classified as available for sale is not entered in the income statement. Reversing of values relating to debt instruments is entered in the income statement if the increase in instrument’s fair value may be objectively attributed to an event which occurred after impairment was entered in the income statement.

Derivatives

Derivatives are usually considered as instruments suitable for hedging and effective in neutralising the risk of underlying assets or liabilities or Astaldi Group undertakings, except when they are classed as assets held for the purpose of trading and valued at fair value with offset to the income statement.
The Group uses derivatives within the context of hedging strategies aimed at neutralising the risk of fluctuations of cash flows expected with regard to contractually defined or highly probable transactions (cash flow hedges). Fair value fluctuations of derivatives designated as cash flow hedges and qualified as such are entered, the “effective” portion, in a specific reserve charged to the statement of comprehensive income (“cash flow hedge reserve”), which is then entered in the income statement of the separate income statement when the economic effects of the hedged item arise. The difference in fair value referable to the ineffective share is immediately entered in the separate income statement for the year. If the derivative

instrument is transferred or no longer qualified as an effective hedge against the risk for which the operation had been made, or the occurrence of the underlying operation is no longer considered highly probable, the relative share of the "cash flow hedge reserve" is immediately entered in the separate income statement. Financial derivatives are initially entered at fair value at the stipulation date; subsequently, such value is periodically adjusted. Derivative instruments are entered as assets when the fair value is positive, and as liabilities when the fair value is negative. Possible profit or loss deriving from changes in the fair value of derivatives not suitable for hedge accounting are entered directly in the income statement during the year. The effectiveness of hedging operations is documented both at the start of the transaction and periodically (at least at every date of publication of financial statements or interim reports), and is measured by comparing the changes in the fair value of the hedging instrument with those of the hedged item, or, in the case of more complex instruments, through statistical analyses based on risk fluctuation.
It is noted that the Group does not stipulate derivative contracts for speculative purposes. However, not all derivative transactions carried out for risk hedging purposes are entered according to the rules of hedge accounting.

Calculation of fair value

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised from financial statements when:
- the rights to receive cash flow from the asset have expired;
- the right to receive cash flow from the asset is retained, but according to contract obligations such cash flow has to be paid immediately and entirely to a third party;
- the Group transferred the right to receive cash flows from the asset and the Group: (a) has substantially transferred all risks and benefits deriving from ownership of the financial asset, or (b) has neither transferred nor kept all the risks and benefits deriving from the asset, but has transferred the control of the asset.

In the cases where the Group has transferred the rights to receive cash flow from an asset and has neither transferred nor kept all the risks and benefits or has not lost the control of the asset, such is entered in the Group's financial statements in the extent of the Group's residual involvement in the asset itself. The residual involvement which, by way of example, is represented by a guarantee on the transferred asset, is valued at the initial book value of the asset or the maximum value of the consideration the Group may be required to pay, whichever is lower.
Financial liabilities are derecognised from the financial statements when the obligation underlying the liability expires, is cancelled, or discharged. In the cases where an existing financial liability is replaced by another liability from the same lender, under substantially different conditions, or the conditions of an existing liability are substantially changed, such replacement or change is considered as derecognition of the original liability and recognition of a new liability. Any differences between the accounting values are consequently entered in the income statement.

Cash and cash equivalents

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

Equity

Share capital

The share capital is the parent company's subscribed and paid up capital. Costs strictly related to shares issue are classified as reducing the share capital when such costs are directly attributable to the capital transaction.

Treasury shares

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

Retained earnings (losses)

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

Other reserves

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

Other items of comprehensive income

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

Financial liabilities

Financial liabilities are initially entered in the financial statements at their fair value, net of transaction costs, and are subsequently valued at their amortized cost.
Any difference between the sum received (net of transaction costs) and the nominal value of the payable is entered in the income statement by applying the actual interest rate method.
Financial liabilities are classified as current liabilities unless the Group has the contractual right to fulfil their obligations at least more than 12 months subsequent to the date of the financial statements.
It is noted that the Group has not designated any financial liability at fair value with offset to the income statement.

Trade payables and other payables

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

Income taxes

Current taxes

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

Deferred taxes

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

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

Deferred tax assets are entered against all deductible temporary differences. Deferred tax assets contain tax losses carried forward, in the extent in which sufficient future tax profits that can make its use applicable are likely, except when the deferred tax asset results from initial valuation of an asset or liability in a transaction that is not a business combination and that, at the moment of the transaction, does not affect the profit for the year, calculated for the purpose of financial statements, or the profit or loss calculated for tax purposes.
The value of deferred tax assets to be entered in the financial statements is reassessed at each closing date of the financial statements and reduced in the extent in which sufficient future tax profits are no longer likely, in order to allow all or part of the credit to be used. Deferred tax assets that are not entered are reassessed on an annual basis at the closing date of the financial statements, and are entered in the extent in which it is likely that the tax profit is sufficient to allow the deferred tax assets to be recovered.
Deferred tax assets and liabilities are measured on the basis of tax rates expected to be applied for the period in which such assets will be realised or such liabilities will be discharged, considering the rates in force and those already substantially issued at the closing date of the financial statements.
Deferred tax assets and liabilities are offset in the event of a legal right to offset current tax assets with current tax liabilities and when the deferred taxes refer to the same tax and the same tax authority.
Income taxes (deferred and current) directly related to equity items are entered under equity and not in the income statement.

Employee benefits

Provision for Employee Severance Indemnity

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

Cash-settled, share-based payments

The Parent Company has set up an incentive scheme for top management, linked to their achievement of specific economic-financial targets. Such scheme consists in attributing Astaldi stock to the recipients, on a free basis, or in payment – still on a free basis – to the same recipients, of the value corresponding to Astaldi stock. The scheme's attribution cycle refers to the three-year vesting period. Indeed, upon the date of approval of the financial statements relating to the years 2007-2009, after ascertaining that targets have been achieved by the recipients, the latter may exercise the right to collect the incentive in cash, or in stock, or part in cash and part in stock.
In view of its characteristics, the scheme represents, to all intents and purposes of the application of IFRS 2, a mixed share-based payment transaction, since the recipient may choose to receive cash and/or instruments representing the company's capital.

Provisions for risks and charges

The provisions for risks and charges are entered when at balance date there is a current obligation (legal or constructive) resulting from a past event, the outflow of resources to settle the obligation be likely and a reliable estimate of the obligation can be made.
The provisions are entered at the value representing the best estimate to settle the obligation or to transfer it to third parties at the closing date of the period. If the effect of discounting the cash outflow is significant, the amounts allocated are calculated by discounting the future expected financial flows at a pre-tax discount rate that reflects the current market valuation. When discounting is performed, the increase in the provision due to passing of time is entered as a financial charge in the income statement.

Revenues other than from contracts in progress

Revenues are valued at the fair value of the payment received, taking into account any discounts and reductions linked to quantities.
Revenues related to the sale of goods are posted when the company has transferred the significant risks and benefits connected with ownership of the assets to the buyer, which in many cases coincides with transferring ownership or possession to the buyer, and the value of the revenue may be reliably calculated.
Revenues from services rendered are entered, when they can be reliably estimated, on the basis of the percentage-of-completion method.

Government grants

Government grants are entered when there is reasonable certainty that such grants will be received and all the conditions relating thereto are satisfied. When the grant relates to cost items, it is deferred and systematically released over the years to income statement in such proportion that it offsets the corresponding costs. In case the grant is linked to an asset, the grant's fair value is entered as a reduction of the asset. The grant is accrued among liabilities should the underlying asset not be in operation or is under construction. The relative amount is not included in the value of the asset in question.

Borrowing costs

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

Dividends

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

Costs

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

Profit per share

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

Use of estimates

Preparing the financial statements and notes in compliance with IFRSs requires the formulation of estimates and assumptions affecting the values of assets and liabilities and the information regarding potential assets and liabilities. In respect to the recently issued document by Banca d'Italia/CONSOB and ISVAP no. 2 dated 6 February 2009, it is noted that such estimates are based on the most recent information available to top management at the time of preparing these financial statements, the reliability of which is, therefore, unprejudiced.
Estimates are used, inter alia, to record provisions for credit risks, contract revenues, amortisation and depreciation, write-down of assets, employee benefits, taxes, other amounts allocated, and provisions. The final results may differ from these estimates. Estimates and assumptions are periodically reviewed and the effects of all changes are reflected in the income statement of the period when the change occurred.

New accounting standards and interpretations adopted by the European Union but still not in force.

The possible impacts on the consolidated financial statements deriving from amendments or new standards effective after 31 December 2009 are indicated below with a short description:

- IAS 27 Consolidated and Separate Financial Statements (Reg. EC No. 254/2009): the amendments to the standard refer to accounting policies on equity transactions that may involve losses of control.
- IFRS 3 Business Combinations (Reg. EC No. 495/2009): the new version of the standard defines the accounting standards on the calculation of goodwill, the disclosure of the third party portion for acquisitions lower than 100% and the measurement of transaction costs.

Conversely, according to IFRIC interpretations that the European Union approved, and that will be effective after 31 December 2009, the following is noted: i) Reg. 1164/2009 which approves the IFRIC 18 standard regarding the disposal of assets by customers; ii) Reg. 1142/2009, which approves the IFRIC 17 regarding the distribution of assets to owners, excluding cash; iii) Reg. 636/2009, which approves the IFRIC 15 standard regarding the agreements for the construction of buildings, especially for residential use. Its interpretation clarifies when the IAS 11 and the IAS 18 are to be applied; iv) Reg. 254/2009, which approves the IFRIC 12 – Service Concession Agreements. For this purpose, it is specified that only the last mentioned Regulation had an impact on accounts, and reference is made to information given below.

Future changes in accounting policies

IFRIC 12 Service Concession Arrangements

This interpretation requires that concession agreements be included in their application context if two conditions are jointly fulfilled. The first condition requires that the authority granting the concession set out what the services to be rendered are and to whom and at what price these services must be rendered. The second condition requires that the authority granting the concession check the infrastructures, through its ownership or other right, upon termination of the concession agreement. As it is well known, the concession agreements can require that the authority granting the concession carry out two services: construction and management services. For this purpose, the interpretation sets out that the construction service represents a "contract in progress" and therefore refers to the accounting regulations of IAS 11 governing these agreements. As regard the management service, the IFRIC 12 standard refers to IAS 18 "Revenues", governing the disclosure of revenues arising from the management of a trade activity. As highlighted, the infrastructure under concession remains under the control of the authority granting the concession. The concessionaire only holds the right of use or an unconditioned right to receive a payment by the authority granting the concession.

According to the IFRIC 12 standard, therefore, the infrastructure shall be recorded as:
1) an intangible asset if the concessionaire has a right of use the infrastructure and it is therefore subject to the risk of demand deriving from this use;
2) a financial asset, or a financial receivable, if the concessionaire has the right to receive a periodical payment from the authority granting the concession.

For this purpose, it is specified that, according to the type of agreements between the authority granting the concession and the concessionaire, the infrastructure can be recorded only as intangible asset, financial asset or mixed form.

In addition to the above, it is noted that: i) according to results of the first analysis, the concession arrangements of the Astaldi Group are included in the application framework of IFRIC 12; ii) regulations of IAS 11 will be applied to infrastructures under concession and still to be completed, in compliance with provisions set forth by IFRIC 12; iii) with respect to the first measurements, most infrastructures under concession, already completed, are both a financial asset and a mixed form from the accounting point of view.

While awaiting for the effectiveness of IFRIC 12, it is noted that infrastructures under concession were accounted for according to the accounting procedure in force, consistently with the 2008 financial statements. Information was instead supplied according to SIC 29 – Additional Information – Service Concession Agreements.

Notes to the consolidated financial statements

1. Revenues: EUR 1,797,875 (EUR 1,466,848)

Revenues from works total to EUR 1,797,875, up by around 23% compared to 31 December 2008. This increase, which also confirms the plan objectives, is due to a general increase of strategic areas in which the Group operates, including the domestic area. The revenues from works is as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Revenues from sales and services	499,823	536,841	(37,019)
Changes in products in progress, semi-finished and finished goods and construction projects	(4,237)	8,222	(12,458)
Changes in contracts in progress	1,302,289	921,785	380,504
Total	1,797,875	1,466,848	331,027

It is noted that the item "Revenues from sales and services" includes the amounts for works performed and approved by the respective customers, while the item "Changes in contracts in progress" represents the value of works performed during the period, but not yet completed.
Moreover, the remarkable increase of the Americas area, as it is shown in the following table on revenues broken down by geographical areas, is not only due to Venezuela, but also to Chile and Central America (El Salvador and Honduras), resulting from a prudent risk diversification policy within the Americas area. For more detailed information on contracts, reference is made to the Management Report.
Revenues broken down by geographical area are shown below:

(thousands of euros)	31/12/09	%	31/12/08	%	Difference
Italy	803,527	44.7%	750,229	51.1%	53,298
Europe	258,117	14.4%	173,299	11.8%	84,818
America	501,135	27.9%	300,209	20.5%	200,925
Africa	121,178	6.7%	158,307	10.8%	(37,129)
Asia	113,917	6.3%	84,803	5.8%	29,114
Total	1,797,875	100.0%	1,466,848	100.0%	331,027

For more detailed information on this item, refer to note 34 of Sector Information according to IFRS 8.
Finally, it is specified that, consistent with previous year, this item includes the economic benefits of works performed in Venezuela, through translation of values in foreign currency, originally in currencies other than the Euro, used by the customer to settle contract undertakings.

2. Other revenues: EUR 71,661 (EUR 58,792)

Other revenues, equal to EUR 71,661, comprise economic items not directly related to the Group's main production activity, but nevertheless secondary to the core business and of a lasting nature. The item in question is as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Revenues from sales of goods	12,315	7,380	4,935
Services provided to third parties	19,457	20,080	(623)
Services and activities to manage joint projects	3,287	2,866	421
Rentals and leases receivable	5,786	6,595	(809)
Net gains from disposal of tangible assets	7,558	2,301	5,257
Other	23,258	19,570	3,688
Total	71,661	58,792	12,869

A general increase was recorded in all item components and the following is highlighted:

- EUR 4,935 is related above all to the domestic market and regards operations with sub-contractors for each single arrangement;
- EUR 5,257 mainly deriving from the disposal of tangible assets in Central America.
- EUR 3,688, connected with residual and marginal assets, mainly composed of EUR 2,750 from insurance repayments, EUR 7,508 from use of surplus Provisions with respect to the need for future resources necessary to fulfil any obligations deriving from past events, EUR 7,633 from contingent assets and EUR 4,396 of sundry revenues.

Decreases, although not material, of revenues from leases mainly refer to the domestic area.

3. Purchase costs: EUR 310,962 (EUR 296,593)

The costs for the purchase of raw materials, subsidiary materials and consumables, net of changes in warehouse inventories, total to EUR 310,962, with a net increase of around 5% with respect to the previous year.
The item in question is as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Purchase costs	318,812	311,167	7,645
Changes in inventories of raw materials, subsidiary materials, consumables and goods	(7,850)	(14,574)	6,724
Total	310,962	296,593	14,369

The increase, although reduced by virtue of the prudent management of the stock cycle, is mainly due to the Americas (El Salvador, Honduras, Costa Rica, Bolivia, Chile and Venezuela) and Asia (Qatar).
The geographical breakdown of purchase costs is as follows:

(thousands of euros)	31/12/09	%	31/12/08	%	Difference
Italy	130,291	40.9%	143,686	46.2%	(13,395)
Europe	36,188	11.4%	44,867	14.4%	(8,679)
America	88,662	27.8%	43,930	14.1%	44,732
Africa	31,236	9.8%	49,483	15.9%	(18,247)
Asia	32,436	10.2%	29,201	9.4%	3,234
Total	318,812	100.0%	311,167	100.0%	7,645

4. Service costs: EUR 1,085,135 (EUR 820,719)

Service costs total to EUR 1,085,135, showing a general increase of EUR 264,416 compared to the previous year. The item in question is as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Consortium costs	196,429	132,764	63,665
Subcontracts and other services	726,670	539,128	187,542
Technical, administrative and legal consultancy	62,953	58,389	4,564
Remuneration of directors and auditors	3,405	3,454	(49)
Utilities	10,075	10,594	(519)
Travel and travel indemnities	5,065	6,628	(1,562)
Insurance	17,112	16,883	230
Rentals and other costs	39,856	37,321	2,535
Rent and running expenses	8,157	7,041	1,116
Maintenance costs for leased assets	641	652	(11)
Other	14,771	7,866	6,906
Total	1,085,135	820,719	264,416

The increase is mainly due to the increase in consortium costs in Italy, in particular in the underground in Rome and the new Line 5 of the Milan underground, both built through consortia specially constituted as per the sector regulations. Consortium costs also increased in Romania, in relation to the execution of contracts together with other partners, such as the stadium in Bucharest, the bridge in Baserab and the by-pass road in Constance.
As regards to costs for consulting services and rentals, the increase, although modest, is due to the Turkish area and contract activities in the domestic market as well as in Honduras and Qatar, respectively.
As regards to costs for subcontracts, a consistent increase is recorded, as shown in the following table with respect to: the domestic area (High-Speed railway station in Bologna, Metro Bus Brescia, the railway line Parma - La Spezia, the Jonica national road DG21, Line 5 of the Milan underground); the European area (underground of Istanbul); the Americas area with the Venezuelan contract Puerto Cabello - La Encrujicada, the contract of the dam in Chacayes in Chile and the contract for the dam in El Chaparral in El Salvador; the Asian area, with special

reference to Qatar. These are contracts for which production combinations, which provide for the presence of subcontractors, were deemed to be efficient.

(thousands of euros)	31/12/09	%	31/12/08	%	Difference
Italy	366,103	50.4%	335,952	62.3%	30,150
Europe	106,191	14.6%	38,582	7.2%	67,609
America	199,896	27.5%	110,678	20.5%	89,218
Africa	19,920	2.7%	31,678	5.9%	(11,758)
Asia	34,561	4.8%	22,238	4.1%	12,322
Total	726,670	100.0%	539,128	100.0%	187,542

Within the item components that show an increase, the residual component is noted. This is mainly due to contract charges and supervisory services, especially referring to the domestic, Turkish and Central American markets.
Finally, items that showed a decrease, such decrease referred to facilities and travel indemnities, as a result of recoveries in efficiency.

5. Personnel costs: EUR 240,458 (EUR 213,364)

Personnel costs, equal to EUR 240,458, increased, with respect to the previous year by EUR 27,095. The aforementioned increase in such costs was not accompanied by an equal percentage increase in revenues. The percentage in 2009 was, in fact, approximately 13%, slightly down with respect to prior year, as a result of the policy of optimising human resources management and the completion of works through specific outsourcing. The item in question is as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Wages and salaries	157,311	142,750	14,561
Social security charges	36,397	34,639	1,759
Other costs	43,264	30,860	12,404
Other benefits subsequent to employment	1,825	1,646	179
Cost of share-based payments	1,660	3,469	(1,809)
Total	240,458	213,364	27,095

The increase in the item is mainly due to the cost of wages and salaries in the domestic, European (Turkey), Asian (Qatar) and Central American areas, especially in El Salvador and Honduras
"Other costs" include the amount allocated for employee severance indemnity in the form of a defined benefit plan as detailed in IAS 19. Refer to Note 28 for more information on changes in employee severance indemnity.
Other benefits subsequent to employment reflect the employee severance indemnity allocated up to the coming into force of the new regulations.

As regards to the cost of share-based payments, it is noted that the 2009 amount refers to the effects of two mixed plans, i.e. comprising stock grants and cash payments which, from an accounting viewpoint, are respectively entered in an equity provision and as a financial liability. More detailed:

(thousands of euros)	Stock grant value	Financial liability value	Total
Mixed plans			
Plan 1	366	571	937
Plan 2	400	323	723
Total	766	894	1.660

As regards to the first plan's characteristics, it is noted that the same is solely connected with the vesting period, i.e. the three-year period 2007-2009, thus its value was determined by taking into account the individual items of the plan, i.e. a cash-based benefit and a share-based benefit.
As regards to the second plan, its main characteristics are given below; however, reference is made the Corporate Governance and Ownership Report for any additional information in this regard:

- assignment of Astaldi shares to recipients or payment (both on a free basis) to the same recipients, of the value corresponding to the shares;
- the assignment cycle refers to the three-year period 2007-2009;
- for each year of validity of the plan, each recipient will be entitled to receive, at his/her discretion, on an alternative basis, upon achievement of economic-financial targets provided for by the regulation:
  a. a gross amount equal to the counter-value of 40,000 shares, valued at average closing price of Astaldi's ordinary shares traded on the market during the last quarterly period prior to the date of assignment; or
  b. 50,000 shares, or
  c. a gross amount equivalent to the counter-value of 20,000 shares, valued at average closing price of Astaldi's ordinary shares traded on the market during the last quarterly period prior to the date of assignment, in addition to 25,000 shares;
- The achievement of targets is ascertained by the Board of Directors upon approval of the draft financial statements. Each recipient will provide the company notice of his/her decision regarding assignment within 30 days after target achievement has been ascertained.

Actuarial assumptions with regard to calculation of the value for 2009 are listed below:

- Dividend rate: 2.05%
- Volatility: 35.97%
- Probability of target achievement: 100%
- Risk-free rate: 2.28%

The following tables show personnel costs according to geographical area and staff composition:

(thousands of euros)	31/12/09	%	31/12/08	%	Difference
Italy	100,731	41.9%	97,032	45.5%	3,698
Europe	30,942	12.9%	30,377	14.2%	565
America	60,774	25.3%	48,162	22.6%	12,612
Africa	23,108	9.6%	24,158	11.3%	(1,050)
Asia	24,902	10.4%	13,633	6.4%	11,269
Total	240,458	100.0%	213,364	100.0%	27,095

	31/12/09	31/12/08	Difference
Managers	126	135	(9)
Executives	131	115	16
White collars	2.413	2,425	(12)
Workers	8.530	7,509	1,021
Total	11,200	10,184	1,016

6. Amortisation, depreciation and write-downs: EUR 46,534 (EUR 41,956)

Amortisation, depreciation and write-downs, equal to EUR 46,534 increased by EUR 4,578, in absolute terms, compared to the previous year. However, depreciation of tangible assets, amounting to EUR 5,003, increased due to the increase in investments in tangible assets, directly related to the higher volume in production. The item in question is as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Amortisation of intangible assets	835	951	(116)
Depreciation of tangible assets	45,508	40,505	5,003
Bad debts	192	500	(308)
Total	46,534	41,956	4,578

The item includes depreciation of investment properties for a residual value. Refer to note 15 for more details.
As regards to impairment of receivables, the amount calculated during the year takes into account their recoverable value considering the nature of the counterparty.

7. Other operating costs: EUR 32,450 (EUR 21,281)

Other operating costs, equal to EUR 32,450, increased in absolute value by EUR 11,169, mainly attributable to the component of other operating costs. The item in question is as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Provisions for risks and charges	3,120	1,277	1,843
Other operating costs	29,330	20,004	9,326
Total	32,450	21,281	11,169

The increase in provisions for risks and charges is directly related to the valuation of contracts on a "whole life result" and estimates of charges for disputes. Other operating costs which increased by EUR 9,326, compared to the previous year are as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Contingent and non-existent liabilities for value adjustments	7,965	1,034	6,931
Fiscal charges	11,377	6,772	4,605
Other administrative costs	9,988	12,198	(2,210)
Total	29,330	20,004	9,326

The increase is due to the following:
- for the sum of EUR 6,931 to differences in estimates compared to the previous year;
- for the sum of EUR 4,605 to indirect taxes (e.g.: customs duties, concession taxes, etc.) both in Italy and Venezuela;

A decrease is noted of EUR 2,210, attributable to sundry administrative expenses, connected with the management of works.

8. Capitalisation of internal construction costs: EUR 822 (EUR 837)

Capitalization of internal construction costs refers to project finance activities relating to the subsidiary Partenopea Finanza di Progetto.

9. Financial income: EUR 37,967 (EUR 65,115)

Financial income decreased in comparison to 2008 by EUR 27,148 mainly due to lower exchange rate profit, income on derivatives and components related to the residual income included in this item.
The table below shows a breakdown of the item:

(thousands of euros)	31/12/09	31/12/08	Difference
Income from associate companies	-	88	(88)
Income from other investee companies	-	183	(183)
Income from financial transactions with credit institutes	3,631	6,002	(2,371)
Commissions on guarantees	818	868	(50)
Exchange rate profit	21,707	35,873	(14,166)
Income from derivatives	54	4,260	(4,205)
Other financial income	11,756	17,841	(6,085)
Total	37,967	65,115	(27,148)

The main decreases in financial income were as follows:
- EUR 2,371 relate to cash flow management, primarily from bank relations, for which the EUR 2,680 decrease is due;
- EUR 14,166 relate to exchange rate profit, based on the dynamics of exchange rates.
- EUR 4,205 relate to valuation of derivatives used for hedging purposes. Refer to Note 32 for more information on derivatives.
- EUR 6,085 regarding minor interest receivable to customers.

10. Borrowing costs: EUR 107,819 (EUR 129,844)

This item decreased with respect to 2008, also due to the adequate use of the market exchange rates, in spite of the increase in production volumes as well as the decrease in currency adjustments and the residual component of other borrowing costs. The item in question is as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Commissions on guarantees	16,532	11,768	4,764
Charges from financial relations with credit institutes	32,755	61,335	(28,580)
Exchange rate loss	26,440	29,402	(2,961)
Charges from derivatives	12,060	3,737	8,322
Borrowing costs on leasing agreements	854	1,198	(345)
Other borrowing costs	18,577	21,263	(2,687)
Total	107,217	128,704	(21,487)
Write-down of equity investments	209	379	(170)
Write-down of securities and bad debts	393	703	(310)
Losses on equity investments	-	58	(58)
Total	602	1,140	(538)
Total borrowing costs	107,819	129,844	(22,025)

The decrease in borrowing costs was as follows:

- EUR 28,580, due to minor charges for interest payable, which mainly affected Italy and Venezuela. The balance is broken down as follows: EUR 28,883 refer to charges on medium/long-term loans, EUR 1,910 to interest payable on short-term loans and EUR 1,962 to bank commissions and expenses.
- EUR 2,961 to minor losses on exchange rates.
- EUR 2,687, relate to interest and commissions on disposals of receivables, for which derecognition was applied. They also refer to charges related to the postponement of due terms, after the contract date, of portions of trade payables with respect to some suppliers and sub-contractors.

As in the case of the same type of income, the increase in charges on derivatives is mainly due to hedging instruments. Refer to Note 32 for more information on derivatives. The increase in commissions for guarantee was the result of the greater average value of projects of interest for the Group in Italy and abroad, thus generating an increase in undertakings for operating sureties and guarantees (bid bonds and performance bonds).

11. Effects of valuation of equity investments using the equity method: EUR (278) (EUR 3,645)

The effect of valuation of equity investments using the equity method (associate companies and companies subject to joint control) is shown in the following table:

(thousands of euros)	31/12/09	31/12/08	Difference
Revaluation of equity investments:			
Avrasya Metro Grubu S,r,l,	767	-	767
Veneta Sanitaria Finanza di Progetto - V,S,F,P, S,p,A,	760	323	437
Consorzio Novocen	696	-	696
Pacific Hydro Chacayes	36	-	36
M,N, Metropolitana di Napoli S,p,A,	-	3,672	(3,672)
Metro 5 S,p,A,	-	15	(15)
Others of minor amount	3	649	(646)
Total revaluation	2,262	4,659	(2,397)
Write-down of equity investments			
M,N, Metropolitana di Napoli S,p,A,	(924)	-	(924)
Astaldi Fe Grande Sierra Nevada	(872)	-	(872)
Copenhagen Metro Construction Group J,V, (COMET)	(607)	(806)	199
S,A,C,E,S, S,r,l, in liquidazione	(67)	(51)	(16)
Metro 5 S,p,A,	(46)	-	(46)
Consorzio Novocen	-	(72)	72
Others of minor amount	(24)	(85)	61
Total write-downs	(2,540)	(1,014)	(1,526)
Total effects of valuation using equity method	(278)	3,645	(3,923)

The equity investments considered most significant and strategic by the Group are shown below along with the relative equity values:

Company (thousands of euros)	Value at 31/12/09	Value at 31/12/08	Difference
Pacific Hydro Chacayes	36,608	-	36,608
Metro C S,c,p,A,	12,771	12,771	-
Veneta Sanitaria Finanza di Progetto - V,S,F,P, S,p,A,	6,017	5,935	82
Metro 5 S,p,A,	2,337	2,780	(443)
Pedelombarda S,c,p,A,	4,800	4,800	-
M,N, Metropolitana di Napoli S,p,A,	4,918	5,842	(924)
Total	67,451	32,128	35,323

For purpose of clarification of the above table, it is noted that the amounts also include the effect of differences relating to equity items, such as the derivative reserves as well as capital increases already paid by the Group. Refer to the relative attachment for more information regarding companies valued at equity.

12. Taxes: EUR 31,671 (EUR 26,718)

The total amount of taxes pertaining to the period is equal to EUR 31,671. The tax rate of the year, including IRAP, is equal to 37.4%, in line with the one recorded in 2008 (37.4%).
The item in question is as follows:

Income Statement (thousands of euros)	31/12/09	31/12/08	Difference
- Current income taxes	21,951	15,642	6,309
- Deferred income taxes	5,008	2,520	2,488
- Current I,R,A,P, taxes	5,388	5,186	202
- Deferred I,R,A,P, taxes	133	(17)	150
- Substitute and other taxes	(809)	3,387	(4,196)
Total	31,671	26,718	4,953

(*) Income taxes refer to IRES tax for Italy and taxes of a similar kind for foreign areas

In 2009, net deferred taxes generated a receivable for prepaid taxes (IRES and IRAP) of EUR 8,865, to be recovered in following years. The receivable for prepaid taxes was determined by the components listed below:

Balance Sheet (thousands of euros)	2009 Ires	2009 Irap	2008 Ires	2008 Irap
a) Deferred tax assets resulting from:	17,572	572	14,929	713
- taxed provisions for risks	8,789	571	9,819	710
- taxed provision for arrears interest risks	511		639	
- exchange rate differences	1,333		230	
- tax losses			39	
- cash flow hedge reserve	6,511		3,977	
- other minor taxes	428	1	225	3
b) Deferred tax liabilities resulting from:	(8,531)	(748)	(7,536)	(748)
- financial leasing agreements	(1,525)	(216)	(1,525)	(216)
- buildings entered at fair value in lieu of cost	(3,752)	(532)	(3,752)	(532)
- provisions for deducted contract risks	(693)		(84)	
- arrears interest to be collected	(1,273)		(2,175)	
- other	(1,288)			
c) Net deferred tax assets (liabilities) a) - b)	9,041	(176)	7,393	(35)
d) Deferred taxes for the period entered in the income statement	5,008	133	2,520	(17)

Reconciliation between (current and deferred) recorded taxes and theoretical taxes resulting from application of the current tax rate to pre-tax profit (equal to 27.5%) is as follows:

(thousands of euros)	2009	%	2008	%
Pre-tax profit	84,687		71,479	
Theoretical income taxes	23,289	27.5%	19,657	27.5%
Net effect of permanent increases (decreases)	(8,790)	(10.4%)	784	1.1%
Taxes for previous years and substitute taxes	(647)	(0.8%)	2,368	3.3%
Net effect of deferred and current taxes of foreign companies	12,431	14.7%	(1,260)	(1.8%)
IRAP (current and deferred)	5,388	6.4%	5,169	7.2%
Income taxes entered in financial statements (current and deferred)	31,671	37.4%	26,718	37.4%

13. Profit per share: EUR 0.53 (EUR 0.43)

Profit per share is calculated as follows:

(thousands of euros)	31 December 2009	31 December 2008
Numerator		
Profit of parent company's ordinary shareholders	51,458	42,101
Denominator (in units)		
Weighted average of shares (all ordinary shares)	98,424,900	98,424,900
Weighted average of treasury shares	(996,954)	(959,253)
Weighted average of shares to be used to calculate basic profit per share	97,427,946	97,465,647
Basic profit (loss) per share	0.5282	0.4320

In this respect, it is noted that the existence of mixed stock-grant plans for managers with strategic responsibilities does not generate an especially significant dilution effect. Indeed, considering the effect of potential shares that could be assigned to recipients, the result obtained is 0.5278.

14. Property, plant and equipment: EUR 333,348 (EUR 272,013)

Tangible assets increased, especially in Italy and the Americas, by EUR 61,335 compared to the previous year, with respect to the investment policy supporting the various contracts acquired. The following tables show the changes in tangible assets during 2009.

(thousands of euros)	Land and buildings	Special and general plants	Excavators, loaders and vehicles	Sundry equipment and machinery	Work in progress and advances	Total
Value at 31.12.2008, net of amortisation [1]	40,745	71,038	42,745	33,665	83,819	272,013
Increases						
- resulting from acquisitions	5,836	36,756	22,410	26,314	22,469	113,784
	46,581	107,794	65,155	59,979	106,287	385,797
Amortisation	(1,056)	(14,771)	(16,752)	(12,923)		(45,501)
Other disposals		(5,134)	(2,689)	(1,158)	(1,916)	(10,897)
Exchange rate differences	(205)	(100)	12	13		(281)
Other changes	311	(2,211)	707	1,373	4,051	4,231
Value at 31.12.2009, net of amortisation [2]	45,631	85,578	46,433	47,284	108,423	333,348
(1) of which						
- Cost	45,704	112,770	99,576	70,739	83,819	412,607
- Accumulated amortisation	(4,959)	(41,732)	(56,831)	(37,073)		(140,594)
Net value	40,745	71,038	42,745	33,665	83,819	272,013
(2) of which						
- Cost	51,624	139,637	117,340	93,931	108,423	510,954
- Accumulated amortisation	(5,993)	(54,059)	(70,907)	(46,647)		(177,606)
Net value	45,631	85,578	46,433	47,284	108,423	333,348

The value of property, plant and equipment included leased assets for a value of EUR 43,668, represented as follows:

(thousands of euros)	Land and buildings	Special and general plants	Excavators, loaders and vehicles	Sundry equipment and machinery	Total
Value at 31.12.2009, net of depreciation					
of which					
- Cost	31,713	7,723	11,481	5,934	56,851
- Accumulated depreciation	(3,966)	(2,225)	(5,138)	(1,854)	(13,183)
Net value	27,747	5,498	6,343	4,080	43,668

15. Investment properties: EUR 180 (EUR 186)

Investment properties decreased compared to previous year as result of the normal depreciation process as listed in the table below:

Value at 31.12.2008, net of depreciation (1)	186
Depreciation	(6)
Value at 31.12.2009, net of depreciation (2)	180
(1) of which	
- Cost	204
- Accumulated depreciation	(18)
Net value	186
(2) of which	
- Cost	204
- Accumulated depreciation	(24)
Net value	180

In relation to measurement of fair value, it is noted that since the indicators were not remarkably reliable and due to the scarce significance of the investment in question, it was deemed proper to list neither a precise measurement nor a range of fair values.

16. Intangible assets: EUR 3,334 (EUR 3,711)

Intangible assets remained more or less stable compared to the previous year. The table below shows the changes in the item in question; it is noted that there are no leased assets.

(thousands of euros)	Intellectual property rights	Concessions, licenses, trademarks and rights	Other intangible assets	Total
Value at 31.12.2008, net of amortisation (1)	776	29	2,906	3,711
Increases				
- resulting from acquisitions	452		6	458
Total	1,228	29	2,912	4,169
Amortisation	(440)		(395)	(835)
Value at 31.12.2009, net of amortisation (2)	788	29	2,517	3,334
(1) of which				
- Cost	2,911	5,062	3,139	11,112
- Accumulated amortisation	(2,135)	(5,033)	(233)	(7,401)
Net value	776	29	2,906	3,711
(2) of which				
- Cost	1,977	5,062	3,144	10,183
- Accumulated amortisation	(1,189)	(5,033)	(627)	(6,849)
Net value	788	29	2,517	3,334

17. Equity investments: EUR 91,932 (EUR 53,252)

Equity investments, equal to EUR 91,932 remarkably increased with respect to the significant investments made in operating entities of the concession department.
The changes are shown below:

(thousands of euros)	31/12/09	31/12/08	Difference
Equity investments valued at equity	89,924	51,222	38,702
Equity investments valued at cost	2,008	2,030	(22)
Total	91,932	53,252	38,680

The item under evaluation, like in the previous year, is disclosed net of investments still to be made on subscribed quotas and/or shares.
The value of equity investments valued using the equity method equal to EUR 89,924 (2008: EUR 51,222), refer to investments in associate companies and companies subject to joint control. Refer to the relative attachment for a summary of the most important balance sheet figures regarding the investments, including total assets, liabilities, revenues and operating result.
The value of non-current equity investments entered in the financial statements at cost amounted to EUR 2,008 and is shown, net of the provision for bad debts, for a total of EUR 8. These are mainly consortium companies for which the calculation and recording at fair value was not significant, even through valuation techniques.

18. Financial assets

Non-current financial assets: EUR 12,518 (EUR 6,045)

This item, included by EUR 2,418 in net financial position, refers to receivables due from associate companies and companies subject to joint control, and mostly relates to financial transactions performed by the Parent Company. The increase is not only due to the increase in equity investments, but also to the investment strategy in concessions. This policy led to an adequate mix amongst the various capital forms, as set out by the economic and financial plans of each single company. Refer to the attachment regarding related parties for more detailed information on current operations.

Current financial assets: EUR 23,546 (EUR 22,299)

The item refers to:
- securities on hand approximately amounting to EUR 4,175 which show a decrease of approximately EUR 726 compared to the previous year, to the benefit of operating activities;
- financial receivables, amounting to EUR 19,371, related to amounts due to the subsidiary Partenopea Finanza Progetto S.p.A. from A.SL. NA1, and included in net financial position.

19. Other assets

Other non-current assets: EUR 19,454 (EUR 15,454)

This item increased with respect to the previous year, as per the following:

(thousands of euros)	31/12/09	31/12/08	Difference
Tax receivables	4,276	3,021	1,255
Other assets	15,178	12,433	2,745
Total other non-current assets	19,454	15,454	4,000

As regards to tax receivables, the item includes EUR 2,813 of VAT receivables requested for refund to the Financial Administration and EUR 1,463 related to direct taxes. With reference to Other assets, this item includes:

- receivables for advances to suppliers and sub-contractors, equal to EUR 914;
- guarantee deposits amounting to EUR 1,727;
- prepaid expenses for insurance amounting to EUR 8,498, prepaid expenses for commissions on guarantees equal to EUR 2,605 and other prepayments equal to EUR 1,433.

Other current assets: EUR 269,450 (EUR 304,088)

The item in question is as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Receivables from associate companies	22,061	36,781	(14,721)
Receivables from other companies	33	274	(241)
Other assets	247,356	267,033	(19,676)
Grand Total	269,450	304,088	(34,638)

"Other current assets" include:

- receivables from associate companies, equal to EUR 22,061, and other receivables due from other investee companies. Refer to the relevant attachment for more detailed information on transactions with related parties;
- other assets, equal to EUR 247,356, were mainly as follows: receivables for advances to sub-contractors totalling around EUR 111,262, which showed an increase in the foreign areas (Algeria, El Salvador, Bulgaria, Chile); accounts receivable including those related to guarantees and insurance policies, amounting to around EUR 10,602; other accounts receivable from third parties for disposal of goods and services amounting to approximately EUR 59,748, and receivables relating the difference between the nominal value of receivables factored before 31 December 2003 and the amounts collected. Moreover, it is noted that the realizable value of receivables from third parties was adjusted as follows:

(thousands of euros)	31/12/2008	Adv.	Uses	Other	31/12/2009
Provision for bad debts	(10,935)	(192)	6,950	1	(4,176)

The amount of EUR 23,151, previously recorded in accounts receivable and referring to the supply of building materials used in works carried out abroad, was restated in inventories included in this item.

20. Inventories: EUR 100,929 (EUR 108,092)

Inventories decreased, compared to the previous year, by EUR 7,163, especially in the domestic area. Such item is as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Raw materials, subsidiary materials and consumables	82,913	80,992	1,921
Products in progress and semi-finished products	10,613	14,849	(4,237)
Finished products and goods	1,967	1,111	856
Goods and materials in transit	5,437	11,140	(5,703)
Total	100,929	108,092	(7,163)

As regards to products in progress, the decrease is connected with the completion of car parks in the municipalities of Bologna, while works in Verona are in the process of being completed.
The following table shows a geographical breakdown of the item in question:

(thousands of euros)	31/12/09	%	31/12/08	%	Difference
Italy	18,167	18.0%	23,233	21.5%	(5,066)
Europe	18,453	18.3%	17,968	16.6%	485
America	54,060	53.6%	54,660	50.6%	(600)
Africa	8,539	8.5%	9,895	9.2%	(1,356)
Asia	1,709	1.7%	2,336	2.2%	(627)
Total	100,929	100.0%	108,092	100.0%	(7,163)

21. Amounts due from customers: EUR 648,626 (EUR 584,993) Amounts due to customers: EUR 382,905 (EUR 351,544)

A breakdown of the items in question is as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Current assets			
Contracts in progress	3,858,107	2,634,698	1,223,409
Provision for write-down of final losses	(18,964)	(7,790)	(11,174)
Total contracts in progress	3,839,143	2,626,908	1,212,235
Advances from customers	(3,190,517)	(2,041,915)	(1,148,602)
Total amount due from customers	648,626	584,993	63,633
Current liabilities			
Contracts in progress	239,071	43,997	195,074
Advances from customers	(270,330)	(111,928)	(158,402)
Contract advances	(334,696)	(268,907)	(65,789)
Provision for write-down of final losses	(16,950)	(14,706)	(2,244)
Total amount due to customers	(382,905)	(351,544)	(31,361)

The increase in works in progress entered under assets, although general to all areas of operation, is to be attributed mainly to the domestic market, as well as the European and Americas markets.

22. Trade receivables: EUR 713,142 (EUR 516,765)

Trade receivables increased by approximately EUR 196,377 compared to the previous year and a breakdown is as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Accounts receivable	696,368	495,076	201,291
Receivables from associate companies	29,216	34,527	(5,311)
Accounts receivable from parent companies	18	6	12
Accounts receivable from other investee companies	372	449	(77)
Provision for bad debts	(12,831)	(13,294)	462
Total	713,142	516,765	196,377

With reference to Note 33 for more information on transactions with related parties, the increase, compared to the previous year, was due to both domestic and foreign contracts, with reference to railway lines in Venezuela and the underground in Istanbul, Turkey. A geographical breakdown of receivables can be found below:

(thousands of euros)	31/12/09	%	31/12/08	%	Difference
Italy	190,141	26.7%	152,734	29.6%	37,407
Europe	61,690	8.7%	34,506	6.7%	27,185
America	413,999	58.1%	253,261	49.0%	160,738
Africa	38,453	5.4%	64,703	12.5%	(26,249)
Asia	8,858	1.2%	11,560	2.2%	(2,702)
Total	713,142	100.0%	516,765	100.0%	196,377

The bad debt provision recorded a slight decrease compared to the previous year. Changes are shown in the following table:

(thousands of euros)	31/12/2008	provisions	Uses			31/12/2009
			economic	equity	other	
Provision for bad debts	(7,390)	-	-	24	216	(7,150)
Provision for write-down of arrears interest	(5,904)	(306)	449	76	4	(5,681)
Total	(13,294)	(306)	449	100	220	(12,831)

23. Tax receivables: EUR 78,391 (EUR 89,138)

Tax receivables, net of a provision for arrears interest, equal to EUR 198, decreased in comparison with previous year by approximately EUR 10,747. The increase is mainly as follows:

- EUR 43,869 relating to receivables for indirect taxes (VAT), which mainly refer to foreign areas (Bolivia, El Salvador, Romania, Algeria, Turkey, Venezuela) and the domestic area.
- EUR 34,719 relating to direct taxes, entered in accordance with and for all effects and purposes of the laws and regulations of the countries where the Group operates.

24. Cash and cash equivalents: EUR 444,138 (EUR 333,759)

Cash and cash equivalents increased by EUR 110,379 compared to 2008 and were as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Bank and post office deposits	443,353	332,904	110,449
Cash on hand	785	854	(70)
Total	444,138	333,759	110,379

In geographical terms, the item in question is as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Italy	249,259	196,057	53,202
Europe	50,346	30,033	20,313
Asia	1,747	3,198	(1,451)
America	63,577	48,017	15,560
Africa	79,208	56,454	22,754
Total	444,138	333,759	110,379

25. Equity: EUR 378,547 (EUR 331,874)

The share capital, subscribed and fully paid in, comprises 98,424,900 ordinary shares of a par value of EUR 2 each. Treasury shares held at the end of financial year equal to 991,749 (1,170,000 in 2008) whose nominal value, equal to EUR 1,983 was entered to directly reduce share capital. Treasury shares used for stock-grant plans amounting to EUR 1,256 were likewise deducted from the share capital. Moreover, it is noted that all shares are free from encumbrances and there is no share capital increase in progress subject to pre-emptive rights.
As at 31 December 2009, according to the Shareholders' Register and other information required according to the law (as per Art. 120 of Legislative Decree No. 58/98), the shareholders of Astaldi S.p.A. holding a share in excess of 2%, were as follows:

Direct shareholder (thousands of euros)	Number of shares	% Shareholding
Fin,Ast S,r,l,	38,911,095	39.534%
Finetupar International S,A,	12,327,967	12.525%
TOTAL Fin,Ast, S,r,l,	51,239,062	52.059%
Odin Forvaltning AS	4,974,717	5.054%
Capital Research Management	4,936,954	5.016%
Total	61,150,733	62.129%
Market	37,274,167	37.871%
Grand total	98,424,900	100.000%

Equity reserves are disclosed in the following table:

(thousands of euros)	31/12/09	31/12/08	Difference
Legal reserve	14,972	13,542	1,430
Extraordinary reserve	91,278	76,710	14,568
Retained earnings and accrued losses	40,986	25,248	15,739
Other reserves	(7,313)	(8,511)	1,198
Other items of comprehensive income	(24,710)	(17,316)	(7,393)
Total	115,215	89,673	25,542

The legal reserve increased in relation to the provision contained in Art. 2430 of the Italian Civil Code.
The extraordinary reserve increased by EUR 14,568 compared to the previous year as a result of buy-back operations totalling EUR (282) and the increase of EUR 17,012 as the remaining amount of allocation of 2008 profit (EUR 42,101) and other changes equal to EUR (2,163), after performing the following:

- Legal reserve: EUR 1,430
- Dividends: EUR 9,732 In this regard, it is noted that the dividend resolved by the Shareholders' Meeting of 24 April 2009 amounted to EUR 0.10 per share (EUR 0.10 in 2008) and was paid with coupon detachment on 4 and 7 May 2009.
- Provision pursuant to Art. 27 of the company's bylaws: EUR 429
- Profit carried forward: EUR 15,783

Retained earnings amounting to EUR 40,986 included the economic effects resulting from consolidation of equity investments in subsidiaries, and from application of the equity method to value associate companies and joint ventures, as well as other changes.
Other reserves represented an item aimed at adjusting equity by EUR 7,313 and were as follows:

- the effects resulting from first-time adoption of the International Accounting Standards amounting to a positive value of EUR 2,860;
- the effects resulting from conversion of the financial statements of foreign permanent establishments as well as other investee companies, which showed a negative value of EUR 23,732 at the date of transition to IFRSs;
- consolidation reserve which showed a positive value of EUR 9,303;
- other reserves, showing a positive amount of EUR 4,255. The difference is due to the recognition of stock grants.

Other components in the statement of comprehensive income summarize the effects of the cash flow hedge reserve and of the translation reserves of foreign companies. Changes are shown below:

(thousands of euros)	Opening balance of cash flow hedge reserve	Translation reserve	Reconciliation of equity changes
Opening stock	3,388	(8,298)	(4,910)
Flow of previous period	(14,580)	2,174	(12,406)
Stock 01/01/2009	(11,192)	(6,124)	(17,316)
Flow of the period	(5,974)	(1,419)	(7,393)
Total	(17,166)	(7,543)	(24,709)

The cash flow hedge reserve generates deferred tax assets, amounting to EUR 6,511, thus determining a gross tax value of EUR (23,677). As for changes in derivative fair values related to Astaldi and its subsidiaries, equal to EUR (18,991), reference is made to the note on hedging derivatives ,as the difference of EUR (4,687) refers to associate companies.

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

26. Financial liabilities

Financial liabilities increased in comparison to 2008, above all with regard to long-term loans. Indeed, in this regard, it is noted that the current debt structure is geared towards the medium-long term.

Non-current financial liabilities: EUR 582,565 (EUR 480,615)

Non-current financial liabilities showed an increase of EUR 101,950 and were as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Bank payables (*)	571,335	463,798	107,537
Non-current share of loans (*)	115	1,273	(1,158)
Financial leasing payables (*)	4,950	13,237	(8,287)
Financial payables to associate companies	6,166	2,307	3,859
Total	582,565	480,615	101,950

(*) Included in the NFP for the sum of EUR 576,400 (2008). 478,308)

It is noted that the increase mainly concerned the parent company Astaldi in relation to its role in providing financial support to operating companies.

Current financial liabilities: EUR 387,359 (EUR 292,481)

Current financial liabilities increased by EUR 94,878 and were as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Bank payables	355,819	259,020	96,798
Current share of loans	1,119	1,073	46
Payables to other financers	19,311	23,762	(4,451)
Financial leasing payables	11,111	8,626	2,485
Total	387,359	292,481	94,878

The item under evaluation also includes hedging derivatives, totalling EUR 21,376. For this purpose, reference is made to Note 32.

Financial leasing payables: EUR 16,061 (EUR 21,863)

Financial payables for leasing agreements of an average duration of 30-60 months decreased by EUR 4,099 compared to the previous year. The item in question is as follows:

(thousands of euros)	31/12/09 Instalments	31/12/09 Current value	31/12/08 Instalments	31/12/08 Current value
Within 1 year	11,931	11,111	9,519	8,626
Over 1 year and within five years	5,209	4,950	14,126	13,237
Total leasing instalments	17,140		23,645	
Borrowing costs	1,080		1,782	
Current value	16,061	16,061	21,863	21,863

Covenants and negative pledges on financing incurred by the Group, and the net financial position in accordance with CONSOB Communication No. 6064293 of 28 July 2006 are as follows.

Covenants and Negative pledges

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

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

The identification of items which compose the net financial position is consistent with provisions set out by Consob Communication no. 6064293 6064293 of 28 July 2006.

The non-compliance with the above ratios, if not recovered within a period specified in the agreements, may involve the cancellation of the granting and therefore the request, by the financing banks, to accelerate repayments.
The loans to which the above covenants apply are the following:

- "Multi-Tranche Facility", for the sum of EUR 325 million, entered into on 18 July 2006, with a duration of 7 years, arranged by Mediocredito Centrale (Unicredito Group) and the Royal Bank of Scotland and subscribed by a pool of leading Italian banks; expiry April 2013;
- Bilateral committed revolving credit facility for the sum of EUR 30 million, entered into with BayernLB Italia on 5 October 2007, with a duration of 5 years: expiry October 2012;
- Bilateral committed revolving credit facility for the sum of EUR 15 million, entered into with Dexia on 9 July 2009, with a duration of 12 months: expiry July 2010;
- Bilateral committed revolving credit facility for the sum of EUR 50 million, entered into with Efibanca on 14 July 2008, with a duration of 6 years: expiry on 14 July 2014;
- Bilateral committed revolving credit facility for the sum of EUR 30 million, entered into with West LB on 7 August 2008, with a duration of 5 years: expiry on 7 August 2013;
- Bilateral committed loan for the sum of USD 60 million, taken out in order to cover the Venezuelan branch's mis-

alignment between costs and revenues entered into with BNP Paribas (and guaranteed by SACE for 70% of the amount) on 14 July 2008, with a duration of 18 months minus one day: expiry January 2010;

The same covenant levels are also applied to a committed credit line for the issue of signature commitments (sureties and guarantees), for the amount of EUR 175 million, entered on 30 November 2006 and with a duration of 7 years, arranged by Mediocredito Centrale (Unicredito Group) and the Royal Bank of Scotland and subscribed by a pool of leading banks: expiry November 2013;

Moreover, they were also applied to the “stand-by” credit line entered in favour of the subsidiary Co.meri SpA, a special purpose vehicle founded for the construction of the DG21 lot of SS106 Jonica national road, according to the general contracting scheme: such facility, secured by the Astaldi SpA, amounts to EUR 40 million and has been granted by a pool of banks led by BNL-BNP Paribas Group.

The following loans to which the same financial covenants applied reached their natural expiry in 2009 and were fully repaid:

- Loan arranged and subscribed by a pool of leading Italian banks, with Banca Popolare di Milano acting as Lead Arranger, supported by proceeds from work reserves, for the original amount of EUR 100 million, signed on 14 April 2005 and with a duration of 4 years: expiry April 2009;
- Bilateral committed revolving credit facility for the sum of EUR 15 million, entered into with Dexia on 30 June 2009, with a duration of 12 months and expiry June 2010;

To complete information on items under evaluation, it is noted that during the year the Group entered new loans, the main characteristics of which are shown below.

- Loan of EUR 18.5 million, entered with GE Capital (former Interbanca SpA) on 4 June 2009
  The loan is aimed at covering the contract and construction costs of an underground car park in Verona, Piazza Cittadella, for a total number of 750 car lots and requalification of the square. After its construction, the car park will be granted under concession for a 30-year period.
  The duration of the loan is 19 years, of which up to 2 year pre-amortisation. The first repayment instalment will expire not later than 31 December 2011.
  The loan is supported by the following guarantees: Mortgage on the right of surface, disposal of receivables deriving from guaranteed minimum, insurance hedging disposal on minimum instalments.
  The following financial covenants are provided for, to be measured annually with respect to the Group consolidated financial statements:
  - Ratio between net financial position and Group equity: less than or equal to 1.60x at year-end;
  - Ratio between net financial position and EBITDA: less than or equal to 3.50x at year-end;

- Loan amounting to EUR 110 million, entered on 16 July 2009 with Banca Popolare di Milano, acting as Lead Arranger of a pool of financing banks.
  The loan, aimed at supporting the Group financial structure, does not provide for real guarantees and has a 5-year duration with final expiry of 30 June 2014. The loan will be repaid starting on 30 September 2010, through 16 quarterly instalments with constant amount of principal.
  Financial covenants, to be measured on annual and half-year basis, are specified below:

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

The loan under evaluation has a Negative pledge clause. In particular, up to the entire cancellation of the Loan, the Parent Company is committed not to sign personal and/or real guarantees on own tangible and intangible assets to cover own payables or amounts due by the Astaldi Group subsidiaries, to such an extent that credit claims of financing Banks are materially jeopardised, with the exception of: i. guarantees to be granted in replacement of already granted guarantees to cover own or third party payables; ii. guarantees provided by law or to be granted for bank transactions with facilitated rates; iii. guarantees to be granted within the ordinary corporate operations (e.g. guarantee deposits), prior notice sent to the Bank acting as Lead Arranger, if the amount exceeds EUR 15 million in total; iv. guarantees on assets object of/or related to functional and/or financial lease transactions; v. guarantees on receivables for factoring and/or securitisation transactions, or connected with this type of transactions; vi. guarantees to be granted within loans entered through the project financing and financing and/or guarantees dedicated to projects in General Contracting and/or projects for traditional contracts.

- Loan amounting to 36 million US dollars and entered on 5 August 2009 with Unicredit-MedioCredito Centrale SpA - Unicredit Group and MPS Capital Services as financing banks.
  The loan, aimed at partially covering the amounts necessary to develop the concession in Chile called "Chacayes Hydroelectric project", has a 7-year duration, final expiry on 8 August 2016. The repayment will be in six-month instalments, starting from 31 December 2011, with final balloon payment for the last instalment, equal to 66.6% of the capital. Cash flows deriving from the management of the above-mentioned hydro-electric plant will be used for this purpose. The recipient of the loan is the company called Inversiones Assimco Limitada. The loan is 100% secured by the Parent Company Astaldi SpA through a corporate guarantee and pledged shares (Astaldi portion) of the recipient company.
  The recipient company undertook not to enter any other loan commitment with obligations having the same expiry terms as the loan under evaluation, except for the following: a) indebtedness not exceeding USD 500,000; b) indebtedness allowed by the agent bank; c) indebtedness related to investment of Simest SpA in the transaction.
  Furthermore, the following financial covenants are provided in the loan:
  - LLCR ("Loan Life Cover Ratio") not lower than 1.2:1;
  - Balloon LLCR ("Loan Life Cover Ratio") not lower than 1.4:1;

  No obligations or covenants on the Parent Company Astaldi SpA are provided. The same financial covenants described above are applied on the aforementioned new loan.

As regards to negative pledge clauses, it must be noted that the Parent Company, upon negotiation of loans, tends to align the commitments to those defined in its main corporate loan (the multi-tranche facility for the sum of EUR 325 million arranged by Mediocredito Centrale and the Royal Bank of Scotland).
The agreement stipulates that the Parent Company may not establish any real guarantees (mortgages, pledges, etc.) on its own assets, with the exception of some specific cases.
Specifically, the undertaking does not apply:

- to guarantees already existing upon entering into a new loan,
- to guarantees given within the framework of individual contracts to be performed under a traditional tender, project finance or general contracting scheme;
- or, in any event different from the above, for amounts not exceeding a specific amount as a whole and which, in this case, amounts to EUR 3 million.

Net financial position (thousands of euros)	31/12/09	31/12/08
A Cash and cash equivalents	444,138	333,759
B Securities held for trading	4,175	4,901
C Available funds (A+B)	448,312	338,660
D Financial receivables	21,789	19,769
E Current bank payables	(334,442)	(241,987)
F Current share of non-current indebtedness	(20,430)	(22,536)
G Other current financial payables	(11,111)	(10,925)
H Current financial indebtedness (E+F+G)	(365,983)	(275,448)
I Net current financial indebtedness (H+D+C)	104,118	82,981
J Non-current bank payables	(571,450)	(465,071)
K Other non-current payables	(4,950)	(13,237)
L Non-current financial indebtedness (K+J)	(576,400)	(478,308)
M Net financial indebtedness (L+I)	(472,282)	(395,327)

Moreover, it is mentioned that the Parent Company holds treasury shares amounting to EUR 5,172 included in the net financial position set forth in the Management Report for the sum of EUR (467,110), to which reference is made for more detailed information. Moreover, it is noted that the net financial position, including in comparative terms, does not include derivatives used for hedging purposes which, by their very nature, do not represent financial values.

27. Other liabilities

Other non-current liabilities EUR 94,951 (EUR 75,026)

Other non-current liabilities, equal to EUR 94,951, increased by EUR 19,925 compared to the previous year. They mainly refer to long-term deferred income related to grants accrued with regard to project finance initiatives.

Other current liabilities EUR 88,001 (EUR 75,238)

Other current liabilities amounted to EUR 88,001, showing an increase of EUR 12,763.

(thousands of euros)	31/12/09	31/12/08	Difference
Payables to associate companies	18,018	2,146	15,872
Payables to other companies	33	33	
Due to personnel	22,093	19,973	2,121
Other liabilities	47,856	53,085	(5,230)
Total other current liabilities	88,001	75,238	12,763

For an analysis of the relations with Group companies, reference is made to the attachment on related parties. Lastly, it is noted that payables to associate companies, for shares of capital to be paid and still to be called for by the individual Boards of Directors, have been reclassified, as in the previous year, to directly reduce the respective book values of equity investments.

28. Employee benefits: EUR 9,554 (EUR 10,314)

Such item refers to employee severance indemnity and is as follows:

(thousands of euros)	Value at 31/12/2008	Increases for the period	Decreases for the period	Value at 31/12/2009
Provision for employee severance indemnity	10,314	1,704	(2,464)	9,554

The liability entered in the financial statements is as follows:

(thousands of euros)	31/12/2009	31/12/2008
Current value of undertakings	9,474	9,954
Non-recognised actuarial loss/(profit)	80	361
Total	9,554	10,314

(thousands of euros)	Actuarial Value of undertaking	Net liability of defined benefit plans
Initial balance	10,314	10,314
Costs for services rendered	1,368	1,368
Interest	329	329
Benefits paid	(2,464)	(2,464)
Actuarial losses/profit	7	7
Final balance	9,554	9,554

The cost relating to the liability is as follows

(thousands of euros)	31/12/2009	31/12/2008
Social security costs for current employment	1,368	1,199
Net interest payable (receivable)	329	443
Net actuarial losses (profit)	7	4
Total	1,704	1,646

The effects of the decrease in employee severance indemnity are attributable to the new defined benefit plan. To further explain such values, the main assumptions used are as follows:

- Annual discounting rate: 3.30%
- Annual inflation rate: 2%
- Annual rate of increase in salaries
  - Directors: 2.5%;
  - Medium managers/White collars/Blue collars: 1%;

29. Trade payables: EUR 744,936 (EUR 644,866)

Trade payables increased in relation to the increase in production in domestic and foreign sectors. Such item is as follows:

(thousands of euros)	31/12/09	31/12/08	Difference
Payables to suppliers	654,902	578,190	76,711
Payables to associate companies	87,761	64,984	22,778
Payables to other investee companies	2,273	1,692	580
Total	744,936	644,866	100,069

The increase in trade payables is especially due to contracts in Italy, as well as in Venezuela and Turkey and Central America.
To complete the information on this item, the Parent company set out with a certain range of suppliers and sub-contractors operations aimed at facilitating the release of their working capital. This by reason of the unusual time that the financial market is undergoing and which is characterized by a credit crunch above all with respect to small and medium companies, which are the main type of Astaldi Group's suppliers and sub-contractors. Therefore, the item under evaluation also shows working capital release transactions performed by some suppliers and sub-contractors.

30. Tax payables: EUR 55,103 (EUR 33,877)

Tax payables decreased by EUR 21,226 and are as follows:

- EUR 15,447: indirect tax payables (VAT);
- EUR 35,321: direct tax payables;
- EUR 4,335: treasury payables for employee withholding tax.

31. Provisions for risks: EUR 23,809 (EUR 21,153)

The provisions for risks and charges is broken down as follows:

(thousands of euros)	Provisions for contract obligations	Provisions for equity investment risks	Provision for legal commitments	Provisions as per Art. 27 of the company's bylaws	Total
Balance at 31/12/2008	15,672	5,155	-	326	21,153
provisions	-	13	2,500	-	2,513
Use	-	-	-	(442)	(442)
charges to accounts	-	-	-	-	-
reclassification	-	-	-	-	-
allocation of 2008 profit	-	-	-	429	429
Other	-	156	-	-	156
Balance at 31/12/2009	15,672	5,324	2,500	313	23,809

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

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

For the sake of completeness of information given As regards to provisions for risks and charges, the provisions entered in the financial statements are summarised below, with information regarding their nature and specific allocation.

(thousands of euros)	Equity entry	31/12/2009	31/12/2008	note
Provisions to directly reduce assets		36,177	32,224	
- Provision for write-down of equity investments	Equity investments	8	8	17
- Provision for write-down of final losses	Amounts due from customers	18,964	7,790	21
- Provision for bad debts	Trade receivables	7,150	7,390	22
- Provision for arrears interest	Trade receivables	5,681	5,903	22
- Provision for write-down of other assets	Other current assets	4,176	10,935	19
- Provision for treasury arrears interest	Tax receivables	198	198	23
Provisions entered under liabilities		40,759	35,859	
of which:				
a) - for equity investment risks	Provisions for risks and charges	5,324	5,155	31
b) - for final contract losses	Provisions for risks and charges	15,672	15,672	31
c) - other provisions for risks and charges	Provisions for risks and charges	2,813	326	31
d) - for final contract losses	Amounts due to customers	16,950	14,706	21
Total provisions		76,936	68,083	

32. Information on risk management, financial instruments and guarantees

Financial risk management

The Astaldi Group operates in an international context where transactions are performed in various currencies. Moreover, in order to support and develop its own industrial activities, it avails itself of external sources of financing in EUR and foreign currencies.Therefore, the Group's main economic result is subject to market risk resulting from the fluctuation of exchange rates and interest rates.In order to maintain corporate value, the Group has drawn up guidelines for controlling its exposure to market risks and entrusted the definition of policies and strategies to be adopted to manage the same through derivatives and monitoring of hedged positions, to a Financial Risks Committee. In relation to such policies, the use of derivatives is reserved to the management of exposure to exchange rates and interest rate fluctuations. Therefore, current derivative transactions, carried out by the Group, mainly comprise IRS (Interest Rate Swaps) and Collars on interest rates and Forwards and Cylinders on exchange rates.The main market risks the Group is exposed to "interest rate risk", "exchange rate risk", "cash flow risk" and "credit risk".

Interest rate risk

The Group avails itself of external medium/long-term variable rate sources of financing. Fluctuations in market interest rates affect the cost and return of various forms of financing, application and discount, thus affecting the Group's net borrowing costs. The Group's policy, set down in a specific Interest Rate Risk Management Policy, is to define an optimal mix of fixed rate and variable-rate debt in order to reduce financial costs and their volatility. For this purpose, it operates through simple derivatives ("plain vanilla") that involve transforming the variable rate into a fixed rate (IRS), or keep the rate's fluctuation within a predefined range (Collar), and in any event guaranteeing a maximum risk-exposure level (Cap): these are zero-cost instruments.At 31 December 2009, the nominal value of existing hedge derivatives amounted to approximately EUR 460,673.The following tables show the aforementioned transactions, all designed to hedge financial flows, split into cash flow hedges and transactions for which the Group decided not to apply hedge accounting as a result of the charges and problems linked to the application of hedge accounting to the characteristics of the hedged items.

Cash Flow Hedges Instrument (thousands of euros)	Hedged item	Hedged notional value	Fair Value 2009	Fair Value 2008
IRS	Medium/Long-term indebtedness	233,411	(11,484)	(6,480)
	Loan	539	(4)	6
	Short-term indebtedness			(623)
	Financial assets	110,456	(4,796)	(3,830)
Totale		344,406	(16,284)	(10,927)
OPZIONI	Medium/Long-term indebtedness	65,000	(3,501)	(2,376)
	Short-term indebtedness	10,267	(388)	(447)
	Financial assets	20,000	(683)	
Total		95,267	(4,572)	(2,823)
	Total	439,673	(20,856)	(13,750)

The portfolio of derivatives on interest rates includes hedging transactions of short and medium/long term loans, as well as hedging transactions of interest rate risk connected with the final disposal of trade receivables (Financial Assets) carried out by the Group, especially with reference to the special purpose vehicles.
As shown in the above table, the fair value (or mark to market) of interest rate hedges underwent a significant drop in value at the end of 2009 compared to 2008; such drop is mainly due to the sizeable reduction in short and medium/long-term interest rates seen during the year.With reference to hedges for which hedge accounting was applied, the drop in value affected above all Group equity, generating a final value of EUR (18,991) for the cash flow reserve, combined with the related effect of EUR (5,223) for deferred tax liabilities.
A breakdown of the changes in the cash flow hedge reserve during 2009 is shown below.

Cash flow hedge reserve – interest rate (thousands of euros)	31/12/09	31/12/08
Initial reserve	(13,196)	4,693
Amount to cash flow hedge reserve during the year	(16,334)	(14,366)
Amount from cash flow hedge reserve to Income Statement	(10,539)	3,523
- adjustment of financial costs	(10,539)	3,523
Final reserve	(18,991)	(13,196)
Ineffectiveness	(580)	(255)

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

The table below shows the payout of hedged interest payable which, taking into account the market curves in forward interest rates at 31 December 2009, the Group estimates it must incur in relation to financial liabilities hedged by cash flow hedges, net of the contractually agreed spreads.

Period of recognition in income statement	Hedged items 31/12/09 Recognition in balance sheet	Hedged items 31/12/08 Recognition in balance sheet
Interest rate risk		
Flows up to 3 months	569	1,618
Flows from 3 to 6 months	1,212	3,266
Flows from 6 to 9 months	990	1,799
Flows from 9 months to 1 year	1,876	3,181
Flows from 1 to 2 years	7,658	8,617
Flows from 2 to 5 years	16,642	22,286
Flows beyond 5 years	7,794	1,612
Total	36,741	42,379

The table below shows the hedging transactions in relation to which no hedge accounting was applied: the changes in value of these financial instruments were recorded directly to income statement on 31 December 2009, under item borrowing costs:No Hedge Accounting hedges table:

Coperture *No Hedge Accounting*

Instrument (thousands of euros)	Hedged item	Hedged notional value	Fair Value 2009	Fair Value 2008
IRS	Medium/Long-term indebtedness	6,000	(156)	(155)
	Short-term indebtedness falling due			(475)
	Financial assets			(146)
Total		6,000	(156)	(776)
OPTIONS	Medium/Long term indebtedness	15,000	(86)	(487)
Total		15,000	(86)	(487)
	Total	21,000	(242)	(1,263)

Sensitivity analysis

The potential effects of a hypothetical increase or decrease in interest rates on the Group's Income Statement and Balance Sheet are shown below in terms of higher or lower interest expense payable over the entire remaining duration of variable rate financial payables.The analysis was carried out based on market curves at 31 December 2009 and considers a parallel rate shock by 1% upwards (shock up) and 0.25% downwards (shock down) on interest rates. This asymmetry of analysis was compared to 31 December 2008, for which 1% shift of curves, both positive and negative, results from the assessment of already low interest rates.

Rate risk Exposure and *sensitivity analysis*	Income Statement				Equity			
	Shock up		Shock down		Shock up		Shock down	
(thousands of euros)	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08
Variable rate financial liabilities								
- cash flow	(9,483)	(8,047)	2,371	8,041				
Derivatives								
- cash flow	5,178	4,637	(1,294)	(3,065)				
Total cash flow	(4,305)	(3,410)	1,077	4,976	0	0	0	0
Derivatives								
- fair value	287	1,815	(2,611)	(1,112)	11,503	10,874	(1,850)	(13,258)

As at 31 December 2009, the analysis shows how, considering a 1% increase in interest rates, as a consequence of hedging through derivatives, borrowing costs would increase by only EUR (4,305), equal to 45% of the potential increase in charges of EUR (9,483) in the absence of hedges. In such hypothetical context, the fair value of hedges entered in the income statement compared to the fair value at 31 December 2009 would generate an increase of EUR 287, while the equity reserve would be positively increased by EUR 11,503.

The same analysis in 2008 had shown how a similar 1% shock up in interest rates would have resulted in a fair value increase, recorded to income statement, equal to EUR 1,805 and an increase in cash flow hedge reserve, in equity, amounting to EUR 10,874. Similarly, as it can be inferred from the table, a 0.25% shock down of interest rates would result in similar results in the opposite direction, compared to values recorded at 31 December 2008, although of a lower impact in absolute value, according to the lower shock level. Borrowing costs would decrease by EUR 1,077, compared to potential decrease of EUR 2,371 which would arise in the absence of hedges and impact on the equity reserve at 31 December 2008 would also tend to be proportional. This result is largely due to the prevailing presence of IRS (Interest Rate Swaps) in the rate hedge portfolio, which, given their feature of stiff instrument, shields the income statement from interest rate fluctuations, with regard to the hedged part, both in the negative and in the positive.

Exchange rate risk

With regard to exchange rate risk, the Astaldi Group performs cash flow hedges for specific foreign contracts, with the purpose of neutralising or attenuating the effect of exchange rate oscillation on the value of relative costs or revenues in currency.The Group's policy is aimed at hedging a varying percentage depending on the individual cases of exposure to exchange rate risk, as a result of business transactions to be carried out within 12 months. Such period of time may also be multi-year and include the complete duration of works related to specific contracts, when considered fitting in relation to business characteristics and the specific volatility of certain currencies. Also in this case, hedges are performed using zero-cost simple derivatives, forwards or cylinders. In those cases where, in connection with specific foreign currencies especially those of emerging countries, financial markets do not allow for mitigation of the exchange risk through derivatives, the Group tends to protect the imbalance between trade receivables and payables in local currency through financial indebtedness in the same currency (the so-called "natural hedge").
At 31 December 2009, there are no derivatives hedging this risk.

A breakdown of the changes in the cash flow hedge reserve during 2009 due to hedges on exchange rates is shown below:

Cash flow hedge reserve – exchange rate risk (thousands of euros)	31/12/09	31/12/08
Initial reserve	(1,970)	(1,773)
Amount to cash flow hedge reserve during the year	(182)	(2,182)
Amount from cash flow hedge reserve to Income Statement	(2,152)	(1,985)
- to adjust operating costs		
- to adjust operating costs	(2,152)	(1,985)
Final reserve	(0)	(1,773)
Ineffectiveness	0	0

Liquidity risk

The main factors determining the Group's liquidity risk are, on the one hand, the financial resources generated or absorbed by Group operating and investment activities, and on the other, the characteristics of debt maturity and use of cash, as well as contingent cash terms of financial markets.Cash flows, the need for financing and the liquidity held by Group's companies are monitored in an ongoing manner and managed by the Group with the aim of guaranteeing effective and efficient management of financial resources.

The table below shows the timeframe of the Group's financial liabilities that are exposed to interest rate risk at 31 December 2009:

Financial flow-related risk (thousands of euros)	Use	2010	2011	2012	2013	2014	beyond
Short-term loans	(333,969)	333,969					
Medium/Long-term loans	(598,273)	53,457	33,388	61,390	380,556	38,565	30,917
Leasing (variable-rate)	(16,060)	11,110	2,783	1,423	643	81	20
Total	(948,302)	398,536	36,171	62,813	381,199	38,646	30,937

N.B.: The figure related to variable-rate financial liabilities included in the table coincides with nominal value of said liabilities, net of reclassification related to valuation of financing at amortised costs and of the fair value of derivatives on interest rate.

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

- orientation toward centralized management of collection and payment flows (cash management systems) where deemed advantageous in compliance with the various civil, currency and tax laws of the countries where the Group operates and in keeping with the rules for managing the financial flows of individual contracts;
- maintenance of a suitable level of available liquidity;
- existence of an investment portfolio, amounting to EUR 4,002, with a corresponding liquid market and whose securities are available for trading in order to cope with liquidity needs;
- diversification of instruments for obtaining financial resources and ongoing and active focus on financial markets;
- obtainment of appropriate bank credit facilities (committed and uncommitted);
- monitoring of future liquidity conditions in relation to corporate planning.

Credit risk

The Group's customers are mainly public authorities and government bodies which, by their very nature, are solvent.Therefore, the credit risk represented by the Group's exposure to potential loss deriving from the customer's failure to fulfil their obligations may be considered as insignificant, also in consideration of insurance cover implemented through specific insurance policies taken out with specific insurance institutes. Moreover, it is noted that, in some countries, the period needed to collect payment may extend beyond usual terms. At 31 December 2009, the percentage of overdue trade receivables amounted to 17.9%, of which 5.2% related to over 12 month receivables. However, the analysis of exposure to credit risk on the basis of overdue receivables is scarcely significant insofar as receivables have to be valued with the other working capital items and, specifically, with payables to sub-contractors and suppliers, which are typical of this sector, and the due dates of which are generally aligned to payments from customers in relation to management of operating leverage.

Guarantees and securities

Personal guarantees

The total value of guarantees furnished amounted to EUR 2,347,902 and referred to the following:

- guarantees for opening credit facilities, to be used to ensure regular cash flow in relation to individual contracts, issued in favour of associate companies and other investee companies, set up for this purpose pursuant to current tax laws for the amount of EUR 20,301;
- guarantees for works, issued in the Group's interest by banks and insurance companies, in favour of customers and in the interest of subsidiaries, associate companies and other investee companies, for the total amount of EUR 2,293,133;
- other guarantees, issued for various purposes, for the total amount of EUR 34,468.

Third-party guarantees in our favour

These refer to guarantees equal to EUR 219,146 issued by banks and insurance companies, in the interest of Italian and foreign suppliers and sub-contractors in relation to contractual obligations undertaken by the latter vis-à-vis the company.

33. Information on transactions with related parties and fees due to directors, auditors and general managers

In accordance with IAS 24 as well as CONSOB communication no. 6064293 of 28 July 2006, Attachment 1 to these Notes shows the totals of existing transactions and balances resulting from financial and commercial relations with related companies. In this regard, it is noted that the relevant transactions were carried out at market conditions. Moreover, it is specified that relations with consortia and consortium companies (special purpose vehicles), taking into account the specific sector the Group operates in, are to be related to receivables due from third parties – entered among Trade Receivables (note 22) – not summarised in the attachment regarding transactions with related parties.

Information regarding fees due to Directors, Auditors and General Managers of the Parent Company is shown below in accordance with the provisions of model 1 of Attachment 3C of the IR and information of stock options assigned to Directors of the Parent Company in accordance with the provisions of model 2 of Attachment 3C of the IR.

Model 1

Individual	description of office		fees				
Surname and name	office Held	term of the Office	emoluments for the office	benefits non monetary	bonuses and other incentives	other fees	
Monti Ernesto	Honorary Chairman	31/12/2009	30,000 1 (a)		2,512	245,690 (1)	(a)
						600 (3)	(a)
Di Paola Vittorio	Chairman	31/12/2009	30,000 1 (a)		7,982	810,371 (1)	(a)
Astaldi Paolo	Deputy Chairman	31/12/2009	30,000 1 (a)		6,876	310,371 (1)	(a)
						356,882 (2)	(a)
						26,942 (6)	(b)
						50,000 (7)	(a)
Astaldi Pietro	Director	31/12/2009	30,000 1 (a)		6,516	205,923 (2)	(a)
						17,089 (6)	(b)
						50,000 (7)	(a)
Astaldi Caterina	Director	31/12/2009	30,000 1 (a)		4,438	79,148 (2)	(a)
						5,991 (6)	(b)
						50,000 (7)	(a)
Cafiero Giuseppe	CEO and General Manager	31/12/2009	30,000 1 (a)	148,530	7,373	560,371 (1)	(a)
Cerri Stefano	CEO	31/12/2009	30,000 1 (a)	148,530	7,541	214,139 (1)	(a)
						302,860 (2)	(a)
						20,354 (6)	(b)
Grassini Franco	Director	31/12/2009	30,000 1 (a)			1,500 (4)	(a)
						600 (3)	(a)
Guidobono Cavalchini Luigi	Director	31/12/2009	30,000 1 (a)			200,000 (2)	(a)
						1,500 (4)	(a)
Lupo Mario	Director	31/12/2009	30,000 1 (a)			1,500 (4)	(a)
Oliva Nicola	Director and General Manager	31/12/2009	30,000 1 (a)	148,530	7,453	410,371 (1)	(a)
Poloni Maurizio	Director	31/12/2009	30,000 1 (a)			18,360 (5)	(a)
						624 (3)	(a)
Tosato Gianluigi	Director	31/12/2009	30,000 1 (a)				
Spanò Pierumberto	Chairman of Board of Auditors	31/12/11	53,040 - 1 (a)				
Singer Pierpaolo	Auditor	31/12/11	35,360 - 1 (a)				
Antonio Sisca	Auditor	31/12/11	35,360 - 1 (a)				

(1) Fees for offices held pursuant to Art. 2389, paragraph 3 of the Italian Civil Code
(2) Salaries
(3) Fees received as a member of the Remuneration Committee
(4) Fees received as a member of the Internal Audit Committee
(5) Fees received as a member of the Supervisory Body
(6) Benefits subsequent to employment (employee severance indemnity)
(7) Fees for offices held pursuant to Art. 2389, paragraph 3 of the Italian Civil Code
(a) short-term benefits
(b) post-employment benefits

As regards to managers with strategic responsibilities, including General Managers, Deputy General Managers, Chief Executive Officers and Operations Managers of the Parent Company, it is noted that the fees paid to these parties amount to EUR 3,424,468.

Summary of Stock Grants assigned during 2009 (CONSOB Issuers Regulation – ATTACHMENT 3C – Scheme 2)

		Options held at the beginning of the year			Options assigned during the year			Options exercised during the year			Options expired during the year	Options held at the end of the year		
(A)	(B)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)= 1+4-7-10	(12)	(13)
Name and surname	Office held	No. of options	Exercise average price	Average maturity term	No. of options	Exercise average price	Average maturity term	No. of options	Exercise average price	Average market price at time of exercise	No. of options	No. of options	Average exercise price	Average maturity term
Giuseppe Cafiero	CEO	0	0	-	50,000 (a)	0	(b)	50,000	0	3.29 (c)	0	0	0	-
Stefano Cerri	CEO	0	0	-	50,000 (a)	0	(b)	50,000	0	3.29 (c)	0	0	0	-
Nicola Oliva	Director and General Manager	0	0	-	50,000 (a)	0	(b)	50,000	0	3.29 (c)	0	0	0	-

(a) Stock grants assigned in 2009 pursuant to the Company's Incentive Scheme approved during the Shareholders' Meeting of 27 June 2007.
As provided for in CONSOB Issuers Regulation No. 11971/99 stock grants are recorded as an assignment and contextual exercise of options with zero-exercise price.

(b) It must be recalled that the scheme in question provides for a lock up on 50% of the stock grants assigned for a three-year period as from the assignment date.

(c) Reference price at assignment date (25 March 2009).

34. Sector Information

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

2009 sector information

(thousands of euros)	Italy	Europe	Americas	Africa	Asia	Other assets	Adjustments and cancellations	Consolidated total
Revenues	1,123,714	269,377	513,296	117,748	113,917	(4,218)	(335,959)	1,797,875
Operating result	33,762	22,888	110,998	13,333	842	(21,512)	(5,493)	154,817
Net borrowing costs								(69,852)
Shares of operating result of entities valued at equity								(278)
Profit/(loss) prior to taxation and minority interests								84,687
Income taxes								(31,671)
Profit attributable to third parties								1,557
Group net profit for the year								51,458
Assets or liabilities								
Sector assets	1,154,453	405,851	1,131,973	333,171	61,065	1,167,707	(1,506,369)	2,747,850
of which investments in associate companies						326,395	(234,463)	91,932
Total assets								2,747,850
Sector liabilities	(1,088,140)	(402,823)	(941,538)	(339,133)	(64,123)	(869,774)	1,336,227	(2,369,303)
Total liabilities								(2,369,303)
Other sector information								
Tangible assets	124,034	29,512	61,239	29,234	20,674	69,487	(830)	333,348
Intangible assets	2,655	87	1	1	10	579		3,334
Depreciation of tangible assets	3,253	6,383	13,703	8,030	4,653	9,951	(471)	45,501
Provisions	3,120							3,120

2008 sector information

(thousands of euros)	Italy	Europe	Americas	Africa	Asia	Other assets	Adjustments and cancellations	Consol-idated total
Revenues	1,037,602	179,154	297,930	156,481	84,803	(37)	(289,084)	1,466,848
Operating result	43,390	12,775	59,703	22,982	2,119	(12,713)	4,307	132,564
Net borrowing costs								(64,729)
Shares of operating result of entities valued at equity								3,645
Profit/(loss) prior to taxation and minority interests								71,479
Income taxes								(26,718)
Profit attributable to third parties								2,660
Group net profit for the year								42,101
Assets or liabilities								
Sector assets	1,045,881	306,846	845,464	309,414	75,177	972,845	(1,238,476)	2,317,150
of which investments in associate companies						236,626	(183,375)	53,252
Total assets								2,317,150
Sector liabilities	(961,361)	(315,206)	(770,158)	(306,264)	(79,285)	(684,896)	1,131,894	(1,985,276)
Total liabilities								(1,985,276)
Other sector information								
Tangible assets	96,291	17,423	48,507	27,663	18,718	64,755	(1,344)	272,013
Intangible assets	3,109	75	6	-	14	508	-	3,711
Depreciation of tangible assets	2,789	5,424	11,304	7,312	4,314	9,818	(463)	40,499
Provisions	1,277	-	-	-	-	-	-	1,277

35. Other information

Non-recurring significant events and operations

Astaldi Group's economic, equity and financial situation was not affected during 2009 by any non-recurring significant operations as set forth in CONSOB communication no. DEM/6064293.

Positions or transactions resulting from atypical and unusual operations

The Astaldi Group did not carry out any atypical and unusual operations during 2009 as defined in CONSOB communication no. DEM/6064293

Subsequent events

Publication of the financial statements was authorised by the parent company's Board of Directors on 24 March 2009.
The Board of Directors reserves the right to make formal amendments and additions within the filing date, pursuant to Article 2429 of the Italian Civil Code.
Refer to the Management Report for more detailed information on subsequent events.

Fees payable to the audit firm Ernst&Young and its network pursuant to Art. 149-duodecies of the Issuers Regulations

Type	Fees
Auditing services(*)	Eur 515
- Referred to the Parent company Astaldi S.p.A. (*)	*Eur 439*
- Referred to subsidiaries	*Eur 76*
Other services (**)	Eur 95
Total fees	Eur 610

(*) The amount related to the Parent Company Astaldi S.p.A. includes out-of-pocket expenses and Consob contribution.

(**) of which to the Parent Company Astaldi S.p.A.

On behalf of the Board of Directors
(Chairman)
Vittorio Di Paola

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Attachments to the consolidated financial statements

Exchange rates applied to translate financial statements in foreign currency (Attachment n. 3)

Countries	Currency		December 2009	Average 2009	December 2008	Average 2008
Albania	Albanian lek	ALL	137,266000	132,087000	122,859000	122,739917
Algeria	Algerian dinar	DZD	105,860000	101,212000	95,284300	94,991267
Angola	Angolan kKwarza	AOA	129,155000	110,784000	100,947000	110,283033
Saudi Arabia	Saudi riyal	SAR	5,481060	5,230920	5,046130	5,516367
Bolivia	Bolivian boliviano	BOB	10,262800	9,795510	9,441390	10,661553
Bulgaria	New Bulgarian lev	BGN	1,955800	1,955800	1,955800	1,955800
Burundi	Burundian franc	BIF	1.801,460000	1.712,850000	1.649,000000	1.734,509167
Caribbean islands	Caribbean dollar	XCD	3,945670	3,765910	3,631350	3,970606
Central African Republic, C.F.A	Central African CFA franc	XOF	655,957000	655,957000	655,957000	655,957000
Chile	Chilean peso	CLP	733,929000	776,509000	872,332000	762,205083
Colombia	Colombian peso	COP	2.947,280000	2.988,090000	3.035,050000	2.869,940000
Democratic Republic of the Congo	Congolese franc	CDF	1.315,040000	1.121,850000	812,974000	822,008167
Costa Rica	Costa Rican colón	CRC	825,873000	797,741000	735,852000	772,209583
Croatia	Croatian kuna	HRK	7,290650	7,340030	7,224510	7,224185
Denmark	Danish krone	DKK	7,441920	7,446240	7,450280	7,455942
El Salvador	Salvadoran colón	SVC	12,786900	12,204300	11,768300	12,867708
United Arab Emirates	United Arab Emirates dirham	AED	5,367520	5,122940	4,940050	5,401284
Japan	Japanese yen	JPY	131,210000	130,337000	122,513000	152,330667
Djibouti	Djiboutian franc	DJF	259,714000	247,882000	239,025000	261,355500
Guatemala	Quetzal	GTQ	12,150100	11,372400	10,345800	11,116166
Guinea	Guinean franc	GNF	7.140,590000	6.666,250000	6.597,580000	6.592,956667
Guinea Bissau	West African CFA franc	XOF	655,957000	655,957000	655,957000	655,957000
Honduras	Honduran lempira	HNL	27,612400	26,353000	25,412900	27,892258
Libya	Libyan dinar	LYD	1,781060	1,746260	1,715540	1,795541
Malawi	Malawian kwacha	MWK	211,427000	197,125000	190,462000	207,141250
Morocco	Moroccan dirham	MAD	11,358300	11,253400	11,164700	11,347200
Mozambique	Mozambican new metical	MZN	40,007000	37,261700	33,286100	35,514792
Nicaragua	Nicaraguan cordóba Oro	NIO	30,392200	28,396000	26,638100	28,469525
Norway	Norwegian krone	NOK	8,406640	8,727830	9,422790	8,224847
Pakistan	Pakistanu rupee	PKR	122,917000	114,037000	106,213000	103,476433
Panama	Panamian balboa	PAB	1,461360	1,394780	1,344940	1,470595
Peru	Peruvian nuevo sol	PEN	4,204830	4,190640	4,183120	4,285837
Poland	Polish zloty	PLN	4,143900	4,327620	4,004430	3,515098
Qatar	Qatari riyal	QAR	5,320770	5,078160	4,898430	5,353269
United Kingdom	British pound	GBP	0,899717	0,890940	0,904476	0,796542
Dominican Republic	Dominican peso	DOP	52,741700	50,066000	47,421300	50,561667
Romania	Romanian new leu	RON	4,228380	4,239930	3,922690	3,684008
Rwanda	Rwandan franc	RWF	833,801000	792,749000	746,228000	803,673583
Singapore	Singapore dollar	SGD	2,039170	2,024090	1,988830	2,076145
United States	US Dollar	USD	1,461360	1,394780	1,344940	1,470595
South Africa	South AFRICAN rand	ZAR	10,926100	11,673700	13,427500	12,065933
Switzerland	Swiss franc	CHF	1,502050	1,510020	1,539340	1,587084
Taiwan	Taiwan dollar	TWD	47,135000	46,018200	44,544000	46,275175
Tanzania	Tanzanian shilling	TZS	1.953,340000	1.847,900000	1.748,350000	1.760,743333
Tunisia	Tunisian dinar	TND	1,907610	1,877830	1,809880	1,804053
Turkey	Turkish lira	TRY	2,201260	2,163110	2,089360	1,907212
European Monetary Union	Euro	EUR	1,000000	1,000000	1,000000	1,000000
Venezuela	Venezuelan bolivar	VEF	3,137980	2,995020	2,888000	3,157806
Zambia	Zambian kwacha	ZMK	6.846,580000	7.011,500000	6.556,620000	5.472,665833

The exchange rate expresses the quantity of foreign currency necessary to purchase 1 Euro.

Related parties (Attachment no. 1)

(thousands of euros)	Other non-current financial assets	Trade receivables	Other current assets
Adduttore Ponte Barca S.c.r.l. in liquidation	0	0	0
Aguas de San Pedro S.A. de C.V.	0	161	0
Asocierea JV Astaldi - Max Bogl	0	230	0
Asocierea JV FCC Construccion S.A.-Astaldi S.p.A.	300	85	36
Astaldi - Maroc S.A.	0	0	0
Astaldi - UTI - Romairport Joint Venture	0	728	0
Astaldi Bayindir J.V.	0	204	5.935
Astaldi-FCC Joint Venture	0	1.055	0
Astaldi Bayindir J.V.	0	171	0
Avola S.c.r.l. in liquidation	84	686	41
Avrasya Metro Grubu S.r.l.	0	63	0
C.F.C. S.c.r.l.	0	3	0
C.F.M. S.c.r.l. in liquidation	0	102	113
CO.SAT S.c.r.l.	0	82	1
Colli Albani S.c.r.l. in liquidation	0	815	5
Columbus de Construcciones de Honduras S.A. de C.V.	0	0	0
Cons.A.F.T.Kramis Succ.Algeria	125	2.746	223
Cons.Ponte Stretto Di Messina in liquidation	226	0	1
Consorcio Astaldi-ICE	0	416	1
Consorcio Contuy Medio	0	16	1.509
Consorcio Grupo Contuy - Proyectos y Obras de Ferrocarriles	0	490	3.521
Consorzio A.F.T. in liquidation	279	108	21
Consorzio A.F.T. Kramis	235	0	0
Consorzio Asse Sangro in liquidation	0	5	0
Consorzio Astaldi - Fedederici - Todini Algeria branch	75	2	349
Consorzio Blufi 1	0	0	48
Consorzio C.I.R.C. in liquidation	0	22	0
Consorzio Centro Uno	0	52	(0)
Consorzio Consarno	127	90	0
Consorzio Consavia S.c.n.c.	0	22	1
Consorzio Contur Turkey branch	0	5	0
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	0	0	0
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	90	0	0
Consorzio F.A.T.- Federici - Astaldi - Todini	0	1	0
Consorzio Ferrofir in liquidation	0	0	0
Consorzio Gi.It. in liquidation	0	0	0
Consorzio Iricav Due	0	19	0
Consorzio Iricav Uno	0	521	109

Non-current financial liabilities	Trade payables	Other current liabilities	Other operating revenues	Service costs	Financial income	Borrowing costs
0	(144)	0	0	42	0	0
0	0	0	(0)	0	0	0
(38)	0	(4.989)	(65)	0	0	0
0	(8)	(3.442)	(513)	0	0	0
0	0	(3)	0	0	0	0
0	0	(283)	0	0	(0)	722
0	(251)	0	0	0	0	0
(4.430)	(44)	(1.299)	(1.258)	9	(249)	0
0	(240)	0	0	0	0	0
0	(162)	0	0	0	0	0
0	0	0	(433)	0	0	0
0	(21)	(33)	0	0	0	0
0	(161)	0	0	5	(4)	0
0	(2.869)	0	(83)	3.965	0	0
0	(343)	0	0	0	0	0
0	(1)	0	0	0	0	0
0	(43)	(95)	0	403	(16)	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	(809)	(1)	(46)	482	0	32
0	(2.397)	0	(180)	2.837	(92)	0
0	0	0	0	0	0	0
0	0	0	0	0	(5)	0
0	(7)	0	0	0	0	0
0	(4)	(234)	(0)	0	0	0
0	0	0	0	0	0	0
0	(93)	0	0	0	0	0
0	(0)	0	0	0	0	0
0	(506)	0	0	28	0	0
0	(17)	0	0	0	0	0
0	0	0	0	0	0	0
0	(2)	0	0	0	0	0
0	(27)	0	0	18	0	0
0	0	0	0	0	0	0
0	(102)	0	0	249	0	0
0	(220)	0	0	1	0	0
0	(644)	0	(113)	434	0	0
0	(12.246)	0	(316)	20.081	0	0

(thousands of euros)	Other non-current financial assets	Trade receivables	Other current assets
Consorzio Ital.Co.Cer.	0	0	0
Consorzio Italvenezia	0	0	0
Consorzio Novocen	0	0	0
Consorzio Qalat	0	0	0
Consorzio TRA.DE.CI.V.	0	18	0
Diga di Blufi S.C.r.l.	0	6.204	637
Ecosarno S.c.r.l.	0	0	0
FCC-ASTALDI JOINT VENTURE	0	661	13
FIN.AST.S.r.l.	0	18	0
Fosso Canna S.c.r.l. in liquidation	205	247	6
FSC S.c.r.l.	0	29	0
Fusaro S.c.r.l.	0	0	0
G.G.O. S.c.r.l. in liquidation	2	1	0
G.R.B.K. Barrage de Kerrada et Adduction Chelif-Kerrada du Transfert M.A.O	0	0	0
G.T.J Etude et Rèalisation d'un Tunnel	0	0	0
GEI - Grupo Empresas Italianas	0	70	4.555
Groupement Eurolep	0	0	0
Groupement GR-RDM	0	0	0
Groupement Italgisas	838	123	16
Imprese Riunite Genova S.c.r.l. in liquidation	0	0	0
Imprese Riunite Genova Seconda S.c.r.l. in liquidation	51	1	0
Infraflegrea S.c.r.l. in liquidation	0	524	9
Italsagi Sp. Zo. O.	340	14	28
M.N. Metropolitana di Napoli S.p.A.	0	31	0
M.N.6 S.C.r.l.	0	0	0
M.O.MES S.c.r.l.	0	54	0
Max Boegl - Astaldi J.V.	0	1.888	0
Max Bogl-Astaldi- CCCF Asocierea JV s.r.l.	0	299	0
Metro 5 S.p.A.	0	36	2
METRO C S.p.A.	0	90	5
Metrogenova S.c.r.l.	0	45	879
Monte Vesuvio S.c.a.r.l. in liquidation	250	487	0
Mose -Treporti S.C.r.l.	0	425	0
N.P.F.- Nuovo Polo Fieristico S.c.r.l.	0	96	2.311
Nova Metro S.c.r.l. in liquidation	0	0	0
Pacific Hydro Chacayes	5.910	4	0
Pantano S.c.r.l.	0	0	0
Pedelombarda S.c.p.A.	0	300	0
Pegaso S.C.r.l.	0	202	934
Piana di Licata S.c.r.l. in liquidation	307	179	2
Pont Ventoux S.C.r.l.	0	3.364	583
Principe Amedeo S.c.r.l. in liquidation	0	339	114
Roma Lido S.c.r.l.	0	2	0
S. Leonardo S.c.r.l. in liquidation	0	2.628	2

Non-current financial liabilities	Trade payables	Other current liabilities	Other operating revenues	Service costs	Financial income	Borrowing costs
0	(144)	0	0	40	0	0
0	(125)	0	0	5	0	0
0	(6)	(0)	0	0	0	6
0	(91)	(0)	0	0	0	0
0	(284)	0	(15)	1.614	0	0
0	(5.475)	0	0	16	(1)	0
0	(414)	0	0	1.663	0	0
0	(129)	(5.626)	(242)	0	(49)	0
0	0	0	0	0	0	0
0	(83)	0	0	0	(0)	0
0	0	0	0	22	(39)	0
0	(33)	0	0	0	0	0
0	(1)	0	0	0	0	0
0	0	(1.750)	0	0	0	0
0	0	(117)	0	0	0	0
0	(6.573)	(105)	0	1.909	0	0
(26)	0	0	0	1		
0	0	(29)	0	0	0	0
0	0	0	0	0	0	0
0	(250)	0	0	21	0	0
0	0	0	0	0	0	13
0	(953)	0	0	57	0	0
0	0	0	0	0	0	0
0	(0)	0	(3)	0	0	4
0	(841)	0	0	1.200	0	0
0	(492)	0	(30)	671	0	0
0	(2.736)	0	(407)	0	(29)	0
0	(193)	0	0	1	0	0
0	(3)	0	(474)	665	0	0
0	(28.009)	0	(785)	103.406	0	20
0	(90)	(18)	(93)	2.068	0	0
0	(261)	0	(8)	0	0	0
0	(7.623)	0	(236)	15.189	0	0
0	0	0	(168)	1.814	0	0
0	(29)	0	0	5	0	0
0	0	0	(4)	0	0	0
0	(705)	0	(145)	1.405	0	0
0	(3.824)	0	(413)	2.334	0	0
0	(605)	0	(553)	1.657	0	0
0	(139)	0	0	0	0	0
0	(7.265)	0	(191)	581	(31)	0
0	(237)	0	0	0	0	0
0	(63)	0	(1)	(2)	0	0
0	(808)	0	0	0	0	0

(thousands of euros)	Other non-current financial assets	Trade receivables	Other current assets
S.A.C.E.S. S.r.l. in liquidation	0	52	0
S.E.I.S. S.p.A.	656	10	0
SA.T. S.p.A.	0	354	0
Societe SEAS - Astaldi SARL	0	0	28
Tangenziale Seconda S.c.r.l. in liquidation	0	67	4
Truncu Reale S.c.r.l.	0	167	10
V.A.S.CO. Imprese Riunite	0	269	0
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	0	700	1
Vesuviana Strade S.c.r.l.	0	120	15
Viadotti di Courmayeur S.c.r.l. in liquidation	0	498	22
Yellow River Contractors	0	90	0
Grand Total	10.100	29.606	22.093
Impact percentage of transactions	80,7%	4,2%	8,2%

Non-current financial liabilities	Trade payables	Other current liabilities	Other operating revenues	Service costs	Financial income	Borrowing costs
(1.698)	0	0	(52)	0	0	0
0	0	0	(8)	0	0	0
0	0	0	(262)	0	(102)	0
0	0	0	0	0	0	0
0	(17)	0	0	1	(1)	0
0	(4)	0	0	2	(0)	0
0	(3)	0	0	0	0	0
0	0	0	(14)	0	(274)	0
0	(56)	0	(16)	48	(0)	0
0	(108)	0	0	(0)	0	0
0	0	0	0	0	0	0
(6.166)	(90.034)	(18.052)	(7.127)	164.947	(895)	799
1,1%	12,1%	20,5%	9,9%	15,2%	2,4%	0,7%

Information on associated companies and entities under joint control
(Attachment no. 2)

(thousands of euros)	Book value of the holding	Effects of holdings on valuation at equity
Adduttore Ponte Barca S.c.r.l. in liquidation	7	0
Asocierea JV Astaldi - Max Bogl	0	0
Asocierea JV FCC Construccion S.A.-Astaldi S.p.A.	0	0
Astaldi - Fe Grande Sierra Nevada	0	(872)
Astaldi - UTI - Romairport Joint Venture	0	0
Astaldi-FCC Joint Venture	0	0
Astaldi-Gulemark J.V.	0	0
Astaldi-Max Bogl- Euroconstruct-Arcadis JV	0	0
Avola S.c.r.l. in liquidation	0	(0)
Avrasya Metro Grubu S.r.l.	770	767
Blufi 1 S.c.r.l. in liquidation	0	0
C.F.M. S.c.r.l. in liquidation	21	0
CO.SAT S.c.r.l.	5	0
Colli Albani S.c.r.l. in liquidation	0	(1)
COMET (Copenhagen Metro Construction Group) J.V.	0	(607)
Cons.Ponte Stretto Di Messina in liquidation	52	0
Consorcio Contuy Medio	1	0
Consorzio A.F.T. in liquidation	15	0
Consorzio A.F.T. Kramis	0	0
Consorzio C.I.R.C. in liquidation	13	0
Consorzio Consarno	5	0
Consorzio Consavia S.c.n.c.	6	0
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	0	0
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	52	0
Consorzio Ferrofir in liquidation	357	0
Consorzio Gi.It. in liquidation	1	0
Consorzio Iricav Due	170	0
Consorzio Iricav Uno	124	0
Consorzio Ital.Co.Cer.	15	0
Consorzio Italvenezia	19	0
Consorzio Metrofer in liquidation	9	0
Consorzio Novocen	721	696
Consorzio Qalat	0	0
Diga di Blufi S.C.r.l.	23	0
Ecosarno S.c.r.l.	17	0
FCC-ASTALDI JOINT VENTURE	0	0
Fosso Canna S.c.r.l. in liquidation	0	(0)

Total Equity	Total Liabilities in Balance Sheet	Total Assets in Balance Sheet	Total Value of Production	Total Production Costs	Profit (loss) for the year
14	14	14	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(1.883)	0	0	0	1.780	-1.780
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(98)	0	0	0	1	-1
1.833	19.745	19.745	32.991	30.304	1.826
(71)	0	0	0	0	0
41	41	41	0	0	0
10	7.043	7.043	7.929	6.897	-0
(5)	0	0	0	1	-1
(120.909)	1.874	1.874	0	4.045	-4.045
76	76	76	0	0	0
2	2	2	0	0	0
46	46	46	0	0	0
(30)	0	0	0	0	0
52	52	52	0	0	0
21	21	21	0	0	0
23	23	23	0	-2	2
0	0	0	0	0	0
207	207	207	0	0	0
535	535	535	0	0	0
3	3	3	0	0	0
516	516	516	0	0	0
444	444	444	0	0	0
52	52	52	0	0	0
77	77	77	0	0	0
26	26	26	0	0	0
1.770	1.770	1.770	1.708	0	1.708
6	6	6	0	0	0
30	30	30	0	0	0
51	51	51	0	0	0
0	0	0	0	0	0
(67)	0	0	0	1	-1

(thousands of euros)	Book value of the holding	Effects of holdings on valuation at equity
G.R.B.K. Barrage de Kerrada et Adduction Chelif-Kerrada du Transfert M.A.O	0	0
G.T.J Etude et Rèalisation d'un Tunnel	0	0
GEI - Grupo Empresas Italianas	0	0
Groupement ASTEH	0	0
Groupement Eurolep	8	0
Groupement GR-RDM	0	0
Groupement Italgisas	0	(16)
Infraflegrea S.c.r.l. in liquidation	23	0
Italsagi Sp. Zo. O.	1	0
JV Bogl - Astaldi - Euroconstruct - Tecnologica - Proiect Bucuresti	0	0
M.N. Metropolitana di Napoli S.p.A.	4.918	(924)
M.O.MES S.c.r.l.	6	0
Max Boegl - Astaldi J.V.	0	0
Max Bogl-Astaldi-CCCF Asocierea JV s.r.l.	813	0
Metro 5 S.p.A.	2.337	(46)
METRO C S.p.A.	12.771	0
Metrogenova S.c.r.l.	6	0
Monte Vesuvio S.c.r.l. in liquidation	0	(3)
Mose -Treporti S.C.r.l.	4	0
N.P.F.- Nuovo Polo Fieristico S.c.r.l.	20	0
Nova Metro S.c.r.l. in liquidation	10	0
Pacific Hydro Chacayes	36.608	36
Pedelombarda S.c.p.A.	4.800	0
Pegaso S.C.r.l.	114	0
Piana di Licata S.c.r.l. in liquidation	0	(0)
Pont Ventoux S.C.r.l.	29	0
Principe Amedeo S.c.r.l. in liquidation	0	2
S. Leonardo S.c.r.l. in liquidation	0	(5)
S.A.C.E.S. S.r.l. - in liquidation	0	(67)
S.E.I.S. S.p.A.	18.095	0
SA.T. S.p.A.	875	0
Sharaf - Astaldi LLC	17	0
Tangenziale Seconda S.c.r.l. in liquidation	23	0
Truncu Reale S.c.r.l.	11	0
V.A.S.CO. Imprese Riunite	0	1
Veneta Sanitaria Finanza di Progetto S.p.A. - V.S.F.P. S.p.A.	6.017	760
Vesuviana Strade S.c.r.l.	14	0
Viadotti di Courmayeur S.c.r.l. in liquidation	3	0
Total	89.925	(278)

Total Equity	Total Liabilities in Balance Sheet	Total Assets in Balance Sheet	Total Value of Production	Total Production Costs	Profit (loss) for the year
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
37	37	37	0	0	0
0	0	0	0	0	0
(2.799)	375	375	0	0	-41
46	2.308	2.308	117	63	0
4	4	4	0	0	0
0	0	0	0	0	0
21.743	21.743	21.743	0	0	-4.084
10	1.091	1.091	1.219	1.218	0
0	0	0	0	0	0
2.464	2.464	2.464	0	0	0
10.030	277.210	277.210	10	158	-197
37.018	37.018	37.018	0	0	0
26	8.482	8.482	9.584	6.350	-0
(321)	0	0	0	5	-5
10	10	10	0	0	0
40	8.362	8.362	9.657	7.969	0
41	41	41	0	0	0
132.964	132.964	132.964	131	0	131
20.000	20.000	20.000	0	0	0
260	260	260	0	0	0
(258)	0	0	0	0	-0
52	13.310	13.310	1.633	1.382	0
(1)	0	0	5	0	5
(74)	0	0	0	9	-9
(3.113)	0	0	0	0	-181
37.441	42.717	42.717	10.206	230	5.324
2.500	2.500	2.500	0	0	0
34	34	34	0	0	0
45	45	45	0	0	0
31	31	31	0	0	0
(94)	0	0	3	0	3
19.411	19.411	19.411	2.452	0	2.452
46	311	311	173	109	-0
10	10	10	0	0	0
160.373	623.392	623.392	77.819	60.522	1.105

Management's certification

Certification of the Consolidated Financial Statements pursuant to Art. 154-bis of Legislative Decree No. 58/98 and Art. 81-ter of CONSOB Regulations No. 11971 of 14 May 1999 and any subsequent additions and amendments

1. Taking into account the provisions contained in Art. 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of 24 February 1998, the undersigned Stefano Cerri, in the capacity of Chief Executive Officer, and Paolo Citterio, in the capacity of Executive appointed to draft corporate accounts of Astaldi S.p.A., hereby certify:
   - the appropriateness in relation to the company's characteristics and
   - the actual application

   of administrative and accounting procedures used to formulate the 2009 consolidated financial statements.

2. The administrative and accounting procedures used to formulate the consolidated financial statements at 31 December 2009 were formulated and their appropriateness assessed on the basis of provisions and methodologies defined by Astaldi S.p.A. in compliance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission (so-called COSO Report) which represents a reference framework for internal audit systems generally accepted at an international level.
   There are no significant observations to be made in this regard.

3. This is also to certify that:
   3.1 The consolidated financial statements:
      a) were drafted in compliance with the applicable international accounting standards acknowledged within the European Community pursuant to (EC) Reg. No. 1606/2002 of the European Parliament and Council of 19 July 2002;
      b) tally with ledgers and account entries;
      c) are suitable for providing a truthful and accurate representation of the equity, economic and financial situation of the issuer and of all the companies included in the consolidation area.

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

Rome, 24 March 2010

Stefano Cerri
Chief Executive Officer

Paolo Citterio
Executive appointed
to draft corporate accounts

Auditors' Report

ERNST & YOUNG

Reconta Ernst & Young S.p.A.
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Independent auditors' report
pursuant to art. 156 of Legislative Decree n. 58 of February 24, 1998
(now art. 14 of Legislative Decree n. 39 of January 27, 2010)
(Translation from the original Italian text)

To the Shareholders
of Astaldi S.p.A.

1. We have audited the consolidated financial statements of Astaldi S.p.A. and its subsidiaries, (the "Astaldi Group") as of and for the year ended December 31, 2009, comprising the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of the Astaldi S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. Our audit was made in accordance with auditing standards and procedures recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards and procedures, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   Our audit of the consolidated financial statements for the year ended December 31, 2009 was made in accordance with the regulations in force during that year.

   With respect to the consolidated financial statements of the prior year, presented for comparative purposes, which have been restated to apply IAS 1, reference should be made to our report dated April 8, 2009.

3. In our opinion, the consolidated financial statements of the Astaldi Group at December 31, 2009 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the Astaldi Group for the year then ended.

ERNST & YOUNG

4. The management of Astaldi S.p.A. is responsible for the preparation of the Information on Operations and the Corporate Governance Report and Ownership Structure , in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Information on Operations and the information reported in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) presented in the Corporate Governance Report and Ownership Structure, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Information on Operations and the information reported in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) presented in the Corporate Governance Report and Ownership Structure, are consistent with the consolidated financial statements of Astaldi S.p.A. as of December 31, 2009.

Rome, April 7, 2010

Reconta Ernst & Young S.p.A.
signed by: Luigi Facci (partner)

This report has been translated into the English language solely for the convenience of the international readers

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2009 Annual Report

Report on corporate governance

Corporate governance report

pursuant to Article 123-*bis* of the Finance Consolidation Act (traditional management and control model)

1. Issuer's profile

This year, the corporate governance model adopted by Astaldi S.p.A. (hereinafter "Astaldi") is once again in line with the principles contained in the *"Self-Regulation Code for Listed Companies"* – drawn up by Borsa Italiana S.p.A. in October 1999 and subsequently amended and expanded – with the recommendations drawn up by CONSOB in this regard and, more generally, with international best practices.
In accordance with the instructions issued by Borsa Italiana S.p.A., please find below a description of Astaldi S.p.A.'s corporate governance system, updated with the main events subsequent to the end of the 2009 financial year.

Mission

Satisfying customers' needs, achieving growth targets to increase Company value and providing the market with a suitable response: this is the mission set by Astaldi which has been committed to **creating ongoing progress** for over 80 years**.**
Reliability, the application of strict high-level standards, full compliance with the environmental laws and social customs of each country and sharing of technological know-how. This is the image Astaldi aims to export throughout the world, and these are the guidelines of a Company that has always stood out for its expertise, moral conduct and professionalism. These are the qualities that have allowed Astaldi Group to become a leader in the concessions and general contracting sectors, achieving excellence in works acknowledged the world over.
Astaldi Group has always been committed to finding architectural and management solutions that respect the social fabric of the countries it operates in, transmitting a method of operating to local populations that will be applied to the design and construction of other works, even those the Group is not directly involved in. **Today, there are thousands of people the world over who have worked with Astaldi, benefitting from training that continues to contribute to social and economic development.** Therefore, the Group's major work does not end with closure of the work site, but continues into the future.
Italy, Turkey, Romania, Bulgaria, Algeria, Venezuela, as well as Poland, Saudi Arabia, Qatar, the United Arab Emirates, Central America and the United States of America: **over 11,000 employees distributed throughout 4 continents are working to build ongoing progress, including right now.**

2. Information regarding ownership structure as at 24 March 2010 (pursuant to Article 123 bis of the Finance Consolidation Act)

a) Share capital structure (pursuant to Article 123-bis, paragraph 1, letter a), Finance Consolidation Act)
Total in EUR of share capital subscribed and paid-in: **EUR 196,849,800.00**.
Said share capital is split into 98,424,900 ordinary shares with a nominal value of EUR 2 per share.
Categories of shares comprising the share capital: **ordinary shares with voting rights.**
No other financial instruments which attribute the right to subscribe newly-issued shares have been issued.
No share-based incentive schemes involving share capital increases, including free share capital increases, have been introduced.

b) Restrictions on the transfer of securities (pursuant to Article 123-bis, paragraph 1, letter b), Finance Consolidation Act)
There are no restrictions on the transfer of securities.

c) Significant interest in the share capital (pursuant to Article 123-bis, paragraph 1, letter c), Finance Consolidation Act)
According to entries in the stock ledger, notification received pursuant to Article 120 of the Finance Consolidation Act and other available information, the shareholders with a stake exceeding 2% of the share capital at 24 March 2010 are as follows:

Declarant	Direct shareholder	No. Shares	% Stake of ordinary and voting capital
	FIN.AST. S.r.l.	38.956.495	39,580%
FIN.AST S.r.l.	*Finetupar International S.A.*	12.327.967	12,525%
		51.284.462	52,105%
Capital Research and Management	*Capital Research and Management*	4.905.396	4,984%
		4.905.396	4,984%
Odin Forvaltning AS	*Odin Forvaltning AS*	4.841.885	4,919%
		4.841.885	4,919%
TOTAL		61.031.743	62,008%

d) Securities granting special rights (pursuant to Article 123-bis, paragraph 1, letter d), Finance Consolidation Act)

No securities granting special controlling rights have been issued.

e) Employee shareholdings: mechanism to exercise voting rights (pursuant to Article 123-bis, paragraph 1, letter e), Finance Consolidation Act)

No employee shareholding system has been set up.

f) Voting right restrictions (pursuant to Article 123-bis, paragraph 1, letter f), Finance Consolidation Act)

There are no restrictions on voting rights.

g) Shareholder agreements (pursuant to Article 123-bis, paragraph 1, letter g), Finance Consolidation Act)

There are no shareholder agreements falling under the field of application of Article 122 of the Finance Consolidation Act, nor have any been reported or made known.

h) Change of control clauses (pursuant to Article 123-bis, paragraph 1, letter h), Finance Consolidation Act)

Astaldi S.p.A. and its subsidiaries have not executed any significant agreements which come into force or cease to be valid in the event of a change of control as regards the contracting company.

i) Powers for share capital increases and authorisation for the purchase of treasury shares (pursuant to Article 123-bis, paragraph 1, letter m), Finance Consolidation Act)

The Board of Directors of Astaldi S.p.A. has not been assigned powers to increase the share capital, nor can it issue participating financial instruments.

The Shareholders' Meeting of Astaldi S.p.A., held on 24 April 2009, approved a **treasury share buy-back programme**, pursuant to Articles 2357 et seq. of the Italian Civil Code, and Article 132 of the Italian Legislative Decree No. 58 of 24 February 1998, for a period of twelve months (as from 27 April 2009), which provides for the possibility of:

- **acquiring** ordinary treasury shares of the Company within a revolving limit of 9,842,490 shares of a nominal value of EUR 2.00 each, at a unit price of no less than EUR 2.00 and no more than the average share price of the last 10 days of trading on the stock market prior to the purchase date, increased by 10%, with the further restriction that the amount of shares at any given time must not exceed the total of EUR 24,600,000.00 (without prejudice to the limit regarding distributable profit and available reserves pursuant to Article 2357, paragraph 1 of the Italian Civil Code);
- **selling** the purchased shares at a unit price of no less than the average share price of the last 10 days of trading on the stock market prior to the sale date, decreased by 10%.

The programme in question also provides for the Board of Directors to be authorised to dispose of treasury shares through share exchanges during possible transactions of strategic importance for the Company, including swaps and/or allotments, provided the shares related to said transactions are not valued at a lower value than the average book value of the treasury shares held. Treasury shares may also be used for stock grant and/or stock option plans; in this case, an exception is made from the aforementioned criterion of calculating the sale price which may not, in any case, be lower than the so-called normal value provided for in tax laws.
The Board of Directors is likewise authorised to perform security loan transactions – in which Astaldi S.p.A. is the lender – whose object is treasury shares. In order to implement this resolution, the Company owned 991,749 treasury shares at 31 December 2009.

l) Management and coordination (pursuant to Article 2497 et seq. of the Italian Civil Code)
Astaldi S.p.A. **is not subject to *"the management and coordination"*** of any of its shareholders insofar as the Company's Board of Directors takes all resolutions deemed appropriate to manage the Company's activities in a completely independent manner.

Lastly, it should be noted that:
- the information required under Article 123-bis, paragraph 1, letter i) (*"the agreements between the company and the directors ... which provide for compensation in the event of resignation or dismissal without just cause or if the working relationship is terminated as a result of a takeover bid"*) is detailed in the section of the report dealing with the remuneration of the directors (Section 9);
- the information required under Article 123-bis, paragraph 1, letter l) (*"the provisions which apply for the appointment and replacement of company directors … as well as for amendments to the Bylaws, if different from the laws and regulations which apply in a supplementary manner"*) is detailed in the section of the report dealing with the Board of Directors (Section 4.1).

3. Compliance (pursuant to Article 123-bis, paragraph 2, letter a), Finance Consolidation Act)

Astaldi S.p.A. complies with the ***"Self-Regulation Code for Listed Companies"*** drawn up by Borsa Italiana S.p.A.
It should be recalled that the code in question may be consulted by the public on the website of Borsa Italiana S.p.A. (www.borsaitaliana.com).
Neither Astaldi S.p.A., nor its strategic subsidiaries are subject to non-Italian law provisions which affect the Company's corporate governance structure.

4. Board of directors

4.1 Appointment and Replacement (pursuant to Article 123-bis, paragraph 1, letter l), Finance Consolidation Act)

Pursuant to the provisions contained in the Italian Law No. 262/05 (the so-called Savings Law) and the related Legislative Decree No. 303/06 (the so-called Corrective Decree), Astaldi S.p.A.'s Bylaws provide for the "**slate vote**" system for the appointment of the Board of Directors.
Specifically, the Bylaws state that shareholders who, alone or with other shareholders who support **presentation** of the same slate, own shares representing at least **2.5%** of the share capital (in other words the minimum level provided for in applicable laws and regulations) with voting rights in the General Shareholders' Meeting, shall be entitled to present slates.
According to the Bylaws, the slates, endorsed by the presenting parties and including the information required by law, must be **filed** at the company's registered offices, and made available to anyone requesting to view them, at least **15 days prior** to the date of

the Shareholders' Meeting in first call.
The directors are **elected** as follows:

1. a number of the Directors equivalent to the total number of the members of the Board established by the Shareholders' Meeting, minus one, **shall be chosen from the slate obtaining the most votes cast**, according to the progressive order shown in the slate. If no slate obtains a higher number of votes compared to the others, the Shareholders' Meeting must be called again for further voting to be held in accordance with this article;
2. one Director, the candidate listed under the first number, shall be chosen from **the slate that comes second for the number of votes** and which is not connected, on the basis of criteria set forth in the rules regarding the election of minority auditors, with shareholders who have presented or voted the slate coming first for the number of votes. Should several minority slates obtain the same number of votes, the most senior candidate by age among those listed as number one on the slates obtaining an equal number of votes, shall be elected director.

Should a **single slate** be presented, or no slate be presented, the Shareholders' Meeting shall take its decisions with the majorities provided for by law, without following the procedure described above.
For the purpose of **distribution** of the directors to be elected, the slates that have not obtained a percentage of votes equivalent to at least half of the percentage required to present slates, shall not be taken into account.
The Bylaws provide for the slates to be complete, inter alia, with statements by the candidates certifying, under their own responsibility, fulfilment of the **requisites of independence** required by law.
Moreover, in order to guarantee election of the **minimum number of independent directors** on the basis of the requirements contained in Article 147-ter, paragraph 4 of the Finance Consolidation Act, the Bylaws specifically provide for *"each slate to contain the candidature of parties with the requisites of independence established by law and at least equal to the number of independent directors that must form part of the Board of Directors, as set forth in legislation"*.

The company shall not be subject to additional provisions regarding composition of the Board of Directors.

4.2 Composition (pursuant to Article 123-bis, paragraph 2, letter d), Finance Consolidation Act)

The Board of Directors of Astaldi S.p.A., appointed on 2 May 2007 for the years 2007, 2008 and 2009 and whose term of office **expires upon approval of the financial statements at 31 December 2009**, currently comprises thirteen members.
Please refer to the information published on the Company's website (www.astaldi.com) in the *Governance* section – *Board of Directors* subsection, in relation to the personal and professional characteristics of the board members.
It should be recalled that the General Shareholders' Meeting of 2 May 2007 was held in compliance with the previous provisions regarding appointment of the Board of Directors and the previous Bylaws which **did not provide for the "slate vote" system**. On this occasion a single slate was presented by Fin.Ast. S.r.l., elected with a favourable vote of 94.830% of the shares with voting rights in the Meeting.
Please refer to Tables 2 and 3 attached hereto with regard to the composition and characteristics of the Board of Directors currently in office.

Maximum number of positions held in other companies

In this regard, it should be noted that the Company's Board of Directors, in its meeting of 13 November 2006, identified the general criteria adopted by the Company with regard to the maximum number of positions of director or auditor that Board members may hold in other companies listed on domestic and foreign regulated markets, in financial, banking and insurance companies or other companies of a significant size, as set forth in Article 1.C.3 of the Self-Regulation Code.
Specifically, the Board of Directors decided the following during said meeting:

- to set the maximum number of positions for "*non-executive*" and "*independent*" directors at **6**;

- to set the maximum number of appointments for "*executive*" directors at **4**.

However, for the purposes of calculating said number, any positions of director or auditor undertaken by Board members of Astaldi S.p.A. in Group companies shall not be counted.

4.3 Role of the Board of Directors (pursuant to Article 123-bis, paragraph 2, letter d), Finance Consolidation Act)

The Board of Directors plays a key role in the Company's organisation. It is responsible for the Company's strategic and organisational policies, as well as for ensuring that the checks and audits needed to monitor the performance of the company and the Group are carried out.

The Board is vested with the broadest powers with regard to Company management, pursuant to Article 22 of the Company's Bylaws.

In line with provisions contained in the Bylaws, **6 meetings** of the Board were held during the financial year 2009 of an **average duration** of 2 hours, with a limited number of absences by directors and auditors, all of which were justified.

In accordance with stock market regulations in this regard, the Board of Directors approved, and then notified to Borsa Italiana S.p.A., with reference to the 2010 financial year, a **calendar** of the dates of the forthcoming Board meetings for approval of the draft financial statements, the half-yearly report and the interim reports, as shown below:

Date	Corporate event	Subject
9 February 2010 (already held)	Board of Directors	Approval of **Interim Report** for Q4 2009
24 March 2010	Board of Directors	Approval of **Draft Annual Financial Statements** for 2009
23 April 2010	Shareholders' Meeting	Approval of **Annual Financial Statements** for 2009
12 May 2010	Board of Directors	Approval of **Interim Report** for Q1 2010
4 August 2010	Board of Directors	Approval of **Half-Yearly Financial Report** at 30 June 2010
10 November 2010	Board of Directors	Approval of **Interim Report** for Q3 2010

It should be noted that **pre-meeting documentation** is distributed by the Secretary of the Board of Directors, appointed by the Chairman, to the Directors in electronic format prior to the Board meeting in order to ensure complete and correct examination of the issues brought to the Board's attention.

Moreover, company managers may be called upon to attend meetings of the Board of Directors, in the capacity of **guests**, in order to provide detailed information regarding the items on the agenda.

In compliance with **Applicational Criterion 1.C.1, letter a) of the Self-Regulation Code** for listed companies, the Board of Directors:

a) examines and approves the strategic, business and financial plans of the Company and the Group, as well as the Company's system of corporate governance and the Group structure;

b) assesses the suitability of the general organisational, administrative and accounting structure of the Company and its subsidiaries of strategic importance, to be provided by the Chief Executive Officers, with specific reference to the internal audit system and management of conflicts of interest;

c) decides upon remuneration of the Chief Executive Officers and the other directors holding specific positions, after examining the proposals of the dedicated committee and consulting the Board of Auditors;

d) assesses the general trend of operations;

e) assigns and revokes powers to Chief Executive Officers, defining relative limits and procedures for exercising said powers; it likewise determines the frequency, in any case not more than quarterly, with which Chief Executive Officers must report to the Board on activities undertaken while exercising the powers granted;

f) examines and approves in advance the operations of the issuer and its subsidiaries, when said operations are of strategic, economic, equity or financial importance for the issuer, with specific reference to operations with related parties.

In relation to **Applicational Criterion 1.C.1, letter d of the Self-Regulation Code**, the Shareholders' Meeting of 2 May 2007 resolved upon an annual gross fee of EUR 30,000 for each member of the Company's Board of Directors.

The Company's Board of Directors, which met on the same date, subsequently:

i) resolved upon the annual fee for 2007, 2008 and 2009 for the Honorary Chairman pursuant to Article 2389, paragraph 3 of the Italian Civil Code, with the Board of Auditors expressing its favourable opinion in this regard;

ii) granted the Directors comprising the Company's Remuneration Committee the powers to calculate the total annual fees for 2007, 2008 and 2009 for the Chairman, Deputy-Chairman, Chief Executive Officers and directors holding specific positions, pursuant to Article 2389, paragraph 3 of the Italian Civil Code, following consultation with the Board of Auditors.

Pursuant to **Applicational Criterion 1.C.1., letter e of the Self-Regulation Code**, the Board of Directors regularly examined the general trend of operations during the meetings held throughout 2009, including in relation to information received from the managers in charge, comparing the results achieved with the forecast results at regular intervals.

Pursuant to **Applicational Criterion 1.C.1, letter f of the Self-Regulation Code**, the Board of Directors shall be responsible for examining and approving in advance the operations of the company and its subsidiaries, including with related parties, should said operations have a strategic, economic, equity or financial importance.

In this regard it should be pointed out that the Board of Directors has established general criteria for identifying ***"operations with related parties"*** of a strategic, economic, equity or financial importance, as stated subsequently; while for operations of this type with parties other than "related parties", the Board has not established general criteria, and shall examine any future activities on an case-by-case basis.

Specifically:

1) the Board of Directors shall be exclusively responsible with regard to operations with related parties other than subsidiary or associate companies;
2) as regards operations with related parties that are "ad hoc" subsidiary and associate companies (i.e. temporary bodies such as special purpose vehicles, consortium companies, consortia and joint ventures, set up to perform specific contracts in Italy and abroad), the Chief Executive Officer in charge shall submit a report to the Board every six months, at the time of the approval of the half-yearly report and draft financial statements, regarding unusual and/or non-typical operations (defined as those which are not directly finalised at the implementation and management of works and are not of a temporary nature), the value of which exceeds the sum of EUR 10 million for each operation. With regard to unusual and/or non-typical operations of a lower value, the Chief Executive Officer in charge shall provide information by type of operation and in aggregate form, with the same frequency as above;
3) as regards operations with related parties that are not "ad hoc" subsidiary and associate companies:
   - 3.1.) these shall be the exclusive responsibility Board of Directors should the operation exceed EUR 30 million;
   - 3.2) the Chief Executive Officer in charge shall submit a report to the Board every six months, at the time of the approval of the half-yearly report and the draft financial statements, regarding the operations undertaken with the same counterpart of a value exceeding a total of EUR 50 million on a half-yearly basis.

In any case, all the above operations shall be commented on by the Company in its Management Report, regardless of their value.

With reference to **Applicational Criterion 1.C.4. of the Self-Regulation Code**, it should be noted that the Shareholders' Meeting of Astaldi S.p.A. has not authorised, in general or in advance, any departures from the ban on competition provided for in Article 2390 of the Italian Civil Code.

4.4. Appointed officers

Chief Executive Officers

During the meeting of 2 May 2007, the Company's Board of Directors resolved to appoint Giuseppe Cafiero and Stefano Cerri as **Chief Executive Officers**.
It should be noted that the powers granted to the Chief Executive Officers, as a result of the above Board resolution, basically provide **Giuseppe Cafiero** to be mainly responsible for business activity, and for **Stefano Cerri** to be mainly responsible for the development of activities and pursuit of the Group's growth targets.

Chairman

The Board of Director's activities are coordinated by the **Chairman**. He calls and chairs the board meetings, ensuring that the company directors are provided with all the documentation and information needed, with reasonable advance notice – save for cases of necessity and urgency – so that the Board can knowingly express its opinion with regard to the matters submitted for examination.
The Chairman of the Board of Directors works together with the Deputy Chairman and Chief Executive Officers to identify the Company's strategies to be submitted for approval by the Board of Directors.
It should be noted that since the conditions stated in the Self-Regulation Code (Application Criterion 2.C.3) do not apply, **no *lead independent director* has been appointed**. Indeed the Chairman of the Board of Directors does not have any powers which make him responsible for management of the Company, nor does he control the Company.

Information for the board

The Chief Executive Officers report to the Board in an ongoing manner, and **at least once every quarter** in accordance with the Bylaws, with regard to the main activities performed while exercising the powers granted them.

4.5 Other Executive Directors

The Board of Directors, as shown in Table 2 attached hereto, currently comprises **5 executive directors** who hold management positions within the company.

4.6. Independent Directors

Following appointment by the Shareholders' Meeting on 2 May 2007, and subsequently during the meeting held on 25 March 2009, the Board of Directors examined the **requisites of independence** with regard to each of the non-executive directors, in accordance with **Applicational Criterion 3.C.4 of the Self-Regulation Code,** applying all the criteria provided for therein.
Upon renewal of the Board of Directors, which shall take place during the Shareholders' Meeting of 23 April 2010, the requisites of independence shall be examined once again with regard to the directors elected on that occasion.
The Board of Auditors has checked correct application of the criteria and procedures adopted by the Board to ascertain the independence of its members. The outcome of said check, with regard to 2009, shall be disclosed by the Board of Auditors to the market in the auditors' report to the Shareholders' Meeting.

4.7. Lead Independent Director

It should be noted that since the conditions stated in the Self-Regulation Code (*Application Criterion 2.C.3*) do not apply, also in light of the content of point 4.4 above, the Board of Directors has not considered it necessary to appoint a ***lead independent director***.

5. Processing of corporate information

Pursuant to **Applicational Criterion 4.C.1. of the Self-Regulation Code**, Astaldi S.p.A. utilises the internal procedure called "**Continuous Information**" in order to guarantee correct internal management and prompt external notification of all relevant facts falling within the sphere of activities of the Company and its subsidiaries and which, at least potentially, could significantly influence the price of the Company's shares (so-called "*price-sensitive information*").
In short, the procedure identifies within the company the timeframe and methods for transmitting and distributing said information and the involvement of the departments concerned; staff in closest contact with this information shall act as intermediaries between the area they are responsible for and top management so as to allow suitable assessment of said facts or information.
As a subsequent step, the involvement of a dedicated Assessment Committee (formed by the persons in charge of the Legal Service and Corporate Affairs, Investor Relations and the department concerned) is envisaged so that after careful analysis of the facts, it is possible to provide appropriate assistance as to the correct interpretation of regulations for the sector on the one hand, and for the formulation and distribution of press releases in this regard on the other.

6. Internal committees (pursuant to Article 123-bis, paragraph 2, letter d) of the Finance Consolidation Act)

The Company has created two internal committees – a Remuneration Committee and an Internal Audit Committee.
No committees have been set up inside the Board of Directors that perform the duties of two or more of the committees provided for in the code, not are any committees with proactive or advisory duties other than those provided for in the code.

7. Appointment committee

The Board of Directors currently in office did not consider it necessary to set up a Committee for appointing directors given that, at the current moment, there are no problems regarding formulation of candidatures to cover company positions.

8. Remuneration committee

The Company appointed a Remuneration Committee and for any plans for stock option and share allotment schemes, set up by the Board of Directors on 5 February 2002.

Composition and running of the Remuneration Committee (pursuant to Article 123-bis, paragraph 2, letter d), Finance Consolidation Act)

Two meetings of the Remuneration Committee, of an average duration of 30 minutes, were held during 2009 and attended by all the members of the committee.
The Remuneration Committee is currently composed of three non-executive Directors, the majority of whom are independent, as follows:

Ernesto Monti (Chairman)	Non-executive
Franco A. Grassini	Non-executive/Independent
Maurizio Poloni	Non-executive/Independent

The Committee invited the Chairman, Deputy Chairman and Chief Executive Officers to attend its meetings, depending on the issues looked at.
Please consult Table 2 attached hereto in relation to the composition and characteristics of the Remuneration Committee in office**.**

Duties of the Remuneration Committee

In accordance with Applicational Criterion 7.C.3 of the Self-Regulation Code, the Committee basically has the task of:

- drafting proposals to the Board for the remuneration of the Chief Executive Officers and directors holding specific positions and, at the request of the Chief Executive Officers, for determination of the criteria for remuneration of the Company's top managers, monitoring application of the decisions taken by the Board;
- formulating proposals for any incentive schemes reserved for directors, employees and consultants;
- formulating proposals and ensuring that the information provided to shareholders and the market ensure the necessary transparency of mechanisms for the determination and size of fees paid to persons in the company, in accordance with current regulations regarding corporate information, and in any case according to the best practices on financial markets;
- providing opinions on matters submitted to it from time to time by the Board of Directors with regard to remuneration or to related or connected matters.

The Committee performed advisory duties during the two meetings held during 2009, for which the minutes were duly drawn up, specifically with regard to definition of:

- parameters of the scheme for assigning cash bonuses paid in 2009 (with reference the 2008 financial year) and to be paid in 2010 (with reference to the 2009 financial year), for General and Deputy General Managers not belonging to the Board of Directors, Central Managers, Technical Managers, Head Office Service Managers, Area General Managers and Area Managers;
- parameters which, when achieved, will involve the assignment of stock grants for the 2009 financial year.

In order to perform its duties, as stated above, the Committee had access to the necessary information through the various company departments concerned, with help of the Head of the Legal Service and Corporate Affairs.

9. Remuneration of company directors

The meeting of 27 June 2007 approved the guidelines of the Company's "Incentive Scheme" for the 3-year period 2007/2009, as defined previously by the Board of Directors of 14 May 2007, upon proposal of the Remuneration Committee of 11 May 2007. Subsequently, the Board of Directors of 27 September 2007 approved the Regulations for implementing the scheme. Specifically, this scheme is based on a stock granting system in which Astaldi S.p.A. shares are assigned to three top managers, executive board members with operational powers, to be paid over three years, following verification by the Board of Directors that the objectives set by the Board have been achieved.
The Company has likewise drawn up a plan for the assignment of cash bonuses to top managers based on the results achieved by the company as well as achievement of specific targets set during the year.

Lastly, it should be noted that the remuneration of non-executive directors is not linked to the Company's economic results, nor do said non-executive directors benefit from share-based incentive schemes.

Compensation for directors in the event of resignation, dismissal or termination of office following a takeover bid (pursuant to Article 123-bis, paragraph 1, letter i) of the Finance Consolidation Act)

There are no agreements in force with the Company's directors which provide for compensation in the event of resignation, dismissal, revocation without just cause or termination of office following a takeover bid.

10. Internal audit committee

The Company has appointed an Internal Audit Committee, set up by the Board of Directors on 5 February 2002.

Composition and running of the Internal Audit Committee (pursuant to Article 123-bis, paragraph 2, letter d), Finance Consolidation Act)

Five meetings of the Committee, of an average duration of 2 hours, were held during 2009 and attended by all the members of the above-mentioned committee.

The Internal Audit Committee, currently in office and appointed by the Board of Directors on 2 May 2007, is composed of three non-executive Directors, the majority of whom are independent, as follows:

Mario Lupo (Chairman)	Non-executive Independent
Luigi Guidobono Cavalchini	Non-executive Non-independent
Franco A. Grassini	Non-executive Independent/ Expert in accounting and finance

The Committee meets on a quarterly basis (4 meetings scheduled for the current year of which one already held on 19 March 2010).

Please consult Table 2 attached hereto in relation to the composition and characteristics of the Internal Audit Committee in office.

Duties of the Internal Audit Committee

The Committee performs proactive and advisory duties with regard to the Board of Directors in relation to supervision of the general trend of the company's operations.

The **Internal Audit Committee** operates in accordance with Articles 8.C.1 and 8.C.3 of the Self-Regulation Code for listed companies.

More specifically, it performs the following **tasks**:

a) assisting the Board of Directors with regard to examination of the suitability, efficacy and actual operation of the internal audit system;

b) examining, together with the executive appointed to draft corporate accounts and auditors, the correct use of accounting standards and their homogeneity for the purpose of drafting of the consolidated financial statements;

c) at the request of the executive director appointed for this purpose, voicing opinions on specific aspects related to identification of the main company risks as well as planning, creation and management of the internal audit system;

d) examining the work schedule drawn up by the Internal Audit Manager as well as the periodic reports drawn up by the latter;

e) examining the proposals formulated by external auditing firms in order to obtain the assignment, as well as the work schedule drawn up for auditing and the results detailed in the report and any letter containing recommendations;

f) supervising the effectiveness of the auditing process;

g) reporting to the Board, at least on a six-monthly basis, on the occasion of approval of the annual financial statements and half-yearly report, with regard to activities carried out and suitability of the internal audit system;

h) performing additional tasks which it may be assigned by the Board of Directors.

The Committee performed auditing activities during the five meetings in 2009 and examined various issues of interest, the most significant of which are as follows:

- it examined and approved the work schedule drawn up by the Internal Audit Manager and was kept constantly up-to-date by the latter with regard to scheduled audit activities carried out during the year in relation to management of the main corporate risks;
- it acknowledged the results of risk assessments carried out on corporate business and support processes;
- in accordance with the operating methods adopted in previous years, it acknowledged the results of

audits performed on the main business processes, which involved a sample of contracts in Italy and abroad, and on support processes. This made it possible to assess the company's internal audit system as suitable, efficient and effective on the whole;

- it was informed with regard to the results of audit activities carried out in 2008 (*follow-up*) in relation to remedial action recommended by the *Management* to the contract departments concerned;
- it was constantly kept up-to-date on the corporate activities carried out and on the checks performed to guarantee safety at construction sites, and positively assessed the actions undertaken by the company in the HSE sector, confirming the substantial suitability of the business model adopted in this respect;
- it supervised the effectiveness of the auditing process, assessing – together with the Executive appointed to draft corporate accounts, the external auditors and the Board of Auditors – the correct use of accounting standards and their homogeneity for the purpose of drafting the consolidated financial statements;
- it examined, jointly with the Board of Auditors, the work schedule drawn up for auditing of the 2009 financial statements, expressing its positive opinion in this regard;
- it examined, jointly with the Board of Auditors, the proposal formulated by the external auditors to adjust fees for 2009/2010 – following recent legislative changes which entail the performance of a series of additional checks compared to the previous year – expressing its positive opinion in this regard;
- it checked, on the basis of the results of the consolidated financial statements at 31 December 2008, the correct application of standards for identifying subsidiaries of "significant importance", pursuant to and for the effects and purposes of the provisions contained in Articles 165, paragraph 1, of the Italian Legislative Decree No. 58/98 and 151 of CONSOB Regulations No. 11971 of 14 September 1999 as subsequently amended;
- it was kept up-to-date by the Executive appointed to draft corporate accounts on the results of testing activities performed on a sample of Italian and foreign contracts selected for the financial year 2009, acknowledging, together with the Board of Auditors, the internal audit system with regard to company disclosure as suitable, efficient and effective;
- it was constantly kept up-to-date on corporate activities carried out pursuant to the Italian Legislative Decree No. 231/01 and took part in – following recent legislative amendments to the Italian Legislative Decree No. 231/01 – review of the Company's Organisation, Management and Control Model which was approved during the Board meeting of 10 November 2009, subsequent to examination by the Supervisory Board that deemed it suitable for preventing the crimes referred to in said decree from being committed.

During the meetings held on 6 August 2009 and 24 March 2010, the Committee reported to the Board of Directors with regard to activities carried out respectively in the first and second half of 2009.

The Chairman of the Board of Auditors or an auditor appointed by the latter attended the meetings of the Committee.

Parties who are not members also took part when invited by the Committee, in relation to specific issues.

The Internal Audit Manager performed the role of secretary of the Committee, drafting the minutes of the meetings and helping the Committee to perform its duties.

In order to perform its duties, as stated above, the Committee had access to the necessary information through the various company departments concerned, with help of the Internal Audit Manager.

11. Internal audit system

Astaldi, which has been operating in a sector characterised by increasing competition among large companies and national and international groups for many years, has defined and implemented corporate auditing in order to satisfy internal and external needs requested over the years by shareholders, the company's Board of Directors and Board of Auditors as well as reference laws and regulations.
Admission to listing of the company's shares in the STAR segment of the market regulated, organised and managed by Borsa Italiana S.p.A., and the consequent wealth of internal and external parties with assurance-related duties, have provided the opportunity to streamline internal auditing with a reference framework that complies with "Corporate governance regulations for listed companies".
The CO.SO. Report represents the main methodological document of reference used by the company which, when suitably adapted to the company's specific characteristics, constitutes an effective analytical instrument for assessing the various components of the Company's internal audit system, and for providing the Top Management with a clear overview of the points of improvement of the Internal Audit System in terms of efficacy and efficiency.
Astaldi's Internal Audit System comprises the various directives, internal regulations, procedures and processes used to support identification, prevention and management of corporate risks, with the aim of offering the Top Management reasonable certainty as regards achievement of the targets falling into the following categories:

a) the conformity of individual corporate activities with the purpose the company aims to achieve and the directives issued by the top management, in compliance with internal and external regulations;
b) the efficacy and efficiency of operating activities;
c) the reliability of information and financial-economic reporting;
d) the safeguard of the company's assets with identification of behaviour which goes against the company's interest and/or fraud.

The Board of Directors – in keeping with the policies of the internal audit system defined by the Board and with the Internal Audit Committee's constant involvement and advice – checks that the main risks related to the Issuer and its subsidiaries are correctly identified, assessed, managed and monitored for fruitful and correct management of the company.
The Board of Directors, during the meeting on March 24 2010, also on the basis of the findings of the activities undertaken by the Internal Audit Committee, expressed his own positive judgment with regard to the suitability, efficacy and actual operation of the Company's internal audit system.
Please refer to the content of sections 11.1 and 11.2 with regard to assessments regarding the suitability, operations and running of the internal audit system.

Main charecteristics of the risk management system and of the internal control system related to financial reporting

As regards company disclosure, interim accounts and all other statements of a financial nature – forming part of the internal audit system – said activities are managed by a dedicated operating unit which works together with the Executive appointed to draft corporate accounts.
The system used to manage risks related to financial reporting forms an integral part of the internal audit system implemented by the Company insofar as a fundamental part of the company processes aimed at ensuring the reliability, accuracy and promptness of economic-financial reporting.
The approach adopted by the Company, based on reference best practices and specifically on the Co.S.O. framework, springs from a type of corporate auditing which focuses specific attention on defining the main corporate governance instruments. Indeed, the risk management system and more generally the internal audit system provide for the formalisation of specific administrative-accounting procedures, definition of roles and responsibilities using an organisation chart and relative delegation of duties, internal regulations

and codes of conduct and the separation of duties.
Specifically, the definition of processes and relative checks is the result of ongoing identification and analysis of the endogenous and exogenous factors which may jeopardise the achievement of corporate targets, in order to determine how said risks may be managed (identification, assessment and monitoring) so as to guarantee correct production of financial reporting.
To this end hierarchical/functional line/operating (i.e. first-level) checks are defined with regard to the management of risks and compliance with internal and external regulations (second-level checks) as well as internal audits (third-level checks). The efficacy of checks used to control the risks that may have significant effects on economic and financial information – in particular – is verified through testing performed at the closure of both annual and interim (half-yearly) accounts, and is characterised by a top-down approach to identify the entities, the processes and the account entries concerned. In this regard, a sample of entities is taken in relation to their significance on the statutory and consolidated financial statements from an economic and equity viewpoint. Said testing is performed by a dedicated facility which reports to the Executive appointed to draft corporate accounts, and the testing results as well as any recommended corrective action are submitted for examination to the Executive appointed to draft corporate accounts and the Board of Directors.
For the purpose of completeness of information, it should be noted that since the introduction of Law No. 262, the Parent Company has ordered that the annual and interim (half-yearly) accounts of branches and subsidiaries be accompanied by a certification drawn up and signed by the legal representatives and administration managers of the companies in question. The certification should be similar to that provided for by CONSOB regulations implementing Law No. 262.
The system adopted is subject to independent assessment, monitoring and constant updating.

11.1 Executive Director in charge of the Internal Audit System

In light of provisions set forth in Article 8.C.1 of the Self-Regulation Code, the Company's Board of Directors, during the meeting on 13 November 2006, appointed the **Chief Executive Officer, Stefano Cerri**, as the ***"executive director in charge of supervising the internal audit system"*** , who performs the tasks as per Article 8.C.5 of the Code in question, in compliance with the company's control model.
More specifically, the CEO:

- is responsible for identifying the main corporate risks, taking into account the characteristics of the activities performed by the issuer and its subsidiaries, and submits them for examination by the Board of Directors at regular intervals;
- is responsible for implementing the policies defined by the Board of Directors, handling planning, creation and management of the internal audit system and constantly checking its overall suitability, efficacy and efficiency; he is also responsible for adapting said system to the dynamics of working conditions and legislation and regulations;
- proposes to the Board of Directors, the appointment and remuneration of one or more Internal Audit Managers.

11.2 Internal Audit Manager

The company's Board of Directors appointed an Internal Audit Manager in compliance with the requisites of Article 8.C.6 of the Self-Regulation Code.
The appointment was made following the proposal of the CEO in charge of the internal audit system and consultation with the Internal Audit Committee.
As from 13 May 2009, the Company's **Internal Audit Manager** is Fabio Accardi. He is responsible for the Company's Internal Audit Service and reports to the Board of Directors at a hierarchical level, and to the CEO in charge of the Company's Internal Audit System at an operating level.
The Internal Audit Manager:
a) is appointed to check that the internal audit system

is suitable, fully operational and effective at all times;
b) has direct access to all information of use in performing his task, and disposes of suitable means to perform the task he has been assigned;
c) reports to the Internal Audit Committee and Board of Auditors as well as to the executive director in charge of the internal audit system with regard to the activities he performs. Specifically, he reports on the methods used to manage risks as well as compliance with the plans drawn up to limit risks, and shall express his own judgement with regard to the internal audit system's ability to achieve an acceptable overall risk profile;
d) works with the Parent Company Astaldi's Supervisory Board to update the Organisational, Management and Control Model as per the Italian Legislative Decree No. 231/01 and assists with monitoring and checking of compliance with said model (also see section 11.3).

The Internal Audit Manager is not responsible for any operating area and does not have to report to any operating area manager.

Internal auditing is performed on the basis of national and international best practices, with the aim of taking all suitable and necessary action to control corporate processes, including trend, monitoring and recording of criticalities and of opportunities for improving the corporate organisation.

Internal audit activities are performed through the Integrated Internal Audit System used to refer to an operating procedure to streamline, integrate and coordinate checks and controls performed by the various company departments that perform assurance activities on the basis of an annual schedule provided to the Internal Audit Committee and top management.

Internal Audit activities performed during the year were carried out in compliance with the work schedule approved by the Internal Audit Committee. Please refer to the content of sections 10 and 11.3 of this report in this regard.

The results of checks and audits are reported by the Internal Audit Manager to the Internal Audit Committee, Board of Auditors and Supervisory Board, as well as to the top management, at regular intervals, for the specific purposes as per the Italian Legislative Decree No. 231/01.

11.3 Organisational Model pursuant to Italian Legislative Decree No. 231/2001

With reference to further action taken to strengthen the governance system, it should be recalled that the Board of Directors of the Issuer and subsidiaries of strategic importance adopted a "**Corporate Code of Ethics** " which sets forth the general principles and regulates, through rules of conduct, the activity of employees and consultants, including as regards relations with shareholders, the Public Administration, suppliers, contractors and sub-contractors.

Specifically, the Code establishes:

- the general principles and reference values which Astaldi and the Group companies must comply with while performing activities;
- the rules of conduct which the Company's representatives, managers and units must comply with as regards relations with commercial, business and financial counterparties;
- the main procedures for implementing the Code within the corporate organisation.

Moreover, the Board of Directors of the Issuer and subsidiaries of strategic importance, in relation to the activities referred to in the Italian Legislative Decree No. 231/2001, approved adoption of the "**Organisational, Management and Control Model pursuant to Italian Legislative Decree No. 231/01**"; said model identifies the areas and corporate activities potentially at risk in relation to the various categories of criminal offences provided for under this decree with the aim of protecting the Company in the event of committing of the offences as per Legislative Decree No. 231/01 by Company directors, employees and consultants.

The macro-categories of criminal offences which Astaldi S.p.A.'s Organisational Model aims to prevent are as follows:

- crimes against the Public Administration or other state bodies and crimes of receipt of stolen goods and laundering;
- corporate crimes and abuse of privileged information

and market rigging;
- crimes against the individual;
- computer crimes;
- organised crime and crimes of impediment to justice.

Specifically, the Model defines:
- ethical principles in relation to conduct that may integrate the categories of offences provided for in the decree in question;
- "sensitive" corporate activities, in other words those whose nature means that the offences as per Legislative Decree No. 231/01 may be committed and hence those to be subjected to analysis and monitoring;
- the procedures for managing the financial resources used to prevent said crimes from being committed;
- the rules for selection of the Supervisory Board and assignment of specific supervisory tasks with regard to correct functioning of the Model;
- the information flows to the Supervisory Board;
- information, training, awareness and disclosure activities at all corporate levels with regard to rules of conduct and the procedures introduced;
- responsibilities regarding approval, integration, amendments and implementation of the Model as well as checking of the functioning of said model and corporate conduct, with relative updates at regular intervals.

It should be stressed in this regard that the "Corporate Code of Ethics" and the "Organisational, Management and Control Model pursuant to Legislative Decree No. 231/01" are constantly updated to comply with current legislation and changes in the company's organisational structure.

A **Supervisory Board** has been appointed by the Issuer and subsidiaries of strategic importance in order to prevent the risks/offences provided for in Legislative Decree No. 231/01. Its members boast the requisites of autonomy, independence and professional qualifications required by the aforementioned law.

As regards Astaldi S.p.A. the members of the Supervisory Board are: Maurizio Poloni, a non-executive/independent member of the Board of Directors and Marco Annoni, Giorgio Luceri, Nicoletta Mincato, Lidia Amadio and Vittorio Mele – the latter with the duties of Chairman of the Supervisory Board – as external experts.

Astaldi S.p.A.'s Supervisory Board has specific regulations and is set up as a top management staff unit reporting directly to the Chief Executive Officer in charge of supervising the company's internal audit system, the results of activities, any criticalities emerging and any corrective action and improvement which, if particularly important, may also be brought to the attention of the Board of Directors.

The Board avails itself of the **Internal Audit Manager** in order to perform its activities and for the implementation of its decisions by the company departments concerned.

The Supervisory Board's activities continued during 2009 with supervision of the functioning of and compliance with the "Organisational, Management and Control Model pursuant to Legislative Decree No. 231/01". It met ten times, undertaking its activities as briefly summarized below:
- review of the "Organisational, Management and Control Model pursuant to Legislative Decree No. 231/01" in order to include the following types of offences introduced into Legislative Decree No. 231/01: computer crimes (as per Article 24-*bis)* and organised crime and crimes of impediment to justice (as per Articles 24-*ter* and 25-*novies*);
- checking of actual application of the Model by the corporate departments through specific audits on a sample of selected Italian and foreign contracts, and examination of the significant results as per Legislative Decree 231/01 which emerged from audits performed by the Internal Audit System and through consultation with the departments responsible for the main processes at risk as regards said offences;
- checking of the results of audits carried out, and the corrective actions taken, following recommendations voiced by the Supervisory Board, in order to resolve any criticalities that emerged;
- further investigation, at the management's request, in relation to possible implementation of protocols in areas with specific criticalities of an environmental nature;
- implementation of regular information flows (certifica-

tion pursuant to Legislative Decree No. 231/01) from contract managers (contract and project managers);

- setting up, in relation to contract e-rooms, of a specific section where certification pursuant to Legislative Decree No. 231/01 may be consulted together with attached documentation by the individual members of the Supervisory Board using access passwords;
- staff training activities in relation to Legislative Decree No. 231/01 carried out directly by the Supervisory Board, or delegated to secondary facilities in Italy and abroad in accordance with the guidelines laid down by the Supervisory Board;
- undertaking of investigations by the Internal Audit Manager pursuant to Article 13 of the Code of Ethics, in relation to suspected breach of the Organisational, Management and Control Model;
- further investigation in relation to changes to the Safety Consolidation Act introduced under Italian Legislative Decree No. 106/09, with subsequent review of protocols as per Article 6 on "crimes against the individual" and the organisational protocol regarding the "occupational hygiene, health and safety" process;
- joint meetings with the Board of Auditors for mutual exchange of information regarding audit activities carried out;
- monitoring of the activities performed by Group companies in relation to compliance with the provisions of Legislative Decree No.231/01.

11.4 Auditing Firm

Auditing of Astaldi S.p.A. is carried out by the auditing firm **Reconta Ernst & Young S.p.A.**
It should be recalled that auditing was initially assigned for the financial years 2005, 2006 and 2007 with the resolution passed by the Shareholders' Meeting of 29 April 2005, and subsequently extended for the financial years 2008, 2009 and 2010 pursuant to Article 8, paragraph 7 of the Italian Legislative Decree No. 303/2006, with the resolution passed by the Shareholders' Meeting of 2 May 2007.

11.5 Executive Appointed to Draft Corporate Accounts

During the meeting of 31 July 2007, the Board of Directors appointed **Paolo Citterio,** Astaldi's General Manager - Administration and Finance as the "***Executive appointed to draft corporate accounts***".
It should be recalled that, in accordance with the Bylaws, the Executive appointed to draft corporate accounts is appointed by the Board of Directors after consultation with the Board of Auditors. Moreover, pursuant to the Bylaws, the person chosen as Executive appointed to draft corporate accounts must have the requisites of honourableness provided for under the law for directors, and suitable professional skills. Said skills mean that he/she has undertaken, for a minimum 3-year period, management activities in the administrative, accounting, financial or auditing sector of a company with financial instruments listed on a regulated market or of a company undertaking financial, insurance or banking activities, or in a company with a share capital of not less than 2 million Euro; or alternatively he/she has undertaken activities for a 3-year period as auditor in an auditing firm registered in a special register kept by CONSOB.
The Company has also adopted internal regulations, setting forth the details of the duties, means and powers of the appointed executive, as well as his relations with other corporate officers and bodies.

12. Directors' interests and operations with related parties

As regards **operations with related parties**, please refer to the content of section 4.3 of this report concerning Applicational Criterion 1.C.1, letter f of the Self-Regulation Code.

As regards the cases provided for in Applicational Criterion 9.C.2 of the Self-Regulation Code where a director has an **interest** on his/her own behalf or on the behalf of third parties, it should be noted that the Company's Board of Directors shall adopt the working solutions it considers most suitable on a case-by-case basis (such as, for example, preventing the director from voting or inviting the director to temporarily leave the meeting while the resolution is being passed).

13. Appointment of auditors

The Bylaws provide for the "slate vote" system in order to ensure the inclusion of representatives of minority shareholders in the Board of Auditors.
As per specific provisions included in the Bylaws, the **slates**, accompanied by the documentation provided for by law and in the company's Bylaws, must be filed at the registered offices **at least 15 days** prior to the date of the Shareholders' Meeting in first call.
Only shareholders who, alone or together with other shareholders, own a total number of shares with voting rights representing at least **1% of the share capital** with voting rights in the ordinary shareholders' meeting (or a lower percentage provided for in applicable legislation or regulations) are entitled to present slates.
Should only one slate be filed, or only slates be presented by shareholders who, on the basis of the above rules, are connected, at the aforementioned deadline for presentation of the slates, further slates may be presented up to **ten (10) days** prior to the date set for the Shareholders' Meeting in first call and, in this case, the quota of shares requested for presentation of the slate shall be reduced by half (**0.5% of the share capital**).
Election of the members of Board of Auditors shall take place as follows.

- two statutory members and two alternate members are drawn from the slate obtaining the greatest number of votes expressed by the shareholders attending, in the progressive order of listing in the corresponding sections of the slate;
- the remaining statutory member, who shall also be appointed Chairman of the Board of Auditors, and the other alternate member, are drawn from the slate coming second for the number of votes, among the slates presented and voted by the shareholders who are not connected with the reference shareholders pursuant to current regulations, in the progressive order of listing in the corresponding sections of the slate.

Should several minority slates obtain the same number of votes, the most senior candidates by age among those listed as number one of the corresponding sections of the slates obtaining an equal number of votes are elected statutory auditor and alternate auditor.
Should only one slate be presented, all the statutory and alternate auditors to be elected are drawn from said slate in the order of listing. The first person on the list shall be entitled to undertake the position of Chairman of the Board of Auditors.
If a Statutory Auditor ceases to hold office for any reason whatsoever, said auditor shall be replaced by the first substitute elected in the same slate, after checking fulfilment of the requisites stated above.
If a Statutory Auditor drawn from the slate coming second for the number of votes ceases to hold office for any reason whatsoever, and if it is not possible, for any reason whatsoever, for a substitute auditor elected in the same slate to replace said auditor, after checking fulfilment of the requisites stated above, the candidate listed after the one drawn from the same slate or, failing this, the first candidate of the slate coming second for the number of votes among the minority slate, shall be appointed.
Please refer to Article 25 of the Bylaws of Astaldi S.p.A. for other aspects regarding appointment of the Board of Auditors.

14. Auditors

The Board of Auditors currently in office for the **financial years 2009, 2010 and 2011**, the composition of which is detailed in Table 4 attached hereto, was appointed during the meeting of the Board of Auditors of 24 April 2009.
It should be noted that during said meeting, **2 slates** were presented in compliance with the provisions contained in the company's Bylaws and Article 148 of the Finance Consolidation Act.
The first slate was presented by the shareholder FIN. AST. S.r.l., that proposed Pierpaolo Singer and Antonio Sisca for the position of Statutory Auditors and Massimo Tabellini and Flavio Pizzini for the position of Alternate Auditors.
The second slate was presented by the shareholders Fideuram Investimenti – Società di Gestione del Risparmio S.p.A., ARCA Società di Gestione del Risparmio S.p.A., Ersel Asset Management SGR S.p.A., Fideuram Gestions S.A., Pioneer Investment Management SGRpA, Pioneer Asset Management S.A., Monte Paschi Asset Management SGR S.p.A. and Interfund Sicav Società d'Investissement, that proposed Pierumberto Spanò for the position of Statutory Auditor and Marco Rigotti for the position of Alternate Auditor.
Upon **voting**, the first slate obtained the vote of 85.08% of the share capital attending the meeting and the second slate obtained the vote of no. 1,900,545 shares, equal to 3.13% of the share capital attending.

During the meeting of 19 March 2010 the Board of Auditors, pursuant to *Applicational Criterion 10.C.2. of the Self-Regulation Code* checked fulfilment of the requisites of independence with regard to its members, applying all the criteria provided for in the code in question with regard to the independence of directors while performing its checks.
The auditor who, on his/her own behalf or on the behalf of third parties, has an interest in a specific operation performed by the Issuer, shall inform the other auditors and the Chairman of the Board, in a prompt and thorough manner, with regard to the nature, terms, origin and extent of his/her interest (*Applicational Criterion 10.C.4.*).
The Board of Auditors supervised the independence of the auditing firm, checking both compliance with law provisions in this regard and the type and scale of services, other than auditing services, provided to the Issuer and its subsidiaries by said auditing firm and companies belonging to its network (*Applicational Criterion 10.C.5.*).
The Board of Auditors, while performing its activities, availed itself of the services and coordination of the Internal Audit Manager, also in charge of the Internal Audit System. The Board also worked with the Internal Audit Committee with whom it maintained constant exchange of information, through both the Chairman of the Board of Auditor's attendance of committee meetings and joint meetings when the issues looked at and company departments involved were of mutual interest with regard to their respective spheres of responsibility (*Applicational Criteria 10.C.6. and 10.C.7.*).

15. Relations with shareholders

Since 2002, the Company, also given its admission to listing in the STAR segment of the MTA – Italian Equities Market –, has appointed Alessandra Onorati as **the person in charge of investor relations** (the so-called "Investor Relator"), and she is also the head of said Company department.
Moreover, in order to favour dialogue with the shareholders and the market, the Company regularly makes available on its website all information, both accounting (financial statements, half-yearly statements and interim reports) and of interest to shareholders in general (for example press releases, the Corporate Code of Ethics, the Organisational and Control Model pursuant to Legislative Decree 231/01, directors' reports on the items on the agenda of meetings etc.).

16. Shareholders meetings (pursuant to Article 123-bis, paragraph 2, letter c) of the Finance Consolidation Act)

Pursuant to Article 10 of the Company Bylaws in force, the Shareholders' Meeting is called by the Board of Directors through a notice to be published in the "*Gazzetta Ufficiale della Repubblica Italiana*", in accordance with the terms required by law.

The Bylaws also provide for said notice to list a date of second call should the meeting in first call fail to reach its quorum; in the event of extraordinary meetings, the notice may also list a date of third call.

The Shareholders' Meeting is responsible for performing the duties provided for in Article 2364 of the Italian Civil Code; moreover, on the basis of what is admitted under Article 2365, paragraph two of the Italian Civil Code, Article 21 of the Company's Bylaws specifically makes the Board of Directors responsible for passing resolutions concerning:

(i) mergers and splits, in the cases provided for in Articles 2505 and 2505-bis of the Italian Civil Code, in accordance with the terms and conditions detailed therein;
(ii) the setting up and closing down of secondary offices, including foreign offices;
(iii) indication of which directors are responsible for representing the Company;
(iv) reduction of share capital in the event of withdrawal of a shareholder;
(v) amendments to the Bylaws in order to comply with law provisions;
(vi) transfer of the Company's main offices within Italy.

As regards shareholders' rights and specifically participation in the Shareholders' Meeting, the Bylaws in force, in keeping with the provisions of Article 2370, paragraph two of the Italian Civil Code, expressly state: *"The shareholders with voting rights are entitled to participate in the Shareholders' Meeting as long as, within the two days prior to the date of the first call of the Meeting, the broker holding their accounts has sent notification certifying ownership of the corresponding shares."*

At the present time, the Company's Bylaws do not provide for the possibility of voting by correspondence, computer voting or any audiovisual links, with regard to Shareholders' Meetings.

According to Article 13 of the Bylaws by which "*the holding of Shareholders' Meetings, both ordinary and extraordinary, is governed by regulations, approved by the Ordinary Shareholders' Meeting and valid for all subsequent ones, until amended or replaced"* – the Ordinary Meeting of 11 March 2002 approved the "**Regulations for Shareholders' Meetings**" establishing clear and unequivocal rules for the orderly and efficient holding of the meetings, without, however, any prejudice to the right of each shareholder to express his/her opinions and make requests for information and explanations regarding the items discussed.

Indeed, in this regard, the regulations for shareholders' meetings provide for parties entitled to exercise voting rights to take the floor with regard to items under discussion until the Chairman of the Meeting officially declares the discussion of said item as closed, in order to make observations and proposals or request information. The Chairman of the Meeting or his assistants shall undertake to provide the relative replies, and the regulations for shareholders' meetings guarantee the right of brief reply to all parties requesting to take the floor.

It must be noted that in order to ensure that shareholders receive suitable information so as to be able to pass the resolutions the Shareholders' Meeting is responsible for with full knowledge of the facts, the Board of Directors makes available to shareholders, by forwarding to Borsa Italiana S.p.A. and publication on the Company website, in accordance with the timeframe provided for in current legislation, all the documentation and reports regarding the items on the agenda of Shareholders' Meetings.

17. Other corporate governance practices (pursuant to Article 123-bis, paragraph 2, letter a) of the Finance Consolidation Act)

No additional corporate governance practices other than those already detailed above are envisaged.

18. Changes since the end of the reference year

There have been no changes to date in the Company's corporate governance structure since the end of the year.

Rome, 24 March 2010

On behalf of the Board of Directors
(Signed by Chairman)

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Tables

Table No. 1: information regarding ownership structure

Share capital structure

	No. of shares	% on share capital	Listed/ not listed	Rights and duties
Ordinary shares	98,424,900	100%	MTA - STAR	-
Shares with voting right restrictions	-	-	-	-
Shares without voting rights	-	-	-	-

Table No.: BoD and Committee in 2009

BoD									Internal Control Committee		Remuneration Committee	
Role	Member	In charge up until	Executive	Non-Executive	Indipendent as per Self Regulation Code	Indipendent as per Finance Consolida-tion Act	% ***	Number of other appoint-ments held in other compa-nies *	**	***	**	***
Onorary Chairman	Ernesto Monti			x		x	83%	5			x	100%
Chairman	Vittorio Di Paola		x				100%	-				
Deputy Chairman	Paolo Astaldi		x				100%	2				
CEO	Giuseppe Cafiero		x				100%	-				
CEO	Stefano Cerri	BoD appointed by the Shareholders' Meeting of May 2 2007 for the 2007/2009 three-year period. The BoD shall remain in office until approval of the 2009 financial statements	x				100%	-				
Member	Caterina Astaldi			x			83%	1				
Member	Pietro Astaldi			x			67%	1				
Member	Luigi G. Cavalchini			x			100%	1		100%		
Member	Grassini Franco A.			x	x	x	100%	1		100%	x	100%
Member	Mario Lupo			x	x	x	83%	-		100%		
Member	Nicola Oliva		x				100%	-				
Member	Maurizio Poloni			x	x	x	100%	-			x	100%
Member	Gian Luigi Tosato			x	x	x	83%	2				
Number of meetings held during the period			BoD: 6		Internal Control Committee: 5				Remuneration Committee: 2			

* This column shows the number of other offices of CEO or Auditor held in other companies listed on regulated markets, in Italy and abroad, in financial companies, banks, assurance companies or in companies with relevant dimensions. Table no. 3 shows in details these offices.

** This column shows with "X" the member of the BoD included in the Committee.

*** This column shows the percentage of participation respectively to the BoD meetings and Committee meetings in 2009. This percentage is referred to the number of the meetings attended by each Director or member of Committee since his/her appointment.

Table No. 3: offices of director or auditor held by each director in other companies listed in regulated markets, in italy and abroad, in financial companies, banks, assurance companies or companies with relevant dimensions:

Name and surname	Other activies performed by Directors as per art.1.3 of the Self Regulation Code
Ernesto Monti	Chairman of the BoD of Finanziaria Tosinvest S.p.A.; Board Member of Alitalia S.p.A., Unicredit-Banca di Roma S.p.A., Erg Renew S.p.A. (formerly Enertad S.p.A.), Ariscom Compagnia di assicurazioni S.p.A.
Vittorio Di Paola	---
Paolo Astaldi	CFO of Fin.Ast S.r.l.; Board Member of Atmos Wind S.p.A.
Giuseppe Cafiero	---
Stefano Cerri	---
Caterina Astaldi	Board Member of Fin.Ast. S.r.l.
Pietro Astaldi	Board Member of Fin.Ast. S.r.l.
Luigi Guidobono Cavalchini	Chairman of the BoD of Unicredit Private Banking S.p.A.
Franco A. Grassini	Chairman of the BoD of Marche Capital S.p.A.
Mario Lupo	---
Nicola Oliva	---
Maurizio Poloni	---
Gian Luigi Tosato	Honorary Chairman of Ericsson Telecomunicazioni S.p.A. and Board Member of MEMC Electronic Materials S.p.A.

Table No. 4: structure of the board of auditors in 2009

Role	Members	In charge up until	List	Independent as per Self Regulation Code	Percentage of participation to the Board Meetings *	Number of other offices **
Chairman	Pierumberto Spanò	Board appointed by the Shareholders' Meeting of April 24 2009 for the 2009/2011 three-year period.The BoD shall remain in office until approval of the 2009 financial statements	Lists presented by the majority	x	100%	16
Statutory Auditor	Pierpaolo Singer		Lists presented by the majority	x	100%	8
Statutory Auditor	Antonio Sisca		Lists presented by the majority	x	100%	-
Substitute Auditor	Marco Rigotti		Lists presented by the minority	x	-	7
Substitute Auditor	Massimo Tabellini		Lists presented by the majority	x	-	6
Substitute Auditor	Flavio Pizzini		Lists presented by the majority	x	-	11
Auditors ceased during 2009						
Substitute Auditor	Maurizio Lauri	2006/2008	Lists of minority	x	-	-

Number of meeting held during 2009: 7

Quorum to be entitled to present minority lists for the election of one or more statutory auditors (as per art. 148 FCA): according to the By-Law, only the shareholders who, alone or together with other shareholders, represent at least 1% of share capital are entitled to present lists

* This percentage is referred to the number of meetings attended by each Auditor, since his/her appointment and until the expiration of his/her office.

** This column shows the number of offices of Director or Auditor held by the Auditor as per art. 148-bis of the FCA. The whole list of the offices is attached as per art. 144-quinquiesdecies of the "Regolamento Emittenti" of CONSOB, to the Board of Auditor's Report provided as per art. 153, section 1, of the FCA.

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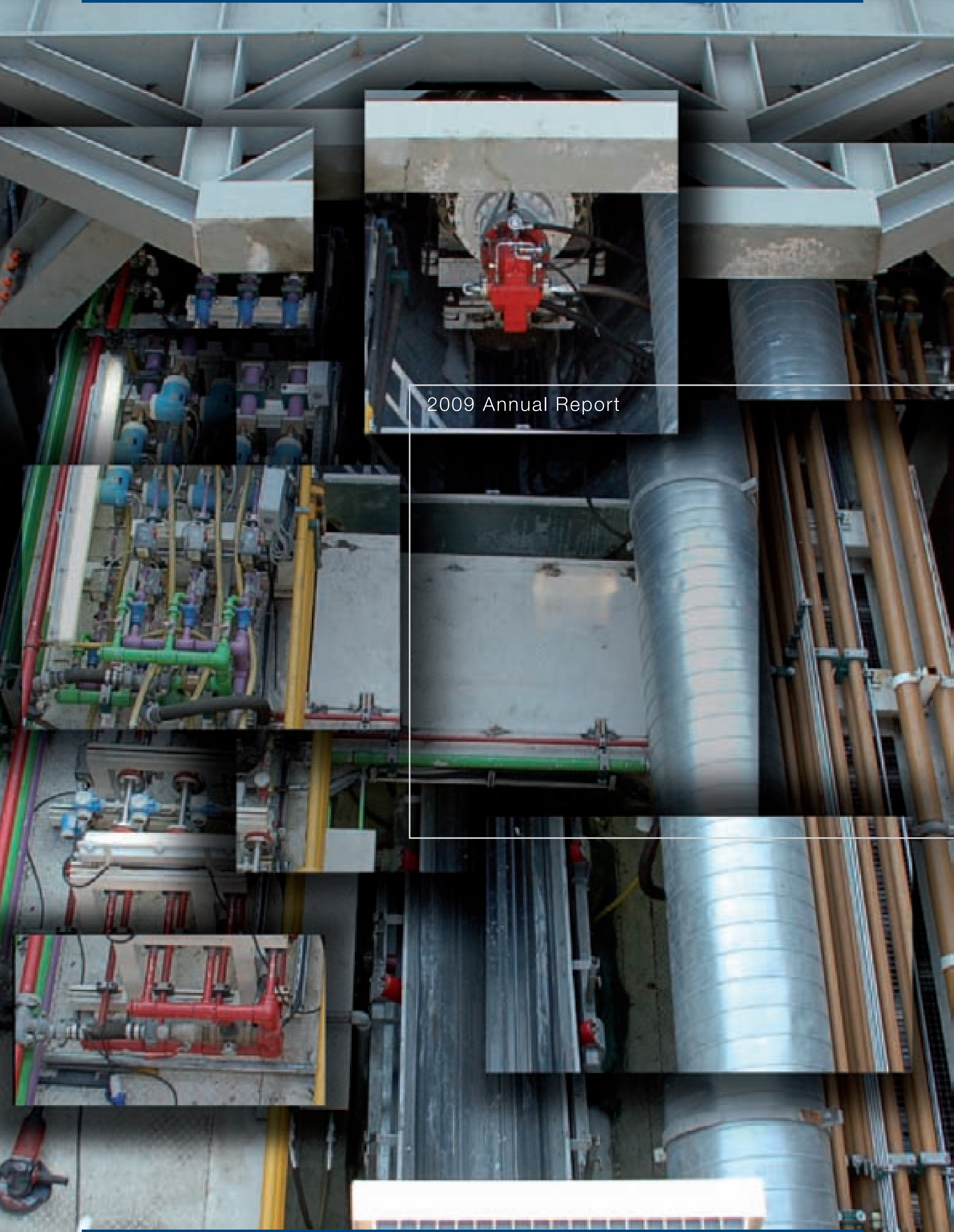
2009 Annual Report

Other information

Other information

Report of the Board of Auditors to the Shareholders' Meeting pursuant to Article 153, Italian Legislative Decree of 24 February 1998

Dear Shareholders,
During the course of 2009, the Board of Auditors performed the supervisory activities provided for by law.
In light of the activities carried out and taking into account current legislation and recommendations made by CONSOB and in keeping with the provisions of the Self-Regulation Code promoted by BORSA ITALIANA S.p.A. and the standards of conduct for Boards of Auditors recommended by Italy's National Board of Professional Accountants and Bookkeepers, we have the following to report:

1. We verified — by means of direct observation and meetings with department managers and with the audit company — compliance with the principles of correct management, as well as with the law and company bylaws;
2. We attended board meetings and obtained information from company directors, regarding activities carried out and the main economic, financial and asset transactions of the company and its main subsidiaries; we can reasonably assure you that the actions resolved upon and implemented comply with the law and the company bylaws and do not appear to be imprudent, risky, in potential conflict of interest or in contrast with the resolutions of the Shareholders' Meeting, or such as to compromise the integrity of corporate assets;
3. We obtained knowledge about and checked — within our sphere of responsibility — the suitability of the company's organisational structure, as well as compliance with the principles of correct management and the satisfactoriness of instructions given by the company to subsidiaries in accordance with Article 114, paragraph 2, of Italian Legislative Decree No. 58/98; this was achieved by gathering information from the department managers concerned and meetings with the independent auditing firm in order to mutually exchange data and relevant information, and we do not have any specific comments to make in this regard;
4. We performed our activities in compliance with Article 151, paragraph 1 of the Finance Consolidation Act by requesting information from the boards of directors of the subsidiary companies;
5. We evaluated and verified the suitability of the internal audit system and the administrative-accounting system, as well as the latter's reliability to correctly represent management matters by obtaining information from the managers of the respective departments, examining corporate documents, analysing the results of activities performed by the independent auditing firm, being involved in the work of the Internal Audit Committee and holding joint meetings with said committee when the issues looked at made this necessary.

   While performing its activities, the Board of Auditors worked together with the Internal Audit Committee and the Internal Audit Department which performs internal audit activities by coordinating and integrating checks and controls performed by various corporate departments with an assurance role. Audit activities concerned checking compliance with current legislation, Group guidelines and corporate procedures, compliance with proxies and correctness of conduct, as well as proposing corrective action or solutions aimed at improving the procedural and audit system, including for the purpose of improving corporate organisation.

As regards checks related to Article 154-bis of the Finance Consolidation Act, we examined the results of audits performed by the operating unit which supports the Executive appointed to draft corporate accounts.

The activities performed led us to consider the internal audit system and administrative-accounting system as largely suitable, with the latter being able to correctly represent management matters and comply with law provisions regarding the layout and formulation of the annual financial statements and management report;

6. We attended five meetings of the Internal Audit Committee during the year and the committee's activities were reported to the Board of Directors and are detailed in the Annual Corporate Governance Report at your disposal;
7. On 7 April 2010, the independent auditing firm issued reports pursuant to Article 156 of Italian Legislative Decree No. 58/98 respectively for the annual financial statements and the Group's consolidated financial statements at 31 December 2009, drafted in compliance with International Financial Reporting Standards (IFRS) adopted by the European Union, as well as measures issued to implement Article 9 of Italian Legislative Decree No. 38/2005. Said reports confirm that both the annual financial statements and the consolidated financial statements of Astaldi S.p.A. are "drafted in a clear manner and provide a truthful and correct representation of the equity and financial situation, economic result, changes in equity and cash flows for the financial year ending on said date, and that the management report is in keeping with the aforementioned financial statements";
8. A report was made during the year whose financial statements you are called upon to approve, pursuant to Article 2408 of the Italian Civil Code, referring in particular to failure to file with Borsa Italiana S.p.A. a copy of Attachment "E" to the minutes of the Shareholders' Meeting held on 24 April 2009 containing a detailed summary of voting at said meeting, whose overall data were included in said minutes. The Company undertook to publish the aforementioned Attachment "E" on its own website and on the website of Borsa Italiana S.p.A. on 27 May 2009;
9. We held meetings with the representatives of the independent auditing firm, in compliance with Article 150 of Italian Legislative Decree No. 58/98, and no significant data or information emerged;
10. We obtained information on activities implemented in accordance with Legislative Decree No. 231/2001 regarding the administrative responsibilities of bodies, including by directly exchanging information with the Supervisory Board set up by the company. In this regard, the Supervisory Board has drafted a report on activities carried out during year 2009 which is included in the Annual Corporate Governance Report at your disposal;
11. The company complies with the Self-Regulation Code for listed companies, established by Borsa Italiana S.p.A. and its internal structure is in keeping with the guidelines of said Code;
12. We supervised the independence of the independent auditing firm, checking compliance with relative law provisions and the type and number of services other than auditing services provided to the Issuer and its subsidiaries by said independent auditing firm and companies belonging to its network.

    In this regard, note should be taken of the fact that the company Ernst & Young Financial Business Advisors S.p.A. – a company forming part of the Ernst & Young Global (EYG) international network – received the following assignments during 2009:

a) assistance with formulating and checking correct application of suitable models to assess the effectiveness of interest and exchange rate risk hedging, for a total commitment of 20 man-days and a sum of EUR 20,000.00;

b) methodological and technical assistance for a pilot Risk Assessment scheme related to some contracts in Turkey for a total commitment of 35 man-days and a sum of EUR 30,000.00.

13. As regards transactions with related parties and intragroup operations, the information provided by the board members in the management report is suitable to describe the activities carried out in 2009.

    In compliance with the provisions contained in International Accounting Standards - IAS 24 and CONSOB Statement No. 6064293 of 28 July 2006 concerning identification of the notion of related parties, we would like to point out that the notes to the statutory financial statements and the consolidated financial statements show the amounts for said transactions and the current balances resulting from financial and commercial relations with related parties, as well as the fees due to board members, auditors and general managers.

    No atypical or unusual operations with respect to normal operations, or conflicts of interest regarding board members, were noted.

14. During the year we checked the correct application of criteria and procedures adopted by the Board of Directors to assess the independence of its members and we checked fulfilment of the requisites of independence provided for by law for the members of the Board of Auditors of listed companies, including with regard to the criteria listed in the Self-Regulation Code for listed companies and provided for with regard to independent company directors;

15. In compliance with the provisions contained in Article 150, paragraph 3 of Italian Legislative Decree No. 58/98 and Standard 10.C.7. of the Self-Regulation Code of Borsa Italiana, we promptly exchanged data and information of significance for performing respective duties with the independent auditing firm and the Internal Audit Committee.

The aforementioned supervisory activities for 2009 were carried out at seven Board of Auditors' Meetings whose resolutions are recorded in the Board's ledger, and by attending six meetings of the Board of Directors and five meetings of the Internal Audit Committee.

During the supervisory activities performed and on the basis of information obtained from the independent auditing firm, no omissions and/or censurable facts and/or irregularities were noted — or in any case facts of such significance as to require their reporting to supervisory bodies or inclusion in this report.

Taking into account the above, the Board of Auditors, with regard to its sphere of responsibility, has no reason to object to approval of both the financial statements at 31 December 2009 and the proposed resolutions formulated by the Board of Directors.

Rome, 7 April 2010.

BOARD OF AUDITORS
(Pierumberto Spanò)
(Pierpaolo Singer)
(Antonio Sisca)

Resolution passed by Shareholders' Meeting

The Shareholders' Meeting, met at first call on April 23 2010, resolved as follows:

- To approve the financial statements at December 31 2009 and the Board of Directors' Management Report drafted as per Art. 2428 of the Italian civil code and as per Art. 40 of the Italian Legislative Decree no. 127/91, together with the proposed allocation of profits as formulated by the same Board of Directors;
- To appoint the Board of Directors for the 2010-2012 three-year period. The Board of Directors will remain in office until approval of the financial statements at December 31 2012, in the persons of Paolo Astaldi, Pietro Astaldi, Caterina Astaldi, Giuseppe Cafiero, Luigi Guidobono Cavalchini, Stefano Cerri, Giorgio Cirla, Paolo Cuccia, Vittorio Di Paola, Mario Lupo, Ernesto Monti, Eugenio Pinto, Maurizio Poloni;
- To appoint Vittorio Di Paola as Honorary Chairman of the Company as per Art. 22-*bis* of the Company By-Law;
- To renew for a further 13-month period the Company's buy back share plan, to be performed in accordance with the procedures put forward by the same Board of Directors.

The Board of Directors, subsequently met on April 23, appointed Paolo Astaldi as Chairman of the Company, appointed Ernesto Monti and Giuseppe Cafiero as Deputy Chairmen and confirmed Stefano Cerri as CEO.
The same Board of Directors confirmed Paolo Citterio as CFO and Executive in charge of drafting corporate accounts, appointed Cesare Bernardini and Rocco Nenna (formerly Deputy General Managers in charge for international activities) as General Managers in charge for International activities and appointed Luciano De Crecchio (formerly Deputy General Manager in charge for domestic activities) as General Manager in charge for domestic activities.

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Fully paid up Share Capital EUR 196,849,800.00
Listed in the Registry of Companies of Rome
Tax number 00398970582
(formerly listed in the same Registry under no. 847/50 - Rome Court)
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