Astaldi's Board of Directors approves the half-yearly results at 30 June 2010

ASTALDI, consolidated net profit up by 15.3% over the first half of the year

More than EUR 1 billion of new contracts

Significant improvement in net financial position which stands at EUR 456 million

Astaldi Concessioni NewCo has been set up

- 5.5% increase in total revenues to EUR 976.3 million
- EBITDA: +6.3% to EUR 109.7 million, with EBITDA margin of 11.2%
- EBIT: +6.3% to EUR 84.1 million, with EBIT margin of 8.6%
- Net profit: +15.3% to EUR 31.1 million

- Order backlog of EUR 9.1 billion, with over EUR 1 billion of new contracts
- Significant improvement in the net financial position which stands at EUR 456 million compared to EUR 543 million in Q1 2010

Rome, 3 August 2010 - The Board of Directors of Astaldi S.p.A., chaired by Paolo Astaldi, met today to approve Astaldi Group's consolidated results for the first half of 2010. The half-year ended with an increase in results which served to confirm the Group's strength and ability to pursue the development programme already drawn up, even given the negative macroeconomic situation. The target of revenues above 2 billion euro at year end is confirmed.

Total revenues at 30 June 2010 totalled EUR 976.3 million (+5.5% YOY). Excellent earning levels were confirmed with an EBITDA margin of 11.2% and an EBIT margin of 8.6%, equal respectively to EBITDA of EUR 109.7 million (+6.3%) and EBIT of EUR 84.1 million (+6.3%). Consolidated net profit amounted to EUR 31.1 million (+15.3%), with an increase in the net margin to 3.2%. The order backlog totalled EUR 9.1 billion, with new projects accounting for over EUR 1 billion. The net financial position stood at EUR 456.5 million, a clear improvement on the figure for the first quarter of this year proving the Group's capacity to support high growth levels with major self-financing ability, making it possible to forecast further improvement by the end of the year on the basis of half-year dynamics.

"The results of the first six months – commented Stefano Cerri, Astaldi Group's CEO – *confirm the Group's ability to play on the strategic assets it boasts, even given the complex, unfavourable market conditions."*

Consolidated economic results at 30 June 2010

Total revenues increased to EUR 976.3 million (+5.5%, EUR 925.1 million at 30 June 2009).

Operating revenues totalled EUR 912.3 million (+2.9%, EUR 886.3 million in June 2009) and saw a strengthening of foreign activities with a significant contribution made also by the domestic sector resulting into a suitable diversification of the risk profile of activities.

Italy accounted for EUR 401 million of operating revenues (EUR 433 million at 30 June 2009) and a partial slowdown in domestic activities was seen, mainly as a result of some projects (Police Officers' Academy in Florence ["Scuola Carabinieri"] and the new Hospital in Naples ["Ospedale del Mare"]) experiencing technical and procedural problems that are in the process of being resolved. As regards all the other projects, work progressed as planned and payments were made as per contractual terms and conditions. Specifically, positive progress was made on the Turin rail junction as well as on the underground lines under construction in Milan (Line 5) and Naples (Line 6). Work also went ahead as planned on the Rome underground (Line C) and the lots of the Jonica national road under construction (DG21).

Foreign activities generated EUR 511 million of operating revenues (EUR 453 million at 30 June 2009), to be linked to projects in progress in Turkey, Eastern Europe and Latin America. The contribution made by Latin America and Algeria remained unvaried, while there was a reduction in the Middle East's contribution as a result of some projects being completed during the first six months, while the start-up of production activities is pending with regard to more recently secured projects (Jubail Project).

Transport infrastructures confirmed its key role for the Group's activities, accounting for 79.1% of operating revenues, equal to EUR 721 million (EUR 697 million at 30 June 2009), also as a result of the speeding up of work on the Istanbul underground in Turkey and the good performance of the two lots of the Jonica national road under construction in Italy. Energy production plants accounted for EUR 148 million of the half-year's production (EUR 62 million at 30 June 2009), as a result of projects in progress in Latin America entering the operational phase. Civil and industrial construction accounted for EUR 43 million of operating revenues (EUR 127 million at 30 June 2009) and was affected by the slowdown in activities already mentioned in relation to the Police Officers' Academy in Florence and the new hospital in Naples. Moreover, it must also be noted that the first six months saw the start-up of works to construct four hospitals in Tuscany in project finance. The start-up ceremony of the hospital in Prato was held on 27 June 2010, and subsequently led to the start of civil works for this hospital, in addition to the works already performed in relation to the other hospitals included in the project (Pistoia, Lucca, Massa). Lastly, it should be remembered that income generated from management of the new Hospital in Mestre does still not feature among operating revenues; the accounting standards adopted do not allow the contribution to be visible among the revenues structure and margins.

The cost structure reflected the growth in activities as well as the increasing focus of production on foreign and general contracting projects where the use of outsourcing and joint ventures for contract management is more common. The cost of production amounted to EUR 732 million (+5.3%, EUR 695.3 million at 30 June 2009) with a 75.4% incidence on total revenues. Personnel costs totalled EUR 121.6 million (+2.1%, EUR 119.1 million at 30 June 2009) with a 12.5% incidence.

Excellent earning levels were confirmed thanks to the high quality of the order backlog which has been a reality for some years now. The EBITDA margin stood at 11.2% with EBITDA of EUR 109.7 million (+6.3%, EUR 103.2 million at 30 June 2009) while EBIT totalled EUR 84.1 million (+6.3%, EUR 79.1 million at 30 June 2009) with an EBIT margin of 8.6%.

Net financial charges amounted to EUR 35.4 million (+2.7%, EUR 34.5 million at 30 June 2009), with a year-on-year difference that is to be attributed to the scale of production volumes and increasing focus of the order backlog on projects with a higher technological and financial content.

Pre-tax profit totalled EUR 50.1 million (+12.8%, EUR 44.4 million at 30 June 2009). **Net profit totalled EUR 31.1 million** (+15.3%, EUR 27 million at 30 June 2009) excluding taxes estimated at EUR 18.7 million. **The net margin increased to 3.2%**, with a tax rate of 37.4%.

Consolidated equity and financial results at 30 June 2009

The Group's equity and financial structure reflected consolidation of the Group's role in Italy and abroad, as well as the guaranteed support for production.

Net fixed assets totalled EUR 446.4 million (EUR 449.6 million at 31 December 2009) which basically reflects the balance achieved by the Group which provides for hedging of investments in technical resources through self-financing generated by amortisation and depreciation. The value of technical investments is in line with forecasts made during business planning.

Working capital amounted to EUR 461.7 million (EUR 403.7 million at 31 December 2009), seeing an increase of EUR 58 million during the six months. This meant an extremely positive result on the whole which confirmed that the **management has succeeded in adopting a virtuous model** that it is felt will benefit the Group's equity and financial situation also at year-end and for future years. The model is based on suitable curbing of invested capital as well as on optimal cash flow management. Indeed, the cash flow recorded during the second quarter, equal to approximately EUR 90 million, generated a considerable reduction in net financial debt. The positive result can be attributed to the curbing of invested capital on the one hand, even given the current expansion being undertaken by the Group, and to the achievement of contractual milestones which generated major payment collection on the other. This improvement in the equity structure is forecast to continue during the third and fourth quarters, leading to a further improvement in net financial debt by the end of the year.

Net invested capital amounted to EUR 873.8 million (EUR 819.8 million at 31 December 2009). Considering the levels of production reached during the first half of the year, the results are positive given that the Italian system does not envisage contractual advances for projects in progress. The Group's continues to operate by using operating leverage while maintaining a balanced financial structure.

Equity increased to EUR 413 million (EUR 393.4 million at 31 December 2009) due to the trend of the half-year's results and suspended economic items in the equity reserves, in compliance with IAS standards.

The net financial position stood at EUR (456.5) million at 30 June 2010 and showed a marked improvement compared to the figure of EUR (543) million at 31 March 2010. Said figure benefited during the second quarter from a virtuous contract cash flow trend which the management succeeded in obtaining and which is aimed at ensuring financial balance in the cycles regarding sources and investments. The result is even more noteworthy if we consider that investments in the project finance sector continued during the half-year in question, as forecast in the Group's development plan. Moreover, the debt structure is focused on the medium/long-term, with the first important repayment scheduled for 2013.

The debt/equity ratio stood at 1.1. The corporate debt/equity ratio (which excludes the share of debt related to concession/project finance activities insofar as without recourse or self-liquidating) was less than 1.

€/000	30/06/10	31/12/09	30/06/09
Cash and cash equivalents	328,229	448,312	264,124
Financial receivables	41,347	24,461	29,624
Current financial debt	(290,931)	(365,983)	(285,151)
Net current financial debt	78,645	106,790	8,597
Non-current financial debt	(594,564)	(576,400)	(504,985)
Net financial debt	(515,919)	(469,610)	(496,388)
Receivables arising from concessions	55,064	43,046	36,217
Total financial debt	(460,855)	(426,564)	(460,171)
Treasury shares on hand	4,383	5,172	5,197
Total net financial position	(456,472)	(421,392)	(454,974)

Order backlog at 30 June 2010

The order backlog amounted to EUR 9.1 billion, EUR 5.1 billion of which refers to Italy (56% of the total backlog) and EUR 4 billion to foreign projects (44%), mainly in Latin America and the rest of Europe (Romania, Poland). The order backlog's overall structure is in keeping with the Group's commercial development policies which aim at a balanced geographic diversification of activities in the various areas where the Group operates.

Said total included more than EUR 1 billion of backlog increases related to projects in progress as well as newly secured domestic and foreign contracts. Specifically, as regards foreign activities, mention must be made of the contract worth USD 80 million for the Jubail Export Refinery Project in Saudi Arabia which was secured in June. As regards Italy, the order backlog includes Astaldi's stake in the following:

- extension of the concession to construct and manage Line 5 of the Milan underground (an extra 7 kilometres of new line and 10 new stations (along the Stazione Garibaldi/Repubblica-Stadio San Siro stretch), which for Astaldi means the inclusion of EUR 446 million among the backlog in relation to construction activities and EUR 276 million in relation to concession activities;

- approval of the remaining share of funding for the T3 section (San Giovanni - Colosseo) of Line C of the Rome underground (total investment of EUR 792 million) which for Astaldi means the inclusion of an additional EUR 100 million among the backlog.

The construction order backlog amounted to EUR 6.4 billion (70% of the total), EUR 3 billion of which referred to the domestic sector and EUR 3.4 billion to foreign activities. Transport infrastructures still remain the key sector for the Group's operations (62%), followed by civil and industrial construction (5%) and energy production plants (3%).

The concessions order backlog amounted to EUR 2.7 billion, EUR 2.1 billion of which refers to Italy (urban transport infrastructures, car parks, healthcare construction) and EUR 600 million to foreign projects in Chile and Honduras (water and energy). The figures refer to the present value of future revenues for the individual projects, calculated by taking the average duration of management phases to be 30 years.

Order backlog by geographical area (€/000,000)	At 01/01/2010	Increases	Decreases for production	At 30/06/2010
Italy	4,647	875	(401)	5,121
Abroad	4,384	130	(511)	4,003
Europe	1,667	8	(215)	1,460
America	2,124	44	(231)	1,937
Africa	591	23	(64)	550
Asia	2	55	(1)	56
TOTAL Order backlog	9,031	1,005	(912)	9,124

Order backlog by sector (€/000,000)	At 01/01/2010	Increases	Decreases for production	At 30/06/2010
Transport infrastructures, of which:	5,724	666	(721)	5,669
Railways and undergrounds	*4,095*	*552*	*(535)*	*4,112*
Roads and motorways	*1,491*	*115*	*(166)*	*1,440*
Airports and ports	*138*	*0*	*(20)*	*118*
Hydraulic works and energy production plants	416	0	(148)	268
Civil and industrial construction	422	63	(43)	442
Concessions	2,469	276	0	2,745
TOTAL Order backlog	9,031	1,005	(912)	9,124

Subsequent events

For the concessions sector, with regard to the project aimed at promoting – through the separation of concession activities from traditional construction work – the development of activities under concession, this is to inform that the new company “Astaldi Concessioni” has been founded. All concession activities will be gradually transferred to the new company at book value.

In this initial phase, the following contracts have already been transferred: all car parks (“Corso Stati Uniti” in Turin; “Porta Palazzo” in Turin; “Piazza VIII Agosto” in Bologna; “Riva Reno” in Bologna; “Piazza della Cittadella” in Verona) and the participations in the Inversiones Assimco Limitada (Chacayes hydroelectric project, in Chile) and in Aguas de San Pedro S.A. de C.V.

Details of the operation will be disclosed to the financial community during presentation of the 2010-2014 Business Plan. The new Business Plan will be submitted for approval by the Board of Directors on 22 September 2010 and subsequently presented to the market on 23 September 2010.

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

• transport infrastructures (railways, undergrounds, roads, motorways, ports, and airports);
• hydraulic works and energy production plants (dams, hydroelectric plants, waterworks, oil pipelines, gas pipelines and treatment plants);
• civil and industrial construction (hospitals, universities, airports, law courts, building works related to electricity and nuclear power stations, car parks);
• management under concession of works such as car parks, healthcare facilities, urban transport infrastructures, water plants
The Group currently operates as a General Contractor capable of promoting financial aspects and coordinating all resources and skills for the optimal development and management of complex and high-value public works.

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Reclassified accounts

Consolidated reclassified income statement

€/000	30/06/10 June	%	30/06/09 June	%
Revenues	912,268	93.4%	886,336	95.8%
Other operating revenues	64,006	6.6%	38,723	4.2%
Total revenues	**976,275**	**100.0%**	**925,059**	**100.0%**
Cost of production	(732,033)	(75.0%)	(695,307)	(75.2%)
Added value	**244,241**	**25.0%**	**229,752**	**24.8%**
Personnel costs	(121,569)	(12.5%)	(119,087)	(12.9%)
Other operating costs	(12,926)	(1.3%)	(7,469)	(0.8%)
EBITDA	**109,747**	**11.2%**	**103,196**	**11.2%**
Amortisation	(25,874)	(2.7%)	(21,310)	(2.3%)
Provisions	(265)	0.0%	(1,221)	(0.1%)
Write-downs		0.0%	(2,000)	(0.2%)
(Capitalisation of internal costs)	465	0.0%	407	0.0%
EBIT	**84,073**	**8.6%**	**79,072**	**8.5%**
Net financial charges and income	(35,438)	(3.6%)	(34,495)	(3.7%)
Effects of valuation of equity investments using equity method	1,457	0.1%	(169)	0.0%
Pre-tax profit (loss)	**50,091**	**5.1%**	**44,407**	**4.8%**
Taxes	(18,739)	(1.9%)	(16,782)	(1.8%)
Profit (loss) for the period	**31,352**	**3.2%**	**27,625**	**3.0%**
Minority profit (loss)	(197)	(0.0%)	(605)	(0.1%)
Group net profit	**31,155**	**3.2%**	**27,020**	**2.9%**

Consolidated reclassified balance sheet

€/000	**30 June 2010**	**31 December 2009**
Intangible fixed assets	4,075	3,966
Tangible fixed assets	313,242	319,959
Equity investments	97,622	93,397
Other net fixed assets	31,428	32,297
TOTAL fixed assets (A)	**446,367**	**449,618**
Inventories	83,440	90,316
Contracts in progress	816,094	648,626
Trade receivables	33,090	27,541
Accounts receivables	587,954	683,536
Other assets	177,949	157,581
Tax receivables	106,916	78,391
Advances from customers	(380,458)	(382,905)
Subtotal	*1,424,985*	*1,303,086*
Trade payables	(126,957)	(90,034)
Due to suppliers	(549,842)	(543,639)
Other liabilities	(286,483)	(265,716)
Subtotal	*(963,283)*	*(899,389)*
Working capital (B)	**461,703**	**403,697**
Employee benefits	(9,185)	(9,555)
Provisions for non-current risks and charges	(25,042)	(23,809)
Total provisions (C)	**(34,227)**	**(33,364)**
Net invested capital (D) = (A) + (B) + (C)	**873,843**	**819,952**
Cash and cash equivalents	324,238	444,138
Current financial receivables	20,986	22,043
Non-current financial receivables	20,362	2,418
Securities	3,991	4,175
Current financial liabilities	(290,931)	(365,983)
Non-current financial liabilities	(594,564)	(576,400)
Net financial payables/receivables (E)	**(515,919)**	**(469,610)**
Receivables arising from concessions	55,064	43,046
Total financial payables/receivables (F)	**(460,855)**	**(426,564)**
Group equity	(392,336)	(375,122)
Minority equity	(20,652)	(18,265)
Equity (G) = (D) - (F)	**412,988**	**393,387**

Consolidated reclassified balance sheet

	30/06/10	30/06/09
Results for the period attributable both to the Group and minority shareholders	31,352	27,625
Gross operating cash-flow	25,311	26,193
Total (increase)/decrease in working capital	(61,737)	(68,343)
A – TOTAL CURRENT OPERATING CASH-FLOW	**(5,074)**	**(14,524)**
B – (INCREASE)/DECREASE IN FIXED ASSETS	**(46,672)**	**(83,132)**
C – (INCREASE)/DECREASE IN FINANCING ACTIVITIES	**(68,153)**	**23,868**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(119,899)**	**(73,788)**