

ASTALDI Società per Azioni
Company Offices - Via Giulio Vincenzo Bona, 65
Share Capital: EUR 196,849,800.00 – fully paid-in
Registered with the Companies Register of Rome
under TIN: 00398970582
(formerly registered under no. 847/50 – Court of Rome)
R.E.A. No. 152353
VAT No. 00880281001

Financial Statements at 31 December 2010
Report by the Board of Auditors to the Shareholders' Meeting
pursuant to art. 153, Legislative Decree no. 58 of 24 February 1998

Dear shareholders,

During financial year 2010, we performed the oversight activity provided for by law.

In light of the activities performed, taking into account the regulations in force and the indications made by CONSOB, and in compliance with the provisions of the Self-Regulation Code promoted by BORSA ITALIANA S.p.A. and by the principles of behaviour by the Board of Auditors recommended by Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (national council of chartered accountants and business managers), we do hereby report as follows:

1. through direct observations and meetings with the managers of the departments and with the auditing firm, we oversaw compliance with the principles of proper administration and compliance with the law and the company's Bylaws; we found the existence of an appropriate organization that makes it possible to comply with the regulations and fulfil the obligations provided for therein;
2. we attended the meetings of the Board of Directors, and obtained from the directors,

also pursuant to art. 151, paragraph 1, of the finance consolidation act (TUF), information on the activity performed and on the operations of greatest economic, financial, and asset-related importance performed by the Company or by the major subsidiaries, and we may reasonably assure that the actions decided upon and implemented are in compliance with the law and with the company's Bylaws, and are not manifestly imprudent, risky, in potential conflict of interest, or in conflict with the decisions made by the Shareholders' Meeting or by the Board of Directors, or such that may compromise the integrity of the company's assets;

3. we acquired knowledge of and oversaw – to the extent under our purview – the suitability of the company's organizational structure, and compliance with the principles of proper administration. In this regard, we noted the existence of a company organizational chart that clearly identifies the functions, roles, and lines of responsibility, supplemented by a clear and defined system of delegations and powers. Decision-making activities are exercised in accordance with the powers as conferred, with an appropriate separation and balancing of responsibilities in duties and functions. The selection procedures in progress ensure the presence of personnel qualified on the basis of the assigned functions;
4. we oversaw the suitability of the provisions imparted by the company to the subsidiaries pursuant to article 114, paragraph 2, of Legislative Decree no. 58/98, through the collection of information from the managers of the relevant company departments, and meetings with the auditing firm, for the purpose of the mutual exchange of pertinent data and information. In this regard, we report that CONSOB, on 12 March 2010, adopted, with Decision no. 17221, the regulation containing the provisions governing operations with related parties, subsequently modified with Decision no. 17389 of 23 June 2010. This contains the regulations and general principles governing procedures that Italian companies with shares listed in regulated markets in Italy (or other countries in the European Union) and with

shares considerably widespread among the public, are required to adopt for the purpose of ensuring the transparency and correctness, in both procedure and substance, of the operations with related parties, implemented directly or through companies. On 9 November 2011, the company's Board of Directors approved the procedure provided for by art. 4 of the aforementioned regulation, with the Board of Auditors overseeing its compliance with the principles indicated in said regulation;

5. we assessed and oversaw the suitability of the internal control system and of the administrative/accounting system, as well as the latter's reliability in properly representing the management events, by obtaining information from the managers of the respective departments, examining company documents, analyzing the results of the work performed by the auditing firm, taking part in the proceedings of the Internal Control Committee and, where the subjects discussed so required, holding joint meetings with said Committee.

In particular, we oversaw the planning of the activities by the employee charged with internal control, and examined the related reports, making sure that the company was undertaking the improvement actions indicated by the auditing activities. We also noted the establishment of a new corporate department supporting the risk management system, called Corporate Risk Management, meeting its Manager and analyzing its purposes, work schedules, and system of information flows with the other corporate departments, and focusing on the methods adopted for identifying, managing, and monitoring risks. On these occasions, we met, along with the Internal Control Committee, the Chief Executive Officer, in order to more deeply examine the approach to risk management by the company, and the pertinent flows of information to the Internal Control Committee, the Board of Directors, and the Board of Auditors.

With reference to verification of the suitability of the administrative and accounting system and its reliability, and for the purpose pursuant to art. 19, paragraph 1, letter

a) of Legislative Decree no. 39/2010, we acquired the pertinent procedures, including those for issuing the certifications of the Executive in charge, and oversaw their actual application through interviews with the various department managers, and through the exchange of information with the auditing firm. We also oversaw the effectiveness of the procedures regarding training, lodging and publishing the financial statements and interim reports, the existence of the obligatory content, pursuant to the law, of the directors' report on the financial statements, and the procedures for collecting, drawing up, and transmitting announcements with important financial information.

For the verification activities regarding the actual application of art. 154-*bis*, TUF, we examined the results of the audits performed by the operative structure, which supports the Executive appointed to draft corporate accounts.

From the activity that was performed, we developed a judgement finding the substantial suitability of the internal control system and of the administrative and accounting system, as well as the latter's reliability in properly representing management events and compliance with the regulations of law regarding the formation and organization of the financial statements and of the management report.

6. in carrying out the activities, we coordinated with the Internal Control Committee and the Internal Control Department, which carries out internal auditing activities also by supplementing the verification and control activities performed by various company departments having an assurance role. In particular, the joint control activities regarded verifying compliance with the regulations in force, the Group's guidelines and corporate procedures, compliance with the delegated powers and observance of proper behaviour, as well as proposing corrective actions or solutions suitable for improving the procedural and control system, also for the purposes of making the corporate organization effective. Moreover, based on the interpretative

developments of Legislative Decree no. 39/2010 on the legal auditing of the yearly and consolidated accounts – with regard to the provisions of art. 19 and Borsa Italiana S.p.A. notice no. 18916 – the Board of Auditors is vested with the functions provided for by the Self-Regulation Code under art. 8.C.3 letter d) (assessment of the auditing firms proposals for obtaining the assignment, as well as the working plan prepared for the audit and the results set out in the report and, where applicable, in the suggestions letter) and letter e) – oversight of the audit’s effectiveness);

7. during the financial year, we took part in four meetings of the Internal Control Committee, whose activity was reported by the Committee to the Board of Directors, and is included in the yearly Report on Corporate Governance, which is available to you;
8. we oversaw the legal auditing, assessing, with the executive in charge, the auditing firm’s working plan, and overseeing the auditing process’s effectiveness through periodic meetings and exchange of information with said auditing firm, also with regard to the criteria and accounting practises to be used, and verifying that there were no data or information specifically demanded by the auditor, that was not duly communicated. It is lastly stressed that this Board did not receive from the legal auditor, during the auditor’s work, reports in accordance with the indications of Auditing Standard no. 260 *“Notification of facts and circumstances pertaining to the audit, to those responsible for governance activities”*;
9. the auditing firm, on 25 March 2011, released the reports pursuant to articles 14 and 16 of Legislative Decree no. 39 of 27 January 2010, respectively for the company and the group financial statements at 31 December 2010, drawn up in compliance with the International Financial Reporting Standards – IFRS, adopted by the European Union, and with the measures issued in implementation of art. 9 of Legislative Decree no. 38/2005. These reports state that both the company and the consolidated financial statements of Astaldi S.p.A. have been “drawn up clearly, and

truthfully and properly represent the assets and financial position, the results of operations, the variations in the equity, and the cash flows for the financial year closing on that date, and that the management report is in line with the aforementioned financial statements”;

10. we oversaw the independence of the auditing firm, verifying both the compliance with the relevant regulatory provisions, and the nature and extent of the services other than auditing rendered to the Issuer of the report and to its subsidiaries by said auditing firm and the entities belonging to its network.

In this regard, it bears mentioning that during financial year 2010, *Ernst & Young Financial Business Advisors* S.p.A. – a company connected to the *Ernst & Young Global* (EYG) international network – was assigned the following commissions:

- a) providing assistance for the measurement and effectiveness of rate/derivatives risk hedging, for an amount of EUR 15,750.00;
 - b) providing assistance for assessing the risk for projects in Turkey, for an amount of EUR 90,000.00.
11. we held meetings with representatives of the auditing firm, pursuant to article 150 of Legislative Decree no. 58/98, and no data or information worthy of discussion emerged;
 12. we noted that during the financial year whose financial statements you are being called upon to approve, no reports pursuant to art. 2408 of the Italian civil code, or complaints of any kind by third parties, occurred;
 13. we initiated, in concert with the appropriate corporate departments, the activities aimed at issuing the proposal for the appointment of the legal auditing firm for the 2011-2019 period. These activities were concluded in March 2011,
 14. we obtained information on the activities implemented pursuant to Legislative Decree no. 231/2001 on the administrative responsibility of the bodies, also through direct exchange of information with the supervisory body established by the

Company. In this regard, the Supervisory Body reported to the Board of Directors on the activity performed during financial year 2010; this is included in the yearly report on corporate governance, which is available to you;

15. the company adheres to the Self-Regulation Code of listed companies, established at the initiative of Borsa Italiana S.p.A., and the internal structure is in line with the Code's recommendations;
16. with reference to the operations with related parties and the operations within the group, the information announced by the Directors in the management report is suitable for describing the activities performed during financial year 2010.

In keeping with the provisions of the "*International Accounting Standards - IAS 24*" and CONSOB's notice no. 6064293 of 28 July 2006 concerning identification of the notion of "related parties," we point out that the notes to the parent company's financial statements and the consolidated financial statements indicate the amounts of the operations and of the existing balances derived from relations of a financial and commercial nature with the related parties, as well as the compensation to be paid to the Directors, Auditors, and General Managers.

In this regard, there are no operations that are atypical of or unusual for normal management, nor have cases of Directors' conflict of interest emerged;

17. over the course of the financial year, we checked the proper application of the criteria and verification procedures adopted by the Board of Directors to assess its members' independence, and we verified the persistence of the independence requirements provided for by the regulations for the members of the Board of Auditors of listed companies, also with reference to the criteria indicated by the "Self-Regulation Code of Listed Companies" and established with reference to Independent Directors;
18. on 30 July 2010, Astaldi Concessioni S.r.l., with a share capital of EUR 38,189,317, was established by conferral of company divisions and stakes, for the purpose of

legally separating the activities of managing assets in concession from construction activities. For details, reference should be made to the content of the Directors' report.

The 2010 oversight activity as described above was carried out in 10 meetings of the Board, whose decisions are taken down in the Board's register, and by attending eight Board of Directors' meetings and four meetings of the Internal Control Committee.

During the oversight activity that was performed, and based on the information obtained by the auditing firm, no reproachable omissions and/or facts, and/or irregularities, or at any rate significant facts were found that might require their being reported to the control bodies or mentioned herein.

Taking the above into account, the Board of Auditors, from the standpoints under its purview, finds no grounds hindering the approval of the financial statements at 31 December 2010 and the decision proposals formulated by the Board of Directors.

Rome, 25 March 2011.

THE BOARD OF AUDITORS

(Signed: Pierumberto Spanò)

(Signed: Pierpaolo Singer)

(Signed: Antonio Sisca)