

2011 Annual Financial Report



Astaldi Società per Azioni
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Registered with the Companies Register of Rome
TIN.: 00398970582
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Share Capital: EUR 196,849,800.00 fully paid-in

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Annual Consolidated Financial Report

Summarised data

Main economic data

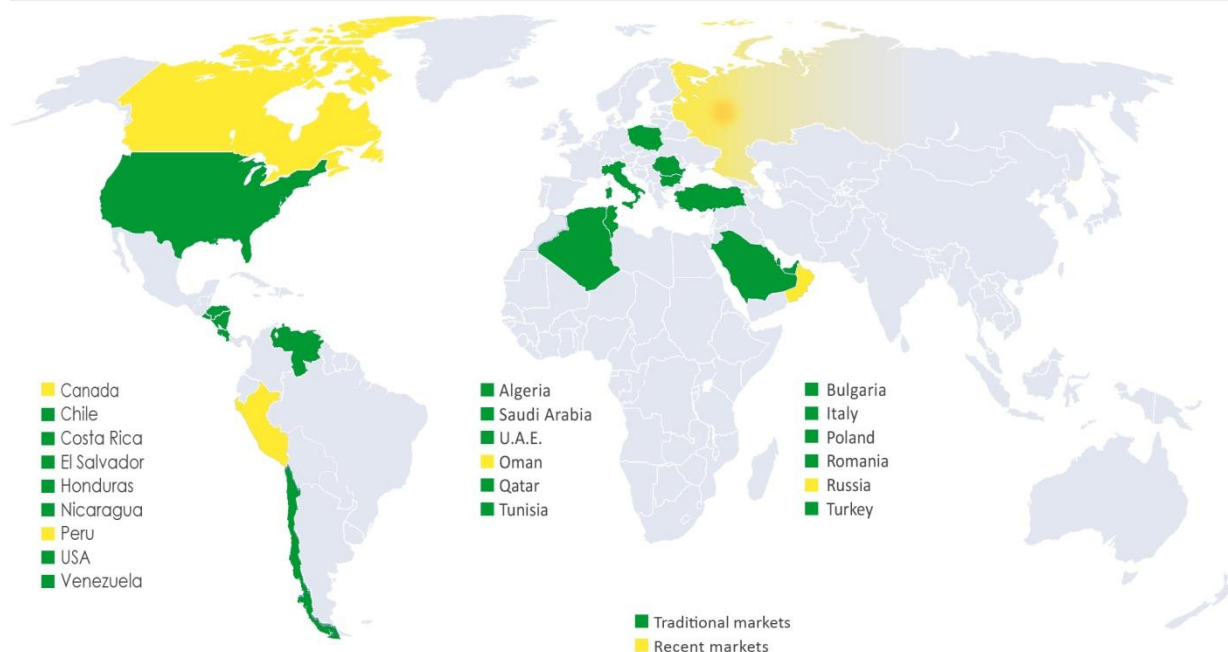
(EUR/millions)

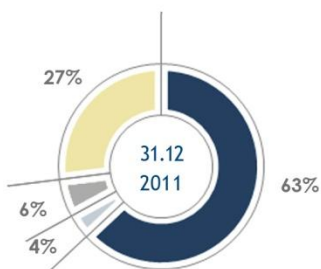
	31.12.2011	31.12.2010
Total revenue	2,360	2,056
EBIT	201	180
EBIT/ Total revenues (%)	8.5%	8.8%
Net profit	71	63
Net profit/ Total revenues (%)	3.0%	3.1%

Main equity data

(EUR/millions)

	31.12.2011	31.12.2010
Fixed assets	472	329
Net invested capital	953	810
Net financial position	(483)	(367)
Equity	470	443

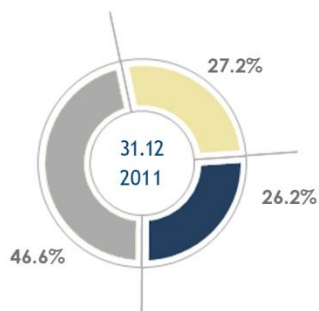




Order backlog by line of business

(EUR/millions)

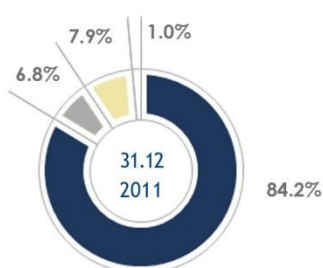
	31.12.2011	31.12.2010
Transport infrastructures	6,272	5,511
Energy production plants	644	244
Civil and industrial buildings	375	499
Concessions	2,721	2,760
Total order backlog	10,012	9,014



Order backlog by geographical area

(EUR/millions)

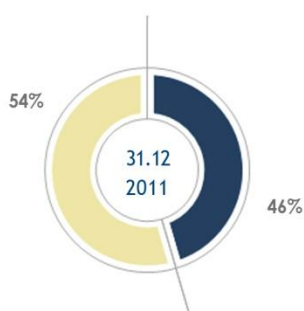
	31.12.2011	31.12.2010
Construction - Italy	2,625	2,759
Construction - International	4,666	3,495
Concessions	2,721	2,760
Total order backlog	10,012	9,014



Revenues by line of business

(EUR/millions)

	31.12.2011	31.12.2010
Transport infrastructures	1,907	1,542
Energy production plants	155	263
Civil and industrial buildings	180	107
Concessions	23	20
Total revenues	2,265	1,932



Revenues by geographical area

(EUR/millions)

	31.12.2011	31.12.2010
Italy	1,050	875
International	1,215	1,057
Total revenues	2,265	1,932

Main events of 2011

ITALY

January-March

The Board of Directors approved the consolidated results of FY 2010: for the first time in the Group's history, its **consolidated turnover amounted to more than EUR 2 billion**.

The Board of Directors also approved proposed **renewal of the buy-back scheme**.

The first **ASTALDI Management Global Convention** was held in Siena.

The Memorandum of Understanding for maximum occupational safety at the sites of the four hospitals in Tuscany was signed in Florence.

The special purpose vehicle, METRO 5 S.p.A., signed the concession agreement for **extension of Line 5 of the Milan underground**.

Università station, the new "art station" of Line 1 of the underground, built by ASTALDI as part of a joint venture, was opened in Naples: the Università-Dante section of the underground line was put into operation.

ASTALDI took part in "**Orientati al futuro 2011**" (Looking towards the future 2011), Turin Polytechnic's annual career day.



ITALY, Prato Hospital - Tuscany

April-June

The Shareholders' Meeting approved an increase in the **dividend to EUR 0.15** per share.

The Board of Directors approved the Group's figures for Q1 2011: ASTALDI rose to **first position among Italy's infrastructures and major works companies**.

ASTALDI GROUP joined the motorway concessions sector, acquiring a stake in **Autostrada Brescia-Vicenza-Verona-Padova S.p.A.** (now called A4 Holding S.p.A.), holder of the concession for Italy's A4 motorway.

ASTALDI was provisionally awarded the contract for **Line 4 of the Milan underground**.

Work commenced on construction of **Section A of the Piedmont-Lombardy motorway** and final management of "**Piazza Cittadella**" car park in Verona.

SGI (Italy's Geological Society) visited work sites along the **Jonica National Road (SS 106)** in Italy.

ASTALDI took part in the **University-Work Forum**, an annual event to bring together young people and the world of work, organised by Tor Vergata University in Rome.

ASTALDI took part in the "**tc28 - IS Roma 2011**" Conference, one of the most important international events of the year for engineering experts, as well as "**I Giovani e il Lavoro**" (Young People and Work), the career day organised by LUISS Guido Carli University.

ASTALDI took part in the **Annual Meeting of Young Geotechnical Engineers** held in Salerno.



ITALY, Jonica National Road (SS-106) in Calabria

July-September

The Board of Directors approved the group's results for the first half of the year: there was an **additional increase in revenues and profit**, and concession investments increased too.

ASTALDI GROUP signed an **industrial agreement with the Busi Group** with the aim of joining the industrial plant design and maintenance sector: the newco NBI was set up.

Works to construct **Massa Hospital** commenced.

Università station of Line 1 of the Naples underground

received a **special mention at the LEAF AWARDS 2011**, a leading international event in the world of architecture.



ITALY, Buddussò Wind Park – Sardinia

October-December

ASTALDI GROUP **ended the first nine months of 2011 with an increase in results** and significant commercial achievements: EUR 2.3 billion of new orders and contract increases in Italy and abroad.

Works to construct the **Jonica National Road (SS106)** in Calabria continued: a first functional section of Lot DG21 was opened and the last tunnel diaphragm was knocked down for Lot DG22.

ASTALDI GROUP concluded a **refinancing operation for medium-term payments** which involved more than half of its total net debt exposure.

Testing of trains commenced in Milan for the Bignami-Stazione Garibaldi section of **Line 5 of the underground**.

ASTALDI took part in the conference held in Milan entitled **“Progettare e costruire Top/Down: stazioni, metropolitane e parcheggi”** (Top/Down design and construction: stations, undergrounds and car parks), organised by CTE, Italy's Association of Construction Industrialization Technicians.

CENTRAL-EASTERN EUROPE

January-March

ASTALDI was awarded **Line 5 of the Bucharest underground**, in Romania: it will perform the contract as part of a joint venture.

Opening of the **new passenger terminal of the Henri Coanda International Airport** in Bucharest, Romania.

April-June

ASTALDI was awarded **Lot 4 of the Orastie-Sibiu motorway** in Romania.

ASTALDI Group **joined the airport concessions sector in Turkey**, acquiring a stake in MONDIAL S.A., the concession holder of the project to construct and manage the international terminal of Milas-Bodrum airport, currently under construction by ASTALDI.

ASTALDI was also awarded the contract to extend **Pulkovo International Airport in St. Petersburg**, Russia's number four airport for the number of passengers.



POLAND, Line 2 of the Warsaw underground

The last tests were performed prior to start-up of activities using the TBM (*Tunnel Boring Machine*)¹ to be performed at the sites for **Line 2 of the Warsaw underground in Poland**.

The Danube bridge of the **Bucharest-Constanta** in Romania was opened to the public.

The Minister of Transport **visited the sites for the Arad-Orodea motorway in Romania**.

The **first operational test on the Kadikoy-Kartal section of Line 2 of the Istanbul underground** in Turkey was performed. The Turkish prime minister attended the ceremony.

The **Basarab Viaduct** in Bucharest, Romania was opened to the public.

ASTALDI **took part in the Mayor of Bucharest's official visit to Rome, Italy**, and received **an award from the Republic of Romania** for its significant contribution to development of the country's infrastructures.

July-September

The signature of financial closing procedures prior to construction of Pulkovo International Airport in St.Petersburg, Russia, to be built by ASTALDI, was celebrated in Russia.

ASTALDI Group was awarded a new railway contract in **Poland**: Phase II (Lot B2) of the project to upgrade the Warsaw-Łódź railway line and the Łódź Fabryczna underground station will be performed.

The official ceremony was held in Turkey for **signing of the design contract for Izmit Bridge**, forming part of the project to construct the Gebze-Izmir motorway.



TURKEY, Gebze-Izmir motorway (render)

ASTALDI signed the contract to renovate Piazza Romana in Bucharest, Romania.

The Lia Manoliu National Stadium in Bucharest, Romania was opened.

ASTALDI took part in **Mechanized Methods vs. Conventional Methods of Tunnel Construction**, the International Tunnelling Association's global conference held in Warsaw, Poland.

ASTALDI Group was awarded the **contract to construct the Cernavoda-Medgidia motorway** in Romania.

ASTALDI took part in the **Turkish PPP Infrastructure Finance Investors Forum 2011** organised by TFI-News and held in Istanbul, Turkey.

October-December

ASTALDI Group was awarded **the concession to construct and manage the largest hospital complex in Europe**, the Etlik Hospital in Ankara, Turkey, and the contract to upgrade the **Frontiera-Curtici-Simeria** railway line in Romania.

The project to **extend Łódź station in Poland** was presented to the local community.

ASTALDI took part in the **"Russia Calling!" Forum**, an annual event focusing on the country's economy, organised in Moscow, Russia.



TURKEY Etlik Hospital in Ankara (render)

ASTALDI took part in the **international economic mission in Poland**, promoted by ANCE, Italy's National Association of Builders, and participated in the **Round Table on Turkish Infrastructure Programs**, organised in Rome by ANCE and BIIS, Banca Innovazione Infrastrutture e Sviluppo.

¹ TBMs (*Tunnel Boring Machine*) are shielded cutters which make it possible to perforate and consolidate the complete section of a tunnel, achieving an average progress of 12 to 15 metres per day, as recorded during construction of Line C of the Rome underground (Italy). The use of said machinery presupposes the availability of highly specialised staff and means significant speeding up of performance and consignment timeframes for works.

Works commenced on construction of the new Academia Militara station forming part of the project to build **Line 5 of the Bucharest underground** in Romania.

The **Plovdiv-Svilengrad railway line** in Bulgaria and the **Arad-Timisoara motorway** in Romania were opened.

AFRICA AND THE MIDDLE EAST

January-March

ASTALDI was awarded the contract for widening of the **BidBid-Sur National Road** in the Sultanate of Oman and took part in the **international economic mission in India** promoted by Confindustria.

Works commenced on construction of the **Saida-Tiaret railway line** in Algeria.

LATIN AMERICA

April-June

ASTALDI took part in the **6th International Port Conference**, sponsored by DGCI (Venezuela's international cargo division) and CAVENIT (the Italo-Venezuelan Chamber of Commerce).

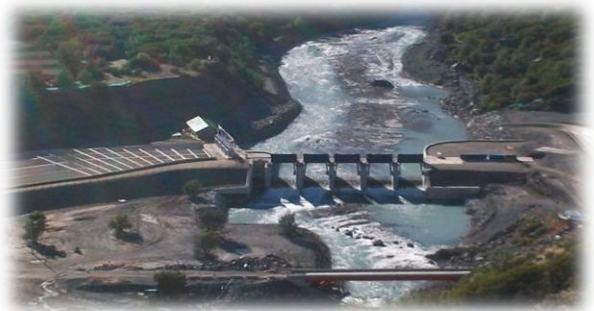
October-December

ASTALDI achieved new commercial successes in the hydroelectric sector in Peru: it was awarded the contracts to construct the **Santa Teresa hydroelectric plant** and the **Cerro del Águila hydroelectric plant**.

A **contract addendum was signed in Venezuela for completion of the Puerto Cabello-La Encrucijada railway line**, already under construction by ASTALDI Group as part of a joint venture.

The **Chacayes hydroelectric plant was opened in Chile**, the first totally eco-compatible plant which ASTALDI built and managed together with the Australian Group, Pacific Hydro.

ASTALDI took part in the **5th Conference on Latin America**, organised by CEIAL, Italy's Economic Committee for Latin America, thus confirming the key role played by the Group in the local production fabric.



CHILE, Chacayes hydroelectric plant

NORTH AMERICA

October-December

ASTALDI Group was awarded the contract to upgrade and extend **NW 25th Street**, in Miami-Dade County, Florida, and took part in the **ANCE economic mission at the World Bank and Inter-American Development Bank**

Corporate Bodies

BOARD OF ADMINISTRATION²

<i>Paolo Astaldi</i>	Chairman
<i>Ernesto Monti</i>	Deputy Chairman
<i>Giuseppe Cafiero</i>	Deputy Chairman
<i>Stefano Cerri</i>	Chief Executive Officer
<i>Caterina Astaldi</i>	Director
<i>Pietro Astaldi</i>	Director
<i>Luigi Guidobono Cavalchini</i>	Director
<i>Giorgio Ciria</i>	Director
<i>Paolo Cuccia</i>	Director
<i>Piero Gnudi</i> ³	Director
<i>Mario Lupo</i>	Director
<i>Eugenio Pinto</i>	Director
<i>Maurizio Poloni</i>	Director

BOARD OF AUDITORS⁴

<i>Pierumberto Spanò</i> ⁵	Chairman
<i>Pierpaolo Singer</i>	Statutory Auditor
<i>Antonio Sisca</i>	Statutory Auditor
<i>Massimo Tabellini</i>	Alternate Auditor
<i>Flavio Pizzini</i> ⁶	Alternate Auditor
<i>Marco Rigotti</i> ⁷	Alternate Auditor

² ASTALDI's Board of Directors was appointed on 23 April 2010 and its term of office will expire upon approval of the Financial Statements at 31 December 2012.

³Following his recent appointment as the Italian Republic Government's Minister of Regional Affairs, Tourism and Sport on 29 November 2011, company Director, Piero Gnudi, appointed during the Shareholders' Meeting of 18 April 2011, has informed the company of his intention to step down from the position of company director.

⁴ ASTALDI's Board of Auditors was appointed on 24 April 2009 and its term of office will expire upon approval of the Financial Statements at 31 December 2011.

⁵Auditor appointed through lists submitted by minority.

⁶ Died in August 2011.

⁷Auditor appointed through lists submitted by minority.

INTERNAL AUDIT COMMITTEE

<i>Mario Lupo</i>	Chairman
<i>Luigi Guidobono Cavalchini</i>	
<i>Eugenio Pinto</i>	

REMUNERATION COMMITTEE

<i>Ernesto Monti</i>	Chairman
<i>Eugenio Pinto</i>	
<i>Maurizio Poloni</i>	

RELATED PARTIES COMMITTEE

<i>Eugenio Pinto</i>	Chairman
<i>Giorgio Ciria</i>	
<i>Maurizio Poloni</i>	

INDEPENDENT AUDITORS

KPMG S.p.A. ⁸	Independent Auditors
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GENERAL MANAGEMENT

<i>Paolo Citterio</i>	Administration and Finance
<i>Luciano De Crecchio</i>	Domestic
<i>Cesare Bernardini</i>	International and Railway Projects
<i>Rocco Nenna</i>	International

⁸ Assignment awarded to KPMG S.p.A., for the 2011-2019 period, by Astaldi's Shareholders' Meeting held on 18 April 2011.

Management Report

Introduction

Legislative Decree No. 32 of 2 February 2007 ("Implementation of Directive 2003/51/EC, which amends EEC Directive Nos. 78/660, 83/349, 86/635 and 91/674, regarding the annual accounts and consolidated accounts of some types of companies, banks and other financial institutes and insurance companies) amended, inter alia, Article 40 (Management Report) and 41 (Auditing of consolidated financial statements) of Legislative Decree No.127/1991. Specifically, with regard to Article 40 of Legislative Decree No. 127/1991, it was envisaged that, as far as companies drafting consolidated financial statements are concerned, the management report for the consolidated financial statements and the parent company's statutory financial statements "may be presented in a single document, emphasising, where appropriate, the issues which are significant for all the companies included in the consolidation area". Taking into account the Group's structure, the company opted to avail itself of said possibility and hence this management report (referring to the 2011 annual financial statements) includes information previously provided in the management report for the consolidated financial statements and in the management report for the statutory financial statements of the parent company Astaldi S.p.A.⁹

Background scenario

ASTALDI Group has been active in Italy and abroad in the construction (design and construction) of major and complex works for over 90 years. With the aim of diversifying contracts acquired and stabilising levels of earnings, it has worked on and performed a series of projects related to construction and management concessions over the last ten years, developing a new business area within the Group – concessions. The positive results of said activities led to the incorporation of a dedicated company, ASTALDI CONCESSIONI S.r.l., in 2010 which is 100%-owned by the parent company, ASTALDI S.p.A. ASTALDI's role in the concessions sector is aimed at promoting and developing projects able to ensure significant partnerships with the traditional construction sector, improving the Group's integrated supply capacity. Its recent joining of the plant design and maintenance sector should be looked on in the same light, with the Group developing industrial agreements (nBI S.r.l.) or acquiring small local businesses (Sartori Tecnologie Industriali S.r.l.), able to guarantee the know-how and human resources with specialist professional skills in complementary sector's to Astaldi's traditional business area.

Please find below a short analysis of the background scenarios found in Italy and abroad in the Group's three reference sectors, in other words construction (transport infrastructures, energy production plants and hydraulic works, civil and

⁹ This Financial Report has been drafted, applying the same accounting standards as adopted to draft the Annual Financial Report at 31 December 2010, with the exception of those that had effect as from 1 January 2011 which were presented in the Consolidated Annual Financial Statements in the section entitled "Standards and Interpretations with effect as from 1 January 2011". It must also be noted that as from 2011, the Group has opted to apply the criterion of proportionate consolidation instead of valuation using the equity method (single-line consolidation) for jointly-controlled companies in relation to IAS 31. For an overview of the relative effects, please refer to the section of the Consolidated Annual Financial Statements entitled "Change in measurement and entry criteria for jointly-controlled companies as from 1 January 2011: proportionate consolidation". The following changes in the consolidation area compared to 31 December 2010 must also be noted: I.F.C. Due S.c.r.l. and CO.NO.CO. S.c.r.l. are no longer included in the consolidation area due to final liquidation; nBI S.r.l., MondialMilas Bodrum and Astaldi Ozcar were included in the consolidation area (line-by-line consolidation); Metro Brescia S.r.l., Consorcio Rio Urubamba, Iclçtas - Astaldi Insaat A.S., Ica Astaldi - Iclçtas WHSD Insaat A.S. and Consorzio Cerro del Águila were included in the consolidation area (proportionate consolidation).

industrial construction), concessions (motorways and undergrounds, renewable energy and the environment, healthcare construction, car parks), plant design and maintenance (transport infrastructures, renewable energy).

CONSTRUCTION - ITALY¹⁰

The Italian construction market saw a drop in investments in the sector during 2011, equal to 5.4% in real terms, largely determined by the general economic trend. Following the 6.1% drop during the 2008-2009 two-year period, Italy's GDP (Gross Domestic Product) experienced a 1.5% increase during 2010, and a small 0.5% increase in the 2011 forecasts. ISTAT figures related to the quarterly trend of the GDP showed a gradual slowdown during 2011: +0.8% in Q1, +0.7% in Q2 and +0.2% in Q3. Moreover, ISTAT figures for construction investments showed a drop of 3.2% in real terms during Q3 2011, following the standstill seen during Q1 2011 and the 1.5% drop during Q2 2011. Therefore, the general situation outlined is one where we can easily make out the rumblings of an economic recession, in line with the situation experienced in the leading global economies. Even more so given that the overall uncertainty and increasing difficulty in accessing credit have started to affect the real economy. Therefore the forecast upturn in infrastructure investments is taking its time and the spending restrictions resulting from the internal Stability Pact which local administrations must comply with are becoming increasingly evident. These figures highlight the long-standing problems of a sector already penalised by the lengthy bureaucratic procedures in Italy and the public administration's payment schedules which are becoming more and more stretched out. The result is a complex and difficult domestic scenario which ASTALDI Group is tackling through a targeted policy which consists of (i) a well-balanced revenues structure, (ii) an average life of the construction order backlog of 3/5 years, (iii) considerable potential for developing partnerships with the concessions sector, (iv) exclusive involvement in priority projects for the government's development policies which, for this reason, has meant no specific concerns for late payments or slowdown in production activities to date. In the long-term, it is felt that the government's compelling need to improve Italy's competitiveness may help focus the few available resources on infrastructures linked to key, priority projects for Italy's development (motorways, railways), also performed using the PPP (Public-Private Partnership) formula. The construction sector represents approximately 10% of GDP undertakings and makes an important contribution to the country's economy. Indeed, it is estimated that an additional 1 billion demand in the construction sector is able to have a knock-on effect on the whole economic system of EUR 3.37 billion and an increase of 17,000 in the number of employed people, approximately 11,000 of which in the specific construction sector and 6,000 for other sectors. The legislative changes and measures aimed at starting-up works, that have been taken by the technical government in office at the time of this report, are to be looked on in this light. And within a situation of major cuts in available resources for developing the country's infrastructures, relaunch of the infrastructure policy for the country's social and economic development increasingly involves quick use of available funds and prompt construction of planned works. From this viewpoint, the quick use of resources allocated for infrastructures and construction within the 2007-2013 planning of European Structural Funds and funding for underused areas (now called the Development and Cohesion Fund), can be considered strategic. Indeed, according to ANCE estimates, said funds represent approximately 40% of state resources allocated for infrastructures.

CONSTRUCTION - INTERNATIONAL

The international construction market, just as the Italian one, is linked to the infrastructure investment programmes approved in the various reference countries. Said investments, in turn, are affected by the economic cycle, but also by the policy of the individual governments as regards public spending.

¹⁰ Sources: "Ance Congiuntura" January 2012, by ANCE's (Italy's National Association of Builders) Economic Affairs Division and Study Centre; "Osservatorio Congiunturale sull'Industria delle Costruzioni - Giugno 2011", by ANCE's Economic Affairs Division and Study Centre; "L'Ance: troppi tagli, risorse ridotte del 34%", Sole 24 Ore of 21 July 2011.

Therefore, please find below a brief analysis of the macroeconomic situation experienced in 2011, as well as planned investments, in each of the countries of interest for the Group's activities at the draft date of this report. In this regard, it must be recalled that ASTALDI's foreign presence in the construction sector can traditionally be linked to 5 geographical macro areas: Central-Eastern Europe (Romania, Poland, Russia and Turkey), Maghreb (Algeria), Middle East (Saudi Arabia, United Arab Emirates, Oman, Qatar), Latin America (Central America, Chile, Peru, Venezuela), North America (USA and Canada).

Central-Eastern Europe¹¹

Romania. The country has access to cohesion infrastructure funds allocated by the European Union which make it possible to confirm major investments in the transport infrastructures sector (investments mainly linked to construction of the Trans-European Corridor IV). In the medium/long-term, additional opportunities may arise from the PPP Law approved in December 2010. Considering its role as a well-established leading player in the area thanks to over twenty years of activity, ASTALDI feels that said investments may result, in the medium-term, in interesting growth opportunities, including in relation to partnerships with leading European companies operating in the sector.

Poland. The country falls into the foreign areas where the Group is traditionally present. Poland has been allocated significant community financial resources under EU financial planning for the 2007-2013 period, which can be quantified, at the draft date of this report, as over EUR 80 billion, EUR 67.3 billion of which from structural and cohesion funds allocated with the aim of promoting Poland's economic growth through greater development of infrastructures. Therefore, thanks to the significant technical and financial resources it can boast, in addition to specific experience acquired in the use of EU structural funds (specifically in Romania), ASTALDI Group feels that interesting development opportunities may be grasped in this country, for both the construction and concession sectors, especially as regards transport infrastructures and energy and environment.

Russia. ASTALDI Group is present in Russia in the construction sector only and with carefully-selected projects which allow for suitable diversification of risks thanks to the customers said projects are developed with, and the partnerships set up in order to perform works. Indeed, said customers are solely private counterparties of high international standing.

Turkey. While differing from other eastern economies due to its specific political set-up, Turkey falls among those areas which consider infrastructures to be a driving force for their growth. The scheduled investments to date in the sector are significant and mostly related to the planned celebrations in 2023 for the Centenary of the Proclamation of the Modern Republic of KemalAtaturk. Overall, it has been confirmed that approximately USD 30 billion, equal to over 26% of the total investments approved by the Government in relation to the 9th Development Plan (2007-2013), will be spent on improving the country's transport infrastructures. Considering the Group's firmly-established presence in the country and longstanding industrial partnerships entered into with leading Turkish firms in the sector, it is felt that implementation of said infrastructure plan may promote interesting growth opportunities for Astaldi.

¹¹Source: "Polonia - Newsletter FONDI UE" No. 17, January-February 2012, by ICE – Italy's Foreign Trade Institute, European Funds Desk; "La Polonia dribbla la crisi e attira investimenti esteri", Il Sole 24 Ore dated 23 January 2011; "Polonia - Newsletter Fondi UE", No. 14 July - August 2011, by ICE – Foreign Trade Institute; "Un secondo Bosforo dal Mar Nero all'Egeo", Il Sole 24 Ore dated 28 April 2011; "L'Europa è in attesa di Ankara, la laica", Espansione of 31 August 2011; "Sprint estero per le costruzioni", Il Sole 24 Ore dated 1 April 2011.

The Maghreb(Algeria)¹²

Algeria. Algeria is considered one of the main producers of gas at a global level. Therefore it boasts sufficient resources to cover the planned investments for this country with regard to the infrastructure sector which, inter alia, envisage the start-up of a series of projects aimed at increasing the percentage of the national transport system covered by railway transport from 5% to 20% by 2015. Algeria also continues to guarantee a suitable level of stability and the government in office has confirmed its commitment to the approved investment plans.

Latin America¹³

The anti-cyclical value of infrastructure investments in many countries in this area means that Latin America is of guaranteed interest for the Group's development policies. Even more so, considering that a large number of projects performed in this area are carried out under the aegis of international agreements and/or funding disbursed by supranational organisations. It must be recalled that ASTALDI operates in this area mainly in the transport infrastructures and energy sectors and is active in Chile, Peru and Venezuela (South America), as well as Nicaragua, Honduras, El Salvador and Costa Rica (Central America). Some brief comments related to Venezuela, Chile, Peru and Honduras can be found below.

Venezuela. Even though a planned slowdown in the contribution to production was recorded as from 2010, Venezuela continues to be an area of interest in Astaldi's commercial development policies. In May 2010, a new "Economic Cooperation Agreement" was signed by the Italian and Venezuelan governments, which ratifies the local government's major commitment to infrastructure investments in progress in Venezuela, and aims to ensure the re-launch of said investments by studying and devising a new mechanism for funding works. The aim of the agreement is to speed up the construction of infrastructures of strategic interest for Venezuela, including those being performed by Astaldi that, it must be recalled, is one of the most "acknowledged" exporters of Italian products in this geographical area. A major commitment on the part of relevant administrations with regard to approved planned infrastructures can also be confirmed. In May 2011, the Venezuelan government guaranteed the funding needed to support production for projects in progress in the area - including those performed by Astaldi - pending finalisation of the new mechanism for funding works.

Chile. As regards countries of recent commercial penetration, Chile represents an area where ASTALDI Group mainly operates with private counterparties (Pacific Hydro for the hydroelectric sector, CODELCO for the mining sector). The country represents an interesting opportunity for diversification from a geographical and sector viewpoint, thanks to the socio-political and economic stability it can offer, the validity of its legislative framework, and also for the important opportunities on offer in the concessions sector, especially in the renewable energy sector. ASTALDI Group operates in the area with a 27.3% stake in the concession to construct and subsequently manage a plant offering 11 MW of installed power. As far as the future is concerned, it is felt that Chile, looked on as one of the most advanced countries within the American continent, can offer additional opportunities in traditional sectors, i.e. motorways and undergrounds, but also in the mining works sector. Indeed, at the draft date of this report, investments in the Chilean mining market totalling approximately USD 70 billion are planned over the next ten years. CODELCO alone - with whom ASTALDI Group is already performing two mining contracts for a total USD 420 million, related to the Relaves and Chuquicamata¹⁴ projects - has announced investments in the country of USD 15 billion over the next five years. CODELCO, a state-controlled

¹² Source: "Rapporto per il VI Laboratorio Euro-Mediterraneo", by the Chamber of Commerce of Milan.

¹³ Source: "Piano Appalti in Honduras", Il Sole 24 Ore dated 18 July 2011.

¹⁴ For more information about these two projects, please refer to the section entitled "Operating performance according to geographical area and sector".

company set up in 1976, is currently the leading copper producer in the world, accounting for 11% of global production in 2010.

Peru. As with Chile, ASTALDI Group also operates in Peru mainly with private customers, such as Minera Buenaventura – a company owning several precious metal mines and holder of the concession to develop the Huanza hydroelectric plant (98MW). It must be recalled that the Group's presence in Peru corresponds to its strategic need and desire to diversify activities in progress in Latin America. Indeed, it is believed that this country, characterised by a major increase in GDP in recent years, can offer additional opportunities in sectors where traditionally present (motorways, ports, undergrounds).

Honduras. The National Investment Promotion Plan was approved on 18 August 2010 which identified 154 infrastructure projects to be carried out, for an overall investment of USD 124 billion. The sectors concerned are tourism (USD 700 million), renewable energy (USD 2.6 billion), infrastructures (USD 8.7 billion), forestry affairs (USD 920 million), agro-industry (USD 956 million), textiles, transformation and services (USD 10 million). Moreover, the political climate has put behind it the critical problems experienced in 2009 and the economy is now emerging from the major crisis.

North America¹⁵

Astaldi Group is present in North America in the USA, where it operates through its subsidiary ASTALDI CONSTRUCTION Corp., mainly in the transport infrastructures sector in South Florida. In order to ensure suitable diversification of activities, the company is also examining the opportunities on offer in Canada where, taking into account the existing legislative framework and planned infrastructure investments, it is felt that projects in the transport infrastructures and energy sectors may be possible. Some brief comments regarding the USA and Canadian markets can be found below.

USA. The American economy experienced a temporary slowdown in growth during the first half of 2011, affected by both the earthquake in Japan, which generated a drop in commercial traffic and production chain problems, and the consequences of the adverse global situation. Said factors go to explain the drop in industrial activity and, hence, the lack of progress made by the labour market. As regards public finances, the getting back on track of which shall be a priority for the coming years, uncertainty remains as to the outcome of the clash between the Administration and Congress as regards the maximum level of national debt. On the whole, the recession has continued to have a negative effect on the construction market during the year and on the profits of companies working in this sector. Despite this, it is felt that the country can continue to offer interesting opportunities in the transport infrastructures sector.

Canada. Canada offers a stable macroeconomic situation and favourable reference legislative framework. From a macroeconomic viewpoint, the country's GDP is continuing to increase despite a drop recorded during Q2 2011, caused by the weak US economy, the Japanese tsunami and cost of raw materials it imports - IMF forecasts for 2012 show a 1.9% increase in GDP, down on the 2.1% increase recorded in 2011, but undoubtedly better than the 2.8% drop experienced in 2009. As regards development opportunities, the country has approved interesting infrastructure investments which mean the area is of guaranteed interest for the Group's development policies. The "Plan Nord" launched in Québec, provides for investments of EUR 34 billion in the renewable energy sector (more than half in the hydroelectric sector) and EUR 27 billion in mining and transport infrastructures (ports, airports, roads, railways) over the next 25 years. The "Green Energy Act" approved in Ontario, provides for the replacement of coal-powered plants by 2014, with estimated private investments totalling EUR 6.6 billion in the sustainable energy sector. Additional

¹⁵ Source: "*Il Canada ritrova energia*", *Il Sole 24 Ore* dated 9 January 2012.

investments are also expected in light of the announcement made by the National Association of Oil Producers which envisages a 68% increase in the country's oil production by 2025. At the draft date of this report, Canada falls into the group of countries Astaldi has recently ventured into. Indeed, ASTALDI CANADA Inc., a company owned completely by ASTALDI S.p.A. was set up in February 2012 and shall be responsible for monitoring and developing opportunities in Canada.

CONCESSIONS - ITALY

As regards Italy, the new legislative framework which promotes the development of project finance in Italy is of specific importance. Said framework was created under Law No. 214 of 22 December 2011 - which converted Law Decree No. 201 of 6 December 2011, also known as the "Save Italy" decree, - as well as under Law Decree No. 1 of 24 January 2012, also known as the "Grow Italy" decree, and currently subject to conversion. Specifically, the provisions approved under the latter decree are aimed at promoting the inclusion of private capital in the funding, construction and management of infrastructures. These range from provisions facilitating project bankability, the introduction of availability charges and the introduction of the right of pre-emption for sponsors of works not included among public planning (brownfield) to the possibility of grouping together various project phases, the new mechanism regarding the issue of bonds by SPVs and the improved procedure for taking over existing concessions (Greenfield). All of the changes provided for in recent legislation are aimed at developing project finance.

Note must also be taken of the introduction of law provisions aimed at developing project finance through tax exemptions: specifically, it is possible to replace the disbursement of contribution/price with an equivalent amount to be used to cover tax payments (Corporate Tax/Production Tax/VAT). At the draft date of this report, the real effects said provision may have on the sector have yet to be seen insofar as implementation regulations which set forth the procedures in order to benefit from said offsetting have not been issued yet. Nonetheless, it is felt that said instruments may encourage the creation of additional market opportunities which ASTALDI CONCESSIONI S.r.l., together with Astaldi Group, will be ready to pick up on. It must be recalled that ASTALDI's role in the concessions sector is aimed at promoting and developing project able to ensure major synergies with its core business of construction, thus improving the Group's integrated supply capacity.

CONCESSIONS - INTERNATIONAL¹⁶

At the draft date of this report, ASTALDI Group's presence in the international concessions market is mainly limited to Chile (energy) and Turkey (transport infrastructures, healthcare construction), and, to a lesser extent, Honduras (environment). The Group is also examining the opportunities that may develop in the medium-term in Canada (healthcare construction) and Peru (mining sector).

Turkey. Important concession investments are underway in Turkey to improve the existing infrastructure system, also in light of possible entry into the European Union. Even if from a macroeconomic viewpoint, the country has not escaped the consequences of the crisis experienced by international financial markets, it is envisaged that approximately USD 30 billion will be used over the coming years to improve the country's transport infrastructures. A plan of action has also been approved in the healthcare construction sector which led to calls for bids for 4 B.O.T. (Build-Operate-Transfer) contracts during 2010, one of which - the Etlik Hospital Campus in Ankara - was already awarded to Astaldi Group during 2011. Considering the planned investments, instruments such as PPPs (Public-Private Partnership) and project finance will take on a strategic value and the country is also working to favourably integrate said instruments from a

¹⁶ Sources: "Newsletter internazionale" No. 7 dated 26 January 2011, by ANCE - Italy's National Association of Builders; "Cronache economiche" No. 3, by the Commercial Office of the Italian embassy in Turkey.

legislative viewpoint. Specifically, procedural changes have been introduced to facilitate project bankability and hence, to promote the inclusion of private capital in the funding, construction and management of works.

Chile. The country stands out for its forward-thinking legislative framework with regard to the concessions sector. Indeed it was one of the countries to pioneer the use of PPPs to promote development of the infrastructures sector, introduced at a local level from the 1990s. Chile, which has had a legislative framework that favours the development of the concessions market since 1996 (Public Works Concession Law), has also approved a public concessions programme for the 2010-2014 period which provides for the awarding of projects worth USD 11.8 billion in the transport sector (roads, ports, airports, etc.). It has also approved a programme to improve its hospital infrastructures which provides for the performance of 6 projects during the 2011-2013 period, with a total investment of over USD 1.3 billion.

Honduras. The country offers a reference legislative framework which is constantly undergoing changes. Indeed, a series of law provisions have recently been introduced, aimed at modernising the country's juridical framework and improving its ability to attract private capital (foreign): the *Ley de Promocion de la Alianza Publico-Privada* (Decree No. 143/2010, which, in turn fits into a broader framework of which it represents the basis and prerequisite, the *Vision de País y Plan de Nación 2010-2022* and the *Plan de Gobierno 2010-2014*), that introduces a definition of PPP (Public-Private Partnership) and regulates negotiation procedures in relation to the performance, development and management of public works and services; the *Ley de Inversiones* to protect foreign capital in the country.

PLANT DESIGN AND MAINTENANCE

ASTALDI Group has joined the plant design and maintenance sector in recent years, by developing industrial agreements (nBI S.r.l.) and by acquiring small local businesses (Sartori Tecnologie Industriali S.r.l.), able to guarantee the input of know-how and highly specialised professional resources in complementary sectors to ASTALDI's traditional activities. Its joining of the sector is aimed at ensuring the creation of major synergies with the traditional construction and concessions sectors, thus expanding on the Group's overall supply capacity in Italy and abroad. Therefore, it is felt that the vertical integration processes introduced over the year are able to guarantee additional growth opportunities for the future. For more information, please refer to the section entitled Foreseeable development of operations.

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

During 2011, the leading global economies confirmed that they were unable to leave behind the difficulties linked to the performance of financial markets and the lending market seen in recent years. Many of the stronger economies still have concerns as regards national debt and the harsh restrictions placed on spending. Despite this, in many of the countries where Astaldi Group operates, awareness of the anti-cyclical value of infrastructure investments has led to the speeding-up of plans to boost the economy, especially abroad, consolidating growth opportunities in the sector in the medium- and long-term.

It is also considered appropriate to recall that, as specifically regards Astaldi Group:

- the sustainability of growth targets identified by the management is maintained in the medium-term by conservative criteria for the inclusion of orders in the backlog which mean that only contracts for which funding has been allocated are included in the relative value;
- (i) the high level of diversification as regards geographical areas, sectors and customers, which is constantly pursued (and achieved) by the Group, means that forecast results are not bound to the trend of individual business sectors;

- (ii) the flexibility of the business model singled out to expand activities, combined with ERM (Enterprise Risk Management) instruments adopted, make it possible to reorganise the Group's operations in specific situations that are penalised by a temporary lack of financial resources;
- (iii) to date, the Group has a "potential" backlog able to guarantee growth in the medium-term.

These represent the cornerstones and conditions for implementation of business activities which has allowed ASTALDI Group to achieve significant economic and equity results, even given the general recession being experienced.

Please find below an analysis of the trends which have generated the Group's end-of-year consolidated results, preceded by a description of the alternative performance indicators used in the analysis.

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, the specific components of which are listed below.

EBITDA: is obtained by excluding the following items from EBIT, as defined below: (i) amortisation and depreciation of intangible and tangible assets; (ii) write-downs and provisions; (iii) capitalisation of internal construction costs.

EBIT (net operating result): is equal to the result prior to taxation and financial income and charges, without any adjustments. The following are excluded from EBIT: income and changes resulting from the management of non-consolidated equity investments and securities as well as the results of any transfers of consolidated equity investments, included in balance sheet statements under the heading of "financial income and charges", or under the heading of "effects of valuation of equity investments using the equity method" for the results of equity investments valued using the equity method.

EBT (pre-tax result): is calculated as the net operating result, excluding financial income and charges, as well as the effects of valuation of equity investments using the equity method.

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

Net financial position: is obtained by subtracting the total of non-current financial receivables and receivables arising from concessions, as well as other specific items, from net financial debt, calculated as required under the CESR (Committee European Securities Regulator) recommendation dated 10/02/2005.

Net fixed assets: is to be taken as the total of non-current asset items; specifically, this refers to intangible fixed assets, the Group's technical resources, the value of equity investments as well as other non-current residual items compared to those listed above.

Working capital: is the result of the total of receivables and payables linked to the core business (trade receivables and payables, inventories, works in progress, tax receivables, advances from customers, residual current asset items).

Net invested capital: is the total of net fixed assets, working capital, provisions for risks and provisions for employee benefits.

COMMENTS ON THE YEAR'S OPERATING PERFORMANCE

ASTALDI Group ended 2011 with a turnover of EUR 2.36 billion (+14.8% YOY) and **significant operating and commercial results**, combined with **consolidation of the equity and financial structure**.

Despite the generally recessive macroeconomic situation and it being penalised by the persisting credit crunch, ASTALDI achieved **a marked growth in its performance** which made it possible to guarantee that **planned targets to date will be both met and surpassed**.

Total revenues at 31 December 2011 **increased by 14.5% YOY to EUR 2.36 billion** (EUR 2.06 billion at 31 December 2010), with significant levels of earnings: **the EBITDA margin stood at 11.0% and the EBIT margin at 8.5%**, in relation respectively to EBITDA of EUR 259.4 million (+9.6% YOY, EUR 236.6 million at 31 December 2010) and EBIT of EUR 200.7 million (+11.3%, EUR 180.3 million at 31 December 2010). EBT (earnings before taxes) totalled EUR 125.4 million (+22.4%, EUR 102.5 million at 31 December 2010), **generating net profit of EUR 71.2 million, showing a 12.9% increase** (EUR 63.1 million at 31 December 2010), with the net margin holding steady at 3%.

The total order backlog amounted to over EUR 10 billion, with EUR 3.3 billion of net increases related to new projects and contractual increases secured during the year which serve to confirm the Group's excellent ability to renew orders in progress. The construction backlog stands at EUR 7.3 billion, meaning a 3-year project duration in Italy and 4/5-year duration for foreign projects. Concession projects continue to play an important role, amounting to EUR 2.7 billion of the backlog, to be taken as the discounted value of estimated revenues from individual projects in progress against guaranteed minimum fees (in the form of availability charges, guaranteed minimum traffic, occupation fees, water rights) equalling an average of over 50% of the estimated total revenues.

The Group's net financial debt, excluding treasury shares, amounted to EUR 479.7 million at the end of 2011 (EUR 362.4 million at 31 December 2010), **taking into account investments totalling EUR 250 million** (EUR 202 million of which in concessions), with self-financing **generated by the construction sector amounting to EUR 124 million**.

Group economic and operating results

Main consolidated economic results (€/000)	31-Dec-11	%	31-Dec-10	%	YOY diff. (%)
Total revenues	2,360,259	100.0%	2,055,808	100.00%	14.8%
EBITDA	259,372	11.0%	236,649	11.5%	9.6%
EBIT	200,691	8.5%	180,293	8.8%	11.3%
Pre-tax profit	125,420	5.3%	102,483	5.0%	22.4%
Group net profit	71,195	3.0%	63,056	3.1%	12.9%

Production

Total revenues recorded a 14.8% increase and amounted to EUR 2,360.3 million (EUR 2,055.8 million at 31 December 2010) thanks to the **excellent level of diversification of activities achieved as regards geographical areas and sectors** which made it possible to offset the negative effects of the current international situation.

Operating revenues accounted for 96% of total revenues, showing a 17.3% YOY increase, amounting to EUR 2,265.3 million (EUR 1,931.6 million at 31 December 2010). Said figures can be attributed to the positive performance of projects in Italy (Maxi Lots "DG-21" and "DG-22" of the Jonica National Road, Line 5 of the Milan underground and the

Tuscan Hospitals project), Central-Eastern Europe (road works in progress in Romania and Poland as well as the Warsaw underground), Turkey (the Istanbul underground and progress of works to build the Milas-Bodrum Airport), Algeria (railways) and Oman (roads). While as regards Venezuela, the planned limiting of operations was confirmed, and while still guaranteeing a significant contribution, there was a suitable reduction in ASTALDI Group's exposure as regards this country. **Other operating revenues accounted for the remaining 4% of total revenues**, equal to EUR 95 million (-23.54%, EUR 124.2 million at 31 December 2010). When making a YOY comparison, the figure was lower than for 2010 as a result of the greater levels of activity linked to additional services recorded for projects in progress in Turkey last year. Indeed said income statement item records the trend of activities which, even if not referable to the Group's core business, are linked to its traditional activities and of a lasting nature.

The revenue structure continued to show **balanced diversification of activities as regards geographical areas and sectors**.

Italy's contribution to production (46.3% of operating revenues) remained largely unvaried and reflected the positive trend of projects in progress in the transport infrastructures and civil and industrial construction sectors. **The remaining 53.7% is to be attributed to foreign activities**, mainly related to projects in progress in Central-Eastern Europe, Turkey, Algeria and America.

Transport infrastructures (84.2% of operating revenues) continued to represent the Group's core business and accounted for EUR 1,907 million (EUR 1,541 million at 31 December 2010), all from construction activities. Specifically, railways and undergrounds (48.1%) reflected the positive trend of activities in Italy, Algeria and Venezuela; works in progress in Italy, Romania and Poland mainly accounted for the contribution from roads and motorways (27.7%); while there was an increase in the percentage recorded for ports and airports (8.4%) thanks to projects in progress in Turkey (Milas-Bodrum) and Romania (Henri Coanda), and to the start-up of preliminary activities related to construction of the airport in Russia (Pulkovo). **Energy production plants and hydraulic works (6.8%) continued to make a significant contribution**, referring exclusively to construction activities, and specifically, to progress made on projects in Peru (Huanza), the completion of works in Chile (Chacayes) and Costa Rica (Pirris) and design review for the project in El Salvador (El Chaparral). Said sector is expected to start to pick up as from 2012, following recent acquisitions in Peru (Cerro del Águla, Santa Teresa). **The contribution from civil and industrial construction (8.9%) increased**, with 7.9% to be attributed to the construction sector, for projects in progress in Italy, Romania and the Middle East, and the remaining 1% to the concessions sector.

Please find below a brief summary of the projects which had the greatest incidence on the year's results, split according to business sectors. For more detailed information on the individual projects, please refer to the section herein entitled "Operating performance according to geographical area and sector".

Construction (Italy). **In Italy, construction activities generated EUR 1,027 million of operating revenues** (+20.1% YOY, EUR 855 million at 31 December 2010) and specifically reflected: (i) the positive progress made on the two Maxi Lots of the Jonica National Road, with the opening of a operational stretch of Maxi Lot "DG-21" in November; (ii) the positive progress of works on the Bologna Centrale High-Speed station, the Turin Railway Junction, the Police Officers' Academy [Scuola Carabinieri] in Florence and the Tuscan Hospitals project (with more than 60% of works completed in Prato and Pistoia and 50% of works in Lucca, while works in Massa got underway in July and are now proceeding as re-scheduled thanks to resolution of the bureaucratic problems experienced upon project commencement), as well as on underground lines under construction in Rome (Line C), Milan (Line 5) and Naples (Lines 1 & 6).

Construction (International). **At an international level, construction accounted for EUR 1,215 million of operating revenues** (+15.1% YOY, EUR 1,056 million at the end of 2010) and specifically reflected: (i) the progress of road works in Romania and Poland and of the Istanbul underground in Turkey; (ii) the progress of works on the Milas-Bodrum (Turkey) and Henri Coanda (Romania) airports and the start-up of preliminary activities for Pulkovo Airport (Russia) (iii) the upturn in production activities in the Middle East (Jubail industrial plant), which had been affected in 2010 by

misalignment between contracts nearing completion and the start-up of new projects; (iv) the progressive progress of activities in Peru (Huanza hydroelectric plant) and the completion of hydroelectric plants under construction in Chile (Chacayes) and Costa Rica (Pirris); (v) the positive performance of activities in Venezuela despite the planned limiting of operations in this area; (vi) the intensification of railway projects in Algeria.

Concessions. Concessions generated EUR 23 million of operating revenues (+15% YOY, EUR 20 million at 31 December 2010), EUR 16 million of which referred to Astaldi's revenues from management of Mestre Hospital and the remaining EUR 7 million to direct management of 5 car parks in Italy. No foreign management revenues were recorded for 2011. However, it must be remembered that the Chacayes hydroelectric plant (111 MW) in Chile was inaugurated in October and, as from 2012, will make a contribution to the Group's economic result along with the international terminal of Milas-Bodrum airport in Turkey.

Summary tables – Breakdown of operating revenues according to geographical area and sector

Breakdown of operating revenues according to geographical area (EUR/millions)	31-Dec-11	%	31-Dec-10	%
Italy	1,050	46.3%	875	45.3%
International	1,215	53.7%	1,057	54.7%
Europe	697	30.8%	472	24.5%
America	318	14.0%	421	21.8%
Asia (Middle East)	37	1.6%	23	1.2%
Africa (Algeria)	163	7.2%	140	7.2%
Total operating revenues	2,265	100.0%	1,932	100.0%

Breakdown of operating revenues according to sector (EUR/millions)	31-Dec-11	%	31-Dec-10	%
Transport infrastructures	1,907	84.2%	1,542	79.8%
Railways and undergrounds	1,090	48.1%	1,072	55.5%
Roads and motorways	627	27.7%	410	21.2%
Ports and airports	190	8.4%	60	3.1%
Hydraulic works and energy production plants	155	6.8%	263	13.6%
Civil and industrial construction	180	7.9%	107	5.5%
Concessions	23	1.0%	20	1.0%
Total operating revenues	2,265	100%	1,932	100%

Costs

Costs rose as a result of the increase in production, especially in Italy, Romania, Poland and Algeria. On the whole, **the cost structure reflected the significant amount of general contracting projects in the Group's work backlog**. The cost of production rose to EUR 1,807.9 million (+16.8% YOY, EUR 1,547.6 million at 31 December 2010), with an incidence of 76.6% on production (75.3% at 31 December 2010). **Personnel costs increased less than proportionally compared to revenues** and totalled EUR 262.5 million (+7.5%, EUR 244.1 million in 2010). Other operating costs amounted to EUR 30.4 million (+11%, EUR 27.4 million at 31 December 2010).

Margins

Significant levels of earnings were confirmed, reflecting the quality of orders in progress. **EBITDA rose by 9.6%** to EUR 259.4 million (EUR 236.6 million at 31 December 2010) with an **EBITDA margin of 11%**. **EBIT recorded a more significant increase of 11.3%**, equal to EUR 200.7 million (EUR 180.3 million at 31 December 2010), **with an EBIT margin of 8.5%**.

Results obtained in the railway sector in Italy made a positive contribution to the margins achieved for the year, thanks to positive review of the margins of some projects and re-negotiation of some contracts which resulted in acknowledgement for the Group of fees for early completion of works. While as already mentioned during the year, the period saw a negative trend recorded for activities in the Middle East - due to operating problems which, at the present time, have only been partially resolved by the customer - and the failure to absorb general and development costs in both the Middle East and some areas of Central America following the slowdown in commercial activities. It is also considered appropriate to note that the performance recorded last year in terms of earnings – with the EBITDA margin and EBIT margin standing at 11.5% and 8.8% respectively at 31 December 2010 - had benefitted from the completion of some contracts which generated a higher than average level of earnings for the Group.

Said interim results were achieved despite EUR 8 million of provisions. The latter can be attributed to the conservative measures taken in view of charges that may arise for the Group following difficulties experienced by partners with regard to joint ventures set up to perform projects in progress in Italy (transport infrastructures). Indeed said charges may be entered in accounts upon resolution of the problems regarding contracts and interests related to the specific situations, with the effects being seen over the coming years.

Financial income

Even given the major investments carried out (mostly linked to concessions), **net financial charges dropped to EUR 75.7 million** (EUR 78.1 million at 31 December 2010), with a reduction in the incidence on revenues to 3.2% (3.8% incidence at 31 December 2010). The result is even more worthy of note if the Group's volumes of activity over the year are to be taken into account, both at an operating (production support, performance bonds) and commercial level (bid bonds).

Yearly results

EBT (earnings before taxes) increased by 22.4% to EUR 125.4 million (EUR 102.5 million at 31 December 2010) with a 5.3% incidence on total revenues (5% at 31 December 2010). This resulted in a **12.9% increase in net profit** which amounted to EUR 71.2 million (EUR 63.1 million at 31 December 2010), net of a 42.6% tax rate for the year. Said rate increased compared to the previous year as a result of changes in the geographical mix of activities.

Group's financial results

Main consolidated equity and financial results (EUR/000)	31-Dec-11	31-Dec-10
Total net fixed assets	471,847	329,248
Working capital	518,216	510,775
Total provisions	(37,085)	(30,237)
Net invested capital	952,979	809,786
Net financial payables / receivables	(623,651)	(466,428)
Receivables arising from concessions	140,951	99,871
Total financial payables / receivables (*)	(482,701)	(366,557)
Equity	470,278	443,229

(*) Figure includes treasury shares totalling just over EUR 3 million at 31 December 2011 and EUR 4.2 million at 31 December 2010.

The **Group's equity and financial structure for the year showed itself to be balanced and able to support planned growth levels**, even given a considerable intensification in production in the construction sector and in investments in the concessions sector.

Net fixed assets increased to EUR 471.8 million (EUR 329.2 million at 31 December 2010), mainly as a result of the **increase in equity investments** (linked specifically to investments in the concessions sector). For a better understanding of the year's trends, it must be noted that said item is presented, for comparative years, net of the value of the investment of the contribution received. Said figure has no effect on net invested capital

Working capital increased to EUR 518.2 million (EUR 510.8 million at 31 December 2010). The YOY increase in said item can be largely attributed to the structure of the order backlog which has a major incidence of contracts providing for lump-sum payments (rather than payments in relation to the quantity of works performed) which, by their very nature, are made against the overall works carried out. It must also be noted that, despite the difficulties being experienced by public administrations (the Group's typical counterparty), the total value of accounts receivable remains under control and is not causing any specific problems for the financial structure. Lastly, it is important to recall that contract advances exclusively refer to items regarding foreign contracts insofar as no down payments are envisaged for projects in progress in Italy, and in Poland as regards foreign projects.

On the whole, the aforementioned trends generated **an increase in net invested capital to EUR 952.9 million** (EUR 809.8 million at 31 December 2010).

Equity increased to EUR 470.3 million (EUR 443.2 million at 31 December 2010) thanks to the quarterly result and suspended economic items entered in the comprehensive income statement, including derivatives payable totalling EUR 32 million, as well as the distribution of dividends totalling EUR 14.6 million in May 2011.

Consolidated net financial position

The total net financial position, excluding treasury shares and receivables arising from concessions, **totalled EUR 479.7 million at 31 December 2011** (EUR 547.3 million at 30 September 2011, EUR 525.5 million at 30 June 2011 and EUR 362.4 million at 31 December 2010), even considering **investments totalling EUR 250 million – EUR 201 million of which referred to concession projects**

Said figure is mainly to be attributed to the **virtuous contract cash flow trend** which is the result of increasing optimisation of financial balance in source and investment cycles. Indeed, **self-financing in the construction sector totalled EUR 124 million**, reflecting the Group's improved ability to transform the economic result into cash-flow, not only thanks to the high quality of orders in progress, but also to ongoing monitoring of invested capital implemented at all levels (contract and corporate).

For more information about current corporate loans and relative covenant/financial levels, please refer to the content of the Notes to the Consolidated Financial Statements. It is considered appropriate to take note herein of the fact that, despite the difficulties experienced by financial markets over the year, in December ASTALDI Group **successfully completed a medium-term refinancing operation** referring to more than half of the Group's overall net debt exposure. Indeed, Astaldi **signed an agreement to extend a long-term EUR 325 million loan tranche from April 2013 to December 2016**. The agreement consists in the subscription of a new long-term loan agreement which provides for a single revolving credit facility, aimed at guaranteeing the financial resources needed for the investments planned over the coming five years, as well as the intensification of activities in the Group's construction and concession sectors (especially in relation to transport infrastructures, healthcare construction and renewable energy). The operation has been endorsed by a pool of national and international banks, with BIIS-Banca Infrastrutture Innovazione e Sviluppo

(Gruppo Intesa Sanpaolo), BNP Paribas, The Royal Bank of Scotland and Unicredit acting as bookrunners and mandated lead arrangers. The operation, which served to corroborate the markets' confidence in the Group's growth targets, has lent greater flexibility to its financial structure, confirming its focus on the medium/long-term.

The debt/equity ratio – which compares the level of debt and equity, net of treasury shares - stood at 1.02x at 31 December 2011. At the same date, the corporate debt/equity ratio, which excludes the share of debt related to concessions insofar as with no recourse or self-liquidating, stood at 0.5x.

Table – Breakdown of consolidated total net financial debt.

EUR/000		Note regarding reconciliation with consolidated financial statements	31/12/2011	31/12/2010
A	Cash and cash equivalents	24	456,210	415,259
B	Securities held for trading	18	1,889	5,003
C	Available funds (A+B)		458,099	420,262
-	Short-term financial receivables	19	879	20,371
-	Current share of receivables arising from concessions	18	2,867	1,924
D	Current financial payables		3,746	22,295
E	Current bank payables	26	(315,148)	(226,148)
F	Current share of non-current debt	26	(114,659)	(93,516)
G	Other current financial payables	26	(13,654)	(11,256)
H	Current financial debt (E+F+G)		(443,460)	(330,920)
I	Net current financial debt (H+D+C)		18,385	111,638
J	Non current bank payables	26	(649,471)	(588,794)
K	Other non current payables	26	(4,728)	(3,447)
L	Non-current financial debt (K+J)		(654,199)	(592,242)
M	Net financial debt (L+I)		(635,814)	(480,604)
-	Non current financial receivables	18	15,030	16,100
	of which related parties		14,868	14,416
-	Non current share of receivables arising from concessions	18	138,084	97,948
N	Non current financial receivables		153,114	114,047
O	Total financial debt (M+N)		(482,701)	(366,557)
Treasury shares on hand			3,005	4,168
Total net financial position			(479,695)	(362,388)

Consolidated reclassified accounts

CONSOLIDATED RECLASSIFIED INCOME STATEMENT

EUR/000	Note regarding reconciliation with consolidated financial statements	31/12/2011		31/12/2010	
			% on total revenues		% on total revenues
Revenues	1	2,265,284	96.0%	1,931,588	94.0%
Other operating revenues	2	94,975	4.0%	124,220	6.0%
Total revenues		2,360,259	100.0%	2,055,808	100.0%
Cost of production	3 - 4	(1,807,948)	-76.6%	(1,547,620)	-75.3%
Added value		552,311	23.4%	508,188	24.7%
Personnel costs	5	(262,492)	-11.1%	(244,102)	-11.9%
Other operating costs	7	(30,447)	-1.3%	(27,436)	-1.3%
EBITDA		259,372	11.0%	236,649	11.5%
Amortisation and depreciation	6	(51,568)	-2.2%	(52,890)	-2.6%
Provisions	7	(7,963)	-0.3%	(790)	0.0%
Write-downs	6		0.0%	(3,916)	-0.2%
(Capitalisation of internal costs)	8	850	0.0%	1,241	0.1%
EBIT		200,691	8.5%	180,293	8.8%
Net financial income and charges	9 - 10	(75,672)	-3.2%	(78,072)	-3.8%
Effects of valuation of equity investments using equity method	11	401	0.0%	262	0.0%
Pre-tax profit (loss)		125,420	5.3%	102,483	5.0%
Taxes	12	(53,496)	-2.3%	(38,960)	-1.9%
Profit (loss) for the year		71,924	3.0%	63,523	3.1%
Minority profit (loss)		(729)	0.0%	(466)	0.0%
Group net profit		71,195	3.0%	63,056	3.1%

CONSOLIDATED RECLASSIFIED BALANCE SHEET

<i>EUR/000</i>	Note regarding reconciliation with consolidated financial statements	31/12/2011	31/12/2010
Intangible fixed assets	16	44,132	3,739
Tangible fixed assets	14 - 15	193,419	205,159
Equity investments	17	195,964	84,830
Other net fixed assets	12 - 18 - 19	38,332	35,520
TOTAL Fixed assets (A)		471,847	329,248
Inventories	20	93,369	93,624
Contracts in progress	21	1,010,416	845,877
Trade receivables	22	32,897	30,463
Accounts receivable	22	788,066	593,899
Other assets	18 - 19	205,528	213,666
Tax receivables	23	116,981	101,523
Advances from customers	21	(472,120)	(338,489)
Subtotal		1,775,138	1,540,563
Trade payables	29	(117,441)	(130,951)
Due to suppliers	19 - 29	(897,823)	(695,674)
Other liabilities	12 - 26 - 27 - 30	(241,657)	(203,163)
Subtotal		(1,256,921)	(1,029,788)
Working capital (B)		518,216	510,775
Employee benefits	28	(7,926)	(8,460)
Provisions for non-current risks and charges	31	(29,159)	(21,777)
Total Provisions (C)		(37,085)	(30,237)
Net invested capital (D) = (A) + (B) + (C)		952,979	809,786
Cash and cash equivalents	24	456,210	415,259
Current financial receivables	19	879	20,371
Non-current financial receivables	18	15,030	16,100
Securities	18	1,889	5,003
Current financial liabilities	26	(443,460)	(330,920)
Non-current financial liabilities	26	(654,199)	(592,242)
Net financial payables/receivables (E)		(623,651)	(466,428)
Receivables arising from concessions	18	140,951	99,871
Total financial payables/receivables (F)		(482,701)	(366,557)
Group equity	25	(465,222)	(424,988)
Minority equity	25	(5,057)	(18,241)
Equity (G) = (D) - (F)		470,278	443,229

Reconciliation of equity and operating result between parent company's financial statements and consolidated financial statements

	Equity 31/12/2011	Income statement 31/12/2011	Equity 31/12/2010	Income statement 31/12/2010
Values as per Astaldi S.p.A.'s financial statements	445,564	62,654	394,392	46,891
- Elimination of book value of ownership interests	(311,936)		(232,867)	
- Equity and operating result (calculated on basis of same standards) of companies consolidated net of minority interests	216,445	(26,920)	174,687	(8,963)
- Effect of valuation of associate companies using equity method	(21,697)	401	(8,372)	262
- Elimination of bad debts of equity investments in subsidiary companies and companies valued at equity net of use	46,800	3,574	43,264	(3,416)
- Elimination of provisions for risks of equity investments in subsidiary companies and companies valued at equity	87,323	36,959	50,887	30,062
- Intragroup losses and dividends		(5,182)		(5,289)
- Elimination of unrealised intragroup profits and other minor adjustments	2,722	(291)	2,997	3,509
Value as per consolidated financial statements (Group share)	465,222	71,195	424,989	63,056
Value as per consolidated financial statements (Minority share)	5,057	729	18,241	466
Value as per consolidated financial statements	470,278	71,924	443,229	63,523

Investments

Technical investments for the year amounted to EUR 39 million (1.7% of total revenues) and were mainly related to support guaranteed to projects in progress in Italy, Oman, Poland, Romania and Russia. The figure is in keeping with forecasts made during business planning and, taking into account the production levels seen during the year, confirmed the Group's ability to optimise already available technical resources.

Concession investments for the period totalled approximately EUR 202 million and mainly referred to: (i) the acquisition of a stake in the motorway concessionaire, A4 Holding S.p.A. (formerly Autostrada Brescia-Verona-Vicenza-Padova S.p.A.) for EUR 100 million; (ii) the project in the airport sector in Turkey (Milas-Bodrum Airport) for EUR 73 million; (iii) investments prior to the commencement of works to build the Gebze-Izmir motorway in Turkey for EUR 13 million; (iv) Line 5 of the Milan underground in Italy for EUR 10 million and, (v) car parks under management in Italy for the remaining EUR 6 million. Taking into account as well the funding of working capital on the relative construction activities, **concession investments for 2011 totalled EUR 208 million**. Therefore, at the draft date of this report, concession investments (in other words, Astaldi's shares of equity or semi-equity paid into management companies connected to individual projects in progress, in addition to the relative working capital) totalled EUR 387 million, EUR 140 million of

which referring to receivables arising from concessions – the latter to be taken as shares of investment covered by guaranteed cash flow – as set forth in IFRIC-12.

Order backlog

The consolidated order backlog amounted to over EUR 10 billion, with EUR 3.3 billion of net increases related to new projects and contractual increases recorded during the year in Italy and abroad – mainly related to transport infrastructures and new energy plants, using the general contracting and concession formulas.

The construction backlog (73% of total orders, with EUR 2.6 billion in Italy and EUR 4.7 billion abroad) amounts to EUR 7.3 billion and consists in general contracting projects and, to a lesser extent, traditional contracts with a high technological content which, on the whole, guarantee an average project duration of approximately 3 years in Italy and 4/5 years abroad.

The concession backlog (27% of total orders, with EUR 1.5 billion in Italy and EUR 1.2 billion abroad) amounts to EUR 2.7 billion, to be taken as the discounted value of the estimated total revenues from the individual projects under concession to date. Therefore, concessions continue to play a significant role in the Group's development policies, also following its recent joining of the Turkish airport sector (Milas-Bodrum) and the Chilean mining sector (Relaves). It is considered appropriate to recall that the model adopted to develop concession projects in Italy and abroad makes available for each of the agreements signed to date a guaranteed minimum fee (in the form of availability charges, guaranteed minimum traffic, occupation fees, water rights) which, on average, amounts to over 50% of the total revenues, guaranteeing the return on most of the investments made to date in the concessions sector. Lastly, it should be noted that the value of the concessions backlog does not include amounts related to the Ospedale del Mare project in Naples, Italy, insofar as following agreements reached with the counterparties, the construction and management concession has been converted into a construction concession only.

The order backlog's geographical positioning confirms **suitable balancing of activities between Italy and abroad**, and shows **greater geographical diversification outside the domestic market**. This in turn has a positive effect on the overall risk profile of projects in progress which, inter alia, is also lessened by **greater diversification of customers**.

Italy (42% of total backlog) continues to make a significant contribution to the backlog even if there was a drop compared to last year. **The share of foreign projects (58%) has increased** and shows good ability to react to the slowdown in the domestic market, also thanks to new contracts secured in Central-Eastern Europe and Turkey.

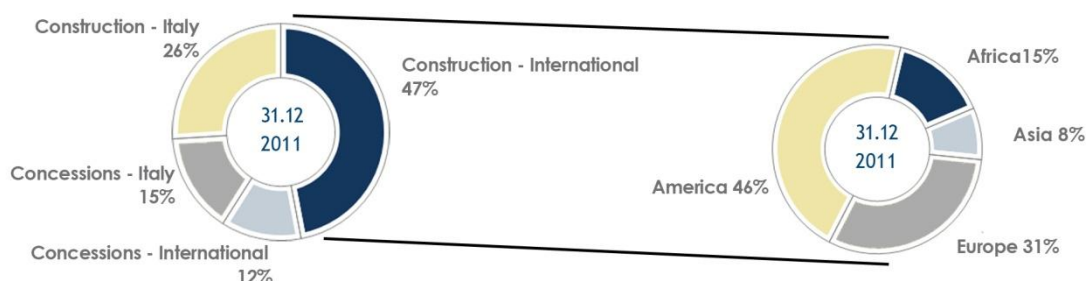
Transport infrastructures (70%) continues to be the key sector for the Group's activities, equal to EUR 6,272 million for construction contracts and EUR 774 million for concession projects. The water and energy sector also continues to play an important role (16% of the overall backlog, EUR 644 million for construction projects and EUR 975 million for related management activities), as does the civil and industrial construction sector (14% of total orders, with EUR 375 million for construction projects and EUR 972 million for management activities).

It is also important to note that, given commercial activities in progress, **the potential order backlog** – which also includes orders for which contracts have been drawn up, but for which funding is still lacking, in other words contracts for which the resolution of events, that for various reasons temporarily “suspend” the performance of said contracts, is pending – **amounts to EUR 20.4 billion**. Lastly, it must be remembered that on the basis of conservative criteria adopted by the Group with regard to the inclusion of new orders in the backlog, the values of projects for which contracts still have to be drawn up or/for which funding is lacking are not included among new acquisitions. Said orders amount to a total of EUR 4.2 billion for construction activities and EUR 6.3 billion for related management shares, and refer to: (i) the shares of the concession contract for construction and management of the Gebze-Izmir motorway and the Etlikin

Hospital Complex in Turkey for which financial closing is pending; (ii) additional projects in Italy and abroad for which the relative contracts still have to be made official.

Construction-Concessions backlog

International Construction backlog



New orders for the year¹⁷

Please find below, the new orders which contributed to the value of the order backlog for the year.

CONSTRUCTION - ITALY

ITALY – Jonica National Road (SS-106), Mega Lot 3: EUR 791 million (Astaldi is the project leader with a 60% stake) for the general contracting project to perform works to construct Mega Lot 3 of the Jonica National Road (SS-106). The procedure to award this contract was officially completed in January 2012, with the contract having been provisionally awarded back in early 2011. Therefore, the amounts related to Astaldi's stake were included among the order backlog at 31 December 2011.

CONSTRUCTION - INTERNATIONAL¹⁸

PERU - Cerro del Águila hydroelectric plant (510 MW): USD 680 million (Astaldi is the project leader with a 50% stake) for the EPC contract to construct a 380,000 m3 concrete dam, an underground hydroelectric plant with 510 MW of installed power, 9 kilometres of tunnels and 60 kilometres of site access routes. The project is among the new projects secured in Q3 2011.

PERU - Santa Teresa hydroelectric plant (98 MW): EUR 70 million (Astaldi has a 50% stake) for the construction of an underground hydroelectric plant. The project is among the new projects secured in Q3 2011.

CHILE – Relaves Project: USD 34 million (Astaldi's stake) for the performance of civil works related to the concession agreement for the design, construction and subsequent management of a plant to treat sludge produced by the CODELCO Andes mine for the recovery of copper and molybdenum. This contract, which was already negotiated and agreed on in previous months, was officially awarded at the start of 2012. Therefore, the amounts related to Astaldi's stake were included among the order backlog at 31 December 2011.

CHILE – Chuquicamata Project: USD 155 million (Astaldi's stake) for the construction of tunnels related to the contract to convert Chuquicamata, the largest, open-air mine in the world into a large-scale underground mine. This contract, which was negotiated and agreed upon in previous months, was officially awarded at the start of 2012. Therefore, the amounts related to Astaldi's stake were included among the order backlog at 31 December 2011.

¹⁷For more information on the individual projects, please refer to the section entitled "Operating performance according to sector".

¹⁸For more information on the individual projects, please refer to the section entitled "Operating performance according to sector".

VENEZUELA –Puerto Cabello-La Encrucijada railway line: approximately EUR 500 million (Astaldi's stake) for a contract addendum for completion of the Puerto Cabello-La Encrucijada railway line. The project is among the new orders recorded for Q3 2011.

POLAND - Warsaw- Łódź railway line and Łódź Fabryczna underground station: EUR 350 million (Astaldi has a 40% stake) for the design and performance of all works related to upgrading of the railway line and construction of the passengers building and underground station at Łódź Fabryczna. The contract is among the new orders secured during Q3 2011.

ROMANIA - Frontiera-Curtici-Simeria railway line: EUR 254 million (Astaldi has an 18.75% stake) for upgrading of 41 kilometres of railway and 4 stations, as well as the laying of a second track for a 5-kilometre section and the installation of signalling, telecommunications and electric traction systems. Upon completion, the works will guarantee a speed of 160 km/h for passenger trains and 120 km/h for freight trains. The project is among the new orders secured in Q4 2011.

ROMANIA – Line 5 of the Bucharest underground: EUR 215 million (Astaldi is the project leader with a 39% stake) for the design and performance of structural works related to 6 kilometres of new underground line, all below ground level, and 9 stations. The contract is among the new orders secured during the first quarter of 2011.

ROMANIA - Cernavoda-Medgidia motorway: EUR 119 million (Astaldi is the project leader with a 50% stake) for the design and performance of all activities related to the construction of approximately 21 kilometres of new motorway, works on which has already commenced. The project is among new orders included in the backlog for Q3 2011.

ROMANIA - Orastie-Sibiu motorway, Lot 4: EUR 114 million (Astaldi is the project leader with a 70% stake) for the design and performance of works related to the construction of approximately 17 kilometres of new motorway including the Sibiu West road junction. The project is among the new orders included in the backlog for Q1 2011.

RUSSIA – Pulkovo International Airport - St. Petersburg: EUR 700 million (Astaldi has a 50% stake) for the EPC contract for the construction of a new international terminal and upgrading of an existing terminal as part of the project to modernise St. Petersburg Airport. The project is among the new orders included in the backlog for Q2 2011.

OMAN - BidBid-Sur Road: OMR 125 million, equivalent to approximately USD 324 million (Astaldi has a 51% stake) for the road project to double one of the Sultanate's main arteries. The values related to Astaldi's stake in the project were included in the order backlog at 31 March 2011.

FLORIDA (USA) - NW 25th Street, Florida: USD 59 million, equivalent to approximately EUR 42 million for works to upgrade and extend NW 25th Street in Miami-Dade County, Florida. The amounts related to the project were included in the order backlog at 30 September 2011.

Additional contractual increases recorded during the year and related to projects in progress in the transport infrastructures, water and energy sectors in Italy and abroad (Algeria, Chile, El Salvador, Honduras, Romania, Turkey, USA).

CONCESSIONS - ITALY¹⁹

ITALY – Line 5 of the Milan underground (extension): EUR 124 million (Astaldi's stake) resulting from increase of the Group's stake in this project from 23% at the end of 2010 to 31% following exercise of the right of option on unopted shares resulting from the share capital increase aimed at funding extension of the section under construction along the Garibaldi-San Siro stretch. The values related to Astaldi's stake in the project were included in the order backlog at 30 June 2011.

¹⁹For more information on the individual projects, please refer to the section entitled "Operating performance according to sector".

TURKEY - Milas-Bodrum Airport: approximately EUR 210 million for Astaldi's stake in the concession project for management of the international passenger terminal of Milas-Bodrum Airport in Turkey, already under construction by Astaldi. The values related to Astaldi's stake in the project were included in the order backlog for Q1 2011. Said project is a follow-on from the relative construction contract already secured by Astaldi Group during 2010.

CHILE – Relaves Project: USD 230 million (Astaldi's stake), for management fees related to the concession project for the design, construction and subsequent management of a plant to treat sludge produced by the CODELCO Andes mine for the recovery of copper and molybdenum. This contract, which was negotiated and agreed on during the previous months, was officially awarded at the start of 2012. Therefore the amounts related to Astaldi's stake were included among the order backlog at 31 December 2011.

Summary tables

Please find below tables summarising the structure of and changes in the order backlog. In this regard, it must be recalled that, as mentioned previously, the value of the concessions backlog shown does not include: (i) amounts related to the Ospedale del Mare project in Naples, Italy, insofar as following agreements reached with counterparties, the construction and management concession was converted into a construction concession only; (ii) the values related to the concession project for Line 4 of the Milan underground in Italy which will be included among the backlog over the coming months.

Order backlog (EUR/millions)	At 01/01/2011	Increases/ (Decreases)	Decreases for production	At 31/12/2011
Construction	6,254	3,279	(2,242)	7,291
Transport infrastructures	5,511	2,668	(1,907)	6,272
Energy production plants and hydraulic works	244	555	(155)	644
Civil and industrial construction	499	56	(180)	375
Concessions	2,760	(16)	(23)	2,721
Order backlog	9,014	3,263	(2,265)	10,012

²⁰For more information on the individual projects, please refer to the section entitled "Operating performance according to sector".

Order backlog EUR/million)	At 01/01/2011	Increases/ (Decreases)	Decreases for production	At 31/12/2011
Italy	4,855	359	(1,050)	4,164
<i>Of which construction</i>	<i>2,759</i>	<i>893</i>	<i>(1,027)</i>	<i>2,625</i>
<i>Of which concessions</i>	<i>2,096</i>	<i>(534)</i>	<i>(23)</i>	<i>1,539</i>
International	4,159	2,904	(1,215)	5,848
<i>Of which construction</i>	<i>3,495</i>	<i>2,386</i>	<i>(1,215)</i>	<i>4,666</i>
<i>Of which concessions</i>	<i>664</i>	<i>518</i>	<i>0</i>	<i>1,182</i>
Europe	1,251	1,114	(697)	1,668
America	1,898	1,515	(318)	3,095
Africa (Algeria)	833	44	(163)	714
Asia (Middle East)	177	231	(37)	371
Order backlog	9,014	3,263	(2,265)	10,012

Breakdown of construction backlog (EUR/millions)	At 01/01/2011	Increases/ (Decreases)	Decreases for production	At 31/12/2011
Italy	2,759	893	(1,027)	2,625
International	3,495	2,386	(1,215)	4,666
Europe	1,251	907	(697)	1,461
America	1,234	1,204	(318)	2,120
Africa (Algeria)	833	44	(163)	714
Asia (Middle East)	177	231	(37)	371
Construction backlog	6,254	3,279	(2,242)	7,291

Breakdown of concessions backlog (EUR/millions)	31/12/2011
Italy	1,539
International	1,182
Europe	207
America	975
Total concessions backlog	2,721

Operating performance according to geographical area and sector

As already pointed out, ASTALDI Group's activities in Italy and abroad can be attributed to three reference sectors, in other words, construction, concessions and plant design and maintenance.

Construction. Three main areas of activity where the Group operates can be identified within this sector which, in turn, correspond to the following categories:

- transport infrastructures (railways and undergrounds, roads and motorways, airports and ports);
- energy production plants and hydraulic works;
- civil and industrial construction;
- mining works.

Transport infrastructures represent the most important turnover component for ASTALDI that has been operating in this area for 90 years and is currently among the leading international contractors. As regards 2011, ASTALDI Group held the 9th place worldwide in the mass transit and rail category, 15th place for airports, 20th for motorways and 24th for transport in general.²¹ Its most significant projects in this sector which ASTALDI Group is currently working on include: as regards railways, important High-Speed projects in Italy (Turin Rail Junction, Bologna Centrale HS Station) and key infrastructure projects in Venezuela, Poland, Algeria; as regards undergrounds, key projects in progress in Italy (Line C-Rome, Line 5-Milan, Lines 1 and 6-Naples, Genoa, Brescia), Poland (Line 2-Warsaw), Romania (Line 5-Bucharest) and Turkey (Istanbul); as regards motorways, three maxi lots of the Jonica National Road in Italy and the impressive Gebze-Izmir motorway in Turkey. While performing all these works, ASTALDI Group avails itself of traditional methods, but also of highly complex and innovative techniques such as shielded cutters to build tunnel sections known as TBMs (Tunnel Boring Machine) – the use of which requires the availability of highly specialised staff and means major benefits with regard to work completion timeframes. Lastly, the most important airport and port transport infrastructure projects in progress include Pulkovo Airport in Russia, Milas-Bodrum Airport in Turkey (construction) and Henri Coanda Airport in Romania.

Energy production plants and hydraulic works include the design and construction of works such as dams, hydroelectric plants, aqueducts, oil pipelines, gas pipelines and water treatment and desalination plants. As regards this area, ASTALDI Group currently works mainly abroad (the Maghreb, Latin America) and holds 3rd position worldwide among international contractors in the dam and reservoir category and 13th position in the water supply category.²² The most significant works to date in this area are being performed in Latin America (Santa Teresa and Cerro del Águila in Peru, El Chaparral in El Salvador).

Civil and industrial construction where ASTALDI Group currently operates in both Italy and abroad, comprises the design and construction of works such as hospitals, universities, car parks, civil works linked to industrial plants and similar. As regards this area, ASTALDI holds 14th position worldwide in the sports category (stadiums and sports facilities)²³. The most significant works to date in this area include the Four Tuscan Hospitals project in Italy and the Jubail industrial plant in Saudi Arabia.

Lastly, mining works represent an recently-acquired area of activity where ASTALDI feels it is able to identify important development opportunities thanks to the synergies and compatibilities observed with the transport infrastructures sector, both as regards know-how and professional skills. As regards this area, the group is currently operating solely in Chile with the Relaves (construction) and Chuquicamata projects.

²¹Source: *ENR Global Sourcebook* December 2011, by ENR - Engineering News Record.

²²Source: *ENR Global Sourcebook* December 2011, by ENR - Engineering News Record.

²³Source: *ENR Global Sourcebook* December 2011, by ENR - Engineering News Record.

Concessions. At the draft date of this report, ASTALDI Group's presence in the concessions sector consists in involvement in projects in Italy and abroad (Turkey, Chile, Honduras), referable to the underground transport, motorway and airport transport infrastructures sector (7 projects), renewable energy and the environment (2 projects), healthcare construction (6 projects), mining works (1 project) and car parks (5 projects). 8 of the 21 projects are already operational (Ospedale dell'Angelo in Mestre and 5 car parks in Italy, Chacayes hydroelectric plant in Chile and a stake in Agua de San Pedro Sula S.A. in Honduras). 10 projects have already been included in the consolidation area of ASTALDI CONCESSIONI S.r.l. The latter is an ASTALDI Group company (100%-owned by the parent company, ASTALDI S.p.A.) dedicated to developing and managing concession and project finance initiatives assigned to it by the parent company, as well as future projects which the Group plans to undertake in the future. Indeed, the company was set up in 2010 as part of a broader project to streamline the Group's presence in the concessions sector which, as a whole, involves the transfer in several stages, from the parent company, ASTALDI S.p.A. to ASTALDI CONCESSIONI S.r.l., of the projects in progress in this sector. It must be recalled that ASTALDI's presence in the concessions sector is aimed at promoting and developing projects able to ensure significant synergies with the core business – construction –, thus improving the Group's integrated supply capacity.

Plant design and maintenance. ASTALDI Group has joined the plant design and maintenance sector in recent years, by developing industrial agreements (nBI S.r.l.) and by acquiring small local businesses (Sartori Tecnologie Industriali S.r.l.), able to guarantee the input of know-how and highly specialised professional resources in complementary sectors to ASTALDI's traditional activities. Its joining of the sector is aimed at ensuring the creation of major synergies with the traditional construction and concessions sectors, thus expanding on the Group's overall supply capacity in Italy and abroad. Therefore, it is felt that the vertical integration processes introduced over the year are able to guarantee additional growth opportunities for the future. For more information, please refer to the section entitled Foreseeable development of operations.

Please find below a brief description of the main projects in the backlog. In order to ensure uniform understanding of the information so far provided, the works in progress in Italy will be presented according to sector, while as regards foreign projects, they will be split according to geographical area. Please refer to the sections herein entitled "Order backlog" and "Analysis of economic, equity and financial results for the year" for reconciliation of said information with the segment information contained in the Notes to the Financial Statements.

CONSTRUCTION - Italy

Transport infrastructures: railways and undergrounds

ITALY - ROME UNDERGROUND, LINE C

(CONSTRUCTION - ITALY, Transport infrastructures: undergrounds)

The project refers to the general contracting agreement awarded for the final and executive design, construction, works supervision, commissioning and supply of rolling stock for the new Line C of Rome's underground. The relative contract was signed by Metro C S.c.p.A., the company operating in the capacity of General Contractor in which Astaldi holds a 34.5% stake. The works were commissioned by Roma Metropolitana S.r.l., a company directly controlled by the Municipality of Rome, which is responsible for improving and upgrading the capital's underground network.

The trains will be driverless, in other words they will be driven and controlled by a remote integral automation system. An integral part of the agreement concerns construction of the Granite Depot – 90% of which has been completed – which will feature a completely automated warehouse. The new line will result in expansion of the existing underground network from 36.5 to 78.7 kilometres. As regards the complete planned route (42.2 kilometres long, 42 stations), the so-called Basic Route (in turn split into sections) – measuring 25.5 kilometres in length with 30 stations along the Monte



Compatri/Pantano-Clodio/Mazzini stretch) is currently under construction. During 2011, construction activities were performed as planned along the Monte Compatri/Pantano - San Giovanni section (18 kilometres of line with 22 stations). Excavation using a TBM (Tunnel Boring Machine) of the two single track tunnels running side by side on the whole planned tunnelled route from Giardinetti station to San Giovanni station (approximately 10 kilometres of line) was completed. As regards the supply of rolling stock, 11 trains were delivered to the Granite Depot, for which operating tests are being carried out and finishing activities completed. As regards the section under construction, 80% of overall works have been completed.

The overall value of the works stands at EUR 2.8 billion, EUR 986 million of which refers to Astaldi's stake. The figures shown include allocated funding for the T3 section of the Basic Route, as well as amounts related to the section under construction and to the preliminary activities for the T2 section for which activities prior to completion of the final project have been performed (archaeological investigations, geognostic surveys and investigations) and part of the design. It must be recalled that the T3 section refers to the part of the complete Basic Route running from San Giovanni to the Colosseum together with 2 stations – Amba Aradan, Colosseo/Fori Imperiali. Lastly, it must be noted that final design activities related to the T2 section were officially suspended by the customer, Roma Metropolitane, and instructions regarding the recommencement of activities are still pending. As regards this section, it must also be noted that during 2011, the ATI²⁴ responsible for constructing Line C submitted, as agreed upon with the customer, a project financing proposal for construction of the T2 section as well as extension of the line to Farnesina. The proposal also provides for management of underground services along the complete Line C route. Works are set to be completed in 2012 together with testing of system operation for the first function section which will be put into operation between Monte Compatri/Pantano station and Centocelle station. Works to complete the facilities and finish off the stations together with installation of technological systems along the remaining section between Mirti and San Giovanni stations will go ahead during the whole of 2012.

²⁴ ATI – Temporary Business Association is the method typically used by the Group to manage contracts in Italy when it works together with other businesses. As regards the ATI, the member companies are linked by a mandate under which the principal maintains all contractual relations with the client on behalf of the agent companies. In this case, in brief, the party operating as principal within the ATI is directly responsible for managing the contract from a technical and administrative viewpoint. While the party operating as an agent company is not responsible for management, but, in any case, is responsible for checking the technical-administrative management of the contract.

MILAN UNDERGROUND, LINE 5 (construction contract)

(CONSTRUCTION - ITALY, Transport infrastructures: undergrounds)

The contract forms part of the project finance initiative related to Line 5 of the Milan underground which refers to the design (final and executive) and performance of civil works for a new underground section which will run under ground level along the Garibaldi Station - Bignami and Garibaldi Station - San Siro route (as an extension of the first section), in Milan.

The initiative is managed by the SPV, METRO 5 S.p.A., in which Astaldi holds a 31% stake and operates in the capacity of leader of the ATI²⁵ awarded the concession.



Bignami - Garibaldi Station section. Activities to construct the Bignami - Garibaldi Station section (6 kilometres of line, with 9 stations) went ahead as planned during 2011. Specifically, excavation of tunnels using a TBM²⁶ was completed and the testing of trains commenced in November. At the draft date of this report, 98% of works had been completed on the Bignami – Zara section and 86% of works on the Zara - Garibaldi Station section. The duration of works, including the design phase, is 70 months. Commercial operation of a first operational section of the line is expected to be started up during the second half of 2012.

Garibaldi Station - San Siro section. The Garibaldi Station - San Siro extension provides for an additional 7 kilometres and 10 new stations. The sites for preliminary activities and the shifting of subservices were set up in August 2010 and in February 2011, Metro 5 Lilla S.r.l. signed, the concession agreement related to this extension which had already been regulated by the award decree dated 29 July 2010. At the present time, activities to construct this section are in progress for all the ten stations included in the project (also in light of the forthcoming deadlines related to EXPO 2015). As regards tunnel construction, excavation activities are planned to be performed at two faces, using 4 TBMs: TBM-1 will start to be used in April 2012 and will operate from San Siro in the direction of Monumentale, as will TBM-2 for which the site is currently being prepared. TBM-3 and TBM-4, currently being serviced, will operate from Monumentale in the direction of San Siro and will start to be employed during the second half of 2012. At the draft date of this report, approximately 28% of works on this section has been completed. The duration of works is 57 months.

As regards this project, the total investment – including design, civil and technological works and the alternative solution for Garibaldi Station approved during works in progress – amounts to EUR 550 million for the Garibaldi Station – Bignami section and to EUR 694 million for the extension to San Siro stadium. Given that it is a project finance initiative, said investment will be partly covered by public funding and partly by funding put up by private parties (SPV), with a return on investment guaranteed by the estimated management revenues provided for in the project agreement. For more information about the financial structure and the economic-financial equilibrium provided for in the agreement, please refer to the section of this report dealing with concessions.

²⁵ Please refer to Note 24 herein for a definition of ATI (Temporary Business Association).

²⁶ Please refer to Note 1 herein for a definition of TBM (Tunnel Boring Machine).

NAPLES UNDERGROUND

(CONSTRUCTION - ITALY, Transport infrastructures: undergrounds)

The initiative forms part of the project to improve the underground transport system in the Municipality of Naples, with activities being performed directly along Line 1 and 6, as described in more detail below.

Naples underground - Line 1. The concession holder, M. N. Metropolitana di Napoli S.p.A. (in which Astaldi is the majority shareholder with a 22.62% stake) acquired from the granting authority, the Municipality of Naples, the concession agreement for the design, works supervision and construction of Line 1 of the Naples underground. As regards this line,



construction of the section between Dante station and Centro Direzionale station is currently underway. The works are being performed by Toledo S.c.r.l., whose corporate purpose is performance of the works awarded by M. N. Metropolitana di Napoli S.p.A. to Consorzio TRA.DE.CI.V. and by the latter to the ATI²⁷ in which Astaldi holds a 90.391% stake. The awarded works involve construction of Università and Toledo stations as well as the railway superstructure for the whole section. Works went ahead during 2011, in compliance with the timeframes approved by the granting authority. Specifically, all the works related to Università station were completed and consigned, with the granting authority subsequently introducing a shuttle service between Dante and Università stations. While as regards Toledo station, all the structures within the station shaft were completed along with excavation and lining of the corridor linking to the second exit on Largo Montecalvario. At the draft date of this report, finishing activities and installation of civil plants are currently being performed with regard to Toledo station and works related to the railway superstructure of the whole Dante-Centro Direzionale section are being completed. The total value of works for this project amounts to EUR 250 million, including changes made during works in progress. As at the end of 2011, 92% of works had been completed.

Naples underground, Line 6. The concession holder, Ansaldo STS S.p.A, acquired from the granting authority, the Municipality of Naples, the concession agreement for the design, works supervision and construction of Line 6 of the Naples underground, for which works related to the section between Mergellina station and Municipio station are currently in progress. As regards said section, Astaldi operates through AS.M. S.c.r.l. – in which Astaldi holds a 75.91% stake – which was awarded performance of the civil works related to San Pasquale station. Construction activities recommenced during 2011 following completion of archaeological excavation inside the station shaft. The overall value for this project amounts to EUR 66 million. As at the end of 2011, approximately 64% of activities had been completed.

BRESCIA UNDERGROUND

(CONSTRUCTION - ITALY, Transport infrastructures: undergrounds)

The contract refers to the design and construction of the first operational lot - the Prealpino - Santa Eufemia section - of a light underground in the municipality of Brescia.

²⁷Please refer to Note 24 herein for a definition of ATI (Temporary Business Association).

The works have been commissioned by Brescia Mobilità S.p.A., a company owned by the Municipality of Brescia which is responsible for managing the city's mobility system.

The contract was acquired by ASTALDI as part of an ATI²⁸, in which ASTALDI holds a 50% stake, together with Ansaldo STS (principal) and Ansaldo Breda: Ansaldo STS designs and constructs the system plants, ASTALDI designs and performs the civil works and non-system plants and Ansaldo Breda designs and constructs the rolling stock. The route involves the construction of a double-track line measuring 13.7 kilometres, 9.6 km of which runs underground (5.9 kilometres dug using a TBM²⁹), 4.05 kilometres above ground, and 1.77 km of viaduct. It will also feature 17 stations and an outdoor depot for vehicle storage and maintenance. All the structural works and railway superstructure were completed during 2011. Installation of system plants and finishing activities are currently in progress. It must also be noted that in May 2011, a settlement was reached with the client that put an end to some matters that had arisen among the parties while the contract was being performed. This resulted in recalculation of the contractual end-of-work deadlines, to date scheduled for 31 December 2012, with the start-up of commercial operation set for 1 January 2013. While, schedule of activities related to surface layout has been compiled – for the value of EUR 878,000 – which the client will award directly through public calls for tenders. Production totalled EUR 43.1 million during 2011, with overall production amounting to EUR 377.1 million, equal to 90.7% of the total works.

BOLOGNA CENTRALE HIGH-SPEED STATION

(CONSTRUCTION - ITALY, Transport infrastructures: railways)

The project represents an all-important part of the urban penetration project for the Milan – Naples HS railway line with regard to the Bologna railway junction. The purpose of the contract is construction of the new Bologna Centrale High Speed station (Lot 11) and works needed to make it possible to put the station into operation (Lot 50). The relative agreement was stipulated by Astaldi with TAV S.p.A. which was taken over by RFI Rete Ferrovie Italiana S.p.A. in 2008. The latter is a holding company of Gruppo Ferrovie dello Stato and is responsible for managing the national railway infrastructure. Italferr S.p.A., a Gruppo Ferrovie dello Stato company is responsible for design and works supervision. The project involves the construction of a station of a large size and with structural complexities, to be built entirely under ground level below Platforms 12-17 of the “historic” Bologna Centrale station that are currently in disuse. The station is organised on several levels, the deepest of which - built at a depth of 25 metres – will be used for the transit of high speed trains, while the others will be used for railway transport-related services, commercial areas and car parks. Works commenced in 2004 and once the problems which arose during the start-up phase of the contract were resolved and the 1st Additional Amendment signed in December 2007, activities went ahead as planned in the following years even if affected by some new activities introduced by the customer. The 2nd Additional Amendment was signed in July 2011 which extends the contractual deadline for works and services to July 2013, reformulating the interim milestones for partial completion of activities (implementation of the rail link by June 2012 and of the station (with a provisional



²⁸Please refer to Note 24 herein for a definition of ATI (Temporary Business Association).

²⁹Please refer to Note 1 herein for a definition of TBM (Tunnel Boring Machine).

configuration) by December 2012. (Excavation of the station concourse was completed in 2011 and assembly of the main metal structures continued (struts and pillars, 87% of which have been assembled). The foundation slab was completed and construction of the underground floors located on three levels continued (approximately 57% completed). The HS platform was built and the prefabricated parts of the huge superstructure system (known as hypertrach) were installed along the two tracks. Lastly, the disposal of waste material from excavation activities at the Corticella site commenced, in compliance with the procedures provided for in waste legislation. 70% of the overall planned production activities have been completed. At 31 December 2011, the total value of works amounted to EUR 403 million, including all the approved changes.

TURIN RAIL LINK

(CONSTRUCTION - ITALY, Transport infrastructures: railways)

The contract forms part of the project to expand the Turin Rail Junction and involves the quadrupling and laying under ground level of the existing Turin – Milan railway line. In relation to this project, ITALFERR S.p.A. – in the capacity of Client, operating in the name and on behalf of RFI Rete Ferroviaria Italiana S.p.A. – awarded the ATI³⁰ involving Astaldi (it has a 70% stake and is both leader and principal) the executive design and performance of works to complete expansion of the underground railway line between Corso Vittorio Emanuele II and Corso



Grosseto, crossing under the River Dora Riparia. The special purpose vehicle, S.P.T. - Società Passante di Torino S.c.r.l., in which Astaldi holds a 74% stake and is both leader and principal, was set up to perform and manage the works. The executive design is being performed by Astaldi and 3TI Progetti Italia S.p.A. in equal shares. In order to ensure that the existing railway line may continue to operate, the works are being performed in two separate, sequential macro phases called Macro Phase “West” (first) and Macro Phase “East” (second). The activities performed during 2011 concerned the continuation of works related to Macro Phase East only in so far as the two tracks of the new underground line related to Macro Phase West has already been laid in 2009. At the same time, works to shift and divert the subservices and sewers interfering with the works were carried out. As regards this project, the contractual value is EUR 550.8 million, including changes and additional acts approved during works in progress. Specifically, the figure shown takes into account Variant No. 2 of the 2nd Additional Amendment approved in 2011 which introduced: (i) different procedures for handling waste material from railway tunnel excavation, in compliance with amendments to environmental legislation, with acknowledgement of the relative increased charges for the ATI (Variant No. 7) and (ii) reformulation of the works completion deadline to 31 May 2013, with consequent acknowledgement of site rescheduling and reorganisation charges for the ATI (2nd Additional Amendment, made necessary mainly as a result of RFI S.p.A.’s delays in starting operation of the new underground railway line in the west tunnel and the interferences with the site for the new passengers terminal at Porta Susa station, which is covered by another contract). At 31 December 2011, the overall production activities performed for the whole contract amounted to EUR 544.24 million (including changes and works subject to adjustment). As regards ASTALDI’s stake, said figure corresponds to EUR 370.3 million of overall production, EUR 62.9 million which to 2011. Therefore, approximately 93% of works have been performed.

³⁰Please refer to Note 24 herein for a definition of ATI (Temporary Business Association).

PARMA - LA SPEZIA RAILWAY("Pontremolese Railway")

(CONSTRUCTION - ITALY, Transport infrastructures: railways)

The project forms part of the programme to improve and modernise the Parma – La Spezia railway called the "Pontremolese" railway. As regards this project, Italferr S.p.A. – in the capacity of Client in the name and on behalf of R.F.I. Rete Ferroviaria Italiana S.p.A. – awarded ASTALDI the executive design and performance of works to widen the railway line for the section between Solignano and Osteriazza stations, along a stretch measuring a total of approximately 12.5 kilometres. The new railway line runs for the first 5 kilometres along an alternative route to the current one – indeed, said section will see performance of the most significant works included in the contract such as the bored



tunnel called Marta Giulia Tunnel (4.2 kilometres), a viaduct running over the River Taro (450 metres) and a viaduct over the Galgana torrent. The remaining 7.5 kilometres of overall route will run alongside the railway line currently in use.

During 2011, activities to construct works alongside the railway line currently in operation continued, making it possible to start up operation of a first section of the new line in early 2012. Works to construct the Marta Giulia tunnel (at 31 December 2011, 1,195 linear metres from the Solignano side and 660 linear metres from the Fornovo side had been excavated) also went ahead. The deadline for completion of works has been set for 2015. At 31 December 2011, the value of this agreement, including variations and amendments approved during works in progress amounted to EUR 200.6 million. At the same date, 50.8% of the overall planned production activities had been completed.

Transport infrastructures: roads and motorways

JONICA NATIONAL ROAD (SS 106) LOT DG22

(CONSTRUCTION - ITALY, Transport infrastructures: motorways)

The project is also known as Mega Lot 1 and involves awarding, using the general contracting formula, of the executive design and performance of works to upgrade the section between Palizzi and Caulonia (lots 6-7-8, including Marina di Gioiosa Jonica junction) of the SS 106, also known as the Jonica National Road. The works have been commissioned by ANAS S.p.A., the organisation 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 representing the ATI awarded the contract in which Astaldi is the principal company with a 99.99% stake. The special purpose vehicle, AR.GI S.p.A., was transformed into a Head Corporation as from 1 January 2010 under the resolution passed by the shareholders of AR.GI on 26 October 2009. From a technical viewpoint, the route of the new motorway measures approximately 17 km in length, 19% of which consists in viaducts and 37% in bored and cut-and-cover tunnels. The works were split into two sections, with the approval of a preliminary survey, known as the Functional

Lot (works to be performed immediately) and the Marginal Lot (works not to be performed immediately). The overall value of the contract amounts to EUR 354 million, reformulated with approval of the aforementioned survey into EUR 282 million for the Functional Lot and EUR 72 million for the Marginal Lot. As regards the latter, the General Contractor has asked the customer for final payment due to the continuance of causes hindering works which have caused the delay. Construction works involving the whole of the route continued during 2011, with total economic progress made which amounted to over 65% of the value for the section under



construction, and related progress on the critical route (tunnel excavation) of over 70%. Total production at December 31 2011 amounted to approximately EUR 190 million, EUR 176.4 million of which certified. Lastly, it should be noted that, considering the specific operating difficulties encountered while carrying out works – geological and geotechnical problems, waste located in site and line areas, dragging out of archaeological investigations – the study of a second variance survey proved necessary. Said survey, presented in July and still under examination by ANAS, provides for deferment of the works completion deadline to November 2012. Approval of the second survey and resolution of most of the problems still hindering the progress of works are expected during 2012 . Completion of the major engineering works (tunnels and viaducts), as well as assignment and relative commencement of the remaining transversal and finishing activities, are also expected.

JONICA NATIONAL ROAD (SS 106) LOT DG21

(CONSTRUCTION - ITALY, Transport infrastructures: motorways)

The project, also known as Mega Lot 2, refers to awarding, using the general contracting formula, of the executive design and performance of works to construct the E-90 State Road - for the stretch of the SS 106 (Jonica National Road) running from Squillace junction to Simeri Crichi junction. Extension of the SS 280 (Due Mari National Road) from San Sinato junction to Germaneto junction is also planned. The works have been commissioned by ANAS S.p.A. The corporate body responsible for performing activities related to this contract is CO.MERI S.p.A. the general contractor set up by the ATI³¹ awarded the contract in which Astaldi is the principal company with a 99.99% stake. As regards



the project, CO.MERI S.p.A. assigned ASTALDI, under a specific Project Management Agreement, all the activities needed to fulfil contractual undertakings, with the exception of Works Supervision and Safety Coordination during the

³¹Please refer to Note 24 herein for a definition of ATI (Temporary Business Association).

performance of works, area acquisition-related activities and anti-mafia checks pursuant to the MoU (signed by Catanzaro's Police Department, ANAS and CO.MERI).

From a technical viewpoint, the section of the SS 106 included in the project runs along a route measuring 17.2 kilometres, with 11 twin-bore tunnels, 10 viaducts, 2 separate carriageway bridges and 8 flyover junctions. While the extension of the SS 280 (currently suspended pending relative funding) measures approximately 5.2 kilometres in length. A significant intensification of construction activities for this project was recorded during 2010. In 2011, the 3rd Technical Variance Survey was also approved which referred to various actions needed to complete the works as well as new activities required for the early opening to traffic of a first operational section measuring 12 kilometres. Indeed, in November 2011, the Borgia-Simeri Crichi section of the SS 106 was opened to the public. At 31 December 2011, production related to the whole year totalled EUR 123 million, with 94.5% of the overall works completed (24.1% in 2011 alone). At the draft date of this report, works are set to be completed in two separate phases: 30 June 2012 for the SS 106 and 28 February 2013 for the SS 280. Lastly, it must be noted that, at the draft date of this report, EUR 45.6 million resulting from the aforementioned 3rd survey have still to be financed. The timeframe with which said financial backing is made available will affect the performance of works and, hence, the completion deadlines provided for in the contract.

JONICA NATIONAL ROAD (SS-106) LOT DG41

(CONSTRUCTION - ITALY, Transport infrastructures: motorways)

Astaldi Group, in the capacity of principal of a joint venture where it operates as leader with a 60% stake, was recently awarded, the general contracting project to perform construction activities for the 3rd Maxi Lot of the Jonica National Road (SS 106), worth a total of EUR 791 million. The project will involve the performance of works to upgrade the section of the Jonica National Road running from SS 534 to Roseto Capo Spulico measuring a total of 38 kilometres in length. The planned



duration of works is approximately 7 years and 8 months, 15 months of which for design activities (final and executive) and for preliminary activities prior to the commencement of works, and the remaining 6 years and 5 months for construction activities.

PIEDMONT LOMBARDY MOTORWAY – SECTION A

(CONSTRUCTION - ITALY, Transport infrastructures: motorways)

The project refers to awarding, using the general contracting formula, of design (final and executive) and construction of Lot 1 of the Como ring road, Lot 1 of the Varese ring road and the A8-A9 section which, as a whole, is referred to as

Section A. The project has been commissioned by APL Autostrada Pedemontana Lombarda S.p.A. The contract was acquired by an ATI³² in which ASTALDI holds a stake which, in turn, set up Pedelombarda S.c.p.A. which ASTALDI has a 24% stake in. Specifically, the main part of the route (14.6 kilometres) runs from west to east, from the interchange with the A8 Milan-Varese motorway to the interchange with the A9 Milan-Como motorway. Lot 1 of the Como ring road (2.9 kilometres) joins up with the A9 Milan-Como motorway in the vicinity of Grandate and runs eastwards to the Acquanegra, junction, including the “Grandate” bored tunnel (400 metres). Lot 1 of the Varese ring road (4.5 kilometres) joins up with the A8 motorway near Gazzada and runs in a north-east direction through the “Morazzone” tunnel (2.2 kilometres) to link up with the existing Vedano Viaduct and to Lot 2 that has already been built. The works for this project have been started up in two separate and subsequent phases. An Addendum to the Additional Agreement No. 1 was signed on 3 December 2010 in relation to the early commencement of some works, for a total of EUR 403 million, and reformulation of the works completion deadline to 31 December 2013. Subsequently, following a second partial consignment of works and of the available areas in February 2011, Addendum No. 2 to Additional Agreement No. 1 (dated 30 June 2011) was signed, with the subsequent start-up of all works. During 2011, production related to this project totalled EUR 72.6 million, with a total production of EUR 109.3 million performed at the year-end, corresponding to 12.7% of progress. The procedures for accessing pre-financing of EUR 450 million, provided for in the contract, must be defined during 2012, to be implemented on the basis of current agreements after 30 June 2012.

ACTIVITIES INVOLVING THE URBAN NETWORK WITHIN THE MUNICIPALITY OF NAPLES

(CONSTRUCTION - ITALY, Transport infrastructures: roads)

INFRAFLEGREA PROGETTO S.p.A., the special purpose vehicle, in which Astaldi holds a 51% stake, is the general contractor performing various activities aimed at streamlining the internal transport system in the Phlegrean area of the Municipality of Naples. The project involves upgrading and improvement of the existing infrastructures (roads, railway, port, pedestrian zones) with the aim of achieving total intermodality within a network comprising various, already existing transport systems and communication systems. The funding administration is the Ministry of Transport and Infrastructures, while the granting authority is the President of the Region of Campania in the capacity of Special Commissioner pursuant to Article 11, subsection 18 of Law No. 887/1984. In brief, the works involve construction of the Montesantangelo rail link for the section from Soccavo to Mostra d'Oltremare, with relative interim stations and interchange junctions (Application Document No. 15), as well as works to extend and upgrade Pozzuoli port (Application Document No. 12), construction of a multi-storey car park with related access road and upgrading of Parco della Cava Regia and areas of the former Capuchin Convent (Application Document No. 13) and upgrading of Lungomare Sandro Pertini and the urban road network in Pozzuoli (Application Document No. 14). vPerformance of works in stages has been envisaged for some of the aforementioned Application Documents in order to satisfy the priority actions decided on by the Client, as well as for reasons linked to the funding of works. Activities to perform all four of the



³²Please refer to Note 24 herein for a definition of ATI (Temporary Business Association).

Application Documents continued throughout 2011. Specifically, the works related to Pozzuoli Port and Lungomare Sandro Pertini and the multi-storey car park were completed. As regards activities related to Application Document No.15, works related to completion of the civil works and plants for Monte Sant'Angelo were performed in relation to the remaining section of tunnel adjacent to the future Parco San Paolo station. The total value of this project amounts to EUR 237 million, including EUR 96 million of additional funding made available at the end of December 2011 for the Parco San Paolo Station – Terracina section (Part 1 of Lot 3 of Monte Sant'Angelo rail link for which, at the draft date of this report, preliminary activities prior to the start-up of works are in progress). Not taking into account the aforementioned additional funding, 77% of the total works had been completed at 31 December 2011.

Transport infrastructures: ports and airports

MOSE PROJECT

(CONSTRUCTION - ITALY, Transport infrastructures: ports)

ASTALDI is involved in the project to construct the MOSE system, designed to protect Venice's lagoon from tidal action. The project as the whole involves the construction of a system of mobile barriers installed on each of the port's three outlets (Lido, Malamocco and Chioggia), which represent the points linking the sea and the lagoon. The performance of works related to the MOSE system is regulated by a contract stipulated between the state represented by the Magistrate for the Waters of Venice and Consorzio Venezia Nuova, which was granted the concession to perform the works in question. Consorzio Venezia Nuova in turn awarded the works, split into operational phases, to the joint ventures set up by its members to perform the works in question. In this regard, Astaldi operates in the capacity of leader and principal of an ATI^[1] which set up the consortium company, Mose-Treporti S.c.r.l., to perform works related to Bocca di Lido Treporti. The total value of the works for which the ATI involving Astaldi is responsible amounts to EUR 419 million, EUR 373 million of which have already been awarded. Approximately EUR 350 million of works had been performed at 31 December 2011, corresponding to over 80% of the total works the ATI involving Astaldi is responsible for.



Civil and industrial construction

OSPEDALE DELL'ANGELO - MESTRE (construction contract)

(CONSTRUCTION - ITALY, Civil construction)

The contract forms part of the project finance initiative for the construction and subsequent management of Ospedale dell'Angelo in Mestre that has been operational since 2008. Its construction made available a highly specialised hospital offering 680 beds within a net surface area of approximately 150,000 m². The total investment for works, furnishings and machinery and indirect charges, including changes made during works in progress, was largely concluded in keeping with estimates and amounted to approximately EUR 251.7 million excluding VAT, of which 120 million (excluding VAT) of public capital account funding by the granting local health authority, ULSS12, disbursed on the basis of progress of works. All the works awarded by the granting authority to the special purpose vehicle, VENETA SANITARIA FINANZA DI PROGETTO S.p.A., were completed and commissioned as planned, with the exception of those regarding updating of the stamina cells laboratory which is currently in the process of being commissioned. For more information regarding the financial structure of this operation and the equilibrium conditions of the project's Financial Economic Plan, please refer to the section of this report dedicated to concessions.



TUSCAN HOSPITALS (construction contract)

(CONSTRUCTION - ITALY, Civil construction)

The contract forms part of the project finance initiative for the construction and subsequent management of four hospitals in Tuscany and involves the construction of four hospital complexes situated in Lucca, Massa (Apuane), Prato and Pistoia. The new facilities will occupy a total surface area of over 200,000 m² and make available over 1,700 hospital beds, 52 operating theatres, 134 dialysis units and 103 new cots. As regards this project, a total investment of EUR 365 million is envisaged for design and construction activities (with public funding of 55%) and EUR 1.2 billion in nominal terms for management activities (in which Astaldi has a 35% stake). Given that it is a project finance initiative, said investment will be partly covered by public funding and partly by funding put up by private parties (SPV), with a return on investment guaranteed by the estimated management revenues provided for in the project agreement. For more information about the financial structure and the economic-financial equilibrium envisaged for the project, please refer to the section of this report dealing with concessions.

The duration of the concession is 22 years and 9 months, of which 3 years and 9 months for design and construction activities and 19 years for management of plants and works as well as non-healthcare services. Said duration applies as from signing of the agreement which took place on 19 November 2007. On said date, the local health authorities (USL 1 - Massa e Carrara, USL 2 - Lucca, USL 3 - Pistoia and USL 4 - Prato) awarded as a concession to SAT S.p.A, which Astaldi holds a 35% stake in, the construction of four new hospitals using the project finance formula. The purpose of the relative agreement, which applies to all four hospitals, is the final and executive design, performance of works and management of the new hospitals, as well as of some hospital and commercial services. Design and construction activities were awarded by the concession holder to a temporary business association 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 feature 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.

Massa Hospital – The hospital will occupy a surface area of 80,430 m², with a total volume of 175,000 m³, 24,480m² 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 72,250 m². The total volume is 184,300 m³ with 25,700 m² of outdoor car parks and 13,400 m² 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 fully operational, 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 86,800 m², with 25,000 m² of outdoor car parks and 31,000 m² of green areas.

Prato Hospital – The hospital in Prato is the largest of the four planned complexes. The total surface area involved is 99,000m², with a volume of 208,900 m³, 33,750 m² of outdoor car parks and 31,800 m² of green areas. The project will make available 540 hospital beds, 40 beds for haemodialysis, 20 beds for short-term observation and 35 cots.

Works went ahead as planned during 2011 for the hospitals in Prato (65% completed), Pistoia (68%) and Lucca (47%). While as regards Massa Hospital, once the obstacles to production brought to light during signing of the Additional Agreement – resulting from waste and contaminated soil which were completely removed – were resolved, the areas were consigned on 30 June 2011 and works started up on the same date. 15% of works had been completed at 31 December 2011.

POLICE OFFICERS ACADEMY [SCUOLA CARABINIERI] – FLORENCE

(CONSTRUCTION - ITALY, Civil construction)

The contract is being performed by the consortium company S.CAR. S.c.r.l, in which Astaldi holds a 61.4% stake, and involves construction of the new Police Officers' Academy in Florence. The works have been commissioned by the Ministry of Transport and Infrastructures. The project involves a large area comprising four functional centres: a 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 9 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). At the present moment, following the Administration's request for the drafting of a variance survey and operational document which is compatible with the Carabinieri's minimum requisites, the need to optimise the complex's management system and available financial resources (equal to approximately 80% of the contract), a large part of works related to the Sports and Logistics Centres (approximately 35% of the total works the contract refers to) are still suspended. Approximately 50% of works had been completed at 31 December 2010, with substantial completion of works related to Centre 4 – Cadre accommodation.

OSPEDALE DEL MARE - NAPLES (construction contract)

(CONSTRUCTION - ITALY, Civil construction)

The contract forms part of the project finance initiative which involves the construction and subsequent management of a new hospital complex in the Municipality of Naples. The administration granting the concession is Naples' local health authority (ASL Napoli 1). The concession holder is the special purpose vehicle, Partenopea Finanza di Progetto S.p.A. (PFP), owned by Astaldi. The agreement entered into provides for the final and executive design, construction and management of the relative non-healthcare and commercial services of a new, highly-specialised hospital complex located in the eastern suburbs of Naples for a total of 450 hospital beds (as well as 50 beds for low care patients). The agreement also includes the supply of furnishings and electromedical equipment. OS.MAR. S.c.r.l., in which ASTALDI holds a 60% stake, was set up in order to perform the activities. From a corporate viewpoint, it must be noted that on 6 July 2011, the shareholders, Giustino Costruzioni S.p.A., Ing. C. Coppola S.p.A. and Ingg. F.&R. Girardi Costruzioni Civili e Industriali S.p.A. transferred their complete shareholding in PFP to ASTALDI. Therefore, at the draft date of this report, ASTALDI S.p.A. owns 99.99% of the share capital of PFP. On the same date, the aforementioned companies also transferred to ASTALDI S.p.A. the contractual rights regarding performance of the design and construction activities

of the aforementioned contract, as well as the relative stakes in OS.MAR. S.c.r.l. As a result of the lack of plurality of parties involved and considering that the two companies currently involved in PFP S.p.A. (ASTALDI S.p.A. and Siemens S.p.A.) possess all the requisites and certification requested by the Client to perform all the works and supplies in question in order to complete the project, PFP S.p.A. was transformed into a Head Corporation as from 22 November 2011 with the aim of simplifying the complete operating structure. From a contractual viewpoint, it must be recalled that, following the protraction of a period of irregular performance of



works (for which the concession holder was not responsible) and given that PFP's request for redressing of the concession's Economic and Financial Plan in order to acknowledge the longer work schedules and higher costs incurred, fell on deaf ears, in March 2009 PFP submitted a request for arbitration, availing itself of the arbitration clause provided for in the Acknowledgement Clause. Subsequently, following serious default by the granting authority and, specifically, failure to pay the price, in June 2009, the concession holder PFP availed itself of the cancellation clause set forth in the Acknowledgement Clause and declared the agreement to be terminated as a result of the granting authority's actions, including in the pending arbitration proceedings a request for ascertainment of said termination. As a result of this, a statement was drafted pursuant to law defining the state of progress of the works carried out and identifying the checks, protection and making safe of the works carried out, which were ordered to be performed. On 22 July 2009, at the request of the acting Commissioner – appointed in 2009 by the President of the Region of Campania with the task of adopting, in place of the granting local health authority, all the measures needed to complete the project - a Negotiating Table was set up to identify suitable solutions to all the problems, without prejudice to the action already taken by both parties and relative responsibilities. The Negotiating Table carried out a lengthy and complex assessment, completed in July 2011 with the signing of a settlement which defines a new project structure for the hospital and which, with the support of the State Legal Advisory Service, a possible solution to reconcile the respective positions. Without prejudice to the effects of the statement terminating the Agreement and the Acknowledgement Clause, said solution provides for PFP to complete the project and suspended works at a price proposed by the Commissioner and approved by PFP. As far as the overall settlement is concerned, the dispute was successfully settled and hence the pending arbitration proceedings were abandoned. The agreement reached and signed by the parties was subject to approval by the President of the Region of Campania in the capacity of Special Government Commissioner, entailing additional expenses as regards the original estimates contained in the agreement. At the draft date of this report, the term for said approval is 15 April 2012. Lastly it must be noted that in October 2009, the Public Prosecutor's Office in Naples, in relation to a criminal investigation regarding some directors and/or professionals operating in the area, notified the decree which orders proceedings against Chairman of the Board of Directors of Società Partenopea Finanza di Progetto

S.p.A. (PFP) in office at that time as well as PFP itself, pursuant to Legislative Decree No. 231/2001. PFP is cooperating fully with the judicial authorities. Lastly, it must be noted that the Court of Auditors, following official notification by the Public Prosecutor's Office in Naples of the committal for trial of PFP and some of its directors, ordered the acquisition of documentation and of the investigation documents of the Italian Finance Police's Public Spending Protection Division. As a direct consequence, the Court of Auditors, pursuant to Article 5, subsection 1 of Law No. 19 of 14.1.1994, invited PFP to file its own findings and documentation in order to ascertain any administrative responsibility on the part of those committed for trial. PFP, in full compliance with the timeframes provided for by law, is cooperating fully with the administrative authorities, without prejudice to the primary goal of protecting the company's assets in relation to which the defence strategies deemed most appropriate will be adopted. Therefore the company has appointed Mr. Marco Annoni as its defence counsel and is confident that the correctness of its conduct will be ascertained, maintaining that the risk of an adverse outcome is remote.

CONSTRUCTION - International

ASTALDI's foreign presence in the construction sector can be traditionally linked to 5 geographical macro areas: central-Eastern Europe (Romania, Poland, Russia and Turkey), the Maghreb (Algeria), the Middle East (Saudi Arabia, United Arab Emirates Oman and Qatar), Latin America (Central America, Chile, Peru, Venezuela), North America (USA and Canada).

Please find below some brief descriptions of some of the significant works in progress in each foreign area.

Central-Eastern Europe

ASTALDI Group is present in this area in Turkey, Russia, Romania, Poland and Bulgaria,.

Turkey is one of the main areas of activity for ASTALDI Group. The country helped consolidate the Group's international positioning during the year, with the successes achieved in the concessions sector (airports, hospitals), as well as for the opportunities it succeeded in generating outside the local market thanks to the industrial partnerships entered into with leading Turkish companies. At the present time, the Group operates in Turkey with projects falling into the construction (transport infrastructures) and concessions (airports, hospitals, motorways) sectors. The figures shown do not include the amounts related to concession projects for the construction and subsequent management of Etlik Hospital (3,200 beds) and the Gebze-Izmir motorway (421 kilometres, for which financial closing is pending). For more information regarding these two projects awarded to Astaldi in recent years, please refer to the section herein entitled "Foreseeable development of operations".

Russia represents a recently acquired market where the Group operates with private clients only. ASTALDI's entry into Russia was celebrated during 2011 with acquisition of works to upgrade Pulkovo International Airport in St. Petersburg. As regards the future, it is felt that additional development opportunities may arise in the transport infrastructures sector which ASTALDI is already examining initiatives for which the outcome is pending.

Poland has featured for some years among the areas of guaranteed interest for the development policies of the Group which has already secured some significant contracts from both a design and economic viewpoint. At the moment, the Group is active in Poland solely in relation to priority projects (railway, underground, motorway transport infrastructures) in the country's development policies, financed through dedicated EU funds. As regards the future, given the country's political and economic stability as well as the legislative framework, further consolidation is not to be excluded with the possibility of joining the renewable energy and concessions sectors. Railway contracts were acquired during 2011 (Warsaw-Lodz railway line and Lodz Fabryczna underground railway station).

Romania continues to have an important strategic value for the Group insofar as it is still able to guarantee new commercial opportunities which ASTALDI will continue to examine with great interest. Indeed, the local offices continue to monitor the opportunities on offer in Romania, which the Group tries to take up, also with the aim of ensuring ever-increasing client diversification. The following works were acquired during 2011: underground works (M5 Drumul-Taberei-Eroilor section), motorway works (Sibiu –Orastie Corridor IV motorway, A2 Cernavoda-Medgidia motorway) and civil works (construction of the pedestrian area under Piazza Romana).

As regards **Bulgaria**, ASTALDI Group has recently completed a project in the railway transport infrastructures sector.

Please find below a brief description of the main works in progress in each of the countries comprising the Area.

TURKEY-ISTANBUL UNDERGROUND (KADIKÖY - KARTAL – KAYNARKA SECTION)

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: undergrounds)

The project refers to construction of a new section of the Istanbul underground using the general contracting formula. ASTALDI, in its capacity as leader of a joint venture, was awarded the relative contract with an initial value 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 along the Kadiköy-Kartal section for approximately 21 kilometres with 16 stations, and includes the supply of electromechanical and signalling systems in addition to civil works. Once works have been completed, the new line as a whole will run across Istanbul's Anatolian



shore and guarantee transportation of 70,000 passengers per hour in each direction, with an operating speed of 80 km/h. This contract was subject to a contract extension in 2009 related to extension of the new line in the direction of Pendik as far as Kaynarka station – for an additional 4.8 kilometres of tunnel to be dug along the Kartal-Kaynarka section. The planned project duration is 3 years and works were started up during 2008. This project recorded extremely good progress during 2011. Virtually all the civil works inside tunnels were completed (99.8%) and 15 of the 16 stations envisaged in the project were completed. Good progress was also made in relation to electro-mechanical works (96% completed). The project's overall value at 31 December 2011, including the extension and changes approved during works in progress, amounted to over EUR 900 million (Astaldi has a 42% stake). At the same date, over 97% of all works had been completed. At the draft date of this report, final consignment of works is scheduled for June 2012, with commercial operation to be launched as from May 2012.

TURKEY-ISTANBUL GOLDEN HORN BRIDGE (Halic Bridge)

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: undergrounds)

The project refers to the contract to construct the Golden Horn Bridge, also known as Halic Bridge, worth a total EUR 147 million (Astaldi has a 51% stake). Taking into account the changes approved during works in progress, said value now amounts to EUR 162 million. Halic Bridge will run across the inlet on the European side of the Bosphorus, known as the Golden Horn, linking Topkapi to Galata. The route will measure approximately one kilometre and will allow the new

Unkapanı-Yenikapı line of the Istanbul underground to run along it. The new structure will also involve construction of a steel cable 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 the Municipality of Istanbul. Astaldi's local partner in performing the works is Gülermak, one of the companies Astaldi is already working with to construct the Istanbul underground. Works commenced during 2009 and construction activities went ahead during 2011. Specifically, laying of the bridge's foundations on the north side of the viaduct was completed, and the foundations on the south side are currently being laid. The contract value at 31 December 2011 amounted to EUR 162 million, including changes approved during works in progress, with more than 47% of works having been completed.



TURKEY-MILAS-BODRUM AIRPORT (EPC Contract)

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: airports)

The project consists in an EPC contract for construction of the international terminal of Milas-Bodrum airport in Turkey. The works will involve a surface area measuring 100,000 m². Milas-Bodrum Airport has been operational since 1997 and is one of the 12 airports under the responsibility of the General Directorate of State Airport Authority of Turkey's Ministry of Transport and Communications. The airport currently operates national and international flights and can boast a strategic logistic position insofar as it is located at a distance of 18 kilometres from Milas and 35 kilometres from Bodrum, two important tourist locations in the Turkish province of Muğla. Built on an area measuring a total of 4,139.000 m², the airport currently comprises an international terminal with a capacity of 2,000,000 passengers/year (surface area of 16,500 m²) and a domestic terminal with a capacity of 600,000 passengers (surface area of 19,200m²), for a total of 2,600,000 passengers/year. Construction of the new international terminal will mean that the existing terminals are used as domestic terminals and the new building will be able to cater for 5,000,000 passengers/year. Construction activities for this project were increased during 2011 in consideration of the planned consignment date set for the first half of 2012. More than 55% of overall works had been completed at 31 December 2011. At the same date, the project's contractual value amounted to EUR 110 million, including the changes approved during works in progress. As regards this project, the works are scheduled to be consigned by April 2012. Lastly, it must be recalled that ASTALDI Group holds the controlling interest, with a 90.85% stake, in MONDIAL S.A., the concession holder of the project for the design, construction and subsequent management of terminal under construction by ASTALDI.



RUSSIA –PULKOVO INTERNATIONAL AIRPORT, ST. PETERSBURG

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: airports)

The project refers to the contract to expand Pulkovo International Airport in St. Petersburg, the number four airport in Russia for the number of passengers. The project was awarded to ASTALDI as part of a joint venture with the Turkish construction firm, IC Ictas, during 2011. The total of works to be performed is EUR 700 million (Astaldi has a 50% stake). The project has been commissioned by Northern Capital Gateway (NCG), an international consortium in which Fraport (Frankfurt Airport Group), an international leader in airport management and VTB Capital (VTB Group), the second-most important Russian bank hold a stake. The Senior Lenders of the project promoted by NCG are the European Bank for Reconstruction and Development (EBRD), International Finance Corporation (IFC), Vnesheconombank - Bank for Development and Foreign Economic Affairs of USSR, Nordic Investment Bank (NIB), Black Sea Trade and Development Bank (BSTDB) and Eurasian Development Bank (EDB). The contract is an EPC contract and involves the construction of a new international terminal as well as renovation of the existing terminal (Pulkovo 1). Once the works have been completed, the airport will be able to guarantee a level of service equivalent to IATA C and can accommodate 14 million passengers per year, thus becoming the most important airport in the Baltic region. The works will involve the construction of a main building that will occupy a total surface area of 95,475 m², with 85 check-in desks, boarding gates and links with car parks and the existing Pulkovo 1 terminal and North Pier, as well as an office district (Class B, 11,660 m²), a four-star hotel (200 rooms, 13,800 m²) and all works connected to commissioning of the new facility (airside facility, snow storage area, fire station, de-icing facility, commercial areas, etc.), as well as renovation of the existing Pulkovo 1 terminal (34,314 m²). The planned duration of works is 39 months. Site areas were set up during 2011 and construction activities commenced, with production for the year totalling EUR 39 million.



ROMANIA – BUCHAREST UNDERGROUND, LINE 5

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: undergrounds)

The project refers to construction of the new Line 5 of the Bucharest underground for the Drumul Taberei – Pantelimon section (Raul Doamnei – Hasdeu section), using the Design and Build formula. The contract's overall value is RON 919 million, equivalent to EUR 215 million (ASTALDI is the leader with a 39% stake). The project forms part of a broader programme to expand Bucharest's underground network and is funded by the EIB (European Investment Bank) as well as by the State (25%). The project has been commissioned by METROREX S.A. (that is responsible for managing the Municipality of Bucharest's underground network which currently covers 69 kilometres) and which reports to the local Ministry of Transport and Infrastructures. The project involves the design and construction of approximately 4.5 kilometres of new underground line, limited to civil structures only, along the section between Raul Doamnei and the Bucharest Opera House (Hasdeu), with 9 stations and 7.7 kilometres in total of tunnels dug using TBMs³³. Design and site installation activities for 7 stations were started up during 2011. Construction of Academia Militara station got underway in November 2011 and it is planned for the TBMs to start excavation from said station. Consignment of the works is scheduled for 2013.

³³Please refer to Note 1 herein for a definition of TBM (Tunnel Boring Machine).

ROMANIA – BUCHAREST-CONSTANTA RAILWAY (SECTION 2 - LOTS 1 & 2, SECTION 3/4 - LOT 2)

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: railways)

The project involves the performance, using the general contracting formula, of works to upgrade the Bucharest – Constanta railway, with regard to the section identified as Section 2, Lots 2, 3 and 4. The works have been commissioned by Romania's State Railways and consist, in brief, in upgrading of the railway platform and complete replacement of ballasts, sleepers and tracks. The total value of the contract is approximately EUR 178 million.

Section 2 (Lot 1). All the works related to this section which, inter alia, entailed the upgrading of an existing railway viaduct measuring approximately 340 linear metres (Mostistea Bridge) and the construction of a new railway viaduct measuring 235 linear metres (Saluresti Bridge) along the Fundulea – Lehliu route, were consigned in June 2011.

Section 2 (Lot 2). The works related to this section were completed and consigned in July 2011 and consisted in the upgrading of approximately 28 kilometres of double-track line of the Bucharest – Constanta railway line with regard to the section between Fundulea and Lehliu stations. The aim of the project is to increase the technical travelling speed of passenger trains from the current 120 km/h to 160 km/h, with a maximum speed of 200 km/h.



Section 3/4 (Lot 2). The works related to this section were completed and consigned in July 2011 and consisted in the upgrading of approximately 78 kilometres of the Bucharest – Constanta railway line with regard to the section between Lehliu and Fetesti stations. The aim of the project is to increase the technical travelling speed of passenger trains to 160 km/h, with a maximum speed of 200 km/h. 5 of the 7 planned stations were also consigned during 2011. The last 2 stations will be consigned during 2012, with final consignment of the works set for 31 December 2012.

ROMANIA - FRONTIERA-CURTICI-SIMERIA RAILWAY LINE

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: railways)

The contract, awarded during Q4 2011, involves the upgrading of 41 kilometres of railway line and 4 stations, as well as laying of a second track along a 5-kilometre stretch and construction of the signalling, telecommunications and electric traction systems. Once completed, the works will guarantee a speed of 160km/h for passenger trains and 120km/h for freight trains. The value of the works amounts to EUR 254 million (Astaldi has an 18.75% stake). Works are set to commence during the first half of 2012, with a planned duration of approximately 2 years. The project has been commissioned by Romania's State Railway Company (C.S.R. S.p.A.) and will be financed using European funds and dedicated resources allocated in the state budget.

ROMANIA - BUCHAREST – CONSTANTA MOTORWAY (MEDGIDA – CONSTANTA SECTION)

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: motorways)

The contract worth a total of EUR 168 million (Astaldi has a 60% stake) involves construction of the Bucharest – Constanta motorway with regard to the section between Medgida and Constanta. The route corresponds to a final section of the A2 motorway and fits into a general plan to improve the country's motorway network. The contract involves the design and construction of approximately 32 kilometres of motorway with 4 overpasses, 2 viaducts, 2 bridges and 1 junction. The works have been commissioned by Romania's National Roads and Motorways Department. The works commenced in April 2009, and are expected to be completed by the end of July 2012. Approximately 14 kilometres of motorway were consigned during 2011 following resolution by the client of some problems linked to planned expropriation procedures and thanks to considerable production efforts. Said consignment made it possible to link the motorway network to the coastal tourist locations. 25% of the works are financed by EU cohesion funds and the remaining 75% by an EIB (European Investment Bank) loan.



ROMANIA –BASARAB OVERPASS

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: bridges)

The Basarab Overpass project, performed by ASTALDI as part of a temporary business association (Astaldi is the leader with a 50% stake), was completed and consigned to the client, the Municipality of Bucharest, on 19 June 2011. The project involved the design and construction of a cable stayed bridge measuring approximately 340 metres in length, with a maximum width of 44 metres and a maximum height of 84 metres, and an arched concrete and steel bridge measuring 120 metres in length, as well as approximately 2 kilometres of road and tram viaducts and an intermodal station (tram, underground, road network). Following opening to the public, the client requested some additional works (viaduct traffic monitoring system, multi-storey car park) which will be performed during 2012.



ROMANIA - ARAD – ORADEA NATIONAL ROAD

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: motorways)

The contract to be performed using the general contracting formula is worth approximately EUR 75 million and involves the upgrading of 99 kilometres of the road in Romania. The contract entails the design and upgrading of a section of the DN-79 National Road, between the cities of Arad and Oradea for a total of 103 kilometres. Performance of the project will entail, inter alia, the upgrading and construction of 13 bridges, 46 culverts and approximately 80 kilometres of drainage system. The works have been commissioned by Romania's National Roads and Motorways Department. 30% of the works are financed by the Romanian government and the remaining 70% by the EIB (European Investment Bank). Works were started during the first half of 2009, and are expected to be completed by July 2012. Expansion of the road area was completed during 2011 together with the laying of structural layers of asphalt, with the wearing surface, and final horizontal and vertical street signs and marking to be completed.

ROMANIA - ARAD – TIMISOARA MOTORWAY

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: motorways)

The contract, worth EUR 138 million (in which Astaldi has a 50% stake), involves the construction of 31.5 kilometres of motorway in the western part of Romania with 4 lanes in each direction, 2 hard shoulders, one junction and 16 bridges. The works will be performed by a joint venture involving ASTALDI and the Spanish firm FCC Construcción S.A. The project has been commissioned by Romania's National Motorway and National Roads Company. Works commenced during the first part of 2009 and, despite the difficulties encountered as a result of failed expropriation procedures and project shortcomings that cannot be attributed to ASTALDI, activities went ahead speedily during the whole of 2011. The complete motorway section was inaugurated on 16 December 2011, in a ceremony attended by the Prime Minister and Minister of Transport. The completion of some secondary works (car parks and coordination and maintenance centre) is planned for 2012. Consignment of the works is scheduled for August 2012

ROMANIA – CONSTANTA RING ROAD

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: motorways)

The project involves the design and construction of the motorway link between the A2 motorway from Bucharest and the maritime port of Constanta on the Black Sea, as well as with the DN2 national road towards the Ukrainian border to the north and the Bulgarian border to the south. 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). The project forms part of the European plan to develop a sea-road transport infrastructure network to link Europe with Asia and, as a whole, will entail the construction of 22 kilometres of motorway to link the A2 to the city of Ovidiu and to Gate No. 9 of the maritime port of Constanta (Agigia). The motorway will have 4 lanes for a total width of 26 metres, including 2 hard shoulders. The construction of 5 interchanges and 21 overpasses and bridges is also planned. The project has been commissioned by Romania's National Motorway and National Roads Company. The works, started up during the first half of 2009, continued during 2011 and a first section of approximately 9 kilometres was consigned to the client on 29 July 2011. The works are scheduled to be completed by the end of 2012.

ROMANIA –ORASTIE – SIBIU MOTORWAY, LOT 4

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: motorways)

The contract for the design and construction of Section 4 of the Orastie – Sibiu motorway forming part of the Trans-European Corridor IV, was signed in June 2011. The project involves the construction, using the Design & Build formula, of approximately 16 kilometres of new motorway, including a cut-and-cover tunnel (200 metres) and two viaducts (900 metres). ASTALDI group is the project leader and holds a 70% stake. The works have been commissioned by Romania's National Roads and Motorways Company (CNADNR) which reports to the local Ministry of Transport and Infrastructures. 85% of the project is financed using European cohesion funds and 15% using state funding. Design activities were started up during 2011 and setting-up of sites was completed, with the commencement of construction of the motorway, underpasses and drainage systems as well as the viaduct foundations. Consignment of the works is scheduled for April 2013.

ROMANIA - BUCHAREST – CONSTANTA MOTORWAY (CERNAVODA - MEDGIDA SECTION)

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: motorways)

The contract for the design and construction of the Cernavoda – Medgida section of the A2 Bucharest – Constanta motorway was signed on 21 September 2011. The project involves the design and construction of approximately 20 kilometres of motorway with 2 viaducts (580 metres in total) and major earth movement works. ASTALDI group is the project leader with a 50% stake. The works have been commissioned by Romania's National Roads and Motorways Department (CNADNR) which reports to Romania's Ministry of Transport and Infrastructures. 25% of the works are financed by EU cohesion funds and the remaining 75% by an EIB (European Investment Bank) loan. Consignment of the works is scheduled for December 2012.

ROMANIA –PIAZZA ROMANA (BUCHAREST)

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: roads)

The contract for the design and performance of civil works for the restoration of Piazza Romana in Bucharest was signed in September 2011. The contractual value of the works is EUR 18 million and the project involves the construction, using the Design & Build formula, of a pedestrian area underneath Piazza Romana, in the centre of Bucharest. ASTALDI is the project leader with a 70% stake. The works have been commissioned by the Municipality of Bucharest. As regards this project, survey activities were performed during 2011 along with the start-up of general design activities. As for 2012, following budget problems experienced by the client, completion of design and site preparation activities is planned. Consignment of the works is scheduled for 2014.

ROMANIA – “HENRI COANDA” INTERNATIONAL AIRPORT – BUCHAREST (PHASE 3)

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: airports)

The contract refers to the performance, using the general contracting formula, of a third phase of the project to develop and modernise “Henri Coanda” International Airport (formerly Otopeni) in Bucharest. The works have been commissioned by C.N.A.I.H.B. (*Compania Nationala Aeroportul Internationale Henri Coanda Bucuresti*), in the name and on behalf of Romania's Ministry of Transport. ASTALDI Group, which has already successfully completed the first two phases of this project, will perform the civil works and plants aimed, inter alia, at extending the passenger arrivals and departures terminals, reorganising passenger traffic and building a new ground level car park. A first important target as regards the performance of works was achieved on 15 March 2011 with consignment of the new terminal (finger), and works to extend the departures terminal also went ahead, with completion expected by August 2012. The contractual value of the works amounts to approximately EUR 75 million.

ROMANIA - “LIA MANOLIU” NATIONAL STADIUM (BUCHAREST)

(CONSTRUCTION – INTERNATIONAL, Civil construction)

The contract related to the “Lia Manoliu” national stadium was completed and consigned to the client, the Municipality of Bucharest, on 8 August 2011. The official opening ceremony took place on 6 September 2011 with qualification match for the 2012 European Championship between Romania and France, attended by over 54,000 spectators and a television audience of over 40 million spectators (FRF figures). The project involved demolition of the existing national stadium as well as the design and on-site construction of a new, modern sports facility. The new stadium has an arena-type layout with 54,800 covered seats and is qualified as Category 1 for concurrence and compliance with international regulations). The final of the Europa League UEFA Cup will be played in this stadium on 9 May 2012.



POLAND – WARSAW – ŁÓDŹ RAILWAY LINE AND ŁÓDŹ FABRYCZNA STATION

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: railways)

The project refers to the design and performance of all works connected to upgrading of the section of railway from ŁódźWidzew to ŁódźFabryczna, with construction of the passengers building and underground station of ŁódźFabryczna (4 platforms, 8 tracks), a double-track, twin-bore tunnel (1.5 kilometres) and the plant design and superstructure of the whole section, as well as an underground car park and multi-modal interchange junction at Fabryczna railway station. The works, awarded in August 2011, have a contractual value of PLN 1.4 billion, equivalent to EUR 350 million (ASTALDI has a 40% stake), with a planned duration of 42 months. The project forms part of the “Infrastructure and Environment” Operating Programme, funded by EU Cohesion Funds. The works have been commissioned by Poland’s railway companies (PKP and PKP PLK) and the Municipality of Łódź. This project is of great importance for the national railway system insofar as it will be the first work already boasting high-speed standards, and also for the city of Łódź (Poland’s number-two city for the number of inhabitants). Indeed, following the completion of works, this city will see a radical change in its city centre, with the large underground station, adjacent multi-storey car park, multi-modal junction and surface area layout becoming distinctive features. Design activities commenced during 2011 along with works to demolish the old railway line and existing station.



POLAND – WARSAW UNDERGROUND, LINE 2

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: undergrounds)

The project involves the construction of a central section of Line 2 of the Warsaw underground in Poland worth a total of PLN 3.375 billion, equivalent to approximately EUR 800 million (Astaldi has a 45% stake and is the project leader). The project forms part of the “Infrastructure and Environment” Operating Programme, the most important project planned in Poland in relation to the national development policy funded by the EU, and especially in relation to the operating plan for planned investments for the 2007-2013 five-year period. Specifically, Line 2 of the Warsaw underground is part of the “Environmental



Transport” axis for which investment totalling approximately EUR 8 billion is planned. The works have been commissioned by the Municipality of Warsaw. In detail, the project involves the design and construction of approximately 6 kilometres of new underground line along the route between Rondo Daszynskiego and Dworzec Wilenski, with 7 stations, 6 sections of twin-bore tunnel for a total of 4.5 kilometres, a single-track tunnel linking to the existing line and 3 buildings for train deposit and maintenance. The route will run mainly underground and also include passage under the River Vistula. 4 TBMs³⁴ (Tunnel Boring Machine) will be used to dig the tunnel sections. As regards this project, the bulkheads, excavation and reinforced concrete works for stations were performed during 2011 along with design activities and assembly of the TBMS in order to start-up tunnel excavation activities. Consignment of the works is scheduled for 2013.

POLAND – NR8 NATIONAL ROAD (PIOTRKÓW TRIBUNALSKI - RAWA MAZOWIECKA SECTION)

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: roads)

The contract refers to the design and performance of works to upgrade the NR8 National Road to fast-flowing, dual carriageway standards with regard to the Piotrków Tribunalski - Rawa Mazowiecka section (approximately 62 kilometres). This project, just as Line 2 of the Warsaw underground, forms part of the “Infrastructure and Environment” Operating Programme financed using EU cohesion funds - specifically, the project is part of the “TEN-T road and air transport network” for which investment totalling EUR 8.8 billion is planned. The contract has a total



value of PLN 1.4 billion, equivalent to EUR 350 million (Astaldi has a 47% stake and is project leader) and, specifically, involves the design and upgrading with transformation to fast-flowing, dual carriageway standards of 62 kilometres of the NR8 National Road, with regard to the section between Piotrków Tribunalski and Rawa Mazowiecka. The construction of 14 split-level junctions and 59 large-scale works (including overpasses, bridges and viaducts) is also planned. The works have been commissioned by Poland’s National Roads and Motorways Department and the planned duration of works is 33 months, 12 months of which for design activities. All works related to one carriageway were completed during 2011, including the concrete surfaces, and earth movement works for the second carriageway were started up subsequent to the opening to traffic of the first carriageway.

Please refer to Note 1 herein for a definition of TBM (Tunnel Boring Machine)tion.

POLAND –MINSK RING ROAD

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: motorways)

The contract, worth a total of EUR 124 million involves the construction of a motorway ring road to the east of Warsaw. The project entails the construction of 20 kilometres of ring road boasting motorway standards along State Road No. 2, for the section between Choszczowka and Ryczolek, as well as a series of works to interconnect the local road network, including 16 viaducts and bridges. The works have been commissioned to the consortium which Astaldi is part of together with various local partners, by Warsaw's National Roads and Motorways Department. Works commenced in 2009 and the last road finishing activities are currently being performed.

BULGARIA –PLOVDIV – SVILENGRAD RAILWAY

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: railways)

The project involves the design and construction of a new railway line along the Plovdiv – Svilengrad section as part of the Trans-European Corridor IV project. The works have been commissioned by Bulgaria's Ministry of Transport. The value of the contract amounts to EUR 68 million, excluding the changes agreed on with the Client during works in progress. The project was consigned to the Client in November 2011 and the electricity substations will be completed during 2012 along with final testing. The project as a whole entailed the electrification and reconstruction of approximately 30 kilometres of existing railway for the section between the municipalities of Parvomai and Dimitrograd, with the aim of improving the quality of the national railway system and integrating it with the European system. The project also involved the renovation of railway stations, electricity substation and electricity power lines located along the whole route.

The Maghreb (Algeria)

ASTALDI Group is present mainly in Algeria as regards the Maghreb area.

Algeria features among the traditional markets for the activities of the Group which has operated in this area for over 20 years, mainly in the transport infrastructures and energy production plants and hydraulic works sectors. The Group operates in this area with 439 employees, a representative office in Algiers and a permanent establishment that employs over 1,000 local skilled workers.

Lastly, with the scope of providing complete information, it must be noted that ASTALDI Group is performing a single construction project in Tunisia (motorways), developed as part of a partnership with a local operator. As regards said project, the activities in progress are experiencing a ten-month delay as regards contractual deadlines, to be linked to the general unrest seen in the country at the start of 2011. Nevertheless, it should be noted that this project, of a minor contractual value, does not entail any operating presence on the part of the Group, but only the sharing of know-how and managerial skills.

Please find below a brief description of the main works in progress in the area.

ALGERIA – SAIDA – TIARET RAILWAY

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: railways)

The contract, awarded to Astaldi as part of joint venture at the end of 2010, involves the design and construction of a new railway line from Saida to Tiaret in Algeria. The contract value amount to EUR 417 million (Astaldi has a 60% stake). The works have been commissioned by Algeria's Ministry of Transport through the *Agence Nationale d'Etude et du Suivi de la Réalisation des Investissements Ferroviaires* (ANESRIF). The contract involves the executive design and construction of 153 kilometres of single-track railway line which will feature 41 railway bridges and viaducts, 35 road overpasses as well as 4 main stations (2 of which will be passenger stations while the other 2 will serve as a freight village and maintenance depot) and 9 interchange stations. The route, which will run along the "Rocade des Hauts Plateaux" to link up with the Bechar - Mecheria – Oran line, is the natural continuation of the railway line linking Saida and Moulay-Slissen which is already under construction by Astaldi. Work on this new project commenced in January 2011, with a total duration of 36 months. The works performed during the year mainly concerned installation and design activities.



ALGERIA – SAIDA - MOULAY SLISSEN RAILWAY

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: railways)

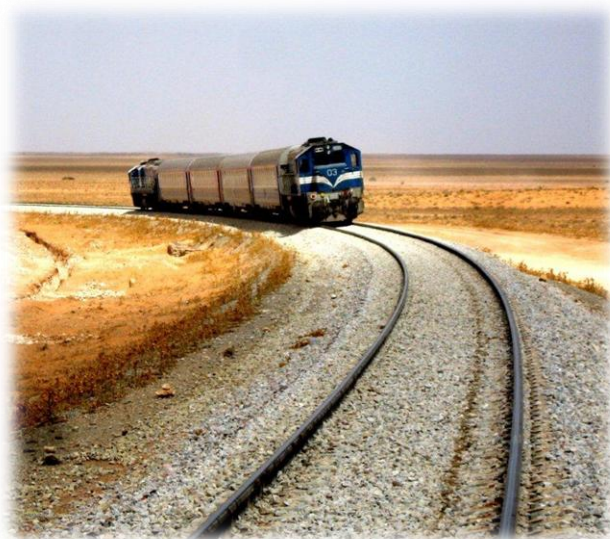
The project refers to construction of a section of railway measuring approximately 120 kilometres, that runs along the Saida - Moulay Slissen section. The project forms part of Algeria's plan to create an integrated infrastructure network comprising road and rail transport. Specifically, this initiative forms part of the "Rocade des Hauts Plateaux", which stretches from East to West in the northern part of the country's high ground. The works have been commissioned by ANESRIF (*Agence Nationale d'Etudes et Suivi de la Réalisation d'Investissements Ferroviaires*), in the name and on behalf of Algeria's Ministry of Transport. The project consists in the design and construction of a new single-track railway line, not electrified but able to include a second track. The route stretches over 120 kilometres and includes bridges, viaducts, overpasses, underpasses and 4 stations. The contract also provides for the installation of signalling, telecommunications and energy systems. Works got underway during the third quarter of 2008, and Variant No. 1 extended the overall duration of works to 59 months. As regards this project, activities went ahead much better than planned during 2011 and mainly concerned earth movement works and activities related to the construction of viaducts. Approximately 40% of works had been performed at 31 December 2011.



ALGERIA-MECHERIA - REDJEM DEMOUCHE RAILWAY

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: railways)

The contract, awarded by SNTF, Algeria's national railway company and subsequently handed over to ANESRIF, entails design and construction of the new Mecheria - Redjem Demouche railway line. The construction of this railway line forms part of the project to create a railway corridor between the coastal cities of Oran and Bechar in the south-west of Algeria. The stretch of railway will run for approximately 140 kilometres, connecting the two cities of Mecheria and Redjem Demouche, located in the south-west of the country. The new line will be mainly used to transport freight and will guarantee a maximum operating speed of 160 km/h. All activities were completed during 2011 and the complete section is ready to be consigned. Signalling and telecommunication system activities still have to be completed for the Tabia - Redjem Demouche section.



ALGERIA –HAMMA AQUEDUCT

(CONSTRUCTION – INTERNATIONAL, Energy production plants and hydraulic works)

The project entailed the performance of four lots of an aqueduct inside the city of Algiers, starting with a desalination unit. The initiative, of primary importance with regard to the water supply project for the city of Algiers, consisted in the performance of four different lots (A, B, C and D) and initially involved the executive design and construction of a supply system from the Hamma desalination unit to three reservoirs (of which two already existed (Telemly and Garidi) and one had to be built (Kouba)) and relative connection to the existing drinking water network. The impossibility of using a proposed layout for Lot D, as provided for in the preliminary design, entailed substantial changes to the definition of said lot. Therefore the works related to the new Lot D formed the purpose of specific contractual addendum which led to the construction of a new reservoir, called HARCHA, which supplies Lot D instead of the Telemly reservoir. During 2011, following the approval of Variant No. 4, finishing activities for the civil works involving the Harcha reservoir were completed, and activities related to the supply and commissioning of technological installations were started up.

Middle East

The Middle East (which for Astaldi means Saudi Arabia, the United Arab Emirates, Oman and Qatar) continues to be of interest for the Group's development policies. At the present time, the Group is working in the area with industrial design-related projects applied to the petrochemical sector (Jubail Project in Saudi Arabia) and transport infrastructure projects (Jeddah and KAEC HS stations). As far as the future is concerned, refocusing of activities is expected, with the Group exiting the industrial sector (which is currently able to guarantee lower margins than in the past) and consolidation of the Group's traditional sectors where it boasts greater expertise (railway and motorway transport infrastructures, ports).

All ASTALDI Group's activities within the Middle East are developed by ASTALDI ARABIA Ltd., a subsidiary of ASTALDI S.p.A. Therefore, please refer to the section herein dedicated to said company for more information regarding activities performed in the Middle East.

Please find below a brief description of the main works in progress in each of the countries indicated for this area.

SAUDI ARABIA–JEDDAH AND KAEC HIGH-SPEED RAILWAY STATIONS

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: railways)

The contract was acquired by Astaldi Group, as part of a joint venture, at the end of 2010. The project refers to the construction of two major railway stations, Jeddah and KAEC (King Abdullah Economic City), along the Mecca – Medina high-speed line (forming part of the “Haramain High Speed Rail Project” – the railway network expansion programme approved by the Saudi government). The total value of the works is USD 1.24 billion (Astaldi has a 15% stake). The works have been commissioned by the Saudi Railways Organization. Designed by Norman Foster and Buro Happold, the two stations boast large dimensions: Jeddah, the larger station, will occupy a total surface area of over 111,000 m² – equivalent to approximately 14 football pitches – while KAEC will occupy a total surface area of approximately 64,000 m². More than 200,000 m³ of concrete and 74,000 tons of steel will be used to construct the stations that will feature 58 lifts and 116 escalators. The planned duration of works is approximately 2 years.



SAUDI ARABIA – JUBAIL INDUSTRIAL PLANT

(CONSTRUCTION – INTERNATIONAL, Industrial construction)

The project has a contractual value of USD 80 million and refers to the performance of civil works and electromechanical plants for the construction of an oil refinery in the Jubail industrial district (Areas 5 and 2-A). The project, known as the Jubail Export Refinery Project, has been commissioned by the French company, TECHNIP. It will be performed by ASTALDI ARABIA Ltd., the subsidiary of Astaldi S.p.A. which handles the Group activities in the Middle East. As regards this project, works to lay the foundations and put up the framework structures for the chemical plants continued during 2011, with 77% of overall works completed at 31 December 2011.

OMAN – BID BID-SUR ROAD (Lot 1-Package 1-A)

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: roads)

The project has a contractual value of OMR 125 million, equivalent to approximately USD 324 million (ASTALDI has a 51% stake). The contract refers to the road project to widen one of the Sultanate's main roads, for a total of 41 kilometres of new road linking the capital with the country's eastern regions. The project has been commissioned by Oman's Ministry of Transport and Communications. The works commenced during 2011, with a duration of just over three years.



Latin America

The anti-cyclical value lent to infrastructure investments in many countries in this area mean that it is of guaranteed interest for the Group's development policies. It must be recalled that ASTALDI is mainly present in the transport infrastructures and energy sectors in Venezuela, Peru, Chile and Central America. It is also examining with interest some medium-term opportunities singled out in reference sectors in Brazil. Please find below some brief observations regarding Venezuela, Peru, Chile and Central America.

Venezuela. ASTALDI Group has operated for over 30 years in Venezuela where it is principally active in the railway transport infrastructure sector. The Group currently plays a key role in the "*Plan de Desarrollo Nacional*" approved by the local government – a project to improve the entire local railway network which is based on the creation of 5 main axes which, run across the whole country. Three new railway lines are currently under construction and are being developed under the aegis of an intergovernmental agreement between Italy and Venezuela aimed at promoting economic and industrial cooperation between the two countries. As regards these three projects – which all together aim to provide the central-southern areas of Venezuela with a suitable transport system to promote and support economic development projects drawn up at a national level – ASTALDI Group is involved in as part of a permanent association of Italian companies in which the individual shareholders each have a 33.3% stake. Within said association, the projects are developed in accordance with a method of distributing activities which sees each member being allocated a section corresponding to one third of the whole project. Therefore, each company is totally responsible for the section allocated, which it develops in accordance with its own managerial and operating models, therefore guaranteeing splitting of the project into independent yet adjoining sections. Lastly, it must be recalled that, in order to comply with the criterion adopted by Astaldi as regards inclusion in the order backlog – reserved solely for contracts that have been secured and fully financed -, the projects in progress, just as the additional developments expected in relation to the aforementioned intergovernmental agreement, are not included in full in the Group's order backlog insofar as they are included in the backlog on a tranche, pro quota and annual basis, against inclusion of the stipulated contracts in the state's budget.

Peru. Astaldi's activities in Peru, just as in Chile, respond to the Group's need and desire to diversify its operations in Latin America, offsetting the planned slowdown of activities in Venezuela. At the present moment, the Group is involved in three projects in progress in Peru, more details of which are provided later on.

Chile. Chile represents an area where ASTALDI Group has been working in an ongoing manner since 20089 and which sees the Group as partner, with a 27.3% stake of the concession holder that constructed and currently manages the Chacayes hydroelectric plant (11MW), together with the Australian Group, Pacific Hydro. Astaldi's presence in Chile responds to the Group's need and desire to diversify its operations in Latin America and to offset the planned slowdown of activities in Venezuela. Indeed, the country represents an opportunity for geographical and sector diversification thanks to the socio-political and economic stability it is able to offer along the validity of its legislative framework, and to the important opportunities on offer in the renewable energy and mining sectors. The latter represents a new sector of activity for ASTALDI but which is considered to be an interesting market offering additional commercial opportunities given the planned investments as well as compatibility between the expertise required and the Group's technical and managerial skills. The works currently in progress in the area can be linked to the renewable energy sector (concessions) and mining works (construction, concessions).

Central America. The projects in progress in this area are mainly linked to road transport infrastructures (Costa Rica, Nicaragua, Honduras) and energy production plants and hydraulic works (Costa Rica, El Salvador). Commercial activities aimed at acquiring new construction and concession projects are also going ahead, mainly in the transport infrastructures and renewable energy sectors.

Please find below a brief description of the main works in progress in the area.

VENEZUELA-PUERTO CABELLO - LA ENCRUCIJADA RAILWAY LINE

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: railways)

The contract involves the construction of a double-track railway line running along the Puerto Cabello - La Encrucijada stretch for approximately 108 kilometres, with 33 km of tunnels, 21 km of viaducts and 10 stations. 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 approximately EUR 3,000 million (including "Option 10" signed in 2006, which entails the construction of stations and freight villages), one third of which refers to Astaldi's stake. A contract addendum for completion of the railway line was also signed during 2011. Said addendum provides for updating of the existing contract and extension of



the line from Moron to Puerto Cabello. With said addendum, the value of works to be completed in relation to the Puerto Cabello-La Encrucijada line amounts to EUR 3.3 billion (Astaldi has a 33.33% stake), meaning EUR 500 million of new works for the company. Construction of the new railway section will make it possible to link the line under construction with Puerto Cabello and will guarantee Valencia, one of the country's leading cities located along the line, access to the sea that is all-important for trade. The works have been commissioned by I.F.E (*Instituto de Ferrocarriles del Estado*), the independent organisation responsible for managing Venezuela's railway transport infrastructures. The project fits into the Economic, Industrial, Infrastructure and Development Cooperation Agreement signed by the Italian and Venezuelan governments in February 2001, and ratified in subsequent agreements, the most recent in May 2010. The project is included among the new orders acquired during Q3 2011. The works, for which Astaldi is responsible, started during 2002, are split into two lots, one situated in the mountains and one in the plains. Despite the planned slowdown in activities, works related to this project continued to go ahead during 2011, generating an extremely positive trend. Specifically, works involving lining of the tunnels (100% of which have been dug) continued together construction of the viaducts contained in the plain lot (65% of works have been completed in total).

VENEZUELA – SAN JUAN DE LOS MORROS - SAN FERNANDO DE APURE AND CHAGUARAMAS – CABRUTA RAILWAY LINES

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures: railways)

The contracts for the two projects in question - resulting from the Italo-Venezuelan intergovernmental agreements of 2005 aimed at ensuring cooperation between the two countries as mentioned above - were signed in June 2006. The two projects involve the construction of a total of 452 km of new railway lines, of which 15 km of tunnels and 12 km of bridges and viaducts, and include design and installation of the railway superstructure, 13 stations, 3 freight villages and a maintenance workshop. The works have been commissioned by I.F.E (*Instituto de Ferrocarriles del Estado*), the independent organisation responsible for managing Venezuela's railway transport infrastructures.

San Juan de Los Morros - San Fernando de Apure railway. The contract provides for construction of a new railway line running along a route measuring approximately 252 kilometres, with 17 kilometres of tunnels and 6.3 kilometres of viaducts, 7 stations and 3 maintenance areas. The contractual value of the works amounts to EUR 1,258 million, a third of which corresponds to Astaldi's stake. Tunnel excavation works related to this project continued during 2011, with 16% of total activities completed and a good overall result achieved. It must also be noted that activities were rescheduled, in agreement with the client, reducing progress made on construction works. As regards this project, 20% of overall works were completed during the year.

Chaguaramas – Cabruta railway. The new railway line runs for 201 kilometres and includes 6 stations and a maintenance area. The contractual value of the works amounts to EUR 591 million, a third of which corresponds to Astaldi's stake. It is important to note that the area involved in the project is characterised by logistic difficulties (distance from residential areas) and technical difficulties (performance of works in areas subject to flooding). Despite this, the project performance achieved during 2011 was decent with 20% of works completed. Activities were rescheduled during 2011, in agreement with the client, reducing progress made on construction works with 25% of overall works completed.

PERU –HUANZA HYDROELECTRIC PROJECT

(CONSTRUCTION – INTERNATIONAL, Energy production plants)

The contract, worth an equivalent of USD 116 million involves the performance of civil works related to Huanza hydroelectric plant in Peru. The project consists in the construction of a hydroelectric plant with a nominal power of 90MW, making use of water provided by the Rio Pallca. Construction of this plant will involve, inter alia, the construction of a 34,000 m³ barrier in RCC (roller-compacted concrete), a 10-kilometre tunnel, a penstock, a hydroelectric plant and a switchyard. The works have been commissioned by Minera Buenaventura, one of the leading mining operators in Peru. The project was acquired during 2009 and, site installation activities were started up during the same year. The works are expected to be completed over 29 months.

PERU –SANTA TERESA HYDROELECTRIC PLANT

(CONSTRUCTION – INTERNATIONAL, Energy production plants)

The contract, worth an equivalent of USD 100 million (Astaldi has a 40% stake) involves the performance of civil works related to Santa Teresa hydroelectric plant in the Machu Picchu region of Peru. The project consists in the construction of a hydroelectric plant with a nominal power of 86MW, making use of water provided by the Rio Urubamba, waters that are already "turbinated" by the Machu Picchu plant currently in operation. Construction of this plant will involve, inter alia, the construction of an underground water intake facility, a series of tunnels to access the plant and the main tunnel. A conduction tunnel is also planned along with a supply shaft for the underground plant and the performance of plant excavation works, for an underground excavation volume of 270,000 m³ of rock. The works have been commissioned by Luz del Sur, one of the main electricity distributors in Peru. The project was acquired during 2011 and, site installation activities were started up during the same year. The works are expected to be completed over 30 months.

PERU – CERRO DEL ÀGUILA SANTA TERESA HYDROELECTRIC PLANT

(CONSTRUCTION – INTERNATIONAL, Energy production plants and hydraulic works)

The turnkey EPC contract, worth an equivalent of USD 670 million (Astaldi has a 50% stake and is project leader) involves the performance of civil and electromechanical works related to Cerro del Àguila hydroelectric plant in Peru. The project consists in the design and construction of a hydroelectric plant with a nominal power of 504MW, making use of water provided by the Rio Mantaro. Construction of this plant will involve, inter alia, the construction of 70 km of access roads, a barrier consisting in a gravity dam of 340,000 m³ of concrete, a tunnel measuring 6 kilometres with a 100 m² section, a 140 m-tall charge basin, the underground hydroelectric plant and a discharge tunnel measuring approximately 5 kilometres. Given that it is an EPC contract, the supply and installation of three Francis turbines is also envisaged in addition to design activities. The works have been commissioned by KALLPA S.A., one of the main electricity generators

in Peru. The project was acquired during 2011 and, site installation activities were started up during the same year. The works are expected to be completed over 48 months.

CHILE –CHACAYES HYDROELECTRIC PLANT (EPC contract)

(CONSTRUCTION – INTERNATIONAL, Energy production plants and hydraulic works)

The Chacayes hydroelectric plant, built and currently managed by ASTALDI together with the Australian group, Pacific Hydro, was opened and put into operation in October 2011. The works were commissioned by Pacific Hydro, one of the most important operators worldwide in the energy production plant and renewable energy sector. The project involved performance of the EPC contract to construct one of the biggest hydroelectric plants in Chile - two intake plants (Chacayes and Cipreses), a water supply system comprising channels (7 kilometres) and tunnels dug using traditional methods (3.5 kilometres) and TBMs (2.5 kilometres), a regulating reservoir of approximately



200,000 m³, a clearing and reserve basin of 800,000 m³ and a surface-level plant with 2 55MW turbines. The contract also included the supply, assembly and commissioning of electromechanical components (turbines, generators and flood gates). Performance of the works was awarded to the EPC Contractor Astaldi-Fe Grande, in which Astaldi holds a 95% stake. The Chacayes hydroelectric plant has an installed power of 111MW and is expected to produce 557Gwh/year. The plant is located in the Alto Cachapoal valley, at a distance of 20 kilometres from Rancagua and 200 kilometres from Santiago del Chile and produces totally renewable energy insofar as it is a run-off-river plant. Indeed, operation of the plant is based on retrieving and making use of kinetic energy produced by the river's flow. Lastly, it must be noted that for more information on Astaldi's stake in PACIFIC HYDRO CHACAYES S.A., the concession holder of the private project finance initiative for construction and subsequent management of the Chacayes plant, please refer to the section herein dealing with foreign concession projects.

CHILE –CHUQUICAMATA PROJECT

(CONSTRUCTION – INTERNATIONAL, Mining works)

The contract amounts to USD 155 million and forms part of the plan of action worth USD 875 million approved by CODELCO aimed at converting Chuquicamata, currently the world's largest open-air mine, into a large-scale underground mine. The project has been commissioned by CODELCO (*Corporación Nacional del Cobre del Chile*), a state-owned company, set up in 1976 and currently the leading copper producer in the world. This new contract involves the construction of two main tunnels, one for access (7.5 kilometres) and one to transport copper inside the mine (6.2 kilometres), as well as the relative linking tunnels and approximately 3.5 kilometres of ventilation and emergency shafts. The duration of works is 41 months.



CHILE –RELAVES PROJECT (construction contract)

(CONSTRUCTION – INTERNATIONAL, Mining works)

The contract forms part of the concession project which ASTALDI Group, as leader (with a 55% stake) of an association of Chilean companies specialising in the mining sector, will perform in Chile. The project involves the design, construction and subsequent management, using the concession formula, of a plant to treat sludge produced by the CODELCO Andes mine in order to salvage copper and molybdenum. The works have been commissioned by CODELCO (*Corporación Nacional del Cobre del Chile*), a state-owned company, set up in 1976 and currently the leading copper producer in the world. The plant will be able to produce 4,000 tons of copper and 80 tons of molybdenum per year which CODELCO has already undertaken to purchase. The total value of the investment is USD 34 million and will be performed also with the help of private funding (partners in the SPV set up to perform the project), with a return on investment guaranteed by the forecast management revenues. For more information regarding the operation's financial structure and equilibrium conditions set down in the initiative's Economic and Financial Plan, please refer to the section herein dealing with concession projects developed abroad.

EL SALVADOR –EL CHAPARRAL HYDROELECTRIC PLANT

(CONSTRUCTION – INTERNATIONAL, Energy production plants and hydraulic works)

The contract, awarded to ASTALDI Group in 2008, has a contractual value of USD 220 million (equivalent to EUR 160 million at tender exchange rates) and involves construction of the El Chaparral hydroelectric plant in El Salvador. The contract consists in the design and construction of a new hydroelectric plant in RCC (roller-compacted concrete) with an installed power of 66MW, as well as construction of a substation. The plant is located in the north-east of the country, in the low part of the hydrographic basin of the River Tarola (in the municipalities of San Luis La Reina and Carolina) which stretches as far as the municipality of San Antonio del Masco in San Miguel Department. The contract also involves the final design of civil and electromechanical works and operational testing of the plant.

The works have been commissioned by CEL (Rio Lempa Hydroelectric Executive Commission), El Salvador's electricity company. The project is financed by the BCIE (Central American Bank for Economic Integration) and by the local government. Works were started up during the last quarter of 2008, with a total duration of 50 months. The works are scheduled to be completed by February 2013. Geological problems related to this project were encountered during 2010 which resulted in a partial delay in construction activities. The delay, which affected only a part of the works in progress, did not make it impossible to perform construction activities, but created the conditions for re-definition of some project aspects linked to design needs.

North America

ASTALDI Group has been present in the USA for over 20 years, operating mainly in the transport infrastructures sector. All the activities in the USA are performed through ASTALDI CONSTRUCTION Corp., a US-regulated, 100%-owned (directly and indirectly) company of ASTALDI S.p.A. For more information regarding the operations of said subsidiary, please refer to the section herein dedicated to the Group's main companies. It is considered appropriate to include at this point a brief description of the contracts in progress in the country.

In order to ensure further diversification of the geographical positioning of activities, it must also be noted that at the draft date of this report, opportunities are being examined that could become tangible in the nearby Canadian market. Canada

offers a stable macroeconomic situation and favourable reference legislative framework and is open to the development of infrastructure projects in the renewable energy and transport sectors. In order to ensure suitable monitoring of the market and business opportunities in the construction and concessions sectors, ASTALDI CANADA Inc., a company owned completely by ASTALDI S.p.A. was set up at the start of 2012.

USA – SR-84 - DAVIS BOULEVARD/COLLIER BOULEVARD

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures; motorways)

The contract involves extension and upgrading of the SR-84 (Davis Boulevard), in the section from Radio Road to Collier Blvd., and of the CR-951 (Collier Boulevard) from Davis Boulevard to Golden Gate Canal, in Collier County, Florida. The contract is being performed entirely by Astaldi Construction Corporation and involves widening of the road, excavation of water retention basins and improvement of the drainage network as well as shifting of subservices, surfacing and asphalt, finishes and plants. Site preparation activities were performed during 2011 as well as excavation of water retention basins and the start-up of installation of the drainage networks and subservices. The contract value amounts to USD 28.2 million and production during 2011 totalled EUR 2.4 million.

USA – NW 25th Street

(CONSTRUCTION – INTERNATIONAL, Transport infrastructures; motorways)

The contract refers to works to upgrade and expand NW 25th Street in Miami-Dade County in Florida. The contractual value of works amounts to USD 59 million, equivalent to approximately EUR 42 million. The project involves the rebuilding and widening to 4-6 lanes of an expressway to Doral, in the vicinity of Miami international airport, as well as the construction of a metal overpass next to the SR-826 Palmetto Express and a viaduct for a total length of 1.9 kilometres. The project has been commissioned by the Florida Department of Transportation (FDOT). The planned duration of works is just over 3 years. Design activities went ahead during 2011 with subsequent presentation to the client of a series of changes known as cost saving initiatives.

CONCESSIONS

As regards the specific concessions sector, ASTALDI group is interested in opportunities able to generate synergies with its core business which is construction – in Italy as well as abroad – where it is possible to re-use the model implemented to date that is characterised by: (i) high level of public funding; (ii) a return on investment based on cash flow guaranteed by the inclusion of minimum fee clauses (in the form of guaranteed availability charges, guaranteed minimum traffic, occupation fees and similar) in the contracts awarding management activities.

The areas of interest for the Group as regards concessions continue to be transport infrastructures, healthcare construction and energy production plants. Mining works are also of interest and this is an area which ASTALDI Group joined in 2011 with projects performed in the Chilean market for CODELCO.

At the draft date of this report, ASTALDI Group's presence in the concessions sector consists in involvement in 21 projects developed in Italy and abroad (Turkey, Chile, Honduras), related to the following sectors: healthcare construction (6), underground, motorway and airport transport infrastructures (7), car parks (5), energy and environment (2), mining concessions (1). As regards the projects in progress, 9 are currently in the management phase and related to initiatives built and managed by ASTALDI Group – such as Ospedale dell'Angelo in Mestre and 5 car parks in Italy, the

Chacayes hydroelectric plant in Chile – or to projects where the Group has joined the concessionaire company after the works are already in an operational phase – as is the case for Agua de San Pedro Sula in Honduras and A4 Holding in Italy. The remaining 13 projects consist in stakes in initiatives which are still under construction at the draft date of this report.

It is also important to note that, during the last two years, ASTALDI Group has carried out major streamlining of its presence in the concessions sector. Indeed, in 2010 it set up the company, ASTALDI CONCESSIONI S.r.l. (100% owned by the parent company ASTALDI S.p.A.) dedicated to developing and managing current and future concession projects and project finance initiatives, with it being planned to gradually transfer all the projects in progress in this sector to said company.

ASTALDI CONCESSIONI S.r.l. was set up on 30 July 2010 through the transfer of so-called mature assets (in other words assets already under management), or for which the conditions for transfer are already satisfied (in other words, the grantee's consent). Specifically, the plan to gradually transfer all the other assets will be carried out on the basis of the conditions required (consent of Grantee or of Partners). In some cases it is specifically envisaged that the project shall be transferred to ASTALDI CONCESSIONI upon completion of construction activities.

At the draft date of this report, there are 10 projects included in the consolidation area of ASTALDI CONCESSIONI S.r.l., and they are as follows:

a. Car parks

- “Corso Stati Uniti” Car Park – Turin – under management, 500 spaces
- “Porta Palazzo” Car Park – Turin – under management, 853 spaces
- “Piazza VIII Agosto” Car Park - Bologna – under management, 979 spaces
- “Riva Reno” (Ex Manifattura Tabacchi) Car Park - Bologna – under management, 543 spaces
- “Piazza Cittadella” Car Park - Verona – under management, 800 spaces

b. Equity investments - Italy

- A4 Holding S.p.A.(formerly Autostrada Brescia-Verona-Vicenza-Padova S.p.A.) – under management, 182 kilometres of motorway

c. Equity investments - International

- Pacific Hydro Chacayes S.A. (Chile, energy) – under management, 110MW of installed power
- Agua de San Pedro Sula A.S. (Honduras, environment) – under management
- MONDIAL Milas-Bodrum Airport Anonim Sirteki S.A. (Turkey, airports) – under construction, 5,000,000 passengers/year
- Ankara Etlik Hastanesi A.S. (Turkey, hospitals) – under construction, 3,200 beds
- Valle Aconcagua S.A. (Chile, mining concessions) – under construction, 4,000 tons/year of copper and 80 tons/year of molybdenum

In order to provide complete information, please find below a brief description of ASTALDI group's projects in progress to date in the concessions sector, with those already included in the consolidation area of ASTALDI CONCESSIONI S.r.l. being shown. Lastly, please refer to the section herein dealing with the Foreseeable development of operations for more information regarding the additional concession projects acquired, but still to be entered among the backlog (Gebze-Izmir motorway in Turkey, Line 4 of the Milan underground) or for which ASTALDI is acknowledged as Sponsor in the relative award procedures (Ancona Port).

Projects under management

This category includes all the projects which ASTALDI is involved in the concessions sector (directly or through its subsidiary ASTALDI CONCESSIONI S.r.l.), related to works which, at the draft date of this report, are already operational. Said projects can refer to works built by ASTALDI (Mestre Hospital and car parks) or to works where ASTALDI joined the concessionaire company when the works were already operational (A4 motorway).

VENETA SANITARIA FINANZA DI PROGETTO S.p.A. (Ospedale dell'Angelo, Mestre - Italy)

(CONCESSIONS – ITALY, Healthcare construction – 680 beds)

Veneta Sanitaria Finanza di Progetto S.p.A. (hereinafter VSFP) is the concession holder of the project finance initiative for the final and executive design, construction and management of as well as the supply of electro-medical equipment and furnishings for the new Ospedale dell'Angelo in Mestre (a highly specialised hospital complex). Its construction, carried out by ASTALDI, has made available 680 hospital beds within a net surface area of 150,000 m². The concession has a duration of 29 years and 11 months, 24 years and 7 months of which refer to the management phase. The operations is structured on the basis of non-recourse financing of approximately EUR 107 million, with 20/80 financial leverage and consequent contribution of own resources (share capital + loan) of approximately EUR 28 million. Disbursement of public funding of approximately EUR 120 million (excluding VAT) is envisaged against a total investment of EUR 238 million (excluding VAT and financial charges). The return on investment is guaranteed by forecast management revenues by the SPV for the provision of non-healthcare and commercial services (civil works and plant maintenance, electro-medical equipment maintenance, catering services for patients, employees and visitors, cleaning, laundry and sterilisation services, computerised information system management, technical-administrative management of testing laboratory (Mestre and Venice), technical and administrative management of radiology and neuro-radiology departments, special waste disposal management, management of commercial areas, management of green areas, car park management). Looking at the figures for 2011, management revenues for the SPV amounted to approximately EUR 59 million. The administration granting the concession is Venice's local health authority (ULSS 12). The concession holder is VSFP which ASTALDI holds a 31% stake in. During 2011, the management activities which commenced in April 2008 were carried out in a regular manner and in compliance with the performance requisites provided for in contract documentation. From a financial viewpoint, it must be noted that project re-funding was disbursed by the European Investment Bank (EIB) on 6 June 2011 for the amount of EUR 65 million, pursuant to the loan agreement dated 19 April 2005. Thus current financing operations with commercial banks were reduced by the same amount. While from a corporate viewpoint, it must be noted that the operation to transfer the complete package of VSFP shares, equal to 14%, held by Cofely to the shareholder, Sinergie, was completed, and hence Cofely no longer features among the company's shareholders. As a result, Sinergie's shareholding rose from 10.5% to 24.5%. In October, Sinergie signed a preliminary agreement with the shareholder Mantovani and with ASTALDI CONCESSIONI to sell 7% of shares in the company, 3.5% to Mantovani and 3.5% to ASTALDI CONCESSIONI. Authorisation of the operation by the other shareholders has already been obtained and approval by the lending bodies is currently pending, with the aim being to complete the operation by April 2012. It must also be noted that on 22 November 2011, the 13th Additional Agreement to the concession agreement was signed with the granting authority that introduced a series of amendments to technical specifications for the supply of some services and corresponding charges in order to deal with new requirements on the part of the granting authority. The total investment for works and the supply of furnishings and equipment including changes during works in progress, was largely completed in keeping with estimates and amounted to EUR 251.7 million (excluding VAT), EUR 120 million (excluding VAT) in the form of public capital account funding by the local health authority (ULSS12), disbursed on the basis of progress of works. All the works awarded to the company by the granting authority were duly completed and commissioned, with the exception of those related to upgrading of the Stamina Cells Laboratory, which is currently undergoing commissioning.

CAR PARKS

(CONCESSIONS – ITALY, Car parks – 3,700 spaces)

The 5 projects in progress in this sector are controlled by the investee company, ASTALDI CONCESSIONI S.r.l., 100%-owned by ASTALDI S.p.A.

At the draft date of this report, all five concession projects that Astaldi is involved in to date in the mobility and car park sector were operational, in other words:

- “Corso Stati Uniti” Car Park - Torino (Italy, under management)
- “Porta Palazzo” Car Park - Torino (Italy, under management)
- “Piazza VIII Agosto” Car Park - Bologna (Italy, under management)
- “Riva Reno” (Ex Manifattura Tabacchi) Car Park - Bologna (Italy, under management)
- “Piazza Cittadella” Car Park - Verona (Italy, under management)

It must also be recalled that there is not a reference special purpose vehicle for each of the concession projects in progress insofar as ASTALDI Group has entered into a strategic partnership with APOCA Europe Group with regard to all the projects in progress. The latter is a leading operator in the car park services sector in Italy and Europe and currently manages more than 6.000 car parks in Europe (53 in Italy) for a total of 1.3 million parking spaces. APOCA is directly responsible for management of the works and, depending on the agreements entered into, it periodically transfers to ASTALDI 50% of the total annual turnover from management activities, with the provision for an agreed guaranteed minimum amount which APOCA is obliged to pay to Astaldi regardless of car park occupation levels.

Please find below a brief description of the projects in progress in this sector.

“Corso Stati Uniti” Car Park - Turin. The concession to construct and manage “Corso Stati Uniti” Car Park in Turin has a duration of 80 years (as from February 1999), 77 years and 5 months of which refer to management activities. There are 500 available parking spaces and they are directly managed by Società APCOA Parking Italia S.p.A. (APCOA Europe Group), ASTALDI Group’s partner for the project in question. Indeed, ASTALDI and APCOA Parking Italia S.p.A. have set up an ATI (Temporary Business Association) which sees APOCA acting as the principal company and responsible for car park management for a 22-year period (which will end in 2020). Management activities commenced in October 2001 following the completion of car park construction activities performed directly by ASTALDI. The project was financed in part by public funding of EUR 4.7 million, in part by a corporate loan of EUR 2 million and in part by revenues from the sale of 46 parking spaces.

“Porta Palazzo” Car Park - Turin. The concession to construct and manage “Porta Palazzo” Car Park in Turin has a duration of 80 years (as from August 1996), 77 years and 8 months of which refer to management activities. There are 853 available parking spaces and they are directly managed by Società APCOA Parking Italia S.p.A. (APCOA Europe Group), ASTALDI Group’s partner for the project in question. Indeed, ASTALDI and APCOA Parking Italia S.p.A. have set up an ATI (Temporary Business Association) which sees APOCA acting as the principal company and responsible for car park management for a 22-year period (which will end in 2020). Management activities commenced in January 1999 following the completion of car park construction activities performed directly by ASTALDI. The project was financed in part by public funding of EUR 6.3 million, in part by a corporate loan of approximately EUR 1.4 million and in part by revenues from the sale of 90 parking spaces.

“Piazza VIII Agosto” Car Park - Bologna. The concession to construct and manage “Piazza VIII Agosto” Car Park in Bologna has a duration of 60 years (as from February 1998), 57 years and 10 months of which refer to management activities. There are 979 available parking spaces and they were directly managed by APOCA Austria A.G. (APCOA Europe Group) together with ASTALDI Group until 31 July 2011. As from 1 August 2011, management of the car park was assigned to APCOA Parking Italia S.p.A. (part of the same APCOA Europe Group). The change in operator did not

entail any changes to the ATI (Temporary Business Association) which is the project concession holder and sees the involvement of ASTALDI CONCESSIONI S.r.l. (in the capacity of agent) and APCOA Austria A.G. (principal and responsible for car park management for a 30-year period). Construction of the car park was completed in October 2000 and, subsequent to commissioning, the car park was put into operation in March 2011. The project was financed in part by public funding of EUR 9 million, in part by a corporate loan of EUR 9 million and in part by revenues from the sale of 276 parking spaces

“Riva Reno” Car Park - Bologna. The concession to construct and manage “Riva Reno” Car Park in Bologna has a duration of 37 years (as from April 2003), 31 years and 11 months of which refer to management activities. There are 543 available parking spaces and they are directly managed by Società APCOA Parking Italia S.p.A. (APCOA Europe Group), ASTALDI Group’s partner for the project in question. APCOA Parking Italia S.p.A. operates in the capacity of principal of the ATI (Temporary Business Association) set up with ASTALDI CONCESSIONI and is responsible for car park management for a period equal to the duration of the concession. Management activities commenced in March 2009 following the completion of car park construction activities performed directly by ASTALDI. The operation is structured on the basis of a corporate loan. Public funding of approximately EUR 1.7 million, excluding VAT, was disbursed during 2010 against a total investment of approximately EUR 14 million (excluding financial charges and VAT).

“Piazza Cittadella” Car Park - Verona. The concession to construct and manage “Piazza Cittadella” Car Park in Verona has a duration of 37 years (as from September 2010, expiring in June 2048). There are 800 available parking spaces and they are directly managed by Società APCOA Parking Italia S.p.A., ASTALDI Group’s partner for the project in question. APCOA Parking Italia S.p.A. operates in the capacity of principal of the ATI (Temporary Business Association) set up with ASTALDI CONCESSIONI and is responsible for car park management for a period equal to the duration of the concession. Management activities commenced in September 2010 following the completion of car park construction activities performed directly by ASTALDI. The operation is structured on the basis of a corporate loan equal to the whole investment sum of approximately EUR 19 million (excluding financial charges and VAT).

A4 HOLDING S.P.A.(ITALIA) (A4 motorway, Italy)

(EQUITY INVESTMENTS - ITALY, Transport infrastructures: motorways)

ASTALDI CONCESSIONI S.r.l. is the owner of an equity investment in the motorway company, A4 Holding S.p.A. (formerly Autostrada Brescia-Verona-Vicenza-Padova S.p.A.), the concession holder for the A4 motorway located in the North-East of Italy. ASTALDI Group’s entry into A4 Holding S.p.A. is of particular strategic importance if considered within the broader development plans for the Group’s activities, insofar as it has allowed it to join a sector – the motorway transport infrastructures sector – which it is felt can guarantee significant synergies between the construction and concessions sectors. The equity investment was acquired in several stages during 2011: (i) following the outcome of calls for bids made respectively by the Municipality of Milan and the Municipality of Brescia, with contracts made official during 2011, and (ii) in fulfilment of the share capital increases resolved upon by the company, in which regard ASTALDI CONCESSIONI S.r.l. subscribed the share it was entitled to as well as part of the unopted share resulting from the failure of some shareholders to take part in the share capital increase in question. Considering said acquisition, at the draft date of this report, ASTALDI CONCESSIONI S.r.l.’s investment in A4 Holding S.p.A. is equal to 9.12%, corresponding to 160,980 shares. The total value of the operation amounted to EUR 99.8 million. For more information regarding said project, please refer to the section herein entitled “Subsequent events”.

PACIFIC HYDRO CHACAYES S.A. (CHILE)

(EQUITY INVESTMENTS - INTERNATIONAL, Energy – 110 MW of installed power)

The project involves an equity investment in the special purpose vehicle, Pacific Hydro Chacayes S.A., responsible for constructing and managing the Chacayes hydroelectric plant, located in Chile and with an installed capacity of 110 MW. The investment in said SPV is made through a 60% stake in Inversiones Assimco Ltd. which, in turn, owns 100% of Cachapoal Inversiones Ltd. and which, on its part, owns 27.3% of Pacific Hydro Chacayes S.A. As regards Inversiones Assimco Ltd. SIMEST S.p.A. holds a 31.39% stake while the remaining 8.61% is held by F.V.C. (the same SIMEST S.p.A.'s Venture Capital Fund). The Chacayes hydroelectric plant was built by Astaldi and the concession contract provides for 60% of the power produced to be sold on the Chilean energy market and the remaining 40% to be allocated to the spot market thanks to a long-term purchase agreement. Plant management activities commenced in October 2011, with spot sales of power. Subsequently, the PPA contract came into force as from 1 January 2012. Pacific HydroChacayes receipts from the trial sales of power to the spot market performed in October amounted to USD 13.7 million at 31 December 2011.

Projects under construction

This category includes all ASTALDI's projects in progress in the concessions sector (directly or through its subsidiary ASTALDI CONCESSIONI S.r.l.) which are still under construction at the draft date of this report.

SAT S.p.A. (Tuscan Hospitals)

(CONCESSIONS – ITALY, Healthcare construction – 1,700 beds)

SAT S.p.A. is the concession holder of the project finance initiative for the final and executive design, construction and management of relative non-healthcare and commercial services of 4 hospital complexes in Tuscany - Massa (Apuane), Lucca, Pistoia and Prato. The supply of electromedical equipment and furnishings is excluded. The local health authorities granting the concessions are U.S.L. 1 - Massa e Carrara, U.S.L. 2 - Lucca, U.S.L. 3 – Pistoia and U.S.L. 4 - Prato. The concession holder is SA.T. S.p.A. in which Astaldi holds a 35% stake. The duration of the concession is 22 years and 9 months, 19 years of which for management activities. Further to the economic-financial review of 26 May 2010, the operation is currently structured on the basis of non-recourse financing of approximately EUR 161 million, with 18/82 financial leverage which entails a contribution of own resources (share capital + loan) of approximately EUR 33 million. Total public funding of approximately EUR 242 million (excluding VAT) is envisaged, (EUR 231 million to be paid on the basis of progress of works and a final amount of EUR 11 million upon commissioning) against a total investment of approximately EUR 398 million (excluding VAT and financial charges). The return on investment for private parties (SPV) is guaranteed by estimated management revenues for the SPV of approximately EUR 53 million per year in relation to the supply of non-healthcare (cleaning, maintenance, sterilisation, laundry, catering, etc.) and commercial services. Even if four agreements have been signed with each of the local health authorities concerned, the operation is based on the single nature of the Economic and Financial Plan and on the concept of union among the four projects. Each local health authority will intervene should economic and financial review prove necessary. For more information regarding the progress made on construction activities, please refer to the section herein dealing with the performance of construction projects. While as far as financial aspects related to the project are concerned, it must be noted that the due diligence reports (technical, insurance and legal) required prior to funding have been completed. Financial closing is expected by 31 March 2012. As far as management activities are concerned, calls for bids have been made to choose the operators of non-healthcare services, and a short list of providers has been compiled for the final choice.

METRO 5 S.p.A. (Line 5 of the Milan underground – Garibaldi Station-Bignami section)

(CONCESSIONS – ITALY, Transport infrastructures: undergrounds – 26,000 passengers/h in each direction)

Metro 5 S.p.A. is the concession holder of the project finance initiative for the final and executive design, construction and management of the new Line 5 of the Milan underground for the section running from Garibaldi Station to Bignami (6.1 kilometres, 9 stations and a capacity of 26,000 passengers/h in each direction), currently under construction by ASTALDI as part of a joint venture. The authority granting the concession is the Municipality of Milan. The duration of the concession is 31 years and 9 months, 27 years of which for management activities. Astaldi holds a 31% stake in the special purpose vehicle. The operation is structured on the basis of non-recourse financing of approximately EUR 275 million, with 18/82 financial leverage and consequent contribution of own resources (share capital + loan) of approximately EUR 40 million. Total public funding of approximately EUR 350 million excluding VAT (of which EUR 116 million from the Municipality and the rest from the state) is envisaged against a total investment of approximately EUR 552 million (excluding VAT and financial charges). Return on the investment for the SPV is guaranteed by management revenues of approximately EUR 26 million per year. At a contractual level, the putting into operation of a first operational section (7 stations from Zara to Bignami) is scheduled for April 2012, with the whole section in operation by July 2013. In the light of delays that cannot be attributed to the concession holder, said deadlines are currently being re-negotiated with the granting authority, with opening of a first section scheduled for November 2012 and opening of the whole line for December 2013. For more information regarding the construction activities of this project, please refer to the section herein dealing with the performance of construction projects.

METRO 5 LILLA S.r.l. (Line 5 of the Milan underground – Garibaldi Station-San Siro extension)

(CONCESSIONS – ITALY, Transport infrastructures: undergrounds – 26,000 passengers/h in each direction)

The project refers to the project finance initiative for the final and executive design, construction and management of the new Line 5 of the Milan underground for the section running from Garibaldi Station to San Siro (7.1 kilometres, 10 stations and a capacity of 26,000 passengers/h in each direction), currently under construction by ASTALDI as part of a joint venture. The project concession holder is METRO 5 LILLA S.r.l., 100%-owned by METRO 5 S.p.A. (which ASTALDI holds a 31% stake in). The authority granting the concession is the Municipality of Milan. The duration of the concession is 30 years (until 31 December 2040), 25 years and 8 months of which for management activities. The operation is structured on the basis of non-recourse financing of approximately EUR 334 million, with 21/79 financial leverage and consequent contribution of own resources (share capital + loan) of approximately EUR 85 million. Total public funding of approximately EUR 443 million excluding VAT (of which EUR 88 million from the Municipality and the rest from the state) is envisaged against a total investment of approximately EUR 775.7 million (excluding VAT and financial charges). The equilibrium of the project's Economic and Financial Plan is based on the forecast management revenues for the SPV, with an availability charge provided for. For more information regarding the construction activities of this project, please refer to the section herein dealing with the performance of construction projects.

MONDIAL MILAS-BODRUM AIRPORT ANONIM SIRTEKI S.A. (TURKEY)

(EQUITY INVESTMENTS – INTERNATIONAL, Transport infrastructures: airports – 5 million passengers/year)

The project forms part of the consolidation area of ASTALDI CONCESSIONI S.r.l.

On 6 April 2011, ASTALDI CONCESSIONI S.r.l. officially completed acquisition of 90.85% of the shares of MONDIAL Milas-Bodrum Airport Anonim Sirteki S.A., holder of the contract for design, construction and management of the international terminal of Milas-Bodrum Airport – currently under construction by Astaldi S.p.A. The operation forms part

of the broader development plan for Astaldi Group's activities and responds to the specific strategic desire to ensure expansion of the Group's offer in the airport concessions sector. Indeed, the project involves the acquisition of a green field concession and ensures improvement of the Group's leadership in the airport sector, thanks to synergies generated with the construction sector. The operation consisted in: (i) entry of ASTALDI CONCESSIONI S.r.l into the share capital paid-in and subscribed by one of the concessionaire partners with regard to 70.85% of the shares acquired; (ii) acquisition of beneficial rights on capital with regard to the remaining 20%. The total amount of the operation corresponds to the book value of the equity acquired which, in turn, is equal to the fair value of the assets acquired and the liabilities undertaken, hence resulting in no goodwill (positive or negative). Milas-Bodrum Airport is located in an area with a high density of tourists in the south-west of Turkey and occupies a total surface area of 100,000 m². Performance of construction activities was awarded to Astaldi S.p.A. in the form of an EPC (Engineering Procurement Construction) contract and the works are scheduled to be completed by the first quarter of 2012. Management activities are set to commence in March 2012. Indeed, during 2011, a first contract extension was agreed on with the granting authority (DHMI, Turkey's state body responsible for managing airport services) which puts forward the deadline for the management phase to October 2015.

ANKARA ETLIK HASTANESI A.S. (TURKEY)

(EQUITY INVESTMENTS – INTERNATIONAL, Healthcare construction – 3,200 beds)

The project forms part of the consolidation area of ASTALDI CONCESSIONI S.r.l.

Ankara Etlik Hastanesi A.S. is the SPV set up on 5 January 2012 and responsible for design, construction and management of the Etlik hospital campus in Ankara, Turkey. Indeed, during 2011, ASTALDI CONCESSIONI S.r.l., as part of a joint venture, was awarded the concession contract for design, construction and management of the campus, as well as for the supply of electro-medical equipment and furnishings. The project involves the construction of a healthcare facility which will boast a total of 3,200 beds, spread over 9 departments, which will occupy a total surface area of approximately 1,080,000 m². The complex will be built on behalf of the Turkish Ministry of Health (MOH) by the joint venture in which ASTALDI CONCESSIONI S.r.l. has a 46% stake, Astaldi S.p.A. a 5% stake and the Turkish company, Türkerler, the remaining 49%. The planned duration of the concession is 28.5 years, 3.5 years of which for construction activities and 25 years for management activities which will commence upon the completion of construction activities. The project involves a total investment of EUR 940 million, the remuneration of which is guaranteed by an annual availability charge (which can be reviewed on the basis of inflation), as well as a charge for the performance of other non-healthcare services (routine and non-routine maintenance of buildings, roads, green areas, electro-medical equipment and furnishings and utility management), and by the commercial development of some real estate areas. Lastly, it must be noted that, as regards this project, the procedure to obtain signature of the contract by the Turkish Ministry of Health is underway. Indeed, subsequently to the final award date, direct negotiation with the client was started-up with the aim of officially closing the contract which may lead to the definition of extra services. It is felt that this procedure may be completed during the first half of 2012. Subsequently, following the relative financial closing, the amounts related to ASTALDI's stake in the project will be included in the backlog.

VALLE ACONCAGUA S.A.

(EQUITY INVESTMENTS – INTERNATIONAL, Energy – 4,000 tons/year of copper and 80 tons/year of molybdenum)

The project forms part of the consolidation area of ASTALDI CONCESSIONI S.r.l.

The Relaves project – awarded to ASTALDI CONCESSIONI S.r.l. as part of a joint venture (ASTALDI CONCESSIONI S.r.l. is the project leader with a 55% stake) – consists in a concession agreement for the design, construction and

subsequent management of a plant to treat sludge produced by CODELCO's Andes mine to salvage copper and molybdenum. CODELCO (*Corporación Nacional del Cobre de Chile*) is the state-owned Chilean company, set up in 1976, which is currently the leading copper producer in the world, accounting for 11% of global production in 2010. Once completed, the plant will be able to produce 4,000 tons of copper and 80 tons of molybdenum per year, which CODELCO has already undertaken to purchase at set terms and conditions. The total value of the investment is USD 34 million, with total management revenues amounting to approximately USD 230 million. The planned duration of the concession is 21 years, with the start date set as March 2012 and expiry in October 2032. A period of 1 year is envisaged for plant design and construction activities. Management activities will commence following this and the planned duration is 20 years. Works to construct the plant will commence in March and be performed directly by Astaldi S.p.A. Lastly, it must be noted that the Special Purpose Vehicle called Valle Aconcagua S.A. was recently set up. It will be dedicated to performance of the concession agreement related to the Relaves Project and will see ASTALDI CONCESSIONI S.r.l. holding a 55% stake.

ASTALDI Group's main companies

ASTALDI S.P.A. (PARENT COMPANY)

2011 proved to be a year of additional growth for the parent company, Astaldi S.p.A., showing excellent annual increases in the income statement items.

Revenues increased by 21.8% YOY while the margins showed a more marked increase. Indeed EBITDA increased by 32.3% and EBIT by 35.5%. There was a 43.1% increase in (EBT). Hence a 40.4% incidence of taxes generated a net result of EUR 62.7 million, showing a 33.6% YOY increase.

ECONOMIC PERFORMANCE

RECLASSIFIED INCOME STATEMENT

<i>EUR/000</i>	Note regarding reconciliation with statutory financial statements	31/12/2011	% on total revenues	31/12/2010	% on total revenues
Revenues	1	1,948,735	95.6%	1,551,075	92.7%
Other operating revenues	2	89,328	4.4%	122,657	7.3%
Total revenues		2,038,063	100.0%	1,673,732	100.0%
Cost of production	3 - 4	(1,589,267)	-78.0%	(1,300,954)	-77.7%
Added value		448,796	22.0%	372,778	22.3%
Personnel costs	5	(170,588)	-8.4%	(159,918)	-9.6%
Other operating costs	7	(22,885)	-1.1%	(19,808)	-1.2%
EBITDA		255,324	12.5%	193,052	11.5%
Amortisation and depreciation	6	(37,288)	-1.8%	(37,013)	-2.2%
Provisions	7	(7,665)	-0.4%	(744)	0.0%
EBIT		210,371	10.3%	155,295	9.3%
Net financial income and charges	8 - 9	(105,199)	-5.2%	(81,780)	-4.9%
Pre-tax profit (loss)		105,172	5.2%	73,516	4.4%
Taxes	10	(42,518)	-2.1%	(26,624)	-1.6%
Profit (loss) for the year		62,654	3.1%	46,891	2.8%

Revenues

Revenues at the end of 2011 amounted to EUR 1,948.7 million, showing a 25.6% increase compared to EUR 1,551.1 million at the end of 2010. Said results were achieved thanks to the good performance recorded in both the domestic area (Maxi Lot of the Jonica National Road, Line 5 of the Milan underground, Tuscan hospitals) and the foreign area (contract related to the motorway sector in Romania and Poland, railway works in Algeria).

The breakdown of revenues according to geographical area reflects the good mix of projects achieved by the company. Italy accounted for 49.1% of revenues, with foreign activities accounting for the remaining 50.9%, with an increase in the European area which accounted for 31.8% of revenues (25.7% in 2010), a largely unvaried contribution from the Maghreb of 8.3% and the planned reduction in activities in America which accounted for 10.8%.

Transport infrastructures continued to represent the company's reference sector, accounting for 90.4% of revenues (87.9% in 2010), followed by civil and industrial construction with 7.2% (5% in 2010) and energy production plants and hydraulic works with 2.5% (7.1% in 2010).

Breakdown of operating revenues according to geographical area and sector

Breakdown of operating revenues according to geographical area (EUR/000,000)	31-Dec-11	%	31-Dec-10	%
Italy	958	49.1%	762	49.1%
International	991	50.9%	789	50.9%
Europe	619	31.8%	399	25.7%
America	210	10.8%	253	16.3%
Africa (Maghreb)	162	8.3%	137	8.8%
Total	1,949	100.0%	1,551	100.0%

Breakdown of operating revenues according to sector (EUR/000,000)	31-Dec-11	%	31-Dec-10	%
Transport infrastructures	1,761	90.4%	1,363	87.9%
Energy production plants and hydraulic works	48	2.5%	110	7.1%
Civil and industrial construction	140	7.2%	78	5.0%
Total	1,949	100.0%	1,551	100.0%

Other revenues amounted to EUR 89.33 million (EUR 122.7 million in 2010), showing a drop of 27.2% linked to the lower level of secondary activities in 2011 related to contracts in progress in Turkey. It must be recalled that said activities are linked to the company's core business and are of a lasting nature.

Total revenues amounted to EUR 2,038.1 million, showing a 21.8% increase compared to EUR 1,673.7 million in 2010.

Total costs had an 87.5% incidence on total revenues, showing a slight drop compared to 88.5% recorded in 2010 and presented the following trends. **The cost of production totalled EUR 1,589.3 million**, up on the figure of EUR 1,300.9 million recorded in 2010 as a result of the increasing number of contracts performed using the general contracting formula. **Personnel costs amounted to EUR 170.6 million** with as clear drop in the incidence of revenues from 9.6% (2010) to 8.4%. **Other operating costs amounted to EUR 22.9 million**, showing a largely unvaried incidence of 1.1% (1.2% in 2010).

Depreciation of technical fixed assets and investment properties amounted to EUR 37.3 million with a 1.8% incidence, Taking into account **provisions as well, which amounted to EUR 7.7 million** (EUR 0.7 million in 2010), this generated an **operating result of EUR 210.4 million** equal to 10.3 % of total revenues, showing a 35.5% increase compared to 2010.

Net financial charges totalled EUR105.2 million (EUR 81.8 million in 2010) with a 5.2% incidence (4.9% in 2010).

Pre-tax profit (EBT) amounted to EUR 105.2 million, up by 43.1% compared to 2010. The estimated tax rate of 40.4% was slightly up on 2010 and reflected the different geographical mix of activities, generating **net profit of EUR 62.7 million**, up by 33.6% compared to EUR 46.9 million in 2010.

EQUITY AND FINANCIAL RESULTS

RECLASSIFIED BALANCE SHEET

EUR/000	Note regarding reconciliation with statutory financial statements	31/12/2011	31/12/2010
Intangible fixed assets	14	3,983	3,025
Tangible fixed assets	12 – 13	131,976	137,667
Equity investments	15	226,556	157,414
Other net fixed assets	10 - 16 – 17	220,310	99,694
TOTAL fixed assets (A)		582,825	397,800
Inventories	18	79,308	82,407
Works in progress	19	963,486	780,812
Trade receivables	20	150,986	89,192
Accounts receivable	20	598,870	521,180
Other assets	16 – 17	199,277	231,213
Tax receivables	21	83,126	64,051
Advances from customers	19	(377,023)	(304,298)
Subtotal		1,698,029	1,464,557
Trade payables	27	(344,740)	(334,312)
Due to suppliers	17 – 27	(566,406)	(400,641)
Other liabilities	24 - 25 – 28	(219,769)	(171,746)
Subtotal		(1,130,914)	(906,699)
Working capital (B)		567,115	557,858
Employee benefits	26	(5,631)	(5,820)
Provisions for non-current risks and charges	29	(111,237)	(66,927)
Total Provisions (C)		(116,868)	(72,747)
Net invested capital (D) = (A) + (B) + (C)		1,033,072	882,911
Cash and cash equivalents	22	241,247	239,667
Current financial receivables	16	3,783	4,154
Non-current financial receivables	16	1,675	4,789
Securities	24	(347,456)	(284,159)
Current financial liabilities	24	(486,758)	(452,969)
Net financial payables / receivables (E)		(587,508)	(488,519)
Equity (F) = (D) - (E)	23	445,564	394,392

Net fixed assets increased to EUR 582.9 million (EUR 397.8 million at 31 December 2010), mainly due to the increase in the value of equity investments.

Working capital amounted to EUR 567.1 million (EUR 557.8 million at 31 December 2010). The YOY increase can be largely explained by the order backlog structure which has a major incidence of contracts providing for lump-sum

payments (rather than payments in relation to the quantity of works performed) which, by their very nature, are made against the overall works carried out. It must be noted that, despite the difficulties currently being experienced by public administrations (the typical counterparty for the Group's activities), the total value of accounts receivable remains under control and there are no specific problems as regards the financial structure. Lastly, it is important to note that contract advances exclusively refer to items regarding foreign contracts insofar as no down payments are envisaged for projects in progress in Italy, and Poland as regards foreign projects.

On the whole, the aforementioned trends generated **an increase in net invested capital to EUR 1.03 billion** (EUR 882.9 million at 31 December 2010).

Equity increased to EUR 445.6 million (EUR 394.4 million at 31 December 2010) thanks to the quarterly result, suspended economic items entered in the income statement and distribution of dividends.

TOTAL NET FINANCIAL POSITION

The company's debt structure remains focused on the long-term with the first significant deadline scheduled for 2013. The company has therefore achieved a significant growth as regards turnover, while still maintaining a necessary financial equilibrium.

Breakdown of total net financial position

EUR/000		Note regarding reconciliation with statutory financial statements	31/12/2011	31/12/2010
A	Cash and cash equivalents	22	241,247	239,667
B	Securities held for trading	16	1,675	4,789
C	Available funds (A+B)		242,922	244,456
D	Financial receivables			
E	Current bank payables	24	(253,554)	(192,482)
F	Current share of non-current debt	24	(90,262)	(87,627)
G	Other current financial payables	24	(3,640)	(4,051)
H	Current financial debt (E+F+G)		(347,456)	(284,159)
I	Net current financial debt (H+D+C)		(104,534)	(39,704)
J	Non-current bank payables	24	(482,501)	(450,067)
K	Other non-current payables	24	(24,257)	(2,902)
	<i>of which related parties</i>		<i>(20,000)</i>	
L	Non-current financial debt (K+J)		(506,758)	(452,969)
M	Net financial debt (L+I)		(611,292)	(492,673)
N	Non-current financial receivables	16	3,783	4,154
	<i>of which related parties</i>		<i>3,783</i>	<i>4,001</i>
O	Share of debt referred to related parties		20,000	
P	Total financial debt (M+N+O)		(587,508)	(488,519)
	Treasury shares on hand		3,005	4,168
	Total net financial position		(584,503)	(484,351)

ASTALDI CONCESSIONI S.R.L.

ASTALDI CONCESSIONI S.r.l. is the Astaldi Group company (100%-owned by the parent company, Astaldi S.p.A.) dedicated to developing and managing concession and project finance initiatives assigned to said company by the parent company, as well as future project which the Group plans to undertake in this sector.

ASTALDI CONCESSIONI S.r.l. was set up in 2010 as part of a broader project to streamline the Group's presence in the concessions sector which, as a whole, involves the transfer in several stages, from the parent company to ASTALDI CONCESSIONI S.r.l., of the projects in progress in this sector.

The setting-up of said company satisfies the need to:

- define a new organisational structure for ASTALDI Group which makes it possible to capitalise experience accrued, creating a suitable "knowledge centre" for the Group's development strategies;
- make the most of the Group's management assets, highlighting their strategic value;
- vest the concessions sector with a legal, economic and financial identity;
- optimise the management system for sources of finance, so as to bring deadlines into line with the economic and financial cycle of projects.

At the draft date of this report, Astaldi Group's presence in the concessions sector consists in involvement in projects in Italy and abroad (Turkey, Chile, Honduras), referable to the healthcare construction (6 projects), underground transport, motorway and airport transport infrastructures sector (7 projects), car parks (5 projects), water and energy (2 projects) and mining works (1 project). 8 of the 21 projects are already operational (Ospedale dell'Angelo in Mestre and 5 car parks in Italy, Chacayes hydroelectric plant in Chile and involvement in management of the water network for the industrial city of San Pedro Sula. in Honduras) and 10 projects have already been included in the consolidation area of ASTALDI CONCESSIONI S.r.l. A series of projects in Italy and abroad are also currently under examination and further development are expected.

Please find below a list of the projects which, at the date shown, can be included in the consolidation area of ASTALDI CONCESSIONI S.r.l. or which are currently under examination.

PROJECTS IN PROGRESS

Car Parks

- "Corso Stati Uniti" Car Park – Turin – under management
- "Porta Palazzo" Car Park - Torino – under management
- "Piazza VIII Agosto" Car Park - Bologna – under management
- "Riva Reno" (Ex Manifattura Tabacchi) Car Park - Bologna under management
- "Piazza Cittadella" Car Park - Verona – under management

Equity investments - Italy

- A4 Holding S.p.A.(formerly Autostrada Brescia-Verona-Vicenza-Padova S.p.A.)

Equity investments - International

- Pacific HydroChacayes S.A. (Chile, energy) – under management
- Agua de San Pedro Sula A.S. (Honduras, environment) – under management
- MONDIAL Milas-Bodrum Airport Anonim Sirketi S.A. (Turkey, airports) – under construction
- Ankara Etlik Hastanesi A.S. (Turkey, hospitals) – under construction
- Valle Aconcagua S.A. (Chile, mining works) – under construction

PROJECTS BEING LAUNCHED

- Nogara Mare S.c.p.a. (Italy, motorways)
- Acquisition of additional shares in Società Veneta Sanitaria Finanza di Progetto S.p.A. (Italy, hospitals)

The geographical positioning of ASTALDI CONCESSIONI S.r.l.'s activities currently sees the company operating in Italy, but also abroad in countries that (i) can offer suitable socio-political and economic stability, (ii) boast a stable legislative framework, (iii) have interesting opportunities for the concessions sector, (iv) make it possible to re-use the model applied for these projects in Italy outside the domestic market; said model is characterised by a risk/return ratio that benefits from public funding, as well as minimum guaranteed fees (in the form of availability charges, guaranteed minimum traffic, occupation fees, water rights or take and pay clauses) equal on average to 50% of the overall estimated revenues.

At the draft date of this report, ASTALDI CONCESSIONI S.r.l. is present in Turkey (healthcare construction, motorway transport infrastructures), Honduras (water) and Chile (energy) and is examining, with interest, the opportunities that may arise in the medium-term in Canada (healthcare construction) and Peru (mining sector). Moreover, in order to ensure suitable control of the markets and projects in progress, two branches were opened on 3 October 2011, ASTALDI CONCESSIONI TURKEY and ASTALDI CONCESSIONI CHILE which, to date, are fully operational.

For a brief analysis of the background scenarios that can be singled out in each of the areas where ASTALDI CONCESSIONI S.r.l. operates or is examining with interest, please refer to the section herein entitled "Background scenarios".

For a brief description of the main projects in progress being performed by ASTALDI CONCESSIONI, please refer to the section herein dealing with the performance of ASTALDI Group's concessions sector. While as regards projects being launched, please refer to the section herein entitled Foreseeable development of operations.

Please find below the account statements referring to ASTALDI CONCESSIONI S.r.l.

ASTALDI CONCESSIONI: RECLASSIFIED INDIVIDUAL INCOME STATEMENT

(EUR/millions)	31/12/2011		31/12/2010	
Revenues	7,164	96.8%	4,618	99.3%
Other operating revenues	240	3.2%	32	0.7%
Total revenues	7,404	100.0%	4,650	100.0%
Cost of production	(1,567)	(21.2)%	(1,272)	(27.4)%
Added value	5,837	78.8%	3,378	72.6%
Personnel cost	(628)	(8.5)%	(177)	(3.8)%
Other operating costs	(417)	(5.6)%	(162)	(3.5)%
EBITDA	4,792	64.7%	3,040	65.4%
Amortisation and depreciation	(64)	(0.9)%	(4)	(0.1)%
EBIT	4,728	63.9%	3,035	65.3%
Net financial income and charges	1,689	22.8%	1,008	21.7%
Pre-tax profit (loss)	6,417	86.7%	4,043	86.9%
Taxes	(3,243)	(43.8)%	(1,492)	(32.1)%
Profit (loss) for the year	3,174	42.9%	2,551	54.9%

ASTALDI CONCESSIONI: RECLASSIFIED INDIVIDUAL BALANCE SHEET

	31/12/2011	31/12/2010
(EUR/millions)		
Intangible fixed assets	4,114	651
Equity investments	133,852	18,724
Other net fixed assets	9	9
TOTAL fixed assets (A)	137,976	19,385
Works in progress	22	
Trade receivables	528	146
Other assets	2,272	1,457
Tax receivables	93	86
Subtotal	2,915	1,689
Trade receivables	(1,092)	(551)
Due to suppliers	(772)	(3,451)
Other liabilities	(19,582)	(12,891)
Subtotal	(21,446)	(16,893)
Working capital (B)	(18,531)	(15,204)
Employee benefits	(16)	(16)
Total provisions (C)	(16)	(16)
Net invested capital (D) = (A) + (B) + (C)	119,429	4,164
Cash and cash equivalents	1,352	660
Current financial receivables	3,863	
Non-current financial receivables	5,929	13,030
Current financial liabilities	(5,676)	(4,259)
Non-current financial liabilities	(100,299)	(32,874)
Net financial payables / receivables (E)	(94,832)	(23,443)
Financial payables / receivables from concessions	63,359	60,363
Total financial payables / receivables (F)	(31,473)	36,920
Equity (G) = (D) - (F)	87,956	41,084

ASTALDI CONCESSIONI: NET FINANCIAL POSITION

EUR/000		31/12/2011	31/12/2010
A	Cash and cash equivalents	1,352	660
B	Securities held for trading		
C	Available funds (A+B)	1,352	660
D	Financial receivables	9,791	13,030
E	Current bank payables	(15)	(6)
F	Current share of non-current debt	(4,397)	(4,253)
G	Other current financial payables	(1,265)	
H	Current financial debt (E+F+G)	(5,676)	(4,259)
I	Net current financial debt (H+D+C)	5,467	9,431
J	Non-current bank payables	(34,107)	(32,874)
K	Other non-current payables to parent company	(66,192)	
L	Non-current financial debt (K+J)	(100,299)	(32,874)
M	Net financial debt (L+I)	(94,832)	(23,443)
N	Receivables arising from concessions	63,359	60,363
O	Total financial debt (M+N)	(31,473)	36,920
TOTAL GROUP EQUITY		(87,956)	(41,084)
NFP / EQUITY		0.36	-0.90

ASTALDI CONSTRUCTION CORP.

ASTALDI CONSTRUCTION CORPORATION is the company operating under U.S. law, based in Davie (Broward County, Florida) and owned entirely by Astaldi S.p.A., which handles the Group's activities in the USA.

The reference geographical area is the south of Florida, both the east coast (Miami, Fort Lauderdale), and the west coast (Naples, Tampa), with additional real possibilities of expansion in the adjacent areas of Orlando and Jacksonville.

ASTALDI CONSTRUCTION CORPORATION is currently involved in projects in two business areas: traditional construction activities and procurement activities on the US market to support the local procurement facility which the company performs for both its own operating units and on behalf of other Astaldi Group areas located outside the USA.

The procurement division avails itself of a network of accredited suppliers located throughout North America as far as Canada. The activities performed by said division have made it possible to carry out widespread monitoring of the opportunities offered by the local market, allowing for the consolidation of relations with leading US manufacturers and dealers, with consequent benefits at a Group level too.

As regards the construction of infrastructures, ASTALDI CONSTRUCTION CORPORATION is accredited with several public authorities including the Florida Department of Transportation (FDOT), the South Florida Water Management District (SFWMD), the US Army Corps of Engineers, as well as various local administrations (counties and cities).

The company has also been registered since 2008 with the USGBC (United States Green Building Council), a no-profit organisation dedicated to developing and making known sustainable design and construction methods (green building). It has also developed commercial agreements with local partners working in the renewable energy sector in order to explore possible photovoltaic-related projects in North America, also making use of the partnerships generated through procurement activities.

It must also be noted that during 2011 Astaldi Construction Corporation obtained:

- the "Gold Level Step Award" from ABC (Associated Builders&Contractors Inc.) for the sixth year running;
- the "2011 FTBA Safety Award" from Florida Transportation Builders Association.

The aforementioned awards acknowledge the company's ongoing commitment to developing and implementing its own occupational health and safety management system, which has always been looked on as a priority in order to safeguard employees.

During 2011, ASTALDI CONSTRUCTION CORPORATION also received the "DBE Certificate of Achievement" from the FTBA (Florida Transportation Builders Association), to acknowledge that, as regards its projects, it subcontracted some works to DBEs (Disadvantaged Business Enterprises), achieving the minimum assignment targets required by contracts (in percentage terms on the total value of the contracts) or outdoing them in some case, during the Federal Fiscal Year 2009-2010.

Works currently in progress (or recently completed) mainly refer to road infrastructure works, performed on behalf of both the Florida Department of Transportation, which has always been one of Astaldi's strategic clients in Florida, and on behalf of Collier County, on the west coast of Naples, where ASTALDI has already performed several projects in past years.

During 2010, despite the efforts made by the US Administration to pursue the investment plan set forth in the ARRA (American Recovery and Reinvestment Act), the company continued to have to face a difficult, highly competitive market. Despite the fact that the consequences of the recent economic crisis can still be clearly seen, ASTALDI CONSTRUCTION CORPORATION was awarded two contracts, one with the Florida Department of Transportation (FDOT) and one with Collier County, worth a total of USD 86.7 million.

For more information about these projects, please refer to the paragraph dealing with the USA in the section herein dedicated to the performance of construction contracts.

A further three projects with the FDOT, included among the other projects in progress, must be mentioned:

- construction and widening of State Road 823 (NW 57th Ave), located in Hialeah in Miami-Dade County, currently in an advanced phase of construction. Contract value: USD 14.5 million;
- widening and rebuilding of a section of State Road 93 (I-75) including 8 flyovers, in Sarasota County (Florida), with completion scheduled for June 2012. Contract value: USD 31.7 million;
- rebuilding and widening of a motorway junction located near the SR-862/I-595, including 4 flyovers, in Broward County (Florida), in the vicinity of Fort Lauderdale Airport. Contract value: USD 36.9 million.

The remaining order backlog of Astaldi Construction Corporation at 31 December 2011 amounted to approximately USD 118.6 million, up on the figure of USD 60.8 million recorded for the previous year.

As regards the trend of activities performed during 2011, the company achieved revenues from works totalling USD 28.7 million.

ASTALDI ARABIA LTD.

ASTALDI ARABIA Ltd. is the ASTALDI Group company, owned entirely by ASTALDI S.p.A., which handles and monitors all the Group's working and commercial activities in the Middle East (Qatar, Saudi Arabia, United Arab Emirates)

At the present moment Astaldi Group's role in the area can be considered stable and aimed at developing opportunities no longer singled out oil&gas sector (where the Group has only one project in progress, the Jubail industrial project in Saudi Arabia), but mainly in the more traditional transport infrastructures and civil construction sectors (Saudi Arabia, United Arab Emirates).

Lastly, it is important to note that, following the conclusion of some projects in progress in the country – still not offset by the entry into full operation of more recently-acquired contracts – ASTALDI ARABIA Ltd. ended 2011 with a reduced level of production and negative economic results due to an increase in costs linked to the closure of sites, and to the lack of absorption of structure costs as a result of the aforementioned drop in production.

Human resources and organisation

Astaldi Group avails itself of the services of 9,192 employees, 15% of whom are employed in Italy, and the remaining 85% abroad in the 25 countries the Group operates in.

ORGANISATION. 2011 saw consolidation of the matrix organisational model introduced in 2010 through strengthening of central control of industrial services. Said model included the setting up of an Subcontracting Service within the Purchase Division whose goal is to support country or contract management through all the phases comprising the stipulation of subcontracts with third parties, and consolidation of the Electromechanical Systems and Energy Service which is under the direct control of the Industrial Services Division. The company's expansion on the foreign market has also entailed the creation of a new Head Office in Russia and renaming of the United Arab Emirates Head Office to which a new country – Oman – has been added. Lastly, 2011 also saw consolidation of the foreign organisational structure of ASTALDI CONCESSIONI which saw the setting up of two organisational units in Chile and Turkey.

TRAINING. The first Astaldi Management global convention was held in 2011. For the first time in the company's history, a training event was organised which involved all the company's management, approximately 200 managers and level one executives, in two separate sessions. The aim of said event was the integration and sharing of corporate values and the corporate mission. Said training event was especially valuable at a time of major growth and cultural change for the company, with it serving to reinforce the company's sense of identity that has allowed the achievement of important economic targets in recent years and that represents one of the keys to future success. More generally speaking, approximately 5,500 hours of training were provided in relation to occupational safety, information systems, foreign languages, engineering and design, internal auditing, personnel management and the quality system. All of the above in addition to obligatory training provided for by law and on-site training provided for local staff.

DEVELOPMENT AND SELECTION. The performance and skills assessment system, adopted in 2010 for management staff only, was extended to a wider group during 2011. Approximately 450 human resources holding managerial or specialised positions, were subjected to assessment, in Italy using the Cezanne information system and abroad using no

specific system. The progressive detailed mapping of corporate skills represents one of the most important instruments for management of know-how and integrated development of resources. At the same time, the process of hiring skills from the external market went ahead in an ongoing manner. Indeed 170 qualified resources were hired during 2011, including 30 newly-qualified graduates in a variety of technical, legal and economic subjects.

PERSONNEL INFORMATION SYSTEMS Work Force Planning of Production Units in Italy and the Corporate Services/Divisions was carried out during 2011 with the aid of Cezanne software as part of the project to computerise and re-organise human resources management processes. Work-Force Planning (WFP), a module designed and created for (and by) Astaldi Group, makes it possible to plan personnel requirements, both as regards recruitment and dismissal, making it possible to optimise internal mobility management, career paths and recruitment and selection procedures. The main results obtained through process re-engineering are as follows:

- availability of organisational information within the system in real time;
- computerisation of the process, which by using the web, makes it possible to speed up input data collection (forecast figures);
- the availability within the system of final forecast figures for each individual position;
- the possibility of aggregated collection and quick re-use of planning figures through reports made available within the system, to be used by managers as well as the Human Resources Division.

Quality, safety and environment

Complete redefinition of the corporate management system was concluded in 2011 following adoption, by the parent company, ASTALDI S.p.A, of a matrix organisational structure needed to achieve the growth targets set down in the Business Plan and considered more suitable for companies operating within a project management logic.

At the top management's request, the new matrix management system has been subjected to validation by a consulting firm which, using its own methods, has checked the efficiency of the most important corporate macro processes when applying the matrix organisational model.

In September 2011, immediately following adoption of the aforementioned system, a road show was started up directly at all the Group's country head offices and with regard to relative contracts in order to acquire a more in-depth knowledge of the matrix system. The road show was completely designed, organised and managed by some corporate departments that, availing themselves of the specialist assistance of the company responsible for validation, made it possible to transfer and share the main operating and detailed mechanisms of the new model with all the management involved.

The road show came to an end in December and saw the involvement of approximately 330 people within the Group.

In 2011 for the first time since ASTALDI obtained quality, environment and safety certification, the Certification Organisation, DNV, Det Norske Veritas carried out simultaneous auditing of the three components of the management system in order to test and exploit the synergic effect of integration, including during inspection by an independent third party. The results obtained were positive and, consequently, all three certifications in compliance with ISO 9001, ISO 14001 and OHSAS 18001 were renewed.

As regards ASTALDI CONCESSIONI, the project to define and implement the corporate quality system was started up immediately following incorporation. Checking of compliance with the requisites of UNI EN ISO 9001:2008, by the Certification Organisation DNV, Det Norske Veritas was performed, on a voluntary basis, in April 2011. The positive outcome resulted in issue of the relative certificate of conformity with regard to the following field of application: "Design, development and management of project finance initiatives, public-private partnerships and concessions, in the infrastructures and plants sectors".

In September 2011, Astaldi, through the newco nBI S.r.l., signed an agreement with Busi Group related to leasing of the company division related exclusively to the plant design and maintenance divisions of Busi Impianti S.p.A.

In the same month, following an extraordinary check performed by the Certification Organisation DNV, Det Norske Veritas, the validity of nBI S.r.l.'s certificate of conformity of the management system with the requisites of UNI EN ISO 9001:2008, previously issued to Busi Impianti S.p.A., was confirmed.

Lastly, note must be taken of the Group's involvement in the carbon disclosure project (CDP). CDP is an international organisation that collects information on behalf of some institutional investors. The information collected help investors understand the risks and opportunities of climate change in their corporate portfolio. Our company has helped provide some environmental data that testify to the commitment to reduce its ecological impact and to look on the environment as a strategic business variable.

Specific risks and uncertainties

The risk management policies implemented by ASTALDI Group are based on a concept of "risk" taken as an integral part of the generation of value for shareholders and as the sum of the current value of the existing business model and the value of future development opportunities. Hence, successful risk management is aimed at exploiting business opportunities by encouraging future growth and, at the same time, safeguarding the value created to date. Therefore, it is all-important to align risk management with the key targets that shareholders look on as critical for the company's success.

With a view to achieving this, a Corporate Risk Management Service was established in 2010 which reports directly to ASTALDI Group's Chief Executive Officer and which is responsible for assisting the management in the decision-making process. The aim is to neutralise unwanted, unsustainable risk situations during the whole corporate business cycle and in relation to a variety of contractual formulas (traditional, general contracting, concessions and project finance).

The Risk Management logic model adopted within the company is three-dimensional, split according to the type of risk (operational financial, strategic and compliance), level (corporate, country, contract) and project phase (development, performance, management). Risk management is considered a "focal" element, especially in the planning process which defines the business plan's key risks and the general risk management procedures. Said model implies that Risk Management activities and responsibilities (identification, assessment, management and monitoring) must be attributed to the organisation's various levels on the basis of the type of risk in question and the time phase during which said risk arises.

The model, which has been fully implemented inside the company, also comprises the integration within decision-making mechanisms of a uniform, structured identification, analysis and governance process, aimed at:

- providing the Group's top management/departments with an overall vision of the main risks the Group is exposed to;

- lending appropriate importance to the risk dimension with regard to the undertaking of business decisions that systematically take into account the volatility of forecast results;
- helping improve existing Risk Management techniques with the aim of improving the company's performance and business sustainability;
- helping make known the risk culture and consolidating departments' awareness of risk management issues.

The Group's Enterprise Risk Management (ERM) Programme was launched during 2011, focused on the main risks able to threaten achievement of the Business Plan's performance levels and strategies. The method adopted made it possible to identify 15 Top Risks, in other words able to seriously jeopardise achievement of the targets set down in the strategic plan and the 5 countries making the greatest contribution to the Group's EBIT (Italia, Venezuela, Turkey, Algeria) so as to perform a risk analysis for ERM purposes and identification, on the basis of results, of relative action to offset said risks and regular monitoring. The activities performed were regularly discussed and analysed by the Group's top management, Internal Audit Committee and Board of Auditors, in order to share the methodological approach applied and the main findings of the analyses performed.

Please find below a brief overview of the risks with greatest incidence among the 15 Top Risks identified, split according to category.

FINANCIAL RISKS

Liquid assets and receivables. This risk expresses the possibility that the Group may be unable to cover its financial obligations arising from contractual undertakings and, more generally, from its own financial liabilities, as well as the Group's exposure to potential losses arising from default as regards obligations undertaken by counterparties.

Financial structure and market (Interest rate). 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 its debt structure into line and re-position it in the medium/long-term, curbing variations in the cost of money through a cautious interest risk hedging policy.

Currency market (Exchange rate). The current situation of currency markets can bring to light some extremely volatile situations. The Group has already undertaken to control said risk, as from previous years, through suitable hedging transactions.

STRATEGIC RISKS

Country Risk. The Group, by its very nature, is exposed to risks that are typical of international activities (for example, 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 identification and assessment of the risks (political, economic, financial and operating) linked to the countries it operates in, which are then constantly monitored through to project completion. Moreover, it is important to note that foreign 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 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, (iii) with a definite reference legislative framework.

CONFORMITY RISKS

Contractual/Legislative. In the sector the Group operates in, a large part of activities are performed on the basis of contracts which provide for a specific amount upon awarding. The greater charges and/or costs which the Group may encounter and/or incur while performing said contracts must be covered by the Group and can be recovered from the customer 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 recoverability of the aforementioned greater charges and/or costs.

OPERATING RISKS

Procurement. 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 in order to offset the economic consequences.

Corporate Governance

The governance model adopted by ASTALDI S.p.A. is in keeping 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 added to –, with the recommendations formulated by CONSOB in this regard and, more generally with international best practice.

As regards the information requested by Article 123-bis of the Finance Consolidation Act, please refer to the “Annual Report on Corporate Governance and Shareholder Structure” drafted in compliance with current legislation and published together with this report. The Annual Report on Corporate Governance and Shareholder Structure” is made available for consultation at www.astaldi.it, Governance section, in compliance with the terms and procedures provided for by law.

Remuneration report

As regards information related to the remuneration of Company Directors, Auditors and Managers with strategic responsibilities, please refer in full to the Remuneration Report drafted by the Board of Directors of Astaldi S.p.A. pursuant to Article 123-ter of the Finance Consolidation Act.

Said document is also made available on the Group’s website at www.astaldi.it, Governance section, in compliance with the terms and procedures provided for by law.

Privacy safeguard and protection

This is to make known that the company has updated the Security Policy Document, drafted in accordance with the provisions contained in point 19 of Legislative Decree No. 196/2003 (the so-called Personal Data Protection Code), on the basis of organisational and procedural changes introduced within the company, in order to ensure correct processing of personal data, and especially data defined as sensitive and judicial, and to implement the content of point 26 of technical regulations as per Annex B to the aforementioned legislative decree.

Subsequent events

As regards the general contracting project for **Mega-Lot 3 of the Jonica National Road** (SS 106) in Italy, note must be taken that January 2012 saw official completion of the procedure to award the contract, which had already been provisionally awarded during the first part of 2011. Therefore the amounts related to Astaldi's stake were included among the order backlog at 31 December 2011.

As regards the contract for the general contracting project for Line C of the Rome underground, it must be noted that on 20 January 2012, CIPE (Interdepartmental Committee for Economic Planning) definitely approved the start-up of works on the T3 section (San Giovanni-Colosseo). Consignment of the areas and the start-up of works on this new section are scheduled for the early part of 2012.

As regards the contract for construction and management of **Line 4 of the Milan underground** in Italy, it must be noted that in January, Lombardy's Regional Administrative Court (TAR) voiced its opinion in favour of the joint venture involving Astaldi, rejecting the appeal submitted by the second-place holder in the procedure to award the concession for construction and management of the line. Taking into account the Council of State's verdict with regard to said appeal, which was in favour of the joint venture including Astaldi, preliminary activities prior to construction of the line commenced at the end of February. The amounts related to Astaldi's stake in the project will be included among the backlog over the coming months.

At an operating level, it must be noted that activities were started up related to the contracts regarding the Chuquicamata Project (construction) and the Relaves Project (concession), already included among the backlog at 31 December 2011. As for the Relaves project, the special purpose vehicle, VALLE ACONCAGUA S.A. was also set up. For more information about these two projects, please refer to the section herein dealing with the Performance of operations according to sector and geographical area.

It must also be noted that the companies, ASTALDI-TURKELER J.V. and ANKARA ETLIK HASTANTE A.S. were set up. Astaldi Group holds a 51% stake in both companies – a joint venture set up to perform the EPC Construction Contract and an SPV (Special Purpose Vehicle) set up to perform the concession agreement for design, construction and subsequent management of the **Etlik Hospital Centre in Ankara, Turkey**. The importance the country is taking on for the Group's activities in the concessions sector can be confirmed by the opening up in January of the Turkish branch of Astaldi Concessioni (a group company dedicated to the concessions business and 100%-owned by Astaldi S.p.A.). The new branch's key aim will be to guarantee more direct control of important projects in progress in Turkey.

March also saw the incorporation of **ASTALDI CANADA Inc.**, a company that is 100%-owned by ASTALDI S.p.A. and whose aim will be to develop and monitor projects and opportunities that may arise in the Canadian market.

Lastly, it must also be noted that in March, ASTALDI Group exercised the right of pre-emption to purchase shares held in **A4 Holding S.p.A.** (formerly Autostrada Brescia-Verona-Vicenza-Padova S.p.A.), the owner, inter alia, of 100% of the share capital of the concession holder for the A4 motorway in the north-east of Italy, from the municipalities of Vicenza

and Padova. The relative transfer of said shares will be made official upon completion of the award and pre-emption procedure provided for in the By-Laws, expected over the coming months, and will increase ASTALDI Group's stake from 9.1% to 9.8%. For more information, please refer to the following section dealing with the Foreseeable development of operations.

Foreseeable development of operations

Approval of the new Business Plan is also envisaged for the coming months which will show a considerable increase in production volumes thanks to the significant investments and numerous commercial successes achieved by Astaldi Group in recent years.

The new plan can be defined as a turning point in the Group's history since its point of departure is represented by the end of a cycle – which, over the last ten years, has led to consolidation of the Group's cornerstones and its ability to generate income through the listing of Astaldi's shares on the stock exchange and major investment in endogenous growth – and ensures an additional boost to the expansion of activities as a whole.

The Group's ability to offer quality products and services in line with its leading position in the markets where traditionally present will be consolidated. If the last ten years have seen the Group progressing from being a construction company with foreign activities to being a General Contractor of international standing, the new Business Plan will be aimed at building on the Group's ability to offer an integrated, turnkey product, able to best meet all requirements in its reference business sectors.

In 2011, Astaldi Group achieved a turnover well in excess of the EUR 2 billion mark, and positioned itself in first place among Italian contractors. Over the next five years, Astaldi Group will further consolidate its competitive positioning thanks to suitable geographical diversification and correct balancing of activities between construction and concessions. It is also important to note that said results were achieved within an overall recessive macroeconomic situation, and show the flexibility of the Group's economic model, on the one hand, and its ability to react to negative economic situations on the other.

Said conclusions have been reached even given an understandable fear of the possible consequences on real economies of the problems experienced in the financial markets in recent months, in the knowledge that the strategies adopted to date are able to ensure the Group's business model has the flexibility needed to successfully react to negative situations that continue to come to the fore.

Indeed, at a financial level it is impossible not to note that the public debt crisis being experienced by some of the world's leading economies and also in Italy, combined with recent developments regarding European banking regulations, have had serious consequences on the raising and investment capacity of leading European banks, resulting in an increasingly tangible risk of the freezing of credit granted to real economies. Despite this, the decisions approved by Italy's government in office during this early part of the year have confirmed the anti-cyclical value of investment in the infrastructures sector, highlighting a positive turnaround in economic planning as regards public works. Numerous measures have already been taken by the government in this direction which have resulted in the following: positive speeding-up of the approval of projects for which sites can be set-up, with the introduction of a simpler, quicker procedure for approving strategic works projects; the introduction of project bonds which can be issued by SPVs; the go-ahead for projects totalling EUR 6.2 billion from CIPE (Interdepartmental Committee for Economic Planning) during the meeting held on 20 January 2012.

In this context, it is important to highlight the legislative framework which is very much in favour of promoting project financing in Italy, outlined firstly in Law No. 214 of 22 December 2011 (which converted Law Decree No. 201 of 6 December 2011, also known as the “Save Italy” decree) and secondly in Law Decree No. 1 of 24 January 2012 (also known as the “Grow Italy” decree). Specifically, the provisions approved under the latter decree are aimed at promoting the inclusion of private capital in the funding, construction and management of infrastructures. These range from provisions facilitating project bankability, the introduction of availability charges and the introduction of the right of pre-emption for sponsors of works not included among public planning to the possibility of grouping together various project phases, the new mechanism regarding the issue of bonds by SPVs and the improved procedure for taking over existing concessions. All of the aforementioned changes provided for in recent legislation are aimed at developing project finance which is set to replace funding mechanisms for a large slice of works, to date financed exclusively by public funding.

Therefore, construction will continue to represent the Group’s core business, but important partnerships will arise from concessions in Italy and abroad in relation to structured projects with a suitable risk/return profile and guaranteed minimum fees, **as well as with the plant sector.**

As regards projects currently in progress in Italy, **activities will receive a new boost from the intensification of underground transport infrastructures**, especially works to construct Line 5 and Line 4 of the Milan underground. **As regards foreign activities, an intensification of activities is envisaged in Central-Eastern Europe and Turkey, as well as Latin America** which will benefit, inter alia, from the entry into full operation of new acquisitions in the hydroelectric and mining sectors.

Therefore, new commercial opportunities will mean that **Italy continues to play a key role** in the Group’s development policies, holding steady its contribution to turnover. **Foreign activities shall consolidate their contribution**, also as a result of the greater geographical diversification of activities and **consequent improvement in the risk profile of activities**. Specifically, the focus will remain on countries where the Group is traditionally present (Poland, Romania, Turkey), as well as areas of more recent commercial penetration (Chile, Peru and the Middle East) and areas of interest (Canada).

Among the foreign countries where traditionally present, **Poland continues to be of guaranteed interest in the Group’s development policies**. Indeed, it is suffice to note that, on the basis of 2007-2013 EU Planning, Poland is set to receive more than EUR 80 billion of community financial resources, EUR 67.3 billion of which from European cohesion and structural funds, allocated with the aim of promoting growth of the Polish economy through new infrastructures, protection of the environment, improvement of competitiveness and training.

Among the countries of more recent commercial penetration, **Chile is an area where Astaldi Group has operated in an ongoing manner since 2008** in the hydroelectric sector and where it has a 27.3% stake in the concessionaire which built and currently manages the Chacayes hydroelectric plant (111MW), together with the Australian company, Pacific Hydro. **Its entry into the Chilean mining sector corresponds to the Group’s desire to build upon its role in a country of guaranteed interest** through strategic diversification in sectors that are new for Astaldi, yet able to offer interesting commercial opportunities for its technical and managerial skills and know-how. In this regard, the Chilean mining sector has been singled out as of interest, also thanks to approximately USD 70 billion of investments planned for this sector over the next ten years. CODELCO alone – with whom Astaldi signed two mining agreements worth a total of USD 420 million related to the Chuquicamata Project and the concession for the Relaves Project at the start of 2012 – has announced investments of USD 15 billion in the sector over the next five years. CODELCO, a Chilean state-owned company set up in 1976, is currently the leading producer of copper in the world, accounting for 11% of global production in 2010.

Canada features among the new areas of more recent interest. ASTALDI CANADA Inc., a company owned entirely by ASTALDI S.p.A. was set up in February 2012 and will be responsible for monitoring and developing opportunities in the area. The country has approved interesting infrastructure investments which mean the area is of guaranteed interest,

also in light of a favourable legislative framework. The “Plan Nord” launched in Québec, provides for investments of EUR 34 billion in the renewable energy sector (more than half in the hydroelectric sector) and EUR 27 billion in mining and transport infrastructures (ports, airports, roads, railways) over the next 25 years. The “Green Energy Act” approved in Ontario, provides for the replacement of coal-powered plants by 2014, with estimated private investments totalling EUR 6.6 billion in the sustainable energy sector. Additional investments are also expected in light of the announcement made by the National Association of Oil Producers which envisages a 68% increase in the country’s oil production by 2025.

Lastly, mention must be made of the **Middle East, where the Group envisages reorganisation of activities**. It must be recalled that, to date, Astaldi has been present in this area (Saudi Arabia, United Arab Emirates, Oman) mainly with industrial plant design activities related to the petrochemical sector. It is envisaged that said sector’s contribution will be replaced over the coming years by increased involvement in traditional transport infrastructures in relation to which interesting investments are expected, especially as regards undergrounds and high-speed railways.

As regards concessions, as from 2012, the Group’s revenues will include the **first tangible results of entry into full operation of the Chacayes plant (inaugurated in October) and the Milas-Bodrum airport (which will enter the management phase during the forthcoming summer season)**. These projects, combined with those that are already fully operational (Mestre Hospital and five car parks in Italy), shall make a significant contribution to stabilising concession revenues.

While as regards the **Gebze-Izmir motorway** concession in Turkey, the Turkish government’s major commitment has been confirmed with regard to a work which will play a key role in the economic development of the areas the planned 422-kilometre route takes in – cutting travel times along the Istanbul-Izmir section to less than four hours. All project activities involving special surveys and project design have been carried out as scheduled and the relative financing procedures are going ahead as planned. Once these have been completed, the amounts related to Astaldi’s stake in this project shall be included in the order backlog. It must also be noted that the consortium that will perform the concession project - which Astaldi holds a stake in - signed a subcontract agreement with the Japanese companies, IHI and Itochu in September for design and construction of the bridge to cross over the Gulf of Izmit. The latter represents the most demanding part of the whole route from an engineering viewpoint and upon completion, it shall be one of the longest suspended bridges in the world. During November 2011, an arranging mandate was also signed with a group of local and international banks, with the involvement of leading supranational organisation such as IFC (World Bank) and EBRD (European Union) and of JBIC (Japan’s Export Credit Agency) and SACE. A project funding strategy comprising several phases was defined in view of the current situation of the financial markets and in light of the large scale of the operation to be financed.

Still as regards Turkey, the procedure is underway regarding signature of a contract with the Turkish Ministry of Health which is responsible for granting the **concession for the design, construction, supply of electro-medical equipment and furnishings and subsequent management of the Etlik Hospital Complex in Ankara**. Indeed, it must be recalled that in November 2011, Astaldi Group, as part of a joint venture with the Turkish construction firm, Turkeler, in which it holds a 51% stake, received the letter awarding the contract prior to signature of the aforementioned concession agreement which should take place during the first half of 2012. The project will involve construction of the largest hospital complex in Europe. The total value of the investment amounts to EUR 940 million. EUR 567 million will be used to perform the works. Management revenues will total EUR 2.4 billion, 85% of which is guaranteed by availability charges, which may be reviewed due to inflation, and the remaining percentage by the provision of contracted services (routine and special maintenance of buildings, roads, green areas, electro-medical equipment and furnishings as well as utility management). The planned duration of the concession is 28.5 years, 3.5 of which for design and construction activities and the remaining 25 for management activities. Works are scheduled to commence in 2012. Upon completion, the complex will be able to offer 3,200 hospital beds, split between 8 facilities, and a hotel, occupying a total of approximately 1,080,000 m². Studio Altieri that has already worked with Astaldi on the concession project to build and manage Mestre Hospital which is currently under management in Italy, will be responsible for design activities.

As regards Italy, **additional interesting developments are expected in the motorway transport infrastructures sector** where, it should be remembered, Astaldi Group is currently present in the north-east of the country with a series of strategic equity investments, also held through its subsidiary Astaldi Concessioni.

In November 2011, Astaldi Concessioni increased its equity investment in the share capital of the motorway company, A4 Holding S.p.A., formerly Autostrada Brescia-Verona-Vicenza-Padova S.p.A., (holder of 100% of the share capital of the concessionaire for the A4 motorway), from 8.65% to 9.12%. Said increase was achieved as a result of subscription of the share capital increase it was entitled to (11,387 shares) on 11 November 2011 followed by subscription of the unopted shares it was entitled to (8,449 shares) on 30 November 2011. Subsequently, as already mentioned in the section herein dealing with subsequent events, in March ASTALDI Group exercised its right of pre-emption to purchase shares held in A4 Holding S.p.A., from the Municipalities of Vicenza and Padova. The relative transfer of shares will be made official upon completion of the award and pre-emption procedure provided for in the By-Laws, scheduled within the coming months, and will increase ASTALDI Group's stake from 9.12% to 9.8%.

In December 2011, Astaldi Group acquired a stake in the share capital of **Autostrada Nogara-Mare Adriatico Società consortile per azioni**. The corporate purpose of said company concerns involvement in the award procedure for the concession to design, construct and manage the Medio Padana-Veneta Nogara-Mare Adriatico regional motorway. 10% of the share capital was acquired through Astaldi S.p.A. (12,000 shares) and 13% through Astaldi Concessioni (15,600 shares), for a total investment value that currently amounts to EUR 27.600. Veneto's regional authority will perform the call for bids to award the concession during 2012, and in relation to which the company may exercise the right of pre-emption.

It must also be remembered that Astaldi Group is part of the joint venture – with a 23% stake – already chosen as Sponsor for the procedure to award the project finance initiative to construct the new motorway link connecting Ancona Port to the surrounding road network. As regards said project, the award procedure was completed in February 2012 and the ATI which Astaldi holds a stake in was definitively awarded the contract, following a call for bids which was abandoned by the originally pre-qualified participants. At the draft date of this report, negotiations are taking place between the granting authority (ANAS) and the ATI with the aim of signing the agreement, in compliance with the terms and procedures set forth in the CIPE Resolution approving the preliminary project.

Lastly, it must be recalled that growth may be further boosted by **synergies developed with Busi Impianti**, on the basis of industrial agreements approved in September. Indeed, it must be recalled that Astaldi, through its 100% subsidiary, nBI S.r.l., has signed an agreement with Busi Group regarding (i) leasing of the company division related exclusively to the Italian plant design and maintenance divisions of Busi Impianti S.p.A. and (ii) the preliminary contract for subsequent purchase of said company division, within Busi Impianti S.p.A.'s composition with creditors, presented and admitted by the Court of Bologna and for which approval is currently pending. The value, which shall be paid upon stipulation of the final contract and which has been calculated on the basis of comparable transactions and market multiples, is equal to EUR 12.7 million. The leasing fees paid until purchase is completed shall be deducted from the price, and purchase of the company division may take place upon approval of Busi Impianti S.p.A.'s composition with creditors. This operation fits into Astaldi Group's wider expansion plan insofar as it represents consolidation of its role in a sector that is complementary to its current activities, through a company, Busi Impianti, able to offer major industrial and commercial synergies, as well as human resources with a high level of professional skills. Busi Impianti's specific skills in the plant design and maintenance sectors, combined with Astaldi's business volumes and business management skills will complete the range of technical know-how and supply which Astaldi is already able to offer and shall improve its ability to offer integrated solutions, contributing to the Group's growth as a whole. Busi Impianti, which has achieved a turnover in excess of EUR 100 million p.a. in recent years and boasts 260 employees, works in the civil, industrial and manufacturing engineering, plant design and maintenance sector where it develops integrated "turnkey" solutions – from design and construction through to assistance, maintenance and management – of complex systems and plants in the infrastructure, commercial, industrial, healthcare, pharmaceutical and energy sectors. Leasing of the company division, through management by Astaldi Group, shall make it possible for the company to continue its business activities in the

immediate future and, consequently, to protect Busi's levels of employment. Following approval of composition with creditors, Astaldi will purchase the company division related exclusively to the Italian plant design and maintenance divisions. The significance of said transaction is even more appreciable if we take into account the boom of investments currently being seen in the renewable energy sector. It is suffice to recall that said investments in Italy in 2011 amounted to EUR 26 billion, in other words one billion Euros more than that recorded for the same period in the residential sector.

Other information

Information on transactions with related parties

As regards transactions with related parties, it must be remembered that this form part of the Group's normal corporate activities and are regulated at market conditions. For information regarding said relations, please refer to Note 33 of Astaldi's consolidated financial statements at 31 December 2011.

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.

Said 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.

Lastly, it must be recalled that the Board of Directors meeting held on 10 November 2010, in keeping with the provisions set forth in CONSOB regulations regarding the procedures for regulating transactions with related parties, approved under Resolution No. 17221 of 12 March 2010, and subsequently amended under the Resolution dated 23 June 2010, approved, with the favourable opinion of the Committee of Independent Directors appointed for this purposes, the new internal procedures for identifying, approving and performing transactions with related parties carried out by Astaldi S.p.A., either directly or through its subsidiaries. In brief, these procedures:

1. identify the transactions of "greater" and "lesser" importance.

As regards transactions of lesser importance, the following is provided for:

- (i) that the responsibility for passing resolutions lies, alternatively, with the Board of Directors or the Chief Executive Officer in relation to the powers granted to the latter;
- (ii) a well-motivated, non-binding opinion provided by the aforementioned Related Parties Committee;
- (iii) that the aforementioned Committee may avail itself of independent experts of its choice;
- (iv) suitable ex-ante information, promptly provided to the resolving body and to the Committee which must voice its opinion.

While as regards transactions of greater importance, the procedures provide for:

- (i) the responsibility to pass resolutions to lie with the Board of Administration;
- (ii) a binding opinion provided by the aforementioned Committee.

2. establish the procedures to be used to start up and approve transactions, as well as the composition of and working rules for the Related Parties Committee which, in keeping with recent indications provided by CONSOB, comprises exclusively independent directors, both in the case of transactions of lesser and of greater importance.
3. set the procedures and deadlines for providing the aforementioned committee as well as the Board of Directors and the Board of Auditors with information regarding the transaction prior to resolution, during and subsequent to the performance of said transactions;
4. identify rules to be applied by the company in the event of examining or approving the transactions of Italian and foreign subsidiaries;
5. single out the cases of “default exemption” from the regulations and the cases of “optional exemption”.

For more information, please refer to the Annual Report on Corporate Governance and Shareholder Structure.

Treasury shares

It must be noted that, in relation to the Astaldi share buy-back plan implemented during the year, 420,767 shares were gradually acquired during 2011 while 631,838 shares were sold.

Treasury shares on hand at 31 December 2011 amounted to 610,908 with a nominal value of EUR 2.

Parent company shares held by subsidiaries

No parent company shares are held by subsidiaries.

Management and coordination activities (pursuant to Article 2497 et seq of the Italian Civil Code)

It must be noted that Astaldi S.p.A. is not subject to “management and coordination” by any of its shareholders insofar as the company’s Board of Directors is fully and independently responsible for all the most appropriate decisions related to management of the company’s activities.

Astaldi S.p.A. shares held by Company Directors, Auditors and managers with strategic responsibility at 31 December 2011

For information in this regard, please refer to the section herein dealing with the Remuneration Report.

Research and development

The Group did not incur any costs for research and development during the year.

Atypical or unusual operations

No atypical or unusual operations were performed during the year.

Conclusions

Dear Shareholders,

The consolidated financial statements show a net profit of EUR 71 million, excluding amortisation, depreciation, provisions and consolidation adjustments.

On behalf of the Board of Directors
Signed: The Chairman
(Paolo Astaldi)

List of secondary offices

ALGERIA Bureau Administratif et Financier Lotissement 19/20 Aissatldir Cheraga – W. Alger Algeri	GUATEMALA Oficina Legal: 6ª Calle 5-47, zona 9, Quinto Nivel Ciudad de Guatemala (GUATEMALA, C.A.)	TURKEY Armada İş Merkezi - Eskişehir Yolu 6/A Blok, Kat.9, No. 11, 06520 Söğütözü Ankara
BOLIVIA Avenida La Guardia, Km 6 ½ 7° Anillo Santa Cruz	HONDURAS Plantel El Carrizal, Blvd Fuerzas Armadas, Salida Carretera del Norte- Ap. Postal 3199 Tegucigalpa	USA (FLORIDA) 8220 State Road 84 – Suite 300 Davie – Florida 33324 – USA
BULGARIA N. 67 Tsanko Tserkoski Str., entrance V, 4th floor – 1421 Sofia	NICARAGUA Reparto Villa Fontana, Boulevard Jean Paul Genie No. 38 Managua	VENEZUELA Oficina Astaldi - Centro Operativo San Diego Entrada por Sub-Estación Km 150 A.R.C. - Sentico Caracas Valencia Estado Carabobo
CHILE Avenida Apoquindo No. 3910, of. 701 piso 7 Las Condes - Santiago	OMAN Office 44 - 4th floor - Al Masriq Building - Azaibah – Muscat Sultanate of Oman	VENEZUELA (Registered Office) Centro Ciudad Commercial Tamanaco Primera Etapa Piso 6 Oficina 620 Av. La Estancia Chuao 1064 Caracas
COSTA RICA Bello Horizonte Escazu de Distribuidora Santa Bárbara 200 mts. sur, 200 mts. este, Urbanización la Suiza 150 mts. noroeste condominio Ingrid No. 6 Casa Blanca a Mano Derecha, San José	PANAMA Edificio Proconsa 1, Piso 10, Oficina 10A, Area Bancaria - Frente A Movistar - Ciudad de Panama	
EL SALVADOR Blvd. El Hipódromo Pasaje 10 Casa No. 139, Colonia San Benito San Salvador	PERU Calle Los Nardos 1018, piso 2, San Isidro – Lima 27	
UNITED ARAB EMIRATES Al Bateen Area, (near UAE Central Bank) 7th Street – Six Towers – Building C2 – 1st Floor – Apt. 102 P.O.Box 112554 Abu Dhabi (U.A.E)	POLAND Astaldi S.p.A. Spółka Akcyjna Ul. Sapiezynska 10a 00-215 Warszawa	
	ROMANIA Strada Carol Davila 70 Sector 5 050455 Bucarest	

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, subsection 3-bis of Legislative Decree No. 58/1998.

Specifically, Astaldi S.p.A. makes known that:

1. the parent company, Astaldi S.p.A., has ongoing access to the articles of association and composition of the corporate bodies of all non-EU subsidiary companies of importance as per Article 36, paragraph 2 of the Issuers Regulation, 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 all non-EU subsidiary companies of importance as per Article 36, subsection 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, subsection 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 auditors, 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, are effective in this regard.

The area of application concerns 6 subsidiaries based in 4 countries not belonging to the European Union, which are of importance as per subsection 2 of the aforementioned Article 36.