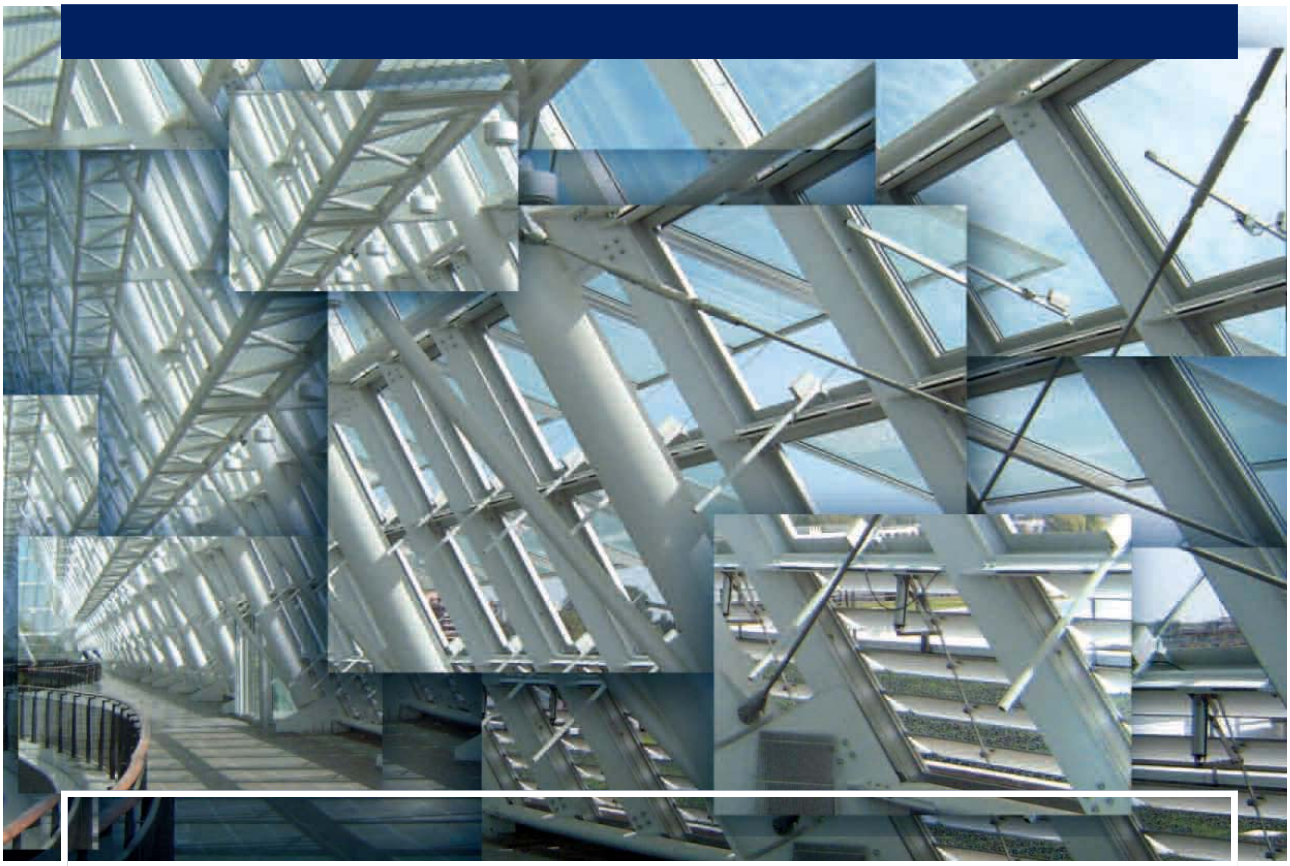


# Interim Report on Operations at 30 September 2009

Astaldi Società per Azioni
Corporate and Head Offices: Via Giulio Vincenzo Bona 65, Rome (Italy)
Registered with the Companies Register of Rome
TIN: 00398970582
R.E.A. No.: 152353
VAT No.: 0080281001
Share capital: € 196,849,800.00 fully paid-in

# CONTENTS

# MAIN GROUP ECONOMIC AND EQUITY RESULTS AT 30 SEPTEMBER 2009

| *Consolidated Reclassified Income Statement (€/000)* | **30 September 2009** | **%** | **30 September 2008** | **%** | **Annual diff.** |
|---|---|---|---|---|---|
| Total revenues | 1,401,772 | 100.0% | 1,086,967 | 100.0% | +29.0% |
| EBITDA | 156,186 | 11.1% | 122,197 | 11.2% | +27.8% |
| EBIT | 120,088 | 8.6% | 92,460 | 8.5% | +29.9% |
| Pre-tax profit | 69,084 | 4.9% | 53,794 | 4.9% | +28.4% |
| Group net profit | 41,071 | 2.9% | 32,195 | 3.0% | +27.6% |

| *Consolidated Reclassified Balance Sheet (€/000)* | **30 September 2009** | **31 December 2008** | **30 September 2008** |
|---|---|---|---|
| Total fixed assets | 436,683 | 355,594 | 355,639 |
| Working capital | 442,724 | 403,074 | 491,448 |
| Net invested capital | 848,069 | 727,201 | 812,566 |
| Net financial payables/receivables | (495,521) | (395,327) | (476,319) |
| Equity | 352,547 | 331,874 | 336,247 |
| *Debt/Equity ratio* (expressed in number of times) | 1.39 | 1.17 | 1.40 |
| *Corporate Debt/Equity ratio* (expressed in number of times) | 1.07 | 1.01 | 1.22 |

| *Consolidated Net Financial Position (€/000)* | **30 September 2009** | **31 December 2008** | **30 September 2008** |
|---|---|---|---|
| a. Available funds | 378,489 | 338,660 | 325,326 |
| b. Financial receivables | 18,700 | 19,769 | 13,816 |
| **c. Current financial indebtedness** | **(328,894)** | **(275,448)** | **(261,544)** |
| **d. Net current financial indebtedness** (a+b+c) | **68,295** | **82,981** | **77,597** |
| **e. Non-current financial indebtedness** | **(563,817)** | **(478,308)** | **(553,916)** |
| **f. Net financial indebtedness** (d+e) | **(495,521)** | **(395,327)** | **(476,319)** |
| Treasury shares | 5,134 | 5,655 | 4,858 |
| **Total net financial position** | **(490,388)** | **(389,672)** | **(471,461)** |

# INTERIM REPORT ON OPERATIONS

## Introduction

The unaudited Interim Report on Operations at 30 September 2009 has been drafted in compliance with the provisions contained in art. 154-ter of the Finance Consolidation Act (TUF).
The economic, equity and financial information has been formulated in compliance with the recognition and measurement criteria set forth in the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with the procedure as per art. 6 of (EC) Regulations No. 1606/2002 of the European Parliament and Council of 19 July 2002.
The recognition and measurement criteria adopted to draft the Interim Report on Operations at 30 September 2009 are the same as those used to draft the 2008 Annual Financial Report which should be referred to for a description of the same; for criteria with effect as from 2009, the description contained in the Half-Yearly Financial Report at 30 June 2009 should be referred to.
Astaldi's management assesses the economic and financial performance of the Group and its business areas on the basis of some indicators not provided for in the IFRSs. The components of each of these indicators are described in the Management Report forming part of the 2008 Annual Financial Report.
Economic information is provided with reference to the first nine months of 2009 and 2008, as well as the third quarter of both years; while equity information is provided with reference to the situation at 30 September 2009 as well as 30 September 2008 and 31 December 2008.
The format of the accounts used herein corresponds to that of the accounts included in the Management Report forming part of the 2008 Annual Financial Report.

## Comment on the Group's operating performance

Astaldi Group ended the first nine months of 2009 with extremely positive economic and financial results. The figures for the period confirmed once again that the difficult global economic situation and the major crisis being experienced by real and financial markets as a result are not slowing down the Group's growth which, on the contrary, is benefiting from the important competitive advantage attained thanks to the effectiveness and coherency of the commercial and business policies implemented by the Group's management in recent years.

The accounts for the period show **a major acceleration in industrial growth**, already seen in the first half of the year, which has been further consolidated during the third quarter by the positive trend of activities both in Italy and abroad. At the same time the figures reflect the positive effects of further **consolidation of the Group's role in areas where traditionally present** (Italy, Venezuela, Algeria, Romania, Turkey), together with the definitive **opening of new markets in adjacent areas of major commercial interest** (Chile, Peru, Poland). All of this responds to the management's desire to ensure **balanced, steady growth in activities**, which is set to last thanks to "targeted" diversification of production and an equity and financial structure which, even if placed under stress by the major boost given to growth, is able to support the planned targets.

Consolidated net profit for the period amounted to EUR 41.1 million (+27.6% year-on-year) with EUR 1.4 billion of total revenues (+29%) and EBITDA of EUR 156.2 million (+27.8%). The order backlog increased to EUR 9 billion thanks to the acquisition of EUR 1.9 billion of new orders. Net financial indebtedness, excluding treasury shares, amounted to EUR 490.4 million showing a major self-financing ability on the part of the Group thanks to the growth levels achieved. These figures are directly backed up by a decidedly positive third quarter which ended with total revenues of EUR 477.7 million (+24.9% compared to the same period of 2008), EBITDA of EUR 53.9 million (+28.1%) and net profit of EUR 15.5 million (+40.1%).

Please find below a brief analysis of the main economic, financial and equity dynamics seen during the first nine months of the year and during the third quarter.

## Consolidated economic results at 30 September 2009

| *Main consolidated economic results (€/000)* | **30 September 2009** | **%** | **30 September 2008** | **%** | **Annual diff. (%)** |
|---|---|---|---|---|---|
| Total revenues | 1,401,772 | 100.0% | 1,086,967 | 100.0% | +29.0% |
| EBITDA | 156,186 | 11.1% | 122,197 | 11.2% | +27.8% |
| EBIT | 120,088 | 8.6% | 92,460 | 8.5% | +29.9% |
| Net financial income and charges | (52,360) | (3.7%) | (38,017) | (3.5%) | +37.7% |
| Pre-tax profit | 69,084 | 4.9% | 53,794 | 4.9% | +28.4% |
| Group net profit | 41,071 | 2.9% | 32,195 | 3.0% | +27.6% |

The income statement for the first nine months of 2009 offers further confirmation of the Group's ability to convert the great potential of its current order backlog into significant economic results.

The good trend in production activities recorded both in Italy and abroad brought **total revenues to EUR 1.4 billion** which, if compared to EUR 1.1 billion at 30 September 2008, show a **year-on-year increase of 29%** and hence **in excess of forecasts** made during business planning (15-20%). **Operating revenues** totalled **EUR 1.3 billion (+29.5%)** while **other operating revenues increased to EUR 53.7 million (+17.5%)**.

The revenue structure shows suitable diversification of activities and hence of the risk profile related to the individual geographical areas the Group operates in.

**Italy generates EUR 615 million of operating revenues (45.6% of the total)** even given the general limits on spending by the public administration as a result of the difficult economic situation. The Group's involvement solely in projects for which there is a strong commitment and widespread consent on the part of relevant administrations is all-important in achieving said result, thus confirming the importance said projects have in local and national development policies. Specifically, an extremely positive trend was seen in the transport infrastructures sector, and even more so in the railway and undergrounds sector: works went ahead on the **Bologna Centrale High-Speed Station** and **Turin rail junction** while **Line 5 of the Milan underground** and **Line 6 of the Naples underground** also made a significant contribution. Positive results were also achieved with regard to **Line C of the Rome underground** and the two lots of the **Jonica National Road (SS106)** currently in progress. Specifically, as regards the latter, it must be noted that over 45% of works (more than 56% as regards solely the natural tunnel) have been completed for the **lot located in the Catanzaro area ("DG21")** and, a positive settlement was reached in October, using the standard out-of-court procedures, with regard to the problems which emerged in previous years mainly linked to a series of archaeological finds. While as regards the **lot located in the Siderno area ("DG22")**, it must be noted that in September, ANAS S.p.A., the project client, approved a change which basically means that approximately 80% of the works involved in the contract may be performed immediately, ensuring that activities will be recommenced as from November. Major focus, including from a legal-administrative viewpoint, was also lent to the problems regarding the **Police Officers' Academy ("Scuola dei Brigadieri e dei Marescialli dei Carabinieri") in Florence** (problems regarding funding by the client which had resulted in a complete interruption of works), the **new hospital in Naples ("Ospedale del Mare")** (problems of a technical and economic nature) and the **Brescia underground** for which a positive solution is being reached by the parties involved. As regards the latter, note must be taken among other things of the acknowledgement in progress of changes to the works which should make it possible to resolve the problems that have come to light in previous years in relation to this contract.

In this regard, it is important to note that the Group's risk control policy ensures that the levels of production recorded in each geographical area and for each project are strictly related to the respective levels of invested capital and relative return. In this way, the Group is able to guarantee suitable matching of the risk-return profile associated with the projects in progress and consequent diversification of activities.

In compliance with this condition, the first nine months of 2009 offered confirmation of **consolidation of the foreign sector, which generated EUR 733 million of operating revenues (54.4% of the total)**, to be related mainly to the increase in revenues from Central and South America as a result of progress being made on the railway projects underway in Venezuela and the construction of three important hydroelectric plants in Chile, El Salvador and Costa Rica. A significant increase was also to be seen in the share related to Turkey which benefited from significant progress as regards construction of the Istanbul underground as well as start-up of the first phase of works related to the Hălic Bridge (or the Golden Horn Bridge). Significant shares were also recorded for the Middle East (specifically Qatar with good performances in the industrial construction sector) and Algeria. Lastly, note must also be made of the share guaranteed to date by Romania, a country which is undoubtedly suffering as a result of the problems related to a particularly critical macroeconomic situation. Indeed, it should be noted that in order to tackle this situation, which was envisaged during strategic planning, the Group has concentrated its resources in this area on priority infrastructure contracts that boast financial coverage from European cohesion funds and which are performed as part of partnerships with leading international companies. Moreover, a commercial expansion and diversification policy has been promoted which has resulted in the identification of Poland as a country able to offer interesting opportunities in the infrastructures sector as well as a stable economic/financial and political situation. In light of this, 2009 saw Astaldi's entry into this new area which, as will be looked at further on, has already witnessed important commercial successes.

Looking once more at the general structure of revenues, **transport infrastructures proved to be the key sector** for the Group's operations, **generating EUR 1.1 billion of operating revenues (79.3% of the total)**, mainly thanks to the **railways and undergrounds** sector. There was a temporary decrease in the share of revenues resulting from **hydraulic works and energy production plants (7.9% of operating revenues),** which still have to include the two hydroelectric plants recently secured in America. The **civil and industrial construction sector** accounted for **12.8% of operating revenues,** mainly thanks to progress made in Qatar on the QATALUM project. The figures listed do not include entry into the management phase for the new Hospital in Mestre; indeed the accounting standards adopted do not make visible in the revenue structure the contribution of this concession initiative. However, it is important to note that the Mestre Hospital project recorded revenues in excess of EUR 39 million during the first nine months of 2009. This would result in a total turnover from projects currently in management phase (4 car parks and 1 hospital) of more than EUR 12 million as regards Astaldi's stake.

For a better understanding of the dynamics looked at, a breakdown of operating revenues by geographical area and sector can be found below.

| *Breakdown of operating revenues according to geographical area (€/000,000)* | **30 September 2009** | **%** | **30 September 2008** | **%** |
|---|---|---|---|---|
| **Italy** | **615** | **45.6%** | **536** | **51.5%** |
| **Abroad** | **733** | **54.4%** | **505** | **48.5%** |
| Europe | 168 | 12.5% | 130 | 12.5% |
| America | 376 | 27.9% | 208 | 20.0% |
| Asia | 95 | 7.0% | 46 | 4.4% |
| Africa | 94 | 7.0% | 121 | 11.6% |
| **TOTAL Operating revenues** | **1,348** | **100.0%** | **1,041** | **100.0%** |

| *Breakdown of operating revenues according to sector (€/000,000)* | **30 September 2009** | **%** | **30 September 2008** | **%** |
|---|---|---|---|---|
| Transport infrastructures | 1,069 | 79.3% | 777 | 74.6% |
| *Roads and motorways* | *224* | | *239* | |
| *Railways and undergrounds* | *825* | | *509* | |
| *Ports and airports* | *20* | | *29* | |
| Hydraulic works and energy production plants | 106 | 7.9% | 120 | 11.5% |
| Civil and industrial construction | 173 | 12.8% | 144 | 13.8% |
| **TOTAL Operating revenues** | **1,348** | **100.0%** | **1,041** | **100.0%** |

The cost structure reflects the consolidation of revenues and the order backlog's focus on general contracting projects and projects involving the railways and undergrounds sector.

The **cost of production** amounted to **EUR 1,048.3 million** with a 74.8% incidence on total revenues and an increase of 33% compared to EUR 788.1 million at 30 September 2008 while **personnel costs** amounted to **EUR 176.7 million** (**12.6% of total revenues**) with a more limited increase (13.1% compared to EUR 156.1 million for the first nine months of 2008) with a drop in the relative incidence as regards the same period of last year. Indeed, if on the one hand the greater volume of costs reflects the increase in activities, on the other hand their structure reflects the increase in direct production costs as a result of the share of projects performed by joint ventures.

Good results were also achieved as regards the Group's earnings which settled at extremely interesting levels as regards the average levels achieved by the leading European competitors thanks once again to the inclusion among the order backlog of projects managed mainly using the general contracting formula and referable to the underground transport infrastructures sector. **EBITDA** amounted to **EUR 156.2 million** (**+27.8%** compared to EUR 122.2 million at 30 September 2008), with an **EBITDA margin of 11.1%**. **EBIT** totalled **EUR 120.1 million**, (up by **29.9%** compared to EUR 92.5 million for the first nine months of 2008), with an **EBIT margin that increased to 8.6%**. Said results were obtained while still taking into account, in relation to provisions and write-downs, the possible effects of the valuation of some receivables at their assumed recoverable amount.

**Net financial charges** totalled **EUR 52.4 million** (EUR 38 million during the first nine months of 2008). Said increase is to be attributed to the increase in production volumes and greater focus of the order backlog on projects with a high technological and financial content which typically go hand in hand with bonds and guarantees of a larger amount. The amount of said charges, which also include non-permanent negative exchange rate differences, are in any case in keeping with the Group's forecasts which see a slight drop during the last part of the year, as already experienced during the third quarter just ended, whose items shall be looked at in detail further on .

The Group's **net profit** amounted to **EUR 41.1 million, up by 27.6%** (EUR 32.2 million at the end of September 2008), with a net margin of 2.9% and a tax rate of 38% at 30 September 2009.

## Consolidated equity and financial results at 30 September 2009

| *Main consolidated equity and financial results (€/000)* | **30 September 2009** | **31 December 2008** | **30 September 2008** |
|---|---|---|---|
| *Net fixed assets* | *436,683* | *355,594* | *355,639* |
| *Working capital* | *442,724* | *403,074* | *491,448* |
| *Total provisions* | *(31,339)* | *(31,467)* | *(34,521)* |
| Net invested capital | 848,069 | 727,201 | 812,566 |
| Net financial indebtedness | (495,521) | (395,327) | (476,319) |
| Equity | 352,547 | 331,874 | 336,247 |

The figures for the first nine months of 2009 show how the equilibrium guaranteed for the Group's growth did not upset the consolidated equity and financial structure which, even if placed under stress by the major boost given to growth, was able to support a level of operations in excess of the planned level. It is suffice to consider that the figures for the period include, inter alia, the boost given to the investment programme in the concession sector. Indeed, investment related to construction of the Chacayes hydroelectric plant in Chile was commenced, for which an equity of USD 63 million is expected as regards Astaldi's stake, USD 50 million of which during Q3 2009.

**Net fixed assets** increased to **EUR 436.7 million** (EUR 355.6 million at the end of 2008), mainly for investments made during the period to support project finance initiatives as well as the speeding up of new contracts, especially foreign contracts. The value of technical investments is, in any case, in line with the figure estimated during business planning.

**Working capital** totalled **EUR 442.7 million** (EUR 403.1 million at the end of 2008). The increase recorded during the period for this item can be explained by production volume dynamics. Specifically, it is important to note that investments made during the period to start up secured contracts are suitably covered by advances recorded during the same period which increased by approximately EUR 44.5 million compared to the end-of-year figure.

The increase in production levels and the working capital dynamics were largely responsible for the increase in **net invested capital** which **rose to EUR 848.1 million** (EUR 727.2 million at the end of 2008). In this regard, it should be noted that the increase in production volumes is less than proportional as regards the increase in working capital. This goes to prove the Group's willingness to effectively manage operating leverage, maintaining a balanced financial structure as a base.

There was also an increase in **equity** which stood at **EUR 352.5 million** (EUR 331.9 million at the end of 2008) mainly due to the dynamics of the results for period, suspended economic items entered among equity and the distribution of dividends for a total of EUR 9.7 million.

Changes on a quarterly basis in the structure of net financial indebtedness and its components are shown below.

| **Consolidated net financial position** (€/000) | | | **30/09/09** | **30/06/09** | **31/03/09** | **31/12/08** | **30/09/08** |
|---|---|---|---|---|---|---|---|
| A | Cash and cash equivalents | | 374,320 | 259,970 | 285,793 | 333,759 | 319,516 |
| B | Securities held for trading | | 4,168 | 4,154 | 5,718 | 4,901 | 5,810 |
| **C** | **Available funds** | **(A+B)** | **378,489** | **264,124** | **291,511** | **338,660** | **325,326** |
| **D** | **Financial receivables** | | **18,700** | **27,097** | **21,091** | **19,769** | **13,816** |
| E | Current bank payables | | (307,916) | (277,261) | (281,405) | (241,987) | (176,863) |
| F | Current share of non-current indebtedness | | (14,872) | (1,123) | (15,416) | (22,536) | (74,931) |
| G | Other current financial payables | | (6,105) | (6,767) | (7,660) | (10,925) | (9,751) |
| **H** | **Current financial indebtedness** | **(E+F+G)** | **(328,894)** | **(285,151)** | **(304,482)** | **(275,448)** | **(261,544)** |
| **I** | **Net current financial indebtedness** | **(H+D+C)** | **68,295** | **6,070** | **8,120** | **82,981** | **77,597** |
| J | Non-current bank payables | | (552,352) | (492,805) | (458,817) | (465,071) | (539,947) |
| K | Other non-current payables | | (11,464) | (12,180) | (13,302) | (13,237) | (13,970) |
| **L** | **Non-current financial indebtedness** | **(K+J)** | **(563,817)** | **(504,985)** | **(472,119)** | **(478,308)** | **(553,916)** |
| **M** | **Net financial indebtedness** | **(L+I)** | **(495,521)** | **(498,915)** | **(463,999)** | **(395,327)** | **(476,319)** |
| | Treasury shares on hand | | 5,134 | 5,197 | 5,905 | 5,655 | 4,858 |
| | **Total net financial position** | | **(490,388)** | **(493,718)** | **(458,093)** | **(389,672)** | **(471,461)** |
| | *Debt/Equity ratio* | | *1.39* | *1.46* | *1.36* | *1.17* | *1.40* |
| | *Corporate Debt/Equity ratio (*)* | | *1.07* | *1.20* | *1.20* | *1.01* | *1.22* |

*(*) The Corporate Debt/equity ratio is calculated by excluding the share of debt related to project finance initiatives.*

The **net financial position** at 30 September 2009, excluding treasury shares, amounted to **EUR (490.4) million** showing an increase compared to the end of 2008, but an increase whose dynamics were widely forecast in consideration of the performance of contracts that, from a financial viewpoint, have their own cyclical nature.

The quarter's financial performance was especially positive insofar as it shows a substantial stability of indebtedness compared to June 2009 thanks to the excellent trend in cash flow from operations and the Group's consequent ability to support its entry into the hydroelectric concessions sector. The combined effect of these two events resulted in an acceleration of the growth in activities with targets set for the following year being reached a year earlier.

Therefore, generally speaking, it can be said that current levels of total indebtedness should not differ significantly from the end-of-year forecasts. If this were the case, there would mean a significant improvement in the initial forecasts since, on the one hand, the financial consequences of a quicker than forecast growth in production volumes had been limited while on the other, market opportunities and the sound financial and equity structure had made it possible to bring forward concession investment programmes.

The debt structure, in keeping with the results seen at the end of last year, is focused on the medium-long term; indeed the first important repayment is scheduled for 2013.

It must also be noted that **a syndicated loan of EUR 110 million** was taken out in July with the aim of providing Astaldi with medium-term financial resources at extremely advantageous costs considering the current situation of credit markets. A pool of 13 banks (Italian and foreign) are involved in the loan which has a five-year duration and provides for a lower than 2% average spread on the EURIBOR 3-month rate. For more information as regards the loan’s conditions and covenants, please refer to the section containing the condensed consolidated half-yearly financial statements found within the Half-Yearly Financial Report at 30 June 2009.

The same document should also be consulted for information regarding the covenants of other current loans which, during the period in question, are at levels that are fully in line with undertakings.

The debt/equity ratio stood at 1.39. The corporate debt/equity ratio, which excludes the share of indebtedness related to concessions/project finance initiatives insofar as without recourse and self-liquidating, stood at around 1.07. Indeed, the share of debt used for project finance initiatives stood at around EUR 115 million, to be linked to equity paid into hospital and underground projects, construction costs for car parks under concession as well as a share of investment, equal to more than USD 50 million, in the concession to build and manage the Chacayes hydroelectric plant in Chile. It must be recalled that the total investment to be made by the end of the year in relation to this project amounts to approximately USD 63 million.

## Consolidated results of Q3 2009

Astaldi Group ended the third quarter of 2009 with a performance that supports and confirms the growth process already seen as from the first half of the year.

Indeed, the operating results and earnings for the quarter showed an increase, reaching levels in excess of planned levels despite the most definitely unfavourable macroeconomic situation.

Total revenues amounted to EUR 477.7 million (+24.9% compared to EUR 382.3 million in Q3 2008), with operating revenues of EUR 463.3 million (+25.7%) and other operating revenues of EUR 14.3 million (+3.7%).

Even given the increase in production levels, the incidence of the cost of production on total revenues remained more or less steady compared to Q3 2008. Direct production costs totalled EUR 353 million, equal to 73.9% of total revenues (+25.2% year-on-year compared to EUR 281.9 million in Q3 2008). While the incidence of personnel costs, which amounted to EUR 57.6 million, decreased and accounted for 12.1% of total revenues (+11.1% compared to EUR 51.8 million in Q3 2008).

The increase in return on investment seen during the first nine months of the year was also confirmed for Q3 2009. EBITDA amounted to EUR 53.9 million (+28.1% compared to EUR 42.1 million in Q3 2008) with an EBITDA margin that rose to 11.3%. EBIT totalled EUR 42 million (+31.5% compared to EUR 31.9 million in Q3 2008), with an EBIT margin that rose to 8.8%.

Note must be taken of the low incidence of financial charges recorded during the quarter with said charges standing at EUR 16.7 million (3.5% of total revenues compared to 4.4% incidence in Q3 2008). Indeed, this figure is indicative and pays for the current level of rates which offsets the increase in bond costs that generally goes hand in hand with an increase in volumes. The forecasts for the last quarter seem to confirm said trend and hence make it possible to achieve a total value for 2009 in excess of forecasts.

Therefore, the Group's net profit amounted to EUR 15.5 million (+40.1% compared to EUR 11.1 million in Q3 2008), with a growth in the net margin to 3.2% (2.9% in the same period of 2008).

Lastly, note should be made that, from an equity and financial viewpoint, the third quarter includes the effects of the Chacayes project mentioned above.

For a better understanding of the quarter's results, the main income statement items and breakdown of revenues by geographical area and sector are shown below.

| *Consolidated reclassified income statement (€/000)* | **Q3 2009** | **%** | **Q3 2008** | **%** | **Annual diff.** |
|---|---|---|---|---|---|
| *Revenues from works* | *463,334* | *97.0%* | *368,494* | *96.4%* | *25.7%* |
| Total revenues | 477,663 | 100% | 328,312 | 100% | 24.9% |
| EBITDA | 53,940 | 11.3% | 42,113 | 11.0% | 28.1% |
| EBIT | 42,005 | 8.8% | 31,946 | 8.4% | 31.5% |
| Group net profit | 15,502 | 3.2% | 11,067 | 2.9% | 40.1% |

*Breakdown of revenues by geographical area*

| *€/millions* | Q3 2009 | % | Q3 2008 | % |
|---|---|---|---|---|
| **Italy** | **183** | **39.5%** | **188** | **51.1%** |
| **Abroad** | **280** | **60.5%** | **180** | **48.9%** |
| Europe | 76 | 16.4% | 42 | 11.3% |
| America | 143 | 30.9% | 80 | 21.8% |
| Asia | 30 | 6.5% | 16 | 4.4% |
| Africa | 31 | 6.7% | 42 | 11.3% |
| **Total** | **463** | **100.0%** | **368** | **100.0%** |

# Order backlog

Astaldi Group's order backlog at 30 September 2009 amounted to over EUR 9 billion, EUR 6.5 billion of which related to the construction sector and mainly to general contracting projects, and EUR 2.5 billion to the concessions/project finance sector. Said figures include new contracts totalling EUR 1.9 billion, mainly referring to Latin America (including Chile and Venezuela), Eastern Europe (Romania, Poland), and to new contracts in the transport infrastructures and renewable energy sectors, as well as increases in the contractual values of projects already in progress in Italy, the Middle East and Turkey (transport infrastructures, hydraulic works).

The resulting order backlog boasts an overall structure in keeping with the Group's commercial development policies, which have aimed at strengthening the Group's presence in areas where traditionally present and opening up new adjacent markets, and which are able to guarantee suitable diversification of activities. This results in an order backlog where 52% of activities refer to domestic projects while the remaining 48% refer to foreign activities, mainly in Latin America, Europe and Algeria.

As regards sectors, construction activities account for 73% of the total backlog. Transport infrastructures proved once again to be the key sector for the Group's operations (61% of the total backlog), followed by energy production plants (7%) and civil and industrial construction (5%). While the concessions sector accounts for 27%, also thanks to new renewable energy projects that go to complement what the Group has already achieved in the traditional urban and motorway transport infrastructures, healthcare construction and water sectors. The figures shown do not take into account the concession related to the Istanbul-Izmir motorway in Turkey for which the contract is still waiting to be made official.

For a better understanding of the type of contracts in progress, a brief description of the new contracts secured during the first nine months of the year can be found below. For more information regarding the type of orders already included among the backlog, please refer to Astaldi Group's financial statements at 31 December 2008. In brief, it must be remembered that the order backlog only includes contracts with public counterparties and EPC contractors of international standing, characterised by a high average value and technological and managerial content. The resulting quality of orders represent one of the Group's main assets which in the current macroeconomic situation characterised by so many uncertainties, translates into a real competitive advantage in which the Group plans to continue to invest in order to guarantee its leadership in the reference market that is already acknowledged at a working level.

**Chile, Pacific Hydro Chacayes S.A. -** One of the most important commercial successes recorded during the period concerns the subscription of a 27.3% share in **Pacific Hydro Chacayes S.A.**, the SPV (*Special Purpose Vehicle*) responsible for performing the project finance initiative to design and subsequently manage the Chacayes hydroelectric plant in the River Cachapoal Valley in Chile. Said share makes Astaldi a partner in the project finance initiative, with an investment value of USD 450 million, to manage Chile's most important hydroelectric project in progress to date. The plant, which is already under construction by Astaldi on the basis of an EPC contract worth USD 282 million secured in 2008, will boast a capacity of 111 MW and feature a complex water collection and supply system with 6 kilometres of tunnels, 7 kilometres of pipes and a electric power station with two 55.4 MW turbines. The expected annual production will stand at around 557GWh. In 2011, the plant's scheduled completion date, the SPV will enter the management phase in the capacity of owner of the rights related to use of the water for an unlimited period of time. A long-term trading contract already envisages that 60% of the energy produced will be sold within the Chilean energy market, while the remaining 40% will be assigned to the spot market. The overall investment for this new project finance initiative amounts to approximately USD 450 million, 50% of which is guaranteed by the SPV partners' equity, and USD 172 million of which is subscribed by a pool of four international banks while the remaining amount will be provided through a bridging loan. This project's value and potential are further reinforced by the fact that the Australian company Pacific Hydro, the project partner, is a leader in the renewable energy sector and currently committed to developing three other hydroelectric projects in the Cachapoal Valley area worth a total of over USD 1 billion, which will result in the construction of additional hydroelectric plants.

**Poland - Line 2 of the Warsaw underground -** The contract, entered into with Warsaw city authorities, 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 EUR 800 million (Astaldi has a 45% stake and is the project leader). 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 and a tunnel underneath the River Vistula. The use of three TBMs is envisaged in order to bore the tunnel sections. Delivery of the works is scheduled for 2013.

**Poland – NR8 National Road (Piotrków Tribunalski and Rawa Mazowiecka section) -** The contract to modernise a section of the NR8 national road in Poland is worth a total of PLN 1.4 billion, equivalent to EUR 350 million (Astaldi has a 40% stake and is the project leader). The works have been commissioned by Poland's National Roads and Motorways General Directorate and the planned duration of the works is 33 months, with 12 months calculated for the design phase due to be started up over the coming days. The contract involves the design and rehabilitation, with conversion into a fast-flowing dual carriageway, of 62 kilometres of the road called the NR8 running between Piotrków Tribunalski and Rawa Mazowiecka. The construction of 14 junctions (at staggered levels) and 59 major structures (including overpasses, bridges and viaducts) is also planned.

**Poland - Minsk Mazowiecki motorway bypass –** The contract, worth a total EUR 124 million (Astaldi has a 30% stake) involves the construction of a motorway bypass to the east of Warsaw in Poland. On the whole, the project involves the construction of 20 kilometres of bypass road with motorway features along National Road No. 2, for the section between Choszczowka and Ryczolek, as well as a series of works regarding interconnection of the local road network including 16 structures (viaducts and bridges). The works have been commissioned by Warsaw's General Directorate of National Roads and Motorways. Works are scheduled to commence in the second half of 2009 with an expected duration of just over 27 months.

**Romania – Bucharest-Constanta motorway (Medgida-Constanta section) –** The contract, worth a total of EUR 169 million, (Astaldi has a 60% stake) involves construction of the Bucharest-Constanta motorway in Romania for the section between Medgida and Constanta. The contract involves the design and construction of 32 kilometres of motorway including, among other things, the construction of 4 overpasses, 2 viaducts, 2 bridges and a junction. The works have been commissioned by Romania's National Motorway and Road Company. The works commenced during the first half of 2009 and are expected to be completed by the first half of 2011.

**Romania - Arad-Orodea national road –** The contract worth EUR 74 million involves the modernisation of 99 kilometres of road in Romania. Specifically, the contract involves the design and rehabilitation of a section of the DN79 national road between Arad and Orodea. The works have been commissioned by Romania's

National Motorway and Road Company. The works commenced during the first half of 2009 and are expected to be completed by the first half of 2011.

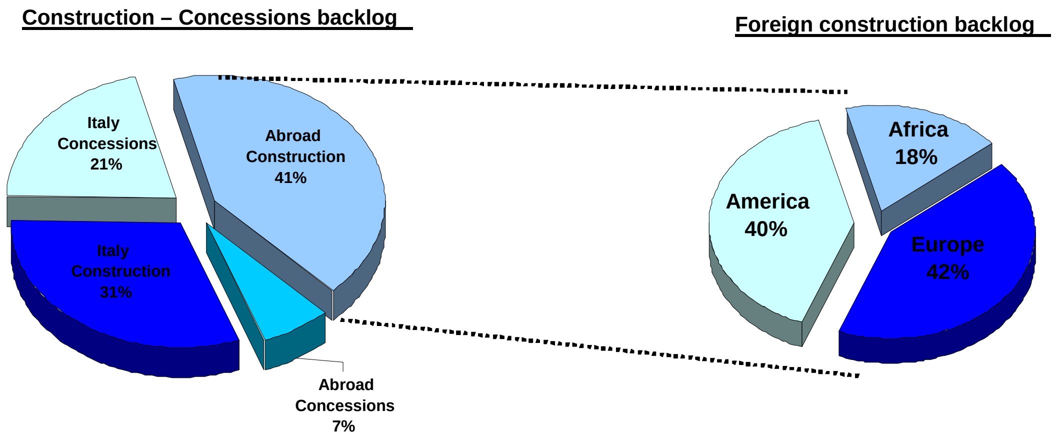
**Venezuela - Puerto Cabello-La Encrucijada railway –** Funding obtained by the government of the Bolivarian Republic of Venezuela made it possible to include in Astaldi Group's order backlog at 30 June 2009, a further *tranche* of the contract in progress to build the Puerto Cabello-La Encrucijada railway line, worth approximately EUR 300 million as regards Astaldi's stake. Indeed, it should be remembered that the prudential criteria adopted by the Group as regards the value of the order backlog means that solely signed contracts for which financial resources have already been allocated are included among the new orders. For more details regarding this project, please refer to the Group's financial statements at 31 December 2008.

**Peru, Huanza hydroelectric plant –** The contract worth USD 116 million (Astaldi has a 60% stake and is the project leader), involves performance of the civil works related to the Huanza hydroelectric plant in Peru. The plant will have a 90MW capacity and involve, inter alia, the construction of a 300,000 $m^3$ dam in RCC (*Roller Compacted Concrete*), a ten-kilometre tunnel, penstock, hydroelectric plant and switchyard. The works are scheduled to be completed within 29 months. The works have been commissioned by Minera Buenaventura, one of the country's leading mining operators.

**Nicaragua - Carretera Empalme de Lóvago-Empalme Pajaro Negro –** The contract, worth EUR 18 million, involves modernisation of two lots of the Empalme de Lóvago-Empalme Pajaro Negro road. The first lot (Tramo I.1) refers to a section measuring approximately 30 kilometres between Empalme de Lóvago and Puente Niscala while the second lot (Tramo I.2) refers to the following 31-kilometre section linking Puente Niscala to Empalme Pajaro Negro. The works have been commissioned by Nicaragua's Ministry of Transport and Infrastructures and funding by the BID (Banco Interamericano de Desarollo) is envisaged in order to perform said works. The expected duration of works is 480 days.

Pie charts showing a breakdown of the order backlog at 30 September 2009 by geographical area and sector can be found below.

*Order backlog according to geographical area and sector*




| *Order backlog according to geographical area (€/000,000)* | At 01/01/2009 | Increases | Decreases for production | At 30/09/2009 |
|---|---|---|---|---|
| **Italy** | **5,111** | **163** | **(615)** | **4,659** |
| **Abroad** | **3,346** | **1,741** | **(733)** | **4,354** |
| Europe | 930 | 814 | (168) | 1,576 |
| America | 1,658 | 829 | (376) | 2,111 |
| Africa | 706 | 50 | (94) | 662 |
| Asia | 52 | 48 | (95) | 5 |
| **TOTAL Order backlog** | **8,457** | **1,904** | **(1,348)** | **9,013** |

| *Order backlog according to sector (€/000,000)* | At 01/01/2009 | Increases | Decreases for production | At 30/09/2009 |
|---|---|---|---|---|
| Transport infrastructures, of which: | 5,291 | 1,285 | (1,069) | 5,507 |
| *Railways and undergrounds* | *3,892* | *781* | *(825)* | *3,848* |
| *Roads and motorways* | *1,264* | *434* | *(224)* | *1,474* |
| *Airports and ports* | *135* | *71* | *(20)* | *186* |
| Hydraulic works and energy production plants | 502 | 217 | (106) | 613 |
| Civil and industrial construction | 545 | 52 | (173) | 424 |
| Concessions | 2,119 | 350 | 0 | 2,469 |
| **TOTAL Order backlog** | **8,457** | **1,904** | **(1,348)** | **9,013** |

It should be remembered that on the basis of the prudential criteria adopted by the Group in relation to the inclusion of new orders among the backlog, the values related to the following still have to be included among new acquisitions: (i) preliminary assignment of the **concession to construct and subsequently manage the Istanbul-Izmir motorway** – a project which still has to be made official and which will be discussed in more detail further on (ii) appointment as sponsor for the **project finance initiative related to the construction and subsequent management of links between Ancona Port and the surrounding road network** for which the final outcome of the award procedure is pending, (iii) possible developments related to projects in progress in Venezuela (contract options) and Chile (exclusivity agreements) and, as regards Italy, (iv) expected developments in relation to extensions of major projects in progress in the underground sector.

Specifically, as regards preliminary assignment of the concession related to the BOT to construct and subsequently manage the **Istanbul-Izmir motorway** in **Turkey** which is nothing more than a step forward in implementing the Group's desire **to extend the concessions business abroad**. It should be remembered in this regard that said project involves an overall investment of approximately USD 6.4 billion against estimated concession revenues of USD 23 billion with the duration of the concession standing at 22 years and 4 months. The most important motorway works to date in Turkey involve the construction of 421 kilometres of new motorway linking Gebze, near Istanbul, to Izmir on Turkey's Aegean coast as well as a bridge over the Bay of Izmit. The consortium set up by Astaldi together with a group of local companies, each holding an equal share of 16.7%, will be responsible for performing the project. Astaldi's share will be included among the order backlog upon completion of the procedures to award the contract in question.

# Forecast development of operations

The first nine months of 2009 confirm the effectiveness of the growth strategy formulated by the management, the validity of which is confirmed by the macroeconomic situation in which these results have been achieved.
Indeed, the continuation of the crisis involving financial and real markets has not slowed down the consolidation and "logical" expansion of activities which, during the period, have resulted in the success seen in the opening up of new markets in Poland and Chile on the one hand, and in the strengthening of the Group's role in markets where traditionally present on the other. On the whole, the actions taken have ensured diversification of the risk profile of activities which, in macroeconomic situations such as the current ones, is developing into a competitive advantage of great value.
Therefore, Italy has contributed to the growth process with the performance of activities without any major problems thanks to the far-sighted focus of the Group's commercial interest on priority projects included within

the country's development policies. All the foreign areas where present have also played a part, confirming their significant contribution to the results for the period in question, both in terms of production and cash flow generated.

All of this is to be interpreted as the result of a set of strategic and commercial decisions formulated over the years which aim at generating optimisation of technical and human resources at a global level within an integrated system and sharing of know-how. This is supported and made possible thanks to a matrix organizational structure and quality procedures that are constantly applied and that allow for the individual processes and relative economic and equity components to be controlled in a stringent manner.

The result is balanced expansion of activities, backed up by an equity and financial structure which, even if placed under stress by the boost to growth given in recent years, does not fail to achieve management forecasts and is even able to support levels of growth in excess of planned levels.

Therefore, further consolidation of activities and the growth process is expected over the coming years that is set to last thanks to the "logical" selection of projects of interest applied over the years. Said selection facilitates the conversion of orders into revenues and earnings on the one hand, while on the other it lends the managed backlog a useful life which guarantees as of now most of the production forecast for the next five years.

Besides, the opening up of markets in Poland and Chile is nothing more than the result of a coherent strategic action aimed at improving the Group's competitive positioning in the five strategic areas of interest worldwide, and at "getting to know" adjacent markets able to offer new and interesting opportunities. And the successes achieved during the period, at both a commercial and operating level, corroborate and reinforce the growth opportunities and strategies drawn up by the Group for the coming years, making the set targets even more plausible.

Indeed, it should be recalled that Astaldi Group's 2009-2013 Business Plan, approved in May, aims to optimise: (i) the new opportunities in **Italy**, linked mainly to extensions of contracts in progress (for new underground lines in Rome, Naples and Milan), EXPO 2015 and additional planned investments to overcome the infrastructure gap which exists with the rest of Europe, ii) the projects to be undertaken in **Eastern Europe**, especially in the transport infrastructures and healthcare construction sectors, in light of the cohesion funds provided by the European Union, (iii) the new interesting opportunities arising in **Turkey** in addition to the numerous important projects in progress or about to be performed, especially in the healthcare and motorway concessions sector (iv) the opportunities that may arise in **Algeria** in relation to the investment plan recently approved by the local government, (v) in **Venezuela** where contractual options existing in relation to railway contracts in progress to date still have to be taken up and new additional projects that may come off in the transport infrastructure and healthcare sector, (vi) the new interesting opportunities in **Central America** which may arise in the transport and energy sectors.

Additional development opportunities may also arise from countries adjacent to said areas of interest, in situations offering a suitable socio-legislative framework and important commercial opportunities. Within this vision, projects of interest remain to be developed in: (i) **Poland**, where the Group is already working on three interesting contracts in the transport infrastructures sector, (ii) **Chile** which offers a reliable reference legislative framework and offers a growing demand for infrastructures in the renewable energy sector, (iii) **Peru** where the local government has recently approved interesting investments in the infrastructures sector.

The Group plans to operate in all these areas, including through strategic partnerships with operators of international standing, as in the specific case of Latin America, that are able to guarantee synergy and optimisation of resources as well as more intensive diversification of the risk profile of activities.

A further boost to the Group's growth may also come from focusing on the **concessions** sector. As regards the future, in addition to projects that are still under construction becoming fully operational, it is also aimed to obtain a greater contribution from the healthcare and urban transport sectors and to benefit from expansion of the concessions market in the **motorways** and **renewable energy** sectors in Italy and abroad, including through strategic partnerships with leading international operators.

Indeed, plans to invest in and diversify activities in this sector are continuing. This sector, while still being a sector which fits in subsequent to construction, shall benefit in the near future from the creation within Astaldi Group of a dedicated facility aimed at maximising and bringing to light the intrinsic value of these projects.

# Other information

## Alternative performance indicators

Astaldi's management assesses the economic and financial performance of the Group and business segments on the basis of some indicators not provided for in IFRSs.

Please find below, as required by Communication CESR/05 – 178b, a description of the components of each of said indicators.

*EBIT*: is equal to the result prior to taxation and financial income and charges, without any adjustments. Income and changes resulting from the management of non-consolidated equity investments and securities are also excluded from EBIT together with the results of any transfers of consolidated equity investments, included under the heading of "financial income and charges" in balance sheet statements, 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.

*EBITDA*: is obtained by eliminating the following elements from EBIT, as described above:

- amortisation and depreciation of intangible and tangible assets
- write-downs and provisions
- capitalisation of internal construction costs.

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

## Statement by the Executive appointed to draft corporate accounts

### *(pursuant to Art. 154-bis, paragraph 2 of Legislative Decree No. 58/1998)*

The undersigned, Paolo Citterio, Astaldi's General Manager-Administration and Finance, in his capacity as Executive appointed to draft corporate accounts, hereby declares, pursuant to art. 154-bis, paragraph 2 of Legislative Decree No. 58/1998 (Finance Consolidation Act) that the accounting information contained herein tallies with documents, ledgers and account entries.

Rome, 10 November 2009.

Signed by Paolo Citterio

(General Manager - Administration and Finance)

# Attachments

## Reclassified consolidated income statement

| €/000 | 30/09/09 | | 30/09/08 | | Q3 2009 | | Q3 2008 | |
|---|---|---|---|---|---|---|---|---|
| Revenues | 1,348,081 | 96.2% | 1,041,263 | 95.8% | 463,334 | 97.0% | 368,494 | 96.4% |
| Other operating revenues | 53,691 | 3.8% | 45,704 | 4.2% | 14,329 | 3.0% | 13,818 | 3.6% |
| **Total revenues** | **1,401,772** | **100.0%** | **1,086,967** | **100.0%** | **477,663** | **100.0%** | **382,312** | **100.0%** |
| Cost of production | (1,048,355) | -74.8% | (788,095) | -72.5% | (353,048) | -73.9% | (281,905) | -73.7% |
| **Added value** | **353,417** | **25.2%** | **298,871** | **27.5%** | **124,615** | **26.1%** | **100,407** | **26.3%** |
| Personnel costs | (176,664) | -12.6% | (156,136) | -14.4% | (57,577) | -12.1% | (51,814) | -13.6% |
| Other operating costs | (20,567) | -1.5% | (20,538) | -1.9% | (13,097) | -2.7% | (6,480) | -1.7% |
| **EBITDA** | **156,186** | **11.1%** | **122,197** | **11.2%** | **53,940** | **11.3%** | **42,113** | **11.0%** |
| Amortisation and depreciation | (32,963) | -2.4% | (29,920) | -2.8% | (11,614) | -2.4% | (10,341) | -2.7% |
| Provisions | (973) | -0.1% | (382) | 0.0% | 248 | 0.1% | | 0.0% |
| Write-downs | (3,000) | -0.2% | | 0.0% | (1,000) | -0.2% | | 0.0% |
| (Capitalisation of internal construction costs) | 838 | 0.1% | 566 | 0.1% | 431 | 0.1% | 174 | 0.0% |
| **EBIT** | **120,088** | **8.6%** | **92,460** | **8.5%** | **42,005** | **8.8%** | **31,946** | **8.4%** |
| Net financial income and charges | (52,360) | -3.7% | (38,017) | -3.5% | (16,691) | -3.5% | (16,644) | -4.4% |
| Effects of valuation of equity investments using equity method | 1,356 | 0.1% | (650) | -0.1% | 1,492 | 0.3% | (968) | -0.3% |
| **Pre-tax profit (loss)** | **69,084** | **4.9%** | **53,794** | **4.9%** | **26,806** | **5.6%** | **14,334** | **3.7%** |
| Taxes | (26,252) | -1.9% | (18,559) | -1.7% | (10,149) | -2.1% | (3,170) | -0.8% |
| **Profit (loss) for the year** | **42,832** | **3.1%** | **35,235** | **3.2%** | **16,658** | **3.5%** | **11,164** | **2.9%** |
| Minority (profit) loss | (1,761) | -0.1% | (3,040) | -0.3% | (1,156) | -0.2% | (97) | 0.0% |
| **Group net profit** | **41,071** | **2.9%** | **32,195** | **3.0%** | **15,502** | **3.2%** | **11,067** | **2.9%** |

## Reclassified consolidated balance sheet

| €/000 | 30 September 2009 | 31 December 2008 | 30 September 2008 |
|---|---|---|---|
| Intangible assets | 3,480 | 3,711 | 3,754 |
| Tangible assets | 310,295 | 272,198 | 267,002 |
| Equity investments | 92,555 | 53,252 | 56,827 |
| Other net fixed assets | 30,354 | 26,433 | 28,056 |
| **TOTAL Fixed assets (A)** | **436,683** | **355,594** | **355,639** |
| Inventories | 103,707 | 108,092 | 108,320 |
| Works in progress | 672,046 | 584,993 | 643,692 |
| Trade receivables | 34,356 | 34,984 | 33,962 |
| Accounts receivable | 654,256 | 481,781 | 454,927 |
| Other assets | 163,780 | 205,981 | 194,004 |
| Tax receivables | 86,709 | 89,138 | 87,684 |
| Advances from customers | (396,047) | (351,544) | (299,826) |
| **Subtotal** | **1,318,805** | **1,153,425** | **1,222,764** |
| Trade payables | (90,435) | (66,676) | (82,892) |
| Due to suppliers | (518,031) | (480,033) | (459,124) |
| Other liabilities | (267,615) | (203,642) | (189,300) |
| **Subtotal** | **(876,081)** | **(750,350)** | **(731,316)** |
| **Working capital (B)** | **442,724** | **403,074** | **491,448** |
| Employee benefits | (9,649) | (10,314) | (10,244) |
| Provisions for non-current risks and charges | (21,690) | (21,153) | (24,277) |
| **Total provisions (C)** | **(31,339)** | **(31,467)** | **(34,521)** |
| **Net invested capital ( D ) = ( A ) + ( B ) + ( C )** | **848,069** | **727,201** | **812,566** |
| Cash and cash equivalents | 374,320 | 333,759 | 319,516 |
| Current financial receivables | 16,278 | 17,346 | 11,393 |
| Non-current financial receivables | 2,423 | 2,423 | 2,423 |
| Securities | 4,168 | 4,901 | 5,810 |
| Current financial liabilities | (328,894) | (275,448) | (261,544) |
| Non-current financial liabilities | (563,817) | (478,308) | (553,916) |
| **Net financial payables/receivables ( E )** | **(495,521)** | **(395,327)** | **(476,319)** |
| Group equity | (345,692) | (325,327) | (329,519) |
| Minority equity | (6,856) | (6,547) | (6,728) |
| **Equity ( G ) = ( D ) - ( E )** | **352,547** | **331,874** | **336,247** |