INTERIM REPORT ON OPERATIONS AT 31 MARCH 2010 [1]

Astaldi, consolidated net profit up by 14%

- Total revenues up by 6.9% to EUR 460.7 million
- EBITDA: +10.5% to EUR 51.8 million, with the EBITDA margin up to 11.2%
- EBIT: +6.9% to EUR 39.4 million with an EBIT margin of 8.5%
- Net profit: +14% to EUR 14.7 million
- Order backlog of EUR 8.6 billion

- Net financial position of EUR 543.3 million

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Comments on the quarter's operating performance [2]

The results for the quarter just ended once again confirm that the complex situation of the financial and real markets has only partly slowed down the Group's consolidation and expansion which, further to what was embarked on during 2009, saw the definitive opening of three new markets (Chile, Poland, Peru), in addition to strengthening of the Group's role in markets where it is traditionally present (Italy, Turkey, Eastern Europe, Algeria, Latin America). The actions taken on the whole allowed for mitigation of the risk

[1] This unaudited Interim Report on Operations has been drafted pursuant to Article 154-*ter* of the Finance Consolidation Act.

[2] The calculation and recognition criteria used to draft the 2009 Annual Financial Report were taken into account while presenting the quarter in question, with the exception of the accounting standards and interpretations which came into force as of 1 January 2010 and already detailed in the aforementioned report. The application of these did not generate any effects during the quarter in question with the exception of the Interpretation entitled "Service Concession Arrangements" (hereinafter IFRIC 12). Application of IFRIC 12 generated effects, especially for the concessions where Astaldi is the direct stakeholder (hereinafter direct concessions), rather than ownership through associate companies, with regard to calculation and recognition of financial and equity items. Said effects shall be indicated in the comments for the quarter in question, but it must be immediately noted that there was an increase in financial assets (hereinafter credit rights from concession activities) following discounting back of unconditional contractual rights to receive cash and cash equivalents (hereinafter guaranteed cash flows) in relation to concession activities.

profile of activities thanks to geographical and product (concessions) diversification. In economic situations such as the current one, this represents an **extremely valuable competitive advantage**.

Therefore, the performance of Q1 2010 demonstrates once again **the effectiveness of choices regarding strategy and stabilisation and diversification of activities** implemented by the management.

Indeed, even though the first quarter of the year is traditionally subject to the effects of basically unfavourable conditions (a lower than annual average of working days), the figures for the quarter show **an increase in total revenues to EUR 460.7 million** (+6.9% compared to EUR 431.1 million at 31 March 2009). **Excellent earning levels were confirmed** with an **EBITDA margin which increased to 11.2%** and an **EBIT margin of 8.5%**, in relation respectively to EBITDA of EUR 51.8 million (+10.5% compared to EUR 46.9 million at 31 March 2009) and EBIT of EUR 39.4 million (+6.9% compared to EUR 36.8 million in Q1 of 2009). **Consolidated net profit amounted to EUR 14.7 million, up by 14%** (compared to EUR 12.9 million at 31 March 2009), with a **net margin which increased to 3.2%.** The **order backlog amounted to EUR 8.6 billion** (EUR 9 billion at 31 December 2009).

Given the level of production, **total net financial debt, excluding treasury shares, totalled EUR 543.3 million** at 31 March 2010 (EUR 422.7 million at 31 December 2009 and EUR 422.4 million at 31 March 2009), showing an increase compared to the figure at the end of 2009, **yet an increase whose dynamics were fully envisaged** given that, if compared, the current figure is penalised by the excellent performance recorded at the end of 2009 for this variable. Moreover, it should be recalled that net financial debt typically witnesses an increase in the first and third quarters due to the seasonal nature of the financial cycle and also as a result of allocation of funds by public clients.

Please refer to the paragraphs below for more information regarding the changes which occurred during the quarter with regard to this and other equity items, as well as for the main economic items which contributed to the quarter's results.

Consolidated economic results at 31 March 2010

Main consolidated economic results (EUR/000)	31 March 2010	%	31 March 2009	%	YOY difference (%)
Total revenues	460,726	100.0%	431,153	100.0%	+6.9%
EBITDA	51,819	11.2%	46,883	10.9%	+10.5%
EBIT	39,385	8.5%	36,844	8.5%	+6.9%
Net financial income and charges	(16,182)	(3.5%)	(15,888)	(3.7%)	+1.8%
Pre-tax profit	23,919	5.2%	21,370	5.0%	+11.9%
Group net profit	14,702	3.2%	12,902	3.0%	+14.0%

The accounts for the first quarter of the year reflected **the positive trend of projects in progress** in both Italy and abroad.

Total revenues increased by 6.9%, totalling EUR 460.7 million (EUR 431.1 million in Q1 2009) thanks to the contribution of **EUR 441.8 million of operating revenues** (+6.9% compared to EUR 413.5 million at 31 March 2009) and **EUR 18.9 million of other operating revenues** (+6.9% compared to EUR 17.7 million in Q1 2009)[3]. Said figures are even more interesting if we consider that the income statement for the quarter shows the effects of devaluation of the *bolívar fuerte*, performed by the Venezuelan government in January 2010, which led to a drop in the volume of revenues expressed in euros, even though it did not have any significant effect on the result thanks to provisions made in previous financial statements. For more information regarding the consequences of said decision on Astaldi Group's activities, please refer to the Management Report contained in Astaldi's 2009 Statutory and Consolidated Financial Statements.

When examining the quarter's results, operating revenues showed suitable diversification of the risk profile related to activities, confirming the **strengthening of foreign activities accompanied by a significant contribution from the domestic sector**: 44.6% of operating revenues, equal to EUR 197 million (EUR 215 million in Q1 2009) were generated in Italy while the remaining 55.4%, i.e. EUR 245 million (EUR 198 million in Q1 2009) were generated abroad, mainly in the Rest of Europe (Turkey, Eastern Europe) and Latin America.

Transport infrastructures confirmed its key role for the Group's activities, accounting for 80.1% of operating revenues, equal to EUR 354 million at 31 March 2010 (EUR 316 million for the same quarter of 2009). **Significant contributions also came from the energy production plants and renewable energy sectors** (16.5%, equal to EUR 73 million at 31 March 2010 compared to EUR 27 million in Q1 2009), **as well as civil and industrial construction** (3.4%, equal to EUR 15 million at 31 March 2010 compared to EUR 70 million in Q1 2009). It should be remembered that income generated from management of the new hospital in Mestre does still not feature among accounts; indeed, the accounting standards adopted do not make the contribution from said concession project visible in the revenues structure and interim margins – the stake held by Astaldi in Veneta Sanitaria Finanza di Progetto S.p.A., the SPV set up for this project is below the limits set for balance sheet consolidation.

While still looking at revenues, it must be noted that the major contribution to the quarter's results as regards domestic activities came from the major projects in progress in the railway, underground and motorway sectors and specifically **the Turin rail junction** and **the Bologna Centrale High-Speed Station** (which had already recorded an extremely positive operating performance during the previous year), the new **underground lines in Rome, Milan and Brescia** and, last but not least, the **two lots of the Jonica National Road (SS106)** under construction by Astaldi. While as regards foreign activities, positive contributions to the quarter's level of production mainly came from projects in progress in **Eastern Europe** (railways and motorways in **Romania**

[3] While calculating and recognising revenues pursuant to IFRIC 12, the margin related to direct concessions still under construction was taken into account, including at a comparative level, as provided for in the reference standard.

and **Poland**), **Turkey** (undergrounds, bridges), **Algeria** (railways, motorways), **Chile** (renewable energy) and **Central and South America** (railways, roads, energy production plants). Specifically, as regards foreign activities, note must be taken of the good trend of activities in Turkey especially as regards the **Istanbul underground** where tunnel excavation activities were virtually completed during the quarter in question (indeed, at the report date, 88.5% of excavation of natural tunnels and 79.2% of excavation using TBMs had been performed, with an average capacity of 22 metres per day for the two TBMs used for the project). It remains true that the results achieved by the Group at a consolidated level reflect the management's strategic aim of maintaining useful production levels for each geographical area such as to ensure balanced and well-diversified expansion of activities, backed up by a coherent level of invested capital. The additional diversification of activities, seen from 2009 with the opening of new markets in Chile, Poland and Peru, is to be considered in this light.

A concise breakdown of operating revenues for the quarter in question according to geographical area and sector may be found below.

Operating revenues according to geographical area (EUR/000,000)	31 March 2010	%	31 March 2009	%
Italy	197	44.6%	215	52.1%
Abroad	245	55.4%	198	47.9%
Europe	108	24.4%	31	7.5%
America	112	25.3%	97	23.5%
Asia	(2)	(0.5)%	38	9.2%
Africa	27	6.1%	32	7.8%
Total	442	100.0%	413	100.0%

Operating revenues according to sector (EUR/000,000)	31 March 2010	%	31 March 2009	%
Transport infrastructures	354	80.1%	316	76.5%
Hydraulic works and energy production plants	73	16.5%	27	6.5%
Civil and industrial construction	15	3.4%	70	16.9%
Total	442	100.0%	413	100.0%

In relation to activities performed during the quarter, the **cost structure reflected the increase in activities** seen mainly abroad and, at the same time, the order backlog's increasing focus on general contracting projects involving the railway/underground sector where the use of outsourcing and joint ventures for contract management is more common.

The **cost of production** amounted to EUR 342 million (74.2% of total revenues) which was equal to a 6.7% increase if compared to EUR 320.5 million for the same quarter of 2009. **Personnel costs** totalled EUR 61 million (13.2% of total revenues) against a more limited increase for the quarter of 1.9% (EUR 59.9 million in Q1 2009). **Other operating costs** amounted to EUR 5.9 million (1.3% of total revenues), up by EUR 2 million in absolute terms compared to EUR 3.9 million at the end of Q1 2009.

Excellent earning levels were confirmed for the quarter in question, in keeping with the results already recorded for some years now for Astaldi Group's overall activities, in Italy and abroad, thanks to the high quality of the order backlog. **The EBITDA margin stood at 11.2%**, generating in turn an **EBIT margin of 8.5%**, in relation to EBITDA (gross operating margin) of EUR 51.8 million (+10.5% compared to EUR 46.9 million at 31 March 2009) and EBIT (operating result) of EUR 39.4 million (+6.9% compared to EUR 36.8 million at 31 March 2009).

The validity of these results is backed up by the fact that the quarter's accounts include conservative whole-life provisions for projects in progress, aimed at preventing any reductions in margins. Proof of this can be seen in the fact that, even given the major devaluation of the Venezuelan bolivar, the Group's accounts for the quarter were only marginally affected by this event since it was already included in previous years' results. Indeed, it should be remembered that the accounting criteria the Group adopts in order to enter the economic results of projects are based on the cost to cost method (standardisation of the whole life margin of contracts), and that thanks to the conservative policies the Group has always adopted, provisions to hedge operating and currency risks are introduced during review of the overall budget. Therefore, quarterly results take into account said provisions even if, at the same time, it is important to note that: (i) almost all the contracts in progress in foreign countries have price escalation clauses; (ii) calculation of contract revenues is generally based on a dual currency component (local currency and strong currency – generally speaking the euro); (iii) as regards contract management, the local currency covers the costs in local currency (which represent most of the total costs), while the strong currency covers the costs in strong currency and determines the relative profit which, therefore, is in euro.

Looking once more at account figures, it must be noted that **financial operations recorded net financial charges of EUR 16.2 million** at 31 March 2010, which is equal to a 1.8% increase compared to EUR 15.9 million for Q1 2009, showing a trend in keeping with the forecasts for this income statement item for the first part of the year [4].

[4] While calculating and recognising financial income and charges pursuant to IFRIC 12, the discounting back effects of guaranteed cash flows and financial debt charges in relation to direct concessions were taken into account, including at a comparative level.

This resulted in **pre-tax profit of EUR 23.9 million** at 31 March 2010, up by 11.9% compared to EUR 21.4 million at 31 March 2009. **Group net profit also increased, showing a 14% increase and amounting to EUR 14.7 million** at 31 March 2010 (EUR 12.9 million at 31 March 2009) with a net margin of 3.2% and an estimated tax rate of 38%.

Consolidated equity and financial results at 31 March 2010

Main consolidated financial and equity results *(EUR/000)*	31 March 2010	31 December 2009	31 March 2009
Net fixed assets	453,617	459,099	376,157
Working capital	545,731	406,369	441,336
Total provisions	(33,360)	(33,364)	(31,628)
Net invested capital	965,989	832,104	785,865
Net total financial debt	(547,733)	(427,921)	(428,293)
Equity	418,256	404,183	357,572

The **Group's overall equity and financial structure** for the quarter in question **reflected the effects of consolidation of the Astaldi's role** in Italy and abroad, **as well as the** resulting guaranteed **support for production** for all activities in progress.

Net fixed assets totalled EUR 453.6 million (EUR 459.1 million at 31 December 2009 and EUR 376.2 million at the end of Q1 2009), with a trend for the first three months of 2010 that confirms the balance achieved, which provides for hedging of investments in technical resources through self-financing generated by amortisation and depreciation [5].

Working capital amounted to EUR 545.7 million (EUR 406.4 million at 31 December 2009 and EUR 441.3 million for Q1 of the same year), recording an increase in absolute terms of approximately EUR 139 million during the first three months of the year. The figures for the quarter were basically calculated by taking the **increase seen in works in progress** at the date in question – equal to EUR 762.9 million at 31 March 2010 (EUR 648.6 million at 31 December 2009 and EUR 677.8 million for Q1 of the same year) mainly related to activities performed in Italy (undergrounds) and abroad (Turkey, Algeria, Central and South America) – and **accounts receivable equal to EUR 649.6 million** (down compared to EUR 683.5 million at 31 December 2009, but up on EUR 527.1 million at the end of Q1 of the same year). These trends are to be attributed to the fact as regards the figures shown, if on the one hand they fully reflect the support guaranteed in recent years

[5] While calculating and recognising fixed assets pursuant to IFRIC 12, the effects related to adjustment of freely transferable assets in relation to direct concessions were taken into account, including with reference to the equity situation at 31 December 2009 and 31 March 2010.

to projects in progress, on the other hand they do still not take into account payments expected for some foreign projects in progress. Specifically, as regards activities in progress in Venezuela, it should be noted that in April, the President of the Republic approved expenditure to cover the railway projects in progress. This will make it possible to restore the financial balance of said projects in the short-term, bringing the levels of invested capital to lower limits. Lastly, it is important to note that the working capital trend, on a quarterly basis, is traditionally penalised during the first quarter by the payment cycle of local administrations that often adopt expenditure management policies which see the speeding up of payments during the second and fourth quarters in order to prevent the peremption of sums allocated in budgets.

On the whole, the **increase in activities and working capital trend justified the increase in net invested capital** which totalled EUR 966 million at 31 March 2010 (compared to EUR 832.1 million at 31 December 2009 and EUR 785.9 million at 31 March of the same year), recording an increase of approximately EUR 134 million during the quarter.

Equity increased and totalled EUR 418.3 million at 31 March 2010 (compared to EUR 404.2 million at 31 December 2009 and EUR 357.6 million at the end of Q1 2009). This was mainly due to the dynamics of the quarter's results and suspended economic items entered in the overall income statement [6].

Equity thus calculated, when compared to net invested capital, showed an **overall net financial debt of EUR 547.7 million at 31 March 2010** (compared to EUR 427.9 million at 31 December 2009 and EUR 428.3 million for Q1 of the same year), up on the figure at the end of 2009 **yet said dynamics were fully envisaged** due to the seasonal effects as detailed above [7]. Therefore, a high and constant focus on the part of the management with regard to this variable was confirmed, with it generating **an overall net financial position, excluding treasury shares**, at 31 March 2010, **of EUR (543.3) million** – compared to EUR (422.7) million at 31 December 2009 and EUR (422.4) million at 31 March 2009. Said difference can be mainly attributed to the trend of projects in progress which, in this phase, witnessed a major absorption of working capital which, as already mentioned, is expected to return to standard levels by the end of the financial year. It must also be remembered that investments in the project finance sector continued during the quarter in question, as provided for in the Group's development plan.

[6] Equity also increased due to the effects of introduction of IFRIC 12 which was also taken into account when recalculating comparative figures for March and December 2009.

[7] When calculating net financial debt, the increase in financial receivables resulting from direct concessions and reflected in the net financial position were taken into account.

Net financial position

	EUR/000		31/03/10	31/12/09	31/03/09
A	Cash and cash equivalents		291,304	444,138	285,793
B	Securities held for trading		3,532	4,175	5,718
C	**Available funds**		**294,836**	**448,312**	**291 ,511**
D	**Financial receivables**		**29,481**	**21,789**	**21,091**
E	Current bank payables		(293,910)	(334,442)	(281,405)
F	Current share of non-current debt		(36,485)	(20,430)	(15,416)
G	Other current financial payables		(10,966)	(11,111)	(7,660)
H	**Current financial debt**		**(341,360)**	**(365,983)**	**(304,482)**
I	**Net current financial debt**		**(17,043)**	**104,118**	**8, 120**
J	Non-current bank payables		(575,885)	(571,450)	(458,817)
K	Other non-current payables		(4,507)	(4,950)	(13,302)
L	**Non-current financial debt**		**(580,392)**	**(576,400)**	**(472,119)**
M	**Net financial debt**		**(597,435)**	**(472.282)**	**(463,999)**
N	**Credit rights from concession activities**		**49,703**	**44,361**	**35,705**
O	**Total financial debt**		**(547,733)**	**(427,921)**	**(428,293)**
	Treasury shares on hand		4,382	5,172	5,905
	Total net financial position		**(543,350)**	**(422,749)**	**(422,388)**

The Group's financial structure remains focused on the medium/long-term with the first significant deadline scheduled for 2013. Moreover, it must be recalled that given the specific current situation of the credit markets, the Group subscribed a syndicated loan of EUR 110 million in July 2009 which made available new medium-term financial resources at extremely advantageous conditions. Please refer to the dedicated section of the Group's 2009 Consolidated Financial Statements for information regarding the conditions and covenants of this and other loans taken out by the Group.

The debt/equity ratio at 31 March 2010 stood at 1.3 with a corporate debt/equity ratio of approximately 1.1 (calculated by excluding the share of debt related to concession/project finance activities insofar as without recourse/self-liquidating). The share of invested capital used for project finance initiatives amounted to approximately EUR 130 million, referable to equity paid into healthcare construction and underground projects, construction costs for car parks under concession as well as equity investments for the concession related to the Chacayes hydroelectric plant in Chile.

Order backlog at 31 March 2010

Astaldi Group's order backlog at 31 March 2010 amounted to approximately EUR 8.6 billion, of which EUR 6.1 billion for construction activities, mainly general contracting projects, and the remaining EUR 2.5 billion to the concession/project finance sector.

The backlog's overall structure is in keeping with the focus of the Group's development policies on strategic balancing of activities in the various areas it operates in. Indeed, it must be remembered that Astaldi Group has been striving to consolidate its role in areas where traditionally present for some years now, ensuring at the same time suitable diversification of the overall risk profile of activities. If said strategy led to the opening of three new markets (Chile, Poland, Peru) during 2009, it is envisaged that opportunities which present themselves in markets adjacent to those where traditionally present (Panama, Brazil) will be looked at with greater interest over the coming years. The Group's desire to keep invested capital under levels of attention, and hence the share of order backlog referable to each individual area where present, remains unchanged.

In keeping with 2009 figures, the order backlog during the quarter is equally distributed among activities in Italy and activities abroad.

Indeed as regards the order backlog at 31 March 2010, 52% of activities referred to the domestic market (EUR 4,452 million compared to EUR 4,647 million at 31 December 2009), while the remaining 48% (equal to EUR 4,191 million compared to EUR 4,384 million at 31 December 2009) referred to foreign projects, mainly in Eastern Europe, Turkey, Central and South America and Algeria.

From a sector viewpoint, as in the past, construction activities prevail among the backlog, equal to 71.4% of the Group's total orders at 31 March 2010. Specifically, said figure comprised EUR 5,416 million from transport infrastructures (63% of the total backlog), EUR 415 million from civil and industrial construction (5%) and EUR 343 million from energy production plants and renewable energy (4%). On the whole, all these projects offer an average duration of 4.5 years, with Italy accounting for EUR 2,577 million and the remaining EUR 3,597 referring to foreign projects (mainly Turkey, Eastern Europe, Central and South America, Algeria and the Middle East).

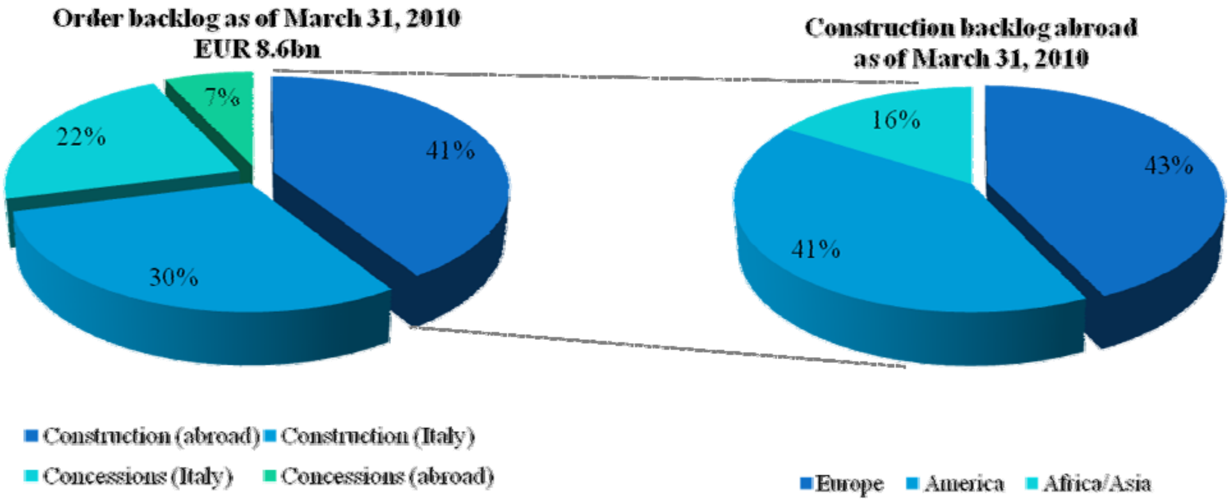
In addition to construction activities, the order backlog at 31 March 2010 also comprised EUR 2,469 million of concession initiatives (28.6% of overall activities), EUR 1,875 million of which refer to the domestic market (in the urban transport infrastructures, healthcare construction and car parks sectors) and the remaining EUR 594 million to the foreign market (renewable energy and water in Chile and Honduras respectively). The figures shown do still not include the concession for the Gebze-Izmir motorway in Turkey (which was preliminarily assigned in July 2009 and for which finalisation of the contract is pending) and the concession for the Ancona Port links to the surrounding road network (which sees Astaldi as sponsor pending the final outcome of the award procedure). As regards all other concession projects, the figures for management quota included in the backlog are to be taken as the discounted back value of concession revenues related to Astaldi's stake.

It must be recalled that the figures calculated in this manner, with regard to the concessions sector, and especially to activities performed through associate companies, are not reflected in the financial statements since, in accordance with the reference accounting standards, the stakes held in said projects do not always allow for line-by-line or proportional consolidation. In this case the effect is therefore limited to entry among financial operations under the heading "Effects of valuation of equity investments using equity method".

For more information regarding the individual contracts included among the overall backlog, please refer to the Management Report contained in Astaldi's 2009 Statutory and Consolidated Financial Statements. Lastly, it must be recalled that the backlog only includes contracts with public counterparties and EPC contractors of international standing, characterised by a high average value and technological/managerial content. The consequent quality of orders represents one of the Group's main assets which results in a genuine competitive advantage, given the highly uncertain macroeconomic situation that Astaldi plans to continue to invest in so as to ensure its leadership in the reference market which is already acknowledged at an operating level.

Please find below pie charts showing a breakdown of the order backlog at 31 March 2010 according to geographical area and sector.

Breakdown of the order backlog according to geographical area and sector



Order backlog (EUR/000,000)		At 01/01/2010	Increases	Decreases for production	At 31/03/2010
Italy		4,647	2	(197)	4,452
Abroad		4,384	52	(245)	4,191
	Europe	1,667	8	(108)	1,567
	America	2,124	44	(112)	2,056
	Africa	591	0	(27)	564
	Asia	2	0	2	4
Order backlog		9,031	54	(442)	8,643

Order backlog (EUR/000,000)	At 01/01/2010	Increases	Decreases for production	At 31/03/2010
Transport infrastructures	5,724	46	(354)	5,416
of which:				
Railways and undergrounds	*4,095*	*2*	*(268)*	*3,829*
Roads and motorways	*1,491*	*44*	*(80)*	*1,455*
Airports and ports	*138*	*0*	*(6)*	*132*
Hydraulic works and hydroelectric plants	416	0	(73)	343
Civil and industrial construction	422	8	(15)	415
Concessions	2,469	0	0	2,469
Order backlog	9,031	54	(442)	8,643

The order backlog only includes differences related to orders in relation to which contracts have been entered into. If the truth be stated, commercial activities carried out are providing extremely positive feedback for which it is envisaged during the year that the flow of new orders may be in line with the level achieved in previous years.

Indeed, it should be remembered that on the basis of the conservative 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 Gebze-Izmir motorway in Turkey, for which relative formalisation of the contract is pending (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 Italy and abroad (undergrounds, railways and water).

Specifically, as regards the concession for the Gebze-Izmir motorway in Turkey, said project envisages a total estimated investment equal to USD 6.4 billion against estimated concession revenues of USD 23 billion, with concession duration of 22 years and 4 months. It must also be remembered that in addition to the significant values related to said concession, the project stands out due to the fact that it will represent the most important motorway project ever carried out in Turkey, it will be the first approved infrastructure concession initiative in this area and it will entail, inter alia, the construction of one of the longest suspension bridges in the world. The project will be performed by a group comprising Astaldi and five other local companies, each holding an equal stake. The share referring to the company's stake shall be included in the consolidated order backlog upon termination of the procedure to award the tender, which is expected to be completed by the end of 2010.

Foreseeable trend of operations and subsequent events

In light of the results already achieved during the quarter just ended, it is envisaged that new interesting challenges will be taken up over the coming years, in both Italy and abroad.

Specifically, the management will lend a major focus over the coming months to finalisation of the new business plan, which while carrying on from the current plan, will introduce changes, which have mostly been disclosed to the financial market, that will make it possible to make explicit the major efforts spent in recent years as regards diversification in the concessions sector.

Indeed, the new plan will allow the Group to implement a new organisational structure, granting the concessions sector a greater legal, economic and financial identity. Said concessions, while remaining an integrated sector which follows on from construction activities, will benefit in the near future from the setting up of a dedicated holding concession company. The aim behind this is to maximise and bring out the strategic, financial and economic value of projects in progress as well as future development opportunities which, at the present moment, are already real opportunities, in both the motorway and energy sectors.

Besides the changes which the new business plan will introduce for the concessions sector, the specific focus on financial equilibrium is confirmed which, despite the increase in debt during the first quarter of the year, sets the goal of significantly improving said indicator over the coming months. This will allow the Group to take a first important step towards rebalancing the financial structure, which will form the basis of the future development plan, and pursuing a balance system of sources, which also provides for an overall review of the average life of debt in order to bring it into line with the economic cycle of investments. In any case, it is important to note that the current medium/long-term financial debt structure sees the first important repayment scheduled for 2013.

As regards the construction sector, the Group's human and industrial resources will be focused on performing major contracts in progress in Italy (mainly undergrounds, railways, motorways) and abroad (railways, undergrounds, energy production plants) over the coming months. From a contractual viewpoint, specific focus will be given to projects which presented critical issues during 2009, such as the Police Officers' Academy in Florence, Italy. Indeed, as far as this project is concerned, it must be recalled that on 1 February 2010, the Client notified exercise of the right to withdraw from the two contracts – one for each of the two lots comprising the work – for its own reasons which do not depend on the company (a withdrawal which followed on from the suspension of works ordered by the Client in May 2009). In a note dated 2 March 2010, the Client, in light of the opinions given by the State Legal Advisory Service, announced its decision not to exercise the right of withdrawal from the contracts and retracted the notification dated 1 February 2010. At the specific request of the Contractor, the Client clarified that the State Legal Advisory Service did not consider the right of withdrawal from the contracts in question to be applicable in this case and specified that there were not the conditions needed to question the validity of the contracts entered into with Astaldi. On the basis of this new decision, it would seem reasonable to presume that works shall recommence as from this financial year. However, the actual recommencement of works will only be possible subsequent to definition of the technical and financial issues which caused the works to be suspended.

While as regards foreign activities, major efforts will be focused on the projects in progress in markets where the Group is traditionally present (Turkey, Eastern Europe, Algeria, Latin America), as well as the more recently acquired markets in Poland, Chile and Peru. Said activities on the whole will be aimed at ensuring increasingly marked diversification of the risk. Indeed, there will be an increase in the contribution to production from Turkey, as well as from Chile (to offset the already planned repositioning of activities in Venezuela) and from Poland (to ensure greater diversification of activities in Eastern Europe). In this regard, it is important to confirm Astaldi Group's commercial and operating interest in Poland which, even if recently hit by the tragedy involving several of the country's senior politicians, offers an economy characterised by good fundamentals and enjoys the trust of foreign investors. A new boost for the country's growth may also come from EU funds allocated to this area – EUR 81 billion until 2013, of which EUR 25 billion for infrastructures alone (for upgrading of the railway network and watercourses) –, which represent a unique opportunity for Poland's modernisation. Additional opportunities may also arise from investments expected to be made by 2012 in order to carry out works (transport infrastructures, stadiums) to be performed in view of the European Football Championships, as well as to develop the energy and environment sector (renewable sources). More generally speaking, it is important to note that in all the areas where present (new and traditional), and specifically Latin America, Astaldi Group also plans to operate by establishing strategic partnerships with leading international operators able to guarantee synergy and optimisation of resources employed as well as even more marked diversification of the risk profile of activities.

The major boost to growth shall entail **increasing focus by the management on handling financial sources and flows as well as invested capital**, a necessary condition for ensuring the financial sustainability of growth.

Marginal notes

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, listed below.

EBIT: is equal to the result prior to taxation and financial income and charges, without any adjustments. The following are excluded from EBIT: (i) income and changes resulting from the management of non-consolidated equity investments and securities; (ii) 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 from EBIT, excluding (i) amortisation and depreciation of intangible and tangible assets; (ii) write-downs and provisions; (iii) capitalisation of internal construction costs.

Debt/Equity Ratio: is provided by the ratio between the net financial position – drafted in accordance with the CESR model (Committee of European Securities Regulators) – and equity (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, 12 May 2010

Paolo Citterio

General Manager – Administration and Finance

Attachments

Reclassified consolidated income statement

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

EUR/000	31/03/10	%	31/03/09	%
Revenues	441,810	95.9%	413,462	95.9%
Other revenues	18,916	4.1%	17,691	4.1%
Total revenues	460,726	100.0%	431,153	100.0%
Costs of production	(341,958)	-74.2%	(320,514)	-74.3%
Added value	118,768	25.8%	110,639	25.7%
Labor costs	(61,025)	-13.2%	(59,862)	-13.9%
Other operating costs	(5,923)	-1.3%	(3,893)	-0.9%
EBITDA	51,819	11.2%	46,883	10.9%
Amortizations	(12,648)	-2.7%	(10,242)	-2.4%
(Capitalization of internal construction costs)	213	0.0%	202	0.0%
EBIT	39,385	8.5%	36,844	8.5%
Net financial charges	(16,182)	-3.5%	(15,888)	-3.7%
Effects of evaluation of investments using the equity method	716	0.2%	414	0.1%
Profit (Loss) before taxes	23,919	5.2%	21,370	5.0%
Taxes	(8,988)	-2.0%	(8,120)	-1.9%
Profit (loss) for the period	14,931	3.2%	13,249	3.1%
Minorities	(229)	0.0%	(347)	-0.1%
Group net income	14,702	3.2%	12,902	3.0%

Reclassified consolidated balance sheet

RECLASSIFIED CONSOLIDATED BALANCE SHEET

EUR/000	March 31 2010	December 31 2009	March 31 2009
Intangible fixed assets	3,857	3,998	4,376
Tangible fixed assets	318,330	319,959	284,838
Equity investments	103,787	103,269	64,110
Other net fixed assets	27,642	31,874	22,832
TOTAL FIXED ASSETS (A)	453,617	459,099	376,157
Inventories	87,659	90,316	95,933
Contracts in progress	762,893	648,626	677,815
Trade receivables	40,532	29,607	26,658
Accounts receivables	649,637	683,536	527,115
Other assets	158,612	158,187	182,949
Tax receivables	87,459	78,391	76,960
Advances from customers	(353,908)	(382,905)	(371,520)
Subtotal	1,432,885	1,305,757	1,215,910
Trade payables	(103,960)	(90,034)	(64,268)
Due to suppliers	(516,937)	(543,639)	(494,777)
Other payables	(266,256)	(265,716)	(215,530)
Subtotal	(887,153)	(899,389)	(774,575)
Working capital (B)	545,731	406,369	441,336
Employee benefits	(9,586)	(9,555)	(10,578)
Provisions for non-current risks and charges	(23,774)	(23,809)	(21,050)
Total funds (C)	(33,360)	(33,364)	(31,628)
Net invested capital (D) = (A) + (B) + (C)	965,989	832,104	785,865
Cash and cash equivalents	291,304	444,138	285,793
Current financial receivables	16,475	19,371	18,368
Non-current financial receivables	13,007	2,418	2,723
Securities	3,532	4,175	5,718
Current financial liabilities	(341,360)	(365,983)	(304,482)
Non-current financial liabilities	(580,392)	(576,400)	(472,119)
Net financial liabilities / receivables (E)	(597,435)	(472,282)	(463,999)
Financial receivables coming from concessions	49,703	44,361	35,705
Total financial liabilities / receivables	(547,733)	(427,921)	(428,293)
Group net equity	(399,761)	(385,918)	(352,063)
Minority equity	(18,495)	(18,265)	(5,509)
Net equity (G) = (D) - (E)	418,256	404,183	357,572