INTERIM REPORT ON OPERATIONS AT 31 MARCH 2011 [1]

- **Excellent levels of growth in revenues and significant margins confirmed**
  - **Total revenues of EUR 511 million (+10.1%** YOY)
  - **EBITDA margin of 11%,** with EBITDA of EUR 56.3 million (+7%)
  - **EBIT margin of 8.7%,** with EBIT of EUR 44.3 million (+10.7%)
  - **Major increase in net profit to EUR 17.3 million** (+17.8%)

- **Total net financial position of EUR 527.6 million, in keeping with management forecasts,** mainly thanks to the intensification of concession investments

- **Order backlog of EUR 9.03 billion,** with over EUR 500 million of new contracts

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

Contents

Introduction

This Interim Report on Operations has been drafted on the basis of the measurement and recognition criteria used to draft the 2010 Annual Financial Report.

Astaldi Group has decided, as from 2011, to apply the proportionate criterion for consolidation of jointly-controlled companies instead of equity-based consolidation so as to achieve better representation of the results obtained. This takes into account both concession projects and general contracting projects performed through joint ventures, including partnerships with industrial partners which, to date, take on an ever increasing value thanks to their strategic role in the Group's activities. The proportionate consolidation criterion has also been adopted taking into account the envisaged changes in relation to the accounting standard IAS-31, already published in "near final draft" format by the IASB (International Accounting Standards Board).

The choice of the new accounting criterion has not generated any adjustments of the economic result and equity for 2010, in terms of restatement of past quarter results used for comparative purposes. Indeed, the switch to the aforementioned accounting criterion, given that it generates analytical consolidation albeit proportionate, only results in different representation of economic and equity values compared to the representation obtained with concise consolidation using the equity method.

However, in order to allow for comparison of the quarter's figures, the economic and equity values affected by the change in criterion and related to the past quarters have been shown separately herein. For more information, please refer to the statements of reconciliation of the relative figures attached hereto.

Comments on the quarter's operating performance [2]

Astaldi Group ended the **first quarter with a growth in results**, mainly thanks to the intensification of activities in Italy (transport infrastructures, civil construction) and abroad (water and energy, transport infrastructures) and to recently acquired contracts (transport infrastructures, industrial construction) entering the full operation phase. From a financial viewpoint, the figures reflect the quarterly trend with an increase typical for the early part of the year and recorded in each first quarter and followed by a drop to lower levels during the year despite a growth in production. The result is **a level of debt in keeping with management forecasts** and with strategic planning, which also takes into account the major investments made in the concessions sector, both of a financial nature and to support specific working capital.

Total revenues at 31 March 2011 at a Group level **increased to EUR 511 million** (+10.1% YOY, compared to EUR 464 million at 31 March 2010), with significant levels of earnings: the **EBITDA margin stood at 11%** and the **EBIT margin at 8.7%**, in relation respectively to EBITDA which increased to EUR 56.3 million (+7%, EUR 52.6 million at 31 March 2010) and EBIT which rose to EUR 44.3 million (+10.7%, EUR 40 million at 31 March 2010). EBT totalled EUR 27.8 million (+14%, EUR 24.3 million for Q1 2010) and generated **an increase in net profit of 17.8% to EUR 17.3 million** (EUR 14.7 million at 31 March 2010), with a net margin of 3.4%.

The order backlog amounted to EUR 9.03 billion, with over EUR 500 million of new orders and contractual increases secured during the first quarter of the year. The construction backlog stands at EUR 6.07 billion, with an average life of 3 years. Concession projects account for just under EUR 3 billion of the

[2] In order to quantify the effects on the quarter's accounts resulting from application of the new accounting criterion mentioned above, please refer to the statements of reconciliation attached hereto.

backlog with standard management periods of 30 years, against guaranteed minimum fees (in the form of availability charges, guaranteed minimum traffic, occupation fees) equalling an average of 60% of the estimated total revenues.

Total net financial debt for the quarter amounted to EUR 527.6 million, excluding treasury shares (compared to EUR 362.4 million at 31 December 2010 and EUR 526.2 million at 31 March 2010). Said figure, in keeping with management forecasts and the planned end-of-year targets, reflects a series of planned investments during the first part of the year, specifically related to the extension of Line 5 of the Milan underground in Italy, construction and subsequent management of the Milas-Bodrum Airport in Turkey and preliminary investments for the project finance initiative to construct the Gebze-Izmir motorway in Turkey.

Economic and operating results [3]

Main consolidated economic results (EUR/000)	**31-Mar-11**	**%**	**31-Mar-10**	**%**	**Annual Diff. (%)**
Total revenues	510,959	100.0%	463,962	100.0%	+10.1%
EBITDA	56,354	11.0%	52,646	11.3%	+7.0%
EBIT	44,319	8.7%	40,041	8.6%	+10.7%
Pre-tax profit	27,761	5.4%	24,354	5.2%	+14.0%
Group net profit	17,314	3.4%	14,702	3.2%	+17.8%

Production

Total revenues registered a marked growth of 10.1% and amounted to EUR 511 million (EUR 464 million at 31 March 2010), mainly thanks to the order backlog's excellent levels of diversification. On the one hand, this allows the Group to continue to pursue its planned growth while also guaranteeing significant margins. There was an increase in activities in Italy and abroad, especially in the road and motorway transport infrastructures sector.

Operating revenues increased to EUR 489.4 million (+10.1%, EUR 444.7 million at 31 March 2010), with the contribution from Central Europe and Turkey (specifically the Istanbul underground in Turkey and the Henri Coanda International Airport in Bucharest, Romania), as well as from Maxi Lots DG-21 and DG-22 of the Jonica national road (SS-106) in Italy and from projects in progress in Algeria (railways).

Other operating revenues totalled EUR 21.6 million (+12%, EUR 19.3 million at 31 March 2010) and reflected the positive trend of activities which, while not directly related to the Group's core business, are in any case linked to its traditional activities and of a lasting nature.

Breakdown of operating revenues according to geographical area and sector

A balanced combination of activities was confirmed from a geographical viewpoint.

Italy accounted for 46.7% of operating revenues which generated EUR 228 million (EUR 200 million at 31 March 2010). Said figures were mainly achieved thanks to the already mentioned positive performance of **Maxi Lots DG-21 and DG-22 of the Jonica national road**, the progressive accomplishment of the projects

[3] See Note 2 of this Interim Report on Operations.

regarding **the four hospitals in Tuscany** and the **Police Officers' Academy [Scuola dei Brigadieri e dei Marescialli dei Carabinieri] in Florence** and progress as planned on the **undergrounds** under construction (Line C in Rome, Line 5 in Milan, Lines 1 and 6 in Naples).

Foreign activities accounted for the remaining 53.3% of operating revenues, equal to EUR 261 million (EUR 245 million at 31 March 2010). Specifically, the quarter in question saw: (i) a **basically unvaried contribution from Central Europe and Turkey** (22.4% of operating revenues, equal to EUR 110 million compared to EUR 108 million at 31 March 2010); (ii) a **drop in the contribution from Americas** (EUR 93 million equal to a 19% incidence compared to EUR 112 million in 2010), mainly due to completion of the projects in Honduras (transport infrastructures) and Costa Rica (energy production plants); (iii) an **upturn in the contribution from the Middle East** (EUR 13 million and a 2.7% incidence) thanks to entry into full operation of the production phase for the Jubail Project in Saudi Arabia, compared to a Q1 2010 penalised by the time misalignment in the Middle East between contracts being concluded and new projects being started up; (iv) an **intensification in the contribution from Algeria** which is not showing any signs of instability at the present time despite the difficult socio-political situation in the Maghreb, and which generated EUR 45 million, equal to 9.2% of operating revenues at 31 March 2011 (EUR 27 million at 31 March 2010).

As regards sectors, **transport infrastructures proved once again to be the key sector for the Group's activities, generating 82.1% of operating revenues**, equal to EUR 401 million (EUR 354 million at 31 March 2010), thanks to the progress on Maxi Lots DG-21 and DG-22 of the Jonica national road and the undergrounds under construction in Italy and, as regards foreign activities, the railway projects in Romania, Algeria and Venezuela.

Civil and industrial construction increased and accounted for 7.8% of operating revenues, equal to EUR 38 million (EUR 15 million at 31 March 2010), mainly thanks to intensification of the industrial project in Saudi Arabia and, as regards Italy, the progress made on the Police Officers' Academy [Scuola dei Brigadieri e dei Marescialli dei Carabinieri] in Florence and the four new hospitals in Tuscany.

The water and energy (energy production plants) sector continued to play an important role and generated 9.4% of operating revenues, equal to EUR 46 million (EUR 73 million in Q1 2010). The figure included the positive start-up of activities in Peru and the good performance of works to construct the Chacayes hydroelectric plant in Chile. While the Pirris dam in Costa Rica was largely completed, and there was a slowdown in work on the El Chaparral plant in El Salvador as a result of project review.

As from this quarter, the contribution of the **concessions sector, which generated EUR 4 million of operating revenues,** can be seen in the accounts. Said revenues resulted from the healthcare sector following proportionate consolidation of the investee company that manages Mestre Hospital, as well as from car park management. [4]

A concise break down of operating revenues according to geographical area and sector can be found below.

[4] In this regard, please refer to the section dealing with consolidation criteria contained herein (see "Introduction").

Breakdown of operating revenues according to geographical area (EUR/000,000)	31-mar-11	%	31-mar-10	%
Italy	**228**	**46.7%**	**200**	**45.0%**
Abroad	**261**	**53.3%**	**245**	**55.0%**
Europe	110	22.4.%	108	24.3%
America	93	19.0%	112	25.0%
Asia (Middle East)	13	2.7%	(1)	(0.3%)
Africa (Algeria)	45	9.2%	27	6.0%
Total operating revenues	**489**	**100.0%**	**445**	**100.0%**

Breakdown of operating revenues according to sector (EUR/000,000)	31-Mar-11	%	31-Mar-10	%
Transport infrastructures	**401**	**82.1%**	**354**	**79.5%**
Railways and undergrounds	260	53.2%	268	60.2%
Roads and motorways	122	24.9%	80	17.9%
Ports and airports	19	3.9%	6	1.4%
Hydraulic works and energy production plants	**46**	**9.4%**	**73**	**16.3%**
Civil and industrial construction	**38**	**7.8%**	**15**	**3.4%**
Concessions	**4**	**0.7%**	**4**	**0.8%**
Total operating revenues	**489**	**100.0%**	**445**	**100.0%**

Costs

The cost structure reflected the order backlog's focus on foreign and general contracting projects performed through joint ventures, including in association with other companies. **Production costs amounted to EUR 383.2 million** (+11.7%, EUR 343.1 million at 31 March 2010), with a slight increase in the incidence on revenues (75% at 31 March 2011 compared to 73.9% at 31 March 2010). **Personnel costs totalled EUR 65.9 million** (EUR 62.2 million at 31 March 2010), with a 12.9% incidence, hence down on the 13.4% incidence recorded at 31 March 2010. **Other operating costs amounted to EUR 5.5 million,** equal to 1.1% of operating revenues (EUR 6 million and 1.3% incidence in Q1 2010).

Margins

The quarter's figures **confirm significant levels of earnings**, reflecting an order backlog of increasing quality. **EBITDA increased by 7% to EUR 56.3 million** (EUR 52.6 million at 31 March 2010) with the **EBITDA margin holding steady at 11%**. **EBIT recorded a more marked increase of 10.7%** amounting to EUR 44.3 million (EUR 40 million at 31 March 2010), with an **EBIT margin of 8.7%.**

Financial operations

Financial operations reflected the increasing volumes of activities and the trend of the Group's financial undertakings, especially in the concessions sector. **Net financial charges amounted to EUR 16.5 million** (EUR 15.5 million at 31 March 2010), with an unvaried incidence on revenues of 3.2%.

Quarterly results

The quarter's results confirmed clear levels of growth. **EBT increased by 14%, totalling EUR 27.8 million** (EUR 24.3 million at 31 March 2010) with a 5.4% incidence on revenues (5.2% at 31 March 2010). This resulted in **an increase in net profit of 17.8%, amounting to EUR 17.3 million** (EUR 14.7 million at 31 March 2010), net of estimated taxes of EUR 10.5 million, in other words a tax rate of 38% for the quarter.

Equity and financial results [5]

Main consolidated financial and equity results *(EUR/000)*	**31-Mar-11**	**31-Dec-10**	**31-Mar-10**
Total net fixed assets	439,125	426,696	452,625
Working capital	586,951	413,326	529,813
Total provisions	(30,539)	(30,237)	(33,556)
Net invested capital	**995,537**	**809,786**	**948,882**
Net financial payables / receivables	**(632,169)**	**(466,428)**	**(618,466)**
Receivables arising from concessions	100,537	99,872	87,840
Total financial payables / receivables (*)	**(531,632)**	**(366,557)**	**(530,626)**
Equity	**463,905**	**443,229**	**418,256**

(*) Figure includes treasury shares which totalled EUR 4 million at 31 March 2011 and EUR 4.2 million at 31 December 2010 and EUR 4.4 million at 31 March 2010.

The equity and financial structure at 31 March 2011 reflected **the consequences of consolidation of the Group's international positioning and intensification of production**, in Italy and abroad, as well as of the **intensification in concession investments** seen for this sector following the recent commercial successes in the airport sector.

Net fixed assets amounted to EUR 439.1 million (EUR 426.7 million at 31 December 2010 and EUR 452.6 million at 31 March 2010). Technical investments during the quarter amounted to EUR 8 million, mainly referred to support guaranteed for projects in progress in Poland, Italy and Turkey. Said figure provides confirmation of the Group's intention to keep investment at planned levels.

Working capital increased to EUR 586.9 million (EUR 413.3 million at the end of 2010 and EUR 529.8 million at 31 March 2010). Said figures are the result of a trend of contracts in progress linked to the increase in activities in Italy and abroad (Romania, Turkey and Venezuela), as well as a quarterly trend of accounts receivable from customers which is typically affected, during the first and third quarters, by the budget policies of administrations commissioning works that tend to concentrate payments during the second and fourth quarters.

[5] For an assessment of the effects on the balance sheet resulting from application of a new accounting criterion detailed in the "Introduction" contained herein, please refer to the statements of reconciliation attached hereto.

It must be recalled that the consequences of investments in concession activities, which shall be detailed below, are included as regards fixed assets and working capital.

Equity increased to EUR 463.9 million (EUR 443.2 million at 31 December 2010 and EUR 418.3 million at 31 March 2010) thanks to the quarter's result and to suspended economic items which were entered in the comprehensive income statement.

Investments

Technical investments during the quarter amounted to EUR 8 million, in other words 1.6% of total revenues, and mainly referred to support guaranteed for projects in progress in Poland, Italy and Turkey. Said figure is in keeping with forecasts made during business planning and, considering the production levels recorded during the quarter, confirms the Group's ability to optimise already available technical resources.

Concession investments during the quarter amounted to approximately EUR 30 million and mainly referred to Line 5 of the Milan underground in Italy (EUR 10 million), the new airport project in Turkey (Milas-Bodrum Airport for EUR 5 million), investments prior to the start-up of works to build the Gebze-Izmir motorway in Turkey and funding of working capital on related construction activities. Therefore, at the draft date of this report, concession investments (in other words Astaldi's share of equity paid into the management companies related to the individual projects in progress) totalled approximately EUR 200 million, EUR 100 million of which refers to receivables arising from concessions, in other words the shares of investment covered by guaranteed cash flows, as provided for in IFRIC-12.

Consolidated net financial position

		31/03/11	31/12/10	31/03/10
A	Cash and cash equivalents	348,015	415,259	310,739
B	Securities held for trading	4,957	5,003	3,532
C	**Available funds**	**352,972**	**420,262**	**314,270**
D	**Financial receivables**	**34,957**	**36,471**	**25,699**
E	Current bank payables	(346,583)	(226,148)	(295,521)
F	Current share of non-current debt	(91,459)	(93,516)	(37,515)
G	Other current financial payables	(10,366)	(11,256)	(11,815)
H	**Current financial debt**	**(448,408)**	**(330,920)**	**(344,851)**
I	**Net current financial debt**	**(60,478)**	**125,813**	**(4,881)**
J	Non-current bank payables	(567,473)	(588,794)	(609,016)
K	Other non-current payables	(4,217)	(3,448)	(4,569)
L	**Non-current financial debt**	**(571,691)**	**(592,242)**	**(613,585)**
M	**Net financial debt**	**(632,169)**	**(466,428)**	**(618,466)**
N	Receivables arising from concessions	100,537	99,872	87,840
O	**Total financial debt**	**(531,632)**	**(366,557)**	**(530,626)**
	Treasury shares on hand	3,996	4,168	4,382
	Total net financial position	**(527,636)**	**(362,388)**	**(526,243)**
	Total Group equity	**(463,905)**	**(443,229)**	**(418,256)**
	Debt / Equity ratio	1.14	0.82	1.26

At 31 March 2011, the debt/equity ratio – which compares the level of debt against equity, excluding treasury shares – stood at 1.14.

Order backlog

The consolidated order backlog at 31 March 2011 **amounted to EUR 9.03 billion**, with EUR 505 million of new orders and contractual increases secured in Italy and abroad during the first quarter of the year – mainly related to the transport infrastructures sector and general contracting and concession initiatives.

The construction backlog stands at EUR 6.07 billion (67% of the total order backlog) and refers for the most part to general contracting projects with an average life of 3 years. Concession projects account for just under EUR 3 billion of the backlog with standard management periods of 30 years, against guaranteed minimum fees (in the form of availability charges, guaranteed minimum traffic, occupation fees) equalling an average of 60% of the estimated total revenues.

The order backlog's structure is characterised by **suitable balancing of activities in Italy and abroad**, as well as by the **increasing importance of the concessions sector** which benefits from Astaldi's decision to become involved in the airport sector in Turkey.

Domestic activities account for 51% of the order backlog (EUR 4,627 million); the remaining 49% (4,403 million) refers to foreign projects, mainly developed in Eastern Europe, Turkey, the Middle East, Algeria, and Latin America.

Transport infrastructures accounted for 67% of the total orders, which translates into EUR 6,043 million, EUR 5,393 million of which refers to construction contracts and the remaining EUR 650 million to concession revenues connected to concession projects. **The water and energy (i.e. energy production plants) sector continues to play an important role**, accounting for 10% of the overall backlog – in other words EUR 877 million, EUR 213 million of which refers to projects under construction and EUR 664 million related to management shares. **The civil and industrial construction sector accounts for the remaining 23% of total orders** which is equal to EUR 2,110 million (EUR 461 million for construction projects and EUR 1,649 million for management activities).

On the whole, during the first quarter of the year, **concession and project finance initiatives increased to approximately EUR 3 billion, equal to 33% of total orders** (31% at 31 December 2010), thanks to new acquisitions in the profitable airport transport infrastructures sector (Milas-Bodrum Airport in Turkey). It must be recalled that, in order to ensure suitable representation of the projects in progress in this sector, the amounts related to the individual concession agreements are entered in the backlog, calculating a standard duration of approximately 30 years for relative management activities, even if the Group is able to boast projects with user rights that are perpetual – as is the case of the Chacayes hydroelectric plant in Chile – or in excess of 80 years – as is the case for some car parks under management in Italy.

A concise statement of the changes in the order backlog during the quarter in question is shown below together with a breakdown of the construction order backlog and the concessions order backlog.

Order backlog (EUR/000,000)	**At 01/01/2011**	**Increases**	**Decreases for production**	**At 31/03/2011**
Construction	**6,254**	**298**	**(485)**	**6,067**
Transport infrastructures	5,511	283	(401)	5,393
Water and energy	244	15	(46)	213
Civil and industrial construction	499	-	(38)	461
Concessions	**2,760**	**207**	**(4)**	**2,963**
Order backlog	**9,014**	**505**	**(489)**	**9,030**

Order backlog (EUR/000,000)	**At 01/01/2011**	**Increases**	**Decreases for production**	**At 31/03/2011**
Italy	**4,855**	**-**	**(228)**	**4,627**
of which concessions	*2,096*	*-*	*(4)*	*2,092*
Abroad	**4,159**	**505**	**(261)**	**4,403**
of which concessions	*664*	*207*	*-*	*871*
Europe	1,251	372	(110)	1,513
America	1,898	2	(93)	1,807
Africa (Algeria)	833	13	(45)	801
Asia (Middle East)	177	118	(13)	282
Order backlog	**9,014**	**505**	**(489)**	**9,030**

Lastly, it must be remembered that the value of the order backlog listed above does not include amendments related to orders for which the contracts have been signed but which still have to be financed, at the draft date of this report. On the basis of conservative criteria adopted by the Group with regard to the inclusion of new orders in the backlog, a total of approximately EUR 4.3 billion for construction activities and EUR 5.1 billion for management activities, related to the following values, still have to be included among new orders: (i) awarding as part of a joint venture of the motorway concession for construction and subsequent management of the Gebze-Izmir motorway in Turkey, for which funding using the project finance formula is pending; (ii) appointment as sponsor for the project finance initiative regarding construction and subsequent management of the link road between Ancona Port and the surrounding road network for which the final outcome of the award procedure is pending, and please refer to the section entitled “Subsequent events” found herein; (iii) possible developments of railway projects in progress in Venezuela (contractual options) and exclusivity agreements with the Australian company, Pacific Hydro in relation to the water development project in the Alto Cachapoal valley in Chile; (iv) final outcome of the procedure to award the general contracting project for Lot DG-41 (Mega Lot 3) of the Jonica national road (SS-106) in Italy, for which the Astaldi-Impregilo joint venture has submitted the best tender; (v) additional projects in Italy and abroad for which the relative contracts have still be made official (transport infrastructures, water and energy and concessions in the renewable energy sector); (vi) new initiatives for which Astaldi holds the number one position in award procedures in Italy and abroad, such as the Pulkovo Airport in St. Petersburg, Russia (for an update on this project, please refer to the section entitled “Foreseeable development of operations” found herein).

Moreover, numerous concession projects are currently being developed in Italy and abroad in the various sectors of interest. Specifically, tenders have been submitted in the healthcare, energy and transport sectors which it is felt will generate an additional increase in the volume of activities in the medium term.

Please find below a brief summary of the main backlog increases recorded at the draft date of this report, as well as a concise statement of the components of and changes in the construction and concessions backlogs.

New orders and contractual increases – Construction sector

- *EUR 215 million (Astaldi has a 40% stake and is project leader) for Line 5 of the Bucharest underground in Romania* – design and performance of structural works related to Lot 1, Doamenei-PS Opera section, in other words 6 kilometres of new underground line, developed completely below ground level and featuring 9 stations. Works are scheduled to commence by the first half of 2011, with a planned duration of 25 months. The project has been commissioned by METROREX S.A., Bucharest's underground network operator which is managed by Romania's Ministry of Transport and Infrastructures.

- *OMR 125 million, equivalent to approximately EUR 231 million (Astaldi has a 51% stake) for the road project to double the BidBid-Sur road in Oman* – performance of Lot 1 - Package 1A, in other words approximately 42 kilometres of new road. Works are scheduled to commence during the first part of 2011, with a planned duration of just over three years. The project has been commissioned by Oman's Ministry of Transport and Communications.

- *EUR 114 million (Astaldi has a 70% stake and is project leader) for the Orastie – Sibiu motorway in Romania* (design and performance of works related to Lot 4, in other words approximately 17 kilometres of new motorway including the Sibiu West road junction). Works are scheduled to commence by the first half of 2011, with a planned duration of approximately two years. The project has been commissioned by Romania's National Roads and Motorways Company.

- Additional contractual increases secured during the quarter for foreign projects in progress (Algeria and Chile) in the water and energy sector.

New orders – Concessions sector

- *EUR 210 million (approximately) for Astaldi's stake in the concession project related to the design, construction and subsequent management of the international passenger terminal of Milas-Bodrum Airport in Turkey*, already under construction by Astaldi. Indeed, the Group has acquired, through its subsidiary Astaldi Concessioni, a 92.85% stake in Mondial, the company holding the concession for the terminal, which will occupy a total surface area of 100,000 m2. The overall investment is equal to approximately EUR 100 million funded on the basis of an 80/20 (debt/equity) financial leverage. The project is based on estimated average annual revenues of EUR 35 million, 65% of which is guaranteed by minimum set traffic of 1,000,000 passengers per year as well as by availability charges for the duty free areas defined on the basis of an agreement with an international operator specialised in the airport sector.

Order backlog - construction

Construction backlog (EUR/000,000)	**At 01/01/2011**	**Increases**	**Decreases for production**	**At 31/03/2011**
Transport infrastructures	5,511	283	(401)	5,393
Water and energy	244	15	(46)	213
Civil and industrial construction	499	-	(38)	461
Total - Construction backlog	**6,254**	**298**	**(485)**	**6,067**

Construction backlog (EUR/000,000)	**At 01/01/2011**	**Increases**	**Decreases for production**	**At 31/03/2011**
Italy	**2,759**	**-**	**(224)**	**2,535**
Abroad	**3,495**	**298**	**(261)**	**3,532**
Europe	1,251	165	(110)	1,306
America	1,234	2	(93)	1,143
Africa (*Algeria*)	833	13	(45)	801
Asia (*Middle East*)	177	118	(13)	282
Total - Construction backlog	**6,254**	**298**	**(485)**	**6,067**

Order backlog - Concessions

Concessions backlog (EUR/000,000)	**31/03/2011**	**Project description**
Transport infrastructures	650	
Undergrounds	*443*	*14.1 km of underground*
Airports	*207*	*Over 1,000,000 passengers per year*
Water and energy	664	*110MW*
Civil and industrial construction	1,649	
Healthcare construction	*1,368*	*2,830 hospital beds (6 hospital complexes)*
Car parks	*281*	*3,700 parking spaces (5 car parks)*
Total - Concessions backlog	**2,963**	

Concessions backlog (EUR/000,000)	**31/03/2011**
Italy	**2,092**
Abroad	**871**
Europe	207
America	664
Total - Concessions backlog	**2,963**

Subsequent events

From an operational viewpoint, note must be taken of the start-up of a new key phase of the works to complete **Line 5 of the Milan underground in Italy**. The first official trial run with a full load was performed in the tunnel along the Bignami-Ponale stretch at the beginning of May and was attended by the Mayor of Milan. Movement tests and trial runs along the whole stretch will serve to test all the equipment and calibrate automatic piloting (driverless) of the vehicles.

Moreover, as regards this project, it must be pointed out that, during the last days of March, following share capital increases aimed at financing extension of the new line, Astaldi Group's stake increased from 23.3% to 31% following exercise of the subscription rights on unopted shares. This results in an increase in the order backlog (concessions) of approximately EUR 124 million which shall be shown in the figures at 30 June 2011.

As regards the concession project for the construction and management of **Mestre hospital in Italy**, Astaldi Group is currently formalising the acquisition of an additional 3.5% interest which will increase its current stake from 31% to 34.5%, therefore allowing for consolidation of its leadership in hospital concessions. This results in an increase in the order backlog (concessions) which shall be included among the second half's new orders.

Still in Italy, during the meeting held on 5 May 2011, CIPE (Italy's Interdepartmental Committee for Economic Planning) approved the allocation of EUR 106 million to Consorzio Venezia Nuova in order to perform an additional lot (*Tranche* 8) of the **Mo.S.E. Project -** the system designed to safeguard Venice's lagoon from tides. It must be recalled that as regards this project, Astaldi, as part of a joint venture, is performing works to construct Bocca di Lido Treporti.

During the same meeting, CIPE voiced its opinion with regard to the agreement for the design, construction and subsequent management of the **link road between Ancona Port, the A-14 motorway and the SS-16 national road,** giving the go-ahead for the performance of works totalling EUR 480 million, financed through private funding. This creates the conditions for the next steps of the procedure to award this project finance initiative for which Astaldi, as part of a joint venture, is already the sponsor.

Foreseeable development of operations

The results of the first quarter of 2011 confirm **Astaldi Group's ability to pursue its planned growth,** consolidating the financial and equity structure despite the complex macroeconomic situation.

The setting up of Astaldi Concessioni, the entry into full operation of major projects such as the recently acquired transport infrastructures in Italy and abroad and its recent decision to join the airport concessions sector in Turkey, as well as the forthcoming finalisation of key projects such as the Gebze-Izmir motorway in Turkey will ensure **new additional growth capacity in the near future**.

Construction will continue to represent the Group's core business but important partnerships will arise from concessions in Italy and abroad, in relation to structured projects with a suitable risk/return profile and guaranteed minimum fees.

Completion of works to construct the **Chacayes hydroelectric plant in Chile** and the **Milas-Bodrum Airport in Turkey** is expected by the end of 2011, with consequent start-up of the relative management phases. Therefore, it will be possible to include the first results of said works becoming fully operational among the Group’s revenues as from 2012, with said projects being added to the concession projects that are already fully operational, in other words Mestre hospital and the five car parks in Italy.

As regards Astaldi Concessioni’s interest in **Autostrada Brescia-Verona-Vicenza-Padova S.p.A. (Serenissima motorway)**, given that the pre-emption procedure has been completed, final purchase of the 4.75% interest for the sum of approximately EUR 50.4 million is scheduled for the last ten days of May.

As regards the **Gebze-Izmir motorway in Turkey**, the Turkish government’s major commitment to a project, which represents a priority for the economic development of the areas the 442-kilometre planned route takes in, has been confirmed. The preliminary activities involving special surveys and design of the works have been carried out as scheduled and the relative financing procedures are going ahead as planned. Once these have been completed, the amounts related to Astaldi’s stake in this project shall be included in the order backlog.

As regards **Pulkovo Airport in St. Petersburg, Russia**, for which Astaldi, as part of a joint venture, was the preferred bidder in the award procedure held in February 2011, it must be noted that the contract has been signed and agreed with the client and shall be submitted for approval by the financial backers. Final signature of the contract is scheduled for the end of May following said approval.

Moreover, **numerous projects** in the concessions and construction sectors **are currently being developed** at a domestic and international level in the various sectors of interest. Specifically, tenders have been submitted in the transport infrastructures sector and, as regards concessions, in the healthcare, energy and transport sectors, which it is felt will generate an additional increase in the volume of activities in the medium term.

Therefore a challenging investment plan and diversification of activities in the concessions sector **is confirmed**. This shall be backed up by the high self-financing ability of projects in progress and pursued through strict, scrupulous control of invested capital and optimisation of the technical resources that are already available within the Group. The aim will be to ensure further improvement of the Group’s self-financing ability, generating the resources needed to cover concession investments.

On the whole, the Group’s operating and commercial efforts shall be focused on achieving increasingly challenging targets within an increasingly complex growth plan, which shall be steered by well-defined strategic policies, in other words:

- **further consolidation of the Group’s market positioning** through marked growth and a strictly controlled debt structure. The core business – construction – shall be boosted by important projects in progress in Italy and abroad, and obtain new results from the commercial strategies implemented in recent years. As regards Italy, a renewed boost may come from the selective identification of opportunities currently being studied – priority projects in the country’s development policies (motorways, railways), also developed using the PPP (public-private partnership) formula. This will allow for possible projects involving major urban centres as well as additional initiatives singled out in relatively new sectors for the domestic scenario such as renewable energy production plants. As regards foreign activities, Central Europe and Algeria will see an increase in the contribution from the transport infrastructures sector – it must be noted that, at the present time, the projects in progress in Algeria are not affected by the difficult socio-political situation being experienced in the Maghreb; Turkey will benefit from the development of concessions, with the Bodrum Airport contract coming into full operation and the final start-up of works to construct the Gebze-Izmir motorway; the Middle East will experience a new development phase with its joining of the transport infrastructures sector and reorganization of its operations in the area; Latin America will benefit from the implementation of major existing contractual options related to contracts in progress in Venezuela (railways) and Chile (energy);

- **expansion of the range of action to take in new geographical areas,** in order to guarantee a balanced risk profile. Areas such as Peru, the USA and Brazil (where the Group is already present, to be further developed, including through partnerships with local operators), and new commercial targets such as India and Canada are proving to be areas of renewed interest; said areas, in keeping with the Group's commercial approach and risk management methods, shall be the subject of careful, in-depth study which, if the findings are positive, shall lead to the identification of new development opportunities;

- **strengthening of industrial partnerships** built up by the Group over the years. Stable industrial relations with leading partners in areas that are complementary to those the Group operates in will guarantee partnerships able to promote an additional growth in activities or easier access to markets singled out as of interest in the Group's commercial development strategies, with consequent sharing of the capital contribution and risk related to the management of activities (as is the case for the recent commercial success of the Milas-Bodrum Airport in Turkey).

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.

EBT: is obtained from EBITDA excluding (i) the result of the quarter's financial operations and (ii) the effects of valuation of equity investments using the equity method.

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

Statement by the Executive appointed to draft corporate accounts

(pursuant to Art. 154-bis, subsection 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, 11 May 2011

Signed - Paolo Citterio

General Manager – Administration and Finance

Attachments

Reclassified consolidated income statement

EUR/000	31/03/11	%	31/03/10	%
Revenues	489,385	95.8%	444,693	95.8%
Other operating revenues	21,574	4.2%	19,269	4.2%
Total revenues	**510,959**	**100.0%**	**463,962**	**100.0%**
Cost of production	(383,200)	-75.0%	(343,059)	-73.9%
Added value	**127,760**	**25.0%**	**120,903**	**26.1%**
Personnel costs	(65,912)	-12.9%	(62,214)	-13.4%
Other operating costs	(5,493)	-1.1%	(6,042)	-1.3%
EBITDA	**56,354**	**11.0%**	**52,646**	**11.3%**
Amortisation and depreciation	(12,265)	-2.4%	(12,798)	-2.8%
Provisions	(9)	0.0%	(21)	0.0%
Write-downs	-	0.0%	-	0.0%
(Capitalisation of internal construction costs)	239	0.0%	213	0.0%
EBIT	**44,319**	**8.7%**	**40,041**	**8.6%**
Net financial income and charges	(16,517)	-3.2%	(15,526)	-3.3%
Effects of valuation of equity investments using equity method	(40)	0.0%	(161)	0.0%
Pre-tax profit (loss)	**27,761**	**5.4%**	**24,354**	**5.2%**
Taxes	(10,549)	-2.1%	(9,423)	-2.0%
Profit (loss) for the year	**17,212**	**3.4%**	**14,931**	**3.2%**
Minority profit (loss)	102	0.0%	(229)	0.0%
Group net profit	**17,314**	**3.4%**	**14,702**	**3.2%**

Reclassified consolidated balance sheet

EUR/000	31 March 2011	31 December 2010	31 March 2010
Intangible fixed assets	3,513	3,739	3,884
Tangible fixed assets	298,830	302,607	320,818
Equity investments	97,862	84,830	86,178
Other net fixed assets	38,919	35,520	41,746
TOTAL Fixed assets (A)	**439,125**	**426,696**	**452,625**
Inventories	93,710	93,624	91,111
Contracts in progress	968,124	845,877	762,893
Trade receivables	30,496	30,463	27,360
Accounts receivable	653,050	593,899	656,568
Other assets	218,773	213,666	161,590
Tax receivables	77,560	101,523	92,383
Advances from customers	(346,164)	(338,489)	(363,334)
Subtotal	**1,695,549**	**1,540,563**	**1,428,571**
Trade payables	(116,672)	(130,951)	(93,654)
Due to suppliers	(696,896)	(695,674)	(546,654)
Other liabilities	(295,029)	(300,612)	(258,451)
Subtotal	**(1,108,598)**	**(1,127,237)**	**(898,758)**
Working capital (B)	**586,951**	**413,326**	**529,813**
Employee benefits	(8,729)	(8,460)	(9,616)
Provisions for non-current risks and charges	(21,810)	(21,777)	(23,940)
Total provisions (C)	**(30,539)**	**(30,237)**	**(33,556)**
Net invested capital (D) = (A) + (B) + (C)	**995,537**	**809,786**	**948,882**
Available funds	348,015	415,259	310,739
Current financial receivables	20,371	20,371	16,475
Non-current financial receivables	14,586	16,100	9,224
Securities	4,957	5,003	3,532
Current financial liabilities	(448,408)	(330,920)	(344,851)
Non-current financial liabilities	(571,691)	(592,242)	(613,585)
Net financial payables / receivables (E)	**(632,169)**	**(466,428)**	**(618,466)**
Receivables arising from concessions	100,537	99,872	87,840
Total financial payables / receivables (F)	**(531,632)**	**(366,557)**	**(530,626)**
Group equity	(447,170)	(424,988)	(399,761)
Minority equity	(16,734)	(18,241)	(18,495)
Equity (G) = (D) - (F)	**463,905**	**443,229**	**418,256**

Statement of reconciliation[6]: Consolidated reclassified income statement

	Official statement published on 31.03.2010	Effect of change in accounting criterion	Adjusted statement at 31.03.2010
EUR/000			
Revenues	441,810	2,883	444,693
Other operating revenues	18,916	353	19,269
Total revenues	**460,726**	**3,236**	**463,962**
Cost of production	(341,958)	(1,101)	(343,059)
Added value	**118,768**	**2,135**	**120,903**
Personnel costs	(61,025)	(1,189)	(62,214)
Other operating costs	(5,923)	(119)	(6,042)
EBITDA	**51,819**	**827**	**52,646**
Amortisation and depreciation	(12,648)	(150)	(12,798)
Provisions		(21)	(21)
Write-downs			
(Capitalisation of internal construction costs)	213		213
EBIT	**39,385**	**657**	**40,041**
Net financial income and charges	(16,182)	656	(15,526)
Effects of valuation of equity investments using equity method	716	(877)	(161)
Pre-tax profit (loss)	**23,919**	**435**	**24,354**
Taxes	(8,988)	(435)	(9,423)
Profit (loss) for the year	**14,931**		**14,931**
Minority profit (loss)	(229)		(229)
Group net profit	**14,702**		**14,702**

[6] For more information, please refer to the section entited "Introduction" included herein.

Statement of reconciliation[7]: Consolidated reclassified balance sheet

EUR/000	Official statement published on 31.12.2010	Effect of change in accounting criterion	Adjusted statement at 31.12.2010
TOTAL Fixed assets (A)	434,814	(8,118)	426,696
Working capital (B)	425,479	(12,153)	413,326
Total provisions (C)	(28,602)	(1,634)	(30,237)
Net invested capital (D) = (A) + (B) + (C)	**831,691**	**(21,905)**	**809,786**
Net financial payables / receivables (E)	**(448,824)**	**(17,605)**	**(466,428)**
Receivables arising from concessions	60,363	39,509	99,872
Total financial payables / receivables (F)	**(388,461)**	**21,905**	**(366,557)**
Equity (G) = (D) - (F)	**443,229**		**443,229**

EUR/000	Official statement published on 31.03.2010	Effect of change in accounting criterion	Adjusted statement at 31.03.2010
TOTAL Fixed assets (A)	453,617	(991)	452,625
Working capital (B)	545,731	(15,919)	529,813
Total provisions (C)	(33,360)	(197)	(33,556)
Net invested capital (D) = (A) + (B) + (C)	**965,988**	**(17,106)**	**948,882**
Net financial payables / receivables (E)	**(597,435)**	**(21,031)**	**(618,466)**
Receivables arising from concessions	49,703	38,137	87,840
Total financial payables / receivables (F)	**(547,732)**	**17,106**	**(530,626)**
Equity (G) = (D) - (F)	**418,256**		**418,256**

[7] See Note 6 of this Interim Report on Operations.