ASTALDI GROUP

QUARTERLY REPORT AT SEPTEMBER 30, 2007

ASTALDI

contents

corporate bodies

board of directors

Honorary Chairman	Ernesto Monti
Chairman	Vittorio Di Paola
Deputy Chairman	Paolo Astaldi
Chief Executive Officer	Giuseppe Cafiero
Chief Executive Officer	Stefano Cerri
Directors	Caterina Astaldi
	Pietro Astaldi
	Luigi Guidobono Cavalchini
	Franco Grassini
	Mario Lupo
	Nicola Oliva
	Maurizio Poloni
	Gian Luigi Tosato

board of auditors

Chairman	Pierumberto Spanò
Statutory Auditors	Pierpaolo Singer
	Antonio Sisca
Substitute Auditors	Maurizio Lauri
	Flavio Pizzini
	Massimo Tabellini

general managers

International	Giuseppe Cafiero
Domestic	Nicola Oliva
Administration and Finance	Paolo Citterio

deputy general managers

Domestic	Gianfranco Giannotti
International	Rocco Nenna

auditing firm

Reconta Ernst & Young S.p.A.

consolidation area

	Subsidiaries	%
1	Astaldi Algerie E.U.r.l.	100.00%
2	Astaldi Arabia Limited	100.00%
3	Astaldi Construction Corporation	100.00%
4	Astaldi International Inc.	100.00%
5	Astaldi International Limited	100.00%
6	Astaldi-Astaldi International J.V.	100.00%
7	Astaldi-Burundi Association Momentanée	100.00%
8	Astaldi-Sénégal Association en participation	100.00%
9	Cospe S.C.r.l.	100.00%
10	Diga di Arcichiaro S.C.r.l. in liquidation	100.00%
11	DIP.A. S.C.r.l. in liquidation	100.00%
12	Euroast S.r.l. in liquidation	100.00%
13	Groupement G.R.S.H.	100.00%
14	Linea A S.C.r.l. in liquidation	100.00%
15	Montedil-Astaldi S.p.A. (MONTAST) in liquidation	100.00%
16	Redo-Association Momentanée	100.00%
17	Sartori Sud S.r.l.	100.00%
18	Seac S.p.a.r.l. in liquidation	100.00%
19	Italstrade IS S.r.l.	100.00%
20	Todaro S.r.l. in liquidation	100.00%
21	AR.GI S.p.A.	99.99%
22	CO.MERI S.p.A.	99.99%
23	Consorzio Astaldi-C.M.B. Due in liquidation	99.99%
24	I.F.C. Due S.C.a.r.l. in liquidation	99.99%
25	Astaldi Finance S.A.	99.96%
26	Astaldi de Venezuela C.A.	99.80%
27	Romairport S.r.l.	99.26%
28	ASTALROM S.A.	99.12%
29	Astur Construction and Trade A.S.	99.00%
30	Palese Park S.r.l.	99.00%
31	Silva S.r.l. in liquidation	99.00%
32	Toledo S.C.r.l.	90.39%
33	Susa Dora Quattro S.C.r.l.	90.00%
34	CO.N.O.C.O. S.C.r.l.	80.00%
35	Eco Po Quattro S.C.r.l. in liquidation	80.00%
36	Portovesme S.C.r.l.	80.00%
37	S.Filippo S.C.r.l. in liquidation	80.00%
38	Tri.Ace. S.C.a.r.l. in liquidation	80.00%
39	Bussentina S.C.r.l. in liquidation	78.8%
40	Mormanno S.C.r.l. in liquidation	74.99%
41	S.P.T. Società Passante Torino S.C.r.l.	74.00%
42	Consorzio Olbia Mare in liquidation	72.5%
43	CO.ME.NA. S.C.r.l.	70.43%
44	Messina Stadio S.C.r.l.	66.67%
45	Astaldi-Max Bogl-CCCF J.V. S.r.l.	66.00%
46	SCAR Scrl	61.4%
47	Consorcio Astaldi - C.B.I.	60.00%
48	Ospedale del Mare S.C.r.l.	60.00%
49	Quattro Venti S.C.r.l.	60.00%
50	Forum S.C.r.l.	59.99%
51	Partenopea Finanza di Progetto S.p.A.	59.99%
52	C.O.MES. S.C.r.l.	55.00%
53	Italstrade Somet J.V. Rometro S.r.l.	51.00%
54	Romstrade S.r.l.	51.00%
55	SC Italstrade - CCCF JV Romis S.r.l.	51.00%
56	Infraflegrea Progetto S.p.A.	51.00%

accounting standards and valuation criteria

In compliance with current legislation, it must be noted that this quarterly report has been drafted in accordance with IASs/IFRSs issued by the IASB and approved by the European Union, as provided for by Article 82 of Issuers' Regulations No. 11971 issued by CONSOB on May 14, 1999 as subsequently amended and supplemented. Specifically, this report has been drafted in accordance with Annex 3D of the aforementioned regulations hence the complete disclosure for interim reports provided for by the IASs/IFRSs has not been included.

The income statement and balance sheet for the third quarter of 2007 are shown in a reclassified format and have been drawn up on the strength of account statements prepared on the same date by the Parent Company and companies included in the consolidation area, in compliance with CONSOB Ruling No. 15519 of July 27, 2006. Attached to this report are the model statements adopted by the company in accordance with IAS1, reconciled with the reclassified schedules and integrated in accordance with the provisions of the aforementioned ruling.

The figures provided refer to the quarter in question and the progressive period which coincides with the period between the start of the year and the closing date of the quarter. They are likewise compared with figures for similar periods of last year.

The figures shown in this quarterly report summarize a series of estimated items in order to present corporate operations in a truthful and correct manner. Estimates take into account assessments based on the most recent information made available to company managers when drafting this report, hence without affecting their reliability.

An estimate may need to be adjusted in the event of additional information being obtained that can significantly change the circumstances on which said estimate was previously based.

Estimates are used by the Group to calculate:

1. employee benefits;
2. amortization and depreciation;
3. write-downs and provisions;
4. overall project costs and relative state of progress;
5. taxes.

More specifically, taking into account the Group's specific reference sector, which provides for part payment of individual projects upon awarding of the contracts, it should be noted that the margins on said contracts, charged to the income statement on the basis of systematic calculation criteria, may undergo changes with regard to original estimates. This is in relation to the probable recoverability of the increased costs potentially incurred while carrying out works.

Different reclassifications compared to those used previously have been adopted in this report, where necessary and the same items of previous periods have also been reclassified. This has proved necessary in order to provide a better representation of corporate events in the financial statements.

For a detailed description of the accounting standards adopted by the Group, please refer to the consolidated financial statements at December 31, 2006, approved by the Shareholders' Meeting on May 2, 2007, filed at the company's offices and available at www.astaldi.com.

The main exchange rates used to convert financial statements shown in foreign currencies are as follows (Source: I.E.O. - Italian Exchange Office).

EXCHANGE RATES APPLIED TO CONVERT FINANCIAL STATEMENTS IN FOREIGN CURRENCY Source: IEO

Country	*Currency*		*September 30, 2007*	*2007 average*
Algeria	Algerian Dinar	*DZD*	95.1896	94.6750
Saudi Arabia	Saudi Riyal	*SAR*	5.2072	5.0420
Bolivia	Bolivian Peso	*BOB*	10.7560	10.6450
Central African Republic C.F.A	CFA Franc	*XOF*	655.9570	655.9570
Democratic Republic of Congo	Congolese Franc	*CDF*	778.2010	745.1870
Costa Rica	Costa Rica Colon	*CRC*	720.9300	698.0930
Croatia	Croatian Kuna	*HRK*	7.3134	7.3420
Denmark	Danish Krone	*DKK*	7.4506	7.4490
El Salvador	Salvadoran Colon	*SVC*	12.1594	11.7630
Japan	Japanese Yen	*JPY*	159.8200	160.3890
Guatemala	Guatemalan Quetzal	*GTQ*	10.6950	10.3230
Guinea	Guinean Franc	*GNF*	5,517.4400	5,985.5670
Honduras	Honduran Lempira	*HNL*	26.3306	25.4230
Morocco	Moroccan Dirham	*MAD*	11.2545	11.1830
Nicaragua	Gold Cordoba	*NIO*	25.8975	24.6540
Norway	Norwegian Krone	*NOK*	7.8306	8.0620
Panama	Panama Balboa	*PAB*	1.3897	1.3440
Qatar	Qatari Riyal	*QAR*	5.0578	4.8940
United Kingdom	British Pound	*GBP*	0.6889	0.6770
Romania	Romanian New Leu	*RON*	3.3481	3.2990
United States	US Dollar	*USD*	1.3897	1.3440
South Africa	South African Rand	*ZAR*	9.8912	9.6090
Switzerland	Swiss Franc	*CHF*	1.6475	1.6370
Turkey	Turkish Lira	*TRY*	1.7536	1.8070
European Monetary Union	Euro	*EUR*	1.0000	1.0000
Venezuela	Bolivar	*VEB*	2,983.9800	2,886.8120

Please note that the exchange rate expresses the foreign currency required to buy 1 euro.

reclassified consolidated income statement

€/000	Model Statement Reference	September 30, 2007	%	September 30, 2006	%	Q3 2007	%	Q3 2006	%
Revenues	A	892,127	95.9%	737,527	95.1%	326,518	97.5%	250,640	94.4%
Other operating revenues	B	37,800	4.1%	38,040	4.9%	8,411	2.5%	14,795	5.6%
Total revenues		**929,927**	**100.0%**	**775,567**	**100.0%**	**334,929**	**100.0%**	**265,435**	**100.0%**
Production costs	C	(667,363)	(71.8%)	(550,599)	(71.0%)	(242,885)	(72.5%)	(196,688)	(74.1%)
Added value		**262,564**	**28.2%**	**224,968**	**29.0%**	**92,044**	**27.5%**	**68,747**	**25.9%**
Personnel costs	D	(140,489)	(15.1%)	(122,785)	(15.8%)	(48,418)	(14.5%)	(40,435)	(15.2%)
Other operating costs	E	(16,458)	(1.8%)	(12,346)	(1.6%)	(6,642)	(2.0%)	(1,806)	(0.7%)
EBITDA		**105,617**	**11.4%**	**89,837**	**11.6%**	**36,984**	**11.0%**	**26,506**	**10.0%**
Amortization and depreciation	F	(25,369)	(2.7%)	(20,929)	(2.7%)	(8,835)	(2.6%)	(7,418)	(2.8%)
Provisions	E	(2,103)	(0.2%)	(3,748)	(0.5%)	-	0.0%	-	0.0%
Write-downs	F	-	0.0%	(2,124)	(0.3%)	-	0.0%	-	0.0%
(Capitalization of internal construction costs)	G	383	0.0%	1,045	0.1%	113	0.0%	551	0.2%
EBIT		**78,528**	**8.4%**	**64,081**	**8.3%**	**28,262**	**8.4%**	**19,639**	**7.4%**
Net financial income and charges	H	(31,934)	(3.4%)	(23,077)	(3.0%)	(12,952)	(3.9%)	(8,689)	(3.3%)
Effects of valuation of equity investments using equity method	I	1,427	0.2%	1,812	0.2%	136	0.0%	344	0.1%
Pre-tax profit (loss)		**48,021**	**5.2%**	**42,816**	**5.5%**	**15,446**	**4.6%**	**11,294**	**4.3%**
Taxes	L	(21,609)	(2.3%)	(19,091)	(2.5%)	(7,904)	(2.4%)	(5,741)	(2.2%)
Profit (loss) for the period	M	**26,412**	**2.8%**	**23,725**	**3.1%**	**7,542**	**2.3%**	**5,553**	**2.1%**
(Profit) loss attributable to minority interests	N	398	0.0%	(1,166)	(0.2%)	(35)	(0.0%)	(461)	(0.2%)
Group net profit	O	**26,810**	**2.9%**	**22,559**	**2.9%**	**7,507**	**2.2%**	**5,092**	**1.9%**

The economic results achieved during the third quarter of 2007 showed a clear improvement, both in terms of revenues and earnings, compared to the figure for the same period of 2006.
Therefore, the ongoing improvement in the Group's operating and earning profile can be confirmed following the increase in the quality of works being carried out, in keeping with the forecasts contained in the 2007-2011 Business Plan.

Total revenues in the third quarter of 2007 equalled approximately EUR 335 million, up by 26.2% compared to the same period of 2006, while *revenues from works* amounted to just under EUR 327 million, showing a 30.3% increase.
The geographical breakdown of activities confirmed a marked prevalence of foreign works in progress in the countries where the Group operates on an ongoing basis. Indeed, foreign activities accounted for 61.5% of revenues for the quarter, with America accounting for 30.3% of activities, Europe (Romania and Turkey) for 13.1%, Algeria for 13.5% and Saudi Arabia and Qatar for 4.6%.
The value of total domestic activities also increased during the quarter in question as the result of a commercial policy aimed at focusing the Group's attention on priority and strategic opportunities and initiatives for Italy, characterized by a higher average contract value and significant technical and managerial content. Examples of these are the Line C of the Rome underground, Line 5 of the Milan underground and the new hospitals in Mestre and Naples.

The table below shows a breakdown of revenues by geographical area.

Euro/million	**30/09/2007**	**%**	**30/09/2006**	**%**	**Third quarter 2007**	**%**	**Third quarter 2006**	**%**
Italy	**334**	**37.4%**	**279**	**38.1%**	**126**	**38.5%**	**86**	**34.3%**
Abroad	**558**	**62.6%**	**454**	**61.9%**	**201**	**61.5%**	**165**	**65.7%**
Europe	122	13.7%	181	24.7%	43	13.1%	71	28.3%
America	277	31.1%	190	25.9%	99	30.3%	56	22.3%
Asia	35	3.9%	4	0.5%	15	4.6%	1	0.4%
Africa	124	13.9%	79	10.8%	44	13.5%	37	14.7%
Total	**892**	**100.0%**	**733**	**100.0%**	**327**	**100.0%**	**251**	**100.0%**

The figures listed in the table above show a marked increase in the volume of the Group's revenues which is the positive consequence of the key contracts secured over the last years.
Specifically, note must be taken of the excellent performance of the recently acquired railway contracts in Venezuela for the Chaguaramas-Cabruta and San Fernando de Apure-San Juan de Los Morros lines which it is felt will continue to make a significant contribution to production activities over the coming years. There was also a marked increase in the value of activities

underway in Saudi Arabia and Qatar which accounted for 3.9% of revenues against a target of 5% set for the area for 2008. While as regards Europe, there was a drop in the activities carried out which can be mainly linked to completion of construction of the Anatolian Motorway in Turkey which had made a significant contribution to revenues for the area in the previous year.

The following table describes, in greater detail, the Group's overall turnover, split into individual business areas.

Euro/million	30/09/2007	%	30/09/2006	%	Third quarter 2007	%	Third quarter 2006	%
Transport infrastructures	673	75.4%	594	81.0%	247	75.5%	203	80.9%
Hydraulic works	101	11.3%	74	10.1%	32	9.8%	23	9.2%
Civil and industrial building	118	13.2%	65	8.9%	48	14.7%	25	10.0%
Total	**892**	100.0%	**733**	100.0%	**327**	100.0%	**251**	100.0%

Transport infrastructures accounting for 75% of turnover are still the most important sector for Group's activities. In this regard, a contribution to the quarter's figures came mainly from works underway in Venezuela (railway works) as well as Italy where important projects are underway such as the new underground lines in Brescia, Genoa and Naples, the high speed station in Bologna and the Turin high speed rail link. While projects acquired during 2006 to construct Line C of the Rome underground, for which site activities have already commenced, and Line 5 of the Milan underground, are currently being started up.

There was an increase in the contribution from civil and industrial construction, which accounted for 13.2% of revenues, mainly as a result of major completion of the civil works for the new hospital in Mestre, which will be up and running as from early 2008. Works to construct the new hospital in Naples ("Ospedale del Mare") are also going ahead as planned with 23% of works having been completed to date.

A look at the main items of the income statement calls for highlighting of the marked improvement in the Group's earnings and operating margins which is to be linked to the increased volume of revenues associated to a reduction in costs and greater economies of scale. Indeed there was a further improvement in the structure of costs thanks to greater operating efficiency which is a typical characteristic of contracts managed using the General Contracting formula. EBIT for the third quarter of 2007, equal to over EUR 28 million, was up on the same period of 2006 (+43.9%), thanks to the higher volume of revenues and earnings achieved on foreign markets. The EBIT margin for the quarter stood at 8.4% compared to 7.4% in Q3 2006.

Some additional information has to be provided in relation to financial charges which increased during the quarter, mainly as a result of the increase in the Group's operations combined with the fact that 2006 had benefited from greater exchange rate differences receivable. Net financial charges amounted to EUR 13 million compared to EUR 8.7 million seen in Q3 2006. This can be largely attributed to the increase in the cost of guarantees (*bid bonds*, *performance bonds*), which are normal in the sector in question, furnished in relation to the new major projects underway and the high-value general contracting initiatives which the Group's commercial attention is currently focused on in Italy and abroad. And also because the increase in production volumes is linked to an increase in invested capital which generates an increase in the Group's indebtedness and hence in the burden of debt.

Net profit amounted to EUR 7.5 million (*net margin* of 2.2%), up by 47% compared to EUR 5.1 million at September 30, 2006.

The results achieved during the first nine months of the year were also positive.

Total revenues at a consolidated level amounted to EUR 930 million, up by 19.9% compared to figures for the previous year; while *revenues from works* totalled over EUR 892 million, showing an increase of 21%. *EBIT*, equal to EUR 79 million was up on the progressive figure at September 30, 2006 (+22.5%), with an *EBIT margin* of 8.4% (compared to 8.3% for the first nine months of 2006).

Net profit for the first nine months amounted to EUR 26.8 million, an improvement on the figure of EUR 22.6 million recorded in the same period of 2006, with a *net margin* of 2.9% and even given the tax rate of 45%.

reclassified consolidated balance sheet and financial position

€/000	Model Statement Reference	30/09/2007	31/12/2006	30/09/2006
Intangible fixed assets	B	6,406	3,795	4,053
Tangible fixed assets	A	235,777	193,197	174,522
Shareholdings	C	98,197	96,492	95,701
Other net fixed assets	D	39,194	36,731	34,994
Total fixed assets (A)		**379,574**	**330,215**	**309,270**
Inventories	E	55,653	51,600	44,443
Work in progress	F	567,590	397,712	434,509
Trade receivables	G	408,550	437,877	347,102
Other assets	I	157,813	117,870	134,094
Tax receivables	Z	90,467	73,275	63,702
Advances from customers	R	(241,033)	(209,324)	(125,186)
Subtotal		**1,039,039**	**869,011**	**898,663**
Payables to suppliers	S	(424,883)	(404,255)	(413,551)
Other liabilities	V	(201,616)	(186,600)	(166,875)
Subtotal		**(626,499)**	**(590,854)**	**(580,426)**
Working capital (B)		**412,540**	**278,156**	**318,237**
Employee benefits	T	(13,438)	(12,470)	(11,934)
Provisions for current risks and charges	U	(35,295)	(30,035)	(45,784)
Total provisions (C)		**(48,733)**	**(42,506)**	**(57,718)**
Net invested capital (D) = (A) + (B) + (C)		**743,381**	**565,866**	**569,789**
Cash and cash equivalents	L	235,770	237,623	198,166
Current financial receivables	I	14,908	21,062	42,771
Non-current financial receivables	D	460	916	1,372
Securities	H	15,619	18,983	14,752
Current financial liabilities	Q	(295,176)	(224,192)	(204,920)
Non-current financial liabilities	P	(415,480)	(339,199)	(349,327)
Net financial payables/receivables (E)		**(443,899)**	**(284,806)**	**(297,188)**
Group equity	M	(298,361)	(279,668)	(270,871)
Minority interests	N	(1,120)	(1,392)	(1,730)
Equity (G) = (D) - (E)	O	**(299,482)**	**(281,059)**	**(272,601)**

The Group's equity and financial structure reflects the support for production activities guaranteed by the Group during the period in question. There was an increase in investments to support activities both in the traditional and project finance sectors. Specifically, on the basis of the content of the financial-economic plans for concession and general contracting projects, a major boost was given to the launch of new projects thus entailing an increase in invested capital for strategic

purposes. The first nine months of 2007 saw an increase in investments linked to the project finance initiative to construct the new hospital in Naples ("Ospedale del Mare") and investments in specific equipment to support new general contracting projects secured during 2006 in Central and South America.
As far as Italy is concerned, investments related to the first phase of the general contracting projects to construct two lots of the Jonica National Road were completed, while investments related to construction of the new underground lines in Rome (Line C) and Milan (Line 5), for which site activities have commenced, are set to be launched.

As regards working capital, mention must be made of the trend of works in progress which showed an increase compared to December 31, 2006 following the speeding up of production activities, especially in Venezuela, Central America and Algeria.
On the other hand, the increase in trade payables was considerably smaller since, from a financial viewpoint, preference was given to the supplier system in order to improve performance levels. This clearly had an effect on net financial indebtedness which, compared to December 31, 2006, recorded an increase of over EUR 160 million. Said phenomenon, which is also linked to mid-year cash flow dynamics that typically see an increase in investments during any year, was provided for at the level of financial planning, finding coverage in terms of ROI. It is felt that said phenomenon may be offset, as from the first part of the next year, by positive cash flows from the main contracts underway in Italy and abroad.

Equity, equal to approximately EUR 300 million, underwent a change during the period which can be attributed to profits recorded, distribution of dividends totalling EUR 8.3 million resolved by the Shareholders' Meeting on May 2, 2007 and a change in treasury shares.

A breakdown of the items comprising the Group's net financial position can be found below.

	€/000	September 30, 2007	June 30, 2007	December 31, 2006	September 30, 2006
A	Cash and cash equivalents	235,770	233,443	237,623	198,166
B	Securities held for trading	15,619	21,189	18,983	14,752
C	**Available Funds (A)+(B)**	**251,389**	**254,632**	**256,607**	**212,918**
D	**Financial receivables**	**15,368**	**9,767**	**21,978**	**44,143**
E	Current bank payables	(280,429)	(290,574)	(210,095)	(192,020)
F	Current share of non-current indebtedness	(1,859)	(955)	(1,958)	(3,369)
G	Other current financial payables	(12,888)	(1,933)	(12,139)	(9,532)
H	**Current financial indebtedness (E)+(F)+(G)**	**(295,176)**	**(293,462)**	**(224,192)**	**(204,921)**
I	**Net current financial indebtedness (H)+(C)+(D)**	**(28,419)**	**(29,064)**	**54,393**	**52,140**
J	Non-current bank payables	(397,575)	(339,189)	(313,997)	(322,597)
K	Other non-current payables	(17,906)	(28,771)	(25,202)	(26,730)
L	**Non-current financial indebtedness (J)+(K)**	**(415,480)**	**(367,959)**	**(339,199)**	**(349,327)**
M	**Net financial indebtedness (I)+(L)**	**(443,899)**	**(397,023)**	**(284,806)**	**(297,187)**
	Treasury shares in portfolio	4,305	3,243	3,824	4,303
	Total net financial position	**(439,594)**	**(393,780)**	**(280,982)**	**(292,884)**

The net financial position, excluding treasury shares, showed an increase compared to the figure recorded at the end of last year, equal to approximately EUR 160 million, totalling around EUR 440 million (EUR 281 million at the end of 2006).

As mentioned above, said phenomenon is linked to the dynamics of projects currently underway which comprise production phases with high levels of invested capital, both in terms of pressure on investments and operating leverage on suppliers.

As forecast, said dynamics will be offset as from the coming year.

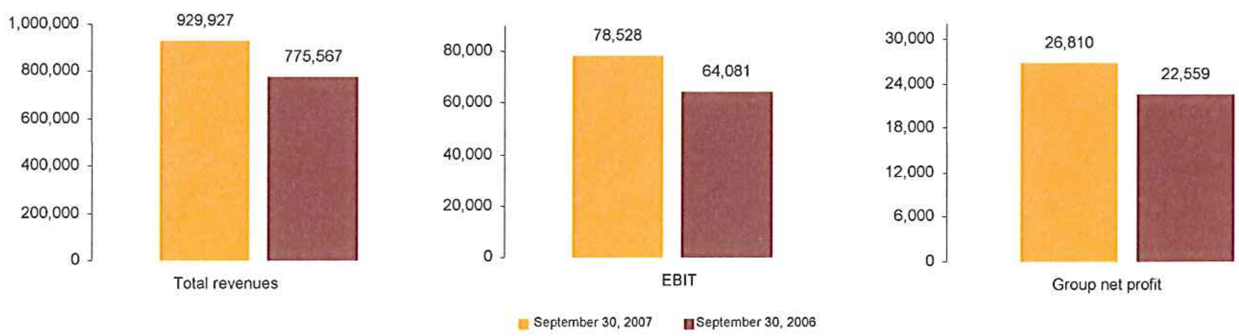
The debt structure is sound and in keeping with the process of long-term repositioning of indebtedness which, during the period in question, led to the subscription of a 6-year stand-by facility, which can be extended to 7 years, that considerably improved the Group's financial profile, making the cash position much more flexible.

The share of financing for foreign contracts and areas also increased as a result of supply transactions dedicated to individual projects, repayment of which is guaranteed by project financial flows.

comments on operating performance

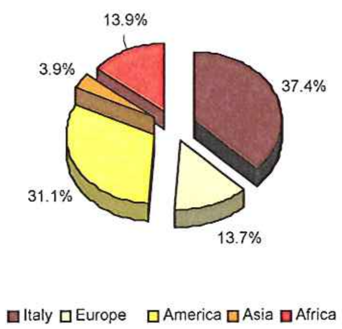
The first nine months of 2007 showed clear signs of an increase in Group earnings compared to the already good levels achieved in the same period of 2006. The guidelines set forth in the 2007-2011 Business Plan are being implemented thanks to important activities carried out, aimed at the diversification and repositioning of business activities, targeting markets which can currently guarantee better levels of productivity and earnings. Therefore, it is not by chance that most of the revenues and new contracts secured during the period can be referred to production and commercial activities carried out abroad, while not forgetting that the domestic sector, which saw an increase during Q3, still plays an all-important role in the Group's strategies.

The income statement at September 30, 2007 showed tangible signs of all-round economic growth. Specifically, the 21% increase in revenues given the general slowdown in the domestic construction market, highlighted the flexibility of the corporate model which has made it possible to reposition industrial and financial resources in international markets in the short-term so as not to loose the growth momentum, as well as to concentrate domestic resources on general contracting and project finance initiatives, the only ones showing signs of life on the domestic scene.
Total revenues amounted to EUR 930 million, with EBIT of EUR 79 million (*EBIT margin* of 8.4%). Net profit amounted to EUR 27 million.

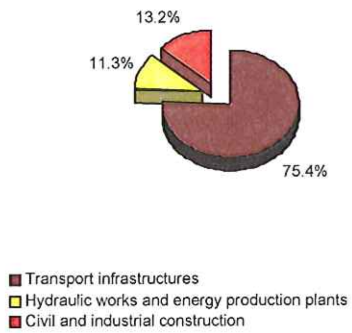


The domestic sector accounted for 37% of total revenues, while foreign activities (mainly railway and motorway projects) accounted for 63%.

Total revenues by geographical area
September 30, 2007



Total revenues by sector
September 30, 2006



The importance of activities performed in Venezuela was confirmed with the works to construct the Puerto Cabello-La Encrucijada railway going ahead as planned as well as activities related to new, recently acquired, key railway contracts.

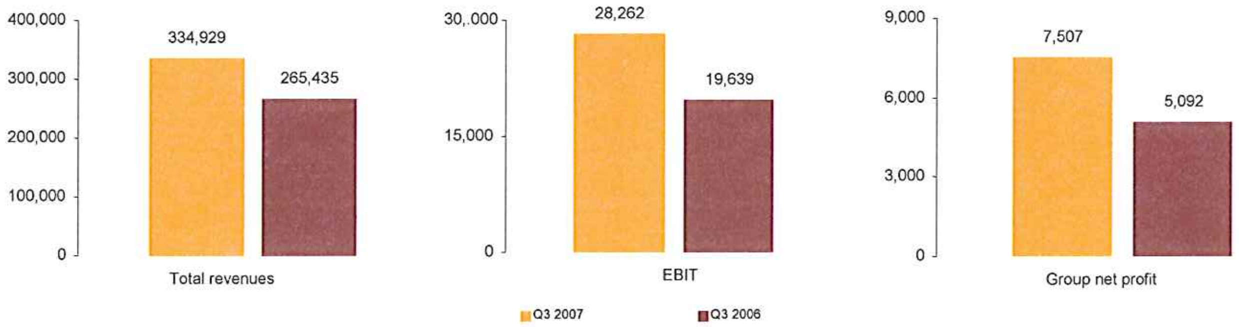
Positive levels of earnings and activities were also seen in the Central American area where the development of new, important infrastructural projects indicates further, interesting growth opportunities.

Activities underway in Saudi Arabia and Qatar are also going ahead as planned. Said activities accounted for approximately 3.9% of total revenues with said figure being not too far off the 5% target set in the Business Plan for turnover generated by this area within the next two years.

Production activities are also going ahead as planned in Algeria where, as a result of the significant growth seen in the two previous years, a process to optimize the Group's presence in the area from a procedural and operating viewpoint, is currently being implemented.

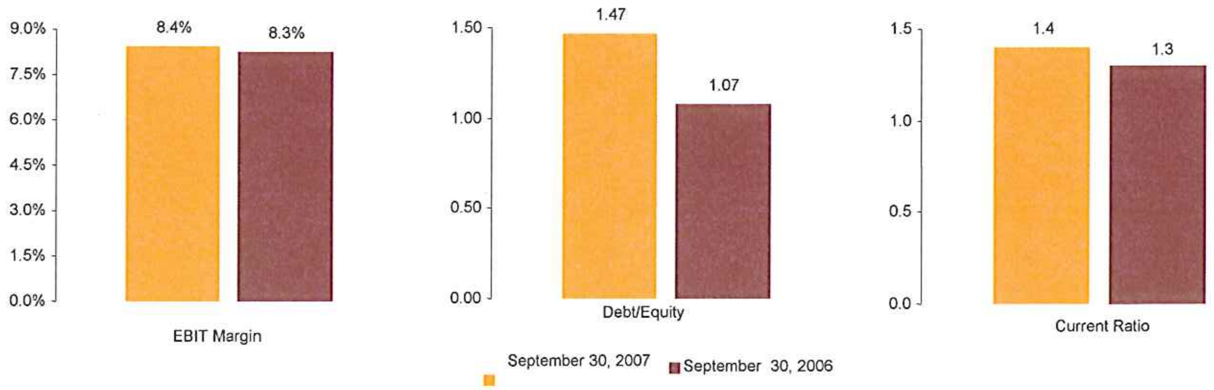
As regards the contribution of individual business areas to revenues, transport infrastructures accounted for 75%, hydraulic and energy works for 11% and civil and industrial construction for the remaining 13%.

Therefore, the transport infrastructures sector showed itself to be the key sector as well as the one making the largest contribution in terms of total revenues and margins achieved. As regards this sector, the Group is currently involved in the construction of major works such as the new undergrounds in Brescia, Genoa and Naples, the Turin rail link, Bologna's High Speed station, two lots of the Jonica National Road (SS106), Line C of the Rome underground and Line 5 of the Milan underground. As regards foreign activities, the major contribution made by works being carried out in Venezuela (railways) and Romania (motorways, railways, airports) was confirmed.

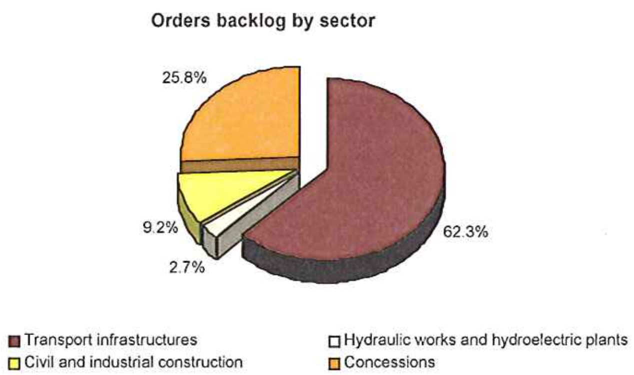


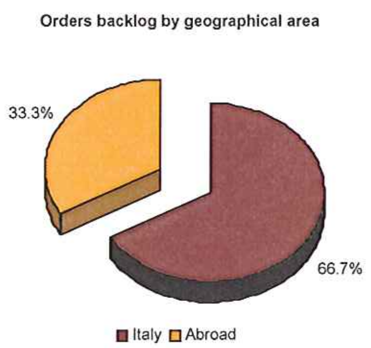
The results achieved on a quarterly basis also saw improvement. Total revenues for the third quarter of 2007 equalled EUR 335 million, showing a considerable increase on the figure at September 30, 2006. While revenues from works amounted to approximately EUR 327 million which was also an improvement on the figure for the same period of the previous year. The result for the period, significantly up on the previous figure, totalled EUR 7.5 million with a net margin of 2.2%.

Net financial indebtedness at September 30, 2007 including treasury shares amounted to EUR 440 million compared to EUR 281 million at December 31, 2006 and approximately EUR 293 million at September 30, 2006. As already mentioned, said figure was partly the result of support given to contracts, typical of the quarter, and partly due to the major input by the Group to start-up key contracts secured during 2006 in the form of investments, repayment of which will be ensured by the cash flow from construction activities as regards general contracting projects, and from management activities as regards concessions. The debt/equity ratio, up on the same period of 2006, was equal to 1.47.



As regards the orders backlog, the first nine months of 2007 saw a further growth, in terms of quality as well as quantity, in the value of managed contracts. Indeed, during the period in question, new contracts worth a total of EUR 2.1 billion were acquired which bring the total value of the Group's backlog to over EUR 8.2 billion, of which approximately EUR 6.1 billion is related to the construction sector and EUR 2.1 billion to the concessions sector. The current value of the orders backlog offers further confirmation of the growth targets set down in business plans. For more information in this regard, please see the section below.





orders backlog by sectors and geographical areas

The first nine months of the year saw an increase in the orders backlog of EUR 2.1 billion, EUR 1.4 billion of which referred to the third quarter.
These figures translated into an orders backlog at September 30, 2007 which was equal to EUR 8.2 billion, EUR 6.1 billion of which for construction activities and the remaining EUR 2.1 billion for concession management activities.
The figure shown does not take into account orders acquired subsequent to the end of the quarter in question which amounted to EUR 41 million and details of which can be found in the section dealing with subsequent events.

As already mentioned, a closer look at the orders shows how the new contracts secured during the first nine months of the year amounted to EUR 2.1 billion and consisted in EUR 1 billion for domestic activities and the remaining EUR 1.1 billion for foreign initiatives.
As regards the share related to the domestic market, this mainly referred to awarding of the project regarding 4 hospitals in Tuscany as well as contractual increases for key initiatives currently being carried out.
In August, the procedure regarding awarding of the project finance initiative to construct and subsequently manage an integrated system of four hospitals in Tuscany was completed with a positive outcome for Astaldi. This is an important achievement which confirms and further strengthens the Group's leadership in project finance healthcare construction at a domestic level. The project awarded to Astaldi in its capacity as leader of a joint venture, involves the construction and subsequent management of four hospitals located in Lucca, Massa, Pistoia and Prato. The total investment amounts to EUR 336 million for construction activities (with public funding of 55%) and EUR 1.2 billion, at nominal values to date (Astaldi has a 35% stake), for management activities. The project as a whole will involve construction covering an area of 200,000 square metres and make available over 1,700 new beds, 314 dialysis units and 106 cots. The duration of the concession is set at 22 years and 9 months, of which 3 years and 5 months for construction and 19 years for management of works and systems as well as non-healthcare services.
While as far as contractual addenda for the nine months in question are concerned, note should be taken of EUR 47 million related to the general contracting project to construct Lot "DG 22" of the Jonica National Road (SS 106). Also of importance was the contractual increase for EUR 35.3 million seen in July as a result of approval by the Municipality of Milan of the variant

for Garibaldi Station within the project finance initiative to construct the new Line 5 of the Milan underground.

While as regards foreign activities, the most significant figures included those for acquisitions made during Q3 2007 in Algeria and Europe (Romania and Bulgaria).

Specifically, in July, the Ministry of Transport of the Republic of Algeria awarded Astaldi the contract to design and construct 120 km of the new Saida-Moulay Slissen railway line for the value of EUR 616.5 million. The new contract involves the design and construction of railway bridges and viaducts, 4 stations, a freight yard, a depot for maintenance activities and 3 transfer stations along a route which stretches out perpendicular to that of the Mecheria-Redjem Demouche-Tabia railway line, already being constructed by Astaldi. Works are scheduled to commence during the first half of 2008 with an overall duration of 46 months.

Also in July, the Bulgarian Ministry of Transport awarded Astaldi the contract to design, construct and upgrade 104 km of the Plovdiv-Svilengrad railway line which forms part of the European transnational corridors (TEN, Trans-European Network) no. 4 and 5, for the value of EUR 162.5 million. The contract involves the construction of a new single track railway which will stretch for approximately 90 km and the rehabilitation of an existing 15 km line. The start-up of works is scheduled for the first quarter of 2008 with a total duration of 39 months.

The contract secured in Bulgaria is an important one which confirms the incisiveness of the expansion policies pursued by the Group, including in areas adjacent to its traditional areas of activity.

Mention must also be made of the successes obtained in Romania which have allowed the orders backlog for the area to increase by a further EUR 146 million, mainly related to initiatives in the transport infrastructures and civil construction sector.

Specifically, in July, Astaldi, as part of joint venture, was awarded the contract with the Municipality of Bucharest to design and construct the link road between Splaiul Indipendentel Clurel and the Bucharest-Pitesti motorway. The contract is worth a total of EUR 143 million (of which Astaldi has a 26% stake).

Still in Romania, in March, the contract to construct the new "Lia Manoliu" national stadium, worth a total of EUR 120 million (of which Astaldi has a 40% stake) was secured as part of joint venture. Design activities were already started up during the second quarter and the planned duration of works is 20 months.

Let us also remember that during the year, Astaldi, in its capacity as leader of a joint venture, executed a contract with the Municipality of Bucharest to design and construct the link road between Splaiul Unirii and the Bucharest-Constanta motorway. The project, worth a total of EUR

57 million, of which EUR 19 million refers to Astaldi's stake, provides for the start-up of works as from the second half of the year, with a planned duration of works of 29 months.
Mention must also be made of Astaldi's involvement in the project to modernize Cluj-Napoca international airport, located in the north-west of Romania. Indeed, over the nine-month period, the company obtained two major acknowledgements of its activities performed in the airport transport infrastructure sector in Romania where Astaldi has already been responsible for carrying out the most important works within the modernization project for Otopeni international airport in Bucharest.
During the first quarter, Astaldi was awarded the contract to construct the passenger arrivals terminal worth a total of EUR 13 million, of which EUR 12 million corresponded to Astaldi' stake. Works are scheduled to be completed by Spring 2008.
While the second quarter saw awarding of the contract to construct the passenger departures terminal of the same airport. The contract worth a total of EUR 32 million (of which Astaldi has a 70% stake) involves the construction of a three-floor building on a surface area of over 15,000 square meters, with works expected to be completed by the first half of 2008.
Note should also be taken of the further opportunities in Turkey which became a reality during the period in question with a contract extension worth EUR 26 million related to the project to construct the Istanbul-Ankara motorway, also known as the Anatolian Motorway, one of Astaldi's most important works in the motorway transport infrastructures sector.
Further contracts were also secured in the Arabian peninsula area where the Group's backlog increased by approximately EUR 55.5 million. As regards this area, Astaldi Group operates in Saudi Arabia and Qatar, mainly in the industrial plant engineering sector applied to the petrochemical segment (oil&gas) where the company has acquired an important, qualified role which allows it to work closely with leading international operators in the specific area of oil plant engineering.
Specifically, the new contracts acquired in this area refer to additional shares in the "Khurais Project" in Saudi Arabia and the "QATOFIN Mesaieed Snam Project" in Qatar, two initiatives which ensure Astaldi Group's involvement in projects of international importance.
The first project, worth EUR 35.3 million to date, refers to the construction of civil works related to a G.O.S.P. (Gas&Oil Separation Plant) in the industrial city of Khurais in Saudi Arabia. The planned duration of works is 20 months.
The second project, worth EUR 20 million, involves the performance of mechanical works, in addition to civil works already acquired last year, related to a LLDPE (Linear Low Density Polyethylene) petrochemical plant in the Mesaieed industrial hub in the south of Qatar. Works are expected to be completed by the second half of 2008.

Both of the aforementioned projects were commissioned by Snamprogetti, one of the leading EPC contractors operating in the sector at an international level. It is felt that said condition may allow for new additional opportunities for expansion of industrial-plant engineering activities, not only in the Arabian peninsula, but also in other areas of the world offering interesting investment opportunities in this sector.

Further increases in the orders backlog were also seen in South America.

Specifically, in March, a further EUR 70 million was included in the backlog in relation to project changes approved by the Client concerning the Puerto Cabello-La Encrucijada railway contract underway in Venezuela. The contribution of Central America (Honduras, Nicaragua, El Salvador) was also significant with new contracts worth a total of EUR 38.5 million being recorded, mainly related to the transport infrastructures and water sector.

The table below shows the trend of the orders backlog during the first nine months of the year, with the main areas of activity highlighted. The figures shown do not include projects, the acquisition of which has still not been made official.

€/millions	**At Jan 1, 2007**	**Increments**	**Decrements for production**	**At Sep 30, 2007**
Transport infrastructures *of which:*	4,356	1,441	(673)	5,124
Railways and undergrounds	*3,279*	*1,206*	*(431)*	*4,054*
Roads and motorways	*1,036*	*172*	*(232)*	*976*
Airports and ports	*41*	*62*	*(10)*	*94*
Hydraulic works and hydroelectric plants	325	2	(101)	226
Civil and industrial construction	630	247	(118)	759
Concessions	1,699	420	-	2,119
Backlog at September 30, 2007	**7,009**	**2,110**	**(892)**	**8,227**

While the following table shows the contribution of the individual geographical areas to the orders backlog.

€/millions	At Jan 1, 2007	Increments	Decrements for production	At Sep 30, 2007
Italy	*4,881*	*942*	*(334)*	*5,489*
Abroad	*2,128*	*1,167*	*(558)*	*2,738*
Backlog at September 30, 2007	**7,009**	**2,110**	**(892)**	**8,227**

The figures listed show an orders backlog at September 30, 2007 which comprised domestic construction activities (44%), foreign construction activities (30%) and concession contracts accounting for the remaining 26%.

The key sector is the transport infrastructures sector which accounted for 62% of the total orders backlog, followed by concessions (26%), civil and industrial construction (9%) and hydraulic works and energy production plants (3%).

Lastly, note should be taken that, in compliance with the criterion for inclusion of new contracts among the backlog, adopted by the Group, the value of the backlog at September 30, 2007 did not include among the new orders the possible developments related to the project underway to construct the new Line C of the Rome underground. At the end of March, the Municipality of Rome made known its intention to extend the route of the new Line C of the underground, currently under construction by Astaldi as part of a joint venture. It would appear that the extension involves running the line from Piazzale Clodio towards the Cassia in the northern area of the city, along two sections: the first would serve to link Piazzale Clodio to the Farnesina area through a single, two-track tunnel measuring 3 km with three stops and an interchange car-park offering 1,300 parking spaces. While the second section would involve the construction of two single-track tunnels to link the Farnesina area to the northern part of the capital, featuring 6 stations along a 6 km route and 3 interchange multi-level car-parks, each with an average capacity of 650 parking spaces. As far as this contract extension is concerned, the overall investment totals approximately EUR 1,230 million and will be included among the orders backlog upon official awarding by the Municipality of Rome.

As regards additional commercial activities under consideration, in keeping with strategic planning, the Group's focus is being placed on general contracting and project finance initiatives, in Italy and abroad, mainly linked to transport infrastructures, energy production plants, civil construction, healthcare facilities and car-parks. The Group is currently awaiting the outcome of award procedures with regard to some of these initiatives, while for others the relative prequalification, verification and award procedures are still underway.

Specifically, with regard to foreign activities, the areas of interest are those where Astaldi is traditionally active and which offer considerable development opportunities (Venezuela, Algeria, Romania and Turkey), as well as the Arabian peninsula (Qatar and Saudi Arabia), Central America and neighbouring countries offering additional interesting development opportunities (Panama, Chile, Brazil, Guatemala, Bulgaria, United Arab Emirates).

subsequent events

Subsequent to closure of the quarter in question, Astaldi Group's activities are going ahead as planned, both from an operational and commercial viewpoint, and there are no significant events to be reported.

forecast development of operations

The results achieved during the first nine months of the year confirm the growth forecasts contained in the Group's business plans. 2007, which represents a turning point for Astaldi Group, will make it possible to reap the rewards of the major commercial and production efforts seen in recent years and the company's major commitment in financial and economic terms to the start-up of important, recently acquired contracts.

As regards the domestic sector, over the coming years Astaldi will be committed to performing the contracts currently among its orders backlog, which is of importance from both a qualitative as well as quantitative viewpoint, with positive consequences on the levels of earnings achieved. Further opportunities may also arise in the transport infrastructures sector - especially projects linked to TEN (Trans-European Network) corridors - as well as in the concessions sector at a local and regional level.

Specifically, as regards the concessions sector, interesting commercial developments may arise from projects being finalized in the healthcare construction segment where Astaldi Group has attained a leadership position at a domestic level.

The first real benefits from concession projects currently among the Group's backlog will also start to be seen. The new hospital in Mestre, the first major project finance initiative in Italy in the healthcare sector which was opened in September, will enter the management phase as from early 2008. Management activities for the new hospital in Naples ("Ospedale del Mare"), which is currently under construction, will also commence as from 2009, while the start-up of design activities related to the recently acquired project to construct four hospitals in Tuscany is expected by the end of this year.

The contribution from the construction sector remains unchanged with major developments for foreign activities expected.

Some interesting projects may come off in Venezuela in the transport infrastructures and healthcare construction sectors given the intergovernmental cooperation agreements signed in December 2005 between the local government and the Italian government, as well as in surrounding areas where the Group already operates (Honduras, Nicaragua, Costa Rica, El Salvador, Bolivia) or areas to be developed (Panama, Chile, Peru, Brazil, Guatemala).

The strategic role of Eastern Europe will be confirmed with further consolidation of the key position already held in Romania and the development of interesting projects which may come off in the nearby Bulgaria, in consideration of the major investments expected in infrastructures in light of cohesion funds allocated by the European Union.

The development of initiatives related to opening of the market to privatization and motorway concessions in Turkey will be carefully monitored. Astaldi recently inaugurated the Anatolian Motorway in Turkey which offers a clear example of the Group's key construction capacities in the motorway infrastructures sector.

The interest in Algeria also remains unchanged with major investments in infrastructures expected due to the local government's improved ability to convert the financial resources from marketing of the natural gas supplies the country has to offer, into items of spending.

Development of activities in the Arabian peninsula will also go ahead, especially in Saudi Arabia and Qatar where the Group aims to consolidate the experience acquired in recent years with the main EPC contractors operating at an international level in industrial plant engineering (oil&gas), which is felt may lead to further growth opportunities in surrounding areas as well (United Arab Emirates, Oman).

While developing all these initiatives, the Group's commitment to ensuring careful control of the equity and financial structure at a consolidated level is guaranteed as well as its commitment to promoting development of the human capital the Group already boasts.

statement by executive appointed to draft corporate accounts in compliance with the provisions of Article 154-bis paragraph 2 of Legislative Decree No. 58/1998 (Consolidated Finance Act)

The undersigned, Paolo Citterio, General Manager-Administration and Finance of Astaldi, in his capacity as Executive appointed to draft corporate accounts, hereby declares that the consolidated quarterly report at September 30, 2007 of Astaldi S.p.A. tallies with documents, ledgers and account entries.

The quarterly report at September 30, 2007, not subjected to auditing, has been drafted in accordance with the guidelines provided by the Italian Securities and Exchange Commission (CONSOB) in its Issuers' Regulations, and in compliance with the evaluation and measurement criteria established by 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 Article 6 of (EC) Regulation No. 1606/2002 of the European Parliament and Council of July 19, 2002.

November 13, 2007

Paolo Citterio
General Manager

INCOME STATEMENT		Reclassified reference	30/09/2007	30/09/2006
Revenues		A	(892,127)	(728,604)
Other operating revenues		B	(37,800)	(38,040)
	Of which to related parties		*3,623*	*3,681*
Total Revenues			(929,926)	(766,644)
Purchase costs		C	219,268	167,635
	Of which to related parties		*1*	*5*
Service costs		C	448,095	382,964
	Of which to related parties		*54,716*	*43,122*
Personnel costs		D	140,489	122,785
Amortization, depreciation and write-downs		F	25,369	23,053
Other operating costs		E	18,561	16,094
Total Costs			851,782	712,531
(Capitalization of internal construction costs)		G	(383)	(1,045)
Operating Result			(78,528)	(55,158)
Financial income		H	(19,764)	(29,865)
	Of which to related parties		*(395)*	*(253)*
Financial charges		H	51,698	44,019
Effects of valuation of equity investments using equity method		I	(1,427)	(1,812)
Pre-tax profit (loss) of continued operations			(48,021)	(42,816)
Taxes		L	21,609	19,091
Profit (loss) of continued operations				
Profit (loss) related to discontinued operations			(26,412)	(23,725)
Profit (loss) for the period		M	(26,810)	(22,559)
- Group		O	398	(1,166)
- Minority interests		N	(1,427)	(1,812)

BALANCE SHEET – ASSETS

		Reclassified reference	30/09/2007	31/12/2006	30/09/2006
ASSETS					
Non-current assets					
Property, plant and equipment		A	235,584	192,999	174,323
Investment property		A	193	198	199
Intangible assets		B	6,406	3,795	4,053
Equity investments		C	98,197	96,492	95,660
of which:					
Equity investments valued using equity method			96,132	*93,513*	92,679
Non-current financial assets		D	11,760	11,957	10,439
	Of which to related parties		*11,304*	*11,046*	
Other non-current assets		D	17,972	13,443	14,116
Deferred tax assets		D	9,922	12,247	11,811
Total Non-Current Assets			380,034	**331,131**	
Current assets					
Inventories		E	55,653	51,600	44,443
Contracts in progress		F	567,590	397,712	434,509
Trade receivables		G	408,550	437,877	347,102
	Of which to related parties		*38,594*	*29,767*	
Current financial assets		H	30,283	40,046	14,752
Tax receivables		Z	90,467	73,275	63,702
Other current assets		I	249,503	188,094	176,865
	Of which to related parties		*32,775*	*39,774*	
Cash and cash equivalents		L	235,770	237,623	198,166
Total Current Assets			1,637,815	**1,426,227**	**1,279,538**
Non-current assets held for sale			-	0	-
Total Assets			2,017,850	**1,757,358**	**1,590,139**

BALANCE SHEET – LIABILITIES

		Reclassified reference	30/09/2007	31/12/2006	30/09/2006
EQUITY					
Share capital			195,333	195,391	97,604
Reserves					
- Legal reserve			12,152	10,767	10,767
- Extraordinary reserve			62,316	43,476	76,443
- Share premium reserve			-	0	-
- Profit (loss) carried forward			17,559	18,931	16,616
- Other reserves			-15,809	-18,987	47,299
Total Share Capital and Reserves			271,552	**249,577**	248,729
Profit (loss) for the period			26,810	30,091	22,559
Total Group Equity		M	298,361	**279,668**	271,287
Reserves			1,518	656	564
Profit (loss) for the period			-398	735	1,166
Minority Equity		N	1,120	**1,392**	1,730
Total Equity		O	299,482	**281,059**	273,018
Employee severance pay and other personnel provisions					
LIABILITIES					
Non-current liabilities					
Non-current financial liabilities		P	417,178	339,797	349,925
	Of which to related parties		*1,698*	*597*	
Other non-current liabilities		V	53,393	35,973	31,565
Employee severance pay and other personnel provisions		T	13,438	12,470	11,934
Deferred tax liabilities		V	211	185	159
Total Non-Current Liabilities			**484,220**	**388,425**	393,583
Current liabilities					
Amounts due to customers		R	241,033	209,324	125,186
Trade payables		S	516,330	474,478	413,551
	Of which to related parties		*99,118*	*90,907*	
Current financial liabilities		Q	295,176	224,192	204,920
Tax payables		V	32,823	26,137	22,147
Provisions for current risks and charges		U	35,295	30,035	45,327
Other current liabilities		V	113,491	123,707	112,406
	Of which to related parties		*44,201*	*45,821*	
Total Current Liabilities			**1,234,149**	**1,087,874**	923,538
Liabilities directly associated with non-current assets held for sale			-		-
Total Liabilities			**1,718,368**	**1,476,299**	1,317,121
Total Equity and Liabilities			**2,017,850**	**1,757,358**	1,590,139