

# **salini**

COSTRUTTORI





**Salini Costruttori Group**

**Consolidated Financial Statements 2010**



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# DIRECTORS' REPORT

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The **Consolidated Financial Statements** of the Salini Group relating to the Group's 2010 financial year discloses a pre-tax net income totalling Euros 55.4 million and a net income amount of Euros 31.1 million, in relation to a value of production referred to 2010 corresponding to Euros 1,122.8 million.

The portfolio of work to be performed increased by approximately Euros 8.7 billion compared to the previous financial year, totalling Euros 14.7 billion. This level represents approximately one tenth of the perspective production for a given 2010 turnover, and corresponds to the only benchmark in the reference market with work still to be completed totalling Euros 9.9 billion.

Prior to a more detailed examination of the financial statements data, it is first necessary to focus on the considerable number of new features that have characterised the financial year of 2010. A number of strategic and operational decisions were taken as a result of an intensive and lengthy preparatory evaluation. The consolidated financial statements fully demonstrate a Group that has inserted itself amongst the elite of Italian General Contractors, simultaneously gaining in international rankings in this sector.

The identity, structuring and the future potential of the Salini Group provide a solid framework to the overall achievement and is therefore an essential reference when reading and assessing the results reported in the 2010 financial year and which are summarised above.

It is equally important to consider the strategic choices which have formed the basis of the Group's new structure in relation to an international perspective and in greater detail in relation to individual market areas: the crisis that unfolded in 2008, and the instruments for recovery put in place, that have established both a sea of challenges together with a wealth of opportunities for the individual businesses, regional areas and individual countries.

The first objective committed us from 2010 to be an active part in the consolidation process of the Italian sector of major constructions.

In 2008-2009, aware of the changes taking place in the market and with the global economy we designed projects, and the necessary tools and resources that would lead to a strategy based on two complementary objectives.

The first has resulted in us taking an active part in the consolidation process of major constructions in Italy.

The second called upon us to read the signals of the expanding market and diversified opportunities and take effective action, corresponding to the international scene that never ceases to evolve before our eyes.

The share capital increase that took place in 2009 and the subsequent acquisition of 60% of Todini Costruzioni Generali, formalised in January 2010, has resulted in an even stronger and more competitive Group, positioned to compete on equal terms with the other major international players in the global market.

Today, the Group ranks third in the Italian sector, whilst in the various international classifications the Group is one of the few private and independent parties to feature in the élite of hydroelectric, infrastructural and civil constructions.

The organisation that established itself with the consolidation business has operating centres and construction sites active in **40 countries** and **4 continents**, a broad foundation that we intend to promote as a starting point for a growth cycle proportionate to the future of this sector.

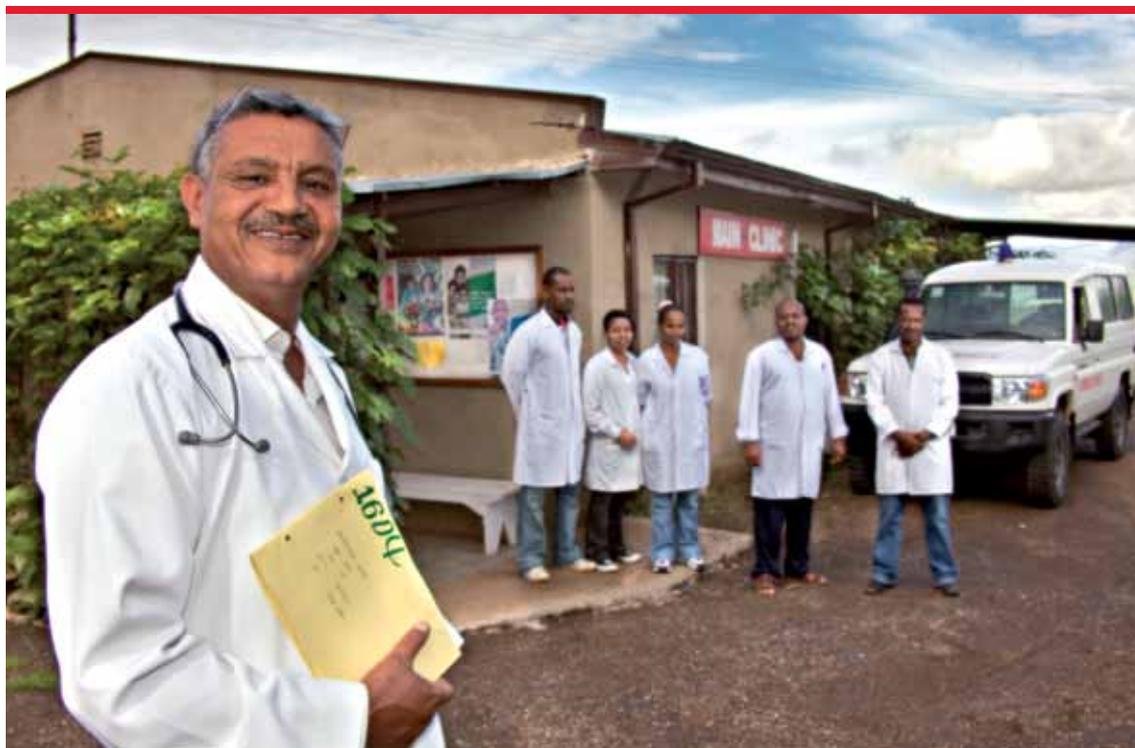
The Group's structural features which we share with our external and internal stakeholders are represented by the features of a private industrial entity, proud of traditions which see three generations involved in managing the undertaking and that represent - as only a few others - a practical and tangible example of the vitality of the advanced Italian family business model.

Infact, in this first year, the Group has pursued its substantial growth by integrating without duplicating the technical skills of two major Italian organisations absorbing the cultural heritage, values and identity of a number of different nationalities. The synergy that has been achieved has avoided both overlaps and structural redundancies geographically and in terms of structure of the turnover amongst the various entities. The new Group has significant potential for growth both in terms of the types of operation - hydroelectric plants, underground transport systems, civil constructions, road works and other infrastructures - as well as in terms of the capacity to penetrate international markets.



Sierra Leone, Bumbuna Hydroelectric Power Plant

## Sustainable Growth



*Ethiopia, Gibe III Hydroelectric Project - Clinic*

Operating in situations which are so numerous and diverse means interpreting and complying with the expectations of countries, customers, local communities, consumers and – frequently – technical and operating counterparties with histories and cultures which differ from each other.

The Group has translated these requirements into an outlook and a working style that focuses on the value of persons; the attention and commitment to a broad notion of “sustainable growth” derive from this choice, representing a structural aspect of our business: energy from economic renewable sources and with zero carbon emissions, decongesting urban mobility in rapidly developing districts, zero-impact solutions for metropolitan public transport, developing and enhancing the territorial infrastructures as a factor to access and enhance strategic areas for the country and the regional areas involved represent the Group’s main activities.

The governance model we have adopted in the Group’s new perimeter enables attentive relationships with the various stakeholders, abiding by the rights and cultural identities of the human resources used in the organisation, regular and systematic investments in safety, health, the work environment, commitment towards the local communities impacted by our operations.

The commitment to professional growth and to develop knowledge and awareness of the mutual customs, above all, respect for the topics of health and safety and human

rights is demonstrated within the Group by the adoption of rules and regulations of conduct which are strongly shared, supported by a training commitment and a regular encounter in with more than 12,000 employees originating from more than 60 different nations.

Both the persons and their vital requirements are at the centre of our commitment to achieve sustainable growth, since we are highly aware of the value of preserving the environment and natural resources.

Salini prepares and executes its interventions while assuring that the environment is guaranteed the best possible protection, undertaking to constantly improve the environmental services, understood as representing an integral part of the corporate economic and operational performance.

Customers, Suppliers, Authorities and Interested Parties, in addition to the internal human and professional resources are involved in the processes and initiatives concerning the environment, since strategic objectives are qualified in the environmental context in a globalised and extremely competitive market.

The Salini Group has a “full-scale” commitment in expressing and pursuing the values of the enterprise in concordance with the principles of ethics, sustainable growth and the intelligent use of resources. Corporate social responsibility is a core concept



Ethiopia, Gefersa - Mental health rehabilitation center

referred to in a group that has every intention to integrate itself with full citizenship status in the communities where it operates: we can declare with confidence and pride that the Salini Group has every right to claim to be a socially responsible group.

This core reference, achieved together with the acquisition of facilities and operating contracts in ever broader and distant environments, has determined positive and increasing interactions with an expanding audience of external and internal stakeholders.

In 2010 this sensitive approach took on a new presence in the publication of a Sustainability Report prepared in accordance with the Global Reporting Initiative 3 international standard, recognised internationally as a means of achieving maximum clarity in relationships with stakeholders.

### **ECONOMIC-OPERATIONAL SUSTAINABILITY**

One aspect that is of particular importance in the execution of the strategic plan discussed above is the correct relationship with internal and external stakeholders that are most directly involved in the development of activities: shareholders, suppliers, the financial system, and customers.

It regards an area where “customer satisfaction” takes on a whole new perspective. The quality of interaction and the building of loyal relationships with major clients is a successful and competitive attribute

The adoption of a systematic approach to “customer satisfaction” is necessary in order to address customer’s needs ever more appropriately and therefore ensuring the success of the company in the market.

To conclude this introductory section, it is worthwhile emphasizing the considerable achievements in terms of economic and financial results, also in comparison to the sector averages: the debt/equity ratio of 0.99, the Debt/EBITDA ratio 1.37, and the ROE that reached 26.7%.



## The Macro Economic Scenario



*Ethiopia, Beles Hydroelectric Power Plant*

When analysing the figures in macro economic turns, if a downturn in growth corresponding to 0.5% was noted in 2009, 2010 saw a gross domestic product that reflected pre-crisis levels. The world economy has resumed with a 5% growth based on data supplied by the International Monetary Fund, also thanks to the development of the emerging countries, which grew by 7.3% (with peaks relating to India and China at rates exceeding 10%).

The Western countries reported much lower growth rates corresponding to around 3%, and reduced to 1.7% in the Euro zone. These figures are also confirmed for 2011, where the IMF foresees increases of between 4 and 5%, with a growth of 6.5% for the emerging countries, again driven by China (9.6%) and India (8.2%). It is important to note that also the Csi area reports a significant 5% growth, 5.5% in sub-Saharan Africa and 5.4% in Southeast Asia. The growth rates in the countries where the Salini group is present are substantial compared to the average; indeed, we have rates which exceed 5% in Belarus (6.8%), Kazakhstan (5.9%), Malaysia (5.5%), Nigeria (6.9%), Ethiopia (8.5%) and Uganda (6%).

A comforting and generalised return to growth is to be noted with particular reference to the African continent, where the Group operates predominantly, with all the preconditions for a long-term and more democratic growth, with the appropriate precautions. Indeed, the current expansion of the middle class should generate a

demand for stability and good governance together with more and more interesting production and consumption areas. Lastly, the recovery of foreign capital flows throughout sub-Saharan Africa is a positive sign.

However, the growth factors are also impacted by some elements of tension, such as the political change that is being experienced by the North African countries, the price increases of raw materials such as crude oil, the concern over the sustainability of the sovereign debts of some countries, the unspecified amount of derivatives in circulation and the growing unemployment in many world areas (10% in the Euro zone; 21% in Spain).

The crisis is still being felt in the construction sector in Europe and the forecasts for 2011 indicate a trend that remains in line (-0.1%). The value of production has decreased to 3.3%, a downturn determined above all by France, Italy, Holland, Denmark, Austria; of these countries Denmark will benefit this year from the Cityringen project, already under way and under the responsibility of the Copenhagen Metro Team, of which Salini Costruttori is the lead manager.

In 2010, in Italy there was a slight recovery in bids for public contracts; the number of tenders increased by 2% compared to 2009 and the total starting price increased by 4% (corresponding to a total value of 31.8 billion).

Specifically there were 73 bids for tenders with a value exceeding Euros 50 million, corresponding to a total amount of 13.8 billion (+ 20%); the average unit value was 190 million with an average of the discounts offered corresponding to 24%. The bids for tender involving project-financing also increased in 2010, and corresponded to 4% of the total public works, above all, thanks to the projects for photovoltaic plants.

However, the growth in the number of bids for tender was not sustained by the trend of the contracts awarded and the allocated public funding. Indeed, there was a 6% decrease in the number of work contracts and a 13% decrease in terms of value with reference to the awarded contracts, corresponding to a total value of 21.4 billion for the awarded contracts.

In addition, the last estimates made for 2011 foresee a decrease of the actual expenditure for infrastructures of between 1% (Cresme) and 6% (Ance) in real terms.

Lastly, it is important to note that in the first quarter of 2011 works with a value exceeding 50 million decreased dramatically: there were only 8 calls for tender representing a 50% downturn in terms of the number of works and a 78% downturn in terms of value, compared to the first quarter of 2010.

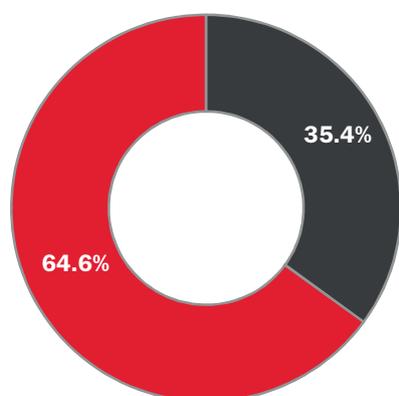
## The Group Today: Summarised Consolidated Data

The Company, together with the subsidiaries Zeis s.r.l., Cogema s.p.a., Madonna dei Monti s.r.l. and TBMetro srl exercised the option for group taxation for Corporate Income Tax (IRES) purposes, pursuant to and in accordance with Article 117 and following articles of the Consolidated Act on Income Tax (T.U.I.R.) and Ministerial Decree (D.M.) dated 9.6.2004. The provisions cited involve determining an aggregate global income corresponding to the algebraic sum of the net aggregate income of the participating companies. The economic and financial relationships which result from participating in the group taxation arrangement concerned are disciplined by special regulations signed among the parties.

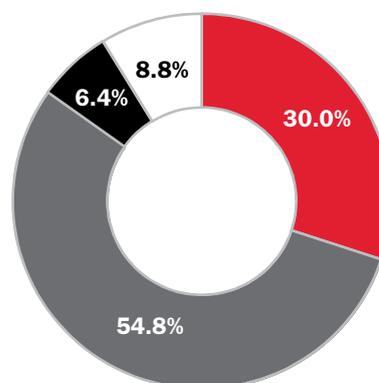
The 60% owned subsidiary Todini Costruzioni Generali S.p.A was fully integrated in December 2010. As outlined in the introduction, the consolidated financial statements relating to the financial year closed as at 31 December 2010, therefore, disclose a pre-tax net income amounting to Euros 55.4 million and a net income of Euros 31.1 million. The Group's turnover reported a 71.7% increase as at 31 December 2010. The data also reflects directly on the increase of the income values, the cost and the number of employees.

The value of production for the 2010 financial year corresponds to Euros 1,123 billion. The value and the costs of production distributed by geographical areas are illustrated in the Explanatory Notes.

	2008		2009		2010	
<b>Production - Italy</b>	141.380	19,2%	103.013	15,8%	397.222	35,4%
<b>Production - Abroad</b>	595.550	80,8%	550.941	84,2%	725.601	64,6%
<b>TOTAL</b>	736.930	100,0%	653.954	100,0%	1.122.823	100,0%

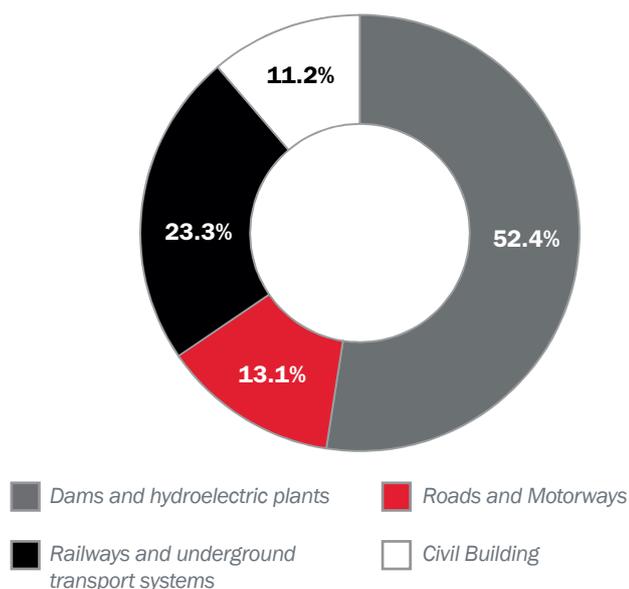


■ Production Italy    ■ Production Abroad

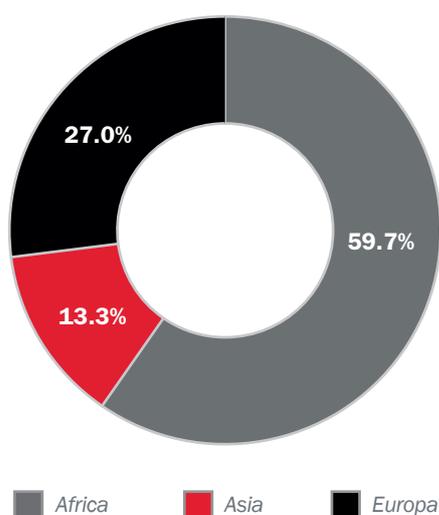


■ Dams and Hydroelectric Plants    ■ Roads and Motorways  
 ■ Civil Building    □ Railways and underground transport systems

The portfolio of work contracts corresponds to approximately Euros 14.7 billion as at 31 December 2010. These include more than 67% which are still to be executed for a value of Euros 9.9 billion (Euros 1.4 billion in Italy, Euros 1.5 billion in Europe, Euros 1.2 billion in Asia and Euros 5.8 billion in Africa). Compared to the 2009 financial year, the amount of the work contracts to be executed increased threefold, thanks to the significant work contracts acquired in Denmark, Ethiopia, Nigeria and Malaysia.



The **core business** is still represented by the **dams and hydroelectric plants sector** (52.4%), followed by railways and underground transport systems (23.3%), civil building and roads and motorways.



**Africa, led by Ethiopia** is confirmed as the Group's **predominant market** (59.7%) followed by Europe (27.0%), of which Italy represents 43%.

These factors demonstrate the strategic capacity of a Group that has multiplied its opportunities to access business areas which are less exposed to the short-term failings of the economic cycle and ready to grasp at dynamics on road to recovery.

The structure of the portfolio of work contracts highlights three acquisitions which differ from each other - and which will be outlined in the paragraph relating to the events which occurred after the close of the financial statements - but are all highly representative of the profile that the Group has now achieved:

- Copenhagen's underground transport system ring, a work contract acquired as the lead company of a pool of outstanding contractors, in the context of strong competition with the sector's leading continental contractors and in a country that is traditionally careful concerning the quality of the products, processes and actions relating to the overall sustainability of the interventions. Copenhagen's underground transport system, to all effects and purposes, is a benchmark reference at a European and world level.
- 11 lots overall for Kazakhstan's main arterial Motorway, the South West Road Project, an infrastructure in the heart of central Asia that can be considered to be equivalent to the main "corridors" under construction in Europe;
- The Millennium Project, the largest hydroelectric plant of the African continent that - besides representing the largest work contract abroad acquired by a single Italian contractor during the last decades - confirms the relationship of trust and satisfaction that our Group succeeds in establishing with the most demanding international customers.



*Ethiopia, Millennium Hydroelectric Project*

## Significant Business Activities During 2010



Italy, Rome - Metro B1 underground

The significant events which occurred during 2010 will be outlined, with a subdivision of the business activities performed in Italy and the activities performed abroad, before reviewing the financial statements data in detail.

### BUSINESS ACTIVITIES IN ITALY

- The construction work on the Rome underground transport system, line B1 continued in 2010. The even line tunnel along the section between the Conca d'Oro station - Pozzo Bologna was completed in September. The work is performed by a temporary association of companies (ATI) of which the company is the lead company with an 80.90% stake.
- Supplementary Agreement I relating to the Conca d'oro - Jonio extension was entered into on 9 February 2010 with Roma Metropolitane. The main works relating to the tender contract remain unchanged and the overall amount of the contract totals Euros 173 million; the work was handed over on 9th June 2010. The time required to complete the works remains established at 42 months (4 months for the final engineering design, 2 months for the executive engineering design and 36 months for construction). The overall amount of the two contracts corresponds to Euros 591 million; Salini's share amounts to Euros 488 million.
- The subsidiary Todini Costruzioni Generali S.p.A. continues the work to extend and modernise the A1 Motorway base Tunnel - Lot 9-11 - Variante di Valico. The work contract forms part of the more significant work being carried out by Autostrade per

l'Italia S.p.A., to enhance the A1 Motorway with the construction of the Variante di Valico pass that will improve the traffic flow and reduce the travelling time between Bologna and Florence. The main works of the Variante di Valico is represented by the Base Tunnel: a tunnel that has separate carriageways (a cross-section of 160 sq.m. and approximately 8.6 Km long), that will link the Emilia Romagna and Tuscany Regions, uniting the future Badia Nuova service area to the North with the new Poggiolino junction in the South.

The work to construct the Milan Lecco railway section, executed by the subsidiary Todini Costruzioni Generali S.p.A., continued during 2010 and the 2nd amending and supplementary contract was defined and establishes the amount of the tender contract as Euros 126 million, with an increase in the value of the works amounting to Euros 5 million, invoiced entirely during 2010.

The construction work of the Rome Fiumicino Motorway section, executed by the subsidiary Todini Costruzioni Generali S.p.A., has been completed except for the work envisaged by the Variance survey pending approval from the Rome City Council that has not resolved the resolution concerning the Municipal Regulating Plan.

- The construction work of the road and tunnels on the Capo Boi trunk road, continue and are executed by the subsidiary Todini Costruzioni Generali S.p.A.
- The work executed by the subsidiary Todini Costruzioni Generali S.p.A. and relating to the construction of the civil works on the Piscinola - Secondigliano railway section continued regularly in the framework of the modernisation and development of the Naples - Alifana Railway.



Italy, Milan-Lecco Railway

- During the 2010 financial year the subsidiary Zeis S.r.l. consolidated the management and development of the Group's real estate assets, directly, and by constructing, restructuring, leasing and selling buildings, and indirectly, through its investee companies. In particular, the work to restructure the former Galbani building in Via P. Blaserna in Rome was completed during the year and the notarial deeds to sell the property units were signed, corresponding to an aggregate value of Euros 9 million at year-end. In addition, the sale of a series of flats and lock-up garages was formally defined in the first quarter of 2011 for a value of Euros 6 million. Zeis S.r.l., a Group subsidiary company, acquired the control of Plus S.r.l. in 2010, increasing its participating interest to approximately 55%. Zeis is involved in the preliminary phases to execute the real estate initiative in the former SDO area in Rome. A landed property mortgage was raised with Banca Popolare di Milano in June 2010 for this purpose, amounting to Euros 80 million and will be used to construct the residential complexes.
- The associated company Immobiliare Marinella s.r.l. purchased a property complex in the Municipality of Santa Marinella (Rome), in 2008 that will be restored and renovated to be subsequently allocated for residential use. The Commencement Notice was submitted during the financial year.
- Co.Ge.Ma. S.p.A mainly provided services in favour of the Group in 2010; these services concerned the centralised management of purchases and machinery to develop and execute the work contracts in progress mainly abroad. These activities were also performed in favour of the subsidiary Salini Nigeria Ltd. for the commitments currently in progress in Nigeria.
- With regard to the concession sector, the activities performed by Corso del Popolo S.p.A. and by Corso del Popolo Engineering S.c. a r.l., two subsidiaries of Todini Costruzioni Generali S.p.A. continued; these subsidiaries are involved in the construction of public works in the Municipality of Terni to complete the detailed "Corso del Popolo zone" plan. The contract entered into with the Municipality envisages the thirty-year long management of the public parking facility, to start from 2011. In addition, the engineering company "Piscine dello Stadio S.r.l.", 70% controlled by Todini was established in May 2010 also at Terni, for the concession of the engineering design, construction and management of a sports facility; the concession has a duration of 29 years.
- The activities engaged in by Cediv S.p.A. continued during the year in order to sign the building agreement with the Venice City Council, based on the discipline for the scheduled building project in low-cost housing areas. The project foresees the construction of a large building to provide residential, tourism, hotel accommodation and office facilities. The Company's prior bank debt (Euros 15 million) was fully extinguished during the financial year using the loan, to be paid back over five years and provided by a pool of banks to the Parent Company G.A.B.I.RE S.r.l. for an equal amount.

- G.A.B.I.RE S.r.l. acquired the controlling stakes (approximately 93%) of Cediv S.p.A. from Todini Costruzioni Generali S.p.A. in 2010, that owns building areas in the Municipality of Marghera (VE). Spin-off transactions are being formally defined in the framework of rationalising Todini's real estate sector, at the date the financial statements for the period are being presented; these spin-off transactions relate to Todini's receivables, property, and liabilities. The spin-off project was approved by the respective corporate bodies in January 2011. The spin-off agreement is expected to be executed by June 2011.
- Co.ge.fin. S.r.l. was incorporated during the financial year in connection with Todini's debt restructuring process. At year end, company's share capital was increased and Todini conferred the receivables which were accruing in respect of Italian and foreign customers for an estimated aggregate value of approximately Euros 63 million, net of prior bank liabilities (Euros 45 million). Collection of the above mentioned receivables will assure the reimbursement of the bank loan over the next five years.
- The monitoring activity of the Italian infrastructures market continued during 2010 with the aim of pursuing new opportunities which could arise over the forthcoming months. It is important to remember in this regard that from 1st October 2008 Salini was included in Group III of the General Contractor classification and that on 15 December 2008, Axsoa S.p.A. – a duly authorised Certification Body – renewed Salini Costruttori S.p.A.'s SOA Certification.



*Italy, Variante di Valico tunnel*

## BUSINESS ACTIVITIES ABROAD

The Group's global vocation is expressed, above all, with its presence in countries via permanent organisations, branches and local companies, which oversee the various markets in order to make the most of the strategic potential and business opportunities.

Besides the countries in which a number of major projects are currently under construction, for which the work progress is described briefly below, it is important to remember that the Parent Company had secondary offices in the following countries as at 31 December 2010: Abu Dhabi, Bulgaria, Dubai, Ethiopia, Jordan, Guinea, Kazakhstan, Libya, Malawi, Morocco, Sierra Leone, Sudan, Uganda, Turkey and Zimbabwe.

### AFRICA

- In **Sierra Leone** in the course of 2010 the Group's activities proceeded regularly: the operation and maintenance of the Bumbuna plant, which foresees a management of the project for 18 months, corresponding to a value of Euros 10.2 million with the option of extending for a further 12 months, the electrification of the Bumbuna and Kamanke villages, and the execution of the contract entitled "Rehabilitation of urban town road in three cities (Makeni, Bo, Kenema) & One district headquarter Town (Magburaka)" for a value of Euros 10 million.



*Ethiopia, Gilgel Gibe II Hydroelectric Power Plant*

- The work in **Ethiopia** for the Gilgel Gibe II hydroelectric project (420MW) has been completed; the project was subdivided into two contracts, and corresponded to a total value of Euros 397 million. The work on the Beles hydroelectric project (460MW) has also been completed; the contract was signed on 8th July 2005 with a contractual value corresponding to Euros 467 million) and financed in full by the Ethiopian government. These two projects represent 47% of Ethiopia's "current power generation capacity".

The work relating to the Gibe III hydroelectric project is continuing regularly, the respective contract was entered into on 19th July 2006 for an amount corresponding to Euros 1,470 million and envisages the construction of a 1,870 MW rated hydroelectric plant, comprising a 240 metre high roller-compacted concrete (RCC) dam and a power station equipped with 10 Francis turbines generating an average power output corresponding to 6,500 GWh/y.

Salini Costruttori and the Ethiopian Electric Power Corporation (EPPCO) entered into a contract on 30th December 2010 to execute the hydroelectric plant entitled "Millennium Hydroelectric Project", the contract envisages the construction of the largest dam on the African continent, a mega hydroelectric plant on the Blue Nile that will generate electric power corresponding to 15 thousand Giga Wh/year and



*Ethiopia, Beles Hydroelectric Power Plant*

- The work for the "Construction of the Kampala Northern Bypass" project was executed in **Uganda** in 2010. The road was opened to traffic from 1st October 2009, the date from which the maintenance year began. The work for the Bujagali Hydroelectric Power Project (255MW) continued, this work envisages the construction of a dam with the related hydroelectric power station on the White Nile. The client is Bujagali Energy Ltd., the project's financier. The value of the project to be completed in 42.5 months, corresponds to US dollars 229.7 million (approximately Euros 159.6 million). Following the changes which were

made after the contract was signed, an additional agreement was entered into on 11th December 2009 that increased the amount to US dollars 283.9 million (corresponding to approximately Euros 197.1 million). In addition, Salini Hydro Ltd. (100% controlled) was awarded the Bujagali Hydroelectric Power Project – “Engineering, Procurement and related services” for an amount corresponding to approximately US dollars 326.4 million (approximately Euros 227 million) and managed the construction of the electromechanical works. The customer is Bujagali Energy Ltd., the project’s financier and the contract has a duration of 42 months.

- The contract to rehabilitate the runways of Koufra airport was entered into in **Libya** during 2010 for a value of approximately Euros 58 million, while the commercial activities aimed at signing the contracts relating to the Koufra Urbanisation project (for a value of approximately Euros 216 million) and the Tripoli airport (for a value approximately Euros 100 million) are currently subject to a temporary delay due to the political turmoil in the country since early 2011.



Nigeria, Gurara Dam

- The work has continued on the “Gurara Dam and Water Transfer Project, Lot A – Dam and Associated Works” in **Nigeria**. The current value of the contract, inclusive of the numerous Variation Orders issued over the years (the contract was signed on 30th January 2001) and the last Variation approved by the Nigerian government in October 2010, amounts to approximately Euros 545 million. The dam, water intake systems and the hydroelectric power station have been completed; the transmission power line, the irrigation boundary and some road works remain to be completed. The project is expected to be completed within 2 years. The work relating to the “Development of Idu Industrial Area Engineering Infrastructure” contract is proceeding regularly (the contractual value corresponds to approximately Euros 237 million), as well as the work related to the engineering and construction of the “Nigeria Cultural Centre and Millennium Tower”, signed

on 24th November 2005 (the contractual value is equal to approximately Euros 421 million). The Cultural Centre construction site, in the heart of the capital, hosted the celebrations for the 50th Anniversary of Nigeria's Independence on 30th September.

The "Extension of Inner Southern Expressway (ISEX) contract was signed on 13th January 2010 with the Federal Capital Development Authority for the value of approximately Euros 66 million. The construction work has started and is currently in progress.

The Company was awarded the "Dualisation of Suleja Minna Road in Niger State" contract on 25th November 2010 for a contractual value of approximately Euros 50 million. Lastly, the Company was awarded the contract for "Phase 1 of the Development of District 1 Abuja North Phase IV West" on 30th December 2010, the contractual value was approximately Euros 250 million.



*Nigeria, Cultural Centre and Millennium Tower*

- In **Algeria**, the work performed through the subsidiary Todini, on the Autoroute Est-Ouest Bouira - El Adjiba project (27 km of Motorway) continued regularly during 2010 implemented by "Groupement Todini Enaler". Furthermore, the work on the Algiers Inter-city Collector continued, also through Todini.
- The work relating to the La Marsa project continued in **Tunisia** performed via the subsidiary Todini. This subsidiary was awarded the project for the construction of the Sfax Gabes Motorway. The work is financed entirely by the European Investment Bank (E.I.B.), and envisages the construction of two Motorway lots each approximately 25 km long and the contractual value corresponds to approximately Euros 81 million. The activities began in March 2010, and continue regularly.

ASIA

- The work relating to the “Ras Al Khor Crossing – Improvement of interchange no. 1 on Sheikh Zayed Road” and the “Comprehensive Improvements of the parallel roads” contracts continued during 2010 in **Dubai**, to construct the Motorway section concerning contract 3A and contract 2C, the latter was executed through the subsidiary Todini.



Dubai, Ras Al Khor Crossing

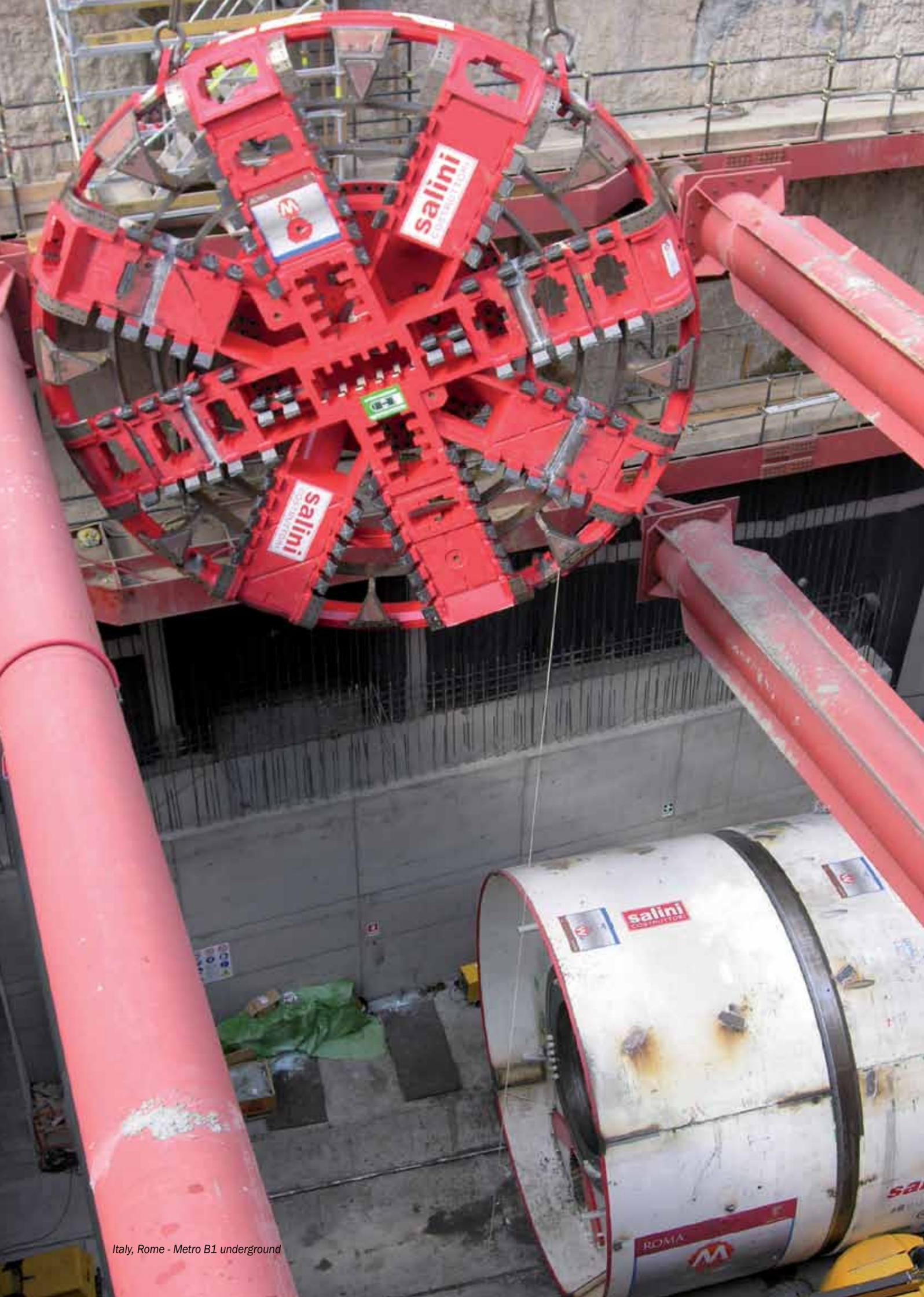
- Salini Malaysia SDN BHD was established in **Malaysia** and is a company 90% owned by Salini and 10% owned by Co.Ge.Ma. S.p.A. Salini was awarded the Ulu Jelai hydroelectric project on 15th December 2010, comprising a first modest lot relating to the access roads (CW1), already awarded on 26th July 2010 and currently under construction, and a second lot (CW2+EM1) that includes the construction of a roller-compacted concrete (RCC) dam 90 metres high, a 372 MW rated cavity type hydroelectric power station complete with hydro-electro-mechanical equipment with uptake works and tunnels approximately 25 km long. The contractual value corresponds to Euros 484 million.
- The “South West Roads Project: Western Europe Western China International Transit Corridor” contract was entered into on 10 December 2009 in **Kazakhstan** with the Ministry of Transport and Communications of Kazakhstan. The project has a value of Euros 273 million and is financed by the Asian Development Bank, the Islamic Development Bank, the European Bank and the International Bank. Contract is divided into 5 lots and envisages the construction and requalification of the existing roadway corridor for a total length of 410 km. These activities are combined with the activities already under construction by the subsidiary Todini and relate to another 6 lots of the “South West Roads Project:

Western Europe Western China International Transit Corridor” contract for a value of Euros 257 million and envisaged construction and requalification of the existing roadway corridor for a total length of 220 km.

- The Group’s activities in **Azerbaijan** continued regularly during 2010. More specifically, the construction work on the Kurdamir-Ujar road section, the reconstruction and rehabilitation work on the four-lane road section from Baku to Samur and the reconstruction and rehabilitation work on the three lots of road from Baku to Shamachi continue. In addition, during 2010 the subsidiary Todini acquired the contract entitled “Construction of Alat- Massali Highway” financed by the IBDR, with a contractual value of Euros 145 million; the work began in February 2011 and proceeds regularly.
- The work continues on the Liakhvi - Ruisi Project in **Georgia** to construct the four-lane motorway, including 800 metres of tunnels.

## EUROPE

- The work in **Albania** relating to the construction of the Levan Dames road section continues regularly through the subsidiary Todini. The contract has a total value of approximately Euros 36 million.
- The work to rehabilitate the M06 Road Kiev continues in **Ukraine** through the subsidiary Todini.
- The commercial activities of the Salini **Bulgaria** branch continue in Bulgaria, the branch is currently waiting for the invitation to tender for the Struma Motorway, the respective value amounts to Euros 600 million for the 4 lots. With regard to Hemus Motorway AD, the activities for its placement in liquidation continue.
- The activities necessary to register the branch in **Romania** are in progress. The Group is participating in the tender to construct one lot of the Bucharest underground transport system, the corresponding value can be estimated as Euros 180 million.
- The commercial and introductory activities continue in **Turkey** with the local Administration and those of other neighbouring countries (Russia, Iraq, Syria, Turkmenistan, Saudi Arabia and Oman). Furthermore, the search continues for strategic partnerships to compete on the domestic and the international markets.



Italy, Rome - Metro B1 underground

## Corporate Governance



*Ethiopia, Gibe III Hydroelectric Project.*

The Board of Directors of the Parent Company Salini comprises of seven members, three of which have special offices and for non-executive members (3 of which are independent); the Board of Directors will remain in office up to approval of the financial statements as at 31 December 2011. The Board met eight times during the 2010 financial year, and the main resolutions concerning corporate governance were in relation to the examination and/or approval of the following aspects:

- the periodic situations of the Company and the Group;
- the acquisition of Todini Costruzioni Generali S.p.A. and due diligence activities to integrate the management and control systems;
- economic projections.

On 25<sup>th</sup> June 2010, the Board of Directors resolved to approve updating the Organisation, management and control model and the Code of Ethics in accordance with Legislative Decree No. 231/2001 referred to the Confindustria (association of Italian industries) and Ance (national building contractors' Association) guidelines for both Salini Costruttori and the subsidiary Todini Costruzioni.

Furthermore, the Board renewed the structure of the Supervisory Committee during the proceedings to Approve the Model, a mixed joint body was identified comprising a non-executive independent director and two external professionals.

The correct application of procedures was monitored on-site in compliance with the Internal Audit Plan prepared by the Internal Audit Management and also includes the internal audit activities carried out with reference to Italian and foreign contracts.

During the financial year the company has complied with the applicable laws and regulations which discipline electronic data safety (as set out in Legislative Decree No. 196/2003) and to update the “Programmatic Document on Data Safety” as envisaged by the applicable laws and regulations.

The supervisory audits performed by the certification authority confirmed the certification of the BS OHSAS 18001:2007 (Occupational Health and Safety System) and ISO 14001:2004 (Environment) management systems referred to Salini and to Todini, as well as ISO 9001 (Quality) of both companies.

The two systems were integrated in a single quality system following the acquisition of Todini Costruzioni, the single system is valid for both the Parent Company and for the Subsidiary.

During 2010, Salini formally confirmed its participation in the Global Compact, the initiative launched by the United Nations by which the companies undertake to comply with and to disseminate ten universal principles in the following areas, human rights, labour rights, respecting the environment and anti-corruption.



*Nigeria, Gurara dam irrigation scheme*

## SUMMARY DATA FOR RECLASSIFIED BALANCE SHEET AND RECLASSIFIED INCOME STATEMENT AND RELATED RATIOS

(euro / 000)	2009	2010
VALUE OF PRODUCTION	653.954	1.122.823
VALUE ADDED	192.618	326.837
<b>Value Added Ratio</b>	<b>29.45%</b>	<b>29.11%</b>
EBITDA	101.728	168.054
<b>EBITDA Margin</b>	<b>15.56%</b>	<b>14.97%</b>
EBIT	39.403	72.405
<b>EBIT Margin</b>	<b>6.03%</b>	<b>6.45%</b>
<b>NET INCOME</b>	<b>27.757</b>	<b>31.052</b>
TOTAL FIXED ASSETS	164.761	275.441
OPERATIONAL WORKING CAPITAL	55.911	213.593
PROVISIONS	(17.355)	(28.764)
<b>USES</b>	<b>203.317</b>	<b>460.270</b>
SHAREHOLDERS' EQUITY	177.024	230.824
NET FINANCIAL DEBTS	(26.293)	(229.446)
<b>funding</b>	<b>203.317</b>	<b>460.270</b>
<b>Debt / EBITDA</b>	<b>0.26</b>	<b>1.37</b>
<b>Debt / Equity</b>	<b>0.15</b>	<b>0.99</b>
Interest receivable from banks	752	3.729
Interest payable to banks	(5.205)	(13.610)
Interest for leasing	(1.557)	(2.766)
<b>BALANCE INTEREST RECEIVABLE/PAYABLE</b>	<b>(6.010)</b>	<b>(12.647)</b>
<b>ROE (Return on Equity)</b>	<b>21.43%</b>	<b>26.74%</b>
<b>ROI (Return on Investments)</b>	<b>19.38%</b>	<b>15.73%</b>
<b>Current Asset Ratio</b>	<b>2.15</b>	<b>1.52</b>

The income ratios were maintained thanks to the on-going activity to achieve economic and operational efficiency.

- **The EBITDA Margin** was equal to 15.0% (sector average 9.5%)
- **The EBIT Margin** article was equal to 6.4% (sector average 6.4%)
- The Net Debt / EBITDA was equal to +1.37 (sector average +2.51)
- The Net Debt / Equity was equal to +0.99 (sector average +1.25)

## SUMMARY OF GROWTH INDICATORS

(euro / 000)	2009	2010	changes
<b>TURNOVER</b>	<b>653.954</b>	<b>1.122.823</b>	<b>71.70%</b>
<i>of which: Italy</i>	103.013	397.222	
<i>Abroad</i>	550.941	725.601	
VALUE-ADDED	192.618	326.837	69.68%
EBITDA	101.728	168.054	65.20%
EBIT	39.403	72.405	83.75%
PAYROLL AND RELATED COSTS	90.890	158.783	74.70%
NUMBER OF EMPLOYEES	10.157	12.873	26.74%
<b>PORTFOLIO OF WORK CONTRACTS TO BE EXECUTED</b>	<b>3.307.782</b>	<b>9.923.483</b>	<b>200.00%</b>
<i>of which: Italy</i>	875.509	1.146.989	
<i>Abroad</i>	2.432.273	8.776.494	
<b>NET INVESTMENTS</b>	<b>136.664</b>	<b>209.658</b>	<b>53.41%</b>
<i>Investments</i>	273.449	469.901	71.84%
<i>Provision for amortisation/depreciation</i>	(136.785)	(260.243)	

It is important to remember that the 60% owned subsidiary Todini Costruzioni Generali S.p.A., was fully consolidated in December 2010.

The turnover as at 31 December 2010 reported a 71.7% increase, thanks to the full consolidation of the Todini Group, this is also reflected directly on the increase of the income values, the payroll and related costs and the number of employees.

The increase in net investments, besides being the result of the full consolidation of the Todini Group, includes the effects of adopting IAS 17 to record the machinery purchased under financial leasing, again related to the subsidiary Todini Costruzioni Generali S.p.A.



Italy, HSE training course

## RECLASSIFIED INCOME STATEMENT

The value of production corresponds to Euros 1.12 billion, of which 35.4% was generated in Italy and 64.6% was generated abroad. More specifically, the value of production abroad totals Euros 726 million, of which 22.6% was generated in Ethiopia, 18.0% in Kazakhstan, 16.3% in Uganda, 14.3% in Nigeria, 8.0% in Azerbaijan, 5.4% in Ukraine, 4.4% in Dubai, approximately 3% in Tunisia and Algeria and 2.5% in Sierra Leone.

(euro / 000)	2009		2010		changes
<b>Value of production</b>	<b>653.954</b>	<b>100.0%</b>	<b>1.122.823</b>	<b>100.0%</b>	<b>71.7%</b>
Purchases referred to the financial year	(176.222)	-26.9%	(271.185)	-24.2%	53.9%
Costs for services	(271.681)	-41.5%	(493.295)	-43.9%	81.6%
Costs to use assets owned by others	(11.847)	-1.8%	(21.466)	-1.9%	81.2%
Other operating expenses	(1.585)	-0.2%	(10.039)	-0.9%	533.2%
<b>Value Added</b>	<b>192.618</b>	<b>29.5%</b>	<b>326.837</b>	<b>29.1%</b>	<b>69.7%</b>
Payroll and related costs	(90.890)	-13.9%	(158.783)	-14.1%	74.7%
<b>EBITDA</b>	<b>101.728</b>	<b>15.6%</b>	<b>168.054</b>	<b>15.0%</b>	<b>65.2%</b>
Amortisation/depreciation and write-downs	(62.325)	-9.5%	(95.650)	-8.5%	53.5%
<b>EBIT</b>	<b>39.403</b>	<b>6.0%</b>	<b>72.405</b>	<b>6.4%</b>	<b>83.8%</b>
Cash flow management	(2.440)	-0.4%	(12.403)	-1.1%	408.3%
Equity investment management	127	0.0%	(1.161)	-0.1%	-1015.6%
Non-operational management	257	0.0%	(3.467)	-0.3%	-1449.2%
<b>EBT</b>	<b>37.347</b>	<b>5.7%</b>	<b>55.374</b>	<b>4.9%</b>	<b>48.3%</b>
Tax management	(9.677)	-1.5%	(22.279)	-2.0%	130.2%
Net income pertaining to minority interests	87	0.0%	(2.043)	-0.2%	-2453.0%
<b>NET INCOME</b>	<b>27.757</b>	<b>4.2%</b>	<b>31.052</b>	<b>2.8%</b>	<b>11.9%</b>

**VALUE ADDED** amounted to Euros 326.8 million as at 31 December 2010, representing 29.1% of the value of production.

**EBITDA** (Earnings Before Interest, Taxes, Depreciation and Amortisation) totalled Euros 168.1 million in 2010, representing 15.0% of the value of production.

**EBIT** (Earnings Before Interest and Taxes) amounted to Euros 72.4 million as at 31 December 2010, representing 6.4% of the value of production.

“Amortisation/depreciation and write-downs”, amounting to Euros 95.6 million, includes provisions totalling Euros 5.7 million relating to provisions for taxes, legal risks and customs risks.

## RECLASSIFIED BALANCE SHEET

(euro / 000)	2009	2010	changes
Intangible fixed assets	16.821	34.199	17.379
Tangible fixed assets	136.664	209.658	72.994
Equity investments	5.537	17.978	12.441
Other net fixed assets	5.739	13.605	7.866
<b>total fixed assets (a)</b>	<b>164.761</b>	<b>275.441</b>	<b>110.680</b>
inventories	150.546	212.204	61.658
work in progress	(26.699)	217.445	244.144
advance payments from customers	(267.327)	(404.506)	(137.180)
trade receivables	304.530	403.085	98.556
tax receivables	35.969	77.186	41.217
other assets	91.310	186.933	95.623
<b>sub total</b>	<b>288.329</b>	<b>692.347</b>	<b>404.018</b>
trade payables	(174.589)	(364.860)	(190.272)
other liabilities	(57.830)	(113.853)	(56.023)
<b>sub total</b>	<b>(232.418)</b>	<b>(478.713)</b>	<b>(246.295)</b>
<b>Operational working capital (b)</b>	<b>55.911</b>	<b>213.634</b>	<b>157.723</b>
provisions for risks and charges	(14.412)	(24.299)	(9.887)
employee severance indemnity (tfr)	(2.943)	(4.465)	(1.522)
<b>total provisions (c)</b>	<b>(17.355)</b>	<b>(28.764)</b>	<b>(11.409)</b>
<b>Uses (d) = (a) + (b) + (c)</b>	<b>203.317</b>	<b>460.310</b>	<b>256.993</b>
Cash at bank and in hand	170.789	216.264	45.475
Financial receivables	8.488	9.669	1.181
current financial liabilities	(95.576)	(279.066)	(183.489)
non-current financial liabilities	(109.994)	(176.314)	(66.320)
<b>net financial payables / receivables (e)</b>	<b>(26.293)</b>	<b>(229.446)</b>	<b>(203.153)</b>
shareholders' equity	177.406	210.228	32.821
shareholders' equity pertaining to minority interests	1.167	20.596	19.428
<b>Shareholders' equity (f) = (d) + (e)</b>	<b>177.024</b>	<b>230.864</b>	<b>53.840</b>
<b>Funding (g) = (f) - (e)</b>	<b>203.317</b>	<b>460.310</b>	<b>256.993</b>

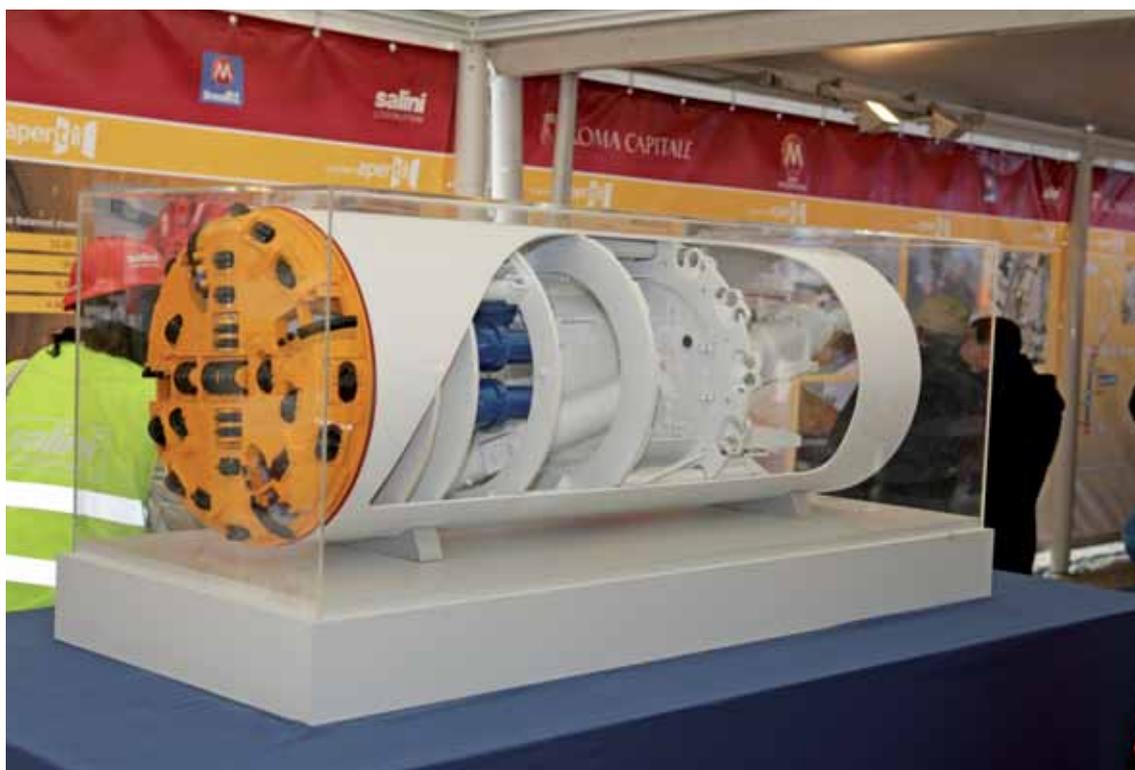
## CASH FLOW STATEMENT

(euro / 000)	2009	2010
<b>Opening net financial position</b>	<b>(72.487)</b>	<b>(26.293)</b>
+ MOL	101.728	168.054
+/- change in provision for risks and employee severance indemnity (tfr)	(2.068)	5.414
<b>GROSS CASH FLOW</b>	<b>99.661</b>	<b>173.469</b>
change in working capital	(39.618)	(160.349)
<b>CURRENT CASH FLOW MANAGEMENT</b>	<b>60.042</b>	<b>13.119</b>
investments in intangible fixed assets	(7.975)	(42.464)
investments in tangible fixed assets	(10.545)	(134.704)
<b>CASH FLOW GENERATED BY OPERATIONS</b>	<b>41.523</b>	<b>(164.048)</b>
investments in long-term financial assets	4.760	(20.307)
financial management	(2.440)	(12.403)
extraordinary management	384	(4.628)
tax management	(9.677)	(22.279)
changes in shareholders' equity	11.646	20.512
<b>CASH FLOW PERTAINING TO THE FINANCIAL YEAR</b>	<b>46.194</b>	<b>(203.153)</b>
<b>CASH FLOW PERTAINING TO THE FINANCIAL YEAR</b>	<b>(26.293)</b>	<b>(229.446)</b>

## CHANGE IN BANK BORROWING

(euro / 000)	2009	2010	changes
current account overdrafts	22.161	80.845	58.684
loans	59.851	161.191	101.340
mortgages	7.410	13.555	6.145
<b>short-term total</b>	<b>89.422</b>	<b>255.591</b>	<b>166.169</b>
current account overdrafts	0	0	0
loans	32.187	54.211	22.024
mortgages	54.280	59.427	5.147
<b>long-term total</b>	<b>86.467</b>	<b>113.638</b>	<b>27.171</b>
<b>total bank payables</b>	<b>175.889</b>	<b>369.229</b>	<b>193.340</b>

The net increase in amounts owed to the banking system totalling Euros 193.3 million is the result of the full consolidation of the amounts owed to the banking system pertaining to the subsidiary Todini Costruzioni Generali S.p.A. corresponding to Euros 160.0 million (of which Euros 136.22 million refer to the banking system in Italy, Euros 13.4 million refer to the banking system in Azerbaijan, Euros 7.6 million refer to the banking system in Kazakhstan and Euros 2.6 million refer to the banking system in Albania) and the increase in the amounts owed to banks referred to the Parent Company, total Euros 33.6 million in the financial year. This increase referred to the Parent Company is the result of greater borrowing from the banking system in Italy corresponding to Euros 39.6 million and abroad mainly in Ethiopia totalling Euros 1.7 million and in Kazakhstan amounting to Euros 2.7 million and decreases in Dubai totalling Euros 10.4 million.



Italy, Rome - Metro B1 underground

## NET FINANCIAL POSITION

(euro / 000)	2009	2010	changes
Cash at bank and in hand	170.789	216.264	45.475
Finance receivables	8.488	9.669	1.181
Amounts due to banks	(89.422)	(255.860)	(166.438)
Amounts due to other financiers	(6.155)	(23.206)	(17.051)
<b>Total current position</b>	<b>83.701</b>	<b>(53.132)</b>	<b>(136.833)</b>
Amounts due to banks	(86.467)	(113.638)	(27.171)
Amounts due to other financiers	(23.528)	(62.676)	(39.149)
<b>Total non-current position</b>	<b>(109.994)</b>	<b>(176.314)</b>	<b>(66.320)</b>
<b>Net financial position</b>	<b>(26.293)</b>	<b>(229.446)</b>	<b>(203.153)</b>
<b>DEBT / EBITDA</b>	<b>0,26</b>	<b>1,37</b>	
<b>DEBT / Equity</b>	<b>0,15</b>	<b>0,99</b>	

The net financial position amounts to Euros (229.4) million, reflecting an increase of Euros (203.1) million compared to 31 December 2009. Besides the current management, the trend reflects the full consolidation of the subsidiary Todini Costruzioni Generali S.p.A., for which the stand alone net financial position corresponds to Euros (170.1) million.

The trend of the Parent Company's net debt, increased by Euros 33.0 million and reflects the prudent management associated with collection times of receivables for certificates in relation to customers (Euros - 115.5 million) and the decreased warehouse inventories (Euros - 25.1 million) consistent with the business volumes referred to 2010. Furthermore, it is important to consider the increase in net investments in fixed capital and financial leasing (Euros +26.9 million) in line with the dynamics associated with the above-mentioned turnover, associated with maintaining the corporate policies concerning the pay-out related to the distribution of dividends (Euros -11 million).

2010 has confirmed the financial ratios which are among the most solid in the sector. The Net Debt / Equity stands at +0.99 (sector average +1.25); the Net Debt / EBITDA stands at +1.37 (sector average +2.51).



Uganda, Bujaḡali Hydroelectric Project

## FINANCIAL RISK MANAGEMENT

The main market risks to which the Group is exposed concern the “interest rate risk”, the “exchange rate risk”, the “liquidity risk” and the “credit risk”.

### INTEREST RATE RISK

The Group uses external sources of financing in the form of variable rate, medium/long term debts. In this context, it is necessary to define an optimum balance between fixed-rate debts and variable rate debts in the financing structure, in order to reduce the financial costs and the respective volatility. Accordingly, prudent hedging transactions are implemented using simple derivative instruments which involve transforming the variable rate and into a fixed rate (Interest Rate Swap - IRS).

There are six derivative contracts as at 31 December 2010, entered into by the Parent Company and by the associated company CASADA with primary banks, two of which were entered into during 2010 (the features are illustrated in the table below).

	<b>Salini</b>	<b>Casada</b>	<b>Salini</b>
bank	Monte Paschi Siena	Unicredit	BNL - BNP Paribas
contract date	07/12/2006	29/07/2003	31/07/2009
maturity	11/07/2011	01/08/2013	27/02/2015
type	IRS	IRS	IRS
purpose	Hedging	Hedging	Hedging
notional value (€/thousand)	275	1.997	22.500
underlying financial risk	interest rate	interest rate	interest rate
derivative fair value (€/thousand)	-4	-80	-526
liability hedged	floating loan rate	floating mortgage rate	floating mortgage rate

	<b>Salini</b>	<b>Casada</b>	<b>Salini</b>
bank	BNL - BNP Paribas	B.P.Lodi	B.P.Lodi
contract date	21/09/2009	12/02/2010	13/05/2010
maturity	31/03/2015	01/08/2016	01/12/2016
type	IRS	IRS	CAP
purpose	Hedging	Hedging	Hedging
notional value (€/thousand)	4.500	2.828	8.625
underlying financial risk	interest rate	interest rate	interest rate
derivative fair value (€/thousand)	-100	-68	80
liability hedged	floating mortgage rate	floating leasing rate	floating leasing rate

### EXCHANGE RATE RISK

The policy adopted in this context is to tend towards protecting the currency imbalance between foreign currency trade receivables and trade payables by financial borrowing in local currency. No hedges concerning future cash were entered into relating to specific contracts as at 31 December.

## LIQUIDITY RISK

The Group could be exposed to liquidity risk deriving, on the one hand, from a delay in the collection times from customers, and on the other hand, from the potential difficulty in identifying sources of external funding to support the Group's industrial initiatives. Consequently, special attention is paid in managing the resources generated or absorbed by the operating and investment activities and the characteristics of the debt in terms of maturity and renewable; all the foregoing is considered to ensure an effective and efficient management of the financial resources. A series of policies and processes has been adopted aimed at optimising the management of the financial resources, with the purpose of managing and mitigating the liquidity risk. The policies and processes adopted are outlined below:

- tendency towards the centralised management of the collection and payment flows;
- monitoring the available liquidity level;
- optimising the lines of credit;
- monitoring the forecast liquidity.

## CREDIT RISK

The credit risk is represented by the exposure to potential losses deriving from defaulting on the obligations undertaken by customers which, in almost all cases, are referable to sovereign states or government bodies. Therefore, the credit risk is referable to the country risk.

Trade receivables due within 12 months amount to Euros 386,654 thousand and trade receivables due after 12 months amount to Euros 33,403, as at 31 December 2010. The aim of minimising the credit risk is pursued by means of the overall management of the operational working capital, both in terms of the amounts due from customers, and in terms of the amounts due to sub-contractors and suppliers typical of the reference industry.

## GUARANTEES GIVEN DIRECTLY

The total value of the guarantees given amount to Euros 1,373,997 thousand and refers to the following situations:

- sureties for bank credit facilities given in the interests of subsidiary and associated companies and other investee companies, for an aggregate amount of Euros 166,094 thousand;
- sureties for work given by banks and insurance companies in the Group's interests in favour of customer entities for various purposes, on the Group's own behalf and in the interests of subsidiary and associated companies and other investee companies for an aggregate amount of Euros 922,724 thousand;
- other sureties given for various purposes, totalling Euros 543,719 thousand.

## **GUARANTEES GIVEN INDIRECTLY AND SURETIES GIVEN BY THIRD PARTIES IN OUR FAVOUR**

The guarantees given indirectly and the guarantees given by banks and insurance undertakings in the interests of Italian and foreign suppliers and sub-contractors in relation to the contractual obligations undertaken by them in relation to the Group represent Euros 216,865 thousand.

## **RELATIONS WITH SHAREHOLDERS**

The relations with the shareholders are outlined in detail in the Explanatory Notes. The main events which occurred during the financial year are summarised below.

On 23rd November 2010 the Board of Directors of the Parent Company Salini Costruttori S.p.A. resolved to authorise the subscription and payment of a share capital increase of Todini Costruzioni Generali S.p.A. up to a maximum amount of Euros 25 million, to increase the capital and premium.

On 16th March 2011, the Board of Directors of Todini resolved to convene the extraordinary shareholders' meeting to increase the share capital by Euros 42 million to offer as an option to shareholders.

On 25th March 2011 the extraordinary shareholders' meeting of Todini Costruzioni generali S.p.A. resolved to increase the share capital against payment amounting to Euros 42 million. The shareholder Salini Costruttori S.p.A. immediately exercised the option right to subscribe the share capital by Euros 25 million, notifying the advance payment of Euros 15 million. The subscribed share capital currently amounts to Euros 56.9 million and the share capital paid-in amounts to Euros 46.7 million.

Therefore, the current shareholding structure of Todini Costruzioni Generali S.p.A. is as follows:

- Salini Costruttori S.p.A., 8,570,700 shares, corresponding to 77.7141% of the share capital, with a nominal value of Euros 44,224,812;
- Todini Finanziaria S.p.A. (100% owned by Luisa Todini), 2,457,800 shares, corresponding to 22.2859% of the share capital with a nominal value of Euros 12,682,248.

## TREASURY SHARES

The Company has 11,708,900 Treasury shares in its portfolio with a nominal value of Euro 0.52, representing 9.76% of the share capital and entered in the financial statements at a cost of Euros 3,120,387. The Shareholders' equity includes a special reserve, in accordance with the provisions set out under Article 2357-ter of the Italian Civil Code.

## RESEARCH AND DEVELOPMENT ACTIVITIES

The world of the construction industry - particularly concerning major works - represents one of the most advanced fronts in terms of technological development and innovation. If today, the Salini Group is one of the most advanced in terms of the technologies and instrumentation adopted and the methods of managing projects and construction sites, and the safety measures adopted, it is not only thanks to the increasing use of economic and human resources invested in research and innovation, but also of having known how to maintain over the decades that link with the tradition of building to last over time.

All these factors enable the Salini Group the ability to manage engineering projects of any nature, size and complexity, to assess them analytically in terms of all aspects, to identify rapidly optimum engineering proposals by leveraging the study of techniques and highly innovative solutions, a point of strength that makes the "difference" and renders makes the enterprise competitive throughout the world, even in the most demanding operating conditions.

The on-going approach towards innovation has enabled Salini to make a considerable contribution to the progress of the entire construction and plant engineering sector with the "Fast Track Implementation" method, finally tuned for the construction of large turnkey hydroelectric plants.

The method is based on the simultaneous initiation of all the most important operating phases, and enables a drastic reduction to be achieved - by at least 50 per cent - in the timescales to execute the works. In this way, the hydroelectric plant begins to generate benefits and profits much earlier compared to the traditional organisation, with a more rapid return also in terms of the economic investment.

The foregoing method can be adopted for many types of project which require rapid completion times anywhere in the world.

Some examples of the success achieved by applying the "Fast Track Implementation" method are represented by Gilgel Gibe II and Beles, these projects were completed in Ethiopia during 2010.

## STATUTORY AUDITING

On 25th June 2010 the Shareholders' Meeting appointed the independent auditing firm Reconta Ernst & Young S.p.A. to audit the accounts and perform the audit activities, as set forth in Article 2409-quarter of the Italian Civil Code referred to the 2010 - 2012 three-year period.

## INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

Refer to the Explanatory Notes for information concerning transactions with related parties.

## SUBSEQUENT EVENTS

On 7th January 2011 Salini, the leading company of the all Italian Consortium (CMT) that includes Tecnimont and Seli, signed the contract to construct Copenhagen's new underground transport system, one of the most modern transport infrastructures in the world. The total value of the contract corresponds to Euros 1.5 billion; the work will start very soon, and will be completed within 2018. The Cityringen Project will construct the new circular line in the city centre with two tunnels each 17.4 km long and with 17 new stations situated 30 metres below ground level. The line will be fully automated and will operate 24 hours a day, with minimum frequencies between the trains of only 100 seconds to guarantee the mobility of 130 million passengers a year.

On 8th April 2011, Salini signed the Addendum to the Contract for the Construction of the Tokwe Mukorsi Dam with the government of Zimbabwe, represented by the Ministry of Water Resources Development and Management. The addendum has a value of approximately Euros 66 million, and in addition to resuming the work to construct the Tokwe Mukorsi dam, envisages the complete collection of the old receivables owned by the customer amounting to Euros 11 million.

## FORESEEABLE BUSINESS OUTLOOK

With reference to the Group's core business and on the basis of the contracts, data and indicators currently available, it is possible to foresee a turnover and operating earnings in line with forecasts indicated in the budget for the period.

The Board of Directors

Italy, Rome - Metro B1 underground



# CONSOLIDATED FINANCIAL STATEMENTS

Balance Sheet as at december 31, 2010

<b>ASSETS</b>		CONSOLIDATED 2009	CONSOLIDATED 2010
<b>A)</b>	<b>RECEIVABLE FROM MEMBERS FOR PAYMENTS STILL DUE</b>	<b>90.364</b>	<b>283.111</b>
<b>B)</b>	<b>FIXED ASSETS</b>		
<b>B I</b>	<b>Intangible fixed assets</b>		
	1) Formation and expansion expenses	12.572	13.539
	2) Research, development and advertising costs	637.571	4.428.476
	3) Rights, for industrial patents and the rights for exploitation of intellectual properties	0	0
	4) Concessions, licences, trademarks and similar rights	88.797	212.226
	5) Goodwill	591.559	319.915
	6) Fixed assets in course of realizat.-paym.on account	0	0
	7) Others	35.000	0
		15.455.284	29.225.285
<b>B I</b>	<b>Total intangible fixed assets</b>	<b>16.820.783</b>	<b>34.199.441</b>
<b>B II</b>	<b>Tangible fixed assets</b>		
	1) Land and buildings	24.445.241	26.617.188
	2) Plants and machinery		
	a) plants and machinery	115.017.331	216.037.986
		(50.215.305)	(111.363.686)
		64.802.026	104.674.300
	b) trucks and vehicles	91.571.390	151.842.931
		(55.810.579)	(101.926.896)
		35.760.811	49.916.035
	<b>Total plants and machinery</b>	<b>100.562.837</b>	<b>154.590.335</b>
	3) Industrial and commercial equipment	30.640.557	44.669.884
		(25.286.355)	(36.953.196)
		5.354.202	7.716.688
	4) Other assets		
	a) office furniture and equipment	9.467.748	14.459.191
		(5.472.669)	(9.999.284)
		3.995.079	4.459.907
	b) other assets	85.215	110.835
		0	0
		85.215	110.835
	<b>Total other assets</b>	<b>4.080.294</b>	<b>4.570.742</b>
	5) Fixed assets in course of construc.-paym.on account	2.221.332	16.162.982
<b>II</b>	<b>Total tangible fixed assets</b>	<b>136.663.906</b>	<b>209.657.935</b>
<b>B III</b>	<b>Financial fixed assets</b>		
	1) Holdings in:		
	a) controlled enterprises	40.906	80.033
	b) related enterprises	4.773.975	16.647.677
	c) other enterprises	722.246	1.250.255
		5.537.127	17.977.965
	2) Receivables:		
	a) from controlled enterprises		
	(within 12 months)	0	0
	(beyond 12 months)	0	389.525
		0	389.525
	b) from related enterprises		
	(within 12 months)	0	0
	(beyond 12 months)	8.488.157	9.279.928
		8.488.157	9.279.928

continues

<b>ASSETS</b>		CONSOLIDATED 2009	CONSOLIDATED 2010
	c) from controlling entities		
	(within 12 months)	0	0
	(beyond 12 months)	0	0
		0	0
	d) from others		
	(within 12 months)	606.498	25.443
	(beyond 12 months)	1.921.982	10.176.360
		2.528.480	10.201.803
	<b>Total receivables</b>	<b>11.016.637</b>	<b>19.871.256</b>
	3) Other securities	0	0
	4) Own shares	3.120.325	3.120.325
	5) Other long-term financial assets	1.550.000	0
<b>B III</b>	<b>Total financial fixed assets</b>	<b>21.224.089</b>	<b>40.969.546</b>
	<b>TOTAL FIXED ASSETS</b>	<b>174.708.778</b>	<b>284.826.922</b>
<b>C)</b>	<b>CURRENT ASSETS</b>		
<b>C I</b>	<b>Stocks</b>		
	1) Raw materials, ancillary and consumables	69.171.772	94.485.093
	2) Products under processing and semifinished	9.841.369	39.602.209
	3) Works in progress under contracts	2.426.768.738	4.778.330.624
	4) Finished products and goods	71.366.665	77.044.682
	5) Payments on account	166.092	1.071.982
<b>C I</b>	<b>Total stocks</b>	<b>2.577.314.636</b>	<b>4.990.534.590</b>
<b>C II</b>	<b>Receivables:</b>		
	1) From clients		
	a) customers		
	(within 12 months)	287.085.331	354.829.935
	(beyond 12 months)	7.627.980	5.162.140
		294.713.311	359.992.075
	b) other clients		
	(within 12 months)	9.662.313	43.062.524
	(beyond 12 months)	153.895	30.634
		9.816.208	43.093.158
	<b>Total receivables from clients</b>	<b>304.529.519</b>	<b>403.085.233</b>
	2) From controlled enterprises		
	(within 12 months)	6.190	79.683
	(beyond 12 months)	0	0
		6.190	79.683
	3) From related enterprises		
	(within 12 months)	4.793.060	19.180.855
	(beyond 12 months)	164.668	164.087
		4.957.728	19.344.942
	4) From controlling entities		
	(within 12 months)	0	7.800
	(beyond 12 months)	0	0
		0	7.800
	4-bis) Tax receivables		
	(within 12 months)	17.960.617	47.939.026
	(beyond 12 months)	5.881.381	7.986.970
		23.841.998	55.925.996
	4-ter) Prepaid tax		
	(within 12 months)	4.017.529	3.475.363
	(beyond 12 months)	8.109.498	17.784.456
		12.127.027	21.259.819
	5) From others		
	a) c/c/c branches	0	0
	b) Other (within 12 months)	64.964.559	128.878.642
	b) (beyond 12 months)	1.747.648	16.903.096
	<b>Total from others</b>	<b>66.712.207</b>	<b>145.781.738</b>
<b>C II</b>	<b>Total receivables</b>	<b>412.174.669</b>	<b>645.485.211</b>

continues

<b>ASSETS</b>	CONSOLIDATED 2009	CONSOLIDATED 2010
<b>C III Financial assets</b>		
1) Holdings in controlled enterprises	0	0
2) Holdings in related enterprises	0	0
3) Other holdings	0	0
4) Own shares	0	0
5) Other securities	0	0
<b>C III Total financial assets</b>	<b>0</b>	<b>0</b>
<b>C IV Cash funds</b>		
1a) Bank and post office deposits - free	169.790.549	212.355.933
1b) Bank and post office deposits - bond	1.579	1.518.625
2) Cheques	0	0
3) Money and cash vouchers	996.943	2.389.882 C
<b>IV Total cash funds</b>	<b>170.789.071</b>	<b>216.264.440</b>
<b>TOTAL CURRENT ASSETS</b>	<b>3.160.278.376</b>	<b>5.852.284.241</b>
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>		
- charges on loans	0	0
- others	19.634.198	21.719.015
<b>TOTAL PREPAYMENTS AND ACCRUED INCOME</b>	<b>19.634.198</b>	<b>21.719.015</b>
<b>TOTAL ASSETS (A+B+C+D)</b>	<b>3.354.711.716</b>	<b>6.159.113.289</b>



<b>NET EQUITY - LIABILITIES</b>		CONSOLIDATED 2009	CONSOLIDATED 2010
<b>A)</b>	<b>NET EQUITY</b>		
<b>A I</b>	Capital	62.400.000	62.400.000
<b>A II</b>	Share premium reserve	0	0
<b>A III</b>	Revaluation reserves	0	0
<b>A IV</b>	Legal reserve	2.496.000	3.935.590
<b>A V</b>	Statutory reserves	0	0
<b>A VI</b>	Reserve for own shares held	3.120.387	3.120.387
<b>A VIIa</b>	Reserve law no. 98/94	12.871.329	2.042.219
<b>A VIIb</b>	Translation reserve	38.421.134	51.203.352
<b>A VIIc</b>	Holdings revaluation restricted reserve	4.569.245	4.847.346
<b>A VIIc</b>	Reserve for consolidation of corporations	0	0
<b>A VIIc</b>	Other reserves	479.396	479.396
<b>A VIII</b>	Profits (losses) brought forward	25.292.346	51.188.296
<b>A IX</b>	Profits (losses) for the financial year	27.756.618	31.051.888
	<b>TOTAL NET EQUITY</b>	<b>177.406.455</b>	<b>210.268.474</b>
<b>A 1)</b>	Equity reserve from others	1.254.290	18.552.572
<b>A 2)</b>	Profit (losses) for the financial year from others	(86.829)	2.043.126
	<b>TOTAL NET EQUITY</b>	<b>178.573.916</b>	<b>230.864.172</b>
<b>B)</b>	<b>FUNDS FOR RISKS AND CHARGES</b>		
	1) For severance indemnity and similar obligation	0	0
	2) For taxes	646.224	6.563.914
	3) Others	13.765.881	17.735.221
	<b>TOTAL FUNDS FOR RISKS AND CHARGES</b>	<b>14.412.105</b>	<b>24.299.135</b>
<b>C)</b>	<b>INDEMNITIES FOR TERMINATION EMPLOYMENT</b>	<b>2.942.882</b>	<b>4.464.951</b>
<b>D)</b>	<b>PAYABLES</b>		
	1) Debentures		
	(within 12 months)	0	0
	(beyond 12 months)	0	0
		0	0
	2) Convertible debentures		
	(within 12 months)	0	0
	(beyond 12 months)	0	0
		0	0
	3) Payables to members for financing		
	(within 12 months)	0	0
	(beyond 12 months)	0	2.956.046
		0	2.956.046
	4) Payables to banks		
	(within 12 months)	89.421.508	255.859.545
	(beyond 12 months)	86.466.584	113.637.952
		175.888.092	369.497.497
	5) Payables to other funders		
	(within 12 months)	6.154.637	23.206.065
	(beyond 12 months)	23.527.603	59.720.222
		29.682.240	82.926.287
	6) Advances		
	a) Customers for payment in advance		
	(within 12 months)	8.434.973	65.349.268
	(beyond 12 months)	258.891.683	339.157.179
		267.326.656	404.506.447
	b) Customers for advances		
	(within 12 months)	114.569.744	18.466.996
	(beyond 12 months)	2.338.897.858	4.542.419.038
		2.453.467.602	4.560.886.034
	<b>Total advances</b>	<b>2.720.794.258</b>	<b>4.965.392.481</b>
	7) Payables to suppliers		
	(within 12 months)	171.827.178	361.514.629
	(beyond 12 months)	2.761.463	3.345.555
		174.588.641	364.860.184
	8) Payables represented by negotiable instruments		
	(within 12 months)	0	0
	(beyond 12 months)	0	0
		0	0
	9) Payables to controlled enterprises		
	(within 12 months)	60.506	93.755
	(beyond 12 months)	0	0
		60.506	93.755

continues

<b>NET EQUITY - LIABILITIES</b>	CONSOLIDATED 2009	CONSOLIDATED 2010
10) Payables to related enterprises (within 12 months) (beyond 12 months)	23.470.727 0	41.846.715 0
	23.470.727	41.846.715
11) Payables to controlling entities (within 12 months) (beyond 12 months)	0 0	0 0
	0	0
12) Tax payables (within 12 months) (beyond 12 months)	14.779.617 11.303	37.667.858 54.202
	14.790.920	37.722.060
13) Payables to providence and social security inst. (within 12 months) (beyond 12 months)	2.295.093 0	5.557.272 0
	2.295.093	5.557.272
14) Other payables (within 12 months) (beyond 12 months)	9.291.783 6.096.730	18.373.892 7.019.136
	15.388.513	25.393.028
<b>TOTAL PAYABLES</b>	<b>3.156.958.990</b>	<b>5.896.245.325</b>
E) <b>ACCRUALS AND DEFERRED INCOME</b>		
- premium on loans	0	0
- others	1.823.823	3.239.707
<b>TOTAL ACCRUALS AND DEFERRED INCOME</b>	<b>1.823.823</b>	<b>3.239.707</b>
<b>TOTAL LIABILITIES (B+C+D+E)</b>	<b>3.176.137.800</b>	<b>5.928.249.118</b>
<b>TOTAL NET EQUITY - LIABILITIES</b>	<b>3.354.711.716</b>	<b>6.159.113.290</b>
	0	(1)
<b>COMMITMENTS ACCOUNTS:</b>		
<b>Guarantees granted directly</b>		
- to controlled and related enterprises	101.658.018	166.093.533
- to others	688.314.232	1.207.903.756
<b>Total</b>	<b>789.972.250</b>	<b>1.373.997.289</b>
<b>OTHER COMMITMENTS ACCOUNTS:</b>		
- equipment leasing	0	0
<b>MEMO ACCOUNTS</b>		
- other memo accounts	187.639.341	216.864.559

<b>PROFIT AND LOSS</b>		CONSOLIDATED 2009	CONSOLIDATED 2010
<b>A)</b>	<b>VALUE OF PRODUCTION</b>		
1)	Income from sales and performances	222.489.446	240.961.551
2)	Variations of the stocks of under processing, semi-finished and finished products	3.696.266	170.383
3)	Variations of works in progress under contract	404.201.320	820.779.219
4)	Increase of fixed assets for internal works	4.559.922	17.569.018
5)	Other income and earnings		
	- other income and earnings	19.006.598	43.342.645
	- contributions on account of the financial year	0	0
	<b>Total other income and earnings (5)</b>	<b>19.006.598</b>	<b>43.342.645</b>
	<b>TOTAL VALUE OF PRODUCTION (1+2...5)</b>	<b>653.953.552</b>	<b>1.122.822.816</b>
<b>B)</b>	<b>COSTS OF PRODUCTION</b>		
6)	For raw materials, ancillaries, consumables and goods	156.510.960	276.175.310
7)	For services	271.681.381	493.286.047
8)	For the employments of assets of third parties	11.847.389	21.474.963
9)	For the personnel		
	a) wages and salaries	77.606.906	124.255.128
	b) social security contributions	11.088.251	28.633.928
	c) indemnities for termination of employment	582.331	2.914.202
	d) severance and similar indemnities	1.612.163	1.614.888
	e) other costs	0	1.364.787
	<b>Total costs for the personnel (9)</b>	<b>90.889.651</b>	<b>158.782.933</b>
10)	Amortizations and depreciations		
	a) amortization of the intangible fixed assets	8.766.025	25.084.917
	b) amortization of the tangible fixed assets	44.771.581	60.169.332
	c) other depreciations of fixed assets	0	1.540.278
	d) deprec.ons of receiv. included among current assets	6.804.626	2.860.035
	<b>Total amortizations and depreciations (10)</b>	<b>60.342.232</b>	<b>89.654.562</b>
11)	Variations of stocks of raw materials, ancillaries, consumables and goods	19.710.737	(4.990.076)
12)	Reserves for risks	1.937.599	4.223.940
13)	Other reserves	45.000	1.771.000
14)	Sundry managements charges	1.585.457	10.039.154
	<b>TOTAL COSTS OF PRODUCTION (6+7...14)</b>	<b>614.550.406</b>	<b>1.050.417.833</b>
	<b>BALANCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)</b>	<b>39.403.146</b>	<b>72.404.983</b>

continues

<b>PROFIT AND LOSS</b>		CONSOLIDATED 2009	CONSOLIDATED 2010
<b>C)</b>	<b>FINANCIAL INCOME AND CHARGES</b>		
15)	Income from holdings		
	- relating to controlled enterprises	0	0
	- relating to related enterprises	0	0
	- relating to other enterprises	67.526	0
	<b>Total income from holdings (15)</b>	<b>67.526</b>	<b>0</b>
16)	Other financial earnings		
	a) from receivables recorded among the fixed assets		
	- from controlled enterprises	0	0
	- from related enterprises	0	0
	- from controlling entities	0	0
	- from other enterprises	5.841	454.279
	b) from securities recorded among the fixed assets which do not constitute equity holdings	0	0
	c) from securities recorded among the current assets which do not constitute equity holdings	182	0
	d) earnings differents from the preceding ones		
	- from controlled enterprises	0	0
	- from related enterprises	0	8.057
	- from controlling entities	0	0
	- from other enterprises	6.886.608	14.575.437
	<b>Total other financial earnings (16)</b>	<b>6.892.631</b>	<b>15.037.773</b>
	<b>Total financial income (15+16)</b>	<b>6.960.157</b>	<b>15.037.773</b>
17)	Interest and other financial charges		
	- due to controlled enterprises	1.360	3.614
	- due to related enterprises	0	0
	- due to controlling entities	0	0
	- due to other enterprises	10.175.333	25.635.069
	<b>Total interest and other financial charges (17)</b>	<b>(10.176.693)</b>	<b>(25.638.683)</b>
17-bis)	Exchange gains/losses	776.357	(1.802.072)
	<b>TOTAL FINANCIAL INCOME AND CHARGES (15+16-17)</b>	<b>(2.440.179)</b>	<b>(12.402.982)</b>
<b>D)</b>	<b>VALUE ADJUSTMENTS OF FINANCIAL ASSETS</b>		
18)	Value increases		
	a) Of equity holdings	158.589	164.029
	b) Of financial fixed assets which do not constitute equity holdings	0	0
	c) Of securities registred as current assets which do not constitute equity holdings	0	0
	<b>Total value increases (18)</b>	<b>158.589</b>	<b>164.029</b>
19)	Value decreases		
	a) Of equity holdings	31.735	1.325.506
	b) Of financial fixed assets which do not constitute equity holdings	0	0
	c) Of securities registred as current assets which do not constitute equity holdings	0	0
	<b>Total value decreases (19)</b>	<b>(31.735)</b>	<b>(1.325.506)</b>
	<b>TOTAL OF ADJUSTMENTS (18-19)</b>	<b>126.854</b>	<b>(1.161.477)</b>

continues

<b>PROFIT AND LOSS</b>		CONSOLIDATED 2009	CONSOLIDATED 2010
<b>E)</b>	<b>EXTRAORDINARY EARNINGS AND CHARGES</b>		
20)	Earnings		
	- capital gains from sales	43	141.964
	- other extraordinary earnings	854.648	2.782.216
	<b>Total earnings (20)</b>	<b>854.691</b>	<b>2.924.180</b>
21)	Charges		
	- capital losses from sales	79.826	22.485
	- taxes relating to preceding financial year	328.159	2.882.036
	- other extraordinary charges	189.750	3.486.383
	<b>Total charges (21)</b>	<b>(597.735)</b>	<b>(6.390.904)</b>
	<b>TOTAL OF EXTRAORDINARY ITEMS (20-21)</b>	<b>256.956</b>	<b>(3.466.724)</b>
	<b>NET RESULT BEFORE TAXES (A-B#C#D#E)</b>	<b>37.346.777</b>	<b>55.373.800</b>
22)	Taxes on the income of the financial year		
	a) Current tax	9.316.325	14.968.194
	b) Deferred tax 360.663	7.310.592	
	<b>Total taxes on the income of the financial year (22)</b>	<b>9.676.988</b>	<b>22.278.786</b>
<b>23)</b>	<b>RESULT OF THE FINANCIAL YEAR</b>	<b>27.669.789</b>	<b>33.095.014</b>
	PROFIT (LOSSES) FOR THE FINANCIAL YEAR FROM OTHERS	(86.829)	2.043.126
<b>23)</b>	<b>RESULT OF THE FINANCIAL YEAR</b>	<b>27.756.618</b>	<b>31.051.888</b>



# EXPLANATORY NOTES

## To The Consolidated Financial Statements

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The consolidated financial statements of Salini Costruttori S.p.A. and subsidiaries for the financial year closed as at 31/12/2010 are drawn up in compliance with the provisions introduced by Legislative Decree No. 127/1991.

The consolidated financial statements are prepared in accordance with Article 25 and Article 43 of Legislative Decree No. 127/1991 and with the provisions governing statutory financial statements, using the accounting entries updated as at 31 December 2010, which were supplemented on a non-accounting-basis with those entries which are usually recorded in the accounting books as at 31 December, the closing date of the financial year.

The accounting statements of the subsidiaries included in the scope of consolidation were used for consolidation purposes and were reclassified and adjusted, as appropriate, in order to bring them in line with the accounting principles used by the Parent Company.

The companies included in the consolidation are primarily involved in constructing plants and industrial works, also on behalf of third parties, constructing civil engineering works for public use and constructing and managing buildings and supplying services which are ancillary to construction activities.

Companies which are not operational, of little significance and with operating activities other than the above were not included in the scope of consolidation.

The consolidated financial statements as at 31/12/2010 are accompanied by a Directors' Report prepared by the Board of Directors.

The amounts reported in the financial statements are shown in Euro units and in thousands of Euros in the explanatory notes.

The amounts relating to the consolidated financial statements referred to the 2009 financial year are shown for each item in the balance sheet and income statement.

## SCOPE OF CONSOLIDATION AND CONSOLIDATION METHODS

### Scope of Consolidation

The acquisition by Salini Costruttori S.p.A. of 60% of the share capital of Todini Costruzioni Generali S.p.A. from Todini Finanziaria S.p.A. was completed on 15th January 2010, as a result of which the scope of consolidation is as follows:

Corporate Name	Date Established	Registered Office	Share Capital (in € x 1.000)	% ownership (dir. or indir.)
1 Salini Costruttori S.p.A.	-	Roma	62.400	Parent Company
2 Todini Costruzioni Generali S.p.A. (b)	30/09/87	Rome	31.706	60,00%
3 Salini Hydro Ltd	11/08/93	Dublin (Ireland)	5	100,00%
4 Co.Ge.Ma. S.p.A.	07/04/82	Rome	1.033	100,00%
5 Metro B1 S.c. a r.l.	27/10/04	Rome	100	80,70%
6 RI.MA.T.I. S.c. a r.l.	27/10/04	Rome	100	83,42%
7 Salini Nigeria Ltd	03/01/01	Nigeria	Naira 10.000	100,00%
8 Zeis S.r.l. (a)	08/02/90	Rome	10.000	100,00%
9 Joint Venture Salini Impregilo	20/09/96	Mukorsi (Zimbabwe)	8	99,90%
10 Salini Bulgaria AD	06/08/08	Sofia (Bulgaria)	Lev 50	87,50%
11 TB Metro S.r.l.	13/03/08	Rome	100	51,00%
12 Madonna dei Monti S.r.l.	11/12/92	Rome	46	100,00%
13 Salini Malaysia SDN.BHD	13/01/09	Kuala Lumpur	Myr 500	90,00%
14 Hemus Motorway AD	05/08/04	Sofia (Bulgaria)	Lev. 1.300	51,00%
15 Sa.Co.Lav. S.c.a r.l. in liquidation	08/05/00	Rome	10	100,00%
16 Bumbuna Power Generation Gen. Co. Ltd.	31/10/08	Freetown (S.Leone)	237	51,00%

a) Consolidated financial statements with 3 subsidiaries: Immobiliare Agricola San Vittorino S.r.l., Infernetto S.r.l. and Plus S.r.l.

b) Consolidated financial statements with 18 subsidiaries: Corso del Popolo S.p.A., Corso del Popolo Engineering, Cediv S.p.A., FAT, EURL Algeria, GMRI S.c. a r.l. Algeria, Sonatro, Aktor Metro, Aktor Villaggio Olimpia, Marmore S.c. a r.l. in liquidation, Maver S.c. a r.l. in liquidation, Nobiallo S.c. a r.l. in liquidation, Perugia 219 S.c. a r.l., Piscine dello Stadio S.r.l., Olimpia Romania, Central Asia Kazakhstan, Enaler Algeria, GTH Tunisia.

Inoltre la società valuta con il metodo del Patrimonio Netto le seguenti partecipazioni:

1	Salcost France Srl in liquidation	28/10/90	Paris (France)	15	100,00%
2	Casada *	14/03/01	Rome	98	25,00%
3	Immobiliare Marinella*	22/09/86	Rome	10	33,33%
4	Albacem 2007 in liquidation **	12/07/07	Tirana (Albania)	0	100,00%
5	Cogeca Scarl in liquidation **	20/11/88	Rome	0	100,00%
6	Consorzio Costral in liquidation **	09/10/03	Rome	14	70,00%
7	Edilfi Scarl in liquidation **	27/05/86	Rome	0	100,00%
8	Todedil Scarl in liquidation **	02/02/00	Todi	9	85,00%
9	Alburni scarl in liquidation **	10/08/90	Rome	7	47,14%
10	Bata 91 scarl in liquidation **	11/07/91	Milan	50	27,55%
11	Bata srl in liquidation **	14/03/84	Bari	102	27,55%
12	C.P.R. 2**	19/06/81	Naples	2	35,97%
13	C.P.R. 3**	01/09/81	Naples	2	35,97%
14	Colle Todi scarl in liquidation **	20/04/89	Rome	10	66,67%
15	Pizzarotti Todini .Keff-Eddir Consortium**	03/04/06	Parma	100	50,00%
16	AFT Consortium in liquidation **	15/04/93	Rome	46	33,33%
17	Astaldi-Federici-Todini (Kramis) Consortium**	19/10/01	Rome	100	49,95%
18	Balvano Consortium in liquidation **	31/01/83	Rome	52	29,87%
19	Kallidromo Consortium**	06-10/97	Athens	29	20,70%
20	Corina scarl in liquidation **	08/02/84	Naples	10	35,97%
21	Renco - Todini Consortium**	17/04/07	Rome	20	50,00%
22	CUS (Umbria Sanità Consortium)**	02/05/91	Perugia	10	31,00%
23	Galileo Scarl**	06/02/06	Pantalla Todi (PG)	10	40,00%
24	Irfur scarl**	19/12/91	Rome	46	40,00%
25	Irina Srl in liquidation **	27/10/81	Naples	103	36,00%
26	Risalto srl**	10/06/02	Rome	89	33,33%
27	Rupe Orvieto scarl**	06/04/89	Orvieto	29	42,85%
28	Scat 5 scarl**	16/01/90	Rome	26	24,99%
29	Sedi scarl**	29/07/09	Rome	10	34,00%
30	Tormini scarl in liquidation **	15/11/90	Rome	10	49,95%
31	Trasimeno scarl in liquidation **	29/07/04	Pantalla Todi (PG)	10	30,00%
32	Valico scarl**	15/11/90	Rome	98	25,00%
33	Variante di Valico**	18/09/84	Rome	765	34,65%
34	Co.ge.fin srl**	10/06/10	Rome	10	51,00%

\* valued in the consolidated financial statements of Zeis S.r.l.

\*\* valued in the consolidated financial statements of Todini Costruzioni Generali S.p.A.

In particular:

- -The subsidiary Salcost France S.r.l. in liquidation and valued at equity was excluded from the scope of consolidation because it falls within the cases envisaged by Article 28 of Legislative Decree No. 127/91;
- The subsidiaries (in Todini Costruzioni Generali S.p.A.) Albacem 2007 in liquidation, Cogeca S.c. a r.l. in liquidation, Costral Consortium in liquidation, Edilfi S.c. a r.l. in liquidation and Todedil S.c. a r.l. in liquidation are valued at equity and were excluded from the scope of consolidation because they fall within the cases envisaged by Article 28 of Legislative Decree No. 127/91;
- The subsidiary Sa. Ma. S.c. a r.l. in liquidation and valued at the adjusted cost, was excluded from the scope of consolidation because it falls within the cases envisaged by Article 28 of Italian Legislative Decree No. 127/91.

Consolidation methods

The main consolidation methods adopted are as follows:

- a) il valore contabile delle partecipazioni, incluse nell'area di consolidamento, viene
- a) The book value of the equity investments included in the scope of consolidation is eliminated against the related Shareholders' equity, and the assets and liabilities are consolidated on a line-by-line basis; any difference which arises from the above elimination, after having been allocated to the individual asset and liability items, where possible, adjusts the Group's Shareholders' equity and is allocated to the item "profit (losses) brought forward".
- b) Receivable and payable, cost and revenue items, dividends received and any other transactions between the companies included in the scope of consolidation are eliminated.
- c) The following approaches are adopted to convert into Euro the financial statements expressed in a foreign currency, in accordance with current legislation:
- Assets and liabilities are carried at the exchange rate in force at year-end.
  - The income statement items are carried by applying the average exchange rates for the financial year.
  - Shareholders' equity items are carried at the exchange rates in force in the respective period in which they are formed.

Exchange rate differences generated by converting the Shareholders' equity at the historic formation exchange rates rather than at those in force at year-end, including therein the difference deriving from the operating result expressed at the average exchange rate for the financial year are charged directly to Shareholders' equity.

The exchange rates used are shown in Annex 2.



Sierra Leone, Masiaka-Bo Road

## VALUATION METHODS

The valuation methods adopted in accordance with Article 2426 of the Civil Code, supplemented, where necessary, by the accounting principles established by the Italian Board of Chartered Accountants and Bookkeepers and the Italian Accounting Body for the preparation of the consolidated financial statements as at 31 December 2010 are indicated below. In accordance with Article 35.1 of Legislative Decree No. 127/91, these methods are essentially the same as those used for the statutory financial statements of the Parent Company Salini Costruttori S.p.A. They have not been changed from the methods adopted to prepare the financial statements of the previous financial year, specifically: the items reported in the financial statements were valued prudently and on a going concern basis. Furthermore, account was taken of the income and charges pertaining to the financial year irrespective of the date of collection or payment, as well as of the pertinent risks and losses, even if becoming known after year-end.

### Intangible fixed assets

Le immobilizzazioni immateriali sono iscritte al costo di acquisto o di produzione. Intangible fixed assets are recorded at the purchase or production cost, inclusive of any related charges net of amortisation.

Costs for studies, tenders and other business ventures in progress are suspended in the financial year in which they are incurred if the outcome of the tender is unknown or it is not yet completed. In the event of a negative outcome of the initiative, these costs are charged to the income statement; in the event of a positive outcome, they are amortised according to the stage of completion of the work to which they refer (provided the cost can be recovered by the contract margin), and in any event, over a period of no more than five years.

Likewise, the costs relating to more than one financial year and referring to sites are amortised according to the stage of completion of the work over a period of no more than five years.

The cost incurred for the acquisition of software user licenses is amortised on a straight-line basis over three periods; advertising expenses relating to more than one accounting period are amortised over a period of no more than five financial years and leasehold improvement costs are amortised over the duration of the contract.

The costs incurred to obtain loans are amortised on a straight-line basis over the duration of the related loans.

### Tangible fixed assets

Tangible fixed assets are recorded at the purchase cost, inclusive of the pertinent accessory charges and net of depreciation. The cost was revalued for some assets, in accordance with Law No. 72/83 and Law No. 413/91.

The depreciation of tangible fixed assets is calculated on a straight-line basis in relation to their residual possibility of use; the rates applied are deemed appropriate to reflect the technical-economic duration of the assets concerned.

Ordinary maintenance costs are charged to the income statement during the financial year. Maintenance costs to increase the value of assets are allocated to the asset concerned and depreciated in relation to their useful working life.

### Leased assets

Operating assets acquired under financial lease arrangements, are reflected in the financial statements in line with the financial method accounting approach, in accordance with

document No. 17 issued by the Commission for the establishment of accounting standards of the Italian Board of Chartered accountants and Bookkeepers and the Italian Accounting Body. The effects on the consolidated shareholders' equity and net income for the financial year produced by applying this method are indicated in the statement of reconciliation of these items between the consolidated statutory and consolidated financial statements, since the financial leasing transactions are reported in the latter in accordance with the equity method.

#### Long-term financial investments

Long-term financial assets are represented by equity investments in subsidiary companies and are valued using the equity method: the original cost of the equity investment is modified in order to reflect the adjustments of this method, and in particular, so as to take into account the portions of profits and losses of the investee company, generated with minority interests, in the periods subsequent to the acquisition of the equity investments; this is irrespective of the fact that these profits are distributed or otherwise and that the losses are charged against the capital of the investee company or otherwise. Accordingly, the equity investments in question are valued for an amount equal to the corresponding portion of the Shareholders' equity reported in the last set of financial statements of the subsidiary companies, less the dividends and after making the adjustments required by the accounting principles for drawing up consolidated financial statements, as well as those necessary to comply with the standards indicated in Article 2423 and Article 2423-bis of the Italian Civil Code.

The equity investments in associated companies and the other equity investments are valued using the cost method adjusted, where necessary, to take into account possible long-term impairment. The adjustment adopted is not maintained in subsequent financial statements if the reasons no longer apply.

The remaining long-term financial assets represented by receivables are reported at face value which coincides with their presumable realisable value.

#### Inventories

Inventories comprising raw materials, supplies and consumables stored at the construction sites are reported at the cost calculated using the weighted average cost method that does not exceed the realisable value determined with reference to the market trend.

Inventories comprising contract work in progress are reported on the basis of the contractual payments accrued with reasonable certainty. These are reported net of the provision for contractual risks, allocated prudently against probable liabilities, but for which the value and timing is not defined.

With regard to the contractual reserves, the valuation made has considered the positive outcomes reasonably achievable from the dispute with the customer.

#### Receivables and Payables

Receivables are valued based on the realisable value by establishing a provision reported to directly decrease the balance of the receivables concerned.

Payables are recorded at their face value, which reflects their settlement value.

#### Accruals and deferrals

In accordance with the accruals accounting approach, the former represent the portion accrued as at 31 December 2010 of the positive/negative components whose financial manifestation will take place during 2011, and the latter represent the portion of costs/revenues pertaining to subsequent financial years whose financial manifestation has already occurred during the 2010 financial year.

Deferred income also includes the positive margins generated by transfers to subsidiary companies, whose equity investments are carried at equity, for the portion not yet realised vis-à-vis minority interests, or not yet reflected in the income statements of the investee companies concerned.

Permanent organisations abroad

The transactions executed by the permanent organisations abroad are converted on the basis of the exchange rates applicable on the date the transactions concerned were executed. The accounting balances of current assets and liabilities at year-end are aligned with the exchange rates applicable at year-end, while the other equity items are converted at the “historical exchange rate”.

Provisions for risks and charges

Provisions for risks and charges include appropriate amounts allocated to cover losses or debts the nature of which is clearly defined and the existence is certain or probable, but for which the amount or the contingency date is unknown at year-end.

Employee severance indemnity

The employee severance indemnity is calculated on the basis of current legislation and the employment contracts in force for all the employees already in the workforce at year-end. The amount recorded in the financial statements is stated net of the portions paid to supplementary Social Security Funds further to the options expressed by the worker.

Revenues and costs

Revenues and costs are stated in the financial statements on a prudent and accrual accounting basis. Revenues for services are recognised on the basis of the service rendered and in accordance with the respective contracts.

The costs and charges are indicated net of returns, discounts, allowances and premiums, as well as the directly recoverable taxes associated with the purchase of the products or with the receipt of the related services.

Foreign currency transactions

In relation to the transactions and items expressed in a foreign currency, in accordance with the provisions of Article 2426, sub-section 8-bis of the Italian Civil Code and in compliance with the requirements envisaged by national accounting standard No. 26, it is hereby stated that:

- foreign currency assets and liabilities, with the exception of tangible, intangible and long-term financial investments represented by equity investments carried at cost, are recorded using the spot exchange rate applicable at year-end and the related exchange rate gains and losses are charged to the income statement; any net gain is set aside in a specific restricted reserve which cannot be distributed until realized. Foreign currency fixed assets are recorded using the exchange rate applicable at the time of their acquisition or the lower rate applicable at year-end, if the reduction is considered to be permanent;
- transactions carried out during the financial year, expressed originally in a foreign currency, were reported at the exchange rate in force as of the date the transactions were carried out.

The exchange rates used are shown in Annex 2

Arrears interest

Arrears interest is calculated in accordance with the provisions of law and the contract, duly reported on the basis of the effective accrual date and prudently adjusted within the limits of the actual realisation through special allowances for doubtful accounts.

Income taxes

Current income taxes for the financial year are established by applying the tax laws in force and the corresponding payable is reported in item D12 under liabilities “Amounts owed to Tax Authorities”.

Prepaid taxes are only reported in the financial statements if there are reasonable probabilities of recovery. Deferred taxes are not reported if there are limited probabilities that the respective payable will arise.

When it is legally possible to offset, liabilities for deferred taxes and assets for prepaid taxes are reported directly for their net value, respectively, in item B) under equity liabilities “Provisions for risks and charges – Provision for taxes, also deferred taxes” if the amount of the former exceeds the amount of the latter and in item CII 4-ter under current assets “Prepaid taxes”, if the opposite applies.

The liabilities for deferred taxes and the assets for prepaid taxes are recognised separately in the respective items if the foregoing legal offsetting is not possible.

The “Provisions for risks and charges – Provision for taxes, also deferred taxes” is also used for allocations in relation to possible disputed dues and taxes.

The Company together with the subsidiaries Zeis s.r.l., Cogema s.p.a., Madonna dei Monti s.r.l. and TBMetro srl exercised the option of group taxation for Corporate Income Tax (IRES) purposes, pursuant to and in accordance with Article 117 and following articles of the Consolidated Act on Income Tax (T.U.I.R.) and Ministerial Decree (D.M.) of 9.6.2004. The cited provisions entail determining an aggregate global income corresponding to the algebraic sum of the overall net income of the participating companies. The economic and financial relationships generated by participating in the cited group taxation are disciplined by special regulations signed by and among the Parties.



Kazakhstan, Astana-Schwchinsk Highway

## COMMENTS ON THE COMPOSITION OF THE MAIN BALANCE SHEET AND INCOME STATEMENT ITEMS

### Subscribed capital unpaid A - € 283,111

The item concerns the portions of capital subscribed by the minority shareholders, not yet paid in for the newly-established subsidiaries, Bumbuna Power Gen. Co. Ltd. amounting to Euros 87 thousand and Piscine dello Stato S.r.l. (a subsidiary of Todini Costruzioni Generali S.p.A.) amounting to Euros 196 thousand.

### Intangible fixed assets B I - € 34,199,440

The breakdown of the capitalised costs, net of amortisation is as follows:

Intangible fixed assets	Balance as at 31/12/09	Acquisition of Todini on 01/01/2010	Increases as at 31/12/10	Amortisation in. 2010	Allocations at cost and reclassified in 2010	Exchange rate diff.	Balance as at 31/12/10
<b>A) Start-up and expansion expenses</b>							
> construction site start-up costs	2	0	1	(2)	0	0	1
> formation expenses	13	3	3	(5)	(1)	0	12
<b>Total A)</b>	<b>14</b>	<b>3</b>	<b>4</b>	<b>(7)</b>	<b>(1)</b>	<b>0</b>	<b>13</b>
<b>B) Research and development costs</b>							
> commercial initiatives	0	0	0	0	0	0	0
> tenders and studies	632	0	3.816	(20)	0	0	4.428
> research, development and advertising	6	0	0	(6)	0	0	(0)
<b>Total B)</b>	<b>638</b>	<b>0</b>	<b>3.816</b>	<b>(26)</b>	<b>0</b>	<b>0</b>	<b>4.428</b>
<b>C) Intellectual property rights</b>							
> Software	89	95	105	(212)	136	0	212
<b>D) Concessions, licenses, trademarks and similar rights</b>							
> Concessions to use property assets and licences	592	0	82	(345)	0	(10)	319
> Trademarks	0	0	0	0	0	0	0
	<b>592</b>	<b>0</b>	<b>82</b>	<b>(345)</b>	<b>0</b>	<b>(10)</b>	<b>319</b>
<b>E) Intangible assets in progress and payments on account</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(35)</b>	<b>0</b>	<b>0</b>
<b>F) Other intangible fixed assets</b>							
> ancillary costs on mortgages/loans	1.545	0	132	(397)	0	(4)	1.276
> construction site start-up	13.417	17.459	16.769	(21.915)	189	122	26.041
> improvements to assets owned by others	299	0	125	(115)	0	(4)	305
> (other) improvements to concession assets	195	1.652	2.359	(2.069)	(493)	(42)	1.602
<b>Total F)</b>	<b>15.456</b>	<b>19.112</b>	<b>19.385</b>	<b>(24.496)</b>	<b>(304)</b>	<b>72</b>	<b>29.225</b>
<b>Total A+B+C+D+E+F</b>	<b>16.824</b>	<b>19.209</b>	<b>23.393</b>	<b>(25.086)</b>	<b>(204)</b>	<b>62</b>	<b>34.199</b>

A – “Start-up and expansion expenses” represent the value still to be amortised concerning the costs to establish TB Metro S.r.l.

B – Changes in fixed assets for research and development costs refer to both the expenses incurred during the financial year by the Parent Company for contract acquisition activities and to the allocation to costs for expenses incurred for commercial initiatives and tenders.

D - The item in question represents the value to be amortised of the costs incurred (payment in kind of part of the contract fee) by the Parent Company relating to the

nine-year concession by the property complex “Caserma Sani” in Rome and the concession acquired in Uganda for the use of land for the purposes of building the construction site facilities;

F – The majority of the changes relating to other intangible fixed assets concern the freezing of the costs incurred before initiating the production activities at the new construction sites in Italy and abroad and the costs incurred to restructure a portion of the “Caserma Sani” premises under sub-concession to “La Sapienza” Rome University and the construction site start-up costs in Kazakhstan (Kyzilorda), Azerbaijan (Shamaki, Samur and Ujar), the Ukraine (Kiev Chop), Georgia (Sveneti Ruisi) and in Italy (Variante di Valico).

Tangible fixed assets B II - € 209,657,935

The breakdown and changes in tangible fixed assets and the related accumulated depreciation during the period are presented in the following table:

Tangible fixed	Balance as at 31/12/09				
	Historic cost	Revaluation		Revaluation	Balance as at
		Law 72/83	Law 413/91	02/09	31/12/09
<b>1a) Buildings</b>	<b>23.548</b>	<b>558</b>	<b>23</b>	<b>1.098</b>	25.227
Depreciation provision - buildings					(1.401)
					<b>23.826</b>
<b>1b) Land</b>	619	0	0	0	619
<b>Total 1)</b>					<b>24.445</b>
<b>2) Plant and machinery:</b>					
a) plant and machinery	<b>115.012</b>	<b>5</b>	<b>0</b>	<b>0</b>	115.017
a) depreciation provision - plant and machinery					(50.215)
<b>a) Total plant and machinery</b>					<b>64.802</b>
b) motor vehicles	<b>91.581</b>	<b>1</b>	<b>0</b>	<b>0</b>	91.582
b) amortisation provision - motor vehicles					(55.821)
<b>b) Total motor vehicles</b>					<b>35.761</b>
<b>Total 2)</b>					<b>100.563</b>
3) Other fixtures and fittings, tools and equipment	<b>30.641</b>	<b>0</b>	<b>0</b>	<b>0</b>	30.641
Amortisation provision - other fixtures and fittings, tools and equipment					(25.286)
<b>Total 3)</b>					<b>5.355</b>
<b>4) Other assets</b>					
a) office furniture and electronic machines	<b>9.468</b>	<b>0</b>	<b>0</b>	<b>0</b>	9.468
a) Depreciation provision - office furniture and electronic machines					(5.473)
<b>a) Total office furniture and electronic machines</b>					<b>3.995</b>
<b>b) other assets not depreciated</b>	<b>85</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>85</b>
<b>Total 4)</b>					<b>4.080</b>
<b>5) Tangible fixed assets in course of construction</b>	<b>2.222</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2.222</b>
<b>GENERAL SUMMARY:</b>					
<b>TOTAL GROSS TANGIBLE FIXED ASSETS</b>	<b>273.176</b>	<b>564</b>	<b>23</b>	<b>1.098</b>	<b>274.861</b>
<b>TOTAL DEPRECIATION PROVISIONS</b>					<b>(138.196)</b>
<b>TOTAL NET TANGIBLE FIXED ASSETS</b>					<b>136.665</b>

The full consolidation of the subsidiary Todini Costruzioni Generali S.p.A. on 15th January 2010 (acquisition date), determines taking on complete responsibility for the net tangible fixed assets amounting to Euros 75,438 thousand.

The increase in buildings amounting to Euros 2,172 thousand refers to the net effect of the following changes:

- construction of the Dunkan yard (storage area) in Ethiopia amounting to Euros 73 thousand; financial year depreciation amounting to Euros (22) thousand and Euros (127) thousand referred to the exchange rate adjustment;
- in Uganda to depreciate the operation of the field facilities amounting to Euros (47) thousand and Euros (172) thousand referred to the exchange rate adjustment;
- at Dubai in the Parent Company's construction sites, following an expert survey report to write-down one of the properties owned by the Company amounting to Euros (1,528) thousand, in addition to the annual depreciation totalling Euros (458) thousand and Euros 1,031 thousand referred to the exchange rate adjustment;

Acquisition of Todini	Increase 12/2010	Allocated at cost 12/2010	Disposals 12/2010	Exchange rate difference 12/2010	Balance as at 12/2010
3.715	1.167	(4)	(1.575)	1.046	29.575
(1.192)	(1.095)	(13)	126	(65)	(3.640)
<b>2.523</b>	<b>71</b>	<b>(17)</b>	<b>(1.449)</b>	<b>981</b>	<b>25.936</b>
0	55	0	0	7	681
<b>2.523</b>	<b>127</b>	<b>(17)</b>	<b>(1.449)</b>	<b>988</b>	<b>26.617</b>
26.051	81.004	(2.635)	(2.447)	(951)	216.038
(14.035)	(49.626)	619	1.400	494	(111.363)
<b>12.016</b>	<b>31.378</b>	<b>(2.017)</b>	<b>(1.047)</b>	<b>(457)</b>	<b>104.674</b>
11.237	51.836	(741)	(1.995)	(76)	151.843
(7.464)	(40.297)	(54)	1.473	236	(101.927)
<b>3.773</b>	<b>11.539</b>	<b>(795)</b>	<b>(522)</b>	<b>160</b>	<b>49.916</b>
<b>15.789</b>	<b>42.917</b>	<b>(2.812)</b>	<b>(1.569)</b>	<b>(297)</b>	<b>154.591</b>
7.614	8.306	1.786	(3.461)	284	45.171
(5.613)	(8.004)	(1.830)	3.470	(190)	(37.453)
<b>2.001</b>	<b>302</b>	<b>(44)</b>	<b>9</b>	<b>94</b>	<b>7.718</b>
4.116	1.337	194	(617)	(38)	14.459
(3.136)	(1.792)	(149)	514	35	(10.001)
<b>980</b>	<b>(455)</b>	<b>44</b>	<b>(103)</b>	<b>(3)</b>	<b>4.458</b>
<b>0</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>111</b>
<b>980</b>	<b>(429)</b>	<b>44</b>	<b>(103)</b>	<b>(3)</b>	<b>4.569</b>
<b>9.071</b>	<b>14.328</b>	<b>(9.457)</b>	<b>0</b>	<b>0</b>	<b>16.163</b>
<b>61.803</b>	<b>158.059</b>	<b>(10.858)</b>	<b>(10.095)</b>	<b>271</b>	<b>474.041</b>
<b>(31.439)</b>	<b>(100.815)</b>	<b>(1.428)</b>	<b>6.983</b>	<b>511</b>	<b>(264.384)</b>
<b>30.364</b>	<b>57.244</b>	<b>(12.285)</b>	<b>(3.112)</b>	<b>782</b>	<b>209.658</b>

- in Italy, increases amounting to Euros 170 thousand referred to work to bring up to code a garage facility in Via Gramsci, No.1 / Via Pirandello Aprilia (RM) and increases amounting to Euros 722 thousand referring to Infernetto S.r.l., a subsidiary of Zeis S.r.l.;
- the buildings relating to the subsidiary Todini Costruzioni generali S.p.A. reported a net decrease amounting to Euros 160 thousand, mainly referable to the construction of civil buildings and lightweight structures in Italy amounting to Euros 34 thousand and in Tunisia amounting to Euros 332 thousand, depreciation for the financial year totalling Euros (420) thousand, Euros (187) thousand for reclassifications, Euros 79 thousand for disposals and Euros 2 thousand for exchange rate differences

The increases and decreases of the items relating to plant and machinery, equipment and other assets are due to purchases and/or incremental expenses and to the disposals during the financial year, justified by investments for new construction sites and to replace assets used in the production process.

The same items include Euros 228,304 thousand, relating to production assets subject to financial leasing.

In particular, these changes in plant and machinery and motor vehicles disclose:

- an increase for new assets acquired amounting to Euros 33,824 thousand, purchased under financial leasing;
- disposals for sales amounting to Euros 4,442 thousand;
- negative changes due to exchange rate adjustments totalling Euros 1,017 thousand;
- negative changes due to other allocations amounting to Euros 3,376 thousand.

The item “amortisation provision - plants and machinery and motor vehicles” discloses:

- an increase for depreciation for the financial year totalling Euros 49,790 thousand;
- changes due to the disposal of assets amounting to Euros 2,872 thousand;
- positive changes due to exchange rate differences amounting to Euros 720 thousand;
- positive changes due to other allocations amounting to Euros 565 thousand.

Assets which cannot be depreciated refer to works of art (original paintings) not subject to depreciation in value.

The changes in tangible fixed assets in course of construction refer mainly to new fixed assets and the inclusion in the productive cycle of capital goods intended to be used in the construction sites in Ethiopia (Euros 2,742 thousand), in Dubai (Euros 977 thousand), in Sierra Leone (Euros 29 thousand), in Kazakhstan (Euros 18 thousand) and in Italy (Euros 130 thousand); in Italy referred to TBMetro S.r.l. (Euros 1,500 thousand). With reference to the subsidiary Todini, the balance position for tangible fixed assets in course of construction refers to “revertible assets” under construction, which include the costs relating to the construction of an underground parking facility to be carried out on the basis of the Concession related to the construction of the “completion activities” of Corso del Popolo S.p.A. totalling Euros 10,541 thousand.

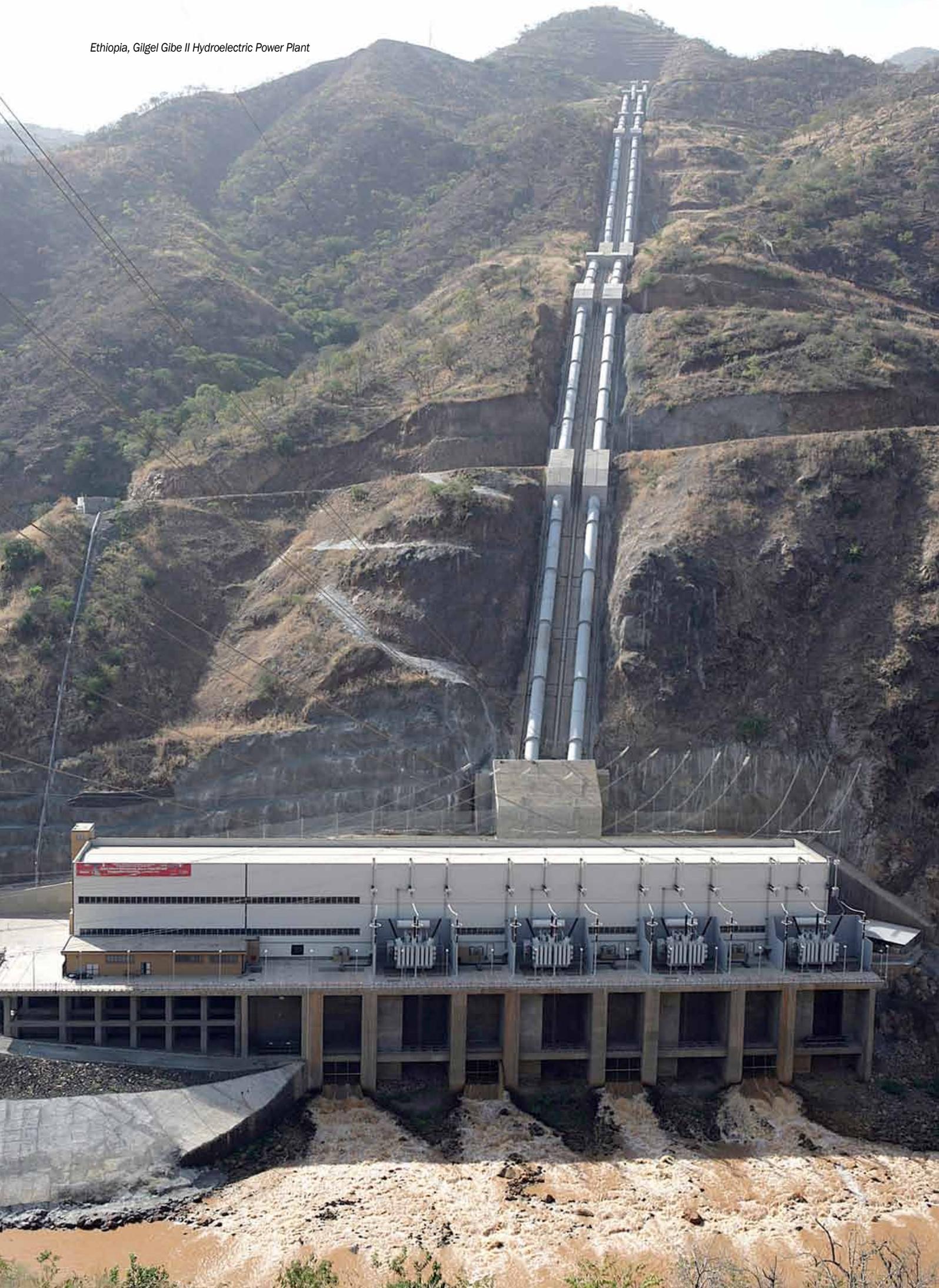
The following is stated in relation to revaluations, pursuant to Italian Laws No. 72/83, No. 413/91 and No. 02/2009:

- a) the revaluation was carried out on commercial buildings in Aprilia owned by the Parent Company and the residual amount totals approximately Euros 23 thousand, in compliance with Italian Law No. 413/91 and to approximately Euros 13 thousand, in accordance with Law No. 72/83;
- b) the revaluation was made on agricultural buildings owned by Immobiliare Agricola San Vittorino S.r.l. (consolidated within Zeis S.r.l.) and the residual amount totals Euros 545 thousand, in accordance with Law No. 72/83;
- c) again in accordance with Law No. 72/83, a revaluation was made on plant, machinery and means of transport and the residual amount is approximately Euros 6 thousand;
- d) the revaluation was made on the building located in Via San Marcello 40, Rome, owned by Zeis S.r.l. and the residual amount totals Euros 1,098 thousand, in accordance with Law No. 02/2009;
- e) the value of the revalued assets expressed in the financial statements does not exceed the respective market value.



*Uganda, Bujagali Hydroelectric project*

Ethiopia, Gilgel Gibe II Hydroelectric Power Plant



### Long-term financial investments B III - € 40,969,547

#### 1) Equity investments B III 1) - € 17,977,966

The breakdown of equity investments in subsidiary, associated and in other companies valued at cost and at equity is illustrated in the table below:

Breakdown of equity Investments	Share capital	Unit nominal value	Number of shares/holdings			Value
			Issued in thousand	Held in thousand	% ownership	
<b>a) subsidiary companies valued at equity:</b>						
Sa.Ma. S.C. a r.l. in liquidation	41	*	*	*	99,00%	41
Salcost France S.r.l. in liquidation	15	*	*	*	100,00%	0
G.A.B.I.RE. S.r.l. (shareholders' agreements) (*)						17
<b>Subsidiary companies in the subsidiary Todini S.p.A.:</b>						
Albacem 2007 in liquidation	Lek 100				100,0%	0
Cogeca scarl in liquidation	10	*	*	10	100,0%	0
Costral Consortium in liquidation	20	*	*	14	70,0%	14
Edilfi scarl in liquidation	10	10	120	660	100,0%	0
Todedil scarl	10	*	*	*	85,0%	9
<b>Total a)</b>						<b>81</b>
<b>b) associated companies:</b>						
Con.Sal. S.c.n.c. in liquidation	15	*	*	*	30,00%	0
Forum S.c. a r.l.	51	*	*	*	20,00%	10
Group. d'entreprises Salini Strabag (Guinea)	10	*	*	*	50,00%	5
Groupment Italgisas (Morocco) in liquidation	620	*	*	*	30,00%	0
Ital.Sa.Gi. Sp.Z.O.O. (Poland)	Zl. 40	Zl. 1 mil.	40	13,2	33,00%	0
Joint Venture Salini-Acciona (Ethiopia)	20	*	*	*	50,00%	9
Risalto S.r.l. in liquidation	89	*	*	*	33,33%	30
S.Ruffillo S.c.a.r.l.	60	*	*	*	35,00%	21
Variante di Valico Scarl in liquidation	90	*	*	*	33,33%	30
<b>Associated companies in the subsidiary Todini S.p.A.:</b>						
Alburni scarl in liquidation	7	0,51	14	6,60	47,14%	3
Bata srl in liquidation	102	*	*	*	27,55%	0
Colle Todi scarl in liquidation	10	*	*	*	66,66%	7
Co.Ge.Fin s.r.l. (shareholders' agreements)	100	*	*	*	51,00%	9.448
CPR 3 Consortium	2	*	*	*	35,97%	2
A.F.T. Consortium in liquidation	46	*	*	*	33,33%	15
Astaldi Fedeci Todini Kramis Consortium	100	*	*	*	50,00%	50
CPR 2 Consortium	2	*	*	*	34,92%	3
Cons. per il Nucleo Balvano in liquidation	52	*	*	*	29,87%	0
Pizzarotti Todini .Keff-Eddir Consortium	100	*	*	*	0,01%	50
Umbria Sanità Consortium in liquidation	10	*	*	*	31,00%	3
Kallidromo Consortium	29	*	*	*	20,70%	7
Corina scarl in liquidation	10	*	*	*	35,97%	78
Galileo scarl	10	*	*	*	40,00%	4
Irfur scarl in liquidation	46	*	*	*	40,00%	19
Irina Srl in liquidation	103	*	*	*	36,00%	748
Risalto srl in liquidation	89	*	*	*	33,33%	27
Rupe di Orvieto scarl in liquidation	29	*	*	*	42,86%	0
Scat 5 scarl in liquidation	26	*	*	*	24,99%	6
Sedi scarl	10	*	*	*	34,00%	3
Tormini scarl in liquidation	10	*	*	*	49,95%	5
Trasimeno scarl in liquidation	10	*	*	*	30,00%	3
Valico scarl in liquidation	10	0,51	20	5,10	50,00%	5
Variante di Valico scarl in liquidation	90	*	*	*	33,33%	30
<b>Associated companies in the subsidiary Zeis s.r.l.:</b>						
Casada S.r.l.	98	*	*	*	25,00%	3.588
Immob.Marinella Srl	10	*	*	*	33,33%	2.436
<b>Total associated companies b)</b>						<b>16.647</b>
<b>c) other companies</b>						
Iricav Due Consortium	510	*	*	*	12,00%	71
Impre-Fin. Impresa SpA	50.000	1	50.000	500	1,00%	500
Spoletto Crediti e Servizi S. Coop. a r.l.	66.636	26	2.563	2,34	*	84
Other (5 minor equity investments)	-	-	-	-	-	76
<b>Other companies in the subsidiary Plus in Zeis s.r.l. :</b>						
Azioniomercato						426
<b>Other companies in the subsidiary Todini S.p.A.:</b>						
IECAF Consortium	10	*	*	*	5,05%	1
Costruttori Rom.Riun.Grandi Opere SpA	3.274	*	*	*	1,00%	52
A.Constructor J.V Kallidromo	0	*	*	*	19,54%	6
JV Todini diekat	0	*	*	*	10,00%	8
Nomispa spa	5.345	*	*	*	0,34%	27
CAAF Interregionale	0	-	-	-	0,04%	0
<b>Total other companies in Salini c)</b>						<b>1.250</b>
<b>Total other minor equity investments (b+c)</b>						<b>17.897</b>
* = holdings						
<b>Total equity investments</b>						<b>17.978</b>

It is important to note that Ga.Bi.RE S.r.l., although 60% owned by Salini Costruttori S.p.A., by virtue of the shareholders' agreements is consolidated in Todini Finanziaria S.p.A. that actually controls the company.

The details of the changes which occurred during the financial year are illustrated in the tables below.

A) Equity investments in subsidiary companies	31 - dec - 09					Acquisition of TODINI 01/01/2010	
	Historical cost	Revaluation	Write-downs	Book value	Risk provision	Book value	Risk provision
<b>Subsidiary companies:</b>							
Sa.Ma S.c. a r.l. - RM in liquidation	41	0	0	41	0		
G.A.B.I.RE. Srl	0	0	0	0	0		
<b>Subsidiary companies in the subsidiary TODINI SpA:</b>							
Albacem 2007 in liquidation	1	0	0			1	0
Cogeca Scarl in liquidation	10	0	(11)			0	(36)
Costral Consortium in liquidation	14	0	0			14	0
Edilfi Scarl in liquidation	10	0	(11)			0	(280)
Todedil Scarl in liquidation	9	0	0			9	0
<b>TOTAL SUBSIDIARY COMPANIES</b>	<b>85</b>	<b>1</b>	<b>(21)</b>	<b>41</b>	<b>0</b>	<b>24</b>	<b>(316)</b>
				<b>41</b>	<b>0</b>	<b>24</b>	<b>(316)</b>
<b>B) Equity investments in associated companies</b>							
	31 - dec - 09					Acquisition of TODINI 01/01/2010	
	Historical cost	Revaluation	Write-downs	Book value	Risk provision	Book value	Risk provision
<b>Associated companies:</b>							
Con.Sal. S.c.n.c. - RM in liquidation (a)	5	0	(5)	0	(7)		
Forum S.c. a r.l. - RM	10	0	0	10	0		
Group. d'entreprises Salini Strabag	5	0	0	5	0		
Groupement Italgis - Kenitra (Marocco) in liquidation	186	0	(186)	0	(842)		
Ital.Sa.Gi. Sp.Z.O.O. - Katowice (Poland)	325	0	(325)	0	(222)		
J. V. Salini Acciona	9	0	0	9	0		
Risalto S.r.l. - RM (in liquidation)	30	0	0	30	(2)		
S. Ruffillo - RM	21	0	0	21	0		
Variante di Valico Scarl (in liquidation)	30	0	0	30	(5)		
<b>- Associated companies in the subsidiary Zeis s.r.l.:</b>							
Casada S.r.l. - RM	476	3.699	(236)	3.939	0		
Immob.Marinella Srl	4		(4)	0	(20)		
Plus srl	1.291	2	(564)	729			
<b>Total associated companies SALINI</b>	<b>2.392</b>	<b>3.701</b>	<b>(1.320)</b>	<b>4.774</b>	<b>(1.099)</b>	<b>0</b>	<b>0</b>
<b>Associated companies in the subsidiary TODINI SpA:</b>							
Alburni scarl in liquidation	3	0	0			3	0
Bata 91 scarl in liquidation	14	0	(14)			0	(164)
Bata srl in liquidation	28	0	(28)			0	(11)
C.P.R. 2	1	0	0			1	0
C.P.R. 3	1	0	0			1	0
Colle Todi scarl in liquidation	7	2	0			9	0
Pizzarotti Todini .Keff-Eddir Consortium*	50	0	0			50	0
Aft Consortium in liquidation **	15	0	0			15	0
Astaldi-Federici-Todini Consortium**	50	0	0			50	(921)
Balvano Consortium in liquidation	15	0	(15)			0	(196)
Kallidromo Consortium	8	0	0			8	(378)
Corina scarl in liquidation	330	0	(228)			102	0
Renco Consortium- Todini***	10	0	0			10	0
CUS (Umbria Sanità Consortium)	3	0	0			3	0
Galileo Scarl	4	0	0			4	0
Irfur scarl	19	0	0			19	0
Irina Srl in liquidation	308	773	0			1.081	0
Risalto srl	30	0	(2)			28	0
Rupe Orvieto scarl	12	0	(12)			0	(96)
Scat 5 scarl	6	0	0			6	0
Sedi scarl	3	0	0			3	0
Tormini scarl in liquidation	5	0	0			5	0
Trasimeno scarl in liquidation	3	0	0			3	0
Valico scarl	5	0	0			5	0
Variante di Valico	30	0	(2)			28	0
Co.ge.fin srl	0	0	0			0	0
<b>Total associated companies TODINI</b>	<b>962</b>	<b>775</b>	<b>(301)</b>	<b>0</b>	<b>0</b>	<b>1.436</b>	<b>(1.766)</b>
<b>TOTAL ASSOCIATED COMPANIES</b>	<b>3.354</b>	<b>4.476</b>	<b>(1.621)</b>	<b>4.774</b>	<b>(1.099)</b>	<b>1.436</b>	<b>(1.766)</b>
				<b>4.774</b>	<b>(1.099)</b>	<b>1.436</b>	<b>(1.766)</b>
<b>D) Other companies</b>							
Iricav Due Consortium	62	0	0	62	0		
Spoletto Crediti e Servizi S. Coop. a r.l.	84	0	0	84	0		
Impre-Fin. Impresa Spa	500	0	0	500	0		
Other (7 minority equity investments)	79	0	(3)	76	0		
<b>Total other companies SALINI</b>	<b>725</b>	<b>0</b>	<b>(3)</b>	<b>722</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other companies in the subsidiary TODINI SpA:</b>							
Cons. IECAF****	1	0	0	1	0	0	0
JV Diekat (on Greek Branch)	8	0	0			8	0
Costruttori Rom.Riun.Grandi Opere SpA	52	0	0			52	0
A.Constructor J.V Kallidromo	6	0	0			6	0
Nomisma spa	27	0	0			27	0
CAAF Interregionale	0	0	0			0	0
<b>Total other companies TODINI</b>	<b>93</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>0</b>
<b>TOTAL OTHER COMPANIES</b>	<b>818</b>	<b>0</b>	<b>(3)</b>	<b>722</b>	<b>0</b>	<b>93</b>	<b>0</b>
<b>(a) Equity investments in companies involving unlimited liability - Article 2361 of the Italian Civil Code</b>							
				<b>722</b>	<b>0</b>	<b>93</b>	<b>0</b>
				<b>5.537</b>	<b>(1.099)</b>	<b>1.553</b>	<b>(2.082)</b>

Chapter 03 / Explanatory Notes

Changes during the financial year										31 - dec - 10
Reclassifications/ purchases/ disposals	Dividends	Revaluations/ Write-downs	Provisions	Release/use of provision	Total	Historical cost	Revaluation	Write-downs	Book value	Risk provision
0	0	0	0	0	0	41	0	0	41	7
17	0	0	0	0	17	17	0	0	17	0
0	0	(1)	(77)	0	(78)	1	0	(1)	0	(77)
0	0	0	(1)	0	(1)	10	0	(11)	0	(37)
0	0	0	0	0	0	14	0	0	14	0
0	0	0	(1)	0	(1)	10	0	(11)	0	(281)
0	0	0	0	0	0	9	0	0	9	0
<b>17</b>	<b>0</b>	<b>(1)</b>	<b>(80)</b>	<b>0</b>	<b>(63)</b>	<b>102</b>	<b>1</b>	<b>(22)</b>	<b>81</b>	<b>(388)</b>
			<b>(80)</b>	<b>0</b>					<b>81</b>	<b>(388)</b>
Changes during the financial year										31 - dec - 10
Reclassifications/ purchases/ disposals	Dividends	Revaluations/ Write-downs	Provisions	Release/use of provision	Total	Historical cost	Revaluation	Write-downs	Book value	Risk provision
0	0	0	0	0	0	5	0	(5)	0	(7)
0	0	0	0	0	0	10	0	0	10	0
0	0	0	0	0	0	5	0	0	5	0
0	0	0	0	0	0	186	0	(186)	0	(842)
0	0	0	0	0	0	325	0	(325)	0	(222)
0	0	0	0	0	0	9	0	0	9	0
0	0	0	0	0	0	30	0	0	30	(2)
0	0	0	0	0	0	21	0	0	21	0
0	0	0	0	0	0	30	0	0	30	(5)
0	(503)	152	0	0	(351)	(27)	3.851	(236)	3.588	0
2.460	0	(53)	0	20	2.427	2.464	0	(28)	2.436	0
<b>2.460</b>	<b>(503)</b>	<b>99</b>	<b>0</b>	<b>20</b>	<b>2.076</b>	<b>3.058</b>	<b>3.851</b>	<b>(780)</b>	<b>6.129</b>	<b>(1.079)</b>
0	0	0	0	0	0	3	0	0	3	0
0	0	0	0	164	164	14	0	(14)	0	(0)
0	0	0	0	0	0	28	0	(28)	0	(11)
0	0	0	0	0	0	1	0	0	1	0
0	0	0	0	0	0	1	0	0	1	0
0	0	(2)	0	0	(2)	7	2	(2)	7	0
0	0	0	0	0	0	50	0	0	50	0
0	0	0	(0)	0	(0)	15	0	0	15	(0)
0	0	0	0	0	0	50	0	0	50	(921)
0	0	0	0	196	196	15	0	(15)	0	(0)
0	0	0	0	378	378	8	0	0	9	0
0	0	(24)	0	0	(24)	330	0	(252)	78	0
(10)	0	0	0	0	(10)	0	0	0	0	0
0	0	0	0	0	0	3	0	0	3	0
0	0	0	0	0	0	4	0	0	4	0
0	0	0	0	0	0	19	0	0	19	0
0	0	(333)	0	0	(333)	308	773	(333)	748	0
0	0	0	0	0	0	30	0	(2)	28	0
0	0	0	(14)	0	(14)	12	0	(12)	0	(110)
0	0	0	0	0	0	6	0	0	6	0
0	0	0	0	0	0	3	0	0	3	0
0	0	0	0	0	0	5	0	0	5	0
0	0	0	0	0	0	3	0	0	3	0
0	0	0	0	0	0	5	0	0	5	0
0	0	2	0	0	2	30	2	(2)	30	0
9.448	0	0	0	0	9.448	9.448	0	0	9.448	0
<b>9.438</b>	<b>0</b>	<b>(357)</b>	<b>(14)</b>	<b>738</b>	<b>9.805</b>	<b>10.400</b>	<b>778</b>	<b>(661)</b>	<b>10.517</b>	<b>(1.042)</b>
<b>11.898</b>	<b>(503)</b>	<b>(258)</b>	<b>(14)</b>	<b>758</b>	<b>11.881</b>	<b>13.458</b>	<b>4.629</b>	<b>(1.441)</b>	<b>16.646</b>	<b>(2.121)</b>
			<b>(14)</b>	<b>758</b>					<b>16.646</b>	<b>(2.121)</b>
Changes during the financial year										31 - dec - 10
Reclassifications/ purchases/ disposals	Dividends	Revaluations/ Write-downs	Provisions	Release/use of provision	Total	Historical cost	Revaluation	Write-downs	Book value	Risk provision
0	0	0	0	0	0	62	0	0	62	0
0	0	0	0	0	0	84	0	0	84	0
0	0	0	0	0	0	500	0	0	500	0
425	0	0	0	0	425	504	0	(3)	501	0
<b>425</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>425</b>	<b>1.150</b>	<b>0</b>	<b>(3)</b>	<b>1.147</b>	<b>0</b>
0	0	0	0	0	0	1	0	0	1	0
0	0	0	0	0	0	8	0	0	8	0
0	0	0	0	0	0	52	0	0	52	0
0	0	0	0	0	0	6	0	0	6	0
0	0	0	0	0	0	27	0	0	27	0
0	0	0	0	0	0	0	0	0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>0</b>	<b>0</b>	<b>93</b>	<b>0</b>
<b>425</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>425</b>	<b>1.243</b>	<b>0</b>	<b>(3)</b>	<b>1.240</b>	<b>0</b>
			<b>0</b>	<b>0</b>					<b>1.240</b>	<b>0</b>
			<b>(94)</b>	<b>758</b>					<b>17.968</b>	<b>(2.509)</b>

The following represent the most significant transactions executed during the financial year:

- allocations to the provision to cover losses referred to Albacem 2007 in liquidation amounting to Euros 77 thousand, Rupe d'Orvieto S.c. a r.l. in liquidation amounting to Euros 14 thousand and Irina S.r.l. in liquidation totalling Euros 333 thousand;
- establishing the associated company Co.Ge.Fin. S.r.l. amounting to Euros 9,448 thousand and increasing the investee company Immobiliare Marinella S.r.l. in Zeis S.r.l. totalling Euros 2,460 thousand;
- the liquidation of Bata 91 S.c. a r.l. for Euros 164 thousand, the Nucleo Balvano Consortium for Euros 196 thousand, the Kallidromo Consortium for Euros 378 thousand and the Renco Todini Consortium for Euros (10) thousand.

2) Amounts due from subsidiary, associated and other companies B III 2) - € 19,871,256

The breakdown and changes during the financial year referred to the amounts due from subsidiary, associated and other companies are illustrated in the table below:

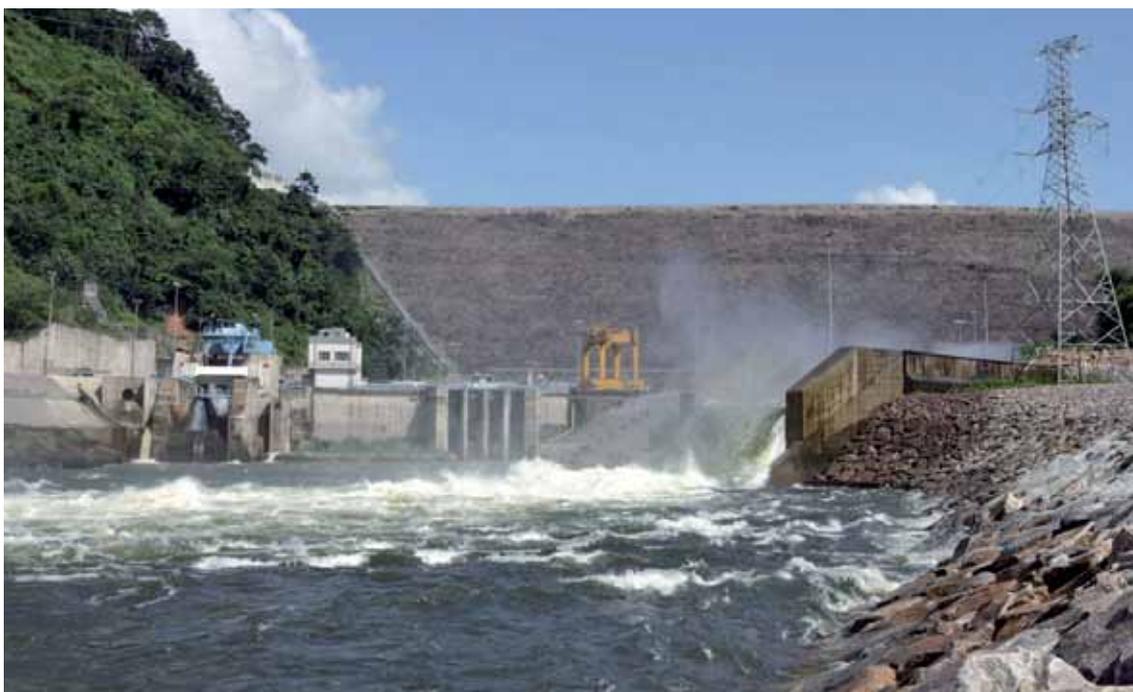
Amounts due from subsidiary, associated and other companies	Short-term			Medium/long term		
	Balance as at 31/12/10	Balance as at 31/12/09	Changes	Balance as at 31/12/10	Balance as at 31/12/09	Changes
<b>A) Subsidiary companies:</b>						
EDILFI SCARL in liquidation			0	270	0	270
Cogeca Scarl in liquidation			0	80	0	80
Albacem 2007 in liquidation			0	40	0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>390</b>	<b>0</b>	<b>350</b>
<b>B) Associated companies:</b>						
BATA SRL			0	4	6.168	(6.164)
TORMINI SCARL			0	5	2.320	(2.315)
CORINA SCARL IN LIQUIDATION			0	72	0	72
Cogefin			0	6.800	0	6.800
Sedi s.c.a.r.l.			0	22	0	22
Keff-Eddir			0	676	0	676
Astaldi Federici Todini Kramis Consortium			0	1.240	0	1.240
Astaldi Federici Todini Consortium			0	375	0	375
Other			0	86	0	86
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9.280</b>	<b>8.488</b>	<b>792</b>
<b>C) Other:</b>						
Other	25	606	(581)	2.907	1.922	985
Cediv S.p.A.	0	0	0	7.269	0	7.269
<b>Total</b>	<b>25</b>	<b>606</b>	<b>(581)</b>	<b>10.176</b>	<b>1.922</b>	<b>8.254</b>
	31/12/10	31/12/09	Changes			
<b>Total receivables</b>	<b>19.871</b>	<b>11.016</b>	<b>8.815</b>			

The principal amounts comprising the amounts due from associated, subsidiary and other companies are mainly referable to the subsidiary Todini Costruzioni Generali S.p.A. and are summarised below:

- loan to EDILFI S.c. a r.l. in liquidation amounting to Euros 270 thousand;
- loan to Cogeca S.r.l. amounting to Euros 80 thousand;
- loan to Albacem amounting to Euros 40 thousand;
- loan to Corina S.c. a r.l. in liquidation amounting to Euros 72 thousand;
- interest-bearing loan to Co.Ge.Fin S.r.l. amounting to Euros 6.800 thousand;
- loan to the Astaldi Federici Todini Kramis Consortium amounting to Euros 1,240 thousand;
- loan to the Astaldi Federici Todini Keff Eddir Consortium amounting to Euros 676 thousand;
- loan to the Astaldi Federici Todini Taksebt Consortium amounting to Euros 375 thousand;
- security deposits paid to third parties in Italy amounting to Euros 522 thousand, in Algeria amounting to Euros 70 thousand, to Dubai totalling Euros 31 thousand, in Kazakhstan amounting to Euros 60 thousand, in Romania amounting to Euros 24 thousand and in Tunisia totalling Euros 17 thousand;
- interest-bearing loan to Cediv S.p.A. totalling Euros 7,269 thousand.

4) Treasury shares BIII 4) - € 3,120,325

The Company holds 11,708,900 Treasury shares in its portfolio with a face value of Euro 0.52 each, representing 9,76% of the share capital, reported in the financial statements at a cost of Euros 3,120,325. A special reserve is allocated under Shareholders' equity, in accordance with the provisions of Article 2357-ter, last paragraph of the Italian Civil Code.



Sierra Leone, Bumbuna Hydroelectric Power Plant

**Inventories C I - € 4.990.534.590****1) Raw materials, supplies and consumables C I 1) - € 94,485,093**

Inventories of raw materials, supplies and consumables essentially comprise of construction materials and spare parts for construction vehicles.

Inventories		Balance as at 31/12/10	Acquisition of Todini Opening as at 01/01/10	Balance as at 31/12/09	Equity changes	Economic changes
<b>1) Raw materials, supplies and consumables</b>						
Italia		3		3	0	0
Ethiopia		37.368		39.792	(2.425)	(2.425)
Morocco		0		0	0	0
Sierra Leone		3.353		2.822	531	531
Dubai		3.442		3.593	(151)	(151)
Kazakhstan		9.289		0	9.289	9.289
Uganda		7.517		11.517	(4.000)	(4.000)
Changes in items CI1	(A)	<b>60.971</b>		57.727	3.244	3.244
Exchange rate differences	(C)	2.169		1.668		501
Changes		63.140		59.395	3.244	<b>3.745</b>
Metro B1 S.c. a r.l.	(B)	666		773	(107)	(107)
Ri.Ma.T.I. S.c.a.r.l.	(B)	22		50	(28)	(28)
Italy - Todini	(B)	3.532	3.612		3.532	(80)
Albania - Todini	(B)	221	0		221	221
Algeria - Todini	(B)	1.599	2.359		1.599	(760)
Azerbaijan - Todini	(B)	2.925	5.298		2.925	(2.373)
Dubai - Todini	(B)	1.210	2.779		1.210	(1.569)
Kazakhstan - Todini	(B)	8.827	2.799		8.827	6.028
Tunisia - Todini	(B)	2.072	123		2.072	.949
Ukraine - Todini	(B)	1.875	2.901		1.875	(1.026)
<b>Total for Todini Costruzioni Generali S.p.A.</b>		<b>22.261</b>	<b>19.870</b>		<b>22.261</b>	<b>2.391</b>
Central Asia- Kazakhstan - Todini	(B)	77	6		77	71
J.V. Salini Impregilo Mukorsi	(B)	242		242	0	0
Nigeria equity changes in items CI1	(B)	10.247		10.380	(133)	(133)
Exchange rate differences - Nigeria	(C)	2.843		3.474		(631)
<b>Total Nigeria</b>		<b>13.090</b>	<b>6</b>	<b>13.854</b>	<b>(133)</b>	<b>(764)</b>
<b>Total for changes in items CI1 (A+B)</b>		<b>94.486</b>	<b>19.876</b>	<b>69.172</b>	<b>25.314</b>	<b>5.437</b>
<b>Total changes in exchange rates (C)</b>		<b>5.004</b>		<b>5.142</b>		<b>(130)</b>
<b>Total changes</b>		<b>99.489</b>	<b>19.876</b>	<b>74.314</b>		<b>5.307</b>

The increase of Euros 25,314 thousand is due to the full consolidation of the subsidiary Todini Costruzioni Generali S.p.A. amounting to Euros 22,337 thousand and the increase in procured stocks mainly in the Kazakhstan construction sites.

## 2) Buildings under construction C I 2) - € 39,602,209

Buildings under construction consist of the land owned by Plus S.r.l., a subsidiary company of Zeis S.r.l., amounting to Euros 36,983 thousand and by the full consolidation of the subsidiary Todini Costruzioni Generali S.p.A. amounting to Euros 2,619 thousand that, in turn, includes real estate initiatives in progress in the Magliana, Ardea areas..



Italy, Variante di Valico Tunnel

Inventories	Balance as at 31/12/2010	Acquisition of Todini Opening as at 01/01/10	Reclassifications in 2010	Consolidation changes	Balance as at 31/12/2009	Equity changes	Economic changes
<b>2) Buildings under construction</b>							
<u>Immobile Zeis S.r.l.</u>							
- Former Galbani building	0		(8.055)		9.841	(9.841)	(1.786)
	<b>0</b>	<b>0</b>	<b>(8.055)</b>	<b>0</b>	<b>9.841</b>	<b>(9.841)</b>	<b>(1.786)</b>
<u>Plus S.r.l.</u>							
- Land	36.983			30.582	0	36.983	6.401
	<b>36.983</b>	<b>0</b>	<b>0</b>	<b>30.582</b>	<b>0</b>	<b>36.983</b>	<b>6.401</b>
Revaluation based on expert survey report entered under Other Reserves							(5.313)
							<b>1.088</b>
<u>Todini Costruzioni Generali S.p.A.</u>							
- Magliana	2.250	2.250				2.250	0
- Aprilia	206	206				206	0
- Ardea	163	163				163	0
	<b>2.619</b>	<b>2.619</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2.619</b>	<b>0</b>
<u>Cediv S.p.A.</u>							
- Marghera Venezia	44.068	43.200		(44.068)		0	868
	<b>44.068</b>	<b>43.200</b>	<b>0</b>	<b>(44.068)</b>	<b>0</b>	<b>0</b>	<b>868</b>
<b>Total Buildings under construction</b>	<b>39.602</b>				<b>9.841</b>		
<b>Total changes</b>						<b>29.761</b>	<b>170</b>

## 3) Contract work in progress C I 3) - € 4,778,330,624

The changes in inventories of contract work in progress relating to Salini are illustrated below:

Inventories	Balance as at 31/12/10	Balance as at 31/12/09	Economic changes
<b>A) Italy:</b>			
Ci3) Contract work in progress	350.087	326.617	23.470
Provision for contractual risks	(481)	(829)	348
<b>Total C I 3 contract work in progress</b>	<b>349.605</b>	<b>325.788</b>	<b>23.818</b>
<b>A) Italy:</b>			
Ci5) Advance payments and services in progress	0	0	0
<b>Total C I 5 Advance payments and services in progress</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Economic change A3)</b>	<b>349.605</b>	<b>325.788</b>	<b>23.818</b>
<b>B) S.C. Etiopia B. :</b>			
Ci3) Contract work in progress	1.092.824	995.355	97.469
Provision for contractual risks	0	(4.407)	4.407
<b>Total C I 3 Contract work in progress</b>	<b>1.092.824</b>	<b>990.948</b>	<b>101.876</b>
Exchange rate difference - current method	141.083	91.712	49.371
<b>Economic change A3)</b>	<b>1.233.907</b>	<b>1.082.660</b>	<b>151.247</b>
<b>C) Jordan</b>			
Ci3) Contract work in progress	0	0	0
Provision for contractual risks	0	0	0
<b>Total C I 3 Contract work in progress</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>D) Morocco B.</b>			
Ci3) Contract work in progress	103.859	103.859	(0)
Provision for contractual risks	(1.269)	(1.269)	0
<b>Total C I 3 contract work in progress</b>	<b>102.590</b>	<b>102.590</b>	<b>0</b>
<b>E) Nigeria</b>			
<b>Total C I 3 contract work in progress</b>	571.422	443.341	128.081
Exchange rates difference (application of current method)	90.328	115.083	(24.755)
<b>Economic change A3)</b>	<b>661.750</b>	<b>558.424</b>	<b>103.326</b>
<b>F) Sierra Leone</b>			
Ci3) Contract work in progress	50.798	39.827	10.970
price adjustment	0	0	0
Price adjustment provision	0	0	0
Provision for contractual risks	0	(24)	24
<b>Total C I 3 contract work in progress</b>	<b>50.798</b>	<b>39.803</b>	<b>10.994</b>
Exchange rates difference - current method	11.425	11.425	0
<b>Economic change A3)</b>	<b>62.223</b>	<b>51.228</b>	<b>10.994</b>
<b>Salini Hydro Sierra Leone</b>			
<b>Total C I 3 contract work in progress</b>	0	0	0
Exchange rates difference - current method	(335)	(335)	0
<b>Economic change A3)</b>	<b>(335)</b>	<b>(335)</b>	<b>0</b>
<b>TOTAL From income statement change - S. Leone A3)</b>	<b>61.888</b>	<b>50.893</b>	<b>10.994</b>
<b>G) Salini Hydro Uganda Bujagali</b>			
Ci3) Contract work in progress	221.802	173.584	48.218
<b>Economic change A3)</b>	<b>221.802</b>	<b>173.584</b>	<b>48.218</b>
<b>H) Uganda B.</b>			
Ci3) Contract work in progress	232.663	168.894	63.769
Provision for contractual risks	0	0	0
<b>Total C I 3 contract work in progress</b>	<b>232.663</b>	<b>168.894</b>	<b>63.769</b>
Exchange rates difference - current method	2.743	1.360	1.383
<b>Economic change A3)</b>	<b>235.406</b>	<b>170.254</b>	<b>65.153</b>
<b>TOTAL Uganda Economic change A3)</b>	<b>457.208</b>	<b>343.838</b>	<b>113.370</b>
<b>I) Zimbabwe</b>			
Ci3) Contract work in progress	23.280	23.281	(1)
Provision for contractual risks	0	(1.202)	1.202
<b>Total C I 3 contract work in progress</b>	<b>23.280</b>	<b>22.079</b>	<b>1.201</b>
Exchange rates difference - current method	14.407	14.406	1
<b>Economic change A3)</b>	<b>37.687</b>	<b>36.485</b>	<b>1.202</b>
<b>Zimbabwe - J.V. Salini Impregilo Mukorsi change in scope of consolidation</b>			
consolidation adjustments	23.303	0	(24)
<b>Total C I 3 contract work in progress</b>	<b>(23.303)</b>	<b>(23.279)</b>	<b>(24)</b>
<b>Total C I 3 contract work in progress</b>	<b>(0)</b>	<b>23</b>	<b>(24)</b>
<b>L) Dubai</b>			
Ci3) Contract work in progress	187.697	162.411	25.286
Provision for contractual risks	(1.395)	(2.693)	1.298
<b>Total C I 3 contract work in progress</b>	<b>186.302</b>	<b>159.718</b>	<b>26.584</b>
Exchange rate difference - current method	(9.632)	2.741	(12.373)
<b>Economic change A3)</b>	<b>176.671</b>	<b>162.459</b>	<b>14.212</b>
<b>M) Malaysia - 3) Contract work in progress</b>			
Provision for contractual risks	1.174	0	1.174
<b>Total C I 3 contract work in progress</b>	<b>1.174</b>	<b>0</b>	<b>1.174</b>
Exchange rates difference - current method	(47)	0	(47)
<b>Economic change A3)</b>	<b>1.126</b>	<b>0</b>	<b>1.126</b>
<b>N) Kazakhstan - 3) Lav. in corso su ordinaz.</b>			
Provision for contractual risks	46.732	0	46.732
<b>Total C I 3 contract work in progress</b>	<b>46.732</b>	<b>0</b>	<b>46.732</b>
Exchange rates difference - current method	0	0	0
<b>Economic change A3)</b>	<b>47.115</b>	<b>0</b>	<b>47.115</b>
<b>GRAND TOTALS</b>			
<b>1) Contract work in progress</b>			
Contract work in progress (gross) (A+B+....+L)	2.882.336	2.437.192	445.120
Price adjustments	0	0	0
Price adjustment provision	0	0	0
Contractual risks, pursuant to Article 60 of Presidential Decree (DPR) No. 917/86 (A+B+....+H)	(3.145)	(10.424)	7.279
<b>TOTAL INVENTORIES C I 3</b>	<b>2.879.192</b>	<b>2.426.768</b>	<b>452.398</b>
<b>Total advance payments and services in progress (C I 5)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Economic change A3)</b>	<b>2.879.192</b>	<b>2.426.768</b>	<b>452.398</b>
<b>Total exchange rate changes</b>	<b>250.403</b>	<b>236.392</b>	<b>14.011</b>
<b>Total Economic change A3)</b>	<b>250.403</b>	<b>236.392</b>	<b>14.011</b>
<b>Total Economic change A3)</b>	<b>3.129.594</b>	<b>2.663.160</b>	<b>466.409</b>

The changes in inventories of contract work in progress referred to Todini are illustrated below:

	Balance as at 31/12/10	Balance as at 31/12/09	Economic changes	
<b>A) Italia:</b>				
C13) Contract work in progress	1.106.090	954.772	151.318	
Provision for contractual risks	(3.528)	(13.100)	9.572	
<b>Total C I 3 contract work in progress</b>	<b>1.102.562</b>	<b>941.672</b>	<b>160.890</b>	
<b>2009 effects by adopting Cost to Cost</b>	<b>1.920</b>	<b>1.920</b>	<b>1.920</b>	
<b>Economic change A3)</b>	<b>1.104.482</b>	<b>941.672</b>	<b>162.810</b>	
<b>B) Albania:</b>				
C13) Contract work in progress	17.904	8.931	8.974	
Provision for contractual risks	0	0	0	
<b>Total C I 3 contract work in progress</b>	<b>17.904</b>	<b>8.931</b>	<b>8.974</b>	
<b>2009 effects by adopting Cost to Cost</b>	<b>487</b>	<b>487</b>	<b>487</b>	
<b>Economic change A3)</b>	<b>18.392</b>	<b>8.931</b>	<b>9.461</b>	
<b>C) Argentina:</b>				
C13) Contract work in progress	0	622	(622)	
Provision for contractual risks	0	0	0	
<b>Total C I 3 contract work in progress</b>	<b>0</b>	<b>622</b>	<b>(622)</b>	
<b>D) Algeria</b>				
C13) Contract work in progress	186.087	167.357	18.730	
Provision for contractual risks	(59)	(287)	228	
<b>Total C I 3 contract work in progress</b>	<b>186.027</b>	<b>167.070</b>	<b>18.958</b>	
<b>2009 effects by adopting Cost to Cost</b>	<b>108</b>	<b>108</b>	<b>108</b>	
<b>Economic change A3)</b>	<b>186.135</b>	<b>167.070</b>	<b>19.066</b>	
<b>E) Azerbaijan:</b>				
C13) Contract work in progress	227.660	170.565	57.095	
Provision for contractual risks	0	0	0	
<b>Total C I 3 contract work in progress</b>	<b>227.660</b>	<b>170.565</b>	<b>57.095</b>	
<b>2009 effects by adopting Cost to Cost</b>	<b>9.571</b>	<b>9.571</b>	<b>9.571</b>	
<b>Economic change A3)</b>	<b>237.231</b>	<b>170.565</b>	<b>66.666</b>	
<b>F) Dubai:</b>				
C13) Contract work in progress	51.303	40.122	11.181	
Provision for contractual risks	(5.441)	(5.009)	(432)	
<b>Total C I 3 contract work in progress</b>	<b>45.862</b>	<b>35.113</b>	<b>10.748</b>	
<b>2009 effects by adopting Cost to Cost</b>	<b>(2.854)</b>	<b>0</b>	<b>(2.854)</b>	
<b>Economic change A3)</b>	<b>43.007</b>	<b>35.113</b>	<b>7.894</b>	
<b>G) Georgia:</b>				
C13) Contract work in progress	11.344	966	10.378	
Provision for contractual risks	(1.742)	0	(1.742)	
<b>Total C I 3 contract work in progress</b>	<b>9.603</b>	<b>966</b>	<b>8.637</b>	
<b>2009 effects by adopting Cost to Cost</b>	<b>(625)</b>	<b>(625)</b>	<b>(625)</b>	
<b>Economic change A3)</b>	<b>8.978</b>	<b>966</b>	<b>8.012</b>	
<b>H) Kazakhstan:</b>				
C13) Contract work in progress	176.675	104.816	71.859	
Provision for contractual risks	0	0	0	
<b>Total C I 3 contract work in progress</b>	<b>176.675</b>	<b>104.816</b>	<b>71.859</b>	
<b>I) Romania:</b>				
C13) Contract work in progress	0	17.391	(17.391)	
Provision for contractual risks	0	0	0	
<b>Total C I 3 contract work in progress</b>	<b>0</b>	<b>17.391</b>	<b>(17.391)</b>	
<b>I) Tunisia:</b>				
C13) Contract work in progress	48.652	29.719	18.933	
Provision for contractual risks	(211)	0	(211)	
<b>Total C I 3 contract work in progress</b>	<b>48.441</b>	<b>29.719</b>	<b>18.722</b>	
<b>2009 effects by adopting Cost to Cost</b>	<b>(505)</b>	<b>(505)</b>	<b>(505)</b>	
<b>Economic change A3)</b>	<b>47.936</b>	<b>29.719</b>	<b>18.217</b>	
<b>L) Ucraina:</b>				
C13) Contract work in progress	85.196	48.212	36.984	
Provision for contractual risks	(792)	(3.759)	2.967	
<b>Total C I 3 contract work in progress</b>	<b>84.404</b>	<b>44.453</b>	<b>39.951</b>	
<b>2009 effects by adopting Cost to Cost</b>	<b>(4.655)</b>	<b>0</b>	<b>(4.655)</b>	
<b>Economic change A3)</b>	<b>79.749</b>	<b>44.453</b>	<b>35.296</b>	
<b>Totals summary C13 - C15</b>				
<b>A</b>	<b>Total Change C I 3 contract work in progress</b>	<b>1.910.911</b>	<b>1.543.473</b>	<b>367.438</b>
<b>C</b>	<b>Total C I 3 contract work in progress provision for contractual risks - reserves</b>	<b>(3.528)</b>	<b>(13.100)</b>	<b>9.572</b>
<b>D</b>	<b>Total C I 3 contract work in progress provision for contractual risks</b>	<b>(8.245)</b>	<b>(9.055)</b>	<b>810</b>
<b>E</b>	<b>Total equity C I 3)</b>	<b>1.899.138</b>	<b>1.521.318</b>	<b>377.820</b>
<b>B</b>	<b>Risks provision released in A5)</b>			<b>13.733</b>
<b>C</b>	<b>Exchange rates difference</b>			<b>(8.948)</b>
<b>D</b>	<b>Kazakhstan Reserve transferred to Co.Ge.Fin</b>			<b>(4.217)</b>
<b>E</b>	<b>2009 effects by adopting Cost to Cost</b>			<b>3.447</b>
<b>F = A+B+C+D+E</b>	<b>Total Economic change A3)</b>			<b>354.370</b>

The Group's consolidated contract work in progress reported a balance amounting to Euros 4,778,331 thousand as at 31/12/2010, net of the provisions for contractual risks. The item reflects an increase of Euros 827,413 thousand.

The elements which comprise the net positive change are represented by the following:

		Euro (x 1.000)
Decreases for work in		
	Argentina	(622)
	Romania	(17.391)
	Zimbabwe	(23)
	<b>sub-total</b>	<b>(18.036)</b>
Increases for work in		
	Ukraine	36.984
	Algeria	18.730
	Tunisia	18.933
	Georgia	10.378
	Albania	8.974
	Azerbaijan	57.095
	Dubai (Todini)	11.181
	Dubai (Salini)	25.286
	Kazakhstan (Todini)	71.859
	Kazakhstan (Salini)	46.732
	Malaysia	1.174
	Sierra Leone	10.970
	Ethiopia	97.469
	Italy (Todini)	151.318
	Italy (Salini)	23.470
	Uganda	111.987
	Nigeria	128.081
	<b>sub-total</b>	<b>830.621</b>
Net change in provision for contractual risks		
	Salini	7.279
	Todini	10.382
	<b>sub-total</b>	<b>17.661</b>
<b>Net Equity Increase</b>		<b>830.246</b>
Exchange rate change for current method / transfers		(9.467)
<b>Net Economic Increase</b>		<b>820.779</b>

The changes in the provision for contractual risks during the financial year are illustrated below:

Provision for Contractual Risks	Balance as at 31/12/10	Acquisition of Todini	Reclassification provisions 2009	Balance as at 31/12/09	Economic change	Equity change
Italy	4.009	13.100	0	829	(9.920)	(9.920)
Algeria	59	0	30	0	29	59
Dubai	6.836	0	4.072	2.693	71	4.143
Ethiopia	0	0	0	4.407	(4.407)	(4.407)
Georgia	1.742	0	0	0	1.742	1.742
Morocco	1.269	0	0	1.269	0	0
Sierra Leone	0	0	0	24	(24)	(24)
Ukraine	792	0	2.121	0	(1.329)	792
Tunisia	211	0	0	0	211	211
Zimbabwe	0	0	0	1.202	(1.202)	(1.202)
<b>Total</b>	<b>14.918</b>	<b>13.100</b>	<b>6.223</b>	<b>10.424</b>	<b>(14.829)</b>	<b>(8.606)</b>

The changes in the provision for contractual risks during the financial year refer essentially to adoption of the losses on completion generated by reviewing the contract valuations.

#### 4) Finished products and goods for resale C I 4) - € 77,044,682

Inventories	Balance as at 31/12/10	Balance as at 31/12/2009	Changes
<b>4) Finished products and goods for resale</b>			
Property in Via Enrico Fermi -Rome	66.782	66.782	0
Residence in Via Madonna dei Monti 83,84,85 and 86	2.634	2.634	0
Former Nibbio land and buildings	985	985	0
Former Galbani property in Via Blaserna Rome	6.644	-	6.644
Other assets held for sale	-	966	(966)
Total for equity item changes CI4	77.045	71.367	5.678
<b>Total economic changes A4</b>			<b>0</b>

Inventories of finished products and goods for resale comprise a property located in the historic centre of Rome – Via Madonna dei Monti, 83, 84, 85 and 86, leased out, belonging to the property assets conferred in 2003 by the Parent Company to Zeis S.r.l., the multi-purpose centre in Via Fermi, Rome, owned by Zeis S.r.l. and a property situated in Via Blaserna, Rome held for sale.

*Amounts due from customers C II 1) a) - € 359,992,075*

Amounts due from customers essentially relate to work and to price reviews accrued for the short-term portion and to guarantee withholdings and to non-performing receivables for the long-term portion. The changes occurring during the financial year are illustrated in the table below.

Amounts due from customers	Short-term			Medium/long term		
	Balance as at 31/12/10	Balance as at 31/12/09	Changes	Balance as at 31/12/10	Balance as at 31/12/09	Changes
<b>1) for invoices issued</b>						
- Italy	12.767	4.016	8.751	74	74	0
- Sierra Leone	7.961	11.569	(3.608)	7.270	6.743	527
- Jordan	0	0	0	0	0	0
- Dubai	10.865	28.459	(17.594)	0	0	0
- Ethiopia	4.366	58.375	(54.009)	0	0	0
- Morocco	7.728	7.711	17	0	0	0
- Malaysia	330	0	330	0	0	0
- Nigeria	166.637	121.992	44.645	0	3.927	(3.927)
- Uganda	3.199	3.098	101	0	0	0
- Zimbabwe	11.143	10.364	779	0	0	0
- Albania	2.789	0	2.789	0	0	0
- Algeria	18.630	0	18.630	0	0	0
- Argentina	23	0	23	0	0	0
- Azerbaijan	27.504	0	27.504	0	0	0
- Georgia	97	0	97	0	0	0
- Kazakhstan	151	0	151	0	0	0
- Romania	0	0	0	0	0	0
- Tunisia	2.434	0	2.434	0	0	0
- Ukraine	19.817	0	19.817	0	0	0
<b>Total</b>	<b>296.441</b>	<b>245.584</b>	<b>50.857</b>	<b>7.344</b>	<b>10.744</b>	<b>(3.401)</b>
<b>2) for invoices to be issued:</b>						
- Italy	16.955	0	16.955	0	0	0
- Algeria	578	0	578	0	0	0
- Azerbaijan	3.236	0	3.236	0	0	0
- Uganda	0	3.125	(3.125)	0	0	0
- Ethiopia	19.740	31.837	(12.097)	0	0	0
- Georgia	0	0	0	0	0	0
- Kazakhstan	601	0	601	0	0	0
- Tunisia	618	0	618	0	0	0
- Ukraine	2	0	2	0	0	0
<b>3) for guarantee withholdings:</b>						
- Italy	104	154	(50)	1.132	694	438
- Albania	0	0	0	0	0	0
- Algeria	272	0	272	0	0	0
- Azerbaijan	3.916	0	3.916	0	0	0
- Dubai	17.200	12.856	4.344	0	0	0
- Kazakhstan	2.908	0	2.908	1.860	0	1.860
- Georgia	516	0	516	0	0	0
- Romania	0	0	0	0	0	0
- Tunisia	129	0	129	0	0	0
- Ukraine	760	0	760	0	0	0
<b>4) for non-performing receivables:</b>						
- Italy	11	11	0			0
- Italy for Sierra Leone government				244	244	0
- Italy for Libyan government				0	0	0
- Italy for Gabon governments				65	65	0
<b>Total</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>309</b>	<b>309</b>	<b>0</b>
<b>Total amounts due from customers (1+2+3+4)</b>	<b>363.986</b>	<b>293.567</b>	<b>70.419</b>	<b>10.644</b>	<b>11.747</b>	<b>(2.963)</b>
<b>5) Balance for arrears interest on receivables</b>	0	0	0	449	1.812	(1.363)
<b>A) Total amounts due from customers (1+2+3+4+5)</b>	<b>363.986</b>	<b>293.567</b>	<b>70.419</b>	<b>11.093</b>	<b>13.559</b>	<b>(4.326)</b>
<b>B) Allowance for doubtful accounts due from customers</b>	<b>(9.156)</b>	<b>(6.482)</b>	<b>(2.674)</b>	<b>(5.931)</b>	<b>(5.931)</b>	<b>0</b>
<b>Book value (A-B)</b>	<b>354.830</b>	<b>287.085</b>	<b>67.745</b>	<b>5.162</b>	<b>7.628</b>	<b>(2.466)</b>

The amounts due from customers increased by Euros 65,279 thousand, overall, during the financial year, including Euros 121,850 thousand relating to the full consolidation of the subsidiary Todini Costruzioni Generali S.p.A.

It is also confirmed that:

- the increase in Italy amounting to Euros 25,656 is due to the full consolidation of the subsidiary Todini Costruzioni Generali S.p.A., for invoices issued amounting to Euros 12,767 thousand and the decrease of Euros 2,692 thousand is mainly due to the decrease in the amount due from the Rome Underground Transport System referred to the Metro B contract;
- in Ethiopia the net decrease in the amounts due from EEPSCO totals Euros 66,106 thousand and is due to collection of the certified work at Gibe III, where a decrease was recorded amounting to Euros 35,145 thousand, at Beles, where a decrease was recorded amounting to Euros 4,835 thousand and at Gibe II totalling Euros 29,809 thousand;
- in Dubai the decrease is due to payment of certificates by the customer amounting to Euros 13,250 thousand;
- in Nigeria the increase recorded in the financial year amounts to Euros 44,645 million, whereas in Azerbaijan the amount totalled Euros 34,656 thousand;
- an increase was reported in Albania, Algeria, Georgia, Tunisia and Ukraine in relation to the customer, corresponding to Euros 2,789 thousand, Euros 19,840 thousand, Euros 613 thousand, Euros 3,181 thousand and Euros 20,579 thousand, respectively;

The change during the financial year in the amounts due from customers for arrears interest is illustrated in the table below:

Amounts due from customers for arrears interest	Short-term			Medium/long-term		
	Balance as at 31/12/10	Balance as at 31/12/09	Changes	Balance as at 31/12/10	Balance as at 31/12/09	Changes
- Italy	130	130	0	0	0	0
- Morocco	486	486	0	1	0	1
- Sierra Leone	0	3	(3)	16.304	18.670	(2.366)
- Zimbabwe	3.004	3.004	0	0	0	0
<b>A) Total receivables</b>	<b>3.620</b>	<b>3.623</b>	<b>(3)</b>	<b>16.305</b>	<b>18.670</b>	<b>(2.365)</b>
<b>B) Provision for arrears interest</b>	<b>(3.620)</b>	<b>(3.623)</b>	<b>3</b>	<b>(15.855)</b>	<b>(16.858)</b>	<b>1.003</b>
<b>Balance of receivables for arrears interest (A-B)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>450</b>	<b>1.812</b>	<b>(1.362)</b>

The breakdown and changes in the related provision for arrears interest and the provision for doubtful accounts are illustrated in the table below:

Provision for arrears interest and provision for doubtful accounts	Balance as at 31/12/09	Acquisition of Todini	Provisions 12/2010	Uses 12/2010	Reclassifications and exchange rate differences 12/2010	Balance as at 12/2010
<b>A) against short-term receivables due from customers</b>						
- Italy	130		0	0	0	130
- Morocco	486		0	0	0	486
- Sierra Leone	3		0	(3)	(0)	(0)
- Zimbabwe	3.004		0	0	0	3.004
	3.623		0	(3)	(0)	3.620
<b>B) against long-term receivables due from customers</b>						
- Sierra Leone	16.858		0	(2.320)	1.317	15.855
	16.858		0	(2.320)	1.317	15.855
<b>Total A+B</b>	<b>20.481</b>		<b>0</b>	<b>(2.323)</b>	<b>1.317</b>	<b>19.475</b>
<b>C) Provision for Doubtful Accounts</b>						
- Sierra Leone - due from customers	5.931		0	0	0	5.931
- Morocco - due from customers	6.452		0	0	0	6.452
- Italy - due from customers	30	19	460	0	0	509
- Algeria	0	0	2.195	0	0	2.195
- Greece due from associated companies	0		0	0	733	733
<b>Total C</b>	<b>12.413</b>	<b>19</b>	<b>2.655</b>	<b>0</b>	<b>733</b>	<b>15.820</b>
<b>Total A+B+C</b>	<b>32.894</b>	<b>19</b>	<b>2.655</b>	<b>(2.323)</b>	<b>2.050</b>	<b>35.295</b>

### Amounts due from other customers - € 43,093,158

The amounts due from other customers are represented in the table below:

Amounts due from other customers	Short-term			Medium/long-term		
	Balance as at 31/12/10	Balance as at 31/12/09	Changes	Balance as at 31/12/10	Balance as at 31/12/09	Changes
<b>1) for invoices issued</b>						
- Italy	8.812	3.502	5.310	0	0	0
of which Todini	5.283	0	5.283	0	0	0
- Tunisia (Todini)	2	0	2	0	0	0
- Ethiopia	0	0	0	0	0	0
- Morocco	4	16	(12)	0	0	0
- Nigeria	0	0	0	0	0	0
<b>Total</b>	<b>8.818</b>	<b>3.518</b>	<b>5.300</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Provision for Doubtful Accounts</b>						
- Italy	(536)	(432)	(104)	0	0	0
of which Todini	(536)	0	(536)	0	0	0
	<b>8.282</b>	<b>3.086</b>	<b>5.196</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2) for invoices to be issued:</b>						
- Italy	34.780	6.576	28.204	31	154	(123)
- Algeria (Todini)	0	0	0	0	0	0
	<b>43.062</b>	<b>9.662</b>	<b>33.400</b>	<b>31</b>	<b>154</b>	<b>(123)</b>

The increase of Euros 33,277 million is due to the full consolidation of the subsidiary Todini Costruzioni Generali S.p.A. amounting to Euros 25,344 thousand and the increase in Italy of invoices to be issued amounting to Euros 7,933 thousand mainly relating to the amount due from Metro B1 and from Rimati.

The amounts due from other customers relating to the subsidiary Todini Costruzioni Generali S.p.A. correspond to approximately Euros 20,265 thousand and refer mainly to invoices to be issued to Ga.Bi.RE S.r.l. for Cediv S.p.A. corresponding to Euros 18,001 thousand.

*Amounts due from subsidiary and associated companies C II 2) - € 79,683; C II 3) - € 19,344,942*



*Uganda, Kampala Northern Bypass*

The receivables for trade transactions due from subsidiary and associated companies not included within the scope of consolidation are illustrated in the table below:

Amount due from subsidiary companies	Short-term		
	Balance as at 31/12/10	Balance as at 31/12/09	Changes
Albacem 2007 (Todini)	34	0	34
Todedil S.c. a r.l. (Todini)	9	0	9
Edilfi (Todini)	9	0	9
Eurl Todini	2	0	2
Altre (Todini)	1	0	1
Co.Ge.Ca S.c. a r.l. (Todini)	6	0	6
Costral Consortium in liquidation	6	0	6
CMT ApS	6	0	6
Madonna dei Monti S.r.l.	0	0	0
Salcost France Srl	6	6	0
	<b>79</b>	<b>6</b>	<b>73</b>

The amounts due from associated companies are presented in the table below:

Crediti verso collegate	Short-term			Long-term		
	Balance as at 31/12/10	Balance as at 31/12/09	Changes	Balance as at 31/12/10	Balance as at 31/12/09	Changes
<b>1) for invoices issued:</b>						
<b>a) Italy</b>						
Imm.re marinella	36	0	36	0	0	0
Plus S. r.l.	0	11	(11)	0	0	0
Group. d'entr. Salini Strabag - Guinea	0	0	0	164	165	(1)
Casada S.r.l.	2	8	(6)	0	0	0
S. Ruffillo S.C. a r.l.	0	12	(12)	0	0	0
Alburni scarl in liquidation	136	0	136	0	0	0
Kallidromo Consortium	147	0	147	0	0	0
Pizzarotti Todini .Keff-Eddir Consortium	104	0	104	0	0	0
Other	266	39	227	0	0	0
<b>Total 1a)</b>	<b>691</b>	<b>70</b>	<b>621</b>	<b>164</b>	<b>165</b>	<b>(1)</b>
<b>b) Abroad</b>						
AFT Kramis	3.119	0	3.119	0	0	0
Kallidromo Consortium	422	0	422	0	0	0
AFT Consortium in liquidation	741	0	741	0	0	0
Pizzarotti Todini Kef Eddir Consortium	3600	0	3.600	0	0	0
J.V. Salini Acciona - Ethiopia	3.589	1.622	1.966	0	0	0
<b>Total 1b)</b>	<b>11.471</b>	<b>1.622</b>	<b>9.848</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2) for invoices to be issued</b>						
<b>a) Italy</b>						
Colle Todi scarl in liquidation	6	0	6	0	0	0
C.P.R. 3	2.733	0	2.733	0	0	0
Valico scarl	6	0	6	0	0	0
Ital.Sa.Gi. sp.zo.o.	44	44	0	0	0	0
Cediv Spa	16	0	16	0	0	0
Gabire Srl	3	0	3	0	0	0
Cogefin Srl	5	0	5	0	0	0
Galileo Scarl	6	0	6	0	0	0
Rupe Orvieto scarl	6	0	6	0	0	0
Alburni scarl in liquidation	6	0	6	0	0	0
Tormini Scarl	6	0	6	0	0	0
Other	162	0	162	0	0	0
<b>Total 2a)</b>	<b>2.999</b>	<b>44</b>	<b>2.955</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3) Other receivables - Italy:</b>						
S. Ruffillo S.C. a r.l.	2.288	2.287	1	0	0	0
CPR3 Consortium	468	0	468	0	0	0
Colle Todi scarl in liquidation	227	0	227	0	0	0
Rupe Orvieto scarl	111	0	111	0	0	0
Groupement Italgisas - Morocco	741	741	0	0	0	0
Other	185	29	156	0	0	0
<b>Total 3)</b>	<b>4.020</b>	<b>3.057</b>	<b>963</b>	<b>0</b>	<b>0</b>	<b>0</b>
Provision for doubtful accounts due from associated companies	0	0	0	0	0	0
<b>Total</b>	<b>19.181</b>	<b>4.793</b>	<b>14.387</b>	<b>164</b>	<b>165</b>	<b>(1)</b>

The item reflects an increase amounting to Euros 14,388 thousand, of which Euros 12,375 thousand refer to the full consolidation of Todini Costruzioni Generali S.p.A.

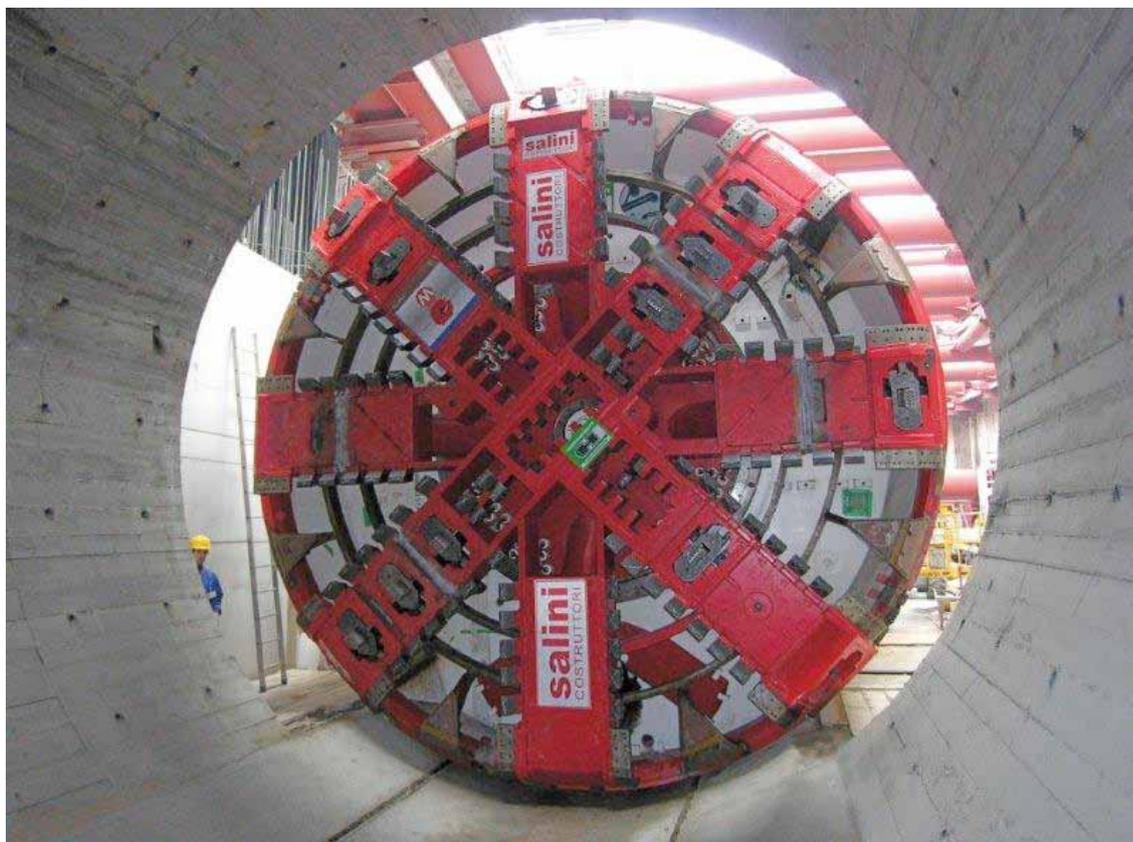
The following details are provided in this regard:

- the amount due from JV Salini Acciona Ethiopia (Gilgel Gibe) concerns receivables for loans and the reversal of costs and revenues;

The long-term portion amounting to Euros 164 thousand, represented by the loans given to Groupement, which are recoverable when the Joint-Venture (J.V.) is liquidated amount to Euros 5,385 thousand, net of reversals of the net income generated by the Joint Venture and amounting to Euros (5,221) thousand.

Amounts due from Parent Company C II 4 - € 7,800

This item represents the balance position of the amount due from the Parent Company Salini Simonpietro e C. S.a.p.A. for administrative services as at 31/12/2010.



Italy, Rome - Metro B1 Underground

Amounts due from tax authorities C II 4-bis) - € 55,925,996

This item increased by Euros 32,084 thousand during the financial year, of which Euros 16,821 thousand are due to the full consolidation of the subsidiary Todini Costruzioni Generali S.p.A.; the changes are illustrated in the table below:

Amounts due from tax authorities	Short-term			Medium/long term		
	Balance as at 31/12/10	Balance as at 31/12/2009	Changes	Balance as at 31/12/10	Balance as at 31/12/2009	Changes
Italy	34.502	8.128	26.374	7.944	5.881	2.063
- of which Todini	14.918			386		
Abroad	13.437	9.833	3.604	43	0	43
- of which Todini	1.517			0		
<b>Totale</b>	<b>47.939</b>	<b>17.961</b>	<b>29.978</b>	<b>7.987</b>	<b>5.881</b>	<b>2.106</b>

The breakdown of the amounts due from tax authorities as at 31/12/2010 is as follows:

Amounts due from tax authorities	ITALY	ABROAD	TOTAL
<u>A) VAT and indirect taxes</u>			
VAT credit and indirect taxes due within 12 months	28.750	3.078	31.828
- of which <i>Todini</i>	9.243	1.188	10.431
VAT credit interest due within 12 months	0	0	0
	<b>28.750</b>	<b>3.078</b>	<b>31.828</b>
VAT credit and indirect taxes due after 12 months	150	0	150
- of which <i>Todini</i>	0	0	
VAT credit interest due after 12 months	7.264	0	7.264
	<b>7.414</b>	<b>0</b>	<b>7.414</b>
<b>TOTAL INDIRECT TAXES</b>	<b>36.165</b>	<b>3.078</b>	<b>39.243</b>
<u>B) Direct taxes</u>			
Credit for direct taxes due within 12 months	5.749	10.358	16.107
- of which <i>Todini</i>	1.717	328	
Direct tax credit interest due within 12 months	4	0	3,7134
- of which <i>Todini</i>	0	0	
	<b>5.753</b>	<b>10.358</b>	<b>16.111</b>
Credit for direct taxes due after 12 months	390	43	433
- of which <i>Todini</i>	250	0	
Direct tax credit interest due after 12 months	139	0	139
- of which <i>Todini</i>	135	0	
	<b>529</b>	<b>43</b>	<b>572</b>
<b>TOTAL DIRECT TAXES</b>	<b>6.282</b>	<b>10.401</b>	<b>16.683</b>
<b>C) TOTAL AMOUNTS DUE FROM TAX AUTHORITIES</b>	<b>42.446</b>	<b>13.479</b>	<b>55.926</b>

The short-term indirect tax credit comprises VAT credit in Italy amounting to Euros 28,750 thousand, of which *Todini* amounts to Euros 10,432 thousand. The residual VAT credit has been partly offset against other taxes and will be used to offset the VAT payable.

TVA credit and indirect taxes in Salini Hydro Ltd. amounting to Euros 20 thousand are also combined with the credits in Nigeria amounting to Euros 1,808 thousand, other branches amounting to Euros 65 thousand and the foreign branches of the subsidiary *Todini Costruzioni Generali S.p.A.* amounting to Euros 1,188 thousand.

*Prepaid taxes C II 4-ter) - € 21,259,819*



Nigeria, Millennium Park

Prepaid taxes reflect the overall effects which derive from recording deferred taxes. The total changes are shown in the table below:

Prepaid taxes	Short-term			Medium/long term		
	Balance as at 31/12/2010	Balance as at 31/12/2009	Changes	Balance as at 31/12/2010	Balance as at 31/12/2009	Changes
Corporate Income Tax (Ires)	2.414	3.925	(1.511)	17.337	7.760	9.577
- of which <i>Todini</i>	804			8.921		
Regional Business Tax (Irap)	1.061	93	968	447	349	98
- of which <i>Todini</i>	3			524		
<b>Total Italy</b>	<b>3.475</b>	<b>4.018</b>	<b>(543)</b>	<b>17.784</b>	<b>8.109</b>	<b>9.675</b>
	0	0	0			0
	0	0	0			0
<b>Total</b>	<b>3.475</b>	<b>4.018</b>	<b>(543)</b>	<b>17.784</b>	<b>8.109</b>	<b>9.675</b>

Other receivables C II 5) - € 145,781,738

Other receivables are detailed in the table below:

Other receivables	Short-term			Medium/long term		
	Balance as at 31/12/10	Balance as at 31/12/09	Changes	Balance as at 31/12/10	Balance as at 31.12.09	Changes
<b>1) Sundry debtors</b>						
Italy	21.507	13.663	7.844	750	533	217
Albania	398	0	398	0	0	0
Algeria	27	0	27	0	0	0
Argentina	3	0	3	0	0	0
Azerbaijan	18	0	18	0	0	0
Bulgaria	2	0	2	0	0	0
Tunisia	8	0	8	0	0	0
Ethiopia	95	0	95	0	0	0
Sierra leone	33	109	(76)	0	0	0
Dubai	0	74	(74)	0	0	0
Ethiopia B	0	104	(104)	0	0	0
Morocco B	0	0	0	0	0	0
Malesia	229	0	229	0	0	0
Uganda	16.061	358	15.703	0	0	0
Uganda Bujagali Salini Hydro	0	0	0	0	0	0
Nigeria	(0)	0	(0)	0	0	0
<b>Total</b>	<b>38.381</b>	<b>14.308</b>	<b>24.074</b>	<b>750</b>	<b>533</b>	<b>217</b>
<b>2) Debtors for expropriations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3) Advance payments to suppliers/sub-contractors</b>						
Italy	7.750	540	7.210	0	0	0
Albania	60	0	60	0	0	0
Algeria	527	0	527	0	0	0
Azerbaijan	3.970	0	3.970	0	0	0
Sierra leone	1.413	1.206	207	0	0	0
Ethiopia	0	17.018	(17.018)	0	0	0
Morocco	0	163	(163)	0	0	0
Dubai	6.652	5.050	1.602	0	0	0
Georgia	9.751	0	9.751	0	0	0
Kazakhstan	36.432	0	36.432	15.185	0	15.185
Ethiopia B	3.803	0	3.803	0	0	0
Morocco B	31	0	31	0	0	0
Tunisia	308	0	308	0	0	0
Ukraine	1.583	0	1.583	0	0	0
Uganda Bujagali Salini Hydro	264	331	(67)	0	0	0
Uganda B	0	5.342	(5.342)	0	0	0
Nigeria	103	220	(117)	0	0	0
Zimbabwe	100	100	0	0	0	0
<b>Total</b>	<b>72.747</b>	<b>29.970</b>	<b>42.777</b>	<b>15.185</b>	<b>0</b>	<b>15.185</b>
<b>4) running current accounts - branches</b>						
Italy	5.354	(43.874)	49.228	0	0	0
Albania	(1.335)	0	(1.335)	0	0	0
Algeria	(40.931)	0	(40.931)	0	0	0
Argentina	375	0	375	0	0	0
Azerbaijan	(25.967)	0	(25.967)	0	0	0
Ethiopia	(1.265)	(613)	(652)	0	0	0
Greece	(911)	0	(911)	0	0	0
Georgia	(1.499)	0	(1.499)	0	0	0
Jordan	97	(47)	144	0	0	0
Guinea	(163)	(78)	(85)	0	0	0
Kazakhstan	25.458	1.798	23.660	0	0	0
Moldavia	(37)	0	(37)	0	0	0
Romania	371	0	371	0	0	0
Tunisia	(2.494)	0	(2.494)	0	0	0
Ukraine	(7.587)	0	(7.587)	0	0	0
Libya	(1.840)	(204)	(1.636)	0	0	0
Morocco	(135)	(202)	67	0	0	0
Sierra Leone	1.723	(10.896)	12.619	0	0	0
Sudan	0	(14)	14	0	0	0
Zimbabwe	(6.142)	(6.278)	136	0	0	0
Dubai	(73.297)	(66.372)	(6.925)	0	0	0
Ethiopia B	148.417	130.095	18.322	0	0	0
Morocco B	1.612	471	1.141	0	0	0
Uganda B	(19.130)	(3.252)	(15.878)	0	0	0
Turkey	(566)	(468)	(98)	0	0	0
Abu Dhabi	(108)	(66)	(42)	56	0	56
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

continues

Other receivables	Short-term			Medium/long term		
	Balance as at 31/12/10	Balance as at 31/12/09	Changes	Balance as at 31/12/10	Balance as at 31.12.09	Changes
<b>5) Amounts due from employees</b>						
Italy	119	102	17	56	109	(53)
Albania	1	0	1	0	0	0
Algeria	97	0	97	0	0	0
Azerbaijan	97	0	97	0	0	0
Ethiopia	4	61	(57)	0	0	0
Guinea	172	0	172	0	0	0
Georgia	0	0	0	0	0	0
Sierra Leone	5	2	3	0	0	0
Dubai	16	19	(3)	0	0	0
Ethiopia B	587	0	587	0	0	0
Kazakhstan	25	0	25	0	0	0
Morocco B	2	0	2	0	0	0
Tunisia	22	0	22	0	0	0
Ucraina	2	0	2	0	0	0
Uganda B	86	63	23	0	0	0
Malaysia	9	0	9	0	0	0
Nigeria	36	37	(1)	0	0	0
Zimbabwe	0	0	0	0	0	0
<b>Total</b>	<b>1.280</b>	<b>284</b>	<b>996</b>	<b>56</b>	<b>109</b>	<b>(53)</b>
<b>6) Amounts due from Social Security and Welfare Institutions</b>						
Italy	624	52	572	154	155	(1)
Ethiopia	0	56	(56)	0	0	0
Morocco B	0	4	(4)	0	0	0
Sierra Leone	0	0	0	0	0	0
Abu Dhabi	0	1	(1)	0	0	0
Dubai	0	3	(3)	0	0	0
Turkey	5	0	5	0	0	0
Uganda	7	0	7	0	0	0
Zimbabwe	0	0	0	0	0	0
<b>Total</b>	<b>636</b>	<b>116</b>	<b>520</b>	<b>154</b>	<b>155</b>	<b>(1)</b>
<b>7) Other receivables for guarantee deposits</b>						
Italy	0	0	0	615	679	(64)
Sierra Leone	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>615</b>	<b>679</b>	<b>(64)</b>
<b>CII5) Total Other receivables</b>	<b>113.044</b>	<b>44.678</b>	<b>68.366</b>	<b>16.760</b>	<b>1.476</b>	<b>15.284</b>
<b>CII5) Total amounts due from other companies and debtors for expropriations</b>	<b>24.061</b>	<b>20.298</b>	<b>3.763</b>	<b>143</b>	<b>272</b>	<b>(129)</b>
<b>CII5) Italy - Provision for doubtful accounts</b>	<b>(8.228)</b>	<b>(10)</b>	<b>(8.218)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL (CII 5 1+2.....7)</b>	<b>128.876</b>	<b>64.965</b>	<b>63.911</b>	<b>16.903</b>	<b>1.748</b>	<b>15.155</b>

The item shows a net increase amounting to Euros 79,066 thousand, including Euros 65,994 due to the full consolidation of the subsidiary Todini Costruzioni Generali S.p.A.; the remaining increase, referred to Salini Costruttori and amounting to Euros 13,072 thousand is primarily the result of the following:

- in Italy the increase of Euros 3,132 thousand refers mainly to the amounts accruing for the work performed for the Metro B1 contract;
- in Morocco the decrease of Euros (133) thousand, in Bulgaria of Euros (17) thousand and in Nigeria of Euros (118) thousand is the result of recovering amounts owed by suppliers, whereas in Ethiopia the decrease amounting to Euros (12,749) is the result of recovering advance payments paid to sub-contractors;
- the increase in Sierra Leone of Euros 135 thousand, in Dubai of Euros 553 thousand, in Uganda of Euros 2,450 thousand, in Kazakhstan of Euros 4,449 thousand and in Turkey of Euros 6 thousand is the result of the operations performed in old construction sites and the start-up of activities in newly acquired construction sites;
- the medium/long term credits in Kazakhstan amounting to Euros 15,184 thousand refer to the start of activities.

The breakdown for the amounts due from other companies is as follows:

CII5 ) Amounts due from other companies	Short-term			Medium/long-term		
	Balance as at 31/12/10	Balance as at 31/12/09	Changes	Balance as at 31/12/10	Balance as at 31/12/09	Changes
GHELLA for TAV/BO contract (01.50)	9.178	9.095	83	0	0	0
ACCIONA for TAV/BO contract (01.50)	9.178	9.095	83	0	0	0
Cogeim S.p.A. for transaction	129	129	0	0	129	(129)
Impregilo Spa - Morocco branch	134	134	0	0	0	0
Loans to other investee companies and third parties	0	0	0	143	143	0
Pipelines for Campania Region	0	136	(136)	0	0	0
Salini Lavori Edili in liquidation	136	132	4	0	0	0
Lavori Edilizi impianti S.a.s.	31	30	1	0	0	0
Costruzione Lavori Edili S.a.s.	32	30	2	0	0	0
Vianini principal Pantano	797	1.116	(319)	0	0	0
Fagioli S.p.A.	126	126	0	0	0	0
Iricav Due Consortium	246	244	2	0	0	0
Other indemnities and expropriations	41	31	10	0	0	0
Aktor	2.103	0	2.103	0	0	0
Hamila	1.864	0	1.864	0	0	0
Tombesi SRL	65	0	65	0	0	0
<b>Total C2)</b>	<b>24.061</b>	<b>20.298</b>	<b>3.763</b>	<b>143</b>	<b>272</b>	<b>(129)</b>

This item decreased by Euros 3,634 thousand. The more significant amounts include the following:

- the receivable amounting to Euros 246 thousand due from the IRICAV DUE Consortium for the advance payment to be collected from TAV;
- the receivable due from Cogeim S.p.A. has decreased from the original Euros 1,016 thousand (due to payment under subrogation made in relation to the Sa.Co.Lav. S.c. a r.l. Consortium) to Euros 129 thousand following the settlement agreement dated 20th June 2005 and payment of the residual debt instalments;
- the amounts due from the Acciona and Ghella S.p.A. partners in the Consortium established with Salini Costruttori S.p.A. to execute the TAV/S. Ruffillo contract amount to Euros 18,356 thousand, overall, following the final agreement reached with these companies in October 2002.

Cash at bank and in hand C IV - € 216,264,440

The breakdown and changes in cash at bank and in hand are illustrated in the table below:

<b>Cash at bank and in hand</b>	Balance as at 31/12/10	Balance as at 31/12/09	Changes
Unrestricted bank deposits	212.356	169.790	42.566
Postal office current accounts	0	0	0
Restricted bank deposits	1.519	2	1.517
Cash	2.390	997	1.393
<b>Total</b>	<b>216.264</b>	<b>170.789</b>	<b>45.475</b>

The balance position for cash at bank and in hand represents the balances of bank accounts in credit at year-end and the cash, bank cheques and cash equivalents on hand at the registered office, the construction sites and foreign branches. Euros 32,900 thousand of the total balance as at 31 December 2010, amounting to Euros 216,264 thousand are referable to the subsidiary Todini Costruzioni Generali S.p.A.

The restricted deposits as at 31/12/2010 are primarily referable to a cash collateral amounting to Euros 1,500 thousand in the Albania branch of the subsidiary Todini Costruzioni generali S.p.A.

Accrued income and prepaid expenses D - € 21,719,015

The breakdown and the changes in accrued income and prepaid expenses are illustrated in the table below:

<b>Accrued income and prepaid expenses</b>	Balance as at 31/12/10	Acquisition of Todini 01/01/10	Balance as at 31/12/09	Changes
1) Prepaid expenses:				
Insurance	18.191	1.418	15.308	2.883
Bank commissions	0	1.253	0	0
Rental payables	397	19	395	2
Sundry consultancy services	86	0	59	27
Leasing instalments	889	59	741	148
Payments and utilities	202	9	65	137
Subscriptions	6	0	21	(15)
Customs	0	0	0	0
Other	1.771	517	3.034	(1.263)
<b>Total prepaid expenses</b>	<b>21.542</b>	<b>3.275</b>	<b>19.623</b>	<b>1.919</b>
2) Accrued income				
Insurance and guarantees	151	0	0	151
Bank interest receivable	0	17	12	(12)
Other	26	0	0	26
<b>Total accrued income</b>	<b>177</b>	<b>17</b>	<b>12</b>	<b>165</b>
<b>GRAND TOTAL (*)</b>	<b>21.719</b>	<b>3.292</b>	<b>19.634</b>	<b>2.085</b>

\* of which € 178 thousand are referable after 12 months

*Nigeria, Gurara Dam*





Statement of changes in consolidated Shareholders' equity A - € 230,864,171

The changes in the own consolidated Shareholders' equity as at 31.12.2010 are detailed in the table below:

Consolidated shareholders' equity	AI Share capital	AIII Revaluation reserve Law No. 413/91	AIV Legal reserve	AV Reserve for Treasury shares	AVII a Extraordinary reserve as per Law No. 98/94
<b>Balance as at 31/12/07</b>					
<b>Total Shareholders' equity pertaining to the Group</b>	<b>12.480</b>	<b>531</b>	<b>2.496</b>	<b>3.120</b>	<b>16.431</b>
<b>Shareholders' equity pertaining to minority interests</b>					
<b>Profit (loss) for the financial year pertaining to minority interests</b>					
<b>Total Shareholders' equity</b>	<b>12.480</b>	<b>531</b>	<b>2.496</b>	<b>3.120</b>	<b>16.431</b>
<b>Allocation of net income for the financial year:</b>					
Allocation of dividends (€ 0.50 per share)					(10.829)
Other allocations					
<b>Other changes:</b>					
Exchange rate changes for foreign branches and subsidiaries					
reclassification for dividends from subsidiaries					
changes in consolidation					
Net income as at 31/12/2008					
<b>Balance as at 31/12/08</b>					
<b>Total Shareholders' equity pertaining to the Group</b>	<b>12.480</b>	<b>531</b>	<b>2.496</b>	<b>3.120</b>	<b>5.602</b>
<b>Shareholders' equity pertaining to minority interests</b>					
<b>Profit (loss) for the financial year pertaining to minority interests</b>					
<b>Total Shareholders' equity</b>	<b>12.480</b>	<b>531</b>	<b>2.496</b>	<b>3.120</b>	<b>5.602</b>
<b>Allocation of net income for the financial year:</b>					
Allocation of dividends (€ 0.50 per share)					(10.829)
Other allocations					18.099
<b>No charge share capital increase</b>	<b>49.920</b>	<b>(531)</b>			
<b>Other changes:</b>					
Exchange rate changes for foreign branches and subsidiaries					
Reclassification from unallocated profit to Profit Brought Forward for dividends from subsidiaries					
Changes in scope of consolidation and area of consolidation					
Profit as at 31/12/2009					
<b>Balance as at 31/12/09</b>					
<b>Total Shareholders' equity pertaining to the Group</b>	<b>62.400</b>	<b>0</b>	<b>2.496</b>	<b>3.120</b>	<b>12.872</b>
<b>Shareholders' equity pertaining to minority interests</b>					
<b>Profit (loss) for the financial year pertaining to minority interests</b>					
<b>Total Shareholders' equity</b>	<b>62.400</b>	<b>0</b>	<b>2.496</b>	<b>3.120</b>	<b>12.872</b>
<b>Allocation of net income for the financial year:</b>					
Allocation of dividends (€ 0.50 per share)					(10.829)
Other allocations				1.440	
<b>No charge share capital increase</b>					
<b>Other changes:</b>					
Exchange rate changes for foreign branches and subsidiaries					
Other changes					
Changes in scope of consolidation and area of consolidation					
Profit as at 31/12/2010					
<b>Balance as at 31/12/10</b>					
<b>Total Shareholders' equity pertaining to the Group</b>	<b>62.400</b>	<b>0</b>	<b>3.936</b>	<b>3.120</b>	<b>2.043</b>
<b>Shareholders' equity pertaining to minority interests</b>					
<b>Profit (loss) for the financial year pertaining to minority interests</b>					
<b>Total Shareholders' equity</b>	<b>62.400</b>	<b>0</b>	<b>3.936</b>	<b>3.120</b>	<b>2.043</b>
<b>Possibility of use</b>	-	A-B-C	B	-	A-B-C
<b>Tax position</b>	-	Z	X	X	Y

Legend

A: Share capital increase; B: To cover losses; C: Distribution to Shareholders; X: Taxed profits; Y: Tax-exempt profits; K: subject to deferred taxation; Z: In abeyance of taxation.

## Chapter 03 / Explanatory Notes

AVII b Conversion / deficit reserve	AVII c1 Extraordinary reserve	AVII c2 Provision for promotional expenses	AVII c4 Reserve Article 55 Presidential Decree No. 597/73	AVII c5 Restricted reserve Art. 2426, sub-section 4 of the Italian Civil Code	AVII c6 Exchange rate gains reserve Art. 2426, sub-section 8 of the Italian Civil Code	AVIII Profits brought forward	AIX Profit for the financial year	Total Shareholders, equity
8.008	983	61	479	1	214	52.053	18.994	115.851
								872 (10)
8.008	983	61	479	1	214	52.053	18.994	116.713
8.478				1.746	(214)	10.225	(11.757)	(10.829) 0 0
				3.443		1.087		8.478
						6.667	(7.237)	4.530
							20.484	(570) 20.484
16.486	983	61	479	5.190	0	70.032	20.484	137.944
								1.352 (38)
16.486	983	61	479	5.190	0	70.032	20.484	139.258
21.935	(983)	(61)		95		(48.345)	(18.194)	(10.829) 0 0 0
				38				21.973
				(754)		754		0
						2.852	(2.290)	562
							27.757	27.757
38.421	0	0	479	4.569	0	25.293	27.757	177.407
								1.254 (87)
38.421	0	0	479	4.569	0	25.293	27.757	178.574
12.782				369		26.983	(28.792)	(10.829) 0 0 0
				(91)				12.691
						(1.088)	1.035	0
							31.052	(53) 31.052
51.203	0	0	479	4.847	0	51.188	31.052	210.268
								18.553 2.043
51.203	0	0	479	4.847	0	51.188	31.052	230.864
-	A-B-C X	A-B-C X	A-B-C Z	A-B K	A-B K	A-B-C X	-	-

The share capital of the Parent Company Salini Costruttori as at 31 December 2010 comprised 120,000,000 ordinary shares with a unit par value of Euro 0.52. The Parent Company has not issued new shares during the financial year.

The Shareholders' equity pertaining to minority interests increased during the financial year by Euros 20,596 thousand, Euros 12.866 thousand of which are attributable to the full consolidation of Todini Costruzioni S.p.A., which involved a minority interest being recorded amounting to 40% of the investment still held by Todini Finanziaria S.p.A.; and Euros 2,043 thousand to the net income for the period.

Nature/description	Amount	Possibility of use	Portion available	Summary of uses made in the three prior financial years	
				To cover losses	For other reasons
<b>Share capital</b>	62.400				
<b>Capital reserves:</b>		-			
Reserve for treasury shares	3.120	-			
<b>Profit reserves:</b>					
Legal reserve	3.936	B			
Extraordinary reserve as per Law No. 98/94	2.042	A,B,C	2.042		(32.487)
Conversion deficit	51.203	-			
Reserve as per Article 55 of Presidential Decree (D.P.R.) No. 597/73	479	A,B,C	479		0
Restricted reserve as per Article 2426, sub-section 4 of the Italian Civil Code	4.848	A,B	4.848		(8.514)
Profit brought forward (reversal of consolidation reserve)	15.082	-	0		
Profit brought forward	36.106	A,B,C	36.106		(48.345)
<b>Total</b>			<b>43.475</b>		
<b>Total portion not distributable</b>			<b>4.848</b>		
Distributable portion			38.627		

The conversion deficit reserve that includes the differences arising on certain equity items due to the application of the year-end exchange rates generated the following change:

- balance as at 01.01.2010 Euros 38,421,134
- increase due to adjustment to year-end exchange rates
  - balances of c/a with branches Euros 14,809,143
  - exchange rate change on profit for the financial year Euros (777,967)
  - Euros 14,031,176
- exchange rate changes on opening Shareholders' equity of foreign subsidiaries Euros (2,306,929)
- exchange rate changes on profit/losses for the financial year Euros 1,057,970
- differences from conversion of foreign investee company currencies Euros (1,289,527)
- balance as at 31 December 2010 Euros 51,203,351

The restricted reserve, pursuant to Article 2426, sub-section 4 of the Italian Civil Code was established at the date of appropriation of the profit for the 2002 financial year, in accordance with the valuation of the equity investments in subsidiary companies using the equity method reported the following change:

Balance as at 01.01.2010	Euros 4,569,245
Allocation of profit for the 2009 financial year	Euros 368,932
Valuation of companies valued using the equity method without effects on the income statement	Euros (90,840)
Balance as at 31.12.2010	Euros 4,847,337

The Shareholders' Meeting resolved on 25th June 2010, at the time of approving the financial statements as at 31 December 2009, with regard to the allocation of the net profit for the financial year amounting to Euros 28,791,806 and the distribution of dividends.

The Parent Company's reserves reported the following changes:

- the legal reserve increased by Euros 1,439,590;
- the reserve, as per Article 1, paragraph 4 of Law No. 98/94 decreased by Euros (10,829,110);
- "profit brought forward" increased by Euros 26,983,284;
- a dividend corresponding to 0.10 per annum was distributed, amounting to a total of Euros 10,829.

It is also important to note that the consolidated Shareholders' equity is impacted by the adjustments made to the financial statements of the subsidiary Todini Costruzioni Generali S.p.A. during the valuation of the shareholding on the date it was purchased (15th January 2010) in order to bring the financial statements in line with the accounting standards adopted by Salini and in line with OIC 21 and OIC 17. In particular, the adjustments made to the Shareholders' equity of the subsidiary as at 15th January 2010 primarily concern the following: a) the decrease in the valuation of the inventories of contract work in progress for a total of Euros 6,279 thousand due to adopting the Cost to Cost method; b) the reversal of goodwill for Euros 904 thousand in the financial statements of Todini Costruzioni Generali S.p.A. in line with the requirements set out in paragraph 3.3 of OIC standard 21; c) the decrease in intangible fixed assets for Euros 1,305 thousand due to the increased amortisation according to the percentage of work completed of the contracts calculated with the Cost to Cost method; d) the increase for a total of Euros 4,961 thousand due to the adoption of IAS 17 which envisages reporting in the financial statements the assets acquired under financial leasing arrangements; e) the increase of buildings in course of construction reported under inventories amounting to Euros 4,033 thousand in Cediv S.p.A. (93.34% owned subsidiary of Todini and sold to Ga.bi.Re. S.r.l. in December 2010), as a result of their revaluation based on an external expert survey report,

during the first consolidation phase in Todini; f) allocating to Shareholders' equity the amounts pertaining to minority interests corresponding to Euros 582 thousand referred to the revaluation of buildings reported in the Cediv financial statements; g) reclassification from Shareholders' equity pertaining to minority interests of Euros 859 thousand referred to the losses generated by Groupment Todini Hamila during prior financial years and incorrectly allocated to minority interests; h) increase of equity investments in associated companies amounting to Euros 66 thousand as the result of corrections to their valuation under Shareholders' equity; i) the negative effect of deferred taxation on the foregoing adjustments amounting to Euros 162 thousand, overall. The total negative effect of the above-mentioned adjustments on the Shareholders' equity of Todini Costruzioni Generali S.p.A. as at 1st January 2010, amounting to Euros 1,191 thousand, generated a capital gain in the equity investment in Salini, which is entered in a restricted reserve under Shareholders' equity, amounting to Euros 58 thousand. The income statement as at 31 December 2010 of Todini Costruzioni Generali S.p.A., which from 1st January 2010 has become aligned with the accounting principles adopted by the Parent Company Salini, was adjusted when consolidated to take into account the adjustments made to the financial statements of Todini Costruzioni Generali S.p.A. when the company was acquired.

It is also important to note that the consolidated Shareholders' equity was impacted by the pre-consolidation adjustments, made in order to align the assets and liabilities reported in the financial statements of the subsidiary Salini Nigeria Ltd., drawn up in accordance with local accounting standards, with the Parent Company's accounting standards. In particular, the adjustments made to the Shareholders' equity of the subsidiary, and consequently, to the valuation of the shareholding, primarily concern the following: a) the reduction in the valuation of inventories of contract work in progress for a total of Euros 38,461 thousand, relating to the valuation of the inventories of contract work in progress using the cost to cost method; b) the higher valuation of amounts due from the customer, net of the portion transferred to Salini Costruttori S.p.A. for a total of Euros 52,495 thousand; c) the negative results of deferred taxation on the aforementioned adjustments for a total of Euros 4,481 thousand.

With sentences No. 3940/2006 and No. 9904/2007, immediately appealed against by the Company, the Court of Rome deemed illegitimate the valuation of equity investments in subsidiary companies using the equity method, as per Article 2426, sub-section 4 of the Italian Civil Code, as recommended by Italian Accounting Standard No. 21 that the Company has always complied with. The accounting method adopted by the Company is in line with all the various case law, statutory and corporate doctrine on this subject, as well as with the Italian accounting standards precisely because it makes it possible to represent the operating result in the statutory financial statements as clearly and correctly as possible. This accounting method continues to be approved by the Board of Statutory Auditors and the independent auditing firm.

As far as is necessary, however, the effects which would be produced on the Company's Shareholders' equity in the highly unlikely event that sentence No. 3940/2006 becomes final, are illustrated below:

1) Application of Article 2426, sub-section 4 of the Italian Civil Code in accordance with the terms of the sentence:

**2003 REVALUATIONS:**

Co.Ge.Ma S.p.A. - Aprilia (LT)	113.347
Aeroponica Aprilia S.r.l. - Aprilia (LT)	35.928
Colosseum 2000 S.c.p.a. - RM	284
Salcost Finance Ltd - Dublin (IRL)	64.261
S.I.Ba. S.p.A. - RM	209.053
Group. d'enterprise Sal.It. - Khemisset (Morocco)	1.994.428
Salini Nigeria Ltd - (Nigeria)	9.916.181
<b>TOTAL REVALUATIONS</b>	<b>12.333.480</b>

**DEFERRED TAXATION ON 2003 REVALUATIONS:**

Co.Ge.Ma S.p.A. - Aprilia (LT) (	1.870)
Aeroponica Aprilia S.r.l. - Aprilia (LT)	(593)
Colosseum 2000 S.c.p.a. - RM	(5)
Salcost Finance Ltd - Dublin (IRL)	(1.060)
S.I.Ba. S.p.A. - RM	(3.449)
Group. d'enterprise Sal.It. - Khemisset (Morocco)	(32.908)
Salini Nigeria Ltd - (Nigeria)	(163.617)
	<b>(203.502)</b>

**DIVIDENDS DISTRIBUTED ON 2003 REVALUATIONS:**

Co.Ge.Ma S.p.A. - Aprilia (LT)	(113.347)
Aeroponica Aprilia S.r.l. - Aprilia (LT)	(27.898)
Group. d'enterprise Sal.It. - Khemisset (Morocco)	(1.457.561)
Salini Nigeria Ltd - (Nigeria)	(9.916.181)
<b>TOTAL DIVIDENDS DISTRIBUTED</b>	<b>(11.514.986)</b>

**CHANGES FROM COMPANIES WOUND UP/TRANSFERRED ON 2003 REVALUATIONS:**

Colosseum 2000 S.c.p.a. - RM	(284)
S.I.Ba. S.p.A. - RM	(209.053)
Salcost Finance Ltd - Dublin (IRL)	(64.261)
Aeroponica Aprilia S.r.l. - Aprilia (LT)	(8.030)
Group. d'enterprise Sal.It. - Khemisset (Morocco)	(536.867)
<b>TOTAL CHANGES FROM COMPANIES WOUND UP/TRANSFERRED</b>	<b>(818.495)</b>

**REVERSAL OF DEFERRED TAXATION ON 2003 REVALUATIONS:**

Co.Ge.Ma S.p.A. - Aprilia (LT)	1.870
Group. d'enterprise Sal.It. - Khemisset (Morocco)	32.908
S.I.Ba. S.p.A. - RM	3.449
Colosseum 2000 S.c.p.a. - RM	5
Salcost Finance Ltd - Dublin (IRL)	1.060
Aeroponica Aprilia S.r.l. - Aprilia (LT)	593
Salini Nigeria Ltd - (Nigeria)	163.617
	<b>203.503</b>

**RESIDUAL 2003 REVALUATIONS TO BE REALISED** (0)

**2003 NET PROFIT TO BE ALLOCATED TO RESTRICTED RESERVE IN ACCORDANCE WITH ARTICLE 2426, SUB-SECTION 4 OF THE ITALIAN CIVIL CODE IN ACCORDANCE WITH SHAREHOLDERS' RESOLUTION DATED 07/07/2004** (7.848.733)

**GREATER RESTRICTED RESERVE, IN ACCORDANCE WITH ARTICLE 2426, SUB-SECTION 4 OF THE ITALIAN CIVIL CODE REQUIRED TO BE ESTABLISHED USING AVAILABLE RESERVES AMOUNTING TO € 38.6 million.** nil

2) Valuation of amount due from Zimbabwe Joint Venture, in accordance with the terms of the sentence

• Full write-down of receivable disclosed in the 2003 financial statements	€ (7.298.036)
• Write-down adopted in 1st half of 2007	€ 6.442.000
• Write-down included in 2006 financial statements for provision for contractual risks	€ 1.201.738
	-----
• Difference	nil

There are no effects on the Shareholders' equity or the net income for the financial year as at 31 December 2010.

In essence, even in the highly unlikely event that the above-mentioned sentence becomes final, the available reserves and provisions made are entirely sufficient to absorb the effects.

Moreover, it is important to note that both the provision for doubtful accounts referred to the customer relating to Salini Impregilo JV for Mukorsi Dam, amounting to Euros 6,442 thousand and the provision for contractual risks amounting to Euros 1,201 thousand were used in full during the financial year. In 2007, the Directors deemed it appropriate to establish a provision to write-down the amounts due and corresponding to Euros 6,442 thousand due to the country's internal situation and since it was not possible to foresee the time period to collect the amounts due from the customer. On 8th April 2011 the Company signed the Addendum to the contract to build the Mukorsi Dam, by which, in addition to resuming the work, the customer gave an undertaking to pay all the outstanding arrears, corresponding to approximately Euros 11,512 thousand, in 4 instalments and within 30th December 2011. Consequently, the Company used the provision during the financial year; to-date, the Company has received payments amounting to Euros 5,500 thousand in relation to such receivables, and the next instalment, amounting to Euros 2,250 thousand, will be paid within 30th June 2011.



Uganda, Bujagali Hydroelectric project

Furthermore, it is important to note that even if sentence No. 9904/2007 becomes final, there would be no effects on the Company's Shareholders' equity, as confirmed by the details illustrated below:

**2002 REVALUATIONS:**

	Total	2002 financial year	Prior profits
Co.Ge.Ma S.p.A. - Aprilia (LT)	760.269	120.424	639.846
Aerotonica Aprilia S.r.l. - Aprilia (LT)	233.102	52.311	180.791
Salini Hydro Ltd. (Bumbuna Falls European Consortium for Contract C ltd )	2.570.546	34.173	2.536.373
Colosseum 2000 S.c.p.a. - RM	1.926	1.926	0
Salcost Finance Ltd. - Dublin (IRL)	13.088	1.860	11.228
Salcost France s.a. - Paris (F)	28.733	0	28.733
S.I.Ba. S.p.A. - RM	927.832	146.909	780.923
Group. d'enterprise Sal.It. - Khemisset (Morocco)	242.439	0	242.439
Madonna dei Monti s.r.l.	74.146	74.146	0
Salini Nigeria Ltd. - (Nigeria)	13.304.366	10.817.201	2.487.165
SUB TOTAL	18.156.448	11.248.951	6.907.497
<b>TOTAL REVALUATIONS</b>		<b>18.156.448</b>	

**DEFERRED TAXES ON 2002 REVALUATIONS:**

Co.Ge.Ma S.p.A. - Aprilia (LT)	(258.492)	(40.944)	(217.548)
Aerotonica Aprilia S.r.l. - Aprilia (LT)	(66.675)	(17.786)	(48.889)
Salini Hydro Ltd. (Bumbuna Falls European Consortium for Contract C ltd )	(349.594)	(4.648)	(344.947)
Colosseum 2000 S.c.p.a. - RM	(655)	(655)	0
Salcost France s.a. - Paris (F)	(488)	0	(488)
Salcost Finance Ltd. - Dublin (IRL)	(223)	(32)	(191)
S.I.Ba. S.p.A. - RM	(315.463)	(49.949)	(265.514)
Group. d'enterprise Sal.It. - Khemisset (Morocco)	(32.972)	0	(32.972)
Madonna dei Monti s.r.l.	(25.210)	(25.210)	0
Salini Nigeria Ltd. - (Nigeria)	(1.492.990)	(1.471.139)	(21.850)
		<b>(2.542.761)</b>	

**DIVIDENDS DISTRIBUTED ON 2002 REVALUATIONS:**

Co.Ge.Ma S.p.A. - 2003 financial year	(316.000)		
Co.Ge.Ma S.p.A. - 2004 financial year	(100.000)		
Co.Ge.Ma S.p.A. - 2005 financial year	(344.269)	(760.269)	
Aerotonica Aprilia S.r.l. - 2002 financial year	(37.000)		
Aerotonica Aprilia S.r.l. - 2003 financial year	(52.000)		
Aerotonica Aprilia S.r.l. - 2004 financial year	(35.000)		
Aerotonica Aprilia S.r.l. - 2005 financial year	(99.000)		
Aerotonica Aprilia S.r.l. - 2006 financial year	(10.102)	(233.102)	
S.I.Ba. S.p.A. - 2003 financial year	(850.000)	(850.000)	
Group. d'enterprise Sal.It. - 2005 financial year	(242.439)	(242.439)	
Salini Nigeria Ltd. - 2002 financial year	(2.326.500)		
Salini Nigeria Ltd. - 2003 financial year	(1.652.707)		
Salini Nigeria Ltd. - 2004 financial year	(1.057.358)		
Salini Nigeria Ltd. - 2005 financial year	(3.024.517)		
Salini Nigeria Ltd. - 2006 financial year	(5.243.284)	(13.304.366)	(15.390.176)
<b>TOTAL DIVIDENDS DISTRIBUTED</b>		<b>(15.390.176)</b>	

**CHANGES FROM COMPANIES WOUND UP/TRANSFERRED ON 2003 REVALUATIONS:**

S.I.Ba. S.p.A. - liquidation 2004	(77.832)		
Salcost Finance Ltd. - Dublin (IRL)	(13.088)		
Colosseum 2000 S.c.p.a. - RM	(1.926)		
<b>TOTAL CHANGES FROM COMPANIES WOUND UP/TRANSFERRED</b>		<b>(92.846)</b>	

**REVERSAL OF DEFERRED TAXATION ON 2003 REVALUATIONS:**

Co.Ge.Ma S.p.A. - Aprilia (LT)	258.492		
Colosseum 2000 S.c.p.a. - RM	655		
Group. d'enterprise Sal.It. - Khemisset (Morocco)	32.972		
S.I.Ba. S.p.A. - RM	315.463		
Salcost Finance Ltd. - Dublin (IRL)	223		
Aerotonica Aprilia S.r.l. - Aprilia (LT)	66.675		
Salini Nigeria Ltd. - (Nigeria)	1.492.990		
		<b>2.167.468</b>	

**RESIDUAL 2002 REVALUATIONS TO BE REALISED****2.298.134****PROFIT FOR THE 2002 FINANCIAL YEAR TO BE ALLOCATED TO THE RESTRICTED RESERVE IN ACCORDANCE WITH ARTICLE 2426 SUB-SECTION 4 OF THE ITALIAN CIVIL CODE, IN ACCORDANCE WITH SHAREHOLDERS' RESOLUTION DATED 3/7/2003****(10.231.780)**

HIGHER RESTRICTED RESERVE IN ACCORDANCE WITH ARTICLE 2426, SUB-SECTION 4 OF THE ITALIAN CIVIL CODE REQUESTED TO BE ESTABLISHED USING AVAILABLE RESERVES AMOUNTING TO € 38.6 million.

nil

*Provisions for risks and charges B - € 24,299,135*

The balance as at 31.12.2010 increased by Euros 14,886 thousand. The breakdown and the changes in the provisions for risks and charges are detailed in the table below:

<b>Provisions for risks and charges</b>	Balance as at 31/12/09	Change due to Consolidation	Increase 12/2010	Decrease 12/2010	Balance as at 12/2010
Provision for taxation	0	0	764	0	764
Provision for deferred taxation	635	3.634	6.046	(4.177)	6.139
Charges for contracts in progress	386	0	1.399	(7)	1.778
Provision for customs risks	0	2.419	3.026	(1.143)	4.302
Coverage of risks generated by investee companies	1.099	2.097	115	(793)	2.518
Risks referred to completed contracts and penalties	60	0	571	(40)	591
Legal disputes	5.771	1.581	2.119	(1.192)	8.279
Provision for country risks	6.442	0	0	(6.442)	0
Exchange rate changes	19	0	0	(92)	(72)
<b>Total</b>	<b>14.412</b>	<b>9.731</b>	<b>14.041</b>	<b>(13.886)</b>	<b>24.298</b>

- The provision for taxation increased by Euros 764 thousand during the financial year, including Euros 414 thousand referred to the prudent valuation of the tax assessment notification received at the beginning of 2011 in the Algeria branch;
- The provision for deferred taxation includes the amounts allocated with reference to the taxable timing differences between the statutory net income and the taxable income;
- The provision for charges on contracts in progress increased by Euros 1,399 thousand during the financial year referred to the subsidiary Todini Costruzioni Generali S.p.A. in relation to the subsidiary GTH in Tunisia;
- The provision for customs risks during the financial year includes the allocation for risks in Algeria amounting to Euros 1,771 thousand (Kef Eddir) and uses amounting to Euros 1,143 thousand (Inter-municipal amounting to Euros 302 thousand, former SCI totalling Euros 841 thousand) and additional allocations in Tunisia amounting to Euros 1,255 thousand;
- The provision to cover losses generated by investee companies is established in relation to the commitments to cover the losses which exceed the own equity of the investee companies: Rupe Orvieto S.c. a r.l. amounting to Euros 14 thousand, Cogeca S.c. a r.l. amounting to Euros 24 thousand and Albacem amounting to Euros 77 thousand, in addition to recoveries totalling Euros (793) thousand relating to the liquidation of Bata 91 S.c. a r.l. amounting to Euros (164) thousand, the liquidation of the Balvano Consortium amounting to Euros (196) thousand and the liquidation of the Kallidromo Consortium totalling Euros (378) thousand and other negative changes amounting to Euros (35) thousand;
- The provision for penalty risks increased by Euros 571 thousand during the financial year and includes fully the reclassification from deferred income of the Romania branch of the subsidiary Todini Costruzioni generali S.p.A.;
- The provision for legal disputes risks increased by Euros 2,119 thousand and decreased by Euros (1,192) thousand, during the financial year, including Euros (313) thousand referring to Salini and Euros (879) referring to Todini. This provision includes the amounts allocated for potential liabilities for lawsuits in progress and allocations for legal fees;

- The provision for country risks that included the valuation of a potential liability relating to the Zimbabwe contract and amounting to Euros 6,442 thousand as at 01.01.2010, became entirely redundant following the signature on 8th April 2011 of the Addendum to the contract to construct the Mukorsi Dam, with which the customer, in addition to resuming the work, made an undertaking to pay all the outstanding arrears, amounting to approximately Euros 11,512 thousand, in 4 instalments and within 30th December 2011. To-date, the Group has received payments amounting to Euros 5,500 thousand with respect to these receivables. The next instalment, amounting to Euros 2,250 thousand, will be paid within 30th June 2011.

Information requested under Article 2427-bis of the Italian Civil Code relating to financial instruments

Five derivative contracts exist as at 31 December 2010, these contracts were entered into by the Parent Company with primary banks, two of the contracts were entered into during 2010 (the characteristics are detailed in the table below).

	<b>Salini</b>	<b>Salini</b>
bank	Monte Paschi Siena	BNL - BNP Paribas
contract date	07/12/2006	31/07/2009
maturity	11/07/2011	27/02/2015
type	Interest rate swap (IRS)	Interest rate swap (IRS)
purpose	Hedge	Hedge
notional value (€/thousand)	275	22.500
underlying financial risk	Interest rate	Interest rate
derivatives fair value (€/thousand)	-4	526
liability hedged	floating borrowing rate	floating mortgage rate

	<b>Salini</b>	<b>Salini</b>	<b>Salini</b>
bank	BNL - BNP Paribas	B.P.Lodi	B.P.Lodi
contract date	21/09/2009	12/02/2010	13/05/2010
maturity	31/03/2015	01/08/2016	01/12/2016
type	Interest rate swap (IRS)	Interest rate swap (IRS)	CAP
purpose	Hedge	Hedge	Hedge
notional value (€/thousand)	4,500	2,828	8,625
underlying financial risk	Interest rate	Interest rate	Interest rate
derivatives fair value (€/thousand)	-100	-68	80
liability hedged	floating mortgage rate	floating leasing rate	floating leasing rate

*Employee severance indemnity C - € 4,464,951*

Provision for employee severance indemnity	Balance as at 31/12/09	Acquisition of Todini 01/01/2010	Increase 12/2010	Decrease 12/2010	Balance as at 12/2010
<b>Italy</b>					
Executives	855	466	41	(471)	892
Office workers	1.337	1.096	179	(604)	2.008
Blue-collar workers	79	567	48	(219)	475
<b>Total Italy</b>	<b>2.271</b>	<b>2.129</b>	<b>268</b>	<b>(1.294)</b>	<b>3.375</b>
<b>Ethiopia</b>	<b>311</b>	<b>0</b>	<b>7</b>	<b>(56)</b>	<b>262</b>
<b>Sierra Leone</b>	<b>124</b>	<b>0</b>	<b>4</b>	<b>(3)</b>	<b>125</b>
<b>Dubai</b>	<b>16</b>	<b>406</b>	<b>26</b>	<b>(57)</b>	<b>380</b>
<b>Turkey</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Nigeria</b>	<b>204</b>	<b>0</b>	<b>172</b>	<b>(77)</b>	<b>299</b>
<b>for exchange rates</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>23</b>
	<b>218</b>	<b>0</b>	<b>172</b>	<b>(68)</b>	<b>322</b>
<b>GRAND TOTAL</b>	<b>2.940</b>	<b>2.536</b>	<b>477</b>	<b>(1.478)</b>	<b>4.464</b>

The provision for employee severance indemnity (TFR) represents the Company's actual liability as at 31.12.2010 referred to the staff employed throughout 31.12.2006 (including the respective revaluation), net of any advances paid.

*Amounts due to Shareholders for loans D 3) - € 2,956,046*

The breakdown and changes in the amounts due to Shareholders for loans is illustrated in the table below:

AMOUNTS DUE TO SHAREHOLDERS FOR LOANS	Medium/long term		
	31/12/10	31/12/09	Variazioni
CDP Engineering - Amount due to minority shareholders	2.956	2.889	67
	<b>2.956</b>	<b>2.889</b>	<b>67</b>

The item includes the balance position of the amount due to the minority shareholders of the consolidated subsidiary Corso del Popolo Engineering S.p.A.

Amounts due to banks D 4) - € 369,497,497

The breakdown of the amounts due to banks is as follows:

Amounts due to banks	Short-term			Medium/long term		
	Balance as at 31/12/10	Balance as at 31/12/09	Changes	Balance as at 31/12/10	Balance as at 31/12/09	Changes
- for current account overdrafts	80.845	22.161	58.684	0	0	0
- for short-term loans (30-90 days)	14.730	0	14.730	0	0	0
- for loans	146.461	59.850	86.611	54.211	32.187	22.024
- for mortgages	13.555	7.410	6.145	59.427	54.280	5.147
<b>Total</b>	<b>255.591</b>	<b>89.421</b>	<b>166.170</b>	<b>113.638</b>	<b>86.467</b>	<b>27.171</b>

The net increase amounting to Euros 193.3 million, overall, is the result of fully consolidating the debts owed to the banking system by the subsidiary Todini Costruzioni Generali S.p.A. amounting to Euros 160.0 million and the increased amount owed to banks by the Parent Company during the financial year, totalling Euros 33.6 million. This increase in the amount owed by the Parent Company is the result of current management and is referable to the greater indebtedness in relation to the banking system amounting to Euros 39.6 million in Italy and abroad in Ethiopia amounting to Euros 1.7 million and in Kazakhstan amounting to Euros 2.7 million, in addition to decreases in Dubai totalling Euros 10.4 million.

  
**ROMA METROPOLITANE**

  
**salini**  
 COSTRUTTORI

Per la partecipazione al:

Progetto  
LA TALPA SALVA TRAFFICO

anno 2009/2010  
**Scuola Media**  
 Linea B1  
 della nuova Metropolitana di Roma

Italy, Metro B1 Underground - Educational Project "La Talpa Salvatrafico"

The details of the Group's loans are provided below:

Detail of Loans:						
M.P.S. Caserma Sani	property transaction loan	Euribor + 2 p. 3-month	302	0	0	302
Centrobanca (pool loan)	loan	Euribor + 2 p. 3-month.	15.750	43.313	0	59.063
San Paolo IMI (Metro)	loan	Euribor + 1,25 p. 6-month	16.200	0	0	16.200
San Paolo IMI (Rimati)	loan	Euribor + 1,25 p. 6-month.	4.700	0	0	4.700
Banca Popolare di Sondrio (Blaserna advan)	loan	floating	0	0	0	0
Banca Popolare Bergamo	loan	Euribor + 1,50 p. 6-month	0	0	0	0
Commercial Bank of Dubai	advance on certificates		0	0	0	0
National Bank Abu Dhabi		Euribor + 2,25 p. 3-month	9.206	0	0	9.206
BNP Paribas Dubai	loan	Libor + 1,5 p. 6-month	1.747	898	0	2.645
Unicredit Fin c/a 47856	revolving loan	Euribor + 1,60 p. 1-month	39.998	0	0	39.998
BIN POL Finanz. m/I POOL LOAN	loan	Euribor + 2,40 p. 6-month	12.000	0	0	12.000
C.R.Firenze advance on contracts	advance on certificates	Euribor + 1,30 p. 3-month	10.048	0	0	10.048
B.n.l. advance on contracts	advance on certificates	Euribor + 1,20 p. 1-month	1.906	0	0	1.906
B.Sardegna advance on contracts	advance on certificates	Euribor + 1,50 p. 3-mounth	4.150	0	0	4.150
Antoniana advances account 10850	advance on certificates	Euribor + 1,30 p. 3-mounth	3.951	0	0	3.951
Deutsche c/c for advances on invoices	advance on certificates	Euribor + 0,85 p. 3-mounth	1.002	0	0	1.002
Cariparma for advances	anticipo su certificates	Euribor + 1 p. 3-mounth	1.998	0	0	1.998
B.Sard advance on SaL40003	advance on certificates	Euribor + 1,50 p. 3-mounth	2.456	0	0	2.456
Yapi Kredi Bank LOAN	loan	0,07	6.240	0	0	6.240
Pasha BANK LOAN	loan	7% within 80 days 18% after 80 days	7.145	0	0	7.145
B.Pop.Sondr Dep.euro sint JPY	loan	10%	7.662	0	0	7.662
Monte dei Paschi	loan	Euribor + 1,25 p. 6-mounth	0	1.922	8.078	10.000
			<b>146.461</b>	<b>46.133</b>	<b>8.078</b>	<b>200.672</b>

Secured guarantees: :

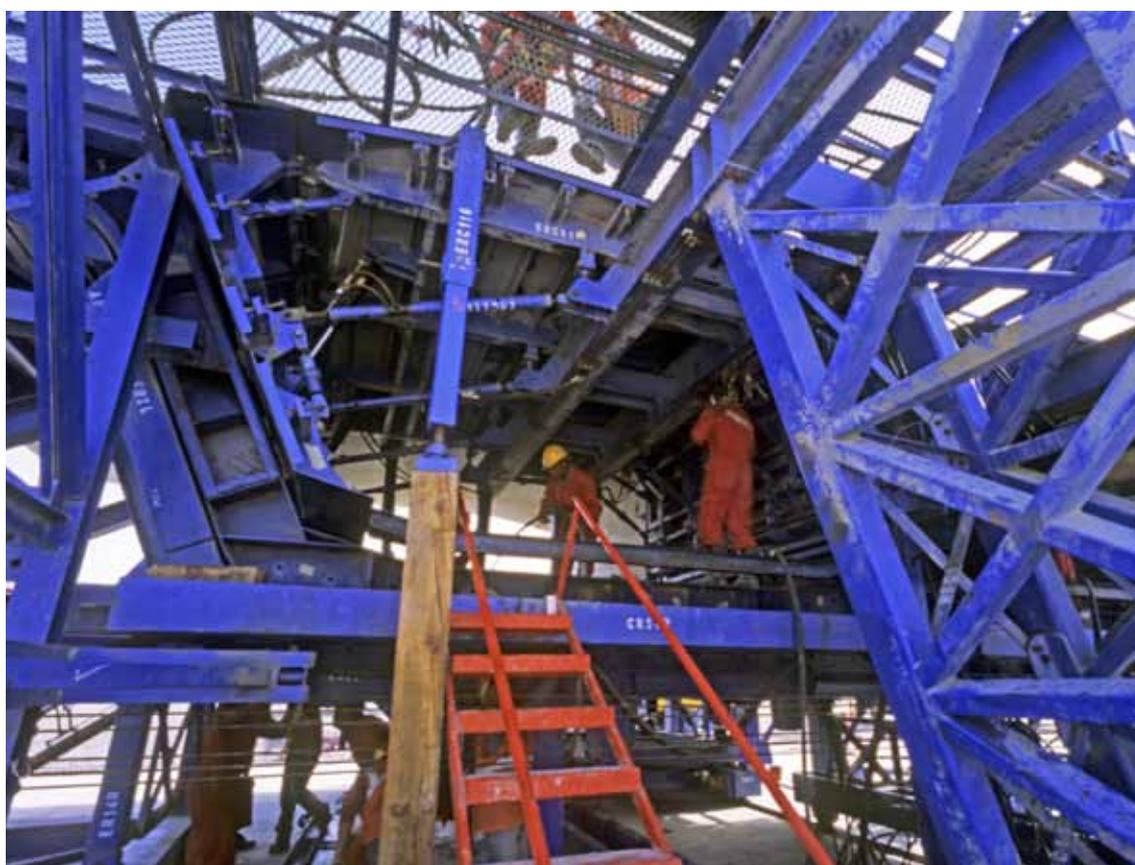
- Mortgage on property located in Via E. Fermi, 161 (Rome) Mortgage on property located in Via S. Marcello, 40 (Rome) Mortgage on property located in Via Madonna dei Monti, 83 - 84 - 85 - 86 (Rome)
- Mortgage on land and buildings located in S.Vittorino (Rome)
- Mortgage on property owned by Zeis S.r.l. located in Via E. Fermi, 161 (Rome)
- Mortgage on property located in Via E. Fermi, 161 (Rome) Mortgage on property located in Via Madonna dei Monti, 83 - 84 - 85 - 86 (Rome) Mortgage on property located in Via S. Marcello, 40 (Rome)
- Mortgage on property located in Via E.Fermi, 161 (Rome) Mortgage on property located in Via S. Marcello, 40 (Rome)

*Amounts due to other financiers D 5) - € 82,926,287*

The amounts due to other financiers are shown in the table below:

Amounts due to other financiers	Short-term			Medium/long term		
	Balance as at 31/12/10	Balance as at 31/12/09	Changes	Balance as at 31/12/10	Balance as at 31/12/09	Changes
Italy - advances on assignment of credits with recourse	2.166	0	2.166	0	0	0
Italy - Indirect factoring transactions	7.160	0	7.160	0	0	0
Debt arising from financial leasing method (Todini)	8.252	0	8.252	32.147	0	32.147
Debt arising from financial leasing method (Salini)	5.628	6.154	(526)	27.573	23.528	4.045
	<b>23.206</b>	<b>6.154</b>	<b>17.052</b>	<b>59.720</b>	<b>23.528</b>	<b>36.192</b>

The amounts due to other financiers increased by Euros 53,244 thousand, including Euros 17,052 thousand which are short-term and Euros 36,192 thousand which are medium/long term. The change is due to the consolidation of the Todini Costruzioni Group amounting to Euros 49,725 thousand (including, Euros 17,578 thousand which are short-term) and refer to the following: (i) credit transfers with the possibility of recourse by the factoring company for Euros 2,166 thousand; indirect factoring transactions amounting to Euros 7,160 thousand, through which the Company obtains an increase in payment deferrals following the transfer of its debts to suppliers and financial institutions; and payables for the acquisition of leased machinery amounting to Euros 40,399 thousand.



Dubai, Project R881.2C

Payments on account D 6) - € 4,965,392,481

Payments on account are detailed in the table below:

Customers for:	Advance payments 31/12/10	Advance payments 31/12/09	Changes	Payments on account 31/12/10	Payments on account 31/12/09	Changes
Italy	19.763	1.784	17.979	1.295.420	247.895	1.047.525
of which Todini	17.171	0	17.171	1.041.147		1.041.147
Sierra Leone	2.157	194	1.963	51.627	38.919	12.708
Ethiopia	153.893	166.581	(12.688)	1.056.451	1.006.822	49.629
Kazakhstan	103.761	22.338	81.423	208.387	0	208.387
of which Todini	56.507			167.619		
Morocco	468	468	0	97.576	97.576	0
Algeria	4.868	0	4.868	156.795	0	156.795
of which Todini	4.868	0	4.868	156.795	0	156.795
Albania	1.623	0	1.623	14.652	0	14.652
of which Todini	1.623	0	1.623	14.652	0	14.652
Azerbaijan	16.740	0	16.740	214.100	0	214.100
of which Todini	16.740	0	16.740	214.100	0	214.100
Ukraine	2.140	0	2.140	79.103	0	79.103
of which Todini	2.140	0	2.140	79.103	0	79.103
Romania	0	0	0	0	0	0
of which Todini	0	0	0	0	0	0
Georgia	11.179	0	11.179	8.355	0	8.355
of which Todini	11.179	0	11.179	8.355	0	8.355
Tunisia	3.462	0	3.462	41.107	0	41.107
of which Todini	3.462	0	3.462	41.107	0	41.107
Nigeria	78.806	72.277	6.529	609.883	482.071	127.812
Uganda	578	347	231	465.944	380.991	84.953
Dubai	5.068	3.338	1.730	194.969	134.973	59.996
of which Todini	1.552	0	1.552	36.237	0	36.237
Zimbabwe	0	0	0	23.280	23.304	(24)
Malaysia	0	0	0	673	0	673
<b>Total</b>	<b>404.506</b>	<b>267.327</b>	<b>137.179</b>	<b>4.518.322</b>	<b>2.412.551</b>	<b>2.105.771</b>
<b>Customers for other payable/work</b>						
Italy			0	42.566	40.917	1.649
Nigeria	0	0	0	0	0	0
<b>Total</b>	<b>404.506</b>	<b>267.327</b>	<b>137.179</b>	<b>4.560.888</b>	<b>2.453.468</b>	<b>2.107.420</b>

The increase of Euros 137,179 thousand in “customers for advance payments” also takes into account the effect of the consolidation of the subsidiary Todini, in addition to repayment of the advance payments to customers during the financial year and reports a balance of Euros 404,506 thousand.

“Customers for payments on account” includes the amounts for interim payment certificates totalling Euros 4,560,888 thousand, which also includes the amounts invoiced relating to other debts and/or work for Euros 42,566 thousand.

The details relating to “customers for payments on account” referring only to Todini Costruzioni Generali S.p.A. are provided below.

Todini Costruzioni Generali (A)	(B) Consolidated accounts	(C) Consolidated accounts	Todini financial statements in line with Salini accounting standards	(A) - (C) Payments on account	Change (C) - (B)
<b>Payments on account</b>	Balance as at 31/12/10	Balance as at 31/12/09	Balance as at 31/12/09		
Payments on account from customers	1.759.115	-	1.361.953	397.162	1.361.953
<b>TOTAL PAYMENTS ON ACCOUNT D 6 b)</b>	<b>1.606.236</b>	<b>-</b>	<b>1.464.878</b>	<b>141.358</b>	<b>1.464.878</b>

Amounts due to suppliers D 7) - € 364,860,184

The amounts due to suppliers are detailed in the table below:

Amount due to altre imprese	Short term			Medium/long Term		
	Balance as at 31/12/10	Balance as at 31/12/09	Changes	Balance as at 31/12/10	Balance as at 31/12/09	Changes
<b>Italy:</b>						
- insurance	349	98	251			0
- suppliers for Italy of which Todini	173.615 92.476	39.616	133.999	2.024 27	2.686	(662)
- suppliers for S.Leone	1.087	1.793	(706)	0	0	0
- suppliers for Etiopia	11.153	14.695	(3.542)	0	0	0
- suppliers for Marocco	50	37	13	0	0	0
- suppliers for Uganda	1.271	4.656	(3.385)	0	0	0
- suppliers for Dubai	247	319	(72)	0	0	0
- suppliers for Kazakhstan	223	0	223	0	0	0
<b>Abroad::</b>						
Sierra Leone	5.795	3.516	2.279	0	69	(69)
Ethiopia	33.752	43.483	(9.731)	0	2	(2)
Bulgaria	10	13	(3)	0	0	0
Jordan	9	8	1	0	0	0
Abu Dhabi	4	1	3	0	0	0
Kazakhstan-Salini	6.083	11	6.072	1.285	0	1.285
Kazakhstan-Todini	19.205	0	19.205			
Morocco	351	158	193	0	0	0
Uganda	7.390	21.444	(14.054)	0	0	0
Dubai- Salini	19.761	27.298	(7.537)	0	0	0
Dubai-Todini	10.161	0	10.161			
Albania-Todini	2.689	0	2.689			
Algeria-Todini	7.818	0	7.818			
Argentina-Todini	11	0	11			
Azerbaijan-Todini	21.224	0	21.224			
Georgia-Todini	1.073	0	1.073			
Moldavia-Todini	0	0	0			
Romania-Todini	415	0	415			
Tunisia-Todini	8.931	0	8.931			
Ukraine-Todini	6.988	0	6.988			
Greece Todini	1.828	0	1.828			
Nigeria	19.779	14.681	5.098	35,74	5	31
Malaysia	242	0	242,36	0	0	0
<b>Total</b>	<b>361.515</b>	<b>171.827</b>	<b>189.687</b>	<b>3.345</b>	<b>2.761</b>	<b>584</b>

The item shows an aggregate net increase of Euros 190,271 thousand. This is primarily the result of assigning the amount due to suppliers by the subsidiary Todini Costruzioni Generali S.p.A. amounting to Euros 172,668 thousand. The increase referred to the 2010 financial year amounting to approximately Euros 17,603 thousand is due to investments and to supplies for construction sites in Italy and abroad.

*Amounts due to subsidiary companies D 9) - € 93,755*

The amounts due to subsidiary companies are shown in the table below:

Amounts due to subsidiary companies	Short-term		
	Balance as at 31/12/10	Balance as at 31/12/09	Changes
<b>1) for invoices received:</b>			
Other companies (Todini)	32	0	32
<b>Total</b>	<b>32</b>	<b>0</b>	<b>32</b>
<b>2) for invoices to be received:</b>			
Sa.Ma S.c. a r.l.	1	1	0
<b>Totale</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>3) for running current accounts::</b>			
Sa.Ma S.c. a r.l.	59	58	1
<b>Total</b>	<b>59</b>	<b>58</b>	<b>1</b>
<b>4) for other:</b>			
Salcost France S.a r.l.	1	1	0
	<b>1</b>	<b>1</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>93</b>	<b>60</b>	<b>33</b>

The item shows the amounts due to subsidiary companies not included in the scope of consolidation.



Italy, Rome - Metro B1 Underground

*Amounts due to associated companies D 10) - € 41,846,715*

The amounts due to associated companies are detailed in the table below:

Amounts due to associated companies	Short-term		
	Balance as at 31/12/10	Balance as at 31/12/09	Changes
<b>1) Italy / Abroad - for invoices received:</b>			
Colle Todi scarl in liquidation	21	0	21
Risalto srl	27	0	27
Rupe Orvieto scarl	7	0	7
Scat 5 scarl	1	0	1
Valico scarl	41	0	41
Irrigazione Furore	6	0	6
S.Ruffillo S.c. r.l.	23.115	23.136	(21)
Keff Edir Consortium	6.379	0	6.379
AFT Consortium in liquidation	525	0	525
Other	0	4	(4)
<b>Total 1</b>	<b>30.122</b>	<b>23.140</b>	<b>6.885</b>
<b>2) Italy / Abroad - for invoices to be received:</b>			
CPR 3 Consortium	474	0	474
Co.Ge.Fin s.r.l.	4.578	0	4.578
Galileo Scarl	320	0	320
Tormini Scarl in liquidation	285	0	285
Pizzarotti Todini .Keff-Eddir Consortium (in Algeria Branch)	4.409	0	4.409
AFT Kramis Consortium (in Algeria Branch)	758	0	758
S.Ruffillo S.c. r.l.	166	0	166
Forum S.c. a r.l.	166	166	0
Other	97	0	97
<b>Total 2</b>	<b>11.253</b>	<b>166</b>	<b>11.087</b>
<b>4) Italy - for other liabilities:</b>			
Consal s.c.n.c.	160	160	0
Colle Todi scarl in liquidation	1	0	1
Co.Ge.Fin s.r.l.	236	0	236
Corina scarl in liquidation	33	0	33
Irina Srl in liquidation	22	0	22
Risalto Srl in liquidation	10	0	10
Scat 5 Scarl in liquidation	1	0	1
Gr.d'enter.Salini Strabag - Guinea - to endowment fund	5	5	0
<b>Total 4</b>	<b>468</b>	<b>165</b>	<b>303</b>
<b>A) Total Short-term</b>	<b>41.843</b>	<b>23.471</b>	<b>18.372</b>
J.V. Necso Salini - Ethiopia Branch	4	0	4
<b>B) Total Long-term</b>	<b>4</b>	<b>0</b>	<b>4</b>
<b>Total amounts due to associated companies</b>	<b>41.847</b>	<b>23.471</b>	<b>18.376</b>

The item discloses an aggregate net increase of Euros 18,376 thousand. This is primarily the result of consolidating the amount due to the associated companies of the subsidiary Todini Costruzioni Generali S.p.A. amounting to Euros 18,231 thousand.

Amounts due to tax authorities D 12) - € 37,722,060

The amounts due to the tax authorities are detailed in the table below:

Amounts due to tax authorities	Balance as at		Changes
	31/12/10	31/12/09	
Italy	14.319	1.947	12.372
of which Todini	8.442	0	8.442
Albania-Todini	9	0	9
Algeria-Todini	2.969	0	2.969
Azerbaijan-Todini	0	0	0
Bulgaria	0	0	0
Dubai	0	6	(6)
Ethiopia	8.372	8.799	(427)
Kazakhstan-Salini	762	0	762
Kazakhstan-Todini	362	0	362
Malaysia	183	0	183
Morocco	951	933	18
Moldavia-Todini	0	0	0
Nigeria	4.333	2.834	1.499
Romania-Todini	8	0	8
Uganda Kampala	1.699	227	1.472
Sierra Leone	12	42	(30)
Turkey	3	2	1
Tunisia-Todini	100	0	100
Ukraine-Todini	3.641	0	3.641
<b>Total</b>	<b>37.723</b>	<b>14.791</b>	<b>22.932</b>

The item shows an aggregate increase amounting to Euros 22,932 thousand, of which Euros 15,531 thousand relate to the full consolidation of the subsidiary Todini Costruzioni Generali S.p.A.

Amounts due to Social Security and Welfare Institutions D 13) - € 5,557,272

The amounts due to Social Security and Welfare Institutions are illustrated in the table below:

Amounts due to Social Security and Welfare Institutions	Short-term		Changes
	Balance as at 31/12/10	Balance as at 31/12/09	
Italy	4.470	1.908	2.562
Albania	7	0	7
Algeria	66	0	66
Azerbaijan	61	0	61
Bulgaria	0	1	(1)
Libya	10	0	10
Ethiopia	96	80	16
Kazakhstan	122	0	122
Romania	1	0	1
Morocco	4	2	2
Sierra Leone	32	44	(12)
Tunisia	185	0	185
Abu Dhabi	3	0	3
Uganda	302	122	180
Dubai	28	91	(63)
Turkey	11	8	3
Nigeria	160	39	121
<b>Total</b>	<b>5.558</b>	<b>2.295</b>	<b>3.263</b>

The item shows a net increase amounting to Euros 3,263 thousand that is due to the consolidation of the subsidiary Todini Costruzioni Generali S.p.A. in the Parent Company (Euros 2,793 thousand).

Other payables D 14) - € 25,393,028

The item shows an increase of Euros 10,004 thousand, of which Euros 5,652 thousand relate to the effect of the full consolidation of the subsidiary Todini Costruzioni Generali S.p.A.

Other payables	Short-term			Medium/long term		
	Balance as at 31/12/2010	Balance as at 31/12/09	Changes	Balance as at 31/12/2010	Balance as at 31/12/09	Changes
Amounts due to other companies and third parties - Salini	5.581	1.025	4.556	5.733	5.733	0
Amounts due to other companies and third parties - Todini	1.085		1.085	0		0
Payables relating to SIMEST (former M.C.C.) dispute	0	0	0			0
Amounts due to employees - Salini	7.535	8.164	(629)	0	0	0
Amounts due to employees - Todini	3.858	0	3.858	0	0	0
Amounts due for customs duties	0	0	0	0	0	0
Amounts due for security deposits	0	0	0	113	112	1
Amounts due for interest on security deposits	2	0	2	67	15	52
Other payables - Salini	183	103	80	522	237	285
Other payables - Todini	128	0	128	584	0	584
Amounts due to other third party financiers - Todini	3	0	3	0	0	0
<b>Total</b>	<b>18.374</b>	<b>9.292</b>	<b>9.082</b>	<b>7.019</b>	<b>6.097</b>	<b>922</b>

Besides the consolidation of Todini that accounts for Euros 5,652 thousand, the additional increase of Euros 3,443 thousand is primarily due to the following:

- the increase in payables for invoices received and to be received from consortiums and consortium companies for the reversal of costs totalling Euros 4,556 thousand;
- a decrease in the amounts due to employees totalling Euros (1,030 thousand) relating to the December wages/salaries, accruals on deferred monthly payments and accrued holiday entitlement and leave of absence.

Under the medium/long term items Euros 5,733 thousand relate to the TAV advance payment for the AV Verona Padua contract paid to the Company by the IRICAV DUE Consortium.

Accrued expenses and deferred income E - € 3,239,707

The item reports a balance of Euros 3,240 thousand and reflects an increase of Euros 1,416 thousand, of which Euros 588 thousand relate to the effect of the full consolidation of the subsidiary Todini Costruzioni Generali S.p.A.

Accrued expenses and deferred income	Balance as at 31/12/10	Balance as at 31/12/09	Changes
<b>1) Accrued expenses</b>			0
Bank and other interest expenses	780	664	116
Charges for sureties and insurance	404	85	319
Derivative products	146	155	(9)
Leasing	48		48
Personnel accruals	575		575
Other	466	838	(373)
<b>Total accrued expenses</b>	<b>2.418</b>	<b>1.742</b>	<b>676</b>
<b>2) Deferred income</b>			
Rental income	87	82	5
Services rendered	0	0	0
Sales to investee companies	735	0	735
Exchange rate transactions	0	0	0
<b>Total deferred income</b>	<b>822</b>	<b>82</b>	<b>740</b>
<b>Total accrued expenses and deferred income</b>	<b>3.240</b>	<b>1.824</b>	<b>1.416</b>

**MEMORANDUM ACCOUNTS and MEMORY ACCOUNTS**

The details are shown in the tables below:

<b>GUARANTEES GIVEN DIRECTLY</b>	Balance as at 31/12/10
Sureties for bank credit facilities	166.094
Sureties for guarantees on work	252.144
Sureties for participating in tenders	33.035
Sureties for financial leasing transactions	-
Other sureties	302.242
Mortgages on real estate	620.482
<b>Total</b>	<b>1.373.997</b>

**MEMORY ACCOUNTS**

a) - guarantees given by third parties in the interest of bank credit facilities:	157.241
b) - guarantees given by third parties in the interest of contractual advance payments:	18.267
<b>Total a+b)</b>	<b>175.508</b>

**other guarantees given by third parties in our interest:**

c) - guarantees received for work	38.927
d) - guarantees received for contractual advance payments	0
e) - guarantees received for payment of amounts due	2.430
<b>Total c+d+e)</b>	<b>41.357</b>

<b>Total a+b+c)</b>	<b>216.865</b>
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*Ethiopia, Gibe III Hydroelectric Project*

## INCOME STATEMENT

The analysis of production reveals the following revenues and increases in inventories of contract work in progress classified by geographical area, net of provisions for contractual risks and price adjustments.

Value of production by geographic area	Revenues from sales and services	Changes in revenues of contract work in progress, components and finished goods	Changes in contracts in progress	Work performed for own purposes and capitalised	Other income	balance position
	A1	A2	A3	A4	A5	
Italy	31.296	3.696	57.210	2.402	8.409	103.013
Arab Emirates	469	0	65.869	3	1.224	67.565
Ethiopia	873	0	200.891	347	7.969	210.080
Guinea	85	0	0	0	0	85
Morocco	91	0	0	0	266	357
Nigeria	96	0	61.317	1.808	734	63.955
Sierra Leone	182.378	0	(155.161)	0	136	27.353
Sudan	200	0	0	0	100	300
Uganda	7.002	0	174.075	0	169	181.246
<b>Balance position for salini 31/12/09</b>	<b>222.490</b>	<b>3.696</b>	<b>404.201</b>	<b>4.560</b>	<b>19.007</b>	<b>653.954</b>
Italy	212.267	170	146.533	6.501	27.107	392.579
Albania	80	0	9.461	0	1	9.542
Algeria	0	0	19.709	0	898	20.607
Argentina	0	0	458	0	0	458
Azerbaijan	82	0	66.667	0	625	67.374
Arab Emirates	780	0	27.270	0	2.712	30.762
Ethiopia	8.198	0	151.247	2.108	2.187	163.740
Georgia	0	0	8012	127	683	8822
Greece	31	0	0	0	0	31
Kazakhstan	9.185	0	110.530	8.538	2.207	130.460
Libya	6	0	0	0	0	6
Malaysia	0	0	1.126	0	0	1.126
Morocco	3	0	0	0	15	18
Nigeria	180	0	103.326	294	172	103.972
Sierra Leone	5.884	0	10.994	0	887	17.765
Tunisia	71	0	18.546	0	8	18.625
Turkey	0	0	0	0	7	7
Ukraine	1.096	0	32.329	0	3.096	36.521
Uganda	2.322	0	113.370	0	2.738	118.430
Zimbabwe	778	0	1.202	0	0	1.980
<b>Total balance positio 31/12/10</b>	<b>240.962</b>	<b>170</b>	<b>820.780</b>	<b>17.568</b>	<b>43.343</b>	<b>1.122.824</b>
Italy	180.971	(3.526)	89.323	4.099	18.698	289.566
Albania	80	0	9.461	0	1	9.542
Algeria	0	0	19.709	0	898	20.607
Argentina	0	0	458	0	0	458
Azerbaijan	82	0	66.667	0	625	67.374
Arab Emirates	311	0	(38.599)	(3)	1.488	(36.803)
Ethiopia	7.325	0	(49.644)	1.761	(5.782)	(46.340)
Georgia	0	0	8.012	127	683	8.822
Greece	31	0	0	0	0	31
Guinea	(85)	0	0	0	0	(85)
Kazakhstan	9.185	0	110.530	8.538	2.207	130.460
Libya	6	0	0	0	0	6
Malaysia	0	0	1.126	0	0	1.126
Morocco	(88)	0	0	0	(251)	(339)
Nigeria	84	0	42.009	(1.514)	(562)	40.017
Sierra Leone	(176.494)	0	166.155	0	751	(9.588)
Sudan	(200)	0	0	0	(100)	(300)
Tunisia	71	0	18.546	0	8	18.625
Turkey	0	0	0	0	7	7
Ukraine	1.096	0	32.329	0	3.096	36.521
Uganda	(4.680)	0	(60.705)	0	2.569	(62.816)
Zimbabwe	778	0	1.202	0	0	1.980
<b>Changes</b>	<b>18.472</b>	<b>(3.526)</b>	<b>416.579</b>	<b>13.008</b>	<b>24.336</b>	<b>468.870</b>

Revenues from sales and services include the value of the work completed and delivered to the Customer and other accessory revenue items concerning the core business which are of an on-going nature. They amounted to Euros 1.122.824 thousand in the financial year, of which Euros 477,262 thousand referred to the member companies of the Todini Costruzioni Group.

The revenues for work in progress concern dams and hydraulic works, energy generation installations, transport infrastructures and civil buildings. The increase is the result of the fully operational status of the contracts.

Other income mainly concerns the following:

- in Italy: services provided by seconded personnel amounting to Euros 1,338 thousand, sundry services and supplies amounting to Euros 326 thousand, sundry charges amounting to Euros 45 thousand, disposal of assets amounting to Euros 425 thousand, sundry re-invoiced costs amounting to Euros 4,721 thousand, real estate income amounting to Euros 516 thousand, recovery of tender costs amounting to Euros 166 thousand, insurance reimbursements amounting to Euros 681 thousand, use of risk provisions for legal disputes amounting to Euros 76 thousand and use of provisions for work-related reserves amounting to Euros 9,572 thousand;
- also referred to Italy, the item includes the use of the provision for country risks and relating to the Salini Impregilo joint-venture for Mukorsi Dam, amounting to Euros 6,442 thousand. In 2007 the Directors deemed it appropriate to establish a provision for country risks amounting to Euros 6,442 thousand in view of the country's internal situation and since it is not possible to foresee the timing to collect the amounts due from the Customer. On 8th April 2011 the Company signed the Addendum to the contract for the construction of the Mukorsi Dam, in which in addition to resuming the work, the Customer made an undertaking to pay all the outstanding arrears, amounting to approximately Euros 11,512 thousand, in 4 instalments and within 30th December 2011. Consequently, the Company used the fund during the financial year; to-date, the Company has received payments amounting to Euros 5,500 thousand in relation to these receivables and the next instalment, amounting to Euros 2,250 thousand will be paid within 30th June 2011;
- in Algeria: revenues from personnel amounting to Euros 66 thousand, insurance revenues amounting to Euros 244 thousand and other income totalling Euros 332 thousand;
- in Sierra Leone: revenues from personnel amounting to Euros 45 thousand and insurance reimbursements totalling Euros 842 thousand;
- in Tunisia: revenues for chargebacks and other income totalling Euros 112 thousand;
- in Ukraine: sundry income amounting to Euros 113 thousand, insurance reimbursements totalling Euros 16 thousand use of the provision for work-rated reserves totalling Euros 1,329 thousand;
- in Azerbaijan: capital gains from disposal of assets totalling Euros 22 thousand, sundry income amounting to Euros 429 thousand and insurance indemnities totalling Euros 174 thousand;
- in Dubai: income generated by charging back costs totalling Euros 1,269 thousand and insurance reimbursements amounting to Euros 209 thousand;

- in Georgia: capital gains from disposal of assets totalling Euros 14 thousand, insurance reimbursements amounting to Euros 4 thousand and other income amounting to Euros 665 thousand;
- in Ethiopia: revenues from personnel amounting to Euros 416 thousand, capital gains from disposal of assets totalling Euros 2,072 thousand and sundry charges amounting to Euros 199 thousand;
- in Kazakhstan: insurance reimbursements amounting to Euros 491 thousand, disposal of assets totalling Euros 146 thousand, revenues from personnel amounting to Euros 17 thousand and sundry charges totalling Euros 1,548 thousand;
- in Uganda: insurance reimbursements amounting to Euros 89 thousand, compensation for damages totalling Euros 1,907 thousand and other sundry charges amounting to Euros 743 thousand;

The breakdown of revenues by category can be summarised as follows:

	<i>Euro x 1'000</i>	
	31/12/10	31/12/09
Civil buildings	96.640	40.359
Roads and Motorways	491.923	101.805
Railways and underground transport	169.743	87.365
Hydroelectric power plants and Dams	330.320	422.681
Other	34.197	1.744



Algeria, Kramis Dam

The analysis of production shows the following costs classified by geographical area:

Costs of production by geographic area	For raw materials, supplies, consumables and goods for sale	For services	For use of assets owned by others	For staff costs
	B6	B7	B8	B9
Italy	17.003	65.854	2.748	27.129
Abu Dhabi	0	39	17	0
Bulgaria	14	107	77	37
Dubai	23.288	21.980	5.256	18.217
Ethiopia	57.247	58.139	1.865	23.690
Jordan	0	177	5	0
Kazakhstan	0	43	0	0
Libya	1	91	4	81
Malaysia	0	96	0	25
Morocco	0	719	(19)	121
Nigeria	18.663	14.045	143	5.682
Sierra Leone	10.844	6.888	642	3.505
Sudan	0	354	0	0
Turkey	2	122	92	231
Uganda	29.419	102.942	1.014	12.152
Zimbabwe	30	86	3	19
<b>Balance as at 31/12/09</b>	<b>156.511</b>	<b>271.682</b>	<b>11.847</b>	<b>90.889</b>
Italy	85.052	192.333	9.631	71.572
Albania	1.228	6.304	256	1.004
Algeria	1.673	7.685	347	4.290
Argentina	0	8	2	0
Azerbaijan	12.091	30.413	1.241	7.064
Abu Dhabi	0	36	74	59
Bulgaria	1	93	40	32
Dubai	7.209	16.939	1.720	11.717
Ethiopia	53.784	45.828	1.058	18.463
Jordan	0	34	5	0
Guinea	0	1	0	0
Greece	1	11	3	53
Georgia	78	7.859	121	979
Kazakhstan	37.695	88.933	2.065	7.979
Libya	3	341	124	485
Malaysia	0	371	34	71
Morocco	0	666	7	46
Moldavia	0	5	7	20
Nigeria	27.395	26.828	923	11.505
Romania	1	160	16	29
Sierra Leone	7.834	5.950	435	2.601
Tunisia	8.755	6.801	1.146	2.669
Turkey	6	212	92	247
Ukraine	10.961	10.280	679	2.500
Uganda	22.408	45.188	1.440	15.385
Zimbabwe	0	7	9	14
<b>Total as at 31/12/10</b>	<b>276.175</b>	<b>493.286</b>	<b>21.475</b>	<b>158.784</b>
Italy	68.049	126.479	6.883	44.443
Albania	1.228	6.304	256	1.004
Algeria	1.673	7.685	347	4.290
Argentina	0	8	2	0
Azerbaijan	12.091	30.413	1.241	7.064
Abu Dhabi	0	(3)	57	59
Bulgaria	(13)	(14)	(37)	(5)
Dubai	(16.079)	(5.041)	(3.536)	(6.500)
Ethiopia	(3.463)	(12.311)	(807)	(5.227)
Jordan	0	(143)	0	0
Guinea	0	1	0	0
Greece	1	11	3	53
Georgia	78	7.859	121	979
Kazakhstan	37.695	88.890	2.065	7.979
Libya	2	250	120	404
Malawi	0	0	0	0
Malaysia	0	275	34	46
Morocco	0	(53)	26	(75)
Moldavia	0	5	7	20
Nigeria	8.732	12.783	780	5.823
Romania	1	160	16	29
Sierra Leone	(3.010)	(938)	(207)	(904)
Sudan	0	(354)	0	0
Tunisia	8.755	6.801	1.146	2.669
Turkey	4	90	0	16
Ukraine	10.961	10.280	679	2.500
Uganda	(7.011)	(57.754)	426	3.233
Zimbabwe	(30)	(79)	6	(5)
<b>Change</b>	<b>119.664</b>	<b>221.604</b>	<b>9.628</b>	<b>67.895</b>

The costs of production disclose an aggregate increase compared to the previous financial year

## Chapter 03 / Explanatory Notes

Amortisation / depreciation and write-downs	Changes in stocks of raw materials, supplies, consumables and goods for sale	Amounts provided for risk provisions	Other provisions	Other operating charges	total
B10	B11	B12	B13	B14	
6.418	(190)	1.287	45	1.108	121.402
0	0	0	0	0	56
8	0	0	0	1	244
8.276	3.502	31	0	0	80.550
23.172	11.142	18	0	54	175.327
0	0	0	0	0	182
0	0	0	0	0	43
1	0	0	0	0	178
1	0	0	0	0	122
326	395	0	0	262	1.804
3.890	1.446	0	0	0	43.869
8.351	609	0	0	34	30.873
0	0	0	0	0	354
1	0	0	0	0	448
9.888	2.807	602	0	126	158.950
10	0	0	0	0	148
<b>60.342</b>	<b>19.711</b>	<b>1.938</b>	<b>45</b>	<b>1.585</b>	<b>614.550</b>
24.597	526	1.701	0	4.594	390.006
119	(221)	20	0	12	8.722
4.558	761	414	1.771	685	22.184
0	0	0	0	0	10
9.405	2.373	0	0	2.426	65.013
0	0	0	0	0	169
10	0	0	0	0	176
10.028	1.883	0	0	215	49.711
18.205	1.913	0	0	104	139.355
0	0	0	0	0	39
0	0	0	0	0	1
700	0	0	0	2	770
245	0	0	0	14	9.296
4.710	(15.462)	0	0	719	126.639
14	0	0	0	584	1.551
9	0	0	0	17	502
184	0	0	0	241	1.144
0	0	0	0	1	33
3.127	763	0	0	0	70.541
31	0	0	0	5	242
2.143	(533)	0	0	89	18.519
1.127	(1.942)	1.605	0	200	20.361
1	0	0	0	0	558
3.292	1.025	0	0	110	28.847
7.146	3.924	485	0	21	95.997
2	0	0	0	0	32
<b>89.653</b>	<b>(4.990)</b>	<b>4.225</b>	<b>1.771</b>	<b>10.039</b>	<b>1.050.418</b>
18.179	716	414	(45)	3.486	268.604
119	(221)	20	0	12	8.722
4.558	761	414	1.771	685	22.184
0	0	0	0	0	10
9.405	2.373	0	0	2.426	65.013
0	0	0	0	0	113
2	0	0	0	(1)	(68)
1.752	(1.619)	(31)	0	215	(30.839)
(4.967)	(9.229)	(18)	0	50	(35.972)
0	0	0	0	0	(143)
0	0	0	0	0	1
700	0	0	0	2	770
245	0	0	0	14	9.296
4.710	(15.462)	0	0	719	126.596
13	0	0	0	584	1.373
0	0	0	0	0	0
8	0	0	0	17	380
(142)	(395)	0	0	(21)	(660)
0	0	0	0	1	33
(763)	(683)	0	0	0	26.672
31	0	0	0	5	242
(6.208)	(1.142)	0	0	55	(12.354)
0	0	0	0	0	(354)
1.127	(1.942)	1.605	0	200	20.361
0	0	0	0	0	110
3.292	1.025	0	0	110	28.847
(2.742)	1.117	(117)	0	(105)	(62.953)
(8)	0	0	0	0	(116)
<b>29.311</b>	<b>(24.701)</b>	<b>2.287</b>	<b>1.726</b>	<b>8.454</b>	<b>435.868</b>

amounting to Euros 435,868 thousand, of which Euros 452,045 thousand is accounted for by Todini.

Income from equity investments C 15) - € 0

The change during the financial year is illustrated in the table below:

Income from equity investments	Balance as at 31/12/10	Balance as at 31/12/09	Changes
Areoponica Aprilia	0	67	(67)
Spoletto crediti e servizi Scrl	0	1	(1)
<b>Total income from equity investments</b>	<b>0</b>	<b>68</b>	<b>(68)</b>

Analysis of other financial income C 16) - € 15,037,773

The change in and the analysis of the other income deriving from financial transactions, entered under income statement item C 16 reflect the following values:

Financial income Item C 16	Balance as at 31/12/10	Balance as at 31/12/09	Changes
<b>a) from long-term receivables</b>	<b>454</b>	<b>6</b>	<b>448</b>
<b>from other companies and third parties</b>			
- for interest income on giro accounts:	5	4	1
- Other	8	1	7
	<b>13</b>	<b>5</b>	<b>8</b>
<b>- for sundry financial income:</b>			
Contributions / Interest on loans	1.151	369	782
Bank interest income	2.662	383	2.279
	<b>3.813</b>	<b>752</b>	<b>3.061</b>
Arrears interest - Ministry of Treasury sentence	0	175	(175)
Increase in provision for arrears interest - Ministry of Treasury sentence	144	(204)	348
Interest from customers	8.286	5.156	3.130
Increase in provision for arrears interest from customers	2.320	383	1.937
Use of provision for arrears interest	0	(145)	145
Other	-	765	(765)
<b>Total c</b>	<b>14.576</b>	<b>6.887</b>	<b>7.689</b>
	<b>15.038</b>	<b>6.893</b>	<b>8.145</b>

The item shows an increase of Euros 8,145 thousand essentially referable to the increase in interest income from banks amounting to Euros 2,662 and interest for delayed payment by Customers that amount to Euros 8,055 thousand in Ethiopia, Euros 71 thousand in Sierra Leone and for the Todini contracts totalling Euros 159 thousand.

*Interest expenses and financial charges C 17) - € (25,638,683)*

The breakdown and the details of the interest expenses and financial charges reported under income statement item C 17, shows the following:

<b>Interest expenses and financial charges</b>	Balance as at 31/12/10	Balance as at 31/12/09	Changes
<b>a) charged by subsidiary companies:</b>			
- for interest on running accounts and other:	4	1	3
<b>total a)</b>	<b>4</b>	<b>1</b>	<b>3</b>
<b>c) charged by other companies or third parties</b>			
Banks for current account overdrafts and loans	13.551	5.002	8.549
Factoring	576	0	576
Banks for mortgages	4.512	203	4.309
Other	1.236	0	1.236
<b>sub - total</b>	<b>19.875</b>	<b>5.205</b>	<b>14.670</b>
Charges on sureties	744	0	744
Bank commissions	353	286	67
Charges on derivative products	1.005	205	800
<b>sub - total</b>	<b>2.102</b>	<b>491</b>	<b>1.611</b>
Leasing	2.996	1.557	1.439
Other	662	2.923	(2.261)
<b>sub - total</b>	<b>3.658</b>	<b>4.480</b>	<b>(822)</b>
<b>total c)</b>	<b>25.635</b>	<b>10.176</b>	<b>15.459</b>
<b>GRAND TOTAL (a+b+c)</b>	<b>25.639</b>	<b>10.177</b>	<b>15.462</b>

The most significant items comprise the following:

- interest due to banks for current account overdrafts and loans (increased by Euros 8,549 thousand) relate to the Parent Company and its branches for Euros 3,520 thousand, to its subsidiaries Zeis S.r.l. amounting to Euros 178 thousand, Salini Nigeria Ltd. totalling Euros 3,750 thousand, Metro B1 S.c. a r.l. amounting to Euros 624 thousand and Todini Costruzioni Generali S.p.A. amounting to Euros 5,479 thousand.
- interest due to banks for mortgage overdrafts (increased by Euros 4,309 thousand) relate to the Parent Company and its branches for Euros 1,839 thousand, to its subsidiaries Zeis S.r.l. amounting to Euros 855 thousand and Todini Costruzioni Generali S.p.A. amounting to Euros 1,818 thousand.
- The item “other” increased during the financial year by Euros 1,236 thousand and mainly includes arrears interest due to the Inland Revenue totalling Euros 221 thousand, Euros 233 thousand for interest on factoring transactions and Euros 649 for arrears interest to suppliers and/or sub-contractors.

*Exchange rate gains and losses C 17-bis) - € 1,802,072*

The details of exchange rate gains and losses are shown in the table below:

<b>Exchange rate gains and losses</b>	Balance as at 31/12/10	Balance as at 31/12/09	Changes
Exchange rate gains			
- from valuations	18.933	10.722	8.211
- from disposals during the financial year	41.677	23.762	17.915
	<b>60.610</b>	<b>34.484</b>	<b>26.126</b>
Exchange rate losses			
- from valuations	(21.776)	(15.489)	(6.287)
- from disposals during the financial year	(40.636)	(18.218)	(22.418)
	<b>(62.412)</b>	<b>(33.707)</b>	<b>(28.705)</b>
<b>Total</b>	<b>(1.802)</b>	<b>777</b>	<b>(2.579)</b>

To supplement the information presented in the table, it is important to note that the unrealised component reflects a negative balance amounting to Euros 2,843 thousand. Exchange rate gains and losses from valuation disclose the adjustment of foreign currency receivables and payables to the exchange rate applicable at year-end.



Italy, Bari Underground

*Value adjustments in respect of financial investments D - € (1,161,477)*

The analysis of the value adjustments in respect of financial investments discloses the following values:

<b>Rivalutazioni ex art. 2426 n° 4 c.c. Rivalutazioni di partecipazioni</b>	Balance as at 31/12/10	Balance as at 31/12/09	Changes
<b>- In Zeis S.r.l.</b>			
Plus S.r.l.	0	2	(2)
Casada S.r.l.	153	157	(4)
<b>- In Todini Costruzioni Generali S.p.A</b>			
CPR 3 Consortium	1	0	1
CPR 2 Consortium	2	0	2
Rupe di Orvieto scarl in liquidation	6		6
Variante di Valico scarl in liquidation	2	0	2
<b>Total</b>	<b>164</b>	<b>159</b>	<b>5</b>

<b>Write-downs of equity investments, Write-downs pursuant to Article 2426, sub-section 4 of the Italian Civil Code</b>	Balance as at 31/12/10	Balance as at 31/12/09	Changes
Consal Snc in liq.	0	7	(7)
GR. Italgisas (Morocco)	0	1	(1)
Risalto S.r.l. (amount allocated to provision)	0	1	(1)
<b>in Zeis S.r.l. :</b>			
Dirlan	2	0	2
Plus	32	0	32
Imm.re Marinella	54	23	31
<b>- In Todini Costruzioni Generali S.p.A</b>			
Albacem 2007	78	0	78
Cogeca scarl in liquidation	24	0	24
Groupment Todini Hamila	1.008	0	1.008
Bata 91 scrl in liquidation	1	0	1
Colle Todì scarl in liquidation	2	0	2
Cons. Astaldi Fedeci Todini Kramis	0	0	0
Cons. per il Nucleo Balvano in liquidation	57	0	57
Consorio.Kallidromo	2	0	2
Corina scarl in liquidation	24	0	24
Irina Srl in liquidation	20	0	20
Risalto srl in liquidation	1	0	1
Rupe di Orvieto scarl in liquidation	20	0	20
<b>Total</b>	<b>1.326</b>	<b>32</b>	<b>1.294</b>
<b>BALANCE OF ADJUSTMENTS IN VALUE IN RESPECT OF FINANCIAL INVESTMENTS</b>	<b>(1.162)</b>	<b>127</b>	<b>(1.289)</b>

*Extraordinary income and charges 20) / 21) - € (3,446,724)*

The details for extraordinary income and charges are shown in the table below:

<b>Extraordinary income</b>	Balance as at 31/12/10	Balance as at 31/12/09	Changes
<b>1) Capital gains from disposals:</b>			
Equity investments/Assets	20	0	20
<b>Total</b>	<b>20</b>	<b>0</b>	<b>20</b>
<b>2) Sundry:</b>			
Use of provision for doubtful accounts pertaining to investee companies	26	0	26
Contingent assets - Italy	1.719	538	1.181
Non-existent liabilities	115	144	(29)
Extraordinary Tax Management Provision	3	169	(166)
Other	1.042	4	1.038
<b>Total</b>	<b>2.904</b>	<b>855</b>	<b>2.049</b>
<b>Total extraordinary income</b>	<b>2.924</b>	<b>855</b>	<b>(2.236)</b>
<b>Extraordinary charges</b>			
<b>1) Capital losses from disposals:</b>			
Change in accounting standard - equity investments valued at equity - effect from 1st January 2010	24	0	24
Equity investments	0	80	(80)
Sundry	75	0	75
	<b>99</b>	<b>80</b>	<b>19</b>
<b>2) Sundry</b>			
Taxes referred to prior financial years	2.917	329	2.588
Other contingent liabilities	3.376	190	3.186
<b>Total</b>	<b>6.293</b>	<b>519</b>	<b>5.774</b>
<b>Total extraordinary charges</b>	<b>6.391</b>	<b>599</b>	<b>5.792</b>
<b>Total extraordinary items</b>	<b>(3.468)</b>	<b>256</b>	<b>(3.724)</b>

The item has decreased by Euros 3,724 thousand compared to the previous financial year.

Taxes referred to prior financial years relate to the expense incurred for the definition of the assessments, pursuant to Article 6 and following articles of Legislative Decree No. 218/1997, set out in the report of findings dated 28th May 2009 prepared by the Italian tax police relating to the 2005, 2006 and 2007 financial years for the portion exceeding the amounts already allocated in the prior financial years as deferred taxes on the capital gains relating to the receivables acquired by the subsidiary Salini Nigeria Ltd.

*Income taxes on the income of the period 22) - € 22,278,786*

Current taxes increased by Euros 5,562 thousand and the amounts detailed below were assessed on the basis of the applicable laws and regulations:

	Corporate Income Tax (IRES)	Regional Business Tax (IRAP)	Income Tax	TOTAL
Todini Costruzioni Generali S.P.A.	4.346	1.727		<b>6.108</b>
Salini Costruttori SpA	1.921	656		<b>2.577</b>
COGEMA SpA	200	94		<b>294</b>
ZEIS Srl	1.057	332		<b>1.389</b>
Salini Hydro			2.899	<b>2.899</b>
RIMATI SCARL	212	48		<b>260</b>
METRO B1 SCARL	177	445		<b>622</b>
SALINI NIGERA LTD			639	<b>639</b>
SALINI MALAYSIA			176	<b>176</b>
MADONNA DEI MONTI			4	<b>4</b>
<b>Total</b>	<b>7.913</b>	<b>3.302</b>	<b>3.718</b>	<b>14.968</b>

The adjustment of the timing differences between assets and liabilities disclosed in the financial statements and the corresponding tax values entailed recognising the following values:

Net prepaid/deferred taxes - Corporate Income Tax (IRES)	27
Net prepaid/deferred taxes - Regional Business Tax (IRAP)	(410)
Prepaid taxes on tax losses	(2.737)
Net prepaid/deferred taxes - Abroad	(4.191)
<b>Economic effect</b>	<b>(7.311)</b>

The description of the above-mentioned timing differences is provided in Annex 3)a and Annex 3)b.

The reconciliation between the disclosed tax (current and deferred) and the theoretical tax determined by applying the current tax rate (27.5%) to the pre-tax profit, solely for Corporate Income Tax (IRES) purposes, is as follows:

	2009		2010	
A) Pre-tax net income	37,346,777		55,373,800	
B) Theoretical taxes	(10,270,364)	27.5%	(15,277,795)	27.5%
C) Net permanent differences	2,193,732		3,585,852	
D) Balance for deferred taxes	(360,663)		(7,310,592)	
E) Effective Corporate Income Tax (IRES) (B + C)	(8,076,632)	21.6%	(11,641,943)	21.0%
F) Regional Business Tax (IRAP) and other taxes	(1,239,693)	3.3%	(3,326,251)	6.0%
G) Income taxes on the income of the financial year (E + F)	(9,316,325)	24.9%	(14,968,194)	27.0%
H) Net income for the financial year (A + D + G)	27,669,789		33,095,014	

*Number of employees*

The number of employees at year-end, also taking into account the portion of staff involved in work carried out under joint ventures, is shown in the table below:

<b>Number of employees</b>	<b>Total</b>
Executives	85
Office workers	1.898
Blue-collar workers	10.890
<b>Total</b>	<b>12.873</b>

*Fees payable to Directors and Statutory Auditors*

The amount of the fees payable to the Directors and Statutory Auditors referred to 2010 is detailed in the table below:

<b>Fees payable to Directors and Statutory Auditors</b> (amounts expressed in thousand)	Amounts pertaining to the financial year	Amounts paid during the financial year
Board of Directors	384	296
Directors with special functions	2.483	2.330
Board of Statutory Auditors	281	281



Sierra Leone, Masiaka-Bo Road

*Fees paid to independent auditing company*

The amount of the fees paid to the independent auditing company referred to 2010 is shown in the table below:

<b>Fees paid to the independent auditing company</b> (amounts expressed in thousand)	Amounts pertaining to the financial year
Auditing services	819
Other services	138

On 25th June 2010 the Shareholders' Meeting appointed the independent auditing company Reconta Ernst & Young S.p.A. to audit the accounts and to perform the control activities, as set out under Article 2409-bis of the Italian Civil Code and under Article 14 of Legislative Decree No. 39 dated 27th January 2010.

*Other information requested under Article 2427 of the Italian Civil Code*

Pursuant to Article 2427, paragraph 6-bis, it is confirmed that no significant changes occurred in the exchange rates adopted in these financial statements after year-end.

Pursuant to Article 2427, paragraph 6-ter, it is confirmed that no receivables or payables relating to transactions which foresee the buyer having an obligation to repurchase are reported in the financial statements.

*Information on transactions with related parties*

Transactions with related parties essentially concern the exchange of goods, the provision of services, funding and use of financial means with its subsidiaries, associated companies and other investee companies, in addition to optimising the Group's centralised cash management activities and fall within the normal course of the Group companies activities and are performed at normal market conditions. As clarified by the national legislator, in order to identify and present the related parties, reference has been made to the definition of "related party" as envisaged by international accounting standard IAS 24. The list of these transactions is detailed in Annex 3.

The Chairman

Ethiopia, Beles Hydroelectric Power Plant



# ANNEX

## To The Consolidated Financial Statements

Annex no. 1)

**CASH FLOW STATEMENT USING DIRECT METHOD**

(euro / 000)	2009	2010
<b>A - Cash flows generated by operating activities</b>		
Pre-tax profit	<b>37.347</b>	<b>55.374</b>
Taxes paid	(8.008)	(12.052)
<b>Sub total</b>	<b>29.339</b>	<b>43.321</b>
<b>Adjustments for non-monetary costs and revenues:</b>		
Amortisation and depreciation for the financial year	53.538	85.254
Amount allocated to provisions for risks and charges	1.983	5.995
Employee severance indemnity	2.194	4.529
Effects of valuation of investee companies	(127)	1.161
<b>Sub total</b>	<b>86.926</b>	<b>140.261</b>
<b>Variations in operating assets and liabilities (Working Capital)</b>		
Trade receivables	111.777	(98.556)
Warehouse inventories	21.942	(25.313)
Buildings in course of construction	(4.543)	(36.345)
Remaining part of work (cost to cost)	(288.963)	(2.351.562)
Payments on account from Customers (Interim Payment Certificate)	118.116	2.107.418
Advance payments from Customers	(20.924)	137.180
Trade payables	(16.337)	190.272
Provisions for risks and charges	(1.877)	(2.026)
Employee Severance Indemnity	(2.477)	(3.007)
Other operating assets	50.197	(138.233)
Other operating liabilities	(5.655)	53.107
Effects of exchange rates on net working capital	22.535	12.639
<b>Sub total</b>	<b>(16.210)</b>	<b>(154.425)</b>
<b>TOTAL A</b>	<b>70.717</b>	<b>(14.164)</b>
<b>B - Cash flows generated by investment activities:</b>		
Net investment in intangible fixed assets	(7.913)	(42.656)
Net investment in tangible fixed assets	(843)	(111.970)
Variations in equity investments	(360)	(13.602)
Variations in equity investment financing	(3.303)	(7.305)
Variations in shareholders' equity pertaining to minority interests	(60)	17.385
<b>TOTAL B</b>	<b>(12.479)</b>	<b>(158.006)</b>
<b>C - Cash flows generated by financing activities</b>		
Dividends paid	(10.829)	(10.829)
Variation in financial debts (leasing)	(18.988)	31.909
Variation in amounts due to banks	60.837	193.609
Variation in amounts due to the third-party shareholders for loans (in CDP Engineering)	0	2.956
<b>TOTAL C</b>	<b>31.019</b>	<b>217.645</b>
<b>TOTAL CASH FLOWS (A + B + C)</b>	<b>89.258</b>	<b>45.475</b>
Opening balance of cash at bank and in hand	81.531	170.789
Closing balance of cash at bank and in hand	170.789	216.264
<b>ANNUAL VARIATION IN CASH AT BANK AND IN HAND</b>	<b>89.258</b>	<b>45.475</b>

## Annex no. 2)

Country	Currency	Abbreviation	Exchange rate as at 31/12/2010	Average annual exchange rate - Italian foreign-exchange office (U.I.C.)
Albania	Lek	ALL	138,860000	137,733000
Algeria	Algerian Dinar	DZD	99,261200	98,091100
Argentina	Argentinian Peso	ARS	5,309940	5,185600
Bulgaria	New Lev	BGN	1,955800	1,955800
Azerbaijan	Azerbaijan Manat	AZN	1,067390	1,064340
Arab Emirates	Arab Emirates Dirham	AED	4,907810	4,869250
Ethiopia	Birr	ETB	22,222300	19,207500
Georgia	Lari	GEL	2,369880	2,362060
Japan	Japanese Yen	JPY	108,650000	116,239000
Jordan	Jordan Dinar	JOD	0,947366	0,939933
Guinea Conacry	French Guinea	GNF	8129,370000	7584,610000
Libya	Libyan Dinar	LYD	1,676060	1,678160
Malawi	Kwacha	MWK	202,955000	199,768000
Morocco	Morocco Dirham	MAD	11,179800	11,156100
Moldavia	Moldavian Leu	MDL	16,240000	16,383700
Nigeria	Naira	NGN	203,444000	200,252000
United Kingdom	Pound Sterling	GBP	0,860750	0,857844
Romania	New Leu	RON	4,262000	4,212160
Sierra Leone	Leone	SLL	5609,380000	5272,860000
United States	US Dollar	USD	1,336200	1,325720
Sudan	Sudanese Pound	SDG	3,346180	3,089290
Switzerland	Swiss Franc	CHF	1,250400	1,380340
Tunisia	Tunisian Dinar	TND	1,921480	1,896120
Uganda	Ugandan Shilling	UGX	3086,400000	2888,130000
Turkey	Turkish Lira	TRY	2,069400	1,996550
Zimbabwe	Zimbabwe dollar	ZWD	483,571000	479,777000
Malaysia	Ringitt	MYR	4,095000	4,266790
Kazakhstan	Kazakhstan Tenge	KZT	196,964000	195,360000
Ukraine	Hryvnia	UAH	10,625400	10,538600

## Annex no. 3)

**Relations with other related parties as at 31/12/2010 (€/000)**

	RECEIVABLES	PAYABLES	COSTS services	REVENUES
Board of Directors		226	489	
Directors with special functions		33	2423	
Board of Statutory Auditors		393	479	
Executives with strategic functions		1148	1423	
<b>Total</b>	<b>0</b>	<b>1.800</b>	<b>4.814</b>	<b>0</b>

**Related parties as at 30/06/2010 (€/000)**

	RECEIVABLES	PAYABLES	COSTS	REVENUES
<b>Long-term financial assets</b>				
Cogefin	6.800			
Astaldi Federici Todini Kramis Consortium	1.240			
Keff-Eddir	676			
Astaldi Federici Todini Consortium	375			
CORINA SCARL IN LIQUIDATION	72			
Sedi s.c.a.r.l.	22			
BATA SRL	4			
TORMINI SCARL	5			
<b>Total</b>	<b>9.194</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Amounts receivable/payable to associated companies**

	RECEIVABLES	PAYABLES	COSTS	REVENUES
ALBURNI	180	-228	4	6
COGEFIN	5	-4.814		
COLLE TODI	235		6	7
AFT Consortium in liquidation	741	-525		
AFT Kramis Consortium	3.126	-758		
CPR2 CONSORTIUM	66	-76	20	
CPR3 CONSORTIUM	3.201	-453	338	
Kallidromo Consortium	569	-38		
Pizzarotti Todini Kef Eddir Consortium	3.704	-10.682		
UMBRIA SANITA' CONSORTIUM'	125	-10		
CORINA	31	-33		
GALILEO	30	-320	49	6
Irrigazione Furore		-22		
IRINA	62	-22		
RISALTO SRL IN LIQUIDATION	19	-37		
RUPE DI ORVIETO	142	-7	1	6
SEDI SCARL	49	-29		
TORMINI	53	-178	106	7
TRASIMENO SCARL	11			
VALICO SCARL	62		4	7
CON.SAL. S.c.n.c.	43	-160		
Forum S.c.r.l.		-166		
J.V. Salini - Acciona Etiopia	2.224			
Group. Salini - Strabag Guinea	164			
Groupment Italgisas	740			
Ital.Sa.Gi. sp.zo.o.	47			
Cediv Spa	17			17
G.A.B.I.RE srl	3			3
CO.GE.FIN srl	6			6
<b>Total</b>	<b>15.655</b>	<b>-18.558</b>	<b>528</b>	<b>65</b>

**Amounts receivable/payable to other companies**

Todini Finanziaria SpA		-5.000		
<b>Total</b>	<b>0</b>	<b>-5.000</b>	<b>0</b>	<b>0</b>
<b>Total Related Parties</b>	<b>24.849</b>	<b>-23.558</b>	<b>528</b>	<b>65</b>

## Annex no. 3)a

## Statement of deferred taxes

	AMOUNT OF TIMING DIFFERENCES 2009	TAX EFFECT ON 2009 FINANCIAL YEAR			
		CORPORATE INCOME TAX (IRES) 27.5%	INCOME TAX 30%	EDUCATION LEVY 2%	REGIONAL BUSINESS TAX (IRAP)*
<b>Timing difference gains</b>					
taxed provisions for risks	33.367.378	9.170.529	-	-	129.588
maintenance expenses	23.914.209	6.576.408	-	-	203.791
statutory - tax mismatches	3.573.740	982.778	-	-	138.306
pre-consolidated adjustments	2.139.162	588.270	-	-	96.076
non-deductible interest expenses	1.627.252	447.494	-	-	-
valuation changes	3.240.776	891.213	-	-	-
other minor timing differences	147.053	40.439	-	-	1.165
<b>Total timing difference gains = A</b>	<b>68.009.570</b>	<b>18.697.132</b>	<b>-</b>	<b>-</b>	<b>568.925</b>
<b>Timing difference losses</b>					
capital gains	6.488.640	1.784.376	-	-	146.129
tax - statutory mismatches	4.855.971	1.335.392	-	-	16
financial method to evaluate leasing costs	21.770.582	5.986.910	-	-	957.894
rettifiche di preconsolidato	802.440	-	226.350	32.890	-
<b>Total time difference losses = B</b>	<b>33.917.633</b>	<b>9.106.678</b>	<b>226.350</b>	<b>32.890</b>	<b>1.104.039</b>
Tax losses	9.210.203	1.512	2.761.411	-	-
<b>Total prepaid taxes on tax losses = C</b>	<b>9.210.203</b>	<b>1.512</b>	<b>2.761.411</b>	<b>-</b>	<b>-</b>
<b>Total net prepaid/deferred taxes A - B + C</b>	<b>43.302.140</b>	<b>9.591.965</b>	<b>2.535.062</b>	<b>(32.890)</b>	<b>(535.114)</b>
<b>Economic effect</b>					
Net deferred taxes charged to income statement		4.810.845	(7.334.773)	(593.995)	(1.791)
Prepaid taxes on tax losses		(2.360)	2.761.411	-	-
<b>Deferred taxes for the financial year charged to income statement</b>		<b>4.808.485</b>	<b>(4.573.362)</b>	<b>(593.995)</b>	<b>(1.791)</b>

(\*) The rates vary depending on the activity performed

## Annex n. 3)b

## Statement of different taxes

	AMOUNT OF TIMING DIFFERENCES 2010	TAX EFFECT ON 2010 FINANCIAL YEAR			
		CORPORATE INCOME TAX (IRES) 27.5%	INCOME TAX 30%	EDUCATION LEVY 2%	REGIONAL BUSINESS TAX (IRAP)*
<b>Timing difference gains</b>					
taxed provisions for risks	45.532.641	12.515.976	-	-	734.945
maintenance expenses	42.479.280	11.681.802	-	-	119.519
statutory-tax mismatches	6.559.457	1.803.851	-	-	285.540
pre-consolidated adjustments	3.137.298	862.757	-	-	142.786
non-deductible interest expenses	75.978	20.894	-	-	-
valuation changes	13.112.364	3.605.900	-	-	-
other minor timing differences	4.710.422	1.295.366	-	-	183.599
<b>Total timing difference gains = A</b>	<b>115.607.440</b>	<b>31.786.546</b>	-	-	<b>1.466.388</b>
<b>Timing difference losses</b>					
capital gains	4.352.275	1.196.876	-	-	140.482
tax-statutory mismatches	9.960.369	2.739.101	-	-	3.360
financial method to value leasing costs	25.093.754	6.900.782	-	-	1.104.113
pre-consolidated adjustments	18.705.151	1.544.184	3.911.742	280.984	277.308
<b>Total timing difference losses = B</b>	<b>58.111.549</b>	<b>12.380.944</b>	<b>3.911.742</b>	<b>280.984</b>	<b>1.525.263</b>
Tax losses	94.573	26.008	-	-	-
<b>Total prepaid taxes on tax losses = C</b>	<b>94.573</b>	<b>26.008</b>	-	-	-
<b>Total net prepaid/deferred taxes A - B + C</b>	<b>57.590.464</b>	<b>19.431.610</b>	<b>(3.911.742)</b>	<b>(280.984)</b>	<b>(58.875)</b>
<b>Economic effect</b>					
Net deferred taxes charged to income statement		27.289	(3.943.358)	(248.094)	(409.527)
Prepaid taxes on tax losses		24.496	(2.761.411)	-	-
<b>Deferred taxes for the financial year charged to income statement</b>		<b>51.785</b>	<b>(6.704.762)</b>	<b>(248.094)</b>	<b>(409.527)</b>

(\*) The rates vary depending on the activity performed



# AUDIT REPORT

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**Independent auditors' report  
pursuant to art. 14 of Legislative Decree n. 39 dated 27 January 2010  
(Translation from the original Italian text)**

To the Shareholders of  
Salini Costruttori S.p.A.

1. We have audited the consolidated financial statements of Salini Costruttori S.p.A. and its subsidiaries, (the "Salini Costruttori Group") as of and for the year ended 31 December 2009. The preparation of these financial statements in compliance with the Italian regulations governing financial statements is the responsibility of Salini Costruttori S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. Our audit was made in accordance with auditing standards issued by the Italian Accounting Profession (CNDCEC) and recommended by the Italian Stock Exchange Regulatory Agency (CONSOB). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

For our opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes as required by the law, reference should be made to our report dated 7 June 2010.

3. In our opinion, the consolidated financial statements of the Salini Costruttori Group as of and for the year ended 31 December 2010 have been prepared in accordance with the Italian regulations governing financial statements; accordingly, they present clearly and give a true and fair view of the financial position of the Salini Costruttori Group as of 31 December 2010 and the results of its operations for the year then ended.
4. As described by Salini Costruttori's management in both the explanatory notes and the directors' report, the Court of Rome, with decrees of first instance n. 3940/2006 and n. 9904/2007 annulled the resolutions of the Salini Costruttori S.p.A. shareholders' meetings for approval of the financial statements as of 31 December 2003 and 2002 and for the years then ended, respectively and for distribution of dividends. The Company filed appeal against these rulings.
5. Salini Costruttori's management describes in the director's report the acquisition of a 60% stake in Todini Costruzioni Generali S.p.A., which was completed on 15 January 2010. The economic and financial effects resulting from the inclusion of Todini Costruzioni Generali SpA and its subsidiaries in the consolidation at December 31, 2010 are widely discussed in the explanatory notes and directors' report.

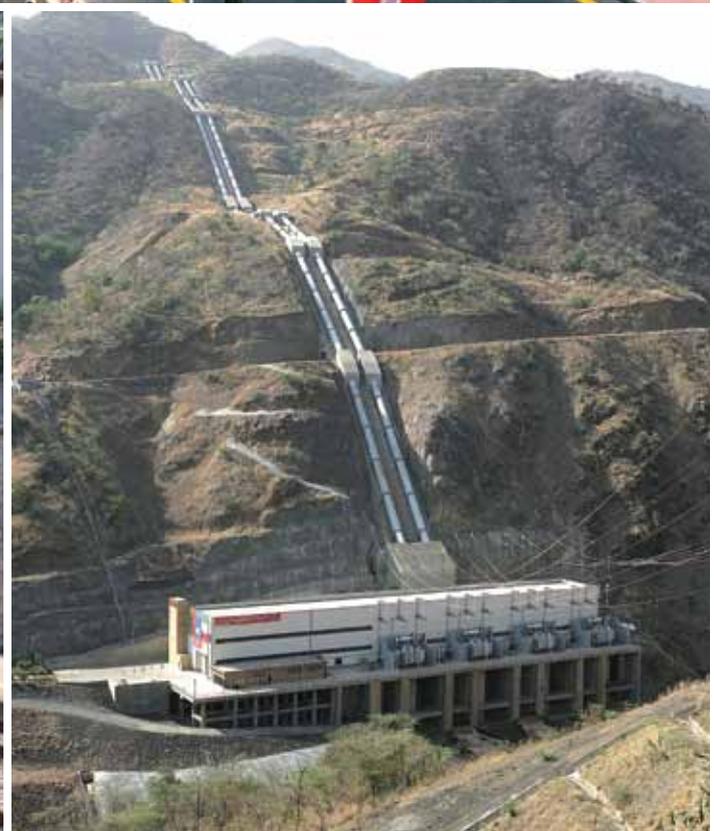
6. The management of Salini Costruttori S.p.A. is responsible for the preparation of the report on operations in accordance with the applicable laws. Our responsibility is to express an opinion on the consistency of the report on operations with the financial statements, as required by law. For this purpose, we have performed the procedures required under auditing standard 001 issued by the Italian Accounting Profession (CNDCEC). In our opinion the report on operations is consistent with the consolidated financial statements of the Salini Costruttori Group as of and for the year ended 31 December 2010.

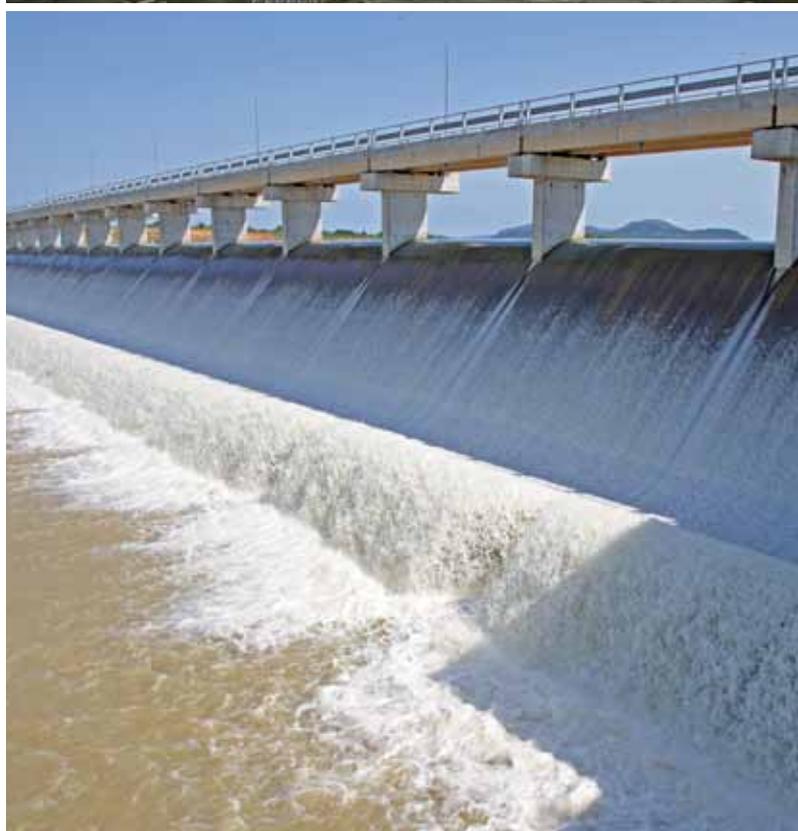
Roma, 7 June 2011

Reconta Ernst & Young S.p.A.

Salvatore Florena  
(Partner)

A handwritten signature in blue ink, appearing to read 'Salvatore Florena', is written over the typed name and title.





***salini***  
COSTRUTTORI





**salini**  
COSTRUTTORI