



Consolidated Financial **Statements** 2011

salini
COSTRUTTORI

	<i>Chief Executive Officer's letter</i>	4
01.	DIRECTORS' REPORT	
01.1	Corporate bodies	9
01.2	Group summary	11
01.2.1	Key income and financial position figures of the Group	11
01.2.2	Macroeconomic scenario and reference markets	16
01.2.3	Sustainable development	18
01.2.4	Quality, Safety and Environment	20
01.2.5	Corporate Governance.....	21
01.2.6	Human Resources.....	22
01.2.7	Research and development.....	23
01.3	Operating performance	25
01.3.1	Analysis of the Group's income, financial position and cash flow.....	25
01.3.2	The Group today: summary of consolidated financial information	25
01.3.3	Group income and operating performance	26
01.3.4	Financial results	28
01.3.5	Reclassified consolidated statements	30
01.3.6	Financial risk management	31
01.3.7	Project Backlog	34
01.3.8	Business performance by geographical area	35
01.3.8.1	Abroad	35
01.3.8.2	Italy	41
01.3.9	Main Group companies	43
01.3.9.1	Salini Costruttori S.p.A. (Parent Company).....	43
01.3.9.2	Todini Costruzioni Generali S.p.A.....	47
01.4	Other information	51
01.4.1	Treasury shares	51
01.4.2	Management and coordination.....	51
01.4.3	Statutory audit.....	51
01.4.4	Information on transactions with related parties	51
01.4.5	Exercise of the tax consolidation option for IRES (Corporate Income Tax) ..	52
01.4.6	Subsequent events	52
01.4.7	Business outlook	53
02.	CONSOLIDATED FINANCIAL STATEMENTS	55
02.1	Consolidated Financial Statements	57
02.2	Explanatory notes	67
02.2.1	Consolidation scope and criteria.....	68
02.2.2	Valuation criteria.....	72
02.2.3	Comments on the composition of the main items on the statement of financial position and the income statement	77
02.2.4	Memorandum accounts	131
02.2.5	Income statement	132
02.3	Annexes to the explanatory notes	151
02.3.1	Cash flow statement	151
02.3.2	Exchange rates used for the consolidation	152
02.3.3	Statement of deferred Income taxes	153
03.	AUDITORS' REPORT	156

Mission

“ The Salini Group is an international general contractor specialising in the construction of major, complex works throughout the world. Inspired by the principles of sustainable development, the Group leverages technological and organisational innovation as well as its extraordinary human and professional resources to develop construction solutions capable of enhancing the resources of communities and contributing to the economic and social improvement of nations. ”

Chief Executive Officer's letter



Dear Shareholders,

The 2011 results are a reason for great satisfaction for the Salini Group with revenues topping €1,400 million for the first time, consolidating the growth trend begun in 2006, with returns that are more than three times what they were then. Despite the persistence of a complex global context, characterised by uncertainty and turbulence, operating performance grew year on year thanks to the contribution of all the local divisions into which our construction business is articulated.

The Group's order book, which is the driver for our future development, reached a record amount of €10.4 billion at 31 December 2011, ensuring the continuation of significant growth in the next four years as well, as provided for in the 2012-2015 Business Plan, approved by the Board of Directors on 16 December.

All of this confirms the validity of our business vision and of the strategic choices undertaken until now. The references acquired by the Group in the execution of large complex projects are the result of the continual attention that we devote to the development of managerial skills and the workforce, thanks to which, today, we can boast levels of excellence in the sector, clearly demonstrable through the ability to execute and deliver projects at pre-set times, observing planned profitability criteria due also to careful and scrupulous risk management.

The continued expansion of the Group's industrial activities in 2011 had immediate positive effects on employment growth in Italy and abroad; in fact, the headcount increased by 2,635 employees (+20.5%), going from 12,873 employees at 31 December 2010 to 15,508 employees at 31 December 2011.

Compared to 2010, the Group saw turnover grow by about 28%, reaching the record level of €1,433 million, mainly as a result the Grand Ethiopian Renaissance Dam-GERD (Ethiopia), Cityringen (Denmark) and Kyzilorda (Kazakhstan) projects, in a macroeconomic context characterised by a high degree of uncertainty and which included the year 2010 which, per se, set a very high benchmark as a result of the merger of Todini.

The Group's profitability has confirmed the satisfactory levels achieved despite difficult macroeconomic and competition scenarios; similarly, the return on working capital continues to rank at top levels compared to major international construction companies, further strengthening the Group's financial structure, which has achieved positive financial net debt of €34 million, also taking into account the €123 million investment in Impregilo shares.

The growth trend in operating income in 2011 was accompanied by intense activity pursuing and opting for new business opportunities, which led to the obtainment of new commissions worth approximately €1.4 billion and the achievement of a new record in terms of the order book.

The extraordinary size and quality of the order book, as well as the experience of the merger with Todini Costruzioni Generali, have also enabled us to undertake a strategy of further growth through external lines, currently in the process of being implemented. In 2011, in fact, Salini initiated a significant strategic investment in Impregilo, for years the undisputed leader in our sector, coming to acquire a significant stake in its capital, currently standing at 29.23%*. The investment is prompted by our intention to breathe life, together with Impregilo, into a National Champion with an international presence in the large projects sector, a player with a size on the scale necessary to compete more effectively with the main competitors, also significantly increasing the scope of the Group's activities.

On 23 April 2012 we thus explained our 2012-15 Business Plan to the financial community, a plan which provides, without any extraordinary transactions, for the achievement of a level of sales of about €3 billion in 2015, i.e. a minimum growth expectation of over 110% compared to 2011 (greater than the 20% annual average). Seventy percent of the turnover to be achieved in the plan period will derive from projects already acquired at the end of 2011. The forecast results will benefit from effective geographical diversification. A significant contribution to the recent development is based on the Group's solid competitive positioning in certain geographical areas with high potential, such as Africa and Asia, which today account for 64% of the Group's total revenues; the construction sector on the two continents is expected to grow further with a 2011-2015 CAGR of 9.4% and 11%, respectively, far higher than the expected growth in the sector in Italy (2%) and in the rest of Europe (5.3%).

Starting from these solid fundamentals, Salini, at the same time presented, a business plan in support of the proposed merger with Impregilo. Our goal is to create a more competitive company by operating on the market with a size and credit rating suitable for competing in the construction sector worldwide. With the support of independent experts, the Group has also developed business strategies, an advanced corporate governance structure, and an implementation plan for building a true National Champion in construction.

Today more so than in the past, the Group is ready to face new challenges and to make a leap in size that will allow it to seize the innumerable opportunities offered on the international scene, to better develop business, skills, employment, diversification of risks and the creation of value for shareholders and for all of our stakeholders. ”

Pietro Salini
Chief Executive Officer

* Updated figure in the disclosures made by intermediaries for purposes of participating in the Impregilo Shareholders' Meeting on 28/05/2012



Chapter 01
Report on Operations

Chapter 01.1



Corporate bodies (Updated as at 31 December 2011)

Board of Directors

Chairman	Simonpietro Salini
CEO	Pietro Salini
Directors	Simon Pietro Salini Luisa Todini David Morganti* Roberto Cera* Gianluca Piredda*

*Independent

Internal Control and Corporate Governance committee

Committee Members	David Morganti Roberto Cera Gianluca Piredda
-------------------	--

Remuneration Committee

Committee Members	David Morganti Roberto Cera Gianluca Piredda
-------------------	--

Executive Committee

Committee Members	Simonpietro Salini Pietro Salini Simon Pietro Salini
-------------------	--

Board of statutory Auditors

Chairman	Roberto Parasassi
Statutory Auditors	Claudio Volponi Federico Parasassi
Alternate Auditors	Roberto Melluso Francesco Farina

Independent Auditors

Independent Auditors	Reconta Ernst & Young
----------------------	-----------------------

Chapter 01.2

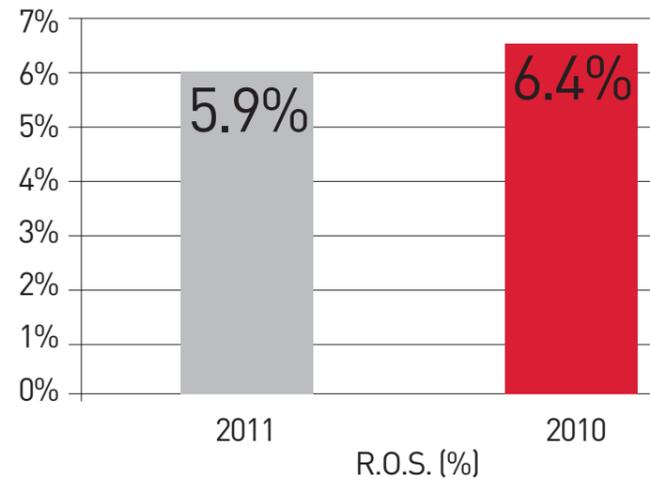
Group Summary

Key income and financial position figures

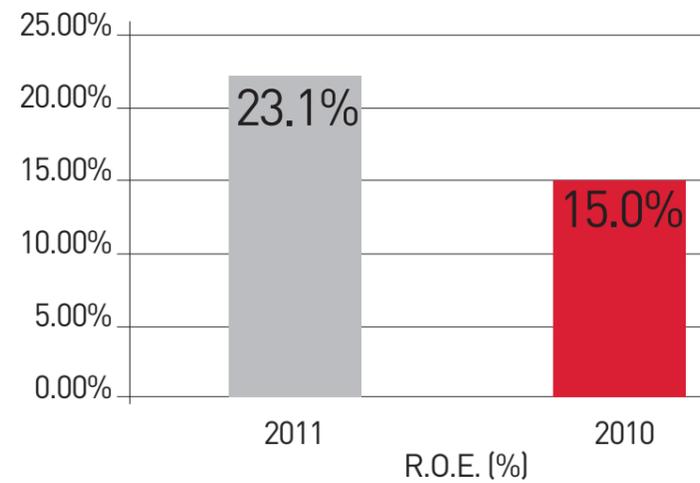
01.2.1 Key income and financial position figures of the Group

(€/000)	2011	2010
VALUE OF PRODUCTION	1,433,146	1,122,823
EBITDA	182,341	168,054
EBITDA Margin	12.7%	15.0%
EBIT	85,075	72,405
EBIT Margin	5.9%	6.4%
EBT	91,018	55,374
EBT Margin	6.4%	4.9%
NET PROFIT	50,827	31,052
TOTAL FIXED ASSETS	427,329	275,441
OPERATING WORKING CAPITAL	(182,519)	213,634
RESERVES	(29,843)	(28,764)
Net Invested Capital	214,968	460,310
SHAREHOLDERS' EQUITY	248,903	230,864
NET FINANCIAL PAYABLES	33,935	(229,446)
sources	214,968	460,310
Debt / EBITDA	(0.19)	1.37
Debt / Equity	(0.14)	0.99
ROS (Return on Sales)	6%	6%
ROE (Return on Equity)	23%	15%
ROI (Return on Investments)	40%	16%
Current Asset Ratio	1.9	1.5

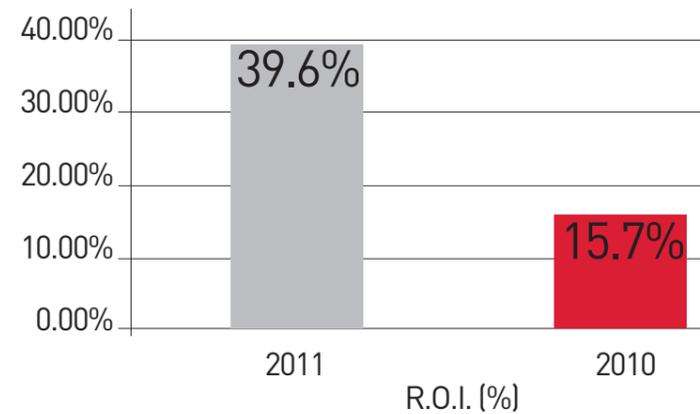
R.O.S.
EBIT/Total Income



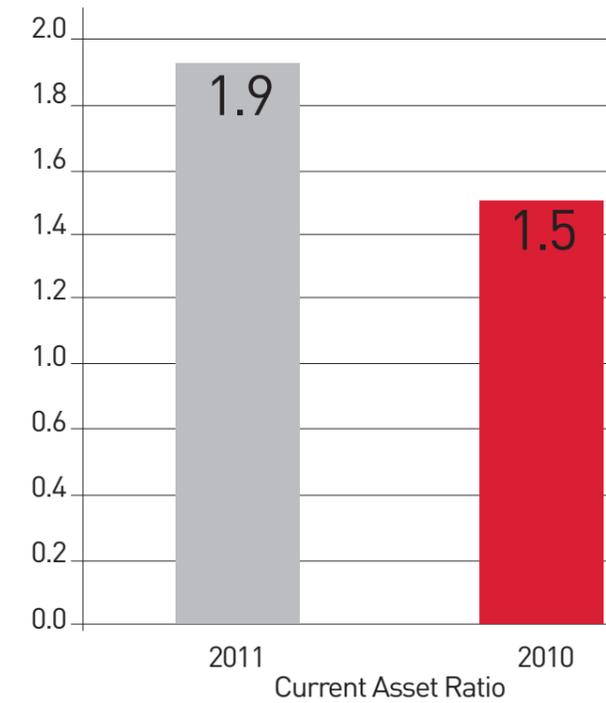
R.O.E.
Net profit/Shareholders' Equity



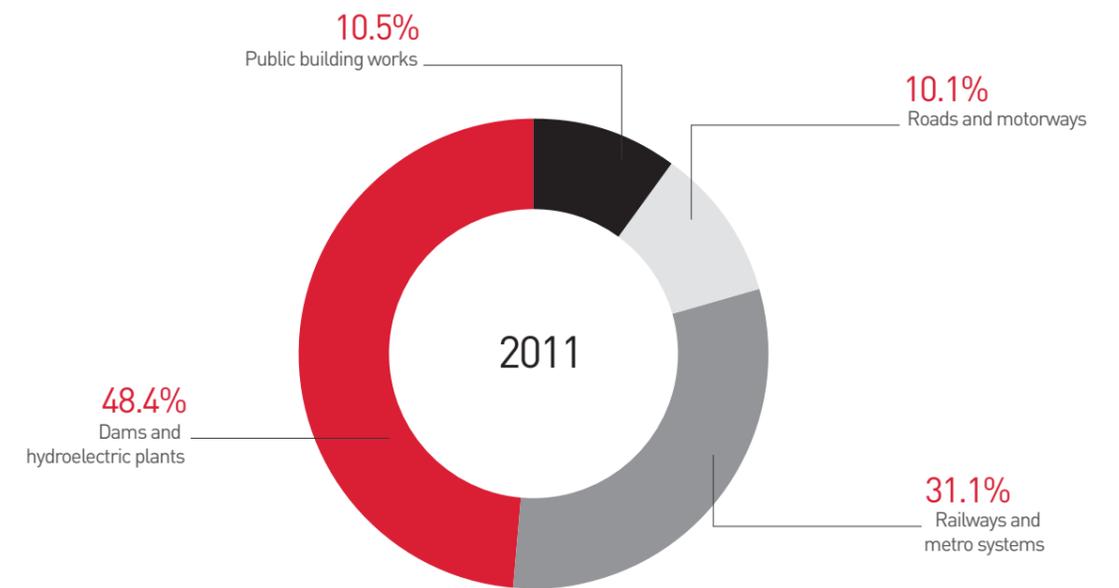
R.O.I.
EBIT/Net Invested Capital



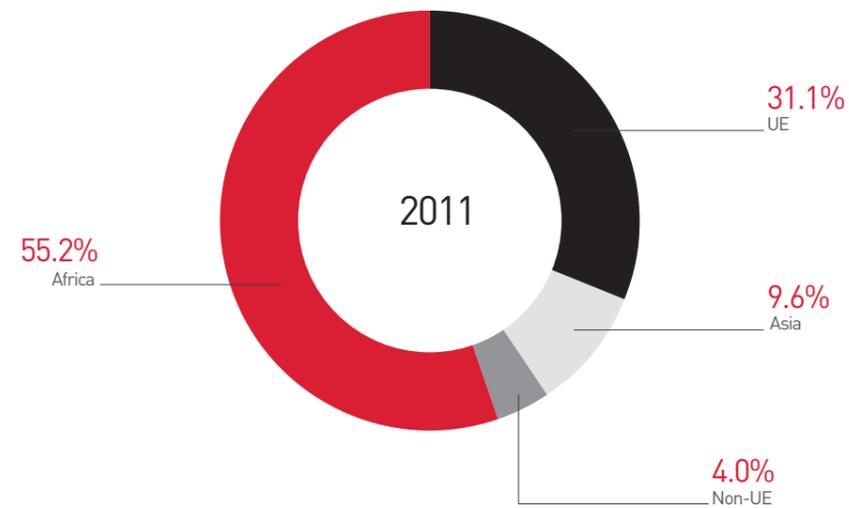
CURRENT ASSET RATIO
Current assets/Current liabilities



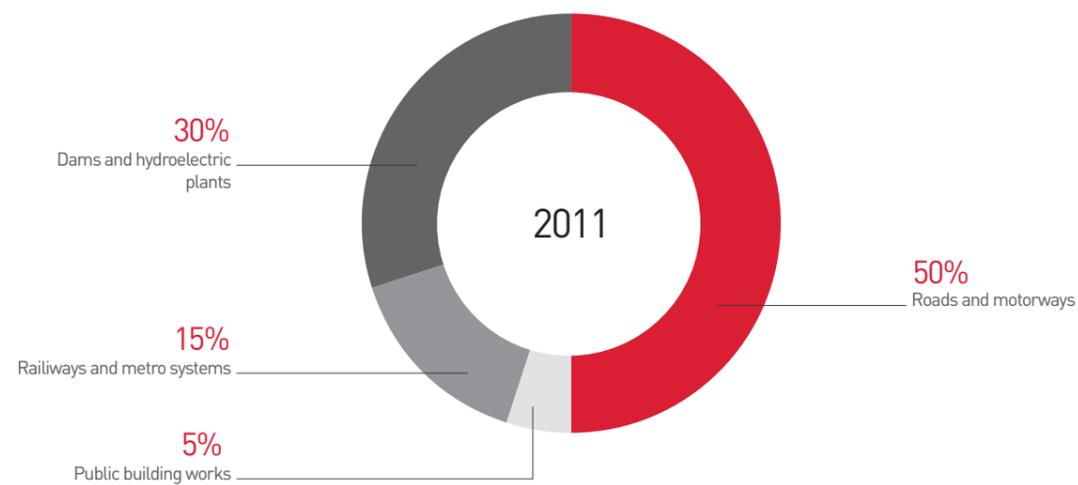
Project backlog by sector (€/000)	2011		2010	
Dams and hydroelectric plants	48.4%	5,019,590	52.4%	5,204,581
Railways and metro systems	31.1%	3,227,770	23.3%	2,313,586
Public building works	10.5%	1,086,278	11.2%	1,113,540
Roads and motorways	10.1%	1,047,483	13.0%	1,291,777
		10,381,121		9,923,483



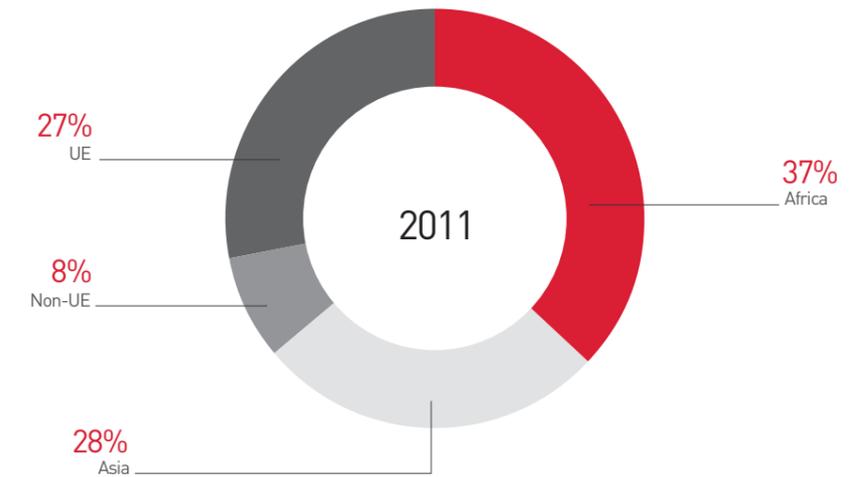
Project backlog by geographical area (€/000)		2011		2010	
Africa	55.2%	5,735,072	59.7%	5,920,742	
EU	31.1%	3,230,291	26.6%	2,644,143	
Asia	9.6%	999,517	13.3%	1,322,914	
Non-EU	4.0%	416,241	0.4%	35,684	
		10,381,121		9,923,483	



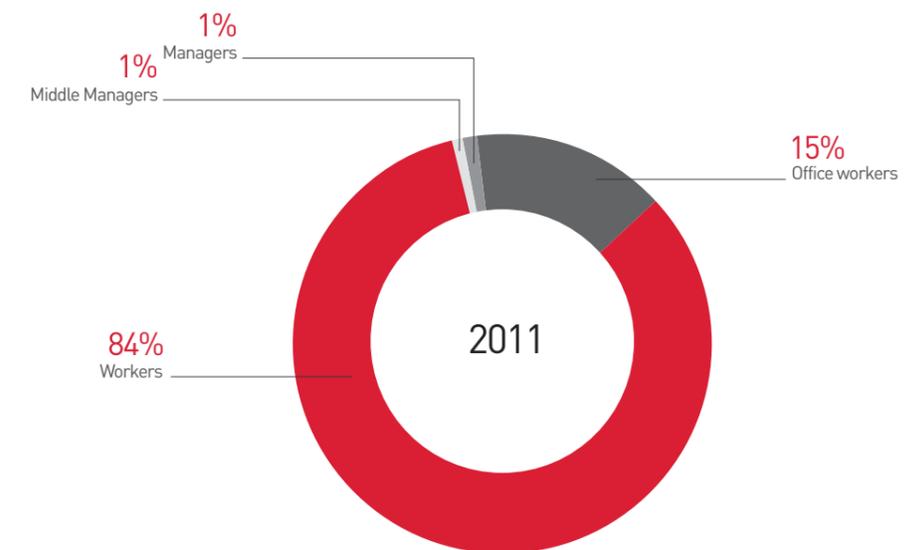
Operating income by sector (€/000)		2011		2010	
Dams and hydroelectric plants	30.0%	426,932	30.3%	330,320	
Railways and metro systems	15.5%	220,856	14.7%	160,138	
Public building works	4.6%	66,084	9.8%	106,245	
Roads and motorways	49.9%	711,055	45.2%	491,923	
		1,424,927		1,088,626	



Operating income by geographical area (€/000)		2011		2010	
EU	27.1%	385,895	33.4%	363,068	
Non-EU	7.9%	112,691	4.5%	48,618	
Asia	27.7%	394,577	21.2%	230,728	
Africa	37.3%	531,764	40.9%	445,751	
America	0.0%	-	0.0%	458	
		1,424,927		1,088,165	



Summary personnel figures		2011		2010	
PERSONNEL COSTS		165,316	158,783	4.1%	
NUMBER OF EMPLOYEES		15,508	12,873	20.5%	



01.2.2 Macroeconomic scenario and reference markets¹

The global construction market has featured a particularly high level of uncertainty over the last few years, although worldwide demand for infrastructures has remained relatively stable. It is interesting to note that at a global level, the main sector operators are turning their interest from construction to infrastructures intended for energy generation, transport, communications and other civil infrastructures.

The majority of this interest is attributable to the unstoppable urbanisation process underway, especially in recent years, in emerging economies and in developing countries. Population flows exert significant pressure on central governments and local administrations to build effective and reliable infrastructures which are able to satisfy the increasing demand for energy and mobility.

Continuing instability in global economic conditions heavily impacts some areas of activity within the construction industry, particularly residential and commercial building, while, on the other hand, large infrastructures continue to be considered priorities for the growth of national economies. Even the countries most exposed to the crisis are allocating a significant portion of available resources to the creation of large-scale infrastructures, both to support employment and especially to provide an important boost to the country's economic development; in fact, as is well-known, the construction sector has an anti-cyclical role and, even in conditions of stagnation or recession involving many geographical areas, it benefits from the drive provided by governments and local public entities, as well as by international financial institutions, to make investments aimed at satisfying specific infrastructural needs.

Estimates of global investments in infrastructures over the next 40 years reach US\$70,000 billion². In that sense, the proposal presented by the European Commission at the end of 2011, called the "Connecting Europe Facility", is significant. Its purpose is to create a tool, € 50 billion of which will be financed by the Commission from 2014 to 2020 (20% of the total amount required, estimated at € 250 bn), to build the most important regional and inter-regional corridors within the EU and connecting with neighbouring countries. The European associations involved, FIEC and EIC, are accompanying the proposal process in the Council and Parliament to ensure that the funds are not diverted to other expense items of the 2014-20 Financial Plan, as occurred in the past with the 2007-13 Plan.

As regards our country, the recession has now lasted since 2008. For 2012, ISTAT forecasts a 1.5% decrease in the Italian GDP, mainly as a result of a fall in domestic demand, partially offset by foreign demand for our exports (+1.2%) and a strong decrease in imports (-4.8%).

Furthermore, it is expected that gross fixed capital formation will significantly reduce (-5.7%) due to the difficulties encountered by companies in accessing credit and forecasts of weak demand. Finally, the consumption trend will be strongly influenced by the state of public finances, on which there is great political pressure toward restructuring.

In this economic situation, the Italian Government has focused on measures to stimulate sustainable growth and, specifically in relation to the construction industry, has decided to make up for the "infrastructural delay" which is still occurring in our country. It is hoped that the Government's commitment can accelerate the construction of priority infrastructures and launch new projects, generating a positive impact on employment within the sector.

¹ Sources: IMF, ANCE, FIEC, European Commission, Italian Ministry of Economic Development and Infrastructure, SACE

² Booz Allen Hamilton, Global Infrastructure Partners, World Energy Outlook, Organisation for Economic Co-operation and Development (OECD), Boeing, Drewry Shipping Consultants, U.S. Department of Transportation.

It should be noted that an increasing demand for infrastructures, and specifically complex and large-scale infrastructures, is favouring a process of concentration amongst engineering and construction companies, resulting in companies which are increasingly larger and diversified, with specific skills for executing more technologically complex projects with greater value added. Competition amongst the main market players increasingly hinges on having references and skills, on one hand, and suitable funds on the other, and therefore the capacity to attract new resources and new talent, also through acquisitions, has become a critical factor for success.

The geographical areas with the most appealing development opportunities in terms of new large-scale infrastructural projects are India, the Far East, Latin America and Africa; this is why size and global presence have become increasingly critical factors for obtaining new projects. Along with increasing size, the level of complexity that the main global players must manage is also increasing, keeping in mind the difficult political, commercial, regulatory and governance environments which put their respective abilities to manage risk to the test. "Mega projects" undoubtedly offer more appealing profitability margins from the point of view of a general contractor, considering the high complexity involved in the design and execution phases for these works, and for all the more reason they are attractive opportunities to be taken advantage of by those players which have reached levels of excellence in the detection, analysis and management of risk.

In this market environment, characterised by highly differentiated competitive trends in terms of geographical areas and business segments, the Salini Group has been able to respond in advance to signs of changes in the market (orientation to business segments with higher added value), it has consolidated its position in markets in which it has successfully built up a solid competitive advantage over the course of the last few decades (Africa, Asia and Italy) and it has extended its range of operations in new countries (Denmark and Latin America), using the skills gained in carrying out complex works such as a new metro system in the city of Copenhagen and establishing a new commercial structure in Latin America, in order to explore and take advantage of opportunities for new projects in line with its goal of asserting itself as a skilled leader with know-how in the construction sector on a global scale.

In 2011, the Salini Group worked both in Italy and in areas and countries with good political stability and solid economic bases, in general harmony with local administrations and on-site management and without being affected by particular problems with respect to late payments. The Salini Group is also particularly focused on managing the risks related to carrying out its business, and uses a detailed methodology which enables it to monitor and manage the various aspects of country risk, especially political, economic and financial risk, as well as risks related to executing works, which includes the safety of its personnel.

Sub-Saharan Africa accounted for 33% of productive activity (36% in 2010), the CIS (Commonwealth of Independent States) area for 29% (21% in 2010) and the EU area for 28% (33% in 2010).

At the end of 2011, the residual value of the project backlog amounted to € 10.4 billion, and was distributed in areas and countries of the Eurasian and African continents with high expected growth rates. Hydroelectric plants and dams accounted for 48% of these projects, metro systems and railways for 31%, roads, motorways and bridges for 10% and industrial and civil infrastructures for the remaining 11%.

For the year underway, it is expected that 32% of total production will be developed in Sub-Saharan Africa, in addition to 5% in the MENA (Middle East and North Africa) area, 28% in the CIS area and the Balkans, 25% in the EU and the rest in Malaysia and Turkey.

In Sub-Saharan Africa, which makes up 50% of the Group's backlog, there has been a consolidated and generalised process of improvement in many economic and socio-political indicators.

In **Ethiopia**, the political situation is stable and the economy is recovering thanks, in particular, to the energy sector where the Group is decisively contributing to the development of investments

in generation from renewable sources and to the agricultural sector. The estimated growth totals 5% and the World Bank is involved in 25 projects with a total commitment of US\$3.6 billion.

In **Nigeria**, the April 2011 elections confirmed the incumbent president and economic growth (expected to be +7.1%) is very sustained thanks to oil exports. The authorities restructured the banking industry and began investing in transport and energy infrastructures, sectors in which the World Bank is financing over 20 projects.

The Group has a widespread presence in the **CIS area**, and the country where the most significant projects are located is **Kazakhstan**, which is rich with gas and hydrocarbons and has an expected growth rate of 5.9%. The World Bank, EBRD and ABD are active there in the transport, energy and environmental sectors.

In **Ukraine**, which is benefitting from investments for the upcoming European Football Championship, growth of 3% is expected, supported by steel exports.

In **Azerbaijan**, the link between Europe and Asia for oil and gas pipelines, the Government is aiming to modernise transport to develop non-oil industries, and growth is expected to reach 3.1%.

Malaysia has an ambitious Government investment programme, with strong private contributions, a significant level of commercial openness and a solid banking industry, and forecasted growth is 4.4%.

Turkey, which is a new and important market for the Group, is currently adapting its legal system to the EU acquis, and considerable investments in transport and energy infrastructures are in the pipeline, also with the support of an efficient banking industry.

Finally, **Denmark**, where the Group, as the leader of the Copenhagen Metro Team has the honour of building one of the most significant urban transport projects in Europe, has one of the lowest public debts in the EU, which will facilitate the Government in making future public investments.

01.2.3 Sustainable development

Working in numerous and diversified environments means interpreting and respecting the expectations of institutions, clients, local communities, consumers and technical and operating counterparties which have different histories and cultures.

The Company has translated these requirements into a vision and style of work based on the value of people, attention to the environment, the principles of social responsibility and corporate citizenship. This choice gives rise to our commitment to a broad notion of "sustainable development", which is a key aspect of our business. The projects we carry out – energy from renewable sources, infrastructures to reduce urban traffic congestion, public metro system solutions with low environmental impact, development and strengthening of national infrastructures as a factor for enhancing countries – create lasting value for the communities involved, and are a catalyst for further national development.

The Group has formalised its working philosophy in a coordinated system of policies, procedures and organisational structures aligned with the main international benchmark standards. In particular, since 2010, we have been a member of the United Nations Global Compact, a worldwide initiative for sustainable development, which requires a commitment to aligning our strategies and operations with ten universal principles related to human rights, labour, the environment and the fight against corruption.

On a domestic level, we also participate in the Global Compact Network Italy, and work together with other member organisations and businesses to execute specific projects and initiatives aimed at advancing the priorities set forth in the Global Compact.

Furthermore, please note that the Group sponsored the annual European Global Compact Local Networks Meeting, held in Rome in October, and participated in the Best Practice Collection, a publication describing the experiences of the main European businesses – including that of Salini Costruttori – on the topic of sustainability management.

The Group's sustainability strategy is implemented by maximising the benefits generated in the areas in which it works, to provide advantages to local stakeholders. Our priorities regard creating new jobs, using local suppliers, making investments and carrying out initiatives in favour of local communities and strictly respecting high environmental standards.

The commitment to employ local workers and suppliers generates positive effects on the development of national economies, especially in emerging markets, by increasing workers' skill levels and suppliers' qualitative standards, while also improving infrastructures and environmental conditions in the areas where we execute our projects.

The complete dedication to human resources is especially concentrated in the areas of health, safety and human rights, and we have adopted strongly endorsed behavioural rules and standards which are supported by a commitment to training and steadfast relations with the over 15,000 employees from 67 different countries.

The Company's involvement also includes notable consideration of the needs of local communities. The Head Office divisions as well as on-site management analyse and assess community needs and, often in partnership with institutions and other organisations, develop investment projects in the areas of education, health, culture and recreation.

In recent years, significant resources were allocated to construct buildings, schools, hospitals and roads. Further, energy and water distribution as well as health care were guaranteed for local communities. In addition, while projects are underway, Salini allows local communities to access some work site facilities, such as medical clinics, training classrooms, wells, roads and bridges, which are often turned over to the communities and institutions when the project is complete.

Our daily commitment extends from people to the conservation of the environment and natural resources, which is an indispensable element of our business model.

For this purpose, the Company structures and conducts its work while ensuring that the best environmental protection possible is guaranteed, and it is committed to continuously improving environmental services, understood as an integral part of the Company's financial and operating performance. Our work sites are focused on reducing energy and water consumption by developing innovative projects to re-use and recycle natural resources and scrap generated while works are being conducted. Mitigating the impacts of work site activities on communities is another priority to which the Salini Group dedicates the utmost attention, by monitoring and closely managing aspects related to noise, vibrations, dust and viability.

Since the environmental aspect includes strategic objectives within a globalised and extremely competitive market, besides human resources and in-house professionals, clients, suppliers, authorities and other stakeholders are invited to take part in environmental processes and initiatives.

The commitment to constantly maintaining an open dialogue with stakeholders, in order to understand their legitimate expectations and create opportunities for involvement and cooperation, is implemented through tools and highly diversified methods both at central level and at the individual work site, generating positive interactions with increasingly broader groups of internal and external stakeholders.

Our commitment to transparency is demonstrated by the fact that the Group's Sustainability Report, which annually reports on the Group's sustainability practices and performance, was awarded application level A+ by the Global Reporting Initiative (GRI-G3). As a further guarantee to its stakeholders, Salini also voluntarily has its Sustainability Report externally certified (KPMG). Please see the Report for further details.

01.2.4 Quality, Safety and Environment

This service's work was focused on developing and maintaining the Quality Management System at the Group's active work sites.

Furthermore, on-site resources were provided proper training on the Company's quality system, with particular focus on new hires and Quality Managers, to an extent which ensures that compliance with ISO 9001 standards continues. The renewal of that certification is planned for June 2012.

Finally, the Service provided an important contribution toward achieving the certification of General Contractor activities in compliance with the ISO 9001:2008 standard.

The Health, Safety and Environment (HSE) Service worked on both ensuring that the management systems applied were correctly implemented and developed (BS OHSAS 18001:2007 for Health and Safety; ISO 14001:2004 for the Environment and ISO 9001 for Quality) and on conducting training/information sessions on the "Occupational Health and Safety Assessment Series" (OHSAS) 18001 and ISO 14001 standards, as well as on the requirements set forth by Italian Legislative Decree 81/08.

For this purpose, and in accordance with the Internal Controls Plan prepared in December 2010, this Service arranged to systematically guarantee its presence at the Group work sites by carrying out regular inspections.

The HSE management systems adopted were duly subjected to supervisory controls by the SGS certification body, which also confirmed their effectiveness and compliance with applicable regulatory provisions.

The annual performance of the key performance indicators, such as the Lost time injury frequency (LTIFR) and the Severity index, bears witness to the high level of attention that the Group places on HSE topics.

Specifically, the 2011 goal to decrease the LTIFR by at least 10% was reached and surpassed, since a decrease of 14% compared to 2010 was achieved.

The severity index recorded an increase of 4%.

Year	Hours Worked	LTI	Days Lost	Frequency Index	Severity Index
2010	40,155,891	685	11,492	17.18	1,220.05
2011	35,072,813	513	6,006	14.74	1,274.23

01.2.5 Corporate Governance

The Salini Group addressed Corporate Governance with a very broad vision and scope. Although it is unlisted, it adopted a model dynamically compliant with the principles of the Code of Conduct for Listed Companies, CONSOB recommendations and best practices at domestic and international level.

The Corporate Governance policies are therefore continuously updated and are formalised in the Annual Report on this topic. That document describes the corporate governance model in detail; it defines the Company's organisation, specifying the roles and responsibilities of each Corporate Body and of the Top Management; and it provides information on the implementation of the provisions of the Code of Conduct.

The Internal Control System monitors the practical implementation of Governance policies and works effectively to promote their actual and constant execution.

The Board of Directors of the Parent Company, Salini, has seven members, three of whom have specific roles and four of whom are non-executive (three of whom are independent); its term will end with the approval of the Financial Statements as at 31 December 2011. During the year just completed, the Board met nine times, and the main resolutions on corporate governance regarded the examination and/or approval of:

- the Company's and the Group's interim reports;
- the acquisition of strategic equity investments;
- the Top Management's pay policies;
- economic forecasts.

At its 30 November 2011 meeting, the Salini Costruttori S.p.A. Board of Directors resolved to establish a wholly-owned joint stock company named "Salini S.p.A.", the aim of which will be to design and build infrastructural works.

The same meeting also approved the contribution in kind by the sole partner Salini Costruttori S.p.A. – effective as at 1 January 2012 – of the business unit operating in the infrastructural construction sector to the aforementioned Salini S.p.A., inclusive of all inherent legal relations, undertaken directly or indirectly in Italy and abroad.

That transaction, to be considered an essential component of the Parent Company's corporate reorganisation project, was completed through the establishment of Salini S.p.A. on 7 December 2011 and the subsequent contribution of the business unit, including its total equity, assets and liabilities, contemplated in the report of the independent expert, appointed pursuant to the procedure set forth in Article 2343-ter, second paragraph, letter b, of the Italian Civil Code.

With regard to the Internal Control System, the Internal Audit Department conducted the inspections set forth in the Audit Plan defined at the beginning of the year in order to monitor the suitability of the applicable procedures, as well as the compliance of processes with local and international regulations. In the course of 2011 the inspections requested by the Supervisory Body at Italian and foreign operating areas were conducted with the aim of assessing the effectiveness of the Organisation, Management and Control Model.

The integration of the Todini Costruzioni internal control system with that of the Group continued.

The Salini Organisation, Management and Control Model was adapted in relation to the Environmental Crimes set forth in Directives 2008/99/EC, 2009/123/EC and 2005/35/EC, referred to in Article 25-undecies of Legislative Decree 231/2001 (introduced after the issue of Legislative Decree 121 of 7 July 2011), while the Todini Costruzioni Model is currently being updated, and the analysis thereof will be completed by the end of the first half of 2012.

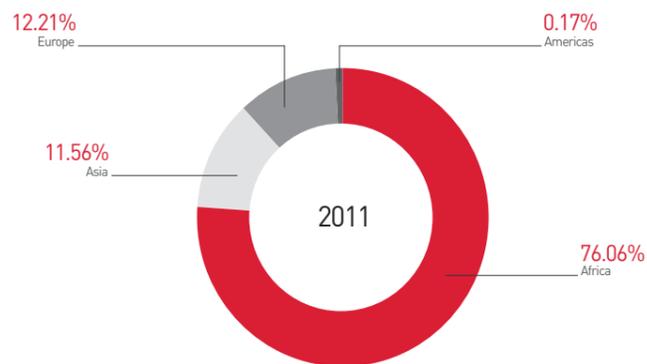
During the year, the Company arranged to align itself with the regulations in force on IT data security (pursuant to Legislative Decree 196/2003) and to update the "Data Security Policy" as required by regulations in force.

01.2.6 Human Resources

As of 31 December 2011, the Company has 15,508 employees, of which 4% are located in Italy and the remaining 96% abroad.

The Group's multinational and multiethnic characteristics are emphasised by its presence in 40 countries and its employment of personnel from 67 different countries, distributed as follows based on continent of origin:

Africa	11,796	(76.06%)
Europe	1,894	(12.21%)
Asia	1,793	(11.56%)
Americas	25	(0.17%)

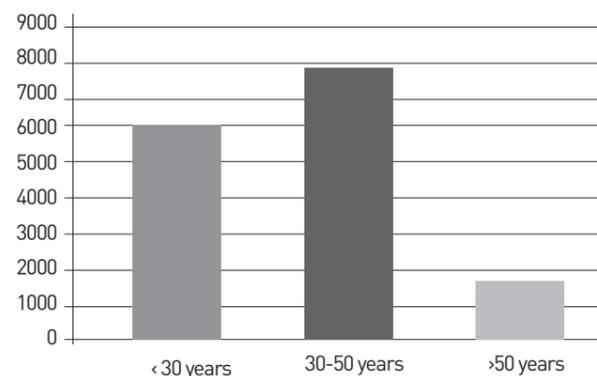


In 2011, the process of recruiting and hiring resources with advanced professional qualifications continued, both with a view to reinforcing the quality of non-central offices and to guarantee suitable and gradual generational turnover.

At the same time, the high retention level of resources considered critical was confirmed (top-level management), and their average time with the Company, totalling 18 years, bears witness in absolute value to how commitment and loyalty to the organisation are distinctive elements of the Salini Group's policy and culture.

Finally, more than 31,900 training hours were provided for personnel working in Italy and abroad, particularly on the topics of Health, Safety and Environment (90%), Quality, Foreign languages, Administration and Specialist activities.

GROUP RESOURCES BY AGE GROUP



01.2.7 Research and development

Research, development and technological innovation have always been essential to the Company's success in the realisation of large-scale projects.

If, today, the Group is one of the most advanced in terms of technologies used, project and work site management procedures and security measures adopted, it is thanks to the continuous and increasing commitment of the economic and human resources invested in research and development.

In close partnership with qualified professionals and engineering companies at an international level, highly innovative techniques and solutions were developed to be used on projects of any type, size and complexity.

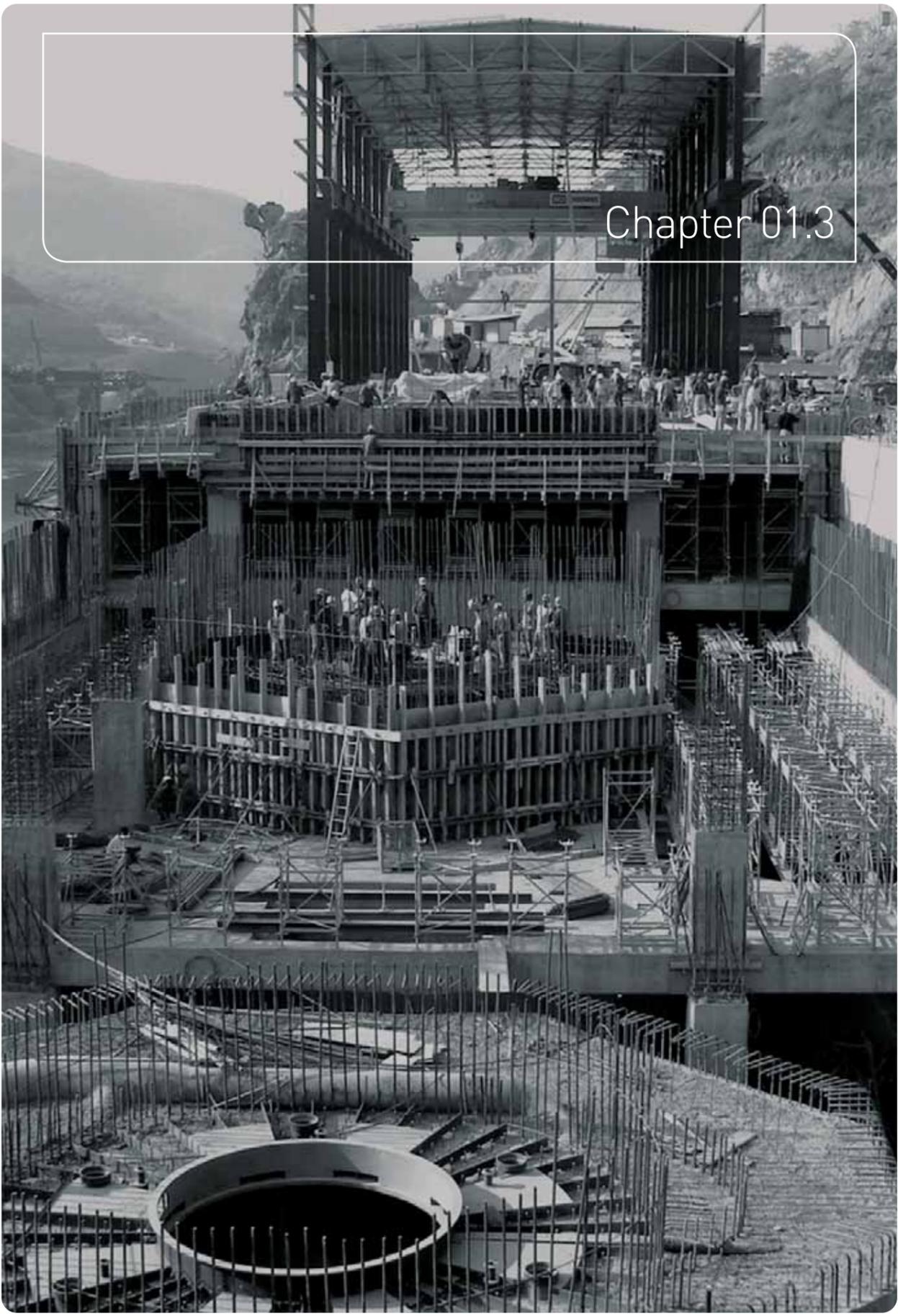
This approach is one of the strong points which makes the Group competitive worldwide, even in the most demanding working conditions.

Constant orientation toward innovation helped to make a considerable contribution to the evolution of the entire construction and plant engineering sector with the Fast Track Implementation method, specifically prepared to construct large-scale 'turnkey' hydroelectric power plants.

The method, based on the simultaneous launch of all critical operational phases, helps to dramatically reduce project timescales by at least 50 percent. Therefore, a hydroelectric plant begins to generate benefits and revenue streams much sooner than it would using traditional organisation, producing a more rapid return on the economic investment.

The Fast Track Implementation method, which Salini has already successfully applied to three large-scale hydroelectric plants, can be used for many project types which require swift completion times, anywhere in the world.





Chapter 01.3

Operating Performance

Analysis of Group results

01.3.1 Analysis of the Group's income, financial position and cash flow

The Group today: summary of consolidated financial information

The consolidated financial statements as at 31 December 2011 show a pre-tax profit of € 91.0 million and net profit of € 50.8 million, with a value of production of € 1,433.1 million.

The 2011 financial year is an excellent confirmation of the journey of growth which began in previous years, and solidifies the Group's position within the sector of complex works. The results achieved are concrete evidence of the Company's ability to take advantage of opportunities provided by international markets, despite the contraction of the European and, in particular, the Italian, economies.

In this respect, there was a considerable increase in the value of production since 2010 (+27.6%), as well as EBITDA (+8.5%) and EBIT (+17.5%) growth, which reached € 182.3 million and € 85.1 million, respectively.

The Group's net financial position closes with a positive balance of € 33.9 million, having factored in the investment made in Impregilo shares during the year, calculated at around € 123 million. That equity investment, deemed strategic, was classified as a long-term investment.

Net financial position improved significantly with respect to 31 December 2010, when it recorded a debt of € (229.4) million.

The project backlog increased by approximately 5% compared to 31 December 2010, reaching € 10.4 billion, which makes up 70% of the overall turnover of the 2012-15 Business Plan.

Finally, the expansion of industrial activities also had a positive impact on the increase in Group employment, and the headcount grew by 2,635 employees (20.05%), going from 12,873 employees as at 31 December 2010 to 15,508 at 31 December 2011.

Group income and operating performance

Main consolidated income figures (€/000)	31-Dec-11	31-Dec-10	Change %
Total Income	1,433,146	1,122,823	27.6%
EBITDA	182,341	168,054	8.5%
EBIT	85,075	72,405	17.5%
EBT	91,018	55,374	64.4%
Net Profit	50,827	31,052	63.7%
Net Profit/Total Income	3.5%	2.8%	

Production

Total income increased significantly compared to the same period of last year, reaching a record high of € 1.433 million, up 28% y/y.

	2011		2010	
Italian production	330,167	23.0%	397,222	35.4%
Foreign production	1,102,979	77.0%	725,601	64.6%
TOTAL	1,433,146	100.0%	1,122,823	100.0%

Income from contracts being fulfilled abroad, specifically accounting for 77% of the year's total (65% as at 31 December 2010), increased by 52%, offsetting a 16.9% drop in Italy. The development of international business demonstrates the Group's solid competitive positioning in some high-potential geographical areas, such as Africa and Asia, which represent 65% of the overall value of production.

Operating income amounted to € 1.425 million, accounting for 99.43% of turnover. In that area, the Gibe III (Ethiopia), Cityringen (Denmark) and Kyzilorda (Kazakhstan) contracts provided a significant contribution, in addition to the increasing work being conducted in Malaysia, Ukraine and Azerbaijan.

Operating income by geographical area (€/000)	31-Dec-11	%	31-Dec-10	%
Italy	321,057	23%	363,038	33%
EU (excluding Italy)	64,838	5%	30	0%
Non-EU	112,691	8%	48,618	4%
Asia	394,577	28%	230,728	21%
Africa	531,764	37%	445,751	41%
America		0%	458	0%
TOTAL OPERATING INCOME	1,424,927	100%	1,088,623	100%

In terms of operating income, the roads and motorways segment is the most important, accounting for 50% of operating income for the year (+€ 219 million compared to 31 December 2010, with a percentage increase of 44.5%), mainly as a result of the full functioning of the road lots relative to the reconstruction of the "Western Europe - Western China" International Transit

Corridor in Kazakhstan and the works to rehabilitate the section of road along the Kiev-Chop motorway in Ukraine.

The dams and hydroelectric plants sector, whose specific impact on overall Group volumes did not change, recorded an increase of approximately € 97 million compared to 2010 (+29.2%), especially as a result of the Gibe III and Grand Ethiopian Renaissance Dam projects in Ethiopia.

The same considerations can be made with regard to transport infrastructures (+€ 61 million compared to 31 December 2010, up 37.9%), where work to build the B1 line of the Rome metro system and the new "Cityringen" city circle metro line in Copenhagen contributed significantly.

Income from the Public building works sector decreased by 37.8% since projects underway, almost exclusively in Italy, were completed.

Operating income by sector (€/000)	31-Dec-11	%	31-Dec-10	%
Dams and hydroelectric plants	426,932	30%	330,320	30%
Railways and metro systems	220,856	15%	160,138	15%
Public building works	66,084	5%	106,245	10%
Roads and motorways	711,055	50%	491,921	45%
TOTAL OPERATING INCOME	1,424,927	100%	1,088,624	100%

Other non-operating income, totalling € 8.2 million, is mainly from the supply of goods and services which, by their nature, are not part of the Group's core business (e.g., disposals of materials, services for third parties, rentals).

Costs

Direct costs of production totalled € 1,087.9 million, with an increase of € 292 million compared to last year, for the most part due to the support of the exponential increase in the value of production, and they represent 75.9% of total income.

Although *personnel costs*, which totalled € 162.9 million, increased in absolute value (+€ 4.1 million), they absorbed only 11.4% of total income against 14.1% in the same period of last year, which confirms the Group's continuous focus on the creation of a highly professional and efficient structure in terms of both skilled workers and management.

Results of operations

Operating results attest to the excellent earnings capacity of activities currently being carried out, as well as the quality of the project backlog.

That circumstance is reflected in the value of the indices, which confirm the excellent trend already reported in the same period of last year. The economic and financial ratios, such as the R.O.E. and the R.O.I., are particularly of note, as their significant improvements (+8.1 and +23.9 percentage points, respectively, compared to 2010) accurately reflect a continuous and effective economic and operating optimisation process.

The EBITDA trend should also be highlighted since, reaching € 182.3 million, it recorded growth of 8.5% compared to 2010, with an EBITDA margin of 12.7%.

The same considerations can be made for the EBIT, which reached € 85.1 million (+17.5% compared to 2010), with an EBIT margin of 5.9%. Furthermore, please note that this index was affected by the € 10.8 million provision made as a result of the Arbitration Board's decision concerning the dispute between the subsidiary Todini Costruzioni Generali and the companies Altarea SCA and Altarea Italia S.r.l. regarding the failure to win the tender for the "redevelopment

of the former Mercati Generali area in Rome, by designating it for services geared toward youth social activities". The amount of € 10.8 million, inclusive of arbitration fees, was prudently allocated in the financial statements.

This decision, for the moment non-executive, was appealed before the second section of the Rome Court of Appeals, and we are awaiting the discussion on the merits of this decision.

Period results

The pre-tax profit reached € 91.0 million, greatly increasing (+64.4%) compared to last year. The provision for taxes for the year (€ 36.7 million) includes a current portion of € 31.4 million and a portion for deferred taxes of € 5.3 million.

For additional details on the calculation of taxes, please see the details in the dedicated paragraph "Income taxes E22" of the Explanatory Notes.

Financial results

Key consolidated financial position figures (€/000)	31-Dec-11	31-Dec-10
Fixed assets	427,329	275,441
Working capital	(182,519)	213,634
Reserves	(29,483)	(28,764)
Net invested capital	214,968	460,310
Shareholders' equity	248,903	230,864
Net financial position	33,935	(229,446)

Fixed assets, amounting to € 427.3 million, increased by € 151.9 million over last year, mainly due to increases in tangible fixed assets and the measurement of equity investments according to the equity method.

Specifically, the value of new technical investments made in 2011, gross of the relative accumulated amortisation/depreciation and disposals, was € 119.4 million and is the result of technical equipment which is continuously adapted based on requirements imposed by new production needs.

In general, tangible fixed assets, inclusive of leased machinery, reached a value of € 543.6 million, with an increase of 15.69% on an annual basis.

	2011	2010	
NET PLANT AND EQUIPMENT	257,135	209,658	22.64%
Plant and equipment	543,612	469,901	15.69%
Accumulated depreciation	(286,477)	(260,243)	

Furthermore, the long-term investment results are also significant, and their increase compared to 31 December 2010 (+€ 121.3 million) is mainly due to the acquisition of a shareholding in the company Impregilo S.p.A. for approximately € 122.7 million.

Net invested capital, amounting to € 214.9 million, reflects the excellent performance of productive activities, whose improvement for the period proportionally influenced the use of resources, particularly with reference to inventories for works underway, certification levels and supplier exposure.



In that context, advances from clients become particularly significant, and their increase compared to last year (+€ 612.7 million) is attributable to the opening of new work sites; the most notable are the contractual advances for the "Grand Ethiopian Renaissance Dam" in Ethiopia and for Cityringen in Denmark.

Net Financial Position

The year just closed showed a notable improvement in the net financial position, which had a positive value of € 33.9 million, compared to a negative balance of € 229.4 million as at 31 December 2010.

That performance confirms the positive trend already noted in the first half of 2011, and it becomes even more significant if compared with the values of production, up by approximately 28% in the last 12 months.

The result mainly benefits from advances received to begin new contract work in Ethiopia and in Denmark as well as from the continuing optimisation of cash flows linked to trade receivable collection times.

(€/000)	2011	2010	change
Cash and cash equivalents	542,994	216,264	326,730
Financial receivables	10,239	9,669	570
Payables to shareholders for loans	(499)	0	(499)
Payables to banks	(242,620)	(255,860)	13,239
Payables to other funders	(48,631)	(23,206)	(25,425)
Total current position	261,483	(53,132)	314,615
Payables to shareholders for loans	(2,890)	(2,956)	66
Payables to banks	(153,729)	(113,638)	(40,091)
Payables to other funders	(70,929)	(59,720)	(11,209)
Total non-current position	(227,548)	(176,314)	(51,234)
Net financial position	33,935	(229,446)	263,381
NFP/EBITDA	(0.19)	1.37	
NFP/Equity	(0.14)	0.99	

The liquidity ratios confirm the Group's positive profile, in terms of both financial liability repayment times (NFP/EBITDA) and leverage capacity (NFP/Equity).

Cash flow statement

(€/000)	2011	2010
Net financial position at the start of the period	(229,446)	(26,293)
+ EBITDA	182,341	168,054
+/- change in provision for risks and severance pay (TFR)	(12,235)	5,414
GROSS CASH FLOW	170,106	173,469
change in working capital	393,199	(160,583)
CURRENT CASH FLOW	563,304	12,886
investments in intangible fixed assets	(8,562)	(42,464)
investments in tangible fixed assets	(106,862)	(134,704)
CASH FLOW GENERATED BY OPERATIONS	447,881	(164,281)
long-term investment	(117,463)	(20,307)
financial income (loss)	11,465	(12,403)
extraordinary operations	(5,521)	(4,628)
taxes	(36,734)	(22,279)
changes in shareholders' equity	(36,245)	20,745
CASH FLOW FOR THE PERIOD	263,381	(203,153)
Net financial position at the end of the period	33,935	(229,446)

Reclassified Consolidated statements

Reclassified income statement

(€/000)	2011		2010		change
Value of production	1,433,146	100.0%	1,122,823	100.0%	27.6%
Purchases for the period	(344,476)	24.0%	(271,185)	24.2%	27.0%
Service costs	(699,625)	48.8%	(493,286)	43.9%	41.8%
Lease and rental expense	(34,574)	2.4%	(21,475)	1.9%	61.0%
Misc. operating expenses	(9,201)	0.6%	(10,039)	0.9%	-8.4%
Value added	345,271	24.1%	326,837	29.1%	5.6%
Personnel costs	(162,930)	11.4%	(158,783)	14.1%	2.6%
EBITDA	182,341	12.7%	168,054	15.0%	8.5%
Amortisation/depreciation and write-downs	(97,266)	6.8%	(95,650)	8.5%	1.7%
EBIT	85,075	5.9%	72,405	6.4%	17.5%
Financial income (loss)	(16,374)	-1.1%	(10,601)	0.9%	54.5%
Exchange rate gains/losses	27,839	1.9%	(1,802)	0.2%	ns
Income (loss) on equity investments	(1,792)	0.1%	(1,161)	0.1%	54.3%
Non-operating income (loss)	(3,729)	0.3%	(3,467)	0.3%	7.6%
EBT	91,018	6.4%	55,374	4.9%	64.4%
Taxes	(36,734)	-2.6%	(22,279)	2.0%	64.9%
Minority interests	(3,457)	-0.2%	(2,043)	-0.2%	69.2%
NET PROFIT	50,827	3.5%	31,052	2.8%	63.7%

Reclassified statement of financial position

(€/000)	2011	2010	change
Intangible fixed assets	21,148	34,199	(13,051)
Tangible fixed assets	257,135	209,658	47,477
Equity investments	139,270	17,978	121,292
Other net fixed assets	9,777	13,605	(3,829)
total fixed assets (a)	427,329	275,441	151,889
inventories	258,368	212,204	46,164
work in progress	290,873	217,445	73,428
advances from clients	(1,017,258)	(404,506)	(612,752)
trade receivables	547,403	403,085	144,318
tax receivables	66,643	77,186	(10,543)
other assets	250,072	186,933	63,139
subtotal	396,100	692,346	(296,247)
trade payables	(435,426)	(364,860)	(70,566)
other liabilities	(143,193)	(113,853)	(29,340)
subtotal	(578,618)	(478,713)	(99,906)
operating working capital (b)	(182,519)	213,634	(396,152)
provisions for risks and charges	(26,206)	(24,299)	(1,906)
TFR (severance pay)	(3,638)	(4,465)	827
total reserves (c)	(29,843)	(28,764)	(1,079)
Net Invested Capital (d) = (a) + (b) + (c)	214,968	460,310	(245,343)
cash and cash equivalents	542,994	216,264	326,730
financial receivables	10,239	9,669	570
current financial liabilities	(291,750)	(279,066)	(12,685)
non-current financial liabilities	(227,548)	(176,314)	(51,234)
net financial payables/receivables (e)	33,935	(229,446)	263,381
shareholders' equity	223,350	210,268	13,082
minority interest	25,553	20,596	4,957
Shareholders' equity (f) = (d) + (e)	248,903	230,864	18,039
Sources (g) = (f) - (e)	214,968	460,310	(245,343)

Financial risk management

Interest rate risk

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

There are twelve derivative contracts with leading banks as at 31 December 2011, of which five were entered into by the Parent Company, one by the Italian associated company CASADA, which works in the property sector, and the remaining ones are for hedges originally stipulated by Todini Costruzioni Generali and then transferred to the associated company Co.Ge.Fin. S.r.l. as part of the deconsolidation transaction which occurred at the end of December 2010.

The table below summarises the main characteristics of those contracts.

	Casada	Salini	Salini
Banking institution	UniCredit	BNL - BNP Paribas	Intesa San Paolo
Contract date	29/07/2003	31/07/2009	29/03/2011
Maturity date	01/08/2013	27/02/2015	25/01/2016
Type	IRS	IRS	IRS
Purpose	Hedging	Hedging	Hedging
Notional amount (Euro/thousand)	1,352	17,500	25,000
Underlying financial risk	interest rate	interest rate	interest rate
Fair value of derivatives (Euro/thousand)	-37	-452	-824
Liability hedged	loan variable rate	loan variable rate	loan variable rate

	Salini	Salini	Salini
Banking Institution	BNL - BNP Paribas	B.P.Lodi	B.P.Lodi
Contract date	21/09/2009	12/02/2010	13/05/2010
Maturity date	31/03/2015	01/08/2016	01/12/2016
Type	IRS	IRS	CAP
Purpose	Hedging	Hedging	Hedging
Notional amount (Euro/thousand)	3,500	2,394	7,244
Underlying financial risk	interest rate	interest rate	interest rate
Fair value of derivatives (Euro/thousand)	-90	-90	19
Liability hedged	loan variable rate	leasing variable rate	leasing variable rate

	Co.Ge.Fin.	Co.Ge.Fin.	Co.Ge.Fin.
Banking Institution	Centrobanca	Banca Pop. Vicenza	Banca Carige
Contract date	30/09/2009	30/09/2009	30/09/2009
Maturity date	31/07/2014	31/07/2014	31/07/2014
Type	IRS	IRS	IRS
Purpose	Hedging	Hedging	Hedging
Notional amount (Euro/thousand)	3,000	3,500	3,000
Underlying financial risk	interest rate	interest rate	interest rate
Fair value of derivatives (Euro/thousand)	-62	-63	-55
Liability hedged	loan variable rate	loan variable rate	loan variable rate

	Co.Ge.Fin.	Co.Ge.Fin.	Co.Ge.Fin.
Banking institution	Banca Intesa	Banca Pop. di Sondrio	Banca Etruria
Contract date	30/09/2009	01/10/2009	30/09/2009
Maturity date	31/07/2014	31/07/2014	31/07/2014
Type	IRS	IRS	IRS
Purpose	Hedging	Hedging	Hedging
Notional amount (Euro/thousand)	15,000	3,000	3,000
Underlying financial risk	interest rate	interest rate	interest rate
Fair value of derivatives (Euro/thousand)	-313	-54	-58
Liability hedged	loan variable rate	loan variable rate	loan variable rate

Exchange rate risk

The Group currently works with contracts which mainly involve dual currency payments: a significant percentage in Euros (on average, 70%) and the remaining portion in local currency, which is used by branches to meet local commitments.

That policy enables the Group to neutralise exchange rate risk since local currency is used to make payments in the same currency; therefore, transactions to hedge any exchange rate risk were not implemented.

Liquidity risk

The Group dedicates special attention to managing the resources generated or absorbed by operating and/or investment activities and the characteristics of the debt in terms of maturity and renewal in order to ensure effective and efficient cash flow management. Therefore, a series of policies and processes has been adopted which is aimed at optimising financial resource trends, with the goal of managing and mitigating liquidity risk. The policies and processes adopted are outlined below:

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

Credit risk

As at 31 December 2011, trade receivables amount to € 536.9 million due within 12 months and € 10.5 million due after 12 months.

As specified in the "Reference Markets" paragraph, the Company is particularly sensitive to the management of risks related to its businesses, and pays particular attention to monitoring the various aspects of country risk.

During the year, the Group worked successfully on the domestic market as well as in areas characterised by good political stability and solid economic bases, and there were no specific issues either regarding economic and financial aspects or in terms of collecting receivables.

The Group's current risk position is further strengthened in consideration of the financial structure of contracts, most of which are financed by supranational bodies.

01.3.7 Project Backlog

As at 31 December 2011, the project backlog is worth € 10.4 billion, which is the highest level ever achieved by the Group.

There was a 4.6% growth in percentage terms compared to the backlog from last year, and during the year, new projects were awarded totalling approximately € 1.4 billion, with the main contribution coming from the "railways and metro systems" and "roads and motorways" segments.

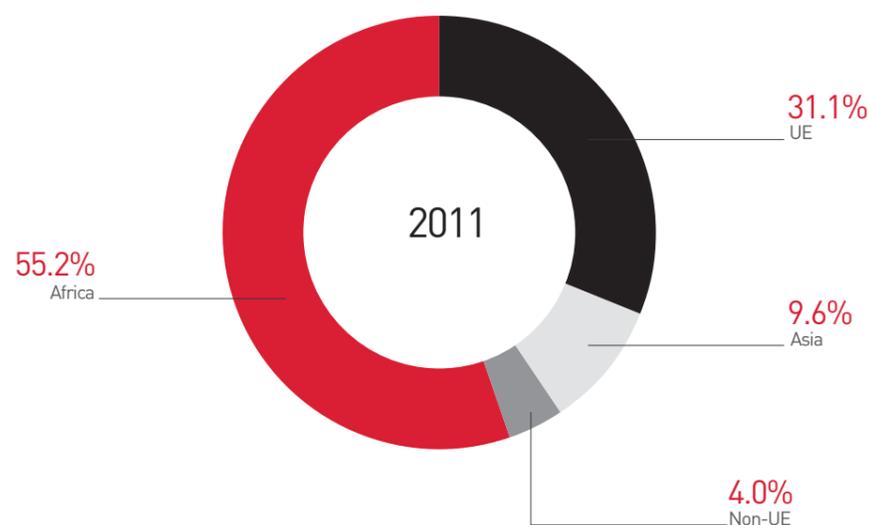
A particularly prestigious assignment in that regard was the extension of Rome's metro line B, which will be the first section to extend beyond the city's ring road. This project, which has been awaited for many years, will help to decrease urban traffic congestion and will provide a railway connection between the capital's northeast and centre.

The size and trends of the project backlog confirm the high growth potential of the value of production expected in the coming years, as well as the Group's strategic ability to work in markets which are less exposed to the economic downturn, by dedicating itself to competitive sectors of excellence such as dams, hydroelectric plants and transport infrastructures.

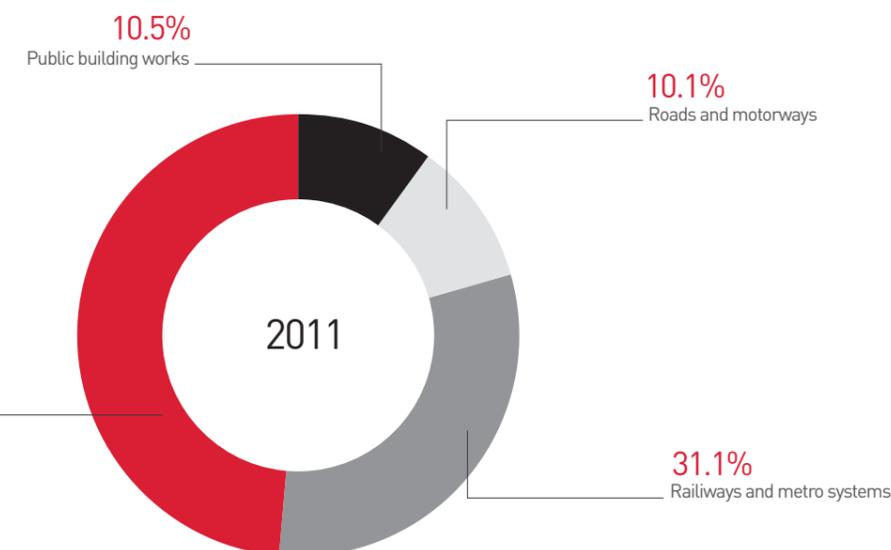
Overall, 17% of the project backlog refers to domestic projects (€ 1.8 billion) and the remaining 83% is from initiatives abroad, with Europe representing 18% (€ 1.9 billion), Africa 55% (€ 5.7 billion) and Asia 10% (€ 1 billion).

Africa, driven by Ethiopia and Nigeria, is the Group's main market, especially as far as the "dams and hydroelectric plants" sector is concerned.

Business growth in Europe is also considerable and, through acquisitions in the sector of roads and transport infrastructures, it recorded a 37% improvement compared to last year's figures.



The dams and hydroelectric plants sector (€ 5,019 million) accounts for 48.4% and is therefore the Group's core business, but the impact of railway and metro system initiatives is increasing, and, with a value of € 3,228 million, they represent 31.1% of the total work to be executed.



01.3.8 Business performance by geographical area

01.3.8.1 Abroad

The Group's global mission is especially demonstrated by its presence in countries through permanent offices, branches and local Companies which, due to their integration within the various markets, are ready to take advantage of the strategic potential and business opportunities to be found there.

Within the project backlog, the value of the international business (€ 8,624.7 million) accounts for 83% of the total and the sectors of which it is comprised are summarised below (€/million):

Dams and hydroelectric plants	5,019.6	48%
Railways and metro systems	1,620.7	16%
Public building works	1,004.6	10%
Roads and motorways	979.8	9%
	8,624.7	83%

International market activity, totalling € 1,102.9 million, represents 77% of the value of production as at 31 December 2011.

The sectors which contributed to production volumes abroad are Roads and Motorways (51.4%), Dams and Hydroelectric Plants (38.7%), Railways and Metro systems (5.8%) and Public building works (4.1%).

Below is a brief description of the key events related to the main projects of 2011.

AFRICA

Ethiopia

Work on the Gibe III hydroelectric project continues. The contract for this work, signed on 19 July 2006 and with a value of € 1,470 million, involves building a hydroelectric plant with a capacity of 1,870 MW, consisting of an RCC (roller compacted concrete) dam which is 240 metres high, with a surface powerhouse. Other permanent works include a total of 75 km of access roads, a new bridge on the OMO river and camps and facilities for the client.

On 30 December 2010, Salini Costruttori and the EEPCO (Ethiopian Electric Power Corporation) entered into an agreement to construct the hydroelectric plant called the "Grand Ethiopian Renaissance Dam", which will be the largest dam in all of Africa (1,800 m long, 170 m high with an overall volume of 10 million cubic metres), along with two powerhouses located on the banks of the Blue Nile, equipped with a total of 16 375 MW turbines.

The project is valued at over € 3.3 billion.

Currently, excavations are being carried out for the main dam, the bridge is being built over the Nile, activities are being conducted to divert the river, and roads, work site installations and camps are being built.

The Gibe II (420 MW) and Beles (460 MW) hydroelectric projects, with contractual values of € 397 million and € 467 million, respectively, were completed and the taking over certificate was issued.

Nigeria

The work related to the "Gurara Dam and Water Transfer Project, Lot A – Dam and Associated Works" project is in progress. The current value of the job, inclusive of the various contract addenda issued over the years (the contract was signed on 30 January 2001) is approximately € 545 million. The dam, the intake structure and the hydropower plant are complete; the power transmission line, the irrigation perimeter and some road works still need to be finished. The project should be completed within 2 years.

The works related to the "Development of Idu Industrial Area Engineering Infrastructure" project are continuing normally (contract value of approximately € 237 million) as well as those for the design and construction of the "Nigeria Cultural Centre and Millennium Tower" (contract value of approximately € 421 million).

The urban motorway section for the "Extension of Inner Southern Expressway (ISEX)" project, with a value of approximately € 65 million and assigned by the Federal Capital Development Authority with a contract signed on 13 January 2010, is in the advanced construction phase.

The "Dualisation of Suleja Minna Road in Niger State" project acquired in November 2010, worth approximately € 50 million, is currently underway.

Similarly, the "Development of District 1 Abuja North Phase IV West" project is being developed. This project's overall value is approximately € 250 million, and the awarding process was carried out in two steps (phase 1 on 30 December 2010 and phase 2 on 5 March 2012).

Finally, negotiations are in progress with the Lagos State Government for the assignment of the "Adiyari Water Treatment Plant" project.

Sierra Leone

Activities related to the management and maintenance of the Bumbuna hydroelectric power plant and the related transmission line are progressing normally. Electricity is generated through coordination with the National Power Authority, which is responsible for the country's electricity distribution.

The contract value, originally € 10.2 million, was increased to € 22.3 million as a result of an addendum signed on 18 November 2011.

The same considerations can be made for the "Rehabilitation of 21.2 km of urban town roads" project for the rehabilitation of numerous sections of main roads located in the four main cities of Sierra Leone. When two new contract addenda were signed, in June and October 2011, the project's value increased from the original € 10.3 million to € 19.9 million.

Finally, the works related to the "Rehabilitation of the Masiaka-Bo highway (164 km)" contract were completed on 15 March 2011. The provisional acceptance certificate was issued and we are currently waiting for the final acceptance certificate.

Uganda

The Bujagali Hydroelectric Power Project is in the completion phase. The civil works are finished and the first turbines have been started.

The initiative involves building a dam with a hydroelectric power station (255 MW) on the White Nile, and its overall value is approximately US\$284 million.

That project will, in fact, double the energy available in Uganda, satisfying domestic demand and ending a long and problematic energy shortage, while also favouring a decisive acceleration in local economic development.

Furthermore, Salini Hydro Ltd (a wholly-owned subsidiary), which was awarded the Bujagali Hydroelectric Power Project – "Engineering, Procurement and related services" with a value of approximately US\$330 million, has basically finished the activities it was assigned for the execution of electromechanical works.

Algeria

The maintenance period carried out within the "Groupement Todini Enaler" and related to the "Autoroute Est-Ouest, tronçon Bouira-El Adjiba" (27 km of motorway) project finished in 2011.

The documentation needed to issue the *avenant de cloture* (final acceptance certificate) was submitted to the client and is currently being assessed.

With regard to the Algiers Inter-City Collector, the completion of the intermediary portion between the railway and the Omar Rahsim High School commenced, which enabled surface links to be made with the old sewer network.

As a result of some geotechnical issues, the works are currently suspended due to *force majeure*.

In agreement with the client, a survey campaign aimed at identifying the most appropriate technical solution is currently underway, so that productive activities can begin once again.

The project's progress has so far reached roughly 95% of the contract's total amount.

Tunisia

On 27 March 2009, the service order was received to begin works on the road project named La Marsa.

The work site, located in the centre of Tunis, on the capital's most prestigious road, consists of expanding the existing road to four lanes going in each direction, along a 6 kilometre section.

The value of the works completed corresponds to approximately 98% of the contract's total value.

In 2010, a contract was awarded to build the Sfax-Gabes motorway, part of the autoroute Maghrebine which will connect Morocco and Egypt by way of Algeria, Tunisia and Libya. This work, fully financed by the EIB, involves building two motorway lots of approximately 25 km each in the southern area of Tunisia and has a value of approximately € 81 million.

Work, which began in March 2010, has been significantly delayed due to the social disturbance which caused President Ben Ali to abandon the country and also due to the revolutionary uprisings which occurred in bordering Libya.



In agreement with the other companies awarded Sfax-Gabes lots, a claim was submitted to the client, for which the EIB has already provided its agreement as a matter of principle.

Zimbabwe

The Addendum to complete the Tokwe Mukorsi dam was signed on 8 April 2011 with the Zimbabwean Government, represented by the Ministry of Water Resources Development and Management. The addendum, with a value of approximately € 66 million, also requires the full collection of delayed receivables due from the client, totalling roughly € 11 million.

During the first months of on-site activity, the internal and external access roads were restored, in addition to the camps, the workshop, the warehouse and dam installations. Furthermore, the excavations on the left and right banks began and the stone quarry was opened.

Libya

In 2010, a contract awarding the rehabilitation of the Kufra airport runways was signed, which has a value of around € 53 million.

The guarantees required by the contract were submitted, and we are currently waiting for the contract advance.

The commercial activities aimed at formalising the contracts related to the Kufra Urbanisation project and Tripoli Airport were temporarily interrupted due to the political turmoil in the country in 2011.

However, it is expected that the signed documents will be received toward the end of the first half of 2012.

ASIA

United Arab Emirates

In Dubai, works for the "Ras Al Khor Crossing – Improvement of interchange no. 1 on Sheikh Zayed Road" project were completed and opened to traffic. The main structures built are three underpasses with a total length of 1,128 metres and 20 concrete bridges. The client issued the taking-over certificate, which will soon be followed by the completion certificate.

The "Comprehensive Improvements of the parallel roads" project, involving constructing a stretch of motorway (lots 3A and 2C) in the city of Dubai was delayed as a result of the lasting financial and liquidity crisis which impacted the Emirate's economy.

The work site, now with new financial capacity, is preparing to fully recommence the works planned, which consist of, inter alia, building 30 bridges, paving approximately 200,000 m² of roads and installing a high number of underground utilities.

Malaysia

In Malaysia, the Ulu Jelai hydroelectric project is currently underway, which includes a first lot related to the access roads (CW1) and a second lot (CW2+EM1) that involves building an RCC (roller compacted concrete) dam 90 metres high, an underground powerhouse with 372 MW

installed capacity complete with hydro-electromechanical equipment with intake works and approximately 25 km of tunnels. The contractual value is € 484 million. The construction works, carried out by the subsidiary Salini Malaysia in a consortium with a local partner, TMSB (Salini 90%, TMSB 10%), will last until 2016.

Kazakhstan

The works, acquired in December 2009, continue for the rebuilding of the "Western Europe - Western China" International Transit Corridor, one of the most important sections of road within the Republic of Kazakhstan's roadway infrastructures.

The contract is divided into 11 lots and has a total value of approximately € 645 million. It is to build and rehabilitate the existing road corridor and involves a total of 630 kilometres.

Azerbaijan

During the year, as set forth in the work plan, the three road projects – Kurdamir-Ujar, Baku-Samur and Baku-Shamachi – were completed. At the same time, construction continues on a new motorway section called the "Alat-Masalli Highway", divided into two separate lots.

The works, which began in February 2011, were mainly for the construction of road embankments and the installation of drainage facilities.

Georgia

Works for the Sveneti-Ruisi project are in the completion phase. This project is for the construction of a four-lane road section, and includes building a two-tube tunnel 800 metres long.

The lot was opened to traffic on 28 November 2011. The works related to the tunnel's electromechanical plants are still being executed, and should be complete by the end of the first half of 2012.

Furthermore, a tender was won in a joint venture with the Japanese company, Takenaka, to build the new Kutaisi bypass for the Zestafoni-Kutaisi-Samtredia section along the East-West Highway, and has a value of € 45 million.

A ceremony to commence work was held in Kutaisi in February 2012, with the attendance of the President of Georgia, the financing institution JICA and the local authorities.

India

The company Salini India Private Ltd was established on 24 November 2011. It is 95% owned by Salini Costruttori and 5% by Cogema. The first bid was submitted at the end of January 2012 to build, under an EPC agreement, a hydroelectric power plant named GVK Rattle HEP, with installed capacity of 850 MW, located in Kashmir. Other various initiatives are currently being developed in the country.

SOUTH AMERICA

A branch was opened in Chile in order to expand Group business in that country and, more generally, throughout South America.

EUROPE

Denmark

On 7 January 2011, the subsidiary Copenhagen Metro Team I/S, a company established under Danish law, with shareholders including Salini, Tecnimont and S.e.l.i., signed a contract to build the new line of the Copenhagen metro, which is one of the most modern transport infrastructures in the world.

The “Copenhagen Cityringen Project” consists of designing and building the new city circle metro line located in the city centre, including 17 stations and expected traffic of 240,000 passengers per day.

The contract’s original value was € 1,497 million, but the amount was increased to € 1,541 million after the client exercised two contractual options and therefore signed three contract addenda. Besides designing the stations and underground portions, works are currently in progress to build the first 10 stations delivered by the client.

Ukraine

The works to rehabilitate the road section along the Kiev-Chop motorway are complete, the road has been opened to traffic and the taking-over certificates have been received.

On 5 August 2011, the joint venture including Salini Costruttori, the subsidiary Todini Costruzioni and the Azerbaijani company Akkord won the tender to rehabilitate the Kiev-Zhytomir motorway section, along the same route as the Kiev-Chop contract. The contractual value of the four lots assigned amounts to roughly € 205 million and the works, which according to the contract should take 15 months to carry out, began immediately after the award documents were signed.

The contract is part of the activities in preparation for the upcoming European Football Championships, also known as Poland-Ukraine 2012, and therefore the timescales and especially the execution procedures will be strongly influenced by this sporting event.

As at 31 December 2011, 75 kilometres of the road have been opened to traffic (binder layer), corresponding to the right side of the carriageway.

Albania

Works to construct the Levan Dames main road section continue smoothly, and have physically progressed 77% as at 31 December 2011.

The contract has a total value of approximately € 40 million and involves, inter alia, the construction of 19 bridges.

Turkey

On 17 November 2011, the joint venture comprising Salini, the local company Kolin and Generali Costruzioni Ferroviarie received an order to begin works for the “Rehabilitation and reconstruction of the Kosekoy-Gezbe section of the Ankara Istanbul high speed train project”.

This initiative, a symbol of the modernisation of Turkey’s transport system, includes dismantling the existing railway section as well as building a new double track railway line 55.6 kilometres long, which will connect the country’s two “capitals”. The project also involves building the railway superstructure, and carrying out signalling, electrification and telecommunications works.

The contract’s value is € 147 million.

In March, the ceremony was held to lay the first stone at Kosekoy Station, with the attendance of the country’s top authorities, the Salini management and the Italian Consul of Istanbul.

Belarus

On 19 July 2011, a contract was signed to execute resurfacing work on the M5 Minsk-Gomel roadway section.

Work physically began in November 2011 after the client handed over the four lots assigned.

The contract’s planned duration is 600 days, and its value is approximately € 88 million.

01.3.8.2 Italy

Within the project backlog, the value of the domestic business (€ 1,756.4 million) accounts for 17% of the total and the sectors of which it is comprised are summarised below (€/million):

Railways and metro systems	1,607,099	15%
Public building works	81,668	1%
Roads and motorways	67,679	1%
	1,756,446	17%

Domestic market activity, totalling € 330.2 million, represents 23% of the value of production as at 31 December 2011.

The sectors which contributed to the production volumes in Italy are Railways and Metro systems (47.4%), Roads and Motorways (43.6%) and Public building works (6.2%).

The most significant events regarding these activities in 2011 are described below.

Rome underground, B1 line

In 2011, works continued to build the Rome underground B1 line. Specifically, the Conca d’Oro-Piazza Bologna section was completed and will soon be inaugurated. At the same time, excavations for the section between the Conca d’Oro station and the Jonio station are fully underway, with 60% progress achieved in the line’s tunnel. Furthermore, the work on car parks and supply shafts is at an advanced stage.

Salini Costruttori also won the tender to extend the Rome underground line B, from Rebibbia to Casal Monastero. The work, assigned by Roma Metropolitane to a consortium including Vianini and Ansaldo, will be conducted using the property development technique, and its value is calculated as € 948 million.

Milan-Naples A1 Motorway, updating of the Apennine section between Sasso Marconi and Barberino di Mugello, La Quercia-Aglio section

This initiative is for works to expand and modernise the A1 Motorway base tunnel – Lot 9-11 – Variante di Valico by-pass. This job is part of the larger project being carried out by Autostrade per l’Italia S.p.A. to develop the A1 by building the Valico by-pass, in order to improve viability and decrease the time required to travel between Bologna and Florence. The symbol of the Valico by-pass is the Base Tunnel: a tunnel with divided carriageways (160 m² section, approximately 8.6 km long), which will connect the Emilia Romagna and Tuscany regions, linking the future Badia Nuova service area in the north with the new Poggiolino junction to the south.

Work completed in the course of 2011 included the excavations and the coating of the ventilation plant, the coating of the arch in concrete, the creation of all by-passes, as well as the commencement of construction of the new Castiglione dei Pepoli motorway junction. Overall, works have progressed 91%, in line with the project plan, which set forth a final delivery of the work on 30 September 2012.

Construction of a roadway infrastructure to replace the S.S. 125 trunk road, Capo Boi-Terra Mala

In Sardinia, activities continue for the construction of the roadway infrastructure to replace the S.S. 125 trunk road from the Capo Boi junction to the Terra Mala junction. As at 31 December 2011, work had progressed overall by 56% and mainly involved the excavation and coating of tunnels as well as the realisation of roadway embankments.

On 28 March, through an amicable agreement procedure pursuant to Article 240 of Legislative Decree 163/2006, amounts totalling € 22.6 million were recognised for reserves recorded until IPC 12, for works carried out until 19 September 2011, inclusive.

Rome-Fiumicino Motorway, construction of parallel roads and accessory roadways

The work to construct the Rome-Fiumicino motorway section was completed in June 2011. Some finishings not interfering with the road bed still need to be completed.

Naples, construction of a railway section for heavy underground transport, Piscinola-Secondigliano section

Activities to carry out Public building works on the Piscinola-Secondigliano railway section, as part of the modernisation and upgrading of the Naples-Alifana Railway, were suspended during the second half of the year due to the client's failure to make payments set forth in the contract.

That breach is justified due to the Campania Region's financial difficulties, which in fact caused a shortage of funds for the subsidiary Metrocampania Nordest S.r.l., making it extremely difficult to pay the considerations due. The Company has initiated all actions deemed necessary to obtain the fees to which it is entitled, while at the same time maintaining a conflict-free relationship with the client, which still considers the lot in question strategic for the completion of the circular metro system.

Terni, public works as part of activities to complete the detailed "Zona Corso del Popolo" plan

In the concession department, activities related to the execution of public works in the Municipality of Terni to complete the detailed "Zona Corso del Popolo" plan continue. The contract agreement stipulated with the Municipality entails managing the public parking facility, the structures of which are almost completely finished, for thirty years.

Furthermore, the Principal also approved the executive project for the architectural, structural and engineering update of the municipal building, the value of which is approximately € 2.1 million.

Public building works: property

In the course of 2011, the subsidiary Zeis S.r.l. consolidated its management and development of the Group's property assets, both directly, by renting and selling buildings, and indirectly, through its subsidiaries. Specifically, the sale of the majority of the residential units and garages in the building on Via Blaserna was formalised, for a total of approximately € 17.8 million.

With regard to indirect business, the property initiative in the former SDO (Eastern Business and Administrative System) areas in Rome deserves a particular mention.

In February 2012, Galla Placidia S.c.r.l. was established, 71.75% of which is held by the subsidiary Plus S.r.l., and it was assigned the organisation and coordination, in the interest of the consortium members, of activities to execute residential building works under contract in areas identified within the Detailed Eastern Business District Plan – Tiburtino, Rome.

The works should begin by the end of the first half of 2012.

01.3.9 Main Group companies

01.3.9.1 Salini Costruttori S.p.A. (Parent Company)

The Salini Costruttori S.p.A. statutory financial statements for the financial year 2011, which are submitted for the approval of the Shareholders' Meeting, show pre-tax profit of € 75.6 million and net profit of € 55.0 million, with a value of production of € 669.9 million.

The significant improvements in the margins of the income statement closed as at 31 December 2011 bear witness to the advanced know-how and efficiency achieved by the Company in its construction of complex works, such as hydroelectric projects and infrastructures.

In this context, there was a top-line growth of 46.5% and a significant improvement in EBITDA (+€ 37.5 million) and EBIT (+€ 38.3 million).

Pre-tax profit benefits from an excellent performance of extraordinary operations, especially the exchange rate component recorded in the income statement and the measurement of equity investments. Please see the details in the appropriate paragraphs of the explanatory notes for additional information on these two items.

Reclassified income statement

€/000	2011		2010		change
Value of production	669,965	100.0%	457,445	100.0%	46.5%
Purchases for the period	(166,863)	(24.9%)	(101,945)	(22.3%)	63.7%
Service costs	(358,756)	(53.5%)	(253,574)	(55.4%)	41.5%
Lease and rental expense	(28,927)	(4.3%)	(25,021)	(5.5%)	15.6%
Misc. operating expenses	(3,844)	(0.6%)	(2,789)	(0.6%)	37.8%
Value added	111,576	16.7%	74,116	16.2%	50.5%
Personnel costs	(62,508)	(9.3%)	(62,602)	(13.7%)	(0.1%)
EBITDA	49,068	7.3%	11,515	2.5%	326.1%
Amortisation/depreciation and write-downs	(22,397)	(3.3%)	(23,096)	(5.0%)	(3.0%)
EBIT	26,670	4.0%	(11,582)	(2.5%)	(330.3%)
Financial income (loss)	4,140	0.6%	10,421	2.3%	(60.3%)
Exchange rate gains/losses	32,339	4.8%	1,329	0.3%	2,334.0%
Income (loss) on equity investments	11,329	1.7%	37,732	8.2%	(70.0%)
Non-operating income (loss)	1,085	0.2%	(3,014)	(0.7%)	(136.0%)
EBT	75,563	11.3%	34,885	7.6%	116.6%
Taxes	(20,549)	(3.1%)	(2,731)	(0.6%)	652.5%
Minority interests	0	0.0%	0	0.0%	0.0%
NET PROFIT	55,013	8.2%	32,155	7.0%	71.1%

Production

As at 31 December 2011, Salini Costruttori S.p.A.'s total income was € 669.9 million, up € 212.5 million (+46.5%) compared to the same period of last year, mainly due to the positive performance of projects abroad, which specifically accounted for 77.5% of the total.

Operating income accounts for 95.7% of turnover, and amounted to € 641.2 million. The Ethiopian hydroelectric projects, Gibe III and Grand Ethiopian Renaissance Dam, as well as the Kyzilorda road project located in Kazakhstan, provided a significant contribution to that result.

Operating income by geographical area (€/000)	31-Dec-11	%	31-Dec-10	%
Italy	122,103	19%	121,246	28%
Asia	135,799	21%	63,431	14%
Africa	383,282	60%	254,217	58%
Total operating income	641,184		438,893	

The dams and hydroelectric plants sector was the most important, accounting for 55% of income and with an annual growth of € 113.3 million.

The performance of the roads and motorways segment had a notable influence mainly as a result of the full functioning of the road lots related to the reconstruction of the "Western Europe-Western China International Transit Corridor" in Kazakhstan.

Operating income by sector (€/000)	31-Dec-11	%	31-Dec-10	%
Dams and hydroelectric plants	354,647	55%	241,369	55%
Railways and metro systems	122,103	19%	120,730	28%
Public building works	1,040	0%	516	0%
Roads and motorways	163,394	25%	76,279	17%
Total operating income	641,184		438,893	

Other non-operating income, amounting to € 28.8 million, is essentially the result of the supply of goods and services which, by its nature, is not part of the core business (e.g., technical and administrative services provided to Group companies, disposals of materials).

Costs

Direct production costs represent 83.3% of total income and increased in direct proportion to the increase in production volumes.

Personnel costs, totalling € 62.5 million, remained basically the same, but their impact on total income decreased from 13.7% in 2010 to 9.3% this year.

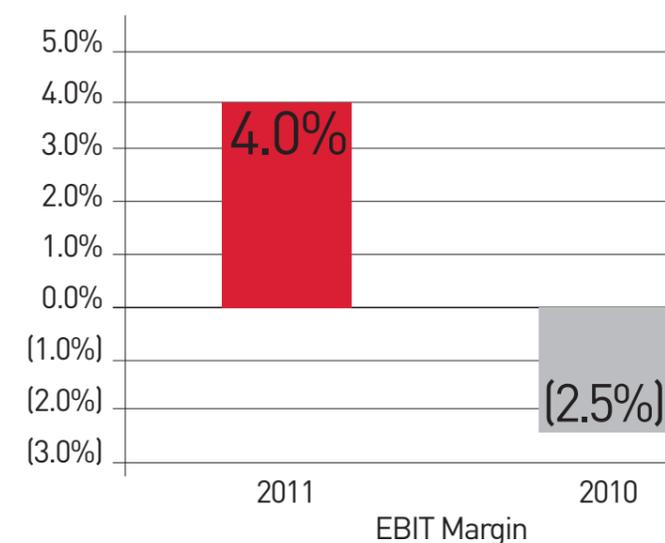
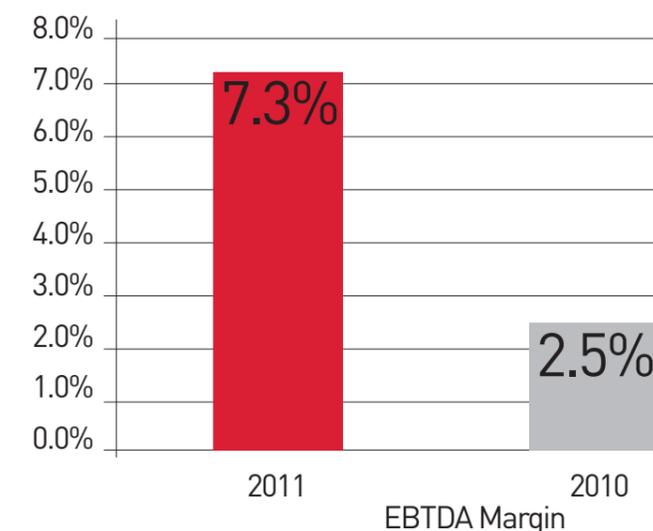
Non-core business

Although non-core activities increased by approximately € 2.4 million (+5%) compared to the figure in the same period of last year (€ 48.9 million as at 31 December 2011 against € 46.5 million as at 31 December 2010), their impact on overall turnover decreased considerably, from 10.2% last year to 7.3%.

Period result

Operating results improved compared to 2010 due to the elements described above. EBITDA, reaching € 49.1 million, grew by € 37.5 million compared to 2010, with an EBITDA margin of 7.3%.

The same considerations can be made as regards EBIT, which reached € 26.7 million, a € 38.3 million improvement compared to the negative balance of € 11.6 million last year, with an EBIT margin of 4.0%.



Reclassified statement of Financial Position

€/000	2011	2010	change
Intangible fixed assets	6,109	9,896	(3,788)
Tangible fixed assets	71,828	51,591	20,237
Equity investments	205,369	71,684	133,686
Other net fixed assets	4,837	5,038	(201)
total fixed assets (a)	288,142	138,208	149,934
inventories	90,342	60,972	29,370
work in progress	144,920	124,908	20,012
advances from clients	(598,969)	(207,626)	(391,343)
trade receivables	172,711	60,257	112,454
tax receivables	31,425	38,075	(6,650)
other assets	271,424	203,966	67,457
subtotal	111,853	280,552	(168,699)
trade payables	(103,780)	(95,557)	(8,223)
other liabilities	(167,445)	(176,725)	9,280
subtotal	(271,225)	(272,282)	1,057
operating working capital (b)	(159,372)	8,270	(167,642)
provisions for risks and charges	(8,162)	(13,118)	4,956
TFR (severance pay)	(1,535)	(1,709)	174
total reserves (c)	(9,696)	(14,827)	5,131
Net Invested Capital (d) = (a) + (b) + (c)	119,074	131,651	(12,577)
cash and cash equivalents	226,327	165,344	60,983
financial receivables	29,145	33,584	(4,439)
current financial liabilities	(64,106)	(68,801)	4,695
non-current financial liabilities	(96,660)	(65,211)	(31,449)
net financial payables/receivables (e)	94,707	64,917	29,790
shareholders' equity	213,781	196,569	17,212
minority interest	0	0	0
Shareholders' equity (f) = (d) + (e)	213,781	196,569	17,212
Sources (g) = (f) - (e)	119,074	131,651	(12,577)

Fixed assets stood at € 288.1 million, up € 149.9 million compared to last year, mostly due to the acquisition of a shareholding in the company Impregilo S.p.A. (totalling approximately € 123 million) and the renovation of technical equipment assigned to the operating work sites. *Net invested capital*, amounting to € 119.1 million, reflects the evolving trend in turnover, whose positive performance impacted the Company's capital structure in a balanced manner. The increase in advances from clients (+€ 391.3 million) mainly refers to contractual advances for the "Grand Ethiopian Renaissance Dam" project.

Net Financial Position

€/000	2011	2010	Change
Cash and cash equivalents	226,327	165,344	60,983
Financial receivables	29,145	33,584	(4,439)
Payables to banks	(64,106)	(68,801)	4,695
Payables to other funders	0	0	0
Total current position	191,367	130,128	61,238
Payables to banks	(96,660)	(65,211)	(31,449)
Payables to other funders	0	0	0
Total non-current position	(96,660)	(65,211)	(31,449)
Net financial position	94,707	64,917	29,790

For the year just closed, there was a notable improvement in the net financial position compared to 31 December 2010 (+€ 29.7 million), both in absolute value and with reference to the mix of due dates, which are more structured towards the long-term.

Guarantees given directly

The overall value of guarantees given is € 1,919.7 million (€ 776.5 million in 2010) and includes the following:

- sureties for opening lines of credit in the interest of subsidiaries, associated companies and other investee companies, totalling € 81.1 million;
- sureties for work given in the interest of the Group by banks and insurance companies to client entities for various purposes, on the Group's own behalf and in the interest of subsidiaries, associated companies and other investee companies, totalling € 700.9 million;
- other sureties given for various purposes (finance administration, corporate guarantees), totalling € 1,137.7 million.

Guarantees and sureties given by third parties in favour of the Company

Guarantees given indirectly and those given by banks and insurance companies in the interest of Italian and foreign suppliers and sub-contractors – or in favour of other foreign financial institutions – in relation to the contractual obligations undertaken with regard to the Group total € 77.1 million (€ 76.4 million in 2010).

01.3.9.2 Todini Costruzioni Generali S.p.A.

The statutory financial statements of the subsidiary Todini Costruzioni Generali S.p.A. for the financial year 2011 show a pre-tax profit of € 5.7 million, up € 1.7 million compared to the same figures of the previous 12 months.

The value of production, equalling € 539.7 million, improved by € 74.9 million (+16.1%) compared to 2010.

As regards profit margins, EBIT, with a value of € 20.0 million, improved by 32.8% on an annual basis (+€ 4.9 million compared to 2010); EBITDA remained basically the same, with growth of 0.3%.

Reclassified income statement

(€/000)	2011		2010	
Value of production	539,717	100.0%	464,794	100.0%
Purchases for the period	(120,746)	22.4%	(110,596)	23.8%
Service costs	(275,276)	51.0%	(207,126)	44.6%
Lease and rental expense	(28,260)	5.2%	(24,606)	5.3%
Misc. operating expenses	(3,479)	0.6%	(6,132)	1.3%
Value added	111,957	20.7%	116,334	25.0%
Personnel costs	(64,584)	12.0%	(69,100)	14.9%
EBITDA	47,372	8.8%	47,235	10.2%
Amortisation/depreciation and write-downs	(27,372)	5.1%	(32,171)	6.9%
EBIT	20,001	3.7%	15,064	3.2%
Financial income (loss)	(7,205)	1.3%	(8,553)	1.8%
Exchange gains/losses	(4,695)	0.9%	(1,368)	0.3%
Income (loss) on equity investments	468	-0.1%	(1,512)	0.3%
Non-operating income (loss)	(2,905)	0.5%	317	-0.1%
EBT	5,663	1.0%	3,948	0.8%
Taxes	(6,254)	1.2%	(3,356)	0.7%
Minority interests	0	0.0%	0	0.0%
NET PROFIT	(591)	-0.1%	592	0.1%

Production

As at 31 December 2011, the subsidiary's total income was € 539.7 million, up 16.1% compared to the same period of last year, mainly due to the positive performance of projects abroad, which specifically accounted for 70.0% of the total for the year.

Operating income accounts for 98.8% of turnover, and amounted to € 533.1 million. The year on year growth of 20.6% is mainly due to the contribution of the Eastern European and Asian region, particularly with respect to the completion of the project in Ukraine to reconstruct the section of road between Chop and Kiev and the full functioning of the initiatives in Kazakhstan and in Azerbaijan.

In terms of geographical areas, 29.3% of operating income was earned in Italy and 70.7% abroad, with a notable contribution from the Asian area (€ 233.5 million of production in 2011). The increase in production in the non-EU area (+€ 58.8 million) is due to the works carried out in Ukraine and the initiation of the newly awarded project in Belarus.

The roads and motorways sector is the Company's absolute core business, accounting for 96.2% of income (92.8% in 2010), while the other sectors contributed only marginally to production volumes.

Operating income by geographical area (€/000)	2011		2010	
Italian production	156,135	29.3%	187,921	42.5%
Foreign production	377,014	70.7%	254,117	57.5%
TOTAL	533,149	100.0%	442,038	100.0%

Operating income by sector (€/000)	2011		2010	
Dams and hydroelectric plants	9,641	1.8%	14,118	3.2%
Roads and motorways	512,966	96.2%	410,319	92.8%
Public building works	9,922	1.9%	13,934	3.2%
Railways and metro systems	620	0.1%	3,667	0.8%
TOTAL	533,149	100.0%	442,038	100.0%

Other non-operating income, totalling € 6.5 million, was mainly from services provided for the Group.

Costs

Direct costs represent 79.3% of the value of production and their increase was in proportion to the increase in operating income. Personnel costs came out at € 64.6 million (-€ 4.5 million compared to 2010), and their impact decreased to 12% from 14.9% last year.

Non-core business

The non-core business was influenced by the negative trend of exchange rates, generating a negative balance of € 4.7 million, the majority of which is due to fluctuations in the Kazakhstani tenge and the Azerbaijani manat.

Period result

The pre-tax profit stood at € 5.7 million, up 43.5% compared to € 3.9 million in 2010, due to the trends described above.

Taxes, totalling € 6.3 million, led to a net profit for the year of € (0.6) million.

The significant impact of taxes is mainly due to differences between the operating result and taxable income. For more details, please see the information in the dedicated paragraph of the Explanatory notes.

Chapter 01.4



Other Information

Treasury shares

The Company had 11,708,900 treasury shares in its portfolio as at 31 December 2011, with a nominal value of € 0.52 each, representing 9.76% of the share capital and recorded in the financial statements at a cost of € 3,120,325. Shareholders' equity includes a special reserve, in accordance with the provisions set out under Article 2357-ter of the Italian Civil Code.

Management and coordination

Salini Costruttori S.p.A. is not subject to the management and coordination of any company.

Statutory audit

On 25 June 2010 the Shareholders' Meeting appointed the independent auditing firm Reconta Ernst & Young S.p.A. to perform the statutory audit and the audit activities for the period from 2010 to 2012, as set forth in Article 2409-quater of the Italian Civil Code.

Information on transactions with related parties

Please see the dedicated paragraph in the Explanatory Notes for information concerning transactions with related parties.

These transactions essentially regard the exchange of goods, the provision of services, funding and the use of financial resources with the Company's subsidiaries, associated companies and other investee companies, in addition to optimising the Group's centralised cash management activities.

The aforementioned transactions are part of the Company's ordinary business and are conducted under normal market conditions, that is, at arm's length.

Exercise of the tax consolidation option for IRES (Corporate Income Tax)

The Company, together with the subsidiaries Zeis S.r.l., Cogema S.p.A., Madonna dei Monti S.r.l., TBMetro S.r.l., Todini Costruzioni Generali S.p.A. and GA.BI.RE. S.r.l., has exercised the option for group taxation for IRES purposes, in accordance with and for the effects of Article 117 et seq. of the Consolidated Income Tax Law (TUIR) and Italian Ministerial Decree of 9 June 2004. The aforementioned provisions involve calculating an overall global income corresponding to the algebraic sum of the total net incomes of the participating companies. The economic and financial relations generated by the application of group taxation are governed by specific regulations signed by the parties.

Subsequent events

The company Salini S.p.A. began operating as at 1 January 2012, through the contribution by the sole shareholder Salini Costruttori S.p.A. of the business unit working in the infrastructure construction industry.

Please see the Corporate Governance paragraph of this Report for additional details.

In the first months of 2012, the Group increased its strategic investment in the company Impregilo S.p.A., and now holds approximately 29% of the share capital with voting rights.

This investment is deemed strategic and is aimed at giving rise to a national leader in the sector of infrastructures, concessions and, in particular, large-scale complex works, which is able to operate with the utmost efficiency in the reference markets, with the goal of creating stable and lasting value for all of Impregilo's and Salini's shareholders and stakeholders.

As regards commercial activity, in the first few months of 2012, the Group was awarded two important road projects in Tunisia and Georgia, which strengthens its leadership in the transport sector of those markets.

In particular, in Tunisia, a new 25 kilometre section of the Oued Zarga-Rhayette motorway and part of the A3 Oued Zarga-Bou Salem motorway will be built. This job, with a value of approximately € 52 million, is part of the larger "Autoroutes Maghrebine" project, which will favour commercial trade and economic development in the Mediterranean area by linking Mauritania, Morocco, Libya, Algeria and Tunisia.

Group projects being carried out in Tunisia represent 33% of the motorway projects being built in that country.

The same considerations can be made concerning Georgia, where the capacity to fulfil a key role in the country's infrastructures has been further demonstrated through the awarding of the Kutaisi bypass - Samtredia project to a consortium with the Japanese company Takenaka.

The new project, with a value of around € 53 million, consists of building a two-lane expressway artery 27 kilometres long, as the main corridor of the country which links Europe with Asia.

On 1 March 2012, a contract agreement – lasting 29 years – was also entered into with the Municipality of Terni, regarding the design, construction and management of a multi-purpose sports complex called "Le piscine dello stadio". This initiative, which involves building covered and uncovered swimming pools, fitness facilities, a commercial and refreshment area and an outdoor green space enhanced by public paths, is based on the use of modern technologies with

low environmental impact, and the pursuit of a rational and targeted use of alternative energy sources.

On 2 May 2012, the Ordinary Shareholders' Meeting resolved to distribute 11,708,900 treasury shares held in the portfolio to shareholders in proportion to the Company shares they already have, while the Company will keep the remaining 1 treasury share. As a result, the "Treasury shares reserve" decreased by € 3,120,325.

Business outlook

The Group's income from ordinary operations in the first months of the year enables us to confirm and support the growth objectives set forth in the 2012-2015 business plan.

The significant income performance of the 2011 income statements, moreover achieved in a difficult macroeconomic scenario, together with the full functioning of important recently acquired initiatives in the sectors of dams and hydroelectric plants (Ethiopia), railways and metro systems (Denmark and Turkey) and roads and motorways (Ukraine) guarantee additional considerable development margins, with a financial and equity structure built on strong foundations.

The new motorway projects awarded in Tunisia and Georgia, and the commencement of works to extend the Rome underground line B, are an additional sign of convergence with the goals outlined by management.

Our capacity to effectively strengthen our competitive advantage in traditional Group markets and the search for new opportunities to extend our scope of operations to new countries such as Denmark and Latin America, in combination with our reinforced aptitude to work with commercial strategies aimed at taking advantage of signs of change in the market in advance, make it reasonable to forecast that we will reach the objective of asserting ourselves as the leader in the sector of complex construction projects.

The Board of Directors



Chapter 02
Consolidated Financial Statements

Chapter 02.1

Consolidated Financial Statements

Salini Costruttori Group - Financial Statements as at 31.12.2011

Assets	Consolidated 2010	Consolidated 2011
A) RECEIVABLES FROM SHAREHOLDERS FOR PAYMENTS STILL OWED	283,111	319,760
B) FIXED ASSETS		
B I Intangible fixed assets		
1) Plant and expansion costs	13,539	9,177
2) Research, development and advertising costs	4,428,476	700,902
3) Industrial patent rights and intellectual property rights	212,226	191,894
4) Concessions, licences, trademarks and similar rights	319,915	172,741
5) Goodwill	0	949,624
6) Assets under development and advances	0	0
7) Other	29,225,285	19,124,148
B I Total intangible fixed assets	34,199,441	21,148,486
B II Tangible fixed assets		
1) Land and buildings	26,617,188	29,011,914
2) Plant and equipment		
a) plant and equipment	216,037,986	264,059,410
	(111,363,686)	(133,044,175)
	104,674,300	131,015,235
b) vehicles	151,842,931	152,697,047
	(101,926,896)	(100,133,653)
	49,916,035	52,563,394
Total plant and equipment	154,590,335	183,578,629
3) Industrial and commercial equipment	44,669,884	53,317,885
	(36,953,196)	(41,933,958)
	7,716,688	11,383,927
4) Other assets		
a) office furniture and electronic equipment	14,459,191	17,356,629
	(9,999,284)	(11,365,314)
	4,459,907	5,991,315
b) other assets	110,835	110,835

Assets	Consolidated 2010	Consolidated 2011
	0	0
	110,835	110,835
Total other assets	4,570,742	6,102,150
5) Assets under development and advances	16,162,982	27,057,979
II Total tangible fixed assets	209,657,935	257,134,599
B III Long-term investment		
1) Equity investments in		
a) subsidiaries	80,033	183,693
b) associates	16,647,677	15,097,296
c) other companies	1,250,255	123,988,766
	17,977,965	139,269,755
2) Receivables:		
a) from subsidiaries		
(within 12 months)	0	0
(after 12 months)	389,525	309,388
	389,525	309,388
b) from associates		
(within 12 months)	0	0
(after 12 months)	9,279,928	9,929,887
	9,279,928	9,929,887
c) from controlling companies		
(within 12 months)	0	0
(after 12 months)	0	0
	0	0
d) from others		
(within 12 months)	25,443	19,918
(after 12 months)	10,176,360	6,316,598
	10,201,803	6,336,516
Total receivables	19,871,256	16,575,791
3) Other securities	0	0
4) Treasury shares	3,120,325	3,120,325
5) Other long-term investment	0	0
B III Total long-term investment	40,969,546	158,965,871
TOTAL FIXED ASSETS	284,826,922	437,248,956
C) CURRENT ASSETS		
C I Inventories		
1) Raw materials, ancillary materials and consumables	94,485,093	144,048,334
2) Buildings in progress	39,602,209	36,552,583
3) Work in progress on orders	4,778,330,624	5,962,956,176
4) Finished products and merchandise	77,044,682	76,035,926
5) Advances and services in progress	1,071,982	1,731,049
C I Total inventories	4,990,534,590	6,221,324,068
C II Receivables		
1) From clients		
a) clients (buyers)		
(within 12 months)	354,829,935	496,491,709
(after 12 months)	5,162,140	10,507,701
	359,992,075	506,999,410

Assets	Consolidated 2010	Consolidated 2011
b) other clients		
(within 12 months)	43,062,524	40,372,777
(after 12 months)	30,634	30,634
	43,093,158	40,403,411
Total receivables from clients	403,085,233	547,402,821
2) From subsidiaries		
(within 12 months)	79,683	103,072
(after 12 months)	0	0
	79,683	103,072
3) From associates		
(within 12 months)	19,180,855	19,749,609
(after 12 months)	164,087	164,039
	19,344,942	19,913,648
4) From controlling companies		
(within 12 months)	7,800	15,906
(after 12 months)	0	0
	7,800	15,906
4-bis) Tax receivables		
(within 12 months)	47,939,026	50,553,011
(after 12 months)	7,986,970	6,261,350
	55,925,996	56,814,361
4-ter) Prepaid taxes		
(within 12 months)	3,475,363	3,332,160
(after 12 months)	17,784,456	6,496,533
	21,259,819	9,828,693
5) From others		
a) running current account branches	0	0
b) Others (within 12 months)	128,878,642	148,014,237
b) (after 12 months)	16,903,096	65,497,178
Total receivables from others	145,781,738	213,511,415
C II Total receivables	645,485,211	847,589,916
C III Current financial assets		
1) Equity investments in subsidiaries	0	0
2) Equity investments in associates	0	0
3) Other equity investments	0	0
4) Treasury shares	0	0
5) Other securities	0	0
C III Total current financial assets	0	0
C IV Cash and cash equivalents		
1a) Unrestricted bank and postal deposits	212,355,933	500,872,159
1b) Restricted bank and postal deposits	1,518,625	41,239,998
2) Cheques	0	0
3) Cash funds	2,389,882	881,895
C IV Total cash and cash equivalents	216,264,440	542,994,052
TOTAL CURRENT ASSETS	5,852,284,241	7,611,908,036
D) ACCRUALS AND DEFERRALS		
- discounts on loans	0	0
- miscellaneous	21,719,015	16,527,839
TOTAL ACCRUALS AND DEFERRALS	21,719,015	16,527,839
TOTAL ASSETS (A+B+C+D)	6,159,113,289	8,066,004,591

Shareholders' Equity and Liabilities	Consolidated 2010	Consolidated 2011
A) SHAREHOLDERS' EQUITY		
A I Share capital	62,400,000	62,400,000
A II Share premium reserve	0	0
A III Revaluation reserve	0	0
A IV Legal reserve	3,935,590	5,543,322
A V Statutory reserve	0	0
A VI Reserve for treasury shares	3,120,387	3,120,387
A VIIa Reserve pursuant to Law 98/94, Article 1, paragraph 4	2,042,219	2,042,219
A VIIb Translation reserve/deficit	51,203,352	26,134,347
A VIIc Holdings revaluation restricted reserve	4,847,346	9,364,706
A VIIc Consolidation reserve	0	0
A VIIc Other reserves	479,396	479,396
A VIII Retained earnings	51,188,296	63,439,168
A IX Operating profit (loss)	31,051,888	50,826,542
TOTAL SHAREHOLDERS' EQUITY OF THE GROUP	210,268,474	223,350,087
A 1) Shareholders' equity of minorities	18,552,572	22,095,579
A 2) Operating profit (loss) of minorities	2,043,126	3,457,121
TOTAL SHAREHOLDERS' EQUITY	230,864,172	248,902,787
B) PROVISION FOR RISKS AND CHARGES		
1) Retirement benefits and similar obligations	0	134,750
2) Provision for tax (including deferred)	6,563,914	2,019,845
3) Other	17,735,221	24,051,000
TOTAL PROVISION FOR RISKS AND CHARGES	24,299,135	26,205,595
C) SEVERANCE PAY	4,464,951	3,637,714
D) PAYABLES		
1) Bonds		
(within 12 months)	0	0
(after 12 months)	0	0
	0	0
2) Convertible bonds		
(within 12 months)	0	0
(after 12 months)	0	0
	0	0
3) To shareholders for loans		
(within 12 months)	0	499,159
(after 12 months)	2,956,046	2,889,800
	2,956,046	3,388,959
4) Payables to banks		
(within 12 months)	255,859,545	242,620,282
(after 12 months)	113,637,952	153,729,410
	369,497,497	396,349,692
5) Payables to other funders		
(within 12 months)	23,206,065	48,630,679
(after 12 months)	59,720,222	70,928,784
	82,926,287	119,559,463
6) Payments on account		
a) Client advances		
(within 12 months)	65,349,268	112,557,360

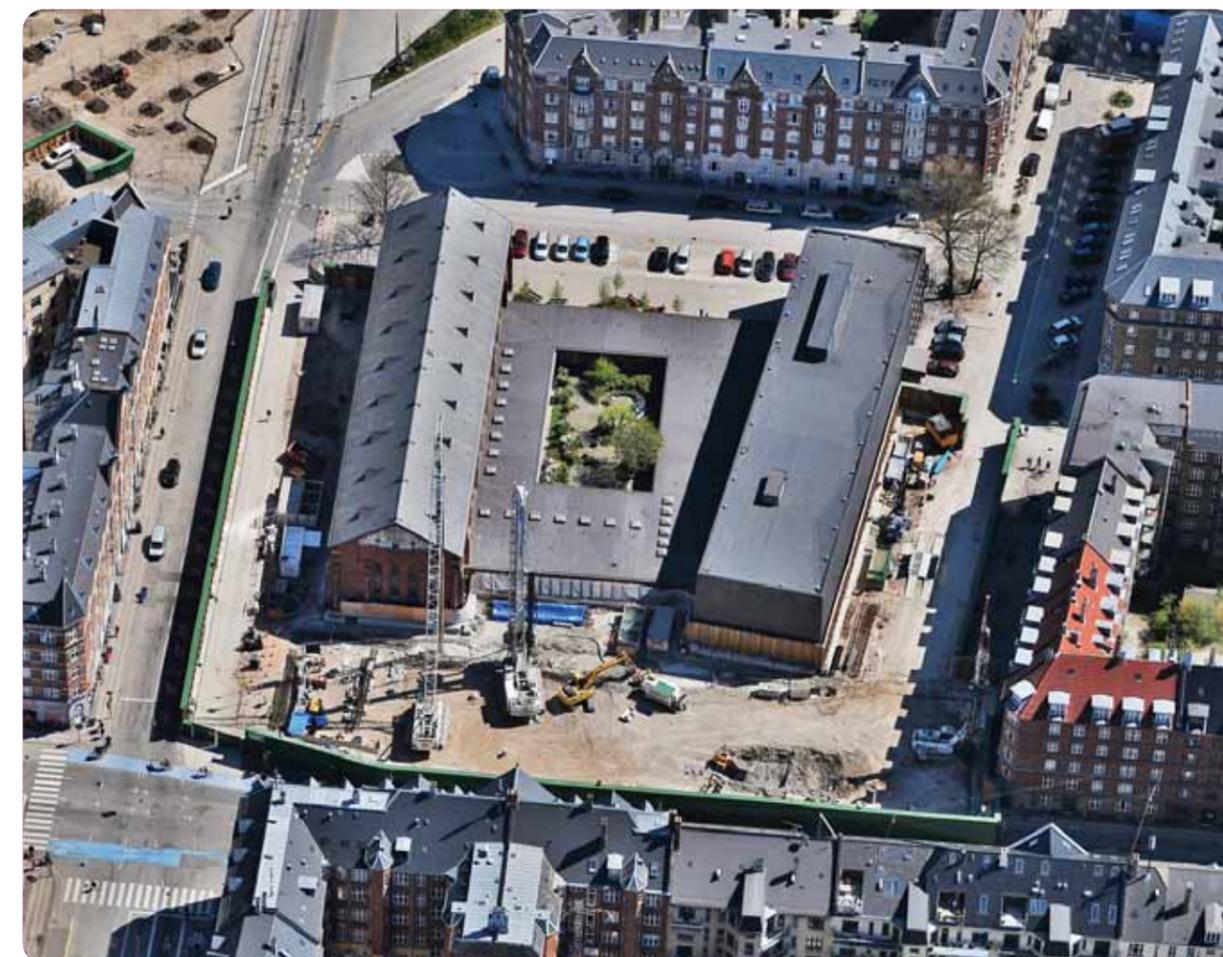
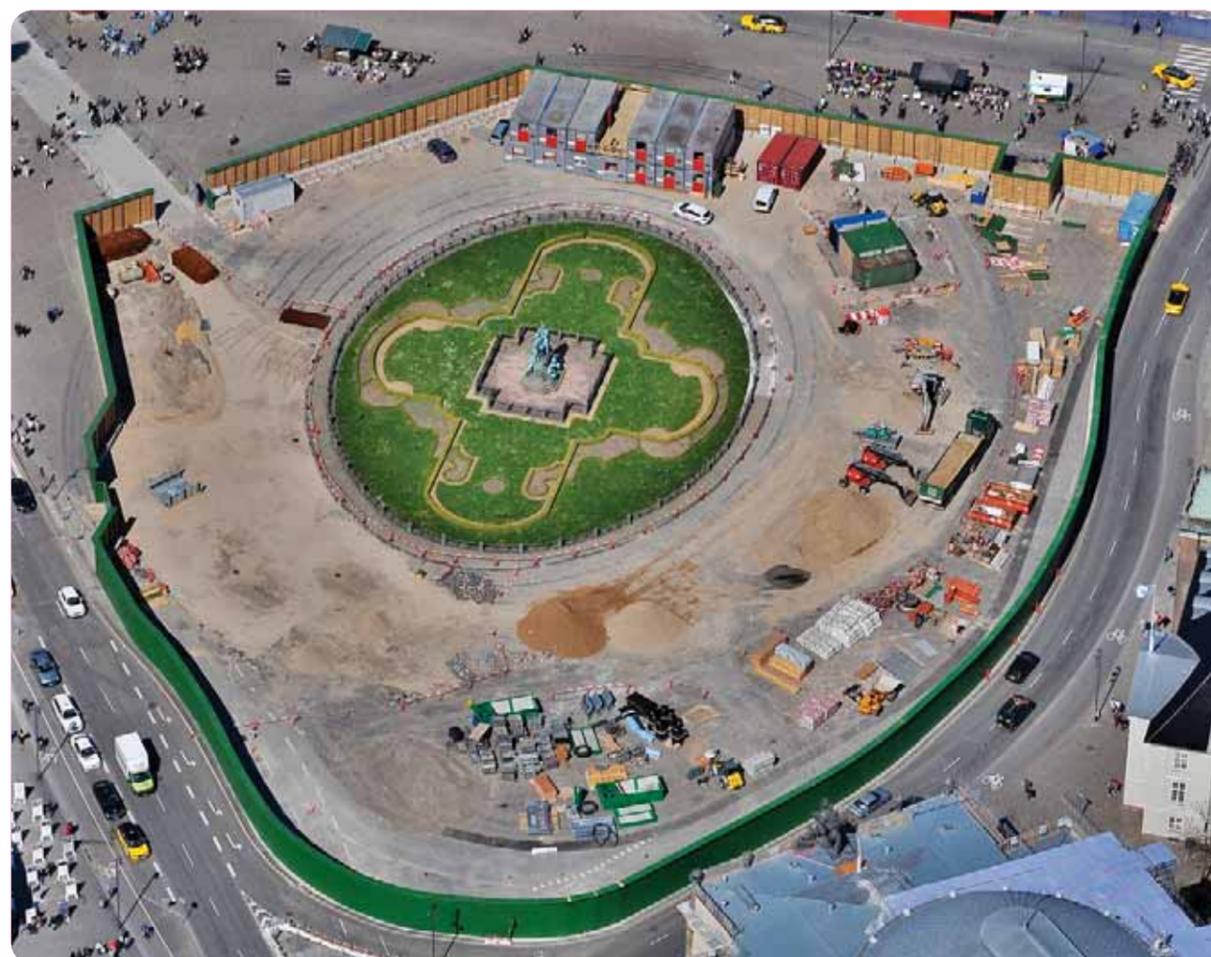
Shareholders' Equity and Liabilities	Consolidated 2010	Consolidated 2011
(after 12 months)	339,157,179	904,701,093
	404,506,447	1,017,258,453
b) Client payments on account		
(within 12 months)	18,466,996	323,855,430
(after 12 months)	4,542,419,038	5,348,228,174
	4,560,886,034	5,672,083,604
Total payments on account	4,965,392,481	6,689,342,057
7) Trade payables		
(within 12 months)	361,514,629	427,549,512
(after 12 months)	3,345,555	7,876,300
	364,860,184	435,425,812
8) Payables represented by debt securities		
(within 12 months)	0	3,224,883
(after 12 months)	0	0
	0	3,224,883
9) Payables to subsidiaries		
(within 12 months)	93,755	111,670
(after 12 months)	0	0
	93,755	111,670
10) Payables to associates		
(within 12 months)	41,846,715	54,477,172
(after 12 months)	0	59
	41,846,715	54,477,231
11) Payables to controlling companies		
(within 12 months)	0	0
(after 12 months)	0	0
	0	0
12) Tax payables		
(within 12 months)	37,667,858	55,259,312
(after 12 months)	54,202	1,102,980
	37,722,060	56,362,292
13) Payables to social security institutes		
(within 12 months)	5,557,272	5,552,119
(after 12 months)	0	0
	5,557,272	5,552,119
14) Other payables		
(within 12 months)	18,373,892	12,813,500
(after 12 months)	7,019,136	7,123,997
	25,393,028	19,937,497
TOTAL PAYABLES	5,896,245,325	7,783,731,675
E) ACCRUALS AND DEFERRALS		
- discounts on loans	0	0
- miscellaneous	3,239,707	3,526,820
TOTAL ACCRUALS AND DEFERRALS	3,239,707	3,526,820
TOTAL LIABILITIES (B+C+D+E)	5,928,249,118	7,817,101,804
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	6,159,113,290	8,066,004,591

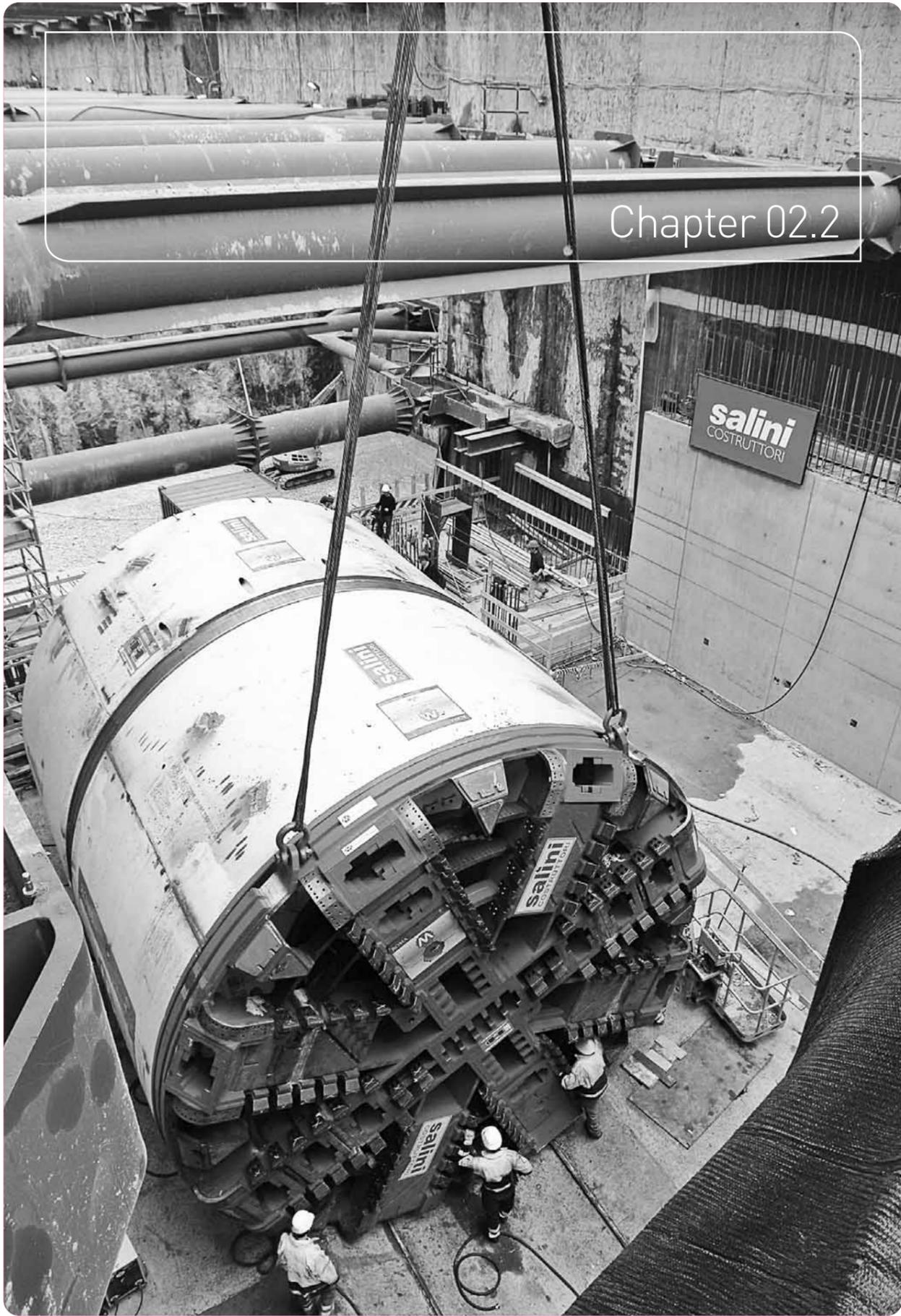
Shareholders' Equity and Liabilities	Consolidated 2010	Consolidated 2011
MEMORANDUM ACCOUNTS:		
Guarantees given directly		
- subsidiaries and associates	166,093,533	340,651,666
- minorities	1,207,903,756	2,384,517,795
Total guarantees given directly	1,373,997,289	2,725,169,461
OTHER MEMORANDUM ACCOUNTS:		
- leased assets	0	0
MEMORANDUM ACCOUNTS		
- other memorandum accounts	216,864,559	273,348,521

Income Statement	Consolidated 2010	Consolidated 2011
A) VALUE OF PRODUCTION		
1) Revenue from sales and services	240,961,551	221,872,177
2) Changes in inventories for work in progress, semi-finished and finished work	170,383	(4,967,633)
3) Changes to work in progress on orders	820,779,219	1,161,901,073
4) Increases of fixed assets for in-house production	17,569,018	7,474,133
5) Other income		
- miscellaneous	43,342,645	46,866,278
- contributions for operating expenses	0	0
Total other income (5)	43,342,645	46,866,278
TOTAL VALUE OF PRODUCTION (1+2...5)	1,122,822,816	1,433,146,028
B) COSTS OF PRODUCTION		
6) For raw materials, ancillary materials and consumables	276,175,310	397,392,979
7) For services	493,286,047	699,624,524
8) Expenses for use of third party assets	21,474,963	34,573,537
9) For personnel		
a) wages and salaries	124,255,128	129,465,836
b) social security charges	28,633,928	28,888,409
c) severance pay	2,914,202	2,209,392
d) retirement benefits and similar obligations	1,614,888	2,238,699
e) other costs	1,364,787	128,014
Total personnel costs (9)	158,782,933	162,930,350
10) Amortisation/depreciation and write-downs		
a) amortisation of intangible fixed assets	25,084,917	21,612,882
b) depreciation of tangible fixed assets	60,169,332	59,385,090
c) other write-downs on fixed assets	1,540,278	0
d) write-downs of receiv. included among current assets	2,860,035	2,953,642
Total amortisation/depreciation and write-downs (10)	89,654,562	83,951,614
11) Changes in inventories for raw materials, ancillary materials and consumables	(4,990,076)	(52,916,913)
12) Provisions for risks	4,223,940	11,721,204
13) Other provisions	1,771,000	1,593,024
14) Other operating costs	10,039,154	9,200,738
TOTAL COSTS OF PRODUCTION (6+7...14)	1,050,417,833	1,348,071,057
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A-B)	72,404,983	85,074,971

Income Statement	Consolidated 2010	Consolidated 2011
C) FINANCIAL INCOME AND CHARGES		
15) Investment income		
- from subsidiaries	0	0
- from associates	0	256,037
- other	0	180,378
Total investment income (15)	0	436,415
16) Other financial income		
a) from receivables on fixed assets		
- from subsidiaries	0	0
- from associates	0	0
- from controlling companies	0	0
- other	454,279	3,286
b) from fixed securities other than equity investments	0	0
c) from current securities other than equity investments	0	0
d) other income		
- from subsidiaries	0	0
- from associates	8,057	0
- from controlling companies	0	0
- other	14,575,437	8,378,971
Total other financial income (16)	15,037,773	8,382,257
Total financial income (15+16)	15,037,773	8,818,672
17) Interest and other financial charges		
- from subsidiaries	3,614	1,714
- from associates	0	72,689
- from controlling companies	0	0
- other	25,635,069	25,118,257
Total interest and other financial charges (17)	(25,638,683)	(25,192,660)
17-bis) Exchange rate gains and losses	(1,802,072)	27,838,505
TOTAL FIN. INCOME AND CHARGES (15+16-17)	(12,402,982)	11,464,517
D) VALUATION ADJUSTMENTS TO FIN. ASSETS		
18) Revaluations		
a) of equity investments	164,029	332,972
b) of long-term investment other than equity investments	0	0
c) of current securities other than equity investments	0	0
Total revaluations (18)	164,029	332,972
19) Write-downs		
a) of equity investments	1,325,506	2,125,111
b) of long-term investment other than equity investments	0	0
c) of current securities other than equity investments	0	0
Total write-downs (19)	(1,325,506)	(2,125,111)
TOTAL VALUATION ADJUSTMENTS (18-19)	(1,161,477)	(1,792,139)

Income Statement	Consolidated 2010	Consolidated 2011
E) EXTRAORDINARY INCOME AND CHARGES		
20) Extraordinary income		
- capital gains on disposals	141,964	95,503
- miscellaneous	2,782,216	5,165,996
Total extraordinary income (20)	2,924,180	5,261,499
21) Extraordinary charges		
- capital losses on disposals	22,485	6,504
- previous years' taxes	2,882,036	4,400,194
- miscellaneous	3,486,383	4,584,036
Total extraordinary charges (21)	(6,390,904)	(8,990,734)
TOTAL EXTRAORDINARY ITEMS (20-21)	(3,466,724)	(3,729,235)
PRE-TAX PROFIT (A-B#C#D#E)	55,373,800	91,018,114
22) Income taxes		
a) Current taxes	14,968,194	31,401,578
b) Deferred/prepaid taxes	7,310,592	5,332,873
Total income taxes (22)	22,278,786	36,734,451
23) PROFIT (LOSS) FOR THE YEAR	33,095,014	54,283,663
OPERATING PROFIT (LOSS) OF MINORITIES	2,043,126	3,457,121
23) OPERATING PROFIT (LOSS)	31,051,888	50,826,542





Chapter 02.2

Explanatory Notes on Consolidated Statements

Salini Costruttori Group

PARENT COMPANY: SALINI COSTRUTTORI S.p.A.
Share capital € 62,400,000 fully paid in.

EXPLANATORY NOTES to the Consolidated Financial Statements ended on 31 December 2011

The consolidated financial statements of Salini Costruttori S.p.A. and subsidiaries for the year ended on 31 December 2011 were prepared in accordance with the provisions introduced by Legislative Decree 127/1991.

The consolidated accounting tables are prepared in accordance with Articles 25 and 43 of Legislative Decree 127/1991 and the provisions governing statutory financial statements, based on the accounting entries updated at 31 December 2011, supplemented off the books with those entries that are normally recorded in accounting books on 31 December, the closing date of the year, at the time of preparing the annual financial statements.

For the consolidation, the accounting status of subsidiaries included in the scope of consolidation, appropriately reclassified and adjusted for purposes of making them consistent with the Parent Company's accounting criteria, are used.

The companies included in the scope of consolidation engage primarily in activities geared toward the construction of plant and industrial works, including on behalf of third parties, the construction of works of civil engineering of public utility, the construction and management of buildings and the provision of non-core services to construction activities.

Non-operating companies and companies with little relevance are not included in the scope of consolidation.

The consolidated financial statements at 31 December 2011 are accompanied by a directors' report by the Board of Directors.

Item amounts are expressed in € units on tables and € thousand in the explanatory notes to the financial statements.

For each item on the statement of financial position and on the income statement, the amounts relative to the consolidated financial statements for 2010 are expressed.

With reference to the nature of the Company's business and significant events occurring after the end of the year, refer to the directors' report.

02.2.1 Consolidation Scope and Criteria

Scope of consolidation

Name or trade name	Date Incorporated	Registered Office	Share capital (€/000)	% stake (dir. or indir.)
1 Salini Costruttori S.p.A.		Rome	62,400	Parent Company
2 Todini Costruzioni Generali S.p.A. (a)	30/09/1987	Rome	56,907	77.7141%
3 Salini Hydro Limited	11/08/1993	Dublin (Ireland)	5	100.00%
4 Co.Ge.Ma. S.p.A.	07/04/1982	Rome	1,033	100.00%
5 Metro B1 S.c.a.r.l.	27/10/2004	Rome	100	80.70%
6 Ri.Ma.T.I. S.c.a.r.l.	27/10/2004	Rome	100	83.42%
7 Salini Nigeria Ltd	03/01/2001	Nigeria	Naira 10,000	100.00%
8 Zeis S.r.l. (b)	08/02/1990	Rome	10,000	100.00%
9 Joint Venture Salini-Impregilo	20/09/1996	Mukorsi (Zimbabwe)	8	99.90%
10 Salini Bulgaria EAD	06/08/2008	Sofia (Bulgaria)	Lev 50	100.00%
11 TBMetro S.r.l.	13/03/2008	Rome	100	51.00%
12 Madonna dei Monti S.r.l.	11/12/1992	Rome	46	100.00%
13 Salini Malaysia SDN. BHD.	13/01/2009	Kuala Lumpur	Myr 1,100	90.00%
14 Hemus Motorway AD	05/08/2004	Sofia (Bulgaria)	Lev 1,300	51.00%
15 Sa.Co.Lav. S.c.r.l. in liquidation	08/05/2000	Rome	10	100.00%
16 Bumbuna Power Gen.Co. Ltd	31/10/2008	Freetown (S.Leone)	Leo 1,000,000	51.00%
17 Salini Polska sp.zoo	31/03/2011	Warsaw	Pln 393	100.00%
18 CMT I/S	28/02/2011	Copenhagen	0	59.994%
19 Salini India Private Ltd	13/11/2011	India	15	100.00%
20 Salini Kolin CGF Joint Venture	20/10/2011	Turkey	4	38.00%
21 J.V. Todini Akkord Salini Costruttori	29/09/2011	Rivne Ukraine	100	25.00%



a) Consolidated Financial Statements of Todini Costruzioni Generali S.p.A. with the following subsidiaries:

Name or trade name	Date Incorporated	Registered Office	Share capital (€/000)	% stake (dir. or indir.)
1 Consorzio FAT	22/09/1993	Rome	46	99.00%
2 Corso del Popolo Engineering S.c.a.r.l.	23/01/2006	Rome	10	55.00%
3 Corso del Popolo S.p.A.	01/02/2005	Terni	1,200	55.00%
4 Eurl Todini Algeri	30/07/2007	Algiers (Algeria)	63	100.00%
5 GMTI S.c.a.r.l. (Algeria)	19/02/2003	Algiers (Algeria)	11	100.00%
6 Groupment Sci Sonatro (Algeria)	20/07/1998	Algiers (Algeria)	0	60.00%
7 Groupment Todini Enaler	18/03/2003	Algiers (Algeria)	0	84.00%
8 Groupment Todini Hamila	04/10/2003	Sousse (Tunisia)	0	100.00%
9 Marmore	17/12/1992	Rome	10	88.49%
10 Maver S.c.a.r.l. in liquidation	01/08/1996	Rome	10	100.00%
11 Nobiallo S.c.a.r.l. in liquidation	30/07/1991	Rome	10	90.00%
12 Perugia 219 S.c.a.r.l.	23/11/2004	Perugia	10	55.00%
13 Piscine dello Stadio S.r.l.	12/05/2010	Terni	870	70.00%
14 Todini Central Asia	26/02/2004	Astana (Kazakhstan)	1,438	100.00%
15 Consorzio Todini Aktor Metro	08/01/2004	Athens (Greece)	0	55.00%
16 J.V. Todini Takenaka LLCC	03/11/2011	Baku Azerbaijan	0	60.00%
17 J.V. Todini Akkord Salini Costruttori	29/09/2011	Rivne Ukraine	100	40.00%

b) Consolidated Financial Statements of Zeis S.r.l. with the following subsidiaries:

Name or trade name	Date Incorporated	Registered Office	Share capital (€/000)	% stake (dir. or indir.)
1 Infernetto 2010 S.r.l.	26/10/2009	Rome	10	100.00%
2 Immobiliare Agricola S.Vittorino S.r.l.	05/07/1974	Rome	819	93.00%
3 Plus S.r.l. (c)	18/09/1984	Rome	765	55.46%

c) Consolidated Financial Statements of Plus S.r.l. with the following subsidiaries:

Name or trade name	Date Incorporated	Registered Office	Share capital (€/000)	% stake (dir. or indir.)
1 Dirlan S.r.l.	11/11/1987	Rome	46	100.00%
2 Nores S.r.l.	20/05/2008	Rome	100	87.121%
3 Consorzio Tiburtino	29/05/2003	Rome	10	87.173%

In addition, the Company values the following equity investments by the Equity Method:

Name or trade name	Date Incorporated	Registered Office	Share capital (€/000)	% stake (dir. or indir.)
1 Salcost France S.r.l. in liquidation	28/10/1990	Paris (France)	15	100.00%
2 Ga.bi.re. S.r.l.	24/05/2007	Rome	98	60.00%
3 Casada *	14/03/2001	Rome	98	25.00%
4 Con.Sal. S.c.n.c. in liquidation	10/05/1983	Rome	15	30.00%
5 Forum S.c. a r.l.	20/02/1996	Rome	51	20.00%
6 Group. d'entreprises Salini Strabag	22/12/1995	Guinea	10	50.00%
7 Groupement Italgisas in liquidation	03/06/1992	Kenitra (Morocco)	620	30.00%
8 Ital.Sa.Gi. Sp.Z.O.O.	20/07/1994	Katowice (Poland)	PNL 40	33.00%
9 J. V. Salini Acciona	27/10/1998	Addis Ababa (Ethiopia)	20	50.00%
10 S. Ruffillo	08/02/2000	Rome	60	35.00%
11 Immobiliare Marinella*	22/09/1986	Rome	10	33.33%
12 Albacem 2007 in liquidation **	12/07/2007	Tirana (Albania)	1	100.00%
13 Consorzio Costral in liquidation **	09/10/2003	Rome	20	70.00%
14 Edilfi Scarl in liquidation **	27/05/1986	Rome	10	100.00%
15 Todedil Scarl in liquidation **	02/02/2000	Todi	10	85.00%
16 Alburni scarl in liquidation **	10/08/1990	Rome	7	47.14%
17 Bata srl in liquidation**	14/03/1984	Bari	102	27.55%
18 C.P.R. 2**	19/06/1981	Naples	2	35.97%
19 C.P.R. 3**	01/09/1981	Naples	2	35.97%
20 Colle Todi S.c. a r.l. in liquidation**	20/04/1989	Rome	10	66.67%
21 Cons Pizzarotti Todini .Keff-Eddir**	03/04/2006	Parma	100	50.00%
22 Cons. AFT in liquidation**	15/04/1993	Rome	46	33.33%
23 Cons. Astaldi-Federici-Todini (Kramis)**	19/10/2001	Rome	100	49.95%
24 Consorzio Kallidromo**	06/10/1997	Atene	29	20.70%
25 CUS (Consorzio Umbria Sanità)**	02/05/1991	Perugia	10	31.00%
26 Galileo S.c. a r.l.**	06/02/2006	Pantalla Todi (PG)	10	40.00%
27 Irina S.r.l. in liquidation**	27/10/1981	Naples	103	36.00%
28 Risalto S.r.l.**	10/06/2002	Rome	89	33.33%
29 Rupe Orvieto S.c. a r.l.**	06/04/1989	Orvieto	29	42.85%
30 Scat 5 S.c. a r.l.**	16/01/1990	Rome	26	24.99%
31 Sedi S.c. a r.l.**	29/07/2009	Rome	10	34.00%
32 Trasimeno S.c. a r.l. in liquidation**	29/07/2004	Pantalla Todi (PG)	10	30.00%
33 Valico S.c. a r.l.**	15/11/1990	Rome	10	50.00%
34 Variante di Valico in liquidation**	18/09/1984	Rome	90	33.33%
35 Co.ge.fin. S.r.l.**	10/06/2010	Rome	10	51.00%

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

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

The scope of consolidation changed, compared to 31 December 2010, as a result of:

- incorporation of Salini Kolin CGF joint venture (38% Salini Costruttori S.p.A.) for the work relative to the "Rehabilitation and reconstruction of the Kosekoy-Gezbe section of the Ankara Istanbul high speed train project". Due to shareholder agreements, the company is considered a subsidiary;
- incorporation of CMT I/S, a Danish company held by Salini Costruttori as project leader, Tecnimont and S.e.l.i. for the building of the new Copenhagen metro system;
- incorporation of Salini Polska sp.zoo on 31 March 2011, wholly-owned;
- incorporation of Salini India Private Ltd on 24 November 2011, 95%-owned by Salini Costruttori and 5% by Cogema, to submit the first offer for the EPC construction of an 850 MW hydroelectric plant in Kashmir, known as GVK Ratle HEP;
- incorporation of the J.V. Todini Akkord Salini Costruttori based in Ukraine, for the purpose of rehabilitating the Kiev-Zhytomir section roadway under the same guidelines as the Kiev-Chop contract, the amount of which is approximately € 204 million. The percentage interest held by Salini Costruttori S.p.A. is 25% of the capital and the portion held by Todini Costruzioni Generali S.p.A. is 40% of the capital. Pursuant to shareholder agreements, control is held by Todini Costruzioni Generali S.p.A.;
- incorporation of the J.V. Todini Takenaka LLCC, with its Registered Office in Azerbaijan, for the purposes of executing the new Kutaisi Bypass, along the East-West Highway in the Zestafoni-Kutaisi-Samtredia section, the amount of which is € 45 million, with the stake held by the Company amounting to 60%;
- deconsolidation of Olimpia Servicii International, a company operating in the property sector, as part of the spin-off formalised on 7 June 2011 involving receivables, properties and bank liabilities. This transaction, aimed at focusing the company's resources in the construction sector, was further to and in fact completed the 2010 transaction that saw G.A.B.I.RE S.r.l. acquire the company's 93.3% stake in Cediv S.p.A., the owner of buildable areas in the Municipality of Marghera (VE);
- increase of the stake in Groupment Todini Hamila, which went from 50% to 100%, as a result of an agreement with the previous partner (Hamila) aimed at obtaining full control of that company;

Specifically:

- the subsidiary Salcost France S.r.l. in liquidation valued by the equity method was excluded from the scope of consolidation because it is included in the cases provided for in Article 28 of Legislative Decree 127/91;
- the subsidiaries (in Todini Costruzioni Generali S.p.A.) Albacem 2007 in liquidation, Cogeca S.c.a.r.l. in liquidation, Consorzio Costral in liquidation, Edilfi S.c.a.r.l. in liquidation and Todedil S.c.a.r.l. in liquidation valued by the equity method were excluded from the scope of consolidation because they are included in the cases provided for by Article 28 of Legislative Decree 127/91;
- the subsidiary Sa. Ma. S.c.a.r.l. in liquidation valued at adjusted cost was excluded from the scope of consolidation because it is included in the cases provided for in Article 28 of Legislative Decree 127/91;
- the subsidiary in Todini Costruzioni Generali S.p.A., Co.Ge.Fin (51% stake) is not consolidated in that control is held by Todini Finanziaria S.p.A. pursuant to shareholder agreements.

Consolidation criteria

The main consolidation criteria adopted are the following:

- a) the book value of the interests included in the scope of consolidation is eliminated against the respective equity, in view of the assumption of assets and liabilities according to the full

- inclusion method, any difference deriving from the said elimination, after having been attributed, where possible, to individual asset and liability items, is entered as an adjustment to group shareholders' equity and allocated to the profit (loss) carried forward item;
- b) payables and receivables, costs and revenues, dividends received and any other transactions made between the companies included in the scope of consolidation are eliminated;
- c) for converting financial statements expressed in foreign currencies into Euros consistent with current standards, the following criteria were adopted:
- assets and liabilities are valued at the exchange rate in existence on the date of the financial statements;
 - the income statement items are valued applying the average exchange rates for the year;
 - the components of shareholders' equity are valued at exchange rates in force in the respective period in which they are formed.

Foreign exchange differential deriving from the conversion of equity at historical exchange rates compared to those in force on the date of the financial statements, including the difference deriving from the economic result expressed at the average exchange rate for the year, are charged directly to equity.

Annex 2) states the exchange rates utilised.

As far as information on the progress of the Group's activities, the main events occurring during 2011 and those occurring after the closing date thereof is concerned, please refer to what is stated in the Directors' Report which accompanies these consolidated financial statements.

02.2.2 Valuation Criteria

The criteria applied in the valuation of financial statement items, valuation adjustments and in the valuation of amounts not originally expressed in local legal tender, are in line with what is provided for in the current Italian Civil Code, including the valuation criteria contained in Article 2426 of the Italian Civil Code, interpreted by the accounting principles prepared by the National Council of Chartered Accountants, as amended by the Italian Accounting Organisation. These criteria, in keeping with the provisions of Article 35, paragraph 1 of Legislative Decree 127/91 are substantially the same ones used in the separate financial statements of the Parent Company Salini Costruttori S.p.A. These have not been changed compared to those adopted in preparing the financial statements for the previous year.

Specifically, in preparing the financial statements, the following principles have been observed, in line with Article 2423-bis of the Italian Civil Code:

- a) The valuation of items is made according to rules of prudence and from the standpoint of business continuity, as well as taking into account the economic function of the assets and liabilities considered;
- b) Only profits made on the closing date of the year have been indicated;
- c) Income and expenses accrued during the year have been taken into account, regardless of the date of collection or payment;
- d) Risks and charges for the year have been taken into account, even if unknown after its closing;
- e) Heterogeneous elements included in individual items have been measured separately;

The valuation criteria have not been changed from those used during the previous year.

Described below are the valuation criteria applied to the most significant financial statement items.

Intangible fixed assets

Intangible assets are recognised at purchase or production cost, including directly attributable accessory charges, net of amortisation and depreciation.

Costs for studies, tenders and other commercial initiatives in progress are suspended during the year in which they are incurred if the outcome of the tender is not known or if it is not yet completed. If the initiative's outcome is negative, such costs are charged to the income statement; if positive, they are amortised according to the progress of the work to which they refer (provided that the cost can be recovered from the profit on the project) and, in any case, in a period not to exceed five years.

Similarly, costs for multi-year utilisation of work sites are amortised according to the progress of the work and, in each case, in a period not to exceed five years.

The cost incurred for the acquisition of rights of use of software is amortised by the straight-line method over three years, advertising expenses with multi-year usefulness are amortised within a period of no more than five years, and expenses for leasehold improvements are amortised according to the duration of the contract.

Expenses incurred for the obtainment of loans are amortised by the straight-line method in keeping with the respective duration of the loans.

Tangible fixed assets

Tangible fixed assets are recognised at purchase cost, including directly attributable accessory charges, net of amortisation and depreciation. The cost determined in accordance with Article 2426 of the Italian Civil Code may be written down due to impairment losses. If the reasons for the write-down cease to exist, the original value is restored within the limits of the write-down made. For some income-producing assets, the cost has been revalued pursuant to Laws 72/83, 413/91 and 02/09.

Tangible fixed assets are amortised by the straight-line method in relation to the residual possible use; the depreciation rates applied, per asset category, as summarised below, are deemed to appropriately reflect the assets' technical and economic duration.

The depreciation rates used per asset category are:

	%
Buildings	3
Means of transportation	20 – 25
General machinery	10
Specific machinery	15
Light construction	12,5
Furniture and fixtures	12
Electronic machines	20
Miscellaneous equipment	40

Ordinary maintenance costs are expensed during the year. Maintenance costs of an incremental nature are attributed to the pertinent asset and amortised in relation to the useful life.

It is noted that the fixed assets recognised on the financial statements do not show amounts on 31 December 2011 that are "persistently" lower than those determined according to the purchase or production cost criteria, other than as already reflected on the financial statements.

Leased assets

Capital assets, acquired under financial leases, are reflected on the financial statements in accordance with the accounting treatment for the financial method, as per document 17 issued by the Chartered Accountants' Accounting Standards Commission and the Italian Accounting Board. The effects resulting from the application of this accounting criterion on consolidated shareholders' equity and on profit for the year are shown in the statement of reconciliation of such items between the consolidated financial statements and the statutory financial statements, since in the latter, financial leasing transactions are recognised in observance of the equity method.

Long-term investment

Long-term investment consisting of equity investments in subsidiaries not included in the scope of consolidation and in associates are valued by the equity method: the original cost of the investment is changed to reflect the adjustments specific to that methodology and, in particular, to take into account the portion of profits and losses of the holding, made with third parties, in periods subsequent to the acquisition of the holding; this is regardless of whether the profits are distributed or not or whether the holding's capital is reduced by the losses. The equity investments in question are therefore valued at an amount equal to the corresponding portion of equity resulting from the last financial statements of the subsidiaries and associates, minus dividends and the adjustments required by the principles for the preparation of consolidated financial statements, as well as those necessary for observance of the principles indicated in Articles 2423 and 2423-bis of the Italian Civil Code.

Other holdings are valued using the adjusted cost method, where necessary, in order to consider any impairment losses. In subsequent financial statements, the adjustment made is not maintained if the reasons no longer apply.

The remaining long-term investment consists of receivables which are recognised at the nominal value coinciding with the presumed realisation value.

Inventories

Inventories consisting of raw materials, ancillary materials and consumables at work sites are recognised at cost calculated using the method of the weighted average not exceeding the presumed market price.

The inventories consisting of work in progress on orders are recognised based on contractual payments accrued with reasonable certainty and valued according to the percentage of completion criterion. They are stated net of the contractual risk provision, allocated prudently in view of liabilities that are likely but for which the amount and timing are undefined.

Contractual reserves are recognised limited to the amount for which the manifestation and quantification are reasonably certain.

Receivables and Payables

Receivables are valued according to the presumed realisable value by setting up a provision recognised as a direct decrease from the balance of the said receivables. Their maturity is stated as short-term (within 12 months), medium/long-term (over 12 months and within 5 years) and, only when present, the portion over 5 years is stated.

Payables are recognised at their nominal value expressing their extinguishment value.

Accruals and deferrals

In application of the principle of accrual basis accounting, the former represent the portion due at 31 December 2011 of the positive/negative components that will have a financial manifestation in 2012 and the latter, the portion accrued during previous years, of costs/revenues for which the respective financial manifestation has already occurred in 2011.

Recognised also under deferred liabilities are the positive margins obtained on the sale to subsidiaries, the equity investments of which are valued using the equity method, for the share not yet realised with third parties, or not yet reflected in the income statements of the said holdings.

Stable foreign organisations

The financial statement balances for stable foreign organisations, expressed in currencies other than the Euro, are converted into Euros based on the current method provided for by the accounting standards in question. Specifically, financial position balances are converted at the spot exchange rate on the closing date of the financial statements, while income statement balances are converted at the average exchange rate for the year. The net effect that emerges from the translation of such items into the currency of account is recognised in a specific reserve under shareholders' equity, known as Conversion Deficit Provision.

Provisions for risks and charges

Provisions for risks and charges include appropriate allocations intended to cover losses or debts of a given nature, whose existence is certain or likely, for which either the amount or the date of occurrence are still unknown at the end of the year.

Severance pay

Severance pay is calculated based on current laws on the subject and on the employment contracts in existence for all employees already in force on the date of closing of the financial statements. The amount recognised on the financial statements is net of the portions paid to the supplemental pension funds following the options chosen by the workers.

Revenues and costs

They are stated on the financial statements according to the principle of prudence and according to accrual basis accounting. Revenues for services are recognised based on the occurrence of the service and in accordance with the respective contracts.

Costs and expenses are indicated net of returns, discounts, allowances and premiums, as well as recoverable taxes directly associated with the acquisition of products or with the receipt of the performance of the respective services.

Transactions in foreign currency

In relation to transactions and items in foreign currency, pursuant to the provisions of Article 2426 no. 8-bis of the Italian Civil Code and as provided for by national accounting principle no. 26, we note the following:

- assets and liabilities in foreign currency, except for tangible fixed assets, intangible fixed assets and long-term investment consisting of holdings recognised at cost, are recognised at the spot exchange rate at the closing date of the year and the respective foreign exchange profits and losses are charged to the income statement, and any net profit is allocated to a special reserve that is not distributable until realisable. Tangible fixed assets in foreign currency are recognised at the exchange rate at the time of their acquisition or a lower one of the date of the closing of the year if the reduction is not deemed lasting;
- transactions made during the year, expressed originally in foreign currency, have been recognised at the exchange rate in force on the date when made.

Annex 2) shows the exchange rates used.

Interest for Late Payment

Interest for late payment, calculated pursuant to law or contract, are recognised based on their actual accrual and prudentially adjusted within actual realisable limits through the special Write-downs Fund.

Income tax

Current income taxes for the year are ascertained pursuant to current tax regulations, and the respective debt is recognised in item D12 under liabilities as "Tax payables".

Prepaid taxes are recognised on the financial statements only if recovery is reasonably likely. Deferred taxes are not recognised if chances are slim that the respective debt will arise.



Where legally offsettable, deferred tax liabilities and prepaid tax assets are recognised directly at their net value respectively in item B) of financial position liability "Provisions for risks and charges – Provision for taxes, including deferred taxes", when the amount of the former exceeds the latter and otherwise in item CII 4-ter of current assets "Prepaid taxes".

When such legal offsetting is not possible, deferred tax liabilities and prepaid tax assets are recognised separately in the respective items.

"Provisions for risks and charges – Provisions for taxes, including deferred tax" are also intended for allowances for any taxes and assessments in dispute.

Together with the subsidiaries Zeis S.r.l., Cogema S.p.A., Madonna dei Monti S.r.l., TBMetro S.r.l., Todini Costruzioni Generali S.p.A. and Ga.Bi.Re S.r.l., the Company has exercised the option for group taxation for IRES income tax purposes pursuant to and in accordance with Article 117 et seq. of the TUIR and the Ministerial Decree of 9 June 2004. The provisions mentioned include the determination of a total overall tax corresponding to the algebraic sum of the net overall income of the participating companies.

The economic and financial relations deriving from acceptance of the group taxation in question are governed by special regulations signed by the parties.

Related-party transactions

It is noted that for the definition of "related party", reference has been made to the International Accounting Standards adopted by the European Union (Article 2427, paragraph 2, Italian Civil Code) and, in particular, to the definition provided for by IAS 24.

Memorandum accounts

Shown at the bottom of the statement of financial position are the guarantees provided, distinguishing between sureties and miscellaneous guarantees, indicating separately for each type the guarantees provided in favour of associated companies and third parties.

The memorandum accounts also include commitments deriving from financial leasing agreements. The amounts of the memorandum accounts are:

- excluded from the total amount of assets and liabilities;
- stated separately in a single column;
- comparable with the amounts for the previous year.

Management and coordination

The Company is not subject to management and coordination pursuant to Article 2497-sexies.

02.2.3 Comments on the composition of the main items on the statement of financial position and the income statement (amounts in € thousands)

Receivables from shareholders for payments still owed A - € 319,760

The item concerns capital units subscribed by minority shareholders, but not yet paid for the newly created subsidiaries, Bumbuna Power Gen. Co. Ltd for € 86 thousand, Salini Kolin CGF J.V. for € 3 thousand (subsidiaries of Salini Costruttori S.p.A.), Piscine dello Stadio S.r.l. for € 196 thousand, and Joint Activity Todini Akkord Salini for € 35 thousand (subsidiaries of Todini Costruzioni Generali S.p.A.).

Intangible fixed assets B I - € 21,148,486

The breakdown of expenses capitalised, net of amortisation and depreciation, is as follows:

Intangible Fixed Assets	Balance at 31.12.10	Increases at 31.12.11	Amort. 2011	Charged at cost and reclass. 2011	Exchange diff.	Balance at 31.12.11
A) Plant and expansion costs						
· work site plant costs	1	1	(1)	0	0	1
· incorporation expenses	12	0	(4)	0	0	8
Total A)	13	1	(5)	0	0	9
B) Research and development costs						
· commercial initiatives	0	0	0	0	0	0
· tenders and studies	4,428	110	(73)	(3,778)	0	688
· research, development and advertising	0	18	(4)	0	0	13
Total B)	4,428	128	(77)	(3,778)	0	701
C) Fees for the use of intellectual property rights						
· Software	212	196	(217)	0	0	191
D) Concessions, licences, trademarks and similar rights						
· concessions for use of properties and licences	319	120	(263)	0	(3)	173
· trademarks	0	0	0	0	0	0
Total D)	319	120	(263)	0	(3)	173
E) Goodwill	0	1,187	(237)	0	0	950
F) Investments in progress and payments on account	0	0	0	0	0	0
G) Other intangible fixed assets						
· accessory costs on loans/financ.	1,276	558	(403)	0	0	1,431
· work site equipment	26,041	9,943	(19,189)	0	(75)	16,720
· leasehold improvements	305	289	(169)	0	0	425
· (other) + improvements to assets under concession	1,602	0	(1,053)	0	0	549
Total G)	29,225	10,790	(20,814)	0	(75)	19,124
Total A+B+C+D+E+F	34,199	12,422	(21,613)	(3,778)	(78)	21,149

A – The item "plant and expansion costs" includes the amount still to be amortised of the expenses for the incorporation of TB Metro S.r.l.

B – The changes under fixed assets for research and development costs refer both to expenses incurred during the year by the Parent Company for activities of acquiring work, as well as to the charging of expense costs incurred in the previous year for tenders not awarded to us, as far as € 3,572 thousand to expenses charged to CMT I/S for the Denmark Cityringen tender.

D – The item being examined represents the amount from amortising the costs incurred (payment in kind for part of the contract payment) of the Parent Company for the nine-year concession for part of the “Caserma Sani” property complex in Rome, and the concession acquired in Uganda for the use of land for purposes of constructing work sites.

E – “Goodwill” concerns the higher amount paid for the acquisition of another 17.7141% of Todini Costruzioni Generali S.p.A. taking place on 25 March 2011 for € 1,187 thousand.

The recognition of this higher amount is justified by future expected cash flows, as well as by

the Group business plan recently approved by the Board of Directors.

The amount is amortised over five years, thus showing a balance of € 950 thousand at 31 December 2011, net of amortisation for the period, which was € 237 thousand.

G – A large part of the activity relative to other intangible fixed assets concerned costs incurred prior to the start-up of production activities in the new work sites in Italy and abroad and work site plant costs in Kazakhstan (Kyzylorda), Azerbaijan (Alat), Ukraine (Kiev Chop), Georgia (Sveneti Ruisi) and Italy (Variante di Valico).

Tangible fixed assets B II - € 257,134,599

The composition and change over the period in tangible fixed assets and the respective depreciation provisions appear in the table below:

Tangible Fixed Assets	Historical cost	Balance at 31.12.10		Reval. 02/09	Balance at 12/2010	Increase 12/2011	Reclass. and Equip. at cost 12/2011	Decomm. 12/2011	Exch. diff. 12/2011	Bal. at 12/2011
		L. 72/83	L. 413/91							
1a) Buildings	27,897	558	23	1,098	29,576	3,870	2	(609)	273	33,112
Building depreciation					(3,642)	(1,072)	0	7	(71)	(4,778)
					25,933	2,798	2	(602)	202	28,333
1b) Land	682	0	0	0	682	0	0	0	(3)	679
Total 1)					26,615	2,798	2	(602)	199	29,012
2) Plant and equipment:										
a) plant and equipment	216,038	0	0	0	216,038	65,641	(7,999)	(9,673)	50	264,057
a) plant and equipment depreciation					(111,363)	(31,472)	6,942	3,242	(391)	(133,042)
a) Total plant and equipment					104,674	34,169	(1,057)	(6,431)	(341)	131,014
b) vehicles	151,843	0	0	0	151,843	25,748	(10,928)	(13,979)	13	152,697
b) vehicle depreciation					(101,927)	(18,954)	9,068	11,783	(104)	(100,134)
b) Total vehicles					49,916	6,794	(1,860)	(2,196)	(91)	52,564
Total 2)					154,591	40,963	(2,917)	(8,627)	(432)	183,578
3) Industrial and comm. equipment	45,171	0	0	0	45,171	9,827	(149)	(965)	(566)	53,318
Industrial and comm. equipment depreciation					(37,453)	(5,973)	88	900	504	(41,934)
Total 3)					7,718	3,854	(61)	(65)	(62)	11,384
4) Other assets										
a) office furniture and electronic equipment	14,459	0	0	0	14,459	3,653	(11)	(738)	(6)	17,357
a) office furniture and elec. equip. depreciation					(10,001)	(1,915)	10	556	(15)	(11,365)
a) Total office furniture and elec. equip.					4,458	1,738	(1)	(182)	(21)	5,992
b) other non-depreciable assets	111	0	0	0	111	0	0	0	0	111
Total 4)					4,569	1,738	(1)	(182)	(21)	6,103
5) Investments in progress	16,163	0	0	0	16,163	10,970	109	(211)	27	27,058
GENERAL SUMMARY:										
TOT. GROSS TANGIBLE FIXED ASSETS	472,363	558	23	1,098	474,041	119,709	(18,976)	(26,175)	(212)	548,387
TOTAL DEPRECIATION					(264,384)	(59,386)	16,108	16,488	(77)	(291,251)
TOT. NET TANGIBLE FIXED ASSETS					209,658	60,323	(2,868)	(9,687)	(289)	257,136

The increase in buildings and land of € 2,397 thousand is due to the following changes:

- increases due to acquisitions: acquisition of a small office building for CMT I/S in Denmark for € 3,780 thousand, acquisitions in Nigeria for € 43 thousand and in the subsidiary Todini Costruzioni Generali S.p.A. for € 47 thousand;
- decreases due to amortisation: in Dubai for € 436 thousand, in Ethiopia for € 20 thousand, in Uganda for € 38 thousand and in the Salini subsidiaries: Nigeria for € 137 thousand and Todini Costruzioni Generali S.p.A. for € 441 thousand;
- decreases due to discontinued assets: in Italy for the sale of a garage in Aprilia for € 327 thousand, in Todini Costruzioni Generali S.p.A. for € 282 thousand mainly due to the disposal of the holding Olimpia sold on 7 June 2011 to G.A.BI.RE. S.r.l.;
- increases due to changes of € 199 thousand and charges to costs of € 2 thousand.

The increases and decreases of items relative to plant and machinery, equipment and other assets are due to acquisitions and/or incremental expenses and decommissioning for the year, prompted by investments for new work sites and the replacement of assets employed in the production process.

These items include a total of € 240,256 thousand in production assets leased under financial leases, of which € 130,154 thousand for Salini Costruttori S.p.A., € 7,259 thousand for the subsidiary Co.Ge.Ma. S.p.A., € 102,035 thousand for Todini Costruzioni Generali S.p.A. and, lastly, € 808 thousand for the latter's subsidiary Corso del Popolo Engineering S.p.A.

Specifically, the changes in plant and machinery, vehicles, equipment and other assets include:

- increase due to new income-producing assets acquired for € 104,869 thousand, of which € 46,510 thousand, acquired under financial leases;
- decommissioning due to disposals of € (25,355) thousand;
- negative changes due to change adjustment of € (509) thousand;
- negative changes due to other charges of € (19,087) thousand.

The plant and machinery, vehicles, equipment and other assets amortisation provision includes:

- increase due to amortisation for the year of € 58,314 thousand;
- change due to asset disposals of € (16,481) thousand;
- positive change due to exchange rate differences of € 6 thousand;
- negative changes due to other charges of € (16,108) thousand.

Non-depreciable assets refer to works of art (fine art) not subject to depreciation in value.

The balance of fixed assets in progress largely concerns new fixed assets and the inclusion in the productive cycle of capital assets intended for work sites in Ethiopia (€ 9,389 thousand), Dubai (€ 1,020 thousand), Sierra Leone (€ 2 thousand), Uganda (€ 4 thousand) and Kazakhstan (€ 70 thousand) for the subsidiaries in Nigeria (€ 656 thousand), J.V. Mukorsi (€ 896 thousand), Malaysia (€ 2,634 thousand), TB Metro (€ 1,500 thousand), showing a balance for Salini Costruttori S.p.A. at 31 December 2011 of € 10,485 thousand.

The changes involving the subsidiary Todini show an increase of € 346 thousand, expressing a balance for the period of € 10,887 thousand relative to "assets freely returnable" in the process of execution, which include the costs for the construction of underground parking to be done based on the Concession for the execution of "completion interventions" by Corso del Popolo S.p.A.

With respect to the revaluation pursuant to Laws 72/83, 413/91 and 02/2009, the following is certified:

a) The revaluation was made on the commercial buildings in Aprilia owned by the Parent

Company in the residual amount of about € 23 thousand pursuant to Law 413/91 and for about € 13 thousand pursuant to Law 72/83;

- The revaluation was made on agriculture buildings owned by Immobiliare Agricola San Vittorino S.r.l. (consolidated in Zeis S.r.l.) in the residual amount of € 545 thousand pursuant to Law 72/83;
- The revaluation was made on the building located in Rome at Via San Marcello 40, owned by Zeis S.r.l., in the residual amount of € 1,098 thousand pursuant to Law 02/2009;
- The value of the revalued assets expressed on the financial statements is not greater than the market value.

Long-term investment B III - € 158,965,871

Equity Investments B III 1) - € 139,269,755

The itemisation of the equity investments in subsidiaries not included in the scope of consolidation and associates valued by the equity method and in other companies valued at cost appears in the following table:

Breakdown of holdings	Share capital in € thousand	Unit nominal amount	Number shares/units		% owned	Value
			Issued in thousands	Owned in thousands		
a) Subsidiaries:						
Salini S.p.A.	120	*	*		100.00%	120
Sa.Ma. S.c. a r.l. in liquidation	41	*	*	*	99.00%	41
Salcost France S.r.l. in liquidation	15	*	*	*	100.00%	0
Subsidiaries in the subsidiary Todini S.p.A.:						
Albacem 2007 in liquidation	Lek 100				100.0%	0
Consorzio Costral in liquidation	20	*	*	14	70.0%	14
Edilfi S.c. a r.l. in liquidation	10	10	120	660	100.0%	0
Todedil S.c. a r.l.	10	*	*	*	85.0%	9
Total a)						184
b) Associates:						
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 LIQ.NE	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 S.c. a r.l. in liquidation	90	*	*	*	33.33%	30
G.A.B.I.RE. S.r.l.	10	*	*	*	60.00%	0
Associates in the subsidiary Todini S.p.A.						
Alburni S.c. a r.l. in liquidation	7	0.51	14	6.60	47.14%	22
Bata S.r.l. in liquidation	102	*	*	*	27.55%	74
Co.Ge.Fin S.r.l. (shareholders' agreements)	100	*	*	*	51.00%	7.717
Colle Todi S.c. a r.l. in liquidation	10	*	*	*	66.66%	9
Consorzio CPR 3	2	*	*	*	35.97%	2
Cons. A.F.T. in liquidation	46	*	*	*	33.33%	15
Cons. Astaldi Fedeci Todini Kramis	100	*	*	*	50.00%	50

Breakdown of holdings	Share capital in € thousand	Unit nominal amount	Number shares/units		% owned	Value
			Issued in thousands	Owned in thousands		
Consorzio CPR 2	2	*	*	*	34.92%	3
Cons Pizzarotti Todini .Keff-Eddir	100	*	*	*	0.01%	50
Consorzio Umbria Sanità in liquidation	10	*	*	*	31.00%	3
Consorio.Kallidromo	29	*	*	*	20.70%	6
Galileo S.c. a r.l.	10	*	*	*	40.00%	4
Irina S.r.l. in liquidation	103	*	*	*	36.00%	721
Risalto S.r.l. in liquidation	89	*	*	*	33.33%	24
Rupe di Orvieto S.c. a r.l. in liquidation	29	*	*	*	42.86%	0
Scat 5 S.c. a r.l. in liquidation	26	*	*	*	24.99%	6
Sedi S.c. a r.l.	10	*	*	*	34.00%	3
Trasimeno S.c. a r.l. in liquidation	10	*	*	*	30.00%	3
Valico S.c. a r.l. in liquidation	10	0.51	20	5.10	50.00%	8
Variante di Valico S.c. a r.l. in liquidation	90	*	*	*	33.33%	30
Associates in the subsidiary Zeis S.r.l.:						
Casada S.r.l.	98	*	*	*	25.00%	3,581
Immob.Marinella S.r.l.	10	*	*	*	33.33%	2,658
Total associates b)						15,097
c) Other companies						
Impregilo S.p.A.	718,364	**	402,458	60,430	15.02%	122,739
Consorzio Iricav Due	510	*	*	*	12.00%	70
Imprebanca S.p.A.	50,000	1	50,000	500	1.00%	500
Spoletto Crediti e Servizi S. Coop. a r.l.	67,636	26	2,563	2	*	84
Other (6 minority holdings)	-	-	-	-	-	502
Other companies in subsidiary Todini S.p.A.:						
Cons. IECAF	10	*	*	*	5.05%	1
Costruttori Rom.Riun.Grandi Opere S.p.A.	3,274	*	*	*	1.00%	52
A.Constructor J.V Kallidromo	0	*	*	*	19.54%	6
JV Todini diekat	0	*	*	*	10.00%	8
Nomisma S.p.A.	5,345	*	*	*	0.34%	27
CAAF Interregionale	0	-	-	-	0.04%	0
Total other companies in Salini c)						123,988
Total other minority holdings (b+c)						139,085
* = units						
Total holdings						139,269

It is noted that G.A.B.I.RE S.r.l., although 60%-owned by Salini Costruttori S.p.A., is consolidated pursuant to shareholder agreements at Todini Finanziaria S.p.A., which holds its de facto control. The same treatment is given to Co.Ge.Fin. S.r.l., in which Todini Costruzioni Generali S.p.A. holds 51%. In addition, the associate Colle Todi S.c.a.r.l. is not included among subsidiaries, despite a 66.66% stake, in that Todini Costruzioni Generali S.p.A. only holds its control jointly with other shareholders.



The itemisation of the changes during the period is expressed by the following tables.

A) Partecipazioni in società controllate	31-Dec-10								31-Dec-11										
	Historical Cost	Revaluations /Payments	Write-downs /Dividends	Reclass./ purchases/ disposals	Book value	Provision for risks	Change during the year Reclass./ purchases/ disposals	Dividends	Rev./ Write down	Provisions	Release of provision	Payments	Total	Historical Cost	Revaluations /Payments	Write-downs /Dividends	Reclass./ purchases/ disposals	Book value	Provision for risks
Subsidiaries:																			
Salini S.p.A.	0	0	0	0	0	0	120	0	0	0	0	120	0	0	0	0	120	0	
Sa.Ma S.c. a r.l. - RM in liquidation	41	0	0	0	41	0	0	0	0	0	0	0	41	0	0	0	41	0	
Subsidiaries in subsidiary																			
TODINI S.p.A.:																			
Albacem 2007 in liquidation	0	0	0	0	0	(77)	0	0	0	0	0	0	0	0	0	0	0	(77)	
Cogeca S.c. a r.l. in liquidation	10	0	(10)	0	0	(59)	0	0	0	59	0	59	10	0	(10)	0	0	(0)	
Consorzio Costral in liquidation	14	0	0	0	14	0	0	0	0	0	0	0	14	0	0	0	14	0	
Edilfi Scarl in liquidation	10	0	(10)	0	0	(260)	0	0	0	(1)	25	24	10	0	(10)	0	0	(236)	
Todedil S.c.a r.l. in liquidation	9	0	(0)	0	9	0	0	0	0	0	0	0	9	0	(0)	0	9	0	
TOTAL SUBSIDIARIES	84	0	(21)	0	64	(397)	120	0	0	(1)	84	203	84	0	(21)	0	184	(314)	
					64	(397)			0	(1)	84						184	(314)	

B) Holdings in associates	31-Dec-10								31-Dec-11										
	Historical Cost	Revaluations /Payments	Write-downs /Dividends	Reclass./ purchases/ disposals	Book value	Provision for risks	Change during the year Reclass./ purchases/ disposals	Dividends	Rev./ Write down	Provisions	Release of provision	Payments	Total	Historical Cost	Revaluations /Payments	Write-downs /Dividends	Reclass./ purchases/ disposals	Book value	Provision for risks
Associates:																			
Con.Sal. S.c.n.c. - RM in liquidation (a)	5	0	(5)	0	0	(7)	0	0	0	(5)	0	(5)	5	0	(5)	0	0	(12)	
Forum S.c. a r.l. - RM	10	0	0	0	10	0	0	0	0	0	0	0	10	0	0	0	10	0	
Group. d'entreprises Salini Strabag	5	0	0	0	5	0	0	0	0	0	0	0	5	0	0	0	5	0	
Groupement Italgisas - Kenitra (Morocco) in liquidation	186	0	(186)	0	0	(842)	0	0	0	0	0	0	186	0	(186)	0	0	(842)	
Ital.Sa.Gi. Sp.Z.O.O. - Katowice (Poland)	325	0	(325)	0	0	(222)	0	0	0	0	0	0	325	0	(325)	0	0	(222)	
J. V. Salini Acciona	9	0	0	0	9	0	0	0	0	0	0	0	9	0	0	0	9	0	
Risalto S.r.l. - RM in liquidation	30	0	0	0	30	(2)	0	0	0	0	0	0	30	0	0	0	30	(2)	
S. Ruffillo - RM	21	0	0	0	21	0	0	0	0	0	0	0	21	0	0	0	21	0	
Variante di Valico S.c. a r.l. in liquidation	30	0	0	0	30	(5)	0	0	0	0	0	0	30	0	0	0	30	(5)	
G.A.B.I.RE. S.r.l.	17	0	0	0	17	0	0	0	(17)	(201)	0	(218)	17	0	(17)	0	0	(201)	
- Associates in subsidiary																			
Zeis s.r.l. :																			
Casada S.r.l. - RM	476	3,851	(739)	0	3,588	0	0	(150)	142	0	0	(8)	476	3,993	(889)	0	3,581	0	
Immob. Marinella S.r.l.	2,464	0	(28)	0	2,436	0	0	0	(48)	0	270	222	2,464	270	(76)	0	2,658	0	
Total SALINI associates	3,578	3,851	(1,283)	0	6,146	(1,079)	0	(150)	78	(206)	0	270	3,578	4,263	(1,498)	0	6,345	(1,285)	
Associates in subsidiary																			
TODINI SpA:																			
Alburni S.c. a r.l. in liquidation	3	0	0	0	3	0	0	0	19	0	0	19	3	19	0	0	22	0	
Bata S.r.l. in liquidation	0	0	0	0	0	(11)	0	0	74	0	11	85	0	74	0	0	74	0	
Co.ge.fin S.r.l.	0	9,448	0	0	9,448	0	0	0	(1,731)	0	0	(1,731)	9,448	0	(1,731)	0	7,717	0	
Colle Todi S.c. a r.l. in liquidation	7	0	0	0	7	0	0	0	3	0	0	3	7	3	0	0	9	0	
C.P.R. 3	1	0	1	0	2	0	0	0	0	0	0	0	1	1	0	0	2	0	
Cons.Aft in liquidation**	15	0	0	0	15	0	0	0	0	0	0	0	15	0	0	0	15	0	

(a) Equity investments in companies involving unlimited liability - Art.2361 of the Italian Civil Code

B) Holdings in associates	31-Dec-10								31-Dec-11										
	Historical Cost	Revaluations /Payments	Write-downs /Dividends	Reclass./ purchases/ disposals	Book value	Provision for risks	Change during the year Reclass./ purchases/ disposals	Dividends	Rev. / Write down	Provisions	Release of provision	Payments	Total	Historical Cost	Revaluations /Payments	Write-downs /Dividends	Reclass./ purchases/ disposals	Book value	Provision for risks
Cons.Astaldi-Federici -Todini**	50	0	0	0	50	(921)	0	0	0	0	407	0	407	50	0	0	0	50	(514)
C.P.R. 2	1	0	2	0	3	0	0	0	0	0	0	0	0	1	2	0	0	3	0
Cons Pizzarotti Todini .Keff-Eddir*	50	0	0	0	50	0	0	0	0	0	0	0	0	50	0	0	0	50	0
CUS (Consorzio Umbria Sanità)	3	0	0	0	3	0	0	0	0	0	0	0	0	3	0	0	0	3	0
Consorzio Kallidromo	8	0	0	(2)	7	0	0	0	(1)	0	0	0	(1)	8	0	(2)	0	6	0
Corina S.c. a r.l. in liquidation	942	0	0	(863)	78	0	(72)	0	(6)	0	0	0	(78)	942	0	(869)	(72)	0	0
Galileo S.c. a r.l.	4	0	0	0	4	0	0	0	0	0	0	0	0	4	0	0	0	4	0
Irfur S.c. a r.l.	19	0	0	0	19	0	(19)	0	0	0	0	0	(19)	19	0	0	(19)	0	0
Irina S.r.l. in liquidation	308	0	773	(333)	748	0	0	0	(27)	0	0	0	(27)	308	773	(360)	0	721	0
Risalto S.r.l.	30	0	0	(2)	27	0	0	0	(2)	0	0	0	(2)	30	0	(4)	0	25	0
Rupe Orvieto S.c. a r.l.	0	0	0	0	0	(110)	0	0	0	0	42	0	42	0	0	0	0	0	(68)
Scat 5 S.c. a r.l.	6	0	0	0	6	0	0	0	0	0	0	0	0	6	0	0	0	7	0
Sedi S.c. a r.l.	3	0	0	0	3	0	0	0	0	0	0	0	0	3	0	0	0	3	0
Tormini S.c. a r.l. in liquidation	5	0	0	0	5	0	(5)	0	0	0	0	0	(5)	5	0	0	(5)	0	0
Trasimeno S.c. a r.l. in liquidation	3	0	0	0	3	0	0	0	0	0	0	0	0	3	0	0	0	3	0
Valico S.c. a r.l.	5	0	0	0	5	0	0	0	2	0	0	0	2	5	0	2	0	8	0
Variante di Valico	30	0	0	0	30	0	0	0	0	0	0	0	0	30	0	0	0	30	0
Total TODINI associates	1,494	9,448	776	(1,200)	10,516	(1,042)	(96)	0	(1,669)	0	459	0	(1,305)	10,942	872	(2,965)	(96)	8,752	(582)
TOTAL ASSOCIATES	5,072	13,299	(507)	(1,200)	16,662	(2,121)	(96)	(150)	(1,591)	(206)	459	270	(1,314)	14,520	5,136	(4,462)		15,097	(1,868)
					16,662	(2,121)			(1,591)	(206)	459							15,097	(1,868)

D) Other companies	31-Dec-10								31-Dec-11										
	Historical Cost	Revaluations /Payments	Write-downs /Dividends	Reclass./ purchases/ disposals	Book value	Provision for risks	Change during the year Reclass./ purchases/ disposals	Dividends	Rev. / Write down	Provisions	Release of provision	Payments	Total	Historical Cost	Revaluations /Payments	Write-downs /Dividends	Reclass./ purchases/ disposals	Book value	Provision for risks
Impregilo S.p.A.	0	0	0	0	0	0	122,739	0	0	0	0	122,739	122,739	0	0	0	0	122,739	0
Consorzio Iricav Due	70	0	0	0	70	0	0	0	0	0	0	0	70	0	0	0	0	70	0
Spoletto Crediti e Servizi S. Coop. a r.l.	84	0	0	0	84	0	0	0	0	0	0	0	84	0	0	0	0	84	0
Impre-Fin. Impresa S.p.A.	500	0	0	0	500	0	0	0	0	0	0	0	500	0	0	0	0	500	0
Other (6 minority holdings)	504	0	(3)	0	501	0	0	0	0	0	0	0	504	0	(3)	0	0	502	0
Total other SALINI companies	1,158	0	(3)	0	1,155	0	122,739	0	0	0	0	122,739	123,897	0	(3)	0	0	123,895	0
Other companies in TODINI SpA subsidiary:																			
Cons. IECAF	1	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	1	0
Costruttori Rom.Riun.Grandi																			
Opere S.p.A.	52	0	0	0	52	0	0	0	0	0	0	0	52	0	0	0	0	52	0
A.Constructor J.V Kallidromo	6	0	0	0	6	0	0	0	0	0	0	0	6	0	0	0	0	6	0
JV Todini diekat	8	0	0	0	8	0	0	0	0	0	0	0	8	0	0	0	0	8	0
Nomisma S.p.A.	27	0	0	0	27	0	0	0	0	0	0	0	27	0	0	0	0	27	0
CAAF Interregionale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total other TODINI companies	93	0	0	0	93	0	0	0	0	0	0	0	93	0	0	0	0	93	0
TOTAL OTHER COMPANIES	1,251	0	(3)	0	1,248	0	122,739	0	0	0	0	122,739	123,990	0	(3)	0	0	123,988	0
					1,248	0		0	0	0	0	0						123,988	0
					17,974	(2,517)			(1,591)	(208)	543							139,268	(2,182)

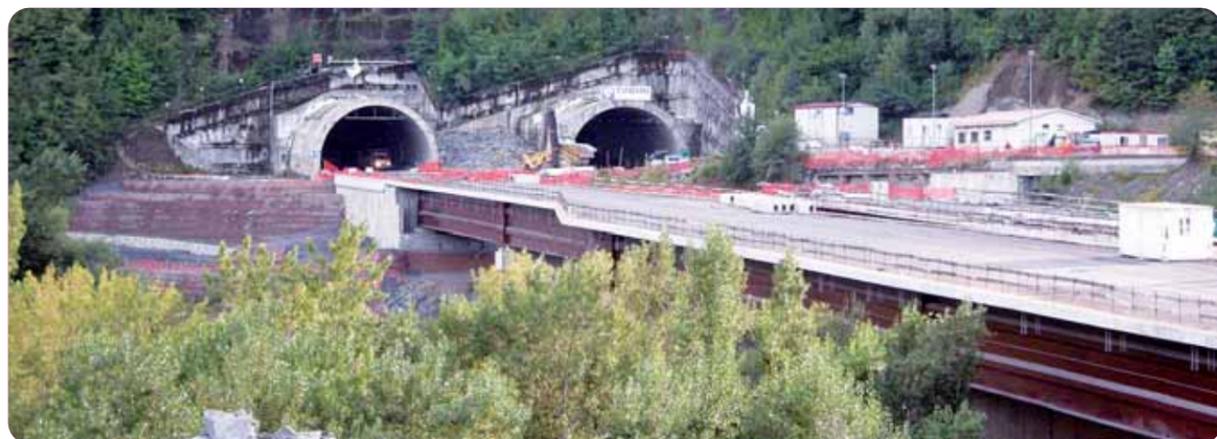
During the year the most important transactions included:

- the release of the provision for hedging losses on Edilfi S.c.a.r.l. in liquidation for € 25 thousand, Cogeca S.c.a.r.l. in liquidation for € 59 thousand and € 42 thousand for Rupe Orvieto S.c.a.r.l.;
- the write-down of the associate Co.Ge.Fin. S.r.l. for € (1,731) thousand, the holding Immobiliare Marinella S.r.l. in Zeis S.r.l. for € (48) thousand, Irina S.r.l. in liquidation for € (27) thousand, Corina S.c.a.r.l. in liquidation for € (6) thousand and the increase of Casada S.r.l. in Zeis for € 142 thousand;
- the liquidation of Corina S.c.a.r.l. in liquidation for € (72) thousand;
- the release of the provision for hedging losses on holdings relative to Cons. Astaldi-Federici-Todini for € 407 thousand, which reflects the changes in the shareholders' equity of the associate due to exchange rate fluctuations;
- the dividend distribution of Casada S.r.l. in Zeis S.r.l. for € (150) thousand.

During the year, an interest was acquired in Impregilo S.p.A. of 15.01523% for € 122,739 thousand. At 31 December 2011, the holding was classified under Other Investments and thus valued at cost since, despite the percentage of shares held, it was not in a position to exercise any notable influence over the holding. According to Article 2359 of the Italian Civil Code, for public limited companies listed on the stock exchange, notable influence is presumed to exist when at least one-tenth of the votes can be exercised at an Ordinary Shareholders' Meeting; however, as also stipulated by OIC 17 paragraph 3.1, in order to be able to establish whether the investor is in a position to exercise a notable influence on a holding, it is necessary to evaluate the presence of other aspects which demonstrate that "in the life of the other company, the company has a weight that the other shareholders – including controlling companies – must, in fact, take into account". "From among the factors indicative of the said conditions, the following can be mentioned:

- belonging to controlling syndicates, when control is entrusted to other parties extraneous to the holding;
- presence on the company's fundamental governance bodies (Board of Directors, Executive Committee, etc.), when the majority of the bodies is extraneous to the holding;
- participation in wording directives guiding management, without a single direction being configured;
- significant intercompany transactions, both in terms of value and nature;
- appointment of management-level personnel;
- relative dependency of the holding on the stakeholder (an example of technological dependency is consulting on production processes, the choice of equipment, etc.)".

Currently, none of these conditions is present.



2) Receivables with subsidiaries, associates and other companies B III 2) - € 16,575,791

The composition and change during the year in receivables with subsidiaries, associates and others, net of the respective provisions for writing down receivables, appears in the table below:

Receivables with subsidiaries, associates and other companies	Short-term			Medium-/long-term		
	Balance at 31/12/11	Balance at 31/12/10	Change	Balance at 31/12/11	Balance at 31/12/10	Change
A) Subsidiaries:						
EDILFI S.c. a r.l. in liquidation	0	0	0	270	270	0
Cogeca S.c. a r.l. in liquidation	0	0	0	0	80	(80)
CONSORZIO COSTRAL	0	0	0	0	0	0
Albacem 2007 in liquidation	0	0	0	40	40	0
Other	0	0	0	0	0	0
Total	0	0	0	310	390	(80)
B) Associates:						
BATA S.r.l.	0	0	0	4	4	0
TORMINI S.c. a r.l.	0	0	0	0	5	(5)
CORINA S.c. a r.l. IN LIQUIDATION	0	0	0	0	72	(72)
Cogefin	0	0	0	7,526	6,800	726
Sedi s.c.a.r.l.	0	0	0	22	22	0
Keff-Eddir	0	0	0	677	676	1
Consorzio Astaldi Federici Todini Kramis	0	0	0	1,240	1,240	0
Consorzio Astaldi Federici Todini	0	0	0	375	375	0
Other	0	0	0	86	86	0
Total	0	0	0	9,930	9,280	650
C) Other:						
Other (security deposits)	20	25	(5)	3,056	2,907	149
Cediv S.p.A.	0	0	0	3,260	7,269	(4,009)
Total	20	25	(5)	6,317	10,176	(3,859)
	31/12/11	31/12/10	Change			
Total receivables	16,577	19,871	(3,294)			

The main amounts comprising receivables with associates, subsidiaries and other companies refer mainly to the subsidiary Todini Costruzioni Generali S.p.A. and are broken down as follows:

- loan to EDILFI S.c.a.r.l. in liquidation for € 270 thousand;
- loan to Albacem for € 40 thousand;
- interest-bearing loan to Co.Ge.Fin S.r.l. for € 7,526 thousand;
- loan to the consortium Astaldi Federici Todini Kramis for € 1,240 thousand;
- loan to the consortium Astaldi Federici Todini Keff Eddir for € 677 thousand;
- loan to the consortium Astaldi Federici Todini Taksebt for € 375 thousand;
- security deposits to third parties, for Salini Costruttori S.p.A., in Italy for € 289 thousand, Dubai for € 1,180 thousand, Uganda for € 175 thousand, Ethiopia for € 57 thousand, for the subsidiary Metro B1 for € 172 thousand, for the subsidiary CMT I/S for € 212 thousand, for the J.V. with Impregilo for € 100 thousand, for the subsidiary Todini Costruzioni Generali S.p.A., in Italy for € 480 thousand, in Dubai for € 231 thousand, in Algeria for € 84 thousand, in Kazakhstan for € 53 thousand and in Romania for € 23 thousand;
- interest-bearing loan to Cediv S.p.A. for € 3,260 thousand.

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

At 31 December 2011, the Company had 11,708,900 treasury shares in its portfolio with a nominal value of € 0.52, representing 9.76% of the share capital, recognised on the financial statements at a cost of € 3,120,325. A special provision is recognised under equity in accordance with the provisions of Article 2357-ter, last paragraph of the Italian Civil Code.

Inventories C I - € 6,221,324,068

1) Raw materials, ancillary materials and consumables C I 1) - € 144,048,334

Inventories of raw materials, ancillary materials and consumables consist mainly of construction materials and parts for operating machines.

Inventories	Bal. at 31/12/11	Bal. at 31/12/10	Change Fin. Position	Change Inc. Statem.
1) Raw and ancillary materials and consumables				
Italy	32	3	29	28
Ethiopia	71,170	37,368	33,802	33,696
Sierra Leone	3,240	3,353	(113)	(115)
Dubai	2,737	3,442	(705)	(728)
Kazakhstan	7,314	9,289	(1,975)	(2,095)
Uganda	5,850	7,517	(1,667)	(1,643)
Change items CI1 (A)	90,343	60,971	29,372	29,143
Exchange rate difference (C)				(229)
Metro B1 S.c. a r.l. (B)	770	666	104	104
Ri.Ma.T.I. S.c.a.r.l. (B)	15	22	(7)	(7)
J.V. Salini Impregilo Mukorsi (B)	2,655	242	2,413	2,377
Salini Malaysia SDN, BHD, (B)	1,043	0	1,043	1,006
Central Asia- Kazakhstan - Todini (B)	23	77	(54)	(52)
	4,506	1,007	3,499	3,428
Subsidiary exchange rate difference (C)				(71)
Italy - Todini (B)	2,248	3,532	(1,284)	(1,284)
Albania - Todini (B)	172	221	(49)	(49)
Algeria - Todini (B)	1,035	1,599	(564)	(564)
Azerbaijan - Todini (B)	7,814	2,925	4,889	4,889
Dubai - Todini (B)	905	1,210	(305)	(305)
Kazakhstan - Todini (B)	14,408	8,827	5,581	5,581
Tunisia - Todini (B)	3,686	2,072	1,614	1,606
Ukraine - Todini (B)	6,442	1,875	4,567	4,567
Total Todini Costruzioni Generali S.p.A.	36,709	22,261	14,449	14,441
Exchange rate difference (C)				(8)
Nigeria Change in fin. position item CI1 (B)	12,491	10,247	2,244	2,377
Nigeria exchange rate difference (C)				133
Zeis S.r.l.				3,528
Total change in item CI1 (A+B)	144,049	94,486	49,563	52,916
Total change in forex (C)				(175)
Total change				52,741

The increase of € 49,564 thousand is justified by supplies in the work sites of Ethiopia for Salini Costruttori S.p.A. of € 33,802 thousand and in the work sites in Kazakhstan of Todini Costruzioni Generali S.p.A. of € 12,023 thousand.

2) Buildings in progress C I 2) - € 36,552,583

The inventory item for buildings in progress consists of the land of Plus S.r.l., a subsidiary of Zeis S.r.l., for € 36,553 thousand, the overall changes made of € (3,050) thousand refer for € (2,619) thousand to the sale by Todini Costruzioni Generali S.p.A. of the property project in progress in the areas of Magliana, Aprilia and Ardea, to G.A.B.I.R.E. S.r.l. as far as € (431) thousand and to € (1,411) thousand for the item CI4 Finished products and merchandise and to the increase of € 981 thousand on the land of Consorzio Tiburtino.

Inventories	Balance at 31.12.2011	Reclass. 2011	Change from consolidation 2011	Balance at 31.12.2010	Change Fin. Position	Change Inc. Statem.
2) Buildings in progress						
Plus S.r.l.						
- Land	36,553	0	(1,411)	36,983	(431)	981
	36,553	0	(1,411)	36,983	(431)	981
Todini Costruzioni Generali S.p.A.						
- Magliana	0	0	0	2,250	(2,250)	(2,250)
- Aprilia	0	0	0	206	(206)	(206)
- Ardea	0	0	0	163	(163)	(163)
	0	0	0	2,619	(2,619)	(2,619)
Change in financial position due to spin-off of part of the assets of Todini Costruzioni Generali S.p.A.						2,619
Total Buildings in progress	36,553			39,602		0
Total changes					(3,050)	981

3) Work in progress on orders C I 3) - € 5,962,956,176

Shown below is the change in inventories due to work in progress on orders at Salini:

Inventories	Balance at 31/12/11	Balance at 31/12/10	Economic change
A) Italy:			
CI3) Work in progress on orders	466,192	350,087	116,105
Provision for contractual risks	(313)	(481)	168
Total CI3 work in progress on orders	465,879	349,605	116,273
A) Italy:			
CI5) Payments on account and services being executed	0	0	0
Total CI5 Payments on account and services being executed	0	0	0
Economic change A3)	465,879	349,605	116,273
B) S.C. Ethiopia B.:			
CI3) Work in progress on orders	1,409,945	1,092,824	317,121
Provision for contractual risks	0	0	0

Inventories	Balance at 31/12/11	Balance at 31/12/10	Economic change
Total CI3 work in progress on orders	1,409,945	1,092,824	317,121
Forex delta current method	136,413	141,083	(4,669)
Economic change A3]	1,546,358	1,233,907	312,451
C) Morocco B.:			
CI3) Work in progress on orders	0	103,859	(103,859)
Provision for contractual risks	0	(1,269)	1,269
Total CI3 work in progress on orders	0	102,590	(102,590)
Forex delta current method	0	0	0
Economic change A3]	0	102,590	(102,590)
D) Sierra Leone:			
CI3) Work in progress on orders	70,970	50,798	20,172
Provision for contractual risks	0	0	0
Total CI3 work in progress on orders	70,970	50,798	20,172
Forex delta current method	11,373	11,425	(52)
Economic change A3]	82,343	62,223	20,120
Salini Hydro Uganda Bujagali			
CI3) Work in progress on orders	230,498	221,802	8,696
Total CI3 work in progress on orders	230,498	221,802	8,696
Economic change A3]	230,498	221,802	8,696
E) Uganda B.			
CI3) Work in progress on orders	257,049	232,663	24,386
Provision for contractual risks	0	0	0
Total CI3 work in progress on orders	257,049	232,663	24,386
Forex delta current method	3,162	2,743	419
Economic change A3]	260,211	235,406	24,805
TOT. Uganda Economic change A3]	490,709	457,208	33,501
F) Zimbabwe			
CI3) Work in progress on orders	0	23,280	(23,280)
Provision for contractual risks	0	0	0
Total CI3 work in progress on orders	0	23,280	(23,280)
Forex delta current method	14,407	14,407	0
Economic change A3]	14,407	37,687	(23,280)
Zimbabwe - J.V. Salini Impregilo Mukorsi			
CI3) Work in progress on orders	6,238	23,303	(17,064)
Consolidated elisions	0	(23,303)	23,303
Total CI3 work in progress on orders	6,238	0	6,238
Forex delta current method	80	0	80
Consolidated elisions delta	(23,303)	0	(23,303)
Economic change A3]	(16,985)	0	(16,985)
G) Dubai			
CI3) Work in progress on orders	219,326	187,697	31,629
Provision for contractual risks	0	(1,395)	1,395
Total CI3 work in progress on orders	219,326	186,302	33,024
Forex delta current method	(17,623)	(9,632)	(7,991)
Economic change A3]	201,704	176,671	25,033
H) Malaysia			
CI3) Work in progress on orders	31,624	1,174	30,450
Provision for contractual risks	0	0	0

Inventories	Balance at 31/12/11	Balance at 31/12/10	Economic change
Total CI3 work in progress on orders	31,624	1,174	30,450
Forex delta current method	(1,120)	(47)	(1,072)
Economic change A3]	30,504	1,126	29,378
I) Nigeria			
CI3) Work in progress on orders	661,605	571,422	90,183
Provision for contractual risks	0	0	0
Total CI3 work in progress on orders	661,605	571,422	90,183
Forex delta current method	99,133	90,328	8,805
Economic change A3]	760,738	661,750	98,988
L) Kazakhstan			
CI3) Work in progress on orders	146,969	46,732	100,238
Provision for contractual risks	0	0	0
Total CI3 work in progress on orders	146,969	46,732	100,238
Forex delta current method	(6,780)	384	(7,164)
Economic change A3]	140,189	47,115	93,074
M) Denmark			
CI3) Work in progress on orders	63,520	0	63,520
Provision for contractual risks	0	0	0
Total CI3 work in progress on orders	63,520	0	63,520
Forex delta current method	0	0	0
Economic change A3]	63,520	0	63,520
OVERALL TOTAL			
1) Work in progress on orders			
Work in progress on orders (gross) (A+B+.....+L)	3,563,936	2,882,337	681,599
Price revisions	0	0	0
Provision for price revisions	0	0	0
Contractual risks pursuant to Article 60 of Presidential Decree 917/86 (A+B+....+H)	(313)	(3,145)	2,832
TOTAL INVENTORIES C I 3	3,563,623	2,879,192	684,431
Total consolidated change	(23,303)	0	(23,303)
Total forex change	239,045	250,690	(11,645)
	215,742	250,690	(34,948)
Total economic change A3	3,779,365	3,129,882	649,483

Shown below are the changes in inventories due to work in progress on orders at Todini:

	Balance at 31/12/11	Balance at 31/12/10	Economic change
A) Italy:			
CI3) Work in progress on orders	1,261,324	1,106,090	155,234
Reversal of work in progress for orders closed	(14,263)	0	0
Adjustment previous years	0	0	3,869
Provision for contractual risks	(3,528)	(3,528)	0
Total C I 3 work in progress on orders	1,243,532	1,102,562	159,103
2009 effects by adopting Cost to Cost	0	1,920	(1,920)
Economic change A3]	1,243,532	1,104,482	157,183
B) Albania:			
CI3) Work in progress on orders	28,836	17,904	10,932

	Balance at 31/12/11	Balance at 31/12/10	Economic change
Provision for contractual risks	0	0	0
Total CI3 work in progress on orders	28,836	17,904	10,932
2009 effects by adopting Cost to Cost	0	487	(487)
Economic change A3)	28,836	18,392	10,445
C) Argentina:			
CI3) Work in progress on orders	0	0	0
Provision for contractual risks	0	0	0
Total CI3 work in progress on orders	0	0	0
D) Algeria			
CI3) Work in progress on orders	196,836	186,087	10,749
Provision for contractual risks	0	(59)	59
Total CI3 work in progress on orders	196,836	186,028	10,808
2009 effects by adopting Cost to Cost	0	108	(108)
Transfer of risks provision from Italy	0	30	(30)
Economic change A3)	196,836	186,165	10,700
E) Azerbaijan:			
CI3) Work in progress on orders	292,456	227,660	64,796
Provision for contractual risks	0	0	0
Total CI3 work in progress on orders	292,456	227,660	64,796
2009 effects by adopting Cost to Cost	0	9,571	(9,571)
Economic change A3)	292,456	237,231	55,225
F) Belarus:			
CI3) Work in progress on orders	2,266	0	2,266
Provision for contractual risks	0	0	0
Total CI3 work in progress on orders	2,266	13,560	2,266
F) Dubai:			
CI3) Work in progress on orders	56,721	51,303	5,418
Provision for contractual risks	(3,055)	(5,441)	2,386
Total CI3 work in progress on orders	53,666	45,862	7,804
2009 effects by adopting Cost to Cost		(2,854)	
Transfer of risks provision from Italy	1,686	0	1,686
Economic change A3)	55,352	43,007	9,490
G) Georgia:			
CI3) Work in progress on orders	45,769	11,344	34,425
Provision for contractual risks	(372)	(1,742)	1,370
Total CI3 work in progress on orders	45,397	9,603	35,795
2009 effects by adopting Cost to Cost	0	(625)	625
Economic change A3)	45,397	8,978	36,420
H) Kazakhstan:			
CI3) Work in progress on orders	288,896	176,675	112,221
Provision for contractual risks	0	0	0
Total CI3 work in progress on orders	288,896	176,675	112,221
I) Romania:			
CI3) Work in progress on orders	0	0	0
Provision for contractual risks	0	0	0
Total CI3 work in progress on orders	0	0	0
L) Tunisia:			
CI3) Work in progress on orders	73,369	48,652	24,717

	Balance at 31/12/11	Balance at 31/12/10	Economic change
Provision for contractual risks	(742)	(211)	(531)
Total CI3 work in progress on orders	72,627	48,441	24,186
2009 effects by adopting Cost to Cost	0	(505)	505
Economic change A3)	72,627	47,936	24,691
M) Ukraine:			
CI3) Work in progress on orders	174,820	85,196	89,624
Provision for contractual risks	0	(792)	792
Total CI3 work in progress on orders	174,820	84,404	90,416
2009 effects by adopting Cost to Cost	0	(4,655)	4,655
Economic change A3)	174,820	79,749	95,071
Overall Total CI3 - CI5			
A - Total Change C I 3 work in progress on orders	2,407,029	1,910,911	496,118
Total CI3 work in progress provision for contractual risk - reserves	(3,528)	(3,528)	0
Total CI3 work in progress provision for contractual risks	(4,168)	(8,245)	4,077
Total equity CI3)	2,399,333	1,899,138	500,195
B Risks provision released in A5)	(3,055)	(6,262)	3,207
C Forex delta			(2,817)
D Adjustment previous years			3,984
Reversal of work in progress for orders closed			14,263
F = A+B+C+D+E Total Economic change A3)			512,419

At 31 December 2011, the consolidated work in progress on orders at the Group amounted to € 5,962,956 thousand, net of provisions for write-downs due to contractual risks. The item shows an increase of € 1,184,626 thousand.

The elements comprising the positive net change are:

(€/000)		
- decrease due to work site delivery	Morocco	(103,859)
	Zimbabwe	(23,280)
	Italy Todini	(14,263)
		(141,402)
- increases due to work in progress	Italy	116,105
	Italy Todini	155,234
	Ethiopia	317,121
	Denmark	63,520
	Malaysia	30,450
	Nigeria	90,183
	Sierra Leone	20,172
	Uganda	33,082
	Dubai	31,629
	Dubai (Todini)	5,418
	Kazakhstan	100,238
	Kazakhstan (Todini)	112,221
	Zimbabwe	6,238
	Albania (Todini)	10,932

(€/000)

	Algeria (Todini)	10,749
	Ukraine (Todini)	89,624
	Tunisia (Todini)	24,717
	Azerbaijan (Todini)	64,796
	Georgia (Todini)	34,425
	Belarus (Todini)	2,266
		1,319,120
- net decrease in provision for contractual risks	Salini	2,832
	Todini	4,077
Net increase on statement of financial position		1,184,626
- change in forex due to application of current method	Salini	(11,645)
	Todini	(2,817)
- change in consolidation	Salini	(23,303)
	Todini	15,041
Net increase on income statement		1,161,901

The change during the year in the provision for contractual risks appears in the following table:

Provision for Contractual Risks	Balance at 31/12/11	Balance at 31/12/10	Change in Inc. Statem.	Change in Fin. Position
Italy	3,841	4,009	(168)	(168)
Algeria	0	59	(59)	(59)
Dubai	3,055	6,836	(3,781)	(3,781)
Georgia	372	1,742	(1,370)	(1,370)
Morocco	0	1,269	(1,269)	(1,269)
Tunisia	742	211	530	530
Ukraine	(0)	792	(792)	(792)
Total	8,009	14,918	(6,909)	(6,909)

The changes for the year in the provision for contractual risks mainly concern progress with orders upon completion of some of these.

The provision for contractual risks includes losses upon finishing orders. The decrease for the year is due mainly to the dissolution of provisions for risks due to the closing down of work in Italy (Rome-Pantano order), Dubai (Zaied Road order) and Ukraine and the determination of the arbitrator for Morocco (Rocade Mediterranee order) following an award issued by the ICC International Arbitration Court on 5 December 2011.



4) Finished products and merchandise C I 4) - € 76,035,926

Inventory	Balance at 31.12.2011	Change in consolidation 2011	Balance at 31.12.2010	Change
4) Finished products and merchandise				
Via Enrico Fermi Building -Rome	66,782	0	66,782	0
Former Galbani building (via Blaserna)	2,107	0	8,056	(5,948)
Residence Via Madonna dei Monti 83,84,85 and 86	2,634	0	2,634	(0)
Via Panama Building	3,528	0	0	3,528
Former Nibbio land and buildings	984	0	984	0
Plus Land	0	1,411	(1,411)	0
Zeis S.r.l. (economic change in B11)				(3,528)
Total due to change in financial position item C I 4)	76,036	1,411	77,045	(5,948)

Inventories of finished products and merchandise consist of a building located in Rome's historical centre at Via Madonna dei Monti, nos. 83, 84, 85 and 86, leased and forming part of the property complex contributed in 2003 by the Parent Company to Zeis S.r.l., the polyfunctional centre at Via Fermi in Rome, owned by Zeis S.r.l.

The change of € (5,948) thousand refers to the completion and consequent sale of part of the building complex located at Via Blaserna in Rome. The remaining balance intended for sale at 31 December 2011 totals € 2,107 thousand.

Receivables with clients C II 1) a) - € 506,999,410

Receivables with clients mainly refer to work and price revisions accrued for the short-term portion and withheld as a guarantee and against bad debts for the long-term portion.

The changes occurring during the year are expressed in the following table.

Receivables from clients	Short-term		Change	Medium-/long-term		Change
	Balance at 31/12/11	Balance at 31/12/10		Balance at 31/12/11	Balance at 31/12/10	
1) for invoices issued						
- Italy	50,776	12,767	38,009	74	74	0
- Sierra Leone	10,861	7,961	2,900	7,508	7,270	238
- Dubai	20,790	10,865	9,925	0	0	0
- Ethiopia	11,507	4,366	7,141	0	0	0
- Morocco	18,611	7,728	10,883	0	0	0
- Malaysia	10,815	330	10,485	0	0	0
- Nigeria	201,266	166,637	34,629	0	0	0
- Uganda	2,892	3,199	(307)	0	0	0
- Zimbabwe	6,990	11,143	(4,153)	0	0	0
- Albania	2,313	2,789	(476)	0	0	0
- Algeria	3,880	18,630	(14,749)	0	0	0
- Argentina	22	23	(1)	0	0	0

Receivables from clients						
	Balance at 31/12/11	Short-term Balance at 31/12/10	Change	Balance at 31/12/11	Medium-/long-term Balance at 31/12/10	Change
- Azerbaijan	5,388	27,504	(22,116)	0	0	0
- Georgia	0	97	(97)	0	0	0
- Kazakhstan	5,765	151	5,614	0	0	0
- Tunisia	3,873	2,434	1,439	0	0	0
- Ukraine	26,434	19,817	6,617	0	0	0
Total	382,184	296,441	85,743	7,582	7,344	238
2) for invoices to be issued:						
- Italy	6,456	16,955	(10,499)	0	0	0
- Algeria	463	578	(115)	0	0	0
- Azerbaijan	0	3,236	(3,236)	0	0	0
- Ethiopia	51,733	19,740	31,993	0	0	0
- Malaysia	497	0	497	0	0	0
- Kazakhstan	2,052	601	1,451	0	0	0
- Tunisia	0	618	(618)	0	0	0
- Ukraine	0	2	(2)	0	0	0
- Zimbabwe	1,263	0	1,263			
Total	62,464	41,730	20,735	0	0	0
3) for withholding as guarantee:						
- Italy	102	104	(2)	1,605	1,132	473
- Malaysia	494	0	494	0	0	0
- Albania	3,124	0	3,124	0	0	0
- Algeria	277	272	5	0	0	0
- Azerbaijan	1,127	3,916	(2,789)	0	0	0
- Dubai	16,139	17,200	(1,061)	0	0	0
- Kazakhstan	9,542	2,908	6,634	6,944	1,860	5,084
- Georgia	2,637	516	2,121	0	0	0
- Tunisia	203	129	74	0	0	0
- Ukraine	7,773	760	7,013	0	0	0
- Nigeria	12,030	0	12,030	0	0	0
Total	53,447	25,805	27,642	8,549	2,992	5,557
4) for bad debts:						
- Italy	11	11	0	0	0	0
- Italy for Sierra Leone Government	0	0	0	244	244	0
- Italy for Libya Government	0	0	0	0	0	0
- Italy for Gabon Government	0	0	0	65	65	0
Total	11	11	0	309	309	0
Tot. receivables from clients (1+2+3+4)	498,107	363,986	134,120	16,439	10,644	5,795
5) Balance of receivables for interest for late payment	0	0	0	0	449	(449)
A) Total receivables from clients (1+2+3+4+5)	498,107	363,986	134,120	16,439	11,093	5,346
B) Prov. for bad debts vs. clients	(1,615)	(9,156)	7,541	(5,931)	(5,931)	0
Financial statement balance (A-B)	496,491	354,830	141,661	10,508	5,162	5,346

During the period, receivables with clients increased overall by € 147,007 thousand.

It is also noted that:

- in Italy the increase of € 27,508 thousand is due mainly to invoices issued to Roma Metropolitana for the Metro B1 order for the definition of a reserve and for the change owed to Todini Costruzioni Generali S.p.A. due to the increase in invoices issued for € 15,219 thousand and the decrease in invoices to be issued of € (10,498) thousand due to the issuance of the respective invoices. The increase in invoices issued is due mainly to the Naples-Alifana order for € 10,126 thousand and the Milan-Lecco and Variante di Valico orders for the invoicing of price revisions of € 3,117 thousand and € 1,239 thousand, respectively;
- in Ethiopia the net increase in receivables with the EEPKO amounts to € 39,133 thousand and is due to the receivable for Millennium of € 31,228 thousand, Gibe III for € 13,420 thousand, Beles where a decrease of € (5,099) thousand is noted, and the site in Addis for € (416) thousand;
- in Dubai the increase in receivables for certificates issued amounts to € 8,864 thousand;
- in Morocco the increase in receivables of € 10,883 thousand is due to the recognition of a client claim;
- in Malaysia the increase in receivables from clients of € 11,476 thousand is due mainly to the issuance of certificates;
- in Nigeria the increase recognised during the year is € 46,659 thousand and is due to the increase in the Gurara receivable by € 19,442 thousand, IDU by € 9,689 thousand, ISEX by € 1,524 thousand, Cultural Centre by € 12,472 thousand and the new Suleja Minna and District 1 orders by € 2,153 thousand and € 5,155 thousand, respectively, net of a negative foreign exchange effect of € (3,776) thousand;
- in Kazakhstan the increase of € 13,699 thousand is due to the issuance of new certificates due to progress with the order;
- other increases, in smaller amounts, occurred: in Sierra Leone for € 2,900 thousand, Ukraine for € 13,628 thousand, Albania for € 2,648 thousand, Tunisia for € 895 thousand, and Georgia for € 2,121 thousand;
- in Algeria, Azerbaijan and Zimbabwe, there was a decrease in receivables with clients of € (14,859) thousand, € (28,141) thousand, and € (2,890) thousand, respectively.

The change during the year in receivables with clients for interest for late payment appears in the following table:

Receivables from clients due to interest for late payment						
	Balance at 31/12/11	Short-term Balance at 31/12/10	Change	Balance at 31/12/11	Medium-/long-term Balance at 31/12/10	Change
- Italy	130	130	0	0	0	0
- Morocco	0	486	(486)	0	1	(1)
- Sierra Leone	154	0	154	15,669	16,304	(635)
- Zimbabwe	3,004	3,004	0	0	0	0
A) Total receivables	3,288	3,620	(332)	15,669	16,305	(636)
B) Provision for interest for late payment	(3,288)	(3,620)	332	(15,669)	(15,855)	186
Balance of receivables for interest for late payment (A-B)	0	0	0	0	450	(450)

The breakdown and change in the respective provision for interest for late payment and the provision for bad debts appear in the following table:

Provision for interest for late payment and provision for bad debts	Balance at 31.12.10	Allowance 12/2011	Uses 12/2011	Reclass. and forex delta 12/2011	Balance at 12/2011
A) Provision for interest for late payment on short-term receivables from clients					
- Italy	130	0	0	0	130
- Morocco	486	0	(485)	0	1
- Zimbabwe	3,004	0	0	0	3,004
- Sierra Leone	0	154	0	0	154
	3,620	154	(485)	0	3,289
B) Provision for interest for late payment on long-term receivables from clients					
- Sierra Leone	15,855	68	(706)	452	15,669
	15,855	68	(706)	452	15,669
Total A+B	19,475	222	(1,191)	452	18,957
C) Provision for bad debts					
- Italy - from clients	509	0	(30)	(22)	457
- Sierra Leone - from clients	5,931	0	0	0	5,931
- Morocco - from clients	6,452	0	(6,452)	0	0
- Algeria - from clients	2,195	0	0	(1,037)	1,158
FSC from clients	15,087	0	(6,482)	(1,059)	7,546
- Italy - from other clients (CdP)	0	0	0	22	22
- Italy - from other clients (Todini)	536	1	0	0	537
- Algeria - from other clients	0	0	0	1,077	1,077
FSC from other clients	536	1	0	1,099	1,636
- Greece - from associates (curr. assets)	283	0	0	71	354
FSC from associates (curr. assets)	283	0	0	71	354
- Greece - from associates (fin assets)	450	0	0	0	450
FSC from associates (fin assets)	450	0	0	0	450
- Italy - from others (curr assets)	10	0	0	0	10
- Italy (Zeis) - from others (curr assets)	149	0	0	0	149
- Uganda - from others (curr assets)	7,864	1,899	0	0	9,763
- Kazakhstan - from others (curr assets)	0	12	0	1	13
- Ukraine - from others (curr assets)	205	0	0	5	210
FSC from others	8,228	1,911	0	6	10,145
Total C	24,584	1,912	(6,482)	117	20,131
Total A+B+C	44,059	2,134	(7,673)	569	39,089

The provision for bad debts recorded a decrease of € 4,970 thousand due mainly to the release of the provision at the Morocco branch for € 6,452 thousand as a result of the acknowledgment of a client claim.

Receivables with other clients - € 40,403,411

Receivables with other clients appear in the following table:

Receivables from other clients	Short-term		Medium-/long-term			
	Balance at 31/12/11	Balance at 31/12/10	Change	Balance at 31/12/11	Balance at 31/12/10	Change
1) for invoices issued						
- Italy	9,757	8,812	945	0	0	0
<i>of which Todini</i>	<i>7,001</i>	<i>5,283</i>	<i>1,717</i>	<i>0</i>	<i>0</i>	<i>0</i>
- Tunisia (Todini)	0	2	(2)	0	0	0
- Algeria (Todini)	1,916	0	1,916	0	0	0
- Kazakhstan (Todini)	6	0	6	0	0	0
- Romania (Todini)	110	0	110	0	0	0
- Azerbaijan (Todini)	248	0	248	0	0	0
- Ukraine (Todini)	400	0	400	0	0	0
- Morocco	4	4	0	0	0	0
Total	12,439	8,818	3,621	0	0	0
Provision vs. Receivables						
- Italy	(557)	(536)	(21)	0	0	0
<i>of which Todini</i>	<i>(557)</i>	<i>(536)</i>	<i>(21)</i>	<i>0</i>	<i>0</i>	<i>0</i>
- Algeria	(1,077)	0	(1,077)	0	0	0
<i>of which Todini</i>	<i>(1,077)</i>	<i>0</i>	<i>(1,077)</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total	(1,635)	(536)	(1,099)	0	0	0
	10,805	8,282	2,523	0	0	0
2) for invoices to be issued:						
- Italy	24,281	34,780	(10,499)	31	31	0
- Georgia (Todini)	23	0	23	0	0	0
- Ethiopia	53	0	53	0	0	0
- Kazakhstan	5,211	0	5,211	0	0	0
Total	29,568	34,780	(5,212)	31	31	0
	40,373	43,062	(7,976)	31	31	0

The decrease of € (7,976) thousand is due mainly to the decrease in invoices to be issued in Italy, ascribable mostly to the receivable held with G.A.B.I.RE S.r.l. concerning the sale of Cediv S.p.A., which took place in 2010, for € 18,001 thousand and the increase of the receivable with Metro B1 for € 5,790 thousand and an additional increase in invoices to be issued relative to Kazakhstan for € 5,211 thousand.

Receivables with subsidiaries and associates C II 2) - € 103,072; C II 3) - € 19,913,648

Receivables for commercial transactions with subsidiaries not included in the scope of consolidation appear in the following table:

Receivables from subsidiaries	Balance at 31/12/11	Short-term Balance at 31/12/10	Change
Edilfi S.c. a r.l. in liquidation (Todini)	24	0	24
Costral (Todini)	22	6	16
Todedil S.c a r.l. (Todini)	10	9	1
Cediv	0	0	0
Salcost France S.r.l.	6	6	0
Albacem 2007 (Todini)	34	34	(0)
CMT ApS	7	6	1
Other	0	18	(18)
Total	103	79	24

Receivables with associates appear in the table below:

B) Receivables from associates	Balance at 31/12/11	Short-term Balance at 31/12/10	Change	Balance at 31/12/11	Long-term Balance at 31/12/10	Change
1) for invoices issued:						
a) Italy						
Imm.re marinella	12	36	(24)	0	0	0
Cediv S.p.A.	192	0	192	0	0	0
Gabire S.r.l.	51	0	51	0	0	0
Cogefin S.r.l.	19	0	19	0	0	0
Galileo S.c. a r.l.	19	0	19	0	0	0
Colle Todi S.c. a r.l. in liquidation	19	0	19	0	0	0
Valico S.c. a r.l.	19	0	19	0	0	0
Rupe Orvieto S.c. a r.l.	19	0	19	0	0	0
Cons Pizzarotti Todini .Keff-Eddir	104	104	0	0	0	0
Group. d'entr Salini Strabag-Guinea	0	0	0	164	164	0
Consorzio Kallidromo	147	147	0	0	0	0
Alburni S.c. a r.l. in liquidation	137	136	1	0	0	0
Other	311	268	43	0	0	0
Total 1a)	1,049	691	358	164	164	0
b) Foreign						
AFT Kramis	3,598	3,119	479	0	0	0
Consorzio Kallidromo	798	422	376	0	0	0
Consorzio AFT in liquidation	741	741	0	0	0	0
Consorzio Pizzarotti Todini Kef Eddir	3,600	3,600	0	0	0	0
J.V. Salini Acciona - Ethiopia	6,635	3,589	3,047	0	0	0
Total 1b)	15,372	11,471	3,902	0	0	0
2) for invoices to be issued						
a) Italy						
Colle Todi S.c. a r.l. in liquidation	0	6	(6)	0	0	0
C.P.R.3	0	2,733	(2,733)	0	0	0

B) Receivables from associates	Balance at 31/12/11	Short-term Balance at 31/12/10	Change	Balance at 31/12/11	Long-term Balance at 31/12/10	Change
Valico S.c. a r.l.	0	6	(6)	0	0	0
Ital.Sa.Gi. sp.zo.o.	44	44	0	0	0	0
Cediv S.p.A.	0	16	(16)	0	0	0
Gabire S.r.l.	0	3	(3)	0	0	0
Cogefin S.r.l.	0	5	(5)	0	0	0
Galileo S.c. a r.l.	0	6	(6)	0	0	0
Rupe Orvieto S.c. a r.l.	0	6	(6)	0	0	0
Alburni S.c. a r.l. in liquidation	0	6	(6)	0	0	0
Tormini S.c. a r.l.	0	6	(6)	0	0	0
Other	34	162	(128)	0	0	0
Total 2a)	78	2,999	(2,921)	0	0	0
3) Other receivables - Italy:						
S. Ruffillo S.c. a r.l.	2,288	2,288	0	0	0	0
Gabire S.r.l.	29	0	29	0	0	0
Cediv S.p.A.	30	0	30	0	0	0
Consorzio CPR3	0	468	(468)	0	0	0
Colle Todi S.c. a r.l. in liquidation	232	227	5	0	0	0
Rupe Orvieto S.c. a r.l.	111	111	0	0	0	0
Groupement Italgisas - Morocco	741	741	0	0	0	0
Other	174	185	(11)	0	0	0
Total 3)	3,605	4,020	(415)	0	0	0
Provision for bad debts vs. associates	(354)	0	(354)	0	0	0
Total	19,750	19,181	569	164	164	0

The item shows a balance of € 19,914 thousand for an increase of € 569 thousand, compared to 31 December 2010.

The most significant changes concern the increase in the receivable with the joint venture Salini-Acciona, in the overall amount of € 3,047 thousand, as a result of the reversal of costs and revenues for the period, and the decrease in the receivable for invoices to be issued to the consortium C.P.R. 3 as a result of the issuance of the invoice and its respective collection.

Receivables with the Parent Company C II 4 - € 15,906

This represents the balance at 31 December 2011 of the receivable with the Parent Company Salini Simonpietro e C. S.a.p.A. for administrative services.

Tax receivables C II 4-bis) - € 56,814,361

The item in question increased during the year by € 888 thousand. The changes are shown in the table below:

Tax receivables	Balance at 31/12/11	Short-term Balance at 31/12/10	Change	Medium-/long-term Balance at 31/12/11	Balance at 31/12/10	Change
Italy	15,847	21,784	(5,937)	5,134	7,944	(2,810)
- of which Todini	1,254	2,201	(947)	482	386	96
Foreign	34,705	26,155	8,551	1,127	43	1,084
- of which Todini	15,359	14,235	1,124	0	0	0
Total	50,553	47,939	2,614	6,261	7,987	(1,726)

The breakdown of tax receivables at 31 December 2011 is as follows:

Tax receivables	ITALY	FOREIGN	TOTAL
A) VAT and indirect taxes			
VAT credit and indirect taxes due within 12 months	15,344	14,963	30,307
- of which Todini	1,213	10,048	11,261
VAT credit interest due within 12 months	0	0	0
- of which Todini	0	0	0
	15,344	14,963	30,307
VAT credit and indirect taxes due after 12 months	4,575	0	4,575
- of which Todini	135	0	135
VAT credit interest due after 12 months	0	0	0
- of which Todini	0	0	0
	4,575	0	4,575
TOTAL INDIRECT TAXES	19,919	14,963	34,882
B) Direct taxes			
Credit for direct taxes due within 12 months	497	19,707	20,203
- of which Todini	34	5,275	5,309
Direct tax credit interest due within 12 months	8	36	44
- of which Todini	8	36	44
	504	19,743	20,247
Credit for direct taxes due after 12 months	335	1,127	1,462
- of which Todini	124	0	124
Direct tax credit interest due after 12 months	223	0	223
- of which Todini	223	0	223
	558	1,127	1,685
TOTAL DIRECT TAXES	1,062	20,870	21,932
C) TOTAL AMOUNTS DUE FROM TAX AUTHORITIES	20,980	35,832	56,814

The short-term receivable for indirect tax consists of a VAT credit in Italy of € 15,344 thousand, of which € 1,213 thousand is for Todini. The residual VAT credit was offset, in part, by another tax and will be used to offset VAT owed. In addition, there are credits for VAT and indirect tax primarily: in Azerbaijan for € 7,197 thousand; in Salini Nigeria Ltd for € 2,201 thousand; in CMT I/S for € 2,612 thousand; in Azerbaijan for € 4,121 thousand; in Tunisia for € 767 thousand; in Algeria for € 954 thousand and in Albania for € 773 thousand.

Prepaid taxes C II 4-ter) - € 9,828,693

Prepaid taxes express the overall effects deriving from accounting for deferred taxes. The total changes appear in the table below:

Prepaid taxes	Short-term			Medium-/long-term		
	Balance at 31/12/11	Balance at 31/12/10	Change	Balance at 31/12/11	Balance at 31/12/10	Change
IRES	3,195	2,414	780	5,157	17,337	(12,180)
IRAP	138	1,061	(923)	1,340	447	892
Total Italy	3,332	3,475	(143)	6,497	17,784	(11,287)

Receivables with others C II 5) - € 213,511,415

Receivables with others appear in the table below:

Other receivables	Short-term			Medium-/long-term		
	Balance at 31/12/11	Balance at 31/12/10	Change	Balance at 31/12/11	Balance at 31/12/10	Change
1) Sundry debtors						
Italy	9,905	21,507	(11,602)	27,927	750	27,177
Albania	0	398	(398)	54	0	54
Algeria	3	27	(24)	681	0	681
Argentina	3	3	0	0	0	0
Azerbaijan	0	18	(18)	0	0	0
Bulgaria	2	2	(0)	0	0	0
Kazakhstan	191	0	191	0	0	0
Tunisia	0	8	(8)	0	0	0
Ethiopia	0	0	0	0	0	0
Sierra leone	2	33	(31)	0	0	0
Dubai	5	0	5	0	0	0
Ethiopia B	0	95	(95)	0	0	0
Morocco B	0	0	(0)	0	0	0
Malaysia	37	229	(192)	0	0	0
Uganda B	0	16,061	(16,061)	0	0	0
Chile B	9	0	9	0	0	0
Nigeria	21	(0)	21	0	0	0
Total	10,177	38,381	(28,204)	28,662	750	27,912
2) Debtors for expropriations	0	0	0	0	0	0
3) Advance payments to suppliers/sub-contractors						
Italy	3,953	7,750	(3,797)	0	0	0
Albania	747	60	687	0	0	0
Algeria	293	527	(234)	0	0	0
Azerbaijan	1,400	3,970	(2,570)	0	0	0
Sierra leone	273	1,413	(1,140)	0	0	0
Malaysia	1,771	0	1,771	0	0	0
Morocco	0	0	0	0	0	0
Belarus	1,850	0	1,850	0	0	0
Dubai	5,835	6,652	(817)	0	0	0
Georgia	508	9,751	(9,243)	0	0	0
Kazakhstan	65,431	36,432	28,999	0	15,185	(15,185)
Ethiopia B	6,666	3,803	2,863	0	0	0
Morocco B	32	31	1	0	0	0
Tunisia	290	308	(18)	0	0	0
Ukraine	15,591	1,583	14,008	0	0	0
Uganda Bujagali Salini Hydro	203	264	(61)	0	0	0
Uganda B	14,936	0	14,936	0	0	0
Nigeria	52	103	(51)	0	0	0
Denmark	2,455	0	2,455	36,034	0	36,034
Turkey	73	0	73	0	0	0
Zimbabwe	753	100	653	0	0	0
Total	123,111	72,747	50,364	36,034	15,185	20,849
4) running current accounts - branches						
Italy	(264,975)	5,354	(270,329)	0	0	0
Albania	(6,666)	(1,335)	(5,331)	0	0	0
Algeria	(34,735)	(40,931)	6,196	0	0	0
Argentina	(100)	375	(475)	0	0	0
Azerbaijan	(6,783)	(25,967)	19,184	0	0	0
Belarus	3,094	0	3,094	0	0	0
Ethiopia	(1,861)	(1,265)	(596)	0	0	0
Greece	(676)	(911)	235	0	0	0
Georgia	1,118	(1,499)	2,617	0	0	0
Jordan	104	97	7	0	0	0

Other receivables	Short-term			Medium-/long-term		
	Balance at 31/12/11	Balance at 31/12/10	Change	Balance at 31/12/11	Balance at 31/12/10	Change
Guinea	(162)	(163)	1	0	0	0
Kazakhstan	19,166	25,458	(6,292)	0	0	0
Moldova	(39)	(37)	(2)	0	0	0
Romania	493	371	122	0	0	0
Tunisia	(6,231)	(2,494)	(3,737)	0	0	0
Ukraine	25,097	(7,587)	32,684	0	0	0
Libya	(1,524)	(1,840)	316	0	0	0
Morocco	(209)	(135)	(74)	0	0	0
Sierra Leone	718	1,723	(1,005)	0	0	0
Chile B	(474)	0	(474)	0	0	0
Zimbabwe	(9,183)	(6,142)	(3,041)	0	0	0
Dubai	(61,755)	(73,297)	11,542	0	0	0
Ethiopia B	374,428	148,417	226,011	0	0	0
Morocco B	1,922	1,612	310	0	0	0
Uganda B	(29,347)	(19,130)	(10,217)	0	0	0
Turkey	(899)	(566)	(333)	0	0	0
Abu Dhabi	(521)	(108)	(413)	0	0	0
Total	0	0	0	0	0	0
5) Amounts due from employees						
Italy	113	119	(6)	56	56	0
Albania	1	1	0	0	0	0
Algeria	8	97	(89)	0	0	0
Azerbaijan	61	97	(36)	0	0	0
Chile B	14	0	14	0	0	0
Ethiopia	4	4	0	0	0	0
Guinea	0	172	(172)	0	0	0
Georgia	1	0	1	0	0	0
Sierra Leone	4	5	(1)	0	0	0
Dubai	15	16	(1)	0	0	0
Ethiopia B	41	587	(546)	0	0	0
Kazakhstan	55	25	30	0	0	0
Morocco B	0	2	(2)	0	0	0
Tunisia	36	22	14	0	0	0
Turkey	12	0	12	0	0	0
Abu Dhabi	75	0	75	0	0	0
Denmark	3	0	3	0	0	0
Ukraine	9	2	7	0	0	0
Uganda B	48	86	(38)	0	0	0
Malaysia	17	9	8	0	0	0
Nigeria	12	36	(24)	0	0	0
Zimbabwe	0	0	0	0	0	0
Total	529	1,280	(751)	56	56	0
6) Amounts due from Social Security and Welfare Institutions						
Italy	887	624	262	154	154	0
Kazakhstan	2	0	2	0	0	0
Ethiopia B.	70	0	70	0	0	0
Abu Dhabi	12	0	12	0	0	0
Dubai	9	0	9	0	0	0
Turkey	5	5	0	0	0	0
Uganda	43	7	37	0	0	0
Total	1,028	636	392	154	154	0
7) Other receivables for guarantee deposits						
Italy	0	0	0	447	615	(168)
Total	0	0	0	447	615	(168)
CII5) Tot. Other receivables	134,845	113,044	21,801	65,353	16,760	48,593
CII5) Tot. amounts due from other companies and deb. for expropriations	23,315	24,061	(746)	143	143	0
CII5) Italy - Provision for doubtful accounts	(10,145)	(8,228)	(1,916)	0	0	0
GRAND TOTAL (CII 5 1+2.....7)	148,015	128,878	19,139	65,496	16,903	48,593

The item in question shows a net increase of € 67,732 thousand. The change is due mainly to the increase in payments on account to suppliers/subcontractors of € 71,213 thousand and to the increase in the provision for bad debts by € (1,916) thousand.

With respect to receivables with sundry accounts receivable, the item at 31 December 2011 consisted mainly of:

- In Italy the receivable of € 6,375 thousand with the Federal Ministry for Nigerian water resources acquired by the subsidiary Salini Nigeria Ltd and involving payments due for work performed by it. Again in Italy, by the receivable with G.A.B.I.R.E. S.p.A. for the sale of Cediv for € 18,001 thousand and by the receivable of € 9,083 thousand with Todini Finanziaria S.p.A. for receivables assigned, in turn, to Co.Ge.Fin S.r.l.

With respect to payments on account to suppliers/subcontractors, the item at 31 December 2011 mainly includes receivables accrued:

- in Italy of € 3,953 thousand relative for € 2,592 thousand to advances to suppliers and subcontractors;
- in Uganda of the receivable of € 14,936 thousand, written down by € 9,763 thousand, due to receivables held with subcontractors;
- in Kazakhstan for € 65,431 thousand relative to advances to local suppliers within 12 months. The item increased compared to 31 December 2010 by € 13,814 thousand due to the work site being fully operational;
- in Ethiopia for € 6,666 thousand due to advances to subcontractors. The receivable increased, compared to 31 December 2010, by approximately € 2,863 thousand and is due to the operation of old work sites and due to the start of activities at newly acquired work sites;
- in Dubai for € 5,835 thousand relative to advances to local suppliers;
- in Ukraine for € 15,591 thousand relative to advances to local suppliers, increasing by € 14,008 thousand with respect to 31 December 2010 in relation to advances paid to suppliers involved in the work being carried out by the J.V. TAS, 40%-owned by Todini.

Receivables with other companies may be broken down as follows:

CII5) Receivables with other companies	Short-term			Medium-/long-term		
	Balance at 31/12/11	Balance at 31/12/10	Change	Balance at 31/12/11	Balance at 31/12/10	Change
GHELLA xcomm.TAV/BO(01.50)	9,165	9,178	(13)	0	0	0
ACCIONA xcomm.TAV/BO(01.50)	9,165	9,178	(13)	0	0	0
Cogeim S.p.A. per transaction	0	129	(129)	0	0	0
Impregilo S.p.A. - Morocco office	134	134	0	0	0	0
Loans and other stakes and minorities	0	0	0	143	143	0
Vianini mandataria pantano	649	797	(148)	0	0	0
Fagioli S.p.A.	126	126	0	0	0	0
Consorzio Iricav Due	244	246	(2)	0	0	0
Other and expropriation compensation	434	240	194	0	0	0
Aktor	3,332	2,103	1,229	0	0	0
Hamila	0	1,864	(1,864)	0	0	0
Tombesi S.r.l.	65	65	(0)	0	0	0
Total C2)	23,315	24,061	(746)	143	143	0

The item in question decreased by € 746 thousand. Among the significant amounts, we note:

- the receivables with Acciona and Ghella S.p.A., members of the temporary consortium created with Salini Costruttori S.p.A. for the execution of the TAV/S. Ruffillo order, amounting overall

to € 18,330 thousand. These receivables are recorded as offsets of payables to S. Ruffillo S.c.a.r.l., as a result of the agreement reached between the companies;

- the receivables with shareholder Aktor for € 3,332 thousand which refer to the results of the J.V. by virtue of an agreement.

Cash and cash equivalents C IV - € 542,994,052

The breakdown and change in cash and cash equivalents appear in the following table:

Cash and cash equivalents	Balance at 31.12.11	Balance at 31.12.10	Change
Unrestricted bank deposits	500,872	212,356	288,516
Postal current accounts	0	0	0
Restricted bank deposits	41,240	1,519	39,721
Cash	883	2,390	(1,507)
Total	542,994	216,264	326,729

The balance of cash and cash equivalents represents active bank account balances at the end of the year and the amounts of cash, cheques and securities existing at the Registered Office, the work sites and the foreign subsidiaries. Out of the total balance at 31 December 2011, amounting to € 542,994 thousand, € 45,459 thousand refers to the subsidiary Todini Costruzioni Generali S.p.A. Restricted deposits at 31 December 2011 mainly refer to cash collateral of € 1,517 thousand at the Albanian branch of the subsidiary Todini Costruzioni Generali S.p.A. and to deposits at the subsidiaries CMT I/S of € 11,697 thousand and Salini Kolin CGF for € 28,026 thousand.

Accrued income and deferred charges D - € 16,527,839

The breakdown and change in accrued income and deferred charges appear in the table below:

Accrued income and deferred charges	Balance at 31.12.11	Balance at 31.12.10	Change
1) Deferred charges:			
Insurance	10,403	18,191	(7,788)
Bank commissions	62	0	62
Rental payables	588	397	191
Sundry consultancy services	100	86	14
Leasing instalments	87	889	(802)
Payments and utilities	100	202	(102)
Subscriptions	25	6	19
Customs	0	0	0
Other	4,793	1,771	3,022
Total deferred charges	16,158	21,542	(5,384)
2) Accrued income			
Insurance and guarantees	215	151	64
Bank interest receivable	3	0	3
Other	152	26	126
Total accrued income	370	177	193
GRAND TOTAL (*)	16,528	21,719	(5,191)
* Of which are referable after 12 months	650	178	

Statement of reconciliation between shareholders' equity and profit for the year of the Parent Company and Group share of consolidated shareholders' equity and profit for the year (amounts stated in € thousand).

The reconciliation appears in the following table:

Reconciliation statement	Shareholders' equity at 31.12.11	Profit for the financial year at 31/12/11
Statutory financial statements	213,781	55,013
a) Effects of financial leasing	9,788	(3,880)
b) Exchange rate differences with Nigeria on intercompany items	(2)	(2)
c) Intercompany margins	0	0
c) Valuation of holdings in associates valued at equity	(218)	(305)
Total Shareholder's equity and Group profit	223,350	50,827
d) Portion of Shareholder's equity and profit pertaining to minority interests:		
S.vittorino in Zeis	8,682	(68)
METRO B1	467	0
RI.MA.TI	139	0
BUMBUNA POWER GEN.CO. LTD	86	0
SALINI BULGARIA EAD	0	0
TB METRO	71	(45)
CMT ApS	1,282	1,282
SALINI KOLIN CGF JOINT VENTURE	(4)	(2)
Hemus	324	(0)
Todini Costruzioni Generali S.p.A.	14,506	2,290
Total Shareholder's equity and profit pertaining to minority interests	25,553	3,457
Total Shareholder's equity and profit	248,903	54,284



Statement of changes in consolidated shareholders' equity A - € 248,902,787

The changes in consolidated shareholders' equity at 31 December 2011 appear in the table below:

Consolidated shareholders' equity	AI Share capital	AIII Revaluation reserve L.413/91	AIV Legal reserve	AV Reserve for treasury shares	AVII a Extraord. reserve as per Law 98/94	AVII b Conversion / deficit reserve	AVII c1 Extraord. reserve	AVII c2 Provision for promot.	AVII c3 Riserva indenniz. L.16/80	AVII c4 Reserve Art. 55 Presidential Decree. 597/73	AVII c5 Restricted reserve Art. 2426, sub-section 8 Italian civil code	AVII c6 Exchange rate gains reserve Art. 2426 no.8 Italian civil code	AVIII Profits brought forward	AIX Profit for the financial year	Total shareholders' equity
Balance as at 31/12/08															
Total shareholders' equity pertaining to the Group	12,480	531	2,496	3,120	5,602	16,486	983	61	0	479	5,190	0	70,032	20,484	137,944
Shareholders' equity pertaining to minority interests															1,352
Profit (loss) for the financial year pertaining to minority interests															(38)
Total shareholders' equity	12,480	531	2,496	3,120	5,602	16,486	983	61	0	479	5,190	0	70,032	20,484	139,258
Allocation of net income for the financial year:															
Allocation of dividends (€ 0.10 per share)					(10,829)										(10,829)
Other allocations					18,099						95			(18,194)	0
No charge share capital increase	49,920	(531)					(983)	(61)					(48,345)		0
Other changes:															
exchange rate changes for foreign branches and subsidiaries						21,935					38				21,973
reclassification from unallocated profit to profit brought forward															
for dividends from subsidiaries											(754)		754		0
changes in consolidation													2,852	(2,290)	562
Net income as at 31/12/2009														27,757	27,757
Balance as at 31/12/2009															0
Total shareholders' equity pertaining to the Group	62,400	0	2,496	3,120	12,872	38,421	0	0	0	479	4,569	0	25,293	27,757	177,407
Shareholders' equity pertaining to minority interests															1,254
Profit (loss) for the financial year pertaining to minority interests															(87)
Total shareholders' equity	62,400	0	2,496	3,120	12,872	38,421	0	0	0	479	4,569	0	25,293	27,757	178,574
Allocation of net income for the financial year:															
Allocation of dividends (€ 0.10 per share)					(10,829)										(10,829)
Other allocations			1,440								369		26,983	(28,792)	0
No charge share capital increase															0
Other changes:															0
exchange rate changes for foreign branches and subsidiaries						12,782					(91)				12,691
reclassification from unallocated profit to profit brought forward															
for dividends from subsidiaries															0
changes in scope of consolidation and area of consolidation													(1,088)	1,035	(53)
Net income as at 31/12/2010														31,052	31,052
Balance as at 31/12/2010															0
Total shareholders' equity pertaining to the Group	62,400	0	3,936	3,120	2,043	51,203	0	0	0	479	4,847	0	51,188	31,052	210,268
Shareholders' equity pertaining to minority interests															18,553
Profit (loss) for the financial year pertaining to minority interests															2,043
Total shareholders' equity	62,400	0	3,936	3,120	2,043	51,203	0	0	0	479	4,847	0	51,188	31,052	230,864
Allocation of dividends (€ 0.12 per share)													(12,995)		(12,995)
Allocation of net income for the financial year:			1,608								4,254		26,293	(32,155)	0
No charge share capital increase															0
Other changes:															0
exchange rate changes for foreign branches and subsidiaries						(25,069)					413				(24,656)
Other changes:											(150)				(150)
reclassification from unallocated profit to profit brought forward															
for dividends from subsidiaries															0
changes in scope of consolidation and area of consolidation													(1,047)	1,103	56
Net income as at 31/12/2011														50,827	50,827
Balance as at 31/12/2011															0
Total shareholders' equity pertaining to the Group	62,400	0	5,544	3,120	2,043	26,134	0	0	0	479	9,364	0	63,439	50,827	223,350
Shareholders' equity pertaining to minority interests															22,095
Profit (loss) for the financial year pertaining to minority interests															3,457
Total shareholders' equity	62,400	0	5,544	3,120	2,043	26,134	0	0	0	479	9,364	0	63,439	50,827	248,902
possibility of use	-	A-B-C	B	-	A-B-C	-	A-B-C	A-B-C	A-B-C	A-B-C	A-B	A-B	A-B-C	-	-
tax position	-	Z	X	X	Y	-	X	X	X	Z	K	K	X	-	-

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.

The share capital of the Parent Company Salini Costruttori at 31 December 2011 consists of 120,000,000 ordinary shares with a unit nominal value of € 0.52. The Parent Company has not issued new shares during the year.

The minority share of shareholders' equity increased during the year to € 3,542 thousand upon full consolidation of Todini Costruzioni S.p.A., also since the stake of Salini Costruttori S.p.A. went from 60% to 77.71%, entailing the recording of minority interests of 22.29% in the investment still held by Todini Finanziaria S.p.A.; in addition to the increase of € 3,457 thousand referring to the result 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
Share capital	62,400				
Capital reserves:		-			
Reserve for treasury shares	3,120	-			
Profit reserves:					
Revaluation reserve as per Law no. 413/91	0	A,B,C	0		
Legal reserve	5,543	B			
Extraordinary reserve as per Law no. 98/94	2,042	A,B,C	2,042	(34,653)	
Conversion deficit	26,135	-			
Extraordinary reserve	0	A,B,C	0	0	
Provision for promotional expenses	0	A,B,C	0	0	
Contingencies reserve as per Article 16/80	0	A,B,C	0	0	
Reserve as per Article 55 of Presidential Decree 597/73	479	A,B,C	479	0	
Exchange rate gains reserve as per Article 2426 no. 8 bis of the Italian Civil Code	0	A,B		0	
Restricted reserve as per Article 2426 no. 4 of the Italian Civil Code	9,365	A,B	9,365	(4,718)	
Earnings retained (reversal of consolidation reserve)	14,274		0		
Earnings retained	49,165	A,B,C	49,165	(26,983)	
Total			61,051		
Total portion not distributable			9,365		
distributable portion			51,686		

The conversion deficit provision, which includes the differences noted on some financial position items due to the application of year-end exchange rates, had the following changes:

Balance at 01/01/2011	51,203,351
Decrease for adjustment to exchange rates at year-end	
Balances of running current accounts with branches	1,411,747
Recording in the income statement of reserves for closing orders	(27,080,366)
Forex changes on profit and loss for the year	265,600
Forex changes on initial equity – foreign subsidiaries	348,691
Forex changes on profit/loss for the year	(14,675)
Forex changes on allocation of dividends	0
Translation effect changes – foreign holdings	334,016
Differences for application of current exchange rate method on lease of Morocco branch	0
Balance as at 31/12/2011	26,134,348

The non-distributable reserve pursuant to Article 2426 no. 4, of the Italian Civil Code, created at the time of allocating profits for the year beginning in 2002, in application of the valuation of the holdings in subsidiaries by the equity method, had the following changes:

Non-distributable reserve as per Article 2426 no. 4 of the Italian Civil Code	
Balance at 01/01/2011	4,847,346
Allocation of profits 2010	4,254,438
VALUATION of companies valued at equity not recorded in income statement	
	Todini 262,922
Release and subsequent reclassification to profits and losses brought forward:	
	0
	0 0
Balance at 31/12/2011	9,364,706

On 25 June 2011, the Shareholders' Meeting, in approving the financial statements as at 31 December 2010, resolved on the allocation of the net profit for the year of € 32,154,642 and on the distribution of dividends.

The reserves of the Parent Company have shown the following changes:

- the legal reserve increased by € 1,608 thousand;
- the non-distributable reserve pursuant to Article 2426 no. 4 of the Italian Civil Code increased by € 4,517 thousand;
- the "retained profits" item increased by € 26,293 thousand;
- a dividend was distributed of € 0.12 per annum for an overall amount of € 12,995 thousand.

It is also noted that consolidated shareholders' equity is also affected by the non-distributable reserve recognised at the time of the initial consolidation of Todini Costruzioni Generali S.p.A. at 1 January 2010, amounting to € 58 thousand.

It is also noted that consolidated shareholders' equity is also affected by the pre-consolidation adjustments made to make the Parent Company's accounting standards consistent with the assets and liabilities appearing on the financial statements of the subsidiary Salini Nigeria Ltd prepared in accordance with local accounting standards. In particular, the adjustments generated on the shareholders' equity of the subsidiary and, consequently, on the valuation of the holding, mainly concern: a) the reduction in the valuation of inventories of work in progress by € 35,976 thousand overall, relative to the valuation of inventories of work in progress by the cost-to-cost method; b) the greater valuation of receivables with clients, net of the portion assigned to Salini Costruttori S.p.A. for € 58,947 thousand overall; and c) the negative results of deferred taxes on the said adjustments for € 7,341 thousand overall.

In judgments nos. 3940/2006 and 9904/2007, immediately appealed by the Company, the Court of Rome held it unlawful to value holdings in subsidiaries by the equity method pursuant to Article 2426 no. 4 of the Italian Civil Code, as recommended by national accounting standard no. 21, which the Company has always followed dutifully. The accounting method used by the Company is in line with all the different case law, civil and corporate doctrine on the subject, as well as with the national accounting standards precisely because it allows for representing the economic result more clearly and correctly on separate financial statements. This accounting method continues to meet with the acceptance of the Board of Statutory Auditors and the independent auditors.

As pertinent, however, shown below are the effects that there would be on the Company's shareholders' equity in the event, which we deny, that judgment no. 3940/2006 should become final:

1) Application of Article 2426, no. 4, Italian Civil Code according to the rulings of the judgment

2003 REVALUATIONS:		
Co.Ge.Ma S.p.A. - Aprilia (LT)	113,347	
Aeronica 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'entreprise Sal.It. - Khemisset (Morocco)	1,994,428	
Salini Nigeria Ltd - (Nigeria)	9,916,181	
TOTAL REVALUATIONS		12,333,480
DEFERRED TAXATION ON 2003 REVALUATIONS:		
Co.Ge.Ma S.p.A. - Aprilia (LT)	(1,870)	
Aeronica 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'entreprise Sal.It. - Khemisset (Morocco)	(32,908)	
Salini Nigeria Ltd - (Nigeria)	(163,617)	
		(203,502)
DIVIDENDS DISTRIBUTED ON 2003 REVALUATIONS:		
Co.Ge.Ma S.p.A. - Aprilia (LT)	(113,347)	
Aeronica Aprilia S.r.l. - Aprilia (LT)	(27,898)	
Group. d'entreprise Sal.It. - Khemisset (Morocco)	(1,457,561)	
Salini Nigeria Ltd - (Nigeria)	(9,916,181)	
TOTAL DIVIDENDS DISTRIBUTED		(11,514,986)
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)	
Aeronica Aprilia S.r.l. - Aprilia (LT)	(8,030)	
Group. d'entreprise Sal.It. - Khemisset (Morocco)	(536,867)	
TOTAL CHANGES FROM COMPANIES WOUND UP/TRANSFERRED		(818,495)
REVERSAL OF DEFERRED TAXATION ON 2003 REVALUATIONS:		
Co.Ge.Ma S.p.A. - Aprilia (LT)	1,870	
Group. d'entreprise 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	
Aeronica Aprilia S.r.l. - Aprilia (LT)	593	
Salini Nigeria Ltd - (Nigeria)	163,617	
		203,503
RESIDUAL 2003 REVALUATIONS TO BE REALISED		(0)
2003 NET PROFIT TO BE ALLOCATED TO RESTRICTED RESERVE AS PER ARTICLE 2426 NO. 4 OF THE ITALIAN CIVIL CODE IN ACCORDANCE WITH SHAREHOLDERS' RESOLUTION DATED 07/07/2004		(7,848,733)
GREATER RESTRICTED RESERVE AS PER ARTICLE 2426 NO. 4 OF THE ITALIAN CIVIL CODE REQUIRED TO BE ESTABLISHED USING AVAILABLE RESERVES AMOUNTING TO € 50.4 million		nil

2) Valuation of receivable with the joint venture Zimbabwe according to the rulings of the judgment

- Full write-down of receivable recognised on 2003 financial statements	€ (7,298,036)
- Write-down made in the first half of 2007	€ 6,442,000
- Write-down included in 2006 financial statements for contractual risks provision	€ 1,201,738

- Difference	none

No effects are noted on shareholders' equity or on earnings for the year at 31 December 2011.

Even in the event, which we deny, that the said judgment should become final, the reserves available and the allocations made are sizeable enough to absorb its effects.

In addition, it is noted that during the year ended on 31 December 2010, both the provision for bad debts with the client relative to the J.V. Salini Impregilo for the Mukorsi Dam, amounting to € 6,442 thousand, as well as the provision for contractual risks of € 1,201 thousand were used in full. In 2007, given the country's internal situation and since the time for collection of receivables held with the client were not foreseeable, the Directors decided to set up a provision to fully write-down receivables held of € 6,442 thousand. On 8 April 2011, the Company signed the Addendum to the contract for the construction of the Mukorsi Dam, whereby the client not only agreed to the resumption of the work, but also agreed to pay all arrears owed, amounting to approximately € 11,512 thousand, in four instalments by 31 December 2011. Consequently, the Company used the provision during the year; to date, against such receivables, it has received payment of € 9,662 thousand, and the balance will be paid by 2012.

In addition, it is noted that even if judgment no.9904/2007 should become final, there would be no effects on the Company's shareholders' equity, as it appears from the analysis below:

2002 REVALUATIONS:	Total 2002 financial year	Prior profits	
Co.Ge.Ma S.p.A. - Aprilia (LT)	760,269	120,424	639,846
Aeronica 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'entreprise 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
TOTAL REVALUATIONS			
DEFERRED TAXES ON 2002 REVALUATIONS:			
Co.Ge.Ma S.p.A. - Aprilia (LT)	(258,492)	(40,944)	(217,548)
Aeronica 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)

2002 REVALUATIONS:	Total 2002 financial year	Prior profits	
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'entreprise 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)
	(2,542,761)		
DIVIDENDS DISTRIBUTED ON 2002 REVALUATIONS:			
Co.Ge.Ma S.p.A. - financial year 2003	(316,000)		
Co.Ge.Ma S.p.A. - financial year 2004	(100,000)		
Co.Ge.Ma S.p.A. - financial year 2005	(344,269)	(760,269)	
Aeronica Aprilia S.r.l. - financial year 2002	(37,000)		
Aeronica Aprilia S.r.l. - financial year 2003	(52,000)		
Aeronica Aprilia S.r.l. - financial year 2004	(35,000)		
Aeronica Aprilia S.r.l. - financial year 2005	(99,000)		
Aeronica Aprilia S.r.l. - financial year 2006	(10,102)	(233,102)	
S.I.Ba. S.p.A. -financial year 2003	(850,000)	(850,000)	
Group. d'entreprise Sal.It. - financial year 2005	(242,439)	(242,439)	
Salini Nigeria Ltd - financial year 2002	(2,326,500)		
Salini Nigeria Ltd - financial year 2003	(1,652,707)		
Salini Nigeria Ltd - financial year 2004	(1,057,358)		
Salini Nigeria Ltd - financial year 2005	(3,024,517)		
Salini Nigeria Ltd - financial year 2006	(5,243,284)	(13,304,366)	(15,390,176)
TOTAL DIVIDENDS DISTRIBUTED		(15,390,176)	
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)		
TOTAL CHANGES FROM COMPANIES WOUND UP/TRANSFERRED		(92,846)	
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'entreprise Sal.It. - Khemisset (Morocco)	32,972		
S.I.Ba. S.p.A. - RM	315,463		
Salcost Finance Ltd - Dublin (IRL)	223		
Aeronica Aprilia S.r.l. - Aprilia (LT)	66,675		
Salini Nigeria Ltd - (Nigeria)	1,492,990		
		2,167,468	
RESIDUAL 2002 REVALUATIONS TO BE REALISED			2,298,134
PROFIT FOR THE 2002 FINANCIAL YEAR TO BE ALLOCATED TO THE RESTRICTED RESERVE AS PER ARTICLE 2426 NO. 4 OF THE ITALIAN CIVIL CODE IN ACCORDANCE WITH THE SHAREHOLDERS' RESOLUTION DATED 3 JULY 2003			
GREATER RESTRICTED RESERVE AS PER ARTICLE 2426 NO. 4 OF THE ITALIAN CIVIL CODE REQUIRED TO BE ESTABLISHED USING AVAILABLE RESERVES AMOUNTING TO € 50.4 million			(10,231,780)
			nil

Provision for risks and charges B - € 26,205,595

The balance as at 31 December 2011 increased by € 1,906 thousand. The breakdown of and the change in the provision for risks and charges appears in the following table:

Provisions for risks and charges	Balance at 31.12.10	Increase 12/2011	Decrease 12/2011	Balance at 12/2011
Provision for taxation	350	1,170	0	1,520
Provision for deferred taxation	6,139	7,205	(13,276)	67
Charges for contracts in progress	1,778	3,593	0	5,372
Provision for customs risks	4,302	12	(3,836)	478
Coverage of losses generated by investee companies	2,518	503	(433)	2,588
Risks referred to completed contracts and penalties	591	0	(571)	20
Legal disputes	8,278	12,260	(4,439)	16,100
Tax disputes	414	0	0	414
Provision for country risks	0	0	0	0
Pension fund	0	135	0	135
Exchange rate changes	(72)	0	(418)	(490)
Total	24,298	24,879	22,972	26,205

- The provision for taxes increased during the year by € 1,170 thousand as a result of the allowance at Todini Italia for taxes for previous years. In particular, in a tax deficiency notice dated 1 April 2011, the Treasury Police stated observations for IRES and IRAP purposes for the year 2006 to 2010 with reference to the proper timing of some reserves ("claims") and with reference to the years 2006, 2008, 2009 and 2010 for the application of VAT instead of registration tax on amounts paid as compensation, interest for late payment or compensatory interest, based on amicable settlements pursuant to Article 31-bis of Law 109/94 and on arbitral awards or settlements. The Company disputed the auditors' findings in fact and in law in a brief pursuant to Article 12, paragraph 7, Law 212/2000 and thus a closed-door adversary proceeding with the Revenue Agency was opened. Based on the positive progress of that proceeding, it is reasonable to foresee the possibility of defining the observations in arguments by a court settlement procedure at a cost of approximately € 1,170 thousand for the Company.
- The provision for deferred taxes includes allowances made for temporary tax differences between statutory results and taxable income.
- The provision for charges on orders in progress increased as a result of an overall reclassification by € 3,026 thousand, concerning funds previously and erroneously classified within the provision for customs risks. In particular, € 1,771 thousand are for the Kef Eddir order in Algeria and € 1,255 thousand for the M'Saken order in Tunisia. In both cases, the provision reflects a prudential allowance in view of assets recognised on the financial statements that are unlikely to be paid. In addition, it increased by € 567 thousand with respect to € 391 thousand in Dubai.
- The provision for customs risks during the period includes the reclassification of € 3,026 thousand to the provision for risks on orders in progress, as well as the release on the income statement of € 810 thousand in the Algeria branch, order ex SCI as a result of the regularisation of the position with the local customs which led to the recognition, under operating expenses, of an amount of € 554 thousand for customs expenses ending any claims.
- The provision for losses at holdings was set up in relation to commitments to hedge losses exceeding the holdings' own equity. The change compared to the previous year is due mainly to an increase of € 375 thousand in relation to the losses of Salini Bulgaria and € 121 thousand in relation to the losses of the J.V. Salini Impregilo Mukorsi, while the use of the provision was due



mainly to Cogema for € (69) thousand, Rupe Orvieto S.c.a.r.l. for € (42) thousand, Cogeca S.c.a.r.l. for € (59) thousand, and Edilfi S.c.a.r.l. for € (25) thousand.

- The provision for penalty risks decreased by € 571 thousand relative to interest for late payment recorded at the branch in Romania of the subsidiary Todini Costruzioni Generali S.p.A. as a result of the collection of the claim receivable related to the work in Romania taking place on 24 October 2011³, equal to approximately € 13 million. The provision was prudently set up against penalties that were not expected to be recognised. In light of the collection of the claim, the fund was released on the income statement;
- The provision for litigation risks, which decreased during the year by € 4,439 thousand and increased by € 12,260 thousand, reflects the allowances made for potential liabilities due to lawsuits in progress and allowances for legal fees; in particular, a provision of € 10,800 thousand was prudently set up following the issuance of a final arbitral award signed on 20 October 2011 relative to the dispute that pitted the company against Altarea Sca (a French company) and Altarea Italia S.r.l., arising between the parties regarding alleged damages deriving from the lack of an award in the international public tender for the granting of the concession for part of the former Mercati Generali area (bidding terms published in the Official Journal of the European Union on 6 November 2003, series S, no. 214 and in the Official Gazette of the Italian Republic on 7 November 2003, II, no. 259) concerning: "the requalification of the former Mercati Generali area, by allocating it to services intended for youth to congregate". The amount includes arbitration expenses; the Company filed an appeal on 11 January 2012 against the Award by the Arbitral Tribunal;
- The foreign exchange item is due to Salini in the amount of € 89 thousand for forex adjustments to provisions of the Uganda branch and the Dubai branch and in the amount of € 401 thousand for Todini, of which € 406 thousand are for an adjustment of the provision for losses at holdings and € 8 thousand for the provision for tax disputes of the Algeria branch.

Information required by Article 2427-bis of the Italian Civil Code on financial instruments

As at 31 December 2011, there were 12 derivative contracts in existence, stipulated by the Parent Company and by the associates Casada and Co.Ge.Fin. with first-rate credit institutions, two of them stipulated in 2010 and one in 2011.

³ This claim was contributed by Todini Costruzioni Generali S.p.A. to the associate Co.Ge.Fin. S.r.l. in 2010. Therefore, the collection was transferred to Co.Ge.Fin. S.r.l. in 2012.

	Casada	Salini	Salini
Banking institution	UniCredit	BNL - BNP Paribas	Intesa San Paolo
Contract date	29/07/2003	31/07/2009	29/03/2011
Maturity date	01/08/2013	27/02/2015	25/01/2016
Type	IRS	IRS	IRS
Purpose	Hedging	Hedging	Hedging
Notional amount (Euro/thousand)	1,352	17,500	25,000
Underlying financial risk	interest rate	interest rate	interest rate
Fair value of derivatives (Euro/thousand)	-35	-452	-824
Liability hedged	loan variable rate	loan variable rate	loan variable rate

	Salini	Salini	Salini
Banking institution	BNL - BNP Paribas	B.P. Lodi	B.P. Lodi
Contract date	21/09/2009	12/02/2010	13/05/2010
Maturity date	31/03/2015	01/08/2016	01/12/2016
Type	IRS	IRS	CAP
Purpose	Hedging	Hedging	Hedging
Notional amount (Euro/thousand)	3,500	2,394	7,244
Underlying financial risk	interest rate	interest rate	interest rate
Fair value of derivatives (Euro/thousand)	-90	-90	19
Liability hedged	loan variable rate	loan variable rate	loan variable rate

	Co.Ge.Fin.	Co.Ge.Fin.	Co.Ge.Fin.
Banking institution	Centrobanca	Banca Pop. Vicenza	Banca Carige
Contract date	30/09/2009	30/09/2009	30/09/2009
Maturity date	31/07/2014	31/07/2014	31/07/2014
Type	IRS	IRS	IRS
Purpose	Hedging	Hedging	Hedging
Notional amount (Euro/thousand)	3,000	3,500	3,000
Underlying financial risk	interest rate	interest rate	interest rate
Fair value of derivatives (Euro/thousand)	-62	-63	-55
Liability hedged	loan variable rate	loan variable rate	loan variable rate

	Co.Ge.Fin.	Co.Ge.Fin.	Co.Ge.Fin.
Banking institution	Banca Intesa	Banca Pop. Sondrio	Banca Etruria
Contract date	30/09/2009	01/10/2009	30/09/2009
Maturity date	31/07/2014	31/07/2014	31/07/2014
Type	IRS	IRS	IRS
Purpose	Hedging	Hedging	Hedging
Notional amount (Euro/thousand)	15,000	3,000	3,000
Underlying financial risk	interest rate	interest rate	interest rate
Fair value of derivatives (Euro/thousand)	-313	-54	-58
Liability hedged	loan variable rate	loan variable rate	loan variable rate

Severance pay C - € 3,637,714

Severance pay	Balance at 31.12.10	Increase 12/2011	Decrease 12/2011	Balance at 12/2011
Italy				
Executives	892	257	(203)	945
Office employees	2,008	315	(561)	1,762
Workers	475	27	(274)	229
Total Italy	3,375	599	(1,038)	2,935
Ethiopia	262	17	(33)	246
Sierra Leone	125	4	(1)	128
Dubai	380	2	(365)	17
Malaysia	0	40	(7)	33
Nigeria	299	24	(53)	270
for changes	23	0	(15)	8
	322	24	(68)	278
OVERALL TOTAL	4,464	686	(1,512)	3,637

The severance pay provision represents the Company's actual debt as at 31 December 2011 to employees in the workforce through 31 December 2011 (including the respective revaluation), net of advances paid.

Payables to shareholders for loans D 3) - € 3,388,959

The breakdown and change in payables to shareholders for loans appear in the table below:

Payables with shareholders for loans	Short-term			Medium-/long-term		
	31.12.11	31.12.10	Change	31.12.11	31.12.10	Change
CDP Engineering - Payables to third-party shareholders	83	0	83	2,890	2,956	(66)
SA.PL.A.S.	203	0	203	0	0	0
SA.PAR.	213	0	213	0	0	0
	499	0	499	2,890	2,956	(66)

The item includes the balance of payables to minority shareholders of the consolidated subsidiary Corso del Popolo Engineering S.p.A. and the payable for non-interest-bearing loans from minority shareholders of the consolidated subsidiary PLUS S.r.l.

Payables to banks D 4) - € 396,349,692

The breakdown of payables to banks is as follows:

Payables to banks	Short-term			Medium-/long-term		
	Balance at 31.12.11	Balance at 31.12.10	Change	Balance at 31.12.11	Balance at 31.12.10	Change
- for current account liabilities	87,859	81,113	6,746	0	0	0
- for short-term loans (30-90 days)	15,224	14,730	495	0	0	0
- for loans	128,692	146,461	(17,769)	100,841	54,211	46,630
- for mortgages	10,845	13,555	(2,710)	52,889	59,427	(6,538)
Total	242,620	255,859	(13,239)	153,729	113,638	40,091

The following is noted:

Current account liabilities

Bank overdrafts amount to approximately € 88 million and refer primarily to the subsidiary Todini Costruzioni Generali S.p.A. for € 51 million, the subsidiary Salini Nigeria for € 30 million, the Morocco branch of Salini Costruttori S.p.A. for € 6 million and the Ethiopia branch of Salini Costruttori S.p.A. for € 1 million.

The upward change is due, in large part, to the increase in overdrafts of the subsidiary Todini and its subsidiary Salini Nigeria for € 13 million and € 19 million, respectively, and to a downward change of € 18 million at Salini Costruttori S.p.A. and of € 5 million at the Ethiopia branch.

Short-term loans (30-90 days)

This item shows a balance of € 15 million, a large part of which (€ 12 million) concerns the subsidiary Todini and shows a decrease of about € 0.5 million attributable to it.

Loans

As at 31 December 2011, loans amounted overall to approximately € 230 million, of which € 129 million were short-term and € 101 million were medium-/long-term. The upward change is due mainly to the € 50 million loan taken out by the Parent Company Salini Costruttori S.p.A. maturing in 2016.

Shown below are details on the Group's loans:

Loan provider	Loan	Rate	Short-term portion	Portion 2-5 years	Portion over 5 years	Total
Detail of loans:						
1) M.P.S. (Zeis)	"	Variable	1,716	7,412	14,435	23,564
2) M.P.S. (ISV in Zeis)	"	Variable	129	544	71	745
3) B.P.M. (Plus in Zeis)	Mortgage	Variable	3,000	0	15,425	18,425
4) B.N.L. (Salini)	Mortgage	Euribor 6months + 1.75 p.	5,000	12,500	0	17,500
5) B.N.L. (Salini)	Mortgage	Euribor 6months + 1.75 p.	1,000	2,500	0	3,500
Total			10,845	22,957	29,932	63,734
Detail of loans:						
Centrobanca (pool loan)	loan	Euribor 3months +2 p.	15,750	27,563	0	43,313
San Paolo IMI (Metro)	loan	Euribor 6 months + 1.25 p.	3,500	0	0	3,500
San Paolo IMI (Rimati)	loan	Euribor 6 months + 1.25 p.	700	0	0	700
Banca Popolare di Sondrio (Blaserna advan.)	loan	variable	0	0	0	0
Commercial Bank of Dubai	loan		0	4,208	0	4,208
Commercial Bank of Dubai	advance on certificates		1,247	0	0	1,247
National Bank Abu Dhabi	loan	Euribor 3months +3p.	14,856	0	0	14,856
BNP Paribas Dubai	loan	Libor 6 +months +1.5 p.	929	0	0	929
Unicredit Fin c/a 47856	revolving loan	Euribor 1month +1.60	39,198	0	0	39,198
Intesa San Paolo	loan	Euribor 3months +2.50 p.	6,250	43,750	0	50,000
C.R.Firenze advance on contracts	advance on certificates	Euribor 3m + 1.30 p.	7,238	0	0	7,238

Loan provider	Loan	Rate	Short-term portion	Portion 2-5 years	Portion over 5 years	Total
B. Popolare di Lodi for advances	advance on certificates	Euribor 3m + 0.95 p.	1,900	0	0	1,900
B.Sardegna advance on contracts	advance on certificates	Euribor 3m + 1.50 p.	2,796	0	0	2,796
Veneto Banka	loan	0,019787	1,522	0	0	1,522
Cariparma for advances	advance on certificates	Euribor 3m + 1 p.	2,000	0	0	2,000
B.Sard advance on SaL40003	advance on certificates	Euribor 3m + 1.50 p.	0	0	0	0
B. Pop. Sondr Dep.euro	loan	fixed	0	0	0	0
Yapi Kredi Bank LOAN	loan	0,07	3,538	0	0	3,538
		7% within 80 days 18%				
Pasha BANK LOAN	loan	after 80 days	2,700	3,931	0	6,631
ATF Banca no. K069-201	loan	10%	12,355	5,570	0	17,925
Monte dei Paschi	loan	Euribor 6m + 1.25 p.	272	1,872	7,807	9,951
ATF Banca	loan	0.0998	11,776	6,139	0	17,914
Skye Bank Nigeria		Fixed (19.00)	165	0	0	165
			128,693	93,033	7,807	229,532

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. site 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)

The table below shows the level of financial covenants required by the credit institutions with which the Group had loans outstanding on 31 December 2011, compared with the covenants inferred from financial statement data:

COVENANTS required	BALANCE SHEET FIGURES	INTESA SAN PAOLO	CENTRO BANCA	BNL	BNL Copenhagen*
PFN / EBITDA	0.17	PFN / EBITDA ≤ 1.5	PFN / EBITDA ≤ 3.5	PFN / EBITDA < 2.5	PFN / EBITDA < 2.5
PFN / PN	0.13	PFN / PN ≤ 1.5	PFN / PN ≤ 1		PFN / PN ≤ 2.5
EBIT / FINANCIAL CHARGES	3.38	EBIT / FINANCIAL CHARGES ≥ 2			
PN	245.46	Shareholders' equity ≥ Eur 200 million			

*The value of the NFP/EBITDA and NFP/SE indices for this credit institution amount to 0.16 and 0.13, respectively, in virtue of the different method used for calculating NFP.

The said covenants are calculated, as required by the credit institutions mentioned in the table, based on these consolidated financial statements as at 31 December 2011.

Payables to other funders D 5) - € 119,559,463

Payables to other funders as at 31 December 2011 are broken down as follows:

Payables to other funders	31.12.11	Short-term 31.12.10	Change	Medium-/long-term 31.12.11	31.12.10	Change
Italy – advances on assignment of credits with recourse	0	2,166	(2,166)	0	0	0
Italy – Indirect factoring transactions	23,684	7,160	16,524	0	0	0
Tunisia – payables to EHTP	0	0	0	0	0	0
Metro – advances on contracts and interim payment certificates	7,443	0	7,443	0	0	0
Rimati- advances on contracts and interim payment certificates	1,595	0	1,595	0	0	0
Debt arising from financial leasing method (Todini)	6,610	8,252	(1,642)	26,369	32,147	(5,778)
Debt arising from financial leasing method (Salini)	9,298	5,628	3,670	44,559	27,573	16,986
	48,631	23,206	25,425	70,929	59,720	11,209

This item includes indirect factoring transactions in the amount of € 23,684 thousand, through which the Group obtains an increase in terms of payment after assigning its own trade payables to financial institutions and payables for the acquisition of machinery under leasing for an overall amount of € 86,837 thousand. In addition, on 31 December 2011, there is an increase in advances on Metro and Rimati contracts of € 9,038 thousand.

Payments on account D 6) - € 6,689,342,057

Payments on account appear in the following table

Customers for:	Advance payments 31.12.11	Advance payments 31.12.10	Changes	Payments on account 31.12.11	Payments on account 31.12.10	Changes
Italy	11,203	19,763	(8,560)	1,490,129	1,295,420	194,709
<i>of which Todini</i>	<i>9,434</i>	<i>17,171</i>	<i>(7,737)</i>	<i>1,138,178</i>	<i>1,041,147</i>	<i>97,031</i>
Sierra Leone	0	2,157	(2,157)	71,003	51,627	19,376
Ethiopia	538,378	153,893	384,485	1,377,226	1,056,451	320,775
Kazakhstan	97,695	103,761	(6,066)	407,257	208,387	198,870
<i>of which Todini</i>	<i>40,554</i>	<i>56,507</i>	<i>(15,953)</i>	<i>274,530</i>	<i>167,619</i>	<i>106,911</i>
Morocco	0	468	(468)	0	97,576	(97,576)
Algeria	1,275	4,868	(3,593)	167,306	156,795	10,511
<i>of which Todini</i>	<i>1,275</i>	<i>4,868</i>	<i>(3,593)</i>	<i>167,306</i>	<i>156,795</i>	<i>10,511</i>
Albania	0	1,623	(1,623)	31,239	14,652	16,587
<i>of which Todini</i>	<i>0</i>	<i>1,623</i>	<i>(1,623)</i>	<i>31,239</i>	<i>14,652</i>	<i>16,587</i>
Azerbaijan	18,894	16,740	2,154	246,577	214,100	32,477
<i>of which Todini</i>	<i>18,894</i>	<i>16,740</i>	<i>2,154</i>	<i>246,577</i>	<i>214,100</i>	<i>32,477</i>
Ukraine	11,666	2,140	9,526	185,040	79,103	105,937
<i>of which Todini</i>	<i>11,666</i>	<i>2,140</i>	<i>9,526</i>	<i>185,040</i>	<i>79,103</i>	<i>105,937</i>
Greece	8,467	0	8,467	0	0	0
<i>of which Todini</i>	<i>8,467</i>	<i>0</i>	<i>8,467</i>	<i>0</i>	<i>0</i>	<i>0</i>
Belarus	7,080	0	7,080	0	0	0

Customers for:	Advance payments 31.12.11	Advance payments 31.12.10	Changes	Payments on account 31.12.11	Payments on account 31.12.10	Changes
<i>of which Todini</i>	7,080	0	7,080	0	0	0
Romania	0	0	0	0	0	0
<i>of which Todini</i>	0	0	0	0	0	0
Georgia	712	11,179	(10,467)	42,753	8,355	34,398
<i>of which Todini</i>	712	11,179	(10,467)	42,753	8,355	34,398
Tunisia	4,886	3,462	1,424	57,987	41,107	16,880
<i>of which Todini</i>	4,886	3,462	1,424	57,987	41,107	16,880
Nigeria	102,867	78,806	24,061	697,581	609,883	87,698
Uganda	0	578	(578)	488,316	465,944	22,372
Dubai	4,308	5,068	(760)	230,311	194,969	35,342
<i>of which Todini</i>	857	1,552	(695)	37,897	36,237	1,660
Zimbabwe	11,526	0	11,526	8,723	23,280	(14,557)
Denmark	159,451	0	159,451	65,475	0	65,475
Malaysia	9,479	0	9,479	61,701	673	61,028
Turkey	29,372	0	29,372	0	0	0
Total	1,017,259	404,506	612,753	5,628,624	4,518,322	1,110,302
Customers for other payables/work						
Italy	0	0	0	43,459	42,566	893
Nigeria	0	0	0	0	0	0
Total	1,017,259	404,506	612,753	5,672,083	4,560,888	1,111,195

The increase of € 612,753 thousand in the item for client advances refers primarily to advances on the Millennium order in Ethiopia (€ 401,077 thousand) and on the Cityringen order in Denmark (€ 159,451 thousand).

The client advances item includes items for certified state of progress of work of € 5,672,083 thousand, which also include amounts invoiced as other payables and/or work of € 43,459 thousand.

Below are details on clients per payment on account at Todini Costruzioni Generali S.p.A.

Payments on account	Balance at 31.12.11	Balance at 31.12.10	
Payments on account from customers	2,181,507	1,759,115	422,392
TOTAL PAYMENTS ON ACCOUNT D 6 b)	2,181,507	1,759,115	422,392



Trade payables D 7) - € 435,425,812

Trade payables appear in the table below:

Payables to suppliers	Balance at 31.12.11	Short-term Balance at 31.12.10	Change	Medium-/long-term Balance at 31.12.11	Balance at 31.12.10	Change
Italy:						
- insurance	379	349	30	0	0	0
- suppliers for Italy	170,825	173,615	(2,790)	2,855	2,024	831
<i>of which Todini</i>	80,442	92,476	(12,034)	663	27	636
- suppliers for S.Leone	576	1,087	(511)	34	0	34
- suppliers for Ethiopia	1,876	11,153	(9,277)	0	0	0
- suppliers for Morocco	1	50	(49)	0	0	0
- suppliers for Uganda	6	1,271	(1,265)	0	0	0
- suppliers for Dubai	108	247	(139)	0	0	0
- suppliers for Kazakhstan	0	223	(223)	0	0	0
- suppliers for Libya	0	0	0	0	0	0
Abroad:						
Sierra Leone	4,169	5,795	(1,626)	0	0	0
Ethiopia	50,053	33,752	16,301	216	0	216
Bulgaria	0	10	(10)	0	0	0
Kazakhstan-Salini	14,821	6,083	8,738	4,724	1,285	3,439
Kazakhstan-Todini	21,232	19,205	2,027	0	0	0
Morocco	715	351	364	0	0	0
Uganda	4,505	7,390	(2,885)	0	0	0
Dubai- Salini	13,950	19,761	(5,811)	0	0	0
Abu Dhabi-Salini	4	4	0	0	0	0
Jordan-Salini	8	9	(1)	0	0	0
Dubai-Todini	6,429	10,161	(3,732)	0	0	0
Albania-Todini	3,977	2,689	1,288	0	0	0
Algeria-Todini	6,956	7,818	(862)	0	0	0
Argentina-Todini	12	11	1	0	0	0
Azerbaijan-Todini	18,436	21,224	(2,788)	0	0	0
Belarus-Todini	956	0	956	0	0	0
Georgia-Todini	6,044	1,073	4,971	0	0	0
Moldova-Todini	0	0	0	0	0	0
Romania-Todini	400	415	(15)	0	0	0
Tunisia-Todini	7,508	8,931	(1,424)	0	0	0
Ukraine-Todini	22,099	6,988	15,111	0	0	0
Greece Todini	3,347	1,828	1,519	0	0	0
Ireland	31	0	31	0	0	0
Denmark	33,744	0	33,744	0	0	0
Poland	6	0	6	0	0	0
Nigeria	20,182	19,779	403	47	36	11
Turkey	35	0	35	0	0	0

Payables to suppliers	Short-term			Medium-/long-term		
	Balance at 31.12.11	Balance at 31.12.10	Change	Balance at 31.12.11	Balance at 31.12.10	Change
Chile	41	0	41	0	0	0
Libya	6	0	6	0	0	0
Zimbabwe	3,969	0	3,969	0	0	0
Malaysia	10142	242	9,900	0	0	0
Total	427,549	361,515	66,034	7,876	3,345	4,531

The item shows an overall net increase of € 70,565 thousand, which is due to investments and supplies for work sites in Italy and abroad.

Payables represented by debt securities D 8) - € 3,224,883

The balance on the financial statements is represented entirely by credit instruments issued in favour of suppliers in Tunisia, issued in order to optimise cash flows with greater terms of payment.

Payables to subsidiaries D 9) - € 111,670

Payables to subsidiaries appear in the following table:

Payables to subsidiary companies	Balance at 31.12.11	Short-term Balance at 31.12.10	Change
1) for invoices received:			
Madonna dei Monti S.r.l.	0	0	0
Edilfi S.c. a r.l. in liquidation	0	32	(32)
Total	0	32	(32)
2) for invoices to be received:			
Sa.Ma S.c. a r.l.	3	1	2
Todedil S.c. a r.l.	1	0	1
Consorzio Costral	16	0	16
Total	20	1	19
3) for running current accounts:			
Sa.Ma S.c. a r.l.	59	59	0
Total	59	59	0
4) for other:			
Edilfi S.c. a r.l. in liquidation	17	0	17
Consorzio Costral	14	0	14
Salcost France S.a r.l.	1	1	0
Total	32	1	31
5) Sierra Leone			
J.V. Salini Italstrade S.c. a r.l.	0	0	0
6) Salini Costruttori Ethiopia			
J.V. Salini Italstrade S.c. a r.l.	0	0	0
7) Jordan			
J.V. Salini Italstrade S.c. a r.l.	0	0	0
GRAND TOTAL	111	93	18

The item shows payables to subsidiaries not forming part of the scope of consolidation.

Payables to associates D 10) - € 54,477,231

Payables to associates appear in the table below:

Payables to associated companies	Balance at 31.12.11	Short-term Balance at 31.12.10	Change
1) Italy / Abroad – for Invoices received:			
Colle Todi S.c. a r.l. in liquidation	21	21	0
Risalto S.r.l.	27	27	0
Rupe Orvieto S.c. a r.l.	7	7	0
Scat 5 S.c. a r.l.	0	1	(1)
Valico S.c. a r.l.	41	41	0
Irrigazione Furore	0	6	(6)
S.Ruffillo S.c. r.l.	23,115	23,115	0
Consorzio Keff Edir	6,379	6,379	0
Consorzio AFT in liquidation	624	525	99
Other	0	0	0
Total 1	30,214	30,122	92
2) Italy / Abroad – for Invoices to be received:			
Alburni S.c. a r.l. in liquidation	225	0	225
Colle Todi S.c. a r.l. in liquidation	64	0	64
Consorzio CPR 2	47	0	47
Consorzio CPR 3	2	474	(472)
Co.Ge.Fin S.r.l.	4,699	4,578	121
Galileo S.c. a r.l.	23	320	(297)
Irrigazione Furore	0	0	0
Sedi S.c. a r.l.	31	0	31
Tormini S.c. a r.l. in liquidation	0	285	(285)
Cons Pizzarotti Todini .Keff-Eddir (in Algeria Branch)	4,409	4,409	0
Consorzio AFT Kramis (in Algeria Branch)	889	758	131
Consorzio Kallidromo	38	0	38
S.Ruffillo S.c. r.l.	310	166	144
Forum S.c. a r.l.	173	166	7
Other	17	97	(80)
Other for credit notes to be received	(285)	0	(285)
Total 2	10,642	11,253	(611)
4) Italy – for other liabilities:			
Consal s.c.n.c.	160	160	0
Colle Todi S.c. a r.l. in liquidation	1	1	0
Co.Ge.Fin S.r.l.	13,285	236	13,049
G.a.b.i.r.e.	133	0	133
Corina S.c. a r.l. in liquidation	0	33	(33)
Irina S.r.l. in liquidation	22	22	0
Risalto S.r.l. in liquidation	10	10	0
Scat 5 S.c. a r.l. in liquidation	1	1	0

Payables to associated companies	Balance at 31.12.11	Short-term Balance at 31.12.10	Change
Gr.d'enter.Salini Strabag - Guinea - to endowment fund	5	5	0
Total 4	13,617	468	13,149
J.V. Necso Salini - Ethiopia Branch	4	4	0
A) Total Short-term	54,477	41,847	12,631
B) Total Long-term	0	0	0
Total payables to associated companies	54,477	41,847	12,631

The item shows an overall net increase of € 12,631 thousand primarily due to the increase in payables to the associate Co.Ge.Fin S.r.l. for the recognition of reserves on the Brescia Tormini order.

Tax payables D 12) - € 56,362,292

Tax payables appear in the following table:

Tax Payables	Balance at 31.12.11	Balance at 31.12.10	Change
Italy	15,749	14,319	1,430
<i>of which Todini</i>	<i>1,337</i>	<i>8,442</i>	<i>(7,105)</i>
Albania-Todini	7	9	(2)
Algeria-Todini	1,914	2,969	(1,055)
Azerbaijan-Todini	2,256	0	2,256
Belarus	4	0	4
Libya	2	0	2
Ethiopia	13,561	8,372	5,189
Kazakhstan-Salini	1,700	762	938
Kazakhstan-Todini	1,822	362	1,460
Malaysia	70	183	(113)
Morocco	920	951	(31)
Moldova-Todini	0	0	0
Nigeria	4,782	4,333	449
Romania-Todini	1	8	(7)
Uganda	56	1,699	(1,643)
Sierra Leone	49	12	37
Turkey	3	3	0
Tunisia-Todini	327	100	227
Ukraine-Todini	12,873	3,641	9,232
Greece -Todini	22	0	22
Georgia- Todini	0	0	0
Zimbabwe	232	0	232
Ukraine-Salini	0	0	0
Ireland	11	0	11
Total	52,362	37,723	18,640

The item shows an overall increase of € 18,640 thousand, due mainly to the increase in VAT for Ethiopia of € 4,635 thousand, Ukraine of € 9,247 thousand and Azerbaijan for € 2,256 thousand.

Payables to social security institutes D 13) - € 5,552,119

Payables to social security institutes appear in the following table:

Payables to Social Security and Welfare Institutions	Balance at 31.12.11	Short-term Balance at 31.12.10	Change
Italy	3,652	4,470	(818)
Albania	11	7	4
Algeria	60	66	(6)
Azerbaijan	0	61	(61)
Belarus	9	0	9
Bulgaria	0	0	0
Chile	19	0	19
Libya	8	10	(2)
Ethiopia	290	96	194
Jordan	0	0	0
Kazakhstan	180	122	58
Romania	2	1	1
Morocco	3	4	(0)
Sierra Leone	68	32	36
Tunisia	504	185	319
Abu Dahbi	2	3	(2)
Uganda	235	302	(67)
Dubai	1	28	(27)
Turkey	6	11	(5)
Nigeria	437	160	277
Malaysia	24	0	24
Denmark	3	0	3
Ukraine	38	0	38
	5,552	5,558	(5)

The item shows a net decrease of € 5 thousand.



Other payables D 14) - € 19,937,497

The item "Other payables" amounts at 31 December 2011 to € 19,937 thousand, and is broken down as follows:

Other payables	Short-term			Medium-/long-term		
	Balance at 31.12.11	Balance at 31.12.10	Change	Balance at 31.12.11	Balance at 31.12.10	Change
Payables to other companies and third parties Salini	465	5,581	(5,116)	5,733	5,733	0
Payables to other companies and third parties Todini	733	1,085	(352)	0	0	0
Payables relating to SIMEST(former M.C.C.) dispute	0	0	0	0	0	0
Payables to employees Salini	8,112	7,535	577	6	0	6
Payables to employees Todini	2,813	3,857	(1,045)	0	0	0
Payables for customs duties	403	0	403	0	0	0
Payables for security deposits	0	0	0	179	113	66
Payables for interest on security deposits	0	2	(2)	0	67	(67)
Other payables Salini	105	183	(78)	614	522	92
Other payables Todini	181	128	53	592	584	8
Payables to other third party funders Todini	0	3	(3)	0	0	0
Total	12,812	18,374	(5,561)	7,124	7,019	105

The item shows an overall decrease of € (5,456) thousand.

The most significant changes concern:

- a reduction of € (4,998) thousand for the settlement of the Parent Company's debt to Todini Finanziaria S.p.A.;
- a decrease of € (1,045) thousand to Todini employees for amounts accrued and not yet paid.

In the medium-/long-term items, € 5,733 thousand are for TAV advances for the AV Verona Padua order paid by the consortium IRICAV DUE.

Accrued liabilities and deferred income E - € 3,526,820

The item shows an increase of € 288 thousand

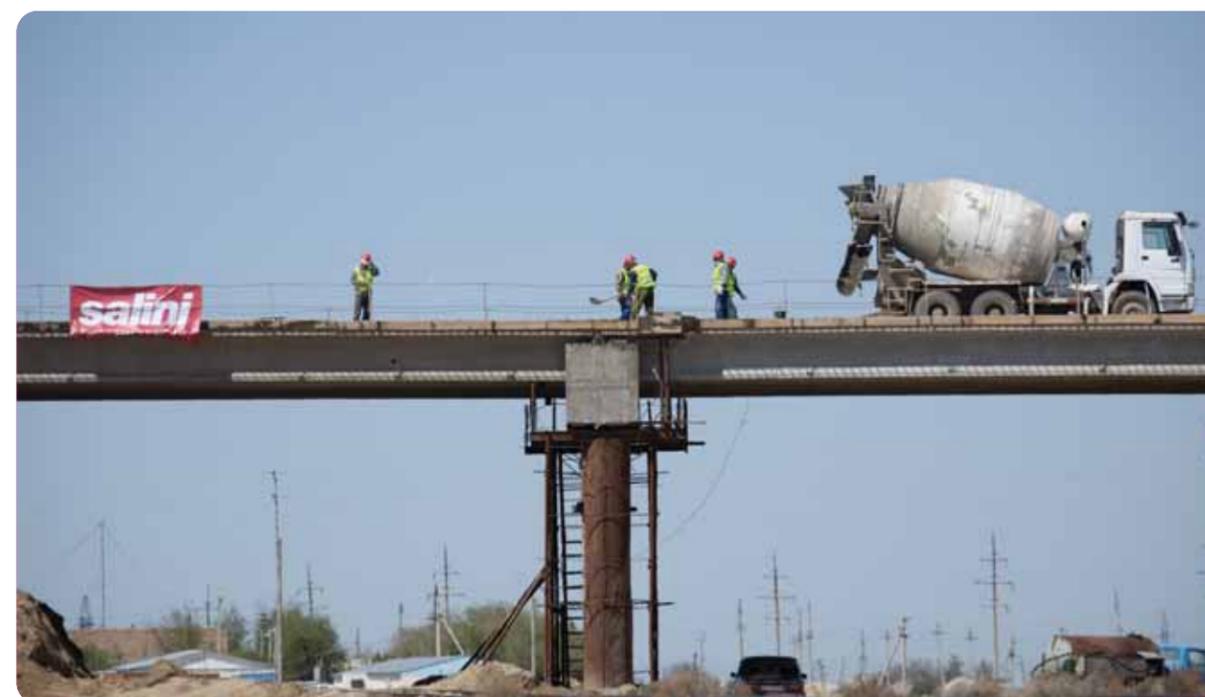
Accrued expenses and deferred income	Balance at 31.12.11	Balance at 31.12.10	Change
1) Accrued expenses			
Bank and other interest expenses	2,269	780	1,489
Charges for sureties and insurance	225	404	(179)
Derivative products	163	146	17
Leasing	0	48	(48)
Personnel accruals	0	575	(575)
Other	748	466	282
Total accrued expenses	3,404	2,418	985
2) Deferred income			
Rental income	96	87	9
Capital gains from equity disposal	0	0	0
Sales to investee companies	27	735	(708)
Exchange rate transactions	0	0	0
Total deferred income	123	822	(699)
Total accrued expenses and deferred income	3,527	3,240	288

02.2.4 Memorandum Accounts

The breakdown appears in the following tables:

Guarantees given directly	Balance at 31.12.11
Sureties for bank credit facilities	362,760
Sureties for guarantees on work	324,756
Sureties for participating in tenders	30,076
Sureties for financial leasing transactions	-
Other sureties	1,135,777
Mortgages on real estate	871,801
Total	2,725,170

Memorandum account	
a) - guarantees given by third parties in the interest of bank credit facilities:	213,056
b) - guarantees given by third parties in the interest of contractual advance payments:	30,520
Total a+b)	243,576
other guarantees given by third parties in our interest:	
c) - guarantees received for work	29,063
d) - guarantees received for contractual advance payments	0
e) - guarantees received for payment of amounts due	710
Total c+d+e)	29,773
Total a+b+c)	273,349



02.2.5 Income statement

The breakdown of production shows the following revenues and increases in inventories for works in progress on orders classified by geographical area, net of provisions for contractual risks and price revisions.

	Revenue from sales and services	Changes in inventories of work in progress, semi-finished and finished goods	Changes work in progress on orders	Fixed assets increases due to in-house production	Other income	Balance
	A1	A2	A3	A4	A5	
Italy	182,094	170	176,706	6,501	27,107	392,579
Albania	80	0	9,461	0	1	9,542
Algeria	900	0	18,809	0	898	20,607
Argentina	1,080	0	(622)	0	0	458
Azerbaijan	82	0	66,667	0	625	67,374
Bulgaria	0	0	0	0	0	0
Denmark	0	0	0	0	0	0
Arab Emirates	6,880	0	21,170	0	2,712	30,762
Ethiopia	8,198	0	151,247	2,108	2,187	163,740
Georgia	0	0	8,012	127	683	8,822
Jordan	0	0	0	0	0	0
Greece	31	0	0	0	0	31
Guinea	0	0	0	0	0	0
Kazakhstan	13,885	0	105,830	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
Moldova	0	0	0	0	0	0
Nigeria	180	0	103,326	294	172	103,972
Romania	17,392	0	(17,391)	0	0	1
Sierra Leone	5,884	0	10,994	0	887	17,765
Sudan	0	0	0	0	0	0
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
Balance at 31.12.10	240,961	170	820,780	17,568	43,343	1,122,825
Italy	49,005	(4,968)	268,372	3,991	9,500	325,901
Albania	21	0	18,051	0	4	18,076
Algeria	0	0	9,681	0	1,365	11,046
Argentina	0	0	0	0	0	0
Azerbaijan	27	0	64,796	1,378	3,016	69,217
Belarus	0	0	2,266	0	0	2,266
Bulgaria	0	0	0	0	0	0
Denmark	0	0	63,520	0	0	63,520
Arab Emirates	1,392	0	30,451	0	5,534	37,377
Ethiopia	4,796	0	312,451	1,396	(277)	318,366
Georgia	3,293	0	35,212	78	514	39,097

	Revenue from sales and services	Changes in inventories of work in progress, semi-finished and finished goods	Changes work in progress on orders	Fixed assets increases due to in-house production	Other income	Balance
	A1	A2	A3	A4	A5	
Jordan	0	0	0	0	0	0
Greece	677	0	0	0	1	679
Guinea	0	0	0	0	0	0
Kazakhstan	2,057	0	203,490	0	16,108	221,655
Libya	3	0	0	0	0	3
Malaysia	87	0	29,378	291	85	29,841
Morocco	107,103	0	(102,590)	0	6,937	11,450
Moldova	0	0	0	0	0	0
Nigeria	40	0	98,988	340	254	99,622
Romania	3	0	0	0	716	719
Sierra Leone	1,170	0	20,120	0	989	22,279
Tunisia	14	0	24,854	0	65	24,933
Turkey	0	0	0	0	29	29
Ukraine	953	0	89,625	0	1,771	92,349
Uganda	1,336	0	33,501	0	209	35,046
Zimbabwe	49,894	0	(40,265)	0	46	9,675
Total balance at 31.12.11	221,872	(4,968)	1,161,901	7,474	46,867	1,433,146
Italy	(133,089)	(5,138)	91,667	(2,510)	(17,607)	(66,678)
Albania	(59)	0	8,590	0	3	8,534
Algeria	(900)	0	(9,128)	0	467	(9,561)
Argentina	(1,080)	0	622	0	0	(458)
Azerbaijan	(55)	0	(1,871)	1,378	2,391	1,843
Belarus	0	0	2,266	0	0	2,266
Bulgaria	0	0	0	0	0	0
Denmark	0	0	63,520	0	0	63,520
Arab Emirates	(5,488)	0	9,281	0	2,822	6,615
Ethiopia	(3,402)	0	161,204	(712)	(2,464)	154,626
Georgia	3,293	0	27,200	(49)	(169)	30,275
Jordan	0	0	0	0	0	0
Greece	646	0	0	0	1	648
Guinea	0	0	0	0	0	0
Kazakhstan	(11,828)	0	97,660	(8,538)	13,901	91,195
Libya	(3)	0	0	0	0	(3)
Malaysia	87	0	28,252	291	85	28,715
Morocco	107,100	0	(102,590)	0	6,922	11,432
Moldova	0	0	0	0	0	0
Nigeria	(140)	0	(4,338)	46	82	(4,350)
Romania	(17,389)	0	17,391	0	716	718
Sierra Leone	(4,714)	0	9,126	0	102	4,514
Tunisia	(57)	0	6,308	0	57	6,308
Turkey	0	0	0	0	22	22
Ukraine	(142)	0	57,296	0	(1,325)	55,829
Uganda	(986)	0	(79,869)	0	(2,529)	(83,384)
Zimbabwe	49,116	0	(41,467)	0	46	7,695
CHANGES	(19,089)	(5,138)	341,120	(10,094)	3,523	310,322

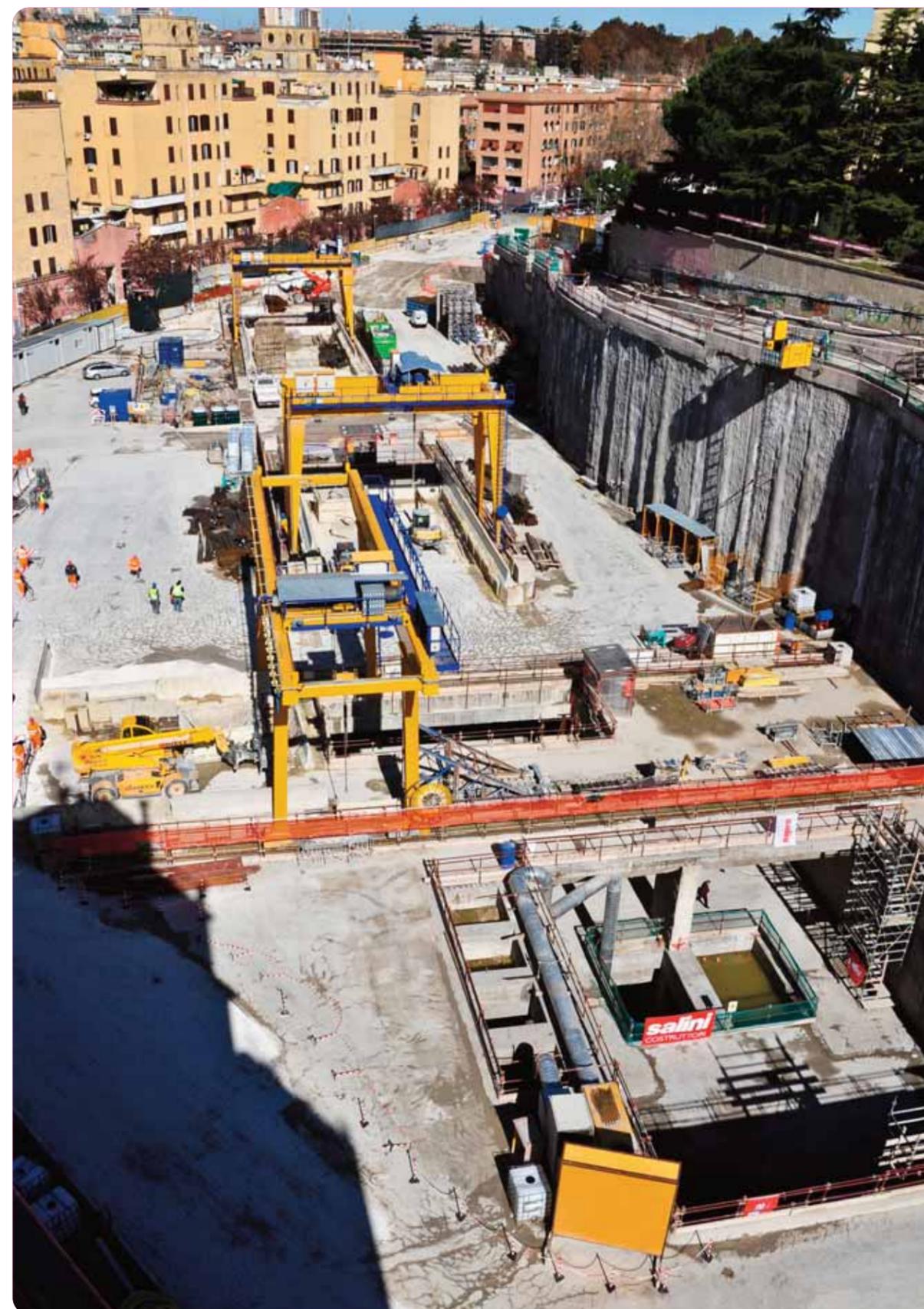
The value of production includes the value of the work completed and delivered to the client and the other non-core revenue items for characteristic and ongoing activity. During the year, these amounted to € 1,433,146 thousand, of which € 540,117 thousand related to the companies of the Todini Costruzioni Group.

The other income item mainly concerns:

- in Italy: miscellaneous services and supplies of € 129 thousand, miscellaneous charges of € 407 thousand, disposals of income-producing assets of € 512 thousand, miscellaneous invoiced costs of € 6,518 thousand, property income of € 551 thousand, the use of the provision for risks of € 681 thousand and insurance reimbursements of € 54 thousand;
- in Sierra Leone: personnel revenue of € 24 thousand, insurance reimbursements of € 600 thousand, and miscellaneous charges of € 365 thousand;
- in Ukraine: miscellaneous invoiced costs of € 921 thousand, the use of the provision for risks of € 792 thousand, capital gains on the sale of income-producing assets of € 20 thousand, miscellaneous charges of € 32 thousand and insurance reimbursements of € 6 thousand;
- in Kazakhstan: revenues from the sale of materials to third parties for € 15,236 thousand, insurance reimbursements of € 68 thousand, personnel revenue of € 25 thousand, the sale of income-producing assets of € 31 thousand and miscellaneous charges of € 22 thousand;
- in Dubai: insurance reimbursements of € 2,310 thousand, use of the provision for risks of € 2,386 thousand, miscellaneous services and supplies for € 419 thousand, sale of income-producing assets for € 113 thousand and personnel revenue of € 42 thousand;
- in Morocco: release of the provision for risks of € 6,937 thousand as a result of the claim that made the collection of receivables certain;
- in Azerbaijan: miscellaneous services and supplies of € 2,916 thousand; sale of income-producing assets of € 91 thousand and revenues from sales of materials to third parties of € 10 thousand.

The table below describes in detail the revenues from work in progress relative to dams and hydroelectric works, energy production plants, transportation infrastructure and Public building works. The increase is due to orders being fully operational.

	2010	2011
Dams and hydroelectric plants	330,319,923	426,932,074
Roads and motorways	491,923,015	711,055,160
Public building works	106,245,052	66,084,025
Railways and metro systems	160,137,543	220,856,166
Other	34,197,284	8,218,603
Total	1,122,822,817	1,433,146,028



The breakdown of production is shown by the following costs classified by geographical area:

	Raw materials	Services	Expenses	Personnel	Amortisation	Change	Provisions	Others	Other taxes of	Total
	B6	B7	B8	B9	B10	B11	B12	B13	B14	
Italy	85,052	192,333	9,631	71,572	24,597	526	1,701	0	4,594	390,006
Albania	1,228	6,304	256	1,004	119	(221)	20	0	12	8,722
Algeria	1,673	7,685	347	4,290	4,558	761	414	1,771	685	22,184
Argentina	0	8	2	0	0	0	0	0	0	10
Azerbaijan	12,091	30,413	1,241	7,064	9,405	2,373	0	0	2,426	65,013
Abu Dhabi	0	36	74	59	0	0	0	0	0	169
Belarus	0	0	0	0	0	0	0	0	0	0
Bulgaria	1	93	40	32	10	0	0	0	0	176
Denmark	0	0	0	0	0	0	0	0	0	0
Dubai	7,209	16,939	1,720	11,717	10,028	1,883	0	0	215	49,711
Ethiopia	53,784	45,828	1,058	18,463	18,205	1,913	0	0	104	139,355
Jordan	0	34	5	0	0	0	0	0	0	39
Guinea	0	1	0	0	0	0	0	0	0	1
Greece	1	11	3	53	700	0	0	0	2	770
Georgia	78	7,859	121	979	245	0	0	0	14	9,296
India	0	0	0	0	0	0	0	0	0	0
Kazakhstan	37,695	88,933	2,065	7,979	4,710	(15,462)	0	0	719	126,639
Libya	3	341	124	485	14	0	0	0	584	1,551
Malawi	0	0	0	0	0	0	0	0	0	0
Malaysia	0	371	34	71	9	0	0	0	17	502
Morocco	0	666	7	46	184	0	0	0	241	1,144
Moldova	0	5	7	20	0	0	0	0	1	33
Nigeria	27,395	26,828	923	11,505	3,127	763	0	0	0	70,541
Poland	0	0	0	0	0	0	0	0	0	0
Romania	1	160	16	29	31	0	0	0	5	242
Sierra Leone	7,834	5,950	435	2,601	2,143	(533)	0	0	89	18,519
Tunisia	8,755	6,801	1,146	2,669	1,127	(1,942)	1,605	0	200	20,361
Turkey	6	212	92	247	1	0	0	0	0	558
Ukraine	10,961	10,280	679	2,500	3,292	1,025	0	0	110	28,847
Uganda	22,408	45,188	1,440	15,385	7,146	3,924	485	0	21	95,997
Zimbabwe	0	7	9	14	2	0	0	0	0	32
Chile	0	0	0	0	0	0	0	0	0	0
Balance at 31.12.10	276,175	493,286	21,475	158,784	89,653	(4,990)	4,225	1,771	10,039	1,050,418
Italy	74,599	202,803	9,551	64,114	23,178	(2,370)	11,584	0	6,111	389,570
Albania	5,037	11,821	322	1,432	143	49	0	0	31	18,835
Algeria	1,818	5,677	491	3,352	2,636	564	12	0	75	14,625
Argentina	0	10	3	0	0	0	0	0	0	13
Azerbaijan	12,463	28,349	1,714	7,948	3,233	(4,889)	0	0	777	49,595
Abu Dhabi	0	54	23	451	1	0	0	0	0	529
Belarus	233	1,007	23	242	6	0	0	0	16	1,527
Bulgaria	0	36	23	14	3	0	0	0	0	76
Denmark	423	54,699	464	2,680	68	0	0	0	1	58,335
Dubai	3,209	16,999	1,565	6,945	7,255	1,033	0	391	120	37,517
Ethiopia	163,273	92,904	1,762	21,901	19,936	(33,696)	0	0	5	266,085
Jordan	0	24	5	0	0	0	0	0	0	29
Guinea	0	0	0	0	0	0	0	0	0	0
Greece	0	686	3	53	0	0	0	0	0	742
Georgia	85	36,007	81	1,125	588	0	0	0	12	37,898
India	0	0	0	0	0	0	0	0	0	0

	Raw materials	Services	Expenses	Personnel	Amortisation	Change	Provisions	Others	Other taxes of B14	Total
	B6	B7	B8	B9	B10	B11	B12	B13		
Kazakhstan	34,982	142,303	11,876	11,635	7,099	(3,486)	0	0	996	205,405
Libya	0	295	148	731	24	0	0	0	0	1,198
Malawi	0	0	0	0	0	0	0	0	0	0
Malaysia	2,075	17,750	1,615	2,256	360	(1,006)	0	0	108	23,158
Morocco	0	1,073	7	24	0	0	0	0	520	1,624
Moldova	0	8	9	23	0	0	0	0	0	40
Nigeria	35,453	23,011	1,227	14,756	3,212	(2,377)	0	0	12	75,294
Poland	0	31	0	4	0	0	0	0	1	36
Romania	2,362	942	69	535	119	52	126	0	72	4,277
Sierra Leone	6,522	6,475	157	3,079	1,516	115	0	0	105	17,969
Tunisia	10,552	6,624	1,322	5,647	2,628	(1,606)	0	0	68	25,235
Turkey	0	341	99	412	4	0	0	0	1	857
Ukraine	31,959	29,374	1,550	4,027	2,275	(4,566)	0	0	168	64,787
Uganda	9,396	15,657	372	8,316	9,424	1,643	0	1,202	2	46,012
Zimbabwe	2,953	4,429	94	983	244	(2,377)	0	0	0	6,326
Chile	0	235	0	243	0	0	0	0	0	478
Total 31.12.11	397,394	699,624	34,575	162,928	83,952	(52,917)	11,722	1,593	9,201	1,348,072
Italy	(10,453)	10,470	(80)	(7,458)	(1,419)	(2,896)	9,883	0	1,517	(436)
Albania	3,809	5,517	66	428	24	270	(20)	0	19	10,113
Algeria	145	(2,008)	144	(938)	(1,922)	(197)	(402)	(1,771)	(610)	(7,559)
Argentina	0	2	1	0	0	0	0	0	0	3
Azerbaijan	372	(2,064)	473	884	(6,172)	(7,262)	0	0	(1,649)	(15,418)
Abu Dhabi	0	18	(51)	392	1	0	0	0	0	360
Belarus	233	1,007	23	242	6	0	0	0	16	1,527
Bulgaria	(1)	(57)	(17)	(18)	(7)	0	0	0	0	(100)
Denmark	423	54,699	464	2,680	68	0	0	0	1	58,335
Dubai	(4,000)	60	(155)	(4,772)	(2,773)	(850)	0	391	(95)	(12,194)
Ethiopia	109,489	47,076	704	3,438	1,731	(35,609)	0	0	(99)	126,730
Jordan	0	(10)	0	0	0	0	0	0	0	(10)
Guinea	0	(1)	0	0	0	0	0	0	0	(1)
Greece	(1)	675	0	0	(700)	0	0	0	(2)	(28)
Georgia	7	28,148	(40)	146	343	0	0	0	(2)	28,602
India	0	0	0	0	0	0	0	0	0	0
Kazakhstan	(2,713)	53,370	9,811	3,656	2,389	11,976	0	0	277	78,766
Libya	(3)	(46)	24	246	10	0	0	0	(584)	(353)
Malawi	0	0	0	0	0	0	0	0	0	0
Malaysia	2,075	17,379	1,581	2,185	351	(1,006)	0	0	91	22,656
Morocco	0	407	0	(22)	(184)	0	0	0	279	480
Moldova	0	3	2	3	0	0	0	0	(1)	7
Nigeria	8,058	(3,817)	304	3,251	85	(3,140)	0	0	12	4,753
Poland	0	31	0	4	0	0	0	0	1	36
Romania	2,361	782	53	506	88	52	126	0	67	4,035
Sierra Leone	(1,312)	525	(278)	478	(627)	648	0	0	16	(550)
Tunisia	1,797	(177)	176	2,978	1,501	336	(1,605)	0	(132)	4,874
Turkey	(6)	129	7	165	3	0	0	0	1	299
Ukraine	20,998	19,094	871	1,527	(1,017)	(5,591)	0	0	58	35,940
Uganda	(13,012)	(29,531)	(1,068)	(7,069)	2,278	(2,281)	(485)	1,202	(19)	(49,985)
Zimbabwe	2,953	4,422	85	969	242	(2,377)	0	0	0	6,294
Chile	0	235	0	243	0	0	0	0	0	478
Change at 31.12.11	121,219	206,338	13,100	4,144	(5,701)	(47,927)	7,497	(178)	(838)	297,654

The costs of production show an overall increase compared to the previous year of € 297,654 thousand, of which Todini accounts for € 67,242 thousand.

Income from holdings C 15) - € 436,415

The change during the year is shown in the table below:

Income from equity investments	Balance at 31.12.11	Balance at 31.12.10	Change
Spoletto Cred. Serv. Scrl	0	0	0
Co.Ge.Fin	256	0	256
Other	180	0	180
Total income from equity investments	436	0	436

Breakdown of other financial income C 16) - € 8,382,257

The change and breakdown of other income deriving from financial operations, recognised in item C 16 of the income statement, show the following amounts:

Financial income item C 16	Balance at 31.12.11	Balance at 31.12.10	Change
a) from receivables in fixed assets	3	454	(451)
d) Other income			
from associates			
Other	0	8	(8)
sub-total	0	8	(8)
from other companies and third parties			
- interest income on running current accounts	106	5	101
- Other	243	8	235
- other financial income			
Contributions/interest on loans	397	1,151	(754)
Interest income from banks	5,731	2,662	3,069
Increase in provision for arrears interest - Ministry of Treasury sentence	1,902	144	1,758
Interest from clients	0	8,286	(8,286)
Increase in provision for arrears interest from customers	0	2,320	(2,320)
Other	0	0	0
subtotal	8,030	14,563	(6,533)
Total d	8,379	14,584	(6,205)
	8,382	15,038	(6,656)

The item showed a decrease of € (6,656) thousand, mainly due to the net effect between the increase in interest income to banks of € 3,069 thousand and the total decrease in interest to clients and to the provision for interest for late payment in the overall amount of € (10,606) thousand.

Interest and financial charges C 17) - € (25,192,660)

The breakdown and itemisation of interest and financial charges, recognised in item C 17 of the income statement, show the following:

Financial interest and expenses	Balance at 31.12.11	Balance at 31.12.10	Change
a) from subsidiaries:			
- interest on running current accounts and other:	2	4	(2)
total a)	2	4	(2)
b) from associates:			
- interest on running current accounts:	74	0	74
total b)	74	0	74
c) from other companies or third parties			
Bank current account overdrafts and loans	17,360	13,551	3,809
Factoring	715	576	139
Bank loans	3,125	4,512	(1,387)
Other	211	1,236	(1,025)
sub - total	21,411	19,875	1,536
Expenses on sureties	40	744	(704)
Banking fees	227	353	(126)
Expenses on derivative products	607	1,005	(398)
sub - total	874	2,102	(1,228)
Leasing	2,722	2,996	(274)
Other	110	662	(552)
sub - total	2,832	3,658	(826)
total c)	25,117	25,635	(518)
GRAND TOTAL (a+b+c)	25,193	25,639	(446)

The most significant items include:

- interest to banks for current account overdrafts and loans (increased by € 5,020 thousand) are relative to the Parent Company and its subsidiaries for € 6,120 thousand, its subsidiaries Zeis S.r.l. for € 12 thousand, Salini Nigeria Ltd for € 3,006 thousand, Metro B1 S.c.a.r.l. for € 718 thousand, Ri.ma.ti. S.c.a.r.l. for € 195 thousand and Todini Costruzioni Generali S.p.A. for € 8,520 thousand;
- interest to banks on loan overdrafts (decreased by € 1,387 thousand) are for the Parent Company and its subsidiaries for € 1,865 thousand and its subsidiary Zeis S.r.l. for € 1,260 thousand;
- the "other" item, which decreased over the period by € (1,025) thousand, mainly includes € 12 thousand in interest for late payment to the treasury and € 199 thousand for interest for late payment to suppliers and/or subcontractors.
- Interest for financial leasing of € 1,419 thousand includes € 1,303 thousand attributable to contracts stipulated by the subsidiary Todini Costruzioni Generali S.p.A.

Foreign exchange profits and losses C 17-bis) - € 27,838,505

The breakdown of foreign exchange profits and losses appears in the table below:

Exchange rate gains and losses	Balance at 31.12.11	Balance at 31.12.10	Change
Exchange rate gains			
- from valuations	12,054	18,933	(6,879)
- from sales in the period	179,335	41,677	137,658
	191,389	60,610	130,779
Exchange rate losses			
- from valuations	(19,705)	(21,776)	2,071
- from sales in the period	(143,846)	(40,636)	(103,210)
	(163,551)	(62,412)	(101,139)
Total	27,838	(1,802)	29,640

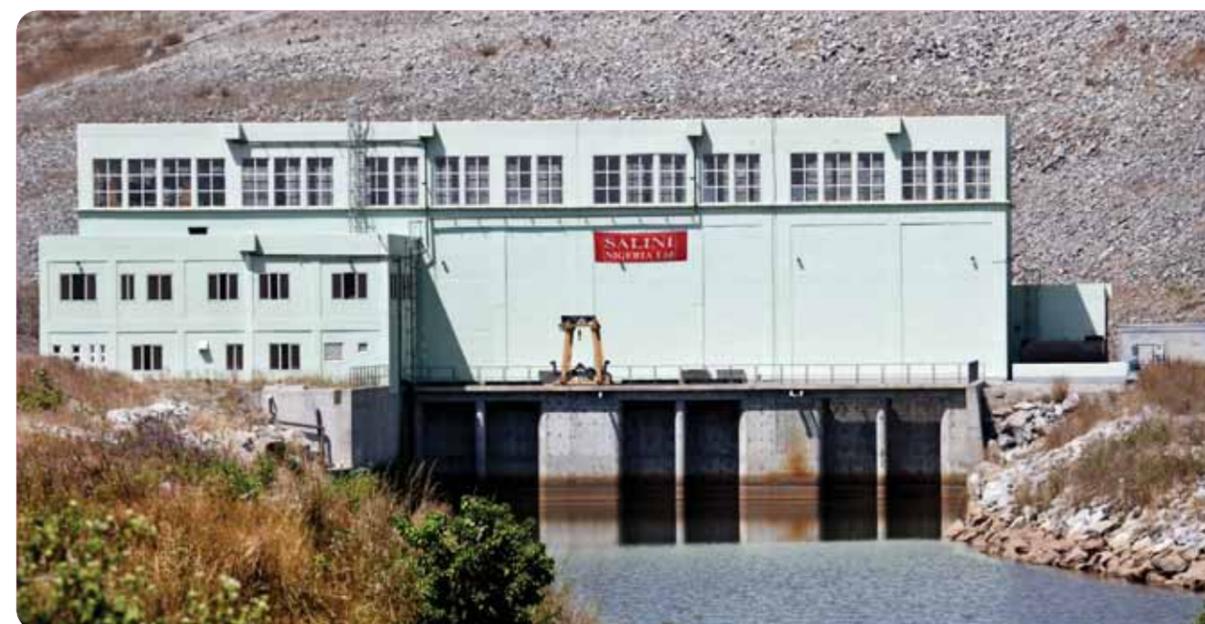
The increase of € 29,640 thousand is due mainly to the reversal of the "conversion reserve" portions for orders closed during the year.

Value adjustments on financial assets D - € (1,792,139)

The breakdown of value adjustments on financial assets shows the following amounts:

Revaluations on equity investments pursuant to Article 2426, no. 4, Italian Civil Code	Balance at 31.12.11	Balance at 31.12.10	Change
- In Zeis S.r.l.			
Consorzio Tiburtino in Plus S.r.l.	1	0	1
Casada S.r.l.	142	153	(11)
- In Todini Costruzioni Generali S.p.A.			
Consorzio CPR 3	0	1	(1)
Consorzio CPR 2	0	2	(2)
Consorzio Kallidromo	0	0	0
Consorzio Balvano	0	0	0
Rupe di Orvieto S.c. a r.l. in liquidation	42	6	36
Edilfi S.c. a r.l. in liquidation	39	0	39
Alburni S.c. a r.l. in liquidation	19	0	19
Bata S.r.l. in liquidation	85	0	85
Colle Todi S.c. a r.l. in liquidation	2	0	2
Valico S.c. a r.l. in liquidation	2	0	2
Variante di Valico S.c. a r.l. in liquidation	0	2	(2)
Total	332	164	168

Write-downs on equity investments pursuant to Article 2426, no. 4, Italian Civil Code	Balance at 31.12.11	Balance at 31.12.10	Change
Consal Snc in liquidation	5	0	5
Ga.bi.re	305	0	305
in Zeis S.r.l.:			
Dirlan	0	2	(2)
Plus	0	32	(32)
Imm.re Marinella	48	54	(6)
- In Todini Costruzioni Generali S.p.A.			
Albacem 2007	0	78	(78)
Cogeca S.c. a r.l. in liquidation	0	24	(24)
Co.Ge.Fin S.r.l. (shareholders' agreements)	1,731	0	1,731
Groupment Todini Hamila	0	1,008	(1,008)
Bata 91 srl in liquidation	0	1	(1)
Colle Todi S.c. a r.l. in liquidation	0	2	(2)
Cons. per il Nucleo Balvano in liquidation	0	57	(57)
Consorzio Kallidromo	1	2	(1)
Corina S.c. a r.l. in liquidation	6	24	(18)
Irina S.r.l. in liquidation	27	20	7
Risalto S.r.l. in liquidation	2	1	1
Rupe di Orvieto S.c. a r.l. in liquidation	2	20	(18)
Total	2,125	1,326	800
BALANCE ADJUSTMENT TO FINANCIAL ASSETS	1,793	1,162	632



One-off income and expenses E 20) / E 21) - € (3,729,235)

The breakdown of one-off income and expenses appears in the table below:

Extraordinary income	Balance at 31.12.11	Balance at 31.12.10	Change
1) Capital gains on disposals:			
Equity investments / Assets	96	20	76
Total	96	20	76
2) Miscellaneous:			
Use of provision for loss of associates	0	26	(26)
Non-operating income, Italy	4,482	1,722	2,760
Non-existent liabilities	81	115	(34)
Other	602	1,042	(440)
Total	5,166	2,904	2,262
Total extraordinary income	5,261	2,924	2,337
Extraordinary charges			
1) Capital losses on disposals:			
Change in principle - valuation of equity investments - effective from 1 January 2010	0	24	(24)
Equity investments	0	0	0
Miscellaneous	7	75	(68)
	7	99	(92)
2) Miscellaneous			
Previous years' tax	4,400	2,917	1,483
Other extraordinary liabilities	4,584	3,376	1,208
Total	8,984	6,293	2,691
Total extraordinary charges	8,991	6,391	2,600
Total extraordinary items	(3,729)	(3,468)	(261)

The item decreased by € (261) thousand compared to the previous year.

Non-operating income of € 4,482 thousand, of which € 3,216 thousand was for the Todini Group, consisted mainly of the recognition on the income statement of the difference between the allowances required in previous years and what was subsequently reported in income tax returns.

The exceptional losses and write-downs item, amounting to € 4,584 thousand, of which € 3,602 thousand are relative to the Todini Group, mainly includes the correction of erroneous charges for the previous year.

The previous-year tax item, amounting to € 4,400 thousand, mainly concerns the Todini Group for € 2,448 thousand and Salini Nigeria for € 2,111 thousand.

Income tax E 22) - € 36,734,451

Current taxes, which increased by € 16,433 thousand, were ascertained, based on current regulations, on the amounts indicated below:

	IRES	IRAP	Income Tax	TOTAL
Todini Costruzioni Generali S.p.A.	7,840	1,507	0	9,347
Salini Costruttori S.p.A.	17,657	1,291	0	18,948
COGEMA S.p.A.	184	98	0	282
ZEIS S.r.l.	674	211	0	885
Salini Hydro	0	0	252	252
RIMATI S.c. a r.l.	0	6	0	6
METRO B1 S.c. a r.l.	286	426	0	712
SALINI NIGERIA LTD	0	0	992	992
TB METRO	(24)	0	0	(24)
MADONNA DEI MONTI	0	3	0	3
Total	26,617	3,542	1,244	31,402

The adjustment of temporary differences between the assets and liabilities recorded on the financial statements and the corresponding tax amounts has led to the following measurements:

Net prepaid/deferred IRES tax	(768)
Net prepaid/deferred IRAP tax	345
Prepaid/deferred tax on financial leasing	2,128
Prepaid tax on tax losses	15
Net foreign prepaid/deferred tax	(7,053)
Economic effect	(5,333)

The description of the above-mentioned temporary differences is explained in annexes 3)a and 3)b.

The reconciliation, solely for purposes of IRES, between the tax recognised (current and deferred) and the theoretical tax resulting from the application of the current tax rate (27.5%) to the pre-tax profit tax is as follows:

€/000	2011	2010	
A) Pre-tax net income	91,018	55,374	
B) Theoretical taxes	(25,030)	(15,228)	27.5%
C) Net permanent differences	(2)	3,586	
D) Balance for deferred taxes	(5,333)	(7,310)	
E) Effective IRES (B + C)	(26,617)	(11,642)	21.0%
F) IRAP and other taxes	(4,785)	(3,327)	6.0%
G) Taxes on the income of the financial year (E + F)	(31,402)	(14,969)	27.0%
H) Net income for the financial year (A + D + G)	54,284	33,095	

Number of employees

The number of employees at the end of the year, considering also the portion of personnel employed in work conducted in participation, appears in the following table:

Number of employees	Year 2011	Year 2010
Managers	101	85
Office workers	2,374	1,898
Workers	13,033	10,890
Total	15,508	12,873

Compensation due to members of corporate bodies

The amount of compensation due to members of the corporate bodies for 2011 appears in the following table:

Compensation due to members of the corporate bodies of the Parent Company (in thousands)	Amounts accrued for the year	Amounts paid in the year
Board of Directors	336	238
Directors with a specific role	2,907	2,700
Board of Statutory Auditors	281	292

Compensation due to the independent auditors

The amount of compensation due to the independent auditors for 2011 appears in the following table:

Compensation due to the independent auditors (in thousands)	Amounts accrued for the year
Audit services	749
Other services	203
Total fees	952

On 25 June 2010, the Shareholders' Meeting granted a mandate to independent auditors Reconta Ernst & Young S.p.A. for the auditing and verification activities referred to in Article 2409-bis of the Italian Civil Code and Article 14 of Legislative Decree 39 of 27 January 2010.

Other information required by Article 2427 of the Italian Civil Code

Pursuant to Article 2427, paragraph 6-bis, there were no significant changes in the currency exchange rates used in these financial statements after the end of the year.

Pursuant to Article 2427, paragraph 6-ter, no payables or receivables are recorded on the financial statements relative to transactions that provide for the obligation of reconveyance by the purchaser.

Information on related-party transactions

Related-party transactions mainly involve the exchange of goods, the provision of services, the provision or employment of financial means with its subsidiaries not included in the scope of consolidation, associates and other holdings, as well as the optimisation of Group treasury management. These fall under the Group companies' normal course of activities and are concluded under normal market conditions. These transactions are governed by special service contracts. In addition, in some cases, the Parent Company operates by assigning its own personnel.

As specified in Italian law, for purposes of identifying and presenting related parties, reference has been made to the definition of "related party" provided for in international accounting principle IAS 24.

It is noted that during the year Director Luisa Todini sold a building located in Rome to the subsidiary Zeis S.r.l. for the amount of € 3,528 thousand.

Even in the case of transactions under normal market conditions, stated below are the most important related-party transactions broken down between financial and commercial; for further details, please see the specific paragraphs of this note.

Relations with other related parties as at 31 December 2011 (€/000)	RECEIVABLES	PAYABLES	COSTS services	REVENUE
Board of Directors		191	336	
Directors with a specific role		45	6,435 *	
Board of Statutory Auditors		184	281	
Managers with strategic responsibilities				
Total	0	420	7,052	0

* of which € 3,528 thousand refers to a building in the fixed assets of Zeis S.r.l.

Related parties as at 31 December 2011 (€/000)	RECEIVABLES	PAYABLES	COSTS	REVENUE
Long-term investments with subsidiaries				
Edilfi S.c. a r.l. in liquidation	270			
Total	270	0	0	0

	RECEIVABLES	PAYABLES	COSTS	REVENUE
Long-term investments with associates				
Cogefin	7,526			256
Consorzio Astaldi Federici Todini Kramis	1,240			
Keff-Eddir	677			
Consorzio Astaldi Federici Todini	375			
Cediv S.p.A.	3,260			
Total	13,078	0	0	256

	RECEIVABLES	PAYABLES	COSTS	REVENUE
Receivables/payables with subsidiaries				
Sa.Ma S.c. a r.l.		59	2	
Total	0	59	2	0

	RECEIVABLES	PAYABLES	COSTS	REVENUE
Trade receivables/payables with associates				
Forum S.c.r.l.	0	174	7	
COGEFIN	19	17,984		10
COLLE TODI	251	86	58	10
Consorzio AFT in liquidation	741	624		
Consorzio AFT Kramis	3,598	889		
Consorzio Kallidromo	945	38		
Consorzio Pizzarotti Todini Kef Eddir	3,704	10,788		
RUPE DI ORVIETO	130	7		10
CON.SAL. S.c.n.c.	43	160		
J.V. Salini - Acciona Ethiopia	6,635	4		
Cediv S.p.A.	222			142
G.A.B.I.RE S.r.l.	80	133		39
Alburni S.c. a r.l. in liquidation	143	225		3
Group. d'entr Salini Strabag-Guinea	164			
Total	16,675	31,112	65	214

	RECEIVABLES	PAYABLES	COSTS	REVENUE
Receivables/payables with associates				
Groupment Italgisas	740			
Total	740	0	0	0
Total Related Parties	30,763	31,112	65	470

These financial statements are true and real and correspond to the accounting records.

The Board of Directors
THE CHAIRMAN
[Simonpietro Salini [Architect]]



Chapter 02.3

Annexes to the Explanatory Notes

02.3.1 Cash Flow statement

Cash Flow statement – indirect method - Liquidity - Annex no. 1)

(€/000)	2011	2010
A – Cash flows from operations:		
Pre-tax profit	91,018	55,374
Tax paid	(14,069)	(12,052)
Subtotal	76,949	43,321
Adjustments for non-monetary income and expenses		
Amortisation/depreciation for the period	83,952	85,254
Provision for risks and charges	13,314	5,995
Severance pay	4,448	4,529
Effects of valuation of subsidiaries	1,792	1,161
Subtotal	180,455	140,261
Changes in operating assets and liabilities (Working Capital)		
Trade receivables	(144,531)	(98,556)
Inventory	(49,563)	(25,313)
Buildings in progress	3,399	(36,345)
Inventories of work (cost to cost)	(1,184,626)	(2,351,562)
Client payments on account (interim payment certificates)	1,111,198	2,107,418
Client advances	612,752	137,180
Trade payables	70,566	190,272
Provision for risks and charges	(6,998)	(2,026)
Severance pay and retirement benefits	(5,141)	(3,007)
Other operating assets	(65,213)	(138,233)
Other operating liabilities	12,008	53,107
Exchange rate effects on net working capital	(24,687)	12,639
Subtotal	329,163	(154,425)
TOTAL A	509,618	(14,164)
B – Cash flow from investment activity:		
Net investment in intangible fixed assets	(8,599)	(42,656)
Net investment in tangible fixed assets	(61,161)	(111,970)

(€/000)	2011	2010
Capital gains from tangible asset disposals	644	142
Changes in equity investments	(123,146)	(13,602)
Changes in equity investment financing	3,295	(7,305)
Changes in minorities' shareholders' equity	1,500	17,385
TOTAL B	(187,466)	(158,006)
C – Cash flow from lending activities:		
Dividends distributed	(12,995)	(10,829)
Change in borrowings (leasing)	(9,712)	31,909
Change in bank payables	26,852	193,609
Change in loans to shareholders (minorities)	433	2,956
TOTAL C	4,578	217,645
TOTAL CASH FLOW (A + B + C)	326,730	45,475
Cash and cash equivalents at the start of the period	216,264	170,789
Cash and cash equivalents at the end of the period	542,994	216,264
CHANGE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	326,730	45,475

02.3.2 Tassi di cambio utilizzati per il consolidamento

Annex no. 2]

Country	Currency	Denom.	Italian Foreign Exchange office - change 31/12/2011	Italian Foreign Exchange office - average change 31/12/2011
ALBANIA	Lek	ALL	139.036000	140.319791
ALGERIA	Dinar	DZD	97.466000	101.518973
ARGENTINA	Argentine peso	ARS	5.567690	5.745247
AZERBAIJAN	Azerbaijani manat	AZN	1.017490	1.099176
BELARUS	Belarus ruble	BYR	10,804.100000	6,934.747081
BULGARIA	Bulgarian lev	BGN	1.955800	1.955800
CHILE	Chilean peso	CLP	671.997000	672.539969
DENMARK	Danish krone	DKK	7.434200	7.450647
U.A.E.	UAE dirham	AED	4.752370	5.112583
ETHIOPIA	Birr	ETB	22.376800	23.634404
GEORGIA	Lari	GEL	2.173360	2.346385
JAPAN	Yen	JPY	100.200000	110.958599
JORDAN	Jordanian dinar	JOD	0.917375	0.986896
GUINEA	Guinean franc	GNF	9,072.600000	9,234.496455
KAZAKHSTAN	Kazakhstan tenge	KZT	191.885000	204.104425
INDIA	Indian rupee	INR	68.713000	64.885929
LIBYA	Libyan dinar	LYD	1.628230	1.712972
MALAWI	Malawi kwacha	MWK	212.023000	218.376342
MALAYSIA	Ringitt	MYR	4.105500	4.255796
MOROCCO	Morocco dirham	MAD	11.112900	11.261208
MOLDOVA	Moldovan leu	MDL	15.158600	16.328297
NIGERIA	Naira	NGN	208.165000	216.901208

Country	Currency	Denom.	Italian Foreign Exchange office - change 31/12/2011	Italian Foreign Exchange office - average change 31/12/2011
POLAND	Zloty	PLN	4.458000	4.120611
UNITED KINGDOM	GB pound	GBP	0.835300	0.867884
ROMANIA	Leu	ROL	4.323300	4.239086
S. LEONE	Leone	SLL	5,666.580000	6,041.207168
USA	Dollar	USD	1.293900	1.391955
SUDAN	Sudan pound	SDD	3.463640	3.706204
SWITZERLAND	Swiss franc	CHF	1.215600	1.232605
TUNISIA	Tunisian dinar	TND	1.935650	1.956539
TURKEY	Turkish lira	TRY	2.443200	2.337812
UKRAINE	Hryvnia	UAH	10.369200	11.106738
UGANDA	Ugandan shilling	UGX	3,219.480000	3,516.246449
ZIMBABWE	Zimbabwean dollar	ZWD	468.262000	503.765743

02.3.3 Statement of deferred tax

Annex no. 3] a

	Temporary differences Amount 2010	IRES 27.5%	Income tax 30%	Tax effect 2010 education levy 2%	IRAP*
Taxable temporary difference					
provision for taxable risks	45,532,641	12,515,976	-	-	734,945
maintenance expenses	42,479,280	11,681,802	-	-	119,519
statutory – tax misalignment	6,559,457	1,803,851	-	-	285,540
preconsolidated adjustments	3,137,298	862,757	-	-	142,786
non-deductible interest payable	75,978	20,894	-	-	-
valuation exchange rate gains/losses	13,112,364	3,605,900	-	-	-
other	4,710,422	1,295,366	-	-	183,599
Total taxable temporary difference = A	115,607,440	31,786,546	-	-	1,466,388
Deductible temporary difference					
capital losses	4,352,275	1,196,876	-	-	140,482
tax – statutory misalignment	9,960,369	2,739,101	-	-	3,360
financial method to evaluate leasing costs	25,093,754	6,900,782	-	-	1,104,113
preconsolidated adjustments	18,705,151	1,544,184	3,911,742	280,984	277,308
Total deductible temporary difference = B	58,111,549	12,380,944	3,911,742	280,984	1,525,263
Tax losses	94,573	26,008	-	-	-
Total prepaid tax on tax losses = C	94,573	26,008	-	-	-
Total net prepaid/deferred tax A - B + C	57,590,464	19,431,610	(3,911,742)	(280,984)	(58,875)

	Temporary differences Amount 2010	IRES 27.5%	Tax effect 2010 Income tax 30% education levy 2%	IRAP*
Economic Effect				
Net deferred tax charged to the income statement		27,289	(3,943,358)	(248,094)
Prepaid tax on tax losses		24,496	(2,761,411)	-
Deferred tax charged to the income statement in the period		51,785	(6,704,762)	(248,094)

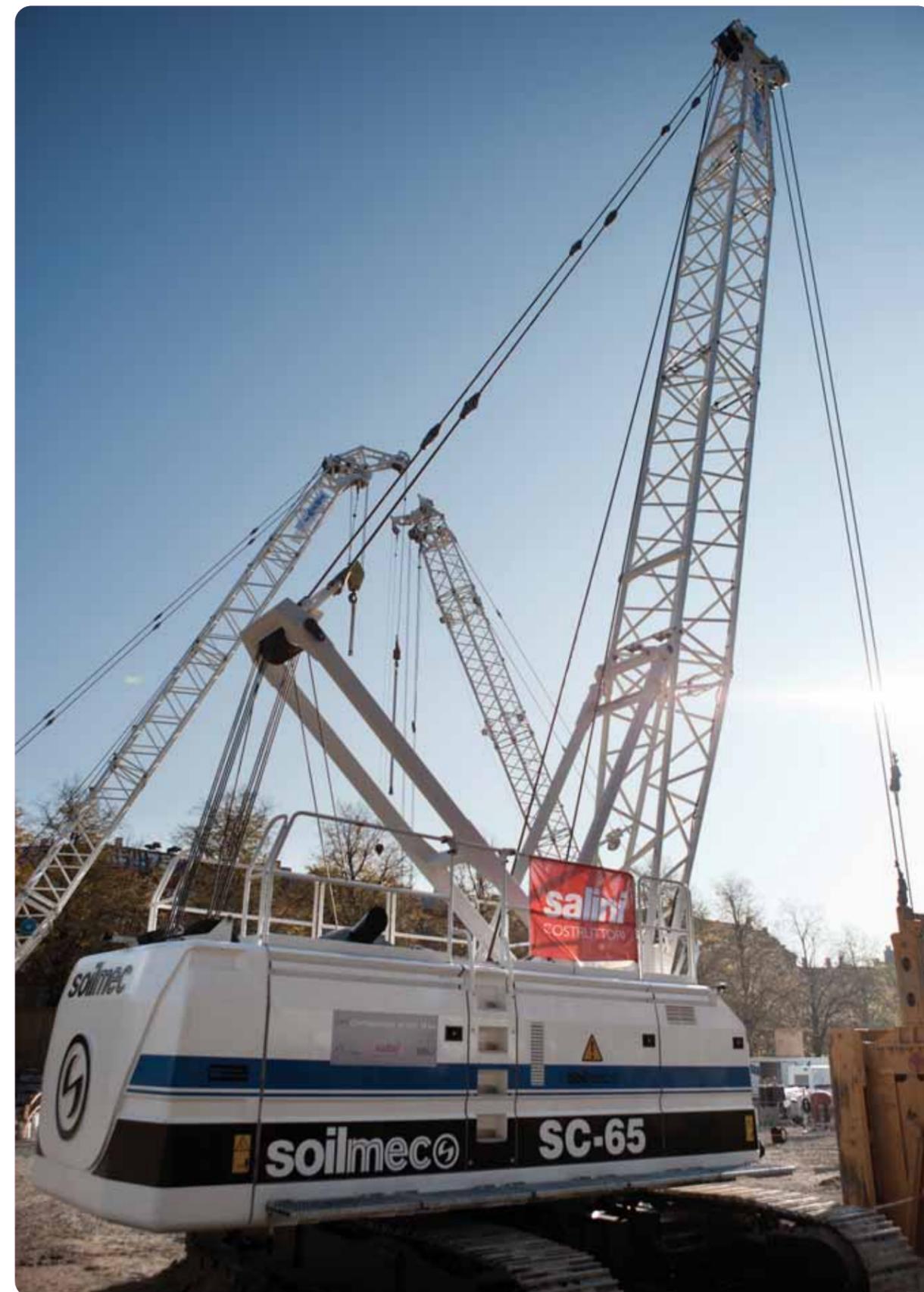
(*) Rates vary according to activity

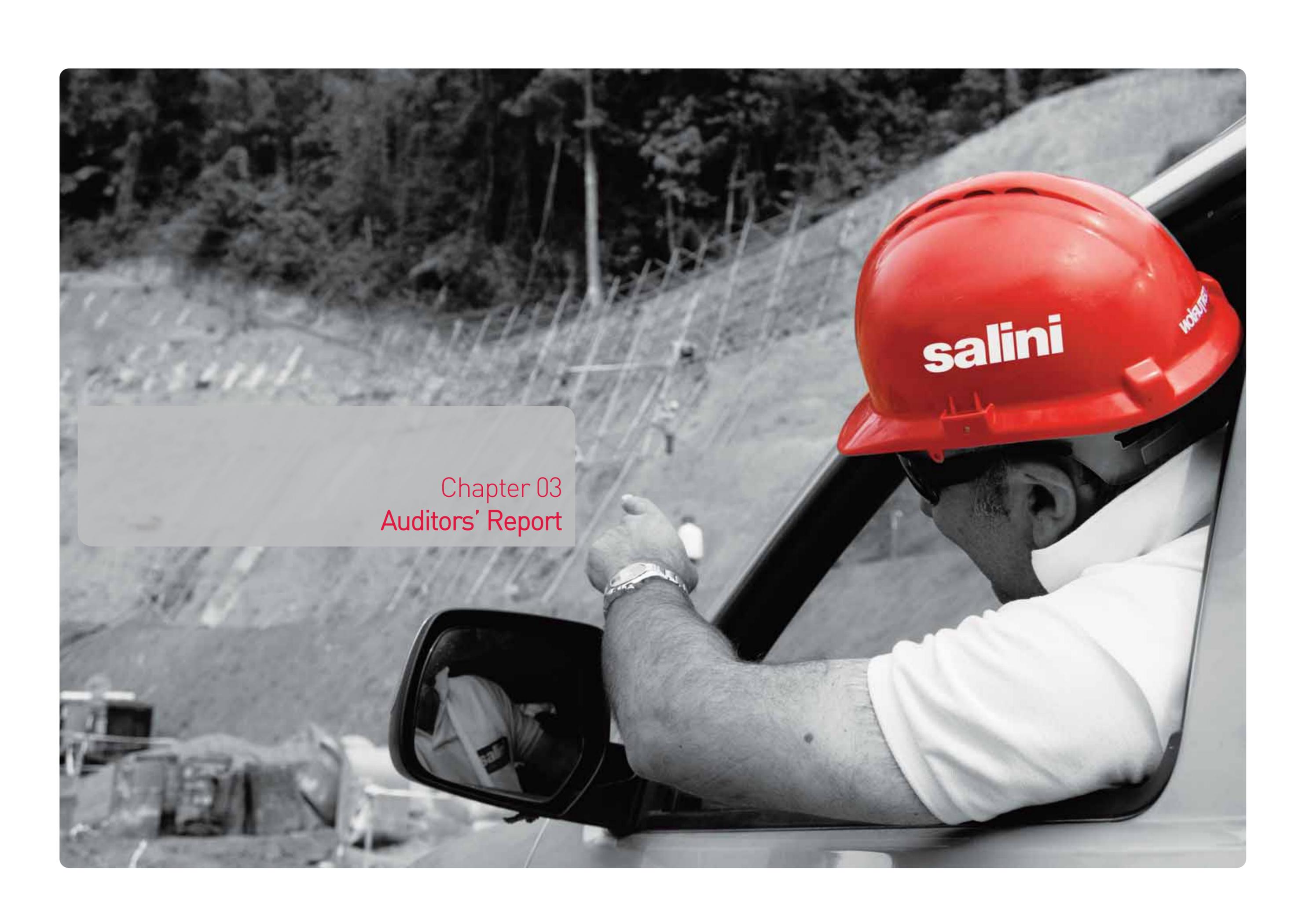
Annex no. 3) b

	Temporary differences Amount 2011	IRES 27.5%	Tax effect 2011 Income tax* education levy 2%	IRAP*
Taxable temporary difference				
provision for taxable risks	46,460,984	12,771,271	-	1,079,429
maintenance expenses	39,052,956	10,739,563	-	42,105
statutory – tax misalignment	13,387,262	3,681,497	-	489,608
preconsolidated adjustments	3,137,301	859,653	-	129,880
non-deductible interest payable	106,302	29,233	-	-
valuation exchange rate gains/losses	11,538,175	3,172,998	-	-
other	45,650	15,659	-	0
Total taxable temporary difference = A	113,728,630	31,269,874	-	1,741,021
Deductible temporary difference				
capital losses	5,386,008	1,481,153	-	135,721
tax – statutory misalignment	16,259,061	1,906,960	2,678,533	14
financial method to evaluate leasing costs	17,649,614	4,530,328	-	776,776
preconsolidated adjustments	40,697,232	1,957,271	9,091,251	459,733
Total deductible temporary difference = B	79,991,915	9,875,711	11,769,784	1,199,876
Tax losses	446,917	122,902	-	-
Total prepaid tax on tax losses = C	446,917	122,902	-	-
Total net prepaid/deferred tax A - B + C	34,183,632	21,517,064	(11,769,784)	(459,733)
Economic Effect				
Net deferred tax charged to the income statement		1,849,987	(7,714,016)	(178,749)
Prepaid tax on tax losses		96,895	-	-
Deferred tax charged to the income statement in the period		1,946,882	(7,714,016)	(178,749)

(IRAP*) Rates vary according to activity

(INCOME TAX*) Rates vary according to country





Chapter 03
Auditors' Report

**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 2011. 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 performed 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.

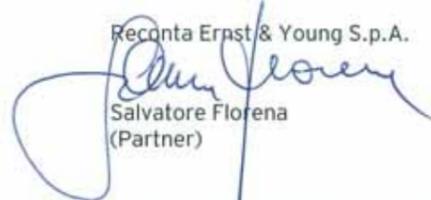
For our opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes as required by the law, reference should be made to our report dated 7 June 2011.
3. In our opinion, the consolidated financial statements of the Salini Costruttori Group as of and for the year ended 31 December 2011 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 2011 and the results of its operations for the year then ended.
4. As disclosed by the Directors in both the explanatory notes and the Report on Operations, the Court of first instance of Rome, with rulings n. 3940/2006 and n. 9904/2007 annulled the resolutions of the Salini Costruttori S.p.A. shareholders' meetings that had resolved upon the approval of the Company's financial statements for the years ended December 31, 2003 and 2002 and the respective distribution of dividends. The Company appealed against such rulings.
5. 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

Reconta Ernst & Young S.p.A.
Sede Legale: 00198 Roma - Via Po, 32
Capitale Sociale € 1.402.500.000 i.v.
Inscritta alla S.C. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 05434000584
P.I. 00891231003
Inscritta all'Albo dei Periti e Consulenti n. 70943 Pubblicità sulla G.U.
Regist. I.S. - 1^a Serie Speciale del 17/02/1998
Inscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 nell'elenco n. 13833 del 14/07/1997

A member firm of Ernst & Young Global Limited

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) and recommended by the Italian Stock Exchange Regulatory Agency (CONSOB). 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 2011.

Roma, 7 June 2012

Reconta Ernst & Young S.p.A.

Salvatore Florena
(Partner)

This report has been translated into the English language solely for the convenience of international readers.

Salini S.p.A.

Via della Dataria, 22
00187 Rome - Italy
Tel. +39 06 67 761
Fax. +39 06 67 76 288

Salini Costruttori S.p.A.

Via del Lauro, 3
20121 Milan - Italy
Tel. +39 02 72 62 601
Fax. +39 02 72 62 60 205

www.salini.it - info@salini.it