

BALANCE SHEET AS OF 31 DECEMBER 2008

MANAGEMENT REPORT

Dear Shareholders,

This Management Report on the financial year 2008 illustrates and comments upon the main issues pertaining to your Company's business, and reports the events that most affected the Company during said period. It has been drafted in compliance with the Civil Code.

No uncertain elements are to be pointed out in respect of the evaluation of the Company's assets, whose criteria have been duly expounded in the Explanatory Notes.

In order to better understand the Company's management, we have reclassified below its assets and liabilities and Profit and Loss Statement for the financial year closed as of 31 December 2008.

The financial year 2008 confirmed the Company's growth trend over the last few years, despite the fall in its production revenues in the late months of 2008, as confirmed by the results of the early months of 2009. In fact:

- **production revenues** reached 527 million Euro, against 515 million of the previous financial year;
- the **operational result** was 28 million Euro, against 22 million Euro of the previous year, despite the higher cost of raw materials;
- the **pre-tax result** was positive by some 5.8 million Euro, against some 11 million Euro of the previous year;
- the **net result** was positive by 940 thousand Euro, against the profit of 7.2 million Euro of 2007;
- the decrease in pre-tax result and net result is due to the higher net financial charges, which went from 11 million Euro in 2007 to 22 million Euro in 2008 as a result of lower interests receivable from controlled and affiliated companies and to higher bank interest rates;
- the **net equity** went from 48 million Euro to 49 million Euro, essentially as a result of the year's positive result;
- **investments in 2008** mainly made through financial leasing throughout the year, amounted to some 9 million Euro, and concerned machines and means of production needed to perform contracts for the major jobs;
- the impact of net financial charges on production revenues went from 2% in 2007 to 4% in 2008 for the reasons described below.

The Company ended the year 2008 with satisfactory results, continuing its investments.

Unfortunately, the Company was affected, in the second semester of 2008 and in the first months of 2009, by the general recession that hit the main economic business sectors all over the world, in particular Public Main Jobs, civil, industrial and hotel buildings.

Moreover, it was particularly conditioned by the high interest rates applied by banks, due to its substantial investments.

In 2008, the increase in the Company's net financial charges substantially eroded its remarkable operational result, amounting to more than 28 million Euro.

The Company's Management thus deemed it necessary to start negotiations with Banks in order to have the interest rates applied to the Company suited to the current market conditions (so as to be compliant with EURIBOR and to lower spreads) as from 1 January 2009, thus differing from those applied in 2008.

The Company's substantial portfolio of jobs, the forthcoming resumption of contracts on the building yards of Autostrade S.p.A. and the established, forthcoming commencement of jobs on the road axis Marche-Umbria and Quadrilatero, together with the Company's agreement with Banks on lower interest rates, will allow the Company to reach, at least as from 2010, the net profitability that it always achieved until 2007.

The Company took advantage of the longer term of one hundred and eighty days to approve the 2008 Balance Sheet, as provided by art. 2364 (2) of the Civil Code and art. 8 of the Company's Articles of Association in force, being required to draft the consolidated balance sheet as under Legislative Decree no. 127/91.

MAIN ACTIVITIES AND SIGNIFICANT EVENTS

Sale and transfer of Immobiliare Ferrucci S.r.l to the parent companies Holding BRM and Edil Invest

On 14 October 2008, the Company transferred the entire share capital of Immobiliare Ferrucci S.r.l. (a controlled company of the BTP Group's real estate branch) and the debt owed to the assignor by the real estate company Ferrucci S.r.l. for financing (i.e. interest-bearing investments at a yearly 7% rate), for a total amount of some 164.8 million Euro, to the parent companies Holding BRM and Edil Invest S.r.l., at a quota of 50% each.

The sale of Immobiliare Ferrucci S.r.l. was designed to “split” the BTP Group's Real Estate Branch and thus achieve the aggregation between Baldassini-Tognozzi-Pontello Costruzioni Generali S.p.A. and another company active in the building business and/or the admission to listing of the Group, ensuing from said aggregation, and/or of Baldassini-Tognozzi-Pontello Costruzioni Generali S.p.A.

For such assignment, the parent companies Holding BRM and Edil Invest were granted a bank loan of 150 million Euro that was guaranteed, *inter alia*, by a pledge on the shares representing 51% of the Company's share capital.

GROUPS STRUCTURE

As of 31 December 2008, the corporate structure is as follows:



THE ITALIAN MARKET – The Company's progress and positioning

Today, Baldassini-Tognozzi-Pontello is one of the principal building companies in Italy and is involved in the most important jobs that are designed to strengthen the country's infrastructures, such as the work at the 'Quadrilatero Umbria-Marche', the bringing up to modern standards of the 'Salerno-Reggio Calabria' Motorway, the building of the new 'Syracuse-Gela' Motorway, the widening to three lanes of the 'Milan-Naples A1' Motorway in the stretch between Florence South and Florence North, and the Mountain Pass. Among its railways contracts, we can mention the important job to double the 'Bologna-Verona' and 'Reggio-Taranto' lines.

Also in the field of public buildings, the Company is involved in high quality jobs for the building of schools, barracks, university structures and hospitals.

In 2008, the company focused on tenders for important contracts, submitting integrated bids and acting as general contractor, so as to make the most of its skills and experience acquired over the years both as a single company and as a promoter of the OPERAE Permanent Consortium.

In 2008, Baldassini-Tognozzi-Pontello decided to do business also in foreign markets, and focused on some macro-areas, with particular regard to the developing areas of North Africa and the Arabian Peninsula.

PROJECT FINANCING

Baldassini – Tognozzi – Pontello S.p.A. has always tried to foresee, identify and therefore satisfy the market's and the Company's demands by following innovative paths and by anticipating future trends, as was done for project financing in 2000.

The Company is currently in charge of the management of above- and underground car parks for over 1,500 cars in the city centre, and engaged in building a subway with a pedestrian square of some 2,400 m² before Fortezza da Basso and in developing a 77,500 m² park and other jobs in Florence. The importance of the operations proposed by the Company and the interest they aroused prompted new partners to join the project company "Firenze Mobilità S.p.A.", among which the Florence Chamber of Commerce, Aeroporto di Firenze SpA and Firenze Parcheggio SpA.

In 2003, together with other entrepreneurs (e.g. RATP International, Alstom, Ansaldo-Breda), the Company took part in a consortium to present a project financing proposal to the Municipality of Florence, which involved planning and developing the tramway, as well as management thereof for a period of 35 years, for a total investment of over 250 million Euro. Following awarding of the contract, the project company "Tram di Firenze S.p.a." was set up with consortium members and the public transport company A.T.A.F. SpA, of which the Municipality of Florence is a stakeholder.

In the same year, the Company also participated with other partners (e.g. Autostrade per l'Italia SpA, the Florence Chamber of Commerce, the Prato Chamber of Commerce and several banks) in a consortium for the presentation of a project financing proposal to the Tuscan Region, which involved planning and building the motorway junction "Bretella Lastra a Signa/Prato", as well as management thereof for a period of 40 years, for a total investment of some 250 million Euro. In 2006, the project company "Società Infrastrutture Toscane" was set up; in the same year, said project company entered into the relevant agreement with the Tuscan Region.

The Tuscan Region eventually awarded the final and executive planning of the motorway junction to our Group.

In January 2008, BTP, together with INSO Sistemi per le Infrastrutture Sociali S.p.A., Global Service Toscana, Cofratech Servizi S.p.A., Consorzio Toscano Costruzioni CTC s.c.a.r.l., and Consorzio Cooperative Costruzioni SOF S.p.A., was assigned the role of promoter of the 'Polo Ospedaliero' [Hospital Complex] of Empoli. This entails building the hospital and new commercial areas, to be achieved by restoring old buildings and by erecting new ones. Moreover, new car parks will be obtained, together with services connected to the hospital, for a total investment of 33 million Euro. The contract also includes the renovation of the existing solar tower power plant and cogeneration plant.

In March 2008, together with other enterprises [e.g. Icet Industrie S.p.A., C.M.S.A., Consorzio Etruria, Mazzanti S.p.a., Unica Società Cooperativa di Abitazione, G.S.T., C.T.C., Servizi &

Promozioni s.r.l.], the Company was awarded the final and executive planning, the construction and management thereof over 30 years of the Rapid Tram Station connecting the Firenze SMN main railway station to the town of Scandicci, and of the New Civic Centre of Scandicci, which also includes the conception of a new layout for the main Square, the building of a multi-purpose centre and two blocks of apartments and offices, for a total value of jobs totalling to some 30 million Euro.

EXTENSIVE REDEVELOPMENT OF DERELICT AREAS

Being aware of the need to respond to ever-changing problems and new sectors, and for the purpose of creating new opportunities and market segments, going beyond the traditional role of real estate operator and thus becoming a developer, BTP S.p.A. has already successfully concluded a number of complex operations, such as the San Bartolo a Cintoia Redevelopment Project (some 25 hectares, including the building of a hotel with 220 rooms, a multi-screen cinema with 11 theatres seating 2,498 people, a 10,000 m² shopping centre on the lower floor, 251 apartments and an under- and above-ground car-park and corresponding redevelopment), and the REDEVELOPMENT PROJECT OF OSMANNORO, involving the building of the IKEA Department Store (60,700 m² with overall 26,400 m² covered ground on two storeys, of which 13,950 m² for trade and 22,650 m² as underground car park). The Company is currently involved in the redevelopment of key derelict areas such as:

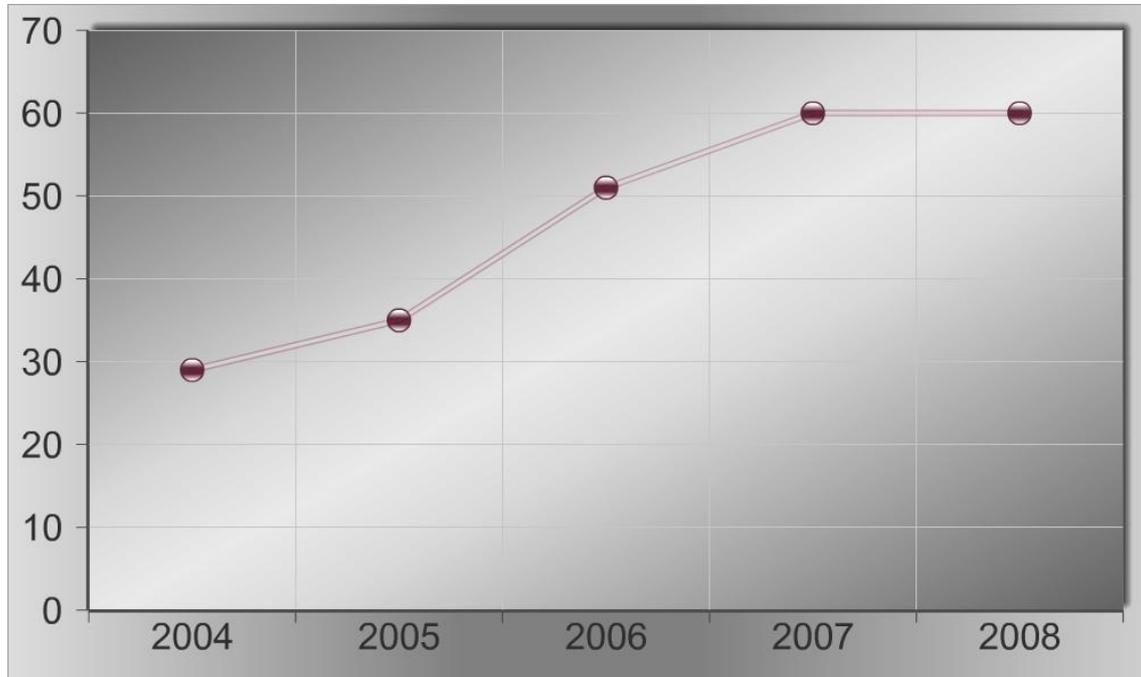
- **FORMER SIME AREA** (involving the building of 410 apartments, 2 underground storeys with garages, car spaces and cellars, on some 25,000 m²)
- **FORMER FIAT AREA - VIALE BELFIORE** (some 3 hectares for the development of a 205-room hotel, a conference centre, retail stores and a fitness centre, with underground car park and residential units with 104 apartments)
- **FORMER MILITARY BAKERY OF FLORENCE** (renovation of some 17,000 m² and building of residential units and offices)
- **FORMER CNR AREA OF SCANDICCI** (some 140,000 m² for a “new city centre”, involving the building of residential/commercial units and offices, accommodation-conference structures, production and sport centres, for an overall area of some 75,000 m², and a 75,000 m² public park)
- **FORMER TOBACCO FACTORY OF FLORENCE** (a strategic area right in the centre of Florence. The redevelopment plan involves the use of current volumetries for the realization of a residential centre, offices, and an accommodation and exhibition centre, for overall 100,000 m²)
- **VALLEVERDE** (a strategically important area halfway between Massarosa and Viareggio, covering some 730,000 m² to be entirely developed and renovated in view of becoming a benchmark commercial area for Versilia; a first feasibility study foresees the development of new surfaces for an area varying between 50,000 m² and 100,000 m²).

Internationally renowned professionals, including Adolfo Natalini, Rafael Moneo, Alfonso Femia, Gianluca Peluffo have been involved in the above plans, in the knowledge that the challenge of the future is to provide quality.

INVESTMENTS

In 2008, the Company renewed its commitment in suitable investments in human resources and machinery.

Human Resources



Cost of personnel over the last 5 years (millions Euro)

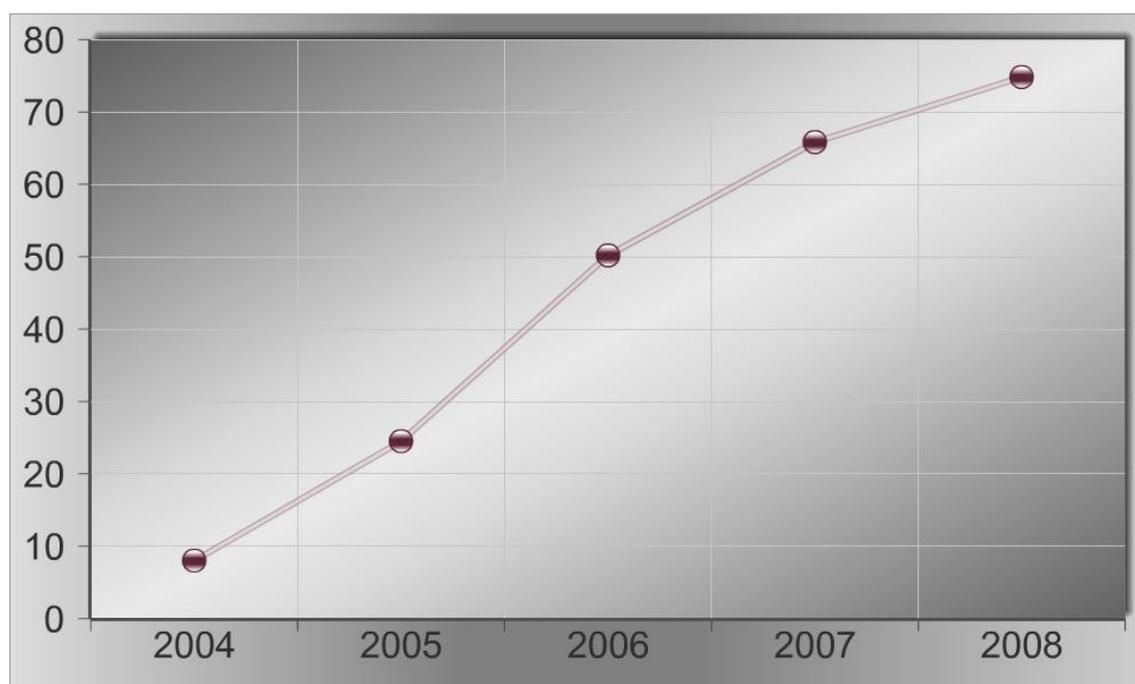
In 2008, BTP paid special attention to training, which represents a “connecting link” between the Company and the workforce: indeed, it fosters the personal and professional growth of those it is addressed to (employees) and thus, through them, it allows for the development of both the Company and of the skills needed to manage changes and to be suited to an increasingly competitive market. For this reason, the staff was trained on safety, quality, environment, tax management etc.

In 2008, when the 70% target of major jobs was reached, the Company started and completed personnel turnover procedures as under Law 223/91 for tenders: “Italferr Reggio Calabria – Metaponto” in the section “Pellaro – Capo D’armi tunnel” (PA 764) and IDP2 Naples.

In 2008 BTP resorted to the Redundancy Fund [*Cassa Integrazione Guadagni*] for workers employed in the following sites:

- A1 NI-NA MOTORWAY MOUNTAIN PASS; LOT 12: from 7/1/08 to 3/2/08 for 22 workers due to the partial interruption of works following the occurrence of an event of force majeure connected with the geological features of the site.
- State Road 125 3° LOT 1° AND 2° TERTENIA TORTOLI' STRETCH: from 21/1/08 to 20/4/008 for 49 workers due to the partial interruption of works determined by the occurrence of technical difficulties that could not be reasonably be forecasted (geotechnical problems in the Genna-Ortiga tunnel).
- A1 NI-NA MOTORWAY; LOTS 4-5-6: from 5/5/08 to 28/7/08 for 6 welders due to a temporary lack of need of skilled labour staff; from 25/8/08 to 23/11/08 for 62 workers due to the occurrence of an event of force majeure, notably a landslide that determined the interruption of excavation operations inside the "Melarancio" tunnel; from 22/9/08 to 7/12/08 for 23 workers due to an interruption of excavation works inside the "Pozzolatice" natural tunnel.

Machinery and equipment



Total investments in machinery over the last 5 years (millions Euro)

In 2008, the Company continued investing in machinery and equipment, above all in piling and drilling machinery, due to the peculiarities of the land and to the specificity of the work for the enlargement of the third lane of the Autostrada A1 [A1 Motorway] between Florence South and Florence Scandicci (Stretches B and C), and Section 12 of the Mountain Pass. A further important item of expenditure was represented by the formworks required to construct the tunnel calottes, which were purchased to speed up construction work on Lot 12 of the Mountain Pass.

Further investments were focused on purchasing equipment and materials for new jobs in the infrastructure sector, in particular the contract concerning the 'Quadrilatero Umbria-Marche', which will require the Company's commitment over the next five years with a great allocation of resources; in this respect, several Bailey bridges have already been purchased to set up the site and the site itself in under way of being arranged.

The private building sector also required a large investment aimed at replacing old scaffoldings with new, more robust, zinc-plated ones.

After the considerable investments made in the past years, and for the purpose of planning the use of equipment in the future, a larger use was made of rented equipment so as to meet regular peak production requirements for some contracts.

In 2008, over 9 million Euro were invested in machinery and equipment,, thus bringing investments to nearly 75 million Euro over the last 5 years.

INTEGRATED MANAGEMENT SYSTEM

BTP SpA has chosen to support its rapid economic growth by endorsing a number of principles guaranteeing its sustainability, constantly improving its efficiency and avoiding legal, economic and reputation risks. Hence, it has developed and guaranteed, within the scope of its activities:

- Full compliance with European, national and local laws.
- Fairness, honesty, integrity, transparency, impartiality, confidentiality and respect in business transactions and in the Company's activities, protecting the Company's image and the expectations of its stakeholders, through the conduct of all corporate bodies, employees and collaborators working on behalf of BTP SpA.
- Acknowledgment of the value of safety, health and hygiene for all workers, as essential principles for the carrying out of BTP SpA's current and future activities.

- Promotion of suitable conduct at work, by endorsing a Code of Conduct and by identifying, assessing and preventing all possible causes of stress due to work, mobbing, burn-out.
- Identification of the significant environmental issues involved in each and every activity, in order to prevent and reduce the environmental impact to a minimum and to limit potential sources of pollution.
- Implementation of strategic computer technology in order to simplify communication and to concentrate information, guaranteeing suitable security measures for data processing.
- Care of and respect for the needs and expectations of both Clients and final users of completed jobs, as well as compliance with contract obligations.

Therefore, the Company chose to rely on an Integrated Management System, which was devised and conceived on the basis of the existing Quality System, whereby the corresponding operational methods were integrated with other requirements, whether voluntary or mandatory (Environmental Management System, System for Workplace Safety and for the Health of Workers, regulations on the Company's criminal responsibility, instructions for the Protection of Personal Data, etc.), so as to standardise systems and procedures without creating management conflicts and hindrances.

The Manager of the Integrated System is responsible for applying the principles defined in the Company's policy to its many activities, for training the Company's personnel (whether or not working on-site), for controlling the "Integrated Management System" and for submitting to the Executive Management any possible corrections that may be required to improve the Company's performance. In agreement with the relevant corporate departments, the Manager of the Integrated System Manager defines the methods for monitoring the performance of the company so as to establish whether the planned goals are being achieved.

The Integrated Management System is based on transversal issues with respect to the specific fields concerned:

- Supervisory, control and monitoring activities extended to all corporate levels, by resorting to professional experts.
- Better performances through the registration and analysis of both historical and current data.
- Constant and widespread restructuring of work resources, such as machinery and equipment, so that workers can rely on increasingly safe and reliable instruments.
- Control, supervision and monitoring of sub-contractors' compliance with the applicable law, as well as with their obligations towards BTP SpA.
- On-going monitoring of the development of work procedures, of the resources employed and of all potential interferences or causes of interference between BTP SpA's operational teams and those of the Company and its subcontractors.
- Involvement and motivation of all the Company's staff, through information and training.
- Involvement of suppliers, assignees and sub-contractors in sharing the Company's policy and the objectives set out therein.
- Tests, inspections and periodic internal audits to check the correct application of the System in order to avoid potential non-conformities.
- Proactive dialogue with all social stakeholders involved in production processes – citizens, clients, authorities, associations – to exchange ideas and share knowledge and experiences.

Triple Certification: Quality, Safety, Environment

With respect to all areas of the Integrated Management System which are regulated by international laws, the System has been subject to certification in order to guarantee compliance with the following Bodies of Rules: UNI EN ISO 9001:2000 (Quality), OHSAS 18001:2007 (Safety), UNI EN ISO 14001:2004 (Environment).

Having been granted such three certifications by the ICIC (the most important Italian Institute of Certification for Building Companies, characterized by a wide and qualified representation of the main national clients and institutional guarantors of building jobs), BTP SpA is now one of the few national large companies that can offer such an important guarantee of an on-going improvement of its performances, in line with the expectations of its many stakeholders.

Quality

Being aware that corporate success depends on satisfying our clients' expectations and on the need to preserve a first-class reputation as to the Quality of the work carried out, BTP SpA has decided to implement a Quality System in accordance with the UNI EN ISO 9001 regulation, already certified in 2000.

In 2008, beside going on with full implementation of the Company's Quality System so as to maintain the standards of the Policy as determined by the Executive Office, the Quality Office provided intense technical-specialized assistance to all of the Company's structures, aimed at transferring and consolidating the changes brought to the Corporate System. At the same time, the Company's main processes were monitored, just like in the past, for the purpose of continuously improving services and/or products, by means of systematic internal audits.

For some highly significant contracts, auditing was carried out also by the clients themselves, with essentially positive results. In the meantime, the Certification Body carried out dedicated audits to ensure the Company's on-going fulfilment of the standards required for the renewal of the certifications. These audits, which involved both the Calenzano office and different building sites, were successful, so that the certification was renewed until December 2011.

Workplace safety

The attention paid to safety and to our workers' conditions, deemed fundamental and essential by the Company for its own development, has been spread throughout the entire corporate structure so as to share its values and reach pre-set results, as well as guarantee that all activities are carried out while protecting the life and physical health of workers.

BTP SpA created an operational structure that requires the Board of Directors (as "employer") to appoint a person in charge of each production unit, whether it be stable or mobile.

The chance of having a direct control over each building site, or over groups of building sites close to each other or sharing similar characteristics, allows for a "streamlined" structure in terms of decision-making, that is technically and functionally autonomous and that allows the "employer" to intervene "in real time" to control enforcement of the Policy and of the System's procedures, as well as the correct use of resources.

The path undertaken and upheld over the years by the Company naturally led, in December 2007, to it being granted the certification under the BSI OHSAS 18001, after structuring and implementing its own Management System in accordance with the Guidelines UNI-INAIL [Italian National Institute against Accident at Work].

The planning and management of activities regarding health and safety have thus been integrated with monitoring and supervisory stages, in order to attain a complete, effective and efficient structure throughout the production process.

During 2008, the System was audited by the Certification Body; said audits recorded a successful outcome and the certification was confirmed.

Environment

With the aim of protecting the environment and constantly improving its performances in this respect, BTP SpA is committed to taking specific actions in order to limit the environmental impact of its work, and strives to integrate its activity, insofar as possible, with the environment, whether it be natural or anthropized. Different jobs have different environmental impacts; in any event, BTP SpA is always committed to reducing the inevitable environmental effects that jobs entail, also by applying its integrated system processes. The Company's important economic and planning efforts, as well as those of its personnel, gradually and increasingly reduce the environmental impact, using materials and technologies which are becoming more and more environment-friendly and innovative.

Said commitment has also been extended to sub-contractors and assignees at building sites.

In April 2008, the Company completed the certification process regarding its environmental management system, in accordance with the UNI EN ISO 14001:2004 and with the Environmental Policy defined by the Executive Management.

From infrastructural projects to sustainable building

Given the environmental impact of infrastructural building activity, BTP SPA's attention toward environmental issues initially focused on defining the method for a close monitoring of such impact and, where possible, for its reduction, whilst guaranteeing strict compliance with its legal, contractual obligations and with those self-imposed by its desire to continuously improve in the field.

Since late 2008, also as a result of its clients' increased attention to this matter, BTP SPA has broadened its goal of improving the environmental management system so as to embrace other issues connected to sustainable building.

Therefore, in early 2009, BTP SPA became a member of the Green Building Council Italia for the purpose of:

- Being a part of the international sustainable building network thanks to the visibility of the LEED certification system.
- Partaking of the authority of GBC Italia, which is a guarantee of independence in the supernational movement.
- Participating in training to be qualified as a LEED AP.

By participating actively in GBC Italia's activities, BTP SPA:

- will contribute to suiting the LEED standard to the Italian scenario, so as to offer a system of sustainability assessment which is tailored to the best traditions and that takes the specific problems of a building company in Italy into account.
- BTP SPA will contribute to developing the LEED system, giving value to the excellence of a building experience of one of the leading building companies.

Code of Ethics

The Company's awareness of the ethical and social impact of its work, together with the importance of a cooperative approach towards stakeholders and of its good reputation (both with regard to its internal relations and with the outside world), led the Board of Directors of BTP SpA, in April 2008, to endorse a Code of Ethics (available on the Website www.btpspa.it) and to appoint a Supervisory and Control Committee.

The Code identifies the values and principles (such as honesty, correctness, integrity, transparency, impartiality, confidentiality and respect) to be followed by all those who act on behalf of BTP SpA, whether they be corporate bodies, employees or collaborators, so as to guarantee fairness in business transactions and in the Company's activities.

BTP's Code of Ethics introduces a clear and explicit ethical and social responsibility on the part of its administrators, directors, collaborators and employees. In particular, relations with third parties (shareholders, stockholders, clients, customers, suppliers, competitors, public administrations) must be in accordance with the law and with the principles of correctness, transparency and ascertainability. Said commitment is extended to sub-contractors and to assignees working at BTP SpA's building sites.

Code of Conduct at work

In May 2008, within the scope of its activities and of those of its Consortia, BTP SpA adopted a Code of Conduct for the prevention and repression of moral and sexual harassment, mobbing and discrimination at work. It did so with the aim of promoting awareness of the problems ensuing from staff relationships, as well as supporting communication between the Company and its workers, in line with the Company's wish to protect the physical integrity and moral personality thereof (Art. 2087 Italian Civil Code).

In order to guarantee the best and most effective application of the Code of Conduct and to improve the process of gathering all useful information in this respect, as well as facilitating the intervention of relevant corporate offices and their most profitable coordination, the Company entrusted a specific individual, known as the "Workplace Protection Advisor" with the task of

receiving complaints and/or information, suggesting any possible organizational, disciplinary and sanitary measures, as well as regularly informing the Board of Directors of his/her own work and of the implementation of the Code of Conduct.

Computer System

Over the years, BTP SpA's Computer Systems have supported the development of the management system, by making procedures automatic, collecting fundamental recordings for its improvement and striving to shift from the single management of information (by individuals, offices or building yards) to integrated management. At the same time, the existing manual processes have been simplified and made automatic, integrating applications, reducing registration costs as well as the period of time between each event and its recording. Accordingly:

- All users can now share information and collaborate in real time, reducing manual operations and the circulation of paperwork;
- The executive office can pick out important data and use the obtained results to outline useful strategies.

Infrastructures

To support the above goals, BTP SpA has significantly invested in computer technology, acquiring cutting-edge technological instruments.

At the office in Calenzano, a Server Farm has been set up, which is managed and run in compliance with UNI EN ISO 27001 standard to ensure continuous service and data protection. The Server Farm contains different servers in a single area for the management of all of the Company's applications and services. To satisfy the demand for hardware resources and to ensure that systems can rapidly change according to the new demands of users and application systems, we have resorted to virtualization, which allows for the setup of different "logical" servers by using various "physical" servers. Even remote offices and the main building sites have servers connected to the head office via VPN.

Reliability

In order to guarantee the highest reliability standards, the Server Farm's equipment is provided with hot plugs and is protected against blackouts. The network is constantly under remote control so as to immediately detect any functional problem, while special sensors control the humidity and temperature levels of the Server Farm; any problem to the systems is automatically conveyed to its maintenance technicians, via SMS and by e-mail.

In any case, in the event of hardware breakdown, virtualization technology allows for virtual servers to be moved rapidly onto other apparatus and thus ensure continuous services.

The Calenzano headquarters is equipped with a wireless internet connection which, thanks to special hardware, guarantees continuous services even in the event of failure of the cable channel supplied by another operator.

Security in data processing

Concurrent with the Company's higher sensitivity to Internet, security standards have been increased (they being nowadays more and more important) in order to ensure continuous services even in the event of an external attack. Besides, the application of suitable measures ensuring the security of all data processed by computer is an obligation imposed by the "Protection of Personal Data Code", currently in force.

The data of the Head Office are copied on tapes on a daily and weekly basis; said tapes are kept far from the Server Farm. Data are also replicated, in real time, on a disk kept far from the Server Farm. Moreover, the most important data stocked in the servers of remote offices and principal sites are synchronized with the head office overnight.

In 2008, as in previous years, we examined the risks related to Security (the risk that information may be changed or used by unauthorized individuals), Availability (the risk that information or applications may not be accessible due to a breakdown or natural disaster), Performances (the risk that the low performance of systems, applications, staff or of the overall IT may decrease production) and Compliance (the risk that the management or processing of information may not be in accordance with the law or with internal regulations).

In the light of such an analysis, we assessed the Company's vulnerability with respect to threats, resources and potential alternatives, quantifying all operational, financial, juridical and legislative effects. We evaluated security standards, defined security strategies to implement rules and procedures, and increased the personnel's awareness in this respect, beside focusing on their training and regular updating. Special firewalls control incoming communications, thus allowing or prohibiting different communications according to security rules. In 2004, BTP SpA entered into an agreement with all trade unions and defined the Policy governing the use of its corporate Computer Systems in order to carry out all of the required controls without infringing the Worker's Statute, thus anticipating the measures taken by the Privacy Authority.

For the purpose of guaranteeing the correct processing of personal data, especially of sensitive data, the Company updated its Safety Programme, drafted in compliance with provisions of Legislative Decree no. 196/2003 governing personal data protection.

Assistance

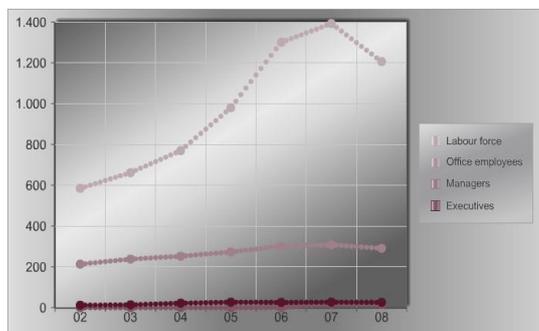
An internal Help Desk was set up for the purpose of supporting the Company's internal staff with respect to hardware and software computer problems. This manages all of the users' requests for assistance – those requests that are entered by clicking on the appropriate area on the Website – and carries out direct installation, configuration, network maintenance and training.

All interventions are catalogued and registered, together with their feedback, thus creating statistics on the times of intervention and identifying potential areas which need to be improved.

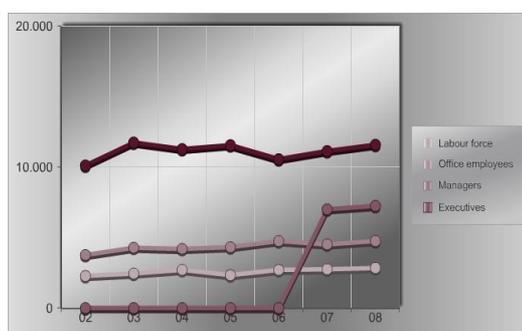
INFORMATION ON STAFF

In 2008, the Company reduced its staff by 13%, especially Workmen (-16%), as a result of the closing of building yards assigned to important awarded contracts.

The Company's costs are, quite obviously, related to its staff qualification. In 2007 some of its most important employees were qualified as Managerial staff (thereby reducing the average cost of lower grade employees). In 2006, concurrently with the employment of many workmen for the direct execution of important jobs, the Company's average cost for workmen was reduced (in respect of the employment of lower-skilled labour).



Staff per qualification

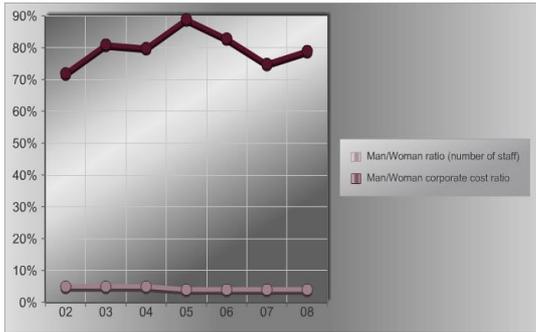


Company costs per qualification

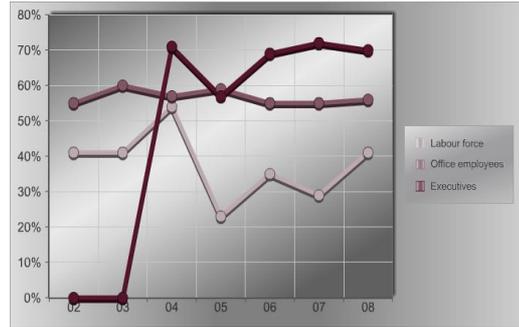
By analyzing the Man/Woman ratio, we can notice a very limited number of Women (essentially stable at roughly 5%). The ratio between Women's average salary and that of Men's is always higher than 70%. This is heavily affected by the limited number of Women among labour force at building yards/sites. Therefore, for a more accurate analysis, we need to divide data by Qualification.

In fact, Women represent:

- Less than 1% of labour force at building yards/sites (where they are mainly entrusted with cleaning, thus have very low tasks – their salary is 50% lower than men's);
- Roughly 20% of office employees (especially in the administrative department, thus without the economic rewards connected to building yard management – women's salary is 60% lower than men's);
- There are no women among Managerial staff;
- Women's presence among Executives is less than 5% (once again, they have administrative tasks) and their salary amounts to roughly 70% of men's.



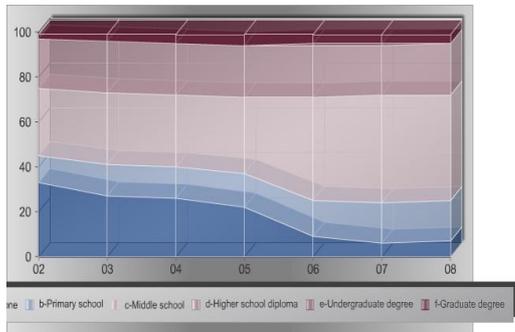
Women/Men ratio



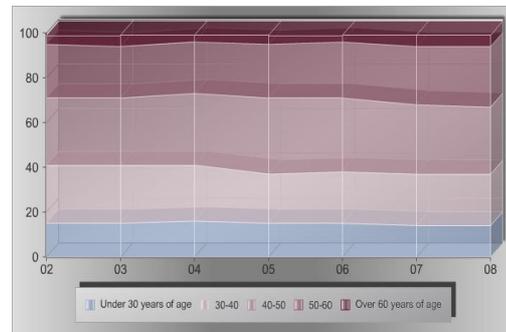
Women/Men corporate cost ratio

Roughly 30% of Employees have graduated from High School or University. Quite obviously, the number of Employees with no education or with only a primary school diploma has decreased over time.

By looking at the Employees' age, most Employees are between 40 and 50 (roughly 30%). Five percent of employees are over 60 and 15% are under 30.



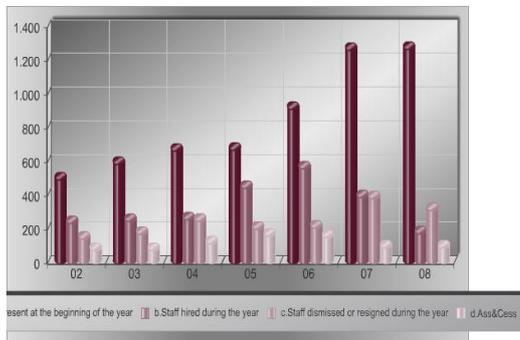
Distribution by Academic Qualification



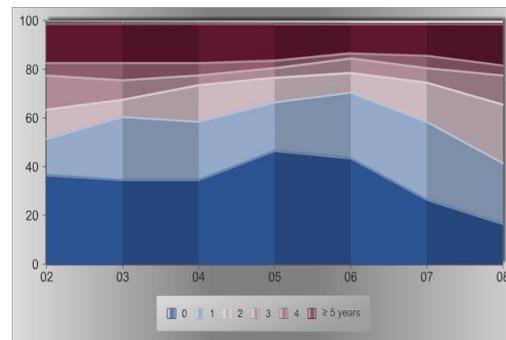
Employees by age range

In 2008, as mentioned above, the number of Employees who terminated their employment at BTP was higher than the number of new employees, due to the completion/closing of important job orders.

The number of Employees working at BTP for more than 2 years has increased over time; over 17% of employees have been working at BTP for more than 5 years.



Flows over time

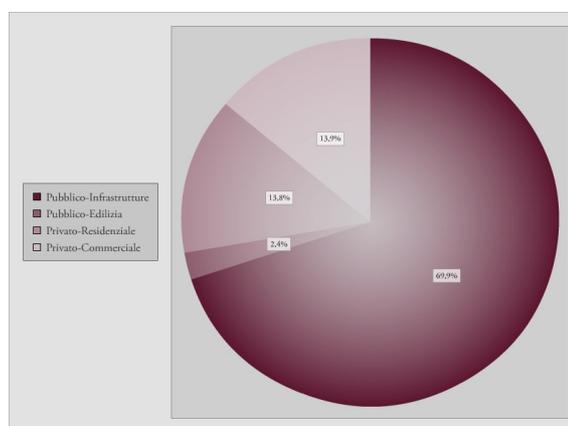
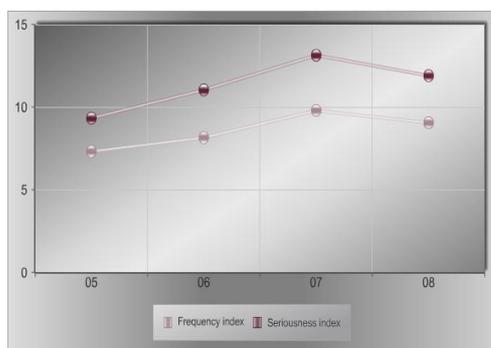


Permanent employees at BTP

Workplace Safety

The significant indexes to be used for an overall evaluation of accidents and leave from work are those of frequency and seriousness. These indexes have worsened over the years due to the increased number of jobs executed directly by BTP. Also in the light of this situation, the Company's Management has implemented a work Safety Management System that has reduced indexes since 2007, also in the light of the appreciable (absolute) number of lower accidents in 2008.

YEAR		A05	A06	A07	A08
number of accidents	A)	103	164	215	184
days of leave for accident	B)	2,829	5,792	7,325	5,786
Hours of work (ord. hours + Sat&Sun + extra time)	C)	1,406,192	2,010,206	2,193,680	2,031,418
FREQUENCY INDEX	A/Cx100,000	7.3247	8.1584	9.8009	9.0577
SERIOUSNESS INDEX	B/Cx1000	2.0118	2.8813	3.3391	2.8483



MAIN ACTIVITIES

The Company's main activities (divided by type of job and customer) in 2008 financial year are analysed and listed below:

	31/12/2008	Percentage	Percentage
PUBLIC CUSTOMERS	371,570,029	100%	72%
INFRASTRUCTURES	359,309,816	97%	
BUILDING, REDEVELOPMENT, RENOVATION	12,260,213	3%	
PRIVATE CUSTOMERS	142,217,167	100%	28%
RESIDENTIAL	70,808,057	50%	
INDUSTRIAL, COMMERCIAL, OFFICES	71,409,110	50%	
TOTAL	513,787,196		100%

Subdivision of production in 2008

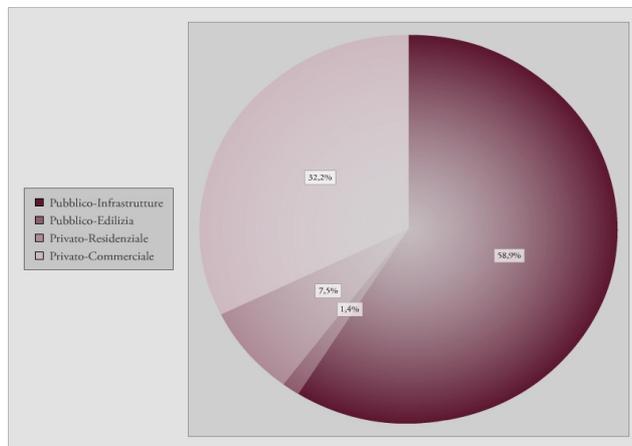
In 2008, 72% of production was achieved in the Public sector.

ORDER BACKLOG

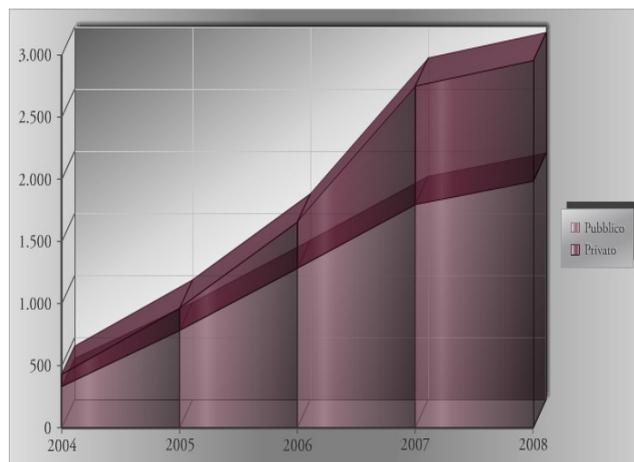
The trend in the Company's order backlog is reported in the following table and illustrated in the following graphs:

Customer	Order backlog as of 31/12/07	Acquisition of jobs as of 31/12/08	Production in 2008	Order backlog as of 31/12/2008	%
PUBLIC	1,361,859,135	188,197,381	371,570,029	1,178,486,486	60%
PRIVATE	902,388,938	18,196,697	142,217,167	778,368,470	40%
TOTAL	2,264,248,073	206,394,078	513,787,196	1,956,854,956	

Acquisitions in the private field were limited by the non achievement of the execution of important contracts, due to delays in the issue of building licences to several clients.



Percentage subdivision of order backlog as of 31/12/2008



Acquisition of Private and Public jobs over the last 5 years (millions Euro)

Infrastructures

Dirpa S.c. a r.l. – Maxi lot 2 – Street axis between Marche and Umbria and project "Quadrilatero di penetrazione interno" Lots 1.1.1 – 1.1.2 – 1.1.3 – 1.2 – 2.1 – 2.2 – Works for the erection of construction sites

The activities included in "Maxi Lot 2" are part of a larger project related to the expansion and erection of a series of road infrastructures known as "Quadrilatero Marche–Umbria" and "Pedemontana delle Marche". In particular, Maxi Lot 2 includes all of the activities required to complete and restructure the existing road axis between Perugia and Ancona (State Roads 76 and 318), and to build the Fabriano Muccia /Sfercia stretch along the mountain slope road in the region of Marche.

The activities assigned by the General Contractor Dirpa S.c. a r.l., totalling to an overall amount of approximately 561 million Euro, have been divided into six contracts for the road work and in one contract for the activities required to prepare the construction sites, which include the preparation of service roads, logistic fields, installations for the production of cement conglomerate, river crossings and secondary construction sites next to the entrances of tunnels.

Sublot 1.1 – S.S. 76 in "Val d'Esino" (Lots 1.1.1 – 1.1.2 – 1.1.3).

Sublot 1.1 comprises the "Fossato di Vico-Cancelli" stretch covering a length of 7+960 km and the "Albacina-Serra San Quirico" stretch covering a length of 14+300 km. The overall length is over 22 km and the work mainly comprises the construction of a second lane and the restructuring of parts of the existing one. The principal works included in the project comprise the construction of 19 natural tunnels covering an overall length of approximately 16 km, and of bridges and viaducts for over 3 km. The most significant works are the tunnels named "Valico di Fossato" (with a length of 2.3 km), "Sassi Rossi" (975 metres), Gola della Rossa (3,640 metres) and the shaft of tunnel named Gola della Rossa (3,575 metres).

Sublot 1.2 – State Road 318 in "Valfabbrica" (Lot 1.2).

Sublot 1.2 includes all the work that will be carried out along the "Pianello-Valfabbrica" stretch covering a total length of 8+077 km.

The activities include the construction of a second lane, consisting of 3 galleries for each line, for a total length above 4 km, and of bridges and viaducts covering a length of 2.7 km. The natural tunnels, both with two shafts, are the tunnels of "San Gregorio" (917+885 metres of length) and "Colle Maggio" (725+748 metres). The subplot also includes the construction of an artificial gallery (Galleria della Donna) covering a length of 387+402 metres.

Sublot 2.1 – "Pedemontana delle Marche" (Lot 2.1).

Sublot 2.1 includes the "Fabriano-Matelica" stretch covering a length of 12+200 km and the "Camerino-Muccia" stretch covering a length of 5+283 km.

The works also include the construction of a two-way lane.

The main works include the construction of 2 natural tunnels, covering a total length of 2.2 km, and of bridges and viaducts covering a length of almost 1 km.

Sublot 2.2 – "Pedemontana delle Marche" (Lot 2.2).

Sublot 2.2 includes all the work that will be carried out along the "Matelica-Camerino-Sfercia" covering a total length of 24+919 km.

The works also include the construction of a two-way lane.

The main works include the construction of 6 natural tunnels, covering a total length of almost 3 km, and of bridges and viaducts covering a total length of 1.5 km.

Soc. Autostrade per l'Italia S.p.A. – Addition of a third lane to the 'Florence North – Florence South' motorway stretch, Lots 4,5,6,7,8 (B and C Sections)

Assigned in 2004-2005, for an overall contractual amount of approx. 314 million Euro, the contracts plan to enlarge to three lanes each carriageway of the motorway stretch of the A1 between the turn-offs of Florence South and Florence Scandicci, for some 13.4 km.

This development includes the following main jobs:

- Artificial tunnels: Casellina (460 mt), Melarancio II (160 mt), Lastrone (77 mt);
- Natural tunnels: Melarancio (990 mt), Del Colle (660 mt), Poggio Secco (1,250 mt), Romite (220 mt), Pozzolatico (2,400 mt);

- No. 7 overpasses with mixed steel-concrete decks and spans between 60 and 120 mt;
- No. 8 works with structural decking panels and pre-stressed reinforced concrete beams and spans up to 26 mt;
- No. 14 box-like sectioned works and 15 tubular manholes.

In the first survey on the amended project, completed in July 2007, the amount of the works was increased to approximately € 363,682,649 and the deadline for their completion postponed to February 2011. During 2008, the two main underground works (Pozzolatico and Melarancio tunnels) suffered a repeated series of damages that caused the interruption of all work in the months of August/September and resulted in the Customer having to further review the executive project. The review was urged also by the territorial AUSL, which asked the Customer to review the executive project and specifically focus on the enhancement of the safety standards.

As a result of this survey, the amount of the contract will be increased due to the need of integrating additional work that was not detailed in the original contract. The survey will be completed in the second half of 2009.

The survey will probably also highlight the need of adjusting the time schedules for the new lots of work on the tunnels, which are regarded as critical elements of the project and must be completed before November 2011.

The program aimed at accelerating some of the work phases, whose observance was mandatory for being entitled to the payment of the acceleration premiums amounting to 19.7 million Euro, will be readjusted in consideration of the events reported.

The percentage of work carried out at the end of the financial year was approximately 54%.

Execution of the works for completion of the stretch between Sasso Marconi and Barberino di Mugello – SECTION MUGELLO 1st PART (Section 12 and Turn-off at Barberino di Mugello)

The contract was assigned to Baldassini-Tognozzi-Pontello on 16th February 2006, as the second best bid in the call for tenders of February 2004 (estimated average decrease: 0.50%), following the winning Company's contractual withdrawal (Ferrari S.p.A.). The amount includes works for about 59.3 million Euro as a whole, about 52.7 million Euro for measure-based works, and about 16.1 million Euro for safety expenses, for a total amount of about 128.1 million Euro.

The contractual date for completion was set at 7 September 2009 (1,298 natural days).

The job consists in completing Section 12 of the Mountain Pass of the A1 Motorway, as well as the new turn-off at Barberino di Mugello.

Work included in the contract foresaw the opening of the turn-off at Barberino di Mugello, the construction of three mixed steel-concrete viaducts (Bollone, Navale and Fiumicello Viaducts) for an overall length of 2.2 km of metal decks, three artificial tunnels (Bollone 1-2-3) for an overall length of 700 mt., and two natural double bore tunnels for an overall length of 2.4 km.

The contract also included the constructions of side roads opened to traffic.

Having already completed and opened the Barberino di Mugello turn-off to traffic, during 2007 all the foundation works of the main viaducts were completed, the launching operations of the metal deck of the Bollone viaduct were started, the excavation works in the Lagnano tunnel were pursued and the geo-technical engineering works concerning the artificial tunnels Bollone I, II and III were substantially completed.

Of all of our jobs, this is the one that is most affected by the trends of national and international steel market, due to the presence of large viaducts with mixed steel-concrete decks. This engendered, in 2007, a harsh dispute with the steel supplier, which determined the delay on work progress.

The other 'disturbances' to work progress were caused by the need to suit the project to new solutions introduced by the Executive Direction nearly every week, by the disturbances caused by external companies using the service roads being built and by the unfitness for use of some building areas differing from what indicated in the call for tenders.

At the end of 2007, completed work amounted to approximately 51.0 million Euro.

During 2008, following the complete review of the project, completed by the administration and resulting in the issue of a survey document that was handed over to us during the year and was made official in March 2009, productivity significantly increased due to the decision to support the work of the original supplier of the viaducts, with which an agreement has been now reached to settle the dispute, with a second supplier, and

as a result of the reorganisation of the operations required to meet the new project requirements, which were mainly related to the progress of works inside the tunnels and which were ordered by the administration.

In addition to substantially completing the viaducts of Bollone and Navale and the tunnel of Lagnano, we started the excavation work for the tunnel of Buttoli, which is now completed by almost 50%, and carried out the reinforced concrete work in the tunnels of Bollone 1-2-3, which is now been completed by 60%.

During 2008 we substantially found an amicable agreement regarding the dispute that has arisen from the beginning of the contract.

The agreement was made official in March 2009.

The contractual value for the above-mentioned amendment to the original project has been increased to 187.5 million Euro and the new date for the completion of the works has been postponed to 15 October 2010.

All the main work will be probably completed during 2009. The remaining works that will have to be completed during 2010 will include the installations, paving work, safety barriers and the finishing work on these items. All these works have been included in the aforementioned amendment to the original project.

As a result of the increase of productivity, the overall progress of the project as of 31.12.08 was equivalent to 106.5 million Euro.

RFI / Italferr - Doubling the Bologna-Verona railway line, along the Crevalcore-Nogara stretch (sections 3.0, 4.1 and 4.2) and along the San Felice sul Panaro – Poggio Rusco stretch (section 3.2)

The works were assigned to the ATI [Temporary Association of Enterprises] between 2003 and 2004, and are now being carried out according to schedule: they consist of the execution of a new double track railway line for some 50 km. The most significant works are two railway viaducts, “Panaro” and “Canal Bianco”, for overall 5 km. The total amount of the two contracts is 252 million Euro; the BTP quota is 70%, i.e. 176 million Euro; at the end of 2008, 92% of the job was completed. Expected date of completion: the second semester of 2009.

The construction of the second track along the stretch between Crevalcore-Poggio Rusco and Ostiglia-Nogara has already been completed and opened to railway traffic. Work completion, which depends also on the completion of a bridge over the River Po – object of a different contract – is scheduled for September 2009, therefore in advance compared to the contractually agreed deadline.

RFI / Italferr – Quadruplication of the Padua-Mestre railway line

The job, assigned to the ATI [Temporary Association of Enterprises], is for a contractual amount of some 115 million Euro. BTP's quota amounts to over 68 million Euro, which have all been already booked. The works, consisting in broadening the double-track bed (for some 20 km) were completed on 21 February 2008 and the last Job Progress Report is due to be issued.

TAV / Italferr – Bologna Railway network, Job 9 / Tav 43

The job was assigned to the ATI [Temporary Association of Enterprises] for a contractual amount of over 92 million Euro. In 2006, a Supplementary Deed was executed, which raised the amount of the job to 104 million Euro. BTP's quota amounts to some 91 million Euro.

The works consist in enlarging the current double railway track for Milan to four tracks in the western outskirts of Bologna, with a branch-line of the High Speed line for Milan and of the line for Verona. The most significant works are the railway bridge “Cintura 2” with 35 spans (25 metres each), and the reinforced concrete box-like structure that will allow the new railway line to pass under the A1 Motorway and Bologna by-pass. All the railway works have been completed. In June 2007, the new High Speed line was opened to the public.

In May 2008, an amendment to the original project was formally introduced for the inclusion of Sound Barriers in the contracted job both along the standard railway line for Verona and along the high speed line, for an overall amount of approximately 13.4 million Euro. Work progress: 48% of the most meaningful item of this extra job has been completed.

As of 31.12.07, 95% of the job was completed; expected date of completion: October 2009.

RFI / Italferr - Dynamic Multifunction Plant (Idp2), Naples and the new Naples-Barra railway station

The jobs, for a contractual amount of over 72.5 million Euro, were acquired by the ATI [Temporary Association of Enterprises], where BTP is the parent company for the IDP2 part and, as sole contractor, for the Barra railway station. In 2006, a Supplementary Deed was made, which raised the amount of the two contracts to some 86 million Euro. Baldassini-Tognozzi-Pontello's quota is for over 62 million Euro.

The IDP2 job consists in developing the ordinary and extraordinary maintenance plant for "fixed-array" high- and low-speed trains used in the south of Italy. The most significant work is the MAV/MBV depot, where up to twelve complete trains will be housed in a covered 25.000 m² area. The depot has been completed and is now operating.

The other main job consists in developing the Naples Barra railway station. The most significant work is the large underpass in reinforced concrete connecting the station's platforms.

As of 31st December 2008, 90% of BTP's quota was completed for the first contract and 70% was completed for the second, also due to a series of significant changes imposed by Italferr which delayed commencement of the works.

For both jobs, completion is expected in the Fall 2009.

RFI / Italferr – Doubling the Railway Line between Pellaio (Reggio Calabria) and Capo d'Armi

This is an integrated job, whose contractual amount, re-qualified according to the executive plan, amounts to approximately 51.8 million Euro.

The contracted job consists in widening the existing single track, so as to build a new railway line with three new viaducts, extending manholes and other existing works. In addition, some 20 new road and pedestrian underpasses will be built in order to remove the many level crossings. Work completion was scheduled for 24 September 2007.

In September 2006, we successfully managed to finish all the necessary works for opening the double track (for the entire stretch) to railway traffic, 15 months earlier than foreseen deadline; therefore, the entire acceleration award was granted, as stated in the contract (11.6 million Euro).

Following the attainment of the award and the introduction of two plans amending the original project, the total contractual amount rose to 65.3 million Euro. In particular, said amendments to the original project included the performance of additional works required by Italferr and that were necessary to protect the coast from heavy seas, as well as other extra works to improve road traffic. An agreement was found to postpone job completion to 15 October 2008.

On the same date, work execution certificate was drawn up. Official tests are currently under way.

Anas – Widening the Salerno – Reggio Calabria motorway, SA-RC 3rd trunk-2nd stretch-Section 4

In 2007, the job was completed and the motorway was opened to traffic in September, as planned.

The final test shall be scheduled following the completion of some side interventions, whose execution was delayed.

Anas – Works relating to the construction of State Road SS125 "Orientale Sarda" 2nd section, 3rd stretch; 3rd section, 1st and 2nd stretches

The contracts, amounting to over 23.5 million Euro, were awarded for the construction of a new state road named S.S.125, covering approximately 8.0 km. The first part was related to the turnoff of "Cardedu", which has been completed and was opened to the public during February 2007.

The second part was related to the construction of a tunnel covering an overall length of 1.6 km and of an uncovered stretch covering a length of 1.7 km, which also includes the construction of the turnoff of Barisardo.

The excavation of the tunnel of Genna Ortiga, which falls in the second part of the project, has been completed, while only approximately 60% of the works related to the final coating have now been completed.

Outdoor works have been substantially completed, except for the superstructures and some marginal finishing works along the edges.

The overall completion percentage for both contracted jobs at the end of 2008 was approximately equivalent to 80%. The project should be fully completed during the third quarter of 2009.

Anas – State Road SS337 “Valle Vigezzo” Enhancement of the safety of stretch between km 7+300 and km 8+450

The contracted job includes the construction of the tunnel of Paiesco covering an overall length of 1.2 km and of a small uncovered stretch covering a length of approximately 300 mt. The total value of the works is above 23.5 million Euro.

The works, which were started after the completion of the yard and delayed due to the adverse conditions during the winter season, were practically started in the spring of 2007.

During 2008, the tunnel excavation work was completed, the final finishing work was started and the outdoor work was completed.

The project progress percentage as of 31.12.08 was approximately 57%.

Anas – Enlargement of the Salerno – Reggio Calabria motorway, SA-RC, third section, 2 part, lot 1

The contracted job consists in the completion of a stretch along the Salerno – Reggio Calabria motorway, which had already been partially built by another contractor.

The lot, which covers an overall length of approximately 3.0 km, includes the construction of a natural tunnel, an artificial gallery of approximately 200 mt, a piling covering a length of 300 mt and reinforcement walls in correspondence with the piles for a total of 600 mt.

The work has to be performed along the edges of a very unstable slope, which explains the importance of the related stabilisation activities.

The contract amount is 23.5 million Euro.

The work was delivered to the customer in October 2008 and the work schedule approved by the Customer indicates that the stretch will be opened in May 2009.

Civil Works

Silvestrini Hospital in Perugia

All work was carried out and completed within the dates stated in the contract and the final statement was signed on 26.03.2008. The value applicable to the final status of works and related contracts is approximately € 72,298,482.00.

The Testing Committee issued the Test certificate on 23.10.2008.

New territorial hospital of Todi - Marsciano

The new territorial hospital is designed to group all the existing hospital institutes present in the areas of Marsciano and Todi and thus renovate the hospital network for a catchment area with a total population of 53,000 residents.

The work, which started on 30 March 2007, is well ahead.

The contracted job, amounting to above € 20,325,000, includes the following:

- Construction of 5 buildings for medical, surgical and outpatient activities, with 120 beds, extending over a total net area of 16,000 square metres and with a total volume of approximately 71,300 cubic metres.
- Construction of a technological station designed to serve the hospital complex with annex warehouse for gases used for medical purposes.
- Construction of internal two-way roads in a ring configuration, connected to ordinary roads, and of approximately 540 parking slots at ground level.
- Construction of a network for the collection and discharge of sewage water, connection of this network to the municipal one, and creation of green areas with selected evergreen and seasonal plants.

As of 31.12.2008, 12 Job Progress Reports had been granted for a total amount of € 9,822,753.54.

The definition of the survey related to Amendment n. 2 to the original project is yet in progress. As its aim is to improve the quality of the work and enhance the distribution of masonry work and installations, the contract value will be increased to approximately € 22,800,000.00, also as a result of the finding of the survey on Amendment n. 1 to the original project 1.

The works, which will be completed within January 2010, are regularly in progress.

Interport of S. Miniato, Pisa – Units for Forwarders' Centre

The job consists of building an industrial unit included in the lot plan of the area which is to become a train yard - district D6 in San Donato, near the FI-PI-LI Highway. The unit is made up of 6 industrial sheds, for overall 100,000 covered square metres; the sheds are prefabricated and made of prefabricated curtain walls, plus 8,000 square metres of middle floors for offices and 1 building for management and commercial purposes, for an overall area of some 3,500 square metres. The job amounts to 70 million Euro.

Production unit in Querciola, Municipality of Sesto Fiorentino

The job foresees the construction of production units, of which n. 1, 2, 3 and 4 as under the Minimum Units of Intervention (U.M.I.), as included in the Detailed Plan no. 10, page 18/24 of the P.R.G. [Regulating Plan]. The production unit consists of 11 production buildings and 2 service centres and related works, for an overall area of some 47,668 square metres, plus a parking area of some 15,141 square metres and private roads for some 2,285 square metres.

In particular, the U.M.I. areas are structured and developed as follows:

- U.M.I. 1: 4 buildings for production purposes on 2 floors, and a service centre on 3 floors, usable area 13,370 square metres.
- U.M.I. 2: 4 buildings for production purposes on 2 floors, and a service centre on 3 floors; usable area 16,996 square metres.
- U.M.I. 3: 1 building for production purposes on 2 floors, usable area 5,863 square metres.
- U.M.I. 4: 2 buildings for production purposes on 2 floors, usable area 11,439 square metres.

The project provides for buildings which may be subdivided into several units, developed on the basis of the "front/back" idea, i.e. facing both public and private roads (on the latter, small courtyards are also located). All buildings are prefabricated, with prefabricated curtain walls in coloured reinforced concrete on matrix formworks. Prefabricated beam covers are completed by semicircular panels in insulated aluminium. Door frames are in aluminium; entrance metal folding doors are surmounted by cantilever roofs. The job amounts to some 21.2 million Euro.

Hotels

Renovation of former Fiat area Viale Belfiore / Via Benedetto Marcello – Florence

The area, surrounded by vegetation the same height as buildings, includes a hotel, a commercial area, a congress centre and a number of residential units. The usable area of the hotel is some 18,980 m²; the first floor underground includes the hotel foyer, reception, breakfast room and restaurant, while the upper three floors accommodate the hotel rooms and suites; the swimming pool, solarium, lounge bar and 25 rooms are on the fourth floor.

There are overall 205 rooms, of which 8 suites, all with private loggia or garden. The hotel services are located in an autonomous unit (yet integrated in the overall organizational structure), and are distributed on three floors, facing inwards, with double façade screened by wooden *brise-soleils*; the last floor is occupied by technical units.

The 33 commercial units are located on two floors and have a usable area of some 6,170 m²; access is from public pathways.

The congress centre, located on the third floor underground, has a usable area of some 1,950 m² and includes a foyer, bar, cloakroom, multi-purpose hall of 700 m² for 600 people, plus three smaller rooms. On the lower floor, there are projection and interpreters' booths.

The residential area is on the western part of the site; 106 apartments are located on 5 storeys and spread over a usable area of 6,290 m²; all apartments are located around a central garden and have a private balcony. The unit has some 700 underground car places. The job amounts to 84.33 million Euro.

Villa and Park Le Maschere

The estate is located near Barberino del Mugello, in the locality Le Maschere, on an isolated hill overlooking the lake of Bilancino. It includes the main four-storey building, Villa delle Maschere, which occupies a surface totalling to some 7,000 square metres, as well as a smaller building, the Gardener's dwelling, on two floors for some 800 square metres, and the Park, which stretches over some 19 hectares.

Historical outlines: The first iconographical evidence of the Villa dates back to 1585. In fact, around 1590, a map of the Borough of S. Jacopo at Villa Nova and S. Maria a Colle Barocci was drawn by the 'Capitani di Parte' [governors], and the property is easily visible therein. The Bettini family were its owners. An important

year in the history of the Villa was 1611, when Marquis Ottavio Gerini bought the property, together with thirteen farms, from Ser Bartolomeo di Vincenzo Bettini. From then onwards, the Gerini family enlarged it and embellished it continuously. The period when the villa was most enlarged was between 1600 and the early years of the 18th century; there is a splendid image of the Villa, made by Zocchi in 1744, which shows that the Villa had been enormously increased in size compared to the 16th century dwelling. On occasion of Pope Pius IX's stay, on 17th August 1857, the family chapel was embellished and enlarged. In the early years of the 20th century, Marquis Gerini called Tito Chini to restore and fresco the first-floor rooms with stucco works, large windows and panels.

Works: Purchased by the current owners in 2000, totally abandoned and in a state of utter decay, the whole complex was converted into a high-class hotel, and work was completed in December 2008 as per budgeted program drafted in November 2003, namely in five years' time. The complex is today a luxury hotel with 65 historical bedrooms divided between the "Villa" and the "Gardener's Dwelling", and a large wellness centre equipped with indoor swimming pools. The park has been restored according to 19th century criteria and methods, bringing back to life romantic walkways, panoramic avenues, 'belvedere', ponds and fields. All of the works have been carried out in compliance with applicable regulations and under the supervision of the Monument and Environment Superintendence. In the light of the excellent and accurate conservative restoration work of the "Monumental Complex of Villa Le Maschere and Annexed Park", the Superintendence has published a precious 260-page book featuring the history, photographs and documents that testify to the exceptional intervention carried out by the building company. The job net amount, as per the 2003 budget, totalled to 21 million Euro. The restored complex was entrusted to the management company, which has already begun hotel business activity.

New multifunctional building for service equipment designed to be built close to Rome's railway station – San Pietro, Via del Crocifisso

The new building, designed to be used for service equipment, will be constituted by seven floors, 4 underground and 3 above ground level, for a total of approximately 12,500 square meters, 4,000 of which will be used for general and cultural services, 3,000 for commercial and equivalent activities and 5,500 for reception activities. 95 rooms will be reserved to the reception activities. The load-bearing frame will be made in reinforced concrete, while the external curtain walls will be made of a mix of glass and marble.

As of 31.12.2008, 95% of the total volume (20,000 cubic meters) had been excavated inside the pilings and the panels fixed in place by approximately 950 tie rods. Approximately 30% of the excavation work was carried out under the surveillance of the body responsible for the protection of the archaeological heritage. The foundation work should start at the beginning of 2008. The expected duration of the project is 36 months.

Internal restoration of the building in via Amendola – via Daniele Manin – via Principe Amedeo, Rome (The job includes completion of an indoor garage and a conference hall).

The residential building to be restored dates back to the late 19th century (covered area some 1,600 square metres and internal courtyard some 380 square metres), and includes an underground floor and seven above ground level floors.

The masonry structure (tuff blocks and full brickworks) includes different kinds of floors (original floors are either wooden or vaulted; previously renovated floors are either with brick arches on iron I-beams or in reinforced concrete).

Basic works envisage the general replacement of floors, reserving consolidation works only to reinforced concrete sections (where not ruined).

Stairs and lifts have been entirely pulled down and rebuilt. Walls have been suitably reinforced.

A 2-storey garage has been built in the internal courtyard (going 7 metres deep) under the supervision of the Archaeological Superintendence; the garage will provide 25 car slots, above which a conference hall will be built.

The new internal partitions are obtained through equipped walls, made of chalk panels and supported by metal structures, i.e. a cutting-edge solution guaranteeing noise abatement. Finishes on the various floors are being completed and the premises are almost ready to be furnished. The underground floors and the technical rooms are nearly completed. On the first floor, which will accommodate the hall, the restaurant and the conference room, only internal partitions have been achieved. Job completion (both building works and equipment installation) is scheduled for 31 July 2009. Work progress percentage as of 31.12.2008 is equivalent to 90%.

The job will amount to overall 21 million Euro.

Residential building designed to be used as sheltered accommodation centre – Prato – Via Pistoiese.

The project applies to the construction of a new sheltered accommodation centre (RSA) designed to provide continuous and/or daily assistance to elderly people under the national health program. The complex consists of two twin buildings placed in a symmetrical configuration as compared to the central tower used as common staircase. Both buildings, referred to as “A” and “B”, have four floors above ground level, some technical rooms on the roof and an underground floor designed to be used for rehabilitation purposes for building "A" and as garage for building "B". The complex will have 120 beds, distributed among 45 two-bedroom rooms, 8 mini flats and spaces for daily guests (outpatients), in addition to rooms for general purposes and for the staff working in the centre. The structure will be built in conventional reinforced concrete, with a deck base and flat roofs. The project value is 5.8 million Euro.

Building for accommodation (residential) and commercial purposes in Via Barberinense / Via Einstein – Campi Bisenzio – Florence

The job concerns an area undergoing rapid expansion, thanks to a dynamic development of its retail, trade, entertainment facilities and structures.

The building, on six above-ground floors, extends for some 9,576 square metres, 8,820 of which are for tourist purposes (180 residential units) and 756 square metres, on the ground floor, for commercial purposes.

The project includes a tall portico in Navona travertine which serves as a base; and a central unit, from the second to the fifth floor, evenly interrupted by prefabricated panels in GRC (Glass Reinforced Concrete), sporadically interspersed by volumes protruding from its façade.

On the top floor, there is an open gallery, a loggia, set back from the façade, which completes the building.

On its short sides, there are emergency staircases, camouflaged by an opal glass front.

The job amounts to 12.8 million Euro.

Residential

Ten residential interventions are currently being carried out in Tuscany, for overall 1,179 accommodation units, plus a substantial number of commercial units and annexed offices.

Said jobs have been commissioned by local building cooperatives and private clients.

The net amount of the jobs is over 163 million Euro.

The most significant jobs are listed here below:

- Urban restoration related to the demolition of sheds, and building of a residential complex with 5 residential and commercial units, for 92 apartments and 12 shops, plus primary and secondary urbanization works in the “Former Sims” area in the Municipality of Scandicci – Via Mazzini, on the corner with Via Del Mulin Nuovo – for over 17.5 million Euro.
- Restoring and building units for multiple uses (commercial, residential and offices), for overall 100 apartments, 3 shops and 2 offices, plus underground areas for garages and technical rooms, subdivided in 4 buildings, in the Municipality of Rignano sull’Arno – Locality of Troghi. Job net amount: 16.2 million Euro.
- Within the framework of the Integrated Intervention Plan (P.I.I.), aimed at redeveloping the urban, building and environmental context of Badia a Settimo / S. Colombano, a P.E.E.P. area [Area for Council Houses] has been identified, within which 16 Lots are being constructed to accommodate overall 234 apartments subdivided as follows: 3 terraced lots for 31 apartments; 6 aligned lots for 110 apartments and 7 tower lots for 93 apartments, a building for a kindergarten and multiple purposes, plus primary and secondary development works including a large green area to be used as a public park. Job net amount: 39.5 million Euro.
- Within the experimental residential building plan called “20,000 buildings on rent”, the company Affitto Firenze S.p.A. has launched the construction of a Conventional Unitary Project within the intervention area “La Sala”. In this context the following lots are being built: Lots 1; 3; 4; and 5; more specifically, Lot 1 to be let, with 90 lodgings; for sale: Lot 3, with 39 lodgings, Lot 4 with 39 lodgings, and Lot 5 with 16 lodgings. The area is in Florence, locality “La Sala”. Job net amount: over 20.8 million Euro.
- Construction of a circular-shaped building for mixed purposes (i.e. residential and commercial purposes), with 133 apartments and 7 commercial units, plus underground garages and green areas, in Calenzano (FI) – section 23 – railway station area – area of the former Cement Factory Valmarina. Job amount: 16.7 million Euro.
- Project within the framework of the Recovery Plan no. 40 in Via Nuova – Calenzano (Florence), involving the construction of residential buildings in the UMI 1 [Minimum Unit of Intervention],

UMI 2, UMI 3 and UMI 4 areas. In the UMI 1 and 2 areas, the Recovery Plan allows for the erection of two buildings for each UMI with 3-4 floors above ground, making up 212 lodgings, for an overall covered ground area of 11,340 square metres. In the UMI 3 and 4 areas, two buildings are planned for each UMI, with 2-3 floors above ground, making up 128 lodgings, with an overall covered ground area of 7,360 square metres. The main buildings include private underground parking lots, which can be reached from the central portion of the allotment; between the various buildings, there is a central courtyard, accessible from public roads, with pedestrian pathways leading to common staircases and the lodgings on the ground floor. Such common areas will be equipped with amenities, fostering residents' social aggregation. Outside the buildings, small private pieces of land will be arranged with paving, grass and plants. Air-conditioning and central heating plants of the entire property will be connected to a centralized tele-heating and tele-conditioning system, which will supply both hot and cold water. Job amount: 27.1 million Euro.

- Works to be executed in the U.M.I 5 [Minimum Unit of Intervention] and U.M.I 6 areas pursuant to Operating Plan P.L. 13 – P25 in Via Lazzarini in the Municipality of Sesto Fiorentino. The new residential complex is included in a broad development project focusing on the countryside of the Municipality of Sesto Fiorentino. Said project foresees the construction of residential buildings, hotels and service outlets. The U.M.I.'s falling within the framework of the project are located in the eastern side of the area and foresee the construction of two residential buildings: a "C"-shaped building for U.M.I 5 and a "L"-shaped building for U.M.I 6. The project concerns a 3,000 square metre area for U.M.I 5 and a 3,073 square metre area for U.M.I 6 (for overall 6,073 square metres). Eighty-three apartments will be built, divided into "free market price" type (50%) and "concessional price" type (50%). The structure is made of reinforced concrete with mixed reinforced concrete and EPS floors. The buildings will be made up of one underground floor and five/six above ground level floors; metal roof; traditional, plastered curtain walls that are externally coated with stone material on the first level and merely plastered on the upper levels; wooden window frames; PVC roller blinds. Job amount: 10 million Euro.

PROFIT AND LOSS STATEMENT, ASSET AND LIABILITY STATEMENT

Financial year 2008 ended with a net profit of Euro 940,212, a pre-tax result of Euro 5,780,339 and an operating profit of Euro 28,612,554.

Production revenues increased (+2.5%) with respect to the previous year, going from Euro 514,853,144 to Euro 527,642,995.

Production revenues are recorded net of the contractual risk (Euro 552,201), representing the provision to cover eventual liabilities with respect to single contractual situations, determined on the basis of their risks.

The gross operating margin went from Euro 24,718,621 in financial year 2007 to Euro 30,366,158 in financial year 2008, thus recording an increase of Euro 5,647,537.

The Company's assets and liabilities, as of 31 December 2008, registers a net invested capital of Euro 290,329,294, thus recording an increase of Euro 115,162,539 compared to previous financial year.

Short-term net indebtedness went from Euro 71,740,282 in financial year 2007 to Euro 199,474,023 in financial year 2008, thus registering an increase of Euro 127,733,741. The short-term indebtedness highlights an increase that is mainly due to a decrease in financial receivables from controlled companies.

Mid- long-term net indebtedness went from Euro 72,401,550 in financial year 2007 to Euro 47,460,641 in financial year 2008, thus registering a decrease of Euro 24,940,909, which is mainly due to a decrease in mid-term and long-term payables to bank and other financial institutions.

At the end of the year, the Company's net equity amounted to Euro 49,035,570, with an increase of Euro 940,207 with respect to the previous year.

The main economic and financial items in the balance sheet as of 31 December 2008, including those already mentioned above, are shown in the following tables:

Summary Profit & Loss Statement

	2008	% on revenues	2007	% on revenues
Revenues	513 787 195		476 922 893	
Adjustment*	(55 528 231)		(59 300 765)	
Revenues net of adjustments	458 258 964	97.07%	417 622 128	91.67%
Other revenues and income	13 855 800	2.93%	37 930 251	8.33%
Production revenues (net of adjustments)	472 114 764	100.00%	455 552 379	100.00%
Operating costs	(497 276 837)		(490 134 523)	
Adjustments *	55 528 231		59 300 765	
Operating costs net of adjustments	(441 748 606)	(93.57%)	(430 833 758)	(94.57%)
Gross operating margin	30 366 158	6.43%	24 718 621	5.43%
Amortizations and provisions	(1 753 604)	(0.37%)	(2 351 331)	(0.52%)
Operating profit	28 612 554	6.06%	22 367 290	4.91%
Net financial (charges) revenues	(22 375 528)	(4.74%)	(11 005 243)	(2.42%)
Adjustments to financial asset values	(542 570)	(0.11%)	(221 133)	(0.05%)
Net extraordinary (charges) revenues	85 883	0.02%	(19 296)	(0.00%)
Pre-tax result	5 780 339	1.22%	11 121 618	2.44 %
Taxes	(4 840 127)	(1.02%)	(3 908 152)	(0.86%)
Net profit (loss)	940 212	0.20%	7 213 466	1.58%
Cash flow (profit plus amortizations)	2 693 816	0.57%	9 564 797	2.10%

*in order to accurately represent the Company's actual economic progress, its revenues and costs have been reported net of any mutual crediting and debiting with consortium companies since such relations ordinarily produce an increase in revenues and costs with no added value.

Taxes refer to IRES (corporate tax) of Euro 2,307,924 (Euro 4,206,679 in 2007), to IRAP (regional tax on production) of Euro 2,666,415 (Euro 3,032,059 in 2007), and to the effect of deferred/prepaid taxes of Euro (134,212).

The **cash flow** (profit plus amortizations) went from Euro 9,564,797 in previous financial year to Euro 2,693,816 in 2008.

The **year's profit** went from Euro 7,213,466 in financial year 2007 to Euro 940,212 in financial year 2008.

The **pre-tax result** went from Euro 11,121,618 in financial year 2007 to Euro 5,780,339 in financial year 2008.

The **operating profit** went from Euro 22,367,290 in financial year 2007 to Euro 28,612,554 in financial year 2008, thus recording an increase of Euro 6,245,264.

The **gross operating margin** went from Euro 24,718,621 in financial year 2007 to Euro 30,366,158 in financial year 2008, thus recording an increase of Euro 5,647,537.

As shown in the Table, the lower pre-tax result and net result at year-end compared to previous financial year is due to an increase in net financial charges. Said increase is due to a decrease in interests accrued in 2008 receivable from controlled and affiliated companies and to higher bank interest rates.

Profit and Loss Statement reclassified to show added value

	31/12/2008	%	31/12/2007	%
Gains on sales	129,785,907	28.15%	188,256,816	42.22%
Internal production	386,754,691	83.89%	316,922,016	71.08%
OPERATIONAL PRODUCTION REVENUES	516,540,598	112.04%	505,178,832	113.30%
Adjustment*	(55,528,231)	(12.04%)	(59,300,765)	(13.30%)
OPERATIONAL PRODUCTION REVENUES net of adjustment	461,012,367	100.00%	445,878,067	100.00%
Operational external costs	(430,165,729)	(93.31%)	(426,546,053)	(95.66%)
Adjustment	55,528,231	12.04%	59,300,765	13.30%
Operational external costs net of adjustment	(374,637,498)	(81.26%)	(367,245,288)	(82.36%)
ADDED VALUE	86,374,869	18.74%	78,632,779	17.64%
Personnel expenses	(58,641,124)	(12.72%)	(59,320,473)	(13.30%)
GROSS OPERATING MARGIN	27,733,745	6.02%	19,312,306	4.33%
Amortizations and provisions	(1,753,604)	(0.38%)	(2,351,331)	(0.53%)
OPERATIONAL REVENUES	25,980,141	5.64%	16,960,975	3.80%
Revenues of accessory area	2,632,413	0.57%	5,406,315	1.21%
Revenues of financial area (net of financial charges)	12,595,757	2.73%	16,038,644	3.60%
NORMALISED EBIT	41,208,311	8.94%	38,405,934	8.61%
Revenues of extraordinary area	(456,687)	(0.10%)	(240,429)	(0.05%)
FULLY STATED EBIT	40,751,624	8.84%	38,165,505	8.56%
Financial charges	(34,971,285)	(7.59%)	(27,043,887)	(6.07%)
GROSS REVENUES	5,780,339	1.25%	11,121,618	2.49%
Income tax	(4,840,127)	(1.05%)	(3,908,152)	(0.88%)
NET REVENUES	940,212	0.20%	7,213,466	1.62%

*in order to accurately represent the Company's actual economic progress, its revenues and costs have been reported net of any mutual crediting and debiting with consortium companies since such relations ordinarily produce an increase in revenues and costs with no added value.

Please find below the main balance sheet indexes that economic-corporate literature deems useful for the economic analysis of the Company, compared with those of the previous year.

Profitability indexes	2008	2007
ROE – return on own capital	1.92%	15.00%
ROA – return on current management	5.46%	5.29%
ROI – return on invested capital	3.45%	2.34%
ROD – onerousness of debt capital	4.96%	3.99%
Impact of net financial charges on production revenues	4.33%	2.18%

Summary Asset and Liability statement

	31/12/2008	31/12/2007
Net fixed assets	20,879,685	20,430,027
Net current assets	274,407,703	161,412,564
Risk reserves and Employees' Retirement Indemnity Fund	(4,958,094)	(6,675,836)
Net invested capital	290,329,294	175,166,755
Financial assets not classified as fixed assets	5,640,940	17,070,440
Short-term net indebtedness	(199,474,023)	(71,740,282)
Mid- long-term net indebtedness	(47,460,641)	(72,401,550)
Net indebtedness	(241,293,724)	(127,071,392)
Net equity	49,035,570	48,095,363
Employees at year end	1,124	1,260
Net revenues per employee	469,433	408,614

The increase in net current assets is specifically analysed in the "Financial position" section.

Short-term net indebtedness went from Euro 71,740,282 in financial year 2007 to Euro 199,474,023 in financial year 2008, thus recording an increase of Euro 127,733,741 – see the "Financial position" section for further details.

Mid/long-term net indebtedness went from Euro 72,401,550 in financial year 2007 to Euro 47,460,641 in financial year 2008, thus recording a decrease of Euro 24,940,909, which is mainly due to a decrease in mid-term and long-term payables to bank and other financial institutions.

Following is the Reclassified Assets and Liabilities Statement:

Reclassified assets and liabilities statement

	31/12/2008	31/12/2007
Assets		
FIXED ASSETS	21,267,288	21,332,537
Stock including advances received on Job Progress Reports	2,012,272,520	1,462,437,105
Deferred liquidity	355,885,749	554,247,934
Immediate liquidity	30,015,001	16,839,930
CURRENT ASSETS	2,398,173,270	2,033,524,969
INVESTED CAPITAL	2,419,440,558	2,054,857,506
OWN CAPITAL	49,035,570	48,095,363
Consolidated liabilities	53,406,157	80,024,297
Current liabilities including advances received on Job Progress Reports	2,316,998,831	1,926,737,846
THIRD PARTY CAPITAL	2,370,404,988	2,006,762,143
TOTAL SOURCES	2,419,440,558	2,054,857,506

The entry "stock" includes the advances received on Job Progress Reports for Euro 1,665,350,950 (Euro 1,328,850,151 as of 31.12.2007) which are thus entered among "current liabilities".

Please find below the main balance sheet indexes that economic-corporate literature deems useful for the analysis of the Company's assets, liabilities and financial position, compared with those of the previous year, determined according to the following, financially reclassified assets and liabilities statement, where the stock of contractual job in progress is entered net of advances received on Job Progress Reports:

Reclassified assets and liabilities statement

	31/12/2008	31/12/2007
Assets		
FIXED ASSETS	21,267,288	21,332,537
Stock net of advances received on Job Progress Reports	346,921,570	133,586,954
Deferred liquidity	355,885,749	554,247,934
Immediate liquidity	30,015,001	16,839,930
CURRENT ASSETS	732,822,320	704,674,818
INVESTED CAPITAL	754,089,608	726,007,355
OWN CAPITAL	49,035,570	48,095,363
Consolidated liabilities	53,406,157	80,024,297
Current liabilities	651,647,881	597,887,695
THIRD PARTY CAPITAL	705,054,038	677,911,992
TOTAL SOURCES	754,089,608	726,007,355

	2008	2007
Composition of uses		
Rigidity of uses	2.82%	2.94%
Flexibility of uses	97.18%	97.06%
Composition of sources		
Financial autonomy	6.50%	6.62%
Financial dependence	93.50%	93.38%
Liquidity indexes		
Availability ratio	112.46%	117.86%
Treasury ratio	59.22%	95.52%
Solidity indexes		
Fixed assets self-covering ratio	230.57%	225.46%
Fixed assets covering ratio	481.69%	600.58%
Total indebtedness ratio	1,437.84%	1,409.52%

The indebtedness ratio is to be properly interpreted by considering that the sums due to banks are mostly self-liquidating, as shown by their details included in the paragraph "Financial Position" below.

FINANCIAL POSITION

The balance sheet as of 31 December 2008 provides a complete analysis of the Company's financial structure and of all variations to individual items; the most significant trends have been reported below.

The Company's net short-term financial position is summarised as follows (in Euro):

	31/12/2008	31/12/2007	Variation
Liquid funds	30,015,001	16,839,930	13,175,071
Payables to banks within one year	(201,288,370)	(199,863,507)	(1,424,863)
Payables to other financial institutions within one year	(49,294,252)	(41,870,738)	(7,423,514)
Net financial position towards third parties	(220,567,621)	(224,894,315)	4,326,694
Net financial receivables from (Net financial payables to) controlled companies within one year	838,296	139,110,628	(138,272,332)
Net financial receivables from (Net financial payables to) affiliated companies within one year	17,470,588	11,430,085	6,040,503
Financial receivables from (Net financial payables to) parent companies within one year	2,784,714	2,613,320	171,394
Net short-term financial position	(199,474,023)	(71,740,282)	(127,733,741)

The total **net financial position towards third parties** decreased by Euro 4,326,694.

The total **net short-term financial position** went from Euro 71,740,282 in financial year 2007 to Euro 199,474,023 in financial year 2008, thus recording an increase of Euro 127,733,741. The short-term financial position highlights an increase due mainly to a decrease in financial receivables from controlled companies.

The total **net mid/long term financial position** went from Euro 72,401,550 in financial year 2007 to Euro 47,460,641 in financial year 2008, thus recording a decrease of Euro 24,940,909 due mainly to a decrease in payables to banks and other financial institutions (factoring companies).

Payables to banks, amounting as of 31 December 2008 to Euro 227,406,392, are made up as follows:

- Euro 74,008 for mortgages to be borne by third parties;
- Euro 137,258,596 for advances on invoices and bank receipts;
- Euro 36,290,350 subdivided as follows: Euro 25,163,540 for bank receipts (reclassified in the account overdraft since given banks manage a single account); Euro 11,126,810 relating to the account overdraft;
- Euro 732,937 for advances on contract transfers;
- Euro 26,268,223 for advances on contracts, of which Euro 17,140,846 within one year and Euro 9,127,377 after 1 year;
- Euro 26,782,278 for mid-term financing, of which Euro 9,791,633 within one year and Euro 16,990,645 after 1 year.

The different components of working capital developed as follows (in Euro):

	31/12/2008	31/12/2007	Variazione
Inventory	1,844,949,232	1,459,631,521	385,317,711
Advances on inventory	167,323,288	2,805,584	164,517,704
Net receivables from clients	248,196,968	237,433,632	10,763,336
Receivables from controlled companies	27,474,910	53,025,430	(25,550,520)
Receivables from affiliated companies	10,495,624	11,484,404	(988,780)
Receivables from parent companies	880,916	494,032	386,884
Receivables from taxation authorities	1,347,795	2,023,707	(675,912)
Prepaid taxes	109,430	112,571	(3,141)
Receivables from others	8,552,834	45,008,553	(36,455,719)
Payments on account for jobs in progress	(1,665,350,950)	(1,328,850,151)	(336,500,799)
Advances from customers for jobs to be performed	(50,936,278)	(52,527,021)	1,590,743
Payments on account and caution deposits on preliminary deeds of sale	(11,451,758)	(7,561,758)	(3,890,000)
Payables to suppliers	(214,515,250)	(170,884,769)	(43,630,481)
Payables to controlled companies	(43,861,896)	(77,860,269)	33,998,373
Payables to affiliated companies	(23,166,327)	(15,854,143)	(7,312,184)
Payables to taxation authorities	(21,827,117)	(13,489,778)	(8,337,339)
Payables to Social Security authorities	(4,330,538)	(3,121,969)	(1,208,569)
Other payables	(29,640,846)	(13,950,271)	(15,690,575)
Net deferred and accrued expenses and income	30,157,666	33,493,259	(3,335,593)
Net current assets	274,407,703	161,412,564	112,995,139

The entry “Payables to taxation authorities” includes the amount of Euro 9,828,236 due for Irpef, which was settled on 30 July 2009.

This entry also includes tax payables for an overall amount of Euro 10,572,877, divided as follows: Euro 4,430,978 due for Ires and Euro 6,141,899 due for Irap relating to financial year 2008 and previous financial years. Said amount has not yet been paid as of the date this balance sheet has been drafted.

INFORMATION ON THE USE OF FINANCIAL INSTRUMENTS

Pursuant to document no. 3 issued by the Italian Accounting Office (OIC), we hereby provide the following information on financial positions.

The credit risk represents the Company’s exposure to potential losses due to the counterpart’s breach of its obligations. In the light of the Company’s main clients, the credit risk connected with its ordinary performance of commercial transactions is generally low. The Company has not encountered any significant breaches.

The liquidity risk represents the risk that financial resources may not be available or may be so though only at a high price. The Company currently deems it has access to sufficient financing so as to satisfy its foreseeable financial needs, even if access to finance is today more difficult because of the widespread economic recession recorded at worldwide level since October 2008.

It is nonetheless pointed out that the Company has used derivative financial instruments in pursuing a policy aimed at covering the “interest rates” risk for part of its structural indebtedness; the Explanatory Notes provide all information on the kind of instruments used and on their fair value.

RESEARCH AND DEVELOPMENT

The Company invests in product innovation and development, and in improving the quality of its services and operating systems.

It does not carry out appropriately qualifiable technological research.

PROGRAMMATIC DOCUMENT ON SAFETY

For the purpose of guaranteeing the correct processing of personal data, especially of sensitive data, in 2008 the Company updated its Safety Programme, drafted as early as 2005 in compliance with point 19 of Legislative Decree no. 196/2003.

COMPANY'S OWN SHARES

As of 31 December 2008, the Company held neither shares of its own nor shares of parent companies, nor had it taken steps to purchase or sell any such shares during the financial year.

BRANCH OFFICES

Pursuant to article 2428(4), it is hereby specified that the Company does not have branch offices.

ENVIRONMENTAL INFORMATION

The Company is not exposed to any particular environmental risk; it ordinarily protects the environment by taking minimum safety measures. In 2008, no infringements of environmental laws were reported.

RELATIONSHIPS WITH PARENT, CONTROLLED AND AFFILIATED COMPANIES

At the end of the financial year, there existed the following relationships with parent, controlled and affiliated companies:

ASSET AND LIABILITY RELATIONSHIP	Kind of relationship		
Company	Financial receivables	Financial receivables and other receivables	Other payables
(in Euro)	(Entered under fixed assets)	(Entered under current assets)	
Shareholders for financing:	-	-	-
Holding BRM S.p.A.	-	-	-
Edil-Invest S.r.l.	-	-	-
Parent companies:	2,810,000	880,916	25,286
Holding BRM S.p.A.	2,810,000	49,981	-
Edil-Invest S.r.l.	-	830,935	25,286
Controlled companies:	235,060	28,078,146	43,861,896
BF Servizi S.r.l.	-	1,486,445	388,839
Gruppo Bartolomei-Fusi S.r.l.	50,971	271,277	7,200
Chiosina Scarl (being wound-up)	-	97,354	5,559
Gorizia Scarl	184,089	95,243	91,047
Sige Noto Scarl	-	8,201,441	8,809,153
Sige Rosolini Scarl	-	9,035,420	9,036,041
Crevalcore Nogara Scarl	-	2,104,916	15,353,581
BM Lavori Veneto Scarl	-	-	70
Barberino Scarl	-	6,171,903	6,505,745
Profer Scarl	-	614,147	3,664,661
Affiliated companies::	24,362,719	10,495,624	23,307,507
Sunto S.r.l.	59,528	-	2,900
Consorzio Colle Futura	-	-	59,453
Travel 15 Scarl (being wound-up)	-	-	97,405
La Fonderia S.r.l. (being wound-up)	74,948	16,116	-
Nuova Emilia Scarl	-	-	16,706
Consorzio Nuova Badia	1,900,000	751,355	30,294
Villa Fossi S.r.l. (being wound-up)	1,021,457	113,371	-
Project Costruzioni Scarl	3,109,227	-	898,165
Mugello Outlet Scarl	153,500	1,574,823	1,451,161
Consorzio Affitto Firenze	-	-	738
Consorzio Stabile Operae	14,097,547	2,562,387	12,989,347
Soc. Cons. Ospedale Empoli a r.l.	-	-	529,111
Metropolis SpA	3,507,248	-	-
Diomira Scarl	23,464	5,154,730	5,951,452
Scandicci Centro	415,800	158,357	12,729
Affitto Firenze SpA	-	164,485	-
Bretella Scarl	-	-	1,268,046
Total	27,407,779	39,454,686	67,194,689

The extent of the Company's financial relationships with controlled companies results from the financial coordination carried out by the parent company. The use of available resources within the Group takes the shape of short-term loans - at times non-interest bearing, and at times remunerated at market rates on an annual basis.

Other receivables substantially consist in debts for services, interests and debts incurred to recover expenses.

ECONOMIC RELATIONSHIPS		Kind of relationship			
Company (in Euro)	Financial revenues	Financial charges	Performance of services/ Sale of assets	Extraordinary revenues	Costs
Parent companies:	375,267	-	6,000	-	-
Holding BRM S.p.A.	49,981	-	-	-	-
Edil-Invest S.r.l.	325,286	-	6,000	-	-
Controlled companies:	8,895,694	-	4,871,214	-	81,721,830
BF Servizi S.r.l.	8,337	-	-	-	203,100
Immobiliare Ferrucci S.r.l.	8,883,779	-	-	-	17,477
Gruppo Bartolomei-Fusi S.r.l.	3,578	-	-	-	-
Chiosina Scarl (being wound-up)	-	-	-	-	574
Gorizia Scarl	-	-	18,011	-	15,412
Sige Noto Scarl	-	-	-	-	426,672
Sige Rosolini Scarl	-	-	-	-	1,441,868
BM Lavori Veneto Scarl	-	-	-	-	69
Crevalcore Nogara Scarl	-	-	4,634,190	-	33,401,317
Barberino Scarl	-	-	-	-	43,279,880
Profer Scarl	-	-	219,013	-	2,935,461
Affiliated companies:	56,479	-	271,415	-	17,495,746
Project Costruzioni Scarl	-	-	100,530	-	1,197,584
Villa Fossi S.r.l. (being wound-up)	51,581	-	-	-	-
Mugello Outlet S.c.a r.l. (being wound-up)	-	-	15,000	-	50,439
Consorzio Colle Futura (being wound-up)	-	-	-	-	1,549
Consorzio Nuova Badia	-	-	-	-	23,073
Bretella S.c.a r.l.	-	-	-	-	1,268,046
Consorzio Stabile Operae	-	-	125,885	-	8,293,731
Diomira S.c.a r.l.	-	-	30,000	-	4,393,221
La Fonderia S.r.l. (being wound-up)	4,898	-	-	-	-
Soc.Cons. Ospedale di Empoli a r.l.	-	-	-	-	2,268,103
Total	9,327,440	-	5,148,629	-	99,217,576

SIGNIFICANT EVENTS OCCURRED AFTER THE FINANCIAL YEAR WAS CLOSED

a) Moratorium and standstill agreement and new Financing Agreement

At the beginning of 2009, as a result of the ongoing, worldwide financial recession and due to the special impact that this recession was having on the real estate and hotel market, the Company and its affiliated companies (by reason of their partially common shareholding), members of the Il Forte Group – active in the hotel and property development field – had to deal with a complex financial situation. In particular, the problems experienced by the companies of the Il Forte Group, by reason of their characteristic business, in generating net cash flows in line with their financial commitments and their obligations towards suppliers, involved also the Company which, as a building company, was owed substantial commercial debts from the companies of the Il Forte Group (and other building development firms).

This situation led the shareholders of the Company (Holding Edil-Invest S.r.l. and Holding BRM S.p.A.) to appoint a primary financial advisor to assist them in defining an industrial and financial restructuring plan (the “Plan”) which is currently being analysed and developed.

In order to define the said Plan, the banks and financial institutions that finance such Holdings-shareholders, the Company and the Il Forte Group (collectively, the “Financial Institutions”), were asked to reach an agreement aimed at granting a moratorium related to the existing financial indebtedness. The Agreement was signed on 31 July 2009 by most Financial Institutions, and expires on 31 October 2009.

The Agreement includes, *inter alia*:

- 1) a moratorium whereby the participating Financial Institutions undertake: (i) not to demand the Company payment (either as capital or interests) of amounts that have already accrued or that are to accrue during the moratorium period; (ii) to extend or renew the advance payments for some operational lines; (iii) not to take or not to pursue executive actions or apply for bankruptcy procedures;
- 2) the obligation by the participating Financial Institutions to keep short-term financing available, within the limits of the amounts granted and not used;
- 3) the obligation by the participating Financial Institutions not to revoke operational lines and factorings, within the limits of the amounts used, and to allow for their use and normal operation, and not to use deposits or amounts received on the Company’s bank accounts to reduce their exposure (standstill);
- 4) the obligation by the Financial Institutions to apply (better) conditions, in terms of rates and crediting dates, to the Company’s operational lines, during the moratorium period.

The term of 31 October 2009 was agreed on with the Financial Institutions also for the submittal thereto of the Plan proposal, upon which the final Plan will be based as well as the following agreements for the financial restructuring of the indebtedness.

Besides, given such time schedule, and given also that the Agreement serves the purpose of allowing for the negotiation and conclusion of the ensuing financial restructuring arrangement, it is foreseen that the Agreement may be extended, in terms of effects, also to the period running between the submittal of the Plan proposal to the Financial Institutions and its implementation leading to the definition and negotiation of the financial restructuring arrangement.

In a separate agreement, some of the leasing financing banks have granted the Company, for the moratorium period, an additional financing line (the “Financing Agreement”) for overall 32.5 million Euro, in the light of the channelling of some short-term credits that already existed at the date of the moratorium and standstill agreement, or which are expected to arise during the moratorium period.

The Plan, currently being analysed and developed, also includes the definition of an overall financial restructuring of the current financial indebtedness of the Il Forte Group over an extended term, with new, homogeneous financial terms.

Among the documents needed by the Company to draft said Plan, the industrial plan for 2009-2013, prudentially and conservatively extended to the year 2014 too, is being developed and updated with the help of a financial advisor. The industrial plan includes, *inter alia*, the evolution of

contracted jobs based on the resumed jobs of the company Autostrade and on the commencement of jobs along the road axis Marche-Umbria (the so-called “Quadrilatero”, which the Company is the General Contractor of) and on a new strategy for taking part in tenders (including also a relevant foreign component), closely monitoring financial sustainability and the profitability of new contracts. This will go hand in hand with the result of new actions aimed at containing structural costs, to be taken shortly.

The guidelines of the Plan have been illustrated to the Financial Institutions and are being further discussed therewith for the purpose of defining them; since the meetings with the representatives of said Institutions have been successful, we believe that we may shortly present the Plan proposal so as to implement it with the definition and negotiation of the indebtedness financial restructuring arrangement.

b) Termination of some preliminary deeds of purchase

The assets and liabilities statement as of 31 December 2008 includes, in the entry “Payments on account” of current assets, some amounts paid in 2008 as “non-interest bearing caution deposits/payments on account” regarding preliminary deeds of purchase entered into with different parties (including some affiliated companies that are members of the Il Forte Group) and regarding real estate assets (buildings and/or land for building purposes) and shareholdings in real estate development companies. According to the parties’ intention, such preliminary deeds should have been performed in 2009.

In the period running between the execution of the preliminary deeds of purchase and the term laid down for their final execution, the parties were involved in the moratorium and standstill agreement exhaustively described in the above section; hence, in the light of the industrial and financial restructuring plan being currently defined, they undertook not to go ahead with the sale of goods or not to accept financial engagements eventually leading to their financial indebtedness. For this reason, and due to the ongoing market crisis that involved also the real estate market, the Board of Directors agreed with the other contractual parties to terminate such preliminary deeds of purchase entered into in 2008, without any charges or penalties applied to the Company. Any receivables from third parties resulting from the termination of the preliminary deeds were paid by said third parties by assigning their own receivables to the Company’s subsidiaries. Pursuant to termination of said deeds and to credit assignment, the Company’s assets, in lieu of the entries related to the sums paid to such parties, include commercial credits for the return of the amounts paid as non-interest bearing caution deposits/payments on account for total 122.6 million Euro *vis-à-vis* the companies listed below:

Company	Credit amount
Related parties	116 500 284
One of the shareholders	5 000 000
Third parties	1 098 000
Total	122 598 284

The deeds of termination and credit assignment envisage the return of such amounts to the Company.

The Board of Directors believes that such credits are payable in the light of the single debtors’ patrimonial consistency, whose ongoing existence and consistence of their positive net equity has been ascertained.

RISK MANAGEMENT

In the future, the Group's assets and liabilities and its economic-financial situation may be affected by a number of risk factors, identified below.

The Company's management has a clear understanding of the uncertainties connected to the difficult macroeconomic scenario, to the recession that affects the financial markets and to the ensuing operational problems encountered by operators, especially in the real estate and building business, and has thus taken a number of measures aimed at containing any consequences arising therefrom.

Risks connected to the current worldwide economic scenario

The year 2008 was marked by the crisis of the international financial system, which had its impact on the main economies of the world, generating a widespread recession.

The banks' prudential approach to granting finance, as a result of the notable deterioration of the financial markets, led to several liquidity problems, especially for smaller companies or companies that strongly relied on loans.

The ensuing risks are especially of a financial nature, in particular the unwillingness by banks to support companies in their operational business and the clients' inability to pay their debts to contractors.

Risks deriving from the unfavourable situation of the real estate market

The said crisis of financial markets all over the world, triggered by problems that concerned the real estate business and the so-called U.S. sub-prime mortgages, is now having an impact on economic businesses, reducing the national Gross Domestic Product.

This general situation inevitably affects the real estate market which, after a 10-year growth, now witnesses a fall that pertains to all its sectors, although with different consequences in different areas and branches.

Operators and specialized analysts foresee that the year 2009 will confirm the current negative trend.

The risks ensuing from the crisis of the real estate market are a lower demand, a reduction of prices and a longer time required for sales and renting deals. The operational consequences lead to fewer trading transactions and to an increase in vacant real estate.

Risks connected to market competitiveness and to price trends

The Company is active in a field, namely building, which is nonetheless very competitive, despite the different business models that pertain to each company.

The current recession has led to an extremely difficult situation in the real estate market and in the market of public contracts, for all operators concerned. The widespread result of lower performances in terms of profits and results has been differently felt, depending on the diverse specializations of Italian real estate and building companies, especially penalizing developers marked by a strong debt absorption and building companies with (current or potential) receivables from the Public Administration.

Risks connected to financial indebtedness

Following a slowing down in payments by clients and several hindrances in performing some contracted jobs due to the clients' borrowing problems, there is a risk of financial tensions arising in the management of short-term liquidity which, failing further financial resources, may create problems in managing the Company's financial engagements.

The characteristics of the Company's financial indebtedness, consisting essentially in operational, short-term credit lines for specific uses (contract and invoice advance lines), substantially "revolving" by nature, expose the Company to the risk of refinancing indebtedness, when participating in new tenders, and of eventual financing if these are awarded, in a scenario where

banks are unwilling to grant financing due to their increasing perception of risks and are less able to finance the production system.

Risks connected to expired commercial credits

The development of the real estate market in the current recession has implied a fall in demand, lower prices and the longer time required for sales: these circumstances have led to fewer transactions and thus to problems for the Company's clients active in private building (residential buildings, offices, departments stores etc.) and especially the hotel and resort business to satisfy their obligations towards the Company for the jobs performed thereby.

Risks connected to legal disputes

The disputes which the Company is involved in do not entail economic risks that have not been duly represented by creating suitable funds. The regular analysis of single disputes, aided also by our consultants and external lawyers, allows us to review periodically the feasibility of the corresponding "provisions", their amount and time of collection.

CORPORATE CONTINUITY

The above risk factors have overall given rise to critical issues whose effects may prejudice the Company's continuity.

In particular, the difficulty in obtaining payments from clients and the slowing down in the performance of some jobs in progress, often due to the clients' problems in obtaining access to finance, have given rise to an unprecedented financial and liquidity tension.

The above circumstances have created critical problems that may seriously question the Group's capacity of continuing to work in conditions of corporate continuity, especially due to the financial tensions of short-term liquidity and to the Group's financial engagements. The financial tension has substantially affected the entire year, although with different temporal intensities, and has called for detailed analyses and corrective actions by the Directors, summarised as follows:

- *moratorium agreement*: as described in the section "Significant events occurred after the financial year was closed", in July 2009, the main banks and financial leasing and factoring companies granted, according to the abovementioned Agreement, a three-month moratorium period, thus deferring the pay-back of loans and interests and undertaking to confirm their short-term operational lines (albeit within the limits of the lower amounts of the lines used in 2009 rather than the amounts agreed as of 31 December 2008). The Agreement will expire on 31 October 2009 and, within the framework of the obligations accepted by the Company, the latter is defining an industrial and economic-financial plan upon which to draft a financial restructuring proposal to share with the lending banks and to make executive via a specific indebtedness repayment program agreement;
- *new financing agreement*: in order to ensure the minimum financial coverage to guarantee the Company's business continuity during the moratorium period laid down in the Agreement, the lending banks have granted – also in the light of the reduced short-term operational lines deriving from the adoption (in the Agreement) of the limit of the amounts "used" in lieu of the higher, "granted" ones – a credit line of 32.5 million Euro to be used for specific kinds of payment and expiring on 31 October 2009 or – if earlier – upon signature of an agreement for the restructuring of the existing financial indebtedness, by the companies concerned by the Agreement and the lending banks. According to the Financing Agreement, this line will be accompanied by the channelling of some short-term credits that already existed at the date of the Agreement, or which are expected to arise during the moratorium period;
- *corporate strategy*: the new market conditions have led the Management to reconsider the Company's strategy in participating in tenders and bids, favouring its participation only in tenders whose financial profile is sustainable by the Company (especially in the period of reduced access to finance and of the banks' increased perception of the risk) and with a

positive profitability throughout most of their performance. This decision has inevitably led to a redefinition of the Group's strategies and financial plans;

- *plan of payments*: in order to monitor the need for the immediate and monthly required liquidity, a financial plan has been prepared that illustrates, according to the determinations arising from the new corporate strategy, the payments that will be necessary during the year for the Company's and its subsidiaries' operation. This plan points out, for the period running from October to December 2009, an overall need that is substantially in line with what indicated by the lending banks in the standstill agreement.
- *evaluation of "provisions" and of real estate assets*: in order to check and always ensure the Group's patrimonial and financial balance, the parent companies have appointed primary, independent professional consultants to estimate the value of the Company's "provisions", related to the disputes/litigations still pending with clients for jobs already performed and not yet invoiced, as well as of the fixed assets/real estate owned by the Group. The results of such estimates have been made available to the banks and financial institutions and their consultants and will be used when drafting the industrial and financial restructuring plan;
- *sale plan*: albeit with the problems and uncertainties that the trading business is today marked by, we are evaluating a plan for the sale of the Company's real estate assets and shareholdings in the real estate companies held by the Group, aimed at supporting the Company's liquid asset needs. It is currently premature to give an idea of the likelihood of executing, in a relatively short period, the said sale and thus obtaining the financial flows required to support the needs and financial engagements of the Group within the relevant expiry dates, without prejudice to the Directors' will to sell the said assets in a reasonable time and at reasonable prices;
- *restructuring process*: in order to reduce the abovementioned risks, the Company's structural costs are being assessed for the purpose of being contained, thus achieving two goals: to improve the Company's corporate profitability and to create flexibility margins in case the awarding of contracts envisaged in the industrial plan does not fully take place.

According to the Company's Directors, all of the above mentioned circumstances must be duly assessed in the light of their potential impact on the Group's and the Company's capacity of continuing to operate, presuming the company's continuity.

Having said this, and after making all necessary controls and evaluating the above described uncertainties, the Directors reasonably expect, on the one hand, that the Group will continue to pursue the objectives connected to the industrial and financial restructuring plan that is currently being analyzed and developed. Said reasonable expectation is grounded on: (i) the substantial fixed assets/real estate of the Il Forte Group; (ii) the sale of non-strategic assets, and (iii) the Company's cash flows elaborated in a prudential and conservative light in the 2009 – 2013 industrial plan (currently being developed to cover also the financial year 2014). On the other hand, the Directors reasonably expect that the Plan will satisfy the needs and demands of the banks and financial institutions and will allow the Company to have sufficient resources to rebalance the financial flows and ensure the sustainability of its indebtedness and its refinancing capability, thus protecting the Company's normal operation.

For these reasons, the 2008 balance sheet of the Company is drafted by assuming the Company's corporate continuity, which the Directors view as persisting.

FORESEEABLE DEVELOPMENT

The stage that marked, in early 2009, the fall in the Company's production revenues, should now be over since the Company is negotiating agreements with Autostrade S.p.A. to resume jobs on the motorways sites.

In 2009, the work on the road axis Marche-Umbria and Quadrilatero began through the general contractor Dirpa S.c. a r.l., which assigned jobs totalling to 561 million Euro to the Company.

In 2008, we laid down the foundations for doing business in foreign markets, in some macro-areas in developing parts of North Africa and the Arabian Peninsula.

We expect good results, both in terms of operational profitability and net profitability and financial results, from the resumption of motorway jobs and from the jobs on the road axis Marche-Umbria and Quadrilatero and from lower financial charges for 2009, which we hope to guarantee pursuant to our current negotiations with the banks.

PROPOSAL BY THE BOARD OF DIRECTORS

On occasion of its meeting on 28 September 2009, the Board of Directors decided to submit the Company's balance sheet as of 31 December 2008 to the Assembly's approval. You are thus invited:

to approve the balance sheet as of 31 December 2008;

to decide on the proposal to use the year's profit of Euro 940,212 as follows:

- Euro 47,011 as legal reserve;
- Euro 893,201 as extraordinary reserve.

On behalf of THE BOARD OF DIRECTORS

The Chairman

Mr. Riccardo Fusi

ASSET AND LIABILITY STATEMENT: ASSETS

A) SUBSCRIBED CAPITAL UNPAID						
B) FIXED ASSETS - assets granted on financial lease are indicated separately:						
I - Intangible assets						
1) Start-up and expansion costs	123.269			102.918		
2) Research, development and advertising costs						
3) Industrial patents and similar rights	16.749			851		
4) Concessions, licences, trademarks and similar rights						
5) Goodwill	466.976			335.860		
6) Assets under development and payments on account						
7) Other intangible assets	2.910			4.377		
TOTAL	609.904			444.006		
II - Tangible assets						
1) Land and buildings						
2) Plants and machinery	4.172.799			4.151.427		
3) Industrial and commercial equipment	299.771			342.494		
4) Other assets	292.487			460.976		
5) Assets under construction and payments on account						
TOTAL	4.765.057			4.954.897		
III - Financial assets		<i>due within 1 year</i>	<i>due after 1 year</i>		<i>due within 1 year</i>	<i>due after 1 year</i>
1) Investments in	6.423.559			5.375.973		
a) controlled companies	196.531			203.761		
b) affiliated companies	3.227.198			2.550.314		
c) parent companies						
d) other companies	2.999.830			2.621.898		
2) Accounts receivable	29.737.993			24.227.245		
a) from controlled companies	235.060	235.060		503.887	503.887	
b) from affiliated companies	24.362.719	17.611.768	6.750.951	17.766.168	11.429.601	6.336.567
c) from parent companies	2.810.000	2.810.000		2.638.606	2.638.606	
d) other	2.330.214	1.122.001	1.208.213	3.318.584	919.148	2.399.436
3) Other securities						
4) Company's own shares						
TOTAL	36.161.552			29.603.218		
TOTAL B) FIXED ASSETS	41.536.513			35.002.121		
C) CURRENT ASSETS						
I - Inventory						
1) Raw, auxiliary materials and consumables	9.721.671			7.964.547		
2) Goods being processed and semi-processed goods						
3) Contractual work in progress	1.824.549.603			1.441.935.482		
4) Finished goods and goods for resale	10.677.958			9.731.492		
5) Payments on account	167.323.288			2.805.584		
TOTAL	2.012.272.520			1.462.437.105		
II - Accounts receivable		<i>due within 1 year</i>	<i>due after 1 year</i>		<i>due within 1 year</i>	<i>due after 1 year</i>
1) from clients	248.196.968	248.196.968		237.433.632	237.433.632	
2) from controlled companies	28.078.146	28.078.146		191.632.171	191.632.171	
3) from affiliated companies	10.495.624	10.495.624		11.484.888	11.484.888	
4) from parent companies	880.916	880.916		494.032	494.032	
4-bis) Receivables from taxation authorities	1.350.540	1.347.795	2.745	2.026.452	2.023.707	2.745
4-ter) Prepaid taxes	896.676	109.430	787.246	852.593	112.571	740.022
5) Other	8.707.740	8.552.834	154.906	45.163.459	45.008.553	154.906
TOTAL	298.606.610			489.087.227		
III - Financial assets not classified as fixed assets						
1) Investments in controlled companies				10.499.500		
2) Investments in affiliated companies						
3) Investments in parent companies						
4) Other investments						
5) Company's own shares						
6) Other securities	5.640.940			6.570.940		
TOTAL	5.640.940			17.070.440		
IV - Liquid assets						
1) Bank and postal accounts	29.959.132			16.769.496		
2) Cheques in hand						
3) Cash-in-hand and cash equivalents	55.869			70.434		
TOTAL	30.015.001			16.839.930		
TOTAL C) CURRENT ASSETS	2.346.535.071			1.985.434.702		
D) PREPAYMENTS AND ACCRUED INCOME	31.368.974			34.420.683		
Prepayments	60.412			102.004		
Accrued income	31.308.562			34.318.679		
TOTAL ASSETS	2.419.440.558			2.054.857.506		

2008

2007

ASSET AND LIABILITY STATEMENT: LIABILITIES

A) NET EQUITY					
I - Share Capital	36.000.000			36.000.000	
II - Share premium reserve					
III - Revaluation reserve					
IV - Legal reserve	1.780.814			1.420.141	
V - Statutory reserves					
VI - Reserve for company's own shares					
VII - Other reserves	10.314.544			3.461.756	
Extraordinary reserve	10.314.547			3.461.754	
Differences in rounding off	-3			2	
VIII - Retained earnings (or losses) carried forward					
IX - Profit (loss) for year	940.212			7.213.466	
TOTAL A) NET EQUITY	49.035.570			48.095.363	
B) PROVISIONS FOR RISKS AND CHARGES					
1) Severance pay and other similar provisions					
2) Taxation, including deferred taxation	55.513			55.513	
3) Other	665.457			526.457	
TOTAL B) RESERVES FOR RISKS AND CHARGES	720.970			581.970	
C) EMPLOYEES' RETIREMENT INDEMNITY FUND	4.237.124			6.093.866	
D) ACCOUNTS PAYABLE					
		<i>due within 1 year</i>	<i>due after 1 year</i>		<i>due within 1 year</i> <i>due after 1 year</i>
1) Debentures					
2) Convertible debentures					
3) Sums due to members for loans					
4) Sums due to banks	227.406.392	201.288.370	26.118.022	242.841.226	199.863.507 42.977.719
5) Sums due to other financial institutions	70.111.600	49.294.252	20.817.348	70.603.913	41.870.738 28.733.175
6) Payments on account	1.727.738.986	1.650.722.319	77.016.667	1.388.938.930	1.321.588.930 67.350.000
7) Accounts payable to suppliers	214.515.250	214.515.250		170.884.769	170.884.769
8) Accounts payable on bills accepted and drawn					
9) Accounts payable to controlled companies	43.861.896	43.861.896		77.860.269	77.860.269
10) Accounts payable to affiliated companies	23.307.507	23.307.507		15.854.143	15.854.143
11) Accounts payable to parent companies	25.286	25.286		25.286	25.286
12) Accounts payable to taxation authorities	23.177.176	21.827.117	1.350.059	14.775.787	13.489.778 1.286.009
13) Accounts payable to social security authorities	4.330.538	4.330.538		3.121.969	3.121.969
14) Other accounts payable	29.760.955	29.640.846	120.109	14.252.591	13.950.271 302.320
TOTAL D) ACCOUNTS PAYABLE	2.364.235.586			1.999.158.883	
E) ACCRUED EXPENSES AND DEFERRED INCOME					
Accrued expenses	1.211.308			927.424	
Accrued expenses	893.029			594.951	
Deferred income	318.279			332.473	
TOTAL LIABILITIES	2.419.440.558			2.054.857.506	

2008

2007

memorandum accounts

Commitments					
Commitments on preliminary deeds of purchase	164.326.788			14.471.539	
Commitments on preliminary deeds of purchase	146.042.000			4.220.000	
Commitments on preliminary deeds of sale	9.823.293			8.123.293	
Commitments towards third parties	8.461.495			2.128.246	
Risks					
Risks towards third parties	463.185			463.185	
Guarantees provided					
Bank sureties to controlled companies	183.436.376			165.996.621	
Bank sureties to controlled companies				500.000	
Bank sureties to affiliated companies	3.675.000			3.675.000	
Bank sureties to clients	41.507.603			12.810.655	
Insurance sureties to clients	134.768.057			145.192.274	
Joint insurance debentures	1.329.258			1.329.258	
Pledges given to third parties				332.976	
Bank sureties to controlled companies	2.156.458			2.156.458	
TOTAL MEMORANDUM ACCOUNT	348.226.349			180.931.345	

2008

2007

PROFIT AND LOSS STATEMENT**A) PRODUCTION REVENUES**

1) revenues from sale of goods and service performance	129.785.907	188.256.816
2) variation in stock, work in progress, semi-finished product and finished goods	1.387.167	1.670.477
3) variation in contracted work in progress	382.614.121	286.995.600
4) increase in fixed assets for internal work		
5) other revenues and income	13.855.800	37.930.251
miscellaneous	13.855.800	37.930.251
grants		

TOTAL

527.642.995

514.853.144

B) PRODUCTION COSTS

6) raw and ancillary materials, consumables and goods	-115.493.030	-116.243.292
7) services	-299.086.311	-298.672.215
8) use of third party assets	-16.902.811	-15.639.712
9) personnel expenses	-58.641.124	-59.320.473
a) Wages and salaries	-39.810.025	-40.502.650
b) Social security contributions	-16.179.297	-16.313.312
c) Employees' retirement indemnity fund	-2.651.802	-2.504.511
d) Severance pay and similar costs		
e) Other costs		
10) Amortizations and write-downs	-1.614.604	-2.351.331
a) Amortization of intangible fixed assets	-312.599	-498.877
b) Amortization of tangible fixed assets	-1.302.005	-1.140.455
c) Other write-downs of fixed assets		
d) Write-downs of accounts receivable listed among current assets and of liquid assets		-711.999
11) variation in raw and auxiliary materials, consumables and goods	1.316.423	4.009.166
12) provisions for risks	-139.000	
13) other reserves		
14) other management charges	-8.469.984	-4.267.997

TOTAL

-499.030.441

-492.485.854

Difference between production revenues and costs (A-B)

28.612.554

22.367.290

	2008	2007
PROFIT AND LOSS STATEMENT		
C) FINANCIAL INCOME AND CHARGES		
15) income from investments	834	66.359
controlled companies	500	
affiliated companies		
other companies	334	66.359
16) other financial income	12.594.923	15.972.285
a) receivables classified as fixed assets	9.338.885	13.603.118
controlled companies	8.895.194	13.023.354
affiliated companies	56.479	52.970
parent companies	375.267	493.206
other companies	11.945	33.588
b) from securities/holdings entered among fixed assets which are not investments		
c) from securities/holdings entered among current assets which are not investments	200.372	128.186
d) other income	3.055.666	2.240.981
controlled companies		
affiliated companies		
parent companies		
other companies	3.055.666	2.240.981
17) interests and other financial charges	-34.970.215	-27.043.887
controlled companies		
affiliated companies		
parent companies		
other companies	-34.970.215	-27.043.887
17-bis) Profit and loss on exchange rates	-1.070	
Profits on exchange rates		
Losses on exchange rates	-1.070	
TOTAL (15+16-17+-17 bis)	-22.375.528	-11.005.243
D) ADJUSTMENTS TO FINANCIAL ASSETS VALUE		
18) revaluations		
a) investments		
b) financial fixed assets other than investments		
c) securities/holdings entered among current assets which are not investments		
19) write-downs	-542.570	-221.133
a) investments	-128.534	-221.133
b) financial fixed assets other than investments	-414.036	
c) securities/holdings entered among current assets which are not investments		
TOTAL (18-19)	-542.570	-221.133
E) EXTRAORDINARY INCOME AND CHARGES		
20) extraordinary income	86.000	
a) gains on sales	86.000	
b) other		
21) extraordinary charges	-117	-19.296
a) losses on sales	-114	
b) taxes relating to previous years		-19.296
c) other	-3	
TOTAL (20-21)	85.883	-19.296
Pre-tax result (A-B+/-C+/-D+/-E)	5.780.339	11.121.618
22) Current, deferred and prepaid operating income tax	-4.840.127	-3.908.152
a) current taxation	-4.974.339	-9.160.240
b) deferred/prepaid taxation	134.212	5.252.088
23) Net profit (loss)	940.212	7.213.466

BALANCE SHEET AS OF 31 DECEMBER 2008

EXPLANATORY NOTES

INTRODUCTION

The Balance Sheet consists of the Asset and Liability Statement, the Profit and Loss Statement and the Explanatory Notes.

The Company's Financial Statement is also annexed to provide more exhaustive information.

Information regarding the nature of the Company's activities, significant post-balance sheet events and dealings with controlled, affiliated and parent companies can be found in the Management Report.

EVENTUAL BELONGING TO A GROUP

Baldassini-Tognozzi-Pontello Costruzioni Generali S.p.A. (in short, BTP) is the parent company of Gruppo Baldassini-Tognozzi-Pontello. Please refer to the Management Report for a complete list of the companies directly and indirectly controlled thereby and of its affiliated companies.

In its capacity of consolidating company, the Company, together with controlled companies BF Servizi S.r.l., Gruppo Bartolomei-Fusi S.r.l. and Immobiliare Ferrucci S.r.l., has endorsed for the years 2007-2008-2009 the "National Tax Consolidated System", introduced by articles 117 to 129 of the new Tuir [Sole Text on Income Tax]; this entails the determination, for Ires purposes, of a sole overall profit, with payment of a sole tax to be paid, or surplus as refundable credit, or carried forward by the consolidating company BTP S.p.A. The carrying forward of an eventual consolidated loss equally pertains to the latter. Further to the transfer of the entire investment in Immobiliare Ferrucci to the parent companies, the consolidated tax system does no longer apply to said company.

BASIS OF PRESENTATION

The balance sheet as of 31 December 2008, presented by the Board of Directors of BTP S.p.A. was drawn up in compliance with the Italian Civil Code.

The criteria for the drafting of the balance sheet and for the evaluation of single entries are in accordance with the accounting principles laid down by the National Boards of Accountants and by the Accounting Italian Office.

The balance sheet entries are expressed in Euro currency. Any differences resulting from the rounding of values expressed in Euro are posted in the specific reserve under Net Equity.

The purpose of the explanatory notes is to illustrate, analyze and, in some instances, supplement balance sheet data. The notes contain all of the information required by Art. 2427 Civil Code.

Pursuant to Leg. Decree 127/91, the consolidated balance sheet of the Group has been drafted.

Comparability with previous financial year

In compliance with Art. 2423 ter Civil Code, for each entry in the Asset and Liability Statement and the Profit and Loss Statement the sum for the corresponding entry in the previous year has been indicated.

EVALUATION CRITERIA

Entries in the balance sheet have been evaluated by following general standards of prudence and competence, in the light of the company's ongoing business and taking into account the economic significance of each asset and liability.

The following paragraph entitled "CORPORATE CONTINUITY" lists the basic assumptions which lead to reasonably forecast that the Company can rely on adequate resources to continue doing business in the forthcoming future.

The criteria used in evaluating single entries are in line with art. 2426 Civil Code and are the same as those used for the previous year's statements.

The most significant evaluation criteria and accounting principles are as follows:

Foreign currency transactions

Assets and liabilities in currency, with the exception of fixed assets, are posted at the spot exchange rate as of 31 December 2008, and the relative profits and losses on exchange rates are posted in the Profit and Loss Statement; any net profit is placed in a special reserve that is non-distributable until realized. The fixed assets in currency are listed at the exchange rate at the moment of purchase or at the lower rate at year end, if such a reduction is deemed to be long-term.

Intangible fixed assets

Intangible fixed assets represent costs and expenses of long-term utility and are entered in the asset column at their purchase cost, including directly attributable accessory expenses. They are posted net of the relative amortization, which is calculated in relation to the residual useful life of the assets.

The amortization periods are as follows:

Start-up and expansion costs	5 years
Industrial patents and similar rights	3 years
Other goodwill	5 years
Other (other long-term costs)	5 years

Tangible fixed assets

Tangible fixed assets, which consist of plants, machinery and equipment used for production, are calculated at their purchase or construction cost, including directly attributable ancillary expenses.

Some of these assets have been object of revaluation pursuant to Law n. 342/2000.

Modernization and improvements costs extending the useful life of assets are added to the value thereof. Ordinary maintenance and repair costs are debited to the profit and loss statement for the year in which they were incurred.

Amortization is calculated with the straight line method in relation to the residual useful life of assets, within the limits of the tax rates considered representative of the estimated useful life of assets. More specifically:

Plants and machinery	
Operating machinery and specific plants	15%
General plants	10%
Excavators and power shovels	20%
Light constructions	12.50%
Transport vehicles	20%
Industrial and commercial equipment	
Formwork and metal planking	25%
Various equipment and wooden scaffolding	40%
Other assets:	
Ordinary office furniture and machinery	12%
Electric and electromechanical machinery	20%
Motor vehicles and motorbikes	25%
Car phones and mobile phones	20%
Pagers and highway toll fast-pay devices	20%

The amortization period commences when the asset begins to be used.

If, irrespective of the previously entered amortization, there is a prolonged loss of value, the asset is written down accordingly; should the conditions for the write-down no longer apply in subsequent years, the original value of the asset is restored.

Financial assets

Investments

Investments are calculated at cost, written-down where appropriate to take account of the permanent loss of value. Should the conditions for the write-down no longer apply in subsequent years, the original value of the asset is restored.

Accounts receivable

Accounts receivable included under financial assets are entered at their nominal value.

Current assets

Inventory

Warehouse materials purchased specifically for immediate use on building sites are entered at their purchase price; warehouse stock (usable in various building sites) is calculated according to the LIFO (last-in first-out) method.

For the calculation of long-term contractual work in progress as of 31 December 2008, the criterion laid down in Art. 93 DPR 917/86 in compliance with Art. 2426 of the Civil Code is applied; these values have been reduced to take account of the contractual risk of the work in progress, determined in relation to the effective risk of the project.

Pursuant to Art. 92 DPR 917/86, the cost-specific criterion is used to calculate the company's own-property works and works lasting no more than one year. This is in compliance with Art. 2426 of the Civil Code.

Finished products and goods that are the result of building initiatives and that have yet to be sold are entered at their construction cost, which is in any case lower than their current market price.

Costs incurred in awarded contracts, including those regarding the preparation of tender bids, are included in the Profit and Loss Statement for the year in which they were incurred if the contract or tender bid is unsuccessful. In the case of successful contract/tender bids, corresponding expenses are deferred and attributed to the building site cost with respect to their execution.

Pre-operational costs (the cost of opening the site) are deferred until commencement of works and then entered in the Profit and Loss Statement on the basis of the work progress.

Accounts receivable

Accounts receivable are stated at their presumed realizable value by means of adequate allocations booked in adjustment of nominal values.

Financial assets not classified as fixed assets

Securities and other financial assets that are not classified as fixed assets are entered at the lower value between their specific purchase price, including accessory expenses, and their market value.

Liquid assets

Liquid assets consist of cash in hand and cash in bank accounts at year end.

Prepayments and accrued income

These items consist of prepayments and accrued income that are common to two or more years, and are booked on an accruals basis.

Provisions for risks and charges

Provisions for risks and charges are allocated to cover losses or liabilities of certain or probable existence, for which, however, the exact sum or date of contingency cannot be determined at year end. These provisions reflect the most accurate estimation possible on the basis of available information.

Employees' retirement indemnity fund

The employees' retirement indemnity fund is allocated to cover the total liability due to employees in compliance with current legislation, national collective labour contracts and corporate agreements. The fund is used only when employment is terminated and in the event of payment of advances in accordance with Law 297/82.

Accounts payable

Accounts payable are entered at their nominal value.

Risks, commitments and guaranties

Third party assets used by the company are recorded in the memorandum accounts at the value stated in existing documentation. Commitments are booked at their contractual price and are described in the Explanatory Notes. Guaranties are recorded on the basis of the existing risk at the end of the financial year.

Derivative products

The company stipulates derivative contracts with the aim of facing exposure to fluctuations in interest rates.

Interest differentials on IRS (Interest Rate Swap) contracts, used to cover obtained financing, are recorded on an accruals basis under *Financial income and charges*.

Recognition of costs and revenues

Positive and negative income items are recorded on an accruals basis.

Revenues from the sale of assets are recognized upon delivery of the said assets or upon stipulation of the deed of sale in the event of a fixed asset. Revenues from services are recognized when services have been performed (test and trials) and in accordance with the relative contracts.

Revenues and incomes, costs and charges relating to currency transactions are calculated at the exchange rate applicable when the operation is carried out.

Works in progress (art. 93 Tuir)

For the recognition of revenues, the criteria of percentage of completion or of work progress at each site are followed. Hence, costs, revenues and work margin are recognized on the basis of work progress at each site and attributed to the year when said works take place, on an accruals basis.

Intragroup business

With a view to take advantage of the greatest synergies between the Group's companies, both in production, organizational and financial terms, the company deals with the Group's companies for commercial and financial transactions and service performances.

Commercial relationships and service performances, excluding funding to controlled companies, occur at market conditions.

Income tax

Income tax due for the year is calculated in accordance with current regulations.

Pre-paid tax operations are recorded on a prudential basis, and only if their recovery is reasonably certain.

Appropriate adjustments are made if there is a change in the tax rate with respect to previous accounting periods, providing the relevant law sanctioning the tax rate variation has been enacted by the date on which the statements are approved.

Deferred-tax payables and pre-paid tax receivables are recorded in the Asset and Liability Statement, under "Provisions for risks and charges" and "Current Assets", respectively – as for the latter, only where their use is reasonably certain. Tax payables are recorded in the appropriate Liability Statement item.

MAIN ACTIVITIES AND SIGNIFICANT EVENTS

Sale and transfer of Immobiliare Ferrucci S.r.l to the parent companies Holding BRM and Edil Invest

On 14 October 2008, the Company transferred the entire share capital of Immobiliare Ferrucci S.r.l. (a controlled company of the BTP Group's real estate branch) and the debt owed to the assignor by the real estate company Ferrucci S.r.l. for financing (i.e. interest-bearing investments at a yearly 7% rate), for a total amount of some 164.8 million Euro, to the parent companies Holding BRM and Edil Invest S.r.l., at a quota of 50% each.

The sale of Immobiliare Ferrucci S.r.l. was designed to “split” the BTP Group's Real Estate Branch and thus achieve the aggregation between Baldassini-Tognozzi-Pontello Costruzioni Generali S.p.A. and another company active in the building business and/or the admission to listing of the Group, ensuing from said aggregation, and/or of Baldassini-Tognozzi-Pontello Costruzioni Generali S.p.A.

For such assignment, the parent companies Holding BRM and Edil Invest were granted a bank loan of 150 million Euro that was guaranteed, *inter alia*, by a pledge on the shares representing 51% of the Company's share capital.

CORPORATE CONTINUITY

The risk factors, which have been extensively illustrated in the Management Report, have overall given rise to critical issues whose effects may prejudice the Company's continuity.

In particular, the difficulty in obtaining payments from clients and the slowing down in the performance of some jobs in progress, often due to the clients' problems in obtaining access to finance, have given rise to an unprecedented financial and liquidity tension.

The above circumstances have created critical problems that may seriously question the Group's capacity of continuing to work in conditions of corporate continuity, especially due to the financial tensions of short-term liquidity and to the Group's financial engagements. The financial tension has substantially affected the entire year, although with different temporal intensities, and has called for detailed analyses and corrective actions by the Directors, summarised as follows:

- *moratorium agreement*: as described in the Management Report, under the “Significant events occurred after the financial year was closed” section, in July 2009, the main banks and financial leasing and factoring companies granted a three-month moratorium period, thus deferring the pay-back of loans and interests and undertaking to confirm their short-term operational lines (albeit within the limits of the lower amounts of the lines used in 2009 rather than the amounts agreed as of 31 December 2008). The Agreement will expire on 31 October 2009 and, within the framework of the obligations accepted by the Company, the latter is defining an industrial and economic-financial plan upon which to draft a financial restructuring proposal to share with the lending banks and to make executive via a specific indebtedness repayment program agreement;
- *new financing contract*: in order to ensure the minimum financial coverage to guarantee the Company's business continuity during the moratorium period laid down in the Agreement, the lending banks have granted – also in the light of the reduced short-term operational lines deriving from the adoption (in the Agreement) of the limit of the amounts “used” in lieu of the higher, “granted” ones – a credit line of 32.5 million Euro to be used for specific kinds of payment and expiring on 31 October 2009 or – if earlier – upon signature of an agreement for the restructuring of the existing financial indebtedness, by the companies concerned by the Agreement and the lending banks. According to the Financing Contract, this line will be accompanied by the channelling of some short-term credits that already existed at the date of the Agreement, or which are expected to arise during the moratorium period;
- *corporate strategy*: the new market conditions have led the Management to reconsider the Company's strategy in participating in tenders and bids, favouring its participation only in tenders whose financial profile is sustainable by the Company (especially in the period of

- reduced access to finance and of the banks' increased perception of the risk) and with a positive profitability throughout most of their performance. This decision has inevitably led to a redefinition of the Group's strategies and financial plans;
- *plan of payments*: in order to monitor the need for the immediate and monthly required liquidity, a financial plan has been prepared that illustrates, according to the determinations arising from the new corporate strategy, the payments that will be necessary during the year for the Company's and its subsidiaries' operation. This plan points out, for the period running from October to December 2009, an overall need that is substantially in line with what indicated by the lending banks in the standstill agreement.
 - *evaluation of "provisions" and of real estate assets*: in order to check and always ensure the Group's patrimonial and financial balance, the parent companies have appointed primary, independent professional consultants to estimate the value of the Company's "provisions", related to the disputes/litigations still pending with clients for jobs already performed and not yet invoiced, as well as of the fixed assets/real estate owned by the Group. The results of such estimates have been made available to the banks and financial institutions and their consultants and will be used when drafting the industrial and financial restructuring plan;
 - *sale plan*: albeit with the problems and uncertainties that the trading business is today marked by, we are evaluating a plan for the sale of the Company's real estate assets and shareholdings in the real estate companies held by the Group, aimed at supporting the Company's liquid asset needs. It is currently premature to give an idea of the likelihood of executing, in a relatively short period, the said sale and thus obtaining the financial flows required to support the needs and financial engagements of the Group within the relevant expiry dates, without prejudice to the Directors' will to sell the said assets in a reasonable time and at reasonable prices;
 - *restructuring process*: in order to reduce the abovementioned risks, the Company's structural costs are being assessed for the purpose of being contained, thus achieving two goals: to improve the Company's corporate profitability and to create flexibility margins in case the awarding of contracts envisaged in the industrial plan does not fully take place.

According to the Company's Directors, all of the above mentioned circumstances must be duly assessed in the light of their potential impact on the Group's and the Company's capacity of continuing to operate, presuming the company's continuity.

Having said this, and after making all necessary controls and evaluating the above described uncertainties, the Directors reasonably expect, on the one hand, that the Group will continue to pursue the objectives connected to the industrial and financial restructuring plan that is currently being analyzed and developed. Said reasonable expectation is grounded on: (i) the substantial fixed assets/real estate of the Il Forte Group; (ii) the sale of non-strategic assets, and (iii) the Company's cash flows elaborated in a prudential and conservative light in the 2009 – 2013 industrial plan (currently being developed to cover also the financial year 2014). On the other hand, the Directors reasonably expect that the Plan will satisfy the needs and demands of the banks and financial institutions and will allow the Company to have sufficient resources to rebalance the financial flows and ensure the sustainability of its indebtedness and its refinancing capability, thus protecting the Company's normal operation.

For these reasons, the 2008 balance sheet of the Company is drafted by assuming the Company's corporate continuity, which the Directors view as persisting.

COMMENTS ON THE MAIN ASSET ITEMS

FIXED ASSETS

Intangible fixed assets

609,904

Variations in the historical cost, amortization and net value of the entries for the category in question are listed below.

	31.12.2007	Increments	Reclassification	Amortization	31.12.2008
Start-up and expansion costs	102 918	80 000	-	(59 649)	123 269
Costs	258 243	80 000	-	-	338 243
Amortization fund	(155 325)	-	-	(59 649)	(214 974)
Advertisement costs	-	-	-	-	-
Industrial patents	851	24 690	-	(8 792)	16 749
Costs	13 823	24 690	(1 507)	-	37 006
Amortization fund	(12 972)	-	1 507	(8 792)	(20 257)
Concessions, licences, trademarks	-	-	-	-	-
Goodwill	335 860	373 808	-	(242 692)	466 976
Costs	2 200 167	373 808	(1 360 517)	-	1 213 458
Amortization fund	(1 864 307)	-	1 360 517	(242 692)	(746 482)
Intangible assets under development	-	-	-	-	-
Other intangible assets	4 377	-	-	(1 467)	2 910
Costs	39 734	-	(24 289)	-	15 445
Amortization fund	(35 357)	-	24 289	(1 467)	(12 535)
Differences resulting from consolidated balance sheet	-	-	-	-	-
Total	444 006	478 498	-	(312 600)	609 904

Start-up and expansions costs

This item consists of costs for the incorporation of companies working in the field, for an increase in the company's share capital and for the acquisition of company divisions.

Said expenses are entered among Assets due to their objective usefulness for the company's economy, in accordance with the Board of Auditors.

A yearly 20% amortization criterion for constant 5-year instalments is deemed fair.

Industrial patents and other proprietary rights

This item consists of the cost of purchasing software programmes.

Goodwill

This includes the residual value of merger deficit deriving from the incorporation of Ed.In.Uno S.p.A. and the residual value of the goodwill acquired (on payment) by means of the acquisition of the Pontello company.

Other intangible fixed assets

This item consists mainly of expenses incurred for the issuing and renewal of the Quality Certificate.

Tangible fixed assets	4,765,057
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The table below indicates the year's movements:

	31.12.2007	Increments	Decrements	Amortization	31.12.2008
Land and buildings	-	-	-	-	-
Plants and machinery	4 151 427	1 121 240	(111 619)	(988 249)	4 172 799
Costs	8 876 654	1 121 240	(452 592)	-	9 545 302
Amortization fund	(4 725 227)	-	340 973	(988 249)	(5 372 503)
Industrial and commercial equipment	342 494	168 895	(2 503)	(209 115)	299 771
Costs	1 442 929	168 895	(19 508)	-	1 592 316
Amortization fund	(1 100 435)	-	17 005	(209 115)	(1 292 545)
Tangible assets under construction	-	-	-	-	-
Other tangible assets	460 976	27 267	(91 117)	(104 639)	292 487
Costs	1 901 760	27 267	(168 147)	-	1 760 880
Amortization fund	(1 440 784)	-	77 030	(104 639)	(1 468 393)
Total	4 954 897	1 317 402	(205 239)	(1 302 003)	4 765 057

Revaluations

In accordance with Art. 2427, point 2 Civil Code, it is hereby declared that fixed assets have not been re-valued, with the exception of the revaluation of assets falling within the scope of Law 342/2000, carried out in the financial year 2000 (Euro 656,871) by reducing the amortization fund for "operating machinery and specific plants". Assets re-valued under Law 342/2000 and existing as of 31 December 2008 have been completely amortized.

Fixed assets value reduction

Tangible and intangible fixed assets have been systematically amortized by taking into account their residual useful life, as said above. There is no reason for reducing the value of any asset entered in the balance sheet.

Assets granted on financial lease

The company booked the leasing contracts in compliance with the Civil Code in force in Italy, thus booking accrued leasing rents in the Profit & Loss Statement. Resort to the financial method commonly used in international practice (as provided for by I.A.S. no. 17) would have entailed booking interests on the residual financed capital and amortization quotas on the value of goods purchased on leasing, proportionate to their residual useful life, other than entering said goods under assets and the residual payable.

The following table provides the information required:

EFFECT ON ASSETS AND LIABILITIES	
ASSETS	
A) Leasing contracts in force	
Goods granted on financial lease as of 01.01.2008 (historical cost)	54.520.251
Amortization fund as of 01.01.2008 on goods granted on financial lease	- 17.553.990
Net value of leased goods as of 01.01.2008	36.966.261
Goods purchased on financial lease in 2008	5.497.870
Goods paid off in 2008 (historical cost)	- 2.978.751
Amortization fund as of 01.01.2008 on goods paid off in 2008	1.955.500
Net value of goods paid off in 2008	- 1.023.251
Amortization quotas in the financial year	- 8.809.770
Goods granted on financial lease as of 31.12.2008 (historical cost)	57.039.370
Amortization fund as of 31.12.2008 on goods granted on financial lease	- 24.408.259
Net value of leased goods as of 31.12.2008	32.631.110
B) Paid-off leasing contracts	
+ Value of goods paid off in 2008 and in previous financial years	16.987.950
- Amortization fund as of 31.12.2008 on goods paid off in 2008 and in previous financial years	- 15.138.603
- Value of goods paid off and sold in 2008	- 1.497.274
+ Amortization fund on goods paid off and sold in 2008	972.339
- Accounting value of redemptions as of 31.12.2008	- 574.082
+ Amortization fund as of 31.12.2008 on redemptions	214.940
Higher net value of paid-off goods as 31.12.2008	965.269
C) Assets – asset and liability method (leasing in force)	
- Accrued income (maxirent or pre-paid rents)	- 759.812
- Other pre-paid costs for the future	- 612.198
Value of assets according to the asset and liability method	- 1.372.010
D) TOTAL EFFECT on ASSETS = A + B – C	32.224.370
LIABILITIES	
E) Financial debt	
- Implicit debts as of 01.01.2008 due within one year	- 10.842.357
- Implicit debts as of 01.01.2008 due within 2 to 5 years	- 22.653.923
- Implicit debts as of 01.01.2008 due after 5 years	- 29.220
Total implicit debts as of 01.01.2008	- 33.525.500
- Implicit debts arisen in 2008	- 5.497.870
+ Refunds capital quotas in 2008	11.179.626
+ Redemptions in 2008	144.420
- Implicit debts as of 31.12.2008 due within one year	- 10.361.627
- Implicit debts as of 31.12.2008 due within 2 to 5 years	- 16.827.803
- Implicit debts as of 31.12.2008 due after 5 years	- 509.895
Total implicit debts as of 31.12.2008	- 27.699.325
+/- other debts for pre-paid rents for the future or invoices to be received	612.198
+ accrued expenses	44.655
E) TOTAL EFFECT on LIABILITIES	- 27.042.472
F) OVERALL GROSS EFFECT (D - E)	5.181.898
G) TAX EFFECT	- 1.627.116
H) EFFECT ON NET EQUITY AS OF 31.12.2008 (F - G)	3.554.782
EFFECT ON PROFIT AND LOSS STATEMENT	
- Amortization quota of assets object of leasing contracts in force	- 8.809.770
- Amortization quota of assets object of paid-off leasing contracts	- 1.073.229
- Interests due	- 1.621.257
+/- interests due connected with indexation	- 488.710
+ Amortization of paid-off goods	88.668
+ Leasing rents	13.315.851
+/- adjustment of gains/losses on goods paid-off and sold in 2007	- 481.407
GROSS EFFECT on PROFIT	930.146
TAX EFFECT	- 292.066
NET EFFECT on YEAR PROFIT	638.080

Financial assets

36,161,552

Investments

6,423,559

This entry is made up as follows:

	31.12.2008	Increments due to acquisitions / Share capital increase	Increments due to credit waiver / conferment	Decrements due to transfers / interruptions	Fund provision	31.12.2007
Investments in controlled companies	196 531	-	117 592	-	124 822	203 761
Investments in affiliated companies	3 227 198	809 481	-	132 597	-	2 550 314
Investments in other companies	2 999 830	385 171	-	7 239	-	2 621 898
Total	6 423 559	1 194 652	117 592	139 836	124 822	5 375 973

The company does not hold investments entailing unlimited liability.

The entry "Investments" is made up as follows, and indicates the amount of the previous year for each investment:

Controlled companies:	31.12.2008	Variation	31.12.2007
B.F. Servizi S.r.l.	66,500	-	66,500
Gruppo Bartolomei-Fusi S.r.l.	74,280	-	74,280
Chiosina Scarl (being wound up – 100% written down)	-	(7,230)	7,230
Sige Noto Scarl	8,568	-	8,568
Sige Rosolini Scarl	8,568	-	8,568
Gorizia Scarl	8,500	-	8,500
BM Lavori Veneto Scarl	8,500	-	8,500
Crevalcore Nogara Scarl	7,000	-	7,000
Barberino Scarl	8,000	-	8,000
Profer Scarl	6,615	-	6,615
	196,531	(7,230)	203,761

Affiliated companies:	31.12.2008	Variation	31.12.2007
Sunto S.r.l.	24,842	(812)	25,654
Ed.In.Tre S.r.l. (being wound up – 100% written down)	-	-	-
Consorzio Colle Futura (being wound up)	129,598	-	129,598
Travel 15 Scarl (being wound up)	3,615	-	3,615
La Fonderia S.r.l. (being wound up – 100% written down)	-	-	-
Sideco SRO	11,217	-	11,217
Fiorenza Quattro S.r.l. (being wound up)	31,670	-	31,670
Nuova Emilia Scarl (being wound up)	15,494	-	15,494
Consorzio Nuova Badia	12,911	-	12,911
Villa Magli Srl	-	(126,534)	126,534
Villa Fossi Srl (being wound up)	45,000	-	45,000
Project Costruzioni Scarl	1,547,091	-	1,547,091
Mugello Outlet Scarl	5,000	-	5,000
Consorzio Affitto Firenze	-	(5,250)	5,250

Alberti Srl	11,684	-	11,684
Consorzio Stabile Operae	1,021,680	786,380	235,300
Società Consortile Ospedale di Empoli a r.l.	3,100	-	3,100
Metropolis S.p.A.	332,976	-	332,976
Diomira Scarl	4,236	-	4,236
Bretella Scarl	3,984	-	3,984
Scandicci Centro Srl	23,100	23,100	-
	3,227,198	676,884	2,550,314

Other companies:	31.12.2008	Variation	31.12.2007
Confipi Scarl	1,528	-	1,528
Global Service Toscana	3,099	-	3,099
Colle Promozione S.p.A.	12,384	-	12,384
CO.R.I.A. Scarl	3,563	-	3,563
Consorzio Firenze Servizi	1,033	-	1,033
Conglobit S.r.l.	16,982	-	16,982
Politeama Pratese S.p.A.	2,582	-	2,582
Fidindustria	15	-	15
Credito Cooperativo Fiorentino	9,416	-	9,416
I.SV.E.UR S.p.A.	5,222	-	5,222
Costruttori Romani Riuniti S.p.A.	8,186	(4,725)	12,911
Parco Verde Soc. Coop. A RL	37,157	-	37,157
RTC Scarl	1	-	1
Consorzio Toscana Salute	1,486	-	1,486
Banca del Mugello	9,294	-	9,294
Sant'Antonio S.p.A.	40	-	40
Prato Invest Srl	1,000	-	1,000
Tram di Firenze S.p.A.	973,140	-	973,140
Firenzeindustria Finance S.p.A.	-	(2,514)	2,514
Affitto Firenze S.p.A.	26,531	-	26,531
Società Infrastrutture Toscane S.p.A.	1,500,000	-	1,500,000
Cefalù 20 Scarl	2,000	-	2,000
Cooperativa Elios	260	260	-
Consorzio Roma Gestioni 2000 a r.l.	31,000	31,000	-
Empoli Salute S.p.A.	353,911	353,911	-
	2,999,830	377,932	2,621,898
Overall total	6,423,559	1,047,586	5,375,973

The following table provides the information required by art. 2427(1) point 5 Civil Code for investments in controlled and affiliated companies.

Company name	Registered office	Share capital	Net equity	(Profit (Loss) in 2007	%	Value in balance sheet
in Euro						
Controlled companies:						196,531
Gruppo Bartolomei-Fusi Srl	Prato	46,800	175,844	19,149	100%	74,280

BF Servizi Srl	Calenzano	45,000	78,597	11,253	100%	66,500
Gorizia Scarl (being wound up)	Calenzano	10,000	(32,359)	(19,340)	85%	8,500
Sige Noto Scarl	Syracuse	10,200	10,329	0	84%	8,568
Sige Rosolini Scarl	Syracuse	10,200	10,329	0	84%	8,568
Chiosina Scarl (being wound up)	Calenzano	10,000	(245,731)	(7,771)	70%	-
BM Lavori Veneto Scarl	Bari	10,000	10,000	0	85%	8,500
Crevalcore Nogara Scarl	Calenzano	10,000	10,000	0	70%	7,000
Barberino Scarl	Calenzano	10,000	10,000	0	80%	8,000
Profer Scarl	Calenzano	10,000	10,000	0	66.15%	6,615
Affiliated companies:						3,227,198
Sunto S.r.l.	Colle Val 'Elsa	11,000	33,749	(2,596)	30%	24,842
Ed.In.Tre S.r.l. (being wound up)	Prato	10,400	(1,006,249)	(7,178)	50%	-
Project Costruzioni Scarl	Florence	3,199,569	2,484,498	(715,071)	48.32%	1,547,091
Cons. Colle Futura (being wound up)	Colle Val D'Elsa	274,554	274,554	0	47.296%	129,598
Travel 15 Scarl (being wound up)	Sesto Fiorentino	10,200	(79,605)	(4,452)	35%	3,615
La Fonderia S.r.l. (being wound up) ⁽¹⁾	Campi Bisenzio	10,710	(88,330)	(12,074)	20%	-
Sideco SRO ⁽²⁾	Bratislava Slovakia	-	-	-	43.48%	11,217
Fiorenza Quattro S.r.l. (being wound up)	Florence	91,000	(111,334)	(12,841)	30.76%	31,670
Nuova Emilia Scarl (being wound up)	Cesena	52,000	55,687	0	30%	15,494
Consorzio Nuova Badia	Scandicci (FI)	25,823	25,823	0	50%	12,911
Villa Fossi Srl (being wound up)	Calenzano	90,000	(270,750)	(79,835)	50%	45,000
Mugello Outlet Scarl (being wound up)	Calenzano	10,000	(14,113)	(18,545)	50%	5,000
Alberti S.r.l.	Florence	10,000	(106,560)	(112,751)	48.32%	11,684
Consorzio Stabile OPERAE	Rome	500,000	500,000	0	47.06%	1,021,680
Soc.Cons.Ospedale Empoli a r.l.	Florence	10,000	10,000	0	31%	3,100
Metropolis S.p.A. ⁽³⁾	Florence	1,120,000	962,703	(11,899)	29.73%	332,976
Diomira Scarl	Calenzano	10,000	10,000	0	42.361%	4,236
Bretella Scarl	Florence	10,000	10,000	0	39.84%	3,984
Scandicci Centro S.r.l.	Florence	100,000	95,380	(4,620)	23.10%	23,100
Overall total						3,423,729

⁽¹⁾ Data concerning "Net equity" and "Operating profit (loss)" refer to balance sheet as of 31-12-2007. The 2008 management results have not been provided yet.

⁽²⁾ It is a foreign company. We have not received its management results yet.

⁽³⁾ A further 0.05% is held indirectly through BF Servizi S.r.l.

Pursuant to art. 2426(3) Civil Code, with respect to other companies, controlled and affiliated, whose values in their balance sheets, entered on the basis of the costs borne thereby, are higher than the corresponding quota of their net equity, it is hereby specified that said higher values may be maintained because they are not long-term substantial losses and because we also need to consider latent gains on buildings owned by given participated companies and the goodwill of other companies with respect to operating projects in progress.

Accounts receivable (financial assets) 29,737,993

Accounts receivable went from Euro 24,227,245 in financial year 2007 to Euro 29,737,993 in financial year 2008, thus recording an increase of Euro 5,510,748, which is due mainly to an increase in financing toward affiliated companies.

The following table includes, *inter alia*, financial accounts receivable from controlled and affiliated companies, due within and after one year. They consist of financing to participated companies, as detailed below:

Description	31.12.08 Within 1 year	31.12.08 After 1 year	31.12.08 Total	31.12.07 Within 1 year	31.12.07 After 1 year	31.12.07 Total
Accounts receivable for financing from controlled companies:	235,060	-	235,060	503,887	-	503,887

BF Servizi S.r.l.	-	-	-	155,250	-	155,250
Gruppo Bartolomei-Fusi S.r.l.	50,971	-	50,971	50,971	-	50,971
Gorizia Scarl	184,089	-	184,089	169,088	-	169,088
Profer Scarl	-	-	-	128,578	-	128,578
Accounts receivable for financing from affiliated companies:	17,611,768	6,750,951	24,362,719	11,429,601	6,336,567	17,766,168
Villa Magli S.r.l.	-	-	-	100,000	-	100,000
Sunto S.r.l.	-	59,528	59,528	-	59,528	59,528
Ed.In.Tre S.r.l. (being wound up)	-	-	-	-	414,036	414,036
Project Costruzioni Scarl	-	3,109,227	3,109,227	-	2,821,175	2,821,175
Mugello Outlet S.c.a.r.l.	153,500	-	153,500	148,500	-	148,500
Villa Fossi S.r.l. (being wound up)	1,021,457	-	1,021,457	616,457	-	616,457
Consorzio Stabile OPERAE	14,097,547	-	14,097,547	9,482,280	-	9,482,280
La Fonderia Srl (being wound up)	-	74,948	74,948	-	68,828	68,828
Consorzio Nuova Badia	1,900,000	-	1,900,000	1,059,000	-	1,059,000
Diomira Scarl	23,464	-	23,464	23,364	-	23,364
Metropolis Spa	-	3,507,248	3,507,248	-	2,973,000	2,973,000
Scandicci Centro	415,800	-	415,800	-	-	-
Accounts receivable from parent companies:	2,810,000	-	2,810,000	2,638,606	-	2,638,606
Holding BRM Spa	2,810,000	-	2,810,000	-	-	-
Edil-Invest Srl	-	-	-	2,638,606	-	2,638,606
Accounts receivable from others:	1,122,001	1,208,213	2,330,214	919,148	2,399,436	3,318,584
Caution deposits	150,428	331,130	481,558	150,686	331,051	481,737
Other	971,573	877,083	1,848,656	768,462	2,068,385	2,836,847
Total	21,778,829	7,959,164	29,737,993	15,491,242	8,736,003	24,227,245

Information on the FAIR VALUE of financial assets (excluding investments in controlled and affiliated companies pursuant to art. 2359 Civil Code)

Pursuant to art. 2427 bis (1), point 2 Civil Code, as of 31 December 2008 all financial assets, excluding investments in controlled and affiliated companies, are recorded in the balance sheet at a value **not** higher than their fair value.

CURRENT ASSETS

Inventory 2,012,272,520

This entry is made up as follows:

	2007	Variation	2006
Warehouse materials at sites and warehouse stock	7 964 547	3 509 166	4 455 381
Contractual work lasting one year and more than one year	1 441 935 482	286 995 600	1 154 939 882
Land and buildings	9 731 492	1 670 477	8 061 015
Payments on account	2 805 584	(1 327 608)	4 133 192
Total	1 462 437 105	290 847 635	1 171 589 470

The value of the orders in progress as of 31 December 2008, determined on the basis of the agreed costs, is entered net of the sum of Euro 552,201, calculated to take account of the contractual risk (ascertained in relation to the effective project risk) regarding works in progress.

In evaluating the “Autostrade Lotto 4-5-6 Scandicci” contract, the Board of Directors deemed it appropriate to take account of additional costs requested to Clients (ascertained amounts), in the light of the unusual and extraordinary events which have characterized said contract, such as to require changes to the works through a special bypass suiting the faulty and lacking projects to the state of the art.

The entry “payments on account” also includes caution deposits paid to third parties and other related parties for the purchase of real estate and investments. This Board of Directors deemed it correct to enter hereunder also caution deposits paid for the purchase of investments, the latter being investments in companies involved in real estate development operations.

Following is the list of the principal preliminary deeds of purchase of real estate/investments as of 31 December 2008:

Preliminary deed of sale signatory (Seller)	Amount to be paid	Non-interest bearing caution deposits	Payments on account
Related parties	192,822,284	87,000,284	38,000,000
One of the shareholders	22,255,000	15,373,460	-
Third parties	51,136,760	23,500,000	2,702,869
Total	266,214,044	125,873,744	40,702,869

Accounts receivable (current assets) 298,606,610

	Balance as of 31.12.2007		Variation of year			Balance as of 31.12.2008		
	Value	Funds	Value	Value	Funds	Value	Funds	Value
Clients								
-Other								
-Clients	238,837,645	(1,404,013)	237,433,632	10,745,189	18,147	249,582,834	(1,385,866)	248,196,968
Controlled companies								
-Clients	191,632,171	-	191,632,171	(163,554,025)	-	28,078,146	-	28,078,146
-Financial receivables	53,025,430	-	53,025,430	(25,550,520)	-	27,474,910	-	27,474,910
-Financial receivables	138,606,741	-	138,606,741	(138,003,505)	-	603,236	-	603,236
Affiliated companies								
-Clients	11,484,888	-	11,484,888	(989,264)	-	10,495,624	-	10,495,624
-Financial receivables	11,484,404	-	11,484,404	(988,780)	-	10,495,624	-	10,495,624
-Financial receivables	484	-	484	(484)	-	-	-	-
Parent companies								
-Clients	494,032	-	494,032	386,884	-	880,916	-	880,916
Receivables from taxation authorities								
-Taxation authorities	2,026,452	-	2,026,452	(675,912)	-	1,350,540	-	1,350,540
Prepaid taxes								
-Prepaid taxes	852,593	-	852,593	44,083	-	896,676	-	896,676
Other								
Other relationships	45,620,625	(457,166)	45,163,459	(36,948,361)	-	9,164,906	(457,166)	8,707,740
Total	490,948,406	(1,861,179)	489,087,227	(190,991,406)	18,147	300,449,642	(1,843,032)	298,606,610

Accounts receivable from clients 248,196,968

	Within 1 year	31.12.2008	Variation	31.12.2007
Accounts receivable from clients	222 543 458	222 543 458	(12 192 678)	234 736 136
Invoices to be issued	27 039 376	27 039 376	22 937 867	4 101 509
Provision for doubtful debts	(1 385 866)	(1 385 866)	18 147	(1 404 013)
Total	248 196 968	248 196 968	10 763 336	237 433 632

Accounts receivable from controlled companies 28,078,146

	Within 1 year	31.12.2008	Variation	31.12.2007
Trade receivables	27 474 910	27 474 910	(25 550 520)	53 025 430
Financial receivables	603 236	603 236	(138 003 505)	138 606 741
Total	28 078 146	28 078 146	(163 554 025)	191 632 171

The variation in the amount of Euro 163,554,025 is due mainly to accounts receivable for financing to Immobiliare Ferrucci (controlled company) that were transferred, along with investments therein, to Holding BRM and Edil Invest (parent companies).

Accounts receivable from affiliated companies 10,495,624

	Within 1 year	31.12.2008	Variation	31.12.2007
Trade receivables	10 495 624	10 495 624	(988 780)	11 484 404
Financial receivables	-	-	(484)	484
Total	10 495 624	10 495 624	(989 264)	11 484 888

Accounts receivable from parent companies 880,916

	Within 1 year	31.12.2008	Variation	31.12.2007
Trade receivables	880 916	880 916	386 884	494 032
Total	880 916	880 916	386 884	494 032

This entry covers accounts receivable from shareholder Edil Invest S.r.l.

Receivables from taxation authorities 1,350,540

	Within 1 year	After 1 year	31.12.2008	Variation	31.12.2007
Receivables for VAT	1 346 064	213	1 346 277	(311 701)	1 657 978
Receivables for IRES tax	-	2 532	2 532	(356 124)	358 656
Other receivables	1 731	-	1 731	(8 087)	9 818
Total	1 347 795	2 745	1 350 540	(675 912)	2 026 452

Prepaid taxes	896,676
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	Within 1 year	After 1 year	31.12.2008	Variation	31.12.2007
Prepaid IRES tax	95 839	707 872	803 711	45 819	757 892
Prepaid IRAP tax	13 591	79 374	92 965	(1 736)	94 701
Total	109 430	787 246	896 676	44 083	852 593

Accounts receivable from others	8,707,740
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	Within 1 year	After 1 year	31.12.2008	Variation	31.12.2007
Accounts receivable from employees	7 692	-	7 692	100	7 592
Payments on account to suppliers and service providers	5 236 355	-	5 236 355	(69 799)	5 306 154
Credit notes to be received	1 463 220	-	1 463 220	1 098 317	364 903
Accounts receivable from suppliers	145 243	-	145 243	(1 298 962)	1 444 205
Other accounts receivable	1 700 324	612 072	2 312 396	(36 185 375)	38 497 771
Provision for doubtful debts	-	(457 166)	(457 166)	-	(457 166)
Total	8 552 834	154 906	8 707 740	(36 455 719)	45 163 459

Financial assets not classified as fixed assets	5,640,940
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This entry is made up as follows:

	31.12.2008	Purchases	Sales	Reclassification	31.12.2007
Investments in controlled companies					
Immobiliare Ferrucci S.r.l.	-	-	10,499,500	-	10,499,500
Other stock	5,640,940	2,919,970	3,849,970	-	6,570,940
Bonds	3,118,000	1,900,000	1,900,000	-	3,118,000
Life policies	2,522,940	1,019,970	1,949,970	-	3,452,940
Total	5,640,940	2,919,970	14,349,470	-	17,070,440

The investment in Immobiliare Ferrucci S.r.l. (controlled company) was transferred on 9 October 2008.

Bonds (totalling to Euro 2,558,000) and life policies (totalling to Euro 514,000) have been pledged to a number of Banks.

Liquid assets	30,015,001
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This entry is made up as follows:

	31.12.2008	Variation	31.12.2007
Bank and postal accounts	29 959 132	13 189 636	16 769 496
Cash-in-hand/cash equivalents	55 869	(14 565)	70 434
Total	30 015 001	13 175 071	16 839 930

The balance represents liquid assets and the existence of cash in hand and cash equivalents at year end. It shows an increase of Euro 13,175,071 compared to the previous year. Liquid assets include

the amount of Euro 4,612,003 which is bound as guarantee for bank overdrafts, sureties and advances on contracts.

PREPAYMENTS AND ACCRUED INCOME

As of 31 December 2008 this entry consists of the following:

	31.12.2008	Variation	31.12.2007
Prepayments	60,412	(41,592)	102,004
Bonds	32,069	21,017	11,052
Other prepayments	1,253	(87,374)	88,627
Positive differentials on derivative instruments	27,090	24,765	2,325
Accrued income	31,308,562	(3,010,117)	34,318,679
Building site start-up and tender bid costs	25,941,499	(2,695,037)	28,636,536
Leasing Maxirent and rents between financial years	1,371,734	605,062	766,672
Miscellaneous rents	12,983	(57,544)	70,527
Surety commissions	593,679	(266,566)	860,245
Other accrued income	119,769	60,770	58,999
Insurances	963,395	(647,096)	1,610,491
Arbitration costs suspension	2,305,503	(9,706)	2,315,209
Total	31,368,974	(3,051,709)	34,420,683

Accounts receivable after five years

There are no accounts receivable lasting more than 5 years.

Capitalized financial charges

In 2008, financial charges were not entered under the assets of the Asset and Liability Statement.

COMMENTS ON THE MAIN LIABILITY ITEMS

NET EQUITY

The movement of the entries comprising the Net Shareholder Equity of the last three years is as follows:

Description	Share Capital	Revaluation reserve	Legal reserve	Other reserves	Retained earnings (or losses) carried forward	Profit (loss) for year	Total
Balance as of 01.01.2005	13,000,000	-	733,872	13,422,636	-	4,559,087	31,715,595
Use of 2004 result as per Assembly's decision of 28.06.2005			227,954	4,331,133		(4,559,087)	-
Euro rounding-off				(1)			(1)
Year's profit						5,538,753	5,538,753
Balance as of 01.01.2006	13,000,000	-	961,826	17,753,768	-	5,538,753	37,254,347
Use of 2005 result as per Assembly's decision of 30.06.2006			276,938	5,261,815		(5,538,753)	-
Share capital increase following decision of 20.10.2006	23,000,000			(23,000,000)			
Year's profit						3,627,547	3,627,547
Balance as of 01.01.2007	36,000,000	-	1,238,764	15,583	-	3,627,547	40,881,894
Use of 2006 result as per Assembly's decision of 15.06.2007			181,377	3,446,170		(3,627,547)	-
Euro rounding-off				3			3
Year's profit						7,213,466	7,213,466
Balance as of 01.01.2008	36,000,000	-	1,420,141	3,461,756	-	7,213,466	48,095,363
Use of 2008 result as per Assembly's decision of 15.06.2008			360,673	6,852,793		(7,213,466)	-
Euro rounding-off				(5)			(5)
Year's profit						940,212	940,212
Balance as of 31.12.2008	36,000,000	-	1,780,814	10,314,544	-	940,212	49,035,570

The following notes regard the main items listed under Net Equity and its corresponding variations.

Share capital 36,000,000

The share capital, as of 31 December 2008, was fully subscribed and paid up and consisted of 36,000,000 ordinary shares, each with a nominal value of Euro 1, for a total value of Euro 36,000,000.

At year end, shares were held as follows:

Shareholders	%	No. shares
Holding B.R.M. S.p.A.	50%	18,000,000
Edil - Invest S.r.l.	50%	18,000,000
Total	100%	36,000,000

Legal reserve	1,780,814
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It increased as a result of the 5% provision of financial year 2007 profit.

Other reserves	10,314,544
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This is the extraordinary reserve, increased as a result of the 95% provision of financial year 2007 profit.

The table below shows which reserves of the net equity are available for distribution according to the Civil Code:

Kind/Description	Amount	Possibility of use (*)	Available quota	Summary of uses over the last three years		
				Loss cover	Capital increase	Other
Share capital	36,000,000			-	23,000,000	-
Capital reserves:						
Share surcharge reserve	-	-	-	-	-	-
Reserve for company's own shares	-	-	-	-	-	-
Reserve for capital conferment	-	-	-	-	-	-
Profit reserves:						
Legal reserve	1,780,814	B	-	-	-	-
Reserve for company's own shares	-	-	-	-	-	-
Reserve for net profits on currency transactions	-	-	-	-	-	-
Statutory reserve	-	-	-	-	-	-
Extraordinary reserve	10,314,547	A-B-C	10,314,547	-	(23,000,000)	-
Investment reserve	-	-	-	-	-	-
Reserve as per Law 317/488	-	-	-	-	-	-
Rounding-off reserve	(3)	-	(3)	-	-	-
Revaluation reserves	-	-	-	-	-	-
Profits carried forward	-	-	-	-	-	-
Total	48,095,358		10,314,544			
Non-distributable quota ⁽¹⁾			123,269			
Residual distributable quota			10,191,275			

(*) Legend:

A – for capital increase

B – for loss cover

C – for distribution to shareholders

(1) it is the amount of non distributable quota due to the share used to cover start-up costs not yet amortized under art. 2426, no. 5 (Euro 123,269)

Net equity entries have not been used over the last three years, except for the extraordinary reserve to execute share capital increase.

The following represents the **tax qualification** of net equity components, required also as a result of the new presumption of art. 47 TUIR:

Description	Balance amount	Tax qualification			TOTAL
		Capital reserve	Profit reserve	Suspension reserve	
Share capital	36,000,000	12,034,812	23,907,493	57,695	36,000,000
Capital reserves:					
Share surcharge reserve	-	-	-	-	-
Reserve for company's own shares	-	-	-	-	-

Reserve for capital conferment	-	-	-	-	-
Profit reserves:					
Legal reserve	1,780,814	-	1,780,814	-	1,780,814
Reserve for company's own shares	-	-	-	-	-
Reserve for net profits on currency transactions	-	-	-	-	-
Statutory reserve	-	-	-	-	-
Extraordinary reserve	10,314,547	-	10,314,547	-	10,314,547
Investment reserve	-	-	-	-	-
Reserve as per Law 317/488	-	-	-	-	-
Rounding-off reserve	(3)	-	(3)	-	(3)
Revaluation reserves	-	-	-	-	-
Profits carried forward	-	-	-	-	-
Total	48,095,358	12,034,812	36,002,851	57,695	48,095,358
Year's profit	940,212				
Total Net Equity	49,035,570				

PROVISIONS FOR RISKS AND CHARGES

	31.12.2007	Provision	31.12.2008
Provision for severance pay	-	-	-
Provision for taxation	55 513	-	55 513
Provision for extraordinary INVIM tax	55 513	-	55 513
Other provisions for risks	526 457	139 000	665 457
Risk reserve conferment Borghini	516 457	-	516 457
Provision for future risks and charges	10 000	139 000	149 000
Total	581 970	139 000	720 970

The "Provision for taxation" entry consists of the provision for the extraordinary property-increment tax (INVIM) from the incorporated company Officine Grafiche Fratelli Stianti S.r.l. This regards a dispute with the Florence Register of Deeds concerning a higher INVIM tax assessment in relation to the declaration made in 1991. As the assignors have contractually undertaken to reimburse the amount, the abovementioned sum has been entered as an account receivable from the Stianti family .

The "Other provisions" entry consists of:

- a provision for risks stemming from the arbitration ruling regarding the previous shareholders of Borghini Costruzioni S.r.l. following the merger by incorporation of the aforementioned company. The ruling was appealed against before the Florence Court of Appeal and a decision is still pending;
- a provision for risks relating to the notice of application of sanctions for VAT in 2001, as illustrated in the following point "Disputes pending as of 31 December 2008", which is hereby referred to.

This Board of Directors deemed it correct to enter the amount of Euro 139,000 under the provision for risks following the completion of Chiosina Scarl winding-up operations.

Disputes pending as of 31 December 2008

Disputes where the Company acts as respondent

- Notice of VAT assessment for the year 2000 (Euro 1,116,440).

The notice of assessment for the recovery of Euro 1,116,440 refers to an alleged omitted application of VAT to the consideration for the contract awarded to the Company by SACBO (the company managing the Airport of Bergamo) for the enlargement of the Airport structures. Upon request of SACBO, the Company issued non-taxable invoices. The Internal Revenue Service contested the application of non-taxation provisions by serving a notice of assessment on both

SACBO and BTP. The latter claimed the legitimacy of its conduct before the C.T.P. [Tax Province Commission] of Florence, in that the services were not taxable and, in any event, invoices had been issued without VAT upon the Customer's specific request. The C.T.P. of Florence upheld the petition filed by the Company [Decision n° 93] and declared the notice of assessment null and void. Likewise, the C.T.P. of Bergamo upheld the petition filed by SACBO. The Internal Revenue Service appealed against the C.T.P.'s decision. Final decision is still pending.

For the aforementioned reasons, no risk provision was put aside with reference to this specific dispute.

- Notice of Registry Tax rectification for the year 2001 (Euro 63,655.00).

It is a notice of rectification of a higher mortgage and cadastral value, for the purpose of the registry tax, attributed to the purchase of the property "Villa Le Maschere" (Euro 63,655.00 - including tax, penalties and interests). The Company filed a petition to request that said notice be declared null and void on the grounds of its illegitimacy. The claim for rectification is deemed ungrounded by the Company's counsel as the real estate value stated in the agreement of sale and transfer is confirmed by an affidavit signed by a technical expert. The C.T.P. of Florence upheld the petition filed by the Company [Decision n° 53] and declared the notice of rectification null and void. The Internal Revenue Service appealed against the C.T.P.'s Decision. Final decision is still pending. For the aforementioned reasons, no risk provision was put aside with reference to this specific dispute.

- Decision of application of sanctions for VAT in 2001 of Euro 76,055.00.

The notice, served on December 11, 2006, for an amount of Euro 76,055.00, refers to the alleged non-regularization of purchase invoices that the Internal Revenue Service deemed as irregular. The Company filed its briefs pursuant to art. 16 (4), Legislative Decree 472/97, which were not upheld. Accordingly, a notice of penalty payment was served to the Company, which in turn appealed against such decision.

On March 19, 2009 the C.T.P. of Florence partially upheld the petition filed by the Company and ordered that the sanction be applied in the amount of a lump sum totalling to Euro 10,000.00. Accordingly, this Board of Directors deemed it correct to keep the provision for risks set aside in previous financial year unvaried, namely a provision totalling to Euro 10,000.00, while assessing the opportunity to appeal against said decision.

Disputes where the Company acts as plaintiff

The following disputes with several contracting Entities, related to the following contracts, are also pending:

- Contract for the construction of a school in Florence for brigadiers and marshals of Arma dei Carabinieri. Contractor: Italian Ministry for Infrastructure and Transport. The arbitration award was in favour of the Company, which in 2007 was acknowledged an indemnification in the amount of 28 million Euro approximately. The award has been appealed against; the hearing is scheduled for November 2012.

- Contract for the construction of Medio Savuto linking road. Contractor: Savuto Mountain Community. Contract assignee: BTP. The dispute is still under way, while waiting for the appointment of a CTU [Technical Expert appointed by the Judge].

- Contract for the Bari-Lecce railway line doubling – Contractor: Italian Railway Agency. The suit is under way, while waiting for the appointment of a CTU [Independent Technical Expert appointed by the Judge].

- Contract for the construction of a bypass to State Road 376 between km 2+300 and km 8+000 – Contractor: ANAS – Arbitration under way.

- Contract for the completion and new layout of Vittorio Valletta health centre – Contractor: USL 1 Turin – Arbitration under way.

a) BTP's writ of summons vs. Ente Metro Campania S.p.a. (former Ferrotramviaria) for indemnification of damages suffered by BTP for its decision not to allow for the contract take-over. State of legal action: The case was registered on 24.10.2008. The first hearing took place on 17.02.2009. New hearing on 15.10.2009, for briefs as under art. 183 Civil Code, granting the terms running from 12.05.2009. Our attorneys at law: Atty Bruni. Competent Judge: Court of Naples (Section II, General Registry 37732/08)

b) BTP vs. RFI/TAV – Tav (High Speed Train) contract 43 of Bologna

Since the offer for an amicable agreement was turned down, BTP served a writ of summons on 22 January 2009. The case was registered in the General Registry as no. 3590/2009. The first appearance hearing will take place on 14 July 2009. Subject-matter of case: reservations from n. 47 to n. 105. Total claim: some 99 million Euro pertaining to BTP. Competent Judge: Court of Rome, section II. Judge: Mr. Curatela. Registration no.: General Registry 5390/09

c) Olbia: BTP's writ of summons vs. CINES (Industrial Consortium of Olbia).

By serving its writ of summons on 05.04.2005, BTP asked for payment of an amount going from maximum € 2,983,629.37 to minimum € 881,874.13, subject-matter of reservations. On 20.07.2007, the Judge asked for an Independent Technical Expert's study. Competent Court: Court of Olbia. State of legal action: Independent Technical Expert's study filed in January 2009, acknowledging € 63,000. Final briefs filed.

d) Contract of Pellaro – BTP's writ of summons vs. RFI for the acknowledgement of reservation from n. 1 to n. 21 made during the contract performance, reservations already covered by proceedings brought as under art. 31 bis Law 109, which ended with a failed amicable agreement. The writ of summons (served on 03.07.2007) was followed by the opposite party's writ of appearance (served on 10.02.2008), by RFI's brief as under art. 183(6) Civil Procedural Code (served on 14.04.2008), and by our brief as under art. 183 (served on 02.05.2008). The Preliminary Investigations Judge ordered payment to BTP of some € 1,200,000.00, as a credit not challenged by RFI. State of legal action: at the hearing of 29.07.2008, the Judge admitted all the documents produced and a part of the witnesses' evidence. At the hearing of 17.12.2008, BTP's witnesses were heard. The Judge asked for an Independent Technical Expert's opinion. Engineer Barbieri was appointed as our own Technical Expert. The deadline for the technical opinion is 180 days, which will expire on 17.06.09. The next hearing is on 29.09.09 for the assessment of the Independent Technical Expert's opinion and the filing of the notes thereon. The amount claimed is €. 83,071,545,93.00. Competent judge: Court of Rome

e) Contract of Gioia Tauro – BTP vs. ANAS - Writ of summons served on 17 November 2008.

Subject-matter: reservations for some €. 65,000,000.00, pursuant to a failed amicable agreement. Competent judge: Court of Rome – Section II (so-called Internal Revenue Service Court). Preliminary Investigations Judge: Mr. Sacco. First appearance hearing : 24 March. At the hearing, the terms for filing the briefs as under art. 183 Civil Procedural Code were set, i.e. 30 days+ 30 days+ 20 days. Said terms expired, respectively, on: 23 April (filing briefs for the specification and change of claims, objections and conclusions in the final briefs), 23 May (counterclaims and indication of preliminary investigation means), and 12 June (eventual indication of rebutting evidence). Anas has not filed any briefs or documents. Awaiting judgement by the Judge on the preliminary investigation means and on the date of the next hearing.

Moreover, the following actions for a Preliminary Technical Ascertainment (ATP) pursuant to art. 696-bis Civil Procedural Code have recently come to an end before the Court of Rome (actions that are preliminary to the ensuing Ordinary Proceedings):

- S. GIOVANNI BARRA: On 09.06.2008, an action was brought for an ATP before the Court of Rome. Our own Technical Experts are Engineer Torta and Engineer Bruschini. The appointed Independent Technical Expert is Engineer PADDEU. The technical ascertainment started on 02.12.2008 and will end in late June 2009, with the filing of the Independent Technical Expert's opinion.

- IDP2: On 03.11.2008, the action for an ATP before the Court of Rome was assigned to Judge Salvati. Our own Technical Experts are Engineer Torta and Engineer Bruschini. The appointed Independent Technical Expert is Engineer Vecchi. The technical ascertainment started on 22.12.2008; the Independent Technical Expert's opinion will be filed in late June 2009.

Our counsels believe, on both legal and technical grounds, that the said pending suits will have a favourable outcome for the Company, albeit for amounts lower than those claimed. Hence, the Board of Directors has not deemed it necessary to put aside any amounts as provision for legal fees.

As for the pending suit against the Emilia Romagna Region, related to the contract (index. No. 2571) entered into on 8 May 2000 for the building of regional offices in the District Fair in Bologna, on 17 March 2009 the Arbitration Board rendered its final award. The Arbitration Board thus ordered BTP to compensate damages and to pay the Emilia Romagna Region 1 million Euro, plus interests and monetary revaluation calculated on the sum of Euro 800,000.00 as from 24 January 2005 and on the sum of Euro 200,000.00 as from 14 June 2005 until actual payment. The event that led to this cost occurred in 2009 and thus falls within the economic competence of the year 2009; in fact, as of 31 December 2008, this cost did not satisfy the requisites of certainty in order for it to be considered as falling within the economic competence of 2008. Moreover, for the purpose of assessing economic competence, the Tuir [Sole Text on Income Tax] (art. 109) introduces the need for the charges to be certain and for their amount to be objectively assessable as of 31 December. Both conditions must be satisfied jointly, otherwise the economic competence of the cost can be postponed to the year when such conditions jointly occur. Since this is a (negative) condition occurred after year-end, for the purposes of economic competence (art. 109 Tuir), the event pertains to the year 2009. In terms of tax competence, in fact, the facts occurring after year-end (31.12.2008) do not contribute to accrue the income “where the condition of certainty of their existence is met in the year that follows year-end”. In this specific case, not only did the fact (event) occur in 2009, but the charge is not even certain since the award has been appealed against before the Court of Appeal.

Our counsels believes that this dispute may be resolved favourably for the Company, thus no amount has been put aside as provision for legal fees.

EMPLOYEES' RETIREMENT INDEMNITY FUND

The movement of the fund in the period was as follows:

	31.12.2008	31.12.2007
Initial balance	6 093 866	5 480 841
Consolidation adjustments	-	-
Provision**	2 651 802	2 504 511
Reclassification	-	-
Amount used	(17 812)	-
Transfer from (+) and to (-) other companies	20 894	63 951
Contribution to pension fund	(3 293 530)	-
Severance payments	(1 186 207)	(1 356 447)
Social security payments	-	(453 278)
Advances paid in the year	(31 889)	(145 712)
Total	4 237 124	6 093 866

** the Profit and Loss Statement includes the amount of Euro 2,651,802 corresponding to the allocated quota (Euro 2,672,696) net of the amounts overturned to Crevalcore-Nogara Scarl (Euro 20,894).

The provision represents the company's actual debt towards employees as of 31 December 2008, net of any advances already paid, and corresponds to what should have been paid if the employment relationship had come to an end on said date.

ACCOUNTS PAYABLE

Sums due to banks

227,406,392

This entry is made up as follows:

	Within 1 year	After 1 year	31.12.2008	Variation	31.12.2007
Passive accounts	36 290 350	-	36 290 350	6 452 581	29 837 769
Mortgages	74 008	-	74 008	(3 559)	77 567
Financing	9 791 633	16 990 645	26 782 278	(3 169 437)	29 951 715
Debts to banks	137 258 596	-	137 258 596	894 205	136 364 391
Transfer of contracts	732 937	-	732 937	732 937	-
Advances on contract transfers	17 140 846	9 127 377	26 268 223	(20 341 561)	46 609 784
Total	201 288 370	26 118 022	227 406 392	(15 434 834)	242 841 226

Debts towards banks, amounting as of 31 December 2008 to Euro 227,406,392.00, are made up as follows:

- Euro 74,008 for mortgages to be borne by third parties;
- Euro 137,258,596 for advances on invoices and bank receipts;
- Euro 36,290,350 subdivided as follows:
 - Euro 25,163,540 for bank receipts (reclassified in the account overdraft since given banks manage a single account);
 - Euro 11,126,810 relating to the account overdraft
- Euro 732,937 for advances on contract transfers;
- Euro 26,268,223 for advances on contracts, of which Euro 17,140,846 within one year and Euro 9,127,377 after 1 year;
- Euro 26,782,278 for mid-term financing, of which Euro 9,791,633 within one year and Euro 16,990,645 after 1 year.

Sums due to other financial institutions

70,111,600

This entry is made up as follows:

	Within 1 year	After 1 year	31.12.2008	Variation	31.12.2007
Payables to factoring companies	49 294 252	20 817 348	70 111 600	(492 313)	70 603 913
Total	49 294 252	20 817 348	70 111 600	(492 313)	70 603 913

This entry mainly refers to advances received from factoring companies on credits towards clients and on contract transfers.

In September 2007, the Company entered into a factoring agreement with UniCredit Factoring for the sale and transfer of “any future receivables” totalling to an overall amount of Euro 259,217,765.76 against payment of a consideration that will be equal to the sum due by debtor clients either after an arbitration award and/or court decision is rendered upon pending suits, or upon execution of settlement agreements with said debtors, or upon voluntary payment on behalf of said debtors. After signature of the aforementioned factoring agreement, UniCredit Factoring transferred an advance payment of 60 million Euro to the Company.

Payments on account

1,727,738,986

This entry is made up as follows:

	Within 1 year	After 1 year	31.12.2008	Variation	31.12.2007
Clients for advances on Job Progress Reports	1 619 334 283	46 016 667	1 665 350 950	336 500 799	1 328 850 151
Clients for advances on contracts	19 936 278	31 000 000	50 936 278	(1 590 743)	52 527 021
Clients for advances and deposits on preliminary deeds of sale	11 451 758	-	11 451 758	3 890 000	7 561 758
Total	1 650 722 319	77 016 667	1 727 738 986	338 800 056	1 388 938 930

These consist principally of payments on account received from clients in relation to percentage of project completion.

They can be divided into:

- payments on account received from clients for works to be carried out, including those contracted, amounting to Euro 50,936,278;
- payments on account received in the course of work in progress but which have not yet been completed, amounting to Euro 1,665,350,950;
- advances and deposits received from clients regarding preliminary deeds of sale amounting to Euro 11,451,758.

Accounts payable to suppliers 214,515,250

This entry is made up as follows:

	Within 1 year	31.12.2008	Variation	31.12.2007
Payables to suppliers	185 697 181	185 697 181	41 182 754	144 514 427
Suppliers for invoices to be received	13 504 450	13 504 450	505 048	12 999 402
Suppliers for deductions as guarantee	11 327 184	11 327 184	1 547 697	9 779 487
Payables to professionals	480 358	480 358	40 850	439 508
Professionals to be billed	3 506 077	3 506 077	354 132	3 151 945
Total	214 515 250	214 515 250	43 630 481	170 884 769

It should also be noted that the entry “Accounts receivable from others (within one year)” under Current assets includes advances totalling to Euro 5,236,355 paid to suppliers for services.

Accounts payable to controlled companies 43,861,896

This entry is made up as follows:

	Within 1 year	31.12.2008	Variation	31.12.2007
Trade payables	43 861 896	43 861 896	(33 998 373)	77 860 269
Total	43 861 896	43 861 896	(33 998 373)	77 860 269

These accounts payable are the result of commercial dealings with the said companies, not yet settled as of 31 December 2008. Controlled companies are mainly consortium companies set up exclusively to manage contractual costs.

Accounts payable to affiliated companies 23,307,507

This entry is made up as follows:

	Within 1 year	31.12.2008	Variation	31.12.2007
Trade payables	23 166 327	23 166 327	7 312 184	15 854 143
Financial payables	141 180	141 180	141 180	-
Total	23 307 507	23 307 507	7 453 364	15 854 143

These accounts payable are the result of commercial and financial dealings with the said companies, not yet settled as of 31 December 2008. Affiliated companies are mainly consortium companies set up exclusively to manage contractual costs. Hence, the increase in debts towards the same represents an increase in debts towards suppliers.

Accounts payable to parent companies 25,286

This entry is made up as follows:

	Within 1 year	31.12.2008	31.12.2007
Financial payables	25 286	25 286	25 286
Total	25 286	25 286	25 286

These debts stem from financial transactions with shareholder Edil-Invest not yet settled as of 31 December 2008.

Accounts payable to taxation authorities 23,177,176

This entry is made up as follows:

	Within 1 year	After 1 year	31.12.2008	Variation	31.12.2007
Payables to taxation authorities	21,827,117	1,350,059	23,177,176	8,401,389	14,775,787
Total	21,827,117	1,350,059	23,177,176	8,401,389	14,775,787

These refer to the sole liabilities for certain and determined taxes, and include sums due for withholding tax, for Ires and Irap taxes and for Vat due on a deferred date.

The entry "Payables to taxation authorities" includes the amount of Euro 9,828,236 due for Irpef, which was settled on 30th July 2009.

This entry also includes tax payables for an overall amount of Euro 10,572,877, divided as follows: Euro 4,430,978 due for Ires and Euro 6,141,899 due for Irap relating to financial year 2008 and previous financial years. Said amount has not yet been paid as of the date this balance sheet has been drafted.

Accounts payable to social security authorities 4,330,538

Variations in the year:

	Within 1 year	31.12.2008	Variation	31.12.2007
Accounts payable to Social Security authorities	4,330,538	4,330,538	1,208,569	3,121,969
Total	4,330,538	4,330,538	1,208,569	3,121,969

These are accounts payable to Social Security authorities as of 31 December 2008.

Other accounts payable 29,760,955

Variations in the year:

	Within 1 year	After 1 year	31.12.2008	Variation	31.12.2007
Other payables	29,640,846	120,109	29,760,955	15,508,364	14,252,591
Total	29,640,846	120,109	29,760,955	15,508,364	14,252,591

The “Other payables” item rose from Euro 14,252,591 in financial year 2007 to Euro 29,760,955 in financial year 2008, thus recording an increase of Euro 15,508,364. This sum includes the amount of Euro 14,635,865 payable to OMNIA FACTOR.

Accounts due after 5 years

There are no debts with a residual length of over 5 years, as specified in the graph below:

	31.12.2008	Within 1 year	From 2 to 5 years	31.12.2007
Payables to banks for mortgages	74 008	74 008	-	77 567
Other payables to banks	227 332 384	201 214 362	26 118 022	242 763 659
Payables to other financial institutions	70 111 600	49 294 252	20 817 348	70 603 913
Payments on account	1 727 738 986	1 650 722 319	77 016 667	1 388 938 930
Payables to suppliers	214 515 250	214 515 250	-	170 884 769
Payables to controlled companies	43 861 896	43 861 896	-	77 860 269
Payables to affiliated companies	23 307 507	23 307 507	-	15 854 143
Payables to parent companies	25 286	25 286	-	25 286
Payables to taxation authorities	23 177 176	21 827 117	1 350 059	14 775 787
Payables to social security authorities	4 330 538	4 330 538	-	3 121 969
Other payables	29 760 955	29 640 846	120 109	14 252 591
Total	2 364 235 586	2 238 813 381	125 422 205	1 999 158 883

Debts backed by liens

Liens (mortgages) amounting to	Euro	183,460
for debts on mortgages amounting to	Euro	74,008

ACCRUED EXPENSES AND DEFERRED INCOME

As of 31 December 2008 this entry is made up as follows:

	31.12.2008	Variation	31.12.2007
Accrued expenses	893,029	298,078	594,951
- financial charges	542,120	160,826	381,294
- miscellaneous	256,028	80,563	175,465
- leasing	22,357	(15,835)	38,192
- building site charges	72,524	72,524	-
Deferred income	318,279	(14,194)	332,473
- revenues from rents	20,761	94	20,667
- interruption of revenues from Bari's light railway	246,962	-	246,962
- other deferred income	1,317	(63,527)	64,844
- reimbursement of building site charges	49,239	49,239	-
Total	1,211,308	283,884	927,424

INFORMATION ON FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS

Category of derivative instruments	Fair value ⁽¹⁾	Entity of reference notional	Kind
Fix float forward	(84.750)	3.250.000	Contract covering part of bank indebtedness Date of commencement 10/10/2007 Expiry 10/01/2012
Interest rate swap	(107.084)	2.000.000	Contract covering part of bank indebtedness Date of commencement 10/06/2006 Expiry 10/06/2011
Interest rate swap	(3.223.727)	25.000.000	Contract covering part of bank indebtedness Date of commencement 04/08/2006 Expiry 04/08/2016
Interest rate swap	(174.836)	9.000.000	Contract covering part of bank indebtedness Date of commencement 30/06/2008 Expiry 30/09/2010

⁽¹⁾ The fair value results from bank certificates relating to the closure of the financial year.

COMMITMENTS AND MEMORANDUM ACCOUNTS

The memorandum accounts consist of the following commitments, risks and guarantees:

	31.12.2008	31.12.2007
Commitments on preliminary deeds of sale	9 823 293	8 123 293
Commitments on preliminary deeds of purchase	146 042 000	4 220 000
Commitments towards third parties	8 461 495	2 128 246
Total	164 326 788	14 471 539

The requirement stated in Accounting Principle n. 22 to include “the amount of lease charges to be paid in addition to the cost for redeeming the asset” in the memorandum accounts, under commitments, is booked in the Explanatory Notes under “Tangible Fixed Assets – assets granted on financial lease”. As a result, in order to avoid a pointless repetition, as from 2004 the specification is no longer included in the Memorandum Accounts.

	31.12.2008	31.12.2007
Risks towards third parties	463 185	463 185
Total	463 185	463 185

	31.12.2008	31.12.2007
Bank sureties to controlled companies	2 156 458	2 656 458
Bank sureties to affiliated companies	3 675 000	3 675 000
Bank sureties to clients	41 507 603	12 810 655
Insurance sureties to clients	134 768 057	145 192 274

Pledges given to third parties	-	332 976
Joint insurance debentures	1 329 258	1 329 258
Total	183 436 376	165 996 621

GUARANTEES RECEIVED

Following are the guarantees received by the company:

	31.12.2008	31.12.2007
Sureties from suppliers	12 071 474	11 377 315
Sureties from parent companies	554 078 053	492 263 650
Sureties from third parties	5 433 217	6 208 217
Total	571 582 744	509 849 182

COMMENTS ON THE MAIN ITEMS IN THE PROFIT AND LOSS STATEMENT

Production revenues 527,642,995

	2008	2007
Revenues from sale of goods and service performance	129 785 907	188 256 816
Variation in stock	1 387 167	1 670 477
Variation in contracted work in progress	382 614 121	286 995 600
Other revenues and income	13 855 800	37 930 251
Total	527 642 995	514 853 144

Revenues from sale of goods and service performance 129,785,907

Pursuant to art. 2427 point 10) Civil Code, the following tables illustrate the different types of revenues subdivided by category of product and services:

	2008	2007
Revenues from contracts	108 523 434	186 614 380
Revenues from sale of real estate	805 000	285 000
Revenues from various works	20 415 637	1 261 975
Rentals	41 836	95 461
Total	129 785 907	188 256 816

The revenue trend in each field of operations is discussed in the Management Report. The subdivision of revenues by geographical area is deemed unnecessary in that not significant.

Variation in stock 1,387,167

Variation in contracted work in progress 382,614,121

Other revenues and income 13,855,800

This entry is made up as follows:

	2008	2007
Gains on sales of assets	1 164 973	238 905
Miscellaneous recoupment and overturning of costs	6 831 118	28 337 455
Contingent assets and gains	1 051 884	1 747 666
Various reimbursements	2 021 296	6 422 115
Revenues from rents	651 274	608 897
Use of provision for doubtful debts	18 147	138 469
Other revenues	2 117 108	436 744
Total	13 855 800	37 930 251

Until 2004, the “Overturning of costs to consortium companies” item was entered under “Other revenues and income”, and production costs were recorded for an amount “pre-overturning” itself.. Beginning from 2005, the company’s Board of Directors has decided to indicate production costs “net of” said overturning, so as to avoid “duplications” in costs and revenues.

Production costs	499,030,441
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Raw and ancillary materials, consumables and goods	115,493,030
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The entry essentially concerns the purchase of goods totalling to Euro 102,629,993, various building site costs totalling to Euro 9,504,516, the purchase of real estate totalling to Euro 538,100 and the purchase of bonds totalling to Euro 1,900,000.

Services	299,086,311
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The costs of services are detailed in the table below:

	2008	2007
Electricity bills	138 142	98 221
Construction costs (subcontracting and services outsourced to third parties)	270 547 326	268 023 403
Insurance policies	1 179 264	1 616 438
Bank charges	1 281 706	1 582 184
Fees for professional services	7 535 746	8 321 315
Various maintenance costs	5 263 847	4 277 523
Advertising	88 248	271 732
Provision of various services	10 302	9 812
Water and gas	95 110	89 953
Postal expenses	44 761	49 449
Telephone bills	246 059	186 543
Warehouse costs	45 443	68 979
Costs incurred in preparing tender bids	1 482 904	1 457 191
10% INPS (national insurance contributions) charged to customer	78 724	88 346
Costs for closed building sites	105 411	168 012
Insurance/vehicle tax/petrol/motorway tolls	1 163 757	1 111 056
Noise tests - building site safety courses	850 687	980 473
Condominium service costs	10 113	1 121
Commission charges	-	7 080
Agency fees	1 373	10 528
Commission fees	2 009 357	1 765 972
Fees paid to Directors	2 202 886	2 252 203
Fees paid to Auditors	72 800	56 335
Other service costs	4 632 345	6 178 346
Total	299 086 311	298 672 215

Use of third party assets	16,902,811
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This essentially concerns leasing rents, rents payable and hires paid to third parties.

Personnel expenses	58,641,124
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This entry includes all expenses for employed staff, including the cost of accumulated vacation not taken thereby and legal reserves and collective agreements, net of personnel costs overturned to the controlled companies Crevalcore-Nogara Scarl and Gorizia Scarl (being wound up), as shown below:

	Personnel costs 2008	Less: Overturning to Crevalcore-Nogara Scarl and Gorizia Scarl	Net personnel costs, as of balance 2008
a) Wages and salaries	40,089,204	279,179	39,810,025
b) Social security contributions	16,270,028	90,731	16,179,297
c) Employees' retirement indemnity fund	2,672,696	20,894	2,651,802
d) Severance pay and similar costs	-	-	-
e) Other costs	-	-	-
Total	59,031,928	390,804	58,641,124

Employment data

The company's average personnel (i.e. full-time personnel) in 2008 reached the following level and composition:

	31.12.2007	31.12.2008	Media
Senior executives	23	23	24
Managers	16	13	13
Employees	226	208	218
Workers	969	857	951
Apprentices	18	1	20
Collaborators (on a continuous basis)	8	22	11
Total	1,260	1,124	1,237

The applicable labour agreement is that for employees of building companies and alike.

No comments on the above table are needed, except that as of 31 December 2008, the personnel consisted of 1,124 employees (therefore minus 136 employees with respect to previous year).

Amortizations and write-downs	1,614,604
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The breakdown of the requested sub-entries can be found in the Profit and Loss Statement.

This entry is made up of:

- amortization up to the level permitted by tax law extent, which is deemed representative of the residual useful life of intangible fixed assets and of the estimated useful life of tangible fixed assets.

Variation in goods	(1,316,423)
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Provision for risks	139,000
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This provision for risks was put aside following the completion of Chiosina Scarl winding-up operations.

Other management charges 8,469,984

This entry is made up as follows:

	2008	2007
Non-income based charges and taxes	122 685	87 188
ICI tax	39 367	34 131
Books, magazines, subscriptions and publications	12 998	10 870
Costs of consortia and consortium companies	700 773	86 575
Miscellaneous consumptions and costs	626 488	513 866
Losses resulting from sale of tangible fixed assets	42 637	34 670
Contingent liabilities	805 037	588 509
Fines and penalties	567 875	362 248
Other management charges	5 552 124	2 549 940
Total	8 469 984	4 267 997

The “Other management charges” entry also includes costs incurred for arbitrations (Euro 2,910,089), costs incurred for the implementation of Quality System (Euro 615,617), losses on receivables (Euro 18,147) and costs incurred for the secondary head offices (Euro 49,383).

Net financial income and charges (22,375,528)

Income from investments 834

This entry is made up as follows:

	2008	2007
Dividends	334	146
Dividends from investments in other companies	334	146
Gains from purchases	500	66 212
Gains from purchase of investments in controlled companies	500	-
Gains from purchase of investments in other companies	-	66 212
Gains from sales	-	1
Gains from sale of investments in other companies	-	1
Total	834	66 359

Other financial income 12,594,923

This entry is made up as follows:

	2008	2007
Income from accounts receivable classified as fixed assets	9 338 885	13 603 118
Interests receivable on financing to controlled companies	8 895 194	13 023 354

Interests receivable on financing to affiliated companies	56 479	52 970
Interests receivable on financing to parent companies	375 267	493 206
Interests receivable on financing to other companies	11 945	33 588
Income from securities/holdings entered among fixed assets	-	-
Income from securities/holdings entered among current assets	200 372	128 186
Interests receivable on Life Policies	32 843	14 757
Interests receivable on Bonds	167 529	113 429
Other financial income	3 055 666	2 240 981
Interests receivable on bank and postal accounts	412 993	151 757
Interests receivable from clients	261 528	363 435
Positive differentials on derivative instruments	365 939	190 777
Different interests receivable	2 009 094	1 526 574
Cash discounts	6 112	8 438
Total	12 594 923	15 972 285

Interests and other financial charges 34,970,215

This entry is made up as follows:

	2008	2007
Financial charges towards controlled companies	-	-
Financial charges towards affiliated companies	-	-
Financial charges towards parent companies	-	-
Financial charges towards other companies	34 970 215	27 043 887
Interests payable to bank and postal accounts	5 801 495	4 896 232
Interests payable on mortgages	4 804	4 314
Interests payable on medium and long-term financing	1 987 362	1 052 912
Interests payable to suppliers	3 322 584	291 021
Interests payable on advances	6 894 163	9 347 572
Default interests	272 123	149 420
Interests payable on delayed tax payment	408 421	45 236
Other interests payable	184 352	168 428
Interests payable for factoring advances	8 059 226	4 559 451
Interests payable for discounts and advances on recoverable credit (subject to collection)	7 314 852	6 340 822
Negative differentials on derivative instruments	720 140	187 624
Cash discounts	694	855
Other financial charges	(1)	-
Total	34 970 215	27 043 887

Profits and losses on exchange rates (1,070)

Adjustments to financial assets values (542,570)

This entry is made up as follows:

	2008	2007
Revaluations	-	-
Write-down of investments	(128 534)	(221 133)
Provision for write-down of investments in controlled companies	(124 822)	-
Cover of loss suffered by controlled companies	-	(135 992)
Cover of loss of investments in affiliated companies	-	(68 293)
Cover of loss of investments in other companies	-	(16 848)
Write-down of investments in affiliated companies	(3 712)	-
Write-down of other financial fixed assets	(414 036)	-
Provision for write-down of receivables under fixed assets	(414 036)	-
Write-down of other financial current assets	-	-
Total	(542 570)	(221 133)

Extraordinary income and charges 85,883

This entry is made up as follows:

	2008	2007
Extraordinary income	86 000	-
Gains on sale of investments	86 000	-
Extraordinary charges	-117	-19 296
Losses on sale of investments	-114	-
Taxes relating to previous years	-	-19 296
Non-recurrent losses	-3	-
Total	85 883	-19 296

The entry “Extraordinary income and charges” includes income not referable to the company’s ordinary management.

Income tax 4,840,127

Entry 22) of the Profit and Loss Statement is subdivided as follows:

a) current taxes

	2008	2007
IRES tax	2 307 924	4 206 679
IRAP tax	2 666 415	3 032 059
Substitute tax for realignment	-	1 921 501
Total	4 974 339	9 160 239

b) deferred taxes

	2008	2007
Prepaid taxes	(134 212)	815 281
Prepaid excessive IRES reduction	(1)	108 836
Prepaid excessive IRAP reduction	-	6 926
Provision for prepaid IRES	(231 786)	(123 587)
Provision for prepaid IRAP	(11 856)	(17 527)
Use of prepaid IRES	95 839	831 548
Use of prepaid IRAP	13 592	9 085
Deferred taxes	-	(6 067 368)
Deferred excessive IRES reduction	-	(4 581 847)
Deferred excessive IRAP reduction	-	(590 086)
Use of deferred IRES	-	(793 271)
Use of deferred IRAP	-	(102 164)
Total	(134 212)	(5 252 087)

Prepaid and deferred taxes are entered on all temporary differences between taxable income and pre-tax profit, assuming taxable income to be such as to “re-absorb” temporary differences over the year in question.

Prepaid and deferred taxes are calculated on an accrual basis with respect to deductible costs and taxable revenues in following years, as shown in the following table:

Temporary differences						
Description	Amount at beginning of year	Variation over year	Amount at year end	Applied rate at year end	Tax effect at year end	Tax effect at beginning of year
Prepaid taxes	2,755,970	166,613	2,922,583		896,676	852,593
Provision for risks	10,000	-	10,000	31.40%	3,140	3,140
Associative contributions	128,761	-	128,761	31.40%	40,431	40,431
Goodwill	2,286,661	(43,802)	2,242,859	31.40%	704,258	718,012
Agency fees	2,807	(702)	2,105	31.40%	661	881
Tax loss	327,741	(327,741)	-	-	-	90,129
Write-down of investments	-	124,822	124,822	27.50%	34,326	-
Write-down of receivables	-	414,036	414,036	27.50%	113,860	-
Deferred taxes	-	-	-	-	-	-
	2,755,970	166,613	2,922,583		896,676	852,593

Summary of prepaid taxes divided by expiry date

Year	Taxable			Prepaid taxes		
	IRES	IRAP	Rate	IRES	Rate	IRAP
2009	348,505	348,505	27.5%	95,839	3.90%	13,591
2010	276,429	276,429	27.5%	76,018	3.90%	10,782
2011	266,429	266,429	27.5%	73,268	3.90%	10,391
2012	265,726	265,726	27.5%	73,075	3.90%	10,363
2013	286,494	286,494	27.5%	78,786	3.90%	11,173
2014	253,454	253,454	27.5%	69,700	3.90%	9,885
2015	223,999	223,999	27.5%	61,600	3.90%	8,736
2016	122,193	122,193	27.5%	33,603	3.90%	4,765
2017	122,193	122,193	27.5%	33,603	3.90%	4,765
2018	122,193	122,193	27.5%	33,603	3.90%	4,765
2019	77,974	77,974	27.5%	21,443	3.90%	3,041

2020	18,136	18,136	27.5%	4,987	3.90%	708
***	124,822	-	27.5%	34,326	-	-
***	414,036	-	27.5%	113,860	-	-
	2,922,583	2,383,725		803,711		92,965

*** upon collection

The table reporting the reconciliation between tax charges as under the balance sheet and theoretical tax charges is hereby annexed.

Tax Consolidated Balance Sheet

As said in the paragraph “Eventual belonging to a Group”, the company, together with controlled companies BF Servizi S.r.l., Gruppo Bartolomei-Fusi S.r.l. and Immobiliare Ferrucci S.r.l., has endorsed the National Tax Consolidated System for the years 2007-2008-2009. As anticipated in the paragraph “Eventual belonging to a Group”, the consolidated tax system does not apply to Immobiliare Ferrucci S.r.l. for financial year 2008.

All charges and income resulting from endorsement of the consolidated system are the sums to be paid/received by the companies participating in the consolidated system as consideration for the tax advantages transferred within the Group, in line with the consolidation agreement. Said sums are specified below:

Consolidated companies	Transferred result	Consolidation adjustments	Total
BF Servizi S.r.l.	26,692	-	26,692
Gruppo Bartolomei-Fusi S.r.l.	65,822	-	65,822
Total			92,514
Total tax effect at 27.50%			(25,441)

As of 31 December 2008, BTP S.p.A. has entertained the following financial relationships with the companies participating in the Tax Consolidated System:

Consolidated companies	Total
Receivable from BF Servizi S.r.l.	7,319
Receivable from Gruppo Bartolomei-Fusi S.r.l.	76,259
Total receivable from consolidated companies	83,578

FEES PAID TO DIRECTORS AND AUDITORS

The following table lists the overall figures for the fees paid to Members of the Board of Directors and Board of Auditors in 2008.

	2008	2007
Directors	2 156 000	2 208 000
Auditors	72 800	56 335
Total	2 228 800	2 264 335

This Balance Sheet, consisting of the Asset and Liability Statement, the Profit and Loss Statement and the Explanatory Notes, truthfully and accurately represents the company’s assets and liabilities

and its financial situation, as well as the year's economic results, and is in line with the company's records.

On behalf of the Board of Auditors

The Chairman

Mr. Riccardo Fusi

RECONCILIATION table between tax charges as under Balance Sheet and theoretical tax charges (IRES)

	(in Euro)
Pre-tax result	5,780,339
Theoretical tax charge (27.5% rate)	1,589,593
Temporary differences deductible in following financial years:	
Goodwill amortization quota	175,240
Unpaid 2008 associative contributions	128,761
Write-down of investment in Chiosina Scarl (being wound-up)	124,822
Write-down of receivables from Ed.In.Tre Srl (being wound up)	414,036
Total	842,859
Transfer of temporary differences from previous years:	
Quota of goodwill amortization deductible in 2008	(219,042)
Entertainment expenses relating to 2007 and deductible in 2008	(702)
Associative contributions relating to previous years and paid in 2008	(128,761)
Total	(348,505)
Differences not flowing into following years:	
Non-deductible costs	426,832
Tax increases	17,240
Mobile phones and upkeep	119,512
Costs for motorcars (including leasing)	542,128
Fines and penalties	160,555
Sanctions	558,511
ICI tax	39,367
ICI tax redemption	10
Provision for risks for Chiosina Scarl (being wound up)	139,000
VAT provision for Chiosina Scarl (being wound up)	123,125
Non-deductible amortization for motorcars and mobile phones	37,367
Cover of participated companies' losses	813
Non-deductible contingent liabilities	4,725
Telephone bills (office phones)	49,212
Use of provision for doubtful debts	(18,147)
Gains from transfer of investments	(82,175)
95% dividends on investments	(317)
Total	2,117,758
Taxable amount (loss) BTP SpA	8,392,451
IRES tax resulting from Consolidating company's Profit & Loss Statement	2,307,924

Determining IRAP taxable amount

		(in Euro)
Difference between production revenues and costs		28,612,554
Variations:		
ICI tax	39,377	
Fees paid to members of Board of Directors including Inail and Inps	2,097,167	
Leasing financial charges	2,011,136	
Cost of personnel, as per Profit and Loss statement	58,641,124	
Cost of personnel overturned to Crevalcore-Nogara and Gorizia	1,336,014	
Occasional collaborators	39,015	
Continuous collaborators	621,886	
Inps (social security charges)	78,724	
Tax and social security contributions paid for employed staff (i.e. difference between wage paid by employer and amount actually received by the employee)	(22,207,499)	
Inail (insurance for accidents at work)	(2,092,143)	
Disabled personnel charges	(596,394)	
Apprenticeship charges	(544,716)	
Total	39,423,691	
Total	68,036,245	
Transfer of temporary differences from previous years:		
Quota of goodwill amortization deductible in 2008	(219,042)	
Associative contributions relating to previous years and paid in 2008	(128,761)	
Entertainment expenses relating to 2007 and deductible in 2008	(702)	
Total	(348,505)	
IRAP taxable amount	67,687,740	
Current IRAP for financial year		2,666,415

Cash flow statement

	(in Euro)
Operating activities	
Operating profit (A1)	940,212
Non-monetary entries of Profit and Loss statement (A2):	3,586,562
Pre-paid/deferred taxes	(134,211)
Amortization of intangible assets	312,599
Amortization of tangible assets	1,302,005
Use of provision for doubtful debts	(18,147)
Provision for employees' retirement indemnity fund	2,651,802
Provision for risks	139,000
Write-down of investment	128,534
Write-down of receivables	414,036
Gains on sale of fixed tangible assets	(1,164,973)
Losses from sale of fixed tangible assets	42,637
Gains resulting from transfer of investments	(86,500)
Losses resulting from transfer of investments	114
Dividends received	(334)
A. Total cash flow from operating activities (A1)-(A2)	4,526,774
Cash flow from variations in net current assets	
Variation in receivables from clients	(10,745,192)
Variation in trade receivables towards companies belonging to the group	155,859,641
Variation in receivables from tax authorities	675,912
Variation in prepaid taxes (not booked in the Profit & Loss Statement)	90,128
Variation in receivables from others	36,455,719
Variation in non-fixed investments and securities	20,330,000
Variation in trade receivables towards companies belonging to the group	(24,153,686)
Variation in inventory	(549,835,415)
Variation in payments on account	338,800,056
Variation in prepayments and accrued income	3,051,709
Variation in accounts payable to suppliers	43,630,481
Variation in accounts payable to tax authorities	8,401,389
Variation in accounts payable to social security authorities	1,208,569
Variation in other accounts payable (including documentary credits)	15,508,364
Variation in accrued expenses and deferred income	283,884
B. Total cash flow from variations in net current assets	39,561,559
C. Paid employees' indemnities (Retirement Indemnity and Severance Pay)	(4,508,544)
Quota of Retirement Indemnity and Severance Pay charged to consortia	
Cash flow from operating activities (A+B+C)	39,579,789
Investment activities	
Purchase of intangible assets	(478,498)
Purchase of tangible assets	(1,317,402)
Purchase of financial assets	(1,194,652)
Sale of tangible assets (encashment value)	1,327,574
Sale of financial assets (encashment value)	222,009
Variation in receivables from controlled companies under fixed assets	268,827
Variation in receivables from affiliated companies under fixed assets	(7,010,588)
Variation in receivables from others under fixed assets	816,976
Variation in financial receivables under current assets	(603,236)
Cover of loss of investments	(117,592)
Dividends received	334
D. Total cash flow from investment activities	(8,086,248)
Financing activities	
Increment (decrement) in accounts due to banks	(15,434,834)
Increment (decrement) in accounts due to other financial institutions	(492,313)
Increment (decrement) in financial payables to companies belonging to the Group	(2,391,323)
E. Total cash flow from financing activities	(18,318,470)
Overall cash flow A+B+C+D+E	13,175,071
Cash and cash equivalents at the beginning of the year	16,839,930
Cash and cash equivalents at the end of the year	30,015,001
Cash flow for the year	13,175,071

PFK

Accounting audit and organization

**Baldassini Tognozzi Pontello
Costruzioni Generali S.p.A.**

BALANCE SHEET
AS OF 31 DECEMBER 2008

AUDITING COMPANY'S REPORT
pursuant to art. 2409-ter of the Italian Civil Code

**Auditing Company's Report
pursuant to art. 2409-ter of the Italian Civil Code**

To the shareholders of
Baldassini Tognozzi Pontello Costruzioni Generali S.p.A.

1. We have audited Baldassini Tognozzi Pontello Costruzioni Generali S.p.A.'s balance sheet as of 31 December 2008. The responsibility for drafting the balance sheet in compliance with rules and regulations governing drafting criteria relies with the Company's Directors. We account for the professional assessment of the balance sheet, grounded on our accounting audit.
2. The audit was based on established auditing principles laid down by the National Board of Chartered Accountants and Accounting Experts and as recommended by Consob [Italian Securities and Exchange Commission]. In line with said principles, our audit was planned and carried out for the purpose of collecting all information needed to ascertain whether the Company's balance sheet was vitiated by significant mistakes and whether it was, as a whole, reliable. The auditing process generally includes the assessment, based on sample controls, of evidence supporting the company's balance and all information reported in the balance sheet, as well as the evaluation of the suitability and correctness of the accounting criteria used by the Company and of the reasonableness of the Directors' forecasts. We believe that the activities we undertook provide a reasonable ground for our professional assessment.
For our evaluation of the balance sheet of the previous financial year, whose data are produced for comparison purposes (as required by law), please refer to our report of 11 June 2008.
3. We believe that Baldassini Tognozzi Pontello Costruzioni Generali S.p.A.'s balance sheet as of 31 December 2008 complies with the laws regulating the criteria for drafting said document; it is clearly drafted and truthfully and accurately represents the Company's assets/liabilities, its financial position and economic results for the 2008 financial year.
4. For purposes of information, we report the following data, which are further illustrated in the Management Report and in the Explanatory Notes annexed to the Balance Sheet:
 - a. On 14 October 2008, the Company transferred the entire share capital of Immobiliare Ferrucci S.r.l. (controlled company) totalling to Euro 19.4 million Euro to parent companies Holding BRM and Edil Invest S.r.l., at a quota of 50% each, plus the debt owed to the assignor by Immobiliare Ferrucci S.r.l. totalling to 145.4 million Euro. The overall amount of said transaction, totalling to 164.8 million Euro, was entirely cashed.
 - b. During the last quarter of the financial year 2008, the Company entered into preliminary deeds of purchase with third parties and related companies (among which one shareholder) for an overall amount of approximately 262.4 million Euro; said deeds of purchase concerned land for building purposes, real estate assets and shareholdings in

real estate development companies. In relation to said preliminary deeds of purchase, the Company paid caution deposits/payments on account totalling to approximately 163.9 million Euro, which were booked under the entry “Payments on accounts” of current assets. Following the moratorium and standstill agreement – extensively illustrated in the following paragraph – in September 2009 the Board of Directors agreed with its contractual parties to terminate some of said preliminary deeds of purchase, under which the Company had paid caution deposits and payments on account totalling to 115.5 million Euro. Termination of said deeds of purchase has occurred with no obligation on behalf of the Company to indemnify its contractual counterparties. Any receivables from third parties resulting from the termination of the preliminary deeds were paid by said third parties by assigning their own receivables to Baldassini Tognozzi Pontello Costruzioni Generali S.p.A.’s subsidiaries. The Board of Directors therefore deems that said credits be payable in the light of the assessment carried out on the single debtors as regards their patrimonial consistency and their capacity of corporate business continuity. The above also in the light of the financial restructuring Plan, which is here below analyzed. The remaining preliminary deeds of purchase, under which the Company had paid caution deposits and payments on account totalling to 48.4 million Euro, can therefore be executed following the positive assessment carried out by the Board of Directors on the Company’s contractual counterparties as regards their capacity of performing their contractual obligations.

- c. During 2008 the Company has suffered meaningful financial tensions. As of 31 December 2008, net financial indebtedness amounted to approximately 264.4 million Euro, without taking account of the future instalments due under leasing contracts still in force and accounts payable to tax authorities. Said situation has led the Company to undertake actions aimed at a financial and operational restructuring process together with parent, controlled and affiliated companies alike. Said process led to a moratorium and still agreement, which was made executive on 31 July 2009. Said agreement was entered for a three month period with principal banks and financial institutions. Based on said agreement, the Company engaged not to sell assets or to assume financial obligation that might result in financial indebtedness. Along with the moratorium and standstill agreement, an additional financing line was granted to the Company totalling to 32.5 million Euro to be used for specific purposes. The Company has then appointed two primary financial advisors to assist it in defining an industrial and financial restructuring plan, which shall be produced to the financing banks by 31 October 2009, when the moratorium and standstill agreement expires. The Board of Directors has drafted the balance sheet by assuming the Company’s corporate continuity and, both in the Management Report and in the Explanatory Notes, under the “Corporate Continuity” section, it has highlighted all of the risk factors that may give rise to criticalities, whose effects may prejudice the Company’s capacity of remaining active in the market, as well as the positive outcomes of the assessment made by the Directors on the existence of the requirements that determine corporate continuity capability.
 - d. The Company has significant holdings. For a more accurate report on the Group’s assets/liabilities and economic situation, please refer to the consolidated balance sheet submitted together with the financial year’s balance sheet, which we have ourselves examined. Our report on the consolidated balance sheet is issued today.
5. Accountability for the drafting of the Management Report in compliance with laws in force relies with Baldassini Tognozzi Pontello Costruzioni Generali S.p.A.’s Directors. We account for the professional assessment as to the consistency of the Management Report

with the Balance Sheet, pursuant to art. 2409-ter, par. 2, letter e) of the Italian Civil Code. To this purpose, we have followed and applied the procedures laid down in auditing principle no. 001 established by the National Board of Chartered Accountants and Accounting Experts. Following our assessment, the Management Report is consistent with the Baldassini Tognozzi Pontello Costruzioni Generali S.p.A.'s balance sheet as of 31 December 2008.

Florence, 30th September 2009

PFK Italia S.p.A.
[signature]
Massimo Innocenti
(Partner)

BALDASSINI – TOGNOZZI – PONTELLO

**Costruzioni Generali S.p.A.
Head Office in Calenzano Via del Colle 95
Share capital € 36,000,000 fully paid up
Florence Company Register and Tax Code no. 03908230489**

**BOARD OF AUDITORS' REPORT ON THE RESULTS OF THE FINANCIAL YEAR
AS OF**

31 DECEMBER 2008

(art. 2429 (2) Civil Code)

Dear Shareholders,

As you know, pursuant to art. 2403 Italian Civil Code, we have been entrusted with supervisory functions alone, whereas account auditing is performed by the Auditing Company P.K.F. Italia S.p.A.

Firstly, the Board of Auditors makes the following remarks:

- As the Company is bound to submit a consolidated balance sheet, on 30 March 2009 the Company resolved to rely on the longer term of 180 days to approve the balance sheet as under art. 2364, par. 2 Civil Code and in accordance with statutory provisions.
- On 29 May 2009, the Company's Board of Directors resolved to adopt the draft balance sheet as of 31 December 2008 and to convene the shareholders' assembly for the formal adoption of the balance sheet for financial year 2008 on 30 July 2009 in the first call, and on 7 August 2009 in second call. Said postponement with respect to the deadlines set by regulations in force, was justified by the Board of Directors on the grounds of the ongoing negotiations with banks and other financial institutions aimed at finding a remedy, both for the short and medium-long terms, to cope with the current financial situation.

Execution of said agreements, which the Board of Directors deemed essential to the purpose of the Company's corporate continuity and of the drafting criteria of the balance sheet related thereto, was scheduled for the end of July 2009.

In this regard, this Board of Auditors confirms that in the first months of 2009, in the light of the financial difficulties suffered by some of the companies belonging to the Group, B.T.P. Spa's parent companies turned to a primary financial advisor, Tamburi and Associates, which was entrusted with the task of defining a Plan "focusing on a rationalization process of the business and financial structure of the

Group”, which would state the principles and the actions to be undertaken to make up for the financial needs of the year.

- Accordingly, on 28 July 2009, as the restructuring plan agreed upon with banks and other financial institutions had not yet been executed and the definite agreement had not yet been signed, the Board of Directors resolved to convene the shareholders’ assembly on 30 September 2009 in the first call, and on 7 October 2009 in second call.
- On 31 July 2009, the moratorium and standstill agreement was signed by all banks and financial institutions involved in the Restructuring Plan.

Finally, after ascertaining the actual situation and assessing thoroughly the uncertainties connected to the overall business market, on 28 September 2009 the Board of Directors portrayed the progress made on the 2009-2014 industrial plan drafted together with the financial advisor, Tamburi and Associates, in view of corporate continuity.

After this foreword, the Board of Auditors confirms that it has carried out its duties as required by law.

The Company’s compliance with the law and with its Deed of Incorporation was monitored by controlling corporate bodies’ activities. No actions were required to impose compliance with said provisions.

Please be informed as follows:

- We attended General Assemblies and meetings of the Board of Directors, which took place in accordance with applicable statutory and legislative provisions, during which, besides specific decisions, ample information was given on the Company’s trend, prospects and future plans.
- We gathered information from the Directors on the activities and most significant transactions affecting the Company’s economic and financial status as well as its assets. We reasonably certify that the transactions deliberated and implemented complied with the law, the Company’s Articles of Association and with decisions taken by the Board of Directors and the General Assembly. In this regard, details of the principal events that affected the Company in 2008 and during the first months of 2009 are reported in a specific paragraph hereinafter.
- We acquired information on and, insofar as within our competence, we supervised the adequacy of the Company’s organizational structure and its compliance with the principles of proper administration, also by directly monitoring or collecting information from the people in charge of the Company’s organization. We held periodic meetings with the Auditing Company P.F.K. Italia S.p.A. to exchange data

and information, as required by the laws in force, in order to ensure correct performance of our respective tasks, which regarded:

- a) data and information which were deemed relevant, appropriate and useful for supervisory purposes;
 - b) data collected by the Auditing Company concerning the Company's administrative/accounting system, its regular book-keeping and the correct representation of management facts;
 - c) any possible irregularities or censurable facts;
 - d) controls on any possible transactions with affiliated parties. Said auditing company also provided information on the auditing plan applied, on the actions taken and on data concerning the year's balance sheet and all audits carried out, regularly providing copies of all corresponding minutes.
- We assessed and supervised the adequacy of the Company's internal control and administrative/accounting systems, as well as the latter's correct representation of management facts, also by collecting information from department managers, examining corporate documents and analysing the results of the auditing company's activities. We deem said systems to be suitable to the Company's structure and to the multiplicity and complexity of its relationships.
 - The Directors' Management Report is deemed to suitably illustrate the main transactions, including those carried out with affiliated parties or intra-group parties, also with respect to the specific features of said transactions and their economic effects. No atypical and/or unusual transactions were noted.

The principal events that affected intra-group transactions are the following: sale and transfer to parent companies, at a quota of 50% each, of the entire share capital of Immobiliare Ferrucci Srl and of the debt owed to the Company by the assignee as interest-bearing investment, for an overall amount of 164.4 million Euros.

- Non-interest bearing caution deposits and payments on account booked in the assets and liabilities statement as of 31 December 2008 and resulting from preliminary deeds of purchase signed in 2008 and to be performed in the course of 2009, but which were terminated following the execution of the moratorium and standstill agreement. Accordingly, in the 2009 assets statement, commercial credits shall be entered with reimbursement deadline set at 30 April 2010.
- The Auditing Company's report on the balance sheet, drawn up in accordance with Article 2409 (ter) of the Civil Code, contains no criticisms or warnings of any kind.

In addition, we supervised the overall drafting of the balance sheet, its compliance with the law with regard to its composition and structure and, in this respect, we have no special remarks to make.

To the best of our knowledge, the Directors did not resort to the derogation provided by Article 2423 (4) of the Civil Code in preparing the balance sheet, there not being any reason therefor. The Directors have thoroughly illustrated the most meaningful events occurred during the first part of financial year 2009.

In accordance with Article 2426 of the Civil Code, we consented (as in the past) to itemising start-up and expansion and goodwill costs, net of their corresponding write-down reserves, among the assets reported in the balance sheet.

We checked that the balance sheet matched both the Company's facts and all information gathered whilst carrying out our duties, and we have no remarks to make in this respect.

The draft of the balance sheet was regularly communicated, together with its Explanatory Notes, tables, annexes and the Management Report, with respect to which we checked compliance with the rules governing its drafting. Said balance sheet shows the following significant data:

- Production revenues	€ 527,642,995
- Net equity (including the year's profit)	€ 49,035,570
- Pre-tax result	€ 5,780,339
- Year's net profit	€ 940,212

As known to you, the control of the consolidated balance sheet relies with the body entrusted with the task of auditing the balance sheet of the Holding Company (pursuant to art. 41, par. 3 of Legislative Decree no. 127 of 9th April 1991), which in our case is not the Board of Auditors but the Auditing Company. Accordingly, we limit ourselves to confirm that the Company, concurrent with the balance sheet for financial year 2008, has also drawn up the consolidated balance sheet in compliance with Legislative Decree no. 127 of 9th April 1991, annexing thereto the Explanatory Notes and the Management Report as laid down in articles 38 and 40 of the aforementioned Legislative Decree.

In the light of the above, and since no criticisms or reserves arise from the thorough and exhaustive report, with specific reference to the corporate continuity issue, provided by the Auditing Company and its report on the balance sheet, we consent to your approval of

the balance sheet as of December 31, 2008 and to the use of the year's profit of € 940,212 as proposed by the Directors.

As a last issue, may we remind you that concurrently with the Shareholders' assembly called upon to adopt the balance sheet as of 31 December 2008, the Board of Auditors' three-year mandate shall come to an end. You are therefore invited to appoint the new Board.

Florence, 28th September 2009

THE BOARD OF AUDITORS

(Mr. Carlo Altini – Chairman)

(Mr. Renzo Maragotto – Regular Auditor)

(Mr. Corrado Galli – Regular Auditor)