

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2008

MANAGEMENT REPORT

Dear Shareholders,

This Management Report relating to the 2008 consolidated balance sheet is compliant with Civil Code provisions. The consolidated balance sheet has been drafted, as customary, pursuant to Legislative Decree no. 127/91.

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

In order to better understand the Group's management, we have reclassified 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 Group's 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 511 million Euro, against 502 million of the previous financial year;
- the **operational result** was 31.7 million Euro, against 25.7 million Euro of the previous year;
- the **net result** was positive by 1.1 million Euro, against the profit of 9 million Euro of 2007;
- the decrease in pre-tax result and net result is due to the higher net financial charges, which went from 13.6 million Euro in 2007 to 24.7 million Euro in 2008 as a result of lower interests receivable from controlled and affiliated companies and to higher bank interest rates;
- the **consolidated net equity** totals to 51 million Euro;
- investments, 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 2.7% in 2007 to 4.9% in 2008 for the reasons described below.

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

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

In 2008, the increase in net financial charges substantially eroded the Group's remarkable operational result, amounting to more than 31.6 million Euro.

The Management thus deemed it necessary to start negotiations with Banks in order to have the interest rates applied to the Holding 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 Group'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, along with the agreement reached with Banks on lower interest rates, will allow the Group to reach, at least as from 2010, the net profitability that it always achieved until 2007.

THE GROUP'S FIELDS OF BUSINESS

The holding company BTP S.p.A. is active in the building sector, through the assignment of public and private contracts for the building of civil, commercial and industrial units, offices, hospitals, airports, roads and infrastructures; as a secondary activity, it is engaged, through its controlled and affiliated companies, in trading and building residential/commercial units and offices for resale or lease to third parties. Finally, as ancillary and instrumental activity, the Group BTP promotes the sale of properties and acts as a real estate agent.

THE ITALIAN MARKET

Today, the Holding Company 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 Holding Company is involved in high quality jobs for the building of schools, barracks, university structures and hospitals.

In 2008, the Holding 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, the Holding Company 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

The Group has always tried to foresee, identify and therefore satisfy the market's demands by following innovative paths and by anticipating future trends, as was done for project financing in 2000.

The Group 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 Holding 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 Parcheggi SpA.

In 2003, together with other entrepreneurs (e.g. RATP International, Alstom, Ansaldo-Breda), the Holding 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 stake-holder.

In the same year, the Holding 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, the Holding Company, 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 Holding 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 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, the Group 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 Group is currently involved in the redevelopment of key derelict areas such as:

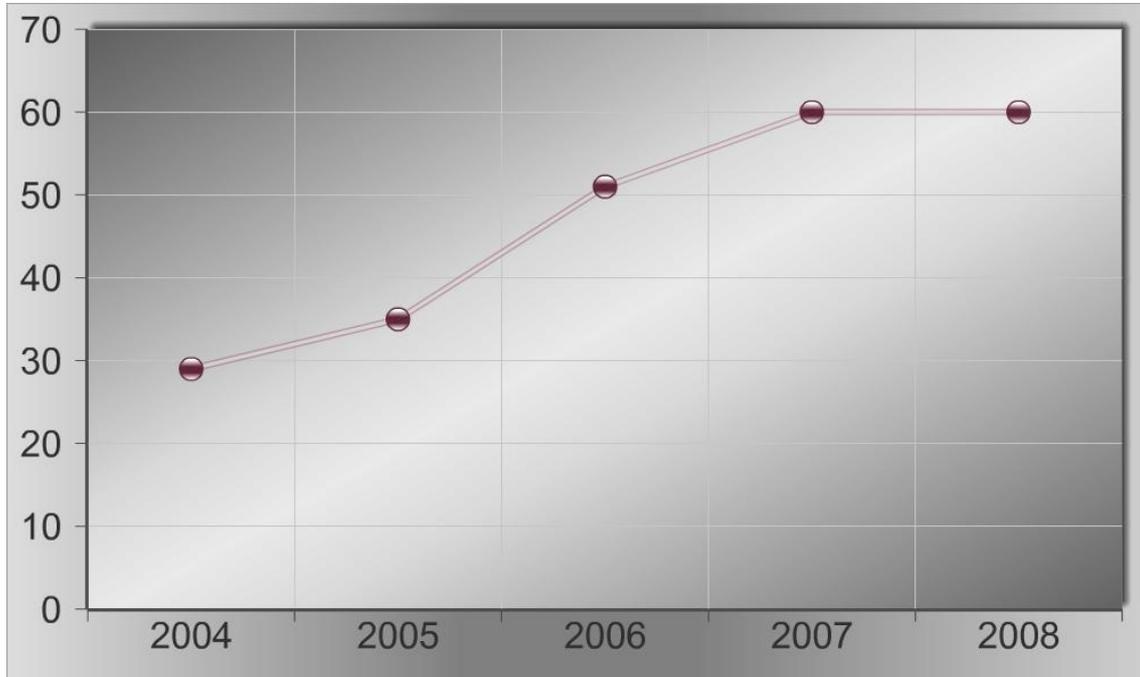
- **FORMER SIME AREA** (involving the building of 410 apartments, 2 underground storeys with garages, car spaces and cellars, on some 25,000 m²)
- **FORMER FIAT AREA - VIALE BELFIORE** (some 3 hectares for the development of a 205-room hotel, a conference centre, retail stores and a fitness centre, with 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 volumetrics 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 Holding Company renewed its commitment in suitable investments in human resources and machinery.

Human Resources



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

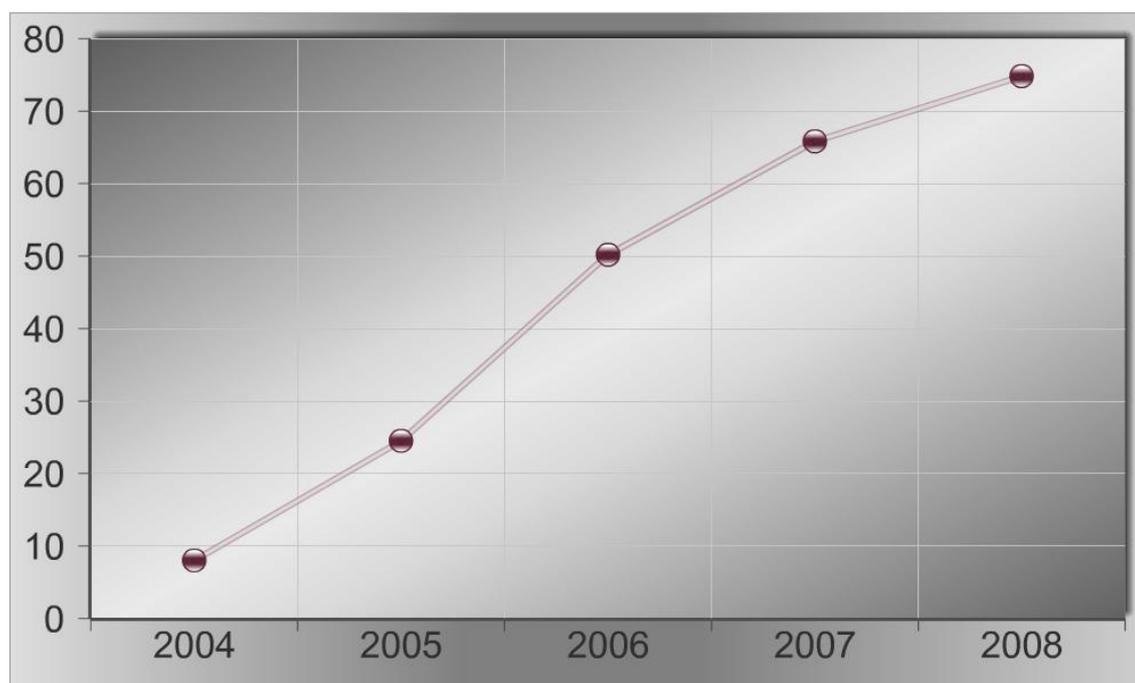
In 2008, the Holding Company paid special attention to training, which represents a “connecting link” between the corporate levels and the workforce: indeed, it fosters the personal and professional growth of those it is addressed to (employees) and thus, through them, it allows for the development of 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, personnel turnover procedures were started and completed 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, the Company started and completed 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 "Pozzolatico" natural tunnel.

Machinery and equipment



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

In 2008, the Holding 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 is 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

The Holding Company 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 corporate 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 Holding 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 corporate 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 corporate policy to its many activities, for training 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 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 the Holding Company's operational teams and those of the Company and its subcontractors.
- Involvement and motivation of all corporate 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), the Holding Company 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, the Holding Company 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 corporate 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 Holding 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.

The Holding Company 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 Holding 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, the Holding Company 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, the Holding Company is always committed to reducing the inevitable environmental effects that jobs entail, also by applying its integrated system processes. The Holding 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 Holding 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, the Holding Company'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, the Holding Company has broadened its goal of improving the environmental management system so as to embrace other issues connected to sustainable building.

Therefore, in early 2009, the Holding Company 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 supranational movement.
- Participating in training to be qualified as a LEED AP.

By participating actively in GBC Italia's activities, the Holding Company:

- 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.
- 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 Holding 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 Holding Company's Board of Directors, 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 the Holding Company, whether they be corporate bodies, employees or collaborators, so as to guarantee fairness in business transactions and in the Holding Company's activities.

The Holding Company'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 the Holding Company's building sites.

Code of Conduct at work

In May 2008, within the scope of its activities and of those of its Consortia, the Holding Company 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 Holding 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 Holding 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, the Holding Company’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, the Holding Company 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 Holding 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 Holding 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 Holding 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, the Holding Company 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 Holding Company updated its Safety Programme, drafted in compliance with provisions of Legislative Decree no. 196/2003 governing personal data protection.

Assistance

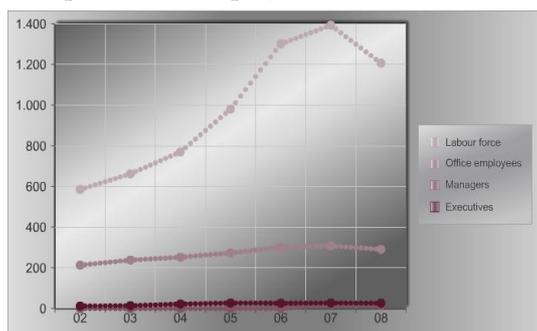
An internal Help Desk was set up for the purpose of supporting the Holding Company's internal staff with respect to hardware and software computer problems. This manages all of the users' requests for assistance – those requests that are entered by clicking on the appropriate area on the Website – and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

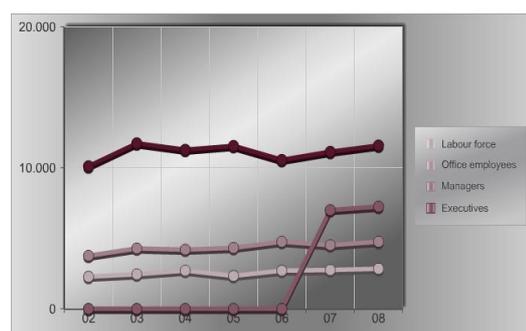
INFORMATION ON STAFF

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

The Holding 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 Holding Company's average cost for workmen was reduced (in respect of the employment of lower-skilled labour).



Staff per qualification



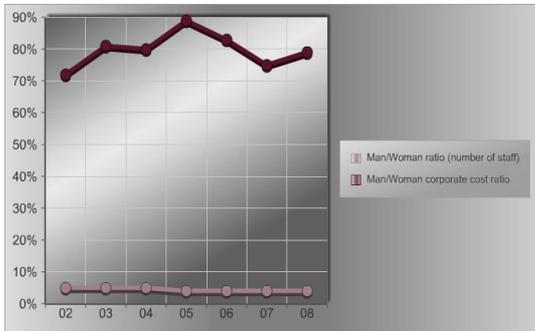
Company costs per qualification

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.

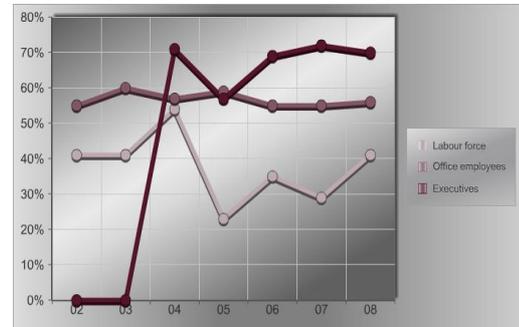
In fact, Women represent:

- 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.



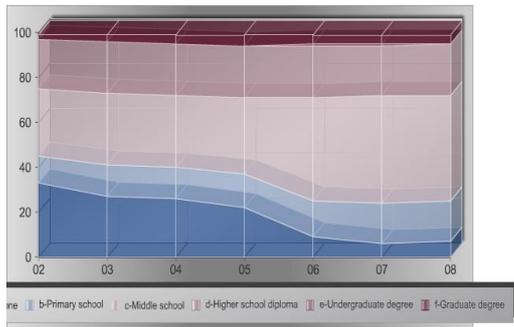
Women/Men ratio



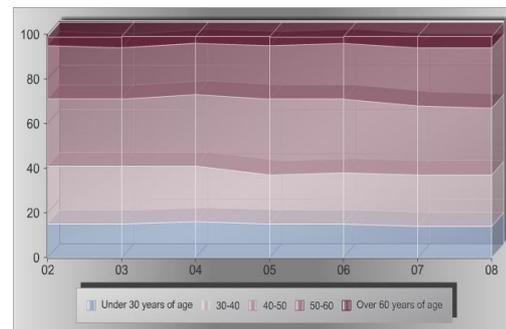
Women/Men corporate cost ratio

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.



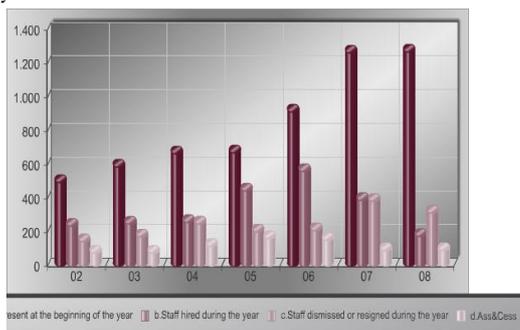
Distribution by Academic Qualification



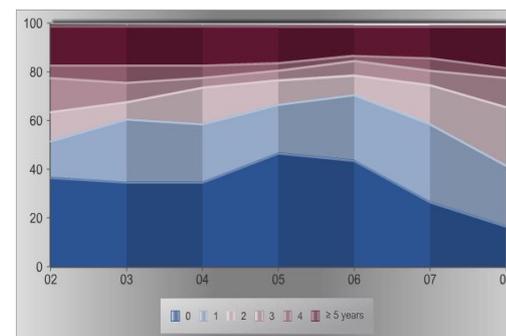
Employees by age range

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

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



Flows over time

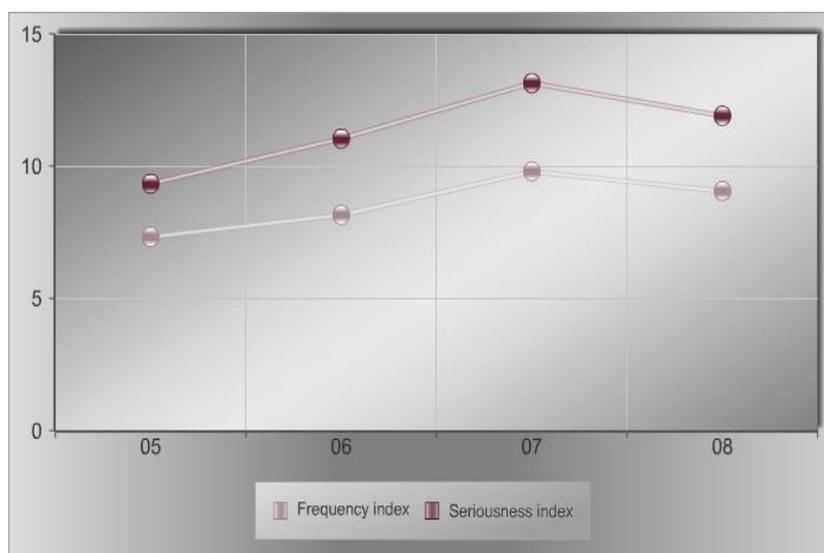


Permanent employees at BTP

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 the Holding Company. 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.

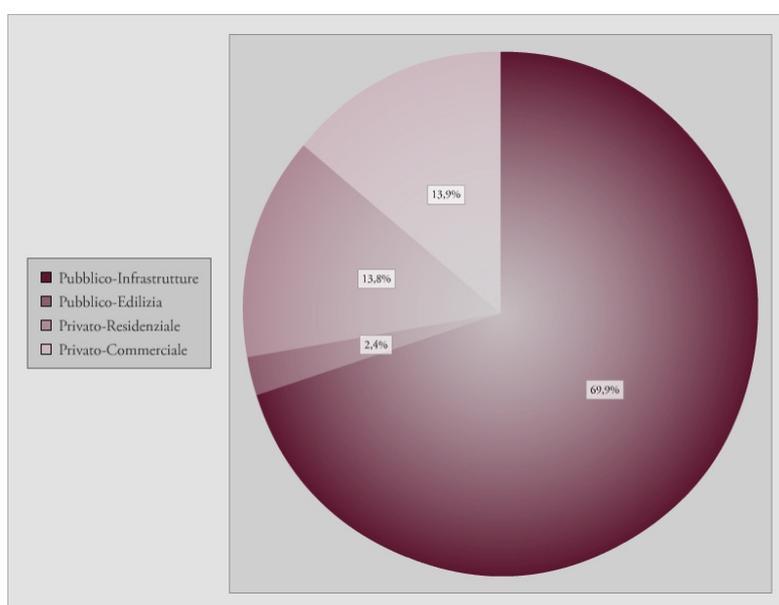
YEAR		A05	A06	A07	A08
number of accidents	A)	103	164	215	184
days of leave for accident	B)	2,829	5,792	7,325	5,786
Hours of work (ord. hours + Sat&Sun + extra time)	C)	1,406,192	2,010,206	2,193,680	2,031,418
FREQUENCY INDEX	A/Cx100,000	7.3247	8.1584	9.8009	9.0577
SERIOUSNESS INDEX	B/Cx1000	2.0118	2.8813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



MAIN ACTIVITIES

The Holding 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

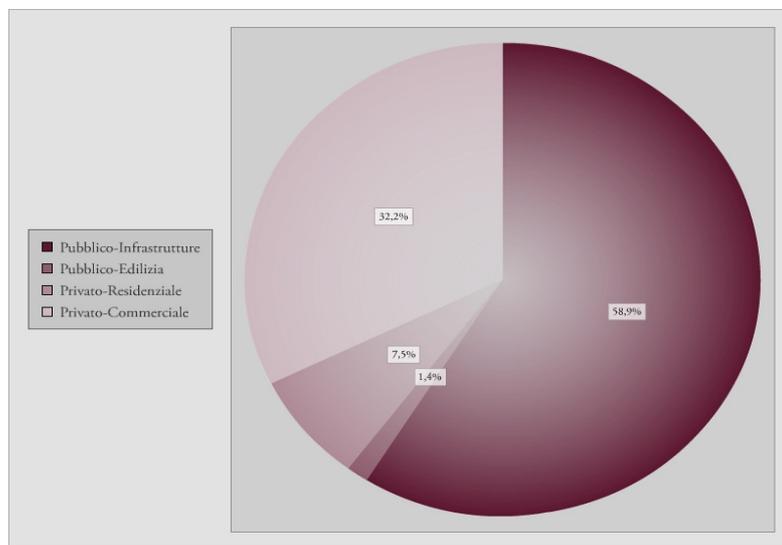
In 2008, 72% of production was achieved in the Public sector.

ORDER BACKLOG

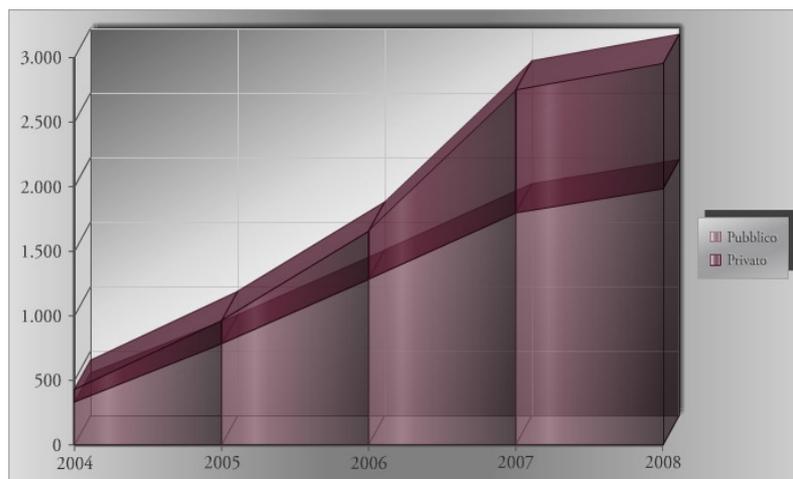
The trend in the Holding Company's order backlog is reported in the following table and illustrated in the following graphs:

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.

GROUP'S PROFIT AND LOSS STATEMENT, ASSET AND LIABILITY STATEMENT

Financial year 2008 ended with a net profit for the Group of Euro 1,169,451.

Consolidated assets and liabilities had a net invested capital amounting to Euro 320,539,366 as of 31 December 2008.

At the end of the year, the Group's net equity amounted to Euro 51,005,125.

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 Consolidated Profit & Loss Statement

	2008	% on revenues	2007	% on revenues
Revenues	500,148,563		491,906,591	
Adjustment*	(12,284,309)		(9,824,083)	
Revenues net of adjustments	487,864,254	97.77%	482,082,508	97.91%
Other revenues and income	11,151,965	2.23%	10,272,370	2.09%
Production revenues	499,016,219	100.00 %	492,354,878	100.00%
Operating costs	(467,960,173)		(464,324,378)	
Adjustments *	12,284,309		9,824,083	
Operating costs net of adjustments	(455,675,864)	(91.31%)	(454,500,295)	(92.31%)
Gross operating margin	43,340,355	8.69%	37,854,583	7.69%
Amortizations and provisions	(11,652,485)	(2.33%)	(12,130,105)	(2.46%)
Operating profit	31,687,870	6.35%	25,724,478	5.22%
Net financial (charges) revenues	(24,757,724)	(4.96%)	(13,688,606)	(2.78%)
Adjustments to financial asset values	(884,766)	(0.18%)	1,423,230	0.29%
Net extraordinary (charges) revenues	511,121	0.10%	(203,978)	(0.04%)
Pre-tax result	6,556,501	1.31%	13,255,124	2.69%
Taxes	(5,394,693)	(1.08%)	(4,433,974)	(0.90%)
Consolidated net profit (loss)	1,161,808	0.23%	8,821,150	1.79%
of which Third Party profit (loss)	(7,643)	(0.001%)	(195,017)	(0.04%)
of which Group profit (loss)	1,169,451	0.23%	9,016,167	1.83%
Cash flow (profit plus amortizations)	12,814,293	2.57%	20,951,255	4.26%

*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.

Production revenues went from Euro 492,354,878 (financial year 2007) to Euro 499,016,219 (financial year 2008), thus recording a 1.35% increase.

The gross operating margin rose from Euro 37,854,583 (financial year 2007) to Euro 43,340,355 (financial year 2008), i.e. a 14.49% increase.

The operating profit rose from Euro 25,724,478 (financial year 2007) to Euro 31,687,870 (financial year 2008), thus recording a 23.18% increase.

Amortizations and provisions went from Euro 12,130,105 (financial year 2007) to Euro 11,652,485 (financial year 2008).

The cash flow (profit plus amortizations) decreased from Euro 20,951,255 (financial year 2007) to Euro 12,814,293 (financial year 2008).

Net financial revenues rose from Euro 13,688,606 (financial year 2007) to Euro 24,757,724 (financial year 2008).

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	159,391,197	32.67%	228,916,546	47.48%
Internal production	340,757,366	69.85%	262,990,045	54.55%
OPERATIONAL PRODUCTION REVENUES	500,148,563	102.52%	491,906,591	102.04%
Adjustment*	(12,284,309)	(2.52%)	(9,824,083)	(2.04%)
OPERATIONAL PRODUCTION REVENUES net of adjustment	487,864,254	100.00%	482,082,508	100.00%
Operational external costs	(395,579,660)	(81.08%)	(393,362,091)	(81.60%)
Adjustment*	12,284,309	2.52%	9,824,083	2.04%
Operational external costs net of adjustment	(383,295,351)	(78.57%)	(383,538,008)	(79.56%)
ADDED VALUE	104,568,903	21.43%	98,544,500	20.44%
Personnel expenses	(63,494,159)	(13.01%)	(66,199,043)	(13.73%)
GROSS OPERATING MARGIN	41,074,744	8.42%	32,345,457	6.71%
Amortizations and provisions	(11,652,485)	(2.39%)	(12,130,105)	(2.52%)
OPERATIONAL REVENUES	29,422,259	6.03%	20,215,352	4.19%
Revenues of accessory area	2,265,611	0.46%	5,509,126	1.14%
Revenues of financial area (net of financial charges)	12,585,795	2.58%	16,026,657	3.32%
NORMALISED EBIT	44,273,665	9.07%	41,751,135	8.66%
Revenues of extraordinary area	(373,645)	(0.08%)	1,219,252	0.25%
FULLY STATED EBIT	43,900,020	9.00%	42,970,387	8.91%
Financial charges	(37,343,519)	(7.65%)	(29,715,263)	(6.16%)
GROSS REVENUES	6,556,501	1.34%	13,255,124	2.75%
Income tax	(5,394,693)	(1.11%)	(4,433,974)	(0.92%)
NET REVENUES	1,161,808	0.24%	8,821,150	1.83%
of which Third Party profit (loss)	(7,643)	(0.001%)	(195,017)	(0.04%)
of which Group profit (loss)	1,169,451	0.24%	9,016,167	1.87%

*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 Group, compared with those of the previous year.

Profitability indexes	2008	2007
ROE – return on own capital	2.28%	17.75%
ROA – return on current management	5.69%	5.68%
ROI – return on invested capital	3.78%	2.75%
ROD – onerousness of debt capital	5.13%	4.34%
Impact of net financial charges on production revenues	4.95%	2.78%

The following table summarizes the Group's asset and liability balance as of 31 December 2008:

Summary Consolidated Asset and Liability statement

(in Euro)	31/12/2008	31/12/2007
Net fixed assets	54,009,373	59,333,213
Net current assets	274,262,274	159,832,658
Risk reserves and Employees' Retirement Indemnity Fund	(7,732,281)	(9,131,093)
Net invested capital	320,539,366	210,034,778
Short-term net indebtedness	(204,731,080)	(66,283,399)
Mid- long-term net indebtedness	(64,912,746)	(94,052,926)
Net indebtedness	(269,643,826)	(160,336,325)
Net equity	50,895,540	49,698,453
Group's net equity	51,005,125	49,835,672
Third parties' net equity	(109,585)	(137,219)

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

Short-term net indebtedness mainly refers to quotas for loans and mortgages due within next financial year, to payables towards banks, factoring companies and leasing companies.

Short-term net indebtedness rose from Euro 66,283,399 (financial year 2007) to Euro 204,731,080 (financial year 2008), thus recording an increase of Euro 138,447,681, mainly due to a decrease in financial receivables from controlled and affiliated companies.

Mid/long-term net indebtedness mainly refers to quotas for loans and mortgages due after next financial year, as well as to payables towards leasing companies.

Mid/long-term net indebtedness went from Euro 94,052,926 (financial year 2007) to Euro 64,912,746 (financial year 2008), thus recording a positive decrease of Euro 29,140,180, 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
FIXED ASSETS	54,461,421	60,320,148
Stock	1,930,681,881	1,424,384,523
Deferred liquidity	347,143,190	527,762,291
Immediate liquidity	30,291,627	17,169,680
CURRENT ASSETS	2,308,116,698	1,969,316,494
INVESTED CAPITAL	2,362,578,119	2,029,636,642
OWN CAPITAL	50,895,540	49,698,453
Consolidated liabilities	73,761,063	105,600,066
Current liabilities	2,237,921,516	1,874,338,123
THIRD PARTY CAPITAL	2,311,682,579	1,979,938,189
TOTAL SOURCES	2,362,578,119	2,029,636,642

The entry "stock" includes the advances received on Job Progress Reports for Euro 1,584,040,490 (Euro 1,295,193,838 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 Group'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
FIXED ASSETS	54,461,421	60,320,148
Stock net of advances received on Job Progress Reports	346,641,391	129,190,685
Deferred liquidity	347,143,190	527,762,291
Immediate liquidity	30,291,627	17,169,680
CURRENT ASSETS	724,076,208	674,122,656
INVESTED CAPITAL	778,537,629	734,442,804
OWN CAPITAL	50,895,540	49,698,453
Consolidated liabilities	73,761,063	105,600,066
Current liabilities	653,881,026	579,144,285
THIRD PARTY CAPITAL	727,642,089	684,744,351
TOTAL SOURCES	778,537,629	734,442,804

	2008	2007
Composition of uses		
Rigidity of uses	7.00%	8.21%
Flexibility of uses	93.00%	91.79%
Composition of sources		
Financial autonomy	6.54%	6.77%
Financial dependence	93.46%	93.23%
Liquidity indexes		
Availability ratio	110.74%	116.40%
Treasury ratio	57.72%	94.09%
Solidity indexes		
Fixed assets self-covering ratio	93.45%	82.39%
Fixed assets covering ratio	228.89%	257.46%
Total indebtedness ratio	1,429.68%	1,377.80%

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.

GROUP'S FINANCIAL POSITION

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

The Group's financial position is summarised as follows (values in Euro):

	31/12/2008	31/12/2007	Variation
Subscribed capital unpaid	2,314	2,314	-
Liquid funds	30,291,627	17,169,680	13,121,947
Financial assets not classified as fixed assets	5,640,940	17,070,440	(11,429,500)
Payables to banks within one year	(201,328,344)	(199,902,167)	(1,426,177)
Payables to other financial institutions within one year	(59,592,921)	(52,828,341)	(6,764,580)
Net financial position towards third parties	(224,986,384)	(218,488,074)	(6,498,310)
Net financial receivables from (Net financial payables to)	-	138,161,268	(138,161,268)

controlled companies within one year			
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	2,784,716	2,613,322	171,394
Net short-term financial position	(204,731,080)	(66,283,399)	(138,447,681)

The total **net short-term financial position** went from Euro (66,283,399) in financial year 2007 to Euro (204,731,080) in financial year 2008, thus recording a negative increase of Euro (138,447,681) – See the ‘Variation’ column for details – due mainly to a decrease in net financial receivables from controlled and affiliated companies).

Payables to banks (due within and after one year), amounting as of 31 December 2008 to Euro 227,446,366, 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 36,330,324 subdivided as follows: Euro 25,163,540 for bank receipts (reclassified in the account overdraft since given banks manage a single account); Euro 11,166,784 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	1,930,681,881	1,424,384,523	506,297,358
Net receivables from clients	266,268,472	259,144,075	7,124,397
Receivables from deconsolidated controlled company	-	2,729,684	(2,729,684)
Receivables from affiliated companies valued according to the net equity method	10,495,624	11,484,404	(988,780)
Receivables from parent companies	880,918	494,033	386,885
Receivables from taxation authorities	2,460,252	5,029,341	(2,569,089)
Prepaid taxes	294,668	287,962	6,706
Receivables from others	10,013,889	45,237,924	(35,224,035)
Payments on account	(1,646,481,403)	(1,355,340,894)	(291,140,509)
Payables to suppliers	(248,710,576)	(212,516,230)	(36,194,346)
Payables to deconsolidated controlled company	-	(4,330,789)	4,330,789
Payables to affiliated companies valued according to the net equity method	(23,166,327)	(15,854,143)	(7,312,184)
Payables to taxation authorities	(22,425,559)	(15,902,044)	(6,523,515)
Payables to Social Security authorities	(4,795,281)	(3,765,705)	(1,029,576)
Other payables	(30,151,261)	(14,335,437)	(15,815,824)
Net deferred and accrued expenses and income	28,896,977	33,085,954	(4,188,977)
Net current assets	274,262,274	159,832,658	114,429,616

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 10,887,625, divided as follows: Euro 4,578,490 due for Ires and Euro 6,309,135 due for Irapp 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 Group's exposure to potential losses due to the counterpart's breach of its obligations. In the light of the Group's main clients, the credit risk connected with its ordinary performance of commercial transactions is generally low. The Group 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 Group 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 Group 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 Group 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.

COMPANY'S OWN SHARES

As of 31 December 2008, neither the Holding Company nor any other company included in the consolidation area held shares of its own or shares of parent companies, nor had they taken steps to purchase or sell any such shares during the financial year.

ENVIRONMENTAL INFORMATION

The Group is not exposed to any particular environmental risk; it ordinarily protects the environment by taking minimum safety measures.

RELATIONSHIPS WITH PARENT, CONTROLLED AND AFFILIATED COMPANIES

At the end of the financial year, there existed the following relationships with parent 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	880,918	25,284	
Holding BRM S.p.A.	2,810,000	49,982	-	
Edil-Invest S.r.l.	-	830,936	25,284	
Affiliated companies:	24,362,719	10,495,624	23,307,507	
Sunto S.r.l.	59,528	-	2,900	
Consorzio Colle Futura (being wound-up)	-	-	59,453	
Travel 15 S.c.a r.l. (being wound-up)	-	-	97,405	
La Fonderia S.r.l. (being wound-up)	74,948	16,116	-	
Nuova Emilia S.c.a r.l. (being wound-up)	-	-	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 S.c.a r.l.	3,109,227	-	898,165	
Mugello Outlet S.c.a r.l.	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 S.p.A.	3,507,248	-	-	
Diomira S.c.a r.l.	23,464	5,154,730	5,951,452	
Scandicci Centro S.r.l.	415,800	158,357	12,729	
Affitto Firenze S.p.A.	-	164,485	-	
Bretella S.c. a r.l.	-	-	1,268,046	
Total	27,172,719	11,376,542	23,332,791	

The extent of the financial relationships with parent and affiliated companies results from the financial coordination carried out by the Holding 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	-	-
Sold controlled company:	8,883,279	-	-	-	-
Immobiliare Ferrucci S.r.l.	8,883,279	-	-	-	-
Affiliated companies:	56,479	-	271,415	-	17,495,746
La Fonderia S.r.l. (being wound-up)	4,898	-	-	-	-
Consorzio Colle Futura (being wound-up)	-	-	-	-	1,549
Diomira S.c.a r.l.	-	-	30,000	-	4,393,221
Villa Fossi S.r.l. in liquid.	51,581	-	-	-	-
Project Costruzioni S.c.a r.l.	-	-	100,530	-	1,197,584
Mugello Outlet S.c.a r.l. (being wound-up)	-	-	15,000	-	50,439
Consorzio Stabile OPERAE	-	-	125,885	-	8,293,731
Soc.Cons. Ospedale di Empoli a r.l.	-	-	-	-	2,268,103
Consorzio Nuova Badia	-	-	-	-	23,073
Bretella S.c. a r.l.	-	-	-	-	1,268,046
Total	9,315,025	-	277,415	-	17,495,746

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 Holding 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 Holding 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 Holding Company (parent companies Edil-Invest S.r.l. and 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 the parent companies, the Holding 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 Holding 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 Holding 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 Holding 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 Holding 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 Holding 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 Holding 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 Holding Company. Further to early termination of said deeds and to credit assignment, the Holding 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 Holding 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 Holding 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 Group BTP 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 Holding Company's financial engagements.

The characteristics of the Holding 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 Holding 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 Holding 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 Holding Company for the jobs performed thereby.

Risks connected to legal disputes

The disputes which the Group BTP 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 assessment carried out on corporate continuity, as here below illustrated, focuses on the Group BTP and on the Group Il Forte as they make up one single group in economic terms (hereinafter referred to as the "Group"), controlled by Holdings Edil Invest and BRM. The ongoing industrial and financial restructuring project involves both the Holdings, the Group BTP and the Group Il Forte in the light of the existing, strong business and financial bonds.

The above risk factors – exhaustively illustrated in the Management Report – have overall given rise to critical issues whose effects may prejudice the Group's corporate 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 a financial and liquidity tension that the Group BTP had never experienced before.

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 (Section "Significant events occurred after the financial year was closed"), 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 Group, 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 Holding 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 Holding Company's strategy in participating in tenders and bids, favouring its participation only in tenders whose financial profile is sustainable by the Holding 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 BTP'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 Holding 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 Holding 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 Il Forte. 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 Holding Company's real estate assets and shareholdings in the real estate companies held by the Group, aimed at supporting the Holding 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, corporate structural costs are being assessed for the purpose of being contained, thus achieving two goals: to improve 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 Board of Directors, all of the above mentioned circumstances must be duly assessed in the light of their potential impact on the Group's capacity of continuing to operate, presuming corporate 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 Group BTP'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 Group to have sufficient resources to rebalance the financial flows and ensure the sustainability of its indebtedness and its refinancing capability, thus protecting the Holding Company's normal operation.

For these reasons, the 2008 consolidated balance sheet of the Group BTP is drafted by assuming corporate continuity, which the Directors view as persisting.

FORESEEABLE DEVELOPMENT

The stage that marked, in early 2009, the fall in production revenues, should now be over since the Holding 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 Holding 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.

On behalf of THE BOARD OF DIRECTORS

The Chairman

Mr. Riccardo Fusi

2008

2007

ASSET AND LIABILITY STATEMENT: ASSETS

A) SUBSCRIBED CAPITAL UNPAID	2.314							2.314
B) FIXED ASSETS - assets granted on financial lease are indicated separately:								
I - Intangible assets								
1) Start-up and expansion costs	131.410							115.745
2) Research, development and advertising costs								
3) Industrial patents and similar rights	20.499							6.153
4) Concessions, licences, trademarks and similar rights	576							855
5) Goodwill	466.976							335.860
6) Assets under development and payments on account								
7) Other intangible assets	2.910							4.377
8) Difference resulting from consolidation								
TOTAL	622.371							462.990
II - Tangible assets								
1) Land and buildings								26.327
2) Plants and machinery	30.852.839							33.365.050
3) Industrial and commercial equipment	2.734.829							2.904.258
4) Other assets	4.346.288							6.495.174
5) Assets under construction and payments on account	557.000							1.352.050
TOTAL	38.490.956							44.142.859
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	5.723.940							5.022.857
a) controlled companies								
b) affiliated companies	2.724.110							2.400.959
c) parent companies								
d) other companies	2.999.830							2.621.898
2) Accounts receivable	29.593.874							23.772.714
a) from controlled companies								
b) from affiliated companies	24.362.719	17.611.768	6.750.951				17.766.168	11.429.601
c) from parent companies	2.810.000	2.810.000					2.638.606	2.638.606
d) other	2.421.155	1.132.981	1.288.174				3.367.940	933.799
3) Other securities								2.434.141
4) Company's own shares								
TOTAL	35.317.814							28.795.571
TOTAL B) FIXED ASSETS	74.431.141							73.401.420
C) CURRENT ASSETS								
I - Inventory								
1) Raw, auxiliary materials and consumables	9.850.089							8.251.153
2) Goods being processed and semi-processed goods								
3) Contractual work in progress	1.742.830.546							1.403.460.347
4) Finished goods and goods for resale	10.677.958							9.731.492
5) Payments on account	167.323.288							2.941.531
TOTAL	1.930.681.881							1.424.384.523
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	266.268.472	266.268.472					259.144.075	259.144.075
2) from controlled companies							140.890.952	140.890.952
3) from affiliated companies	10.495.624	10.495.624					11.484.888	11.484.888
4) from parent companies	880.918	880.918					494.033	494.033
4-bis) Receivables from taxation authorities	2.462.997	2.460.252	2.745				5.032.086	5.029.341
4-ter) Prepaid taxes	1.157.339	294.668	862.671				1.127.060	287.962
5) Other	10.168.795	10.013.889	154.906				45.392.830	45.237.924
TOTAL	291.434.145							463.565.924
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	30.223.575							17.044.205
2) Cheques in hand								
3) Cash-in-hand and cash equivalents	68.052							125.475
TOTAL	30.291.627							17.169.680
TOTAL C) CURRENT ASSETS	2.258.048.593							1.922.190.567
D) PREPAYMENTS AND ACCRUED INCOME	30.096.071							34.042.341
Prepayments	60.412							102.004
Accrued income	30.035.659							33.940.337
TOTAL ASSETS	2.362.578.119							2.029.636.642

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	10.712.432					3.859.644
Extraordinary reserve	10.314.547					3.461.754
Other	1					6
Consolidation reserve	397.884					397.884
VIII - Retained earnings (or losses) carried forward	1.342.428					-460.280
IX - Profit (loss) for year	1.169.451					9.016.167
GROUP'S CONSOLIDATED NET EQUITY	51.005.125					49.835.672
<i>Net equity share owned by other shareholders</i>	<i>-109.585</i>					<i>-137.219</i>
TOTAL A) NET EQUITY	50.895.540					49.698.453
B) PROVISIONS FOR RISKS AND CHARGES						
1) Severance pay and other similar provisions						
2) Taxation, including deferred taxation	1.863.097					1.616.387
3) Other	1.442.377					1.190.093
TOTAL B) RESERVES FOR RISKS AND CHARGES	3.305.474					2.806.480
C) EMPLOYEES' RETIREMENT INDEMNITY FUND	4.426.807					6.324.613
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	227.446.366	201.328.344	26.118.022		242.879.886	199.902.167
5) Sums due to other financial institutions	97.937.799	59.592.921	38.344.878		104.597.977	52.828.341
6) Payments on account	1.646.481.403	1.569.411.859	77.069.544		1.355.340.894	1.287.932.617
7) Accounts payable to suppliers	248.710.576	248.657.387	53.189		212.516.230	212.432.179
8) Accounts payable on bills accepted and drawn						
9) Accounts payable to controlled companies					4.330.789	4.330.789
10) Accounts payable to affiliated companies	23.307.507	23.307.507			15.854.143	15.854.143
11) Accounts payable to parent companies	25.284	25.284			25.284	25.284
12) Accounts payable to taxation authorities	23.775.618	22.425.559	1.350.059		15.902.044	14.616.035
13) Accounts payable to social security authorities	4.795.281	4.795.281			3.765.705	3.765.705
14) Other accounts payable	30.271.370	30.151.261	120.109		14.637.757	14.335.437
TOTAL D) ACCOUNTS PAYABLE	2.302.751.204				1.969.850.709	
E) ACCRUED EXPENSES AND DEFERRED INCOME						
Accrued expenses	1.199.094				956.387	
Deferred income	880.815				571.477	
	318.279				384.910	
TOTAL LIABILITIES	2.362.578.119				2.029.636.642	

2008

2007

MEMORANDUM ACCOUNTS

Third party assets						
Third party assets	15.494				15.494	
Commitments						
Commitments on preliminary deeds of purchase	164.326.788				14.471.539	
Commitments on preliminary deeds of sale	146.042.000				4.220.000	
Commitments on preliminary deeds of sale	9.823.293				8.123.293	
Commitments on preliminary deeds of sale	8.461.495				2.128.246	
Risks						
Risks towards third parties	463.185				463.185	
Guarantees provided						
Bank sureties to controlled companies	181.716.192				164.550.263	
Bank sureties to clients	3.675.000				3.675.000	
Insurance sureties to clients	41.507.603				12.810.655	
Joint insurance debentures	134.768.057				145.192.274	
Sureties to clients	1.329.258				1.329.258	
Pledges given to third parties	436.274				1.210.100	
					332.976	
TOTAL MEMORANDUM ACCOUNTS	346.521.659				179.500.481	

2008

2007

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

1) revenues from sale of goods and service performance	159.391.197	228.916.546
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	339.370.199	261.319.568
4) increase in fixed assets for internal work		
5) other revenues and income	11.151.965	10.272.370
miscellaneous	11.151.965	10.272.370
grants		
TOTAL	511.300.528	502.178.961

B) PRODUCTION COSTS

6) raw and ancillary materials, consumables and goods	-126.386.995	-117.389.288
7) services	-263.839.790	-273.913.170
8) use of third party assets	-6.511.110	-5.934.746
9) personnel expenses	-63.494.159	-66.199.043
a) Wages and salaries	-43.426.012	-45.037.914
b) Social security contributions	-17.305.761	-18.359.836
c) Employees' retirement indemnity fund	-2.758.080	-2.738.637
d) Severance pay and similar costs	-2.770	-54.852
e) Other costs	-1.536	-7.804
10) Amortizations and write-downs	-11.513.485	-12.130.105
a) Amortization of intangible fixed assets	-357.204	-511.029
b) Amortization of tangible fixed assets	-11.156.281	-10.907.077
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	1.158.235	3.875.113
12) provisions for risks	-139.000	
13) other reserves		
14) other management charges	-8.886.354	-4.763.244
TOTAL	-479.612.658	-476.454.483
<i>Difference between production revenues and costs (A-B)</i>	<i>31.687.870</i>	<i>25.724.478</i>

	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	12.584.961	15.960.298
a) receivables classified as fixed assets	9.326.970	13.588.682
controlled companies	8.883.279	13.008.918
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	3.057.619	2.243.430
controlled companies		
affiliated companies		
parent companies		
other companies	3.057.619	2.243.430
17) interests and other financial charges	-37.342.449	-29.715.263
controlled companies		
affiliated companies		
parent companies		-3.540
other companies	-37.342.449	-29.711.723
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)	-24.757.724	-13.688.606
D) ADJUSTMENTS TO FINANCIAL ASSETS VALUE		
18) revaluations		1.538.244
a) investments		1.538.244
b) financial fixed assets other than investments		
c) securities/holdings entered among current assets which are not investments		
19) write-downs	-884.766	-115.014
a) investments	-470.730	-115.014
b) financial fixed assets other than investments	-414.036	
c) securities/holdings entered among current assets which are not investments		
TOTAL (18-19)	-884.766	1.423.230
E) EXTRAORDINARY INCOME AND CHARGES		
20) extraordinary income	542.271	77.465
a) gains on sales	86.000	8.930
b) other	456.271	68.535
21) extraordinary charges	-31.150	-281.443
a) losses on sales	-30.773	
b) taxes relating to previous years	-145	-273.932
c) other	-232	-7.511
TOTAL (20-21)	511.121	-203.978
Pre-tax result (A-B+/-C+/-D+/-E)	6.556.501	13.255.124
22) Current, deferred and prepaid operating income tax	-5.394.693	-4.433.974
a) current taxation	-5.268.390	-9.658.893
b) deferred/prepaid taxation	-126.303	5.224.919
23) Net profit (loss)	1.161.808	8.821.150
Year's profit (loss) relevant to third parties	7.643	195.017
Net profit (loss)	1.169.451	9.016.167

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2008

EXPLANATORY NOTES

INTRODUCTION

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

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

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

BASIS OF PRESENTATION

The consolidated balance sheet as of 31 December 2008, presented by the Board of Directors of Baldassini – Tognozzi - Pontello Costruzioni Generali S.p.A. (hereinafter referred to as BTP S.p.A.), was drawn up in compliance with the Italian Civil Code.

The balance sheet entries are expressed in Euro currency. Any differences resulting from the rounding-off 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. 38 and other provisions laid down in Legislative Decree 127/91.

Entries reported in the explanatory notes are in Euro currency, unless otherwise specified.

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.

FORM AND CONTENT OF THE CONSOLIDATED BALANCE SHEET

Pursuant to Art. 26 of D.Lgs. 127/1991, the consolidated balance sheet includes the balance sheets of BTP S.p.A, as holding company, and of its subsidiaries (the "Baldassini-Tognozzi-Pontello Group" or the "Group") in which BTP S.p.A. directly or indirectly holds the majority of voting rights.

The consolidated companies and the percentage owned by the Group are listed in the Annexes.

The subsidiaries' balance sheets used for the purpose of drafting the consolidated balance sheet have been drawn up by the respective Managing Boards and have been submitted to the respective controlling bodies for approval.

The reconciliation between the parent company's net equity and result and the corresponding values in the consolidated balance sheet of the Group is indicated in the remarks posted under the Net Equity entry.

Compared to the consolidated balance sheets as of 31 December 2007, the consolidated balance sheet for financial year 2008 differs as follows:

It includes affiliated company "Scandicci Centro S.r.l." set up in financial year 2008;

It excludes affiliated companies "Villa Magli S.r.l.", transferred to third parties, and "Consorzio Affitto Firenze", which was wound up in 2008.

CONSOLIDATION PRINCIPLES

The following consolidation principles are applied:

The book value of investments in consolidated companies and the corresponding net equity portions are eliminated against the recording in full of assets and liabilities according to the line-by-line method.

The difference between the purchase cost of investments and the relative net equity at the date of purchase is attributed to the asset items up to the current value of the assets themselves at the same date. Any unattributed positive difference is entered in the assets column under *Differences resulting from consolidation* and written down in relation to the residual useful life.

Elimination of payables and receivables, costs and revenues, together with all other significant transactions between the companies included within consolidation. Non achieved profits and gains and losses deriving from transactions between the companies within the Group are also eliminated.

Leased assets are booked according to the financial method and entered at their contractual value, with the debt amounting to the residual capital due. The interests due in the financial year are entered in the Profit and Loss Statement under *Interests and other charges*. The cost of the asset is written down using the same criteria applied to the Group's owned assets.

Non-consolidated holdings over which the Group exercises a significant influence (generally with a holding ranging from 20% to 50%) are valued using the net equity method and posted in the relevant Annex.

Other minority holdings, valued according to the cost method, are indicated in the relevant Annex.

EVALUATION CRITERIA

The criteria used in drafting the consolidated balance sheet as of 31 December 2008 are the same as those used for the previous year's statements.

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

In compliance with Art. 2426 Civil Code, 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 2007, 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 achieved. 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	5 years
Concessions, licenses, trademarks and similar rights	5 years
Goodwill attributable to merger deficit (latest quota)	10 years
Other goodwill	5 years
Other (other long-term costs)	5 years

Tangible fixed assets

Tangible fixed assets, which consist of leased real estate and 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:

Buildings	3%
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 in affiliated companies are calculated according to the net equity method, with the exception of the shareholding in Sideco SRO, which is calculated at cost since economically irrelevant.

Investments in other companies are calculated at cost, written-down where appropriate to take account of any permanent loss of value.

Accounts receivable

Accounts receivable included under financial assets are entered at their nominal value and written down if there is a long-lasting loss of value. Should the conditions for the write-down no longer apply in subsequent years, the original value is restored.

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.

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

For the calculation of long-term jobs and jobs in progress as of 31 December 2007, the criterion laid down in Art. 93 DPR 917/86 in compliance with Art. 2426 C.C. is applied; these values have been reduced to take account of the contractual risk of the work in progress, which is determined in relation to the effective risk of the project.

Finished products and goods that are the result of building initiatives and 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 awarded contract/tender bids, corresponding expenses are deferred and attributed to the building site cost with respect to their execution.

Accounts receivable

Accounts receivable are entered 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 ancillary 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 accrual 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. The contingencies for which there is only a possible liability are indicated in the note on the relevant provision, and a specific provision and charges fund has not been set up.

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.

Risks whose occurrence is probable are described in the Explanatory Notes and a specific provision thereof was put aside.

Risks whose occurrence is possible but not probable are also described in the Explanatory Notes but no specific provision thereof was put aside.

Derivative products

The Holding 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 accrual basis under *Financial income and charges*.

Recognition of costs and revenues

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

Revenues from the sale of assets are recognized upon delivery of the said assets. Revenues from services are recognized when services have been performed 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 transaction is carried out.

Income tax

Income tax is calculated by each consolidated company in accordance with current regulations. Pre-paid tax transactions 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, provided that 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. Tax payables are recorded in the appropriate Liability Statement item. Deferred taxes resulting from consolidation adjustments are also allocated. These provisions take account of the tax regulations applicable upon tax levy, whenever known.

Leased assets

They are booked according to the financial method, recording tangible fixed assets that are the object of the lease agreements at their contractual value, with the debt amounting to the residual capital due. The interests due in the financial year are entered in the Profit and Loss Statement under *Interests and other charges*. The cost of the asset is written down using the same criteria applied to the Group's owned assets.

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 Holding 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 the Holding Company and another company active in the building business and/or the admission to listing of the Group, ensuing from said aggregation, and/or of the Holding Company.

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 Holding Company's share capital.

CORPORATE CONTINUITY

The assessment carried out on corporate continuity, as here below illustrated, focuses on the Group BTP and on the Group Il Forte as they make up one single group in economic terms (hereinafter referred to as the “Group”), controlled by Holdings Edil Invest and BRM. The ongoing industrial and financial restructuring project involves both the Holdings, the Group BTP and the Group Il Forte in the light of the existing, strong business and financial bonds.

The above risk factors – exhaustively illustrated in the Management Report – have overall given rise to critical issues whose effects may prejudice the Group’s corporate 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 a financial and liquidity tension that the Group BTP had never experienced before.

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 (Section “Significant events occurred after the financial year was closed”), 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 Group, 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 Holding 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 Holding Company’s strategy in participating in tenders and bids, favouring its participation only in tenders whose financial profile is sustainable by the Holding 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 BTP’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 Holding 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 Holding 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 Il Forte. 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 Holding Company’s real estate assets and shareholdings in the real estate companies held by the Group, aimed at supporting the Holding 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, corporate structural costs are being assessed for the purpose of being contained, thus achieving two goals: to improve 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 Board of Directors, all of the above mentioned circumstances must be duly assessed in the light of their potential impact on the Group’s capacity of continuing to operate, presuming corporate 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 Group BTP’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 Group to have sufficient resources to rebalance the financial flows and ensure the sustainability of its indebtedness and its refinancing capability, thus protecting the Holding Company’s normal operation.

For these reasons, the 2008 consolidated balance sheet of the Group BTP is drafted by assuming corporate continuity, which the Directors view as persisting.

COMMENTS ON THE MAIN ASSET ITEMS

SUBSCRIBED CAPITAL UNPAID

Subscribed capital unpaid

2 314

This item consists of the residual sums to be paid to controlled companies Sige Noto S.c.a r.l. and Sige Rosolini S.c.a r.l.

FIXED ASSETS

The composition and variations in the fixed assets entry are reported below. The details underline the effect resulting from the different scope of consolidation compared to 31 December 2007.

Intangible fixed assets

622 371

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

	31.12.2007	Increments	Decrements	Reclassification	Amortization	31.12.2008
Start-up and expansion costs	115 745	80 000	-	-	(64 335)	131 410
Costs	283 387	80 000	-	-	-	363 387
Amortization fund	(167 642)	-	-	-	(64 335)	(231 977)
Advertisement costs	-	-	-	-	-	-
Industrial patents	6 153	27 500	-	-	(13 154)	20 499
Costs	44 773	27 500	(17 079)	(2 222)	-	52 972
Amortization fund	(38 620)	-	17 079	2 222	(13 154)	(32 473)
Concessions, licences, trademarks	855	-	-	-	(279)	576
Costs	2 682	-	-	-	-	2 682
Amortization fund	(1 827)	-	-	-	(279)	(2 106)
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 consolidation	-	35 279	-	-	(35 279)	-
Costs	-	35 279	-	-	-	35 279
Amortization fund	-	-	-	-	(35 279)	(35 279)
Total	462 990	516 587	-	-	(357 206)	622 371

Start-up and expansions costs

This item consists of costs borne for the set-up of companies, for an increase in the company's share capital, for amendments brought to the company's articles of association, for the incorporation of fully controlled companies and for the acquisition of company divisions.

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 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 38 490 956

The table below indicates the year's movements:

	31.12.2007	Increments	Decrements	Reclassification	Amortization	31.12.2008
Land and buildings	26 327	-	(24 641)	-	(1 686)	-
Costs	120 581	-	(24 641)	(95 940)	-	-
Amortization fund	(94 254)	-	-	95 940	(1 686)	-
Plants and machinery	33 365 050	4 080 530	(617 219)	1 261 850	(7 237 372)	30 852 839
Costs	55 739 169	4 080 530	(1 769 786)	1 213 802	-	59 263 715
Amortization fund	(22 374 119)	-	1 152 567	48 048	(7 237 372)	(28 410 876)
Equipment	2 904 258	1 468 306	(21 809)	58 600	(1 674 526)	2 734 829
Costs	7 456 042	1 468 306	(38 814)	20 200	-	8 905 734
Amortization fund	(4 551 784)	-	17 005	38 400	(1 674 526)	(6 170 905)
Tangible assets under construction	1 352 050	525 400	-	(1 320 450)	-	557 000
Other tangible assets	6 495 174	183 520	(89 711)	-	(2 242 695)	4 346 288
Costs	18 681 932	183 520	(311 244)	-	-	18 554 208
Amortization fund	(12 186 758)	-	221 533	-	(2 242 695)	(14 207 920)
Total	44 142 859	6 257 756	(753 380)	-	(11 156 279)	38 490 956

The increases in the *Plants and machinery*, *Equipment*, *Other assets* and *Tangible assets under construction and payments on account* entries refer to acquisitions, either through purchase or leasing agreements, carried out during financial year 2008.

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 2007 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.

Financial assets 35 317 814

Investments 5 723 940

This entry is made up as follows (the amount recorded in previous financial year and subsequent variation are indicated for each item):

Affiliated companies	31.12.2008	Variation	31.12.2007
Consorzio Colle Futura	129,853	-	129,853
Nuova Emilia S.c.a r.l.	16,706	-	16,706
Sideco SRO	11,216	(1)	11,217
Sunto S.r.l.	10,126	(778)	10,904
Consorzio Nuova Badia	12,912	-	12,912
Project Costuzioni S.c.a r.l.	1,201,570	(345,522)	1,547,092
Villa Magli S.r.l.	-	(126,534)	126,534
Consorzio Affitto Firenze	-	(3,680)	3,680
Mugello Outlet S.c.a r.l.	-	(2,216)	2,216
Alberti S.r.l.	-	(2,991)	2,991
Consorzio Stabile OPERAE	1,021,682	786,382	235,300
Metropolis S.p.A.	286,692	(3,542)	290,234
Soc. Cons. Ospedale Empoli a r.l.	3,100	-	3,100
Bretella S.c.a r.l.	3,984	-	3,984
Diomira S.c.a r.l.	4,236	-	4,236
Scandicci Centro S.r.l.	22,033	22,033	-
	2,724,110	323,151	2,400,959

Other companies	31.12.2008	Variation	31.12.2007
Colle Promozione S.p.A.	12,384	-	12,384
Confipi S.c.r.l.	1,528	-	1,528
Co.RIA. S.r.l.	3,563	-	3,563
Conglobit S.p.A.	16,982	-	16,982
C.F.S. Consorzio Firenze Servizi	1,033	-	1,033
G.S.T. Global Service Toscana	3,099	-	3,099
Politeama Pratese S.p.A.	2,582	-	2,582
Credito Cooperativo Fiorentino	9,416	-	9,416
Fidindustria quota associativa	15	-	15
I.SV.E.UR. S.p.A.	5,222	-	5,222
Costruttori Romani Riuniti G.O. S.p.A.	8,186	(4,725)	12,911
RTC S.c.a r.l.	1	-	1
Parco Verde Soc. Coop. a r.l.	37,157	-	37,157
Consorzio Toscana Salute	1,486	-	1,486
Banca del Mugello	9,294	-	9,294
Sant'Antonio S.p.A.	40	-	40
Pratoinvest S.r.l.	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 S.c. a r.l.	2,000	-	2,000
Cooperativa Elios	260	260	-
Consorzio Roma Gestioni 2000 s 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	5,723,940	701,083	5,022,857

Accounts receivable (financial assets) 29 593 874

Accounts receivable from affiliated companies (financial assets) 24 362 719

The following table shows all accounts receivable (financial assets) from affiliated companies, due within and after one year. They consist of financing to affiliated companies, as detailed below:

Description	31.12.2008 Within 1 year	31.12.2008 After 1 year	31.12.2008 Total	31.12.2007 Within 1 year	31.12.2007 After 1 year	31.12.2007 Total
Accounts receivable for financing from affiliated companies:						
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 S.c.a r.l.	-	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 S.r.l. (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 S.c.a r.l.	23,464	-	23,464	23,364	-	23,364
Metropolis S.p.A.	-	3,507,248	3,507,248	-	2,973,000	2,973,000
Scandicci Centro S.r.l.	415,800	-	415,800	-	-	-
Total	17,611,768	6,750,951	24,362,719	11,429,601	6,336,567	17,766,168

Description	31.12.2008	Variation in consolidation area	Variation	31.12.2007
Accounts receivable for financing from affiliated companies:				
Villa Magli S.r.l.	-	-	(100,000)	100,000
Sunto S.r.l.	59,528	-	-	59,528
Ed.In.Tre S.r.l. (being wound up)	-	-	(414,036)	414,036
Project Costruzioni S.c.a r.l.	3,109,227	-	288,052	2,821,175
Mugello Outlet S.c.a r.l	153,500	-	5,000	148,500
Villa Fossi S.r.l. (being wound up)	1,021,457	-	405,000	616,457
Consorzio Stabile Operae	14,097,547	-	4,615,267	9,482,280
La Fonderia S.r.l. (being wound up)	74,948	-	6,120	68,828
Consorzio Nuova Badia	1,900,000	-	841,000	1,059,000
Diomira S.c.a r.l.	23,464	-	100	23,364
Metropolis S.p.A.	3,507,248	-	534,248	2,973,000
Scandicci Centro S.r.l.	415,800	-	415,800	-
Total	24,362,719	-	6,596,551	17,766,168

Accounts receivable from parent companies 2 810 000

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

Other accounts receivable 2 421 155

Description	31.12.2008 Within 1 year	31.12.2008 After 1 year	31.12.2008 Total	31.12.2007 Within 1 year	31.12.2007 After 1 year	31.12.2007 Total
Receivables from others:						
Caution deposits	161,408	336,644	498,052	165,337	337,015	502,352
Other	971,573	951,530	1,923,103	768,462	2,097,126	2,865,588
Advances on purchase of investments	-	-	-	-	-	-
Total	1,132,981	1,288,174	2,421,155	933,799	2,434,141	3,367,940

Description	31.12.2008	Variation in consolidation area	Variation	31.12.2007
Receivables from others:				
Caution deposits	498,052	-	(4,300)	502,352
Other	1,923,103	-	(942,485)	2,865,588
Advances on purchase of investments	-	-	-	-
Total	2,421,155	-	(946,785)	3,367,940

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	1 930 681 881
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This entry is made up as follows:

	31.12.2008	Variation	31.12.2007
Warehouse materials at sites and warehouse stock	9 850 089	1 598 936	8 251 153
Contractual work lasting one year and more than one year	1 742 830 546	339 370 199	1 403 460 347
Land and buildings	10 677 958	946 466	9 731 492
Payments on account	167 323 288	164 381 757	2 941 531
Total	1 930 681 881	506 297 358	1 424 384 523

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)	291 434 145
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Accounts receivable from clients	266 268 472
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As of 31 December 2008, this entry is made up as follows:

	Within 1 year	31.12.2008	Variation	31.12.2007
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Accounts receivable from clients	229 256 041	229 256 041	(17 537 086)	246 793 127
Invoices to be issued	38 412 854	38 412 854	24 643 340	13 769 514
Provision for doubtful debts	(1 400 423)	(1 400 423)	18 143	(1 418 566)
Total	266 268 472	266 268 472	7 124 397	259 144 075

The movement of the provision for doubtful debts is as follows:

	2008
Initial balance	1,418,566
Variation in consolidation area	-
Provision allocated in the profit and loss statement	-
Amounts used in the year	(18,143)
Final balance	1,400,423

Accounts receivable from affiliated companies 10 495 624

These accounts receivable result from financial and commercial dealings with said companies, not yet settled as of 31 December 2008.

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

Accounts receivable from parent companies 880 918

This entry concerns commercial credits receivable from shareholder Edil Invest S.r.l.

Receivables from taxation authorities 2 462 997

	Within 1 year	After 1 year	31.12.2008	Variation	31.12.2007
Receivables for VAT	2 421 136	213	2 421 349	(2 227 952)	4 649 301
Receivables for IRES tax	13 587	2 532	16 119	(345 102)	361 221
Receivables for IRAP tax	23 428	-	23 428	15 439	7 989
Other receivables	2 101	-	2 101	(11 474)	13 575
Total	2 460 252	2 745	2 462 997	(2 569 089)	5 032 086

Prepaid taxes 1 157 339

	Within 1 year	After 1 year	31.12.2008	Variation	31.12.2007
Prepaid IRES tax	264 480	782 918	1 047 398	33 752	1 013 646
Prepaid IRAP tax	30 188	79 753	109 941	(3 473)	113 414
Total	294 668	862 671	1 157 339	30 279	1 127 060

As of 31 December 2008, this entry includes prepaid taxes totalling to Euro 901,865 as per the single balance sheets of the consolidated companies and prepaid taxes amounting to Euro 255,474 stemming from temporary differences between the single balance sheets and the consolidated balance sheet.

Accounts receivable from others 10 168 795

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

	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 professionals	6 518 104		6 518 104	1 211 549	5 306 555
Credit notes to be received	1 561 896		1 561 896	1 127 004	434 892
Accounts receivable from suppliers	145 339		145 339	(1 302 849)	1 448 188
Other receivables	1 780 858	612 072	2 392 930	(36 259 839)	38 652 769
Provision for doubtful debts		(457 166)	(457 166)		(457 166)
Total	10 013 889	154 906	10 168 795	(35 224 035)	45 392 830

Financial assets not classified as fixed assets 5 640 940

This entry is made up as follows:

	31.12.2008	Variation in consolidation area	Purchases	Reclassification	Sales	31.12.2007
Investments in controlled companies	-	-	-	-	10,499,500	10,499,500
Immobiliare Ferrucci S.r.l.	-	-	-	-	10,499,500	10,499,500
Other securities	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 30 291 627

	31.12.2008	Variation	31.12.2007
Bank and postal accounts	30 223 575	13 179 370	17 044 205
Cash-in-hand/cash equivalents	68 052	(57 423)	125 475
Total	30 291 627	13 121 947	17 169 680

The balance represents liquid assets and the existence of cash in hand and cash equivalents at year end. Liquid assets include the amount of Euro 4,612,003, 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 in consolidation area	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	30.035.659	-	(3.904.678)	33.940.337
Rental fees	52.607	-	(21.122)	73.729
Building site start-up and tender bid costs	25.941.499	-	(2.695.037)	28.636.536
Insurances	1.021.062	-	(815.214)	1.836.276
Surety commissions	595.494	-	(274.785)	870.279
Arbitration costs suspension	2.305.503	-	(9.706)	2.315.209
Other accrued income	119.494	-	(88.814)	208.308
Total	30.096.071	-	(3.946.270)	34.042.341

“Building site start-up costs” refer to deferred preoperational costs relative to various building sites, which will be booked to the Profit and Loss Statement on the basis of work progress.

“Other accrued income” consists mainly of costs borne for the preparation of tender bids in order to be awarded contracts, which are entered under *Building site costs* on the basis of work progress.

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 Group's Net Equity is as follows:

Description	Share Capital	Legal Reserve	Other reserves	Retained earnings (or losses) carried forward	Profit (loss) for year	Total
Balance as of 1.1.2008	36,000,000	1,420,141	3,859,644	(460,280)	9,016,167	49,835,672
Use of 2007 result	-	360,673	6,852,793	1,802,701	(9,016,167)	-
Euro rounding-off reserve	-	-	(5)	7	-	2
Year's profit	-	-	-	-	1,169,451	1,169,451
Balance as of 31.12.2008	36,000,000	1,780,814	10,712,432	1,342,428	1,169,451	51,005,125

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

Share capital	36 000 000
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As of 31 December 2008, the share capital, 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. Share capital has not varied compared to previous financial year.

Legal reserve	1 780 814
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This is the legal reserve resulting from the Holding Company's balance sheet.

Other reserves	10 712 432
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These reserves consist of the following:

	31.12.2008	Decrements	Variation	31.12.2007
Extraordinary reserve	10 314 547	-	6 852 793	3 461 754
Consolidation reserve	397 884	-	-	397 884
Euro rounding-off reserve	1	5	(10)	6
Total	10 712 432	5	6 852 783	3 859 644

Consolidation reserve has remained unvaried compared to previous financial year.

The extraordinary reserve was allocated by the Holding Company and is the result of the 95% provision of financial year 2007 profit.

Retained earnings (losses) carried forward	1 342 428
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This entry refers to undivided losses as of 31 December 2008.

Chart illustrating the reconciliation between the Holding Company's net equity and result and the corresponding values in the consolidated balance sheets of the Group as of 31 December 2007 and 31 December 2008, respectively.

The consolidated net equity and the consolidated result as of 31 December 2007 and 31 December 2008 are reconciled with those of the Holding Company, as follows:

	Net Equity as of 31.12.2007	2008 result	Rounding-off	Net equity as of 31.12.2008
Holding Company's net equity and result	48,095,363	940,212	(5)	49,035,570
Financial year result and consolidation/deconsolidation effects	(1,606,531)	(314,252)	-	(1,920,783)
Application of IAS 17	3,251,764	569,636	-	3,821,400
Exclusion of internal transfer of goods	(302,814)	(26,145)	-	(328,959)
Deconsolidation effects	-	-	-	-
Consolidation reserve	397,884	-	-	397,884
Rounding-off	6	-	7	13
Group's net equity and result	49,835,672	1,169,451	2	51,005,125

PROVISIONS FOR RISKS AND CHARGES

These provisions are booked in the consolidated companies' balance sheets and are also entered under *Provisions for deferred taxes*.

	31.12.2007	Provisions	Reclassification	Use	31.12.2008
Provision for severance pay	-	-	-	-	-
Provision for taxation	1 616 387	3 306 865	-	(3 060 155)	1 863 097
Provision for IRES deferred taxes	1 367 030	2 896 140	-	(2 680 085)	1 583 085
Provision for IRAP deferred taxes	193 844	410 725	-	(380 070)	224 499
Provision for extraordinary INVIM tax	55 513	-	-	-	55 513
Other provisions for risks	1 190 093	139 000	113 284	-	1 442 377
Risk reserve conferment Borghini	516 457	-	-	-	516 457
Provision for future risks and charges	10 000	139 000	-	-	149 000
Provision for passive investments valued according to the net equity method	663 636	-	113 284	-	776 920
Total	2 806 480	3 448 635	113 284	(3 060 155)	3 305 474

Details of passive investments valued according to the net equity method:

	31.12.2008	Variation in consolidation area	Increments	Decrements	31.12.2007
Ed.In.Tre. S.r.l. (being wound up)	503,125	-	3,591	-	499,534
La Fonderia S.r.l. (being wound up)	17,766	-	-	-	17,766
Travel 15 S.c.a r.l. (being wound up)	27,861	-	7,278	-	20,583
Villa Fossi S.r.l. (being wound up)	135,375	-	39,918	-	95,457
Fiorenza Quattro S.r.l. (being wound up)	34,246	-	3,950	-	30,296
Mugello Outlet S.r.l. (being wound up)	7,057	-	7,057	-	-
Alberti S.r.l.	51,490	-	51,490	-	-
	776,920	-	113,284	-	663,636

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;
- provision for deferred taxes, based on the positive effect resulting from booking leased assets pursuant to IAS 17.

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 Holding 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 Holding 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 Holding 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 Holding Company, thus no amount has been put aside as provision for legal fees.

EMPLOYEES' RETIREMENT INDEMNITY FUND

The movement of the fund during financial year was as follows:

	31.12.2008	31.12.2007
Initial balance	6 324 613	5 818 243
Provision	2 758 080	2 738 637
Use	(17 812)	(63 951)
Transfer from (+) and (-) to other companies	20 894	63 951
Contribution to pension fund	(3 293 530)	-
Severance payments	(1 333 527)	(1 633 165)
Social security fund	-	(453 278)
Advances paid in the year	(31 911)	(145 824)
Total	4 426 807	6 324 613

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

Accounts payable to banks	227 446 366
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This entry is made up as follows:

	Within 1 year	After 1 year	31.12.2008	Variation	31.12.2007
Passive accounts	36 330 324	-	36 330 324	6 453 895	29 876 429
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	201 328 344	26 118 022	227 446 366	(15 433 520)	242 879 886

Payables to banks, amounting as of 31 December 2008 to Euro 227,446,366, 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 36,330,324 subdivided as follows: Euro 25,163,540 for bank receipts (reclassified in the account overdraft since given banks manage a single account); Euro 11,166,784 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.

Accounts payable to other financial institutions

97 937 799

This entry refers to advances received from factoring companies on credits towards clients and on contract transfers, as well as to residual debts toward leasing companies.

In September 2007, the Holding 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.

Payables to other financial institutions went from Euro 104,597,977 (financial year 2007) to Euro 97,937,799 (financial year 2008), thus recording a decrease of Euro 6,660,178.

Accounts payable after five years amount to Euro 4,212,184.

Payments on account

1 646 481 403

	Within 1 year	After 1 year	31.12.2008	Variation	31.12.2007
Clients for advances on Job Progress Reports	1 538 023 823	46 016 667	1 584 040 490	288 846 652	1 295 193 838
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	52 877	11 504 635	3 884 600	7 620 035
Total	1 569 411 859	77 069 544	1 646 481 403	291 140 509	1 355 340 894

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 1,584,040,490;
- advances and deposits received from clients regarding preliminary deeds of sale amounting to Euro 11,451,758;
- payments on account for services totaling to Euro 52,877.

Accounts payable to suppliers

248 710 576

	Within 1 year	After 1 year	31.12.2008	Variation	31.12.2007
Payables to suppliers	206 381 623	53 189	206 434 812	31 276 776	175 158 036
Suppliers for invoices to be received	26 288 993	-	26 288 993	2 864 642	23 424 351
Suppliers for deductions as guarantee	11 775 487	-	11 775 487	1 608 409	10 167 078
Payables to professionals	480 358	-	480 358	20 750	459 608
Professionals to be billed	3 730 926	-	3 730 926	423 769	3 307 157
Total	248 657 387	53 189	248 710 576	36 194 346	212 516 230

The balance of Euro 248,710,576 refers to accounts payable for the purchase of goods and services. It should also be noted that the entry “Accounts receivable from others (within one year)” under Current assets includes advances totalling to Euro 6,518,104 paid to suppliers for services.

Accounts payable to affiliated companies 23 307 507

This entry is made up as follows:

	Entro 12 mesi	31.12.2008	Variazioni	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.

Accounts payable to parent companies 25 284

These accounts payable are the result of financial dealings with the said companies, not yet settled as of 31 December 2008.

Accounts payable to taxation authorities 23 775 618

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 amount due after the following financial year totals to Euro 1,350,059.

The entry “Accounts payable 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 10,887,625, divided as follows: Euro 4,578,490 due for Ires and Euro 6,309,135 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 4 795 281

This entry refers to social security charges for salaries in December 2008 and accumulated vacation and special leave not taken as of 31 December 2008.

The total amount of accounts payables to social security authorities went from Euro 3,765,705 in financial year 2007 to Euro 4,795,281 in financial year 2008, thus recording an increase of Euro 1,029,576.

Other accounts payable 30 271 370

This entry went from Euro 14,637,757 (financial year 2007) to Euro 30,271,370 (financial year 2008), thus registering an increase of Euro 15,633,613.

This sum includes the amount of Euro 14,635,865 payable to OMNIA FACTOR.

The balance recorded as of 31 December 2008 also includes the sums payable to staff and clients, any payables for associative contributions, for remuneration of external staff hired on a continuous basis and to clients against credit notes to be issued.

Accounts due after 5 years 4 212 184

This entry is made up as follows:

	31.12.2008	Within 1 year	From 2 to 5 years	After 5 years	31.12.2007
Payables to banks for mortgages	74 008	74 008	-	-	77 567
Other payables to banks	227 372 358	201 254 336	26 118 022	-	242 802 319
Payables to other financial institutions	97 937 799	59 592 921	34 132 694	4 212 184	104 597 977
Payments on account	1 646 481 403	1 569 411 859	77 069 544	-	1 355 340 894
Payables to suppliers	248 710 576	248 657 387	53 189	-	212 516 230
Payables to controlled companies	-	-	-	-	4 330 789
Payables to affiliated companies	23 307 507	23 307 507	-	-	15 854 143
Payables to parent companies	25 284	25 284	-	-	25 284
Payables to taxation authorities	23 775 618	22 425 559	1 350 059	-	15 902 044
Payables to social security authorities	4 795 281	4 795 281	-	-	3 765 705
Other payables	30 271 370	30 151 261	120 109	-	14 637 757
Total	2 302 751 204	2 159 695 403	138 843 617	4 212 184	1 969 850 709

Accounts payable after five years, totalling to Euro 4,212,184, consist of sums due to leasing companies.

ACCRUED EXPENSES AND DEFERRED INCOME

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

	31.12.2008	Variation in consolidation area	Variation	31.12.2007
Accrued expenses	880,815	-	309,338	571,477
Deferred income	318,279	-	(66,631)	384,910
Total	1,199,094	-	242,707	956,387

Accrued expenses consist mainly of financial charges and miscellaneous building site charges.

Deferred income consists mainly of revenues from rents, reimbursement of building site charges and of the interruption of revenues from Bari's light railway.

Debts backed by liens

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

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:

Third party assets	31.12.2008	31.12.2007
Third party assets	15 494	15 494
Total	15 494	15 494

Commitments towards third parties	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

In compliance with Accounting Principle 22, which requires to include in the memorandum accounts, under commitments, “the amount of charges to be paid in addition to the cost for redeeming the asset”, such entry is entered in the Asset and Liability Statement under “Accounts payable to other financial institutions”. As a result, in order to avoid a pointless repetition, as from 2006 the specification is no longer included in the Memorandum Accounts.

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

Guarantees given	31.12.2008	31.12.2007
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
Sureties to third parties	436 274	1 210 100
Joint insurance debentures	1 329 258	1 329 258
Total	181 716 192	164 550 263

GUARANTEES RECEIVED

Following are the guarantees received by the Group:

Guarantees received	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	5 537 917	6 312 917
Total	571 687 444	509 953 882

COMMENTS ON THE MAIN ITEMS IN THE PROFIT AND LOSS STATEMENT

Production revenues 511 300 528

	2008	2007
Revenues from sale of goods and service performance	159 391 197	228 916 546
Variation in stock	1 387 167	1 670 477
Variation in contracted work in progress	339 370 199	261 319 568
Other revenues and income	11 151 965	10 272 370
Total	511 300 528	502 178 961

Revenues from sale of goods and service performance 159 391 197

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	137 817 216	226 689 629
Revenues from sales of real estate	805 000	285 000
Revenues from various works	20 415 637	1 481 245
Revenues from rents	43 847	120 937
Brokerage on sales	208 402	336 675
Brokerage on leases	101 095	3 060
Total	159 391 197	228 916 546

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 339 370 199

Other revenues and income 11 151 965

This entry is made up as follows:

	2008	2007
Gains on sales of tangible assets	683,676	382,030
Miscellaneous recoupment and overturning of costs	4,850,853	663,150
Contingent assets and gains	951,491	1,790,742
Various reimbursements	1,811,348	6,112,237
Revenues from rents	651,274	608,897
Use of provision for doubtful debts	18,147	138,469
Other revenues	2,185,176	576,845
Total	11,151,965	10,272,370

Production costs 479 612 658

Raw and ancillary materials, consumables and goods

126 386 995

The entry concerns the purchase of land and buildings totalling to Euro 538,100, the purchase of goods totalling to Euro 123,946,813 and miscellaneous purchases totalling to Euro 2,082.

Services

263 839 790

This entry is detailed in the table below:

	2008	2007
Electricity bills	142 049	114 668
Construction costs (subcontracting and services outsourced to third parties)	228 176 994	238 759 144
Insurance policies	1 386 986	1 739 425
Bank charges	1 294 022	1 592 297
Fees for professional services	8 798 284	9 596 873
Various maintenance costs	5 440 709	4 437 020
Provision of various services	114 235	291 704
Water and gas	1 964 190	1 810 110
Postal expenses	111 284	109 320
Telephone bills	48 299	53 291
Warehouse costs	271 167	201 803
Provision of various services	45 443	48 479
Costs incurred in preparing tender bids	1 482 904	1 457 191
10% INPS (national insurance contributions) charged to customer	102 186	110 062
Costs for closed building sites	105 411	168 012
Insurance/vehicle tax/petrol/motorway tolls	1 168 382	1 121 707
Noise tests - building site safety courses	850 987	981 780
Transportation	7 826	15 970
Condominium service costs	10 113	1 121
Outsourced jobs	2 268 304	1 194 736
Commission charges	-	1 080
Agency fees	46 234	29 354
Outsourced services	8 340	6 293
Commission fees	2 057 404	1 807 063
Fees paid to Directors	2 305 144	2 354 461
Fees paid to Auditors	89 582	56 335
Other service costs	5 543 311	5 853 871
Total	263 839 790	273 913 170

Use of third party assets

6 511 110

This essentially concerns leasing rents, rents payable and hires paid to third parties.

Personnel expenses

63 494 159

The subdivision of said costs is included in the Profit and Loss statement (entry B 9)), which we hereby refer to. It includes the entire expense for hired staff, including the cost of accumulated vacation not taken thereby and reserves required by law and collective agreements.

In 2008, the average staff, in terms of full-time personnel, reached the following level and composition:

	Average number	31.12.2008	Variation in consolidation area	Variation	31.12.2007
Senior executives	24	23	-	(1)	24
Executives	13	13	-	(3)	16
Employees	233	216	-	(33)	249
Apprentices	20	1	-	(19)	20
Workers	996	901	-	(196)	1,097
Collaborators (on a continuous basis)	11	22	-	14	8
Total	1,297	1,176	-	(238)	1,414

No comments on the above table are needed, except that as of 31 December 2008, the personnel consisted of 1,176 members of staff (therefore minus 238 units with respect to previous year).

Amortizations and write-downs 11 513 485

The breakdown of the requested sub-entries can be found in the Profit and Loss Statement under Entry B 10).

This entry consists of the 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 (1 158 235)

Provision for risks 139 000

This provision for risks was put aside following the completion of Chiosina Scarl winding-up operations.

Other management charges 8 886 354

This entry is made up as follows:

	2008	2007
Non-income based charges and taxes	145,707	105,017
ICI tax	39,367	34,131
Books, magazines, subscriptions and publications	17,477	15,050
Costs of consortia and consortium companies	700,773	86,575
Miscellaneous consumptions and costs	634,660	537,549
Losses resulting from sale of tangible fixed assets	42,697	34,670
Contingent liabilities	960,666	802,367
Fines and penalties	631,875	445,593
Other management charges	5,713,132	2,702,292

Total	8,886,354	4,763,244
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Taxes and charges consist mainly of local taxes, municipal charges on real estate (ICI tax) and associative contributions.

The “Other management charges” entry also includes costs incurred for arbitrations (Euro 2,910,089) and costs incurred for the implementation of the Quality System (Euro 615,617).

Net financial income and charges	(24 757 724)
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Income from investments	834
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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

This entry refers to dividends from investments in other companies (Euro 334) and gains on transfers of investments in the controlled company Immobiliare Ferrucci S.r.l. (Euro 500).

Other financial income	12 584 961
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This entry is made up as follows:

	2008	2007
Income from accounts receivable classified as fixed assets	9,326,970	13,588,682
Interests receivable on financing to controlled companies	8,883,279	13,008,918
Interest 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	3,057,619	2,243,430
Interests receivable on bank and postal accounts	414,655	153,819
Interests on caution deposits	-	129
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	6,403	8,696
Total	12,584,961	15,960,298

The “interests receivable from controlled companies” entry includes interests accrued during the period from 1st January 2008 to the day of transfer of financing granted to Immobiliare Ferrucci S.r.l.

Interests and other financial charges 37 342 449

This entry is made up as follows:

	2008	2007
Financial charges towards controlled companies	-	-
Financial charges towards affiliated companies	-	-
Financial charges towards parent companies	-	3,540
Financial charges towards other companies	37,342,449	29,711,723
Interests payable on bank and postal accounts	5,889,405	5,024,696
Interests payable on mortgages	4,804	4,314
Interests payable on medium and long-term financing	1,987,362	1,052,912
Financial charges resulting from leasing contracts	2,118,970	2,246,128
Interests payable to suppliers	3,406,812	452,624
Interests payable on advances	6,894,163	9,347,572
Default interests	272,289	149,674
Interests payable on delayed tax payment	411,643	45,549
Other interests payable	191,677	193,825
Interests payable for factoring advances	8,059,226	4,559,451
Passive interests on discount rates	7,314,852	6,340,822
Commissions	64,335	93,183
Negative differential on derivative instruments	720,140	187,624
Cash discounts	802	1,111
Other financial charges	5,969	12,238
Total	37,342,449	29,715,263

Profits and losses on exchange rates (1 070)

Adjustments to financial assets values (884 766)

This item is made up of the positive and/or negative economic result recorded in 2008 by the companies in question, assessed according to the equity method for the Group’s stake, and of the provision for write-down of receivables under fixed assets.

Extraordinary income and charges 511 121

This entry covers income items that are not ascribable to the Group’s ordinary management and is made up as follows:

	2008	2007
Extraordinary income	542,271	77,465
Non-recurrent gains from sale of investments	86,000	-
Non-recurrent gains from holding winding-up	-	8,930
Non-recurrent gains	14,825	14,317
Other extraordinary income and gains	441,446	54,218
Extraordinary charges	-31,150	-281,443
Non-recurrent losses from sale of tangible fixed assets	-30,659	-
Non-recurrent losses from sale of investments	-114	-
Taxes relating to previous years	-145	-273,932
Non-recurrent losses	-232	-7,511
Total	511,121	-203,978

Income tax

5 394 693

This entry consists of current taxes totalling to Euro 5,268,390 and deferred/prepaid taxes totalling to Euro 126,303.

Current taxes include: IRES (Euro 2,442,366); IRAP (Euro 2,826,024).

Difference between current tax rate and effective IRES rate

Pre-tax result	6,556,501
Income tax	
Current taxes	(2,442,366)
Deferred/prepaid taxes	(92,174)
Total taxes pertaining to the Group (I)	(2,534,540)
IRES current rate (Aq)	27,50%
Theoretical tax = (Rante*Aq)	(1,803,038)

Reconciliation of actual taxation

Theoretical tax	(1,803,038)
Permanent and non-taxable IRES variations	28,196
Permanent and non-deductible IRES variations	(656,597)
Difference ascribable to other activities	(9,702)
Waiver to investment write-downs	34,550
Companies valued using the equity method	(129,084)
Other differences	1,135
Actual tax	(2,534,540)

Difference between current tax rate and effective IRAP rate

Difference between production revenues and costs	31,687,870
Income tax	
Current taxes	(2,826,024)
Deferred/prepaid taxes	(34,127)
Total taxes pertaining to the Group (I)	(2,860,151)
IRAP current rate (Aq)	3,90%
Theoretical tax = (Rante*Aq)	(1,235,827)

Reconciliation of actual taxation

Theoretical tax	(1,235,827)
Difference between applied tax rate and tax rate in force	374
Non-taxable IRAP variations	(2,695,815)
IRAP deductions (among which INAIL)	1,018,683
Difference for IRAP negative taxable value	(14,210)
Financial charges on leasing contracts	82,640
Other differences	(15,996)
Actual tax	(2,860,151)

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 of companies falling within the Tax Consolidated System.

	2008	2007
Directors	2 258 258	2 354 461
Auditors	89 582	56 335
Total	2 347 840	2 410 796

**On behalf of the BOARD OF DIRECTORS of
BALDASSINI – TOGNOZZI – PONTELLO Costruzioni Generali S.p.A.**

The Chairman
Mr. Riccardo Fusi

Annexes to Explanatory Notes

Annex 1: COMPANIES CONSOLIDATED WITH THE LINE-BY-LINE METHOD

Name	Headquarters	Share Capital	%	Partners
Holding Company:				
Baldassini-Tognozzi-Pontello Costruzioni Generali S.p.A.	Via del Colle, 95 Calenzano	€ 36,000,000	-	-
Controlled companies:				
Gruppo Bartolomei – Fusi S.r.l.	Viale Montegrappa, 302/O/P Prato	€ 46,800	100%	BTP S.p.A.
BF Servizi S.r.l.	Via delle Vigne, 62 Calenzano	€ 45,000	100%	BTP S.p.A.
Gorizia S.c.a r.l. (being wound-up)	Via del Colle, 95 Calenzano	€ 10,000	85%	BTP S.p.A.
B.M. Lavori Veneto S.c.a r.l.	Viale Japigia, 145 Bari	€ 10,000	85%	BTP S.p.A.
Sige Rosolini S.c.a r.l.	Via del Colle, 95 Calenzano	€ 10,200	84%	BTP S.p.A.
Sige Noto S.c.a r.l.	Via del Colle, 95 Calenzano	€ 10,200	84%	BTP S.p.A.
Chiosina S.c.a r.l. (being wound-up)	Via del Colle, 95 Calenzano	€ 10,000	70%	BTP S.p.A.
Crevalcore-Nogara S.c.a r.l.	Via del Colle, 95 Calenzano	€ 10,000	70%	BTP S.p.A.
Barberino S.c.a r.l.	Via del Colle, 95 Calenzano	€ 10,000	80%	BTP S.p.A.
Profer S.c.a r.l.	Via del Colle, 95 Calenzano	€ 10,000	66.15%	BTP S.p.A.

Annex 2: AFFILIATED COMPANIES VALUED ACCORDING TO THE COST METHOD

Name	Headquarters	Share Capital	%	Partners
Affiliated companies:				
Sideco SRO	Bratislava (Slovakia)	€ 26,089.65	43.48%	BTP S.p.A.

Annex 3: AFFILIATED COMPANIES VALUED ACCORDING TO THE EQUITY METHOD

Name	Headquarters	Share Capital	%	Partners
Affiliated companies:				
Ed.In.Tre S.r.l. (being wound-up)	Prato	€ 10,400	50%	BTP S.p.A.
Consorzio Nuova Badia	Scandicci	€ 25,823	50%	BTP S.p.A.
Villa Fossi S.r.l. (being wound-up)	Calenzano	€ 90,000	50%	BTP S.p.A.
Mugello Outlet S.c.a r.l. (being wound-up)	Calenzano	€ 10,000	50%	BTP S.p.A.
Bretella S.c.a r.l.	Florence	€ 10,000	39.84%	BTP S.p.A.
Consorzio Colle Futura (being wound-up)	Colle Val d'Elsa	€ 274,554.30	47.296%	BTP S.p.A.
Project Costruzioni S.c.a r.l.	Florence	€ 3,199,569.06	48.32%	BTP S.p.A.
Alberti S.r.l.	Florence	€ 10,000	48.32%	BTP S.p.A.
Consorzio Stabile OPERAE	Rome	€ 500,000	47.06%	BTP S.p.A.
Diomira S.c.a r.l.	Calenzano	€ 10,000	42.361%	BTP S.p.A.
Travel 15 S.c.a r.l. (being wound-up)	Sesto Fiorentino	€ 10,200	35%	BTP S.p.A.
Soc. Cons. Ospedale Empoli a r.l.	Florence	€ 10,000	31%	BTP S.p.A.
Fiorenza Quattro S.r.l. (being wound-up)	Florence	€ 91,000	30.76%	BTP S.p.A.
Sunto S.r.l.	Colle Val d'Elsa	€ 11,000	30%	BTP S.p.A.
Nuova Emilia S.c. a r.l. (being wound-up)	Cesena	€ 52,000	30%	BTP S.p.A.
Metropolis S.p.A.	Florence	€ 1,120,000	29.73%	BTP S.p.A.
La Fonderia S.r.l. (being wound-up)	Campi Bisenzio	€ 10,710	20%	BTP S.p.A.
Scandicci Centro S.r.l.	Florence	€ 100,000	23.10%	BTP S.p.A.

Annex 4: OTHER COMPANIES VALUED ACCORDING TO THE COST METHOD

Name	Headquarters	Share Capital	%	Partners
Other companies:				
Affitto Firenze S.p.A.	Florence	€ 121,000	19.09%	BTP S.p.A.
Tram di Firenze S.p.A.	Florence	€ 7,000,000	13.902%	BTP S.p.A.
Confipi S.c.r.l.	Rome	€ 10,329.11	12.50%	BTP S.p.A.
Colle Promozione S.p.A.	Colle Val d'Elsa	€ 103,200	12%	BTP S.p.A.
CO.RI.A S.r.l.	Massa	€ 46,481.12	10%	BTP S.p.A.
G.S.T. Global Service Toscana	Florence	€ 58,876.07	6.66%	BTP S.p.A.
Consorzio Toscana Salute	Florence	€ 25,000	9.525%	BTP S.p.A.
Società Infrastrutture Toscane S.p.A.	Florence	€ 30,000,000	5%	BTP S.p.A.
C.F.S. Consorzio Firenze Servizi	Florence	€ 56,810	4.55%	BTP S.p.A.
Pratoinvest S.r.l.	Prato	€ 149,000	0.69%	BTP S.p.A.
Conglobit S.p.A.	Florence	€ 991,600	0.42%	BTP S.p.A.
ISVEUR S.p.A.	Rome	€ 562,000	0.40%	BTP S.p.A.
Costruttori Romani Riuniti G.O. S.p.A.	Rome	€ 5,164,568	0.25%	BTP S.p.A.
R.T.C. S.c.a r.l.	Casapulla (CE)	€ 10,200	0.01%	BTP S.p.A.
Sant'Antonio S.p.A.	Signa	€ 400,000	0.01%	BTP S.p.A.
Cefalù 20 S.c. a r.l.	Rome	€ 20,000,000	0.01%	BTP S.p.A.
Parco Verde Soc.Coop. a r.l.	Prato	€ 4,334,400	60 quotas	BTP S.p.A.
Empoli Salute S.p.A.	Montelupo Fiorentino	€ 3,449,424	10.26%	BTP S.p.A.
Consorzio Roma Gestioni 2000	Rome	€ 30,987.41	One quota	BTP S.p.A.

Cash flow statement

(in Euro)

Operating activities

Operating profit (A1)	1,161,808
Exclusion of non-monetary entries of Profit and Loss statement (A2):	14,709,219
Pre-paid/deferred taxes	126,305
Amortization of intangible assets	357,204
Amortization of tangible assets	11,156,281
Use of provision for doubtful debts	(18,147)
Provision for risks	139,000
Provision for employees' retirement indemnity fund	2,760,850
Gains on sale of fixed tangible assets	(683,676)
Losses from sale of fixed tangible assets	73,356
Losses resulting from sale of investments	114
Write-down of investments	470,730
Write-down of financial assets	414,036
Gains from sale of investments	(86,500)
Dividends received	(334)
A. Total cash flow from operating activities (A1) - (A2)	15,871,027

Cash flow from variations in net current assets

Variation in receivables from clients	(7,106,248)
Variation in trade receivables from companies belonging to the group	132,593,332
Variation in receivables from tax authorities	2,569,089
Variation in prepaid taxes (not booked in the Profit & Loss Statement)	(90,128)
Variation in receivables from others	35,224,035
Variation in non-fixed investments and securities	20,330,000
Variation in trade payables to companies belonging to the group	5,753,366
Variation in inventory	(506,297,358)
Variation in payments on account	291,140,509
Variation in prepayments and accrued income	3,946,270
Variation in accounts payable to suppliers	36,194,346
Variation in accounts payable to tax and social security authorities	8,903,150
Variation in other accounts payable (including documentary credits)	15,633,613
Variation in accrued expenses and deferred income	242,707
B. Total cash flow from variations in net current assets	39,216,939

C. Paid employees' indemnities (Retirement Indemnity and Severance Pay)	(4,658,656)
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Cash flow from operating activities (A+B+C)	50,429,310
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Investment activities

Purchase of intangible assets	(481,308)
Purchase of tangible assets	(6,257,756)
Purchase of financial assets	(1,194,652)
Sale of tangible assets (encashment value)	1,363,699
Sale of financial assets (encashment value)	222,009
Variation in receivables from affiliated companies under fixed assets	(7,010,588)
Variation in receivables from others under fixed assets	775,391
Dividends received	334
D. Total cash flow from investment activities	(12,582,871)

Financing activities

Increment (decrement) in accounts due to banks	(15,433,520)
Increment (decrement) in accounts due to other financial institutions	(6,660,178)
Increment (decrement) in financial payables to companies belonging to the Group	(2,630,794)
E. Total cash flow from financing activities	(24,724,492)

Overall cash flow A + B + C + D + E	13,121,947
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Cash and cash equivalents at the beginning of the year	17,169,680
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Cash and cash equivalents at the end of the year	30,291,627
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Cash flow for the year	13,121,947
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PFK

Accounting audit and organization

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

CONSOLIDATED 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 the consolidated balance sheet of the Group Baldassini Tognozzi Pontello Costruzioni Generali as of 31 December 2008. The responsibility for drafting the balance sheet in compliance with rules and regulations governing drafting criteria relies with Baldassini Tognozzi Pontello Costruzioni Generali S.p.A.'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 Group's consolidated 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 Group'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 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 consolidated 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 the consolidated balance sheet of the Group Baldassini Tognozzi Pontello Costruzioni Generali 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 Group's consolidated assets/liabilities, its consolidated 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 Consolidated Balance Sheet:
 - a. On 14 October 2008, the Holding 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 Holding 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 Holding 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 Holding 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 related companies. 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 Holding 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 Holding Company’s contractual counterparties as regards their capacity of performing their contractual obligations.
- c. During 2008, the Group suffered meaningful financial tensions. As of 31 December 2008, net consolidated financial indebtedness amounted to approximately 292 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 Holding 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 Holding 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 Holding 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 consolidated balance sheet by assuming the Group’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 Holding 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.

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 Consolidated 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 Group Baldassini Tognozzi Pontello Costruzioni Generali's consolidated balance sheet as of 31 December 2008.

Florence, 30th September 2009

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