



Administrative registered office:  
Via del Colle, 95 - 50041 Calenzano (Fi) - Italy  
tel. +39 055 8863111 - fax +39 055 8876380  
info@btpspa.it www.btpspa.it

BALDASSINI • TOGNOZZI • PONTELLO CONSOLIDATED BALANCE SHEET 2006

# BTP

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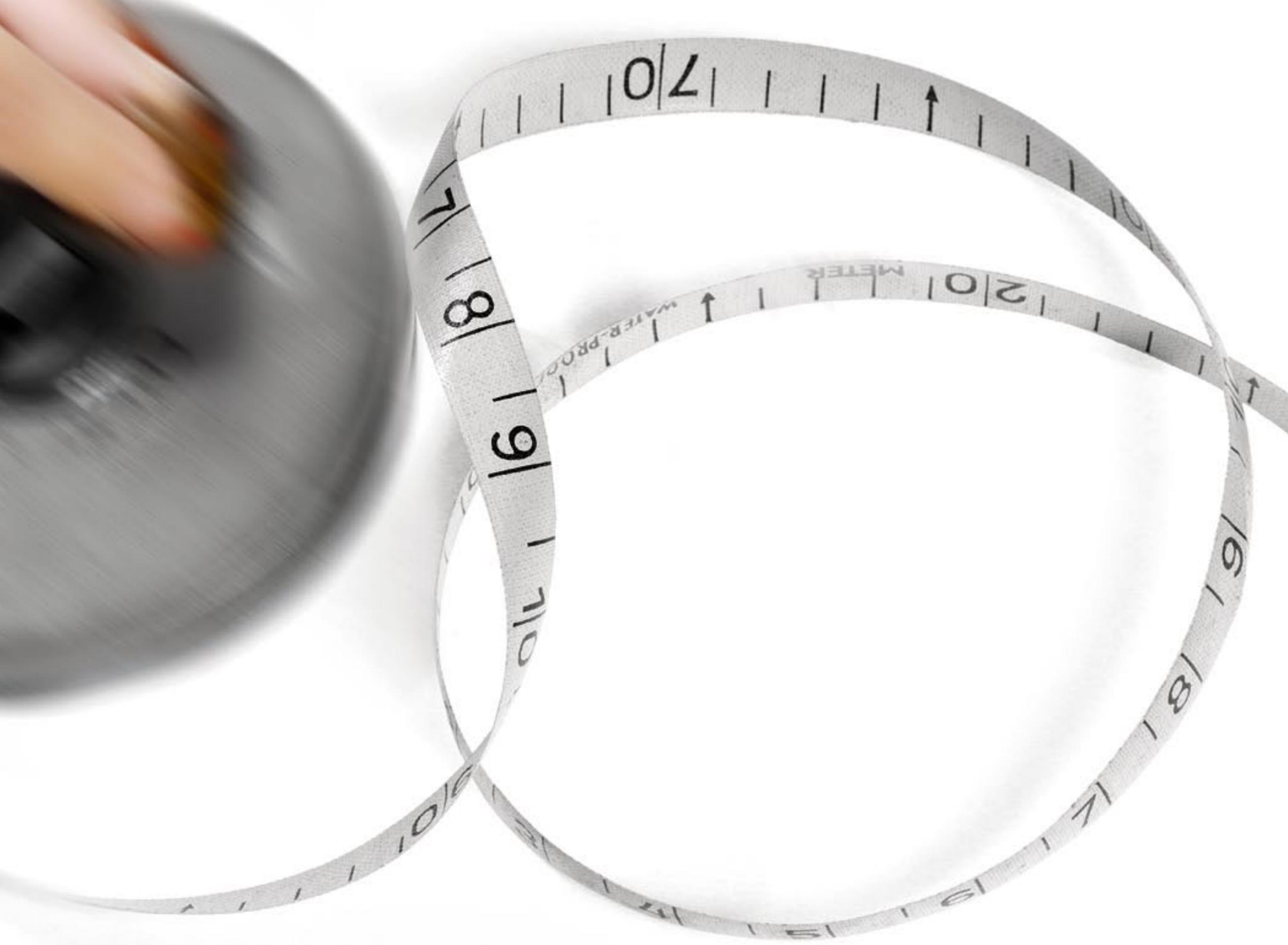
CONSOLIDATED BALANCE SHEET 2006

BALDASSINI • TOGNOZZI • PONTELLO

**BTP**

CONSOLIDATED BALANCE SHEET 2006

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MAIN BALANCE SHEET INDICATORS

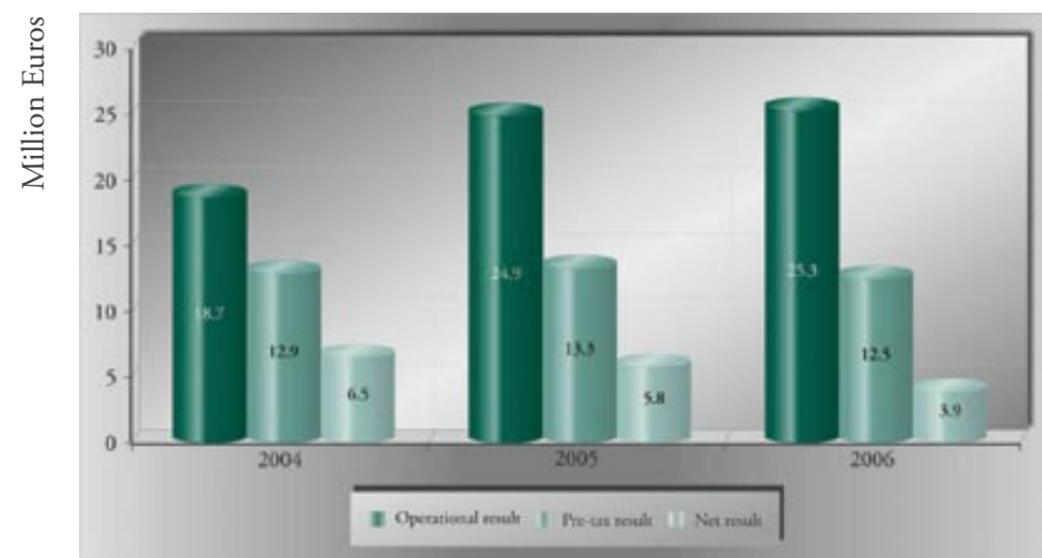
## MAIN BALANCE SHEET INDICATORS

Data of parent company BTP S.p.A. (in Euro)	2006	2005	2004
production value	499.634.299	423.528.780	268.784.486
operational result	21.404.381	21.630.884	15.274.825
pre-tax result	10.511.505	12.033.467	9.920.833
net profit	3.627.547	5.538.753	4.559.087
net equity	40.881.894	37.254.347	31.715.595
<b>Order backlog</b>	<b>1.648.636.696</b>	<b>1.442.938.887</b>	<b>1.311.956.873</b>
<b>Average no. of personnel</b>	<b>1.178</b>	<b>822</b>	<b>655</b>

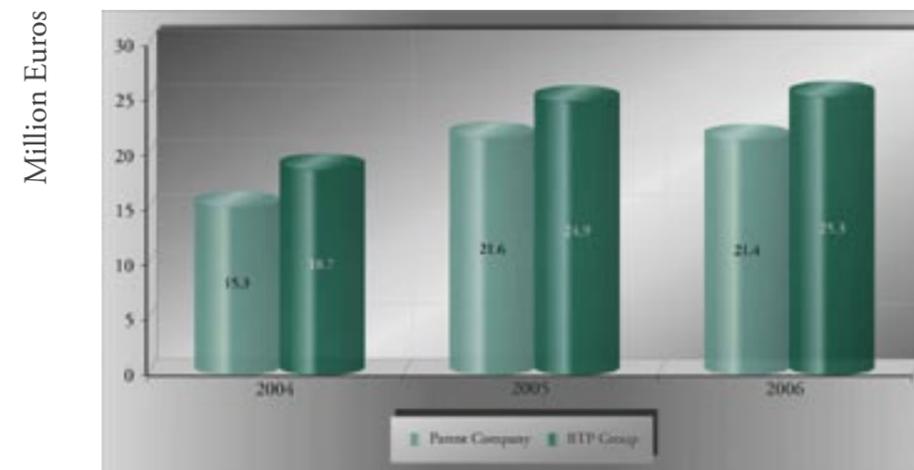
(in Euros)	Order backlog as of 31st December 2005	Acquisitions in 2006	Production in 2006	Order backlog as of 31st December 2006
Variations in order backlog	1.442.938.887	695.361.067	489.663.258	1.648.636.696

Data of parent company BTP (in Euro)	2006	2005	2004
production value	527.362.165	444.146.506	280.098.930
operational result	25.269.335	24.874.670	18.718.106
pre-tax result	12.496.121	13.340.474	12.877.440
net profit	3.907.523	5.779.748	6.478.666
net equity	40.843.511	36.911.967	31.132.227

## RESULTS



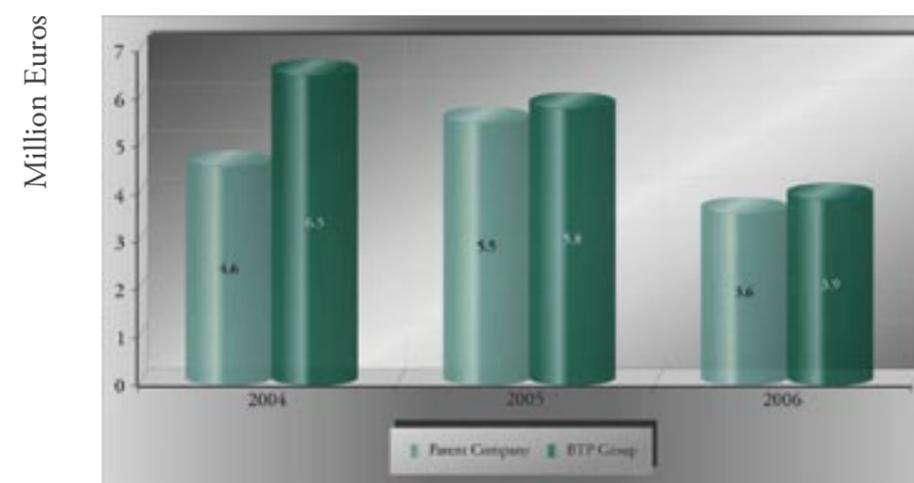
## OPERATIONAL RESULT



## PRE-TAX RESULT

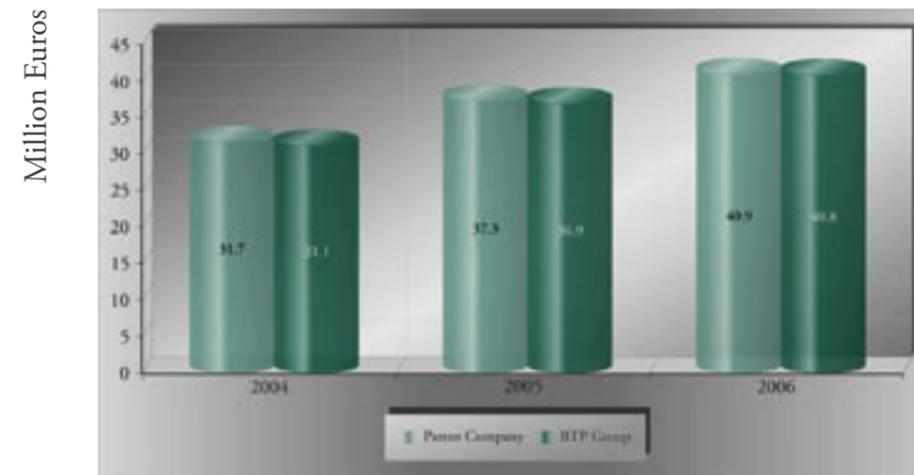


## NET PROFIT

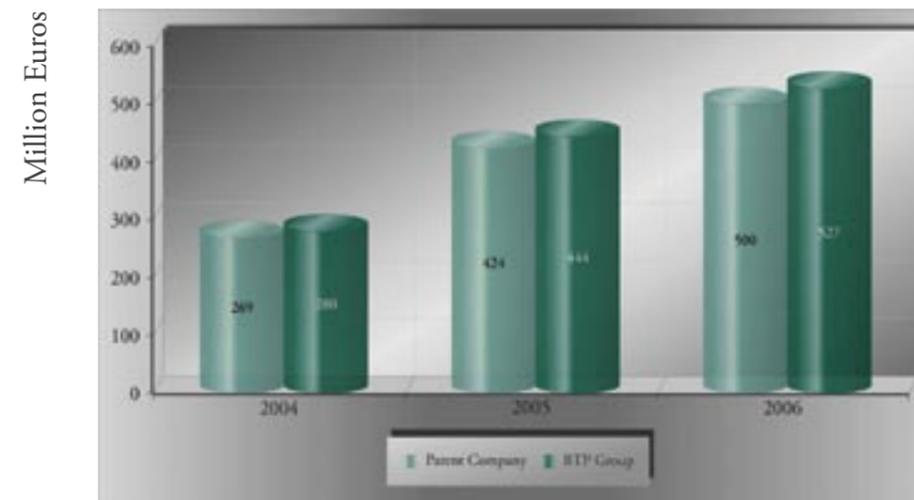




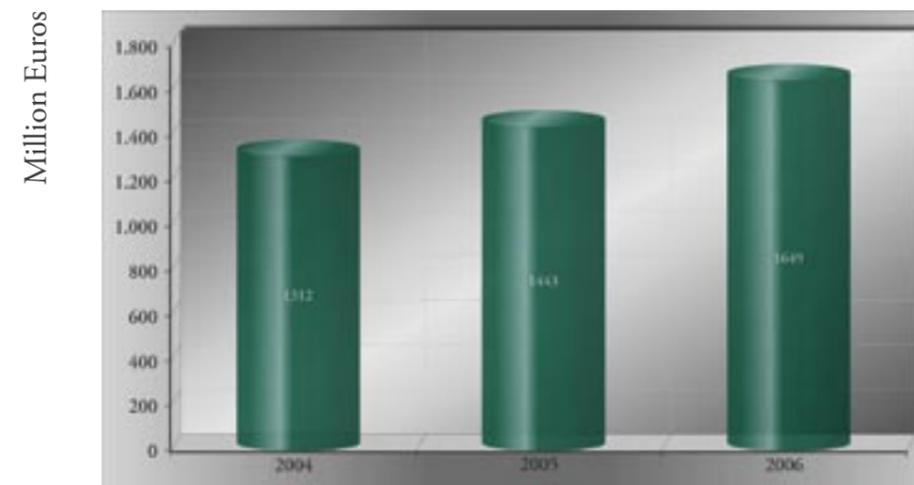
### NET PROFIT



### PRODUCTION VALUE



### PARENT COMPANY'S ORDER BACKLOG







## CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2006

### MANAGEMENT REPORT

Dear Shareholders,

This Management Report on the consolidated balance sheet has been drafted in compliance with the Civil Code. The consolidated balance sheet has been prepared, as usual, in accordance with Legislative Decree No. 127/1991.

The financial year 2006 confirmed Group BTP's growth trend over the last few years.

In fact:

- the **production value** reached 527 million Euros, against 444 million Euros of the previous financial year;
- the **operational result** was 25.3 million Euros, against 24.8 million Euros of 2005; the limited increase in the operational result is attributable to the fact that given contracts for major works (for which the parent company made leasing investments and bore costs for specifically employed personnel) were suspended in 2006 due to Clients' inaccurate projects; different contractual conditions and the ensuing resumption of works are currently allowing for margins to be recouped;
- the **net result** is a profit of 3.9 million Euros (against the 5.8 million Euro profit in 2005), considering taxation of 6.7 million Euros, which is 2.8 million Euros higher than last year (going from 3.9 million to 6.7 million Euros) mainly as a result of abrogation of the right to fiscally reduce the value of contracts lasting more than one year for contractual risks;
- the **Group's net consolidated equity**, as of 31 December 2006, amounted to roughly 41 million Euros.

#### THE GROUP'S FIELDS OF BUSINESS

The parent company BTP S.p.A. is involved directly in building, 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 rent to third parties. Finally, as a subsidiary and instrumental activity, Group BTP promotes properties and acts as a real estate agent.

#### THE NATIONAL MARKET

The events which marked the year 2006, among which a number of changes to investment policies favouring national infrastructures following the new Government's taking over, and the lack of resources evidenced on occasion of the 2007 Financial Law, slackened the building market.

In particular, the new Government's lack of funds led to a revision of investment priorities laid down by the Legge Obiettivo [Objective Law] (Law no. 443/2001).

What is more, traditional integrated contracts became once more popular in 2006 (with corresponding splitting-up of works' amounts), these being considered as less financially engaging; said change favoured middle-sized companies in the field, to the detriment of bigger companies such as the parent company.

In 2006, however, greater resort was also made to project financing: this, in fact, reduces the impact of public works expenses on the indebtedness of central and local administrations.

The 2007 Financial Law, approved by Mr. Prodi's Government for 2007 – 2009, includes a 29% increase in the allocation of funds to infrastructural investments, providing 3.7 billion Euros for 2007 and further 14 billion Euros for 2007 – 2009.

The parent company also envisages further opportunities in the field of project financing, which it is solidly involved in, and whereby it is able to offer organic solutions for the planning, realization and management of public works and works of public utility; this will favour the involvement of private capital in public investment policies, which is becoming the most popular solution for the realization of major works on a local and national level.

Over the last few years, the market of public-private partnerships (PPP) has seen an increase in the number of bids, with a greater use of project financing as the main instrument to collect resources needed to carry out projects in the public's interest, both by the central Government and by local authorities, torn between collective needs and financial constraints.

Hence, the Group is committed to further increasing its involvement in the field, investing in human resources, means and organizations so as to further consolidate its position in an extremely interesting and constantly-developing field.

#### PROJECT FINANCING

Group BTP has always strived to foresee, identify and stimulate market demands, thus pioneeristically exploring new routes, including project financing.

Project financing is the most innovative instrument introduced by recent legislation. Since the State can no longer afford to fund all interventions needed for the provision of public services (which need to be efficient, effective and competitive), structural and collectively-relevant interventions, identified on the basis of a list of priorities drafted by Public Administrative Authorities, can be implemented by means of projects funded by private resources, recouped by the cash flow generated by the provision of said services.

In 1999, having forsaken for the first time the idea of joining similar companies (e.g. Temporary Associations among building companies), the parent Company forged an alliance with major entrepreneurial partners engaged in different service industries, whose contribution was necessary to formulate in-house project financing proposals (planning, development and management).

In 2000, the parent company, acting as the leading company of the consortium, presented a project financing proposal ("Firenze Mobilità"), to the Municipality of Florence, which involved planning, developing and managing above- and underground car parks for over 1,500 cars in the city centre, as well as building a subway with a pedestrian square of some 2,400 m<sup>2</sup> before Fortezza da Basso, and developing a 77,500 m<sup>2</sup> park and other works in Florence. The importance of the proposal and the interest it aroused prompted new partners to join "Firenze Mobilità S.p.A.", among which 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 parent 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 Euros. Following assignment of the project, 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 parent 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 40.5 years, for a total investment of some 250 million Euros. The proposal was held to be of "public interest".

Many other project financing proposals are currently being drawn up and finalised, among which the plan, construction and management of the New Civic Centre of Scandicci and of the Rapid Tram Station, as well as the plan, construction and management of students' residential units at the Technological University Pole in Sesto Fiorentino. Projects go also beyond Tuscan borders (e.g. the design, construction and operational management of the works needed to broaden the District cemeteries of Barra Pianura and Soccavo in the Municipality of Naples).

After a preliminary stage which involved the creation of an "entrepreneurial prototype", the parent company is now suitably organized to systematically meet, through project financing and the so-called "innovative funding", the many demands of Public Administrative Authorities requiring the planning, development and management of public works and works of public utility, within a context where private entrepreneurs are viewed as their partners in performing public initiatives for territorial and infrastructural development.

#### 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 property operator and thus becoming a developer, the parent company 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, a 10,000 m<sup>2</sup> shopping centre on the lower floor, 251 apartments and an under- and above-ground car-park and corresponding urbanization), and the REDEVELOPMENT PROJECT OF OSMANNORO, involving the building of the IKEA Department Store (60,700 m<sup>2</sup> with gross 26,400 m<sup>2</sup> covered ground on two storeys, of which 13,950 m<sup>2</sup> for trade and 22,650 m<sup>2</sup> as underground car park). The parent company is currently involved in the redevelopment of key derelict areas such as:

- **FORMER SIME AREA** (involving the building of 410 apartments, 2 underground storeys with garages, car spaces and cellars, on some 25,000 m<sup>2</sup>)
- **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 m<sup>2</sup> and building of a civic centre, residential units and offices)
- **FORMER CNR AREA OF SCANDICCI** (some 140,000 m<sup>2</sup> 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 m<sup>2</sup>, and a 75,000 m<sup>2</sup> public park)

**FORMER TOBACCO FACTORY OF FLORENCE** (a strategic area right in the centre of Florence. The redevelopment plan involves the use of current volumetries for the realization of a residential centre, offices, and an accommodation and exhibition centre, for overall 100,000 m<sup>2</sup>)

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



## GENERAL CONTRACTOR AND PUBLIC WORKS

In terms of turnover, public contracts are currently the parent company's main business, and will be so also in the future, due to the increasing building demand, which has already led to a substantial and qualitative rise in the Group's order backlog.

After all, the company's extensive promotion, especially over the last years, entailing notable investments in human resources and cutting-edge equipment, and its take-over of specialised companies, together with the skilful and continually developing coordination of its functions, could not but reap fruits. The results achieved mirror an entrepreneurial reality which has always been able to express and constantly raise its potential when faced with great challenges.

This has been the case of major public buildings, which the company has been involved in through high quality interventions in the building of schools, barracks, university buildings and, more recently, hospital units (no fewer than 25 completed works over the last 10 years), thus gaining exceptional expertise in the field.

As regards infrastructures, the Group's engagement has been constantly increasing, achieving successful productive and economic results in the building of airports, roads, motorways, railway stations and railway lines, underground works and works in urban areas.

The parent company is now one of the leading Italian building companies and takes part in the most significant projects for the country's infrastructural development, such as the modernisation of the Salerno-Reggio Calabria motorway, the construction of the new Siracusa-Gela motorway, the enlargement to three lanes of the A1 Milan-Naples motorway between Florence south and Florence north, and the new Mountain Pass. Among the many railway works, the company has been extensively engaged in doubling the Bologna-Verona and Reggio-Taranto lines.

2006 was a particularly important year in the field of public works, since the parent company programmed and planned a number of initiatives, some of which were concretely realized throughout the year:

- **Quadrilatero Umbria – Marche 2° Megalotto:** high speed connection between Perugia – Ancona, and Pedemontana delle Marche. Basic bidding amount: 716 million Euros.  
The contract, subject to application of regulations on General Contractors, required the setting-up in July 2006 of a Project Company (50 million Euros paid-in capital) called Dirpa S.c. a r.l., with Operae Permanent Consortium (50%) – Consorzio Ergon (25%) – Toto (25%) as members.
- **Functional adjustment of Large Train Stations:**
  - Florence/Bologna
  - Palermo/Bari/NaplesAssignment of executive planning and adjustment works concerning 5 of the most important train stations in Italy.  
For this purpose, the Consortium Company Profer was set up, managing works for over 100 million Euros, of which BTP holds a 66% share.
- **Mountain Pass Section 12** (Barberino del Mugello) for 128 million Euros, with Autostrade S.p.A.

The above assignments thus add over 370 million Euros of new contracts (already formalized), for which works have already begun.

Between the end of 2006 and the beginning of 2007, the company was also assigned the task of building the New Hospital of Todi/Marciano, for a project amount of million Euros, which was made effective on 20 February 2007. Works began on 10 March 2007.

Moreover, for the purpose of guaranteeing greater efficiency and rationalization of resources, Operae Permanent Consortium's holding in Dirpa (Quadrilatero Umbria – Marche contract) was increased in early 2007 from 50 to 74.99%, entirely entrusted to the Consortium Company BTP, this determining a higher investment in the initiative than in 2006 (amounting to 313 million Euros).

Said engagement satisfied the parent company's wish to make use of its valuable experience - acquired over the years by carrying out complex works - in a major assignment, with enthusiasm and excellent prospects.

Therefore, the company's new acquisitions in the early months of 2007 nearly reach 340 million Euros.

Among the new initiatives being currently examined, we wish to point out the competition launched by ANAS to become General Contractor of the road axis of Porto Empedocle, with a basic bidding amount of 450 million Euros and delivery of the offer in July 2007.

Said initiative is carried out through Operae Permanent Consortium, set up in November 2004 together with 3 other main companies so as to face the major works market created by the Legge Obiettivo. In its first two years' business, the Consortium has qualified itself and has taken part in the most important initiatives, being assigned the contract for the Quadrilatero Umbria – Marche 2° Megalotto and obtaining excellent results in other activities, thus confirming its role as a valid commercial and operative instrument suited to major works.

We also wish to underline our positive collaboration with international partners engaged in rolling-stock technology (Bombardier Transportation), transport engineering (Systra S.A.) and information technology (Engineering S.p.A.), implementing therewith a bid strategy which, albeit not successful on one occasion, was highly competitive and came close to being assigned the respective contract (Rome Underground).

In the light of the above, it is clear that the setting-up of Operae Permanent Consortium was well conceived and even better put into practice. The Consortium's results in bids have been exceptional so far, not only for the number of contracts assigned, but also in the light of the highly specialized competitors which the Consortium has been able to outdo by relying on the "Operae" idea: a stable autonomous entity, endowed with integrated skills in building technology, with specific competences and thus decisive synergies in the highly competitive market of major works.

As regards certifications, while the SOA certification has been confirmed for 10 categories of works (7 general and 3 specialized works), all for an unlimited amount, the Infrastructure Ministry has accepted the company's application for its Qualification as General Contractor, category III (unlimited) filed in August 2006, granting the corresponding certification on 16th February 2006.

Hence, Operae Permanent Consortium's targets for its first period of life have been fully attained and even exceeded.

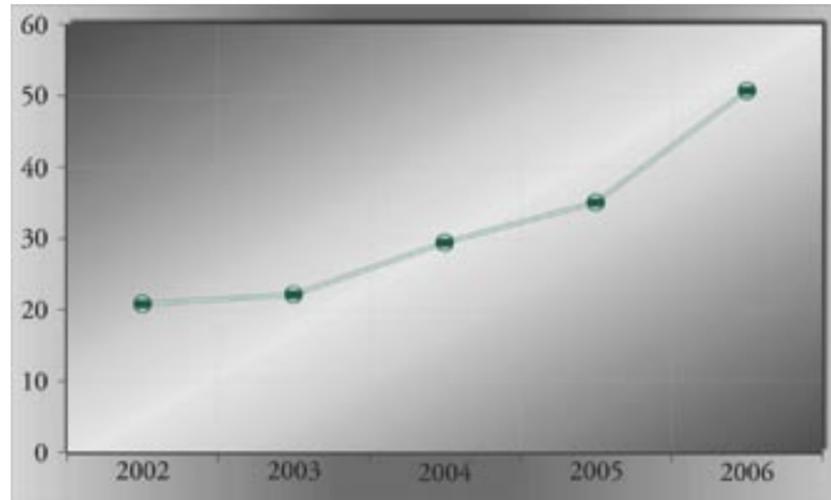
Further prospects are related to the commencement of assigned major projects and to new opportunities including, other than the above road axis of Porto Empedocle (450 million Euros) for ANAS, the interesting contract for the underground line of Parma (280 million Euros), whose call for bids is about to be made.



## INVESTMENTS

The continuous and rapid growth of the Group's turnover in the last few years was matched by suitable investments in human resources and machinery. In 2006, just like in previous years, particular attention was paid to these investments.

### Human Resources



Cost of personnel over the last 5 years (million Euros)

Initiatives aimed at attracting and developing competent professional personnel continued, investing on the one hand in the research and employment of highly and specifically skilled human resources and, on the other, in the management and development of skills underpinning the company's recent success.

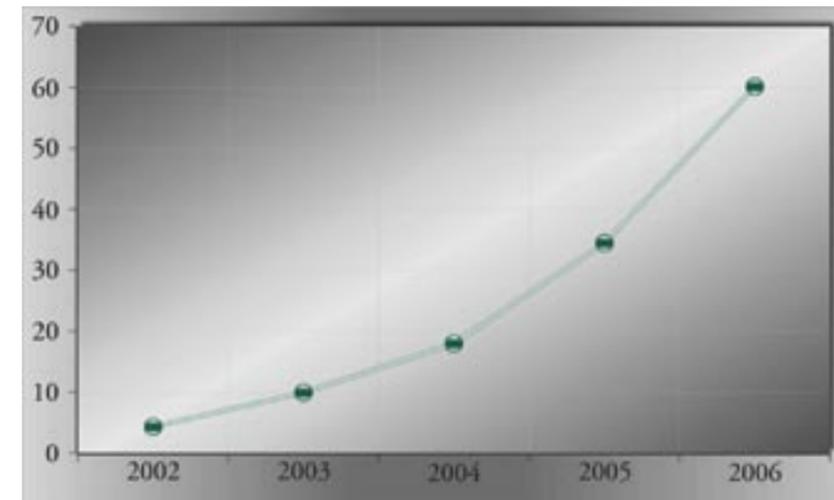
The Group, in fact, relying on its continuous growth over the last few years and despite the typicality of the field, was able to optimize the "repêchage" of its personnel, re-employing it in new contracts upon conclusion of old ones. By so doing, the company has been able over the years to create long-standing groups of employees, especially in strategic roles, guaranteeing their sharing and involvement in the company's strategies, as well as consolidated and shared working methods.

Moreover, the company is expected in the next few years to further invest in the recruitment of new graduates (either from High School or University) to be followed by experienced tutors, and thus be professionally trained. The company has so far launched training programmes for University graduates to qualify as "Contract management technicians", and for High School graduates to qualify as "Assistants to site technical management".

The company's increased number of employees in 2006 may be essentially attributed to the complete operativeness of works related to important contracts with Autostrade Spa.

In 2006, the parent company also made agreements with the OO.SS. [Trade Unions], regulating additional contributions (reimbursement of travel expenses, accommodation and canteen services) granted to personnel engaged in special works, especially infrastructures. Further agreements were made with the OO.SS. for the recognition of "profitability awards", related to work quality and site safety.

### Machinery and Equipment



Total investments in machinery over the last 5 years (million Euros)

Throughout 2006, in the light of the particular and specific works involved in the enlargement of the third lane of Motorway A1 between Florence South – Florence Scandicci (Stretches B and C) and Section 12 of the Mountain Pass, the Group significantly continued investing in machinery and equipment, thus implementing its number of machines. The works for the realization of tunnels, involving also the use of gas, required the use of special machines, chosen by the Logistic Unit in agreement with the management of the Public Contracts Sector, the Prevention and Protection Service and the Logistic Service, so as to raise safety standards.

In 2006, the Group further invested in machines (over 25.5 million Euros), mainly to equip new contracts in infrastructures, with more than a 55% increase when compared to last year.

### Corporate IT System

Over the past year, much attention has been paid to the company's Computing System, with the aim of shifting from individual to integrated information management and thus turning information into a company asset. The development and implementation of the ERP (Enterprise Resource Planning) system enabled to automate and simplify existing manual processes, integrate applications, reduce the costs of inserting data and the time between the occurrence of an event and its display, granting all users access to information. The ultimate goal is to provide all corporate levels with key information for decision-making, by strengthening "files of organizational memory" and "means for research and integration". Special focus has been placed on supporting the control and analysis of corporate results by the company's Top Executives.

Following the 2005 renewal of the entire infrastructure of the company's servers, in 2006 the full potential of virtualization technologies was extensively exploited. The company continued to invest in setting up private virtual high-speed networks between its head office in Calenzano and peripheral offices and sites, these becoming an integral and continuous part of the network infrastructure.

In particular, beginning 2006, all incoming documents have been digitalized, thus facilitating control and archival procedures.

In 2006, single site managers began registering individuals' data directly through an Intranet application, thus avoiding the need to reinsert said data at the office.

In 2006, the new company's Website was launched. This includes both a public area and a private area reserved only to registered users, allowing them to make given Software updates, as well as to have access to all documents of the Company's Quality System and to some site registrations, with access being "limited" also to Works Managers where required. From the Intranet area, users can ask for direct support to the "Computer Quality and Systems" Office, which may connect itself directly to the user's PC.

#### **Data processing security**

Greater attention was given to Internet and its potential; at the same time, security levels - nowadays increasingly important - were raised so as to ensure operational continuity also in the event of external attacks. After all, the implementation of suitable security measures for computer-processed data is an obligation laid down by the "Code on the protection of personal data" currently in force".

For this purpose, a risk assessment was made of Safety issues (possibility for information to be altered or used by unauthorized parties), Availability (likelihood of information or applications becoming non-accessible due to a fault of the system or natural disasters), Performance (probability of low performances of IT systems, applications, personnel or IT in general reducing productivity) and Compliance (likelihood of information management or processing being not conform to internal laws or regulations).

Following said analysis, the company assessed its vulnerability to threats, its resources and potential alternatives, quantifying operational, financial, legal and regulatory impacts. Safety levels were assessed, safety strategies were defined, implementing rules and procedures, and actions were taken to raise personnel's awareness, as well as to train and periodically update the latter. The infrastructure was correspondingly adjusted, and so were reinstatement strategies, and safety management was constantly supervised.

### **QUALITY - SAFETY - ENVIRONMENT**

#### **Quality**

Throughout 2006, the application of the company's Quality System was strengthened in order to guarantee the standards of the company's quality policy, laid down by its management, and to maintain the ISO 9001:2000 certification, subject to verification and inspection by the ICIC certification body.

The organisational changes brought to the Quality System as a result of continuous improvements to corporate management models, in line with ISO 9001:2000, concerned both head-office and site processes.

In the light of the increasing breadth of the company's single interventions and of its Clients' increasing needs, the number of qualified officers for internal audits was correspondingly adjusted, also by holding a special course on ICIC [Building Companies' certifications] at the company's office in Calenzano, attended by all Quality Control Managers of major works.

In operational terms, the Quality Office provided intensive specialist technical assistance to all corporate structures, for the purpose of transferring and strengthening all changes brought to the company's System. At the same time, the main company processes were customarily monitored through systematic internal auditing in order to constantly improve the company's services and/or products.

For some important works, audits were also carried out directly by customers; the outcome of such audits was substantially positive. Meanwhile, the certifying body carried out periodic audits in order to check the on-going validity of certifications. The positive outcome of such audits, which concerned both the head office in Calenzano and various sites, led to a renewal of the certification.

#### **Safety**

Throughout 2006, in the light of the particular and specific works involved in the enlargement of the third lane of Motorway A1 between Florence South – Florence Scandicci (Stretches B and C) and the Section 12 of the Mountain Pass, the parent company significantly implemented and renewed its number of vehicles and equipment. As a matter of fact, the works for the realization of tunnels, involving also the use of gas, require the use of special machines, chosen by the management of the Public Contracts Sector, the Prevention and Protection Service and the Logistic Service, so as to raise safety standards.

All appropriate prevention and protection measures regarding workers were implemented throughout all working stages, through a careful preliminary assessment of all risks, aimed at reducing as far as possible the number of injuries and illnesses on the workplace.

The specific Risk Assessment Documents, the Emergency, First Aid and Evacuation Plans were prepared, and were related to all risks involved in underground works, which are also carcinogenic and mutagenic due to the presence of crystal free silica and vehicles' exhaust fumes.

Training and information of workers engaged in new contracts, as well as and the control and updating of workers engaged in other works, continued throughout the year.

On the basis of the most commonly used centralized collection of accident rates (Frequency Rate = No. accidents/No. hours on the workplace x 100,000 and Seriousness Rate = No. days of absence from work/No. hours on the workplace x 1,000), the data available until 31 December 2006 confirmed that said rates, respectively 8.50 and 1.73, were in line with the preceding 12 months and, even this year, they proved to be better than the national average in the field.

Revised health protocols were drawn up for new contracts, in agreement with the competent physician, in order to guarantee the health of workers engaged in the company's new activities. Moreover, the air within tunnels is now controlled by a specialized laboratory so as to ensure compliance with the Risk Assessment Document's requirements.

The Prevention and Protection Service was strengthened by employing new qualified technicians and carrying out qualification courses for internal personnel. The Prevention and Protection Service is continually involved in training and informing all employees, as well as in controlling subcontractors and compliance with their obligations.

#### **Environment**

For the purpose of developing an integrated Quality-Safety-Environment system, the Quality Department produced all documents for the company's Environmental System and for the Environmental management of contracts. The theoretical study was applied and assessed, especially to Italferr contracts in Pellaro and Crevalcore. This gave the company important inputs to improve and correct the said system.

Special attention was paid to identifying the environmental impact of single works (both potential and expected in the light of mitigation measures), as well as to ameliorations resulting from the correct enforcement of an Environmental Management System – pursuant to UNI EN ISO 14001:2004 – and to the overlapping of expected environmental effects with respect to works with overlapping sites-times.

The activity was performed together with the Prevention and Protection Service, which specifically saw to the more operational matters of site development, integrating them with analysis and training activities already envisaged for safety issues.

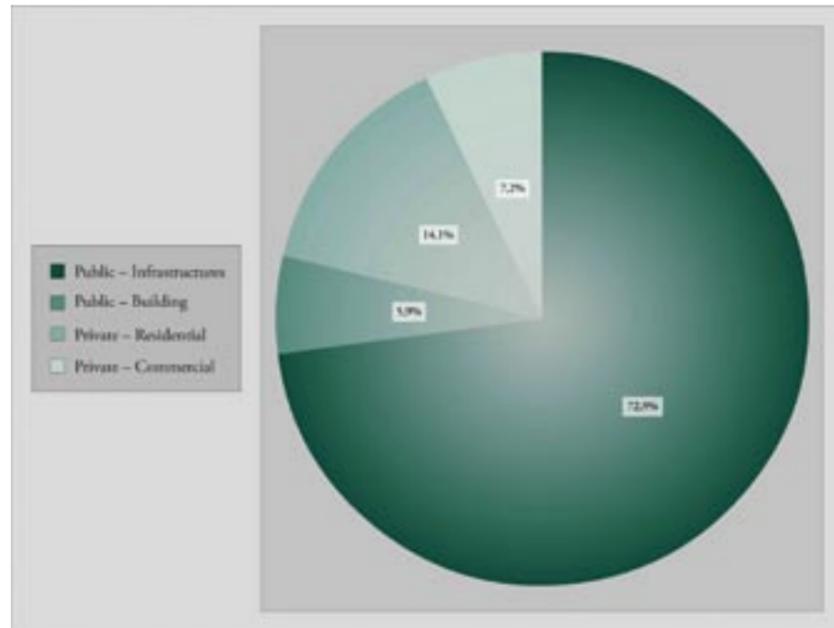
The company's project for the management of Environmental Factors was also object of the speech: "Applying an Environmental Management System to a railway contract" at the Conference "Management systems as a means for sustainability in engineering and building" (Organized by the Quality Culture Italian Association of the University of Rome "La Sapienza" – 4 October 2006).

In 2006, cooperation agreements entered into with specialised experts and laboratories were renewed in order to create monitoring systems aimed at collecting basic data for periodic checks on the effectiveness of mitigation measures.

## MAIN ACTIVITIES

The parent company's main activities (works and contracts) in the 2006 financial year are analysed and listed below:

	31/12/2006	Percentage	Percentage
<b>PUBLIC CUSTOMERS</b>	<b>385,727,480</b>	<b>100%</b>	<b>79%</b>
INFRASTRUCTURES	356,787,654	92%	
BUILDING, REDEVELOPMENT, RENOVATION	28,939,826	8%	
<b>PRIVATE CUSTOMERS</b>	<b>103,585,662</b>	<b>100%</b>	<b>21%</b>
RESIDENTIAL	68,857,387	66%	
INDUSTRIAL, COMMERCIAL, OFFICES	35,078,391	34%	
<b>TOTAL</b>	<b>489,663,258</b>		<b>100%</b>



Subdivision of production in 2006

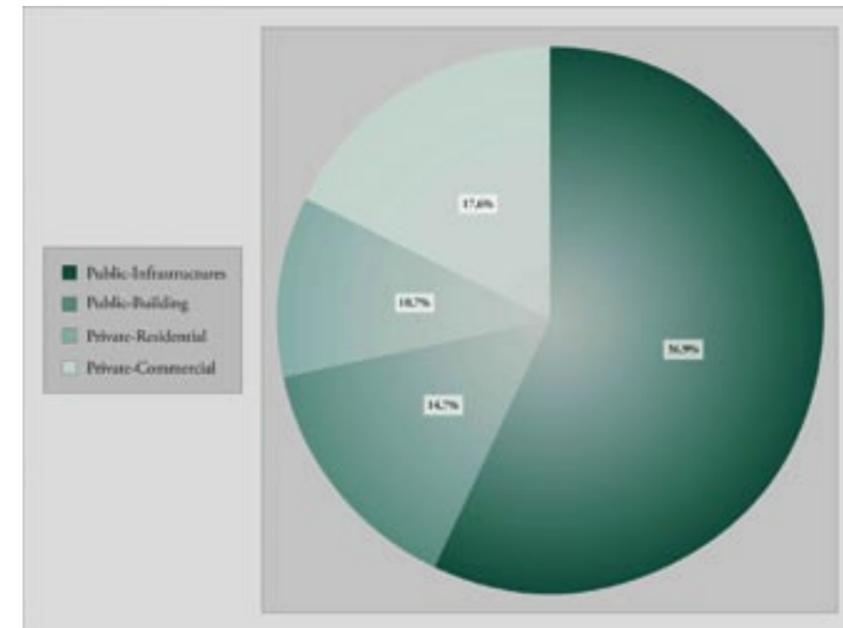
In 2006, slightly less than 80% of production was in the Public sector, thus recording an increase compared to the previous year. The shift in the distribution of production is in line with the company's acquisition policy: already in 2005, 74% of works were in the Public sector.

## ORDER BACKLOG

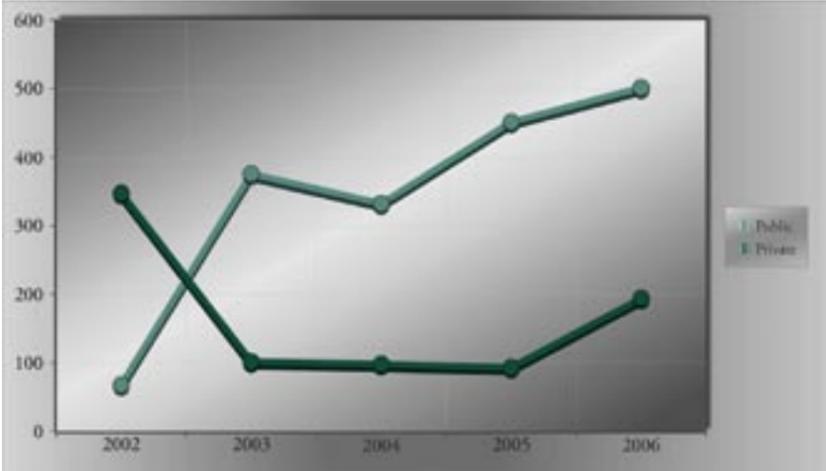
The positive trend in the parent company's order backlog is reported in the following table and illustrated in the following graphs:

Customer	Order backlog as of 31/12/05	Acquisition of works as of 31/12/06	Production in 2006	Order backlog as of 31/12/2006	%	Acquisitions in early months 2007	Updated order backlog
PUBLIC	1,065,161,137	501,160,265	385,727,480	1,180,593,922	72%	317,212,301	1,497,806,223
PRIVATE	377,777,750	194,200,802	103,935,778	468,042,774	28%	26,996,348	495,039,122
<b>TOTAL</b>	<b>1,442,938,887</b>	<b>695,361,067</b>	<b>489,663,258</b>	<b>1,648,636,696</b>		<b>344,208,649</b>	<b>1,992,845,345</b>

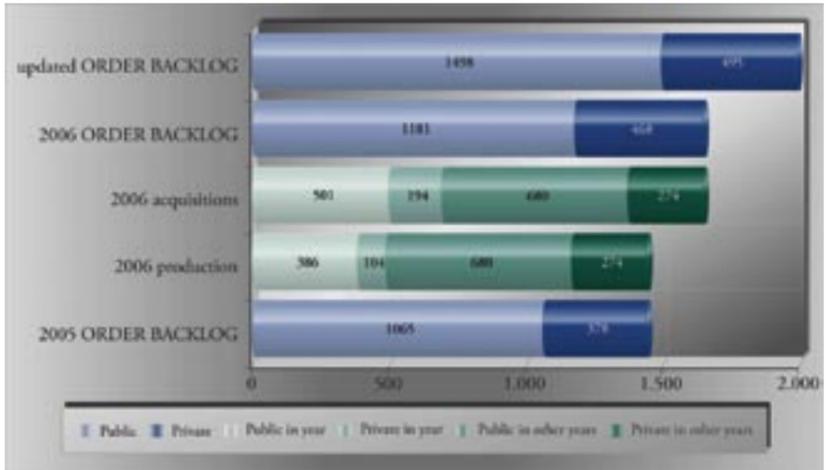
Acquisitions in the private field registered a 108% increase with respect to last year; in any event, they are still limited by the not-yet-final execution of important contracts, due to delays in the issue of building licences to several Clients. Similarly, acquisitions in the public field increased (+12%) with respect to last year.



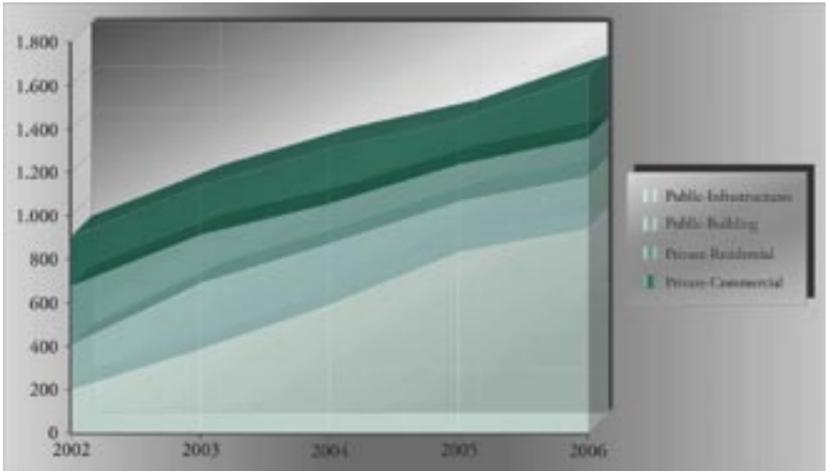
Percentage subdivision of order backlog as of 31/12/2006



Acquisition of Private and Public works over the last 5 years (million Euros)



Graph of order backlog trend (million Euros)



Positive trend of order backlog over the last 5 years (million Euros)

**Infrastructures**

*Soc. Autostrade per l'Italia S.p.A. – Third motorway lane between Florence North – Florence South. Sections 4,5,6,7,8 ( Stretches B and C )*

Assigned in 2004-05, the works include widening each carriageway to three lanes along the A1 motorway section between Florence-South and Florence-Scandicci, for some 13.4 km. Overall contractual amount: some 314 million Euros, and expected completion date: February 2010.

The development project includes the following works:

- 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.)
- 7 overpasses with mixed steel-concrete decks and spans between 60 and 120 mt.
- 8 works with structural decking panels and pre-stressed reinforced concrete beams and spans up to 26 mt
- 14 box-like sectioned works and 15 tubular manholes

The most engaging work is undoubtedly the “Pozzolatico” tunnel, characterized by clay and low covers; hence, delays are likely to occur because of the continuous need to pre-consolidate masses for excavation purposes.

The main ‘hindrances’ to regular work progress are referable, in general, to inaccurate planning and, in particular, given its crucial role in contractual performance, to the methodological and dimensional underestimation of interventions included in the executive project for the consolidation of the natural gallery and for the entrance (Rome side) to the Pozzolatico natural tunnel.

Other than these strictly technical problems, in 2006 there were other problems connected with delays in administrative procedures for land occupation, in removing and/or moving interferences and other additional restraints, not included in the bidding documents, imposed by Bodies interfering with the carrying out of the works.

Whilst awaiting the Client to define a Supplementary Solution, adjusting the project and granting an adequate time extension, other than appropriate compensation for the greater charges borne so far, BTP has already produced its own ameliorating Supplementary Solution, under art. 11, which will entail, once approved, a higher operative gross margin of 2.3 million Euros.

The above ‘hindrances’ are confirmed in the company’s reserves, regularly registered in its accounting documents.

Roughly 14.8% of the works was performed in 2006.

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

As regards section 3.2, works were assigned on 22 December 2005, though they began only in summer 2006, following a new supplementary solution advanced by the Client during execution of the works, designed to suit the railway line to the new hydraulic situation along the stretch; at the end of 2006, 8% of the works had been completed.

The doubling of the stretch between Crevalcore and San Felice has already been completed and regularly opened to railway traffic; this occurred before the contractual delivery term, to the satisfaction of the Client RFI; the company was thus awarded the expected acceleration grant.

*Completion works on the stretch between Sasso Marconi and Barberino del Mugello –MUGELLO SECTION 1st PART (Section 12 and Barberino del Mugello turn-off)*

The bid was assigned to Baldassini-Tognozzi-Pontello on 16 February 2006, as a second contractor for the bid dated February 2004 (estimated average reduction: 0.50%), following the first contractor’s withdrawal (Ferrari S.p.A.). The amount includes some 59.3 million Euros works (fixed price), some 52.7 million Euros works at a price varying according to the works actually carried out, and some 16.1 million Euros safety works, for total 128.1 million Euros

The contractual date of completion is currently 7 September 2009 (1,300 natural days).

The works consist in realizing section 12 of the Mountain Pass of Autostrada del Sole, as well as the new Barberino del Mugello turn-off.

The main ‘hindrances’ to regular work progress are essentially referable to the need to resume works ‘abandoned’ by the previous contractor, to the adjustment of executive projects according to the solutions introduced by the previous Contractor (not envisaged either during the bid or during assignment), to the reclamation of polluting sites (not envisaged either during the bid or during assignment), to disturbances caused by external companies’ use of service roads being built, and to the unfitness for use of several site areas, unlike what reported in the bid.

Although said events are not likely to affect completion times, due to the operative logic of the works, they might nonetheless have an impact on execution costs.

In 2006, taking due account of the impediments object of reserve, some 13.5% of the contractual works were carried out.

*RFI / Italferr – Quadruplicating the Padova-Mestre rail link*

The bid, assigned to the Temporary Association of Companies, is for a contractual amount of some 115 million Euros. BTP’s quota amounts to over 68 million Euros. The works consist in broadening the present double-track bed. As of 31 December 2006, 98% of the works was completed; 100% completion is expected, as foreseen in the contract, by the first months of 2007.



#### *AUTOSTRADe SICILIANE - A18 - Motorway Siracusa – Gela - Section 4 "Noto" and Section 5 "Rosolini"*

The works, including technical reports, amount to more than 100 million Euros.

The main works are the following:

- Four viaducts (Noto, Gioi, Inferno, Tellaro), 1,450.00 mt long, using pre-stressed reinforced concrete elements (cross ashlars) produced in a special on-site prefabricated unit and placed by two trucks with up to 600 ton capacity.
- Two natural and artificial tunnels (Cozzo Inferno) 730.35 ml long, made with a sole working face, after suitable consolidation of front and calotte.
- Bridges, overpasses, above-underground reinforced concrete passes made in progress and pre-stressed reinforced concrete beams of variable sizes (total number: 22).

Since the motorway runs across an extremely valuable area in archaeological and environmental terms, all works comply with what laid down by the local Cultural and Environmental Assets Superintendence.

Works were completed in January 2007.

#### *TAV / Italferr – Railway network of Bologna, Bid 9 / Tav 43*

The bid was assigned to the Temporary Association of Companies for a contractual amount of over 92 million Euros. During 2006, a Complementary Agreement was entered, whereby the contractual amount was increased to 104 million Euros. BTP's quota is approximately 91 million Euros.

The works consist in enlarging the current double track for Milan (western outskirts of Bologna) to four tracks, 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), similar to the viaducts described in points 6 and 7 above, and the reinforced concrete box-like structure that will allow the new railway line to pass under the A1 Motorway and Bologna's by-pass.

As of 31 December 2006, 60% of total works was completed.

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

The bids, for a contractual amount of over 72.5 million Euros, were acquired by the Temporary Association as parent company for the IDP2 part. During 2006, a Complementary Agreement was entered, whereby the contractual amount for both works was increased to 86 million Euros. BTP's quota of the works will be over 62 million Euros.

The IDP2 works consist 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 m<sup>2</sup> area.

The other main work, adjacent to the above, 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 31 December 2006, 52% of BTP's quota for the first contract and 31% of the second contract had been completed. The slowdown is also due to a number of significant changes ordered by Italferr.

#### *RFI / Italferr – Quadruplicating the Florence-Bologna direct rail-link*

The railway works "Florence Rifredi", for over 55 million Euros, began in 1999 and are still being carried out through consecutive and functionally-linked projects, which began with quadruplicating the Florence-Bologna direct rail-link; works ancillary to the functionality of the station, and preparatory works for the construction of the new underground station for high-speed lines, are currently being carried out. Among the most significant works, suffice it to mention the "Panciatichi" underpass for cars. All works were concluded by the end of 2006; tests are in progress.

#### *RFI / Italferr - Doubling the railway line between Pellaro (Reggio Calabria) - Capo d'Armi*

It is an integrated bid, whose contractual amount, re-determined according to the executive plan, amounts to more than 51.8 million Euros.

The works consist 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.

In September 2006, all works were completed to open the double railway line to traffic along the entire stretch; this was done 15 months before the contractual term. The entire acceleration grant (contractually established) was thus obtained, for 11.6 million Euros.

Following award of the grant and some additional expenses decided by Italferr, aimed at protecting the coast from sea-storms, the total bidding figure now amounts to 65.3 million Euros.

89% of works has been completed so far. The works which still need to be completed are road adjustments in the Municipalities affected by the new railway line – expected completion date: September 2007.

#### *Agenzia Torino 2006 - (Pinerolo) State road 23 "del Sestriere" - Porte bypass (Pinerolo)*

The works consist in building a new 9-km roadway of State Road 23, linking Turin to Colle del Sestriere. The works, falling within the ambit of the Winter Olympics 2006, are for a contractual amount of some 43 million Euros.

The main features of the works are the 1,060 metre-long "Craviale" natural tunnel and the 650 metre-long "Turina" tunnel, as well as three viaducts, which are particularly complex since they stand in the bed of river Chisone.

On 15 December 2005, two months before the Winter Olympics, the road was opened to traffic. In the course of 2006, tests were successfully completed.

#### *Anas - Works relating to construction of State Road 125 "Orientale Sarda" 2nd section-3rd stretch and 3rd section 1st and 2nd stretches*

The bids, for a contractual amount of over 23.5 million Euros, consist in the development of the new 125 State Road, for some 8.0 km. The first stretch includes the "Cardedu" turnoff, a viaduct of twenty-five spans. The 2<sup>nd</sup> stretch includes the building of a granite natural tunnel (1.7 km) and an embankment, including minor reinforced concrete and pre-stressed reinforced concrete works (for 2.8 km).

At the end of 2006, 41% of the works had been completed. We expect to complete a first 3.5 km stretch by the first months of 2007, while the entire project will be completed next year.



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

The following works were carried out in 2006: the Seppia artificial tunnel was completed (some 220 mt), works on the motorway underpasses no.s 32-42-45 proceeded for over 80% of their value, the Bridge on the Budello River was built, 65-70% of the works on the motorway underpasses no.s 27-46-55 was completed and 50% of the road superstructure was built.

In economic terms, the year's production amounted to 13.5 million Euros, with progress corresponding to little less than 70%.

Said result should not mislead since, as said above, the concrete material progress is significantly better than the overall result, allowing us to state that some 85%-90% of the works has already been completed.

What is more, on 26.04.06 the company signed an amicable agreement for 7 million Euros, under art. 31 bis, and was acknowledged compensation for the increase in the cost of steel used in 2004.

A similar application was made for the steel used in 2005.

In the light of the delay affecting all works, due to countless ancillary services (electricity, telephone and hydraulic services) which hindered normal work progress, to the unavailability of given expropriated sites, and to suspension of work no. 60 (Bridge on the Calabro-Lucana Railway Line), the company applied for a time extension, which was granted. Hence, the current expected completion date is 26.05.2007.

#### *Anas – State Road 337 “ of Vigizzo Valley” – works to ensure compliance with safety standards along the stretch between km. 7+300 and 8+450*

The executive project was approved after an extremely long and tiresome preliminary inquiry, which led to removal of all innovative elements introduced by our project review.

The works were formally assigned before Christmas, despite our express request to postpone assignment after the impending winter season. The total amount of the works is over 23 million Euros. As of 31 December 2006, about 6% of the works had been completed.

#### **Civil works**

##### *Silvestrini Hospital in Perugia*

The bid, including technical reports already underwritten and additional costs agreed with the Hospital, includes the following works, for over 71 million Euros:

- Completion of the existing 9-floor building. Building of new 9-floor buildings parallel to existing ones, and a connecting service platform between new and old buildings. Building of pedestrian connections between buildings being currently used, buildings being completed and newly built ones.
- Redevelopment and adaptation to applicable specifications of the emergency room, of the warm room, the emergency call room, the entrance hallways, the sample-taking rooms, 13 operating theatres on two floors and the intensive care unit, including complete renovation of all technological installations, to be carried out whilst hospital wards are operative.
- Completion of the existing technological utility stations and creation of new stations to satisfy the needs of the entire Hospital, including units already being used.
- Building of a car park on the site (9,000 m<sup>2</sup>). Building of a new car park adjacent to current site areas (some 6 hectares), with a new access to the Hospital.
- Realization of a drain trunk line, equipped with lamination basin, to be used by the entire Hospital.
- Building a new service unit, the personnel's dressing-room and a unit for the local treatment and disposal of metabolic waste.
- Functional review of radiotherapy and of laboratories, with ensuing plant adjustments.

Works are expected to be completed by 29 September 2007.

#### *Production unit in Querciola, Municipality of Sesto Fiorentino*

The contract is for the realization of production units, of which no.s 1;2;3 and 4 as under the Minimum Units of Intervention 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 a gross area of some 47,668 m<sup>2</sup>, plus a parking area of some 15,141 m<sup>2</sup> and private roads for some 2,285 m<sup>2</sup>.

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

M.U.I. 1: 4 buildings for production purposes on 2 floors, and a service centre on 3 floors, usable area 13,370 m<sup>2</sup>.

M.U.I. 2: 4 buildings for production purposes on 2 floors, and a service centre on 3 floors; usable area 16,996 m<sup>2</sup>.

M.U.I. 3: 1 building for production purposes on 2 floors, usable area 5,863 m<sup>2</sup>.

M.U.I. 4: 2 buildings for production purposes on 2 floors, usable area 11,439 m<sup>2</sup>.

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 paved 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 amount of works is some 18.7 million Euros.

#### *Interport of S. Miniato, Pisa – units for Forwarders' Centre*

The project 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 S.G.C. FI-PI-LI Road; the unit is made up of 6 industrial sheds, for overall 100,000 covered m<sup>2</sup>; the sheds are prefabricated and made of prefabricated curtain walls, plus 8,000 m<sup>2</sup> of middle floors for offices and 1 building for management and commercial purposes, for a gross area of some 3,500 m<sup>2</sup>. Amount of works: 70 million Euros.

#### **Hotels**

##### *Hotel Lido di Camaiore*

The hotel which is being built, on Viale Cristoforo Colombo and via Dante Alighieri in Lido di Camaiore – Lucca, will be a four-star hotel, with a large outside garden and open-air sport facilities, including two tennis courts and an open swimming pool, plus large car parks.

The covered area is some 12,000 m<sup>2</sup>, with six floors above the ground and technical units underground. The ground floor includes all common services, such as the hotel reception, restaurant, bar, meetings rooms, offices, kitchen and covered swimming pool. The five upper floors will include 35 residential units and 69 rooms. Amount of works: 13 million Euros.

##### *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 m<sup>2</sup>; the first floor underground includes the hotel foyer, reception, breakfast rooms and restaurant, while the upper three floors include 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 loggias or gardens. The hotel's 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 2-floor units have a usable area of some 6.170 m<sup>2</sup>; access is from public pathways.

The congress centre, located on the third floor underground, has a usable area of some 1,950 m<sup>2</sup> and includes a foyer, bar, cloakroom, multi-use hall of 700 m<sup>2</sup> 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 5-floor apartments are spread over a usable area of 6,290 m<sup>2</sup>; all apartments are located around a central garden and have a private balcony. The unit has some 700 underground car places. The amount of contractual works is 62 million Euros; it has been suggested to

increase the number of underground floors from 2 to 4; such proposal, which still is to be made effective, would be for some 22 million Euros.

#### *Le Maschere Villa and Park*

The property 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, for some 7000 m<sup>2</sup>, as well as a smaller building, the Gardener's dwelling, on two floors for some 800 m<sup>2</sup>, and the Park, which stretches over some 19 hectares. The earliest pictorial evidence of the Villa dates back to 1585, and the importance, beauty and splendour of Villa Le Maschere and its park are mentioned by many writers and travellers.

The whole complex, which was purchased by the present owner in 2000 in a state of abandonment and advanced dilapidation, is planned to be made into a deluxe hotel with 65 historical rooms, of which 52 in the "Villa" and 13 in the "Gardener's dwelling".

All works are being carried out in compliance with provisions given by the Monuments and Environment Superintendence, as both the Villa and the Park have been declared 'monumental complex' and, as such, are subject to specific guidance and direction.

Forecast work net amount is approximately 20 million Euros.

Completion of works is expected by December 2008.

As of December 2006, 50% of total works were completed.

#### *Internal restoration of the building in via Amendola – via Daniele Manin – via Principe Amedeo, Rome.*

The residential building to be restored dates back to the late 19th century (covered area some 1,600 m<sup>2</sup> and internal courtyard some 380 m<sup>2</sup>), and includes an underground floor and seven above-the-ground floors.

The masonry structure (tuff blocks and full brickworks) includes different kinds of floors (original floors either wooden or vaulted; previously renovated floors either with brick arches on iron I-beams or in reinforced concrete). The works (integral in nature) envisage the general replacement of floors, reserving consolidation works only to reinforced concrete sections (where not ruined). Stairs and lifts will be entirely pulled down and rebuilt. Walls will be suitably reinforced.

A 2-floor garage will be built in the internal courtyard (going 7.00 mt. deep, under the supervision of the Archeological Superintendence); the garage will provide 25 car places, above which a conference hall will be built.

The new partitions will be made through equipped walls, made of chalk panels and supported by metal structures, i.e. a cutting-edge solution guaranteeing noise abatement; frames and plants will be studied and built with the same purpose in mind; floors will be built on sound-proof supports. All finishings will be refined and particularly taken care of.

The works are expected to amount to some 18 million Euros.

## Residential

16 residential interventions are currently being carried out in Tuscany, for overall 1,859 accommodation units, plus a substantial number of commercial units and annexed offices.

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

The net amount of the works is over 222 million Euros.

The most significant works are:

- Building a residential unit including 410 apartments – Via Toscanini – Florence – Former Sime area, for a net work amount of some 34 million Euros.
- Urban restoration related to the demolition of sheds, restoration of a building for 16 lodgings and 8 shops, building of 8 units for overall 135 lodgings and 1 shop, a multi-floor car park, and primary and secondary urbanization works in the area of the Former Officine Stianti in San Casciano Val di Pesa (FI), for a contractual amount of over 21 million Euros.
- Demolishing existing buildings – Restoration of Former Centrale Cinema and part of Officine Del Taglia – Signa, building 107 lodgings and 8 commercial units. Net works amount: over 11 million Euros.
- 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 16 million Euros.
- 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 units, subdivided in 4 buildings, in the Municipality of Rignano sull'Arno – Locality of Troghi. Net works amount: 15 million Euros.
- Within the ambit 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 realized, for 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 urbanization works including a large green area to be used as a public park. Net works amount: 37 million Euros.
- Realizing a building for mixed, residential and commercial purposes, within the ambit of the Recovery Plan in the former Fiat area in Novoli, Florence, within the M.I.U. "G" called "17"; it is made up of 44 refined apartments and 5 commercial units on the ground floor, plus an underground garage, cellars and technical units. Net works amount: 9.34 million Euros.
- Within the experimental residential building plan called "20,000 buildings on rent", Affitto Firenze S.p.A. has launched the realization, among others, of a Conventional Unitary Project within the intervention area "La Sala", of which the following lots are being realized: 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". Net works amount: over 20 million Euros.
- Realizing a circular-shaped building for mixed, residential and commercial purposes, with 133 apartments and 7 commercial units, plus underground garages and green areas, in Calenzano (Fi) – section 23 – train station area – area of the former Cement Factory Valmarina. Works amount: 14.6 million Euros.

## GROUP'S ECONOMIC RESULTS – ASSETS AND LIABILITIES

The financial year 2006 ended with a profit for the Group amounting to Euro 3,907,523. Consolidated assets and liabilities, as of 31 December 2006, had a net invested capital of Euro 210,017,197. At the end of the year, the Group's net equity amounted to Euro 40,843,511.

The main economic and financial items in the balance sheet as of 31 December 2006, including those already mentioned above, are shown in the following tables:

Summary consolidated profit & loss statement				
(in Euros)	31/12/2006	% on revenue	31/12/2005	% on revenue
Revenues	507,034,924	-	435,688,271	-
Adjustments*	(16,952,655)	-	(31,121,116)	-
Revenues net of adjustments	490,082,269	96.02%	404,567,155	97.95%
Other revenues and income	20,327,241	3.98%	8,458,235	2.05%
<b>Production value (net of adjustments)</b>	<b>510,409,510</b>	<b>100%</b>	<b>413,025,390</b>	<b>100%</b>
Operating costs	(492,054,701)	-	(411,294,337)	-
Adjustments*	16,952,655	-	31,121,116	-
Operating costs net of adjustments	(475,102,046)	(93.08%)	(380,173,221)	(92.05%)
<b>Gross operating margin</b>	<b>35,307,464</b>	<b>6.92%</b>	<b>32,852,169</b>	<b>7.95%</b>
Amortizations and reserves	(10,038,129)	(1.97%)	(7,977,499)	(1.93%)
<b>Operating profit</b>	<b>25,269,335</b>	<b>4.95%</b>	<b>24,874,670</b>	<b>6.02%</b>
Net financial (charges) revenues	(12,853,911)	(2.52%)	(11,206,912)	(2.71%)
Adjustments to financial asset values	(130,226)	(0.03%)	(114,311)	(0.03%)
Net extraordinary (charges) revenues	210,923	0.04%	(212,973)	(0.05%)
<b>Pre-tax profit</b>	<b>12,496,121</b>	<b>2.45%</b>	<b>13,340,474</b>	<b>3.23%</b>
Taxes	(8,581,707)	(1.68%)	(7,553,537)	(1.83%)
<b>Consolidated profit (loss)</b>	<b>3,914,414</b>	<b>0.77%</b>	<b>5,786,937</b>	<b>1.40%</b>
of which Group profit (loss)	3,907,523	0.77%	5,779,748	1.40%
of which Third Party profit (loss)	6,891	-	7,189	-
<b>Cash flow (profit plus amortizations)</b>	<b>13,952,543</b>	<b>2.73%</b>	<b>13,764,436</b>	<b>3.33%</b>

\* in order to better represent the company's actual economic trend, its managers have decided to deduct mutual credits and debts with connected consortium companies from revenues and costs, in that said relations usually increase revenue and cost values without added value.

Production value rose from Euro 413,025,390 in financial year 2005 to Euro 510,409,510 in financial year 2006, thus recording a 23.6% increase.

The gross operating margin rose from Euro 32,852,169 in financial year 2005 to Euro 35,307,464 in financial year 2006, thus recording a 7.47% increase.

Operating profit rose from Euro 24,874,670 in financial year 2005 to Euro 25,269,335 in financial year 2006, thus recording a 1.6% increase.

The limited increase in the gross operational margin and in the operational profit is attributable to the fact that given contracts for major works (for which the parent company made leasing investments and bore costs for specifically employed personnel) were suspended in 2006 due to Clients' inaccurate projects; different contractual conditions and the ensuing resumption of works are currently allowing for margins to be recouped;

Amortizations and reserves rose from Euro 7,977,499 in financial year 2005 to Euro 10,038,129 in financial year 2006.

The cash flow (profit plus amortizations) remained substantially unvaried; nonetheless, it increased from Euro 13,764,436 in financial year 2005 to Euro 13,952,543 in financial year 2006.

The result of the company's net financial management went from Euro (11,206,912) in 2005 to Euro (12,853,911) in 2006, with a 0.2% reduction of its impact on production value.

The general trend of Group management is overall positive, as can be seen in the above summary consolidated profit and loss statement.

The following table summarizes the Group's assets balance as of 31 December 2006:

Summary consolidated assets and liabilities		
(in Euros)	31/12/2006	31/12/2005
Net fixed assets	71,809,122	44,048,501
Net current assets	153,039,120	212,020,304
Risk reserves and Employees' Indemnity Fund	(14,831,045)	(13,274,023)
<b>Net invested capital</b>	<b>210,017,197</b>	<b>242,794,782</b>
Short-term net indebtedness	(181,148,357)	(142,044,447)
Mid- long-term net indebtedness	12,032,182	(63,789,750)
<b>Net indebtedness</b>	<b>(169,116,175)</b>	<b>(205,834,197)</b>
<b>Net equity</b>	<b>40,901,022</b>	<b>36,960,585</b>
<b>Group's net equity</b>	<b>40,843,511</b>	<b>36,911,967</b>
Third parties' net equity	57,511	48,618

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

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

Short-term net indebtedness rose from Euro 142,044,447 in financial year 2005 to Euro 181,148,357 in financial year 2006, thus recording an increase of Euro 39,103,910.

Mid- long-term net indebtedness mainly refers to the quota for financing and mortgages due after next financial year and for debts towards leasing companies.

Mid- long-term net indebtedness went from Euro (63,789,750) in 2005 to Euro 12,032,182 in 2006, with a positive decrease of Euro 75,821,932.

## GROUP'S FINANCIAL POSITION

The consolidated balance sheet as of 31 December 2006 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 Euros):

	31/12/2006	31/12/2005	Variation
Subscribed capital unpaid	2,313	2,313	-
Liquid funds	5,638,329	27,031,923	(21,393,594)
Financial assets not classified as fixed assets	65,759,755	5,373,451	60,386,304
Payables to banks within one year	(190,110,153)	(139,243,428)	(50,866,725)
Payables to other lenders within one year	(61,303,879)	(39,016,313)	(22,287,566)
<b>Net financial position towards third parties</b>	<b>(180,013,635)</b>	<b>(145,852,054)</b>	<b>(34,161,581)</b>
Financial receivables (payables) from/to controlled companies within one year	-	-	-
Financial receivables (payables) from/to affiliated companies within one year	(920,544)	2,922,556	(3,843,100)
Financial receivables (payables) from/to parent companies within one year	(214,178)	885,051	(1,099,229)
<b>Net short-term financial position</b>	<b>(181,148,357)</b>	<b>(142,044,447)</b>	<b>(39,103,910)</b>

The total **net short-term financial position** went from Euro 142,044,447 in 2005 to Euro 181,148,357 in 2006, with an increase of Euro 39,103,910, specifically illustrated in the "Variation" column.

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

	31/12/2006	31/12/2005	Variation
Inventory	1,201,703,078	890,069,018	311,634,060
Net receivables from clients	222,164,731	166,979,787	55,184,944
Receivables from affiliated companies, entered under Net Equity	4,305,196	2,309,035	1,996,161
Receivables from taxation authorities	15,174,229	7,589,926	7,584,303
Prepaid taxes	612,135	1,488,877	(876,742)
Receivables from others	9,804,928	91,653,496	(81,848,568)
Payments on account	(1,042,730,796)	(755,743,488)	(286,987,308)
Payables to suppliers	(251,769,493)	(190,893,499)	(60,875,994)
Payables to affiliated companies, entered under Net Equity	(9,229,179)	(9,908,567)	679,388
Payables to taxation authorities	(7,708,815)	(4,479,239)	(3,229,576)
Payables to Social Security authorities	(3,793,852)	(1,640,874)	(2,152,978)
Other accounts payable	(20,690,091)	(4,641,154)	(16,048,937)
Net deferred and accrued expenses and income	35,197,049	19,236,986	15,960,063
<b>Net current assets</b>	<b>153,039,120</b>	<b>212,020,304</b>	<b>(58,981,184)</b>

## 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.

It is nonetheless pointed out that the Group has used derivative financial instruments within the ambit of a policy aimed at covering the "interest rates" risk for part of its structural indebtedness; the supplementary note provides 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.

## GROUP'S OWN SHARES

As of 31 December 2006, neither the parent company nor other companies included in the consolidated group held their own shares or shares of parent companies, nor had they taken steps to purchase or sell any such shares during the financial year.



## RELATIONSHIPS WITH PARENT, CONTROLLED AND AFFILIATED COMPANIES

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

ASSETS AND LIABILITIES RELATIONSHIPS	Kind of relationship			
	Company (in Euros)	Financial receivables (Entered under fixed assets)	Financial receivables and other receivables (Entered under current assets)	Other payables
<b>Shareholders for financing:</b>	-	-	-	188,892
Holding BRM S.p.A.	-	-	-	-
Edil-Invest S.r.l.	-	-	-	188,892
<b>Parent companies:</b>	-	-	-	25,286
Holding BRM S.p.A.	-	-	-	-
Edil-Invest S.r.l.	-	-	-	25,286
<b>Affiliated companies:</b>	10,352,095	83,636,223	14,455,599	
Sunto S.r.l.	59,528	-	2,900	
Ed.In.Tre S.r.l. (being wound-up)	414,036	-	-	
Consorzio Colle Futura (being wound-up)	-	-	52,789	
Travel 15 S.c.a r.l. (being wound-up)	-	-	97,405	
La Fonderia S.r.l. (being wound-up)	47,828	6,839	-	
Nuova Emilia S.c.a r.l. (being wound-up)	-	-	33,931	
Consorzio Nuova Badia	518,000	393,802	-	
Villa Magli S.r.l.	100,000	17,162	-	
Villa Fossi S.r.l. (being wound-up)	566,457	21,228	-	
Project Costruzioni S.c.a r.l.	2,169,718	101,856	2,610,264	
Mugello Outlet S.c.a r.l.	70,500	1,403,921	1,447,152	
Consorzio Affitto Firenze	-	-	615	
Mediat San Casciano S.c.a r.l.	-	873,849	228,136	
Alberti S.r.l.	-	-	36,240	
Consorzio Stabile OPERAE	2,964,780	-	588,660	
Soc.Cons.Ospedale Empoli a r.l.	-	-	1,449,800	
Metropolis S.p.A.	3,067,340	-	-	
Cefalù 20 S.c.a r.l.	-	-	5,868,319	
STIF S.r.l.	288,253	-	-	
Diomira S.c.a r.l.	85,344	1,479,823	2,039,336	
Bretella S.c.a r.l.	311	-	-	
Il Forte S.p.A.	-	79,337,743	52	
<b>Total</b>	<b>10,352,095</b>	<b>83,636,223</b>	<b>14,669,777</b>	

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

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

ECONOMIC RELATIONSHIPS	Kind of relationship				
	Company (in Euros)	Financial revenues	Financial charges	Performance of services / Sale of assets	Extraordinary revenues
<b>Parent companies:</b>	771,026	1,635	-	-	-
Holding BRM S.p.A.	428,719	-	-	-	-
Edil-Invest S.r.l.	342,307	1,635	-	-	-
<b>Affiliated companies:</b>	15,215	-	384,871	-	20,750,115
La Fonderia S.r.l. in liquid.	3,319	-	-	-	-
Nuova Emilia S.c.a r.l. (being wound-up)	-	-	-	-	14,028
Consorzio Colle Futura (being wound-up)	-	-	-	-	3,835
Cefalù 20 S.c.a r.l.	-	-	-	-	819,319
Diomira S.c.a r.l.	-	-	30,000	-	3,903,754
Villa Magli S.r.l.	8,000	-	-	-	-
Villa Fossi S.r.l. (being wound-up)	3,896	-	-	-	-
Project Costruzioni S.c.a r.l.	-	-	151,478	-	2,733,645
Mugello Outlet S.c.a r.l.	-	-	77,522	-	3,483,059
Mediat San Casciano S.c.a r.l.	-	-	-	-	3,532,935
Consorzio Stabile OPERAE	-	-	125,871	-	452,614
Soc.Cons. Ospedale di Empoli a r.l.	-	-	-	-	5,806,926
<b>Total</b>	<b>786,241</b>	<b>1,635</b>	<b>384,871</b>	<b>-</b>	<b>20,750,115</b>

## SIGNIFICANT EVENTS OCCURRED AFTER THE FINANCIAL YEAR WAS CLOSED

The following significant events occurred in the early months of 2007.

- Quadrilatero Umbria-Marche 2° Mega Lotto (Legge Obiettivo – Assignment carried out in the capacity of General Contractor): as a result of the Group's increased investment in Dirpa Scarl (a Project Company set up for execution of the contract), BTP's share, through Operae Permanent Consortium, went from 143 million Euros to 456 million Euros. The final project requirements are currently being complied with, and will be followed by the prompt commencement of works along the stretches concerned.
- Grandi Stazioni S.p.A.: agreements were signed for the planning and functional renovation of the Train Stations of Bologna – Florence and Palermo – Bari – Naples; for the purpose of their execution, on 15 March 2007 the Consortium Company Profer a.r.l. was set up. This will take care of the unitary management of the works, to be commenced as soon as the planning stage is over.
- USL 2 Perugia: the building of the New Hospital of Todi was formalized and assigned on 30.03.2007.

In the light of the above, we expect the Group's production to further increase in 2007.

## FORESEEABLE DEVELOPMENT

In the light of the quality and increase of the Group's current order backlog with respect to 2006, and of the production trend in the early months of 2007, we expect the production value to further increase in 2007, with positive results in terms of operational profitability and financial returns.

## On behalf of THE BOARD OF DIRECTORS

### The Chairman

Mr. Riccardo Fusi



BALANCE

	2006		2005	
<b>ASSET AND LIABILITY STATEMENT: ASSETS</b>				
A) SUBSCRIBED CAPITAL UNPAID	2.313		2.313	
B) FIXED ASSETS, assets granted on financial lease are indicated separately				
<b>I - Intangible assets</b>				
1) Start-up and expansion costs	220.450		226.917	
2) Research, development and advertising costs				
3) Industrial patents and similar rights	16.294		17.272	
4) Concessions, licenses, trademarks and similar rights	1.033		1.291	
5) Goodwill	775.893		1.215.927	
6) Assets under development and payments on account				
7) Other intangible assets	38.530		44.517	
8) Differences from consolidation				
<b>TOTAL</b>	<b>1.052.200</b>		<b>1.505.924</b>	
<b>II - Tangible assets</b>				
1) Land and buildings	2.387.963		123.077	
2) Plant and machinery	30.450.571		18.033.967	
3) Industrial and commercial equipment	3.294.091		2.783.237	
4) Other assets	8.977.851		6.640.563	
5) Assets under construction and payments on account	1.724.399		3.641.888	
<b>TOTAL</b>	<b>46.834.875</b>		<b>31.222.732</b>	
<b>III - Financial assets</b>		<i>due within one year</i>		<i>due within one year</i>
1) Investments in	12.166.795		3.857.367	
a) controlled companies				
b) affiliated companies	9.529.563		2.361.766	
c) parent companies				
d) other companies	2.637.232		1.495.601	
2) Accounts receivable	16.060.644		8.528.248	
a) from controlled companies				
b) from affiliated companies	10.352.095	<i>4.305.392</i>	4.014.175	<i>1.065.770</i>
c) from parent companies		<i>6.046.703</i>		<i>2.948.405</i>
d) other companies	5.708.549	<i>815.453</i>	4.514.073	<i>4.246.096</i>
3) Other securities		<i>4.893.096</i>		<i>267.977</i>
4) Company's own shares				
<b>TOTAL</b>	<b>28.227.439</b>		<b>12.385.615</b>	
<b>TOTAL B) FIXED ASSETS</b>	<b>76.114.514</b>		<b>45.114.271</b>	
C) CURRENT ASSETS				
<b>I - Inventory</b>				
1) Raw, auxiliary materials and consumables	4.876.040		3.587.895	
2) Goods being processed and semi-processed goods				
3) Contractual work in progress	1.142.140.779		840.327.611	
4) Finished goods and goods for resale	14.815.324		24.800.627	
5) Payments on account	39.870.935		21.352.885	
<b>TOTAL</b>	<b>1.201.703.078</b>		<b>890.069.018</b>	
<b>II - Accounts receivable</b>		<i>due within one year</i>		<i>due within one year</i>
1) from clients	222.164.731	<i>222.164.731</i>	166.979.787	<i>166.979.787</i>
2) from controlled companies				
3) from affiliated companies	83.636.223	<i>4.305.680</i>	4.168.146	<i>4.168.146</i>
4) from parent companies			975.746	<i>975.746</i>
4-bis) Receivables from taxation authorities	15.177.003	<i>15.174.229</i>	7.592.671	<i>7.589.926</i>
4-ter) Prepaid taxes	2.106.068	<i>612.135</i>	3.672.390	<i>1.488.877</i>
5) Receivables from others	9.943.963	<i>9.804.928</i>	101.899.296	<i>91.653.496</i>
<b>TOTAL</b>	<b>333.027.988</b>		<b>285.288.036</b>	
<b>III - Financial assets not classified as fixed assets</b>				
1) Investments in controlled companies				
2) Investments in affiliated companies	59.709.615			
3) Investments in parent companies				
4) Other investments	149.200		1.028.118	
5) Company's own shares				
6) Other securities	5.900.940		4.345.333	
<b>TOTAL</b>	<b>65.759.755</b>		<b>5.373.451</b>	
<b>IV - Liquid assets</b>				
1) Bank and postal accounts	5.457.861		26.921.515	
2) Cheques in hand				
3) Cash-in-hand and cash equivalents	180.468		110.408	
<b>TOTAL</b>	<b>5.638.329</b>		<b>27.031.923</b>	
<b>TOTAL C) CURRENT ASSETS</b>	<b>1.606.129.150</b>		<b>1.207.762.428</b>	
D) PREPAYMENTS AND ACCRUED INCOME	36.100.918		21.459.899	
Prepayments	39.067		7.712	
Accrued income	36.061.851		21.452.187	
<b>TOTAL ASSETS</b>	<b>1.718.346.895</b>		<b>1.274.338.911</b>	

	2006		2005	
<b>ASSET AND LIABILITY STATEMENT: LIABILITIES</b>				
A) NET EQUITY				
I - Share Capital	36.000.000		13.000.000	
II - Share premium reserve				
III - Revaluation reserve				
IV - Legal reserve	1.238.764		961.826	
V - Statutory reserves				
VI - Reserve for company's own shares				
VII - Other reserves	437.477		18.151.653	
Extraordinary reserve	15.584		17.753.769	
Consolidation reserve	421.894		397.884	
Other reserves	-1			
VIII - Retained earnings (or losses) carried forward	-740.253		-981.260	
IX - Profit (loss) for year	3.907.523		5.779.748	
<b>GROUP'S CONSOLIDATED NET EQUITY</b>	<b>40.843.511</b>		<b>36.911.967</b>	
<i>Third party shareholders' quota of net equity</i>	<i>57.511</i>		<i>48.618</i>	
<b>TOTAL A) NET EQUITY</b>	<b>40.901.022</b>		<b>36.960.585</b>	
B) RESERVES FOR RISKS AND CHARGES				
1) pension and other similar provisions				
2) taxation, including deferred taxation	7.875.672		7.743.271	
3) other	1.137.130		1.093.486	
<b>TOTAL B) RESERVES FOR RISKS AND CHARGES</b>	<b>9.012.802</b>		<b>8.836.757</b>	
C) EMPLOYEES' INDEMNITY FUND	5.818.243		4.437.266	
D) ACCOUNTS PAYABLE		<i>due within one year</i>		<i>due within one year</i>
1) Debentures				
2) Convertible debentures				
3) Sums due to members for loans	188.892	<i>188.892</i>		
4) Sums due to banks	225.268.203	<i>190.110.153</i>	185.600.616	<i>139.243.428</i>
5) Sums due to other lenders	94.377.289	<i>61.303.879</i>	60.016.173	<i>39.016.313</i>
6) Payments on account	1.042.730.796	<i>1.042.730.796</i>	762.432.040	<i>755.743.488</i>
7) Accounts payable to suppliers	251.902.367	<i>251.769.493</i>	191.312.962	<i>190.893.499</i>
8) Accounts payable on bills accepted and drawn		<i>132.874</i>		<i>419.463</i>
9) Accounts payable to controlled companies				
10) Accounts payable to affiliated companies	14.455.599	<i>14.455.599</i>	9.910.892	<i>9.910.892</i>
11) Accounts payable to parent companies	25.286	<i>25.286</i>	90.695	<i>90.695</i>
12) Accounts payable to taxation authorities	7.713.823	<i>7.708.815</i>	4.484.247	<i>4.479.239</i>
13) Accounts payable to Social Security authorities	3.793.852	<i>3.793.852</i>	1.641.041	<i>1.640.874</i>
14) Other accounts payable	21.254.852	<i>20.690.091</i>	6.392.724	<i>4.641.154</i>
<b>TOTAL D) ACCOUNTS PAYABLE</b>	<b>1.661.710.959</b>		<b>1.221.881.390</b>	
E) ACCRUED EXPENSES AND DEFERRED INCOME	903.869		2.222.913	
Accrued expenses	524.477		687.567	
Deferred income	379.392		1.535.346	
<b>TOTAL LIABILITIES</b>	<b>1.718.346.895</b>		<b>1.274.338.911</b>	
<b>MEMORANDUM ACCOUNTS</b>				
Third party assets	15.494		15.494	
Third party assets	15.494		15.494	
<b>Commitments</b>	<b>102.360.193</b>		<b>181.635.909</b>	
Commitments on third-party acquisition preliminaries	65.990.462		138.719.668	
Commitments on third-party sale preliminaries	22.908.236		26.351.793	
Commitments on derivative contracts	5.000.000		5.000.000	
Commitments to third parties	8.461.495		11.564.448	
<b>Risks</b>	<b>463.185</b>		<b>463.185</b>	
Various third party risks	463.185		463.185	
<b>Guarantees provided</b>	<b>179.495.079</b>		<b>219.666.673</b>	
Bank sureties to affiliated companies	13.945.000		14.313.427	
Bank sureties to clients	35.307.337		36.377.383	
Insurance sureties to clients	123.400.869		147.603.442	
Joint insurance debentures	4.357.406		4.357.406	
Sureties to third parties	2.151.491		17.015.015	
Sureties to third parties	332.976			
<b>TOTAL MEMORANDUM ACCOUNTS</b>	<b>282.333.951</b>		<b>401.781.261</b>	

	2006	2005
<b>PROFIT AND LOSS STATEMENT</b>		
<b>A) PRODUCTION VALUE</b>		
1) revenues from goods and services	228.369.671	142.733.365
2) variation in stock, work in progress, se-finished product and finished goods	-8.389.335	-11.511.588
3) variation in contract work in progress	287.054.588	304.466.494
4) increase in fixed assets for internal works		
5) other revenues and income	20.327.241	8.458.235
miscellaneous	20.327.241	8.436.172
grants		22.063
<b>TOTAL</b>	<b>527.362.165</b>	<b>444.146.506</b>
<b>B) PRODUCTION COSTS</b>		
6) raw and auxiliary materials, consumables and goods	-117.216.688	-91.566.916
7) services	-303.397.110	-275.887.746
8) use of third party assets	-6.370.437	-2.142.320
9) personnel expenses	-56.540.515	-35.734.991
a) Wages and salaries	-38.705.399	-24.222.960
b) Social security contributions	-15.376.702	-9.909.466
c) Employees' indemnity fund	-2.344.466	-1.498.492
d) Pension and similar costs	-45.999	
e) Other costs	-67.949	-104.073
10) Amortizations and write-downs	-10.038.129	-7.977.499
a) Amortization of intangible fixed assets	-628.070	-1.992.104
b) Amortization of tangible fixed assets	-9.149.888	-5.911.418
c) Other write-downs of fixed assets		
d) Write-downs of accounts receivable listed among current assets and of liquid assets	-260.171	-73.977
11) variation in raw and auxiliary materials, consumables and goods	-306.822	-1.235.661
12) risk reserve provisions	-10.000	
13) other reserves		
14) other operating costs	-8.213.129	-4.726.703
<b>TOTAL</b>	<b>-502.092.830</b>	<b>-419.271.836</b>
<b>Difference between production value and costs (A-B)</b>	<b>25.269.335</b>	<b>24.874.670</b>

	2006	2005
<b>PROFIT AND LOSS STATEMENT</b>		
<b>C) FINANCIAL INCOME AND CHARGES</b>		
15) income from investments	11.932	22.544
controlled companies		
affiliated companies		
other companies	11.932	22.544
16) other financial income	7.088.558	3.958.261
a) receivables classified as fixed assets	786.242	1.460.774
controlled companies	1	
affiliated companies	15.215	13.858
parent companies	771.026	1.446.916
other companies		
b) from securities/holdings included as fixed assets which are not investments		
c) from securities/holdings listed among current assets which are not investments	85.149	53.134
d) other income	6.217.167	2.444.353
controlled companies		
affiliated companies		
parent companies		
other companies	6.217.167	2.444.353
17) interests and other financial charges	-19.957.734	-15.181.047
controlled companies		
affiliated companies		
parent companies	-1.635	
other companies	-19.956.099	-15.181.047
17-bis) profit and loss on exchange rates		-6.670
profits on exchange rates		
losses on exchange rates		-6.670
<b>TOTAL (15+16-17+-17 bis)</b>	<b>-12.857.244</b>	<b>-11.206.912</b>
<b>D) ADJUSTMENTS TO FINANCIAL ASSETS VALUE</b>		
18) revaluations	3.709	16.792
a) investments	3.709	16.792
b) financial fixed assets which are not investments		
c) securities/holdings listed among current assets which are not investments		
19) write-downs	-154.492	-131.103
a) investments	-154.492	-131.103
b) financial fixed assets which are not investments		
c) securities/holdings listed among current assets which are not investments		
<b>TOTAL (18-19)</b>	<b>-150.783</b>	<b>-114.311</b>
<b>E) EXTRAORDINARY INCOME AND CHARGES</b>		
20) extraordinary income	249.010	1.677.224
a) gains on sales	103.900	1.353.602
b) other	145.110	323.622
21) extraordinary charges	-14.197	-1.890.197
a) losses on sales		
b) taxes relating to prior years	-11.199	60.398
c) other	-2.998	-1.950.595
<b>TOTAL (20-21)</b>	<b>234.813</b>	<b>-212.973</b>
<b>Profit (loss) before taxation (A-B+/-C+/-D+/-E)</b>	<b>12.496.121</b>	<b>13.340.474</b>
22) Current, deferred and prepaid operating income tax	-8.581.707	-7.553.537
a) current taxation	-6.664.672	-3.934.352
b) deferred/prepaid taxes	-1.917.035	-3.619.185
<b>23) Profit (loss)</b>	<b>3.914.414</b>	<b>5.786.937</b>
Operating (profit) loss pertaining to third parties	-6.891	-7.189
<b>Operating profit (loss)</b>	<b>3.907.523</b>	<b>5.779.748</b>





## CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2006

### 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 affiliated and parent companies can be found in the Management Report.

#### BASIS OF PRESENTATION

The consolidated balance sheet as of 31 December 2006, 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 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 the balance sheet data. The notes contain all the information required by Art. 38 and other provisions of Legislative Decree no. 127/1991.

The values indicated in the explanatory notes are indicated in Euro 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, the parent company, and 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 Net Equity and the net profit of the parent company and the corresponding values in the consolidated balance sheet of the Group is presented in the note on Net Equity.

Compared to the consolidated balance sheets as of 31 December 2005, the consolidated balance sheet for financial year 2006 differs as follows:

It includes the controlled company "Barberino Scarl" set up in financial year 2006;

It includes affiliated companies "Bretella Scarl" and "Diomira Scarl" set up in financial year 2006;

It excludes the affiliated company Parterre, which ended its liquidation in October 2006;

The Group's investment in Affitto Firenze S.p.A. is no longer assessed according to the equity method, but rather according to the cost method, by reason of reduction of said investment percentage following the company's capital increase entirely subscribed by third parties;

Even the Group's investment in Villa Magli S.r.l. is no longer assessed according to the equity method, but rather according to the cost method, since 44.04% thereof, held by the entirely controlled company Immobiliare Ferrucci, is intended for sale.

## 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 acquisition 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 *Consolidation differences* and amortized 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. Unrealized profits and gains and losses deriving from transactions between the companies in 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 interest due in the financial year is entered in the Profit and Loss Statement under *Interests and other charges*. The cost of the asset is amortized using the same criteria applied to the company'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 equity method and posted in the relevant attachment.

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

## EVALUATION CRITERIA

The criteria used in drawing up the balance sheet as of 31 December 2006 are the same as those used for the previous year's statements.

The most significant evaluation criteria adopted for the drafting of the financial statements as of 31 December 2006, in compliance with Art. 2426 C.C., 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 2006, and the relative profits and losses on exchange rates are posted in the Profit and Loss Statement; any net profit is placed in a special reserve that is non-distributable until realized. The fixed assets in currency are listed at the exchange rate at the moment of purchase or at the lower rate at year end, if such a reduction is deemed to be long-term.

### Intangible fixed assets

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

The amortization periods are as follows:

Start-up and expansion costs	5 years
Industrial patents and similar rights	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.

Depreciation 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:

<b>Buildings</b>	3%
<b>Plants and machinery</b>	
- Operating machinery and specific plants	15%
- General plants	10%
- Excavators and power shovels	20%
- Light constructions	12.50%
- Transport vehicles	20%
<b>Industrial and commercial equipment</b>	
- Formwork and metal planking	25%
- Various equipment and wooden scaffolding	40%
<b>Other assets:</b>	
- Ordinary office furniture and machinery	12%
- Electric and electromechanical machinery	20%
- Motor vehicles and motorbikes	25%
- Car radios and mobile phones	20%
- Pagers and highway toll fast-pay devices	20%

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

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

### Financial assets

#### Investments

Investments in affiliated companies are calculated with the 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 the 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 durable loss of value. If the conditions for the write-down do 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 DPR 917/86, the cost-specific criterion is used to calculate the company's own-property works and works lasting no more than one year. This is in compliance with Art. 2426 of the Civil Code.

For the calculation of long-term contractual work in progress as of 31 December 2006, 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, 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 successful contract/tender bids, corresponding expenses are attributed to the building site cost with respect to their execution. Pre-operational costs (the cost of opening the site) are deferred until commencement of works and then entered in the Profit and Loss Statement on the basis of the work progress.

### Accounts receivable

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

### Financial assets not classified as fixed assets

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

### Liquid assets

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

## Prepayments and accrued income

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

## Reserves for risks and charges

Reserves 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 reserves 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 contingency and charges fund has not been set up.

Reserves for taxes also take account of deferred taxes calculated on the basis of the difference between the purchase cost of investments and the net equity of the consolidated companies valued with the line-by-line method. Only items due to be sold are booked.

## Employees' indemnity fund

The employees' 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 guarantees

Third party assets used by the company are recorded in the memorandum accounts at the value stated in existing documentation.

Commitments are booked in the memorandum accounts at their contractual price and are described in the Explanatory Notes. Guarantees are recorded on the basis of the existing risk at the end of the financial year.

Probable risks are described in the Explanatory Notes and funds are allocated in the provision for contingencies.

Risks for which a liability is only possible are described in the Explanatory Notes but no provisions are made.

## Derivative products

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

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

## Recognition of costs and revenues

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

Revenues from the sale of assets are recognized upon delivery of the said assets. 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 operation is carried out.

## Income tax

Income tax is calculated by each consolidated company in accordance with current regulations. Pre-paid tax operations are recorded on a prudential basis, and only if their recovery is reasonably certain. Appropriate adjustments are made if there is a change in the tax rate with respect to previous accounting periods, providing the relevant law sanctioning the tax rate variation has been enacted by the date on which the statements are approved. Deferred-tax payables and pre-paid tax receivables are recorded in the Asset and Liability Statement, respectively in the *Provision for risks and charges* and in *Other* under *Current Assets*. 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 fiscal regulations applicable when the taxes are incurred, where known.

## Leased assets

They are represented according to the financial method, recording tangible fixed assets object of contracts at their contractual value, with the debt amounting to the residual capital due. The interest due in the financial year is entered in the Profit and Loss Statement among interests and other charges. The cost of the asset is amortized using the same criteria applied to the company's owned assets.

## COMMENTS ON THE MAIN ASSET ITEMS

### SUBSCRIBED CAPITAL UNPAID

Subscribed capital unpaid Euro 2,313

This item consists of share capital proceeds due from 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 of movements show the effect resulting from the different scope of consolidation compared to 31 December 2005.

Intangible fixed assets Euro 1,052,200

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

	Initial situation			Movements in period				Balance 31.12.2006
	Cost	Amortization fund	Balance 01.01.2006	Var. in consoli- dation area	Increm.	Decrem./ Reclass.	Amortiz.	
Start-up and expansion costs	329,908	(102,991)	226,917	25,423	65,567	-	(97,457)	220,450
Research, development and advertising costs	-	-	-	-	-	-	-	-
Industrial patents	184,861	(167,589)	17,272	-	9,057	-	(10,035)	16,294
Concessions, licenses, trademarks and similar rights	2,582	(1,291)	1,291	-	125,000	(125,000)	(258)	1,033
Goodwill	15,427,771	(14,211,844)	1,215,927	-	-	-	(440,034)	775,893
Assets under dev. and payments on account	-	-	-	-	-	-	-	-
Other assets	160,962	(116,445)	44,517	58,500	15,799	-	(80,286)	38,530
Differences from consolidation	-	-	-	-	-	-	-	-
<b>Total</b>	<b>16,106,084</b>	<b>(14,600,160)</b>	<b>1,505,924</b>	<b>83,923</b>	<b>215,423</b>	<b>(125,000)</b>	<b>(628,070)</b>	<b>1,052,200</b>

#### Start-up and expansion costs

The items consists of costs for start up, capital increases, statutory modifications, expenses relating to the incorporation of entirely owned companies and charges associated with the acquisition of company divisions.

#### Patents

This item consists of the cost of purchasing software programmes.

#### Goodwill

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

#### Other intangible fixed assets

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

Tangible fixed assets Euro 46,834,875

The table below indicates the year's movements:

	Initial situation			Variation in consolidat. area	Movements in period			Balance 31.12.2006
	Cost	Amortiz. fund	Balance 01.01.2006		Increments	Decrements /Reclass.	Amortiz.	
Land and buildings	275,125	(152,048)	123,077	16,037,105	2,862,725	(16,600,529)	(34,415)	2,387,963
Plant and machinery	29,904,535	(11,870,568)	18,033,967	8,275	15,226,563	1,730,580	(4,548,814)	30,450,571
Equipment	5,068,161	(2,284,924)	2,783,237	104,000	1,422,548	244,196	(1,259,890)	3,294,091
Other assets	13,477,396	(6,836,833)	6,640,563	-	5,626,102	17,955	(3,306,769)	8,977,851
Assets under construction and payments on account	3,641,888	-	3,641,888	62,160	795,570	(2,775,219)	-	1,724,399
<b>Total</b>	<b>52,367,105</b>	<b>(21,144,373)</b>	<b>31,222,732</b>	<b>16,211,540</b>	<b>25,933,508</b>	<b>(17,383,017)</b>	<b>(9,149,888)</b>	<b>46,834,875</b>

The increases in the *Plant and machinery*, *Equipment*, *Other assets* and *Assets under construction and payments on account* entries refer to acquisitions, either through purchase or leasing agreements, carried out during financial year 2006.

#### 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 2006 have been completely amortized.

#### Reducing the value of fixed assets

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 recorded in the balance sheet.

Financial assets Euro 28,227,439

Investments Euro 12,166,795

This entry, which includes the figures posted in the previous year and corresponding variation, is as follows:

Affiliated companies	31.12.2006	Variation	31.12.2005
Consorzio Colle Futura	129,853	-	129,853
Parterre S.c.a r.l. (being wound-up)	-	(3,615)	3,615
Nuova Emilia S.c.a r.l.	16,706	-	16,706
Sideco SRO	11,217	-	11,217
Sunto S.r.l.	11,717	(865)	12,582
Consorzio Nuova Badia	12,912	1	12,911
Project Costuzioni S.c.a r.l.	1,547,092	-	1,547,092
Villa Magli S.r.l.	126,537	(23,889)	150,426
Affitto Firenze S.p.A.	-	(23,199)	23,199
Consorzio Affitto Firenze	5,250	-	5,250
Mugello Outlet S.c.a r.l.	5,000	-	5,000
Alberti S.r.l.	21,283	21,283	-
Mediat San Casciano S.c.a r.l.	5,000	-	5,000
Consorzio Stabile OPERAE	235,300	188,240	47,060
Cefalù 20 S.c.a r.l.	6,800,000	6,732,000	68,000
Metropolis S.p.A.	288,504	266,481	22,023
STIF S.r.l.	300,856	2,124	298,732
Soc. Cons. Ospedale Empoli a r.l.	3,100	-	3,100
Bretella S.c.a r.l.	5,000	5,000	-
Diomira S.c.a r.l.	4,236	4,236	-
<b>Total</b>	<b>9,529,563</b>	<b>7,167,797</b>	<b>2,361,766</b>

Other companies	31.12.2006	Variation	31.12.2005
Colle Promozione S.p.A.	12,395	-	12,395
Confipi S.c.r.l.	1,528	-	1,528
Co.RIA. S.r.l.	3,563	-	3,563
Socet S.p.A.	-	(112)	112
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
Careggi S.c.a r.l.	10	-	10
I.SV.E.UR. S.p.A.	5,222	-	5,222
Costruttori Romani Riuniti G.O. S.p.A.	12,911	-	12,911
RTC S.c.a r.l.	1	-	1
Parco Verde Soc. Coop. a r.l.	37,157	-	37,157
Buy 2 Build S.p.A.	10,330	-	10,330
Consorzio Toscana Salute	1,486	-	1,486
Banca del Mugello	9,294	8,984	310
Sant'Antonio S.p.A.	40	-	40
Pratoinvest S.r.l.	1,000	-	1,000
Cooperativa Leonardo da Vinci	26	-	26
Reti Bancarie Holding S.p.A.	-	(400,156)	400,156
Cooperativa Le Pleiadi	687	-	687
Tram di Firenze S.p.A.	973,140	-	973,140
Firenzeindustria Finance S.p.A.	2,514	114	2,400
Affitto Firenze S.p.A.	26,531	26,531	-
Società Infrastrutture Toscane S.p.A.	1,500,000	1,500,000	-
Santa Croce 2010 S.r.l.	5,500	5,500	-
Cooperativa Elios	260	260	-
Cooperativa Istria	260	260	-
Quota Consorzio Toscana Com-Fidi	250	250	-
	<b>2,637,232</b>	<b>1,141,631</b>	<b>1,495,601</b>
<b>Total</b>	<b>12,166,795</b>	<b>8,309,428</b>	<b>3,857,367</b>



Accounts receivable Euro 16,060,644

Accounts receivable from affiliated companies Euro 10,352,095

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

Description	31.12.2006 Within 1 year	31.12.2006 After 1 year	31.12.2006 Total	31.12.2005 Within 1 year	31.12.2005 After 1 year	31.12.2005 Total
<b>Accounts receivable from affiliated companies for financing:</b>						
Villa Magli S.r.l.	100,000	-	100,000	100,000	-	100,000
Sunto S.r.l.	-	59,528	59,528	-	59,528	59,528
Parterre S.c. a r.l. (being wound-up)	-	-	-	-	35,757	35,757
Ed.In.Tre S.r.l. (being wound-up)	-	414,036	414,036	-	414,036	414,036
Project Costruzioni S.c.a r.l.	-	2,169,718	2,169,718	-	2,092,391	2,092,391
Mugello Outlet S.c.a r.l.	70,500	-	70,500	27,500	-	27,500
Affitto Firenze S.p.A	-	-	-	789,600	-	789,600
Consorzio Affitto Firenze	-	-	-	50,400	-	50,400
Villa Fossi S.r.l. (being wound-up)	566,457	-	566,457	50,000	-	50,000
Consorzio Stabile Operae	2,964,780	-	2,964,780	48,270	-	48,270
La Fonderia S.r.l. (being wound-up)	-	47,828	47,828	-	46,693	46,693
STIF S.r.l.	-	288,253	288,253	-	300,000	300,000
Consorzio Nuova Badia	518,000	-	518,000	-	-	-
Diomira S.c.a r.l.	85,344	-	85,344	-	-	-
Bretella S.c.a r.l.	311	-	311	-	-	-
Metropolis S.p.A.	-	3,067,340	3,067,340	-	-	-
<b>Total</b>	<b>4,305,392</b>	<b>6,046,703</b>	<b>10,352,095</b>	<b>1,065,770</b>	<b>2,948,405</b>	<b>4,014,175</b>

Description	31.12.2006	Consolidation area variation	Variation	31.12.2005
<b>Accounts receivable from affiliated companies for financing:</b>				
Villa Magli S.r.l.	100,000	-	-	100,000
Sunto S.r.l.	59,528	-	-	59,528
Parterre S.c. a r.l. (being wound-up)	-	-	(35,757)	35,757
Ed.In.Tre S.r.l. (being wound-up)	414,036	-	-	414,036
Project Costruzioni S.c.a r.l.	2,169,718	-	77,327	2,092,391
Mugello Outlet S.c.a r.l.	70,500	-	43,000	27,500
Affitto Firenze S.p.A.	-	-	(789,600)	789,600
Consorzio Affitto Firenze	-	-	(50,400)	50,400
Villa Fossi S.r.l. (being wound-up)	566,457	-	516,457	50,000
Consorzio Stabile Operae	2,964,780	-	2,916,510	48,270
La Fonderia S.r.l. (being wound-up)	47,828	-	1,135	46,693
STIF S.r.l.	288,253	-	(11,747)	300,000
Consorzio Nuova Badia	518,000	-	518,000	-
Diomira S.c.a r.l.	85,344	-	85,344	-
Bretella S.c.a r.l.	311	-	311	-
Metropolis S.p.A.	3,067,340	-	3,067,340	-
<b>Total</b>	<b>10,352,095</b>	<b>-</b>	<b>6,337,920</b>	<b>4,014,175</b>

Other accounts receivable Euro 5,708,549

Description	31.12.2006 Within 1 year	31.12.2006 After 1 year	31.12.2006 Total	31.12.2005 Within 1 year	31.12.2005 After 1 year	31.12.2005 Total
<b>Due from others</b>						
Caution money	11,672	792,287	803,959	3,601,799	198,202	3,800,001
Other	758,781	4,100,809	4,859,590	44,297	69,775	114,072
Deposits for equities purchases	45,000	-	45,000	600,000	-	600,000
<b>Total</b>	<b>815,453</b>	<b>4,893,096</b>	<b>5,708,549</b>	<b>4,246,096</b>	<b>267,977</b>	<b>4,514,073</b>

Description	31.12.2006	Consolidation area variation	Variation	31.12.2005
<b>Due from others</b>				
Caution money	803,959	250	(2,996,292)	3,800,001
Other	4,859,590	-	4,745,518	114,072
Deposits for equities purchases	45,000	-	(555,000)	600,000
<b>Total</b>	<b>5,708,549</b>	<b>250</b>	<b>1,194,226</b>	<b>4,514,073</b>

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 1st paragraph, point 2 Civil Code, as of 31 December 2006 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	Euro 1,201,703,078
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The entry is made up as follows:

	31.12.2006	Consolidation area variation	Variation	31.12.2005
Raw, auxiliary materials and consumables	4,876,040	-	1,288,145	3,587,895
Work in progress	-	-	-	-
Contractual work in progress	1,142,140,779	-	301,813,168	840,327,611
Finished goods	14,815,324	-	(9,985,303)	24,800,627
Payments on account	39,870,935	-	18,518,050	21,352,885
<b>Total</b>	<b>1,201,703,078</b>	<b>-</b>	<b>311,634,060</b>	<b>890,069,018</b>

The value of the orders in progress as of 31 December 2006, 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 CERTOSA – Autostrade A1 3 lanes contract, the Board of Directors deems it appropriate to take account of additional costs required by the Client (for a certain amount), in the light of the unusual and extraordinary events which have characterized the contract such as to require changes to the works through a special bypass suiting the faulty and lacking project to the state of the art.



Accounts receivable	Euro 333,027,988
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From clients	Euro 222,164,731
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As of 31 December 2006, this entry is as follows:

	31.12.2006	Consolidation area variation	Variation	31.12.2005
Receivables from clients due within one year	223,009,768	-	55,445,115	167,564,653
- Provision for write-downs of accounts receivable	(845,037)	-	(260,171)	(584,866)
<b>Total</b>	<b>222,164,731</b>	<b>-</b>	<b>55,184,944</b>	<b>166,979,787</b>

The movement of the provision for write-downs of accounts receivable is as follows:

	2006
Initial balance	584,866
Consolidation area variation	-
Provision allocated in the profit and loss statement	260,171
Amounts used in the year	-
<b>Final balance</b>	<b>845,037</b>

Receivables from affiliated companies	Euro 83,636,223
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The receivables in question derive from financial and commercial dealings with affiliated companies not yet settled as of 31 December 2006.

	31.12.2006	Consolidation area variation	Variation	31.12.2005
Commercial receivables	4,305,195	-	1,996,162	2,309,033
Financial receivables	79,330,543	-	79,330,543	-
Other receivables	485	-	(1,858,628)	1,859,113
<b>Total</b>	<b>83,636,223</b>	<b>-</b>	<b>79,468,077</b>	<b>4,168,146</b>

Receivables from taxation authorities Euro 15,177,003

	31.12.2006	Consolidation area variation	Variation	31.12.2005
<b>Within one year</b>	<b>15,174,229</b>	<b>1,174,556</b>	<b>6,409,747</b>	<b>7,589,926</b>
Receivables from tax authorities for VAT	15,089,188	1,174,501	6,469,055	7,445,632
Receivables from tax authorities for IRES	13,010	-	(70,236)	83,246
Receivables from tax authorities for IRAP	62,082	-	3,200	58,882
Other receivables from tax authorities	9,949	55	7,728	2,166
<b>After one year</b>	<b>2,774</b>	<b>-</b>	<b>29</b>	<b>2,745</b>
Receivables for VAT: closure Bagnolo	213	-	-	213
Receivables for reimbursement IRPEG	2,532	-	-	2,532
Other receivables from tax authorities	29	-	29	-
<b>Total</b>	<b>15,177,003</b>	<b>1,174,556</b>	<b>6,409,776</b>	<b>7,592,671</b>

Prepaid taxes Euro 2,106,068

	31.12.2006	Consolidation area variation	Variation	31.12.2005
Prepaid IRES tax	1,957,340	54,061	(1,575,689)	3,478,968
Prepaid IRAP tax	148,728	-	(44,694)	193,422
<b>Total</b>	<b>2,106,068</b>	<b>54,061</b>	<b>(1,620,383)</b>	<b>3,672,390</b>

As of 31 December 2006, this entry includes prepaid taxes totalling Euro 1,586,081 from the balance sheets of the consolidated companies, prepared in accordance with the Civil Code, and prepaid taxes amounting to Euro 519,987 stemming from temporary differences between the balance sheets prepared in accordance with the Civil Code and the consolidated balance sheet. Prepaid taxes at year-end and after year-end amount respectively to Euro 612,135 and Euro 1,493,933.

Other receivables Euro 9,943,963

As of 31 December 2006, this entry is as follow:

Description	31.12.2006 Within 1 year	31.12.2006 After 1 year	31.12.2006 Total	31.12.2005 Within 1 year	31.12.2005 After 1 year	31.12.2005 Total
Advances to suppliers	3,716,910	-	3,716,910	10,102,334	-	10,102,334
Credit notes	575,969	-	575,969	394,917	-	394,917
Other	5,512,049	139,035	5,651,084	81,156,245	10,245,800	91,402,045
<b>Total</b>	<b>9,804,928</b>	<b>139,035</b>	<b>9,943,963</b>	<b>91,653,496</b>	<b>10,245,800</b>	<b>101,899,296</b>

The variation, compared to the previous financial year, is as follows:

	31.12.2006	Consolidation area variation	Variation	31.12.2005
Advances to suppliers	3,716,910	-	(6,385,424)	10,102,334
Credit notes	575,969	139	180,913	394,917
Other	5,651,084	1,327	(85,752,288)	91,402,045
<b>Total</b>	<b>9,943,963</b>	<b>1,466</b>	<b>(91,956,799)</b>	<b>101,899,296</b>

The "Other" entry essentially refers to the termination of preliminary agreements for investment purchases.



These consist of the following:

	31.12.2006	Consolidation area variation	Purchases	Sales	31.12.2005
Investments in affiliated companies	59,709,615		59,709,615		-
Other investments	149,200			878,918	1,028,118
Other securities	5,900,940		1,555,607		4,345,333
Bonds	2,618,000	-	-	-	2,618,000
Life policies	3,282,940	-	1,555,607	-	1,727,333
<b>Total</b>	<b>65,795,755</b>	<b>-</b>	<b>61,265,222</b>	<b>878,918</b>	<b>5,373,451</b>

The entry "Investments in affiliated companies" refers to the investment in Il Forte S.p.A. (45%), made in December 2006.

The entry "Other investments" includes the investment in Banca Popolare Italiana S.p.A.

The increase in Life policies is made up of Euro 1,550,000, as new policies stipulated in the financial year 2006, and of Euro 5,607 as capitalized accrued interests.

Euro 2,558,000 of bonds and Euro 514,000 of life policies have been pledged to a number of Banks.

	31.12.2006	Consolidation area variation	Variation	31.12.2005
Bank and postal accounts	5,457,861	532,379	(21,996,033)	26,921,515
Cheques in hand	-	-	-	-
Cash-in-hand/cash equivalents	180,468	357	69,703	110,408
<b>Total</b>	<b>5,638,329</b>	<b>532,736</b>	<b>(21,926,330)</b>	<b>27,031,923</b>

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 4,422,329, bound as guarantee for bank overdrafts, sureties and advances on contracts.

## PREPAYMENTS AND ACCRUED INCOME

As of 31 December 2006 this entry consists of the following:

	31.12.2006	Consolidation area variation	Variation	31.12.2005
Prepayments	39,067	-	31,355	7,712
Other prepayments	39,067	-	31,355	7,712
Accrued income	36,061,851	5,417	14,604,247	21,452,187
Services and rent	4,153	-	(4,885)	9,038
Building site start-up costs	28,253,703	-	11,125,049	17,128,654
Insurance policies	126,699	5,417	108,549	12,733
Surety commissions	7,103	-	(7,183)	14,286
Other accrued income	7,670,193	-	3,382,717	4,287,476
<b>Total</b>	<b>36,100,918</b>	<b>5,417</b>	<b>14,635,602</b>	<b>21,459,899</b>

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

"Other accrued income" consists mainly of costs borne in order to be awarded contracts, which are entered under Building site costs on the basis of the work progress.

### Accounts receivable lasting more than 5 years

There are no accounts receivable lasting more than 5 years.

### Other capitalized financial charges

In 2006, no financial charges were booked in the assets of the Asset and Liability Statement.



## NET EQUITY

The movement of the entries comprising the Net Shareholder Equity of the Group are as follows:

Description	Share Capital	Legal Reserve	Other reserves	Retained earnings (or losses) carried forward	Profit (loss) for year	Total
Balances 1.1.2006	13,000,000	961,826	18,151,653	(981,260)	5,779,748	36,911,967
Use of result 2005	-	276,938	5,261,815	240,995	(5,779,748)	-
Capital increase, following decision of 20 October 2006	23,000,000	-	(23,000,000)	-	-	-
Consolidation reserve	-	-	24,010	-	-	24,010
Euro rounding-off reserve	-	-	(1)	12	-	11
Profit for year	-	-	-	-	3,907,523	3,907,523
<b>Balances as of 31.12.2006</b>	<b>36,000,000</b>	<b>1,238,764</b>	<b>437,477</b>	<b>(740,253)</b>	<b>3,907,523</b>	<b>40,843,511</b>

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

Share capital	Euro 36,000,000
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The share capital, as of 31 December 2006, was fully subscribed and paid up and consisted of 36,000,000 ordinary shares, each with a nominal value of 1 Euro. The total value, unchanged from the previous period, is Euro 36,000,000.

Legal reserve	Euro 1,238,764
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This is the legal reserve resulting from the Civil Code format of the parent company's balance sheet.

Other reserves	Euro 437,477
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These reserves consist of the following:

	31.12.2006	Increments	Decrements	31.12.2005
Consolidation reserve	421,894	24,010	-	397,884
Extraordinary reserve	15,584	-	17,738,185	17,753,769
Euro rounding-off reserve	(1)	-	1	-
<b>Total</b>	<b>437,477</b>	<b>24,010</b>	<b>17,738,186</b>	<b>18,151,653</b>

The consolidation reserve is unchanged with respect to the previous year.

The extraordinary reserve comes from the parent company, and has been increased with 95% of the parent company's profit in 2005.

Retained earnings (losses) carried forward	Euro 740,253
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This regards undivided losses as of 31 December 2006.

Chart linking the results and Net Equity of the parent company with the respective values resulting from the consolidated balance sheet as of 31 December 2005 and as of 31 December 2006

The consolidated net equity and the consolidated results as of 31 December 2005 and 31 December 2006 are reconciled with those of the parent company, as follows:

	31.12.2005	Result 2006	31.12.2006
<b>Net equity and results of parent company</b>	<b>37,254,347</b>	<b>3,627,547</b>	<b>40,881,894</b>
Financial year results and effects of consolidation of affiliated companies	(2,994,255)	(9,889)	(3,004,144)
Application of IAS 17	2,253,997	289,865	2,543,862
Consolidation reserve	397,884	-	397,884
Rounding-off	(6)	-	(6)
Total	36,911,967	3,907,523	40,819,490
New consolidation reserve	-	-	24,010
Rounding-off	-	-	11
<b>Net equity and results of Group</b>	<b>36,911,967</b>	<b>3,907,523</b>	<b>40,843,511</b>

## RESERVES FOR RISKS AND CHARGES

These are the funds, indicated as follows, resulting from the Civil Code format of the balance sheets of the entirely consolidated companies:

	31.12.2006	Consolidation area variation	Increments	Decrements	31.12.2005
Risk reserve conferment Borghini	516,457	-	-	-	516,457
Risk and future charges reserve	10,000	-	10,000	-	-

of negative investments valued using the equity method

	31.12.2006	Consolidation area variation	Increments	Decrements	31.12.2005
Ed.In.Tre. S.r.l. (being wound-up)	495,955	-	3,591	-	492,364
La Fonderia S.r.l. (being wound-up)	15,351	-	1,628	-	13,723
Travel 15 S.c.a r.l. (being wound-up)	20,583	-	2,333	-	18,250
Villa Fossi S.r.l. (being wound-up)	52,437	-	33,268	-	19,169
Fiorenza Quattro S.r.l. (being wound-up)	26,347	-	13,190	-	13,157
Alberti S.r.l.	-	-	-	20,366	20,366
	<b>1,137,130</b>	<b>-</b>	<b>64,010</b>	<b>20,366</b>	<b>1,093,486</b>

and of the following provisions for deferred taxes:

	31.12.2006	Consolidation area variation	Increments	Decrements	31.12.2005
Provision for IRES deferred taxes	6,927,495	-	272,533	155,669	6,810,631
Provision for IRAP deferred taxes	892,664	-	35,584	20,047	877,127
Provision for extraordinary INVIM	55,513	-	-	-	55,513
	<b>7,875,672</b>	-	<b>308,117</b>	<b>175,716</b>	<b>7,743,271</b>
<b>Total</b>	<b>9,012,802</b>	-	<b>372,127</b>	<b>196,082</b>	<b>8,836,757</b>

The provision for taxation consists of the following:

provision for non-recurring 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 a receivable due from the Stianti family;

- provisions for deferred taxes, calculated with regard to:
  - provisions for contractual risks, effected in previous financial years exclusively in accordance with tax regulations by means of a reduction of the taxable income (section EC of the 'Modello Unico' Income Tax Statement);
  - the positive effect stemming from the accounting of leased assets as per IAS 17;

plus deferred taxes relating to the fiscal effect arising from the allocation of the difference between the price paid and the accountable net equity of controlled companies to assets due to be sold.

The other provisions consist of:

- a reserve 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;

the risks fund relating to the notice of application of sanctions for VAT in 2001, as illustrated in the following point "Disputes pending as of 31 December 2006", which is hereby referred to.

#### Disputes pending as of 31 December 2006

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 remuneration 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 Agency contested application of non-taxation provisions by serving a notice of assessment on both SACBO and BTP, which was disputed before the C.T.P. [Technical Expert] of Florence, claiming the legitimacy of its conduct in that the services were not taxable and, in any event, invoices had been issued without Vat upon the Customer's specific request. SACBO disputed the notice of assessment served thereon before the C.T.P. of Bergamo, which accepted its claim on the merits.

Notice of Registry Tax rectification for the year 2001 (Euro 63,655).

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 - including tax, penalties and interests). It is believed that said claim is not grounded in that the congruity of the property value, resulting from the deed of sale, is ascertained by a sworn technical evaluation. In law, the notice is not legitimate for lack of grounds and contradictoriness thereof.

For the above reasons, no sum has been put aside as risk reserve.

Notice of application of sanctions for VAT in 2001 of Euro 75,000.

The notice, served on 11 December 2006, refers to the alleged non-regularization of purchase invoices received as irregular. This Board of Directors, deeming the claim to be essentially ungrounded, prudently estimates the potential risk, including legal expenses, to amount to Euro 10,000, set aside in a special risks fund.

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

Contract for the construction of a building in Florence called Oncologic Multifunctional Direction, at the Hospital of Careggi. Contractor: Azienda Ospedaliera Careggi (Florence). During financial year 2006 the dispute was successfully settled in favour of the company.

Contract for the construction of offices for the Emilia Romagna Region in the Fair District of Bologna. Contractor: Emilia Romagna Region. Contract assignee: ATI, between BTP and IGEIT. Arbitration pending.

Contract for the construction of a school in Florence for brigadiers and marshals of Arma dei Carabinieri. Contractor: Infrastructure and Transport Office. Arbitration pending.

Contract for the construction of Medio Savuto linking road. Contractor: Savuto Mountain Community. Contract assignee: BTP. The dispute is currently at the phase of proceedings being carried out.

Our counsel believes, on both legal and technical grounds, that the above disputes will have a favourable outcome. Hence, the Managing Board has decided not to put aside any amounts as risk reserve.

#### EMPLOYEES' INDEMNITY FUND

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

	2006	2005
Initial balance	4,437,266	3,651,397
Consolidation area variation	-	-
Sums accrued and allocated in the profit and loss statement **	2,344,466	1,498,492
Indemnities and advances paid in the year	(963,489)	(712,623)
<b>Final balance</b>	<b>5,818,243</b>	<b>4,437,266</b>

\*\* the Profit and Loss Statement includes the amount of Euro 2,344,466 made up of the allocated quota (Euro 2,427,779) net of the amounts overturned to Crevalcore-Nogara Scarl and Gorizia Scarl (Euro 83,313).

#### ACCOUNTS PAYABLE

Sums due to partners for financing Euro 188,892

	31.12.2006	Variation	31.12.2005
Interest bearing loans at call from Edil - Invest S.r.l.	188,892	188,892	-
<b>Total</b>	<b>188,892</b>	<b>188,892</b>	<b>-</b>

As of 31 December 2006, a financing is recorded by shareholder Edil-Invest S.r.l. to the parent company.

Sums due to banks Euro 225,268,203

This entry is made up as follows:

	31.12.2006	Consolidation area variation	Net Variation	31.12.2005
<b>Due within next financial year</b>	<b>190,110,153</b>	<b>9,000,000</b>	<b>41,866,725</b>	<b>139,243,428</b>
To banks for passive accounts	25,264,354	-	9,127,031	16,137,323
To banks for advances	128,073,220	-	43,296,104	84,777,116
Debts to banks for contract transfers	27,102,436	-	(3,179,369)	30,281,805
Quota of mortgages guaranteed by liens	1,520,143	9,000,000	(15,527,041)	8,047,184
To banks for financing	8,150,000	-	8,150,000	-
<b>Due after next financial year</b>	<b>35,158,050</b>	<b>-</b>	<b>(11,199,138)</b>	<b>46,357,188</b>
To banks for advances on contracts	30,458,050	-	(15,564,784)	46,022,834
Quota of mortgages guaranteed by liens	-	-	(334,354)	334,354
To banks for financing	4,700,000	-	4,700,000	-
<b>Total</b>	<b>225,268,203</b>	<b>9,000,000</b>	<b>30,667,587</b>	<b>185,600,616</b>

Debts towards banks, amounting as of 31 December 2006 to Euro 225,268,203, are made up as follows:

- Euro 1,520,143 for mortgages to be borne by third parties;
- Euro 128,073,220 for advances on invoices and bank receipts for advances on recoverable credit;
- Euro 25,264,354 subdivided as follows:
- Euro 18,899,295 for bank receipts for advances on recoverable credit (reclassified in the account overdraft since given banks manage a sole account);
- Euro 6,365,059 relating to the account overdraft;
- Euro 57,560,486 for advances on contracts, of which Euro 27,102,436 within one year and Euro 30,458,050 after one year;
- Euro 12,850,000 for mid-term investments, of which Euro 8,150,000 within one year and Euro 4,700,000 after one year.

Sums due to other financial institutions Euro 94,377,289

The entry refers to advances received from factoring companies on credits towards clients and on contract transfers, and to the residual debt towards leasing companies.

Debts towards other financial institutions rose from Euro 60,016,173 in financial year 2005 to Euro 94,377,289 in financial year 2006, with an increase of Euro 34,361,116.

Debts due after the 5th year amount to Euro 13,210.

Payments on account Euro 1,042,730,796

	31.12.2006	Consolidation area variation	Variation	31.12.2005
<b>Within one year</b>	<b>1,042,730,796</b>	<b>-</b>	<b>286,987,308</b>	<b>755,743,488</b>
Clients for advances on work progress	1,026,269,561	-	290,786,816	735,482,745
Clients for advances on contracts	3,421,139	-	(3,968,163)	7,389,302
Clients for advances/deposits on preliminary agreements of sale	13,040,096	-	168,655	12,871,441
<b>After one year</b>	<b>-</b>	<b>-</b>	<b>(6,688,552)</b>	<b>6,688,552</b>
Payments on account	-	-	(6,688,552)	6,688,552
<b>Total</b>	<b>1,042,730,796</b>	<b>-</b>	<b>280,298,756</b>	<b>762,432,040</b>

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 amounting to Euro 3,421,139;
- payments on account received in the course of work in progress but which have not yet been completed, amounting to Euro 1,026,269,561;
- advances, deposits and advances regarding preliminary agreements of sale amounting to Euro 13,040,096.

Accounts payable to suppliers Euro 251,902,367

	31.12.2006	Consolidation area variation	Variation	31.12.2005
Accounts payable to suppliers within one year	251,769,493	3,074,643	57,801,351	190,893,499
Accounts payable to suppliers after one year	132,874	-	(286,589)	419,463
<b>Total</b>	<b>251,902,367</b>	<b>3,074,643</b>	<b>57,514,762</b>	<b>191,312,962</b>

The balance of Euro 251,902,367 relates to accounts payable for the acquisition of goods and services. The increase in amounts payable to suppliers is the result of an increase in production. It should also be noted that the entry *Amounts receivable from others* (within one year) under current assets includes advances totalling Euro 3,716,910 paid to suppliers for services.

Amounts payable to affiliated companies Euro 14,455,599

The entry is made up as follows:

	31.12.2006	Consolidation area variation	Variation	31.12.2005
<b>Within one year</b>				
Commercial debts	9,229,179	-	(679,388)	9,908,567
Financial debts	5,226,420	-	5,224,095	2,325
<b>Total</b>	<b>14,455,599</b>	<b>-</b>	<b>4,544,707</b>	<b>9,910,892</b>

These amounts payable are the result of commercial and financial dealings not yet regulated as of 31 December 2006.

Amounts payable to parent companies Euro 25,286

These debts stem from financial transactions with parent companies not yet regulated as of 31 December 2006.

Accounts payable to taxation authorities Euro 7,713,823

The break-down of this item is as follows:

	31.12.2006	Consolidation area variation	Variation	31.12.2005
<b>Due within one year:</b>	<b>7,708,815</b>	<b>-</b>	<b>3,229,576</b>	<b>4,479,239</b>
Withholding tax on the income of employees and self-employed workers	2,956,865	-	1,088,692	1,868,173
Income tax	4,475,512	-	2,361,972	2,113,540
VAT to be paid	275,837	-	(221,556)	497,393
Other taxes	601	-	468	133
<b>Due after one year:</b>	<b>5,008</b>	<b>-</b>	<b>-</b>	<b>5,008</b>
Other taxes	5,008	-	-	5,008
<b>Total payables to taxation authorities</b>	<b>7,713,823</b>	<b>-</b>	<b>3,229,576</b>	<b>4,484,247</b>

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 increase is mainly due to the greater debt for Ires and Irap taxes, calculated on the taxable income of the financial year pursuant to Legislative Decree 223/2006, which has abrogated the right to deduct adjustments to the value of contracts lasting more than 12 months, previously allowed by art. 93 Tuir for amounts up to 2% of the works under way; hence, as from the financial year 2006, the value of the inventory can no longer be fiscally deducted for contractual risks by means of a reduction to be indicated in the EC section.

Social security charges payable Euro 3,793,852

This item refers principally to social security charges for salaries in December 2006 and accumulated vacation and special leave not taken as of 31 December 2006.

The total amount of social security charges payable rose from Euro 1,641,041 in financial year 2005 to Euro 3,793,852 in financial year 2006, i.e. an increase of Euro 2,152,811. This was the result of an increase in the number of employees with respect to the previous year.

Other sums payable Euro 21,254,852

This item is as follows:

	31.12.2006	Consolidation area variation	Variation	31.12.2005
<b>Due within one year</b>	<b>20,690,091</b>	<b>594,633</b>	<b>15,454,304</b>	<b>4,641,154</b>
Wages due	2,222,504	-	500,031	1,722,473
Sums payable to staff	2,199,796	-	521,418	1,678,378
Credit notes to be issued	166,549	-	(37,264)	203,813
Sums due to others	16,101,242	594,633	14,470,119	1,036,490
<b>Due after one year</b>	<b>564,761</b>	<b>-</b>	<b>(1,186,809)</b>	<b>1,751,570</b>
Sums due to others	564,761	-	(1,186,809)	1,751,570
<b>Total other sums payable</b>	<b>21,254,852</b>	<b>594,633</b>	<b>14,267,495</b>	<b>6,392,724</b>

“Sums due to others” (within and after one year) rose from Euro 2,788,060 in 2005 to Euro 16,666,003 in 2006, with an increase of Euro 13,877,943, mainly due to sums due to third parties undertaking to make investments in affiliated companies for deposits and advances received, and to sums due to other companies for payment of subscribed capital.

The balance as of 31 December 2006 is made up, inter alia, of the sums payable to staff, clients creditors, for associative contributions, for remuneration of coordinated and continuous collaborations and for clients for credit notes to be issued.



These are made up as follows:

	Balance as of	Expiries by year			Balance as of
	31.12.2006	Within 1	From 2 to 5	Over 5	31.12.2005
	Total				Total
Payables to members for financing	188,892	188,892	-	-	-
payables to banks on bank accounts and advances	210,898,060	180,440,010	30,458,050	-	177,219,078
payables to banks for financing	12,850,000	8,150,000	4,700,000	-	-
payables to banks for mortgages	1,520,143	1,520,143	-	-	8,381,538
payables to other lenders	94,377,289	61,303,879	33,060,200	13,210	60,016,173
payments on account	1,042,730,796	1,042,730,796	-	-	762,432,040
payables to suppliers	251,902,367	251,769,493	132,874	-	191,312,962
payables to affiliated companies	14,455,599	14,455,599	-	-	9,910,892
payables to parent companies	25,286	25,286	-	-	90,695
payables to taxation authorities	7,713,823	7,708,815	5,008	-	4,484,247
payables to Social Security authorities	3,793,852	3,793,852	-	-	1,641,041
other payables	21,254,852	20,690,091	564,761	-	6,392,724
<b>Total</b>	<b>1,661,710,959</b>	<b>1,592,776,856</b>	<b>68,920,893</b>	<b>13,210</b>	<b>1,221,881,390</b>

Sums payable in a period of over five years, totalling Euro 13,210, consist of property bonds due to leasing companies.

#### ACCRUED EXPENSES AND DEFERRED INCOME

As of 31 December 2006 this entry is as follows:

	31.12.2006	Consolidation area variation	Variation	31.12.2005
Accrued expenses	524,477	-	(163,090)	687,567
Deferred income	379,392	-	(1,155,954)	1,535,346
<b>Total</b>	<b>903,869</b>	<b>-</b>	<b>(1,319,044)</b>	<b>2,222,913</b>

The accrued expenses largely consist of financial charges, euroswap losses, condominium costs and commission charges on guarantees.

#### Debts backed by liens

Liens (mortgages) amounting to Euro 2,607,648  
for residual debts on mortgages amounting to Euro 1,520,143

#### INFORMATION ON FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS

Category of derivative instruments	Fair value <sup>(1)</sup>	Entity of reference notional	Kind
Swap	(9,925)	5,000,000	Contract covering unsecured financing Date of commencement 04/12/2006 Expiry 10/01/2012
Swap	(26,463)	2,000,000	Contract covering part of debt exposure Date of commencement 12/05/2006 Expiry 10/06/2011
Interest rate swap	(2,519,186)	30,000,000	Contract covering part of bank indebtedness Date of commencement 04/08/2006 Expiry 04/08/2016
Interest rate swap	(3,837)	3,750,000	Contract covering part of bank indebtedness Date of commencement 17/06/2004 Expiry 21/06/2007
"Purple collar" operation	(127,368)	18,000,000	Contract covering part of structural bank indebtedness Date of commencement 22/09/2005 Expiry 26/09/2010
"Purple collar" operation	(194,307)	22,000,000	Contract covering part of structural bank indebtedness Date of commencement 23/09/2005 Expiry 30/09/2010
Interest rate swap	(37,470)	5,414,223	Contract covering part of bank indebtedness Date of commencement 30/09/2003 Expiry 30/09/2008
"Esa Floor 5Y" contract	64,121	5,000,000	Speculative contract Date of commencement 30/09/2005 Expiry 30/09/2010
Interest rate swap	3,108	6,150,000	Contract covering part of bank indebtedness Date of commencement 10/11/2006 Expiry 30/06/2011
Interest rate swap	(6,937)	5,000,000	Contract covering part of bank financing Date of commencement 24/11/2006 Expiry 30/11/2009

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

The "Esa Floor 5Y" speculative contract was extinguished on 29 January 2007, obtaining Euro 40,000; as of 31 December 2006, the accrued income in the balance sheet is Euro 30,413.

## COMMITMENTS AND MEMORANDUM ACCOUNTS

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

	31.12.2006	31.12.2005
Third party assets		
Third party assets	15,494	15,494
Commitments		
Commitments on preliminary contracts of purchase	65,990,462	138,519,668
Commitments on preliminary contracts of sale	22,908,236	26,351,793
Commitments towards third parties	8,461,495	11,564,448
Commitments deriving from speculative derivative contracts	5,000,000	5,000,000

The requirement stated in Accounting Principle 22 to include in the memorandum accounts under commitments “the sum of fees still to pay in addition to those consisting of the cost of redeeming the asset” is booked in the Asset and Liability Statement under *Sums due to other financial institutions*. As a result, in order to avoid a pointless repetition, as of 2006 the specification is no longer included in the Memorandum Accounts.

	31.12.2006	31.12.2005
Risks		
Other risks	463,185	463,185
Guarantees provided		
Bank sureties to affiliated companies	13,945,000	14,313,427
Bank sureties to clients	35,307,337	36,377,383
Insurance sureties to clients	123,400,869	147,603,442
Joint insurance debentures	4,357,406	4,357,406
Pledges given to third parties	332,976	-
Guarantee notes to third parties	2,151,491	17,015,015

## GUARANTEES RECEIVED

The following are the guarantees received by the Group:

	31.12.2006	31.12.2005
Guarantees received		
Bank sureties from suppliers	10,615,494	8,523,489
Bank sureties from parent companies	422,785,650	441,648,473
Bank sureties from clients	5,433,217	5,377,107
Securities from third parties	4,600	-

## NOTES ON THE MAIN ITEMS IN THE PROFIT AND LOSS STATEMENT

Production revenues Euro 527,362,165

	2006	2005
Turnover – goods and services	228.369.671	142.733.365
Variation in stock	(8.389.335)	(11.511.588)
Variation in contract work in progress	287.054.588	304.466.494
Other revenues and income	20.327.241	8.458.235
<b>Total</b>	<b>527,362,165</b>	<b>444,146,506</b>

Turnover – goods and services Euro 228,369,671

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

	2006	2005
Revenues from services (orders)	214.718.897	112.730.668
Revenues from property sales	13.446.661	29.730.158
Revenues from rents	52.114	35.719
Brokerage on sales and leases	151.999	236.820
<b>Total</b>	<b>228,369,671</b>	<b>142,733,365</b>

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 Euro (8,389,335)

Variation in contract work in progress Euro 287,054,588

Other revenues and income Euro 20,327,241

This entry is made up as follows:

	2006	2005
Property income	846,228	658,306
Other income	289,853	1,075,045
Contingent assets	1,486,020	825,886
Gains on sales of tangible fixed assets	755,175	234,853
Various recoupments and overturning of third party costs	12,881,525	3,366,143
Various reimbursements	4,017,615	2,172,497
Use of provision for credit write-down	-	22,063
Grants	50,825	103,442
<b>Total</b>	<b>20,327,241</b>	<b>8,458,235</b>

Production costs Euro 502,092,830

Raw materials Euro 117,216,688

The entry concerns the purchase of land and buildings for a total of Euro 907,193 and the purchase of goods totalling Euro 116,309,495.



Services Euro 303,397,110

The costs of services are listed below:

	2006	2005
Electricity bills	156,413	120,802
Construction costs (subcontracting and services from third parties)	264,021,118	252,406,753
Insurance	1,610,050	1,232,114
Fees for professional services	12,217,169	7,350,093
Various maintenance costs for the company's own- and third-party assets	2,536,715	1,766,010
Advertising	172,206	160,607
Provision of various services	1,174,513	1,154,336
Water and gas	95,348	95,183
Postal expenses	60,790	60,121
Telephone bills	151,969	203,015
Costs incurred in preparing tender bids	905,867	563,671
10% INPS (national insurance contributions) charged to customer	64,856	82,586
Costs for closed building sites	117,473	2,582
Insurance, vehicle tax, petrol, motorway tolls	875,086	618,700
Noise tests - building site safety courses	885,178	645,965
Condominium service costs	11,812	5,601
Other service costs	15,872,359	6,122,662
Commission charges	42,864	705,465
Entertaining expenses	19,498	5,246
Provision of external services	5,250	38,421
Directors' emoluments	2,344,241	2,491,478
Auditors' fees	56,335	56,335
<b>Total</b>	<b>303,397,110</b>	<b>275,887,746</b>

Use of third party assets Euro 6,370,437

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

Personnel expenses Euro 56,540,515

The subdivision of said expenses is included in the Profit and Loss statement (entry B 9)), which we hereby refer to, and includes all expenses for employees, including the cost of accumulated vacation not taken thereby and legal reserves and collective agreements, net of personnel costs overturned to the controlled companies Crevalcore-Nogara Scarl and Gorizia Scarl, as shown below:

	Personnel costs 2006	Less: Overturning to Crevalcore- Nogara Scarl and Gorizia Scarl	Net personnel costs, as of balance 2006
a) Wages and salaries	39,963,088	(1,257,689)	38,705,399
b) Social security contributions	15,813,377	(436,675)	15,376,702
c) Employees' indemnity fund	2,427,779	(83,313)	2,344,466
d) Pension and similar costs	45,999	-	45,999
e) Other costs	67,949	-	67,949
<b>Total</b>	<b>58,318,192</b>	<b>(1,777,677)</b>	<b>56,540,515</b>

The company's personnel (i.e. full-time personnel) in 2006 reached the following level and composition:

	Average number	31.12.2006	Consolidation area variation	Variation	31.12.2005
Managers	24.83	25	-	1	24
Cadre workers	-	-	-	-	-
Employees	260.74	273	2	31	240
Apprentices	9.91	18	-	13	5
Workers	1,026.83	1,072	-	286	786
Continuous collaborators	4	3	-	(1)	4
<b>Total</b>	<b>1,326.31</b>	<b>1,391</b>	<b>2</b>	<b>330</b>	<b>1,059</b>

Amortization, depreciation and write-downs Euro 10,038,129

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

Variation in goods Euro 306,822

Provisions for risks Euro 10,000

Different management charges Euro 8,213,129

The entry is made up as follows:

	2006	2005
Non-income based charges and taxes	321,293	205,875
Publications	15,442	15,786
Capital losses	19,148	11,462
Contingent liabilities	1,352,065	1,089,146
Other management charges	5,469,990	2,502,007
Fines and penalties	1,035,191	902,427
<b>Total</b>	<b>8,213,129</b>	<b>4,726,703</b>

Charges and taxes essentially include local and miscellaneous taxes, municipal charges on properties and associative contributions.

Net financial income (charges) Euro (12,857,244)

Income from investments Euro 11,932

The entry is made up as follows:

	2006	2005
Other companies	11,932	22,544
<b>Totale</b>	<b>11,932</b>	<b>22,544</b>

These include dividends from investments in other companies (Euro 94.00) and gains on transfers of holdings to other companies (Euro 11,838).

Other financial income Euro 7,088,558

The entry is made up as follows:

	2006	2005
<b>Income from accounts receivable included among fixed assets</b>	<b>786,242</b>	<b>1,460,774</b>
Controlled companies	1	
Interest receivable on financing to affiliated companies	15,215	13,858
Interest receivable on financing to parent companies	771,026	1,446,916
<b>Income from securities included among current assets</b>	<b>85,149</b>	<b>53,134</b>
Interest receivable on securities as current assets	85,149	53,134
<b>different income</b>	<b>6,217,167</b>	<b>2,444,353</b>
Interest receivable on bank and postal accounts	255,521	184,013
Different interests receivable	5,266,414	1,854,141
Interests receivable from clients	677,269	379,388
Cash discounts	17,930	5,085
Interest receivable on deposits	28	-
Income different from the above	5	21,726
<b>Total</b>	<b>7,088,558</b>	<b>3,958,261</b>

Interests and other financial charges Euro 19,957,734

The entry is made up as follows:

	2006	2005
Interest payable from parent companies	1,635	-
	1,635	-
Leasing financial charges	1,480,721	896,609
Interest payable on financing and mortgages	370,802	485,400
Interests to suppliers	398,960	502,990
Discount interest payable and advances on recoverable credit	3,846,087	2,296,055
Other charges	395,065	1,089,430
Different interests payable	6,895,736	4,919,752
Interest payable on bank and postal accounts	2,927,488	2,416,377
Interest payable for factoring advances	3,641,240	2,574,434
	19,956,099	15,181,047
<b>Total</b>	<b>19,957,734</b>	<b>15,181,047</b>

Adjustments to financial asset values Euro (150,783)

This item is made up of both the positive and/or negative economic result in 2006 of the companies in question, assessed according to the equity method for the Group's stake, and of the effect of affiliated companies' deconsolidation.

Non-recurring income and charges Euro 234,813

The breakdown of this entry is as follows:

	2006	2005
<b>Non-recurring income</b>	<b>249,010</b>	<b>1,677,224</b>
Contingent assets	145,110	323,622
Gains on sales of assets	103,900	1,353,602
<b>Non-recurring charges</b>	<b>(14,197)</b>	<b>(1,890,197)</b>
Taxes relating to previous years	(11,199)	60,398
Contingent liabilities	(2,998)	(1,950,595)
<b>Total</b>	<b>234,813</b>	<b>(212,973)</b>



Income tax Euro 8,581,707

This item consists of Euro 3,455,985 for IRES (corporate tax), Euro 3,208,687 for IRAP (regional tax on production) and Euro 1,917,035 for deferred/pre-paid taxes.

#### Difference between current tax rate and effective IRES rate

<b>Result before taxes (Rante)</b>	<b>12,496,121</b>
<b>Income taxes</b>	
Current taxes	(3,455,985)
Deferred/prepaid taxes	(1,836,758)
<b>Total taxes pertaining to the Group (I)</b>	<b>(5,292,743)</b>
IRES current rate (Aq)	33%
<b>Theoretical tax = (Rante*Aq)</b>	<b>(4,123,720)</b>

#### Reconciliation of actual taxation

<b>Theoretical tax</b>	<b>(4,123,720)</b>
Difference between used tax rate and tax rate in force	
Permanent and non-deductible IRES-IRAP variations	(545,802)
Permanent IRES-only variations	31,758
Use of previous fiscal losses without pre-paid taxes	11,783
Prepaid excessive IRES reduction	(332,547)
Deferred excessive IRES reduction	-
Loss cover	9,116
Credit waiver	(66,000)
Consolidation difference booked in current inventory	(155,668)
Consolidated gain	(545)
Companies valued using the equity method	(41,838)
Deconsolidated companies	(6,784)
Other differences	(72,496)
<b>Actual tax</b>	<b>(5,292,743)</b>

#### Difference between current tax rate and actual IRAP rate

<b>Difference between production value and costs</b>	<b>25,269,335</b>
<b>Income tax</b>	
Current taxes	(3,208,687)
Prepaid/deferred taxes	(80,277)
<b>Total taxes pertaining to the Group (I)</b>	<b>(3,288,964)</b>
Current IRES rate (Aq)	4,25%
<b>Theoretical tax = (Rante*Aq)</b>	<b>(1,073,947)</b>

#### Reconciliation of actual taxation

<b>Theoretical tax</b>	<b>(1,073,947)</b>
Difference between Irap rate in certain Regions	(2,809)
Difference between used tax rate and tax rate in force	
Permanent and non-deductible IRES-IRAP variations	(70,926)
Permanent IRAP-only variations	(2,188,654)
Difference for negative taxable basis IRAP	(808)
Prepaid excessive IRAP reduction	-
Deferred excessive IRAP reduction	-
Consolidated gain	(70)
Costs recorded among assets and liabilities	13,904
Financial charges on leasing contracts	63,352
Differences booked in finished products	(20,048)
Other differences	(8,958)
<b>Actual tax</b>	<b>(3,288,964)</b>

#### EMOLUMENTS PAID TO DIRECTORS AND AUDITORS

The following table lists the overall figures for the salaries/fees paid to Directors and Members of the Board of Auditors of the consolidated companies.

	2006	2005
Directors	2,344,241	2,491,478
Board of auditors	56,335	56,335
<b>Total</b>	<b>2,400,576</b>	<b>2,547,813</b>

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

**The Chairman**  
Mr. Riccardo Fusi



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

Name	Headquarters	Share Capital	%	Partners
<b>Parent company:</b>				
Baldassini-Tognozzi-Pontello Costruzioni Generali S.p.A.	Via del Colle, 95 Calenzano	€ 36,000,000	-	-
<b>Controlled companies</b>				
Immobiliare Ferrucci S.r.l.	Viale Montegrappa, 306 Prato	€ 99,500	100%	BTP S.p.A.
Gruppo Bartolomei – Fusi S.r.l.	Viale Montegrappa, 302/O/P Prato	€ 46,800	100%	BTP S.p.A.
Teramo 2000 S.c.a r.l. (being wound-up)	Via Memmingen Teramo	€ 10,300	100%	BTP S.p.A.
Marsicana S.c.a r.l. (being wound-up)	Via del Colle, 95 Calenzano	€ 10,000	100%	BTP S.p.A.
BF Servizi S.r.l.	Via del Colle, 95 Calenzano	€ 45,000	100%	BTP S.p.A.
Castello S.c.a r.l.	Via del Colle, 95 Calenzano	€ 10,000	100%	BTP S.p.A.
Castello Lotto B S.c.a r.l. (being wound-up)	Via del Colle, 95 Calenzano	€ 10,000	100%	BTP S.p.A.
Gorizia S.c.a r.l.	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.	Strada Poderale Azzolini Noto (SR)	€ 10,200	84%	BTP S.p.A.
Sige Noto S.c.a r.l.	Strada Poderale Azzolini Noto (SR) -	€ 10,200	84%	BTP S.p.A.
Prato Consorzio (being wound-up)	Via del Colle, 95 Calenzano	€ 10,000	70%	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.

## Annex 2: AFFILIATED COMPANIES VALUED ACCORDING TO THE COST METHOD

Name	Headquarters	Share Capital	%	Partners
<b>Affiliated companies:</b>				
Sideco SRO	Bratislava (Slovakia)	€ 26,089,65	43.48%	BTP S.p.A.
Villa Magli S.r.l.	Calenzano	€ 2,550,000	4.96%	BTP S.p.A.
			44.04%	Immobiliare Ferrucci S.r.l.

## Annex 3: AFFILIATED COMPANIES VALUED ACCORDING TO THE EQUITY METHOD

Name	Headquarters	Share Capital	%	Partners
<b>Affiliated companies:</b>				
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.	Calenzano	€ 10,000	50%	BTP S.p.A.
Mediat San Casciano S.c.a r.l.	Montelupo Fiorentino	€ 10,000	50%	BTP S.p.A.
Bretella S.c.a r.l.	Florence	€ 10,000	50%	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	€ 100,000	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.
Cefalù 20 S.c. a r.l.	Rome	€ 20,000,000	34%	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.
Consorzio Affitto Firenze	Florence	€ 25,000	21%	BTP S.p.A.
La Fonderia S.r.l. (being wound-up)	Campi Bisenzio	€ 10,710	20%	BTP S.p.A.
S.T.I.F. S.r.l.	Florence	€ 10,200	20%	Immobiliare Ferrucci S.r.l.

**Annex 4: OTHER COMPANIES VALUED ACCORDING TO THE COST METHOD**

Name	Headquarters	Share Capital	%	Partners
<b>Other companies:</b>				
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.RIA 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	5.943%	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.
Buy 2 Build S.p.A.	Rome	€ 516,500	2%	BTP S.p.A.
Firenzeindustria Finance S.p.A.	Florence	€ 163,200	2%	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.
Careggi S.c.a r.l.	Sesto S.Giovanni	€ 11,000	0.1%	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.
Parco Verde Soc.Coop. a r.l.	Prato	€ 4,334,400	60 quotas	BTP S.p.A.


**Cash flow statement**

(in Euros)

<b>Operating activities</b>	
Operating profit (A1)	3,914,414
Elimination of revenues (+) and costs (-) without monetary effect (A2):	13,648,655
Pre-paid/deferred taxes	1,917,035
Amortization of intangible assets	628,070
Amortization of tangible assets	9,149,888
Provision for write-down of receivables	260,171
Provision for and payment of employees' indemnity fund	2,390,465
Risk reserve	10,000
Revaluation of investments in affiliated companies	(3,709)
Devaluation of investments in affiliated companies	154,381
Devaluation of investments in other companies	111
Gains on disposals of fixed tangible assets	(755,175)
Losses on disposals of fixed tangible assets	19,148
Gains on the disposal of immobilized investments	(3,031)
Gain on the disposal of a company branch	(100,868)
Contingent and non-taxable asset	(17,737)
Dividends received	(94)
<b>A. Total cash flow from operating activities (A1)-(A2)</b>	<b>17,563,069</b>
<b>Cash flow from variations in net current assets</b>	
Variation in receivables from clients	(55,443,447)
Variation in receivables from controlled/affiliated/commercial parent companies	(78,492,333)
Variation in receivables from tax authorities	(6,409,776)
Variation in pre-paid taxes (without reference to section CE)	11,463
Variation in receivables from others	91,956,799
Variation in investments and securities not immobilized	(60,386,304)
Variation in payables due to controlled/affiliated/parent companies	(744,797)
Variation in inventory	(311,634,060)
Variation in payments on account	280,298,756
Variation in prepayments and accrued income	(14,811,317)
Variation in accounts payable to suppliers	57,514,761
Variation in sums payable to tax authorities and for social security charges	5,382,387
Variation in other sums payable (including documents of credit)	14,267,495
Variation in accrued expenses and deferred income	(1,319,044)
<b>B. Total cash flow from variations in net current assets</b>	<b>(79,809,417)</b>
<b>C. Paid employees' indemnities (EIF)</b>	<b>(1,009,489)</b>
<b>Cash flow from operating activities (A+B+C)</b>	<b>(63,255,837)</b>
<b>Investment activities</b>	
Purchase of intangible assets	(215,421)
Purchase of tangible assets	(25,933,509)
Purchase of financial assets	(8,845,194)
Sale of intangible assets (encashment value)	125,000
Sale of intangible assets (encashment value)	18,219,910
Sale of financial assets (encashment value)	403,186
Variation in immobilized receivables due from affiliated companies	(9,854,228)
Variation in immobilized receivables from others	(1,194,226)
Hedging of cost losses	(27,623)
Encashment value from closure of investments	1,963
Dividends received	94
Consolidation area variation	532,736
<b>D. Total cash flow from investment activities</b>	<b>(26,787,312)</b>
<b>Financing activities</b>	
Increase (decrease) in sums due to banks	30,667,587
Increase (decrease) in sums due to members	(1,613,242)
Increase (decrease) in sums due to other financial institutions	34,361,117
Increase (decrease) in sums due to controlled and affiliated companies	5,224,093
Capital increase	10,000
<b>E. Total cash flow from financing activities</b>	<b>68,649,555</b>
<b>Overall cash flow A+B+C+D+E</b>	<b>(21,393,594)</b>
Cash and cash equivalents at the beginning of the year	27,031,923
Cash and cash equivalents at the end of the year	5,638,329
<b>Cash flow for the year</b>	<b>(21,393,594)</b>





**AUDITORS' REPORT**  
pursuant to article 2409-ter of Italian Civil Code  
(Translation from the original Italian text)

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

1. We have audited the consolidated financial statements of Baldassini Tognozzi Pontello Costruzioni Generali S.p.A. as of and for the year ended December 31, 2006. These financial statements are the responsibility of the Baldassini Tognozzi Pontello Costruzioni Generali S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. Our audit was made in accordance with auditing standards. In accordance with such standards we planned and performed our audit to obtain the information necessary in order to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.  
For our opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes as required by the law, reference should be made to our report dated June 12, 2006.
3. In our opinion, the consolidated financial statements of Baldassini Tognozzi Pontello Costruzioni Generali S.p.A. comply with the Italian regulations governing consolidated financial statements; accordingly, they clearly present and give a true and fair view of the consolidated financial position of Baldassini Tognozzi Pontello Costruzioni Generali S.p.A. as of December 31, 2006 and the consolidated results of its operations for the year then ended.

Florence, May 21, 2007

PKF Italia S.p.A.  
Signed in the original by Massimo Innocenti (partner)

Ufficio di Firenze: Via Alfonso La Marmora, 39 | 50121 Firenze | Italy  
Tel +39 055 5532892 | Fax +39 055 5520895 | E-mail [pkf.f@pkf.it](mailto:pkf.f@pkf.it) | [www.pkf.it](http://www.pkf.it)

Società di revisione e organizzazione contabile - iscritta all'Albo Consob e Registro Revisori Contabili - Associata Assirevi  
Sede Legale: Viale Vittorio Veneto, 10 - 20124 Milano - Tel. 02 20 23 32 1 - Fax 02 20 24 01 66 - Capitale Sociale € 295.000,00 - REA Milano 1045319  
Cod. Fiscale e P.I. 04553780158 - Registro Imprese n. 222028046/2 Milano  
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**BALDASSINI – TOGNOZZI – PONTELLO**

**Costruzioni Generali S.p.A.**

**Head Office in Calenzano Via del Colle 95**

**Share capital € 36,000,000 fully paid up**

**Florence Company Register and Tax Code no. 0390823/048/9**

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**BOARD OF AUDITORS' REPORT ON THE CONSOLIDATED BALANCE SHEET AS OF**

**31st DECEMBER 2006**

**(art. 41 Legislative Decree no. 127/91)**

Dear Shareholders,

pursuant to Legislative Decree no. 127 of 9/4/1991, your Board of Directors has produced the consolidated balance sheet regarding the financial year 2006, which coincides with the closing date of controlled companies' financial years. The said balance sheet is the 10<sup>th</sup> balance sheet issued ever since its production was made compulsory, and thus allows for its entries to be deeply and adequately compared.

The balance sheet, drafted in accordance with art. 29 of the above Decree, is provided with Explanatory Notes and with the Management Report, drafted in accordance with articles 38 and 40.

We hereby declare that we performed our functions, both for the year's balance sheet and for the consolidated balance sheet, by taking due account of the congruity of the information provided by the companies included in the consolidation and of the Management Report with the balance sheet itself and its Explanatory Notes. As part of the task assigned thereto, the Auditing Company P.K.F. Italia S.p.A. - entrusted with account auditing - drafted a report

which indicated no censurable facts or events in breach of provisions regulating the drafting of consolidated balance sheets.

The entries of the Asset & Liability Statement may be aggregated as follows, according to their nature (figures expressed with truncation in thousands Euros):

#### ASSETS

- Subscribed capital unpaid	2
- Intangible assets	1,052
- Tangible assets	46,834
- Financial assets	<u>28,227</u>
Total fixed assets	76,115
- Current assets, prepayments and accrued income	<u>1,642,230</u>
Total assets	<u>1,718,345</u>

#### LIABILITIES

- Net equity (share capital, profit reserves, consolidation reserves, year's profit pertaining to third parties € 57)	40,901
- Reserves for risks and charges	9,012
- Employees' Indemnity Fund	5,818
- Other liabilities, accrued expenses and deferred income	<u>1,662,614</u>
Total liabilities	<u>1,718,345</u>

The balance sheet evidences the following most significant economic values:

- Production value (net of adjustments, as indicated in the Management Report)	€ 510,409,510
- EBITDA (including above adjustments)	€ 35,307,464

-EBIT	€ 25,269,335
- Pre-tax result	€ 12,496,121
- Net profit	€ 3,914,414
- Cash-flow	€ 13,252,543

Insofar as within our competence, we deem said documents to be exhaustive, considering the full information given by the Company's Directors both on the Group's business and on its assets and profits. We thus do not wish to further comment thereon.

The General Assembly shall consider the consolidated balance sheet and its accompanying documents for information purposes only, since they are not subject to approval.

Florence, 22<sup>nd</sup> May 2007

#### **THE BOARD OF AUDITORS**

**(Mr. Carlo Altini – President)**

**(Mr. Renzo Maragotto – Regular Auditor)**

**(Mr. Corrado Galli – Regular Auditor)**



Graphic design: PTW grafica & multimedia - Fiesole (FI) - [www.ptwmultimedia.com](http://www.ptwmultimedia.com)

Photos: Dario Delfine e Stefano D'Enrico - Foto Goiorani & C, Carlo Vigni - Catoni Associati,  
Claudio Tassinari Fotografo, Davide Viridis, Paolo Becagli and more.

Print: Baroni & Gori S.r.l. - Prato.

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#### **Review 1.a**

This document (CON06) has sole information purposes and is not subject to updating.

Any further reviews will be identified by the Review index (its number will be changed in the event of significant reviews; its letter will be changed in the event of purely formal reviews).

The most updated review will always be available on [www.btpspa.it](http://www.btpspa.it) in the DATA section, which can be used to control eventual updates before using the information contained in these sheets.

For further information, suggestions or requests, please contact: [ufficiocomunicazioni@btpspa.it](mailto:ufficiocomunicazioni@btpspa.it)