



*The Board of Directors Approves the Quarterly Report*

## **ASTALDI, FIRST QUARTER NET INCOME UP 32%**

- **Total revenues increased 17.5% to €240 million**
- **Gross operating profit up 8%**

*Rome, 12 May 2004* – The Board of Directors of Astaldi S.p.A. has examined and approved the consolidated results for the Group as at 31 March 2004, showing a significant increase in revenues and a more than 32% increase in net income as compared to the same period a year ago.

In detail, *contract revenues* amounted to more than €227 million, a 20.1% increase over the first quarter 2003, attributable to both the continuation of construction work at the New Milan Expo Fair Centre (with more than 52% of the work completed as at end-March), and the good performance of activities abroad. *Total revenues* in the first quarter 2004 exceeded €240 million, a 17.5% increase over the same period a year ago.

Gross operating profit amounted to €30.1 million, with the ratio to total revenues at 12.5%, improving 8% over 1Q03.

*EBIT* rose 10% from €15 million in the first quarter 2003 to around €16.5 million, with a ratio to total revenues amounting to 6.9%.

Consolidated *net income* grew 32.2% from €5 million in the first quarter 2003 to around €6.7 million.

*Net indebtedness* as at 31 March 2004 amounted to €167.8 million, compared with €167.2 million a year earlier; in view of the typical seasonal production cycle, this is a significant improvement as net invested capital remained mostly stable while total revenues increased a significant 17.5%. The level of net indebtedness attests to Astaldi a solid financial structure with a debt/equity ratio of 0.73.

During the first quarter 2004, the Group was awarded new contracts worth a total of €246 million, bringing the total value of the orders backlog to €4,426 million.

In Italy, the activity continues at a good pace both in general contracting and in the more traditional market with the strong contribution of production coming from the New Milan Expo Fair center contract. Furthermore, during the first quarter 2004, the Company has started the construction works for the New Hospital in Mestre. Finally, still in the same quarter, the Company has presented offers relating to transport infrastructure works outlined by the Legge Obiettivo for which the qualification, verification and assignment procedures are still in process.

Revenues in Europe increased significantly as the work-in-progress in Turkey came back up to full speed and operations in Romania were stepped up; this region is proving to be one of the top performers in terms of revenues and income. In the Americas, the Group again achieved excellent results in Venezuela, El Salvador, and the United States, while operations came back up to full speed also in Honduras.

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*The Astaldi Group, listed on the Star segment of the Italian Stock Exchange, has more than 75 years of business experience in the design and construction of large civil engineering projects in Italy and abroad.*

*The Group operates in the following business areas:*

- ❖ *transport infrastructure (railways, underground systems, roads, highways, airports, and ports);*
- ❖ *hydraulic works and energy generation plants (dams, hydroelectric power plants, aqueducts, oil pipelines, gas pipelines, and purification plants);*
- ❖ *civil and industrial buildings (hospitals, universities, airports, courthouses, construction works at electricity and nuclear power plants, and parking lots);*
- ❖ *operations of such works as parking lots, reclamation systems, etc.*

*The Astaldi Group currently operates as a General Contractor capable of promoting financing and coordinating all the resources and skills necessary for the optimal construction and operation of complex and high-value public works.*

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## Consolidated Reclassified Balance Sheet

<i>(Thousand of euro)</i>	March 31 2004	March 31 2003	December 31 2003
Net intangible fixed assets	54.259	52.483	52.191
Net tangible fixed assets	104.941	94.737	106.318
Equity interest	28.356	31.688	28.361
Other net fixed assets	15.616	15.030	16.296
<b>Total net fixed assets (A)</b>	<b>203.172</b>	<b>193.938</b>	<b>203.166</b>
Inventories	37.158	40.188	41.316
Works in progress	208.671	214.179	187.373
Trade receivables	242.045	271.037	217.355
Other assets	225.891	203.395	207.542
Advances	(97.912)	(118.682)	(84.919)
<i>Sub total</i>	<i>615.853</i>	<i>610.117</i>	<i>568.667</i>
Suppliers' payables	(203.476)	(195.301)	(196.399)
Other liabilities	(126.599)	(143.502)	(142.832)
<i>Sub total</i>	<i>(330.075)</i>	<i>(338.803)</i>	<i>(339.231)</i>
<b>Working capital (B)</b>	<b>285.778</b>	<b>271.314</b>	<b>229.436</b>
Employees' severance indemnity	(12.699)	(11.619)	(12.189)
Contractual risks fund	(50.516)	(48.397)	(51.599)
Other funds	(26.665)	(22.640)	(13.220)
<b>Total funds (C)</b>	<b>(89.880)</b>	<b>(82.656)</b>	<b>(77.008)</b>
<b>Net invested capital (D)=(A)+(B)+(C)</b>	<b>399.070</b>	<b>382.596</b>	<b>355.594</b>
Liquidity and current financial receivables	117.240	140.652	149.983
Non current financial receivables	73.843	43.989	73.021
Medium/long term indebtedness	(239.815)	(214.001)	(246.099)
Short term indebtedness	(119.077)	(137.857)	(105.219)
<b>Net indebtedness (E)</b>	<b>(167.809)</b>	<b>(167.217)</b>	<b>(128.314)</b>
<b>Group net equity</b>	<b>231.239</b>	<b>215.233</b>	<b>227.122</b>
Minority interests	22	146	158
<b>NET EQUITY (G)=(D)-(E)-(F)</b>	<b>231.261</b>	<b>215.379</b>	<b>227.280</b>
Personal guarantees	1.632.083	1.574.397	1.695.806
Risk of recourse from factors	69.320	158.087	86.168
Other memorandum items	29.660	27.452	29.660
Collateral security	--	--	--
Third party guarantees in our favor	22.918	42.408	22.189
<b>Total commitments and guarantees</b>	<b>1.753.981</b>	<b>1.802.344</b>	<b>1.833.823</b>

## Consolidated Reclassified Income Statement

<i>(Thousand of euro)</i>	<b>March 31 2004</b>	<b>%</b>	<b>March 31 2003</b>	<b>%</b>	<b>December 31 2003</b>	<b>%</b>
Contract revenues	227.194	94,6%	189.151	92,6%	870.145	94,3%
Other revenues	12.977	5,4%	15.192	7,4%	52.640	5,7%
<b><i>Total revenues</i></b>	<b>240.171</b>	<b>100,0%</b>	<b>204.343</b>	<b>100,0%</b>	<b>922.785</b>	<b>100,0%</b>
Costs of production	(177.599)	(73,9%)	(146.728)	(71,8%)	(670.152)	(72,6%)
<i>Added value</i>	62.572	26,1%	57.615	28,2%	252.633	27,4%
Labour costs	(32.490)	(13,5%)	(29.761)	(14,6%)	(122.865)	(13,3%)
<b><i>Gross operating profit</i></b>	<b>30.082</b>	<b>12,5%</b>	<b>27.854</b>	<b>13,6%</b>	<b>129.768</b>	<b>14,1%</b>
Other charges	(4.297)	(1,8%)	(5.262)	(2,6%)	(16.457)	(1,8%)
<b><i>Ebitda</i></b>	<b>25.785</b>	<b>10,7%</b>	<b>22.592</b>	<b>11,1%</b>	<b>113.311</b>	<b>12,3%</b>
D&A	(9.142)	(3,8%)	(9.722)	(4,8%)	(45.693)	(5,0%)
Provisions, write-downs and use of risk funds	(178)	(0,1%)	2.101	1,0%	(1.174)	(0,1%)
<b><i>Ebit</i></b>	<b>16.465</b>	<b>6,9%</b>	<b>14.971</b>	<b>7,3%</b>	<b>66.444</b>	<b>7,2%</b>
Interest charges	(5.022)	(2,1%)	(5.674)	(2,8%)	(27.458)	(3,0%)
Equity write-downs	(600)	(0,2%)	874	0,4%	(4.967)	(0,5%)
Extraordinary income (charges)	(739)	(0,3%)	(2.639)	(1,3%)	(4.982)	(0,5%)
<b><i>Profit before taxes</i></b>	<b>10.104</b>	<b>4,2%</b>	<b>7.532</b>	<b>3,7%</b>	<b>29.037</b>	<b>3,1%</b>
Income taxes	(3.739)	(1,6%)	(2.693)	(1,3%)	(14.994)	(1,6%)
Prepaid taxes	275	0,1%	0	0,0%	8.136	3,4%
<b><i>Net income for the period</i></b>	<b>6.640</b>	<b>2,8%</b>	<b>4.839</b>	<b>2,4%</b>	<b>22.179</b>	<b>2,4%</b>
Net (profit) loss fo minorities	32	0,0%	208	0,1%	217	0,0%
<b>Group net income</b>	<b>6.672</b>	<b>2,8%</b>	<b>5.047</b>	<b>2,5%</b>	<b>22.396</b>	<b>2,4%</b>