
Astaldi



2005 First Quarter Results

May 13, 2005

- ➔ Strengthening of corporate governance
- ➔ As planned, 1Q 05 stable revenues and increased profitability
- ➔ Persistent strong commercial effort on new general contracting and project financing opportunities

		New initiatives		
General Contracting	<p>Rome Subway Line C: €2.5Bln -- (Astaldi share: 31.5%)</p> <p>Other section of the Salerno-Reggio Calabria Highway: approx. €790Mln</p> <p>Marche-Umbria road network: €1.17Bln and €717Mln</p> <p>Bridge on the Messina Straits: €4.4Bln</p>			
	Project Financing	Sponsor	News flow	To be submitted
<p>4 Hospitals in Tuscany: €105Mln for construction, €525Mln for operation (Astaldi shares)</p> <p>Milan Subway - Line 5: €150Mln for construction, €163Mln for operations (Astaldi shares)</p> <p>Appia Antica Underpass: €390Mln</p>		<p><i>Legal proceeding has been won Astaldi confirmed as sponsor</i></p> <p><i>Public tender in progress</i></p> <p><i>New traffic study in progress</i></p>	<p>Ferrara Hospital: €136Mln for construction</p> <p>New stretch of Milan Subway Line 5</p> <p>Milan Subway Line 4</p>	

€ 5,093 Mln of orders backlog as of March 31, 2005

➔ 79% of orders backlog to be carried out are in Italy as a result of the stronger growth of domestic market. Transport infrastructures represent the most important sector of activity

➔ 76% construction, 24% concession. Average life of order backlog: 4.5 yrs for construction and >20 yrs for concession

➔ € 307Mln of new orders mainly in transport infrastructures sector

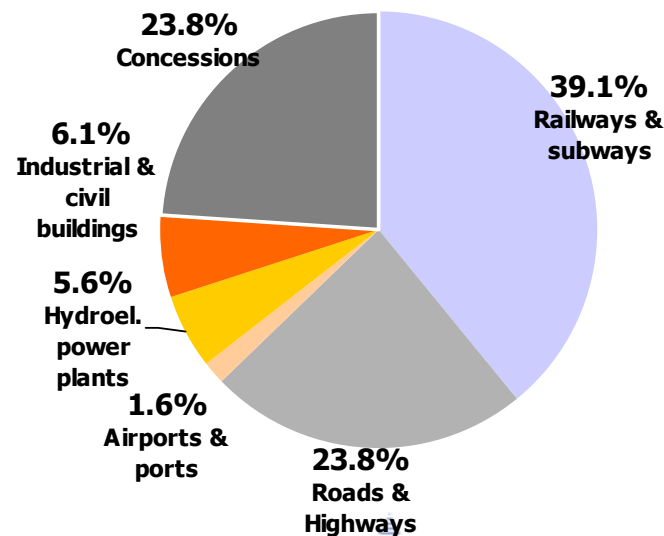
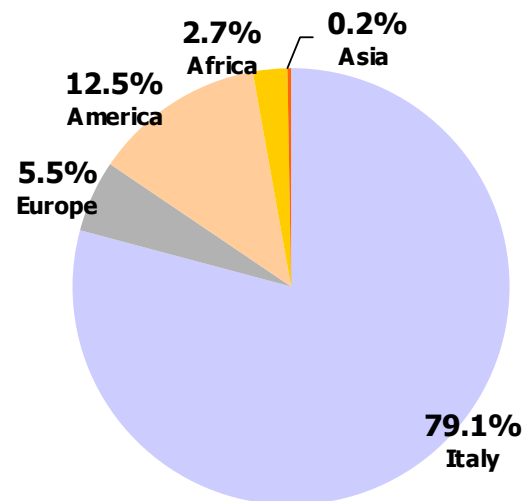
Parma-La Spezia Railway ("Pontremolese"): works for €165Mln

Short-term expected acquisitions of new orders

➔ **Turin Railway Hub:** works for approx. €300Mln (Astaldi share). This is the second stretch of a work that Astaldi is currently carrying out; opportunities for important economies of scale

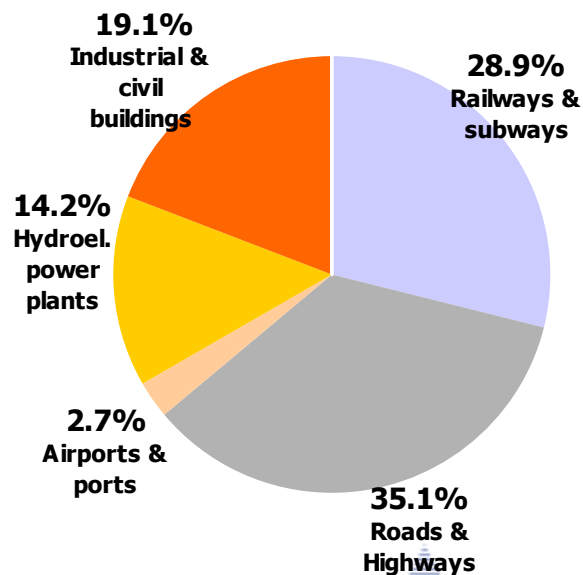
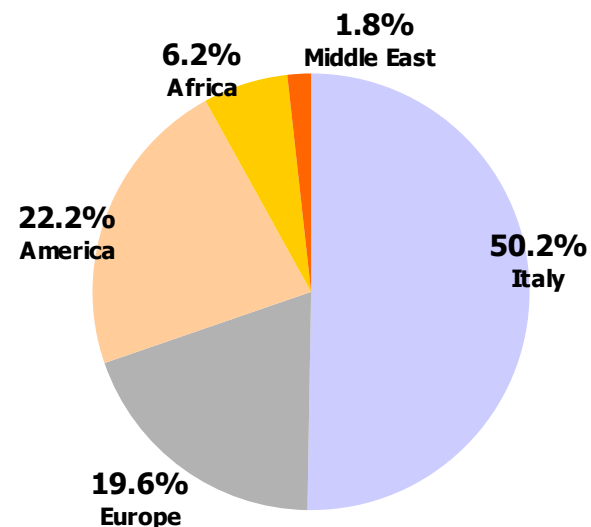
➔ Underlying market continues to change: increasing numbers of new tenders are in general contracting, project financing, concession

➔ The strong international presence resulting from the recent attentive rationalization policy offers an effective diversification of risk. Financial risk reduced benefiting from stable cash-flows



Contract revenues as of March 31st, 2005

- ➔ **Italy:** € 113Mln of contract revenues
Large projects such as New Milan Expo Fair and Rome-Naples High-Speed Railway are being delivered in 2005. New general contracting activities will substitute the works but will express full production potential starting from 2006
- ➔ **Romania:** € 13Mln of contract revenues
Successful commercial policy benefited also from the strengthening of technical and managerial resources allocated to the area
- ➔ **Turkey:** € 31Mln of contract revenues
Favorable commercial environment sustains production and opens up to further initiatives. Anatolian Highway contract planned to be delivered at the beginning of 2007
- ➔ **Venezuela:** € 28Mln of contract revenues
Attentive control over production in order to contain invested capital. Good commercial opportunities to be developed in the medium-term
- ➔ **USA:** € 16Mln of contract revenues
Successful commercial policy in 2004 and strengthening of management (especially management control) have resulted in good levels of activity
- ➔ **Middle East:** Qatar SASOL GTL Plant project to be delivered in 1H 2006. Good commercial opportunities to be exploited in Qatar and Saudi Arabia where markets offer approx. \$ 10Bln each of investment in petrochemical sector



May 13, 2005

1Q 05 Results in line with budget

(Thousands of euro)

	1Q 2005	% on rev.	1Q 2004	% on rev.	yoy	2004	% on rev.
Contract revenues	224,636	93.3%	227,194	94.6%	(1.1)%	989,348	94.3%
Other revenues	16,178	6.7%	12,977	5.4%	24.7%	59,726	5.7%
Total revenues	240,814	100.0%	240,171	100.0%	0.3%	1,049,074	100.0%
Cost of production	(174,726)	(72.6)%	(177,599)	(73.9)%	(1.6)%	(793,050)	(75.6)%
Added value	66,088	27.4%	62,572	26.1%	5.6%	256,024	24.4%
Labour Cost	(33,784)	(14.0)%	(32,490)	(13.5)%	4.0%	(129,023)	(12.3)%
Gross operating profit	32,304	13.4%	30,082	12.5%	7.4%	127,001	12.1%
Other charges	(3,736)	(1.6)%	(4,297)	(1.8)%	(13.1)%	(14,456)	(1.4)%
Ebitda	28,568	11.9%	25,785	10.7%	10.8%	112,545	10.7%
D&A	(12,864)	(5.3)%	(9,142)	(3.8)%	40.7%	(45,322)	(4.3)%
Net provisions and use of risks fund	2,116	0.9%	(178)	(0.1)%	n.m.	7,328	0.7%
Ebit	17,820	7.4%	16,465	6.9%	8.2%	74,551	7.1%
Interest charges	(4,214)	(1.7)%	(5,022)	(2.1)%	(16.1)%	(26,842)	(2.6)%
Equity write-downs	44	0.0%	(600)	(0.2)%	n.m.	(2,157)	(0.2)%
Extraordinary income (charges)	(1,684)	(0.7)%	(739)	(0.3)%	127.9%	(4,552)	(0.4)%
Profit before taxes	11,966	5.0%	10,104	4.2%	18.4%	41,000	3.9%
Taxes	(4,656)	(1.9)%	(3,464)	(1.4)%	34.4%	(12,886)	(1.2)%
Tax rate	39%	n.m.	34%	n.m.	n.m.	31%	n.m.
Net income for the period	7,310	3.0%	6,640	2.8%	10.1%	28,114	2.7%
Net (profit) loss of minorities	432	0.2%	32	0.0%	1250.0%	(508)	(0.0)%
Group net income	7,742	3.2%	6,672	2.8%	16.0%	27,606	2.6%

Stable revenues yoy in line with 2005 budget

Containment of costs of production benefiting from strong control capability

Ebit margin improving also thanks to the release of funds relating to New Milan Expo Fair following the delivery project on March 31st

Interest charges reduction due to shift of debt towards medium-term

Conservative forecast of **tax rate** for the term

<i>(Thousand of euro)</i>	1Q 2005	1Q 2004	YoY	2004	QoQ
Intangible fixed assets	45,569	54,259	(16.0%)	49,897	(8.7%)
Tangible fixed assets	102,242	104,941	(2.6%)	102,338	(0.1%)
Equity investments	25,669	28,356	(9.5%)	26,319	(2.5%)
Other fixed assets	17,371	15,615	11.2%	14,142	22.8%
Net fixed assets	190,851	203,171	(6.1%)	192,696	(1.0%)
Working capital	295,559	285,779	3.4%	248,933	18.7%
Total funds	(82,190)	(89,880)	(8.6%)	(82,382)	(0.2%)
Net invested capital	404,220	399,070	1.3%	359,247	12.5%
Net financial debt	(153,342)	(167,809)	(8.6%)	(115,466)	32.8%
Group net equity	250,878	231,261	8.5%	243,781	2.9%
<i>Debt/equity ratio</i>	<i>0.61</i>	<i>0.73</i>	<i>n.m.</i>	<i>0.47</i>	<i>n.m.</i>

➡ Net fixed assets

- ⇒ Reduction vs. december 2004 due to amortization on fixed assets
- ⇒ Further investments linked to general contracting bids

➡ Net invested capital

- ⇒ Growth vs. december 2004 due to seasonal effect
- ⇒ Stable yoy thanks to good planning skills and to regular cash-flows from work in progress

➡ Net Financial Position includes €28Mln relating to project financing activities

<i>(Thousands of euro)</i>	1Q 2005	2004	1Q 2004
Short-term financial debt	(169,095)	(146,180)	(114,894)
Medium/Long-term financial debt	(145,260)	(69,308)	(70,360)
Cash	100,816	174,839	117,240
Financial receivables	81,411	77,178	67,790
<i>Current financial receivables</i>	<i>35,448</i>	<i>32,008</i>	<i>38,334</i>
<i>Non current financial receivables</i>	<i>45,963</i>	<i>45,170</i>	<i>29,456</i>
Ordinary finance	(132,128)	36,529	(224)
Net eurobond	0	(129,999)	(143,947)
Leasing	(21,214)	(21,996)	(23,638)
Net financial position	(153,342)	(115,466)	(167,809)
<i>Debt/equity ratio</i>	<i>0.61</i>	<i>0.47</i>	<i>0.73</i>

Of which
€28Mln in
concessions

- ➡ **Strong financial structure**
⇒ Debt/Equity ratio at 0.6 in reduction from 1Q 04 while still investing in new general contracting and project financing activities and in Human Resources
- ➡ **Debt shifted towards medium-long term**
⇒ As of January 2005 signed a banking loan agreement for € 100 Mln, 5 yr. maturity. The plan foresees to extend debt maturity towards the longer term (10 yrs.)
- ➡ **Today's debt is further concentrated in the medium-term having extinguished a substantial portion of the short-term exposure**
⇒ In April 2005, additional banking loan for € 100Mln, maturity 4 yrs.
- ➡ **Net financial position increase towards december 2004 due to recurring seasonal effect and to further investments in Project Finance activities**

Appendix

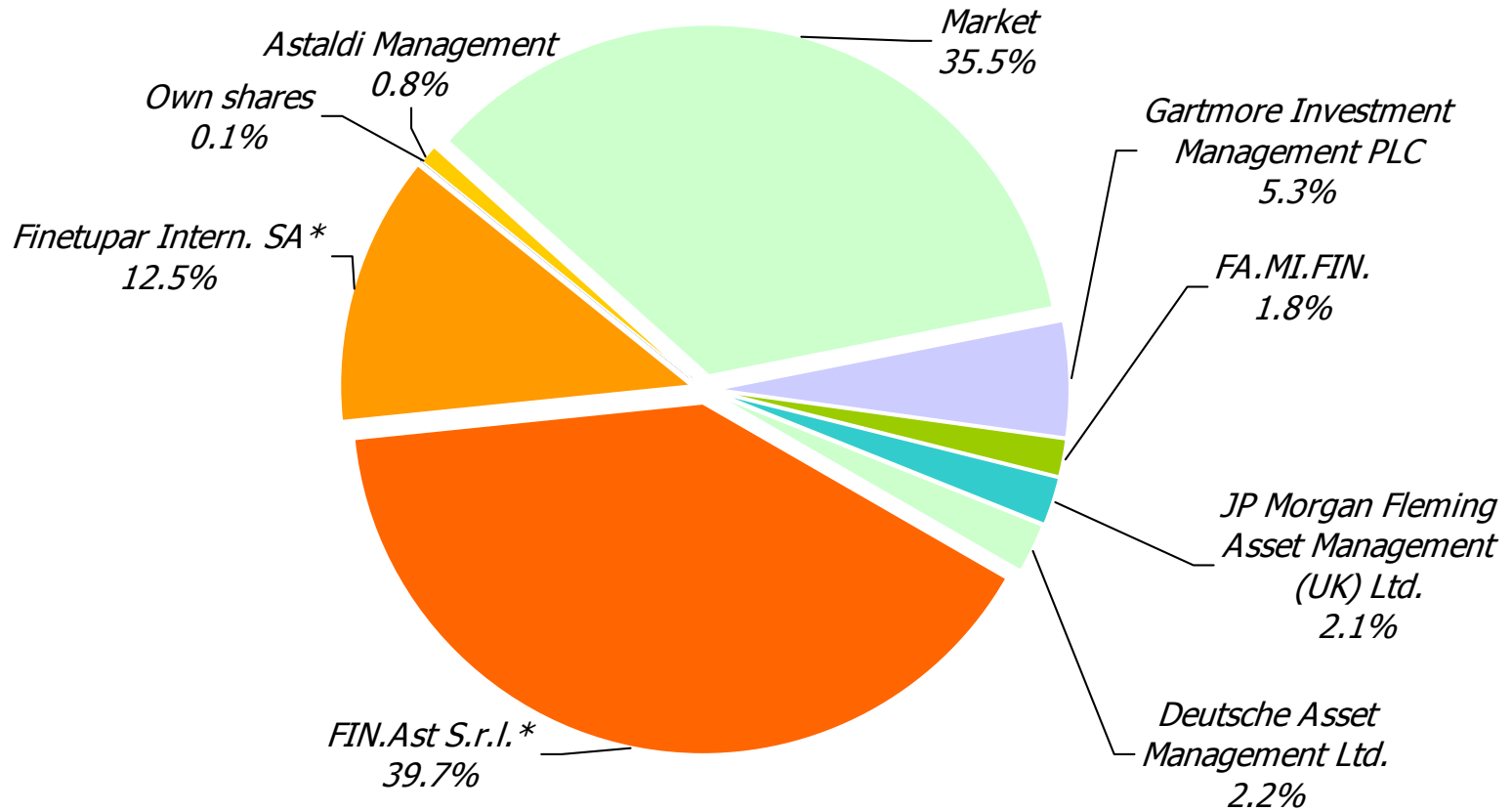
Reclassified Consolidated Income Statement

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Net provisions and use of risks fund	2,116	0.9%	(178)	(0.1)%	7,328	0.7%
Ebit	17,820	7.4%	16,465	6.9%	74,551	7.1%
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Equity write-downs	44	0.0%	(600)	(0.2)%	(2,157)	(0.2)%
Extraordinary income (charges)	(1,684)	(0.7)%	(739)	(0.3)%	(4,552)	(0.4)%
Profit before taxes	11,966	5.0%	10,104	4.2%	41,000	3.9%
Income taxes	(4,567)	(1.9)%	(3,739)	(1.6)%	(11,526)	(1.1)%
Prepaid taxes	(89)	(0.0)%	275	0.1%	(1,360)	(0.1)%
Net income for the period	7,310	3.0%	6,640	2.8%	28,114	2.7%
Net (profit) loss of minorities	432	0.2%	32	0.0%	(508)	(0.0)%
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May 13, 2005

Reclassified Consolidated Balance Sheet

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Tangible fixed assets	102,242	104,941	102,338
Equity investments	25,669	28,356	26,319
Other fixed assets	17,371	15,615	14,142
Net fixed assets	190,851	203,171	192,696
Inventories	39,686	37,158	42,831
Work in progress	238,684	208,671	192,752
Trade receivables	281,592	242,045	301,883
Other assets	207,189	225,892	202,380
Advances	(112,528)	(97,912)	(107,413)
<i>Subtotal</i>	<i>654,623</i>	<i>615,854</i>	<i>632,433</i>
Suppliers' payables	(212,540)	(203,476)	(228,977)
Other liabilities	(146,524)	(126,599)	(154,523)
<i>Subtotal</i>	<i>(359,064)</i>	<i>(330,075)</i>	<i>(383,500)</i>
Working capital	295,559	285,779	248,933
Employees' severance indemnity	(13,577)	(12,699)	(12,473)
Contractual risks fund	(38,907)	(50,516)	(41,177)
Other funds	(29,706)	(26,665)	(28,732)
Total funds	(82,190)	(89,880)	(82,382)
Net invested capital	404,220	399,070	359,247
Liquidity and current financial receivables	100,816	117,240	174,839
Non current financial receivables	81,411	67,790	77,178
Medium/Long term indebtedness	(161,522)	(89,815)	(86,647)
Short term indebtedness	(174,047)	(119,077)	(150,837)
Eurobond	0	(150,000)	(150,000)
Own bonds	0	6,053	20,001
Net indebtedness	(153,342)	(167,809)	(115,466)
Group net equity	251,360	231,239	243,690
Minority interest	(482)	22	91
Net equity	250,878	231,261	243,781
Personal guarantees	1,463,838	1,632,083	1,393,144
Risks of recourse from factors	69,434	69,320	79,573
Other memorandum items	30,381	29,660	30,381
Third party guarantees in our favour	30,827	22,918	25,066
Total commitments and guarantees	1,594,480	1,753,981	1,528,164



(Updated as of May 11, 2005)

Number of outstanding shares as of December 31, 2004: 98,424,900

*** HELD BY ASTALDI FAMILY**

