



The Board of Directors has approved the half-year report

ASTALDI REPORTS A 69% INCREASE IN NET PROFIT IN THE FIRST HALF

- **Production value up 9% to 427 million euro**
- **Gross operating margin up 59% to 73.5 million euro**
- **New orders for the period worth around 1.4 billion euro**
- **Orders portfolio up 29% to 4.421 billion euro**

ROME, 16 September 2003 - The Astaldi S.p.A. Board of Directors, at its meeting today in Rome chaired by Mr. Ernesto Monti, approved the half year report as at 30 June 2003. Based on the performance for the period, the Company can confirm its targets for the entire year calling for a increase in turnover and earnings growth as compared to 2002, laying down the basis for further growth in the upcoming years.

Consolidated income statement

Consolidated *total revenues* in the first six months 2003 amounted to 427.3 million euro, a 9% increase over year-before period. Revenues from services and contracts rose 11% to 399.4 million euro. It is important to point out that all the new orders received in 2002 entered into the production phase, reflecting the first beneficial effects in terms of simpler and faster procedures that the latest legislation has introduced.

The *gross operating margin*, at 73.5 million Euro (accounting for 17.2% of total revenues) increased by around 59% over the first half 2002. *EBIT* for the period amounted to around 31.9 million euro (7.5% of total revenues), an 8.4% increase over the first half 2002, lifting *consolidated net earnings* to around 15.8 million euro, an around 69% increase from 9.3 million euro in the year-ago period.

The *net financial position* as at 30 June 2003 showed total indebtedness of around 160 million euro, setting the debt/equity ratio at 72%, quite a low level for the industry and which includes project-financing loans whose repayment is backed by future cash flows generated from the management operation of the projects.

Orders portfolio and significant events

In the first half 2003 the Company received new orders worth a total of 1,381 million euro, lifting the total Group's orders portfolio value to 4,421 million euro as at 30 July 2003, a significant increase since the beginning of the year.

During the January-June period, the consortium Iricav Due – in which Astaldi has a controlling stake of around 33% - gained a favorable outcome to the dispute with TAV concerning the construction of the Verona-Padova section of the high-speed line connecting Verona and Venice. Astaldi's share amounts to around 868 million euro.

In addition, the Venezuelan government finalized a 70 million euro loan for the second stage of the Puerto Cabello-La Encrucijada railway. The entire contract calls for a further amount of around 270 million euro.

Finally, an order was provisionally awarded for the construction of the high-speed railway station at Bologna Centrale worth around 300 million euro. This order, which will be included in the orders portfolio as of the third quarter when its awarding becomes definitive, is forecast to begin works towards the first half of 2004 and will last about 4 years and a half.

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ENCLOSURES FOLLOW

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

<i>Euro/000</i>	1 st Half 2003	%	1 st Half 2002	%	YoY
Revenues from services and contracts	399,400	93.5	360,174	91.7	10.9%
Other revenues and proceeds	27,899	6.5	32,747	8.3	(14.8%)
Total revenues	427,299	100.0	392,921	100.0	8.7%
Production costs	(294,570)	(68.9)	(298,529)	(76.0)	(1.3%)
Added value	132,729	31.1	94,392	24.0	40.6%
Payroll expenses	(59,193)	(13.9)	(48,104)	(12.2)	23.1%
Gross operating margin	73,536	17.2	46,288	11.8	58.9%
Other operating expenses	(8,067)	(1.9)	(6,813)	(1.7)	18.4%
EBITDA	65,469	15.3	39,475	10.0	65.8%
Depreciation and amortization	(25,652)	(6.0)	(10,443)	(2.7)	145.6%
Provisions and write-downs	(19,780)	(4.6)	(18,636)	(4.7)	6.1%
Use of risk reserve	11,832	2.8	19,003	4.8	(37.7%)
EBIT	31,869	7.5	29,399	7.5	8.4%
Net financial income (charges)	(11,377)	(2.7)	(11,881)	(3.0)	(4.2%)
Write-ups (write-downs) on equity investments	(1,491)	(0.3)	(1,568)	(0.4)	(4.9%)
Extraordinary gains (charges)	(1,807)	(0.4)	(1,968)	(0.5)	(8.2%)
Income before taxes	17,194	4.0	13,982	3.6	23.0%
Income taxes	(2,274)	(0.5)	(5,034)	(1.3)	(54.8%)
Prepaid taxes	490	0.1	0	0.0	n. m.
Net income for the period	15,410	3.6	8,948	2.3	72.2%
Minority interest	352	0.1	368	0.1	(4.3%)
Consolidated net earnings	15,762	3.7	9,316	2.4	69.2%

CONSOLIDATED BALANCE SHEET

Euro/000	30/06/2003	31/12/2002	30/06/2002
Net intangible fixed assets	48,996	58,292	43,228
Net tangible fixed assets	101,918	93,725	85,013
Equity investments	31,841	33,909	26,557
Other net assets	18,284	14,398	25,006
Total net fixed assets (A)	201,039	200,324	179,804
Inventories	41,576	40,620	30,765
Work-in-progress	224,125	198,343	279,714
Trade receivables	249,959	236,738	158,698
Other assets	218,609	224,869	235,700
Advance payments	(124,789)	(133,362)	(104,241)
Subtotal	609,480	567,208	600,636
Due to suppliers	(209,116)	(195,154)	(147,295)
Other liabilities	(136,061)	(144,453)	(191,258)
Subtotal	(345,177)	(339,607)	(338,553)
Working capital (B)	264,303	227,601	262,083
Employees' indemnity fund	(11,745)	(11,970)	(10,355)
Contractual risks reserve	(55,498)	(50,650)	(61,059)
Other reserves	(16,034)	(23,855)	(17,177)
Total reserves (C)	(83,277)	(86,475)	(88,591)
Net invested capital (D) = (A) + (B) + (C)	382,065	341,450	353,296
Cash and short-term financial receivables	159,449	171,875	167,760
Financial receivables included in fixed assets	39,009	39,785	12,438
Medium/long-term financial debt	(271,781)	(212,594)	(215,789)
Short-term financial debt	(87,282)	(118,205)	(88,515)
Net financial assets/liabilities (E)	(160,605)	(119,139)	(124,106)
Consolidated net equity	221,466	222,004	228,630
Minority interest	(6)	307	559
Net equity (G) = (D) – (E) – (F)	221,460	222,311	229,190
Personal guarantees	1,651,819	1,653,148	1,494,176
Other memorandum accounts	156,037	192,258	88,790
Real guarantees	43,969	0	0
Third-party bank guarantees in our favor	42,219	21,932	17,772
Total commitments and guarantees	1,894,043	1,867,338	1,600,738