



*Board of Directors approves report for third quarter of 2003*

## **ASTALDI SEES PROFITS DOUBLE IN FIRST NINE MONTHS OF THE YEAR**

- **Order backlog totals 4.623 billion euros: target set for entire period covered by industrial plan 2003-2005 reached in advance**
- **Revenues up 13% to 624 million euros**
- **Net profit at 19.2 million euros, compared with 9.8 million euros posted for first nine months of 2002**
- **Gross operating profit up 45% to 102 million euros**
- **Astaldi heading up project promoter group for Line 5 of Milan underground system**

*ROMA, 11 November 2003* – The Board of Directors of Astaldi S.p.A., chaired by Ernesto Monti, met today in Rome, where it approved the company's quarterly report for the period to 30 September 2003. The consolidated income statement reported a notable rise in value of production and margins, for both the quarter under review and the first nine months of the year, over the levels reported for the same periods of the previous year.

New orders of 1.808 billion euros during the first nine months of the year raised the value of the company's order backlog to more than 4.600 billion euros, thus enabling it to reach the target set in the strategic plan for the period 2003-2005 well in advance.

### **Consolidated income statement**

In the third quarter of 2003, **contract revenues** amounted to 224 million euros, representing an increase of 17.9% on the third quarter of 2002, although the dollar was weaker than at the beginning of the year. This in turn cut turnover by around 30 million euros during the period. The growth registered in the quarter under review was evidence of the Group's ongoing impressive performance on a progressive annual basis, with revenues for the first nine months of the year consequently standing at 624 million euros, up 13% on the same period of 2002.

The Group's sound business performance is highlighted further by the progress made by **gross operating profit**, which amounted to 28.5 million euros in the quarter under review (+18% on the third quarter of 2002); even more impressive was the growth recorded by the cumulated value for

the first nine months of the year, for which gross operating profit stands at 102 million euros, equal to 15% of value of production and representing a rise of 45% on the first nine months of the year 2002. **EBITDA** also underwent a considerable increase, both during the quarter under review (+20%) and during the first nine months of the year (+51%).

The Group reported **EBIT** of 15.6 million euros for the third quarter, a rise of around 4% on the same quarter of 2002; in the first nine months of the year, EBIT came to 47.5 million euros, equal to 7.1% of total value of production and up by more than 6% on the first nine months of the year 2002.

The third quarter reported a **net profit** of 3.4 million euros (compared with the 494,000 euros <sup>1</sup> posted for the same quarter in 2003), thereby doubling progressive net profit in the first nine months of the year to 19.2 million euros, if compared with the 9.8 million euros seen for the first nine months of 2002.

The Managing Director Vittorio Di Paola said that the results achieved for the first nine months of the year and the extremely positive trend seen in new contracts would enable turnover and profits to continue to grow throughout the whole of 2003, compared with the values reported for the previous year, laying the foundations for further development in the years to come. Di Paola was also keen to point out the "quality of the current jobs book, made up of large size contracts that feature high technological content. Also worthy of mention is the company's appointment as project promoter, for the construction of Line 5 of the Milan underground system, a project that confirms Astaldi's leadership in Italy as a general contractor".

### **Order backlog and significant events**

In the first nine months of the year 2003, new jobs worth a total of 1.808 billion euros were successfully won by Astaldi, to bring the Group's total backlog to 4.623 billion euros. In the third quarter of 2003 alone, new jobs mandated to Astaldi amounted to 427 million euros.

The current size of the order backlog meets, ahead of time, the final target set in its 2003-2005 strategic plan.

Of the various contracts won during the third quarter, worthy of mention was the mandate won for the realisation of the High Speed railway station at Bologna Centrale, worth some 290 million euros. This contract, the term of which will span 4.5 years, confirms Astaldi's leadership as a general contractor and reflects the Group's extremely advanced technical, management and financial skills.

Further confirmation of Astaldi's well-founded features as a general contractor comes from the fact that on 4 November last, the Municipality of Milan formalised Astaldi's appointment as project sponsor for the group of companies led by Astaldi, for the realisation of the new Line 5 of the Milan underground system. The tender procedures, expected to go ahead in the coming months, bestow pre-emption rights upon Astaldi as sponsor. This is a project with high technological content capable of enhancing further the skills of Astaldi, which were already put to the test during the recent realisation of the Copenhagen underground system, which bears the same features as Milan's future Line 5. This project is worth, for the construction part, some 504 million euros and has a term of 5 years, to be followed by 27 years of operation services. This will be the first urban transport project realised in Italy by way of project finance, an area in which the Astaldi Group is already a leader in Italy. The Group confirms the strategic policy to continue to dedicate its strong

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<sup>1</sup> Net profit for the period to 30 September 2002 reflects the result before taxes; in order to facilitate a like-for-like comparison, the fiscal effect has been reported, based on the average incidence of taxes on the year-end result reported for 2002.

effort towards news structured finance initiatives especially in the sector of transport infrastructures.

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The Board also approved the proposed 2004 schedule for the Board meetings and shareholders' meetings of Astaldi S.p.A., as attached hereto.

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## Reclassified consolidated balance sheet

<i>(Euro/000)</i>	<b>9M 2003</b>	<b>1H 2003</b>	<b>2002</b>	<b>9M 2002</b>
Net intangible fixed assets	51,059	48,996	58,292	44,172
Net tangible fixed assets	106,902	101,918	93,725	85,718
Equity investments	31,831	31,841	33,909	26,130
Other net assets	16,837	18,284	14,398	25,493
<b>Total net fixed assets (A)</b>	<b>206,629</b>	<b>201,039</b>	<b>200,324</b>	<b>181,513</b>
Inventories	43,367	41,576	40,620	35,612
Work in progress	251,005	224,125	198,343	286,065
Trade receivables	256,995	249,959	236,738	180,585
Other assets	204,727	218,609	224,869	198,919
Advance payments	(116,320)	(124,789)	(133,362)	(107,276)
<i>Subtotal</i>	<i>639,774</i>	<i>609,480</i>	<i>567,208</i>	<i>593,905</i>
Due to suppliers	(221,653)	(209,116)	(195,154)	(170,912)
Other liabilities	(153,923)	(136,061)	(144,453)	(157,352)
<i>Subtotal</i>	<i>(375,576)</i>	<i>(345,177)</i>	<i>(339,607)</i>	<i>(328,264)</i>
<b>Working capital (B)</b>	<b>264,198</b>	<b>264,303</b>	<b>227,601</b>	<b>265,641</b>
Employees' indemnity fund	(12,101)	(11,745)	(11,970)	(11,844)
Contractual risks reserve	(53,796)	(55,498)	(50,650)	(50,680)
Other reserves	(14,258)	(16,034)	(23,855)	(20,067)
<b>Total reserves (C)</b>	<b>(80,155)</b>	<b>(83,277)</b>	<b>(86,475)</b>	<b>(82,591)</b>
<b>Net invested capital D=(A)+(B)+(C)</b>	<b>390,672</b>	<b>382,065</b>	<b>341,450</b>	<b>364,563</b>
Cash and short-term financial receivables	173,489	159,449	171,875	136,346
Financial receivables included in fixed assets	65,755	39,009	39,785	25,545
Medium/long-term financial debt	(261,851)	(271,781)	(212,594)	(211,420)
Short-term financial debt	(142,539)	(87,282)	(118,205)	(97,854)
<b>Net financial assets/liabilities (E)</b>	<b>(165,146)</b>	<b>(160,605)</b>	<b>(119,139)</b>	<b>(147,383)</b>
<b>Consolidated net equity</b>	<b>224,718</b>	<b>221,466</b>	<b>222,004</b>	<b>216,387</b>
Minority interest	808	(6)	307	793
<b>Net equity</b>	<b>225,526</b>	<b>221,460</b>	<b>222,311</b>	<b>217,180</b>
Personal guarantees	1,345,372	1,651,819	1,653,148	1,494,176
Risk of recourse from factors	84,244	128,584	164,806	123,453
Other memorandum accounts	27,452	27,452	27,452	0
Real guarantees	43,969	43,969	0	0
Third-party bank guarantees in our favour	22,226	42,219	21,932	17,772
<b>Total commitments and guarantees</b>	<b>1,523,263</b>	<b>1,894,043</b>	<b>1,867,338</b>	<b>1,635,401</b>

## Reclassified consolidated income statement

<i>(Euro/000)</i>	<b>9M 2003</b>	<b>%</b>	<b>9M 2002</b>	<b>%</b>	<b>3Q 03</b>	<b>%</b>	<b>3Q 02</b>	<b>%</b>
Contract revenues	623,887	93.3%	550,492	91.0%	224,487	93.0%	190,318	89.8%
Other revenues	44,878	6.7%	54,364	9.0%	16,979	7.0%	21,617	10.2%
<b>Total revenues</b>	<b>668,765</b>	<b>100.0%</b>	<b>604,856</b>	<b>100.0%</b>	<b>241,466</b>	<b>100.0%</b>	<b>211,935</b>	<b>100.0%</b>
Costs of production	(477,512)	-71.4%	(456,829)	-75.5%	(182,942)	-75.8%	(158,300)	-74.7%
<i>Added value</i>	<i>191,253</i>	<i>28.6%</i>	<i>148,027</i>	<i>24.5%</i>	<i>58,524</i>	<i>24.2%</i>	<i>53,635</i>	<i>25.3%</i>
Labour costs	(89,247)	-13.3%	(77,702)	-12.8%	(30,054)	-12.4%	(29,598)	-14.0%
<b>Gross operating profit</b>	<b>102,006</b>	<b>15.3%</b>	<b>70,325</b>	<b>11.6%</b>	<b>28,470</b>	<b>11.8%</b>	<b>24,037</b>	<b>11.3%</b>
Other charges	(14,541)	-2.2%	(12,477)	-2.1%	(6,474)	-2.7%	(5,664)	-2.7%
<b>Ebitda</b>	<b>87,465</b>	<b>13.1%</b>	<b>57,848</b>	<b>9.6%</b>	<b>21,996</b>	<b>9.1%</b>	<b>18,373</b>	<b>8.7%</b>
D&A	(33,988)	-5.1%	(24,958)	-4.1%	(8,336)	-3.5%	(14,515)	-6.8%
Provisions and write-downs	(23,069)	-3.4%	(22,427)	-3.7%	(3,289)	-1.4%	(3,791)	-1.8%
Use of risk fund	17,091	2.6%	34,003	5.6%	5,259	2.2%	15,000	7.1%
<b>Ebit</b>	<b>47,499</b>	<b>7.1%</b>	<b>44,466</b>	<b>7.4%</b>	<b>15,630</b>	<b>6.5%</b>	<b>15,067</b>	<b>7.1%</b>
Interest charges	(17,942)	-2.7%	(17,920)	-3.0%	(6,565)	-2.7%	(6,039)	-2.8%
Equity write-downs	(1,902)	-0.3%	(7,232)	-1.2%	(411)	-0.2%	(5,664)	-2.7%
Extraordinary income (charges)	(2,801)	-0.4%	(2,940)	-0.5%	(994)	-0.4%	(972)	-0.5%
<b>Profit before taxes</b>	<b>24,854</b>	<b>3.7%</b>	<b>16,374</b>	<b>2.7%</b>	<b>7,660</b>	<b>3.2%</b>	<b>2,392</b>	<b>1.1%</b>
Income taxes	(8,987)	-1.3%	(6,684)	-1.1%	(6,713)	-2.8%	(1,650)	-0.8%
Prepaid taxes	3,732	0.6%	-	n.m.	3,242	1.3%	-	n.m.
<b>Net income for the period</b>	<b>19,599</b>	<b>2.9%</b>	<b>9,690</b>	<b>1.6%</b>	<b>4,189</b>	<b>1.7%</b>	<b>742</b>	<b>0.4%</b>
Net (profit) loss fo minorities	(415)	-0.1%	120	0.0%	(767)	-0.3%	(248)	-0.1%
<b>Group net income</b>	<b>19,184</b>	<b>2.9%</b>	<b>9,810</b>	<b>1.6%</b>	<b>3,422</b>	<b>1.4%</b>	<b>494</b>	<b>0.2%</b>

# **ASTALDI S.p.A.**

## **Financial calendar 2004**

<b>February 12</b>	Board of Directors <i>Approval of the interim results for 4th quarter 2003</i>
<b>March 18</b>	Board of Directors <i>Approval of the 2003 Annual Report</i>
<b>April 30</b>	Shareholders Meeting <i>Approval of the 2003 Annual Report</i>
<b>May 12</b>	Board of Directors <i>Approval of the interim results for 1st quarter 2004</i>
<b>July 30</b>	Board of Directors <i>Approval of the interim results for 2nd quarter 2004</i>
<b>September 16</b>	Board of Directors <i>Approval of the 2004 First Half Result</i>
<b>November 11</b>	Board of Directors <i>Approval of the interim results for 3rd quarter 2004</i>