



ASTALDI

a n n u a l r e p o r t 2003



“To consolidate as leading

Italian general contractor and

m i s s i o n

enhance value, progress

and well-being for the communities”

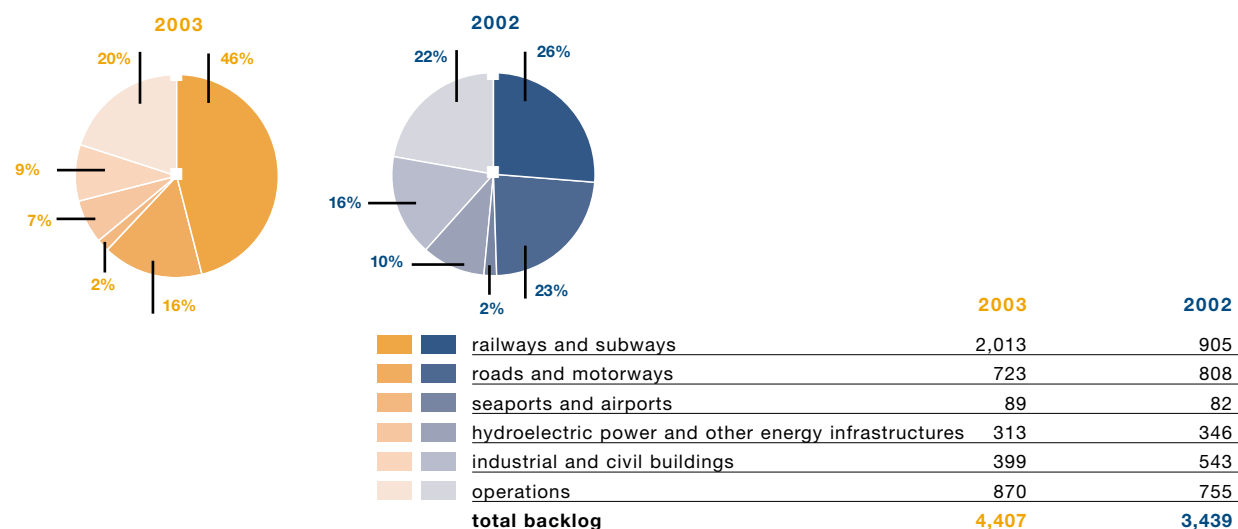
main ratios

(million of euro)

	2003	2002	2001*
economic items			
total revenues	923	817	798
ebit	66	64	70
profit before taxes	29	26	15
net income	22	15	21
financial items			
gross self-financing margin	67	25	74
capital expenditure	60	(97)	20
% on total revenues			
total revenues	100	100	100
ebit	7.2	7.8	8.4
profit before taxes	3.1	3.2	1.9
net income	2.4	1.8	2.6
balance sheet items			
total assets	1,142	1,113	1,015
fixed assets	203	200	149
net invested capital	355	341	257
net debt	128	119	109
net equity	227	222	148

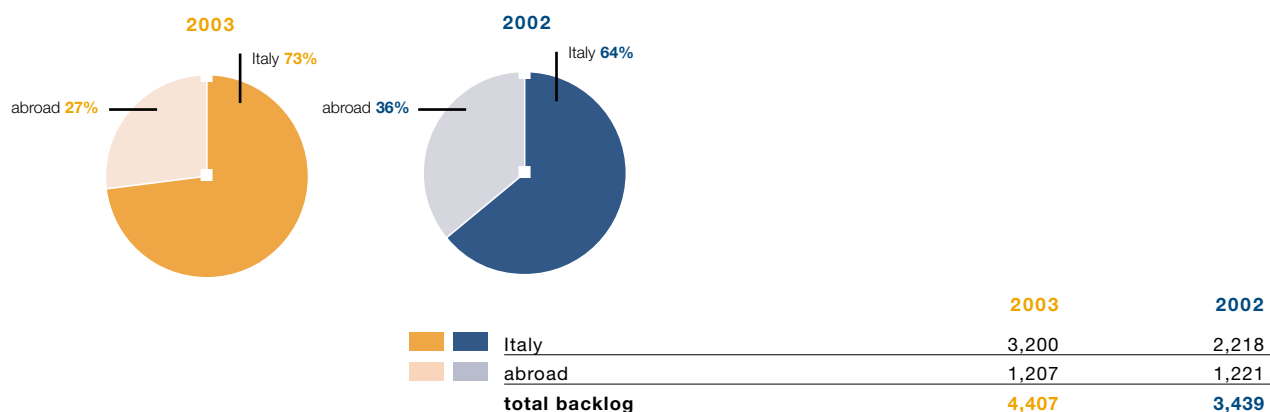
order backlog by lines of business

(million of euro)



order backlog by geographical area

(million of euro)



* pro-forma excludes revenues from real estate sale

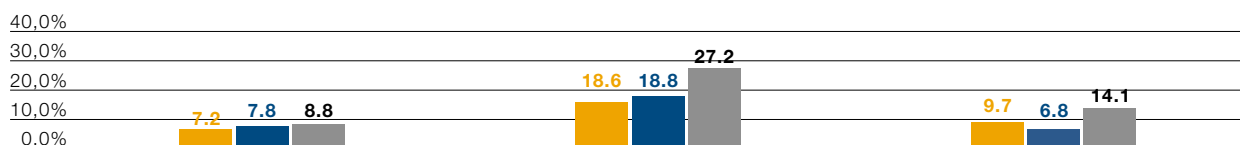
ratios

(percentages)

R.O.S.

R.O.I.

R.O.E.



2003 2002 2001*

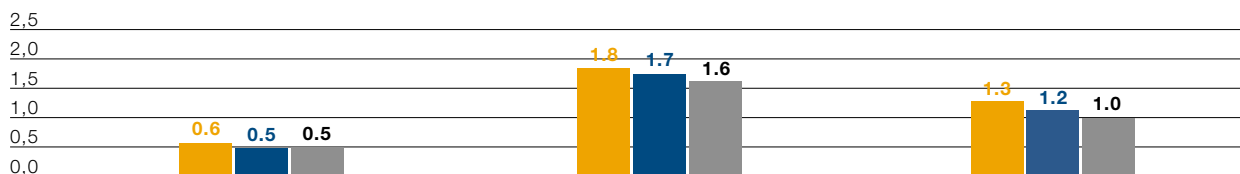
return on sales (R.O.S.) - operating income / total revenues
return on investment (R.O.I.) - operating income / net invested capital
return on equity (R.O.E.) - net income / net equity

(values)

GEARING RATIO

CURRENT RATIO

QUICK RATIO



2003 2002 2001*

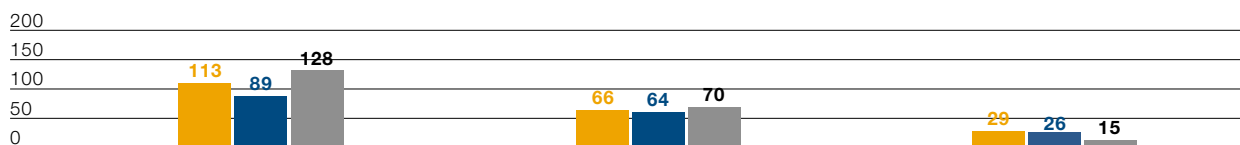
gearing ratio - net indebtedness / net equity
current ratio - short-term assets / short-term liabilities
quick ratio - total accounts receivables and cash / short-term liabilities

(million of euro)

EBITDA

EBIT

EBT



2003 2002 2001*

EBITDA - earnings before interests, taxes, depreciation and amortization
EBIT - earnings before interests and taxes
EBT - earnings before taxes

net cash flow

(million of euro)

2003

2002

2001

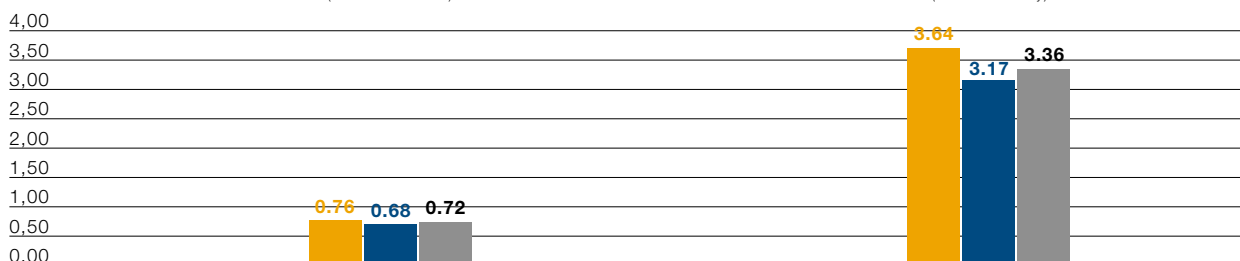
net income	22	15	30
depreciation, amortization and provisions	51	15	57
dividends	(6)	(5)	(13)
gross self-financing margin	67	25	74

turnover ratios

(percentages)

Assets turnover
(sales/total sales)

Inventory turnover
(sales/inventory)



2003 2002 2001

* pro-forma excludes revenues from real estate sale

a n n u a l r e p o r t 2003



FROM LEFT TO RIGHT:

PAKISTAN

Tarbela Dam

NIGERIA

Bornu Railway

GUINEA

Boké Industrial Project

ITALY

Milan Underground

USA

PGA Boulevard in Florida

c o n t e n t s

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c h a i r m a n ' s l e t t e r
t o t h e s h a r e h o l d e r s

Chairman's Letter to the Shareholders

Dear Shareholders,

The financial statements for 2003 mark another important step in our Company's ongoing process of growth, which has intensified in recent years. In fact, the results for the financial year ended 31 December show that almost two years after obtaining a listing on the Italian Stock Exchange, the Group has achieved all the economic and financial objectives it set on that important occasion. Starting with the dynamics of the orders book, which has produced an all-important strengthening of Astaldi's competitive positioning in Italy and abroad. The results are clear: compared with last year we have made significant progress in value of production, Ebitda and net profits, reflecting the Group's increased profitability and consequent greater self-financing capacity.

In addition to the figures, I wish to draw your attention to the qualitative development of our role in the market. Thanks in part to the new regulatory context, the contracts acquired by Astaldi, and the relevant operations, have grown individually in terms of size and, above all, execution complexity: this is inherent to the role of General Contractor,



ERNESTO MONTI
Chairman of Astaldi S.p.A.

a function that is part of your Company's DNA and one that requires exceptional qualities and skills: a capacity for innovation, easy access to financial resources, the ability to manage complex projects, strong organisational and managerial expertise.

This expertise is a particular source of pride for Astaldi. The difficult task of the General Contractor is to manage, and take responsibility for, not only its own work, but also the work of other companies. At Astaldi, this competitive lever stems from the ability to make the most of our human resources in order to successfully complete our projects. In fact, in 2003 we began an extensive review of human resources management, with the introduction of cutting-edge evaluation and training instruments. At the same time, the ongoing generation change inside the Group saw the recruitment during the year of more than 50 young graduates in the various production sectors. The consolidation of that team spirit and sense of pride in belonging to the Group will, I am sure, enable Astaldi to achieve new and even more ambitious goals in the next few years.

m a i n e v e n t s o f 2 0 0 3

Main Events of 2003

January Inauguration by the President of the Republic of Italy of Naples' Science-City

March Approval by the Board of Directors of the Corporate Code of Ethics

March Approval by the Shareholders' Meeting of the buy-back programme

April Presentation of the "2003 – 2005 Industrial Plan" to the financial community

May Official launch of the MOSE project in Venice



FROM LEFT TO RIGHT:

ITALY
New Milan Expo Fair Centre

Italian Stock Exchange

ITALY
Rome Underground

May Completion of the first tunnel on the North-west Rome Road Link

July Assignment of the TAV contract for construction of the Verona-Padua section of the High-Speed Railway between Verona and Venice

July Inauguration of the Mater-Dei Station on Line 1 of Naples' Underground Railway

September Signature of the agreement between the Turkish government and the banks for the 305 million dollar loan for the construction of the Anatolian Highway

September Assignment of the contract for the construction of the new Bologna Central Station for the High-Speed Railway

September Opening of the first stretch of the Vicenza south orbital highway

September Achievement of ISO 9001:2000 quality system certification

October Presentation to the Municipality of Rome of the project-financing plan for the construction of the Appia Antica Underpass

November Appointment as Promoter for the construction of the new Line 5 of the Milan Underground Railway, on a project-financing basis

November Laying of the first stone of the New Hospital in Mestre



December Signature of a loan agreement concerning the financing of the first stretch of the railway between Puerto Cabello and La Encrucijada, in Venezuela

ITALY
New Hospital in Mestre

December Presentation to the Municipality of Rome of the project-financing project for the construction of the new C line of the Rome Underground

December Presentation to ANAS of the project-financing project for the upgrade and management of the Salerno-A30 highway spur road and part of the Salerno-Reggio Calabria highway

December Appointment as Promoter for the construction and management of an integrated system of four hospitals in Tuscany (Prato, Pistoia, Lucca and Massa), on a project-financing basis

c o r p o r a t e b o d i e s

Corporate Officers

14

Corporate Officers

Honorary Chairman

Adriano Anselmino¹

Board of Directors

Chairman	Ernesto Monti
Deputy Chairman	Paolo Astaldi
Chief Executive Officer	Vittorio Di Paola
Directors	Caterina Astaldi
	Pietro Astaldi
	Luigi Guidobono Cavalchini
	Stefano Cerri
	Enrico De Cecco
	Franco Alfredo Grassini
	Bruno Lecchi
	Lucio Mariani
	Giuseppe Marino
	Roberto Marraffa
	Vittorio Mele
	Nicoletta Mincato

¹ Deceased on 8th March 2004

General Managers

International activities	Giuseppe Cafiero
Administration and Finance	Stefano Cerri
Domestic activities	Nicola Oliva

Deputy General Manager

Administration and Finance	Paolo Citterio
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Board of Auditors

Chairman	Eugenio Pinto
Acting Auditors	Pierpaolo Singer
	Pierumberto Spanò
Substitute Auditors	Maurizio Lauri
	Antonio Sisca
	Domenico Franco Nalin ²

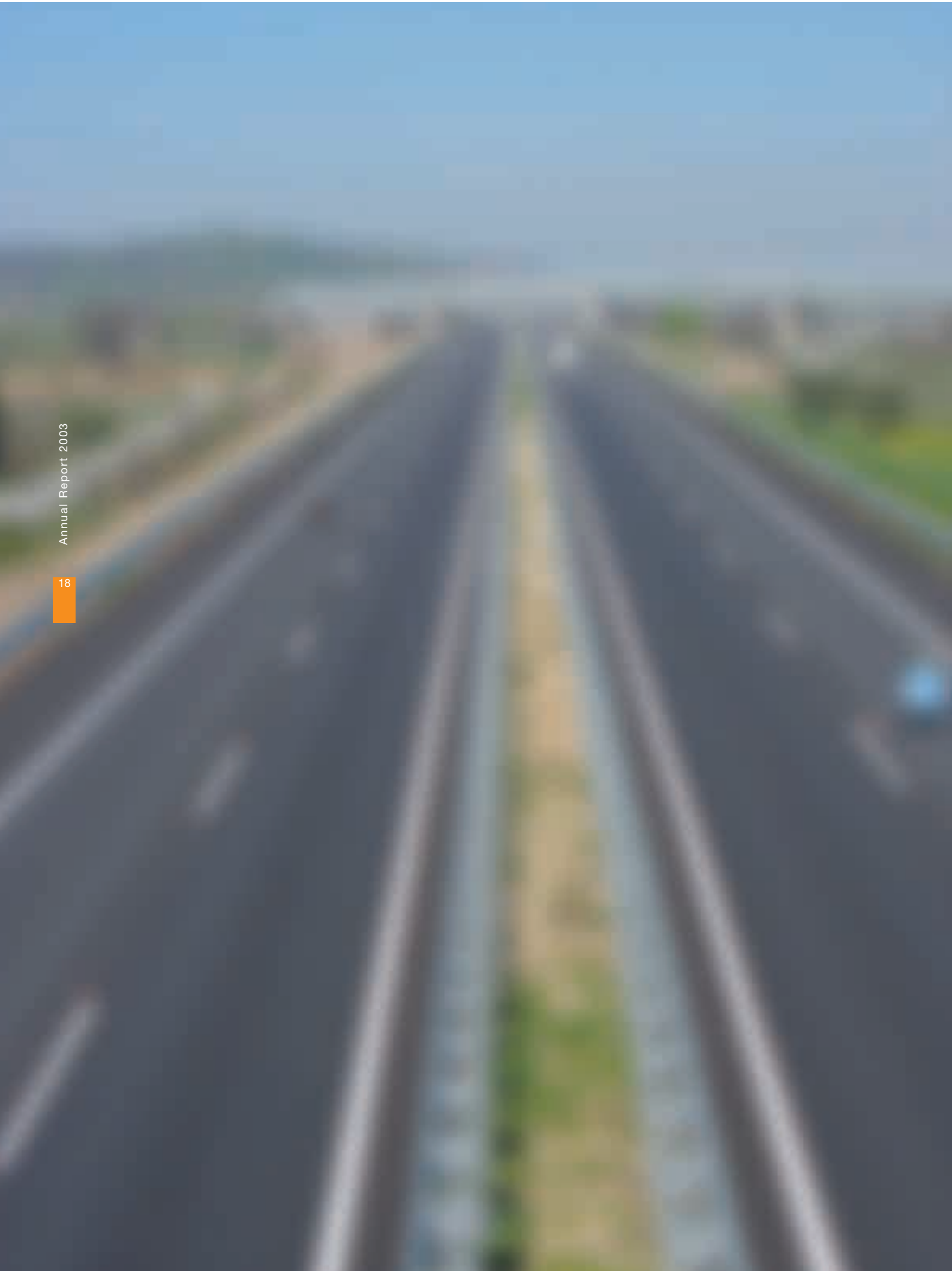
Independent Auditors

	Reconta Ernst & Young S.p.A.
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² Deceased on 8th July 2003

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The Group

The long road that led Astaldi to become the leading General Contractor in Italy and a role model for major construction projects – transport infrastructures, hydro-electric and power plants, non-residential buildings – began in the 1920s. A road marked, in Italy, by an extraordinary commitment to the execution of civil engineering works of increasing technical complexity, which were vital to the country's development.

With the end of World War II, Astaldi gradually widened its field of action beyond the national borders to become one of the best-known Italian players on the international marketplace, with a reputation for innovative construction techniques.

At the end of 2003, the Group had operations in 17 different countries, mainly in the railway infrastructure sector, with over 7,000 employees working on projects that, at 31 December 2003, had raised value of production to 923 million Euro.



Today, Astaldi is not only involved in the construction phases of a project, it also takes an active role in organising the finance for its execution. The Group's role in large-scale projects, together with the advanced technical and managerial skills it offers, ensure good prospects for a further increase in project-financing assignments, thus strengthening Astaldi's leadership position as a General Contractor in Italy and worldwide.

FROM LEFT TO RIGHT:

ITALY

University of Pavia

ITALY

Po River at Occhiobello

ITALY

Cimiege Hydroelectric Power Plant

Geographic areas

United States

Florida

Central America

Honduras

Nicaragua

El Salvador

Dominican Republic

South America

Venezuela

Bolivia





Europe

Italy
Denmark

Eastern Europe

Romania
Turkey

Northern Africa

Morocco
Algeria
Tunisia
Lybia

Asia

Saudi Arabia
Qatar

Africa

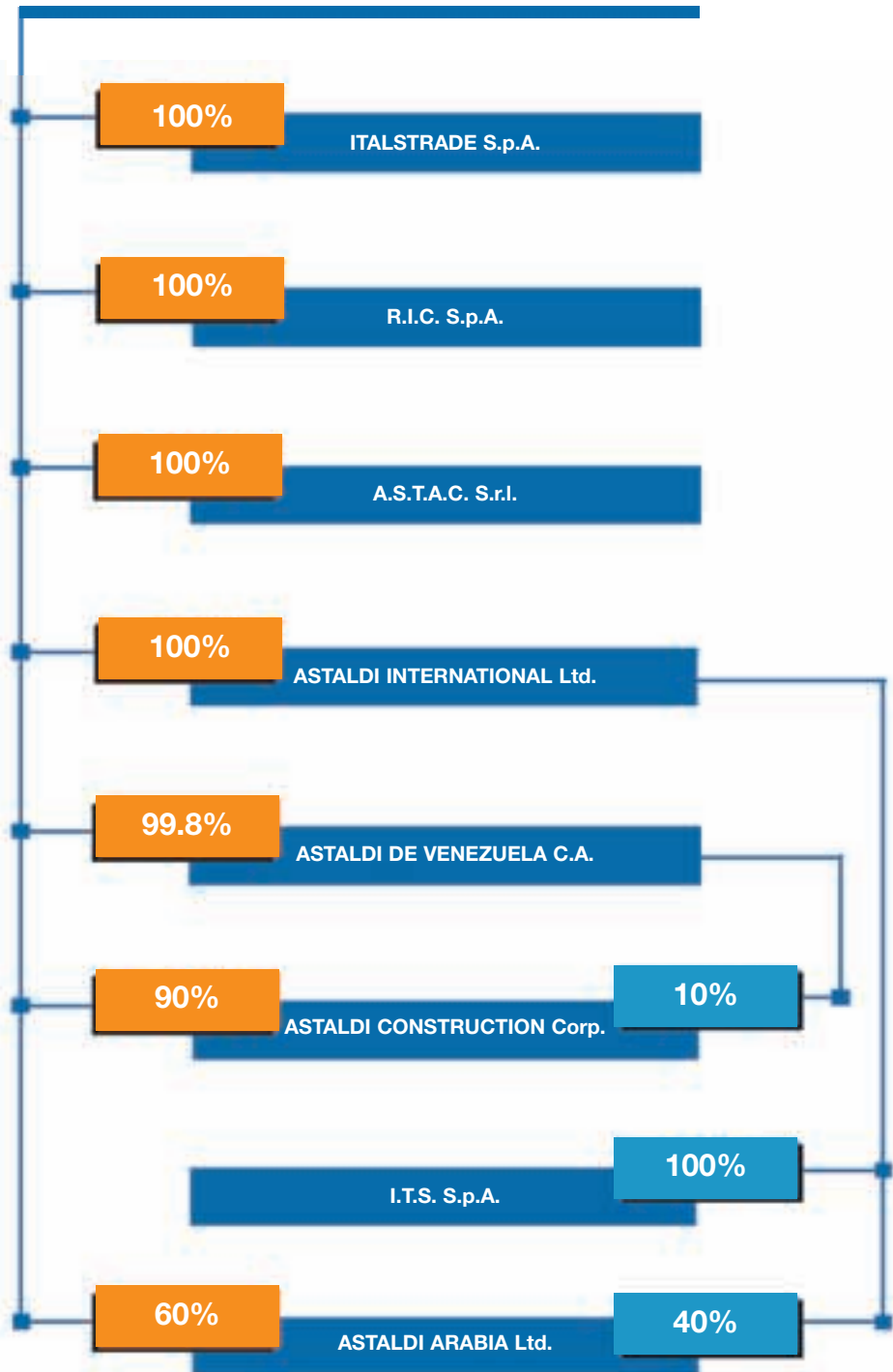
Tanzania
Guinea
Congo
Guinea Bissau

Group Structure



®

ASTALDI S.p.A.



Lines of Business

The Group's business operations are chiefly concerned with the construction of major works, and cover all fields of civil and hydraulic engineering, transport, electromechanics, infrastructures, the environment and the territory. In 2003 the Group maintained its strategic and organisational focus on establishing itself as a General Contractor on the national market and increasing the number of project-financing contracts in its portfolio. During the year, Astaldi promoted several important initiatives, including Line C of the Rome underground, the Salerno-Avellino trunk road and a section of the Salerno-Reggio Calabria highway, and the Appia Antica underpass in Rome.

In the area of *transport infrastructures*, significant work was completed on railways (Rome-Naples section of the High-Speed railway line, the new Bologna Central station, the Turin and Milan rail links in Italy, the Caracas-Tuy Medio and Puerto Cabello-La Encrucijada lines in Venezuela), underground railways (Brescia, Genoa and Naples in Italy, Bucharest, Copenhagen and Los Teques (Venezuela) abroad), roads and highways (the Rome northwest orbital highway, the Anatolian highway in Turkey, the Bucharest-Costanza highway in Rumania), ports and airports (Porto Torres in Sardinia, Otopeni international airport in Bucharest).



In the sector of *hydraulic works and power production plants*, during the course of the year construction continued on the Pont Ventoux hydro-electric plant in Piedmont – the largest power plant currently being built in Europe – and work resumed on the Melito river dam. Key projects abroad included the Nacaome aqueduct in Honduras, the Kramis dam in Algeria and the Sidi Said dam in Morocco.

In *civil and industrial building*, the main works in progress were the New Trade Fair Centre in Milan – which will be Europe's largest exhibition centre – and the new Hospital in Mestre.

In working on these projects, Astaldi also intends to leverage all synergies relating to the management of service concessions in order to take advantage of the opportunities arising from the regulatory changes in the sector of project financing. For example, it is currently executing the project-financed scheme for the construction and management of the new Hospital in Mestre, and in 2003 the consortium led by Astaldi was chosen as promoter for the construction and subsequent management of four hospitals in Tuscany (Prato, Pistoia, Lucca and Massa) and the new Line 5 of the Milan underground. Moreover, it has also acquired concessions in the mobility and utilities sector (four car parks located in Bologna and Turin, and a network of technological tunnels in Cologno Monzese).

FROM LEFT TO RIGHT:

HONDURAS
Nacaome RCC Dam
ALGERIA
Kramis Dam
EL SALVADOR
Paquete III Fast-Traffic Road

The Management Team

The Group's ongoing development and growth is amply supported by highly professional and highly motivated management. Every new initiative is managed by senior personnel who habitually contribute to the determination and achievement of the Group's objectives. Business management is entrusted to a decision-making organisation based on an efficient managerial structure which takes a flexible and dynamic approach to strategy planning.

The Company's organisation structure comprises:

- the Board of Directors, which defines Company policies and strategies. The Board has been chaired since July 2000 by Professor Ernesto Monti, currently chair of Corporate Finance at the LUISS-Guido Carli University of Rome;
- the Chief Executive Officer, whose task is to implement the strategies defined by the Board of Directors by co-ordinating the organisation structure. Since 1995, this office has been held by Vittorio Di Paola;
- two General Managers (Overseas and Italy), who are responsible for the acquisition and management of contracts. The General Manager for International Activities is Giuseppe Cafiero. The General Manager for Domestic Activities is Nicola Oliva;
- the Chief Financial Officer, who is responsible for all the Group's administrative, fiscal, financial and legal activities. Since 1998 this post has been held by Stefano Cerri.

FROM LEFT TO RIGHT:

Dott. Stefano Cerri
General Manager, CFO

Vittorio Di Paola
Chief Executive Officer

Giuseppe Cafiero
General Manager for International Activities

Nicola Oliva
General Manager for Domestic Activities



To enhance motivation and increase the level of involvement of individual managers in the Company's performance, the Board of Directors has adopted a long-term incentives plan for the assignment of stock options, exercisable upon the achievement of specific economic and financial targets.

Strategic Guidelines of the 2004-2006 Industrial Plan

In the three-year period 2004-2006 the Astaldi aims to consolidate its position as the leading General Contractor in the domestic market. Starting from the end of 2004, with the full implementation of the Obiettivo Law and the completion of the preliminary phases of the Group's current contracts, this sector should guarantee further significant growth. During this period, we shall also have the benefit of operating resources becoming available as work is completed on important projects such as the Rome-Naples High-Speed Railway line and the New Expo Fair Centre in Milan.

The three-year plan aims to increase the number of project-financed contracts, with the priority on healthcare, underground railways, highways, the environment and water treatment, where operational and financial capacity requirements will be critical success factors. In this context, the Group proved to be a key market player in 2003 and will continue to be so in the future. In addition to the start-up of work on the New Hospital in Mestre, Astaldi was appointed promoter of two highly prestigious projects, Line 5 of the Milan underground and the hospitals initiative in Tuscany.

In Astaldi's traditional market of major public works, the 2004-2006 plan aims to achieve an exclusive focus on the most important projects, preferably integrated contracts that envisage planning and execution, and offer adequate profitability.



The move towards greater selectivity in work orders in the domestic market is consistent with the strategic guidelines for the international market. Here, Astaldi is committed to maintaining its present level of activity and is ready to explore opportunities in the emerging markets, which offer the possibility of financial and insurance coverage together with attractive prospects for growth.

Therefore, over the next three years our orders book will be oriented towards expansion on the domestic market and a parallel increase in the value of general contracting and project financed orders.

FROM LEFT TO RIGHT:

ITALY
New Milan Expo Fair Centre
ITALY
New Milan Expo Fair Centre
ITALY
New Hospital in Mestre

Corporate Governance

The corporate governance model adopted by Astaldi is in line with the principles of the current *Corporate Governance Code for listed companies*, with the recommendations of CONSOB (Italian Securities and Exchange Commission) and, more generally, with international best practice.

The Astaldi Shareholding body comprises more than 10,000 ordinary Shareholders. According to the Shareholders Register, supplemented by the information received in accordance with Art. 120 of Legislative Decree no. 58/1998 and other information, at 31 December 2003 the Shareholders that directly held more than 2% of the Company's fully paid-up share capital represented by shares with voting rights were as follows.

reference shareholders	
	% share
FIN.AST. S.r.l.	40.211
FINETUPAR INTERNATIONAL S.A.	12.525
INTERBANCA S.p.A.	9.694
CAPITALIA S.p.A.	4.635
FAMIFIN S.A.	2.032
GARTMORE INVESTMENT MANAGEMENT PLC.	2.018

A syndicate agreement was signed by the Shareholders FIN.Ast. S.r.l., Finetupar International S.A. (formerly Finetupar S.A.), Capitalia S.p.A. (formerly Banca di Roma S.p.A.), Interbanca S.p.A. and Famifin S.A. (formerly FA.MI. S.A.) on 6 June 2003, to replace the previous agreement of 10 May 2002.

In short, under the agreement, if a new Board of Directors is to be appointed, the resolutions relevant to the appointment of Directors shall be voted jointly by the parties; the agreement also requires the parties to previously consult one another to consider their respective voting intentions at ordinary meetings called to approve the financial statements and the distribution of profits, and at extraordinary meetings concerning By-Law amendments, mergers and spin-offs.

A central role is played by the Board of Directors, which has overall responsibility for the Company's strategy and organisational policies, and ensures that the necessary controls are in place for monitoring the performance of the Company and the Group. As required by the Corporate Governance Code and by its own resolutions, the Board of Directors:

- examines and approves the strategic plans of the Company and the Group's corporate structure;
- assigns and revokes mandates to the Chief Executive Officer, defining the limits and exercise thereof;
- on the basis of proposals made by the remuneration committee and with the approval of the Board of Auditors, determines the remuneration of the Chief Executive Officer and the Directors holding specific posts;
- oversees the general management of the Company, with particular reference to conflicts of interest, and performs regular progress checks on attainment of targets;

- examines and approves transactions of particular business, equity and financial importance;
- verifies the suitability of the Company and Group organisational and administrative structure deployed by the Chief Executive Officer;
- reports to the Shareholders' Meetings.

The Board of Directors' activities are co-ordinated by the Chairman, who convenes and presides at Board meetings. The Chairman also chairs the Shareholders' Meeting and has powers to legally represent the Company.

The Company Board of Directors is composed of 9 to 15 directors, who are appointed for a period of not more than three years and may be re-elected on ex-



piry of their mandate. The Board currently consists of fifteen members, including ten non-executive directors: the number and authority of the non-executive directors is sufficient to ensure that their opinion carries significant weight in Board decisions; likewise, there is a sufficient number of independent non-executive directors (4).

The Board currently in office, which will be renewed during the course of the next Ordinary Shareholders' Meeting fixed in first call for 30 April 2004, has not considered it necessary to institute a Committee for the appointment of directors, since no difficulties have been encountered in proposing candidates to hold Company offices.

The *Committee for remuneration, stock option plans and assignment of shares* consists of three directors, two of whom are non-executive. Its function is to:

- make proposals to the Board for the remuneration of the Chief Executive Officer and directors holding special posts, and also, in line with the Chief Executive Officer's recommendations, determine criteria for the remuneration of Company senior managers;
- make proposals concerning incentives plans reserved for directors, employees and collaborators;
- give opinions on issues raised by the Board of Directors concerning remuneration or similar matters.

In financial year 2003, the *Internal Audit Committee* continued its work with the support of five members appointed the previous year by the Board of Directors.

FROM LEFT TO RIGHT:

INDONESIA

Balambano Dam

ROMANIA

"Otopeni" International Airport in Bucharest

ITALY

Pont Ventoux Hydroelectric Power Plant

The majority are independent members.

The key duties of the Internal Audit Committee are to:

- assist the Board in performing its duties as required by the Corporate Governance Code;
- assess, together with the Company controllers and auditors, the accounting policies adopted by the Company and their utility for the purposes of the consolidated financial statements;
- evaluate the offers presented by auditing firms for appointment as independent auditors, as well as the working plan drawn up for the audit and the results presented in the report and in the advisory letter;
- report to the Board on the activities carried out and the suitability of internal controls, at least every six months;
- review the Corporate Governance Code on a regular basis.

On 18 March 2003 the Board of Directors approved the *Corporate Code of Ethics*, which defines the general principles and rules of conduct for the Company's relations with Shareholders, the State Administration, suppliers, contractors and sub-contractors.

On 2 July 2003 the Board of Directors approved the *Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001*, which defines:

- procedures for the management of financial resources allocated for the purpose of the prevention of crimes under the Legislative Decree no. 231/2001;
- rules for identification of the Supervisory Body and assignment of specific supervisory duties to enforce the Model;
- information flows to the Supervisory Body;
- communication activities to ensure that all Company levels are aware of the rules of conduct and procedures.

Environment, Quality, Safety

To protect its customers and all other stakeholders, the Group has been using an ISO 9000-compliant Quality system for more than five years.

During 2003, significant enhancements were made to the management system of the Parent Company and some of the main subsidiaries. In September 2003, following the successful audits conducted by the DNV (DET NORSKE VERITAS) certifying body, the Parent Company obtained ISO 9001:2000 quality certification. This also covers the OHSAS 18001:1999 standard for worker health and safety management systems.

During the year, Astaldi conducted a full review of the organisational models of the subsidiaries Italstrade and R.I.C.-Railway International Construction: in August the two companies were successfully audited for compliance and obtained their ISO 9001:2000 certification; for Italstrade, the inspection also covered project planning management.

The Group has always worked closely with local communities and complied with local laws and customs, minimising every kind of environmental impact and ensuring the safety of its employees and other people involved in or affected by its operations.



FROM LEFT TO RIGHT:

ITALY

Rosamarina Dam

EL SALVADOR

Paquete III Fast-Traffic Road

ITALY

Gioia Tauro Port

Corporate Citizenship

Like any large international company sensitive to the issue of sustainable growth, Astaldi places great importance on the environment and culture.

The construction of major works must necessarily reconcile man's need for freedom with respect for the natural environment, and this places an enormous social responsibility on Astaldi. Therefore, the Group has always taken care to accompany business growth with close ties with environmental bodies and organisations. Among these is the FAI (Fondo per l'Ambiente Italiano), the environmental agency that plays an invaluable role in preventing the decline of Italy's artistic and natural heritage. Astaldi is a FAI Corporate Golden Donor.

At the same time, in line with modern concepts of patronage, Astaldi promotes all forms of culture: the Group is a Founding Member of the Fondazione Accademia Nazionale di Santa Cecilia of Rome, the world's oldest musical institution. It also offers extensive support, as an institutional sponsor, to the Società del Quartetto of Milan, a distinguished musical society that has become a leading light of cultural activities in the city.

Firmly convinced of the importance of strengthening communication between business and education, the Group promotes a Master's degree course in Corporate Governance at "La Sapienza" University of Rome.



FROM LEFT TO RIGHT:

ITALY
New Milan Expo Fair Centre
ITALY
Wastewater Treatment Plant in the
Turin Area
ITALY
New Milan Expo Fair Centre

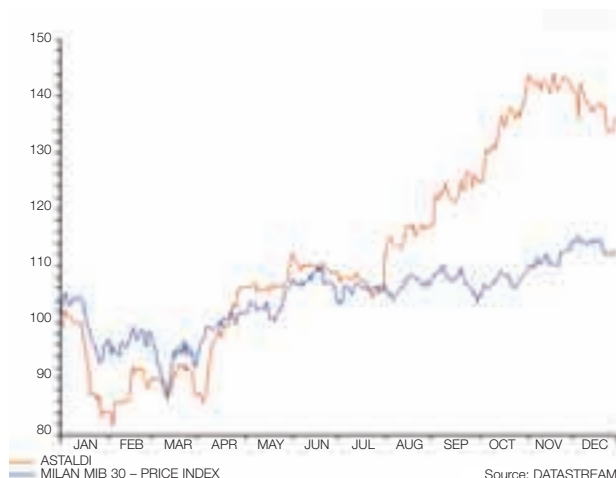
Lastly, at international level, Astaldi supports important cultural and social initiatives, particularly in under-privileged areas. In Tanzania the Group is a member of the Equal Opportunities for All Trust Fund children's programme.

Rumania is another area of interest: as well as promoting exhibitions, conventions and conferences, Astaldi is directly involved – with a declared social intent – in the I.O.R.-Astaldi Women's Volleyball Sports Club, awarding scholarships to the most deserving young athletes.

Communication and the Stock Exchange

During 2003, a year after making its Stock Exchange debut in the Star segment, Astaldi made communication with the financial markets and with stakeholders in general a top priority.

This process, characterised by transparency and based on the communication practices of the leading international groups, was launched symbolically in Milan on 4 April 2003, at the presentation of the 2003-2005 Industrial Plan to financial analysts and institutional investors. The Company has adopted a rigorous policy and omits no details when releasing information. It met the financial community and the business press on another seven formal occasions, demonstrating its readiness to keep the markets informed about the Group's strategy and earnings trends.



A similar rigor in information management is also guaranteed within the Group: to ensure correct internal management and timely public communication of all price-sensitive information, Astaldi uses an internal *continuous information* system. As a next step, a special Evaluation Committee (formed of the Company Affairs and Legal Department, the Investor Relator and his department) has been set up to provide support in the correct interpretation of industry regulations and the drafting and issue of press releases.

Astaldi has also adopted the *Code of conduct regarding insider dealing* required under Stock Exchange regulations. The Code requires the so-called "significant persons" to inform the Company Affairs and Legal Department about transactions on Astaldi shares that exceed specified amounts within a set time period, so that the appropriate disclosures may be made to the market in accordance with regulations. The Code also establishes close periods, i.e. periods of time prior to particularly important events during which "significant persons" are not permitted to transact Company shares.

In order to ensure correct and transparent communication with all the main stakeholders (institutional investors, financial analysts, main clients, potential clients, institutions, opinion leaders and business journalists), once again the Company has decided to make significant changes in the content and style of the annual report, compared with the editions prior to 2002.

All accounting information (financial statements, half-year and quarterly reports) and investor information (press releases, Corporate Code of Ethics, Organisation, management and control model, Code of conduct regarding insider dealing) is available for all interested parties on the Company's web site (www.astaldi.it).

c a l l o f s h a r e h o l d e r s ' m e e t i n g

Call of Shareholders' Meeting

The Shareholders are invited to the ordinary and extraordinary Shareholders' Meeting held at the Rome legal head office, Via Giulio Vincenzo Bona no. 65, on April 30th 2004, at 9 a.m. for the first call and, if necessary, on May 3rd 2004 for the second call, same place and time, to discuss and approve the following agenda.

For the ordinary meeting

- Approval of the financial statements as of and for the year then ended December 31, 2003 and following applicable discussion.
- Renewal of the mandate of the Board of Directors for the 2004-2006 three years period and following applicable discussion.
- Appointment of a new Substitute Auditors as per art. 25, last paragraph, of Company By-Law.

For the extraordinary meeting

- New Company By-Law acceptance.

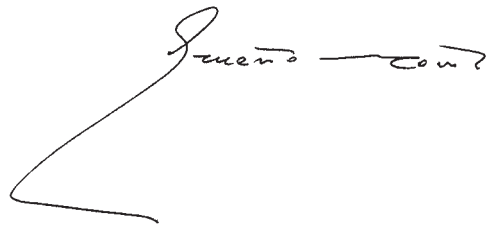
Only the Shareholders in possession of the adequate certification delivered by an authorized intermediary will be allowed to attend the meeting.

To facilitate the verification of the invitation to the meeting, the Shareholders will have to send the necessary documentation to INFOMATH S.r.l. – for the attention of the Mrs. Anna Raviele – Via San Siro no. 27, 20149 Milano (MI), by mail or fax to n. 02/48.10.24.16, at least two days before the first call.

The documentation relating to the points of the agenda, will be filed in the legal Head Quarters and at the Borsa Italiana S.p.A. in the terms and conditions currently in force. Shareholders have the possibility of obtaining a copy at their own expense.

Experts, financial analysts and accredited journalists that desire to attend to the Shareholders' Meeting, have to request attendance to the Astaldi S.p.A. – for the attention of Investor Relations and Corporate Communication Department – by e-mail to investor.relations@astaldi.com or by fax to the n. 06/41.76.67.13, at least two days before the date of the first call.

For the Board of Directors
The Chairman
(Ernesto Monti)

A handwritten signature in black ink, appearing to read 'Ernesto Monti', with a long, sweeping horizontal line extending to the left.

c o n s o l i d a t e d f i n a n c i a l s t a t e m e n t s

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Management Report

Dear Shareholders,

This Management Report on the consolidated financial statements complies with the requirements of the Italian Civil Code. The consolidated financial statements have been prepared as usual, in accordance with the provisions of Legislative Decree no. 127/91.

The macroeconomic scenario

The elements characterising the international scenario in 2003 were the weakening of the US dollar and the economic recovery in Asia, after the slump caused by the spreading of Sars.

The dollar lost about 21% against the Euro during last year. All the major industrialised economies were affected by this weakness, in favour of the emerging areas, besides the United States.

In the United States, the economy continued its rapid course as the result of a series of events: high consumption, favoured by fiscal and monetary measures, increasing investments and a still growing construction sector.

In Japan the economic growth seems destined to continue increasing, even if some indicators are pointing to a slowing down in the recovery. If the investment growth prospects are doubtful, but still positive, concerns over a sustained growth in consumption remain.

Regarding the EU, after an early part of the year characterised by sluggish growth, the Euro zone showed a marked recovery in the second half of 2003 (third quarter figures). Unfortunately, the final data for the fourth quarter cool the European GDP growth forecasts for 2004. In fact, from an expected 2% growth, the forecasts of various macroeconomic studies now give a reduction in growth rate at 1.5/1.7%, mainly due to the continuing decrease in exports and the decline in consumption and investments.

The domestic economy trend does not differ much from the European.

Even in Italy the figures for the last quarter of 2003 showed zero growth with respect to the previous quarter, determining an annual growth in GDP of just 0.4% (the same growth as that recorded in 2002).

Expectations for a rapid end to the stagnation in Italy were quelled by an analysis of the figures for the last quarter: exports were down by 3.8%, gross fixed investments by 1.2% and domestic end consumption decreased by 0.3%. Regarding investments, against a decrease in purchases of vehicles and equipment, only investments in building recorded a positive value (0.1%).

This is the result of a government policy which, through the institution of the law on *General Contractors*, determined a significant change in contracting activities. In fact, during 2003 the contract system recorded an increase, and bigger and more complex works were started up. Therefore, the last three-year period saw a gradual reduction in the category of so-called minor works, where in the past more than half of contracts were concentrated.

During 2003, the big public infrastructures in Italy achieved over 51% of the

overall value contracted out during the year (equal to Euro 14,688 million) and works were started whose size has consequences in terms of the offer, which has to be met with increasingly higher organisational and managerial capacities.

In this context, Astaldi is proving itself able to address the changing market, as seen by the purchases made in 2003 (equal to Euro 1.8 billion). It should also be pointed out that the new element with respect to the previous market is *project finance*. The importance of the offers in relation to which Astaldi has become an organiser and those submitted and awaiting decision by the Public Administration, indicated that the course of partnership between public and private is not only an “organisational method” for public works but can also represent an incentive for growth.



In fact, in all these cases we are always referring to works whose size and complexity require a special organisational and managerial capacity, such as the project for the Milan Underground Line 5, the Appia Antica Underpass in Rome, Rome Underground Line C, the Salerno-A30 motorway junction and works in the hospital building sector, like the New Hospital in Mestre and four hospitals in Tuscany (Prato, Pistoia, Lucca and Massa): for these projects see the specific chapter on the domestic market.

ITALY
New Hospital in Mestre

Stock markets

During 2003, if on the one hand the American market benefited from the positive news concerning macroeconomics, on the other it was checked by the still very real fears regarding the international situation. The MSCI USA index gained over 3% (approx.).

The same can be said for the European market, which was positively impacted by the improved macroeconomic prospects. The MSCI AC Europe index recorded a performance exceeding 9%, whereas the MIB30 in Piazza Affari is up by more than 10% with respect to the start of the year.

Regarding the Japanese market, after the excellent performances in the first nine months, the last quarter of 2003 saw a rather sluggish phase, as usually occurs for this market (MSCI Japan index: + 0.8% approx.).

Positive results were also recorded in the markets relevant to the emerging countries, and whose most representative index (MSCI EMF index) rose by over 7%.

Domestic market

In 2003, investment in the building sector, and the property sector in particular, was one of the most dynamic components of the GDP, confirming a growth that has continued for the last five years. Public works now, and will, represent the real fly-wheel of the country's economic growth: in fact the employment growth rate in the building sector was double that recorded for the entire economic system. According to A.N.C.E. (*National Association of Building Constructors*), this positive *trend* for public works should be confirmed in 2004, with an estimated growth rate of 3.5%.

Expectations in relation to the recovery of this sector are therefore solid, as are the intentions expressed in the economic and financial planning documents: with the approval of the Objective Law ("Legge Obiettivo", Law no. 443/2001), the Government materialised its intention to relaunch the big infrastructural interventions whose works, defined as "strategic", were identified at the end of 2002 by a C.I.P.E. (Interdepartmental Committee for the Economic Planning) resolution. Even if one can still not speak of a full enactment of the law, as the regulation determining the company qualification system is under discussion, the execution of big projects will certainly see an increased involvement of those firms which over time have developed a considerable management capacity (*General Contractors*) and that have an asset solidity enabling access to financial credit and the capital market.



FROM LEFT TO RIGHT:

ITALY
New Milan Expo Fair Centre
ITALY
Rome Underground
ITALY
Futani-Centola Fast-Traffic Road

Within this context analysts and observers believe that one of the main problems will be the capacity for expenditure of the public sector with respect to available resources. Certainly, there are difficulties of a financial nature that the Government made clear through a limitation of expenses foreseen for 2004. However, during the year the market will in any case be engaged in utilising the funds already allocated. Therefore the Bodies and Administrations will be increasingly involved in the progress of already started projects (e.g. the program relevant to High-Speed Railway, upgrading the Salerno-Reggio Calabria Motorway, etc.) and executing tender procedures for those works defined as "strategic" (above all the Bridge on the Strait of Messina), orienting its efforts so that a considerable number of interventions obtain final approval and the preparation for tender, in order to benefit from the relevant finance made available by the 2004 budget for 2005 and 2006. In fact, in its strategic plan ANAS S.p.A. gives top priority to speeding up the work for recovering the gap with respect to previous years.

Such an approach essentially comes from awareness of the need for new infrastructures inherent in the new economic models towards which the Italian system

is turning; models requiring more and more works and infrastructures to exit the traditional life-cycle of constructions and that with new elements, such as *project finance*, establish a new scenario differing from the traditional.

Foreign market

The international scenario is characterised by a situation of weakness mainly due to a climate of uncertainty and insecurity caused by the Iraq crisis and the constant threat of terrorist attacks.

Nevertheless, observers agree that 2004 should represent the turning-point year destined to restore growth to the levels of the '90s.

As already mentioned, the USA market is the one showing the strongest signs of recovery, despite a big deficit to be made good.

The United States government recently approved the new infrastructure finance plan (TEA) that sees California and Florida among the states privileged by increased allocations. In this respect, the prospects of the activities of Astaldi Construction Corp. in Florida appear particularly good.

Latin America shows a decidedly more articulated and uneven scenario due to the big structural differences of its various countries.

A number of factors such as low interest rates that should bring sure benefits to those countries resorting to the capital market (except Argentina), the increased price of oil (of which Venezuela and Brazil are producers) and the lower US dollar, that should have a positive effect for countries importing from the USA, would justify a forecast 4% annual growth for that continent, at least for the next 2 years (Venezuela +7% for 2004).

For the non-European market, the lack of interesting prospects has confirmed, in the conviction and actions of Astaldi, the closure plan of countries in the sub-Saharan area. This plan was undertaken in previous years and is now almost completed (the last activities in progress in Guinea Conakry and Tanzania are in the final stage, whereas the abandonment of countries like Rwanda, Zaire and Burundi is substantially completed).

The economic development forecasts for Eastern Europe also point to growth, due to the competitive cost of labour on a European level, the increase in the cost of raw materials and, for those countries whose entry in the EURO area is forthcoming, the financing foreseen for infrastructure upgrading.

In this context, the Group has mainly concentrated on markets where a presence consolidated over the years can guarantee greater stability also for the future, and where there are favourable development opportunities, such as the United States, Central America, Venezuela and the Maghreb and the Middle East.

In Central America and the USA in particular, the trend is extremely satisfactory, which also makes it possible to confirm that the current levels of activity reached will continue in the future. In Latin America the Group's presence is currently concentrated in Venezuela, where it is deemed that the present projects on hand, of priority importance for the country, are the only interesting ventures and that any further development of activities would increase financial requirements and the risk profile; during the year further commercial activities were in any case undertaken in other countries in the area, such as Chile and Peru, in order to ascertain the potential offered by the relevant markets.

2003 also saw a continuation of the strategy of diversifying attention towards the Middle East, where we are present in the industrial plant sector, in partnership with big international operators, through two projects: one in Qatar, and the other in Saudi Arabia (the latter being completed). It is deemed that in this market, where the planned investments are huge, further market shares can be acquired in reasonable times.

The policy of alliances and industrial synergies

Even before becoming final, the introduction of the Objective Law has profoundly changed the reference market by identifying the key role of the *General Contractor* as a party able to guarantee completion of a work in respect for execution times and costs, and undertaking full responsibility.

This new context gives increasing importance to the ability to create alliances with *partners* able to share the commitments from both a financial and operational standpoint.



FROM LEFT TO RIGHT:

SAUDI ARABIA
Yanbu Acetic Acid Plant
MOROCCO
Sidi Kacem-Meknès Railway
Modernisation

It is therefore opportune and strategically important to concentrate the Group's activities on the management of major works through alliances for valorising the development of its management capacities, both in relation to the coordination of small and medium-size companies in the production phase, and in engineering, planning and control activities which, together with proper procurement programming, enable risk factors to be minimised.

Balanced financial planning of the contract also becomes all-important; management of the financial risk is thus more articulated and requires the development of new models, borrowed from experience gained in the international context, and from possible synergies between financial institutions and the world of General Contractors.

It is precisely by the financial sector approaching the new *modus operandi* of the General Contractor that will define the criteria for selecting partners with whom to share the risk and opportunities presented, in the medium term, by the ambitious objective of implementing the Objective Law.

Such a context should valorise the strategic importance of agreements entered into with leading companies, having complementary expertise and experience in the execution of integrated transport systems, that can offer the possibility of competing effectively for the planned investments in the sector.

At the same time, the policy of diversification into complementary sectors is being implemented by means of a gradual planned increase in the licensing

sector, enabling exploitation of the synergies between the production process, the Group's core business, and the subsequent work management activities.

Reorganisation of equity holdings

2003 saw the implementation of the policy of optimising and rationalising the Group's activities, as well as limiting company operating expenses, which, as outlined during the industrial planning phase, aims to strengthen the Group and enable it to address an Italian and foreign market requiring increasingly higher technological and competitive capacities together with increasing specialisation and qualification.

In this context, on 30 July 2003 the Board of Directors decided the merger of R.I.C. – Railway International Construction S.p.A., operating in the track equipment sector, and Italstrade S.p.A., both entirely controlled by the Parent Company, Astaldi S.p.A..

This operation, to be carried out in early 2004, effective as of 1 January, will allow Italstrade to focus on and strengthen its operational framework in the construction and maintenance of medium-size transport infrastructures (road and rail); a sector in which, over the years, this company has acquired an appreciable independent market position.

It should also be pointed out that, completing the actions undertaken within the widest sphere of reorganisation of its equity holdings, the Parent Company decided to rationalise the management of its foreign holdings (companies – consortia – joint ventures) which substantially completed the operative phase of its activity, entrusting a dedicated unit, equipped with the necessary human and technical resources, with management of the completion and liquidation phases, also through the direct transfer of single bodies, in order to obtain the maximum benefit possible.

For the purpose of implementing the above, the Parent Company chose Astaldi International Ltd., an entirely controlled company, as the suitable party for pursuing the set goals.

Operational network

During 2003, the Group's operational network developed through the activity of 29 foreign branches (operating as sub-offices) and over 200 firms located in Italy and abroad, 68 of which subject to a dominant influence exercised by the Parent Company.

Moreover, there were numerous management, financial and economic relations between the Parent Company and the legally and financially independent operating units, as is normal in a sector where there is concrete and varying dominance or influence. The relations of a particular nature, significance or entity have been detailed in the Notes and commented on in the description of the operating units, which follows.

Economic, asset and financial trend of the Group

In line with that stated in the strategic planning phase, the results achieved by the Group during 2003 show a strengthening of its competitive positioning, both in Italy and abroad, seen in more and qualitatively better orders on hand.

The following table gives the main data for the Group, in millions of Euro.

main data for the group		
(in millions of euro)	2003	2002
value of production	923	817
fixed assets	203	200
net financial indebtedness	128	119
operating result	66	64
result before taxes	29	26
taxation	(7)	(11)
net profit	22	15
self-financing (net profit + depreciation and amortisation + provisions)	69	40

At 31 December 2003, the Group is engaged in the execution of works in 17 countries, mainly in the sector of rail transport infrastructures, with over 7,000 employees. The value of production is equal to Euro 923 million, recording an increase of 13% with respect to 2002, despite a significant weakening of the US dollar which determined a lower production value equal to approx. Euro 50 million.

Contributing to this satisfactory result was the positive trend of revenues for services and contracts, for a value of Euro 870 million (up 14.9% on 2002), 48.9% of which relevant to activities carried out in Italy and the remaining 51.1% to activities abroad. When compared with 2002, the distribution by geographic area of production for 2003 confirms the trend, already started in the previous year, which shows a prevalence of the domestic component of activities carried out, in line with the strategic lines of the Industrial Plan 2003-2005 approved in March 2003. The higher incidence of internal production with respect to foreign production is mainly due to the important contribution of the contract for the construction of the New Expo Fair Centre of Milan which, started in October 2003, at 31 December is already more than 38% completed. In line with that stated in the industrial planning phase, the positive trend in construction of the New Expo Fair Centre of Milan has also significantly contributed to increasing the incidence of the civil and industrial building sector in general contracting. The achievement of this result does not stop the transport infrastructures from still representing the Group's reference activity sector, both in terms of turnover and sectorial specialisation. In this respect it is important to point out that most of the projects relevant to the Objective Law are foreseen in this sector.

The good economic trend in the year is also seen in a considerably higher gross operating margin and EBITDA compared with 2002; in fact, the values of these items show the Group's increased profitability and subsequent greater self-financing capacity.

Contributing to this result was the lower incidence of costs on total revenues. In

particular, production costs amount to approx. Euro 671 million, representing 72.6% of the total value of production, against 73.7% recorded in 2002, whereas the cost of labour is approx. Euro 123 million, which translates into an incidence of 13.3%, equal to that shown in 2002.

This gives a gross operating margin of Euro 130 million, which is up 22.6% on 2002.

This result, against sundry operating costs equal to Euro 16 million – down 3.8% compared with 2002 thanks to more attention to overheads – gives an EBITDA of Euro 113 million, representing 12.3% the value of production with an growth of 26.9%, indicative, as already pointed out, of the Group's increased self-financing capacity.

On the other hand, amortisation and depreciation amounts to Euro 46 million, which translates into an incidence of 5.0% on the total value of production. This item has increased by 26.6% compared with the previous year, mainly due to the project relevant to the Verona-Padua section of the High-Speed Rail link, which saw the complete amortisation of engineering costs capitalised and recognised in arbitration. In fact, on 17 July 2003 the dispute regarding the above-mentioned rail section, that involved Consorzio Iricav Due (in which Astaldi has a 32.99% stake) and TAV S.p.A., came to a conclusion with the closing of the relevant arbitration proceedings, that involved recognition of the planning activities and costs incurred, and the increase in works on hand following the assignment of the Verona-Padua section. It must be remembered that, according to the re-activation of the original contract, payment of the contractual advance is required for this section.

This gives an operating result of Euro 66 million, equal to 7.2% of the total value of production, for a net result of Euro 22 million, against a value of approx. Euro 15 million recorded at the end of 2002.

Financial year 2003 is characterised by appreciable results in financial as well as economic terms.

Regarding the Group's financial and asset position, a comparison with the figures recorded for 2002 gives a substantial stability in the working capital, even despite significant growth in production during the year and a more vigorous cash-flow trend compared with 2002.

Net assets, equal to Euro 203 million, underwent minor increases as a result of the investments under the three-year plan already made in the previous year. The main changes recorded in 2003 concerned investments made by the subsidiary Astaldi Construction Corporation for strengthening activities in the United States; this policy, defined after the excellent results achieved in the year in terms of increased portfolio and operating result, represented the definite confirmation of Astaldi's interest in operating on a regional level in the state of Florida.

Regarding equity investments, this item recorded a decrease on an annual basis mainly due to the Group's rationalisation process which, as planned, provides for the closure of some areas that are no longer deemed strategic, such as sub-Saharan Africa, in addition to a rationalisation of the Group's holdings in Central America.

The item investments includes own shares for a total of Euro 2.38 million, purchased under the buy-back plan approved by the Shareholders' Meeting on 5 March 2003, for a period of 18 months. The average purchase value of the

1,255,900 shares in portfolio is Euro 1.9, against a monthly average reference price of Euro 2.7 recorded in February.

Moreover, holdings and financial credits include the initial investments for activities in *project financing* – such those relevant to the incorporation of project companies for the construction and subsequent management of the New Hospital in Mestre –, in addition to other loans tied to the construction and management of 4 car parks in Bologna and Turin.

As already pointed out, the financial and asset trend for the period is even more appreciable when correlated with the increased volume of activities recorded during the year.

All-important in that respect were the considerable revenues recorded during 2003 and particularly in the last quarter of the year, relevant to contracts in progress in Turkey and Venezuela.

During the last part of the year S.A.C.E. (Italian Exporter Credit Agency) reopened the lines of credit to Venezuela, enabling the stipulation, last December, of the export financing operation – managed by Société Générale and Banca Intesa – relevant to the contract for the Puerto Cabello-La Encrucijada Railway being built in that country.

Regarding the Group's activities in Turkey, last December Astaldi received a further payment relevant to credits accrued in the execution of the Istanbul-Ankara Motorway contract. The proceeds equal to USD 50 million, represent the final settlement of the amount due by the General Management of Turkish Motorways for works carried out by Astaldi from 2001 to 2003. Total proceeds received in 2003 therefore amount to USD 118 million.

In fact, the export financing signed on 29 September 2003 came into force at the end of December 2003, guaranteeing the Turkish Government complete availability of the financial resources needed to complete the work. It is pointed out that the financing transaction, managed by MCC and WestLB, provides for an export credit of USD 217 million and a commercial loan for USD 88 million.

Regarding the net financial position, a breakdown of the main data is given below.

c o n s o l i d a t e d n e t f i n a n c i a l p o s i t i o n		
(thousands of euro)	2003	2002
short-term financial debt	(100,347)	(114,251)
medium to long-term financial debt	(75,072)	(39,675)
cash and cash equivalents	149,983	155,261
long term financial receivables	73,020	56,399
total ordinary finance	47,585	57,734
eurobond	(150,000)	(150,000)
leasing	(25,898)	(26,872)
total net financial position	(128,313)	(119,138)

A comparison with 2002 shows a marked improvement in terms of risk for the Group; in fact the consolidated financial and assets structure at 31 December 2003 gives a balanced position able to ensure a sustainable growth, i.e. compatible with the financial commitments taken on.

The Group's financial policy aimed at supporting operating activities through the management of finance dedicated to the single projects, together with a stabilisa-

tion of financial flows tied to foreign activities, makes the planning of production activities possible without a particular increase in the invested capital.

The aim of limiting the *Debt/Equity ratio* within the unit is amply respected despite the considerable commercial effort made by the Company during the year and the investments in the qualitative growth of resources.

It must be pointed out that the net financial debt includes financing relevant to four car parks managed in Italy and project financing operations for a total of Euro 20 million. The repayment of these investment is assured by the future flows resulting from the management, thus not implying recourse to the Parent Company's guarantee.

The net financial position of the non-consolidated companies is largely positive.

The improved financial dynamics have enabled the operating activity to be supported with less and less recourse to provision transactions, such as advances on credits.

Net assets, of approx. Euro 227 million, record a change in the period due to the profits for the year, the distribution of dividends and the change in the conversion reserve, whose value discounted the effect of the weak US dollar. A prudent exchange risk coverage policy was prepared to address this phenomenon; in fact, the transfer procedure adopted provides for conversion at the exchange rate in force at the closing date, and is thus influenced by the current weakness of the US dollar. This policy, aimed at managing the exchange rate variable, is effective also because about one third of the Group's turnover is realised in US dollars or in currencies linked to the same.

The consolidated Profit and Loss Account and Balance Sheet, expressed in the reclassified format, as well as the cash-flow statement, are given below. The values are expressed in thousands of Euro.

consolidated profit and loss account

(thousands of euro)

	2003	%	2002	%
revenue from services and contracts	870,145	94.3%	757,418	92.8%
other revenue and income	52,640	5.7%	59,097	7.2%
value of production	922,785	100.0%	816,515	100.0%
costs of production	(670,152)	(72.6%)	(601,934)	(73.7%)
added value	252,633	27.4%	214,581	26.3%
personnel	(122,865)	(13.3%)	(108,201)	(13.3%)
gross operating margin	129,768	14.1%	106,380	13.0%
other charges	(16,457)	(1.8%)	(17,099)	(2.1%)
ebitda	113,311	12.3%	89,281	10.9%
amortizations and depreciations	(45,693)	(5.0%)	(36,080)	(4.4%)
provisions	(1,174)	(0.1%)	10,841	1.3%
operating result	66,444	7.2%	64,042	7.8%
net financial income (charges)	(27,458)	(3.0%)	(25,072)	(3.1%)
revaluation (write-down) of equity	(4,967)	(0.5%)	(6,610)	(0.8%)
net extraordinary income (charges)	(4,982)	(0.5%)	(6,149)	(0.8%)
profit before tax	29,037	3.1%	26,211	3.2%
income tax	(14,994)	(1.6%)	(8,861)	(1.1%)
current (deferred) tax	8,136	0.9%	(1,839)	(0.2%)
net profit for the period	22,179	2.4%	15,511	1.9%
minority interests profit (loss) for the period	217	0.0%	(442)	(0.1%)
group net profit for the financial year	22,396	2.4%	15,069	1.8%

reclassified consolidated balance sheet

(thousands of euro)

	2003	2002
net intangible assets	52,191	58,292
net tangible assets	106,318	93,725
equity investments	28,361	33,909
other net fixed assets	16,296	14,398
total net fixed assets (a)	203,166	200,324
inventories	41,316	40,620
contracts in progress	187,373	198,343
trade debtors	217,355	236,738
other assets	207,542	224,869
advances	(84,919)	(133,362)
subtotal	568,667	567,208
trade creditors	(196,399)	(195,154)
other liabilities	(142,832)	(144,453)
subtotal	(339,231)	(339,607)
working capital (b)	229,436	227,601
employee severance indemnity	(12,189)	(11,970)
contractual risks provision	(51,599)	(50,650)
other provisions	(13,220)	(23,855)
total provisions (c)	(77,008)	(86,475)
net invested capital (d)=(a)+(b)+(c)	355,594	341,450
cash and current financial receivables	149,983	155,261
long term financial receivables	73,021	56,399
medium to long-term financial debts	(246,099)	(212,594)
short-term financial debts	(105,219)	(118,205)
net financial debts (e)	(128,314)	(119,139)
consolidated group equity	227,122	222,004
minority interests	158	307
equity (g)=(d)-(e)	227,280	222,311
personal guarantees	1,695,806	1,653,148
factor for risk regression	86,168	164,806
othe off-balance sheet accounts	29,660	27,452
third party guarantees in our favour	22,189	21,932
total off-balance sheet accounts	1,833,823	1,867,338

consolidated cash flow statement

(thousands of euro)

	2003	2002
operating activities		
group net profit	22,395	15,070
deferred tax assets	(8,136)	1,839
depreciation of tangible assets	18,756	13,902
amortisation of intangible assets	26,937	22,178
provisions for risks and charges and write down of equity investments	33,990	18,493
provision for employee severance indemnity	4,421	5,046
provision for doubtful debtors	200	14,400
loss on disposals of fixed assets	236	385
gains on disposals of fixed assets	(705)	(1,932)
subtotale	98,094	89,381
utilization of provision for risks and charges	(32,251)	(40,210)
employee severance indemnity paid	(4,202)	(1,703)
decrease (increase) in inventory	(697)	(5,944)
decrease (increase) in contracts in progress	10,970	8,648
decrease (increase) in trade debtors	(43,007)	(57,813)
decrease (increase) in other assets	(11,101)	(14,217)
(decrease) increase in advances	13,947	55,912
(decrease) increase in trade creditors	1,245	41,362
(decrease) increase in other liabilities	(311)	(58,958)
net effect of change in consolidation areas	173	(4,948)
cash flow from operating activities a)	32,860	11,510
investment activities		
purchase of tangible assets (including leasing)	(40,186)	(60,079)
increase in intangible assets	(15,904)	(44,259)
proceeds from sale of tangible assets	9,284	20,531
(purchases) sales of equity investments	(3,803)	(13,688)
net effect of change in consolidation areas	(4,910)	670
cash flow from investment activities b)	(55,519)	(96,825)
financing activities		
increase (decrease) in short-term bank and other borrowings	(12,986)	(39,440)
net balance of loans obtained (repaid) during the year	33,505	(52,812)
increase (decrease) of financial assets equities that are not fixed assets	13,447	24,247
payment of dividends	(4,916)	(13,403)
issuance of debenture loan	0	150,000
capital increase	0	62,930
cash flow from financing activity c)	29,050	131,522
effect of change in consolidation area		
change in minority interests equity	(148)	301
other changes	(175)	833
change in conversion reserve	(11,346)	(27,661)
variation in conversion and consolidation reserves d)	(11,669)	(26,527)
cash flow for the year a)+b)+c)+d)	(5,278)	19,680
cash and cash equivalents at beginning of year	155,261	135,581
cash and cash equivalents at end of year	149,983	155,261
cash flow for the year	(5,278)	19,680

Investments

As can be seen from the cash-flow statement above, investments effected during the course of the financial year at a consolidated level amount to 60 million Euro, which break down as follows.

n e t i n v e s t m e n t s	
(millions of euro)	
tangible assets	40
intangible assets	16
shareholdings	4

As explained above the 2003 accounting year has been characterized by an increase of productive assets both in Italy and abroad.

These effects have been planned in the previous years where an important investment reorganization and an increase of equipments, both technical and operational, have taken place.

As a consequence, the financial year 2003 has registered an "ordinary" investment trend such as the strengthening of technical equipment in the countries where the Group is operating by direct assets.

Dealing with the operations in equity investments of 2003, the Group began the payment in the mandatory arrears of subscribed capital in the company set up in order to build and successively manage the New Hospital in Mestre.

Quality

In line with that planned on a Group level, significant events concerning the development of the Parent Company's management system and that of some of the main subsidiaries occurred in 2003.

In September 2003, after upgrading the management model according to the new regulatory scheme represented by the ISO 9001:2000 standard, subsequently supplemented with standards OHSAS 18001:1999 on Company management systems for health and safety in the workplace, the Parent Company obtained quality system certification to ISO 9001:2000 standards, after passing the audits carried out by the DNV Certification Body.

Similarly to that carried out for the Parent Company Astaldi S.p.A., the respective organisational models were completely redefined for the subsidiaries Italstrade S.p.A. and R.I.C. - Railway International Construction S.p.A.; audited in August by the Certifying Body, after meeting the regulatory requirements they were issued quality system certification according to the ISO 9001:2000 standard, which, for Italstrade S.p.A., was also extended to management of planning activities.

This certification, together with the SOA certificate obtained on 17 November 2003 in the OG1 and OG3 categories for classification VIII, OG5 and OG11 for classification VII, OS4 for classification IV and OG8 for classification III, constitutes the framework of requisites for qualifying as Executors of public works in Italy.

Research and development activities

The Group did not incur costs for research and development activities.

Human resources

In line with Group's human resources valorisation development and loyalty policy, in 2003 a project for strengthening the personnel management valorisation system was started.

The introduction of a data processing system has enabled the real-time updating of quality information relevant to the personnel of the Parent Company and its subsidiaries, and an objective and qualitative-quantitative organic analysis for homogeneous professional groups as well as single positions.

The results of the research and concurrent inflow of new resources, determined by the generation change – 53 graduates were hired in 2003 – have led to a perfecting of the employment plans relevant to new resources. At present the new-engagement phase comprises a two-year coaching and training program managed by a reference tutor monitored on a six-monthly basis by an assessment committee formed of top management.



At the same time, specific training plans have been created for existing resources in worksites and at the offices. The training programs, prepared according to needs expressed by the various professional groups, concerned many technical-specialised areas and transverse functions: personnel management, project management, project control, updating of sector standards, quality and safety, improving foreign language skills, etc.

With the aim of preserving and developing the Group's wealth of expertise, the training plans are designed as an integral part of a growth shared and agreed on between the company and personnel, in view of a long-term investment in expertise and the definition of career paths based on merits and professionalism acquired.

Orders backlog

While waiting for the various initiatives under the Objective Law and related regulations to become fully operational, during the year the Group had a considerable success in terms of new orders acquired.

In fact, in 2003 new orders for Euro 1,838 million were acquired. Therefore, at 31 December 2003 the total value of the Group's orders backlog amounts to Euro 4.4

FROM LEFT TO RIGHT:

ALGERIA

Kramis Dam

TURKEY

Anatolian Motorway

EL SALVADOR

Paquete III Fast-Traffic Road

billion, recording an increase of 28% with respect to 1 January of the same year; a result much higher than the target given in the industrial planning. In fact, both in quantitative and qualitative terms, the work portfolio represents the early achievement of the target declared in the strategic planning phase for the year-end 2005.

This result is even more appreciable considering that the value given does not take into account those projects for which the Group has already been appointed organiser in accordance with Art. 37 bis and subsequent of the Merloni Law (Law no. 109/1994 as amended). In fact, according to current Italian law on project finance, the appointment as organiser gives the same the right of pre-emption to be exercised with final execution of the tender. Nevertheless, it is the Group's established policy to include in the orders portfolio only those works definitely acquired and entirely financed, therefore these orders will influence the value of the existing portfolio only when such conditions occur.

Merely by way of example, it is pointed out that if the construction amount relevant to those initiatives under project finance for which the appointment of the Group as organiser has already been formalised, is also taken into account, orders on hand would amount to approx. Euro 4.7 billion.

The following tables show the development of orders backlog and therefore the trend in acquisitions by type of contract and geographic area.

The data confirm the attention paid by the Group to the domestic market, and in particular to those contracts that guarantee a strengthening of the role of General Contractor. This policy is aimed at concentrating Company resources on the management of complex contracts for large amounts, characterised by a higher profitability than that offered by the traditional market of public contracts.

trend of orders backlog by type of contract

(millions of euro)

	01.01.03	acquisitions	production	12.31.03
railways and undergrounds	905	1,429	(322)	2,013
roads and motorways	808	180	(265)	723
airports and ports	82	29	(22)	89
hydraulic and hydroelectric plant contracts	346	82	(115)	313
civil and industrial building	543	3	(147)	399
licences	755	115	0	870
total portfolio	3,439	1,838	(870)	4,407

trend of orders backlog by geographic area

(millions of euro)

	01.01.03	acquisitions	production	12.31.03
Italy	2,218	1,407	(425)	3,200
abroad	1,221	431	(445)	1,207
total	3,439	1,838	(870)	4,407

Given below are the main projects included in the existing works portfolio.

Domestic scenario

In line with the considerations made concerning the scenario and awaiting approval of the regulation which will give the market definitive indications regarding participation methods and award criteria of a tender, in 2003 the Group confirmed the orientation of its strategic and organisational policies towards an affirmation of the role of General Contractor in the national market and the pursuit of initiatives to be realised in project finance.

Regarding projects in progress, in 2003 the Group, already engaged in the construction of the Rome-Naples stretch of the High-Speed Railway, was awarded – through Consorzio Iricav Due (32.99% owned by Astaldi) – the contract for constructing the Verona-Padua section. The share of works for the construction of this section amounts to approx. Euro 868 million for Astaldi S.p.A.; a value that could increase in the event of a variant relevant to the construction of Vicenza Station. It is pointed out that following the approval, on a European level, of the Van Mijert Plan for the execution of an integrated system of infrastructures, this work has become a priority in being part of the larger project relevant to the so-called Corridor 5, for the Lyons-Bucharest link. During 2004, the Group will therefore be engaged in developing the final project for the Verona-Padua which, once approved by the orderer TAV S.p.A., will enable the signing of the supplementary document to the agreement.

Again in the area of High-Speed Railway programme, in the second half of 2003 the Group was awarded the contract for the construction of the New Central Station of Bologna. This work order, worth Euro 289 million, will last for 4.5 years and its awarding confirms the Group's ability to operate as a General Contractor with top technical-managerial requisites.

On the other hand, regarding project financing activities, during the year the Group was appointed organiser of two important initiatives.

On 4 November 2003 the appointment as organiser of Astaldi S.p.A., heading a group of firms, for the planning, execution and subsequent management of the Milan Underground Line 5, was formalised. For the construction part alone, the project is worth approx. Euro 504 million, Euro 193 million of which borne by the licensee and the financing banks, and the remaining amount of Euro 311 million by public grant. The duration of the works including the planning phase is 5 years, followed by 27 years of management. The relevant licence contract will presumably be formalised by the end of 2004, after completion of the tender and the negotiated procedure in which the combine led by Astaldi S.p.A. will enjoy the right of pre-emption, in being the organiser. The work provides for the construction of a completely automated and driverless underground line, to be built according to the model already executed with the contribution of Astaldi S.p.A. in Denmark and currently under construction also in Brescia. The new Milan Underground Line will be over 5 km long and will connect Garibaldi Station with Via Bignami, towards the northern boundary of the municipal area.

The Milan Underground Line 5 will be the first urban transport work built in Italy through project finance; a sector in which Astaldi S.p.A., already awarded the contract for the construction and management of the New Hospital in Mestre, is a confirmed protagonist.

And still regarding transport infrastructures, in December 2003 Astaldi S.p.A., as

the leader of a combine, submitted a proposal under project financing to Rome City Council for the construction and subsequent management of the "Line C" underground section.

During the same year, the Company submitted offers under project financing in the roads and motorways sector, and whose outcome is awaited (Underpass of Appia Antica in Rome, and the Salerno-Reggio Calabria Motorway).

With reference to the latter, last December Astaldi S.p.A. submitted a preliminary project to ANAS for the upgrading and subsequent management of the Salerno-A30 Motorway junction and a part of the Salerno-Reggio Calabria Motorway. The project, worth approx. Euro 210 million for the construction part alone, provides for the upgrading of the Salerno-Fisciano section of the Salerno-Avellino Expressway and additional adaptation works for the Salerno-Sicignano degli Alburni section – approx. 54 km – of the Salerno-Reggio Calabria.

Regarding the projects already started and financed, as the representative, Astaldi S.p.A. is engaged in drawing up technical-financial offers concerning the assigning, as General Contractor, of the works relevant to the adaptation of the section between Scilla and Reggio Calabria of the Salerno-Reggio Calabria motorway and the Catania-Siracusa motorway link.

With reference to the hospital building sector, in December the combine led by Astaldi S.p.A. was chosen as the organiser for the construction and subsequent management of an integrated system of four hospitals in Tuscany (Prato, Pistoia, Lucca and Massa). This appointment confirms the value the Company is able to offer according to a plan which, directly tested in the field with the New Hospital of Mestre, is proving to be extremely valid. The four hospitals in Tuscany, worth – for the construction alone – Euro 330 million (Euro 88 million of which borne by private parties), will make over 1,700 beds available for health care.

The interest shown by Astaldi S.p.A. in the initiatives for the Strait of Messina is also pointed out. To date, the Board of Directors of the company Stretto di Messina S.p.A. has approved the guidelines of the tender for building the bridge and the choice of a single *General Contractor*, in charge of the executive planning and construction of the entire work. In awaiting the agreement between the licensee, the Stretto di Messina company, the Assignor, and the Ministry for Public Infrastructures, Astaldi S.p.A. signed an informal agreement for the established of an "Italian Consortium". This consortium, whose members include Italian and foreign firms, is led by Astaldi S.p.A., with 25%, and Impregilo, with 30%. The objective, in case of being awarded, is to form a pole able to operate as *General Contractor* and to execute the work with the highest level of Italian entrepreneurship in the field of large public works.

Underground and rail - transport infrastructures

High-Speed Railway: Rome-Naples section

During the course of 2003, the General Contractor Consorzio Iricav Uno, in which Astaldi S.p.A. has a 27.91% stake, continued the negotiation for contract revision made necessary to assimilate the variants and the innovative systems, introduced by request of the orderer subsequent to the agreement report of 15 June 2001. During the year the civil line works and laying of the superstructures were com-

pleted and the operational testing of the technological systems (allotment 1) was started.

Execution of Naples side railway section (allotment 2) was started.

For 2003, the production of Consorzio Iricav Uno relevant to planning, expropriation, general contracting and technological activities, coming under Astaldi S.p.A., was equal to Euro 32.6 million. In addition to this, PEGASO S.c.r.l., appointee of Consorzio Iricav Uno, executed works for an amount equal to Euro 16.1 million in terms of the share relevant to Astaldi S.p.A.. The amount of the works carried out in 2003 in the Cassino and Ferentino worksites was equal to Euro 3.5 million.

High-Speed Railway: New Central Station of Bologna

In the second half of 2003, Astaldi S.p.A. acquired the works contract for the construction of New Central Station of Bologna, coming within allotments 5 and 8 of the urban section of the Milan-Naples High-Speed Railway (allotment 11) and the works necessary for its activation (allotment 50).

The contract, worth Euro 289 million, was stipulated on 28 November and the contractual time for execution of the works is 54 months.

The works consist of the construction of a railway station reserved for High-Speed Railway and entirely underground, below the level of the present tracks of Bologna Central Station. The new station is about 640 m long, 42 m wide and 23 m deep, with four levels, the lowest used for the High Speed line and the others for commercial and parking areas.

The preliminary and preparatory activities for the start of the works are presently under way.

Consignment of the works is foreseen for March 2004.

Brescia Underground

In April 2003, the works relevant to the contract for construction of the Prealpino-Sant'Eufemia section of the Brescia Underground were started.

The contract, which provides for the construction of a completely automated light underground, without permanent personnel on the trains or station, will be built in association with Ansaldo Trasporti, Ansaldo Breda and Necso.

The Prealpino-Sant'Eufemia section extends for 13.8 km and crosses the centre of the city from north to south, turning east as far as Sant'Eufemia Station, where the depot will be located. Its construction provides for the execution of 1.8 km of viaducts, 4 km of artificial tunnels, 6 km of natural tunnels, 1.8 km of rises and ditches and 18 stations, 14 of which underground.

The work order includes the executive plan, execution and start up of the work, the two-year technical management and seven-year routine and extraordinary maintenance of the underground, for a total of Euro 611 million: the part of Astaldi S.p.A. relevant to the planning and execution of the civil works, amounts to approx. Euro 282 million.

The contract also provides for the assigning – as soon as the necessary financing is found – of the northern Prealpino-Concesio extension (0.8 km) and the Lamarmora-Fiera section (3.5 km and 5 Stations).

Consignment of the works occurred on 28 October 2003, when the geognostic

surveys, the worksite preparation and the executive planning were started. In 2003, the production carried out by Astaldi S.p.A. was not yet significant.

Genoa Underground

During the course of 2003 work continued on the three sections already allocated, i.e. the Principe-Caricamento-Le Grazie section, the Le Grazie-Sarzano section and the Sarzano-De Ferrari.

In particular, in July 2003 much of the first section, including Darsena and S. Giorgio-Raibetta stations, was opened and started.

Completion of the covering of the line tunnel up to the Pozzo delle Grazie is under way. At the same time the work on the other two sections continued, although with many difficulties due to the particular urban environment in which they are located.

The works will be completed by mid-2005. However, as of January 2004, they will speed up following specific requests by the customer with the aim of favouring the opening of De Ferrari Station by November 2004.

Negotiations are under way with Genoa City Council for allocation of the final allotment of the concession, i.e. that which should take the Underground Line to Brignole train station. The works should amount to approx. Euro 100 million and the allocation could be finalised, in line with the budget of Genoa Council (which finances 40%), by mid-2004.

Naples Underground (CO.ME.NA. S.c.r.l and TOLEDO S.c.r.l.)

Construction of Line 1 of the Naples Underground was awarded under concession by the City Council to M.N. Metropolitana di Napoli S.p.A., a company comprising twelve partners and in which Astaldi S.p.A., the reference partner, holds 22.62%.



FROM LEFT TO RIGHT:

ITALY
North-west Rome road link
ITALY
Naples Underground
ITALY
North-west Rome road link

Execution of the contract proceeds by work allotments allocated by the licensee to the partners, who operate individually or together in joint ventures or consortium companies.

CO.ME.NA. S.c.r.l.

COSTRUZIONE METROPOLITANA DI NAPOLI - CO.ME.NA. S.c.r.l., in which Astaldi S.p.A. holds 70.43%, was formed for the execution of allotment 1, corresponding to the Piscinola-Vanvitelli section, and allotment 4, corresponding to the Vanvitelli-Piazza Dante section.

During 2003, the works relevant to these allotments have proceeded regularly and substantially as scheduled.

The works for executing the structures of the Museum Station-National Museum corridor and those for the connection and access inside National Museum (now suspended) continued.

The works relevant to zone A of Piazza Cavour were completed whereas those for zone B, stopped in the previous year, were continued.

In June the works relevant to Materdei Station, opened on 5 July, were completed, and in the year the finishing work on the square and adjacent areas was completed. Production in the course of the financial year, pro quota Astaldi S.p.A., was equal to Euro 5 million.



TOLEDO S.c.r.l.

Regarding the Piazza Dante-Business Centre section, TOLEDO S.c.r.l., in which Astaldi S.p.A. holds 90.394%, was formed for execution of the relevant works.

The works in question amount to approx. Euro 94 million and include the construction of two underground stations, University and Toledo, complete with all systems, and also the railway superstructure for the entire Piazza Dante-Business Centre section. Work on the station structures was slowed down during the year by the continuation of a series of archaeological surveys which, as regards University Station, allowed work to be continued in full swing only in December.

Therefore, despite the forced slowdown, production carried out during financial year 2003 was equal, in terms of the share relevant to Astaldi S.p.A., to approx. Euro 6.5 million.

Milan rail link

The purpose of this contract is the construction of the railway structure, superstructure and relevant railway systems of the Milan rail link between the stations of Porta Venezia, Porta Vittoria, Rogoredo and the Lambro junction, for an overall dual-track section of 4 km.

The work has been divided into two allotments, with separate consignment times: allotment 20, between Porta Vittoria Station and the Lambro junction, and allotment 30, between Porta Vittoria and Rogoredo stations.

During 2003 the works received a big boost due to the solving of problems concerning interference, the availability of the areas and the definition of several design problems.

FROM LEFT TO RIGHT:

ITALY
New Milan Expo Fair Centre
ITALY
Rome Underground
ITALY
Naples Underground

Production carried out in 2003 amounts to approx. Euro 23.5 million.

The delay in the start of the contract and consigning allotment 20 in the contractually agreed times, i.e. by July 2004, is expected to be fully recovered.

The procedure under Art. 31 bis Law no. 109/1994, for the friendly settlement of the reserves in the course of work, has also been activated towards the orderer.

Turin rail link

In 2003, SUSA-DORA QUATTRO S.c.r.l., in which Astaldi S.p.A. has a 90% stake, continued the execution of works for strengthening the Corso Vittorio Emanuele II-Fiume Dora Riparia section of the Turin urban junction.

The contractual amount is equal to approx. Euro 168.5 million.

In 2003, upon completion of the works for the Porta Susa junction, it was possible to start the works on the new train station of the same name, beginning the construction of all the reinforced concrete structures, including the covering of the station and the Corso Inghilterra exits.

During the year, the bulkheads and drain line were almost completed and the covering of the artificial tunnel along Corso Principe Oddone was started.

Production in the year was penalised by the continued stoppage of works in the



FROM LEFT TO RIGHT:

ITALY
Salerno-Reggio Calabria Highway
ITALY
Futani-Centola Fast-Traffic Road
ITALY
North-west Rome road link

last part of the allotment, equal to one third the entire length, arranged by the orderer Italferr following the decision to adopt the altimetric variant requested by Turin Council. In this respect, in December 2003 Italferr announced its intention to remove all the works concerning the variant from the contract, with the simultaneous recognition of the loss of profits. Settlement of the dispute resulting from that decision, and the previous one, is expected by early 2004, with substantially positive effects for Astaldi.

Transport infrastructures - roads and motorways

North-west Rome road link

The purpose of the contract is the planning and construction of the road link between Via del Foro Italico (Farnesina) and Via della Pineta Sacchetti (Policlinico Gemelli). This link is carried out, in both directions, by means of a natural tunnel in the Monte Mario section and an artificial tunnel in the Trionfale-Sacchetti area, for a total of 3 km in tunnel. All the tunnels are equipped with proper ventilation, lighting, fire-safety and warning equipment.

In 2003 the works proceeded according to the new schedule prepared by Rome City Council within the scope of the variant report approved in June 2003; the schedule provides for completion of all the works by 20 December 2004.

Following this report, the contract amount became approx. Euro 95 million.

Production for 2003 amounts to Euro 35.8 million, reaching a progressive value of Euro 63.3 million, equal to 67% progress.

The considerable commitment in excavating the natural tunnels, involving terrain with very poor geomechanical characteristics, has so far enabled the foreseen times to be respected, thus confirming the expected consignment of the work in December 2004.

In 2003 the contractual dispute was settled in a friendly way under Art. 31 bis Law no. 109/1994, with recognition of the non-contractual costs incurred.

Transport infrastructures - airport and port

Porto Torres

The works consist of the demolition of the east wharf of the trading port of Porto Torres (Sassari), reconstruction of the new wharf with reuse of materials coming from the demolition and execution of a new wharf construction with draught of approx. 10 m for a length of approx. 900 m.

The amount of the contracted works is Euro 18 million.

During financial year 2003, the old rockfill making up the east wharf was completely demolished and the new wharf was built.



A revision of the layout of the port wharf, in addition to the unexpected finding of very deteriorated concrete masses in the demolition phase, required the orderer to arrange a survey of the extra variant, not yet approved by the Higher Council for Public Works.

Activation of the friendly agreement provided for by Art. 31 bis Law no. 109/1994 was subsequently requested.

Production in the year amounts to approx. Euro 6.8 million.

FROM LEFT TO RIGHT:

ITALY

Pont Ventoux Hydroelectric Power Plant

ITALY

Valle Aurelia Rail Link in Rome

ITALY

Rome-Naples High-Speed Railway

Hydraulic works and electric power plants

Pont Ventoux Hydroelectric Power Plant

Construction works on the Pont Ventoux Hydroelectric Power Plant in Piedmont, the most important currently under construction in Europe, continued during the year.



FROM LEFT TO RIGHT:

ITALY
Milan Urban Railway Link
ITALY
Salerno-Reggio Calabria Highway
ITALY
Milan Underground

The works are physically more than 92% completed.

During the year all the main civil and systems works were completed and the relevant testing and inspections started. Also, the experimental filling of the plant's intermediate basin (Val Clarea basin) was started within the scope of the pre-operating and temporary management activation phase, as recently redefined with AEM Torino.

In relation to the important dispute with AEM in Turin, a complex arbitration process is still under way.

During the period also a second technical assessment was concluded, for quantifying the economic amount of compensation for the important design and execution changes, such as the variations in the course of several tunnels and the shifting of the station location. This assessment follows an initial technical assessment which essentially accepted the arguments of Astaldi S.p.A. regarding the unpredictability of the geological surprises encountered in the initial phase of the work. The decision of the Arbitration Board is expected in 2004.

The continuation of the arbitration proceedings while work proceeded up to such an advanced stage of plant construction required a high sense of responsibility from Astaldi S.p.A. and Eiffage Construction S.A. also in the last financial year, for not having interrupted the progress of work and the burdensome executions, in respect for the commitments undertaken and in order to complete the plant as quickly as possible.

Production carried out in 2003 amounted to approx. Euro 35 million, Euro 19.67 of which pertaining to Astaldi.

Melito Dam

On 21 July the contracting administration (Consorzio di Bonifica di Catanzaro) and Astaldi S.p.A. signed an agreement for the continuation of construction works on the Melito River dam, in the province of Catanzaro.

The work to be executed is a dam in earth with bituminous waterproofing covering. The volume of the dam body (approx. 19,000,000 m³) and the height (approx. 110 m) make it one of the biggest of its kind in Europe.

The works are expected to last 6 years and the contract amount totals Euro 167 million.

The works were started in September 2003 and preparation of the construction site and the tunnel excavations have already been carried out.

Civil and industrial construction

New Milan Expo Fair Centre

In 2003, N.P.F. – Nuovo Polo Fieristico S.c.r.l., as General Contractor, in which Astaldi S.p.A., as leader, has a 50% stake, Vianini Lavori S.p.A. 25% and Impresa Pizzarotti S.p.A. 25%, continued the activities of executive and constructional planning, supply, construction and testing of the New External Expo Fair Centre of Milan, reaching a state of project progress equal to 38%, at the end of 2003.



When completed, the New External Expo Fair Centre of Milan, designed by the combine led by Astaldi S.p.A. with the collaboration of the architect Massimiliano Fuksas, will constitute Europe's biggest trade fair system. The structure will comprise 8 exhibition pavilions (two of which on two levels) with a display area of 200,000 m², linked by a central road system, 60 m wide and 1.3 m long, a service centre and 28 buildings intended for offices, meeting rooms, restaurants and bars, for a total covered area of 530,000 m².

In 2003 the following activities were substantially completed:

- executive planning of civil works and technological systems;
- installation of logistic support structures and construction site plants, including the construction of accommodation for 150 guests and 900 workers involved in the execution of works;
- supply, with the stipulation of tender contracts and purchase orders for an amount financially equal to 90% of the total assignments;
- execution of earth moving and foundation works, with a state of progress equal to 95%;
- erection of the metal structures of the pavilions, with a state of progress equal to 60%.

The following was also provided for:

- determination and signing with Sviluppo Sistema Fiera of the 1st Supplementary Deed, on 1 August 2003, for assigning the works foreseen under option in the tender phase, for an amount equal to Euro 20 million;
- determination and assigning of the works in variant, arranged by the contract-

ITALY

New Milan Expo Fair Centre

ing body with note of 1 August 2003, relevant to the extension of the steel and glass covering of the central part and the inclusion of additional buildings for exhibitions, for an amount equal to Euro 53 million.

These additional works, already in progress, involved a review of the executive plan, as well as preparation of the project for the variant under building licence (activities that were completed in 2003).

As a result of the above-mentioned supplementary deeds, the total contractual amount initially equal to Euro 550 million, has become Euro 623 million (Euro 601 million of which for construction works and Euro 22 million for maintenance and managements for 5 years).

New Hospital of Mestre

Azienda Sanitaria (Health Organisation) ULSS 12 of Venice assigned under concession to Veneta Sanitaria Finanza di Progetto S.p.A. – V.S.F.P. S.p.A. – of which Astaldi S.p.A. is a reference partner and leader with a 31% stake – the construction, through project financing, of the New Hospital of Mestre.

The purpose of the concession is the final and executive planning, execution of works (including the supply of electromedical equipment and furnishings) and management of the structure, which involves the supply of several hospital and commercial services, against tariffs and fees.

The projects provides for the construction of four buildings for a total area of approx. 150,000 m², a hospital facility with 680 beds, a bathroom block, parking and a morgue. The concession is valid for 28 years (4 years for construction and 24 years for management), starting from the date of constitution of the right to use the area, on 4 December 2002.

The licensee entrusted the hospital planning and construction works to a consortium, formed of the same partners, that distributed the works according to their respective expertise and specialisations.

C.O.MES. S.c.r.l., a consortium in which Astaldi S.p.A. has a 55% stake, was formed for carrying out the civil works and the supply of the electromedical equipment and furnishings.

As a result of the new needs, which also foresee the construction of a building of approx. 4,600 m² for the seat of the Veneto Eye Foundation, the licensee requested the consortium to review the preliminary project and, at the end of September 2003, the final project, developed according to such modifications, obtained approval from the relevant authorities.

These variations involved an increase in the value of the work of approx. Euro 30 million, Euro 21.6 million of which relevant to the services of C.O.MES. S.c.r.l., whose amount therefore went from Euro 117 million to approx. Euro 139 million.

This variant was also assimilated in the draft submission document stipulated between assignor and licensee on 17 July 2003 and will be formalised by the stipulation of an additional deed to the contract, expected for February 2004.

With the approval of the final project relevant to the variant, the consortium was able to develop the executive plan of the foundation works which, after being approved by the licensor, enabled the start of the relevant works as of November 2003.

Therefore the overall production carried out by C.O.MES. S.c.r.l. in 2003 amounts to approx. Euro 0.7 million.

Regarding the licensee Veneta Sanitaria Finanza di Progetto – V.S.F.P. S.p.A., considering its specific nature as a planning company, it will start its specific activity only when the management activities begin.

Licences

Hospital sector

In the hospital building sector, the licence relevant to the New Hospital of Mestre became operational in December 2002. The plan, directly tested in the field, is proving to be extremely valid, certainly favouring the appointment of Astaldi S.p.A. as organiser for the licence relevant to the construction and subsequent management of four hospitals in Tuscany, formalised in 2003.

Regarding the New Hospital of Mestre, as already pointed out, Azienda Sanitaria ULSS 12 of Venice assigned under licence to Veneta Sanitaria Finanza di Progetto S.p.A. – V.S.F.P. S.p.A. – in which Astaldi S.p.A. has a 31% stake – the construction of this structure through project financing.

The licence is valid for 28 years (4 years for construction and 24 years for management), starting from the date of constitution of the right to use the area, on 4 December 2002.

The purpose of the licence is the final and executive planning, execution of works, the supply of electromedical equipment and furnishings and management of the structure. In particular, the management consists of providing several hospital and commercial services against the payment of tariffs and a fee, and is assigned to Veneta Sanitaria Finanza di Progetto – V.S.F.P. S.p.A.. Considering its specific nature as a project company, it will start production only when the management activities begin, after completion of the work.

For the part concerning the management licence, the contract is worth more than Euro 1 billion, 30% of which pertinent to Astaldi S.p.A..

Regarding the new initiatives, as already mentioned, in December 2003 the combine led by Astaldi S.p.A. was chosen as organiser for the construction and subsequent management of four hospitals in Tuscany (Prato, Pistoia, Lucca and Massa). The four hospitals in Tuscany, worth – for the construction alone – Euro 330 million (Euro 88 million of which borne by private parties), will make over 1,700 beds available for health care.

For further details on these projects see the previous sections.

Mobility and parking sector

In the car park sector the licences relevant to four car parks in Bologna and Turin are operational.

Regarding the car parks in Bologna, the licence relevant to the “Piazza VIII Agosto” car park provides for the management of about 700 vehicles, whereas for the “Ex Manifattura Tabacchi” car park, the agreement signed by Astaldi S.p.A. and Bologna City Council provides for the assigning under licence of the construction and subsequent management of a car park holding about 500 vehicles. In both cases, the licence is for 30 years, subject to possible extensions.

For the Turin car parks, the contract relevant to the “Porta Palazzo” car park

provides for the management of about 670 car spaces for a period of 15 years, whereas that relevant to the “Corso Stati Uniti” car park provides for the financing, planning, construction and subsequent management for a minimum period of 15 years.

As already mentioned, on 4 November 2003 the appointment as organiser of Astaldi S.p.A., heading a group of firms, for the planning, execution and subsequent management of the New Line 5 of the Milan Underground, was formalised.

The relevant licence contract, which provides for 27 years of management, will presumably be formalised by the end of 2004, after completion of the tender and the negotiated procedure in which the combine led by Astaldi S.p.A. will enjoy the right of pre-emption, in being the organiser. The work provides for the construction of a completely automated and driverless underground line, to be built according to the model already executed but with the contribution of Astaldi S.p.A. in Denmark and currently under construction also in Brescia. The New Milan Underground line will be over 5 km long and will connect Garibaldi Station with Via Bignami, towards the northern boundary of the municipal area.

The New Line 5 of the Milan Underground is the first urban transport work built in Italy through project finance; a sector in which Astaldi, already awarded the contract for the construction and management of the New Hospital of Mestre, is a confirmed protagonist.

For further details on this project see the previous sections.



FROM LEFT TO RIGHT:

ITALY
New Milan Expo Fair Centre
DENMARK
Copenhagen Underground
ITALY
Porto Torres in Sardinia

Utilities sector

In the utilities sector the licence relevant to the construction of a system of multi-purpose underground infrastructures on a part of the existing roads in the centre of Cologno Monzese, is operational.

This system, able to hold all the present and future sub-services, is formed of an accessible tunnel under the roadway, i.e. a prefabricated passage inserted in the pavement.

The entire execution of the works is foreseen according to the project finance scheme, therefore without any charge to the orderer, but with the contributions of private financing.

Foreign scenario

Rationalisation of the Group's presence on an international level continued in 2003. In particular, the Group's presence and commercial efforts have been strengthened

in Florida, USA, which is proving to be a rewarding market where the Company is gradually gaining a significant position.

Growth prospects are promising in Saudi Arabia and Qatar, where huge investments are expected in the oil, gas, power and transport infrastructure sectors by joint ventures between state bodies and some of the leading multinationals: the approach characterising the operativity of these companies that normally offer certainties in times and the availability of financing, makes the new initiatives that could develop in the area very interesting.

Given below are the main contracts in progress, divided by geographic area.

The Americas

Venezuela

The Group's presence in Venezuela has become consolidated over the years.

In the transport infrastructure sector, the Group is present through the construction of two railway lines, the Caracas-Tuy Medio and Puerto Cabello-La Encrucijada, and an underground, the Los Teques Subway, which are all of considerable importance for the country.

Regarding the contract for the Caracas-Tuy Medio railway, the orderer is the I.A.F.E. (*Independent State Railway Body*). During 2003, works regularly continued for its construction, in accordance with the availability of resources provided by the 2003 budget: the civil works relevant to allotments 3 and 4 pertinent to Astaldi were almost completed and work on laying the railway of allotment 4 was started.

Production in 2003 totals Euro 37 million, the Astaldi share, and Euro 65 million was collected as a result of the contract advance.



On the other hand, regarding the contract for the Puerto Cabello-La Encrucijada railway line, the work covers 108 km and is being done by Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles in which Astaldi S.p.A. is leader with a 33.33% stake. The overall value of the contract is Euro 1,200 million, Euro 148 million of which included in the portfolio.

The works, begun in 2002 with the execution of all the activities regarding planning and installation, continued during the year with the excavation of 2 tunnels along the mountain allotment. Production was equal to Euro 24 million, whereas proceeds total Euro 12 million.

FROM LEFT TO RIGHT:

VENEZUELA
Caracas Underground
VENEZUELA
Caracas-Tuy Medio Railway
VENEZUELA
Caracas Underground

Also, thanks to the opening of credit lines for Venezuela by S.A.C.E. (*Società per l'Assicurazione del Credito all'Esportazione*), a loan agreement was signed for financing the first section of the work. The operation, managed by Société Générale and Banca Intesa, makes USD 165.5 million available for the work.

Regarding the contract for the Los Teques Underground line, the Consorcio Metro Los Teques, in which Astaldi S.p.A. holds 30%, was formed some time ago for its construction.

The contract for the construction of a 9 km light underground connecting Caracas and Los Teques, is worth approx. Euro 230 million.

During the financial year, the activities relevant to the Euro 110 million contract for the construction of 4 km of tunnels, proceeded steadily: most of the excavations have been completed and the coverings started. In relation to this work, production reached Euro 44 million, whereas proceeds amount to Euro 46 million.

The civil works directly carried out by the consortium are continuing at the same time. In 2003 the total production relevant to this contract was approx. Euro 100 million, Euro 33 million of which pertinent to Astaldi.

Bolivia

In 2003 the construction works for the San Rafael tunnel and the Zongo bridges were completed.

The new initiatives currently being developed include the Paradiso-El Tinto Road, with a USD 60 million contract for which the Group is already pre-qualified, and another two contracts to be realised with the funds of Cooperazione Italiana, and namely the Toledo-Ancaravi road and the Misicuni dam.

The United States

2003 saw a significant increase in the growth of Astaldi Construction Corporation, a United States company entirely owned directly and indirectly by Astaldi S.p.A., with better results than foreseen in the current Industrial Plan, thus positively confirming the expectations for the Florida market.



USA
PGA Boulevard in Florida

During the year the company had a significant increase in turnover, in terms of production and also the awarding of new work orders. A comparison between the values recorded at the end of 2002 and those of 2003 shows that production went from USD 26.7 million to USD 65.9 million, whereas new orders increased from USD 42.6 million to USD 115.5 million.

This result positively contributed to the acquisition activity carried on by the road works division of the company which, alone, obtained new contracts for USD 54.7 million.

It is pointed out that these figures do not take into account all those tenders submitted in December and where the Company came first. The relevant contracts total USD 87.3 million, USD 28.5 million of which for utilities and Euro 58.8 million for road works. The awarding of these work orders in early 2004 therefore increases the work on hand portfolio to USD 204.2 million.

It is also pointed out that since July 2000, when the Group's activities in Florida were resumed, the Astaldi Construction Corporation has constantly grown in its structure and currently has a work force formed of 465 persons, including managers, cadres and workers, its own heavy machinery comprising 49 units of various types, equipment and various vehicles, for an overall value of more than USD 10 million.

Regarding 2004, in line with that declared in the Group's industrial planning phase, the commercial objectives remain public works in the sector of utilities and road works.

At present the economic situation in the United States is improving and the political will on a federal level is to support the construction market, in being a potential fly-wheel for the country's economic recovery. In addition there is the particular situation of Florida, a state where a pressing need of infrastructures is emerging following the recent and constant increase in the population.

Moreover, in line with the strategy for a gradual widening of the sphere of action of Astaldi Construction Corporation declared in the industrial planning phase, in 2003 new work sites were opened in the west coast area of Florida, to favour and increase in the Group's presence towards the central-south area of this state.

On the basis of all these considerations, an increase in turnover can be expected for 2004, in line with that foreseen by the Industrial Plan, with concrete prospects for further improvement.

Central America and the Caribbean

2003 recorded a higher production than that realised in all the other years, also as a result of important investments in machinery in 2002, reaching USD 80 million, with a very positive overall profitability, even if mitigated by the weakening of the American dollar with respect to the Euro.

2003 also saw the completion of the rationalisation process which, started in 2002, has enabled a simplification of the operative structures present in the area, by concentrating all activities previously carried out through the individual consortia, in the three existing branches (Honduras, Salvador, Nicaragua). As well as enhancing the visibility and recognition of the Astaldi trademark in the area, these measures also ensure maximum transparency of the operations even from an administrative and fiscal standpoint.

Honduras

The works for constructing the Nacaome water system, assigned to Astaldi S.p.A. in

2001 and started towards the end of 2002, produced about Euro 4.9 million in 2003. Execution of work, financed by Cooperazione Italiana, underwent big delays in the starting phase due to the complex bureaucratic procedures required for putting into force the bilateral cooperation agreements between Italy and Honduras, whose termination is expected within the first half of 2004.

Non-collection for work progress executed at 31 December 2003 and duly certified, was due to these bureaucratic delays.

Aguas De San Pedro S.A. de C.V., licensee for the management and supply of water in the town of Pedro Sula, in which Astaldi S.p.A. holds 15%, developed a production of approx. Euro 9 million in 2003.

El Salvador

2003 was characterised by the substantial completion of the Group's largest contract in the area of Central America

The work in question is the Carretera CA 1, connecting CA 4 Troncal del Norte and Calle with Tonacatepeque, the so-called "Paquete III", an 11 km section of motorway by-pass leading to the capital El Salvador, open to traffic in early 2004. This work order, whose final value is approx. Euro 42 million, benefited from the important investments in machinery carried out in 2002 and contributed, in 2003 alone, for nearly Euro 30 million to the overall production realised in the area.

Despite the initial delays due to the complex expropriation procedures and the considerable variants required during the work, the opening of the section to traffic occurred in the agreed times and to the orderer's full satisfaction.

2003 also saw the successful completion of the project for improving the 35 km section of the Carretera Panamericana, which produced about Euro 6 million during the course of 2003.

Also completed was the work for the air base of Comalapa, on the edge of the international airport of El Salvador, where the Group successfully extended an aircraft parking area, on behalf of ABB Susa and the *US Corps of Engineers*. The work, worth Euro 5 million, is particularly significant due to the very high quality *standard* required by the customer.

Lastly, the improvement works for the 59 km of road between Santa Ana-Metapan-Anguiatù were started, with an annual realised production of approx. Euro 7 million.

Nicaragua

Ahead of consignment times and despite the big delays in the starting phase due to unfavourable weather conditions, reconstruction works on the Izapa-Nagarote road – 24 km and total value of approx. Euro 7 million – and those relevant to Muhan-El Rama road allotments, financed by the World Bank for a total value of approx. Euro 11 million, were completed at the beginning of 2003.

At the end of 2003 work started on the drain line for the waste waters of Managua; a work worth about Euro 3.5 million and of strategic and priority importance for the country.

Europe

Turkey

The Group is present in Turkey for the construction of the so-called Anatolian motorway, which will connect Istanbul and Ankara.

2003 saw a continuation of the construction works for allotment 2, limited to the tunnel and structural repair work on Viaduct 1 (seriously damaged by the earthquake in 1999), which represent the most critical activities foreseen by the works program. During 2003 the production activity concentrated on these works and only in the first nine months of the year, following the restrictions imposed before the spending policy of the new government (installed at the end of 2002) and then of the orderer, reluctant to use the insurance indemnity funds to pay for works not directly linked to the after-earthquake reconstruction, pending formalisation of the new financing needed to complete the project.

The external works, mainly relevant to other viaducts, minor works and stabilisation of the excavation slopes, fully resumed in October when, following the positive development relevant to the conclusion of financing for the project organised by Astaldi S.p.A. for USD 305 million, the orderer continued the certification of the works carried out. The full resumption of all the works, both underground and external, enabled the



complete use of funds assigned to the project under the government finance plan and a positive economic management result, even in the presence of a far lower production with respect to the construction site potential.

The new financing became operational in mid-December 2003, also thanks to the collaboration and availability of the Turkish authorities. As a result of this, in addition to the complete certification of the work produced as at December 2003, it was finally possible to obtain the relevant payment within the same date.

Thanks to the good relations established with the orderer and the relevant Ministry, and also the local authorities' recognition of the importance and priority of the project, it is hoped that the allocation of funds for the project in the 2004 budget can meet the real needs, thus allowing the contract's program and productivity objectives to be achieved.

Production in 2003 amounts to approx. Euro 45 million.

Rumania

2003 saw a continuation of the works for development and upgrading of

FROM LEFT TO RIGHT:

DENMARK
Copenhagen Underground
ROMANIA
"Otopeni" International Airport in Bucharest
EL SALVADOR
Paquete III Fast-Traffic Road

Otopeni international airport, Bucharest. In fact, the works relevant to phase 2 were completed in November, enabling the use of the airport for internal flights. Also the works relevant to phase 2A were started; these include the completion of Part C and restoration of Part A intended for offices, the construction of a taxiway and an area equipped for maintenance and various other additional works.

It is pointed out that the contract for the execution of this work is financed by the London office of HSBC for the currency part and by the local government for the Lei part.

Regarding the project for the Bucharest-Costanza motorway, the finishing works of Allotment 1, whose completion is expected for July 2004, are currently in progress. Also regularly proceeding is the activity for the Bucharest underground, whose conclusion is expected for the end of 2004. The progress relevant to this work is equal to about 82%, at 31 December 2003.



USA
PGA Boulevard in Florida

During 2003, the Group also began the works for restoring the Petrosani-Baru State Road 66.

The contract, worth 13.6 million, is financed by the B.E.I. (*Banca Europea degli Investimenti*) and the production achieved in 2003 amounts to Euro 2.308 million.

Denmark

The consortium COMET-Copenhagen Metro Construction Group, in which Astaldi S.p.A. has a 15% stake, has completed works for construction of the Copenhagen underground, opened to the public in October 2002.

Consignment of the main works occurred on 27 June 2002, whereas that for the accessory works (stage 2A) occurred on 27 January 2003.

The contract also provides for a maintenance period of 5 years.

Since its early stages the project has been upset by a string of events of a technical nature not due to the consortium, which have hindered the regular course of work. The contract fee has therefore undergone several increases.

As a result, the customer has recognised the validity of the consortium's claims for an amount greater than two-thirds the contract amount, accepting reserves for a total of Euro 316 million (Euro 47.5 million of which pertinent to Astaldi) which were fully paid during 2002.

Discussions are under way with the customer for drawing up the final account for the works.

Croatia

Arbitration proceedings relevant to the Zagreb-Gorican motorway project were suspended in 2000 in order to verify the possibility of reaching an agreement and resume collaboration for the purpose of completing the project.

As the negotiations failed to produce results, in May 2002 Astaldi S.p.A. resumed the arbitration proceedings – still under way – at the Vienna Chamber of Commerce for the recovery of credit. The arbitration is very articulated from a procedural standpoint and very complex in relation to the structure of the project in project financing.

Africa

Algeria

Consorzio A.F.T., in which Astaldi S.p.A. has a 33% stake, has completed the year of maintenance foreseen for the Taksebt dam, finally consigned and with the customer's full satisfaction. A review of prices relevant to the contract was obtained, after lengthy negotiations with the customer.

Works are also under way on the Kramis dam, by the Consorzio A.F.T. Kramis, in which Astaldi S.p.A. holds 50%, as leader. Production for 2003, equal to approx. Euro 22 million, is below that foreseen, due to the unexpected variants, for the types of works and quantity to be carried out, which involved changes in the economic forecasts and execution times. Negotiations were started with the customer for the recognition of increased charges and times due to the unexpected variants.

Congo

During the last quarter of 2003 the works for the dam on the Loémé river, and those for the construction of the Sibiti-Mapati-Zanaga road were completed. The total production for 2003 was equal to Euro 2.5 million and Euro 1.7 million respectively. Restructuring of the Bouansa-Moukouloulou road is proceeding, and the production for 2003 relevant to this project is equal to approx. Euro 1.6 million.

Democratic Republic of Congo (former Zaire)

Following legal action taken, in accordance with current Italian Laws no. 98/1984 and no. 135/1985 on compensation for assets and rights lost by Italian citizens and companies in Zaire, Rome Court sentenced the Ministry of Finance to pay the compensation, under the aforesaid laws, in favour of CONSORZIO A.R.Z.-Astaldi-RIC Zaire in liquidation, Astaldi Succursale Zaire and Groupement REDO (all controlled by Astaldi S.p.A.) for the assets and rights lost in Zaire following the civil wars of 1991 and 1993.

Guinea

In the second half of 2003, the Group acquired the contract for the execution of civil works for the US embassy in the capital Conakry.

The contract is worth about Euro 7.5 million and the completion of works is foreseen within the first half of 2004.

Production for the financial year was approx. Euro 1.6 million.

Regarding works for the bridge on the Fatalá river and those for the KanKan-Djelibakoro road, both financed by the EU, their completion is foreseen within the first half of 2004. Production in 2003 – lower than expected – was approx. Euro 13.6 million for the bridge and Euro 9.8 million for the second project. The differences between the results and expectations were due to delays in the earthmoving activities and an extended rainy period, which prevented regular performance of the required activities.

Further claims are under way for the recognition of additional costs relevant to the extension of contractual times due to the considerable extra works in the foundations of the Fatalá bridge.

Morocco

During 2003 the works for construction of the Sidi Said dam continued.

Production carried out in the year amounts to Euro 11.5 million.

During the year minor plumbing and earthmoving moving works relevant to Rocade Méditerranéenne also proceeded.

Production for this project in 2003 amounts to Euro 6.3 million.

Tanzania

The Group is present in the country through the execution of a road project in Mwanza.

The relevant works continued during the year and the customer recognised an extension of contract times up to December 2003.

A further two-month extension of the contractual times was requested due to the late payment of the invoices relevant to the works.

Production in 2003 was approx. Euro 6 million.

Middle East

Saudi Arabia

The Group is present in the area through the subsidiary Astaldi Arabia Ltd., executing, in partnership with a local company, the works for the Yambu Acetic Plant project which has now been completed.

This project, together with the new initiatives developed in Qatar, confirms the Group's intention to continue in the strategy of diversification in the industrial plant sector.

The minor delay in production with respect to foreseen times is due to a delay in the supply of raw materials provided by the Customer.

Qatar

During the year the purchase objectives in the area were respected, mainly due to the awarding of the contract for the Sasol Gas To Liquid Project, in the industrial

plant sector, for an amount equal to Euro 45 million. The works relevant to this project were begun in the second half of 2003 and the logistics activities tied to the mobilisation and installation of the work site have already been completed.

Transactions with related parties

Transactions between Astaldi and correlated parties, mainly concern the exchange of goods, the supply of services, sourcing and use of financial resources with the parent and Group companies. These relations come within ordinary management of the Company and are regulated at normal market conditions, i.e. the conditions that would be applied between two independent parties. All the operations were



carried out in the interest of the Group. The overall amount of the transactions of a commercial, other and financial nature with correlated parties and the descriptions of the more significant transactions are given in the Notes.

FROM LEFT TO RIGHT:

TURKEY
Anatolian Motorway
ALGERIA
Taksebet Dam
DENMARK
Copenhagen Underground

Main companies of the Group

Italstrade S.p.A.

Italstrade S.p.A., entirely owned by the Parent Company, operates exclusively in the foreign market, directly through three branches (Morocco, Albania and Rumania) which manage contracts in their own territory, and indirectly through a subsidiary in Libya.

In 2003, the company satisfactorily continued the execution of works in Rumania, with particular reference to works in progress for extending Bucharest international airport. Regarding activities in other countries, the company did its utmost to limit the operational problems connected with the works in progress in Morocco. The works in Libya and China, carried out through the shareholding companies Legnami Pasotti Italia I.C. and Yellow River J.C., are nearly completed.

In order to best address market needs, on 30 July 2003 the Board of Directors decided the merger of R.I.C. – Railway International Construction S.p.A., operating in the track equipment sector, with Italstrade S.p.A.. This operation, to be carried out in early 2004, effective as of 1 January, will allow Italstrade to focus on and strengthen its operational framework in the construction and maintenance of medium-size transport infrastructures (road and rail); a sector in which, over the years, this company has acquired an appreciable independent market position.

Given below is the reclassified consolidated Profit and Loss Account and Balance Sheet.

italstrade - reclassified consolidated profit and loss account

(thousands of euro)

	2003	%	2002	%
revenues from services and contracts	60,437	90.7%	63,252	88.6%
other revenues and income	6,202	9.3%	8,168	11.4%
value of production	66,639	100.0%	71,420	100.0%
costs of production	(54,712)	(82.1%)	(58,731)	(82.2%)
added value	11,927	17.9%	12,689	17.8%
labour costs	(9,589)	(14.4%)	(7,849)	(11.0%)
gross operating margin	2,338	3.5%	4,840	6.8%
other charges	(1,576)	(2.4%)	(6,136)	(8.6%)
ebitda	762	1.1%	(1,296)	(1.8%)
ammortizations and depreciations	(4,637)	(7.0%)	(2,442)	(3.4%)
provisions	(2,847)	(4.3%)	(183)	(0.3%)
operating result	(6,722)	(10.1%)	(3,921)	(5.5%)
net financial income (charges)	(2,088)	(3.1%)	(819)	(1.1%)
revaluation (write-down) of equity	250	0.4%	(60)	(0.1%)
net extraordinary income (charges)	103	0.2%	16	0.0%
profit before tax	(8,457)	(12.7%)	(4,784)	(6.7%)
income tax	(783)	(1.2%)	(107)	(0.1%)
current (deferred) taxes	0	0.0%	0	0.0%
net profit for the period	(9,240)	(13.9%)	(4,891)	(6.8%)
minority interests profit (loss) for the period	268	0.4%	(341)	(0.5%)
group net profit for the financial year	(8,972)	(13.5%)	(5,232)	(7.3%)

italstrade s.p.a. – reclassified balance sheet

(thousands of euro)

	2003	2002
net intangible assets	7,725	2,165
net tangible assets	13,013	13,583
equity investments	488	1,370
other net fixed assets	0	0
total net fixed assets (a)	21,226	17,118
inventories	3,719	2,263
contracts in progress	20,087	9,637
trade debtors	17,519	25,941
other assets	15,386	12,794
advances	(8,099)	(12,236)
subtotal	48,612	38,399
trade payables	(26,001)	(21,654)
other liabilities	(28,306)	(21,558)
subtotal	(54,307)	(43,212)
working capital (b)	(5,695)	(4,813)
employee severance indemnity	(257)	(151)
contractual risks provision	(5,142)	(2,019)
other provisions	(1,371)	(1,371)
total provisions (c)	(6,770)	(3,541)
net capital invested (d)=(a)+(b)+(c)	8,761	8,764
cash and cash equivalents	12,093	16,880
financial receivables	0	0
medium to long-term financial debt	(3,597)	(5,891)
short-term financial debt	(2,470)	(2,190)
net financial debts (e)	6,026	8,799
net assets	14,837	17,451
minority interests	(49)	112
total net assets	14,788	17,563
personal guarantees	27,815	34,405
total	27,815	34,405

Astaldi Finance S.A.

For the purposes of stabilising of sources of external financing for the Group, ASTALDI FINANCE S.A. was established under Luxembourg Law at the beginning of 2002. Entirely controlled by the Astaldi S.p.A., it issued a eurobond for Euro 150 million with a three-year life and coupon of 6.5% deferred for the investor. In line with current international market practice, Astaldi S.p.A. has guaranteed this loan.

R.I.C. - Railway International Construction S.p.A.

On 30 July 2003 the Board of Directors decided the merger of R.I.C. – Railway International Construction S.p.A., operating in the track equipment sector, with Italstrade. This operation, to be carried out in early 2004, effective as of 1 January, will allow Italstrade to focus on and strengthen its operational framework in the construction and maintenance of medium-size transport infrastructures (road and rail).



ITALY
Futani-Centola Fast-Traffic Road

Astaldi Construction Corporation

The company, entirely controlled by Astaldi S.p.A. and based in Miami, currently operates in the regional market of Florida, mainly in the sector of road and rail infrastructures and public utilities.

During the year the Company saw a significant increase in the growth process, achieving satisfactory results far higher than those foreseen in the industrial planning phase.

During 2003, the company achieved a production equal to USD 65.9 million.

For more details on the company's activities during the year, see the section regarding current activities in the United States.

Own shares

In accordance with the resolutions of the Shareholders' Meeting on 5 March 2003, regarding the Astaldi share buy-back plan, during 2003 1,846,900 shares were progressively purchased for an average price of Euro 1.9. Likewise, 591,000 shares were sold, realising gains of approx. Euro 417,000.

On 28 February 2004 there were 1,366,946 shares in the portfolio, at an average price of Euro 1.93 for a total counter-value of approx. Euro 2.7 million.

Parent Company shares held by Subsidiaries

No Parent Company shares are held by subsidiary companies.

Corporate governance

Foreword

Also this year the corporate governance model adopted by Astaldi is in line with the principles contained in the *Corporate Governance Code* for listed companies, with the relevant recommendations formulated by CONSOB (Securities and Exchange Commission) and, more generally, best practice in the international context.

Moreover, in line with the recent recommendations of Borsa Italiana S.p.A. and Assonime, summary tables have been drawn up; these can be consulted on the website of Borsa Italiana (www.borsaitaliana.it) and on the Company's institutional web-site (www.astaldi.it), with particular reference to the structure of the Board of Directors, Committees and Board of Auditors as well as the other provisions of the Corporate Governance Code.

Company Shareholders

The body of Astaldi Shareholders comprises more than 10,000 Shareholders who own ordinary shares.

In accordance with the Shareholders Register, supplemented by the notices received in accordance with Art. 120 of Legislative Decree no. 58/1998 and other available information, the direct Shareholders holding more than 2% of the Company's share capital fully paid-up and represented by shares with voting rights at 31 December 2003 are given in the following table.

main shareholders	
	% share
FIN.AST. S.r.l.	40,211
FINETUPAR INTERNATIONAL S.A.	12,525
INTERBANCA S.p.A.	9,694
CAPITALIA S.p.A.	4,635
FAMIFIN S.A.	2,032
GARTMORE INVESTMENT MANAGEMENT PLC..	2,018

A syndicate agreement was signed by the Shareholders FIN.Ast. S.r.l., Finetupar International S.A. (formerly Finetupar S.A.), Capitalia S.p.A. (formerly Banca di Roma S.p.A.), Interbanca S.p.A. and Famifin S.A. (formerly FA.MI. S.A.) on 6 June 2003, to replace the agreement that came into force on 10 May 2002, in accordance with Art. 122 of Legislative Decree no. 58/1998, lodged with the Register of Companies on 30 June 2003 and published, according to the law, in the national daily *Milano Finanza* on 26 June 2003. In short, under the agreement, if a new Board of Directors is to be appointed, the resolutions relevant to the appointment

of Directors shall be voted jointly by the parties; the agreement also requires the parties to previously consult each other for appraising their respective voting intentions to be expressed at the ordinary meetings called to approve the financial statements and the distribution of profits, and, at extraordinary meetings, regarding statute amendments, mergers and spin-offs.

Board of directors (Art. 1 – 5 of the Code)

Composition and duration of office

In accordance with the provisions of the Company By-Laws, the Board of Directors of Astaldi is made up from 9 to 15 Directors, appointed for a period not exceeding three years, who can be re-elected on expiry of the mandate.

The Board of Directors of Astaldi, appointed on 5 July 2001 and whose mandate expires with the approval of the financial statements at 31 December 2003, is currently formed of fifteen members and will be renewed during the next Ordinary Meeting fixed in first call for 30 April 2004.

Given below is the list of members of the Board of Directors.

board of directors		
Ernesto Monti	Chairman	Non-executive/Independent
Paolo Astaldi	Deputy Chairman	Executive
Vittorio Di Paola	Chief Executive Officer	Executive
Caterina Astaldi	Director	Non-executive/Non-independent
Pietro Astaldi	Director	Executive
Luigi Guidobono Cavalchini	Director	Non-executive /Non-independent
Stefano Cerri	Director	Executive
Enrico De Cecco	Director	Non-executive /Non-dependent
Franco A. Grassini	Director	Non-executive/Independent
Bruno Lecchi	Director	Non-executive /Non-independent
Lucio Mariani	Director	Non-executive /Non-independent
Giuseppe Marino	Director	Executive
Roberto Marraffa	Director	Non-executive/Independent
Vittorio Mele	Director	Non-executive/Independent
Nicoletta Mincato	Director	Non-executive /Non-independent

As required by the Corporate Governance Code, there are sufficient non-executive directors, in terms of number and authority, to ensure that their opinion carries enough weight in Board decisions. Non-executive directors bring their specific skills to the Board's discussions, contributing to decision-making in the interests of the Company.

In accordance with Art. 3.1 of the Corporate Governance Code, a suitable number of non-executive Directors are independent when:

- they are not carrying on, directly, indirectly or on behalf of third parties, and have not recently entered into economic relations with the Company, its subsidiaries, executive directors, individual shareholders or a group of shareholders that control the Company to the extent that this affects their independent judgement;

- they do not own, directly, indirectly, or on behalf of third parties, shareholdings that enable them to exercise control or significant influence on the Company, and they are not a party to syndicate agreements for control of the Company;
- there are no family ties between executive directors of the Company or parties in the situations described in the previous points.

In line with the new wording of Art. 1.3 of the Corporate Governance Code, the following table makes known the offices as director or auditor held by each director in other companies listed on regulated markets (even foreign), in finance companies, banks, insurance companies or companies of a significant size.

other activities carried on by members of the board of directors under art. 1.3 of the code	
Ernesto Monti	Chairman of the Board of Directors of Finanziaria Tosinvest S.p.A. Member of the Board of Directors of Cofiri S.p.A., Enertad S.p.A., Fintecna S.p.A. and Finmeccanica S.p.A.
Paolo Astaldi	Managing Director of Fin.Ast. S.r.l.
Vittorio Di Paola	–
Caterina Astaldi	Director of Fin.Ast. S.r.l.
Pietro Astaldi	Managing Director of Fin.Ast. S.r.l. Director of Finetupar International S.A. (formerly Finetupar S.A.)
Luigi Guidobono Cavalchino	Chairman of the Board of Directors of Unicredit Private Banking S.p.A.
Stefano Cerri	Managing Director of Astaldi International Ltd.
Enrico De Cecco	Director of Astrim S.p.A.
Franco A. Grassini	Chairman of the Board of Directors of Marche Capital S.p.A. and Medcap Investimenti S.p.A. Director of Ifitalia S.p.A.
Bruno Lecchi	Director of Unipol Merchant S.p.A., Mirror International Holding S.r.l., Diasorin S.p.A., Eagle Pictures S.p.A., Vetroarredo S.p.A., Bios S.p.A., SCC S.p.A., Edipower S.p.A. and G.B.S. Group S.p.A.
Lucio Mariani	Chairman of the Board of Auditors of Studi di Settore S.p.A. and La Locatrice S.p.A.; Statutory auditor of Fintecna S.p.A., Enel Distribuzione S.p.A., Stretto di Messina S.p.A. and Rai Holding S.p.A.
Giuseppe Marino	Chairman of the Board of Directors of PONT VENTOUX S.c.r.l. and N.P.F. - Nuovo Polo Fieristico S.c.r.l.
Roberto Marraffa	–
Vittorio Mele	–
Nicoletta Mincato	–

Role of the Board of Directors

The Board of Directors has a central role within the Company organisation. In fact it has overall responsibility for the strategic and organisational policy of the Company, as well as ensuring the necessary controls are in place for monitoring the performance of the Company and the Group.

In this context, according to the provisions of the Corporate Governance Code and in relation to its specific resolutions, the Board of Directors:

- examines and approves the strategic plans of the Company and the Group's company structure;
- assigns and revokes mandates to the Chief Executive Officer, defining the limits and methods of operation, according to Art. 23 of the Company By-Laws, which also require the appointed bodies to report at least quarterly to the Board in relation to activities carried out under the mandates;
- decides, on the basis of the proposals formulated by the special Committee and with the approval of the Board of Auditors, the remuneration of the C.E.O. and directors who hold specific offices;
- oversees general Company management performance, with particular reference to

- conflicts of interest, using information received from the C.E.O. and the Internal Audit Committee, periodically checking the achievement of objectives;
- examines and approves transactions of significant economic, asset or financial importance, especially if between correlated parties (see the section on transactions with correlated parties);
- verifies the suitability of the general organisational and administrative structure of the Company and the Group, put in place by the C.E.O.;
- reports to Shareholders at Meetings.

In compliance with the provisions of the By-Laws – according to which Board Meetings must be held at least every two months – during financial year 2003 nine Board of Directors Meetings were held, with a limited number of absences, all of which justified.

With reference to financial year 2004 and in compliance with the relevant Stock Market regulations, on 11 November 2003 the Board of Directors approved and notified Borsa Italiana S.p.A. a schedule of dates for the next Board Meetings for approval of the draft balance sheet, the interim report and quarterly reports. The Chairman coordinates the Board of Directors' activities. He convenes and directs Board Meetings, ensuring that the directors are provided in advance – subject to cases of need and urgency – with documentation and information necessary for the Board to express an informed opinion on the matters examined. He also chairs the Meeting and has powers of legal Company representation.

Lastly, the Chairman is not granted management powers.

The powers assigned to the C.E.O., amended with the resolution of 15 January 2003, include representation of the Company in Italy, the administrative, financial, technical and economic management of the Company and its branches, as well as coordination of the subsidiaries; he can also intervene on behalf of Astaldi in the establishment, modification or winding up of syndicates, cooperatives, consortia and other equivalent bodies. He can appoint and remove managers, directors, representatives and attorneys. He can also represent the Company in proceedings and has the Company signature regarding main contractual operations.

Appointment of Directors (Art. 7 of the Code)

In compliance with Art. 7.1 of the Corporate Governance Code, Article 16 of the Company By-Laws requires proposals for the appointment of director to be lodged with the Company's registered office together with information regarding the personal and professional characteristics of candidates, at least ten days prior to the date set for the General Meeting in first call.

The Board currently in office has not deemed it necessary to institute a Committee for the appointment of directors as it is not presently encountering difficulties in proposing candidates for covering Company offices.

Remuneration of directors (Art. 8 of the Code)

A significant part of the fees paid to directors and executives of Astaldi consists of emoluments linked to the achievement of fixed individual objectives and/or the financial profit results achieved by the Company.

In this respect, on 28 February 2002, the Board of Directors approved the Incentive Plan whereby ordinary Company shares – already held by the Company – were assigned free of charge (stock grant) to some executive directors and other managers (9 beneficiaries). Moreover, subject to the achievement of previously defined Company objectives, the plan provides for the annual assigning, through a three-year cycle, of summary options (20 beneficiaries) – stock appreciation rights – which will provide a cash payment of the difference between the share price (calculated as an arithmetical average of the market price in the last month) and the established exercise price. The value of the options can reach a maximum of 150% of the annual gross remuneration.

The Committee set up by the Board of Directors on 5 February 2002, in compliance with Art. 8 of the Corporate Governance Code, to deal with remuneration and possible *stock options* plans and plans for assigning shares, has the task of:

- making proposals to the Board, without the presence of the directly concerned parties, for the remuneration of the C.E.O. and those covering particular offices, as well determining criteria for the remuneration of Company executives in line with the C.E.O.'s suggestions;
- making proposals relevant to possible incentive plans reserved for directors, employees and collaborators;
- making proposals and overseeing so that the information provided to shareholders and the market guarantees the necessary transparency of the mechanisms for determining the amount of remuneration for Company representatives, in compliance with current regulations on Company information and in any case according to the financial markets' best practice;
- providing opinions on the questions posed from time to time by the Board of Directors on the subject of remuneration or any other inherent or related matter.

The Remuneration Committee is currently formed of three directors, the majority of whom are non-executive.

r e m u n e r a t i o n c o m m i t t e e	
Ernesto Monti (Chairman)	Non-executive
Paolo Astaldi	Executive
Bruno Lecchi	Non-executive

In 2003, two Committee meetings were held, in which the Committee carried out a consultancy role, in particular concerning the following:

- indication of a new beneficiary of the incentive plan, following termination of the work relationship with Alberto Breccia, former assignee of the summary options;
- definition of Company parameters whose achievement is subject to assignment of the summary options for corporate year 2003;
- change in the regulations of the incentive plan concerning the indication of the *strike price*.

The C.E.O. of the Company attended the meetings as a guest.

Internal control system (Articles 9 and 10 of the Code)

The C.E.O. of the Company set up the *Internal control and organisation service* under the management of the Internal control manager.

The Manager's role requires participation in all internal Company organisation committees.

The Manager's main duties are to attend to the Company internal control system, carrying out all appropriate and necessary actions, including those of direction, monitoring, recording critical areas and opportunities for improvement of Company organisation, in close collaboration with the Quality Management Service.

In the Company organisation chart the Internal Control Manager is placed in a staff position to the C.E.O., with the task of reporting on his own activities to the Audit Committee, the Board of Statutory Auditors and the independent auditors.

The Company internal control system also provides for the presence for an Internal Audit Committee. This Committee, set up by the Board of Directors on 5 February 2002, has the task of:

- assisting the Board in carrying out tasks required by Art. 9.2 of the Corporate Governance Code;
- evaluating the work plan prepared by the internal control managers and receiving their periodical reports;
- evaluating, together with Company administration managers and auditors, the suitability of accounting principles adopted and their homogeneity for preparation of the consolidated accounts;
- evaluating the proposals made by the independent auditors to secure the relevant appointment, as well as the work plan prepared for the audit, the results presented in the audit report and in the advisory letter;
- reporting to the Board on the activities carried out and the adequacy of internal controls, at least every six months, at the time of approval of the financial statements and the interim report;
- monitoring the suitability of the Corporate Governance Code;
- undertaking the additional duties assigned by the Board of Directors, in particular with respect to relations with the independent auditors.

Members of the Board of Statutory Auditors can attend Committee meetings.

In 2003 the Committee continued to carry out control activities through the cooperation of members appointed by the Board of Directors, as shown in the following table.

i n t e r n a l a u d i t c o m m i t t e e	
Lucio Mariani (Chairman)	Non-executive
Enrico De Cecco	Non-executive
Roberto Marraffa	Non-executive/Independent
Franco A. Grassini	Non-executive/Independent
Vittorio Mele	Non-executive/Independent

In the five meetings held between 5 February and 11 December 2003, the Internal Audit Committee addressed various topics including the following main matters:

- examination of the accounting principles adopted – in the presence and with the comparison of the independent auditors and the formulation of suggestions for drawing up the Notes to the financial statements;

- control of the Company procedures relevant to insider dealing and continuous information; verification of the circulating of these procedures to the parties concerned;
- verification of the internal control activities planned and implemented for 2002 (completion of the self-assessment of risks and audit 2002 on two company procedures); identification of critical points to be addressed for eliminating possible organisational shortcomings;
- examination of the Company code of ethics, control of the organisation model under Art. 6, Legislative Decree no. 231/2001 – carried out in the presence of consultants – and expression of relevant opinions;
- identification of company controls 2003 on five processes; for three the control activities also concern aspects relevant to Legislative Decree no. 231/2001; proposal regarding parties called upon to collaborate for audit activities for financial year 2003;
- controls regarding identification of significantly important subsidiaries and verification of certification obtained for the most important;
- control by sampling – in the Italian sector and foreign sector – of solutions adopted for solving critical areas revealed in the risk self-assessment process, in the audit phase and in compliance with Legislative Decree no. 231/2001;
- verification of the diffusion (also peripheral) of the new Company procedures with all personnel;
- boost to Company activities, to be placed in relation to the Company and tax law reforms.

On 18 March 2003 the Board of Directors approved the *Code of Company Ethics*, which establishes general principles and, through rules of conduct, regulates the activities of employees and collaborators of the Company and all Group companies, even concerning relations with Shareholders, the Public Administration, suppliers, contractors and subcontractors.

In particular, this Code sets out:

- the reference values and general principles, that Astaldi and Group companies must observe in the performance of their activities;
- the rules of conduct that the Company representatives, managers and structures must respect in relations with a number of commercial, entrepreneurial and financial interlocutors;
- the main implementation methods of the Code within the Company structure.

For the purposes of risk/crime prevention as per Legislative Decree no. 231/2001, with the communication on 9 June 2003 the C.E.O. appointed the members of the Supervision Body who are equipped with the requisites of independence and professionalism required by the aforementioned regulations.

The Body acquired a set of Regulations (which also require its meetings to be held at least monthly) and has been configured as a staff unit that reports directly to the C.E.O..

For performing its activity the Body also has the collaboration of the Internal control manager.

Within the scope of activities relevant to Legislative Decree no. 231/2001, on 2 July 2003 the Board of Directors approved the *Organisation, management and control model according to Legislative Decree no. 231/2001* – recently revised

following the enactment of Law no. 228/2003 that, under Art. 5 extends the applicability of the decree also in the event of crimes committed against the individual, pursuant to Section I Art. III Heading XII Book II of the Penal Code – which, identifying the Company areas and activities potentially at risk in relation to the different offences provided for by the aforementioned decree, is aimed at preventing unlawful behaviour by directors, employees and collaborators of the Company.

In particular, the Model defines:

- the ethical principles in relation to conduct that can integrate the types of crime provided for by the aforementioned decree;
- “sensitive” company activities, i.e. those in which, due their nature, the crimes as per Legislative Decree no. 231/2001 can be committed, and therefore which must be examined and monitored;
- procedures for the management of financial resources allocated for the prevention of crimes;
- the rules for identification of the Supervision Body and assigning of specific duties for controlling correct functioning of the Model;
- the information flows directed to the Supervision Body;
- the activities of information, awareness and diffusion of the rules of conduct and procedures established, at all Company levels;
- responsibilities relevant to the approval, integration, modification and assimilation of the Model, in addition to verification of its functioning and of Company conduct with relevant periodical updating.

At the nine meetings convened in 2003, the Body put in place the following main activities:

- examination of the master plan with evidence of the critical points found in the organisational protocols relevant to the risks/crimes provided for by Legislative Decree no. 231/2001 and preparation of the relevant list of organisation activities to be transferred to the Company structure for eliminating the above-mentioned critical points;
- decision for the start of the audit activity for 2003 in view of a synergy with the same activity undertaken by mandate of the Internal Audit Committee;
- definition of the methods of applying Legislative Decree no. 231/2001 to the subsidiaries, associate companies and/or shareholding companies of Astaldi.

Transactions with related parties (Art. 11 of the Code)

Regarding the structure of mandates within the Board of Directors, its compliance with the recommendations of the Corporate Governance Code can be confirmed for 2003; this compliance was already verified, with positive results, at the Board Meeting on 23 April 2002.

With particular reference to relations with correlated parties, during the above meeting the Board of Directors of Astaldi resolved to reserve as its own exclusive duty, the approval of:

- all transactions between Astaldi and related parties other than subsidiary and associated companies (so-called “correlated third parties”);
- all transactions between Astaldi and the subsidiaries other than the project-specific companies – i.e. companies and other legal entities created for the ex-

execution of specific contracts – whenever their value exceeds Euro 4 million for each transaction.

The Board of Directors also resolved that the C.E.O. must report to the Board at least once every three months, on unusual or atypical transactions – i.e. those not directly intended for the execution of individual contracts and not temporary – between Astaldi and project-specific companies, whose value exceeds Euro 5 million for each transaction. In relation to unusual and/or atypical transactions for a lower amount, the Board resolved that, with the same frequency, the C.E.O. must provide information by type of transaction and in consolidated form.

Lastly, in the analysis of transactions with correlated parties the Company observes that provided for by Art.11 of the Corporate Governance Code, and in particular the removal of directors having their own interest in said transactions, and recourse to independent experts in case of transactions of particular importance.

Treatment of confidential information (Art. 6 of the Code)

For the purpose of guaranteeing proper internal management and timely external communication of any important fact occurring within the scope of Company activities and those of its subsidiaries and which, at least potentially, could significantly influence the price of the Company's shares (so-called price sensitive information), Astaldi makes use of its internal "Continuous information" procedure, approved by the Board of Directors in the Meeting of 12 November 2002.

In short, the procedure in question identifies times and methods within the Company for the distribution and disclosure of such information and the involvement of functions periodically concerned, ensuring that the resources which most come into contact with the above-mentioned information act as a link between their own area of responsibility and top management, in order to ensure adequate evaluation of these facts or issues.

It is also planned that a special Evaluation Committee (formed from the Company Affairs and Legal Service, Investor Relator and management concerned) will be involved to provide adequate support in the correct interpretation of regulations regarding the sector and for the concrete formulation and disclosure of the communications in question.

For the purpose of compliance with the provisions of Art. 2.6.3 of the Regulations of markets organised and managed by Borsa Italiana S.p.A., on 12 November 2002 the Board of Directors of Astaldi approved the Corporate Governance Code, in force at Astaldi, relevant to insider dealing.

The Code requires so-called "significant persons" to inform to the Company Affairs and Legal Service of transactions on Astaldi shares that exceed given amounts within a fixed period of time, so that appropriate disclosures can be made to the market in the times and methods provided for by the Code.

In short, for the above purposes the Code requires significant persons to notify the Company Affairs and Legal Department:

- within 3 days of stock market opening from the end of the reference calendar quarter, regarding transactions on Astaldi shares whose value individually or cumulatively exceeds Euro 25,000;
- promptly, and in any case within 1 day of stock market opening following exe-

cution, regarding transactions in relation to Astaldi shares whose value is individually or cumulatively more than Euro 125,000.

The Code also establishes the so-called *close periods*, i.e. periods of time near events of particular importance, in which the significant persons cannot perform any transactions on Company shares.

In particular, these periods are identified as follows:

- the 30 days preceding communication to the public of the consolidated financial statements, the draft balance sheet and the interim report;
- the 15 days preceding communication to the public of the quarterly report;



FROM LEFT TO RIGHT:

HONDURAS
El Cajón Hydroelectric Plant
ITALY
Porto Torres in Sardinia
ITALY
Civitavecchia Cruise Ship Terminal

- the 15 days preceding the issue of the first price sensitive communication concerning possible transactions such as: public takeover bids made by the Company or on its financial instruments; mergers, spin-offs or acquisitions of which Astaldi is a part; any other extraordinary transaction able to affect the price of the Company's financial instruments.

Relations with institutional investors and shareholders (Articles 12 and 13 of the Code)

In 2002 the Company appointed Dr. Alessandra Onorati as the person responsible for investor relations (*Investor Relator*), also in the light of admission to listing on the STAR sector of the Electronic Stock Market.

According to Art. 13 of the Company By-Laws, whereby "*The course of the ordinary and extraordinary General Meeting is governed by regulations, approved by the Ordinary Meeting and valid for all subsequent meetings, until amended or replaced*" – the Ordinary General Meeting of 11 March 2002 approved the Meeting Regulations which establish clear and unambiguous rules for the orderly and functional course of Meetings, without prejudicing the right of shareholders to express their own opinions and put forward requests for explanations and clarifications regarding the matters under discussion.

The Board of Directors in office has not deemed it necessary to present the Meeting with proposals on a reduction in the thresholds provided for by law in order to issue shares and for exercising the rights put in place for the protection of minority Shareholders.

Moreover, for the purpose of encouraging dialogue with Shareholders and the market, the Company regularly publishes on its web site information of an accounting nature (financial statements, half-yearly and quarterly reports) and information of interest to the majority of Shareholders (such as press releases, Company Codes

of Conduct, the Organisational Control Model in accordance with Legislative Decree no. 231/2001, the Code of Conduct concerning insider dealing, Directors' Reports on Agenda items of the Meetings, etc.).

Auditors (Article 14 of the Code)

On 23 April 2003 the Ordinary Meeting appointed the Board of Auditors currently in office. The appointment included three statutory auditors and three acting auditors, however, following the unexpected death of Dr. Domenico Franco Nalin, on 8 July 2003, only two acting auditors remain in office.

The Board of Auditors of the Company is therefore formed of five members, as given in the following table.

b o a r d o f a u d i t o r s	
Eugenio Pinto	Chairman
Pierpaolo Singer	Statutory auditor
Pierumberto Spanò(*)	Statutory auditor
Antonio Sisca	Acting auditor
Maurizio Lauri(*)	Acting auditor

(*) Auditor designated through the lists submitted by the minority Shareholders.

The By-Laws, in compliance with the provisions of Legislative Decree no. 58/98, provide for the "list vote" mechanism in order to ensure the presence of the representatives of minority Shareholders on the Board of Auditors.

By express provision of the By-Laws, the lists, together with information on the personal and professional characteristics of the candidates, must be deposited at the Company's registered office at least 10 days before the date fixed for the Meeting in first call. Together with each list, within the same time period declarations must be lodged in which the individual candidates accept their candidacy and attest, on their own responsibility, the non-existence of causes of ineligibility and incompatibility, as well as the existence of the requirements by law to hold the office of Auditor.

Each Shareholder can present or concur with the presentation of a single list and each candidate can only be listed in one list otherwise he will be ineligible.

Those who are statutory auditors in more than four companies listed on the Italian stock markets cannot be appointed as auditors.

Only Shareholders who alone or together with other Shareholders represent at least 2% of shares and have voting rights in the Ordinary Meeting can present lists.

The following table gives the additional offices held by the auditors of Astaldi, limited to those of director or auditor in other companies listed on the Italian Stock Markets.

a d d i t i o n a l o f f i c e s h e l d b y t h e a u d i t o r s	
Eugenio Pinto (Chairman)	Statutory auditor of Mediobanca S.p.A.
Pierpaolo Singer	–
Pierumberto Spanò	Statutory auditor of Snam Rete Gas S.p.A.
Antonio Sisca	–
Maurizio Lauri	Statutory auditor of Acea S.p.A.

Incentive plan

With the resolutions of 5 February 2002 and 28 February 2002 respectively, the Board of Directors of Astaldi approved the guidelines for an incentive plan and the relevant regulations.

The Incentive Plan provides for the assignment, free of charge, of 756,000 own shares in the Company portfolio, and/or the transfer, free of charge, of summary options for the C.E.O., senior management and independent and/or coordinating and continuative collaborators of the Group. The transfer of options is subject to achievement of the Company's economic-financial objectives fixed by the Board of Directors, and whose achievement is ascertained by the Board at the time of approval of the draft balance sheet.

With the Board of Directors' resolutions of 23 April 2002 and 9 May 2002 and in accordance with the Incentive Plan, the Company assigned free of charge 756,000 of its own shares to some members of the Board of Directors and to some managers. According to the regulations of the Incentive Plan the Company's own shares assigned free of charge cannot be transferred, unless mortis causa, for a period of three years from the date of assignment. If the assignee's work or collaboration relationship is terminated before the three-year period due to unjustified conduct by the same (justified dismissal, resignation for unjust reasons, etc.), the Company has the right to purchase the shares held by the manager, for a price equal to the par value of the stock.

The free of charge transfer of 756,000 shares owned by the Company in accordance with the Incentive Plan was authorised by the Ordinary Meeting on 11 March 2002.

Also, at the time of first implementation of the Incentive plan, the Company identified some managers entitled to receive the options. The assigning of options is subject to the Company achieving the economic-financial objectives fixed by the Board of Directors, and whose achievement is ascertained by the Board of Directors at the time of approval of the relevant draft balance sheets.

According to the regulations of the Incentive Plan the options cannot be transferred, unless mortis causa. If the assignee's work or collaboration relationship is terminated before the three-year period due to his unjustified conduct (justified dismissal, resignation for unjust reasons, etc.), the Company has the right to proceed with the cancellation of the options. The options will accrue at the time of assignment and can be exercised, for at least 50% within 31 December of the financial year in which they were assigned, and the remaining 50% (or less) before 30 April of the following year. The exercise of options does not involve the subscription of new Astaldi shares, but will determine the money payment to be made to the assignee equal to the difference between the normal value of Astaldi shares (equal to the arithmetical average of the closing price of Astaldi shares traded on the stock market in the month prior to the date the option is exercised) and the exercise price of the options, fixed by the Board of Directors at Euro 2.43 per share. A different exercise price can however be fixed by the Board of Directors after achievement of the economic-financial objectives identified by the Board has been ascertained. In particular, during the Board Meeting on 2 July 2003, the new strike price for 2004 was fixed at Euro 2.18.

The sum of money attributed following exercising of options cannot in any case exceed 150% (yearly) of the gross annual remuneration paid to the assignee relevant to the financial year in which the options were assigned.

Shares held by directors, auditors and general managers

According to the provisions of Art. 79 of CONSOB (Securities and Exchange Commission) resolution no. 11971/1999 subsequently amended with resolution no. 12475/2000, the following table lists the shares held directly or through intermediaries, by directors, auditors and general managers, as well as spouses not legally separated and minor children, given in the Shareholders register, communications received and information acquired from the same directors, auditors and general managers.

All persons who during the course of financial year 2003 held offices even for parts of the year, are included.

shares held by directors, auditors and general managers					
		no. of shares held at the end of 2002	no. of purchased shares	no. of sold shares	no. of shares held at the end of 2003
Ernesto Monti		–	–	–	–
Paolo Astaldi	Astaldi S.p.A.	10,000	27,000	16,000	21,000
Vittorio Di Paola	Astaldi S.p.A.	1,600	656,000	120,000	537,600
Caterina Astaldi		–	–	–	–
Pietro Astaldi		–			
Luigi Guidobono Cavalchini		–	–	–	–
Stefano Cerri		–			
Enrico De Cecco		–	–	–	–
Franco A. Grassini		–			
Bruno Lecchi		–	–	–	–
Lucio Mariani	Astaldi S.p.A.	–	9,300	–	9,300
Giuseppe Marino		–			
Roberto Marraffa		–	–	–	–
Vittorio Mele		–	–	–	–
Nicoletta Mincato		–			
Eugenio Pinto		–	–	–	–
Pierpaolo Singer		–			
Pierumberto Spanò		–	–	–	–
Aldo Ramondelli (*)		–	–	–	–
Nicola Oliva	Astaldi S.p.A.	800	–	–	800
Giuseppe Cafiero	Astaldi S.p.A.	–	10,000	10,000	–

(*) Auditor up to 30 April 2003

Adoption of international accounting principles

Following the introduction of EU Regulation no. 1606/2002, companies listed on the European stock markets are required to adopt the International Accounting Principles for drawing up consolidated financial statements and consolidated interim reports as of January 2005.

In this respect a work group was formed for the purpose of identifying the intervention areas and methods of transition to the new standards, the areas of the accounting records and reporting system to undergo conversion, and for defining the operating lines for the new accounting procedures and representation of administrative facts in the financial statements.

Events after the financial year

During the first months of 2004 the Group was awarded an important road infrastructure contract in the United States for approx. USD 60 million, in addition to a contract in Rumania in the motorway sector for Euro 66 million. Furthermore, as previously pointed out, within the sphere of the development of foreign areas having the most potential, commercial initiatives in the power plant sector in Costa Rica and Chile are being studied.

In the first part of 2004, bonds issued by the subsidiary Astaldi Finance S.A. were repurchased for the purpose of optimising the Group's financial management: at 31 March 2004 this amount was equal to Euro 6,145,000.

Also, in early March the amount ascertained by one of the three sentences requiring the Ministry of Finance to pay compensation for assets and rights lost by Italian citizens and companies during the civil wars in Zaire was collected.

Management forecast

The development plan provides for the confirmation of Astaldi's role as General Contractor in Italy, thanks to the experience gained in demanding projects such as the construction of the New Expo Fair Centre of Milan.

Regarding the program for large infrastructure works coming within the Objective Law, its start in a substantial way is expected for the end of 2004. The first significant effects for the Group are expected in 2005.

Also very important is the development of opportunities offered by project finance in sectors such as hospitals, underground railways, the environment and water treatment, where operational and financial capacity requisites will be a selective element in the market.

In this context, during 2003, and even more so for future years, the Group is proving itself to be a market reference leader; the final outcome of important initiatives, like Line 5 of the Milan Underground and the Hospitals in Tuscany, are also awaited.

Particular attention is also being paid to the traditional market of big contracts, in confirmation of the operational competence already shown with the contract acquisition and the start of construction of the New Central Station of Bologna for the High-Speed Railway.

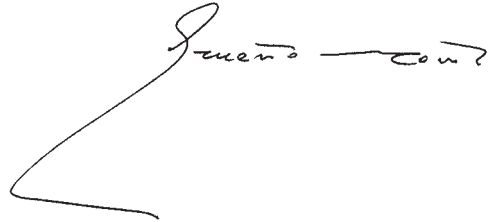
Therefore, expectations for the next financial years see a strengthening of the Group's role from a quality and also economic-financial standpoint, confirming its

leadership on a national level, but also in those foreign countries where the Group operates on an ongoing basis and with considerable success.

Conclusions

Shareholders, the consolidated financial statements show a net profit of Euro 22,394,581 after amortisation, provisions and consolidation adjustments.

For The Board of Directors
The Chairman
(Ernesto Monti)

A handwritten signature in black ink, appearing to read "Ernesto Monti", is written over a large, stylized, handwritten letter "L" that extends from the left margin.

Consolidated Financial Statements

BALANCE SHEET

ASSETS

(euro)

	2003	2002
A) Subscribed capital unpaid		
B) Fixed assets:		
I Intangible assets:		
1) Formation and expansion expenses	5,654,181	7,986,049
3) Patents and rights to use patents of others	1,285,574	576,885
4) Concessions, licenses, trademarks and similar rights	29,162	568,321
5) Goodwill	160,000	180,000
7) Other:		
a) Construction site installation costs	10,867,759	8,792,908
b) Cost of preparing tenders	379,060	1,750,166
c) Other	33,815,553	38,437,927
<i>Total other</i>	<i>45,062,372</i>	<i>48,981,001</i>
Total I - Intangible assets	52,191,289	58,292,256
II Tangible assets:		
1) Land and buildings	24,908,951	25,782,808
2) Plant and machinery		
a) Specific plants	27,725,302	21,977,762
b) General plants	11,327,729	6,001,653
c) Crafts	349	3,667
<i>Total plant and machinery</i>	<i>39,053,380</i>	<i>27,983,082</i>
3) Other fixtures and fittings, tools and equipment		
a) Excavators, power shovels, heavy vehicles	28,382,783	26,813,816
b) Light vehicles, ships, planes	3,427,132	3,162,279
c) Various small equipment	1,446,429	2,219,965
d) Light constructions	2,053,667	1,300,068
e) Metal sheet pile and shuttering	1,705,630	1,026,089
<i>Total tools, fittings, fixtures and other equipment</i>	<i>37,015,641</i>	<i>34,522,217</i>
4) Other		
a) Electronic office equipment	1,232,640	1,165,663
b) Furniture, fittings and office equipment	1,477,676	1,450,888
c) Freely transferable assets	2,351,713	2,427,985
<i>Total other</i>	<i>5,062,029</i>	<i>5,044,536</i>
5) Tangible assets in course of construction and payments on account on	278,264	391,929
Total II - Tangible Assets	106,318,265	93,724,572
III Investments		
1) Equity investments in:		
a) Subsidiaries	8,658,095	13,903,559
b) Associated companies	17,091,831	17,255,660
c) Other companies	2,611,564	2,750,189
<i>Total -Investments</i>	<i>28,361,490</i>	<i>33,909,408</i>
2) Loans and long-term receivables from:		
a) Subsidiaries	2,311,109	1,098,901
b) Associated Companies	9,890,181	11,436,996
c) other equity investments	1,709,673	1,862,038
d) Other entities		
Within the next financial year	16,282,639	21,505,148
Beyond the next financial year	53,570,808	18,279,338
<i>Total loans</i>	<i>69,853,447</i>	<i>39,784,486</i>
<i>Total loans and long-term receivables</i>	<i>83,764,410</i>	<i>54,182,421</i>
4) Own shares (comprehensive nominal amount Euro 1,255,900)	2,385,184	-
Total III - Investments	114,511,084	88,091,829
Total fixed assets B)	273,020,638	240,108,657
C) Current assets		
I Inventories		
1) Raw materials and consumables	39,190,223	31,723,665
3) Contracts in progress	187,372,548	198,342,573
4) Finished goods and goods for resale	659,468	917,558
6) Assets and materials in transit	1,466,799	7,978,319
Total I - Inventories	228,689,038	238,962,115
II Debtors		
1) Trade debtors		
Within the next financial year	276,245,199	263,181,043
Beyond the next financial year	3,499,881	1,233,385
<i>Total trade debtors</i>	<i>279,745,080</i>	<i>264,414,428</i>
2) Subsidiaries	31,631,187	47,288,285
3) Associated companies	37,563,408	24,334,758
4) Parent companies	19,756	17,524
5) Other debtors		
a) Tax authorities		
Within the next financial year	47,073,545	48,074,307
Beyond the next financial year	18,478,450	20,885,007
<i>Total amount due to Tax authorities</i>	<i>65,551,995</i>	<i>68,959,314</i>
b) Personnel	953,725	859,805
c) Social security institutions	782,507	1,888,988
d) Deposits		
Within the next financial year	70,705	87,294
Beyond the next financial year	937,302	888,582
<i>Total deposits</i>	<i>1,008,007</i>	<i>975,876</i>
e) Amounts due to equity investments	329,821	2,382,733
f) Other receivables	60,611,615	71,517,610
<i>Total other debtors</i>	<i>129,237,670</i>	<i>146,584,326</i>
Total II - Debtors	478,197,101	482,639,321
III Investments which are not permanent		
6) Other investments	3,166,899	16,614,171
IV Cash at bank and in hand		
1) Bank and postal current account	149,622,621	154,886,319
3) Cash on hand	360,499	374,678
Total IV Cash at bank and in hand	149,983,120	155,260,997
Total current assets C)	860,036,158	893,476,604
D) Prepayments and accrued income		
1) Issue premium	543,833	1,045,833
2) Prepayments and accrued income	8,545,299	5,599,537
Total prepayments and accrued income D)	9,089,132	6,645,370
Total assets	1,142,145,928	1,140,230,631

BALANCE SHEET

LIABILITIES

(euro)

	2003	2002
A) Equity		
I Subscribed capital	98,424,900	98,424,900
II Share premium reserve	67,836,096	67,836,096
III Revaluation reserves	236,369	236,279
IV Legal reserve	7,217,824	6,624,015
V Reserve for own shares	2,385,184	-
VI Statutory reserves	-	-
VII Other reserves		
1) Conversion reserve or loss	(18,594,035)	(7,247,758)
2) Extraordinary reserve	21,675,196	25,053,338
3) Reserve for specific risks	798,334	798,334
4) Reserve for own shares purchasing	22,214,816	-
4) Euro conversion difference	(2,271)	(2,271)
Total other reserves	26,092,040	18,601,643
VIII Profit (loss) carried forward	2,535,208	15,211,684
XI Profit (loss) for the financial period	22,394,581	15,069,862
Total Consolidated Group Equity	227,122,202	222,004,479
Minority interests	375,615	(135,875)
Minority interests profit (loss) for the financial period	(217,326)	442,481
Total Equity A)	227,280,491	222,311,085
B) Provisions for risks and charges		
2) For taxes	1,435,296	3,300,000
3) Other		
a) for contractual risk	51,599,382	50,650,190
b) for losses on equity investments	11,748,181	20,554,847
c) Art. 27 Company's statue reserve	37,426	-
Total other provisions	63,384,989	71,205,037
Total provisions for risks and charges B)	64,820,285	74,505,037
C) Employee severance indemnity	12,189,086	11,969,848
D) Creditors		
1) Debenture loans		
Beyond the next financial year	150,000,000	150,000,000
Total debenture loans	150,000,000	150,000,000
3) Amounts due to banks		
Within the next financial year	100,347,156	114,250,512
Beyond the next financial year	75,071,572	39,674,830
Total amounts due to banks	175,418,728	153,925,342
4) Amounts due to other financiers		
Within the next financial year	4,870,641	3,953,734
Beyond the next financial year	21,026,860	22,918,807
Total amounts due to other financiers	25,897,501	26,872,541
5) Advances received		
Within the next financial year	48,046,899	82,861,889
Beyond the next financial year	99,262,337	78,176,825
Total advances received	147,309,236	161,038,714
6) Trade payables		
Within the next financial year	188,214,288	189,006,616
Beyond the next financial year	8,184,958	6,147,248
Total amounts to suppliers	196,399,246	195,153,864
8) Amounts due to subsidiaries	19,471,307	21,847,100
9) Amounts due to associated companies	60,669,962	58,576,861
11) Amounts due to tax administrations	21,670,170	10,536,109
12) Amounts due to Social Security Insitutions	4,684,402	5,459,500
13) Other creditors		
a) Other entity interests	4,995,124	8,794,669
b) Deposits and caution		
Beyond the next financial year	22,229	28,880
c) Personnel	4,506,350	4,695,879
d) Other	15,968,197	23,676,280
Total other creditors	25,491,900	37,195,708
Total creditors D)	827,012,452	820,605,739
E) Accruals and deferred income	10,843,614	10,838,922
Total liabilities and equity	1,142,145,928	1,140,230,631

MEMORANDUM ACCOUNTS

(euro)

	2003	2002
A) Personal guarantees		
1) Guarantees for credit lines		
a) For subsidiaries	52,551,470	63,764,439
b) For associated companies	60,251,822	83,539,510
c) For third parties	20,686,142	15,429,384
Total guarantees for credit lines	133,489,434	162,733,333
2) Guarantees for works		
a) For subsidiaries	369,607,286	269,439,603
b) For associated companies	641,353,544	688,397,032
c) For third parties	431,526,145	414,645,648
Total guarantees for works	1,442,486,975	1,372,482,283
3) Other guarantees	119,830,098	117,932,546
Total personal guarantees A)	1,695,806,507	1,653,148,162
B) Other off-balance sheet accounts		
1) Risk of recourse from factors	86,168,416	164,805,900
2) Other	29,659,679	27,452,250
Total other Off-balance sheet accounts B)	115,828,095	192,258,150
D) Third party guarantees in our favour	22,189,375	21,931,591
Total memorandum accounts	1,833,823,977	1,867,337,903

PROFIT AND LOSS ACCOUNT

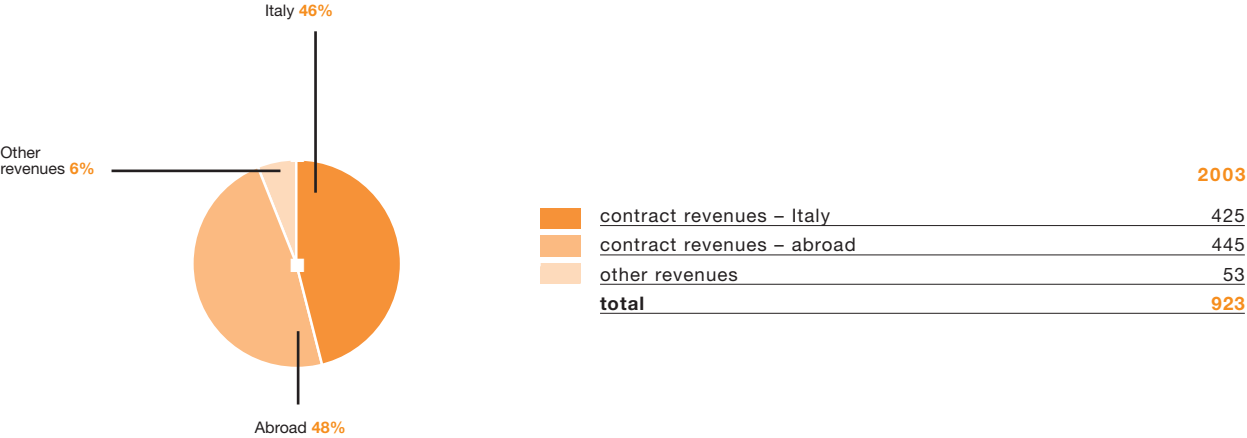
(euro)

	2003	2002
A) Value of production		
1) Net turnover from sales and services		
a) from contracts	778,559,800	686,164,586
3) Variation in contracts in progress	91,585,117	71,252,938
4) Work performed for own purposes and capitalised	8,021,370	9,292,345
5) Other revenues	44,618,678	49,805,472
Total value of production A)	922,784,965	816,515,341
B) Cost of production		
6) For raw materials, consumables and other goods	160,700,430	128,683,108
7) For services	502,101,895	481,949,017
8) For use of assets owned by others	12,873,914	7,482,456
9) For personnel		
a) Wages and salaries	87,887,070	76,290,159
b) Social security charges	18,898,156	17,223,482
c) Provision for severance indemnities	4,764,694	4,451,837
e) Other costs relating to staff	11,315,383	10,235,347
<i>Total personnel</i>	<i>122,865,303</i>	<i>108,200,825</i>
10) Amortisation, depreciation and write-down		
a) Amortisation of intangible assets	26,936,562	22,177,560
b) Depreciation of tangible assets	18,756,380	13,901,663
d) Allowance for doubtful debtors included in current assets and other accounts included in cash at bank and in hand	200,000	14,399,819
<i>Total cost for amortisation, depreciation and write-down</i>	<i>45,892,942</i>	<i>50,479,042</i>
11) Variations in inventories of raw materials, consumables and goods for resale	(5,524,385)	(16,180,806)
12) Risk allowances		
a) Provision for risks	32,984,879	14,940,078
b) Utilisations for risks	(32,010,707)	(41,457,859)
<i>Total provision for risks (utilisations)</i>	<i>974,172</i>	<i>(26,517,781)</i>
14) Other operating charges	16,457,305	17,099,527
Total cost of production B)	856,341,576	751,195,388
Difference between value and cost of production (A-B)	66,443,389	65,319,953
C) Financial income and charges		
15) Income from equity investments		
a) from subsidiaries	2,877,575	2,084,951
b) from associated companies	1,012	585,260
c) from other equity investments	7,558	13,057
<i>Total income from equity investments</i>	<i>2,886,145</i>	<i>2,683,268</i>
16) Other financial income		
d) other income not included above		
1) from others	22,341,450	17,750,983
17) Interest charges and similar charges		
1) from others for other financial charges	51,167,936	45,506,490
Total (15+16-17)	(25,940,341)	(25,072,239)
D) Value adjustments in respect of investments		
18) Revaluation		
a) of equity investments	2,681,531	556,971
b) of securities non equities	190,239	-
19) Write-down		
a) of equity investments	7,839,625	7,166,917
b) of shares recorded under the current liabilities	1,517,548	1,277,133
Total adjustments (18 - 19)	(6,485,403)	(7,887,079)
E) Extraordinary income and charges		
20) Income		
a) other income	8,158,151	6,268,192
21) Charges		
a) capital losses on disposal of assets	-	327,504
b) taxation of previous years	1,868,671	3,434,815
c) other charges	11,271,444	8,654,384
<i>Total extraordinary charges</i>	<i>13,140,115</i>	<i>12,416,703</i>
<i>Total extraordinary charges (20-21)</i>	<i>(4,981,964)</i>	<i>(6,148,511)</i>
<i>Profit (loss) before income taxes (A-B+C+D+E)</i>	<i>29,035,681</i>	<i>26,212,126</i>
22) Income taxes on the income of the period		
a) Current tax	14,994,090	8,860,973
b) Deferred tax assets	(8,135,664)	1,838,810
<i>Total taxes</i>	<i>6,858,426</i>	<i>10,699,783</i>
23) Profit or loss of the period		
a) consolidated	22,177,255	15,512,343
b) minority interests profit/loss for the period		
- profit	217,326	(442,481)
26) Group profit (loss) of the period	22,394,581	15,069,862

Value of production

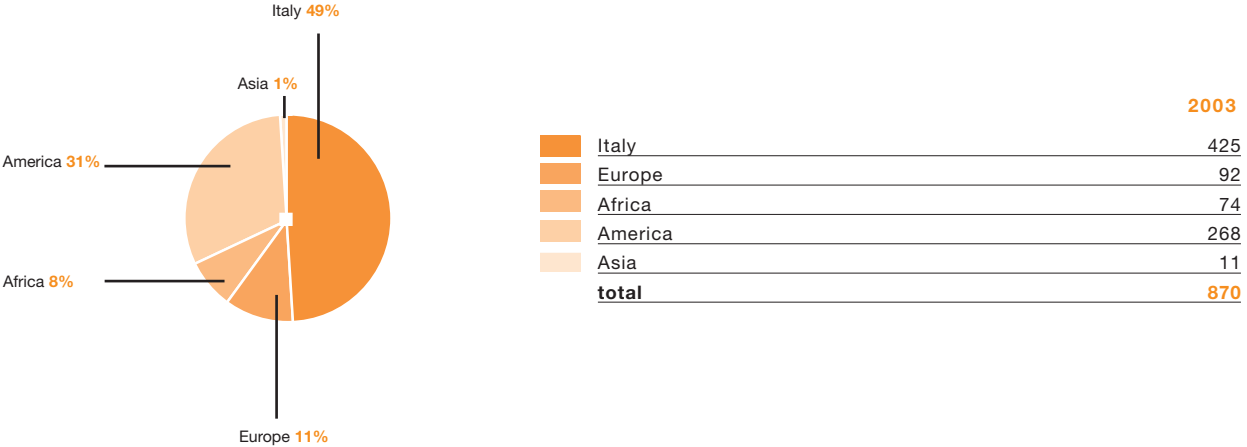
value of production

(millions of euro)



contract revenues by geographical area

(millions of euro)



Explanatory notes to the consolidated accounts

Basis of presentation

Astaldi S.p.A. has prepared the consolidated accounts in accordance with the principles provided for in Law Decree no. 127/91 which enacts the VII EEC Directive. The accounts are complete with the table of exchange rates applied, the scope of consolidation, the list of non-consolidated companies, the schedule of movements in the net consolidated balance sheet account items, the schedule of relations between the parent company accounts and the consolidated accounts and the cash-flow statement.

It is stated that the reference date for the consolidated accounts coincides with the end of the financial year of the Parent company Astaldi S.p.A. and of the majority of Subsidiaries, included in the scope of consolidation.

The latter's accounts have been appropriately reclassified and adjusted to comply with the accounting principles and valuation criteria of the parent company. In the event where the company year for the consolidated companies does not coincide with the calendar year, interim accounts have been prepared by the Directors, which reflect the conventional Group financial year.

Moreover, in certain cases, reported in the notes that follow, balance sheet and profit and loss items have been reclassified for the previous financial year for the purposes of better representation. Credits and debits with subsidiary, Associated and other companies, attributable for significant amounts to relations with consortia-type companies, have been reported at net values with reference to the prevailing amount with respect to each individual counterpart.

In the paragraph relative to related parties, the gross amounts of credits and debits are provided with respect to the abovementioned entities.

All the amounts reported in the explanatory note are expressed in euro thousands unless otherwise stated.

According to the art. 16 of the Law Decree 213/1998 and art. 2423, sub-section 5, of the Italian civil code, the balance sheet and the profit and loss accounts are drawn up in euros as currency unit.

Consolidation principles

The consolidation principles adopted are the following:

- a) The accounting value of the shareholding held by the Parent company included in the scope of consolidation has been written-off against the net equity of the consolidated companies assuming the assets and liabilities;
- b) any increased value paid with respect to the accounting net equity of the shareholding at the date of the purchase is attributed to the individual items in assets and liabilities to which this increased value refers;
- c) any remaining positive difference is recorded under the item Consolidation differences; any remaining negative difference is accounted for in the Consolidation reserve for risks and future charges to cover estimated future losses or in the consolidation reserve included in Equity;
- d) the balance of the results is entered under the item Profit (losses) carried forward;

- e) debit, credit, costs and revenues, dividends collected and losses set aside and any other transactions entered into between the companies included in the scope of consolidation have been eliminated;
- f) value adjustments and provisions made exclusively in application of taxation regulations have been eliminated;
- g) the capital and reserve quotas and results for the financial period pertaining to minority shareholders are recorded under an appropriate item in the balance sheet and the profit and loss account. In addition, in the case of losses incurred by companies included in the scope of consolidation, in which there are minority shareholders, the portion of loss attributed to the latter does not exceed the relative share in Equity relating to them with the exception of cases where a commitment has been obtained by the same minority shareholders, to cover the losses relating to them.

The accounts for foreign consolidated companies and stable foreign organisations (the accounting of which is carried out using a multi-currency system) are converted into Euros in accordance with the following criteria:

- assets and liabilities at the exchange rate as at the date of the financial statements;
- profit and loss account items by applying the average exchange rate for the a year;
- components of capital and reserve are translated at historical exchange rates.

Exchange rate differences deriving from the translation of Equity at the historical exchange rates with respect to year end exchange rates, including the difference resulting from the translation of result for the period at the average exchange rates, are included in Equity in the “Conversion reserve or loss”.

Scope of consolidation

The scope of consolidation, in addition to the parent company Astaldi S.p.A., comprises:

- a) companies or other legal entities in which the Parent company owns, either directly or indirectly, 50% of the company share capital or in which it exercises overall control; these companies are consolidated using the line-by-line method;
- b) companies or other legal entities in which the parent company exercises joint control with other shareholders; these companies are consolidated using the proportional integration method.

For the purposes of consolidation, the accounts approved by the general meeting of shareholders or partners have been used, or in their absence, accounting forecasts approved by the board of directors.

Controlling shareholdings in Consortia and Joint Venture companies have been excluded from the scope of consolidation which, on redebiting the costs to partners, do not have their own profit and loss results and for which the relative accounts, after eliminating of intergroup assets and liabilities, do not have any significant net worth.

Accounting principles and valuation policies

The accounting principles and evaluation policies comply with the provisions of Art. 2426 of the Italian Civil Code and reflect those provided for by the National Council of Professional Accountants and Bookkeepers; these principles are consistent with those of the prior year.

Furthermore, for the purposes of better representation of the asset and financial position of the Company, the following is highlighted:

- a) leased assets, in the absence of a specific Italian accounting principle, have been accounted for in accordance with I.A.S. accounting principle no.17, which provides for:
 - recording of the cost of the assets in fixed assets, and the pertaining depreciation of the assets;
 - reporting of the financial debt to the grantor, with the relative accounting of financial charges;
- b) accounts receivable transferred with recourse have been removed from the balance sheet highlighting the level of risk of recourse in the memorandum accounts. There have been no departures with respect to Articles 2423 and 2423 bis of the Italian Civil Code.

It is also pointed out that the items represented by Arabic numbers which do not show a balance in the current and the previous financial year have not been included in the accounting schedules; consequently, the numbering is not progressive.

Intangible assets

Intangible assets represent costs and expenses with multi-year utility and have been accounted for and recorded on the basis of the cost effectively incurred inclusive of directly attributable ancillary charges.

This amount is presented in the accounts net of the relative amortisation, which is calculated in relation to the residual useful life of the asset; in particular:

- formation and expansion expenses show charges incurred by the Parent Company and other companies for the constitution and increase in the Company capital and are amortised with a straight-line method in five years;
- costs relative to the acquisition of intellectual property rights and licences, trademarks or similar rights are amortised on the basis of the expected length of time over which the asset will be used;
- concession rights represent the value, net of payments received, of the land rights relative to parking spaces, intended for sale, in car parks constructed in the municipalities of Turin and Bologna. Entering in the profit and loss account occurs in the year of sale;
- goodwill represents the excess of the purchase price over the fair value assigned to tangible and intangible assets less the fair value assigned to liabilities assumed.

Amortisation is provided over the estimated future periods to be benefited with a straight line method in five years. In the case of a longer period, adequate disclosure is given in the explanatory notes.

- construction site installation costs show the costs incurred for the planning and organisation of contracts acquired and are amortised based on the physical progress of the contract;

- tender preparation costs, for participation in contract tenders, (awaiting formal contract award), have been written down of the costs for which there is not a reasonable certainty of contract award; in the event of contract award, such costs are based on the physical progress of the works;
- other intangible assets are mainly related to the value of contractual rights within the scope of current initiatives both in Italy and abroad, to costs for studies, project and other fixed assets.

With regard to amortisation policies of costs included in this item we highlight below the various methods utilised:

- the values of contractual rights are amortised, with respect to current legislation, on the basis of the progress of the relative contracts;
- expenses for studies and project are amortised on a straight line method at a constant rate on the basis of the lesser period between the residual contract duration and 5 years.

Tangible assets

The value of tangible assets, represented by fixed assets and of assets comprising machinery and equipment utilised for the purpose of production activity, has been on the basis of the purchase price or the construction cost, inclusive of directly attributable ancillary charges.

For certain property assets (land, buildings, plant, machinery and equipment), revaluations have been applied in application of the current laws in the countries in which the group operates.

Costs for modernisation and improvement, which extend the economical life of the assets, are added to the value of the same.

Tangible assets also include leased assets, as described previously.

Depreciation is calculated with the straight line method at a constant rate in relation to the residual useful life of the asset, within the limits of the tax rates considered representative of the estimated useful life of the asset.

Freely transferable assets are depreciated in accordance with the financial method over the lesser period between the useful estimated life of the asset and the duration of the concession.

For assets acquired during the year the depreciation rates are reduced by 50%.

Payments into the plant account, reducing the cost of the assets to which they refer, are recorded at the time of formalisation of the relative resolution.

Equity investments

Equity investments in subsidiary and associated companies excluded from the scope of consolidation are accounted for, if significant, using the equity method, which involves recording the investment at a value equal to the pertaining percentage of equity, after having applied the adjustments provided for in the principles for the preparation of consolidated financial statements.

Other investments are stated at cost, inclusive of directly attributable ancillary charges, adjusted if necessary to reflect permanent losses of the value.

Companies in liquidation are stated at cost, adjusted to consider the relevant liquidation expenses.

Dividends are recorded on an accruals basis at the moment at which the right to drawing arises as a result of the resolution made by the Annual General Share-

holders' Meeting of the shareholding company, (by the Board of Directors in the case of controlled companies) to distribute the profit or, as appropriate, reserves. This is on the condition that the date of approval of the accounts of the shareholding company and the relative resolution for distribution of profits takes place prior to approval of the Company accounts.

Losses from equity investments, which exceed the book value for which there is a commitment to settlement, are accounted for (after having written-off the book value) in the provision for losses in equity investments.

In the subsequent financial year if the reasons which brought to the write-down fail to occur, the equity investment previously adjusted are re-valued within the limits of the write-down previously effected and the adjustment is recorded to profit and loss account.

Own shares

Own shares are stated between the fixed assets in order to show the willingness of the administrative board to maintain them in the own treasury for more than a fiscal year. The latter are stated in the financial account at their purchase cost, which is reduced if there is a permanent capital loss only.

Debtors and creditors

Debtors are stated at their presumed realisable value by means of the for doubtful debts net. Creditors are stated at their nominal value.

Debtors and creditors in foreign currency

Debtors and creditors denominated in foreign currencies are originally recorded at the exchange rate in effect at the date of the transaction.

Current assets and liabilities denominated in foreign currencies are restated at the prevailing exchange rate as at the balance sheet date. Profits and losses, which result from the restatement, are recorded to profit and loss as items of a financial nature. Long-term assets and liabilities in foreign currency are restated at the prevailing exchange rate at the balance sheet date. The profit from the restatement is deferred to the financial year in which it will be realized.

Inventories of raw materials and consumables

Inventories are carried at the lower of cost or market value.

Contracts in progress

Long term contract in progress at year end are stated in accordance with the stage of completion of the works performed, not yet officially recognized by the customer, and thus not yet billed and included in revenues, but identified with reasonable certainty, applying the method of the physical measurement, and evaluated on the basis of the revenue contractually agreed. Through provisions and utilisation of the contractual risks reserve, the operating margins of the contracts are adjusted for the purposes of entering these on an accruals basis.

In the case of a negative trend of a contract in progress the final estimated loss is quantified and accrued in the reserve for contractual works. In this reserve are also reflected the outcomes related to the comprehensive carrying out of the works. Charges considered for execution of works include:

- raw material purchase costs;
- costs relative to services rendered by subcontractors;
- labour costs;
- indirect costs (sale costs, general costs and administrative costs).

The valuation of the contract margins reflects the estimate made at the time of preparation of the financial statements, the assumptions used in the valuation are reviewed regularly.

The contracts are considered completed on completion of all the main anticipated activities, including inspection support and acceptance by the customer.

The valuation of reserves, as indicated by the rules of the “Legge Quadro” in connection with contracts with public entities, representing claims with economic contents different than that which is due to the contractor pursuant to law or contractual provisions, was made on the basis of technical and legal considerations as to the reasonable positive outcome of the claims with the customers.

Finished goods and goods for resale

This records the construction cost of buildings ready for sale, which are lower than current market prices.

Investments which are not permanent

Securities and investments that do not constitute fixed assets are recorded at the lower of the specific purchase cost, inclusive accessory charges, and the market value deduced from regulated market or from other financial market indicators.

Cash at bank and in hand

Cash at bank and in hand represents the liquid amounts available at year end.

Discounts and premiums on loans

Discounts and premiums on loans comprise prepaid financial costs or revenue, net of the portion recorded in previous financial years and to the current. The discount on loans is amortised based on the duration of the loan.

Accruals and deferred income

These are determined on an accrual basis.

Provision for risks and charges

Provisions for risks and charges are intended to cover liabilities of a determinate nature, of certain or probable existence, for which, however, at the end of the financial year the exact amount or the date in which the liability will determine an economic outflow cannot be determined.

Provision for severance indemnities

The provision for severance indemnities is determined systematically on the basis of matured liability in conformance with current legislation and employment contracts in force in the countries in which the Group operates.

This reserve shows the debt with respect to employees. Utilisation of the same occurs following the termination of employment and payment of advances in accordance with Law no. 297/82.

Memorandum accounts

- Personal guarantees are mainly represented by commitments in favour of third parties and in the interest of Group companies against liabilities and other commitments taken on by the latter; these guarantees are recorded at the nominal amount of the guarantee provided.
- Purchase and sale commitments related to derivatives contracts which provides for the exchange of capitals, other activities or their differentials, are stated at the contract value. Commitments for other derivative contracts are stated at the nominal value of the underlying asset.
- The risk of recourse pertaining to transfers of receivables with recourse of debtors assigned to the factor of is recorded at the nominal value of the receivables transferred.

Memorandum accounts expressed originally in values other than the Euro, are measured to the exchange rate at the end of the year.

Income tax

Current income taxes are recorded in relation to the effective tax burden for the period based on a reasonable estimate, of the individual profit and loss items, in compliance with the tax regulations in force in the countries in which Group companies operate.

Deferred taxes are accounted for by liability method which reflects the tax effects of all significant temporary differences between the basis of assets and liabilities recognized in the consolidated financial statements and their tax basis. Deferred tax assets are recorded if there is a likelihood that such will be realized and deferred tax liabilities are not recorded if it is not probable that the liability will be paid. Deferred tax liabilities and deferred tax assets are recorded in the provisions for risk and charges and in other receivable, respectively.

Derivative products

The Group uses derivative products to manage exposure to fluctuations interest rate (IRS) and foreign currencies (DCS).

The differential on IRS for hedging of financing obtained is recorded on accrual basis to interest income/expense.

In order to manage exposure to fluctuations currencies exchange rate on loan agreements, on liquid assets and liabilities, mainly related with long-term contracts so called in foreign currencies, the Group enters into currencies swap (DCS). The cost of forward contracts (the difference between the spot rate and the forward rate at the contract inception) is stated in the profit and loss account based on the duration of the contract.

Transactions with subsidiaries, associates, and related parties

Transactions with subsidiaries (consolidated and non-consolidated), with associates and with other related parties are carried out under normal market conditions. There are no significant transactions of a commercial or financial nature entered into with the Parent Company.

Profit and loss account

The positive and negative income components are recorded on an accrual basis.

Revenues from the sales are recognised upon delivery of the goods; revenues from services are recognised according to the services provided and in agreement with the relevant contracts.

The change in inventories resulting from the profit and loss account does not coincide with the difference between the final inventories for the financial year and those of the previous period given in the balance sheet, due to:

- the difference in exchange rates adopted (average exchange rate for the profit and loss account, year-end exchange rate for the balance sheet);
- variations in the scope of consolidation;
- assignments of credit with recourse, which involved a number of claims towards the customers;
- recording of the value of works executed – whose payments were collected during the course of work upon the completion of single work phases – in deduction of the value of advances, in order to privilege substance over form;
- valorisation of works carried out, whose payment was collected on a provisory basis, but without the presence of any guarantee in favour of the orderer, in deduction of advances, reflecting the relevant recourse risk within the scope of the memorandum accounts.

Foreign entities operating in high inflation rate countries show, where significant, the necessary adjustments for elimination of the effects of inflation.

Comments on the main balance sheet and profit and loss items

Balance sheet

Assets

B - Fixed assets: Euro 273,021

B.I - Intangible fixed assets: Euro 52,191

The changes in the fixed assets are given in the following table.

c h a n g e s i n t h e i n t a n g i b l e f i x e d a s s e t s									
	2002	increase cost	increase balance sheet	decrease balance sheet	trasferers to other categories	ammortisation for financial year	changes in scope of consolidation	exchange rate difference	2003
formation and expansion expenses	7,986	–	–	–	109	(2,441)	–	–	5,654
patents and rights to use patents of others	577	–	1,096	–	–	(387)	–	–	1,286
concessions, licences, trademarks and similar rights	568	–	–	–	–	(539)	–	–	29
goodwill	180	–	–	–	–	(20)	–	–	160
other									
construction site installation costs	8,793	4,412	524	–	1,081	(3,925)	–	(17)	10,868
cost of preparing tenders	1,750	278	–	(161)	(1,042)	(446)	–	–	379
other	38,438	3,331	6,165		(148)	(19,179)	4,932	276	33,815
	58,292	8,021	7,785	(161)	(0)	(26,937)	4,932	259	52,191

The main movements that concerned the individual items are summarised below.

B.1.1 – Formation and expansion expenses

The item in question, for a total of Euro 5,654, mainly represents the value still to be amortised for costs incurred by the Parent Company for defining the listing project, occurring in 2002. The item in question underwent a decrease of Euro 2,332 mainly due to amount of amortisation for the year.

B.1.3 – Patents and rights to use patents of others

The item in question, for a total of Euro 1,286, had a net increase of Euro 709, due to Euro 1,096 with increases for the purchase of *software* with limited licence for use, which included the new version of the integrated company management system for Euro 798, and Euro 387 for the decrease due to amortisation for the year in question.

B.1.4 - Concessions, licences, trademarks and similar rights

The item in question, for a total of Euro 29, gives the value of the parking space right for the “Palazzo” car parks in Turin and “Piazza VIII Agosto” in Bologna; this item decreased in the year exclusively for the amortisation amount, equal to Euro 539, imputable to amortisation of the total area right for the “Corso Stati Uniti” car park in Turin, determined according to the value of the car spaces transferred in 2003.

B.1.7.a – Construction site installation costs

The value of Euro 10,868 recorded in the accounts underwent a gross increase of Euro 6,017 imputable to costs incurred for the plant, organisation and start-up of new work sites in Italy and abroad. The main increases include those relevant to the new contract for construction of the Brescia Underground, for Euro 2,110, the Milan Rail Link for Euro 600, in addition to charges relevant to the contract acquired in Qatar by Astaldi Arabia Ltd for Euro 1,082. The decrease of Euro 3,925 refers to the amortisation amounts for the period in question.

B.1.7.b – Cost of preparing tenders

The value of Euro 379 recorded in the accounts, had a net decrease of Euro 1,371 with respect to the previous year, imputable for:

- Euro 1,203, to reclassification in the item plant and work site of costs capitalised in previous years and relevant to initiatives having a positive result during the course of the current year: the most significant include the acquisition of the contract for construction of the Brescia Underground;
- Euro 278, relevant to the capitalisation of costs incurred for tenders in Italy and abroad, for which there is reasonable certainty of being awarded the contract.
- Euro 446, for amortisation of the charges relevant to tenders in Italy and abroad having a negative result in the year.

B.1.7.c - Other

The value recorded in the accounts totals Euro 33,815.

The increases, totalling Euro 14,704, are mainly imputable for:

- Euro 6,402, to costs incurred for the organisation and definition of methods of financing works in progress in Turkey;
- Euro 1,119, to costs incurred by the Company in compliance with Art. 37 quater Law no. 109/1994, relevant to works in *project financing* in progress in Italy;

- Euro 2,410, relevant to costs incurred by Italstrade S.p.A., through its permanent organisation in Morocco, in relation to the intense activity carried out for increasing and improving the production capacity of the aggregate and concrete production plants, in consideration of contract times;
- Euro 4,932, relevant to the consolidation of Romairport S.r.l., indirectly controlled through Italstrade with a 63.89% stake, which was changed from a consortium company in 2003 - *functioning with the traditional so-called “overturning of costs and revenues” method and therefore not consolidated in the previous years* – into a limited liability company and therefore having its own economic, financial and asset independence.

The decreases for a total of Euro 19,327 are mainly imputable for:

- Euro 7,730, to the complete amortisation of the residual of deferred expenses, relevant to the Iricav Due contract, in consideration of the positive conclusion of the dispute with the assignor, during 2003 with the final arbitration award;
- Euro 3,212, to the amortisation of costs incurred by the Turkey branch in relation to the effects of liquidation of the previous joint venture, as well as the relevant contractual changes;
- Euro 2,844, to the amortisation of costs previously incurred by the El Salvador branch due to reorganisation of the various initiatives in progress in the country;
- Euro 1,141, to the amortisation of costs of an additional nature, incurred in the past year by the Venezuelan branch and relevant to the import of goods, becoming definitive in 2003, which positively contributed to forming the result of the current financial year;
- Euro 584, to the amortisation of additional costs incurred for the financed agreed with our subsidiary Astaldi Finance S.A.;
- Euro 504, to the amortisation of costs incurred by the permanent organisation of Italstrade in Morocco;
- Euro 215, to the amortisation for the year, carried out by the Parent Company, relevant to contractual rights for works in Algeria pertinent to the associated company Consorzio A.F.T. Kramis.

B.II - Tangible fixed assets: Euro 106,318

The changes in tangible fixed assets are given in the following table.

c h a n g e s i n t a n g i b l e f i x e d a s s e t s							
(thousands of euro)	2002	purchases	disposal	transfers reclassification	changes in consolidation area	exchange rate difference	2003
a) tangible assets							
– land and buildings	30,446	260	(314)	–	–	(303)	30,089
– specific plant	45,944	13,958	(5,809)	(193)	176	(110)	53,966
– general plant	10,531	6,755	(488)	(65)	71	(75)	16,730
– crafts	868	–	(77)	–	–	–	790
– excavators, powershovels and heavy vehicles	47,361	12,583	(5,049)	302	35	(1,330)	53,902
– light vehicles, ships and planes	10,479	1,686	(895)	65	30	797	12,161
– other small equipments	4,916	1,328	(600)	(187)	5	(419)	5,043
– light constructions	3,057	1,252	(228)	58	28	77	4,245
– metal sheet pile and shuttering	3,318	1,825	(1,397)	–	–	45	3,792
– furniture, fittings and office machines	3,661	197	(410)	(20)	15	127	3,570
– electronic machines and office systems	4,229	523	(634)	40	61	(80)	4,138
– assets without charge	2,542	–	–	–	–	–	2,542
– tangible assets in course of construction and payments on account	392	134	(248)	–	–	–	278
total A	167,744	40,501	(16,149)	0	421	(1,271)	191,246
b) amortisation reserves							
– land and buildings	4,663	713	(0)	–	–	(197)	5,179
– specific plant	23,966	4,648	(2,436)	76	132	(143)	26,243
– general plant	4,529	1,437	(333)	4	34	(268)	5,403
– crafts	864	1	(75)	–	–	–	790
– excavators, power shovels and heavy vehicles	20,547	7,791	(1,966)	(76)	35	(812)	25,519
– light vehicles, ships and planes	7,317	1,266	(633)	–	17	766	8,733
– other small equipment	2,695	1,166	(124)	–	5	(147)	3,595
– light constructions	1,757	422	(43)	–	24	31	2,191
– metal sheet pile and shuttering	2,292	517	(717)	(4)	–	(2)	2,086
– furniture, fittings and office machines	2,209	272	(399)	(10)	11	9	2,092
– electronic machines and office systems	3,065	447	(608)	10	35	(43)	2,906
– assets without charge	114	76	–	–	–	–	191
total B	74,019	18,756	(7,334)	(0)	293	(806)	84,928
total net fixed assets (A–B)	93,725						106,318

The most significant net changes also refer to the normal renewal of assets, as well as new investments, which mainly concerned the categories of *Specific plants*, *General plants*, *Excavators* and *Light constructions*, mainly relevant to the new contracts in Italy, the permanent organisations located in El Salvador, Venezuela and Turkey, and the new investments of Astaldi Construction Corporation.

B.III - Financial assets: Euro 114,511

The most significant changes for the period, as given in the appendix, are mainly due to the evaluation of certain investments using the equity method.

In accordance with Art. 2426 no. 3 Italian Civil Code, it is pointed out that, for some equity investments in subsidiaries and associated companies specified in the attached statement, the values entered in the financial statements on the basis of costs incurred, are higher than those that would result from the application of the net equity method.

These differences, which are not significant, do not represent lasting losses of value.

Amounts due from subsidiaries, associated companies, shareholding companies and third parties, recorded in the accounts for total value of Euro 83,764, underwent increase of Euro 29,582.

These receivables basically represent the financial transactions made by the Company to support works in progress, mainly abroad, as well as financing granted to companies in liquidation.

It should likewise be pointed out that the sum of Euro 69,853 was entered in the *Other loans*, pertaining for most of the value (Euro 64,843) to the part of the payment of credit assignments (*with recourse*) not paid by financial institutions, reported further on in these Notes, and for an amount of approx. Euro 5,000 relevant to the contribution under the Tognoli Law imputable to the "Piazza VIII Agosto" car park in Bologna.

During the financial year, pursuant to the resolutions of the Ordinary Shareholders' Meeting of 5 March 2003 *relevant to the buy-back of own shares within the limits provided for by current regulations* – the Company negotiated its own shares on the Electronic Share Market (see the following table).

movement of own shares in portfolio			
	quantity	value in euro	medium price in euro
purchased shares	1,846,900	3,477,548,48	1,8829
sold shares	(591,000)	1,508,980,00	2,5533
share in the portfolio	1,255,900	2,385,184	1,8992
capital gain		416,614,40	

C - Current assets

C.I - Inventories: Euro 228,689

The decrease with respect to the previous financial year is Euro 10,273.

The most significant elements in the overall net change are imputable for:

- Euro 7,467, to increases in *Raw materials and consumables*, mainly relevant to the activities carried out in Guinea Conakry, Turkey, Morocco, Honduras and El Salvador;
- Euro 259, to decreases in *Finished goods and goods for resale*, relevant to the sale of the property in Via Po no. 10, Rome;
- Euro 10,970, to decreases in contracts in progress. It should be pointed out

that the contracts in progress are equal to a total of Euro 187,373. This amount is expressed net of:

- a) reserves for Euro 74,147 transferred *with recourse*, whose risk of recourse, equal to the corresponding amount of the transfer paid by the factor, for Euro 29,728, is given in the memorandum accounts, whereas the difference not yet paid by the factor, equal to Euro 44,419, was entered in the financial credits;
- b) the value of works executed, whose payments were collected during the course of work upon the completion of single work stages, for Euro 102,860;
- c) payments collected on a provisional basis, but without any guarantee in favour of the orderer, for Euro 29,660 whose risk of recourse was in any case recorded in the memorandum accounts;
- for a total of Euro 6,511, with decreases in the item Assets and material in transit;
- Euro 264, with an increase imputable to the change in the scope of consolidation.

C.II - Accounts receivable: Euro 478,197

The total decrease of Euro 4.442 with respect to the last financial year is the result of the following items.

C.II.1 - Trade receivables: Euro 279,745

Trade receivables are entered net of the provision for doubtful debtors for Euro 9,573 and the overdue interest provision for Euro 4,239.

With respect to 2002, the item records a positive change equal to Euro 15,331.

This change refers mainly refers to:

- the right to receive the contract advance, equal to Euro 15,760, relevant to the construction of the Verona-Venice section of the High-Speed Railway line, as result of the positive arbitration decision of last July;
- works in progress for the New Expo Fair Centre of Milan, Euro 22,744, which had a significant development in terms of production carried out during the year;
- works in progress in Honduras, for Euro 6,439, resumed during the last part of the financial year;
- the development of the works portfolio which concerned Astaldi Construction Corporation, for Euro 8,094;
- works carried out by Astaldi Arabia Ltd., in particular those in progress in Qatar, for Euro 6,260;
- the change in the scope of consolidation (Romairport S.r.l.), for Euro 4,367.

The most significant decreases refer to:

- collections made by Italstrade, for Euro 9,291, mostly for the works carried out in Morocco;
- works in progress in Algeria, for Euro 6,860;
- the permanent organisation in Guinea Conakry for Euro 4,722.

In addition to the above, during the course of the year credits were assigned with recourse – summarised below – to financial institutions, which enabled a part of

assignment of credits with recourse

(thousands of euro)

	original credit assignment	amount paid in advance	residual credit assignment
Italian contract works	76,863	56,440	20,423
total	76,863	56,440	20,423

The following table summarises the trend in the assignments in 2003:

trend in the assignment of credit with recourse in the year

(thousands of euro)

	2002 credit	collected	transfer	2003 transfer
Turkey	60,000	(60,000)	–	–
Italian contracts	54,277	(54,277)	76,863	76,863
total	114,277	(114,277)	76,863	76,863

Contextually, the amount advanced has been represented, as a risk of recourse, in the memorandum accounts.

Amounts due from the Turkish customer for Euro 60,000, transferred in the previous year, were duly collected in 2003.

The movement of funds bringing a direct reduction of the receivables described is given below.

provision for doubtful debtors

(thousands of euro)

value at 12.31.02	9,388
increases for the financial year	200
utilization of reserves for the financial year	(15)
value at 12.31.03	9,573

provision for delayed payment interest

(thousands of euro)

value at 12.31.02	3,525
increases for the financial year	1,517
utilization of profit for the financial year	(230)
utilization of reserves for the financial year	(573)
value at 12.31.03	4,239

C.II.2 – Receivable from subsidiaries: Euro 31,631

A decrease of Euro 15,657 with respect to the previous financial year was recorded. For an analysis of the composition of accounts receivable see the statement given at the end of these Notes, relevant to transactions with correlated parties.

C.II.3 - Receivable from associated companies: Euro 37,563

A decrease of Euro 13,228 with respect to the previous financial year was recorded. For an analysis of the composition of accounts receivable, see the statement at the end of these Notes, relevant to transactions with correlated parties.

C.II.4 - Receivable from parent companies: Euro 20

This refers to relationships of a commercial nature entered into with Fin.Ast. S.r.l..

C.II.5 - Other receivable: Euro 129,238

This item, which recorded a net decrease of Euro 17,347, consists of:

- *receivable from the Revenue*, Euro 65,552: this item decreased by Euro 3,407 and the breakdown is given in the following table.

breakdown of receivable from the revenue			
(thousands of euro)	italy	abroad	total
indirect taxes			
vat credit < 12 months	4,268	8,276	12,544
vat credit > 12 months	297	11,925	12,222
total indirect taxes	4,565	20,201	24,766
direct taxes			
dt credit < 12 months	17,111	1,863	18,974
dt. credit > 12 months	6,059	0	6,059
total direct taxes	23,170	1,863	25,033
c) credit for advance taxes	10,532	5,221	15,753
d) total amount due from tax agency	38,267	27,285	65,552

In addition to the details given in the above table, it is pointed out that the foreign VAT credit mainly refers to:

- works in progress in Venezuela, for approx. Euro 13,803, Euro 11,700 of which refers to the permanent organisation of the Parent Company – *this item has decreased by over Euro 7,000 with respect to the previous year* - for which it is reasonable to expect that it will be partly absorbed by the new works and partly paid by the orderer;
- the permanent organisation of the Parent Company in Guinea Conakry for a value of approx. Euro 1,600, which will be entirely utilised in the invoicing of payments for works carried out, in the course of 2004;
- activities carried out in Italy for Euro 4,565, Euro 4,014 of which relevant to the Parent Company. This amount contributes to forming the normal taxation dynamics for VAT purposes which at times show significant peaks, in any case consistent with the work and invoicing flows;
- the permanent organisation Italstrade S.p.A. in Morocco for Euro 3,006.

It is also pointed out that credit for direct taxes, recorded net of the overdue interest provision equal to Euro 198 and unchanged in the period, consists of:

- Euro 5,000 for IRPEG (individual tax) requested in refund by the Parent Company with Unico 2003;
- Euro 15,848 for IRPEG (individual tax), pertinent to the Parent Company, and formed of:
 - a. full tax credit, in accordance with Art. 105 T.U.I.R., on dividends collected in 2003;
 - b. credit for taxes paid abroad, for the part recoverable in accordance with Art. 15 T.U.I.R., as well as the international conventions against double taxation.
- Euro 2,840, pertinent to the Parent Company, relevant to other credits for IR-

PEG (individual tax) in refund for merger companies (Euro 1,126), interest accrued on a part of the credits requested in refund (Euro 339), the withholding tax of 2% on Severance Indemnity under Law no. 662/1996 (Euro 185), in addition to other tax credits accrued for local purposes by the permanent foreign organisations (Euro 1,190);

- Euro 1,011, relevant to other consolidated companies.

It should be pointed out that during 2003, for the purpose of rationalising the financial relations between Group companies, and also for recovering the IR-PEG (individual tax) credit in progress, the simplified procedure has been started, as per Art. 43-ter of P.D. no. 602/973, which provides for the assignment of a part of the credits for IRPEG (individual tax), not requested in refund, to the subsidiaries. The amount assigned in 2003 totals Euro 2,890.

- for prepaid tax equal to Euro 15,753, Euro 10,531 of which pertinent to the Parent Company and for the residual relevant to the subsidiary Astaldi Construction Corporation of Florida. For their breakdown, see the statement attached to these Notes. The change in the scope of consolidation had a negative impact for Euro 366.
- *receivable from personnel* for Euro 954: this item increased by Euro 94 (negative change in the scope of consolidation equal to Euro 253);
- *receivable from Social Security Institutions*, for Euro 783: this decreased by Euro 1,105;
- *guarantee deposits*, for Euro 1,008: these increased by Euro 32 (positive change in the scope of consolidation equal to Euro 11);
- *receivable from other shareholding companies*, for Euro 330: this item decreased by Euro 2,053;
- *other receivable*, for Euro 60,612: this item decreased, net of the positive change in the scope of consolidation equal to Euro 716, by Euro 10,906, also imputable for Euro 8,289, to the actions undertaken during the period for recovering the credits.

Some of the most significant entries are summarised below:

- other trade receivables, for the sale of goods and services (services to subcontractors, sales of equipment and goods, sale of property assets), for Euro 27,038;
- receivable from subcontractors and suppliers, for contractual advances on services and supplies to be provided, equal to Euro 22,667;
- receivable for advances granted to members of the arbitration boards established in relation to specific disputes existing with orderers, receivable from liquidators, as well as other receivables, equal to approx. Euro 10,907.

C.III – Investments which are not permanent

C.III.6 - Other investments: Euro 3,167

The item in question, which underwent an overall decrease of Euro 13,447 mainly due to the collection of Venezuelan state bonds in the portfolio at 31 December 2002, which were granted by the orderer in payment of the construction work for the Tuy Railway, is formed of the following entries.

other investments

(thousands of euro)

further credit-arner fund	1,836
bnl real estate fund	254
gefin comm. union fund	992
other minor securities	83
acer bond 10% 1990/2002	2
total	3,167

For greater clarity it is also pointed out that the amount is entered net of the depreciation fund of Euro 3,164, unchanged in the period.

C.IV - Cash at bank and in hand: Euro 149,983

Cash at bank and in hand consists of bank deposits for Euro 149,623 and currency and cash values for Euro 360. The items underwent decreases of Euro 5,263 and Euro 15 respectively, compared with the previous financial year.

The change in the scope of consolidation produced a positive change of Euro 7,540, mainly relevant to the entry of Romairport S.r.l. within the scope of consolidated companies.

D - Prepayments and accrued income: Euro 9,089

This account, which underwent an increase of Euro 2,444, mainly concerns prepayments for Euro 1,716 relevant to revenues from financial transactions, Euro 6,829 for accrued income, relevant insurance costs, commissions on guarantees, interest and other components of residual value, and Euro 544 for premiums relevant to the debenture loan.

Liabilities

A - Net equity

For an analysis of the individual items of Net equity see the attached statement of movements in the net consolidated equity occurring in the period.

On 5 March 2003 the Shareholders' Meeting of the Parent Company authorised the Board of Directors to purchase the company's ordinary shares on the M.T.A. (*Electronic Share Market*), in accordance with the provisions of Art. 2357 of Italian Civil Code.

In this context a reserve was established for the purchase of own shares for a total of Euro 24,600, debiting the merger surplus reserve for Euro 14,930 and the extraordinary reserve for Euro 9,670.

At December 31 treasury stocks are equal to 1,255,900, for a total value of Euro 2,385.

Following this the reserve for the purchase of own shares was debited for the same amount, at the same time crediting the treasury stock reserve.

The decrease in the conversion reserve, with respect to 31 December 2003, is attributable to the exchange rate trend, particularly in relation to the US dollar and

related currencies. In this respect, the conversion reserve reflects the exchange rate fluctuations at the closing date with respect to previous periods. These variations are considered temporary and recurrent with respect to the specific nature of the reserve and do not imply permanent effects.

At 3 December 2003, in accordance with the entries in the Shareholders Register, supplemented by the notices received in accordance with Art. 120 of Legislative Decree no. 58/1998 and other available information, direct shareholders owning more than 2% of the Company share capital fully paid-up and represented by shares with voting rights, are as follows:

- Interbanca S.p.A., owner of 9,541,786 shares equal to 9.694%;
- Capitalia S.p.A. (formerly Banca di Roma S.p.A.), owner of 4,562,450 shares equal to 4.635%;
- Fin.Ast. S.r.l., owner of 39,578.033 shares equal to 40.211%;
- Finetupar International S.A. (Luxembourg) (formerly Finetupar S.A), owner of 12,327,967 shares equal to 12.525%;
- Gartmore Investment Management PLC., owner of 1,987,181 equal to 2.018%.
- Famifin S.A. (Luxembourg), owner of 2,000,000 equal to 2.032%

B - Provisions for risks and charges: Euro 64,820

At 31 December 2003, provisions for risks and charges amount to Euro 64,820, against Euro 74,505 for the previous year.

The movement of this provision for the financial year is as follows.

movement of provision for risks and charges							
(thousands of euro)	2002	increases profit and loss	increases balance sheet	decreases profit and loss	decreases balance sheet	changes in consolidation area	2003
provision for contractual liabilities	50,650	32,985	468	(32,010)	(494)	–	51,599
provision for equity investments liabilities	20,555	734	–	(190)	(9,351)	–	11,748
taxation reserve	3,300	271	–	–	(2,136)	–	1,435
provision ex art. 27– company's statute	–	–	89	(51)	–	–	38
total	74,505	33,990	557	(32,251)	(11,981)	–	64,820

- It is pointed out that the provision for contractual risks is established to cover the progress and final result of works. The decrease in the reserve is due to the availment to off-set losses accumulated over the period in relation to Italian and foreign contracts, whose economic effects have already been provided for in previous years.
- The allocations of the equity investment reserve refer to the effect of the devaluation in equity investments in the companies put into voluntary liquidation, for the purpose of providing for losses, of a fixed nature, and of certain or probable existence, but whose amount and the date of the extraordinary costs are not determined at the end of the financial year. The fund underwent a net decrease of Euro 8,807 mainly due to the re-establishment of the net reserves of some companies evaluated with the net equity method, due to the levelling of the respective losses carried out by the Parent Company.
- The taxation provision, for a total of Euro 1,435, underwent a net decrease of

Euro 1,865, imputable for:

- Euro 1,934, to the statement submitted in May 2003, for the automatic definition of previous years, provided for by Law no. 289/2002, which concerned all years up to 2001 still subject to auditing for that regarding Astaldi, as well as the merged companies Gruppo Dipenta S.p.A. and Italstrade S.p.A.;
- Euro 201, on payment of the amounts deriving from the judicial settlement carried out for 1995, in accordance with Art. 48 Legislative Decree no. 546/1992, with the Revenue Office – Rome 1 and Rome 4 offices – relevant to the dispute over the presumed omitted taxation of the so-called *Contractor's reserves*.
- The increases for Euro 271 are almost entirely attributable to charges that could derive from the statement for automatic definition, according to Law no. 289/2002 as amended, for the fiscal period 2002.
- The fund under article 27 of the By-Laws was established for liberality purposes, allocating a part of the profit for 2002 as decided by the Shareholders Meeting on 30 April 2003.

C - Employee severance indemnity: Euro 12,189

The changes in the year are as follows.

e m p l o y e e s e v e r a n c e i n d e m n i t y r e s e r v e						
(thousands of euro)	2002	increases	decrease	exchange	transfer scope of consolidation	2003
employee severance indemnity	11,970	4,765	(4,202)	(493)	149	12,189

D - Debts and other payables: Euro 827,012

Debts and other payables comprise the following items:

- debenture loan, amounting to Euro 150,000, issued by Astaldi Finance S.A. on 11 February 2002, with the following characteristics:
 - *duration*: 2/11/2002-2/11/2005;
 - *repayment*: with interest calculated according to a fixed annual rate of 6.5%
 - *due date*: annual interest on 11 February each year.

With adequate coverage operations, according to the company procedure, the interest rate was adjusted to bring it in line with the average cost of money available on the market;

- amounts owed to banks, for Euro 175,419: this item has increased by Euro 21,494. The increase refers to the typical availment of lines of credit for the execution of single contracts in Italy and abroad. For greater clarity, the single credit lines are summarised below, with the utilisation at 31 December 2003.

l i n e s o f c r e d i t

(thousands of euro)

	lines	utilisations
overdraft	49,054	23,429
hard cash	33,791	29,901
short-term financing	37,401	32,766
medium-term financing	121,991	65,058
self-liquidating funds	108,191	16,455
loans	7,810	7,810
total	358,238	175,419

With reference to medium and long-term financing, inclusive of loans, the individual due dates are reported below.

d u e d a t e s o f m e d i u m a n d l o n g - t e r m f i n a n c i n g

(millions of euro)

	2004	2005	2006	2007	over
medium term financing	14	18	18	13	2
loans	1	1	1	1	4

The main debts and payables included in the balance and backed by guarantees are detailed by type, as follows:

■ **CARISBO LOAN: Euro 6,680**

secured by mortgage of Euro 18,076 on the building relevant to the Bologna car park;

■ **CARIPRPC LOAN: Euro 333**

secured by mortgage of Euro 2,789 on the building relevant to the Turin car park (Palazzo).

Unsecured financing includes a loan for Euro 60,000 obtained from a pool of banks under Unicredit Banca d'Impresa, having the following characteristics:

- *date of disbursement*: 25 June 2003;
- *duration*: 48 months from date of disbursement;
- *repayment*: in 13 quarterly instalments starting from the twelfth month from the date of disbursement for unvaried capital amounts, for the first twelve months, equal to 1/14 the loan and the last equal to 2/14 coinciding with the loan due date;
- *interest rate*: Euribor quarterly increased by 1% per year;
- *guarantees*: as a guarantee of the interest rates and repayment for the capital amounts the Company furnished a diversified portfolio of receivables due from orderers including supranational bodies, public institutions of primary *standing*, that will be gradually collected during the 48-month life of the loan. These credits are canalised with irrevocable provision for collection and payment in the current account of the lead-manager bank.

With adequate coverage operations, according to the company procedure, the interest rate was adjusted to bring it in line with the average cost of money available on the market;

- amounts owed to other financiers, equal to Euro 25,898, against Euro 26,873 in 2002: this item mainly reflects amounts due to suppliers of leased assets calculated according to the financial method;
- advances, for Euro 147,309: this item concerns advances paid by orderers for execution of the works and had a net decrease of Euro 13,730 in the year.

The most significant changes regard works in Italy for the construction of the Verona-Venice section of the High Speed railway line, for Euro 15,760, in addition to work in progress with the permanent organisations in Venezuela (Euro 3,888), Rumania (Euro 1,650) and Honduras (Euro 1,649) for a total of Euro 7,187.

The most significant net changes relevant to decreases, attributable to the normal process of recovering advances already assigned, concern the permanent organisations of the Parent Company and shareholding companies abroad, and namely:

- El Salvador branch: Euro 11,957
- Guinean branch: Euro 8,211
- Turkish branch: Euro 5,528
- Algerian branch: Euro 5,167
- Astaldi De Venezuela: Euro 5,059;
- amounts owed to suppliers, for Euro 196,399: this item underwent a net increase of Euro 1,245. This item was influenced by a significant decrease of Euro 15,227, with respect to the previous year, mainly relevant – for approx. Euro 14,400 – to the activities carried out by the permanent organisation in Turkey and directly connected with the collection of credits due from the orderer that were realised during the year.

The change also includes an increase of Euro 15,367 due to the change in the scope of consolidation, in addition to another increase mainly concerning the activities of Astaldi Arabia Ltd for Euro 9,464 and Astaldi Construction Corporation for Euro 8,110; activities which, during the 2003, saw the acquisition of new contracts, and are also to be considered in direct correlation with the increase in receivables due from the respective orderers.

- amounts owed to subsidiaries, equal to Euro 19,471, with a decrease of Euro 2,376 with respect to the previous financial year.

For an analysis of the composition of Debts and other payables see the statement included at the end of these Notes;

- amounts owed to associated companies, equal to Euro 60,670, with an increase of Euro 2,093 with respect to the previous financial year. For an analysis of the composition of debt and other payables see the statement included at the end of these Notes;
- amounts owed to the tax authorities, for Euro 21,670: this item decreased by Euro 11,134 net of a Euro 99 decrease due to the negative change in the scope of consolidation. This item includes the amount owed for taxes estimated on income for the year, the VAT debt, as well as remission taxes, according to Law no. 289/2002 as amended, in addition to other withholdings.

The most significant items are as follows:

- Euro 7,132, owed to the Revenue for income tax due in settlement by the entities operating Venezuela;
- Euro 3,423, owed to the Revenue, for remission tax under Law no.

289/2002 as amended (Euro 956), for withholding tax on subordinate and independent work (Euro 2,129), in addition to the balance of various taxes, relevant to the permanent organisations and companies operating abroad;

- Euro 8,305 owed to the Revenue for VAT, Euro 1,015 of which relevant to works carried out in Italy, and Euro 5,687 pertaining to the permanent organisations of the Parent Company abroad, the most significant being those in Turkey (Euro 3,177), Congo (Euro 1,566) and Guinea Conakry (Euro 643).
- amounts owed to social security institutions for Euro 4,684: the item decreased by Euro 775 net of the increase also due to the change in the scope of consolidation for Euro 54;
- other debt and payables, for a total of Euro 25.492: this item shows a decrease of Euro 11,704 with respect to the previous financial year. The breakdown of the most significant items is as follows:
 - amounts owed to shareholding companies, for Euro 4,995: this item underwent a decrease of Euro 3,800;
 - deposits and guarantees, for Euro 22, with a decrease of Euro 7 with respect to 2002;
 - amounts due to personnel, for Euro 4,506, with a decrease of Euro 190: the increase due to the change in the scope of consolidation was equal to Euro 20. This item details the amount due for remuneration relevant to December, as well as the amount due for holidays accrued and not taken.
 - other payables, equal to Euro 15,968: this item decreases by Euro 7,708 with respect to 2002. The negative change in the scope of consolidation contributed with a net increase of Euro 3,527.

The most significant entries are summarised below:

- amounts due to representative companies, within the scope of work carried out through the establishment of consortia, for collections made in their name and on their behalf, equal to Euro 5,263;
- advances from customers, for Euro 2,205;
- other items relevant to transactions not directly deriving from the production activity, but in any case connected with it, for Euro 8,500.

E – Accruals and deferred income: Euro 10,844

This account, which underwent a decrease of Euro 5, mainly refers to accrued liabilities determined by the recording of interest on the debenture loan for Euro 8,640, fourteen month salary payments and interest on loans.

Memorandum accounts

A - Personal guarantees

The total amount recorded in the accounts is Euro 1,695,807 and refers to the following matters:

1. guarantees for credit lines, intended to ensure a regular cash-flow on the individual contracts, issued in the interests of subsidiaries, associated companies and other non-consolidated shareholding companies, established for the pur-

pose in accordance with current tax legislation for a total amount of Euro 133,489;

2. guarantees for works, issued in the interests of the Group, banking Institutions and/or insurance companies, in favour of orderer bodies for various purposes on behalf of subsidiaries, associated companies and other shareholding companies, for a total of Euro 1,442,487;
3. other guarantees, issued for various purposes for a total of Euro 119,830.

B - Other memorandum accounts

The item, which amounts to Euro 115,828, represents the risk of loss for Euro 86.168 resulting from the assignment of credits with recourse of factors, commented on previously – which decreased by Euro 78,638 with respect to the previous year –, whereas Euro 29,660 is attributable to non-contractual works, paid as a provisional item, pertaining to construction works on the Pont Ventoux hydro-electric plant in Val di Susa, on behalf of Aem Torino.

C - Third party guarantees in our favour

These represent, for Euro 22,189, the guarantees furnished by credit Institutions and insurance companies, in the interest of Italian and foreign suppliers and sub-contractors, in relation to the contractual obligations assumed by them with your company.

Profit and loss account

A - Value of production: Euro 922,785

Revenues from works amount to Euro 870,145. The breakdown by work category, including the change in inventories equal to Euro 91,585 compared with 2002, is given in the following table.

revenues from works by type of contract				
(thousands of euro)	2003	%	2002	%
transport infrastructure	608,030	69.9	643,908	85.0
hydraulic works and energy production plant	114,974	13.2	49,510	6.5
civil and industrial construction	147,141	16.9	64,000	8.5
total	870,145	100.0	757,418	100.0

The production for works, which increased overall by about 15%, is given by the following data.

composition of revenues from works			
(thousands of euro)	2003	2002	change
initial contract work in progress	(305,357)	(242,523)	(62,834)
final contract work in progress	396,943	313,776	83,167
revenues from long-term contractual works	778,078	685,029	93,049
revenues from short-term contractual works	481	1,136	(655)
total	870,145	757,418	112,727

The geographic distribution is as follows.

revenues from works by geographic area				
(thousands of euro)	2003	%	2002	%
Italy	425,444	48.9	338,919	44.7
Europe	91,533	10.5	131,210	17.3
America	268,025	30.8	208,779	27.6
Africa	74,104	8.5	78,510	10.4
Asia	11,039	1.3	–	–
	870,145	100.0	757,418	100.0

- The increases in assets for internal works, already detailed under item *BI – Intangible fixed assets* – amount to Euro 8,021 and identify the capitalised costs. The main entries forming the item mainly refer to internal costs relevant to the plant, organisation and starting of new construction sites – including those relevant to the construction of the Brescia Underground and the Milan Rail Link – in addition to costs incurred for implementing the integrated company management system.
- Other revenues, equal to Euro 44,619, are largely represented by items not directly related to the production activity for Group works, but having a continuous nature over the course of the various financial years. For the purpose of greater clarity in reading the economic data of these accounts, the item *Availability of the provision for contractual risks* has been classified under item B.12 of the profit and loss account, with specific indication. Therefore the data was reclassified in previous periods.

The breakdown of the items is as follows.

other revenues			
(thousands of euro)	2003	2002	change
services provided to third parties	16,091	19,197	(3,106)
extraordinary income, inexistence of liabilities	7,756	12,668	(4,912)
sponsorship	4,489	4,403	86
miscellaneous income	4,290	3,611	679
insurance premiums	3,479	951	2,528
revenue from sale of goods	3,446	3,045	401
rents receivable	1,829	1,802	27
rentals	1,441	2,457	(1,016)
capital gain on sale of fixed assets	705	875	(170)
provision for risks utilisation	574	14	560
discounts and allowances receivable	435	247	188
capital gain on debtor purchase and sale	84	535	(451)
total	44,619	49,805	(5,186)

B – Costs of production: Euro 856,342

- The costs of raw materials and consumables, net of remainders amount to Euro 160,700 (Euro 128,683 in 2002) and increased by Euro 32,017 with respect to the previous financial year.
- Costs for services amount to Euro 502,102 (Euro 481,949 in 2002) and in-

creased by Euro 20,153 with respect to the previous financial year. The costs relevant to insurance, consumption, travel and transfers and advertising expenses (for Euro 14,951), were recorded in the present aggregate in 2003. For greater clarity these were reclassified from the item *Other operating costs* relevant to 2002 (for Euro 16,321).

The breakdown of costs for service is as follows.

costs for services			
	2003	2002	change
consortium costs	234,593	217,314	17,279
subcontract	146,096	134,804	11,292
works and services	36,674	49,659	(12,985)
technical and commercial consultancies	25,983	17,105	8,878
materials in progress	18,133	17,824	309
other costs and services	12,279	13,921	(1,642)
legal, fiscal and administrative services	10,214	12,772	(2,558)
Utilities	6,155	5,671	484
Insurances	5,079	6,248	(1,169)
travels and travelling indemnity	3,717	4,402	(685)
maintenance and repairing	1,951	1,179	772
directors and board of auditors fees	1,228	1,050	178
totals	502,102	481,949	20,153

- Costs for use of assets owned by third parties, equal to Euro 12,874, which include costs incurred for the hire of machinery and equipment, operating *leases*, in addition to relevant maintenance costs, increased by Euro 5,392 with respect to 2002.
- The depreciation of credits entered in the current assets, equal to Euro 200, is exclusively attributable to the adjustment to the current value of financial exposure of customers relevant to our subsidiary R.I.C.-Railway International Construction S.p.A..
- The provision for risks (availments) is the result of the difference between the provisions made in the year, equal to Euro 32,985 (Euro 14,940 at 31 December 2002), and availments for Euro 32,011 (Euro 41,458 at 31 December 2002).
- Other operating costs total Euro 16,457, with a decrease of Euro 643 with respect to the previous year, and are represented by the following items.

other operating costs			
	2003	2002	change
fiscal charges	6,944	5,351	1,593
extraordinary charges and non-existent liabilities			
due to value adjustments	5,857	73	5,784
other administrative costs	2,679	5,898	(3,219)
agency expenses	740	1,221	(481)
capital loss on sale of assets	236	2,321	(2,085)
contract penalties	–	2,236	(2,236)
total	16,457	17,100	(643)

For the purpose of greater clarity it is pointed out that other tax charges mainly re-

fer to indirect taxes such as stamp duty, ICI (local property tax), government concessions and registration taxes incurred in Italy and abroad.

Also, regarding adjustment extraordinary items and non-existence of assets, the entry mainly includes the differences in estimates on the overturning of costs for the previous year of the specific companies.

C.15 / C.16 - Financial income: Euro 25,228

Financial income underwent a net increase of Euro 4,794 in 2003 compared with Euro 20,434 recorded in 2002; a comparative breakdown is given in the following table.

financial income			
(thousands of euro)	2003	2002	change
income from controlled companies	2,878	2,085	793
income from non-consolidated associated companies	1	585	(584)
income from other participated companies	8	13	(5)
other financial income			
– interest vs. third parties	6,563	1,758	4,805
– income from securities sales	5,135	120	5,015
– income from hedging operations	4,830	3,855	975
– bank interests	3,361	6,260	(2,899)
– exchange rate gains	1,488	2,785	(1,297)
– commission on fidejussions	682	2,447	(1,765)
– interests on third parties loans	282	526	(244)
total	25,228	20,434	4,794

Income from non-consolidated subsidiaries includes dividends distributed to the Parent Company by Montedil-Astaldi S.p.A. (MONTAST S.p.A.) in liquidation for Euro 1,296 on which tax credit for Euro 729 has accrued and dividends distributed to the permanent organisation in Nicaragua by Astaldi Columbus Nicaragua, liquidated during the year, for a total of Euro 853. The item *Other amounts due from orderers and other income*, recorded for Euro 11,393, mainly comprises interest receivable from orderers for Euro 5,708 (the most significant refer to the arbitration award relevant to the Verona-Venice section of the High Speed rail link).

C.17 - Interest payable and similar charges: Euro 51,168

Interest payable and similar charges for the year, which in 2002 amounted to Euro 45,506, underwent a decrease of Euro 5,664. The breakdown is given in the following table.

interest payable and similar charges

(thousands of euro)

	2003	2002	change
exchange rate losses	11,134	2,770	8,364
bond loan interest	9,750	9,642	108
short term bank borrowing interests	5,880	5,940	(60)
commissions on guarantees	5,788	6,866	(1,078)
long term debt bank interests	4,962	4,382	580
discount and other financial charges	4,708	5,698	(990)
factoring interests and costs	4,277	4,754	(477)
loss hedging operations costs	2,580	3,074	(494)
bank fees and commissions	1,250	1,350	(100)
issue discount on bonded loan amortization	502	460	42
loans interests	337	570	(233)
total	51,168	45,506	5,662

With respect to 2002 the increase in losses on exchange rate fluctuation recorded in the year, equal to Euro 8,364, is mainly relevant to the activity carried on by the permanent organisation abroad in Venezuela.

The effects of the exchange rate fluctuations (bolivares-euro) were realised, as a result of the monetary policy adopted by the local Government, which recently carried out a further devaluation of the local currency, with respect to the American dollar.

D – Value adjustments in respect of investments: Euro (6,485)

The aggregate in question shows a negative balance of Euro 6,485 (Euro –7,887 in 2002), as detailed below.

Revaluation of equity investments Euro 2,872

This item, which amounted to Euro 557 at 31 December 2002, underwent an increase of Euro 2,315 and refers to the availment of the provision for risks on equity holdings for Euro 190, recorded in the previous years, in addition to the revaluation of equity investment evaluated with the net equity method, for Euro 2,682. The main changes include:

among subsidiaries:

- Astaldi Malawi J.V.: Euro 1,280;
- ASTALDI-RWANDA Association Momentanée: Euro 932;
- Astaldi Burundi Association Momentanée: Euro 24;

among associated companies:

- Seis S.p.A.: Euro 197;

among other shareholding companies

- Yellow River Contractors J.V.: Euro 184;
- Legnami Pasotti Italia I.C. S.r.l.: Euro 65.

Devaluation of equity investments Euro 7,840

This item, which was recorded for Euro 7,167 in 2002, had a net increase of Euro 673 and refers to losses due to shareholding companies, levelled for a total of Euro 3,998, in addition to the devaluation of equity investments for a total of Euro 3,842, Euro 3,694 of which through allocation to the equity investment risk provision. For greater clarity and comparison of the data, also with reference to the previous year, the same breakdown prepared for the year at 31 December 2003 is given.

a) Losses balanced

breakdown of losses balanced		
(thousands of euro)	2003	2002
from subsidiaries	875	162
from associated companies	2,862	2,731
from other companies	261	3
total	3,998	2,896

The most significant losses include:

those relevant to subsidiaries:

– Astaldi (Thailand) Company Limited: Euro 875

those relevant to associated companies:

– Alosa Immobiliare S.p.A. in liquidation: Euro 2,787

For the remaining part – Euro 75 –, those referred to the allocation plan closing of companies in volunteer liquidation.

those relevant to other shareholding companies:

– C.C.N. S.c.r.l. (discontinued): Euro 127;

– D.G.M. S.c.r.l. (discontinued): Euro 75;

– Leonardo 2000 S.c.r.l. (discontinued): Euro 59.

b) Write-down of equity investments

breakdown of write-down of equity investments		
(thousands of euro)	2003	2002
from subsidiaries	104	144
from associated companies	33	282
from participated companies	11	20
total	148	446

The write-downs equal to Euro 148 are relevant to the joint effect of the devaluation of equity investments in companies in liquidation, and the capital transactions in other non-consolidated shareholding companies.

c) Provisions for the equity investments risks reserve: Euro 3,694

breakdown of provisions for the equity investments risks reserve		
(thousands of euro)	2003	2002
from subsidiaries	2,523	3,638
from associated companies	1,171	160
from participated companies	–	27
total	3,694	3,825

This item, which in 2002 amounted to Euro 3,825, refers to the setting aside of the part of balance sheet deficit, with particular reference to companies in liquidation or that have substantially completed the operating activities. The main allocations include those relevant to the subsidiaries Astaldi Sénégal Association in participation (Euro 1,480), Seac S.p.a.r.l. (Euro 559), IFC DUE S.c.r.l. in liquidation (Euro 211), in addition to the associated companies Astaldi Ferrocemento J.V. Pakistan (Euro 782), Piceno S.c.r.l. in liquidation (Euro 133) and AVOLA S.c.r.l. in liquidation (Euro 100).

E - Extraordinary income (charges): Euro (4,982)

- Extraordinary income is composed almost entirely of items of an extraordinary nature and non-existence of assets for Euro 8,158, (Euro 6,268 in 2002) and had a net increase of Euro 1,890 with respect to the previous year.

The most significant include:

- extraordinary income resulting from the use, in the statement of the II.DD. of the Parent Company, of the limited tax credit of R.I.C. – Railway International Construction S.p.A. for a total of Euro 2,577;
- extraordinary income resulting from the higher provision for the IRAP (Regional tax on production) tax burden in the previous year equal to Euro 493;
- extraordinary income resulting from increased costs previously set aside and relevant to services provided for Euro 756;
- extraordinary income equal to Euro 915 accrued by the permanent organisation in Honduras, almost entirely due to the invoicing adjustment occurring during the previous year;
- extraordinary income resulting from the higher provision for taxation made in the previous year by the permanent organisation in Turkey for Euro 601.
- Extraordinary charges recorded in the accounts for a total of Euro 13,140 against Euro 12,417 in 2002 include damages, extraordinary costs and non-existence of assets, transactions, contractual penalties and other charges of residual value.

The most significant items include:

- Euro 1,751, relevant to taxation for previous financial years, accrued by the Parent Company, resulting from the difference of IRPEG (individual tax) appropriated in the accounts of the previous year and the tax burden in the statement;
- Euro 3,148, mainly relevant to the adjustment of credits for prepaid tax and the tax credit of the permanent organisation in Venezuela;
- Euro 237, relevant to the appropriation of charges concerning the declara-

tion for automatic definition of fiscal year 2002 for by Legislative Decree no. 289/2002 as amended;

- Euro 5,136, resulting from the aggregate of extraordinary items, non-existence of assets, damage and accidents, transactions, fines and other charges of residual value, mostly due to non-ascertainment of third party services, financial charges and insurance.

22 - Income taxes: Euro (6,858)

This item, which was recorded in the previous year for Euro 10,700, comprises current taxes of the Parent Company and the other consolidated companies for Euro 14,994, and Euro (8,135) for the net effects of deferred and prepaid taxes determined as follows.

1. Reversal of temporary differences from previous years

reversal of temporary differences from previous years					
(thousands of euro)	corporate income tax		regional production tax		total
	taxable amt.	tax	taxable amt.	tax	tax
directors emoluments	(485)	(165)	–	–	(165)
representation and maintenance costs	(139)	(47)	(139)	(3)	(50)
utilization of taxed reserves	(8,886)	(3,021)	(8,349)	(187)	(3,208)
total 1)	(9,510)	(3,233)	(8,488)	(190)	(3,423)

2. Temporary differences deductible in subsequent years

temporary differences deductible from previous years					
(thousands of euro)	corporate income tax		regional production tax		total
	taxable amt.	tax	taxable amt.	tax	tax
directors emoluments	485	160	–	–	160
representation and maintenance costs	136	45	136	3	48
accruals of taxed reserves of which:					
– taxed contractual provision for risks	29,231	9,646	29,231	646	10,292
– taxed provision for equity investment risks	1,075	355	–	–	355
total 2)	30,927	10,206	29,367	649	10,855

3. Temporary differences taxable in subsequent years

temporary differences taxable in previous years					
(thousands of euro)	corporate income tax		regional production tax		total
	taxable amt.	tax	taxable amt.	tax	tax
dividends - to be distributed	567	(187)	–	–	(187)
total 3)	567	(187)	–	–	(187)

4. Total fiscal losses utilised during the period

fiscal losses utilised during the period					
(thousands of euro)					
	corporate income tax		regional production tax		total
	taxable amt.	tax	taxable amt.	tax	tax
fiscal losses utilization - italy	(7,047)	(2,396)	–	–	(2,396)
fiscal losses utilization -abroad	(6,535)	(2,222)			(2,222)
total 4)	(13,582)	(4,618)	–	–	(4,618)

5. Total prepaid taxes resulting from fiscal losses to be recovered in subsequent periods

prepaid taxes resulting from fiscal losses to be recovered in subsequent periods					
(thousands of euro)					
	corporate income tax		regional production tax		total
	taxable amt.	tax	taxable amt.	tax	tax
fiscal losses - abroad	15,505	5,508	–	–	5,508
total 5)	15,505	5,508	–	–	5,508
general total (1+2+3+4+5)	–	7,676	–	459	8,135

The amount recorded in the accounts as prepaid tax is equal to Euro 8,135, Euro 3,856 of which attributable to the subsidiary Astaldi Construction Corporation, operating in the United States. This effect was recorded, in accordance with the principle of prudence and local tax regulations, as there is reasonable certainty, backed by objective supporting information including multi-year forecasts, of the existence in future years of sufficient levels of taxable income.

The residual credit for prepaid taxes equal to Euro 15,753, to be recovered in future years, is substantially attributable to the combination of residual fiscal losses (Astaldi Construction Corporation), funds of a civil and tax law nature not deducted and not utilised for tax purposes in the respective formation years and also other provisional taxation differences of residual value. This amount, recorded in the receivables of current assets, to be recovered in subsequent years, comprises the following.

1) temporary differences deductible in following years				
(thousands of euro)				
	amounts	corporate income tax	regional production tax	total
provision for risks in the balance sheet (b3a+b3b)	49,927	–	–	–
allowance for doubtful receivables decreasing the asset value	9,254	–	–	–
(a) total provisions on the balance sheet	59,181	–	–	–
taxed contractual provision for risks	44,123	14,561	987	15,548
taxed provision for equity investment risks	1,943	641	–	641
taxed provision for risk on receivables	5,739	1,894	–	1,894
(b) total taxation on provisions	51,805	–	–	–
foreign fiscal losses	14,269	5,222	–	5,222
directors and board of auditors fees	485	160	–	160
other fiscal years competence costs	309	102	9	111
total temporary differences deductible 1)	66,868	22,580	996	23,576

2) temporary differences taxable in following fiscal years

(thousands of euro)

	amounts	corporate income tax	regional production tax	total
provision for fiscal risks	21,667	(7,150)	(486)	(7,636)
dividends - to be distributed	567	(187)		(187)
total taxable temporary differences 2)	22,234	(7,337)	(486)	(7,823)
total of receivables (1+2)		15,243	510	15,753

With reference to that given in the Notes to the financial statements at 31 December 2002, the following is pointed out:

- recording of that contained in the P.V.C. notified to the Company and the incorporated Gruppo Dipenta S.p.A., relevant to the presumed tax omission for the so-called contractors reserves:
 - the Company paid the total sum of Euro 201 – *inclusive of penalties and interest* – allocated in the financial statements at 31 December 2002 and resulting from the judicial settlement – *relevant to the dispute arising with reference to fiscal year 1995* – concluded with Rome 1 and Rome 4 Revenue Offices;
 - for years 1997 and 1998, on 31 December 2003 the Rome 1 Revenue Office notified the Company two separate notices of assessment, confirming in the quantitative content the increase recoveries already previously officially agreed. To settle these disputes the Company proposed two assessment claims in accordance with Legislative Decree no. 218/1997 quantifying them in the terms and methods already agreed with the Office, and whose overall cost remains allocated in the specific provision for risks;
 - with reference to the remaining disputes (Gruppo Dipenta and fiscal year 1999 for Astaldi) no objection has been raised to date. However, it is pointed out that the relevant charge also remains allocated in the specific provision for risks;
- recording of that contained in the P.V.C. notified to the Company relevant to the presumed non-deductibility of the losses suffered by some joint ventures – situated in non-EU countries and covered by the Parent Company in fiscal years 1997, 1998 and 1999, pursuant to Art. 61, sub-sec. 5, T.U.I.R.:
 - with the same assessment notices, the Companies were challenged regarding the total sum of Euro 22,749, Euro 8,778 of which relevant to 1997 and Euro 13,971 to 1998. Through the assessment application in accordance with Legislative Decree no. 218/1997 – already mentioned above – the Company requested the Office for the substantial removal of said remarks, justifying them in the same way as that already done with the notification of the P.V.C.. If these requests are disregarded, the Company shall appeal to the competent taxation commission.

On the basis of the above-mentioned reasoning, it is conclusively deemed that the tax claims still in progress are unlikely to result in a liability for the company.

Transactions with related parties

According to the provisions of the CONSOB (Italian Securities and Exchange Commission) communications no. 97001574 of 20 February 1997 and no. 98015375 of 27 February 1998, the most significant amounts resulting from transactions of a financial and commercial nature with the non-consolidated shareholding companies are given below.

It must be pointed out that, considering the particular sector in which the Company operates, the relationships entered into with consortia and consortium companies (so-called "purpose companies") must be correlated with the rights of receivables due from third party bodies - entered in the item *Trade receivables (C.II.1)* - not summarised in the following table.

transactions with related parties

(thousands of euro)

	trade receivables	financial assets	total receivable	commercial debts	net trade receivables balance
subsidiaries non-consolidated					
Asociacion Accidental Astaldi S.p.A.- C.B.I. S.r.l.	431	-	431	120	311
Astaldi Burundi Association Momentanée	261	-	261	708	-
Astaldi International Inc.	-	-	-	347	-
Astaldi International JV Mozambique	3,724	-	3,724	2,079	1,644
Astaldi-Malawi, Astaldi-Astaldi International J.V.	1,506	-	1,506	1,299	207
Astaldi-Rwanda Association Momentanée	6	-	6	1,956	-
Astaldi Sénégal Association en Participation	4,170	-	4,170	-	4,170
Astaldi Thailand Co. Ltd.	760	-	760	868	-
Astur Construction and Trade A.S.	495	-	495	297	197
Bussentina S.c.r.l. in liquidation	879	279	1,158	65	814
C.O.MES. S.c.r.l.	101	2	103	122	-
CO.ME.NA. S.c.r.l.	94	-	94	611	-
CO.NO.CO. S.c.r.l.	746	160	906	937	-
Colli Albani S.c.r.l. in liquidation	819	2	821	355	464
Cons.A.R.Z.Ast.-R.I.C.ZAIRE in liquidation	479	-	479	191	288
Consorzio Astaldi C.B.I.	4,467	346	4,813	660	3,807
Consorzio Astaldi-C.M.B.Due in liquidation	2,191	-	2,191	7	2,184
Consorzio Olbia Mare in liquidation	144	1	145	-	144
Consorzio Recchi S.p.A.- Astaldi S.p.A.	-	-	-	1,426	-
Cospe S.c.r.l.	647	200	847	389	258
Diga di Arcichiaro S.c.r.l. in liquidation	301	-	301	192	109
DP 2M S.c.r.l. in liquidation	1	44	45	25	-
Eco Po Quattro S.c.r.l.	829	-	829	881	-
Euroast S.r.l. in liquidation	175	369	544	1	174
Forum S.c.r.l.	1,178	-	1,178	1,839	-
I.F.C. Due S.c.r.l. in liquidation	1,775	-	1,775	97	1,678
I.F.C. S.c.r.l. in liquidation	1,182	-	1,182	67	1,114
Linea A S.c.r.l. in liquidation	22	-	22	282	-
Montedil-Astaldi S.p.A. (MONTAST) in liquidation	136	-	136	0	136
Mormanno S.c.r.l. in liquidation	18	111	129	49	-

net trade payables balance	revenues from rendered services	costs of production	financial costs	financial returns	extraordinary costs	extraordinary revenues
-	-	-	-	-	-	-
447	-	-	-	-	-	264
347	-	-	-	-	-	-
-	-	-	-	-	-	-
-	8	-	-	-	-	-
1,950	1	-	-	-	-	-
-	-	-	-	-	-	-
109	-	-	-	-	-	-
-	-	1,598	-	-	-	-
-	68	-	-	-	1	-
21	83	-	-	-	-	-
517	142	3	-	-	-	-
191	181	40	-	12	-	16
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,096	2,922	-	-	-	132
-	7	-	-	-	-	-
-	-	-	-	-	-	-
1,426	-	-	-	-	-	-
-	95	127	-	-	-	-
-	2	24	-	-	-	-
24	-	-	-	-	-	-
52	3	218	-	22	-	-
-	-	-	-	3	-	-
661	685	35	-	24	-	-
-	6	-	-	53	-	-
-	-	68	-	2	-	61
259	-	12	-	-	-	-
-	-	-	-	-	-	-
31	-	-	-	-	49	-

transactions with related parties

(thousands of euro)

	trade receivables	financial assets	total receivable	commercial debts	net trade receivables balance
subsidiaries non-consolidated					
Palese Park S.r.l.	–	–	–	709	–
Portovesme S.c.r.l.	742	–	742	1,978	–
Quattro Venti S.c.r.l.	1,299	–	1,299	934	364
Redo Association Momentanée	952	–	952	44	907
S. Filippo S.c.r.l. in liquidation	1,678	–	1,678	89	1,589
S. Leonardo S.c.r.l. in liquidation	2,634	–	2,634	812	1,822
Seac S.p.a.r.l.	7,614	–	7,614	303	7,310
Silva S.r.l. in liquidation	28	21	49	–	28
Susa Dora Quattro S.c.r.l.	2,384	–	2,384	13,727	–
TE.CRO. S.c.r.l. in liquidation	140	777	917	0	140
Todaro S.r.l. in liquidation	1,194	–	1,194	3	1,191
Toledo S.c.r.l.	72	–	72	90	–
Tri.Ace. S.c.r.l. in liquidation	604	–	604	418	186
Viadotti di Courmayeur S.c.r.l.	571	–	571	230	341
Viadotto Fadalto S.c.r.l. in liquidation	42	–	42	–	42
other smaller subsidiaries	7	–	7	131	7
total subsidiaries non-consolidated	47,498	2,312	49,810	35,339	31,631
associated companies non-consolidated					
A.F.M. S.c.r.l. in liquidation	96	–	96	28	68
Adduttore Ponte Barca S.c.r.l.	5	–	5	252	–
Alosa Immobiliare S.p.A. in liquidation	–	744	744	11	–
Astaldi - Ferrocemento JV	994	1,168	2,162	34	959
Astaldi Bayindir JV - Turkey	7,926	–	7,926	1,638	6,288
Avola S.c.r.l. in liquidation	682	–	682	180	502
Blufi 1 S.c.r.l. in liquidation	48	–	48	–	48
C.F.M. S.c.r.l. in liquidation	11	–	11	156	–
Carnia S.c.r.l. in liquidation	431	–	431	0	431
Cogital S.p.A. in liquidation	141	–	141	3	138
Consorzio A.F.T. (Algeria succ.)	2,530	–	2,530	438	2,092
Consorzio AFT Kramis (Algeria succ.)	16,411	–	16,411	14,963	1,447
Consorzio A.F.T.	145	–	145	0	145
Consorzio Astaldi-ICE	416	–	416	–	416
Consorzio C.E.A.A.V.	970	–	970	420	550
Consorzio C.I.R.C.	10	–	10	866	–
Consorzio Carnia	2	–	2	5	–
Consorzio Co.Fe.Sar.	264	–	264	316	–
Consorzio Cogitau S.c.n.c. in liquidation	481	–	481	24	457
Consorzio Consarno	25	220	245	–	25
Consorzio Consavia S.c.n.c. in liquidation	66	–	66	4	62
Consorzio Ferrofir	45	117	162	5,522	–
Consorzio Gi.It. in liquidation	–	–	–	164	–
Consorzio Ghella Astaldi WTC	–	305	305	–	–
Consorzio Ghella Astaldi & Asociados	–	75	75	–	–
Consorzio Iricav Due	40	–	40	2,820	–
Consorzio Iricav Uno	958	–	958	16,853	–

net trade payables balance	revenues from rendered services	costs of production	financial costs	financial returns	extraordinary costs	extraordinary revenues
709	–	–	–	–	–	–
1,236	232	14	–	10	–	–
–	609	–	–	82	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	4	7	–	–	–	–
–	–	254	–	–	–	–
–	–	–	–	–	–	–
11,343	632	38	–	66	–	–
–	–	–	–	–	–	–
–	–	–	–	22	–	–
18	246	8	–	–	2	–
–	45	3	–	15	–	–
–	28	60	–	24	–	–
–	–	–	–	–	–	–
130	–	–	–	–	–	–
19,471	5,173	5,431	–	335	52	473
–	–	20	–	2	5	–
247	–	42	–	–	–	–
11	6	–	–	–	–	–
–	97	–	–	–	–	–
–	–	1,638	–	–	–	–
–	3	1	–	1	–	–
–	–	–	–	–	–	–
145	3	–	–	2	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	819	303	–	–	–	–
–	11,299	9,528	–	38	–	–
–	72	–	–	–	–	–
–	–	–	–	–	–	–
–	172	87	–	–	–	3
857	–	–	–	2	124	–
3	11	–	–	–	–	10
53	179	–	–	–	–	–
–	–	16	–	–	9	3
–	–	–	–	–	–	–
–	–	–	–	–	–	–
5,477	132	58	–	–	4	–
164	–	3	–	–	–	–
–	–	–	–	–	–	–
–	41	113	–	–	–	–
2,780	452	18	–	–	9	–
15,895	315	465	1	–	372	210

(table follows)

transactions with related parties

(thousands of euro)

	trade receivables	financial assets	total receivable	commercial debts	net trade receivables balance
associated companies non-consolidated					
Consorzio Ital.Co.Cer.	10	20	30	54	–
Consorzio Italvenezia	–	–	–	74	–
Consorzio L.A.R. in liquidation	181	946	1,127	–	181
Consorzio Novocen	22	9	31	5	16
Consorzio Qalat	5	–	5	1,137	–
Derivazione Adda S.c.r.l. in liquidation	14	–	14	–	14
Diga di Blufi S.c.r.l.	2,444	–	2,444	3,974	–
Ecosarno S.c.r.l.	–	52	52	260	–
Fosso Canna S.c.r.l. in liquidation	388	–	388	129	259
Groupement Eurolep	–	–	–	24	–
Groupement Italgisas	940	–	940	19	921
HECA S.p.A.	246	15	261	0	246
Hydro Honduras S.A.	–	–	–	105	–
Infrafflegrea S.c.r.l.	36	10	46	95	–
Isclero S.c.r.l. in liquidation	92	1,518	1,610	1,592	–
Italsagi Sp. Zo. O.	358	–	358	–	358
M.N. Metropolitana di Napoli S.p.A.	101	–	101	1	100
Marsico Nuovo S.c.r.l. in liquidation	7	30	37	15	–
Messina Stadio S.c.r.l.	2,858	2,508	5,366	1,782	1,076
Metro Veneta S.c.r.l.	1,147	–	1,147	5,404	–
Monte Vesuvio S.c.r.l.	782	–	782	14	768
Mose-Treporti S.c.r.l.	–	–	–	4	–
Nova Metro S.c.r.l.	–	–	–	72	–
Nuovo Polo Fieristico S.c.r.l.	16,966	–	16,966	367	16,598
Parking Puccini S.c.r.l. in liquidation	–	–	–	48	–
Pegaso S.c.r.l.	1,568	–	1,568	3,800	–
Piana di Licata S.c.r.l. in liquidation	475	–	475	139	336
Piceno S.c.r.l. in liquidation	988	335	1,323	995	–
Pont Ventoux S.c.r.l.	7,832	–	7,832	23,883	–
Principe Amedeo S.c.r.l. in liquidation	518	25	543	238	280
Raggruppamento Astaldi-Vianini in liquidation	80	–	80	–	80
Santangelo S.c.r.l. in liquidation	–	120	120	–	–
S.A.C.E.S. S.r.l. in liquidation	–	–	–	3,012	–
S.A.C.E.S. S.r.l. (Somalia succ.)	1,314	–	1,314	–	1,314
S.E.P. Association en participation	9	16	25	19	–
Sa.Di.Pe. S.c.r.l. in liquidation	15	–	15	–	15
S.A.A.L.P. S.n.c. in liquidation	–	466	466	–	–
S.E.I.S. S.p.A.	–	125	125	–	–
SO.GE.DEP. S.r.l. in liquidation	263	208	471	217	47
So.Gr.Es. S.c.p.a. in liquidation	50	50	100	5	45
Tangenziale Seconda S.c.r.l. in liquidation	112	–	112	7	105
Truncu Reale S.c.r.l.	150	–	150	2	148
V.A.S.CO. Imprese Riunite	498	79	577	90	407
Val Pola S.c.r.l. in liquidation	22	–	22	–	22
Valle Caudina S.c.r.l.	221	118	339	523	–
Veneta Sanitaria Finanza di progetto S.p.A.	202	–	202	4,476	–

net trade payables balance	revenues from rendered services	costs of production	financial costs	financial returns	extraordinary costs	extraordinary revenues
44	–	56	6	–	16	–
74	–	7	–	–	–	–
–	74	266	–	–	8	–
–	–	118	–	–	–	–
1,131	–	–	–	–	–	–
–	–	–	–	–	–	–
1,530	34	–	–	3	–	1
260	–	180	–	–	–	–
–	–	–	–	3	–	–
24	–	–	–	–	–	–
–	41	–	–	1	–	–
–	–	–	–	–	–	–
105	–	–	–	–	–	–
60	30	10	–	–	–	–
1,501	–	–	–	–	–	–
–	–	–	–	–	–	–
–	5	–	39	–	–	–
8	–	–	–	–	–	–
–	1	58	–	6	–	–
4,257	338	393	–	46	–	–
–	462	–	–	–	8	–
4	–	–	–	–	–	–
72	–	76	–	–	–	–
–	2,194	440	–	–	–	–
48	–	–	–	–	–	–
2,232	1,077	460	–	–	7	–
–	–	–	–	1	–	–
6	8	–	–	22	–	–
16,051	1,485	275	–	102	–	188
–	3	10	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
3,012	2	–	–	–	–	–
–	–	–	–	–	–	–
10	–	43	–	9	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	6	–	18
–	–	86	–	–	–	–
–	–	–	–	1	2	1
–	–	2	–	2	–	3
–	–	–	–	–	–	–
–	–	–	–	–	–	–
303	–	–	–	129	–	–
4,274	104	2	–	–	–	78

(table follows)

transactions with related parties

(thousands of euro)

	trade receivables	financial assets	total receivable	commercial debts	net trade receivables balance
associated companies non-consolidated					
Vesuviana Strade S.c.r.l.	1,099	–	1,099	621	477
other smaller associated companies non-consolidated	126	611	737	33	122
total associated companies non- consolidated	74,829	9,890	84,719	97,935	37,563
other participated companies non consolidated					
Bocca di Malamocco S.c.r.l.	0	–	0	185	–
Consorzio Centro Uno	52	–	52	0	52
Consorzio Team	25	–	25	12	14
Consorzio TRA.DE.CI.V.	54	–	54	301	–
Imprese Riunite Genova S.c.r.l. in liquidation	–	–	–	211	–
Metrogenova S.c.r.l.	623	–	623	2,821	–
Napoli Porto S.c.r.l. in liquidation	62	2	64	0	62
Pantano S.c.r.l.	–	–	–	1,285	–
Plus S.r.l.	–	1,071	1,071	–	–
Roma Lido S.c.r.l.	67	637	704	773	–
Yellow River Contractors JV	92	–	92	1	90
other smaller participated companies	15	–	15	99	55
total participated companies non consolidated	990	1,710	2,700	5,688	272
general total	123,317	13,912	137,229	138,962	69,466

net trade payables balance	revenues from rendered services	costs of production	financial costs	financial returns	extraordinary costs	extraordinary revenues
–	271	74	–	7	–	60
31	–	–	–	–	–	–
60,670	19,730	14,848	46	383	564	575
185	–	–	–	–	–	–
–	–	–	–	–	–	–
–	19	–	–	–	7	34
247	15	479	–	–	86	5
211	–	–	–	–	–	–
2,198	253	7	–	–	–	–
–	7	2	–	–	–	–
1,285	542	–	–	–	–	–
–	–	–	–	–	–	–
706	1,078	–	–	–	–	–
–	–	–	–	–	–	–
139	–	–	–	–	–	–
4,970	1,914	488	–	–	93	39
85,111	26,817	20,767	46	718	709	1,087

For greater clarity, it is pointed out that the most significant amounts included in the receivables refer to the support provided to organisations established for the execution of specific contracts, both in Italy and abroad, in terms of provision of goods and services (in particular, industrial equipment, construction means, support of specialised personnel etc.), as well as financial support. The latter, however, are deemed to be of a commercial nature, considering their specific connection with the activity sector in which the group operates, and also the particular legal structure of the organisations in question, which requires associates to share profits, assets and financial assets of individual ventures on a pro-rata basis.

Regarding debts and payables, it is pointed out that the nature of these is mainly attributable to the allocation of consortium costs by Purpose companies, established solely for the execution of the specific works.

The following table summarises the net change, with respect to 2002, in debit and credit transactions existing with subsidiary and associated companies.

change in debt and payables with subsidiaries and associated companies						
company	creditors			debtors		
	2002	2003	difference	2002	2003	difference
subsidiaries	47,288	31,631	15,657	21,847	19,471	2,376
associated companies	24,335	37,563	(13,228)	58,577	60,670	(2,093)
total	71,623	69,194	2,429	80,424	80,141	283

Regarding the changes indicated in the above statement, it is pointed out that these are the result of a more careful control of commercial transactions with Group companies, which, though significant, are nevertheless to be considered typical for the sector in which the Company operates.

Average number of employees

The average number of employees for the reference period, by category, is as follows.

average number of employees by category	
managers	105
cadres	23
clerks	1,257
workers	5,725

Remuneration of Directors, Auditors and General Managers

The remuneration due to Directors, Auditors and General Managers of the Parent Company for carrying out these functions also in other subsidiary companies is given in the following table.

remuneration paid to directors, auditors and general managers						
(euro)						
	office held	office held duration	emoluments for the office	non-monetary benefits	bonus and other incentives	other payments
Anselmino Adriano	Honorary Chairman	31/12/2003	61,980			
Monti Ernesto	Chairman	31/12/2003	25,823			201,421 ⁽¹⁾
						51,646 ⁽²⁾
						10,329 ⁽³⁾
Astaldi Paolo	Vice Chairman	31/12/2003	25,823			103,296 ⁽¹⁾
						3,500 ⁽³⁾
						260,067 ⁽⁵⁾
Di Paola Vittorio	Managing Director	31/12/2003	25,823		38,402 ⁽⁶⁾	193,680 ⁽¹⁾
						395,073 ⁽⁵⁾
Astaldi Pietro	Director	31/12/2003	25,823			23,000 ⁽³⁾
						204,975 ⁽⁵⁾
Astaldi Caterina	Director	31/12/2003	25,823			77,468 ⁽⁵⁾
Cerri Stefano	Director and GM	31/12/2003	25,823		19,201 ⁽⁶⁾	298,612 ⁽⁵⁾
						40,000 ⁽²⁾
						10,329 ⁽³⁾
Grassini Franco A,	Director	31/12/2003	25,823			
De Cecco Enrico	Director	31/12/2003	25,823			
Guidobono						
Cavalchini Luigi	Director	31/12/2003	25,823			
Lecchi Bruno	Director	31/12/2003	25,823			
Mariani Lucio	Director	31/12/2003	25,823			
Marino Giuseppe	Director and GM	31/12/2003	25,823			320,005 ⁽⁵⁾
Marraffa Roberto	Director	31/12/2003	25,823			
Mele Vittorio	Director	31/12/2003	25,823			
Mincato Nicoletta	Director	31/12/2003	25,823			
Pinto Eugenio	Chairman of Board of Auditors	30/04/2005	79,257			
Singer Pierpaolo	Auditor	30/04/2005	52,839			4,197 ⁽⁴⁾
Ramondelli Aldo	Auditor	30/04/2003	29,237			
Spanò Pierumberto	Auditor	30/04/2005	23,602			
Oliva Nicola	General Manager				19,201 ⁽⁶⁾	289,860 ⁽⁵⁾
Cafiero Giuseppe	General Manager				19,201 ⁽⁶⁾	337,719 ⁽⁵⁾

(1) Remuneration for offices held under Art. 2389, sub-sec. 2, Italian Civil Code.

(2) Remuneration for offices held under Art. 2389, sub-sec. 2, Italian Civil Code, in subsidiaries.

(3) Remuneration for the office of director in subsidiary companies.

(4) Remuneration for the office of auditor in subsidiaries.

(5) Salaries.

(6) Assigning of summary options free of charge.

With the Board of Directors' resolutions of 23 April 2002 and 9 May 2002 and in implementation of the incentive plan, the Company assigned free of charge, shares owned by Astaldi to the following members of the Board of Directors and General Managers.

options assigned to members of the board of directors and general managers

(A)	(B)	options held at the beginning of the financial year			options awarded during the financial year			options taken up during the financial year			options expired during the financial year	options held at the end of the financial year		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)=1+4-7-10	(12)	(13)
Vittorio														
Di Paola	C.E.O.	203,000											203,000	
Giuseppe	General													
Cafiero	Manager	105,000											105,000	
Stefano	Director and													
Cerri	General Manager	105,000											105,000	
Giuseppe														
Marino	Director	105,000											105,000	

(A) Name and surname

(B) Office held

(1) No. of options

(2) Average price for financial year

(3) Average expiry

(4) No. of options

(5) Average price for financial year

(6) Average expiry

(7) No. of options

(8) Average price for financial year

(9) Average expiry

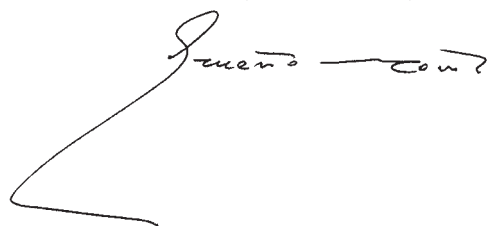
(10) No. of options

(11) No. of options

(12) Average price for financial year

(13) Average expiry

for The Board of Directors
The Chairman
(Ernesto Monti)



Attachments to the consolidated financial statements

exchange rates applied for the conversion of accounts in foreign currency						
country	currency		exchange 12.31.2003	average exchange 2003	exchange 12.31.2002	average exchange 2002
Albany	lek	ALL	133,548	136,715	136,946	131,683
Algeria	Algerian Dinar	DZD	83,006	85,480	79,116	73,277
Angola	Readjustado Kwarza	AOA	95,605	83,517	57,026	38,979
Saudi Arabia	Saudi Riyal	SAR	4,601	4,236	3,813	3,542
Bolivia	Boliviano	BOB	9,537	8,649	7,555	6,763
Burundi	Burundi Franc	BIF	1.304,090	1.188,000	1.052,680	861,814
Caribbean	Carib dollar	XCD	3,317	3,050	2,740	2,547
Central Africa, C.F.A Repub.	CFA Franc	XAF	655,957	655,957	655,957	655,957
Chile	Chilean Peso	CLP	739,119	779,566	715,892	652,850
Colombia	Colombian Peso	COP	3.509,040	3.283,570	2.847,300	2.371,570
Democr. Republic of Congo	Congolese Franc	CDF	450,864	448,503	379,717	325,957
Croatia	Kuna	HRK	7,670	7,557	7,410	7,395
Denmark	Danish Crown	DKK	7,442	7,431	7,426	7,431
Dominican Republic	Dominican peso	DOP	45,094	32,744	19,882	16,465
El Salvador	Salvadorian Colon	SVC	10,750	9,898	8,910	8,273
Japan	Japanese Yen	JPY	132,431	130,971	124,198	118,063
Gibuti	Gibuti Franc	DJF	217,392	200,951	180,964	168,047
Guinea	Guinean Franc	GNF	2.450,980	2.240,710	2.006,980	1.853,200
Honduras	Lempira	HNL	22,042	19,752	17,189	15,606
Indonesia	Indonesian Rupee	IDR	10.421,700	9.679,260	9.079,340	8.775,550
Kenya	Scellino keniota	KES	93,279	85,778	80,813	74,404
Libya	Libyan Dinar	LYD	1,651	1,437	1,249	1,156
Malawi	Kwacha	MWK	129,261	108,462	85,721	71,749
Morocco	Moroccan Dirham	MAD	11,012	10,812	10,577	10,382
Mozambique	Metical	MZM	28.296,600	26.004,000	23.598,900	21.782,200
Nicaragua	Cordoba Oro	NIO	18,952	17,025	14,934	13,515
Norway	Norway corona	NOK	8,242	8,003	7,295	7,509
Pakistan	Pakistani Rupee	PKR	70,473	65,277	59,476	56,331
Qatar	Riyal qatar	QAR	4,472	4,117	3,706	3,442
United Kingdom	British pound	GBP	0,702	0,692	0,642	0,629
Rumania	Leu	ROL	40.572,600	37.550,600	34.251,400	31.269,700
Rwanda	Rwandan Franc	RWF	684,282	596,179	505,879	443,268
Singapore	Singapore Dollar	SGD	2,102	1,970	1,786	1,691
United States	US Dollar	USD	1,229	1,131	1,018	0,946
South Africa	Rand	ZAR	7,993	8,532	9,104	9,907
Switzerland	Swiss Franc	CHF	1,554	1,521	1,468	1,467
Taiwan	Taiwanese Dollar	TWD	41,780	38,852	35,434	32,380
Tanzania	Tanzanian Shilling	TZS	1.287,430	1.169,160	993,248	910,868
Thailand	Baht	THB	48,796	46,898	44,086	40,615
Tunisia	Tunisian Dinar	TND	1,512	1,453	1,384	1,339
Turkey	Turkish Lira	TRL	1.761.551,000	1.694.851,000	1.619.050,000	1.439.680,000
European Monetary Union	Euro	EUR	1,000	1,000	1,000	1,000
Venezuela	Bolivar	VEB	1.960,780	1.829,430	1.342,650	1.112,710
Zambia	Kwacha	ZMK	5.749,130	5.411,830	4.842,130	4.153,380

The exchange rate concerns the amount of foreign currency necessary in order to buy 1 euro.

consolidation area at 31 december 2003

subsidiary companies

■ 1 R.I.C. - Railway International Construction S.p.A.	100.00%
■ 2 Assistenza Sviluppo e Tecnologie Ausiliarie (A.S.T.A.C.) S.r.l.	100.00%
■ 3 Italstrade S.p.A.	100.00%
■ 4 Astaldi International Ltd.	100.00%
■ 5 Astaldi de Venezuela C.A.	99.80%
■ 6 Astaldi Construction Corporation	99.80%
■ 7 Italstrade CCCF JV Romis S.r.l.	51.00%
■ 8 Romstrade S.r.l.	51.00%
■ 9 Servizi Tecnici Internazionali I.T.S. S.p.A.	100.00%
■ 10 Italstrade Somet JV Rometro S.r.l.	55.00%
■ 11 S.U.G.C.T. S.A. Calarasi	50.53%
■ 12 Astaldi Arabia Ltd.	100.00%
■ 13 Astaldi Finance S.A.	99.96%
■ 14 Legnami Pasotti Italia I.C. S.r.l.	80.00%
■ 15 Romairport S.r.l. *	63.89%

other equity investments

16 Consorcio Metro Los Teques	30.00%
17 Copenhagen Metro Construction Group J.V. (COMET)	15.00%

changes in the consolidation area

equity interests leaving the consolidation area

1 Consorcio Astaldi-Columbus (Nicaragua)	98.00% *
------------------------------------------	----------

equity interests entering the consolidation area

2 Romairport S.r.l.	63.89% *
---------------------	----------

NB: The companies marked ■ are aggregated with the line by line method. the others with the proportional method

The companies marked * are changing in the financial year

reconciliation between the parent company financial statements and the consolidated financial statements

(thousands of euro)

	net equity 12.31.2003	profit (loss) for the year 12.31.2003	net equity 12.31.2002	profit (loss) for the year 12.31.2002
equity and profit/loss for the year as stated in the parent company's financial statements (net of the conversion reserve)	229,665	12,017	222,732	11,876
conversion reserve	(18,594)		(7,248)	
elimination of the carrying value of consolidated equity interests:				
- difference between carrying value and pro rata value of capital and reserves	10,783		(2,270)	
- pro rata profit/loss of the companies invested in	4,020	4,020	8,064	8,064
elimination of the effects of transactions between consolidated companies:				
- profits on related party disposals	(5,475)	65	(5,540)	(1,026)
- depreciation on related party sales	3,763	1,255	2,508	1,006
- provision for losses on consolidated companies	2,327	9,724	5,814	1,209
- coverage for losses of consolidated companies	-	21,721		
- dividends from consolidated companies	(6,300)	(27,934)	(7,463)	(7,463)
leasing under the financial method	6,933	1,526	5,407	1,404
equity and profit/loss for the year pertaining to the group	227,122	22,394	222,004	15,070
minority interest	158	(217)	307	442
equity and profit/loss for the year as stated in the consolidated financial statements	227,280	22,177	222,311	15,512

changes in consolidated equity

(thousands of euro)

	subscribed capital	share premium reserve	revaluation reserves	legal reserve	reserve for own shares	reserve for own shares purchasing	conversion reserve (loss)
balance at december 2002	98,425	67,836	236	6,624			(7,248)
constitution of the reserve for own shares					2,385	22,215	
allocation profit/loss				594			840
payment of dividends							
change in conversion reserve							(12,107)
other changes							
result of the period							
balance at december 2003	98,425	67,836	236	7,218	2,385	22,215	(18,515)

extraordinary reserve	reserve for special liabilities	euro conversion difference	profit (loss) carried forward	profit (loss) for the period	min. interest capital e reserves	total equity
25,053	798	(2)	15,212	15,070	307	222,311
(9,670)			(14,930)			
6,288			2,432	(10,154)		
				(4,916)		(4,916)
					73	(12,034)
4			(179)		(5)	(180)
				22,316	(217)	22,099
21,675	798	(2)	2,535	22,316	158	227,280

address

A - companies consolidated line by line

Assistenza Sviluppo e Tecnologie Ausiliarie
alle Costruzioni (A.S.T.A.C.) S.r.l.
Astaldi Arabia Ltd.
Astaldi Construction Corporation
Astaldi de Venezuela C.A.
Astaldi Finance S.A.
Astaldi International Ltd.
Italstrade CCCF JV Romis S.r.l.
Italstrade S.p.A.
Italstrade Somet JV Rometro S.r.l.
Legnami Pasotti Italy I.C. S.r.l.
R.I.C.-Railway International Construction S.p.A.
Romairport S.r.l.
Romstrade S.r.l.
S.U.G.C.T. S.A. Calarasi
Servizi Tecnici Internazionali - I.T.S. S.p.A.

Via G.V. Bona, 65 - Rome - Italy
P.O. Box 58139 - Riad - Saudi Arabia
8220 State Road 85 Davie - Florida - U.S.A.
C.C. C.T. 1ra Etapa Piso 6 Of. 620 - Caracas - Venezuela
Boulevard du Prince Henri 19-21 - Luxembourg
34-36 Gray's Inn Road - Londra - UK
Piata Pache Protopopescu, 9 - Bucharest - Romania
Via Agrigento, 5 - Rome - Italy
Str. Cap. Av. A. Serbanescu, 49 Sector 1 - Bucharest - Romania
Via Agrigento, 5 - Rome - Italy
Via G.V. Bona, 65 - Rome - Italy
Via G.V. Bona, 65 - Rome - Italy
Piata Pache Protopopescu, 9 - Bucharest - Romania
Varianta Nord, 1 - Calarasi - Romania
Via G.V. Bona, 65 - Rome - Italy

B - companies consolidated with the proportional method

Consorcio Metro Los Teques
Copenhagen Metro Construction Group J.V. (COMET)

Caracas - Venezuela
Refshaleoen, 147 P.O. Box 1920 - Copenhagen - Denmark

C - companies consolidated with the net equity method

Astaldi (Thailand) Company Ltd.
Astaldi International Inc.
Astaldi-Astaldi International J.V.
Astaldi-Burundi Association Momentanée
Astaldi-Ferrocemento J.V.
Astaldi-Malawi, Astaldi - Astaldi International J.V.
Astaldi-Rwanda Association Momentanée
Astaldi-Sénégal Association en participation
Astur Construction and Trade A.S.
Euroast S.r.l. In liquidation
Redo-Association Momentanée
S.E.I.S. S.p.A.
Seac S.p.a.r.l. in liquidation
Yellow River Contractors J.C.

21/125 Fl.17 Unit A, Thai Wah Tower II SathornTai Road - Sathorn - Bangkok -Thailand
Bank of Liberya Building P.O. Box 660 - Monrovia - Liberya
R. Armando Tivane, 466 - Matola Maputo - Mozambico
Avenue de l'O.U.A. B.P. 325 - Bujumbura - Burundi
10-Ha Khayaban-E-Shujat - Karachi - Pakistan
Private Bag 148 - Blantyre - Malawi
Rue de la Douane - Kigali - Rwanda
Avenue Roume Dakar, 16 4ème G. S. - Dakar - Senegal
Aydinpinar Cad. Kucukmehmetler Koyu - Ankara - Turkey
Via G.V. Bona, 65 - Rome - Italy
B.P. 8734 - Democratic Republic of Congo
Via Monte Santo, 1 - Rome - Italy
Avenue des Fleurs - Kinshasa/Gombe - Repubblica Democratica del Congo
P.O. Box 073 - Luoyang - Pop. Rep. of China

D - companies carried at cost

A.F.M. Astaldi-Ferrocemento-Mambrini S.c.r.l. in liquidation
A.M.P. S.c.r.l. in liquidation
Adduttore Ponte Barca S.c.r.l.
Aguas de San Pedro S.A. de C.V.
Almo S.c.r.l. in liquidation
Alosa Immobiliare S.p.A. in liquidation
Asociacion Accidental Astaldi S.p.A. - C.B.I. S.r.l.
Association en participation SEP Astaldi-Somatra-Bredero
Astaldi Africa S.p.A. in liquidation
Astaldi Bayindir J.V.
Astaldi-Caldart AS.CAL. S.c.r.l. in liquidation
Astaldi-Ecuador S.A.
Astaldi-Max Bogl-CCCF JV S.r.l.
Astaldi-Sarantopulos J.V.
Avola S.c.r.l. in liquidation
Blufi 1 S.c.r.l. in liquidation
Bocca di Malamocco S.c.r.l.
Bussentina S.c.r.l. in liquidation
C.F.C. S.c.r.l.
C.F.M. S.c.r.l. in liquidation
C.O.MES. S.c.r.l.
Carnia S.c.r.l. in liquidation
CO.ME.NA. S.c.r.l.
CO.NO.CO. S.c.r.l.
Co.Sa.Vi.D. S.c.r.l.
Cogital S.c.r.l. in liquidation
Colli Albani S.c.r.l. in liquidation
Consorcio Astaldi - C.B.I.

Via G.V. Bona, 65 - Rome - Italy
Viale Caduti di tutte le guerre, 7 - Bari - Italy
Via di Pietralata, 140 - Rome - Italy
Departamento de Cortes - San Pedro Sula - Honduras
Via privata D. Giustino, 3/A - Naples - Italy
Via G.V. Bona, 65 - Rome - Italy
Località "El Portillo" - Tarija - Bolivia
Tunisia
Addis Abeba - Etiopia
Ilkadim Sokak, 19 Gaziomanpasa - Ankara - Turkey
Via Giovanni Pacini, 12 - Palermo - Italy
Portugal 617 y 6 de Diciembre - Guayaquil - Ecuador

Athens - Greece
Via G.V. Bona, 65 - Rome - Italy
Zona Industriale - Agrigento - Italy
Via Salaria, 1039 - Rome - Italy
Via G.V. Bona, 65 - Rome - Italy
Via privata D. Giustino, 3/A - Naples - Italy
Via privata D. Giustino, 3/A - Naples - Italy
Via G.V. Bona, 65 - Rome - Italy
Via G.V. Bona, 65 - Rome - Italy
Via Morghen, 36 - Naples - Italy
Via G.V. Bona, 65 - Roma - Italy
Carini - Contrada Foresta Z.I. - Palermo - Italy
Viale Italy, 1 - Milan - Italy
Via G.V. Bona, 65 - Rome - Italy
Av. Iturralde 1308 Esquina San Salvador - La Paz - Bolivia

currency	par value of share capital	% owned directly	% owned indirectly	entity holding indirect investment
EUR	46,800.00	100.000%	0.000%	
SAR	5,000,000.00	60.000%	40.000%	Astaldi International Ltd.
USD	4,290,000.00	90.000%	10.000%	Astaldi de Venezuela
VEB	110,300,000.00	99.804%	0.000%	
EUR	250,000.00	99.960%	0.000%	
GBP	2,000,000.00	100.000%	0.000%	
LEI	5,400,000,000.00	0.000%	51.000%	Italstrade S.p.A.
EUR	22,000,000.00	100.000%	0.000%	
LEI	22,000,000.00	0.000%	51.000%	Italstrade S.p.A.
EUR	51,000.00	0.000%	80.000%	Italstrade S.p.A.
EUR	2,580,000.00	100.000%	0.000%	
EUR	10,200.00	0.000%	63.890%	Italstrade S.p.A.
LEI	10,000,000,000.00	0.000%	51.000%	Italstrade S.p.A.
LEI	13,618,975,000.00	0.000%	50.367%	Italstrade S.p.A.
EUR	232,200.00	0.000%	100.000%	Astaldi International Ltd.
VEB	0.00	30.000%	0.000%	
USD	0.00	0.000%	15.000%	Astaldi International Ltd.
BHT	10,000,000.00	25.000%	24.000%	Astaldi International Ltd.
USD	3,000,000.00	0.000%	100.000%	Astaldi International Ltd.
USD	10,000.00	0.000%	100.000%	Astaldi International Ltd.
USD	50,000.00	0.000%	100.000%	Astaldi International Ltd.
USD	50,000.00	50.000%	0.000%	
USD	10,000.00	0.000%	100.000%	Astaldi International Ltd.
USD	50,000.00	60.000%	40.000%	Astaldi International Ltd.
XOF	50,000,000.00	0.000%	100.000%	Astaldi International Ltd.
TRL	23,790,610,000.00	99.000%	0.000%	
EUR	15,300.00	100.000%	0.000%	
ZRZ	50,000.00	75.000%	25.000%	Astaldi International Ltd.
EUR	3,877,500.00	48.330%	0.000%	
ZRZ	200,000,000.00	0.000%	100.000%	Astaldi International Ltd.
USD	999,336.00	0.000%	14.000%	Italstrade S.p.A.
EUR	45,900.00	35.000%	0.000%	
EUR	51,646.00	0.010%	0.000%	
EUR	45,900.00	24.330%	0.000%	
HNL	98,000,000.00	15.000%	0.000%	
EUR	46,481.00	35.000%	0.000%	
EUR	10,320,000.00	50.000%	0.000%	
-	0.00	70.000%	0.000%	
TND	0.00	40.000%	0.000%	
EUR	1,033.00	100.000%	0.000%	
-	0.00	50.000%	0.000%	
EUR	46,800.00	60.000%	0.000%	
ECS	3,000,000.00	20.000%	0.000%	
-	0.00	50.000%	0.000%	
-	0.00	14.000%	0.000%	
EUR	10,200.00	50.000%	0.000%	
EUR	25,823.00	32.000%	0.000%	
EUR	30,987.00	0.010%	0.000%	
EUR	25,500.00	78.800%	0.000%	
EUR	45,900.00	0.010%	0.000%	
EUR	41,317.00	50.000%	0.000%	
EUR	20,000.00	55.000%	0.000%	
EUR	45,900.00	33.000%	0.000%	
EUR	20,658.00	70.432%	0.000%	
EUR	25,500.00	80.000%	0.000%	
EUR	25,500.00	0.010%	0.000%	
EUR	60,044.00	50.000%	0.000%	
EUR	25,500.00	60.000%	0.000%	
USD	100,000.00	60.000%	0.000%	

(table follows)

at 31 december 2003

companies carried at cost

Consorzio Astaldi-ICE
 Consorzio Conintur-Astaldi
 Consorzio Contuy Medio
 Consorzio DEI
 Consorzio Ghella-Astaldi & Associados
 Consorzio Ghella-Astaldi-WTC
 Consorzio Grupo Contuy - Proyectos y Obras de Ferrocarriles
 Consorzio A.F.T.
 Consorzio A.F.T. Kramis
 Consorzio A.R.Z. - Astaldi-R.I.C.- ZAIRE in liquidation
 Consorzio Asse Sangro in liquidation
 Consorzio Astaldi-C.M.B. Due in liquidation
 Consorzio Bonifica Lunghezza - C.B.L.
 Consorzio C.I.R.C.
 Consorzio Carnia
 Consorzio Centro Uno
 Consorzio Co.Fe.Sar.
 Consorzio Cogitau S.c.n.c. in liquidation
 Consorzio CONC.I.L. in liquidation
 Consorzio Consarno
 Consorzio Consavia S.c.n.c. in liquidation
 Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation
 Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.
 Consorzio Ferrofir
 Consorzio Ferroviario Vesuviano
 Consorzio Gi.It. in liquidation
 Consorzio Groupement Lesi-Dipenta
 Consorzio I.R.S.A.
 Consorzio Inau in liquidation
 Consorzio Iricav Due
 Consorzio Iricav Uno
 Consorzio Ital.Co.Cer.
 Consorzio Italveneziana
 Consorzio L.A.R. in liquidation
 Consorzio Metrofer
 Consorzio Novocen
 Consorzio Olbia Mare in liquidation
 Consorzio Qalat
 Consorzio Recchi S.p.A.- Astaldi S.p.A.
 Consorzio Tagliamento
 Consorzio Team
 Consorzio TRA.DE.Cl.V.
 Consorzio Tre Fontane Nord in liquidation
 Cospe S.c.r.l.
 Costruttori Romeni Riuniti Grandi Opere S.p.A. in liquidation
 Diga di Arcichiaro S.c.r.l. in liquidation
 Diga di Blufi S.c.r.l.
 DIP.A. S.c.r.l. in liquidation
 DP 2M S.c.r.l. in liquidation
 Eco Po Quattro S.c.r.l.
 Ecosarno S.c.r.l.
 Fiorbis S.c.r.l. in liquidation
 Fondazione Accademia Nazionale di S. Cecilia
 Forum S.c.r.l.
 Fosso Canna S.c.r.l. in liquidation
 Fusaro S.c.r.l.
 G.G.O. S.c.r.l. in liquidation
 Groupement Astaldi SpA - Astaldi International Ltd.
 Groupement Cir S.p.A.
 Groupement Eurolep
 Groupement Italgisas
 Holding Eléctrica Centroamericana S.p.A. - (Heca S.p.A.) in liquidation
 Hydro Honduras S.A. (Hydro West y Asociados S.A.)
 I.F.C. Due S.c.r.l. in liquidation
 I.F.C. S.c.r.l. in liquidation
 Imprese Riunite Genova S.c.r.l. in liquidation
 Imprese Riunite Genova Seconda S.c.r.l. in liquidation
 Infrallegrea S.c.r.l.
 Irimuse S.c.r.l.
 Isclero S.c.r.l. in liquidation
 Italsagi Sp. Zo. O.

address

Av. Libertador Bolivar, 1842 - Cochabamba - Bolivia
 C.C.C.T. 1ra Etapa Piso 1 Of. 107 - Chuao - Caracas - Venezuela
 Avida Andres Bello, Ed. Atlantic Piso 7, Of. 1-7 - Venezuela
 Via San Nazaro, 19 - Genova - Italy
 Santo Domingo - Repubblica Dominicana
 Santo Domingo - Repubblica Dominicana
 CCC T. 1ra Etapa Piso 6 Of. 620 Chuao - Caracas - Venezuela
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via della Fonte di Fauno, 2/A bis - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via Calderon de la Barca, 87 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 C.so Vittorio Emanuele, 130 - Naples - Italy
 Viale Liegi, 26 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via Passeggiata di Ripetta, 35 - Rome - Italy
 Via Naples, 329 - Castellammare di Stabia (Naples) - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via Chiatamone, 57 - Naples - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via Ombrone, 2/g - Rome - Italy
 Via Argine, 425 - Naples - Italy
 Via privata D. Giustino, 3/A - Naples - Italy
 Via Indonesia, 100 - Rome - Italy
 Via Argine, 425 - Naples - Italy
 Viale Cesare Pavese, 205 - Rome - Italy
 Via F. Tovaglieri, 413 - Rome - Italy
 Via F. Tovaglieri, 413 - Rome - Italy
 Piazza Buenos Aires, 5 - Rome - Italy
 Via Salaria, 1039 - Rome - Italy
 Via Palestro, 30 - Rome - Italy
 Viale Liegi, 26 - Rome - Italy
 Via Oraz, 143 - Naples - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Corso Carlo Marx, 19 - Misterbianco (CT) - Italy
 Via Salaria, 1039 - Rome - Italy
 Via G.V. Bona, 101/C - Rome - Italy
 Viale Sarca, 336 - Milan - Italy
 Via G. Verdi, 35 - Naples - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via P. Stanislao Mancini, 2 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy
 Viale Sarca, 336 - Milan - Italy
 Via Vittoria, 6 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via privata D. Giustino, 3/A - Naples - Italy
 Zona Industriale - Agrigento - Italy
 B.P. 4230 - Gibuti
 Via Agrigento, 5 - Rome - Italy
 Schiffandestrasse, 35 - Aaran 5000 - Switzerland
 Angle Boulevard de la Resistance et Rue de Puissesaux - Casablanca - Morocco
 Via G.V. Bona, 65 - Rome - Italy
 Ap.3199, Salida Norte Blvd. Fuerzas Armadas - El Carrizal - Tegucigalpa - Honduras
 Via G. V. Bona, 65 - Rome - Italy
 Via G. V. Bona, 65 - Rome - Italy
 Via A. Gramsci, 20 - Genova - Italy
 Via Serra, 2/9 - Genova - Italy
 Via privata D. Giustino, 3/A - Naples - Italy
 Via Salaria, 1039 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Ul. Powstancow - Katowice - Poland

currency	par value of share capital	% owned directly	% owned indirectly	entity holding indirect investment
–	0.00	50.000%	0.000%	
–	0.00	20.000%	0.000%	
USD	40,000.00	28.300%	0.000%	
EUR	26,000.00	0.000%	35.000%	I.T.S. S.p.A.
RD\$	300,000.00	33.300%	0.000%	
EUR	0.00	33.300%	0.000%	
VEB	0.00	32.330%	0.000%	
EUR	46,481.00	33.330%	0.000%	
EUR	100,000.00	49.995%	0.000%	
EUR	25,823.00	1.000%	99.000%	R.I.C. S.p.A.
EUR	464,811.00	4.762%	0.000%	
EUR	10,329.00	99.995%	0.000%	
EUR	10,000.00	49.000%	0.000%	
EUR	51,000.00	25.000%	0.000%	
EUR	51,646.00	33.000%	0.000%	
EUR	154,937.00	2.000%	0.000%	
EUR	51,646.00	30.000%	0.000%	
EUR	61,975.00	38.100%	0.000%	
EUR	10,329.00	0.000%	50.000%	I.T.S. S.p.A.
EUR	20,658.00	25.000%	0.000%	
EUR	20,658.00	25.000%	0.000%	
EUR	2,582.00	50.000%	0.000%	
EUR	206,583.00	0.000%	25.000%	R.I.C. S.p.A.
EUR	30,987.00	66.666%	0.000%	
EUR	154,937.00	0.004%	0.000%	
EUR	2,582.00	50.000%	0.000%	
EUR	258,228.00	0.010%	0.000%	
EUR	0.00	0.000%	50.000%	R.I.C. S.p.A.
EUR	77,469.00	40.630%	0.000%	
EUR	510,000.00	32.990%	0.000%	
EUR	520,000.00	27.910%	0.000%	
EUR	51,600.00	30.000%	0.000%	
EUR	77,450.00	25.000%	0.000%	
EUR	206,583.00	29.410%	0.000%	
EUR	25,823.00	33.320%	0.000%	
EUR	51,640.00	40.760%	0.000%	
EUR	15,494.00	72.500%	0.000%	
EUR	10,327.00	40.000%	0.000%	
EUR	51,646.00	50.000%	0.000%	
EUR	154,937.00	15.000%	0.000%	
EUR	45,900.00	11.111%	0.000%	
EUR	154,937.00	17.727%	0.000%	
EUR	15,494.00	33.333%	0.000%	
EUR	10,200.00	100.000%	0.000%	
EUR	5,164,568.00	1.000%	0.000%	
EUR	35,700.00	100.000%	0.000%	
EUR	45,900.00	50.000%	0.000%	
EUR	10,200.00	100.000%	0.000%	
EUR	10,200.00	72.000%	0.000%	
EUR	25,500.00	80.000%	0.000%	
EUR	50,490.00	33.334%	0.000%	
EUR	46,481.00	99.980%	0.000%	
EUR	0.00	0.000%	0.000%	
EUR	51,000.00	59.990%	0.000%	
EUR	25,500.00	32.000%	0.000%	
EUR	10,200.00	0.010%	0.000%	
EUR	25,500.00	10.000%	0.000%	
USD	0.00	60.000%	40.000%	Astaldi International Ltd.
EUR	156,000.00	0.000%	33.330%	Italstrade S.p.A.
CHF	100,000.00	22.000%	0.000%	
MAD	207,014,000.00	0.000%	40.000%	Italstrade S.p.A.
EUR	100,000.00	50.000%	0.000%	
HNL	35,440,000.00	20.293%	0.000%	
EUR	45,900.00	99.990%	0.000%	
EUR	45,900.00	66.660%	0.000%	
EUR	25,500.00	16.100%	0.000%	
EUR	25,000.00	16.100%	0.000%	
EUR	46,600.00	50.000%	0.000%	
EUR	619,745.00	0.100%	0.000%	
EUR	12,000.00	31.170%	0.000%	
PLN	100,000,000.00	0.000%	34.000%	Italstrade S.p.A.

(table follows)

at 31 december 2003

companies carried at cost

Italstrade CCCF JV Bucuresti S.r.l.
 Linea A S.c.r.l. in liquidation
 M.N. Metropolitana di Naples S.p.A.
 M.N.6 S.c.r.l.
 Marsico Nuovo S.c.r.l. in liquidation
 Max Bogl-Astaldi-CCCF Asocierea JV S.r.l.
 ME.SA. S.c.r.l. in liquidation
 Messina Stadio S.c.r.l.
 Metrogenova S.c.r.l.
 Metroveneta S.c.r.l.
 Monte Vesuvio S.c.r.l.
 Montedil-Astaldi S.p.A. (MONTAST) in liquidation
 Mormanno S.c.r.l. in liquidation
 N.P.F. - Nuovo Polo Fieristico S.c.r.l.
 Naples Porto S.c.r.l. in liquidation
 NO.VI.F.IN. Nova Via Festinat Industrias S.c.r.l.
 Nova Metro S.c.r.l.
 Palese Park S.r.l.
 Pantano S.c.r.l.
 Parking Puccini S.c.r.l. in liquidation
 Pavimental S.p.A.
 Pegaso S.c.r.l.
 Piana di Licata S.c.r.l. in liquidation
 Piceno S.c.r.l. in liquidation
 Platamonas Sarantopulos J.V.
 Plus S.r.l.
 Pont Ventoux S.c.r.l.
 Portovesme S.c.r.l.
 Principe Amedeo S.c.r.l. in liquidation
 Priolo Siracusa S.c.r.l.
 Quattro Venti S.c.r.l.
 Raggruppamento Astaldi-Vianini in liquidation
 Roma Lido S.c.r.l.
 S. Filippo S.c.r.l. in liquidation
 S. Leonardo S.c.r.l. in liquidation
 S.A.A.L.P. S.n.c. in liquidation
 S.A.C.E.S. S.r.l. in liquidation
 Sa.Di.Pe. S.c.r.l. in liquidation
 Salgit S.r.l.
 Santangelo S.c.r.l. in liquidation
 Silva S.r.l. in liquidation
 SO.GE.DEP. S.r.l. in liquidation
 So.Gr.Es. S.c.p.a. in liquidation
 Sociedad Concesionaria BAS S.A.
 Spluga Domani S.p.A.
 Susa Dora Quattro S.c.r.l.
 Tangenziale Seconda S.c.r.l. in liquidation
 TE.CRO. S.c.r.l. in liquidation
 Todaro S.r.l. in liquidation
 Toledo S.c.r.l.
 Transeuropaska Autocesta d.o.o
 Tri.Ace S.c.a.r.l. in liquidation
 Truncu Reale S.c.r.l.
 V.A.S.CO. Imprese Riunite
 Val Pola S.c.r.l. in liquidation
 Valle Caudina S.c.r.l.
 Veneta Sanitaria Finanza di Progetto - V.S.F.P. S.p.A.
 Vesuviana Strade S.c.r.l.
 Viadotti di Courmayeur S.c.r.l.
 Viadotto Fadalto S.c.r.l. in liquidation

address

Gheorghe Manu, 20 Sector 1 - Bucharest - Romania
 Via G.V. Bona, 65 - Rome - Italy
 Via Galileo Ferraris, 101 - Naples - Italy
 Via G.Ferraris, 101 - Naples - Italy
 Via Dora, 2 - Rome - Italy

 Via della Cooperazione, 30 - Bologna - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via IV Novembre snc -Spianata Acquasola - 16121 Genova - Italy
 Piazza Castello, 16 - Padova - Italy
 Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G. Verdi, 35 - Naples - Italy
 Riviera di Chiaia, 72 - Naples - Italy
 Via Montello, 10 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via Montello, 10 - Rome - Italy
 Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy
 Piazza Ferdinando De Lucia, 15 - Rome - Italy
 Via F. Tovaglieri, 17 - Rome - Italy
 Via G. V. Bona, 65 - Rome - Italy
 Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy
 Athens - Greece
 Via del Tritone, 53 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Piazza Velasca, 4 - Milan - Italy
 Via G.V. Bona, 65 - Rome - Italy
 S.P. per Fisciano Km. 1 - Fisciano (SA) - Italy
 Via Carlo Pesenti, 121/123 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via Boncompagni, 47 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via della Dataria, 22 - Rome - Italy
 Via della Dataria, 22 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via Monte Santo, 1 - Rome - Italy
 Via dell'Astronomia, 9 - Rome - Italy
 Via Molise, 11 - Rome - Italy
 Santiago del Chile - Chile
 Via del Crotto, 52 - Campodolcino - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via Giovanni Pacini, 12 - Palermo - Italy
 Via Morghen, 36 - Naples - Italy
 Maksimirska 120/III 10000 - Zagabria - Croazia
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via Montello, 10 - Rome - Italy
 Viale Sarca, 336 - Milan - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via Cesare Battisti, 2 - Mestre (VE) - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Via G.V. Bona, 65 - Rome - Italy
 Viale Sarca, 336 - Milan - Italy

currency	par value of share capital	% owned directly	% owned indirectly	entity holding indirect investment
LEI	2,000,000.00	0.000%	1.000%	Italstrade S.p.A.
EUR	25,500.00	100.000%	0.000%	
EUR	3,655,397.00	22.620%	0.000%	
EUR	51,000.00	1.000%	0.000%	
EUR	10,200.00	25.000%	0.000%	
	0.00	25.000%	0.000%	
EUR	40,800.00	25.000%	0.000%	
EUR	45,900.00	33.330%	0.000%	
EUR	25,500.00	18.240%	0.000%	
EUR	25,500.00	50.000%	0.000%	
EUR	45,900.00	50.000%	0.000%	
EUR	408,000.00	100.000%	0.000%	
EUR	10,200.00	74.990%	0.000%	
EUR	40,000.00	50.000%	0.000%	
EUR	10,328.00	15.000%	0.000%	
EUR	10,329.00	0.010%	0.000%	
EUR	40,800.00	20.000%	0.000%	
EUR	1,020,000.00	99.000%	0.000%	
EUR	40,800.00	10.000%	0.000%	
EUR	45,900.00	50.000%	0.000%	
EUR	4,711,515.00	1.303%	0.000%	
EUR	260,000.00	43.750%	0.000%	
EUR	10,200.00	43.750%	0.000%	
EUR	10,200.00	50.000%	0.000%	
-	0.00	14.450%	0.000%	
EUR	765,000.00	11.640%	0.000%	
EUR	51,000.00	56.250%	0.000%	
EUR	25,500.00	80.000%	0.000%	
EUR	10,200.00	50.000%	0.000%	
EUR	11,000.00	20.000%	0.000%	
EUR	51,000.00	60.000%	0.000%	
EUR	25,823.00	50.000%	0.000%	
EUR	10,200.00	19.115%	0.000%	
EUR	10,200.00	80.000%	0.000%	
EUR	10,200.00	51.000%	0.000%	
EUR	51,646.00	30.000%	0.000%	
EUR	26,000.00	37.000%	0.000%	
EUR	40,800.00	49.950%	0.000%	
EUR	10,200.00	0.000%	33.000%	
EUR	51,000.00	45.000%	0.000%	
EUR	15,300.00	99.000%	0.000%	
EUR	20,658.00	22.840%	0.000%	
EUR	129,000.00	25.000%	0.000%	
CLP	8,876,340,000.00	0.100%	0.000%	
EUR	7,426,250.00	0.710%	0.000%	
EUR	51,000.00	90.000%	0.000%	
EUR	45,900.00	42.730%	0.000%	
EUR	10,200.00	100.000%	0.000%	
EUR	233,580.00	0.000%	100.000%	R.I.C. S.p.A.
EUR	50,000.00	90.394%	0.000%	
HRK	49,019,600.00	49.000%	0.000%	
EUR	45,900.00	80.000%	0.000%	
EUR	30,600.00	34.000%	0.000%	
EUR	51,646.00	29.000%	0.000%	
EUR	46,481.00	35.000%	0.000%	
EUR	50,000.00	52.240%	0.000%	
EUR	20,500,000.00	31.000%	0.000%	
EUR	45,900.00	30.000%	0.000%	
EUR	10,200.00	66.670%	0.000%	
EUR	51,129.00	80.000%	0.000%	

equity investments

a) share capital

1 - subsidiaries

carrying method: cost

Asociacion Accidental Astaldi S.p.A. - C.B.I. S.r.l.	Località "El Portillo" - Tarija - Bolivia	-
Astaldi Africa S.p.A. in liquidation	Addis Abeba - Etiopia	1,032.91
Astaldi-Caldart AS.CAL. S.c.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy	46,800.00
Bussentina S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,500.00
C.O.MES. S.c.r.l.	Via G. V.Bona, 65 - Rome - Italy	20,000.00
CO.ME.NA. S.c.r.l.	Via Morghen, 36 - Naples - Italy	20,658.28
CO.NO.CO. S.c.r.l.	Via G. V. Bona, 65 - Roma - Italy	25,500.00
Colli Albani S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	25,500.00
Consorzio Astaldi - C.B.I.	Av. Iturralde 1308 Esquina San Salvador - La Paz - Bolivia	-
Consorzio A.R.Z. - Astaldi-R.I.C.- ZAIRE in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,822.84
Consorzio Astaldi-C.M.B. Due in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,329.14
Consorzio Olbia Mare in liquidation	Via G.V. Bona, 65 - Rome - Italy	15,493.71
Cospe S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Diga di Arcichiaro S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	35,700.00
DIP.A. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
DP 2M S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Eco Po Quattro S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	25,500.00
Fiobis S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	46,481.12
Forum S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	51,000.00
Groupement Astaldi SpA - Astaldi International Ltd.	B.P. 4230 - Gibuti	-
I.F.C. Due S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	45,900.00
I.F.C. S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	46,481.12
Linea A S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	25,500.00
Montedil-Astaldi S.p.A. (MONTAST) in liquidation	Via G. V. Bona, 65 - Rome - Italy	408,000.00
Mormanno S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	10,200.00
Palese Park S.r.l.	Via G. V. Bona, 65 - Rome - Italy	1,020,000.00
Portovesme S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	25,500.00
Quattro Venti S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	51,000.00
S. Filippo S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	10,200.00
S. Leonardo S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	10,200.00
Silva S.r.l. in liquidation	Via Monte Santo, 1 - Rome - Italy	15,300.00
Susa Dora Quattro S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	51,000.00
TE.CRO. S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	10,200.00
Todaro S.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy	233,580.00
Toledo S.c.r.l.	Via Morghen, 36 - Naples - Italy	50,000.00
Tri.Ace S.c.a.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	45,900.00
Viadotti di Courmayeur S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	10,200.00
Viadotto Fadalto S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	51,129.23

total carrying method: cost

carrying method: equity

Astaldi (Thailand) Company Ltd.	21/125 Fl. 17 Unit A, Thai Wah Tower II SathornTai Road - Sathorn - Bangkok - Thailandia	204,934.83
Astaldi International Inc.	Bank of Liberia Building P.O. Box 660 - Monrovia - Liberia	3,404,062.17
Astaldi-Astaldi International J.V.	R. Armando Tivane, 466 - Matola Maputo - Mozambico	8,136.70
Astaldi-Burundi Association Momentanée	Avenue de l'O.U.A. B.P. 325 - Bujumbura - Burundi	29,062.73
Astaldi-Malawi, Astaldi - Astaldi International J.V.	Private Bag 148 - Blantyre - Malawi	8,136.70
Astaldi-Rwanda Association Momentanée	Rue de la Douane - Kigali - Rwanda	20,231.26
Astaldi-Sénégal Association en participation	Avenue Roume Dakar, 16 4ème G. S. - Dakar - Senegal	91,004.86
Astur Construction and Trade A.S.	Aydinpinar Cad. Kucukmehmetler Koyu - Ankara - Turkey	528,336.68
Euroast S.r.l. In liquidation	Via G. V. Bona, 65 - Rome - Italy	15,300.00
Redo-Association Momentanée	B.P. 8734 - Repubblica Democratica del Congo	-
Seac S.p.a.r.l. in liquidation	Avenue des Fleurs - Kinshasa/Gombe - Repubblica Democratica del Congo	337,101.88

total carrying method: equity

total 1 - subsidiary companies

2 - associated companies

carrying method: cost

A.F.M. Astaldi-Ferrocemento-Mambrini S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	45,900.00
Adduttore Ponte Barca S.c.r.l.	Via di Pietralata, 140 - Rome - Italy	45,900.00
Almo S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	46,481.12
Alosa Immobiliare S.p.A. in liquidation	Via G. V. Bona, 65 - Rome - Italy	10,320,000.00
Association en participation SEP Astaldi-Somatra-Bredero	Tunisia	-
Astaldi Bayindir J.V.	Ilkadam Sokak, 19 Gaziomanpasa - Ankara - Turkey	-
Astaldi-Ecuador S.A.	Portugal 617 y 6 de Diciembre - Guayaquil - Ecuador	-
Avola S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	10,200.00
Blufi 1 S.c.r.l. in liquidation	Zona Industriale - Agrigento - Italy	25,822.84
C.F.M. S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	41,316.55
Carnia S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	45,900.00
Cogital S.c.r.l. in liquidation	Viale Italy, 1 - Milan - Italy	60,044.00
Consorzio Astaldi-ICE	Av. Libertador Bolivar, 1842 - Cochabamba - Bolivia	-
Consorzio Conintur-Astaldi	C.C.C.T. 1ra Etapa Piso 1 Of. 107 - Chuao - Caracas - Venezuela	-
Consorzio Contuy Medio	Avida Andres Bello, Ed. Atlantic Piso 7, Of. 1-7 - Venezuela	-
Consorzio DEI	Via San Nazaro, 19 - Genova - Italy	26,000.00
Consorzio Ghella-Astaldi & Asociados	Santo Domingo - Repubblica Dominicana	18,683.91
Consorzio Ghella-Astaldi-WTC	Santo Domingo - Repubblica Dominicana	-
Consorzio Grupo Contuy - Proyectos y Obras de Ferrocarriles	CCC T. 1ra Etapa Piso 6 Of. 620 Chuao - Caracas - Venezuela	-
Consorzio A.F.T.	Via G. V. Bona, 65 - Rome - Italy	46,481.12
Consorzio A.F.T. Kramis	Via G. V. Bona, 65 - Rome - Italy	100,000.00

Attachments to the consolidated financial statements

(table follows)

at 31 december 2003

carrying method: cost

a) share capital

Consorzio Bonifica Lunghezza - C.B.L.	Via Calderon de la Barca, 87 - Rome - Italy	10,000.00
Consorzio C.I.R.C.	Via G. V. Bona, 65 - Rome - Italy	51,000.00
Consorzio Carnia	Via G. V. Bona, 65 - Rome - Italy	51,645.69
Consorzio Co.Fe.Sar.	Viale Liegi, 26 - Roma - Italy	51,645.69
Consorzio Cogitau S.c.n.c. in liquidation	Via G. V. Bona, 65 - Rome - Italy	61,974.83
Consorzio CONC.I.L. in liquidation	Via Passeggiata di Ripetta, 35 - Rome - Italy	10,329.14
Consorzio Consarno	Via Naples, 329 - Castellammare di Stabia (NA) - Italy	20,658.00
Consorzio Consavia S.c.n.c. in liquidation	Via G. V. Bona, 65 - Rome - Italy	20,658.28
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	Via Chiatamone, 57 - Naples - Italy	2,582.28
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	Via G. V. Bona, 65 - Rome - Italy	206,583.00
Consorzio Ferrofir	Via Ombrone, 2/g - Rome - Italy	30,987.41
Consorzio Gil.It. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	2,582.28
Consorzio I.R.S.A.	Via Argine, 425 - Naples - Italy	-
Consorzio Inau in liquidation	Viale Cesare Pavese, 205 - Rome - Italy	77,468.53
Consorzio Iricav Due	Via F. Tovaglieri, 413 - Roma - Italy	510,000.00
Consorzio Iricav Uno	Via F. Tovaglieri, 413 - Rome - Italy	516,456.90
Consorzio Ital.Co.Cer.	Piazza Buenos Aires, 5 - Rome - Italy	51,600.00
Consorzio Italvenezia	Via Salaria, 1039 - Rome - Italy	77,450.00
Consorzio L.A.R. in liquidation	Via Palestro, 30 - Rome - Italy	206,582.76
Consorzio Metrofer	Viale Liegi, 26 - Rome - Italy	25,822.84
Consorzio Novocen	Via Orazio, 143 - Naples - Italy	51,640.00
Consorzio Qalat	Corso Carlo Marx, 19 - Misterbianco (CT) - Italy	10,327.00
Consorzio Recchi S.p.A.- Astaldi S.p.A.	Via Salaria, 1039 - Rome - Italy	51,645.69
Consorzio Tre Fontane Nord in liquidation	Via G. V. Bona, 65 - Rome - Italy	15,493.71
Diga di Blufi S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	45,900.00
Ecosarno S.c.r.l.	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	50,490.00
Fosso Canna S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	25,500.00
Groupement Cir S.p.A.	Via Agrigento, 5 - Rome - Italy	156,000.00
Groupement Eurolep	Shifflandestrasse, 35 - Aaran 5000 - Svizzera	62,127.39
Groupement Italgisas	Angle Boulevard de la Resistance et Rue de Puissesaux - Casablanca - Morocco	-
Holding Eléctrica Centroamericana S.p.A. - (Heca S.p.A.) in liquidation	Via G. V. Bona, 65 - Rome - Italy	100,000.00
Hydro Honduras S.A. (Hydro West y Asociados S.A.)	Ap. 3199, Salida Norte Blvd. Fuerzas Armadas - El Carrizal - Tegucigalpa - Honduras	2,518,655.24
Infraclegrea S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy	46,600.00
Isclero S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	12,000.00
Italsagi Sp. Zo. O.	Ul. Powstancow - Katowice - Poland	3,615.20
M.N. Metropolitana di Naples S.p.A.	Via Galileo Ferraris, 101 - Naples - Italy	3,655,397.00
Marsico Nuovo S.c.r.l. in liquidation	Via Dora, 2 - Rome - Italy	10,200.00
ME.SA. S.c.r.l. in liquidation	Via della Cooperazione, 30 - Bologna - Italy	40,800.00
Messina Stadio S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	45,900.00
Metroveneta S.c.r.l.	Piazza Castello, 16 - Padova - Italy	25,500.00
Monte Vesuvio S.c.r.l.	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	45,900.00
Mose-Treporti S.c.r.l.	Via C.Battisti, 2 - Mestre (VE) - Italy	10,000.00
N.P.F. - Nuovo Polo Fieristico S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	40,000.00
Nova Metro S.c.r.l.	Via Montello, 10 - Rome - Italy	40,800.00
Parking Puccini S.c.r.l. in liquidation	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	45,900.00
Pegaso S.c.r.l.	Via F. Tovaglieri, 17 - Rome - Italy	260,000.00
Piana di Licata S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	10,200.00
Piceno S.c.r.l. in liquidation	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	10,200.00
Pont Ventoux S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	51,000.00
Principe Amedeo S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	10,200.00
Priolo Siracusa S.c.r.l.	Piazza Velasca, 4 - Milan - Italy	10,329.14
Raggruppamento Astaldi-Vianini in liquidation	S.P. per Fisciano Km. 1 - Fisciano (SA) - Italy	25,822.84
S.A.A.L.P. S.n.c. in liquidation	Via Boncompagni, 47 - Rome - Italy	51,646.00
S.A.C.E.S. S.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	26,000.00
Sa.Di.Pe. S.c.r.l. in liquidation	Via della Dataria, 22 - Rome - Italy	40,800.00
Salgit S.r.l.	Via della Dataria, 22 - Rome - Italy	10,200.00
Santangelo S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	51,000.00
SO.GE.DEP. S.r.l. in liquidation	Via dell'Astronomia, 9 - Rome - Italy	20,658.28
So.Gr.Es. S.c.p.a. in liquidation	Via Molise, 11 - Rome - Italy	129,000.00
Tangenziale Seconda S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	45,900.00
Transeuropska Autocesta d.o.o	Maksimirska 120/III 10000 - Zagabria - Croatia	6,466,390.57
Truncu Reale S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	30,600.00
V.A.S.CO. Imprese Riunite	Via Montello, 10 - Rome - Italy	51,645.69
Val Pola S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	46,481.12
Valle Caudina S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	50,000.00
Veneta Sanitaria Finanza di Progetto - V.S.F.P. S.p.A.	Via Cesare Battisti, 2 - Mestre - VE	20,500,000.00
Vesuviana Strade S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	45,900.00

total carrying method: cost

carrying method: equity

Astaldi-Ferrocemento J.V.	10-Ha Khayaban-E-Shujat - Karachi - Pakistan	40,683.48
S.E.I.S. S.p.A.	Via Monte Santo, 1 - Rome - Italy	3,877,500.00

total carrying method: equity

total 2 - associated companies

grand total

b) stockholders' equity	c) profit (loss) for the year	d) % ownership	e) book value	f) share of net equity	g) share of provision for risks	h) coverage of losses	i) net equity as for art. 2426 sub.s.1 it. civil code
10,000.00	—	49.000%	4,900.00	4,900.00	—	—	—
51,645.69	—	25.000%	12,911.42	12,911.42	—	—	—
51,645.69	—	33.000%	17,043.08	17,043.08	—	—	—
51,645.00	—	30.000%	15,493.71	15,493.50	—	—	0.21
1,202,373.00	(8,182.00)	38.100%	23,612.40	458,104.11	—	—	(434,491.71)
4,677.00	4,586.00	50.000%	5,164.57	2,338.50	—	—	2,826.07
20,659.00	—	25.000%	5,164.57	5,164.75	—	—	(0.18)
16,716.53	(3,941.75)	25.000%	4,897.34	4,179.13	—	—	718.21
—	—	50.000%	—	—	—	—	—
206,583.00	—	25.000%	51,645.69	51,645.75	—	—	(0.06)
534,800.45	200,739.14	66.666%	20,658.28	356,530.07	—	—	(335,871.79)
2,582.28	—	50.000%	1,291.14	1,291.14	—	—	—
—	—	50.000%	—	—	—	—	—
58,270.07	—	40.630%	23,675.83	23,675.13	—	—	0.70
516,456.90	—	32.990%	170,379.13	170,379.13	—	—	—
516,456.90	—	27.910%	145,132.00	144,143.12	—	—	988.88
51,646.69	—	30.000%	15,493.71	15,494.01	—	—	(0.30)
77,468.00	—	25.000%	19,367.13	19,367.00	—	—	0.13
206,582.76	—	29.410%	51,645.69	60,755.99	—	—	(9,110.30)
25,822.84	—	33.320%	8,607.62	8,604.17	—	—	3.45
840,884.00	102,838.00	40.760%	19,475.59	342,744.32	—	—	(323,268.73)
10,329.14	—	40.000%	4,131.66	4,131.66	—	—	—
51,645.69	—	50.000%	25,822.84	25,822.85	—	—	(0.01)
(8,522.00)	(5,805.00)	33.333%	—	(2,840.64)	2,840.67	—	(0.03)
46,481.12	—	50.000%	23,240.56	23,240.56	—	—	—
51,134.00	—	33.334%	17,043.08	17,045.01	—	—	(1.93)
(90,600.00)	(51,717.00)	32.000%	—	(28,992.00)	28,992.00	—	—
154,937.07	—	33.330%	64,849.94	51,640.53	—	—	13,209.41
56,334.78	—	22.000%	8,087.51	12,393.65	—	—	(4,306.14)
—	—	40.000%	—	—	963,192.12	—	(963,192.12)
(70,792.00)	(64,766.00)	50.000%	—	(35,396.00)	35,396.00	—	—
1,582,346.02	—	20.293%	519,624.88	321,105.48	—	—	198,519.40
46,600.00	—	50.000%	23,300.00	23,300.00	—	—	—
4,834.00	(7,166.00)	31.170%	1,506.76	1,506.76	—	—	—
(27,372.21)	—	34.000%	—	(9,306.55)	407,718.70	—	(398,412.15)
6,615,896.00	(547,109.00)	22.620%	3,298,708.14	1,496,515.68	—	—	1,802,192.46
5,216.00	(39,818.00)	25.000%	2,582.28	1,304.00	—	—	1,278.28
41,316.55	—	25.000%	10,329.14	10,329.14	—	—	—
46,481.12	—	33.330%	15,493.71	15,492.16	—	—	1.55
25,822.84	—	50.000%	12,911.42	12,911.42	—	—	—
46,481.12	—	50.000%	23,240.56	23,240.56	—	—	—
—	—	35.000%	3,500.00	—	—	—	3,500.00
40,000.00	—	50.000%	20,000.00	20,000.00	—	—	—
41,316.55	—	20.000%	8,263.31	8,263.31	—	—	—
(56,132.10)	(80,475.30)	50.000%	—	(28,066.05)	28,066.05	—	—
260,000.00	—	43.750%	113,750.00	113,750.00	—	—	—
(242,616.00)	(2,535.00)	43.750%	—	(106,144.50)	87,064.71	—	19,079.79
(284,853.97)	(265,575.60)	50.000%	—	(142,426.99)	142,426.99	—	—
51,645.69	—	56.250%	23,240.56	29,050.70	—	—	(5,810.14)
(136,284.00)	(80,936.00)	50.000%	—	(68,142.00)	68,142.00	—	—
77,648.24	—	20.000%	2,065.83	15,529.65	—	—	(13,463.82)
21,875.00	(2,097.00)	50.000%	9,683.57	10,937.50	—	—	(1,253.93)
24,396.00	—	30.000%	7,318.80	7,318.80	—	—	—
702,001.00	(27,523.00)	37.000%	9,554.45	259,740.37	—	—	(250,185.92)
(145,112.00)	—	49.950%	20,637.62	(72,483.44)	—	93,214.17	(93.11)
(8,650.63)	—	33.000%	2,884.94	(2,854.71)	—	—	5,739.65
27,393.00	(1,778.00)	45.000%	12,326.85	12,326.85	—	—	—
(21,396.00)	(36,865.00)	22.840%	2,959.17	(4,886.85)	—	—	7,846.02
129,114.22	—	25.000%	32,278.56	32,278.56	—	—	—
46,480.00	—	42.730%	19,640.70	19,860.90	—	—	(220.20)
6,199,788.33	—	49.000%	3,157,743.80	3,037,896.28	—	—	119,847.52
30,987.41	—	34.000%	10,535.72	10,535.72	—	—	—
84,472.80	—	29.000%	14,977.25	24,497.11	—	—	(9,519.86)
45,489.88	—	35.000%	15,921.46	15,921.46	—	—	—
51,645.69	—	52.240%	20,234.78	26,979.71	—	—	(6,744.93)
20,500,000.00	—	31.000%	6,355,000.00	6,355,000.00	—	—	—
46,481.12	—	30.000%	13,944.34	13,944.34	—	—	—
			14,837,927.87	(7,144,571.87)	1,879,373.17	20,567,761.17	(464,634.60)
(66,179.53)	(1,564,646.00)	50.000%	—	(33,089.77)	33,089.77	—	—
4,663,568.45	406,963.00	48.330%	2,253,902.63	2,253,902.63	—	—	—
			2,253,902.63	2,220,812.86	33,089.77	—	—
			17,091,830.50	(4,923,759.01)	1,912,462.94	20,567,761.17	(464,634.60)
			25,749,925.24	(4,353,561.09)	11,748,181.29	20,567,761.17	(916,482.13)

1 - subsidiary companies

Albapavstrade Sh.P.K.	Rruga Dibres 420 - Tirana - Albania	LEC
Asociacion Accidental Astaldi S.p.A. - C.B.I. S.r.l.	Località "El Portillo" - Tarija - Bolivia	-
Astaldi (Thailand) Company Ltd.	21/125 Fl.17 Unit A, Thai Wah Tower II SathornTai Road - Sathorn - Bangkok -Thailand	BHT
Astaldi Africa S.p.A. in liquidation	Addis Abeba - Etiopia	EUR
Astaldi International Inc.	Bank of Liberia Building P.O. Box 660 - Monrovia - Liberia	USD
Astaldi-Astaldi International J.V.	R. Armando Tivane, 466 - Matola Maputo - Mozambico	USD
Astaldi-Burundi Association Momentanée	Avenue de l'O.U.A. B.P. 325 - Bujumbura - Burundi	USD
Astaldi-Caldart AS.CAL. S.c.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy	EUR
Astaldi-Malawi, Astaldi - Astaldi International J.V.	Private Bag 148 - Blantyre - Malawi	USD
Astaldi-Rwanda Association Momentanée	Rue de la Douane - Kigali - Rwanda	USD
Astaldi-Sénégal Association en participation	Avenue Roume Dakar, 16 4ème G. S. - Dakar - Senegal	XOF
Astur Construction and Trade A.S.	Aydinpinar Cad. Kucukmehmetler Koyu - Ankara - Turkey	TRL
Bussentina S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
C.O.MES. S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
CO.ME.NA. S.c.r.l.	Via Morghen, 36 - Naples - Italy	EUR
CO.NO.CO. S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
Colli Albani S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Consorcio Astaldi - C.B.I.	Av. Iturralde 1308 Esquina San Salvador - La Paz - Bolivia	USD
Consorcio Astaldi-Centroxca	C.C.C. T. 1ra, Etapa Piso 6 Of. 620 - Caracas - Venezuela	NIC
Consorzio A.R.Z. - Astaldi-R.I.C.- ZAIRE in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Consorzio Astaldi-C.M.B. Due in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Consorzio Olbia Mare in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Cospe S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
Diga di Arcichiaro S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
DIP.A. S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
DP 2M S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Eco Po Quattro S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
Euroast S.r.l. In liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Florbis S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	EUR
Forum S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
Groupement Astaldi - Italstrade - El Hajji-Houar	Rabat - Morocco	-
Groupement Astaldi SpA - Astaldi International Ltd.	B.P. 4230 - Gibuti	USD
I.F.C. Due S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
I.F.C. S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Linea A S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Montedil-Astaldi S.p.A. (MONTAST) in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Mormanno S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Palese Park S.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
Portovesme S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
Quattro Venti S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
Redo-Association Momentanée	B.P. 8734 - Dem. Rep. of Congo	ZRZ
Romairport S.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
S. Filippo S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
S. Leonardo S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Seac S.p.a.r.l. in liquidation	Avenue des Fleurs - Kinshasa/Gombe - Dem. Rep. of Congo	ZRZ
Silva S.r.l. in liquidation	Via Monte Santo, 1 - Rome - Italy	EUR
Susa Dora Quattro S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
TE.CRO. S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Todaro S.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy	EUR
Toledo S.c.r.l.	Via Morghen, 36 - Naples - Italy	EUR
Tri.Ace S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Viadotti di Courmayeur S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
Viadotto Fadalto S.c.r.l. in liquidation	Viale Sarca , 336 - Milan - Italy	EUR

total 1 - subsidiary companies

2 - associated companies

A.F.M. Astaldi-Ferrocemento-Mambrini S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Adduttore Ponte Barca S.c.r.l.	Via di Pietralata, 140 - Rome - Italy	EUR
Almo S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	EUR
Alosa Immobiliare S.p.A. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Association en participation SEP Astaldi-Somatra-Bredero	Tunisia	TND
Astaldi Bayindir J.V.	Ilkadam Sokak, 19 Gaziomanpasa - Ankara - Turkey	-
Astaldi-Ecuador S.A.	Portugal 617 y 6 de Diciembre - Guayaquil - Ecuador	ECS
Astaldi-Ferrocemento J.V.	10-Ha Khayaban-E-Shujat - Karachi - Pakistan	USD
Astaldi-Thiess Joint Operation	C. C. E. 412 - Jl.Raya Kko - Cilandak - Giacarta - Indonesia	-
Avola S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Blufi 1 S.c.r.l. in liquidation	Zona Industriale - Agrigento - Italy	EUR
C.E.I.T.R.A.L. in liquidation	Via Carlo Pisacane, 2 - Carpi - Italy	EUR
C.F.M. S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	EUR

par value of share capital	number of shares	number of shares owned	value as at 12.31.2002	total increases	total decreases	value as at 12.31.2003	% total
239,633,652.00	—	—	415,555.49	—	(415,555.49)	—	100.000%
—	—	—	—	—	—	—	70.000%
10,000,000.00	100,000.00	25,000.00	—	101,468.71	—	101,468.71	49.000%
1,033.00	—	—	—	—	—	—	100.000%
3,000,000.00	300,000.00	276,000.00	2,345,214.26	—	(540,792.29)	1,804,421.97	100.000%
10,000.00	—	—	—	—	—	—	100.000%
50,000.00	—	—	3,127,588.29	—	(2,982,310.35)	145,277.94	100.000%
46,800.00	—	—	14,053.73	—	(11,440.73)	2,613.00	60.000%
10,000.00	—	—	—	—	—	—	100.000%
50,000.00	—	—	1,680,015.41	804,617.61	—	2,484,633.02	100.000%
50,000,000.00	—	—	1,224,815.59	—	(1,224,815.59)	—	100.000%
23,790,610,000.00	2,379,061.00	2,355,270.00	2,048,081.11	—	(945,351.01)	1,102,730.10	99.000%
25,500.00	—	—	20,348.40	—	(13,254.82)	7,093.58	78.800%
20,000.00	—	—	—	11,000.00	—	11,000.00	55.000%
20,658.00	—	—	14,549.62	—	—	14,549.62	70.432%
25,500.00	—	—	11,620.28	—	—	11,620.28	80.000%
25,500.00	—	—	9,951.48	—	(2,414.28)	7,537.20	60.000%
100,000.00	—	—	—	—	—	—	60.000%
10,000.00	—	—	—	—	—	—	99.500%
25,823.00	—	—	25,792.26	—	(995.62)	24,796.64	100.000%
10,329.00	—	—	4,843.69	—	—	4,843.69	99.995%
15,494.00	—	—	—	—	—	—	72.500%
10,200.00	—	—	5,681.03	—	—	5,681.03	100.000%
35,700.00	—	—	36,151.98	—	(33,676.98)	2,475.00	100.000%
10,200.00	—	—	10,329.14	—	(10,329.14)	—	100.000%
10,200.00	—	—	—	—	—	—	72.000%
25,500.00	—	—	20,658.28	—	—	20,658.28	80.000%
15,300.00	—	—	—	—	—	—	100.000%
46,481.00	—	—	25,817.21	—	—	25,817.21	99.980%
51,000.00	—	—	30,982.25	—	—	30,982.25	59.990%
—	—	—	—	—	—	—	60.000%
—	—	—	—	—	—	—	100.000%
45,900.00	—	—	17,759.98	—	(17,759.98)	—	99.990%
45,900.00	—	—	15,493.71	—	—	15,493.71	66.660%
25,500.00	—	—	25,822.84	—	—	25,822.84	100.000%
408,000.00	800,000.00	360,000.00	650,735.69	—	—	650,735.69	100.000%
10,200.00	—	—	—	—	—	—	74.990%
1,020,000.00	—	—	1,022,584.66	—	—	1,022,584.66	99.000%
25,500.00	—	—	20,658.28	—	—	20,658.28	80.000%
51,000.00	—	—	30,987.41	—	—	30,987.41	60.000%
50,000.00	—	—	630,955.08	56,275.71	—	687,230.79	100.000%
10,200.00	—	—	6,599.29	—	(6,599.29)	—	63.890%
10,200.00	—	—	8,263.31	—	(8,263.31)	—	80.000%
10,200.00	—	—	5,267.86	—	(5,267.86)	—	51.000%
200,000,000.00	180,565.00	—	—	—	—	—	100.000%
15,300.00	—	—	—	—	—	—	99.000%
51,000.00	—	—	46,481.12	—	—	46,481.12	90.000%
10,200.00	—	—	—	—	—	—	100.000%
233,580.00	—	—	236,537.26	—	—	236,537.26	100.000%
50,000.00	—	—	45,197.00	—	—	45,197.00	90.394%
45,900.00	—	—	37,184.90	—	—	37,184.90	80.000%
10,200.00	—	—	3,718.49	—	—	3,718.49	66.670%
51,129.00	—	—	27,263.07	—	—	27,263.07	80.000%
			13,903,559.45	973,362.03	(6,218,826.74)	8,658,094.74	
45,900.00	—	—	8,108.99	—	—	8,108.99	35.000%
45,900.00	—	—	11,308.86	—	—	11,308.86	24.330%
46,481.00	—	—	16,268.39	—	—	16,268.39	35.000%
10,320,000.00	2,000,000.00	1,000,000.00	—	—	—	—	50.000%
—	—	—	—	—	—	—	40.000%
—	—	—	—	—	—	—	50.000%
3,000,000.00	3,000.00	600.00	3,098.74	—	—	3,098.74	20.000%
50,000.00	—	—	—	—	—	—	50.000%
—	—	—	—	—	—	—	50.000%
10,200.00	—	—	5,164.57	—	(5,164.57)	—	50.000%
25,823.00	—	—	4,188.52	—	—	4,188.52	32.000%
—	—	—	3,202.03	—	(3,202.03)	—	31.000%
41,317.00	—	—	20,658.28	—	—	20,658.28	50.000%

(table follows)

at 31 december 2003

currency

associated companies

Carnia S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Cogital S.c.r.l. in liquidation	Viale Italy, 1 - Milan - Italy	EUR
Consorcio Astaldi-ICE	Av. Libertador Bolivar, 1842 - Cochabamba - Bolivia	-
Consorcio Conintur-Astaldi	C.C.C.T. 1ra Etapa Piso 1 Of. 107 - Chuao - Caracas - Venezuela	-
Consorcio Contuy Medio	Avida Andres Bello, Ed. Atlantic Piso 7, Of. 1-7 - Venezuela	USD
Consorcio DEI	Via San Nazaro, 19 - Genova - Italy	EUR
Consorcio Ghella-Astaldi & Asociados	Santo Domingo - Repubblica Dominicana	RD\$
Consorcio Ghella-Astaldi-WTC	Santo Domingo - Repubblica Dominicana	EUR
Consorcio Grupo Contuy - Proyectos y Obras de Ferrocarriles	CCC T. 1ra Etapa Piso 6 Of. 620 Chuao - Caracas - Venezuela	VEB
Consorzio A.F.T.	Via G. V. Bona, 65 - Rome - Italy	EUR
Consorzio A.F.T. Kramis	Via G. V. Bona, 65 - Rome - Italy	EUR
Consorzio Bonifica Lunghezza - C.B.L.	Via Calderon de la Barca, 87 - Rome - Italy	EUR
Consorzio C.I.R. in liquidation	Via Salaria, 1039 - Rome - Italy	EUR
Consorzio C.I.R.C.	Via G. V. Bona, 65 - Rome - Italy	EUR
Consorzio Carnia	Via G. V. Bona, 65 - Rome - Italy	EUR
Consorzio Co.Fe.Sar.	Viale Liegi, 26 - Roma - Italy	EUR
Consorzio Cogitau S.c.n.c. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Consorzio CONC.I.L. in liquidation	Via Passeggiata di Ripetta, 35 - Rome - Italy	EUR
Consorzio Consarno	Via Naples, 329 - Castellammare di Stabia (NA) - Italy	EUR
Consorzio Consavia S.c.n.c. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	Via Chiatamone, 57 - Naples - Italy	EUR
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	Via G. V. Bona, 65 - Rome - Italy	EUR
Consorzio Ferrofir	Via Ombrone, 2/g - Rome - Italy	EUR
Consorzio Galileo S.c.r.l. in liquidation	Via Francesco Petrarca, 22/A - Rome - Italy	EUR
Consorzio Gi.It. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	EUR
Consorzio I.R.S.A.	Via Argine, 425 - Naples - Italy	EUR
Consorzio Inau in liquidation	Viale Cesare Pavese, 205 - Rome - Italy	EUR
Consorzio Iricav Due	Via F. Tovaglieri, 413 - Roma - Italy	EUR
Consorzio Iricav Uno	Via F. Tovaglieri, 413 - Roma - Italy	EUR
Consorzio Ital.Co.Cer.	Piazza Buenos Aires, 5 - Rome - Italy	EUR
Consorzio Italvenezia	Via Salaria, 1039 - Rome - Italy	EUR
Consorzio L.A.R. in liquidation	Via Palestro, 30 - Rome - Italy	EUR
Consorzio Metrofer	Viale Liegi, 26 - Rome - Italy	EUR
Consorzio Novocen	Via Orazio, 143 - Naples - Italy	EUR
Consorzio Qalat	Corso Carlo Marx, 19 - Misterbianco (CT) - Italy	EUR
Consorzio Recchi S.p.A. - Astaldi S.p.A.	Via Salaria, 1039 - Rome - Italy	EUR
Consorzio Tre Fontane Nord in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
DI.SA. Disinquinamento Sarno S.c.r.l. in liquidation	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	EUR
Diga di Blufi S.c.r.l.	Via G. V. Bona, 65 - Roma - Italy	EUR
Ecosarno S.c.r.l.	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	EUR
Fosso Canna S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Groupement Cir S.p.A.	Via Agrigento, 5 - Rome - Italy	EUR
Groupement Eurolep	Shifflandestrasse, 35 - Aaran 5000 - Switzerland	CHF
Groupement Italgisas	Angle Boulevard de la Resistance et Rue de Puissesaux - Casablanca - Morocco	MAD
Groupement Salini-Italstrade	Morocco	-
Holding Eléctrica Centroamericana S.p.A. - (Heca S.p.A.) in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Hydro Honduras S.A. (Hydro West y Asociados S.A.)	Ap. 3199, Salida Norte Blvd. Fuerzas Armadas - El Carrizal - Tegucigalpa - Honduras	HNL
Infralegrea S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy	EUR
Isclero S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Italsagi Sp. Zo. O.	Ul. Powstancow - Katowice - Poland	PLN
M.N. Metropolitana di Naples S.p.A.	Via Galileo Ferraris, 101 - Naples - Italy	EUR
Marsico Nuovo S.c.r.l. in liquidation	Via Dora, 2 - Rome - Italy	EUR
ME.SA. S.c.r.l. in liquidation	Via della Cooperazione, 30 - Bologna - Italy	EUR
Messina Stadio S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
Metroveneta S.c.r.l.	Piazza Castello, 16 - Padova - Italy	EUR
Monte Vesuvio S.c.r.l.	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	EUR
Mose-Treporti S.c.r.l.	Via C. Battisti, 2 - Mestre (VE) - Italy	EUR
N.P.F. - Nuovo Polo Fieristico S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
Nova Metro S.c.r.l.	Via Montello, 10 - Rome - Italy	EUR
Parking Puccini S.c.r.l. in liquidation	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	EUR
Pegaso S.c.r.l.	Via F. Tovaglieri, 17 - Rome - Italy	EUR
Piana di Licata S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Piceno S.c.r.l. in liquidation	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	EUR
Pont Ventoux S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
Principe Amedeo S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Priolo Siracusa S.c.r.l.	Piazza Velasca, 4 - Milan - Italy	EUR
Raggruppamento Astaldi-Vianini in liquidation	S.P. per Fisciano Km. 1 - Fisciano (SA) - Italy	EUR
Roma Sud S.c.r.l. in liquidation	Viale dell'Astronomia, 9 - Rome - Italy	EUR
S.A.A.L.P. S.n.c. in liquidation	Via Boncompagni, 47 - Rome - Italy	EUR
S.A.C.E.S. S.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR

par value of share capital	number of shares	number of shares owned	value as at 12.31.2002	total increases	total decreases	value as at 12.31.2003	% total
45,900.00	-	-	9,884.56	-	(9,884.56)	-	33.000%
60,044.00	-	-	30,022.50	-	-	30,022.50	50.000%
-	-	-	-	-	-	-	50.000%
-	-	-	-	-	-	-	20.000%
40,000.00	-	-	109,617.98	-	-	109,617.98	28.300%
26,000.00	-	-	9,100.24	3,034.20	-	12,134.44	35.000%
300,000.00	-	-	6,221.74	-	-	6,221.74	33.300%
-	-	-	6,917.63	-	-	6,917.63	33.300%
-	-	-	-	-	-	-	32.330%
46,481.00	-	-	15,493.71	-	-	15,493.71	33.330%
100,000.00	-	-	49,995.00	-	-	49,995.00	49.995%
10,000.00	-	-	4,900.00	-	-	4,900.00	49.000%
15,492.00	-	-	5,164.57	-	(5,164.57)	-	33.300%
51,000.00	-	-	12,911.42	-	-	12,911.42	25.000%
51,646.00	-	-	17,043.08	-	-	17,043.08	33.000%
51,646.00	-	-	15,493.71	-	-	15,493.71	30.000%
61,975.00	-	-	23,612.40	-	-	23,612.40	38.100%
10,329.00	-	-	5,164.57	-	-	5,164.57	50.000%
20,658.00	-	-	5,164.57	-	-	5,164.57	25.000%
20,658.00	-	-	4,897.34	-	-	4,897.34	25.000%
2,582.00	-	-	-	-	-	-	50.000%
206,583.00	-	-	51,645.69	-	-	51,645.69	25.000%
30,987.00	-	-	20,658.28	-	-	20,658.28	66.666%
10,000.00	-	-	4,000.00	-	(4,000.00)	-	40.000%
2,582.00	-	-	1,291.14	-	-	1,291.14	50.000%
-	-	-	20,658.28	-	(20,658.28)	-	50.000%
77,469.00	-	-	23,675.83	-	-	23,675.83	40.630%
510,000.00	-	-	170,379.13	-	-	170,379.13	32.990%
520,000.00	-	-	144,143.13	988.87	-	145,132.00	27.910%
51,600.00	-	-	15,493.71	-	-	15,493.71	30.000%
77,450.00	-	-	19,367.13	-	-	19,367.13	25.000%
206,583.00	-	-	51,645.69	-	-	51,645.69	29.410%
25,823.00	-	-	8,607.62	-	-	8,607.62	33.320%
51,640.00	-	-	19,475.59	-	-	19,475.59	40.760%
10,327.00	-	-	4,131.66	-	-	4,131.66	40.000%
51,646.00	-	-	25,822.84	-	-	25,822.84	50.000%
15,494.00	-	-	-	-	-	-	33.333%
50,490.00	-	-	-	-	-	-	33.230%
45,900.00	-	-	23,240.56	-	-	23,240.56	50.000%
50,490.00	-	-	17,043.08	-	-	17,043.08	33.334%
25,500.00	-	-	-	-	-	-	32.000%
156,000.00	-	-	64,849.94	-	-	64,849.94	33.330%
100,000.00	-	-	8,087.51	-	-	8,087.51	22.000%
207,014,000.00	-	-	-	-	-	-	40.000%
-	-	-	-	-	-	-	50.000%
100,000.00	100,000.00	50,000.00	3,013.00	-	(3,013.00)	-	50.000%
35,440,000.00	70,880.00	6,259.00	519,624.88	-	-	519,624.88	20.293%
46,600.00	-	-	23,300.00	-	-	23,300.00	50.000%
12,000.00	-	-	3,740.40	-	(2,233.64)	1,506.76	31.170%
100,000,000.00	-	-	-	-	-	-	34.000%
3,655,397.00	7,310,794.00	1,653,725.00	3,298,708.14	-	-	3,298,708.14	22.620%
10,200.00	-	-	2,582.28	-	-	2,582.28	25.000%
40,800.00	-	-	10,329.14	-	-	10,329.14	25.000%
45,900.00	-	-	15,493.71	-	-	15,493.71	33.330%
25,500.00	-	-	12,911.42	-	-	12,911.42	50.000%
45,900.00	-	-	23,240.56	-	-	23,240.56	50.000%
10,000.00	-	-	-	3,500.00	-	3,500.00	35.000%
40,000.00	-	-	20,000.00	-	-	20,000.00	50.000%
40,800.00	-	-	8,263.31	-	-	8,263.31	20.000%
45,900.00	-	-	12,172.00	-	(12,172.00)	-	50.000%
260,000.00	-	-	113,750.00	-	-	113,750.00	43.750%
10,200.00	-	-	-	-	-	-	43.750%
10,200.00	-	-	-	-	-	-	50.000%
51,000.00	-	-	23,240.56	-	-	23,240.56	56.250%
10,200.00	-	-	-	-	-	-	50.000%
11,000.00	-	-	2,065.83	-	-	2,065.83	20.000%
25,823.00	-	-	9,683.57	-	-	9,683.57	50.000%
10,200.00	-	-	3,202.03	-	(3,202.03)	-	31.000%
51,646.00	-	-	7,318.80	-	-	7,318.80	30.000%
26,000.00	-	-	9,554.45	-	-	9,554.45	37.000%

(table follows)

at 31 december 2003

currency

associated companies

S.E.I.S. S.p.A.	Via Monte Santo, 1 - Rome - Italy	EUR
Sa.Di.Pe. S.c.r.l. in liquidation	Via della Dataria, 22 - Rome - Italy	EUR
Salgit S.r.l.	Via della Dataria, 22 - Rome - Italy	EUR
Santangelo S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
SO.GE.DEP. S.r.l. in liquidation	Via dell'Astronomia, 9 - Rome - Italy	EUR
So.Gr.Es. S.c.p.a. in liquidation	Via Molise, 11 - Rome - Italy	EUR
Tangenziale Seconda S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Transeuropska Autocesta d.o.o	Maksimirska 120/III 10000 - Zagabria - Croatia	HRK
Truncu Reale S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
V.A.S.CO. Imprese Riunite	Via Montello, 10 - Rome - Italy	EUR
Val Pola S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	EUR
Valle Caudina S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR
Veneta Sanitaria Finanza di Progetto - V.S.F.P. S.p.A.	Via Cesare Battisti, 2 - Mestre (VE) - Italy	EUR
Vesuviana Strade S.c.r.l.	Via G. V. Bona, 65 - Rome - Italy	EUR

total 2 - associated companies

3 - other equity interests

A.M.P. S.c.r.l. in liquidation	Viale Caduti di tutte le guerre, 7 - Bari - Italy	EUR
Aguas de San Pedro S.A. de C.V.	Departamento de Cortes - San Pedro Sula - Honduras	HNL
Astaldi-Sarantopulos J.V.	Athens - Greece	-
Bocca di Malamocco S.c.r.l.	Via Salaria, 1039 - Rome - Italy	EUR
C.C.N. S.c.r.l. in liquidation	Via Clauzetto, 12 - Rome - Italy	EUR
C.F.C. S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy	EUR
Co.Sa.Vi.D. S.c.r.l.	Carini - Contrada Foresta Z.I. - Palermo - Italy	EUR
Consorzio Asse Sangro in liquidation	Via della Fonte di Fauno, 2/A bis - Roma - Italy	EUR
Consorzio Centro Uno	C.so Vittorio Emanuele, 130 - Naples - Italy	EUR
Consorzio Ferroviario Vesuviano	Via Argine, 425 - Naples - Italy	EUR
Consorzio Groupement Lesi-Dipenta	Via Indonesia, 100 - Rome - Italy	EUR
Consorzio Tagliamento	Via G. V. Bona, 101/C - Rome - Italy	EUR
Consorzio Team	Viale Sarca, 336 - Milan - Italy	EUR
Consorzio TRA.DE.CI.V.	Via G. Verdi, 35 - Naples - Italy	EUR
Costruttori Romani Riuniti Grandi Opere S.p.A. in liquidation	Via P. Stanislao Mancini, 2 - Rome - Italy	EUR
D.G.M. S.r.l. in liquidation	Via Torna, 58 - Bari - Italy	EUR
Fondazione Accademia Nazionale di S. Cecilia	Via Vittoria, 6 - Rome - Italy	EUR
Fusaro S.C.r.l.	Via privata D. Giustino, 3/A - Naples - Italy	EUR
G.G.O. S.c.r.l. in liquidation	Zona Industriale - Agrigento - Italy	EUR
Imprese Riunite Genova S.c.r.l. in liquidation	Via A. Gramsci, 20 - Genova - Italy	EUR
Imprese Riunite Genova Seconda S.c.r.l. in liquidation	Via Serra, 2/9 - Genova - Italy	EUR
Irimuse S.c.r.l.	Via Salaria, 1039 - Rome - Italy	EUR
Italstrade CCCF JV Bucuresti S.r.l.	Gheorghe Manu, 20 Sector 1 - Bucarest - Romania	LEI
Leonardo 2000 S.c.r.l. in liquidation	Via Carlo Pesenti, 121/123 - Rome - Italy	EUR
M.N.6 S.c.r.l.	Via G. Ferraris, 101 - Naples - Italy	EUR
Metrogenova S.c.r.l.	Via IV Novembre snc - Spianata Acquasola - Genova - Italy	EUR
Naples Porto S.c.r.l. in liquidation	Via G. Verdi, 35 - Naples - Italy	EUR
NO.VI.F.IN. Nova Via Festinat Industrias S.c.r.l.	Riviera di Chiaia, 72 - Naples - Italy	EUR
Pantano S.c.r.l.	Via Montello, 10 - Rome - Italy	EUR
Pavimental S.p.A.	Piazza Ferdinando De Lucia, 15 - Rome - Italy	EUR
Platamonas Sarantopulos J.V.	Athens - Greece	-
Plus S.r.l.	Via del Tritone, 53 - Rome - Italy	EUR
Roma Lido S.c.r.l.	Via Carlo Pesenti, 121/123 - Rome - Italy	EUR
Sociedad Concesionaria BAS S.A.	Santiago del Chile - Chile	CLP
Spluga Domani S.p.A.	Via del Crotto, 52 - Campodolcino - Italy	EUR
Teheran Laviran		
Yellow River Contractors	P.O. Box 073 - Luoyang - Pop. Rep. of China	USD

total 3 - other equity interests

grand total

par value of share capital	number of shares	number of shares owned	value as at 12.31.2002	total increases	total decreases	value as at 12.31.2003	% total
3,877,500.00	750,000.00	362,475.00	2,376,195.76	-	(122,293.13)	2,253,902.63	48.330%
40,800.00	-	-	-	-	20,637.62	20,637.62	49.950%
10,200.00	-	-	2,884.94	-	-	2,884.94	33.000%
51,000.00	-	-	12,755.25	-	(428.40)	12,326.85	45.000%
20,658.00	-	-	3,533.24	-	(574.07)	2,959.17	22.840%
129,000.00	-	-	32,278.56	-	-	32,278.56	25.000%
45,900.00	-	-	19,640.70	-	-	19,640.70	42.730%
49,019,600.00	-	-	3,157,743.80	-	-	3,157,743.80	49.000%
30,600.00	-	-	10,535.72	-	-	10,535.72	34.000%
51,646.00	-	-	14,977.25	-	-	14,977.25	29.000%
46,481.00	-	-	15,921.46	-	-	15,921.46	35.000%
50,000.00	-	-	20,234.78	-	-	20,234.78	52.240%
20,500,000.00	205,000.00	63,550.00	6,355,000.00	-	-	6,355,000.00	31.000%
45,900.00	-	-	13,944.34	-	-	13,944.34	30.000%
			17,255,660.09	7,523.07	(171,352.66)	17,091,830.50	

51,646.00	-	-	2.58	-	-	2.58	0.010%
98,000,000.00	-	14,700,000.00	664,491.97	368,697.78	-	1,033,189.75	15.000%
-	-	-	-	-	-	-	14.000%
30,987.00	-	-	3.10	-	-	3.10	0.010%
-	-	-	5,164.57	-	(5,164.57)	-	12.500%
45,900.00	-	-	4.65	-	-	4.65	0.010%
25,500.00	-	-	2.58	-	-	2.58	0.010%
464,811.00	-	-	22,133.87	-	-	22,133.87	4.762%
154,937.00	-	-	3,098.74	-	-	3,098.74	2.000%
154,937.00	-	-	6.20	-	-	6.20	0.004%
258,228.00	-	-	41.32	-	-	41.32	0.010%
154,937.00	-	-	23,240.56	-	-	23,240.56	15.000%
45,900.00	-	-	5,164.57	-	-	5,164.57	11.111%
154,937.00	-	-	27,677.12	(105.99)	-	27,571.13	17.727%
5,164,568.00	400.00	2.00	51,645.69	-	-	51,645.69	1.000%
153,000.00	-	-	30,925.44	-	(30,925.44)	-	19.960%
-	-	-	5,164.57	-	-	5,164.57	0.000%
10,200.00	-	-	1.03	-	-	1.03	0.010%
25,500.00	-	-	2,582.28	-	-	2,582.28	10.000%
25,500.00	-	-	4,157.48	-	-	4,157.48	16.100%
25,000.00	-	-	4,157.48	-	-	4,157.48	16.100%
619,745.00	-	-	619.75	-	-	619.75	0.100%
2,000,000.00	-	-	29.24	-	-	29.24	1.000%
-	-	-	774.69	-	(774.69)	-	7.500%
51,000.00	-	-	-	510.00	-	510.00	1.000%
25,500.00	-	-	4,157.48	-	-	4,157.48	18.240%
10,328.00	-	-	1,549.37	-	-	1,549.37	15.000%
10,329.00	-	-	1.03	-	-	1.03	0.010%
40,800.00	-	-	4,131.66	-	-	4,131.66	10.000%
4,711,515.00	35,916,399.00	468,029.00	62,007.09	-	-	62,007.09	1.303%
-	-	-	-	-	-	-	14.450%
765,000.00	-	-	914,453.12	-	(11,315.83)	903,137.29	11.640%
10,200.00	-	-	1,974.41	-	-	1,974.41	19.115%
8,876,340,000.00	990.00	169.00	12,827.32	-	-	12,827.32	0.100%
7,426,250.00	-	-	17,838.66	-	-	17,838.66	0.710%
-	-	-	57.52	(4.64)	(3.02)	49.86	16.500%
999,336.00	-	-	880,105.17	-	(459,541.56)	420,563.61	14.000%
			2,750,192.31	369,097.15	(507,725.11)	2,611,564.35	
			33,909,411.85	1,349,982.25	(6,897,904.51)	28,361,489.59	

Independent Auditors' Report



■ Reconta Ernst & Young S.p.A.

ASTALDI S.p.A.

CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR
ENDED DECEMBER 31, 2003

AUDITORS' REPORT

Pursuant to article 156 of legislative Decree of February 24, 1998, n. 58

The financial statements have been translated from those issued in Italy, from the Italian into the English language solely for the convenience of international readers

AUDITORS' REPORT

pursuant to article 156 of Legislative Decree of February 24, 1998, n. 58
(Translation from the original Italian text)

To the Shareholders
of Astaldi S.p.A.

1. We have audited the consolidated financial statements of Astaldi S.p.A. as of and for the year ended December 31, 2003. These financial statements are the responsibility of Astaldi 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 and procedures recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards and procedures 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.

The responsibility for the audit of the financial statements of certain subsidiaries, which represent respectively 5% and 9% of consolidated total assets and net sales, is that of other auditors.

For the opinion on the 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 April 7, 2003.

3. In our opinion, the consolidated financial statements of Astaldi 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 Astaldi S.p.A. as of December 31, 2003 and the consolidated results of its operations for the year then ended.

Rome, April 8, 2004

Reconta Ernst & Young S.p.A.

Signed by: Roberto Tabarrini (Partner)

i n d i v i d u a l f i n a n c i a l s t a t e m e n t

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Management report on the Individual Company accounts

Dear Shareholders,

This Management Report on the individual financial statements illustrates and comments the major aspects of the activities of your Company and reports the facts occurred in the period in compliance with the Italian Civil Code prescriptions. The Management Report presented in this section is a summary of the report officially filed. Therefore, please refer to the Management report attached to the consolidated financial statements prepared in accordance to the Italian law (D.lgs. 127/91), which is reporting the set of information provided in the Company financial statements.

Economic, asset and financial trend of the Group

In line with that stated in the strategic planning phase, the results achieved by the Company during 2003 show a strengthening of its competitive positioning, both in Italy and abroad.

The following table gives the main data for the Company, in millions of Euro.

main data for the company		
(thousands of euro)	2003	2002
value of production	714	636
fixed assets	200	193
net financial indebtedness	(106)	(101)
operating result	46	44
result before taxes	17	22
taxation	(5)	(10)
net profit	12	12
self-financing (net profit + depreciation and amortisation + provisions)	44	28



FROM LEFT TO RIGHT:

QATAR
Sasol Gas to Liquid Project
ITALY
Rome-Naples High-Speed Railway
ITALY
Esaro River Dam

At 31 December 2003, the Company is engaged in the execution of works in Italy and abroad, with over 5,600 employees.

The value of production is equal to Euro 714 million, recording an increase of 12.3% with respect to 2002, despite a significant weakening of the US dollar which determined a lower production value.

Contributing to this satisfactory result was the positive trend of revenues for services and contracts, for a value of Euro 674 million (up 14% on 2002), 62.8% of which relevant to activities carried out in Italy and the remaining 37.2% to activi-

ties abroad. When compared with 2002, the distribution by geographic area of production for 2003 confirms the trend, already started in the previous year, which shows a prevalence of the domestic component of activities carried out, in line with the strategic lines of the Industrial Plan 2003-2005 approved in March 2003. The higher incidence of internal production with respect to foreign production is mainly due to the important contribution of the contract for the construction of the New Expo Fair Centre of Milan which, started in October 2003, at 31 December is already more than 38% completed. In line with that stated in the industrial planning phase, the positive trend in construction of the New Expo Fair Centre of Milan has also significantly contributed to increasing the incidence of the civil and in-



dustrial building sector in general contracting. The achievement of this result does not stop the transport infrastructures from still representing the Group's reference activity sector, both in terms of turnover and sectorial specialisation. In this respect it is important to point out that most of the projects relevant to the Objective Law are foreseen in this sector.

The good economic trend in the year is also seen in a considerably higher gross operating margin and EBITDA compared with 2002; in fact, the values of these items show the Group's increased profitability and subsequent greater self-financing capacity.

Contributing to this result was the lower incidence of costs on total revenues. In particular, production costs amount to approx. Euro 532 million, representing 74.6% of the total value of production, against 75.4% recorded in 2002, whereas the cost of labour is approx. Euro 90 million, which translates into an incidence of 12.6%, equal to that shown in 2002.

This gives a gross operating margin of Euro 90 million, which is up 26.8% on 2002. This result, against sundry operating costs equal to Euro 13 million gives an EBITDA of Euro 78 million, representing 11% the value of production with an growth of 30.2%, indicative, as already pointed out, of the Group's increased self-financing capacity.

On the other hand, amortisation and depreciation amounts to Euro 37 million, which translates into an incidence of 5.2% on the total value of production. This item has increased by 21.6% compared with the previous year, mainly due to the project relevant to the Verona-Padua section of the High Speed rail link, which saw the complete amortisation of engineering costs capitalised and recognised in arbitration. In fact, on 17 July 2003 the dispute regarding the above-mentioned rail section, that involved Consorzio Iricav Due (in which Astaldi has a 32.99% stake) and TAV S.p.A., came to a conclusion with the closing of the relevant arbitration

FROM LEFT TO RIGHT:

VENEZUELA
Caracas-Tuy Medio Railway
ITALY
Arcichiaro Dam
ITALY
New Hospital in Mestre

proceedings, that involved recognition of the planning activities and costs incurred, and the increase in works on hand following the assignment of the Verona-Padua section. It must be remembered that, according to the reactivation of the original contract, payment of the contractual advance is required for this section. This gives an operating result of Euro 46 million, equal to 6.4% of the total value of production, for a net result of Euro 12 million, figure that is lightly increased in respect of 2002.

Financial year 2003 is characterised by appreciable results in financial as well as economic terms.

Regarding the Group's financial and asset position, a comparison with the figures recorded for 2002 gives a substantial decrease in the working capital, mainly due to the positive dynamic of revenues of the trade receivables referred to the contracts in progress in Turkey and Venezuela.

Net assets, equal to Euro 200 million, have had a light increase. Particularly the tangible assets changes are due the normal process of renewing all of the equipments both in the Italian construction sites and in the foreign ones.

Regarding equity investments, this item recorded a decrease on an annual basis mainly due to the Group's rationalisation process which, as planned, provides for the closure of some areas that are no longer deemed strategic, such as sub-Saharan Africa, in addition to a rationalisation of the Group's holdings in Central America.

The item Investments includes own shares for a total of Euro 2,38 million, purchased under the buy-back plan approved by the Shareholders' Meeting on 5



ITALY
Carlo Poma Hospital in Mantova
EL SALVADOR
Paquete III Fast-Traffic Road
PAKISTAN
Tarbela Dam

March 2003, for a period of 18 months. The average purchase value of the 1,255,900 shares in portfolio is Euro 1.9, against a monthly average reference price of Euro 2.7 recorded in February.

Moreover, holdings and financial credits include the initial investments for activities in project financing – such those relevant to the incorporation of project companies for the construction and subsequent management of the New Hospital of Mestre –, in addition to other loans tied to the construction and management of 4 car parks in Bologna and Turin.

As already pointed out, the financial and asset trend for the period is even more appreciable when correlated with the increased volume of activities recorded during the year.

All-important in that respect were the considerable revenues recorded during 2003 and particularly in the last quarter of the year, relevant to contracts in progress in Turkey and Venezuela.

During the last part of the year S.A.C.E. (*Società per l'Assicurazione del Credito all'Esportazione*) reopened the lines of credit to Venezuela, enabling the stipulation, last December, of the export financing operation – managed by Société Générale and Banca Intesa – relevant to the contract for the Puerto Cabello-La Encrucijada railway being built in that country.

Regarding the Group's activities in Turkey, last December Astaldi received a further payment relevant to credits accrued in the execution of the Istanbul-Ankara motorway contract. The proceeds equal to USD 50 million, represent the final settlement of the amount due by the General Management of Turkish Motorways for works carried out by Astaldi from 2001 to 2003. Total proceeds received in 2003 therefore amount to USD 118 million.

In fact, the export financing signed on 29 September 2003 came into force at the end of December 2003, guaranteeing the Turkish Government complete availability of the financial resources needed to complete the work. It is pointed out that the financing transaction, managed by MCC and WestLB, provides for an export credit of USD 217 million and a commercial loan for USD 88 million.

Regarding the net financial position, a breakdown of the main data is given below.

net financial position		
(thousands of euro)	2003	2002
short-term financial debt	(87,585)	(102,001)
medium to long-term financial debt	(71,510)	(33,945)
cash and cash equivalents	128,061	126,422
long term financial receivables	72,998	56,372
total ordinary finance	41,964	46,848
associated company astaldi finance s.a. payables (eurobond)	(148,250)	(148,000)
total net financial position	(106,286)	(101,152)

A comparison with 2002 shows a marked improvement in terms of risk for the Group; in fact the consolidated financial and assets structure at 31 December 2003 gives a balanced position able to ensure a sustainable growth, i.e. compatible with the financial commitments taken on.

The Group's financial policy aimed at supporting operating activities through the management of finance dedicated to the single projects, together with a stabilisation of financial flows tied to foreign activities, makes the planning of production activities possible without a particular increase in the invested capital.

The aim of limiting the *Debt/Equity ratio* within the unit is amply respected despite the considerable commercial effort made by the Company during the year and the investments in the qualitative growth of resources.

It must be pointed out that the net financial debt includes financing relevant to four car parks managed in Italy and project financing operations for a total of Euro 20 million. The repayment of these investment is assured by the future flows resulting from the management, thus not implying recourse to the parent company's guarantee.

The improved financial dynamics have enabled the operating activity to be supported with less and less recourse to provision transactions, such as advances on credits.

Net assets, of approx. Euro 219 million, record a change in the period due to the profits for the year, the distribution of dividends and the change in the conversion reserve, whose value discounted the effect of the weak US dollar. A prudent exchange risk coverage policy was prepared to address this phenomenon; in fact, the transfer procedure adopted provides for conversion at the exchange rate in force at the closing date, and is thus influenced by the current weakness of the US dollar. This policy, aimed at managing the exchange rate variable, is effective also because about one third of the Group's turnover is realised in American dollars or in currencies linked to the same.

The consolidated Profit and Loss Account and Balance Sheet, expressed in the reclassified format, as well as the cash-flow statement, are given below.

The values are expressed in thousands of Euro.

reclassified profit and loss account of the parent company

(thousands of euro)

	2003	%	2002	%
profit and loss account				
revenues for rendered services	673,977	94.5 %	590,609	92.9 %
other revenues	39,593	5.5 %	45,026	7.1 %
value of production	713,570	100.0 %	635,635	100.0 %
costs of production	(531,972)	(74.6) %	(479,522)	(75.4) %
added value	181,598	25.4 %	156,113	24.6 %
personnel	(89,872)	(12.6) %	(83,771)	(13.2) %
gross Operating Margin	91,726	12.9 %	72,342	11.4 %
other management costs	(13,494)	(1.9) %	(12,258)	(1.9) %
ebitda	78,232	11.0 %	60,084	9.5 %
ammortizations	(37,263)	(5.2) %	(30,648)	(4.8) %
provisions	4,942	0.7 %	14,347	2.3 %
operating Result	45,911	6.4 %	43,783	6.9 %
net financial Income	11,635	1.6 %	(13,073)	(2.1) %
revaluation (write-down) of equity investments	(21,816)	(3.1) %	(3,433)	(0.5) %
extraordinary income (charges)	(18,693)	(2.6) %	(5,751)	(0.9) %
profit before tax	17,037	2.4 %	21,526	3.4 %
income tax	(9,869)	(1.4) %	(4,955)	(0.8) %
deferred tax	4,849	0.7 %	(4,694)	(0.7) %
net profit for the financial period	12,017	1.7 %	11,877	1.9 %

reclassified balance sheet of the parent company

(thousands of euro)

	2003	2002
reclassified balance sheet		
net intangible assets	44,361	57,687
net tangible assets	56,310	48,664
participation	57,548	56,955
other net fixed assets	41,950	29,400
total net fixed assets (A)	200,169	192,706
inventory	35,816	36,153
work in progress	163,377	186,196
trade receivables	174,489	190,218
other assets	179,650	200,257
payments in advance	(72,315)	(111,396)
subtotal	481,017	501,428
trade payables	(140,452)	(155,628)
other liabilities	(301,225)	(298,682)
subtotal	(441,677)	(454,310)
current assets (B)	39,340	47,118
severance indemnity	(11,497)	(11,150)
provision for contractual risks	(48,022)	(50,944)
other provisions	(3,378)	(4,704)
total provisions (C)	(62,897)	(66,798)
net capital invested (D)=(A)+(B)+(C)	176,612	173,026
cash and cash equivalents	128,061	126,422
financial receivables	72,998	56,372
medium to long-term financial debt	(71,510)	(33,945)
short-term financial debt	(87,575)	(102,001)
net financial debt/receivables (E)	41,974	46,848
net equity	218,586	219,874
personal guarantees	1,690,661	1,631,045
other memorandum accounts	141,324	215,321
real guarantees	–	–
third parties guarantees in our favour	22,189	20,906
total	1,854,174	1,867,272

reclassified cash flow statement of the parent company

(thousands of euro)

2003

2002

operating activities

net profit	12,017	11,876
deferred tax assets	(4,849)	–
depreciation of tangible assets	11,498	8,616
ammortization of intangible assets	25,765	22,032
provisions for risks and charges and write down of equity	30,577	14,810
provisions for employee severance indemnity	4,138	3,485
provisions for doubtful debtors	–	14,400
losses on disposals of fixed assets	222	302
gains on disposals of fixed assets	651	(911)
subtotal	80,019	74,610
utilization of the provision for risk and charges	(35,881)	(40,046)
employee severance indemnity paid	(3,478)	(139)
decrease (increase) in trade debtors	(21,772)	(105,662)
decrease (increase) in inventory	23,154	(22,669)
decrease (increase) in other assets	(2,041)	(2,559)
(decrease) increase in trade creditors	(15,176)	32,821
(decrease) increase in advances	28,517	75,072
(decrease) increase in other liabilities	(102)	9,345
differences for foreign branches' accounts conversion		
employee severance indemnity	(313)	–
cash flows from operating activities	52,927	20,773

investment activities

purchase of tangible assets	(23,596)	(39,776)
increase in intangible assets	(12,421)	(44,381)
proceedes from sale of tangible assets	4,920	10,694
purchase of equity investments	(904)	(8,984)
change in loans	(42,618)	(15,455)
equity investments disposals	311	947
conversion differences of foreign subsidiaries financial statements:		
tangible assets	17	1,544
intangible assets	(341)	544
change in conversion reserve	(8,300)	(22,740)
cash flows from investment activities	(82,932)	(117,607)

financing activities

increase (decrease) in short-term bank and other borrowings	(14,426)	(44,692)
net balance of loans obtained and (repaid) during the year	37,565	(56,996)
payment of dividends	(4,916)	(13,403)
increase (decrease) of investments which are not permanent	13,443	24,243
increase in loans at subsidiaries level	(22)	130,157
capital increase		62,930
cash flows from financing activities	31,644	102,239
cash flows for the year	1,639	5,405
cash and cash equivalents at beginning of year	126,422	121,017
cash and cash equivalents at end of year	128,061	126,422

Investments

As can be seen from the cash-flow statement above, investments effected during the course of the financial year at a consolidated level amount to 37 million Euros, which break down as follows:

- tangible assets	12
- intangible assets	24
- shareholdings	1

As explained above the 2003 accounting year has been characterized by an increase of productive assets both in Italy and abroad.

These effects have been planned in the previous years where an important investment reorganization and an increase of equipments, both technical and operational, have taken place.

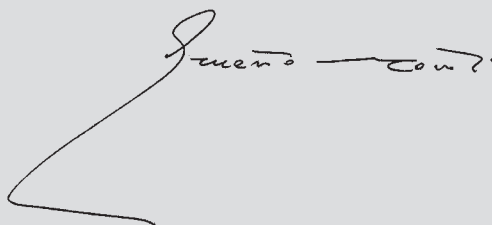
As a consequence, the financial year 2003 has registered an "ordinary" investment trend such as the strengthening of technical equipment in the countries where the Group is operating by direct assets.

Dealing with the operations in equity investments of 2003, the Group began the payment in the mandatory arrears of subscribed capital in the company set up in order to build and successively manage the new Mestre hospital.

Conclusions

In conclusion to the full and detailed discussions that have taken place and on the basis of the considerations resulting from our activities, we consider that the net result of the fiscal year ended 2003 of Euro 12,012,875 allows reasonable room to allow the distribution of a dividend of 0.065 euro per share

The Board of Directors
The Chairman
(Ernesto Monti)



Individual Company' accounts

BALANCE SHEET

ASSETS

(euro)

2003

2002

A) Subscribed capital unpaid		
B) Fixed Assets		
I Intangible assets		
1) Works in progress and advance-payments	5,625,662	7,977,547
3) Patents and rights to use patents of others	1,283,419	574,012
4) Concessions, licenses, trademarks and similar rights	29,162	568,321
7) Other		
a) Construction site installation costs	9,556,360	8,754,115
b) Costs of preparing tenders	379,060	1,749,366
c) Other	27,486,957	38,063,989
Total Other	37,422,377	48,567,470
Total I Intangible assets	44,360,620	57,687,350
II Tangible assets		
1) Land and buildings	5,974,902	5,873,433
2) Plant and machinery		
a) Specific plants	19,072,033	14,197,532
b) General plants	7,467,299	4,512,964
c) Crafts	349	3,667
Total plant and machinery	26,539,681	18,714,163
3) Other fixtures and fittings, tools and equipment		
a) Excavators, power shovels, heavy vehicles	14,600,505	14,700,734
b) Light vehicles, ships, planes	2,118,377	2,148,191
c) Various small equipment	759,692	908,876
d) Light constructions	748,615	808,732
e) Metal sheet pile and shuttering	1,108,243	942,145
Total tools, fittings, fixtures and other equipment	19,335,432	19,508,678
4) Other		
a) Electronic office equipment	884,364	867,706
b) Furniture, fittings and office equipment	945,239	880,520
c) Freely transferable assets	2,351,713	2,427,985
Total other	4,181,316	4,176,211
5) Tangible assets in course of construction & payment on account	278,264	391,929
Total II - Tangible Assets	56,309,595	48,664,414
III Investments		
1) Equity investments in:		
a) Subsidiaries	38,763,360	38,467,133
b) Associated companies	16,593,721	16,617,633
c) Other companies	2,190,922	1,870,000
Total Investments	57,548,003	56,954,766
2) Loans and long-term receivables from		
a) Subsidiaries	26,762,738	14,895,694
b) Associated companies	8,948,346	11,436,996
c) Other equity investments	3,854,270	3,068,315
d) Other entities		
Within the next financial year	16,282,639	21,505,148
Beyond the next financial year	53,570,807	18,279,338
Total loans vs. others	69,853,446	39,784,486
Total loans	109,418,800	69,185,491
4) Own shares (comprehensive nominal amount of Euro 1.255.900)	2,385,184	-
Totale III - Investments	169,351,987	126,140,257
Total fixed assets B)	270,022,202	232,492,021
C) Current Assets		
I Inventories		
1) Raw materials and consumables	33,835,471	29,359,650
3) Contracts in progress	163,377,493	186,196,403
4) Finished goods and goods for resale	659,468	917,558
6) Assets and material in transit	1,321,942	5,875,213
Total I - Inventories	199,194,374	222,348,824
II Debtors		
1) Trade debtors:		
Within the next financial year	234,217,020	217,888,439
Beyond the next financial year	2,661,929	5,681
Total trade debtors from	236,878,949	217,894,120
2) Subsidiaries	38,653,069	52,630,963
3) Associated companies	35,705,123	21,530,147
4) Parent companies	19,756	17,524
5) Other debtors		
a) Tax authorities		
Within the next financial year	34,444,458	40,400,420
Beyond the next financial year	18,232,687	20,716,076
Total amount due to tax authorities	52,677,145	61,116,496
b) Personnel	805,960	769,777
c) Social security institutions	736,426	1,851,691
d) Deposits		
Within the next financial year	70,705	75,426
Beyond the next financial year	777,513	759,093
Total deposits	848,218	834,519
e) Amounts due to equity investments	224,436	1,654,712
f) Other receivables	43,635,405	55,549,448
Total other debtors	98,927,590	121,776,643
Total II - Debtors	410,184,487	413,849,397
III Investments which are not permanent		
5) Other investments	3,144,018	16,586,555
IV Cash at bank and in hand		
1) Bank and postal current accounts	127,857,134	126,215,424
3) Cash on hand	204,273	206,544
Total - IV Cash at bank and in hand	128,061,407	126,421,968
Total current assets C)	740,584,286	779,206,744
D) Prepayments and accrued income	6,343,090	4,301,988
total assets	1,016,949,578	1,016,000,753

BALANCE SHEET	LIABILITIES	
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(euro)

	2003	2002
A) Equity		
I Subscribed capital	98,424,900	98,424,900
II Share premium reserve	67,836,096	67,836,096
III Revaluation reserve		
1) Rev. reserve Law no.72 19/03/83	-	-
IV Legal reserve	7,217,824	6,624,015
V Reserve for own shares	2,385,184	-
VI Statutory reserves	-	-
VII Other reserves		
1) Reserve for currency translation adjustment	(11,157,771)	(2,858,209)
2) Extraordinary reserve	18,846,679	22,244,945
3) Reserve for specific risks	798,334	798,334
4) Reserve for own shares purchasing	22,214,816	
5) Reserve for merger	-	14,929,668
6) Euro conversion difference	(2,271)	(2,271)
Total other reserves	30,699,787	35,112,467
VIII Profit (loss) carried forward	5,309	-
XI Profit (loss) for the financial period	12,016,875	11,876,192
Total equity A)	218,585,975	219,873,670
B) Provisions for risks and charges		
2) For taxation	1,435,296	3,300,000
3) Other		
a) for contractual risks	47,984,154	50,944,154
b) for losses on equity investments	1,942,624	1,403,839
c) Art. 27 company's statute reserve	37,426	-
Total provisions for risks and charges B)	51,399,500	55,647,993
C) Employee severance indemnity	11,496,944	11,149,623
D) Creditors		
3) Amounts due to banks		
Within the next financial year	87,574,959	102,000,623
Beyond the next financial year	71,510,092	33,944,609
Total amounts due to banks	159,085,051	135,945,232
5) Advances received		
Within the next financial year	35,631,453	38,942,689
Beyond the next financial year	99,073,105	100,129,440
Total advances received	134,704,558	139,072,129
6) Trade payables		
Within the next financial year	136,032,213	150,586,510
Beyond the next financial year	4,419,585	5,041,128
Total amounts to suppliers	140,451,798	155,627,638
8) Amounts due to subsidiaries	188,883,994	190,475,702
9) Amounts due to associated companies	60,619,437	58,154,402
11) Amounts due to tax administrations	14,920,329	6,581,551
12) Amounts due to Social Security Institutions	4,229,271	4,925,977
13) Other creditors		
a) Other equity investments	4,970,141	7,096,282
b) Deposits and cautions		
Beyond the next financial year	8,803	12,676
c) Personnel	3,952,531	4,219,653
d) Other	12,400,719	15,875,287
Total other creditors	21,332,194	27,203,898
Total creditors D)	724,226,632	717,986,529
E) Accrued and deferred income	11,240,527	11,342,938
total liabilities	1,016,949,578	1,016,000,753

MEMORANDUM ACCOUNTS

(euro)

	2003	2002
A) Personal guarantees		
1) Guarantees for credit lines		
a) For Subsidiaries	60,622,411	73,095,330
b) For Associated companies	60,251,822	88,337,054
c) For Third parties	18,070,106	22,320,664
Total guarantees for credit lines	138,944,339	183,753,048
2) Guarantees for works		
a) For Subsidiaries	361,328,128	267,563,364
b) For Associated companies	637,799,933	685,874,023
c) For Third parties	417,650,895	377,858,070
Total guarantees for works	1,416,778,956	1,331,295,457
3) Other guarantees	134,938,044	115,996,883
Total personal guarantees A)	1,690,661,339	1,631,045,388
B) Other off-balance sheet accounts		
1) Third parties leased assets	25,495,658	23,062,969
2) Risk of recourse from factors	86,168,416	164,805,900
3) Other	29,659,679	27,452,250
Total other off-balance sheet accounts B)	141,323,753	215,321,119
C) Third party guarantees in our favour	22,189,375	20,906,128
total memorandum accounts	1,854,174,467	1,867,272,635

PROFIT AND LOSS ACCOUNTS

(euro)

	2003	2002
A) Value of production		
1) Net turnover from sales and services		
a) from contracts	594,794,993	521,998,014
3) Variation in contract in progress	79,182,240	68,610,986
4) Work performed for own purposes and capitalized	4,520,657	7,669,423
5) Other revenue	35,071,574	37,356,422
Total value of production A)	713,569,464	635,634,845
B) Costs of production		
6) For raw materials, consumables and other goods	112,915,089	99,762,305
7) For services	407,648,698	383,428,230
8) For use of assets owned by others	14,325,238	11,446,107
9) For personnel		
a) Wages and salaries	59,356,763	56,358,281
b) Social security charges	16,306,523	15,309,860
c) Provisions for severance indemnities	4,138,248	3,484,925
e) Other costs relating to staff	10,069,992	8,618,048
<i>Total personnel</i>	<i>89,871,526</i>	<i>83,771,114</i>
10) Amortisation, depreciation and write-down		
a) Amortisation of intangible assets	25,765,391	22,032,159
b) Depreciation of tangible assets	11,497,867	8,616,306
d) Allowance for doubtful debtors included in current assets & other accounts included in cash at bank and on hand	-	14,399,819
<i>Total cost for amortisation, depreciation and write-down</i>	<i>37,263,258</i>	<i>45,048,284</i>
11) Variations in invent. of raw materials, consumables and Goods for resale	(2,917,576)	(15,114,375)
12) Risk allowances		
a) Provisions	29,231,000	11,256,809
b) Utilisations	(35,691,000)	(41,281,262)
<i>Total provision for risks (utilisations)</i>	<i>(6,460,000)</i>	<i>(30,024,453)</i>
14) Other operating charges	13,494,087	12,258,109
Total Costs of production B)	666,140,320	590,575,321
Difference between value and cost of production (A-B)	47,429,144	45,059,524
C) Financial income and charges		
15) Income from equity investments		
a) from subsidiaries	25,003,527	8,273,408
b) from associated companies	5,143,649	585,260
c) from other equity investments	7,558	838,650
<i>Total income from equity investments</i>	<i>30,154,734</i>	<i>9,697,318</i>
16) Other financial income		
d) other income not included above		
1) from parent companies	1,189,259	497,617
2) from associated companies	4,173	12,366
3) from others	25,038,070	18,677,570
<i>Total other financial income</i>	<i>26,231,502</i>	<i>19,187,553</i>
17) Interest charges and similar charges		
1) from subsidiaries	10,992,520	9,787,885
2) from associated companies	-	6,375
3) from others for other financial charges	33,758,956	32,163,644
<i>Total interest payable and similar charges</i>	<i>44,751,476</i>	<i>41,957,904</i>
Total (15+16-17)	11,634,760	(13,073,033)
D) Value adjustments in respect of investments		
18) Revaluation		
a) of equity investments	190,239	-
19) Write-down		
a) of equity investments	22,006,594	3,433,168
b) of shares recorded under the current liabilities	1,517,548	1,277,133
Total adjustments (18 - 19)	(23,333,903)	(4,710,301)
E) Extraordinary income and charges		
20) Income		
a) Other income	7,006,530	5,960,644
21) Charges		
a) capital losses on disposal of assets	-	300,439
b) taxation of previous years	1,805,522	3,388,226
c) Other charges	23,893,977	8,023,007
<i>Total extraordinary charges</i>	<i>25,699,499</i>	<i>11,711,672</i>
Total extraordinary charges (20-21)	(18,692,969)	(5,751,028)
Pre-tax result (A-B+C+D+E)	17,037,032	21,525,162
22) Income taxes on the income of the period		
a) Current tax	9,869,348	4,954,829
b) Deferred tax assets	(4,849,192)	4,694,140
Total taxes	5,020,156	9,648,969
26) Profit (loss) of the period	12,016,875	11,876,192

Explanatory notes to the individual accounts

Basis of presentation

The activities carried out by the Company during the course of the 2003 financial year are reflected in the balance sheet and profit and loss accounts presented under the accounting structure described in this document. This document therefore contains the summary of values and items comprising the management activities pursued both nationally and abroad.

In certain cases detailed in the notes which follow, balance sheet and profit and loss headings and items for the previous financial year have been reclassified for presentation purposes.

The balance sheets and profit and loss account include values relating to foreign subsidiaries. The preparation of such accounts has been carried out using a multi-currency accounting system: the accounting results are converted into Euros by using official conversion rates extracted from the Official Italian Exchange Rates publications.

The balance sheet clearly and specifically identifies all the asset and liability headings.

The memorandum accounts are detailed after the balance sheet presentation.

The Profit and Loss accounts show the typical attributes for the sector of activity in which the Company operates.

The exhaustive information includes the cashflow statement which is presented in attachment.

Valuation criteria used for the preparation of the balance sheet and profit and loss accounts

The accounts have been prepared in conformity with the legal provisions, which govern their preparation and have been presented in the form dictated by Law Decree no. 127 of 9 April 1991. The strict application of the principles of the business continuing as a going-concern, prudence, accruals and clarity lead to a true and correct representation of the Company's management for the period under review.

In respect of valuation criteria, the Company did not proceed to changes compared to those adopted for the previous financial year and fully satisfies the provisions of article 2426 of the Italian Civil Code and the accounting principles published by the National Council of Professional Accountants and Bookkeepers.

Furthermore, for presentation purposes of the assets and liabilities and of the financial position, the amount of credit risk related to debtors and extra-contractual payments granted with recourse has been removed from the balance sheet to be presented in the memorandum accounts.

Receivables and payables related to subsidiaries, associated and other companies, attributable for significant amounts to transactions with companies of a joint venture nature, have been expressed for the net value prevailing in the books of each individual counterpart.

The paragraph "related parties" details the gross amounts of debtors and creditors for the above-mentioned entities.

There have been no departures with respect to articles 2423 and 2423 bis of the Italian Civil Code.

It is also pointed out that the headings represented by Arabic numbers which do not show a balance in the current and the previous financial year have not been included in the accounting schedules; consequently, the numbering is not progressive.

The Balance sheet and the Profit & Loss account have been prepared in Euros, (without decimals), in accordance with art. 16 of Law Decree 213/1998 and art. 2423 para. 5 of the Italian Civil Code.

All the amounts reported in the explanatory note are expressed in euro thousands unless otherwise stated.

The consolidated group accounts have been prepared as provided for in Law Decree no. 127/91.

Accounting principles and valuation criteria

The accounting principles and valuation criteria adopted by the Company comply with the measures dictated by art. 2426 of the Italian Civil Code and reflect those provided for by the National Council of Professional Accountants and Bookkeepers. The accounting principles and valuation criteria adopted are as follows.

Intangible assets

Intangible assets represent costs and expenses with multi-year utility and have been accounted for and recorded on the basis of the cost effectively incurred inclusive of directly attributable ancillary charges.

This amount is presented in the accounts net of the relative amortisation, which is calculated in relation to the residual useful life of the asset; in particular:

- *formation and expansion expenses* show charges incurred for the establishment and increase in Company capital and are amortised at a constant rate over five years;
- costs relative to the acquisition of *intellectual property* rights and licences, trademarks or similar rights are amortised on the basis of the expected length of time over which the asset will be used;
- *concession rights* represent the value, net of payments received, of the land rights relative to parking spaces, intended for sale, in car parks constructed in the municipalities of Turin and Bologna. Entering in the profit and loss account occurs in the year of sale;
- *construction site installation* costs show the costs incurred for the planning and organisation of contracts acquired and are amortised based on the physical progress of the contract;
- *tender preparation* costs, for participation in contract tenders, (awaiting formal contract award), have been written down of the costs for which there is not a reasonable certainty of contract award; in the event of contract award, such costs are based on the physical progress of the works;
- other intangible assets are mainly related to the value of contractual rights within the scope of current initiatives both in Italy and abroad, to costs for studies and designs and other fixed assets.

With regard to amortisation policies of costs included in this item we highlight below the various methods utilised:

- the values of *contractual rights* are amortised, with respect to current legislation, on the basis of the progress of the relative contracts;
- expenses for *studies and project* are amortised with the straight line method based on the shorter period between the residual duration of the contract and 5 years;

Tangible assets

The value of tangible assets, represented by fixed assets and of assets comprising machinery and equipment utilised for the purpose of production activity, has been on the basis of the purchase price or the construction cost, inclusive of directly attributable ancillary charges.

For certain property assets (land, buildings, plant, machinery and equipment), revaluations have been applied in application of Laws no. 72/1983 and no. 413/1991.

Costs for modernisation and improvement which extend the economical life of the assets are added to the value of the same.

Depreciation is calculated with the straight line method at a constant rate in relation to the residual useful life of the asset, within the limits of the tax rates considered representative of the estimated useful life of the asset.

Freely transferable assets are depreciated in accordance with the financial method over the lesser period between the useful estimated life of the asset and the duration of the concession.

For assets acquired during the year the depreciation rates are reduced by 50%.

Payments into the plant account, reducing the cost of the assets to which they refer, are recorded at the time of formalisation of the relative resolution for payment.

Equity investments

This includes the items relating to “equity investments”, loans provided to investments and other loans of a financial nature.

Equity investments held by the Company, are valued at the purchase cost, inclusive of the revaluation applied in accordance with Law no. 72/1983, or at the value of subscription or purchase. The cost is reduced for permanent value losses in the case where the equity investments have suffered losses and profits are not foreseeable within a reasonable length of time to an extent that will absorb the losses sustained. In the case of overall losses greater than the book value of the equity investments, the corresponding proportion of the shareholding is appropriated to a equity investments risk reserve, within provisions for risks and charges under liabilities.

If the reasons for the devaluation fail to occur in the financial year, the equity investments are revalued within the limits of the devaluation effected and the adjustment is entered in the profit and loss account.

Dividends are recorded on an accruals basis at the moment at which the right to drawing arises as a result of the resolution made by the Annual General Meeting of Shareholders of the shareholding company (by the Board of Directors in the case of controlled companies), to distribute the profit or, as appropriate, reserves. This is on the condition that the date of approval of the accounts of the shareholding company and the relative resolution for distribution of profits takes places prior to approval of the Company accounts.

Debtors and creditors

Debtors are stated at their presumed realisable value by means of the for doubtful debts net. Creditors are stated at their nominal value.

Debtors and creditors In foreign currency

Debtors and creditors denominated in foreign currencies are recorded at the exchange rate in effect at the date of the transaction.

Current assets and liabilities denominated in foreign currencies are restated at the prevailing exchange rate as the balance sheet date. Profits and losses, which result from the restatement, are recorded to profit and loss as items of a financial nature. Long-term assets and liabilities in foreign currency are restated at the prevailing exchange rate at the balance sheet date. The profit from the restatement is deferred to the financial year in which it will be realized.

Inventories of raw materials and consumables

Inventories are carried at the lower of costs or market value using the weighted-average cost method.

Contract in progress

Long term contract in progress at year end are stated in accordance with the stage of completion of the works performed, not yet officially recognized by the customer, and thus not yet billed and included in revenues, but identified with reasonable certainty, applying the method of the physical measurement, and evaluated on the basis of the revenue contractually agreed.

Through provision and utilisation of the contractual risks reserve, the operating margins of the contracts are adjusted for the purposes of entering these on an accruals basis.

In the case of a negative trend of a contract in progress the final estimated loss is quantified and accrued in the reserve for contractual works. In this reserve are also reflected the outcomes related to the comprehensive carrying out of the works. Charges considered for execution of works include:

- raw material purchase costs;
- costs relative to services rendered by subcontractors;
- labour costs;
- indirect costs (sale costs, general costs and administrative costs).

The valuation of the contractual margins reflects the estimate mode at the time of preparation of the financial statements, the assumptions used in the valuation are reviewed regularly, and the adjustments resulting from such process are recorded in the financial year in which such revision is made by creating the reserve for contractual works.

The contracts are considered completed on completion of all the main anticipated activities, including inspection support and acceptance by the customer.

The valuation of reserves, as indicated by the Regulation implementing the Legal guidelines in relation to public works, being substantiation as a requirement of an economic content different than that which is due to the contractor pursuant to law or contractual provisions, was made on the basis of technical and legal considerations as to the reasonable positive outcome of the claims with the customers.

Finished goods and goods for resale

This records the construction cost of building ventures ready for sale, which are however less than current market prices.

Investments which are not permanent.

Securities and investments that do not constitute fixed assets are recorded at the lower of the specific purchase cost, inclusive accessory charges, and the market value deduced from regulated market or from other financial market indicators.

Cash at bank and in hand

Cash and banks on hand represents the liquid amounts available at year end.

Accruals and deferred income

These are determined on an accrual basis.

Provision for risks and charges

Provisions for risks and charges are intended to cover liabilities of a determinate nature, of certain or probable existence, for which, however, at the end of the financial year the exact amount or the date in which the liability will determine an economic outflow cannot be determined.

Employee severance indemnity

The employee severance indemnity reserve is determined systematically on the basis of matured liability in conformance with current legislation and employment contracts in force in the countries in which the group operates.

This reserve shows the debt with respect to employees. Utilisation of the same occurs following the termination of employment and payment of redundancy in accordance with Law 297/1982.

Memorandum accounts

- Personal guarantees are mainly represented by commitments in favour of third parties and in the interest of Group companies against liabilities and other commitments taken on by the latter; these guarantees are recorded at the nominal amount of the guarantee provided.
- Purchase and sale commitments related to derivatives contracts which provides for the exchange of capitals, other activities or their differentials, are stated at the contract value; commitments for the other derivative contracts on related contracts are stated at the nominal value of the underlying asset.
- The risk of loss of recourse pertaining to transfers of receivables with recourse of debtors assigned to the factor is recorded at the nominal value of the receivables transferred.

Memorandum accounts expressed originally in values other than the Euro, are measured to the exchange rate at the end of the year.

Income tax

Current income taxes are recorded in relation to the effective tax burden for the period based on a reasonable estimate, of the individual profit & loss items, in

compliance with the tax regulations in force in the countries in which Group companies operate.

Deferred taxes are accounted for in accordance with the "*liability method*" and therefore reflect the fiscal effects resulting from the time differences between the fiscal values of the assets and liabilities and the respective values included in the consolidated accounts.

Deferred tax assets are recorded if there is a likelihood that such will be realized and deferred tax liabilities are not recorded if it is not probable that the liability will be paid. Deferred tax liabilities and deferred tax assets are recorded in the provisions for risks and charges and in other receivable, respectively.

Derivate products

The Group uses derivated products to manage exposure to fluctuations interest rate (IRS) and foreign currencies (DCS).

The differential on IRS for hedging of financing obtained is recorded on accrual basis to interest income/expense.

The Company contract foreign currencies swaps to cover the risk of fluctuation of foreign exchange rates on the financing contracts, especially for the long-term contracts. Discounts or premiums on DCS (the difference between the spot rate and the forward rate at the contract inception) are amortised to profit and loss with the straight line method based on the duration of the contract.

Transactions with subsidiaries, associated, and related parties

Transactions with subsidiaries (consolidated and non-consolidated), with associated and with other related parties are carried out under normal market conditions. There are no significant transactions of a commercial or financial nature entered into with the parent company.

Foreign permanent organisations

The accounting balances of foreign permanent organisations are recorded through a multi-currency accounting system and converted into Euros at the exchange rate prevailing at year-end. The amounts resulting from this accounting treatment used to comply with the tax legislation currently in force at the time of preparation of the accounts, are compared with those obtained on the basis of the current method provided for in the reference accounting principles in order to verify the overall consistency of such accounting treatment. The application of the above-described methodology results in the accounting for a foreign currency translation adjustment in the Company's reserve.

Profit and loss accounts

The positive and negative income components are recorded on an accruals basis. Revenues from the sales are recognised when the ownership is transferred which is generally upon delivery; revenues from services are recognised based on the services provided and in agreement with the relative contracts.

It is pointed out that the variation in inventories resulting from the profit and loss account does not coincide with the difference between the final inventories for the financial year and those of the previous financial year presented in the balance sheet, due to:

- difference in conversion rates adopted;
- transfer of receivable with recourse, which involved a series of claims with respect to the purchasers.
- recording of the value of works executed – whose payments were collected during the course of work upon the completion of single work phases – in deduction of the value of advances, in order to privilege substance over form;
- valorisation of works carried out, whose payment was collected on a provisory basis, but without the presence of any guarantee in favour of the orderer, in deduction of advances, reflecting the relevant recourse risk within the scope of the memorandum accounts.

Foreign entities operating in high inflation rate countries show, where significant, the necessary adjustments for elimination of the effects of inflation.

Information on the balance sheet and memorandum account items and changes occurring in the corresponding items for the previous financial year

Balance sheet

Assets

B – Fixed assets

B.1 – Intangible fixed assets

This item amounts to Euro 44,361 and results from the accumulation of the changes represented in the attached detailed statement.

The main movements concerning the individual items are summarised below.

B.1.1 – Formation and expansion expenses

The item in question, totalling Euro 5,626, represents the value still to be amortised of costs incurred by the Company for defining the stock market listing project in 2002. This item underwent a decrease of Euro 2,352 attributable to the amortisation rate for the period.

B.1.3 – Patents and rights to use patents of others

The item in question, for a total of Euro 1,283, underwent a net increase of Euro 709, it also had an increase of Euro 1,096 mainly attributable to the capitalisation of costs incurred for implementation and development of the integrated company management system and the purchase of new software with licence for unlimited use; the decrease of Euro 387 is determined exclusively by the amortisation rate for the current financial year.

B.1.4 – Concessions, licences, trademarks and similar rights

The item, entered for a total of Euro 29, shows the value of land rights for car spaces for the Turin “Palazzo” and Bologna “Piazza VIII Agosto” car parks. This

item underwent a decrease of Euro 539 ascribable to the definitive amortisation of the land right relevant to the Turin "Corso Stati Uniti" car park, adjusted to the construction value of the car spaces transferred in 2003.

B.I.7.a – Construction site installation costs

The value recorded for Euro 9,556 had a gross increase of Euro 4,297 attributable to the costs incurred for plant and organisation of new work sites in Italy and abroad. In particular there are the costs incurred for organising and starting the construction site for the Brescia Bus-Underground, equal to approx. Euro 2,110, as well as those relevant to the construction of the Milan Rail Link for approx. Euro 600. The decrease of Euro 3,547 is relevant to amortisation rates relevant to the year in question.

B.I.7.b – Cost of preparing tenders

The value recorded in the accounts, equal to Euro 379, had a net decrease of Euro 1,370 with respect to the previous year, imputable for:

- Euro 1,203 to reclassification in the item plant and work site of costs capitalised in previous years and relevant to initiatives having a positive result during the course of this financial year; the most significant include the acquisition of the contract for construction of the Brescia Underground;
- Euro 278 relevant to the capitalisation of costs incurred for tenders, in Italy and abroad for which, at the close of these accounts, there is reasonable certainty of being awarded the contract;
- Euro 445 to the amortisation of costs relevant to tenders in Italy and abroad having a negative result during the year.

B.I.7.c - Other

The value recorded is equal to Euro 27,487. With respect to 2002 the item underwent a gross increase of Euro 7,665, Euro 6,402 of which to costs incurred for organising and defining the methods of financing the works in progress in Turkey, Euro 1,119 for costs incurred by the Company in conformity with Art. 37 quater Law no. 109/1994 and relevant to works in project financing in progress in Italy, and Euro 145 for costs incurred in the permanent organisations in Rumania.

The total decrease recorded in 2003 totals Euro 18,011, mainly imputable for:

- Euro 7,730 to amortisation of the residual of deferred charges, relevant to the IRICAV DUE contract, in consideration of the positive conclusion of the dispute with the assignor in 2003, with the arbitration award, having definitive value;
- Euro 3,212 to amortisation of costs incurred by the Turkish subsidiary relevant to the effects of liquidation of the previous joint venture, in addition to the relevant contractual charges;
- Euro 2,844 to amortisation of costs previously incurred by the El Salvador subsidiary due to reorganisation of the various initiatives in progress in the country;
- Euro 1,141 to amortisation of costs of an additional nature incurred during the year by the Venezuelan subsidiary relevant to the import of goods, becoming definitive in 2003, which positively contributed to forming the result of the current financial year;
- Euro 584 relevant to the amortisation rate of additional charges incurred for the loan raised with our subsidiary Astaldi Finance S.A.;

- Euro 215, relevant to amortisation in the year of contractual rights for the works in Algeria pertinent to our associated company Consorzio Astaldi-Federici-Todini Kramis.

B.II – Tangible fixed assets

These include land and buildings, plant, machinery, vehicles, equipment and other assets, including tangible assets in course of construction and payments on account, for a total value of Euro 56,310.

The breakdown of tangible assets is given in the attached statement.

The most significant net changes also concern the normal renewal process for assets, as well as new investments, which mainly involved classes of specific and general plants, for the most part situated in El Salvador, Venezuela and Turkey.

B.III - Investments

B.III.1 – Equity investments

This item amounts to Euro 57,548 and comprises that given in the following statement.

breakdown of equity investments				
(thousands of euro)	2002	increases	decreases	2003
equity investments in subsidiaries	38,467	7,381	(7,085)	38,763
equity investments in associated companies	16,618	4	(28)	16,594
equity investments in other entities	1,870	369	(48)	2,191
total	56,955	7,754	(7,161)	57,548

The most significant increases are those relevant to the subsidiary Italstrade S.p.A. regarding:

- the conversion of credits (Euro 6,850), originally referred to loans granted, in contributions on capital account, to be allocated to partly cover losses accrued until 31 December 2003;
- adjustment of the purchase price (Euro 520) for shares of Ex Place Moulin (now Italstrade S.p.A.) – *in this case the change refers to the higher price offered to the transferors of ex Place Moulin, in the context of commitments undertaken with stipulation of the sales contract for the respective shares* – and the company Aguas de San Pedro S.A. de C.V. for which the capital increase (Euro 369) was subscribed.

The decreases mainly concern the devaluation of the subsidiary Italstrade for Euro 6,850, in addition to equity investments in consortium companies that have partly completed the liquidation process, with cancellation from the Commercial Register.

It is also pointed out that, within the widest scope of strategic organisation of its own equity investments, the company decided to rationalise the management of foreign equity holdings (companies – consortia – *joint ventures*) that substantially completed the operational phase of the activity, entrusting a dedicated body having the necessary human resources and technical means with management of the completion and liquidation phase, also through direct transfer of the individual equity investments concerned.

For this purpose the Company identified Astaldi International Ltd. – *an entirely controlled company* – as the suitable party for pursuing its set objectives, and to which those foreign equity holdings currently going through substantial completion phases of the activities were transferred and for which other decreases in that item were recorded.

In addition to the above, and in accordance with the regulations as per Art. 2426 no. 3 of the Italian Civil Code, it is pointed out that for certain equity investments in subsidiaries and associated companies detailed in the attached statement, the accounting values, recorded on the basis of costs incurred, are higher than those which would result from application of the equity method.

Nevertheless it is deemed that these values can be maintained inasmuch as they do not correspond to permanent losses in value.

The most significant values include that relevant to the subsidiary Italstrade which, in the context of focusing activities on the area of transport infrastructure construction and maintenance (a sector in which over the years Italstrade has acquired an appreciable independent market position), effective as of 2004 – with the resolution of the Board of Directors of Astaldi on 11 November 2003 – will incorporate by merger R.I.C.-Railway International Construction S.p.A., a company operating in the railway superstructures sector and entirely owned by Astaldi.

To complete the information provided on equity investments, subsidiaries and associated companies, it should also be pointed out that the attached statement also gives details on certain equity investments showing net equity values, evaluated in accordance with correct accounting principles, higher than the respective values recorded in the accounts. Such higher values are mainly attributable to the positive results realised by these equity investments, which can reasonably be considered for distribution to shareholders during the course of the next financial years.

B.III.2 – Loans

This item amounts to Euro 109,419 and the breakdown is as follows.

breakdown of loans				
(thousands of euro)	2002	increases	decreases	2003
subsidiaries receivables	14,895	19,677	(7,809)	26,763
associated companies receivables	11,437	1,031	(3,520)	8,948
other equity investments receivables	3,068	1,468	(682)	3,854
other receivables	39,785	30,979	(911)	69,853
total	69,185	53,155	(12,922)	109,418

This item underwent a net increase in absolute values of Euro 40,233, with respect to the previous year. The change is imputable for Euro 30,979 to receivables from factors for the relevant transfer transactions (*with recourse*), and Euro 9,214 for the financial support granted to the subsidiaries, and in particular Italstrade S.p.A. for the works in Morocco.

Receivables from shareholding companies express operations of a financial nature carried out by the Company, in normal market conditions, in particular to support works in progress, mainly abroad, in addition to finance granted to companies in liquidation.

No financial credits due after five years are recorded in the accounts.

It should likewise be pointed out that the sum of Euro 69,853 was entered in the *Other receivables*, pertaining for most of the value (Euro 64,843, of which Euro 44,419 concerning assignment provisions and Euro 20,424 concerning loans) to that part of the payment of credit assignments (with recourse) not paid by financial institutions, reported further on in these Notes, and for an amount of approx. Euro 5,000 relevant to the contribution under the Tognoli Law imputable to the "Piazza VIII Agosto" car park in Bologna.

B.III.4 – Own shares

During the financial year, in conformity with the resolutions of the Ordinary Shareholders' Meeting of 5 March 2003 relevant to the buy-back of own shares within the limits provided for by current regulations – the company negotiated its own shares on the M.T.A. (*Electronic Share Market*) (see the following table).

movement of own shares in portfolio			
	quantity	value in euro	medium price
purchased shares	1,846,900	3,477,548,48	1,8829
sold shares	(591,000)	1,508,980,00	2,5533
share in the portfolio	1,255,900	2,385,184	1,8992
capital gain		416,614,40	

C – Current assets

C.I - Inventories

This item totals Euro 199,194 and includes:

- raw materials and consumables for Euro 33,835: mainly referred to the work sites in Italy and with the permanent organisations in Venezuela and Turkey; an increase of Euro 4,476 is recorded with respect to the previous year, relevant to the activities carried out in Turkey, Honduras, Guinea and El Salvador. The change in assets does not coincide with that given in the profit and loss account due to the exchange rate variation in the accounts of the foreign branches;
- contracts in progress for Euro 163,377: this amount is given net:
 - of reserves transferred *with recourse*, for Euro 74,147, whose recourse risk, equal to the amount of the assignment paid by the factor for Euro 29,728, was recorded in the memorandum accounts, whereas the difference of Euro 44,419 not yet paid by the factor was entered in the financial credits;

- of the value of works executed, whose payments were collected during the course of work upon the completion of single work stages, for Euro 102,860;
- of payments collected on a provisional basis, but without any guarantee in favour of the orderer, for Euro 29,660 whose risk of recourse was in any case recorded in the memorandum accounts;

This item, which underwent a decrease of Euro 22,819 with respect 2002, is thus composed:

- Italy: 124,601
- foreign: 38,776;
- finished products and goods for resale for Euro 659: this item records the balance of building operations terminated and put up for sale in the Municipality of Milan. During the course of the financial year, this item decreased following sale of the property in Via Po, 10 – in Rome – for Euro 258;
- assets and material in transit for Euro 1,322: the decrease compared to previous year is Euro 4,553.

C.II - Accounts receivable

Accounts receivable are entered for a total of Euro 410,184, net of the credit depreciation provision for Euro 9,254,000 and the overdue interest provision for Euro 4,444.

A systematic breakdown of this item is provided, giving the change for each component with respect to the previous financial year

C.II.1 – Trade receivables

Trade receivables amount to Euro 236.879 net of the provision for credit depreciation and the overdue interest provision, for Euro 9,254 and Euro 4,239 respectively, and refer to amounts due from orderers, for invoices issued, and for work progress already certified, but still to be invoiced. This item records a net increase of Euro 18,985 compared with the previous year.

The net increase mainly refers to:

- the right to receive the contract advance, of Euro 15,760, relevant to the construction of the Verona-Venice section of the High Speed railway line, as result of the positive arbitration decision of last July;
- works in progress for the New Expo Fair Centre of Milan, Euro 22,744, which had a significant development in terms of production carried out during the year;
- works in progress in Honduras, for Euro 6,439, resumed during the last part of the financial year.

The most significant decreases refer to:

- works in progress in Algeria, for Euro 6,860; and the permanent organisation in Guinea Conakry for Euro 4,722.

In addition to the above, during the course of the year credits were assigned (*with recourse*) – summarised below – to financial institutions, which enabled a part of the working capital to be converted into liquid funds.

assignment of credits with recourse carried out during the financial year

(thousands of euro)

	original credit assignment	amount paid in advance	residual credit assignment
Italian contract works	76,863	56,440	20,423
total	76,863	56,440	20,423

The following table summarises the trend of transfers made in 2003:

assignment of credit with recourse in the year

(thousands of euro)

	credit 2002	collected	transfer	transfer 2003
Turkey	60,000	(60,000)	–	–
Italian contracts	54,277	(54,277)	76,863	76,863
total	114,277	(114,277)	76,863	76,863

Amounts due from the Turkish customer for Euro 60,000, transferred in the previous year, were duly collected in 2003.

The movement of funds bringing a direct reduction of the receivables described is given below.

provision for doubtful debtors

(thousands of euro)

value at 12.31.02	9,269
– increases for the financial year	–
– utilization of reserves for the financial year	(15)
value at 12.31.03	9,254

reserve for delayed payment interest

(thousands of euro)

value at 12.31.02	3,355
– increases for the financial year	1,518
– utilization of profit for the financial year	(574)
– utilization of reserves for the financial year	(60)
value at 12.31.03	4,239

C.II.2 - Receivable from subsidiaries: Euro 38,653

A decrease of Euro 13,978 with respect to the previous financial year was recorded for this item.

For a breakdown of these receivables see the statement given at the end of these Notes, relevant to transactions with correlated parties.

C.II.3 - Receivable from associated companies: Euro 35,705

A decrease of Euro 14,174 with respect to the previous financial year was recorded.

For a breakdown of these receivables see the statement given at the end of these Notes, relevant to transactions with correlated parties.

C.II.4 - Receivable from Parent Companies: Euro 20

An increase of Euro 2 with respect to the previous financial year was recorded. This refers to relationships of a commercial nature entered into with Fin.Ast. S.r.l..

C.II.5 - Other receivable: Euro 98,928

This item, net of the provisions for overdue interest on amounts owed to the tax authorities and on other receivables, had a decrease of Euro 22,849, as follows:

C.II.5.a. - Receivable from the tax authorities: Euro 52,677

This item is recorded net of an overdue interest provision equal to 197, unchanged in the period.

The breakdown of this item is given in the following table.

receivable from the tax authorities			
(in thousands of euro)	italy	abroad	total
A) indirect taxes			
vat credit < 12 months	3,833	2,497	6,330
vat credit > 12 months	181	11,925	12,106
total indirect taxes	4,014	14,422	18,436
dt credit < 12 months	16,393	1,190	17,583
dt. credit > 12 months	6,127	–	6,127
total direct taxes	22,520	1,190	23,710
C) credit for advance taxes	10,531	–	10,531
D) total amount due from tax agency	37,065	15,612	52,677

For the purpose of greater clarity it is pointed out that VAT credit mainly refers to:

- the permanent organisations in Venezuela, for approx. Euro 11,700 – *this item decreased by over Euro 7,000 with respect to the previous year* – for which it is reasonable to expect that it will be partly absorbed by the new works and partly paid by the orderer;
- the permanent organisation in Guinea Conakry for approx. Euro 1,600, which will be entirely utilised in the invoicing of payments for works carried out, reasonably in the course of 2004;
- activities carried out in Italy for Euro 4,014: this amount contributes to forming the normal taxation dynamics for VAT purposes which at times show significant peaks, in any case consistent with the work and invoicing flows;

It is also pointed out that credit for direct taxes, consists of:

- Euro 5,000 for IRPEG (individual tax) requested in refund with Unico 2003;
- Euro 15,848 for IRPEG (individual tax), and formed of:
 - a. the full tax credit, in accordance with Art. 105 T.U.I.R., on dividends collected in 2003;
 - b. credit for taxes paid abroad, for the part recoverable in conformity with Art. 15 T.U.I.R., as well as the international conventions against double taxation;
- Euro 2,840, relevant to other credits for IRPEG (individual tax) in refund for merger companies (Euro 1,126), interest accrued on a part of the credits requested in refund (Euro 339), the withholding tax of 2% on Severance Indemnity under Law no. 662/1996 (Euro 185), in addition to other tax credits accrued for local purposes by the permanent foreign organisations (Euro 1,190).

It should be pointed out that during 2003, for the purpose of rationalising the financial relations between Group companies, and also for recovering the IR-PEG (individual tax) credit in progress, the simplified procedure has been started, as per Art. 43-ter of P.D. no. 602/973, which provides for the assignment of a part of the credits for IRPEG (individual tax), not requested in refund, to the subsidiaries. The amount assigned in 2003 totals Euro 2,890;

- prepaid taxes equal to Euro 10,531, whose breakdown is given in the statement attached to these Notes.

C.II.5.b. - Receivable from personnel, for Euro 806

This item increased by Euro 36 with respect to the previous year.

C.II.5.c. - Receivable from Social Security Institutions, for Euro 736

This item decreased by Euro 1,115 with respect to the previous year.

C.II.5.d. - Guarantee deposits: Euro 848

This item increased by Euro 14 with respect to the previous year.

C.II.5.e. - Receivable from other shareholding companies: Euro 224

This item decreased by Euro 1,430 with respect to the previous year.

C.II.5.f. - Other receivable: Euro 43,635

With respect to the previous period this item recorded a decrease of Euro 11,914, imputable for Euro 8,289 also to the actions undertaken during the period for recovering these credits.

The most significant amounts are summarised below:

- other trade receivables, for the sale of goods and services (services to sub-contractors, sale of equipment and goods, sale of property assets), for Euro 18,770;
- receivable from subcontractors and suppliers, for contractual advances on services and supplies to be provided, equal to Euro 17,328;
- receivable for advances granted to members of the arbitration boards established in relation to specific disputes existing with orderers, receivable from liquidators, as well as other receivables, equal to approx. Euro 7,537.

C.III - Investments which are not permanent

C.III.6 - Other investments: Euro 3,144

The item in question, which underwent an overall decrease of Euro 13,443, attributable to the collection of portfolio securities at 31 December 2002, which were granted by the Venezuelan orderer for construction work on the Tuy Railway, is formed of investments, securities of residual value, due to the provisional availability of cash on hand, as indicated below.

o t h e r i n v e s t m e n t s

(thousands of euro)

Further Credit-Arner Fund	1,836
BNL Real Estate Fund	254
Gefin Comm. Union Fund	992
Other minor securities	83
Acer Bond 10% 1990/2002	2
total	3,167

For greater clarity it is also pointed out that the amount is entered net of a depreciation fund of Euro 3,164, unchanged in the period.

C.IV – Cash at bank and on hand

This item totals Euro 128,061 and comprises Euro 204 in cash on hand of the Head Office and work sites, and Euro 127,857 in deposits with banking institutions. Amounts held in foreign currency are evaluated at the exchange rate prevailing at year-end. The increase was Euro 1,639.

D - Prepayments and accrued income

These amount to Euro 6,343 for an increase of Euro 2,041 with respect to the previous year.

This item comprises accrued income for Euro 1,640, relating to financial transactions and prepayments of Euro 4,702 relevant to insurance costs, commissions on guarantees, interest and other items of residual value. Prepayments regard Italy for Euro 3,269 and foreign subsidiaries for the remaining amount.

Liabilities**A – Net equity**

Net equity amounts to Euro 218,586, inclusive of profit for the year equal to Euro 12,017.

On 5 March 2003 the Shareholders' Meeting authorised the Board of Directors to purchase the company's ordinary shares on the M.T.A. (*Electronic Share Market*), in accordance with the provisions of Art. 2357 of the Italian Civil Code.

In this context a reserve was established for the purchase of own shares for a total of Euro 24,600, debiting the merger surplus reserve for Euro 14,930 and the extraordinary reserve for Euro 9,670.

At 31 December 2003, treasury stocks amount to 1,255,900 for a total value of Euro 2,385.

Following this, the reserve for the purchase of own shares was debited for the same amount, at the same time crediting the reserve for own shares in portfolio, whose amounts at 31 December 2003 are summarised below.

The decrease in the conversion reserve, with respect to 31 December 2002, is attributable to the exchange rate trend, particularly in relation to the US dollar and related currencies. In this respect, the conversion reserve reflects the temporary

exchange rate fluctuations at the closing date with respect to previous periods.
Following the movements, the composition of net equity is as given below.

I. Share capital

share capital	
(thousands of euro)	
value as at 31 st december 2002	98,425
value as at 31 st december 2003	98,425

At 3 December 2003, in accordance with the entries in the Shareholders Register, supplemented by the notices received in accordance with Art. 120 of Legislative Decree no. 58/1998 and other available information, direct shareholders owning more than 2% of the Company share capital fully paid-up and represented by shares with voting rights, are as follows:

- Interbanca S.p.A., owner of 9,541,786 shares equal to 9.694%;
- Capitalia S.p.A., owner of 4,562,450 shares equal to 4.635%;
- Fin.Ast. S.r.l., owner of 39,578,033 shares equal to 40.211%;
- Finetupar S.A. (Luxembourg), owner of 12,327,967 shares equal to 12.525%;
- Gartmore Investment Management PLC., owner of 1,987,181 equal to 2.018%;
- Famifin S.A. (Luxembourg), owner of 2,000,000 equal to 2.032%.

II. Share premium reserve

share premium reserve	
(thousands of euro)	
value as at 31 december 2002	67,386
value as at 31 december 2003	67,836

This item remained unchanged with respect to the previous year.

IV. Legal reserve

legal reserve	
(thousands of euro)	
value as at 31 december 2002	6,624
value as at 31 december 2003	7,218

This item underwent an increase of Euro 594, due to the allocation of a part of the operating result 2002, as decided by the Shareholders' Meeting on 30 April 2003.

V. Reserve for own shares

reserve for own shares

(thousands of euro)

value as at 31 december 2002	–
value as at 31 december 2003	2,385

This item underwent an increase equal to the value entered in the accounts at 31 December 2003 following the purchase of own shares, and coincides with the value of own shares entered in the investments.

VII. Other reserves

reserve for currency translation adjustments

(thousands of euro)

value as at 31 december 2002	(2,858)
value as at 31 december 2003	(11,158)

The decrease in the conversion reserve is attributable to the changing effects resulting from application of the multi-currency accounting of foreign branches which provides for the management of transactions in the original currency and conversion into Euros at year-end for the sole purpose of drawing up the Financial Statements; a considerable influence was determined by the depreciation in the value of the US dollar, with respect to the Euro, as well as currencies connected to it; this is the currency in which some important contracts for foreign works are denominated and carried out through permanent organisations. The results of these fluctuations are deemed temporary and physiological with respect to the specific nature of the reserve, and therefore do not determine permanent effects.

extraordinary reserve

(thousands of euro)

value as at 31 december 2002	22,244
value as at 31 december 2003	18,846

This item underwent the following movement during 2003:

- increases for Euro 6, following allocation of a part of the operating result 2002, decided by the Meeting on 30 April 2003;
- decreases for Euro 9,670, following the establishment of the reserve for purchasing own shares decided by the Meeting of 5 March 2003.

reserve for specific risks

(thousands of euro)

value as at 31 december 2002	798
value as at 31 december 2003	798

reserve for purchase of own shares

(thousands of euro)

value as at 31 december 2002	–
value as at 31 december 2003	22,215

This item was established, partly imputing the merger surplus reserve and partly the extraordinary reserve, during this financial year following the decision of the Shareholders' Meeting of 5 March 2003, which authorised the Board of Directors to purchase the Company's ordinary shares.

merger surplus reserve

(thousands of euro)

value as at 31 december 2002	14,930
value as at 31 december 2003	–

This item was completely utilised for establishing the reserve for the purchase of own shares, decided by the Shareholders' Meeting on 5 March 2003.

euro conversion difference

(thousands of euro)

value as at 31 december 2002	(2)
value as at 31 december 2003	(2)

The statement of the equity changes is given at the end of these Notes.

B - Provisions for risks and charges

At 31 December 2003, provisions for risks and charges amount to Euro 51,399, against Euro 55.648 for the previous year.

The movement of this provision for the financial year is given in the following table.

movement of provision for risks and charges

(thousands of euro)

	value at 12.31.02	financial year increases		financial year decreases		value at 12.31.03
		profit and loss	balance sheet	profit	balance	
provision for contractual liabilities	50,944	29,231	3,500	(35,691)	–	47,984
provision for equity investments liabilities	1,404	1,075	–	(190)	(346)	1,943
taxation reserve	3,300	271	–	–	(2,136)	1,435
provision ex art. 27 - company's statute	–	–	89	–	(52)	37
total	55,648	30,577	3,589	(35,881)	(2,534)	51,399

The provision for contractual risks is established to cover the progress and final result of works. The decrease in the reserve is due to the availment to off-set losses accrued over the period in relation to Italian and foreign contracts, whose economic effects have already been provided for in previous years.

The allocations of the equity investment reserve refer to the effect of the devaluation of equity investments in companies put into voluntary liquidation, for the purpose of providing for losses, of a fixed nature, and of certain or probable exis-

tence, but whose amount and the date of the extraordinary costs are not determined at the end of the financial year.

The taxation provision, for a total of Euro 1,435, underwent a net decrease of Euro 1,865, imputable for:

- Euro 1,934, to the statement submitted in May 2003, for the automatic definition of previous years, provided for by Law no. 289/2002 as amended, which concerned all years up to 2001 still subject to auditing for that regarding Astaldi, as well as the merged companies Gruppo Dipenta S.p.A. and Italstrade S.p.A.;
- Euro 202 on payment of the amounts deriving from the judicial settlement carried out for 1995, in accordance with Art. 48 Legislative Decree no. 546/1992, with the Revenue Office – Rome 1 and Rome 4 Offices – relevant to the dispute over the presumed omitted taxation of the so-called *Contractor's reserves*.

Increases for Euro 271 are almost entirely attributable to charges that could derive from the statement for automatic definition, in compliance with Law no. 289/2002 as amended, for the fiscal period 2002.

The fund under article 27 of the Corporate By-laws was established for liberality purposes, allocating a part of the profit for 2002 as decided by the Shareholders' Meeting on 30 April 2003.

C - Employee Severance Indemnity

employee severance indemnity reserve					
(thousands of euro)	value at 12.31.2002	increases of the fy	decreases of the fy	changes	value at 12.31.2003
employee severance indemnity	11,150	4,138	(3,478)	(313)	11,497

D - Debts and other payables

Debts and other payables comprise the following items.

D.3 - Amounts owed to banks: Euro 159,085

This item underwent a net increase equal to Euro 23,139.

For greater clarity, the single credit lines are summarised below, with utilisation at 31 December 2003.

lines of credit and relevant availments		
(thousands of euro)	lines	utilisation
overdraft	35,576	13,873
hard cash	33,791	29,081
short-term financing	34,246	29,611
medium-term financing	119,180	63,053
self-liquidating funds	108,191	16,455
loans	7,012	7,012
general total	337,996	159,085

The individual due dates relevant to medium and long-term financing, including loans, are given below.

due dates of medium and long-term financing

(millions of euro)

	2004	2005	2006	2007	over
medium-term financing	14	18	18	12	1
mutui	1	1	1	1	3

The debts and payables included in the balance and backed by guarantees are detailed by type, as follows.

■ CARISBO LOAN: Euro 6,680

secured by mortgage of Euro 18,076 on the building relevant to the Bologna car park.

■ CARIPRPC LOAN: Euro 333

secured by mortgage of Euro 2,789 on the building relevant to the "Palazzo" car park in Turin.

Unsecured financing includes a loan for Euro 60,000 obtained from a pool of banks under Unicredit Banca d'Impresa, having the following characteristics:

- *date of disbursement*: 25 June 2003;
- *duration*: 48 months from the date of disbursement;
- *repayment*: in 13 quarterly instalments starting from the twelfth month after the date of disbursement for unvaried capital amounts, for the first twelve months, equal to 1/14 the loan and the last equal to 2/14 coinciding with the loan due date;
- *interest rate*: Euribor quarterly increased by 1% per year;
- *guarantees*: as a guarantee of the interest rates and repayment for the capital amounts the Company furnished a diversified portfolio of receivables due from orderers, including supranational bodies, public institutions of primary standing, that will be gradually collected during the 48-month life of the loan. These credits are canalised with irrevocable provision for collection and payment in the current account of the lead-manager bank.

With adequate coverage operations, according to the company procedure, the interest rate was adjusted to bring it in line with the average cost of money available on the market;.

D.5 – Advances: Euro 134,705

This item consists of advances paid by orderers for the execution of the works and underwent a net negative change of Euro 4,367 in the period.

The most significant changes regard works in Italy for the construction of the Verona-Venice section of the High Speed railway line for Euro 15,760, in addition to work in progress with the permanent organisations in Venezuela (Euro 3,888), Rumania (Euro 1,650) and Honduras (Euro 1,649) for a total of Euro 7,187.

The decreases, attributable to the normal process of recovering advances already granted, amount to Euro 33,710 and the main changes concern the permanent organisations abroad, and namely:

- El Salvador branch: Euro 11,957;
- Guinean branch: Euro 8,211;
- Turkish branch: Euro 5,528;

- Algerian branch: Euro 5,167;
- Tanzanian branch: Euro 1,980.

D.6. - Amounts owed to suppliers: Euro 140,452

This item underwent a decrease of Euro 15,176 with respect to the previous period. The decrease is mainly relevant – for approx. Euro 14,400 – to the activities carried out by the permanent organisation in Turkey and is directly connected with the collection of credits due from the orderer that were realised during the year.

D.8. - Amounts owed to subsidiaries: Euro 188,884

The item had a net decrease of Euro 1,592 with respect to the previous financial year. The balance of this item includes the financing received from Astaldi Finance S.A. for Euro 148,250, having the following characteristics:

- *duration*: three years starting from the date of disbursement (11 February 2002);
- *repayment*: in a single payment at the due date (11 February 2005);
- *interest rate*: 7.342%;
- *capitalisation of interest*: annual deferred.

With adequate coverage operations, according to company practice, the interest rate was made variable, bringing it in line with the average cost of money on the market. For a breakdown of the debt and payables, see the statement relevant to transactions with correlated parties given at the end of these Notes;

D.9 - Amounts owed to associated companies: Euro 60,619

This item underwent an increase of Euro 2,465 with respect to the previous period. For an analysis of the composition of debt and payables, see the statement relevant to transactions with correlated parties given at the end of these Notes.

D.11 – Amounts owed to the tax authorities: Euro 14,920

This item increased by Euro 8,339 with respect to the previous year, mainly imputable for:

- Euro 4,796 owed to the Revenue for income tax due as settlement by the permanent organisation in Venezuela;
- Euro 3,423, owed to the Revenue, for remission tax under Law no. 289/2002 as amended (Euro 956), for withholding tax on subordinate and independent work (Euro 2,129), in addition to the balance of various taxes, relevant to the permanent organisations and companies operating abroad, of residual value (Euro 338);
- Euro 6,702 owed to the Revenue for VAT, Euro 1,015 of which relevant to works carried out in Italy, and Euro 5,687 pertaining to the permanent organisations abroad, the most significant being those in Turkey (Euro 3,177), Congo (Euro 1,566) and Guinea Conakry (Euro 643).

D.12 - Amounts owed to social security institutions: Euro 4,229

This item decreases by Euro 697.

D.13 - Other debt and payables: Euro 21,332

This item records a decrease of Euro 5,872 with respect to the previous financial year.

As already given in the accounts, this item comprises:

D.13.a - Amounts owed to shareholding companies: Euro 4,970

The item gives a decrease of Euro 2,126 with respect to the previous period;

D.13.b - Deposits and guarantees: Euro 9

D.13.c - Amounts due to personnel: Euro 3,953

This item details the amount due for remuneration relevant to December, as well as the amount due for holidays accrued and not taken, and records a decrease equal to Euro 267 with respect to the previous period.

D.13.d - Other payables: Euro 12,401

This item decreases by Euro 3,474 with respect to the previous year.

The most significant entries are summarised below:

- amounts due to representative companies, within the scope of works carried out through the establishment of consortia, for collections made in their name and on their behalf, equal to Euro 5,263;
- Other items relevant to transactions not directly deriving from but in any case related production, equal Euro 7,138 partly pertaining to the permanent organisations in Venezuela and Congo.

E. Accruals and deferred income

Accruals and deferred income record a balance of Euro 11,241, substantially unchanged with respect to the previous year, and only comprise payables.

The item includes Euro 9,790 relevant to accrued interest for the loan stipulated with the subsidiary Astaldi Finance, and for the remaining part, accrued liabilities which mainly refer to the accounting of interest on loans and financing, as well as to fourteen month salary payments.

Memorandum accounts

A) Personal guarantees

The total amount recorded in the accounts is 1,854,175 and refers to the following matters:

- guarantees for credit opening, intended to ensure a regular cash-flow on the individual contracts, issued in the interests of subsidiaries, associated companies and other shareholding companies, established for the purpose in accordance with current public works legislation for a total of Euro 138,944;
- guarantees for works, furnished in the interests of the Company by banking Institutions and/or insurance companies, in favour of orderer bodies for various purposes on behalf of subsidiaries, associated companies and towards third

party orderers also on behalf of other shareholding companies, for a total of Euro 1,416,779;

- other guarantees, for a total of Euro 134,938, as given in the following table.

g u a r a n t e e s

(thousands of euro)

guarantees released in the favour of:

– subsidiaries	72,561
– associated companies	56,409
– others	5,969

B) Other memorandum accounts

This item, amounting to Euro 141,324, is imputable for:

- Euro 86,168 to the loss risk resulting from the assignment of credits *with recourse* towards *factors*, with a decrease of Euro 78,638 compared to the previous year;
- Euro 25,496 for commitments relevant to *leasing* contracts stipulated for the purchase of movables and immovables in Italy and abroad. The method adopted to record *leasing* is that provided for by tax legislation for entering rent in the profit and loss account, inclusive of the capital amount and interest. Adoption of the so-called financial method would have determined a net balance sheet asset of more than Euro 3,862 and an operating result of more than Euro 1,389 gross of the taxation effect;
- the amount of Euro 29,660 given in the item *Other*, is attributable to non-contractual works, paid as a temporary item, pertaining to construction works on the hydro-electric plant of Pont Ventoux in Val di Susa, on behalf of A.E.M. Torino.

C) Third party guarantees in our favour

These represent, for Euro 22,189, the guarantees furnished by credit Institutions and insurance companies, in the interest of Italian and foreign suppliers and subcontractors, in relation to the contractual obligations assumed by them towards us.

Profit and loss account

Regarding the profit and loss account, the main points are as follows:

A – Value of production

Revenues and the value of services deriving from contracts, relevant to the company's core activities amount to Euro 594,795; compared to the previous year this shows an increase of about 14% mainly due to the works in Italy (Euro 38,953), and in the permanent organisations in El Salvador (Euro 15,363), Guinea Conakry (Euro 11,248), Algeria (Euro 6,768), Honduras (Euro 5,873), Nicaragua (Euro 4,092) and Venezuela (Euro 3,630).

For greater clarity, the decreases recorded in the permanent organisations in Tunisia (Euro 5,548), Congo (Euro 5,215), Turkey (3,295) are given.
The division by work categories, including the change in inventories equal to Euro 79,182 compared with 2002, is given in the following table.

r e v e n u e s f r o m w o r k s b y g e o g r a p h i c a r e a				
	2003	%	2002	%
transport infrastructures	500,961	74.3%	509,215	86.2%
hydraulic work and energy production plant	38,661	5.7%	35,194	6.0%
civil and industrial construction	134,355	19.9%	46,200	7.8%
total	673,977	100.0%	590,609	100.0%

Overall production of works carried out in 2003 amounts to Euro 673,977, with an increase of approx. 6% as resulting from in the following data.

b r e a k d o w n o f r e v e n u e s f r o m w o r k s			
	2003	2002	change
initial contract work in progress	(290,862)	(229,393)	61,469
final contract work in progress	370,044	298,005	72,039
revenues from long-term contractual works	594,313	520,861	73,452
revenues from short-term contractual works	482	1,136	(654)
total	673,977	590,609	206,305

The geographic distribution is as follows:

r e v e n u e s f r o m w o r k s b y g e o g r a p h i c a r e a				
	2003	%	2002	%
Italy	423,550	62.8%	334,063	56.6%
Europe	46,457	6.9%	83,846	14.2%
America	150,568	22.3%	122,090	20.7%
Africa	53,402	7.9%	50,610	8.6%
total	673,977	100%	590,609	100%

Other revenues, equal to Euro 35,072, are largely represented by revenue items not directly related to the production activity for the Company's works but having a continuous nature over the course of the various financial years. This item also includes the overall results determined by the sale of properties in Rome and Turin. For the purpose of greater clarity in reading the economic data of these accounts, the item *Availment of the provision for contractual risks* has been classified under item B.12 of the profit and loss account, with specific indication, therefore the data of the previous period was reclassified.

A comparison with the previous financial year gives a decrease of Euro 2,285.

The breakdown of this item is as follows.

other revenues

(thousands of euro)

	2003	2002	change
services provided to third parties	10,254	12,438	(2,183)
extraordinary income, inexistence of liabilities	7,008	12,724	(5,716)
sponsorship	4,316	4,166	150
insurance premiums	3,443	919	2,524
miscellaneous income	2,357	3,003	(646)
revenue from sale of goods	2,212	2,313	(101)
rents receivable	1,633	1,582	51
sales of real estates income	1,450	(2,853)	4,303
rentals	697	1,451	(754)
capital gain on sale of fixed assets	651	911	(260)
provision for risks utilization	573	14	559
discounts and allowances receivable	392	191	201
capital gain on debtor purchase and sale	84	496	(412)
total	35,072	37,357	(2,285)

The fixed assets for internal work, already detailed in item *B.I - Intangible fixed assets* are equal to Euro 4,521 and identify capitalised costs. The main entries forming the item mainly refer to internal costs relevant to the plant, organisation and starting of new construction sites - *including those relevant to the construction of the Brescia Underground and the Milan Rail Link* - in addition to costs incurred for implementing the integrated company management system.

B – Costs of production

Costs of production are equal to Euro 666,140 (Euro 590,575 in 2002) and record an increase of approx. 13% with respect to the previous financial year. This increase is relevant to the corresponding increase in the value of production. In addition to employee costs, these mainly consist of costs for services and costs for raw materials.

In particular:

- the cost of raw materials and consumables, net of remainders, amounts to Euro 109,997 (Euro 84,648 in 2002);
- costs for services refer to:
 - a. consortium costs for Euro 230,288 (Euro 206,465 in 2002);
 - b. subcontracts and materials in use for a total of Euro 102,058 (Euro 91,561 in 2002);
 - c. various other production costs for Euro 75,996 (Euro 76,153 in 2002), which mainly include technical consultancy costs, processing and services, transport and maintenance, legal, taxation and administrative service, directors' and auditors' fees, consumption, travel and transfers and advertising costs. Insurance, consumption, travel and transfers and advertising costs (equal to Euro 11,660) were recorded in this aggregate in 2003. For greater clarity these were reclassified from the item *Other operating costs* relevant to 2002 (for Euro 9,249);
- costs for use of assets owned by third parties equal to Euro 14,325 (Euro 11,446 in 2002) comprise:
 - a. hiring charges for Euro 4,833;

- b. leasing for Euro 7,274: this item refers to Euro 1,654 for *leasing* costs paid for the use of the head office building;
- c. rent and shared expenses, for Euro 1,544;
- d. maintenance costs on third party assets, for Euro 379;
- e. other hiring costs, for Euro 295;
- the provision for risks (availments) is the result of the difference between the provisions made in the year, equal to Euro 29,231 (Euro 11,257 at 31 December 2002), and availments for Euro 35,691 (Euro 41,282 at 31 December 2002);
- the other operating costs recorded refer to items given in the following table.

other operating costs			
(thousands of euro)	2003	2002	change
extraordinary charges and non-existent liabilities due to value adjustments	5,712	6,570	(858)
fiscal charges	4,887	3,540	1,347
other administrative costs	2,117	1,420	697
agency expenses	556	426	130
capital loss on sale of assets	222	302	(81)
total	13,494	12,258	1,236

The item records an increase of Euro 1,236 with respect to the previous year. For greater clarity it is pointed out that other tax charges mainly refer to indirect taxes such as customs charges, stamp duty, ICI (local property tax), government concessions and registration taxes incurred in Italy and abroad. Also, regarding adjustment extraordinary items and non-existence of assets, the entry mainly includes the differences in estimates on the overturning of costs for the previous year of the purpose companies.

C.15 / C.16 - Financial income: Euro 56,387 (Euro 28,885 in 2002)

Income from equity investments amounts to Euro 30,155 (Euro 9,697 in 2002) and is composed as follows:

- income from subsidiaries for Euro 25,004 (Euro 8,273 in 2002) mainly relevant to:
 - Astaldi De Venezuela: Euro 10,096;
 - R.I.C. – Railway International Construction: Euro 5,827;
 - Astaldi Construction Corporation: Euro 3,312;
 - Astaldi International Burundi A.M.: Euro 2,353;
 - Montedil-Astaldi S.p.A.: Euro 1,296;
 - Consorzio Astaldi Columbus Nicaragua: Euro 592;
 - for the residual part, equal to Euro 1,527, relevant to the tax credits of R.I.C. – Railway International Construction (Euro 799) and Montedil-Astaldi S.p.A. (Euro 729).
- income from associated companies for Euro 5,144 (Euro 585 in 2002) mainly relevant to:
 - Consorzio Metro Los Teques: Euro 4,825;
 - S.E.I.S. S.p.A.: Euro 319;
- income from shareholding companies following liquidation, for Euro 8 (Euro 839 in 2002).

Other financial income, totalling Euro 26,232, underwent an increase of Euro 7,045 with respect to the previous period;

The item *Interest receivable from third parties*, mainly comprises interest receivable resulting from the arbitration award relevant to the Verona-Venice High Speed railway line.

The aggregate is formed of the following value classes.

interest receivable from third parties

(thousands of euro)

	2003	2002	changes
interests vs. third parties	6,337	1,499	4,838
exchange rate gains	5,752	5,661	91
income from hedging operations	4,830	3,855	975
income from securities sales	4,792	120	4,672
bank interests	2,572	5,095	(2,522)
interest from subsidiaries	1,189	498	692
commissions on guarantees	756	2,448	(1,692)
interests from associated companies	4	12	(8)
total	26,232	19,187	7,045

C.17 – Interest payable and similar charges: Euro 44,751

Interest payable and similar charges for the year, which also represent interest for financing towards the subsidiary Astaldi Finance S.A. (Euro 10,993) include the following items:

interest payable and similar charges

(thousands of euro)

	2003	2002	changes
bond loan interest	10,993	9,788	1,205
exchange rate losses	7,234	3,281	3,953
short term bank borrowing interests	5,154	4,644	509
long-term debt bank interests	5,058	7,185	(2,127)
commissions on guarantees	4,937	6,947	(2,010)
factoring interests and costs	4,252	4,754	(503)
discounts and other financial costs	3,451	1,038	2,413
costs for hedging operations	2,580	3,074	(494)
bank fees and commissions	1,093	1,245	(152)
total	44,751	41,958	2,794

A comparison with the previous period shows an increase of Euro 2,794 relevant to interest due to the subsidiary Astaldi Finance for Euro 1,200, in addition to the increase in losses on exchange rate fluctuation equal to Euro 3,953, mainly relevant to the activity carried on by the permanent organisation abroad in Venezuela. The effects of the exchange rate fluctuations (bolivares-euro) were therefore realised as a result of the monetary policy adopted by the local Government, which recently carried out a further devaluation of the local currency, with respect to the American dollar. The breakdown of interest payable to credit institutions on long-term debt is as follows.

- interest on loans, for Euro 273
- interest on financing, for Euro 5,393

D – Value adjustments in respect of investments

The aggregate in question shows a negative balance of Euro 23,334 (Euro 4,710 in 2002), as detailed below:

- revaluation of equity investments, for Euro 190 (Euro 00 in 2002).
This item refers to the availment of the provision for risks on equity holdings, of an equal amount, recorded in the previous periods.
- devaluation of equity investments, for Euro 22,007 (Euro 3,433 in 2002)
This item is represented by losses relevant to shareholding companies and balanced for a total of Euro 13,866, in addition to the devaluation of equity investments for Euro 8,141, Euro 1,075 of which through allocation to the provision for risks on equity holdings.
- a. The breakdown of losses balanced comprises:
 - subsidiaries: Euro 9,508 (Euro 00 in 2002);
 - associated companies: Euro 4,097 (Euro 2,731 in 2002);
 - other companies: Euro 261 (Euro 3 in 2002).
 The most significant losses include:
 - *those relevant to the subsidiaries:*
 - Astaldi International Ltd.: Euro 4,485;
 - Astaldi-Astaldi International J.V. Mozambique: Euro 3,098;
 - Astaldi-Malawi J.V.: Euro 1,050;
 - 4033 Astaldi (Thailand) Company Ltd.: for Euro 875;
 - *those relevant to associated companies:*
 - Alosa S.p.A.: Euro 2,787
 - Astaldi-Ferrocemento J.V. Pakistan: Euro 1,235.
 - for the remainder – Euro 75 –, those relevant to the closing of distribution plans of companies in liquidation;
 - *those relevant to other shareholding companies:*
 - C.C.N. S.c.r.l. (discontinued): Euro 127;
 - D.G.M. S.c.r.l. (discontinued): Euro 75;
 - Leonardo 2000 S.c.r.l. (discontinued): Euro 59.
- b. The breakdown of devaluations of equity investments comprises:
 - subsidiaries: Euro 7,021 (Euro 144 in 2002);
 - associated companies: Euro 33 (Euro 282 in 2002);
 - other companies: Euro 11 (Euro 20 in 2002).

The main write-downs include those relevant to the subsidiary Italstrade S.p.A. for Euro 6,850 and for the residual amount of Euro 215 those deriving from the joint effect of the devaluation of equity investments in companies in liquidation and the capital transactions in other shareholding companies.

- c. The breakdown of the provision for equity investment risks reserve for Euro 1,075 is as follows:
 - subsidiaries: Euro 686 (Euro 181 in 2002);
 - associated companies: Euro 389 (Euro 72 in 2002).
 This item mainly refers to the allocation of the portion of balance sheet deficit with particular reference to companies in liquidation. The most significant allocations include those relevant to the subsidiaries Astac (Euro 341) and IFC DUE in liquidation (Euro 211), in addition to the associated companies Piceno S.c.r.l. in liquidation (Euro 133) and Avola S.c.r.l. in liquidation (Euro 100).

E – Extraordinary income (charges): Euro (18,693) against Euro (5,751) in 2002

Extraordinary income is composed of items of an extraordinary nature and non-existence of assets for Euro 7,007, (Euro 5,961 in 2002).

The most significant include:

extraordinary income resulting from a higher provision for the IRAP (Regional production tax) tax burden in the previous year equal to Euro 493;

- extraordinary income resulting from the availment of the limited tax credit of R.I.C. S.p.A. for Euro 2,577;
- extraordinary income resulting from increased costs previously set aside and relevant to services provided for Euro 756;
- Extraordinary income equal to Euro 843 accrued by the permanent organisation in Honduras, almost entirely due to the invoicing adjustment occurring during the previous year;
- Extraordinary income resulting from a higher provision for taxation made in the previous year by the permanent organisation in Turkey for Euro 553.
- Extraordinary charges recorded in the accounts for a total of Euro 25,699 (Euro 11,712 in 2002) include contractual charges, taxes for previous periods, damages, extraordinary costs and non-existence of assets, transactions, contractual penalties and other charges of residual value.

The most significant items include:

- Euro 13,303, for contractual charges relevant and consequent to the transfer, to Astaldi International Ltd, of the foreign shareholding companies that have substantially completed the operational phase of their activity, for which the Company decided to rationalise management, entrusting it to a dedicated unit equipped with the necessary human resources and technical means. These charges, mainly relevant to Comet J.V., engaged in the construction of the now almost completed Copenhagen Underground, come within the scope of the complex reorganisation of foreign shareholding companies (companies – consortia – joint ventures) being dismantled.
- Euro 1,806, relevant to taxes of previous periods;
- Euro 3,148, mainly relevant to the adjustment of prepaid tax credits and the tax credit of the Venezuelan branch;
- Euro 7,207 resulting from the aggregate of extraordinary items, non-existence of assets, damages, transactions, penalties and other charges of residual value, mainly deriving from non-ascertainment for third party services, financial charges and insurance.
- Euro 237 relevant to the appropriation of charges relevant to the declaration for automatic definition of fiscal year 2002 provided for by Legislative Decree no. 289/2002 as amended.

Explanatory notes concerning point 22 of the financial statements

Income taxes Euro 5,020 (Euro 9,649 in 2002)

This item comprises current taxes pertaining to headquarters and the permanent organisations abroad for Euro 9,869, and Euro 4,849 for the net effects of deferred and prepaid taxes determined as follows:

1) reversal of temporary differences from previous years					
(thousands of euro)	corporate income tax		regional production tax		total
	taxable amt.	tax	taxable amt.	tax	tax
- directors emoluments	(485)	(165)	-	-	(165)
- representation and maintenance costs	(139)	(47)	(139)	(3)	(50)
- utilization of taxed reserves	(8,886)	(3,021)	(8,349)	(187)	(3,208)
total 1)	(9,510)	(3,233)	(8,488)	(190)	(3,423)

2) temporary differences deductible in subsequent years					
(thousands of euro)	corporate income tax		regional production tax		total
	taxable amt.	tax	taxable amt.	tax	tax
- directors emoluments	485	160	-	-	160
- representation and maintenance costs	136	45	136	3	48
- accruals of taxed reserves					
of which:					
taxed contractual provision for risks	29.231	9.646	29.231	646	10.292
taxed provision for equity investments risks	1.075	355	-	-	355
total 2)	30.927	10.206	29.367	649	10.855

3) temporary differences taxable in subsequent years					
(thousands of euro)	corporate income tax		regional production tax		total
	taxable amt.	tax	taxable amt.	tax	tax
- dividends to be distributed	567	(187)	-	-	(187)
total 3)	567	(187)	-	-	(187)

4) total fiscal losses utilised during the period					
(thousands of euro)	corporate income tax		regional production tax		total
	taxable amt.	tax	taxable amt.	tax	tax
- fiscal losses utilization	(7.047)	(2.396)	-	-	(2.396)
total 4)	(7.047)	(2.396)	-	-	(2.396)
general total (1+2+3+4)		4.390		459	4.849

The residual amount of prepaid taxes of Euro 10,531 entered under the receivables in current assets, and to be recovered in future financial years, is mainly attributable to:

1) temporary differences deductible in subsequent years				
(thousands of euro)	amounts	corporate income tax	regional production tax	total
provision for risks in the balance sheet (b3a+b3b)	49,927			
allowance for doubtful receivables decreasing the asset value	9,254			
(a) total provisions on the balance sheet	59,181			
of which:				
taxed contractual provision for risks	44,123	14,561	987	15,548
taxed provision for equity investment risks	1,943	641	0	641
taxed provision for risk on receivables	5,739	1,894	0	1,894
(b) total taxation on provisions	51,805			
directors and board of auditors fees	485	160	0	160
other costs referred to other accounting periods	309	102	9	111
total temporary differences deductible 1)	52,599	17,358	996	18,354
2) temporary differences taxable in subsequent years				
(thousands of euro)	amounts	corporate income tax	regional production tax	total
provision for fiscal risks	21,667	(7,150)	(486)	(7,636)
non-distributed dividends	567	(187)		(187)
total taxable temporary differences 2)	22,234	(7,337)	(486)	(7,823)
total of receivables (1+2)		10,020	511	10,531

With reference to the information given in the explanatory notes to the financial statements at 12/31/2001, the following is pointed out:

- Recording of that contained in the P.V.C. notified to the Company and the incorporated Gruppo Dipenta S.p.A., relevant to the presumed tax omission for the so-called contractor's reserves.
 - The Company paid the sum of Euro 201 – *inclusive of penalties and interest* – allocated in the financial statements at 31 December 2002 and resulting from the judicial settlement – *relevant to the dispute arising with reference to fiscal year 1995* – concluded with Rome 1 and Rome 4 Revenue Offices;
 - For years 1997 and 1998, on 31 December 2003 the Rome 1 Revenue Office notified the Company two separate notices of assessment, confirming, in the quantitative content, the increase recoveries already previously officially agreed. To settle these disputes the Company proposed two assessment claims in conformity with Legislative Decree no. 218/1997, quantifying them in the terms and methods already agreed with the Office, and whose overall cost remains allocated in the specific provision for risks.
 - With reference to the remaining disputes (Gruppo Dipenta and fiscal year 1999 for Astaldi) no objection has been raised to date. However, it is pointed out that the relevant charge also remains allocated in the specific provision for risks.
- Recording of that contained in the P.V.C. notified to the Company relevant to the presumed non-deductibility of the losses suffered by some Joint ventures – *situated in non-EU countries and covered by the Parent Company in fiscal years 1997, 1998 and 1999, pursuant to Art. 61, sub-sec. 5, T.U.I.R.*

- With the same assessment notices the Companies were challenged regarding the total sum of Euro 22,749, Euro 8,778 of which relevant to 1997 and Euro 13,971 to 1998. Through the assessment applications in conformity with Legislative Decree no. 218/1997 – already mentioned above – the Company requested the Office for the substantial removal of said remarks, justifying them in the same way as that already done with the notification of the P.V.C.. If these requests are disregarded, the Company shall appeal to the competent taxation commission.

On the basis of that given above, it is conclusively deemed that the tax claims still in progress are unlikely to result in a liability for the company.

Transactions with related parties

According to the provisions of CONSOB (securities and exchange commission) communications no. 97001574 of 20 February 1997 and no. 98015375 of 27 February 1998, the most significant amounts resulting from transactions of a financial and commercial nature with the shareholding companies are given below.

It must be pointed out that, considering the particular sector in which the Company operates, the relationships entered into with consortia and consortium companies (so-called *Purpose companies*) must be correlated with the claims of credits due from third party bodies – *entered in the item Trade receivables (C.II.1)* – not summarised in the following table.

transactions with related parties

(thousands of euro)

	trade receivables	financial assets	total receivable	trade payables	balance of net trade receivables
subsidiaries					
Asociacion Accidental Astaldi S.p.A. - C.B.I. S.r.l.	431	–	431	120	311
A.S.T.A.C. S.r.l.	1,710	369	2,079	656	1,054
Astaldi Arabia Ltd	315	473	788	154	161
Astaldi Burundi Ass.Moment.	–	–	–	708	–
Astaldi Construction Corp. of Florida	33	–	33	–	33
Astaldi de Venezuela C.A.	5,672	–	5,672	5,593	79
Astaldi Finance ⁽¹⁾	40	–	40	149,416	–
Astaldi International	565	250	815	14,332	–
Astaldi International JV Mozambique	3,724	–	3,724	2,079	1,645
Astaldi Malawi Astaldi Astaldi Int.	1,506	–	1,506	1,299	207
Astaldi Rwanda Ass.Moment.	–	–	–	1,956	–
Astaldi Senegal Ass. en Partecip.	4,170	–	4,170	–	4,170
Astaldi Thailand Co. Ltd	760	–	760	858	–
Astur Construction and Trade A.S.	255	–	255	297	–
Bussentina S.c.r.l.	879	279	1,158	65	814
C.O.MES.S. Srl	101	2	103	122	–
CO.ME.NA. S.c.r.l.	94	–	94	611	–
CO.NO.CO. S.c.r.l.	746	160	906	937	–
Colli Albani S.c.r.l.in liquidation	819	2	821	355	464
Cons.A.R.Z.Ast.-R.I.C.ZAIRE in liquidation	469	–	469	63	406
Consorzio Astaldi C.B.I.	4,419	346	4,765	660	3,759
Consorzio Astaldi-C.M.B.Due in liquidation	2,191	–	2,191	7	2,184
Consorzio Olbia Mare in liquidation	144	1	145	–	144
Consorzio Recchi S.p.A.- Astaldi S.p.A.	–	–	–	1,426	–
Cospe S.c.r.l.	647	200	847	389	258
Diga di Arcichiaro S.c.r.l. in liquidation	301	–	301	118	183
DIPA S.c.r.l.	–	–	–	117	–
DP 2M Srl in liquidation	1	44	45	25	–
Eco Po Quattro S.c.r.l.	829	–	829	881	–
Euroast S.r.l.	175	–	175	1	174
Forum S.c.r.l.	1,178	–	1,178	1,816	–
I.F.C. Due S.c.r.l. in liquidation	1,775	–	1,775	97	1,678
I.F.C. S.c.r.l. in liquidation	1,182	–	1,182	67	1,115
I.T.S. S.p.A.	36	–	36	397	–
Italstrade S.p.A	5,345	14,046	19,391	35	5,310
Legnami Pasotti Srl	37	–	37	–	37
Linea A S.c.r.l. in liquidation	22	–	22	281	–
Montedil-Astaldi S.p.A. (Montast)	27	–	27	–	27
Mormanno S.c.r.l. in liquidation	18	111	129	49	–
Palese Park Srl	–	–	–	709	–
Portovesme S.c.r.l.	742	–	742	1,978	–
Quattro Venti S.c.r.l.	1,299	–	1,299	934	365
Railway International Construction	6,256	7,282	13,538	12,197	–
Redo Ass. Moment.	952	–	952	44	908
Romairport Srl	1,095	2,400	3,495	151	944
Romis Construction S.r.l.	463	–	463	–	463
Romstrade S.r.l.	77	–	77	–	77
S. Filippo S.c.r.l. in liquidation	1,678	–	1,678	89	1,589
S. Leonardo S.c.r.l. in liquidation	2,634	–	2,634	812	1,822
Seac S.p.a.r.l.	7,556	–	7,556	303	7,253
Silva S.r.l. in liqu.ne	28	21	49	–	28
Susa Dora Quattro S.c.r.l.	2,384	–	2,384	13,727	–
TE.CRO. S.c.r.l. in liquidation	140	776	916	–	140
Todaro S.r.l. in liquidation	243	–	243	1	242
Toledo Srl	72	–	72	90	–
Tri.Ace. S.c.a.r.l. in liquidation	604	–	604	418	186
Viadotti di Courmayeur S.c.r.l.	571	–	571	230	341
Viadotto Fadalto S.c.r.l. in liquidation	42	–	42	–	42
Other smaller subsidiaries	3	–	3	17	40
total subsidiaries	67,455	26,762	94,217	217,687	38,653

(1) The amount relevant to the loan granted by Astaldi Finance to the subsidiary (see page 201)

balance of net trade payables	revenues from rendered services	production costs	financial costs	financial returns	extraordinary costs	extraordinary income
-	-	-	-	-	-	-
-	1,114	1,038	-	2	-	-
-	87	-	-	6	154	-
708	-	-	-	-	-	-
-	3	15	-	6	-	-
-	53	142	-	-	-	-
149,376	-	-	10,993	-	-	-
13,767	30	1,643	63	-	13,211	-
-	-	-	-	-	-	-
-	8	-	-	-	-	-
1,956	1	-	-	-	-	-
-	-	-	-	-	-	-
98	-	-	-	-	-	-
42	-	1,470	-	-	-	-
-	-	131	-	-	1	-
21	83	384	-	-	-	-
517	142	4,054	-	-	-	-
191	181	1,574	-	12	-	16
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,944	2,728	-	-	-	132
-	7	-	-	-	-	-
-	-	-	-	-	-	-
1,426	-	-	-	-	-	-
-	95	2,474	-	-	-	-
-	2	24	-	-	-	-
117	-	185	-	-	1	-
24	-	-	-	-	-	-
52	3	286	-	22	-	-
-	-	-	-	-	-	-
638	685	743	-	24	-	-
-	6	-	-	53	-	-
-	-	68	-	1	-	61
361	63	711	-	-	-	-
-	194	14	-	973	-	-
-	24	-	-	-	-	-
259	-	77	-	-	-	-
-	-	-	-	-	-	-
31	-	-	-	-	49	-
709	-	-	-	-	-	-
1,236	232	3,938	-	10	-	-
-	609	2,007	-	82	-	-
5,941	23	7,663	-	185	-	-
-	-	-	-	-	-	-
-	11	4	-	34	-	13
-	370	-	-	23	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	4	7	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,343	632	24,051	-	66	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18	246	5,255	-	-	2	-
-	45	69	-	15	-	-
-	28	677	-	24	-	-
-	-	-	-	-	-	-
53	214	550	-	3	-	-
188,884	7,139	61,982	11,056	1,541	13,418	222

(table follows)

transactions with correlated parties

(thousands of euro)

	trade receivables	financial assets	total receivable	trade payables	balance of net trade receivables
associated companies					
A.F.M. Srl in liquidation	96	–	96	28	68
Adduttore Ponte Barca S.c.r.l.	5	–	5	252	–
Almo Srl	–	–	–	11	–
Alosa Immobiliare SpA in liquidation	–	744	744	11	–
Astaldi - Ferrocemento JV	701	226	927	2	699
Astaldi Bayndir JV - Turchia	7,926	–	7,926	1,638	6,288
Avola S.c.r.l. in liquidation	682	–	682	181	501
Blufi 1 S.c.r.l. in liquidation	48	–	48	–	48
C.F.M. S.c.r.l. in liquidation	11	–	11	156	–
Carnia S.c.r.l. in liquidation	431	–	431	–	431
Cogital S.p.A. in liquidation	141	–	141	3	138
Consorzio Metros Los Teques	252	–	252	–	252
Consorzio A.F.T. succ. Algeria	2,530	–	2,530	438	2,092
Consorzio AFT Kramis Succ. Algeria	16,409	–	16,409	14,963	1,446
Consorzio A.F.T.	145	–	145	–	145
Consorzio Astaldi-ICE	416	–	416	–	416
Consorzio C.E.A.A.V.	2	–	2	17	–
Consorzio C.I.R.C.	10	–	10	866	–
Consorzio Carnia	2	–	2	5	–
Consorzio Co.Fe.Sar.	264	–	264	316	–
Consorzio Cogitau S.c.n.c. in liquidation	481	–	481	24	457
Consorzio Consarno	25	220	245	–	25
Consorzio Consavia S.c.n.c. in liquidation	66	–	66	4	62
Consorzio Contuy medio	–	117	117	–	–
Consorzio Ferrofir	45	–	45	5,456	–
Consorzio Ghella Astaldi & Asociados	–	75	75	–	–
Consorzio Ghella Astaldi WTC	–	305	305	–	–
Consorzio Gi.It. In liquidation	–	–	–	164	–
Consorzio Iricav Due	40	–	40	2,820	–
Consorzio Iricav Uno	958	–	958	16,853	–
Consorzio Ital.Co.Cer.	10	20	30	54	–
Consorzio Italvenezia	–	–	–	74	–
Consorzio L.A.R. in liquidation	181	946	1,127	–	181
Novocen Consortium	22	9	31	6	16
Consorzio Qalat	5	–	5	1,137	–
Derivazione Adda S.c.r.l. in liquidation	14	–	14	–	14
Diga di Blufi S.c.r.l.	2,443	–	2,443	3,974	–
Ecosarno S.c.r.l.	–	52	52	260	–
Fosso Canna S.c.r.l. in liquidation	388	–	388	129	259
Groupement Eurolep	–	–	–	24	–
HECA SpA	246	15	261	–	246
Hydro Honduras S.A.	–	–	–	105	–
Infraclegrea Srl	36	10	46	95	–
Isclero S.c.r.l. in liquidation	92	1,518	1,610	1,592	–
M.N. Metropolitana di Napoli S.p.A.	101	–	101	1	100
Marsico Nuovo S.c.r.l. in liquidation	7	30	37	15	–
Messina Stadio S.c.r.l.	2,858	2,508	5,366	1,782	1,076
Metro Veneta s.c.r.l.	1,147	–	1,147	5,404	–
Monte Vesuvio S.c.r.l.	782	–	782	14	768
Nova Metro Srl	–	–	–	72	–
Nuovo Polo Fieristico Srl	16,966	–	16,966	367	16,599
Parking Puccini S.c.r.l. in liquidation	–	–	–	48	–
Pegaso S.c.r.l.	1,568	–	1,568	3,800	–
Piana di Licata S.c.r.l. in liquidation	475	–	475	139	336
Piceno S.c.r.l. in liquidation	988	335	1,323	995	–
Pont Ventoux Srl	7,832	–	7,832	23,883	–
Principe Amedeo S.c.r.l. in liquidation	518	25	543	238	280
Raggruppamento Astaldi-Vianini in liquidation	80	–	80	–	80
S.A.A.L.P. Snc in liquidation	11	466	477	8	3
S.A.C.E.S. S.r.l. in liquidation	–	–	–	3,012	–
S.A.C.E.S. S.r.l. succ.le Somalia	1,314	–	1,314	–	1,314
S.E.I.S. S.p.A.	–	125	125	–	–

balance of net trade payables	revenues from rendered services	production costs	financial costs	financial returns	extraordinary costs	extraordinary income
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–	–	43	–	2	5	–
247	–	42	–	–	–	–
11	–	–	–	–	–	–
11	6	–	–	–	–	–
–	13	–	–	–	–	–
–	–	1,638	–	–	–	–
–	3	15	–	1	–	–
–	–	–	–	–	–	–
145	3	–	–	2	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	836	310	–	–	–	–
–	11,389	9,648	–	38	–	–
–	72	–	–	–	–	–
–	–	–	–	–	–	–
15	21	87	–	–	–	–
856	–	13	–	2	124	–
3	11	1	–	–	–	10
52	179	289	–	–	–	–
–	–	16	–	–	9	3
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
5,411	132	2,828	–	–	4	–
–	41	113	–	–	–	–
–	–	–	–	–	–	–
164	–	3	–	–	–	–
2,780	452	2,487	–	–	9	–
15,895	315	33,249	1	–	372	210
44	–	56	6	–	16	–
74	–	7	–	–	–	–
–	74	266	–	–	8	–
–	–	118	–	–	–	–
1,132	–	–	–	–	–	–
–	–	–	–	–	–	–
1,531	33	345	–	3	–	1
260	–	299	–	–	–	–
–	–	–	–	3	–	–
24	–	–	–	–	–	–
–	–	–	–	–	–	–
105	–	–	–	–	–	–
59	30	111	–	–	–	–
1,500	–	–	–	–	–	–
–	5	–	39	–	–	–
8	–	–	–	–	–	–
–	1	95	–	6	–	–
4,257	338	7,293	–	46	–	–
–	462	1,918	–	–	8	–
72	–	76	–	–	–	–
–	2,194	80,409	–	–	–	–
48	–	–	–	–	–	–
2,232	1,077	15,357	–	–	7	–
–	–	–	–	1	–	–
7	8	–	–	22	–	–
16,051	1,485	21,414	–	102	–	188
–	3	10	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
3,012	2	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–

(table follows)

transactions with correlated parties

(thousands of euro)

	trade receivables	financial assets	total receivable	trade payables	balance of net trade receivables
associated companies					
S.E.P. Ass.en participation	9	16	25	19	–
Sa.Di.Pe. S.c.r.l. in liquidation	15	–	15	–	15
Santangelo Srl in liquidation	9	120	129	–	9
SO.GE.DEP. S.r.l. in liquidation	263	208	471	217	46
So.Gr.Es. S.c.p.a. in liquidation	50	50	100	5	45
Tangenziale Seconda S.c.r.l. in liquidation	112	–	112	7	105
Transeuropiska Autocesta D.o.o.	11	–	11	–	11
Truncu Reale S.c.r.l.	150	–	150	2	148
V.A.S.CO. Imprese Riunite	498	79	577	90	408
Val Pola S.c.r.l. in liquidation	22	–	22	–	22
Valle Caudina S.c.r.l.	221	119	340	523	–
Veneta Sanitaria Finanza di progetto SpA	202	–	202	4,476	–
Vesuviana Strade S.c.r.l.	1,099	–	1,099	621	478
Other smaller associated companies	67	610	677	16	78
total associated companies	72,498	8,948	81,446	97,412	35,705
other equity investmentz					
Aguas de San Pedro Sula S.A.	10	–	10	–	10
Bocca di Malamocco Srl	–	–	–	185	–
Comet JV	–	2,145	2,145	–	–
Consorzio Tagliamento	27	–	27	1	26
Consorzio Team	25	–	25	12	13
Consorzio TRA.DE.CI.V.	54	–	54	301	–
Fusaro Srl	12	–	12	57	–
Imprese Riunite Genova Srl in liquidation	–	–	–	211	–
Metrogenova S.c.r.l.	623	–	623	2,821	–
Napoli Porto Srl in liquidation	111	–	111	–	111
Pantano Srl	–	–	–	1,285	–
Plus Srl	–	1,071	1,071	–	–
Roma Lido S.c.r.l.	67	637	704	773	–
Other smaller equity investments	–	2	2	41	64
total other equity investments	929	3,855	4,784	5,687	224
general total	140,882	39,565	180,447	320,786	74,582

balance of net trade payables	revenues from rendered services	production costs	financial costs	financial returns	extraordinary costs	extraordinary income
10	–	42	–	9	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	6	–	18
–	–	86	–	–	–	–
–	–	3	–	1	2	1
–	–	–	–	–	–	–
–	–	8	–	2	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
302	–	35	–	129	–	–
4,274	104	2	–	–	–	78
–	271	2,063	–	7	–	60
27	27	1	1	6	–	4
60,619	19,587	180,796	47	388	564	573
–	–	–	–	2	–	7
185	–	–	–	–	–	–
–	–	7	–	–	–	–
–	–	–	–	–	–	21
–	19	–	–	–	7	34
247	15	624	–	–	86	5
45	–	–	–	–	–	–
211	–	–	–	–	–	–
2,198	253	4,042	–	–	–	–
–	7	2	–	–	–	–
1,285	542	661	–	–	–	–
–	–	–	–	–	–	–
706	1,078	216	–	–	–	–
93	7	–	–	–	67	1
4,970	1,921	5,552	–	2	160	68
254,473	28,647	248,330	11,103	1,931	14,142	863

For greater clarity, it is pointed out that the most significant amounts included in the receivables refer to the support provided to organisations established for the execution of specific contracts, both in Italy and abroad, in terms of provision of goods and services (in particular, industrial equipment, construction means, support of specialised personnel, etc.), as well as financial support. The latter, however, are deemed to be of a commercial nature, considering their specific connection with the activity sector in which the group operates, and also the particular legal structure of the organisations in question, which requires associates to share the economic, asset and financial results of individual ventures on a pro-rata basis.

Regarding debts and payables, it is pointed out that the nature of these is mainly attributable to the allocation of consortium costs by the Purpose companies, established solely for the execution of the specific works.

The following table summarises the net changes, with respect to 2002, in debit and credit transactions existing with subsidiary and associated companies.

debit and credit transaction with subsidiary and associated companies						
company	creditors			debtors		
	2002	2003	difference	2002	2003	difference
subsidiaries	52,631	38,653	(13,978)	190,476	188,884	(1,592)
associated companies	21,530	35,705	14,175	58,154	60,619	2,465
total	74,161	74,358	197	248,630	249,503	873

Regarding the changes indicated in the above statement, it is pointed out that these are the result of a more careful control of commercial transactions with Group companies, which, though significant, are nevertheless to be considered typical for the sector in which the Company operates.

Conclusions

In conclusion, in compliance with the provisions of Article 2427, points 15 and 16 of the Italian Civil Code, we inform you that the situation relevant to employees, both Italian and of other nationalities, on average in force during 2003, can be summarised as follows.

average number of employees	
– managers	89
– cadres	21
– clerks	954
– workers	4,578

The average number of personnel, with respect to the previous financial year, has increased substantially, in percentage terms equal to 19%, attributable to workers hired locally by foreign permanent organisations abroad.

Remuneration of Directors, Auditors and General Managers

The remuneration due to Directors, Auditors and General Managers for carrying out these functions is as follows.

remuneration paid to directors, auditors and general managers						
(euro)	office held	office held duration	emoluments for the office	non monetary benefits	bouns and other incentives	other payments
Anselmino Adriano	Honorary Chairman	31/12/2003	61,980			
Monti Ernesto	Chairman	31/12/2003	25,823			201,421 ⁽¹⁾
						51,646 ⁽²⁾
						10,329 ⁽³⁾
Astaldi Paolo	Vice Chairman	31/12/2003	25,823			103,296 ⁽¹⁾
						3,500 ⁽³⁾
						260,067 ⁽⁵⁾
Di Paola Vittorio	C.E.O.	31/12/2003	25,823		38,402 ⁽⁶⁾	193,680 ⁽¹⁾
						395,073 ⁽⁵⁾
Astaldi Pietro	Director	31/12/2003	25,823			23,000 ⁽³⁾
						204,975 ⁽⁵⁾
Astaldi Caterina	Director	31/12/2003	25,823			77,468 ⁽⁵⁾
Cerri Stefano	Director and GM	31/12/2003	25,823		19,201 ⁽⁶⁾	298,612 ⁽⁵⁾
						40,000 ⁽²⁾
						10,329 ⁽³⁾
Grassini Franco	Director	31/12/2003	25,823			
De Cecco Enrico	Director	31/12/2003	25,823			
Guidobono Cavalchini Luigi	Director	31/12/2003	25,823			
Lecchi Bruno	Director	31/12/2003	25,823			
Mariani Lucio	Director	31/12/2003	25,823			
Marino Giuseppe	Director	31/12/2003	25,823			320,005 ⁽⁵⁾
Marraffa Roberto	Director	31/12/2003	25,823			
Mele Vittorio	Director	31/12/2003	25,823			
Mincato Nicoletta	Director	31/12/2003	25,823			
Pinto Eugenio	Chairman of Board of Auditors	30/04/2005	79,257			
Singer Pierpaolo	Auditor	30/04/2005	52,839			4,197 ⁽⁴⁾
Ramondelli Aldo	Auditor	30/04/2003	29,237			
Spanò Pierumberto	Auditor	30/04/2005	23,602			
Oliva Nicola	General Manager				19,201 ⁽⁶⁾	289,860 ⁽⁵⁾
Cafiero Giuseppe	General Manager				19,201 ⁽⁶⁾	337,719 ⁽⁵⁾

1. Remuneration for offices held under Art. 2389, sub-sec. 2, Italian Civil Code.

2. Remuneration for offices held under Art. 2389, sub-sec. 2, Italian Civil Code, in subsidiaries.

3. Remuneration for the office of director in subsidiaries.

4. Remuneration for the office of auditor in subsidiaries.

5. Salaries.

6. Assigning of summary options free of charge.

With the Board of Directors' resolutions of 23 April 2002 and 9 May 2002 and in implementation of the incentive plan, the Company assigned, free of charge, shares owned by Astaldi to the following members of the Board of Directors and General Managers.

options assigned to members of the board of directors and general managers

		option held at the beginning of the financial year			options awarded during the financial year			options taken up during the financial year			options expired	options held at the end of the financial year		
(A)	(B)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)=1+4-7-10	(12)	(13)
Vittorio Di Paola	C.E.O.	203,000										203,000		
Giuseppe Cafiero	General Manager	105,000										105,000		
Stefano Cerri	Director and GM	105,000										105,000		
Giuseppe Marino	Director	105,000										105,000		

(A) Name and surname

(B) Office held

(1) No. of options

(2) Average price for financial year

(3) Average expiry

(4) No. of options

(5) Average price for financial year

(6) Average expiry

(7) No. of options

(8) Average price for financial year

(9) Average expiry

(10) No. of options

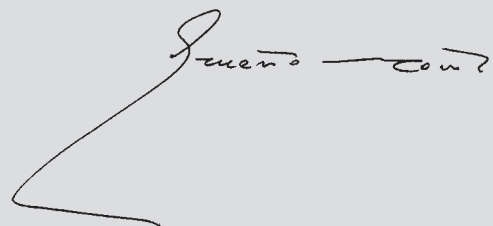
(11) No. of options

(12) Average price for financial year

(13) Average expiry

These financial statements are true and correct.

for The Board of Directors
The Chairman
(Ernesto Monti)



Attachments to the individual accounts

exchange rates applied for the conversion of accounts in foreign currency						
	currency		exchange 12.31.2003	average exchange 2003	exchange 12.31.2002	average exchange 2002
Albany	lek	ALL	133,548	136,715	136,946	131,683
Algeria	algerian dinar	DZD	83,006	85,480	79,116	73,277
Angola	readjustado kwarza	AOA	95,605	83,517	57,026	38,979
Saudi Arabia	saudi riyal	SAR	4,601	4,236	3,813	3,542
Bolivia	boliviano	BOB	9,537	8,649	7,555	6,763
Burundi	burundi franc	BIF	1,304,090	1.188,000	1.052,680	861,814
Caribbean	carib dollar	XCD	3,317	3,050	2,740	2,547
Central Africa, C.F.A Repub.	cfa franc	XAF	655,957	655,957	655,957	655,957
Chile	chilean peso	CLP	739,119	779,566	715,892	652,850
Colombia	colombian peso	COP	3,509,040	3.283,570	2.847,300	2.371,570
Democr. Republic of Congo	congoles franc	CDF	450,864	448,503	379,717	325,957
Croatia	kuna	HRK	7,670	7,557	7,410	7,395
Denmark	danish crown	DKK	7,442	7,431	7,426	7,431
Dominican Republic	dominican peso	DOP	45,094	32,744	19,882	16,465
El Salvador	salvadorian colon	SVC	10,750	9,898	8,910	8,273
Japan	japanese yen	JPY	132,431	130,971	124,198	118,063
Gibuti	gibuti franc	DJF	217,392	200,951	180,964	168,047
Guinea	guinean franc	GNF	2,450,980	2.240,710	2.006,980	1.853,200
Honduras	lempira	HNL	22,042	19,752	17,189	15,606
Indonesia	indonesian rupee	IDR	10,421,700	9.679,260	9.079,340	8.775,550
Kenya	kenya scellin	KES	93,279	85,778	80,813	74,404
Libya	libyan dinar	LYD	1,651	1,437	1,249	1,156
Malawi	kwacha	MWK	129,261	108,462	85,721	71,749
Morocco	moroccan dirham	MAD	11,012	10,812	10,577	10,382
Mozambique	metical	MZM	28,296,600	26.004,000	23.598,900	21.782,200
Nicaragua	cordoba oro	NIO	18,952	17,025	14,934	13,515
Norway	norway corona	NOK	8,242	8,003	7,295	7,509
Pakistan	pakistani rupee	PKR	70,473	65,277	59,476	56,331
Qatar	riyal qatar	QAR	4,472	4,117	3,706	3,442
United Kingdom	british pound	GBP	0,702	0,692	0,642	0,629
Rumania	leu	ROL	40,572,600	37.550,600	34.251,400	31.269,700
Rwanda	rwandan franc	RWF	684,282	596,179	505,879	443,268
Singapore	singapore dollar	SGD	2,102	1,970	1,786	1,691
United States	us dollar	USD	1,229	1,131	1,018	0,946
South Africa	rand	ZAR	7,993	8,532	9,104	9,907
Switzerland	swiss franc	CHF	1,554	1,521	1,468	1,467
Taiwan	taiwanese dollar	TWD	41,780	38,852	35,434	32,380
Tanzania	scellino tanzania	TZS	1,287,430	1.169,160	993,248	910,868
Thailand	baht	THB	48,796	46,898	44,086	40,615
Tunisia	tunisian dinar	TND	1,512	1,453	1,384	1,339
Turkey	turkish lira	TRL	1.761.551,000	1.694.851,000	1.619.050,000	1.439.680,000
European Monetary Union	euro	EUR	1,000	1,000	1,000	1,000
Venezuela	bolivar	VEB	1,960,780	1.829,430	1.342,650	1.112,710
Zambia	kwacha	ZMK	5,749,130	5.411,830	4.842,130	4.153,380

The exchange rate concerns the amount of foreign currency necessary in order to buy 1 euro.

i n t a n g i b l e a s s e t s				
(euro)				
category	value	12.31.2002 amortisation reserve	net book value	exchange rate differences
formation and expansion expenses	11,817,161	3,839,614	7,977,547	
patents and rights to use patents of others	2,584,509	2,010,497	574,012	
concessions, licenses, trademarks and similar rights	4,607,219	4,038,898	568,321	
other				
– construction site installation costs	51,385,637	42,631,522	8,754,115	52,012
– cost of preparing tenders	2,674,508	925,141	1,749,366	
– studies and designs	778,029	613,742	164,287	–
– leasehold improvements	2,105,069	1,684,055	421,014	
– other long term charges	68,526,266	31,047,577	37,478,689	288,753
total	144,478,397	86,791,047	57,687,350	340,765

cost increases	bal. sheet for financial year	12.31.2003 total increases	transfer & reclassification	amortisation for financial year	net book value
-	-	-	67,771	(2,419,656)	5,625,662
215,828	879,912	1,095,740	-	(386,333)	1,283,419
-	-	-	-	(539,159)	29,162
3,219,808	-	3,219,808	1,078,416	(3,547,991)	9,556,360
278,481	-	278,481	(1,203,285)	(445,502)	379,060
-	1,119,162	1,119,162	-	(98,182)	1,185,267
-	2,270	2,270	-	(421,468)	1,816
806,540	5,737,422	6,543,962	(104,430)	(17,907,100)	26,299,874
4,520,657	7,738,767	12,259,424	(161,527)	(25,765,391)	44,360,620

gross tangible assets

(euro)

	value	value at 12/31/2002		total
		revaluations	devaluations	
Lands	796,527	947,129	–	1,743,656
Buildings	203,954.01	–	–	203,954.01
Assets without charge	2,542,393	–	–	2,542,393
Industrial buildings	5,714,587.36	–	–	5,714,587.36
Specific plant	34,277,548	9,946	–	34,287,494
General plant	8,663,788	5,261	–	8,669,049
Crafts	867,645	–	–	867,645
Excavators and power shovels	21,531,279	52,963	–	21,584,242
Heavy vehicles	7,581,334	–	–	7,581,334
Light vehicles, ships and planes	4,906,933	207	–	4,907,140
Sundry small equipments	3,039,717	1,075	–	3,040,792
Light constructions	2,309,331	310	–	2,309,641
Metal sheet pile and shuttering	2,983,656	52,097	–	3,035,753
Furniture, fittings and office machines	2,754,878	–	–	2,754,878
Electronic machines and office equipments	3,575,464	–	–	3,575,464
Tangible assets in course of constr. & paym. on account	391,929	–	–	391,929
	102,140,963	1,068,987	–	103,209,950

amortisation reserves

(euro)

amortisation reserve at 12/31/2002					
	%	value	revaluations	devaluations	totale
Lands	0.00%	5,324	—	—	5,324
Buildings	0.00%	—	—	—	—
Assets withuot charge	3.00%	114,408			114,408
Industrial buildings	3.00%	1,783,440.68	—	—	1,783,440.68
Specific plant	15.00%	20,080,015	9,947	—	20,089,962
General plant	10.00%	4,150,823	5,262	—	4,156,085
Crafts	10.00%	863,978	—	—	863,978
Excavators and power shovels	20.00%	7,818,556	52,963	—	7,871,520
Heavy vehicles	20.00%	6,593,323	—	—	6,593,323
Light vehicles, ships and planes	25.00%	2,758,742	207	—	2,758,949
Sundry small equipments	40.00%	2,130,842	1,074	—	2,131,916
Light constructions	12.50%	1,500,599	310	—	1,500,909
Metal sheet pile and shuttering	25.00%	2,041,512	52,096	—	2,093,608
Furniture, fittings and office machines	12.00%	1,874,358	—	—	1,874,358
Electronic machines and office equipments	20.00%	2,707,758	—	—	2,707,758
Tangible assets in course of constr.					
& paym. on account	0.00%	—	—	—	—
		54,423,678	121,859	—	54,545,538

tangible assets

(euro)

	value	value at 12/31/2002		net book value
		amortisation reserves		
Lands	1,743,656	5,324		1,738,332
Buildings	203,954	–		203,954
Assets without charge	2,542,393	114,408		2,427,985
Industrial buildings	5,714,587	1,783,441		3,931,147
Specific plant	34,287,494	20,089,962		14,197,532
General plant	8,669,049	4,156,085		4,512,964
Crafts	867,645	863,978		3,667
Excavators and power shovels	21,584,242	7,871,520		13,712,722
Heavy vehicles	7,581,334	6,593,323		988,012
Light vehicles, ships and planes	4,907,140	2,758,949		2,148,191
Sundry small equipments	3,040,792	2,131,916		908,876
Light constructions	2,309,641	1,500,909		808,732
Metal sheet pile and shuttering	3,035,753	2,093,608		942,145
Furniture, fittings and office machines	2,754,878	1,874,358		880,520
Electronic machines and office equipments	3,575,464	2,707,758		867,706
Tangible assets in course of constr. & paym. on account	391,929	–		391,929
	103,209,950	54,545,538		48,664,412

increases			decreases			exchange rate	value at 12/31/2003		
purchases	revaluations	transfers & reclassification	disposals	devaluations	transfers & reclassification	difference	value	revaluations	total
-					-	20,959	817,486	947,129	1,764,615
-			-		-	-	203,954.01	-	203,954.01
-			-		-	-	2,542,393	-	2,542,393
114,539					-	-	5,829,126.68	-	5,829,126.68
10,224,774		114,952	(4,279,261)		(146,823)	(219,899)	39,971,290.95	9,946	39,981,237
3,717,361		252,066	(471,020)		(77,908)	19,010	12,103,296	5,261	12,108,557
-			(77,452)		-	1	790,194	-	790,194
5,896,268		394,492	(3,221,846)		(23,847)	82,777	24,659,123	52,963	24,712,085
489,194			(837,913)		(333,466)	(28,003)	6,871,146	-	6,871,146
1,020,566		21,433	(573,751)		-	207,995	5,583,176	207	5,583,382
733,185	-	22,605	(231,836)		(13,639)	(105,952)	3,444,081	1,075	3,445,156
115,546			(115,039)		-	60,683	2,370,521	310	2,370,831
674,011		29,064	(647,196)		(228,874)	39,090	2,849,752	52,097	2,901,848
110,539			(405,810)		(10,055)	116,983	2,566,536	-	2,566,536
365,961			(513,230)		-	31,121	3,459,315	-	3,459,315
133,987		-	(247,652)		-	-	278,264	-	278,264
23,595,932	-	834,612	(11,622,006)	-	(834,612)	224,764	114,339,654	1,068,987	115,408,641

increases			decreases			exchange rate	amortisation reserve at 12/31/2003		
amortisation	revaluations	transfers & reclassification	disposals	devaluations	transfers & reclassification	difference	value	revaluations	total
—			—	—	—	(5,324)	(0)	—	(0)
—			—	—	—	—	—	—	—
76,272			—	—	—	—	190,680	—	190,680
39,421			(68)	—	—	—	1,822,793.46	—	1,822,793.46
3,400,965		98,217	(2,275,909)	—	(112,482)	(291,549)	20,899,257	9,947	20,909,205
914,399		73,706	(368,885)	—	(49,266)	(84,781)	4,635,996	5,262	4,641,258
514			(74,647)	—	—	(0)	789,845	—	789,845
3,859,621		306,662	(979,277)	—	(23,847)	(100,801)	10,880,913	52,963	10,933,876
535,633			(836,198)	—	(256,669)	12,762	6,048,851	—	6,048,851
940,009		21,433	(440,455)	—	—	185,070	3,464,799	207	3,465,005
685,898		8,048	(123,936)	—	(9,099)	(7,365)	2,684,389	1,074	2,685,464
172,469			(69,927)	—	—	18,765	1,621,906	310	1,622,216
385,652		24,920	(635,965)	—	(71,569)	(3,040)	1,741,509	52,096	1,793,605
137,172			(397,143)	—	(10,055)	16,964	1,621,297	—	1,621,297
349,841			(499,467)	—	—	16,819	2,574,951	—	2,574,951
—			—	—	—	—	—	—	—
11,497,867	—	532,986	(6,701,879)	—	(532,986)	(242,481)	58,977,187	121,859	59,099,045

	value at 12/31/2003	
value	amortisation reserves	net book value
1,764,615	(0)	1,764,615
203,954	-	203,954
2,542,393	190,680	2,351,713
5,829,127	1,822,793	4,006,333
39,981,237	20,909,205	19,072,033
12,108,557	4,641,258	7,467,299
790,194	789,845	349
24,712,085	10,933,876	13,778,210
6,871,146	6,048,851	822,295
5,583,382	3,465,005	2,118,377
3,445,156	2,685,464	759,692
2,370,831	1,622,216	748,615
2,901,848	1,793,605	1,108,243
2,566,536	1,621,297	945,239
3,459,315	2,574,951	884,364
278,264	-	278,264
115,408,641	59,099,045	56,309,595

companies

a) share capital

1 - imprese controllate

Asociacion Accidental Astaldi S.p.A. - C.B.I. s.r.l.	Località "El Portillo" - Tarija - Bolivia	-
Assistenza Sviluppo e Tecnologie Ausiliarie alle Costruzioni (A.S.T.A.C.) S.r.l.	Via G.V. Bona, 65 - Rome - Italy	46,800.00
Astaldi (Thailand) Company Ltd.	21/125 Fl.17 Unit A, Thai Wah Tower II SathornTai Road- Sathorn - Bangkok -Tailandia	204,934.83
Astaldi Africa S.p.A. in liquidation	Addis Abeba - Etiopia	1,032.91
Astaldi Arabia Ltd.	P.O. Box 58139 - Riad - Saudi Arabia	1,311,165.89
Astaldi Construction Corporation	8220 State Road 85 Davie - Florida - U.S.A.	4,882,018.00
Astaldi de Venezuela C.A.	C.C. C.T. 1ra Etapa Piso 6 Of. 620 - Caracas - Venezuela	1,297,205.29
Astaldi Finance S.A.	Boulevard du Prince Henri 19-21 - Luxembourg	250,000.00
Astaldi International Ltd.	34-36 Gray's Inn Road - London - uk	2,849,003.00
Astaldi-Caldart AS.CAL. S.c.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy	46,800.00
Astaldi-Rwanda Association Momentanée	Rue de la Douane - Kigali - Rwanda	20,231.26
Astur Construction and Trade A.S.	Aydinpinar Cad. Kucukmehmetler Koyu - Ankara - Turkey	528,336.68
Bussentina S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,500.00
C.O.MES. S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	20,000.00
CO.ME.NA. S.c.r.l.	Via Morghen, 36 - Naples - Italy	20,658.28
CO.NO.CO. S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	25,500.00
Colli Albani S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,500.00
Consorcio Astaldi - C.B.I.	Av. Iturralde 1308 Esquina San Salvador - La Paz - Bolivia	-
Consorzio A.R.Z. - Astaldi-R.I.C.- ZAIRE in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,822.84
Consorzio Astaldi-C.M.B. Due in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,329.14
Consorzio Olbia Mare in liquidation	Via G.V. Bona, 65 - Rome - Italy	15,493.71
Cospe S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Diga di Arcichiaro S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	35,700.00
DIPA. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
DP 2M S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Eco Po Quattro S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	25,500.00
Euroast S.r.l. In liquidation	Via G.V. Bona, 65 - Rome - Italy	15,300.00
Fiorbis S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	46,481.12
Forum S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	51,000.00
Groupeement Astaldi SpA - Astaldi International Ltd.	B.P. 4230 - Gibuti	-
I.F.C. Due S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	45,900.00
I.F.C. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	46,481.12
Italstrade S.p.A.	Via Agrigento, 5 - Rome - Italy	22,000,000.00
Linea A S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,500.00
Montedil-Astaldi S.p.A. (MONTAST) in liquidation	Via G.V. Bona, 65 - Rome - Italy	408,000.00
Mormanno S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Palese Park S.r.l.	Via G.V. Bona, 65 - Rome - Italy	1,020,000.00
Portovesme S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	25,500.00
Quattro Venti S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	51,000.00
R.I.C.-Railway International Construction S.p.A.	Via G.V. Bona, 65 - Rome - Italy	2,580,000.00
Redo-Association Momentanée	B.P. 8734 - Dem. Rep. of Congo	-
S. Filippo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
S. Leonardo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Silva S.r.l. in liquidation	Via Monte Santo, 1 - Rome - Italy	15,300.00
Susa Dora Quattro S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	51,000.00
TE.CRO. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Toledo S.c.r.l.	Via Morghen, 36 - Naples - Italy	50,000.00
Tri.Ace S.c.a.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	45,900.00
Viadotti di Courmayeur S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Viadotto Fadalto S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	51,129.23
total 1) - subsidiary companies		

2 - associated companies

A.F.M. Astaldi-Ferrocemento-Mambrini S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	45,900.00
Adduttore Ponte Barca S.c.r.l.	Via di Pietralata, 140 - Rome - Italy	45,900.00
Almo S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	46,481.12
Alosa Immobiliare S.p.A. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,320,000.00
Association en participation SEP Astaldi-Somatra-Bredero	Tunisia	-
Astaldi Bayindir J.V.	Ilkadam Sokak, 19 Gaziomanpasa- Ankara - Turkey	-
Astaldi-Ecuador S.A.	Portugal 617 y 6 de Diciembre - Guayaquil - Ecuador	-
Astaldi-Ferrocemento J.V.	10-Ha Khayaban-E-Shujat - Karachi - Pakistan	40,683.48
Avola S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Blufi 1 S.c.r.l. in liquidation	Zona Industriale - Agrigento - Italy	25,822.84
C.F.M. S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	41,316.55
Carnia S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	45,900.00
Cogital S.c.r.l. in liquidation	Viale Italia, 1 - Milan - Italy	60,044.00
Consorcio Astaldi-ICE	Av. Libertador Bolivar, 1842 - Cochabamba - Bolivia	-
Consorcio Contuy Medio	Avida Andres Bello, Ed. Atlantic Piso 7, Of. 1-7 - Venezuela	-
Consorcio Ghella-Astaldi & Asociados	Santo Domingo - Repubblica Dominicana	18,683.91
Consorcio Ghella-Astaldi-WTC	Santo Domingo - Repubblica Dominicana	-
Consorcio Grupo Contuy - Proyectos y Obras de Ferrocarriles	CCC T. 1ra Etapa Piso 6 Of. 620 Chuao - Caracas - Venezuela	-
Consorcio Metro Los Teques	Caracas - Venezuela	-
Consorzio A.F.T.	Via G.V. Bona, 65 - Rome - Italy	46,481.12
Consorzio A.F.T. Kramis	Via G.V. Bona, 65 - Rome - Italy	100,000.00
Consorzio Bonifica Lunghezza - C.B.L.	Via Calderon de la Barca, 87 - Rome - Italy	10,000.00
Consorzio C.I.R.C.	Via G.V. Bona, 65 - Rome - Italy	51,000.00

b) stockholders' equity	c) profit (loss) for the year	d)% ownership	e) book value	f) share of net equity	g) share of provision for risks	h) coverage of losses	i) distributed profits	l) net equity ex art. 2426 sub. sec 1 n. 4 it. civil code
-	-	70.000%	-	-	-	-	-	-
(347,812.83)	(493,262.98)	100.000%	-	(347,812.83)	341,418.00	-	-	6,394.83
207,079.00	(1,655.39)	25.000%	68,745.53	51,769.75	-	-	-	16,975.78
1,032.91	-	100.000%	-	1,032.91	-	-	-	(1,032.91)
958,893.21	(217,765.49)	60.000%	892,389.49	575,335.93	-	-	-	317,053.56
14,853,841.00	9,038,968.00	90.000%	5,319,168.41	13,368,456.90	-	-	-	(8,049,288.49)
5,701,213.00	358,447.12	99.804%	1,297,205.29	5,690,038.62	-	-	(4,200,000.00)	(192,833.33)
378,541.24	58,408.37	99.960%	249,900.00	378,389.82	-	-	-	(128,489.82)
3,128,388.00	(3,171,166.00)	100.000%	3,280,527.05	3,128,388.00	-	-	-	152,139.05
4,355.00	(19,238.00)	60.000%	2,613.00	2,613.00	-	-	-	-
2,484,633.02	931,698.58	60.000%	20,231.14	1,490,779.81	-	-	-	(1,470,548.67)
672,977.01	(712,322.03)	99.000%	563,992.99	666,247.24	-	-	-	(102,254.25)
9,002.00	(16,821.00)	78.800%	7,093.58	7,093.58	-	-	-	-
20,000.00	-	55.000%	11,000.00	11,000.00	-	-	-	-
20,658.28	-	70.432%	14,549.62	14,550.04	-	-	-	(0.42)
25,822.84	-	80.000%	11,620.28	20,658.27	-	-	-	(9,037.99)
12,562.00	(4,605.00)	60.000%	7,537.20	7,537.20	-	-	-	-
-	-	60.000%	-	-	-	-	-	-
24,817.00	(3,499.00)	1.000%	227.64	248.17	-	-	-	(20.53)
11,079.50	(2,018.66)	99.995%	4,843.69	11,078.95	-	-	-	(6,235.26)
(723,721.00)	(1,135.00)	72.500%	-	(524,697.73)	524,697.73	-	-	-
10,329.14	-	100.000%	5,681.03	10,329.14	-	-	-	(4,648.11)
2,475.00	(33,677.00)	100.000%	2,475.00	2,475.00	-	-	-	-
(17,534.00)	(27,863.00)	100.000%	-	(17,534.00)	17,534.00	-	-	-
(26,258.00)	2,175.00	72.000%	-	(18,905.76)	20,470.35	-	-	(1,564.59)
25,822.84	-	80.000%	20,658.28	20,658.27	-	-	-	0.01
(9,414.44)	(26,165.00)	100.000%	15,700.29	(9,414.44)	-	-	-	25,114.73
25,848.23	-	99.980%	25,817.21	25,843.06	-	-	-	(25.85)
51,645.69	-	59.990%	30,982.25	30,982.25	-	-	-	-
-	-	60.000%	-	-	-	-	-	-
(211,067.25)	(233,790.94)	99.990%	-	(211,046.14)	211,046.14	-	-	-
45,901.40	445.67	66.660%	15,493.71	30,597.87	-	-	-	(15,104.16)
14,488,724.00	(8,951,769.00)	100.000%	22,114,955.59	14,488,724.00	-	-	-	7,626,231.59
25,822.84	-	100.000%	25,822.84	25,822.84	-	-	-	-
2,532,943.00	(172,227.00)	100.000%	650,735.69	2,532,943.00	-	-	(1,295,974.00)	(586,233.31)
(61,463.00)	(9,213.00)	74.990%	-	(46,091.10)	46,091.10	-	-	-
996,219.00	(15,714.00)	99.000%	1,022,584.66	986,256.81	-	-	-	36,327.85
25,822.84	-	80.000%	20,658.28	20,658.27	-	-	-	0.01
51,645.69	-	60.000%	30,987.41	30,987.41	-	-	-	-
6,954,437.00	2,193,586.00	100.000%	2,839,831.22	6,954,437.00	-	-	(2,100,000.00)	(2,014,605.78)
687,230.79	-	75.000%	29,487.06	515,423.09	-	-	-	(485,936.03)
(53,110.00)	(63,439.00)	80.000%	-	(42,488.00)	42,488.00	-	-	-
(772.00)	(11,101.00)	51.000%	-	(393.72)	393.72	-	-	-
(35,707.10)	-	99.000%	-	(35,350.03)	35,350.04	-	-	(0.01)
51,645.69	-	90.000%	46,481.12	46,481.12	-	-	-	-
(194,673.00)	(66,654.00)	100.000%	-	(194,673.00)	194,673.00	-	-	-
50,000.00	-	90.394%	45,197.00	45,197.00	-	-	-	-
46,481.12	-	80.000%	37,184.90	37,184.90	-	-	-	-
10,329.14	-	66.670%	3,718.49	6,886.44	-	-	-	(3,167.95)
34,078.84	-	80.000%	27,263.07	27,263.07	-	-	-	-
			38,763,360.01	49,815,961.98	1,434,162.08	-	(7,595,974.00)	(4,890,790.05)
42,968.00	19,799.00	35.000%	8,108.99	15,038.80	-	-	-	(6,929.81)
46,481.12	-	24.330%	11,308.86	11,308.86	-	-	-	-
46,481.12	-	35.000%	16,268.39	16,268.39	-	-	-	-
(40,949,094.00)	(5,655,983.00)	50.000%	-	(20,474,547.00)	-	20,474,547.00	-	-
-	-	40.000%	-	-	-	-	-	-
-	-	50.000%	-	-	-	-	-	-
-	-	20.000%	3,098.74	-	-	-	-	3,098.74
(66,179.53)	(1,564,646.00)	50.000%	20,314.32	(33,089.77)	-	-	-	53,404.09
(200,001.00)	(30,330.00)	50.000%	-	(100,000.50)	100,000.50	-	-	-
13,089.14	-	32.000%	4,188.52	4,188.52	-	-	-	-
41,316.55	-	50.000%	20,658.28	20,658.28	-	-	-	-
(47,071.00)	(77,025.00)	33.000%	-	(15,533.43)	15,533.43	-	-	-
60,404.00	-	50.000%	30,022.50	30,202.00	-	-	-	(179.50)
-	-	50.000%	-	-	-	-	-	-
-	-	28.300%	109,617.98	-	-	-	-	109,617.98
18,683.91	-	33.300%	6,221.74	6,221.74	-	-	-	-
-	-	33.300%	6,917.63	-	-	-	-	6,917.63
-	-	32.330%	-	-	-	-	-	-
8,516,011.00	20,591,799.00	30.000%	2.00	2,554,803.30	-	-	-	(2,554,801.30)
46,481.12	-	33.330%	15,493.71	15,492.16	-	-	-	1.55
100,000.00	-	49.995%	49,995.00	49,995.00	-	-	-	-
10,000.00	-	49.000%	4,900.00	4,900.00	-	-	-	-
51,645.69	-	25.000%	12,911.42	12,911.42	-	-	-	-

(table follows)

companies

a) share
capital

associated companies

Consorzio Carnia	Via G.V. Bona, 65 - Rome - Italy	51,645.69
Consorzio Co.Fe.Sar.	Viale Liegi, 26 - Rome - Italy	51,645.69
Consorzio Cogitau S.c.n.c. in liquidation	Via G.V. Bona, 65 - Rome - Italy	61,974.83
Consorzio Consarno	Via Napoli, 329 - Castellammare di Stabia (NA) - Italy	20,658.00
Consorzio Consavia S.c.n.c. in liquidation	Via G.V. Bona, 65 - Rome - Italy	20,658.28
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	Via Chiatamone, 57 - Naples - Italy	2,582.28
Consorzio Ferrofir	Via Ombrone, 2/g - Rome - Italy	30,987.41
Consorzio Gli.lt. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	2,582.28
Consorzio Inau in liquidation	Viale Cesare Pavese, 205 - Rome - Italy	77,468.53
Consorzio Iricav Due	Via F. Tovaglieri, 413 - Rome - Italy	510,000.00
Consorzio Iricav Uno	Via F. Tovaglieri, 413 - Rome - Italy	516,456.90
Consorzio Ital.Co.Cer.	Piazza Buenos Aires, 5 - Rome - Italy	51,600.00
Consorzio Italvenezia	Via Salaria, 1039 - Rome - Italy	77,450.00
Consorzio L.A.R. in liquidation	Via Palestro, 30 - Rome - Italy	206,582.76
Consorzio Metrofer	Viale Liegi, 26 - Rome - Italy	25,822.84
Consorzio Novocen	Via Orazio, 143 - Naples - Italy	51,640.00
Consorzio Qalat	Corso Carlo Marx, 19 - Misterbianco (CT) - Italy	10,327.00
Consorzio Recchi S.p.A.- Astaldi S.p.A.	Via Salaria, 1039 - Rome - Italy	51,645.69
Consorzio Tre Fontane Nord in liquidation	Via G.V. Bona, 65 - Rome - Italy	15,493.71
Diga di Blufi S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	45,900.00
Ecosamo S.c.r.l.	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	50,490.00
Fosso Canna S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,500.00
Groupement Eurolep	Shifflandestrasse, 35 - Aaran 5000 - Switzerland	62,127.39
Holding Eléctrica Centroamericana S.p.A. - (Heca S.p.A.) in liquidation	Via G.V. Bona, 65 - Rome - Italy	100,000.00
Hydro Honduras S.A. (Hydro West y Asociados S.A.)	Ap.3199, Salida Norte Blvd. Fuerzas Armadas - El Carrizal - Tegucigalpa - Honduras	2,518,655.24
Infraclegrea S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy	46,600.00
Isclero S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	12,000.00
M.N. Metropolitana di Napoli S.p.A.	Via Galileo Ferraris, 101 - Naples - Italy	3,655,397.00
Marsico Nuovo S.c.r.l. in liquidation	Via Dora, 2 - Rome - Italy	10,200.00
M.E.S.A. S.c.r.l. in liquidation	Via della Cooperazione, 30 - Bologna - Italy	40,800.00
Messina Stadio S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	45,900.00
Metroveneta S.c.r.l.	Piazza Castello, 16 - Padova - Italy	25,500.00
Monte Vesuvio S.c.r.l.	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	45,900.00
Mose-Treporti S.C.r.l.	Via C.Battisti n°2 - Venezia - Italy	10,000.00
N.P.F. - Nuovo Polo Fieristico S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	40,000.00
Nova Metro S.c.r.l.	Via Montello, 10 - Rome - Italy	40,800.00
Parking Puccini S.c.r.l. in liquidation	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	45,900.00
Pegaso S.c.r.l.	Via F. Tovaglieri, 17 - Rome - Italy	260,000.00
Piana di Licata S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	10,200.00
Piceno S.c.r.l. in liquidation	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	10,200.00
Pont Ventoux S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	51,000.00
Principe Amedeo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Priolo Siracusa S.c.r.l.	Piazza Velasca, 4 - Milan - Italy	10,329.14
Raggruppamento Astaldi-Vianini in liquidation	S.P. per Fisciano Km.1 - Fisciano (SA) - Italy	25,822.84
S.A.A.L.P. S.n.c. in liquidation	Via Boncompagni, 47 - Rome - Italy	51,646.00
S.A.C.E.S. S.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	26,000.00
S.E.I.S. S.p.A.	Via Monte Santo, 1 - Rome - Italy	3,877,500.00
Sa.Di.Pe. S.c.r.l. in liquidation	Via della Dataria, 22 - Rome - Italy	40,800.00
Santangelo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	51,000.00
SO.GE.DEP. S.r.l. in liquidation	Via dell'Astronomia, 9 - Rome - Italy	20,658.28
So.Gr.Es. S.c.p.a. in liquidation	Via Molise, 11 - Rome - Italy	129,000.00
Tangenziale Seconda S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	45,900.00
Transeuropska Autocesta d.o.o	Maksimirska 120/III 10000 - Zagabria - Croatia	6,466,390.57
Truncu Reale S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	30,600.00
V.A.S.CO. Imprese Riunite	Via Montello, 10 - Rome - Italy	51,645.69
Val Pola S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	46,481.12
Valle Caudina S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	50,000.00
Veneta Sanitaria Finanza di Progetto - V.S.F.P. S.p.A.	Via Cesare Battisti, 2 - Mestre (VE) - Italy	20,500,000.00
Vesuviana Strade S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	45,900.00

total 2) - associated companies

grand total

b) stockholders' equity	c) profit (loss) for the year	d)% ownership	e) book value	f) share of net equity	g) share of provision for risks	h) coverage of losses	i) distributed profits	l) net equity ex art. 2426 sub. sec 1 n. 4 it. civil code
51,645.69	—	33.000%	17,043.08	17,043.08	—	—	—	—
51,645.00	—	30.000%	15,493.71	15,493.50	—	—	—	0.21
1,202,373.00	(8,182.00)	38.100%	23,612.40	458,104.11	—	—	—	(434,491.71)
20,659.00	—	25.000%	5,164.57	5,164.75	—	—	—	(0.18)
16,716.53	(3,941.75)	25.000%	4,897.34	4,179.13	—	—	—	718.21
—	—	50.000%	—	—	—	—	—	—
534,800.45	200,739.14	66.666%	20,658.28	356,530.07	—	—	—	(335,871.79)
2,582.28	—	50.000%	1,291.14	1,291.14	—	—	—	—
58,270.07	—	40.630%	23,675.83	23,675.13	—	—	—	0.70
516,456.90	—	32.990%	170,379.13	170,379.13	—	—	—	—
516,456.90	—	27.910%	145,132.00	144,143.12	—	—	—	988.88
51,646.69	—	30.000%	15,493.71	15,494.01	—	—	—	(0.30)
77,468.00	—	25.000%	19,367.13	19,367.00	—	—	—	0.13
206,582.76	—	29.410%	51,645.69	60,755.99	—	—	—	(9,110.30)
25,822.84	—	33.320%	8,607.62	8,604.17	—	—	—	3.45
840,884.00	102,838.00	40.760%	19,475.59	342,744.32	—	—	—	(323,268.73)
10,329.14	—	40.000%	4,131.66	4,131.66	—	—	—	—
51,645.69	—	50.000%	25,822.84	25,822.85	—	—	—	(0.01)
(8,522.00)	(5,805.00)	33.333%	—	(2,840.64)	2,840.67	—	—	(0.03)
46,481.12	—	50.000%	23,240.56	23,240.56	—	—	—	—
51,134.00	—	33.334%	17,043.08	17,045.01	—	—	—	(1.93)
(90,600.00)	(51,717.00)	32.000%	—	(28,992.00)	28,992.00	—	—	—
56,334.78	—	22.000%	8,087.51	12,393.65	—	—	—	(4,306.14)
(70,792.00)	(64,766.00)	50.000%	—	(35,396.00)	35,396.00	—	—	—
1,582,346.02	—	20.293%	519,624.88	321,105.48	—	—	—	198,519.40
46,600.00	—	50.000%	23,300.00	23,300.00	—	—	—	—
4,834.00	(7,166.00)	31.170%	1,506.76	1,506.76	—	—	—	—
6,615,896.00	(547,109.00)	22.620%	3,298,708.14	1,496,515.68	—	—	—	1,802,192.46
5,216.00	(39,818.00)	25.000%	2,582.28	1,304.00	—	—	—	1,278.28
41,316.55	—	25.000%	10,329.14	10,329.14	—	—	—	—
46,481.12	—	33.330%	15,493.71	15,492.16	—	—	—	1.55
25,822.84	—	50.000%	12,911.42	12,911.42	—	—	—	—
46,481.12	—	50.000%	23,240.56	23,240.56	—	—	—	—
—	—	35.000%	3,500.00	—	—	—	—	3,500.00
40,000.00	—	50.000%	20,000.00	20,000.00	—	—	—	—
41,316.55	—	20.000%	8,263.31	8,263.31	—	—	—	—
(56,132.10)	(80,475.30)	50.000%	—	(28,066.05)	28,066.05	—	—	—
260,000.00	—	43.750%	113,750.00	113,750.00	—	—	—	—
(242,616.00)	(2,535.00)	43.750%	—	(106,144.50)	87,064.71	—	—	19,079.79
(284,853.97)	(265,575.60)	50.000%	—	(142,426.99)	142,426.99	—	—	—
51,645.69	—	56.250%	23,240.56	29,050.70	—	—	—	(5,810.14)
(136,284.00)	(80,936.00)	50.000%	—	(68,142.00)	68,142.00	—	—	—
77,648.24	—	20.000%	2,065.83	15,529.65	—	—	—	(13,463.82)
21,875.00	(2,097.00)	50.000%	9,683.57	10,937.50	—	—	—	(1,253.93)
(164,668.00)	(216,314.00)	30.000%	7,318.80	(49,400.40)	—	—	—	56,719.20
702,001.00	(27,523.00)	37.000%	9,554.45	259,740.37	—	—	—	(250,185.92)
4,663,568.45	406,963.00	48.330%	1,872,156.26	2,253,902.63	—	—	—	(381,746.37)
(145,112.00)	—	49.950%	20,637.62	(72,483.44)	—	93,214.17	—	(93.11)
27,393.00	(1,778.00)	45.000%	12,326.85	12,326.85	—	—	—	—
(21,396.00)	(36,865.00)	22.840%	2,959.17	(4,886.85)	—	—	—	7,846.02
129,114.22	—	25.000%	32,278.56	32,278.56	—	—	—	—
46,480.00	—	42.730%	19,640.70	19,860.90	—	—	—	(220.20)
6,199,788.33	—	49.000%	3,157,743.80	3,037,896.28	—	—	—	119,847.52
30,987.41	—	34.000%	10,535.72	10,535.72	—	—	—	—
84,472.80	—	29.000%	14,977.25	24,497.11	—	—	—	(9,519.86)
45,489.88	—	35.000%	15,921.46	15,921.46	—	—	—	—
51,645.69	—	52.240%	20,234.78	26,979.71	—	—	—	(6,744.93)
20,500,000.00	—	31.000%	6,355,000.00	6,355,000.00	—	—	—	—
46,481.12	—	30.000%	13,944.34	13,944.34	—	—	—	—
			16,593,720.87	(2,528,238.43)	508,462.35	20,567,761.17	—	(1,954,264.22)
			55,357,080.88	47,287,723.55	1,942,624.43	20,567,761.17	(7,595,974.00)	(6,845,054.27)

net equity changes

(thousands of euro)

	subscribed capital	share premium reserve	legal reserve	reserve for own shares	conversion reserve or loss	extraordinary reserve
balance at 31 december 2002	98,425	67,836	6,624	–	(2,858)	22,244
payments of dividends	–	–	594	–	–	6,272
change in conversion reserve	–	–	–	–	(8,300)	–
own shares purchase	–	–	–	2,385	–	(9,670)
profit (loss) for the year	–	–	–	–	–	–
balance at 31 december 2003	98,425	67,836	7,218	2,385	(11,158)	18,846

reserve for special liabilities	merger advance reserve	reserve for own shares purchasing	euro conversion difference	profit (loss) carried forward	profit (loss) for the year	total net equity
798	14,930	–	(2)	–	11,876	219,873
–	–	–	–	5	(11,876)	(5,005)
–	–	–	–	–	–	(8,300)
–	(14,930)	22,215	–	–	–	–
–	–	–	–	–	12,017	12,017
798	–	22,215	(2)	5	12,017	218,585

companies

1 - subsidiary companies

Albapavstrade Sh.P.K.	Rruga Dibres 420 - Tirana - Albania	LEC
Asociacion Accidental Astaldi S.p.A. - C.B.I. s.r.l.	Località "El Portillo" - Tarija - Bolivia	-
Assistenza Sviluppo e Tecnologie Ausiliarie alle Costruzioni (A.S.T.A.C.) S.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
Astaldi (Thailand) Company Ltd.	21/125 Fl.17 Unit A, Thai Wah Tower II SathornTai Road- Sathorn - Bangkok - Thailandia	BHT
Astaldi Africa S.p.A. in liquidation	Addis Abeba - Etiopia	EUR
Astaldi Arabia Ltd.	P.O. Box 58139 - Riad - Saudi Arabia	SAR
Astaldi Construction Corporation	8220 State Road 85 Davie - Florida - U.S.A.	US\$
Astaldi de Venezuela C.A.	C.C. C.T. 1ra Etapa Piso 6 Of. 620 - Caracas - Venezuela	VEB
Astaldi Finance S.A.	Boulevard du Prince Henri 19-21 - Luxembourg	EUR
Astaldi International Inc.	Bank of Liberia Building P.O. Box 660 - Monrovia - Liberia	US\$
Astaldi International Ltd.	34-36 Gray's Inn Road - London - UK	GBP
Astaldi-Astaldi International J.V.	R. Armando Tivane, 466 - Matola Maputo - Mozambico	US\$
Astaldi-Burundi Association Momentanée	Avenue de l'O.U.A. B.P. 325 - Bujumbura - Burundi	US\$
Astaldi-Caldart AS.CAL. S.c.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy	EUR
Astaldi-Malawi, Astaldi - Astaldi International J.V.	Private Bag 148 - Blantyre - Malawi	US\$
Astaldi-Rwanda Association Momentanée	Rue de la Douane - Kigali - RWanda	US\$
Astaldi-Sénégal Association en participation	Avenue Roume Dakar, 16 4ème G. S. - Dakar - Senegal	XOF
Astur Construction and Trade A.S.	Aydinpinar Cad. Kucukmehmetler Koyu - Ankara - Turkey	TRL
Bussentina S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
C.O.MES. S.C.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
CO.ME.NA. S.c.r.l.	Via Morghen, 36 - Naples - Italy	EUR
CO.NO.CO. S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
Colli Albani S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Consorcio Astaldi - C.B.I.	Av. Iturralde 1308 Esquina San Salvador - La Paz - Bolivia	US\$
Consorcio Astaldi-Centroxa	C.C.C. T. 1ra, Etapa Piso 6 Of. 620 - Caracas - Venezuela	NIC
Consorcio Astaldi-Columbus	Plantel Km.101,300 Carretera Panamericana Norte - Sebaco - Nicaragua	US\$
Consorzio A.R.Z. - Astaldi-R.I.C.- ZAIRE in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Consorzio Astaldi-C.M.B. Due in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Consorzio Olbia Mare in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Cospe S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
Diga di Arcichiaro S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
DIP.A. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
DP 2M S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Eco Po Quattro S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
Euroast S.r.l. In liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Fiorbis S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	EUR
Forum S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
Groupement Astaldi - Italstrade - El Hajji-Houar	Rabat - Morocco	-
Groupement Astaldi SpA - Astaldi International Ltd.	B.P. 4230 - Gibuti	US\$
I.F.C. Due S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
I.F.C. S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Italstrade CCCF JV Romis S.r.l.	Plata Pache Protopopescu, 9 - Bucharest - Romania	LEI
Italstrade S.p.A.	Via Agrigento, 5 - Rome - Italy	EUR
Italstrade Somet JV Rometro S.r.l.	Str. Cap. Av. A. Serbanescu, 49 Sector 1 - Bucharest - Romania	LEI
Legnami Pasotti Italia I.C. S.r.l.	Via Agrigento, 5 - Rome - Italy	EUR
Linea A S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Montedil-Astaldi S.p.A. (MONTAST) in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Mormanno S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Palese Park S.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
Portovesme S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
Quattro Venti S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
R.I.C.-Railway International Construction S.p.A.	Via G.V. Bona, 65 - Rome - Italy	EUR
Redo-Association Momentanée	B.P. 8734 - Dem. Rep. of Congo	ZRZ
Romairport S.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
Romstrade S.r.l.	Plata Pache Protopopescu, 9 - Bucharest - Romania	LEI
S. Filippo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
S. Leonardo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
S.U.G.C.T. S.A. Calarasi	Variant Nord, 1 - Calarasi - Romania	LEI
Seac S.p.a.r.l. in liquidation	Avenue des Fleurs - Kinshasa/Gombe - Dem. Rep. Of Congo	ZRZ
Servizi Tecnici Internazionali - I.T.S. S.p.A.	Via G.V. Bona, 65 - Rome - Italy	EUR
Silva S.r.l. in liquidation	Via Monte Santo, 1 - Rome - Italy	EUR
Susa Dora Quattro S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
TE.CRO. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Todaro S.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy	EUR
Toledo S.c.r.l.	Via Morghen, 36 - Naples - Italy	EUR
TriAce S.c.a.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Viadotti di Courmayeur S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
Viadotto Fadalto S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	EUR

total 1) - subsidiary companies

2 - associated companies

A.F.M. Astaldi-Ferrocemento-Mambrini S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Adduttore Ponte Barca S.c.r.l.	Via di Pietralata, 140 - Rome - Italy	EUR
Almo S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	EUR
Alosa Immobiliare S.p.A. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Association en participation SEP Astaldi-Somatra-Bredero	Tunisia	TND
Astaldi Bayindir J.V.	Ilkadim Sokak, 19 Gaziomanpasa- Ankara - Turkey	-
Astaldi-Ecuador S.A.	Portugal 617 y 6 de Diciembre - Guayaquil - Ecuador	ECS
Astaldi-Ferrocemento J.V.	10-Ha Khayaban-E-Shujat - Karachi - Pakistan	US\$
Astaldi-Thiess Joint Operation	C. C. E. 412- Jl.Raya Kko- Cilandak - Giacarta - Indonesia	-
Avola S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR

per value of share capital	numbers of shares	numbers of shares owned	value as at 12-31-2002	total increases	total decreases	value as at 12-31-2003	% owned directly	% owned indirectly	% total
239,633,652.00	-	-	-	-	-	-	0.000%	100.000%	100.000%
-	-	-	-	-	-	-	70.000%	0.000%	70.000%
46,800.00	-	-	53,195.06	-	(53,195.06)	-	100.000%	0.000%	100.000%
10,000,000.00	100,000.00	25,000.00	68,745.53	-	-	68,745.53	25.000%	24.000%	49.000%
1,033.00	-	-	-	-	-	-	100.000%	0.000%	100.000%
5,000,000.00	5,000.00	3,000.00	892,389.49	-	-	892,389.49	60.000%	40.000%	100.000%
4,290,000.00	2,000.00	1,800.00	5,319,168.41	-	-	5,319,168.41	90.000%	10.000%	100.000%
110,300,000.00	110,300.00	110,083.00	1,297,205.29	-	-	1,297,205.29	99.804%	0.000%	99.804%
250,000.00	-	-	249,900.00	-	-	249,900.00	99.960%	0.000%	99.960%
3,000,000.00	300,000.00	276,000.00	-	-	-	-	0.000%	100.000%	100.000%
2,000,000.00	2,000,000.00	2,000,000.00	3,280,527.05	-	-	3,280,527.05	100.000%	0.000%	100.000%
10,000.00	-	-	5,105.70	-	(5,105.70)	-	0.000%	100.000%	100.000%
50,000.00	-	-	29,062.55	-	(29,062.55)	-	0.000%	100.000%	100.000%
46,800.00	-	-	14,053.73	-	(11,440.73)	2,613.00	60.000%	0.000%	60.000%
10,000.00	-	-	4,999.45	-	(4,999.45)	-	0.000%	100.000%	100.000%
50,000.00	-	-	20,231.14	-	-	20,231.14	60.000%	40.000%	100.000%
50,000,000.00	-	-	54,602.92	-	(54,602.92)	-	0.000%	100.000%	100.000%
23,790,610,000.00	2,379,061.00	2,355,270.00	563,992.99	-	-	563,992.99	99.000%	0.000%	99.000%
25,500.00	-	-	20,348.40	-	(13,254.82)	7,093.58	78.800%	0.000%	78.800%
20,000.00	-	-	-	11,000.00	-	11,000.00	55.000%	0.000%	55.000%
20,658.00	-	-	14,549.62	-	-	14,549.62	70.432%	0.000%	70.432%
25,500.00	-	-	11,620.28	-	-	11,620.28	80.000%	0.000%	80.000%
25,500.00	-	-	9,951.48	-	(2,414.28)	7,537.20	60.000%	0.000%	60.000%
100,000.00	-	-	-	-	-	-	60.000%	0.000%	60.000%
10,000.00	-	-	-	-	-	-	0.000%	99.500%	99.500%
1,602.00	-	-	1,100.85	298.40	(1,399.25)	-	98.000%	0.000%	98.000%
25,823.00	-	-	227.64	-	-	227.64	1.000%	99.000%	100.000%
10,329.00	-	-	4,843.69	-	-	4,843.69	99.995%	0.000%	99.995%
15,494.00	-	-	-	-	-	-	72.500%	0.000%	72.500%
10,200.00	-	-	5,681.03	-	-	5,681.03	100.000%	0.000%	100.000%
35,700.00	-	-	36,151.98	-	(33,676.98)	2,475.00	100.000%	0.000%	100.000%
10,200.00	-	-	10,329.14	-	(10,329.14)	-	100.000%	0.000%	100.000%
10,200.00	-	-	-	-	-	-	72.000%	0.000%	72.000%
25,500.00	-	-	20,658.28	-	-	20,658.28	80.000%	0.000%	80.000%
15,300.00	-	-	-	-	15,700.29	15,700.29	100.000%	0.000%	100.000%
46,481.00	-	-	25,817.21	-	-	25,817.21	99.980%	0.000%	99.980%
51,000.00	-	-	30,982.25	-	-	30,982.25	59.990%	0.000%	59.990%
-	-	-	-	-	-	-	10.000%	50.000%	60.000%
-	-	-	-	-	-	-	60.000%	40.000%	100.000%
45,900.00	-	-	17,759.98	-	(17,759.98)	-	99.990%	0.000%	99.990%
45,900.00	-	-	15,493.71	-	-	15,493.71	66.660%	0.000%	66.660%
5,400,000,000.00	-	-	-	-	-	-	0.000%	51.000%	51.000%
22,000,000.00	4,400,000.00	4,400,000.00	21,594,955.59	7,370,000.00	(6,850,000.00)	22,114,955.59	100.000%	0.000%	100.000%
22,000,000.00	-	-	-	-	-	-	0.000%	51.000%	51.000%
51,000.00	-	-	-	-	-	-	0.000%	80.000%	80.000%
25,500.00	-	-	25,822.84	-	-	25,822.84	100.000%	0.000%	100.000%
408,000.00	800,000.00	360,000.00	650,735.69	-	-	650,735.69	100.000%	0.000%	100.000%
10,200.00	-	-	-	-	-	-	74.990%	0.000%	74.990%
1,020,000.00	-	-	1,022,584.66	-	-	1,022,584.66	99.000%	0.000%	99.000%
25,500.00	-	-	20,658.28	-	-	20,658.28	80.000%	0.000%	80.000%
51,000.00	-	-	30,987.41	-	-	30,987.41	60.000%	0.000%	60.000%
2,580,000.00	500,000.00	500,000.00	2,839,831.22	-	-	2,839,831.22	100.000%	0.000%	100.000%
50,000.00	-	-	29,487.06	-	-	29,487.06	75.000%	25.000%	100.000%
10,200.00	-	-	-	-	-	-	0.000%	63.890%	63.890%
10,000,000,000.00	-	-	-	-	-	-	0.000%	51.000%	51.000%
10,200.00	-	-	8,263.31	-	(8,263.31)	-	80.000%	0.000%	80.000%
10,200.00	-	-	5,267.86	-	(5,267.86)	-	51.000%	0.000%	51.000%
13,618,975,000.00	-	-	-	-	-	-	0.000%	50.367%	50.367%
200,000,000.00	180,565.00	-	-	-	-	-	0.000%	100.000%	100.000%
232,200.00	-	-	-	-	-	-	0.000%	100.000%	100.000%
15,300.00	-	-	-	-	-	-	99.000%	0.000%	99.000%
51,000.00	-	-	46,481.12	-	-	46,481.12	90.000%	0.000%	90.000%
10,200.00	-	-	-	-	-	-	100.000%	0.000%	100.000%
233,580.00	-	-	-	-	-	-	0.000%	100.000%	100.000%
50,000.00	-	-	45,197.00	-	-	45,197.00	90.394%	0.000%	90.394%
45,900.00	-	-	37,184.90	-	-	37,184.90	80.000%	0.000%	80.000%
10,200.00	-	-	3,718.49	-	-	3,718.49	66.670%	0.000%	66.670%
51,129.00	-	-	27,263.07	-	-	27,263.07	80.000%	0.000%	80.000%
			38,467,133.35	7,381,298.40	(7,085,071.74)	38,763,360.01			
45,900.00	-	-	8,108.99	-	-	8,108.99	35.000%	0.000%	35.000%
45,900.00	-	-	11,308.86	-	-	11,308.86	24.330%	0.000%	24.330%
46,481.00	-	-	16,268.39	-	-	16,268.39	35.000%	0.000%	35.000%
10,320,000.00	2,000,000.00	1,000,000.00	-	-	-	-	50.000%	0.000%	50.000%
-	-	-	-	-	-	-	40.000%	0.000%	40.000%
-	-	-	-	-	-	-	50.000%	0.000%	50.000%
3,000,000.00	3,000.00	600.00	3,098.74	-	-	3,098.74	20.000%	0.000%	20.000%
50,000.00	-	-	20,314.32	-	-	20,314.32	50.000%	0.000%	50.000%
-	-	-	-	-	-	-	50.000%	0.000%	50.000%
10,200.00	-	-	5,164.57	-	(5,164.57)	-	50.000%	0.000%	50.000%

(table follows)

companies

associated companies

Blufi 1 S.c.r.l. in liquidation	Zona Industriale - Agrigento - Italy	EUR
C.E.I.T.R.A.L. in liquidation	Via Carlo Pisacane, 2 - Carpi - Italy	EUR
C.F.M. S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	EUR
Carnia S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Cogital S.c.r.l. in liquidation	Viale Italy, 1 - Milan - Italy	EUR
Consorcio Astaldi-ICE	Av. Libertador Bolivar, 1842 - Cochabamba - Bolivia	-
Consorcio Conintur-Astaldi	C.C.C.T. 1ra Etapa Piso 1 Of. 107 - Chuao - Caracas - Venezuela	-
Consorcio Contuy Medio	Avida Andres Bello, Ed. Atlantic Piso 7, Of. 1-7 - Venezuela	US\$
Consorcio DEI	Via San Nazaro, 19 - Genova - Italy	EUR
Consorcio Ghella-Astaldi & Asociados	Santo Domingo - Repubblica Dominicana	RD\$
Consorcio Ghella-Astaldi-WTC	Santo Domingo - Repubblica Dominicana	EUR
Consorcio Grupo Contuy - Proyectos y Obras de Ferrocarriles	CCC T. 1ra Etapa Piso 6 Of. 620 Chuao - Caracas - Venezuela	VEB
Consorcio Metro Los Teques	Caracas - Venezuela	VEB
Consorzio A.F.T.	Via G.V. Bona, 65 - Rome - Italy	EUR
Consorzio A.F.T. Kramis	Via G.V. Bona, 65 - Rome - Italy	EUR
Consorzio Bonifica Lunghezza - C.B.L.	Via Calderon de la Barca, 87 - Rome - Italy	EUR
Consorzio C.I.R. in liquidation	Via Salaria, 1039 - Rome - Italy	EUR
Consorzio C.I.R.C.	Via G.V. Bona, 65 - Rome - Italy	EUR
Consorzio Carnia	Via G.V. Bona, 65 - Rome - Italy	EUR
Consorzio Co.Fe.Sar.	Viale Liegi, 26 - Rome - Italy	EUR
Consorzio Cogitau S.c.n.c. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Consorzio CONC.I.L. in liquidation	Via Passeggiata di Ripetta, 35 - Rome - Italy	EUR
Consorzio Consarno	Via Naples, 329 - Castellammare di Stabia (NA) - Italy	EUR
Consorzio Consavia S.c.n.c. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	Via Chiatamone, 57 - Naples - Italy	EUR
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	Via G.V. Bona, 65 - Rome - Italy	EUR
Consorzio Ferrofir	Via Ombrore, 2/g - Rome - Italy	EUR
Consorzio Galileo S.c.r.l. in liquidation	Via Francesco Petrarca, 22/A - Rome - Italy	EUR
Consorzio Gi.It. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	EUR
Consorzio I.R.S.A.	Via Argine, 425 - Naples - Italy	EUR
Consorzio Inau in liquidation	Viale Cesare Pavese, 205 - Rome - Italy	EUR
Consorzio Iricav Due	Via F. Tovaglieri, 413 - Rome - Italy	EUR
Consorzio Iricav Uno	Via F. Tovaglieri, 413 - Rome - Italy	EUR
Consorzio Ital.Co.Cer.	Piazza Buenos Aires, 5 - Rome - Italy	EUR
Consorzio Italvenezia	Via Salaria, 1039 - Rome - Italy	EUR
Consorzio L.A.R. in liquidation	Via Palestro, 30 - Rome - Italy	EUR
Consorzio Metrofer	Viale Liegi, 26 - Rome - Italy	EUR
Consorzio Novocen	Via Oraz, 143 - Naples - Italy	EUR
Consorzio Qalat	Corso Carlo Marx, 19 - Misterbianco (CT) - Italy	EUR
Consorzio Recchi S.p.A. - Astaldi S.p.A.	Via Salaria, 1039 - Rome - Italy	EUR
Consorzio Tre Fontane Nord in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
DI.SA. Disinguinamento Sarno S.c.r.l. in liquidation	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	EUR
Diga di Blufi S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
Ecosarno S.c.r.l.	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	EUR
Fosso Canna S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Groupement Cir S.p.A.	Via Agrigento, 5 - Rome - Italy	EUR
Groupement Eurolep	Shifflandestrassse, 35 - Aaran 5000 - Switzerland	CHF
Groupement Italgisas	Angle Boulevard de la Resistance et Rue de Puissesaux - Casablanca - Morocco	MAD
Holding Eléctrica Centroamericana S.p.A. - (Heca S.p.A.) in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Hydro Honduras S.A. (Hydro West y Asociados S.A.)	Ap.3199, Salida Norte Blvd. Fuerzas Armadas - El Carrizal - Tegucigalpa - Honduras	HNL
Infraclegrea S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy	EUR
Isclero S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Italsagi Sp. Zo. O.	Ul. Powstancow - Katowice - Polonia	PLN
M.N. Metropolitana di Napoli S.p.A.	Via Galileo Ferraris, 101 - Naples - Italy	EUR
Marsico Nuovo S.c.r.l. in liquidation	Via Dora, 2 - Rome - Italy	EUR
ME.SA. S.c.r.l. in liquidation	Via della Cooperazione, 30 - Bologna - Italy	EUR
Messina Stadio S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
Metroveneta S.c.r.l.	Piazza Castello, 16 - Padova - Italy	EUR
Monte Vesuvio S.c.r.l.	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	EUR
Mose-Treporti S.C.r.l.	Via C.Battisti n°2 - Venezia - Mestre - Italy	EUR
N.P.F. - Nuovo Polo Fieristico S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
Nova Metro S.c.r.l.	Via Montello, 10 - Rome - Italy	EUR
Parking Puccini S.c.r.l. in liquidation	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	EUR
Pegaso S.c.r.l.	Via F. Tovaglieri, 17 - Rome - Italy	EUR
Piana di Licata S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR
Piceno S.c.r.l. in liquidation	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	EUR
Pont Ventoux S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
Principe Amedeo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Priolo Siracusa S.c.r.l.	Piazza Velasca, 4 - Milan - Italy	EUR
Raggruppamento Astaldi-Vianini in liquidation	S.P. per Fisciano Km.1 - Fisciano (SA) - Italy	EUR
Roma Sud S.c.r.l. in liquidation	V.le dell'Astronomia, 9 - Rome - Italy	EUR
S.A.A.L.P. S.n.c. in liquidation	Via Boncompagni, 47 - Rome - Italy	EUR
S.A.C.E.S. S.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
S.E.I.S. S.p.A.	Via Monte Santo, 1 - Rome - Italy	EUR
Sa.Di.Pe. S.c.r.l. in liquidation	Via della Dataria, 22 - Rome - Italy	EUR
Salgit S.r.l.	Via della Dataria, 22 - Rome - Italy	EUR
Santangelo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
SO.GE.DEP. S.r.l. in liquidation	Via dell'Astronomia, 9 - Rome - Italy	EUR
So.Gr.Es. S.c.p.a. in liquidation	Via Molise, 11 - Rome - Italy	EUR
Tangenziale Seconda S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR
Transeuropska Autocesta d.o.o	Maksimirska 120/III 10000 - Zagabria - Croatia	HRK
Truncu Reale S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
V.A.S.CO. Imprese Riunite	Via Montello, 10 - Rome - Italy	EUR
Val Pola S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	EUR

per value of share capital	numbers of shares	numbers of shares owned	value as at 12-31-2002	total increases	total decreases	value as at 12-31-2003	% owned directly	% owned indirectly	% total
25,823.00	-	-	4,188.52	-	-	4,188.52	32.000%	0.000%	32.000%
-	-	-	3,202.03	-	(3,202.03)	-	31.000%	0.000%	31.000%
41,317.00	-	-	20,658.28	-	-	20,658.28	50.000%	0.000%	50.000%
45,900.00	-	-	9,884.56	-	(9,884.56)	-	33.000%	0.000%	33.000%
60,044.00	-	-	30,022.50	-	-	30,022.50	50.000%	0.000%	50.000%
-	-	-	-	-	-	-	50.000%	0.000%	50.000%
-	-	-	-	-	-	-	20.000%	0.000%	20.000%
40,000.00	-	-	109,617.98	-	-	109,617.98	28.300%	0.000%	28.300%
26,000.00	-	-	-	-	-	-	0.000%	35.000%	35.000%
300,000.00	-	-	6,221.74	-	-	6,221.74	33.300%	0.000%	33.300%
-	-	-	6,917.63	-	-	6,917.63	33.300%	0.000%	33.300%
-	-	-	-	-	-	-	32.330%	0.000%	32.330%
-	-	-	2.00	-	-	2.00	30.000%	0.000%	30.000%
46,481.00	-	-	15,493.71	-	-	15,493.71	33.330%	0.000%	33.330%
100,000.00	-	-	49,995.00	-	-	49,995.00	49.995%	0.000%	49.995%
10,000.00	-	-	4,900.00	-	-	4,900.00	49.000%	0.000%	49.000%
15,492.00	-	-	5,164.57	-	(5,164.57)	-	33.300%	0.000%	33.300%
51,000.00	-	-	12,911.42	-	-	12,911.42	25.000%	0.000%	25.000%
51,646.00	-	-	17,043.08	-	-	17,043.08	33.000%	0.000%	33.000%
51,646.00	-	-	15,493.71	-	-	15,493.71	30.000%	0.000%	30.000%
61,975.00	-	-	23,612.40	-	-	23,612.40	38.100%	0.000%	38.100%
10,329.00	-	-	-	-	-	-	0.000%	50.000%	50.000%
20,658.00	-	-	5,164.57	-	-	5,164.57	25.000%	0.000%	25.000%
20,658.00	-	-	4,897.34	-	-	4,897.34	25.000%	0.000%	25.000%
2,582.00	-	-	-	-	-	-	50.000%	0.000%	50.000%
206,583.00	-	-	-	-	-	-	0.000%	25.000%	25.000%
30,987.00	-	-	20,658.28	-	-	20,658.28	66.666%	0.000%	66.666%
10,000.00	-	-	4,000.00	-	(4,000.00)	-	40.000%	0.000%	40.000%
2,582.00	-	-	1,291.14	-	-	1,291.14	50.000%	0.000%	50.000%
-	-	-	-	-	-	-	0.000%	50.000%	50.000%
77,469.00	-	-	23,675.83	-	-	23,675.83	40.630%	0.000%	40.630%
510,000.00	-	-	170,379.13	-	-	170,379.13	32.990%	0.000%	32.990%
520,000.00	-	-	144,143.13	988.87	-	145,132.00	27.910%	0.000%	27.910%
51,600.00	-	-	15,493.71	-	-	15,493.71	30.000%	0.000%	30.000%
77,450.00	-	-	19,367.13	-	-	19,367.13	25.000%	0.000%	25.000%
206,583.00	-	-	51,645.69	-	-	51,645.69	29.410%	0.000%	29.410%
25,823.00	-	-	8,607.62	-	-	8,607.62	33.320%	0.000%	33.320%
51,640.00	-	-	19,475.59	-	-	19,475.59	40.760%	0.000%	40.760%
10,327.00	-	-	4,131.66	-	-	4,131.66	40.000%	0.000%	40.000%
51,646.00	-	-	25,822.84	-	-	25,822.84	50.000%	0.000%	50.000%
15,494.00	-	-	-	-	-	-	33.333%	0.000%	33.333%
50,490.00	-	-	-	-	-	-	33.230%	0.000%	33.230%
45,900.00	-	-	23,240.56	-	-	23,240.56	50.000%	0.000%	50.000%
50,490.00	-	-	17,043.08	-	-	17,043.08	33.334%	0.000%	33.334%
25,500.00	-	-	-	-	-	-	32.000%	0.000%	32.000%
156,000.00	-	-	-	-	-	-	0.000%	33.330%	33.330%
100,000.00	-	-	8,087.51	-	-	8,087.51	22.000%	0.000%	22.000%
207,014,000.00	-	-	-	-	-	-	0.000%	40.000%	40.000%
100,000.00	100,000.00	50,000.00	3,013.00	-	(3,013.00)	-	50.000%	0.000%	50.000%
35,440,000.00	70,880.00	6,259.00	519,624.88	-	-	519,624.88	20.293%	0.000%	20.293%
46,600.00	-	-	23,300.00	-	-	23,300.00	50.000%	0.000%	50.000%
12,000.00	-	-	3,740.40	-	(2,233.64)	1,506.76	31.170%	0.000%	31.170%
100,000,000.00	-	-	-	-	-	-	0.000%	34.000%	34.000%
3,655,397.00	7,310,794.00	1,653,725.00	3,298,708.14	-	-	3,298,708.14	22.620%	0.000%	22.620%
10,200.00	-	-	2,582.28	-	-	2,582.28	25.000%	0.000%	25.000%
40,800.00	-	-	10,329.14	-	-	10,329.14	25.000%	0.000%	25.000%
45,900.00	-	-	15,493.71	-	-	15,493.71	33.330%	0.000%	33.330%
25,500.00	-	-	12,911.42	-	-	12,911.42	50.000%	0.000%	50.000%
45,900.00	-	-	23,240.56	-	-	23,240.56	50.000%	0.000%	50.000%
10,000.00	-	-	-	3,500.00	-	3,500.00	35.000%	0.000%	35.000%
40,000.00	-	-	20,000.00	-	-	20,000.00	50.000%	0.000%	50.000%
40,800.00	-	-	8,263.31	-	-	8,263.31	20.000%	0.000%	20.000%
45,900.00	-	-	12,172.00	-	(12,172.00)	-	50.000%	0.000%	50.000%
260,000.00	-	-	113,750.00	-	-	113,750.00	43.750%	0.000%	43.750%
10,200.00	-	-	-	-	-	-	43.750%	0.000%	43.750%
10,200.00	-	-	-	-	-	-	50.000%	0.000%	50.000%
51,000.00	-	-	23,240.56	-	-	23,240.56	56.250%	0.000%	56.250%
10,200.00	-	-	-	-	-	-	50.000%	0.000%	50.000%
11,000.00	-	-	2,065.83	-	-	2,065.83	20.000%	0.000%	20.000%
25,823.00	-	-	9,683.57	-	-	9,683.57	50.000%	0.000%	50.000%
10,200.00	-	-	3,202.03	-	(3,202.03)	-	31.000%	0.000%	31.000%
51,646.00	-	-	7,318.80	-	-	7,318.80	30.000%	0.000%	30.000%
26,000.00	-	-	9,554.45	-	-	9,554.45	37.000%	0.000%	37.000%
3,877,500.00	750,000.00	362,475.00	1,872,156.26	-	-	1,872,156.26	48.330%	0.000%	48.330%
40,800.00	-	-	-	-	20,637.62	20,637.62	49.950%	0.000%	49.950%
10,200.00	-	-	-	-	-	-	0.000%	33.000%	33.000%
51,000.00	-	-	12,755.25	-	(428.40)	12,326.85	45.000%	0.000%	45.000%
20,658.00	-	-	3,533.24	-	(574.07)	2,959.17	22.840%	0.000%	22.840%
129,000.00	-	-	32,278.56	-	-	32,278.56	25.000%	0.000%	25.000%
45,900.00	-	-	19,640.70	-	-	19,640.70	42.730%	0.000%	42.730%
49,019,600.00	-	3,157,743.80	-	-	-	3,157,743.80	49.000%	0.000%	49.000%
30,600.00	-	-	10,535.72	-	-	10,535.72	34.000%	0.000%	34.000%
51,646.00	-	-	14,977.25	-	-	14,977.25	29.000%	0.000%	29.000%
46,481.00	-	-	15,921.46	-	-	15,921.46	35.000%	0.000%	35.000%

(table follows)

companies

associated companies

Valle Caudina S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR
Veneta Sanitaria Finanza di Progetto - V.S.F.P. S.p.A.	Via Cesare Battisti, 2 - Mestre - VE	EUR
Vesuviana Strade S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR

total 2) - associated companies

3 - other equity interests

A.M.P. S.c.r.l. in liquidation	Viale Caduti di tutte le guerre, 7 - Bari - Italy	EUR
Aguas de San Pedro S.A. de C.V.	Departamento de Cortes - San Pedro Sula - Honduras	HNL
Astaldi-Sarantopulos J.V.	Atene - Grecia	-
Bocca di Malamocco S.c.r.l.	Via Salaria, 1039 - Rome - Italy	EUR
C.C.N. S.c.r.l. in liquidation	Via Clauzetto, 12 - Rome - Italy	EUR
C.F.C. S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy	EUR
Co.Sa.Vi.D. S.c.r.l.	Carini - Contrada Foresta Z.I. - Palermo - Italy	EUR
Consorzio Asse Sangro in liquidation	Via della Fonte di Fauno, 2/A bis - Rome - Italy	EUR
Consorzio Centro Uno	C.so Vittorio Emanuele, 130 - Naples - Italy	EUR
Consorzio Ferroviario Vesuviano	Via Argine, 425 - Naples - Italy	EUR
Consorzio Groupement Lesi-Dipenta	Via Indonesia, 100 - Rome - Italy	EUR
Consorzio Tagliamento	Via G.V. Bona, 101/C - Rome - Italy	EUR
Consorzio Team	Viale Sarca, 336 - Milan - Italy	EUR
Consorzio TRA.DE.CI.V.	Via G. Verdi, 35 - Naples - Italy	EUR
Copenhagen Metro Construction Group J.V. (COMET)	Refshaleoen, 147 P.O. Box 1920 - Copenhagen - Denmark	US\$
Costruttori Romani Riuniti Grandi Opere S.p.A. in liquidation	Via P. Stanislao Mancini, 2 - Rome - Italy	EUR
D.G.M. S.r.l. in liquidation	Via Torna, 58 - Bari - Italy	EUR
Fondazione Accademia Nazionale di S. Cecilia	Via Vittoria, 6 - Rome - Italy	EUR
Fusaro S.C.r.l.	Via privata D. Giustino, 3/A - Naples - Italy	EUR
G.G.O. S.c.r.l. in liquidation	Zona Industriale - Agrigento - Italy	EUR
Imprese Riunite Genova S.c.r.l. in liquidation	Via A. Gramsci, 20 - Genova - Italy	EUR
Imprese Riunite Genova Seconda S.c.r.l. in liquidation	Via Serra, 2/9 - Genova - Italy	EUR
Irimuse S.c.r.l.	Via Salaria, 1039 - Rome - Italy	EUR
Italstrade CCCF JV Bucuresti S.r.l.	Gheorghe Manu, 20 Sector 1 - Bucharest - Romania	LEI
Leonardo 2000 S.c.r.l. in liquidation	Via Carlo Pesenti, 121/123 - Rome - Italy	EUR
M.N.6 S.C.r.l.	Via G.Ferraris n.101 - Naples - Italy	EUR
Metrogenova S.c.r.l.	Via IV Novembre snc -Spianata Acquasola - 16121 Genova - Italy	EUR
Napoli Porto S.c.r.l. in liquidation	Via G. Verdi, 35 - Naples - Italy	EUR
NO.VI.F.IN. Nova Via Festinat Industrias S.c.r.l.	Riviera di Chiaia, 72 - Naples - Italy	EUR
Pantano S.c.r.l.	Via Montello, 10 - Rome - Italy	EUR
Pavimental S.p.A.	Piazza Ferdinando De Lucia, 15 - Rome - Italy	EUR
Platamonas Sarantopulos J.V.	Atene - Grecia	-
Plus S.r.l.	Via del Tritone, 53 - Rome - Italy	EUR
Roma Lido S.c.r.l.	Via Carlo Pesenti, 121/123 - Rome - Italy	EUR
Sociedad Concesionaria BAS S.A.	Santiago del Cile - Cile	PCL
Spluga Domani S.p.A.	Via del Crotto, 52 - Campodolcino - Italy	EUR
Yellow River Contractors	P.O. Box 073 - Luoyang - Rep. Pop. Cinese	US\$

total 3) - other equity interests

grand total

per value of share capital	numbers of shares	numbers of shares owned	value as at 12-31-2002	total increases	total decreases	value as at 12-31-2003	% owned directly	% owned indirectly	% total
50,000.00	—	—	20,234.78	—	—	20,234.78	52.240%	0.000%	52.240%
20,500,000.00	205,000.00	63,550.00	6,355,000.00	—	—	6,355,000.00	31.000%	0.000%	31.000%
45,900.00	—	—	13,944.34	—	—	13,944.34	30.000%	0.000%	30.000%
			16,617,633.25	4,488.87	(28,401.25)	16,593,720.87			
51,646.00	—	—	2.58	—	—	2.58	0.010%	0.000%	0.010%
98,000,000.00	—	14,700,000.00	664,491.97	368,697.78	—	1,033,189.75	15.000%	0.000%	15.000%
—	—	—	—	—	—	—	14.000%	0.000%	14.000%
30,987.00	—	—	3.10	—	—	3.10	0.010%	0.000%	0.010%
—	—	—	5,164.57	—	(5,164.57)	—	12.500%	0.000%	12.500%
45,900.00	—	—	4.65	—	—	4.65	0.010%	0.000%	0.010%
25,500.00	—	—	2.58	—	—	2.58	0.010%	0.000%	0.010%
464,811.00	—	—	22,133.87	—	—	22,133.87	4.762%	0.000%	4.762%
154,937.00	—	—	3,098.74	—	—	3,098.74	2.000%	0.000%	2.000%
154,937.00	—	—	6.20	—	—	6.20	0.004%	0.000%	0.004%
258,228.00	—	—	41.32	—	—	41.32	0.010%	0.000%	0.010%
154,937.00	—	—	23,240.56	—	—	23,240.56	15.000%	0.000%	15.000%
45,900.00	—	—	5,164.57	—	—	5,164.57	11.111%	0.000%	11.111%
154,937.00	—	—	27,677.12	(105.99)	—	27,571.13	17.727%	0.000%	17.727%
—	—	—	—	—	—	—	0.000%	15.000%	15.000%
5,164,568.00	400.00	2.00	51,645.69	—	—	51,645.69	1.000%	0.000%	1.000%
153,000.00	—	—	30,925.44	—	(30,925.44)	—	19.960%	0.000%	19.960%
—	—	—	5,164.57	—	—	5,164.57	0.000%	0.000%	0.000%
10,200.00	—	—	1.03	—	—	1.03	0.010%	0.000%	0.010%
25,500.00	—	—	2,582.28	—	—	2,582.28	10.000%	0.000%	10.000%
25,500.00	—	—	4,157.48	—	—	4,157.48	16.100%	0.000%	16.100%
25,000.00	—	—	4,157.48	—	—	4,157.48	16.100%	0.000%	16.100%
619,745.00	—	—	619.75	—	—	619.75	0.100%	0.000%	0.100%
2,000,000.00	—	—	—	—	—	—	0.000%	1.000%	1.000%
—	—	—	774.69	—	(774.69)	—	7.500%	0.000%	7.500%
51,000.00	—	—	—	510.00	—	510.00	1.000%	0.000%	1.000%
25,500.00	—	—	4,157.48	—	—	4,157.48	18.240%	0.000%	18.240%
10,328.00	—	—	1,549.37	—	—	1,549.37	15.000%	0.000%	15.000%
10,329.00	—	—	1.03	—	—	1.03	0.010%	0.000%	0.010%
40,800.00	—	—	4,131.66	—	—	4,131.66	10.000%	0.000%	10.000%
4,711,515.00	35,916,399.00	468,029.00	62,007.09	—	—	62,007.09	1.303%	0.000%	1.303%
—	—	—	—	—	—	—	14.450%	0.000%	14.450%
765,000.00	—	—	914,453.12	—	(11,315.83)	903,137.29	11.640%	0.000%	11.640%
10,200.00	—	—	1,974.41	—	—	1,974.41	19.115%	0.000%	19.115%
8,876,340,000.00	990.00	169.00	12,827.32	—	—	12,827.32	0.100%	0.000%	0.100%
7,426,250.00	—	—	17,838.66	—	—	17,838.66	0.710%	0.000%	0.710%
999,336.00	—	—	—	—	—	—	0.000%	14.000%	14.000%
			1,870,000.38	369,101.79	(48,180.53)	2,190,921.64			
			56,954,766.98	7,754,889.06	(7,161,653.52)	57,548,002.52			

Independent Auditors' Report



■ Reconta Ernst & Young S.p.A.

ASTALDI S.p.A.

FINANCIAL STATEMENTS AS OF AND FOR THE YEAR
ENDED DECEMBER 31, 2003

AUDITORS' REPORT

Pursuant to article 156 of legislative Decree of February 24, 1998, n. 58

The financial statements have been translated from those issued in Italy, from the Italian into the English language solely for the convenience of international readers

AUDITORS' REPORT

pursuant to article 156 of Legislative Decree of February 24, 1998, n. 58
(Translation from the original Italian text)

To the Shareholders
of Astaldi S.p.A.

1. We have audited the financial statements of Astaldi S.p.A. as of and for the year ended December 31, 2003. These financial statements are the responsibility of Astaldi 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 and procedures recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards and procedures we planned and performed our audit to obtain the information necessary in order to determine whether the 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.

The responsibility for the audit of the financial statements of certain subsidiaries, insofar as it relates to the carrying value of these investments, respectively representing 11% and 1% of total investments and total assets, is that of other auditors.

For the opinion on the 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 April 7, 2003.

3. In our opinion, the financial statements of Astaldi S.p.A. comply with the Italian regulations governing financial statements; accordingly, they clearly present and give a true and fair view of the financial position of Astaldi S.p.A. as of December 31, 2003 and the results of its operations for the year then ended.

Rome, April 8, 2004

Reconta Ernst & Young S.p.A.

Signed by: Roberto Tabarrini (Partner)

o t h e r i n f o r m a t i o n

Astaldi has started construction works in Brescia for the realization of the first "light" subway in Italy

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Board of Statutory Auditors' Report

(in conformity with Art. 153, Legislative Decree 24 February 1998)

Dear Shareholders,

During the course of financial year 2003, the Board of Auditors performed the supervision activity provided for by Legislative Decree no. 58/98 and this report has been drawn up in accordance with the indications of CONSOB communication no. DEM/1025564 of 6 April 2001.

In particular:

1. we controlled compliance with the law and the Corporate By-Laws;
2. at least every three months we obtained information from the Directors regarding the activities performed and the main economic, financial and asset transactions carried out by the Company and the principal subsidiaries, and we can reasonably assure you that the actions decided and implemented comply with the law and the Corporate By-Laws and are not manifestly imprudent, risky, in potential conflict of interest or contrast with the resolutions of the Meeting or such as to compromise the integrity of the corporate assets;
3. we acquired knowledge and controlled, within our competence, the sufficiency of the company's organisational structure, compliance with the principles of correct management and adequacy of the instructions given by the company to subsidiaries in accordance with Art. 114, sub-sec. 2, Legislative Decree no. 58/98, through the gathering of information from managers of the organisational function and met with the independent auditors for a mutual exchange of data and information, and we do not have any particular observations to point out in this respect;
4. we have taken note that today the Independent Auditors issued their own report which does not contain any warnings or informative reminders;
5. we noted that there were no denunciations under Art. 2408 of Italian Civil Code, or instances by third parties;
6. we appraised and evaluated the adequacy of the internal control system and the administrative-accounting system as well as its reliability in correctly representing management matters, through participation in the work of the Internal Audit Committee and by obtaining information from managers of the respective functions, examining company documents and analysing the results of the work carried out by the independent auditors, as well as controlling the activity of the person in charge of the internal control, and we do not have any observations to make in this respect. Moreover, the Board of Auditors had evidence of the results of the Audits carried out with the aid of external consultants, also for the purpose of adjustment to the requirements of Legislative Decree no. 231/01 regarding which, the Board of Directors Meeting of 2 July 2003 approved the Organisation, Management and Control Model in accordance with Art. 6 of Legislative Decree no. 231/01 and, subsequently, appointed the Supervision Body;
7. we held meetings with the representatives of the Independent Auditors, in conformity with Art. 150, sub-sec. 2, Legislative Decree no. 58/98, and no data or details to be included in this report emerged;
8. we noted the Company's compliance with the provisions of the Corporate Gover-

nance Code prepared by the Committee for Corporate Governance of listed companies;

9. by express declaration of the General Manager, confirmed by the Independent Auditors, the Board of Auditors noted that in 2003, the latter was given the appointment of assistance in the adoption of international accounting principles, still under way, for a consideration of € 50,000.00.

Regarding transactions with correlated parties and infragroup operations, the information given by the Directors in the management report is adequate for describing the activities carried out in financial year 2003, and which were performed in compliance with the framework-resolution adopted by the Board of Directors and in the interests of your Company.

No atypical or unusual operations with respect to normal management, or conflicts of interest regarding Directors were noted.

The above-mentioned control activity was carried out in 5 Board of Auditors Meetings and attending 9 meetings of the Board of Directors and 5 of the Internal Audit Committee.

During the course of the control activity carried out and according to information obtained from the independent auditors, no omissions and/or censurable facts and/or irregularities were noted, or in any case facts of such significance as to require their reporting to the control bodies or mentioning in this report.

In taking note of the results of the individual financial statements at 31 December 2003, in accordance with Art. 153, sub-sec. 2, Legislative Decree no. 58/98, the Board of Auditors asks you to approve them as prepared by the Board of Directors.

Rome, 8 April 2004.

The board of auditors

(Eugenio Pinto)

(Pierpaolo Singer)

(Pierumberto Spanò)

Resolutions of the Shareholders' Meeting

The Shareholders' Meeting, convened in first call on 30 April 2004, in short, resolved:

in ordinary session

- to approve the financial statements for the year ended 31 December 2003 and the Board of Directors' report on management, drawn up in conformity with Art. 2428 C.C., together with the proposal for allocation of profits, as made by the Board;
- to appoint, for financial years 2004-2006, the Board of Directors in the persons of Ernesto Monti, Paolo Astaldi, Vittorio Di Paola, Caterina Astaldi, Pietro Astaldi, Stefano Cerri, Franco Alfredo Grassini, Luigi Guidobono Cavalchini, Bruno Lecchi, Vittorio Mele, Mario Lupo, and Maurizio Poloni;
- to appoint Marco Zampano as the new acting auditor, following the death of Domenico Franco Nalin.

in extraordinary session

- to adopt the new text of the Corporate By-laws drawn up in conformity with the provisions of Legislative Decree no. 6/2003 and subsequent amendments and supplements.

Furthermore, on April 30th, 2004 the Board of Directors has set the following legal appointments:

- ***Ernesto Monti, Chairman of the Board;***
- ***Paolo Astaldi, Deputy Chairman;***
- ***Vittorio Di Paola, Executive Deputy Chairman and Chief Executive Officer.***



Società per azioni
Capital € 98,424,900.00
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Esquina San Salvador
La Paz – Bolivia

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A Sur 267 – Edificio Zurich Of. 504
Bogotá – Colombia

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Pointe Noire – B.P. 1426
Pointe Noire – Congo

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Zagreb – Croatia

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Copenhagen – Denmark

Dominican Republic

Calle Salvador Sturla 17
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S. Domingo – Dominican Republic

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Apopa – El Salvador

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Athens - Greece

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Conakry – Rép. de Guinée

Guinea Bissau

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Caixa Postal 419
Bissau – Guinea Bissau

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