



The Board of Directors has approved the fourth quarter report and has examined the 2003 consolidated results

TOTAL REVENUES UP 13% IN 2003 TO 923 MILLION EURO

- Gross operating margin rises 21% to 130 million euro
- EBIT increases 4% to 66 million euro
- Net income grows 48% to 22 million euro
- Further improvement in net indebtedness
- Orders backlog grows 28% to 4.4 billion euro
- 2003-2005 business plan targets already met and surpassed

Rome, 12 February 2004 – The Astaldi S.p.A. Board of Directors, chaired by Mr. Ernesto Monti, met today in Rome to approve the fourth quarter 2003 report and to examine the 2003 consolidated results: net income grew around 48% and total revenues increased by more than 13%. The 2003 results show that the Group continues its excellent performance, exceeding the targets set out in the 2003-2005 business plan.

Fourth Quarter 2003

The 2003 fourth quarter report approved by the Board of Directors shows *total revenues* amounting to 255 million euro, an around 20% increase as compared to the same period the year before.

Gross operating margin exceeded 27 million euro, with an incidence on total revenues equal to 10.7% (36 million euro in the fourth quarter 2002).

EBIT amounted to around 19 million euro, virtually unchanged from 19.5 million euro in the year before period. The incidence on total revenues was 7.4%.

Consolidated net income amounted to 3.2 million euro, against 5.2 million euro in the fourth quarter 2002.

2003 Preliminary results

At Group level, 2003 preliminary figures show *total revenues* amounting to 923 million euro, a more than 13% increase compared to the previous year.

Gross operating margin amounted to around 130 million euro, a more than 21% increase over the 2002, with an incidence on total revenues equal to 14%. *EBITDA* also increased visibly, reaching around 113 million euro, a 26% rise over the previous year.

EBIT exceeded 66 million euro, up 4% as compared to 2002. The incidence on total revenues was 7.2%.

Consolidated net income for 2003 exceeded 22 million euro, rising by more than 48% as compared to the previous year.

Astaldi CEO, Vittorio Di Paola, commented "2003 was clearly a growth year with earnings rising sharply and turnover nearing a billion euro, a level we expect to reach in 2004".

The *net financial position* as at December 31, 2003 shows 128 million euro in indebtedness, a visible improvement over the previous year if compared to the rising total revenues.

In 2003 Astaldi won 1,838 million euro in new orders, exceeding the business plan target, lifting the total value of the Group's orders backlog to 4,407 million as at December 31, 2003, a 28% increase compared to January 1st, 2003. As a result of this performance, Astaldi has achieved in advance the business plan target set for year-end 2005.

The table below summarizes developments in the orders portfolio in 2003 broken down by the main areas of activities.

| Millions of euro | 01/01/2003 | New orders | Production | 31/12/2003 |
|--|--------------|--------------|--------------|--------------|
| Railways and underground s | 905 | 1,429 | (322) | 2,013 |
| Road and motorways | 808 | 180 | (265) | 723 |
| Airports and ports | 82 | 29 | (22) | 89 |
| Hydraulic and hydroelectric power plants | 346 | 82 | (115) | 313 |
| Civil and industrial buildings | 543 | 3 | (147) | 399 |
| Operations | 755 | 115 | 0 | 870 |
| Total portfolio | 3,439 | 1,838 | (870) | 4,407 |

In the fourth quarter, the Municipality of Milan formalized its nomination of Astaldi as sponsor of the group of companies bidding to construct the new Line 5 for the Milan Underground system under project financing. The value of the project with reference to the construction only amounts to around 504 million euro. The contract is expected to be signed by year-end 2004, after the bid competition and negotiated procedure, in which Astaldi will enjoy pre-emption rights. The new Line 5 will be the first urban transport project to be executed in Italy using the project financing formula.

In the same period, Astaldi was named Sponsor for the construction and later operation of four hospitals in Tuscany. The total value for the construction only amounts to around 330 million euro.

Astaldi has submitted two project financing proposals to the Municipality of Rome for the construction of Line C of the city's underground system and the Appia Antica underpass. The Company has also submitted a project financing proposal to ANAS for the Avellino-Salerno-Reggio Calabria highway intersection. The results of these proposals still have to come in.

...

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

The Group operates in the following business areas:

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

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

For further information:

Astaldi S.p.A.
tel. 06/41766389
Alessandra Onorati
Head of External Relations
and Investor Relations

PMS Corporate Communications.
Tel. 06/42020970
Giancarlo Frè Torelli
Andrea Lijoi

CONSOLIDATED BALANCE SHEET

| <i>(Thousand of euro)</i> | December 31 2003 | September 30 2003 | December 31 2002 | September 30 2002 |
|--|---------------------|----------------------|---------------------|----------------------|
| Net intangible fixed assets | 52,191 | 51,059 | 58,292 | 44,172 |
| Net tangible fixed assets | 106,318 | 106,902 | 93,725 | 85,718 |
| Equity investments | 27,723 | 31,831 | 33,909 | 26,130 |
| Other net assets | 16,296 | 16,837 | 14,398 | 25,493 |
| Total net fixed assets | 202,528 | 206,629 | 200,324 | 181,513 |
| Inventories | 41,316 | 43,367 | 40,620 | 35,612 |
| Work in progress | 191,640 | 251,005 | 198,343 | 286,065 |
| Trade receivables | 249,837 | 256,995 | 236,738 | 180,585 |
| Other assets | 202,445 | 204,727 | 224,869 | 198,919 |
| Advance payments | (120,555) | (116,320) | (133,362) | (107,276) |
| <i>Subtotal</i> | <i>564,683</i> | <i>639,774</i> | <i>567,208</i> | <i>593,905</i> |
| Due to suppliers | (195,878) | (221,653) | (195,154) | (170,912) |
| Other liabilities | (140,169) | (153,923) | (144,453) | (157,352) |
| <i>Subtotal</i> | <i>(336,047)</i> | <i>(375,576)</i> | <i>(339,607)</i> | <i>(328,264)</i> |
| Working capital | 228,636 | 264,198 | 227,601 | 265,641 |
| Employees' indemnity fund | (12,189) | (12,101) | (11,970) | (11,844) |
| Contractual risks reserve | (50,286) | (53,796) | (50,650) | (50,680) |
| Other reserves | (13,036) | (14,258) | (23,855) | (20,067) |
| Total reserves | (75,511) | (80,155) | (86,475) | (82,591) |
| Net invested capital | 355,653 | 390,672 | 341,450 | 364,563 |
| Cash and short-term financial receivables | 149,983 | 133,713 | 155,261 | 116,576 |
| Financial receivables included in fixed assets | 73,025 | 105,531 | 56,399 | 45,315 |
| Medium/long-term financial debt | (246,099) | (261,851) | (212,594) | (211,420) |
| Short-term financial debt | (105,219) | (142,539) | (118,205) | (97,854) |
| Net financial assets/liabilities | (128,310) | (165,146) | (119,139) | (147,383) |
| Net convertible bond | 0 | 0 | 0 | 0 |
| Consolidated net equity | 227,185 | 224,718 | 222,004 | 216,387 |
| Minority interest | 158 | 808 | 307 | 793 |
| Net equity | 227,343 | 225,526 | 222,311 | 217,180 |
| Personal guarantees | 1,711,172 | 1,743,078 | 1,653,148 | 1,494,176 |
| Risk of recourse from factors | 86,168 | 84,244 | 164,806 | 123,453 |
| Other memorandum accounts | 29,660 | 27,452 | 27,452 | 0 |
| Real guarantees | 0 | 43,969 | 0 | 0 |
| Third-party bank guarantees in our favour | 22,189 | 22,226 | 21,932 | 17,772 |
| Total commitments and guarantees | 1,849,189 | 1,920,969 | 1,867,338 | 1,635,401 |

CONSOLIDATED INCOME STATEMENT

| <i>(Thousand of euro)</i> | December 31 2003 | % | December 31 2002 | % | Fourth quarter 2003 | % | Fourth quarter 2002 | % |
|-------------------------------------|-----------------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|--------------------------------|---------------|
| Contract revenues | 870,208 | 94.2% | 757,418 | 92.8% | 246,321 | 96.7% | 206,926 | 97.8% |
| Other revenues | 53,253 | 5.8% | 59,097 | 7.2% | 8,375 | 3.3% | 4,733 | 2.2% |
| Total revenues | 923,461 | 100.0% | 816,515 | 100.0% | 254,696 | 100.0% | 211,659 | 100.0% |
| Costs of production | (671,240) | -72.7% | (601,934) | -73.7% | (193,728) | -76.1% | (145,105) | -68.6% |
| <i>Added value</i> | <i>252,221</i> | <i>27.3%</i> | <i>214,581</i> | <i>26.3%</i> | <i>60,968</i> | <i>23.9%</i> | <i>66,554</i> | <i>31.4%</i> |
| Labour costs | (122,865) | -13.3% | (108,201) | -13.3% | (33,618) | -13.2% | (30,499) | -14.4% |
| Gross operating profit | 129,356 | 14.0% | 106,380 | 13.0% | 27,350 | 10.7% | 36,055 | 17.0% |
| Other charges | (16,639) | -1.8% | (17,099) | -2.1% | (2,098) | -0.8% | (4,622) | -2.2% |
| Ebitda | 112,717 | 12.2% | 89,281 | 10.9% | 25,252 | 9.9% | 31,433 | 14.9% |
| D&A | (46,195) | -5.0% | (36,080) | -4.4% | (12,207) | -4.8% | (11,122) | -5.3% |
| Net provisions and use of risk fund | (108) | 0.0% | 10,841 | 1.3% | 5,870 | 2.3% | (735) | -0.3% |
| Ebit | 66,414 | 7.2% | 64,042 | 7.8% | 18,915 | 7.4% | 19,576 | 9.2% |
| Interest charges | (27,590) | -3.0% | (25,072) | -3.1% | (9,648) | -3.8% | (7,152) | -3.4% |
| Equity write-downs | (5,176) | -0.6% | (6,610) | -0.8% | (3,274) | -1.3% | 622 | 0.3% |
| Extraordinary income (charges) | (4,564) | -0.5% | (6,149) | -0.8% | (1,763) | -0.7% | (3,209) | -1.5% |
| Profit before taxes | 29,084 | 3.1% | 26,211 | 3.2% | 4,230 | 1.7% | 9,837 | 4.6% |
| Income taxes | (10,223) | -1.1% | (8,861) | -1.1% | (1,236) | -0.5% | (2,177) | -1.0% |
| Prepaid taxes | 3,286 | 0.4% | (1,839) | -0.2% | (446) | -0.2% | (1,839) | -0.9% |
| Net income for the period | 22,147 | 2.4% | 15,511 | 1.9% | 2,548 | 1.0% | 5,821 | 2.8% |
| Net (profit) loss fo minorities | 217 | 0.0% | (442) | -0.1% | 632 | 0.2% | (562) | -0.3% |
| Group net income | 22,364 | 2.4% | 15,069 | 1.8% | 3,180 | 1.2% | 5,259 | 2.5% |