



The Board of Directors has approved the second quarter results and has examined the preliminary first half results of 2004

**ASTALDI, IN THE FIRST HALF
REVENUES +23% AT 526 MILLION EURO
NET INCOME +12.2% AT 17,7 MILLION EURO**

- **In the first half:**
 - **Gross operating profit + 9.6% to € 80.6 million**
 - **Ebit + 26% at € 40 million**
 - **New orders for over € 400 million, orders backlog at € 4.3 billion**
- **In the second quarter:**
 - **Revenues + 28% at € 285 million**
 - **Gross operating profit + 10.5% at € 50.5 million**
 - **Ebit + 39.8% at € 23.6 million**
 - **Net income + 2.4% at € 11 million**

Rome, July 30th, 2004 - Today the Board of Directors of Astaldi, chaired by prof. Ernesto Monti, has approved the 2004 second quarter results and has examined the preliminary 2004 first half results. The data show a marked growth in revenues and a good performance of profitability which allow to meet the targets set by the Industrial Plan and to confirm the growth forecast for the year.

First Half 2004

Contract revenues in the first half of 2004 amounted to € 496 million that compare to the € 399.4 million of the same period in 2003. Total revenues amounted to € 525.6 million up 23% vs. first half 2003.

The good economic performance has led to a Gross operating profit of € 80.5 million, up 9.6% vs. first half 2003.

Ebit, at over € 40 million, increased +26% vs. first half 2003 and represents 7.6% of total revenues.

Net Income amounts to € 17.7 million, an increase of +12.2% vs. € 15.8 million in first half 2003.

As of June 30th, 2004, net debt amounted to € 153.7 million vs. € 161 million in first half 2004. The reduction in net debt, to be related to the growth in revenues, has been achieved thanks to the strict control on invested capital pertaining to each project.

Orders Backlog

The first half 2004 saw new orders for over € 400 million bringing the total amount of the backlog to € 4.3 billion.

The orders backlog only includes contracts that are signed and which have financial coverage. Therefore, the present orders backlog still does not include contracts in project finance, such as the Milan Subway Line 5 and the Rome - Appia Antica Underpass, for which Astaldi has been named sponsor.

Furthermore, on July 29th, 2004 Astaldi won the concession contract for the construction and operation of the new Hospital in Naples (Ospedale del Mare) for an amount of € 187 million in construction and over € 660 million for 25 years of operations; the new contract will be included in the orders backlog in the third quarter of the year.

On foreign activities, it should be mentioned that the Government of Venezuela allocated full financing resources to the third tranche of the Puerto Cabello-La Encrucijada contract. Moreover, the positive trend in new orders acquisition is continuing in Romania, in the US and in Central America.

Second quarter 2004

Total revenues amounted to € 285.4 million, up +28% on 2Q 2003, of which € 269 million refer to contract revenues.

Gross operating profit stands at 50.5 million, +10.5% vs. 2Q 2003, and represents 17.7% of total revenues.

EBIT increased +39.8% to € 23.6 million (vs. € 16.9 million in 2Q 2003) resulting in a 8.3% on total revenues.

Net income amounted to € 11 million, +2.4% vs. 2Q 2003.

The Board of Directors has also nominated as member of the Board Giuseppe Cafiero in replacement of Bruno Lecchi.

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ASTALDI

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Reclassified Consolidated Balance Sheet

<i>(Euro/000)</i>	June 30 2004	March 31 2004	December 31 2003	June 30 2003
Net intangible fixed assets	50,875	54,259	52,191	48,996
Net tangible fixed assets	106,634	104,941	106,318	101,918
Equity interest	28,622	28,356	28,361	31,841
Other net fixed assets	15,525	15,615	16,296	18,284
Total net fixed assets (A)	201,656	203,171	203,166	201,039
Inventories	33,437	37,158	41,316	41,576
Works in progress	225,142	208,671	187,373	224,125
Trade receivables	251,501	242,045	217,355	249,959
Other assets	225,969	225,892	207,542	218,609
Advances	(93,690)	(97,912)	(84,919)	(124,789)
<i>Sub total</i>	<i>642,359</i>	<i>615,854</i>	<i>568,667</i>	<i>609,480</i>
Suppliers' payables	(215,981)	(203,476)	(196,399)	(209,116)
Other liabilities	(132,887)	(126,599)	(142,832)	(136,061)
<i>Sub total</i>	<i>(348,868)</i>	<i>(330,075)</i>	<i>(339,231)</i>	<i>(345,177)</i>
Working capital (B)	293,491	285,779	229,436	264,303
Employees' severance indemnity	(12,483)	(12,699)	(12,189)	(11,745)
Contractual risks fund	(63,034)	(50,516)	(51,599)	(55,498)
Other funds	(29,575)	(26,665)	(13,220)	(16,034)
Total funds (C)	(105,092)	(89,880)	(77,008)	(83,277)
Net invested capital (D)=(A)+(B)+(C)	390,055	399,070	355,594	382,065
Liquidity and current financial receivables	125,908	117,240	149,983	156,165
Non current financial receivables	85,662	67,790	73,021	42,293
Medium/long term indebtedness	(83,187)	(89,815)	(96,099)	(121,781)
Short term indebtedness	(140,755)	(119,077)	(105,219)	(87,282)
Eurobond	(150,000)	(150,000)	(150,000)	(150,000)
Own bonds	8,715	6,053	--	--
Net indebtedness (E)	(153,657)	(167,809)	(128,314)	(160,605)
Group net equity	235,672	231,239	227,122	221,466
Minority interests	726	22	158	(6)
NET EQUITY (G)=(D)-(E)-(F)	236,398	231,261	227,280	221,460
Personal guarantees	1,592,067	1,632,083	1,695,806	1,651,819
Risk of recourse from factors	92,337	69,320	86,168	128,584
Other memorandum items	29,660	29,660	29,660	27,452
Collateral security	--	--	--	43,969
Third party guarantees in our favor	25,170	22,918	22,189	42,219
Total commitments and guarantees	1,739,234	1,753,981	1,833,823	1,894,043

Reclassified Consolidated Income Statement

<i>(Euro/000)</i>	2Q 2004	%	2Q 2003	%	1H 2004	%	1H 2003	%
Contract revenues	268,719	94.2%	210,249	94.3%	495,913	94.4%	399,400	93.5%
Other revenues	16,662	5.8%	12,707	5.7%	29,639	5.6%	27,899	6.5%
<i>Total revenues</i>	285,381	100.0%	222,956	100.0%	525,552	100.0%	427,299	100.0%
Costs of production	(201,353)	(70.6%)	(147,842)	(66.3%)	(378,952)	(72.1%)	(294,570)	(68.9%)
<i>Added value</i>	84,028	29.4%	75,114	33.7%	146,600	27.9%	132,729	31.1%
Labour costs	(33,528)	(11.7%)	(29,432)	(13.2%)	(66,018)	(12.6%)	(59,193)	(13.9%)
<i>Gross operating profit</i>	50,500	17.7%	45,682	20.5%	80,582	15.3%	73,536	17.2%
Other charges	(4,889)	(1.7%)	(2,805)	(1.3%)	(9,186)	(1.7%)	(8,067)	(1.9%)
<i>Ebitda</i>	45,611	16.0%	42,877	19.2%	71,396	13.6%	65,469	15.3%
D&A	(10,217)	(3.6%)	(15,930)	(7.1%)	(19,359)	(3.7%)	(25,652)	(6.0%)
Provisions, write-downs and useS of risk funds	(11,773)	(4.1%)	(10,049)	(4.5%)	(11,951)	(2.3%)	(7,948)	(1.9%)
<i>Ebit</i>	23,621	8.3%	16,898	7.6%	40,086	7.6%	31,869	7.5%
Interest charges	(7,676)	(2.7%)	(5,703)	(2.6%)	(12,698)	(2.4%)	(11,377)	(2.7%)
Equity write-downs	(1,762)	(0.6%)	(2,365)	(1.1%)	(2,362)	(0.4%)	(1,491)	(0.3%)
Extraordinary income (charges)	(550)	(0.2%)	832	0.4%	(1,289)	(0.2%)	(1,807)	(0.4%)
<i>Profit before taxes</i>	13,633	4.8%	9,662	4.3%	23,737	4.5%	17,194	4.0%
Income taxes	(366)	(0.1%)	419	0.2%	(4,105)	(0.8%)	(2,274)	(0.5%)
Prepaid taxes	(1,416)	(0.5%)	490	0.2%	(1,141)	(0.2%)	490	0.1%
<i>Net income for the period</i>	11,851	4.2%	10,571	4.7%	18,491	3.5%	15,410	3.6%
Net (profit) loss of minorities	(841)	(0.3%)	144	0.1%	(809)	(0.2%)	352	0.1%
Group net income	11,010	3.9%	10,715	4.8%	17,682	3.4%	15,762	3.7%