



*The Board of Directors has approved the first half 2004 financial statements*

## **ASTALDI REPORTS A 24% INCREASE IN FIRST-HALF REVENUES**

- **Total Revenues €525 million (up 22.9%)**
- **Gross operating profit €80.1 million (up 9%)**
- **EBIT €40.1 million (up 25.8%)**
- **Net Income €17.7 million (up 12.2%)**
- **Orders backlog over €4.3 billion**

*Rome, 16 September 2004* – The Board of Directors of Astaldi S.p.A., chaired by Mr. Ernesto Monti, met today in Rome to approve the first half 2004 financial statements. The results confirm the growth targets contained in the Group Business Plan.

### **Consolidated income statement**

In the first half 2004, Astaldi reported contract revenues of €495.9 million (up 24.2% y/y), bringing *total revenues* to more than €525 million, a 22.9% increase as compared to the same period in 2003. Continuing construction work at the New Milan Expo Fair Centre and the good performance of foreign operations, especially in the United States, Central America and Venezuela, contributed to the growth in revenues.

The profitability indicators also improved visibly, with *gross operating profit* reaching €80.1 million, a 15.3% ratio to total revenues and up 9% compared to the same period in 2003. *EBITDA* increased 8.4% to around €71 million, a 13.5% ratio to total revenues.

*EBIT* amounted to around €40.1 million, a 7.6% ratio to total revenues, rising 25.8% as compared to the same period in 2003.

Consolidated *net income* in the first half 2004 amounted to around €17.7 million, up 12.2% on the year-before period.

*Net indebtedness* as at 30 June 2004 amounted to €153.7 million, reduced from €161 million as compared to a year before despite the noticeable increase in total revenues. The debt/equity ratio is 0.65.

### **Orders backlog**

During the first half of the year, Astaldi was awarded new orders worth more than €400 million, bringing the Group's total backlog value to €4.32 billion, of which 69% regards the Italian market,

mainly in the railway infrastructure sector, and 31% the foreign market, mostly in the Americas as well as in Romania and Turkey.

Astaldi Chief Executive Officer and Executive Deputy Chairman Vittorio Di Paola said, "The growth in total revenues, surpassing the €500 million mark in the first half of the year, allows us to confirm the one billion euro target for the entire year, while the steady improvement in profitability ratios and constant control over debt, together with quality of the contracts in the orders backlog, provide a solid basis for the Company's further development going forward."

Speaking of future growth, it should be pointed out that the orders backlog does not yet include major projects such as Line 5 of the Milan underground system, worth around €504 million, and the Appia Antica underpass in Rome, worth around €390 million, for which Astaldi has been nominated project-financing sponsor.

Furthermore, in July, as leader of a group of companies, Astaldi won the tender for the construction of a new Hospital in Naples ("Ospedale del mare"), including 25 years of non-health service operations, worth more than €660 million.

\* \* \*

During today's meeting, the Astaldi Board of Directors likewise decided to propose to the next Ordinary Shareholders' Meeting that the authorization for the purchase and sale of own shares be renewed.

Finally, as leader of a group of Italian and foreign companies, Astaldi has submitted the prequalifying tender application for the construction of the Straits of Messina Bridge. In addition to Astaldi with a 23% share, the other Italian companies comprising the group are Pizzarotti (12%), Vianini (12%), Consorzio Cooperative Costruzioni di Bologna (10%), Grandi Lavori Fincosit (4%), Maire Engineering (4%), and Ghella Costruzioni (1,99%). The foreigners are the Spanish companies Ferrovial Agroman S.A. and Necso Entrecanales Cubiertas S.A., with a 13% share each, and the Japanese company Nippon Steel Corporation with 7%. The engineering services have been assigned to the Japanese company Chodai Co. Ltd., the world's leading bridge design company whose projects include the Akshi Bridge, the longest suspension bridge built to date.

*For further details:*

*ASTALDI*

*Alessandra Onorati*

*External Relations and Investor Relations Area*

*Tel. +39 06 417 66 389*

*PMS*

*Giancarlo Frè Torelli*

*Andrea Lijoi*

*Livia Dall'Oglio*

*Tel. +39 06 48 90 5000*

## Reclassified Consolidated Income Statement

<i>(Euro/000)</i>	<b>1H 2004</b>	<b>%</b>	<b>1H 2003</b>	<b>%</b>
Contract revenues	495,913	94.4%	399,400	93.5%
Other revenues	29,189	5.6%	27,899	6.5%
<b><i>Total revenues</i></b>	<b>525,102</b>	<b>100.0%</b>	<b>427,299</b>	<b>100.0%</b>
Costs of production	(378,952)	(72.2%)	(294,570)	(68.9%)
<b><i>Added value</i></b>	<b>146,150</b>	<b>27.8%</b>	<b>132,729</b>	<b>31.1%</b>
Labour costs	(66,018)	(12.6%)	(59,193)	(13.9%)
<b><i>Gross operating profit</i></b>	<b>80,132</b>	<b>15.3%</b>	<b>73,536</b>	<b>17.2%</b>
Other charges	(9,186)	(1.7%)	(8,067)	(1.9%)
<b><i>Ebitda</i></b>	<b>70,946</b>	<b>13.5%</b>	<b>65,469</b>	<b>15.3%</b>
D&A	(19,359)	(3.7%)	(25,652)	(6.0%)
Provisions, write-downs and uses of risk funds	(11,501)	(2.2%)	(7,948)	(1.9%)
<b><i>Ebit</i></b>	<b>40,086</b>	<b>7.6%</b>	<b>31,869</b>	<b>7.5%</b>
Interest charges	(12,698)	(2.4%)	(11,377)	(2.7%)
Equity write-downs	(2,362)	(0.4%)	(1,491)	(0.3%)
Extraordinary income (charges)	(1,289)	(0.2%)	(1,807)	(0.4%)
<b><i>Profit before taxes</i></b>	<b>23,737</b>	<b>4.5%</b>	<b>17,194</b>	<b>4.0%</b>
Income taxes	(4,105)	(0.8%)	(2,274)	(0.5%)
Prepaid taxes	(1,141)	(0.2%)	490	0.1%
<b><i>Net income for the period</i></b>	<b>18,491</b>	<b>3.5%</b>	<b>15,410</b>	<b>3.6%</b>
Net (profit) loss of minorities	(809)	(0.2%)	352	0.1%
<b>Group net income</b>	<b>17,682</b>	<b>3.4%</b>	<b>15,762</b>	<b>3.7%</b>

## Reclassified Consolidated Balance Sheet

<i>(Euro/000)</i>	June 30 2004	December 31 2003	June 30 2003
Net intangible fixed assets	50,875	52,191	48,996
Net tangible fixed assets	106,634	106,318	101,918
Equity interest	28,622	28,361	31,841
Other net fixed assets	15,525	16,296	18,284
<b>Total net fixed assets (A)</b>	<b>201,656</b>	<b>203,166</b>	<b>201,039</b>
Inventories	33,437	41,316	41,576
Works in progress	223,142	187,373	224,125
Trade receivables	253,501	217,355	249,959
Other assets	223,720	207,542	218,609
Advances	(93,690)	(84,919)	(124,789)
<i>Sub total</i>	<i>640,110</i>	<i>568,667</i>	<i>609,480</i>
Suppliers' payables	(215,981)	(196,399)	(209,116)
Other liabilities	(130,638)	(142,832)	(136,061)
<i>Sub total</i>	<i>(346,619)</i>	<i>(339,231)</i>	<i>(345,177)</i>
<b>Working capital (B)</b>	<b>293,491</b>	<b>229,436</b>	<b>264,303</b>
Employees' severance indemnity	(12,483)	(12,189)	(11,745)
Contractual risks fund	(63,034)	(51,599)	(55,498)
Other funds	(29,575)	(13,220)	(16,034)
<b>Total funds (C)</b>	<b>(105,092)</b>	<b>(77,008)</b>	<b>(83,277)</b>
<b>Net invested capital (D)=(A)+(B)+(C)</b>	<b>390,055</b>	<b>355,594</b>	<b>382,065</b>
Liquidity and current financial receivables	125,908	149,983	156,165
Non current financial receivables	85,662	73,021	42,293
Medium/long term indebtedness	(83,187)	(96,099)	(121,781)
Short term indebtedness	(140,755)	(105,219)	(87,282)
Eurobond	(150,000)	(150,000)	(150,000)
Own bonds	8,715	--	--
<b>Net indebtedness (E)</b>	<b>(153,657)</b>	<b>(128,314)</b>	<b>(160,605)</b>
<b>Group net equity</b>	<b>235,672</b>	<b>227,122</b>	<b>221,466</b>
Minority interests	726	158	(6)
<b>NET EQUITY (G)=(D)-(E)-(F)</b>	<b>236,398</b>	<b>227,280</b>	<b>221,460</b>
Personal guarantees	1,592,067	1,695,806	1,651,819
Risk of recourse from factors	92,337	86,168	128,584
Other memorandum items	29,660	29,660	27,452
Collateral security	--	--	43,969
Third party guarantees in our favor	25,170	22,189	42,219
<b>Total commitments and guarantees</b>	<b>1,739,234</b>	<b>1,833,823</b>	<b>1,894,043</b>