



*The Board of Directors of Astaldi S.p.A. has approved the quarterly report as of 31st December and has examined the consolidated results of 2004*

**ASTALDI IN 2004: TOTAL REVENUES OF 1,049 MILLION EURO (+13.7%)  
AND NET PROFIT OF 27.6 MILLION (+23.3%)**

- **New orders won for about 1.6 billion euro**
- **Further improvement in net financial indebtedness (Debt/Equity ratio at 0.46)**

**Rome, 10th February 2005.** The Board of Directors of Astaldi S.p.A., chaired by Prof. Ernesto Monti, that has met today in Rome, has approved the quarterly report for the period ended on 31st December 2004 and has examined the consolidated results for the entire 2004 financial year. These show an increase of 23.3% in net profit, equal to 27.6 million euro, and a 13.7% rise in the total revenues which stand at about 1,049 million euro. Also growing is the orders backlog, in excess of 5 billion euro (+13.7%) thanks to new orders for around 1,600 million won in the course of the year.

“We have seen 2004 end with total revenues of over one billion euro, thus hitting the important target we had indicated at the start of the year” commented Executive Deputy Chairman and Managing Director, Vittorio Di Paola. “The final figures for 2004 confirm the solid balance sheet and financial structure of the Group, which in its turn is one of the key strengths the company relies upon for its development programmes for the next few years”.

**The fourth quarter of 2004**

The report for the fourth quarter of 2004 approved by the Board of Directors shows *revenues from services and contracts* of about 250 million euro (+1.4% over the fourth quarter of 2003), which take *total revenues* to approximately 266 million euro, with an increase of 4.7% over the fourth quarter of 2003.

The *gross operating profit* for the period amounted to around 34 million euro, being 12.7% as a share of *total revenues*, compared to 27.7 million euro in the fourth quarter of 2003.

*Ebit*, totalling 18.9 million euro with a weight of 7.1% as a share of total revenues, compares with 18.9 million euro of the corresponding quarter in the year 2003.

*Pre-tax profit*, standing at 7.2 million euro, shows a surge of 72.6% over the same quarter of 2003, and takes *net consolidated profit* to 5.5 million euro, up 71.8% on the figure achieved in the same period of 2003.

## Preliminary 2004 results

The consolidated data for the whole of the 2004 financial year show *total revenues* of about 1,049 million euro, with an increase of 13.7% over 2003.

The *gross operating profit* of 127 million euro, equal to 12.1% of total revenues, is in line with the corresponding figure of 2003.

*Ebit* amounts to 74.6 million euro, equal to 7.1% as a share of total revenues and shows an increase of 12.3% over the 66.4 million achieved in 2003.

The *net profit* of the group stands at about 27.6 million euro, with a 23.3% increase on the previous year, an even more significant result if one considers the substantially higher weight of tax than the one recorded in the previous year. The *pre-tax profit* in 2004 amounted to approximately 41 million euro, that is an increase of 41.2% over 2003.

The *net financial position* as of 31st December 2004 shows indebtedness of 115.5 million euro, a sharp fall from the 128.3 million at 31<sup>st</sup> December 2003, despite the presence of an increase in turnover of 13.7%. The *debt/equity* ratio of 0.47 has slipped significantly from the 0.56 recorded in the same period of the previous year.

(Euro/000)	31/12/2004	30/09/2004	31/12/2003	30/09/2003
Short-term financial debt	(146,181)	(139,262)	(100,348)	(137,406)
M/L term financial debt	(69,308)	(61,703)	(75,072)	(87,962)
Liquid assets	174,839	129,629	149,983	133,713
Total financ.credit & securities	77,178	77,069	73,021	105,531
<b>Total ordinary finance</b>	<b>36,528</b>	<b>5,733</b>	<b>47,584</b>	<b>13,876</b>
<i>Ordinary bonds</i>	(150,000)	(150,000)	(150,000)	(150,000)
<i>Own bonds in portfolio</i>	20,001	9,936	--	--
Net ordinary bonds	(129,999)	(140,064)	(150,000)	(150,000)
Leasing	(21,996)	(23,087)	(25,898)	(29,022)
<b>Total Net Financial Position</b>	<b>(115,467)</b>	<b>(157,418)</b>	<b>(128,314)</b>	<b>(165,146)</b>

## Orders backlog

In the course of 2004, Astaldi won new orders totalling 1,593 million euro, an amount that pushes the overall Group portfolio to over 5 billion euro as of 31st December 2004, with an increase of 13.7% compared to the start of the year. The geographic distribution of the portfolio at the end of the year shows that Italy accounts for 79%, primarily in the railway infrastructure sector, while 21% pertains to foreign activities, mainly on the American continent, as well as in Romania and Turkey.

The following table shows the portfolio's trend in the course of 2004 in the key activity areas, without taking into account the most recent initiatives for which Astaldi has been named Sponsor.

Millions Euro	Start of the year 01/01/2004	Acquisitions	Production	Year end 31/12/2004
Railways and subways	2,013	99	(254)	1,858
Roads and motorways	723	891	(331)	1,283
Airports and ports	89	38	(40)	87
Hydraulic works and hydroelectric plants	313	52	(144)	221
Civil and industrial building	399	169	(220)	348
Concessions	870	343	0	1,213
<b>Total portfolio</b>	<b>4,407</b>	<b>1,593</b>	<b>(989)</b>	<b>5,011</b>

Last December, Astaldi was provisionally awarded two separate stretches of the Italian national road 'Jonica 106' for a total amount in excess of 790 million euro (of which Astaldi's share is 90%).

The orders backlog, on the other hand, doesn't take the projects for which Astaldi's nomination as promoter has been formally accepted into account, such as Line 5 of Milan's subway and the Underpass of the Appia Antica Park in Rome.

As of 9th February 2005, Astaldi Finance SA has transferred to BNP Paribas the funds necessary for the reimbursement of the bond issued on 11th February 2002 and due to expire on 11th February 2005.

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*The Group, listed on the Star segment of the Italian Stock Exchange, has been active for over 75 years, both in Italy and abroad, in the design and construction of large civil engineering works.*

*The Group operates in the following business areas:*

- *Transport infrastructure (railways, subways, roads, motorways, airports and ports);*
- *Hydraulic works and power generation plants (dams, hydroelectric plants, aqueducts, oil pipelines, gas pipelines and purification plants);*
- *Civil and industrial buildings (hospitals, universities, airports, law courts, building work connected with power or nuclear plants, parking areas);*
- *Management on a concession basis of works such as parking areas, reclamation plants, etc.*

*Currently, the Group acts as a General Contractor able to promote the financial aspects and to coordinate all the resources and skills for the implementation and optimal management of complex public works or of a substantial amount.*

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**CONSOLIDATED RECLASSIFIED INCOME STATEMENT**

Euro/000	FY 2004	%	FY 2003	%	4Q 2004	%	4Q 2003	%
Contract revenues	989,348	94.3%	870,145	94.3%	249,678	93.9%	246,258	96.9%
Other revenues	59,726	5.7%	52,640	5.7%	16,223	6.1%	7,762	3.1%
<b>Total revenues</b>	<b>1,049,074</b>	<b>100.0%</b>	<b>922,785</b>	<b>100.0%</b>	<b>265,901</b>	<b>100.0%</b>	<b>254,020</b>	<b>100.0%</b>
Costs of production	(792,992)	(75.6%)	(672,895)	(72.9%)	(200,853)	(75.5%)	(192,741)	(75.9%)
<b>Added value</b>	<b>256,082</b>	<b>24.4%</b>	<b>249,890</b>	<b>27.1%</b>	<b>65,048</b>	<b>24.5%</b>	<b>61,279</b>	<b>24.1%</b>
Labour costs	(129,023)	(12.3%)	(122,865)	(13.3%)	(31,192)	(11.7%)	(33,618)	(13.2%)
<b>Gross operating profit</b>	<b>127,059</b>	<b>12.1%</b>	<b>127,025</b>	<b>13.8%</b>	<b>33,856</b>	<b>12.7%</b>	<b>27,661</b>	<b>10.9%</b>
Other charges	(14,446)	(1.4%)	(13,714)	(1.5%)	(622)	(0.2%)	(1,815)	(0.7%)
<b>Ebitda</b>	<b>112,613</b>	<b>10.7%</b>	<b>113,311</b>	<b>12.3%</b>	<b>33,234</b>	<b>12.5%</b>	<b>25,846</b>	<b>10.2%</b>
D&A	(45,322)	(4.3%)	(45,693)	(5.0%)	(14,386)	(5.4%)	(11,705)	(4.6%)
Provisions, write-downs and uses of risk funds	7,328	0.7%	(1,174)	(0.1%)	54	0.0%	4,804	1.9%
<b>Ebit</b>	<b>74,619</b>	<b>7.1%</b>	<b>66,444</b>	<b>7.2%</b>	<b>18,902</b>	<b>7.1%</b>	<b>18,945</b>	<b>7.5%</b>
Interest charges	(26,842)	(2.6%)	(27,458)	(3.0%)	(7,901)	(3.0%)	(9,516)	(3.7%)
Equity write-downs	(2,157)	(0.2%)	(4,967)	(0.5%)	(2,048)	(0.8%)	(3,065)	(1.2%)
Extraordinary income (charges)	(4,625)	(0.4%)	(4,982)	(0.5%)	(1,735)	(0.7%)	(2,181)	(0.9%)
<b>Profit before taxes</b>	<b>40,995</b>	<b>3.9%</b>	<b>29,037</b>	<b>3.1%</b>	<b>7,218</b>	<b>2.7%</b>	<b>4,183</b>	<b>1.6%</b>
Taxes	(12,882)	(1.2%)	(6,858)	(0.7%)	(2,284)	(0.2%)	(1,603)	(0.2%)
<b>Net income for the period</b>	<b>28,113</b>	<b>2.7%</b>	<b>22,179</b>	<b>2.4%</b>	<b>4,934</b>	<b>1.9%</b>	<b>2,580</b>	<b>1.0%</b>
Net (profit) loss of minorities	(508)	(0.0%)	217	0.0%	585	0.2%	632	0.2%
<b>Group net income</b>	<b>27,605</b>	<b>2.6%</b>	<b>22,396</b>	<b>2.4%</b>	<b>5,519</b>	<b>2.1%</b>	<b>3,212</b>	<b>1.3%</b>

## CONSOLIDATED RECLASSIFIED BALANCE SHEET

Euro/000	December 31 2004	September 30 2004	December 31 2003	September 30 2003
Net intangible fixed assets	49,897	46,119	52,191	51,059
Net tangible fixed assets	102,293	106,441	106,318	106,902
Equity investments	26,319	29,290	28,361	31,831
Other net fixed assets	14,142	16,602	16,296	16,837
<b>Total net fixed assets (A)</b>	<b>192,651</b>	<b>198,452</b>	<b>203,166</b>	<b>206,629</b>
Inventories	42,831	35,574	41,316	43,367
Works in progress	192,752	244,467	187,373	251,005
Trade receivables	301,883	260,055	217,355	256,995
Other assets	205,185	225,477	207,542	204,727
Advances	(107,413)	(100,439)	(84,919)	(116,320)
<b>Sub total</b>	<b>635,238</b>	<b>665,134</b>	<b>568,667</b>	<b>639,774</b>
Suppliers' payables	(228,980)	(238,550)	(196,399)	(221,653)
Other liabilities	(157,279)	(146,705)	(142,832)	(153,923)
<b>Sub total</b>	<b>(386,259)</b>	<b>(385,255)</b>	<b>(339,231)</b>	<b>(375,576)</b>
<b>Working capital (B)</b>	<b>248,979</b>	<b>279,879</b>	<b>229,436</b>	<b>264,198</b>
Employees' severance indemnity	(12,473)	(12,177)	(12,189)	(12,101)
Contractual risks fund	(41,177)	(44,329)	(51,599)	(53,796)
Other funds	(28,732)	(29,563)	(13,220)	(14,258)
<b>Total funds (C)</b>	<b>(82,382)</b>	<b>(86,069)</b>	<b>(77,008)</b>	<b>(80,155)</b>
<b>Net invested capital (D)=(A)+(B)+(C)</b>	<b>359,248</b>	<b>392,262</b>	<b>355,594</b>	<b>390,672</b>
Liquidity and current financial receivables	174,839	129,629	149,983	133,713
Non current financial receivables	77,178	77,069	73,021	105,531
Medium/long term indebtedness	(86,647)	(80,027)	(96,099)	(111,851)
Short term indebtedness	(150,838)	(144,025)	(105,219)	(142,539)
Eurobond	(150,000)	(150,000)	(150,000)	(150,000)
Own bonds	20,001	9,936	--	--
<b>Net indebtedness (E)</b>	<b>(115,467)</b>	<b>(157,418)</b>	<b>(128,314)</b>	<b>(165,146)</b>
<b>Group net equity</b>	<b>243,690</b>	<b>233,978</b>	<b>227,122</b>	<b>224,718</b>
Minority interests	91	866	158	808
<b>NET EQUITY (G)=(D)-(E)-(F)</b>	<b>243,781</b>	<b>234,844</b>	<b>227,280</b>	<b>225,526</b>
Personal guarantees	1,393,144	1,525,007	1,695,806	1,743,078
Risk of recourse from factors	79,573	89,006	86,168	84,244
Other memorandum items	30,381	29,660	29,660	27,452
Collateral security	--	--	--	43,969
Third party guarantees in our favor	25,066	25,255	22,189	22,226
<b>Total commitments and guarantees</b>	<b>1,528,164</b>	<b>1,668,928</b>	<b>1,833,823</b>	<b>1,920,969</b>