



The Board of Directors of Astaldi S.p.A. has approved the 2004 full year consolidated results and has deliberated not to pursue the action proposal on Impregilo

Main highlights on 2004 full year results:

- **Net Income at € 28 million (+23.3%)**
- **Total revenues at € 1,049 million (+13.7%)**
- **EBIT at € 75 million (+12.2%)**
- **New orders won for about 1.6 billion euro**
- **Further improvement in net financial indebtedness (Debt/Equity ratio at 0.47)**
- **Proposal of a dividend of 0.075 euro, +15% (0.065 euro in 2004)**

AstalDI SpA has deliberated not to pursue the action proposal on Impregilo SpA

Rome, 17th March 2005. The Board of Directors of Astaldi S.p.A., chaired by Prof. Ernesto Monti, that has met today in Rome, has approved the 2004 full year consolidated results which will be submitted to the next Shareholders' meeting.

Furthermore, during the meeting the Board of Directors has examined the results of the various meetings held with Impregilo SpA and with Gemina SpA both assisted by their respective advisors and the results from the due diligence carried out on Impregilo SpA. The Board of Directors has decided not to pursue with the action proposal on Impregilo as announced last February 28th, 2005.

The results obtained in 2004 show both the strengthening of the financial structure of the Group along with its economic improvement and the enhancement of the order's backlog both in terms of quality and quantity.

Total revenues as of December 31st 2005 stand at above 1,049 million euro, up 13.7% vs. 2003. Contracts revenues amount to over 989 million euro (+13.7%) of which 50.3% derive from domestic activities and 49.7% from foreign contracts.

Gross operating profit of 127 million euro accounts for 12.1% of total revenues and is in line with 2003 results.

EBIT stands at 75 million euro, +12.2% vs. 66.4 million in 2003, and shows an EBIT margin of 7.1%.

Net income before taxes amounts to 41 million euro, +41.2% vs. 2003.

Finally, net income amounts to 28 million euro, up 23.3% vs. 2003 which showed a net income of 22 million euro.

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 31st 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	31/12/2003
Short-term financial debt	(146,181)	(100,348)
M/L term financial debt	(69,308)	(75,072)
Liquid assets	174,839	149,983
Total financ.credit & securities	77,178	73,021
Total ordinary finance	36,528	47,584
Net ordinary bonds	(129,999)	(150,000)
Leasing	(21,996)	(25,898)
Total Net Financial Position	(115,467)	(128,314)

Furthermore, the Board of Directors has deliberated to submit to the next Shareholders meeting the proposal for a dividend of 0.075 euro per share for a total amount of 7.4 million euro. Ex dividend date is set for May 9th 2005 and the dividend will be paid on May 12th 2005. In 2004 the dividend that was distributed amounted to 0.065 euro per share.

Finally, the 2005-2007 Industrial Plan is planned to be approved in the next Board of Directors.

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. The data shown confirm the strengthening of the role of General Contractor.

Millions Euro	Start of the year 01/01/2004	Acquisitions	Production	Year end 31/12/2004
Railways and subways	2,013	100	(254)	1,859
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
Total portfolio	4,407	1,593	(989)	5,011

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.

On February 9th, 2005 Astaldi, through its subsidiary Astaldi Finance S.A., has reimbursed BNP Paribas for the bond of € 150 million and the following February 11th all bond subscribers have been reimbursed.

Transition to IAS/IFRS

Following new regulations (European and Italian), listed company will have to use, as of 2005, the new international accounting standards (IAS/IFRS) for their consolidated full-year and half-year financial statements.

The Company has, therefore, set up a working group in order to manage the transition from old to new accounting principles, with the objective of identifying the main differences among Italian GAAP and IAS/IFRS principles and of implementing the required procedure in order to prepare the 2005 annual and interim financial statements according to IAS/IFRS principles.

The new procedures are planned to be completed by the end of the first half of 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 BALANCE SHEET

<i>(Euro/000)</i>	2004	2003
Net intangible fixed assets	49,897	52,191
Net tangible fixed assets	102,338	106,318
Equity investments	26,319	28,361
Other net assets	14,142	16,296
Total net fixed assets	192,696	203,166
Inventories	42,831	41,316
Work in progress	192,752	187,373
Trade receivables	301,883	217,355
Other assets	202,380	207,542
Advance payments	(107,413)	(84,919)
<i>Subtotal</i>	<i>632,433</i>	<i>568,667</i>
Due to suppliers	(228,977)	(196,399)
Other liabilities	(154,523)	(142,832)
<i>Subtotal</i>	<i>(383,500)</i>	<i>(339,231)</i>
Working capital	248,933	229,436
Employees' indemnity fund	(12,473)	(12,189)
Contractual risks reserve	(41,177)	(51,599)
Other reserves	(28,732)	(13,220)
Total reserves	(82,382)	(77,008)
Net invested capital	359,247	355,594
Cash and short-term financial receivables	174,839	149,983
Financial receivables included in fixed assets	77,178	73,021
Medium/long-term financial debt	(86,647)	(96,099)
Short-term financial debt	(150,837)	(105,219)
Eurobond	(150,000)	(150,000)
Own bonds	20,001	--
Net financial assets/liabilities	(115,466)	(128,314)
Consolidated net equity	243,690	227,122
Minority interest	91	158
Net equity	243,781	227,280
Personal guarantees	1,393,144	1,695,806
Risk of recourse from factors	79,573	86,168
Other memorandum accounts	30,381	29,660
Real guarantees	--	--
Third-party bank guarantees in our favour	25,066	22,189
Total commitments and guarantees	1,528,164	1,833,823

CONSOLIDATED RECLASSIFIED INCOME STATEMENT

<i>Euro/000</i>	2004	%	2003	%
Contract revenues	989,348	94.3%	870,145	94.3%
Other revenues	59,726	5.7%	52,640	5.7%
Total revenues	1,049,074	100.0%	922,785	100.0%
Costs of production	(793,050)	(75.6%)	(672,895)	(72.9%)
<i>Added value</i>	256,024	24.4%	249,890	27.1%
Labour costs	(129,023)	(12.3%)	(122,865)	(13.3%)
Gross operating profit	127,001	12.1%	127,025	13.8%
Other charges	(14,456)	(1.4%)	(13,714)	(1.5%)
Ebitda	112,545	10.7%	113,311	12.3%
D&A	(45,322)	(4.3%)	(45,693)	(5.0%)
Net provisions and use of risk fund	7,328	0.7%	(1,174)	(0.1%)
Ebit	74,551	7.1%	66,444	7.2%
Interest charges	(26,842)	(2.6%)	(27,458)	(3.0%)
Equity write-downs	(2,157)	(0.2%)	(4,967)	(0.5%)
Extraordinary income (charges)	(4,552)	(0.4%)	(4,982)	(0.5%)
Profit before taxes	41,000	3.9%	29,037	3.1%
Income taxes	(11,526)	(1.1%)	(14,994)	(1.6%)
Prepaid taxes	(1,360)	(0.1%)	8,136	0.9%
Net income for the period	28,114	2.7%	22,179	2.4%
Net (profit) loss for minorities	(508)	(0.0%)	217	0.0%
Group net income	27,606	2.6%	22,396	2.4%

CONSOLIDATED CASH-FLOW STATEMENT

<i>Euro/000</i>	2004	2003
Operating activities		
Group net profit	27,607	22,395
Deferred tax assets	1,360	(8,136)
Depreciation of tangible assets	20,859	18,756
Ammortization of intangible assets	24,463	26,937
Provisions for risks and charges and write-down of equity	36,505	33,990
Provisions for employee severance indemnity	5,146	4,421
Provisions for doubtful debtors and for delayed payment interest risks	11,698	200
Losses on disposals of fixed assets	473	236
Gains on disposals of fixed assets	(1,149)	(705)
<i>Subtotal</i>	<i>126,962</i>	<i>98,094</i>
Utilization of provision for risks and charges	(42,781)	(32,251)
Employee severance indemnity paid	(4,838)	(4,202)
Utilization of provision for doubtful debtors, delayed payment interest risks and securities	(7,111)	--
Decrease/(Increase) in inventory	(7,124)	10,273
Decrease/(Increase) in trade debtors	(41,575)	(43,007)
Decrease/(Increase) in other assets	4,805	(11,101)
(Decrease)/Increase in advances	(28,391)	13,947
(Decrease)/Increase in trade creditors	37,165	1,245
(Decrease)/Increase in other liabilities	21,437	(311)
Net effect of change in consolidation area	11	173
Cash-flow from operating activities	a) 58,560	32,860
Investment activities		
Purchase of tangible assets (including leasing)	(24,267)	(40,186)
Increase in intangible assets	(22,347)	(15,904)
Proceedes from sale of tangible assets	7,747	9,284
(Purchases)/Sales of equity investments	606	(3,803)
Investments in project financing initiatives	(4,448)	--
Net effect of change in consolidation area	4	(4,910)
Cash-flow from investment activities	b) (42,705)	(55,519)
Financing activities		
Increase/(Decrease) in short-term bank and other borrowings	53,407	(12,986)
Net balance of long-term loans obtained and (repaid) during the year	(9,450)	33,505
(Increase)/Decrease of investments which are not permanent	(3,930)	13,447
Eurobond buy-back	(20,001)	--
Payment of dividends	(6,306)	(4,916)
Cash-flow from financing activities	c) 13,720	29,050
Effect of change in consolidation area		
Change in minority interests equity	(67)	(148)
Other changes	(1,244)	(175)
Change in conversion reserve	(3,408)	(11,346)
Variation in conversion and consolidation reserve	d) (4,719)	(11,669)
Cash-flow for the period	a)+b)+c)+d) 24,856	(5,278)
<i>Cash and cash equivalents at beinning of the year</i>	149,983	155,261
<i>Cash and cash equivalents at end of year</i>	174,839	149,983
Cash-flow for the year	24,856	(5,278)

PARENT COMPANY RECLASSIFIED BALANCE SHEET

<i>Euro/000</i>	2004	2003
Net intangible fixed assets	45,548	44,361
Net tangible fixed assets	54,235	56,310
Equity investments	59,895	57,548
Other net assets	43,770	41,950
Total net fixed assets	203,448	200,169
Inventories	37,402	35,816
Work in progress	162,109	163,377
Trade receivables	254,396	174,489
Other assets	176,272	179,650
Advance payments	(97,576)	(72,315)
<i>Subtotal</i>	532,603	481,017
Due to suppliers	(169,398)	(140,452)
Other liabilities	(315,440)	(301,225)
<i>Subtotal</i>	(484,838)	(441,677)
Working capital	47,765	39,340
Employees' indemnity fund	(11,831)	(11,497)
Contractual risks reserve	(37,563)	(48,022)
Other reserves	(3,668)	(3,378)
Total reserves	(53,062)	(62,897)
Net invested capital	198,151	176,612
Cash and short-term financial receivables	153,706	128,061
Financial receivables included in fixed assets	93,237	72,998
Medium/long-term financial debt	(67,376)	(71,510)
Short-term financial debt	(138,982)	(87,575)
Net financial assets/liabilities	40,585	41,974
Net equity	238,736	218,586
Personal guarantees	1,421,892	1,690,661
Other memorandum accounts	124,947	141,324
Third-party bank guarantees in our favour	25,066	22,189
Total commitments and guarantees	1,571,905	1,854,174

PARENT COMPANY RECLASSIFIED INCOME STATEMENT

Euro/000	2004	%	2003	%
Contract revenues	785,595	93.2 %	673,977	94.5 %
Other revenues	57,162	6.8 %	39,593	5.5 %
Total revenues	842,757	100.0 %	713,570	100.0 %
Costs of production	(650,862)	(77.2) %	(534,164)	(74.9) %
<i>Added value</i>	191,895	22.8 %	179,406	25.1 %
Labour costs	(93,180)	(11.1) %	(89,872)	(12.6) %
Gross operating profit	98,715	11.7 %	89,534	12.5 %
Other charges	(12,073)	(1.4) %	(11,302)	(1.6) %
Ebitda	86,642	10.3 %	78,232	11.0 %
D&A	(32,797)	(3.9) %	(37,263)	(5.2) %
Net provisions and use of risk funds	8,549	(3.8) %	4,942	(4.3) %
Ebit	62,394	7.4 %	45,911	6.4 %
Interest charges	(12,059)	(1.4) %	11,635	1.6 %
Equity write-downs	(2)	(0.0) %	(21,816)	(3.1) %
Extraordinary income (charges)	4,753	(0.6) %	(18,693)	(2.6) %
Profit before taxes	45,581	5.4 %	17,037	2.4 %
Income taxes	(7,406)	(0.9) %	(9,869)	(1.4) %
Prepaid taxes	(6,897)	(0.8) %	4,849	0.7 %
Net income for the period	31,278	3.7 %	12,017	1.7 %

PARENT COMPANY CASH-FLOW STATEMENT

Euro/000

	2004	2003
Operating activities		
Net profit	31,277	12,017
Deferred tax assets	6,897	(4,849)
Depreciation of tangible assets	11,987	11,498
Amortization of intangible assets	20,810	25,765
Provisions for risks and charges	31,627	30,577
Provisions for employee severance indemnity	4,588	4,138
Provisions for doubtful debtors and securities	3,487	--
Losses on disposals of fixed assets	417	873
<i>Subtotal</i>	111,090	80,019
Utilization for the provision for risks and charges	(41,887)	(35,881)
Employee severance indemnity paid	(4,480)	(3,478)
Decrease/(Increase) in trade debtors	(33,068)	(21,772)
Decrease/(Increase) in inventory	(318)	23,154
Decrease/(Increase) in other assets	(3,001)	(2,041)
(Decrease)/Increase in trade creditors	28,946	(15,176)
(Decrease)/Increase in advances	(11,533)	28,517
(Decrease)/Increase in other liabilities	110	(102)
Differences for foreign branches' accounts conversion		
Employee severance indemnity	226	(313)
Cash-flow from operating activities	46,085	52,927
Investment activities		
Purchase of tangible assets	(15,437)	(23,596)
Increase in intangible assets	(23,174)	(12,421)
Proceedes from sale of tangible assets	6,120	4,920
Increase in equity investments	(2,580)	(904)
Change in loans	(1,063)	(42,618)
Decrease in equity investments	233	311
Differences for foreign branches' accounts conversion		
Tangible assets	2	17
Intangible assets	(5)	(341)
Change in conversion reserve	(4,564)	(8,300)
Cash-flow from investment activities	(40,468)	(82,932)
Financing activities		
Increase/(Decrease) in short-term bank and other borrowings	51,407	(14,426)
Net balance of long-term loans obtained and (repaid) during the year	(4,134)	37,565
Payment of dividends	(6,306)	(4,916)
Increase/(Decrease) of investments which are not permanent	(20,939)	13,443
Increase in loans at subsidiaries level	--	(22)
Cash-flow from financing activities	20,028	31,644
Cash-flow for the year	25,645	1,639
<i>Cash and cash equivalents at beginning of the year</i>	128,061	126,422
<i>Cash and cash equivalents at end of year</i>	153,706	128,061
Cash-flow for the year	25,645	1,639