



ASTALDI, APPROVED 2005 FIRST QUARTER RESULTS

- ❑ **Net income of 7.7 million euro (+16%)**
- ❑ **Total revenues stable at 241 million euro**
- ❑ **Gross operating profit of 32.3 million euro (+74%)**
- ❑ **Ebit at 17.8 million euro (+8.2%)**

Rome, May 12 2005 – Today the Board of Directors of Astaldi S.p.A. has examined and approved the 2005 Consolidated First Quarter Results.

2005 First Quarter Results

As of March 31st, 2005, **total revenues** amounted to 241 million euro of which 225 million euro of *contract revenues*. The performance is stable if compared with the first quarter of 2004 (total revenues of 240.17 million euro, contract revenues of 227.19 million euro), also thanks to the attentive hedging policy on foreign exchange risk which has allowed to sterilize the negative effects from the weakening of the US dollar.

The geographic distribution of total revenues shows that Italy accounts for 50.2%, while 49.8% pertains to foreign activities, mainly in Europe where the production has almost doubled if compared with the 2004 first quarter results, thanks to the good performance of activities in Turkey and Romania. Accounting for the 66% of contract revenues, transport infrastructure IS confirmed as the main line of business of the Group.

In terms of earnings, the good performance is shown by an increasing **Gross operating profit** equal to 32.3 million euro (+7.4% over the 30.1 million euro achieved in the first quarter of the previous year). Gross operating profit represents the 13.4% of total revenues.

Ebit, totalling 17.8 million euro with a weight of 7.4% on total revenues, shows a growth of 8.2% compared to 16.5 million euro of the same period of 2004.

Consolidated net income for the period stands at more than 7.7 million euro, up 16% compared to 6.67 million euro of the first quarter 2004. This good result is also confirmed by the income before taxes equal to 12 million euro, up 18.4% over the same quarter of 2004.

Net financial indebtedness as of March 31st, 2005 stands at 153.3 million euro (115.466 million euro at December 31st, 2004) showing the usual increase due to the seasonal effect. This result highlights the strong and sound financial structure of the Group, confirmed by a *Debt/Equity Ratio* at 0.61 in reduction vs. the 0.73 registered at March 31st, 2004.

Orders backlog

New contracts in the first quarter amounted to 307 million euro bringing the total value of the orders backlog at 5.1 billion euro, +1.6% from the beginning of the year.

76% of the orders backlog pertains to construction activities whereas the remaining 24% to concession activities, reflecting the commercial strategy of focusing on large contracts with high technical and managerial requirements and on concessions.

Following the closing of the quarter it is important to point the closing of the financial agreement for the construction and concession management of the New Hospital in Mestre as the first example of Public-Private Partnership in Italy.

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RECLASSIFIED CONSOLIDATED BALANCE SHEET

<i>(Thousand of euro)</i>	1Q 2005	1Q 2004	2004
Intangible fixed assets	45,569	54,259	49,897
Tangible fixed assets	102,242	104,941	102,338
Equity investments	25,669	28,356	26,319
Other fixed assets	17,371	15,615	14,142
Net fixed assets	190,851	203,171	192,696
Inventories	39,686	37,158	42,831
Work in progress	238,684	208,671	192,752
Trade receivables	281,592	242,045	301,883
Other assets	207,189	225,892	202,380
Advances	(112,528)	(97,912)	(107,413)
<i>Subtotal</i>	<i>654,623</i>	<i>615,854</i>	<i>632,433</i>
Suppliers' payables	(212,540)	(203,476)	(228,977)
Other liabilities	(146,524)	(126,599)	(154,523)
<i>Subtotal</i>	<i>(359,064)</i>	<i>(330,075)</i>	<i>(383,500)</i>
Working capital	295,559	285,779	248,933
Employees' severance indemnity	(13,577)	(12,699)	(12,473)
Contractual risks fund	(38,907)	(50,516)	(41,177)
Other funds	(29,706)	(26,665)	(28,732)
Total funds	(82,190)	(89,880)	(82,382)
Net invested capital	404,220	399,070	359,247
Liquidity and current financial receivables	100,816	117,240	174,839
Non current financial receivables	81,411	67,790	77,178
Medium/Long term indebtedness	(161,522)	(89,815)	(86,647)
Short term indebtedness	(174,047)	(119,077)	(150,837)
Eurobond	0	(150,000)	(150,000)
Own bonds	0	6,053	20,001
Net indebtedness	(153,342)	(167,809)	(115,466)
Group net equity	251,360	231,239	243,690
Minority interest	(482)	22	91
Net equity	250,878	231,261	243,781
Personal guarantees	1,463,838	1,632,083	1,393,144
Risks of recourse from factors	69,434	69,320	79,573
Other memorandum items	30,381	29,660	30,381
Third party guarantees in our favour	30,827	22,918	25,066
Total commitments and guarantees	1,594,480	1,753,981	1,528,164

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(Thousands of euro)	1Q 2005	%	1Q 2004	%	2004	%
Contract revenues	224,636	93.3%	227,194	94.6%	989,348	94.3%
Other revenues	16,178	6.7%	12,977	5.4%	59,726	5.7%
Total revenues	240,814	100.0%	240,171	100.0%	1,049,074	100.0%
Cost of production	(174,726)	(72.6)%	(177,599)	(73.9)%	(793,050)	(75.6)%
<i>Added value</i>	66,088	27.4%	62,572	26.1%	256,024	24.4%
Labour Cost	(33,784)	(14.0)%	(32,490)	(13.5)%	(129,023)	(12.3)%
Gross operating profit	32,304	13.4%	30,082	12.5%	127,001	12.1%
Other charges	(3,736)	(1.6)%	(4,297)	(1.8)%	(14,456)	(1.4)%
Ebitda	28,568	11.9%	25,785	10.7%	112,545	10.7%
D&A	(12,864)	(5.3)%	(9,142)	(3.8)%	(45,322)	(4.3)%
Net provisions and use of risks fund	2,116	0.9%	(178)	(0.1)%	7,328	0.7%
Ebit	17,820	7.4%	16,465	6.9%	74,551	7.1%
Interest charges	(4,214)	(1.7)%	(5,022)	(2.1)%	(26,842)	(2.6)%
Equity write-downs	44	0.0%	(600)	(0.2)%	(2,157)	(0.2)%
Extraordinary income (charges)	(1,684)	(0.7)%	(739)	(0.3)%	(4,552)	(0.4)%
Profit before taxes	11,966	5.0%	10,104	4.2%	41,000	3.9%
Income taxes	(4,567)	(1.9)%	(3,739)	(1.6)%	(11,526)	(1.1)%
Prepaid taxes	(89)	(0.0)%	275	0.1%	(1,360)	(0.1)%
Net income for the period	7,310	3.0%	6,640	2.8%	28,114	2.7%
Net (profit) loss of minorities	432	0.2%	32	0.0%	(508)	(0.0)%
Group net income	7,742	3.2%	6,672	2.8%	27,606	2.6%