Growth in Net Income and new ordes for over 1 billion euros

ASTALDI, THE BOARD OF DIRECTORS APPROVES THE RESULTS AS OF SEPTEMBER 30 2005

- **Revenues of 780 million euros (stable)**
- **EBIT up to 58.5 million euros (+19.2%)**
- **Net profit of 24.1 million euros (+31.2%)**
- **New contracts acquired for over 1 billion euros**

Rome, November 9 2005 – The Board of Directors of Astaldi S.p.A., chaired by Prof. Ernesto Monti, met today to examine and approve the Group's consolidated results for the third quarter and first nine months of 2005 which showed a considerable increase in economic margins.

Consolidated results for first nine months

Total **revenues** for the first nine months of 2005 totalled approximately 780 million euros, largely on par with the 775 million euros for the same period of 2004 and in line with forecasts. The turnover for the period was characterised by the final delivery of a major contract – Milan's New Expo Fair Centre – and by the contemporary commencement of complex contracts such as the two stretches of SS Jonica 106 state road and the Turin rail link, both in the start-up phase, which generated the forecast standstill in revenues, but which did not affect overall return for the period.
Total turnover, 45.5% of which comes from domestic activities and 54.5% from works in progress in the 14 foreign countries the Group currently operates in, was characterized by contracts offering increasing profitability. Transport infrastructures, accounting for 74% of turnover, showed themselves to be the reference business sector both in terms of value of production and sectorial specialisation.

EBIT (operating result) totalled 58.5 million euros, equal to 7.5% of the value of production, up by 19.2% compared to 49.1 million euros for the same period of 2004.

There was a considerable increase in the consolidated **net profit** of 24.1 million euros (+31.2%) compared to the first nine months of 2004, generating a 3.1% incidence on turnover compared to 2.4% in 2004. The result is significant especially considering the increased tax burden compared to the same period of 2004.

There was an improvement in the **net financial position** compared to June 30 2005, dropping from 235.8 million euros to 233.1 million euros while still being affected by the cyclical support granted to production activities during the period. There was also an improvement in the debt/equity ratio of 0.93 compared to 0.95 at June 30 2005.

Consolidated third quarter results

During the third quarter of 2005, **revenues** for services and contracts totalled approximately 241 million euros, a slightly lower level than the 247 million euros for the same quarter of 2004, due as mentioned above to the commencement of major contracts, which as planned, will increase the contribution to production as from 2006. Total revenues for the quarter totalled 253.1 million euros compared to the 257.6 million euros of the previous quarter.

There was a marked increase in the rates of return for the quarter which showed an **EBIT** (operating result) of approximately 18.5 million euros with an strong increase compared to the third quarter of 2004 (10 million euro) and an EBIT margin which rose from 3.9% to 7.3%.

The group's **net profit** for the quarter totalled 6.9 million euros, also up by over 80% on the same quarter of 2004 with a 2.7% margin on the value of production compared to the previous 1.5%.

Orders backlog

New orders worth a total of over 1 billion euros were acquired during the first nine months of 2005 which bring the total value of the group's orders backlog as of September 30 2005 to approximately 5.3 billion euros. A breakdown of said works shows 64% of the orders refer to contracts in Italy, mainly in the rail infrastructures sector, 13% to foreign countries and 23% to concession activities. The further increase in orders backlog compared to the excellent levels achieved in 2004, makes it possible to confirm the future growth forecasts based on a contract acquisition policy which privileges the goal of profitability.

The Group increased its presence in Algeria during the third quarter, being awarded the contract for construction of the Kerrada dam and Jijel road tunnel, as well as adding to its orders backlog another financed tranche of the project to construct the Puerto Cabello-La Encrucijada railway line in Venezuela.

The major events which occurred subsequent to closure of the period included completion of the Pont Ventoux hydroelectric plant in Piedmont, one of the biggest underground hydroelectric plants in Europe. Procedures regarding awarding by Milan's city authorities of the contract to construct Line 5 of Milan's underground are currently underway. The Astaldi Group is the sponsor of said project and can in any case exercise the right of pre-emption. Lastly the Astaldi Group is first on the list in the procedure to award a total of over 250 million euros in relation to major rail projects in Romania and Algeria.

With the "turnkey" completion throughout the year of large, important infrastructures for the country's economy such as Milan's New Expo Fair Centre, the largest and most important in Europe, Rome's North West Undrpass, the longest and safest urban tunnel in Europe, the Pont Ventoux hydroelectric plant and the Rome-Naples high speed railway line, which will be operational by the end of the year, Astaldi shows itself to be the leading General Contractor in the major works sector.

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The Board of Directors has also approved the financial calendar for 2006 that can be found in the attachments.

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Reclassified consolidated income statement

Euro / 000	9M 2005	%	9M 2004	%	3Q 2005	%	3Q2 004	%
Contract revenues	726,907	93.2%	730,747	94.3%	240,711	95.1%	247,434	96.1%
Other revenues	53,282	6.8%	44,459	5.7%	12,441	4.9%	10,120	3.9%
Value of production	**780,189**	**100.0%**	**775,206**	**100.0%**	**253,152**	**100.0%**	**257,554**	**100.0%**
Costs of production	(550,450)	(70.6%)	(574,443)	(74.1%)	(187,416)	(74.0%)	(196,842)	(76.4%)
Added value	**229,739**	**29.4%**	**200,763**	**25.9%**	**65,736**	**26.0%**	**60,712**	**23.6%**
Labor costs	(110,953)	(14.2%)	(110,248)	(14.2%)	(37,683)	(14.9%)	(37,763)	(14.7%)
EBITDA	**118,786**	**15.2%**	**90,515**	**11.7%**	**28,053**	**11.1%**	**22,949**	**8.9%**
Depreciation and amortisation	(20,957)	(2.7%)	(18,776)	(2.4%)	(7,693)	(3.0%)	(6,400)	(2.5%)
Provisions for contractual risks	(10,896)	(1.4%)	(2,342)	(0.3%)	4,019	1.6%	(2,342)	(0.9%)
Other provisions	(10,126)	(1.3%)	(1,239)	(0.2%)	(57)	(0.0%)	5	0.0%
Other operating costs	(18,387)	(2.4%)	(19,050)	(2.5%)	(5,896)	(2.3%)	(4,002)	(1.6%)
(Capitalization of internal construction costs)	117	0.0%	4	0.0%	48	0.0%	(170)	(0.1%)
EBIT	**58,537**	**7.5%**	**49,112**	**6.3%**	**18,474**	**7.3%**	**10,041**	**3.9%**
Interest charges	(20,254)	(2.6%)	(18,270)	(2.4%)	(8,074)	(3.2%)	(1,589)	(0.6%)
Impact of measurement of investments at equity method	(1,269)	(0.2%)	(822)	(0.1%)	(1,153)	(0.5%)	(146)	(0.1%)
Profit before taxes	**37,014**	**4.7%**	**30,020**	**3.9%**	**9,247**	**3.7%**	**8,305**	**3.2%**
Taxes	(14,128)	(1.8%)	(11,036)	(1.4%)	(3,364)	(1.3%)	(4,338)	(1.7%)
Net income for the period	**22,886**	**2.9%**	**18,984**	**2.4%**	**5,883**	**2.3%**	**3,967**	**1.5%**
Minorities	1,198	0.2%	(623)	(0.1%)	1,062	0.4%	(132)	(0.1%)
Group net income	**24,084**	**3.1%**	**18,361**	**2.4%**	**6,945**	**2.7%**	**3,835**	**1.5%**

Reclassified Consolidated Balance Sheet [1]

Euro / 000	Sept. 30, 2005	June 20, 2005	Dec. 31, 2004	Sept. 30, 2004
Intangible assets	5,371	6,194	5,174	5,874
Tangible assets	124,694	124,628	125,461	129,834
Equity investments	30,778	31,782	32,330	32,507
Other fixed assets	39,851	45,411	44,137	49,720
Total net fixed assets (A)	**200,694**	**208,015**	**207,102**	**217,935**
Inventories	42,493	44,872	44,746	37,816
Contract in progress	274,058	245,466	142,823	191,609
Trade receivables	344,917	392,632	405,609	359,544
Other assets	175,775	158,265	139,933	154,207
Advances	-54,270	-46,263	-75,718	-64,094
Subtotal	**782,973**	**794,972**	**657,393**	**679,082**
Trade payables	-366,757	-400,267	-390,058	-372,445
Other liabilities	-74,236	-65,857	-74,928	-77,951
Subtotal	**-440,993**	**-466,124**	**-464,986**	**-450,396**
Working capital (B)	**341,980**	**328,848**	**192,407**	**228,686**
Employees benefits	-14,703	-14,153	-13,773	-13,154
Current provisions for risks	-45,308	-39,746	-37,007	-39,054
Total provisions (C)	**-60,011**	**-53,899**	**-50,780**	**-52,208**
Net invested capital (D) = (A) + (B) + (C)	**482,663**	**482,964**	**348,729**	**394,413**
Cash	185,569	135,621	185,022	141,216
Current financial receivables	53,875	77,448	99,970	84,416
Medium to long-term financial debts	-280,566	-285,015	-90,010	-88,892
Short-term financial debts	-191,989	-163,845	-308,374	-300,192
Net financial debts (E)	**-233,111**	**-235,791**	**-113,392**	**-163,452**
Group net equity	252,588	249,178	238,111	233,185
Minorities	-3,035	-2,005	-2,774	-2,224
Net equity (G) = (D) - (E)	**249,552**	**247,173**	**235,337**	**230,961**

Net financial position

Euro / 000	Sept. 30, 2005	June 20, 2005	Dec. 31, 2004	Sept. 30, 2004
Short-term financial debt	(186,749)	(158,394)	(198,573)	(184,868)
Medium to Long-term financial debt	(263,818)	(268,694)	(87,943)	(94,895)
Cash	185,568	135,621	185,022	141,216
Financial receivables	53,876	77,448	28,629	43,220
Leasing	(21,988)	(21,772)	(23,420)	(23,891)
Net eurobond	0	0	(129,999)	(140,064)
Net financial position	**(233,111)**	**(235,791)**	**(226,284)**	**(259,282)**
Derecognition IASs	0	0	110,818	101,864
Net financial position	**(233,111)**	**(235,791)**	**(115,466)**	**(157,418)**

(1) The standards adopted for valuating the financial instruments in the beginning reports as of January 1st, 2004 and in the subsequent IFRS annual and interim reports for 2004 are the same used for the previous financial years (national accounting standards). The effects of IAS 32 e 39 are set out in the above detailed table of "net financial position".

ASTALDI S.p.A.

Financial Calendar 2006

February 13	Board of Directors *Approval of the interim results for 4th quarter 2005*
March 27	Board of Directors *Approval of the 2005 Annual Report and of the Industrial Plan*
April 28	Shareholders Meeting *Approval of the 2005 Annual Report*
May 11	Board of Directors *Approval of the interim results 1st quarter 2006*
July 31	Board of Directors *Approval of the interim results 2nd quarter 2006*
September 26	Board of Directors *Approval of 2006 First Half Results*
November 13	Board of Directors *Approval of the interim results 3rd quarter 2006*