The Board of Directors approves the Fourth Quarterly Report 2005

ASTALDI, PRELIMINARY RESULTS OF 2005 EXAMINED

- **Total revenues of 1,023 million (-3%)**
- **Net profit of 32.3 million (+20%)**
- **EBITDA of 151 million (+19.8%)**
- **EBIT of 77.8 million (+11.5%)**
- **Orders backlog of 5.6 billion euros**

Rome, February 10 2006. The Board of Directors of Astaldi S.p.A., chaired by Prof. Ernesto Monti, met today in Rome to approve the Quarterly Report at December 31 2005 and to examine the consolidated results of 2005. Said results showed a considerable increase in profitability despite the slight decrease in revenues mainly due to the delayed start-up of some contracts in Italy, such as the High Speed Railway Station in Bologna.

Preliminary results 2005

Consolidated data for the whole of 2005 showed **total revenues** equal to 1,023 million euros, evenly distributed between domestic and foreign activities, down by 3% compared to 1,057 million in 2004. The slight drop in revenues can be attributed to the delay in the start-up of some projects in Italy which did not allow to offset the drop in production resulting from final delivery during the year of major works such as Milan's New Exhibition Centre and the Rome-Naples High Speed Railway.

On the other hand, the Group's profitability showed a major growth resulting from the high quality of orders included in the backlog of works being carried out.
In fact, **EBITDA** rose to over 151 million euros (14.8% of revenues), up by 19.8% compared to 126 million in 2004, while **EBIT** totalled 77.8 million euros, equal to 7.6% of revenues, up by 11.5% compared to 69.8 million in the previous year.

2005 closed with Group **net profit** of 32.3 million euros, up by over 20% compared to 26.8 million in 2004 (3.2% of revenues compared to the previous 2.5%). This positive result is even more significant if we take into account the higher tax burden of the year attributable to non-use of fiscal assets relating to some foreign subsidiaries. Pre-tax profit in 2005 amounted to 53.8 million euros, up by 29% compared to 2004.

The net financial position at December 31 2005 showed indebtedness of 234 million euros compared to 229 million euros at September 30 2005 and did not include payment of 56 million dollars of receivables for the contract in Turkey (Anatolian Highway) received at the beginning of February 2006. The debt/equity ratio stood at 0.90.

Euro / 000	December 31 2005	September 30 2005	December 31 2004
Short-term financial indebtedness	(207,945)	(186,881)	(199,982)
Medium and long-term financial indebtedness	(246,700)	(263,818)	(86,635)
Cash and cash equivalents	175,418	186,576	185,370
Total financial receivables and securities	60,618	54,139	26,017
Leasing	(21,137)	(21,988)	(23,420)
Bonded loan	0	0	(129,999)
Net financial position	**(239,746)**	**(231,972)**	**(228,650)**
Treasury shares in portfolio	5,860	3,107	898
IAS effects and change in consolidation area	0	0	112,285
Total net financial position	**(233,886)**	**(228,865)**	**(115,467)** (*)

(*) The figures refers to the balance sheet as per Legislative Decree No. 127

Orders backlog

During 2005 the orders backlog saw an increase of 1,523 million euros which also included the effects of the change in the consolidation area following the introduction of new international accounting standards. Therefore the Group's backlog increased to 5.567 billion euros at December 31 2005.
27% of the contracts included in said backlog refers to concessions/project financed works and the remaining construction part is split between Italy (62%) and abroad (11%).
Important contracts awarded during the year included the works for the Parma-La Spezia Railway line worth a total 165 million euros, the Turin Railway Hub worth approximately 300 million euros, works to build transport and water infrastructures in Algeria worth a total of approximately 155 million euros and the additional financed *tranche* of the project to construct the Puerto Cabello-La Encrucijada Railway line in Venezuela.
Lastly, it must be remembered that railway contracts in Algeria and Romania worth approximately 300 million euros were not included in the backlog given that the Group is waiting for the final official award. While, with regard to Venezuela, we must take note of the intergovernmental agreement signed in December for the construction of three new rail projects worth a total 5 billion dollars by an Italian joint venture in which Astaldi holds a 33.3% share in. The preliminary design is currently being drawn up which should lead to the signing of the contract.

The table below shows the orders backlog during 2005 with regard to the main business areas:

Euro/millions	Beginning Period 01/01/2005	New orders	Production	Ending Period 31/12/2005
Transport infrastructures	3,229	917	(770)	3,376
of which:				
Railways and undergrounds	*1,859*	*718*	*(409)*	*2,168*
Roads and motorways	*1,283*	*195*	*(322)*	*1,156*
Airports and ports	*87*	*4*	*(39)*	*52*
Hydraulic works and hydroelectric plants	221	110	(79)	252
Civil and industrial construction	348	179	(118)	409
Concessions	1,213	317	-	1,530
Total orders backlog	**5,011**	**1,523**	**(967)**	**5,567**

Fourth Quarter 2005

The income statement of the fourth quarter of 2005 showed revenues of approximately 258 million euros compared to 280 million euros in Q4 2004. This is due, as mentioned above, to the delay in the start-up phase of important contracts along with the delivery of major works.

EBITDA for the quarter totalled 33.5 million euros, 13% on total revenues, compared to 39 million euros in Q4 2004.

EBIT equalled 21 million euros with a 8.1% incidence on total revenues compared to 24.5 million euros in the same quarter of 2004.

Pre-tax profit of 16.5 million euros showed an increase compared to 12.8 million euros in the same quarter of 2004 and resulted in net consolidated profit of 7.9 million euros at the close of the quarter compared to 9.6 million euros in the previous year.

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Listed on the Star segment of the Italian stock exchange, Astaldi Group has been active for more than 75 years, in Italy and abroad, in designing and constructing large-scale civil engineering works.

The Group operates in the following areas of activity:
transport infrastructures (railways, undergrounds, roads, motorways, ports, and airports);
hydraulic works and power production plants (dams, hydroelectric plants, water systems, oil pipelines, gas pipelines, and treatment plants);
civil and industrial construction (hospitals, universities, airports, law courts, construction works for electrical and nuclear plants, car parks);
concession of such works as car parks, hospitals, etc.

The Group is currently a General Contractor capable of promoting financial aspects and coordinating all resources and skills for the optimal development and management of complex and high-value public works.

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Reclassified Consolidated Income Statement

Euro / 000	December 31 2005	%	December 31 2004	%	Quarter 4 2005	%	Quarter 4 2004	%
Revenues	967,911	94.6%	1,004,756	95.0%	252,820	97.8%	270,870	96.8%
Other operating revenues	55,308	5.4%	52,779	5.0%	5,636	2.2%	9,045	3.2%
Total revenues	**1,023,219**	**100.0%**	**1,057,535**	**100.0%**	**258,456**	**100.0%**	**279,915**	**100.0%**
Production costs	(725,818)	(70.9%)	(784,209)	(74.2%)	(189,667)	(73.4%)	(202,782)	(72.4%)
Added value	**297,401**	**29.1%**	**273,326**	**25.8%**	**68,789**	**26.6%**	**77,133**	**27.6%**
Personnel costs	(146,283)	(14.3%)	(147,143)	(13.9%)	(35,272)	(13.6%)	(37,772)	(13.5%)
EBITDA	**151,118**	**14.8%**	**126,183**	**11.9%**	**33,517**	**13.0%**	**39,361**	**14.1%**
Amortisation and depreciation	(28,148)	(2.8%)	(25,673)	(2.4%)	(7,193)	(2.8%)	(6,880)	(2.5%)
Provisions	(16,100)	(1.6%)	(5,179)	(0.5%)	603	0.2%	(2,838)	(1.0%)
Write-downs	(4,287)	(0.4%)	(3,376)	(0.3%)	32	0.0%	(2,137)	(0.8%)
Other operating costs	(25,221)	(2.5%)	(22,422)	(2.1%)	(6,460)	(2.5%)	(3,218)	(1.1%)
(Capitalisation of internal construction costs)	457	0.0%	234	0.0%	340	0.1%	230	0.1%
EBIT	**77,819**	**7.6%**	**69,767**	**6.6%**	**20,839**	**8.1%**	**24,518**	**8.8%**
Net financial income and charges	(27,975)	(2.7%)	(32,012)	(3.0%)	(8,415)	(3.3%)	(12,080)	(4.3%)
Effects of valuation of investments using equity method	3,951	0.4%	3,937	0.4%	4,099	1.6%	349	0.1%
Pre-tax profit (loss)	**53,795**	**5.3%**	**41,692**	**3.9%**	**16,523**	**6.4%**	**12,787**	**4.6%**
Taxes	(22,167)	(2.2%)	(15,031)	(1.4%)	(8,006)	(3.1%)	(3,970)	(1.4%)
Profit (loss) for the period	**31,628**	**3.1%**	**26,661**	**2.5%**	**8,517**	**3.3%**	**8,817**	**3.1%**
(Profit) loss attributable to minority interests	628	0.1%	177	0.0%	(584)	(0.2%)	788	0.3%
Group net profit	**32,256**	**3.2%**	**26,838**	**2.5%**	**7,933**	**3.1%**	**9,605**	**3.4%**

Reclassified Consolidated Balance Sheet (1)

Euro/000	31/12/2005	30/09/2005	31/12/2004
Intangible fixed assets	4,977	5,371	5,174
Tangible fixed assets	129,413	124,671	125,467
Investments	34,424	31,155	38,065
Other net fixed assets	48,423	39,821	43,518
Total fixed assets (A)	**217,237**	**201,018**	**212,224**
Inventories	44,702	42,511	44,867
Work in progress	258,264	274,058	142,823
Trade receivables	382,749	329,355	395,237
Other assets	163,368	180,794	138,330
Advances from customers	(67,872)	(56,340)	(73,880)
Subtotal	**781,211**	**770,378**	**647,377**
Payables to suppliers	(354,817)	(356,777)	(381,200)
Other liabilities	(86,266)	(74,060)	(71,676)
Subtotal	**(441,083)**	**(430,837)**	**(452,876)**
Working capital (B)	**340,128**	**339,541**	**194,501**
Employee benefits	(15,162)	(14,770)	(15,026)
Provision for current risks and charges	(47,118)	(44,472)	(42,197)
Total provisions (C)	**(62,280)**	**(59,242)**	**(57,223)**
Net invested capital (D) = (A) + (B) + (C)	**495,085**	**481,317**	**349,502**
Cash and cash equivalents	175,418	186,576	185,370
Financial receivables and securities	60,618	54,139	97,358
Medium-long term financial payables	(262,966)	(280,565)	(88,702)
Short-term financial payables	(212,815)	(192,121)	(309,784)
Net financial payables/receivables (E)	**(239,745)**	**(231,971)**	**(115,758)**
Group equity	256,120	252,225	236,728
Minority interests	(780)	(2,879)	(2,985)
Equity (G) = (D) - (E)	**255,340**	**249,346**	**233,743**

(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”.