The Board of Directors approves the 2005 financial statements

ASTALDI, NET INCOME AT 32.5 MILLION EUROS (+15.9%) IN 2005

- **Total revenues of 1.021 billion euros (-3.2%)**
- **EBITDA of 152 million euros (+22,6%)**
- **EBIT of 78 million euros (+9.8%)**
- **Net income of 32.5 million euros (+15.9%)**
- **Orders backlog at 5.565 billion euros (+11,1%)**
- **Proposal of a dividend of 0.085 euro per share**

Rome, March 27 2006 – The Board of Directors of Astaldi S.p.A., chaired by Mr. Ernesto Monti, met today in Rome to examine the 2005 financial statements and approves the 2005 consolidated financial statements.

The 2005 financial statements will be put to the attention of the next Shareholders' Meeting, the first meeting of which is scheduled for April 28, 2006 and the second for May 2, 2006.

Astaldi Group closed 2005 with a net consolidated income of 32.5 million euros (vs. 28 million euros in 2004) and an orders backlog worth a total 5.565 billion euros, with an annual growth of 11.1%. Therefore, the Board of Directors ruled to submit a proposed dividend of 0.085 euro per share for approval by the Shareholders' Meeting. A dividend of 0.075 euro per share was paid in the previous year. The total amount of dividends, to be paid on May 11, 2006 (coupon date on May 8, 2006), stands at 8.3 million euros.

Consolidated financial and balance sheet figures at December 31 2005
Astaldi Group's consolidated income statement recorded a major growth in earnings, with an increase in both EBITDA (+22,6%) and net income (+15.9%). The orders backlog also saw a considerable improvement from both a quality and quantity viewpoint, standing at 5.565 billion euros at the end of 2005.

Total revenues at December 31, 2005 amounted to 1.021 billion euros, slightly down on the 1.054 billion euros of 2004. This 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 Expo Fair Centre and the Rome-Naples High Speed Railway.

In spite of this, the Group's profitability showed a major growth resulting from the high quality of orders included in the backlog of works being carried out.

Therefore, 2005 ended with *EBITDA* of 151.7 million euros, up by over 22% compared to 123.7 million euros in 2004, with a growth margin of 14.9% compared to total revenues.

EBIT amounted to 77.9 million euros with a 7.6% incidence on revenues and up by 9.8% on the 70.9 million euros of the previous year.

The Group's *net income* in 2005 totalled 32.5 million euros, up by 15.9% on the 28 million euros of the previous year, and up from 2.7% to 3.2% in relation to total revenues. This positive result is further highlighted by pre-tax profit of approx. 54.6 million euros, up by 27.3% on 2004.

Domestic contracts accounted for 46% of the above results, while the remaining 54% referred to works being carried out in the 14 foreign countries where Astaldi currently operates.

The *net financial position* at December 31, 2005 showed indebtedness of 234 million euros, compared to 227 million euros at the end of 2004, net of own shares. Said figure does not include receivables for the Anatolian Motorway contract in Turkey worth a total 56 million US dollars, collected in February 2006.
The value of indebtedness is in line with the contents of the 2006-2009 Business Plan, confirming a lower than the unit debt/equity ratio of 0.90, down on the 0.97 ratio of December 31, 2004.

Consolidated net financial position

Euro / 000	31 December 2005	31 December 2004
Short-term financial indebtedness	*(207,946)*	*(199,983)*
Bonded loan	*0*	*(129,999)*
Short-term financial indebtedness	(207,946)	(329,982)
Medium and long-term financial indebtedness	(246,700)	(86,634)
Cash	175,423	185,368
Total financial receivables and securities	60,619	26,915
Leasing	(21,138)	(23,421)
Net financial position	**(239,742)**	**(227,755)**
Treasury shares in portfolio	5,860	898
IAS effects and change in consolidation area	0	111,390
Total net financial position	**(233,882)**	**(115,467)** (*)

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

The 2006-2010 Business Plan shall be submitted for examination and approval by the Board of Directors during its next meeting.

Orders backlog

During 2005 Astaldi increased its orders backlog by 1.523 billion euros, bringing the total to 5.565 billion euros, with a growth of 11.1%. The new orders mainly refer to transport infrastructures and energy production plants. 27% of the contracts included in backlog refers to concessions/project financing contracts, while the remaining part refers to construction activities, 62% of which are in Italy and 11% abroad.

Main contracts awarded during the year were for works to lay a second track on the Parma-La Spezia railway line, the Turin rail junction, infrastructural water supply projects and rail transport works in Algeria and backing of an additional tranche of the project to construct the Puerto Cabello-La Encrucijada railway line in Venezuela.

The table below shows the trend in the 2005 orders backlog, split according to key areas of activity.

Euro/millions	**Beginning Period 01/01/2005**	**Increments**	**Decrements for production**	**Ending Period 31/12/2005**
Transport infrastructures of which:	3,229	917	(770)	3,374
railways and undergrounds	*1,859*	*718*	*(411)*	*2,166*
roads and motorways	*1,283*	*195*	*(322)*	*1,156*
ports and airports	*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**	**(969)**	**5,565**

Subsequent events

The outcome of tenders for the construction of Line C of Rome underground and Line 5 of Milan underground was disclosed subsequent to the 2005 year end.
Astaldi S.p.A., leader of a joint venture, was awarded the general contracting for the construction of Line C of Rome underground, worth a total 2.2 billion euros, in February.
The Company, leader and mandatory of a joint venture, was subsequently awarded the project financing contract for the design, construction and subsequent management of Line 5 of Milan underground worth a total 500 million euros and generating concession revenues of over 700 million euros.
Awarding of the contract for the construction of a new railway line in Algeria, worth a total of approximately 158 million euros, was also made official during the year.
As of today, Astaldi's orders backlog stands at over Euro 6.6 billion.

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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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CONSOLIDATED INCOME STATEMENT

Euro / 000	31 December 2005	%	31 December 2004	%
Revenues	968,898	94.9%	1,004,756	95.3%
Other operating revenues	51,833	5.1%	49,739	4.7%
Total revenues	**1,020,730**	**100.0%**	**1,054,495**	**100.0%**
Production costs	(722,438)	(70.8%)	(784,782)	(74.4%)
Added value	**298,293**	**29.2%**	**269,713**	**25.6%**
Labour costs	(146,552)	(14.4%)	(145,957)	(13.8%)
EBITDA	**151,741**	**14.9%**	**123,756**	**11.7%**
Amortisation and depreciation	(28,264)	(2.8%)	(25,673)	(2.4%)
Provisions	(16,100)	(1.6%)	(5,179)	(0.5%)
Write-downs	(4,287)	(0.4%)	(3,376)	(0.3%)
Other operating costs	(25,620)	(2.5%)	(18,810)	(1.8%)
(Capitalisation of internal construction costs)	457	0.0%	234	0.0%
EBIT	**77,927**	**7.6%**	**70,951**	**6.7%**
Net financial income and charges	(27,459)	(2.7%)	(32,012)	(3.0%)
Effects of evaluation of investments using equity method	4,117	0.4%	3,937	0.4%
Pre-tax profit (loss)	**54,585**	**5.3%**	**42,875**	**4.1%**
Taxes	(22,734)	(2.2%)	(15,031)	(1.4%)
Profit (loss) for the period	**31,851**	**3.1%**	**27,845**	**2.6%**
(Profit) loss attributable to minority interests	628	0.1%	177	0.0%
Group net profit	**32,479**	**3.2%**	**28,021**	**2.7%**

CONSOLIDATED BALANCE SHEET

	31/12/2005	31/12/2004
Intangible fixed assets	4,977	5,176
Tangible fixed assets	129,299	125,467
Investments	34,430	33,238
Other net fixed assets	45,749	42,620
Total fixed assets (A)	**214,455**	**206,501**
Inventories	44,702	44,867
Contracts in progress	265,267	142,823
Trade receivables	384,085	395,237
Other assets	166,513	138,330
Advances from customers	(67,872)	(73,880)
Subtotal	**792,695**	**647,377**
Payables to suppliers	(354,816)	(381,200)
Other liabilities	(90,170)	(74,395)
Subtotal	**(444,986)**	**(455,595)**
Working capital (B)	**347,709**	**191,782**
Employee benefits	(11,518)	(11,122)
Provision for current risks and charges	(54,609)	(37,370)
Total provisions (C)	**(66,127)**	**(48,492)**
Net invested capital (D) = (A) + (B) + (C)	**496,037**	**349,791**
Cash and cash equivalents	175,418	185,370
Financial receivables and securities	60,618	98,256
Medium-long term financial payables	(262,966)	(88,702)
Short-term financial payables	(212,815)	(309,784)
Net financial payables/receivables (E)	**(239,745)**	**(114,860)**
Group equity	257,072	237,916
Minority interests	(780)	(2,985)
Equity (G) = (D) - (E)	**256,292**	**234,931**

CONSOLIDATED CASH FLOW STATEMENT

A - CASH FLOW FROM OPERATING ACTIVITIES	2005
Net profit	*31,851*
Reconciliation of net profit referred to cash flow from operating activities	
Taxes	3,557
Depreciation, ammortization and write-downs	38,214
Provisions for risks and charges	16,100
Costs of defined benefit plan	2,919
Employee benefit costs	1,840
Loss on disposal of non current assets	3,732
Impact of measurement at equity method	(4,117)
Gains on disposal of non current assets	(3,441)
Subtotal	*58,804*
Change in working capital	
Trade receivables	88,607
Inventories and contract in progress	(87,960)
Trade payables	(26,384)
Provisions for risks and charges	(4,622)
Advances from customers	(6,008)
Other assets	(47,206)
Other liabilities	12,034
Defined benefit plans payment	(2,523)
Subtotal	*(74,062)*
Cash flow from the disposal Group as discontinued operatins	-
	16,593
B - CASH FLOW FROM INVESTMENTS ACTIVITIES	
Purchase of investment property	-
Investments in intangible assets	(3,118)
Investments in tangible assets	(42,104)
Acquisition of subsidiaries net of cash acquired	2,531
Proceeds from sale of non current assets	15,384
Changes in financing activities to subsidiaries and associates and jvs and others	(2,354)
Receipts of government grants	2,019
Change in consolidation area	(1,053)
Cash flow from the disposal Group as discontinued operatins	-
	(28,695)
C - CASH FLOW FROM FINANCING ACTIVITIES	
Issue of loan capital	-
Dividends paid	(7,375)
Long term borrowings	157,966
Change in other short-term borrowings (leasing included)	7,764
Repayment of bond	(129,989)
Change in financial assets	(16,987)
Sale (purchase) of shares/bonds and own shares	(9,099)
Change in consolidation area	
Cash flow from the disposal Group as discontinued operatins	-
	2,280
D – Impact of exchange rate changes	**(130)**

Net increase (decrease) in cash and cash equivalents	**(9,952)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**185,370**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**175,418**

2004 Figures are not disclosed as they are not comparable with the new IAS 32/39 and, therefore, they cannot be compared with 2005 figures

PARENT COMPANY INCOME STATEMENT	31/12/2005	%	31/12/2004	%
Euro/000				
Contract revenues	790,510	94.1%	810,074	94.1%
Other revenues	49,847	5.9%	50,600	5.9%
Total revenues	**840,356**	**100.0%**	**860,673**	**100.0%**
Costs of production	(602,080)	(71.6%)	(655,787)	(76.2%)
Added value	**238,276**	**28.4%**	**204,887**	**23.8%**
Labour costs	(93,232)	(11.1%)	(98,100)	(11.4%)
EBITDA	**145,045**	**17.3%**	**106,786**	**12.4%**
Amortisation and depreciation	(19,878)	(2.4%)	(18,044)	(2.1%)
Provisions	(16,100)	(1.9%)	(4,650)	(0.5%)
Write-downs	(4,287)	(0.5%)	(2,000)	(0.2%)
Other operating costs	(22,005)	(2.6%)	(13,488)	(1.6%)
(Capitalisation of internal construction costs)	161	0.0%	234	0.0%
EBIT	**82,935**	**9.9%**	**68,838**	**8.0%**
Net financial income and charges	(34,768)	(4.1%)	(26,793)	(3.1%)
Effects of evaluation of investments by equity method		0.0%		0.0%
Pre-tax profit	**48,167**	**5.7%**	**42,045**	**4.9%**
Taxes	(20,484)	(2.4%)	(15,603)	(1.8%)
Net profit	**27,683**	**3.3%**	**26,442**	**3.1%**

PARENT COMPANY BALANCE SHEET

Euro/000	**31/12/2005**	**31/12/2004**
Intangible fixed assets	4,964	5,165
Tangible fixed assets	93,650	94,680
Investments	133,525	59,895
Other net fixed assets	65,120	70,815
Total fixed assets (A)	**297,259**	**230,555**
Inventories	36,682	37,403
Contracts in progress	234,703	119,006
Trade receivables	351,883	357,947
Other assets	158,274	138,459
Advances from customers	-64,531	-70,680
Subtotal	**717,011**	**582,135**
Payables to suppliers	-309,756	-357,361
Other liabilities	-146,234	-65,451
Subtotal	**-455,990**	**-422,812**
Working capital (B)	**261,021**	**159,323**
Employee benefits	-9,685	-9,510
Provisions dor current risks and charges	-34,413	-22,954
Total provisions (C)	**-44,098**	**-32,464**
Net invested capital (D) = (A) + (B) + (C)	**514,182**	**357,414**
Cash and cash equivalents	134,996	153,706
Financial receivables and securities	49,309	97,054
Medium-long term financial receivables	-260,790	-82,864
Short-term financial receivables	-193,426	-293,282
Net financial position (E)	**-269,911**	**-125,386**
Net Group equity	244,270	232,029
Net Equity (G) = (D) - (E)	**244,271**	**232,028**

PARENT COMPANY CASH FLOW STATEMENT

A - CASH FLOW FROM OPERATING ACTIVITIES	2005
Net profit	*27,683*
Reconciliation of net profit referred to cash flow from operating activities	
Taxes	4,098
Depreciation, ammortization and write-downs	38,872
Provisions for risks and charges	16,571
Costs of defined benefit plan	2,197
Employee benefit costs	1,840
Loss on disposal of non current assets	3,150
Gains on disposal of non current assets	(2,585)
Subtotal	*64,143*
Change in working capital	
Trade receivables	74,860
Inventories and contract in progress	(80,657)
Trade payables	(47,605)
Provisions for risks and charges	(11,274)
Advances from customers	(6,149)
Other assets	(41,583)
Other liabilities	80,326
Defined benefit plans payment	(2,022)
Subtotal	*(34,104)*
Cash flow from the disposal of discontinued operatins	-
	57,722
B - CASH FLOW FROM INVESTMENTS ACTIVITIES	
Purchase of investment property	-
Investments in intangible assets	(3,103)
Investments in tangible assets	(23,303)
(*) Acquisition of subsidiaries net of cash acquired	(87,525)
Proceeds from sale of non current assets	7,870
Changes in financing activities to subsidiaries and associates and jvs and others	2,978
Receipts of government grants	
Cash flow from the disposal of discontinued operatins	-
	(103,083)
C - CASH FLOW FROM FINANCING ACTIVITIES	
Issue of loan capital	-
Dividends paid	(7,375)
Long term borrowings	160,495
Change in other short-term borrowings	(137,392)
Change in financial assets	1,872
Sale (purchase) of shares/bonds and own shares	9,210
Cash flow from the disposal of discontinued operatins	-
	26,810
D – Impact of exchange rate changes	**(159)**

Net increase (decrease) in cash and cash equivalents	**(18,710)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**153,706**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**134,996**

(*) Includes total investments in SPVs for contracts carried out in general contracting and project financing which are fully consolidated in the consolidated accounts

2004 Figures are not disclosed as they are not comparable with the new IAS 32/39 and, therefore, they cannot be compared with 2005 figures