



®

ASTALDI

a n n u a l r e p o r t 2004





"To consolidate as leading

Italian General Contractor and

m i s s i o n

enhance value, progress

and well-being for the communities"

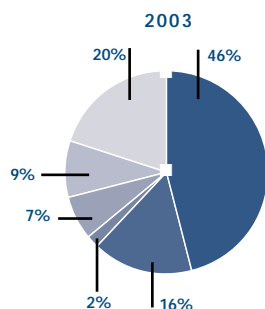
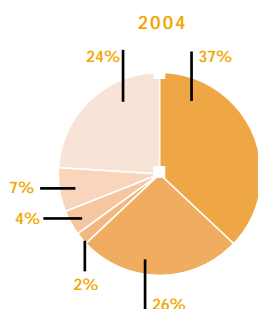
main ratios

(million of euro)

	2004	2003	2002
economic items			
total revenues	1,049	923	817
ebit	75	66	64
profit before taxes	41	29	26
net income	28	22	15
financial items			
gross self-financing margin	112	65	34
capital expenditure	50	60	118
% on total revenues			
total revenues	100.0%	100.0%	100.0%
ebit	7.1%	7.2%	7.8%
profit before taxes	3.9%	3.1%	3.2%
net income	2.6%	2.4%	1.8%
balance sheet items			
total assets	1,216	1,142	1,113
fixed assets	193	203	200
net invested capital	359	356	341
net debt	115	128	119
net equity	244	227	222

order backlog by lines of business

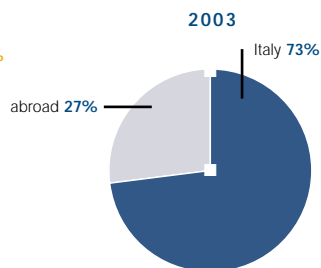
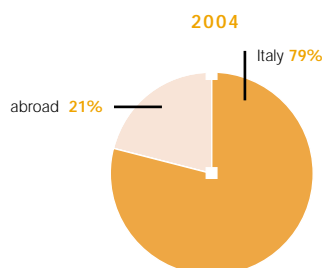
(million of euro)



	2004	2003
railways and subways	1,859	2,013
roads and motorways	1,283	723
seaports and airports	87	89
hydraulic and hydroelectric plants	221	313
industrial and civil buildings	348	399
operations	1,213	870
total backlog	5,011	4,407

order backlog by geographical area

(million of euro)



	2004	2003
Italy	3,961	3,200
abroad	1,050	1,207
total backlog	5,011	4,407

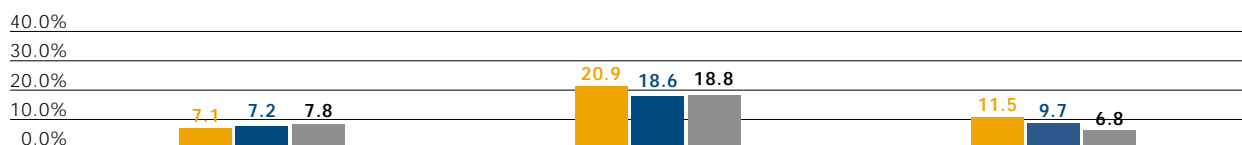
ratios

(percentages)

R.O.S.

R.O.I.

R.O.E.



2004 2003 2002

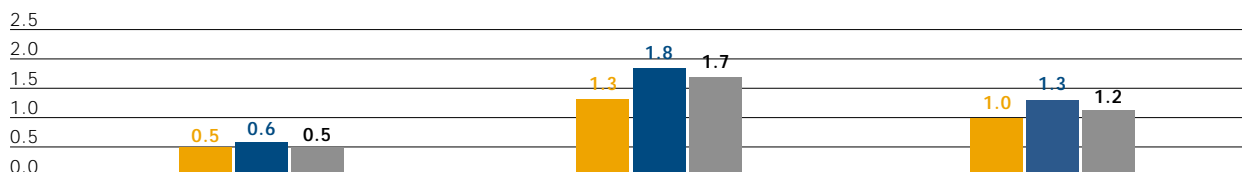
return on sales (R.O.S.) - operating income / total revenues
return on investment (R.O.I.) - operating income / net invested capital
return on equity (R.O.E.) - net income / net equity

(values)

GEARING RATIO

CURRENT RATIO

QUICK RATIO



2004 2003 2002

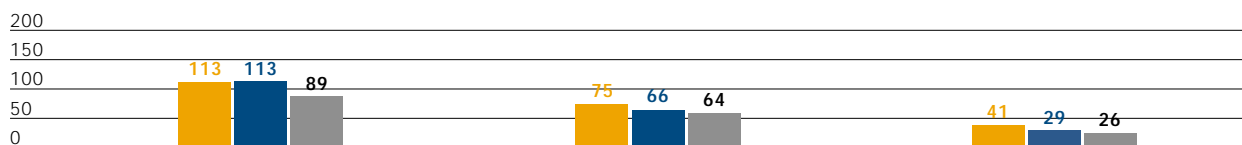
gearing ratio - net indebtedness / net equity
current ratio - short-term assets / short-term liabilities
quick ratio - total accounts receivables and cash / short-term liabilities

(million of euro)

EBITDA

EBIT

EBT



2004 2003 2002

EBITDA - earnings before interests, taxes, depreciation and amortization
EBIT - earnings before interests and taxes
EBT - earnings before taxes

net cash flow

(million of euro)

	2004	2003	2002
net income	28	22	15
depreciation, amortization and provisions	90	48	32
dividends	(6)	(5)	(13)
gross self-financing margin	112	65	34

turnover ratios

(percentages)

Assets turnover
(sales/total sales)

Inventory turnover
(sales/inventory)



2004 2003 2002

a n n u a l r e p o r t 2004



FROM LEFT TO RIGHT:

HONDURAS

El Cojolar Dam

ITALY

North-western Rome Road Link

ITALY

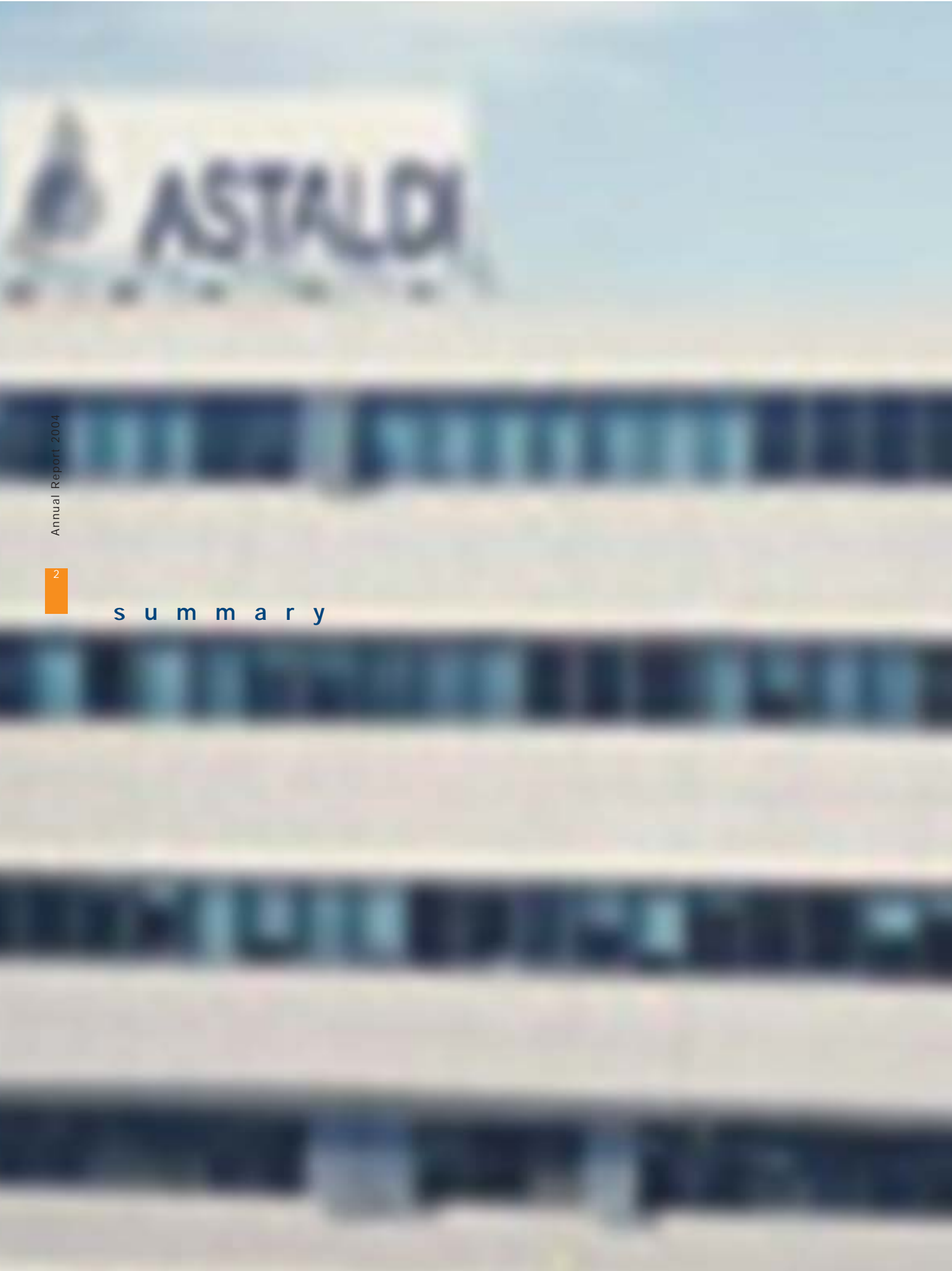
New Milan Expo Fair Centre

VENEZUELA

Puerto Cabello-La Encrucijada Railway

TURKEY

Anatolian Highway



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The Chairman's letter to Shareholders

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The Chairman's letter to Shareholders

Dear Shareholders,

In 2004 Astaldi achieved important goals; the financial statements that are presented to you are evidence of this. The positive trend in activities was better than forecasted and has even allowed us to improve the objectives which were laid out in the Industrial Plan. As originally set in the initial objectives, revenues exceeded one billion Euro and reached a value which – in conjunction with the economic results – are evidence of the quality of management over the course of the year. This goal also confirms the validity of the long-term constant growth strategy that was adopted – the real element on which the Company's credibility with respect to the market and its contractors is based upon – as well as the Group's capacity to create value.

This growth is not just measurable by numbers; quality is also of prime importance in our sector. The quality of our orders backlog – in other words, the capacity to aim towards works of greater value and of higher technological worth – is undoubtedly one of the factors which has favoured the development of the Company over the last few years. The quality of the production process – from planning to implementation and including the usage of advanced technology – is certainly one of the elements of strength which continues to allow Astaldi to emerge in the international scenario of major works. The quality and professional competence of human re-



ERNESTO MONTI
Chairman of Astaldi S.p.A.

sources which the Company continues to attract and value. These elements all represent added value which have triggered the quantitative and qualitative increase of the orders backlog – as of today exceeding five billion Euro – as well as the resulting growth of the Company's role as leading General Contractor in Italy.

The ability to implement works of elevated technical and organizational complexity is one of our distinguishing elements, and is recognized and appreciated by not only the Italian, but also the international, market. The latter therefore represents one of the elements which – in conjunction with the growth of the orders backlog and a good economic performance in 2004 – constitute a solid base on which to create additional sustained growth, as planned for the next five years within the objectives laid out in the new Industrial Plan that was recently presented to the financial community.

Finally, it is important to make note of the significant achievements that were undersigned by the Company during the course of the year. First of all, the New Milan Expo Fair Center – planned and implemented within the forecasted 24 months, it presented Milan and Italy with the largest fair center in Europe and is a masterpiece of engineering and architecture, as well as serving as an example of the entrepreneurial and industrial qualities of the Company.

The Chairman
(Ernesto Monti)

m a i n e v e n t s o f 2 0 0 4

The events of 2004

March The works for the completion of the Bologna High-Speed Railway Station were started

March Inauguration of the "Paquete III" Highway Link in El Salvador

April Awarding of the works for the completion of the Pitesti By-pass Road in Rumania



FROM LEFT TO RIGHT:

ITALY
New Milan Expo Fair Centre
ITALY
Rome-Naples High-Speed Railway
ITALY
New Hospital in Mestre

May Formalization of the appointment as sponsor in relation to the project financing contract for the completion and subsequent management of Milan Subway Line 5

June The first allotment of the Bucharest-Costanza highway was inaugurated

July Awarding of the works for the completion and subsequent management of a new Hospital in Naples ("Ospedale del Mare")

September Inauguration of the first allotment of the Milan Railway Link

October Awarding of the project financing contract for the completion and subsequent management of a parking lot located in the center of Verona

October Admission of a company consortium headed by Astaldi to the pre-qualification phase of the tender for the completion of the Bridge on the Messina Straits



December Awarding of works for the modernization and general contracting implementation of two distinct allotments of the "Jonica 106" State Highway

December Inauguration of the North Western roadway link of Rome

December Inauguration of the Kramis Dam in Algeria

FROM LEFT TO RIGHT:

QATAR
SASOL GTL Plant Project
ITALY
Pont Ventoux Hydroelectric
Power Plant
TURKEY
Anatolian Highway

c o r p o r a t e b o d i e s

Legal appointments

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Legal appointments

Board of Directors

Chairman	Ernesto Monti
Deputy Chairman	Paolo Astaldi
Executive Deputy Chairman	Vittorio Di Paola
Chief Executive Officer¹	Stefano Cerri
Directors	Caterina Astaldi
	Pietro Astaldi
	Giuseppe Cafiero
	Luigi Guidobono Cavalchini
	Franco A. Grassini
	Mario Lupo
	Vittorio Mele
	Nicola Oliva
	Maurizio Poloni

¹ Appointed as Chief Executive Officer during the course of the meeting of the Board of Directors of April 23rd, 2005.

General Managers

International Activities and Headquarters	Giuseppe Cafiero
Finance and Administration	Stefano Cerri
Domestic Activities	Nicola Oliva

Deputy General Manager

Finance and Administration	Paolo Citterio
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Board of Statutory Auditors

Chairman	Eugenio Pinto
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Statutory Auditors	Pierpaolo Singer
	Pierumberto Spanò

Substitute Auditors	Maurizio Lauri
	Antonio Sisca
	Marco Zampano

Auditing Company

	Reconta Ernst & Young S.p.A.
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g r o u p p r o f i l e

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The Group

Astaldi – the leading General Contractor in Italy – plans and implements major works within the sectors of transport infrastructures, hydroelectric and energy plants and non-residential building. Founded in the 1920's, the Group has always been a sponsor in large-scale construction projects and is today also well known for the use of the most innovative construction methods.

Ever since its inception, Astaldi has developed a strong presence across the national territory, linking its name to important works of civil engineering which contributed to the country's growth: highways, railways, aqueducts, ports, and public buildings. At the end of World War II, the Company passed beyond national borders and became one of the better known Italian companies abroad. Today – with its 7,000 employees – the Group is committed to implementing works in 17 differ-



ITALY
New Hospital in Mestre

ent countries; these are primarily in the sector of railway transport infrastructures and within projects yielding total revenues that exceeded the threshold of one billion Euro in December 31st, 2004.

The activity of Astaldi is not only limited to the construction phase of a project, but also includes an active role in organizing the financing for its implementation. The considerable participation in large-scale projects – which is supported by advanced technical and managerial know-how – strengthens its leading role as General Contractor and increases its presence in the sector of public works by means of project financing. With this tool, Astaldi has sponsored important initiatives such as the new Milan Subway Line 5 and the Appia Antica Underpass in Rome.

Astaldi retains a vast presence within the transport infrastructure sector where it has completed notable works such as the Rome-Naples High-Speed railway line, the Turin and Milan railway links, the Bologna High-Speed Railway, the Caracas-Tuy and Puerto Cabello-La Encrucijada railway lines in Venezuela; the subway lines of many cities Brescia, Naples, Los Teques in Venezuela, the Anatolian Highway in Turkey, the Bucharest-Costanza highway in Rumania, and the international airport of Bucharest. Recently, Astaldi was awarded works for the modernization of two distinct lots of "Jonica 106" State Highway ("SS106") and for the doubling of the Parma-La Spezia Railway.

Among the major works executed in this field, we point to the subway lines of Rome, Naples, Genoa and Milan in Italy and, internationally, to the Copenhagen and Caracas Undergrounds.



In the sector of hydraulic works and energy production plants, note should be made of the construction of the hydroelectric power plant of Pont Ventoux in Piedmont – the most important in Europe – and, internationally, the Nacaome aqueduct in Honduras, the Kramis dam in Algeria and the Sidi Said dam in Morocco, as well as the Balambano dam in Indonesia and the Xiaolangdi dam in China.

ITALY

New Milan Expo Fair Centre

Within the sector for civil and industrial buildings, the recent completion of the New Milan Expo Fair Center – the largest and most modern exposition center in Europe – stands out; note should also be made of important healthcare building projects such as a New Hospital in Mestre – the first significant project being implemented in Italy by means of project financing – and a new Hospital in Naples ("Ospedale del Mare"). In the hospital sector, as well as in that for parking lots and transportation, Astaldi is involved in completing works with the objective of developing synergies with the relative multi-year service concessions.

Geographical areas

United States

Florida

Central America

Honduras

Nicaragua

El Salvador

Costa Rica

South America

Venezuela

Bolivia





Europe

Italy
Denmark

Eastern Europe

Romania
Turkey

Maghreb

Morocco
Algeria
Tunisia

Asia

Saudi Arabia
Qatar

Africa

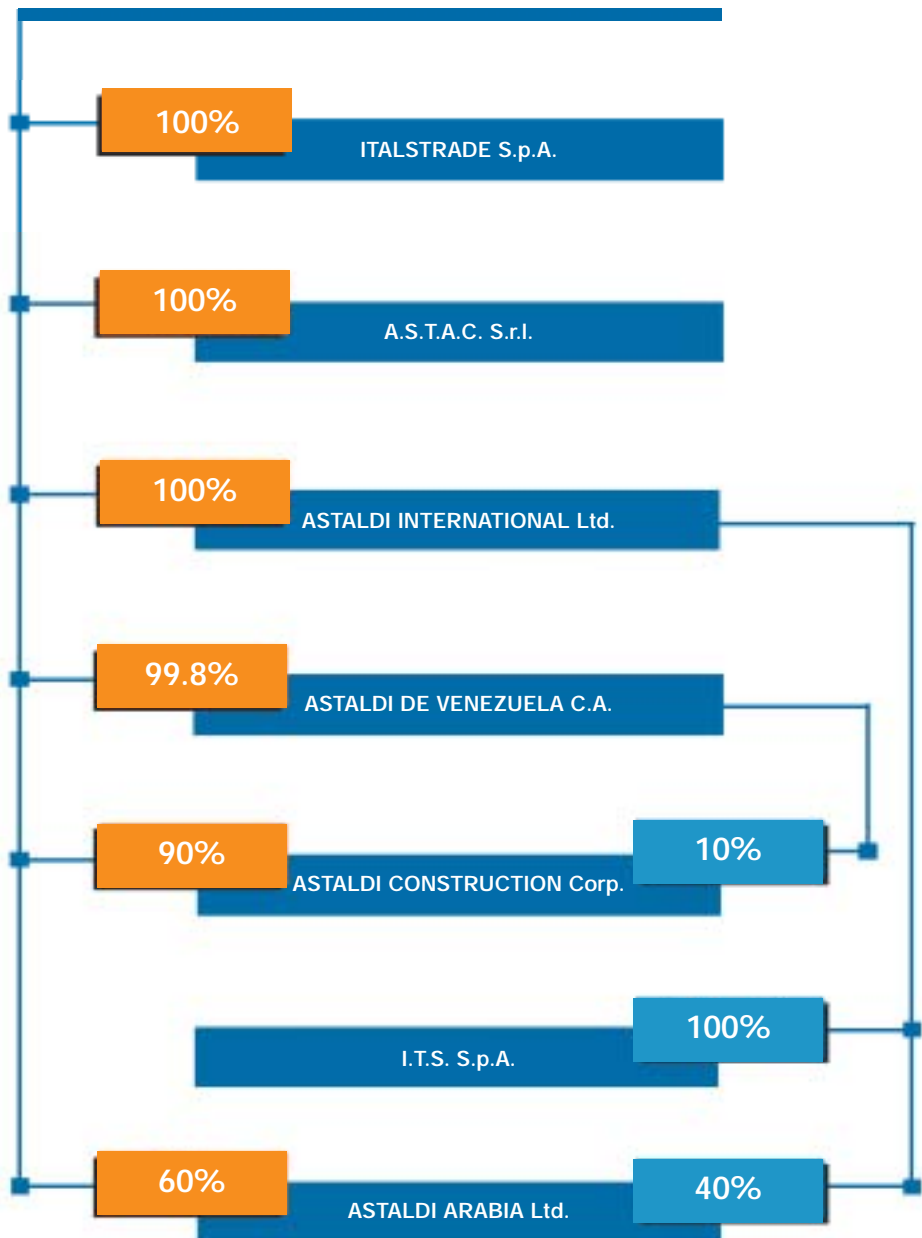
Congo

The Group structure



®

ASTALDI S.p.A.



The Managerial Team and Human Resources

The positive economic results that were attained and the industrial success that was achieved by Astaldi during the course of the year are derived from the managerial skills of its executives and the professional competence of its employees and collaborators.



VITTORIO DI PAOLA
Executive Deputy Chairman



STEFANO CERRI
Chief Executive Officer



GIUSEPPE CAFIERO
General Manager, International
Activities and Headquarters



NICOLA OLIVA
General Manager,
Domestic Activities

Each new initiative is governed and managed by high-profile personnel that each and every day help determine and achieve the Group's objectives. A decision-making structure that is translated into an efficient managerial hierarchy endows strategic choices with the flexibility and dynamism that are always at the basis of success.

The organizational structure of the Company is managed by the Board of Directors, the body which defines policy and corporate strategy; Prof. Ernesto Monti was confirmed as the latter's Chairman and holds a tenured position as Professor of Corporate Finance at the University LUISS-Guido Carli of Rome. The Company's strategic policy functions are directed by Mr. Vittorio Di Paola, who was confirmed as Deputy Executive Chairman by the Board of Directors meeting after the Shareholders' Meeting of April 29th, 2005. Mr. Di Paola – who had served as the Company's Chief Executive Officer for ten years – left the office to Mr. Stefano Cerri, who had served as General Manager for Finance and CFO since 1998. The Chief Executive Officer, who is responsible for implementing the strategies that are outlined, relies on the contribution of an organizational structure composed of three general managers: Mr. Giuseppe Cafiero and Mr. Nicola Oliva are respectively responsible for the two general managerial functions – International Activities and Headquarters, and Domestic Activities – on which new orders and contract management depend. And as General Manager for Finance and CFO, Mr. Cerri is responsible for all the Group's administrative, financial, and tax-related activities.

The high level of managerial professionalism is reinforced by an equally high level of skill on the part of Astaldi employees whose competency serves as the base for the industrial quality of the completed works and contributes to the good reputation of the industrial brand. The employees of the Group currently total circa 7 thousand individuals located across the building yards in Italy and across the world. Ever since its first year of activity, the Group has adopted a human resources policy aimed at attracting and developing excellent professional positions. This goal was continued throughout 2004 by investing, on the one hand, in the research and recruiting of high-potential human resources, and on the other hand by managing and growing the human resources that are already within the Group and serve as the basis of business success.

Selection and recruiting activity was strengthened by rationalizing the internal database, thereby consolidating partnership and exchange relationships with Universities and using company internships as a means to promote the entry of young professionals into the work environment.

The investment in training and upgrades – quantifiable as a total of circa 4 thousands training hours – is evidence of the constant attention that the Group allocates to the professional growth of its human resources which are viewed as the primary guarantee for consolidating and maintaining a leadership position in the market.

The 2005-2009 Industrial Plan

The industrial strategies which are outlined in the previous industrial plan have confirmed the elevated operational efficiency of the Group which has been further demonstrated by the latter's capacity to complete contract orders of significant importance as well as by the excellent management of the financial resources that are necessary to sustain the growth and construction of a high-quality orders backlog. The industrial plan for the years following 2005 begins with these introductory elements; this plan aims to consistently consolidate the growth of Astaldi as the leading General Contractor in the national market, but also to support the growing commitment of the Company abroad and in its project financing and concession activities. The economic objective is to double total revenues within five years; revenues exceeded one billion Euro in 2004.

The 2005-2009 Industrial Plan therefore aims at focusing upon the distinguishing competencies of the Group for the purposes of strengthening its competitive position and its operational leadership – even by means of external growth.



FROM LEFT TO RIGHT:

ITALY
New Milan Expo Fair Centre
VENEZUELA
Puerto Cabello-La Encrucijada
Railway
ITALY
Turin Railway Link

The strategic policies for the next five year period include – with regards to the national market – a growing commitment of the Group on contracts with an elevated degree of technological complexity and which are structured according to general contracting and project financing modalities, particularly in the sectors of transport infrastructures, healthcare and parking lots. These areas are characterized by a growing financial commitment whose aim is the development of project financing and concession activity for the purpose of significantly increasing the incidence of these sectors in the overall composition of the orders backlog.

In foreign markets, Astaldi aims towards an industrial strengthening in countries with the highest potential and where its presence has already been consolidated, such as Turkey, Venezuela and Rumania. The strategic plan also outlines growth policies for the new markets of Eastern Europe and for further growth in the Middle East – also by means of company acquisitions which allow the synergies of the Group to be exploited.

Finally, the organizational policy of the Group will be oriented for the purposes of adequately supporting the development of General Contractor activities as well as project financing and concession contracts by separating and focusing upon single business units.

Corporate governance

Astaldi has adopted a corporate governance model which incorporates the principles of the *Corporate Governance Code of Listed Companies* and complies with the recommendations issued by Consob as well as the best practices that are used internationally.

The body of Astaldi Shareholders comprises more than 10,000 Shareholders who own ordinary shares. The direct Shareholders which detained a shareholding of more than 2% of share capital fully paid and represented by shares with voting rights as of December 31st, 2004, are as follows:

main shareholders	
	%
FIN.AST S.R.L.	39.907
FINETUPAR INTERNATIONAL SA	12.525
GARTMORE INVESTMENT MANAGEMENT PLC	5.32
NEXTRA INVESTMENT MANAGEMENT SGR S.P.A.	2.195
J.P. MORGAN FLEMING ASSET MANAGEMENT (UK) LIMITED	2.128
CENTAURUS CAPITAL LP	2.111

The Board of Directors of Astaldi is currently formed of thirteen members. Non-executive directors are in the majority – seven out of thirteen – in order to guarantee – as required by the Corporate Governance Code – that their opinion carries enough weight in Board decisions by contributing to decision-making in the interests of the Company. There are also five independent directors whose characteristics are outlined in the Corporate Governance Code.

The Board of Directors serves a central role within the Company's organization since it retains overall responsibility for the strategic and organizational policy of the Company, in addition to monitoring the Group's activity. In particular, the Board of Directors examines and approves the Company's strategic plans; assigns and revokes mandates to the Chief Executive Officer; determines – on the basis of the proposals formulated by the special Remuneration Committee and with the approval of the Board of Statutory Auditors – the compensation of directors; oversees general corporate management performance, with particular reference to conflicts of interest; examines and approves transactions of significant economic, asset or financial importance.

A significant part of the compensation paid to the CEO – as well as to the directors and executives of Astaldi – consists of emoluments linked to the achievement of net income results by the Company. The proposals for these emoluments are formulated by the Remuneration Committee which is composed of three majority non-executive Directors. Its task also includes: the determination of the criteria for the compensation of high-level executives; proposals for potential incentive plans linked to directors, employees and collaborators; monitoring the transparency of information in this area and supplying advice to the Board of Directors on issues relating to compensation and remuneration.

The Company also has a *Service for Internal Control and Organization* whose function is to implement all appropriate and necessary actions for the control of corporate processes, including those relative to policy, monitoring, and the detection of critical elements and opportunities for improving corporate organization. Activities are undertaken on the basis of an annual auditing program which is shared with the Internal Audit Committee and Top Management. The results of these audits are periodically reported to the Audit Committee itself and the Board of Statutory Auditors, in addition to top management.

The *Internal Audit Committee* – set up by the Board of Directors on February 5th, 2002 – implements consulting and proposal-oriented functions with respect to the Board of Directors; these functions are relative to the activities of supervision over the general management of the Company. In detail, this Committee – in addition to assisting the Board in carrying out the tasks required by the Corporate Governance Code – evaluates the work plan prepared by the internal control manager and receives the latter's periodical reports; evaluates – in conjunction with the Company's administrative managers and auditors – the adequacy of adopted accounting principles and their homogeneity in the preparation of the consolidated accounts; evaluates the proposals formulated by the audit company for the purposes of securing the relative appointment, as well as the work plan prepared for the audit and the latter's results; reports to the Board on conducted activities as well as on the adequacy of the internal audit system on at least a half-year basis; and monitors the adequacy of the Corporate Governance Code.

In addition, for the purposes of strengthening Corporate Governance, the Board of Directors adopted the *Code of Company Ethics* on March 18th, 2003 which establishes general principles and – through rules of conduct – regulates the activities of employees and collaborators of the Company and of all companies of the Group, even those concerning relations with Shareholders, the Public Administration, suppliers, contractors and subcontractors.

The *Organization, Management and Control Model pursuant to Legislative Decree no. 231/2001* of July 2nd, 2003 was also adopted for the purpose of safeguarding the Company in the case of offences committed by the directors, employees and collaborators of the Company – as laid out by the above-mentioned Legislative Decree.

Both the *Code of Company Ethics* and the *Organization, Management and Control Model pursuant to Legislative Decree no. 231/2001* have been updated in order to adapt them to current regulations.

Environment, quality and safety

The quality of production and the safe-guarding of the environment, as well as the security of employees and those making use of completed works, are inseparable elements that Astaldi has always considered inalienable values. Adherence with the ISO 9001:2000 regulations on quality control systems and the OHSAS 18001:1999 international technical specifications on corporate management systems has resulted in organizational adjustments which had effects on both internal processes as well as contractual ones.

All corporate structures are affected by the activity of the Quality Control Service which has operated intensely for the purpose of transferring and consolidating the innovations that implemented. Supervisory activity of the main company processes was later guaranteed by means of systematic internal audit activity whose primary objective is the continuous improvements of services and products.

In the months of February and August, periodical audits were implemented by the certification Entity DNV Det Norske Veritas in order to verify the continued existence of the pre-requisites needed for maintaining the validity of the issued certifications. The audits – all completed with positive results – were implemented on the Rome Headquarters as well on the contracts relating to the completion of the New Milan Expo Fair Center and the Milan Railway Link which were managed



by Astaldi; audits were also done on the contracts in Rumania and Morocco in relation to the Bucharest-Costanza Highway and the Sidi Said Dam which were managed by Italstrade.

FROM LEFT TO RIGHT:

VENEZUELA
Puerto Cabello-La Encrucijada
Railway
ITALY
New Hospital in Mestre
ITALY
"City of Science" in Naples

Corporate citizenship

Astaldi continues its policy of safe-guarding the environment and supporting cultural values due to its belief that a search for maximum corporate efficiency is compatible with the contribution offered to the social and cultural growth of the country. From this perspective, the Company has cultivated close and friendly relations with numerous institutions over the years which are active in protecting Italy's cultural heritage by following a tradition of awareness for the cultural and artistic world which was already inherent in the Company's founders.

As founding shareholder, Astaldi contributes by supporting the activity of the Accademia Nazionale di Santa Cecilia – one of the most ancient music institutions in the world which over the course of the year has been confirmed as one of the most qualified international concert entities.

Of no lesser importance is the relationship which Astaldi has initiated – as institutional sponsor – with the Società del Quartetto of Milan and the Fondazione Arturo Toscanini of Parma. The former is a prestigious company that was founded over 140 years ago and which has contributed to bringing together the operas of Italy with the great symphony and instrumental music of Europe; the latter is one of the more dynamic Italian musical institutions in Italy.

Particular attention has been for some time given to entities and associations linked to the safe-guarding of the Italian environmental heritage, and which includes – of primary importance – the Fund for the Italian Environment (F.A.I., Fondo per l'Ambiente Italiano) whose safe-guarding work is of primary importance for the protection of our country's artistic and natural locations which would otherwise be destined to degradation. Astaldi subscribes to F.A.I. as a *Corporate Golden Donor*.

At an international level – and particularly in those countries where it is more deeply rooted, both in Africa and Eastern Europe – Astaldi supports important cultural and social initiatives by also participating in educational programs for children in disadvantaged areas.

Communication and the Stock Exchange

Ever since its debut in the Stock Exchange Market, Astaldi has always emphasized communication which it considers an indispensable element in the relationship with shareholders and with the various parties interested in Company activity: institutional investors, financial analysts, customers, institutions, specialized media and the economic/financial press.

The first objective of the Company is to promptly transfer knowledge of internal facts which may affect share prices to the market. However, the importance that Astaldi places on communication is not only in response to its obligation to comply with regulations issued by supervisory bodies with regard to compulsory information disclosure; it also derives from the firm belief that management's constant commitment to complete transparency depends on a greater ability to monitor dynamics and corporate processes, and will over time translate into support and appreciation from stakeholders and from the financial community in general.



In addition to making use of a specifically delineated process for the distribution of price sensitive data and news (*continuous information process*), Astaldi also adopted a *Code of Conduct on Insider Dealing* which requires "individuals of relevance" within the Company to report and make note of potential operations on the shares which exceed pre-determined amounts over a certain period of time.

During the course of 2004, the fulfilment of requirements set for periodical informational disclosure and communication on facts of relevance to the Company has been accompanied by assiduous activity in the area of meetings with the financial community. Conference calls and presentations to the community, one-on-one meetings with individual investors, and road shows in various financial centres in Italy and abroad have become management's most common tools for communicating the value that the Group can generate.

But there is no knowledge of financial events without understanding what is the Group's activity, history, and production capacity. And in fact, frequent visits have been organized to the individual work sites and operating locations in order to provide a concrete idea of the human and technological resources that the Company can mobilize and coordinate. Lastly, all information relating to Astaldi's economic data and industrial activity is available on its constantly and promptly updated website.

call of the shareholders' meeting

Call of the Shareholders' Meeting

32

Call of the Shareholders' Meeting

The Shareholders are hereby called to the First Ordinary Meeting held at the Registered Office in Rome, Via Giulio Vincenzo Bona n. 65, on the day of April 29th, 2005, at 9 am; if needed, the second meeting will be held at the same time and place on May 2nd, 2005, in order to discuss and resolve upon the following agenda.

- Approval of the financial statements of the year closing on December 31st, 2004. Other inherent and resulting resolutions.
- Appointment of the Audit Company and conferment of the task for the audit of the yearly and consolidated financial statements of 2005, 2006 and 2007, as well as the half-year reports relative to these years, in accordance with Article 159 of Legislative Decree n. 58/1998.

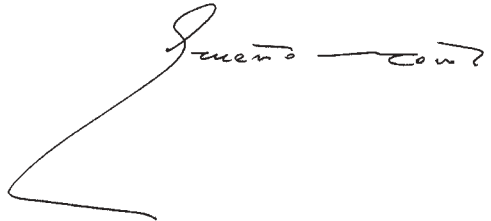
The Shareholders with voting rights may intervene in the meeting so long as an authorized intermediary sends the relative certification within two days of the First Meeting.

In order to facilitate the verification of the legitimization of the meeting intervention, the Company invites the Shareholders to send all documentation supporting this legitimization to INFOMATH S.r.l. – to the attention of Mrs. Anna Raviele – Via San Siro n. 27, 20149 Milan, by regular mail or fax at the n. 02/48.10.24.16, and at least two days before the date of the First Meeting.

The documentation relating to the agenda items of the day will be filed in the registered office and at Borsa Italiana S.p.A. in accordance with the terms set by current laws. The Shareholders have the right to obtain a copy at their expense.

Experts, financial analysts and accredited journalists who plan on attending the Meeting must send a request to Astaldi S.p.A. – to the attention of the Investor Relations Office – by email investor.relations@astaldi.com or by fax to the number 06/41.76.67.13, and at least two days before the date of the First Meeting.

for the Board Of Directors
The Chairman
(Ernesto Monti)

A handwritten signature in black ink, appearing to read "Ernesto Monti", with a long, sweeping horizontal line extending to the left.

consolidated financial statements

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Management Report on the Consolidated Financial Statements

Dear Shareholders,

This Management Report on the consolidated financial statements complies with the requirements of the Italian Civil Code. The consolidated financial statements have been prepared as usual, in accordance with the provisions of Legislative Decree no. 127/91.

Macroeconomic background

The year 2004 was characterized — from a global perspective — by growth, particularly in terms of GDP and commercial exchanges. The elements which characterized this international macroeconomic background were primarily the considerable increase in the price of petroleum, the weakening of the American dollar in currency markets, and a lower risk associated with the “overheating” of the Chinese economy.

In the United States, the strong acceleration of the economy — characterized by a GDP expansion of 4.4% — can be traced back to a particularly elevated contribution by internal demand, particularly in relation to durable goods (+6.9%) and services (+2.8%). The increase in petroleum product prices, and the greater financial charges deriving from the higher interest rates, may cast doubts upon the sustainability of this trend because they are starting to limit the spending capacity of consumers. Over the course of 2004, investments reported an increase of 12.9% and accelerated growth versus 2003. In response to forecasts on the strengthening of the growth trend and in order to contain any potential inflationary pressures, monetary authorities have decided to gradually increase the target rate for short-term interbank loans.

The Japanese economy gradually weakened after an excellent start of the year; this was primarily due to a decline in exports and private consumption. GDP growth in 2004 reported an effective value of 2.6%. Although a certain amount of progress has been made in terms of adjusting imbalances through the financial policies of banks and companies, the conditions for a convincing and stable recovery of internal demand in the short-term seem to be lacking; economic growth therefore continues to be dependent upon foreign demand.

As regards the European Union, a worse-than-expected ending to 2004 for France and Germany had the effect of aligning the European economic cycle with that of the rest of the world: as a result, the European economic cycle moved in accordance with the slowing global GDP growth rate. The slowing of the two leading European economies can be attributed to difficulties in international market exports for Germany, while in France the primary cause of the slowing is linked to internal demand.

Growth of the Italian economy suffered a blow in the fourth quarter of 2004, with GDP decreasing by 0.3% with respect to the previous quarter — thereby frustrating expectations for a recovery in productivity for all of 2004. The annual increase of GDP was, in fact, 1%, and therefore lower than the average reported by the countries in the Euro zone.

Equity markets

The year 2004 was also a positive year for equity markets.

Although initial optimism in the first part of the year was diminished as a result of economic developments in the United States and the increase in the price of petroleum, the positive base data for the U.S. and the re-election of George W. Bush to the presidency in the last part of the year triggered an improvement in the overall economic cycle and allowed the markets to recover from the losses reported up through August.

In particular, the Dow Jones Industrial Average closed the year with an annual growth of 3% (if calculated in Euro) despite dipping below 10,000 points in August (versus the 10,409 at the start of the year). In the Euro area, the DJ Stoxx 50 reported an annual growth rate of 3%, and the German index DAX closed the year with a 7% growth rate despite the fact that it had touched 3,647 in August (4,018 in early January 2004).

The performance of the Milan Stock Exchange Market was also extremely positive



and superior to that of the other European markets: MIBTEL closed in 2004 with an annual maximum value of 23,534 on December 30th, approximately an 18.1% growth rate with respect to the end of 2003, and an excellent result if one considers that the global MSCI World index grew by 9.7% in the same period. Special mention should be made of MibSTAR which outperformed all the other indices and reported an annual growth rate of +24.6%, versus the +14.9% rate of the new S&P/Mib index. Such a positive result can be attributed to the recovery of share prices as well as the increase in exchanged volume that was favored by lower market volatility and a growth in floating capitalization (+22.5%, a rate that is primarily attributable to the growth in prices and new placements, particularly that relating to the third installment of Enel). The only exception is the New Market which — confirming the trend of 2003 — reported a level of volatility that was almost double that of the rest of the MTA, in addition to having produced capital account losses (NUMEX -17.6%, Numtel -17.5%).

FROM LEFT TO RIGHT:

MOROCCO
Sidi Said Dam
ITALY
New Milan Expo Fair Centre
ITALY
New Hospital in Naples

The domestic market

The year 2004 was the sixth consecutive year of growth for the construction sector — one of the most dynamic elements of the country's economic growth. Over the past six years, growth of the construction sector clearly outpaced GDP (+19.1% versus the +8.5% for GDP) and the growth rate for employees in

the sector was more than double that of the economic system as a whole. If one compares the data of the first six months of 1998 and the same period in 2004, employees in the construction sector grew by 21.6% versus an overall growth in employment of 9%. This data highlights the supporting role undertaken by the construction sector for the economy; this sector is the only one which has substantially contributed to the development and wealth of the country within the overall weak framework of the general economic cycle.

After the approval of Italian Law no. 443/2001 (Strategic Infrastructure Act, the so-called "Legge Obiettivo"), the award of the first general contracting tenders during 2004 has brought to light several firms within the market that are characterized by a solid capital asset structure, a high level of project management know-how, and considerable capacity in accessing the credit system.

Over the course of 2004, procedures were initiated for the general contracting tenders relating to the creation of the Bridge over the Strait of Messina, in addition to final awards for large stretches of the Salerno-Reggio Calabria highway, the stretch completing the Catania-Siracusa highway, the Palermo-Carini railway track doubling, and the construction and modernization of the "Jonica 106" State Highway (SS106).

As regards the various modes of operation provided for by Legge Obiettivo, the



FROM LEFT TO RIGHT:

ALGERIA

Kramis Dam

HONDURAS

El Cojolar Dam

ITALY

Bridge over the Messina Strait
Project

use of project financing and concessions — as per Article 19 of Law no. 109/1994 (the so-called "Merloni Law") — increased during 2004. The healthcare building sector and the transportation infrastructure sector were particularly active; this was also due to the Government and local Administrations' need to minimize the cost impact of public works on debt levels, as required by the Financial Law.

In developing the specific opportunities offered by this background of reference, during 2004 the Astaldi Group has further affirmed and consolidated its leadership as a General Contractor as well as in relation to project financing. Within the realm of the projects acquired in the orders backlog during the course of 2004, of particular importance is the general contracting contract for the construction and modernization of two distinct tracts of the "Jonica 106" State Highway. In addition, Astaldi turned out to be first in the list and is awaiting the final award for the contracts for the doubling of the Parma-La Spezia railway line, as well as for the Turin Railway Hub.

Within the realm of project financing works, the Group has concentrated its efforts on the profitable healthcare building and parking lot sectors, thereby confirming the growth trend reported in previous years. In the course of 2004, the

Group acquired a contract for the building and subsequent management of the New Hospital in Naples ("Ospedale del Mare"). The concession contract relating to the construction and management of a parking lot in the centre of the city of Verona is of lower value, but still significant.

As regards commercial activities that are being studied and presented, Astaldi, the leader of an international joint venture, pre-qualified (alongside two other consortia) for the presentation of a general contracting offer in 2005 pertaining to the building of the Bridge over the Strait of Messina.

With regard to new project financing initiatives, the Astaldi Group has made an offer for a concession for the Asti-Cuneo highway. Astaldi has been appointed sponsor for the construction and management of the new Milan Underground Line 5; "C.I.P.E." (Interministerial Committee for Economic Planning) has already resolved to approve the quota of public financing for this project. Forecasts for this project expect the tender to be called in the first half of 2005. The evaluation phases of the proposal for the building and management of Milan Underground Line 4 — presented by Astaldi in the course of 2004 — are currently underway.

In light of these and numerous other initiatives that are being studied, there is reasonable expectation in 2005 for continued growth and consolidation of the Group in the sector of major public works, particularly after the approval of the regulations defining the General Contractor qualification system, which places the Astaldi Group in the highest qualification sector.

The foreign market

The international scenario is characterized by a greater dynamism compared to that of the previous year, which continues to characterize the Asian and U.S. economies; growth prospects for the latter seem to be slightly lower than initial forecasts. This is also due to the continued atmosphere of uncertainty and general insecurity caused by an intensification of international tensions, the strong increase in petroleum prices and the increase in the price of steel.

Despite these factors, observers continue to agree that 2005 should confirm itself as a year of further growth for the international economy despite expectations for a gradual reduction in the growth rates of many economies.

In the United States, the positive trend in the construction market continues in terms of work volume — despite the higher federal deficit — with forecasts for growth in 2005 and subsequent years. In particular, demand for residential building is expected to continue but with a slightly lower percentage value compared with the record values of 2004; this will result in a consequential driving effect on public road works and urban services — activity sectors in which Astaldi Construction Corporation, the subsidiary of the Astaldi Group which manages and develops activities in the United States, is particularly active. A further push in the sector for road and highway works should be provided by the next renewal of TEA-21, the federal framework act regulating the financing of the construction and maintenance of these works in the next six years.

Latin America shows a decidedly more complex and uneven scenario due to the large structural differences of its various countries. After a three-year period of stagnating productive activity, this area's major economies are starting to ex-

pand again at an elevated pace. According to International Monetary Fund estimates, growth of the area's economy should settle at around 3.6% in 2005. This forecast is further supported by a series of factors such as the low level of interest rates, which should bring unquestionable benefits to those countries making use of the financial market (excluding Argentina), as well as the increase in the price of petroleum (of which Venezuela and Brazil are producers). As regards the African market, the lack of interesting prospects has confirmed, in the conviction and actions of Astaldi, the closure plan in countries in the sub-Saharan area; this closure had already been initiated in the past. Completion of residual activities in Guinea Conakry, Guinea Bissau, Tanzania and Congo is forecast for the current year.

The economic development forecasts for Eastern Europe also point towards growth, due to the competitive cost of labor on a European level, the increase in the cost of raw materials and, for those countries which recently joined the Euro area, the financing foreseen for infrastructure upgrading.



FROM LEFT TO RIGHT:

TURKEY

Anatolian Highway

ITALY

Salerno-Reggio Calabria Highway

HONDURAS

El Cojolar Dam

In this context, the Astaldi Group has mainly concentrated on markets where its consolidated presence over the years can also guarantee greater stability for the future, and where there are favorable development opportunities, such as the United States, Central America, Venezuela, Romania, and the Maghreb and the Middle East.

In Europe, productive activities have considerably increased in comparison with the same period of the previous year; this is due to the resumption of full activities in Turkey as well as in Romania; the latter, in particular, has proved to be one of the areas with the highest growth rates in terms of production and attained results, confirming the commercial commitment undertaken by the Group over the past few years. This period has witnessed a gradual strengthening of the managerial and technical structures that are present in the area.

On the American continent, the stability of the Group's activities is confirmed, particularly in reference to Venezuela where the current projects held in the orders backlog (of primary importance for the country) are believed to represent the only interesting initiatives, while further development of activities would increase financial requirements and thereby the risk level as well. Over the course of the year, further commercial activities were in any case undertaken in other countries in the area, such as Bolivia — where as of today all effective contracts have been completed.

Over the course of 2004, the diversification strategy in the Middle East also continued; Astaldi has been present there for about two years in the industrial

plant sector, in partnership with large international operators. There are two projects currently underway in the area: one in Saudi Arabia, completed during the course of the year, and the other in Qatar, where the Group is carrying out civil works for the Sasol GTL Plant on behalf of one of the most important international firms operating in the petroleum plant sector. It is believed that in this market — where large investments are planned — further market shares may be acquired in a reasonable period of time.

Reorganization of equity holdings

Within the realm of the Group's activities for streamlining and containing corporate management costs, the merger by incorporation of R.I.C. – Railway International Construction S.p.A. into Italstrade S.p.A. has been completed. On April 15th, 2004, the Shareholders' Meetings of the two companies had in fact implemented the consequent actions and resolutions, and the merger deed was executed on June 21st, 2004.

This operation will allow Italstrade to strengthen its operational sphere within the sector for the construction and maintenance of medium-sized transportation infrastructures (both road and railway).

Operational network

Over the course of 2004, the Group's operational network developed through the activity of 24 foreign branches (operating as sub-offices) and 190 firms located in Italy and abroad — 63 of which are subject to a dominant influence exercised by the Parent Company.

It should be noted that there were numerous managerial, financial and economic relations between the Parent Company and its daughters, the legally and financially independent operating units, as is normal in a sector where there is concrete and varying dominance or influence. Relations of a particular nature, significance or scope have been detailed in the Notes and commented upon in the description of the operating units, which follows.

Economic, asset and financial trend of the Group

The results attained by the Group over the course of the twelve months of 2004 highlight a strengthening of its capital asset and economic structure in conjunction with growth of the orders backlog (which is now stronger and of improved quality).

The table below reports the primary data of the Group, expressed in millions of Euro.

main data for the group

(in millions of euro)

	2004	2003
total revenues	1,049	923
fixed assets	193	203
net financial indebtedness	115	128
operating result	75	66
result before taxes	41	29
taxation	(13)	(7)
net profit	28	22
self-financing (net profit + depreciation and amortization + provisions)	66	69

Activity trends for the year 2004 highlight further improvement with respect to the objectives set in the 2004-2006 Industrial Plan.



FROM LEFT TO RIGHT:

ITALY
Futani-Centola State Highway
MOROCCO
Sidi Said Dam
ITALY
New Hospital in Mestre

The special attention given to contracts of greater value and of more complex technical, legal and managerial content has been critical in ensuring the significant increase in reported revenues.

Total revenues as of December 31st, 2004, were equal to over 1,049 million Euro — a 13.7% increase with respect to 2003.

The attained objective of over a billion Euro in revenue has allowed the Group gain on the main European players. This result is even more positive if one takes into account the decrease in the value of the American dollar which reduced the value of revenues originating with that currency during the course of 2004. A careful policy of covering exchange rate risks has in any case allowed for the economic effects of this decrease to be mitigated.

Contract and services revenues are equal to over 989 million Euro, a 13.7% increase with respect to the same value reported on December 31st, 2003. Of these, 50.3% refers to activities conducted in Italy while the remaining 49.7% originates from foreign markets. This data confirms the trend — already started in the previous two years — of the dominance taken on by the domestic component of activities conducted in accordance with the strategic goals pursued by the Group.

The operating result — in a considerable increase with respect to 2003 — is equal to approximately 75 million Euro, and represents 7.1% of overall total revenues, thereby allowing a net income of approximately 28 million Euro to be attained, versus the 22 million Euro value reported in 2003.

The year 2004 has also been characterized by the excellent capital asset and financial results attained by the Group. A comparison with data reported in

2003 highlights, in fact, a substantial stability in managerial floating capital, in addition to a trend of considerable improvement for the net financial position — despite the significant growth of production during the course of the year. This phenomenon confirms the excellent results attained by the Group in terms of capital asset and financial control — a consequence of the detailed planning policy that has been undertaken, and linked to a greater economic and financial stability of the foreign markets in which the Group operates.

In 2004, note should be made of net fixed assets which were equal to approximately 193 million Euro — a decrease with respect to the same value on December 31st, 2003, and due to the natural amortization process. The Group has, in fact, completed the technical/operational investment plan, which was primarily dedicated to the American area and Romania, allowing these areas to be strengthened, and conducted in compliance with the decisions made in relation to industrial planning and the growth of the orders backlog.

During the course of the year, investments were made in connection with general contracting tenders; in particular, note should be made of the current activity involving the study of the tender for building the Bridge over the Strait of Messina and which features Astaldi as the leader of an international grouping of firms.

With regards to activities conducted at a national level, it is important to note that the initial investments in project financing activities are included within equity investments and intangible fixed assets; these investments include the establishment of a special purpose vehicle for the creation and management of the New Hospital in Mestre, as well as the initial investments for building the infrastructures for managing the utilities at Cologno Monzese.

Net fixed financial assets include own shares whose value is equal to approximately 0.9 million Euro. The average acquisition price for the 400,000 shares in the portfolio, with a par value of 1 euro, was approximately 2.24 Euro.

As regards the improved flow dynamics, it is important to make note of the financial stabilization that was obtained in the management of important contracts undergoing implementation in Turkey and Venezuela.

With regard to the Group's activity in Turkey, it should in fact be noted that — following the effectiveness of the export financing as of December 2003 — Astaldi has reached a significant level of efficiency in its production cycle, stabilizing the certification process for contracts and their collection.

In addition, a financing contract was signed at the end of last year in relation to both the export credit, as well as to credit of a commercial nature concerning the Puerto Cabello-La Encrucijada railway contract managed by Société Générale and Banca Intesa; this occurred after the re-opening of financing lines for Venezuela by "S.A.C.E." (Company for Insurance on Export Credit). This contract — which received a resolution on behalf of the Executive Committee of S.A.C.E. for definitive insurance coverage guaranteeing the execution of works — will ensure the regular progress of works and their financial flows, and is today fully operational and usable.

With regards to the net financial position, the analysis of the main data are reported below.

consolidated net financial position

(thousand of euro)

	2004	2003
short-term net indebtedness	(146,181)	(100,348)
medium to long-term net indebtedness	(69,308)	(75,072)
cash and cash equivalents	174,839	149,983
long term financial receivables	77,178	73,021
total ordinary finance	36,528	47,584
net ordinary bond	(129,999)	(150,000)
leasing	(21,996)	(25,898)
total net financial position	(115,467)	(128,314)

Net indebtedness as of December 31st, 2004, was equal to 115.5 million Euro, a clear reduction from the 128.3 million Euro on December 31st, 2003, despite the presence of a 13.7% increase in revenues — in other words, due to the attention given to control over capital invested in contracts. The results deriving from the Group's financial policy — aimed at supporting operational activities through the management of financing dedicated to single projects — are obvious. This policy — in conjunction with a stabilization of the financial flows linked to foreign activities — allows productive to be planned activities without a particular increase in invested capital.

The commercial efforts made by the Group, combined with the considerable investments spent for the qualitative growth of resources, did not create a worsening effect on the Debt/Equity ratio which, on the contrary, reported a decrease, falling below 0.5.

It should be noted that net indebtedness includes the financing related to the parking lots managed in Italy, as well as other project financing initiatives, for over 27 million Euro. Recoupment of these investments will be guaranteed by future cash flows deriving from management.

Shareholders' equity — equal to approximately 244 million Euro — reported a change during the year due to the net income of the period, the issue of dividends, and the change in the conversion reserve whose value was affected by the weakness of the American dollar. To counter this effect, a prudent policy for exchange rate risk coverage was prepared; the adopted conversion procedure, in fact, requires the conversion to be made with the exchange rate of the date of closing, and therefore was affected by the current weakness of the U.S. currency. The coverage policy that was adopted — aimed at managing the exchange rate variable — turned out to be effective, even in light of the fact that approximately one third of the Group's revenues is denominated in U.S. dollars or currencies linked to it.

The Consolidated Income Statement and Balance Sheet, as well as the Cash Flow Statement, are shown below in reclassified format. Values are expressed in thousands of Euro.

reclassified consolidated income statement

(thousand of euro)

	2004	%	2003	%
revenue from services and contracts	989,348	94.3%	870,145	94.3%
other revenues and income	59,726	5.7%	52,640	5.7%
value of production	1,049,074	100.0%	922,785	100.0%
costs of production	(793,050)	(75.6%)	(672,895)	(72.,9%)
added value	256,024	24.4%	249,890	27.1%
personnel	(129,023)	(12.3%)	(122,865)	(13.3%)
gross operating margin	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%
amortizations and depreciations	(45,322)	(4.3%)	(45,693)	(5.0%)
provisions	7,328	0.7%	(1,174)	(0.1%)
operating result	74,551	7.1%	66,444	7.2%
net financial income (charges)	(26,842)	(2.6%)	(27,458)	(3.0%)
revaluation (write-down) of equity	(2,157)	(0.2%)	(4,967)	(0.5%)
net extraordinary income (charges)	(4,552)	(0.4%)	(4,982)	(0.5%)
profit before taxes	41,000	3.9%	29,037	3.1%
income tax	(11,526)	(1.1%)	(14,994)	(1.6%)
pre-paid taxes	(1,360)	(0.1%)	8,136	0.9%
net profit for the period	28,114	2.7%	22,179	2.4%
minority interests (profit) loss for the period	(508)	(0.0%)	217	0.0%
group net profit for the financial year	27,606	2.6%	22,396	2.4%

reclassified consolidated balance sheet

(thousand of euro)

	2004	2003
net intangible assets	49,897	52,191
net tangible assets	102,338	106,318
equity investments	26,319	28,361
other net fixed assets	14,142	16,296
total net fixed assets (a)	192,696	203,166
inventories	42,831	41,316
contracts in progress	192,752	187,373
trade debtors	301,883	217,355
other assets	202,380	207,542
advances	(107,413)	(84,919)
subtotal	632,433	568,667
trade creditors	(228,977)	(196,399)
other liabilities	(154,523)	(142,832)
subtotal	(383,500)	(339,231)
working capital (b)	248,933	229,436
employee severance indemnity	(12,473)	(12,189)
contractual risk provision	(41,177)	(51,599)
other funds	(28,732)	(13,220)
total provisions (c)	(82,382)	(77,008)
net invested capital (d)=(a)+(b)+(c)	359,247	355,594
cash and cash equivalents	174,839	149,983
cash and current financial receivables	77,178	73,021
medium to long-term financial debts	(86,647)	(96,099)
short-term financial debts	(150,837)	(105,219)
bonds (eurobond)	(150,000)	(150,000)
own bonds in portfolio	20,001	-
net financial debts/credits (e)	(115,466)	(128,314)
consolidated net equity	243,690	227,122
minority interests	91	158
net equity (g)=(d)-(e)	243,781	227,280
personal guarantees	1,393,144	1,695,806
factor for risk of regression	79,573	86,168
other off-balance sheet accounts	30,381	29,660
guarantees	-	-
third party guarantees in our favor	25,066	22,189
total off-balance sheet accounts	1,528,164	1,833,823

consolidated cash flow statement

(euro thousand)

	2004	2003
operating activities		
group net profit	27,607	22,395
deferred / (pre-paid) taxes	1,360	(8,136)
depreciation of tangible assets	20,859	18,756
amortization of intangible assets	24,463	26,937
provisions for risks and charges and write down of equity investments	36,505	33,990
provision for employee severance indemnity	5,146	4,421
provision for doubtful debtors, interests on delayed payments	11,698	200
loss on disposals of fixed assets	473	236
gains on disposals of fixed assets	(1,149)	(705)
subtotal	126,962	98,094
utilization of provision for risks and charges	(42,781)	(32,251)
employee severance indemnity paid	(4,838)	(4,202)
utilization of allowance for doubtful debtors, interests on delayed payments and securities	(7,111)	-
decrease (increase) in inventories	(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 areas	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)
proceeds from sale of tangible assets	7,747	9,284
(purchases) sales of equity investments	606	(3,803)
project financing investments	(4,448)	
net effect of change in consolidation areas	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 loans obtained (repaid) during the year	(9,450)	33,505
increase (decrease) of financial assets equities which are not permanent	(3,930)	13,447
buy back of the debenture loan	(20,001)	
payment of dividends	(6,306)	(4,916)
cash flow from financing activity c)	13,720	29,050
change in minority interests equity	(67)	(148)
other changes	(1,244)	(175)
change of the conversion reserve	(3,408)	(11,346)
change conversion and consolidation reserves d)	(4,719)	(11,669)
cash flow for the year a)+b)+c)+d)	24,856	(5,278)
cash and cash equivalents at beginning of year	149,983	155,261
cash and cash equivalents at end of year	174,839	149,983
cash flow for the year	24,856	(5,278)

Investments

The cash flow statement shown above clearly highlights how investments made in the course of the year totaled 50 million Euro at the consolidated level, net of changes in the consolidation area.

These investments may be broken down as shown in the following table:

n e t i n v e s t m e n t s	
(millions of Euro)	
tangible fixed assets	24
intangible fixed assets	22
minority interests	4

The year 2004 was characterized by an increase in both domestic and foreign productive activities. This is the result of a careful re-organization of minority interests combined with the effective planning of investments for the purpose of increasing the technical and operational equipment of the Group's structures.

As a result of this, the year 2004 was characterized by an increase in investments relating to the study and design of general contracting initiatives and the development of investments in project financing activities. For this purpose, the Group completed — during the course of the year — the payment in the mandatory arrears of subscribed capital in V.S.F.P. - Veneta Sanitaria Finanza di Progetto, the company set up for the purposes of building and successively managing the new hospital in Mestre.

The investments undertaken for initial and ongoing training of the Group's human resources — in order to consolidate the attained leadership position — take on increasing importance.

Note should be made of the disinvestment activities implemented in all those areas that are no longer considered strategic for the Group; these activities will be closed over the course of 2005.

Quality

During the course of 2004, the indirect effects of corporate management systems planned at the Group level primarily affected the Parent Company Astaldi S.p.A. and the subsidiary Italstrade S.p.A.

Organizational upgrades implemented as a result of the adoption of company management models in accordance with ISO 9001:2000 standards on quality systems, and according to international OHSAS 18001:1999 technical standards on Company management systems for health and safety at the workplace, had an effect on both processes within company offices as well as those relating to contracts.

From an operational point of view, the Quality Management Service implemented an intense activity of technical/specialized assistance with regard to all company structures, aimed at transferring and consolidating the innovations which were made; monitoring of primary company processes was also guaranteed through

systematic internal audits, as customary and with the primary objective of continually improving services and/or products.

At the same time, the DNV Certification Body, Det Norske Veritas — acting on the effect of the norms regulating the management of certification activities — implemented periodical audits with the aim of verifying the continued existence of the prerequisites needed to maintain the validity of the issued certifications.

Following the positive outcome of the aforementioned audits, the reports certifying the validity of the issued certifications were released. These were conducted in the months of February and August in the Rome office and relating to contracts for building the New Milan Expo Fair Center and the Milan Railway Link, managed by Astaldi S.p.A., in addition to the contracts in Romania and Morocco concerning the Bucharest-Constanta highway and the Sidi Said dam, managed by Italstrade S.p.A.

Finally, and specifically with regard to the subsidiary Italstrade S.p.A. — which incorporated R.I.C. - Railway International Construction S.p.A., through a merger on June 21st, 2004 — it should be noted that during the course of the second half of the year a further revision to the organizational model described in the Company's quality system documents was undertaken. This was by effect of the above merger and is currently being examined by the competent body.

Research and development activities

The Group did not incur costs for research and development activities.

Human resources

The Group — which has always been committed to attracting and developing excellent professionals — has remained faithful to this mission during the course of 2004 by investing, on one hand, in searching for and recruiting human resources with high potential and, on the other hand, in managing and developing the skills that are fundamental to the business's success.

Recruiting activity was strengthened by streamlining the internal database, consolidating partnership relations and exchanges with the university system, and activating company internships designed to foster the entry of young professionals into the workforce. The optimization process of these activities, launched during the course of 2004, will be completed during the course of 2005 with the opening of a job opportunities area within the Group's institutional site; this will promote increased exchange between supply and demand.

Integration of recruited resources has been implemented through various training paths which develop knowledge of the primary company processes and functions which have the greatest interaction with the professional sector to which the newly hired employee belongs. Acquisition of skills required by the designated position and for future career steps is facilitated by means of a job rotation plan which is managed by a company tutor and is documented on a bi-annual basis and monitored by top management.

Safekeeping of Company skills and know-how — which has always been an ethical commitment and strategic tool for the Group — is undertaken by defining procedures aimed at making informational flows between company bodies more fluid

and rapid, thereby fostering fair and equal management of internal mobility, and ensuring a relationship of trust between human resources and the Group itself.

Skill development has been promoted through training plans in a variety of relevant sectors: updated training courses linked to quality and safety systems, regulatory updates for specific sectors, training in project control and management, improvement of foreign language skills, the use of IT systems, etc. Investment in initial and updated training activities — quantifiable overall as approximately 3,980 hours of training — is evidence of the constant attention that the Group pays to the pro-



FROM LEFT TO RIGHT:

ROMANIA
Bucharest-Constanta Highway
ITALY
Porto Torres Trading Port
USA
PGA Boulevard

fessional growth of its human resources, which are understood as being the main guarantee for consolidating and maintaining a leadership position on the market.

Orders backlog

During the course of 2004, new contracts were acquired for a total of 1,593 million Euro, and which brings the Group's total orders backlog, as of December 31st, 2004, to over 5.0 billion Euro — a 13.7% increase over the beginning of the year. The geographical distribution of the orders backlog at the end of the year included 79.1% in Italy — primarily in the railway infrastructures sector — and 20.9% abroad, primarily on the American continent, in addition to Romania and Turkey. From a qualitative standpoint, the orders backlog is 76% derived from construction contracts, and 24% from concession revenues.

The year 2004 therefore confirmed itself as a year in which the orders backlog increased with respect to the already exceptional levels of 2003, in both quality and quantity; this testifies to the Group's intention in strengthening its role as the leading General Contractor for the domestic market, while paying particular attention to a contract acquisition policy that emphasizes the profitability and quality of new orders. Contracts in the orders backlog are therefore increasing, and are characterized by their high technical/organizational and financial complexity. This further demonstrates the skills shown in the management of major works such as the Rome-Naples High-Speed Railway and the New Milan Expo Fair Center.

In particular, and in reference to the events that characterized the year 2004, it should be noted that, in the month of December, Astaldi was awarded a general contracting project for the modernization and construction of two distinct lots of the "Jonica 106" State Highway (SS106); this project was valued at over 790 million Euro. Astaldi was awarded the project as the leader of a company grouping with a 90% share in the latter.

The first lot, valued at 310 million Euro (with a 90% Astaldi stake), concerned the modernization works of an initial 84 km stretch of the SS106, in the Palizzi-Caulo-

na stretch of the province of Reggio Calabria — from km 50 to km 123+800 — as well as the construction of the Marina di Gioiosa Jonica junction. The project is scheduled to have an overall duration of 40 months.

The second lot, valued at 480 million Euro (with a 90% Astaldi stake), requires the creation of approximately 13 km of the E90 — for the stretch relating to the SS106 from the Squillace junction (km 178+500) to the Simeri Crichi junction (km 191+500) — and the extension of State Highway 280 ("Strada Statale dei due Mari") from the San Sinato junction to the Germaneto junction. The project is scheduled to have an overall duration of 34 months.

These awards follow another award concerning the contract for the construction and subsequent management (by means of the project finance tool) of a parking lot with approximately 750 car spaces located in the centre of the city of Verona; the Group was awarded this contract in October. This project requires an investment of approximately 17 million Euro and a management period of about 30 years, effective from the end of the construction period (equal to about 15 months). The number of parking lots under concession therefore increases to five, making Astaldi one of Italy's leaders in this sector.

In the month of July 2004, Astaldi (as the leader of a company grouping) won the tender for the award of a concession for the construction and subsequent management of a new hospital in Naples ("Ospedale del Mare"). The total value of the construction works is 187 million Euro, of which approximately 64% was issued by the local healthcare service (*Azienda Sanitaria Locale*) which is the Client for the project; the remaining amount is charged to the Concessionaire who will proceed in the 25-year management of non-healthcare services, and with total compensation set at over 660 million Euro. The project is slated to have a duration of 42 months; at the end of this period, the concession period will begin. Astaldi is participating in the project with a 60% stake for construction activities and a 52% stake for management activities.

It should be noted that the orders backlog as of December 31st, 2004 does not take into account any projects for which the appointment as sponsor — in accordance with Article 37 *bis et seq.* of the Merloni Law (Italian Law no. 109/1994 and later amendments) — has been formalized. On the basis of current Italian regulations on the subject of project finance, in fact, the appointment as sponsor transfers a pre-emption right to the latter that may be exercised during the actual implementation of the tender. However, the Group has an established policy of only inserting works within the orders backlog that are considered definitively won and entirely financed; as a result, these contracts will only affect the value of the orders backlog when the above conditions are met. As of today, the projects relating to the project financing implementation of the Milan Underground Line 5 (MM5) and the Appia Antica underpass in Rome are therefore not included in the orders backlog.

The valuation of the project for the Milan Underground Line 5 is approximately 504 million Euro, of which 193 million Euro are charged to the concessionaire and the financing banks, while the remaining 311 million Euro is derived from public contributions. The concession contract will be signed at the end of the tender and the negotiation procedure during which Astaldi, as leader of a firm grouping and as sponsor, will benefit from the pre-emption right. The project — including the design phase — is expected to have a duration of five years, and will be followed by 27 years of management. The outcome of the tender is set for the second half of 2005.

With regards to the project financing initiative for the construction and subsequent

management of the Appia Antica underpass in Rome, the overall value of the works is approximately 390 million Euro, of which 190 million Euro are charged to the concessionaire and the remaining portion to the Municipality of Rome. The 30-year concession for the management of the project will bring in revenues of over 800 million Euro to the awardee, gross of management costs. The project will require the construction of a road with two lanes for each direction of travel, connecting the southern quadrant of the city to its eastern quadrant and extending for approximately 9 km; it includes approximately 7 km of tunnel. This project — of high utility for city traffic — is distinguished as Rome's first urban transport project implemented through project finance — a sector in which the Group is Italy's leader.

In addition, it should be noted that the Group awaits the outcome of the appeal proposed by Astaldi Group to the Council of State. This was proposed in response to the decision of Tuscany's Regional Administrative Court ("T.A.R.") to repeat the procedure by which, in late 2003, the Group had been formally appointed sponsor in relation to the project for the construction and subsequent management of the integrated 4-hospital system in Tuscany.

The tables below illustrate the growth of the orders backlog and therefore the trend in new orders during the course of 2004, broken down by type of contract and geographical region.

The data confirm the Group's focus on the domestic market (as previously stated on more than one occasion), and in particular on those contracts which guarantee a strengthening of the General Contractor role. The policy of the Group is, in fact, aimed at concentrating company resources on the management of complex contracts of significant value, and which are characterized by a profitability level that is greater than that offered by the traditional public contracts market.

growth trend of the orders backlog by type of contract

(million of euro)

	01.01.2004	acquisitions	production	12.31.2004
transport infrastructure	2,825	1,029	(625)	3,229
– railways and undergrounds	2,013	100	(254)	1,859
– roads and motorways	723	891	(331)	1,283
– airports and ports	89	38	(40)	87
hydraulic and hydroelectric plant contracts	313	52	(144)	221
civil and industrial building	399	169	(220)	348
concessions	870	343	–	1,213
total orders backlog	4,407	1,593	(989)	5,011

growth trend of the orders backlog by geographical area

(million of euro)

	01.01.2004	acquisitions	production	12.31.2004
Italy	3,200	1,258	(497)	3,961
abroad	1,207	335	(492)	1,050
total orders backlog	4,407	1,593	(989)	5,011

As regards activities still undergoing analysis, note should be made of the considerable commercial effort made by the Group in the transport infrastructure and healthcare building sectors by means of the project finance tool.

In December, Astaldi submitted — in partnership with Vianini Lavori S.p.A. — a bid for the construction and management of the Asti-Cuneo Highway. The tender — called by ANAS S.p.A. — provides for awarding a concession for the design, construction and subsequent management of the toll highway connection between the two Piedmontese cities; this concession is awarded through a joint venture with the participation of ANAS itself. The tender base value of the contract is equal to approximately 1.8 billion Euro; the latter include the revenues deriving from management of the completed works for a maximum period of thirty years.

This initiative follows those prepared during the rest of the year in which the Group presented further proposals in the sector of transport infrastructures; this includes one for an appointment as sponsor for the construction and management of the Milan Underground Line 4 (MM4) whose outcome is expected to occur during the course of 2005.

As regards the healthcare building sector, Astaldi submitted — at the end of October 2004, in partnership with the Techint Group — a bid for the construction of the “Niguarda” Hospital in Milan; this offer capitalized on the experience gained from the project relating to the new hospital in Mestre. The tender — called by the Milanese Healthcare Company — deals with the concession for the design and performance of works for the upgrading of the “Niguarda” Hospital in Milan, as well as the subsequent management of all non-healthcare support services, the parking lot and the commercial services compatible with the healthcare activity itself (bars, restaurants, shops). This management would extend for a maximum period of thirty years. The overall investment will be more than 230 million Euro; public contribution will not exceed 60% of the total. The outcome of the tender is set for the first half of 2005.

As regards general contracting works, it should be noted that in June 2004 a decision was made on the group of firms with which Astaldi (as group leader) will participate in the tender for the contract relating to the construction of the Bridge over the Strait of Messina. The project requires a pre-financing stake for the General Contractor ranging from 10-20%, and will require an investment of approximately 4.4 billion Euro. The deadline for the next phase of bid presentations is set within the first half of 2005.

With regard to activities abroad, it should be noted that, in the last part of the year, the Group was admitted to the pre-qualification phase of the tender called for the design and construction of the Istanbul-Ankara High-Speed Railway Link, in addition to the building of access points for the new Bosphorus railway crossing (Marmaray Project). Both of these projects will involve civil works totaling more than 400 million Euro and will involve Astaldi's joint participation with Ansaldo Trasporti Sistemi Ferroviari and other international players such as Scott Wilson. Participation in the tenders — subject to the positive outcome of the pre-qualifying phase — will occur during 2005.

The Group continues its expansion of activities in Central America through the presentation of initiatives in such important countries in this area as Guatemala, Costa Rica and Mexico.

In addition, it should be noted that financing has been provided by the Venezuelan government for the third phase of the project relating to the construction of the Puerto Cabello-La Encrucijada railway link; this project increased Astaldi's orders backlog by approximately 47 million Euro in connection with a signed contract which

includes an as yet unfinanced amount of an additional 135 million Euro which will be included in the orders backlog in the coming years. We also report a positive trend in new contracts for the Group in Romania and the United States. In Romania, note should be made of the award for the project relating to the construction of the Pitești bypass, valued at over 66 million Euro, while in the United States, the Group acquired new contracts for approximately 100 million USD through its subsidiary Astaldi Construction Corporation. The latter includes a project for the construction of the SR9 Freeway in the Miami area, valued at approximately 60 million USD. The main projects included in the current orders backlog are described in the following section.

Domestic Scenario

Transport infrastructures – railways and underground

Milan Railway Link

The contract concerns the construction of the subgrade, superstructure and facilities for the Milan railway link between the stations of Porta Venezia, Porta Vittoria, Rogoredo and the Lambro junction; this will total approximately 4 km of double-track railway line development.

The project has been broken down into two lots with separate delivery dates: lot 20 — between the Porta Vittoria station and the Lambro junction — and lot 30 between the stations of Porta Vittoria and Rogoredo.

On September 30th, 2004, the works relating to Lot 20 were completed ahead of schedule, and on December 12th, 2004, the stretch was inaugurated and opened



FROM LEFT TO RIGHT:

ITALY
New Hospital in Naples
ITALY
"City of Science" in Naples
ITALY
North-western Rome Road Link

to the general public. In addition, the works relating to Lot 30 — connecting the link to the Rogoredo Station — have been started, and their date of completion is slated for the second half of 2006.

Production carried out during the course of 2004 for both of these lots totals approximately 24.5 million Euro.

Turin Railway Link

During the course of 2004, SUSA-DORA QUATTRO S.c.r.l., a company controlled by Astaldi S.p.A. with a 90% shareholding stake, has continued its upgrading works on the Turin Railway Hub for the Corso Vittorio Emanuele II-Fiume Dora Riparia stretch.

Over the course of the year, the works for building the bulkheads and the excavations of the railway tunnel were completed; works were later initiated for building the end cap of the State railway tunnel, as well as for waterproofing and the foundation slab. At the same time, the works for the construction of the structures of the new underground station of Porta Susa have continued, while the four exits of the station along Corso Inghilterra have been completed.

The value of production for the year 2004 was 21.8 million Euro. Progressive production was approximately 80.4 million Euro.



It should be noted that the production for the period was affected by a reduction in the works to be executed, equivalent to 40% of the total contract value, concerning the final part of the lot, as a consequence of Italferr's decision to adopt the altimetric change as requested by the Municipality of Turin. A settlement to the dispute arising from this — as well as the previous — decision is expected in the first months of 2005.

TURKEY
Anatolian Highway

High-Speed Railway: Central Station of Bologna

The contract involves the construction of the High-Speed Central Station of Bologna which falls within Bologna's urban stretch of the Milan-Naples High-Speed Railway (lot 11), and the works for its activation (lot 50). The total contract is valued at 288.7 million Euro.

The works were delivered in the month of March 2004, and the first activities that were implemented were related to removing the railway facilities and structures of the Station, as well as the construction of the railway section of the Arcoveggio building yard. Starting in the month of June — after the issue of authorizations from the Municipality of Bologna and other competent bodies — works were implemented for the detour of interfering public sub-services, the clearing of military devices and archaeological excavations, the building of part of the structures for the access ramp to the High-Speed Station in Via Fioravanti, and the modifications to the sewer system through the installation of new pipes.

In the same period, both the drilling and the additional geognostic surveys, as well as the analysis and design of the final-phase building yard, presented to the Municipality of Bologna in order to obtain the required authorization, were conducted. This authorization will be granted in the first months of 2005. The installation of part of the base camp was also undertaken.

The production generated during the year — equal to 5.3 million Euro — was very negatively affected, both because of the discovery of ancient Roman finds

during archaeological excavations, and because of the impossibility of initiating and implementing the works related to the High Speed Station, in addition to the installation of the former Fascio Carracci industrial building yard. The latter was due to the activation of authorization proceedings — in accordance with Ministerial Decree no. 471/1999 on polluted sites — by the Municipality of Bologna, whose resolution is expected in the second quarter of 2005.

High-Speed Railway: Rome-Naples Section

The General Contractor CONSORZIO IRICAV UNO, controlled by Astaldi S.p.A. with a 27.91% stake, has continued its negotiations for the contractual revision that became necessary in order to adopt the changes and innovative systems introduced at the Client's request; this process concluded with the agreement reached on December 22nd, 2004.

This agreement defined the new Essential Completion Deadlines (ECD) of the two functional lots: the 1st lot, including partial testing, by August 31st, 2005, and the 2nd, including partial testing, by March 31st, 2008. The new deadlines for final testing and pre-running were set as follows: 1st lot by October 10th, 2005, while the 2nd lot by two months after the ECD. The same agreement also includes economic



FROM LEFT TO RIGHT:

VENEZUELA
Rio Cristal Tunnel
TURKEY
Anatolian Highway
HONDURAS
El Cojolar Dam

compensation for the extension of the work period as well as for the new contractual changes.

Production in 2004 for CONSORZIO IRICAV UNO, linked to design services, expropriations, general contracting activities and technology, calculated proportionately to Astaldi S.p.A.'s stake — was 32 million Euro. In addition to the above, PEGASO S.c.r.l., appointee of CONSORZIO IRICAV UNO, executed works for an amount equal to 10.8 million Euro, proportionately with Astaldi S.p.A.'s stake

The amount of the works carried out in 2004 in the Cassino and Ferentino work-sites equaled 4.2 million Euro.

Brescia underground

During the course of 2004, the first works related to the contract for the construction of the Prealpino-Sant'Eufemia stretch of the Brescia underground were started.

The contract — which provides for the construction of a completely automated light underground system having no permanent personnel on the trains or at the

station — will be built in association with Ansaldo Trasporti, Ansaldo Breda and NECSO.

The Prealpino-Sant'Eufemia section extends for 13.8 km and traverses the centre of the city from north to south, turning east as far as Sant'Eufemia Station, where the depot will be located. Its construction calls for building 1.8 km of viaducts, 4 km of cut-and-cover tunnels, 6 km of driven tunnels, 1.8 km of embankments and cuttings and 18 stations, 14 of which underground.

The contract includes the executive design, execution and start up of the work, the two-year technical management and the seven-year routine and extraordinary maintenance of the underground, for a total of 611 million Euro: Astaldi S.p.A.'s stake for the design and execution of the civil works amounts to approximately 282 million Euro.

The contract also provides for the assignment — as soon as the necessary financing is found — of the northern Prealpino-Concesio extension (0.8 km) and the Lamarmora-Fiera section (3.5 km and 5 stations). Over the course of the year, the agreement minutes were, in fact, signed; this will bring about considerable technical changes to the contractual project, including the construction of the stations with solutions and finishings that are similar to those adopted in the Copenhagen LRT, as well as the introduction of variations in the layout of the line and a 187-month extension of the contractual period. The approval of this variation triggered a 21.5 million Euro increase in the value of the works to be performed by Astaldi S.p.A., bringing the contractual value of the Astaldi stake to 303.5 million Euro.

Building yard development relating to the base camp, the overhaul of the TBM (Tunnel Boring Machine) and the equipping of the yard itself also continued; works for the Lamarmora Station which were not affected by the variation were initiated. Production achieved by Astaldi S.p.A. during 2004 equaled 6.5 million Euro.



Genoa underground

Over the course of 2004, the works for the last two awarded sections — Le Grazie-Sarzano and Sarzano-De Ferrari — were completed with a partial configuration, i.e. with one running track; these were completed in addition to the Principe-Caricamento-Le Grazie section which had already been delivered in 2003.

The works for the completion of the two abovementioned sections are under way, and will be delivered by July 2005.

Negotiations are currently being concluded with the Genoa City Council for the

FROM LEFT TO RIGHT:

MOROCCO

Sidi Said Dam

ITALY

North-western Rome Road Link

EL SALVADOR

Paquete III High-Speed Roadway

award of the final lot of the concession — i.e. that which would run from the underground line to the Brignole railway station. The works amount to 100 million Euro, and the award could be finalized within the first months of 2005.



FROM LEFT TO RIGHT:

ITALY
North-western Rome Road Link
VENEZUELA
Puerto Cabello-La Ecrucijada
Railway
ITALY
Futani-Centola State Highway

Naples underground (CO.ME.NA. S.c.r.l and TOLEDO S.c.r.l.)

Construction of Line 1 of the Naples underground was awarded under concession by the City Council to M.N. Metropolitana di Napoli S.p.A., a company with twelve partners, and in which Astaldi S.p.A., the reference partner, holds 22.62%. Execution of the contract proceeds by work lots awarded by the concessionaire to the partners themselves, and which then operate individually or cooperate in joint ventures or consortium companies.

CO.ME.NA. S.c.r.l.

COSTRUZIONE METROPOLITANA DI NAPOLI - CO.ME.NA. S.c.r.l., in which Astaldi S.p.A. holds a 70.43% stake, was formed for the execution of lot 1, corresponding to the Piscinola-Vanvitelli section, and lot 4, corresponding to the Vanvitelli-Piazza Dante section.

The works relating to lot 1 were completed in the previous year.

Over the course of 2004 — with regard to the works relating to lot 4 — progress was punctual and substantially in line with forecasts — with the exception of those relating to the connection and access to the National Museum, which were suspended.

The works relating to the surface finishing of Piazza Cavour continued, while the works for the surface finishing of the areas surrounding the Mater Dei Station were completed.

Production generated over the course of the year — in proportion with Astaldi S.p.A.'s stake — equaled approximately 4.2 million Euro.

TOLEDO S.c.r.l.

Regarding the Piazza Dante-Centro Direzionale section, TOLEDO S.c.r.l., in which Astaldi S.p.A. holds a 90.394% stake, was formed for the execution of the relevant works.

The works in question amount to approximately 117 million Euro and include not only the construction of two underground stations, Università and Toledo,

complete with all systems and finishings, but also the railway superstructure for the entire Piazza Dante-Centro Direzionale section.

It should be noted that implementation of the structures of the stations during the course of the year was slowed. In the case of the Toledo Station, this occurred because the designs for the underground works were not received; both stations were also slowed because no settlement was reached on the interventions needed to safeguard the buildings overlooking the excavation area of the station tunnels.

Production generated during 2004 — despite the forced slow-down — equaled approximately 8.3 million Euro (calculated proportionately to the Astaldi S.p.A. stake).

Transport infrastructures - roads and motorways

North-western Rome road link

The project — inaugurated on December 22nd, 2004—was completely implemented by Astaldi S.p.A.

The contract, 100% awarded to Astaldi in 2001, concerned the design and construction of the road link between Via del Foro Italico (Farnesina) and Via della Pigneta Sacchetti (Policlinico Gemelli). This link was built — in both directions — by means of a driven tunnel in the Monte Mario section and a cut-and-cover tunnel in the Trionfale-Sacchetti area, for a total of 3 km of tunnel for each carriageway. All tunnels are equipped with proper ventilation, lighting, fire-safety and warning equipment.

Following the supplementary variant report prepared by the Municipality of Rome, the Client for the works, a supplement to the contractual compensation amount was decided in order to incorporate improvements relating to linings with new materials (pre-painted stainless steel panels), lighting levels and maintenance costs; the contractual total, including the amount acknowledged by common agreement — increased to approximately 105.5 million Euro.

Production for the year 2004 was equal to approximately 34.4 million Euro, reaching a progressive value of 102.3 million Euro, and corresponding to 97% progress.

Certain finishings and surface work remain to be carried out next year; this work will have to be completed within the first months of 2005.

Futani-Centola high-speed roadway

Over the course of 2004, almost all of the main works involving the Futani-Centola high-speed roadway project (viaducts, as well as driven and cut-and-cover tunnels) were completed.

Overall progress is equal to 85% of the total and the works will be completed within the month of July 2005.

During the course of 2004, a second variant report was drafted (for the upgrade of structures in accordance with the new seismic classification of the Municipalities affected by the works), increasing the contractual value to approximately 52.3 million Euro.

Transport infrastructures - airport and port

Porto Torres Trading Port

The works consist of the demolition of the western wharf of the Porto Torres (Sassari) trading port, as well as the reconstruction of the new wharf reusing the materials from the demolition, and the construction of a new wharf with a draught of approx. 10 m for a length of approximately 900 m.

In the month of April 2004, the Ministry of Public Works approved the first supplemental variant report which increased the contractual valuation from 18 million to 21.15 million Euro. Over the course of 2004, the prefabrication of 41 concrete cellular caissons which will form the wharf were completed, and 12 of these were positioned; in addition, the excavation works on the sea floor have continued. During the course of the latter, an unexpected and unforeseeable amount of hard rock was found, forcing the Client to prepare another supplemental variant report whose approval is expected in the first months of 2005.

Production for the year totals approximately 8.6 million Euro.

In the month of December 2004, the Extraordinary Commissioner for emergencies in the port of Porto Torres also entrusted the implementation of urgent works concerning port safety to Astaldi, for a value of approximately 17.5 million Euro.

MOSE System

The government — through the Ministry of Infrastructures – Water Authority of Venice — entrusted a series of interventions in concession to the Consortium "Venezia Nuova" (in which Astaldi holds a stake) for the protection of the city of Venice and the entire lagoon ecosystem. These interventions have the following objectives, set by Law no. 798/1984 (Special Law on Venice):

- defense from high water levels;
- defense from sea storms;
- recovery of the lagoon's morphology;
- environmental re-balancing.

As regards the defense from rising water levels, the Consortium has created a project for the implementation of a series of mobile works, named the Mose System; the latter would be placed at the mouth of each of the three port inlets (Lido, Malamocco and Chioggia) which connect the sea to the lagoon.

These mobile works are composed of a series of floodgates installed in formation on the sea floor of the port inlets. During normal tidal conditions, they would be full of water and would remain positioned in the slot structures created on the sea floor. But when the tide rises above 100 cm, the floodgates are emptied by introducing an inflow of compressed air. As a result, they will rise — rotating around the axis of the hinges — until they reach the surface. This system would allow for temporary isolation of the lagoon from the sea, blocking the flow of the tide.

Each floodgate consists of a metallic box structure linked to the slot by two hinges measuring 20 meters in width, and with variable height (20/30 meters) and thickness (4/5 meters) set in accordance with the depth of the inlet canal.

The building of the Mose System was entrusted to the members of the Consortium "Venezia Nuova" by the consortium itself. With particular regard to the inlet of Li-

do Treporti, the works were entrusted to a Temporary Association of Companies with Astaldi S.p.A. serving as the group leader with a 35% stake. The associated firms created a consortium company named Mose-Treporti S.c.r.l. for the purposes of the common management of activities.

Assignment of the works on the part of the Consortium was undertaken on the basis of a deed of general commitment which was executed on December 15th, 2003, and valued at approximately 333 million Euro. This deed of commitment becomes effective through the formalization of specific deeds of implementation that are stipulated on the basis of available financing.

During the course of 2004, Mose Treporti was entrusted with executive design and implementation activities for the clearing of military devices and works relating to the shelter port of Lido Treporti – Phase One – with a valuation of approximately 54 million Euro. The implementation of part of these works has generated overall revenues for the year of approximately 13 million Euro, 4.5 million of which related to the Astaldi stake.



Infralegrea 2004

With agreement no. 30 of May 8th, 2002, executed with the Chairman of the Regional Council of Campania, Liquidator Commissioner G. F. B. pursuant to Law no. 887/84, the works for the expansion and upgrading of the port of Pozzuoli were assigned.

These assignments include the works for the extension of the “molo caligoliano” (a pier) and the restructuring of the former Circomare building.

The restructuring work of the former Circomare building was completed in the month of October 2004; testing activities are currently underway.

The extension of the “molo caligoliano” — delivered in May 2004 — included the creation of an outer breakwater protecting the port of Pozzuoli through a structure composed of reinforced concrete cellular caissons placed on a sub-structure bed. The total length of the extension is approximately 360 meters. The geo-technical issues emerging from the caisson housing phase have created the need to prepare a variant report that includes vibrocompaction works on the ground on which the caissons will be placed. This report was approved by the Client during the current year and the works — delivered for approval — are in an advanced stage of implementation.

Production for the year totals approximately 4.5 million Euro for the Astaldi stake.

FROM LEFT TO RIGHT:

USA
Palmetto Highway
ITALY
Pont Ventoux Hydroelectric
Power Plant
ALGERIA
Kramis Dam

Hydraulic works and electric power plants

Pont Ventoux Hydroelectric Power Plant

Construction works on the Pont Ventoux Hydroelectric Power Plant in Piedmont — currently the most important under construction in Europe — continued during the year. The works are physically more than 98% completed. In particular, the civil and plant works relating to the functional lot capable of producing electrical energy using the Clarea and Susa basins were completed during the year — as required by the supplemental agreement signed with the grantor AEM Torino in July 2003. All the approval and start-up tests for both energy production units (75MW each) installed at the Venaus plant were completed, and in the month of December, authorization to reach the maximum storage capacity was issued by the testing commission appointed by Registro Italiano Dighe.

In addition, the excavation of the headrace tunnel from Pont Ventoux to Clarea has been completed. As regards the lining of this headrace tunnel, a further supplemental agreement with the awarding authority was reached during the course of 2004, yielding an increase in the overall contractual valuation from 192 million to 255 million Euro.

As for the significant dispute underway with the grantor — relating to the variation in the layout of the headrace tunnel, as well as the shifted position of the Venaus plant and certain administrative defaults that are attributable to the awarding authority — it should be noted that the two official technical consultations have been completed.



FROM LEFT TO RIGHT:

TURKEY
Anatolian Highway
ITALY
Porto Torres Trading Port
ROMANIA
Bucharest-Constanta Highway

These consultations recognized the existence of the unexpected geological problem, as well the claim for greater charges put forth by Astaldi.

As a result, the Arbitration Board issued a partial ruling in September 2004 with no details on economic compensation since an additional technical survey was considered necessary; this survey is currently underway.

Completion of the plant is forecasted for 2006.

The production generated in 2004 totals approximately 24.5 million Euro, 13.8 million of which attributable to the Astaldi stake.

Gimigliano Dam on the Melito River

During the course of 2004, excavations of the temporary diversion and bottom outlet tunnels, as well as the diversion tunnel, continued.

In addition, the investigation for the verification and restoration of the drainage blanket has been completed and the excavations for the dam tunnels have been

implemented; the waterproofing sheet piling and the excavations for the dam foundations have been started.

Over the course of the year, work progress was strongly affected by the fact that the Decree of Public Utility of the Works was not issued by the Client, thereby making it impossible to use certain important areas that were necessary for the start-up of the dam's construction works.

The value of the works carried out during the course of 2004 totaled approximately 4.9 million Euro.

Civil and industrial buildings

New Hospital in Mestre

Health unit ULSS 12 of Venice assigned the construction under concession — through project financing — of Mestre's new hospital to Veneta Sanitaria Finanza di Progetto S.p.A., of which Astaldi S.p.A. is a reference partner and leader with a 31% stake.

The purpose of the concession involves the design, construction and management of the new hospital; this management will consist of certain hospital and commercial services. The project provides for the construction of four buildings for a total area of approximately 150,000 m², which includes a 680-bed hospital facility, a services block, parking, and a morgue. The concession is valid for 28.5 years (including 4.5 years for construction and 24 years for management), starting from the date — December 4th, 2002 — that the right to use the area went into effect.

The concessionaire, Veneta Sanitaria Finanza di Progetto S.p.A., entrusted the hospital design and construction works to a temporary association of companies formed by the same partners, and which distributed the works in accordance with their respective areas of expertise and specialization. C.O.MES. S.c.r.l., a consortium company in which Astaldi S.p.A. holds a 55% stake, was formed for the specific purpose of carrying out the civil works and supplying the electromedical equipment and furnishings.

Over the course of the year, the executive design for the works was completed on schedule, and the foundation works for the primary building — the hospital facility — were finished; the elevated and overlooking structures — expected to be part steel and part concrete — were begun. At the same time, the works for the parking lot building, as well as the administration office and the building which will be used for the new headquarters of the Veneto Eye-Bank, have been started.

Overall revenues in 2004 for the consortium company C.O.MES. S.c.r.l. totaled approximately 13.3 million Euro, 7.3 million of which attributable to the Astaldi S.p.A. stake.

New Hospital in Naples ("Ospedale del Mare")

The Naples ASL 1 local healthcare service entrusted the construction under concession — by project financing — of the new hospital in Naples ("Ospedale del Mare") to Astaldi S.p.A., the group leader of the Concessionaire temporary association of companies in which it is the reference partner and leader with a 59.99% stake.

The concession concerns final and executive design, the implementation of the works, the supply of electromedical equipment and furniture, and the management of certain non-healthcare and commercial services. The forecast investment for carrying out the works is 187 million Euro, of which approximately 56.5% will be disbursed by the local healthcare service, while the remaining amount will be borne by the concessionaire, which will receive an annual compensation for the 25-year management of the facilities' non-healthcare services, totaling circa 1 Billion Euro.

The project provides for the construction of four buildings, including a 500-bed hospital facility, reception facilities with 100 beds for minor care services, a block of buildings for new offices and a building prepared as an entrance hall to the Hospital with areas for commercial use, and totaling an overall surface area of approximately 98,000 m².

The concession has a duration of around 29 years (including 42 months for construction and 300 months for management) starting from the contract's date of execution which took place on October 21st, 2004.

The concessionaire temporary association of companies had already presented the final design on December 19th, 2004, in keeping with the contractual timeline, and is awaiting formal approval of the design by the Naples ASL 1 local healthcare service.

A consortium company — in which Astaldi S.p.A. will participate with a 60% stake — is being founded for the purpose of implementing the works.

New Milan Expo Fair Center

Over the course of 2004, the N.P.F. – Nuovo Polo Fieristico S.c.r.l. — the General Contractor in which Astaldi S.p.A. participates as leader with a 50% stake along with Vianini Lavori S.p.A. (25%) and Impresa Pizzarotti & C. S.p.A. (25%) — continued the design, procurement, construction and testing activities for the New Milan External Expo Fair Center, reaching a 91.5% state of progress for the contract (compared with the 37.8% reported on December 31st, 2003).

The New Milan Expo Fair Center — designed by the firm grouping led by Astaldi S.p.A. in collaboration with the architect Massimiliano Fuksas, of Studio Altieri and Studio Marzullo — is the largest trade fair system in Europe. The structure comprises eight exhibition pavilions (two of which on two levels) with a display area of 350,000 m², and a service center which serves as a multifunctional building consisting of four office towers, one great hall seating 800, four 250-seat congress halls, certain areas used for public offices and commercial enterprises, and an ecumenical center.

Public access to the exhibition pavilions is guaranteed by a 1.3 km central path moving along the east-west axis of the complex within a strip 60-m in width, along which 32 minor buildings used as offices, conference rooms, show rooms, restaurants and bars for visitors and exhibitors are located.

The project — completed in record time — will be delivered on March 30th, 2005, and inaugurated the following day. Astaldi, by completing this contract, has demonstrated that it has the competency and know-how needed to complete complex works—not only from the technological standpoint, but also from the managerial perspective. The ability to coordinate the numerous human resources and

techniques involved in carrying out the project has allowed it to be completed in full accordance with the contractual deadlines.

Over the course of the year, the Client's definition and approval of a series of supplemental deeds were also undertaken, were aimed at introducing additional contractual variations. These additional works — which are partly completed — resulted in a revision of the executive design, even for the purpose of attaining the building concession variation; these activities were completed during the course of 2004.

Therefore, the overall contractual value — initially equal to 553 million Euro — has risen to 653 million Euro, including 628 million Euro for construction works and 25 million Euro for maintenance and management over five years.

"Università degli Studi Roma Tre" – New Department of Educational Sciences

After overcoming the technical obstacles encountered during the course of 2003, it was possible to proceed in 2004 with the building of masonry and external façade works, in addition to the metallic covering of the classroom building; these works are almost completed.

As for the offices building, the activities relating to the flooring and the finishings were brought to conclusion.

Following the unexpected technical problems that arose during 2003 (interference of an old ACEA electrical substation) — as well as the damages sustained as a result of archaeological excavations and design shortcomings for the deeper foundations — reservations were entered in the accounting ledgers; an amicable agreement, acknowledging damages for approximately 1.5 million Euro, was reached with the Client on October 21st, 2004, in connection with these registered reservations.

The progressive production at year end was approximately 12.9 million Euro; the value executed in 2004 surpassed 8.4 million Euro and the works are slated for completion in June 2005.



Utilities

Cologno Monzese

In the month of June 2004, the Concession for the creation of a system of multi-functional underground infrastructures on part of the existing roads in the city center has been undersigned with the Municipal Administration of Cologno Monzese. This system, capable of containing all current and future sub-services, consists of

FROM LEFT TO RIGHT:

SAUDI ARABIA
Yanbu Acetic Acid Plant
ITALY
New Milan Expo Fair Centre
VENEZUELA
Puerto Cabello-La Encrucijada
Railway

an accessible tunnel under the roadway, i.e. prefabricated tunnels placed underneath the sidewalks.

The entire execution of the works will occur in accordance with the project financing scheme, and therefore without any charge to the Client, but with the contributions of private financing.

In the second half of 2004, the General Urban Plan for Underground Services (*"Piano Urbano Generale Servizi del Sottosuolo"* or "PUGSS") was drafted; this will be charged to the Concessionaire and is subject to approval by the Municipal Council. Over the course of 2005, the drafting and approval of the final and then executive design will be undertaken in order to begin start-up of construction activities between the end of 2005 and the beginning of 2006.

"Ex Manifattura Tabacchi" Public Car Park, Bologna

On February 18th, 2003, the temporary association of companies formed by Astaldi S.p.A. (parent company and leader) and APCOA Parking S.p.A. was awarded the concession for the building and subsequent management of the public car park named "Ex Manifattura Tabacchi."

Following the approval of the final design, as well as of the "E.I.A." ("Environmental Impact Assessment"), the temporary association of companies presented the municipal council with the executive design on May 7th, 2004; the latter received all approvals from the relevant bodies on June 9th, 2004.

At the same time, the work area was delivered; works are expected to be completed by November 19th, 2005.

As of late 2004, the excavation works were about 30% complete, and the reinforced concrete diaphragms were 60% complete.

At the present time, overall production totals approximately 1.7 million Euro.

Due to the delays created by various archaeological finds and a series of buried structures in reinforced concrete, as well as the greater charges deriving from the subsequent suspension of the works, the temporary association of companies is seeking to recover the increased costs — given that the concession contract provides for an extension on the contractual period and on the duration of the concession period and/or the temporal deferment of the fee payment.

Concessions

Hospital Sector

In the hospital building sector, the concession for the new hospital of Mestre became operational in December 2002. The concession — assigned by Veneto's "ULSS 12" local healthcare service to Veneta Sanitaria Finanza di Progetto S.p.A. — V.S.F.P. S.p.A., a Special Purpose Vehicle in which Astaldi S.p.A. holds a 31% stake — concerns the final and executive design, as well as the implementation of the works, the supply of electromedical equipment and furnishings, and the management of the structure through the distribution of hospital and commercial services.

Following a supplemental deed undersigned by the parties and approved by the Veneto Region in October 2003, the initial scope of the Concession was supplemented

with the performance and management of certain services for the new Eye-Bank. The concession is valid for 28.5 years (including 4.5 years for construction and an additional 24 years for management) — starting from December 4th, 2002, the date when the right to use the area went into effect.

The investment — valued at approximately 220 million Euro, and including 200 million Euro for the design and construction of the work and for electromedical supplies (Astaldi stake: 38%) — is about 40% financed by public contributions, while the overall revenues expected for the management period are over 1 billion Euro in nominal value.



On the strength of its experience gained in this sector with the Mestre hospital project, Astaldi signed an agreement for the design, construction and management of the new hospital in Naples ("Ospedale del Mare") in October.

The concession concerns the final and executive design, the performance of the works, the supply of electromedical equipment and furniture, and the management of certain hospital and commercial services in exchange for the payment of tariffs and fees. Management will be delegated to a soon-to-be-founded special purpose vehicle. The concession is valid for 29 years (including 4 years for construction and an additional 25 years for management). The investment — valued at approximately 187 million Euro, and including 162 million Euro for construction and supplies (Astaldi stake: 60%) — is about 56.5% financed by public contributions, while the overall revenues expected for the management period exceed 1 billion Euro in nominal value. Due to administrative problems, the activities for the implementation of the integrated system of four hospitals in Tuscany (Prato, Pistoia, Lucca and Massa) have been suspended. In fact, the Group is awaiting the outcome of the appeal proposed by Astaldi to the Council of State, proposed in response to the decision of Tuscany's Regional Administrative Court ("T.A.R.") to repeat the procedure by which the Group had been formally appointed as sponsor for this project in late 2003. The construction of the four hospitals in Tuscany, worth – for the construction alone – 330 million Euro (including 88 million Euro borne by private parties), will create more than 1,700 new beds available for healthcare.

Mobility and parking sector

In the car park sector, a new concession for the Piazza della Cittadella car park in Verona was added in 2004, in addition to those relating to the four car parks in Bologna and Turin. The contract deals with the construction and subsequent management under project financing of a car park with 750 car spaces located in the

FROM LEFT TO RIGHT:

ITALY

Salerno-Reggio Calabria Highway

ITALY

New Milan Expo Fair Centre

EL SALVADOR

Paquete III High-Speed Roadway

centre of the city. The project requires an investment of approximately 17 million Euro and a management period of 30 years, effective from the end of the construction period (about 15 months). The signing of the concession contract is expected in the first half of 2005.

With regard to the concession relating to the "Piazza VIII Agosto" car park in Bologna, which entered the management phase in 2001, its completion has made nearly 1,000 car spaces available, 700 of which on a rotational basis; the Concession will have a duration of 60 years.

With regard to the "Ex Manifattura Tabacchi" car park located in the city of Bologna and currently under construction, the agreement — with a duration of thirty years, and signed by Astaldi S.p.A. and the Municipality of Bologna — will include the construction and subsequent management of a car park with approximately 550 car spaces.



FROM LEFT TO RIGHT:

ITALY
New Hospital in Naples
HONDURAS
El Cojolar Dam
ITALY
Salerno-Reggio Calabria Highway

On the other hand, for the contract for the "Porta Palazzo" car park in Turin (in the management phase since 1999), the concession provides for putting 847 car spaces into service over a period of 80 years.

As regards the "Corso Stati Uniti" car park in Turin, already operational since 2001, the concession involved the creation of approximately 500 car spaces and the start of management of 450 car spaces over a period of 80 years.

Utilities sector

In the utilities sector, the concession for the construction of a system of multipurpose underground infrastructures in Cologno Monzese — on part of the existing roads in the center of the city — is operational.

This system, capable of containing all current and future sub-services, consists of an accessible tunnel under the roadway, i.e. a prefabricated tunnel placed underneath the sidewalk.

The entire execution of the works will occur in accordance with the project financing scheme, and therefore without any charge to the Client, but with the contributions of private financing.

Foreign scenario

The streamlining of the Group's international presence continued in 2004.

In particular, the Group's presence and commercial efforts have been strengthened in Florida (USA), particularly after the acquisition of important contracts over the

course of the year; this led to the creation of a broad program for strengthening management structures and control over the area.

Growth prospects in Romania and Eastern European countries are promising, particularly in the field of concessions and PPPs (Public-Private Partnerships), and in light of these countries' imminent entry into the EU.

In Saudi Arabia and Qatar, vast investments are planned in the oil, gas, power and transport infrastructure sectors by joint ventures between state bodies and some of the leading multinationals: the approach characterizing the operations of these companies — which normally are highly reliable in both timing and availability of financing — makes the new initiatives that could develop in the area very interesting. A large amount of attention is devoted to the operational and security-related factors in the above-mentioned countries, given the conditions of tension which characterize the entire Persian Gulf region.

The main contracts in progress are illustrated below and divided by geographical area.

The Americas

Venezuela

The Group's presence in Venezuela has strengthened over the years.

In the transport infrastructure sector, the Group is present through the current construction of two railway lines, the Caracas-Tuy Medio and Puerto Cabello-La Encrucijada, and an underground system, the Los Teques Underground, all of which are of considerable importance for the country.

The Client for the Caracas-Tuy Medio railway is the I.A.F.E. (Independent State Railway Body). Over the course of 2004, works continued on a regular basis for its construction, in accordance with the availability of resources provided by the 2004 budget: the civil works for lots 3 and 4 and pertaining to Astaldi have been completed, while the works for laying the railway have continued.

In 2004, production attained totals of 19 million Euro for the Astaldi stake. On the other hand, with regard to the contract for the Puerto Cabello-La Encrucijada railway line, the work covers 108 km and is being undertaken by the Consorcio Grupo Contuy-Proyectos y Obras de Ferrocarriles consortium, in which Astaldi S.p.A. serves as leader with a 33.33% stake. The overall value of the contract is 1,200 million Euro, 195 million of which included in the portfolio as Astaldi's share.

The works, begun over the course of 2002, continued during the year with the completion of the excavation of two tunnels along the mountain lot, and the beginning of excavations for two others. In addition, the activities for building the foundations of a viaduct were started. Production equaled to 41 million Euro.

Due to the re-opening of financing lines for Venezuela on the part of S.A.C.E. (*Società per l'Assicurazione del Credito all'Esportazione*, "Company for Insurance on Export Credit"), a loan agreement to finance the first section of the work was executed in December 2003. This operation — managed by Banca Intesa of London and Société Générale of Paris — made 165.5 million USD available for the project – 130 million serving as export credit (currently in the disbursement phase) and 35.5 million as a commercial loan, which expired on December 31st, 2004 and has yet to be used. Negotiations are underway for the latter between Banks and the local Ministry of Finance, and relate to the potential extension of the usage terms.

As for the contract for the Los Teques Underground line, the Consorcio Metro Los Teques consortium, in which Astaldi S.p.A. holds a 30% stake, was previously founded for the underground's construction.

The contract — relating to the construction of a 9 km light underground connecting Caracas and Los Teques — is worth approximately 260 million Euro.

During the financial year, the activities relate to the 120 million Euro contract for the construction of 5 km of tunnels — managed by Astaldi — proceeded at a steady pace: 4 km of tunnels and linings have been completed, while a 1 km tunnel — resulting from a contractual change — remains to be completed.

Production for this project reached 35 million Euro.

The civil works carried out directly by the consortium are continuing at the same time.

In 2004, production for this contract totaled approximately 65 million Euro, 20 million of which pertaining to Astaldi's stake.



ITALY
"City of Science" in Naples
QATAR
Yanbu Acetic Acid Plant
ITALY
New Hospital in Mestre

Bolivia

Over the course of 2004 — given that current works were completed in the previous year — various new commercial initiatives were carried forward, including the "Paradiso-El Tinto" road projects (for which the Group is already pre-qualified) and the "Canaletas-Entre Rios" project in Tarija. Two other contracts are to be implemented with funds from Cooperazione Italiana — the "Toledo-Ancaravi" road and the Misicuni dam. All the above works should be included in tenders during the course of 2005.

United States

Construction activities in the United States are carried out by the Astaldi Construction Corporation, a U.S. corporation that is 100% controlled — both directly and indirectly — by Astaldi S.p.A.

The geographical area of operation is primarily in southern Florida, along both the Eastern (Miami, Fort Lauderdale, West Palm Beach, Stuart and Port St. Lucie) and Western (Naples, Tampa) coasts.

The types of current works may be broken down into two primary categories: road works for the Florida Department of Transportation and works related to utilities (piping for drinking water, sewer systems, draining, etc.) on behalf of municipalities and counties. The orders backlog for these projects totals 129.6 million USD.

At the close of 2004, Astaldi Construction Corporation had a workforce of 409 individuals (two expatriates, 407 locals), including managers, cadres and workers, and its own heavy machinery, equipment and various vehicles had an overall purchase value of 13.9 million USD.

The year 2004 saw additional growth in company revenues, which increase from 65.9 million USD in 2003 to 78.2 million USD in 2004, as well as a high level of new orders, totalling 105.7 million USD for the year.

With regard to the economic trend, the year 2004 reported certain negative effects caused by a variety of unpredictable additional costs — whose recovery is linked to the outcome of requests for additional compensation and disputes that are underway with various Clients. The latter are due to the following factors:



- the interference of current sub-services whose removal costs should have been charged to the Client;
- differing ground conditions resulting in project variations;
- modifications to environmental permits falling within the Client's responsibility.

All of the above has led to delays, aggravated by various organizational problems in the building yards due to the high turnover of local personnel and the difficulty of recruiting competent technical cadres.

In addition to these added costs, the company has also been strongly committed to adapting its operational structures to the rapid and sustained growth in revenue, which increased from 2.6 million USD in 2001 to 78.2 million USD in 2004.

But in 2005, economic results are expected to turn positive again, due to the completion of the projects currently underway that are suffering from the negative trend, and to the greater profitability of the remaining projects.

There is also reason to cause that there will be a certain degree of stability of the major industrial prices during 2005, in conjunction with an adjustment of the tender estimates of various designers to market costs; these factors could result in improvements in industrial margins for the works and reduce the risk level of new bids.

The strategy for 2005 is therefore centered upon the controlled growth of revenue (the 2005 forecast is for over 90 million USD, 80 million of which from the orders backlog), expanded monitoring, assistance and support activities for the various building yards by the registered office in Davie, and the organizational improvement of operational activities in individual projects. These objectives are attainable due to the previously started company re-organization and the satisfactory portfolio of projects; the latter will allow for a greater degree of selection in the choice of contracts to bid for — in both contract value and type.

FROM LEFT TO RIGHT:

VENEZUELA
Caracas-Tuy Railway
QATAR
SASOL GTL Plant Project
MOROCCO
Sidi Said Dam

Despite the strong competition in the public works sector and the difficulties encountered in 2004, the southern Florida market continues to be highly attractive for the opportunities it offers in terms of the volume and value of contracted works.

Central America and the Caribbean

The year 2004 reported revenues of 31.7 million Euro in the area — a decrease from the record level attained in the previous year. This expected decrease was amplified in revenue values as a result of the continued devaluation of the US Dollar with respect to the Euro.

Despite its limited size, the Central American region has been confirmed as a priority area for the quality of acquired projects and the level of attained profitability. The year 2004 was also marked by the final withdrawal from the market of the Dominican Republic; the only new acquired contract was transferred to a third party. On the other hand, 2004 witnessed the first important commercial efforts aimed at starting up new activities in Costa Rica and Guatemala; branch offices have been opened in these countries.

Honduras

The works for constructing the Acueducto Regional Valle de Nacaome, assigned to Astaldi S.p.A., have continued, yielding revenues of about 12.9 million Euro in 2004.

Execution of work, financed by Cooperazione Italiana, had undergone major delays in the start-up phase due to the complex bureaucratic procedures required for putting into force the bilateral cooperation agreements between Italy and Honduras.

The Company has successfully implemented a series of measures aimed at recovering lost time, and the work was actually in a very advanced state at the close of the year; its official inauguration is even slated for the first quarter of 2005, ahead of the contractual deadlines.

El Salvador

The year 2004 was marked by the completion of works relating to Carretera CA 1, connecting CA 4 Troncal del Norte and Calle a Tonacatepeque, the so-called "Paquete III", an 11 km stretch of motorway bypass of the capital El Salvador; it was opened to traffic in the first months of 2004. The works for the rehabilitation of 59 km of the Santa Ana-Metapan-Anguiatù road were completed during the course of the year, with a production for the year of approximately 6.27 million Euro.

Nicaragua

The works relating to the Managua drain trunk line, a project worth about 3.5 million Euro and nearing completion, have continued.

Europe

Turkey

The Group has been present in Turkey for several years for the construction of the so-called Anatolian Highway roadway link between Istanbul and Ankara.

During the course of 2004, the construction works for lot 2 continued in all areas, with the completion of the various viaduct structures, the start-up of the concrete and corten steel beams, as well as minor works and the stabilization of the excavation slopes; the structural repair work on Viaduct 1 (seriously damaged by the earthquake in 1999) continued with the completion of one roadway and the beginning of works on another. In addition, the excavation of the tunnel from the Istanbul side continued and — with the completion of the cut-and-cover works — the new portal and the tunnel excavation on the Ankara side were begun.

The full resumption of all the works, both underground and external, enabled the complete use of the funds assigned to the project under the government finance plan, allowing payments thereof to be obtained by year's end.

Despite a production slow-down halfway through the year, the expected production (approximately 98 million Euro) was reached; the positive operating income was higher than planned.

Due to the good relations established with the Client and the competent Ministries, as well as the project's priority level, it is hoped that the allocation of funds for the project within the 2005 budget can meet the real needs during the course of the year, thus allowing the contract's planning and revenue objectives to be achieved. Delivery of this contract is slated for the first months of 2007.

At the end of the year, your Company participated in the pre-qualification phase for the design and construction of the new Istanbul-Ankara High-Speed Railway Link and the accesses to the new Bosphorus railway crossing (Marmaray Project); this was undertaken along with Ansaldo Trasporti Sistemi Ferroviari and other international subcontractors and partners — such as Scott Wilson — as well as local ones. Both of these projects involve civil works totaling more than 400 million Euro. Participation in the tenders — subject to the positive outcome of the pre-qualifying phase — will occur over the course of 2005.

Romania

During 2004, the Group's revenue doubled over the previous year due to the acquisition and start-up of new contracts such as works relating to the bypass of the city of Pitesti — with highway characteristics, and part of pan-European passageway IV (contractual value of 66 million Euro using EBRD funds) — as well as lots 4 and 5 of the Bucharest-Constanta Highway, built in a joint venture with the German firm Boegl and the Romanian company CCCF (the overall value of these two contracts is 80 million Euro, using ISPA funds).

The phase 2A works for the development and modernization of Bucharest's Otopeni international airport continued; these should be substantially completed during 2005. The value of the contract increased due to new acquisition of works for the development of an automated security control system for departing baggage.

During the month of July 2004, the works relating to lot 1 of the Bucharest-Constanta Highway were successfully completed; the highway was opened for traffic in early June.

In addition, the contracts for the rehabilitation of the road lots relating to the national roads DN7 between Bucharest and Tirgoviste, DN 66 between Petro-sani and Baru, and DN 73 between Pitesti and Brasov were continued, as was the construction of the bypass of the city of Craiova, and the Romanian-Bulgarian border point on the Danube river near the city of Calarasi. The works relating to the Bucharest underground system were not completed in the current year because of an extension of the contract—in terms of both contractual value and duration.

Within this scenario of general expansion of the Group's activities in Romania, the direct presence of Astaldi S.p.A. has grown strongly with respect to its subsidiary, Italstrade S.p.A., which traditionally represented the Group in this country.



FROM LEFT TO RIGHT:

ITALY
Turin Railway Link
VENEZUELA
Puerto Cabello-La Encrucijada
Railway
EL SALVADOR
Santa Ana-Metapan-Anguiatu Road

Denmark

The consortium COMET - Copenhagen Metro Construction Group, in which Astaldi S.p.A. holds a 15% stake, has completed its works and the underground has been open to the public since October 2002, working to the full satisfaction of riders and Client alike.

The contract provides for a maintenance period of 5 years, effective as of June 27th, 2002 for the main works (Phase 1), and from January 27th, 2003 for the accessory works (stage 2A).

The Client recognized the validity of the Consortium's claims for an amount greater than two-thirds of the contractual amount, accepting reservations for a total of 316 million Euro — 47.4 million of which are pertaining Astaldi — and 113 million Euro for advances on submitted reservations.

Since an agreement was not reached with the Client on the final valuation of the works, COMET initiated arbitration on April 30th, 2004, as provided for by the contract.

Croatia

Astaldi S.p.A. had initiated an arbitration with the Republic of Croatia at the Vienna Chamber of Commerce, over to the interruption of the Zagreb-Gorican highway project. The arbitration is very complicated from a procedural standpoint, and very complex with regard to the structure of the project financing involved.

On June 18th, 2004, the Arbitration Board unanimously awarded a reimbursement to Astaldi for its implemented works and activities, lost income, and accrued interests. The effects of the ruling were prudently appraised by allocating a large part of the amounts in a “Contractual risk fund” and a “Depreciation fund for interest on arrears” within the December 31st, 2004 financial statements; this was done while taking into account the recognition procedure for the ruling used by the Croatian court and the predictable protest of the ruling before the Court of Vienna by the Republic of Croatia, given the significant amount involved and the country’s economic conditions.

Africa

Maghreb-Algeria

The A.F.T. (Astaldi-Federici-Todini) Consortium, in which Astaldi S.p.A. holds a 33% stake, is working on the final delivery activity for the Taksebt dam. On the other hand, works are under way on the Kramis dam and are being carried out by the A.F.T. Kramis Consortium, also led by Astaldi S.p.A. with a 50% stake. The year 2004 was characterized by a very strong productive effort which allowed the Consortium to deliver the dam to the Client, ANB (Agence Nationale des Barrages) within the scheduled year-end deadline, and with flooding moved forward to October of 2004. The quality of the work and, in particular, the respect for the contractual period — which is rather rare for such complex projects in Algeria — earned the Consortium and the lead company, Astaldi S.p.A., explicit recognition from the local authorities. Revenues in 2004 reached 37 million Euro — partly as a result of the aforementioned acceleration of the works, and partly due to a series of variations in the contracted quantities which resulted in a contractual supplement (Avenant no. 1), causing the final valuation of the works to grow considerably.

The year 2004 was marked by a strong commercial commitment on the part of Astaldi S.p.A. through the latter’s participation in numerous and important bids — in groupings with local partners — and in accordance with the strategic decision to commit the Company more deeply to this important Mediterranean country.

Maghreb-Morocco

Astaldi is present in Morocco through its subsidiary Italstrade S.p.A..

Construction of the “Rocade Méditerranéenne” road

Over the course of the year, actions taken with the client for the purpose of obtaining modified executive designs were continued; the latter became necessary because of the geological situation which was not consistent with the initial analyses done during the design phase, which affected the initial progress of the works. In compliance with current regulations, the detailed technical report was forwarded to the Minister for the appropriate evaluations, including those of an economic nature.

As a result, the building yard was only able to implement minor works this year; the latter pertain to activities that were not affected by the conditions listed above, and generated only 6 million Euro in production.

Meknés Railway - Tunnel

Over the course of the year, the Client completed the payment settling the contractual relationship.

Meknés Railway - Railway doubling

Following the proceedings initiated in 2003 after the unilateral termination decided by the Client, in which the Client failed to acknowledge due compensation, a claim petition was filed with the competent court.

Sidi Said Dam

Over the course of the year, the works for the construction of the dam in RCC continued, and the annexed works in traditional concrete were started; revenues for the period were approximately 17 million Euro. Production was supported by bank financing and the parent company after payments were stopped by the Client due to a liquidity crisis. It should be noted that the entire financial exposure was then cancelled in the first months of 2005.

With regard to the claims formulated by the company during the previous year, the Client rejected the request which, in accordance with the procedures currently in force in Morocco, was forwarded to the competent court.

Congo

Restructuring of the Bouansa-Moukouloulou road continued through 2004 with a production of 4.5 million Euro — an amount lower than expected due to the Client's continued lack of funds. During the year in question, the works relating to the airport road — valued at 4.8 million Euro — were started and completed.

Guinea Bissau

In July of 2004, following the delivery of all current works to the Client, all operational activities in the country were concluded; overall revenues for the period equaled 2.1 million Euro — a slight increase with respect to forecasts due to certain additional works.

Guinea Conakry

Over the course of the year, works relating to the Fatalà river bridge and those relating to the Kankan-Djelibakoro Road were completed and delivered to the Client; revenues for these projects totaled 6.6 million and 7.8 million Euro respectively.

After concluding all activities in the area, procedures were initiated for the transfer of all goods of the Group and to close operations in the country for good.

Over the course of the year, it should be noted that the audit carried out by the European Union attributes to the company — in first resort — part of the initial costs and additional time spent on the two works relating to the Fatalà bridge and the Kankan-Djelibakoro Road; the increased costs deriving from the extension of the contractual period, as well as from additional works implemented for the bridge foundations, are being determined with the Client.

Tanzania

The only road project of Mwanza was continued and fundamentally completed during 2004, with the exception of small complementary finishing works. Partial deliveries of the various road lots — which will be completed in the first months of 2005 — were initiated in November; revenues for the period totaled 3.7 million Euro, but the environmental difficulties hindering the works within the city have resulted in an extension of the work period and greater unexpected charges. Negotiations are underway with the Client for the acknowledgement of these greater charges and work times.

Middle East

The Group operates in the area — which in this phase is limited to Saudi Arabia and Qatar — through its subsidiary Astaldi Arabia Ltd.

Saudi Arabia

The civil works relating to the Yanbu Acetic Plant, as well as the works relating to the electro-mechanical assemblies, have been completed.

The acetic acid plant is slated to start operations in the upcoming months; no delays for this objective are expected, since the test & commissioning operations were concluded with no particular problems.

Qatar

Over the course of 2004, the civil works for the construction of the Sasol Gas to Liquid (GTL) Plant - Ras Laffan project continued; their completion is scheduled for the summer of 2005, while assembly works, as well as the electro-instrumental works, are in full implementation phase.

Completion of the GTL pilot plant is slated for the summer of 2006, in order to start industrial production in the immediate months that follow.

It is vitally important to complete the works within the requested period, since the final result would serve as a launching pad for other works in the petrochemical sector; the growth of this sector is commercially attractive for Astaldi, due to the investments planned by the local government.

Production in 2004 equaled 27.8 million Euro, of which 2.6 million refer to an additional contract for the supply of the conditioning plant.

The positive trend of operations in the area confirms the Group's intention to continue growing its activities in the Arabian peninsula during the course of 2005 — both in the civil-structural field, as well as in the plant/industrial sector.

Transactions with related parties

Transactions between Astaldi and related parties mainly concern the exchange of goods, the supply of services, and the sourcing and use of financial resources with parent and subsidiary companies. These relations are part of the Company's ordinary management and are regulated at normal market conditions, i.e. the conditions that would be applied between two independent parties. All the operations

were carried out in the interest of the Group. The overall valuation of the transactions of commercial, other and financial nature with related parties — as well as descriptions of the more significant transactions — are provided in the Notes to the financial statements.

Main companies of the Group

Italstrade S.p.A.

Italstrade S.p.A., entirely owned by the Parent Company, operates prevalently on foreign market (Morocco, Romania and Venezuela), growing its activities through three branch offices which manage contracts in their own territories, as well as through other firms in which the Company exerts a dominant influence.

Activities in Italy are undertaken by the CEAAV Consortium, in which the Company holds a 25% stake equal to that held by the other members.

In analyzing the activities that were carried out, it should be noted that Italstrade S.p.A. incorporated (by merger) the firm R.I.C. – Railway International Construction S.p.A. in 2004, for the purpose of streamlining and containing corporate management costs, and primarily to focus activities on the sector of the construction and maintenance of medium-sized transport infrastructures (road and rail) – a sector in which, over the years, this company has acquired an appreciable independent market position.

The implementation of works in Romania has continued satisfactorily, particularly in reference to the current works for the expansion of Bucharest's international airport, and the construction of lot 1 of the Bucharest-Constanta Highway; in Venezuela, the construction of the superstructure of the Caracas-Cua railway is underway.

In Morocco, maximum efforts were made to contain the operational problems linked to the construction works for the Sidi Said dam.

Activities in Libya and China — undertaken through the subsidiaries Legnami Passotti and Yellow River — are substantially complete; in particular, the maintenance activity in Libya is underway and will conclude in the first half of 2005.

The only activity that is currently underway in Italy is the construction of the railway superstructure for the Rome-Naples High-Speed Railway stretch, which is being implemented through the CEAAV Consortium.

Italstrade S.p.A. – main data

(millions of euro)

	2004	2003
contract revenues	91	60
fixed assets	17	21
net financial indebtedness	6	6
debts with parent company	27	23
operating result	1	(7)
net profit	–	(9)

Astaldi Finance S.A.

For the purpose of stabilizing external financing sources for the Group, it should be noted that Astaldi Finance S.A. was established in 2002 under Luxembourgian Law. Entirely controlled by Astaldi S.p.A., it issued a eurobond for 150 million Euro with a three-year life, and 6.5% coupon deferred for the investor. In line with current international market practice, Astaldi S.p.A. has guaranteed this loan.

On February 9th, 2005, Astaldi Finance S.A. proceeded in reimbursing BNP Paribas — through the subsidiary — for the above-mentioned 150 million Euro debenture loan, which was followed by the reimbursement to the underwriters on February 11th, 2005.

Astaldi Construction Corporation

Construction activities in the United States are implemented by Astaldi Construction Corporation, a company operating under U.S. law and entirely controlled by Astaldi S.p.A. — both directly and indirectly — and currently operating in southern Florida, mainly in the sector of road infrastructures and public utilities.

During 2004 the company attained revenues of 78.2 million USD.

For more details on the company's activities during the year, see the commentary above, in the section analyzing current activities in the United States.

Own shares

In accordance with the resolutions of the Shareholders' Meeting of November 9th, 2004 regarding the Astaldi share buy-back plan, 563,078 shares were progressively purchased during 2004. Likewise, 1,418,978 shares were sold, realizing gains of approximately 1,308 million Euro.

As of December 31st, 2004, own shares in the portfolio were valued at 0.9 million Euro. The average acquisition price for the 400,000 shares in the portfolio was approximately 2.24 Euro.

Parent Company shares held by Subsidiaries

No Parent Company shares are held by subsidiary companies.

Corporate governance

Foreword

The corporate governance model adopted this year by Astaldi is once again in line with the principles contained in the Self-Regulatory Code for listed companies — drafted by Borsa Italiana S.p.A. in the month of October 1999 and subsequently modified and supplemented — as well as with the relevant recommendations formulated by CONSOB (Italy's Securities and Exchange Commission) and, more generally, with the best practices used internationally.

Moreover, in line with the Instructions issued by Borsa Italiana S.p.A., the corporate governance system of Astaldi S.p.A. (henceforth, "Astaldi") will be described in light of the principles laid out by the Code in question and updated with the main events occurring after the close of 2004.

Company Shareholders

The body of Astaldi Shareholders comprises more than 10,000 Shareholders with ordinary shares.

In accordance with the Shareholders' Register — supplemented by the notices received in accordance with Art. 120 of Legislative Decree no. 58 of February 24th, 1998 and other available information — the direct shareholders, as of February 1st, 2003, holding more than 2% of the Company's share capital fully paid-up and represented by shares with voting rights, are as follows.

main shareholders

	% share
FIN.AST S.R.L.	39.907%
FINETUPAR INTERNATIONAL SA	12.525%
GARTMORE INVESTMENT MANAGEMENT PLC	5.32%
NEXTRA INVESTMENT MANAGEMENT SGR S.P.A.	2.195%
J.P. MORGAN FLEMING ASSET MANAGEMENT (UK) LIMITED	2.128%
CENTAURUS CAPITAL LP	2.111%

The syndicate agreement existing between the shareholders Fin.Ast. S.r.l., Finetupar International S.A. (formerly Finetupar S.A.), Capitalia S.p.A. (formerly Banca di Roma S.p.A.), Interbanca S.p.A. and Famifin S.A. (formerly FA.MI. S.A.) was annulled early, effective as of June 24th, 2004, following the fall of the shareholding of Capitalia S.p.A. and Interbanca S.p.A. under the 2% level.

Notice of the annulment of the syndicate agreement was published, in accordance with the law, in the nationally distributed newspapers "Milano Finanza" and "Finanza e Mercati" on July 3rd, 2004.

Board of Directors (Articles 1 – 5 of the Code)

Composition and duration of office

In accordance with the provisions of the Company By-Laws, the Board of Directors of Astaldi is made up of 9 to 15 Directors, appointed for a period not exceeding three years, and who may be re-elected upon expiry of the mandate.

The Board of Directors of Astaldi, appointed on April 30th, 2004 and whose mandate expires with the approval of the financial statements of December 31st, 2006, currently has thirteen members.

In particular, it should be noted that during the shareholders' meeting of November 9th, 2004, the number of Directors was increased from 12 to 13; the new members of the Board of Directors of the Company are: Mr. Giuseppe Cafiero (previously co-opted in replacement of Mr. Bruno Lecchi with a Board resolution of July 30th, 2004) and Mr. Nicola Oliva.

Given below is the name of each Director and his/her characteristics.

members of the board of directors		
Ernesto Monti	Chairman	Non-executive/Independent
Paolo Astaldi	Deputy Chairman	Executive
Vittorio Di Paola	Deputy Chairman and CEO	Executive
Caterina Astaldi	Director	Non-executive/Non-independent
Pietro Astaldi	Director	Executive
Giuseppe Cafiero	Director	Executive
Luigi Guidobono Cavalchini	Director	Non-executive/Non-independent
Stefano Cerri	Director	Executive
Franco A. Grassini	Director	Non-executive/Independent
Mario Lupo	Director	Non-executive/Independent
Vittorio Mele	Director	Non-executive /Independent
Nicola Oliva	Director	Executive
Maurizio Poloni	Director	Non-executive /Independent

As required by the Self-Regulatory Code, there are sufficient non-executive directors — in terms of number and authority — to ensure that their opinion carries enough weight in Board decisions. Non-executive directors, in fact, bring their specific skills to the Board's discussions, contributing to decision-making in the interests of the Company.

In accordance with Art. 3.1 of the Self-Regulatory Code, a suitable number of non-executive Directors are independent when:

- they do not entertain — directly, indirectly or on behalf of third parties — and have not recently entertained economic relations with the Company, its subsidiaries, executive directors, individual shareholders or group of shareholders that control the Company, to the extent that their independent judgment is affected;
- they do not own — directly, indirectly, or on behalf of third parties — shareholdings that enable them to exercise control or significant influence on the Company, and they are not a party to syndicate agreements for control of the Company;

- there are no family ties between executive directors of the Company or parties in the situations described in the previous points.

In line with the requirements of Art. 1.3 of the Self-Regulatory Code, the offices of director or auditor held by each director in other companies listed on regulated markets (even foreign), in finance companies, banks, insurance companies or companies of a significant size, are noted below.

Other activities undertaken by the members of the Board, in accordance with Article 1.3 of the Self-Regulatory Code:

other activities implemented in accordance with article 1.3 of the self-regulatory code

Ernesto Monti	Chairman of the Board of Directors of Finanziaria Tosinvest S.p.A. Member of the Board of Directors Enertad S.p.A., Fintecna S.p.A. and Finmeccanica S.p.A.
Paolo Astaldi	Chief Executive Officer of Fin.Ast. S.r.l.
Vittorio Di Paola	–
Caterina Astaldi	Director of Fin.Ast. S.r.l.
Pietro Astaldi	Chief Executive Officer of Fin.Ast. S.r.l.; Director of Finetupar International S.A.
Giuseppe Cafiero	Deputy Chairman of the Board of Directors of Italstrade S.p.A.
Luigi Guidobono Cavalchini	Chairman of the Board of Directors of Unicredit Private Banking S.p.A.
Stefano Cerri	Director of Astaldi International Ltd.
Franco A. Grassini	Chairman of the Board of Directors of Marche Capital S.p.A. and Medcap Investimenti S.p.A., Director of Ifitalia S.p.A.
Mario Lupo	–
Nicola Oliva	–
Vittorio Mele	–
Maurizio Poloni	–

Role of the Board of Directors

The Board of Directors plays a central role within the Company's organization. It retains overall responsibility, in fact, for the Company's strategic and organizational policy, in addition to ensuring that the necessary controls are in place for monitoring the performance of the Company and the Group.

In this context, according to the provisions of the Self-Regulatory Code and in relation to its specific resolutions, the Board of Directors:

- examines and approves the strategic plans of the Company and the corporate structure of the Group;
- assigns and revokes mandates to the Chief Executive Officer, defining the limits and methods of operation, according to Art. 23 of the Company By-Laws, which also require the appointed bodies to report at least quarterly to the Board on activities carried out under the mandates;
- decides — on the basis of the proposals formulated by the special Committee and with the approval of the Board of Auditors — upon the remuneration of the C.E.O. and the directors holding specific offices;
- oversees general corporate management performance, with particular reference to conflicts of interest, using information received from the C.E.O. and the Internal Audit Committee, and periodically verifying the achievement of objectives;
- examines and approves transactions of significant economic, asset or financial importance, especially if between related parties (see the section on transactions with correlated parties);

- verifies the suitability of the general organizational and administrative structure of the Company and the Group as established by the C.E.O.;
- reports to Shareholders at Meetings.

In compliance with the provisions of the By-Laws – according to which Board Meetings must be held at least every two months – eight Board of Directors Meetings were held during financial year 2004, with a limited number of absences, all justified.

In compliance with relevant Stock Market regulations, on November 9th, 2004, the Board of Directors approved and subsequently notified Borsa Italiana S.p.A. of the schedule of dates for the upcoming 2005 Board Meetings on the approval of the financial statements and of the first half results and quarterly reports.

The Chairman coordinates the Board of Directors' activities. He convenes and directs Board Meetings, ensuring that the directors are provided in advance – except in cases of need and urgency – with all documentation and information that is necessary for the Board to express an informed opinion on the matters under examination. He also chairs the Meeting and retains powers of legal Company representation.

Lastly, the Chairman is not granted management powers.

The powers assigned to Vittorio Di Paola as Executive Deputy Chairman and Chief Executive Officer, as per the Board's resolution of April 30th, 2004, include representation of the Company in Italy and abroad, the administrative, financial, technical and economic management of the Company and its branches, as well as coordination of the subsidiaries; he can also intervene on behalf of Astaldi in the establishment, modification or winding up of syndicates, cooperatives, consortia and other equivalent bodies. He can appoint and remove managers, directors, representatives and attorneys. He can also represent the Company in proceedings and retains the Company signature with regard to all primary contractual operations.

Appointment of Directors (Article 7 of the Code)

In compliance with Art. 7.1 of the Self-Regulatory Code, Article 16 of the Company By-Laws requires that proposals for the appointment of a director be lodged with the Company's registered office — in conjunction with information regarding the personal and professional characteristics of candidates — at least ten days prior to the date set for the General Meeting in first call.

The Board currently holding office has not deemed it necessary to institute a Committee for the appointment of directors as it is not presently encountering difficulties in proposing candidates for the coverage of corporate positions.

Remuneration of Directors (Article 8 of the Code)

A significant part of the compensation paid to Astaldi's directors and executives consists of emoluments linked to the achievement of fixed individual objectives and/or the net income results achieved by the Company.

In this respect, on February 28th, 2002, the Board of Directors approved the Incentive Plan whereby ordinary Company shares – already held by the Company–

were assigned free of charge (stock grant) to some executive directors and top managers (9 beneficiaries). Moreover, subject to the achievement of previously defined Company objectives, the plan provides for the annual assignment, through a three-year cycle, of summary options (20 beneficiaries) – stock appreciation rights – which will provide a cash payment on the difference between the share price (calculated as an arithmetical average of the market price in the last month) and the exercise price; the latter is established by the Board of Directors after consulting with the Remuneration Committee. The value of the options may not exceed 150% of the annual gross remuneration figure.



FROM LEFT TO RIGHT:

ITALY
"City of Science" in Naples
ALGERIA
Kramis Dam
VENEZUELA
Puerto Cabello-La Encrucijada
Railway

Lastly, it should be noted that — given the expiration of the three-year validity of the Plan itself — the Board of Directors has resolved to extend the current Incentive Plan to 2005; this was resolved in the meeting of February 10th, 2005, at the proposal of the Remuneration Committee.

The Remuneration Committee set up by the Board of Directors on February 5th, 2002 — in compliance with Art. 8 of the Self-Regulatory Code — for the purpose of managing remuneration and potential stock option and share assignment plans, is responsible for the following tasks:

- making proposals to the Board, without the presence of the directly concerned parties, regarding the remuneration of the CEO, and those covering particular offices, as well as determining the criteria — in line with the CEO's suggestions — for the remuneration of Company top executives;
- formulating proposals relating to possible incentive plans reserved for directors, employees and collaborators;
- making proposals and overseeing that the information provided to shareholders and the market guarantees the necessary transparency of the mechanisms used for determining the amount of remuneration for Company representatives — in compliance with current regulations on Company information and at any rate in accordance with the financial markets' best practice;
- providing opinions on the questions posed from time to time by the Board of Directors on the subject of remuneration or any other inherent or related matter.

The Remuneration Committee is currently formed of three directors — the majority of whom non-executive — as shown in the table below:

members of the remuneration committee

Ernesto Monti (Chairman)	Non-executive/Independent
Paolo Astaldi	Executive
Vittorio Mele	Non-executive/Independent

In 2004, three Committee meetings were held in which the Committee carried out a consultancy role; these concerned the following, in particular:

- definition of the remuneration for the Chairman, Deputy Chairman and Executive Deputy Chairman and CEO, in accordance with Article 2389, paragraph 3, of the Italian Civil Code;
- definition of the Company parameters whose achievement determines the assignment of the summary options for corporate year 2004;
- definition of the strike price for the summary options for the year 2004;
- proposal to make Marco Toresi a new beneficiary of the Incentive Plan, following termination of the working relationship with Andrea Stramacchi, former assignee of the summary options;

The CEO of the Company attended the meetings as a guest.

Internal Audit System (Articles 9 – 10 of the Code)

The Company's Internal Audit is headed by the Internal Audit Manager.

The Manager's role requires participation in all internal organizational Committees of the Company.

The Internal Audit is allocated within the corporate organizational chart as part of the CEO's "staff" for the purpose of bestowing the function with the prerequisites of independence and authority that are needed to adequately implement the audit role attributed to it.

The Internal Audit function is implemented on the basis of national and international best practice, and with the objective of implementing all appropriate and necessary actions for the audit of the corporate processes, including those relating to policy, monitoring, and the detection of critical elements and opportunities for improving corporate organization.

Activities are undertaken on the basis of an annual auditing program which is shared with the Internal Audit Committee and Top Management. The results of these audits are periodically reported to the Internal Audit Committee itself and the Board of Statutory Auditors, in addition to top management.

The Company's Internal Audit System also provides for the presence of an Internal Audit Committee. This Committee, set up by the Board of Directors on February 5th, 2002, implements consulting and proposal-oriented functions with respect to the Board of Directors; these functions refer to activities of supervision over the general management of the Company.

In compliance with the requirements of Article 10 of the Self-Regulatory Code, the Internal Audit Committee performs, in brief, the following tasks:

- assisting the Board in carrying out the tasks required by Art. 9.2 of the Self-Regulatory Code;
- evaluating the work plan prepared by the Internal Audit Manager and receiving their periodical reports;

- evaluating — in conjunction with the Company's administrative managers and auditors — the adequacy of adopted accounting principles and their uniformity in the preparation of the consolidated accounts;
- evaluating the proposals formulated by the audit company for the purposes of securing the appointment, as well as the work plan prepared for the audit and the results presented in the audit report and in the advisory letter;
- reporting to the Board on the conducted performed, as well as on the adequacy of internal audit system — at least every six months at the time of approval of the financial statements and the first half results;
- monitoring the adequacy of the Self-Regulatory Code;
- undertaking the additional duties assigned by the Board of Directors, particularly as regards relations with the audit company.

The Chairman of the Board of Statutory Auditors, or an auditor appointed by the latter, may attend Committee meetings.

The shareholders' meeting of April 30th, 2004 marked the expiration of the three-year period of appointment, and the administrative body in question was re-elected. The new Board of Directors — in the meeting of April 30th, 2004 — thus proceeded with appointing the new members of the Internal Audit Committee.

The Committee currently consists of the following directors:

members of the internal audit committee	
Mario Lupo (Chairman)	Non-executive/Independent
Luigi Guidobono Cavalchini	Non-executive/Non-independent
Franco A. Grassini	Non-executive/Independent
Maurizio Poloni	Non-executive/Independent

In the meeting of March 17th, 2004, the voluntary body that was previously in office completed the activities initiated during 2003, making note of the auditing activity results for 2003 and relating to the five selected processes; this activity was undertaken after the audit of corporate procedures, and confirmed a significant improvement in the efficiency and efficacy of the Internal Audit System.

As a result, the newly formed Committee has continued to implement audit activities and has addressed — in the three subsequent meetings of 2004 and the first meeting on February 22nd, 2005 — various topics, including the following of particular relevance:

- a. examination of the accounting principles that were and are being adopted — in the presence and in conjunction with the audit company — and any resulting adjustments to the administrative system for the detection and accounting of corporate events (new corporate law, IAS/IFRS);
- b. evaluation of the existing Internal Audit System and definition of the work plan for 2004;
- c. verification of internal audit activities that were planned and implemented for 2004 (the 2004 audit on two company procedures selected by the Committee and the update on the risk self-assessment — Risk Assessment Italy and abroad — through the acknowledgment of the results from the 2002, 2003 and 2004 audits);
- d. verification on significantly important subsidiaries and on the certification obtained for the most important of the latter;

- e. audit by sampling on certain corporate processes for the purpose of evaluating the solutions adopted for solving critical areas revealed in the risk self-assessment process, in the audit phase and in compliance with Legislative Decree no. 231/2001, while verifying the procedures and audits in detail;
- f. verification of company activities implemented in relation to the corporate and tax law reforms, other than those described in point a.;
- g. analysis and evaluation of the "Integrated System for Internal Audit" — meant as the rationalization, integration and coordination of the verification and audit activities implemented by various corporate functions — and expressing a favorable opinion on the implementation of the current system through the Internal Audit.

With reference to additional actions taken to strengthen the governance system, it should be noted that on March 18th, 2003 the Board of Directors approved the Company Code of Ethics which establishes general principles and — through rules of conduct — regulates the activities of employees and collaborators of the Company and of all companies of the Group, including those concerning relations with Shareholders, the Public Administration, suppliers, contractors and subcontractors.

In particular, this Code establishes:

- the reference values and general principles that Astaldi and the companies of the Group must observe while performing their activities;
- the rules of conduct that Company representatives, managers and structures must respect when engaging in relations with a number of commercial, entrepreneurial and financial interlocutors;
- the main methods for implementing the Code itself within the Company's structure.

Within the scope of activities related to Legislative Decree no. 231/2001, the Board of Directors approved the "Model of Organization, Management and Control as per D. Lgs. 231/2001" on July 2nd, 2003, identifying the corporate areas and activities that are potentially at risk in relation to the different offences provided for by the aforementioned decree, and aiming at safeguarding the Company in the case of offences pursuant to Legislative Decree no. 231/2001 committed by the Company's directors, employees and collaborators. In particular, the Model defines:

- the ethical principles relating to conduct that can contribute to the cases of crime provided for by the aforementioned decree;
- any "sensitive" company activities, i.e. those in which — by their very nature — the crimes pursuant to Legislative Decree no. 231/2001 may be committed, and therefore which must be examined and monitored;
- procedures for the management of financial resources allocated for the prevention of crimes;
- the rules for the identification of the Supervisory Body and the allocation of specific duties for monitoring the correct function of the Model;
- the information flows directed to the Supervisory Body;
- activities for information, awareness, and the spread of established rules of conduct and procedures at all levels of the Company;
- responsibilities relating to the approval, integration, modification and assimilation of the Model, in addition to verification of the latter's function and of corporate behaviors, with periodical updates.

It should be noted in connection with the above that the "Company Code of Ethics" and the "Model of Organization, Management and Control as per D. Lgs. 231/2001" have been updated in order to adapt them to current regulations and for the purpose of regulating information flows towards the Supervisory Body, in addition to acknowledging the activities implemented within the Group and related to Legislative Decree no. 231/2001.

In order to prevent the risks/crimes provided for by Legislative Decree no. 231/2001, the C.E.O. has appointed — with a communication notice on June 9th, 2003 — the members of the Supervisory Body who possess the prerequisites required by the cited provision: autonomy, independence and professionalism. These include: Mr. Maurizio Poloni, a non-executive/independent member of the Board of Directors, and Mr. Marco Annoni, Mr. Giorgio Luceri and Ms. Nicoletta Mincato — the latter appointed as Chairman of the Supervisory Body — as experts from outside the Company.

The Body drafted Regulations for itself (which, among other items, sets a minimum monthly frequency for its meetings) and has been established as a top staff unit reporting directly to the CEO.

The Body relies on an Internal Audit Manager for the implementation of its activities and for the execution of its decisions within the affected corporate structures. During the course of 2004, the activity of the Supervisory Body — aimed at monitoring the function and compliance with the "Model of Organization, Management and Control as per D. Lgs. no. 231/2001" — thus continued, meeting twelve times and implementing the following activities, in brief:

- examination of the organizational protocols related to the risks/crimes provided for by Legislative Decree no. 231/2001, with the aid and collaboration of the process owners of reference for each protocol;
- identification of corrective actions for the resolution of critical issues emerging during the examination of the protocols, and verification of their actual implementation by Company structures;
- confirmation of the results of the audit activity for 2003 in view of a synergy with the same activity undertaken by mandate of the Internal Audit Committee;
- verification of the proper function of the organizational Model in compliance with established behavioral rules and procedures;
- training and awareness activities for personnel operating both in Italy and abroad for the purposes of preventing crimes; this activity is undertaken with the aid of the Internal Audit Manager and the Personnel Management, as well as through the publication of an interactive CD-ROM on the company intranet which explains the administrative responsibility of the entities and the special part of the Model, combined with the organizational protocols that were re-defined after adopting the instructions of the Supervisory Body.
- the adoption of adequate tools for starting an extensive activity to monitor the actual application of the protocols by corporate structures.

Transactions with related parties (Art. 11 of the Code)

Regarding the structure of mandates within the Board of Directors, its compliance with the recommendations of the Self-Regulatory Code can be confirmed for 2004; this compliance was already verified, with positive results, at the Board Meeting of April 23rd, 2002.

With particular reference to relations with correlated parties, the Board of Directors of Astaldi — during the above meeting — resolved to reserve, under its own exclusive competence, the approval of:

- all transactions between Astaldi and related parties other than subsidiary and associated companies (so-called “related third parties”);
- all transactions between Astaldi and subsidiaries other than project-specific companies – i.e. companies and other legal entities created for the execution of specific contracts — whenever the value of these exceeds 4 million Euro per transaction.

The Board of Directors also resolved that the C.E.O. must report to the Board at least once every three months on unusual or atypical transactions — i.e. those not directly intended for the execution of individual contracts and which are not of a temporary nature — between Astaldi and project-specific companies, of a value exceeding 5 million Euro per transaction. With regard to unusual and/or atypical transactions of lower value, the Board itself resolved that the C.E.O. must provide this information with the same frequency, summarized by type of transaction and in consolidated form.

Lastly, in the analysis of transactions with related parties, the Company complies with the provisions of Art. 11 of the Self-Regulatory Code, paying particular attention to the removal of the director with an interest in said transactions, and the recourse to independent experts in the case of transactions of particular importance.

Treatment of confidential information (Art. 6 of the Code)

For the purpose of guaranteeing proper internal management and timely external communication of any important fact occurring within the scope of the activities of the Company and its subsidiaries which could, at least potentially, significantly influence the price of the Company’s shares (so-called price sensitive information), Astaldi makes use of its internal “Continuous information” procedure approved by the Board of Directors in the Meeting of November 12th, 2002.

In brief, this procedure identifies the timing and methods within the Company that are needed for the distribution and disclosure of such information, as well as the involvement of the functions affected in each case. This ensures that the resources that most come into contact with the above-mentioned information act as a link between their own area of responsibility and top management, allowing for an adequate evaluation of these facts or issues.

It is also planned — as a successive step — that a special Evaluation Committee (formed by General & Corporate Affairs, the Investor Relator and the affected management) will be involved for the purpose of providing adequate support in the proper interpretation of the regulations regarding the sector, and for the concrete formulation and disclosure of the communication notices in question.

For the purpose of compliance with the provisions of Art. 2.6.3 of the Regulations for the markets organized and managed by Borsa Italiana S.p.A., it should be noted that the “Code of conducts with regard to insider dealing” is currently effective within Astaldi.

The Code requires so-called “significant persons” to report to the General & Corporate Affairs with regard to transactions on Astaldi shares that exceed given

amounts within a fixed period of time so that appropriate disclosures can be made to the market, and with the timing and methods provided for by the Code.

In short, for the above purposes, the Code requires significant persons to notify the General & Corporate Affairs:

- within three stock market trading days from the end of the reference calendar quarter, with regard to transactions on Astaldi shares whose value, individually or cumulatively, exceeds 25,000 Euro;
- promptly, and in any case within one stock market trading day following the day of execution, with regard to transactions on Astaldi shares whose value is individually or cumulatively more than 125,000 Euro.

The Code also establishes so-called close periods — i.e. periods of time that are close to events of particular importance — in which significant persons may not perform transactions on Company shares.

In particular, these periods are identified as follows:

- the 30 days prior to communication to the public of the consolidated financial statements, the draft financial statements and the first half results;
- the 15 days prior to communication of the quarterly report to the public;
- the 15 days prior to the issue of the first price sensitive communication notice and concerning potential transactions such as: public takeover bids made by the Company or on its financial instruments; mergers, spin-offs or acquisitions of which Astaldi is a part; and any other extraordinary transaction capable of affecting the price of the Company's financial instruments.

Relations with institutional investors and shareholders (Articles 12-13 of the Code)

As of 2002, the Company — also in the light of admission to listing on the STAR sector of the Milan Stock Exchange — had appointed Alessandra Onorati as the person responsible for investor relations (Investor Relator).

According to Art. 13 of the Company By-Laws, whereby “The course of the ordinary and extraordinary General Meeting is governed by regulations, approved by the Ordinary Meeting and valid for all subsequent meetings, until amended or replaced”– the Ordinary General Meeting of March 11th, 2002 approved the Meeting Regulations which establish clear and unambiguous rules for the orderly and functional course of Meetings, without prejudicing the right of shareholders to express their own opinions and put forward requests for explanations and clarifications regarding the matters under discussion.

The Board of Directors in office has not deemed it necessary to present the Meeting with proposals on reducing the thresholds required by law in implement actions and to exercise the rights put in place for the protection of minority shareholders.

Moreover, for the purpose of encouraging dialogue with Shareholders and the market, the Company regularly publishes information on its web site, both of an accounting nature (financial statements, first half results and quarterly reports) and that of interest to the majority of shareholders (such as press releases, the Company Code of Ethics, the Model of Organization, Management and Control as per D. Lgs. 231/2001, the Code of Conducts with regard to insider dealing, Directors' Reports on Agenda items of the Meetings, etc.).

Auditors (Article 14 of the Code)

The Board of Statutory Auditors currently in office is composed of the following members:

members of the board of auditors	
Eugenio Pinto	Chairman
Pierpaolo Singer	Statutory auditor
Pierumberto Spanò(*)	Statutory auditor
Antonio Sisca	Acting auditor
Maurizio Lauri(**)	Acting auditor
Marco Zampano (**)	Acting auditor

(*) auditor appointed through the lists submitted by the minority shareholders.

(**) auditor appointed on April 30th, 2004.

The By-Laws — in compliance with the provisions of Legislative Decree no. 58/98 — provide for the “list vote” mechanism in order to ensure the presence of representatives of minority shareholders within the Board of Statutory Auditors.

By express provision of the By-Laws, the lists, together with information on the personal and professional characteristics of the candidates, must be deposited at the Company’s registered office at least 10 days before the date set for the Meeting in first call. In conjunction with each list and by the same deadline, the candidate statements must be lodged; in these statements, the candidates accept their candidacy and attest, upon their own responsibility, to the non-existence of causes of ineligibility and incompatibility, as well as the existence of the requirements by law to hold the office of Auditor.

Each Shareholder may present or run for the presentation of a single list, and each candidate may appear on one list only, under penalty of ineligibility.

Those who are statutory auditors in more than four companies listed on the Italian stock markets may not be appointed as auditors.

Only shareholders who — alone or together with other shareholders — represent at least 2% of shares and have voting rights in the Ordinary Meeting are entitled to present lists.

Finally, noted below are the additional offices held by the auditors of Astaldi, limited to those of director or auditor in other companies listed on the Italian Stock Markets:

additional offices held by the auditors	
Eugenio Pinto (Chairman)	Statutory auditor of Mediobanca S.p.A.
Pierpaolo Singer	–
Pierumberto Spanò(*)	Statutory auditor of Snam Rete Gas S.p.A.
Antonio Sisca	–
Maurizio Lauri	Statutory auditor of Acea S.p.A.
Marco Zampano	–

Incentive plan

With the resolutions of February 5th, 2002 and February 28th, 2002 respectively, the Board of Directors of Astaldi approved the guidelines for an Incentive Plan updated in the Board meeting of February 10th, 2005.

The Incentive Plan provided for the assignment, free of charge, of 756,000 own shares which were in the Company portfolio at the time. The assignment of the stock grants was completed on May 14th, 2002.

According to the regulations of the Incentive Plan, the Company's own shares that are assigned free of charge cannot be transferred — except for mortis causa — for a period of three years from the date of assignment. If the assignee's work or collaboration relationship is terminated before the three-year period due to the assignee's unjustified conduct (justified dismissal, resignation for unjust cause, etc.), the Company has the right to purchase the shares held by the manager at a price equal to the par value of the stock.

The Incentive Plan also provides for the annual assignment — free of charge — of summary options (which grant the right to a remuneration payment but not the acquisition of shares) for the CEO, top management, and a restricted number of autonomous and continuous collaborators of the Group. The modes of assignment and regulation of summary options are described in detail in the section, "Remuneration for Directors (Article 8 of the Code)", in the Report on Corporate Governance Model, which should be referred to.

Shares held by directors, auditors and general managers

In compliance with the provisions of Art. 79 of CONSOB (Italy's Securities and Exchange Commission) resolution no. 11971/1999 — subsequently amended with resolution no. 12475/2000 — the following table lists the shares held — directly or through intermediaries — by directors, auditors and general managers, as well as non-legally-separated spouses and minor children; these data are derived from the Shareholders' register, received communications and information acquired from the directors, auditors and general managers themselves.

All persons who held offices during the course of financial year 2004, even for parts of the year, are included.

shares held by directors, auditors and general managers					
		no. of shares held at the end of 2003	no. of purchased shares	no. of sold shares	no. of shares held at the end of 2004
Ernesto Monti		—	—	—	—
Paolo Astaldi	Astaldi S.p.A.	21,000	10,000	25,000	6,000
Vittorio Di Paola	Astaldi S.p.A.	2,203,000	10,000	10,000	2,203,000
Caterina Astaldi		—	—	—	—
Pietro Astaldi		—	—	—	—
Giuseppe Cafiero	Astaldi S.p.A.	—	10,000	—	10,000
Luigi Guidobono Cavalchini		—	—	—	—
Stefano Cerri		—	—	—	—
Franco A. Grassini		—	—	—	—
Mario Lupo		—	—	—	—
Vittorio Mele		—	—	—	—
Nicola Oliva	Astaldi S.p.A.	800	—	—	800
Maurizio Poloni		—	—	—	—
Enrico De Cecco (*)		—	—	—	—
Bruno Lecchi (*)		—	—	—	—
Lucio Mariani (*)	Astaldi S.p.A.	9,300	—	9,300	—
Giuseppe Marino (*)		—	—	—	—
Roberto Marraffa (*)		—	—	—	—
Nicoletta Mincato (*)		—	—	—	—
Eugenio Pinto		—	—	—	—
Pierpaolo Singer		—	—	—	—
Pierumberto Spanò		—	—	—	—

(*) Directors in charge at 30 April 2004.

Adoption of international accounting principles

Reported here is the information required by CONSOB communication notice no. 501517 of March 10th, 2005.

Following the introduction of EU Regulation no. 1606/2002, effective as of January 2005, companies listed on the European stock markets are required to adopt the International Accounting Principles for drawing up consolidated financial statements and consolidated interim reports.

For this purpose, a work group was formed to identify the areas of intervention and the methods of transition to the new standards, as well as the areas within the accounting booking and reporting system that need to be converted; its aim is also to define the operating guidelines for the new methods of accounting and representing administrative facts in the financial statements. The procedures for the transition to international accounting principles have yet to be completed. Completion is expected during the first half of 2005.

Events after the close of the financial year

As previously mentioned, BNP Paribas was repaid on February 9th, 2005 – through the subsidiary Astaldi Finance S.A. — for the 150 million Euro debenture loan which was followed by the payment to the underwriters on February 11th, 2005. In this regard, it should be noted that on January 27th the 100 million Euro bank financing contract became fully operational; undersigned by a pool of leading Italian (European) bank corporations, it is repayable in five years with bi-annual installments, thereby allowing the Group to align the duration of its financial sources with the average life of the contracts.

The important organizational and commercial effort in Algeria led to the delivery of the Kramis dam in January 2005 on behalf of the Group, in full respect of the contractual period and to the Client's complete satisfaction. In the month of January 2005, Astaldi — as part of a grouping of firms — was also temporarily awarded the contract for works on the aqueduct between the cities of Akbou and Bejaia. The total value of this contract is approximately 114 million Euro.

Astaldi was also temporarily awarded the contract for the construction of the Parma-La Spezia railway track doubling for the stretch linking the Solignano station to the Osteriazza-Parma point of manoeuvre. The contract is valued at approximately 165 million Euro.

The Company was also admitted to the pre-qualification phase of the tender called by Anas S.p.A. for the design, construction and modernization of about 18.2 km. of the Salerno-Reggio Calabria Highway and relating to the stretch between Altilia and Falerna in the province of Catanzaro. The contract has an overall valuation of approximately 337 million Euro, and requires a 10-20% pre-financing share for the General Contractor. Astaldi's quota in this initiative is equal to 90%. The deadline of the next phase for the presentation of bids is set for late February 2005.

As regards major contracts in Italy, Astaldi — as the leading General Contractor in a grouping of firms — presented a bid in January 2005 for the design and construction of the second phase of the Turin Railway Hub. This ten-

der — initiated by Italferr S.p.A. — provides for the assignment of works for the completion and expansion of the railway stretch between Corso Vittorio Emanuele II and Corso Grosseto, including the construction of a sub-crossing of the river Dora Riparia. The base value of the tender is equal to approximately 617 million Euro. It is important to note that this contract represents the completion of the first phase of the entire railway project which is currently being completed by Astaldi. The potential acquisition of the contract would allow significant operational efficiency to be obtained.

As regards the tender for the assignment of the Asti-Cuneo highway concession, and the one relating to the concession for the re-qualification and subsequent management of the "Niguarda Ca Grande" Hospital in Milan, it should be noted that the outcomes of both of the tenders were made known in the first part of 2005 and concluded with the assignment of these concessions to third parties. The Group had presented bids for these tenders in December and October of 2004, respectively.

Finally, it should be noted that the Company's Board of Directors — on February 28th, 2005 — had resolved, in brief, to:

- 1) present a proposal to Impregilo S.p.A. — within the context of the debt restructuring of the latter and the recovery of its financial and economic asset structure — with the aim of undersigning an increase in the ordinary share capital of Impregilo S.p.A. for a share not below 30.01%. The proposal is made on the condition that this acquisition retain characteristics and modalities so as to not contribute to an obligation for the presentation of a public take-over bid, in accordance with Articles 102 *et seq.* of Legislative Decree no. 58/98. This will involve a maximum investment of 250 million Euro, collectable both through an Astaldi S.p.A. share capital increase and through a medium-to-long-term bank indebtedness.
- 2) present a proposal to Gemina S.p.A. for regulating the intervention regarding Gemina S.p.A. — as the current reference shareholder of Impregilo S.p.A. — within the context of Impregilo S.p.A.'s potential ordinary share capital increase, which must total approximately 600 million Euro, as well as a syndicate agreement referring to the governance and strategic direction of Impregilo S.p.A., in line with the overall industrial plan and in order to stabilize the company's owned assets, as well to define its governance rules.

Following the meeting of March 17th, 2005, and after evaluating the outcomes of numerous meetings with Impregilo S.p.A. and Gemina S.p.A. while assisted by the respective Advisors, in addition to evaluating the results of the due diligence conducted on Impregilo S.p.A., the Board decided not to proceed further in the proposal formulated to the Company for intervention in Impregilo S.p.A.

Management forecast

The strategy that was previously identified and pursued during the course of the last few years will be even more effective in execution because of the Group's focus on contracts of greater value and of more complex technical, legal and managerial content, thereby making Astaldi a leading firm within the General Contractors market in Italy. In this realm, the effects of the so-called Legge Obiettivo will begin to have important repercussions over the course of the next few years.

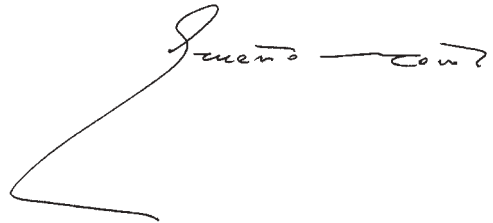
In the realm of project financing activities, the Company will consolidate its role as the market leader of reference in such sectors as healthcare and underground systems in which great technical/operational skill and financial capacity are the selective elements of the market. For this purpose, it should be noted that Astaldi serves as sponsor of the Milan underground Line 5 project and of the Appia Antica Underpass in Rome; the Group awaits the final outcomes on these projects.

Prospects for future years include further growth of the Group — from a technical, qualitative and economic/financial perspective. This will occur by strengthening the company's national leadership role, as well as through the growth of activities in those foreign areas in which the company operates with stability and considerable success.

Conclusions

Shareholders, the consolidated financial statements show a net profit of 28 million Euro after amortization, provisions and consolidation adjustments.

For the Board Of Directors
The Chairman
(Ernesto Monti)

A handwritten signature in black ink, appearing to read "Ernesto Monti", with a long, sweeping horizontal line extending to the left.

Consolidated financial statements

CONSOLIDATED BALANCE SHEET

ASSETS

(values in euro)

	2004	2003
A) Subscribed capital unpaid	-	-
B) Fixed assets		
I Intangible assets		
1) Formation and expansion expenses	3,279,036	5,654,181
3) Patents and rights to use patents of others	990,647	1,285,574
4) Concessions, licenses, trademarks and similar rights	29,162	29,162
5) Goodwill	-	160,000
7) Other		
a) Construction site installation costs	14,042,210	10,867,759
b) Cost of preparing tenders	2,139,190	379,060
c) Others	29,417,124	33,815,553
<i>Total other</i>	<i>45,598,524</i>	<i>45,062,372</i>
Total I - Intangible assets	49,897,369	52,191,289
II Tangible assets		
1) Land and buildings	23,982,464	24,908,951
2) Plant and machinery		
a) Specific plants	26,647,038	27,725,302
b) General plants	11,076,363	11,327,729
c) Crafts	846	349
<i>Total plant and machinery</i>	<i>37,724,247</i>	<i>39,053,380</i>
3) Other fixtures and fittings, tools and equipment		
a) Excavators, power shovels, heavy vehicles	23,743,254	28,382,783
b) Light vehicles, ships, planes	2,919,983	3,427,132
c) Various small equipment	1,410,041	1,446,429
d) Light constructions	3,213,595	2,053,667
e) Metal sheet pile and shuttering	1,845,595	1,705,630
<i>Total tools, fittings, fixtures and other equipment</i>	<i>33,132,468</i>	<i>37,015,641</i>
4) Other		
a) Electronic office equipment	1,202,587	1,232,640
b) Furniture, fittings and office equipment	1,402,683	1,477,676
c) Freely transferable assets	2,641,076	2,351,713
<i>Total other</i>	<i>5,246,346</i>	<i>5,062,029</i>
5) Tangible assets in course of construction and payments on account	2,252,225	278,264
Total II - Tangible Assets	102,337,750	106,318,265
III Investments		
1) Equity investments in		
a) Subsidiaries	6,513,116	8,658,095
b) Associated companies	17,241,333	17,091,831
c) Other companies	2,564,801	2,611,564
<i>Total Investments</i>	<i>26,319,250</i>	<i>28,361,490</i>
2) Loans and long-term receivables from		
a) Subsidiaries	2,089,300	2,311,109
b) Associated Companies	9,536,797	9,890,181
c) Other equity investments	1,618,318	1,709,673
d) Other entities		
Within the next financial year	23,368,410	16,282,639
Beyond the next financial year	45,169,839	53,570,808
<i>Total loans from other entities</i>	<i>68,538,249</i>	<i>69,853,447</i>
<i>Total loans and long-term receivables</i>	<i>81,782,664</i>	<i>83,764,410</i>
4) Own shares (Comprehensive nominal amount Euro 400,000)	897,558	2,385,184
Total III - Investments	108,999,472	114,511,084
Total fixed assets B)	261,234,591	273,020,638
C) Current assets		
I Inventories		
1) Raw materials and consumables	32,840,071	39,190,223
2) Products in progress and semi-finished products	1,674,438	-
3) Contracts in progress	192,752,107	187,372,548
4) Finished goods and goods for resale	404,314	659,468
6) Assets and materials in transit	7,912,758	1,466,799
Total I - Inventories	235,583,688	228,689,038
II Debtors		
1) Trade debtors		
Within the next financial year	313,355,231	276,245,199
Beyond the next financial year	17,621	3,499,881
<i>Total trade debtors</i>	<i>313,372,852</i>	<i>279,745,080</i>
2) Subsidiaries	31,996,813	31,631,187
3) Associated companies	26,649,009	37,563,408
4) Parent companies	33,296	19,756
4-bis) Tax debtors		
Within the next financial year	42,812,195	31,320,805
Beyond the next financial year	2,384,410	18,478,450
<i>Total Tax debtors</i>	<i>45,196,605</i>	<i>49,799,255</i>
4-ter) Deferred Taxes	13,982,943	15,752,740
5) Other debtors		
a) Personnel	902,046	953,725
b) Social Security institutions	646,858	782,507
c) Deposits		
Within the next financial year	37,295	70,705
Beyond the next financial year	933,732	937,302
<i>Total deposits</i>	<i>971,027</i>	<i>1,008,007</i>
d) Amounts due to equity investments	3,991,835	329,821
e) Other receivables	67,069,674	60,611,615
<i>Total other debtors</i>	<i>73,581,440</i>	<i>63,685,675</i>
Total II - Debtors	504,812,958	478,197,101
III Investments which are not permanent		
6) Other investments	28,641,013	3,166,899
Total III - Investments which are not permanent	28,641,013	3,166,899
IV Cash at bank and in hand		
1) Bank and postal current account	172,957,763	149,622,621
2) Bank cheques	1,559,238	-
3) Cash on hand	322,486	360,499
Total IV - Cash at bank and in hand	174,839,487	149,983,120
Total current assets C)	943,877,146	860,036,158
D) Prepayments and accrued income		
1) Issue premium	41,833	543,833
2) Prepayments and accrued income	10,896,718	8,545,299
Total prepayments and accrued income D)	10,938,551	9,089,132
TOTAL ASSETS	1,216,050,288	1,142,145,928

CONSOLIDATED BALANCE SHEET

LIABILITIES

(values in euro)

	2004	2003
A) Equity		
I Subscribed capital	98,424,900	98,424,900
II Share premium reserve	67,836,096	67,836,096
III Revaluation reserves	236,369	236,369
IV Legal reserve	7,818,668	7,217,824
V Statutory reserves	–	–
VI Reserve for own shares	897,558	2,385,184
VII Other reserves		
1) Conversion reserve or loss	(22,002,296)	(18,594,035)
2) Extraordinary reserve	26,741,363	21,675,196
3) Reserve for specific risks	798,334	798,334
4) Reserve for own shares purchasing	23,702,442	22,214,816
5) Euro conversion difference	(2,271)	(2,271)
Total other reserves	29,237,572	26,092,040
VIII Profit (loss) carried forward	11,632,259	2,535,208
IX Profit (loss) for the financial period	27,607,042	22,394,581
Total Consolidated Group Equity	243,690,464	227,122,202
Minority interests	(416,492)	375,615
Minority interests profit (loss) for the financial period	507,801	(217,326)
Total Equity A)	243,781,773	227,280,491
B) Provisions for risks and charges		
2) For taxes	900,590	1,435,296
3) Other		
a) for contractual risk	41,177,430	51,599,382
b) for losses on equity investments	27,703,480	11,748,181
c) art 27 company's statute reserve	127,552	37,426
Total other provisions	69,008,462	63,384,989
Total provisions for risks and charges B)	69,909,052	64,820,285
C) Employee severance indemnity	12,472,501	12,189,086
D) Creditors		
1) Debenture loans		
Within the next financial year	150,000,000	–
Beyond the next financial year	–	150,000,000
Total debenture loans	150,000,000	150,000,000
4) Amounts due to banks		
Within the next financial year	146,180,312	100,347,156
Beyond the next financial year	69,307,852	75,071,572
Total amounts due to banks	215,488,164	175,418,728
5) Amounts due to other financiers		
Within the next financial year	4,657,008	4,870,641
Beyond the next financial year	17,339,421	21,026,860
Total amounts due to other financiers	21,996,429	25,897,501
6) Advances received		
Within the next financial year	29,252,431	48,046,899
Beyond the next financial year	89,650,597	99,262,337
Total advances received	118,903,028	147,309,236
7) Trade payables		
Within the next financial year	220,054,205	188,214,288
Beyond the next financial year	8,922,624	8,184,958
Total amounts to suppliers	228,976,829	196,399,246
9) Amounts due to subsidiaries	18,495,116	19,471,307
10) Amounts due to Associated companies	77,702,574	60,669,962
12) Amounts due to tax administrations	14,438,302	21,670,170
13) Amounts due to Social Security Insitutions	3,924,068	4,684,402
14) Other creditors		
a) Other entity interests	3,757,791	4,995,124
b) Deposits and caution		
Beyond the next financial year	19,616	22,229
c) Personnel	6,141,161	4,506,350
d) Other	19,102,917	15,968,197
Total other creditors	29,021,485	25,491,900
Total creditors D)	878,945,995	827,012,452
E) Accruals and deferred income	10,940,967	10,843,614
TOTAL LIABILITIES AND EQUITY	1,216,050,288	1,142,145,928

Consolidated financial statements

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MEMORANDUM ACCOUNTS

(values in euro)

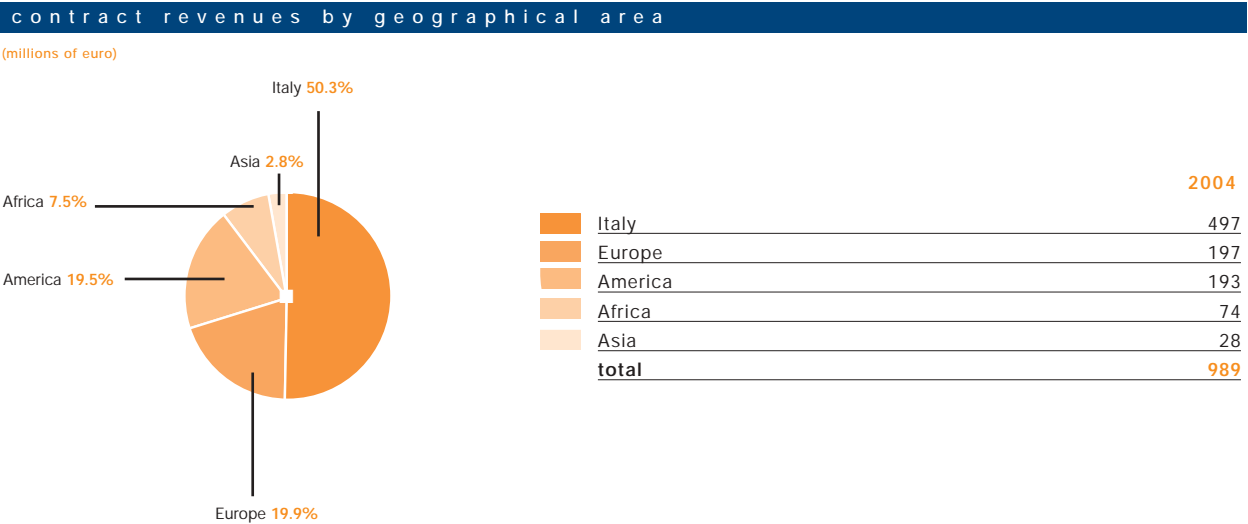
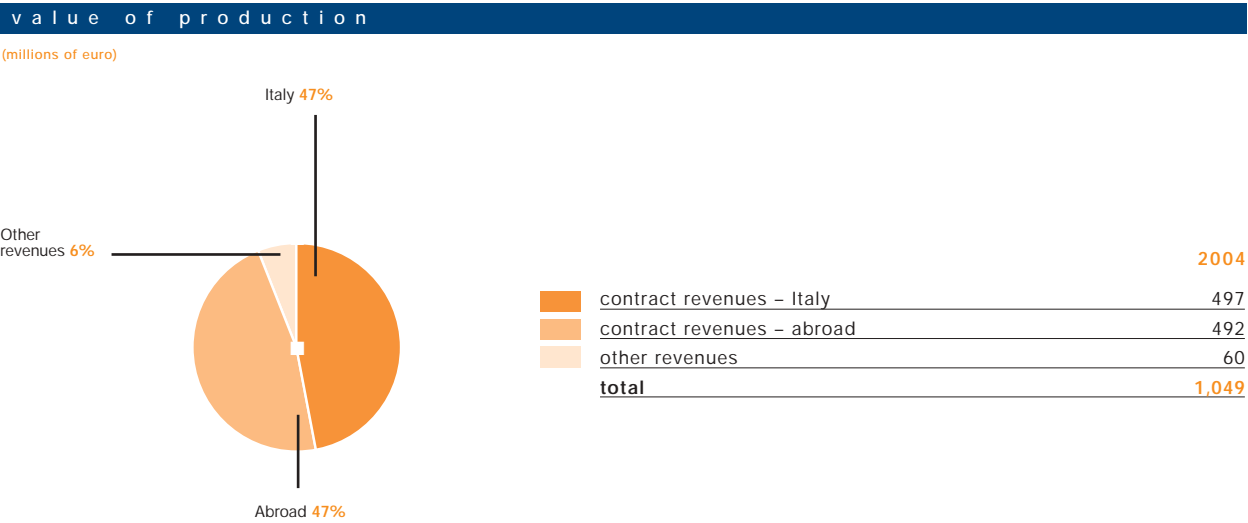
	2004	2003
A) Personal guarantees		
1) Guarantees for credit lines		
a) For Subsidiaries	42,040,534	52,551,470
b) For Associated companies	44,316,608	60,251,822
c) For Third parties	17,481,572	20,686,142
Total guarantees for credit lines	103,838,714	133,489,434
2) Guarantees for works		
a) For Subsidiaries	229,536,306	369,607,286
b) For Associated companies	571,216,662	641,353,544
c) For Third parties	400,368,048	431,526,145
Total guarantees for works	1,201,121,016	1,442,486,975
3) Other guarantees	88,184,296	119,830,098
Total personal guarantees A)	1,393,144,026	1,695,806,507
B) Other off-balance sheet accounts		
1) Risk of recourse from factors	79,573,420	86,168,416
2) Other	30,381,213	29,659,679
Total other off-balance sheet accounts	109,954,633	115,828,095
C) Third party guarantees in our favour	25,066,376	22,189,375
TOTAL MEMORANDUM ACCOUNTS	1,528,165,035	1,833,823,977

CONSOLIDATED INCOME STATEMENT

(values in euro)

	2004	2003
A) Value of production		
1) Net turnover from sales and services		
a) from contracts	797,874,215	778,559,800
2) Variations in inventories for works in progress, semi-finished goods, raw materials	1,674,438	-
3) Variation in contracts in progress	189,800,280	91,585,117
4) Work performed for own purposes and capitalised	8,044,363	8,021,370
5) Other revenues	51,682,330	44,618,678
Total value of production A)	1,049,075,626	922,784,965
B) Cost of production		
6) For raw materials, consumables and other goods	166,790,431	163,443,272
7) For services	611,664,882	502,101,895
8) For use of assets owned by others	10,389,387	12,873,914
9) For personnel		
a) Wages and salaries	93,719,074	87,887,070
b) Social security charges	19,262,432	18,898,156
c) Provision for severance indemnities	5,146,447	4,764,694
e) Other costs relating to staff	10,895,306	11,315,383
<i>Total personnel</i>	<i>129,023,259</i>	<i>122,865,303</i>
10) Amortisation, depreciation and write-down		
a) Amortisation of intangible assets	24,463,026	26,936,562
b) Depreciation of tangible assets	20,859,240	18,756,380
d) Allowance for doubtful debtors included in current assets and other accounts included in cash at bank and in hand	3,100,000	200,000
<i>Total cost for amortisation, depreciation and write-down</i>	<i>48,422,266</i>	<i>45,892,942</i>
11) Variations in inventories of raw materials, consumables and goods for resale	4,206,145	(5,524,385)
12) Risk allowances		
a) Provision for risks	32,226,728	32,984,879
b) Utilisations for risks	(42,655,185)	(32,010,707)
<i>Total provision for risks (utilisations)</i>	<i>(10,428,457)</i>	<i>974,172</i>
14) Other operating charges	14,455,914	13,714,463
Total cost of production B)	974,523,827	856,341,576
Difference between value and cost of production (A-B)	74,551,799	66,443,389
C) Financial income and charges		
15) Income from equity investments		
a) from Subsidiaries	740,994	2,877,575
b) from Associated companies	4,848	1,012
c) from other equity investments	-	7,558
<i>Total income from equity investments</i>	<i>745,842</i>	<i>2,886,145</i>
16) Other financial income		
1) to other for other financial income	26,822,480	15,742,030
17) Interest charges and similar charges		
1) from others for other financial charges	40,669,262	40,034,418
17 bis) Profit (loss) on exchange		
a) exchange profit	8,038,812	6,599,420
b) exchange loss	(13,144,955)	(11,133,518)
<i>Total exchange profit (loss)</i>	<i>(5,106,143)</i>	<i>(4,534,098)</i>
Total (15+16-17)	(18,207,083)	(25,940,341)
D) Value adjustments in respect of investments		
18) Revaluation		
a) of equity investments	994,712	2,681,531
c) of shares recorded under the current liabilities	1,543,535	190,239
19) Write-down		
a) of equity investments	4,695,385	7,839,625
b) of shares recorded under the current liabilities	8,634,694	1,517,548
Total adjustments (18 - 19)	(10,791,832)	(6,485,403)
E) Extraordinary income and charges		
20) Income		
a) other income	8,221,882	8,158,151
21) Charges		
a) taxation of previous years	1,488,091	1,868,671
b) other charges	11,286,230	11,271,444
<i>Total extraordinary charges</i>	<i>12,774,321</i>	<i>13,140,115</i>
<i>Total extraordinary charges (20-21)</i>	<i>(4,552,439)</i>	<i>(4,981,964)</i>
Profit (loss) before income taxes (A-B+C+D+E)	41,000,445	29,035,681
22) Income taxes on the income of the period		
a) Current tax	11,525,607	14,994,090
b) Deferred tax assets	1,359,995	(8,135,664)
<i>Total taxes</i>	<i>12,885,604</i>	<i>6,858,426</i>
23) Profit or loss of the period		
a) consolidated	28,114,843	22,177,255
b) minority interests profit/loss for the period (profit)/ loss	(507,801)	217,326
26) Group profit (loss) of the period	27,607,042	22,394,581

Total revenues



Notes to the consolidated financial statements

Basis of presentation

Astaldi S.p.A. has prepared the consolidated accounts in accordance with the principles provided for in Law Decree no. 127/91 which enacts the VII EEC Directive, in addition to subsequent amendments created by Legislative Decree n. 6 of January 17th, 2003.

The accounts are complete with the table of applied exchange rates, the scope of consolidation, the list of non-consolidated companies, the schedule of movements in the net consolidated shareholders' equity account items, the schedule of relations between the parent company accounts and the consolidated accounts and the cashflow statement.

It should be noted that the reference date for the consolidated accounts coincides with the end of the financial year for the Parent Company Astaldi S.p.A. and for the majority of subsidiaries included in the scope of consolidation.

The accounts of the latter have been appropriately re-classified and adjusted to comply with the accounting principles and valuation criteria of the parent company. In the case that the financial year for the consolidated companies does not coincide with the calendar year, interim accounts reflecting the conventional Group financial year have been prepared by the Directors.

Moreover, in certain cases, balance sheet and profit and loss items of the previous financial year have been reclassified for the purposes of better representation; this is reported in the notes that follow. Credits and debits with subsidiary, associated and other companies that are attributable — in significant amounts — to relations with consortia-type companies have been reported at net values and with reference to the prevailing amount for each individual counterpart.

In the paragraph relative to related parties, the gross amounts of credits and debits are provided with respect to the abovementioned entities.

All the amounts reported in the explanatory note are expressed in thousands of Euro unless otherwise stated.

According to the art. 16 of the Law Decree 213/1998 and art. 2423, sub-section 5, of the Italian Civil Code, the balance sheet and the profit and loss accounts are drawn up in Euro as their currency unit.

With regards to the nature of the company's activities, the main events occurring after the closing of the financial year, and the information concerning the various activity sectors or geographical areas in which the company operates, please refer to the management report.

Consolidation principles

The adopted consolidation principles are the following:

- a) The accounting value of the shareholdings held by the Parent Company within the scope of consolidation have been written-off against the Shareholders' equity of the consolidated companies by assuming the assets and liabilities of the latter;
- b) Any increased value paid with respect to the book value of the Shareholders' equity of the shareholding at the date of the purchase is attributed to the individual items in assets and liabilities to which this increased value refers;

- c) Any remaining positive difference is recorded under the item Consolidation Differences; any remaining negative difference is accounted for in the Consolidation Reserve for Risks and Future Charges to cover estimated future losses, or is deducted — up until the value is reached — from the Consolidation Reserve included in shareholders' equity;
- d) The balance of the results is entered under the item Profit (losses) carried forward;
- e) Debit, credit, costs and revenue entries, as well as collected dividends, allocated losses and any other transactions between the companies included in the scope of consolidation have been eliminated;
- f) Shareholders' equity quotas and the net income for the financial period pertaining to third party shareholders are recorded under an appropriate item in shareholders' equity and the profit and loss account. In addition, in the case of losses incurred by companies included in the scope of consolidation, and in which there are minority shareholders, the portion of loss attributed to the latter does not exceed their relative shareholders' equity with the exception of cases where a commitment to cover the losses has been obtained by the same minority shareholders.

The accounts for foreign consolidated companies and stable foreign organizations (the accounting of which is carried out using a multi-currency system) are converted into Euros, in accordance with the following criteria:

- Assets and liabilities at the exchange rate as at the date of the financial statements;
- Profit and loss account items are posted by applying the average exchange rate for the year;
- Shareholders' equity components are translated at historical exchange rates. Exchange rate differences deriving from the translation of Shareholders' equity at historical exchange rates with respect to year end exchange rates, including the difference resulting from the translation of net income for the period using the yearly average exchange rate, are directly ascribed to Shareholders' equity in the entry, "Conversion reserve or loss".

Scope of consolidation

The scope of consolidation, in addition to the Parent Company Astaldi S.p.A., comprises:

- a) Companies or other legal entities in which the Parent Company owns, either directly or indirectly, 50% of the company share capital or in which it exercises overall control; these companies are consolidated using the line-by-line method;
- b) Companies or other legal entities in which the Parent Company exercises joint control with other Shareholders; these companies are consolidated using the proportional integration method.

For the purposes of consolidation, the accounts approved by the General Meeting of Shareholders or partners or, in the absence of the latter, accounting forecasts approved by the board of directors, have been used.

Controlling shareholdings in consortia and joint venture companies which — after redebiting the costs to partners — do not have their own profit and loss results,

and for which the relative accounts — after the elimination of intragroup assets and liabilities — do not present a significant net worth, have been excluded from the scope of consolidation.

Accounting principles and valuation policies

The accounting principles and evaluation policies comply with the provisions of Art. 2426 of the Italian Civil Code and reflect those provided for by the National Council of Professional Accountants and Bookkeepers; these principles are consistent with those of the prior year.

These valuation policies are not separate from those used in drafting the financial statements of the previous year and are integrated with the new criteria provided for by Legislative Decree n. 6 of January 17th, 2003 and subsequent amendments. Furthermore, for the purposes of better representation of the capital asset and financial position of the Company, the following is noted:

- a) Leased assets, in the absence of a specific Italian accounting principle, have been accounted for in accordance with I.A.S. accounting principle no.17, which provides for:
 - recording of the cost of the asset in fixed assets, with the resulting depreciation;
 - reporting of the financial debt to the grantor, with the relative accounting of financial charges;
- b) Accounts receivable transferred with recourse have been removed from the balance sheet while highlighting the level of risk of recourse in the memorandum accounts.

There have been no departures with respect to Articles 2423 and 2423 *bis* of the Italian Civil Code.

It should also be noted that the items represented by Arabic numerals and which do not show a balance in the current and the previous financial year have not been included in the accounting schedules; as a result, the numbering is not progressive. The adopted accounting principles and valuation policies are as follows.

Intangible fixed assets

Intangible assets represent costs and expenses with multi-year utility and have been accounted for and recorded on the basis of the cost effectively incurred — inclusive of directly attributable ancillary charges.

This amount is presented in the accounts net of the relative amortization, which is calculated in relation to the residual useful life of the asset; in particular:

- Start-up and expansion costs show charges incurred by the Parent Company and other companies for the constitution and increase in share capital and are amortized with a straight-line method over five years;
- Costs relative to the acquisition of intellectual property rights and licences, trademarks or similar rights are booked in the profit and loss account on the basis of the expected length of time over which the asset will be used;
- Concession rights represent the value, net of payments received, of the land rights relative to parking spaces that are intended for sale in car parks constructed in the municipalities of Turin and Bologna. Entering in the profit and loss account occurs in the year of sale;

- Goodwill represents the excess of the purchase price with respect to the current value of goods and other assets that were assimilated during shareholding acquisitions. Amortization systematically occurs over the estimated future period of benefit using a straight line method and over no more than a five years. In the case of a longer period, adequate disclosure is provided in the explanatory notes.
- Building yard installation costs report the costs incurred for the planning and organization of acquired contracts and are amortized on the basis of the physical progress of the contract;
- Tender preparation costs — for participation in contract tenders, while awaiting formal contract awards — have been written down of costs for which there is not a reasonable certainty of contract award; this was done while booking them in the profit and loss account. In the event of a contract award, such costs are ascribed — after their classification in the item “building yard installation costs” — on the basis of the physical progress of the works;
- Other intangible assets are mainly attributable to the value of contractual rights acquired within the scope of current initiatives in Italy and abroad, as well as to costs for studies and planning, charges sustained for the organization, definition and start-up of complex operations of structured finance for foreign works, and contractual charges and other fixed assets.

With regards to amortization policies of costs included in this item we highlight below the various methods that were utilized:

- The value of contractual rights, contractual charges and other fixed assets is amortized — in compliance with current legislation — on the basis of the physical progress of the relative contracts;
- Expenses for studies and planning are amortized using a straight line method at a constant rate on the basis of the lesser period between the residual contract duration and five years;
- Charges sustained for structured finance operations relating to foreign contracts are amortized in relation to the usage of the sums which are overall made available by financial institutions.

Tangible fixed assets

The valuation of tangible fixed assets — represented by fixed assets and by assets which include the machinery and equipment used for the purposes of production — was calculated on the basis of the purchase price or the construction cost, and inclusive of directly attributable ancillary charges.

For certain property assets (land, buildings, plant, machinery and equipment), revaluations have been applied in application of current laws in the countries in which the group operates.

Costs for modernization and improvement which extend the economical life of the assets are added to the value of the same.

Tangible assets also include leased assets, as described previously.

Depreciation is calculated with the straight line method at a constant rate in relation to the residual useful life of the assets, and within the limits of the tax rates that are considered representative of the estimated useful life of the assets.

Freely transferable assets are depreciated in accordance with the financial method over the lesser period between the useful estimated life of the asset and the dura-

tion of the concession. Payments into the plant account — thereby reducing the cost of the assets to which they refer — are recorded at the time of formalization of the relative resolution.

Equity investments

Equity investments in subsidiary and associated companies that are excluded from the scope of consolidation are accounted for, if relevant, by means of the equity method, which involves recording the investment at a value equal to the pertaining percentage of Shareholders' equity; this is done after having applied adjustments in accordance with the principles used in drafting the consolidated financial statements.

Other investments are stated at cost, inclusive of directly attributable ancillary charges, and adjusted if necessary to reflect permanent value losses.

Companies in liquidation are stated at cost; the latter is adjusted to take liquidation charges into account.

Dividends are recorded on an accruals basis when the right to drawing is ascribed as a result of the resolution made by the Shareholders' Meeting of the shareholding company (or by the Board of Directors in the case of controlled companies) which relates to the distribution of profit or, as appropriate, of the reserves. This is on the condition that the date of approval of the accounts of the shareholding company and the relative resolution for distribution of profits occurs prior to approval of the Company accounts.

Losses from equity investments exceeding the book value and for which there is a commitment to settlement are accounted for (after having written-off the book value) in the provision for losses in equity investments.

In the financial year in which the reasons for the write-down cease to exist, the equity investments are re-valued within the limits of the previously effected write-down, and the adjustment is recorded to the profit and loss account.

Own shares

Own shares are booked in fixed assets as per the decision of the administrative board to maintain them in the own treasury for more than a fiscal year. The latter are stated in the financial statements at their purchase cost — and reduced in the case of permanent capital loss — in accordance with the weighted average cost method applied to each individual transaction.

Receivables and payables

Receivables are stated at their presumed realizable value by means of adequate allocations booked in adjustment of nominal values.

Payables are stated at their nominal value.

Assets and liabilities in foreign currency

Assets and liabilities denominated in foreign currencies — with the exception of fixed assets — are recorded at the spot exchange rate in effect at the date of the closing of the year, and the relative profit/loss from exchange rates is booked in the profit and loss account; any potential net income is allocated in a specific reserve that is not distributable until realized. Fixed assets denominated in foreign currencies are booked at the exchange rate of the date of their purchase, or to the

lower rate on the date of closing of the financial year if the reduction is deemed to be lasting.

Inventories of raw materials and consumables

Inventories are carried at the lower of cost or market value.

Contracts in progress

Long-term contracts in progress at year end are stated in accordance with the stage of completion of works that have been implemented, but which are not yet officially recognized by the customer, and thus not yet billed and included in revenues (the so-called method of physical measurement); the latter are identified with reasonable certainty and evaluated on the basis of the contractually agreed revenue levels. This evaluation also takes into account the revised compensation that has not yet been recognized.

In the case of a negative trend of a contract in progress, the final estimated loss is quantified and accrued in the reserve for contractual works. This reserve also reflects the outcomes related to the overall implementation of the works.

Charges considered for the implementation of works include:

- Raw material purchase costs;
- Costs relative to services rendered by subcontractors;
- Labor costs;
- Indirect costs (sale costs, general costs and administrative costs).

The revision of contract margin estimates that are made during the contractual period are reflected during the accounting period in which these estimates are revised.

Contracts are considered totally implemented on completion of all the main forecasted activities, including testing support and acceptance by the customer.

The valuation of reserves — as indicated by the rules of the “Legge Quadro” in connection with contracts with public entities, as well as in accordance with international regulations — was made on the basis of technical and legal considerations as to the reasonable positive outcome of claims with customers; these reserves represent claims with economic contents other than those due to the contractor pursuant to legal or contractual provisions.

Finished goods and goods for resale

This records the construction cost of buildings ready for sale and which is lower than current market prices.

Investments which are not permanent

Securities and investments that do not constitute fixed assets are recorded at the lower of the specific purchase cost — inclusive of accessory charges — and the market value deduced from regulated markets or from other financial market indicators.

Cash at bank and in hand

Cash at bank and in hand represents the liquid amounts available at year end.

Discounts and premiums on loans

Discounts and premiums on loans comprise prepaid financial costs or revenue, net

of the portion recorded in previous financial years, as well as that recorded in the current year. The discount on loans is booked as an asset and is amortized over the duration of the loan.

Accruals and deferred income

These are booked on an accrual basis.

Provision for risks and charges

Provisions for risks and charges are intended to cover liabilities of a determinate nature — with certain or probable existence — and for which, however, the exact amount or the date of contingency can not be determined at the end of the financial year.

Provision for severance indemnities

The provision for severance indemnities is determined systematically on the basis of matured liability in compliance with current legislation and the employment contracts that are in force in the countries in which the Group operates.

This reserve reports the debt with respect to employees. Utilization of the same occurs after termination of employment and payment of advances in accordance with Law no. 297/82.

Memorandum accounts

- Personal guarantees are mainly represented by commitments in favor of third parties and in the interest of Group companies against liabilities and other commitments taken on by the latter; these guarantees are recorded at the nominal amount of the guarantee provided.
- Purchase and sale commitments relating to derivatives contracts which provide for the forward exchange of capitals, or other assets or their differentials, are stated at contract value. Commitments for other derivative contracts are stated at the nominal value of the underlying asset.
- The risk of recourse pertaining to receivables assigned to the factor is recorded at the nominal value of the receivables themselves.

Memorandum accounts that were originally expressed in values other than the Euro are adjusted to the exchange rate at the end of the year.

Income tax

Current income taxes are recorded in relation to the effective tax burden for the period and are based on a reasonable estimate of the individual profit and loss items — in compliance with the tax regulations in force in the countries in which Group companies operate.

Deferred tax assets and liabilities are accounted for by using the liability method which reflects the tax effects of all significant temporal differences between the basis of assets and liabilities recognized in the consolidate financial statements and their tax basis.

Deferred tax assets are recorded if there is a reasonable possibility that they will be realized; deferred tax liabilities are not recorded if it is not probable that the liability will be paid.

Deferred tax liabilities and deferred tax assets are recorded in the provisions for risks and charges or in the special account opened under floating capital in the

balance sheet, respectively. Deferred tax assets and liabilities are compensated if the compensation is legally allowed.

Derivative products

The Group uses derivative products to manage exposure to fluctuations in interest rate (IRS) and foreign currencies (DCS). The differential on IRS for hedging of obtained financing is recorded on an accrual basis to interest income/expense.

In order to manage exposure to fluctuations in currency exchange rates on loan agreements, liquid assets and liabilities — and mainly relating to long-term contracts denominated in foreign currencies — the Group enters into currencies swap (DCS). The cost of forward contracts (the difference between the spot rate and the forward rate at contract inception) is stated in the profit and loss account on the basis of the duration of the contract.

Transactions with subsidiaries, associates, and related parties

Transactions with subsidiaries (consolidated and non-consolidated), as well as with associated firms and other correlated parties are carried out under normal market conditions.

There are no transactions of significant commercial or financial nature that were initiated with the Parent Company.

Profit and loss account

Positive and negative income components are recorded on an accrual basis.

Revenues from sales are recognized upon delivery of the goods; revenues from services are recognized on the basis of service completion and in accordance with the relevant contracts.

The change in inventories resulting from the profit and loss account does not coincide with the difference between the final inventories for the financial year and those of the previous period that were reported in the balance sheet; this is due to:

- The difference in adopted exchange rates (average exchange rate for the profit and loss account, year-end exchange rate for the balance sheet);
- Variations in the scope of consolidation;
- Assignments of credit with recourse involving a number of claims towards customers;
- The recording of the value of implemented works – whose payments were collected during the course of work upon the completion of the individual work phases – in deduction of the value of advances and in order to privilege substance over form;
- The valuation of implemented works — whose payment was collected on a temporary basis, but without the presence of any guarantee in favor of the purchaser — in deduction of advances and reflecting the relevant recourse risk within the scope of the memorandum accounts.

Foreign entities operating in countries with high inflation rates show — where significant — the necessary adjustments for eliminating the effects of inflation.

Revenues and proceeds, as well as the costs and charges, relating to operations in foreign currency are calculated by using the exchange rate in force on the date of the operation.

Comments on the main balance sheet and income statement items

Balance sheet - Assets

B – Fixed Assets: Euro 261,235

B.1 – Intangible Fixed Assets: Euro 49,897

The changes in the fixed assets are given in the following table.

i n t a n g i b l e f i x e d a s s e t s									
(thousands of euro)	value at 31.12.2003	increase of the cost	accounting year balance sheet	decrease balance sheet	transfers to other categories	ammortisation for financial year	changes in scope of consolidation	exchange rate	value at 31.12.2004
formation and expansion expenses	5,654	–	–	–	–	(2,361)	(14)	–	3,279
patents and rights to use patents of others	1,286	–	178	–	2	(476)	–	1	991
concessions, licenses, trademarks and similar rights	29	–	–	–	–	–	–	–	29
goodwill	160	–	–	–	–	–	(160)	–	–
other	–	–	–	–	–	–	–	–	–
– construction site installation costs	10,868	4,232	3,046	–	2,343	(6,445)	–	(2)	14,042
– cost of preparing tenders	379	1,909	–	(36)	–	(113)	–	–	2,139
– other	33,816	1,903	12,235	(1,119)	(2,345)	(15,067)	(6)	–	29,417
total	52,192	8,044	15,459	(1,155)	–	(24,462)	(180)	(1)	49,897

The main movements that concerned the individual items are summarized below.

B.1.1 – Start-up and Expansion Costs

The item in question — for a total of Euro 3,279 — almost exclusively represents the value that still needs to be amortized for costs incurred by the Parent Company for defining the listing project which occurred in 2002. The item in question underwent a decrease of Euro 2,375 — mainly due to the amortization quota for the year.

B.1.3 – Patents and rights to use patents of others

The item in question — for a total of 991 Euro and representing the charges capitalized in previous years in reference to the implementation and development of an integrated corporate management system and the acquisition of new software with a limited licence for use — had an overall net decrease of 295 Euro; the latter was primarily derived from increases for new acquisitions for 178 Euro (mostly pertaining to the Parent Company) and 476 Euro for the decreases due to amortization for the year in question.

B.1.4 - Concessions, licences, trademarks and similar rights

The item in question — totalling 29 Euro — reports the valuation of the parking space rights for the "Palazzo" and "Piazza VIII Agosto" car parks in Turin and Bologna, respectively. This item was unchanged with respect to the previous year.

B.1.7.a – Building yard installation costs

The value of 14,042 Euro recorded in the accounts underwent a gross increase

of 9,621 Euro that is ascribable to costs incurred for the plant, organization and start-up of new building yards in Italy and abroad, and totalling 7,278 Euro, in addition to 2,343 Euro referring to re-classifications of the *Other Multi-Year Entries* class. In particular, the charges sustained during 2004 for the organization and start-up of the following building yards in Italy should be noted:

- a) the Brescia Subway for 2,557 Euro;
- b) the High Speed Railway Station of Bologna for 933 Euro;
- c) the Melito Dam for 916 Euro;
- d) the Hospital in Mestre for 392 Euro;

With regards to foreign entities, the increase attributable to the stable organization in Venezuela — totalling 1,267 Euro — relating to the start-up of new works for the construction of the Los Teques subway for 386 Euro and referring to the capitalization undertaken by the subsidiary Astaldi-Max-Bogl-CCCF JV S.r.l. in Romania.

The reported decrease of 6,447 Euro almost exclusively pertains to the amortization quotas for the year in question.

B.I.7.b – Cost of preparing tenders

The value of 2,139 Euro recorded in the accounts, had a net decrease of 1,760 Euro with respect to the previous year, and imputable for:

- 1,909 Euro relevant to the capitalization of costs that were primarily incurred for tenders in Italy and for which there is reasonable certainty of being awarded the contract;
- 149 Euro for the amortization of charges relevant to tenders in Italy and abroad and for which there were negative outcomes during the year.

In particular, note should be made of the charges sustained for the implementation of the contract award procedures — using the General Contractor method — and relating to the following stretches of the “Jonica 106” State Highway: Squillace Simeri Crichi and Palizzi Caulonia, totalling 622 Euro, in addition to the costs sustained thus far for the contract award procedure relating to the construction of the Milan Subway (Lines 4 and 5) for 423 Euro.

B.I.7.c - Other

The value recorded in the accounts totals Euro 29,417. This item reported a net increase of 536 Euro.

The increases — totalling 14,138 Euro — are mainly imputable for:

- 2,518 Euro for charges sustained by the parent company for the organization of an articulated operation of financial nature in support of the financing operation created with the subsidiary Astaldi Finance S.A.;
- 5,033 Euro for the acquisition of contractual rights relative to a co-operation agreement with a local partner that is part of the stable organization of the Parent Company in Turkey;
- 480 Euro for charges pertaining to the planning activities for the new works relating to the High-Speed Verona-Venezia Link;
- 280 Euro for the acquisition of the quota of contractual rights pertaining to works for the construction of the Genoa Subway;
- 1,506 Euro for charges sustained for the organization, definition and start-up of the structured finance operations in support of the ongoing works in Turkey;

- 1,607 Euro for pre-operational charges sustained for the start-up of works in the stable organization of Astaldi S.p.A. in Costa Rica;
- 567 Euro for the acquisition of contractual rights from other partners concerning the implementation of a quota of the works for the railway superstructure of the Caracas-Cua stretch of the permanent organization of the Parent Company in Venezuela.

The overall decrease for a total of Euro 18,537 includes the following:

- 10,873 Euro for the amortization applied to the Turkish branch of the Parent Company; these are broken down as follows:
 - 5,211 Euro for the amortization of part of the charges sustained for the organization and definition of the financing modalities for the works in progress;
 - 4,150 Euro for the amortization of costs incurred by the Turkey branch in relation to the effects of the liquidation of the previous joint venture, as well as the relevant contractual charges;
 - 1,512 Euro for amortization of part of the costs sustained for the acquisition of contractual rights;
- 1,529 Euro for amortizations applied by the subsidiary Romairport S.r.l. during the course of the financial year;
- 463 Euro for the following:
 - 203 Euro for the amortization of contractual charges relating to works for the Genoa subway, and
 - 256 Euro for the total amortization of the residual costs linked to the contractual rights of the associated firm Consorzio Astaldi-Federici-Todini Kramis;
- 584 Euro for the quota of amortization of accessory charges sustained for the financing initiated with our subsidiary Astaldi Finance S.A.

B.II – Tangible Fixed Assets Euro 102,338

The changes in tangible fixed assets are given in the following table.

tangible fixed assets							
(thousands of euro)	2003	purchases	disposal	transfers reclassifi- cation	changes in consolidation area	exchange rate difference	2004
tangible fixed assets (A)							
– land and buildings	30,089	3	(143)	–	–	(115)	29,834
– specific plants	53,966	5,908	(5,860)	3	(110)	(11)	53,896
– general plants	16,730	2,903	(1,280)	(3)	(56)	(186)	18,108
– crafts	790	1	(98)	–	–	–	693
– excavators, power shovels, heavy vehicles	53,903	7,410	(5,835)	–	(110)	(699)	54,669
– light vehicles, ships, planes	12,161	1,139	(712)	–	(67)	2	12,523
– various small equipment	5,043	1,295	(370)	32	(36)	–	5,964
– light constructions	4,245	1,839	(332)	–	(41)	1	5,712
– metal sheet pile and shuttering	3,792	1,004	(389)	–	–	–	4,407
– electronic office equipment	3,570	297	(82)	(21)	(9)	1	3,756
– furniture, fittings and office equipment	4,138	500	(124)	(11)	(25)	(14)	4,464
– freely transferable assets	2,542	377	–	–	–	1	2,920
– tangible assests in course of construction and payments on account	278	2,141	(167)	–	–	–	2,252
total A	191,247	24,817	(15,392)	–	(454)	(1,020)	199,198
amortization fund (B)							
– land and buildings	5,179	724	–	–	–	(51)	5,852
– specific plants	26,243	4,844	(3,797)	–	(32)	(9)	27,249
– general plants	5,403	1,990	(284)	–	(9)	(68)	7,032
– crafts	790	–	(98)	–	–	–	692
– excavators, power shovels, heavy vehicles	25,519	8,490	(2,859)	–	(33)	(191)	30,926
– light vehicles, ships, planes	8,733	1,344	(451)	–	(25)	2	9,603
– various small equipment	3,595	1,262	(309)	25	(20)	1	4,554
– light constructions	2,191	553	(239)	–	(8)	1	2,498
– metal sheet pile and shuttering	2,086	747	(272)	–	–	–	2,561
– furniture, fittings and office equipment	2,092	338	(50)	(27)	(1)	1	2,353
– electronic office equipment	2,906	479	(109)	2	(8)	(9)	3,261
– freely transferable assets	191	88	–	–	–	–	279
total B	84,928	20,859	(8,468)	–	(136)	(323)	96,860
total net assets (A - B)	106,319						102,338

The most significant net changes refer to the normal renewal of assets, and partly to new investments. The latter mainly concerned the categories of Specific plants, General Plants, Excavators and Light Constructions—mostly relating to the new contracts in Italy, permanent organizations located in Honduras, Venezuela and Rumania, and the new investments of the Astaldi Construction Corporation.

The amount referring to the item, "Assets under Construction & Advances"—totalling 2,252 Euro—includes:

- 1,349 Euro for the quota of Project Financing investments relating to the completion of the technological tunnels in the municipality of Cologno Monzese;
- 903 Euro for fixed assets of the company and of permanent foreign organizations which had not yet been assigned at the end of the year.

B.III – Financial Assets: Euro 108,999

The most significant changes for the period, as given in the appendix, are mainly due to the evaluation of certain shareholdings using the equity method.

In accordance with Art. 2426 no. 3 of the Italian Civil Code, it should be noted that — with regards to certain equity investments in subsidiaries and associated companies specified in the attached statement — the values entered in the financial statements, and valued on the basis of costs incurred, are higher than those that would result from the application of the net equity method.

These differences, which are not significant, do not represent lasting losses of value. Amounts due from subsidiaries, associated companies, shareholding companies and third parties — recorded in the accounts for a total value of Euro 81,783 — underwent a decrease of Euro 1,982.

These receivables basically represent the financial transactions made by the Company in support of works in progress — mainly abroad — as well as financing granted to companies in liquidation. Please refer to the statement at the foot of these notes for a detailed examination of single positions.

It should likewise be noted that the sum of Euro 68,538 was entered in the item *Other loans*, and pertaining mostly (Euro 64,894) to the part of the payment of credit assignments (with recourse) not paid by financial institutions — reported further on in these Notes — and for an amount of circa Euro 3,644 relevant to the contribution (as per the Tognoli Law) imputable to the "Piazza VIII Agosto" car park in Bologna.

During the financial year, pursuant to the resolutions of the Ordinary Shareholders' Meeting of November 9th, 2004 — relating to the buy-back of own shares within the limits provided for by current regulations — the Parent Company negotiated its own shares on the Electronic Share Market (see the following table for the main data).

change in own shares

	quantity	value	medium price
own shares	2,409,978	5,088,984.05	2.1116
shares sold	(2,009,978)	5,916,245.03	2.9434
share in portfolio	400,000	897,558.39	2.2439
capital gain		1,308,205.00	

The unit nominal value of the own shares is 1 (one) Euro.

C. Current Assets

C.I. Inventories: Euro 235,584

These overall total 235,584 Euro and include:

- Raw materials and consumables for 32,840 Euro that primarily refer to building yards in Italy and within the permanent organizations of the parent company in Venezuela and Turkey, as well as the permanent organizations of Italstrade S.p.A. in Morocco and Venezuela; with respect to the previous year, a decrease of 6,350 was reported. The latter should be compared to the activities undertaken in Venezuela, Honduras, Guinea and El Salvador, as well as the works implemented by subsidiary Italstrade CCCF JV Romis S.r.l. in Rumania;
- Goods in progress and semi-finished products — an item totalling 1,674 Euro and not present in the previous year — refers to the value of the inventories linked to the “Ex Manifattura Tabacchi” car park which is currently being built in Bologna;
- Contracts in progress for 192,752 Euro. This amount is net of:
 - Reserves for 72,768 Euro transferred with recourse — whose risk of recourse, equal to the corresponding amount of the transfer paid by the factor, 37,519 Euro — is given in the memorandum accounts, whereas the difference not yet paid by the factor, equal to Euro 35,249, was entered in the financial credits;
 - The value of implemented works, whose payments were collected during the course of implementation upon the completion of single work stages, and totalling 280,625 Euro; the most significant amount refers to works for the completion of the New Milan Expo Fair Center, totalling 275,288 Euro, while the residual 5,337 Euro refers to works for the Brescia Subway;
 - Payments collected on a provisional basis, but without any guarantee in favor of the purchaser, totalling Euro 30,437, and whose risk of recourse was in any case recorded in the memorandum accounts for the specific purpose of representing the case in question;
- Finished goods and goods for resale — totalling 404 Euro — reports the sale of building initiatives that were completed and sold in the municipalities of Milan and Rome. During the course of the year, the entry decreased after the sale of the property in Via Beolchi in Milan for 255 Euro.
- Assets and materials in transit for 7,913 Euro; the increase with respect to the previous year is 6,446 Euro and mostly refers to the following permanent foreign organizations:
 - Astaldi branch in Turkey: Euro 4,462;

- Astaldi branch in Venezuela: Euro 1,498;
- Astaldi branch in Rumania: Euro 1,431.

C.II – Accounts Receivable: Euro 504,813

The total increase of Euro 26,616 with respect to the last financial year is the result of the following items.

C.II.1 – Trade receivables: Euro 313,373

Trade receivables are entered net of the provision for doubtful debtors for 7,673 Euro and the overdue interest provision for 12,269 Euro.

With respect to 2003, the item records a positive change equal to Euro 33,628.

This net increase mainly refers to:

- 28,527 Euro relating to the settlement of the arbitration ruling with the Croatian contractor for the construction of the Zagabria–Gorican highway;
- 11,768 Euro pertaining to works for the construction of the Rome-Naples High-Speed Railway;
- 11,350 Euro relating to the settlement of the dispute with the contractor Ferrovia Alifana for the construction of the Benevento-Cancello-Napoli railway;
- 11,000 Euro relating to the liquidation of indemnities on the part of the Ministry of the Treasury for war damages sustained by the ex-Italstrade during the implementation of works in Ethiopia;
- 4,258 Euro for works implemented by the Parent Company in relation to the Rome-Pantano railway.

In addition, the following increases are noted in relation to:

- Works implemented by the Parent Company for the construction of the North-West Railway Link in Rome, totalling 9,476 Euro;
- Works within the permanent organization of the Parent Company in Congo, totalling 4,178 Euro;
- Works conducted in Venezuela by shareholding Consorcio Metros Los Teques for 5,967 Euro;
- Works conducted by the permanent organization of our subsidiary Italstrade in Morocco, totalling 5,449 Euro;

The most significant net decreases refer to:

- Works conducted by the Parent Company for the New Milan Expo Fair Center, totalling 17,011 Euro;
- Works in progress in the permanent organization in Venezuela, totalling 13,231 Euro;
- Advances for the new works on the Venezia-Verona High-Speed Railway, totalling 10,887 Euro;
- The permanent organization in Honduras, totalling 5,466 Euro;
- Works implemented in the United States by subsidiary Astaldi Construction Corporation, totalling 3,468 Euro.

The change in the scope of consolidation triggered a decrease of 1,818 Euro as a result of the exit of the firm Legnami Pasotti Italia I.C. S.r.l. from the former.

In addition to the above, credits were assigned with recourse – as summarized below – to financial institutions during the course of the year, enabling a part of the invested capital to be rendered liquid.

assignment of credits with recourse

(thousands of euro)

	original credit assignment	amount paid in advance	residual credit assignment
various foreign works	23,969	19,415	4,554
various works in Italy	53,485	28,394	25,091
total	77,454	47,809	29,645

The following table summarizes the trend in the assignments in 2004.

trend in the assignments of credits with recourse

(thousands of euro)

	total 2003 credit	movements for 2004 collected	transfers	total 2004 transfers
foreign works	–	–	23,969	23,969
works in Italy	76,863	(76,863)	53,485	53,485
total	76,863	(76,863)	77,454	77,454

The movement of funds bringing a direct reduction to the described receivables is given below.

provision for doubtful debtors

(thousands of euro)

valuation at 31.12.2003	9,573
increases in the financial year	3,100
utilization of reserves during the financial year	(5,000)
valuation at 31.12.2004	7,673

provision for delayed payment interest

(thousands of euro)

valuation at 31.12.2003	4,239
increases in the financial year	8,635
utilization of reserves during the financial year	(568)
decrease in reserves over the financial year	(37)
valuation at 31.12.2004	12,269

Provision for doubtful debtors

The increase of 3,100 Euro should be compared to the prudential allocation for the risk of irrecoverableness of certain receivables with respect to the Parent Company (2,000 Euro) and the contractors of our subsidiary Romstrade S.r.l. (1,100 Euro).

The decrease of 5,000 Euro refers to the settlement of the ruling relating to the construction of the Zagabria-Gorican Highway in Croatia and with which the Arbitration Board acknowledged the right to compensation for works to Astaldi on the past 18th of June; these works include conducted activities, the profit loss and matured interest and therefore the credit risk did not occur as was forecasted and allocated for in the provision for doubtful debtors.

Provision for delayed payment interest

Allocation within this fund, totalling 8,635 Euro, primarily refers to the Croatian

dispute, and was prudentially implemented while awaiting the completion of the procedures that aim at making the ruling enforceable.

C.II.2 – Receivable from subsidiaries: Euro 31,997

An increase of Euro 366 with respect to the previous financial year was recorded. For an analysis of the composition of accounts receivable see the statement given at the end of these Notes and relevant to transactions with correlated parties.

C.II.3 – Receivable from associated companies: Euro 26,649

A decrease of Euro 10,914 with respect to the previous financial year was recorded. For an analysis of the composition of accounts receivable see the statement given at the end of these Notes and relevant to transactions with correlated parties.

C.II.3 – Receivable from parent companies: Euro 33

This refers to relationships of a commercial nature entered into with Fin.Ast. S.r.l..

C.II.4bis – Tax receivables: Euro 45,197

The amount is reported net of a provision for delayed payment interest and equal to 197 Euro; there were no movements during the financial year. The item in question — which was subject to a net decrease of Euro 4,603 during the course of the year — is detailed in the table below.

t a x e s			
(thousands of euro)	Italy	abroad	total
a) indirect taxes			
vat credit < 12 months	9,962	16,958	26,920
vat credit > 12 months	207	–	207
total indirect taxes.	10,169	16,958	27,127
b) direct taxes			
direct credit < 12 months	14,358	1,732	16,090
direct credit > 12 months	1,980	–	1,980
total direct taxes	16,338	1,732	18,070
total receivable from tax authority	26,507	18,690	45,197

In addition to the details given in the above table, it is pointed out that the VAT credit mainly refers to:

- Works in progress in Venezuela, for circa 9,277 Euro, of which 6,760 Euro refers to the permanent organization of the Parent Company – this item has decreased by over Euro 4,958 with respect to the previous year; it is reasonable to expect that the latter will be partly absorbed by the new works and partly paid by the purchaser;
- The permanent organization of the Parent Company in Guinea for a value of circa 1,652 Euro, which will be partly used in the invoicing of payments for implemented works (this will be done reasonably over the course of 2005), and partly recovered from the local tax authorities;
- Activities carried out in Italy for 10,166 Euro, of which 9,694 is relevant to the Parent Company. This amount contributes to forming the normal taxation dyna-

mics for VAT purposes which at times show significant peaks, and which are in any case consistent with work and invoicing flows;

- 1,024 and 1,126 Euro for the consolidated companies Astaldi-Max-Bogl-CCCF JV S.r.l. and Romairport S.r.l., respectively;
- the permanent organization Italstrade S.p.A. in Morocco for Euro 1,896.

It should also be noted that credit for direct taxes, recorded net of the overdue interest provision equal to Euro 198 and unchanged in the period, consists of:

1. 10,529 Euro for IRES being formed with the Parent Company, and which is composed of:
 - a. the credit derived from the calculation of the taxes for 2004 ;
 - b. the credit for foreign taxes, and referring to the part that is recoverable in accordance with the provisions of Article 165 of the new Unified Text on Income Tax ("TUIR") as well as with the international conventions on double taxation;
2. 3,780 Euro pertaining to the Parent Company, and referring to other credits for direct and refundable taxes (2,214 Euro), as well as interest that accrued on part of the credit requested for refund (605 Euro) and other tax credits which accrued locally for permanent foreign organizations (1,051 Euro);
3. 1,235 Euro for credit that accrued for the subsidiary Italstrade S.p.A. and mostly due to tax credits that accrued locally by permanent foreign organizations;
4. 972 Euro for credit accrued by the subsidiary Romairport S.r.l., and almost exclusively consisting of 876 Euro for tax credits which accrued locally by the permanent organization in Rumania.

It is useful to note that the simplified procedure required by Article 43-*ter* of the Decree of the President of the Republic n. 602 of September 29th, 1973 — which provides for the assignment to subsidiaries of part of the IRPEG (individual tax) credits that are not requested for a refund — was initiated. This was undertaken during the course of 2004 for the purpose of rationalizing the financial relations between the companies of the Group, as well as for the purpose of recovering the accruing Irpeg credit. The overall assigned amount in 2004 was 1,260 Euro.

In the month of December 2004, the *pro-soluto* assignment of Irpeg credits that were requested for refund with Unico (tax return) 2003 and Unico 2004 was initiated with respect to the factoring company Capitalia L&F for the purpose of transforming part of the tax receivables into liquid assets; these assignments totalled 5,000 and 13,000 Euro for the two above tax returns, respectively. The change in the scope of consolidation had a negative effect of 258 Euro.

C.II.4ter - Prepaid Taxes: Euro 13,983

This item summarizes the overall effects deriving from the recording of prepaid and deferred taxes since they are legally remunerable. With respect to the previous year, a net decrease of 1,770 Euro was reported; this was derived from the joint effect of decreases pertaining to the Parent Company (for 6,897 Euro) and the subsidiary Astaldi Construction Corporation (for 773 Euro), as well the increases referring to the subsidiary Italstrade S.p.A. for 5,900 Euro (relating to total prepaid taxes deriving from fiscal losses that will be recovered in future years).

The valuation of prepaid taxes is 13,983 Euro, and is described in detail in the table below.

p r e p a i d t a x e s			
(thousands of euro)	2004	2003	change
1.a) Italy			
– Astaldi S.p.A.	3,635	10,532	(6,897)
– Italstrade S.p.A.	5,900	–	5,900
1.b) abroad			
– Astaldi Construction Corporation	4,448	5,221	(773)
total prepaid taxes	13,983	15,753	(1,770)

For an analytical breakdown please refer to the attached statement at the foot of these explanatory notes.

- Receivable from personnel for 902 Euro: this item decreased by 52 Euro (negative change in the scope of consolidation equal to 1 Euro);
- Receivable from Social Security Institutions for 647 Euro: this item decreased by 136 Euro (negative change in the scope of consolidation equal to 3 Euro);
- Guarantee deposits for 971 Euro: these increased by 37 Euro (negative change in the scope of consolidation equal to 44 Euro);
- Receivable from other shareholding companies for 3,992 Euro: this item increased by 3,662 Euro;
- Other receivable for 67,070 Euro: this item increased, net of the negative change in the scope of consolidation that is equal to 1,556 Euro, by 6,458 Euro.

Some of the most significant entries are summarized below:

- Other trade receivables, for the sale of goods and services (services to subcontractors, sales of equipment and goods, sale of property assets), for 22,487 Euro;
- Receivable from subcontractors and suppliers, for contractual advances on services and supplies to be provided, equal to 29,194 Euro;
- Receivable for advances granted to members of the arbitration boards established in relation to specific disputes existing with purchasers, as well as receivable from liquidators and other receivables equal to circa 15,389 Euro.

C.III – Investments which are not permanent

C.III 6 – Other investments: Euro 28,641

The item in question underwent an overall increase of 25,474 Euro which was mainly due to:

- The acquisition of part of the debenture loan issued by the subsidiary Astaldi Finance S.A. for 20,001 Euro. This operation — undertaken at the price of 0.991 — was planned as part of the plan for procurement of resources needed to reimburse the current financing with the subsidiary; this reimbursement occurred last February;
- The acquisition of securities issued by the Venezuelan Government; this operation occurred during the past year and was conducted by our shareholding Consorcio Metros Los Teques for 2,865 Euro.

For a more detailed examined of the item in question, please refer to the following summary statement.

other securities			
(thousands of euro)	2004	2003	change
Astaldi Finance Bonds	20,001	–	20,001
Futher Credit - Arner Fund	5,000	5,000	–
Venezuelan securities (Consorcio Metros Los Teques)	2,865	–	2,865
Gefin Comm. Union Fund	1,022	992	30
BNL Real Estate Fund	254	254	–
Other minor securities	210	83	127
Acer Bonds 10% 1990/2002	2	2	–
Fineco Bond Fund	908	–	908
total	30,262	6,331	23,931
securities write-down fund	1,621	3,164	(1,543)
total net securities	28,641	3,167	25,474

To further clarify the preceding table it should be noted that the amount of 1,621 Euro in the item "Securities Write-down Fund" should be correlated with the Futher Credit-Arner Fund of 5,000 Euro. During the course of the year, the securities write-down fund was used to restore the value of the abovementioned "Futher Credit Fund".

C.IV - Cash at bank and in hand: Euro 174,839

Cash at bank and in hand consists of bank deposits for 172,958 Euro, checks for 1,559 Euro and currency and cash values for 322 Euro. The items underwent increases of 23,335 Euro and 1,559 — since the items checks was not present in the financial statements of last year — and a 38 Euro decrease, respectively, compared with the previous financial year.

Deposits in foreign currencies are valued by using the exchange rates at the end of the period — with the resulting booking of relating adjustments in the profit and loss account.

The change in the scope of consolidation produced a negative change of 299 Euro, mainly relevant to the exit of Legnami Pasotti Italia I.C. S.r.l. from the scope of consolidated companies.

Shown below is the geographical breakdown of cash at bank and in hand.

cash at bank and in hand by geographic areas	
(thousands of euro)	
Italy	120,211
United States	31,279
Romania	13,062
Venezuela	1,787
other countries	8,500
total	174,839

D - Prepayments and accrued income: Euro 10,939

This account, which underwent an increase of 1,849 Euro, mainly concerns prepayments for 2,975 Euro relating to revenues from financial transactions, 7,922 Euro for accrued income, relevant insurance costs, commissions on guarantees, interest and other components of residual value, and 42 Euro for premiums relevant to the debenture loan.

Balance sheet - Liabilities

A - Net equity

For an analysis of the individual items of Net equity see the attached statement of movements in the net consolidated equity occurring in the period.

In the month of April, the Shareholders' Meeting of the Parent Company — while meeting to approve the financial statements at December 31st, 2003 — resolved to distribute a dividend per share of 0.065 Euro for an overall 6,306 Euro (net of the dividend's value referring to own shares).

On November 9th, 2004 the Shareholders' Meeting of the Parent Company again authorized the Board of Directors to purchase the company's ordinary shares on the M.T.A. (Electronic Share Market), in accordance with the provisions of Art. 2357 of Italian Civil Code.

On December 31st, treasury stocks were equal to 400,000, for a total value of 898 Euro.

The decrease in the conversion reserve, with respect to December 31st, 2003, is attributable to the exchange rate trend, particularly in relation to the US dollar and currencies linked to it. In this respect, the conversion reserve reflects temporary exchange rate fluctuations at the closing date with respect to previous periods. These variations are considered temporary and recurrent with respect to the specific nature of the reserve and do not imply permanent effects.

In accordance with the Shareholders' Register — supplemented by the notices received in accordance with Art. 120 of Legislative Decree no. 58 of February 24th, 1998 and other available information — the direct shareholders, as of December 31st, 2004, holding more than 2% of the Company's share capital fully paid-up and represented by shares with voting rights, are as follows.

- Fin.Ast. S.r.l., owner of 39,578,033 shares equal to 40.211%;
- Finetupar International S.A. (Luxembourg) (formerly Finetupar S.A), owner of 12,327,967 shares equal to 12.525%;
- Gartmore Investment Management PLC., owner of 5,236,246 shares equal to 5.32%;
- Famifin S.A. (Luxembourg), owner of 2,000,000 shares equal to 2.032%
- Nextra Investment Management Sgr, owner of 2,160,000 shares equal to 2.195%.

B - Provisions for risks and charges: Euro 69,909

On December 31st, 2004, provisions for risks and charges totalled 69,909 Euro, against 64,820 Euro for the previous year.

The movement of this provision for the financial year is as follows.

provisions for riskd and charges							
(thousands of euro)	value as of 31.12.03	increases p&l	in the year balance sheet	decreases p&l	in the year balance sheet	changes in scope of consolidation	value as of 31.12.2004
provision for contractual liabilities	51,599	32,227	11	(42,655)	(5)	–	41,177
provision for equity investment liabilities	11,748	4,278	11,832	(126)	(29)	–	27,703
taxation reserve	1,435	–	–	–	(534)	–	901
provision ex-art.27 of company statute	38	–	90	–	–	–	128
total	64,820	36,505	11,933	(42,781)	(568)	–	69,909

- It should be noted that the provision for contractual risks is established to cover the progress and final result of works. The decrease in the reserve is due to the availment to off-set losses accumulated over the period in relation to Italian and foreign contracts, whose economic effects have already been provided for in previous years.
- Allocations to the equity investment reserve refer to the effect of the devaluation in equity investments in the companies put into voluntary liquidation for the purpose of providing for losses — of a fixed nature and certain or probable existence — but whose amount and date of extraordinary costs are not determined at the end of the financial year. The provision reported a net increase of 15,955 Euro in relation to the valuation of our shareholding Copenhagen Construction Group JV using the net equity method and previously consolidated with the proportional method. This change — which has no effect on the net income or Shareholders' equity of the Group — must be compared to the final completion of works and the contextual start-up of the liquidation phase.
- The taxation provision, for a total of 901 Euro, underwent a net decrease of 534 Euro, imputable for:
 - 236 Euro for the automatic definition of fiscal year 2002, provided for by Law no. 289 of December 27th, 2002 and later amendments and supplements.
 - 298 Euro, on payment of the amounts deriving from the judicial settlement carried out for 1997 and 1998, in accordance with Art. 48 of Legislative Decree no. 546/1992, with the Revenue Office – Rome 4 office – relevant to the dispute over the presumed omitted taxation of the so-called Contractors' reserves. The amount that remains debited to the provision refers to the presumed charges that the company must sustain in relation to the Rome 1 office in 1997 and 1998 (for 474 Euro) and in 1999 with the Rome 4 office (for 427 Euro).
- The fund under article 27 of the By-Laws — established for liberality purposes — reported a 90 Euro increase during the present year after allocating a part of the profit for 2003; this was resolved by the Shareholders' Meeting on April 30th, 2003.

C - Employee severance indemnity: Euro 12,473

The changes in the year are as follows.

e m p l o y e e s e v e r a n c e i n d e m n i t y						
(thousands of euro)	value as of 31.12.2003	increase during the year	decrease during the year	exchange	change in scope of consolidation	value as of 31.12.2004
employee severance indemnity	12,189	5,146	(5,023)	186	(25)	12,473

D - Debts and other payables: Euro 878,946

Debts and other payables are composed of the following items:

- A debenture loan amounting to Euro 150,000, issued by Astaldi Finance S.A. on February 11th, 2002, with the following characteristics:
 - *duration*: 11/2/2002 - 11/2/2005;
 - *repayment*: with interest calculated according to a fixed annual rate of 6.5%;
 - *due date*: annual interest on February 11th of each year.

It should be noted that the debenture loan was regularly repayed on the date of maturity.

In addition, it should be noted that on June 30th, 2004, a financing contract of 100,000 Euro was undersigned between the Parent Company Astaldi S.p.A. (the mutuary) and Astaldi Finance S.A., MCC S.p.A. (as Agent), MCC S.p.A., Sanpaolo IMI S.p.A. and Efibanca S.p.A. (as financing banks); this contract presented the following characteristics:

- *date of disbursement*: January 28th, 2005
- *duration*: 60 months from the date of disbursement;
- *repayment*: in 10 constant installments, with the first due on August 9th, 2005, and the others on the 9th of February and August of each year; the last installment will be repayed on February 9th, 2010;
- *interest rate*: the applicable rate will be equal to the 6-month Euribor rate, calculated on an annual basis of 360 days plus a margin of 1.85%;
- *interest rate period*: the interest rate period will have a delayed half-year duration, effective from the date of issue.

The due date for interest payment will coincide with the due date of the financing.

- Amounts owed to banks, for Euro 215,488: this item has increased by Euro 40,069. The increase refers to the typical availment of lines of credit for the execution of single contracts in Italy and abroad. For greater clarity, individual credit lines are summarized below, highlighting their utilization on December 31st, 2004.

credit lines

(thousands of euro)

	lines	utilization
overdraft	61,541	19,710
hard cash	54,082	50,082
short-term financing	36,816	35,892
medium-term financing	203,111	55,233
self-liquidating funds	247,803	47,894
loans	6,702	6,677
overall total	610,055	215,488

With regards to medium and long-term financing, inclusive of loans, the individual due dates are reported below.

annual due date

(millions of euro)

	2005	2006	2007	2008	beyond
medium-term financing	25	17	13	–	–
loans	1	1	1	1	3

The main debts and payables included in the balance and backed by guarantees are detailed by type, as follows:

■ **CARISBO LOAN: Euro 5,831**

secured by a mortgage of Euro 18,076 on the building relating to the Bologna car park;

■ **CARIPRPC LOAN: Euro 177**

secured by mortgage of Euro 2,789 on the building relating to the Turin car park (Palazzo). In accordance with company procedures, adequate operations for coverage of interest rate risk were put into place; these are known as Interest Rate Swaps;

- amounts owed to other financiers, equal to Euro 21,996, against Euro 25,898 in 2003: this item mainly reflects amounts due to suppliers of leased assets calculated according to the financial method;
- advances, for Euro 118,903: this item concerns advances paid by purchasers for execution of the works and had a net decrease of Euro 28,404 in the year. The most significant increases are related to the works of the Parent Company in Italy (11,971 Euro) concerning the advance received from the contractor for the construction of the Brescia Subway, as well as the permanent foreign organizations in Rumania (12,910 Euro) and Venezuela (4,063 Euro), overall totalling 28,973 Euro.

Decreases mainly refer to the works undertaken by the Parent Company for the construction of the New Milan Expo Fair Center; the value of implemented works has broadly surpassed the value of received advances (44,518 Euro) in this project. Other decreases include the permanent foreign organizations of the Parent Company, and include:

- Guinea branch: Euro 4,111

- Croatia branch: Euro 3,578
- El Salvador branch: Euro 1,658
- Turkey branch: Euro 763

Finally, note should be made of the decreases reported by our subsidiaries Astaldi Arabia Ltd (Euro 1,567) and Italstrade CCCF JV Romis S.r.l. (Euro 1,716);

- Amounts owed to suppliers, for Euro 228,977:
This item underwent a net increase of Euro 32,578 with respect to the previous year. It should be noted that this change is mostly due to the following primary changes:
 - 22,901 Euro for investments for the start-up of the new initiatives of the Parent Company in Italy, particularly in reference to the construction of the Brescia Subway and the High Speed Station in Bologna;
 - 12,263 Euro for increases referring to the permanent organizations of the Parent Company in Turkey (6,900 Euro), Rumania (4,230 Euro) and Honduras (1,133 Euro);
 - 11,739 Euro for increases that primarily refer to the activities implemented by Astaldi-Max-Bogl-CCCF JV S.r.l. for (1,606) Euro, Consorcio Metro Los Teques (6,579 Euro) and the permanent organization of Italstrade S.p.A. in Morocco (3,555 Euro); these increases must be directly compared to the corresponding increase in works and are therefore in direct correlation with the increase in receivables due from the respective contractors.

Decreases primarily refer to the following:

- 7,454 Euro for the permanent organizations of the Parent Company in Guinea (5,730 Euro) and in El Salvador (1,724 Euro);
- 4,589 Euro for the change in the scope of consolidation after the exit of Copenhagen Construction Group JV (Comet JV) for 2,316 Euro and of Legnammi Pasotti Italia I.C. S.r.l. (in liquidation) for 2,273 Euro;
- 2,645 Euro pertaining to the subsidiary of Italstrade CCCF JV Romis S.r.l.;
- Amounts owed to subsidiaries, equal to Euro 18,495, a decrease of 976 Euro with respect to the previous financial year.
For an analysis of the composition of Debts and other payables see the statement included at the end of these Notes;
- Amounts owed to associated companies, equal to 77,703 Euro, an increase of 17,033 Euro with respect to the previous financial year. For an analysis of the composition of Debts and other payables see the statement included at the end of these Notes;
- Amounts owed to the tax authorities, for Euro 14,438;
This item — which reports a decrease of 7,232 Euro with respect to the previous year — primarily refers to:
 - 3,806 Euro owed to the Revenue for income tax due in settlement by the entities operating in Venezuela;
 - 1,814 Euro for withholding tax on subordinate and independent work, in addition to the balance of various taxes that are relevant to the permanent organizations of the Parent Company operating abroad;
 - 5,420 Euro owed to the Revenue for VAT, 2,122 Euro of which relating to works carried out in Italy, and 3,298 Euro pertaining to the permanent organizations of the Parent Company abroad — the most significant being those in Turkey (996 Euro), Congo (1,785 Euro) and Guinea Conakry (337 Euro).

- 2,572 Euro for payables to Revenue for income taxes due from the subsidiaries Astaldi Finance S.A. (1,078 Euro) e Romairport S.r.l. (1,494 Euro).
- Amounts owed to Social Security institutions for 3,924 Euro; the item decreased by 760 Euro net of the decrease that was also due to the change in the scope of consolidation for 9 Euro;
- Other payables, equal to a total of 29,021 Euro, reporting a decrease of 3,529 Euro with respect to the previous year. The most significant entries are analyzed below:
 - Amounts owed to shareholding companies, totalling 3,758 Euro. This item underwent a decrease of 1,237 Euro;
 - Deposits and guarantees, for 20 Euro, with a decrease of 2 Euro with respect to 2003;
 - Amounts due to personnel, for Euro 6,141, with an increase of 1,635 Euro; the decrease due to the change in the scope of consolidation was equal to 18 Euro. This item details the amount due for remuneration relevant to December, as well as the amount due for holidays accrued and not taken.
 - Other payables for 19,103 Euro, reporting an increase of 3,135 Euro with respect to 2003. The negative change in the scope of consolidation contributed to the net decrease of 2,601 Euro.

Some of the most significant entries are summarized below:

- Amounts due to representative companies, within the scope of work carried out through the establishment of consortia, for collections made in their name and on their behalf, equal to 9,780 Euro;
- Advances from customers, for 1,186 Euro;
- Other items relevant to transactions not directly deriving from production activity, but in any case connected with the latter, and totalling 8,137 Euro.

E - Accruals and deferred income: Euro 10,941

This account, which underwent a decrease of 97 Euro, mainly refers to accrued liabilities determined by the recording of interest on the debenture loan for 8,640 Euro, fourteen month salary payments and interest on loans.

Balance sheet – Memorandum accounts

A) Personal guarantees

The total amount recorded in the accounts is 1,393,144 Euro and refers to the following matters:

1. Guarantees for credit lines, intended to ensure a regular cash-flow on the individual contracts issued in the interests of subsidiaries, associated companies and other non-consolidated shareholding companies, and established for this purpose in accordance with current tax legislation for a total amount of 103,839 Euro;
2. Guarantees for works, issued in the interests of the Group, banking Institutions and/or insurance companies, in favor of contracting entities for various purpo-

ses, on behalf of subsidiaries, associated companies and other shareholding companies, for a total of 1,201,121 Euro;

3. other guarantees issued for various purposes for a total of 88,184 Euro.

B) Other memorandum accounts

The item, which amounts to 109,955 Euro, represents the risk of loss for 79,573 Euro resulting from the assignment of credits with recourse of factors, commented on previously, and which decreased by 6,595 Euro with respect to the previous year; 30,381 Euro is attributable to non-contractual works, paid as a provisional item, pertaining to construction works on the Pont Ventoux hydroelectric plant in Val di Susa, on behalf of AEM Torino.

C) Third party guarantees in our favor

These represent — totalling Euro 25,066 — the guarantees furnished by bank corporations and insurance companies in the interest of Italian and foreign suppliers and subcontractors and relating to the contractual obligations assumed by the latter with respect to your company.

Profit and loss account

A - Value of production: Euro 1,049,076

Revenue from works total an overall 989,349 Euro. The breakdown by work category, including the change in inventories with respect to 2003 that was equal to 191,475 Euro, is given in the following table.

contract revenues by line of business				
(thousands of euro)	2004	%	2003	%
transport infrastructure	625,419	63.2	608,030	69.9
hydraulic works and energy production plants	143,771	14.5	114,974	13.2
civil and industrial buildings	220,159	22.3	147,141	16.9
total	989,349	100.0	870,145	100.0

The production for works, which increased overall by about 14%, is derived from the following aggregated data.

contract revenues			
(thousands of euro)	31.12.2004	31.12.2003	change
initial contract work in progress	(392,815)	(305,357)	(87,458)
final contract work in progress	584,290	396,943	187,347
revenues from long-term contractual works	795,823	778,078	17,745
revenues from short-term contractual works	2,051	481	1,570
total	989,349	870,145	119,204

The geographical distribution is as follows.

contract revenues by geographic areas				
(thousands of euro)	2004	%	2003	%
Italy	497,207	50.3	425,444	48.9
Europe	196,799	19.9	91,533	10.5
America	192,979	19.5	268,025	30.8
Africa	74,224	7.5	74,104	8.5
Asia	28,140	2.8	11,039	1.3
total	989,349	100.0	870,145	100.0

The increases in assets for internal works, already detailed under item BI – intangible fixed assets – amount to 8,044 Euro and refer to capitalized costs. The main entries forming the item mainly refer to internal costs relevant to the plant, organization and start-up of new building yards – including those relating to the construction of the Brescia Subway, the Melito Dam and the High Speed Railway Station of Bologna – in addition to costs incurred for the analysis of tenders in Italy.

Other revenues, equal to 51,682 Euro, are largely represented by items that are not directly linked to the production activity of Group works, but which are characterized by a continuous nature over the course of the various financial years.

The breakdown of the items is as follows.

other revenues			
(thousands of euro)	2004	2003	variazione
revenue from sales of goods	10,031	3,446	6,585
services provided to third parties	9,593	16,091	(6,498)
extraordinary income, inexistence of liabilities	7,544	7,756	(212)
sponsorship	5,884	4,489	1,395
use of provision for risks	5,709	574	5,135
rentals	4,196	1,441	2,755
other revenue	2,557	4,290	(1,733)
rents receivable	1,993	1,829	164
capital gain on sale of fixed assets	1,149	705	444
insurance premiums	1,111	3,479	(2,368)
receivable discounts and allowances	1,096	435	661
capital gain on debtor purchase and sale	819	84	735
total	51,682	44,619	7,063

The most significant differences of the above data include:

- 5,135 Euro for the usage of the provision for credit risk; this change is almost exclusively due to the usage of funds by the Parent Company which were previously allocated to cover the receivable due from the Croatian contractor for 5,000 Euro;
- 2,755 Euro for rentals of machinery and industrial equipment, and implemented with respect to third parties through the permanent organizations of the Parent Company in Venezuela and Guatemala;
- 6,585 Euro relating to the increase in revenue from sales of materials to sub-

contractors, and mostly pertaining to the Permanent Organizations of the Parent Company in Venezuela and in Guinea.

B – Cost of production: Euro 974,524

- The costs of raw materials and consumables, net of remainders, amount to 170,997 Euro (157,919 Euro in 2003) and increased by 13,078 Euro with respect to the previous financial year. It should also be noted that the costs for customs charges on the acquisition of materials were also included in this item since they are directly linked to the costs of materials; for greater comparability, these were re-classified from the item Other operating costs of the previous year (for Euro 2,743).
- Costs for services amount to 611,665 Euro (502,102 Euro in 2003) and increased by 109,562 Euro with respect to the previous financial year.
The breakdown of costs for services is as follows.

costs for services			
(thousands of euro)	2004	2003	change
consortium costs	308,172	234,593	73,579
subcontractors	180,545	146,096	34,449
works and services	35,100	36,674	(1,574)
materials in progress	25,273	18,133	7,140
technical and commercial consultancies	23,713	25,983	(2,270)
legal, fiscal and administrative services	10,409	10,214	195
other costs and services	9,686	12,279	(2,593)
insurance	7,000	5,079	1,921
utilities	5,778	6,155	(377)
travels & travelling indemnities	2,308	3,717	(1,409)
maintenance & repairing	2,154	1,951	203
directors' and auditors' fees	1,527	1,228	299
total	611,665	502,102	109,562

The most significant increase refers to:

- 73,579 Euro for the overturning of consortium costs on the part of the specific companies, and mostly pertaining to works for the New Milan Expo Fair Center;
- 34,449 Euro for subcontracting costs within the permanent organizations of the Parent Company in Venezuela, Turkey, Rumania and Honduras.
- Costs for use of assets owned by third parties, equal to 10,389 Euro (12,874 in 2003), include the following:
 - rentals for 7,072 Euro;
 - rentals and condominium expenses for 2,621 Euro;
 - maintenance costs on third-party goods for 250 Euro;
 - other rental costs for 446 Euro.
- The depreciation of credits entered in the current assets, equal to 3,100 Euro, is attributable to the prudential allocation of the risk of non-payment linked to certain receivables from various creditors of the Parent Company (2,000 Euro) and of our subsidiary Romstrade S.r.l. (1,100 Euro); this is described in detail in the section on the provision for doubtful debtors.

- The net utilization equal to 10,428 Euro is the result of the difference between the provisions made in the year, equal to 32,227 Euro (32,985 Euro on December 31st, 2003), and availments for 42,655 Euro (32,011 Euro on December 31st, 2003).
- Other operating costs total 14,456 Euro, an increase of 742 Euro with respect to the previous year; they are represented by the following items.

other operating costs			
(thousands of euro)	2004	2003	change
extraordinary charges and non-existent liabilities			
due to value adjustments.	7,018	5,857	1,161
fiscal charges	3,525	4,201	(676)
other administrative costs	2,811	2,680	131
agency expenses	629	740	(111)
capital losses on sales of assets	473	236	237
total	14,456	13,714	742

For the purpose of greater clarity it should be noted that other tax charges mainly refer to indirect taxes such as stamp duty, ICI (local property tax), government concessions and registration taxes incurred in Italy and abroad.

In addition — with regards to adjustment extraordinary items and non-existence of assets — the entry mainly includes the differences in estimates derived from the overturning of costs for the specific companies in the previous year.

Finally, it should be noted — as previously discussed in Costs of Raw Materials — that the year 2003 was reclassified for customs charges.

C.15 / C.16 - Financial income: Euro 27,568

Financial income from the financial statements of the previous year (18,629 Euro) reported a net increase of 8,939 Euro during 2004, and their breakdown (with a comparison to the previous year) is shown in the table that follows.

financial income			
(thousands of euro)	2004	2003	change
income from subsidiaries	741	2,878	(2,137)
income from associated companies	5	1	4
income from other shareholdings	–	8	(8)
other financial income:			
– interest versus third parties	16,618	6,563	10,055
– income from hedging operations	5,320	4,830	490
– bank interest	2,043	3,361	(1,318)
– income from alienation of securities and capital gains on own shares	1,872	24	1,848
– commissions on guarantees	661	682	(21)
– interest on third party loans	308	282	26
total	27,568	18,629	8,939

Income from non-consolidated subsidiaries includes dividends distributed to the Parent Company by Astaldi Rwanda Ass.Mom. which was liquidated for 97 Euro, and by Porrettana S.c.r.l. (liquidated for 114 Euro), as well as the dividends distributed to our subsidiary Astaldi International Ltd. by Astaldi Rwanda Association Momentanée (liquidated during the course of the year for 65 Euro) and by Astaldi International Malawi JV (liquidated in the past year for 449 Euro)

The increase in receivable interest versus third parties results from — as previously highlighted — the settlement of the arbitration ruling relating to the construction of the Zagabria-Gorizan Highway whose effects were partially allocated in the corresponding provision while awaiting collection.

The item "Income from alienation of securities" includes income realized during the course of the year for the assignment of Own Shares, totalling 1,308 Euro. Finally, it is useful to note that net income from exchange rate fluctuations in 2003 — in compliance with the provisions of Legislative Decree n. 6 of January 17th, 2003 — has been reclassified from item *C16 - Other financial Income* to item *C17 bis - Exchange Rate Gains (Losses)*.

C.17 - Interest payable and similar charges: Euro 40,669

Interest payable and similar charges for the year — which in the previous year amounted to 40,034 Euro — increased by 635 Euro. The breakdown is given in the following table.

i n t e r e s t p a y a b l e a n d s i m i l a r c h a r g e s			
(thousands of euro)	2004	2003	change
bond loan interest	9,750	9,750	–
commissions on guarantees	6,300	5,788	512
long term debt bank interests	6,028	4,962	1,066
hedging operation costs	4,778	2,580	2,198
factoring interests and costs	4,203	4,277	(74)
discount and other financial charges	4,024	4,708	(684)
short term bank borrowing interests	3,745	5,880	(2,135)
bank fees and commissions	1,085	1,250	(165)
issue discount on bonded loan amortization	502	502	–
loan interest	254	337	(83)
total	40,669	40,034	635

Finally, it is useful to note that net income from exchange rate fluctuations in 2003 — in compliance with the provisions of Legislative Decree n. 6 of January 17th, 2003 — has been re-classified from item *C17 - Interest Payable and Similar Charges* to item *C17 bis - Exchange Rate Gains (Losses)*.

C17 bis – Exchange Rate Gains (Losses): Euro 5,106

The item in question includes the following in the exchange rate losses:

- 4,322 Euro for negative differences realized in connection with the permanent organizations in Guinea Conakry and Bissau which substantially completed their operational activities and initiated liquidation operations;
- 4,444 Euro for part of the conversion deficit that accrued with the subsidiary Astaldi de Venezuela C.A. since it was considered a lasting value loss. This item can be broken down as follows.

e x c h a n g e r a t e g a i n s (l o s s e s)			
(thousands of euro)	2004	2003	change
exchange rate gains	8,039	6,599	1,440
exchange rate losses	(13,145)	(11,133)	(2,012)
total	(5,106)	(4,534)	(572)

In order to better clarify the item in question, it is useful to note that the valuation component deriving from the adjustment of currency items — in accordance with paragraph 8-bis of Article 2426 of the Italian Civil Code — yielded a net loss of 170 Euro that is exclusively attributable to the Parent Company.

D – Value adjustments with respect to investments: Euro (10,792)

The aggregate in question shows a negative balance of 10,792 Euro (-6,485 Euro in 2003), as detailed below.

Revaluation of equity investments: Euro 995

This item — totalling 995 Euro on December 31st, 2004 — underwent a decrease of 1,686 Euro and exclusively refers to the revaluation of equity investments that were valued with the net equity method.

The main changes include:

- amongst subsidiaries:
 - Astaldi Mozambico J.V. for 375 Euro;
 - Astaldi Sénégal Association en Participation for 177 Euro;
 - Astur Construction and Trade A.S. for 235 Euro;
- amongst associated companies:
 - S.E.I.S. S.p.A. for 205 Euro;

Revaluation of securities and credits entered into current assets Euro 1,543

This item — reporting a valuation of 1,543 Euro in the accounts — increased by 1,353 Euro with respect to the previous year, and completely refers to the use of the devaluation fund for securities entered in current assets — booked in the previous years for the purpose of re-aligning the value of the underlying assets to the sustained cost in relation to the specific price that is deduced from the market trend at the end of the financial year.

Devaluation of equity investments: Euro 4,695

This item — which was recorded for 7,840 Euro in the previous year — had a net increase of 3,145 Euro and refers to losses due to shareholding companies, levelled for a total of 352 Euro, in addition to the devaluation of equity investments for a total of 4,343 Euro, of which 4,278 Euro through allocation to the equity investment risk provision. For greater clarity and comparability of the data — even in reference to the previous year — the same breakdown prepared for the year closing on December 31st, 2004 is given below.

a) *Balanced losses*

b a l a n c e d l o s s e s			
(thousands of euro)	2004	2003	change
from subsidiaries	256	875	(619)
from associated companies	96	2,862	(2,766)
from other companies		261	(261)
total	352	3,998	(3,645)

The most significant losses include:

- Those relevant to subsidiaries:
 - Legnami Pasotti Italia I.C. S.r.l. in liquidation for 250 Euro;
- Those relevant to associated companies:
 - S.A.A.L.P. S.n.c. in liquidation for 77 Euro.

The remaining part — 25 Euro — refers to the closing of allocation plans for companies in voluntary liquidation.

b) *Write-down of equity investments*

w r i t e - d o w n o f e q u i t y i n v e s t m e n t s : a n a l y t i c a l b r e a k d o w n			
(thousands of euro)	2004	2003	change
from subsidiaries	20	104	(84)
from associated companies	24	33	(9)
from shareholdings	21	11	10
total	65	148	(83)

The write-downs equal to 65 Euro are derived from the joint effect of the devaluation of equity investments in companies in liquidation, and the capital transactions in other non-consolidated shareholding companies.

c) *Provisions for equity investments risks*

The provisions for equity investments risks reserve of 4,278 Euro can be broken down as follows.

p r o v i s i o n s f o r e q u i t y i n v e s t m e n t s r i s k s			
(thousands of euro)	2004	2003	change
from subsidiaries	2,676	2,523	153
from associated companies	505	1,171	(666)
from other companies	1,097	—	1,097
total	4,278	3,694	584

This item — which in the previous year totalled 3,694 Euro — refers to the allocation of part of the balance sheet deficit, with particular reference to companies in liquidation or those which have substantially completed their operating activities. The main allocations include those relevant to the subsidiaries Legnami Pasotti Italia I.C. S.r.l. in liquidation (2,089 Euro), Seac S.p.a.r.l. (259 Euro), IFC due S.c.r.l. in liquidation (92 Euro), Diga di Arcichiaro S.c.r.l. in liquidation (46 Euro),

Tecro S.c.r.l. in liquidation (100 Euro), Bussentina S.c.r.l. in liquidation (47 Euro), as well as the associated companies Astaldi Ferrocemento J.V. Pakistan (95 Euro), Piceno S.c.r.l. in liquidation (104 Euro), Alosa immobiliare S.p.A. in liquidation (228 Euro), Isclero S.c.r.l. in liquidation (21 Euro) and other shareholding companies such as Comet J.V. (917 Euro) and Imprese Riunite Genova Seconda S.c.r.l. in liquidation (180 Euro).

Write-down of securities and credits entered into current assets: Euro 8,635

This item — totalling 1,518 Euro in the accounts of the previous year — reported a net increase of 7,117 Euro, and almost entirely represents the allocations made to the delayed interest payment risks reserve during the present year within the permanent organizations of the Parent Company in Croatia and Congo.

E - Extraordinary income (charges): Euro (4,552), Euro (4,982) in 2003

- Extraordinary income is almost entirely composed of items of an extraordinary nature and non-existence of assets for 8,222 Euro (8,158 Euro in 2003).

The most significant include:

- extraordinary income resulting from the use of the limited tax credit of the subsidiary R.I.C. S.p.A. (merged by incorporation into Italstrade S.p.A.) for 315 Euro;
- extraordinary income resulting from the actual credit for taxes paid abroad, totalling 1,585 Euro, and used in compliance with the current legislation regulating this area;
- extraordinary income resulting from the acknowledgment — on the part of the financial administration of the Parent Company — of the credit requested for refund and pertaining to IRAP (regional production tax, 427 Euro) and Invim (tax on increasing real estate value, 43 Euro);
- extraordinary income resulting from the higher provision for taxation made in the previous year by our subsidiary Astaldi de Venezuela C.A. for 847 Euro;
- extraordinary income resulting from the higher provision for taxation made in the previous year by the permanent organization of the Parent Company in Venezuela for 549 Euro;
- extraordinary income resulting from the greater costs that were previously allocated to the Parent Company and relating to services provided for 1,178 Euro.

- Extraordinary charges recorded in the accounts for a total of 12,774 Euro — against 13,140 Euro in 2003 — include contractual charges, taxes from previous years, damages, extraordinary costs and non-existence of assets, transactions, and other charges of residual value.

The most significant items include:

- 1,488 Euro relating to taxes of previous years and primarily accruing for the Parent Company for 988 Euro, Italstrade CCCF JV Romis S.r.l. for 223 Euro and Romairport S.r.l. for 243 Euro;
- 2,453 Euro as the difference reported while valuating certain items relating to services of a non-operational but rather accessory nature, and accruing for permanent foreign organizations;

- 8,833 Euro resulting from the aggregate of extraordinary items, non-existence of assets, damage and accidents, transactions, fines and other charges of residual value.

22 - Income taxes: Euro (12,886)

This item—recorded in the previous year for 6,858 Euro, includes current taxes of the Parent Company and of other consolidated companies for 11,526 Euro, and 1,360 Euro for the net effects of deferred and prepaid taxes; these are determined as follows.

income taxes

(thousands of euro)

	total temporary differences	irpeg fiscal effect 34%	2003 total differences for irap	irap fiscal effect 4.25%	total fiscal effect
prepaid taxes					
unpaid director emoluments	(0)	(0)	–	–	(0)
– unpaid emoluments	485	165	–	–	165
– recovery of unpaid emoluments	(485)	(165)	–	–	(165)
costs accruing in other years	(3)	(0)	25	(1)	(1)
– agency	136	47	79	3	51
– agency (recovery from past years)	(93)	(32)	(54)	(2)	(34)
– other postponed costs	–	–	–	–	–
– other postponed costs (recovery from past years)	(46)	(16)	(27)	(2)	(18)
taxed reserves	21,780	7,405	12,189	519	7,924
– allocation to contractual risk reserves	29,231	9,939	17,062	726	10,665
– use of contractual risk reserves	(7,988)	(2,716)	(4,873)	(207)	(2,923)
– allocation to equity investment risk reserves	1,075	366	–	–	366
– use of equity investment risk reserves	(538)	(183)	–	–	(183)
– allocation to provision for doubtful debtors	–	–	–	–	–
– use of provision for doubtful debtors	–	–	–	–	–
– allocation to delayed interest payment reserves	–	–	–	–	–
– use of delayed interest payment reserves	–	–	–	–	–
adjustments from previous years	–	–	–	–	–
total	21,777	7,405	12,214	518	7,923
deferred taxes					
receivable dividends from equity investments	315	(107)	–	–	(107)
– dividends to be distributed	315	(107)	–	–	(107)
– recovery of dividends to be distributed	–	–	–	–	–
receivable interest	–	–	–	–	–
– interest to be distributed	–	–	–	–	–
– recovery of interest to be distributed	–	–	–	–	–
total	315	(107)	–	–	(107)
net deferred (prepaid) taxes		7,298	12,214	518	7,816
fiscal losses	1,923	890	–	–	890
– losses of the year- abroad	15,505	5,508	–	–	5,508
– losses of the year- Italy	–	–	–	–	–
– recovered losses from previous years- abroad	(6,535)	(2,222)	–	–	(2,222)
– recovered losses from previous years- Italy	(7,047)	(2,396)	–	–	(2,396)
prepaid taxes pertaining to fiscal losses of the previous year	–	–	–	–	–
net	24,015	8,188	12,214	518	8,706

total temporary differences	fiscal effect 33%	2004 total differences ai fini irap	irap fiscal effect 4.25%	total fiscal effect
(23)	(7)	–	–	(7)
462	152	–	–	152
(485)	(160)	–	–	(160)
(21)	(7)	(12)	(1)	(7)
115	38	67	3	41
(113)	(37)	(66)	(3)	(40)
–	–	–	–	–
(23)	(8)	(13)	(1)	(8)
(7,386)	(2,437)	(6,157)	(262)	(2,699)
30,307	10,001	17,690	752	10,753
(40,856)	(13,482)	(23,848)	(1,014)	(14,496)
–	–	–	–	–
(472)	(156)	–	–	(156)
–	–	–	–	–
(5,000)	(1,650)	–	–	(1,650)
8,635	2,849	–	–	2,849
–	–	–	–	–
(21)	(7)	–	56	49
(7,450)	(2,459)	(6,170)	(206)	(2,665)
–	–	–	–	–
(315)	104	–	–	104
–	–	–	–	–
(315)	104	–	–	104
13,137	(4,335)	–	–	(4,335)
13,137	(4,335)	–	–	(4,335)
–	–	–	–	–
12,822	(4,231)	–	–	(4,231)
–	(6,690)	(6,170)	(206)	(6,897)
3,872	1,258	–	–	1,257
–	–	–	–	–
4,910	1,620	–	–	1,620
(1,038)	(363)	–	–	(363)
–	–	–	–	–
12,970	4,280	–	–	4,280
22,214	(1,152)	(6,170)	(206)	(1,360)

The net amount recorded in the accounts as prepaid tax is equal to 5,900 Euro and exclusively refers to the subsidiary Italstrade S.p.A..

This effect was therefore recorded — in accordance with the principle of prudence and local tax regulations — as there is reasonable certainty, backed by objective supporting information including multi-year forecasts, of the existence of sufficient levels of taxable income in future years.

It should also be noted that there were no allocations of deferred taxes for non-distributed income from subsidiaries and associated companies given that this distribution is not expected. The residual credit for prepaid taxes equal to 13,983 Euro — to be recovered in future years — is substantially attributable to a combination of residual fiscal losses (Astaldi Construction Corporation and Italstrade S.p.A.), funds of a civil and tax law nature that were not deducted and not utilized for tax purposes in their respective years of accrual, as well as other temporary taxation differences of residual value. This amount — recorded in the receivables of current assets, and which will be recovered in subsequent years — includes the following.

residual credit for prepaid taxes				
(thousands of euro)				
	amounts	ires	irap	total
1) temporary differences deductible in upcoming years				
– provision for risks in the accounts (item b3a+b3b)	40,202			
– allowance for doubtful receivables decreasing asset value	6,254			
(a) total provisions in the accounts	46,456			
including:				
– taxed contractual risk reserves	33,935	11,199	833	12,032
– taxed provision for equity investment risks	743	245	–	245
– taxed provision for risk on receivables	739	244	–	244
– delayed interest payment reserves	8,635	2,850	–	2,850
(b) total taxation on provisions	44,052			
– foreign fiscal losses	13,230	4,448	–	4,448
– fiscal losses in Italy	17,880	5,900	–	5,900
– directors' and board of auditors' fees	462	152	–	152
– costs accrued in other years	382	126	9	135
total deductible temporary differences 1)	44,896	25,164	842	26,006
2) temporary differences taxable in upcoming years				
– provision for fiscal risks	21,667	(7,150)	(538)	(7,688)
– delayed interest payments	13,137	(4,335)		(4,335)
total temporary taxable differences 2)	34,804	(11,485)	(538)	(12,023)
receivable totals (1+2)		13,679	304	13,983

With regards to that given in the Notes to the financial statements closing on 31/12/2003, the following is noted:

- Recording of that contained in the P.V.C. relating to the presumed tax omission for the so-called contractor's reserves was notified to the Company and the incorporated Gruppo Dipenta S.p.A..
 - With regards to the years 1997 and 1998, the Rome 1 Revenue Office notified the Company with two separate notices of assessment; these concerned the analogous disputes raised in reference to the incorporated Company Gruppo Dipenta and confirming the increasing recoveries in the quantitative content, as had been already previously and officially agreed for tax years 1996-7. These notices were settled in the month of December 2004 by means of an overall payment of 357 Euro which included sanctions and interest.

- For the years 1997 and 1998, the Rome 1 Revenue Office has fundamentally settled these remarks with the undersigning of the judicial conciliation deeds in the past month of December and with the office of competence. Since the amount of that settlement has still not been paid (474 Euro), it remains allocated in the specific provision for risks.
 - or the year 1999, the Rome 4 Revenue Office has notified a notice of assessment, thereby confirming — from a quantitative point of view — the adjustments which were previously agreed upon. As described above, even this notice — for which the Parent Company has already presented an assessment request with assent — may be considered to be fundamentally settled. It should be noted that the relevant charge — equal to 427 Euro gross of the relative sanctions — remains allocated in the specific provision for risks.
2. Recording of that contained in the P.V.C. notified to the Company and concerning the presumed non-deductibility of the losses suffered by some joint ventures – located in non-EU countries and covered by the Parent Company in fiscal years 1997, 1998 and 1999, pursuant to Art. 61, sub-sec. 5, T.U.I.R. (Unified Text on Income Tax).
- For the years 1997 and 1998, the remarks which were previously contested by the Rome 1 Revenue Office were substantially settled by effect of the judicial conciliation deed that was undersigned by the Office itself after the impugnement of the notices of assessment.
- During the conciliation, the Office — in compliance with the position held by the Regional Revenue Office of Lazio — agreed with the defensive theory of the Company, particularly in reference to inapplicability of Article 61, paragraph 3 bis, of the TUIR to the case disputed by the auditors; the Office therefore confirmed renewal of the latter within the realm of paragraph 5 of the cited Article 61 of the T.U.I.R.. At the outcome of the conciliation the original finding — overall equal to 22,749 Euro — was settled with a greater taxable amount totalling 158 Euro. The charge relating to this settlement was equal to 96 Euro (gross of sanctions).
- For the year 1999, the Rome 4 Revenue Office disputed the Parent Company's claim regarding the presumed non-deductibility of losses, and totalling 9,537 Euro. As described above, even this notice — for which the Parent Company has already presented an assessment request with assent — may be considered substantially settled. The relative charge is equal to 5 Euro (gross of sanctions).

Transactions with related parties

In accordance with the provisions of CONSOB (Italian Securities and Exchange Commission) communication no. 97001574 of February 20th, 1997 and no. 98015375 of February 27th, 1998, the most significant amounts resulting from transactions of a financial and commercial nature with non-consolidated shareholding companies are given below.

It should be noted, however, that the relationships entered into with consortia and consortium companies (the so-called purpose companies), and considering the particular sector in which the Company operates, must be correlated with the rights of receivables due from third parties – entered in the item Trade receivables (C.II.1) – and which are not summarized in the following table.

transactions with correlated parties

(thousands of euro)

	trade receivables	financial assets	total receivable	commercial debts	net trade receivables balance
subsidiaries not consolidated					
Astaldi Burundi Association Momentanée	650	–	650	694	–
Asociación Accidental Astaldi S.p.A. - C.B.I. S.r.l.	322	–	322	–	322
Astaldi International Inc	–	–	–	388	–
Astaldi International JV Mozambique	1,660	–	1,660	11	1,649
Astaldi Sénégal Association en participation	3,536	–	3,536	–	3,536
Astur Construction and Trade A.S.	244	–	244	594	–
Bussentina S.c.r.l. in liquidation	838	–	838	70	769
C.O.MES.S. S.c.r.l.	785	–	785	3,608	–
CO.ME.NA. S.c.r.l.	37	–	37	336	–
CO.NO.CO. S.c.r.l.	1,043	–	1,043	2,252	–
Colli Albani S.c.r.l. in liquidation	819	2	821	355	464
Consorzio A.R.Z.Ast.-R.I.C.ZAIRE in liquidation	379	–	379	191	188
Consorzio Astaldi-C.B.I.	4,264	789	5,053	418	3,847
Consorzio Astaldi-C.M.B.Due in liquidation	2,191	–	2,191	7	2,184
Consorzio Olbia Mare in liquidation	145	3	148	–	145
Cospe S.c.r.l.	337	–	337	–	337
Diga di Arcichiaro S.c.r.l. in liquidation	299	–	299	186	113
DIP.A. S.c.r.l. in liquidation	124	–	124	130	–
DP 2M S.c.r.l. in liquidation	1	44	45	25	–
Eco Po Quattro S.c.r.l.	1,137	–	1,137	527	610
Euroast S.r.l. in liquidation	173	369	542	1	172
Fiorbis Srl in liquidation	–	–	–	5	–
Forum S.c.r.l.	1,036	–	1,036	1,080	–
I.F.C. Due S.c.r.l. in liquidation	1,836	–	1,836	97	1,739
I.F.C. S.c.r.l. in liquidation	575	–	575	–	575
Legnami Pasotti Italia I.C. Srl in liquidation	2,677	–	2,677	–	2,677
Linea A S.c.r.l. in liquidation	15	–	15	281	–
Montedil-Astaldi S.p.A. (MONTAST) in liquidation	136	20	156	24	113
Mormanno S.c.r.l. in liquidation	2	64	66	2	1
Palese Park Srl	–	–	–	709	–
Portovesme S.c.r.l.	1,069	–	1,069	3,854	–
Quattro Venti S.c.r.l.	2,726	–	2,726	2,587	138
Redo Ass. Moment.	961	–	961	45	917
S. Filippo S.c.r.l. in liquidation	1,327	–	1,327	89	1,238
S. Leonardo S.c.r.l. in liquidation	2,630	–	2,630	808	1,822
Seac S.p.a.r.l.	8,106	–	8,106	510	7,596
Silva S.r.l. in liquidation	28	21	49	–	28
Susa Dora Quattro S.c.r.l.	3,071	–	3,071	12,349	–
TE.CRO. S.c.r.l. in liquidation	147	776	923	82	65
Todaro S.r.l. in liquidation	1	–	1	3	–
Toledo Srl in liquidation	2,557	–	2,557	2,811	–
Tri.Ace. S.c.a.r.l. in liquidation	561	–	561	411	150
Viadotti di Courmayeur S.c.r.l.	617	–	617	62	555
Viadotto Fadalto S.c.r.l. in liquidation	42	–	42	–	42
others	5	1	6	9	6
total subsidiaries not consolidated	49,112	2,089	51,201	35,611	31,997

net trade payables balance	revenues from rendered services	costs of production	financial costs	financial returns	extraordinary costs	extraordinary revenues
44	-	-	-	-	-	-
-	-	-	-	-	-	-
388	-	-	-	-	-	-
-	5	-	-	-	-	-
-	-	-	-	-	-	-
350	-	4,146	-	-	-	-
-	7	7	-	-	-	-
2,822	220	6,258	-	13	8	31
300	175	3,954	-	-	4	-
1,210	260	4,883	-	9	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	40	1	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	83	811	-	-	-	-
-	-	-	-	-	-	-
6	-	9	-	-	-	-
23	-	-	-	-	-	-
-	7	46	-	17	-	-
-	-	-	-	3	-	-
5	-	-	-	-	-	-
44	43	282	-	-	-	-
-	-	-	-	61	-	-
-	167	-	-	151	-	-
-	-	-	-	-	-	-
266	-	45	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	15	-
709	-	-	-	-	-	-
2,785	266	4,674	-	9	-	-
-	587	4,993	-	41	15	-
-	-	-	-	-	-	-
-	-	-	-	-	1	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,278	523	19,417	-	43	-	-
-	-	172	-	-	-	-
2	-	-	-	-	-	-
254	79	6,203	-	-	2	-
-	4	2	-	-	-	-
-	-	91	-	-	-	-
-	-	-	-	-	-	-
9	1	1	-	-	-	1
18,495	2,467	55,995	-	347	45	32

(table follows)

transactions with correlated parties

(thousands of euro)

	trade receivables	financial assets	total receivable	commercial debts	net trade receivables balance
associated companies not consolidated					
Adduttore Ponte Barca S.c.r.l.	-	-	-	254	-
Almo S.c.r.l. in liquidation	10	-	10	13	-
Alosa Immobiliare SpA in liquidation	9	1,145	1,154	11	-
Astaldi - Ferrocemento J.V.	814	261	1,075	33	781
Astaldi Bayindir J.V.	6,451	-	6,451	489	5,962
Astaldi Maroc S.A.	-	-	-	3	-
Avola S.c.r.l. in liquidation	686	-	686	162	524
Blufi 1 S.c.r.l. in liquidation	48	-	48	-	48
C.F.M. S.c.r.l. in liquidation	42	-	42	207	-
Cogital S.p.A. in liquidation	147	-	147	3	144
Consorzio Brundisium	-	-	-	4	-
Consorzio DEI	-	-	-	4	-
Consorzio Grupo Contuy	716	-	716	1,474	-
Consorzio A.F.T. (Algerian Branch)	1,224	-	1,224	678	546
Consorzio AFT Kramis	18,348	-	18,348	11,893	6,456
Consorzio A.F.T.	75	-	75	-	75
Consorzio Astaldi-ICE	417	-	417	-	417
Consorzio Bonifica Lunghezza	-	-	-	4	-
Consorzio C.I.R.C. in liquidation	11	-	11	667	-
Consorzio Carnia	433	-	433	18	416
Consorzio C.E.A.A.V.	944	-	944	498	446
Consorzio Co.Fe.Sar.	264	-	264	453	-
Consorzio Cogitau S.c.n.c. in liquidation	457	-	457	1	457
Consorzio Consarno	35	227	262	-	35
Consorzio Consavia S.c.n.c. in liquidation	62	-	62	4	58
Consorzio Contuy Medio	457	117	574	253	204
Consorzio Dipenta S.p.A.-Ugo Vitolo in liquidation	-	-	-	2	-
Consorzio Ferrofir in liquidation	45	-	45	6,556	-
Consorzio Gi.It. in liquidation	-	-	-	194	-
Consorzio Iricav Due	119	-	119	2,066	-
Consorzio Iricav Uno	2,462	-	2,462	22,149	-
Consorzio Ital.Co.Cer.	-	-	-	150	-
Consorzio Italvenezia	-	-	-	81	-
Consorzio L.A.R. in liquidation	181	1,304	1,485	1,261	-
Consorzio Ponte Stretto di Messina	217	-	217	-	217
Consorzio Qalat	5	-	5	1,138	-
Consorzio Recchi S.p.A.- Astaldi S.p.A.	69	610	679	1,396	-
Consorzio Tre Fontane in liquidation	-	-	-	1	-
Diga di Blufi S.c.r.l.	6,554	-	6,554	3,865	2,689
Ecosarno S.c.r.l.	-	118	118	1,008	-
Fiume Santo Mare S.c.r.l. in liquidation	-	-	-	1	-
Fosso Canna S.c.r.l. in liquidation	182	204	386	117	65
Groupement Cir S.p.A.	18	-	18	-	18
Groupement Eurolep	-	-	-	9	-
Groupement Italgisas	944	-	944	19	925
HECA SpA in liquidation	168	15	183	46	122
Hydro Honduras S.A.	-	-	-	105	-
Infralegrea S.c.r.l.	237	-	237	2,235	-
Isclero S.c.r.l. in liquidation	200	1,518	1,718	1,592	-
Italsagi Sp. Zo. O.	1	-	1	-	1
Italsagi Sp. Zo. O.	367	-	367	-	367
M.N. Metropolitana di Napoli S.p.A.	113	-	113	-	113

net trade payables balance	revenues from rendered services	costs of production	financial costs	financial returns	extraordinary costs	extraordinary revenues
254	–	48	–	–	–	–
3	8	–	–	–	2	3
2	6	–	–	–	–	–
–	3	–	–	–	–	–
–	–	489	–	–	–	–
3	–	–	–	–	–	–
–	2	1	–	–	–	12
–	–	–	–	–	–	–
165	–	24	–	5	28	–
–	–	–	–	–	–	6
4	–	–	–	–	–	–
3	–	–	–	–	–	–
758	–	–	–	–	–	–
–	18,986	11,379	–	140	8	–
–	–	–	–	–	–	–
–	16	–	–	–	–	–
–	–	–	–	–	–	–
4	–	1	–	–	–	–
656	124	48	–	–	–	124
–	–	–	–	–	13	–
–	1,113	1,117	–	–	1	–
189	–	76	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	26	–	72
–	–	–	–	–	–	–
–	–	–	–	–	–	–
2	–	–	–	–	–	–
6,511	30	872	–	–	4	–
194	–	29	–	–	–	–
1,947	64	–	–	–	17	–
19,687	657	28,479	–	–	279	–
150	–	104	11	–	1	–
81	–	7	–	–	–	–
1,080	–	1,261	–	–	–	–
–	217	–	–	–	–	–
1,133	–	2	–	–	–	–
1,327	–	610	–	–	–	52
1	–	–	–	–	–	–
–	86	2	–	3	–	–
1,008	–	748	–	–	–	–
1	–	–	–	–	–	–
–	–	–	–	10	–	24
–	–	–	–	–	–	–
9	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	46	–
105	–	–	–	–	–	–
1,998	231	3,043	–	–	–	–
1,393	90	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	6	–	41	–	–	12

(table follows)

transactions with correlated parties

(thousands of euro)

	trade receivables	financial assets	total receivable	commercial debts	net trade receivables balance
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associated companies not consolidated

ME.SA. S.c.r.l. in liquidation	-	-	-	3	-
Messina Stadio S.c.r.l.	3,068	2,508	5,576	1,862	1,206
Metro Veneta S.c.r.l.	1,433	-	1,433	4,692	-
Metrogenova S.c.r.l.	1,139	-	1,139	4,400	-
Monte Vesuvio S.c.r.l.	647	-	647	-	647
Mose Treponti S.c.r.l.	244	-	244	3,350	-
Nova Metro S.c.r.l. in liquidation	20	-	20	179	-
Nuovo Polo Fieristico Srl	1,496	-	1,496	11,040	-
Pegaso S.c.r.l.	3,809	-	3,809	2,297	1,512
Piana di Licata S.c.r.l. in liquidation	475	-	475	139	336
Piceno S.c.r.l. in liquidation	988	335	1,323	875	114
Pont Ventoux S.c.r.l.	9,860	-	9,860	25,748	-
Principe Amedeo S.c.r.l. in liquidation	512	-	512	232	280
Priolo Siracusa S.c.r.l.	-	-	-	168	-
Raggruppamento Astaldi-Vianini in liquidation	80	-	80	-	80
S.A.A.L.P. S.n.c. in liquidation	82	458	540	158	-
S.A.C.E.S. S.r.l. in liquidation	-	-	-	1,698	-
S.E.I.S. S.p.A.	1	125	126	-	1
S.E.P.Soc. en Partic.Ast S.p.A.	-	16	16	22	-
Sa.Di.Pe. S.c.r.l. in liquidation	15	-	15	-	15
Santangelo S.c.r.l. in liquidation	41	156	197	-	40
SO.GE.DEP. S.r.l. in liquidation	270	271	541	285	-
So.Gr.Es. S.c.p.A. in liquidation	50	-	50	-	50
Tangenziale Seconda S.c.r.l. in liquidation	128	-	128	7	120
Transeuropaska Autocesta D.o.o	12	-	12	-	12
Truncu Reale S.c.r.l.	177	-	177	4	173
V.A.S.CO. Imprese Riunite	491	-	491	-	491
Val Pola S.c.r.l. in liquidation	22	-	22	-	22
Valle Caudina S.c.r.l.	904	119	1,023	2,462	-
Veneta Sanitaria Finanza di progetto S.p.A.	16	-	16	294	-
Vesuviana Strade S.c.r.l.	525	-	525	63	462
other minor amounts	-	30	-	-	-
total associated companies not consolidated	70,038	9,537	79,545	121,093	26,647

other participated companies not consolidated

Aguas de San Pedro Sula S.A.	10	-	10	-	10
Bocca di Malamocco S.c.r.l.	-	-	-	185	-
Comet J.V.	3,170	-	3,170	-	3,170
Consorzio Tagliamento	27	-	27	1	26
Consorzio Team	28	-	28	72	-
Consorzio TRA.DE.CI.V.	113	-	113	262	-
G.G.O. S.c.r.l. in liquidation	1	-	1	1	-
Imprese Riunite Genova Seconda S.c.r.l. in liquidation	1	-	1	-	1
Imprese Riunite Genova S.c.r.l. in liquidation	-	-	-	227	-
Italstrade CCCF JV Bucaresti Srl	3	-	3	-	3
Napoli Porto S.c.r.l. in liquidation	62	-	62	-	62
Pantano S.c.r.l.	-	-	-	2,273	-
Plus S.r.l.	-	1,344	1,344	-	-
Roma Lido S.c.r.l.	-	274	274	754	-
Yellow River Contractors J.V.	92	-	92	1	90
other minor amounts	28	-	28	99	54
total other participated companies not consolidated	3,533	1,618	5,151	3,875	3,416
total	122,684	13,244	135,898	160,579	62,060

net trade payables balance	revenues from rendered services	costs of production	financial costs	financial returns	extraordinary costs	extraordinary revenues
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3	–	2	–	–	–	–
–	–	176	–	6	–	–
3,259	139	5,506	–	41	1	–
3,260	498	4,952	–	–	–	–
–	24	178	–	–	–	24
3,107	171	3,480	–	–	–	–
159	–	72	–	–	–	–
9,544	3,040	169,009	–	–	2	–
–	2,658	10,664	–	1	32	44
–	–	–	–	–	–	–
–	–	–	–	–	–	–
15,888	804	13,753	–	103	6	–
–	13	–	–	–	42	3
168	–	162	–	–	–	–
–	–	–	–	–	–	–
76	–	–	–	–	–	82
1,698	–	–	–	–	–	–
–	–	–	–	–	–	–
22	–	3	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	26
15	–	–	–	7	–	–
–	1	–	–	–	–	–
–	–	1	–	2	–	–
–	–	–	–	–	–	–
–	34	23	–	2	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
1,558	554	1,978	–	125	14	–
278	23	3	–	–	–	–
–	194	798	–	8	–	–
–	2	20	–	–	18	–
77,700	29,794	259,120	52	479	514	484
–	–	–	–	–	–	–
185	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
44	–	–	–	–	9	–
149	15	228	–	–	–	–
–	–	–	–	–	–	–
–	–	5	–	–	11	–
227	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	9	–	–	–	–
2,273	–	1,697	–	–	–	–
–	–	–	–	–	–	–
754	–	314	–	–	–	–
–	–	–	–	–	–	–
123	12	–	–	–	65	–
3,756	27	2,253	–	–	85	–
99,951	32,288	317,368	52	826	644	516

For greater clarity, it should be noted that the most significant amounts included in the receivables refer to the support provided to organizations that were established for the execution of specific contracts — both in Italy and abroad — and include provision of goods and services (in particular, industrial equipment, construction means, support of specialized personnel, etc.), as well as financial support. The latter, however, are deemed to be of a commercial nature — considering their specific connection with the activity sector in which the group operates, as well as the particular legal structure of the organizations in question which requires associates to share profits, assets and financial assets of individual ventures on a pro-rata basis.

Regarding debts and payables, it should be noted that the nature of these is mainly attributable to the allocation of consortium costs by purpose companies that were established solely for the execution of the specific works.

The following table summarizes the net change, with respect to 2003, in debit and credit transactions existing with subsidiary and associated companies.

net change in debit and credit transactions with subsidiaries and associated companies						
(thousands of euro)						
company	creditors			debtors		
	2003	2004	difference	2003	2004	difference
subsidiaries	31,631	31,997	366	19,471	18,495	(976)
associated companies	37,563	26,649	(10,914)	60,670	77,703	17,033
total	69,194	58,646	(10,548)	80,141	96,198	16,057

Regarding the changes indicated in the above statement, it should be noted that the most significant differences refer to debt versus associated companies and mostly pertaining to the overturning of the costs of the companies Nuovo Polo Fieristico S.c.r.l. and Consorzio Iricav Uno, as well as the debt of the shareholding Metrogenova S.c.r.l. which was reclassified from the payables due to other shareholdings during the course of 2004. In any case, these differences should be considered typical for the sector in which the companies operate.

Average number of employees

The average number of employees for the reference period, by category, is as follows.

average number of employees	
managers	98
cadres	30
clerks	1.348
workers	5.048

Remuneration to Directors, Auditors and General Managers

The remuneration due to Directors, Auditors and General Managers of the Parent Company for carrying out these functions — even in other subsidiary companies — is outlined in the following table.

remuneration of directors auditors and general managers						
(amounts in euro)						
	office held	duration in office	emoluments for the office	non-monetary benefits	bonus & other incentives	other compensation
Anselmino Adriano	Honorary Chairman	01/03/2004	10,330			
Monti Ernesto	Chairman	31/12/2006	26,000			210,000 ⁽¹⁾
						750 ⁽⁷⁾
Astaldi Paolo	Deputy Chairman	31/12/2006	26,000			200,000 ⁽¹⁾
						750 ⁽⁷⁾
						260,549 ⁽⁵⁾
Di Paola Vittorio	Executive Deputy Chairman and CEO	31/12/2006	26,000		360,094 ⁽⁶⁾	597,893 ⁽¹⁾
						153,084 ⁽⁵⁾
Astaldi Pietro	Director	31/12/2006	26,000			205,908 ⁽⁵⁾
						10,500 ⁽³⁾
						3,500 ⁽²⁾
Astaldi Caterina	Director	31/12/2006	26,000			76,097 ⁽⁵⁾
Cerri Stefano	Director and General Manager	31/12/2006	26,000		111,349 ⁽⁶⁾	298,091 ⁽⁵⁾
						10,000 ⁽³⁾
Cafiero Giuseppe	Director and General Manager	31/12/2006	6,500		111,349 ⁽⁶⁾	343,480 ⁽⁵⁾
Grassini Franco	Director	31/12/2006	26,000			750 ⁽⁸⁾
Guidobono						
Cavalchini Luigi	Director	31/12/2006	26,000			750 ⁽⁸⁾
Lecchi Bruno	Director	31/12/2006	26,000			
Lupo Mario	Director	31/12/2006	26,000			750 ⁽⁸⁾
Mele Vittorio	Director	31/12/2006	26,000			750 ⁽⁷⁾
Oliva Nicola	Director and General Manager	31/12/2006	6,500		111,349 ⁽⁶⁾	363,960 ⁽⁵⁾
Poloni Maurizio	Director	31/12/2006	26,000			750 ⁽⁸⁾
						15,000 ⁽⁹⁾
Pinto Eugenio	Chairman of the Board of Statutory Auditors	30/04/2005	52,020			
Singer Pierpaolo	Auditor	30/04/2005	34,680			1,500 ⁽⁴⁾
Spanò Pierumberto	Auditor	30/04/2005	34,680			

(1) Remuneration for offices held under Art. 2389, paragraph 3 of the Italian Civil Code.

(2) Remuneration for offices held in subsidiaries, in accordance with Art. 2389, paragraph 3 of the Italian Civil Code.

(3) Remuneration for the office of director in subsidiary companies.

(4) Remuneration for the office of auditor in subsidiary companies.

(5) Salaries.

(6) Assigning of summary options free of charge.

(7) Remuneration as a member of the Remuneration Committee.

(8) Remuneration as a member of the Internal Control Committee.

(9) Remuneration as a member of the Supervisory Body.

With the Board of Directors' resolutions of April 23rd, 2002 and May 9th, 2002, and for the purpose of implementing the incentive plan, the Company assigned shares owned by Astaldi — free of charge — to the following members of the Board of Directors and General Managers.

company shares assigned to members of board of directors

		options held at the beginning of the financial year			options awarded during the financial year			options taken up during the financial year			options expired during the financial year	options held at the end of the financial year		
(A)	(B)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)=1+4-7-10	(12)	(13)
Vittorio Di Paola	Executive Deputy Chairman CEO	203,000										203,000		
Giuseppe Caflero	Director & General Manager	105,000										105,000		
Stefano Cerri	Director & General Manager	105,000										105,000		

(A) Name & Surname

(B) Office Held

(1) Number of options

(2) Average price for financial year

(3) Average expiry

(4) Number of options

(5) Average price for financial year

(6) Average expiry

(7) Number of options

(8) Average price for financial year

(9) Average price mercato all'esercizio

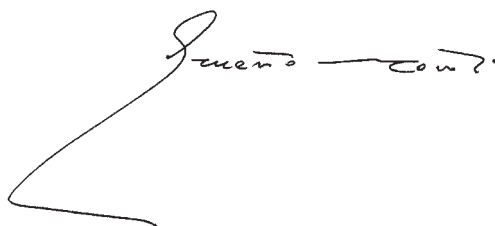
(10) Number of options

(11) Number of options

(12) Average price for financial year

(13) Average expiry

for The Board of Directors
The Chairman
(Prof. Ernesto Monti)



Attachments to the consolidated financial statements

exchange rates applied for the conversion of accounts in foreign currency (source: u.i.c.)

country	currency		exchange 12.31.2004	average exchange 2004	exchange 12.31.2003	average exchange 2003
Albany	lek	ALL	126.251	127.269	133.548	136.715
Algeria	Algerian Dinar	DZD	95.955	87.915	83.006	85.480
Angola	Readjustado Kwarza	AOA	115.363	103.607	95.605	83.517
Saudi Arabia	Saudi Riyal	SAR	5.021	4.658	4.601	4.236
Bolivia	Boliviano	BOB	10.836	9.907	9.537	8.649
Burundi	Burundi Franc	BIF	1,445.120	1,334.440	1,304.090	1,188.000
Caribbean	Carib dollar	XCD	3.620	3.356	3.317	3.050
Central Africa. C.F.A Repub.	CFA Franc	XAF	655.957	655.957	655.957	655.957
Chile	Chilean Peso	CLP	769.904	756.958	739.119	779.566
Colombia	Colombian Peso	COP	3,262.240	3,295.820	3,509.040	3,283.570
Democr. Republic of Congo	Congolese Franc	CDF	578.199	485.349	450.864	448.503
Costa Rica	Colon Costa Rica	CRC	592.148	535.701	499.327	443.516
Croatia	Kuna	HRK	7.554	7.489	7.670	7.557
Denmark	Danish Crown	DKK	7.434	7.440	7.442	7.431
Dominican Republic	Dominican peso	DOP	35.672	49.891	45.094	32.744
El Salvador	Salvadorian Colon	SVC	11.732	10.884	10.750	9.898
Japan	Japanese Yen	JPY	139.14	134.445	132.431	130.971
Gibuti	Gibuti Franc	DJF	238.279	220.35	217.392	200.951
Guatemala	Quetzal	GTQ	10.563	9.982	10.088	9.055
Guinea	Guinean Franc	GNF	3,470.052	3,470.052	2,450.980	2,240.710
Honduras	Lempira	HNL	25.016	22.656	22.042	19.752
Indonesia	Indonesian Rupee	IDR	12,368.500	11,117.800	10,421.700	9,679.260
Kenya	Kenya Shilling	KES	106.695	98.413	93.279	85.778
Libya	Libyan Dinar	LYD	1.743	1.627	1.651	1.437
Malawi	Kwacha	MWK	142.667	132.47	129.261	108.462
Morocco	Moroccan Dirham	MAD	11.152	11.013	11.012	10.812
Mozambique	Metical	MZM	25,396.100	27,217.700	28,296.600	26,004.000
Nicaragua	Cordoba Oro	NIO	21.788	19.799	18.952	17.025
Norway	Norway Corona	NOK	8.221	8.370	8.242	8.003
Pakistan	Pakistani Rupee	PKR	79.804	72.625	70.473	65.277
Qatar	Riyal Qatar	QAR	4.880	4.528	4.472	4.117
United Kingdom	British pound	GBP	0.695	0.679	0.702	0.692
Rumania	Leu	ROL	38,695.800	40,509.700	40,572.600	37,550.600
Rwanda	Rwandan Franc	RWF	741.977	696.109	684.282	596.179
Singapore	Singapore Dollar	SGD	2.201	2.102	2.102	1.970
United States	US Dollar	USD	1.341	1.244	1.229	1.131
South Africa	Rand	ZAR	7.685	8.009	7.993	8.532
Switzerland	Swiss Franc	CHF	1.536	1.544	1.554	1.521
Taiwan	Taiwanese Dollar	TWD	43.135	41.506	41.780	38.852
Tanzania	Tanzanian Shilling	TZS	1,401.530	1,332.410	1,287.430	1,169.160
Thailand	Baht	THB	52.559	50.052	48.796	46.898
Tunisia	Tunisian Dinar	TND	1.621	1.546	1.512	1.453
Turkey	Turkish Lira	TRL	1,870,690.000	1,777,052.000	1,761,551.000	1,694,851.000
European Monetary Union	Euro	EUR	1	1	1	1
Venezuela	Bolivar	VEB	2,567.820	2,337.200	1,960.780	1,829.430
Zambia	Kwacha	ZMK	6,073.100	5,917.130	5,749.130	5,411.830

The exchange rate concerns the amount of foreign currency necessary in order to buy 1 euro.

(*) Source Banque Centrale – Republique de Guinée

consolidation area at 31st december 2004

subsidiary companies

■ 1	A.S.T.A.C. S.r.l.	100.00%
■ 2	Italstrade S.p.A. (Ex Place Moulin S.p.A.)	100.00%
■ 3	Astaldi International Ltd	100.00%
■ 4	Astaldi de Venezuela C.A.	99.80%
■ 5	Astaldi Construction Corp.Of Florida	99.80%
■ 6	Italstrade CCCF JV Romis S.r.l.	51.00%
■ 7	Romstrade S.r.l.	51.00%
■ 8	I.T.S. S.p.A.	100.00%
■ 9	Italstrade Somet JV Rometro S.r.l.	51.00%
■ 10	S.U.G.C.T. S.A. Calarasi	50.53%
■ 11	Astaldi Arabia Ltd.	100.00%
■ 12	Astaldi Finance S.A.	99.96%
■ 13	Romairport S.r.l.	99.26% *
■ 14	Astaldi-Max Bogl-CCCF JV S.r.l.	50.00% *

other equity investments

15	Consorcio Metro Los Teques	30.00%
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changes in the consolidation area

equity interests leaving the consolidation area

	equity holding
1 Comet J.V.	15.00% *
2 R.I.C. - Railway International Construction S.p.A.	100.00% *
3 Legnami Pasotti Italia I.C. S.r.l.	80.00% *

equity interests entering the consolidation area

	equity holding
1 Astaldi-Max Bogl-CCCF JV S.r.l.	50.00% *

NB: The companies marked ■ are aggregated with the line by line method.

The others with the proportional method

The companies marked * have been changed in the financial year

Romairport S.r.l. changed holding % during the year.

reconciliation between the parent company's financial statements and the consolidated financial statements

(euro thousands)

	net equity 31.12.2004	profit (loss) for the year 31.12.2004	net equity 31.12.2003	profit (loss) for the year 31.12.2003
equity and profit/loss for the year as stated in the parent company's financial statements (net of the conversion reserve)	254,625	31,277	229,665	12,017
conversion reserve	(22,002)		(18,594)	
elimination of the carrying value of consolidated equity interests:				
– difference between carrying value and pro rata value of equity	1,455		10,783	
– pro-rata profit/loss of the companies invested in	(1,137)	(1,137)	4,020	4,020
– differences from consolidation	–		–	
elimination of the effects of transactions between consolidated companies:				
– profit from intercompany transactions	(5,475)	–	(5,475)	65
– amortization on intercompany sales	4,770	1,007	3,763	1,255
– provision for losses on consolidated companies	5,568	2,991	2,327	9,724
– coverage for losses of consolidated companies	–	7	–	21,721
– dividends from consolidated companies	(1,500)	(6,992)	(6,300)	(27,934)
leasing under the financial method	7,387	454	6,933	1,526
equity and profit/loss for the year pertaining to the group	243,691	27,607	227,122	22,394
minority interest	91	508	158	(217)
equity and profit/loss for the year as stated in the consolidated financial statements	243,782	28,115	227,280	22,177

changes in consolidated net equity

(euro thousands)

	share capital	share premium reserve	revaluation reserves	legal reserve	reserve for own shares	reserve for own shares purchasing	conversion reserve (loss)
balance at 31 december 2001	58,421	8,757	14	4,962	361		20,413
2002 fluctuations							
increase of share capital	20,300	42,630					
free increase of share capital	4,883	(4,883)					
bond loan conversion	14,821	21,332					
profit allocation				1,662			
distribution of dividends							
change in (loss)							
conversion reserve							(27,661)
other changes			222		(361)		
result of the period							
balance at 31 december 2002	98,425	67,836	236	6,624			(7,248)
2003 fluctuations							
setting-up of the reserve							
for own shares purchasing					2,385	22,215	
profit allocation				594			840
distribution of dividends							
fund allocation as per art. 27							
of the company's by-laws							
change in (loss)							
conversion reserve							(12,186)
other changes							
result of the period							
balance at 31 december 2003	98,425	67,836	236	7,218	2,385	22,215	(18,594)
2004 fluctuations							
profit allocation				601			
distribution of dividends							
fund allocation as per art. 27							
of the company's by-laws							
change in (loss)							
conversion reserve							(3,408)
purchase (sale) own shares					(1,487)	1,487	
other changes							
result of the period							
balance at 31 december 2004	98,425	67,836	236	7,819	898	23,702	(22,002)

extraordinary reserve	reserve for special liabilities	euro conversion difference	profit (loss) carried forward	profit (loss) for the period	min. interest capital and reserves	total equity
6,506	798	(2)	17,825	30,027	6	148,088
						62,930
						36,153
18,186			(3,224)	(16,624)		
				(13,403)		(13,403)
					55	(27,606)
361			611		(196)	637
				15,070	442	15,512
25,053	798	(2)	15,212	15,070	307	222,311
(9,670)			(14,930)			
6,288			2,343	(10,065)		
				(4,916)		(4,916)
				(89)		(89)
					73	(12,113)
4			(90)		(5)	(91)
				22,395	(217)	22,178
21,675	798	(2)	2,535	22,395	158	227,280
5,066			10,331	(15,998)		
				(6,306)		(6,306)
				(90)		(90)
					(150)	(3,558)
			(1,234)		(425)	(1,659)
				27,607	508	28,115
26,741	798	(2)	11,632	27,608	91	243,782

A - Consolidated companies with line by line method

Assistenza Sviluppo e Tecnologie Ausiliarie alle Costruzioni (A.S.T.A.C.) S.r.l.	Via G.V. Bona, 65 - Rome - Italy
Astaldi Arabia Ltd.	P.O. Box 58139 - Riad - Saudi Arabia
Astaldi Construction Corporation	8220 State Road 85 Davie - Florida - U.S.A.
Astaldi de Venezuela C.A.	C.C. C.T. 1ra Etapa Piso 6 Of. 620 - Caracas - Venezuela
Astaldi Finance S.A.	Boulevard du Prince Henri 19-21 - Luxembourg
Astaldi International Ltd.	34-36 Gray's Inn Road - London - United Kingdom
Astaldi-Max Bogli-CCCF JV S.r.l.	Str.Carol Davilla n°70 - Bucharest - Romania
Italstrade CCCF JV Romis S.r.l.	Piata Pache Protopopescu. 9 - Bucharest - Romania
Italstrade S.p.A.	Via Agrigento. 5 - Rome - Italy
Italstrade Somet JV Rometro S.r.l.	Str. Cap. Av. A. Serbanescu. 49 Sector 1 - Bucharest - Romania
Romairport S.r.l.	Via G.V. Bona. 65 - Rome - Italy
Romstrade S.r.l.	Piata Pache Protopopescu. 9 - Bucharest - Romania
S.U.G.C.T. S.A. Calarasi	Varianta Nord. 1 - Calarasi - Romania
Servizi Tecnici Internazionali - I.T.S. S.p.A.	Via G.V. Bona. 65 - Rome - Italy

B - Consolidated companies with proportional method

Consorcio Metro Los Teques	Caracas - Venezuela
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C - Companies consolidated with the equity method

Astaldi International Inc.	Bank of Liberia Building P.O. Box 660 - Monrovia - Liberia
Astaldi-Astaldi International J.V.	R. Armando Tivane. 466 - Matola Maputo - Mozambique
Astaldi-Burundi Association Momentanée	Avenue de l'O.U.A. B.P. 325 - Bujumbura - Burundi
Astaldi-Ferrocemento J.V.	10-Ha Khayaban-E-Shujat - Karachi - Pakistan
Astaldi-Sénégal Association en participation	Avenue Roume Dakar. 16 4ème G. S. - Dakar - Senegal
Astur Construction and Trade A.S.	Aydinpinar Cad. Kucukmehmetler Koyu - Ankara - Turkey
Copenhagen Metro Construction Group J.V. (COMET)	Refshaleoen. 147 P.O. Box 1920 - Copenhagen - Denmark
Euroast S.r.l. In liquidation	Via G.V. Bona. 65 - Rome - Italy
Legnami Pasotti Italia I.C. S.r.l. in liquidation	Via Agrigento. 5 - Rome - Italy
Redo-Association Momentanée	B.P. 8734 - Dem. Republic of Congo
S.E.I.S. S.p.A.	Via Monte Santo. 1 - Rome - Italy
Seac S.p.a.r.l. in liquidation	Avenue des Fleurs - Kinshasa/Gombe - Dem. Republic of Congo
Yellow River Contractors	P.O. Box 073 - Luoyang - People's Republic of China

D - companies carried at cost

A.M.P. S.c.r.l. in liquidation	Viale Caduti di tutte le guerre, 7 - Bari - Italy
Adduttore Ponte Barca S.c.r.l. in liquidation	Via di Pietralata, 140 - Rome - Italy
Aguas de San Pedro S.A. de C.V.	Departamento de Cortes - San Pedro Sula - Honduras
Almo S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy
Alosa Immobiliare S.p.A. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Asociacion Accidental Astaldi S.p.A. - C.B.I. s.r.l.	Locality "El Portillo" - Tarija - Bolivia
Association en participation SEP Astaldi-Somatra-Bredero	Tunisia
Astaldi Africa S.p.A. in liquidation	Addis Abeba - Ethiopia
Astaldi Bayindir J.V.	Ilkadir Sokak, 19 Gaziomanpasa - Ankara - Turkey
Astaldi-Caldart AS.CAL. S.c.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy
Astaldi-Sarantopulos J.V.	Athens - Greece
Avola S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Blufi 1 S.c.r.l. in liquidation	Zona Industriale - Agrigento - Italy
Bocca di Malamocco S.c.r.l.	Via Salaria, 1039 - Rome - Italy
Bussentina S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
C.F.C. S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy
C.F.M. S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy
C.O.MES. S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Carnia S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
CO.ME.NA. S.c.r.l.	Via Morghen, 36 - Naples - Italy
CO.NO.CO. S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Co.Sa.Vi.D. S.c.r.l.	Carini - Contrada Foresta Z.I. - Palermo - Italy
Cogital S.c.r.l. in liquidation	Viale Italia, 1 - Milan - Italy
Colli Albani S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Consorcio Astaldi - C.B.I.	Av. Iturralde 1308 Esquina San Salvador - La Paz - Bolivia
Consorcio Astaldi-ICE	Av. Libertador Bolivar, 1842 - Cochabamba - Bolivia
Consorcio Contuy Medio	Avida Andres Bello, Ed. Atlantic Piso 7, Of. 1-7 - Venezuela
Consorcio DEI	Via San Nazaro, 19 - Genoa - Italy
Consorcio Grupo Contuy - Proyectos y Obras de Ferrocarriles	CCC T. 1ra Etapa Piso 6 Of. 620 Chuao - Caracas - Venezuela
Consorzio A.F.T.	Via G.V. Bona, 65 - Rome - Italy
Consorzio A.F.T. Kramis	Via G.V. Bona, 65 - Rome - Italy

currency	par value of share capital	% owned directly	% owned indirectly	entity holding indirect investment
EUR	46,800.00	100.000%	0.000%	Astaldi International Ltd. Astaldi de Venezuela
SAR	5,000,000.00	60.000%	40.000%	
US\$	4,290,000.00	90.000%	10.000%	
VEB	110,300,000.00	99.804%	0.000%	
EUR	250,000.00	99.960%	0.000%	
GBP	2,000,000.00	100.000%	0.000%	Italstrade S.p.A.
EUR	10,000.00	50.000%	0.000%	
LEI	5,400,000,000.00	0.000%	51.000%	
EUR	25,563,340.00	100.000%	0.000%	
LEI	22,000,000.00	0.000%	51.000%	
EUR	500,000.00	0.000%	99.260%	Italstrade S.p.A.
LEI	10,000,000,000.00	0.000%	51.000%	Italstrade S.p.A.
LEI	13,618,975,000.00	0.000%	50.367%	Italstrade S.p.A.
EUR	232,200.00	0.000%	100.000%	Astaldi International Ltd.
VEB		30.000%	0.000%	
US\$	3,000,000.00	0.000%	100.000%	Astaldi International Ltd.
US\$	10,000.00	0.000%	100.000%	Astaldi International Ltd.
US\$	50,000.00	0.000%	100.000%	Astaldi International Ltd.
US\$	50,000.00	50.000%	0.000%	
XOF	50,000,000.00	0.000%	100.000%	Astaldi International Ltd.
TRL	23,790,610,000.00	99.000%	0.000%	Astaldi International Ltd.
DKK		0.000%	15.000%	
EUR	15,300.00	100.000%	0.000%	
EUR	51,000.00	0.000%	80.000%	Italstrade S.p.A.
ZRZ	50,000.00	75.000%	25.000%	Astaldi International Ltd.
EUR	3,877,500.00	48.330%	0.000%	
ZRZ	200,000,000.00	0.000%	100.000%	Astaldi International Ltd.
US\$	999,336.00	0.000%	14.000%	Italstrade S.p.A.
EUR	25,822.00	0.010%	0.000%	I.T.S. S.p.A.
EUR	45,900.00	24.330%	0.000%	
HNL	98,000,000.00	15.000%	0.000%	
EUR	46,481.00	35.000%	0.000%	
EUR	10,320,000.00	50.000%	0.000%	
-		70.000%	0.000%	
TND		40.000%	0.000%	
EUR	1,033.00	100.000%	0.000%	
-		50.000%	0.000%	
EUR	46,800.00	60.000%	0.000%	
-		14.000%	0.000%	
EUR	10,200.00	50.000%	0.000%	
EUR	25,823.00	32.000%	0.000%	
EUR	30,987.00	0.010%	0.000%	
EUR	25,500.00	78.800%	0.000%	
EUR	45,900.00	0.010%	0.000%	
EUR	41,317.00	50.000%	0.000%	
EUR	20,000.00	55.000%	0.000%	
EUR	45,900.00	33.000%	0.000%	
EUR	20,658.00	70.432%	0.000%	
EUR	25,500.00	80.000%	0.000%	
EUR	25,500.00	0.010%	0.000%	
EUR	60,044.00	50.000%	0.000%	
EUR	25,500.00	60.000%	0.000%	
US\$	100,000.00	60.000%	0.000%	
-		50.000%	0.000%	
US\$	40,000.00	28.300%	0.000%	
EUR	26,000.00	0.000%	35.000%	
VEB		32.330%	0.000%	
EUR	46,481.00	33.330%	0.000%	
EUR	100,000.00	49.995%	0.000%	

(table follows)

companies carried at cost

Consorzio A.R.Z. - Astaldi-R.I.C.- ZAIRE in liquidation	Via G.V. Bona, 65 - Rome - Italy
Consorzio Asse Sangro in liquidation	Via della Fonte di Fauno, 2/A bis - Rome - Italy
Consorzio Astaldi-C.M.B. Due in liquidation	Via G.V. Bona, 65 - Rome - Italy
Consorzio Bonifica Lunghezza - C.B.L.	Via Calderon de la Barca, 87 - Rome - Italy
Consorzio Brundisium	Via Caboto n°1 - Corsico - Milan - Italy
Consorzio C.I.R.C. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Consorzio Carnia in liquidation	Via G.V. Bona, 65 - Rome - Italy
Consorzio Centro Uno	C.so Vittorio Emanuele, 130 - Naples- Italy
Consorzio Co.Fe.Sar.	Viale Liegi, 26 - Rome - Italy
Consorzio Cogitau S.c.n.c. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Consorzio CONC.I.L.L. in liquidation	Via Passeggiata di Ripetta, 35 - Rome - Italy
Consorzio Consarno	Via Napoli, 329 - Castellammare di Stabia (NA) - Italy
Consorzio Consavia S.c.n.c. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	Via Chiatamone, 57 - Naples- Italy
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	Via G.V. Bona, 65 - Rome - Italy
Consorzio Ferrofir in liquidation	Via F.Tovaglieri, 17- Rome - Italy
Consorzio Ferroviario Vesuviano	Via Argine, 425 - Naples- Italy
Consorzio Gi.It. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy
Consorzio Groupement Lesi-Dipenta	Via Indonesia, 100 - Rome - Italy
Consorzio Iricav Due	Via F. Tovaglieri, 413 - Rome - Italy
Consorzio Iricav Uno	Via F. Tovaglieri, 413 - Rome - Italy
Consorzio Ital.Co.Cer.	Piazza Buenos Aires, 5 - Rome - Italy
Consorzio Italvenezia	Via Salaria, 1039 - Rome - Italy
Consorzio L.A.R. in liquidation	Via Palestro, 30 - Rome - Italy
Consorzio Metrofer	Viale Liegi, 26 - Rome - Italy
Consorzio Novocen	Via Oraz, 143 - Naples - Italy
Consorzio Olbia Mare in liquidation	Via G.V. Bona, 65 - Rome - Italy
Consorzio Qalat	Corso Carlo Marx, 19 - Misterbianco (CT) - Italy
Consorzio Recchi S.p.A.- Astaldi S.p.A.	Via Salaria, 1039 - Rome - Italy
Consorzio Tagliamento	Via G.V. Bona, 101/C - Rome - Italy
Consorzio Team	Viale Sarca, 336 - Milan - Italy
Consorzio TRA.DE.CI.V.	Via G. Verdi, 35 - Naples - Italy
Consorzio Tre Fontane Nord in liquidation	Via G.V. Bona, 65 - Rome - Italy
Cospe S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Costruttori Romeni Riuniti Grandi Opere S.p.A.	Via P. Stanislao Mancini, 2 - Rome - Italy
Diga di Arcichiaro S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Diga di Blufi S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
DIP.A. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
DP 2M S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Eco Po Quattro S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Ecosarno S.c.r.l.	Viale Italia, 1 - Sesto S. Giovanni (MI) - Italy
Fiorbis S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy
Fondazione Accademia Nazionale di S. Cecilia	Via Vittoria, 6 - Rome - Italy
Forum S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Fosso Canna S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Fusaro S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy
G.G.O. S.c.r.l. in liquidation	Zona Industriale - Agrigento - Italy
Groupement Astaldi SpA - Astaldi International Ltd.	B.P. 4230 - Djibouti
Groupement Cir S.p.A.	Via Agrigento, 5 - Rome - Italy
Groupement Eurolep	Shifflandestrasse, 35 - Aaran 5000 - Switzerland
Groupement Italgisas	Angle Boulevard de la Resistance et Rue de Puissesaux - Casablanca - Morocco
Holding Eléctrica Centroamericana S.p.A. - (Heca S.p.A.) in liquidation	Via G.V. Bona, 65 - Rome - Italy
Hydro Honduras S.A. (Hydro West y Asociados S.A.)	Ap.3199, Salida Norte Blvd. Fuerzas Armadas - El Carrizal - Tegucigalpa - Honduras
I.F.C. Due S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy
I.F.C. S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy
Imprese Riunite Genova S.c.r.l. in liquidation	Via A. Gramsci, 20 - Genoa - Italy
Imprese Riunite Genova Seconda S.c.r.l. in liquidation	Via Serra, 2/9 - Genoa - Italy
Infraclegrea S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy
Irimuse S.c.r.l.	Via Salaria, 1039 - Rome - Italy
Isclero S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Italsagi Sp. Zo. O.	Ul. Powstancow - Katowice - Poland
Italstrade CCCF JV Bucuresti S.r.l.	Gheorghe Manu, 20 Sector 1 - Bucharest - Romania
Linea A S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
M.N. Metropolitana di Napoli S.p.A.	Via Galileo Ferraris, 101 - Naples - Italy
M.N.6 S.c.r.l.	Via G.Ferraris n.101 - Naples - Italy
Marsico Nuovo S.c.r.l. in liquidation	Via Dora, 2 - Rome - Italy
Max Bogl-Astaldi-CCCF Asocierea JV S.r.l.	Blv.Eroi Sanitar,49 - Bucharest - Romania
ME.SA. S.c.r.l. in liquidation	Via della Cooperazione, 30 - Bologna - Italy
Messina Stadio S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy

currency	par value of share capital	% owned directly	% owned indirectly	entity holding indirect investment
EUR	25,823.00	1.000%	99.000%	Italstrade S.p.A.
EUR	464,811.00	4.762%	0.000%	
EUR	10,329.00	99.995%	0.000%	
EUR	10,000.00	49.000%	0.000%	
EUR	12,000.00	33.333%	0.000%	
EUR	51,000.00	25.000%	0.000%	I.T.S. S.p.A.
EUR	51,646.00	33.000%	0.000%	
EUR	154,937.00	2.000%	0.000%	
EUR	51,646.00	30.000%	0.000%	
EUR	61,975.00	38.100%	0.000%	
EUR	10,329.00	0.000%	50.000%	Italstrade S.p.A.
EUR	20,658.00	25.000%	0.000%	
EUR	20,658.00	25.000%	0.000%	
EUR	2,582.00	50.000%	0.000%	
EUR	206,583.00	0.000%	25.000%	
EUR	30,987.00	66.666%	0.000%	
EUR	154,937.00	0.004%	0.000%	
EUR	2,582.00	50.000%	0.000%	
EUR	258,228.00	0.010%	0.000%	
EUR	510,000.00	32.990%	0.000%	
EUR	520,000.00	27.910%	0.000%	
EUR	51,600.00	30.000%	0.000%	
EUR	77,450.00	25.000%	0.000%	
EUR	206,583.00	29.410%	0.000%	
EUR	25,823.00	33.320%	0.000%	
EUR	51,640.00	40.760%	0.000%	
EUR	15,494.00	72.500%	0.000%	
EUR	10,327.00	40.000%	0.000%	
EUR	51,646.00	50.000%	0.000%	
EUR	154,937.00	15.000%	0.000%	
EUR	45,900.00	11.111%	0.000%	
EUR	154,937.00	17.727%	0.000%	
EUR	15,494.00	33.333%	0.000%	
EUR	10,200.00	100.000%	0.000%	
EUR	5,164,568.00	1.000%	0.000%	
EUR	35,700.00	100.000%	0.000%	
EUR	45,900.00	50.000%	0.000%	
EUR	10,200.00	100.000%	0.000%	
EUR	10,200.00	72.000%	0.000%	
EUR	25,500.00	80.000%	0.000%	
EUR	50,490.00	33.334%	0.000%	
EUR	46,481.00	99.980%	0.000%	
EUR		0.000%	0.000%	
EUR	51,000.00	59.990%	0.000%	
EUR	25,500.00	32.000%	0.000%	
EUR	10,200.00	0.010%	0.000%	
EUR	25,500.00	10.000%	0.000%	
US\$		60.000%	40.000%	
EUR	156,000.00	0.000%	33.330%	
CHF	100,000.00	22.000%	0.000%	
MAD	207,014,000.00	0.000%	40.000%	Italstrade S.p.A.
EUR	100,000.00	50.000%	0.000%	
HNL	35,440,000.00	20.293%	0.000%	
EUR	45,900.00	99.990%	0.000%	
EUR	45,900.00	66.660%	0.000%	
EUR	25,500.00	16.100%	0.000%	
EUR	25,000.00	16.100%	0.000%	
EUR	46,600.00	50.000%	0.000%	
EUR	619,745.00	0.100%	0.000%	
EUR	12,000.00	31.170%	0.000%	
PLN	100,000,000.00	0.000%	34.000%	Italstrade S.p.A.
LEI	2,000,000.00	0.000%	1.000%	Italstrade S.p.A.
EUR	25,500.00	100.000%	0.000%	
EUR	3,655,397.00	22.620%	0.000%	
EUR	51,000.00	1.000%	0.000%	
EUR	10,200.00	25.000%	0.000%	
EUR	10,000.00	25.000%	0.000%	
EUR	40,800.00	25.000%	0.000%	
EUR	45,900.00	33.330%	0.000%	

(table follows)

companies carried at cost

Metrogenova S.c.r.l.	Via IV Novembre snc -Spianata Acquasola - 16121 Genoa - Italy
Metroveneta S.c.r.l.	Piazza Castello, 16 - Padua - Italy
Monte Vesuvio S.c.r.l. in liquidation	Viale Italia, 1 - Sesto S. Giovanni (MI) - Italy
Montedil-Astaldi S.p.A. (MONTAST) in liquidation	Via G.V. Bona, 65 - Rome - Italy
Mormanno S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Mose-Treporti S.c.r.l.	Via C.Battisti n°2 - (Venice) - Italy
N.P.F. - Nuovo Polo Fieristico S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Napoli Porto S.c.r.l. in liquidation	Via G. Verdi, 35 - Naples - Italy
NO.VI.F.IN. Nova Via Festinat Industrias S.c.r.l.	Riviera di Chiaia, 72 - Naples - Italy
Nova Metro S.c.r.l. in liquidation	Via Montello, 10 - Rome - Italy
Palese Park S.r.l.	Via G.V. Bona, 65 - Rome - Italy
Pantano S.c.r.l.	Via Montello, 10 - Rome - Italy
Pavimental S.p.A.	Piazza Ferdinando De Lucia, 15 - Rome - Italy
Pegaso S.c.r.l.	Via F. Tovaglieri, 17 - Rome - Italy
Piana di Licata S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy
Piceno S.c.r.l. in liquidation	Viale Italia, 1 - Sesto S. Giovanni (MI) - Italy
Platamonas Sarantopulos J.V.	Athens - Greece
Plus S.r.l.	Via del Tritone, 53 - Rome - Italy
Pont Ventoux S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Portovesme S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Principe Amedeo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Priolo Siracusa S.c.r.l.	Piazza Velasca, 4 - Milan - Italy
Quattro Venti S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Raggruppamento Astaldi-Vianini in liquidation	S.P. per Fisciano Km.1 - Fisciano (SA) - Italy
Rome Lido S.c.r.l.	Via Carlo Pesenti, 121/123 - Rome - Italy
S. Filippo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
S. Leonardo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
S.A.A.L.P. S.n.c. in liquidation	Via Boncompagni, 47 - Rome - Italy
S.A.C.E.S. S.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Sa.Di.Pe. S.c.r.l. in liquidation	Via della Dataria, 22 - Rome - Italy
Salgit S.r.l.	Via della Dataria, 22 - Rome - Italy
Santangelo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Silva S.r.l. in liquidation	Via Monte Santo, 1 - Rome - Italy
Skiarea Valchiavenna S.p.A.	Via del Crotto, 52 - Campodolcino - Italy
SO.GE.DEP. S.r.l. in liquidation	Via dell'Astronomia, 9 - Rome - Italy
So.Gr.Es. S.c.p.a. in liquidation	Via Molise, 11 - Rome - Italy
Sociedad Concesionaria BAS S.A.	Santiago de Chile - Chile
Susa Dora Quattro S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Tangenziale Seconda S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
TE.CRO. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Todaro S.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy
Toledo S.c.r.l.	Via Morghen, 36 - Naples - Italy
Transeuropska Autocesta d.o.o	Maksimirska 120/III 10000 - Zagreb - Croatia
Tri.Ace S.c.a.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy
Truncu Reale S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
V.A.S.CO. Imprese Riunite	Via Montello, 10 - Rome - Italy
Val Pola S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy
Valle Caudina S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Veneta Sanitaria Finanza di Progetto - V.S.F.P. S.p.A.	Via Cesare Battisti, 2 - Mestre - VE
Vesuviana Strade S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Viadotti di Courmayeur S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy
Viadotto Fadalto S.c.r.l. in liquidation	Viale Sarca , 336 - Milan - Italy

currency	par value of share capital	% owned directly	% owned indirectly	entity holding indirect investment
EUR	25,500.00	21.810%	0.000%	
EUR	25,500.00	50.000%	0.000%	
EUR	45,900.00	50.000%	0.000%	
EUR	408,000.00	100.000%	0.000%	
EUR	10,200.00	74.990%	0.000%	
EUR	10,000.00	35.000%	0.000%	
EUR	40,000.00	50.000%	0.000%	
EUR	10,328.00	15.000%	0.000%	
EUR	10,329.00	0.010%	0.000%	
EUR	40,800.00	24.100%	0.000%	
EUR	1,020,000.00	99.000%	0.000%	
EUR	40,800.00	10.000%	0.000%	
EUR	4,669,132.00	1.303%	0.000%	
EUR	260,000.00	43.750%	0.000%	
EUR	10,200.00	43.750%	0.000%	
EUR	10,200.00	50.000%	0.000%	
-		14.450%	0.000%	
EUR	765,000.00	11.640%	0.000%	
EUR	51,000.00	56.250%	0.000%	
EUR	25,500.00	80.000%	0.000%	
EUR	10,200.00	50.000%	0.000%	
EUR	11,000.00	20.000%	0.000%	
EUR	51,000.00	60.000%	0.000%	
EUR	25,823.00	50.000%	0.000%	
EUR	10,200.00	19.115%	0.000%	
EUR	10,200.00	80.000%	0.000%	
EUR	10,200.00	51.000%	0.000%	
EUR	51,646.00	30.000%	0.000%	
EUR	26,000.00	37.000%	0.000%	
EUR	40,800.00	49.950%	0.000%	
EUR	10,200.00	0.000%	33.000%	Italstrade S.p.A.
EUR	51,000.00	45.000%	0.000%	
EUR	15,300.00	99.000%	0.000%	
EUR	7,419,680.00	0.710%	0.000%	
EUR	20,400.00	22.840%	0.000%	
EUR	129,000.00	25.000%	0.000%	
Chilean Pesos	8,876,340,000.00	0.100%	0.000%	
EUR	51,000.00	90.000%	0.000%	
EUR	45,900.00	42.730%	0.000%	
EUR	10,200.00	100.000%	0.000%	
EUR	233,580.00	0.000%	100.000%	Italstrade S.p.A.
EUR	50,000.00	90.394%	0.000%	
HRK	49,019,600.00	49.000%	0.000%	
EUR	45,900.00	80.000%	0.000%	
EUR	30,600.00	34.000%	0.000%	
EUR	51,646.00	29.000%	0.000%	
EUR	46,481.00	35.000%	0.000%	
EUR	50,000.00	52.240%	0.000%	
EUR	20,500,000.00	31.000%	0.000%	
EUR	45,900.00	30.000%	0.000%	
EUR	10,200.00	66.670%	0.000%	
EUR	51,129.00	80.000%	0.000%	

companies		a) share capital	b) stockholders' equity
1 - subsidiaries			
carrying method: cost			
Asociacion Accidental Astaldi S.p.A. - C.B.I. s.r.l.	Locality "El Portillo" - Tarija - Bolivia	-	-
Astaldi Africa S.p.A. in liquidation	Addis Abeba - Ethiopia	1,032.91	1,032.91
Astaldi-Caldart AS.CAL. S.c.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy	46,800.00	(8,761.00)
Bussentina S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,500.00	(60,044.00)
C.O.MES. S.C.r.l.	Via G.V.Bona, 65 - Rome - Italy	20,000.00	20,000.00
CO.ME.NA. S.c.r.l.	Via Morghen, 36 - Naples- Italy	20,658.28	20,658.28
CO.NO.CO. S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	25,500.00	25,822.84
Colli Albani S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,500.00	9,190.00
Consorcio Astaldi - C.B.I.	Av. Iturralde 1308 Esquina San Salvador - La Paz - Bolivia	-	(6,381,512.86)
Consorzio A.R.Z. - Astaldi-R.I.C.- ZAIRE in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,822.84	19,222.00
Consorzio Astaldi-C.M.B. Due in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,329.14	7,577.00
Consorzio Olbia Mare in liquidation	Via G.V. Bona, 65 - Rome - Italy	15,493.71	(726,340.00)
Cospe S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	10,200.00	10,329.14
Diga di Arcichiaro S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	35,700.00	(46,447.00)
DIP.A. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00	(26,283.00)
DP 2M S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00	(28,802.00)
Eco Po Quattro S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	25,500.00	25,822.84
Florbis S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	46,481.12	20,131.77
Forum S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	51,000.00	51,645.69
Groupement Astaldi SpA - Astaldi International Ltd.	B.P. 4230 - Djibouti	-	-
I.F.C. Due S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	45,900.00	(303,427.00)
I.F.C. S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	45,900.00	38,645.00
Linea A S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,500.00	25,822.84
Montedil-Astaldi S.p.A. (MONTAST) in liquidation	Via G.V. Bona, 65 - Rome- Italy	408,000.00	1,223,171.00
Mormanno S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00	(64,578.00)
Palese Park S.r.l.	Via G.V. Bona, 65 - Rome - Italy	1,020,000.00	984,638.00
Portovesme S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	25,500.00	25,822.84
Quattro Venti S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	51,000.00	51,645.69
S. Filippo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00	(69,357.00)
S. Leonardo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00	(17,257.00)
Silva S.r.l. in liquidation	Via Monte Santo, 1 - Rome - Italy	15,300.00	(31,831.00)
Susa Dora Quattro S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	51,000.00	51,645.69
TE.CRO. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00	(291,659.00)
Todaro S.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy	233,580.00	179,299.00
Toledo S.c.r.l.	Via Morghen, 36 - Naples Italy	50,000.00	50,000.00
Tri.Ace S.c.a.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	45,900.00	46,481.12
Viadotti di Courmayeur S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	10,200.00	10,329.14
Viadotto Fadalto S.c.r.l. in liquidation	Viale Sarca , 336 - Milan - Italy	51,129.23	34,078.84
total carrying method: cost			
carrying method: equity			
Astaldi International Inc.	Bank of Liberia Building P.O. Box 660 - Monrovia - Liberia	3,404,062.17	1,690,492.70
Astaldi-Astaldi International J.V.	R. Armando Tivane, 466 - Matola Maputo - Mozambique	7,457.12	227,986.42
Astaldi-Burundi Association Momentanée	Avenue de l'O.U.A. B.P. 325 - Bujumbura - Burundi	29,062.55	142,565.63
Astaldi-Sénégal Association en participation	Avenue Roume Dakar, 16 4ème G. S. - Dakar - Senegal	91,004.86	(172,494.73)
Astur Construction and Trade A.S.	Aydinpinar Cad. Kucukmehmetler Koyu - Ankara - Turkey	528,333.50	1,442,973.77
Euroast S.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	15,300.00	(14,773.85)
Legnami Pasotti Italy I.C. S.r.l. in liquidation	Via Agrigento, 5 - Rome - Italy	51,000.00	(2,039,226.00)
Redo-Association Momentanée	B.P. 8734 - Dem. Republic of Congo	-	689,782.09
Seac S.p.a.r.l. in liquidation	Avenue des Fleurs - Kinshasa/Gombe - Dem. Rep. of Congo	337,101.85	(8,873,883.58)
total carrying method: equity			
total 1 - subsidiaries			
2 - associated companies			
carrying method: cost			
Adduttore Ponte Barca S.c.r.l. in liquidation	Via di Pietralata, 140 - Rome - Italy	45,900.00	46,481.12
Almo S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	46,481.12	46,481.12
Alosa Immobiliare S.p.A. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,320,000.00	(41,405,770.00)
Association en participation SEP			
Astaldi-Somatra-Bredero	Tunisia	-	17,406.75
Astaldi Bayindir J.V.	Ilkadam Sokak, 19 Gaziomanpasa- Ankara - Turkey	-	-
Avola S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00	(53,035.00)
Blufi 1 S.c.r.l. in liquidation	Zona Industriale - Agrigento - Italy	25,822.84	13,089.14
C.F.M. S.c.r.l. in liquidation	Via privata D. Giustino , 3/A - Naples - Italy	41,316.55	41,316.55
Carnia S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	45,900.00	(102,003.00)
Cogital S.c.r.l. in liquidation	Viale Italia, 1 - Milan - Italy	60,044.00	59,826.00
Consorcio Astaldi-ICE	Av. Libertador Bolivar, 1842 - Cochabamba - Bolivia	-	-
Consorcio Contuy Medio	Avida Andres Bello, Ed. Atlantic Piso 7, Of. 1-7 - Venezuela	-	(428,045.19)
Consorcio DEI	Via San Nazaro, 19 - Genoa - Italy	26,000.00	26,000.00
Consorcio Grupo Contuy - Proyectos y Obras de Ferrocarriles	CCC T. 1ra Etapa Piso 6 Of. 620 Chuao - Caracas - Venezuela	-	498,464.14
Consorzio A.F.T.	Via G.V. Bona, 65 - Rome - Italy	46,481.12	46,481.12

c) profit (loss) for the year	d) % ownership	e) book value	f) share of net equity	g) share of provision for min. inter. risks	h) coverage of losses	i) distributed profits	l) equity as per art. 2426 sub. 1 n. 4 it. civ.code
-	70.000%	-	-	-	-	-	-
-	100.000%	-	1,032.91	-	-	-	(1,032.91)
(13,116.00)	60.000%	-	(5,256.60)	5,256.60	-	-	-
(69,046.00)	78.800%	-	(47,314.67)	47,314.67	-	-	-
-	55.000%	11,000.00	11,000.00	-	-	-	-
-	70.432%	14,549.62	14,550.04	-	-	-	(0.42)
-	80.000%	11,620.28	20,658.27	-	-	-	(9,037.99)
(3,371.00)	60.000%	5,514.00	5,514.00	-	-	-	-
(1,633,826.38)	60.000%	-	(3,828,907.72)	-	-	-	3,828,907.72
(5,595.00)	100.000%	24,761.22	19,222.00	-	-	-	5,539.22
(3,502.00)	99.995%	7,576.62	7,576.62	-	-	-	-
(2,618.00)	72.500%	-	(526,596.50)	526,596.50	-	-	-
-	100.000%	5,681.03	10,329.14	-	-	-	(4,648.11)
(48,922.00)	100.000%	-	(46,447.00)	46,447.00	-	-	-
(8,749.00)	100.000%	-	(26,283.00)	26,283.00	-	-	-
(2,546.00)	72.000%	4,179.56	(20,737.44)	-	-	-	24,917.00
-	80.000%	20,658.28	20,658.27	-	-	-	0.01
(4,664.53)	99.980%	20,127.74	20,127.74	-	-	-	-
-	59.990%	30,982.25	30,982.25	-	-	-	-
-	100.000%	-	-	-	-	-	-
(92,360.00)	99.990%	-	(303,396.66)	303,396.66	-	-	-
(7,256.00)	66.660%	15,493.71	25,760.76	-	-	-	(10,267.05)
-	100.000%	25,822.84	25,822.84	-	-	-	-
(13,797.00)	100.000%	650,735.69	1,223,171.00	-	-	-	(572,435.31)
(3,115.00)	74.990%	-	(48,427.04)	48,427.04	-	-	-
(11,581.00)	99.000%	1,022,584.66	974,791.62	-	-	-	47,793.04
-	80.000%	20,658.28	20,658.27	-	-	-	0.01
-	60.000%	30,987.41	30,987.41	-	-	-	-
(16,247.00)	80.000%	-	(55,485.60)	55,485.60	-	-	-
(16,485.00)	51.000%	-	(8,801.07)	8,801.07	-	-	-
(1,130.00)	99.000%	-	(31,512.69)	31,512.70	-	-	(0.01)
-	90.000%	46,481.12	46,481.12	-	-	-	-
(96,986.00)	100.000%	-	(291,659.00)	291,659.00	-	-	-
151,820.00	100.000%	236,537.26	179,299.00	-	-	-	57,238.26
-	90.394%	45,197.00	45,197.00	-	-	-	-
-	80.000%	37,184.90	37,184.90	-	-	-	-
-	66.670%	3,718.49	6,886.44	-	-	-	(3,167.95)
-	80.000%	27,263.07	27,263.07	-	-	-	-
		2,319,315.03	(2,435,670.32)	1,391,179.84	-	-	3,363,805.51
-	100.000%	1,690,492.70	1,690,492.70	-	-	-	-
374,585.29	100.000%	227,986.42	227,986.42	-	-	-	-
3,485.34	100.000%	142,565.63	142,565.63	-	-	-	-
176,722.12	100.000%	-	(172,494.73)	172,494.73	-	-	-
235,336.77	99.000%	1,442,973.77	1,442,973.77	-	-	-	-
(5,359.41)	100.000%	-	(14,773.85)	14,773.85	-	-	-
(2,089,000.00)	80.000%	-	(1,631,380.80)	1,631,380.80	-	-	-
-	100.000%	689,782.09	689,782.09	-	-	-	-
(259,143.21)	100.000%	-	(7,383,413.14)	7,383,413.14	-	-	-
		4,193,800.61	(5,008,261.91)	9,202,062.52	-	-	-
		6,513,115.64	(7,443,932.23)	10,593,242.36	-	-	3,363,805.51
-	24.330%	11,308.86	11,308.86	-	-	-	-
-	35.000%	16,268.39	16,268.39	-	-	-	-
(456,676.00)	50.000%	-	(20,702,885.00)	228,338.00	20,474,547.00	-	-
17,406.75	40.000%	-	6,962.70	-	-	-	(6,962.70)
-	50.000%	-	-	-	-	-	-
(33,034.00)	50.000%	-	(26,517.50)	26,517.50	-	-	-
-	32.000%	4,188.52	4,188.52	-	-	-	-
-	50.000%	20,658.28	20,658.28	-	-	-	-
(54,932.00)	33.000%	-	(33,660.99)	33,660.99	-	-	-
(578.00)	50.000%	29,913.00	29,913.00	-	-	-	-
-	50.000%	-	-	-	-	-	-
(431,244.90)	28.300%	109,617.98	(121,136.79)	-	-	-	230,754.77
-	35.000%	12,134.44	9,100.00	-	-	-	3,034.44
(836,103.70)	32.330%	-	161,153.46	-	-	-	(161,153.46)
-	33.330%	15,493.71	15,492.16	-	-	-	1.55

(table follows)

companies		a) share capital	b) stockholders' equity
carrying method: cost			
Consorzio A.F.T. Kramis	Via G.V. Bona, 65 - Rome - Italy	100,000.00	100,000.00
Consorzio Bonifica Lunghezza - C.B.L.	Via Calderon de la Barca, 87 - Rome - Italy	10,000.00	10,000.00
Consorzio Brundisium	Via Caboto n°1 - Corsico - Milan - Italy	12,000.00	-
Consorzio C.I.R.C. in liquidation	Via G.V. Bona, 65 - Rome - Italy	51,000.00	51,645.69
Consorzio Carnia in liquidation	Via G.V. Bona, 65 - Rome - Italy	51,645.69	51,645.69
Consorzio Co.Fe.Sar.	Viale Liegi, 26 - Rome - Italy	51,645.69	51,645.00
Consorzio Cogitau S.c.n.c. in liquidation	Via G.V. Bona, 65 - Rome - Italy	61,974.83	1,213,749.00
Consorzio CONC.I.L. in liquidation	Via Passeggiata di Ripetta, 35 - Rome - Italy	10,329.14	6,564.00
Consorzio Consarno	Via Napoli, 329 - Castellammare di Stabia (NA) - Italy	20,658.28	20,658.28
Consorzio Consavia S.c.n.c. in liquidation	Via G.V. Bona, 65 - Rome - Italy	20,658.28	12,570.00
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	Via Chiatamone, 57 - Naples - Italy	2,582.28	-
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	Via G.V. Bona, 65 - Rome - Italy	206,583.00	206,584.00
Consorzio Ferrofir in liquidation	Via F.Tovaglieri, 17 - Rome - Italy	30,987.41	534,800.45
Consorzio Gi.It. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	2,582.28	2,582.28
Consorzio Iricav Due	Via F. Tovaglieri, 413 - Rome - Italy	510,000.00	516,456.90
Consorzio Iricav Uno	Via F. Tovaglieri, 413 - Rome - Italy	520,000.00	520,000.00
Consorzio Ital.Co.Cer.	Piazza Buenos Aires, 5 - Rome - Italy	51,600.00	51,644.00
Consorzio Italvenezia	Via Salaria, 1039 - Rome - Italy	77,450.00	77,468.00
Consorzio L.A.R. in liquidation	Via Palestro, 30 - Rome - Italy	206,582.76	206,582.76
Consorzio Metrofer	Viale Liegi, 26 - Rome - Italy	25,822.84	25,822.84
Consorzio Novocen	Via Oraz, 143 - Naples - Italy	51,640.00	1,105,785.00
Consorzio Qalat	Corso Carlo Marx, 19 - Misterbianco (CT) - Italy	10,327.00	10,329.14
Consorzio Recchi S.p.A. - Astaldi S.p.A.	Via Salaria, 1039 - Rome - Italy	51,645.69	51,645.69
Consorzio Tre Fontane Nord in liquidation	Via G.V. Bona, 65 - Rome - Italy	15,493.71	(15,873.00)
Diga di Blufi S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	45,900.00	46,481.12
Ecosarno S.c.r.l.	Viale Italia, 1 - Sesto S. Giovanni (MI) - Italy	50,490.00	51,129.00
Fosso Canna S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,500.00	10,967.00
Groupement Cir S.p.A.	Via Agrigento, 5 - Rome - Italy	156,000.00	195,063.00
Groupement Eurolep	Shifflandestrass, 35 - Aaran 5000 - Switzerland	62,127.39	56,334.78
Groupement Italgisas	Angle Boulevard de la Resistance et Rue de Puissesses - Casablanca - Morocco	-	-
Holding Eléctrica Centroamericana S.p.A. - (Heca S.p.A.) in liquidation	Via G.V. Bona, 65 - Rome - Italy	100,000.00	(86,631.00)
Hydro Honduras S.A. (Hydro West y Asociados S.A.)	Ap.3199, Salida Norte Blvd. Fuerzas Armadas - El Carrizal - Tegucigalpa - Honduras	2,518,655.24	1,582,346.02
Infralegrea S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy	46,600.00	46,600.00
Isclero S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	12,000.00	(67,397.00)
Italsagi Sp. Zo. O.	Ul. Powstancow - Katowice - Poland	3,615.20	(27,372.21)
M.N. Metropolitana di Napoli S.p.A.	Via Galileo Ferraris, 101 - Naples - Italy	3,655,397.00	6,290,395.00
Marsico Nuovo S.c.r.l. in liquidation	Via Dora, 2 - Rome - Italy	10,200.00	(12,528.00)
Max Bogl-Astaldi-CCCF Asocierea JV S.r.l.	Blv.Eroi Sanitar,49 - Bucharest - Romania	10,000.00	-
ME.SA. S.c.r.l. in liquidation	Via della Cooperazione, 30 - Bologna - Italy	40,800.00	41,316.55
Messina Stadio S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	45,900.00	46,481.12
Metrogenova S.c.r.l.	Via IV Novembre snc -Spianata Acquisola - 16121 Genoa - Italy	25,500.00	25,822.84
Metroveneta S.c.r.l.	Piazza Castello, 16 - Padua - Italy	25,500.00	25,822.84
Monte Vesuvio S.c.r.l. in liquidation	Viale Italia, 1 - Sesto S. Giovanni (MI) - Italy	45,900.00	46,481.12
Mose-Treporti S.c.r.l.	Via C.Battisti n°2 - Venice - Mestre - Italy	10,000.00	-
N.P.F. - Nuovo Polo Fieristico S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	40,000.00	40,000.00
Nova Metro S.c.r.l. in liquidation	Via Montello, 10 - Rome - Italy	40,800.00	41,316.55
Pegaso S.c.r.l.	Via F. Tovaglieri, 17 - Rome - Italy	260,000.00	260,000.00
Piana di Licata S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	10,200.00	(246,354.00)
Piceno S.c.r.l. in liquidation	Viale Italia, 1 - Sesto S. Giovanni (MI) - Italy	10,200.00	(491,930.00)
Pont Ventoux S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	51,000.00	51,645.69
Principe Amedeo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00	(145,792.00)
Priolo Siracusa S.c.r.l.	Piazza Velasca, 4 - Milan - Italy	11,000.00	77,648.24
Raggruppamento Astaldi-Vianini in liquidation	S.P. per Fisciano Km.1 - Fisciano (SA) - Italy	25,822.84	21,115.00
S.A.A.L.P. S.n.c. in liquidation	Via Boncompagni, 47 - Rome - Italy	51,646.00	(164,668.00)
S.A.C.E.S. S.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	26,000.00	561,719.00
Sa.Di.Pe. S.c.r.l. in liquidation	Via della Dataria, 22 - Rome - Italy	40,800.00	38,037.00
Salgit S.r.l.	Via della Dataria, 22 - Rome - Italy	10,200.00	(8,650.63)
Santangelo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	51,000.00	24,048.00
SO.GE.DEP. S.r.l. in liquidation	Via dell'Astronomia, 9 - Rome - Italy	20,400.00	(11,661.00)
So.Gr.Es. S.c.p.a. in liquidation	Via Molise, 11 - Rome - Italy	129,000.00	129,114.22
Tangenziale Seconda S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	45,900.00	46,480.00
Transeuropska Autocesta d.o.o	Maksimirska 120/III 10000 - Zagreb - Croatia	6,466,390.57	6,055,541.07
Truncu Reale S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	30,600.00	30,987.41
V.A.S.CO. Imprese Riunite	Via Montello, 10 - Rome - Italy	51,645.69	84,472.80
Val Pola S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	46,481.12	45,489.88
Valle Caudina S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	50,000.00	51,645.69
Veneta Sanitaria Finanza di Progetto - V.S.F.P. S.p.A.	Via Cesare Battisti, 2 - Mestre - VE	20,500,000.00	20,480,098.00
Vesuviana Strade S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	45,900.00	46,481.12

total carrying method: cost

carrying method: equity

Astaldi-Ferrocemento J.V.	10-Ha Khayaban-E-Shujat - Karachi - Pakistan	37,285.61	(365,185.33)
S.E.I.S. S.p.A.	Via Monte Santo, 1 - Rome - Italy	3,877,500.00	5,086,860.34

total carrying method: equity

total 2 - associated companies

grand total

c) profit (loss) for the year	d) % ownership	e) book value	f) share of net equity	g) share of provision for min. inter. risks	h) coverage of losses	i) distributed profits	l) equity as per art. 2426 sub. 1 n. 4 it. civ.code
-	49.995%	49,995.00	49,995.00	-	-	-	-
-	49.000%	4,900.00	4,900.00	-	-	-	-
-	33.333%	4,000.00	-	-	-	-	4,000.00
-	25.000%	12,911.42	12,911.42	-	-	-	-
-	33.000%	17,043.08	17,043.08	-	-	-	-
-	30.000%	15,493.71	15,493.50	-	-	-	0.21
3,192.00	38.100%	23,612.40	462,438.37	-	-	-	(438,825.97)
1,887.00	50.000%	5,164.57	3,282.00	-	-	-	1,882.57
-	25.000%	5,164.57	5,164.57	-	-	-	-
(8,089.00)	25.000%	5,164.57	3,142.50	-	-	-	2,022.07
-	50.000%	-	-	-	-	-	-
-	25.000%	51,645.69	51,646.00	-	-	-	(0.31)
-	66.666%	20,658.28	356,530.07	-	-	-	(335,871.79)
-	50.000%	1,291.14	1,291.14	-	-	-	-
-	32.990%	170,379.13	170,379.13	-	-	-	-
-	27.910%	145,132.00	145,132.00	-	-	-	-
-	30.000%	15,493.71	15,493.20	-	-	-	0.51
-	25.000%	19,367.13	19,367.00	-	-	-	0.13
-	29.410%	51,645.69	60,755.99	-	-	-	(9,110.30)
-	33.320%	8,607.62	8,604.17	-	-	-	3.45
264,901.00	40.760%	19,475.59	450,717.97	-	-	-	(431,242.38)
-	40.000%	4,131.66	4,131.66	-	-	-	-
-	50.000%	25,822.84	25,822.85	-	-	-	(0.01)
(7,351.00)	33.333%	-	(5,290.95)	5,291.00	-	-	(0.05)
-	50.000%	23,240.56	23,240.56	-	-	-	-
-	33.334%	17,043.08	17,043.34	-	-	-	(0.26)
(14,856.00)	32.000%	3,509.44	3,509.44	-	-	-	-
(8,082.00)	33.330%	42,849.94	65,014.50	-	-	-	(22,164.56)
-	22.000%	8,087.51	12,393.65	-	-	-	(4,306.14)
-	40.000%	-	-	-	-	-	-
(15,839.00)	50.000%	-	(43,315.50)	43,315.50	-	-	-
-	20.293%	519,624.88	321,105.48	-	-	-	198,519.40
-	50.000%	23,300.00	23,300.00	-	-	-	-
(72,231.00)	31.170%	-	(21,007.64)	21,007.64	-	-	-
-	34.000%	-	(9,306.55)	-	-	-	9,306.55
(325,502.00)	22.620%	3,298,708.14	1,422,887.35	-	-	-	1,875,820.79
(17,743.00)	25.000%	-	(3,132.00)	3,132.00	-	-	-
-	25.000%	2,500.00	-	-	-	-	2,500.00
-	25.000%	10,329.14	10,329.14	-	-	-	-
-	33.330%	15,493.71	15,492.16	-	-	-	1.55
-	21.810%	5,055.48	5,631.96	-	-	-	(576.48)
-	50.000%	12,911.42	12,911.42	-	-	-	-
-	50.000%	23,240.56	23,240.56	-	-	-	-
-	35.000%	3,500.00	-	-	-	-	3,500.00
-	50.000%	20,000.00	20,000.00	-	-	-	-
-	24.100%	8,263.31	9,957.29	-	-	-	(1,693.98)
-	43.750%	113,750.00	113,750.00	-	-	-	-
(3,738.00)	43.750%	-	(107,779.88)	107,779.88	-	-	-
(207,076.00)	50.000%	-	(245,965.00)	245,965.00	-	-	-
-	56.250%	23,240.56	29,050.70	-	-	-	(5,810.14)
(9,508.00)	50.000%	-	(72,896.00)	72,896.00	-	-	-
-	20.000%	2,065.83	15,529.65	-	-	-	(13,463.82)
(760.00)	50.000%	10,557.50	10,557.50	-	-	-	-
-	30.000%	15,493.71	(49,400.40)	-	-	-	64,894.11
(140,282.00)	37.000%	9,554.45	207,836.03	-	-	-	(198,281.58)
(3,279.00)	49.950%	18,999.48	18,999.48	-	-	-	-
-	33.000%	-	(2,854.71)	-	-	-	2,854.71
(3,345.00)	45.000%	10,821.60	10,821.60	-	-	-	-
(27,130.00)	22.840%	3,533.12	(2,663.37)	-	-	-	6,196.49
-	25.000%	32,278.56	32,278.56	-	-	-	-
-	42.730%	19,860.90	19,860.90	-	-	-	-
(49,934.82)	49.000%	3,157,743.80	2,967,215.12	-	-	-	190,528.68
-	34.000%	10,535.72	10,535.72	-	-	-	-
-	29.000%	14,977.25	24,497.11	-	-	-	(9,519.86)
-	35.000%	15,921.46	15,921.46	-	-	-	-
-	52.240%	20,234.78	26,979.71	-	-	-	(6,744.93)
(19,901.00)	31.000%	6,355,000.00	6,348,830.38	-	-	-	6,169.62
-	30.000%	13,944.34	13,944.34	-	-	-	-
		14,782,853.21	(7,435,860.18)	787,903.51	20,474,547.00	-	956,262.88
(189,927.00)	50.000%	-	(182,592.67)	182,592.67	-	-	-
423,304.17	48.330%	2,458,479.60	2,458,479.60	-	-	-	-
		2,458,479.60	2,275,886.93	182,592.67	-	-	-
		17,241,332.81	(5,159,973.25)	970,496.18	20,474,547.00	-	956,262.88
		23,754,448.45	(12,603,905.48)	11,563,738.54	20,474,547.00	-	4,320,068.39

companies

currency
par value
of
share capital

1 - subsidiaries

Asociacion Accidental Astaldi S.p.A. - C.B.I. s.r.l.	Locality "El Portillo" - Tarija - Bolivia	-	-
Astaldi (Thailand) Company Ltd.	21/125 Fl.17 Unit A, Thai Wah Tower II SathornTai Road-Sathorn - Bangkok -Thailand	BHT	10,000,000.00
Astaldi Africa S.p.A. in liquidation	Addis Abeba - Ethiopia	EUR	1,033.00
Astaldi Arabia Ltd.	P.O. Box 58139 - Riad - Saudi Arabia	SAR	5,000,000.00
Astaldi International Inc.	Bank of Liberia Building P.O. Box 660 - Monrovia - Liberia	US\$	3,000,000.00
Astaldi-Astaldi International J.V.	R. Armando Tivane, 466 - Matola Maputo - Mozambique	US\$	10,000.00
Astaldi-Burundi Association Momentanée	Avenue de l'O.U.A. B.P. 325 - Bujumbura - Burundi	US\$	50,000.00
Astaldi-Caldart AS.CAL. S.c.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy	EUR	46,800.00
Astaldi-Malawi, Astaldi - Astaldi International J.V.	Private Bag 148 - Blantyre - Malawi	US\$	10,000.00
Astaldi-Rwanda Association Momentanée	Rue de la Douane - Kigali - Rwanda	US\$	50,000.00
Astaldi-Sénégal Association en participation	Avenue Roume Dakar, 16 4ème G. S. - Dakar - Senegal	XOF	50,000,000.00
Astur Construction and Trade A.S.	Aydinpinar Cad. Kucukmehmetler Koyu - Ankara - Turkey	TRL	237,906,100.00
Bussentina S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	25,500.00
C.O.MES. S.C.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	20,000.00
CO.ME.NA. S.c.r.l.	Via Morghen, 36 - Naples - Italy	EUR	20,658.00
CO.NO.CO. S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	25,500.00
Colli Albani S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	25,500.00
Consorcio Astaldi - C.B.I.	Av. Iturralde 1308 Esquina San Salvador - La Paz - Bolivia	US\$	100,000.00
Consorcio Astaldi-Centroxca	C.C.C. T. 1ra, Etapa Piso 6 Of. 620 - Caracas - Venezuela	-	-
Consorzio A.R.Z. - Astaldi-R.I.C.- ZAIRE in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	25,823.00
Consorzio Astaldi-C.M.B. Due in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,329.00
Consorzio Olbia Mare in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	15,494.00
Cospe S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Diga di Arcichiaro S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	35,700.00
DIP.A. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
DP 2M S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Eco Po Quattro S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	25,500.00
Euroast S.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	15,300.00
Florbis S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	EUR	46,481.00
Forum S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	51,000.00
Groupement Astaldi SpA - Astaldi International Ltd.	B.P. 4230 - Djibouti	US\$	-
I.F.C. Due S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00
I.F.C. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00
Legnami Pasotti Italia I.C. S.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	51,000.00
Linea A S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	25,500.00
Montedil-Astaldi S.p.A. (MONTAST) in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	408,000.00
Mormanno S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Palese Park S.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	1,020,000.00
Portovesme S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	25,500.00
Quattro Venti S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	51,000.00
Redo-Association Momentanée	B.P. 8734 - Dem. Rep. of Congo	ZRZ	50,000.00
Romairport S.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	500,000.00
S. Filippo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
S. Leonardo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Seac S.p.a.r.l. in liquidation	Avenue des Fleurs - Kinshasa/Gombe - Dem. Rep. of Congo	ZRZ	200,000,000.00
Silva S.r.l. in liquidation	Via Monte Santo, 1 - Rome - Italy	EUR	15,300.00
Susa Dora Quattro S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	51,000.00
TE.CRO. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Todaro S.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy	EUR	233,580.00
Toledo S.c.r.l.	Via Morghen, 36 - Naples- Italy	EUR	50,000.00
Tri.Ace S.c.a.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00
Viadotti di Courmayeur S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Viadotto Fadalto S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	EUR	51,129.00

total 1) - subsidiaries

2 - associated companies

A.F.M. Astaldi-Ferrocemento-Mambrini S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00
Adduttore Ponte Barca S.c.r.l. in liquidation	Via di Pietralata, 140 - Rome - Italy	EUR	45,900.00
Almo S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples- Italy	EUR	46,481.00
Alosa Immobiliare S.p.A. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,320,000.00
Association en participation SEP Astaldi-Somatra-Bredero	Tunisia	TND	-
Astaldi Bayindir J.V.	Ilkadir Sokak, 19 Gaziomanpasa- Ankara - Turkey	-	-
Astaldi-Ecuador S.A.	Portugal 617 y 6 de Diciembre - Guayaquil - Ecuador	ECS	3,000,000.00
Astaldi-Ferrocemento J.V.	10-Ha Khayaban-E-Shujat - Karachi - Pakistan	US\$	50,000.00
Astaldi-Max Bogl-CCCF JV S.r.l.	Str.Carol Davilla n°70 - Bucharest - Romania	EUR	10,000.00
Avola S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Blufi 1 S.c.r.l. in liquidation	Zona Industriale - Agrigento - Italy	EUR	25,823.00
C.F.M. S.c.r.l. in liquidation	Via privata D. Giustino , 3/A - Naples - Italy	EUR	41,317.00
Carnia S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00

total number of shares	number of shares owned	value at 31.12.2003	total increases	total decreases	reclassif.	value at 31.12.2004	% total
-	-	-	-	-	-	-	70.000%
100,000.00	25,000.00	101,468.71	-	(101,468.71)	-	-	49.000%
-	-	-	-	-	-	-	100.000%
5,000.00	3,000.00	-	-	-	-	-	100.000%
300,000.00	276,000.00	1,804,421.97	-	(113,929.27)	-	1,690,492.70	100.000%
-	-	-	227,986.42	-	-	227,986.42	100.000%
-	-	145,277.94	-	(2,712.31)	-	142,565.63	100.000%
-	-	2,613.00	-	(2,613.00)	-	-	60.000%
-	-	-	-	-	-	-	100.000%
-	-	2,484,633.02	-	(2,484,633.02)	-	-	100.000%
-	-	-	-	-	-	-	100.000%
2,379,061.00	2,355,270.00	1,102,730.10	340,243.67	-	-	1,442,973.77	99.000%
-	-	7,093.58	-	(7,093.58)	-	-	78.800%
-	-	11,000.00	-	-	-	11,000.00	55.000%
-	-	14,549.62	-	-	-	14,549.62	70.432%
-	-	11,620.28	-	-	-	11,620.28	80.000%
-	-	7,537.20	-	(2,023.20)	-	5,514.00	60.000%
-	-	-	-	-	-	-	60.000%
-	-	-	-	-	-	-	99.500%
-	-	24,796.64	-	(35.42)	-	24,761.22	100.000%
-	-	4,843.69	-	2,732.93	-	7,576.62	99.995%
-	-	-	-	-	-	-	72.500%
-	-	5,681.03	-	-	-	5,681.03	100.000%
-	-	2,475.00	-	(2,475.00)	-	-	100.000%
-	-	-	-	-	-	-	100.000%
-	-	-	-	4,179.56	-	4,179.56	72.000%
-	-	20,658.28	-	-	-	20,658.28	80.000%
-	-	-	-	-	-	-	100.000%
-	-	25,817.21	-	(5,689.47)	-	20,127.74	99.980%
-	-	30,982.25	-	-	-	30,982.25	59.990%
-	-	-	-	-	-	-	100.000%
-	-	-	-	-	-	-	99.990%
-	-	15,493.71	-	-	-	15,493.71	66.660%
-	-	-	-	-	-	-	80.000%
-	-	25,822.84	-	-	-	25,822.84	100.000%
800,000.00	360,000.00	650,735.69	-	-	-	650,735.69	100.000%
-	-	-	-	-	-	-	74.990%
-	-	1,022,584.66	-	-	-	1,022,584.66	99.000%
-	-	20,658.28	-	-	-	20,658.28	80.000%
-	-	30,987.41	-	-	-	30,987.41	60.000%
-	-	687,230.79	2,551.30	-	-	689,782.09	100.000%
-	-	-	-	-	-	-	99.260%
-	-	-	-	-	-	-	80.000%
-	-	-	-	-	-	-	51.000%
180,565.00	-	-	-	-	-	-	100.000%
-	-	-	-	-	-	-	99.000%
-	-	46,481.12	-	-	-	46,481.12	90.000%
-	-	-	-	-	-	-	100.000%
-	-	236,537.26	-	-	-	236,537.26	100.000%
-	-	45,197.00	-	-	-	45,197.00	90.394%
-	-	37,184.90	-	-	-	37,184.90	80.000%
-	-	3,718.49	-	-	-	3,718.49	66.670%
-	-	27,263.07	-	-	-	27,263.07	80.000%
		8,658,094.74	570,781.39	(2,715,760.49)		6,513,115.64	
-	-	8,108.99	-	(8,108.99)	-	-	35.000%
-	-	11,308.86	-	-	-	11,308.86	24.330%
-	-	16,268.39	-	-	-	16,268.39	35.000%
2,000,000.00	1,000,000.00	-	-	-	-	-	50.000%
-	-	-	-	-	-	-	40.000%
-	-	-	-	-	-	-	50.000%
3,000.00	600.00	3,098.74	-	(3,098.74)	-	-	20.000%
-	-	-	-	-	-	-	50.000%
-	-	-	-	-	-	-	50.000%
-	-	-	-	-	-	-	50.000%
-	-	4,188.52	-	-	-	4,188.52	32.000%
-	-	20,658.28	-	-	-	20,658.28	50.000%
-	-	-	-	-	-	-	33.000%

(table follows)

companies

associated companies

		currency	par value of share capital
Cogital S.c.r.l. in liquidation	Viale Italia, 1 - Milan - Italy	EUR	60,044.00
Consorzio Astaldi-ICE	Av. Libertador Bolivar, 1842 - Cochabamba - Bolivia	-	-
Consorzio Contuy Medio	Avida Andres Bello, Ed. Atlantic Piso 7, Of. 1-7 - Venezuela	US\$	40,000.00
Consorzio DEI	Via San Nazaro, 19 - Genoa - Italy	EUR	26,000.00
Consorzio Ghella-Astaldi & Asociados	Santo Domingo - Dominican Republic	RD\$	300,000.00
Consorzio Ghella-Astaldi-WTC	Santo Domingo - Dominican Republic	EUR	-
Consorzio Grupo Contuy - Proyectos y Obras de Ferrocarriles	CCC T. 1ra Etapa Piso 6 Of. 620 Chuao - Caracas - Venezuela	VEB	-
Consorzio A.F.T.	Via G.V. Bona, 65 - Rome - Italy	EUR	46,481.00
Consorzio A.F.T. Kramis	Via G.V. Bona, 65 - Rome - Italy	EUR	100,000.00
Consorzio Bonifica Lunghezza - C.B.L.	Via Calderon de la Barca, 87 - Rome - Italy	EUR	10,000.00
Consorzio Brundisium	Via Caboto n°1 - Corsico - Milan - Italy	EUR	12,000.00
Consorzio C.I.R.C. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	51,000.00
Consorzio Carnia in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	51,646.00
Consorzio Co.Fe.Sar.	Viale Liegi, 26 - Rome - Italy	EUR	51,646.00
Consorzio Cogitau S.c.n.c. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	61,975.00
Consorzio CONC.I.L. in liquidation	Via Passeggiata di Ripetta, 35 - Rome - Italy	EUR	10,329.00
Consorzio Consarno	Via Napoli, 329 - Castellammare di Stabia (NA) - Italy	EUR	20,658.00
Consorzio Consavia S.c.n.c. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	20,658.00
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	Via Chiatamone, 57 - Naples- Italy	EUR	2,582.00
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	Via G.V. Bona, 65 - Rome - Italy	EUR	206,583.00
Consorzio Ferrofir in liquidation	Via F.Tovaglieri, 17- Rome- Italy	EUR	30,987.00
Consorzio Gi.It. in liquidation	Via privata D. Giustino, 3/A - Naples- Italy	EUR	2,582.00
Consorzio I.R.S.A.	Via Argine, 425 - Naples- Italy	EUR	-
Consorzio Inau in liquidation	Viale Cesare Pavese, 205 - Rome- Italy	EUR	77,469.00
Consorzio Iricav Due	Via F. Tovaglieri, 413 - Rome - Italy	EUR	510,000.00
Consorzio Iricav Uno	Via F. Tovaglieri, 413 - Rome - Italy	EUR	520,000.00
Consorzio Ital.Co.Cer.	Piazza Buenos Aires, 5 - Rome - Italy	EUR	51,600.00
Consorzio Italvenezia	Via Salaria, 1039 - Rome - Italy	EUR	77,450.00
Consorzio L.A.R. in liquidation	Via Palestro, 30 - Rome- Italy	EUR	206,583.00
Consorzio Metrofer	Viale Liegi, 26 - Rome - Italy	EUR	25,823.00
Consorzio Novocen	Via Oraz, 143 - Naples- Italy	EUR	51,640.00
Consorzio Qalat	Corso Carlo Marx, 19 - Misterbianco (CT) - Italy	EUR	10,327.00
Consorzio Recchi S.p.A. - Astaldi S.p.A.	Via Salaria, 1039 - Rome - Italy	EUR	51,646.00
Consorzio Tre Fontane Nord in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	15,494.00
Diga di Blufi S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00
Ecosarno S.c.r.l.	Viale Italia,1 - Sesto S. Giovanni (MI) - Italy	EUR	50,490.00
Fosso Canna S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	25,500.00
Groupement Cir S.p.A.	Via Agrigento, 5 - Rome - Italy	EUR	156,000.00
Groupement Eurolep	Shifflandestrasse, 35 - Aaran 5000 - Switzerland	CHF	100,000.00
Groupement Italgisas	Angle Boulevard de la Resistance et Rue de Puissesaux - Casablanca - Morocco	MAD	207,014,000.00
Holding Eléctrica Centroamericana S.p.A. - (Heca S.p.A.) in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	100,000.00
Hydro Honduras S.A. (Hydro West y Asociados S.A.)	Ap.3199, Salida Norte Blvd. Fuerzas Armadas - El Carrizal - Tegucigalpa - Honduras	HNL	35,440,000.00
Infralegrea S.c.r.l.	Via privata D. Giustino, 3/A - Naples- Italy	EUR	46,600.00
Isclero S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	12,000.00
Italsagi Sp. Zo. O.	Ul. Powstancow - Katowice - Poland	PLN	100,000,000.00
M.N. Metropolitana di Napoli S.p.A.	Via Galileo Ferraris, 101 - Naples - Italy	EUR	3,655,397.00
Marsico Nuovo S.c.r.l. in liquidation	Via Dora, 2 - Rome - Italy	EUR	10,200.00
Max Bogli-Astaldi-CCCF Asocierea JV S.r.l.	Blv.Eroi Sanitar,49 - Bucharest - Romania	EUR	10,000.00
ME.SA. S.c.r.l. in liquidation	Via della Cooperazione, 30 - Bologna - Italy	EUR	40,800.00
Messina Stadio S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00
Metrogenova S.c.r.l.	Via IV Novembre snc -Spianata Acquasola - 16121 Genoa - Italy	EUR	25,500.00
Metroveneta S.c.r.l.	Piazza Castello, 16 - Padua - Italy	EUR	25,500.00
Monte Vesuvio S.c.r.l. in liquidation	Viale Italia, 1 - Sesto S. Giovanni (MI) - Italy	EUR	45,900.00
Mose-Treporti S.c.r.l.	Via C.Battisti n°2 - Venice - Mestre - Italy	EUR	10,000.00
N.P.F. - Nuovo Polo Fieristico S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	40,000.00
Nova Metro S.c.r.l. in liquidation	Via Montello, 10 - Rome - Italy	EUR	40,800.00
Parking Puccini S.c.r.l. in liquidation	Viale Italia, 1 - Sesto S. Giovanni (MI) - Italy	EUR	45,900.00
Pegaso S.c.r.l.	Via F. Tovaglieri, 17 - Rome - Italy	EUR	260,000.00
Piana di Licata S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Piceno S.c.r.l. in liquidation	Viale Italia, 1 - Sesto S. Giovanni (MI) - Italy	EUR	10,200.00
Pont Ventoux S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	51,000.00
Principe Amedeo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Priolo Siracusa S.c.r.l.	Piazza Velasca, 4 - Milan - Italy	EUR	11,000.00
Raggruppamento Astaldi-Vianini in liquidation	S.P. per Fisciano Km.1 - Fisciano (SA) - Italy	EUR	25,823.00
S.A.A.L.P. S.n.c. in liquidation	Via Boncompagni, 47 - Rome - Italy	EUR	51,646.00
S.A.C.E.S. S.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	26,000.00
S.E.I.S. S.p.A.	Via Monte Santo, 1 - Rome - Italy	EUR	3,877,500.00
Sa.Di.Pe. S.c.r.l. in liquidation	Via della Dataria, 22 - Rome - Italy	EUR	40,800.00
Salgit S.r.l.	Via della Dataria, 22 - Rome - Italy	EUR	10,200.00

total number of shares	number of shares owned	value at 31.12.2003	total increases	total decreases	reclassif.	value at 31.12.2004	% total
-	-	30,022.50	-	(109.50)	-	29,913.00	50.000%
-	-	-	-	-	-	-	50.000%
-	-	109,617.98	-	-	-	109,617.98	28.300%
-	-	12,134.44	-	-	-	12,134.44	35.000%
-	-	6,221.74	-	(6,221.74)	-	-	33.300%
-	-	6,917.63	-	(6,917.63)	-	-	33.300%
-	-	-	-	-	-	-	32.330%
-	-	15,493.71	-	-	-	15,493.71	33.330%
-	-	49,995.00	-	-	-	49,995.00	49.995%
-	-	4,900.00	-	-	-	4,900.00	49.000%
-	-	-	4,000.00	-	-	4,000.00	33.333%
-	-	12,911.42	-	-	-	12,911.42	25.000%
-	-	17,043.08	-	-	-	17,043.08	33.000%
-	-	15,493.71	-	-	-	15,493.71	30.000%
-	-	23,612.40	-	-	-	23,612.40	38.100%
-	-	5,164.57	-	-	-	5,164.57	50.000%
-	-	5,164.57	-	-	-	5,164.57	25.000%
-	-	4,897.34	-	267.23	-	5,164.57	25.000%
-	-	-	-	-	-	-	50.000%
-	-	51,645.69	-	-	-	51,645.69	25.000%
-	-	20,658.28	-	-	-	20,658.28	66.666%
-	-	1,291.14	-	-	-	1,291.14	50.000%
-	-	-	-	-	-	-	50.000%
-	-	23,675.83	-	(23,675.83)	-	-	40.630%
-	-	170,379.13	-	-	-	170,379.13	32.990%
-	-	145,132.00	-	-	-	145,132.00	27.910%
-	-	15,493.71	-	-	-	15,493.71	30.000%
-	-	19,367.13	-	-	-	19,367.13	25.000%
-	-	51,645.69	-	-	-	51,645.69	29.410%
-	-	8,607.62	-	-	-	8,607.62	33.320%
-	-	19,475.59	-	-	-	19,475.59	40.760%
-	-	4,131.66	-	-	-	4,131.66	40.000%
-	-	25,822.84	-	-	-	25,822.84	50.000%
-	-	-	-	-	-	-	33.333%
-	-	23,240.56	-	-	-	23,240.56	50.000%
-	-	17,043.08	-	-	-	17,043.08	33.334%
-	-	-	8,263.31	(4,753.87)	-	3,509.44	32.000%
-	-	64,849.94	-	(22,000.00)	-	42,849.94	33.330%
-	-	8,087.51	-	-	-	8,087.51	22.000%
-	-	-	-	-	-	-	40.000%
100,000.00	50,000.00	-	-	-	-	-	50.000%
70,880.00	6,259.00	519,624.88	-	-	-	519,624.88	20.293%
-	-	23,300.00	-	-	-	23,300.00	50.000%
-	-	1,506.76	520.90	(2,027.66)	-	-	31.170%
-	-	-	-	-	-	-	34.000%
7,310,794.00	1,653,725.00	3,298,708.14	-	-	-	3,298,708.14	22.620%
-	-	2,582.28	-	(2,582.28)	-	-	25.000%
-	-	-	2,500.00	-	-	2,500.00	25.000%
-	-	10,329.14	-	-	-	10,329.14	25.000%
-	-	15,493.71	-	-	-	15,493.71	33.330%
-	-	-	898.00	-	4,157.48	5,055.48	21.810%
-	-	12,911.42	-	-	-	12,911.42	50.000%
-	-	23,240.56	-	-	-	23,240.56	50.000%
-	-	3,500.00	-	-	-	3,500.00	35.000%
-	-	20,000.00	-	-	-	20,000.00	50.000%
-	-	8,263.31	-	-	-	8,263.31	24.100%
-	-	-	-	-	-	-	50.000%
-	-	113,750.00	-	-	-	113,750.00	43.750%
-	-	-	-	-	-	-	43.750%
-	-	-	-	-	-	-	50.000%
-	-	23,240.56	-	-	-	23,240.56	56.250%
-	-	-	-	-	-	-	50.000%
-	-	2,065.83	-	-	-	2,065.83	20.000%
-	-	9,683.57	-	873.93	-	10,557.50	50.000%
-	-	7,318.80	-	8,174.91	-	15,493.71	30.000%
-	-	9,554.45	-	-	-	9,554.45	37.000%
750,000.00	362,475.00	2,253,902.63	204,576.97	-	-	2,458,479.60	48.330%
-	-	20,637.62	-	(1,638.14)	-	18,999.48	49.950%
-	-	2,884.94	-	(2,884.94)	-	-	33.000%

(table follows)

companies		currency	par value of share capital
associated companies			
Santangelo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	51,000.00
SO.GE.DEP. S.r.l. in liquidation	Via dell'Astronomia, 9 - Rome - Italy	EUR	20,400.00
So.Gr.Es. S.c.p.a. in liquidation	Via Molise, 11 - Rome - Italy	EUR	129,000.00
Tangenziale Seconda S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00
Transeuropska Autocesta d.o.o	Maksimirska 120/III 10000 - Zagreb - Croatia	HRK	49,019,600.00
Truncu Reale S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	30,600.00
V.A.S.CO. Imprese Riunite	Via Montello, 10 - Rome - Italy	EUR	51,646.00
Val Pola S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	EUR	46,481.00
Valle Caudina S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	50,000.00
Veneta Sanitaria Finanza di Progetto - V.S.F.P. S.p.A.	Via Cesare Battisti, 2 - Mestre - VE	EUR	20,500,000.00
Vesuviana Strade S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00
total 2) - associated companies			

3 - other minority interests

A.M.P. S.c.r.l. in liquidation	Viale Caduti di tutte le guerre, 7 - Bari - Italy	EUR	25,822.00
Aguas de San Pedro S.A. de C.V.	Departamento de Cortes - San Pedro Sula - Honduras	HNL	98,000,000.00
Astaldi-Sarantopulos J.V.	Athens - Greece	-	-
Bocca di Malamocco S.c.r.l.	Via Salaria, 1039 - Rome - Italy	EUR	30,987.00
C.F.C. S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy	EUR	45,900.00
Co.Sa.Vi.D. S.c.r.l.	Carini - Contrada Foresta Z.I. - Palermo - Italy	EUR	25,500.00
Consorzio Asse Sangro in liquidation	Via della Fonte di Fauno, 2/A bis - Rome - Italy	EUR	464,811.00
Consorzio Centro Uno	C.so Vittorio Emanuele, 130 - Naples- Italy	EUR	154,937.00
Consorzio Ferroviario Vesuviano	Via Argine, 425 - Naples- Italy	EUR	154,937.00
Consorzio Groupement Lesi-Dipenta	Via Indonesia, 100 - Rome - Italy	EUR	258,228.00
Consorzio Tagliamento	Via G.V. Bona, 101/C - Rome - Italy	EUR	154,937.00
Consorzio Team	Viale Sarca, 336 - Milan - Italy	EUR	45,900.00
Consorzio TRA.DE.CI.V.	Via G. Verdi, 35 - Naples - Italy	EUR	154,937.00
Copenhagen Metro Construction Group J.V. (COMET)	Refshaleoen, 147 P.O. Box 1920 - Copenhagen - Denmark	DKK	-
Costruttori Romani Riuniti Grandi Opere S.p.A.	Via P. Stanislao Mancini, 2 - Rome - Italy	EUR	5,164,568.00
Fondazione Accademia Nazionale di S. Cecilia	Via Vittoria, 6 - Rome - Italy	EUR	-
Fusaro S.c.r.l.	Via privata D. Giustino, 3/A - Naples- Italy	EUR	10,200.00
G.G.O. S.c.r.l. in liquidation	Zona Industriale - Agrigento - Italy	EUR	25,500.00
Imprese Riunite Genova S.c.r.l. in liquidation	Via A. Gramsci, 20 - Genoa - Italy	EUR	25,500.00
Imprese Riunite Genova Seconda S.c.r.l. in liquidation	Via Serra, 2/9 - Genoa - Italy	EUR	25,000.00
Irimuse S.c.r.l.	Via Salaria, 1039 - Rome- Italy	EUR	619,745.00
Italstrade CCCF JV Bucuresti S.r.l.	Gheorghe Manu, 20 Sector 1 - Bucharest - Romania	LEI	2,000,000.00
M.N.6 S.c.r.l.	Via G.Ferraris n.101 - Naples- Italy	EUR	51,000.00
Metrogenova S.c.r.l.	Via IV Novembre snc -Spianata Acquasola - 16121 Genoa - Italy	EUR	25,500.00
Napoli Porto S.c.r.l. in liquidation	Via G. Verdi, 35 - Naples - Italy	EUR	10,328.00
NO.VI.F.IN. Nova Via Festinat Industrias S.c.r.l.	Riviera di Chiaia, 72 - Naples - Italy	EUR	10,329.00
Pantano S.c.r.l.	Via Montello, 10 - Rome - Italy	EUR	40,800.00
Pavimental S.p.A.	Piazza Ferdinando De Lucia, 15 - Rome - Italy	EUR	4,669,132.00
Platamonas Sarantopulos J.V.	Athens - Greece	-	-
Plus S.r.l.	Via del Tritone, 53 - Rome - Italy	EUR	765,000.00
Roma Lido S.c.r.l.	Via Carlo Pesenti, 121/123 - Rome - Italy	EUR	10,200.00
Skiarea Valchiavenna S.p.A.	Via del Crotto, 52 - Campodolcino - Italy	EUR	7,419,680.00
Sociedad Concesionaria BAS S.A.	Santiago de Chile - Chile	PLC	88,763,400.00
Teheran Laviran		-	-
Yellow River Contractors	P.O. Box 073 - Luoyang - People's Rep. of China	US\$	999,336.00
total 3) other minority interests			

grand total

total number of shares	number of shares owned	value at 31.12.2003	total increases	total decreases	reclassif.	value at 31.12.2004	% total
-	-	12,326.85	-	(1,505.25)	-	10,821.60	45.000%
-	-	2,959.17	-	573.95	-	3,533.12	22.840%
-	-	32,278.56	-	-	-	32,278.56	25.000%
-	-	19,640.70	-	220.20	-	19,860.90	42.730%
-	-	3,157,743.80	-	-	-	3,157,743.80	49.000%
-	-	10,535.72	-	-	-	10,535.72	34.000%
-	-	14,977.25	-	-	-	14,977.25	29.000%
-	-	15,921.46	-	-	-	15,921.46	35.000%
-	-	20,234.78	-	-	-	20,234.78	52.240%
205,000.00	63,550.00	6,355,000.00	-	-	-	6,355,000.00	31.000%
-	-	13,944.34	-	-	-	13,944.34	30.000%
		17,091,830.50	220,759.18	(75,414.35)	4,157.48	17,241,332.81	

-	-	2.58	-	(1.11)	-	1.47	0.010%
-	14,700,000.00	1,033,189.75	13,283.03	-	-	1,046,472.78	15.000%
-	-	-	-	-	-	-	14.000%
-	-	3.10	-	-	-	3.10	0.010%
-	-	4.65	-	-	-	4.65	0.010%
-	-	2.58	-	-	-	2.58	0.010%
-	-	22,133.87	-	-	-	22,133.87	4.762%
-	-	3,098.74	-	-	-	3,098.74	2.000%
-	-	6.20	-	-	-	6.20	0.004%
-	-	41.32	-	-	-	41.32	0.010%
-	-	23,240.56	-	-	-	23,240.56	15.000%
-	-	5,164.57	-	-	-	5,164.57	11.111%
-	-	27,571.13	-	-	-	27,571.13	17.727%
-	-	-	-	-	-	-	15.000%
400.00	2.00	51,645.69	-	(0.01)	-	51,645.68	1.000%
-	-	5,164.57	-	-	-	5,164.57	0.000%
-	-	1.03	-	-	-	1.03	0.010%
-	-	2,582.28	-	-	-	2,582.28	10.000%
-	-	4,157.48	-	-	-	4,157.48	16.100%
-	-	4,157.48	-	(4,157.48)	-	-	16.100%
-	-	619.75	-	-	-	619.75	0.100%
-	-	29.24	-	-	-	29.24	1.000%
-	-	510.00	-	-	-	510.00	1.000%
-	-	4,157.48	-	-	(4,157.48)	-	-
-	-	1,549.37	-	-	-	1,549.37	15.000%
-	-	1.03	-	-	-	1.03	0.010%
-	-	4,131.66	-	-	-	4,131.66	10.000%
35,916,399.00	468,029.00	62,007.09	-	-	-	62,007.09	1.303%
-	-	-	-	-	-	-	14.450%
-	-	903,137.29	-	(13,554.89)	-	889,582.40	11.640%
-	-	1,974.41	-	-	-	1,974.41	19.115%
-	-	17,838.66	-	-	-	17,838.66	0.710%
990.00	169.00	12,827.32	-	-	-	12,827.32	0.100%
-	-	49.86	-	-	-	49.86	16.500%
-	-	420,563.61	-	(38,175.95)	-	382,387.66	14.000%
		2,611,564.35	13,283.03	(55,889.44)	(4,157.48)	2,564,800.46	
		28,361,489.59	804,823.60	(2,847,064.28)	-	26,319,248.91	

consolidated cash flow statement

(euro thousand)

2004

2003

operating activities

group net profit	27,607	22,395
deferred / (pre-paid) taxes	1,360	(8,136)
depreciation of tangible assets	20,859	18,756
amortization of intangible assets	24,463	26,937
provisions for risks and charges and write down of equity investments	36,505	33,990
provision for employee severance indemnity	5,146	4,421
provision for doubtful debtors, interests on delayed payments	11,698	200
loss on disposals of fixed assets	473	236
gains on disposals of fixed assets	(1,149)	(705)
subtotal	126,962	98,094
utilization of provision for risks and charges	(42,781)	(32,251)
employee severance indemnity paid	(4,838)	(4,202)
utilization of allowance for doubtful debtors, interests on delayed payments and securities	(7,111)	-
decrease (increase) in inventories	(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 areas	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)
proceeds from sale of tangible assets	7,747	9,284
(purchases) sales of equity investments	606	(3,803)
project financing investments	(4,448)	-
net effect of change in consolidation areas	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 loans obtained (repaid) during the year	(9,450)	33,505
increase (decrease) of financial assets equities	-	-
which are not permanent	(3,930)	13,447
buy back of the debenture loan	(20,001)	-
payment of dividends	(6,306)	(4,916)
cash flow from financing activity c)	13,720	29,050
change in minority interests equity	(67)	(148)
other changes	(1,244)	(175)
change of the conversion reserve	(3,408)	(11,346)
change conversion and consolidation reserves d)	(4,719)	(11,669)
cash flow for the year a)+b)+c)+d)	24,856	(5,278)
cash and cash equivalents at beginning of year	149,983	155,261
cash and cash equivalents at end of year	174,839	149,983
cash flow for the year	24,856	(5,278)

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Independent Auditors' Report



■ Reconta Ernst & Young S.p.A.

ASTALDI S.p.A.

CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004

AUDITORS' REPORT
pursuant to article 156 of Legislative Decree of February 24, 1998, n. 58

The financial statements have been translated from those issued in Italy, from the Italian into the English language solely for the convenience of international readers.

AUDITORS' REPORT

pursuant to article 156 of Legislative Decree of February 24, 1998, n. 58
(Translation from the original Italian text)

To the Shareholders
of Astaldi S.p.A.

1. We have audited the consolidated financial statements of Astaldi S.p.A. as of and for the year ended December 31, 2004. These financial statements are the responsibility of Astaldi S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. Our audit was made in accordance with auditing standards and procedures recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards and procedures we planned and performed our audit to obtain the information necessary in order to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

The responsibility for the audit of the financial statements of certain subsidiaries, which represent respectively 4% and 11% of consolidated total assets and net sales, is that of other auditors.

For the opinion on the financial statements of the prior year, which are presented for comparative purposes as required by the law, reference should be made to our report dated April 8, 2004.

3. In our opinion, the consolidated financial statements of Astaldi S.p.A. comply with the Italian regulations governing consolidated financial statements; accordingly, they clearly present and give a true and fair view of the consolidated financial position of Astaldi S.p.A. as of December 31, 2004 and the consolidated results of its operations for the year then ended.

Rome, April 8, 2005

Reconta Ernst & Young S.p.A.

Signed by: Roberto Tabarrini (Partner)

parent company financial statements

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Management report on Parent Company financial statements

Dear Shareholders, this Management Report on the individual financial statements for 2004 illustrates and comments upon the primary elements of the activities of your Company, and reports on the facts occurring in the period, in compliance with the prescriptions of the Italian Civil Code .

This report is an extract of the filed report; for further information, please refer to the Management report attached to the consolidated financial statements and prepared in accordance with Italian law (Legislative Decree n. 127/91), which fundamentally reports the same information provided in the Company financial statements.

Economic, asset and financial trend of the Parent Company

The results attained by the Company in the course of the twelve months of 2004 highlight a strengthening of its capital asset and economic structure in conjunction with growth of the orders backlog (which is now stronger and qualitatively better). The table below reports the primary data of the Company, expressed in millions of Euro.

main data for the parent company		
(in thousand of euro)	2004	2003
value of production	843	714
fixed assets	203	200
net financial indebtedness	(108)	(106)
operating result	62	46
result before taxes	46	17
taxation	(14)	(5)
net profit	31	12
self-financing (net profit + depreciation and amortisation + provisions)	56	44



ITALY
New Hospital in Naples

The trend in activities for the year 2004 highlights a further improvement with respect to the results of the previous year.

Total revenues as of December 31st, 2004, were equal to over 843 million Euro — a 18.1% increase with respect to 2003.

Contract revenues are equal to over 786 million Euro, a 16.6% increase with respect to the same value reported on December 31st, 2003. Of these, 63.1% is relative to activities conducted in Italy while the remaining 36.9% originates from foreign markets. This data confirms the trend — already started in the previous two years — of the dominance taken on by the domestic component of activities conducted in accordance with the strategic goals pursued by the Company.

The positive economic trend in the year is evident from the EBITDA value — in considerable growth (+10.8%) with respect to 2003 — and equal to 86.6 million Euro. The achievement of this excellent result is due to both the increase in revenues and the effective cost reduction policy. In particular, labor costs and other operating costs grew with respect to their equivalent reported values for 2003, but their values as percentage of revenue fell.

The operating result — in considerable increase with respect to 2003 (+35.9%) — was equal to circa 62 million Euro and represents 7.4% of overall total revenues,



thereby allowing a 2004 net income of over 31 million Euro to be attained, versus the 12 million Euro value reported in 2003 (+160.3%).

With regards to the Company financial and capital asset position, a comparison with the figures recorded for 2003 reports a substantial decrease in working capital and a primarily stable trend in the net financial position; considering the strong growth in revenue during the course of the year, these figures confirm the excellent results that were attained in the realm of capital asset and financial control. This is the direct consequence of a careful planning policy in conjunction with the greater economic and financial stability of the foreign markets in which the Company operates.

The year 2004 reported a slight increase in net fixed assets. The most significant changes refer to the normal process of asset renewal, as well as new investments, that concerned the classes of "Specific Plants", "Generic Plants", "Excavators" and "Light Constructions"; these primarily refer to the new contracts in Italy and the permanent organizations located in Honduras, Venezuela and Rumania.

Net fixed financial assets include own shares whose value is equal to circa 0.9 million Euro. The average acquisition price for the 400,000 shares in the portfolio — each with a nominal value of 1 Euro — was circa 2.24 Euro.

With regards to the improved flow dynamics, it is important to make note of the financial stabilization that was attained in the management of important orders undergoing implementation in Turkey and Venezuela.

With regards to Astaldi's activity in Turkey, it should in fact be noted that — following the effectiveness of the export financing as of December 2003 — Astaldi has reached a significant level of efficiency in its production cycle, stabilizing the certification process for orders and their relative collection.

In addition, a financing contract was signed at the end of last year in relation to both the export credit, as well as to credit of commercial nature concerning the Puerto Cabello-La Encrucijada railway order managed by Société Générale and

FROM LEFT TO RIGHT:

ITALY
Sassari University
ITALY
New Milan Expo Fair Centre
VENEZUELA
S. Agatón Hydroelectric
Power Plant

Banca Intesa; this occurred after the re-opening of financing lines for Venezuela on the part of "S.A.C.E" (Company for Insurance on Export Credit). This contract — which received a resolution on behalf of the Executive Committee of S.A.C.E. for definitive insurance coverage guaranteeing the execution of orders — will ensure the regular progress of orders and their relative financial flows, and is today fully operational and usable.

With regards to the net financial position, the analysis of the main data are reported below.

net financial position		
(thousands of euro)	2004	2003
short-term financial debt	(138,982)	(87,575)
medium to long-term financial debt	(67,376)	(71,510)
cash and cash equivalents	153,706	128,061
long term financial receivables and investments	93,237	72,998
total ordinary finance	40,585	41,974
associated company astaldi finance s.a. payables (eurobond)	(148,250)	(148,250)
total net financial position	(107,665)	(106,276)



FROM LEFT TO RIGHT:

ITALY
New Milan Expo Fair Centre
EL SALVADOR
Paquete III High-Speed Roadway
VENEZUELA
Caracas Subway

Net indebtedness as of December 31st, 2004, was equal to 107.7 million Euro, remaining stable with respect to the 106.3 million Euro on December 31st, 2003 despite the presence of an increase in revenues of 18.1%. The results deriving from the Company's financial policy — aimed at supporting operating activities through the management of financing dedicated to single projects, in conjunction with a stabilization of financial flows tied to foreign activities — are obvious and allow for the planning of production activities without needing a particular increase in invested capital.

Shareholders' equity — equal to circa 239 million Euro — reported a change during the year due to the net income of the period, the issue of dividends and the change in the conversion reserve whose value was affected by the weakness of the US dollar. To counter this effect, a prudent policy for exchange rate risk coverage was prepared; it should be noted, in fact, that the adopted conversion procedure requires the conversion to be made with the exchange rate of the date of closing, and therefore was affected by the current weakness of the U.S. currency. This coverage policy — aimed at managing the exchange rate variable — turned out to be ef-

fective, even in light of the fact that circa one third of the Company's revenues is denominated in US dollars or currencies linked to the latter.

The Consolidated Profit and Loss Account and Balance Sheet, as well as the Cash Flow Statement, are shown below in reclassified format. Values are expressed in thousands of Euro.

parent company reclassified profit and loss				
(thousands of euro)				
	2004	%	2003	%
contract revenues	785,595	93.2 %	673,977	94.5 %
other revenues	57,162	6.8 %	39,593	5.5 %
value of production	842,757	100.0 %	713,570	100.0 %
costs of production	(650,862)	(77.2)%	(534,164)	(74.9) %
added value	191,895	22.8 %	179,406	25.1 %
personnel	(93,180)	(11.1)%	(89,872)	(12.6) %
gross operating margin	98,715	11.7 %	89,534	12.5 %
other management costs	(12,073)	(1.4)%	(11,302)	(1.6) %
ebitda	86,642	10.3 %	78,232	11.0 %
ammortizations	(32,797)	(3.9)%	(37,263)	(5.2) %
provisions	8,549	(3.8)%	4,942	(4.3) %
operating result	62,394	7.4 %	45,911	6.4 %
net financial income	(12,059)	(1.4)%	11,635	1.6 %
revaluation (write-down) of equity investments	(2)	(0.0)%	(21,816)	(3.1) %
extraordinary income (charges)	4,753	(0.6)%	(18,693)	(2.6) %
profit before tax	45,581	5.4 %	17,037	2.4 %
income tax	(7,406)	(0.9)%	(9,869)	(1.4) %
deferred tax assets	(6,897)	(0.8)%	4,849	0.7 %
net profit for the financial period	31,278	3.7 %	12,017	1.7 %

parent company reclassified balance sheet

(thousands of euro)

	2004	2003
net intangible assets	45,548	44,361
net tangible assets	54,235	56,310
equity investments	59,895	57,548
other net fixed assets	43,770	41,950
total net fixed assets (a)	203,448	200,169
inventory	37,402	35,816
contracts in progress	162,109	163,377
trade receivables	254,396	174,489
other assets	176,272	179,650
payments on account	(97,576)	(72,315)
subtotal	532,603	481,017
trade payables	(169,398)	(140,452)
other liabilities	(315,440)	(301,225)
subtotal	(484,838)	(441,677)
current assets (b)	47,765	39,340
severance indemnity	(11,831)	(11,497)
provision for contractual risks	(37,563)	(48,022)
other provisions	(3,668)	(3,378)
total provisions (c)	(53,062)	(62,897)
net capital invested (d)=(a)+(b)+(c)	198,151	176,612
cash and cash equivalents	153,706	128,061
financial receivables and investments	93,237	72,998
medium to long-term financial debt	(67,376)	(71,510)
short-term financial debt	(138,982)	(87,575)
net financial debt/receivables (e)	40,585	41,974
net equity	238,736	218,586
equity (g)=(d)-(e)	238,736	218,586
personal guarantees	1,421,892	1,690,661
other memorandum accounts	124,947	141,324
third parties guarantees in our favour	25,066	22,189
total	1,571,905	1,854,174

parent company reclassified cash flow statement

(thousands of euro)

	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
ammortization of intangible assets	20,810	25,765
provisions for risks and charges and write down of equity	31,627	30,577
provisions for employee severance indemnity	4,588	4,138
provisions for doubtful debtors	3,487	–
losses on disposals of fixed assets	417	873
subtotal	111,090	80,019
utilization of the provision for risk 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)
conversion differences of foreign subsidiaries financial statements:		
provision for severance indemnity	226	(313)
cash flows from operating activity	46,085	52,927
investments activity		
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
purchase of equity investments	(2,580)	(904)
elimination of equity investment in italstrade spa (merged with astaldi)		
purchase of securities		
conversion differences of foreign subsidiaries financial statements:		
– tangible assets	2	17
– intangible assets	(5)	(341)
cash flows from investment activities	(40,468)	(82,932)
financing activity		
increase (decrease) in short-term bank and other borrowings	51,407	(14,426)
increase (decrease) in long-term bank and other borrowings	(4,134)	37,565
dividends allotment	(6,306)	(4,916)
increase (decrease) of investments which are not permanent	(20,939)	13,443
increase in loans at subsidiaries level		(22)
cash flows from financing activities	20,028	31,644
cash flows for the year	25,645	1,639
cash and cash equivalents at beginning of year	128,061	126,422
cash and cash equivalents from merger	–	–
cash and cash equivalents at end of year	153,706	128,061
cash flows for the year	25,645	1,639

Investments

The cash flow statement shown above clearly highlights how investments made in the course of the year totalled 43 million Euro at the consolidated level, net of changes in the scope of consolidation.

These investments can be broken down as shown in the attached table:

n e t i n v e s t m e n t s	
(millions of euro)	
tangible fixed assets	17
intangible fixed assets	23
equity investments	3

As previously commented upon, the year 2003 was characterized by an increase in productive activities — both in Italy and abroad.

These effects were planned in previous years when an important policy for the restructuring of equity investments and an increase in technical and operational equipment was implemented.

As a result, the year 2004 reported an ordinary trend in investments involving the strengthening of technical equipment in those countries in which the Company operates directly.

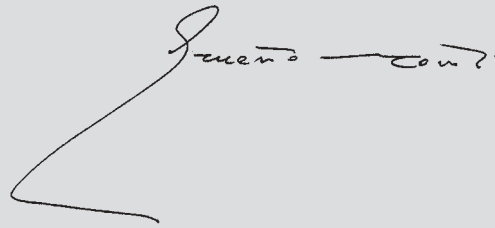
Investments in intangible fixed assets include the charges sustained for the start-up of new and important building yards in Italy and abroad.

With regards to equity investments, the increase in the share capital of the subsidiary Astaldi Construction Corporation was undersigned during the course of the year.

Conclusions

In concluding this broad and detailed examination, and on the basis of conclusions drawn from implemented activities, we believe that the size of net income for 2004 — equal to 31,277,212.00 Euro — allows for the allocation of a dividend of 0.075 Euro per share.

for the Board of Directors
The Chairman
(Ernesto Monti)

A handwritten signature in black ink, appearing to read "Ernesto Monti", with a long, sweeping horizontal line extending to the left.

Parent Company' financial statements

BALANCE SHEET

ASSETS

(thousands of euro)

	2004	2003
A) Subscribed capital unpaid	-	-
B) Fixed assets		
I Intangible assets		
1) Contracts in progress and advance-payments	3,273,778	5,625,662
3) Patents and rithis to use patents of others	982,828	1,283,419
4) Concessions, licenses, trademarks and similar rights	29,162	29,162
7) Other		
a) Construction site installation costs	12,406,581	9,556,360
b) Costs of preparing tenders	2,139,190	379,060
c) Other	26,716,152	27,486,957
<i>Total other</i>	<i>41,261,923</i>	<i>37,422,377</i>
Total I-Intangible assets	45,547,691	44,360,620
II Tangible assets:		
1) Land and buildings	5,933,429	5,974,902
2) Plant and machinery		
a) Specific plants	16,670,859	19,072,033
b) General plants	6,798,412	7,467,299
c) Crafts	846	349
<i>Total plant and machinery</i>	<i>23,470,117</i>	<i>26,539,681</i>
3) Other fixtures and fittings, tools and equipment		
a) Excavators, power shovels, heavy vehicles	11,918,944	14,600,505
b) Light vehicles, ships, planes	1,659,520	2,118,377
c) Various small equipment	988,181	759,692
d) Light constructions	2,144,195	748,615
e) Metal sheet pile and shuttering	1,438,261	1,108,243
<i>Total tools, fittings, fixtures and other equipment</i>	<i>18,149,101</i>	<i>19,335,432</i>
4) Other		
a) Electronic office equipment	911,588	884,364
b) Furniture, fittings and office equipment	954,192	945,239
c) Freely transferable assets	2,641,076	2,351,713
<i>Total other</i>	<i>4,506,856</i>	<i>4,181,316</i>
5) Tangible assets in course of constr. & paym. on account	2,175,225	278,264
Total II - Tangible Assets	54,234,728	56,309,595
III Investments		
1) Equity investments		
a) Subsidiaries	41,144,552	38,763,360
b) Associated companies	16,568,531	16,593,721
c) Other companies	2,182,334	2,190,922
<i>Total - Investments</i>	<i>59,895,417</i>	<i>57,548,003</i>
2) Loans and Long-term receivables from:		
a) Subsidiaries	31,716,950	26,762,738
b) Associated companies	9,536,797	8,948,346
c) Other equity investments	1,618,318	3,854,270
d) Other entities		
Within the next financial year	22,441,050	16,282,639
Beyond the next financial year	45,169,839	53,570,807
<i>Total loans vs. others</i>	<i>67,610,889</i>	<i>69,853,446</i>
<i>Total loans</i>	<i>110,482,954</i>	<i>109,418,800</i>
4) Own shares (Comprehensive nominal amount of Euro 400,000)	897,558	2,385,184
Total III - Investments	171,275,929	169,351,987
Total fixed assets B)	271,058,348	270,022,202
C) Current Assets		
I Inventories		
1) Raw materials and consumables	27,822,111	33,835,471
2) Products in progress and semi-finished products	1,674,438	-
3) Contracts in progress	162,108,691	163,377,493
4) Finished goods and goods for resale	404,314	659,468
6) Assets and material in transit	7,502,362	1,321,942
Total I - Inventories	199,511,916	199,194,374
II Debtors		
1) Trade debtors:		
Within the next financial year	265,879,843	234,217,020
Beyond the next financial year	5,681	2,661,929
<i>Total trade debtors from:</i>	<i>265,885,524</i>	<i>236,878,949</i>
2) Subsidiaries	41,334,460	38,653,069
3) Associated companies	28,247,291	35,705,123
4) Parent companies	33,296	19,756
4-bis) Tax Receivables		
Within the next financial year	32,550,065	23,913,036
Beyond the next financial year	2,335,155	18,232,687
<i>Total tax receivables</i>	<i>34,885,220</i>	<i>42,145,723</i>
4-ter) Deferred tax assets	3,634,770	10,531,422
5) Other debtors		
a) Personnel	738,356	805,960
b) Social security institutions	584,613	736,426
c) Deposits		
Within the next financial year	31,749	70,705
Beyond the next financial year	802,484	777,513
<i>Total deposits</i>	<i>834,233</i>	<i>848,218</i>
d) Amounts due to equity investments	3,371,960	224,436
e) Other receivables	53,263,088	43,635,405
<i>Total other debtors</i>	<i>58,792,250</i>	<i>46,250,445</i>
Total II - Debtors	432,812,811	410,184,487
III Investments which are not permanent		
6) Other investments	25,626,390	3,144,018
Total Investments which are not permanent	25,626,390	3,144,018
IV Cash at bank and in hand		
1) Bank and postal current accounts	151,951,055	127,857,134
2) Cheques	1,559,238	-
3) Cash on hand	195,707	204,273
Total IV Cash at bank and in hand	153,706,000	128,061,407
Total current assets C)	811,657,117	740,584,286
D) Accrued income and prepayments		
Accrued income	2,974,560	1,640,548
Prepayments	6,369,634	4,702,542
Prepayments and accrued income D)	9,344,194	6,343,090
TOTAL ASSETS	1,092,059,659	1,016,949,578

BALANCE SHEET

LIABILITIES

(thousands of euro)

	2004	2003
Equity		
A) Subscribed capital		
I Company capital	98,424,900	98,424,900
II Share premium reserve	67,836,096	67,836,096
III Revaluation reserve	-	-
IV Legal reserve	7,818,668	7,217,824
V Statutory reserves	-	-
VI Reserve for own shares	897,558	2,385,184
VII Other reserves		
1) Reserve for currency translation adjustment	(15,888,981)	(11,157,771)
2) Extraordinary reserve	23,866,384	18,846,679
3) Reserve for specific risks	798,334	798,334
4) Reserve for own shares purchasing	23,702,442	22,214,816
5) Euro conversion difference	(2,271)	(2,271)
Total Other reserves	32,475,908	30,699,787
VIII Profit brought forward	5,309	5,309
XI Profit (loss) for the financial period	31,277,212	12,016,875
Total equity A)	238,735,651	218,585,975
B) Provision for risks		
2) For taxation	900,590	1,435,296
3) Other		
a) for contractual risks	37,435,503	47,984,154
b) for losses on equity investments	2,766,948	1,942,624
c) Art. 27 company's statute reserve	127,552	37,426
Total provisions for risks and charges B)	41,230,593	51,399,500
C) Employee severance indemnity	11,831,024	11,496,944
D) Creditors		
4) Amounts due to banks		
Within the next financial year	138,981,608	87,574,959
Beyond the next financial year	67,375,744	71,510,092
Total amounts due to banks	206,357,352	159,085,051
6) Advances received		
Within the next financial year	27,414,326	35,631,453
Beyond the next financial year	81,651,593	99,073,105
Total advances received	109,065,919	134,704,558
7) Trade payables		
Within the next financial year	164,673,371	136,032,213
Beyond the next financial year	4,724,745	4,419,585
Total amounts to suppliers	169,398,116	140,451,798
9) Amounts due to subsidiaries	189,825,179	188,883,994
10) Amounts due to associated companies	77,632,989	60,619,437
12) Amounts due to tax administrations	7,165,895	14,920,329
13) Amounts due to Social Security Institutions	3,503,281	4,229,271
14) Other creditors		
a) Other equity investments	3,756,849	4,970,141
b) Deposits and cautions		
Beyond the next financial year	8,803	8,803
c) Personnel	5,258,518	3,952,531
d) Other	16,939,230	12,400,719
Total other creditors	25,963,400	21,332,194
Total creditors D)	788,912,131	724,226,632
E) Accrued and deferred income	11,350,260	11,240,527
TOTAL LIABILITIES	1,092,059,659	1,016,949,578

MEMORANDUM ACCOUNTS

(thousands of euro)

	2004	2003
A) Personal guarantees		
1) Guarantees for credit lines		
a) For Subsidiaries	50,617,758	60,622,411
b) For Associated companies	42,824,917	60,251,822
c) For Third parties	17,481,572	18,070,106
Total guarantees for credit lines	110,924,247	138,944,339
2) Guarantees for works		
a) For Subsidiaries	225,321,690	361,328,128
b) For Associated companies	568,157,998	637,799,933
c) For Third parties	400,353,841	417,650,895
Total guarantees for works	1,193,833,529	1,416,778,956
3) Other guarantees	117,134,352	134,938,044
Total personal guarantees A)	1,421,892,128	1,690,661,339
B) Other off-balance sheet accounts		
1) Third parties leased assets	18,972,603	25,495,658
2) Risk of recourse from factors	71,840,846	86,168,416
3) Other	30,381,213	29,659,679
Total other off-balance sheet accounts B)	121,194,662	141,323,753
C) Third party guarantees in our favour	25,066,376	22,189,375
TOTAL MEMORANDUM ACCOUNTS	1,568,153,166	1,854,174,467

PARENT COMPANY PROFIT AND LOSS ACCOUNTS

(thousands of euro)

	2004	2003
A) Value of production:		
1) Net turnover from sales and services		
a) from contracts	602,030,636	594,794,993
2) Variation in production inventories, contract in progress, raw materials	1,674,438	-
3) Variation in contract in progress	181,890,616	79,182,240
4) Increases in fixed assets for internal use	8,044,363	4,520,657
5) Other revenue	49,118,081	35,071,574
Total value of production A)	842,758,134	713,569,464
B) Costs of production		
6) For raw materials, consumables and other goods	112,162,304	115,107,541
7) For services	521,828,344	407,648,698
8) For use of assets owned by others	12,983,456	14,325,238
9) For personnel		
a) Wages and salaries	62,687,305	59,356,763
b) Social security charges	16,533,875	16,306,523
c) Provisions for severance indemnities	4,587,841	4,138,248
e) Other costs relating to staff	9,370,618	10,069,992
<i>Total personnel</i>	<i>93,179,639</i>	<i>89,871,526</i>
10) Amortisation, depreciation and write-down		
a) Amortisation of intangible fixed assets	20,809,786	25,765,391
b) Depreciation of tangible assets	11,986,855	11,497,867
d) Allowance for doubtful debtors included in current assets & other accounts included in cash at bank and on hand	2,000,000	-
<i>Total cost for amortisation, depreciation and write-down</i>	<i>34,796,641</i>	<i>37,263,258</i>
11) Variations in inventory of raw materials, consumables and goods for resale	3,889,716	(2,917,576)
12) Risk allowances		
a) Provisions	30,307,348	29,231,000
b) Utilisations	(40,856,000)	(35,691,000)
<i>Total provision for risks (utilisations)</i>	<i>(10,548,652)</i>	<i>(6,460,000)</i>
14) Other operating charges	12,073,181	11,301,635
Total Costs of production B)	780,364,629	666,140,320
Difference between value and cost of production (A-B)	62,393,505	47,429,144
C) Financial income and charges		
15) Income from equity investments		
a) from subsidiaries	1,726,234	25,003,527
b) from associated companies	5,144,472	5,143,649
c) from other equity investments	-	7,558
<i>Total income from equity investments</i>	<i>6,870,706</i>	<i>30,154,734</i>
16) Other financial income		
1) from parent companies	287,070	1,189,259
2) from associated companies	183,063	4,173
3) from others	24,210,681	19,286,539
<i>Total other financial income</i>	<i>24,680,814</i>	<i>20,479,971</i>
17) Interest charges and similar charges		
1) from subsidiaries	10,970,134	10,992,520
3) from others for other financial charges	25,937,205	26,524,957
<i>Total interest payable and similar charges</i>	<i>36,907,339</i>	<i>37,517,477</i>
17-bis) Exchange profit (loss)		
a) Profit on exchange	9,891,380	5,751,531
b) Loss on exchange	(7,959,378)	(7,233,999)
<i>Total exchange profit (loss)</i>	<i>1,932,002</i>	<i>(1,482,468)</i>
Total (15+16-17+ 17bis)	(3,423,817)	11,634,760
D) Value adjustments in respect of investments		
18) Revaluation		
a) of equity investments	-	190,239
c) of equity recorded under current assets	1,543,535	-
19) Write-down		
a) of equity investments	1,545,456	22,006,594
b) of shares recorded under the current liabilities	8,634,694	1,517,548
Total adjustments (18 - 19)	(8,636,615)	(23,333,903)
E) Extraordinary income and charges		
20) Income		
a) Other income	7,080,777	7,006,530
21) Charges		
b) taxation of previous years	939,920	1,805,522
c) Other charges	10,893,939	23,893,977
<i>Total extraordinary charges</i>	<i>11,833,859</i>	<i>25,699,499</i>
Total extraordinary income and charges (20-21)	(4,753,082)	(18,692,969)
Pre-tax result (A-B+C+D+E)	45,579,991	17,037,032
22) Income taxes on the income of the period, current, deferred		
a) Current tax	7,406,127	9,869,348
b) Deferred tax assets	6,896,652	(4,849,192)
<i>Total taxes</i>	<i>14,302,779</i>	<i>5,020,156</i>
26) Profit (loss) of the period	31,277,212	12,016,875

Notes to the financial statements

Basis of presentation

The activities carried out by the Company during the course of the 2004 financial year are reflected in the balance sheet and profit and loss accounts presented under the accounting structure described in this document. This document therefore contains the summary of values and items comprising the management activities pursued both nationally and abroad.

Moreover, in certain cases, balance sheet and profit and loss items of the previous financial year have been reclassified for the purposes of better representation; this is reported in the notes that follow.

The balance sheets and profit and loss account include values relating to foreign subsidiaries. The preparation of such accounts has been carried out using a multi-currency accounting system: the accounting results are converted into Euros by using official conversion rates extracted from the Official Italian Exchange Rates publications. The balance sheet clearly and specifically identifies all the asset and liability headings.

The memorandum accounts are detailed at the end of the balance sheet presentation.

The Profit and Loss accounts show the typical attributes for the sector of activity in which the Company operates.

The exhaustive information includes the cashflow statement which is presented in attachment.

With regards to the nature of the company's activities, the main events occurring after the closing of the financial year, and the information concerning the various activity sectors or geographical areas in which the company operates, please refer to the management report.

Valuation criteria used for the preparation of the balance sheet and profit and loss accounts

The accounts have been prepared in compliance with the legal provisions governing their preparation and have been presented in the form dictated by Legislative Decree no. 127 of April 9th, 1991 and by the later amendments and supplements of Legislative Decree n. 6 of January 17th, 2003. The strict application of the principle of the business continuing as a going-concern, as well as the principles of prudence, accruals and clarity lead to a true and correct representation of the Company's management for the period under review.

With regards to valuation criteria, it should be noted that these did not change with respect to those adopted for the previous financial year and are fully compliant with the provisions of Article 2426 of the Italian Civil Code and the accounting principles published by the National Council of Professional Accountants and Bookkeepers.

Furthermore — in order to better present assets and liabilities, as well as the financial position — the amount of credit risk related to debtors and extra-contractual payments granted with recourse has been removed from the balance sheet to be presented in the memorandum accounts.

Receivables and payables with subsidiary, associated and other companies that are attributable — in significant amounts — to relations with consortia-type companies have been reported at net values and with reference to the prevailing amount for each individual counterpart.

The paragraph "related parties" details the gross amounts of debtors and creditors for the above-mentioned entities.

There have been no departures with respect to Articles 2423 and 2423 *bis* of the Italian Civil Code.

The headings represented by Arabic numbers which do not show a balance in the current and the previous financial year have not been included in the accounting schedules; consequently, the numbering is not progressive.

The Balance sheet and the Profit & Loss account have been prepared in Euros (without decimals), in accordance with art. 16 of Legislative Decree 213/1998 and Art. 2423 paragraph 5 of the Italian Civil Code.

All the amounts reported in the explanatory notes are expressed in thousands of Euro unless otherwise stated.

The consolidated group accounts have been prepared as provided for in Legislative Decree no. 127/91.

Accounting principles and valuation criteria

The accounting principles and evaluation criteria comply with the provisions of Art. 2426 of the Italian Civil Code and reflect those provided for by the National Council of Professional Accountants and Bookkeepers.

These valuation policies are not separate from those used in drafting the financial statements of the previous year and are integrated with the new criteria provided for by Legislative Decree n. 6 of January 17th, 2003 and subsequent amendments.

The adopted accounting principles and valuation criteria are as follows.

Intangible fixed assets

Intangible assets represent costs and expenses with multi-year utility and have been accounted for and recorded on the basis of the cost effectively incurred — inclusive of directly attributable ancillary charges.

This amount is presented in the accounts net of the relative amortization, which is calculated in relation to the residual useful life of the asset; in particular:

- *Start-up and expansion* costs show charges for the constitution and increase in share capital and are amortized with a straight-line method over five years;
- Costs relative to the acquisition of *intellectual property rights and licences, trademarks or similar rights* are booked in the profit and loss account on the basis of the expected length of time over which the asset will be used;
- *Concession rights* represent the value, net of payments received, of the land rights relative to parking spaces that are intended for sale in car parks constructed in the municipalities of Turin and Bologna. Entering in the profit and loss account occurs in the year of sale;
- *Building yard installation* costs report the costs incurred for the planning and organization of acquired contracts and are amortized on the basis of the physical progress of the contract;

- *Tender preparation costs* — for participation in contract tenders, while awaiting formal contract awards — have been written down of costs for which there is not a reasonable certainty of contract award; this was done while booking them in the profit and loss account; In the event of a contract award, such costs are ascribed — after their classification in the item “building yard installation costs” — on the basis of the physical progress of the works;
- Other intangible assets are mainly attributable to the value of contractual rights acquired within the scope of current initiatives in Italy and abroad, as well as to costs for studies and planning, charges sustained for the organization, definition and start-up of complex operations of structured finance for foreign works and other fixed assets.

With regards to amortization policies of costs included in this item we highlight below the various methods that were utilized:

- The value of *contractual rights* is amortized—in compliance with current legislation—on the basis of the physical progress of the relative contracts;
- Expenses for *studies and planning* are amortized using a straight line method at a constant rate on the basis of the lesser period between the residual contract duration and five years;
- Charges sustained for structured finance operations relating to foreign contracts are amortized in relation to the usage of the sums which are overall made available by financial institutions.

Tangible fixed assets

The valuation of tangible fixed assets — represented by fixed assets and by assets which include the machinery and equipment used for the purposes of production — was calculated on the basis of the purchase price or the construction cost, and inclusive of directly attributable ancillary charges.

For certain property assets (land, plants, machinery and equipment), revaluations have been applied in application of Laws n.72 and 413 of March 19th, 1983 and December 30th, 1991.

Costs for modernization and improvement which extend the economical life of the assets are added to the value of the same.

Depreciation is calculated with the straight line method at a constant rate in relation to the residual useful life of the assets, and within the limits of the tax rates that are considered representative of the estimated useful life of the assets.

Freely transferable assets are depreciated in accordance with the financial method over the lesser period between the useful estimated life of the asset and the duration of the concession.

Payments into the plant account — thereby reducing the cost of the assets to which they refer — are recorded at the time of formalization of the relative resolution.

Financial assets

This includes the items relating to equity investments, receivables due from shareholding companies and other loans of a financial nature, as well as the value of own shares in the portfolio.

Equity investments held by the Company are valued at the purchase cost inclusive of the revaluation applied in accordance with Law no. 72/1983, or at the value of

subscription or purchase. The cost is reduced for permanent value losses in cases where equity investments have suffered losses, and profits capable of absorbing the sustained losses are not foreseeable within a reasonable length of time. In the case of overall losses greater than the book value of the equity investments, the corresponding proportion of the shareholding is appropriated to an equity investments risk reserve within provisions for risks and charges under liabilities.

In the financial year in which the reasons for the write-down cease to exist, the equity investments are re-valued within the limits of the previously effected write-down, and the adjustment is recorded to the profit and loss account.

Dividends are recorded on an accruals basis when the right to drawing is ascribed as a result of the resolution made by the Shareholders' Meeting of the shareholding company (or by the Board of Directors in the case of controlled companies) which relates to the distribution of profit or, as appropriate, of the reserves. This is on the condition that the date of approval of the accounts of the shareholding company and the relative resolution for distribution of profits occurs prior to approval of the accounts of the beneficiary Company.

Own shares are booked in fixed financial assets as per the decision of the administrative board to maintain them in the own treasury for more than a fiscal year. The latter are stated in the financial statements at their purchase cost — and reduced in the case of permanent capital loss — in accordance with the weighted average cost method applied to each individual transaction.

Receivables and payables

Receivables are stated at their presumed realizable value by means of adequate allocations booked in adjustment of nominal values. Payables are stated at their nominal value.

Assets and liabilities in foreign currency

Assets and liabilities denominated in foreign currencies — with the exception of fixed assets — are recorded at the spot exchange rate in effect at the date of the closing of the year, and the relative profit/loss from exchange rates is booked in the profit and loss account; any potential net income is allocated in a specific reserve that is not distributable until realized. Fixed assets denominated in foreign currencies are booked at the exchange rate of the date of their purchase, or to the lower rate on the date of closing of the financial year if the reduction is deemed to be lasting.

Inventories of raw materials and consumables

Inventories are carried at the lower of cost or market value.

Contracts in progress

Long term contracts in progress at year end are stated in accordance with the stage of completion of works that have been implemented, but which are not yet officially recognized by the customer, and thus not yet billed and included in revenues (the so-called method of physical measurement); the latter are identified with reasonable certainty and evaluated on the basis of the contractually agreed revenue levels. This evaluation also takes into account the revised compensation that has not yet been recognized.

In the case of a negative trend of a contract in progress, the final estimated loss is quantified and accrued in the reserve for contractual works. This reserve also reflects the outcomes related to the overall implementation of the works.

Charges considered for the implementation of works include:

- Raw material purchase costs;
- Costs relative to services rendered by subcontractors;
- Labor costs;
- Indirect costs (sale costs, general costs and administrative costs).

The revision of contract margin estimates that are made during the contractual period are reflected during the accounting period in which these estimates are revised. Contracts are considered totally implemented on completion of all the main forecasted activities, including testing support and acceptance by the customer.

The valuation of reserves — as indicated by the rules of the “Legge Quadro” in connection with contracts with public entities, as well as in accordance with international regulations — was made on the basis of technical and legal considerations as to the reasonable positive outcome of claims with customers; these reserves represent claims with economic contents other than those due to the contractor pursuant to legal or contractual provisions.

Finished goods and goods for resale

This records the construction cost of buildings ready for sale, and which is in any case lower than current market prices.

Investments which are not permanent

Securities and investments that do not constitute fixed assets are recorded at the lower of the specific purchase cost — inclusive of accessory charges — and the market value deduced from regulated markets or from other financial market indicators.

Cash at bank and in hand

Cash at bank and in hand represents the liquid amounts — cash and liquid sums deposited with bank corporations — available at year end.

Accruals and deferred income

These items are booked on an accrual basis.

Provision for risks and charges

Provisions for risks and charges are intended to cover liabilities of a determinate nature — with certain or probable existence—and for which, however, the exact amount or the date of contingency can not be determined at the end of the financial year.

Provision for employee severance indemnities

The provision for severance indemnities is determined systematically on the basis of matured liability in compliance with current legislation and the employment contracts that are in force in the countries in which the company operates.

This reserve reports the debt with respect to employees. Utilization of the same occurs after termination of employment and payment of advances in accordance with Law no. 297/82.

Memorandum accounts

- Personal guarantees are mainly represented by guarantees issued in favor of third parties and in the interest of Group companies against liabilities and other commitments taken on by the latter; these guarantees are recorded at the nominal amount of the guarantee provided.
- Purchase and sale commitments relating to derivatives contracts which provide for the forward exchange of capitals, or other assets or their differentials, are stated at contract value. Commitments for other derivative contracts are stated at the nominal value of the underlying asset.
- The risk of recourse pertaining to receivables assigned to the factor is recorded at the nominal value of the receivables themselves.

Memorandum accounts that were originally expressed in values other than the Euro are adjusted to the exchange rate at the end of the year.

Income tax

Current income taxes are recorded in relation to the effective tax burden for the period and are based on a reasonable estimate of the individual profit and loss items — in compliance with the tax regulations in force in the countries in which the company operates.

Deferred tax assets and liabilities are accounted for by using the liability method and therefore reflect the fiscal effects resulting from the temporal differences between the fiscal values of the assets and liabilities and the respective values included in the accounts of the financial year.

Deferred tax assets are recorded if there is a reasonable possibility that they will be realized; deferred tax liabilities are not recorded if it is not probable that the liability will be paid.

Deferred tax liabilities and deferred tax assets are recorded in the provisions for risks and charges or in the special account opened under floating capital in the balance sheet, respectively. Deferred tax assets and liabilities are compensated if the compensation is legally allowed.

Derivative products

The company uses derivative products to manage exposure to fluctuations in interest rate (IRS) and foreign currencies (DCS).

The differential on IRS for hedging of obtained financing is recorded on an accrual basis to interest income/expense.

In order to manage exposure to fluctuations in currency exchange rates on loan agreements, liquid assets and liabilities — and mainly relating to long-term contracts denominated in foreign currencies — the company enters into currencies swap (DCS). The cost of forward contracts (the difference between the spot rate and the forward rate at contract inception) is stated in the profit and loss account on the basis of the duration of the contract.

Transactions with subsidiaries, associates, and related parties

Transactions with subsidiaries, associated firms and other correlated parties are carried out under normal market conditions.

There are no transactions of significant commercial or financial nature that were initiated with the Parent Company.

Permanent foreign organizations

The accounting balances of foreign permanent organizations are recorded through a multi-currency accounting system and converted into Euro at the exchange rate prevailing at year-end. The application of this methodology results in the accounting for a foreign currency translation adjustment within Shareholders' equity.

Profit and loss account

Positive and negative income components are recorded on an accrual basis.

Revenues from sales are recognized upon delivery of the goods; revenues from services are recognized on the basis of service completion and in accordance with the relevant contracts.

The change in inventories resulting from the profit and loss account does not coincide with the difference between the final inventories for the financial year and those of the previous period that were reported in the balance sheet; this is due to:

- Difference in adopted conversion rates;
- Assignments of credit with recourse involving a number of claims towards customers;
- The recording of the value of implemented works – whose payments were collected during the course of work upon the completion of the individual work phases – in deduction of the value of advances and in order to privilege substance over form;
- The valuation of implemented works — whose payment was collected on a temporary basis, but without the presence of any guarantee in favor of the purchaser — in deduction of advances and reflecting the relevant recourse risk within the scope of the memorandum accounts.

Foreign entities operating in countries with high inflation rates show — where significant — the necessary adjustments for eliminating the effects of inflation.

Revenues and proceeds, as well as the costs and charges, relating to operations in foreign currency are calculated by using the exchange rate in force on the date of the operation.

Information on the balance sheet and memorandum account items and changes occurring in the corresponding items for the previous financial year

Balance sheet - Assets

B.I – Intangible Fixed Assets

This item amounts to 44,548 Euro and is derived from the accumulation of changes represented in the attached detailed statement.

The main movements that concerned the individual items are summarized below.

B.I.1 – Start-up and Expansion Costs

The item in question — for a total of Euro 3,274 — represents the value that still needs to be amortized for costs incurred by the Company for defining the listing project which occurred in 2002. The item in question underwent a decrease of Euro 2,352 due to the amortization quota for the year.

B.I.3 – Patents and rights to use patents of others

The item in question — totalling 983 Euro — represents the charges capitalized in previous years in reference to the implementation and development of an integrated corporate management system and the acquisition of new software with a limited licence for use. It reported an overall net decrease of 301 Euro; the latter was primarily derived from increases for new acquisitions for 174 Euro and 475 Euro for the decreases due to amortization for the year in question.

B.I.4 – Concessions, licences, trademarks and similar rights

The item in question — totalling 29 Euro — reports the valuation of the parking space rights for the “Palazzo” and “Piazza VIII Agosto” car parks in Turin and Bologna, respectively. This item was unchanged with respect to the previous year.

B.I.7.a – Building yard installation costs

The value of 12,407 Euro recorded in the accounts underwent a gross increase of 7,496 Euro that is ascribable to costs incurred for the plant, organization and start-up of new building yards in Italy and abroad, and totalling 6,959 Euro, in addition to 537 Euro referring to re-classifications of the *Other Multi-Year Entries* class. In particular, the charges sustained during 2004 for the organization and start-up of the following building yards in Italy should be noted:

- a) the Brescia Subway for 2,557 Euro;
- b) the High Speed Railway Station of Bologna for 933 Euro;
- c) the Melito Dam for 916 Euro;
- d) the Hospital in Mestre for 392 Euro;

With regards to foreign entities, note should be made of the increase attributable to the stable organization in Venezuela — totalling 1,267 Euro — relating to the start-up of new works for the construction of the Los Teques subway.

The reported decrease of 4,618 Euro pertains to the amortization quotas for the year in question.

B.I.7.b – Cost of preparing tenders

The value of 2,139 Euro recorded in the accounts, had a net decrease of 1,760 Euro with respect to the previous year, and imputable for:

- 1,909 Euro relevant to the capitalization of costs that were primarily incurred for tenders in Italy and for which there is reasonable certainty of being awarded the contract at the time of closing of the financial statements;
- 149 Euro for the amortization of charges relevant to tenders in Italy and abroad and for which there were negative outcomes during the year.

In particular, note should be made of the charges sustained for the implementation of the works award procedure — using the General Contractor method — and relating to following stretches of the “Jonica 106” State Highway: Squillace Simeri Crichi and Palizzi Caulonia, totalling 622 Euro, in addition to the costs sustained thus far for the contract award procedure relating to the construction of the Milan Subway (Lines 4 and 5) for 423 Euro.

B.I.7.c – Other

The value recorded in the accounts is equal to 26,716 Euro and had a net decrease of 771 Euro with respect to the previous year.

The increases — totalling 14,139 Euro — are mainly imputable for:

- 2,518 Euro for charges sustained for the organization of an articulated operation of financial nature in support of the financing operation created with the subsidiary Astaldi Finance S.A.;
- 5,033 Euro for the acquisition of contractual rights relative to a *co-operation agreement* with a local partner that is part of the permanent organization in Turkey;
- 480 Euro for charges pertaining to the planning activities for the new works relating to the High Speed Verona-Venezia Link;
- 280 Euro for the acquisition of the quota of contractual rights pertaining to works for the construction of the Genoa Subway;
- 1,506 Euro for charges sustained for the organization, definition and start-up of the structured finance operations in support of the ongoing works in Turkey;
- 1,607 Euro for pre-operational charges sustained for the start-up of works in the permanent organization in Costa Rica;
- 567 Euro for the acquisition of contractual rights from other partners concerning the implementation of a quota of the works for the railway superstructure of the Caracas-Cua stretch in Venezuela.

The overall decrease for a total of Euro 14,910 includes the following:

- 10,873 Euro for the amortization applied to the Turkish branch, and referring to:
 - 5,211 Euro for the amortization of part of the charges sustained for the organization and definition of the financing modalities for the works in progress;
 - 4,150 Euro for the amortization of costs incurred by the Turkey branch in relation to the effects of the liquidation of the previous joint venture, as well as the relevant contractual charges;
 - 1,512 Euro for amortization of part of the costs sustained for the acquisition of contractual rights;
- 463 Euro for the following:
 - 203 Euro relevant to amortization of contractual rights for the works on the Genoa Subway;
 - 256 Euro relating to the total amortization of the residual costs of contractual rights for the works pertaining to our associated company “Consortium Astaldi-Federici-Todini Kramis”.
- 584 Euro for the quota of amortization of accessory charges sustained for the financing initiated with the subsidiary Astaldi Finance S.A..

B.II – Tangible Fixed Assets

These include land and buildings, plant, machinery, vehicles, equipment and other assets, including assets under construction and advances, for a total value of 54,235 Euro.

The item in question, its movements and the amortization rates are illustrated in the attached statement.

This item reported a net decrease of 2,075 Euro. The most significant net changes partly refer to the normal process of asset renewal, and partly to new

investments, that concerned the classes of "Specific Plants", "Generic Plants", "Excavators" and "Light Constructions"; these primarily refer to the new contracts in Italy and the permanent organizations located in Honduras, Venezuela and Rumania.

The amount referring to the item, "Assets under Construction & Advances" — totalling 2,175 Euro — includes:

- 1,349 Euro for the quota of Project Financing investments relating to the completion of the technological tunnels in the municipality of Cologno Monzese;
- 826 Euro for fixed assets of permanent foreign organizations which had not yet been assigned at the end of the year.

B.III – Investments

B.III.1 - Equity investments

This item amounts to 59,895 Euro and comprises that given in the following statement.

e q u i t y i n v e s t m e n t s					
(in thousands of euro)	2003	increase	decrease	reclassification	2004
equity investments in subsidiaries	38,763	2,546	(164)	–	41,145
equity investments in associated companies	16,594	21	(51)	4	16,568
equity investments in other companies	2,191	13	(18)	(4)	2,182
total	57,548	2,580	(233)	–	59,895

The increases include the undersigning of the share capital increase resolved by the subsidiary Astaldi Construction Corporation for 2,499 Euro.

To supplement what was stated above, and in accordance with Art. 2426 no. 3 of the Italian Civil Code, it should be noted that — with regards to certain equity investments in subsidiaries and associated companies specified in the attached statement — the values entered in the financial statements, and valued on the basis of costs incurred, are higher than those that would result from the application of the net equity method.

Nevertheless, it is deemed that these values can be maintained since they do not correspond to permanent losses in value.

The most significant values include that relevant to the subsidiary Italstrade which has planned the growth of its activities from a long-term perspective for both the national as well as foreign market. This was undertaken while implementing the process of industrial integration with the Parent Company that was started with the merger by incorporation of RIC S.p.A., a company that was already active in the railway superstructure sector.

To complete the information provided on equity investments, subsidiaries and associated companies, it should also be noted that the attached statement also gives details on certain equity investments showing net equity values that are higher than the respective values recorded in the accounts after being valued with the net equity method. Such higher values are mainly attributable to the pos-

itive results realized by these equity investments which could reasonably be considered for distribution to shareholders during the course of the next financial years — while respecting the limits of needed capitalization and in compliance with the growth of each individual equity investment.

B.III.2 – Loans

This item amounts to 110,483 Euro and comprises that given in the following statement.

l o a n s				
(thousands of euro)	2003	increase	decrease	2004
receivables from subsidiaries	26,763	8,061	(3,107)	31,717
receivables from associated companies	8,948	1,171	(582)	9,537
receivables from other equity investments	3,854	279	(2,515)	1,618
receivables from others	69,853	22,166	(24,408)	67,611
total	109,418	31,677	(30,612)	110,483

This item underwent a net increase in absolute values of 1,065 Euro with respect to the previous year.

Receivables from equity investments represent the financial transactions made by the Company under normal market conditions in support of works in progress — mainly abroad — as well as financing granted to companies in liquidation. Please refer to the statement at the foot of these notes for a detailed examination of single positions.

No financial credits due after five years are recorded in the accounts.

It should likewise be noted that the sum of Euro 67,611 was entered in the item *Other loans*, and pertaining mostly (Euro 63,967, including 35,249 Euro for non-contractual compensation and 28,718 Euro relating to receivables) to the part of the payment of credit assignments (with recourse) not paid by financial institutions — reported further on in these Notes; an amount of circa Euro 3,644 was relevant to the contribution (as per the Tognoli Law) imputable to the “Piazza VIII Agosto” car park in Bologna.

B.III.4 – Own shares

During the financial year, pursuant to the resolutions of the Ordinary Shareholders’ Meeting of November 9th, 2004 — relating to the buy-back of own shares within the limits provided for by current regulations — the Company negotiated its own shares on the Electronic Share Market (see the following table for the main data).

c h a n g e i n o w n s h a r e s			
(thousands of euro)	amount	valuation	average price
purchased shares	2,409,978	5,088,984.05	2.1116
sold shares	(2,009,978)	5,916,245.03	2.9434
shares in the portfolio	400,000	897,558.39	2.2439
capital gain		1,308,205.00	

The unit nominal value of the own shares is 1 (one) Euro.

C.I – Inventories

These overall total 199,512 Euro and include:

- Raw materials and consumables for 27,822 Euro that primarily refer to building yards in Italy and within the permanent organizations in Venezuela and Turkey; with respect to the previous year, a decrease of 6,013 was reported. The latter should be compared to the activities undertaken in Venezuela, Honduras, Guinea and El Salvador; the capital asset change does not coincide with the figure shown in the profit and loss account because of the effect of exchange rate changes in the bookkeeping of foreign branches.
- Goods in progress and semi-finished products — an item totalling 1,674 Euro and not present in the previous year — refers to the value of the inventories linked to the *“Ex Manifattura Tabacchi”* car park which is currently being built in Bologna.
- Contracts in progress for 162,109 Euro. This amount is net of:
 - Reserves for 72,768 Euro transferred with recourse — whose risk of recourse, equal to the corresponding amount of the transfer paid by the factor, 37,519 Euro — is given in the memorandum accounts, whereas the difference not yet paid by the factor, equal to Euro 35,249, was entered in the financial credits;
 - The value of completed works — totalling 280,625 — whose payment was received after completing each individual phase of the works. The most significant amount refers to works for the completion of the New Milan Expo Fair Center, totalling 275,288 Euro, while the residual 5,337 Euro refers to works for the Brescia Subway;
 - Payments collected on a provisional basis, but without any guarantee in favor of the purchaser, totalling Euro 30,437, and whose risk of recourse was in any case recorded in the memorandum accounts for the specific purpose of representing the case in question;
This item, which underwent a decrease of 1,269 Euro with respect 2003, is thus composed:
 - Italy: 118,269 Euro;
 - Abroad: 43,840 Euro.
- Finished goods and goods for resale — totalling 404 Euro — reports the sale of building initiatives that were completed and sold in the municipalities of Milan and Rome. During the course of the year, the entry decreased after the sale of the property in Via Beolchi in Milan for 255 Euro.
- Assets and materials in transit for 7,502 Euro; the increase with respect to the previous year is 6,180 Euro and mostly refers to the following permanent foreign organizations:
 - Astaldi branch in Turkey: 4,462 Euro;
 - Astaldi branch in Venezuela: 1,498 Euro;
 - Astaldi branch in Rumania: 1,431 Euro.

C.II – Accounts receivable

Receivables are entered for a total of 432,813 Euro, net of the provision for doubtful debtors for 6,254 Euro and the overdue interest provision for 12,474 Euro.

An analytical breakdown of this item is provided below — reporting the change with respect to the previous financial year for each component.

C.II.1 – Trade receivables: (Euro 265,885)

Trade receivables — net of the provision for credit depreciation and the overdue interest provision, totalling 6,254 Euro and 12,269 Euro, respectively – refer to amounts due from contractors for issued invoices, and for work progress that is already certified, but still has to be invoiced. An increase of Euro 29,007 with respect to the previous financial year was recorded.

This net increase mainly refers to:

- 28,528 Euro relating to the settlement of the arbitration ruling with the Croatian contractor for the construction of the Zagabria-Gorican highway;
- 11,768 Euro pertaining to works for the construction of the Rome-Naples High-Speed Railway;
- 11,350 Euro relating to the settlement of the dispute with the contractor “Ferrovie Alifana” for the construction of the “Benevento- Cancello-Napoli” railway;
- 11,000 Euro relating to the liquidation of indemnities on the part of the Ministry of the Treasury for war damages sustained by the ex-ItaIstrade during the implementation of works in Ethiopia;
- 4,258 Euro for works relating to the Rome-Pantano railway.

In addition, note should be made of the increase linked to the receivables for the works of the North-West Railway Link of Rome, totalling 9,467 Euro, and the works of the permanent organization in Congo, totalling 4,178 Euro.

The most significant net decreases refer to:

- works for the New Milan Expo Fair Center, totalling 17,011 Euro;
- works conducted by the permanent organization in Venezuela for 13,231 Euro, and by the permanent organization in Honduras for 5,466 Euro;
- collection of advances for the new works on the “Venezia Verona” High-Speed Railway, totalling 10,887 Euro.

In addition to the above, credits were assigned (with recourse) to financial institutions during the course of the year, enabling part of the working capital to be converted into liquid funds. These are summarized below.

transfers of credits with recourse

(thousands of euro)

	original credit assignment	amount paid in advance	residual credit assignment
italian contracts	52,258	27,350	24,908
foreign contracts	16,537	12,727	3,810
total	68,795	40,077	28,718

The following table summarizes the trend of transfers made in 2004.

trend of transfers of credits with recourse

(thousands of euro)

	total transfers in 2003	2004 movements collection	transfer	total transfers 2004
italian contracts	76,863	(76,863)	52,258	52,258
foreign contracts	–	–	16,537	16,537
total	76,863	(76,863)	68,795	68,795

The movements of funds that directly effected write downs of the receivables in question are illustrated below. Following the settlement of the ruling relating to the construction of the Zagabria-Gorican Highway in Croatia and with which the Arbitration Board acknowledged the right to compensation for works to Astaldi on the past 18th of June, the credit risk did not occur as was forecasted and as was allocated for in the provision for doubtful debtors for 5,000 Euro; these works include conducted activities, the profit loss and matured interest.

provision for doubtful debtors

(thousands of euro)

value as of 31.12.03	9,254
increases during the financial year	2,000
economic utilization for the financial year	(5,000)
utilization of reserves during the financial year	-
value as of 31.12.04	6,254

The increase of 2,000 Euro relates to the prudential allocation for risk of non-payment of certain receivables.

The decrease of 5,000 Euro refers to the settlement of the ruling in Croatia, as previously highlighted.

provision for delayed payment interest

(thousands of euro)

value as of 31.12.03	4,239
- increases during the financial year	8,635
- economic utilization for the financial year	(568)
- utilization of reserves during the financial year	(37)
value as of 31.12.04	12,269

The allocation within this fund for a total of 8,635 Euro is primarily related to the Croatian dispute and was prudentially implemented while awaiting the completion of the procedures that aim to make the ruling effective.

C.II.2 – Receivables from subsidiaries (Euro 41,334)

An increase of Euro 2,681 with respect to the previous financial year was recorded. For an analysis of the composition of accounts receivable see the statement given at the end of these Notes and relevant to transactions with correlated parties.

C.II.3 – Receivables from associated companies: (Euro 28,247)

A decrease of 7,458 Euro with respect to the previous financial year was recorded. For an analysis of the composition of accounts receivable see the statement given at the end of these Notes and relevant to transactions with correlated parties.

C.II.4 – Receivable from Parent Companies: (Euro 33)

An increase of 14 Euro with respect to the previous financial year was recorded, and was related to commercial relations with Fin.Ast S.r.l.

C.II.4-bis – Tax Receivables: (Euro 34,885)

The amount is reported net of a provision for delayed payment interest and equal to 197 Euro; there were no movements during the financial year. The item in question — which was subject to a net decrease of Euro 7,261 during the course of the year — is detailed in the statement below.

t a x r e c e i v a b l e s			
(thousands of euro)			
	Italy	abroad	total
a) indirect tax			
vat receivable < 12 months	9,694	9,902	19,597
vat receivable > 12 months	176	–	176
total indirect taxes	9,870	9,902	19,773
b) direct taxes			
direct tax receivable < 12 months	11,946	1,008	12,953
direct tax receivable > 12 months	2,159	–	2,159
total indirect tax	14,105	1,008	15,112
c) total tax receivables	23,975	10,910	34,885

In addition to the details given in the above table, it is pointed out that receivable VAT mainly refers to:

- the permanent organization in Venezuela for circa 6,760 Euro; this item has decreased by over Euro 4,958 with respect to the previous year; it is reasonable to expect that the latter will be partly absorbed by the new works and partly paid by the purchaser;
- the permanent organization in Guinea for a value of circa 1,652 Euro, which will be partly used in the invoicing of payments for implemented works (this will be done reasonably over the course of 2005), and partly recovered from the local tax authorities;
- activities implemented in Italy for 9,694 Euro. This amount contributes to forming the normal taxation dynamics for VAT purposes which at times show significant peaks, and which are in any case consistent with work and invoicing flows;
- It should also be noted that direct tax receivables consist of the following significant values:
 1. 10,529 Euro for IRES being formed, and which is composed of:
 - a. the credit derived from the calculation of the taxes for 2004;
 - b. the credit for foreign taxes, and referring to the part that is recoverable in accordance with the provisions of Article 165 of the new Unified Text on Income Tax ("TUIR") as well as with the international conventions on double taxation;
 2. 3,780 Euro referring to other credits for direct and refundable taxes (2,214 Euro), as well as interest that accrued on part of the credit requested for refund (605 Euro) and other tax credits which accrued locally for permanent foreign organizations (1,051 Euro);

It is useful to note that the simplified procedure required by Article 43-ter of the Decree of the President of the Republic n. 602 of September 29th, 1973 — which provides for the assignment to subsidiaries of part of the IRES (corporate tax) credits that are not requested for a refund — was initiated. This was un-

dertaken during the course of 2004 for the purpose of rationalizing the financial relations between the companies of the Group, as well as for the purpose of recovering the accruing IRES credit. The overall assigned amount in 2004 was 1,260 Euro.

- In the month of December 2004, the *pro-soluto* assignment of Irpeg credits that were requested for refund with Unico (tax return) 2003 and Unico 2004 was initiated with respect to the factoring company “Capitalia L & F” for the purpose of transforming part of the tax receivables into liquid assets; these assignments totalled 5,000 and 13,000 Euro for the two above tax returns, respectively.

C.II.4-ter – Prepaid Taxes: (Euro 3,635)

This item summarizes the overall effects deriving from the recording of prepaid and deferred taxes since they are legally remunerable. With respect to the previous year, a net decrease of 6,896 Euro was reported. This refers to 2,962 Euro for the use of taxed funds, and 3,934 Euro that was primarily due to the increase in liabilities for deferred taxes deriving from positive income elements that will be taxable in future years.

For an analytical breakdown please refer to the attached statement at the foot of these explanatory notes.

C.II.5 – Other receivable

C.II.5.a – Receivable from Personnel: Euro 738

A decrease of 68 Euro with respect to the previous financial year was recorded.

C.II.5.b – Receivable from Social Security Institutions: Euro 584

A decrease of 151 Euro with respect to the previous financial year was recorded.

C.II.5.c – Guarantee deposits: Euro 834

A decrease of 14 Euro with respect to the previous financial year was recorded.

C.II.5.d- Receivable from other shareholding companies: Euro 3,372

An increase of Euro 3,147 with respect to the previous financial year was recorded.

C.II.5.e – Other Receivable: Euro 53,263

An overall increase of Euro 9,628 with respect to the previous financial year was recorded, and is detailed in the following statement.

o t h e r r e c e i v a b l e s			
(thousands of euro)	2004	2003	difference
advances to suppliers and subcontractors	24,255	17,328	6,927
receivables from third parties for performance of services and disposal of goods	16,205	12,858	3,347
various other receivables (reserves from arbitration boards and liquidators)	12,810	13,457	(646)
total	53,271	43,643	9,628
reserve for delayed payment interest risk on other receivables	(8)	(8)	(0)
total net other receivables	53,263	43,635	9,628

C.III – Investments which are not permanent

C.III 6 – Other investments: Euro 25,626

The item in question underwent an overall increase of 22,482 Euro which was mainly due to:

- The acquisition of part of the debenture loan issued by the subsidiary Astaldi Finance for 20,001 Euro. This operation — undertaken at the price of 0.991 — was planned as part of the plan for procurement of resources needed to reimburse the current financing with the subsidiary — this reimbursement occurred last January.

For a more detailed examined of the item in question, please refer to the following summary statement.

o t h e r i n v e s t m e n t s			
(thousands of euro)	2004	2003	difference
Astaldi Finance bonds	20,001	–	20,001
Futher Credit - Arner Fund	5,000	5,000	–
Gefin Comm.Union Fund	1,022	992	30
BNL Real Estate Fund	254	254	–
Other minor securities	60	60	–
Acer Bonds 10% 1990/2002	2	2	–
Fineco Bond Fund	908	–	908
Total	27,247	6,308	20,939
securities write-down fund	1,621	3,164	(1,543)
total net securities	25,626	3,144	22,482

To further clarify the preceding table it should be noted that the amount of 1,621 Euro in the item Securities Write-down Fund should be correlated with the Futher Credit-Arner Fund of 5,000 Euro. During the course of the year, the securities write-down fund was used to restore the value of the abovementioned “Futher Credit Fund”.

C.IV - Cash at bank and in hand

Cash at bank and in hand is equal to 153,706 Euro, an increase of 25,645 Euro with respect to the previous financial year. These include 196 Euro for cash deposits in the Registered Office and the building yards, as well as 1,559 Euro for bank drafts and checks and 151,951 Euro for deposits with Bank Corporations. Deposits in foreign currencies are valued by using the exchange rates at the end of the period — with the resulting booking of relating adjustments in the profit and loss account.

Shown below is the geographical breakdown of cash at bank and in hand.

geographical breakdown of cash at bank and in hand

(thousands of euro)

Italy	116,568
United States	26,666
Rumania	4,465
Venezuela	929
other	5,078
total	153,706

D - Prepayments and accrued income

This items totals 9,344 Euro, an increase of 3,001 Euro with respect to the previous financial year.

The table below illustrates the most common types of accrued income and prepayments.

accrued income and prepayments

(thousands of euro)

	Italy	abroad	total
accrued income			
proceeds from financial operations	1,729	–	1,729
interest on securities	1,156	–	1,156
bank account interest	35	11	46
insurance	–	44	44
total accrued income	2,920	55	2,975
prepayments			
insurance	3,084	1,169	4,253
commissions on guarantees	1,218	12	1,230
leasing	261	154	415
rentals	99	49	148
local & car taxes, & other	47	254	301
telephone fees	14	–	14
subscriptions & publications	8	–	8
total prepayments	4,731	1,638	6,369
total accrued income & prepayments	7,651	1,693	9,344

Balance sheet - Liabilities

A - Net equity

Net equity amounts to 238,736 Euro, inclusive of profit for the year equal to 31,277 Euro.

On April 30th, 2004, the Shareholders' Meeting — while meeting to approve the financial statements at December 31st, 2003 — resolved to distribute a dividend per share of 0.065 Euro for an overall 6,306 Euro (net of the dividend's value referring to own shares).

With the resolution of November 9th, 2004 the Shareholders' Meeting again authorized the Board of Directors to purchase the Company's ordinary shares on the

M.T.A. (Electronic Share Market), in accordance with the provisions of Art. 2357 of Italian Civil Code.

On December 31st, 2004, shares held in the portfolio were equal to 400,000, for a total value of 898 Euro.

Following this, the reserve for the purchase of own shares was debited for the same amount while at the same time crediting the reserve for own shares in portfolio – these amounts (as of December 31st, 2004) are summarized below.

The decrease in the conversion reserve, with respect to December 31st, 2003, is attributable to the exchange rate trend, particularly in relation to the US dollar and currencies linked to it. In this respect, the conversion reserve reflects temporary exchange rate fluctuations at the closing date with respect to previous periods.

Following the movements, the composition of net equity is as follows.

I. Share capital

s h a r e c a p i t a l	
(thousands of euro)	
value as of 31.12.2003	98,425
value as of 31.12.2004	98,425

Share capital is represented by 98,424,900 ordinary shares with a nominal value of 1.00 Euro.

In accordance with the Shareholders' Register — supplemented by the notices received in accordance with Art. 120 of Legislative Decree no. 58 of February 24th, 1998 and other available information — the direct shareholders, as of December 31st, 2004, holding more than 2% of the Company's share capital fully paid-up and represented by shares with voting rights, are as follows.

- Fin.Ast. S.r.l., owner of 39,578,033 shares equal to 40.211%;
- Finetupar International S.A. (Luxembourg) (formerly Finetupar S.A), owner of 12,327,967 shares equal to 12.525%;
- Gartmore Investment Management PLC., owner of 5,236,246 shares equal to 5.32%;
- Famifin S.A. (Luxembourg), owner of 2,000,000 shares equal to 2.032%;
- Nextra Investment Management SGR, owner of 2,160,000 shares equal to 2.195%;

II. Share premium reserve

s h a r e p r e m i u m r e s e r v e	
(thousands of euro)	
value as of 31.12.2003	67.836
value as of 31.12.2004	67.836

This item was unchanged with respect to the previous year.

IV. Legal reserve

l e g a l r e s e r v e

(thousands of euro)

value as of 31.12.2003	7,218
value as of 31.12.2004	7,819

This item underwent an increase of 601 Euro, due to the allocation of a part of the operating result of 2003 — as resolved by the Shareholders' Meeting on April 30th, 2004.

VI. Reserve for own shares

r e s e r v e f o r o w n s h a r e s

(thousands of euro)

value as of 31.12.2003	2,385
value as of 31.12.2004	898

The item in question was subject to a net decrease of Euro 1,487 during the course of the year — equal to the difference in own shares exchange volume for the year — while implementing the Buy-Back Plan. The value entered in the accounts at December 31st, 2004 and coincides with the value of own shares entered in the investments.

VII. Other reserves

1) Reserve for currency translation adjustments

r e s e r v e f o r c u r r e n c y t r a n s l a t i o n a d j u s t m e n t s

(thousands of euro)

value as of 31.12.2003	(11,158)
value as of 31.12.2004	(15,889)

The decrease in the conversion reserve is attributable to the changing effects resulting from application of the multi-currency accounting of foreign branches which provides for the management of transactions in the original currency and conversion into Euros at year-end for the sole purpose of drawing up the Financial Statements. Considerable influence was determined by the depreciation in the value of the US dollar with respect to the Euro, as well as currencies connected to it; this is the currency in which some important contracts for foreign works are denominated and carried out through permanent organizations. These consequences of these variations are considered temporary and intrinsic to the specific nature of the reserve and therefore do not imply permanent effects.

2) Extraordinary reserve

e x t r a o r d i n a r y r e s e r v e

(thousands of euro)

value as of 31.12.2003	18,846
value as of 31.12.2004	23,866

The item in question was subject to a net decrease of 5,020 Euro during the course of 2004 after the resolution of April 30th, 2004 allocating part of the net income of 2003.

3) Reserve for specific risks

reserve for specific risks	
(thousands of euro)	
value as of 31.12.2003	798
value as of 31.12.2004	798

4) Reserve for Purchase of Own Shares

reserve for purchase of own shares	
(thousands of euro)	
value as of 31.12.2003	22,215
value as of 31.12.2004	23,702

The item in question was confirmed after the Shareholders' Assembly resolution of November 9th, 2004 renewed the authorization for the Board of Directors to buy the ordinary shares of the company.

5) Euro conversion difference

euro conversion difference	
(thousands of euro)	
value as of 31.12.2003	(2)
value as of 31.12.2004	(2)

The statement of net equity items is given at the end of these Notes, with specific indication as to their origin and their usage in previous years, as well as their possibility of usage and distribution.

B - Provisions for risks and charges

On December 31st, 2004, provisions for risks and charges totalled 41,230 Euro, against 51,399 Euro for the previous year.

The movement of this provision for the financial year is as follows.

change in provisions for risks and charges						
(thousands of euro)	value as of 31.12.03	allocations for the year		usage during the year		value as of 31.12.04
		p&I	balance sheet	p&I	balance sheet	
provision for contractual risks	47,984	30,307	–	(40,856)	–	37,435
provision ex art. 27 - company's statute	37	–	90	–	–	127
provision for equity investments liabilities	1,943	1,320	–	(126)	(370)	2,767
taxation reserve	1,435	–	–	–	(534)	901
total provisions for risks and charges	51,399	31,627	90	(40,982)	(904)	41,230

- It should be noted that the provision for contractual risks is established to cover the progress and final result of works. The decrease in the reserve is due to the availment to off-set losses accumulated over the period in relation to Italian and foreign contracts, whose economic effects have already been provided for in previous years.
- Allocations to the equity investment reserve refer to the effect deriving from the devaluation in equity investments in the companies put into voluntary liquidation for the purpose of providing for losses — of a fixed nature and certain or probable existence — but whose amount and date of the extraordinary costs are not determined at the end of the financial year.
- The taxation provision, for a total of 901 Euro, underwent a net decrease of 534 Euro, imputable for:
 - 236 Euro for the automatic definition of fiscal year 2002, provided for by Law no. 289 of December 27th, 2002 and later amendments and supplements.
 - 298 Euro, on payment of the amounts deriving from the judicial settlement carried out for 1997 and 1998, in accordance with Art. 48 of Legislative Decree no. 546/1992, with the Revenue Office – Rome 4 office – relevant to the dispute over the presumed omitted taxation of the so-called Contractor' reserves. The amount that remains debited to the provision refers to the presumed charges that the company must sustain in relation to the Rome 1 office in 1997 and 1998 (474 Euro) and in 1999 with the Rome 4 office (427 Euro).
- The fund under article 27 of the By-Laws—established for liberality purposes—reported a 90 Euro increase during the present year after allocating a part of the profit for 2003; this was resolved by the Shareholders' Meeting of April 30th, 2003.

C - Employee severance indemnity

The changes in the year are as follows.

e m p l o y e e s e v e r a n c e i n d e m n i t y					
(thousands of euro)	2003	increase for the year	decrease for the year	change	2004
provision for employee severance indemnity	11,497	4,588	(4,480)	226	11,831

D - Debt and other payables

Debts and other payables for the year in question comprise the following items.

D – Amounts owed to banks: Euro 206,357

This item reported a net increase of 47,272 Euro.

For greater clarity, the single credit lines are summarized below, with specific reference to their usage on December 31st, 2004.

c r e d i t l i n e s		
(thousands of euro)	l i n e s	u s a g e
overdraft	55,147	15,597
hard cash	54,082	50,082
short-term financing	33,879	32,910
medium-term financing	203,111	55,233
self-liquidating funds	238,386	46,527
loans	6,009	6,008
general total	590,614	206,357

The individual due dates relevant to medium and long-term financing — including loans — are given below.

a n n u a l d u e d a t e s					
(thousands of euro)	2005	2006	2007	2008	oltre
medium-term financing	25	17	13	0	0
loans	1	1	1	1	2

The debts and payables included in the balance and backed by guarantees are detailed below by type:

■ CARISBO LOAN: Euro 5,831

secured by a mortgage of Euro 18,076 on the building relating to the Bologna car park;

■ CARIPRPC LOAN: Euro 177

secured by a mortgage of Euro 2,789 on the building relating to the Torino (Palazzo) car park.

In accordance with company procedures, adequate operations for coverage of interest rate risk were put into place; these are known as Interest Rate Swaps.

In addition, it should be noted that on June 30th, 2004, a financing contract of 100,000 Euro was undersigned between Astaldi S.p.A. (the mutuary) and Astaldi Finance S.A., MCC S.p.A. (as Agent), MCC S.p.A., Sanpaolo IMI S.p.A. and Efibanca S.p.A. (as financing banks) for the purpose of repaying the financing of 148,250 Euro that is currently effective with the subsidiary Astaldi Finance S.A. and which expired on February 11th, 2005. This contract presented the following characteristics:

- date of disbursement: January 28th, 2005;
- duration: 60 months from the date of disbursement;
- repayment: in 10 constant half-year instalments, with the first due on Au-

gust 9th, 2005, and the others on the 9th of February and August of each year; the last instalment will be repayed on February 9th, 2010;

- interest rate: the applicable rate will be equal to the 6-month Euribor rate, calculated on an annual basis of 360 days plus a margin of 1.85%;
- interest rate period: the interest rate period will have a delayed half-year duration, effective from the date of issue; the due date for the payment of interest will coincide with the expiration date of the financing.

D.6 – Advances: Euro 109,066

This item concerns advances paid by purchasers for execution of the works and reported a net change of 25,639 Euro for the year.

The most significant increases are related to the works in Italy (11,971 Euro) concerning the advance received from the contractor for the construction of the Brescia Subway, as well as the permanent foreign organizations in Rumania (12,910 Euro) and Venezuela (4,063 Euro), overall totalling 28,973 Euro.

Decreases mainly refer to the works for the construction of the New Milan Expo Fair Center; the value of implemented works has broadly surpassed the value of received advances (44,518 Euro) in this project. Other decreases refer to permanent foreign organizations, and include:

- Guinea branch: Euro 4,111
- Croatian branch: Euro 3,578
- El Salvador branch: Euro 1,658
- Turkey branch: Euro 763

D.7. D – Amounts owed to suppliers: Euro 169,398

This item underwent a net increase of Euro 28,946 with respect to the previous year. It should be noted that this change is mostly due to the following primary effects:

- 22,901 Euro for investments for the start-up of the new initiatives in Italy, particularly in reference to the construction of the Brescia Subway and the High Speed Station in Bologna;
- 12,263 Euro for increases referring to the permanent organizations in Turkey (6,900 Euro), Rumania (4,230 Euro) and Honduras (1,133 Euro).

The decreases primarily refer to the permanent organizations in Guinea (5,730 Euro) and in El Salvador (1,724 Euro).

D.9. – Amounts owed to subsidiaries: Euro 189,825

This item underwent a net increase of 941 Euro with respect to the previous year.

The balance of this item includes the financing received from Astaldi Finance S.A. totalling 148,250 Euro which has been completely repayed in January 2005; this was in advance of the normal due date set on February 11th, 2005. For an analysis of the composition of debt and other payables see the statement given at the end of these Notes and relevant to transactions with correlated parties.

D10 – Amounts owed to associated companies: Euro 77,633

This item reported an increase of 17,013 Euro with respect to the previous year. For an analysis of the composition of debt and other payables see the statement given at the end of these Notes and relevant to transactions with correlated parties.

D.12 - Amounts owed to the tax authorities: Euro 7,166

This item — which reports a decrease of 7,754 Euro with respect to the previous year — primarily refers to:

- 1,814 Euro for withholding tax on subordinate and independent work, in addition to the balance of various IRAP taxes relating to the Registered Office (44 Euro);
- 5,352 Euro owed to the Revenue for VAT, 2,122 Euro of which relating to works carried out in Italy, and 3,230 Euro pertaining to the permanent organizations abroad — the most significant being those in Turkey (996 Euro), Congo (1,785 Euro) and Guinea Conakry (337 Euro).

D.13 – Amounts Owed to Social Security Institutions Euro 3,503

This item underwent a decrease of 726 Euro.

D.14 - Other Debt and Payables: Euro 25,963

An increase of Euro 4,631 with respect to the previous financial year was recorded. As already given in the accounts, this item comprises:

D.14.a – Amounts owed to shareholding companies: Euro 3,757

This item underwent a net decrease of Euro 1,213 with respect to the previous year.

*D.14.b - Deposits and guarantees: Euro 9**D.14.c - Amounts due to personnel: Euro 5,259*

This item details the amount due for remuneration relevant to December, as well as the amount due for holidays accrued and not taken, and records a decrease equal to 1,306 Euro with respect to the previous period.

D.14.d - Other Debt and Payables: Euro 16,939

This item reported an increase of Euro 4,538 with respect to the previous year. Some of the most significant entries are summarized below:

- amounts due to representative companies, within the scope of work carried out through the establishment of consortia, for collections made in their name and on their behalf, equal to 9,780 Euro;
- advances from customers, for 1,019 Euro;
- other items relevant to transactions not directly deriving from production activity, but in any case connected with the latter, and totalling 6,140 Euro. These partly pertain to the permanent organization in Venezuela.

E. Accruals and deferred income

This item — composed of only accruals — shows a negative balance of 11,350 Euro (11,241 Euro in 2003), as detailed below.

accrued liabilities			
(thousands of euro)	Italy	abroad	total
interest payable on financing	9,849	43	9,892
accruals of 14th month salary and non taken vacation	1,127	90	1,217
charges on swap operations	239		239
payable interest on loans	2		2
total accrued liabilities	11,217	133	11,350

Balance sheet - Memorandum accounts

A) Personal guarantees

The total amount recorded in the accounts is 1,421,892 Euro and refers to the following matters:

- 1) guarantees for credit lines, intended to ensure a regular cash-flow on the individual contracts, issued in the interests of subsidiaries, associated companies and other shareholding companies, and established for the purpose in accordance with current tax legislation for a total amount of 110,924 Euro;
- 2) guarantees for works, issued in the interests of the Company, banking Institutions and/or insurance companies, in favor of contracting entities for various purposes and on behalf of subsidiaries, associated companies and other third party contractors — for a total of 1,193,834 Euro;
- 3) Other guarantees totalling 117,134 Euro which include guarantees issued in favor of:

other guarantees	
(thousands of euro)	
guarantees issued in favour of:	
– subsidiaries:	59,066
– associated companies:	52,265
– third parties:	5,803

B) Other memorandum accounts

This item totalling 121,195 Euro includes the following:

- 71,841 Euro to the loss risk resulting from the assignment of credits with recourse towards factors, with a decrease of 14,328 Euro compared to the previous year;
- 18,972 Euro for commitments relevant to leasing contracts stipulated for the purchase of movables and immovables in Italy and abroad. The method adopted to record leasing is that provided for by tax legislation for entering rent in the profit and loss account, inclusive of the capital amount and interest. Adoption of the so-called financial method would have determined the effects shown in the following table:

(thousands of euro)

assets	amount
a) contracts in progress:	
- goods with a finance leasing at the end of the previous year, net of overall amortization equal to € 9,625 at the end of the previous year	24,384
+ goods acquired with financial leasing during the course of the year	1,801
- goods acquired with financial leasing that were redeemed during the course of the year	(11)
- amortization quotas for the year	(2,946)
+/- adjustments/value recoveries on goods with finance leases	-
- goods with finance leasing at the end of the year, net of overall amortization equal to € 12,571	23,228
b) redeemed goods:	
- greater overall value of redeemed goods, determined by means of the financial method, with respect to their net book value at the end of the year	230
	23,458
c) liabilities	
- implicit payables for finance leasing operations at the end of the previous year	20,532
- including:	
a) - payable next year	3,154
b) - payable in 1 to 5 years	17,378
c) - payable beyond five years	
+ implicit payables emerging during the course of the year	1,481
- refund of capital shares and redemptions during the course of the year	(3,041)
- implicit payables for finance leasing operations at the end of the year	18,972
- including:	
a) - payable next year	3,536
b) - payable in 1 to 5 years	15,435
c) - payable beyond five years	
d) overall gross effect at the end of the year (a+b-c)	4,486
e) fiscal effect	(1,480)
f) effect on net (shareholders') equity at the end of the year (d-e)	3,006
profit & loss account	2004
- (cancellation) of finance leasing fees	(4,943)
+ financial charges on finance leasing	1,078
+ amortization quotas:	
a) - on current contracts	3,168
b) - on redeemed goods	142
+/- adjustments/value recoveries on goods with finance leases	
effect on net income before tax	(555)
fiscal effect	183
effect on net income of the year	(372)

- the amount of 30,381 Euro, specified in "Other" item, is attributable to non-contractual works allocated as a provisional item and mostly pertaining to construction works on the Pont Ventoux hydroelectric plant in Val di Susa, on behalf of Aem Torino.

C) Third party guarantees in our favor

These represent — totalling Euro 25,066 — the guarantees furnished by bank corporations and insurance companies in the interest of Italian and foreign sup-

pliers and subcontractors in relation to the contractual obligations assumed by them with respect to your company.

Data relative to the composition and specific items of the Profit & Loss Account

Regarding the profit and loss account, the main points are as follows.

Revenues and the value of services deriving from contracts relevant to the company's core activities amount to 785,596 Euro.

The breakdown by work category, including the change in inventories with respect to 2003 that was equal to 183,565 Euro, is given in the following table.

contract revenues			
(thousands of euro)			
	2004	2003	change
initial contract work in progress	(367,333)	(290,862)	76,472
final contract work in progress	550,899	370,044	(180,855)
revenue from long-term contractual works	599,979	594,313	(5,666)
revenue from short-term contractual works	2,051	482	(1,570)
total	785,596	673,977	(111,618)

Revenue for works totals 785,596 Euro in 2004 (a 17% increase with respect to 2003) and is derived from the following aggregated data.

contract revenues by line of business				
(thousands of euro)				
	2004	%	2003	%
transport infrastructures	534,896	68.0%	500,961	74.3%
hydraulic work and energy production plant	59,391	7.6%	38,661	5.7%
civil and industrial buildings	191,309	24.4%	134,355	19.9%
total	785,596	100.0%	673,977	100.0%

The geographic distribution is as follows.

contract revenues by geographical area				
(thousands of euro)				
	2004	%	2003	%
Italy	495,153	63.1%	423,550	62.8%
Europe	129,002	16.4%	46,457	6.9%
Americas	110,909	14.1%	150,568	22.3%
Africa	50,532	6.4%	53,402	7.9%
total	785,596	100.0%	673,977	100.0%

The increases in fixed assets for internal works — previously described in item BI, Intangible Fixed Assets — are equal to 8,044 Euro and refer to capitalized costs. The main entries forming the item mainly refer to internal costs relevant to the plant, organization and starting of new building yards — including those relating to the construction of the Brescia Subway, the Melito Dam and the High

Speed Railway Station of Bologna and the Milan Rail Link — in addition to costs incurred for the analysis of tenders in Italy.

Other revenues, equal to 49,118 Euro, are largely represented by revenue items that are not directly linked to the production activity of Company works, but which are characterized by a continuous nature over the course of the various financial years. This item also includes the overall results determined by the sale of properties in Rome and Turin.

An increase of Euro 14,047 with respect to the previous financial year was recorded.

The breakdown of the items is as follows.

contract revenues			
(thousands of euro)			
	2004	2003	change
services provided to third parties	9,222	10,254	(1,033)
revenues from sales of goods	9,056	2,212	6,844
extraordinary income & inexistence of liabilities	7,071	7,008	63
sponsorship	6,046	4,316	1,730
provision for risks utilization	5,708	573	5,135
rentals	4,606	697	3,909
receivable rents	1,835	1,633	202
other revenue	1,649	2,357	(708)
capital gains on sales of fixed assets	1,124	651	472
insurance premiums	1,087	3,443	(2,356)
capital gain on debtor purchase and sale	819	84	735
receivable discounts and allowances	567	392	175
income from real estate sales	329	1,450	(1,121)
total	49,118	35,072	14,047

The most significant differences shown in the above tables include:

- 5,000 Euro for the usage of the provision for credit risk, and which were previously allocated to cover the receivable due from the Croatian contractor;
- 3,909 Euro that mostly refer to rentals of machinery and industrial equipment, and implemented with respect to third parties through the permanent organizations in Venezuela and Guatemala;
- 6,844 Euro relating to the increase in revenue from sales of materials to subcontractors, and mostly pertaining to the Permanent Organizations in Venezuela and in Guinea.

The cost of production is equal to 780,365 Euro (666,140 Euro in 2003) — an increase of circa 15% with respect to the previous financial year. This increase should be compared to the corresponding increase in total revenues. In addition to employee costs, these mainly consist of costs for services and raw materials.

In particular:

- The costs of raw materials and consumables, net of remainders, amount to 116,052 Euro (112,190 Euro in 2003). It should also be noted that the costs for customs charges on the acquisition of materials were also included in this item since they are directly linked to the costs of materials; for greater comparability these were re-classified from the item *Other operating costs* of the previous year (for Euro 2,192);

- Costs for services amount to 521,828 Euro (407,649 Euro in 2003) and increased by 114,179 Euro with respect to the previous financial year. The breakdown of the items is as follows.

costs for services

(thousands of euro)

	2004	2003	change
consortium costs	306,659	229,595	77,064
subcontracting	117,942	83,926	34,016
manufacturing & services	22,507	26,867	(4,360)
materials in use	25,202	18,133	7,069
technical and commercial consulting	20,177	18,767	1,410
legal, fiscal & administrative services	9,250	7,501	1,749
various other costs & services	5,343	8,591	(3,248)
insurances	5,236	3,574	1,662
consumption	4,181	4,958	(777)
travel & transfers	1,969	2,859	(890)
maintenance & repairs	1,877	1,725	152
director and auditor fees	1,485	1,152	333
total	521,828	407,648	114,179

The most significant increase refers to:

- 77,064 Euro for the overturning of consortium costs on the part of the purpose companies, and mostly pertaining to works for the New Milan Expo Fair Center;
- 34,016 Euro for subcontracting costs within the permanent foreign organizations in Venezuela, Turkey, Rumania and Honduras.
- Costs for use of assets owned by third parties, equal to 12,983 Euro (14,325 in 2003), include the following:
 - rentals for 5,539 Euro;
 - leases for 4,943 Euro;
 - rentals and condominium expenses for 1,813 Euro;
 - maintenance costs on third-party goods for 240 Euro;
 - other rental costs for 448 Euro.
- The depreciation of credits entered in the current assets, equal to 2,000 Euro is attributable to the prudential allocation of the risk of non-payment linked to certain receivables from various creditors.
- The net utilization equal to 10,549 Euro is the result of the difference between the provisions made in the year, equal to 30,307 Euro (29,231 Euro on December 31st, 2003), and availments for 40,856 Euro (35,691 Euro on December 31st, 2003). Other operating costs total 12,073 Euro, an increase of 771 Euro with respect to the previous year; they are represented by the following items.

other operating costs

(thousands of euro)

	2004	2003	change
extraordinary charges and non-existent liabilities due to value adjustments	6,609	5,712	897
fiscal charges	2,280	2,695	(415)
other administrative costs	2,229	2,117	112
agency expenses	537	556	(19)
capital losses on sales of assets	417	222	195
total	12,073	11,302	771

For the purpose of greater clarity it should be noted that other tax charges mainly refer to indirect taxes such as stamp duty, ICI (local property tax), government concessions and registration taxes incurred in Italy and abroad. With respect to the previous year, customs charges were re-classified in *Costs of Raw Materials*, ensuring that this same item was re-classified in the previous financial year.

In addition—with regards to adjustment extraordinary items and non-existence of assets—the entry mainly includes the differences in estimates derived from the overturning of costs for the specific companies in the previous year .

C.15 / C.16 - Financial income: Euro 31,552 (Euro 50,635 in 2003)

Income from equity investments amounts to 6,871 Euro (30,155 Euro in 2003) and is composed as follows:

- Income from subsidiaries for 1,726 Euro (25,004 Euro in 2003) and referring to Astaldi Rwanda Ass. The main part totals 1,611 Euro and the residual part — 116 Euro — almost exclusively refers to the company Porrettana S.c.r.l. Liquidata.
- Income from associated companies for 5,144 Euro (5,144 Euro in 2003) and primarily referring to:
 - Consortium Metro Los Teques: 5,139 Euro;
 - V.A.S.C.O. S.c.n.c.: 5 Euro.

Other financial income includes the following items.

other financial income			
(thousands of euro)			
	2004	2003	change
receivable interest from third parties	14,793	6,337	8,456
income from hedging operations	5,479	4,830	649
bank interest	1,338	2,572	(1,234)
commissions on guarantees	728	756	(28)
income from security sales and capital gains from own shares	1,872	4,792	(2,919)
receivable interest from subsidiaries	287	1,189	(902)
receivable interest from associated companies	183	4	179
total	24,681	20,480	4,201

Other financial income totals 24,681 Euro (20,480 Euro in 2003) and increased by 4,201 Euro with respect to the previous financial year.

The item interest versus third parties is mainly composed of the receivable interest deriving from the settlement of the arbitration ruling relating to the construction of the Zagabria-Gorizan Highway whose effects were partially allocated in the corresponding provision while awaiting collection.

The item Income from alienation of securities includes income realized during the course of the year for the assignment of Own Shares, totalling 1,308 Euro. Finally, it is useful to note that net income from exchange rate fluctuations in 2003 — in compliance with the provisions of Legislative Decree n. 6 of January 17th, 2003 — has been reclassified from item *C16 - Other financial Income* to item *C17 bis - Exchange Rate Gains (Losses)*.

C.17 - Interest payable and similar charges: Euro 36,907

Interest payable and similar charges for the year, which also represent interest for financing towards the subsidiary Astaldi Finance (10,970 Euro) include the following items.

i n t e r e s t p a y a b l e a n d s i m i l a r c h a r g e s			
(thousands of euro)			
	2004	2003	change
bond loan interest	11,210	10,993	216
long-term debt bank interest	5,847	5,058	789
costs for hedging operations	5,832	2,580	3,252
commissions on guarantees	5,148	4,937	212
factoring interest and costs	4,187	4,252	(64)
short-term bank borrowing interest	3,558	5,154	(1,596)
bank fees and commissions	951	1,093	(141)
discounts and other financial charges	174	3,451	(3,277)
total	36,907	37,517	(610)

Finally, it is useful to note that net income from exchange rate fluctuations in 2003 — in compliance with the provisions of Legislative Decree n. 6 of January 17th, 2003 — has been reclassified from item *C17- Interest Payable and Similar Charges* to item *C17 bis- Exchange Rate Gains (Losses)*.

C17- bis – Exchange Rate Gains (Losses): Euro 1,932 (Euro (1,482) in 2003)

The item in question includes the following.

e x c h a n g e r a t e g a i n s (l o s s e s)			
(thousands of euro)			
	2004	2003	change
exchange rate gains	9,891	5,752	4,140
exchange rate losses	(7,959)	(7,234)	(725)
total	1,932	(1,482)	3,414

This item includes 4,322 Euro for negative differences realized in connection with the permanent organizations in Guinea Conakry and Bissau which substantially completed their operational activities and initiated liquidation operations. In order to better clarify the item in question, it is useful to note that the valuation component deriving from the adjustment of currency items — in accordance with paragraph 8-*bis* of Article 2426 of the Italian Civil Code — yielded a net loss of 170 Euro.

D – Value adjustments with respect to investments: Euro (8,637)

The aggregate in question shows a negative balance of 8,637 Euro (–23,334 Euro in 2003), as detailed below.

18c) Revaluation of securities: Euro 1,544, Euro (–) in 2003

This item refers to the use of the reserve for the write-down of securities —

booked in the previous years for the purpose of re-aligning the value of the underlying assets to the sustained cost in relation to the specific price that is deduced from the market trend at the end of the financial year.

19a) Devaluation of equity investments: Euro 1,545 (Euro 22,007 in 2003)

This item refers to losses due to shareholding companies and levelled for a total of 101 Euro, in addition to the devaluation of equity investments for a total of 1,444 Euro, of which 1,320 Euro through allocation to the equity investment risk provision. These allocations include:

- from subsidiaries: Euro 730 (Euro 686 in 2003)
- from associated companies: Euro 410 (Euro 389 in 2003)
- from other shareholding companies: Euro 180 (Euro – in 2003)

This item refers to the allocation of part of the balance sheet deficit, with particular reference to companies in liquidation. The most significant allocations refer to the subsidiaries A.S.T.A.C. s.r.l. (398 Euro), "IFC due" in liquidation (92 Euro) and Tecro Scrl in liquidation (97 Euro), as well as the associated companies Alosa scrl in liquidation (228 Euro) and Piceno scrl in liquidation (104 Euro), and the other shareholding company IRG Due Scrl in liquidation (180 Euro).

19c) - Write-down of securities and credits entered into current assets: Euro 8,634 (in 2003: Euro 1,518)

This item almost entirely represents the allocations made to the delayed interest payment risks reserve during the present year within the permanent foreign organizations in Croatia and Congo.

E - Extraordinary income (charges): Euro (4,753) versus Euro (18,693) in 2003.

Extraordinary income is almost entirely composed of items of an extraordinary nature and non-existence of assets for 7,081 Euro (7,007 Euro in 2003).

The most significant amounts refer to:

- extraordinary income resulting from the use of the limited tax credit of the subsidiary R.I.C. S.p.A. (merged by incorporation into Italstrade S.p.A.) for 315 Euro;
- extraordinary income resulting from the actual credit for taxes paid abroad, totalling 1,585 Euro, and used in compliance with the current legislation regulating this area;
- extraordinary income resulting from the acknowledgment — on the part of the financial administration — of the credit requested for refund and pertaining to IRAP (regional production tax, 427 Euro) and Invim (tax on increasing real estate value, 43 Euro).
- extraordinary income resulting from the greater costs that were previously allocated and relating to services provided for 1,178 Euro.

The extraordinary charges totalling 11,834 Euro (25,699 Euro in 2003) include the following: contractual charges, taxes from previous years, damages, extraordinary costs and non-existence of assets, transactions, and other charges of residual value.

The most significant items include:

- 939 Euro relating to the taxes from previous years, partly pertaining to the permanent foreign organizations and partly pertaining to the Registered Office;

- 2,453 Euro as the difference reported while valuating certain items relating to services of a non-operational but rather accessory nature, and accruing for permanent foreign organizations;
- 8,690 Euro resulting from the aggregate of extraordinary items, non-existence of assets, damage and accidents, transactions, fines and other charges of residual value.

Explanatory notes concerning point 22 of the financial statements

Income taxes: Euro 14,303 (in 2003 Euro 5,020).

This item comprises current taxes for the Parent Company and for the permanent foreign organizations, totalling 7,406 Euro, as well as 6,896 Euro for the net effects of deferred and prepaid taxes; these are determined as follows.

income taxes

(thousands of euro)

	total temporary differences	irpeg fiscal effect 34%	2003 total differences for irap	irap fiscal effect 4.25%	total fiscal effect
prepaid taxes					
unpaid director emoluments	(0)	(0)	–	–	(0)
– unpaid emoluments	485	165	–	–	165
– recovery of unpaid emoluments	(485)	(165)	–	–	(165)
costs accruing in other years	(3)	(0)	25	(1)	(1)
– agency	136	47	79	3	51
– agency (recovery from past years)	(93)	(32)	(54)	(2)	(34)
– other postponed costs	–	–	–	–	–
– other postponed costs (recovery from past years)	(46)	(16)	(27)	(2)	(18)
taxed reserves	21,780	7,405	12,189	519	7,924
– allocation to contractual risk reserves	29,231	9,939	17,062	726	10,665
– use of contractual risk reserves	(7,988)	(2,716)	(4,873)	(207)	(2,923)
– allocation to equity investment risk reserves	1,075	366	–	366	–
– use of equity investment risk reserves	(538)	(183)	–	–	(183)
– allocation to provision for doubtful debtors	–	–	–	–	–
– use of provision for doubtful debtors	–	–	–	–	–
– allocation to delayed interest payment reserves	–	–	–	–	–
– use of delayed interest payment reserves	–	–	–	–	–
adjustments from previous years	–	–	–	–	–
total	21,777	7,405	12,214	518	7,923
deferred taxes					
receivable dividends from equity investments	315	(107)	–	–	(107)
– dividends to be distributed	315	(107)	–	–	(107)
– recovery of dividends to be distributed	–	–	–	–	–
receivable interest	–	–	–	–	–
– interest to be distributed	–	–	–	–	–
– recovery of interest to be distributed	–	–	–	–	–
total	315	(107)	–	–	(107)
net deferred (prepaid) taxes		7,298	12,214	518	7,816
prepaid taxes pertaining to fiscal losses of the year	–	–	–	–	–
prepaid taxes pertaining to fiscal losses of the previous year	(7,047)	(2,396)	–	–	(2,396)
net	15,045	4,902	12,214	518	5,420

	total temporary differences	fiscal effect 33%	2004 total differences ai fini irap	irap fiscal effect 4.25%	total fiscal effect
	(23)	(7)	-	-	(7)
	462	152	-	-	152
	(485)	(160)	-	-	(160)
	(21)	(7)	(12)	(1)	(7)
	115	38	67	3	41
	(113)	(37)	(66)	(3)	(40)
	-	-	-	-	-
	(23)	(8)	(13)	(1)	(8)
	(7,386)	(2,437)	(6,157)	(262)	(2,699)
	30,307	10,001	17,690	752	10,753
	(40,856)	(13,482)	(23,848)	(1,014)	(14,496)
	-	-	-	-	-
	(472)	(156)	-	-	(156)
	-	-	-	-	-
	(5,000)	(1,650)	-	-	(1,650)
	8,635	2,849	-	-	2,849
	-	-	-	-	-
	(21)	(7)	-	56	49
	(7,450)	(2,459)	(6,170)	(206)	(2,665)
	(315)	104	-	-	104
	-	-	-	-	-
	(315)	104	-	-	104
	13,137	(4,335)	-	-	(4,335)
	13,137	(4,335)	-	-	(4,335)
	-	-	-	-	-
	12,822	(4,231)	-	-	(4,231)
		(6,690)	(6,170)	(206)	(6,896)
	-	-	-	-	-
	-	-	-	-	-
	5,372	(6,690)	(6,170)	(206)	(6,896)

The reconciliation between the ordinary rate and the actual rate is shown below.

r e c o n c i l i a t i o n		
(percentage)	2004	2003
ordinary applicable rate	34.00%	33.00%
definitive increasing changes		
– non-deductible taxes	31.27%	0.90%
– balance sheet write-downs and capital losses, contingent liabilities and non-deductible losses	19.60%	5.03%
– non-deductible payable interest	1.46%	0.36%
– other increasing changes	3.37%	2.07%
definitive decreasing changes		
– exempt income	(36.95%)	(8.30%)
– excluded dividends	(32.93%)	(4.72%)
– other decreasing changes	(1.10%)	(3.52%)
actual rate	18.71%	24.82%

The residual amount of prepaid taxes — 3,635 Euro — recorded in the receivables of current assets and which will be recovered in subsequent years — includes the following.

r e s i d u a l a m o u n t o f p r e p a i d t a x e s				
(thousands of euro)	amounts	ires	irap	total
1) temporary differences deductible in upcoming years				
– provision for risks in the accounts (item b3a+b3b)	40,202			
– allowance for doubtful receivables decreasing asset value	6,254			
– allowance for delayed interest payment decreasing asset value	12,269			
(a) total provisions in the accounts	58,725			
including:				
– taxed contractual risk reserves	33,935	11,199	833	12,032
– taxed provision for equity investment risks	743	245	0	245
– taxed provision for risk on receivables	739	244	0	244
– delayed interest payment reserves	8,635	2,850	0	2,850
(b) total taxation on provisions	44,052			
– directors' and board of auditors' fees	462	152	0	152
– costs accrued in other years	382	126	9	135
total deductible temporary differences 1)	44,896	14,816	842	15,658
2) temporary differences taxable in upcoming years				
– provision for fiscal risks	21,667	(7,150)	(538)	(7,688)
– delayed interest payments	13,137	(4,335)		(4,335)
total temporary taxable differences 2)	34,804	(11,485)	(538)	(12,023)
receivable totals (1+2)		3,331	304	3,635

With regards to that given in the Notes to the financial statements closing on 31/12/2003, the following is noted:

1. Recording of that contained in the P.V.C. relating to the presumed tax omission for the so-called contractor's reserves was notified to the Company and the incorporated Gruppo Dipenta S.p.A.
 - With regards to the years 1997 and 1998, the Rome 1 Revenue Office notified the Company with two separate notices of assessment; these concerned the analogous disputes raised in reference to the incorporated Company Gruppo Dipenta and confirming the increasing recoveries in the quantitative content, as had been already previously and officially agreed for tax years 1996-7. These notices were settled in the month of December 2004 by means of an overall payment of 357 Euro which included sanctions and interest.
 - For the years 1997 and 1998, the Rome 1 Revenue Office has fundamentally settled these remarks with the undersigning of the judicial conciliation deeds in the past month of December and with the office of competence. Since the amount of that settlement has still not been paid (474 Euro), it remains allocated in the specific provision for risks.
 - For the year 1999, the Rome 4 Revenue Office has notified a notice of assessment, thereby confirming — from a quantitative point of view — the adjustments which were previously agreed upon. As described above, even this notice — for which the Company has already presented an assessment request with assent — may be considered to be fundamentally settled. It should be noted that the relevant charge — equal to 427 Euro gross of the relative sanctions — remains allocated in the specific provision for risks.
2. Recording of that contained in the P.V.C. notified to the Company and concerning the presumed non-deductibility of the losses suffered by some joint ventures — located in non-EU countries and covered by the Parent Company in fiscal years 1997, 1998 and 1999, pursuant to Art. 61, sub-sec. 5, T.U.I.R. (Unified Text on Income Tax).
 - For the years 1997 and 1998, the remarks which were previously contested by the Rome 1 Revenue Office were substantially settled by effect of the judicial conciliation deed that was undersigned by the Office itself after the impugnement of the notices of assessment.
 During the conciliation, the Office — in compliance with the position held by the Regional Revenue Office of Lazio — agreed with the defensive theory of the Company, particularly in reference to inapplicability of Article 61, paragraph 3 bis, of the TUIR to the case disputed by the auditors; the Office therefore confirmed renewal of the latter within the realm of paragraph 5 of the cited Article 61 of the TUIR. At the outcome of the conciliation the original finding — overall equal to 22,749 Euro — was settled with a greater taxable amount totalling 158 Euro. The charge relating to this settlement was equal to 96 Euro (*gross of sanctions*).
 For the year 1999, the Rome 4 Revenue Office disputed the Company's claim regarding the presumed non-deductibility of losses, and totalling 9,537 Euro. As described above, even this notice — for which the Parent Company has already presented an assessment request with assent — may be considered substantially settled. The relative charge is equal to 5 Euro (*gross of sanctions*).

Transactions with related parties

In accordance with the provisions of CONSOB (Italian Securities and Exchange Commission) communication no. 97001574 of February 20th, 1997 and no. 98015375 of February 27th, 1998, the most significant amounts resulting from transactions of a financial and commercial nature with shareholding companies are given below.

It should be noted, however, that the relationships entered into with consortia and consortium companies (the so-called *purpose companies*), and considering the particular sector in which the Company operates, must be correlated with the rights of receivables due from third parties - entered in the item *Trade receivables (C.II.1)* - and which are not summarised in the following table.

transactions with correlated parties

(thousands of euro)

	trade receivables	financial assets	total receivable	trade payables	balance of net trade receivables
subsidiaries					
A.S.T.A.C. Srl	1,657	-	1,657	484	1,172
Astaldi Burundi ass.mom.	650	-	650	694	-
Astaldi C.B.I. Ass.mom	322	-	322	-	322
Astaldi Finance S.A.	-	-	-	150,215	-
Astaldi Construction Corporation	761	-	761	112	649
Astaldi De Venezuela C.A.	5,004	-	5,004	743	4,262
Astaldi Internationa ltd	116	2,081	2,197	17,028	-
Astaldi-Max-Bogl-CCCF JV Srl	4,309	-	4,309	-	4,309
Astaldi International Inc	-	-	-	388	-
Astaldi International JV Mozambique	1,660	-	1,660	11	1,649
Astaldi Senegal Ass. en Partecip.	3,536	-	3,536	-	3,536
Astur Construction and Trade A.S.	5	-	5	594	-
Astaldi Arabia Ltd	1,000	454	1,454	622	378
Bussentina S.c.r.l. in liquidation	838	-	838	70	769
C.O.MES.S. Srl	785	-	785	3,608	-
CO.ME.NA. S.c.r.l.	37	-	37	336	-
CO.NO.CO. Srl	1,043	-	1,043	2,252	-
Colli Albani S.c.r.l. in liquidation	819	2	821	355	464
Cons.A.R.Z.Ast.-R.I.C.ZAIRE in liquidation	369	-	369	63	305
CONSORCIO ASTALDI CBI	4,217	789	5,006	418	3,799
Consortium Astaldi-C.M.B.Due in liquidation	2,191	-	2,191	7	2,184
Consortium Olbia Mare in liquidation	145	3	148	-	145
Cospe S.c.r.l.	337	-	337	-	337
Diga di Arcichiaro S.c.r.l. In liquidation	299	-	299	111	188
DIP.A. S.c.r.l. In liquidation	124	-	124	130	-
DP 2M Srl in liquidation	1	44	45	25	-
Eco Po Quattro S.c.r.l.	1,137	-	1,137	527	610
Euroast S.r.l. in liquidation	173	369	542	1	172
Fiorbis Srl in liquidation	-	-	-	5	-
Forum S.c.r.l.	1,036	-	1,036	1,066	-
I.F.C. Due S.c.r.l. In liquidation	1,836	-	1,836	97	1,739
I.F.C. S.c.r.l. In liquidation	575	-	575	-	575
I.T.S. SpA	21	-	21	362	-
Italstrade SpA	15,611	27,093	42,704	19,183	-
Legnami Pasotti Italia I.C. Srl in liquidation	39	-	39	-	39
Linea A S.c.r.l. In liquidation	15	-	15	281	-
Montedil Astaldi S.p.A. (MONTAST) in liquidation	27	20	47	-	27
Mormanno S.c.r.l. in liquidation	2	64	66	2	-
Palese Park Srl	-	-	-	709	-
Portovesme S.c.r.l.	1,069	-	1,069	3,854	-

(1) Amount of the financing received from Astaldi Finance S.A. (see pg.178.)

balance of net trade payables	revenues from rendered services	production costs	financial costs	financial returns	extraordinary costs	extraordinary income
–	1,351	1,036	–	–	–	–
44	–	–	–	–	–	–
–	–	–	–	–	–	–
150,215	–	–	10,970	–	–	–
–	32	–	–	6	–	–
–	2	–	–	–	–	–
16,912	33	25	–	50	–	–
–	626	–	–	144	–	–
388	–	–	–	–	–	–
–	5	–	–	–	–	–
–	–	–	–	–	–	–
589	–	–	–	–	–	–
–	202	4	–	–	–	–
–	7	7	–	–	–	–
2,822	220	6,258	–	13	8	31
300	175	3,954	–	–	4	–
1,210	260	4,883	–	9	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	17	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	83	811	–	–	–	–
–	–	–	–	–	–	–
6	–	9	–	–	–	–
23	–	–	–	–	–	–
–	7	46	–	17	–	–
–	–	–	–	3	–	–
5	–	–	–	–	–	–
30	43	274	–	–	–	–
–	–	–	–	61	–	–
–	167	–	–	151	–	–
341	62	552	–	–	–	–
3,571	440	9,305	–	119	177	–
–	–	–	–	–	–	–
266	–	45	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	15	–
709	–	–	–	–	–	–
2,785	266	4,674	–	9	–	–

(table follows)

transactions with correlated parties

(thousands of euro)

	trade receivables	financial assets	total receivable	trade payables	balance of net trade receivables
subsidiaries					
Quattro Venti S.c.r.l.	2,726	–	2,726	2,587	138
Redo Ass. Moment.	961	–	961	–	961
Romairport Srl	372	–	372	343	29
Romis construction Srl	954	–	954	185	769
Romstrade Srl	79	–	79	–	79
S. Filippo S.c.r.l. In liquidation	1,327	–	1,327	89	1,238
S. Leonardo S.c.r.l. In liquidation	2,630	–	2,630	808	1,822
Seac S.p.a.r.l.	8,106	–	8,106	285	7,821
Silva S.r.l. In liquidation	28	21	49	–	28
Sugct s.a. Calarasi	180	–	180	246	–
Susa Dora Quattro Scrl	3,071	–	3,071	12,349	–
TE.CRO. S.c.r.l. In liquidation	147	776	923	82	65
Todaro S.r.l. in liquidation	–	–	–	1	–
Toledo Scrl in liquidation	2,557	–	2,557	2,811	–
Tri.Ace. S.c.a.r.l. In liquidation	561	–	561	411	150
Viadotti di Courmayeur S.c.r.l.	617	–	617	62	555
Viadotto Fadalto S.c.r.l. in liquidation	42	–	42	–	42
Other smaller subsidiaries	7	1	8	10	7
total subsidiaries	76,131	31,717	107,848	224,622	41,334
associated companies					
Adduttore Ponte Barca S.c.r.l.	–	–	–	254	–
Almo Scrl in liquidation	10	–	10	13	–
Alosa Immobiliare SpA in liquidation	9	1,145	1,154	11	–
Astaldi - Ferrocementto JV	814	261	1,075	–	814
Astaldi Bayndir JV	6,451	–	6,451	489	5,962
Astaldi Maroc S.A.	–	–	–	3	–
Avola S.c.r.l. In liquidation	686	–	686	162	524
Blufi 1 S.c.r.l. in liquidation	48	–	48	–	48
C.F.M. S.c.r.l. In liquidation	42	–	42	207	–
Cogital S.p.A. in liquidation	147	–	147	3	144
Consortio Brundisium	–	–	–	4	–
Consortio DEI	–	–	–	–	–
Consortio Grupo Contuy	716	–	716	1,474	–
Consortium A.F.T. Succursale Algeria	1,224	–	1,224	678	546
Consortium AFT Kramis	18,348	–	18,348	11,893	6,455
Consortium Astaldi-Federici-Todini	75	–	75	–	75
Consortium Astaldi-ICE	417	–	417	–	417
Consortium Bonifica Lunghezza	–	–	–	4	–
Consortium C.I.R.C. in liquidation	11	–	11	667	–
Consortium Carnia	431	–	431	13	418
Consortium Ceav	3	–	3	–	3
Consortium Co.Fe.Sar.	264	–	264	453	–
Consortium Cogitau S.c.n.c. in liquidation	457	–	457	1	456
Consortium Consarno	35	227	262	–	35
Consortium Consavia S.c.n.c. in liquidation	62	–	62	4	58
Consortium Contuy medio	457	117	574	253	204
Consortium Dipenta SpA Ugo Vitolo in liquidation	–	–	–	2	–
Consortium Ferrofir in liquidation	45	–	45	6,490	–
Consortium Gi.It. In liquidation	–	–	–	194	–
Consortium Iricav Due	119	–	119	2,066	–
Consortium Iricav Uno	2,462	–	2,462	22,149	–
Consortium Ital.Co.Cer.	–	–	–	150	–
Consortium Italvenezia	–	–	–	81	–
Consortium L.A.R. In liquidation	181	1,304	1,485	1,261	–
Consocio Metros Los Teques	3,300	–	3,300	–	3,300
Consortium Ponte stretto di Messina	217	–	217	–	217
Consortium Qalat	5	–	5	1,138	–
Consortium Recchi S.p.A. - Astaldi S.p.A.	69	610	679	1,396	–
Consortium Tre Fontane in liquidation	–	–	–	1	–
Diga di Blufi S.c.r.l.	6,553	–	6,553	3,865	2,688
Ecosarno S.c.r.l.	–	118	118	1,008	–
Fiume Santo Mare Scrl in liquidation	–	–	–	1	–
Fosso Canna S.c.r.l. in liquidation	182	204	386	117	65

balance of net trade payables	revenues from rendered services	production costs	financial costs	financial returns	extraordinary costs	extraordinary income
–	587	4,993	–	41	15	–
–	–	–	–	–	–	–
–	221	–	–	22	–	–
–	25,602	–	–	–	42	–
–	–	–	–	–	–	–
–	–	–	–	–	1	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	–	–	–
66	–	–	–	–	–	–
9,278	523	19,417	–	43	–	–
–	–	172	–	–	–	–
1	–	–	–	–	–	–
254	79	6,203	–	–	2	–
–	4	2	–	–	–	–
–	–	91	–	–	–	–
–	–	–	–	–	–	–
10	1	1	–	–	–	1
189,825	31,015	62,762	10,970	688	264	32
254	–	48	–	–	–	–
3	8	–	–	–	2	3
2	6	–	–	–	–	–
–	3	–	–	–	–	–
–	–	–	–	–	–	–
3	–	–	–	–	–	–
–	2	1	–	–	–	12
–	–	–	–	–	–	–
165	–	24	–	5	28	–
–	–	–	–	–	–	6
4	–	–	–	–	–	–
–	–	–	–	–	–	–
758	–	–	–	–	–	–
–	516	154	–	140	8	–
–	–	–	–	–	–	–
–	16	–	–	–	–	–
–	–	–	–	–	–	–
4	–	1	–	–	–	–
656	124	48	–	–	–	124
2	–	–	–	–	13	–
–	27	64	–	–	1	–
189	–	76	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	26	–	72
–	–	–	–	–	–	–
–	–	–	–	–	–	–
2	–	–	–	–	–	–
6,445	30	872	–	–	4	–
194	–	29	–	–	–	–
1,947	64	–	–	–	17	–
19,687	657	28,479	–	–	279	–
150	–	104	11	–	1	–
81	–	7	–	–	–	–
1,080	–	1,261	–	–	–	–
–	10,240	–	–	–	–	–
–	217	–	–	–	–	–
1,133	–	2	–	–	–	–
1,327	–	–	–	–	–	–
1	–	–	–	–	–	–
–	86	2	–	3	–	–
1,008	–	748	–	–	–	–
1	–	–	–	–	–	–
–	–	–	–	10	–	24

(table follows)

transactions with correlated parties

(thousands of euro)

	trade receivables	financial assets	total receivable	trade payables	balance of net trade receivables
associated companies					
Groupement Cir S.p.A.	–	–	–	–	–
Groupement Eurolep - Svizzera	–	–	–	9	–
Groupement Italgisas	3	–	3	–	3
HECA SpA in liquidation	168	15	183	46	122
Hydro Honduras S.A.	–	–	–	105	–
Infraclegrea Scrl	237	–	237	2,235	–
Isclero S.c.r.l. in liquidation	200	1,518	1,718	1,592	–
Italsagi Sp. Zo. O.	–	–	–	–	–
M.N. Metropolitana di Napoli S.p.A.	113	–	113	–	113
ME.SA. Scrl in liquidation	–	–	–	3	–
Marsico Nuovo Scrl in liquidation	–	29	29	–	–
Messina Stadio S.c.r.l.	3,068	2,508	5,576	1,862	1,206
Metro Veneta s.c.r.l.	1,433	–	1,433	4,692	–
Metrogenova S.c.r.l.	1,139	–	1,139	4,400	–
Monte Vesuvio S.c.r.l.	647	–	647	–	647
Mose Tre Ponti Scrl	244	–	244	3,350	–
Nova Metro Scrl in liquidation	20	–	20	179	–
Nuovo Polo Fieristico Scrl	1,496	–	1,496	11,040	–
Pegaso S.c.r.l.	3,809	–	3,809	2,297	1,512
Piana di Licata S.c.r.l. in liquidation	475	–	475	139	336
Piceno S.c.r.l. in liquidation	988	335	1,323	875	114
Pont Ventoux Scrl	9,860	–	9,860	25,748	–
Principe Amedeo S.c.r.l. in liquidation	512	–	512	232	280
Priolo Siracusa S.c.r.l.	–	–	–	168	–
Grouping Astaldi-Vianini in liquidation	80	–	80	–	80
S.A.A.L.P. S.n.c. in liquidation	82	458	540	158	–
S.A.C.E.S. S.r.l. in liquidation	–	–	–	1,698	–
S.E.I.S. S.p.A.	1	125	126	–	1
S.E.P.Soc. en Partic.Ast S.p.A.	–	–	–	22	–
Sa.Di.Pe. S.c.r.l. in liquidation -	15	16	31	–	15
Santangelo S.c.r.l. in liquidation -	41	156	197	–	41
SO.GE.DEP. S.r.l. in liquidation	270	271	541	285	–
So.Gr.Es. S.c.p.a. in liquidation	50	–	50	–	50
Tangenziale Seconda S.c.r.l. in liquidation	128	–	128	7	120
Transeuropiska Autocesta D.o.o	12	–	12	–	12
Truncu Reale S.c.r.l.	177	–	177	4	173
V.A.S.CO. Imprese Riunite	491	–	491	–	491
Val Pola S.c.r.l. in liquidation	22	–	22	–	22
Valle Caudina S.c.r.l.	904	119	1,023	2,462	–
Veneta Sanitaria Finanza di progetto SpA	16	–	16	294	–
Vesuviana Strade S.c.r.l.	525	–	525	63	462
other smaller associated companies	22	1	–	4	18
total associated companies	71,088	9,537	80,602	120,474	28,247
other equity investmentz					
Aguas de San Pedro Sula S.A.	10	–	10	–	10
Bocca di Malamocco Scrl	–	–	–	185	–
Comet JV	3,170	–	3,170	–	3,170
Consortium Tagliamento	27	–	27	1	26
Consortium Team	28	–	28	72	–
Consortium TRA DE CI V	113	–	113	262	–
G.G.O. S.c.r.l. in liquidation	1	–	1	1	–
Imprese Riunite Genova Seconda S.c.r.l.liquidation	1	–	1	–	1
Imprese Riunite Genova Scrl in liquidation	–	–	–	227	–
Italstrade CCCF JV Bucaresti Srl	–	–	–	–	–
Napoli Porto S.c.r.l. in liquidation	62	–	62	–	62
Pantano Scrl	–	–	–	2,273	–
Plus Srl	–	1,350	1,350	–	–
Roma Lido S.c.r.l.	2	268	270	754	2
other smaller equity investments	26	–	26	99	101
total other equity investments	3,440	1,618	5,058	3,874	3,372
total	150,659	42,872	193,508	348,970	72,953

balance of net trade payables	revenues from rendered services	production costs	financial costs	financial returns	extraordinary costs	extraordinary income
-	-	-	-	-	-	-
9	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	46	-
105	-	-	-	-	-	-
1,998	231	3,043	-	-	-	-
1,393	90	-	-	-	-	-
-	-	-	-	-	-	-
-	6	-	41	-	-	12
3	-	2	-	-	-	-
-	-	-	-	-	-	-
-	-	176	-	6	-	-
3,259	139	5,506	-	41	1	-
3,260	498	4,952	-	-	-	-
-	24	178	-	-	-	24
3,107	171	3,480	-	-	-	-
159	-	72	-	-	-	-
9,544	3,040	169,009	-	-	2	-
-	2,658	10,664	-	1	32	44
-	-	-	-	-	-	-
-	-	-	-	-	-	-
15,887	804	13,753	-	103	6	-
-	13	-	-	-	42	3
168	-	162	-	-	-	-
-	-	-	-	-	-	-
76	-	-	-	-	-	82
1,698	-	-	-	-	-	-
-	-	-	-	-	-	-
22	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	26
15	-	-	-	7	-	-
-	1	-	-	-	-	-
-	-	1	-	2	-	-
-	-	-	-	-	-	-
-	34	23	-	2	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,557	554	1,978	-	125	14	-
278	23	3	-	-	-	-
-	194	798	-	8	-	-
-	2	20	-	-	18	-
77,634	20,478	245,740	52	479	514	432
-	-	-	-	-	-	-
185	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
44	-	-	-	-	9	-
149	15	228	-	-	-	-
-	-	-	-	-	-	-
-	-	5	-	-	11	-
227	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	9	-	-	-	-
2,273	-	1,697	-	-	-	-
-	-	-	-	-	-	-
754	-	314	-	-	-	-
125	12	-	-	-	65	-
3,757	27	2,253	-	-	20	-
271,216	51,520	310,755	11,022	1,167	798	464

For greater clarity, it should be noted that the most significant amounts included in the receivables refer to the support provided to organizations established for the execution of specific contracts — both in Italy and abroad — in terms of provision of goods and services (in particular, industrial equipment, construction means, support of specialized personnel etc.), as well as financial support. The latter, however, are deemed to be of a commercial nature — considering their specific connection with the activity sector in which the company operates, as well as the particular legal structure of the organizations in question which requires associates to share profits, assets and financial assets of individual ventures on a pro-rata basis.

Regarding debts and payables, it should be noted that the nature of these is mainly attributable to the allocation of consortium costs by purpose companies that were established solely for the execution of the specific works.

The following table summarizes the net change, with respect to 2003, in debit and credit transactions existing with subsidiary and associated companies.

net change in debt and credit transactions existing with subsidiary and associated companies						
(thousands of euro)						
	creditors			debtors		
	2003	2004	difference	2003	2004	difference
subsidiaries	38,653	41,334	2,681	188,884	189,825	941
associated companies	35,705	28,247	(7,458)	60,619	77,633	17,014
total	74,358	69,581	(4,777)	249,503	267,458	17,955

Regarding the changes indicated in the above statement, it should be noted that the most significant differences refer to debt versus associated companies and mostly pertaining to the overturning of the costs of the companies NPF S.c.r.l. and Consortium IRICAV Uno, as well as the debt of the shareholding Metrogenova S.c.r.l. which was re-classified from the payables due to other shareholdings during the course of 2004. In any case, these differences should be considered typical for the sector in which the companies operate.

Conclusions

In conclusion — in compliance with the provisions of points 15 and 16 of Article 2427 of the Italian Civil Code, we inform you that the situation relevant to employees — both Italian and of other nationalities — can be summarized with the following averages for 2004:

average numbers of employee	
managers	85
cadres	28
clerks	981
workers	3,639

The average number of personnel with respect to the previous financial year has decreased substantially — in percentage terms equal to 19%; this is attributable to the reduction in workers that were hired locally by foreign permanent organizations abroad, particularly in El Salvador and Guinea Conakry.

Remuneration of Directors, Auditors and General Managers

The remuneration due to Directors, Auditors and General Managers for carrying out their functions is shown below.

remuneration of directors, auditors and general managers						
	office held	duration of office	emoluments for the office	non-monetary benefits	bonuses and other incentives	other compensation
Anselmino Adriano	Honorary Chairman	01/03/2004	10,330			
Monti Ernesto	Chairman	31/12/2006	26,000			210,000 ⁽¹⁾
						750 ⁽⁷⁾
Astaldi Paolo	Deputy Chairman	31/12/2006	26,000			200,000 ⁽¹⁾
						750 ⁽⁷⁾
						260,549 ⁽⁵⁾
Di Paola Vittorio	Executive Deputy Chairman & CEO	31/12/2006	26,000		360,094 ⁽⁶⁾	597,893 ⁽¹⁾
						153,084 ⁽⁵⁾
Astaldi Pietro	Director	31/12/2006	26,000			205,908 ⁽⁵⁾
						10,500 ⁽³⁾
						3,500 ⁽²⁾
Astaldi Caterina	Director	31/12/2006	26,000			76,097 ⁽⁵⁾
Cerri Stefano	Director & General Manager	31/12/2006	26,000		111,349 ⁽⁶⁾	298,091 ⁽⁵⁾
						10,000 ⁽³⁾
Cafiero Giuseppe	Director & General Manager	31/12/2006	6,500		111,349 ⁽⁶⁾	343,480 ⁽⁵⁾
Grassini Franco	Director	31/12/2006	26,000			750 ⁽⁸⁾
Guidobono Cavalchini Luigi	Director	31/12/2006	26,000			750 ⁽⁸⁾
Lecchi Bruno	Director	31/12/2006	26,000			
Lupo Mario	Director	31/12/2006	26,000			750 ⁽⁸⁾
Mele Vittorio	Director	31/12/2006	26,000			750 ⁽⁷⁾
Oliva Nicola	Director & General Manager	31/12/2006	6,500		111,349 ⁽⁶⁾	363,960 ⁽⁵⁾
Poloni Maurizio	Director	31/12/2006	26,000			750 ⁽⁸⁾
						15,000 ⁽⁹⁾
Pinto Eugenio	Chairman of the Board of Statutory Auditors	30/04/2005	52,020			
Singer Pierpaolo	Auditor	30/04/2005	34,680			1,500 ⁽⁴⁾
Spanò Pierumberto	Auditor	30/04/2005	34,680			

(1) Remuneration for offices held under Art. 2389, paragraph 3 of the Italian Civil Code;

(2) Remuneration for offices held in subsidiaries, in accordance with Art. 2389, paragraph 3 of the Italian Civil Code;

(3) Remuneration for the office of director in subsidiary companies;

(4) Remuneration for the office of auditor in subsidiary companies;

(5) Salaries;

(6) Assigning of summary options free of charge.

(7) Remuneration as a member of the Remuneration Committee;

(8) Remuneration as a member of the Internal Audit Committee;

(9) Remuneration as a member of the Supervisory Body.

With the Board of Directors' resolutions of April 23rd, 2002 and May 9th, 2002 and in for the purpose of implementing the incentive plan, the Company assigned shares owned by Astaldi—free of charge—to the following members of the Board of Directors and General Managers.

shares assigned to directors and general managers

		options held at the beginning of the financial year			options awarded during the financial year			options taken up during the financial year			options expired during the financial year		options held at the end of the financial year		
(A)	(B)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)=1+4-7-10	(12)	(13)	
Vittorio Di Paola	Vice Presidente Esecutivo Amministratore Delegato	203.000			-	-						203.000	-		
Giuseppe Cafiero	Consigliere e Direttore Generale	105.000			-	-						105.000	-		
Stefano Cerri	Consigliere e Direttore Generale	105.000			-	-						105.000	-		

(A) Name & Surname

(B) Office Held

(1) Number of options

(2) Average price for financial year

(3) Average expiry

(4) Number of options

(5) Average price for financial year

(6) Average expiry

(7) Number of options

(8) Average price for financial year

(9) Average market price for the year

(10) Number of options

(11) Number of options

(12) Average price for financial year

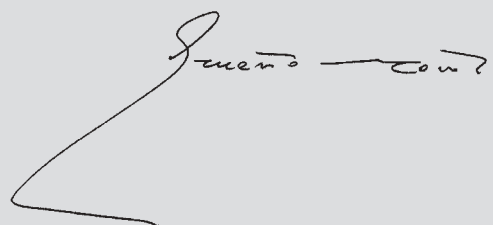
(13) Average expiry

These financial statements are accurate and true.

for the BOARD OF DIRECTORS

The Chairman

Prof. Ernesto Monti



Attachments to the statutory financial account

exchange applied for the conversion of accounts in foreign currency Source: U.I.C.

country	currency		exchange 12.31.04	average exchange 2004	exchange 12.31.2003	average exchange 2003
Albany	Lek	ALL	126.251	127.269	133.548	136.715
Algeria	Algerian Dinar	DZD	95.955	87.915	83.006	85.48
Angola	Readjustado Kwarza	AOA	115.363	103.607	95.605	83.517
Saudi Arabia	Saudi Riyal	SAR	5.021	4.658	4.601	4.236
Bolivia	Boliviano	BOB	10.836	9.907	9.537	8.649
Burundi	Burundi Franc	BIF	1,445.12	1,334.44	1,304.09	1,188.00
Caribbean	Carib dollar	XCD	3.62	3.356	3.317	3.05
Central Africa, C.F.A Repub.	CFA Franc	XAF	655.957	655.957	655.957	655.957
Chile	Chilean Peso	CLP	769.904	756.958	739.119	779.566
Colombia	Colombian Peso	COP	3,262.24	3,295.82	3,509.04	3,283.57
Democr. Republic of Congo	Congolese Franc	CDF	578.199	485.349	450.864	448.503
Costa Rica\	Colon Costa Rica	CRC	592.148	535.701	499.327	443.516
Croatia	Kuna	HRK	7.554	7.489	7.67	7.557
Denmark	Danish Crown	DKK	7.434	7.44	7.442	7.431
Dominican Republic	Dominican peso	DOP	35.672	49.891	45.094	32.744
El Salvador	Salvadorian colon	SVC	11.732	10.884	10.75	9.898
Japan	Japanese Yen	JPY	139.14	134.445	132.431	130.971
Gibuti	Gibuti Franc	DJF	238.279	220.35	217.392	200.951
Guatemala	Quetzal	GTQ	10.563	9.982	10.088	9.055
Guinea	Guinean Franc	GNF	3,470.05	3,470.05	2,450.98	2,240.71
Honduras	Lempira	HNL	25.016	22.656	22.042	19.752
Indonesia	Indonesian Rupee	IDR	12,368.50	11,117.80	10,421.70	9,679.26
Kenya	Kenya Scellin	KES	106.695	98.413	93.279	85.778
Libya	Libyan Dinar	LYD	1.743	1.627	1.651	1.437
Malawi	Kwacha	MWK	142.667	132.47	129.261	108.462
Morocco	Moroccan Dirham	MAD	11.152	11.013	11.012	10.812
Mozambique	Metical	MZM	25,396.10	27,217.70	28,296.60	26,004.00
Nicaragua	Cordoba Oro	NIO	21.788	19.799	18.952	17.025
Norway	Norway Corona	NOK	8.221	8.37	8.242	8.003
Pakistan	Pakistani Rupee	PKR	79.804	72.625	70.473	65.277
Qatar	Riyal Qatar	QAR	4.88	4.528	4.472	4.117
United Kingdom	British pound	GBP	0.695	0.679	0.702	0.692
Rumania	Leu	ROL	38,695.80	40,509.70	40,572.60	37,550.60
Rwanda	Rwandan Franc	RWF	741.977	696.109	684.282	596.179
Singapore	Singapore Dollar	SGD	2.201	2.102	2.102	1.97
United States	US Dollar	USD	1.341	1.244	1.229	1.131
South Africa	Rand	ZAR	7.685	8.009	7.993	8.532
Switzerland	Swiss Franc	CHF	1.536	1.544	1.554	1.521
Taiwan	Taiwanese Dollar	TWD	43.135	41.506	41.78	38.852
Tanzania	Scellino Tanzania	TZS	1,401.53	1,332.41	1,287.43	1,169.16
Thailand	Baht	THB	52.559	50.052	48.796	46.898
Tunisia	Tunisian Dinar	TND	1.621	1.546	1.512	1.453
Turkey	Turkish Lira	TRL	1,870,690.00	1,777,052.00	1,761,551.00	1,694,851.00
European Monetary Union	Euro	EUR	1	1	1	1
Venezuela	Bolivar	VEB	2,567.82	2,337.20	1,960.78	1,829.43
Zambia	Kwacha	ZMK	6,073.10	5,917.13	5,749.13	5,411.83

The exchange rate concerns the amount of foreign currency necessary in order to buy 1 euro.

(*) Source Banque Centrale – République de Guinée

intangible assets

(euro)

category	value	12.31.2003 amortisation reserve	net book value
formation and expansion expenses	11,884,932	6,259,270	5,625,662
patents and rights to use patents of others	3,680,249	2,396,830	1,283,419
concessions, licenses, trademarks and similar rights	4,607,219	4,578,057	29,162
other			
– construction site installation costs	55,735,873	46,179,513	9,556,360
– cost of preparing tenders	1,749,703	1,370,643	379,060
– studies and designs	1,897,191	711,924	1,185,267
– leasehold improvements	2,107,339	2,105,523	1,816
– other long term charges	75,254,551	48,954,677	26,299,874
total	156,917,058	112,556,438	44,360,620

12.31.2004							
exchange rate differences	increases of the financial year			decreases	trasferimenti	ammortamento	valore
	cost	bal. sheet	total	bal. sheet	e rettifiche	dell'esercizio	netto
	-	-	-		-	(2,351,884)	3,273,778
	-	171,479	171,479		2,474	(474,545)	982,828
	-				-	0	29,162
-	4,231,829	2,727,076	6,958,905	(27,066)	536,758	(4,618,376)	12,406,581
-	1,909,189	-	1,909,189	(35,947)	-	(113,112)	2,139,190
-	-	1,080,000	1,080,000	(1,119,162)	84,109	(200,218)	1,029,996
-	62,487	-	62,487		-	(9,133)	55,170
4,943	1,840,858	11,151,170	12,992,028		(623,341)	(13,042,517)	25,630,987
4,943	8,044,363	15,129,725	23,174,088	(1,182,175)	(0)	(20,809,785)	45,547,691

gross tangible assets

(euro)

	value	value at 12/31/2003		total
		revaluations	devaluations	
lands	817,486	947,129	-	1,764,615
buildings	203,954	-	-	203,954
assets without charge	2,542,393	-	-	2,542,393
industrial buildings	5,829,127	-	-	5,829,127
specific plant	39,971,291	9,946	-	39,981,237
general plant	12,103,296	5,261	-	12,108,557
crafts	790,194	-	-	790,194
excavators and power shovels	24,659,123	52,963	-	24,712,085
heavy vehicles	6,871,146	-	-	6,871,146
light vehicles, ships and planes	5,583,175	207	-	5,583,382
sundry small equipments	3,444,081	1,075	-	3,445,156
light constructions	2,370,521	310	-	2,370,831
metal sheet pile and shuttering	2,849,752	52,097	-	2,901,848
furniture, fittings and office machines	2,566,536	-	-	2,566,536
electronic machines and office equipments	3,459,315	-	-	3,459,315
tangible assets in course of constr. & paym. on account	278,264	-	-	278,264
	114,061,389	1,068,987	-	115,408,640

amortisation reserves

(euro)

	ratios	value	amortisation reserve at 12/31/2003		
			revaluations	devaluations	total
lands	0.00%	-	-	-	-
buildings	0.00%	-	-	-	-
assets without charge	3.00%	190,680	-	-	190,680
industrial buildings	3.00%	1,822,793	-	-	1,822,793
specific plant	15.00%	20,899,258	9,947	-	20,909,205
general plant	10.00%	4,635,996	5,262	-	4,641,258
crafts	10.00%	789,845	-	-	789,845
excavators and power shovels	20.00%	10,880,913	52,963	-	10,933,876
heavy vehicles	20.00%	6,048,851	-	-	6,048,851
light vehicles, ships and planes	25.00%	3,464,799	207	-	3,465,005
sundry small equipments	40.00%	2,684,390	1,074	-	2,685,464
light constructions	12.50%	1,621,907	310	-	1,622,215
metal sheet pile and shuttering	25.00%	1,741,509	52,096	-	1,793,606
furniture, fittings and office machines	12.00%	1,621,297	-	-	1,621,297
electronic machines and office equipments	20.00%	2,574,951	-	-	2,574,951
tangible assets in course of constr. & paym. on account	0.00%	-	-	-	-
		58,977,189	121,859	-	59,099,047

tangible assets

(euro)

	value at 12/31/2003		
	value	amortisation reserves	net book value
lands	1,764,615	-	1,764,615
buildings	203,954	-	203,954
assets without charge	2,542,393	190,680	2,351,712
industrial buildings	5,829,127	1,822,793	4,006,333
specific plant	39,981,237	20,909,205	19,072,032
general plant	12,108,557	4,641,258	7,467,299
crafts	790,194	789,845	348
excavators and power shovels	24,712,085	10,933,876	13,778,210
heavy vehicles	6,871,146	6,048,851	822,295
light vehicles, ships and planes	5,583,382	3,465,005	2,118,377
sundry small equipments	3,445,156	2,685,464	759,692
light constructions	2,370,831	1,622,215	748,615
metal sheet pile and shuttering	2,901,848	1,793,606	1,108,243
furniture, fittings and office machines	2,566,536	1,621,297	945,239
electronic machines and office equipments	3,459,315	2,574,951	884,364
tangible assets in course of constr. & paym. on account	278,264	-	278,264
	115,408,640	59,099,047	56,309,593

purchases	increases		decreases			exchange rate difference	value at 12/31/2004		
	revaluations	transfers & reclassification	disposals	devaluations	transfers & reclassification		value	revaluations	total
-	-	-	-	-	-	(2,120)	815,366	947,129	1,762,495
-	-	-	-	-	-	-	203,954	-	203,954
376,943	-	-	-	-	-	-	2,919,335	-	2,919,335
-	-	-	-	-	-	-	5,829,127	-	5,829,127
2,991,536	373,314	2,723	(5,852,182)	-	(373,314)	44	37,113,413	9,946	37,123,359
1,347,461	4,365	(2,723)	(1,259,326)	-	(4,365)	18	12,188,725	5,261	12,193,986
691	-	-	(97,671)	-	-	-	693,213	-	693,213
3,347,188	141,429	(3,612,056)	(4,125,561)	-	(105,929)	49	20,304,244	52,963	20,357,206
1,411,975	-	3,612,056	(1,353,966)	-	(35,500)	-	10,505,710	-	10,505,710
575,204	-	-	(547,392)	-	-	21	5,611,009	207	5,611,216
1,065,208	1,186	-	(367,148)	-	(1,186)	(0)	4,142,142	1,075	4,143,216
1,744,174	-	-	(321,107)	-	-	0	3,793,588	310	3,793,898
1,002,460	8,100	-	(388,828)	-	(8,100)	(0)	3,463,383	52,097	3,515,480
256,395	-	-	(70,901)	-	-	6	2,752,036	-	2,752,036
436,057	-	-	(84,868)	-	-	56	3,810,560	-	3,810,560
2,063,685	-	-	(166,724)	-	-	-	2,175,225	-	2,175,225
16,618,976	528,395	-	(14,635,674)	-	(528,395)	(1,926)	116,321,029	1,068,987	117,390,016

amortisation	increases		decreases			exchange rate difference	value at 12/31/2004		
	revaluations	transfers & reclassification	disposals	devaluations	transfers & reclassification		value	revaluations	total
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
87,580	-	-	-	-	-	-	278,261	-	278,261
39,353	-	-	-	-	-	-	1,862,146	-	1,862,146
3,356,589	365,716	(5,538)	(3,807,757)	-	(365,716)	-	20,442,552	9,947	20,452,500
1,037,508	36	(370)	(282,822)	-	(36)	-	5,390,312	5,262	5,395,574
194	-	-	(97,671)	-	-	-	692,367	-	692,367
3,282,945	61,336	(2,028,079)	(1,581,847)	-	(61,054)	0	10,554,215	52,963	10,607,178
1,070,590	-	2,033,617	(815,980)	-	(282)	-	8,336,796	-	8,336,796
903,819	-	-	(417,129)	-	-	-	3,951,489	207	3,951,696
776,345	1,186	-	(306,773)	-	(1,186)	(0)	3,153,962	1,074	3,155,036
265,155	-	370	(238,038)	-	-	0	1,649,394	310	1,649,704
556,025	8,100	-	(272,411)	-	(8,100)	(0)	2,025,122	52,096	2,077,218
220,312	-	-	(43,768)	-	-	4	1,797,844	-	1,797,844
390,440	-	-	(66,470)	-	-	50	2,898,971	-	2,898,971
-	-	-	-	-	-	-	-	-	-
11,986,855	436,374	0	(7,930,667)	-	(436,374)	54	63,033,431	121,859	63,155,290

value at 12/31/2004

value	amortisation reserves	net book value
1,762,495	-	1,762,495
203,954	-	203,954
2,919,335	278,261	2,641,075
5,829,127	1,862,146	3,966,980
37,123,359	20,452,500	16,670,859
12,193,986	5,395,574	6,798,412
693,213	692,367	846
20,357,206	10,607,178	9,750,029
10,505,710	8,336,796	2,168,915
5,611,216	3,951,696	1,659,520
4,143,216	3,155,036	988,180
3,793,898	1,649,704	2,144,194
3,515,480	2,077,218	1,438,262
2,752,036	1,797,844	954,192
3,810,560	2,898,971	911,589
2,175,225	-	2,175,225
117,390,016	63,155,290	54,234,727

companies

A) share
capital

1 - subsidiary companies

Asociacion Accidental Astaldi S.p.A. - C.B.I. s.r.l.	Località "El Portillo" - Tarija - Bolivia	-
Assistenza Sviluppo e Tecnologie Ausiliarie alle Costruzioni (A.S.T.A.C.) S.r.l.		Via G.V. Bona, 65 - Rome - Italy
Astaldi Africa S.p.A. in liquidation	Addis Abeba - Etiopia	1,032.91
Astaldi Arabia Ltd.	P.O. Box 58139 - Riad - Saudi Arabia	995,817.57
Astaldi Construction Corporation	8220 State Road 85 Davie - Florida - U.S.A.	7,636,655.95
Astaldi de Venezuela C.A.	C.C. C.T. 1ra Etapa Piso 6 Of. 620 - Caracas - Venezuela	1,297,205.29
Astaldi Finance S.A.	Boulevard du Prince Henri 19-21 - Lussemburgo	250,000.00
Astaldi International Ltd.	34-36 Gray's Inn Road - London - United Kingdom	2,945,508.10
Astaldi-Caldart AS.CAL. S.c.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy	46,800.00
Astur Construction and Trade A.S.	Aydinpinar Cad. Kucukmehmetler Koyu - Ankara - Turkey	528,333.50
Bussentina S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,500.00
C.O.MES. S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	20,000.00
CO.ME.NA. S.c.r.l.	Via Morghen, 36 - Naples - Italy	20,658.28
CO.NO.CO. S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	25,500.00
Colli Albani S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,500.00
Consorcio Astaldi - C.B.I.	Av. Iturralde 1308 Esquina San Salvador - La Paz - Bolivia	-
Consorzio A.R.Z. - Astaldi-R.I.C. - ZAIRE in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,822.84
Consorzio Astaldi-C.M.B. Due in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,329.14
Consorzio Olbia Mare in liquidation	Via G.V. Bona, 65 - Rome - Italy	15,493.71
Cospe S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Diga di Arcichiaro S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	35,700.00
DIPA. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
DP 2M S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Eco Po Quattro S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	25,500.00
Euroast S.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	15,300.00
Fiobis S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	46,481.12
Forum S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	51,000.00
Groupement Astaldi SpA - Astaldi International Ltd.	B.P. 4230 - Gibuti	-
I.F.C. Due S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	45,900.00
I.F.C. S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	45,900.00
Italstrade S.p.A.	Via Agrigento, 5 - Rome - Italy	25,563,340.00
Linea A S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,500.00
Montedil-Astaldi S.p.A. (MONTAST) in liquidation	Via G.V. Bona, 65 - Rome - Italy	408,000.00
Mormanno S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Palese Park S.r.l.	Via G.V. Bona, 65 - Rome - Italy	1,020,000.00
Portovesme S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	25,500.00
Quattro Venti S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	51,000.00
Redo-Association Momentanée	B.P. 8734 - Rep. Dem. del Congo	-
S. Filippo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
S. Leonardo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Silva S.r.l. in liquidation	Via Monte Santo, 1 - Rome - Italy	15,300.00
Susa Dora Quattro S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	51,000.00
TE.CRO. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Toledo S.c.r.l.	Via Morghen, 36 - Naples - Italy	50,000.00
Tri Ace S.c.a.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	45,900.00
Vladotti di Courmayeur S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Viadotto Fadalto S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	51,129.23

total 1) - subsidiary companies

2 - associated companies

Adduttore Ponte Barca S.c.r.l. in liquidation	Via di Pietralata, 140 - Rome - Italy	45,900.00
Almo S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	46,481.12
Alosa Immobiliare S.p.A. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,320,000.00
Association en participation SEP Astaldi-Somatra-Bredero	Tunisia	-
Astaldi Bayindir J.V.	Ilkadam Sokak, 19 Gaziomanpasa - Ankara - Turkey	-
Astaldi-Ferrocemento J.V.	10-Ha Khayaban-E-Shujat - Karachi - Pakistan	37,285.61
Astaldi-Max Bogli-CCCC JV S.r.l.	Str.Carol Davilla n°70 - Bucarest - Romania	10,074.18
Avola S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Blufi 1 S.c.r.l. in liquidation	Zona Industriale - Agrigento - Italy	25,822.84
C.F.M. S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	41,316.55
Carnia S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	45,900.00
Cogital S.c.r.l. in liquidation	Viale Italy, 1 - Milan - Italy	60,044.00
Consorcio Astaldi-ICE	Av. Libertador Bolivar, 1842 - Cochabamba - Bolivia	-
Consorcio Contuy Medio	Avida Andres Bello, Ed. Atlantic Piso 7, Of. 1-7 - Venezuela	-
Consorcio Grupo Contuy - Proyectos y Obras de Ferrocarriles	CCC T. 1ra Etapa Piso 6 Of. 620 Chuao - Caracas - Venezuela	-
Consorcio Metro Los Teques	Caracas - Venezuela	-
Consorzio A.F.T.	Via G.V. Bona, 65 - Rome - Italy	46,481.12
Consorzio A.F.T. Kramis	Via G.V. Bona, 65 - Rome - Italy	100,000.00
Consorzio Bonifica Lunghezza - C.B.L.	Via Calderon de la Barca, 87 - Rome - Italy	10,000.00
Consorzio Brundisium	Via Caboto n°1 - Corsico - Milan - Italy	12,000.00
Consorzio C.I.R.C. in liquidation	Via G.V. Bona, 65 - Rome - Italy	51,000.00
Consorzio Carnia in liquidation	Via G.V. Bona, 65 - Rome - Italy	51,645.69
Consorzio Co.Fe.Sar.	Viale Liegi, 26 - Rome - Italy	51,645.69
Consorzio Cogitau S.c.n.c. in liquidation	Via G.V. Bona, 65 - Rome - Italy	61,974.83
Consorzio Consarno	Via Naples, 329 - Castellammare di Stabia (NA) - Italy	20,658.28
Consorzio Consavia S.c.n.c. in liquidation	Via G.V. Bona, 65 - Rome - Italy	20,658.28
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	Via Chiatamone, 57 - Naples - Italy	2,582.28
Consorzio Ferrofir in liquidation	Via F.Tovaglieri, 17 - Rome - Italy	30,987.41

B) stockholders' equity	C) profit (loss) for the year	D)% ownership	E) book value	F) share of net equity	G) share of provision for risks	H) coverage of losses	I) distributed profits	L) net equity ex art. 2426 sub. sec 1 n. 4 it. civil code
-	-	70,000%	-	-	-	-	-	-
46,800.00	(398,417.68)	(452,037.08)	100,000%	-	(398,417.68)	398,417.68	-	-
1,032.91	-	100,000%	-	1,032.91	-	-	-	(1,032.91)
841,138.42	16,378.78	60,000%	892,389.49	504,683.05	-	-	-	387,706.44
15,470,013.67	(2,018,226.69)	90,000%	7,818,054.94	13,923,012.30	-	-	-	(6,104,957.36)
967,217.86	(4,559,173.92)	99,804%	1,297,205.29	965,322.11	-	-	-	331,883.18
418,227.06	39,685.82	99,960%	249,900.00	418,059.77	-	-	-	(168,159.77)
3,770,564.06	798,212.81	100,000%	3,280,527.05	3,770,564.06	-	-	-	(490,037.01)
(8,761.00)	(13,116.00)	60,000%	-	(5,256.60)	5,256.60	-	-	-
1,442,973.77	235,336.77	99,000%	563,992.99	1,428,544.03	-	-	-	(864,551.04)
(60,044.00)	(69,046.00)	78,800%	-	(47,314.67)	47,314.67	-	-	-
20,000.00	-	55,000%	11,000.00	11,000.00	-	-	-	-
20,658.28	-	70,432%	14,549.62	14,550.04	-	-	-	(0.42)
25,822.84	-	80,000%	11,620.28	20,658.27	-	-	-	(9,037.99)
9,190.00	(3,371.00)	60,000%	5,514.00	5,514.00	-	-	-	-
(5,363,044.86)	-	60,000%	-	(3,217,826.92)	-	-	-	3,217,826.92
19,222.00	(5,595.00)	1,000%	192.22	192.22	-	-	-	-
7,577.00	(3,502.00)	99,995%	7,576.62	7,576.62	-	-	-	-
(726,340.00)	(2,618.00)	72,500%	-	(526,596.50)	526,596.50	-	-	-
10,329.14	-	100,000%	5,681.03	10,329.14	-	-	-	(4,648.11)
(46,447.00)	(48,922.00)	100,000%	-	(46,447.00)	46,447.00	-	-	-
(26,283.00)	(8,749.00)	100,000%	-	(26,283.00)	26,283.00	-	-	-
(28,802.00)	(2,546.00)	72,000%	4,179.56	(20,737.44)	-	-	-	24,917.00
25,822.84	-	80,000%	20,658.28	20,658.27	-	-	-	0.01
(14,773.85)	(5,359.41)	100,000%	-	(14,773.85)	9,414.44	-	-	5,359.41
20,131.77	(4,664.53)	99,980%	20,127.74	20,127.74	-	-	-	-
51,645.69	-	59,990%	30,982.25	30,982.25	-	-	-	-
-	-	60,000%	-	-	-	-	-	-
(303,427.00)	(92,360.00)	99,990%	-	(303,396.66)	303,396.66	-	-	-
38,645.00	(7,256.00)	66,660%	15,493.71	25,760.76	-	-	-	(10,267.05)
19,954,221.78	(767,235.04)	100,000%	24,954,786.81	19,954,221.78	-	-	-	5,000,565.03
25,822.84	-	100,000%	25,822.84	25,822.84	-	-	-	-
1,223,171.00	(13,797.00)	100,000%	650,735.69	1,223,171.00	-	-	-	(572,435.31)
(64,578.00)	(3,115.00)	74,990%	-	(48,427.04)	48,427.04	-	-	-
984,638.00	(11,581.00)	99,000%	1,022,584.66	974,791.62	-	-	-	47,793.04
25,822.84	-	80,000%	20,658.28	20,658.27	-	-	-	0.01
51,645.69	-	60,000%	30,987.41	30,987.41	-	-	-	-
689,782.09	-	75,000%	29,487.06	517,336.57	-	-	-	(487,849.51)
(69,357.00)	(16,247.00)	80,000%	-	(55,485.60)	55,485.60	-	-	-
(17,257.00)	(16,485.00)	51,000%	-	(8,801.07)	8,801.07	-	-	-
(31,831.00)	(1,130.00)	99,000%	-	(31,512.69)	31,512.70	-	-	(0.01)
51,645.69	-	90,000%	46,481.12	46,481.12	-	-	-	-
(291,659.00)	(96,986.00)	100,000%	-	(291,659.00)	291,659.00	-	-	-
50,000.00	-	90,394%	45,197.00	45,197.00	-	-	-	-
46,481.12	-	80,000%	37,184.90	37,184.90	-	-	-	-
10,329.14	-	66,670%	3,718.49	6,886.44	-	-	-	(3,167.95)
34,078.84	-	80,000%	27,263.07	27,263.07	-	-	-	-
			41,144,552.40	39,045,633.84	1,799,011.96	-	-	299,906.60
46,481.12	-	24,330%	11,308.86	11,308.86	-	-	-	-
46,481.12	-	35,000%	16,268.39	16,268.39	-	-	-	-
(41,405,770.00)	(456,676.00)	50,000%	-	(20,702,885.00)	228,338.00	20,474,547.00	-	-
17,406.75	17,406.75	40,000%	-	6,962.70	-	-	-	(6,962.70)
-	-	50,000%	-	-	-	-	-	-
(365,185.33)	(189,927.00)	50,000%	20,314.32	(182,592.67)	-	-	-	202,906.99
18,988.30	288,304.41	50,000%	5,000.00	9,494.15	-	-	-	(4,494.15)
(53,035.00)	(33,034.00)	50,000%	-	(26,517.50)	26,517.50	-	-	-
13,089.14	-	32,000%	4,188.52	4,188.52	-	-	-	-
41,316.55	-	50,000%	20,658.28	20,658.28	-	-	-	-
(102,003.00)	(54,932.00)	33,000%	-	(33,660.99)	33,660.99	-	-	-
59,826.00	(578.00)	50,000%	29,913.00	29,913.00	-	-	-	-
-	-	50,000%	-	-	-	-	-	-
(428,045.19)	(431,244.90)	28,300%	109,617.98	(121,136.79)	-	-	-	230,754.77
498,464.14	(836,103.70)	32,330%	-	161,153.46	-	-	-	(161,153.46)
5,671,098.59	17,489,849.40	30,000%	2.00	1,701,329.58	-	-	-	(1,701,327.58)
46,481.12	-	33,330%	15,493.71	15,492.16	-	-	-	1.55
100,000.00	-	49,995%	49,995.00	49,995.00	-	-	-	-
10,000.00	-	49,000%	4,900.00	4,900.00	-	-	-	-
-	-	33,333%	4,000.00	-	-	-	-	4,000.00
51,645.69	-	25,000%	12,911.42	12,911.42	-	-	-	-
51,645.69	-	33,000%	17,043.08	17,043.08	-	-	-	-
51,645.00	-	30,000%	15,493.71	15,493.50	-	-	-	0.21
1,213,749.00	3,192.00	38,100%	23,612.40	462,438.37	-	-	-	(438,825.97)
20,658.28	-	25,000%	5,164.57	5,164.57	-	-	-	-
12,570.00	(8,089.00)	25,000%	5,164.57	3,142.50	-	-	-	2,022.07
-	-	50,000%	-	-	-	-	-	-
534,800.45	-	66,666%	20,658.28	356,530.07	-	-	-	(335,871.79)

(table follows)

companies

A) share
capital

associated companies

Consorzio Gi.It. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	2,582.28
Consorzio Iricav Due	Via F. Tovaglieri, 413 - Rome - Italy	510,000.00
Consorzio Iricav Uno	Via F. Tovaglieri, 413 - Rome - Italy	520,000.00
Consorzio Ital.Co.Cer.	Piazza Buenos Aires, 5 - Rome - Italy	51,600.00
Consorzio Italvenezia	Via Salaria, 1039 - Rome - Italy	77,450.00
Consorzio L.A.R. in liquidation	Via Palestro, 30 - Rome - Italy	206,582.76
Consorzio Metrofer	Viale Liegi, 26 - Rome - Italy	25,822.84
Consorzio Novocen	Via Oraz, 143 - Naples - Italy	51,640.00
Consorzio Qalat	Corso Carlo Marx, 19 - Misterbianco (CT) - Italy	10,327.00
Consorzio Recchi S.p.A. - Astaldi S.p.A.	Via Salaria, 1039 - Rome - Italy	51,645.69
Consorzio Tre Fontane Nord in liquidation	Via G.V. Bona, 65 - Rome - Italy	15,493.71
Diga di Blufi S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	45,900.00
Ecosarno S.c.r.l.	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	50,490.00
Fosso Canna S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	25,500.00
Groupement Eurolep	Shifflandestrasse, 35 - Aaran 5000 - Switzerland	62,127.39
Holding Eléctrica Centroamericana S.p.A. - (Heca S.p.A.) in liquidation	Via G.V. Bona, 65 - Rome - Italy	100,000.00
Hydro Honduras S.A. (Hydro West y Asociados S.A.)	Ap.3199, Salida Norte Blvd. Fuerzas Armadas - El Carrizal - Tegucigalpa - Honduras	2,518,655.24
Infrallegrea S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy	46,600.00
Isclero S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	12,000.00
M.N. Metropolitana di Naples S.p.A.	Via Galileo Ferraris, 101 - Naples - Italy	3,655,397.00
Marsico Nuovo S.c.r.l. in liquidation	Via Dora, 2 - Rome - Italy	10,200.00
Max Bogl-Astaldi-CCCF Asocierea JV S.r.l.	Blv.Eroi Sanitar,49 - Bucarest - Romania	10,000.00
ME.SA. S.c.r.l. in liquidation	Via della Cooperazione, 30 - Bologna - Italy	40,800.00
Messina Stadio S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	45,900.00
Metrogenova S.c.r.l.	Via IV Novembre snc -Spianata Acquasola - 16121 Genova - Italy	25,500.00
Metroveneta S.c.r.l.	Piazza Castello, 16 - Padova - Italy	25,500.00
Monte Vesuvio S.c.r.l. in liquidation	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	45,900.00
Mose-Treporti S.c.r.l.	Via C.Battisti n°2 - Venice - Mestre - Italy	10,000.00
N.P.F. - Nuovo Polo Fieristico S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	40,000.00
Nova Metro S.c.r.l. in liquidation	Via Montello, 10 - Rome - Italy	40,800.00
Pegaso S.c.r.l.	Via F. Tovaglieri, 17 - Rome - Italy	260,000.00
Piana di Licata S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	10,200.00
Piceno S.c.r.l. in liquidation	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	10,200.00
Pont Ventoux S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	51,000.00
Principe Amedeo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	10,200.00
Priolo Siracusa S.c.r.l.	Piazza Velasca, 4 - Milan - Italy	11,000.00
Raggruppamento Astaldi-Vianini in liquidation	S.P. per Fisciano Km.1 - Fisciano (SA) - Italy	25,822.84
S.A.A.L.P. S.n.c. in liquidation	Via Boncompagni, 47 - Rome - Italy	51,646.00
S.A.C.E.S. S.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	26,000.00
S.E.I.S. S.p.A.	Via Monte Santo, 1 - Rome - Italy	3,877,500.00
Sa.Di.Pe. S.c.r.l. in liquidation	Via della Dataria, 22 - Rome - Italy	40,800.00
Santangelo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	51,000.00
SO.GE.DEP. S.r.l. in liquidation	Via dell'Astronomia, 9 - Rome - Italy	20,400.00
So.Gr.Es. S.c.p.a. in liquidation	Via Molise, 11 - Rome - Italy	129,000.00
Tangenziale Seconda S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	45,900.00
Transeuropska Autocesta d.o.o	Maksimirska 120/III 10000 - Zagabria - Croazia	6,466,390.57
Truncu Reale S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	30,600.00
V.A.S.CO. Imprese Riunite	Via Montello, 10 - Rome - Italy	51,645.69
Val Pola S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	46,481.12
Valle Caudina S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	50,000.00
Veneta Sanitaria Finanza di Progetto - V.S.F.P. S.p.A.	Via Cesare Battisti, 2 - Mestre - VE	20,500,000.00
Vesuviana Strade S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	45,900.00

total 2) - associated companies

grand total

B) stockholders' equity	C) profit (loss) for the year	D)% ownership	E) book value	F) share of net equity	G) share of provision for risks	H) coverage of losses	I) distributed profits	L) net equity ex art. 2426 sub. sec 1 n. 4 it. civil code
2,582.28	-	50,000%	1,291.14	1,291.14	-	-	-	-
516,456.90	-	32,990%	170,379.13	170,379.13	-	-	-	-
520,000.00	-	27,910%	145,132.00	145,132.00	-	-	-	-
51,644.00	-	30,000%	15,493.71	15,493.20	-	-	-	0.51
77,468.00	-	25,000%	19,367.13	19,367.00	-	-	-	0.13
206,582.76	-	29,410%	51,645.69	60,755.99	-	-	-	(9,110.30)
25,822.84	-	33,320%	8,607.62	8,604.17	-	-	-	3.45
1,105,785.00	264,901.00	40,760%	19,475.59	450,717.97	-	-	-	(431,242.38)
10,329.14	-	40,000%	4,131.66	4,131.66	-	-	-	-
51,645.69	-	50,000%	25,822.84	25,822.85	-	-	-	(0.01)
(15,873.00)	(7,351.00)	33,333%	-	(5,290.95)	5,291.00	-	-	(0.05)
46,481.12	-	50,000%	23,240.56	23,240.56	-	-	-	-
51,129.00	-	33,334%	17,043.08	17,043.34	-	-	-	(0.26)
10,967.00	(14,856.00)	32,000%	3,509.44	3,509.44	-	-	-	-
56,334.78	-	22,000%	8,087.51	12,393.65	-	-	-	(4,306.14)
(86,631.00)	(15,839.00)	50,000%	-	(43,315.50)	43,315.50	-	-	-
1,582,346.02	-	20,293%	519,624.88	321,105.48	-	-	-	198,519.40
46,600.00	-	50,000%	23,300.00	23,300.00	-	-	-	-
(67,397.00)	(72,231.00)	31,170%	-	(21,007.64)	21,007.64	-	-	-
6,290,395.00	(325,502.00)	22,620%	3,298,708.14	1,422,887.35	-	-	-	1,875,820.79
(12,528.00)	(17,743.00)	25,000%	-	(3,132.00)	3,132.00	-	-	-
-	-	25,000%	2,500.00	-	-	-	-	2,500.00
41,316.55	-	25,000%	10,329.14	10,329.14	-	-	-	-
46,481.12	-	33,330%	15,493.71	15,492.16	-	-	-	1.55
25,822.84	-	21,810%	5,055.48	5,631.96	-	-	-	(576.48)
25,822.84	-	50,000%	12,911.42	12,911.42	-	-	-	-
46,481.12	-	50,000%	23,240.56	23,240.56	-	-	-	-
-	-	35,000%	3,500.00	-	-	-	-	3,500.00
40,000.00	-	50,000%	20,000.00	20,000.00	-	-	-	-
41,316.55	-	24,100%	8,263.31	9,957.29	-	-	-	(1,693.98)
260,000.00	-	43,750%	113,750.00	113,750.00	-	-	-	-
(246,354.00)	(3,738.00)	43,750%	-	(107,779.88)	107,779.88	-	-	-
(491,930.00)	(207,076.00)	50,000%	-	(245,965.00)	245,965.00	-	-	-
51,645.69	-	56,250%	23,240.56	29,050.70	-	-	-	(5,810.14)
(145,792.00)	(9,508.00)	50,000%	-	(72,896.00)	72,896.00	-	-	-
77,648.24	-	20,000%	2,065.83	15,529.65	-	-	-	(13,463.82)
21,115.00	(760.00)	50,000%	10,557.50	10,557.50	-	-	-	-
(164,668.00)	-	30,000%	15,493.71	(49,400.40)	-	-	-	64,894.11
561,719.00	(140,282.00)	37,000%	9,554.45	207,836.03	-	-	-	(198,281.58)
5,086,860.34	423,304.17	48,330%	1,872,156.26	2,458,479.60	-	-	-	(586,323.34)
38,037.00	(3,279.00)	49,950%	18,999.48	18,999.48	-	-	-	-
24,048.00	(3,345.00)	45,000%	10,821.60	10,821.60	-	-	-	-
(11,661.00)	(27,130.00)	22,840%	3,533.12	(2,663.37)	-	-	-	6,196.49
129,114.22	-	25,000%	32,278.56	32,278.56	-	-	-	-
46,480.00	-	42,730%	19,860.90	19,860.90	-	-	-	-
6,055,541.07	(49,934.82)	49,000%	3,157,743.80	2,967,215.12	-	-	-	190,528.68
30,987.41	-	34,000%	10,535.72	10,535.72	-	-	-	-
84,472.80	-	29,000%	14,977.25	24,497.11	-	-	-	(9,519.86)
45,489.88	-	35,000%	15,921.46	15,921.46	-	-	-	-
51,645.69	-	52,240%	20,234.78	26,979.71	-	-	-	(6,744.93)
20,480,098.00	(19,901.00)	31,000%	6,355,000.00	6,348,830.38	-	-	-	6,169.62
46,481.12	-	30,000%	13,944.34	13,944.34	-	-	-	-
			16,568,531.15	(3,566,030.76)	787,903.51	20,474,547.00	-	(1,127,888.60)
			57,713,083.55	35,479,603.08	2,586,915.47	20,474,547.00	-	(827,982.00)

net equity changes

(euro thousands)

	subscribed capital	share premium reserve	legal reserve	reserve for own shares	conversion reserve or loss
balance at december 31, 2003	98,425	67,836	7,218	2,385	(11,158)
profit allotment	-	-	601	-	-
dividends distribution	-	-	-	-	-
fund ex art 27 statutory allotment	-	-	-	-	-
conversion changes	-	-	-	-	(4,731)
own shares purchase (sale)	-	-	-	(1,488)	-
profit (loss) for the year	-	-	-	-	-
balance at december 31, 2004	98,425	67,836	7,819	897	(15,889)

extraordinary reserve	reserve for special liabilities	merger advance reserve	reserve for own shares purchasing	euro conversion difference	profit (loss) carried forward	profit (loss) for the year
18,846	798	22,215	(2)	5	12,017	218,585
5,020	–	–	–	–	(5,621)	–
–	–	–	–	–	(6,306)	(6,306)
–	–	–	–	–	(90)	(90)
–	–	–	–	–	–	(4,731)
–	–	1,488	–	–	–	–
–	–	–	–	–	31,277	31,277
23,866	798	23,703	(2)	5	31,277	238,735

net equity changes

(thousands of euro)

nature/description	amount	chances of utilisation	available share
subscribed capital	98,425		
reserves			
– share premium reserve	67,836	a- b	67,836
– legal reserve	7,819	b	–
– reserve for own shares	898	–	–
– conversion reserve	(15,889)	–	–
– extraordinary reserve	23,866	a- b- c	23,866
– reserve for specific risks	798	a- b- c	798
– reserve for own shares purchasing	23,702	–	–
– euro conversion difference	(2)	–	–
– profit (loss) carried forward	5	a- b- c	5
total	207,458		92,505
not available share			(3,274)
remaining available share			89,231

legend:

a: capital increase

b: loss coverage

c: distribution to shareholders

note:

a) the utilisation is due to the free increase of share capital

b) the utilisation is due to reserve of own share purchase

(1) see art. 2431 c.c.

list of the financial year 2003 utilisations
loss coverage other

list of the financial year 2002 utilisations
loss coverage other

list of the financial year 2001 utilisations
loss coverage otheri

-	-	-	(4,883)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(9,670)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(9,670)	-	(4,883)	-	-
	(b)		(a)		

1- subsidiaries

		currency	par value of share capital
Asociacion Accidental Astaldi S.p.A. - C.B.I. s.r.l.	Località "El Portillo" - Tarija - Bolivia	-	-
Assistenza Sviluppo e Tecnologie Ausiliarie alle Costruzioni (A.S.T.A.C.) S.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	46,800.00
Astaldi (Thailand) Company Ltd.	21/125 Fl.17 Unit A, Thai Wah Tower II SathornTai Road- Sathorn - Bangkok - Thailand	BHT	10,000,000.00
Astaldi Africa S.p.A. in liquidation	Addis Abeba - Etiopia	EUR	1,033.00
Astaldi Arabia Ltd.	P.O. Box 58139 - Riad - Saudi Arabia	SAR	5,000,000.00
Astaldi Construction Corporation	8220 State Road 85 Davie - Florida - U.S.A.	US\$	4,290,000.00
Astaldi de Venezuela C.A.	C.C. C.T. 1ra Etapa Piso 6 Of. 620 - Caracas - Venezuela	VEB	110,300,000.00
Astaldi Finance S.A.	Boulevard du Prince Henri 19-21 - Lussemburgo	EUR	250,000.00
Astaldi International Inc.	Bank of Liberia Building P.O. Box 660 - Monrovia - Liberia	US\$	3,000,000.00
Astaldi International Ltd.	34-36 Gray's Inn Road - London - United Kingdom	GBP	2,000,000.00
Astaldi-Astaldi International J.V.	R. Armando Tivane, 466 - Matola Maputo - Mozambico	US\$	10,000.00
Astaldi-Burundi Association Momentanée	Avenue de l'O.U.A. B.P. 325 - Bujumbura - Burundi	US\$	50,000.00
Astaldi-Caldart AS.CAL. S.c.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy	EUR	46,800.00
Astaldi-Malawi, Astaldi - Astaldi International J.V.	Private Bag 148 - Blantyre - Malawi	US\$	10,000.00
Astaldi-Rwanda Association Momentanée	Rue de la Douane - Kigali - Ruanda	US\$	50,000.00
Astaldi-Sénégal Association en participation	Avenue Roume Dakar, 16 4ème G. S. - Dakar - Senegal	XOF	50,000,000.00
Astur Construction and Trade A.S.	Aydinpinar Cad. Kucukmehmetler Koyu - Ankara - Turkey	TRL	23,790,610,000.00
Bussentina S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	25,500.00
C.O.MES. S.C.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	20,000.00
CO.ME.NA. S.c.r.l.	Via Morghen, 36 - Naples - Italy	EUR	20,658.00
CO.NO.CO. S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	25,500.00
Colli Albani S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	25,500.00
Consorcio Astaldi - C.B.I.	Av. Iturralde 1308 Esquina San Salvador - La Paz - Bolivia	US\$	100,000.00
Consorzio A.R.Z. - Astaldi-R.I.C. - ZAIRE in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	25,823.00
Consorzio Astaldi-C.M.B. Due in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,329.00
Consorzio Olbia Mare in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	15,494.00
Cospe S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Diga di Arcichiaro S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	35,700.00
D.I.P.A. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
DP 2M S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Eco Po Quattro S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	25,500.00
Euroast S.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	15,300.00
Fiobis S.c.r.l. in liquidation	Viale Sarca, 336 - Milano - Italy	EUR	46,481.00
Forum S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	51,000.00
Groupement Astaldi SpA - Astaldi International Ltd.	B.P. 4230 - Gibuti	US\$	-
I.F.C. Due S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR	45,900.00
I.F.C. S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR	45,900.00
Italstrade CCCF JV Romis S.r.l.	Piata Pache Protopopescu, 9 - Bucarest - Romania	LEI	5,400,000,000.00
Italstrade S.p.A.	Via Agrigento, 5 - Rome - Italy	EUR	25,563,340.00
Italstrade Somet JV Rometro S.r.l.	Str. Cap. Av. A. Serbanescu, 49 Sector 1 - Bucarest - Romania	LEI	22,000,000.00
Legnami Pasotti Italy I.C. S.r.l. in liquidation	Via Agrigento, 5 - Rome - Italy	EUR	51,000.00
Linea A S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	25,500.00
Montedil-Astaldi S.p.A. (MONTAST) in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	408,000.00
Mormanno S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Palese Park S.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	1,020,000.00
Portovesme S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	25,500.00
Quattro Venti S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	51,000.00
R.I.C. - Railway International Construction S.p.A.	Via G.V. Bona, 65 - Rome - Italy	EUR	2,580,000.00
Redo-Association Momentanée	B.P. 8734 - Rep. Dem. del Congo	ZRZ	50,000.00
Romeirport S.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	500,000.00
Romstrade S.r.l.	Piata Pache Protopopescu, 9 - Bucarest - Romania	LEI	10,000,000,000.00
S. Filippo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
S. Leonardo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
S.U.G.C.T. S.A. Calarasi	Varianza Nord, 1 - Calarasi - Romania	LEI	13,618,975,000.00
Seac S.p.A. in liquidation	Avenue des Fleurs - Kinshasa/Gombe - Rep.Dem. del Congo	ZRZ	200,000,000.00
Servizi Tecnici Internazionali - I.T.S. S.p.A.	Via G.V. Bona, 65 - Rome - Italy	EUR	232,200.00
Silva S.r.l. in liquidation	Via Monte Santo, 1 - Rome - Italy	EUR	15,300.00
Susa Dora Quattro S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	51,000.00
TE.CRO. S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Todaro S.r.l. in liquidation	Via Giovanni Pacini, 12 - Palermo - Italy	EUR	233,580.00
Toledo S.c.r.l.	Via Morghen, 36 - Naples - Italy	EUR	50,000.00
Tri.Ace S.c.a.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00
Viadotti di Courmayeur S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Viadotto Fadalto S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	EUR	51,129.00

total 1) - subsidiaries

2 - associated companies

A.F.M. Astaldi-Ferrocemento-Mambrini S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00
Adduttore Ponte Barca S.c.r.l. in liquidation	Via di Pietralata, 140 - Rome - Italy	EUR	45,900.00
Almo S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	EUR	46,481.00
Alosa Immobiliare S.p.A. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,320,000.00
Association en participation SEP Astaldi-Somatra- Bredero	Tunisia	TND	-
Astaldi Bayindir J.V.	Ilkadam Sokak, 19 Gaziomanpasa- Ankara - Turkey	-	-
Astaldi-Ecuador S.A.	Portugal 617 y 6 de Diciembre - Guayaquil - Ecuador	ECS	3,000,000.00
Astaldi-Ferrocemento J.V.	10-Ha Khayaban-E-Shujat - Karachi - Pakistan	US\$	50,000.00
Astaldi-Max Bogl-CCCF JV S.r.l.	Str.Carol Davilla n°70 - Bucarest - Romania	EUR	10,000.00
Avola S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Blufi 1 S.c.r.l. in liquidation	Zona Industriale - Agrigento - Italy	EUR	25,823.00
C.F.M. S.c.r.l. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	EUR	41,317.00
Carnia S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00

	number of shares	number of shares owned	value as at 12.31.2003	total increases	total decreases	reclassif.	value as at 12.31.2004	%owned directly	%owned indirectly	% total
	-	-	-	-	-	-	-	70.000%	0.000%	70.000%
	-	-	-	46,800.06	(46,800.06)	-	-	100.000%	0.000%	100.000%
	100,000.00	25,000.00	68,745.53	-	(68,745.53)	-	-	25.000%	24.000%	49.000%
	-	-	-	-	-	-	-	100.000%	0.000%	100.000%
	5,000.00	3,000.00	892,389.49	-	-	-	892,389.49	60.000%	40.000%	100.000%
	2,000.00	1,800.00	5,319,168.41	2,498,886.53	-	-	7,818,054.94	90.000%	10.000%	100.000%
	110,300.00	110,083.00	1,297,205.29	-	-	-	1,297,205.29	99.804%	0.000%	99.804%
	-	-	249,900.00	-	-	-	249,900.00	99.960%	0.000%	99.960%
	300,000.00	276,000.00	-	-	-	-	-	0.000%	100.000%	100.000%
	2,000,000.00	2,000,000.00	3,280,527.05	-	-	-	3,280,527.05	100.000%	0.000%	100.000%
	-	-	-	-	-	-	-	0.000%	100.000%	100.000%
	-	-	-	-	-	-	-	0.000%	100.000%	100.000%
	-	-	2,613.00	-	(2,613.00)	-	-	60.000%	0.000%	60.000%
	-	-	-	-	-	-	-	0.000%	100.000%	100.000%
	-	-	20,231.14	-	(20,231.14)	-	-	60.000%	40.000%	100.000%
	-	-	-	-	-	-	-	0.000%	100.000%	100.000%
	2,379,061.00	2,355,270.00	563,992.99	-	-	-	563,992.99	99.000%	0.000%	99.000%
	-	-	7,093.58	-	(7,093.58)	-	-	78.800%	0.000%	78.800%
	-	-	11,000.00	-	-	-	11,000.00	55.000%	0.000%	55.000%
	-	-	14,549.62	-	-	-	14,549.62	70.432%	0.000%	70.432%
	-	-	11,620.28	-	-	-	11,620.28	80.000%	0.000%	80.000%
	-	-	7,537.20	-	(2,023.20)	-	5,514.00	60.000%	0.000%	60.000%
	-	-	-	-	-	-	-	60.000%	0.000%	60.000%
	-	-	227.64	-	(35.42)	-	192.22	1.000%	99.000%	100.000%
	-	-	4,843.69	-	2,732.93	-	7,576.62	99.995%	0.000%	99.995%
	-	-	-	-	-	-	-	72.500%	0.000%	72.500%
	-	-	5,681.03	-	-	-	5,681.03	100.000%	0.000%	100.000%
	-	-	2,475.00	-	(2,475.00)	-	-	100.000%	0.000%	100.000%
	-	-	-	-	-	-	-	100.000%	0.000%	100.000%
	-	-	-	-	4,179.56	-	4,179.56	72.000%	0.000%	72.000%
	-	-	20,658.28	-	-	-	20,658.28	80.000%	0.000%	80.000%
	-	-	15,700.29	-	(15,700.29)	-	-	100.000%	0.000%	100.000%
	-	-	25,817.21	-	(5,689.47)	-	20,127.74	99.980%	0.000%	99.980%
	-	-	30,982.25	-	-	-	30,982.25	59.990%	0.000%	59.990%
	-	-	-	-	-	-	-	60.000%	40.000%	100.000%
	-	-	-	-	-	-	-	99.990%	0.000%	99.990%
	-	-	15,493.71	-	-	-	15,493.71	66.660%	0.000%	66.660%
	-	-	-	-	-	-	-	0.000%	51.000%	51.000%
	5,112,668.00	5,112,668.00	22,114,955.59	-	-	2,839,831.22	24,954,786.81	100.000%	0.000%	100.000%
	-	-	-	-	-	-	-	0.000%	51.000%	51.000%
	-	-	-	-	-	-	-	0.000%	80.000%	80.000%
	-	-	25,822.84	-	-	-	25,822.84	100.000%	0.000%	100.000%
	800,000.00	800,000.00	650,735.69	-	-	-	650,735.69	100.000%	0.000%	100.000%
	-	-	-	-	-	-	-	74.990%	0.000%	74.990%
	-	-	1,022,584.66	-	-	-	1,022,584.66	99.000%	0.000%	99.000%
	-	-	20,658.28	-	-	-	20,658.28	80.000%	0.000%	80.000%
	-	-	30,987.41	-	-	-	30,987.41	60.000%	0.000%	60.000%
	500,000.00	500,000.00	2,839,831.22	-	(2,839,831.22)	-	-	100.000%	0.000%	100.000%
	-	-	29,487.06	-	-	-	29,487.06	75.000%	25.000%	100.000%
	-	-	-	-	-	-	-	0.000%	99.260%	99.260%
	-	-	-	-	-	-	-	0.000%	51.000%	51.000%
	-	-	-	-	-	-	-	80.000%	0.000%	80.000%
	-	-	-	-	-	-	-	51.000%	0.000%	51.000%
	-	-	-	-	-	-	-	0.000%	50.367%	50.367%
	180,565.00	-	-	-	-	-	-	0.000%	100.000%	100.000%
	-	-	-	-	-	-	-	0.000%	100.000%	100.000%
	-	-	-	-	-	-	-	99.000%	0.000%	99.000%
	-	-	46,481.12	-	-	-	46,481.12	90.000%	0.000%	90.000%
	-	-	-	-	-	-	-	100.000%	0.000%	100.000%
	-	-	-	-	-	-	-	0.000%	100.000%	100.000%
	-	-	45,197.00	-	-	-	45,197.00	90.394%	0.000%	90.394%
	-	-	37,184.90	-	-	-	37,184.90	80.000%	0.000%	80.000%
	-	-	3,718.49	-	-	-	3,718.49	66.670%	0.000%	66.670%
	-	-	27,263.07	-	-	-	27,263.07	80.000%	0.000%	80.000%
			38,763,360.01	2,545,686.59	(164,494.20)	0.00	41,144,552.40			
	-	-	8,108.99	-	(8,108.99)	-	-	35.000%	0.000%	35.000%
	-	-	11,308.86	-	-	-	11,308.86	24.330%	0.000%	24.330%
	-	-	16,268.39	-	-	-	16,268.39	35.000%	0.000%	35.000%
	2,000,000.00	1,000,000.00	-	-	-	-	-	50.000%	0.000%	50.000%
	-	-	-	-	-	-	-	40.000%	0.000%	40.000%
	-	-	-	-	-	-	-	50.000%	0.000%	50.000%
	3,000.00	600.00	3,098.74	-	(3,098.74)	-	-	20.000%	0.000%	20.000%
	-	-	20,314.32	-	-	-	20,314.32	50.000%	0.000%	50.000%
	-	-	-	5,000.00	-	-	5,000.00	50.000%	0.000%	50.000%
	-	-	-	-	-	-	-	50.000%	0.000%	50.000%
	-	-	4,188.52	-	-	-	4,188.52	32.000%	0.000%	32.000%
	-	-	20,658.28	-	-	-	20,658.28	50.000%	0.000%	50.000%
	-	-	-	-	-	-	-	33.000%	0.000%	33.000%

(table follows)

associated companies

		currency	par value of share capital
Cogital S.c.r.l. in liquidation	Viale Italy, 1 - Milan - Italy	EUR	60,044.00
Consorzio Astaldi-ICE	Av. Libertador Bolivar, 1842 - Cochabamba - Bolivia	-	-
Consorzio Contuy Medio	Avida Andres Bello, Ed. Atlantic Piso 7, Of. 1-7 - Venezuela	US\$	40,000.00
Consorzio DEI	Via San Nazaro, 19 - Genova - Italy	EUR	26,000.00
Consorzio Ghella-Astaldi & Asociados	Santo Domingo - Repubblica Dominicana	RD\$	300,000.00
Consorzio Ghella-Astaldi-WTC	Santo Domingo - Repubblica Dominicana	EUR	-
Consorzio Grupo Contuy - Proyectos y Obras de Ferrocarriles	CCC T. 1ra Etapa Piso 6 Of. 620 Chuao - Caracas - Venezuela	VEB	-
Consorzio Metro Los Teques	Caracas - Venezuela	VEB	-
Consorzio A.F.T.	Via G.V. Bona, 65 - Rome - Italy	EUR	46,481.00
Consorzio A.F.T. Kramis	Via G.V. Bona, 65 - Rome - Italy	EUR	100,000.00
Consorzio Bonifica Lunghezza - C.B.L.	Via Calderon de la Barca, 87 - Rome - Italy	EUR	10,000.00
Consorzio Brundisium	Via Caboto n°1 - Corsico - Milan - Italy	EUR	12,000.00
Consorzio C.I.R.C. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	51,000.00
Consorzio Carnia in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	51,646.00
Consorzio Co.Fe.Sar.	Viale Liegi, 26 - Rome - Italy	EUR	51,646.00
Consorzio Cogitau S.c.n.c. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	61,975.00
Consorzio CONC.I.L. in liquidation	Via Passeggiata di Ripetta, 35 - Rome - Italy	EUR	10,329.00
Consorzio Consarno	Via Napoli, 329 - Castellammare di Stabia (NA) - Italy	EUR	20,658.00
Consorzio Consavia S.c.n.c. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	20,658.00
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidation	Via Chiatamone, 57 - Naples - Italy	EUR	2,582.00
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	Via G.V. Bona, 65 - Rome - Italy	EUR	206,583.00
Consorzio Ferrofir in liquidation	Via F.Tovaglieri, 17 - Rome - Italy	EUR	30,987.00
Consorzio Gi.It. in liquidation	Via privata D. Giustino, 3/A - Naples - Italy	EUR	2,582.00
Consorzio I.R.S.A.	Via Argine, 425 - Naples - Italy	EUR	-
Consorzio Inau in liquidation	Viale Cesare Pavese, 205 - Rome - Italy	EUR	77,469.00
Consorzio Iricav Due	Via F. Tovaglieri, 413 - Rome - Italy	EUR	510,000.00
Consorzio Iricav Uno	Via F. Tovaglieri, 413 - Rome - Italy	EUR	520,000.00
Consorzio Ital. Co. Cer.	Piazza Buenos Aires, 5 - Rome - Italy	EUR	51,600.00
Consorzio Italveneziana	Via Salaria, 1039 - Rome - Italy	EUR	77,450.00
Consorzio L.A.R. in liquidation	Via Palestro, 30 - Rome - Italy	EUR	206,583.00
Consorzio Metrofer	Viale Liegi, 26 - Rome - Italy	EUR	25,823.00
Consorzio Novocen	Via Oraz, 143 - Naples - Italy	EUR	51,640.00
Consorzio Qalat	Corso Carlo Marx, 19 - Misterbianco (CT) - Italy	EUR	10,327.00
Consorzio Recchi S.p.A. - Astaldi S.p.A.	Via Salaria, 1039 - Rome - Italy	EUR	51,646.00
Consorzio Tre Fontane Nord in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	15,494.00
Diga di Blufi S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00
Ecosarno S.c.r.l.	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	EUR	50,490.00
Fosso Canna S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	25,500.00
Groupement Cir S.p.A.	Via Agrigento, 5 - Rome - Italy	EUR	156,000.00
Groupement Eurolep	Shifflandestrass, 35 - Aaran 5000 - Switzerland	CHF	100,000.00
Groupement Italgisas	Angle Boulevard de la Resistance et Rue de Puissesaux - Casablanca - Morocco	MAD	207,014,000.00
Holding Eléctrica Centroamericana S.p.A. - (Heca S.p.A.) in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	100,000.00
Hydro Honduras S.A. (Hydro West y Asociados S.A.)	Ap.3199, Salida Norte Blvd. Fuerzas Armadas - El Carrizal - Tegucigalpa - Honduras	HNL	35,440,000.00
Infraclegrea S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy	EUR	46,600.00
Isclero S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	12,000.00
Italsagi Sp. Zo. O.	Ul. Powstancow - Katowice - Poland	PLN	100,000,000.00
M.N. Metropolitana di Napoli S.p.A.	Via Galileo Ferraris, 101 - Naples - Italy	EUR	3,655,397.00
Marsico Nuovo S.c.r.l. in liquidation	Via Dora, 2 - Rome - Italy	EUR	10,200.00
Max Bogl-Astaldi-CCCF Asocierea JV S.r.l.	Blv.Eroi Sanitar, 49 - Bucarest - Romania	EUR	10,000.00
ME.SA. S.c.r.l. in liquidation	Via della Cooperazione, 30 - Bologna - Italy	EUR	40,800.00
Messina Stadio S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00
Metrogenova S.c.r.l.	Via IV Novembre snc - Spianata Acquasola - 16121 Genova - Italy	EUR	25,500.00
Metroveneta S.c.r.l.	Piazza Castello, 16 - Padova - Italy	EUR	25,500.00
Monte Vesuvio S.c.r.l. in liquidation	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	EUR	45,900.00
Mose-Treporti S.c.r.l.	Via C.Battisti n°2 - Venice - Mestre - Italy	EUR	10,000.00
N.P.F. - Nuovo Polo Fieristico S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	40,000.00
Nova Metro S.c.r.l. in liquidation	Via Montello, 10 - Rome - Italy	EUR	40,800.00
Parking Puccini S.c.r.l. in liquidation	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	EUR	45,900.00
Pegaso S.c.r.l.	Via F. Tovaglieri, 17 - Rome - Italy	EUR	260,000.00
Piana di Licata S.c.r.l. in liquidation	Via G. V. Bona, 65 - Rome - Italy	EUR	10,200.00
Piceno S.c.r.l. in liquidation	Viale Italy, 1 - Sesto S. Giovanni (MI) - Italy	EUR	10,200.00
Pont Ventoux S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	51,000.00
Principe Amedeo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	10,200.00
Priolo Siracusa S.c.r.l.	Piazza Velasca, 4 - Milan - Italy	EUR	11,000.00
Raggruppamento Astaldi-Vianini in liquidation	S.P. per Fisciano Km.1 - Fisciano (SA) - Italy	EUR	25,823.00
S.A.A.L.P. S.n.c. in liquidation	Via Boncompagni, 47 - Rome - Italy	EUR	51,646.00
S.A.C.E.S. S.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	26,000.00
S.E.I.S. S.p.A.	Via Monte Santo, 1 - Rome - Italy	EUR	3,877,500.00
Sa.Di.Pe. S.c.r.l. in liquidation	Via della Dataria, 22 - Rome - Italy	EUR	40,800.00
Salgit S.r.l.	Via della Dataria, 22 - Rome - Italy	EUR	10,200.00
Santangelo S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	51,000.00
SO.GE.DEP. S.r.l. in liquidation	Via dell'Astronomia, 9 - Rome - Italy	EUR	20,400.00
So.Gr.Es. S.c.p.a. in liquidation	Via Molise, 11 - Rome - Italy	EUR	129,000.00
Tangenziale Seconda S.c.r.l. in liquidation	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00
Transeuropska Autocesta d.o.o	Maksimirska 120/III 10000 - Zagabria - Croatia	HRK	49,019,600.00
Truncu Reale S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	30,600.00
V.A.S.CO. Imprese Riunite	Via Montello, 10 - Rome - Italy	EUR	51,646.00
Val Pola S.c.r.l. in liquidation	Viale Sarca, 336 - Milan - Italy	EUR	46,481.00
Valle Caudina S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	50,000.00
Veneta Sanitaria Finanza di Progetto - V.S.F.P. S.p.A.	Via Cesare Battisti, 2 - Mestre - VE	EUR	20,500,000.00
Vesuviana Strade S.c.r.l.	Via G.V. Bona, 65 - Rome - Italy	EUR	45,900.00

total 2) - associated companies

number of shares	number of shares owned	value as at 12.31.2003	total increases	total decreases	reclassif.	value as at 12.31.2004	%owned directly	%owned indirectly	% total
-	-	30,022.50	-	(109.50)	-	29,913.00	50.000%	0.000%	50.000%
-	-	-	-	-	-	-	50.000%	0.000%	50.000%
-	-	109,617.98	-	-	-	109,617.98	28.300%	0.000%	28.300%
-	-	-	-	-	-	-	0.000%	35.000%	35.000%
-	-	6,221.74	-	(6,221.74)	-	-	33.300%	0.000%	33.300%
-	-	6,917.63	-	(6,917.63)	-	-	33.300%	0.000%	33.300%
-	-	-	-	-	-	-	32.330%	0.000%	32.330%
-	-	2.00	-	-	-	2.00	30.000%	0.000%	30.000%
-	-	15,493.71	-	-	-	15,493.71	33.330%	0.000%	33.330%
-	-	49,995.00	-	-	-	49,995.00	49.995%	0.000%	49.995%
-	-	4,900.00	-	-	-	4,900.00	49.000%	0.000%	49.000%
-	-	-	4,000.00	-	-	4,000.00	33.333%	0.000%	33.333%
-	-	12,911.42	-	-	-	12,911.42	25.000%	0.000%	25.000%
-	-	17,043.08	-	-	-	17,043.08	33.000%	0.000%	33.000%
-	-	15,493.71	-	-	-	15,493.71	30.000%	0.000%	30.000%
-	-	23,612.40	-	-	-	23,612.40	38.100%	0.000%	38.100%
-	-	-	-	-	-	-	0.000%	50.000%	50.000%
-	-	5,164.57	-	-	-	5,164.57	25.000%	0.000%	25.000%
-	-	4,897.34	-	267.23	-	5,164.57	25.000%	0.000%	25.000%
-	-	-	-	-	-	-	50.000%	0.000%	50.000%
-	-	-	-	-	-	-	0.000%	25.000%	25.000%
-	-	20,658.28	-	-	-	20,658.28	66.666%	0.000%	66.666%
-	-	1,291.14	-	-	-	1,291.14	50.000%	0.000%	50.000%
-	-	-	-	-	-	-	0.000%	50.000%	50.000%
-	-	23,675.83	-	(23,675.83)	-	-	40.630%	0.000%	40.630%
-	-	170,379.13	-	-	-	170,379.13	32.990%	0.000%	32.990%
-	-	145,132.00	-	-	-	145,132.00	27.910%	0.000%	27.910%
-	-	15,493.71	-	-	-	15,493.71	30.000%	0.000%	30.000%
-	-	19,367.13	-	-	-	19,367.13	25.000%	0.000%	25.000%
-	-	51,645.69	-	-	-	51,645.69	29.410%	0.000%	29.410%
-	-	8,607.62	-	-	-	8,607.62	33.320%	0.000%	33.320%
-	-	19,475.59	-	-	-	19,475.59	40.760%	0.000%	40.760%
-	-	4,131.66	-	-	-	4,131.66	40.000%	0.000%	40.000%
-	-	25,822.84	-	-	-	25,822.84	50.000%	0.000%	50.000%
-	-	-	-	-	-	-	33.333%	0.000%	33.333%
-	-	23,240.56	-	-	-	23,240.56	50.000%	0.000%	50.000%
-	-	17,043.08	-	-	-	17,043.08	33.334%	0.000%	33.334%
-	-	-	8,263.31	(4,753.87)	-	3,509.44	32.000%	0.000%	32.000%
-	-	-	-	-	-	-	0.000%	33.330%	33.330%
-	-	8,087.51	-	-	-	8,087.51	22.000%	0.000%	22.000%
-	-	-	-	-	-	-	0.000%	40.000%	40.000%
100,000.00	50,000.00	-	-	-	-	-	50.000%	0.000%	50.000%
70,880.00	6,259.00	519,624.88	-	-	-	519,624.88	20.293%	0.000%	20.293%
-	-	23,300.00	-	-	-	23,300.00	50.000%	0.000%	50.000%
-	-	1,506.76	520.90	(2,027.66)	-	-	31.170%	0.000%	31.170%
-	-	-	-	-	-	-	0.000%	34.000%	34.000%
7,310,794.00	1,653,725.00	3,298,708.14	-	-	-	3,298,708.14	22.620%	0.000%	22.620%
-	-	2,582.28	-	(2,582.28)	-	-	25.000%	0.000%	25.000%
-	-	-	2,500.00	-	-	2,500.00	25.000%	0.000%	25.000%
-	-	10,329.14	-	-	-	10,329.14	25.000%	0.000%	25.000%
-	-	15,493.71	-	-	-	15,493.71	33.330%	0.000%	33.330%
-	-	-	898.00	-	4,157.48	5,055.48	21.810%	0.000%	21.810%
-	-	12,911.42	-	-	-	12,911.42	50.000%	0.000%	50.000%
-	-	23,240.56	-	-	-	23,240.56	50.000%	0.000%	50.000%
-	-	3,500.00	-	-	-	3,500.00	35.000%	0.000%	35.000%
-	-	20,000.00	-	-	-	20,000.00	50.000%	0.000%	50.000%
-	-	8,263.31	-	-	-	8,263.31	24.100%	0.000%	24.100%
-	-	-	-	-	-	-	50.000%	0.000%	50.000%
-	-	113,750.00	-	-	-	113,750.00	43.750%	0.000%	43.750%
-	-	-	-	-	-	-	43.750%	0.000%	43.750%
-	-	-	-	-	-	-	50.000%	0.000%	50.000%
-	-	23,240.56	-	-	-	23,240.56	56.250%	0.000%	56.250%
-	-	-	-	-	-	-	50.000%	0.000%	50.000%
-	-	2,065.83	-	-	-	2,065.83	20.000%	0.000%	20.000%
-	-	9,683.57	-	873.93	-	10,557.50	50.000%	0.000%	50.000%
-	-	7,318.80	-	8,174.91	-	15,493.71	30.000%	0.000%	30.000%
-	-	9,554.45	-	-	-	9,554.45	37.000%	0.000%	37.000%
750,000.00	362,475.00	1,872,156.26	-	-	-	1,872,156.26	48.330%	0.000%	48.330%
-	-	20,637.62	-	(1,638.14)	-	18,999.48	49.950%	0.000%	49.950%
-	-	-	-	-	-	-	0.000%	33.000%	33.000%
-	-	12,326.85	-	(1,505.25)	-	10,821.60	45.000%	0.000%	45.000%
-	-	2,959.17	-	573.95	-	3,533.12	22.840%	0.000%	22.840%
-	-	32,278.56	-	-	-	32,278.56	25.000%	0.000%	25.000%
-	-	19,640.70	-	220.20	-	19,860.90	42.730%	0.000%	42.730%
-	-	3,157,743.80	-	-	-	3,157,743.80	49.000%	0.000%	49.000%
-	-	10,535.72	-	-	-	10,535.72	34.000%	0.000%	34.000%
-	-	14,977.25	-	-	-	14,977.25	29.000%	0.000%	29.000%
-	-	15,921.46	-	-	-	15,921.46	35.000%	0.000%	35.000%
-	-	20,234.78	-	-	-	20,234.78	52.240%	0.000%	52.240%
205,000.00	63,550.00	6,355,000.00	-	-	-	6,355,000.00	31.000%	0.000%	31.000%
-	-	13,944.34	-	-	-	13,944.34	30.000%	0.000%	30.000%
		16,593,720.87	21,182.21	(50,529.41)	4,157.48	16,568,531.15			

(table follows)

currency
par value
of
share capital

3 - other equity interests

A.M.P. S.c.r.l. in liquidation	Viale Caduti di tutte le guerre, 7 - Bari - Italy	EUR	25,822.00
Aguas de San Pedro S.A. de C.V.	Departamento de Cortes - San Pedro Sula - Honduras	HNL	98,000,000.00
Astaldi-Sarantopulos J.V.	Aten - Greece	-	-
Bocca di Malamocco S.c.r.l.	Via Salaria, 1039 - Rome - Italy	EUR	30,987.00
C.F.C. S.c.r.l.	Via privata D. Giustino, 3/A - Naples - Italy	EUR	45,900.00
Co.Sa.Vi.D. S.c.r.l.	Carini - Contrada Foresta Z.I. - Palermo - Italy	EUR	25,500.00
Consorzio Asse Sangro in liquidation	Via della Fonte di Fauno, 2/A bis - Rome - Italy	EUR	464,811.00
Consorzio Centro Uno	C.so Vittorio Emanuele, 130 - Naples - Italy	EUR	154,937.00
Consorzio Ferroviario Vesuviano	Via Argine, 425 - Naples - Italy	EUR	154,937.00
Consorzio Groupement Lesi-Dipenta	Via Indonesia, 100 - Rome - Italy	EUR	258,228.00
Consorzio Tagliamento	Via G.V. Bona, 101/C - Rome - Italy	EUR	154,937.00
Consorzio Team	Viale Sarca, 336 - Milan - Italy	EUR	45,900.00
Consorzio TRA.DE.CI.V.	Via G. Verdi, 35 - Naples - Italy	EUR	154,937.00
Copenhagen Metro Construction Group J.V. (COMET)	Refshaleoen, 147 P.O. Box 1920 - Copenhagen - Denmark	DKK	-
Costruttori Romeni Riuniti Grandi Opere S.p.A.	Via P. Stanislao Mancini, 2 - Rome - Italy	EUR	5,164,568.00
Fondazione Accademia Nazionale di S. Cecilia	Via Vittoria, 6 - Rome - Italy	EUR	-
Fusaro S.C.r.l.	Via privata D. Giustino, 3/A - Naples - Italy	EUR	10,200.00
G.G.O. S.c.r.l. in liquidation	Zona Industriale - Agrigento - Italy	EUR	25,500.00
Imprese Riunite Genova S.c.r.l. in liquidation	Via A. Gramsci, 20 - Genova - Italy	EUR	25,500.00
Imprese Riunite Genova Seconda S.c.r.l. in liquidation	Via Serra, 2/9 - Genova - Italy	EUR	25,000.00
Irimuse S.c.r.l.	Via Salaria, 1039 - Rome - Italy	EUR	619,745.00
Italstrade CCCF JV Bucuresti S.r.l.	Gheorghe Manu, 20 Sector 1 - Bucarest - Romania	LEI	2,000,000.00
Metrogenova S.c.r.l.	Via IV Novembre snc - Spianata Acquasola - 16121 Genova - Italy	EUR	25,500.00
M.N.6 S.C.r.l.	Via G.Ferraris n.101 - Naples - Italy	EUR	51,000.00
Napoli Porto S.c.r.l. in liquidation	Via G. Verdi, 35 - Naples - Italy	EUR	10,328.00
NO.VI.F.IN. Nova Via Festinat Industrias S.c.r.l.	Riviera di Chiaia, 72 - Naples - Italy	EUR	10,329.00
Pantano S.c.r.l.	Via Montello, 10 - Rome - Italy	EUR	40,800.00
Pavimental S.p.A.	Piazza Ferdinando De Lucia, 15 - Rome - Italy	EUR	4,669,132.00
Platamonas Sarantopulos J.V.	Aten - Greece	-	-
Plus S.r.l.	Via del Tritone, 53 - Rome - Italy	EUR	765,000.00
Rome Lido S.c.r.l.	Via Carlo Pesenti, 121/123 - Rome - Italy	EUR	10,200.00
Skiarea Valchiavenna S.p.A.	Via del Crotto, 52 - Campodolcino - Italy	EUR	7,419,680.00
Sociedad Concesionaria BAS S.A.	Santiago del Cile - Cile	PLC	8,876,340,000.00
Yellow River Contractors	P.O. Box 073 - Luoyang - Rep. Pop. China	US\$	999,336.00

total 3 other equity interests
grand total

number of shares	number of shares owned	value as at 12.31.2003	total increases	total decreases	reclassif.	value as at 12.31.2004	%owned directly	%owned indirectly	% total
-	-	2.58	-	(1.11)	-	1.47	0.010%	0.000%	0.010%
-	14,700,000.00	1,033,189.75	13,283.03	-	-	1,046,472.78	15.000%	0.000%	15.000%
-	-	-	-	-	-	-	14.000%	0.000%	14.000%
-	-	3.10	-	-	-	3.10	0.010%	0.000%	0.010%
-	-	4.65	-	-	-	4.65	0.010%	0.000%	0.010%
-	-	2.58	-	-	-	2.58	0.010%	0.000%	0.010%
-	-	22,133.87	-	-	-	22,133.87	4.762%	0.000%	4.762%
-	-	3,098.74	-	-	-	3,098.74	2.000%	0.000%	2.000%
-	-	6.20	-	-	-	6.20	0.004%	0.000%	0.004%
-	-	41.32	-	-	-	41.32	0.010%	0.000%	0.010%
-	-	23,240.56	-	-	-	23,240.56	15.000%	0.000%	15.000%
-	-	5,164.57	-	-	-	5,164.57	11.111%	0.000%	11.111%
-	-	27,571.13	-	-	-	27,571.13	17.727%	0.000%	17.727%
-	-	-	-	-	-	-	0.000%	15.000%	15.000%
400.00	2.00	51,645.69	-	(0.01)	-	51,645.68	1.000%	0.000%	1.000%
-	-	5,164.57	-	-	-	5,164.57	0.000%	0.000%	0.000%
-	-	1.03	-	-	-	1.03	0.010%	0.000%	0.010%
-	-	2,582.28	-	-	-	2,582.28	10.000%	0.000%	10.000%
-	-	4,157.48	-	-	-	4,157.48	16.100%	0.000%	16.100%
-	-	4,157.48	-	(4,157.48)	-	-	16.100%	0.000%	16.100%
-	-	619.75	-	-	-	619.75	0.100%	0.000%	0.100%
-	-	-	-	-	-	-	0.000%	1.000%	1.000%
-	-	4,157.48	-	-	(4,157.48)	-	21.810%	0.000%	21.810%
-	-	510.00	-	-	-	510.00	1.000%	0.000%	1.000%
-	-	1,549.37	-	-	-	1,549.37	15.000%	0.000%	15.000%
-	-	1.03	-	-	-	1.03	0.010%	0.000%	0.010%
-	-	4,131.66	-	-	-	4,131.66	10.000%	0.000%	10.000%
35,916,399.00	468,029.00	62,007.09	-	-	-	62,007.09	1.303%	0.000%	1.303%
-	-	-	-	-	-	-	14.450%	0.000%	14.450%
-	-	903,137.29	-	(13,554.89)	-	889,582.40	11.640%	0.000%	11.640%
-	-	1,974.41	-	-	-	1,974.41	19.115%	0.000%	19.115%
-	-	17,838.66	-	-	-	17,838.66	0.710%	0.000%	0.710%
990.00	169.00	12,827.32	-	-	-	12,827.32	0.100%	0.000%	0.100%
-	-	-	-	-	-	-	0.000%	14.000%	14.000%
		2,190,921.64	13,283.03	(17,713.49)	(4,157.48)	2,182,333.70			
		57,548,002.52	2,580,151.83	(232,737.10)	-	59,895,417.25			

reclassified parent company cash flow statement

(thousands of euro)

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
ammortization of intangible assets	20,810	25,765
provisions for risks and charges and write down of equity	31,627	30,577
provisions for employee severance indemnity	4,588	4,138
provisions for doubtful debtors	3,487	-
losses on disposals of fixed assets	417	873
subtotal	111,090	80,019
utilization of the provision for risk 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)
conversion differences of foreign subsidiaries financial statements:		
provision for severance indemnity	226	(313)
cash flows from operating activity	46,085	52,927

investments activity

purchase of tangible assets	(15,437)	(23,596)
increase in intangible assets	(23,174)	(12,421)
proceeds from sale of tangible assets	6,120	4,920
purchase of equity investments	(2,580)	(904)
elimination of equity investment in italstrade spa (merged with astaldi)		
purchase of securities		

conversion differences of foreign subsidiaries financial statements:

- tangible assets	2	17
- intangible assets	(5)	(341)

cash flows from investment activities **(40,468)** **(82,932)**

financing activity

increase (decrease) in short-term bank and other borrowings	51,407	(14,426)
increase (decrease) in long-term bank and other borrowings	(4,134)	37,565
dividends allotment	(6,306)	(4,916)
increase (decrease) of investments which are not permanent	(20,939)	13,443
increase in loans at subsidiaries level		(22)

cash flows from financing activities **20,028** **31,644**

cash flows for the year **25,645** **1,639**

cash and cash equivalents at beginning of year	128,061	126,422
cash and cash equivalents from merger	-	-
cash and cash equivalents at end of year	153,706	128,061

cash flows for the year **25,645** **1,639**

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Independent Auditors' Report



■ Reconta Ernst & Young S.p.A.

ASTALDI S.p.A.

FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2004

AUDITORS' REPORT
pursuant to article 156 of Legislative Decree of February 24, 1998, n. 58

The financial statements have been translated from those issued in Italy, from the Italian into the English language solely for the convenience of international readers.

AUDITORS' REPORT

pursuant to article 156 of Legislative Decree of February 24, 1998, n. 58
(Translation from the original Italian text)

To the Shareholders
of Astaldi S.p.A.

1. We have audited the financial statements of Astaldi S.p.A. as of and for the year ended December 31, 2004. These financial statements are the responsibility of Astaldi S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. Our audit was made in accordance with auditing standards and procedures recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards and procedures we planned and performed our audit to obtain the information necessary in order to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

The responsibility for the audit of the financial statements of certain subsidiaries, insofar as it relates to the carrying value of these investments, respectively representing 15% and 1% of total investments and total assets, is that of other auditors.

For the opinion on the financial statements of the prior year, which are presented for comparative purposes as required by the law, reference should be made to our report dated April 8, 2004.

3. In our opinion, the financial statements of Astaldi S.p.A. comply with the Italian regulations governing financial statements; accordingly, they clearly present and give a true and fair view of the financial position of Astaldi S.p.A. as of December 31, 2004 and the results of its operations for the year then ended.

Rome, April 8, 2005

Reconta Ernst & Young S.p.A.

Signed by: Roberto Tabarrini (Partner)

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Report of the Board of Statutory Auditors

Dear Shareholders,

During the course of financial year 2004, the Board of Auditors performed the supervisory activity provided for by Legislative Decree no. 58/98 and this report has been drawn up in accordance with the indications of CONSOB.

In particular:

1. We verified — by means of direct observations, meetings with function managers and with the Audit Company — the compliance with the principles of proper administration as well as the law and the Company By-Laws;
2. At least every three months we obtained information from the Directors regarding performed activities and the main economic, financial and asset transactions carried out by the Company and the principal subsidiaries, and we can reasonably assure you that the actions decided and implemented comply with the law and the Corporate By-Laws and are not manifestly imprudent, risky, in potential conflict of interest or in contrast with the resolutions of the Meeting, or such as to compromise the integrity of corporate assets;
3. We acquired knowledge and verified — within our competence — the adequacy of the company's organizational structure, as well compliance with the principles of correct management and the adequacy of the instructions given by the company to subsidiaries in accordance with Art. 114, sub-sec. 2, of Legislative Decree no. 58/98; this was achieved through the gathering of information from managers of the organizational function and meetings with the independent auditors for a mutual exchange of data and information, and we do not have any particular observations to point out in this respect;
4. We have taken note that today the Independent Auditors issued their own report which does not contain any warnings or informative reminders;
5. We noted that there were no charges filed under Art. 2408 of Italian Civil Code, or instances by third parties;
6. We appraised and evaluated the adequacy of the internal control system and the administrative-accounting system as well as its reliability in correctly representing management matters; this was achieved through participation in the work of the Internal Audit Committee and by obtaining information from managers of the respective functions, as well as by examining company documents and analyzing the results of the work carried out by the audit company,
7. We have evaluated and verified the adequacy of the internal control system; the internal auditing functions are undertaken by a specially assigned unit which implemented control activities over the compliance with current laws, Group guidelines and corporate procedures, as well as respect for proxies and correct behaviors; this unit also proposed corrective actions or solutions that were aimed at improving the procedural and control system;
8. We have participated in the works of the Internal Audit Committee during the course of the year; the latter's activities are reported in the Annual Report under Corporate Governance, and is freely available;
9. We held meetings with the representatives of the Audit Company, in conformity with Art. 150, paragraph 2 of Legislative Decree no. 58/98, and no significant data or details emerged;

10. We obtained information on activities implemented in accordance with Legislative Decree 231/2001 regarding the administrative responsibilities of Entities with regards to crimes against the Public Administration;
11. The Company complies with the Corporate Governance Code of listed companies that was established by Borsa Italiana S.p.A.; the internal structure is adjusted to the recommendations of this Code;
12. By express declaration of the General Manager and confirmed by the Audit Company, the Board of Statutory Auditors noted that the following offices were assigned to individuals linked to the latter, and with the following compensation figures:
 - a. assistance for the rationalization of the Integrated System for Internal Control, totalling 25,000 Euro;
 - b. assistance in the evaluation of the extension of BaaN in the management of balance sheet data by contract, totalling 26,000 Euro;
 - c. assistance in the re-valuation of Project Control in reference to the contract control model, totalling 26,900 Euro;
13. Regarding transactions with correlated parties and intra-group operations, the information provided by the Directors in the management report is adequate for describing the activities carried out in financial year 2004; these activities were performed in compliance with the framework-resolution adopted by the Board of Directors and are in the interests of your Company.

No atypical or unusual operations with respect to normal management, or conflicts of interest regarding Directors, were noted.

The above-mentioned control activity for 2004 was carried out in six Board of Auditors' Meetings and by attending nine meetings of the Board of Directors and five of the Internal Audit Committee.

During the course of the control activity that was implemented, and according to information obtained from the independent auditors, no omissions and/or censurable facts and/or irregularities were noted — or in any case facts of such significance as to require their reporting to control bodies or mentioning in this report. In taking note of the results of the individual financial statements as of December 31st, 2004 — in accordance with Art. 153, paragraph 2 of Legislative Decree no. 58/98 — the Board of Auditors asks you to approve them as prepared by the Board of Directors.

Rome, April 12th, 2005

The board of statutory auditors

(Prof. Eugenio Pinto)

(Prof. Pierpaolo Singer)

(Mr. Pierumberto Spanò)

Resolutions of the Shareholders' Meeting

The Shareholders' Meeting — convening for the first time on April 29th, 2005 — resolved the following:

- To approve the financial statements closing on December 31st, 2004, as well as the Management Report of the Board of Directors — drafted in accordance with Article 2428 of the Italian Civil Code — and the proposal for allocation of net income, as formulated by the Board itself;
- To confer the task of auditing the yearly financial statements, as well as the consolidated financial statements and the half-year reports for the years 2005, 2006 and 2007, to the Auditing Company Reconta Ernst & Young S.p.A.; this task will include the quarterly audits for the years in question set at the requested economic conditions — equal to 315,000 Euro/year.

The subsequent meeting of the Board of Directors of April 29th, 2005 also resolved to confirm Mr. Vittorio Di Paola as Executive Deputy Chairman of the Company and appointed Mr. Stefano Cerri as Chief Executive Officer who retains the title of General Manager for Finance and CFO.



Fully Paid Up Share Capital € 98,424,900.00
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