

ASTALDI
SIX MONTHS CONSOLIDATED MANAGEMENT REPORT AS AT JUNE 30, 2003



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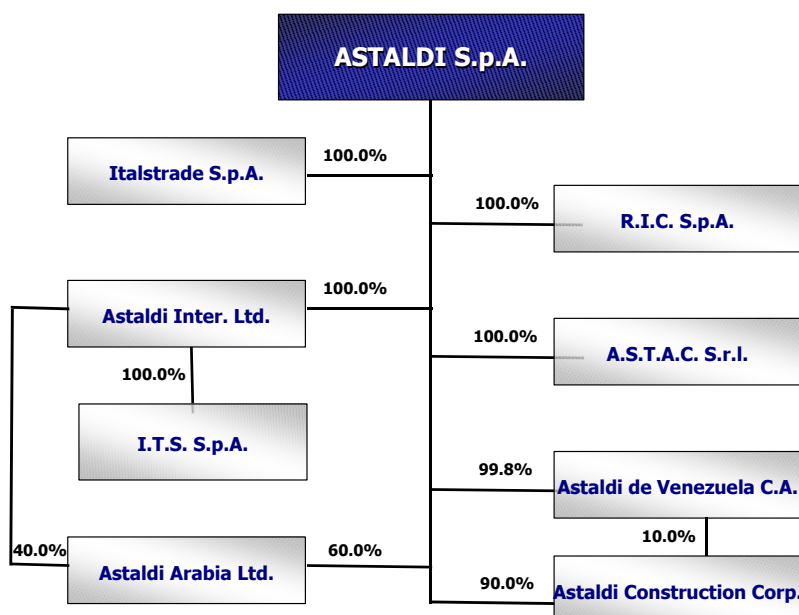
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Group structure

The Group structure can be represented as follows:

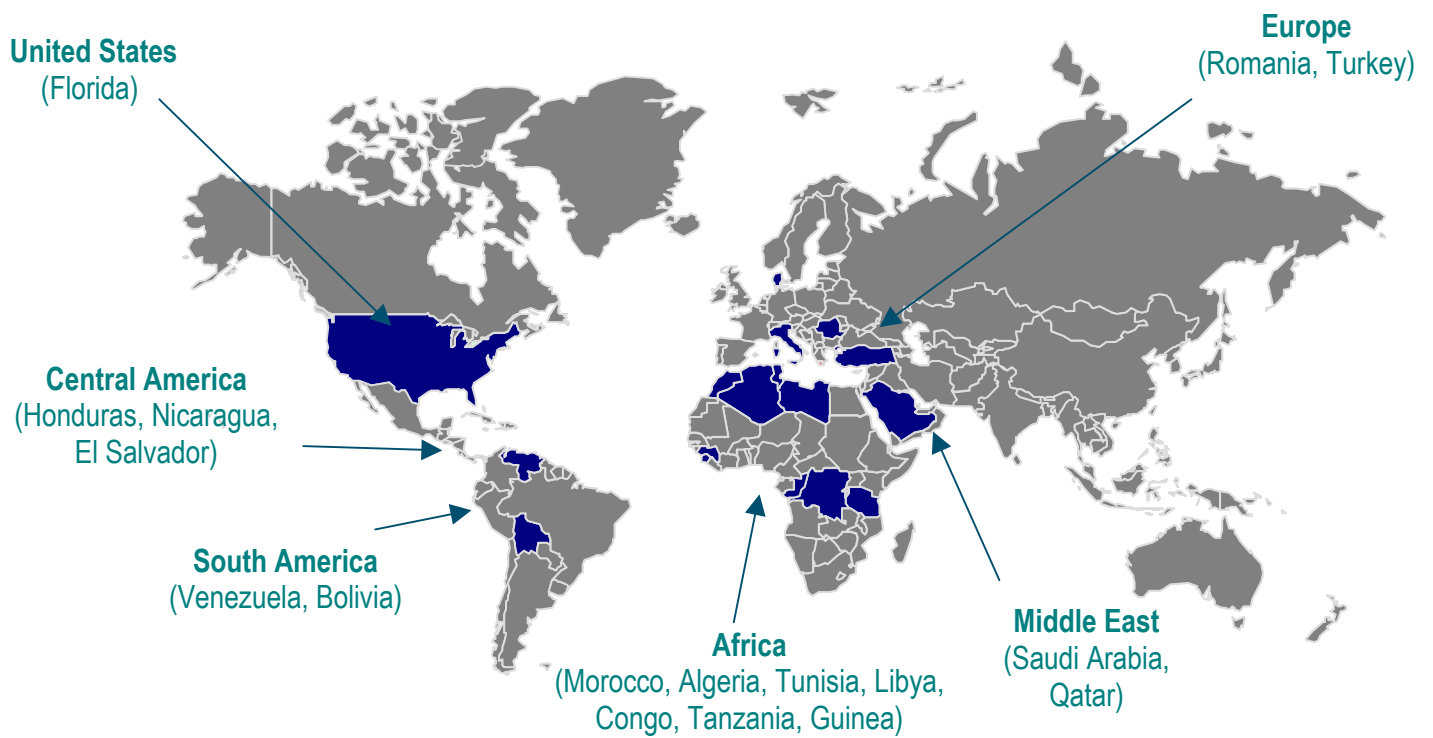


The operating activity includes 76 consortia and 4 Companies established for special purposes in the relation to the licensed activities. Consolidation principles are indicated in a separate section below.

As part of the process of rationalization and reduction of operating costs, the Board of Directors has resolved to merge R.I.C. Railway International Construction S.p.A, operating in the railway sector, into Italstrade S.p.A.

This operation enables the concentration on the activity of the subsidiary Italstrade S.p.A. working within the area of construction and maintenance of transport infrastructure (both road and railways) of medium size, the sector in which the same Company has acquired a respected and autonomous position.

Geographic Areas



GENERAL INFORMATION

Board of Directors

Ernesto Monti	President
Paolo Astaldi	Vice President
Vittorio Di Paola	CEO
Pietro Astaldi	Board
Caterina Astaldi	Board
Stefano Cerri	Board
Enrico De Cecco	Board
Franco A. Grassini	Board
Luigi Guidobono Cavalchini	Board
Bruno Lecchi	Board
Lucio Mariani	Board
Giuseppe Marino	Board
Roberto Marraffa	Board
Vittorio Mele	Board
Nicoletta Mincato	Board

Board of Auditors

Eugenio Pinto	Chairman
Pierpaolo Singer	Statutory auditor
Pierumberto Spanò	Statutory auditor
Domenico Franco Nalin (1)	
Antonio Sisca	
Maurizio Lauri	

Corporate Bodies

[1] Deceased 11 July 2003

General Directors

Nicola Oliva	General Director-Italy
Giuseppe Cafiero	General Director-Abroad
Stefano Cerri	CFO

Vice General Director

Paolo Citterio	Vice Director General Administration and Finance
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Independent Auditors

Reconta Ernst & Young S.p.A.

Comments on the performance of the semester

The first half of 2003 has confirmed in Italy the programs of development for major infrastructure connected with the so-called "Objective Law"; the economic and financial planning documents clearly show the intention to bridge the gap concerning infrastructure with respect to the main European partners.

Such development is nowadays accompanied by the consciousness that administrative and bureaucratic procedures are inadequate and that the clarification of the related legislative framework will re-launch a sector which will have as its main point of reference, the role of General Contractor. For some time, the Astaldi Group has consolidated its role of General Contractor through the acquisition of significant contracts both in Italy and abroad and strengthening the technical and operational structures. This process has been accompanied by improvements in the economical and financial structure that represents currently one of the main points of reference in the new market in evolution.

Concerning the Group results, the value of production, in the semester under review, has increased by 9% with respect to the same period of 2002, reaching Euro 427 million, despite the weakness of the US dollar and the related foreign currencies which resulted in a decrease in the turnover by over Euro 20 million.

The significant increase in the net result by about 69% is also related to the settlement of the arbitration, concerning the consortium IRICAV DUE on July 17 2003. The litigation, involving on the one side the consortium IRICAV DUE (in which Astaldi owns an interest of 32.99%) and on the other TAV SpA for the completion of the high speed railway stretch between Verona and Venice, has been finally concluded with recognition of both design activities and expenses previously incurred and the increase in the project portfolio following the award of the stretch Verona-Padova; the payment of the contractual advance is also foreseen for the same stretch on the basis of the reactivation of the original contract.

All the contracts acquired in 2002 have reached the production phase; in Italy, in particular, the setting up of the construction site of the New Hospital in Mestre, has been completed, while the final delivery of the areas concerning the Brescia Subway are still expected. The completion of the

New Exhibition Center di Milano has reached 13% and a percentage of completion above forecasts is foreseen by the end of the year; concerning the foreign markets and in particular Venezuela, major works on the Puerto Cabello have commenced – La Encrucijada railway for which export financing is being concluded.

The production resulting from foreign activities shows results in line with budget while design and installation activities of new sites with structured financing have significantly increased; in particular, at the end of the first semester project financing offers related to railway (Line 5 of Milan subway) and road works (underpass of Appia Antica in Rome) infrastructures have been presented, whilst the construction and management of hospitals in 4 provinces in Tuscany benefit from the experience gained at the hospital in Mestre.

In such a scenario, the Group continues to maximize the resources dedicated to the design and installation of future projects in Italy through general contracting and project financing, as provided by the so-called “Objective Law”; commercial activities related to specific areas and projects on which the Group intended to concentrate its business are still pursued abroad.

Reclassified consolidated balance sheet

Euro/000	6/30/2003	12/31/2002	6/30/2002
Net intangible fixed assets	48,996	58,292	43,228
Net tangible fixed assets	101,918	93,725	85,013
Equity investments	31,841	33,909	26,557
Other net assets	18,284	14,398	25,006
Total net fixed assets (A)	201,039	200,324	179,804
Inventories	41,576	40,620	30,765
Work-in-progress	224,125	198,343	279,714
Trade receivables	249,959	236,738	158,698
Other assets	218,609	224,869	235,700
Advance payments	(124,789)	(133,362)	(104,241)
Subtotal	609,480	567,208	600,636
Due to suppliers	(209,116)	(195,154)	(147,295)
Other liabilities	(136,061)	(144,453)	(191,258)
Subtotal	(345,177)	(339,607)	(338,553)
Working capital (B)	264,303	227,601	262,083
Employees' indemnity fund	(11,745)	(11,970)	(10,355)
Contractual risks reserve	(55,498)	(50,650)	(61,059)
Other reserves	(16,034)	(23,855)	(17,177)
Total reserves (C)	(83,277)	(86,475)	(88,591)
Net invested capital (D) = (A) + (B) + (C)	382,065	341,450	353,296
Cash and short-term financial receivables	159,449	171,875	167,760
Financial receivables included in fixed assets	39,009	39,785	12,438
Medium/long-term financial debt	(271,781)	(212,594)	(215,789)
Short-term financial debt	(87,282)	(118,205)	(88,515)
Net financial assets/liabilities (E)	(160,605)	(119,139)	(124,106)
Consolidated net equity	221,466	222,004	228,630
Minority interest	(6)	307	559
Net equity (G) = (D) + (E)	221,460	222,311	229,190
Personal guarantees	1,651,819	1,653,148	1,494,176
Other memorandum accounts	156,037	192,258	88,790
Real guarantees	43,969	0	0
Third-party bank guarantees in our favor	42,219	21,932	17,772
Total commitments and guarantees	1,894,043	1,867,338	1,600,738

Comments on changes in the balance sheet for the semester under review with respect to the same period of the previous year are reported below.

The increase in fixed assets was not significant for the period under review also due to the relevant expenditures sustained in the previous year in accordance with the industrial plan; the main changes for the period are related to the change in the consolidation scope with the inclusion of Romairport Srl, a company that has undertaken the construction of the second and third lot of the Otopeni Airport in Bucharest, as well as to the acquisition of treasury stock for about Euro 2.3 million, in line with the buy back program approved by the General Meeting on March 5, 2003. At the moment the value of own shares in portfolio amounts to Euro 3,135 thousand, recorded at an average value of about Euro 1.834.

Working operating capital is in line with the first semester of 2002, confirming the major effort, which enabled the Company, despite an increase in turnover of 9% and a positive change in the consolidation scope, to maintain the balance in current transactions. The comparison with December 31, 2002 data shows how the invoicing and collection dynamic has slowed down and then recovers at the year end due to public administration audits of work in process related to year end financial statement closing procedures.

It is worth noting that during the semester under review, a major part of account receivables related to the completion of the motorway Istanbul-Ankara have been collected also due to the good relationship between the Italian and the Turkish governments. The settlement of this issue is the result of the strong commitment of Astaldi during the last months of 2002 and during 2003 with the target of revising the whole contractual conditions with the customer. In connection with the contract in Turkey, as at June 30 the works completed have been collected for USD 47 million, in addition to which another amount of USD 12.5 million has been collected in the first days of July. At the present time accounts receivable amount to USD 30 million and will be probably paid within the third quarter of 2003.

As far as works to be carried out are concerned, the export financing and commercial credit, which will allow the Turkish government to obtain the financial resources to complete those works, is being put in a legal form and is expected by the end of the year.

Payments on account include an amount of Euro 13.9 million concerning advance invoicing on the New Milan Expo Fair Centre works. Such payments on accounts, together with the collection of the

amounts related to the production so far completed, have been left at the disposal of the consortium that manage the project; Should the liquidity be directly managed by the shareholders, Astaldi's net financial position would benefit by an amount of Euro 28 million.

The analysis of the net financial position is as follows:

Euro/000	6/30/2003	12/31/2002	6/30/2002
Short-term financial debt	(84,309)	(114,251)	(84,569)
Medium to long-term financial debt	(98,526)	(39,675)	(49,094)
Cash and cash equivalents	159,450	171,875	167,760
Long term financial receivables	39,009	39,785	12,438
Total ordinary finance	15,624	57,733	46,535
Eurobond	(150,000)	(150,000)	(150,000)
Leasing	(26,229)	(26,872)	(20,641)
Total Net Financial Position	(160,605)	(119,139)	(124,106)

The analysis of the net financial position highlights an increase in the indebtedness with respect to 2002 due, as already explained, to the cycle of the working capital in the financial year. The comparison with June 30, 2002 remains positive if one considers that the previous financial year was affected by the listing on the stock market, the receipts from which were employed in line with the capital expenditure plan.

The debt/equity ratio shows a very positive value for the segment reaching 72%.

It is worth noting that net financial indebtedness includes financing and indebtedness dedicated to project financing activities, with particular respect to the four parking lots licensed in Italy for an amount of Euro 8 million, in addition to the equity investment in the company specialized in the construction and management of the new Mestre hospital. The reimbursement of such financing is granted by future operating cash flow without recourse to Group guarantees.

The Company is attempting to reduce interest costs both by means of monitoring of sources and interest rate hedging and by means of dedicated financial transactions that allowed in the period under review to convert a major part of the indebtedness from current to long term

Net shareholders' equity of Euro 222 million, increasing due to the profit of the period, shows a conversion reserve that remains stable notwithstanding the weakness of the US dollar due to the caution adopted in exchange risk hedging. It is worth noting that the translation method utilized provides for translation at the balance sheet date exchange rates and therefore June 30 financial statements do not reflect the increase of the US dollar rate recorded in the last months.

Reclassified consolidated income statement

Euro/000	1 st Half	%	1 st Half	%
	2003		2002	
Revenues from services and contracts	399,400	93.5	360,174	91.7
Other revenues and proceeds	27,899	6.5	32,747	8.3
Total revenues	427,299	100.0	392,921	100.0
Production costs	(294,570)	(68.9)	(298,529)	(76.0)
Added value	132,729	31.1	94,392	24.0
Payroll expenses	(59,193)	(13.9)	(48,104)	(12.2)
Gross operating margin	73,536	17.2	46,288	11.8
Other operating expenses	(8,067)	(1.9)	(6,813)	(1.7)
EBITDA	65,469	15.3	39,475	10.0
Depreciation and amortization	(25,652)	(6.0)	(10,443)	(2.7)
Provisions and write-downs	(19,780)	(4.6)	(18,636)	(4.7)
Utilization of risk reserve	11,832	2.8	19,003	4.8
EBIT	31,869	7.5	29,399	7.5
Net financial income (charges)	(11,377)	(2.7)	(11,881)	(3.0)
Write-ups (write-downs) on equity investments	(1,491)	(0.3)	(1,568)	(0.4)
Net extraordinary income (charges)	(1,807)	(0.4)	(1,968)	(0.5)
Income before taxes	17,194	4.0	13,982	3.6
Income taxes	(2,274)	(0.5)	(5,034)	(1.3)
Prepaid taxes	490	0.1	0	0.0
Net income for the period	15,410	3.6	8,948	2.3
Minority interest	352	0.1	368	0.1
Consolidated net earnings	15,762	3.7	9,316	2.4

As at June 30, 2003 Astaldi Group is committed to the execution of contracts in 18 countries utilizing over 7,000 employees. The value of production for the first semester amounts to Euro 427

million. Service revenues amount to Euro 399 million, of which 48.6% relates to the activities carried out in Italy and the remaining 51.4% abroad.

The following table shows the breakdown of turnover by type of contract:

Million Euro	<u>6/30/2003</u>	<u>%</u>	<u>6/30/2002</u>	<u>%</u>
Transport infrastructure	299	74.9	306	85.0
Hydraulic works and energy production plant	49	12.3	32	8.9
Civil and industrial construction	51	12.8	22	6.1
Total	399	100.0	360	100.0

As shown by the above table, railway infrastructure continues to represent the core sector of Astaldi, both in terms of turnover and in terms of specialization. For this purpose it is worth noting that most of the projects related to the so-called "Objective Law" concern this sector of activity.

The share of industrial building has increased due to the significant contribution of the Milan New Exhibition Center project (started in October 2002), which as at June 30 has already reached over 10% stage of completion; an higher contribution from this project is expected by the end of the year.

The distribution of production by geographic area is as follows:

Million Euro	<u>6/30/2003</u>	<u>%</u>	<u>6/30/2002</u>	<u>%</u>
Italy	194	48.6	169	46.9
Abroad	205	51.4	191	53.1
Europe	24	6.0	72	20.0
America	144	36.1	86	23.9
Africa	35	8.8	33	9.2
Asia	2	0.5	---	---
Total	399	100.0	360	100.0

During the period under review, turnover from services and contracts has shown an increase of over 11% with respect to the previous year. As already explained, the first part of 2003 has been characterized by a positive trend in the completion of the Milan New Exhibition Center project that in line with that already reported in industrial planning, has contributed to the increase in the share of domestic works.

A positive trend has been also recorded in America with particular respect to Venezuela where the Caracas-Tuy and Puerto Cabello- La Encrucjada railway projects are being carried out without particular problems and where the contract for the Los Teques subway records a high level of production and margin.

The presence of the Group in the United States, through the subsidiary Astaldi Construction Corporation, has recorded in the first semester the achievement of significant operational and commercial targets, with acquisitions of Euro 100 million and production of Euro 30 million; in this respect the US units have been reinforced in terms of staffing, plant and machinery and financial resources.

Finally as is apparent from the analysis by geographic area, operating activities in Europe have shown a significant decrease compared to the previous year, essentially due to the project under completion in Turkey that, as already explained, is at present being resumed; such delay already included in budget should be partially reversed in the second semester, by mean of activation of the export financing expected to be signed by September 2003.

The good performance of the semester results in an greatly increased gross operating margin and EBTIDA; a gross operating margin of 7.5% compared to turnover has resulted in a net result for the period of Euro 15.8 million compared to Euro 9.3 million in 2002 (+70%) notwithstanding a significant increase in amortization expenses in connection with IRICAV DUE project charges concerning the completion of the high speed rail stretch Verona-Venice.

Portfolio by sector of activity and geographic area

In the first semester of 2003 new projects for an amount of Euro 1,381 million have been acquired which results in an overall value of the project portfolio of Euro 4,421 million as at June 30, 2003, with a significant increase compared to January 1, 2003.

With respect to the first semester of 2003, the portfolio trend for different sectors of activity is shown in the following table:

(Million Euro)	Portfolio as at 1/1/2003	Acquisitions	Production	Portfolio as at 6/30/2003
Railways and undergrounds	905	971	(176)	1,700
Roads and motorways	808	118	(113)	813
Airports and ports	82	17	(10)	89
Hydraulic and hydroelectric plant contracts	346	47	(49)	344
Civil and industrial building	543	113	(51)	605
Licenses	755	115	0	870
TOTAL PORTFOLIO	3,439	1,381	(399)	4,421

The breakdown of portfolio by geographic area is as follows:

(Million Euro)	Portfolio as at 1/1/2003	Acquisitions	Production	Portfolio as at 6/30/2003
ITALY	2,218	1,105	(194)	3,129
ABROAD	1,221	276	(205)	1,292
TOTAL	3,439	1,381	(399)	4,421

As discussed at length in this report, the arbitration concerning the high-speed stretch Verona-Venezia has been recently positively concluded.

The arbitration award in favor of the IRICAV DUE consortium, in which the Company owns a shareholding of 32.99%, recognizes the reimbursement of the charges sustained, in addition to the award of the execution of part of the original stretch Verona-Padova by the consortium; it should be remembered that the section Padova-Venice has been previously the object of a tender by TAV

SpA. The value of the work related to the Verona-Padova stretch, according to recent estimates, amounts to around Euro 868 million in favour of Astaldi.

Concerning foreign markets, it is worth noting that the financing by the Venezuelan government of the second phase of the Puerto Cabello – La Encrucijada railway, determines an increase in the share related to Astaldi of about Euro 70 million with respect to a global amount provided in the contract and not yet financed for an additional Euro 270 million; as already discussed the acquisition of works in the US and Central America is positively pursued confirming the Group objectives.

As far as the domestic market is concerned it is worth noting that in the period under review the awarding of the works comprised in the program of the so-called “Objective Law” is still underway. However, it is reasonable to forecast that the first works could be awarded starting from the second part of the year.

Subsequent events

During the month of August the company has provisionally won a tender for the construction of the high-speed railway station Bologna Centrale for an amount of Euro 300 million. Such work, that following the definitive award will be included in the portfolio only starting from the third quarter, will last for about 4.5 years and confirms Astaldi to be a major General Contractor with high level technical, management and financial skills.

As already explained, the Board of Directors has resolved as at July 30, 2003 within the framework of rationalization and reduction in general costs, to merge R.I.C. Railway International Construction S.p.A., into Italstrade S.p.A.

It is also worth noting that on August 8 the consortium IRICAV DUE has collected the amount related to the arbitration previously indicated and is still waiting for the collection of the contractual advance for an amount of Euro 47 million, initially paid by the customer and refunded during 2000. The possibility to employ these liquid funds in favor of the shareholders, to which Astaldi participates 32.99% is currently under review.

Following this transaction, the Consortium is being restructured to start the design activities, which will probably lead to the signing of the amendment with TAV within the first part of 2005.

Concerning the activities of the Group in Venezuela, the Corporazione Andina de Fomento has approved in July the financing of the additional part of the works for the Los Teques subway; the same institution has approved on September 8 the financing in favor of the Venezuelan customer IAFE of USD 100 million for the completion of the works related to the railway Caracas-Tuy.

Due to the process of normalization of the political and economical situation in the country, on September 11 SACE has reopened the credit line in favor of Venezuela, which together with the conclusion of the financing contracts should enable the activation of the export financing for the works Puerto Cabello-La Encrucijada by the first semester of 2004.

Predictable evolution

The results recorded in the first semester of 2003 reinforce what already highlighted in the Group objectives. The excellent trend in acquisitions represents a confirmation in the increase recorded in turnover and results with respect to the prior year, offering at the same time the basis for a further development in the future.

The quality of the present portfolio, made up of works of very high individual value and of high technical content mainly concerns domestic projects in the transport infrastructure area, is of high strategic importance.

EXPLANATORY NOTES AND CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements as at June 30, 2003

(Amounts in Euro/000)

	06/30/2003	12/31/2002	06/30/2002
<u>BALANCE SHEET</u>			
ASSETS			
A) <u>Subscribed capital unpaid</u>	--	--	--
B) <u>Fixed assets:</u>			
I - <i>Intangible assets :</i>			
1) Formation and expansion expenses	6,837	7,986	8,730
3) Patents and rights to use patents of others	501	577	596
4) Concessions, licenses, trademarks and similar rights	29	568	568
5) Goodwill	170	180	--
7) Other :			
a) Construction site installation costs	7,947	8,793	8,775
b) Cost of preparing tenders	1,549	1,750	1,816
c) Other	31,963	38,438	22,743
Total Other	41,459	48,981	33,334
Total I - Intangible assets	48,996	58,292	43,228
II - <i>Tangible assets:</i>			
1) Land and buildings	25,297	25,783	25,712
2) Plant and machinery			
a) Specific plant	25,155	21,978	20,706
b) General plant	7,319	6,002	4,177
c) Vessels	3	4	4
Total plant and machinery	32,478	27,983	24,887
3) Other fixtures and fittings, tools and equipment			

a) Excavators, power shovels, heavy vehicles	28,881	26,814	18,890
b) Light vehicles, ships, planes	3,036	3,162	3,387
c) Various small equipment	2,355	2,220	1,170
d) Light constructions	1,574	1,300	1,188
e) Metal sheet pile and shutters	1,596	1,026	444
<i>Total tools, fittings, fixtures and other equipment</i>	37,442	34,522	25,079
4) Other			
a) Electronic office equipment	1,178	1,166	1,131
b) Furniture, fittings and office equipment	1,403	1,451	1,553
c) Freely transferable assets	2,390	2,428	2,486
<i>Total other</i>	4,971	5,045	5,170
5) Tangible assets in course of construction and payments on account	1,730	392	4,165
<i>Total II - Tangible assets</i>	101,918	93,725	85,013
<i>III- Investments</i>			
1) Equity investments in :			
a) Subsidiaries	12,504	13,904	13,431
b) Associated companies	16,971	17,256	10,084
c) Other companies	2,366	2,750	3,042
<i>Total –Investments</i>	31,841	33,909	26,557
2) Loans and Long-term receivables from:			
a) Subsidiaries	1,876	1,099	1,869
b) Associated companies	11,876	11,437	10,961
c) Other equity investments	1,577	1,862	1,680
d) Other entities	39,009	39,784	22,934
<i>Total loans and long-term receivables</i>	54,338	54,182	37,444
4) Own shares	2,955	--	--
<i>Total III Investments</i>	89,134	88,092	64,001

Total Fixed Assets B)	240,048	240,109	192,242
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C) Current assets :

I - Inventories

1) Raw materials and consumables	36,027	31,724	20,017
2) Finished goods and work in progress	30	--	--
3) Contracts in progress	224,125	198,343	279,714
4) Finished products and goods for resale	918	918	2,994
6) Assets and materials in transit	4,601	7,978	7,754
<i>Total I - Inventories</i>	265,701	238,962	310,479

II - Debtors

1) Trade debtors:

Within the next financial year	247,762	235,505	156,243
Beyond the next financial year	2,197	1,233	2,455

Total Trade debtors	249,959	236,738	158,698
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2) Subsidiaries	37,802	47,288	52,041
3) Associated companies	26,373	24,335	38,531
4) Parent companies	14	18	10

5) Other debtors

a) Tax authorities

Within the next financial year	54,776	48,074	56,967
Beyond the next financial year	12,188	20,885	50

Total Amount due to tax authorities	66,964	68,959	57,016
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d) Deposits

Within the next financial year	51	87	69
Beyond the next financial year	987	889	745

Total deposits	1,038	976	814
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e) Amounts due to equity investments	2,018	2,383	6,479
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f) Other receivables	78,966	74,266	73,636
Total other debtors	148,985	146,584	137,945
<i>Total II-Debtors</i>	463,133	454,963	387,225
<i>III- Investments(short-term)</i>			
6) Other investments	3,284	16,614	3,492
<i>IV- Cash at bank and in hand</i>			
1) Bank and postal current accounts	155,764	154,886	163,888
3) Cash on hand	401	375	380
<i>Total IV - Cash at bank and in hand</i>	156,165	155,261	164,268
Total Current Assets C)	888,283	865,800	865,464
D) <u>Provisions and accrued income</u>			
1) Issue premium	795	1,046	794
2) Prepayments and accrued income	4,640	5,600	6,378
Total Prepayments and accrued income	5,435	6,645	7,172
TOTAL ASSETS	1.133.766	1.112.554	1.064.878
LIABILITIES			
A) <u>Equity</u>			
I - Subscribed capital	98,425	98,425	98,425
II - Share premium reserve	67,836	67,836	67,836
III - Revaluation reserves	236	236	272
IV - Legal reserve	7,218	6,624	6,624
V - Reserve for own shares	2,955	--	---
VI - Statutory reserves			---
VII - Other reserves			
1) Conversion reserve	-18,458	-7,248	5,254
2) Extraordinary reserve	21,675	25,053	25,053
3) Reserve for specific risks	798	798	798

4) Reserve for acquisition of own shares	21,645	--	--
5) Euro conversion difference	-2	-2	-2
Total other reserves	25,658	18,602	31,103
VIII - Profit (loss) carried forward	3,376	15,212	15,054
IX - Profit (loss) for the financial period	15,762	15,070	9,316
Total Consolidated Group Equity	221,466	222,004	228,630
Minority interests	347	-136	927
Minority interests profit (loss) for the financial period	-352	442	-368
Total Equity A)	221,460	222,311	229,190
B) <u>Provisions for risks and charges</u>			
2) Tax liabilities	3,259	3,300	--
3) Other			
a) For contractual risk	55,498	50,650	61,060
b) For losses on equity investments	12,686	20,555	17,177
c) For reserve in accordance with art.27 articles of incorporation	89	--	
Total provisions for risk and charges	71,532	74,505	78,237
C) <u>Employee severance indemnity</u>	11,745	11,970	10,355
D) <u>Creditors</u>			
1) Debenture loans			
Beyond the next financial year	150,000	150,000	150,000
Total debenture loans	150,000	150,000	150,000
3) Amounts due to banks			
Within the next financial year	84,309	114,251	84,568
Beyond the next financial year	98,526	39,675	49,094
Total amounts due to banks	182,835	153,925	133,663
4) Amounts owed to other financiers			
Within the next financial year	2,973	3,954	3,946

Beyond the next financial year	23,255	22,919	16,695
Total amounts owed to other financiers	26,229	26,873	20,641
5) Advances received			
Within the next financial year	79,791	55,186	49,709
Beyond the next financial year	44,998	78,177	54,532
Total advances received	124,789	133,362	104,241
6) Trade payables			
Within the next financial year	194,939	189,007	143,181
Beyond the next financial year	14,177	6,147	4,114
Total trade payable	209,116	195,154	147,295
8) Amounts due to subsidiaries	23,234	21,847	63,892
9) Amounts due to associated companies	54,995	58,577	35,471
11) Amounts due to tax authorities			
Within the next financial year	12,598	10,536	29,985
Beyond the next financial year	--	--	138
Total amounts due to tax authorities	12,598	10,536	30,123
12) Amounts due to social security institutions	5,292	5,460	4,023
13) Other creditors			
a) Other equity interests	7,301	8,795	10,856
b) Deposits and security deposits			
Beyond the next financial year	23	29	53
c) Personnel	6,374	4,696	9,512
d) Other	19,318	23,676	30,494
Total other creditors	33,015	37,196	50,915
Total creditors D)	822,102	792,929	740,264
E) Accruals and deferred income	6,925	10,839	6,833
TOTAL LIABILITIES AND EQUITY	1,133,766	1,112,554	1,064,878

OFF-BALANCE SHEET ACCOUNTS

A) Personal guarantees

1) Guarantees for credit lines

- For subsidiaries	63,403	63,764	60,125
- For associated companies	89,135	83,540	57,361
- For third parties	22,309	15,429	8,616

Total guarantees for credit lines	174,846	162,733	126,102
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2) Guarantees for works

- For subsidiaries	268,658	269,440	218,878
- For associated companies	651,021	688,397	632,115
- For third parties	440,071	414,646	386,193

Total guarantees for works	1,359,749	1,372,482	1,237,187
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3) Other guarantees

	117,223	117,933	130,887
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Total personal guarantees A)	1,651,819	1,653,148	1,494,176
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B) Other off-balance sheet accounts

1) Risk of recourse from factors	128,584	164,806	88,790
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2) Others	27,452	27,452	--
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Total other Off-balance sheet accounts B)	156,037	192,258	88,790
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C) Collateral security

	43,969	--	--
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D) Third party guarantees in our favor

	42,219	21,932	17,772
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TOTAL OFF-BALANCE SHEET ACCOUNTS	1,894,043	1,867,338	1,600,738
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PROFIT AND LOSS ACCOUNT

A) Value of production:

1) Net turnover from sales and services

a) from contracts	333,081	686,165	277,524
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2) <u>Variation in inventories of finished goods and in work in progress</u>	30	--	---
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3) Variation in contracts in progress	66,289	71,253	82,650
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4) Work performed for own purposes and capitalized	1,786	9,292	5,488
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5) Other revenues	26,113	49,805	27,259
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Total value of production A)	427,299	816,515	392,921
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B) Cost of production

6) For raw materials, consumables and other goods	75,343	128,683	49,450
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7) For services	217,152	481,949	248,484
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8) For use of assets owned by others	4,897	7,482	4,335
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9) For personnel

a) Wages and salaries	41,799	76,290	33,379
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b) Social security charges	9,061	17,223	8,190
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c) Provision for severance indemnities	1,970	4,452	3,466
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e) Other costs relating to staff	6,363	10,235	3,069
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Total personnel	59,193	108,201	48,104
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10) Amortisation, depreciation and write-downs

a) Amortization of intangible assets	17,275	22,178	5,165
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b) Depreciation of tangible assets	8,377	13,902	5,278
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d) Allowance for doubtful debtors included in current assets and other accounts included in cash at bank and on hand	2,787	14,400	14,327
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<i>Total cost for amortisation, depreciation and write-down</i>			
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	28,439	50,479	24,771
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11) Variations in inventories of raw materials, consumables and goods for resale	-2,821	-16,181	-3,740
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12) Risk allowances

a) Provision	16,993	14,940	4,309
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b) Utilization	-11,832	-41,458	-19,003
Total risk allowances	5,161	-26,518	-14,694
14) Other operating charges	8,067	17,100	6,813
T o t a l cost of production B)	395,429	751,195	363,522
<u>Difference between value and cost of production (A-B)</u>	31,870	65,320	29,399
C) <u>Financial income and charges</u>			
15) Income from equity investments			
a) From Subsidiaries	1,296	2,085	---
b) From Associated companies	--	585	537
c) From other equity investments	--	13	---
Total income from equity investments	1,296	2,683	537
16) Other financial income			
1) From others	10,559	17,751	10,636
17) Interest expense and similar charges			
1) To others for other financial charges	23,232	45,506	23,054
Total (15+16-17)	-11,377	-25,072	-11,881
D) <u>Value adjustments in respect of investments</u>			
18) Revaluations			
a) Of equity investments	2,397	557	--
19) Write-downs			
a) Of equity investments	3,888	7,167	1,568
b) Of shares recorded under the current liabilities	--	1,277	--
Total adjustments (18 - 19)	-1,491	-7,887	-1,568
E) <u>Extraordinary income and charges</u>			
20) Income			
a) Other income	3,185	6,268	6,098
21) Charges			

a) Capital losses on disposal of assets	2	328	1,915
b) Taxation of previous years	144	3,435	77
c) Other charges	4,845	8,654	6,075
Total extraordinary charges	4,992	12,417	8,066
Total extraordinary charges (20-21)	-1,807	-6,149	-1,968
Profit (loss) before income taxes (A-B+C+D+E)	17,194	26,212	13,982
22) Income taxes on the income of the period			
a) Current tax	2,274	8,861	5,034
b) Deferred tax assets	-490	1,839	--
<i>Total taxes</i>	1,784	10,700	5,034
23) Profit or loss of the period			
a) Consolidated	15,410	15,512	8,948
b) Minority interest profit/loss for the year			
- Profit	352	-442	368
26) Group profit (loss) of the period	15,762	15,070	9,316

Explanatory notes to the consolidated accounts as of June 30, 2003

Basis of Presentation

Astaldi S.p.A. has prepared the consolidated accounts in accordance with the principles governing statutory and consolidated financial statements, pursuant to art. 81, par. 3 of CONSOB resolution no. 11971 of May 14, 1999, subsequently modified by resolution no. 12475 of April 6, 2000.

For each item in the balance sheet and in the profit and loss, the comparative figure as of December 31 and June 30, 2002 are reported.

- the financial statements are accompanied by:
- the scope of consolidation;
- the list of unconsolidated investments;
- the statement of changes in consolidated equity accounts;
- the reconciliation of the stockholders' equity and result from the financial statements of the holding company to those per the consolidated financial statements;
- the statement of cash flows;
- the table of foreign exchange rates adopted.

In addition, pursuant to art. 81, par. 2, lett. b) of Consob resolution no. 11971, the accounts of the holding company Astaldi S.p.A. are also presented.

The consolidated financial statements include the financial statements of Astaldi S.p.A. and those of the Italian and foreign entities included in the scope of consolidation

The principles to determine the scope of consolidation were not changed with respect to those of the prior year.

In the preparation of the consolidated financial statements as of June 30, 2003, the same consolidation and accounting principles adopted and described in the financial statements as of December 31, 2002 were adopted; Nevertheless, as indicated in the following accompanying notes, some of the balance sheet and income statement items were reclassified in order to obtain a better presentation.

The consolidated financial statements as of June 30, 2003 was subject to limited audit procedures by Reconta Ernst & Young S.p.A., in compliance with Consob resolution no. 10867 of July 31, 1997.

Amounts are expressed in thousands of Euro unless otherwise stated.

Comments on the main items of the Balance Sheet and the Income Statement

ASSETS

B) Fixed assets: Euro 240,048

B.I) Intangible assets: Euro 48,996

The changes in intangible assets are the following :

	Value at	Cost	Bal. Sheet for	Transfer	Amortis.	Change s in scope of	Exchange	Value at
	12/31/2002	Increase s	Financial period	Other category	For financial period	Consolidation scope	Rate diff.	06/30/2003
- Formation and expansion expenses	7,986	-	-	31	(1,180)	-	-	6,837
- Patents and rights to use patents of others	577	-	66	-	(142)	-	-	501
- Concessions, licenses, trademarks and similar	568	-	-	-	(539)	-	-	29
- Goodwill	180	-	-	-	(10)	-	-	170
Other								
- Construction site installation costs	8,793	1,068	0	-	(1,871)	-	(43)	7,947
- Costs of preparing tenders	1,750	228	10	-	(439)	-	-	1,549
- Other	38,438	490	1,460	(31)	(13,093)	4,932	(232)	31,963
Total	58,292	1,786	1,537	-	(17,275)	4,932	(276)	48,996

Among the most significant changes compared to 2002 figures are :

1. Additions for:

- Euro 1,068 concerning the capitalization of costs incurred for site plant, mainly located in Italy;
- Euro 238 concerning the capitalisation of costs for preparation of tenders in Italy and abroad, for which there is reasonable certainty in relation to the award of the contract;
- Euro 1,950 concerning the capitalisation of other intangible assets of which the majority is attributable to the permanent establishments in Turkey for approximately 1,558 and Venezuela for Euro 259;

2. decreases for:

- Euro 1,871 for amortisation of site costs amortised on the basis of the contract progress;
- Euro 13,093 for amortization of costs mainly capitalized in previous financial years. Those charges mainly refer to the IRICAV DUE contract in Italy, related to the design of the high speed railway stretch Verona-Venice, for an amount of Euro 7,731 which were recognized following the settlement of an arbitration as explained in the management report, in addition to the charges concerning the foreign permanent establishments, among which the most significant are those located in Turkey, El Salvador and Venezuela.

B.II - Tangible assets: Euro 101,918

The changes that have taken place in tangible assets are the following:

A) Gross fixed assets	Value at	Purchases	Disposals	Transfers	Exchange	Change in scope of	Value at
	12/31/2002				Rate diff.	Consolidation scope	6/30/2003
- Land and buildings	30,445	160	(0)		(303)	-	30,302
- Specific plant	45,944	8,414	(3,878)		(2,006)	176	48,651
- Generic plant	10,531	2,139	(162)		(323)	71	12,255
- Vessels	868	-	-		-	-	868
- Excavators, power shovels and heavy vehicles	47,361	7,885	(2,108)		(1,788)	35	51,385
- light vehicles, ships and planes	10,480	795	(517)		(949)	30	9,838
- Various small equipment	4,915	862	(146)		(258)	5	5,378
- Light constructions	3,057	527	(65)		(96)	28	3,451
- Metal sheet pile and shuttering	3,318	976	(827)		(28)	-	3,440

- Furniture, fittings and office machines	3,660	116	(374)	(88)	15	3,329
- Electronic office equipment	4,230	265	(346)	(130)	61	4,081
- Freely transferable assets	2,542	-	-	-	-	2,542
- Tangible assets in course of constr. And paym.	392	1,496	(158)	-	-	1,730
Total A	167,743	23,636	(8,581)	(5,970)	422	177,250

B) Amortization reserves

	Value at 12/31/2002	Amortization	Disposals	Transfers	Exchange Rate diff.	Change in scope of Consolidation scope	Value at 6/30/2003
- Land and buildings	4,663	427	-	-	(85)	-	5,005
- Specific plants	23,966	2,222	(2,269)	165	(722)	132	23,495
- Generic plants	4,529	575	(151)	4	(52)	31	4,936
- Vessels	864	0	-	-	-	-	864
- Excavators, power shovels and heavy vehicles	20,547	3,442	(951)	(165)	(404)	35	22,503
- Light vehicles, ships	7,317	479	(365)	-	(642)	13	6,803
- Various small equipment	2,695	487	(80)	(0)	(86)	5	3,022
- Light constructions	1,757	190	(38)	-	(55)	22	1,877
- Metal sheet pile and shuttering	2,292	228	(662)	(4)	(11)	-	1,844
- Furniture, fittings and office machines	2,209	103	(372)	-	(25)	11	1,926
- Electronic office equipment	3,065	184	(327)	-	(49)	30	2,903
- Freely transferable assets	114	38	-	-	-	-	153
Total B	74,019	8,377	(5,214)	0	(2,130)	280	75,332
Total net fixed assets (A-B)	93,725						101,918

The most significant net variations refer partly to the normal renewal of assets, as well as to new investments, which have mainly involved the classes "Specific plant" and "Excavators", for the completion of railway and road projects in the US and in South America.

B) III – Investments: Euro 89,134

The main changes that occurred in investments compared to 2002 are principally due to the

effects deriving from the valuation of the equity investments under the net equity method.

Long-term receivables from subsidiaries, associates, other affiliated companies and third parties, detailed in the accounts for a total value of 54,338 thousand Euros, have overall increased by Euros 156.

These amounts illustrate the Company's financial support to work in progress, particularly abroad, as well as financing granted to companies in liquidation.

It is also worth noting that "Other receivables" include Euro 33,538 representing the difference between the nominal value of receivables transferred with recourse and the advance payment received from the relevant financial institution.

Investments also include 1.622.618 own shares for a global amount of Euro 2,955 acquired by the Company following the buy back program approved by the shareholders general meeting on March 5, 2003. Such shares are recorded at the average purchase unit price of Euro 1,821.

C) I - Inventory: Euro 265,701

The increase with respect to prior financial year amounts to Euro 26,739.

The most significant elements that caused the net change are:

- increase in raw materials and consumables for Euro 4,304, partially compensated by the decrease in vehicles with a net effect of Euro 927;
- increase in contracts in progress for Euro 25,783 .

The contracts in progress amount to Euros 224,125. This figure is presented net of reserves transferred with recourse, to financial institutions, for Euro 77,744, for which the risk of recourse has been included in the Off-balance sheet accounts for Euro 60,415 whether the residual balance is recorded among financial fixed assets.

The increase in contracts in progress can be put down to the normal production phases characterised in particular by an extended process intended for certification of the works carried out.

- an increase of Euro 264 is due to the change in the consolidation scope.

C) II - Debtors: Euro 463,133

The increase, of Euro 8,170 with respect to the prior year, is detailed below:

C.II.1 – Trade debtors (Euro 249,959)

Trade debtors are shown net of the allowance for bad debts and for delayed payment interest for Euro 15,511.

Compared to 2002, this item shows an increase of Euro 13,220.

The Company, in the course of the ordinary operating activity, has transferred receivables with recourse to financial institutions, which have enabled part of the working capital to be converted into liquid funds. Transactions still outstanding are summarized below :

	Original credit	Amount advanced	Remaining credit
- Turkey	32,654	30,000	2,654
- Venezuela	43,969	43,969	-
- Italian contracts	51,596	38,169	13,427
Total	128,219	112,138	16,081

The remaining receivables from factors for Euro 16,081 are classified as long-term financial investments.

At the same time, advances received have been recorded as a reduction in the risk of recourse in the Off-balance sheet accounts.

The changes in the allowances directly deducted from the above-mentioned receivables are shown in the following table :

Provision for doubtful debtors

Value at 12/31/2002	9,388
Increases for the financial period	2,787
Utilization of reserves for the financial period	-1
Value at 6/30/2003	12,174

Provision for delayed payment interest

Value at 12/31/2002	3,525
Utilization of profit for the financial period	-189
Value at 6/30/2003	3,336

C.II.2 – Subsidiaries (Euro 37,802)

The decrease in respect to the prior year amounts to Euro 9,486.

For the analysis of the composition of these receivables, reference is made to the table attached to these explanatory notes.

C.II.3 – Associated companies (Euro 26,373)

The increase with respect to the prior year amounts to Euro 2,038 .

For the analysis of the composition of these receivables, reference is made to the table attached to these explanatory notes.

C.II.4 – Parent companies (Euro 14)

These refer to commercial transactions with Fin.Ast. S.p.A..

C.II.5 – Other debtors (Euro 148,985)

The increase with respect to the prior year amounts to Euro 3,722 , and is detailed as follows:

- receivables from tax authorities, for Euro 66,964 , decreased by Euro 1,995 , are composed as follows:

	ITALY	ABROAD	TOTAL
<u>A) Indirect taxes</u>			
VAT Credit < 12 months	13,185	8,055	21,240
VAT Credit > 12 months	122	11,928	12,050
Total I.T.	13,307	19,983	33,290
<u>B) Direct taxes</u>			
D.T. Credit < 12 months	21,318	1,938	23,256
D.T. Credit > 12 months	136	2	138
Total D.T.	21,454	1,940	23,394
C) Credit for advanced taxes	6,250	4,030	10,280
D) Total amount due from T.A.	41,011	25,953	66,964

- receivables for direct taxes in Italy is shown net of the allowance for delayed payment

interest, for Euro 198, unchanged with respect to the prior year;

- personnel for Euro 1,010 , increased by Euro 151 compared to the prior year (positive change in the consolidation scope for Euro 31);
- social security institutions for Euro 1,711 thousand, decreased by Euro 178 ;
- deposits for Euro 1,038 thousand, increased by Euro 62
- other equity investments for Euro 2,018 decreased by Euro 365 ;
- other receivables for Euro 78,966 increased by Euro 4,005 , net of the positive change in the consolidation scope for Euro 695 . These receivables are shown net of the allowance for delayed payment interest that remained unchanged in the period. Some of the most significant items are summarized below:
 - amounts due to other debtors, regarding revenues from sales of goods and services (services to subcontractors, sale of equipment and assets, sale of property assets), for Euro 17,012 ;
 - receivables from liquidators for Euro 323 , resulting from the liquidation plans prepared at the time of closing down of activities of certain project specific companies;
 - receivables from third parties connected to payments made in their name and on their behalf, for Euro 6,698 ;
 - receivables from subcontractors and suppliers, for contractual advances on services and supplies to be provided, for Euro 34,907 .

C) III – Investments (short term)

C) III 6 - Other investments : Euro 3,284

This item refers to securities of various types, acquired for temporary liquidity. The decrease of Euro 13,331 is almost entirely due to the sale of Venezuelan State Bonds (DPN), originally given as payment by the customer in connection with the construction of the Tuy railway.

C) IV - Cash at bank and in hand: Euro 156,165

Liquid funds comprise banks deposits, for Euro 155,764, and cash on hand for Euro 401. With respect to the prior year, a decrease of Euro 878 and an increase of Euro 26 are shown, respectively. The change in the consolidation scope caused a positive effect of Euro 7,235.

D) Prepayments and accrued income: Euro 5,435

The item, showing a decrease of Euro 1,210 , substantially refers to prepayments, for Euro 4,629, relating to insurance costs, guarantee commissions, and other minor amounts, as well as to the discount on the issuance of the debenture loan for Euro 795.

LIABILITIES

A) Equity

For the analysis of each component of stockholders' equity, reference is made to the attached statement of changes in consolidated equity accounts, covering the period under review.

During the semester under review the holding company shareholders' meeting has authorized the Board of Directors, by the resolution of March 5, 2003, to acquire on the Electronic Stock Exchange, own shares in accordance with the provision of art. 2357 of the Civil Code.

In connection to the above, a reserve for acquisition of own share has been provided for Euro 24,600, by means of transfer of an equivalent amount from the available reserve for merger differences and for Euro 9,670 by transfer from the extraordinary reserve.

As at June 30 the Company holds 1,622,618 own shares for a total amount of Euro 2,955.

The same amount has been transferred from the reserve for acquisition of own shares to the reserve for own shares.

The shareholders' meeting approving the financial statements has resolved to distribute a dividend per share of Euro 0.05 for a total amount of Euro 4,916.

The decrease of the conversion reserve with respect to December 31, 2002 is due to exchange rate fluctuations, particularly of the US dollar and the related currencies. With respect to this the conversion reserve reflects the fluctuation of exchange rates at the balance sheet date compared to prior periods. Those changes are considered as temporary and physiological with respect to the specific nature of the reserve and do not result in permanent effects.

The trend of the US dollar exchange rate subsequent to the balance sheet date has recorded an improvement of about 4%.

As at June 30, 2003 the Company shareholders' register shows the following situation:

- Interbanca S.p.A. owns 9,541,786 shares corresponding to 9.694%;
- Capitalia S.p.A. (ex Banca di Roma S.p.A.) owns 4,599,250 shares corresponding to 4.673%;
- Fin. Ast. owns 39,578,033 shares corresponding to 40.211%;
- Finetupar International S.A. (ex Finetupar S.A.) owns 12,381,967 shares corresponding to 12.580%;
- Gartmore Investment Management PLC owns 1,987,181 corresponding to 2.019%.

B) Provisions for risks and charges: Euro 71,532

As of June 30 2003, the provision for risks and charges amounts to Euro 71,532, against Euro 74,505 in the prior year. The fund comprises:

- Contractual liabilities reserve established in order to account for the results of contracts in progress on an accruals basis;
- The equity investments liabilities reserve established for the purposes of providing for losses, attributable to equity investments, of a determined nature, of certain or probable existence, but for which the amount and the date in which such a liability will occur cannot be determined at the end of the year;
- The taxation reserve, for an amount of Euro 3,260, which includes probable charges, of 1,400 thousand Euros, resulting from an amicable settlement (only for the purposes of avoiding the costs and time of the dispute, not therefore implying any admission or recognition of the fiscal claim) of the dispute with the Tax Authorities, in relation to the presumed tax omission for the so-called contractors reserve, for the fiscal years from 1997 to 1999. For the purposes of further clarification the fiscal years 1995 and 1996, are subject to a legal settlement, in accordance with art. 48 of Law Decree 546/92 and assessment in compliance with the provisions of Law Decree 218/97, as well as charges for an estimated amount of Euro 1,859, which could result from the declaration for an automatic settlement of previous years provided for by Law 27/2003. The recourse to this institution enables the anticipated definition, in respect to the ordinary period of assessment, for tax purposes of the tax period not yet subject to verification by the Tax Authorities and relating to Astaldi S.p.A., as well as the incorporated companies Dipenta S.p.A. and Italstrade S.p.A. The decrease with respect to previous year amounts to Euro 41.
- The provision recorded in accordance with art. 27 of the Company's articles of incorporation has been created following the shareholders' meeting resolution of April 30, 2003, with which the 2002 net profit has been made partially available to the board of directors at a rate of 0.75%.

The changes in these items are shown in the table below :

	Value at 12/31/2002	Increases during the period		Decreases during the period		Changes in scope of Consolidation scope	Value at 6/30/2003
		P/L	B/S	P/L	B/S.		
- Provision for contractual liabilities	50,650	16,993	-	(11,832)	(313)	-	55,498
- Provision for equity investments liabilities	20,555	735	-	(321)	(8,283)	-	12,686
- Taxation reserve	3,300	-	-	-	(41)	-	3,259
- Provision for reserve in accordance with art. 27 of articles	-	-	89	-	-	-	89
Total	74,505	17,728	89	(12,153)	(8,637)	-	71,532

It has also to be pointed out that the reserve has been increased in relation to contracts currently in progress and in consideration of the forecast and final contractual results.

The decrease in the provision refers to the losses occurred during the period under review, in connection with Italian and foreign works, the economic effects of which were already recognized in prior years.

The fund for equity interest liabilities was decreased by Euro 7,869 thousand, due to the re-establishment of the equity of some of the investments valued under the net equity method, by means of covering of the respective losses by the Holding Company.

C - Employee severance indemnity: Euro 11,745

The changes, which occurred in the period, are as follows :

	Value at	Increase during	Decrease during	Exchange	Change in	Value at
	12/31/2002	the period	the period	Rate differ.	consolidation scope	6/30/2003
- Employee severance indemnity	11,970	1,970	(2,179)	(128)	112	11,745

D) - Creditors: Euro 822,102

Creditors are composed of the following:

- Debenture loan amounting to Euro 150,000 , issued by Astaldi Finance S.A. on February 11, 2002 with the following characteristics:
 - ❖ *Duration* 2/11/2002-2/11/2005;
 - ❖ *Compensation* annual interest at the fixed rate of 6.5%;
 - ❖ *Annual payment* on February 11, of each year.
- Euro 182,835 due to banks; the item has increased by Euro 28,909 in connection with the usual utilization of credit lines related to the completion of single works.

The following is a list of loans included in the balance sheet and guaranteed in different forms, also indicating the type of each of them:

- CARISBO financing for Euro 7,092, secured by a mortgage for Euro 18,076 on the Bologna parking lots
- CARIPRPC financing for Euro 433 thousand, secured by a mortgage for Euro 866 thousand on the Turin parking lots (Palazzo)
- Euro 26,229 due to other financiers, versus Euro 26,873 in 2002; this item primarily includes leasing liabilities, accounted for in accordance with the financial method.
- Euro 124,789 of advances received; the item refers to advances received from customers in

connection with the carrying out of works and shows a net decrease of Euro 8,574 thousand relating to amounts recovered by customers on the basis of the stage of completion.

- Euro 209,116 due to suppliers recording a net decrease of Euro 13,962; the change includes an increase of Euro 13,486, due to the change in the consolidation scope;
- Euro 23,234 due to subsidiaries with an increase of Euro 1,387 compared to the prior year. The analysis of these payables is attached to these explanatory notes;
- Euro 54,995, due to associated companies; with a decrease of Euro 3,582 compared to the previous year. The analysis of these payables is attached to these explanatory notes;
- Euro 12,598 thousand due to the tax authorities; an increase of Euro 2,062, net of Euro 59 due to the negative change in the consolidation scope;
- Euro 5,292 due to social security institutions; the item increased by Euro 168, including a positive change in the consolidation scope for Euro 54;
- Euro 33,015 of other creditors, with a decrease of Euro 4,181 compared to the prior year. The most significant components are detailed below:
 - Euro 7,301 due to other equity investments, with a decrease of Euro 1,494;
 - Euro 23 thousand of deposits and guarantees, with a decrease of Euro 6 thousand in respect to 2002;
 - Euro 6,374 due to personnel, with an increase of Euro 1,678; the positive change in the consolidated scope amounted to Euro 20;
 - Euro 19,318 of other payables, showing an increase with respect to 2002 for Euro 4,359. The positive change in the consolidation scope amounted to Euro 3,527. The most significant items included in the balance are listed below:
 - Amounts owed to representative companies, within the scope of work carried out through the establishment of Joint ventures, for collections made in their name and on their behalf for Euro 2,818;
 - Deposits and advances for 916 Euros on the total price paid in connection to preliminary sale and purchase agreements pertaining partly to property units relative to two car parks in Turin;
 - Other items concerning transactions not directly related to the operating activity but nevertheless connected for Euro 15,584.

E) - Accruals and deferred income: Euro 6,925.

This item, which increased by Euro 3,914, substantially refers to accrued liabilities deriving from the 14th month salary and interest expense on loans and debenture bonds.

OFF-BALANCE SHEET ACCOUNTS

A) Personal guarantees

The total stated in the financial statements is Euro 1,651,819 and refers to:

1. Guarantees for credit lines, intended to ensure a regular cash flow on the individual contracts, issued in the interests of subsidiaries, associates and other non-consolidated equity investments, established specifically for the purpose in accordance with current tax legislation for a total amount of 174,846 Euros.
2. Guarantees for contracts, issued in the interest of the Company, Banking Institutions and/or Insurance Companies, in favour of clients for various purposes on behalf of subsidiaries, associates and other Group members, for a total amount of 1,349,749 Euros;
3. Other guarantees, issued for various purposes for Euro 117,223 .

B) Other off-balance sheet accounts

The item, which amounts to 156,037 Euros, represents the risk of loss of 128,584 Euros resulting from the transfer with recourse of receivables to Factors , as previously explained, whilst 27,452 Euros is attributable to extra-contractual works, paid as a provisional item, pertaining to construction works on the Pont Ventoux Dam in Val di Susa, on behalf of Aem Torino.

C) Collateral security

The item amounts to Euro 43,969 and represents the pledge established in favor of Banca IFIS on liquidity generated by the sale with recourse of the receivable towards the Venezuelan customer. This pledge will be redeemed at the moment of the positive conclusion of the sales transaction.

D) Third party guarantees in our favor

Euro 42,219 of guarantees issued by banks and insurance companies, on behalf of suppliers and sub-contractors, both Italian and foreign, relating to their contractual obligations.

INCOME STATEMENT

A) - Value of production: Euro 427,299.

Contract revenues amount to Euro 399,401 . The breakdown by category of works, including changes in inventory for Euro 66,289, in comparison to June 30, 2002 is given below (Euro million):

	<u>6/30/2003</u>	<u>%</u>	<u>6/30/2002</u>	<u>%</u>
Transport infrastructure	299,911	75.0	306,374	85.1
Hydraulic works and energy production plant	48,982	12.3	31,450	8.7
Civil and industrial construction	50,508	12.7	22,350	6.2
	399,401	100.0	360,174	100.0

The distribution by geographical area is the following:

	<u>6/30/2003</u>	<u>%</u>	<u>6/30/2002</u>	<u>%</u>
Italy	194,344	48.7	169,530	47.1
Europe	23,808	6.0	71,979	20.0
America	143,933	36.0	85,426	23.7
Africa	35,568	8.9	33,239	9.2
Asia	1,748	0.4	---	---
	399,401	100.0	360,174	100.0

- Work performed for own purposes and capitalised, already detailed under item BI – intangible assets – amounts to 1,786 Euros.
- Other revenues, for Euro 26,113, are substantially made up of items not directly related to the production activity of the Group, having however a recurring nature during the years. It should be noted that, in order to render more consistent the reading of these accounts, the utilization of the contractual risk fund has been classified under the item B12 of the income statement and previous years data have been reclassified.

The detail of these items is as follows:

	6/30/2003	6/30/2002
- Rents receivable	592	672
- Insurance premiums	2,030	355
- Rentals	1,069	2,073
- Capital gain on debtor purchase and sale	18	270
- Capital gain on sale of fixed assets	589	2,528
- Revenue from sale of goods	2,607	647
- Miscellaneous income	2,392	1,271
- Discounts and allowances receivable	251	34
- Services provided to third parties	7,514	11,527
- Extraordinary income, inexistence of liabilities and other	7,421	4,916
- Sponsorship	1,440	2,966
- Utilization of provision for equity investments	190	--
Total	26,113	27,259

B – Cost of production: Euro 395,429

- The cost of services amounts to Euro 217,152 (Euro 248,484 as at June 30 2002) and principally refer to consortia's initiatives, subcontracts, technical consultancy, maintenance and transportation costs, insurance costs, personnel travel costs and utilities costs. It should be noted that, for more clarity, insurance, travel and utilities costs included in other costs in 2002 has been reclassified under this item. Prior period data have been reclassified for consistency reasons.
- Costs for use of assets owned by others, for Euro 4,897 (Euro 4,335 as at June 30 2002) , include the costs incurred for the rent of machinery and tools, operating leases, as well as related maintenance expenses.
- Write-off of receivables included in current assets , for Euro 2,787 (Euro 14,327 as at June 30, 2002) , is exclusively due the to write-off of a receivable from Alosa immobiliare recorded by the Holding Company.
- The provision for risks represents the difference between the charge for the period under review for Euro 16,993 (Euro 4,309 as of 30 June 2002) and the utilization of Euro 11,832 (Euro 19,003 as of 30 June 2002) in order to calculate the margin on long-term works on an

accrual basis;

- Other costs amount to Euro 8,067 thousand and are represented by :

	6/30/2003	6/30/2002
- Capital loss on sale of assets	192	734
- Administrative and management charges	2,749	1,509
- Fiscal charges	3,802	1,129
- Entertainment expenses	893	691
- Extraordinary charges and non-existent liabilities due to value adjustments	431	2,750
Total	8,067	6,813

C15 - C16 - Financial income: Euro 11,855

Financial income for the year mainly includes :

	6/30/2003	6/30/2002
Income from non-consolidated subsidiaries	1,296	-
Income from non-consolidated associated companies	-	537
Financial income other than the above:		
Exchange rate gains	2,383	1,180
Bank interest	1,830	4,027
Other interests from purchasers and other income	6,346	5,429

C) - 17 - Interest expense and similar charges: Euro 23,232

This item includes :

	6/30/2003	6/30/2002
Bank interest for short term debt	4,102	2,565
Bank interest for medium-long term debt	2,429	6,696
Interest on other debt:		
(Of which Euro 4,875 for bonds and Euro 251 for issue premium amortization)	6,142	4,209
Charges on factoring transfers	2,475	1,267
Commission on guarantees and other charges	6,497	6,050
Exchange rate losses	1,587	2,267

D - Value adjustments in respect of investments: Euro (1,491)

Revaluations and write-down in equity investments relate exclusively to the effects resulting from the valuation using the equity method and valuation at the presumed realisable value of the equity investments.

Write-downs of equity investments also identify the losses covered during the year, which are considered to be of a permanent nature. The item can be detailed as follows:

<i>Covering of losses.</i>	1,963	
Subsidiary companies		1,532
Associated companies		431

Among the most significant amounts are the losses covered in connection with the subsidiary Astaldi Thailand Co for a global amount of Euro 875 and Todaro Srl under liquidation for Euro 210.

	6/30/2003	6/30/2002
<i>Write down of equity investments</i>	1,925	1,568
In subsidiaries	1,925	1,494
In associated companies	--	54
In other equity investments	--	20

Among the most representative companies are the following:

➤ Astaldi-Senegal Ass en Partecipation	1,200
➤ Seac sparl (Congo Democratico)	455

E - Extraordinary income (charges): Euro (1,807)

- Extraordinary income is almost entirely composed of contingent assets and non-existent liabilities of an extraordinary nature for Euro 3,185 (Euro 6,098 as of June 30, 2002).
- Euro 4,992 (Euro 8,066 as at June 30, 2002) of extraordinary charges including damages and accidents, non-existent assets, amicable settlements, contractual penalties and other charges of residual value.

22 – Taxation: Euro (1,784)

The amount refers to the taxation of the Holding Company and other Italian and foreign consolidated companies for Euro 1,784 (Euro 5,034 as at June 30, 2002) of which Euro 2,274 concerns current taxes estimated on the basis of objective items at the balance sheet date, but subject afterwards to significant changes, while the amount of Euro 490 refers for Euro 1,320 to the net effect of deferred taxes of the Holding Company concerning the reversal of temporary differences from previous years as well as to fiscal losses utilized in the period under review and for Euro 1,810 the deferred tax asset concerning the Holding Company operating in the US, Astaldi Construction Corporation; this item has been recorded in accordance with the prudence principle and in observation of local tax regulations, as there is reasonable certainty, backed up by objective supporting information including multi-year forecasts, of the existence in future years of sufficient levels of taxable income.

RELATED PARTY TRANSACTIONS

In accordance with the provisions of the Consob communications no. 97001574 of 20 February 1997 and no. 98015375 of 27 February 1998, the most significant amounts resulting from financial and commercial transactions entered into with non-consolidated shareholding companies are highlighted below.

Financial transactions

Subsidiaries

_ Astaldi-Caldart Srl in liquidation	10
_ C.O.MES. Srl	2
_ Colli Albani Srl in liquidation	2
_ Consorzio Astaldi CBI in liquidation	57
_ Consorzio Astaldi Columbus Nicaragua	356
_ Consorzio Olbia Mare in liquidation	1
_ Cospe Srl	200
_ Diga di Arcichiaro Srl in liquidation	3
_ DP.2M Srl in liquidation	44
_ Euroast Srl in liquidation	144
_ Forum Srl	143
_ Linea A Srl in liquidation	4
_ Mormanno Srl in liquidation	111
_ Silva Srl in liquidation	21
_ Te.cro. Srl in liquidation	778
Total	1,876

Associated companies

_ Astaldi Ferrocemento JV	1,158
_ CO.NO.CO Srl	160
_ Consorzio Ghella Astaldi WTC	801
_ Consorzio LAR in liquidation	876
_ Consorzio Recchi Astaldi	1,146
_ Isclero srl in liquidation	1,518
_ Messina Stadio srl	2,508
_ S.A.A.L.P. Snc	466

_ SO.GE.DEP. Srl in liquidation	271
_ Valle Caudina Scrl	194
_ Others	2,778
Total	11,876

Commercial transactions

<u>Subsidiaries</u>	Debtors	Creditors	Net debtor Balance	Net creditor Balance
- Astaldi International JV Mozambico	16,893	15,081	1,812	--
- Astaldi Malawi Astaldi Astaldi internetonial JV	6,553	3,908	2,645	--
- Astaldi Senegal Ass. En participation	7,254	2,485	4,769	--
- Consorzio Astaldi CBI in liquidation	4,992	210	4,782	--
- Consorzio Astaldi CMB Due in liquidation	2,191	7	2,184	--
- I.F.C. Due Scrl in liquidation	1,743	97	1,646	--
- I.F.C. Srl in liquidation	1,181	128	1,053	--
- Montast SpA in liquidation	1,424	1,320	104	--
- Redo Ass. Moment.	912	47	865	--
- S.Filippo Scrl	1,678	89	1,589	--
- S.Leonardo Scrl in liquidation	2,634	827	1,807	--
- Seac Sparl	7,611	315	7,296	--
- Toledo ScI	2,433	647	1,786	--
- Astaldi Thailand Co Ltd	1,710	1,791	--	81
- Astur Construction and Trade A.S.	244	944	--	700
- CO.ME.NA. Scrl	130	2,001	--	1,871
- Consorzio Astaldi Columbus Nicaragua	7,909	8,897	--	988
- DI.PA Scrl in liquidation	55	1,528	--	1,473
- Eco Po Quattro Scrl	818	1,607	--	789
- Forum Scrl	942	2,378	--	1,436

-Portovesme Scrl	573	1,651	--	1,078
-Susa Dora Quattro Scrl	1,946	10,948	--	9,002
- Others	10,431	10,783	5,464	5,816

Total	82,257	67,689	37,802	23,234
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Associated companies

	Debtors	Creditors	Net debtor balance	Net creditor balance
-Astaldi Bayindir JV	25,477	19,316	6,161	--
-Astaldi Ferrocemento JV	1,019	102	917	--
-Consorzio A.F.T. Succ.Algeria	2,611	1,226	1,385	--
-Messina Stadio scrl	2,904	1,839	1,065	--
-Monte Vesuvio Scrl	1,503	68	1,435	--
-Nuovo Polo Fieristico Scrl	18,803	14,555	4,248	--
-Vesuviana Strade Scrl	815	546	269	--
-Consorzio A.F.T. Kramis Succ.Algeria	9,272	9,308	--	36
-Consorzio Ferrofir	99	4,681	--	4,582
-Consorzio Iricav Due	301	2,954	--	2,653
-Consorzio Iricav Uno	1,098	12,166	--	11,068
-Consorzio Qalat	5	1,136	--	1,131
-Diga di Blufi Scrl	2,435	3,863	--	1,428
-Isclero Scrl in liquidation	92	1,548	--	1,456
-Metroveneta Scrl	941	3,083	--	2,142
-Pegaso Scrl	1,263	3,558	--	2,295
-Pont Ventoux Scrl	6,675	24,437	--	17,762
-S.A.C.E.S. Srl in liquidation	31	3,045	--	3,014
-Veneta Sanitaria Finanza di Progetto SpA	43	4,449	--	4,406
- Others	14,661	6,785	10,893	3,022
Total	90,048	118,665	26,373	54,995

For further clarification, among debtors, the most significant amounts relate to the support provided to organisations established for the execution of specific contracts, both in Italy and abroad, in terms of provision of assets and services (for instance industrial equipment, construction means, support of specialised personnel etc.), as well as financial support. The latter are, however, considered to be of a commercial nature if entered into on the one hand in relation to their specific connection to the sector of activity in which the group operates, and on the other hand to the particular legal structure of the organisations in question, which provides for the commitment of associates to divide profits, assets and financial assets of the individual venture on a pro-rata basis.

With regard to creditors, the nature of these is attributable, mainly, to the allocation of joint venture costs by project specific companies, established for the sole purpose of the execution of the relevant contracts.

Net changes with respect to 2002 of receivables and payables concerning subsidiaries and associated companies are detailed in the following table.

COMPANY	DEBTORS			CREDITORS		DIFFERENCE
	12/31/02	6/30/03	DIFFERENCE	12/31/02	6/30/03	
SUBSIDIARIES	47,288	37,802	9,486	21,847	23,234	(1,387)
ASSOCIATED COMPANIES	24,335	26,373	(2,038)	58,577	54,995	3,582
Total	71,623	64,175	7,448	80,424	78,229	2,195

In order to explain the changes shown above, it should be noted that some of them are the result of improved regulation of the commercial transactions with group companies which although appearing high should however be considered as typical of the business sector.

Average number of employees

The average number of employees during the period under review, divided by category, is the following:

- senior management	107
- middle management	21
- clerical	1,212
- manual	5,878

EXCHANGE RATES APPLIED FOR THE CONVERSION OF ACCOUNTS IN FOREIGN CURRENCY Source: U.I.C.

COUNTRY	CURRENCY		EXCHANGE	AVERAGE	EXCHANGE	AVERAGE
			6/30/2003	EXCHANGE 1H2003	12/31/2002	EXCHANGE 1H2002
Algeria	Algerian Dinar	DZD	89.689	85.862	79.116	69.337
Angola	Readjustado Kwarza	AOA	87.432	74.767	57.026	31.116
Saudi Arabia	Saudi Riyal	SAR	4.368	4.138	3.813	3.364
Bolivia	Boliviano	BOB	8.902	8.372	7.555	6.271
Burundi	Burundi Franc	BIF	1,227.70	1,154.72	1052.68	758.235
Caribbean	Carib dollar	XCD	3.147	2.975	2.74	2.418
Central Africa, C.F.A Repub.	CFA Franc	XAF	655.957	655.957	655.957	655.957
Chile	Chilean Peso	CLP	826.359	799.002	715.892	596.652
Colombia	Colombian Peso	COP	3,362.75	3,201.90	2847.3	2060.875
Democr. Republic of Congo	Congolese Franc	CDF	475.813	447.688	379.717	291.354
Croatia	Kuna	HRK	7.522	7.557	7.41	7.398
Denmark	Danish Crown	DKK	7.425	7.428	7.427	7.433
Dominican Republic	Dominican Peso	DOP	32.199	28.613	19.882	14.977
El Salvador	Salvadorian Colon	SVC	10.205	9.668	8.91	7.856
Giappone	Gibuti Franc	JPY	138.05	131.145	124.198	116.261
Gibuti	Gibuti Franc	DJF	207.271	196.361	180.964	159.574
Guinea	Guinean Franc	GNF	2,303.58	2,177.62	2006.98	1760.375
Honduras	Lempira	HNL	20.287	18.987	17.189	14.578
Indonesia	Indonesian Rupee	IDR	9,589.10	9,586.85	9079.34	8626.992
Libya	Libyan Dinar	LYD	1.403	1.33	1.249	1.09
Malawi	Kwacha	MWK	104.82	98.122	85.721	65.287
Morocco	Moroccan Dirham	MAD	10.873	10.761	10.577	10.256
Mozambique	Metical	MZM	26,746.80	25,389.98	23,598.90	20,454.48
Nicaragua	Cordoba Oro	NIO	17.369	16.445	14.934	12.655
Pakistan	Pakistani Rupee	PKR	67.343	63.951	59.476	53.98
United Kingdom	British pound	GBP	0.702	0.686	0.642	0.622
Rumania	Leu	ROL	38,058.90	36,505.67	34,251.40	29,494.70
Rwanda	Rwandan Franc	RWF	609.133	567.017	505.879	410.175
Singapore	Singapore Dollar	SGD	2.023	1.93	1.786	1.632
United States	US Dollar	USD	1.166	1.105	1.018	0.898
South Africa	Rand	ZAR	9.216	8.884	9.104	9.861
Switzerland	Swiss Franc	CHF	1.541	1.492	1.468	1.469
Taiwan	Taiwanese Dollar	TWD	40.32	38.291	35.434	30.646
Thailand	Baht	THB	48.551	46.944	44.086	38.812
Tanzania	Tanzanian Shilling	TZS	1,205.07	1,131.11	993.248	860.545
Tunisia	Tunisian Dinar	TND	1.469	1.435	1.384	1.313

Turkey	Turkish Lira	TRL	1,664,000.00	1,747,609.17	1,619,050.00	1,251,686.17
European Monetary Union	Euro	EUR	1.000	1.000	1.000	1.000
Venezuela	Bolivar	VEB	1,861.38	1,812.87	1,342.65	853.045

It should be noted that the exchange rate shown above represents the quantity of foreign currency to purchase 1 Euro.

The Board of Directors

The Chairman

Prof. Ernesto Monti

Attachments

Consolidation perimeter

Consolidation scope at June 30, 2003

	%
Subsidiary companies	
V 1 R.I.C. - Railway International Construction S.p.A.	100.00%
V 2 A.S.T.A.C. S.r.l.	100.00%
V 3 Italstrade S.p.A. (Ex Place Moulin S.p.A.)	100.00%
V 4 Astaldi International Ltd	100.00%
V 5 Astaldi de Venezuela C.A.	99.80%
V 6 Astaldi Construction Corp. Of Florida	99.80%
V 7 SC Italstrade - CCCF JV Romis S.r.l.	51.00%
V 8 Romstrade S.r.l.	51.00%
V 9 I.T.S. S.p.A.	100.00%
V 10 Italstrade Somet JV Rometro S.r.l.	55.00%
V 11 Sugt s.a. Calarasi	50.37%
V 12 Astaldi Arabia Ltd	100.00%
V 13 Astaldi Finance S.A.	99.96%
V 14 Legnami Pasotti Italia I.C. S.r.l.	80.00%
V 15 Romairport S.r.l.	63.89% *
Other equity interests	
16 Consorcio Metro Los Teques	30.00%
17 Comet JV	15.00%

The companies marked V are aggregated using the line by line method. The others with the proportional method.

Changes in the consolidation scope at June 30 2003

Equity interest leaving the consolidation scope

Equity interest entering the consolidation scope

	Equity Interest	Equity Interest
1 Consorcio Astaldi-Columbus - Nicaragua	98.00% * Romairport S.r.l.	63.89%

The companies marked with * are the object of changes during the semester

EXPLANATORY NOTES AND CONSOLIDATED FINANCIAL STATEMENTS

Attachments:

Companies of Astaldi's Group

at June 30, 2003

Companies	Address	Currency	Par Value of share capital	% owned directly	% owned indirectly	Entity holding indirect investment
A - Companies consolidated line by line						
Assistenza Sviluppo e Tecn. Ausiliarie alle Costr. (A.S.T.A.C.) S.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	46,800.00	100.000%	0.000%	
Astaldi Arabia Ltd.	P.O. Box 58139 - Riad - Saudi Arabia	SAR	5,000,000.00	60.000%	40.000%	Astaldi International Ltd.
Astaldi Construction Corporation	8220 State Road 85 Davie - Florida - U.S.A.	US\$	4,290,000.00	90.000%	10.000%	Astaldi de Venezuela
Astaldi de Venezuela C.A.	C.C. C.T. 1ra Etapa Piso 6 Of. 620 - Caracas - Venezuela	VEB	110,300,000.00	99.804%	0.000%	
Astaldi Finance S.A.	Boulevard du Prince Henri 19-21 - Lussemburgo	EUR	250,000.00	99.960%	0.000%	
Astaldi International Ltd.	34-36 Gray's Inn Road - Londra - Regno Unito	GBP	2,000,000.00	100.000%	0.000%	
Italstrade CCCF JV Romis S.r.l.	Piata Pache Protopopescu, 9 - Bucarest - Romania	LEI	5,400,000,000.00	0.000%	51.000%	Italstrade S.p.A.
Italstrade S.p.A.	Via Agrigento, 5 - Roma - Italia	EUR	22,000,000.00	100.000%	0.000%	
Italstrade Somet JV Rometro S.r.l.	Str. Cap. Av. A. Serbanescu, 49 Sector 1 - Bucarest - Romania	LEI	22,000,000.00	0.000%	51.000%	Italstrade S.p.A.
Legnami Pasotti Italia I.C. S.r.l.	Via Agrigento, 5 - Roma - Italia	EUR	51,000.00	0.000%	80.000%	Italstrade S.p.A.
R.I.C.-Railway International Construction S.p.A.	Via G.V. Bona, 65 - Roma - Italia	EUR	2,580,000.00	100.000%	0.000%	
Romairport S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	10,200.00	0.000%	63.890%	Italstrade S.p.A.
Romstrade S.r.l.	Piata Pache Protopopescu, 9 - Bucarest - Romania	LEI	10,000,000,000.00	0.000%	51.000%	Italstrade S.p.A.
S.U.G.C.T. S.A. Calarasi	Varianta Nord, 1 - Calarasi - Romania	LEI	13,618,975,000.00	0.000%	50.367%	Italstrade S.p.A.
Servizi Tecnici Internazionali - I.T.S. S.p.A.	Via G.V. Bona, 65 - Roma - Italia	EUR	232,200.00	0.000%	100.000%	Astaldi International Ltd.
B - Companies consolidated with the proportional method						
Consorcio Metro Los Teques	Caracas - Venezuela	VEB	0.00	30.000%	0.000%	
Copenhagen Metro Construction Group J.V. (COMET)	Refshaleoen, 147 P.O. Box 1920 - Copenhagen - Danimarca	US\$	0.00	15.000%	0.000%	
C - Carried at Net Equity						
Albapavstrade Sh.P.K.	Rruga Dibres 420 - Tirana - Albania	LEC	239,633,652.00	0.000%	100.000%	Italstrade S.p.A.
Astaldi (Thailand) Company Ltd.	21/125 Fl.17 Unit A, Thai Wah Tower II SathornTai Road- Sathorn - Bangkok - Thailandia	BHT	10,000,000.00	25.000%	24.000%	Astaldi International Ltd.
Astaldi International Inc.	Bank of Liberia Building P.O. Box 660 - Monrovia - Liberia	US\$	3,000,000.00	0.000%	100.000%	Astaldi International Ltd.
Astaldi-Astaldi International J.V.	R. Armando Tivane, 466 - Matola Maputo - Mozambico	US\$	10,000.00	60.000%	40.000%	Astaldi International Ltd.
Astaldi-Burundi Association Momentanée	Avenue de l'O.U.A. B.P. 325 - Bujumbura - Burundi	US\$	50,000.00	90.000%	10.000%	Astaldi International Ltd.
Astaldi-Ferrocemento J.V.	10-Ha Khayaban-E-Shujat - Karachi - Pakistan	US\$	50,000.00	50.000%	0.000%	
Astaldi-Malawi, Astaldi - Astaldi International J.V.	Private Bag 148 - Blantyre - Malawi	US\$	10,000.00	60.000%	40.000%	Astaldi International Ltd.
Astaldi-Rwanda Association Momentanée	Rue de la Douane - Kigali - Ruanda	US\$	50,000.00	60.000%	40.000%	Astaldi International Ltd.
Astaldi-Sénégal Association en participation	Avenue Roume Dakar, 16 4ème G. S. - Dakar - Senegal	XOF	50,000,000.00	60.000%	40.000%	Astaldi International Ltd.
Astur Construction and Trade A.S.	Aydinpinar Cad. Kucukmehmetler Koyu - Ankara - Turchia	TRL	23,790,610,000.00	99.000%	0.000%	
Consorcio Astaldi-Columbus	Plantel Km.101,300 Carretera Panamericana Norte - Sebaco - Nicaragua	US\$	1,602.00	98.000%	0.000%	

Companies	Address	Currency	Par Value of share capital	% owned directly	% owned indirectly	Entity holding indirect investment
Euroast S.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	15,300.00	100.000%	0.000%	
Redo-Association Momentanée	B.P. 8734 - Rep. Dem. del Congo	ZRZ	50,000.00	75.000%	25.000%	Astaldi International Ltd.
S.E.I.S. S.p.A.	Via Monte Santo, 1 - Roma - Italia	EUR	3,877,500.00	48.330%	0.000%	
Seac S.p.a.r.l.	Avenue des Fleurs - Kinshasa/Gombe - Rep.Dem. del Congo	ZRZ	200,000,000.00	0.000%	100.000%	Astaldi International Ltd.
Yellow River Contractors	P.O. Box 073 – Luoyang - Rep. Pop. Cinese	US\$	999,336.00	0.000%	14.000%	Italstrade S.p.A.
D - Carried at Cost						
A.F.M. Astaldi-Ferrocemento-Mambrini S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	45,900.00	35.000%	0.000%	
A.M.P. S.c.r.l. in liquidazione	Viale Caduti di tutte le guerre, 7 - Bari - Italia	EUR	51,646.00	0.010%	0.000%	
Adduttore Ponte Barca S.c.r.l.	Via di Pietralata, 140 - Roma - Italia	EUR	45,900.00	24.330%	0.000%	
Agua de San Pedro S.A. de C.V.	Departamento de Cortes - San Pedro Sula - Honduras	HNL	57,416,352.00	15.000%	0.000%	
Almo S.c.r.l. in liquidazione	Via privata D. Giustino, 3/A - Napoli - Italia	EUR	46,481.00	35.000%	0.000%	
Alosa Immobiliare S.p.A. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	10,320,000.00	50.000%	0.000%	
Asociacion Accidental Astaldi S.p.A. - C.B.I. s.r.l.	Località "El Portillo" - Tarija - Bolivia	---	0.00	70.000%	0.000%	
Association en participation SEP Astaldi-Somatra-Bredero	Tunisia	TND	0.00	40.000%	0.000%	
Astaldi Africa S.p.A. in liquidazione	Addis Abeba - Etiopia	EUR	1,033.00	100.000%	0.000%	
Astaldi Bayindir J.V.	Ilkadir Sokak, 19 Gaziomanpasa- Ankara - Turchia	---	0.00	50.000%	0.000%	
Astaldi-Caldart AS.CAL. S.c.r.l. in liquidazione	Via Giovanni Pacini, 12 - Palermo - Italia	EUR	46,800.00	60.000%	0.000%	
Astaldi-Ecuador S.A.	Portugal 617 y 6 de Diciembre - Guayaquil - Ecuador	ECS	3,000,000.00	20.000%	0.000%	
Astaldi-Sarantopulos J.V.	Atene - Grecia	---	0.00	14.000%	0.000%	
Astaldi-Thiess Joint Operation	C. C. E. 412- Jl.Raya Kko- Cilandak - Giacarta - Indonesia	---	0.00	50.000%	0.000%	
Avola S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	10,200.00	50.000%	0.000%	
Blufi 1 S.c.r.l. in liquidazione	Zona Industriale - Agrigento - Italia	EUR	25,823.00	32.000%	0.000%	
Bocca di Malamocco S.c.r.l.	Via Salaria, 1039 - Roma - Italia	EUR	30,987.00	0.010%	0.000%	
Bussentina S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	25,500.00	78.800%	0.000%	
C.C.N. S.c.r.l. in liquidazione	Via Clauzetto, 12 - Roma - Italia	EUR	41,200.00	12.500%	0.000%	
C.E.I.T.R.A.L. in liquidazione	Via Carlo Pisacane, 2 - Carpi - Italia	EUR	10,000.00	31.000%	0.000%	
C.F.C. S.c.r.l.	Via privata D. Giustino, 3/A - Napoli - Italia	EUR	45,900.00	0.010%	0.000%	
C.F.M. S.c.r.l. in liquidazione	Via privata D. Giustino, 3/A - Napoli - Italia	EUR	41,317.00	50.000%	0.000%	
C.O.MES. S.C.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	20,000.00	55.000%	0.000%	
Carnia S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	45,900.00	33.000%	0.000%	
CO.ME.NA. S.c.r.l.	Via Morghen, 36 - Napoli - Italia	EUR	20,658.00	70.432%	0.000%	
CO.NO.CO. S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	25,500.00	80.000%	0.000%	
Co.Sa.Vi.D. S.c.r.l.	Carini - Contrada Foresta Z.I. - Palermo - Italia	EUR	25,500.00	0.010%	0.000%	
Cogital S.c.r.l. in liquidazione	Viale Italia, 1 - Milano - Italia	EUR	60,044.00	50.000%	0.000%	
Colli Albani S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	25,500.00	60.000%	0.000%	
Consorcio Astaldi - C.B.I.	Av. Iturralde 1308 Esquina San Salvador - La Paz - Bolivia	US\$	100,000.00	60.000%	0.000%	

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			of share capital			
Consorzio Astaldi-Centroxca	C.C.C. T. 1ra, Etapa Piso 6 Of. 620 - Caracas - Venezuela	NIC	10,000.00	0.000%	99.500%	Astaldi de Venezuela
Consorzio Astaldi-ICE	Av. Libertador Bolivar, 1842 - Cochabamba - Bolivia	---	0.00	50.000%	0.000%	
Consorzio Conintur-Astaldi	C.C.C.T. 1ra Etapa Piso 1 Of. 107- Chuao - Caracas - Venezuela	---	0.00	20.000%	0.000%	
Consorzio Contuy Medio	Avida Andres Bello, Ed. Atlantic Piso 7, Of. 1-7 - Venezuela	US\$	40,000.00	28.300%	0.000%	
Consorzio DEI	Via San Nazaro, 19 - Genova - Italia	EUR	26,000.00	0.000%	35.000%	I.T.S. S.p.A.
Consorzio Ghella-Astaldi & Associados	Santo Domingo - Repubblica Dominicana	RD\$	300,000.00	33.300%	0.000%	
Consorzio Ghella-Astaldi-WTC	Santo Domingo - Repubblica Dominicana	EUR	0.00	33.300%	0.000%	
Consorzio Grupo Contuy - Proyectos y Obras de Ferrocarriles	CCC T. 1ra Etapa Piso 6 Of. 620 Chuao - Caracas - Venezuela	VEB	0.00	32.330%	0.000%	
Consorzio A.F.T.	Via G.V. Bona, 65 - Roma - Italia	EUR	46,481.00	33.330%	0.000%	
Consorzio A.F.T. Kramis	Via G.V. Bona, 65 - Roma - Italia	EUR	100,000.00	49.995%	0.000%	
Consorzio A.R.Z. - Astaldi-R.I.C. - ZAIRE in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	25,823.00	1.000%	99.000%	R.I.C. S.p.A.
Consorzio Asse Sangro in liquidazione	Via della Fonte di Fauno, 2/A bis - Roma - Italia	EUR	464,811.00	4.762%	0.000%	
Consorzio Astaldi-C.M.B. Due in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	10,329.00	99.995%	0.000%	
Consorzio Bonifica Lunghezza - C.B.L.	Via Calderon de la Barca, 87 - Roma - Italia	EUR	10,000.00	49.000%	0.000%	
Consorzio C.I.R.C.	Via G.V. Bona, 65 - Roma - Italia	EUR	51,000.00	25.000%	0.000%	
Consorzio Carnia	Via G.V. Bona, 65 - Roma - Italia	EUR	51,646.00	33.000%	0.000%	
Consorzio Centro Uno	C.so Vittorio Emanuele, 130 - Napoli - Italia	EUR	154,937.00	2.000%	0.000%	
Consorzio Co.Fe.Sar.	Viale Liegi, 26 - Roma - Italia	EUR	51,646.00	30.000%	0.000%	
Consorzio Cogitau S.c.n.c. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	61,975.00	38.100%	0.000%	
Consorzio CONC.I.L. in liquidazione	Via Passeggiata di Ripetta, 35 - Roma - Italia	EUR	10,329.00	0.000%	50.000%	I.T.S. S.p.A.
Consorzio Consarno	Via Napoli, 329 - Castellammare di Stabia (NA) - Italia	EUR	20,658.00	25.000%	0.000%	
Consorzio Consavia S.c.n.c. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	20,658.00	25.000%	0.000%	
Consorzio Dipenta S.p.A. - Ugo Vitolo in liquidazione	Via Chiatamone, 57 - Napoli - Italia	EUR	2,582.00	50.000%	0.000%	
Consorzio Europeo Armamento Alta Velocità - C.E.A.A.V.	Via G.V. Bona, 65 - Roma - Italia	EUR	206,583.00	0.000%	25.000%	R.I.C. S.p.A.
Consorzio Ferrofir	Via Ombrone, 2/g - Roma - Italia	EUR	30,987.00	66.666%	0.000%	
Consorzio Ferroviario Vesuviano	Via Argine, 425 - Napoli - Italia	EUR	154,937.00	0.004%	0.000%	
Consorzio Gi.It. in liquidazione	Via privata D. Giustino, 3/A - Napoli - Italia	EUR	2,582.00	50.000%	0.000%	
Consorzio Groupement Lesi-Dipenta	Via Indonesia, 100 - Roma - Italia	EUR	258,228.00	0.010%	0.000%	
Consorzio I.R.S.A.	Via Argine, 425 - Napoli - Italia	EUR	0.00	0.000%	50.000%	R.I.C. S.p.A.
Consorzio Inau in liquidazione	Viale Cesare Pavese, 205 - Roma - Italia	EUR	77,469.00	40.630%	0.000%	
Consorzio Iricav Due	Via F. Tovaglieri, 413 - Roma - Italia	EUR	510,000.00	32.990%	0.000%	
Consorzio Iricav Uno	Via F. Tovaglieri, 413 - Roma - Italia	EUR	520,000.00	27.910%	0.000%	
Consorzio Ital.Co.Cer.	Piazza Buenos Aires, 5 - Roma - Italia	EUR	51,600.00	30.000%	0.000%	
Consorzio Italvenezia	Via Salaria, 1039 - Roma - Italia	EUR	77,450.00	25.000%	0.000%	

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Consorzio L.A.R. in liquidazione	Via Palestro, 30 - Roma - Italia	EUR	206,583.00	29.410%	0.000%	
Consorzio Metrofer	Viale Liegi, 26 - Roma - Italia	EUR	25,823.00	33.320%	0.000%	
Consorzio Novocen	Via Oraz, 143 - Napoli - Italia	EUR	51,640.00	40.760%	0.000%	
Consorzio Olbia Mare in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	15,494.00	72.500%	0.000%	
Consorzio Qalat	Corso Carlo Marx, 19 - Misterbianco (CT) - Italia	EUR	10,327.00	40.000%	0.000%	
Consorzio Recchi S.p.A.- Astaldi S.p.A.	Via Salaria, 1039 - Roma - Italia	EUR	51,646.00	50.000%	0.000%	
Consorzio Tagliamento	Via G.V. Bona, 101/C - Roma - Italia	EUR	154,937.00	15.000%	0.000%	
Consorzio Team	Viale Sarca, 336 - Milano - Italia	EUR	45,900.00	11.111%	0.000%	
Consorzio TRA.DE.CI.V.	Via G. Verdi, 35 - Napoli - Italia	EUR	154,937.00	17.727%	0.000%	
Consorzio Tre Fontane Nord in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	15,494.00	33.333%	0.000%	
Cospe S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	10,200.00	100.000%	0.000%	
Costruttori Romani Riuniti Grandi Opere S.p.A. in liquidazione	Via P. Stanislao Mancini, 2 - Roma - Italia	EUR	5,164,568.00	1.000%	0.000%	
D.G.M. S.r.l. in liquidazione	Via Torna, 58 - Bari - Italia	EUR	153,000.00	19.960%	0.000%	
DI.SA. Disinquinamento Sarno S.c.r.l. in liquidazione	Viale Italia, 1 - Sesto S. Giovanni (MI) - Italia	EUR	50,490.00	33.230%	0.000%	
Diga di Arcichiaro S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	35,700.00	100.000%	0.000%	
Diga di Blufi S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	45,900.00	50.000%	0.000%	
DIP.A. S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	10,200.00	100.000%	0.000%	
DP 2M S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	10,200.00	72.000%	0.000%	
Eco Po Quattro S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	25,500.00	80.000%	0.000%	
Ecosarno S.c.r.l.	Viale Italia,1 - Sesto S. Giovanni (MI) - Italia	EUR	50,490.00	33.334%	0.000%	
Fiorbis S.c.r.l. in liquidazione	Viale Sarca, 336 - Milano - Italia	EUR	46,481.00	99.980%	0.000%	
Fondazione Accademia Nazionale di S. Cecilia	Via Vittoria, 6 - Roma - Italia	EUR	0.00	0.000%	0.000%	
Forum S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	51,000.00	59.990%	0.000%	
Fosso Canna S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	25,500.00	32.000%	0.000%	
Fusaro S.C.r.l.	Via privata D. Giustino, 3/A - Napoli - Italia	EUR	10,200.00	0.010%	0.000%	
G.G.O. S.c.r.l. in liquidazione	Zona Industriale - Agrigento - Italia	EUR	25,500.00	10.000%	0.000%	
Groupement Astaldi - Italstrade - El Hajji-Houar	Rabat - Marocco		0.00	10.000%	50.000%	Italstrade S.p.A.
Groupement Astaldi SpA - Astaldi International Ltd.	B.P. 4230 - Gibuti	US\$	0.00	60.000%	40.000%	Astaldi International Ltd.
Groupement Cir S.p.A.	Via Agrigento, 5 - Roma - Italia	EUR	156,000.00	0.000%	33.330%	Italstrade S.p.A.
Groupement Eurolep	Shifflandestrasse, 35 - Aaran 5000 - Svizzera	CHF	100,000.00	22.000%	0.000%	
Groupement Italgisas	Angle Boulevard de la Resistance et Rue de Puissesaux - Casablanca - Marocco	MAD	207,014,000.00	0.000%	40.000%	Italstrade S.p.A.
Holding Eléctrica Centroamericana S.p.A. - (Heca S.p.A.) in Liq.	Via G.V. Bona, 65 - Roma - Italia	EUR	100,000.00	50.000%	0.000%	
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	20.293%	0.000%	
I.F.C. Due S.c.r.l. in liquidazione	Via G. V. Bona, 65 - Roma - Italia	EUR	45,900.00	99.990%	0.000%	
I.F.C. S.c.r.l. in liquidazione	Via G. V. Bona, 65 - Roma - Italia	EUR	45,900.00	66.660%	0.000%	
Imprese Riunite Genova S.c.r.l. in liquidazione	Via A. Gramsci, 20 - Genova - Italia	EUR	25,500.00	16.100%	0.000%	
Imprese Riunite Genova Seconda S.c.r.l. in liquidazione	Via Serra, 2/9 - Genova - Italia	EUR	25,000.00	16.100%	0.000%	
Infralegrea S.c.r.l.	Via privata D. Giustino, 3/A - Napoli - Italia	Euro	46,600.00	50.000%	0.000%	
Irimuse S.c.r.l.	Via Salaria, 1039 - Roma - Italia	EUR	619,745.00	0.100%	0.000%	

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Isclero S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	12,000.00	31.170%	0.000%	
Italsagi Sp. Zo. O.	Ul. Powstancow - Katowice - Polonia	PLN	100,000,000.00	0.000%	34.000%	Italstrade S.p.A.
Italstrade CCCF JV Bucuresti S.r.l.	Gheorghe Manu, 20 Sector 1 - Bucarest - Romania	LEI	2,000,000.00	0.000%	1.000%	Italstrade S.p.A.
Leonardo 2000 S.c.r.l. in liquidazione	Via Carlo Pesenti, 121/123 - Roma - Italia	EUR	10,200.00	7.500%	0.000%	
Linea A S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	25,500.00	100.000%	0.000%	
M.N. Metropolitana di Napoli S.p.A.	Via Galileo Ferraris, 101 - Napoli - Italia	EUR	3,655,397.00	22.620%	0.000%	
M.N.6 S.c.r.l.	Via G.Ferraris n.101 - Napoli - Italia	EUR	51,000.00	1.000%	0.000%	
Marsico Nuovo S.c.r.l. in liquidazione	Via Dora, 2 - Roma - Italia	EUR	10,200.00	25.000%	0.000%	
ME.SA. S.c.r.l. in liquidazione	Via della Cooperazione, 30 - Bologna - Italia	EUR	40,800.00	25.000%	0.000%	
Messina Stadio S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	45,900.00	33.330%	0.000%	
Metrogenova S.c.r.l.	Via Antonio Gramsci, 20 - Genova - Italia	EUR	25,500.00	16.510%	0.000%	
Metroveneta S.c.r.l.	Piazza Castello, 16 - Padova - Italia	EUR	25,500.00	50.000%	0.000%	
Monte Vesuvio S.c.r.l.	Viale Italia, 1 - Sesto S. Giovanni (MI) - Italia	EUR	45,900.00	50.000%	0.000%	
Montedil-Astaldi S.p.A. (MONTAST) in liquidazione	Via G.V. Bona, 65 - Roma- Italia	EUR	408,000.00	100.000%	0.000%	
Mormanno S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	10,200.00	74.990%	0.000%	
N.P.F. - Nuovo Polo Fieristico S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	40,000.00	50.000%	0.000%	
Napoli Porto S.c.r.l. in liquidazione	Via G. Verdi, 35 - Napoli - Italia	EUR	10,328.00	15.000%	0.000%	
NO.VI.F.IN. Nova Via Festinat Industrias S.c.r.l.	Riviera di Chiaia, 72 - Napoli - Italia	EUR	10,329.00	0.010%	0.000%	
Nova Metro S.c.r.l.	Via Montello, 10 - Roma - Italia	EUR	40,800.00	20.000%	0.000%	
Palese Park S.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	1,020,000.00	99.000%	0.000%	
Pantano S.c.r.l.	Via Montello, 10 - Roma - Italia	EUR	40,800.00	10.000%	0.000%	
Parking Puccini S.c.r.l. in liquidazione	Viale Italia, 1 - Sesto S. Giovanni (MI) - Italia	EUR	45,900.00	50.000%	0.000%	
Pavimental S.p.A.	Piazza Ferdinando De Lucia, 15 - Roma - Italia	EUR	4,711,515.00	1.303%	0.000%	
Pegaso S.c.r.l.	Via F. Tovaglieri, 17 - Roma - Italia	EUR	260,000.00	43.750%	0.000%	
Piana di Licata S.c.r.l. in liquidazione	Via G. V. Bona, 65 - Roma - Italia	EUR	10,200.00	35.000%	0.000%	
Piceno S.c.r.l. in liquidazione	Viale Italia, 1 - Sesto S. Giovanni (MI) - Italia	EUR	10,200.00	50.000%	0.000%	
Platamonas Sarantopulos J.V.	Atene - Grecia	---	0.00	14.450%	0.000%	
Plus S.r.l.	Via del Tritone, 53 - Roma - Italia	EUR	765,000.00	11.640%	0.000%	
Pont Ventoux S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	51,000.00	56.250%	0.000%	
Portovesme S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	25,500.00	80.000%	0.000%	
Principe Amedeo S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	10,200.00	50.000%	0.000%	
Priolo Siracusa S.c.r.l.	Piazza Velasca, 4 - Milano - Italia	EUR	11,000.00	20.000%	0.000%	
Quattro Venti S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	51,000.00	60.000%	0.000%	
Raggruppamento Astaldi-Vianini in liquidazione	S.P. per Fisciano Km.1 - Fisciano (SA) - Italia	EUR	25,823.00	50.000%	0.000%	
Roma Lido S.c.r.l.	Via Carlo Pesenti, 121/123 - Roma - Italia	EUR	10,200.00	19.115%	0.000%	
S. Filippo S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	10,200.00	80.000%	0.000%	
S. Leonardo S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	10,200.00	51.000%	0.000%	
S.A.A.L.P. S.n.c. in liquidazione	Via Boncompagni, 47 - Roma - Italia	EUR	51,646.00	30.000%	0.000%	
S.A.C.E.S. S.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	26,000.00	37.000%	0.000%	

Companies	Address	Currency	Par Value of share capital	% owned directly	% owned indirectly	Entity holding indirect investment
Sa.Di.Pe. S.c.r.l. in liquidazione	Via della Dataria, 22 - Roma - Italia	EUR	40,800.00	49.950%	0.000%	
Salgit S.r.l.	Via della Dataria, 22 - Roma - Italia	EUR	10,200.00	0.000%	33.000%	Italstrade S.p.A.
Santangelo S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	51,000.00	45.000%	0.000%	
Silva S.r.l. in liquidazione	Via Monte Santo, 1 - Roma - Italia	EUR	15,300.00	99.000%	0.000%	
SO.GE.DEP. S.r.l. in liquidazione	Via dell'Astronomia, 9 - Roma - Italia	EUR	20,658.00	22.840%	0.000%	
So.Gr.Es. S.c.p.a. in liquidazione	Via Molise, 11 - Roma - Italia	EUR	129,000.00	25.000%	0.000%	
Sociedad Concesionaria BAS S.A.	Santiago del Cile - Cile	Pesos Cileni	8,876,340,000.00	17.070%	0.000%	
Spluga Domani S.p.A.	Via del Crotto, 52 - Campodolcino - Italia	EUR	7,426,250.00	0.710%	0.000%	
Susa Dora Quattro S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	51,000.00	90.000%	0.000%	
Tangenziale Seconda S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	45,900.00	42.730%	0.000%	
TE.CRO. S.c.r.l. in liquidazione	Via G.V. Bona, 65 - Roma - Italia	EUR	10,200.00	100.000%	0.000%	
Todaro S.r.l. in liquidazione	Via Giovanni Pacini, 12 - Palermo - Italia	EUR	233,580.00	0.000%	100.000%	R.I.C. S.p.A.
Toledo S.c.r.l.	Via Morghen, 36 - Napoli - Italia	EUR	50,000.00	90.394%	0.000%	
Transeuropska Autocesta d.o.o	Maksimirska 120/III 10000 - Zagabria - Croazia	HRK	49,019,600.00	49.000%	0.000%	
Tri.Ace S.c.a.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	45,900.00	80.000%	0.000%	
Truncu Reale S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	30,600.00	34.000%	0.000%	
V.A.S.CO. Imprese Riunite	Via Montello, 10 - Roma - Italia	EUR	51,646.00	29.000%	0.000%	
Val Pola S.c.r.l. in liquidazione	Viale Sarca, 336 - Milano - Italia	EUR	46,481.00	35.000%	0.000%	
Valle Caudina S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	50,000.00	52.240%	0.000%	
Veneta Sanitaria Finanza di Progetto - V.S.F.P. S.p.A.	Via Cesare Battisti, 2 - Mestre - VE	Eur	20,500,000.00	31.000%	0.000%	
Vesuviana Strade S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	45,900.00	30.000%	0.000%	
Viadotti di Courmayeur S.c.r.l.	Via G.V. Bona, 65 - Roma - Italia	EUR	10,200.00	66.670%	0.000%	
Viadotto Fadalto S.c.r.l. in liquidazione	Viale Sarca, 336 - Milano - Italia	EUR	51,129.00	80.000%	0.000%	

EXPLANATORY NOTES AND CONSOLIDATED FINANCIAL STATEMENTS

ATTACHMENTS:

CHANGES IN CONSOLIDATED EQUITY

(amounts in Euro/000)

	<i>Subscribed capital</i>	<i>Share Premium reserve</i>	<i>Revaluation reserves</i>	<i>Legal Reserve</i>	<i>Reserve for own shares</i>	<i>acquisition own shares</i>	<i>Conversion reserve (loss)</i>	<i>Extraordinary reserve</i>	<i>Reserve for special liabilities</i>	<i>Euro conversion difference</i>	<i>Profit (loss) carried forward</i>	<i>Profit (loss) for the period</i>	<i>Capital e reserves</i>	<i>Total Equity</i>
Balance at December 31, 2002	98,425	67,836	236	6,624			(7,248)	25,053		(2)	15,212	15,070	307	222,311
Reserve for acquisition of own shares					2,955	21,645		(9,670)			(14,930)			
Allocation profit/loss				594				6,288			3,272	(10,154)		
Payment of dividends												(4,916)		(4,916)
Change in conversion reserve							(11,210)						32	(11,178)
Other changes								4			(178)		7	(167)
Result of the period												15,762	(352)	15,410
Balance at June 30, 2002	98,425	67,836	236	7,218	2,955	21,645	(18,458)	21,675	798	(2)	3,376	15,762	(6)	221,460

EXPLANATORY NOTES AND CONSOLIDATED FINANCIAL STATEMENTS

ATTACHMENTS:

RECONCILIATION BETWEEN THE PARENT COMPANY FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS

	Equity	Profit/loss	Equity	Profit/loss	Equity	Profit/loss
	For the period	For the year	For the period	For the year	For the period	For the year
Euro/000	6/30/2003	6/30/2003	12/31/2002	12/31/2002	6/30/2002	6/30/2002
Equity and profit/loss for the year as stated in the parent company's financial statements (Net of the conversion reserve)	227,879	10,153	222,732	11,876	219,222	8,366
Conversion reserve	(18,458)		(7,248)		5,254	
Elimination of the carrying value of consolidated Equity interests:						
- Difference between carrying value and pro rata value of capital and reserves	(3,617)		(2,270)		(2,235)	
- Pro rata profit/loss of the companies invested in	6,368	6,368	8,064	8,064	6,157	6,157
- Consolidation difference	-		-		(214)	
Elimination of the effects of transactions between consolidated companies:						
- Profits on related party disposals	(5,482)	58	(5,540)	(1,026)	(3,013)	-
- Depreciation on related party sales	2,999	491	2,508	1,006	51	51
- Provision for losses on consolidated companies	6,586	772	5,814	1,209	6,070	1,407
- Covering of losses on consolidated companies	-	7,753				
- Dividends from consolidated companies	(736)	(10,359)	(7,463)	(7,463)	(7,454)	(7,454)
Leasing under the financial method	5,933	526	5,407	1,404	4,792	789
Equity and profit/loss for the year pertaining to the group	221,472	15,762	222,004	15,070	228,630	9,316
Minority interest	(6)	(352)	307	442	559	(368)
Equity and profit/loss for the period as stated in the consolidated financial statements	221,466	15,410	222,311	15,512	229,189	8,948

EXPLANATORY NOTES AND CONSOLIDATED FINANCIAL STATEMENTS

ATTACHMENTS:

CASH FLOW STATEMENT

Euro/000	June 30, 2003	December 31, 2002	June 30, 2002
OPERATING ACTIVITIES			
Profit for the year	15,762	15,070	9,316
Prepaid income taxes	(490)	1,839	0
Depreciation of tangible assets	8,377	13,902	5,278
Amortisation of intangible assets	17,275	22,178	5,165
Provisions for risks and charges and write-down of investments	17,728	18,493	11,290
Provisions for employee severance indemnity	1,955	5,046	3,466
Provisions for doubtful debtors	2,787	14,400	14,327
Losses on disposals of fixed assets	194	385	734
Gains on disposals of fixed assets	(596)	(1,932)	(2,528)
Sub-total	62,992	89,381	47,048
Utilization of the provision for risk and charges	(12,153)	(40,210)	(20,466)
Employee severance indemnity paid	(2,179)	(1,703)	(1,739)
Decrease (increase) in inventory	(957)	(5,944)	3,909
Decrease (increase) in contracts progress	(25,783)	8,648	(72,723)
Decrease (increase) in trade debtors	(16,007)	(57,813)	34,633
Decrease (increase) of other assets	2,319	(14,217)	(20,865)
Decrease (increase) in advances	(8,574)	55,912	26,790
(Decrease) increase in trade creditors	13,962	41,362	(6,497)
Decrease of other liabilities	(7,038)	(58,958)	(12,154)
Net effect of change in consolidation scope	(313)	(4,948)	(3,652)
Cash flows from operating activities	6,269	11,510	(25,716)
INVESTMENT ACTIVITIES			
Purchase of tangible assets (including leasing)	(19,797)	(60,079)	(33,720)
Increase in intangible assets	(3,047)	(44,259)	(12,184)
Proceeds from sale of tangible assets	3,769	20,531	11,752
Purchase of equity investments	(6,215)	(13,688)	(16,372)
Net effect of the change in the consolidation scope	(5,074)	670	671
Cash flows from investment activities	(30,364)	(96,825)	(49,853)
FINANCING ACTIVITIES			
Increase (decrease) in short-term debts			
And financiers	(30,921)	(39,440)	(69,202)
Net balance of loans obtained and repaid during the year	59,188	(52,812)	(49,543)

Payment of dividends		(4,916)	(13,403)	(13,403)
Issuance of debenture loan		0	150,000	150,000
Capital increase		0	62,930	62,930
Cash flows from financing activities	c)	23,351	107,275	80,782
Effect of the change in the consolidation scope				
Change in minority interest capital and reserves		(312)	301	553
Other changes		(160)	833	711
Change in the conversion reserve		(11,210)	(27,661)	(15,159)
Changes in the conversion and consolidation reserves	d)	(11,682)	(26,527)	(13,895)
Cash flows for the period	a)+b)+c)+d)	(12,426)	(4,567)	(8,682)
Cash and cash equivalents at beginning of year		171,875	176,442	176,442
Cash and cash equivalents at end of year		159,449	171,875	167,760
Cash flows for the period		(12,426)	(4,567)	(8,682)

HOLDING COMPANY ACCOUNTS AS AT JUNE 30, 2003

<u>BALANCE SHEET</u>		6/30/2003	12/31/2002	6/30/2002
ASSETS				
A)	<u>Subscribed capital unpaid</u>			
B)	<u>Fixed assets:</u>			
I	<i>Intangible assets:</i>			
	1) Formation and expansion expenses	6,802	7,978	8,730
	3) Patents and rights to use patents of others	498	574	596
	4) Concessions, licenses, trademarks and similar rights	29	568	568
	7) Other:			
	a) Construction site installation costs	7,908	8,754	8,737
	b) Cost of preparing tenders	1,538	1,749	1,778
	c) Other	26,537	38,064	21,332
	<i>Total other</i>	35,983	48,567	31,847
	<i>Total I – Intangible assets</i>	43,312	57,687	41,741
II	<i>Tangible assets:</i>			
	1) Land and buildings	5,765	5,873	5,314
	2) Plant and machinery:			
	a) Specific plants	16,597	14,198	16,885
	b) General plants	5,049	4,513	4,303
	c) Vessels	3	4	4
	<i>Total plant and machinery</i>	21,649	18,714	21,192
	3) Other fixtures and fittings, tools and equipment:			
	a) Excavators, power shovels, heavy vehicles	14,442	14,701	12,520

b) Light vehicles, ships, planes	1,998	2,148	2,377
c) Various small equipment	810	909	647
d) Light constructions	714	809	877
e) Metal sheet pile and shuttering	911	942	627
<i>Total tools, fittings, fixtures and other equipment</i>	18,874	19,509	17,048
4) Other:			
a) Electronic office equipment	830	868	909
b) Furniture, fittings and office equipment	856	881	923
c) Freely transferable assets	2,390	2,428	2,466
<i>Total other</i>	4,076	4,176	4,298
5) Tangible assets in course of constr. & paym. on account	1,730	392	3,644
<i>Total II – Tangible assets</i>	52,095	48,664	51,496
<i>III Investments</i>			
1) Equity investments in:			
a) Subsidiaries	38,376	38,467	38,793
b) Associated companies	16,572	16,618	9,959
c) Other companies	1,870	1,870	2,106
<i>Total – Investments</i>	56,818	56,955	50,858
2) Loans and long-term receivables from:			
a) Subsidiaries	23,066	14,896	17,289
b) Associated companies	11,876	11,437	10,263
c) Other equity investments	3,722	3,068	1,680
d) Other entities	38,881	39,784	22,932
<i>Total – loans and long-term receivables</i>	77,545	69,185	52,164
4) Own shares	2,955	---	---

	<i>Total III – Investments</i>	137,318	126,140	103,022
	Total fixed assets B)	232,725	232,492	196,259
C)	<u>Current Assets</u>			
I	Inventories			
	1) Raw materials and consumables	30,407	29,360	18,852
	2) Finished goods and work in progress	30	---	---
	3) Contracts in progress	202,624	186,196	261,900
	4) Finished goods and goods for resale	918	918	2,994
	6) Assets and material in transit	4,546	5,875	7,555
	<i>Total I – Inventories</i>	238,525	222,349	291,300
II	Debtors			
	1) Trade debtors:			
	Within the next financial year	217,050	190,212	133,484
	Beyond the next financial year	6	6	994
	<i>Total trade debtors</i>	217,056	190,218	134,478
	2) Subsidiaries	47,585	52,631	57,238
	3) Associated companies	23,610	21,530	39,999
	4) Parent companies	14	18	10
	5) Other debtors:			
	a) Tax authorities:			
	Within the next financial year	42,938	40,400	53,621
	Beyond the next financial year	11,935	20,716	24
	<i>Total amount due to tax authorities</i>	54,873	61,116	53,645
	b) Personnel	845	770	733
	c) Social security institutions	1,626	1,852	1,207

d) Deposits:				
	Within the next financial year	49	75	68
	Beyond the next financial year	742	759	683
	<i>Total deposits</i>	791	835	751
	e) Amounts due to equity investments	1,922	1,655	3,482
	f) Other receivables	56,411	55,549	67,340
	<i>Total other debtors</i>	116,469	121,777	127,158
	<i>Total II – Debtors</i>	404,733	386,173	358,883
III	<i>Investments which are not permanent</i>			
	5) Other investments	3,259	16,587	3,462
IV	<i>Cash at bank and in hand</i>			
	1) Bank and postal current accounts	133,325	126,215	144,673
	3) Cash on hand	276	207	318
	<i>Total IV – Cash at bank and in hand</i>	133,601	126,422	144,991
	Total current assets C)	780,118	751,530	798,637
D)	Prepayments and accrued income	3,392	4,302	5,932
	TOTAL ASSETS	1,016,235	988,324	1,000,828
LIABILITIES				
A)	<u>Equity</u>			
I	Subscribed capital	98,425	98,425	98,425
II	Share premium reserve	67,836	67,836	67,836
III	Revaluation reserve	---	---	---
IV	Legal reserve	7,218	6,624	6,624
V	Reserve for own shares	2,955	---	---
VI	Statutory reserves	---	---	---

VII	Other reserves:			
	1) Reserve for currency translation adjustment	-9,439	-2,858	8,341
	2) Extraordinary reserve	18,847	22,245	22,245
	3) Reserve for specific risks	798	798	798
	4) Reserve for acquisition of own shares	21,645	---	---
	5) Reserve for merger	---	14,930	14,930
	6) Euro conversion difference	-2	-2	-2
	<i>Total other reserves</i>	31,849	35,112	46,312
VIII	Profit (loss) carried forward	5	---	---
XI	Profit (loss) for the financial period	10,153	11,876	8,366
	Total equity A)	218,440	219,874	227,563
B)	<u>Provisions for risks and charges</u>			
	2) Tax liabilities	3,259	3,300	---
	3) Other:			
	a) For contractual risks	57,006	50,944	64,705
	b) For losses on equity investments	6,482	1,404	1,164
	C) Reserve in accordance with art. 27 of articles of incorporation	89	---	---
	Total provisions for risks and charges B)	66,837	55,648	65,869
C)	<u>Employee severance indemnity</u>	11,006	11,150	9,642
D)	<u>Creditors</u>			
	3) Amounts due to banks:			
	Within the next financial year	71,579	102,001	73,229
	Beyond the next financial year	90,336	33,945	43,339
	<i>Total amounts due to banks</i>	161,914	135,945	116,568
	5) Advances received:			

Within the next financial year	65,724	38,943	36,078
Beyond the next financial year	44,796	72,453	51,286
<i>Total advances received</i>	110,520	111,396	87,364
6) Trade payables:			
Within the next financial year	148,341	150,587	127,932
Beyond the next financial year	5,237	5,041	3,463
<i>Total trade payables</i>	153,578	155,628	131,395
8) Amounts due to subsidiaries	191,521	190,476	260,332
9) Amounts due to associated companies	54,976	58,154	36,958
11) Amounts due to tax administrations	8,834	6,582	24,210
12) Amounts due to Social Security Institutions	4,833	4,926	3,793
13) Other creditors:			
a) Other equity investments	6,688	7,096	7,169
b) Deposits and cautions			
Beyond the next financial year	9	13	36
c) Personnel	5,596	4,220	8,855
d) Other	14,887	15,875	18,486
<i>Total other creditors</i>	27,179	27,204	34,546
Total creditors D)	713,356	690,310	695,166
E) <u>Accrued and deferred income</u>	6,595	11,343	2,588
TOTAL LIABILITIES & EQUITY	1,016,235	988,324	1,000,828
OFF-BALANCE SHEET ACCOUNTS			
A) <u>Personal guarantees</u>			
1) Guarantees for credit lines:			
a) For subsidiaries	69,471	73,095	71,680

b) For associated companies	89,135	88,337	57,361
c) For third parties	20,610	22,321	18,506
<i>Total guarantees for credit lines</i>	179,215	183,753	147,547
2) Guarantees for works:			
a) For subsidiaries	268,658	267,563	218,878
b) For associated companies	648,499	685,874	632,115
c) For third parties	422,482	377,858	386,193
<i>Total guarantees for works</i>	1,339,639	1,331,295	1,237,186
3) Other guarantees	116,928	115,997	130,887
Total personal guarantees A)	1,635,782	1,631,045	1,515,620
B) <u>Other off-balance sheet accounts</u>			
1) - Third parties leased assets	26,052	23,063	21,325
2) - Risk of recourse from factors	128,584	164,806	88,790
3) - Other	27,452	27,452	---
Total other off-balance sheet accounts B)	226,058	215,321	110,115
C) Collateral security	43,969	---	---
D) <u>Third party guarantees in our favour</u>	42,171	20,906	17,772
TOTAL OFF-BALANCE SHEET ACCOUNTS	1,904,011	1,867,273	1,643,507

HOLDING COMPANY ACCOUNTS AS AT JUNE 30, 2003

<u>PROFIT AND LOSS ACCOUNT</u>		6/30/2003	12/31/2002	6/30/2002
A)	<u>Value of production:</u>			
	1) Net turnover from sales and services:			
	a) From contracts	261,273	521,998	243,113
	2) Variation in inventories of finished goods	30	---	---
	3) Variation in contract in progress	56,671	68,611	74,999
	4) Work performed for own purposes and capitalized	1,786	7,669	3,493
	5) Other revenue	20,063	37,356	24,291
	Total value of production A)	339,823	635,635	345,896
B)	<u>Costs of production</u>			
	6) For raw materials, consumables and other goods	55,892	99,762	42,243
	7) For services	174,391	383,428	231,228
	8) For use of assets owned by others	5,926	11,446	5,729
	9) For personnel:			
	a) Wages and salaries	30,026	56,358	25,903
	b) Social security charges	8,015	15,310	7,385
	c) Provisions for severance indemnities	1,650	3,485	3,138
	e) Other costs relating to staff	5,788	8,618	2,634
	Total personnel	45,478	83,771	39,060
	10) Amortization, depreciation and write-down:			
	a) Amortization of intangible assets	17,093	22,032	4,933

b) Depreciation of tangible assets	4,931	8,616	3,085
d) Allowance for doubtful debtors included in current assets other accounts included in cash at bank and on hand	2,787	14,400	14,327
<i>Total cost for amortization, depreciation and write-down</i>	24,811	45,048	22,345
11) Variations in invent. Of raw materials, consumables and goods for resale	43	-15,114	-5,032
12) Risk allowances:			
a) Provision	16,993	11,257	3,987
b) Utilization	-14,431	-41,281	-19,003
<i>Total risk allowances</i>	2,562	-30,024	-15,016
14) Other operating charges	6,198	12,258	6,636
Total costs of production B)	315,300	590,575	327,191
Difference between value and cost of production (A-B)	24,523	45,060	18,703

C) Financial income and charges

15) Income from equity investments:			
a) From subsidiaries	11,718	8,273	6,188
b) From associated companies	319	585	537
c) From other equity investments	---	839	826
<i>Total income from equity investments</i>	12,037	9,697	7,551
16) Other financial income:			
d) Other income not included above:			
1) From subsidiaries	---	498	---
2) From associated companies	---	12	---
3) From others	10,119	18,678	9,334
<i>Total other financial income</i>	10,119	19,188	9,334
17) Interest charges and similar charges			
1) From subsidiaries	---	9,788	4,526

2) From associated companies	---	6	---
3) From others for other financial charges	21,693	32,164	16,908
<i>Total interest charges and similar charges</i>	21,693	41,958	21,433
Total (15+16-17)	463	-13,073	-4,549
D) <u>Value adjustments in respect of investments</u>			
19) Write-downs:			
a) Of equity investments	10,435	3,433	---
b) Of shares recorded under the current liabilities	---	1,277	---
Total adjustments (18 - 19)	-10,435	-4,710	---
E) <u>Extraordinary income and charges</u>			
20) Income:			
a) Other income	2,637	5,961	3,250
21) Charges:			
a) Capital losses on disposal of assets	2	300	-258
b) Taxation of previous years	144	3,388	25
c) Other charges	4,669	8,023	5,340
<i>Total extraordinary charges</i>	4,816	11,712	5,107
Total extraordinary income and charges (20-21)	-2,179	-5,751	-1,857
Profit (loss) before income taxes (A-B+C+D+E)	12,372	21,525	12,298
22) Income taxes on the income of the period:			
a) Current tax	899	4,955	3,932
b) Deferred tax assets	1,321	4,694	---
Total taxes	2,219	9,649	3,932
26) Profit (loss) of the period	10,153	11,876	8,366

AUDITORS' REPORT ON THE REVIEW
OF THE MANAGEMENT REPORT
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2003 OF
ASTALDI S.p.A.

*(The consolidated 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 ON THE REVIEW
OF THE MANAGEMENT REPORT
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2003 OF
ASTALDI S.p.A.

(Translation from the original Italian version)

To the Shareholders of
Astaldi S.p.A.

1. We have performed the review of the Management Report of Astaldi S.p.A. for the semi-annual period ended June 30, 2003, represented by the statements of Consolidated Balance Sheet and Consolidated Statement of Income and related Notes (the "statements"). We have also reviewed that part of the financial information presented by the Board of Directors in the Management Report with respect of their discussions and analyses of the consolidated operations of Astaldi S.p.A., solely for the purpose of evaluating its consistency with the above mentioned statements and related Notes.
2. Our review was conducted in accordance with auditing standards governing review of interim financial statements recommended by CONSOB (the Italian Stock Exchange Regulatory Agency) in its resolution No. 10867 of July 31, 1997. A review consists mainly of obtaining information with respect to the accounts included in the statements identified in paragraph 1 of this report and the consistency of the accounting principles applied through discussions with appropriate members of management, and analytical procedures applied to the financial data presented in such statements. A review does not include performing auditing procedures such as tests of compliance of internal controls and substantive procedures on assets and liabilities. Consequently, the scope of a review engagement provides significantly less assurance than a full scope audit performed in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the statements identified and related Notes identified in paragraph 1 of this report of Astaldi S.p.A. as of and for the six months period ended June 30, 2003 as we do in connection with reporting on our full scope audit of the annual consolidated financial statements of Astaldi S.p.A..
3. With respect to the consolidated comparative data as of and for the year ended December 31, 2002 and for the six months period ended June 30, 2002, reference should be made to our audit and review reports issued on April 7, 2003 and on September 18, 2002 respectively.
4. Based on our review, we did not become aware of any significant modifications that should be made to the statements and related Notes identified in paragraph 1 of this report, in order for them to be in conformity with the criteria for the presentation of the semi-annual Management Report, stated by art. 81 of CONSOB regulations as approved in its resolution No. 11971 of May 14, 1999 and subsequent modifications.

Rome, September 19, 2003

Reconta Ernst & Young S.p.A.

Signed by: Roberto Tabarrini, partner