



## ASTM – AUTOSTRADA TORINO-MILANO S.P.A.

Turin, 24 March 2005

### PRESS RELEASE

#### 2004 SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

- 2004 separate and consolidated financial statements examined
- Annual general meeting of shareholders convened to approve the financial statements and proposed dividend
- Sale of equity interest in Milano Serravalle - Milano Tangenziali S.p.A.

The Board of Directors of ASTM S.p.A. today examined the separate and consolidated financial statements for the year ended 31 December 2004:

- **increases** in both “**revenues from motorway operations (+7.3%)** and “**gross operating margin” (EBITDA)** of EUR 25.3 million (+ **15.9%**) thanks in part to the contribution of the “construction” and “engineering” sectors and despite extensive maintenance work on the motorway network managed by the Group.
- Group **net earnings** exceeded **EUR 100 million**

#### GROUP PROFIT AND LOSS

The principal components of the 2004 income statement (compared with those of 2003) can be summarized as follows:

<b>(values in EUR millions)</b>	<b>2004</b>	<b>2003</b>	<b>Changes</b>
Revenues from motorway operations	275.5	256.8	18.7
Production of the “construction” and “engineering” sectors	225.1	134.3	90.8
Other income	25.2	28.6	(3.4)
Operating costs	(341.4)	(260.6)	(80.8)
<b>EBITDA</b>	<b>184.4</b>	<b>159.1</b>	<b>25.3</b>
Depreciation/amortization and provisions	(90.0)	(82.0)	(8.0)
Use of the renewal fund	51.9	51.6	0.3
<b>EBIT</b>	<b>146.3</b>	<b>128.7</b>	<b>17.6</b>
Financial income	13.3	13.1	0.2
Financial expense	(24.6)	(23.6)	(1.0)
Impairments of financial assets	21.8	28.8	(7.0)
<b>Balance of the financial operation</b>	<b>10.5</b>	<b>18.3</b>	<b>(7.8)</b>
Extraordinary income	3.5	8.3	(4.8)
Extraordinary expense	(1.2)	(2.3)	1.1
<b>Pre-tax result</b>	<b>159.1</b>	<b>153.0</b>	<b>6.1</b>
Income taxes	(53.8)	(51.4)	(2.4)
<b>Net profit including minority interests</b>	<b>105.3</b>	<b>101.6</b>	<b>3.7</b>
Minority interests	(5.2)	(2.1)	(3.1)
<b>Group net profit</b>	<b>100.1</b>	<b>99.5</b>	<b>0.6</b>



The **increase** in “*revenues from motorway operations*” (EUR 18.7 million: **+7.3%**) resulted in an **increase** in *EBITDA* of **25.3 million (+15.9%)** thanks to the contribution of the “construction” and “engineering” sectors, also and despite an extensive maintenance program on the motorway network managed by the Group.

- The “*revenues from motorway operations*” totaling EUR 275.5 million (256.8 million in 2003) benefited from a toll increase by SATAP S.p.A. (A4 and A21 sections), SAV S.p.A. and ATIVA S.p.A., applying the price-cap formula, and from an increase in total kilometers traveled at the Group level, as well as an increase in fees earned from the service areas as a result of partial renegotiation of royalties on fuel during the year.
- The value of “*production*” in the “construction” and “engineering” sectors, equal to EUR 224.7 million, increased by 90.4 million over 2003, due primarily to progress on projects and engineering on the "High Capacity" Turin-Milan rail line on behalf of the CAV TO-MI Consortium.
- “*Operating costs*”, related to the increased production of the “construction” and “engineering” sectors, also reflect the extensive maintenance program during the year on the network managed by the Group.
- The “*balance of the financial operation*” was EUR 10.5 million (18.3 million in 2003); this reduction was primarily the result of adjusting the value of the shareholding in Ferrovie Nord Milano S.p.A. (equal to 5.1 million of EUR) to current market values.
- Regarding the “*balance of extraordinary items*”, these items benefited - during the previous year - from a capital gain of EUR 7.3 million on the sale of shareholdings.

As a consequence of the above, **net profit for the year**” (EUR **100.1 million**) was in line with the corresponding figure for 2003 (99.5 million).

## GROUP FINANCIAL OPERATION

The net financial position of the Group at 31 December 2004 showed indebtedness of EUR 409.7 million, including 69 million in medium/long-term loans guaranteed by the State.

The principal components of the financial operation in 2004 (compared with those of 2003) can be summarized as follows:

	<b>31/12/2004</b>	<b>31/12/2003</b>	<b>Changes</b>
Cash and cash equivalents	212.3	114.2	98.1
Short-term bank debt	(62.8)	(70.7)	7.9
Bond loan	(120.0)	-	(120.0)
<b>Short-term balance</b>	<b>29.5</b>	<b>43.5</b>	<b>(14.0)</b>
Other non-current financial assets	6.0	62.1	(56.1)
Medium/long-term bank indebtedness	(445.1)	(357.9)	(87.2)
Bond loan	-	(120.0)	120.0
<b>Net financial position</b>	<b>(409.6)</b>	<b>(372.3)</b>	<b>(37.3)</b>

The **cash flows** generated during the period (EUR **122 million**), as well as the cash generated by the sale of treasury stocks (6.2 million), were used to **complete the incremental works** on the Group’s **motorway infrastructure** (which registered an **increase** of **EUR 105 million**) and to **acquire shareholdings** worth **7.5 million**. The parent company paid out a total of **EUR 48.1 million** in **dividends** (on the 2003 result and advance dividends on the 2004 result).



On 10 February 2005, the parent company fully **repaid the** “ASTM Eurobond 2000-2005” bond loan equal to **EUR 120 million**.

**The debt-equity ratio** at year-end was **0.68**.

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Regarding **parent company ASTM S.p.A.**, the **2003 income statement** shows **net earnings** of **EUR 334.6 million**; 292 million of this amount is attributable to the capital gain on the conferral made to subsidiary SATAP S.p.A., while the remainder was “income from shareholdings” collected from subsidiaries SATAP S.p.A., SINA S.p.A. and ATIVA S.p.A.

The **financial position** at 31 December 2004 showed EUR 19 million in debt (remaining after distribution of the advance dividend, for a total value of 17.6 million, paid by the company in December 2004).

It should be also considered the cash deriving from collection of dividends - relative to 2004 - from the subsidiaries (equal to EUR 15 million) and the sale of shares in Milano Serravalle – Milano Tangenziali S.p.A. (equal to 24 million).

On 4 March 2005, following its periodic audit, Borsa Italiana S.p.A. confirmed the inclusion of the ASTM S.p.A. stock in the basket of securities traded in the **MIDEX** index.

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The Board of Directors convened the annual general meeting of shareholders for 29 April 2005 (1st call) and 9 May 2005 (2nd call), where the Board will propose a **dividend** distribution of **EUR 0.20 per share** for a total of EUR 17.6 million.

The dividend—in conformity with the directives issued by Borsa Italiana S.p.A.—will be payable from 12 May 2005 (in which case the shares will be quoted ex-dividend from 9 May 2005, with detachment of coupon no. 22) if the shareholders approve the financial statements on 29 April 2005 (1st call), or from 19 May 2005 (in which case the shares will be quoted ex-dividend from 16 May 2005, with detachment of the same coupon) if the shareholders approve the financial statements on 9 May 2005 (2nd call).

The total amount of the **dividend** relative to 2004, considering the advance dividend of EUR 0.20 per share paid in December 2004, would be equal to **EUR 0.40** per share, for a total of EUR 35.2 million.

The Board of Directors also convened an extraordinary shareholders’ meeting on 29 April 2005 (1<sup>st</sup> call), 2 May 2005 (2<sup>nd</sup> call) and 9 May 2005 (3<sup>rd</sup> call) to vote on proposed modifications to the company bylaws to conform to the new corporate configuration assumed by the company.

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## **Sale of shares in Milano Serravalle - Milano Tangenziali S.p.A.**

The Board of Directors of Autostrada Torino-Milano S.p.A., meeting today, also voted to sell 5,005,992 shares of **Milano Serravalle – Milano Tangenziali S.p.A.** (equal to 2.8% of the share capital) to Autostrada dei Fiori S.p.A. (a SIAS Group company) at a price of EUR 4.85 per share, for a total value of **EUR 24 million** (realizing a capital gain of EUR 9.2 million). The sale price is in line with recent trading of the aforesaid stock. In the case the company is listed on the Italian Stock Exchange within the next three years, this price will be increased by 50% of the potential difference between the aforesaid valuation and the IPO price. As result of this transaction, the percentage of ownership by the ASTM Group in that concessionaire will be **8.88%** of the share capital.

This sale is part of a project to reallocate the equity participations portfolio between the ASTM and SIAS groups, both controlled by Argo Finanziaria S.p.A., and thus represents a transaction between related parties which by object, amount, procedures or timing has no effect on the safeguarding of company assets. The Company will therefore publish no informative document pursuant to Article 71-bis of CONSOB Reg. 11971/99 and subsequent modifications.

Please note, lastly, that none of the Directors of the companies involved in the sale-purchase transaction has any personal interest in the transaction and that no change in the compensation of directors is foreseen on the outcome of this transaction.

The Chairman  
Riccardo Formica

Annex - Transition to the IAS/IFRS

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## **TRANSITION TO IAS/IFR**

With reference to CONSOB Communication DME/5015175 of 10 March 2005, please note that has been assessed the impact on the **consolidated** shareholders' equity of the ASTM Group at 31 December 2003 and 2004 deriving from the adoption of the IFRS. This analysis revealed no significant adjustments except for valuation of the shareholding in Milano Serravalle-Milano Tangenziali S.p.A. by the “fair value” criterion, which would result in a significant improvement in the aforesaid shareholders' equity.

It should be noted that the accounting treatment for “reversible assets” is not yet fully addressed in the International Accounting principles, except for a purely informative note, contained in Standing Interpretation Committee no. 29 (SIC 29 Disclosure - Service Concession Arrangements), while examination of “Service Concession Arrangements” by the International Financial Reporting Interpretation Committee (IFRIC) continues. Consequently, the above assets were considered, for the IFRS purposes, in conformity with the current national accounting practices.