



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

Turin, 12 May 2005

PRESS RELEASE

2005 FIRST QUARTER REPORT

- The Board of Directors of ASTM S.p.A. today examined the consolidated report for the first quarter of 2005:
 - Growth in **revenues from motorway operations (+ 3.2%)** and **EBITDA (+ 7.2%)**
- The Board of Directors appointed the General Manager

The gross operating margin (EBITDA) and the net financial position (compared to the corresponding data for 2004) can be summarized as follows:

REVENUES AND EBITDA

(amounts in € millions)

	Q1 2005	Q1 2004	Changes
Revenues from motorway operations	66.4	64.4	2.0
Production of the construction sector	47.7	45.2	2.5
Other income and recovered expenses	5.8	6.1	(0.3)
Total revenues (A)	119.9	115.7	4.2
Operating costs (B)	(73.5)	(72.4)	(1.1)
Gross operating margin (EBITDA) (A-B)	46.4	43.3	3.1

The increase in “revenues” for the period (+ 3.7%), along with an optimized management of operating costs, is reflected in EBITDA, which increased by 7.2%.

The change in “revenues” is attributable to the increase in “revenues from motorway operations” and increased “production” of the companies operating in the construction and engineering sector. In particular, “revenues from motorway operations” totalled € 66.4 million (€ 64.4 million in the first



quarter of 2004). This increase (€ 2.0 million or 3.2%) was the result of higher royalties on fuel and toll rate increases determined by applying the price-cap formula as of 1 January 2005, as it follows:

- SATAP (A21 section) + 0.92%
- SAV + 11.69%
- ATIVA + 1.51%
- SATAP (A4 section):
 - Turin-Novara section + 0.71%
 - Novara-Milan section + 1.53%

Regarding SATAP S.p.A. (A4 section) and ATIVA S.p.A., the toll rate change is only related to "expected productivity increases", while the incremental component linked to the remuneration of "new investments", included in the financial plans currently under examination by ANAS, have not yet been defined.

Traffic volumes were basically in line with the values for the corresponding period of 2004, but the "heavy vehicles" component increased its share in Q1 2005 with a corresponding decrease for "light vehicle".

The value of "production" in the "engineering and construction" sector, equal to € 47.7 million, showed an increase of € 2.5 million or +5.6% over the first quarter of 2004. This increase was attributable to progress in the activities related to the upgrade of the Turin-Milan motorway and the construction of the Turin-Pinerolo motorway link, as well as further development in the engineering works of sub-holding company SINA S.p.A.

Despite increased production in "engineering and construction", "operating costs" reflected the group's operational optimization effort.

Due to the foregoing, the "gross operating margin" or EBITDA in Q1 2005 was equal to € 46.4 million (versus € 43.3 million in the first quarter of 2004), with an increase of 7.2%.

Net financial debt at 31 March 2005 can be broken down as follows:

Net financial position (values in € millions)	31/3/2005	31/12/2004
Financial assets	86.7	218.3
Financial liabilities	(514.9)	(627.9)
Consolidated net financial position	(428.2)	(409.6)



The “*net financial position*” at 31 March 2005 was a negative € 428.2 million (€ 409.6 million at 31 December 2004) and includes € 49 million in medium/long-term loans guaranteed by the State.

The cash-flow generated in the period were used to finance expansion and upgrading projects on the motorway infrastructure.

Net debt also rose as a result of the financing of the upgrade of the “Turin-Milan” section by subsidiary SATAP S.p.A., through the granting of credit lines to companies currently working on this section. The repayment of those loans is linked to progress on the projects.

On 10 February 2005, the parent company totally repaid the “ASTM Eurobond 2000-2005” bond loan for a total amount of € 120 million.

The Board of Directors appointed **Graziano Settime** as **General Manager** of the Company.

With reference to the adoption of the **IFRS (International Accounting Principles)**, as pointed out in the Board of Directors Report as at 31 December 2004, the SIAS group with the support and coordination of AISCAT (Associazione Italiana Società Concessionarie Autostrade e Trafori), is performing an analysis and evaluation of the main accounting issues related to the introduction of the IFRS; the Group will be ready to adopt the new accounting standards in accordance with the timetable set by current regulation.

It should be highlighted that the accounting treatment for to the “reversible” assets is not yet fully addressed by the International Accounting Principles, except for a purely informative reference in the Standing Interpretation Committee no. 29 (SIC 29 Disclosure – Service Concession Arrangements), while examination of “Service Concession Arrangements” by the IFRIC continues. Consequently, the above assets are considered – for purposes of the IFRS – in conformity with the existing accounting practice, further providing the disclosures required by the aforesaid SIC.

The Chairman
(Riccardo Formica)

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