



SIAS – SOCIETA' INIZIATIVE AUTOSTRADALI E SERVIZI S.p.A.

Tortona, 21 March 2006

PRESS RELEASE

2005 ANNUAL REPORT AND CONSOLIDATED ACCOUNTS

Today the Board of Directors of SIAS S.p.A. examined the annual report and consolidated accounts for the year ended 31 December 2005:

- **Increase** in “revenues from motorway operations” (+ **3.43%**)
- **Growth** of € 32.3 million (+ **13%**) in “gross operating margin” (EBITDA)
- “**Net profit for the year**” equal to € 133.2 million (up € **64.5 million**)
- **Increase** in **dividend** (proposed amount + interim dividend) equal to **54%**

The general annual meeting of shareholders convened for 28 April 2006 (1st call) and 5 May 2006 (2nd call)

GROUP PROFIT PERFORMANCE

The main components of the 2005 consolidated profit loss account compared with the corresponding data for 2004 (prepared on the basis of the IAS/IFRS international accounting standard) can be summarized as follows:

<i>(values in € millions)</i>	2005	2004	Changes
Revenues from motorway operations	362.0	350.0	12.0
Revenues from the technology sector	31.5	26.4	5.1
Revenues from construction and engineering	9.4	12.7	(3.3)
Other revenues ⁽¹⁾	49.7	24.2	25.5
Operating Costs	(173.1)	(166.1)	(7.0)
Gross operating margin	279.5	247.2	32.3
Amortization/depreciation and provisions, net	(101.9)	(69.9)	(32.0)
Operating result	177.6	177.3	0.3
Financial income ⁽²⁾	85.6	7.3	78.3
Financial expense	(32.3)	(24.8)	(7.5)
Balance of financial operations	53.3	(17.5)	70.8
Pre-tax profit	230.9	159.8	71.1
Income taxes (current and deferred)	(63.3)	(62.6)	(0.7)
Net profit (loss) for the period	167.6	97.2	70.4
▪ Minority interest	34.4	28.5	5.9
▪ Group net profit	133.2	68.7	64.5

(1) Including € 23.5 million related to the ADP S.p.A. arbitration award.

(2) Including € 72 million related to a capital gain on disposal of shareholdings.

The “*revenues from motorway operations*” totalled € 362 million (350 million in 2004), with an increase of € 12 million (+ 3.43%) over 2004, attributable to higher royalties from service areas and an increase in traffic volumes, particularly for the "heavy traffic" component. Change in tolls, effective as of 1 January 2005, included the "X" factor relative only to “productivity increases”.

The “*revenues from the technology sector*”, equal to € 31.5 million, showed an increase of € 5.1 million due to growth in the installation and maintenance of motorway technological systems and electrical and lighting systems.

The focus of the construction activity on infragroup projects resulted in a decline in “*revenues from construction and engineering*”.

The item “*other revenues*” includes € 23.5 million (before taxes) awarded by the arbitral panel to subsidiary Autostrade dei Parchi S.p.A. on 20 July 2005 as **compensation** from ANAS for managing the A24 and A25 motorways on behalf of the Concessioneer for over 20 years.

“*Operating costs*” rose as a result of increased revenues from the “technology” sector and reflect both additional maintenance work on the motorway infrastructure and higher personnel costs deriving from renewal of the national collective labour contract for the motorway sector.

For the foregoing reasons, “*gross operating margin*” increased by € 32.2 million (+13%).

The item “*amortisation/depreciation and provisions, net*”, which rose by € 32 million, reflects, for the motorway concessionaires, the amount foreseen in the financial plans annexed to their respective concession agreements.

The change in the “*balance of financial operations*” relates chiefly to the **capital gain** (equal to € 72 million) realised by SALT S.p.A. on the **sale of shares** in Milano Serravalle–Milano Tangenziali S.p.A..

These factors resulted in the final “**Net profit for the period (Group portion)**” of € 133 million. “non recurring items”, contributed € 76 million (net of the relative tax effect) to that result, attributable to the capital gain on the disposal of investments and the arbitration award.

GROUP FINANCIAL RESULTS

The principal components of the net financial position at 31 December 2005 (compared to 31 December 2004) can be summarised as follows:

<i>(values in € millions)</i>	31/12/2005	31/12/2004	Changes
Cash and cash equivalents	233.2	47.8	185.4
Other current financial assets	50.0	2.0	48.0
Amounts payable to bondholders - current ⁽¹⁾	(4.3)	-	(4.3)
Short term bank debt and other lenders	(134.0)	(95.0)	(39.0)
Short-term balance	144.9	(45.2)	190.1
Other non-current financial assets ⁽²⁾	128.8	55.4	73.4
Convertible bond loan ⁽³⁾	(281.9)	-	(281.9)
Medium/long term bank debt and other lenders	(328.5)	(297.6)	(31.0)
Net financial position	(336.7)	(287.4)	(49.4)

(1) Amount owed to bondholders for interest matured to 31 December 2005 (paid on 1 January 2006)

(2) Capitalisation contracts that, though of multi-year duration, can be cashed-in in the short-term if required.

(3) Against the cash proceeds from the total subscription of the convertible bond loan (€ 334.7 million) a "liability item" of € 281 million was posted, in accordance to IAS 32.

The net financial position of the Group at 31 December 2005 showed a negative balance of € 337 million (€ 287 million at 31 December 2004). If the present value of the “debt toward the Fondo Centrale di Garanzia and ANAS” were included, this amount would be € 646 million (€ 595 million at 31 December 2004). “Bank debt” is guaranteed by the State for an amount of € 56 million.

The cash flow generated in the period, as well as the cash proceeds from sale of part of our investment in Milano Serravalle-Milano Tangenziali S.p.A., were used to finance upgrades of the Group **motorways** (an increase of **€ 135 million**) and to **purchase “shareholdings”** for a total of **€ 113.4 million**. During the year the parent company **paid dividends** totalling **€ 41.1 million** (€ 16.6 million as the balance on 2004 and € 25.5 million as an advance on 2005). The subsidiaries also paid a total of **€ 26 million** in dividends to minority shareholders. There was also an increase in net working capital of € 40 million, primarily due to the payment of the third and final instalment of the substitute tax on revaluations booked in 2002, the payment of income taxes and relative advances, as well as the payment of the price integration on the shares of Autocamionale della Cisa, acquired in 2003.

The debt-to-equity ratio at year end was **0.37x**.

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Financial statements of the **parent company SIAS S.p.A.**, (prepared in accordance with Italian GAAP) show net profit for 2005 of **€ 217.1 million** (€ 40.7 million in 2004). This **significant increase** over the previous year (**up € 176.4 million**) is the result of the increase in dividends received from subsidiaries (€ 177 million), associated primarily with the positive result of subsidiary SALT S.p.A.

The **net financial position** at 31 December 2005 showed net debts equal to € 257.6 million (versus net cash for € 1.3 million at 31 December 2004). The change essentially reflects the significant expansion of the company investment portfolio during the year, with the acquisition of **strategic equity stakes** totalling **€ 323.4 million**.

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Relevant **events subsequent** to 31 December 2005 include the following:

- on 20 February 2006 the Board of Directors of ANAS approved the financial plan and the related draft annex on the construction of the motorway section **Parma-Nogarole Rocca**, already part of the concession originally granted to Autocamionale della Cisa S.p.A..
This financial plan, among others, calls for an extension of the concession life (now due to expire on 31 December 2044, with a development of the financial plan to 31 December 2056) and toll rate increases (without State contributions), both necessary for the construction and management of the new segment. The "internal rate of return (IRR)" on the concession is estimated at 6.59%;
- following the award on 29 September 2005 of a concession for the construction of the Asti-Cuneo motorway connection, **Società Autostrada Asti-Cuneo S.p.A. was established on 1 March 2006** with an equity capital of € 200 million. The company is owned with a 65% stake by ATI (SALT S.p.A. 60%, Grassetto Lavori S.p.A. 2.5% and Itinera S.p.A. 2.5%), with the remaining 35% held by ANAS S.p.A.



That company will complete the project and construction of that 90-km section of the motorway and then operate and maintain it.

- on 16 March 2006, the Board of Directors of ANAS approved the financial plan of ADF S.p.A.; this financial plan includes, *inter alia*, additional investments by € 190 million and tariff increases – starting from the 1st January 2007 – to finance them.

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The Board of Directors has convened the general annual meeting for 28 April 2006 (1st call) and 5 May 2006 (2nd call), in which the distribution of a **dividend, on balance, of € 0,20 per share will be proposed**, for a total of 25.5 € million.

Pursuant to the directives of Borsa Italiana S.p.A., the dividend can be made payable from 11 May 2006 (in which case the shares will be quoted ex-dividend from 8 May 2006 on presentation of coupon no. 9), if the shareholders approve the financial statements on 28 April 2006 (1st call), or from 18 May 2006 (in which case the shares will be quoted ex-dividend from 15 May on presentation of the aforesaid coupon), if the shareholders approve the financial statements on 5 May 2006 (2nd call).

The total amount of the **dividend** for 2005, considering the distribution of a € 0.20 per share advance in October 2005, will be equal to € **0,40** per share, for a total of € 51 million (with an **increase of 54%** over 2004).

The dividend yield, considering the current price of the stock, would be 3,6%, based on the proposal to the shareholders, while the pay-out ratio would amount to 40% of the Group net profit.

The Chairman
Bruno Binasco