



ASTALDI SOCIETÀ PER AZIONI

BOARD OF DIRECTORS' REPORT

PURSUANT TO ARTICLES 73 AND 93

OF CONSOB REGULATION NO. 11971/99

Dear shareholders,

In this report, the Board of Directors of Astaldi S.p.A. announces as follows in the matter of the proposals that the Board intends to submit, with regard to the proposed authorization to buy-back treasury shares, to the upcoming Shareholders' Meeting called for 18 April 2011, in first convocation, and for 19 April 2011, in second convocation.

Dear shareholders,

During the Shareholders' Meeting of 23 April 2010, your Company authorized, for a period of 13 months starting 27 April 2010, the Board of Directors to proceed to purchase, on Mercato Telematico Azionario (screen-based stock exchange), treasury shares at a unit price of no less than EUR 2.00 and not exceeding the average price for the last 10 days of open exchange prior to the day of purchase, increased by 10%; this purchase authorization is limited to a revolving ceiling of 9,842,490 shares for a par value of EUR 2.00 each, with the additional constraint that the amount of the treasury shares in portfolio shall at no time exceed the total countervalue of EUR 24,600,000.00.

In that setting, the Board of Directors was also authorized to sell the purchased shares at a unit price of no less than the average price for the last 10 days of open exchange prior to the day of sale, reduced by 10%, as well as to place its treasury shares through share exchange operations during possible operations of a strategic nature in the Company's interest, including in particular exchange and/or conferral and securities loan operations, and also to place treasury shares at the service of possible stock grant and/or stock option plans.

In carrying out what was decided upon, the Company, during financial year 2010, on 27 April 2010, purchased 352,143 treasury shares, possessing, at 31 December 2010, 821,979 shares, as broken down in detail in the report on the financial statements pursuant to art. 2428, paragraph 3, no. 4, of the Italian civil code. Moreover, by the effect of the purchases and of the sales of treasury shares to the present time, as of the date of this report, the Company holds a portfolio of 782,540 treasury shares (equal to approximately 0.8% of the company capital) at an average book value of EUR 5.0949 for a countervalue equal to EUR 3,986,963.05.

The authorization granted on 23 April 2010, as indicated above, will expire on 27 May 2011. In this regard, we propose renewing herewith, and starting 27 May 2011, the authorization to purchase treasury shares for a period of twelve months (and thus through 27 May 2012), and to sell same with no time limits, as the reasons that would suggest maintaining the possibility of making operations on treasury shares still exist at this time.

Also in light of CONSOB decision no.16839 of 19 March 2009, the purposes are to foster a proper holding of negotiations, to prevent price fluctuations out of line with market trends, and to guarantee support to the market's liquidity. In this regard, it should be mentioned that the authority to buy-back treasury shares, which is now the practise of listed companies, is considered an important element of management flexibility to be resorted to in order to foster the proper holding of negotiations (for example, in the event of the security's volatility depending on temporary voids in supply and demand) and at any rate if there are market conditions suitable for these purposes. Moreover, the authorization is also requested to make it possible to set up a "securities warehouse" at the service of extraordinary operations (such as for example share exchanges, exchange operations, conferral and loan of securities) during possible operations of a strategic nature in the Company's interest, stock grant and/or stock option plans for the Company's directors, employees, or collaborators.

For these reasons, we propose that you make a decision to:

- renew herewith, for a period of 12 months starting 27 May 2011, the authorization for the Board of Directors to purchase ordinary shares of the Company for a par value of EUR 2.00 each, under a revolving ceiling of 9,842,490 shares, also including the shares already in portfolio, with the additional constraint that the amount of the shares shall at no time exceed the total countervalue of EUR 24,600,000.00 (without prejudice to the limit of the profits that may be distributed, and the reserves available pursuant to art. 2357, first paragraph, of the Italian civil code);
- set a minimum unit purchase price equal to EUR 2.00 and a maximum unit purchase price not exceeding the average price for the last 10 days of open exchange prior to the day of purchase, increased by 10%.

In this way, the criteria for determining the shares' purchase price, as indicated in the previous Shareholders' Meeting authorization, would be renewed, in order to link the purchase prices to the market trends, with a minimum limit allowing for operative flexibility.

The purchase operations shall at any rate be carried out in compliance with articles 2357 and following of the Italian civil code, article 132 of Legislative Decree no. 58 of 24 February 1998, article 144-bis of CONSOB regulation no. 11971 of 14 May 1999 and subsequent modifications, and any other applicable regulation.

These purchases shall be made on Mercato Telematico Azionario pursuant to art. 144 *bis*, first paragraph, letter b), of CONSOB regulation no. 11971/99.

The Company, pursuant to art. 2357 *ter* of the Italian civil code, shall set up a “restricted reserve” equal to the amount of the treasury shares purchased, by withdrawing the same amount from the Extraordinary Reserve.

As regards the procedures for selling the purchased shares, we propose setting only the minimum limit of the sales price, which must be no lower than the average price for the last 10 days of open exchange prior to the day of sale, decreased by 10%.

We also propose that you renew, without time limits, the authorization for the Board of Directors:

- to place treasury shares also through share exchange and/or conferral operations, under the condition that the valuation of these shares, as part of these operations, is no less than the average book values of treasury shares held overall;
- to use treasury shares at the service of stock grant and/or stock option plans, in this case as an exception to the aforementioned criterion for determining the sale price, which at any rate may be no less than the so-called “par value” established by tax regulations;
- and lastly to carry out security loan operations – in which Astaldi S.p.A. acts as lender – with regard to treasury shares.

If you agree with what is being proposed, please pass the following decision: “*The Ordinary Shareholders’ Meeting of Astaldi S.p.A., having heard the Board of Directors report,*

does hereby decide:

1. *to renew hereforward, for a period of 12 months starting 27 May 2011, the authorization, pursuant to articles 2357 and following of the Italian civil code and article 132 of Legislative Decree no. 58 of 24 February 1998, for the Board of Directors to purchase, on Mercato Telematico Azionario, ordinary shares of the Company under a revolving ceiling of 9,842,490 shares of a par value of EUR 2.00 each, at a unit price of no less than EUR 2.00 and not exceeding the average price for the last 10 days of open exchange prior to the day of*

purchase, increased by 10%, with the additional constraint that the amount of the shares shall at no time exceed the amount of EUR 24,600,000.00, without prejudice to the limit of the profits that may be distributed, and the reserves available pursuant to art. 2357, first paragraph, of the Italian civil code; the purchase operations shall at any rate be carried out in compliance with articles 2357 and following of the Italian civil code, article 132 of Legislative Decree no. 58 of 24 February 1998, article 144-bis of CONSOB regulation no. 11971 of 14 May 1999 and subsequent modifications, and any other applicable regulation;

- 2. to renew the authorization – starting 27 May 2011 and without time limits – for the Board of Directors to sell the purchased shares, at a unit price of no less than the average price for the last 10 days of open exchange prior to the day of sale, reduced by 10%. The Board of Directors is also authorized to place its treasury shares, without time limits, through share exchange operations during possible operations of a strategic nature in the Company's interest, including in particular exchange and/or conferral operations, under the condition that the valuation of the shares, as part of these operations, is no less than the average book values of treasury shares held.*

Treasury shares may also be used without time limits at the service of possible future stock grant and/or stock option plans, in this case as an exception to the aforementioned criterion for determining the sale price, which at any rate may be no less than the so-called "par value" established by tax regulations. The Board of Directors is lastly authorized to carry out security loan operations – in which Astaldi S.p.A. acts as lender – with regard to treasury shares;

- 3. to use the Extraordinary Reserve, for the establishment, pursuant to art. 2357 ter of the Italian civil code, of a restricted reserve equal to the amount of the treasury shares purchased.*

Rome, 16 March 2011

On behalf of the Board of Directors
(Chairman)