



**ASTALDI SOCIETÀ PER AZIONI**

**BOARD OF DIRECTORS' REPORT**

**PURSUANT TO ARTICLE 3 OF MINISTERIAL DECREE No. 437/1998**

**ORDINARY SHAREHOLDERS' MEETING**

Dear Shareholders,

The Board of Directors of Astaldi S.p.A. hereby makes known the following with regard to the proposals which the Board plans to submit to the Shareholders' Meeting called for 23 April 2010 at first call, and 26 April 2010 at second call.

### **Approval of the Financial Statements at 31 December 2009. Related resolutions.**

Dear Shareholders,

With regard to the first item on the agenda of the Shareholders' Meeting, please refer in full to the Board of Directors' Management Report at 31 December 2009 attached to the financial statements.

We hereby propose approval of the annual financial statements at 31 December 2009 which ended with net profit for the year of EUR 69,619,716.00.

We also propose that the net profit for the year be divided and allocated as follows:

- a dividend of EUR 0.13 per share to shareholders for outstanding shares at the ex-dividend date excluding treasury shares on hand on said date;
- 5% of the profit to the "legal reserve";
- 1.5% of the profit to a provision which the Board of Directors may use in full autonomy for acts of liberality, as provided for in Article 27 of the Bylaws;
- the remaining amount to the "extraordinary reserve" after the above sums have been allocated.

Following the ex-dividend date of 3 May 2010, as detailed above, the dividend will be ready for payment on 6 May 2010.

### **Appointment of the Honorary Chairman.**

Dear Shareholders,

With regard to the second item on the agenda of the ordinary meeting, we submit to your attention the opportunity of appointing an Honorary Chairman of the Company, as provided for in the Bylaws.

### **Renewal of the Board of Directors for the financial years 2010/2011/2012. Related resolutions**

Dear Shareholders,

With regard to the third item on the agenda of the Shareholders' Meeting, we would like to remind you that, following approval of the Financial Statements for the year ending 31 December 2009, the term of office of the Board of Directors, appointed for the financial years 2007/2008/2009 by the Ordinary Shareholders' Meeting held on 2 May 2007, shall come to an end.

Therefore, in this regard you shall have to resolve to:

- determine the composition of the Board of Directors for the financial years 2010/2011/2012; in this regard we would like to remind you that Article 16 of the Bylaws provides for the Board of Directors to be formed of nine to fifteen members;
- appoint the directors for the coming three-year period, 2010-2012, deciding on their relative fees.

It must be recalled that, pursuant to Article 16 of the Bylaws, the Board of Directors is appointed by the Shareholders' Meeting on the basis of slates presented by shareholders listing the candidates using progressive numbers and with the specific provision that each candidate may be presented in a single slate, upon pain of ineligibility.

Pursuant to the Bylaws shareholders who, alone or with other shareholders who support presentation of the same slate, own shares representing at least 2.5% of the share capital with voting rights in the Ordinary Shareholders' Meeting, shall be entitled to present slates. The slates of candidates must also take into account the need to appoint a suitable number of persons fulfilling the requisites of independence required by applicable legislation.

The slates, endorsed by the presenting parties and including the information required by law, must be filed at the Company's registered offices, and made available to anyone requesting to view them, at least 15 days prior to the date of the Shareholders' Meeting in first call, and shall be consequently made available to the public by the Company in accordance with the procedures contained in applicable legislation.

Please refer to Article 16 of the Bylaws with regard to the procedures for presenting slates and related documentation as well as the procedures for voting of said slates.

Slates presented which fail to comply with the aforementioned provisions, shall be considered as not presented.

**Proposal for integration of activities and adjustment of fees for external auditing of Astaldi S.p.A. for the financial years 2009 and 2010. Related resolutions.**

Dear Shareholders,

With regard to the fourth item on the agenda of the Ordinary Shareholders' Meeting, we hereby submit for your attention, the proposal to integrate activities and adjust relative fees for the external auditing of Astaldi S.p.A. for the financial years 2009 and 2010, formulated by the auditing firm Reconta Ernst & Young S.p.A.

It should be recalled that the current assignment, which applied to the financial years 2005-2006-2007 with the resolution passed by the Shareholders' Meeting of 29 April 2005, and was subsequently extended for the financial years 2008-2009-2010 pursuant to Article 8, Paragraph 7 of Italian Legislative Decree No. 303/2006, with the resolution passed by the Shareholders' Meeting of 2 May 2007, provided for overall annual fees of EUR 315,000, to date equal to EUR 347,879 on the basis of revaluation resulting from the change in the ISTAT index as of 1 July 2009.

In this regard, it should be noted that Reconta Ernst & Young S.p.A., in its letter of 13 November 2009, requested integration of fees for auditing in progress, given Astaldi S.p.A.'s considerable expansion in recent years and the recent amendments to laws introduced under the Finance Consolidation Act.

Indeed, the above-mentioned auditing firm noted in its letter that *"The increase in the size of the Company over the last two years will entail greater commitment on our part with regard to the auditing of the last two annual financial statements for 2009 and 2010 in many areas of the financial statements in question ... omissis ...; moreover, 2008 witnessed changes in law provisions which generated a significant impact on auditing of the financial statements of the Group companies and in relation to which it has proved necessary to carry out a series of additional checks which were not – nor could they have been – included in our initial quote for auditing services ... omissis .... Indeed, in February 2009, the National Board of Chartered Accountants and Accounting Specialists (CNDCEC) issued Auditing Standard No. 001 "Assessing coherency of the management report with the financial statements",*

*regarding auditing procedures to be performed in order to voice an opinion on the coherency of the management report with the financial statements, pursuant to Italian Legislative Decree No. 32 of 2 February 2007, this in reference to the auditing firm's opinion of coherency provided for in Article 156, Paragraph 4-bis letter d) of the Consolidation Act, which as from 2009 is also extended to information as per Paragraph 1, letters c), d), f), l) and m), and Paragraph 2, letter b) of Article 123-bis of the Consolidation Act, as well as with reference to checks by the auditing firm provided for in said Article 123-bis Paragraph 4 of the Consolidation Act regarding drafting of report on corporate governance and ownership structure.”*

In relation to said change in the reference context the aforementioned auditing firm envisages an increase in working hours from 4,400 to 5,025 with a consequent increase in fees from EUR 347,879 per annum to EUR 397,879 per annum.

The Board of Auditors and the Internal Auditing Committee have voiced a favourable opinion in this regard.

Therefore we ask you to pass all the resolutions considered suitable and necessary with regard to this item.

### **Resolutions regarding the treasury share buyback programme**

Dear Shareholders,

As regards the fifth item on the agenda, please refer in full to the content of the “*Directors’ Report pursuant to Articles 73 and 93 of CONSOB Regulations No. 11971/99*”.

You are therefore invited to approve the treasury share buy-back programme in compliance with the terms and procedures detailed in the report in question.

Rome, 24 March 2010

On behalf of the Board of Directors  
(Signed by the Chairman)