



ASTALDI SOCIETÀ PER AZIONI

BOARD OF DIRECTORS' REPORT

PURSUANT TO ARTICLES 73 AND 93

OF CONSOB REGULATIONS No. 11971/99

Dear Shareholders,

The Board of Directors of Astaldi S.p.A. has called an Ordinary Shareholders' Meeting to resolve, inter alia, upon the proposal to authorise the treasury share buy-back.

Dear Shareholders,

During the meeting held on 24 April 2009, your Company authorised the Board of Directors to purchase treasury shares on the MTA – Italian Equities Market – for a 12-month period, as from 27 April 2009, at a unit price of no less than EUR 2.00 and no more than the average stock exchange trading price of the ten days prior to the date of purchase, increased by 10%. Said authorisation to purchase treasury shares is limited to a revolving maximum of no. 9,842,490 shares each of a par value of EUR 2.00, with the additional restriction that the amount of treasury shares on hand must not exceed EUR 24,600,000.00.

During said meeting, the Board of Directors was also authorised to sell the shares purchased at a unit price of no less than the average stock exchange trading price of the ten days prior to the date of sale, decreased by 10%, and to dispose of treasury shares through share switches during transactions of strategic interest for the Company including share swaps, allotments and loans, as well as to use treasury shares for any stock grant and/or stock option plans.

In order to implement said resolutions, the Company purchased no. 431,893 treasury shares during 2009 as from 27 April 2009, and owned 991,749 treasury shares at 31 December 2009, as described in detail in the report to the financial statements pursuant to Article 2428, Paragraph 2, no. 4 of the Italian Civil Code. Moreover, by virtue of the purchase and sale of treasury shares to date, the company holds no. 986,794 Astaldi S.p.A. shares as at the date of this report (equal to approximately 1% of the share capital) with an average book value of EUR 5.2477, for a total counter value of EUR 5.178 million.

The authorisation granted on 24 April 2009, as mentioned above, is set to expire on 27 April 2010. In this regard, we hereby propose to renew said authorisation to sell and purchase treasury shares for a 13-month period as from 27 April 2010 (hence until 27 May 2011) given that the reasons for maintaining the option of treasury share transactions still exist to date.

Also in light of CONSOB Resolution No. 16839 of 19 March 2009, the reasons are to encourage the stability of trading, to prevent price fluctuations that are not in line with market trends and to ensure sufficient support for market liquidity. It should be recalled that the treasury share buy-back, which has become a standard practice for listed companies, is to be

considered an important factor of management flexibility to be made use of in order to encourage trading stability (for example, in the event of share volatility resulting from temporary lacks of supply and demand), and in any case when market conditions are favourable for said purposes. Authorisation is also requested to allow for the creation of a “share deposit” to be used for extraordinary transactions (for example share switches, swaps, allotments and loans) during possible strategic operations of interest for the Company or stock grant and/or stock option plans for Company directors, employees and consultants.

Hence we hereby propose to pass a resolution to:

- authorise as from 27 April 2010, the Board of Directors to purchase for the next thirteen months ordinary treasury shares each of a par value of EUR 2.00, for a revolving maximum of no. 9,842,490 shares including shares already on hand (and, in any case, within limit as per Article 2357, Paragraph 3 of the Italian Civil Code), with the additional restriction that the amount of shares must not exceed EUR 24,600,000.00 at any time (without prejudice to the limit of distributable profit and available reserves pursuant to Article 2357, Paragraph 1 of the Italian Civil Code);
- set a minimum unit share price of EUR 2.00 and a maximum unit price of no more than the average stock exchange trading price of the ten days prior to the date of purchase, increased by 10%.

In this way, the criteria used to calculate share purchase price as listed in the previous authorisation passed by the Shareholders’ Meeting would be renewed so as to allow purchase prices to be linked to the market trend with a minimum limit in order to allow suitable working flexibility.

Said purchases shall be made – in compliance with the principle of equal treatment of shareholders and in compliance with the provisions contained in Article 132 of the Italian Legislative Decree No. 58 of 24 February 1998 – on the MTA, Italian Equities Market – pursuant to Article 144-*bis*, Paragraph 1, letter b) of CONSOB Regulations No. 11971/99.

The Company shall create an “Unavailable Reserve” pursuant to Article 2357-ter of the Italian Civil Code equal to the amount of treasury shares purchased by withdrawing an equivalent amount from the Extraordinary Reserve.

As regards the procedures for selling treasury shares purchased, we hereby propose to set the minimum price limit for sales which should not be less than the average stock exchange trading price for the ten days prior to the date of sale, decreased by 10%.

We also propose to renew the authorisation for the Board of Directors:

- to dispose of treasury shares through swaps and/or allotments provided that the value of the shares in relation to said operations is no less than the average book value of the total treasury shares held;
- to use treasury shares for any future stock grant and/or stock option plans, with a departure in this case from the aforementioned criterion of calculating the sale price which, in any case, may not be less than the aforementioned “normal value” as provided for in tax legislation;
- and lastly to perform share loan operations – in which the Company acts as a lender – involving treasury shares.

Should you be in agreement with the aforementioned proposals, we hereby invite you to pass the following resolution: *“The Ordinary Shareholders’ Meeting of Astaldi S.p.A., having heard the Board of Directors’ report hereby*

resolves:

1. *to authorise as from 27 April 2009, the Board of Directors, pursuant to Articles 2357 et seq. of the Italian Civil Code and Article 132 of Italian Legislative Decree No. 58 of 24 February 1998, to purchase on the MTA – Italian Equities Market – for the next thirteen months ordinary treasury shares each of a par value of EUR 2.00 within a revolving maximum of no. 9,842,490 shares, at a unit price of no less than EUR 2.00 and no more than the average stock exchange trading price of the ten days prior to the date of purchase, increased by 10%, with the additional restriction that the amount of shares must not exceed EUR 24,600,000.00 at any time (without prejudice to the limit*

of distributable profit and available reserves pursuant to Article 2357, Paragraph 1 of the Italian Civil Code);

- 2. to authorise as from 27 April 2009, the Board of Directors to sell the purchased shares at a unit price of no less than the average stock exchange trading price of the ten days prior to the date of purchase, decreased by 10%. The Board of Directors is also authorised to sell treasury shares through share switches during possible strategic operations of interest for the Company including, in particular, swaps and/or allotments provided the value of the shares involved in said operations is no less than the average book value of the treasury shares held.*

Treasury shares may also be used for any future stock grant and/or stock option plans, with a departure in this case from the aforementioned criterion of calculating the sale price which, in any case, may not be less than the aforementioned “normal value” as provided for in tax legislation. Lastly, the Board of Directors is authorised to perform share loan operations – in which Astaldi S.p.A. acts as a lender – involving treasury shares;

- 3. to use the Extraordinary Reserve to create an Unavailable Reserve, pursuant to Article 2357-ter of the Italian Civil Code, equal to the amount of treasury shares purchased.*

Rome, 24 March 2010

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