



ASTALDI SOCIETÀ PER AZIONI

**BOARD OF DIRECTORS' REPORT PURSUANT TO ARTICLES 73 AND 93 OF CONSOB
REGULATION NO. 11971/99**

Dear Shareholders,

the Board of Directors of Astaldi S.p.A. called this Shareholders' ordinary meeting which shall resolve, *inter alia*, on the proposal of authorization to purchase and sell Company's own shares.

Dear Shareholders,

during the Shareholders' meeting held on May 2, 2007, your Company authorized the Board of Directors, for a period of 12 months, to purchase Company's own shares on the Stock Exchange Market, at a unit price not lower than 2.00 euro and not higher than the average price of the latest 10 stock market working days immediately preceding the date of purchase, increased by 10%; such authorization is limited to a maximum rolling number of 9,842,490 shares of a nominal value of 2.00 euro each, with the additional obligation that the amount of treasury shares held must not exceed 24,600,000.00 euro.

On that same occasion, the Board of Directors was further authorized to sell Company's own shares purchased as above at a unit price not lower than the average price of the latest stock market working days immediately preceding the date of sale, decreased by 10%, and to allocate treasury shares to both stock grant and/or stock option plans, if any, and to use them for securities exchange, contribution and lending transactions.

In execution of said resolution the Company, during fiscal year 2007, starting from May 2, 2007, i.e. the date of said shareholders' meeting resolution, purchased 386,981 Company's own shares and, at December 31, 2007, held 900,000 shares as set forth in detail in the Directors' Report attached to the Financial Statements pursuant to art. 2428, paragraph 2, No. 4 of the Italian Civil Code. Moreover, consequently to purchase and sale transactions on Company's own shares carried out until today's date, the Company holds, at the date hereof, 1,050,000 shares of Astaldi S.p.A. (approximately equivalent to 1% of the Company's share capital) at an average book value of 5.18 euro per share, for a total counter-value of euro 5.4 million.

The authorization granted on May 2, 2007, as reminded above, was valid for a period of 12 months and, therefore, is going to expire on May 2, 2008. To such respect, we propose to renew hereby and running from May 2, 2008 the authorization to purchase Company's own shares for a period of twelve months (and, therefore, until May 2, 2009), since the reasons suggesting to preserve the possibility of carrying out transactions on the Company's own shares are still existing.

Without prejudice, in particular, to the purposes of investment, of favouring the normal course of negotiations and of guaranteeing appropriate market liquidity. To this

respect, it is hereby reminded that the faculty of carrying out purchase-and-sale transactions on Company's own shares, which has now become common practice for listed companies, is considered as an important element of management flexibility to take advantage of in order to invest in Company's own shares – in the event stock exchange quotations or the liquidity available make such transactions advisable – to favour the normal course of negotiations (by way of example, in the event the volatility of Company's shares is due to temporary shortage in demand or supply) and, anyway, in case market conditions fit such purposes.

Moreover, by this way a "provision of treasury shares" may be set up for possible security exchanges (such as, by way of example, securities exchange, contribution and lending transactions) during possible strategic operations in the Company's interests or Company's stock grant and/or stock option plans.

The proposed authorization will have a limited validity of twelve months in order to make the expiry date of said plan for the purchase of Company's own shares correspond to the expected date on which the Shareholders' meeting is going to be held to approve the financial statements for the fiscal year 2008.

For such reasons, we propose to resolve to:

- authorize the Board of Directors, effective from May 2, 2008 (expiry date of the previous plan of purchase and sale of Company's own shares), to purchase, during the period of twelve months subsequent thereto, Company's common shares of a nominal value of 2.00 euro each, up to a maximum rolling number of 9,842,490 shares, including treasury shares already held by the Company (and anyway within the limit of 10% as provided for by art. 2357, third clause, of the Italian Civil Code) with the additional obligation that the amount of shares shall never exceed Euro 24,600,000.00 (without detriment to the limit of distributable profits and reserves available under art. 2357, 1st clause, of the Italian Civil Code);
- fix a unit price of purchase not lower than 2.00 euro and not higher than the average price of the latest 10 stock market working days immediately preceding the date of purchase, increased by 10%.

The criteria of determination of the price of the shares as set in the previous Shareholders' Meeting authorization would also be renewed, in order to allow to link the purchase price to the market trend, with a minimum threshold allowing the necessary operating flexibility.

Such purchase operations shall be carried out – in compliance with the principle of equal treatment between the shareholders and in compliance with the provisions of art. 132 of Italian Legislative Decree No. 58 of February 24, 1998 – on the Stock Exchange Market under art. 144-*bis*, first clause, letter b), of CONSOB Regulation No. 11971/99.

The Company shall set up, according to section 2357-*ter* of the Italian Civil Code, an "Unavailable Reserve" corresponding to the amount of Company's shares purchased, by drawing an equivalent amount from the Extraordinary Reserve.

As far as concerns the manner of sale of the Company's shares purchased, we propose to fix exclusively the minimum price of sale, which shall not be lower than the average price of the latest 10 stock market working days immediately preceding the date of sale, decreased by 10%.

Moreover, we propose to renew the Board of Directors' authorization:

- to dispose of treasury shares also by exchange and/or contribution operations, provided that the value attributed to the shares, within the framework of such operations, be not lower than the average book value of Company's treasury shares globally held;
- to use Company's treasury shares in connection with possible future stock grant and/or stock option plans, notwithstanding, in this case, the above-mentioned criteria of determination of the price of sale, which shall not anyway be lower than the so-called "normal value" as provided by tax laws;
- and, finally, to carry out securities lending operations – in which the Company acts as lender – on Company's own shares.

In the event you agree with our proposals, we invite you to resolve as follows: *“The Shareholders' Ordinary Meeting of Astaldi S.p.A., after hearing the Board of Directors' Report,*

resolves:

1. *to authorize the Board of Directors, effective from May 2, 2008 (expiry date of the previous plan of purchase and sale of Company's own shares), pursuant to articles 2357 et seq. of the Italian Civil Code and art. 132 of Italian Legislative Decree No. 58 of February 24, 1998, to purchase, on the Stock Exchange Market, during the period of twelve months subsequent thereto, Company's common shares up to a maximum rolling number of 9,842,490 shares of a nominal value of euro 2.00 each, at a unit price not lower than 2.00 euro and not higher than the average price of the latest 10 stock market working days immediately preceding the date of purchase, increased by 10%, with the additional obligation that the amount of shares shall never exceed Euro 24,600,000.00 (without detriment to the limit of distributable profits and reserves available under art. 2357, 1st clause, of the Italian Civil Code);*
2. *to authorize the Board of Directors, effective from May 2, 2008 (expiry date of the previous plan of purchase and sale of Company's own shares) to sell the shares purchased as above, at a unit price not lower than the average price of the latest 10 stock market working days immediately preceding the date of sale, decreased by 10%. The Board of Directors is further authorized to dispose of treasury shares also by securities exchange operations carried out during possible strategic operations in the Company's interests, among which, in particular, securities exchange and/or contribution operations, provided that the value attributed to the shares within the framework of such operations be not lower than the average book value of Company's treasury shares held.*

Company's treasury shares may also be used in connection with possible future stock grant and/or stock option plans, notwithstanding, in this case, the above-mentioned criteria of determination of the price of sale, which shall not anyway be lower than the so-called "normal value" as provided by tax laws. Finally, the Board of Directors is authorized to carry out securities lending operations – in which the Company acts as lender – on Company's own shares.

3. *to use the Extraordinary Reserve to set up, pursuant to art. 2357-ter of the Italian Civil Code, an Unavailable Reserve of an amount corresponding to the amount of Company's own shares purchased.*

Roma, March 27, 2008

on behalf of The Board of Directors
The Chairman