



**ANSALDO STS S.P.A.**  
**REGISTERED OFFICE IN GENOA, VIA PAOLO MANTOVANI 3/5**  
**SHARE CAPITAL EURO 50,000,000.00 FULLY SUBSCRIBED AND PAID-UP**  
**GENOA COMPANIES REGISTER NUMBER AND TAX CODE 01371160662**  
**SUBJECT TO THE MANAGEMENT AND COORDINATION OF FINMECCANICA S.P.A.**

**Ordinary and Extraordinary Shareholders' Meeting**

**22 - 23 April 2010**

**Board of Directors' Report**

**prepared pursuant to article 72 of the Issuers' Regulations  
of article 3 of Ministerial Decree n° 437 dated 5 November 1998**

**Item 2 on the agenda of the extraordinary shareholder's meeting - Mandate to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, for a capital increase for consideration, in one or more tranches, amounting to a maximum of EUR 50,000,000.00, via the issue of new ordinary shares having the same features of the existent ones, to be offered to parties entitled through subscription rights, or with the exclusion of option rights pursuant to Article 2441, paragraph 4 of the Italian Civil Code. Consequent amendment of Article 5 of the Company's By-laws. Relative and consequent resolutions.**

Dear Shareholders,

with reference to item 2 on the agenda of the extraordinary shareholder's meeting, convened to discuss and resolve on the proposal to give the power to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, to be exercised by 20 April 2015, for a capital increase for consideration, in one or more tranches, amounting to a maximum of EUR 50,000,000.00 (fifty million euro), via the issue of new ordinary shares, to be offered to parties entitled through

subscription rights, or with the exclusion of option rights pursuant to Article 2441, subsection 4 of the Italian Civil Code, to be held in reserve as subscription in institutional investors and industrial and/or financial partners, whose business activity and size means they are considered strategic to the company's activity.

In particular, pursuant to the aforementioned article 2441, subsection four, point two of the Italian Civil Code, option rights may be excluded in the limits of 10% of the existing share capital, on the condition that the issue price corresponds to the market value of the shares and that this is confirmed in a specific report by the auditing company appointed.

The extraordinary shareholders' meeting is reminded that at 12 December 2005, it granted the Board of Directors the right to increase the share capital for consideration, in one or more tranches, by 1 December 2010 for up to maximum amount of EUR 60,000,000 through the issue of ordinary shares to be offered to parties entitled through subscription rights. Furthermore, on 22 December 2005, the extraordinary shareholders' meeting granted the Board of Directors, in exercising the aforementioned mandate, the possibility to avail itself of its right pursuant to article 2441, subsection four, point two of the Italian Civil Code.

On 24 February 2006, the mandate for the capital increase was partly exercised for EUR 10,000,000.00, raising the company's share capital from EUR 40,000,000.00 to EUR 50,000,000.00.

Pursuant to article 5, subsection 4 of the Articles of Association, as amended by the mentioned resolutions of the shareholders' meetings, the mandate for the increase of share capital expires on 1 December 2010.

The upcoming expiry of this authorisation therefore reveals the need to revoke the previously granted mandate and grant a new mandate, so that the Company has a rapid and flexible instrument to find financial resources to use to complete any business activity development programmes or to grasp any opportunities that may arise.

The Board of Directors may avail itself of the mandate one or more times, through separate resolutions, each of which shall be subject to formal and notification prescriptions as set out in article 2443, subsection three of the Italian Civil Code, pursuant to which the minutes of the resolution of the directors to increase capital shall be formulated by a notary and filed with the Business Registry.

In order to implement the mandate proposed for granting, the Board of Directors would be consequently delegated to resolve on all terms, methods and conditions for each capital increase, including therein the number of ordinary shares to issue and in correlation to that, the amount of the

capital increase, and in compliance with what is set out above and with the laws in force, the modalities of offer.

Given all of the above, we also propose that you approve the amendments to the fourth subsection of article 5 of the Articles of Association as per the text reported here below compared with the current text:

CURRENT TEXT	NEW TEXT
<p style="text-align: center;"><b>Article 5</b></p> <p style="text-align: center;"><i>omissis</i></p> <p>5.4 Furthermore, pursuant to article 2443 of the Italian Civil Code, the Board of Directors has the right to increase the share capital for consideration, in one or more tranches, by <del>4 December 2010</del> for up to maximum amount of EUR 60,000,000 through the issue of ordinary shares to be offered to parties entitled through subscription rights. The Board of Directors is therefore appointed to determine all terms, methods and conditions of every capital increase, including therein the number of ordinary shares to be issued and in correlation to that, the amount of the capital increase and in compliance with what is set out above and with the laws in force, the modalities of offer. In exercising that mandate, the Board of Directors may resolve on share capital increases with the exclusion of option right, pursuant to article 2441, subsection 4 of the Italian Civil Code, in the limits of 10% of the existing share capital, on the condition that the issue price corresponds to the market value of the shares and that this is confirmed in a specific report by the auditing company appointed, <del>without prejudice to what is set out in article 2441, subsection 6 of the Italian Civil Code.</del> The capital increase, with the exclusion of option rights, may be directed to institutional investors, as well as to industrial and/or financial partners, whose business activity and size (to be certified by the Board of Directors <del>in the report pursuant to article 2441, subsection 6, Italian Civil Code</del>) means they are considered strategic to the company's activity.</p>	<p style="text-align: center;"><b>Article 5</b></p> <p style="text-align: center;"><i>omissis</i></p> <p>5.4 Furthermore, pursuant to article 2443 of the Italian Civil Code, the Board of Directors has the right to increase the share capital for consideration, in one or more tranches, by <b>20 April 2015</b> for up to maximum amount of EUR 50,000,000.00 (<b>fifty million euro</b>), through the issue of ordinary shares to be offered to parties entitled through subscription rights. The Board of Directors is therefore appointed to determine all terms, methods and conditions of every capital increase, including therein the number of ordinary shares to be issued and in correlation to that, the amount of the capital increase and in compliance with what is set out above and with the laws in force, the modalities of offer. In exercising that mandate, the Board of Directors may resolve on share capital increases with the exclusion of option right, pursuant to article 2441, subsection 4 of the Italian Civil Code, in the limits of 10% of the existing share capital, on the condition that the issue price corresponds to the market value of the shares and that this is confirmed in a specific report by the auditing company appointed. The capital increase, with the exclusion of option rights <b>pursuant to article 2441, subsection 4 of the Italian Civil Code</b> may be directed to institutional investors, as well as to industrial and/or financial partners, whose business activity and size (to be certified by the Board of Directors) means they are considered strategic to the company's activity.</p>

The proposed amendments do not attribute the right of withdrawal pursuant to article 2437 of the Italian Civil Code to shareholders who do not contribute to approval.

Dear Shareholders,

in light of the above, we invite you to pass the following resolution:

*“After examining the report by the Board of Directors, and acknowledging the statement by the Board of Auditors whereby the share capital of EUR 50,000,000.00 (fifty million), is fully paid-up and existing, the Extraordinary Shareholders' meeting of Ansaldo-STS S.p.A.*

***resolves***

- *to give the power to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, to be exercised by 20 April 2015, to increase the capital increase for consideration, in one or more tranches, amounting to a maximum of EUR 50,000,000.00 (fifty million euro), through the issue of new ordinary shares, to be offered to parties entitled through subscription rights, or with the exclusion of option rights pursuant to Article 2441, subsection 4 of the Italian Civil Code, to be held in reserve as subscription in institutional investors and industrial and/or financial partners, whose business activity and size means they are considered strategic to the company's activity;*
- *to grant the Board of Directors the most wide ranging powers to resolve on all terms, methods and conditions for each capital increase, including therein the number of ordinary shares to issue and in correlation to that, the amount of the capital increase, and in compliance with what is set out above and with the laws in force, the modalities of offer;*
- *for the part not yet utilised, to revoke the resolutions for capital increase pursuant to articles 2443 and 2441, subsection four of the Italian Civil Code, passed by the extraordinary shareholders' meeting of the company on 12 December 2005 and 22 December 2005;*
- *to subsequently amend article 5, subsection four of the Company's Articles of Association as follows:*

<b>CURRENT TEXT</b>	<b>NEW TEXT</b>
<p data-bbox="403 1473 523 1507" style="text-align: center;"><b>Article 5</b></p> <p data-bbox="411 1552 515 1585" style="text-align: center;"><i>omissis</i></p> <p data-bbox="146 1585 783 2056">5.4 Furthermore, pursuant to article 2443 of the Italian Civil Code, the Board of Directors has the right to increase the share capital for consideration, in one or more tranches, by <del>4 December 2010</del> for up to maximum amount of EUR 60,000,000 through the issue of ordinary shares to be offered to parties entitled through subscription rights. The Board of Directors is therefore appointed to determine all terms, methods and conditions of every capital increase, including therein the number of ordinary shares to be issued and in correlation to that, the amount of the capital increase and in</p>	<p data-bbox="1058 1473 1177 1507" style="text-align: center;"><b>Article 5</b></p> <p data-bbox="1066 1552 1169 1585" style="text-align: center;"><i>omissis</i></p> <p data-bbox="802 1585 1439 2056">5.4 Furthermore, pursuant to article 2443 of the Italian Civil Code, the Board of Directors has the right to increase the share capital for consideration, in one or more tranches, by <b>20 April 2015</b> for up to maximum amount of EUR 50,000,000.00 (<b>fifty million euro</b>), through the issue of ordinary shares to be offered to parties entitled through subscription rights. The Board of Directors is therefore appointed to determine all terms, methods and conditions of every capital increase, including therein the number of ordinary shares to be issued and in correlation to that, the amount of the capital increase and in</p>

<p>compliance with what is set out above and with the laws in force, the modalities of offer. In exercising that mandate, the Board of Directors may resolve on share capital increases with the exclusion of option right, pursuant to article 2441, subsection 4 of the Italian Civil Code, in the limits of 10% of the existing share capital, on the condition that the issue price corresponds to the market value of the shares and that this is confirmed in a specific report by the auditing company appointed, <del>without prejudice to what is set out in article 2441, subsection 6 of the Italian Civil Code.</del> The capital increase, with the exclusion of option rights, may be directed to institutional investors, as well as to industrial and/or financial partners, whose business activity and size (to be certified by the Board of Directors <del>in the report pursuant to article 2441, subsection 6, Italian Civil Code</del>) means they are considered strategic to the company's activity.</p>	<p>compliance with what is set out above and with the laws in force, the modalities of offer. In exercising that mandate, the Board of Directors may resolve on share capital increases with the exclusion of option right, pursuant to article 2441, subsection 4 of the Italian Civil Code, in the limits of 10% of the existing share capital, on the condition that the issue price corresponds to the market value of the shares and that this is confirmed in a specific report by the auditing company appointed. The capital increase, with the exclusion of option rights <b>pursuant to article 2441, subsection 4 of the Italian Civil Code</b> may be directed to institutional investors, as well as to industrial and/or financial partners, whose business activity and size (to be certified by the Board of Directors) means they are considered strategic to the company's activity.</p>
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- *to grant the Board of Directors, and the Chairman and Chief Executive Officer on its behalf, acting independently from each other, the most wide ranging powers necessary or also appropriate to implement the aforementioned resolutions in compliance with the law, to add any amendments and additions that may be necessary to them also upon request of the supervisory bodies, and to proceed with legal filing and registrations, with specific advance declaration of approval and ratification”.*

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Genoa, 1 March 2010

For the Board of Directors  
Chairman  
Alessandro Pansa