



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 73 of the Issuers' Regulations

and of article 3 of Legislative Decree n° 437 dated 5 November 1998

Item 3 on the agenda of the ordinary shareholder's meeting - Authorisation to purchase and dispose of treasury shares. Resolutions pertaining to the same

Dear Shareholders,

The Ordinary Meeting has been convened to discuss and resolve on the purchase and disposal of treasury shares, pursuant to the terms and procedures set out below.

Reasons for the authorisation proposal

The request for authorisation to purchase and dispose of treasury shares is based on the opportunity of granting the Board of Directors the right to dispose of the shares purchased, pursuant to the regulations in force and to market practices acceptable to Consob:

- to serve the performance stock plan bonuses approved by the company;
- within the context of operations connected with the current management of the company and of industrial projects coherent with the strategic guidelines that the company intends to pursue, by means of exchange, transfer and conferral procedures and any other deed of disposal connected with industrial projects and/or extraordinary finance transactions;
- to carry out activities in support of market liquidity.

Maximum number of shares involved in the authorisation proposal

As of the date of this report, the company capital is represented by 100,000,000 (one hundred million) ordinary shares, each with a nominal value of Euro 0.50 (zero point five zero), for a total value of Euro 50,000,000.00 (fifty million), fully subscribed and paid up.

We therefore propose that the Shareholders' Meeting authorise the purchase of treasury shares, in one or more tranches, up to the maximum permitted by law.

The purchase operations will take place within the limits of the profits available for distribution and the available reserves, as per the most recently approved financial statements.

The authorisation includes the right to dispose of the shares in the portfolio at a later date, which may be before the maximum quantity of shares that may be purchased has been reached, and, where applicable, to buy back the shares in such a way that the treasury shares held by the company do not exceed the limit laid down by the authorisation.

Other useful information to assess compliance with article 2357, subsection 3, of the Italian Civil Code

As of the date of this report, the company holds 59.171 treasury shares, representing 0.059171% of the company capital. The subsidiaries hold no shares in the Company. Specific instructions will be issued to subsidiaries to ensure that they promptly report any purchases of shares carried out pursuant to article 2359-bis of the Italian Civil Code.

Duration for which the authorisation is required

The authorisation to purchase treasury shares is requested for a term of 18 (eighteen) months as of the date of approval by the Shareholders' Meeting.

The authorisation to dispose of the shares is sought for an unlimited period of time.

Minimum and maximum payment

Any purchase will take place at a price in compliance with what is set out in article 5, subsection 1 of CE regulation n° 2273/2003 by the European Commission on 22 December 2003. In particular, said article provides that the issuer shall not purchase shares at more than the higher price between the price of the most recent independent transaction and the price of the highest current independent offer on the Electronic Share Market (MTA) organised and managed by Borsa Italiana S.p.A..

The disposal of shares, and the sales of treasury shares in particular, may not take place at a price more than 10% lower than the reference price applicable on the Electronic Share Market (MTA) organised and managed by Borsa Italiana S.p.A. during the stock exchange session prior to each single transaction. Said parameters are deemed suitable to identify the value spread within which the purchase or sale is of interest to the Company.

If the company's treasury shares are subject to exchange, transfer, conferral or any other non-cash deed of disposal, the economic terms of the transaction will be determined on the basis of the nature and characteristics of the transaction, while taking the market trend of the Ansaldo STS stocks into account.

With regard to the shares at the service of the performance share plans, these will be assigned free of charge to the recipients of said plans pursuant to the terms and procedures set out in the plan regulations.

For further information on these plans, see the information documents drafted pursuant to the terms of article 84-bis of the Issuers' Regulations, which are available on the company web site at www.ansaldo-sts.com.

If the shares are used to perform activities to support market liquidity, sales shall be made in compliance with the criteria established by resolution of Consob on acceptable market practices.

Methods for the purchases and disposal of treasury shares

The purchase operations will be carried out pursuant to the terms of article 132 of Legislative Decree 58/1998, article 144-bis of the Issuers' Regulations and any other applicable regulations, as well as market practices acceptable to Consob.

More specifically, the purchase of treasury shares will take place pursuant to the operating methods contemplated in article 144-bis, subsection 1 b), of the Issuers' Regulations. The purchase of treasury shares may also take place using other methods if these are permitted under the terms of article 132, subsection 3, of Legislative Decree 58/1998 or any other provisions applicable at the time of the operation.

The shares may be disposed of, in one or more tranches, also before the quantity of treasury shares that may be purchased has been reached. Any such disposal will take place in the ways deemed most appropriate in the interest of the company, and in any case pursuant to applicable regulations. The shares at the service of the performance share plans will be assigned pursuant to the terms and procedures set out in the plan regulations.

Information on the utilization of said purchases to reduce the company capital

It should be noted that the purchase of treasury shares under this authorisation request will not be used to reduce the company capital.

In light of all of the above, we submit the following resolution to you for approval:

"The Ordinary Shareholders' Meeting of Ansaldo STS S.p.A.,

- examined the proposal by the Board of Directors;*
- noted the profits available for distribution and the reserves available as entered in the financial statements for the period ended 31st December 2009;*
- in consideration of the provisions contemplated in articles 2357 and 2357-ter of the Italian Civil Code, 132 of Legislative Decree 58/1998 and 144-bis of the Issuers' Regulations, as well as any other applicable provision,*

Resolves

1. *to authorise the purchase of ordinary shares in Ansaldo STS S.p.A., in one or more tranches, over a period of eighteen months as of the date of this resolution, pursuant to the procedures described below:*
 - *the maximum number of shares to be purchased equals the maximum allowed by law;*
 - *any purchase will take place at a price in compliance with what is set out in article 5, subsection 1 of CE regulation n° 2273/2003 by the European Commission on 22 December 2003 and in any case in compliance with the conditions and restrictions established by Consob on acceptable market practices, where applicable;*
 - *the purchase shall be made pursuant to the methods contemplated in article 144-bis, subsection 1 b), of the Issuers' Regulations;*
2. *to authorise the disposal of the company's treasury shares, in one or more tranches to be carried out over an unlimited period of time, in the ways deemed most appropriate in the interest of the company and pursuant to applicable regulations, as follows:*
 - *the shares purchased may be subject to deeds of disposal even before the maximum quantity of shares specified in this resolution has been purchased;*
 - *the disposal of the treasury shares may not take place at a price more than 10% lower than the reference price applicable on the Electronic Share Market (MTA) organised and managed by Borsa Italiana S.p.A. during the stock exchange session prior to each single transaction;*
 - *the shares at the service of the performance share plans will be assigned free of charge to the recipients of said plans pursuant to the terms and procedures set out in the plan regulations;*
 - *if the shares are subject to exchange, transfer, conferral or any other non-cash deed of disposal, the economic terms of the transaction will be determined on the basis of the nature and characteristics of the transaction, while taking the market trend of the Ansaldo STS stocks into account;*
 - *if the shares are used to perform activities to support market liquidity, sales shall be made in compliance with the criteria established by resolution of Consob on acceptable market practices;*
3. *for the part not yet utilised, to revoke authorisation to purchase and dispose of treasury shares as per resolution passed by the Ordinary Shareholders' meeting on 28 April 2009;*
4. *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 to implement the aforementioned resolutions in full, and to inform the market as necessary, in accordance with the applicable regulations."*

Genoa, 1 March 2010.

For the Board of Directors
Chairman
(Alessandro Pansa)