ROSETTI MARINO

Financial Statements

31 December 2010

I N D E X

1. DIRECTORS' REPORT ON OPERATIONS, ACCOMPANYING THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2010

Dear Shareholders,
The financial statements hereby submitted for your review and approval provide a faithful representation of the Company's current situation.
They report a net profit of Euro 32,725 thousand after depreciation and amortisation of Euro 4,226 thousand, accruals to the bad debt provision of Euro 2,174 thousand, accruals to provisions for contingent risks of Euro 3,560 thousand and accruals to the income tax provision of Euro 16,293 thousand.
It should be noted that these financial statements have benefited from a change in the method used to measure contract work in progress. Long term contract work in progress has been measured on the basis of the agreed consideration (revenue based measurement) rather than under the completed contract method (cost based measurement), the method used until prior year. The cumulative effect on the profit for the year of the change of accounting policy is Euro 26,986 thousand after deferred taxes (the amount before taxation is shown under non-recurring income and totals Euro 39,339 thousand).
Bearing in mind the crisis that has stricken the global economy in the last two years, we believe that the result achieved – even excluding the impact of the change in the method used to measure contract work in progress - can only be considered satisfactory and reflects the dedication shown by staff of the Company, who deserve our and your gratitude.
We provide below an overview of the Company's operating performance and details of foreseeable future developments.

OPERATING PERFORMANCE

The year ended 31 December 2010 was characterised by a significant fall in value of production (Euro 215 million in 2010 against Euro 336 million in 2009). This decrease mainly occurred in the Oil & Gas sector while the Shipbuilding sector remained buoyant and the Process Plants sector achieved an increase.

The lower volume of production in the Oil & Gas sector was due to the worldwide economic downturn that led to a marked drop in demand from the end of 2008 and continuing throughout 2009. This prevented the Company from acquiring new contracts in 2009 and the consequences were seen in 2010 . Another major factor was the decision to operate on the Kazakh market through local subsidiaries or associates rather than through the Parent Company (it should be recalled that a significant portion of revenues in recent years have been generated on the Kazakh market). This decision was taken as the end client intends to favour Kazakh businesses when handing out future contracts in order to boost the local economy.

In 2010, higher levels of consumption leading to higher prices for commodities – especially, oil – have resulted in a strong recovery in demand with new investment taking off once more. As a result, the Company has won several major new contracts in both the Oil & Gas sector and the Shipbuilding sector, assuring us of a decent workload until Spring 2012.

A significant amount of our production continues to take place at our yards outside Italy. This is especially important as it confirms that our policy of internationalisation, which has intensified in recent years, is yielding positive results. It also confirms our ability to manage and complete major projects in other countries with highly satisfactory economic returns.

We also note that, despite the lower volume of business, margins have remained at good levels, albeit lower than the exceptional ones seen in prior years. This has enabled the Company to achieve results that must be considered extremely satisfactory as they have matured in a difficult international environment, characterised by a sharp increase in competition and much greater cost awareness on the part of Clients.

A selection of the most significant earnings indicators is shown below:

	31.12.10	31.12.09
G.I.P. (in thousands of Euro) (A1+A2+A3 of the income statement)	215,182	336,042
EBITDA (in thousands of Euro) (A+B-10-12-13 of the income statement)	18,851	55,722
EBITDA / GIP	8.76%	16.58%
EBIT (in thousands of Euro) (A+B of the income statement)	8,891	51,308
EBIT / GIP	4.13%	15.27%
Gross profit (in thousands of Euro) (Item 22 of the income statement)	49,018	49,915
Gross profit / GIP	22.78%	14.85%
Net profit (in thousands of Euro) (Item 23 of the income statement)	32,725	33,291
Net profit / GIP	15.21%	9.91%
R.O.E. (Net profit / Opening Share-holders' equity)	31.69%	43.57%

The change of accounting policy on contract work in progress, as described above, had a significant impact on some of the above indicators. Specifically, excluding the effect of the change of accounting policy, gross profit for 2010 would have been Euro 9,679 thousand (4.50% of GIP), net profit would have been Euro 5,739 thousand (2.67% of GIP) and R.O.E. would have been 5.56%.

An analysis of the various business segments in which the Company operates is provided below. Please refer to the Notes to the Financial Statements for more detailed analysis of the numbers themselves:

Oil & Gas Business Unit

With gross internal product of around Euro 144 million in 2010 (Euro 264 million in 2009), the construction of offshore platforms was confirmed as the Company's main operating segment.

During 2010, the Company worked on the completion of orders already in progress at 31.12.2009 and commenced work on orders acquired during the year.

As already stated, a recovery in demand meant the Company was able to build up a significant order backlog (Euro 166 million in total) that also guarantees a sufficient workload until Spring 2012 and saw the Company extend its usual client base.

The main orders acquired were as follows:

- production of three jackets and related parts and equipment, for the North Sea, for a total amount of Euro 109 million with the first one to be delivered in the next few months and the other two at the start of 2012;
- revamping of four platforms off the coast of Tunisia for a total amount of Euro 16 million;
- construction of a drilling platform for the North Sea for a total amount of Euro 29 million with delivery due in 2012; in the first few months of 2011, this contract was extended to include detailed engineering works with the contractual amount increased by Euro 13 million.

We also note that negotiations are ongoing with the client over a number of claims and extra works relating to a project that was completed and handed over at the end of 2009. The matter involves issues amounting to several million Euro on which no agreement has yet been reached. Given the lengthy negotiations, on the basis of information currently available, the estimated revenues accounted for in the previous year have been revised in these financial statements with the creation of a prudent provision for contingent risks of Euro 2.3 million.

Shipbuilding Business unit

Shipbuilding contributed value of production of around Euro 61 million in 2010 (Euro 71 million in 2009). In 2010, the business unit completed several projects, including a tug and two supply vessels. It also proceeded with work on five supply vessels, orders for which were received in prior years.

During the year, a new order was acquired to build a 19,000 horsepower Anchor Handling Supply Vessel (AHSV) (with an option for a twin sister ship) for an amount of Euro 52.8 million and consignment in 2012.

Process Plants business unit

In 2010, this business sector contributed value of production of around Euro 10 million (Euro 0.2 million in 2009).

The momentary slowdown in the Oil & Gas segment enabled us to dedicate the resources needed to relaunch the development of this sector which we consider interesting as it offers the chance to diversify the client base and areas of operations, also thanks to synergies with other Group companies (Basis Engineering Srl and Fores Engineering Srl). The first fruits of this renewed commitment to the segment were borne during the year with the acquisition of several orders worth a total of Euro 12.5 million.

CAPITAL EXPENDITURE

In 2010, the Company incurred capital expenditure totalling Euro 6,326 thousand with Euro 1,431 thousand invested in intangible assets, Euro 2,225 thousand in tangible assets and Euro 2,670 thousand in equity investments (including Euro 2,550 thousand of purchases of treasury shares).

The main investments in intangible assets regarded software (purchase and development of new software to manage project documentation and perform feasibility studies plus completion of the SAP management information system) and leasehold improvements (strengthening of the dock used under a concession at the Piomboni yard, work on leased buildings at the San Vitale yard and work on new changing rooms at a rented building on the Via Trieste site).

Investments in tangible assets were made at all three production sites in order to improve production facilities and infrastructure. In particular, we highlight the construction of a new warehouse at the workshop in via Trieste and, at the same site, the start of work on a new office building, scheduled for completion in the first few months

of 2012.
The level of capital expenditure confirms the Company’s commitment to becoming ever more competitive while operating safely and respecting the environment.

EQUITY INVESTMENTS

Direct investments in subsidiaries and associates underwent the following changes in 2010:

- incorporation of Rosetti Libya JSC, a company with its registered office in Tripoli (Libya), and payment of 30% of the share capital subscribed (65%), for a total of around Euro 120 thousand;
- liquidation and resulting cancellation of North Adriatic Offshore Scrl from the register of companies.

Moreover, 9 March 2011 saw the start of the liquidation process of Russian subsidiary Rosetti Ooo. It is not expected to result in any losses not reflected in the accompanying financial statements.
The various Group companies continue to operate on their respective markets with results that we consider satisfactory, while also carrying out the mission assigned to them by the Parent Company. They continue to strive to increase their level of integration with the Parent Company and with other Group companies when this is required by contracts for complex multi-purpose facilities. A detailed analysis of the income statement/financial results of the subsidiaries/associates is provided in an attachment to the Notes and in the Consolidated Financial Statements. At this point, we would recall that the subsidiaries and associates (both direct and indirect) have operated in the following segments:

- Fores Engineering Srl, Fores Engineering Algerie Eurl and Fores Engineering Kazakhstan Llp: design, construction and maintenance of automation and control systems;
- Basis Engineering Srl and Tecon Srl: multi-disciplinary design of oil and petrochemical facilities;
- Rosetti Imstalcom Llp, Rosetti Doo, Rosetti Libya Jsc, Rosetti Egypt Sae, Rosetti Egypt for Trade and Import Llc and Kazakhstan Caspian

Offshore Industries Llp: construction of offshore and onshore oil facilities;
- Rosetti General Contracting Lda, Rosetti Ooo and Rosetti Kazakhstan Llp: services and operating activities on international markets.

Finally, on 21 February 2011, the Company increased its minority investment in Cassa di Risparmio di Ravenna Spa by purchasing a further 1,000 ordinary shares in addition to the 5,000 shares already held.

FINANCIAL SITUATION

For a more detailed analysis of cash flows during the year, please see the statement of cash flows included in an attachment to the financial statements.

At this point, we would highlight, the fixed asset coverage ratio (amply financed through equity) and the positive net financial position.

We also note that, during the year, the Company continued to provide a loan (at 31 December 2010, a total of Euro 12,400 thousand had been disbursed) to associate Kazakhstan Caspian Offshore Industries Llp to provide it with the financial resources needed for the capital expenditure forecast during the first phase of the establishment of a yard in Kazakhstan. As approved on 31 March 2010, this loan may increase up to a maximum of Euro 22,500 million.

Some of the most important financial and equity ratios are shown below:

	31.12.10	31.12.09
Short-term NFP (in thousands of Euro)	21,638	19,466
(C.IV of Assets – D.4 current of Liabilities)		
Asset coverage margin (in thousands of Euro)	61,223	43,413
(M/L term liabilities + total equity – fixed assets)		
Asset coverage ratio	1.80	1.66
(M/L term liabilities + total equity / fixed assets)		
Financial independence index	46.48%	37.12%
(Total equity / total assets)		
Ratio of financial income(expense) to GIP	0.04%	(0.42%)

(Items 16+17+17bis of the income statement / GIP)

Moving onto the financial risks relating to trade receivables, we note that the Company operates primarily with longstanding clients, including leading oil companies or their subsidiaries and leading Italian shipping companies. Given the longstanding relationships with clients and their financial soundness, no specific guarantees are required for receivables from clients. Nonetheless, it should be noted that, as the Company tends to operate on a few, very large contracts, its receivables are highly concentrated on a small number of clients.. Given this fact, it is common practice before acquiring an order, to conduct a thorough assessment of the financial impact of that order and a prior evaluation of the client's financial situation and to continue to monitor outstanding receivables thoroughly during the execution of the work.

The Company does not have bank borrowing and has obtained a strong rating from the banks with which it deals. Accordingly, there are no difficulties in raising financial resources or risks associated with interest rate fluctuation.

The Company is exposed to the exchange rate risk as a result of its operations on international markets. In order to protect itself against this risk, as in previous years, the Company has arranged exchange rate risk hedging transactions when it has acquired significant orders from clients in foreign currencies and issued significant orders to suppliers in foreign currencies. As at 31 December 2010, the Company had USD 9,273 thousand of outstanding forward sale contracts with various banks and USD 3,119 thousand of outstanding forward purchase contracts as hedges for orders received from clients or placed with suppliers plus NOK 159,604 thousand of outstanding forward purchase contracts as hedges for various purchase orders placed with suppliers.

PERSONNEL

At 31 December 2010, the headcount stood at 348 employees (plus 16 employees currently seconded to foreign subsidiaries and associates), a nine employee increase on prior year.

46 employees left the workforce due to natural turnover, 49 new employees were hired and six employees returned to the Company after temporary secondments to foreign subsidiaries and associates. In more detail, the number of white collar and blue collar workers increased by five and four, respectively, while the number of executives remained unchanged.

There was an 18 employee increase in the number of persons hired on a permanent basis while the number of persons hired under foreign contracts in relation to work in progress on the Caspian Sea fell by nine. The number of persons hired under fixed term contracts or training contracts remained unchanged.

Furthermore, during the year, resources equal to 4.14% of total personnel costs were allocated to training activities involving many employees. This confirms the special attention that has always been paid to staff training.

Due to the type of business conducted, the risk of accidents, including potentially fatal accidents, is high. For this reason, the Company has always devoted particular attention to safety issues by adopting a series of internal procedures and educational measures aimed at preventing such events. All production facilities have been certified compliant with the BS-OHSAS18001 standard and we continue to promote initiatives aimed at further spreading a culture of safety among all internal and external workers who operate at our Italian and international production facilities.

OTHER INFORMATION ON OPERATIONS

As expressly required by Article 2428 of the Italian Civil Code, we report the following while referring the reader to the Notes for further information on the numbers reported:

Information on business risks

The inherent risks involved in the business activities of the Company are those typical of enterprises that operate in the plant engineering and shipbuilding segments.

The responsibilities resulting from the design and construction of our products and the risks associated with normal operating activity are dealt with in advance by devoting adequate attention to such aspects when developing processes and implementing adequate organisational procedures, as well as by acquiring adequate insurance cover on a precautionary basis.

The potential risks pertaining to financial, environmental and workplace safety issues and an analysis of the uncertainties relating to the particular economic environment have been reviewed in advance and appropriate measures adopted, as described in the "Financial situation", "Information on the environment", "Personnel" and "Business outlook" paragraphs.

Information on the environment

The Company constructs large metal structures whose manufacture involves limited environmental risks, mainly during the painting and sandblasting phases. Although these risks are limited, they are thoroughly assessed and evaluated by the unit responsible.

The attention paid to environmental issues is borne out by the fact that the Parent Company has been certified compliant with international standard ISO14001 for many years.

Research and development

Research and development is carried out by the specific Business Development unit and costs totalling Euro 297 thousand were incurred during the year. These activities have involved the study of new products and new technologies, relating in particular to hydrogen production. This research activity could produce significant benefits for the Company which may enjoy the opportunity of entering new areas of the market by studying innovative processes and developing new operating methods.

Personal data processing

A Personal Data Policy Document is required by the minimum security measures contained in Attachment B to Legislative Decree no 196 of 30 June 2003 in relation to the processing, by information systems, of information designated as “sensitive” or “judicial” data by the same legislation.

The Company uses its information systems to process data designated as sensitive and judicial and forming part of its business databases (HR department, legal department, HSE department, Procurement department, accounting department).

Accordingly, in compliance with point 26 of the technical rules of the above Decree on 29 March 2011, the Company updated its Personal Data Policy Document.

Intra-Group relations

As you are aware, the Company heads an industrial group including many companies, some of which (Fores Engineering Srl, Basis Engineering Srl, Rosetti General Contracting Lda, Rosetti Kazakhstan Llp, Rosetti Doo, Rosetti Ooo, Rosetti Egypt Sae and Rosetti Libya Jsc) are under the direct control and coordination of the Parent Company.

The Group companies enter into industrial, commercial and financial transactions (exchanges of services, technical, commercial and administrative assistance plus the purchase and sale of materials, the rental of ships, short-term loans, etc) between themselves. These transactions take place on an arm's length basis at normal market conditions.

For a more detailed analysis of the relations between Group companies at year end and, more generally, for other information on the various activities carried out by the Companies and the transactions that took place in 2010, reference should be made to the Notes and accompanying attachments and to the consolidation financial statements provided alongside these financial statements.

Treasury share transactions

As approved by a Shareholders' General Meeting on 25 January 2010, in December, the Company purchased a further 100,000 treasury shares from subsidiary Fores Engineering Srl (2.5% of share capital) at a price of Euro 25.50 per share for a total cost of Euro 2,550,000. Therefore, the Company now holds 200,000 shares or 5.0% of its share capital.

Listing on the M.A.C

Since 12 March 2010, the Company's shares have been admitted by Borsa Italiana to listing on the M.A.C. (Alternative Capital Market). The institutional offering consisted of 200,000 shares, representing 5% of share capital, placed for sale by a minority shareholder. During the placement phase, the price was set at Euro 30 per share for a total offering of Euro 6 million and a capitalisation of Euro 120 million.

Significant events after the reporting period

There have been no events between the reporting date and the date of writing that might have a significant impact on operating performance.

BUSINESS OUTLOOK

The order backlog comprising orders acquired but not completed at 31 December 2010 – many of which will be completed in 2011 – and new orders acquired in the first few months of the current year stands at around Euro 234 million.

It is our belief that the current level of the order backlog is satisfactory though it is certainly not comparable with the levels recorded in prior years (2007-2009) which were, however, the result of a series of events unlikely to be repeated.

Taking into account the current order backlog and the prospects for the market as they appear at present – including interesting prospects regarding growth in offshore investment in the North Sea that should materialise in the coming months – we believe that value of production for 2011 should reach an average level with good profitability thanks to the margins expected on the current order backlog.

We note that the Company recently adopted a Business Unit based organisational model, designed to give greater impetus to the policy of diversification of our activities and to better focus our objectives for growth and results. This new organisation has involved the creation of new, high profile professional roles with the duty and responsibility of managing and developing the business units.

The following information is provided on the key commercial and operating strategies of the various business units of the Company:

- Oil & Gas Business unit: the order backlog currently stands at around Euro 140 million, guaranteeing a sufficient workload for 2011.

  In terms of future prospects, the outlook for the offshore and onshore market remains positive in the medium term given the continuing dependence of the world economy on petroleum derivative products.

  The first positive signs from the global economy and a recovery in oil prices have encouraged our major clients to relaunch, albeit with some caution, the investment plans that were momentarily postponed in 2009. A certain degree of recovery in terms of investment in this sector has also been confirmed not only by recent acquisitions of new contracts but also by a considerable increase in new calls for tenders for major projects.

Nonetheless, it must be noted that the current crisis situation that is affecting almost all countries in North Africa could lead to a slowdown in investment in the Mediterranean area. This should not cause us any major problems so long as the crisis is resolved relatively swiftly.

Meanwhile, the Kazakh market has seen no fall in demand notwithstanding the ongoing global economic crisis. It must be noted that the end client plans to favour Kazakh companies guaranteeing local content when awarding future contracts. In order not to lose the chance of attractive opportunities on this market, we are currently establishing a yard in Kazakhstan through our affiliate Kazakhstan Caspian Offshore Industries Llp. The yard will be operational midway through 2011 and will help us acquire important new contracts through the said company to be carried out locally.

- Shipbuilding Business unit: during 2010, this Business Unit will continue to work on orders acquired in prior years which assure the Company a sufficient workload until midway through 2012. This means we can look forward calmly to the near future despite the sharp fall in demand in the sector as a result of the crisis in sea transport.

  We will continue to operate with great attention on the market, also internationally, in order to take advantage of any opportunities that might appear and which are compatible with the current workload..
- Process Packages Business unit: particular attention is being paid to developing this sector (development in recent years has been held back by the considerable volume of business done in the offshore segment). Continuing our policy of product diversification, we will seek to improve our position on this market, focusing our efforts on products related to alternative energy sources and making the most of synergies deriving from the Group's resources.

Dear Shareholders,

The activities carried out by the Company in 2010 have generated a net profit of Euro 32,724,841.98.

We propose the following allocation of the net profit for the year to the General Meeting: Euro 59,848.69 to the reserve for unrealised exchange gains in accordance with Article 2426(8) of the Italian Civil Code; distribution of a dividend of Euro 1.75 per share with dividend rights; allocation of the remainder to the extraordinary reserve.

Finally, we invite you to approve the financial statements, the accounting policies applied and the accompanying directors' report.

Ravenna, 31/03/2011

For the Board of Directors

The Chairman

Gianfranco Magnani

2. FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2010:

- ***Balance Sheet***
- ***Income Statement***
- ***Notes***

BALANCE SHEET (Amounts in Euro)

ASSETS	*2010*	*2009*
A) SUBSCRIBED CAPITAL, UNPAID	**0**	**0**
B) FIXED ASSETS AND INVESTMENTS:		
I Intangible assets:		
4) concessions, licenses, trademarks and similar rights	553,122	577,325
7) other intangible assets	2,816,846	2,951,864
TOTAL INTANGIBLE ASSETS	3,369,968	3,529,189
II Tangible assets:		
1) land and buildings	46,362,267	47,931,796
2) plant and machinery	2,876,702	3,164,354
3) industrial and commercial equipment	419,577	161,451
4) other tangible assets	560,075	505,095
5) assets in progress and payments on account	2,364,096	1,854,454
TOTAL TANGIBLE ASSETS	52,582,717	53,617,150
III Long term investments:		
1) equity investments:		
a) in subsidiaries	1,319,237	1,236,838
b) in associates	562,365	562,365
d) in other entities	142,387	151,846
Total equity investments	2,023,989	1,951,049
2) receivables:		
b) from associates	12,400,000	3,500,000
d) from others	748,391	694,155
Total receivables	13,148,391	4,194,155
4) treasury shares	5,100,000	2,550,000
TOTAL LONG TERM INVESTMENTS	20,272,380	8,695,204
TOTAL FIXED ASSETS AND INVESTMENTS	**76,225,065**	**65,841,543**
C) CURRENT ASSETS:		
I Inventory:		
1) raw materials and consumables	858,736	714,733
3) contract work in progress	100,224,102	63,801,322
5) payments on account	5,933,337	6,165,184
TOTAL INVENTORY	107,016,175	70,681,239
II Receivables:		
1) due from clients (trade)	54,264,335	96,824,646
2) due from subsidiaries	2,116,776	1,884,198
3) due from associates	890,551	5,296,125
4-bis) tax receivables	9,006,013	703,214
4-ter) deferred tax assets	3,432,136	16,133,409
5) due from other parties:		
- within a year	256,651	307,031
- after more than a year	348,778	343,318
TOTAL RECEIVABLES	70,315,240	121,491,941
III Short term investments:		
6) other securities	20,658	20,658
TOTAL SHORT TERM INVESTMENTS	20,658	20,658
IV Cash and cash equivalents:		
1) bank and post office accounts	21,593,303	19,454,700
3) cash and cash equivalents on hand	44,747	11,032
TOTAL CASH AND CASH EQUIVALENTS	21,638,050	19,465,732
TOTAL CURRENT ASSETS	**198,990,123**	**211,659,570**
D) PREPAID EXPENSES AND ACCRUED INCOME	**608,267**	**673,186**
TOTAL ASSETS	**275,823,455**	**278,174,299**

LIABILITIES AND SHAREHOLDERS' EQUITY		***2010***	***2009***
A)	**SHAREHOLDERS' EQUITY:**		
I	Share capital	4,000,000	4,000,000
III	Revaluation reserve	36,968,663	36,968,663
IV	Legal reserve	800,000	800,000
VI	Reserve for treasury shares	5,100,000	2,550,000
VII	Other reserves:		
	- extraordinary reserve	46,657,599	23,449,552
	- reserve under Legislative Decree 124/93	15,341	15,341
	- reserve for unrealised exchange gains	0	267,507
	- reserve for grants under Art 55 DPR 917/86	1,926,030	1,926,030
	- reserve for roundings to nearest Euro	1	1
	Total other reserves	48,598,971	25,658,431
IX	Net profit for the year	32,724,842	33,290,541
	TOTAL SHAREHOLDERS' EQUITY	**128,192,476**	**103,267,635**
B)	**PROVISIONS FOR RISKS AND CONTINGENCIES:**		
2)	Provisions for taxation, including deferred tax	78,995	86,967
3)	Other	6,438,843	2,878,657
	TOTAL PROVISIONS FOR RISKS AND CONTINGENCIES	**6,517,838**	**2,965,624**
C)	**T.F.R/EMPLOYEE SEVERANCE INDEMNITY**	**2,388,726**	**2,593,139**
D)	**PAYABLES:**		
5)	due to other lenders:		
	- within a year	79,867	77,159
	- after more than a year	348,504	428,371
6)	payments on account	91,850,969	110,521,251
7)	due to suppliers	37,664,377	40,076,066
9)	due to subsidiaries	2,021,582	5,635,721
10)	due to associates	264,798	109,500
12)	tax payables	1,143,207	7,562,848
13)	social security payables	1,465,393	1,228,588
14)	other payables	3,851,823	3,672,162
	TOTAL PAYABLES	**138,690,520**	**169,311,666**
E)	**ACCRUED EXPENSES AND DEFERRED INCOME**	**33,895**	**36,235**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**275,823,455**	**278,174,299**

MEMORANDUM ACCOUNTS	***2010***	***2009***
1. Guarantees given:		
a) Sureties given in the interest of:		
subsidiaries	1,858,053	3,467,691
other	80,407,080	74,035,380
Total sureties	82,265,133	77,503,071
TOTAL GUARANTEES GIVEN	**82,265,133**	**77,503,071**
3. Other commitments and risks:		
a) forward currency purchases	21,966,565	18,874,362
b) forward currency sales	6,978,330	64,406,394
c) lease instalments	2,403,753	3,052,635
d) credit facilities	635,233	925,000
TOTAL OTHER COMMITMENTS AND RISKS	**31,983,881**	**87,258,391**

INCOME STATEMENT (Amounts in Euro)	2010	2009
A) VALUE OF PRODUCTION:		
1) Revenues from sales and services	406,776,215	244,955,713
3) Change in contract work in progress	(191,594,714)	91,086,448
4) Increase in own work capitalised	123,649	23,078
5) Other revenues and income:		
a) grants towards operating expenses:	328,743	43,064
b) other:	612,315	793,796
TOTAL VALUE OF PRODUCTION	**216,246,208**	**336,902,099**
B) COST OF PRODUCTION:		
6) Raw materials, consumables and goods for resale	(52,879,267)	(102,318,647)
7) services	(107,003,132)	(142,753,722)
8) leases and rentals	(12,693,145)	(10,523,409)
9) personnel costs:		
a) wages and salaries	(17,310,389)	(17,179,925)
b) social security contributions	(4,832,352)	(4,661,316)
c) TFR/employee severance indemnity	(1,144,194)	(1,110,001)
e) other personnel costs	(1,254,743)	(1,113,528)
Total personnel costs	(24,541,678)	(24,064,770)
10) Amortisation, depreciation and writedowns:		
a) amortisation of intangible assets	(1,505,511)	(1,033,427)
b) depreciation of tangible assets	(2,720,505)	(2,850,787)
d) writedown of current receivables and cash and cash equivalents	(2,173,959)	(529,364)
Total amortisation, depreciation and writedowns	(6,399,975)	(4,413,578)
11) Change in inventory of raw materials, consumables and goods for resale	144,003	(847,599)
12) Provisions for risks	(3,560,186)	0
14) Sundry operating expenses	(421,819)	(672,047)
TOTAL COST OF PRODUCTION	**(207,355,199)**	**(285,593,772)**
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A+B)	**8,891,009**	**51,308,327**
C) FINANCIAL INCOME AND EXPENSES:		
15) Income from equity investments:		
a) dividends and other income from subsidiaries	707,170	0
c) dividends and other income from other entities	4,289	4,534
16) Other financial income:		
d) income other than the above:		
- interest and fees from subsidiaries	2,659	42,005
- interest and fees from associates	242,945	40,182
- interest and fees from others and sundry income	333,831	552,297
17) Interest and other financial expenses:		
d) other	(209,949)	(211,078)
17-bis) Foreign exchange gains and losses	(279,139)	(1,820,636)
TOTAL FINANCIAL INCOME AND EXPENSES	**801,806**	**(1,392,696)**
D) ADJUSTMENTS TO FINANCIAL ASSETS		
19) Writedowns:		
a) of equity investments	(41,432)	0
E) NON RECURRING INCOME AND EXPENSES		
20) Income:		
b) other	39,379,817	0
c) rounding to nearest Euro	3	0
21) Expenses:		
b) prior year taxes	(13,513)	(33)
c) rounding to nearest Euro	0	(2)
d) other	0	(483)
TOTAL NON RECURRING INCOME AND EXPENSES	**39,366,307**	**(518)**
PROFIT BEFORE TAXATION (A+B+C+D+E)	**49,017,690**	**49,915,113**
22) Income taxes for the year – current, deferred and deferred tax income:	(16,292,848)	(16,624,572)
23) NET PROFIT (LOSS) FOR THE YEAR	**32,724,842**	**33,290,541**

NOTES

PRESENTATION AND CONTENT OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with THE Italian Civil Code and consist of the balance sheet (prepared in the format required by Articles 2424 and 2424 *bis* of the Italian Civil Code), the income statement (prepared in the format required by Articles 2425 and 2425 *bis* of the Italian Civil Code) and these notes. The notes contain the information required by Article 2427 of the Italian Civil Code, by other provisions of Legislative Decree no 127/91 and other legal provisions. Where necessary, statutory reporting requirements have been supplemented with the accounting standards recommended by the Standard-Setting Committee of Italy's National Council of Accountants, as revised by the Italian Accounting Board, and with the standards issued by the International Accounting Standards Board (IASB), insofar as they are compatible with Italian law. In addition, while not specifically required by law, full complementary information about all matters deemed necessary to give a true and fair view is also provided. In particular, a cash flow statement has been prepared.
Information on events after the reporting date is provided in the attached Directors' Report.

ACCOUNTING POLICIES

The accounting policies adopted when preparing these financial statements are consistent with the requirements of Article 2423-*bis* of the Italian Civil Code. They are mainly contained in Article 2426 of the Italian Civil Code and are supplemented and interpreted by the accounting standards issued by Italy's National Council of Accountants, as revised by the Italian Accounting Board following the corporate law reform enacted by lawmakers through Legislative Decree No 6 of 17 January 2003, as amended. The key accounting policies adopted for the preparation of the financial statements at 31 December 2010 are set out below.

Intangible assets

Intangible assets are recognised at purchase or production cost, including related expenses but net of any grants towards capital expenditure. They are systematically amortised over their expected useful lives. Intangible assets are written down of they become impaired, irrespective of the amount of previously recorded amortisation charges. .

Advertising and research and development costs are expensed in their entirety during the year in which they are incurred.

Tangible assets

Tangible assets are recognised at purchase or production cost, net of any grants towards capital expenditure and adjusted for certain assets in application of specific revaluation laws. Cost includes related expenses and direct and indirect costs to the extent reasonably attributable to the asset.

Tangible assets are systematically depreciated each year on a straight-line basis using rates of depreciation determined in relation to the residual useful lives of the assets. The rates applied are presented on the section of the notes containing comments on assets. Tangible assets are written down when impaired, irrespective of previously recognised depreciation charges. If the grounds for an impairment loss cease to apply in later years, the original amount is restored, as adjusted only for depreciation.

Ordinary maintenance costs are expensed in their entirety to the income statement, whereas those that involve improvements are allocated to the relevant assets and depreciated on the basis of the residual useful life of the asset in question.

Assets held under finance leases

Assets held under finance leases are accounted for in accordance with Italian GAAP which requires lease instalments to be recognised as period costs with advance payments treated as prepaid expenses and the asset recorded in the balance sheet in the year when the final purchase option is exercised. During the lease period, the final

purchase option amount and the outstanding commitment for lease repayments is disclosed in the memorandum accounts.
In accordance with the requirements of Italian Accounting Standard O.I.C. no. 1, this section of the notes shows the effect of accounting for finance lease agreements in accordance with the method required by International Accounting Standards (IAS 17) which provides for:

- the recognition of an asset equal to the original amount of the assets acquired under finance lease agreements at the time of signature of such agreements;
- the recognition of the related capital element of the outstanding liability towards the leasing company;
- the allocation to the income statement, in place of lease instalments for the period, of depreciation charges and financial expenses for the period, as included in the finance lease instalments.

Equity investments and securities (long-term investments)
Equity investments are measured at cost.
The carrying amount is determined on the basis of the purchase or subscription price. Cost is then written down for impairment when the investee companies incur losses and it is not expected that the income earned in the immediate future will be sufficient to offset these losses. The original amount is restored in later years if the grounds for the impairment loss cease to apply.

Inventory

Raw materials:
Raw materials are measured at the lower of purchase or production cost, determined using the weighted average cost method, and estimated realisable value, determined based on market trends.

Contract work in progress and revenue recognition:

Contract work in progress with a duration of less than one year is measured at specific construction cost (completed contract method).
Contract work in progress spanning more than one year is measured at year-end on the basis of the consideration accruing with reasonable certainty (the percentage completion method). Consideration accruing is calculated by applying the completion percentage determined using the cost-to-cost method to estimated total revenues.
This percentage is calculated as the ratio of costs incurred as at 31 December 2010 to estimated total costs.
Payments on account made by clients on a non-definitive basis while a project is ongoing, are recognised upon the completion of work as normally agreed in terms of "states of advancement" by reducing the amount of contract work in progress, whereas payments on account and milestone payments by clients are recognised under the item" Payments on account" on the liabilities side of the balance sheet. Contracts are considered completed when all costs have been incurred and the work has been accepted by the clients. Any losses on contract work in progress are provided for in their entirety during the year in which they are expected.

Receivables

Receivables are recognised at estimated realisable value. For trade receivables, estimated realisable value is obtained by subtracting the bad debt provision from their nominal amount. The bad debt provision includes accruals made for non-payment risks.

Short-term financial assets

Short-term financial assets are recognised at the lower of purchase or subscription cost, including directly attributable auxiliary expenses, and realisable amount based on market performance. Realisable amount is determined as follows. Realisable amount is determined as follows:

- for securities listed on regulated markets: market price calculated as the arithmetic average of listed prices in the month of

December or the selling price of securities sold in the first few months of the following year;

- for securities not listed on regulated markets: market price on the basis of the market performance of securities with similar characteristics that are listed on regulated markets.

The original cost of such securities is restored when the grounds for previously recognised adjustments cease to apply.

Cash and cash equivalents

Cash and cash equivalents are recognised at their nominal amount.

Prepaid expenses and accrued income, accrued expenses and deferred income

These items include portions of costs and revenues common to two or more reporting periods, in accordance with the accrual basis of accounting.

Provisions for risks and contingencies

Provisions for risks and contingencies are created to cover losses of liabilities that are certain or probable but whose amount and due date could not be determined at year end. The amounts provided represent the best possible estimate based on the information available.

Risks for which the emergence of a liability is merely possible are disclosed in the Note on provisions without making any accrual to a provision for risks and contingencies.

Derivative financial instruments

Derivative financial instruments are employed solely for hedging purposes with the aim of managing the risks deriving from exchange rate fluctuation. They are recognised in the memorandum accounts at nominal amount upon signature of the contract.

The cost or income (calculated as the difference between the value of the instrument at the spot exchange rate when the contract is entered into and its value at the forward exchange rate) is recognised in the

income statement on an accruals basis and in such a way as to offset the effects of the hedged cash flows.
If the instrument does not meet all of the requirements for hedge accounting, the profit or loss deriving from its measurement at fair value is immediately recorded in the income statement.

TFR/Employee severance indemnity provision
The employee severance indemnity provision covers the full liability accruing up to 31 December 2006 towards employees under applicable legislation, collective labour agreements and supplementary company agreements. The liability is adjusted each year in accordance with Article 2120 of the Italian Civil Code.
Under the new rules introduced by Law No 296/2006, employee severance indemnity entitlement accruing after 1 January 2007 is paid, as decided by the employee, into the treasury fund administered by state social security and pensions body INPS or into a complementary pension plan.

Payables
Payables are recognised at their nominal amount.

Risks, commitments and guarantees
Commitments and guarantees are stated at their contractual amount. Secured guarantees on assets owned by the Company are disclosed in these Notes.

Costs and revenues
Costs and revenues are recognised in accordance with the prudence and accruals concepts required by Article 2423-*bis* of the Italian Civil Code. Pursuant to Article 2425-*bis* of the Italian Civil Code, costs and revenues are stated net of returns, discounts, allowances and premiums, as well as any taxes directly related to the purchase and sale of goods and the provision of services.

Grants towards capital expenditure and operating expenses

Grants towards capital expenditure and operating expenses are recognised when they are collected.

In prior years, in order to take advantage of the suspension of taxation under tax rules in force until 31 December 1997, for the amount permitted by tax rules, part of the grants received was recorded under shareholders' equity item "other reserves".

Dividends

Dividends are recognised during the year in which distribution is approved by the company paying them.

Income taxes for the year

Income taxes are recorded on the basis of estimated taxable income in accordance with current tax rules, taking account of applicable exemptions and tax credits due. Deferred tax assets and liabilities are also recognised on temporary differences between the reported result for the year and taxable income. Deferred tax assets are recognised when it is reasonably certain that there will be sufficient future taxable income to ensure their recovery.

Translation into Euro of foreign currency items

Receivables and payables in foreign currency are originally accounted for at the exchange rates in effect when the transactions are recorded.

Exchange differences arising on the collection of receivables and settlement of payables in foreign currency are recognised in the income statement.

Receivables and payables in foreign currency for which exchange risk hedging transactions have been arranged are adjusted to the base exchange rate of the said hedging transactions.

At year-end, receivables and payables in foreign currency for which hedging transactions have not been arranged are translated on the basis of the exchange rate in force at the reporting date. Gains and losses arising from this translation are credited and debited to the income statement as financial income or expenses.

Any net gain arising after considering unrealised exchange gains and losses is allocated to a specific non-distributable reserve until it is realised.

OTHER INFORMATION

Exceptions pursuant to Article 2423 (4) of the Italian Civil Code

No exceptions pursuant to Article 2423(4) of the Italian Civil Code were made when preparing the attached financial statements.

Comparison and presentation of figures

In the interest of greater clarity and comprehensibility, all figures in the notes and accompanying attachments are stated in thousands of Euro.

Preparation of consolidated financial statements

As it holds significant controlling investments, as defined by Article 2359 of the Italian Civil Code, the Company is obliged to prepare consolidated financial statements at 31 December 2010, in accordance with Legislative Decree 127/91. The Company has prepared such financial statements by the deadline required by Article 46(4) of the said Decree. They supplement these financial statements and are contained in a separate document.

Change of accounting policy for contract work in progress

In the financial statements at 31 December 2010, the Company has changed the method used to measure contract work in progress spanning more than one year. It has adopted the percentage completion method in place of the completed contract method.
Adoption of this method means that the accounting policies are applied on a uniform basis within the Group and provides a better representation of such contracts and the related income statement and balance sheet effects. The cumulative effect of the change calculated on opening inventory of contract work in progress was Euro 39,339 thousand (before the tax effect of Euro 12,353 thousand).

This amount has been recorded under item “20 Other non-recurring income”. Consequently, the net effect on the result for the year and on shareholders’ equity at 31 December 2010 was Euro 26,986 thousand.

COMMENTS ON THE MAIN ASSET ITEMS

FIXED ASSETS

INTANGIBLE ASSETS

Concessions, licenses, trademarks and similar rights

This item underwent the following changes during the year (in thousands of Euro):

	Balance 31/12/09	**Incr.**	**Decr.**	**Balance 31/12/10**
Concessions of surface rights	577	0	(24)	553

This item is amortised on the basis of the duration of the concession for the surface rights.

Concessions of surface rights consists of the consideration paid to acquire those rights, which expire in 2017, 2018 and 2050, on land adjacent to the Piomboni Yard.

Other intangible assets

This item underwent the following changes during the year (in thousands of Euro):

	Balance 31/12/09	**Incr.**	**Decr.**	**Balance 31/12/10**
Software	954	514	(751)	717
Deferred charges	1,998	917	(815)	2,100
TOTAL	**2,952**	**1,431**	**(1,566)**	**2,817**

The increase in “Software” was due to purchases of new software licenses, the development of new software to manage project documentation and feasibility studies and completion of the new SAP business management software.

The increase in deferred charges mainly regarded work on the dock held under a concession at the Piombini, work on leased assets at the San Vitale yard and improvements involving the installation of changing rooms at rented premises adjacent to the property in Via Trieste. Decreases were due to amortisation totalling Euro 1,566 thousand as calculated on a different basis for each type of capitalised costs, as follows:

- on a straight-line basis over three years for software;
- over the term of real estate lease agreements for improvements to such assets;
- over the duration of surface rights and for investments in relation to such assets.

TANGIBLE ASSETS

A detailed breakdown of this item, movements during the year and the depreciation rates applied are provided in an attachment to these Notes.

In 2010, ordinary depreciation charges were recognised at rates representing the useful lives of the tangible assets in question.

Some categories of tangible assets include the following revaluations applied in prior years by the Company (in thousands of Euro):

	Law 576/1975	**Law 72/1983**	**Law 413/1991**	**Law 266/2005**	**Law 2/2009**
Yards and Buildings	0	0	433	0	6,642
Light constructions	0	0	0	654	254
Equipment	0	0	0	1,392	0

Land	0	0	0	0	26,871
Processing furnaces	0	0	0	200	0
Machinery	8	226	0	781	0
TOTAL	**8**	**226**	**433**	**3,027**	**33,767**
Depreciation 2010	0	0	(11)	0	(975)
Accumulated depreciation at 31/12/10	(8)	(226)	(268)	(3,027)	(2,056)
Net book value	**0**	**0**	**165**	**0**	**31,711**

"Assets in progress and payments on account" includes work to extend the sandblasting and paintshop facilities at the Piomboni yard, construction work on the new offices in Via Trieste and, above all, the amount of Euro 1,855 thousand paid in 2007 to take on a finance lease contract, acquiring the final purchase option on the asset (the lease in question regards land and industrial buildings adjacent to the San Vitale yard – the amount in question will be reclassified to increase the redemption value of the asset upon termination of the lease agreement in 2014).

LONG-TERM INVESTMENTS

Equity investments in subsidiaries and associates

This item was subject to the following changes in 2010 compared to prior year:

- incorporation of Rosetti Libya JSC, a company with its registered office in Tripoli (Libya), and payment of 30% of the share capital subscribed (65%), for a total of around Euro 120 thousand.
- liquidation and resulting cancellation of North Adriatic Offshore Scrl from the register of companies

The subsidiaries and associates operate in the following sectors:

- Fores Engineering Srl (which holds 100% of Fores Engineering Algèrie and 50% of newly incorporated Fores Kazakhstan Llp which operate in the same sector): design, construction and maintenance of automation and control systems;
- Basis Engineering Srl, Tecon Srl.: multi-disciplinary design of oil and petrochemical facilities;
- Rosetti Imstalcon Llp, Rosetti Doo, Rosetti Libya Jsc, Rosetti Egypt Sae (which, in turn, holds 99.8% of newly incorporated Rosetti Egypt for Trade and Import Llc and operates in the same sector): construction of offshore and onshore oil facilities;
- Rosetti General Contracting Construcoes Serviços Lda, Rosetti Kazakhstan Llp (which, in turn, holds 50% of KCOI which constructs offshore and onshore oil facilities and 50% of newly incorporated Fores Kazakhstan Llp) and Rosetti Ooo: services and operating activities on international markets.

The following companies are currently dormant: Rosetti Ooo, Rosetti Doo, Rosetti Libya Jsc, Fores Kazakhstan Llp and Rosetti Imstalcon Llp.

As a result of the political instability that is affecting Libya and Egypt, the losses made in 2010 by subsidiaries and associates in these countries and the possibility of a future withdrawal by the Company, we have written down the investments in Rosetti Libya JSC and Rosetti Egypt SAE by Euro 19 thousand and Euro 13 thousand, respectively. The risk of further impairment losses on these investments has been considered in the provisions for risks and contingencies.

The schedule requested by Article 2427(5) of the Italian Civil Code is provided in an attachment to these Notes.

Investments in other entities

This item may be broken down as follows (in thousands of Euro)

	Balance 31/12/10	Balance 31/12/09
SAPIR	3	3
CAAF Industrie	2	2
Libian Joint Co.	0	9
Consorzio Cura	1	1
Cassa Risparmio Ravenna	137	137
Total other entities	**143**	**152**

The investment in the Libyan Italian Joint Company has prudently been written down in full in light of the political instability in Libya.

Receivables from associates

This item may be broken down as follows (in thousands of Euro)

	Balance 31/12/10	Balance 31/12/09
Kazakhstan Caspian Offshore Ind.	12,400	3,500

This receivable consists of a medium-term loan granted to associate Kazakhstan Caspian Offshore Industries Llp to enable it to construct its own yard in Kazakhstan. The loan was disbursed in several instalments commending in 2009. It is unsecured and bears interest at a market based, arm's length rate. Based on the Company's Business Plan, no bad debts are expected in relation to this loan in light of the cash flow expected from contracts that the associate believes it will acquire in the years to come. In 2010, the associate acquired its first contract which was worth a total of Euro 22 million.

Receivables from others

This item may be broken down as follows (in thousands of Euro)

	Balance 31/12/10	Balance 31/12/09
Mart Machinery Plant	748	694

This receivable regards a loan of USD 1,000 thousand made to Mart Machinery Plant (a company that owns 20% and 50%, respectively, of associate Rosetti Imstalcon Llp and indirect associate Kazakhstan Caspian Offshore Industries Llp); based on the repayment plan, the final repayment is due on 31 December 2015. The increase compared to prior year is entirely due to restatement at the 31 December 2010 exchange rate. The loan is unsecured and bears interest at a market based, arm's length rate). An agreement was reached to postpone the repayments falling due in 2009 and 2010 to next year. No bad debt issues are expected in relation to this loan.

Treasury shares

This item amounts to Euro 5,100 thousand and consists of 200,000 treasury shares purchased for Euro 25.50 per share.
100,000 of the shares were purchased from Cosmi Holding S.p.A., as approved by the Shareholders' General Meeting of 23 January, while the remaining 100,000 treasury shares were purchased from subsidiary Fores Engineering Srl as approved by the Shareholders' General Meeting of 25 January 2010.
Therefore, in accordance with Article 2359 *bis* of the Italian Civil Code, Shareholders' Equity includes a non-distributable "Reserve for treasury shares" of the same amount.

CURRENT ASSETS

INVENTORY

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/10	**Balance 31/12/09**
- Raw materials	1,659	1,515
(less) Obsolescence provision	(800)	(800)
	859	715
- Contract work in progress	138,134	290,390

- Payments on account	(37,910)	(226,589)
	100,224	63,801
- Advances to suppliers	5,933	6,165
Total inventory	**107,016**	**70,681**

Measurement of year end inventory at weighted average purchase cost does not lead to any appreciable difference compared to a current cost measurement. In order to bring inventory into line with its estimated realisable value, an obsolescence provision of Euro 800 thousand has been recorded; the obsolescence provision has not changed compared to prior year..

Contract work in progress includes Euro 1,431 thousand relating to contracts lasting less than a year (measured under the completed contract method) and Euro 136,703 thousand to contracts spanning more than one year (measured under the percentage completion method).

Contract work in progress regarding contracts spanning more than a year are all valued on the basis of the total agreed consideration. In prior years they were valued based on specific construction cost (completed contract method).

The effect of this change of accounting policy on profit for the year and shareholders' equity at 31 December 2010 is set out in the "Change of accounting policy for contract work in progress" paragraph of the introductory section of these Notes.

The significant increase compared to prior year is due to the change of accounting policy for contracts spanning more than one year and to the completion of many contracts, among them many that were opened prior to 2009.

Contract work in progress includes two contracts in relation to which provision has been made for operating losses totalling around Euro 631 thousand.

Advances to suppliers primarily consist of sums paid to various suppliers upon placement of the related orders for purchases of materials.

This last item is significantly affected by the advances required by shipbuilding contracts in relation to sub-contractors and major purchases.

RECEIVABLES

Due from clients

This item includes receivables from clients arising as a result of normal commercial transactions.
It may be broken down as follows (in thousands of Euro):

	Balance 31/12/10	**Balance 31/12/09**
Due from clients - Italy	10,976	10,174
Due from clients – other EU	33,384	11,790
Due from clients – non EU	14,325	77,111
Provision for bad debts under Art 71 DPR 917/86	(4,421)	(2,250)
TOTAL	**54,264**	**96,825**

The provision for bad debts is considered adequate to cover possible impairment losses on receivables. It has been determined on an overall basis taking account of collection risks relating to certain specific factors. These risks have increased compared to prior year, largely as a result of the political instability that has hit North Africa.
The decrease in total trade receivables compared to prior year is due to completion of many contracts and to a different sales trend over the year, in relation to progress with individual contracts and their percentage completion. Given the nature of the Company's business, trade receivables are highly concentrated with 73.33% (84.82% in prior year) of the total due from the five leading clients by outstanding balance.

Receivables from subsidiaries

This item includes current receivables and was broken down as follows at year end (in thousands of Euro):

	Balance 31/12/10			Balance
	Trade	**Finan.**	**Tot.**	**31/12/09**
Fores Engineering Srl	921	0	921	136
Basis Engineering Srl	33	0	33	37
North Adriatic Offshore Scrl	0	0	0	1
Rosetti Kazakhstan Llp	1,113	0	1,113	1,547
Rosetti Egypt S.A.E.	0	50	50	0
Rosetti Ooo	0	0	0	163
TOTAL	**2,067**	**50**	**2,117**	**1,884**

All trade and financial transactions with subsidiaries take place on an arm's length basis. These receivables are all recoverable so no provision for bad debts has been recorded.

The financial receivables from Rosetti Egypt S.A.E. consist of short-term loans that bear interest at market rates.

None of the above receivables is due after more than a year. They are all recoverable and no provision for bad debts has been made.

Receivables from associates

This item may be analysed as follows (in thousands of Euro):

	Balance 31/12/10			Balance
	Trade	**Finan.**	**Tot.**	**31/12/09**
Rosbar Scrl	1	0	1	1
Kazakhstan Caspian Off. Ind.	890	0	890	473
Rosetti Imstalcon LLP	0	0	0	4,822
TOTAL	**891**	**0**	**891**	**5,296**

All trade and financial transactions with associates take place on an arm's length basis. These receivables are all recoverable so no provision for bad debts has been recorded.

Tax receivables

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/10	Balance 31/12/09
VAT receivable	398	702
Substitute tax credit re TFR reval'n	0	1
Foreign tax receivable	7	0
IRES receivable	8,601	0
TOTAL	**9,006**	**703**

The VAT receivable includes the annual VAT credit of Euro 223 thousand arising on ordinary commercial transactions, a quarterly VAT credit of Euro 63 thousand for which a refund was requested in 2007 but has only been received in part and an automobile VAT credit of Euro 112 thousand, for which a refund has been requested, which accrued following retroactive changes to the rules on the deductibility of VAT applied to purchases of automobiles and associated expenses (refund application made in terms of Decree Law no 258 of 15 September 2006).
The IRES receivable is mainly due to the difference between income tax payments on account made and the taxes actually due for 2010.
The foreign tax receivable consists of tax credits of the Tunisian Branch.

Deferred tax assets

Deferred tax assets have been recognised on all positive temporary differences. The theoretical tax effects on temporary differences have been calculated according to current rates. Detailed movements on this item are provided in an annex to these Notes.

Receivables from others

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/10	Balance 31/12/09
Due within a year:		
Due from employees	170	183

Insurance payouts receivable	0	120
Due from liquidated companies	21	3
Sundry	65	1
TOTAL	**256**	**307**
Due after more than a year:		
Guarantee deposits	349	343
TOTAL	**349**	**343**

The amounts due from liquidated companies refer to receivables from Rosbos Scrl and North Adriatic Offshore Scrl following the completion of their respective liquidation procedures. Sundry receivables mainly comprise a receivable from the Government of the Congo for amounts unduly withheld.
All of the above amounts are considered recoverable so no provision for bad debts has been recorded.

SHORT-TERM INVESTMENTS

Other Securities
This item regards the investment made in the joint venture relating to the OMC (Offshore Mediterranean Conference) 2011.

CASH AND CASH EQUIVALENTS

Bank and post office accounts
The amount of Euro 21,593 thousand at 31 December 2010 consisted entirely of funds held in bank accounts.
More details of the change compared to prior year are provided in the attached cash flow statement.

Cash and cash equivalents on hand
This balance consists entirely of cash on hand and amounts to Euro 45 thousand.

ACCRUED INCOME AND PREPAID EXPENSES

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/10	Balance 31/12/09
Accrued income re forward sale swaps	194	346
Prepaid surety fees	0	2
Prepaid rental costs	32	1
Prepaid moveable property rent/lease costs	126	215
Other prepaid expenses	256	109
TOTAL	**608**	**673**

COMMENTS ON THE MAIN LIABILITY ITEMS

SHAREHOLDERS' EQUITY

Movements on the items included in Shareholders' equity are shown in an attachment.

The main shareholders' equity items are commented on below:

SHARE CAPITAL

At 31 December 2010, share capital was wholly subscribed and paid and consisted of 4,000,000 ordinary shares with a par value of Euro 1.00 each.

REVALUATION RESERVE

This reserve was created in 2005 after the revaluation of fixed assets and the realignment of tax values and values for statutory reporting purposes under Law 266/05. It increased by Euro 33,368 thousand in 2008 as a result of the revaluation of fixed assets under Law 2/09.

LEGAL RESERVE

This reserve consists of allocations of portions of annual earnings in prior years.

RESERVE FOR TREASURY SHARES

This reserve was created in 2009 in terms of Articles 2357, 2357-*bis*, 2357-*ter* and 2424 of the Italian Civil Code. It increased by Euro 2,550 thousand during the year as a result of the purchase, using the extraordinary reserve, of 100,000 more treasury shares from subsidiary Fores Engineering Srl.

OTHER RESERVES

Extraordinary reserve

This reserve increased by Euro 25,490 thousand in 2010 due to the allocation of part of the net profit for 2009 and by Euro 268 thousand due to reclassification from the reserve for unrealised exchange gains. Euro 2,550 thousand was drawn down from the reserve for use in increasing the reserve for treasury shares as described above.

The reserve consists entirely of portions of annual earnings allocated in prior years.

Reserve under Legislative Decree 124/93

This reserve consists of allocations made in prior years under Legislative Decree 124/93.

Reserve for grants under Art. 55 DPR 917/1986

This reserve includes the following grants received in prior years in relation to the shipyard (in thousands of Euro):

- Law 599/1982	110
- Law 361/1982	618
- Law 234/1989	1,198
	1,926

NET PROFIT FOR THE YEAR

This includes the net profit for the year.

PROVISIONS FOR RISKS AND CONTINGENCIES

Tax provision

This item includes Euro 20 thousand of provisions for deferred taxes (movements on this item are shown in a specific attachment) and Euro 59 thousand representing a provision for prior year taxes.

Other

This item may be broken down as follows (in thousands of Euro):

	31/12/09	Incr.	Decr.	31/12/10
Provision for contractual risks	1,577	4,145	0	5,722
Provision for future risks	1,302	0	(585)	717
TOTAL OTHER	**2,879**	**4,145**	**(585)**	**6,439**

The provision for contractual risks has been created to cover the risk of probable work under warranty in application of contractual penalty clauses and adjustments to amounts accounted for last year in relation to negotiations that took place during the year.
The provision has been increased by Euro 585 thousand due to reclassification of part of the amount allocated to the provision for future risks, by Euro 1,184 thousand to cover the estimated cost of work under warranty on projects consigned to clients and by Euro 2,376 thousand to cover possible adjustments to contractual amounts already accounted for but still being finalised with the client as a result of new events taking place during the year.
The provision for future risks represents the best possible estimate of probable liabilities arising from ongoing civil litigation with third parties.

T.F.R./EMPLOYEE SEVERANCE INDEMNITY PROVISION

Movements on the provision during the year were as follows (in thousands of Euro):

Balance 31/12/09	2,593
Amount accruing and recorded in the income statement	1.144
Draw downs	(1.348)
Balance 31/12/10	**2.389**

The TFR/employee severance indemnity provision at 31 December 2010 represents the indemnity in favour of employees up to 31 December 2006. It will be settled through payments made when employees leave the Italian companies or through advance payments made in accordance with the law. Draw-downs consist of transfers of Euro 513 thousand to complementary pension funds, the transfer of Euro 470 thousand to the INPS treasury fund, payment of indemnities and advances totalling Euro 269 thousand and payment of personal income tax and social security contributions of Euro 96 thousand on behalf of employees.
The balance at 31 December 2010 is stated net of advances of Euro 1,246 thousand paid to employees.

PAYABLES

A breakdown of payables is provided below together with movements on the various component items during the year:

Due to other lenders

This item includes a subsidised loan from the Ministry of Industry which is gradually repayable by 2015.

Payments on account

This item includes order advances and milestone payments received from clients in relation to ongoing contract work (in thousands of Euro):

	Balance 31/12/10	Balance 31/12/09
Advances from third party clients	91,526	109,939
Advances from associates	325	582
TOTAL PAYMENTS ON ACCOUNT	**91,851**	**110,521**

The decrease compared to prior year reflects the change in contracts in progress at year end. For further information, see the section on contract work in progress.

Due to suppliers

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/10	Balance 31/12/09
Due to suppliers - Italy	26,468	29,694
Due to suppliers – other EU	6,615	6,649
Due to suppliers – non EU	4,581	3,733
TOTAL	**37,664**	**40,076**

Due to subsidiaries

This item includes the following short-term payables (in thousands of Euro):

	Balance 31/12/10	Balance 31/12/09
Fores Engineering Srl	436	1,474
Basis Engineering Srl	1,322	2,069
Rosetti Doo	171	2,093
Rosetti Ooo	93	0
TOTAL	**2,022**	**5,636**

The above payables were generated by commercial transactions that took place on an arm's length basis.

Due to associates

This item includes the following short-term payables (in thousands of Euro):

	Balance 31/12/10	**Balance 31/12/09**
Tecon Srl	265	110
TOTAL	**265**	**110**

The above payables were generated by commercial transactions that took place on an arm's length basis.

Tax payables

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/10	**Balance 31/12/09**
Due to tax authorities for:		
- Personal income tax deducted at source	1,069	1,083
- Substitute tax on realignment	0	71
- Sundry taxes	1	0
- Income tax for the year	73	6,409
TOTAL	**1,143**	**7,563**

The decrease in this item is mainly due to the income tax liability for the year. The change of valuation method for contract work in progress meant that much of the profit for the year had already been taxed in prior years. This had a significant impact on current taxes and the related tax payables. The effect is confirmed by the sharp decrease in deferred tax assets. Details of movements on deferred tax assets are provided in an attachment to these Notes.

Tax periods after 2005 have yet to be finalised and are still open to assessment.

Social security payables

This item includes employee and employer social security contributions payable to social security institutions.

Other payables

This item may be broken down as follows (in thousands of Euro):

	Balance 31/12/10	Balance 31/12/09
Due to employees	3,569	3,376
Due to independent contractors	19	21
Due to pension funds	236	220
Sundry payables	28	55
TOTAL	**3,852**	**3,672**

The amounts due to employees include Euro 995 thousand of performance related bonuses for 2010, Euro 1,483 thousand of remuneration payable, Euro 1,067 thousand of accrued holiday pay and Euro 24 thousand of expense claims.

ACCRUED EXPENSES AND DEFERRED INCOME

At 31 December 2010, this item may be broken down as follows (in thousands of Euro):

	Balance 31/12/10	Balance 31/12/09
Accrued interest on loans	14	16
Accrued lease payments	19	19
Accrued expense re forward sale swaps	1	1
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME	**34**	**36**

MEMORANDUM ACCOUNTS

GUARANTEES GIVEN

a. Sureties

This item mainly consists of sureties given by insurers and banks to the Company's clients as guarantees of proper performance of works and to release amounts withhold for performance purposes. It also includes sureties granted by insurers and banks to the VAT authorities in relation to refunds requested and sureties issued by the Company as security for commitments made by other Group companies.

OTHER COMMITMENTS AND RISKS:

a. Forward currency purchases

This item includes the amount of NOK 159,604 thousand as per contracts arranged with banks to hedge various purchase orders relating to shipbuilding contracts AND the amount of USD 3,119 thousand relating to forward sale contracts for the same amount that are no longer required following a reduction in the scope of work on project Libondo.

b. Forward currency sales

This item regards the amount of USD 9,273 thousand as per the contracts arranged with banks to hedge sales contracts with clients.

From a management perspective, these contracts are intended to manage the interest rate risk and satisfy the conditions laid down by the applicable accounting standards to be treated as hedges.

Just one hedging contract, with a notional amount of USD 1,900 thousand, does not satisfy the said conditions for treatment as a hedge even though it is intended to manage the interest rate risk. This is because it relates to claims not yet finalised with the client. Accordingly, this contract has been stated at its fair value at 31 December 2010.

c. Lease instalments

This amount includes the commitment for future instalments and the final purchase option under a finance lease for land plus industrial buildings next to the San Vitale yard.

For the sake of completeness, we note that the effect of accounting for this lease under the finance lease method required by IAS no 17 would have been as follows.

	2010	**2009**	**Diff.**
Value of asset	7,943	7,943	0
Accumulated depreciation	(2,648)	(2,489)	(159)
Net book value	5,295	5,454	(159)
Outstanding liability	(2,160)	(2,658)	498
Financial expenses for year	(142)	(180)	(38)
Effect on profit before tax	388	358	30
Tax effect	(121)	(112)	(9)
Effect on shareholders' equity	777	510	267

d. Credit facilities

This figure refers to the credit facilities granted by financial institutions to our foreign suppliers to secure orders for purchases of raw materials.

COMMENTS ON THE MAIN INCOME STATEMENT ITEMS

Income statement transactions with Group companies are described in an attachment.

VALUE OF PRODUCTION

REVENUES FROM SALES AND SERVICES

Revenues from the sale of goods and the provision of services may be broken down as follows (in thousands of Euro):

	2010	**2009**
Oil & Gas Business	360,356	193,386
Shipbuilding Business Unit	40,185	50,663
Process Plants Business Unit	5,574	221
Sundry services	661	686
Total	**406,776**	**244,956**

Revenues may be broken down by geographical area as follows (in thousands of Euro):

	2010	2009
Revenues from Italian clients	44,588	76,906
Revenues from other EU clients	36,303	32,905
Revenues from non EU clients	325,885	135,145
Total	**406,776**	**244,956**

Comments on the operating performance for the year are set out in the Directors' Report.
Given the nature of the Company's business, revenues are highly concentrated with around 80% of total revenues from sales and services generated by the five largest clients (92% in prior year).

CHANGE IN CONTRACT WORK IN PROGRESS

This item may be broken down as follows (in thousands of Euro):

Opening contract work in progress at 01.01.2010	(329,729)
Closing contract work in progress at 31.12.2010	138,134
Total	**(191,595)**

At 31 December 2010, contract work in progress included Euro 46,829 thousand relating to the Oil & Gas Business Unit, Euro 82,852 thousand to the Shipbuilding Business Unit and Euro 8,453 thousand to the Process Plants Business Unit.

INCREASES IN OWN WORK CAPITALISED

In 2010, the capitalised costs included in this item included the cost of work done at the San Vitale Yard (Euro 5 thousand – modernisation of compressed air equipment), the cost of work done at the Via Trieste facility (Euro 50 thousand – installation of a new heating system, creation of a new warehouse for consumable raw materials, implementation of an autoclave system, installation of a container with toilet facilities, construction of new offices), work at the Piombini facility (Euro 19 thousand – conversion of a garage into offices, extension of a sandblasting and paintshop building, new waste water treatment system) and leasehold improvements of Euro 50 thousand).

OTHER REVENUES AND INCOME

This item may be broken down as follows (in thousands of Euro):

	2010	**2009**
Grants towards operating expenses	329	43
Total "Grants towards operating expenses"	**329**	**43**
Gains on disposals of assets	14	0
Hires and rentals	34	34
Recharge of expenses to third parties	324	485
Income for seconded personnel	61	63
Other revenues	142	118
Out of period income	37	94
Total "other revenues"	**612**	**794**
Total "other revenues and income"	**941**	**837**

"Grants towards operating expenses" includes Euro 18 thousand of grants towards training courses, Euro 77 thousand towards the photovoltaic solar power system installed in 2008 on the roof of a building at the S. Vitale yard and Euro 234 thousand of grants from the Ministry for Business Activities towards improvements at the Via Trieste facility and at the S.Vitale and Piomboni yards (Law 488/92).

COST OF PRODUCTION

PURCHASES

This item may be broken down as follows (in thousands of Euro):

	2010	**2009**
Raw materials	50,550	98,979
Consumables	2,231	3,231
Other purchases	98	109
TOTAL PURCHASES	**52,879**	**102,319**

The decrease in this item compared to prior year is mainly due to the lower volume of production activities.

COSTS FOR SERVICES

This item may be broken down as follows (in thousands of Euro):

	2010	2009
Subcontracting and outsourcing	83,595	118,443
Repairs and maintenance	988	746
Electricity, water, heat	1,071	1,040
Other outsourced manufacturing costs	7,544	8,338
Auxiliary personnel costs	5,217	4,620
Selling costs	2,328	4,737
Directors/statutory auditors fees	741	855
Audit fees	95	89
General and administrative costs	5,424	3,886
TOTAL COSTS FOR SERVICES	**107,003**	**142,754**

The decrease in this item compared to prior year was mainly due to the lower volume of production.

LEASE AND RENTAL COSTS

This item may be broken down as follows (in thousands of Euro):

	2010	2009
Maintenance of rented property	1	5
Concession fees	79	79
Rental of buildings	329	235
Real estate lease instalments	640	648
Hire/rental of moveable property	11,632	9,542
Software rental	12	14
TOTAL	**12,693**	**10,523**

The increase in this item compared to prior year is due to the different distribution over the year of activities requiring the use of rented and leased assets.

PERSONNEL COSTS

The income statement contains a breakdown of these costs.

Other personnel costs includes performance related bonuses of Euro 1,124 thousand and contributions totalling Euro 131 thousand to the "Cometa" and "Previndai" supplementary pension funds.

The following table shows changes in the workforce by category during the year:

	31/12/09	Increases	Decreases	31/12/10
Executives	26	4	(4)	26
White collar	247	38	(33)	252
Blue collar	66	13	(9)	70
TOTAL	**339**	**55**	**(46)**	**348**

The table does not include personnel seconded to other Group companies.

AMORTISATION, DEPRECIATION AND WRITEDOWNS

The breakdown required has been provided in the Income Statement.

Details of depreciation charges on tangible assets are provided in a specific attachment.

"Writedowns of current receivables" represents the accrual made for the year to ensure that the bad debt provision covers the credit risk regarding outstanding receivables. The accrual was required mainly as a result of the current period of political instability that is affecting countries in North Africa, leading to an increased credit risk in relation to Egyptian customers.

CHANGE IN INVENTORY OF RAW MATERIALS:

This item may be broken down as follows (in thousands of Euro):

Opening inventory at 01/01/10	(1,515)
Accrual to inventory obsolescence provision	0
Closing inventory at 31/12/10	1,659
TOTAL	**144**

PROVISIONS FOR RISKS

This item includes the accrual for the year in order to make Provisions for Risks sufficient to cover the risk of probable replacement/repairs under warranty, the application of any contractual penalties and adjustments to revenues recognised last year but yet to be finalised with the client.

SUNDRY OPERATING EXPENSES

This item may be broken down as follows (in thousands of Euro):

	2010	2009
I.C.I. – local property tax	80	78
Losses on disposals of assets	315	0
Out of period expenses	2	567
Other	25	27
TOTAL	**422**	**672**

Losses on disposals of assets mainly relate to the partial demolition of old offices and buildings used as workshops and warehouses in order to make space for the construction of a new office building at the Via Trieste facility. Work on the new office building began during the year.

FINANCIAL INCOME AND EXPENSES

INCOME FROM EQUITY INVESTMENTS

This item consists of dividends arising from the investments held in Cassa di Risparmio di Ravenna (Euro 3 thousand) and Sapir (Euro 1 thousand and from subsidiaries Rosetti Kazakhstan Llp (Euro 586 thousand) and North Adriatic Offshore Scrl (Euro 121 thousand).

OTHER FINANCIAL INCOME

This item may be broken down as follows (in thousands of Euro):

	2010	2009
Income from subsidiaries	3	42
Income from associates	243	40
Sundry income:		
Bank interest income	60	93
Sundry interest income	271	452
Allowances received	2	7
TOTAL	**233**	**552**

INTEREST AND OTHER FINANCIAL EXPENSES

This item may be broken down as follows (in thousands of Euro):

	2010	2009
d) from third parties:		
Interest expenses on current accounts	30	55
Interest expenses on bank loans	15	18
Sundry interest expenses	165	138
TOTAL	**210**	**211**

FOREIGN EXCHANGE GAINS AND LOSSES

This item may be broken down as follows (in thousands of Euro):

	2010	2009
Foreign exchange gains	4,680	3,067
Unrealised foreign exchange gains	70	149
Foreign exchange losses	(5,019)	(4,410)
Unrealised foreign exchange losses	(10)	(627)
TOTAL	**(279)**	**(1,821)**

ADJUSTMENTS TO VALUE OF FINANCIAL ASSETS

WRITEDOWNS

This item includes the writedown of investments in subsidiaries Rosetti Libya JSC (Euro 19 thousand) and Rosetti Egypt SAE (Euro 13 thousand) and in associate Libyan Italian Joint Company, (Euro 9 thousand), as a result of the delicate political situation in Libya and Egypt.

NON RECURRING INCOME AND EXPENSES

OTHER INCOME

This amount mainly comprises the cumulative effect of the change of valuation method for contract work in progress as already analysed in the introductory section to these Notes under "Change of accounting policy for contract work in progress".

NON RECURRING EXPENSES

This item regards the allocation made during the year to the Provision for prior year taxation in order to ensure that it covers all amounts contested following tax inspections and yet to be agreed.

INCOME TAXES

This item may be broken down as follows (in thousands of Euro):

	2010	2009
Current taxes	3,613	24,777
Deferred tax	(21)	(85)
Deferred tax income	12,701	(8,068)
TOTAL	**16,293**	**16,624**

The following table contains a reconciliation between the tax charge recorded in 2010 and the theoretical tax charge, determined on the basis of theoretical tax rates (in thousands of Euro):

	Taxable income	Taxation
Theoretical income taxes	49,018	15,392
Adjustments – increases (decreases)	(46,296)	(12,731)
Foreign taxes	557	28
Tax deductions	(32)	(18)
Temporary differences	46,101	12,680

Higher tax base for IRAP	24,173	942
TOTAL		**16,293**

The effective tax rate is 33.24% (33.30% in 2009) against a theoretical tax rate of 31.40%.

ATTACHMENTS

The following attachments contain supplementary information in addition to that provided in the Notes of which they are an integral part.

The said information is contained in the following attachments:

- Statement of movements on shareholders' equity;
  List of investments in subsidiaries and associates at 31 December 2010 in terms of Art. 2427 (5) of the Italian Civil Code;
- Statement of changes in tangible assets for the year ended 31 December 2010;
- Income statement transactions with subsidiaries, associates and related parties in 2010.
- Temporary differences resulting in recognition of deferred tax assets and liabilities.
- Statement of cash flows for the years ended 31 December 2010 and 31 December 2009.

ROSETTI MARINO S.p.A.
VARIATIONS OF THE SHAREHOLDERS' EQUITY
(In thousands of euro)

	Share Capital	Revaluation reserve	Legal Reserve	Reserve for treasury shares held	Extraordinary Riserve	Reserve D.Lgs.124/93	Contributions reserve	Foreign exchange gains Reserve	Net profit for the year	Total
Balance at 31/12/2008	4.000	36.969	800	0	4.561	15	1.926	0	28.142	76.413
Distribution net profit of the year 2008										
- extraordinary reserve	0	0	0	0	21,439	0	0	0	(21.439)	0
- foreign exchange gains not realized reserve	0	0	0	0	0	0	0	268	(268)	0
- dividends	0	0	0	0	0	0	0	0	(6.435)	(6.435)
Use of extraordinary riserve for acq. Own shares	0	0	0	2.550	(2.550)	0	0	0	0	0
Net profit of the year 2009	0	0	0	0	0	0	0	0	33.290	33.290
Balance at 31/12/2009	4,000	36,969	800	2.550	23.450	15	1,926	268	33.290	103,268
Distribution net profit of the year 2009										
-extraordinary reserve	0	0	0	0	25.490	0	0	0	(25.490)	0
- dividends	0	0	0	0	0	0	0	0	(7,800)	(7,800)
Use of extraordinary riserve for acq. Own shares	0	0	0	2.550	(2,550)	0	0	0	0	0
Reclassification from exchange foreign gains reserve	0	0	0	0	268	0	0	(268)	0	0
Net profit for the year 2010	0	0	0	0	0	0	0	0	32.724	32.724
Balance at 31/12/2010	4.000	36.969	800	5.100	46.658	15	1.926	0	32.724	128.192
Possible use	B;C o D	A;B;D	B	E	A;B;C	A;B;D	A;B;D	B	A;B;C	

The distribution to partners will result for an amount of 832.000 euro, the losing benefit of tax suspension.
The use of contributions reserve for purposes other than the cover of the losses will result the losing benefit of tax suspension
The profit of teh year is completely available.

Legenda:
A) available riserve to increase in capital
B) available reserve to cover loss
C) available riserve for distribution to riserva disponibile per la distribuzione ai Soci
D) available reserve for distribution with loss of the benefit per la distribuzione ai Soci con perdita del beneficio di sospensione di imposta
E) not available riserve

LIST OF SHAREHOLDINGS
AT 31/12/2010 (ART. 2427 n. 5 c.c.)
(in thousands of euro)

Name	Location	Share Capital	Date of exercise	Equity		Total assets	Value of production	Result of the year		Fee		Carrying amount (a)	Value art.2427 (b)	Differences (b-a)
				Total	pro-quota			Total	pro-quota	Total	Direct			
Subsidiaries:														
- FORES ENGINEERING Srl	Forlì	1.030	2010	9.952	9.952	28.137	31.686	916	916	100,0%	100,0%	603	9.952	9.349
- BASIS ENGINEERING Srl	Milano	800	2010	3.891	3.891	7.503	11.418	1.050	1.050	100,0%	100,0%	265	3.905	3.640
- ROSETTI KAZAKHSTAN Llp	Kazakhstan	196	2010	18.267	18.267	23.114	40.578	11.410	11.410	100,0%	100,0%	199	18.267	18.068
- ROSETTI GENERAL CON. Lda (1)	Portogallo	50	2010	2.694	2.640	2.847	2.231	556	545	100,0%	98,0%	52	2.690	2.638
- ROSETTI Doo	Croazia	48	2010	833	853	978	1.079	(217)	(217)	100,0%	100,0%	48	833	785
- ROSETTI Ooo	Russia	44	2010	210	210	227	1.286	1	1	100,0%	100,0%	44	210	166
- FORES ENGINEERING ALGERIE (2)	Algeria	156	2010	265	0	318	384	144	0	100,0%	0,0%	0	265	265
- FORES KAZAKHSTAN Llp (3)	Kazakhstan	10	2010	4	0	54	0	(6)	0	100,0%	0,0%	0	4	4
- ROSETTI LIBYA Jsc	Libia	622	2010	574	373	574	0	(23)	(15)	65,0%	65,0%	102	102	0
- ROSETTI EGYPT Sae (4)	Egitto	32	2010	12	7	75	228	2	0	90,0%	60,0%	6	11	5
- ROSETTI EGYPT FOR TRADE Llc (5)	Egitto	6		6	0	6	0	0	0	89,8%	0,0%	0	0	0
												1.319	36.239	34.920
Associates:														
- ROSETTI IMSTALCON Llp	Kazakhstan	35	2010	2.035	1.018	3.865	25.154	1.838	919	50,0%	50,0%	12	1.018	1.006
- KAZAKHSTAN CASPIAN OFFSHORE INDUSTRIES Llp (6)	Kazakhstan	1.160	2010	(516)	0	17.639	925	(1.150)	0	50,0%	0,0%	0	(258)	(258)
- ROSBAR Scrl (7)	Ravenna	11	2010	11	0	12	1	0	0	50,0%	0,0%	0	0	0
- TECON Srl	Milano	47	2010	2.415	483	4.306	5.802	356	71	20,0%	20,0%	550	483	(67)
												562	1.243	681

1) For 2 % indirect shareholding through Basis Engineering Srl
2) Indirect shareholding through Fores Engineering Srl
3) Indirect shareholding through Fores Engineering Srl (50%) e Rosetti Kazakhstan (50%)
4) Shareholding held directly for 60% and indirectly through Fores Engineering Srl (15%) and Rosetti General Contracting Lda (15%)
5) Indirect shareholding through Rosetti Egypt Sae
6) Indirect shareholding through Rosetti Kazakhstan LLP
7) Indirect shareholding through Rosetti General Contracting Lda

ROSETTI MARINO S.p.A.
STATEMENT OF CHANGES IN TANGIBLE ASSETS
FROM 01/01/2010 TO 31/12/2010
(in thousands of euro)

Assets	Initial Situation				Movement of the year								Final Situation			
	Historical cost	Revaluations (*)	Total fund	Balance 31.12.09	Increases: Acquisition	Increases: Inter.Work	Increases: Revaluations (*)	Decreases: Revaluations	Decreases: Rivaluation (*)	Decreases: Fund	Depreciation: Aliq.	Depreciation: Amount	Historical cost	Revaluations (*)	Depreciation fund	Balance 31.12.10
Land and buildings																
-buildings	17.905	7.510	(8.229)	16.986		250		(144)	(235)	125	3%	(1,491)	18,011	7,075	(9,595)	15.491
- land	4.400	26.871	(1.430)	29.841					0		0%		4.400	26.871	(1.430)	29.841
-light constructions	3.798	907	(3.600)	1.105	16	178		(5)	1	2	10%	(267)	3,987	908	(3.865)	1.030
Plant and machinery																
-specific and generic plant	8.554	1.410	(7.464)	2.500	275	222		(252)	(18)	59	10%	(472)	8.799	1.392	(7.877)	2.314
-processing furnaces	399	200	(599)	0					0		15%		399	200	(599)	0
-plant water treatment	189	0	(122)	67		54		(5)	0	5	15%	(29)	238	0	(146)	92
-machinery	5.133	1.043	(5,578)	598	19			(53)	(29)	81	15,5%	(145)	5.099	1.014	(5.642)	471
Industrial and commercial equipment	1.856	0	(1.695)	161	367			(29)	0	29	25%	(108)	2.194	0	(1.774)	420
Other tangibles:																
-furniture and office machinery	347	0	(292)	55	15			(1)	0	1	12%	(13)	361	0	(304)	57
-electronic office machinery	1.094	0	(713)	381	306			(98)	0	28	20%	(147)	1.302	0	(832)	470
-vehicles for transport	471	0	(405)	66	13				0		20%	(47)	484	0	(452)	32
- car	6	0	(3)	3					0		25%	(2)	6	0	(5)	1
Asset in progress and advances:																
-asset in progress	0	0	0	0		510			0				510	0	0	510
-disposals advances to supplier	1.854	0	0	1.854					0				1,854	0	0	1,854
Total	46.006	37.741	(30.130)	53.617	1.011	1.214	0	(587)	(281)	330		(2.721)	47.644	37.460	(32.521)	52.583

(*) in these columns has been indicated revaluation applied due to specific laws

OVERVIEW OF ECONOMIC RELATIONS OF THE YEAR 2010
WITH SUBSIDIARIES , ASSOCIATES AND CORRELATED
(in thousands of euro)

	SUBSIDIARIES							ASSOCIATES				CORRELATED (*)		
Description	Fores Engineering	Rosetti Doo	Rosetti Ooo	Rosetti Kazakhstan	Rosetti General Contracting	Basis Eng.	Rosetti Egypt	KCOI	Tecon	Rosetti Instlcon	Rosbar	Saipem SA	Saipem Spa	Total
- Revenue (A1)	807	0	1	830	0	58	0	821	644	1.590	1	396	0	5.148
-Working in progress (A3)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Other Revenue (A5b)	67	0	0	0	0	2	0	0	0	0	0	0	0	69
- Raw Materials (B6)	1.823	0	0	0	0	0	0	0	0	0	0	0	0	1.823
- Services (B7)	618	1.079	1.289	0	0	4.122	120	0	1.295	0	0	40	0	8.563
- Leases and Rentals (B8)	0	0	0	0	0	48	0	0	0	0	0	0	0	48
- wages and salaries (B9a)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Social security charges (B	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- sundry expenses (B14)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- financial charges (C17)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- financial income (C16)	0	0	0	0	0	0	1	243	0	0	0	0	0	244

DEFERRED TAXES (TEMPORARY DIFFERENCES)

point 14 art. 2.427 cc

(in thousands of euro)

Description of temporary differences	*Deferred tax assets 31/12/2009*			*Decrease*			*Increase*			*Deferred tax assets 31/12/2010*		
Deductible differences	Taxable income	Rate	Tax	Taxable income	Rate	Tax	Taxable income	Rate	Tax	Taxable income	Rate	Tax
Fund inventory obsolescence before 2008	550	31,40%	173	0	31,40%	0	0	31,40%	0	550	31,40%	173
Fund inventory obsolescence 2008	250	27,50%	68	0	27,50%	0	0	27,50%	0	250	27,50%	68
Risk fund for future expenses	1.201	27,50%	330	484	27,50%	133	0	27,50%	0	717	27,50%	197
Fund contractuals risks	1.577	27,50%	434	0	27,50%	0	4.145	27,50%	1.140	5.722	27,50%	1.574
Fund credit devaluation	0	27,50%	0	0	27,50%	0	1.862	27,50%	512	1.862	27,50%	512
Foreign exchange losses not realized	171	27,50%	47	171	27,50%	47	10	27,50%	3	10	27,50%	3
Entertainment expenses	36	31,40%	11	22	31,40%	7	0	31,40%	0	14	31,40%	4
Contracts in progress	52.029	27,50%	14.308	52.029	27,50%	14.308	631	27,50%	174	631	27,50%	174
Goodwill	133	31,40%	42	23	31,40%	8	0	31,40%	0	110	31,40%	34
	2.204	31,40%	662	573	31,40%	305	575	31,40%	306	2.206	31,40%	693
Total	58.251		16.193	53.302		14.636	7.223		2.135	12.072		3.432

Description of temporary differences	*Deferred tax assets 31/12/2009*			*Decrease*			*Increase*			*Deferred tax assets 31/12/2010*		
Deductible differences	Taxable income	Rate	Tax	Taxable income	Rate	Tax	Taxable income	Rate	Tax	Taxable income	Rate	Tax
Foreign exchange gains not realized	149	27,50%	41	149	27,50%	41	70	27,50%	19	70	27,50%	19
Dividends not collected	0	27,50%	0	0	27,50%	0	1	27,50%	1	1	27,50%	1
Total	149		41	149		41	71		20	71		20

Statement of cash flows for the years ended 31 December 2009 and 2010

- **CASH FLOW STATEMENT** (amounts in thousands of Euro)

	31/12/2010	31/12/2009
A. OPENING SHORT-TERM NET FINANCIAL POSITION	**19,466**	**5,005**
B. CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES		
Profit (loss) for the year	32,724	33,291
Depreciation and amortisation	4,226	3,884
Net change in provisions for risks and contingencies	3,552	288
Net change in TFR/employee severance indemnity provision	(204)	(122)
Profit (Loss) from operating activities before change in working capital	**40,298**	**37,341**
(Increase)Decrease in current receivables	51,183	16,505
(Increase) Decrease in inventory	(36,335)	13,679
(Increase) Decrease in trade payables and other payables	(30,542)	(38,116)
Increase (Decrease)in other working capital items	63	(196)
	24,667	**29,213**
C. CASH FLOW GENERATED (ABSORBED) BY INVESTING ACTIVITIES		
Net change in fixed assets:		
- intangible	(1,346)	(1,127)
- tangible	(1,687)	(640)
- financial	(11,583)	(6,473)
	(14,616)	**(8,240)**
D. CASH FLOW GENERATED (ABSORBED) BY FINANCING ACTIVITIES		
Dividends	(7,800)	(6,435)
Other changes in medium/long term debt	(79)	(77)
	(7,879)	**(6,512)**
E. CASH FLOW FOR THE YEAR (B+C+D)	**2,172**	**14,461**
F. CLOSING SHORT-TERM NET FINANCIAL POSITION (A+E)	**21,638**	**19,466**

3. BOARD OF STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

Shareholders,

During the year ended 31 December 2010, we provided the oversight required by law in accordance with rules for the conduct of the Board of Statutory Auditors recommended by Italy’s National Council of Accountants and Auditors.

Receipt of the Financial Statements

The Financial Statements, consisting of the Balance Sheet, Income Statement and the Notes, were made available to the Board of Statutory Auditors within the terms set by Article 2429 of the Italian Civil Code.

The Board of Statutory Auditors then proceeded to review the Financial Statements for correspondence with the accounting data and the results of the periodic audits conducted.

Compliance with the law and Bylaws

We supervised compliance with the law and the Articles of Incorporation with the frequency specified in the Bylaws, and we received information concerning the activity performed and the transactions of greatest significance to earnings and financial position undertaken by the Company. In regards to those activities, it is our belief that the actions decided upon and implemented were in accordance with the law and the Bylaws, were not manifestly imprudent, risky, in potential conflict of interest or in conflict with resolutions passed by the general meeting, and were not such as to compromise the Company's financial integrity.

On the basis of the information made available during meetings of the Board of Directors, there is no evidence that the Directors have undertaken transactions in potential conflict of interest with the Company.

Adequacy of the organizational structure and internal control system

To the extent of our competence, we ascertained and supervised the adequacy of the Company's organizational structure and compliance with the principles of sound management through direct observation and information gathered from the heads of the organizational function.

We assessed and supervised the adequacy of the internal control system and administrative and accounting system and the latter system's reliability in properly representing operating events by obtaining information from department heads and reviewing Company documents.

Operations during the year and outlook for the future

During the year and after year-end, we were informed by the Board of Directors regarding the Company's operating performance and its outlook for the future, as well as the most significant transactions undertaken by the Company in terms of extent and nature. On the basis of the above, and according to our audit, we did not find any atypical and/or unusual transactions or other facts or elements deserving of submission to the general meeting or mention in this Report.

Audit report

On the basis of its audit work, the Board of Statutory Auditors determined that the provisions of law and the Bylaws applicable to the Company and the Board of Directors had been observed, accounting books and registers and company books had been properly kept, the taxes and contributions owed to the central government, other public entities and social-security agencies had been paid in a timely fashion and tax returns had been filed punctually.

Compliance with accounting principles

The Board of Statutory Auditors acknowledges that the accounting principles prescribed by applicable legislation were observed in preparing the Financial Statements.

The tax charge accrued during the year has been determined in accordance with applicable legislation.

Auditing of the Financial Statements

On 11 April 2011, the Independent Auditors, Deloitte & Touche S.p.A., issued their reports pursuant to Article 156 of Legislative Decree 58/98 on the separate and consolidated financial statements for the year ended 31 December 2010. Those reports indicate that both the separate and consolidated financial statements comply with the provisions governing the basis of preparation of financial statements, have been prepared in a clear manner and provide a true and fair picture of the Company's earnings and financial position. In addition, the respective reports on operations are consistent with the separate and consolidated financial statements for the year ended 31 December 2010, respectively.

Derogations pursuant to Article 2423

To the best of our knowledge, the Directors, in preparing the Financial Statements, did not apply derogations to provisions of law pursuant to Article 2423, paragraph four, of the Italian Civil Code.

Complaints received by the Board of Statutory Auditors

No complaints were filed pursuant to Article 2408 of the Italian Civil Code during the year.

Particular transactions

The Board of Statutory Auditors did not issue opinions concerning particular transactions during the year.

Final opinion

We hereby express a favourable opinion of the approval of the Financial Statements for the Year Ended 31 December 2010, as prepared by the Board of Directors.

Ravenna, 12 April 2011

THE BOARD OF STATUTORY AUDITORS
Gian Luigi Facchini
Renzo Galeotti
Daniele Rossi

4. EXTERNAL AUDITORS' REPORT

AUDITORS' REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ALTERNATIVE CAPITAL MARKET REGULATION

(Translation from the Original Issued in Italian)

To the Shareholders of
ROSETTI MARINO S.p.A.

1. We have audited the financial statements of Rosetti Marino S.p.A. (hereby also "the Company") as of December 31, 2010. These financial statements prepared in accordance with the Italian law governing financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with Auditing Standards issued by the Italian Accounting Profession (CNDCEC) and recommended by Consob, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   The audit of the financial statements as of December 31, 2010 has been performed in accordance with the legal requirements in force during that period.

   For the opinion on the prior year's financial statements, the balances of which are presented for comparative purposes as required by law, reference should be made to our audit report issued on April 12, 2010.

3. In our opinion, the financial statements give a true and fair view of the financial position of Rosetti Marino S.p.A. as of December 31, 2010, and of the results of its operations for the year then ended in accordance with the Italian law governing financial statements.

4. For a better understanding of the financial statements drawing attention to the fact that, as more fully described in the notes, the Directors of the Rosetti Marino SpA changed the method of valuation of contracts in the course of more than one year using the percentage of completion method in place of the contract completed method. The overall effect on net profit and shareholders' equity at December 31, 2010, this change of policy evaluation, amounted to Euro 39.339 million gross of tax effect of € 12,353,000.

5. The Directors of Rosetti Marino S.p.A. are responsible for the preparation of the Report on Operations in accordance with the applicable law. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC). In our opinion the Report on Operations is consistent with the financial statements of Rosetti Marino S.p.A. as of December 31, 2010.

DELOITTE & TOUCHE S.p.A.

Signed by Angelo Castelli
Partner

Bologna, Italy April 11, 2011

5. MINUTES OF THE GENERAL MEETING FOR THE APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

In the year 2011 (two thousand eleven), on the 29th (twenty-ninth) of April, in Ravenna (Italy), at Via Trieste 230, the Company's registered office, at 11:00 AM there was held an ordinary general meeting of the shareholders of Rosetti Marino S.p.A., having its registered office in Ravenna (Italy) at Via Trieste 230, Ravenna Companies' Register, tax code and VAT registration number 00082100397 and share capital of €4,000,000.00, fully paid-in.
The general meeting was convened in first call for the above date, time and place by both notice published in the Official Journal of the Republic of Italy, Part Two, issue 40 of 9.4.2011, and by notices published on 14.4.2011 in the section devoted to the MAC of the website of Borsa Italiana (www.borsaitaliana.it) and the Investor Relations section of the Company's website (www.rosetti.it) to discuss and deliberate upon the following

Agenda

1. Review and approval of the Financial Statements for the Year Ended 31 December 2010, accompanied by the Directors' Report on Operations, the Board of Statutory Auditors' Report and the Independent Auditors' Report. Any related business.

2. Omitted.

<u>The following were in attendance:</u>
- the Board of Directors, represented by
    - Gianfranco Magnani – Chairman;
    - Valeria Rosetti – Deputy Chairman;
    - Stefano Silvestroni – Managing Director;
    - Giampiero Arcozzi – Managing Director;
    - Luca Barchiesi – Managing Director;
    - Giorgio Zuffa – Director; and
    - Giovanni Turrini – Director;

  whereas the Chief Executive Director Medardo Ranieri and Director Davide Ivanoe Ruvolo were absent with justification;

- the Board of Statutory Auditors, represented by:
    - Gian Luigi Facchini – Chairman;
    - Renzo Galeotti – Standing Auditor; and
    - Daniele Rossi – Standing Auditor.

<u>Preliminary formalities</u>

Pursuant to Article 14 of the Bylaws, the chair of the meeting was taken up by Chairman of the Board of Directors Gianfranco Magnani, who ascertained that the general meeting had been validly constituted to deliberate in first call on the items of business on the Agenda, inasmuch as the following five shareholders, which own a collective total of 3,970,000 shares, representing 99.25% of share capital, were in attendance, either directly or by proxy:

- **ROSFIN S.p.A.,** holder of **2,170,000** (two million one hundred seventy thousand) shares accounting for 54.25% of share capital, represented pursuant to the Articles of Incorporation by its chairman and legal representative, Valeria Rosetti;

- **SAIPEM S.A.,** holder of **800,000** (eight hundred thousand) shares, accounting for 20% of share capital, represented by Nicola Sbrizzi, by power of attorney retained in the Company's records, issued by the represented company's legal representative, Michel Laine, on 22.4.2011;

- **COSMI HOLDING S.p.A.,** holder of **700,000** (seven hundred thousand) shares, accounting for 17.5% of share capital, represented by Giuliano Resca, by power of attorney retained in the Company's records, issued by the represented company's sole director, Sonia Resca, on 22.4.2011;

- **ROSETTI MARINO S.p.A.,** holder of **200,000** (two hundred thousand) shares, accounting for 5% of share capital. Since the shares in question are treasury shares held by the Company, the Chairman acknowledged that voting rights were suspended pursuant to Article 2357-*ter*, paragraph 2, of the Italian Civil Code, and that in accordance with the same statute any entitlement to profits associated with the shares at issue is to be attributed proportionally to the other shares. Rosetti Marino S.p.A. was represented in accordance with its Bylaws by its legal representative, Gianfranco Magnani; and

- **CASSA DI RISPARMIO DI RAVENNA S.p.A.,** holder of **100,000** (one hundred thousand) shares, accounting for 2.5% of share capital, represented by its general manager, Nicola Sbrizzi, by power of attorney retained in the Company's records, issued by the represented company's acting deputy chairman, Giorgio Sarti, on 26.4.2011.

The Chairman then declared the meeting in session and reminded the attendees that:

- the current share capital of Rosetti Marino S.p.A. had been fully paid-in and amounted to a total of € 4,000,000.00, consisting of 4,000,000 shares having a par value of € 1.00 each;

- since 12.3.2010 the Company has been quoted on the M.A.C. (Mercato Alternativo del Capitale) managed by Borsa Italiana. Accordingly, pursuant to the regulations for that market, on 14.4.2011 a notice to convene the present general meeting was published on the website of Borsa Italiana, in the specific section devoted to the M.A.C., as well as on the Company's own website;

- standing to exercise the rights associated with shares had been verified in accordance with the law and Bylaws;

- the method of voting prescribed is the open vote, which the Chairman accordingly proposed take the form of a show of hands.

At the Chairman's indication, the general meeting appointed Stefano Silvestroni to act as secretary, and he accepted.

The general meeting then proceeded to discuss the items of business on the agenda.

1) Review and approval of the Financial Statements for the Year Ended 31 December 2010, accompanied by the Directors' Report on Operations, the Board of Statutory Auditors' Report and the Independent Auditors' Report. Any related business.

In regards to the discussion of the first item of business on the agenda, the Chairman noted that:

- pursuant to law, the Draft Financial Statements had been filed with the Company's registered office within 15 days of the general meeting;

- the shareholders in attendance at the meeting had received a package entitled ROSETTI MARINO - Financial Statements for the Year Ended December 31, 2010, containing:
  - the Directors' Report on Operations;
  - the Board of Statutory Auditors' Report;
  - the Financial Statements;
  - the Notes;
  - the Annexes to the Financial Statements; and
  - the Independent Auditors' Report;

- effective 14.4.2011, the Draft Financial Statements were made available via the Internet by publishing them on the websites of Borsa Italiana and the Company;

- the 2010 Consolidated Financial Statement package, approved by the Board of Directors on 31.3.2011 and containing the Directors' Report on Operations Accompanying the Consolidated Financial

Statements for the Year Ended 31 December 2010, the Consolidated Financial Statements for the Year Ended 31 December 2010 and the Independent Auditors' Report on the Consolidated Financial Statements, had also previously been made available on the websites of Borsa Italiana and the Company.

The Chairman then read out the Directors' Report on Operations.
At the Chairman's behest, Director and CFO Luca Barchiesi then took the floor, reading out the Balance Sheet, Income Statement and Report by the Independent Auditors Deloitte & Touch on the Financial Statements, along with the opinion expressed in that Report.
At a shareholder's request, and with the meeting's consent, a reading of the Notes was omitted.
The Chairman then read out the proposed resolution formulated by the Board of Directors in connection with the approval of the Financial Statements and the allocation of the net profit for the year of € 32,724,841.98, which proposed allocation calls for € 59,848.69 to go the foreign exchange gains reserve, € 26,014,993.29 to the extraordinary reserve and € 6,650,000.00 as dividends in the amount of € 1.75 per each of the 3,800,000 entitled shares, with ex-coupon date of 9 May 2011 and payment date of 12 May 2011.
At the Chairman's behest, the Chairman of the Board of Statutory Auditors read out the Board of Statutory Auditors' Report pursuant to Article 2429 of the Italian Civil Code.
The Chairman then declared discussion of the matter open.
Valeria Rosetti took the floor on behalf of Rosfin S.p.A. and Nicola Sbrizzi on behalf of Cassa di Risparmio di Ravenna S.p.A., expressing their satisfaction and gratitude to the Board of Directors and the Company's management for the brilliant results achieved in 2010, as well as their agreement with the Chairman's proposal to approve the Financial Statements and allocate the net profit for the year.
Giuliano Resca then took the floor on behalf of Cosmi Holding S.p.A., joining in the words of satisfaction and gratitude to the Company's Board of Directors and management for the brilliant result achieved in

2010 and expressing his agreement with the Chairman's proposal to approve the Financial Statements and allocate the net profit for the year as proposed by the Directors.

At the end of the discussion, after thanking the speakers, the Chairman acknowledged the following before holding the vote:
- the Board of Statutory Auditors' Report and the conclusions set out therein;
- the Report on the Financial Statements issued by the Independent Auditors; and
- the following key figures expressed in euro:

BALANCE SHEET	
Assets	275,823,455
Liabilities	147,630,979
Share capital and reserves	95,467,634
Net profit for the period	32,724,842

INCOME STATEMENT	
Revenue	216,246,208
Costs	183,521,366
Net profit for the period	32,724,842

The Chairman then held a vote concerning the Financial Statements of Rosetti Marino S.p.A. for the Year Ended 31 December 2010, accompanied by the Directors' Report on Operations and the Board of Statutory Auditors' Report, as well as the proposed allocation of net profit for the year, inviting the general meeting to vote by show of hands.

Four shareholders accounting for a total of 3,770,000 shares, or 94.25% of share capital, were represented, either personally or by proxy.
When voting had been completed, with count and recount, the Chairman declared that Financial Statements for the Year Ended 31

December 2010, the proposed allocation of net profit for the year and the distribution of a dividend of € 1.75 per each of the 3,800,000 entitled shares, with ex-coupon date of 9.5.2011 and payment date of 12.5.2011, had been approved.
The general meeting then proceeded to discuss the next item of business on the agenda.

2) Omitted

As there were no other matters on which to deliberate, the Chairman declared the Meeting adjourned at 11:30 AM.

THE SECRETARY	THE CHAIRMAN
Stefano Silvestroni	Gianfranco Magnani