



ASTALDI SOCIETÀ PER AZIONI

BOARD OF DIRECTORS' REPORT

ON THE PURCHASE AND SALE OF COMPANY'S OWN SHARES

PURSUANT TO ART. 73

OF CONSOB REGULATION No. 11971/99

Dear Shareholders,

the Board of Directors of Astaldi S.p.A. communicates as follows in connection with the proposals, connected with the authorization of purchase of Company's own shares, that the Board itself intends to submit to the next Shareholders' Meeting called to be held on April 21, 2016, at first calling, and on April 26, 2016, at second calling.

Dear Shareholders,

as to the purchase and sale Company's own shares, notice is hereby given as follows:

1. PURCHASE AND SALE OF COMPANY'S SHARES

During the Shareholders' Meeting held on April 18, 2011, the Board of Directors was authorized, with no time limit, to sell, on the Electronic Stock Market pursuant to art. 144-bis, first clause, lett. b) of Consob Regulation No. 11971/99, the shares purchased, at a unit price not lower than the average price of the latest 10 stock market working days preceding the date of sale, decreased by 10%, as well as:

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

Moreover, without detriment to the authorization to dispose of the shares already granted to such respect, without any time limit, by the Shareholders' Meeting held on April 18, 2011 referred to above, the Board of Directors was authorized – within the framework of the equity-linked notes issue approved on January 23, 2013 and entirely placed on January 24, 2013 (the "Notes Issue"), – effective from May 27, 2013 and without any time limit – to use the shares intended for setting up the provision of treasury shares, in accordance with the Regulation governing the Notes Issue and within the limits provided for by Consob Resolution No.16839 of March 19, 2009, also for the possible conversion, which the noteholders are entitled to request, of the equity-linked notes into Company's common shares already issued.

Therefore, as to the manner of sale and/or disposal of the shares purchased as above, no proposal of resolution is submitted, considering that the Shareholders' Meeting resolutions of April 2011 and of April 23, 2013, are still effective, subject to the provisions of Regulation (EU) No. 596/2014.

2. PURCHASE OF COMPANY'S OWN SHARES

During the Shareholders' meeting held on April 20, 2016, the Board of Directors was authorized to purchase, for a period of 12 months running from May 27, 2016, Company's own shares on the Electronic Stock Market, at a unit price not lower than 2.00 euro and not higher than the average price of the latest 10 stock market working days immediately preceding the date of purchase, increased by 10%; such authorization is limited to a maximum rolling number of 9,842,490 shares, corresponding to 10% of the Company's share capital, of a nominal value of 2.00 euro each, with the additional obligation that the amount of treasury shares held must not exceed the total value of 24,600,000.00 euro, without detriment to the limit of distributable profits and of reserves available pursuant to section 2357 § 1 of the Italian Civil Code.

The authorization granted on April 20, 2016, relating to the purchase of Company's own shares, as set forth above, is going to expire on May 26, 2017. To such respect, we propose to renew hereby and effective from May 29, 2017 the authorization to purchase Company's own shares for a period of twelve months (and, therefore, until Tuesday, the 28th of May, 2018), since the reasons suggesting to preserve the possibility of carrying out transactions on the Company's own shares are still existing.

2.1 INFORMATION USEFUL FOR THE PURPOSE OF VALUATION PURSUANT TO SECTION 2357 § 3 OF THE ITALIAN CIVIL CODE

In execution of said resolutions, the Company, during financial year 2016, effective from May 27, 2016, purchased **185,836** own shares and, as at December 31, 2016, Company's treasury shares totalled **657,471**, as analytically specified in the Directors' Report to the financial statements pursuant to section 2428, § 3, No. 4, of the Italian Civil Code. Moreover, consequently to purchase and sale transactions on Company's own shares carried out until the date hereof, the Company holds, at the date hereof, 643,786 treasury shares (equivalent to 0.654% of the Company's share capital) at an average book value of 5,9046 euro per share, for a total equivalent value of Euro 3,801,329, **while not any Astaldi share is held by any of the Company's subsidiaries.**

2.2 REASONS FOR WHICH THE AUTHORIZATION TO PURCHASE COMPANY'S OWN SHARES IS REQUESTED

Also in consideration of Consob Resolution No. 16839 of March 19, 2009, subject to the provisions of Regulation (EU) No. 596/2014, the reasons for which the authorization to purchase Company's own shares is requested are favouring the normal course of negotiations, avoiding price fluctuations

inconsistent with market trend and ensuring appropriate support to the market trading volume of Company's own shares. It is reminded, to such respect, that the authority to carry out purchase-and-sale transactions on Company's own shares, which has now become common practice for listed companies, is considered as an important element of management flexibility to take advantage of in order to favour the normal course of negotiations (by way of example, in the event the volatility of Company's shares is due to temporary shortage in demand or offer) and, anyway, in case market conditions fit such purposes.

Moreover, the authorization is requested, pursuant to ar. 5 of Regulation (EU) No. 596/2014: (i) to meet obligations arising from debt financial instruments that are exchangeable into equity instruments (within the framework of the "**Notes Issue**", so as to provide the Company with an additional instrument for the conversion, which the noteholders are entitled to request, of the equity-linked notes into Company's common shares already issued (and/or newly issued), in accordance with the Regulation governing the "Notes Issue") and (ii) to meet obligations arising from share option programmes, or other allocations of shares, to employees or to members of the administrative, management or supervisory bodies of the issuer or of an associate company. Moreover, within the limits of the provisions of Consob Resolution No. 16839 of March 19, 2009, in compliance with the provisions of Regulation (EU) No. 596/2014, the authorization is further required to set up a "provision of treasury shares" for possible non-recurring transactions (such as, by way of example, securities exchange, contribution and lending transactions) within the framework of possible strategic transactions which the Company is interested in.

2.3 PERIOD OF VALIDITY OF THE AUTHORIZATION; MAXIMUM NUMBER, VALUE, PRICE AND MANNER OF PURCHASE OF THE SHARES WHICH THE AUTHORIZATION REFERS TO.

For such reasons, we propose to resolve to:

- renew as of now, for a period of 12 months effective from May 29, 2017, the authorization given to the Board of Directors to purchase Company's common shares of a nominal value of 2.00 euro each, up to a maximum rolling number of 9,842,490 shares, corresponding to 10% of the Company's share capital, including treasury shares already held by the Company, with the additional obligation that the amount of shares shall never exceed Euro 24,600,000.00 (without detriment to the limit of distributable profits and reserves available under art. 2357, § 1, of the Italian Civil Code);
- fix a unit price of purchase not lower than 2.00 euro and not higher than the average price of the

latest 10 stock market working days immediately preceding the date of purchase, increased by 10%.

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

Obviously, when determining the number of own shares which may be purchased by the Company, the shares, if any, resulting from the subscription of the Company's share capital increase with exclusion of the right of option pursuant to section 2441, paragraph 5, of the Italian civil code, servicing the equity-linked notes and resolved by the Shareholders' Extraordinary Meeting held on April 23, 2013, were not taken into account.

Purchase transactions will anyway be carried out in compliance with the provisions of sections 2357 et seq. of the Italian Civil Code, of article 132 of the Italian D.Lgs. No. 58 of February 24, 1998, of article 144-bis of Consob Regulation No. 11971 of May 14, 1999 and subsequent amendments thereto, of Regulation (EU) No. 596/2014, and any other applicable law and regulation.

Such purchase transactions will be carried out on the Electronic Stock Market pursuant to the provisions of art. 144-bis, first paragraph, lett. b), of Consob Regulation No 11971/99.

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

In the event you agree with our proposals, we invite you to take the following:

RESOLUTION

"The Shareholders' Ordinary Meeting of Astaldi S.p.A., after hearing the Board of Directors' Report, does hereby resolve:

1. to renew, as of now, for a period of twelve months running from May 29, 2017, the authorization granted to the Board of Directors, pursuant to sections 2357 et seq. of the Italian Civil Code and art. 132 of the Italian *Decreto Legislativo* No. 58 of February 24, 1998, to purchase, on the

Electronic Stock Market, Company's common shares up to a maximum rolling number of 9,842,490 shares, equivalent to 10% of the Company's share capital, of a nominal value of euro 2.00 each, at a unit price not lower than 2.00 euro and not higher than the average price of the latest 10 stock market working days immediately preceding the date of purchase, increased by 10%, with the additional obligation that the amount of shares shall never exceed Euro 24,600,000.00, without detriment to the limit of distributable profits and reserves available pursuant to the provisions of section 2357, 1st clause, of the Italian Civil Code; purchase transactions shall anyway be carried out in compliance with the provisions of section 2357 et seq. of the Italian Civil Code, of article 132 of the Italian D.Lgs. No. 58 of February 24, 1998, of article 144-bis of the Regulation adopted by Consob by resolution No. 11971 of May 14, 1999 and subsequent amendments thereto, of Regulation (EU) No. 596/2014, and any other applicable law and regulation;

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

Rome, this 14th of March, 2017

The Chairman of the Board of Directors
(SIGNED Paolo Astaldi)