



ASTALDI SOCIETÀ PER AZIONI

BOARD OF DIRECTORS' REPORT 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 and sale of Company's own shares, that the Board itself intends to submit to the next Shareholders' Meeting called to be held on April 30, 2014, at first calling, and on May 2, 2014, at second calling.

Dear Shareholders,

during the Shareholders' meeting held on April 23, 2013, your Company authorized the Board of Directors to purchase, for a period of 12 months running from May 27, 2013, Company's own shares on the Telematic 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 of a nominal value of 2.00 euro each, with the additional obligation that the amount of treasury shares held must not exceed 24,600,000.00 euro.

During the Shareholders' Meeting the on April 18, 2011, the Board of Directors was further authorized to sell the shares so purchased, with no time limit, 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, as far as concerns the manner of sale and/or disposal of the shares purchased as above, during the Shareholders' Meeting held on April 23, 2013, without detriment to the authorization already granted to such respect, without any time limit, by the Shareholders' Meeting held on April 18, 2011, and in addition thereto, 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;

In execution of said resolutions, the Company, effective from May 27, 2013, purchased **168,813** own shares and, at December 31, 2013, Company's treasury shares totalled **520,120**, as analytically specified in the Directors' Report to the financial statements pursuant to section 2428, paragraph 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, **555,153 treasury shares (approximately equivalent to 0.5640% of the Company's share capital) at an average book value of 5.8126 euro per share, for a total equivalent value of approximately Euro 3.227 millions.**

The authorization granted on April 23, 2013, relating to the purchase of Company's own shares, as set forth above, is going to expire on May 26, 2014. To such respect, we propose to renew hereby and effective from May 27, 2014 the authorization to purchase Company's own shares for a period of twelve months (and, therefore, until Tuesday, the 26th of May, 2015), since the reasons suggesting to preserve the possibility of carrying out transactions on the Company's own shares are still existing.

Also in consideration of Consob Resolution No. 16839 of March 19, 2009, the purposes of the above are still 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 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 or Company's stock grant and/or stock option plans to the benefit of Company's directors, employees or collaborators. Furthermore, setting up and maintaining a provision of treasury shares may turn out to be advisable within the framework of the equity-linked 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) by using treasury shares, in accordance with the Regulation governing the notes issue and within the limits provided for by said Consob Resolution No. 16839 of March 19, 2009.

For such reasons, we propose to resolve to:

- renew as of now, for a period of 12 months running from May 27, 2014, 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, 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, 1st clause, of the Italian Civil Code);
- fix a unit price of purchase not lower than 2.00 euro and not higher than the average price of the latest 10 stock market working days immediately preceding the date of purchase, increased by 10%.

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, and any other applicable law and regulation.

Such purchase transactions will be carried out on the Telematic 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.

As to the manner of sale and/or disposal of the shares purchased as above, reference shall be made to the authorization already granted to such respect, without any time limit, by the Shareholders' Meeting held on April 18, 2011, as set forth above, such manner of sale and/or disposal being additional to the possibility of using the shares intended for setting up and maintaining 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, for the possible conversion, which the noteholders are entitled to request, of the equity-linked notes into Company's already issued (and/or newly issued) common shares.

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

does hereby resolve:

1. to renew, as of now, for a period of twelve months running from May 27, 2014, 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 Telematic Stock Market, Company's common shares up to a maximum rolling number of 9,842,490 shares of a nominal value of euro 2.00 each, at a unit price not lower than 2.00 euro and not higher than the average price of the latest 10 stock market working days immediately preceding the date of purchase, increased by 10%, with the additional obligation that the amount of shares shall never exceed Euro 24,600,000.00, without detriment to the limit of distributable profits and reserves available 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, 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 28th of March, 2014

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