



ASTALDI Società per Azioni
Registered Office/Head Office in Rome - Via Giulio Vincenzo Bona no. 65
Share Capital: EUR 196,849,800.00 fully paid-in
Entered in the Rome Companies Register
under Tax Code Number 00398970582
Administrative Economic Register R.E.A. no. 152353
VAT no. 00880281001

EXTRAORDINARY AND ORDINARY SHAREHOLDERS' MEETING

26 JUNE 2018 – 9.00 AM IN FIRST CALL

28 JUNE 2018 – 9:00 AM IN SECOND CALL

ILLUSTRATIVE REPORT BY THE BOARD OF DIRECTORS

DRAFTED PURSUANT TO ART. 72 AND ANNEX 3A TO CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS

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This illustrative report is made available to the public at the registered office of Astaldi S.p.A. in Rome - Via Giulio Vincenzo Bona no. 65, on Astaldi S.p.A.'s website www.astaldi.com, on the authorised storage mechanism www.1info.it.

ILLUSTRATIVE REPORT DRAWN UP BY THE DIRECTORS PURSUANT TO ART. 72 AND ANNEX 3A TO CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS, REGARDING THE FIRST AND SECOND ITEM ON THE AGENDA OF THE EXTRAORDINARY SESSION OF THE SHAREHOLDERS' MEETING SCHEDULED FOR 26 JUNE 2018, IN FIRST CALL AND FOR 28 JUNE 2018, IN SECOND CALL.

Agenda of extraordinary session

- 1. Elimination of the expressed par value of ordinary shares in circulation and subsequent amendment of Article 6 of the Company Bylaws; resolutions pertaining thereto and resulting therefrom.*
- 2. Subject to approval of the proposed resolution as per point 1), share capital increase for consideration and divisibly, up to a maximum amount of EUR 300,000,000, including any share premium, through the issue of new ordinary shares without any indication of par value, to be offered in option to the Company's shareholders pursuant to Article 2441, subsection 1, of the Italian Civil Code, and subsequent amendments of Article 6 of the Company Bylaws; resolutions pertaining thereto and resulting therefrom.*
- 3. Amendment of Article 16 of the Company Bylaws in order to provide for the office of company director to be undertaken by employees or consultants of companies that, even if they can be considered competing companies from a theoretical point of view, are deemed not to actually be in competition with the Company, in light of ongoing and significant contractual relationships regarding business partnership; resolutions pertaining thereto and resulting therefrom.*

Agenda of ordinary session

- 1. Subject to approval of the proposed resolution as per item 3 on the agenda of the extraordinary session, resolution to authorise undertaking of the office of company director by IHI Corporation employees or consultants, with the latter not to be considered a competitor of the Company for the purpose of Article 16 of the Company Bylaws (as amended); resolutions pertaining thereto and resulting therefrom.*

Dear Shareholders,

The Board of Directors of Astaldi S.p.A. ("**Astaldi**" or the "**Company**") has called you to this Shareholders' Meeting to resolve upon, among other things, the following items on the agenda of the extraordinary session:

1. *Elimination of the expressed par value of ordinary shares in circulation and subsequent amendment of Article 6 of the Company Bylaws; resolutions pertaining thereto and resulting therefrom.*
2. *Subject to approval of the proposed resolution as per point 1), share capital increase for consideration and divisibly, up to a maximum amount of EUR 300,000,000, including any share premium, through the issue of new ordinary shares without any indication of par value, to be offered in option to the Company's shareholders pursuant to Article 2441, subsection 1, of the Italian Civil Code, and subsequent amendments of Article 6 of the Company Bylaws; resolutions pertaining thereto and resulting therefrom.*

This illustrative report ("**Report**") has been drafted pursuant to and for the effects and purposes of Article 125-ter of Legislative Decree No. 58 of 24 February 1998, as subsequently amended and supplemented ("**Consolidated Finance Act - TUF**") and Article 72 of the regulations implementing the Consolidated Finance Act concerning the regulation of issuers, adopted by CONSOB under Ruling No. 11971 of 14 May 1999 as subsequently amended and supplemented ("**Issuer Regulation**"), in compliance with the provisions contained in Models 2 and 3 of Annex 3A of the Issuer Regulation.

The aim is to illustrate the proposed resolutions as per item 1) and item 2) on the agenda of the extraordinary session of the Ordinary and Extraordinary Shareholders' Meeting to be held at the company's offices at Via Giulio Vincenzo Bona 65, Rome, on 26 June 2018, at 9:00 am in first call and, if necessary, on 28 June 2018, in second call, at the same time and venue ("**Shareholders' Meeting**").

Specifically, the purpose of this Report are the proposals concerning (x) the expressed par value of ordinary company shares in circulation as well as (y) subject to the approval by the Shareholders' Meeting of the proposal as per the point above (x), of the share capital increase for consideration, up to a maximum amount of EUR 300,000,000, including any share premium, to be performed divisibly, by and not later than 31 December 2019, through the issue of new ordinary shares without any indication of par value, using the dematerialisation system, with the same characteristics as those in circulation and paying regular dividends, to be offered in option to the Company's shareholders pursuant to Article 2441, subsection 1 of the Italian Civil Code ("**Share Capital Increase**").

As regards the proposal as per item 3) of the agenda of the extraordinary session of the Shareholders' Meeting, please refer to the illustrative report drafted by the Board of Directors pursuant to Article 72 of the Issuer Regulation and in compliance with Model no. 3 of Annex 3A of the Issuer Regulation, and made available for consultation by the public at Astaldi's company offices and on its website www.astaldi.com as well as on the authorised storage mechanism HYPERLINK "<http://www.1info.it>".

The ordinary session of the Shareholders' Meeting is called to resolve upon – subject to approval of the proposed resolution as per item 3 on the agenda of the extraordinary session – authorisation for undertaking of the office of company director by IHI Corporation employees or consultants, with the latter not to be considered a competitor of the Company for the purpose of Article 16 of the Company Bylaws (as amended). As regards the proposal as per item 1) on the agenda of the ordinary session of the Shareholders' Meeting, please refer to the illustrative report drafted by the Board of Directors pursuant to Article 125-ter of the Consolidated Finance Act, and made available for consultation by the public at Astaldi's company offices and on its website www.astaldi.com as well as on the authorised storage mechanism www.1info.it.

It must be noted that as regards the proposed Share Capital Increase, an information prospectus must be drafted and published pursuant to law.

PART A. ELIMINATION OF THE EXPRESSED PAR VALUE OF ORDINARY SHARES IN CIRCULATION

1. Reasons for elimination of the par value of ordinary shares

The proposal outlined below must be viewed within the context of the capital strengthening operation submitted by the Company to today's Shareholders' Meeting, as per item 2) on the agenda of the extraordinary session.

Articles 2328 and 2346 of the Italian Civil Code allow joint-stock companies to issue shares without any par value or, as regards already issued shares, to eliminate indication of the par value. In these cases, the shares maintain an implicit carrying amount in any case, even if no par value is indicated, equal to the ratio between the total amount of share capital and the number of shares issued (so-called "accounting par value").

Therefore, with the elimination of indication of the par value, the individual shareholder's interest shall be represented and expressed solely by the number of shares held, without prejudice to the fact that the par value of the interest shall always be able to be identified by calculating the implicit accounting par value.

The presence of shares with no expressed par value allows for greater flexibility in share capital operations, making it possible, where necessary, to also issue new shares with a lower subscription price than the pre-existing accounting par value (in other words than the implicit value of shares prior to the capital increase, calculated as a ratio between share capital and number of existing shares). Indeed, in the absence of a unit par value, the issuer can freely decide the number of new shares comprising the issue, requesting, in the form of capital, a sum which may be equal to, higher or even lower than the accounting par value in force at the time of the operation.

This flexibility does not in any way reduce safeguard of the share capital's integrity insofar as the obligations as per Article 2346, subsection 5 of the Italian Civil Code must be complied with in any case. On the basis of said obligation, the total value of contributions cannot, in any case, be lower than the total amount of the share capital.

Moreover, elimination of the par value makes it possible to perform free share capital increases not entailing the issue of new shares, without it being necessary to amend the par value of existing shares.

As provided for by Article 2346, subsection 3, of the Italian Civil Code, once the amendment in question has been approved, the law provisions referring to the par value of shares shall apply "*with regard to their number in relation to the total of shares issued*" by the Company, in other words referring to their so-called "*implicit par value*".

Elimination of the par value of shares is of specific interest for the Company in relation to the proposed Share Capital Increase to be submitted to the extraordinary session of the same Shareholders' Meeting, which this proposal is subject to, insofar as it would give the Company greater flexibility as regards the issue conditions for shares originating from the Share Capital Increase, illustrated in greater detail in Section B) herein.

As a result of elimination of indication of the par value of shares, the Company Bylaws must only indicate the share capital and the number of shares it is split into, eliminating any mention of the expressed par value of the share.

Elimination of indication of the par value of shares will result in an amendment of Article 6 of the Company Bylaws.

For a detailed explanation of the amendments to Bylaws resulting from elimination of indication of the par value, please refer to paragraph 2 below.

Under Article 2346, subsection 3, of the Italian Civil Code, in the absence of indication of the par value of shares, provisions referring to this – including non-Bylaw provisions, whatever document they are included in – must be applied with regard to the implicit accounting par value. For the sole purpose of clarification, it must be noted that any reference to the par value of company shares found, for example, in key documentation related to the equity-linked bond of a total par value of EUR 140,000,000.00, falling due on 21 June 2024, called "*€140,000,000 4.875 per cent. Equity Linked Notes due 2024*" ISIN XS1634544248, approved on 13 June 2017 and placed in full directly by the Company on 14 June 2017, must be considered a reference to the implicit accounting par value of shares.

2. Amendments to the Bylaws and withdrawal right

Should the proposal to eliminate express indication of the par value as explained herein, be approved, Article 6 of the Bylaws shall be amended as follows.

Current text	Proposed text
Art. 6	Art. 6
<p>The share capital shall be set at EUR 196,849,800.00 (one hundred and ninety-six million, eight hundred and forty-nine thousand, eight hundred euros and zero cents), fully paid in, and shall be divided into 98,424,900 (ninety-eight million, four hundred and twenty-four thousand, nine hundred) shares valued at EUR 2.00 (two euros and zero cents) each.</p> <p>The capital may be increased, including through contributions of claims or contributions in kind.</p> <p>The share capital may also be increased through the issue of shares endowed with different rights from those of already-issued shares, including through the issue of special categories of shares to be assigned to employees on an individual basis, in order to assign the latter Company profits, deciding on specific provisions with regard to the form, manner of transfer and rights to which shareholders are entitled.</p> <p>On 15 December 2017, the extraordinary shareholders' meeting resolved upon a divisible increase in share capital for consideration, with exclusion of the option right pursuant to Article 2441, subsection 5, of the Italian Civil Code, for a total maximum amount of a par value of EUR 35,706,998, to be settled on one or more occasions through the issue of a maximum of 17,853,499 Company's ordinary shares of a par value of EUR 2.00, having the same characteristics as ordinary shares in circulation, at the exclusive and irrevocable service of the equity-linked bond, for a total amount equal to EUR 140,000,000, falling due on 21 June 2024, issued by virtue of the resolution passed by the Board of Directors on 13 June 2017, without prejudice to the fact that the final deadline for subscription of the newly-issued shares is scheduled for 21 June 2024, and should the capital increase not have been fully subscribed on that date, the capital shall, in any case, be taken as increased by an amount equal to the collected subscriptions.</p>	<p>The share capital shall be set at EUR 196,849,800.00 (one hundred and ninety-six million, eight hundred and forty-nine thousand, eight hundred euros and zero cents), fully paid in, and shall be divided into 98,424,900 (ninety-eight million, four hundred and twenty-four thousand, nine hundred) shares valued at EUR 2.00 (two euros and zero cents) each <u>without any indication of par value.</u></p> <p>The capital may be increased, including through contributions of claims or contributions in kind.</p> <p>The share capital may also be increased through the issue of shares endowed with different rights from those of already-issued shares, including through the issue of special categories of shares to be assigned to employees on an individual basis, in order to assign the latter Company profits, deciding on specific provisions with regard to the form, manner of transfer and rights to which shareholders are entitled.</p> <p>On 15 December 2017, the extraordinary shareholders' meeting resolved upon a divisible increase in share capital for consideration, with exclusion of the option right pursuant to Article 2441, subsection 5, of the Italian Civil Code, for a total maximum amount of a par value of EUR 35,706,998, to be settled on one or more occasions through the issue of a maximum of 17,853,499 Company's ordinary shares of a par value of EUR 2.00 <u>without any indication of par value,</u> having the same characteristics as ordinary shares in circulation, at the exclusive and irrevocable service of the equity-linked bond, for a total amount equal to EUR 140,000,000, falling due on 21 June 2024, issued by virtue of the resolution passed by the Board of Directors on 13 June 2017, without prejudice to the fact that the final deadline for subscription of the newly-issued shares is scheduled for 21 June 2024, and should the capital increase not have been fully subscribed on that date, the capital shall, in any case, be taken as increased by an amount equal to the collected subscriptions.</p> <p><i>(*) It is to be noted that Article 6 is subject to further amendments provided for in item 2 on the agenda of</i></p>

The amendments to the Company Bylaws as illustrated above shall not result in the right of withdrawal for the Astaldi shareholders that have not agreed with the decisions that are the object of this Report.

3. Proposed decision

In light of the above, the Board of Directors intends to submit for your approval, the following proposal related to item 1 of the agenda of the extraordinary session of the Shareholders' Meeting.

"The Extraordinary Shareholders' Meeting of Astaldi S.p.A.

- Having examined the report by the Board of Directors and the proposal formulated therein;

hereby resolves

- 1) to eliminate pursuant to Articles 2328 and 2346 of the Italian Civil Code, indication of the par value of the Company's ordinary shares, currently equal to EUR 2.00 each;*
- 2) to amend Article 6 of the Company Bylaws currently in force through the inclusion of a new subsection, worded as follows: "The share capital shall be set at EUR 196,849,800.00 (one hundred and ninety-six million, eight hundred and forty-nine thousand, eight hundred euros and zero cents), fully paid in, and shall be divided into 98,424,900 (ninety-eight million, four hundred and twenty-four thousand, nine hundred) shares without any indication of the par value. The capital may be increased, including through contributions of claims or contributions in kind. The share capital may also be increased through the issue of shares endowed with different rights from those of already-issued shares, including through the issue of special categories of shares to be assigned to employees on an individual basis, in order to assign the latter Company profits, deciding on specific provisions with regard to the form, manner of transfer and rights to which shareholders are entitled. On 15 December 2017, the extraordinary shareholders' meeting resolved upon a divisible increase in share capital for consideration, with exclusion of the option right pursuant to Article 2441, subsection 5, of the Italian Civil Code, for a total maximum amount of a par value of EUR 35,706,998, to be settled on one or more occasions through the issue of a maximum of 17,853,499 Company's ordinary shares without any indication of the par value, having the same characteristics as ordinary shares in circulation, at the exclusive and irrevocable service of the equity-linked bond, for a total amount equal to EUR 140,000,000, falling due on 21 June 2024, issued by virtue of the resolution passed by the Board of Directors on 13 June 2017, without prejudice to the fact that the final deadline for subscription of the newly-issued shares is scheduled for 21 June 2024, and should the capital increase not have been fully subscribed on that date, the capital shall, in any case, be taken as increased by an amount equal to the collected subscriptions";*
- 3) to confer to the Board of Directors, and through it the Chairman and the Chief Executive Officer, also singly, all the broadest powers to implement and carry out the above decisions, including, merely by way of example and not limitation, the power to introduce to the adopted decisions any change and/or supplement that should become necessary and/or appropriate, also following the request by any competent Authority or at the moment of registration, and, in general, to carry out all that may be necessary for the complete performance of said decisions, with any and all powers necessary and/or appropriate for the purpose, none excluded or excepted, including the task of filing the updated Company Bylaws with the appropriate Companies Register."*

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PART B. SHARE CAPITAL INCREASE TO BE OFFERED IN OPTION TO SHAREHOLDERS

1. Reasons for and use of share capital increase

The Share Capital Increase up to a maximum amount of 300 million euros, which is subject to your approval, is aimed at capital and financial strengthening of the Company, allowing it to better pursue planned growth and additional strengthening outlined in the 2018-2022 Strategic Plan, as well as at obtaining the best possible conditions in relation to the overall refinancing of its medium-term and long-term corporate financial debt so as to extend the main deadlines and reduce relative costs, compatibly with market conditions. The 2018–2022 Strategic Plan was disclosed to the market on 16 May 2018. For more information, please refer to the Investor Presentation made available to the public on the Company's website - www.astaldi.com.

A first phase of the overall refinancing and rescheduling programme was successfully performed in June 2017 with the issue of equity-linked bonds of a total par value of 140 million euros, falling due on 21 June 2024, subscribed in full by institutional investors, which replaced a previous similar instrument falling due in 2019.

The next phases shall be implemented in accordance with the timeframe and procedures deemed appropriate by the Board of Directors, also in relation to the market conditions from time to time applicable, and shall concern refinancing of the 750-million Euro bond falling due in 2020 and the 500-million Euro Revolving Credit Facility taken out with the banking system.

It is common knowledge that Astaldi Group accounts at 31 December 2017 were affected by the non-recurring effects of impairment of the sums due from the Venezuelan government – amounting to approximately 230 million euros, corresponding in percentage terms to approximately 53% of the relative par value – which proved necessary following further worsening of the country's political, economic and social situation. In addition to this, the introduction as from 1 January 2018, of new international accounting standards - IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" – entailed a negative adjustment of the opening balance of the Group's equity of approximately 74 million euros.

Therefore, the Share Capital Increase will make it possible to absorb the capital-related consequences of the above and the resulting financial resources shall be used to repay a part of the Company's and Group's debt, improving capital and current ratios. This will help strengthen the Company's competitive positioning, in line with the strategy for geographical repositioning of business in markets with a lower risk profile, as outlined in the 2018-2022 Strategic Plan.

The 2018-2022 Strategic Plan also provides for a concession asset disposal programme which the Company has already successfully embarked on. Over the next 18 months, the Company plans to dispose of asset totalling approximately 790 million euros (intended as expected book value at envisaged disposal date) including, in particular, the asset related to the Third Bosphorus Bridge for which the sale process is at an advanced stage. The income from the sale of concession assets will be used to reduce the Company's financial debt, thus helping to further improve its capital and current ratios.

2. Pro forma capital and financial effects resulting from the Share Capital Increase

The income resulting from the Share Capital Increase will be used in full to reduce the Company's financial indebtedness through partial repayment of medium-/long-term committed and revolving credit facilities, thus allowing for overall improvement of the Company's and Group's capital and current ratios.

The whole amount of credit facilities so repaid shall remain available to the Company, ready to be used again to support the Company's financial needs.

Please find below the pro forma statements whose purpose is to illustrate, for information purposes and based on currently available data, the economic, financial and capital effects of the Share Capital Increase on Astaldi Group's consolidated financial statements.

Pro forma Statement of financial position

(EUR/000)	31/12/2017	Pro forma adjustments	Pro forma 31/12/2017
Non-current assets	1,315,469	0	1,315,469
Current assets	3,296,392	0	3,296,392
Non-current assets held for sale	363,727	0	363,727
Total Assets	4,975,588	0	4,975,588
Equity attributable to the owners of the parent	518,740	280,468	799,208
<i>of which</i>			
<i>Capital and reserves</i>	619,915	280,468	900,383
Equity attributable to non-controlling interests	30,702	0	30,702
Total Equity	549,442	280,468	829,910
Non-current liabilities	1,595,873	(274,300)	1,321,573
<i>of which non-current financial liabilities</i>	1,474,645	(274,300)	1,200,345
Current liabilities	2,830,273	(6,168)	2,824,105
Total Equity and Liabilities	4,975,588	0	4,975,588

Pro forma Statement of profit or loss

(EUR/000)	2017	Pro forma adjustments	Pro forma 2017
Statement of profit or loss			
Operating revenue	3,060,733	0	3,060,733
Operating costs	(2,741,553)	0	(2,741,553)
Share of profits (losses) of joint ventures and associates	47,196	0	47,196
Gross operating profit	366,376	0	366,376
Amortisation, depreciation and impairment losses	(284,933)	0	(284,933)
Provisions	(5,097)	0	(5,097)
Operating Profit	76,345	0	76,345
Net financial expense	(192,180)	11,105	(181,075)
Pre-tax profit (loss)	(115,835)	11,105	(104,730)
Tax expense (benefit)	18,108	(2,665)	15,443
PROFIT (LOSS) FOR THE YEAR	(97,727)	8,440	(89,287)
Profit (loss) attributable to the owners of the parent	(101,175)	8,440	(92,735)
Profit (loss) attributable to non-controlling interests	3,448	0	3,448

(EUR/000)	2017	Pro forma adjustments	Pro forma 2017
Statement of comprehensive income			
Profit (loss) for the year (a)	(97,727)	8,440	(89,287)
Other comprehensive income (expense), net of tax effect (b)	(58,363)	0	(58,363)
TOTAL COMPREHENSIVE INCOME (EXPENSE) (a) + (b)	(156,090)	8,440	(147,650)
attributable to the owners of the parent	(155,101)	8,440	(146,661)
attributable to non-controlling interests	(989)	0	(989)

Pro forma Net financial position

(EUR/000)	31/12/2017	Pro forma adjustments	Pro forma 31/12/2017
Cash	576,704	0	576,704
Current loan assets	60,927	0	60,927
Current financial debt	(835,345)	0	(835,345)
Net current financial debt	(197,714)	0	(197,714)
Non-current financial debt	(1,456,377)	274,300	(1,182,077)
Net financial debt of disposal groups	183,763	0	183,763
Net financial debt as per ESMA recommendation of 10 February 2005	(1,470,328)	274,300	(1,196,028)
Non-current loan assets	203,279	0	203,279
Total financial debt	(1,267,049)	274,300	(992,749)

Notes to pro forma statements

Pro forma Statement of financial position

The Pro forma Statement of financial position was drafted as if the Share Capital Increase had virtually been performed on 31 December 2017. Moreover, the full amount of the Share Capital Increase for 300 million euros was taken into account. The costs connected to the capital increase (estimated at approximately 25.7 million euros) and the relative tax effect (equal to an estimated positive contribution of approximately 6.17 million euros) were deducted directly from the item “*Capital and reserves*” without being recognised in the statement of profit or (loss). Costs related to the share capital increase included charges related to commissions provided for in the agreement with the Sole Global Coordinator (as defined below) as per paragraph 4 below, legal and financial advisory, auditing costs and ancillary services.

Pro forma Statement of profit or loss

The Pro forma statements of profit or loss were drafted as if the Share Capital Increase had virtually been performed on 1 January 2017. The overall proceeds resulting from complete subscription of the Share Capital Increase for 300 million euros, net of relative transaction costs (estimated at approximately 25.7 million) were considered as if dedicated in full, at said date, to partial reduction of medium-long-term committed and revolving credit facilities. In light of what has just been outlined, the lower financial costs resulting from repayment of the above facilities were calculated, applying the average interest rate for 2017 on Group bank indebtedness.. Lastly, the related tax effects were calculated. It must be noted that the costs related to the Share Capital Increase and the relative tax effect have been deducted directly from equity without being recognised in the statement of profit or (loss).

Pro forma Net financial position

The Pro forma Net financial position was drafted as if the Share Capital Increase had virtually been performed on 31 December 2017, with the aggregate proceeds, resulting from complete subscription of the Share Capital Increase for 300 million euros, net of relative transaction costs (estimated at approximately 25.7 million euros), applied in full to partial reduction of medium-long-term committed and revolving credit facilities.

* * *

As already stated in paragraph 1 above, the Share Capital Increase is included in the Company's broader capital and financial strengthening outlined in the 2018-2022 Strategic Plan, disclosed to the market on 16 May 2018, and constitutes an important part of this.

The 2018-2022 Strategic Plan provides for:

- a concession asset disposal programme over the following 18 months for a total of approximately 790 million euros (intended as expected book value at envisaged disposal date) including, in particular, the asset related to the Third Bosphorus Bridge project for which the sales process is already at an advanced stage. Income from the sale of concession assets will be used to reduce the Company's financial debt, thus helping further improve its capital and current ratios;
- refinancing of the 750-million Euro bond falling due in 2020 and the 500-million Euro revolving credit facility signed with a pool of banks in accordance with the way and timeframe deemed appropriate by the Board of Directors, also depending on the market conditions applicable from time to time;
- successful confirmation/extension of maturity (rollover) of over 350-million euros of existing loans;

It must be noted that at the publication date of this report, the Company had not received binding proposals for performance of the aforementioned operations.

3. Shareholders that expressed their willingness to subscribe the Share Capital Increase

The Boards of Directors of Fin.Ast. S.r.l. ("**FINAST**") and Finetupar International S.A. ("**Finetupar**"), in the capacity of the Company's main shareholders, have favourably assessed the project, ensuring their support for the operation, sending the Company separate letters of commitment to subscribe, should the whole operation be performed, the complete amount, calculated in proportion to their respective interests in Astaldi's share capital, net of what is specified below regarding the sale of option rights to a foreign investor, thus holding approximately 35% of the share capital and at least 50.2% of voting rights upon completion of the Share Capital Increase. As a result, FINAST and Finetupar shall continue to hold the controlling interest in the Company.

As disclosed to the market by the Company on 16 May 2018, it must be remembered that FINAST and Finetupar negotiated through private negotiations the sale of part of their option rights regarding the Share Capital Increase to a strategic foreign investor. Therefore, the latter undertook to subscribe the Share Capital Increase in such a way that upon completion it shall acquire a significant non-controlling interest equal to 18,2% of the Company's share capital and at least 13,1% of its overall voting rights. Lastly, it must be noted that as a result of the foreign investor joining the Company's share capital, FINAST and Finetupar will, in any case, continue to hold the controlling interest in the Company in terms of voting rights. Specifically, based on the agreements entered into, ("**Investment Agreement**"), the overall investment of the aforementioned investor shall be equal to 112.5 million euros, of which (i) a part shall be paid to FINAST and Finetupar to purchase the share of option rights resulting from the Share Capital Increase which FINAST and Finetupar shall sell to the investor in question

in proportion to their respective interests in the Company's capital, and (ii) the remaining part shall be paid to Astaldi as subscription and payment of the newly-issued Astaldi shares resulting from exercise of the aforementioned option rights in relation to the Share Capital Increase, which the investor has undertaken to perform at least one day prior to the deadline for the rights offering. Should the whole operation be performed successfully, FINAST and Finetupar have undertaken in turn, in the Company's and the investor's regard, to fully exercise their option rights not transferred to the latter. They shall use the financial resources collected from sale of the option rights, together with other own resources, for the purpose of subscription and payment of the relative newly-issued shares resulting from the Share Capital Increase.

4. Underwriting syndicate

On 15 May 2018, the Company signed an agreement with a leading international bank ("**Sole Global Coordinator**") pursuant to which the Sole Global Coordinator undertook to enter into, together with other financial institutions to be selected prior to launch of subscription of the Share Capital Increase, an underwriting agreement related to subscription of the any newly-issued shares not taken up at the end of the rights offering and subsequent stock exchange offer. The main relationship banks of the Group have expressed their availability, under certain conditions, to support the Company in the Share Capital Increase. The underwriting agreement will cover a maximum amount equal to the difference between (x) the total amount of shares comprising the rights offering, and (y) the shares which FINAST, Finetupar and IHI have undertaken to subscribe pursuant to the Investment Agreement.

The afore-mentioned agreement, entered into at terms and conditions in line with market practice for similar transactions, also provides that the execution of the underwriting agreement will be subject to certain conditions precedent including: (i) setting up of a syndicate for subscription of any shares that are still unsubscribed upon termination of the stock exchange offer of unexercised rights; (ii) that the Investment Agreement between the Company, FINAST, Finetupar and IHI be in force at the date of signing of the underwriting agreement; (iii) that the Company has achieved some milestones in the concession asset disposal programme, in accordance with terms deemed satisfactory for the implementation of the planned capital strengthening and refinancing programme; (iv) that the Company has received consent or waiver by some of its lending banks relating to loan agreements as regards the waiver or in any case the amendments of covenants the compliance of which is required on 30 June 2018 under the relative financing agreements; and as regards some additional necessary amendments in order to successfully implement the transaction; and (v) that the Company has agreed upon confirmation or extension of the maturity (rollover) for some committed or uncommitted credit lines for an aggregate amount of at least EUR 300 million.

5. Other forms of placement

Given that it is a rights offering, the shares resulting from the Share Capital Increase will be offered to shareholders pursuant to Article 2441, subsection one of the Italian Civil Code.

As regards the equity-linked bond of a total par value of 140,000,000.00 euros, falling due on 21 June 2024, called "€140,000,000 4.875 per cent. Equity Linked Notes due 2024", ISIN XS1634544248 ("**Equity-linked bond**"), approved on 13 June 2017 and placed in full by the Company on 14 June 2017, the Company shall undertake to adjust the conversion price pursuant to Article 20 of the "*Terms and Conditions*" of the equity-linked bond.

Any rights left unexercised upon termination of the subscription period will be offered on the stock exchange pursuant to Article 2441, subsection 3 of the Italian Civil Code. Should any shares still be unsubscribed following the offer on the stock exchange, these shares will be subscribed by the banks forming part of the underwriting agreement.

No other forms of placement are envisaged.

6. Issue price of shares resulting from the Share Capital Increase

The proposal submitted for approval by the Extraordinary Shareholders' Meeting provides for the issue price of shares resulting from the Share Capital Increase to be calculated by the Board of Directors, together with the Sole Global Coordinator, in the run-up to launch of the rights offering, taking into account, inter alia, market conditions in general and the trend of the Company's share price and volumes, expressed on the stock exchange, as well as the Company's economic, financial and capital performance and market practice for similar transactions. Without prejudice to the above criteria, the issue price will be calculated by applying a discount to the so-called Theoretical Ex-Right Price (TERP) of existing shares, calculated using current methodology, in accordance with market practices for similar operations.

The proposal also provides for the Board of Directors be assigned all the powers needed to define the issue price of new shares (including any share premium) in accordance with the above criteria, the number of new shares to be issued, the option ratio and the timeframe for executing the Share Capital Increase resolution.

The proposal to assign powers can be motivated by the need to place the Board of Directors in the condition to be able to execute the Share Capital Increase in the best way possible, with specific reference to the issue price for new shares, in order to ensure the operation's success, taking into account the uncertainty and instability of share markets.

In order to calculate the issue price, the Board of Directors will take into account, inter alia, market conditions in general, share trends, the Company's economic, financial and capital performance and market practice for similar transactions.

7. Planned period for execution of Share Capital Increase

The Board of Directors will establish, passing a resolution, the timeframe for launch of the rights offering, as well as the subsequent offer on the stock exchange of any unexercised rights upon termination of the subscription period, without prejudice to the deadline of 31 December 2019 for performance of the Share Capital Increase.

When deciding on the aforementioned timeframe, the Board of Directors will also take into account the technical times needed for issue by CONSOB of authorisation for publication of the Prospectus.

8. Share dividends

The newly-issued shares resulting from the Share Capital Increase will provide regular dividends and give their holders the same rights as Company shares already in circulation, as from their issue date.

The Company Bylaws provides for increased voting rights; specifically, pursuant to Article 12 of the Bylaws *"Increased voting rights are also extended proportionally to newly-issued shares both in the event of a share capital increase pursuant to Article 2442 of the Italian Civil Code and in the event of share capital increase through new contributions"*.

Therefore (i) shareholders that have applied for entry in the list of increased voting rights pursuant to Article 143-*quater* of the Issuer Regulation and that have still to mature increased voting rights – should they intend to exercise their own option rights subscribing the shares resulting from the Share Capital Increase – shall obtain entry in the aforementioned list for the shares resulting from the Share Capital Increase and mature the increased voting rights on the same date on which said right is matured for shares previously entered in the list;

(ii) shareholders that have applied for entry in the list of increased voting rights pursuant to Article 143-*quater* of the Issuer Regulation and have already matured increased voting rights – should they intend to exercise their own option rights subscribing the shares resulting from the Share Capital Increase – will also benefit from extension of increased voting rights to the newly-issued shares.

In this regard, it should be noted that Company shares currently have 4 codes: an ISIN code for shares for which no application for entry in the increased voting right list has been made, a code assigned by Monte Titoli for shares for which entry in the list has been applied for, but which are not yet entered, a code assigned by Monte Titoli for shares entered in the register for which increased voting rights have still to be matured and an ISIN code for shares with increased voting rights. Four corresponding codes will be issued for option rights in such a way as to allow shareholders wanting to exercise option rights, to maintain the same voting rights. Should shareholders holding shares with several codes wish to partially exercise option rights, they must inform the escrow agent of the number of shares and type of codes for which they intend to exercise the option rights in question. Should shareholders intend to sell all or part of rights on the market, the shareholder must give its broker suitable instructions to convert its right code into the right code to be negotiated on the market.

Should shareholders that have applied for entry in the list and/or have matured increased voting rights fail to exercise their option rights, these rights shall change code into option rights corresponding to the shares for which no application for entry has been made so as to be able to be offered on the stock exchange pursuant to Article 2441 of the Italian Civil Code.

In any case, shareholders that still have to mature increased voting rights or that have already matured increased voting rights can waive increased voting rights for all or part of the newly-issued shares.

9. Effects on the unit value of shares of any dilution of this value

Given that it is an optioned Share Capital Increase, there are no dilution-related effects in terms of overall share capital interest for the shareholders that decide to take part in the Increase.

Indeed, the Share Capital Increase provides for each ordinary shareholder to have the option right.

On the contrary, shareholders not exercising their own option rights shall undergo a dilution of their own interest following the issue of new shares which is unable to be quantified at present given that the issue price and exact number of shares to be issued shall only be decided by the Board of Directors in the run-up to launch of the rights offering for new shares resulting from the Share Capital Increase.

It must also be recalled that the Company Bylaws provide for increased voting rights. It is common knowledge that increased voting rights do not affect the shareholding in terms of the portion of capital, but only in terms of expression of voting rights.

Should shareholders that have matured increased voting rights decide to exercise their option right, they will receive shares with increased voting rights pursuant to Article 12 of the current Bylaws. Should they decide not to exercise their option rights, they will undergo a proportional dilution as regards their interest, and a less than proportional dilution in terms of voting rights.

Should shareholders that have not yet matured increased voting rights, but that are entered in the relative register, exercise their option rights, the subscribed shares will benefit from the same period of entry in the register. Should they decide not to exercise their option rights, they will undergo the same dilution as regards their interest and voting rights as shareholders not holding shares with increased voting rights.

10. Amendments to the Bylaws and withdrawal right

Should the proposed Share Capital Increase detailed herein be approved, Article 6 of the Company Bylaws shall be amended as follows at the date of filing with the Companies' Register of Rome of the Shareholders' Meeting resolution approving the Share Capital Increase.

Current text	Proposed text
Art. 6	Art. 6
<p>The share capital shall be set at EUR 196,849,800.00 (one hundred and ninety-six million, eight hundred and forty-nine thousand, eight hundred euros and zero cents), fully paid in, and shall be divided into 98,424,900 (ninety-eight million, four hundred and twenty-four thousand, nine hundred) shares valued at EUR 2.00 (two euros and zero cents) each.</p> <p>The capital may be increased, including through contributions of claims or contributions in kind.</p> <p>The share capital may also be increased through the issue of shares endowed with different rights from those of already-issued shares, including through the issue of special categories of shares to be assigned to employees on an individual basis, in order to assign the latter Company profits, deciding on specific provisions with regard to the form, manner of transfer and rights to which shareholders are entitled.</p> <p>On 15 December 2017, the extraordinary shareholders' meeting resolved upon a divisible increase in share capital for consideration, with exclusion of the option right pursuant to Article 2441, subsection 5, of the Italian Civil Code, for a total maximum amount of a par value of EUR 35,706,998, to be settled on one or more occasions through the issue of a maximum of 17,853,499 Company's ordinary shares of a par value of EUR 2.00, having the same characteristics as ordinary shares in circulation, at the exclusive and irrevocable service of the equity-linked bond, for a total amount equal to EUR 140,000,000, falling due on 21 June 2024, issued by virtue of the resolution passed by the Board of Directors on 13 June 2017, without prejudice to the fact that the final deadline for subscription of the newly-issued shares is scheduled for 21 June 2024, and should the capital increase not have been fully subscribed on that date, the capital shall, in any case, be taken as increased by an amount equal to the collected subscriptions.</p>	<p>The share capital shall be set at EUR 196,849,800.00 (one hundred and ninety-six million, eight hundred and forty-nine thousand, eight hundred euros and zero cents), fully paid in, and shall be divided into 98,424,900 (ninety-eight million, four hundred and twenty-four thousand, nine hundred) shares valued at EUR 2.00 (two euros and zero cents) each.</p> <p>The capital may be increased, including through contributions of claims or contributions in kind.</p> <p>The share capital may also be increased through the issue of shares endowed with different rights from those of already-issued shares, including through the issue of special categories of shares to be assigned to employees on an individual basis, in order to assign the latter Company profits, deciding on specific provisions with regard to the form, manner of transfer and rights to which shareholders are entitled.</p> <p>On 15 December 2017, the extraordinary shareholders' meeting resolved upon a divisible increase in share capital for consideration, with exclusion of the option right pursuant to Article 2441, subsection 5, of the Italian Civil Code, for a total maximum amount of a par value of EUR 35,706,998, to be settled on one or more occasions through the issue of a maximum of 17,853,499 Company's ordinary shares of a par value of EUR 2.00, having the same characteristics as ordinary shares in circulation, at the exclusive and irrevocable service of the equity-linked bond, for a total amount equal to EUR 140,000,000, falling due on 21 June 2024, issued by virtue of the resolution passed by the Board of Directors on 13 June 2017, without prejudice to the fact that the final deadline for subscription of the newly-issued shares is scheduled for 21 June 2024, and should the capital increase not have been fully subscribed on that date, the capital shall, in any case, be taken as increased by an amount equal to the collected subscriptions.</p> <p><u>In the resolution passed by the Extraordinary Shareholders' Meeting of 26 June 2018, the</u></p>

	<p><u>divisible increase in share capital for consideration was resolved upon, in compliance with the option right pursuant to Article 2441, subsection 1, of the Italian Civil Code, up to a maximum amount of 300,000,000 (three hundred million) euros, including any share premium, through the issue of ordinary shares without any indication of par value, using the dematerialisation system, with the same characteristics as those in circulation and paying regular dividends, to be subscribed by 31 December 2019 at a unit price calculated taking into account, inter alia, market conditions in general and the trend of the Company's share price and volumes, expressed on the stock exchange, as well as the Company's economic, financial and capital performance and market practice for similar transactions. Without prejudice to the above criteria, the issue price will be calculated by applying, in accordance with market practice for similar transactions, a discount to the so-called Theoretical Ex-Right Price (TERP) of existing shares, calculated using current methodology.</u></p>
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The above amendments to the Bylaws do not generate any right of withdrawal for Astaldi shareholders that have failed to take part in the resolutions representing the subject hereof.

For the sole purpose of providing complete information, please find below definitive wording of Article 6 of the Bylaws further to approval by the extraordinary session of Astaldi's Shareholders' Meeting of the resolutions as per items 1) and 2) on the agenda.

Current text	Final text
Art. 6	Art. 6
<p>The share capital shall be set at EUR 196,849,800.00 (one hundred and ninety-six million, eight hundred and forty-nine thousand, eight hundred euros and zero cents), fully paid in, and shall be divided into 98,424,900 (ninety-eight million, four hundred and twenty-four thousand, nine hundred) shares valued at EUR 2.00 (two euros and zero cents) each.</p> <p>The capital may be increased, including through contributions of claims or contributions in kind.</p>	<p>The share capital shall be set at EUR 196,849,800.00 (one hundred and ninety-six million, eight hundred and forty-nine thousand, eight hundred euros and zero cents), fully paid in, and shall be divided into 98,424,900 (ninety-eight million, four hundred and twenty-four thousand, nine hundred) shares valued at EUR 2.00 (two euros and zero cents) each <u>without any indication of par value.</u></p> <p>The capital may be increased, including through contributions of claims or contributions in kind.</p>

The share capital may also be increased through the issue of shares endowed with different rights from those of already-issued shares, including through the issue of special categories of shares to be assigned to employees on an individual basis, in order to assign the latter Company profits, deciding on specific provisions with regard to the form, manner of transfer and rights to which shareholders are entitled.

On 15 December 2017, the extraordinary shareholders' meeting resolved upon a divisible increase in share capital for consideration, with exclusion of the option right pursuant to Article 2441, subsection 5, of the Italian Civil Code, for a total maximum amount of a par value of EUR 35,706,998, to be settled on one or more occasions through the issue of a maximum of 17,853,499 Company's ordinary shares of a par value of EUR 2.00, having the same characteristics as ordinary shares in circulation, at the exclusive and irrevocable service of the equity-linked bond, for a total amount equal to EUR 140,000,000, falling due on 21 June 2024, issued by virtue of the resolution passed by the Board of Directors on 13 June 2017, without prejudice to the fact that the final deadline for subscription of the newly-issued shares is scheduled for 21 June 2024, and should the capital increase not have been fully subscribed on that date, the capital shall, in any case, be taken as increased by an amount equal to the collected subscriptions.

The share capital may also be increased through the issue of shares endowed with different rights from those of already-issued shares, including through the issue of special categories of shares to be assigned to employees on an individual basis, in order to assign the latter Company profits, deciding on specific provisions with regard to the form, manner of transfer and rights to which shareholders are entitled.

On 15 December 2017, the extraordinary shareholders' meeting resolved upon a divisible increase in share capital for consideration, with exclusion of the option right pursuant to Article 2441, subsection 5, of the Italian Civil Code, for a total maximum amount of a par value of EUR 35,706,998, to be settled on one or more occasions through the issue of a maximum of 17,853,499 Company's ordinary shares ~~of a par value of EUR 2.00~~ **without any indication of par value**, having the same characteristics as ordinary shares in circulation, at the exclusive and irrevocable service of the equity-linked bond, for a total amount equal to EUR 140,000,000, falling due on 21 June 2024, issued by virtue of the resolution passed by the Board of Directors on 13 June 2017, without prejudice to the fact that the final deadline for subscription of the newly-issued shares is scheduled for 21 June 2024, and should the capital increase not have been fully subscribed on that date, the capital shall, in any case, be taken as increased by an amount equal to the collected subscriptions.

In the resolution passed by the Extraordinary Shareholders' Meeting of 26 June 2018, the divisible increase in share capital for consideration was resolved upon, in compliance with the option right pursuant to Article 2441, subsection 1, of the Italian Civil Code, up to a maximum amount of 300,000,000 [three hundred million) euros, including any share premium, through the issue of ordinary shares without any indication of par value, using the dematerialisation system, with the same characteristics as those in circulation and paying regular dividends, to be subscribed by 31 December 2019 at a unit price calculated taking into account, inter alia, market conditions in general and the trend of the Company's share price and volumes, expressed on the stock exchange, as well as the Company's economic, financial and capital performance and market practice for similar transactions. Without prejudice to the above criteria, the issue price will be calculated by applying, in accordance with market practice for similar

transactions, a discount to the so-called Theoretical Ex-Right Price (TERP) of existing shares, calculated using current methodology.

11. Proposed resolution

In light of the above, the Board of Directors intends to submit for your approval the following proposed resolution related to item 2) on the agenda of the extraordinary session.

“The Extraordinary Shareholders’ Meeting of Astaldi S.p.A.

- *Having examined the report by the Board of Directors and proposal formulated therein;*
- *Having acknowledged certification by the Board of Statutory Auditors that the share capital of 196,849,800.00 euros is fully subscribed, paid-in and existing;*
- *Having acknowledged the resolution to eliminate, pursuant to Articles 2328 and 2346 of the Italian Civil Code, indication of the par value of Astaldi S.p.A.’s ordinary shares, passed by today’s Shareholders’ Meeting pursuant to item 1 on the agenda;*

hereby resolves

- 1) *to approve the proposed divisible increase in share capital for consideration up to a maximum amount of 300,000,000 [three hundred million] euros, including any share premium, through the issue of new ordinary shares without any indication of par value, with the same characteristics as those in circulation and paying regular dividends, to be offered in option to Company shareholders, pursuant to Article 2441, subsection one of the Italian Civil Code, in proportion to the number of shares held, at a unit price calculated taking into account, inter alia, market conditions in general and the trend of the Company’s share price and volumes, expressed on the stock exchange, as well as the Company’s economic, financial and capital performance and market practice for similar transactions. Without prejudice to the above criteria, the issue price will be calculated by applying a discount to the so-called Theoretical Ex-Right Price (TERP) of existing shares, calculated using current methodology;*
- 2) *to set 31 December 2019 as the deadline for execution of the Share Capital Increase and to establish, pursuant to Article 2439, subsection two of the Italian Civil Code, that the Share Capital Increase, where not subscribed in full, shall be limited to the amount resulting from subscriptions made by said deadline;*
- 3) *to grant the Board of Directors the broadest powers to:*
 - (i) *define the issue price of the newly-issued shares in the run-up to launch of the offer;*
 - (ii) *decide – as a result of what is defined in point (i) – upon the maximum number of newly-issued shares and the ratio of assignment in option, rounding off as needed with regard to the number of shares;*
 - (iii) *define the timeframe for execution of the Share Capital Increase resolution, especially for launch of the rights offering, as well as subsequent offer on the stock exchange of any rights left unexercised upon termination of the subscription period, in compliance with the deadline set by the Shareholders’ Meeting, i.e. 31 December 2019;*
- 4) *amend Article 6 of the current Company Bylaws by inserting a new subsection, in accordance with the following wording: “In the resolution passed by the Extraordinary Shareholders’ Meeting of 26 June 2018, the divisible increase in share capital for consideration was resolved upon, in compliance with the option right pursuant to Article 2441, subsection 1, of the Italian Civil Code, up to a maximum amount of 300,000,000 [three hundred million] euros, including any share premium, through the issue of ordinary shares without any indication of par value, using the dematerialisation system, with the same characteristics as those in circulation and paying regular dividends, to be subscribed by 31 December 2019 at a unit price calculated taking into account, inter alia, market conditions in general and the trend of the Company’s share price and volumes, expressed on the stock exchange, as well as the Company’s economic, financial and capital performance and market practice for similar transactions. Without prejudice to the above criteria, the issue price will be calculated by applying a discount to the so-called Theoretical Ex-Right Price (TERP) of existing shares, calculated using current methodology”.*

- 5) *grant the Board of Directors and the Chairman and CEO on its behalf, including separately, the broadest powers to implement the above resolutions for the success of the operation, including, by way of example and not limited to, the powers to:*
- (i) formulate and submit all documents required for the purpose of executing the resolved capital increase, and to fulfil all formalities needed to perform the subscription offer and for admission and listing of the newly-issued shares on the MTA – Italian Equities Market organised and managed by Borsa Italiana S.p.A., including the powers to formulate and submit to the relevant authorities any application, claim, document or prospectus needed or appropriate for the purpose;*
 - (ii) make any amendments and/or supplements which may prove necessary and/or appropriate to the resolutions adopted, including further to requests by relevant authorities or during registration and, generally speaking, to perform all actions needed for complete execution of the resolutions, with all and any powers needed or appropriate to this end, with no exceptions, including the task of filing the updated Company Bylaws including amendment of the share capital with the relevant Companies Register.”*

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Rome, 15 May 2018

Chairman of the Board of Directors

(Signed: Paolo Astaldi)