



ANSALDO STS S.P.A.

REGISTERED OFFICE IN GENOA, VIA PAOLO MANTOVANI 3 – 5

SHARE CAPITAL EURO 80,000,000.00 FULLY SUBSCRIBED AND PAID UP NUMBER OF REGISTRATION IN THE BUSINESS REGISTER OF GENOA AND TAX CODE 01371160662

SUBJECT TO DIRECTION AND COORDINATION BY FINMECCANICA S.P.A.

## **Ordinary Shareholders' Meeting**

**6 May 2013**

### **Explanatory Report of the Board of Directors drafted**

**pursuant to Art. 73 of the Regulation adopted by Consob with Resolution No. 11971/1999, as**

**subsequently amended**

**Item 3 on the agenda of the ordinary session - Authorisation for the purchase and disposal of own shares, upon revocation of the authorisation approved by the ordinary shareholders' meeting on May 7<sup>th</sup>, 2012. Related and consequent resolutions.**

Dear Shareholders,

the ordinary session has been convened in order to discuss and resolve on the purchase and disposal of own shares, pursuant to the terms and conditions as specified below, after revocation of the previous authorisation resolved by the Ordinary Shareholders' Meeting on 7 May 2012.

Please note that the aforesaid Shareholders' Meeting held on 7 May 2012 vested the Board of Directors with the power to purchase own shares for eighteen months from the date the meeting resolution was passed and the power to dispose of own shares was conferred without any time limits. Therefore, authorisation to purchase own shares will expire on 7 November 2013.

Considering the advisability of renewing that authorisation to the Board for a further period, we propose revocation of the existing authorisation, since it has never been used, and at the same time we request a resolution for a new authorisation to purchase and dispose of own shares under the terms set forth as follows.

#### **Reasons for the proposed authorisation**

The request for authorisation to purchase and dispose of own shares is founded on the advisability of vesting the Board of Directors with the power to purchase and dispose of the purchased shares, in compliance with the applicable laws and market practices recognised by Consob:

- for the share-based incentive plans approved by the Company;
- as part of transactions relating to ordinary operations and industrial projects consistent with the strategic lines that the Company intends to pursue, which may also include swaps, exchanges, transfers or any other disposals connected with industrial projects and/or extraordinary financing operations;
- for the purpose of carrying out activities to support market liquidity.

### **Maximum number of shares involved in the authorisation proposal**

At the date of this report, the Company's share capital is represented by 160,000,000 (one hundred and sixty million) ordinary shares, each with a nominal value of Euro 0.50 (zero point five zero), for a total value of Euro 80,000,000.00 (eighty million), fully subscribed and paid up.

We therefore propose that the Shareholders' Meeting authorise the purchase of own shares via one or more transactions, up to the maximum allowed by law.

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

The authorisation includes the power to dispose of the shares in the portfolio at a later date, which may even be before reaching the maximum number of shares that may be purchased, and, where applicable, to repurchase the same shares in the number required in order to ensure that the own shares held by the company do not exceed the limit laid down in the authorisation.

### **Further useful information for assessment of compliance with Article 2357, subsection 3, of the Italian Civil Code**

At the date of this report, the Company holds 752 own shares, representing 0.00047% of the share capital. The subsidiaries hold no shares in the Company. Specific instructions will be issued to subsidiaries to ensure that they promptly report any purchases of shares carried out pursuant to Article 2359-*bis* of the Italian Civil Code.

### **Term for which authorisation is requested**

The authorisation to purchase own shares is requested for a period of 18 (eighteen) months from the date of approval by the Shareholders' Meeting.

Authorisation to dispose of the shares is requested for an unlimited period of time.

### **Minimum and maximum price**

Shares must be purchased subject to the price conditions specified in Article 5, subsection 1 of European Commission Regulation (EC) no. 2273/2003 of 22 December 2003. In particular, such Article states that the issuer must not purchase shares at a price higher than the higher of the price of the last independent trade and the highest current independent bid on the Electronic Share Market (MTA) organised and managed by Borsa Italiana S.p.A.

The disposal of shares, and the sale of own shares in particular, shall not be carried out at a price 10% lower than the benchmark price recorded on the Italian Electronic Stock Market (MTA) organised and managed by Borsa Italiana S.p.A. in the trading session prior to each transaction. This parameter is deemed suitable to identify the range of values within which the sale is beneficial to the Company.

If the own shares are subject to swaps, exchanges, transfers or any other acts of disposal not in cash, the economic terms of the transaction will be determined on the basis of the nature and the characteristics of the transaction, also considering the performance of the Ansaldo STS share on the market.

Shares for share-based incentive plans will be assigned free of charge to the beneficiaries of such plans in accordance with the terms and procedures set out in the plan regulations.

For further information on such plans, see the information documents drafted pursuant to Article 84-*bis* of the Issuers' Regulation, available on the Company website at [www.ansaldo-sts.com](http://www.ansaldo-sts.com).

If the shares are used for the purpose of carrying out activities to support market liquidity, sales shall be carried out in accordance with the criteria set out in the Consob resolution on accepted market practices.

### **Procedures for purchase and disposal of own shares**

Purchase transactions shall be carried out in compliance with the provisions of Article 132 of Italian Legislative Decree No. 58/98, Article 144-bis of the Issuers' Regulation and any other applicable law, as well as with the accepted market practices recognised by Consob.

In particular, own shares shall be purchased in accordance with the operating procedures under Article 144-bis, subsection 1, letter b) of the Issuers' Regulation. Own shares may also be purchased according to other procedures if these are permitted by Article 132, subsection 3, of Italian Legislative Decree No. 58/98 or any other provisions applicable, case by case, at the time of the transaction.

The shares may be disposed of via one or more transactions even before reaching the number of own shares that may be purchased. Such disposal may be made in the ways deemed most appropriate in the interest of the Company, and in any case in compliance with applicable laws and with accepted market practices. Shares for share-based incentive plans will be assigned in accordance with the terms and procedures set out in the plan regulations.

### **Information on the utilisation of purchases to reduce the share capital**

Please note that the purchase of own shares under this request for authorisation will not be used to reduce the share capital.

This being stated, we submit the following resolution for your approval:

*"The ordinary Shareholders' Meeting of Ansaldo STS S.p.A.*

- has examined the proposal of the Board of Directors;*
- has considered the provisions set forth in articles 2357 and 2357-ter of the Italian Civil Code, 132 of Italian Legislative Decree No. 58/98 and 144-bis of the Issuers' Regulation, as well as any other applicable laws, and*

*resolves*

- 1. to revoke the resolution authorising the purchase and disposal of own shares approved by the ordinary Shareholder's Meeting on 7 May 2012, since it has never been used;*
- 2. to authorise the purchase of ordinary shares of Ansaldo STS S.p.A. via one or more transactions for a period of eighteen months from the date of this resolution, pursuant to the following procedures:*
  - the maximum number of shares to be purchased is equal to the maximum permitted by law;*
  - purchases will be made at the price conforming to the provisions of Article 5, subsection 1 of European Commission Regulation (EC) no. 2273/2003 of 22 December 2003 and in any case, in accordance with the conditions and limits set by Consob with regard to accepted market practices, where applicable;*
  - purchases shall be made in accordance with the procedures set forth in Article 144-bis, subsection 1, letter b), of the Issuers' Regulation;*
- 3. to authorise the disposal of own shares via one or more transactions, to be carried out over an unlimited period of time, in the manner deemed most appropriate in the interest of the company and pursuant to applicable regulations, as follows:*
  - the shares purchased may be the subject of acts of disposal even before reaching the maximum number of share purchases specified in this resolution;*
  - the disposal of shares, and the sale of own shares in particular, shall not be carried out at a price 10% lower than the benchmark price recorded on the Italian Electronic Share Market (MTA) organised and managed by Borsa Italiana S.p.A. in the trading session prior to each transaction;*
  - shares for share-based incentive plans will be assigned free of charge to the beneficiaries of such plans, in accordance with the terms and procedures set out in the plan regulations;*

*- if the shares are subject to swaps exchanges, transfers or any other acts of disposal not in cash, the economic terms of the transaction will be determined on the basis of the nature and characteristics of the transaction, also considering the performance of the Ansaldo STS share on the market;*

*- if the shares are used for the purpose of carrying out activities to support market liquidity, sales shall be carried out in accordance with the criteria set out by Consob on accepted market practices.*

4. *to grant the Board of Directors and, on its behalf, the Chairman and the Chief Executive Officer, each one acting independently, with all powers required in order to give actual and full implementation to the resolutions described in the preceding items and to undertake the market disclosure in relation to the same, pursuant to the applicable laws.*"

Rome, 25<sup>th</sup> March 2013

For the Board of Directors

The Chairman

(Alessandro Pansa)