



ANSALDO STS S.p.A.  
REGISTERED OFFICE IN GENOA, VIA PAOLO MANTOVANI 3 - 5  
SHARE CAPITAL EURO 60,000,000.00 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 and Extraordinary Meeting of the Shareholders  
April 4 – 5, 2011**

**Explanatory Report of the Board of Directors drafted  
pursuant to Art. 73 of the Regulation adopted by the Consob by Resolution No.  
11971/1999, as subsequently amended**

**Item 5 of the agenda for the ordinary part of the meeting – Authorisation to the  
purchase and disposal of own shares. Related and consequent resolutions**

Dear Shareholders,

you have been convened in an ordinary meeting in order to discuss and deliberate on the purchase and disposal of own shares, at the terms and conditions as specified below.

**Reasons for the proposed authorisation**

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

- to the service of the share incentive plan approved by the Company;
- within transactions connected with the continuing operations and industrial projects consistent with the strategic lines which the company intends to pursue, also through exchanges, barter, contributions or other deeds of disposal in connection with industrial projects or extraordinary finance operations;
- in order to carry 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 120,000,000 (one hundred and twenty million) ordinary shares of a nominal value of Euro 0.50 (zero point fifty) each, for a total value of Euro 60,000,000.00 (sixty million) fully subscribed and paid up.

In this regard, we propose that the Meeting authorise the purchase of own shares, on one or several occasions, up to the maximum permitted by law.

The purchase operations shall be carried out within the limits of distributable profits and available reserves as resulting from the latest financial statements approved.

The authorisation includes the authority then to dispose of the own shares, even before reaching the maximum number of shares that can be purchased, and, where appropriate, to repurchase the same shares to the extent needed in order to ensure that the own shares held by the Company do not exceed the limit set by the authorisation.

### **Further useful information for the assessment of compliance with Art. 2357, subsection 3 of the It. Civil Code**

At the date of this report, the Company holds 27,200 own shares, representing 0.02267% of the share capital. Its subsidiaries own no shares of the Company. Specific instructions shall be given to the subsidiaries to promptly notify any acquisition of shares made under Art. 2359-*bis* of the Italian Civil Code.

### **Duration for which the authorisation is requested**

The authorisation to purchase own shares is requested for a period of 18 (eighteen) months from the relevant meeting resolution.

The disposal authorisation is requested without any time limit.

### **Minimum and maximum consideration**

Purchases shall be made at price conditions complying with the provisions of Art. 5, subsection 1 of (EC) Regulation No. 2273/2003 of the European Commission, dated December 22, 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 Screen-Based Stock Market organised and managed by Borsa Italiana S.p.A.

Acts of disposal, and particularly the sale of own shares, must not be carried out at a price lower by 10% than the reference price registered on the Screen-Based Stock Market organised and managed by Borsa Italiana S.p.A. in the stock market session preceding each single transaction. This parameter is deemed to be suitable to identify the range of values, within which the sale is beneficial to the Company.

In the event that the own shares should be involved in exchanges, barter, contributions or any other act of disposal for a consideration other than in cash, then the economic terms of the transaction shall be defined by taking into account the nature and characteristics of the transaction, also considering the market performance of Ansaldo STS shares.

As regards shares – to the service of the share incentive plan –, the same are to be assigned free of charge to the beneficiaries of such plans in accordance with the terms and procedures as indicated by the regulations of the same plans.

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

If the shares are used to carry out activities aimed at supporting market liquidity, sales shall take place in compliance with the criteria set by the Consob resolution on accepted market practices.

### **Procedures to carry out purchases and acts of disposal of own shares**

Purchase transactions shall be carried out in compliance with the provisions of Art. 132 of Legislative Decree No. 58/1998, Art. 144-*bis* of the Issuers' Regulation and any other applicable provisions, as well as with the accepted market practices as recognised by the Consob.

In particular, purchases of own shares shall take place in compliance with the operating procedures under Art. 144-*bis*, subsection 1, letter b) of the Issuers' Regulation. Purchases may take place with procedures other than indicated above if permitted by Art.132, subsection 3, of

Legislative Decree No. 58/1998 or other provisions applicable, case by case, at the time of the transaction.

Acts of disposal of the shares may be carried out, once or on several occasions, even before exhausting the number of own shares that may be purchased. Such disposal may take place in such manner as is deemed appropriate in the interest of the Company, and in any event, in compliance with the applicable laws and the accepted market practices. Shares to the service of share incentive plans shall be assigned in accordance with the terms and procedures as indicated by the regulations of the same plans.

### **Information on the instrumentality of the purchase to reduce the share capital**

We point out that the purchase of own shares, which is the object of this request for authorisation, is not instrumental to a share capital reduction.

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

*“the ordinary Meeting of Ansaldo STS S.p.A.,*

- having examined the proposal of the Board of Directors;*
- taking into view the provisions of Arts. 2357 and 2357-ter of the Italian Civil Code, 132 Legislative Decree No. 58/1998 and 144-bis of the Issuers’ Regulation, as well as any other applicable provisions,*

*resolves*

- 1. to authorise the purchase of ordinary shares of Ansaldo STS S.p.A., on one or several occasions, for a period of eighteen months from the date of this resolution and in accordance with the following procedures:*
  - the maximum number of shares to be purchased is equal to the maximum permitted by law;*
  - purchases shall be made at price conditions complying with the provisions of Art. 5, subsection 1 of (EC) Regulation No. 2273/2003 of the European Commission, dated December 22, 2003, and however in compliance with the limits and conditions set by the Consob with regard to accepted market practices, where applicable.*
  - purchases shall be carried out in compliance with the procedures under Art. 144-bis, subsection 1, letter b), of the Issuers’ Regulation;*
- 2. to authorise the disposal of own shares, on one or several occasions, without any time limit, in the manner deemed most appropriate in the interest of the Company and in compliance with the applicable provisions, in accordance with the procedures specified below:*
  - the shares purchased may be involved in acts of disposal even before exhaustion of the maximum quantity of purchases under this resolution;*
  - own shares shall not be transferred at a price lower by 10% than the reference price registered on the Screen-Based Stock Market organised and managed by Borsa Italiana S.p.A. in the stock market session preceding each single transaction;*
  - shares to the service of share incentive plans shall be assigned to the plan beneficiaries free of charge, in accordance with the terms and procedures as indicated by the regulations of the same plans;*
  - in the event that the own shares should be involved in exchanges, barter, contributions or any other act of disposal for a consideration other than in cash, then the economic terms of the transaction shall be defined by taking into account the nature and characteristics of the transaction, also considering the market performance of Ansaldo STS shares.*
  - if the shares are used to carry out activities aimed at supporting market liquidity, sales shall take place in compliance with the criteria set by the Consob with respect to accepted market practices.*

*3. to entrust the Board of Directors and, on its behalf, the Chairman and the Chief Executive Officer, separately, with all powers required in order to give actual and full implementation to the resolutions described in the preceding items and to provide for the market information in relation to the same, pursuant to the applicable laws.”*

Rome, February 18, 2011

For the Board of Directors  
The Chairman  
(Alessandro Pansa)