

**Report of the Board of Directors to the
Ordinary General Meeting
convened on April 23, 2009, on first call, and, if necessary,
on April 24, 2009, on second call**

Dear Shareholders,

We convened the Ordinary Meeting to vote, *inter alia*, on the following agenda item:

- 3) Authorisation to be granted to the Board of Directors to purchase and sell the company's own shares pursuant to art. 2357 *et seq.* of the Italian Civil Code.**

At the General Meeting of April 22, 2008 you authorised the Board of Directors to purchase and sell the company's own shares for a period of one year from the date of the shareholders' resolution and in any case up until the date of the General Meeting convened to approve the financial statements for the year 2008.

Considering that said authorisation – of which the Board of Directors has not availed itself so far - will expire on the date of the General Meeting convened to approve the financial statements for the year 2008, we take the opportunity to propose you to authorise – as in the prior year - the Board of Directors to purchase and sell up to 8,000,000 own shares, par value of 0.10 each, corresponding to about 1.09% of share capital (€73,009,610.90), within the limit amount of €40 million, for a period of one year and in any case up until the date of the General Meeting convened to approve the financial statements for the year 2009. That limit shall be absolute, i.e. it shall not take into account any own shares which might have been resold over the same period of time.

The €40 million amount indicated above with respect to the purchase of shares, for

which we request your authorisation, is broadly covered by the company's reserves as reported in the last approved financial statements.

That authorisation would enable the Board of Directors to invest in the company's own shares according to stock performance and available liquidity, should the Board consider it appropriate in the interest of the company.

Purchases shall be effected at a price which fulfils the requirements of article 5, paragraph 1 of European Commission Regulation (EC) 2273/2003 of December 22, 2003. Purchases shall be effected on-exchange in accordance with the rules established by Borsa Italiana S.p.A. and in compliance with art. 132 of Legislative Decree 58/98 and article 144-bis, paragraph 1, letter b) of Consob Resolution 11971/99.

Sales of own shares held in portfolio shall be effected in the manner which is considered most appropriate to the best interest of the company, including on-exchange, on the OTC market or in multilateral trading systems or by exchanging own shares with equity investments or other assets at a price not lower than the average price recorded on the electronic trading system of the stock exchange managed by Borsa Italiana S.p.A. in the last 5 trading days preceding the sale.

Without prejudice to the foregoing, the authorisation is also requested to buy and sell own shares - within the limits set out above and in the manner required under individual circumstances - pursuant to the market practice indicated under art. 180, paragraph 1, letter c) of the Consolidated Finance Act, approved by Consob Resolution 16839 of March 19, 2009, which relates to market liquidity shore-up facilities (the "Practice"). In accordance with the Practice, the Company may enter into agreements with third-party intermediaries, pursuant to Consob Resolution 16839/2009, to support stock liquidity

over a given timeframe in order to ensure orderly trading and avoid any erratic price movements. In those circumstances as the Practice warrants, the Executive Directors shall be responsible for taking all preparatory steps and making subsequent disclosures to the market and supervisory authorities. Subject to the conditions and limits set forth in Consob Regulation 16839/2009, the authorisation to buy and sell own shares is requested also for the purposes above.

Basiglio - Milano 3, March 24, 2009

For the Board of Directors

The Chairman

Roberto Ruozi