

**REPORT OF THE BOARD OF DIRECTORS TO THE  
ORDINARY GENERAL MEETING OF APRIL 22, 2008**

**Authorisation to be granted to the Board of Directors to purchase and  
sell the company's own shares; subsequent and related resolutions.**

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**Report of the Board of Directors to the  
Ordinary General Meeting of April 22, 2008**

Dear Shareholders,

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

- **Authorisation to be granted to the Board of Directors to purchase and sell the company's own shares; subsequent and related resolutions.**

At the General Meeting of April 19, 2007 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 2007.

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 2007, 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 1.10% of share capital (€72,948,710.90), within the limit amount of €80 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 2008. 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.

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 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 as subsequently amended.

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.

The €80 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.

Basiglio - Milano 3, March 4, 2008

For the Board of Directors  
The Chairman  
Roberto Ruozi