

**REPORT OF
THE BOARD OF DIRECTORS
TO THE ORDINARY GENERAL MEETING
OF APRIL 26, 2005**

**Report of the Board of Directors to the
Ordinary General Meeting of April 26, 2005**

Dear Shareholders,

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

- **Authorization 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 27, 2004 you authorized 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 2004.

Considering that said authorization will expire on the date of the General Meeting convened to approve the financial statements for the year 2004, we take the opportunity to propose you to authorize the Board of Directors to purchase and sell, as set out in the previous resolution, up to 3,000,000 own shares, corresponding to 0.41% of share capital (€72,566,861), within the limit amount of €50 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 2005. 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 authorization should be granted for the purpose of supporting the stock liquidity.

Purchases and sales shall be effected at a price which is not higher and not lower than 10% of the official share price on the stock exchange on the preceding day. Purchases and sales shall be effected on-exchange, and not by public offering, in accordance with the requirements of Borsa Italiana S.p.A. and in compliance with art. 132 of Legislative Decree 58/98, as well as respecting the limits in force at the time of the transactions.

The €50 million amount indicated above with respect to the purchase of the shares, for which we

request you authorization, is broadly covered by the company's reserves as reported in the latest approved financial statements.

Basiglio - Milano 3, March 22, 2005

For the Board of Directors
The Chairman
Roberto Ruozi