

Extraordinary session

Report prepared by the directors

in accordance with M. D. 437 dated November 5, 1998.

REDUCTION OF THE REVALUATION RESERVES LAW 72/1983 AND LAW 413/1991 TO THE EXTENT USED TO COVER THE LOSSES RESULTING IN THE FINANCIAL STATEMENTS AT DECEMBER 31, 2008

Shareholders,

In the ordinary session of the shareholders' meeting, a motion was presented to fully utilize the following reserves:

- Revaluation reserve 72/1983 for Euros 972,216.00;
- Revaluation reserve 413/1991 for Euros 707,349.00,

to absorb the losses resulting in the financial statements of the company for the year ended December 31, 2008, as allowed by the specific law.

This would however mean that dividends are prohibited from being distributed until these reserves are replenished up to their original amounts. The regulations which govern revaluations under the laws noted above provide, as an alternative, that the reserves be reduced definitely, without any obligation regarding their replenishment, to the extent of the amount used on condition that the relative resolution is passed by the extraordinary session of the shareholders' meeting.

In view of the content of art. 6, paragraph 2, of Law 72/1983 and art. 26, paragraph 2, of Law 413/1991, the board of directors motions to proceed to definitively reduce such reserves (which show a nil balance after withdrawing the amounts above), excluding them from the obligation of being replenished for the future distribution of profits.

If you are in agreement with this motion, we ask you to assume the following.

RESOLUTION

“The shareholders’ meeting:

- having taken note that by resolution of the ordinary session of the shareholders’ meeting upon approval of the financial statements for the year ended December 31, 2008, among other things, the following reserves have been fully utilized to absorb the loss for the year 2008,:
 - 1) Revaluation reserve 72/1983 for Euros 972,216.00;
 - 2) Revaluation reserve 413/1991 for Euros 707,349.00,
- taking into account the provisions of the special applicable discipline,

RESOLVES

- a.** to definitively reduce the Revaluation reserve Law 72/1983 to the extent of the amount of Euros 972,216.00 used to cover the loss for the year 2008, and therefore proceed to reduce such reserve to nil, without any obligation for replenishment, pursuant to art. 6, paragraph 2 of Law 72/1983;
- b.** to definitively reduce the Revaluation reserve Law 413/1991 to the extent of the amount of Euros 707,349.00 used to cover the loss for the year 2008, and therefore proceed to reduce such reserve to nil, without any obligation for replenishment, pursuant to art. 26, paragraph 2 of Law 413/1991.”

The Board of Directors
Milan, March, 10, 2009

Designed by
Leftloft

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