

**Report of the Board of Directors
to the Ordinary Shareholders' Meeting**

**DIRECTORS' REPORT ON OPERATIONS, REPORT OF THE BOARD OF STATUTORY AUDITORS,
FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2014 AND INHERENT AND CONSEQUENT
RESOLUTIONS**

Proposal of the Board of Directors

Dear Shareholders,

We submit for your approval the separate financial statements for the October 1, 2013 – September 30, 2014 period, comprised of the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of changes in Shareholders' Equity, Cash flow statement and the Explanatory notes, as well as the annexes and Report on operations.

The Board of Directors proposes that the Shareholders' Meeting posts the loss for the year ended as at 30 September 2014, of EUR 50.5 million, as a reduction of the previous year Profit/Loss Reserve and, for the residual part, as a reduction of Other Reserves, and not to proceed with the distribution of any reserve.

Milan, 19 January 2015

on behalf of the Board of Directors
The Chairman
(Franco Dalla Sega)