
Authorisation to purchase and dispose of treasury shares

Dear Shareholders,

The Ordinary Shareholders' Meeting held on April 29th 2010 renewed to the Company the authorisation to purchase and dispose of treasury shares, for a period of 18 months from the date of resolution.

As part of the aforementioned authorization by the shareholders' meeting, during the year, the Company has not purchased ordinary and savings treasury shares, nor has it used its treasury shares to transfer them to stock option beneficiaries, as no options were exercised.

Therefore, on March 30th 2011 the Company owns 871,411 ordinary treasury shares, and 28,500 savings treasury shares. The book value of treasury shares on that date was Euro 21,226,190.39, accounting evidence whereof was provided in the forms required by the law.

Since the validity period of the authorisation shall expire on next October 28th in order to enable the Company to maintain the right to purchase and dispose of treasury shares, you are hereby invited to renew the aforementioned authorisation for the next 18 months.

This proposal, as compared to that of last year's meeting, provides for a reduction of an aggregate exchange value for the purchase of treasury shares that shall not exceed Euro **50** million, versus Euro **150** million approved last year.

1) Reasons underlying the proposed authorisation to purchase and dispose of treasury shares.

The authorisation was requested in order to:

- dispose of treasury shares
 - ❖ to be transferred to employees and/or directors as part of stock option plans reserved to them;
 - ❖ for medium and long-term investments;
- operate, in compliance with the rules and regulations in force, either directly or through intermediaries, in order to limit anomalous trends in stock exchange prices and to reinstate the ordinary trading caused by temporary distortions due to an excess of volatility or poor liquidity of exchanges;
- create a treasury stock portfolio to serve any extraordinary finance transactions or other purposes deemed to be in the financial, business and /or strategic interest for the Company;
- offer shareholders an additional tool to monetize their investments.

2) Maximum number, category and nominal value of shares which the authorisation is relating to; compliance with the provisions of Para. 3 of Art. 2357 of the Civil Code.

The purchase is relating to ordinary and/or savings shares of the Company the maximum number whereof, including any treasury shares already held by the Company as the day thereof, and those owned by subsidiary companies, if any (which precise instructions will be given to in order to timely report the amount of shares respectively owned), shall not have an aggregate nominal value in excess of one tenth of the entire share capital.

At all events, purchases will be made, in compliance with the provisions of Art. 2357 of the Civil Code, within the limits of distributable profits and reserves available as reported in the last financial statements of the Company duly approved.

Any amounts paid or received for the purchase and sale of treasury shares will be recorded directly under Capital and Reserves, under the International Accounting Standard "IAS 32" and, in any case, accounting evidence thereof will be given in the forms required by the rules and regulations in force from time to time.

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3) Term of authorisation.

The authorisation to purchase is required for 18 months period as of the date whereon the Meeting will adopt the relevant resolution, while the authorisation to dispose of shares is required for an unlimited period of time.

4) Minimum and maximum consideration, and market assessments on the basis whereof it was determined.

The price of each share shall neither be less nor more than 15%, at most, of the average target prices registered at the Italian Stock Exchange at the three sessions preceding each individual transaction.

The total exchange value paid by the Company for the purchase shall in no event be in excess of Euro 50 million.

Shares can be transferred, even before the completion of purchases, and on one or more times (also through tender offers or to Shareholders and through the placement of warrants and depositary receipts representing shares and/or similar securities) at a price not lower than the lowest purchase price.

The above price limit is not applicable if shares were transferred to employees of Italmobiliare S.p.A. and its subsidiaries, parent companies and other companies controlled by the latter or members of the Board of Directors of Italmobiliare S.p.A. and its subsidiaries vested with special powers in compliance with the articles of association or who performs specific operating duties, as part of stock options for employees and directors.

5) Share purchase procedure.

As a rule, shares will be purchased, except as otherwise indicated below, in a manner suited to assure an equal treatment of shareholders and to prevent any direct combination of purchase negotiation proposals with prearranged sale negotiation proposals.

Moreover, considering the different viable objectives stated in this proposal, the Board of Directors proposes that it may be authorised to purchase in compliance with any other procedure permitted by the rules and regulations currently in force and, therefore:

- by tender offer or swap;
- by purchase and sale of derivative instruments traded on regulated markets providing for the physical delivery of any underlying shares;
- by proportional allocation to shareholders of put options that can be exercised within the term of the authorisation set forth in above Article 3.

Regarding share disposal transactions, the Board of Directors proposes that the authorisation is such as to permit the adoption of any procedure deemed appropriate to meet the objectives pursued, to be performed either directly or through intermediaries, in compliance with any applicable law and regulatory provisions, both domestic and European.

Treasury share purchase and disposal transactions for which the authorisation is being requested will be carried out in compliance with any applicable law and, in particular, in compliance with domestic and European law and regulatory provisions, including those governing market abuse.

Appropriate disclosure of any purchase and disposal of treasury shares will be rendered in compliance with any applicable information requirements.

6) Purchase in order to reduce the share capital.

For the time being, this case is currently not contemplated .

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Dear Shareholders,

If you agree with our proposal, we invite you to pass the following resolution:

«The Shareholders' meeting of Italmobiliare S.p.A. held on May 2011,

- taking into account the proposal of Directors
- in compliance with the provisions of Articles 2357 and 2357-ter of the Civil Code

hereby resolves

- 1) to revoke the resolution authorising the purchase and disposal of own shares adopted by the Ordinary Shareholders' Meeting held on April 29 2010;
- 2) to authorise, under and by operation of Art. 2357 of the Civil Code, the purchase of ordinary and/or saving treasury shares, in the amount, at the price, according to the terms and conditions set forth below:
 - purchase can be made on one or more times, within 18 months as of the date the resolution was passed;
 - the purchase price of each share shall not be less or more than 15%, at most, of the average target prices recorded at the Italian Stock Exchange during the three sessions preceding each individual transaction;
 - the total exchange value may in no event be greater than Euro 50 million;
 - the maximum amount of ordinary and/or savings shares purchased, shall not have an aggregate nominal value, including treasury shares held to-date by the Company and its subsidiaries, in excess of one tenth of the share capital;
- 3) to authorise, under Art. 2357 ter, Para. 1, of the Civil Code, the Chairman, the Deputy Chairman, the Chief executive officer, the Director-Chief operating officer, in office from time to time, to severally dispose, in compliance with the regulations currently in force, with no time limits, of any treasury shares purchased, even before the completion of the purchase.

The transfer price shall not be lower than the lowest purchase prices.

However, the above price limit shall not be applicable should shares be transferred to employees of Italmobiliare S.p.A. and of its subsidiaries, parent companies and other companies controlled by the latter, and to members of the Board of Directors of Italmobiliare S.p.A. and its subsidiaries vested with special powers under the articles of association or who performs specific operating duties, as part of stock option plans for employees and directors (stock option);

- 4) to provide that:
 - as a rule, shares shall be purchased in an operating manner suited to assure an equal treatment of shareholders and to prevent any direct combination of purchase negotiation proposals with prearranged sale negotiation proposals or, considering the different purposes that can be pursued, in any other manner compliant with the rules and regulations currently in force;
 - shares can be disposed of in any manners whatsoever suited to pursue set objectives, either directly or through intermediaries, in compliance with any applicable domestic and EU law and regulatory provisions in force;
 - treasury share purchase and disposal transactions are to be carried out in compliance with any applicable law and, in particular, in compliance with any law and regulatory provisions in force;
- 5) to determine that the consideration paid or received for sale and purchase transactions in treasury shares is to be recorded under Capital and Reserves in compliance with the International Accounting Standard "IAS 32" and, in any case, accounting evidence thereof

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- will be given in the forms required by the rules and regulations in force from time to time;
- 6) to severally entrust the Chairman, the Deputy Chairman, the Chief executive officer, the Director-Chief operating officer in office from time to time, with the powers necessary to purchase and dispose of shares, and in any case to implement the above resolutions, also through proxies, in compliance with any competent authority requirements».

Milan, March 30th 2011

For the Board of Directors
Chairman
(Giampiero Pesenti)