

**DEED STIPULATED FOR UPSTREAM MERGER INTO
ITALMOBILIARE S.P.A. OF SUBSIDIARY FRANCO TOSI S.R.L.**

Milan, February 26, 2018 – Italmobiliare S.p.A. said that, with the completion without opposition of the term required under article 2503 of the Italian Civil Code, the legal deed for the upstream merger of the subsidiary Franco Tosi S.r.l. ("**Franco Tosi**") into and with Italmobiliare S.p.A. ("**Italmobiliare**") was stipulated today.

Since the entire capital of Franco Tosi is held by Italmobiliare, the merger has been implemented in accordance with the simplified procedure under article 2505 of the Italian Civil Code (the "**Operation**" or the "**Merger**").

The merger deed stipulated today executes the resolutions of Italmobiliare and Franco Tosi, after the companies' boards approved the merger proposal and related project on September 26, 2017, and the Board of Directors of Italmobiliare and the shareholders of Franco Tosi approved the Merger on November 6, 2017. Further information is provided in the press releases issued on September 26 and November 6, 2017.

The purpose of the Operation is to simplify the organizational structure of the Italmobiliare group in order to improve administrative and management efficiency. It will make it possible to optimize decision-making processes and improve the use and deployment of the resources and skills in the companies involved in the Merger.

The Operation was approved by the governing bodies of Franco Tosi and Italmobiliare and took as its basis of reference the business and financial situations as at June 30, 2017, of both the acquiring company and the merged company.

As a consequence of the Merger, all the shares representing the share capital of Franco Tosi will be canceled.

The merger deed was filed today at the Milan Companies Register. The Merger will take legal effect from the date of the registration of the merger deed in the Companies Register. For accounting and tax purposes, the Merger is effective retroactively from January 1, 2018.

ITALMOBILIARE ON THE INTERNET: www.italmobiliare.it

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