

ORDINARY SHAREHOLDERS MEETING

APRIL 20, 2015

Board of Directors' Report

Approval of the purchase of own shares subject to revocation of
the previous one and related approval on this matter
(item 2 on the agenda)

(Translation into English of the original Italian version)



JOINT-STOCK COMPANY - SHARE CAPITAL EURO 61,672,548.60
MANTOVA COMPANY REGISTER AND TAX CODE 00607460201
COMPANY SUBJECT TO THE DIRECTION AND COORDINATION OF CIR S.p.A.
REGISTERED OFFICE: VIA ULISSE BARBIERI, 2 46100 MANTOVA (ITALY) - TEL. 0376.2031
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**BOARD OF DIRECTORS' REPORT
TO THE ORDINARY SHAREHOLDERS MEETING**

**Approval of the purchase of own shares subject to revocation of the previous
one and related approval on this matter**

Dear Shareholders,

On October 24 of this year the right assigned to the Board of Directors by the Annual General Meeting of the Shareholders on April 23, 2014 to buy back a maximum of 10,000,000 own shares will expire.

In the interests of the Company, we propose the revocation of the existing authorization for the period still to come and to adopt a new resolution to buy back own shares, in accordance with and as a result of Articles 2357 and 2357-*ter* of the Italian Civil Code, with the resulting right to dispose of the same shares.

In the opinion of the Board, the reasons originally adopted for the buyback of the Company's own shares remain valid, and these are the following:

- the possibility of acquiring shares of the Company at prices below their actual value based on the real economic value of its equity and its income generating prospects, thus raising the value of the Company;
- the possibility of reducing the average cost of capital of the Company;
- the aim of enabling the Company to buy its own shares for allocation without any time limits or constraints even within the frame of its share-based compensation plans.

The authorization to buy back own shares, in accordance with and as a result of Art. 2357 of the Italian Civil Code, is requested for a period of eighteen months, starting from the day after the Shareholders Meeting, and is for the buyback of a maximum of 10,000,000 Sogefi shares, as follows:

a) a maximum of 10,000,000 shares may be bought back for a total nominal value of euro 5,200,000 considering that, including in the calculation the own shares already being held as treasury stock also through subsidiaries, the nominal value of the bought shares may not in any case exceed one fifth of the share capital of Sogefi S.p.A.. The Company will increase its current non-available reserve, “Reserve for own shares held” (“Riserva per azioni proprie in portafoglio”), by the amount of the own shares bought back, by withdrawing a corresponding amount from the available reserves resulting from the approval of the financial statements as of December 31, 2014.

The unit price of each individual purchase of shares shall not be more than 10% higher or lower than the official price recorded by the Sogefi shares in the Stock Exchange trading session before each transaction;

b) buyback shall be performed on the market, in such a way as to ensure equal treatment of all Shareholders in accordance with the provisions of Art. 132 of Legislative Decree no. 58/98 and with the law provisions or regulations in force at the moment of the transaction.

Concerning the authorization to dispose of the bought back of own shares, the resolution being submitted to you involves authorization to carry out the same acts of disposal as those in the resolution currently in force, including the right to dispose of the own shares bought back, without any time limits or restraints, even in relation to compensation plans based on the shares of the Company. In particular, please note that this right still applies in order to assure the higher operating flexibility, but no exchange or public sale transactions are currently foreseen involving emission of American Depositary Receipt or similar securities.

Given all of the above, we propose that the existing authorization be revoked for the period still to come and that the following new resolution be adopted:

“The Ordinary Shareholders meeting of Sogefi S.p.A.:

- having acknowledged the proposals made by the Board of Directors;

- having acknowledged the favorable opinion of the Board of Statutory Auditors;
- taking into account the provisions of Art. 2357 and following articles of the Italian Civil Code and Art. 132 of the Legislative Decree no. 58/98

RESOLVES

1) to revoke for the part not utilized and for the period between the day following this Meeting and the natural expiry date, the resolution to authorize the buy back of own shares adopted by the Ordinary Meeting of the Shareholders on April 23, 2014 and, as a consequence of the above, the related authorization to dispose of the same;

2) to authorize, in accordance with and as a result of the provisions of Art. 2357 of the Italian Civil Code, for eighteen months as from the day after this Meeting, the buyback of Sogefi shares as follows:

- a maximum of 10,000,000 shares may be bought back for a total nominal value of euro 5,200,000 considering that, including in the calculation the own shares already being held as treasury stock also through subsidiaries, the nominal value of the bought shares may not in any case exceed one fifth of the share capital of Sogefi S.p.A.. The Company will increase its current non-available reserve, “Reserve for own shares held” (“Riserva per azioni proprie in portafoglio”), by the amount of the own shares bought back, by withdrawing a corresponding amount from the available reserves resulting from the approval of the financial statements as of December 31, 2014.

The unit price of each individual purchase of shares shall not be more than 10% higher or lower than the official price recorded by the Sogefi shares in the Stock Exchange trading session before each transaction;

- buyback shall be performed on the market, in such a way as to ensure equal treatment of all Shareholders in accordance with the provisions of Art. 132 of Legislative Decree no. 58/98 and with the law provisions or regulations in force at the moment of the transaction, and namely:

- a) through a public offer to acquire or exchange shares;
- b) on regulated markets according to operating procedures set out in the rules for organizing and managing those same markets, which do not permit purchase

proposals to be matched directly with predetermined sales proposals;

3) to authorize, in accordance with and as a result of the terms of Art. 2357-ter of the Italian Civil Code, the Board of Directors and, for the Board, the Chairman, the Vice Chairman and the Chief Executive Officer separately and with power to delegate, to carry out, within the limits of the law, any subsequent purchase or sale transactions and also to dispose, without any time limit or constraint, of the shares bought back for sale – even before completing the buybacks as authorized above – whether through one or several transactions, through authorized intermediaries, at prices no lower than the last purchase price paid or price recorded in the books or current Stock Exchange value, with a specific exception for directors of the Company, employees and temporary collaborators of the Company and/or of its subsidiaries to whom the shares may be transferred or assigned even free of charge, in observance of the limits laid down by law, in execution of specific compensation plans based on the shares of the Company;

4) to authorize the Board of Directors and, for the Board, the Chairman and the Vice Chairman, separately and with power to delegate, in accordance with and as a result of the terms of Art. 2357-ter of the Italian Civil Code, without any time limit or constraint, to dispose for the own shares bought back to be used – whether through one or several transactions – as payment in exchange for equity, or for sale through offer to the public and/or to the Shareholders, or even through a placement of warrants and depositary receipts representing shares (American Depositary Receipts and similar securities);

5) to establish that in the event of sale of the own shares, the non-available reserve set up as per the provisions of Art. 2357-ter, third paragraph, of the Italian Civil Code “Reserve for own shares held” (“Riserva per azioni proprie in portafoglio”) shall be transferred to the available reserves for an amount equal to the sold shares.”