



BOARD OF DIRECTORS' REPORT IN  
ACCORDANCE WITH ARTICLES 73 AND 93  
AND ACCOMPANYING DOCUMENT 3 AND  
CONSOB RESOLUTION 11971/99 (AS  
SUBSEQUENTLY AMENDED AND  
SUPPLEMENTED) ON PROPOSAL TO  
AUTHORISE THE ACQUISITION AND  
PROVISION OF OWN SHARES IN  
ACCORDANCE WITH ARTICLES 2357 AND  
2357-TER OF THE CIVIL CODE,  
FOR THE SHAREHOLDERS' MEETING  
OF 27-28 APRIL 2007





Dear Shareholders,

We herewith submit for the approval of the Company's ordinary Meeting of 27-28 April 2007 a proposal to revoke the resolution authorising the acquisition and provision of own shares adopted by the Ordinary Shareholders' meeting of 3 August 2006, as not used, and, at the same time, issue a new authorisation to purchase and dispose of own shares in accordance with articles 2357 and 2357-ter of the Civil Code. The request for a new authorisation is based on the need to extend the existing authorisation to October 2008 that would expire on January 2008.

Therefore, the following indicates the reasons and methods for purchasing and selling Company own shares for which the Board proposes to request the relative authorisation.

### *1. Reasons for request*

The Meeting is asked to authorise the acquisition and provision of own shares to provide the Company with the strategic and working flexibility necessary to dispose of both own shares acquired as well as those already held, in:

-  operations to acquire or take on shareholdings;
-  interventions to stabilise stock quotations;
-  any subjection to stock option plans;
-  own share trading operations, in accordance with the new provisions of art. 2357, comma 1, of the Civil Code, by purchasing and selling own shares.

### *2. Maximum number of shares that may be purchased*

Purchases for which said authorisation is requested, that may take place in one or more operations, refer to ordinary Company shares, of the nominal value of Euro 0.52 (naught point five two) each.

In observance of the regulations in force, authorisation is requested for a maximum number of shares whose value shall not exceed a tenth of the company capital, bearing also in mind any shares held by subsidiary companies; as at the date of the meeting the maximum number of own shares that may be purchased shall not exceed 3,392,768 (three million three hundred and ninety two thousand seven hundred and sixty eight).

In any case, the number of own shares that may be purchased shall not exceed, depending on the purchase price, the available reserves resulting from the latest approved Company balance sheet. Therefore, the number of own shares that may be purchased shall also depend on the purchase price, whose determination criteria are detailed hereunder.

In any case, the number of own shares that may be purchased shall not exceed the quantity that, depending on the purchase price, do not exceed the reserves available from the last regularly approved balance sheet. Therefore, the number of own shares that may be purchased shall also depend on the purchase price, whose determination criteria are indicated in detail hereunder

### *3. Further useful information to assess observance of the provision set out in art. 2357, comma 3, of the Civil Code.*

In accordance with article 2357, comma 1, of the Civil Code, the maximum number of own shares that may be purchased shall not exceed the distributable

profits and available reserves resulting from the last regularly approved Company balance sheet. It is noted that the Company Balance Sheet as at 31 December 2006 approved by the Shareholders' meeting today ( "2006 Balance Sheet"), contains, amongst other things, the following items:

- Share surplus reserve amounting to Euro 1,999,113.00
- Extraordinary reserve amounting to Euro 82,000.00
- Other reserves amounting to Euro 1,418,000.00

Said reserves shall be used to purchase own shares in accordance with the applicable provisions of law.

Moreover, the Board highlights the need to form, at the same time as the purchase, an unavailable reserve of the same amount as the own shares entered under assets, in accordance with article 2357-ter, comma 3, of the Civil Code (the "Own Share Portfolio Reserve"), withdrawing the relative sums from available reserves. In the event of the subsequent transfer, exchange, contribution, annulment or devaluation of the Own Shares that are the subject of Purchases, the same value of Own Shares transferred, exchanged, contributed, annulled or devalued will be transferred from the Own Share Portfolio Reserve to the available reserves. The Board clarifies that the aforementioned procedures shall be followed until the term agreed with the Meeting to proceed with purchasing and selling shares.

#### *4. Term of Authorisation*

Authorisation to buy is requested for a period of 18 months as from the date the Meeting adopts the new resolution, whilst the request to sell should be indefinite.

#### *5. Minimum purchase price*

The purchase price shall not be less than the nominal share value of Euro 0.52 (naught point five two) each.

#### *6. Maximum purchase price*

The maximum purchase price shall not be more than 5% (five per cent) over the reference price recorded by the relative share on the Stock Exchange on the day prior to that of each purchase operation.

#### *7. Sales price*

Share transfer operations on the Italian Stock Exchange shall take place at the market price quoted on the day of the relative operation.

Transfer operations outside the Italian Stock Exchange shall be carried out at a price that is not more than 20% (twenty per cent) under the arithmetic average official Exprivia share price recorded on the reference market 90 (ninety) days prior to transfer.

Stock option plan related transfer operations shall be carried out at those conditions set out in the Stock Option Plan approved by the Shareholders' Meeting.

## *8. Methods for Purchasing and selling Own Shares*

Operations to purchase own shares shall be carried out, in accordance with articles 132 of decree law No 58 of 24 February 1998 and article 144-bis, comma 1, letter b) and c) of the Issuer Regulations issued by CONSOB with resolution No 11971 of 14 May 1999 and subsequent amendments, according to those procedures laid down in the market management and organisation regulations so as to guarantee all shareholders are treated in the same way.

Therefore, purchases shall be carried out solely on regulated markets organised and managed by Borsa Italiana S.p.A., according to those procedures laid down by the aforementioned that do not allow purchase negotiation proposals to be combined directly with predetermined sales negotiations.

Shares purchased in enforcement of the meeting's authorisation may form the subject of sales documents and, in this context, be transferred, even before exhausting the quantity of purchases that is the subject hereof, in one or more operations, without time limits, in those forms deemed to be most in the Company's interest, including therein transfer in and/or outside the stock exchange, on the block market, with an institutional placing, any type of structured security placement or as payment when purchasing shareholdings and/or goods and/or assets.

In the event of stock option plan related transfers, the operation shall be carried out according to the Stock Option Plan approved by the Shareholders' Meeting.

Molfetta, 26 March 2007

On behalf of the Board of  
Directors  
*The Chairman*  
Mr. Francesco Gardin

*This Report is available from the company's registered office in Molfetta (BA), at Viale Adriano Olivetti s.n.c. and at Borsa Italiana S.p.A. at Piazza Affari 6, Milan*