

SARAS S.p.A.

REPORT OF THE BOARD OF DIRECTORS TO THE ORDINARY SHAREHOLDERS'
MEETING PURSUANT TO ARTICLE 3 OF MINISTERIAL DECREE 437 OF 5 NOVEMBER
1998

Dear Shareholders

In a notice dated 26 March 2010, you are invited to attend the ordinary shareholders' meeting (first call) at 3:30 p.m. on 27 April 2010 at Palazzo Turati, Via Meravigli 9/b, Milan, with second call, if necessary at the same place at 10:30 a.m. on 28 April 2010, to discuss the following

AGENDA

- 1) Approval of the separate financial statements to 31 December 2009 and presentation of the consolidated financial statements to 31 December 2009. Related and consequent resolutions;
- 2) Expansion of the Board of Directors from nine to ten members and the appointment of a new director; Determination of remuneration; Related and consequent resolutions;
- 3) Approval of the new stock grant plan for management and stock plan for employees; Related and consequent resolutions;
- 4) Authorisation to purchase own shares and dispose thereof; Related and consequent resolutions;
- 5) Approval of the addition to the mandate of PriceWaterhouseCoopers S.p.A. to audit the accounts.

This report illustrates the proposals regarding the matters indicated on this agenda, and was prepared pursuant to article 3 of Ministerial Decree 437 of 5 November 1998. In compliance with this decree, this report will be made available to the public at the registered office, the administrative office and the stock market operator at least fifteen days before the shareholders' meeting is held.

First item on the agenda

Regarding the first item on the agenda, the Board of Directors has prepared the draft financial statements to 31 December 2009, complete with the Report on Operations. These documents have been made available at the registered office, the administrative office and at Borsa Italiana S.p.A. since 26 March 2010.

Moreover, copies of the Report of the Board of Statutory Auditors and the Report of the External Auditors on the draft financial statements to 31 December 2009, certification pursuant to article 154-*bis*, paragraph 5 of Legislative Decree 58 of 24 February 1998 (Consolidated Finance Act or “TUF”) by the delegated management bodies and the director responsible for preparing corporate accounting documents and the Report on Corporate Governance and Ownership Structure remain on file at the registered office, the administrative office and at Borsa Italiana S.p.A. during the fifteen days preceding the shareholders’ meeting.

These documents may also be viewed on the website of Saras S.p.A. (hereinafter, the “Company”), www.saras.it.

By directing shareholders to view and examine the aforementioned documents, specifically cited here, relating to the draft financial statements to 31 December 2009, the Board of Directors confirms the proposals at the end of these draft financial statements.

The separate financial statements of your Company to 31 December 2009 show a net profit of EUR 78,040,812. If you agree with the principles used to prepare the financial statements and the accounting standards and policies implemented therein, we propose that you pass the following resolutions:

“The shareholders

- *having examined the company’s separate financial statements to 31 December 2009;*
- *having seen the Report of the Board of Statutory Auditors to the shareholders’ meeting pursuant to article 153 of Legislative Decree 58/1998 (TUF);*
- *having seen the Report of the External Auditors on the separate financial statements to 31 December 2009*

hereby resolve

to approve the separate financial statements of the Company for the financial year ending 31 December 2009 in their entirety and in relation to individual items, and to carry forward the net profit of EUR 78,040,812.”

* * * * *

With regard to the presentation of the consolidated financial statements to 31 December 2009, whose documentation has been or will be provided in a similar manner to that described for the draft separate financial statements above, the consolidated financial statements do not require shareholder approval.

Second item on the agenda

With regard to the second item on the agenda, the Board of Directors reminds you that you have been called to an ordinary shareholders' meeting also to vote on increasing the number of directors from nine to ten, to appoint a new director and to determine his/her remuneration.

As previously mentioned in the notice calling the shareholders' meeting, to which you should refer for further information, note that for the purposes of appointing the new director pursuant to article 18 of the articles of association, the shareholders who, jointly or severally, represent at least 2% of the capital, comprising shares that carry rights to vote at ordinary shareholders' meetings, may suggest a candidate by filing his/her name at the registered office at least ten days before the date of the shareholders' meeting (first call).

Pursuant to article 144-*octies* of the Issuer Regulations, the Company makes available to the public at its registered office, Borsa Italiana SpA and on its website, without delay and at least ten days before the meeting, the names of the candidates for director together with the statements and information required by the articles of association and legislation in force.

For all other details regarding the presentation of candidacies and the documents to be attached thereto, as well as the procedures governing appointments, please refer to the notice calling the shareholders' meeting and to article 18 of the articles of association, article 18 of the shareholders' meeting regulation and to applicable laws and regulations.

You are therefore requested to vote on the appointment of a director, by choosing him/her from the candidates to be presented in accordance with the aforementioned provisions. The term of this new director will expire, together with that of the current Board of Directors, on the date of approval of the financial statements for the year ending 31 December 2011. You are also asked to vote on the annual remuneration of this director, which the Board of Directors proposes to be set at the same amount as that granted to the other directors, i.e. EUR 36,000.

Third item on the agenda

With regard to the third item on the agenda, the Board of Directors informs you that you have been called to the ordinary shareholders' meeting also to vote on (i) the proposed adoption of a plan to grant free ordinary shares in the Company (hereinafter, the "Shares" or, individually, "Share") to the Saras Group management (the "Stock Grant Plan 2010-2012"), and (ii) the proposed adoption of a plan to grant free Shares to Saras Group employees (hereinafter, the "Stock Plan" and, together with the Stock Grant Plan 2010-2012, the "Plans").

The salient aspects of the Plans are described in two separate reports prepared pursuant to article 114-*bis* TUF and article 84-*bis* of the Issuer Regulations, in compliance with and according to the structure illustrated in Appendix 3A, table 7 of the Issuer Regulations. These reports illustrate, *inter alia*, the reasons justifying the adoption of the Plans, their recipients and the terms, conditions for their implementation, as well as the conditions for granting the Shares and restrictions on their availability. The Regulations of the two Plans are also appended thereto, and contain detailed regulations. The reports illustrating the Plans are appended to this report as Appendix A, for the report on the Stock Grant Plan 2010-2012, and as Appendix B, for the report on the Stock Plan.

By directing shareholders to view and examine the two reports appended to the Plans, specifically cited here, the Board of Directors confirms the proposals made at the end thereof, and therefore invites you to vote:

- With regard to the Stock Grant Plan 2010-2012

1. *to approve, pursuant to article 114-bis of Legislative Decree 58 of 24 February 1998, the plan to grant free ordinary shares in the Company (the "Shares" or, individually, the "Share") to the Saras Group management (the "Stock Grant Plan 2010-2012") illustrated in the Report of the Board of Directors appended as Appendix A to this resolution, and the Regulation appended as Appendix 1A to that report;*
2. *to delegate the Board of Directors full authority, including that of sub-delegation, as necessary or appropriate to implement the Stock Grant Plan 2010-2012;*
3. *to grant the Board of Directors, full authority, including that of sub-delegation, to implement this resolution in compliance with the applicable provisions of law.*

- With regard to the Stock Plan

1. *to approve, pursuant to article 114-bis of Legislative Decree 58 of 24 February 1998, the plan to grant free ordinary shares in the Company to the employees of the Company and its Italian subsidiaries (the “Stock Plan”) illustrated in the Report of the Board of Directors appended as Appendix B to this resolution, and the Regulation appended as Appendix 2A to that report;*
2. *to delegate the Board of Directors full authority, including that of sub-delegating its authority, as necessary or appropriate to implement the Stock Plan;*
3. *to grant the Board of Directors, full authority, including that of sub-delegation, to implement this resolution in compliance with the applicable provisions of law.*

Fourth item on the agenda

With regard to the fourth point on the agenda, the Board of Directors informs you that you have been called to the ordinary shareholders' meeting also to vote on the proposal to authorise (i) the purchase of a maximum 71,911,326 ordinary shares in the Company, to be carried out all at once or incrementally within 18 (eighteen) months after the date authorisation is granted and (ii) disposal, all at once or incrementally, of the bought-back shares as well as the own shares already held, pursuant to article 2357 of the Italian Civil Code and article 132 of the TUF, and the related regulations governing implementation, and article 2357-*ter* of the Civil Code (hereinafter, the "Programme").

The aims and main characteristics of the Programme are described in a report prepared in compliance with and using the same format as shown in Appendix 3A, table 4 of the Issuer Regulations. The report illustrating the Programme is appended to this report as Appendix C.

By directing shareholders to view and examine the report appended to the Programme, which is specifically cited here, the Board of Directors invites you to vote:

1. to authorise, pursuant to article 2357 of the Italian Civil Code and article 132 of Legislative Decree 58/1998, the buyback of own shares up to 10% of the currently subscribed and paid-up share capital, with regard to the own shares already owned by the Company, to be carried out all at once or incrementally, within 18 (eighteen) months after the date of the shareholders' meeting resolution granting authorisation; furthermore, (i) the purchases must be made at a premium of no more than 15% and a discount of no more than 15% of the price registered on the Stock Exchange ("Mercato Telematico Azionario – MTA") organised and managed by Borsa Italiana S.p.A. during the trading session preceding each individual transaction, (ii) if the Company proposes to support the liquidity of its own shares in compliance with the criteria established by market practice pursuant to article 180(1)(c) of the TUF regarding support for market liquidity, approved by CONSOB with resolution 16839 of 19 March 2009 as amended, the purchase price will be set in compliance with the aforementioned approved market practice. This approved market practice currently envisages that the purchase price must not exceed the higher of the price of the last independent trade and the highest current independent bid price on the MTA, and (iii) the buyback transactions must be executed (all at once or on several occasions) on the MTA pursuant to the operating terms and conditions set out in the regulations for the organisation and management of the markets managed by

Borsa Italiana S.p.A. (and accompanying instructions), which do not permit direct matching of buy orders with predetermined sell orders (see article 144-bis (1)(b) of the Issuers Regulation); all of the foregoing must be carried out in compliance with the report appended to this resolution as Appendix C and for the purposes set out therein;

2. pursuant to article 2357-ter of the Italian Civil Code, to authorise disposal, all at once or incrementally and without time limit, of the Saras S.p.A. ordinary shares to be acquired pursuant to the resolution set out above; (i) the disposals, and in particular, the sale of own shares, may not be made at a price that is more than 10% less than the price registered on the MTA during the trading session preceding each individual transaction, (ii) if the Company intends to use the shares to support market liquidity in compliance with the criteria established by market practise pursuant to article 180(1)(c) of the TUF regarding support for market liquidity, approved by CONSOB with resolution 16839 of 19 March 2009 as amended, the sales must be made in compliance with the criteria set out therein. Current market practice provides that the sale price must not be less than the lowest of the price of the last independent trade and the lowest current offered independent sale price on the MTA, (iii) if the own shares are the object of swap, exchange, grant or any non-cash disposal, the economic terms of the trade shall be determined according to the nature and characteristics of the transaction, including on the basis of the stock's price trend, without prejudice to applicable laws and regulations and considering any allowed market practice, (iv) own shares servicing stock option plans will be granted pursuant to the terms and conditions set out therein; all of the foregoing must be carried out in compliance with the report appended to this resolution as Appendix C and for the purposes described therein, including the possibility of using the own shares already held by the Company for these purposes;

3. to vest the Board of Directors, and/or the Chairman and CEO on its behalf, with all powers, including the power to delegate or appoint external specialists, either jointly or severally and using full discretion, necessary to carry out the Programme and the purchases and sales required thereby, in full compliance with current regulations and within the limits of your authorisation as given at this meeting. It shall be understood that as long as the shares remain in the possession of the Company, the earnings and option rights attached thereto will be attributed proportionately among the other shares. Moreover, voting rights on own shares will be suspended, but said own shares will be included in the share capital for the purposes of calculating the quorums required in respect of the convening of the shareholders' meeting and its resolutions.

Fifth item on the agenda

With regard to the fifth item on the agenda, the Board of Directors informs you that you have been called to the ordinary shareholders' meeting also in order to vote on supplementing the mandate of external auditor PricewaterhouseCoopers S.p.A.

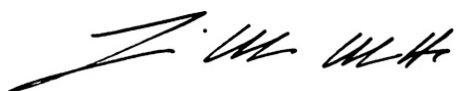
Pursuant to article 159 of the TUF, the justified proposal to supplement the mandate of the external auditor PricewaterhouseCoopers S.p.A. was made by the Board of Statutory Auditors, and is appended to this report as Appendix D.

By directing shareholders to view and examine the appended proposal to supplement the mandate made by the Board of Statutory Auditors, the Board of Directors invites you to approve it and all the resolutions contained therein.

Milan, 12 April 2010

For the Board of Directors

The Chairman

A handwritten signature in black ink, appearing to be 'A. M. M. H.', written in a cursive style.

Appendices:

A – Report on the Stock Grant Plan 2010-2012

B – Report on the Stock Plan

C – Report illustrating the Programme

D – Proposal to supplement the mandate of external auditor PricewaterhouseCoopers S.p.A.