

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LAW DECREE N° 58 DATED 24 FEBRUARY 1998

To the Shareholders of
CIR SPA Compagnie Industriali Riunite

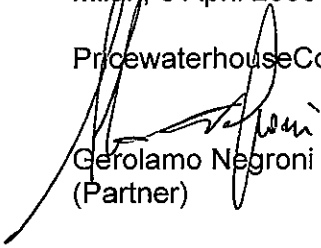
- 1 We have audited the consolidated financial statements of CIR SPA Compagnie Industriali Riunite and its subsidiaries, which comprise the balance sheet, income statement, cash flow statement, statement of changes in shareholders' equity and the related notes as of 31 December 2007. These consolidated financial statements are the responsibility of CIR SPA Compagnie Industriali Riunite's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB. In accordance with those standards and criteria, the audit has been planned and performed to obtain the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are reliable. An audit includes examining, on a sample basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes as required by law, reference is made to our report dated 6 April 2007.

- 3 In our opinion, the consolidated financial statements of CIR SPA Compagnie Industriali Riunite as of 31 December 2007 comply with the International Financial Reporting Standards as adopted by the European Union as well as with the provisions set out by article 9 of Law Decree n° 38/2005. Therefore, such consolidated financial statements comply with the laws governing the criteria for their preparation and accordingly, they give a true and fair view of the financial position, the results of operations, the changes in shareholders' equity and cash flows of CIR Group for the year then ended.

Milan, 8 April 2008

PricewaterhouseCoopers SpA


Gerolamo Negroni
(Partner)

This report has been translated into the English language solely for the convenience of international readers.