

## AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

in accordance with article 156 of Legislative Decree of February 24, 1998 No. 58

(Translation from the original issued in Italian)

To the Shareholders of  
**SABAF S.p.A.**

1. We have audited the consolidated financial statements of SABAF S.p.A. and its subsidiaries (the "**SABAF Group**") as of and for the year ended December 31, 2006, comprising the balance sheet, the statements of income, changes in shareholders' equity and cash flows and the related explanatory notes. These consolidated financial statements are the responsibility of SABAF S.p.A. management. 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 recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

The consolidated financial statements present for comparative purposes the corresponding data for the prior year, for which reference should be made to our auditors' report dated March 29, 2006.

3. In our opinion, the consolidated financial statements of **SABAF Group** as of and for the year ended December 31, 2006 comply with the International Financial Reporting Standards as adopted by the European Union as well as the Italian regulations implementing article 9 of Legislative Decree of February 28, 2005 No. 38; therefore they are clearly stated and give a true and fair view of the consolidated financial position of **SABAF Group** as of December 31, 2006, the results of its operations, changes in shareholders' equity and cash flows for the year then ended.

Brescia (Italy) – March 30, 2007

**AGN SERCA**

*Signed on the original by*

Antonino Girelli

Auditor

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