



NOTICE OF ANNUAL GENERAL MEETING

1st CALL - APRIL 26 2012 - at 10.30 a.m.

2nd CALL - APRIL 27 2012 - at 10.30 a.m.

PALAZZO DELLE STELLINE CONGRESS CENTRE

CORSO MAGENTA 61 - MILANO

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REPORT ON ITEM 3) ON THE AGENDA

COMPENSATION REPORT

FOREWORD

This report (“**Compensation Report**”) has been prepared in conformity with the terms of Art. 84-*quater* of Consob Regulation no. 11971/99 in implementation of Art. 123-*ter* of the T.U.F. and taking into account the recommendations contained in Art. 6 of the Code of Conduct for Listed Companies of Borsa Italiana S.p.A. (the “**Code of Conduct**”), and is organized in two sections. The first section has the aim of providing the Shareholders’ Meeting with information regarding the policy of the Company on the subject of the compensation of the Members of the Board of Directors and of the Executives with strategic responsibilities and the procedures for adopting and implementing this policy. The second section aims to give an adequate representation of each of the items that makes up the compensation and to illustrate to the market the compensation paid out or at least assigned in the previous year to the Members of the Board of Directors and the Members of the Board of Statutory Auditors and to Executives with strategic responsibilities.

The Annual General Meeting of the Shareholders, convened to approve the Financial Statements for the year ended December 31 2011, as per the terms of Art. 123-*ter* of the T.U.F., is called upon to express a non-binding vote on the Compensation Report. The result of the vote will be disclosed to the public.

List of definitions

For the purposes of this Compensation Report the terms and expressions listed below have the meaning given alongside each of them:

“**Shares**”: the ordinary shares of CIR S.p.A.

“**Code of Conduct**”: Code of Conduct for Listed Companies published by Borsa Italiana S.p.A..

“**Executives with strategic responsibilities**”: individuals defined as such in Annex 1 to Consob Regulation no. 17221 of March 12 2010 giving instructions on the subject of related-party transactions and identified in Art. 2.2.3 of the “Rules for related-party transactions” adopted by CIR S.p.A.

“**Group**”: the company COFIDE S.p.A. and the companies controlled by the same.

“**Policy**”: compensation policy of the Company.

“**Rules for Issuers**”: Consob Resolution no. 11971/99.

“**Company**”: CIR S.p.A.

“**T.U.F**”: Legislative Decree no. 58/98.

SECTION I

This section describes the policy of the Company on the subject of compensation of the Members of the Board of Directors and the Executives with strategic responsibilities with reference to the year 2012 together with the procedures used for the adoption and implementation of the policy. The policy establishes the principles and guidelines on the basis of which compensation is determined.

a) Bodies and individuals involved in the preparation and approval of the compensation policy, specifying their respective roles, and the bodies or individuals responsible for the correct implementation of the same policy

The Policy is prepared by the Compensation Committee and is submitted annually by the said Committee to the examination and approval of the Board of Directors. After examining and approving the policy, the Board of Directors submits it to the consultative vote of the Shareholders' Meeting.

The Policy is structured as follows:

- i) The Shareholders' Meeting establishes the fixed fee for the members of the Board of Directors when they are appointed and for the entire duration of their mandate.
- ii) The Shareholders' Meeting expresses a vote, which is non-binding, on the Policy approved each year by the Board of Directors.
- iii) The Shareholders' Meeting approves the share-based compensation plans for the Chief Executive Officer of the Company and for employees of the Group.
- iv) At the proposal of the Compensation Committee and having heard the opinion of the Statutory Auditors, the Board of Directors establishes the compensation of Directors with special positions.
- v) The Board of Directors establishes the compensation of non-executive Directors for being on one or more committees.
- vi) The Chief Executive Officer establishes the compensation of Executives with strategic responsibilities who are not members of the Board of Directors.
- vii) The Compensation Committee has responsibility for processing proposals made to the Board of Directors regarding the compensation of Directors holding special positions, for preparing the Policy and submitting it to the examination of the Board of Directors. The Compensation Committee also has responsibility for putting proposals before the Board of Directors regarding the features of share-based compensation plans: these plans are then submitted to the approval of the Shareholders' Meeting. The latter approves the plan and delegates the Board of Directors to approve its Regulations, identify the beneficiaries and the number of rights to assign to each of them.

b) Intervention, where applicable, of a Compensation Committee or any other committee with competence on the subject, with a description of its composition, competences and the way it works

As indicated above, the Compensation Committee takes part in the preparation of the Policy to submit to the Board of Directors.

The Committee is made up of Independent Directors Giampio Bracchi, Claudio Recchi and Guido Tabellini.

The Compensation Committee:

- Periodically assesses the adequacy, the overall consistency and the practical application of the compensation policy for Directors and Executives with strategic responsibilities, availing themselves for this purpose of the information provided by the Chief Executive Officer; makes proposals on the subject to the Board of Directors;
- In the absence of those directly concerned, submits proposals regarding the compensation of the Chief Executive Officer and of the other Directors invested with special positions including compensation plans based on shares of the Company;
- Makes proposals to the Board of Directors on the features of the share-based compensation plans, thus drawing up regulations of the said plan, which the Board then submits to the approval of the Shareholders' Meeting, also making proposals for the identification of the beneficiaries and the number of rights to assign to each of them.

c) Possible intervention of independent experts

In the preparation of the Policy no independent experts were involved.

d) Aims pursued with the compensation policy, principles underpinning it and any changes in the compensation policy from one year to the next

Compensation policies are aimed at guaranteeing competitiveness in the labour market in line with the objectives of growth and rewarding the loyalty of human resources, as well as using different instruments of compensation for different types of professionalism, competences and roles in the Company.

The guidelines of the Policy are established according to criteria that can attract, keep and motivate persons with adequate professional qualities to manage the Group effectively.

The Company aims to keep compensation aligned with market benchmarks, applying bonus compensation criteria and parameters in particular situations of merit.

The Policy did not change in the year under examination compared to the previous year.

e) Description of the policies on the subject of fixed and variable items of compensation with particular reference to an indication of their respective weighting in the overall compensation and distinguishing between the variable items in the short versus the medium-long term

The compensation assigned to the Chief Executive Officer, for his executive function, and to the non-executive Directors for being on one or more committees, is established every year as a fixed amount on the basis of the commitment required of each of them.

The compensation package of the Chief Executive Officer and of the Executives with strategic responsibilities is made up partly of cash and partly of financial instruments.

The part in cash does not involve any variable items. Given that CIR is a holding company, which operates both in mature sectors with relatively constant cash flows and in sectors with higher growth potential and in very different kinds of businesses (publishing, energy, automotive components, healthcare), it is particularly difficult to identify specific performance parameters. Therefore the compensation policy for the Chief Executive Officer and the Executives with strategic responsibilities is determined as a pay package consisting of a part in cash and a part in shares of the Company.

The compensation plans based on the shares of the Company are approved by the Shareholders' Meeting and take into account the indications given in Art. 6 of the Code of Conduct, with a view to the pursuit of the top-priority objective of creating value for the Shareholders in the medium-long term. More specifically:

- The Units that are the subject of the Plan vest every three months as from the first day of the second year after the grant date and for a period of almost two years, thus having an average vesting period that is substantially in line with the one recommended in the Code of Conduct (three years);
- Exercise of a part of the units assigned (at least 50% of the total) is subject to reaching the performance objectives linked to the performance of the share;
- A period of unavailability of part of the shares granted (10% of the total) is established for a period of 5 years from the grant date.

f) Policy followed in relation to non-monetary benefits

There are no non-monetary benefits in favour of the Directors.

In line with market practice, the compensation package of Executives with strategic responsibilities also has certain benefits include insurance schemes and private healthcare.

g) In relation to variable items, a description of performance objectives on the basis of which the former are assigned, distinguishing between short and medium-long term variables, and information on the link between the change in results and the change in compensation

There is no variable part of the compensation in cash.

Share-based compensation plans are one of the instruments used to supplement the compensation package with loyalty-rewarding benefits which are deferred over a set time frame, with part of the benefits linked to the achievement of certain performance targets. The aim is to create value for the Shareholders in the medium-long term. More specifically, the Stock Grant Plan 2012 - submitted to the approval of the Shareholders' Meeting convened to approve, among other things, the Financial Statements as of December 31 2011 - involves the assignation of Units, that are free of charge and not transferable between living persons, each of which gives the right to be assigned free of charge one Share when certain circumstances come to pass. The Units are subdivided into two categories:

“Time-based Units”, the vesting of which is subject to the directorship (or the employment) remaining for a certain period;

“Performance Units”, in a number equal to at least 50% of the total Units assigned, the vesting of which, apart from the continuation of the directorship (or employment) for a certain period, is also subject to the Share reaching certain objectives in terms of performance on the Stock Exchange in relation to the FTSE Italia Mid Cap index.

For a more detailed description of the features of Stock Grant Plan 2012, see the Information Document prepared as per the terms of Art. 84-*bis* of the Rules for Issuers, made available to the Shareholders' Meeting convened to approve the Financial Statements as of December 31 2011, which can be consulted on the Company website www.cirgroup.it, in the section Governance.

The principles underpinning Stock Grant Plan 2011, approved by the Shareholders' Meeting on April 29 2011, are contained in the Information Document for 2011, which can also be consulted on the Company website www.cirgroup.it, in the section Governance.

h) Criteria used for assessment of the performance objectives on which the assignation of shares, options or other financial instruments or other variable items of compensation is based

To measure the performance objectives, the Company's share has been indexed to the FTSE Italia Mid Cap Index to which it belongs.

The number of Units assigned to each Beneficiary is determined in relation to the role occupied by that person in the Company and the importance of the function carried out by each of them.

i) Information which aims to show how the compensation policy is consistent with the pursuit of the long-term interests of the company and with the risk management policy, where it has been formalized

When defining the compensation systems, the Board of Directors ensured that these systems take into good account the policies of pursuing the medium-long term objectives for creating value for the Shareholders.

To this end, as specified in point g) above, the share-based component takes into consideration, two main elements: the passage of time and the appreciation of the share on the market in relation to the FTSE Italia Mid Cap index.

It is deemed appropriate to measure the performance of the CIR stock not in absolute terms but in relation to the general trend of the market, in order to separate out, where possible, the evaluation of the actual performance of the Share from general dynamics which may not necessarily be connected to the specific performance of the Company.

The Board is of the opinion that the presence of these two elements (time and performance) is appropriate in order to give the loyalty of the beneficiaries of the plan an adequate reward even in cases where the Company stock does not appreciate in relation to the FTSE Italia Mid Cap index. The continuation of the relationship with personnel, which is considered key, is in itself a value for the Company and therefore also for its Shareholders. The incentive to better performance is ensured by the assignation of Units the exercise of which is subject to reaching certain results in terms of appreciation of the CIR stock in the market compared to the FTSE Italia Mid Cap index, which is a parameter that the Board considers appropriate to foster an alignment of the interests of management with those of the Shareholders in the medium and long term.

Then in both situations (Performance Units and Time-based Units), again with a view to ensuring that the interests of management are aligned with those of the Shareholders over the medium-long term, there is also a deferred vesting period and a “minimum holding” requirement (see point j) below).

j) The vesting period, the deferred payment systems, with an indication of the periods of deferral and the criteria used to determine these periods and, where applicable, ex post correction mechanisms

As stated in the previous point e), Stock Grant Plan 2012 stipulates that the Units assigned to the beneficiaries will vest as from two years after they are assigned, according to the following timing:

- Up to a maximum of 12.5% of the total Units assigned as from April 28 2014;
- Up to a maximum of 25% of the total Units assigned as from July 31 2014;
- Up to a maximum of 37.5% of the total Units assigned as from October 31 2014;

- Up to a maximum of 50% of the total Units assigned as from January 31 2015;
- Up to a maximum of 62.5% of the total Units assigned as from April 30 2015;
- Up to a maximum of 75% of the total Units assigned as from July 31 2015;
- Up to a maximum of 87.5% of the total Units assigned as from October 31 2015;
- Up to a maximum of 100% of the total Units assigned as from January 31 2016.

The Units that have vested must in any case be exercised by the final maturity of April 27 2022.

The periods of deferment give the beneficiaries a reasonable time horizon in which to achieve the economic benefits of the Plan, in line with the objectives of rewarding loyalty and aligning the interests of management with those of the Shareholders (in the long term) that the plan aims to fulfil.

k) Information on any clauses relating to holding the financial instruments after their acquisition, with an indication of the holding periods and of the criteria used to determine such periods

Stock Grant Plan 2012, which will be submitted to the approval of the Shareholders' Meeting, includes a minimum holding requirement for the Shares assigned: in the event that the Units have vested and the relative Shares have been assigned, each beneficiary irrevocably undertakes to hold at least 10% of the Shares assigned until the fifth anniversary of the Grant Date. During this period, the Shares will be subject to a bond of inalienability, except where the Board of Directors should authorize otherwise.

l) Policy in relation to what payout is applicable when the position or the employment terminates, specifying which circumstances give rise to the right to such payout and any link between the said payout and the performance of the Company.

Except where application of the law requires otherwise, no sum is payable when the mandate of Directors terminates.

Regarding Executives with strategic responsibilities, bound to the Company by an employment relationship, the rules of law and the agreements of the National Contract for Industry Executives apply on the subject of termination of employment.

m) Information on the presence of possible insurance cover, in the sense of pension plans other than those that are obligatory

In line with best practice, an insurance policy (Directors & Officers) has been taken out against civil liability towards third parties for the various corporate bodies and the Executives in the exercise of their functions with the aim of protecting the Group from the risk of having to pay compensation, except for cases of wilful misconduct or gross negligence.

n) Compensation policy followed where applicable in relation to: (i) independent directorships, (ii) committee membership and (iii) special positions (chairman, deputy chairman etc.)

Compensation, in addition to the ordinary fee, is envisaged for Independent Directors who are on any Committees.

Directors holding special positions (Honorary Chairman and Director - Chairman - Chief Executive) benefit from the compensation described in the preceding paragraphs.

o) If the compensation policy has been defined using the compensation policies of other companies as a reference, the criteria used for the choice of any such companies

The compensation Policy was prepared without any specific reference to the policies of other companies. In fact it is considered that the Policy is consistent both with the objectives of the Group and with the typical characteristics of the same, in terms of business carried out and size.

SECTION II

1.1 Part One

1.1 Items making up compensation

Board of Directors

The compensation of the Directors consists of a fixed part determined by the Shareholders' Meeting on their appointment for the whole duration of their mandate.

Directors holding special positions

The Honorary Chairman and Director - the Chairman and the Chief Executive Officer receive a further fixed item of compensation. The Chief Executive Officer is a beneficiary of share-based compensation plans.

Non-executive Directors

Non-executive Directors receive a further fixed fee if they are on any of the Internal Committees (Internal Control Committee, Committee for Related Party Transactions, Compensation Committee, Appointments Committee).

Board of Statutory Auditors

The fee is determined as a fixed sum by the Shareholders' Meeting on their appointment for the whole duration of their mandate. The fee for the Chairman is different from that of the other Statutory Auditors.

Executives with strategic responsibilities

The compensation package is made up of the following: fixed fee plus share-based compensation plans. In addition, there are insurance schemes and private healthcare in line with the terms of the applicable National Contract for Industry Executives.

1.2 With particular reference to agreements involving compensation in the event of the early termination of the relationship, the following information applies:

1.2.1 Existence of such agreements

No agreements have been entered into involving any compensation paid to Directors in the event of early termination of the relationship.

Executives with strategic responsibilities receive compensation in the event of their employment relationship being terminated without a just cause or without any good reason given by the employer, in accordance with the National Contract for Industry Executives and with the terms of the law, which establish limits as to the quantity of the payoff.

1.2.2 Criteria for determining the compensation entitlement of each individual

Executives with strategic responsibilities are entitled to compensation in the cases envisaged by the National Contract for Industry Executives.

1.2.3 Presence of any performance criteria to which the assignment of the compensation is subject

There are no performance objectives connected with the assignment of compensation.

1.2.4 Effects of the termination of the relationship on the Units assigned within the scope of the share-based incentive plans or cash payouts

The Units allocated under the Stock Grant Plans are assigned to the Beneficiaries personally and cannot be transferred on any account by deed between living persons. The right to exercise the Units is also subject to the employment or the directorship relationship continuing between the beneficiary and the Company or the subsidiary of the same.

In the event of the termination of the employment or directorship relationship, for whatever reason, including the death of the beneficiary, the beneficiaries or their heirs will keep entitlement only to the Units that had already vested when the relationship terminated.

1.2.5 Cases in which the right to compensation exists

See point 1.2.1. above.

1.2.6 The existence, where applicable, of agreements involving the assignment or the maintenance of non-monetary benefits in favour of individuals who no longer hold the position or have signed a consulting contract for a period following the termination of their employment relationship

No agreements of this kind have been signed.

As stated above, in the event of termination of the employment or directorship for whatever reason, including the death of the beneficiary, the Stock Grant Plan provides that the beneficiaries or their heirs keep the entitlement to the Units that had already vested at the time of the termination of the relationship.

The Board of Directors, at its own discretion, has the right to decide, and this decision cannot be contested, whether to allow one or more beneficiaries or their heirs to keep the rights resulting from the Plan even when these rights would cease to exist, and in particular to keep part or all of the Units that have not yet vested.

1.2.7 Existence of agreements providing for compensation for non-competition undertakings

No agreements have been signed involving compensation for non-competition undertakings.

1.2.8 With reference to directors who left their positions during the year, any changes in the determination of the compensation compared to the terms of the agreement on the same

Not applicable.

1.2.9 Where there are no specific agreements on the subject, specific information on the criteria used to determine the leaving indemnity matured

During the year 2011 no leaving indemnity was paid out.

Part Two

Annexes charts 1, 2, 3A as per Schedule no. 7-bis of the Rules for Issuers.

Equity investments

As per the fourth paragraph of Art. 84-*quater* of the Rules for Issuers, an annex to this Report shows the equity investments held in the Company or in its subsidiaries by Directors, Statutory Auditors and Executives with strategic responsibilities, as well as by the spouses who are not legally separated and minor children, directly or through subsidiaries, fiduciary companies or a third person, as resulting from the Shareholder Book, notification received or from any other information obtained from the same Directors, Statutory Auditors and Executives with strategic responsibilities (Charts 1 and 2 of Schedule no.7-*ter* of the Rules for Issuers).

SCHEDULE 7-BIS - TABLE 1: Compensation paid to members of the Administrative and Control bodies, General Managers and other Executives with strategic responsibilities

(in thousands of euro)

Last name and first name	Position	Period in which position was held in 2011	Expiry of mandate	Company preparing financial statements, subsidiaries & associates	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	Notes
					Fixed fees	Fees for being on committees	Variable non-equity compensation non equity	Profit sharing	Non-monetary benefits	Other compensation	Total	Fair value of equity compensation (<i>Theoretical value. See Notes 7, 7*, 7**</i>)	End of mandate or leaving indemnity	
DE BENEDETTI CARLO	Honorary Chairman and Director *	1.1 - 31.12	Appr. Fin. Stat. 2013	CIR S.p.A.	120	5					125			1a,1b,2a
					Subsidiaries	420	10				430			1, II.a
					Total	540	15				555			
MICOSSI STEFANO	Chairman	1.1 - 31.12	Appr. Fin. Stat. 2013	CIR S.p.A.	220						220			1a,1b
DE BENEDETTI RODOLFO	Chief Executive Officer and General Manager	1.1 - 31.12	Appr. Fin. Stat. 2013	CIR S.p.A.	1,342						1,342	2,052		1a,1b,1c,7
					Subsidiaries	140	10				150			1, II.a
					Total	1,482	10				1,492			
PIASER ALBERTO	General Manager	1.1 - 21.11	21.11.2011	CIR S.p.A.	248						248	492		1c,7*,7**
					Subsidiaries	86					86			1
					Total	334					334			
BENUZZI GERARDO	General Manager	21.11 - 31.12		CIR S.p.A.	39						39			1c
BOTTICINI MARISTELLA	Director	29.4 - 31.12	Appr. Fin. Stat. 2013	CIR S.p.A.	13	10					23			1a, 2b
BRACCHI GIAMPIO	Director	1.1 - 31.12	Appr. Fin. Stat. 2013	CIR S.p.A.	20	25					45			1a,2a,2b
DEBENEDETTI FRANCO	Director	1.1 - 31.12	Appr. Fin. Stat. 2013	CIR S.p.A.	20						20			1a
FERRERO PIERLUIGI	Director	1.1 - 29.4	29.4.2011	CIR S.p.A.	24						24			1a, 1b
					Subsidiaries	80		50			130			1, III
					Total	104		50			154			
GERMANO GIOVANNI	Director	1.1 - 29.4	29.4.2011	CIR S.p.A.	7	10					17			1a,2a,2b
					Subsidiaries	20					20			1
					Total	27	10				37			
GIANNINI SILVIA	Director	29.4 - 31.12	Appr. Fin. Stat. 2013	CIR S.p.A.	13	10					23			1a, 2b
GIRARD FRANCO	Director	1.1 - 31.12	Appr. Fin. Stat. 2013	CIR S.p.A.	20	3					23			1a, 2c
MANCINELLI PAOLO	Director	1.1 -29.4	29.4.2011	CIR S.p.A.	7	3					10			1a, 2c
PARAVICINI CRESPI LUCA	Director	1.1 - 29.4	29.4.2011	CIR S.p.A.	7	5					12			1a, 2b
					Subsidiaries	20	20				40			1,II.a,II.b
					Total	27	25				52			

(in thousands of euro)

Last name and first name	Position	Period in which position was held in 2011	Expiry of mandate	Company preparing financial statements, subsidiaries & associates	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	Notes
					Fixed fees	Fees for being on committees	Variable non-equity compensation non equity	Profit sharing	Non-monetary benefits	Other compensation	Total	Fair value of equity compensation (Theoretical value. See Notes 7, 7*, 7**)	End of mandate or leaving indemnity	
PISTAUER MICHAEL	Director	29.4 - 31.12	Appr. Fin. Stat. 2013	CIR S.p.A.	13	10					23			1a, 2c
RECCHI CLAUDIO	Director	1.1 - 31.12	Appr. Fin. Stat. 2013	CIR S.p.A.	20	10					30			1a, 2a
SEGRE MASSIMO	Director	1.1 - 29.4	29.4.2011	CIR S.p.A.	7						7			1a
					Subsidiaries					96	96			5
				Total	7					96	103			
SENEQUIER DOMINIQUE	Director	29.4 - 31.12	Appr. Fin. Stat. 2013	CIR S.p.A.	13	10					23			1a, 2c
TABELLINI GUIDO	Director	1.1 - 31.12	Appr. Fin. Stat. 2013	CIR S.p.A.	20	28					48			1a, 2a, 2c
ZANNI UMBERTO	Director	1.1 - 29.4	29.4.2011	CIR S.p.A.	7	5					12			1a, 2a
MANZONETTO PIETRO	Chairman of Board of Statutory Auditors	1.1 - 31.12	Appr. Fin. Stat. 2013	CIR S.p.A.	70						70			
NANI LUIGI	Statutory Auditor	1.1 - 31.12	Appr. Fin. Stat. 2013	CIR S.p.A.	47						47			
ZINGALES RICCARDO	Statutory Auditor	1.1 - 31.12	Appr. Fin. Stat. 2013	CIR S.p.A.	47						47			
					Subsidiaries	278					278			IV
				Total	325						325			
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES					CIR S.p.A.	178	10				188	142		1c, 2d, 7**
					Subsidiaries		55				55			IIc
				Total	178	65					243			

(1) Fixed fees for position in company preparing the financial statements include the following:

a) fees of € 20,000 approved by the AGM

b) special positions as per Art. 2389 paragraph 3 approved by the Board of Directors in favour of De Benedetti Carlo € 100,000, Micossi Stefano € 200,000, De Benedetti Rodolfo € 700,000, Ferrero Pierluigi € 16,666

c) employee salary

(2) Fees for being on committees in the company preparing the financial statements:

a) Compensation Committee € 15,000

b) Internal Control Committee € 15,000

c) Appointments Committee € 15,000

d) Supervisory Body € 10,000

(5) Other compensation includes fees for professional services in the company preparing the financial statements and in the companies directly and indirectly controlled by the same

(7) This is the Company's notional cost recognized to the income statement in personnel costs, with an offset in the special equity reserve; IAS carrying values not received by the Director and still only potential, given that around 72% of the amount refers to option rights that have not yet vested

(7*) Part of the fair value of equity compensation (€ 353 thousand) was cancelled in 2012 following the termination of an employment relationship

(7**) This is the Company's notional cost recognized to the income statement in personnel costs, with an offset in the special equity reserve

(I) Fixed fees in subsidiaries

(II) Fees for being on the committees of subsidiaries:

a) Compensation Committee

b) Internal Control Committee

c) Supervisory Body € 55,000

(III) Variable non-equity compensation, bonuses and other incentives in subsidiaries

(IV) Fixed fees include compensation for the position of Statutory Auditor in other companies of the Group

SCHEDULE 7-BIS - TABLE 2: Stock options assigned to members of the Board of Directors, General Managers and other Executives with strategic responsibilities

		Options held at the beginning of the year				Options assigned during the year						Options exercised during the year			Options expired in year	Options held at end of year	Options for the year	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2)+(5)-(11)-(14)	(16)	
Last name & first name	Position held	Plan	Number of options	Strike price	Period of possible exercise (from - to)	Number of options	Strike price	Period possible exercise (from - to)	Fair value at grant date (in thousands of euro)	Grant date	Market price of shares underlying option grant	Number of options	Strike price	Market price of underlying shares at exercise date	Number of options	Number of options	Fair value (<u>Theoretical value</u> , <u>See Note</u>) (in thousands of euro)	
DE BENEDETTI RODOLFO	C.E.O. & G.M.														1,000,000	--	--	
Stock option plan		30/1/2001	1,000,000	2.62														
Stock option plan		5/9/2003	112,500	1.13	from 29/02/2004 to 28/02/2014											112,500	--	
Stock option plan		12/3/2004	275,000	1.60	from 30/09/2004 to 30/09/2014											275,000	--	
Stock option plan		6/9/2004	1,250,000	1.56	from 28/02/2005 to 28/02/2015											1,250,000	--	
Stock option plan		11/3/2005	1,350,000	2.34	from 30/09/2005 to 30/09/2015											1,350,000	--	
Stock option plan		6/9/2005	1,250,000	2.49	from 28/02/2006 to 29/02/2016											1,250,000	--	
Stock option plan		2006 1st tranche	1,250,000	2.50	from 31/12/2006 to 31/12/2016											1,250,000	--	
Stock option plan		2006 2nd tranche	1,250,000	2.47	from 30/06/2007 to 30/06/2017											1,250,000	1	
Extraordinary stock option plan		2009 1a tranche (*)	1,750,000	3.0877	from 30/09/2007 to 30/09/2017											1,750,000	2	
Extraordinary stock option plan		2009 2a tranche (*)	1,750,000	2.7344	from 31/03/2008 to 31/03/2018											1,750,000	12	
Extraordinary stock option plan		2009 3a tranche (*)	1,750,000	1.6806	from 30/09/2008 to 30/09/2018											1,750,000	41	
Extraordinary stock option plan		2009 4a tranche (*)	1,750,000	1.0718	from 31/03/2009 to 31/03/2019											1,750,000	90	
Stock option plan		2009 1st tranche	1,750,000	0.9907	from 30/09/2009 to 30/09/2019											1,750,000	141	
Stock option plan		2009 2nd tranche	1,750,000	1.5449	from 28/02/2010 to 28/02/2020											1,750,000	368	
Stock option plan		2010 1st tranche	1,750,000	1.6208	from 30/09/2010 to 30/09/2020											1,750,000	308	
Stock option plan		2010 2nd tranche	1,750,000	1.4982	from 28/02/2011 to 28/02/2021											1,750,000	553	
TOTAL			21,737,500	1.956											1,000,000	20,737,500	1,516	
PIASER ALBERTO	G.M.																	
Stock option plan		12/3/2004	12,000	1.60	from 30/09/2004 to 30/09/2014												12,000	--
Stock option plan		6/9/2004	48,000	1.56	from 28/02/2005 to 28/02/2015												48,000	--
Stock option plan		11/3/2005	400,000	2.34	from 30/09/2005 to 30/09/2015												400,000	--
Stock option plan		6/9/2005	300,000	2.49	from 28/02/2006 to 29/02/2016												300,000	--
Stock option plan		2006 1st tranche	300,000	2.50	from 31/12/2006 to 31/12/2016												300,000	--
Stock option plan		2006 2nd tranche	300,000	2.47	from 30/06/2007 to 30/06/2017												300,000	--
Extraordinary stock option plan		2009 1a tranche (*)	420,000	3.0877	from 30/09/2007 to 30/09/2017												420,000	1
Extraordinary stock option plan		2009 2a tranche (*)	420,000	2.7344	from 31/03/2008 to 31/03/2018												420,000	3
Extraordinary stock option plan		2009 3a tranche (*)	420,000	1.6806	from 30/09/2008 to 30/09/2018												420,000	10
Extraordinary stock option plan		2009 4a tranche (*)	294,000	1.0718	from 31/03/2009 to 31/03/2019							151,200	1.0718				142,800	21
Stock option plan		2009 1st tranche	344,400	0.9907	from 30/09/2009 to 30/09/2019							151,200	0.9907				193,200	34
Stock option plan		2009 2nd tranche	420,000	1.5449	from 28/02/2010 to 28/02/2020												420,000	88
Stock option plan		2010 1st tranche	420,000	1.6208	from 30/09/2010 to 30/09/2020												420,000	74
Stock option plan		2010 2nd tranche	420,000	1.4982	from 28/02/2011 to 28/02/2021												420,000	133
TOTAL			4,518,400	1.999								302,400	1.0313			4,216,000	364	

		Options held at the beginning of the year				Options assigned during the year						Options exercised during the year			Options expired in year	Options held at end of year	Options for the year
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2)+(5)-(11)-(14)	(16)
Last name & first name	Position held	Plan	Number of options	Strike price	Period of possible exercise (from - to)	Number of options	Strike price	Period possible exercise (from - to)	Fair value at grant date (in thousands of euro)	Grant date	Market price of shares underlying option grant	Number of options	Strike price	Market price of underlying shares at exercise date	Number of options	Number of options	Fair value (Theoretical value. See Note) (in thousands of euro)
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES																	
		6/9/2004	8,000	1.56	from 28/02/2005 to 28/02/2015											8,000	--
		11/3/2005	150,000	2.34	from 30/09/2005 to 30/09/2015											150,000	--
		6/9/2005	50,000	2.49	from 28/02/2006 to 29/02/2016											50,000	--
		2006 1st tranche	75,000	2.50	from 31/12/2006 to 31/12/2016											75,000	--
		2006 2nd tranche	75,000	2.47	from 30/06/2007 to 30/06/2017											75,000	--
		2009 1st tranche (*)	105,000	3.0877	from 30/09/2007 to 30/09/2017											105,000	--
		2009 2nd tranche (*)	105,000	2.7344	from 31/03/2008 to 31/03/2018											105,000	1
		2009 3rd tranche (*)	115,000	1.6806	from 30/09/2008 to 30/09/2018											115,000	3
		2009 4th tranche (*)	115,000	1.0718	from 31/03/2009 to 31/03/2019											115,000	6
		2009 1st tranche	115,000	0.9907	from 30/09/2009 to 30/09/2019											115,000	9
		2009 2nd tranche	115,000	1.5449	from 28/02/2010 to 28/02/2020											115,000	24
		2010 1st tranche	125,000	1.6208	from 30/09/2010 to 30/09/2020											125,000	22
		2010 2nd tranche	125,000	1.4982	from 28/02/2011 to 28/02/2021											125,000	39
TOTAL			1,278,000	1.933												1,278,000	104

(*) Plans resulting from the conversion of Phantom stock option plans

(16) This refers to the notional cost for the Company recognized to the income statement in personnel costs with offset in the special equity reserve

Mr Alberto Piaser's position terminated on January 31 2012 and at the Board of Directors meeting held on January 30 2012 the options assigned to him that had not vested as of that date were eliminated as per the terms of the Regulations. Number of options eliminated: 1,008,000 corresponding to a fair value of € 225 thousand.

SCHEDULE 7-BIS - TABLE 3A: Incentive plans based on financial instruments other than stock options in favour of members of the Board of Directors, General Managers and other Executives with strategic responsibilities

		<i>Financial instruments assigned in prior periods not vested in the year</i>		<i>Financial instruments assigned in the year</i>					<i>Financial instruments which vested in the year and are not attributable</i>	<i>Financial instruments which vested in the year and are attributable</i>		<i>Financial instruments for the year</i>	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<i>Last name and first name</i>	<i>Position held</i>	<i>Plan</i>	<i>Number and type of financial instruments</i>	<i>Vesting period</i>	<i>Number and type of financial instruments</i>	<i>Fair value at grant date (Theoretical value. See Note) (in thousands of euro)</i>	<i>Vesting period</i>	<i>Grant date</i>	<i>Market price at grant date</i>	<i>Number and type of financial instruments</i>	<i>Number and type of financial instruments</i>	<i>Value at vesting date</i>	<i>Fair value (Theoretical value. See Note) (in thousands of euro)</i>
DE BENEDETTI RODOLFO	C.E.O. & G.M.	2011			stock grant 1,490,000	2,199	from 30/04/2013 to 31/01/2015	29-Apr-11	1.7474				536
PIASER ALBERTO	G.M.	2011			stock grant 357,000	527	from 30/04/2013 to 31/01/2015	29-Apr-11	1.7474				128
EXECUTIVE WITH STRATEGIC RESPONSIBILITIES		2011			stock grant 106,500	157	from 30/04/2013 to 31/01/2015	29-Apr-11	1.7474				38
						2,883							702

(5) This is the notional cost for the Company at the Grant Date, calculated according to special actuarial models, multiplied by the number of Units exercisable in the period.

(12) This is the notional cost for the Company recognized to the income statement in personnel costs for the part accruing in 2011 of the amount indicated in column 5, with an offset in the special equity reserve.

Mr Alberto Piaser's position terminated on January 31 2012 therefore the stock grants assigned to him will no longer be exercisable because they had not yet vested as of that date, as per the terms of the Regulations of the plan.

SCHEDULE 7-TER – TABLE 1-2 – SHARES OWNED BY MEMBERS OF THE ADMINISTRATIVE AND CONTROL BODIES AND GENERAL MANAGERS, AND OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

<i>Last name & first name</i>	<i>Position</i>	<i>Company in which shares are held</i>	<i>No. of shares owned at end of last year</i>	<i>No. of shares acquired</i>	<i>No. of shares sold</i>	<i>No. of shares owned at end of this year</i>	<i>Notes</i>
	Honorary Chairman and						
DE BENEDETTI CARLO	Director	CIR S.p.A.	363,771,164	--	--	363,771,164	(1)
		GRUPPO EDITORIALE L'ESPRESSO					
DE BENEDETTI CARLO	Executive Chairman	S.p.A.	220,776,235	--	--	220,776,235	(2)
DE BENEDETTI CARLO	Honorary Chairman	SOGEFI S.p.A.	65,739,962	--	--	65,739,962	(3)
MICOSSI STEFANO	Chairman	CIR S.p.A.	--	--	--	--	
DE BENEDETTI RODOLFO	Chief Executive Officer and General Manager	CIR S.p.A.	12,562,500	250,000	500,000	12,312,500	
BOTTICINI MARISTELLA	Director	CIR S.p.A.	--	--	--	--	
BRACCHI GIAMPIO	Director	CIR S.p.A.	--	--	--	--	
DEBENEDETTI FRANCO	Director	CIR S.p.A.	375,000	--	--	375,000	
FERRERO PIERLUIGI	Director	CIR S.p.A.	300,000	--	--	300,000	
		GRUPPO EDITORIALE L'ESPRESSO					
FERRERO PIERLUIGI	Director	S.p.A.	20,000	--	--	20,000	
FERRERO PIERLUIGI	Director	SOGEFI S.p.A.	15,000	--	--	15,000	
GERMANO GIOVANNI	Director	CIR S.p.A.	300,000	--	--	300,000	
GERMANO GIOVANNI	Director	SOGEFI S.p.A.	2,012,000	--	--	2,012,000	
GERMANO GIOVANNI	Director	SOGEFI S.p.A.	1,004,000	--	--	1,004,000	(4)
GIANNINI SILVIA	Director	CIR S.p.A.	--	--	--	--	
GIRARD FRANCO	Director	CIR S.p.A.	128,000	100,000	--	228,000	
GIRARD FRANCO	Director	SOGEFI S.p.A.	10,000	--	--	10,000	
		GRUPPO EDITORIALE L'ESPRESSO					
GIRARD FRANCO	Director	S.p.A.	10,000	--	--	10,000	
MANCINELLI PAOLO	Director	CIR S.p.A.	--	--	--	--	
PARAVICINI CRESPI LUCA	Director	CIR S.p.A.	500,000	--	--	500,000	(5)
		GRUPPO EDITORIALE L'ESPRESSO					
PARAVICINI CRESPI LUCA	Director	S.p.A.	4,827,212	--	--	4,827,212	(5)
PISTAUER MICHAEL	Director	CIR S.p.A.	--	--	--	--	
RECCHI CLAUDIO	Director	CIR S.p.A.	--	--	--	--	
SEGRE MASSIMO	Director	CIR S.p.A.	--	2,533,623	--	2,533,623	
		GRUPPO EDITORIALE L'ESPRESSO					
SEGRE MASSIMO	Director	S.p.A.	3,000	--	--	3,000	
SENEQUIER DOMINIQUE	Director	CIR S.p.A.	--	--	--	--	
TABELLINI GUIDO	Director	CIR S.p.A.	--	--	--	--	
ZANNI UMBERTO	Director	CIR S.p.A.	--	--	--	--	
	Chairman of Board of						
MANZONETTO PIETRO	Statutory Auditors	CIR S.p.A.					
NANI LUIGI	Statutory Auditor	CIR S.p.A.	--	--	--	--	
ZINGALES RICCARDO	Statutory Auditor	CIR S.p.A.	--	--	--	--	
PIASER ALBERTO	General Manager	CIR S.p.A.	343,000	302,400	150,000	495,400	
BENUZZI GERARDO	General Manager	CIR S.p.A.	--	--	--	--	
EXECUTIVE WITH STRATEGIC RESP.		CIR S.p.A.	177,000	--	--	177,000	

(1) Held indirectly through COFIDE S.p.A.

(2) At December 31 2011 the shares were held through the following companies:

CIR S.p.A. 220,775,235
ROMED S.p.A. 1,000

(3) Held indirectly through CIR S.p.A.

(4) Held indirectly through Siria S.r.l.

(5) Held indirectly through Alpa S.r.l. and Fiduciaria Biennabi S.p.A.

PROPOSED RESOLUTION

Consultative vote on Section I of the Compensation Report as per Art. 123 *ter* of the TUF

Dear Shareholders,

In accordance with the terms of Art. 123-*ter*, paragraph 6, of the T.U.F., you are being called upon to approve Section I of the Compensation Report prepared according to the provisions of Art. 84-*quater* of Consob's Rules for Issuers, in conformity with Annex 3 A, Schedule 7-*bis* of the above-cited Rules.

Given the above, drawing your attention to the content of the above-mentioned Report, your Board of Directors hereby submits to you the following

Proposed resolution

The Annual General Meeting of the Shareholders of CIR S.p.A. - Compagnie Industriali Riunite,

- Having seen the terms of current regulations
- Acknowledging that the Compensation Report has been filed and made available within the time limits required by law

ADOPTS A RESOLUTION

in favour of the content of Section I of the Compensation Report approved by the Board of Directors at the meeting held on March 12 2012.