

BOARD OF DIRECTORS REPORT ON OPERATIONS

DAMIANI S.P.A.

AS PER ART. 3 D.M. NOVEMBER 5, 1998, N. 437

Dear Shareholders,

As per art. 3 D.M. November 5, 1998, n. 437, and Consob Regulation n. 11971/99 (as later modified and integrated), the Board of Directors of Damiani S.p.A. (hereinafter the “Company” or “Issuer”) makes available to you an illustrated report on the items listed for the agenda of the Shareholders’ meeting fixed in an ordinary session with a notice published in the daily newspaper “La Repubblica” on June 18, 2008 in the meeting room of the Hotel IANUA, Centro Orafo “Coinor”, on 4 via Luigi Stanchi in Valenza (AL), on first call for July 22, 2008 at 10 AM and, if necessary, on second call on July 23, 2008 at the same time and place.

Specifically, the agenda for the meeting is as follows:

- 1. Presentation of the Consolidated Financial Statements and the Yearly Financial Statements as at March 31, 2008. Report of the Board of Directors on management, of the Board of Statutory Auditors and the External Auditors Company; the allocation of profit for the period; resolutions relative and consequent to the foregoing.*

Each comment relating to the sole item on the agenda is thoroughly explained in the Board of Directors report on Operations, deposited together with a copy of the Yearly and Consolidated Financial Statements, made available to the public starting today, along with the Report of the Statutory Auditors and the External Auditors Company.

Valenza, July 7, 2008

*For the Board of Directors
The Chairman and Managing Director
Guido Grassi Damiani*