

**DIRECTORS' REPORT ON THE PROPOSALS ON THE AGENDA OF THE  
ORDINARY GENERAL MEETING OF THE SHAREHOLDERS  
(7<sup>TH</sup> APRIL 2009 1<sup>ST</sup> CALL – 10<sup>TH</sup> APRIL 2009 2<sup>ND</sup> CALL)**

*Report on item 1 on the agenda and the relative resolution submitted*

**1. Board of Directors' Review of Operations; Report of the Board of Statutory Auditors; Financial Statements as at and for the year ended 31 December 2008; relative and consequent resolutions.**

To Our Shareholders,

We inform you, as we are required to do so by Art. 3 of Ministerial Decree No. 437 of 5 November 1998, that you have been convened to an ordinary general meeting of the shareholders not only to approve the annual report for the year ended 31<sup>st</sup> December 2008, but also to decide the allocation of net income for the year amounting to €52,944,954.=, of which we propose to allocate €49,258,825.25.= to a dividend, with an increase of 16.3% compared to the previous year and €3,686,128.75.= to the extraordinary reserve.

In particular, we submit the following resolutions to you for your approval:

“The ordinary general meeting of the shareholders of RECORDATI S.p.A.,

- having viewed the Board of Directors Review of Operations and the Report of the Board of Statutory Auditors;
- having acknowledged the certification reports of the firm of auditors, one of which relating to the separate company annual report and the other to the consolidated annual report;

resolves

- to approve the Board of Directors' Review of Operations
- to approve the draft separate company financial statements as at and for the year ended 31.12.2008;
- to allocate as follows the net income for the year of €52,944,954.=:
  - a) €49,258,825.25.= for a dividend of €0.25= on each of the outstanding shares on the ex-dividend date, with the exclusion of treasury stock held by the company on that date, account having been taken of the increase in the dividend due to treasury stock in the dividend proposed for outstanding shares;
  - b) €3,686,128.75.= to the “Extraordinary reserve”;
- to pay the dividend from 23 April 2009 on coupon No.5 from 20 April 2009”.

Shareholders will be able to obtain payment of the dividend through their respective intermediaries or, in the case of shares that have not yet been dematerialised, they must first consign them to an intermediary to be entered in the central management system on a dematerialised basis in compliance with article 51 of Consob resolution No. 11768 of 23.12.1998.

Milan, 3 March 2009

for the Board of Directors

The Chairman

*Ing. Giovanni Recordati*

*Report on item 2 on the agenda and the relative resolution submitted*

## **2. Proposal to authorise the purchase and utilization of treasury stock.**

To Our Shareholders,

In compliance with article 3 of Ministerial Decree No. 437 of 5 November 1998 and article 73 of the regulations adopted with Consob resolution No. 11971 of 14 May 1999 and subsequent amendments (“Issuer Regulations”), we inform you of the following.

On 11 April 2008, the shareholders authorized the purchase and utilization of treasury stock until the date of the approval of the 2008 Separate Company Annual Report. No treasury stock has been purchased since 11 April 2008 and until today. You are now asked to again authorize, within the limits and according to the procedures detailed below, the purchase and utilization of treasury stock.

There are a number of purposes for this proposal. Firstly, the purchase of treasury stock may be justified as meeting corporate requirements, because it may allow transactions to be performed such as the sale, contribution and exchange of treasury stock in order to acquire interests in companies and/or to reach agreements with strategic partners which form part of the Group’s objectives for expansion.

The authorization to purchase treasury stock, if granted, will also allow the Company to make investments on the stock market in its own shares.

Furthermore, the purchase of treasury stock may be utilized to constitute the shares necessary to implement stock option plans already adopted by the Company and any possible future stock option plans that may be approved.

In order to achieve the objectives just mentioned, we propose that you authorize the Board of Directors, and the Chairman on its behalf, to purchase, even in one or more tranches, taking account of the treasury stock already held, a maximum of 20,000,000 ordinary shares with a par value of €0.125, corresponding to 9.59% of the current share capital of €26,063,457.00= and in any event for a maximum amount of €120,000,000 (onehundredandtwentymillion)=, a percentage and amount which, as detailed below, complies with article 2357 of the Italian Civil Code.

At the same time we ask you to authorize, in accordance with Art. 2357-ter of the Italian Civil Code, the Board of Directors, and the Chairman on its behalf, to utilize, even in more than one tranche and for the purposes for which the authorization is requested, the treasury stock that may be purchased, even by means of transactions subsequent to the purchase and sale, according to the procedures indicated below.

For the purposes of compliance with the third paragraph of article 2357 of the Italian Civil Code, we report that the share capital of the company amounting to € 26,063,457.00= currently consists of 208,507,656= ordinary shares with a value of € 0,125 each.

We also report that the Company currently possesses treasury stock of 11,472,355 shares with a par value of €0.125, corresponding to 5.50% of the share capital.

The authorization to purchase is requested until the date of the approval of the 2009 Annual Report. The utilization of the shares purchased may occur without limits on the timing.

The Board proposes that the minimum unit price for the purchase should not be less than the par value of the RECORDATI S.P.A. ordinary shares (currently €0.125) and that the maximum price should not be greater than the average of the official stock exchange prices in the five sessions prior to the purchase, plus 5%.

With regard to the maximum limit on spending, the Board observes that in accordance with article 2357 of the Italian Civil Code, treasury stock may be purchased up to the limits of the distributable profits and the reserves available resulting from the last financial report approved. In this respect, it will be seen that in the financial statements of the Company as at and for the year ended 31 December 2008, submitted for your approval, the total amount of the profits and reserves that may be used by the Company for the purchase of treasury stock amounts to € 225,599,520.= and is composed as follows:

Additional paid-in capital reserve:	€ 81,320,308.=
Extraordinary reserve:	€ 56,597,710.=
Reserve formed following transition to	
IFRS/IAS standards	€83,995,373.=
Distributable profit:	€ 3,686,129.=

We therefore observe that in view of the maximum price mentioned previously, the distributable reserves recognized are quite sufficient to allow any purchase of treasury stock there may be.

As concerns the procedures for purchase transactions, which may be performed in one or more tranches, the Board proposes that these transactions are performed on regulated markets in compliance with Art. 144 *bis*, paragraph one, letter b), of the Issuers' Regulations.

As concerns procedures for the utilization, on the one hand it is proposed that shareholders authorize the Board of Directors, and the Chairman on its behalf, pursuant to and for the purposes of Art. 2357 *ter* of the Italian Civil Code to utilize – at any time, in one or more tranches and even before all possible purchases are made – the treasury stock purchased, by selling it on the stock exchange or in lots, or by public tender offer. On the other hand, any treasury stock purchased may be used as payment for the purchase of shares and/or the conclusion of agreements with strategic partners and in any event, also to implement stock option plans already adopted by the Company or which may be adopted in future. Shareholders are therefore asked to grant the Board of Directors, and the Chairman on its behalf, the right to establish, as the occasion arises and in compliance with the relative legislation and regulations, the terms, procedures and conditions considered most appropriate, while the condition remains that the minimum price for the sale of shares cannot be less than their par value. The Board of

Directors shall act in compliance with the disclosure obligations pursuant to Art. 144-*bis*, paragraphs three and four of the Issuers' Regulations.

In the light of the information we have provided, we propose that you approve the following resolutions:

“The ordinary general meeting of the shareholders of Recordati S.p.A.,

- having viewed the report of the Board of Directors

resolves

- to authorise, pursuant to and for the purposes of Art. 2357 of the Italian Civil Code and until the approval of the 2009 annual report, the purchase, in one or more tranches, of a maximum of 20,000,000 ordinary RECORDATI S.p.A shares with a par value of €0.125 and, in any event, in an amount such that the maximum number of treasury shares held by the Company never exceeds one tenth of the share capital, with account also taken of shares that may be held by subsidiaries, for a minimum valuable consideration of not more than the average official stock exchange price in the five sessions prior to the purchase, plus 5%, with a total disbursement which is in any event not greater than €120,000,000 (one hundred and twenty million).=;
- to grant a mandate to the Board of Directors, and to the Chairman on its behalf, to proceed to the purchase, even through delegated persons, of RECORDATI S.p.A. shares under the conditions reported above, in an appropriate gradual manner in the interests of the company, on regulated markets and in compliance with and according to the procedures of Art 144-*bis*, paragraph one, letter b) of the Issuers' Regulations;
- to authorise the Board of Directors, and the Chairman on its behalf, pursuant to and for the purposes of Art. 2357 *ter* of the Italian Civil Code to utilize - even through delegated persons, at any time, fully or in part, in one or more tranches, even before all possible purchases are made and even by means of transactions subsequent to the purchase and sale – the shares purchased on the basis of this resolution, by selling them either on the stock exchange in lots or by a public tender offer, or by means of stock option plans already adopted by the Company and which it may adopt in future and also as valuable consideration for the acquisition of shares and/or the conclusion of agreements in the framework of a policy of corporate investments, granting the Board, and the Chairman on its behalf, the right to establish, as the occasion arises and in compliance with the relative legislation and regulations, the terms, procedures and conditions considered appropriate, while the condition remains that the sale of shares must be made at a minimum price of not less than their par value;
- to grant the Board of Directors, and the Chairman on its behalf, all necessary powers to implement this resolution, in compliance with the disclosure obligations pursuant to Art. 144 *bis*, paragraphs three and four of the Issuers' Regulations, with the right to proceed to the purchase and the utilization of treasury stock within the limits already stated, through specialist intermediaries and also after first entering into specific liquidity contracts in accordance with the regulations of the relative market authorities.”

Milan, 3 March 2009

for the Board of Directors

The Chairman

*Ing. Giovanni Recordati*