



**Directors' Report
to the Annual General Meeting**

First call: April 15, 2009, time 15.00
in Castellarano, Via Guido Reni n.2/OP

Second call: April 16, 2009, time 15.00
in Castellarano, Via Guido Reni n.2/OP

Directors' Report on the Agenda prepared in accordance with article 3 of the Justice Minister Decree No. 437 of November 5, 1998 and Consob Resolution No. 11971 of May 14, 1999 and subsequent amendments.

GRANITIFIANDRE S.p.A.

Registered office at Castellarano (RE) - via Radici Nord 112

Share capital Euro 18,431,339

Tax code and Companies Register No. of Reggio Emilia : 03056540374

Company subject to the management and direction of Iris Due S.p.A.

Annual General Meeting of April 15, 2009 - April 16, 2009

Directors' Report

Dear Shareholders,

you are convened to the Annual General Meeting to be held on:

April 15, 2009 in first call

April 16, 2009 in second call

to deliberate on the following

agenda

- 1) Presentation of the financial statements for the year ended December 31, 2008; Directors' Report on operations; Board of Statutory Auditor's Report; deliberations thereon. Presentation of the consolidated financial statements for the year ended December 31, 2008 and reports thereto.
- 2) Approval of the remuneration and incentive plan for directors.

In relation to the matters on the agenda, we present the following report

Point No. 1

Presentation of the financial statements for the year ended December 31, 2008; Directors' Report on operations; Board of Statutory Auditor's Report; deliberations thereon. Presentation of the consolidated financial statements for the year ended December 31, 2008 and reports thereto.

Reference should be made to the financial statements for the year ended December 31, 2008, as well as the Directors' Report on operations, with particular reference to the proposal for the appropriation of the net profit at the end of the document.

Point No. 2

Approval of the remuneration and incentive plan for directors.

a) annual remuneration of the Board of Directors

Considering the greater degree of responsibilities undertaken by the Chairman and Chief Executive Officer, the Board of Directors on March 13, 2009 proposed to increase the annual remuneration of the Board to Euro 1,120,000.

We therefore invite you to vote, upon prior favourable approval of the Board of Statutory Auditors, on the proposal illustrated adopting the following resolution:

"The Shareholders' Meeting of GRANITIFIANDRE S.p.A., having taken notice of the proposal made by the Board of Directors of March 13, 2009

Resolves

to allocate from March 13, 2009, Euro 1,120,000 as the annual remuneration for the Board of Directors".

b) annual incentives for selected directors

In accordance with the Stock Exchange Regulations relating to the Star segment, the ordinary Shareholders' Meeting of Granitifiandre Spa held on May 13, 2004 deliberated to undertake agreements with the executive directors and the senior management of the Company that a significant part of their gross remuneration would constitute emoluments on targets related to the financial results of the Company, including stock option benefits.

The stock option agreement with the Chief Executive Officer Graziano Verdi remains in force.

The Board of Directors meeting of March 13, 2009 formulated a proposal for the adoption of a new incentive plan for the directors to be presented for approval to the Shareholders' Meeting.

These agreements provide that a significant part of the remuneration of the directors Graziano Verdi and Alberto Selmi is based on targets related to the results of the Company.

In particular, these agreements recognise further remuneration on the reaching of pre-fixed financial objectives based on increased sales and maintaining high levels of margins and cash flow.

We therefore invite you to vote, upon the prior favourable approval of the Board of Statutory Auditors, on the proposal illustrated adopting the following resolution:

"The Shareholders' Meeting of GRANITIFIANDRE S.p.A., having taken notice of the proposal made by the Board of Directors of March 13, 2009

Resolves

to make agreements that a significant part of the remuneration of the directors Graziano Verdi and Alberto Selmi shall be related to the achievement of Company results objectives, as illustrated by the Chairman for each and based on the documentation maintained by the Company".

Castellarano, March 13, 2009

for the Board of Directors
Graziano Verdi
Chairman

The present report was sent to Consob and Borsa Italiana Spa and filed at the registered office of the company at least 15 days before the shareholders' meeting. This report is also available on the Company's website www.granitifiandre.com, in the Finance Section.