Minutes of the ordinary shareholders' meeting of

Reno De Medici S.p.A.

of 9 May 2005

- Second call -

The proceedings of the ordinary shareholders' meeting of ***Reno De Medici S.p.A***. in second call begin a.m. on 9 May 2005 in via De Medici 17, Pontenuovo di Magenta (MI).

Ing. Giuseppe Garofano gives a warm welcome to all those attending and, in his capacity as Chairman of the Board of Directors and in accordance with article 11 of the Company's bylaws, takes the chair of the meeting.

The Chairman acknowledges the following:

- that the following members of the Board of Directors are present at the meeting, in addition to himself as Chairman:

-- Ugo Dell'Aria Burani (Deputy Chairman);

-- Carlo Peretti (Deputy Chairman);

-- Ignazio Capuano (Managing Director);

-- Mario Del Cane;

-- Piergiorgio Cavallera;

-- Marco Baglioni;

-- Vincenzo Nicastro, who arrived at 11.20;

-- Giancarlo De Min;

- that the following standing members of the Board of Statutory Auditors are present:

-- Sergio Pivato (Chairman);

-- Gabriele Tosi;

-- Carlo Tavormina.

In accordance with article 11 of the Company's bylaws, the Chairman proposes to assign the duties of Secretary to the notary Prof. Piergaetano Marchetti.

The meeting unanimously approves.

The Chairman, continuing, acknowledges, informs and communicates that:

- the ordinary shareholders' meeting has been properly summoned in second call at 11 o'clock on the present date and at the present location, pursuant to legislation and to the Company's bylaws, as stated in the notice published in the Official Journal of the Republic of Italy – Notice Sheet, Part II no. 73, notice no. S-2963 of 30 March 2005, and in the daily newspaper "Milano Finanza" of 5 April 2005, with the following:

Agenda

1. *Financial Statements at 31 December 2004; Board of Directors' Report; Reports of the Board of Statutory Auditors and Independent Auditors; resolutions thereon.*

- the shareholders' meeting in first call, summoned for 30 April 2005, went unattended, as recorded in a minute prepared as of that date and signed by the Managing Director Ing. Ignazio Capuano and by the Director Dr. Mario Del Cane;
- the procedures required under prevailing legislation and regulations in respect of the matter included in the Agenda have been properly fulfilled; in particular:
-- the draft statutory accounts and consolidated accounts, approved by the Board of Directors on 30 March 2005, were filed at the Company's offices and at Borsa Italiana S.p.A. on 14 April 2005;
-- the Report of the Board of Directors and the Annual Report on Corporate Governance, both approved by the Board of Directors on 30 March 2005, were filed at the Company's offices and at Borsa Italiana S.p.A. on 14 April 2005;
-- the Reports of the Board of Statutory Auditors and Independent Auditors were filed in the same manner on 14 April 2005;
- in addition, all the necessary documentation has been sent to those who made specific request, as well as its having been made available on the Company's internet site and provided to all the shareholders either present at the meeting or present by proxy.

The <u>Chairman</u> declares that 14 shareholders representing 71,499,773 ordinary shares, being 26.56% of ordinary share capital, are present either in person or by proxy, and that therefore on this and the above basis, the present shareholders' meeting in second call is validly constituted in accordance with the law and the Company's bylaws and may pass resolutions on the matter forming the Agenda.

The <u>Chairman</u> then states that:
- he reserves the right to provide the meeting with the updated figures on those present prior to each vote;
- the proxy forms have been checked in accordance with the law and the Company's bylaws;
- a list of the names of all shareholders attending the meeting either in person or by proxy, together with all the information requested by Consob in this respect, will be attached to the present minute as an integral part thereof, together with a list of those present at the meeting as observers;

- pursuant to Legislative Decree no.196/2003 (Data protection regulations), the data of those attending the meeting are obtained and processed by the Company solely in order to fulfil its obligations connected with the meeting and with the Company itself, as defined in the abstract from article 13 of this Decree made available to all those attending;
- the minutes of the present meeting will contain a summary of the interventions made, with the name of the person intervening, the replies given and any comments stated;
- the proceedings of the meeting are recorded by audio with the sole aim of facilitating the preparation of the minutes and the recording will be stored only for the time strictly necessary to prepare the minutes, and will then be cancelled, as described in the abstract from article 13 of Legislative Decree no.196/2003 made available to those attending the meeting;
- permission to attend the meeting has been granted to accredited experts, financial analysts and journalists and to representatives of the Independent Auditors. In addition, in order to meet the technical and organisational demands of the proceedings, certain employees and collaborators of the Company are also present at the meeting;

- the Company's share capital amounts to euro 148,342,940.35, made up of 269,714,437 shares, of which 269,197,159 ordinary shares and 517,278 convertible savings shares, each of par value 0.55 euro cents. The Company's shares are admitted to trading on the Telematic Share Market organised and administered by Borsa Italiana S.p.A. – Segmento Star;
- as a result of the purchase of its own shares, authorised by a resolution taken by shareholders in ordinary meeting, the Company currently holds 7,513,443 own shares which, in accordance with article 2357-ter of the Italian Civil Code, do not have voting rights;
- on the basis of the entries in the shareholders' register and taking into consideration the modifications regarding the present meeting, the communications received under article 120 of Legislative Decree no.58/98 and all other information available, the direct and indirect owners of more than 2% of subscribed and paid share capital are as follows:

SHAREHOLDER	**NO. OF SHARES**	**% OF CAPITAL**
SAN PAOLO IMI SPA Directly: - owned - pledged Indirectly, pledged through: Banca Popolare dell'Adriatico S.p.A.	*9,296,170* *9,245,682* *48,488* *2,000*	*3.453%* *3.435%* *0.018%* *0.001%*
GIOVANNI DELL'ARIA BURANI Indirectly owned through SAN NICOLA SA		*3.704%*
BANCA INTESA SPA	*9,582,283*	*3.560%*

Directly: - owned - pledged Indirectly owned through: - Cassa di Risparmio di Parma e Piacenza S.p.A. - Banca Intesa Mediocredito S.p.A.	 *1,991,159* *24,003* *79,492* *7,487,629*	 *0.740%* *0.009%* *0.030%* *2.781%*
SANTANDER INVESTMENT SERVICES SA On account of third parties	*19,503,229*	*7.245%*
QUATTRODUEDUE HOLDING BV Indirectly owned through I2 CAPITAL S.p.A.	*9,730,000*	*3.614%*
ALERION INDUSTRIES SPA Directly owned	*61,736,193*	*22.933%*
IS.F.I.NA.-Istituto Finanziario e Industriale Nazionale S.p.A.	*22,229,867*	*8.258%*
DEUTSCHE BANK AG LDN Prime Brokerage Client Full Tax	*10,300,000*	*3.826%*
DEUTSCHE BANK AG	*10,129,724*	*3.763%*

- the Company is not aware of any Shareholders' Agreements pursuant to article 122 of Legislative Decree no. 58/1998 which have as their object the Company's shares;
- the Company is not managed or coordinated by other companies;
- in compliance with the requirements of Consob in its Communication DAC/RM/96003558 of 18 April 1996, the fees of the Independent Auditors Pricewaterhousecoopers S.p.A for the audit of the 2004 statutory and consolidated accounts and for those functions required under article 155, paragraph 1, letter a) of Legislative Decree no. 58/1998 amount to euro 79,236; this amount, which corresponds to 1,223 hours' work, includes the adjustment linked to the ISTAT inflation index and excludes value added tax and expenses;
- these fees and hours correspond to those provided for in the engagement granted by the shareholders in the meeting of 25 June 2003.

The Chairman, continuing:

- formally requests those attending today's meeting to state whether they are not entitled to vote pursuant to the provisions of law or the Company's bylaws. Nobody speaks up on this matter;
- provides details of the manner in which the proceedings of the meeting will be administered from a formal point of view and how the voting procedure will be carried out, prior to passing to discussions on the Agenda:

- - on being registered on entry to the meeting, each shareholder or proxy received an attendance form, or several forms if he is attending as a proxy for other shareholders and has indicated his intention to express a "diverging vote" on behalf of those who provided him with the proxy;
-- those attending on their own behalf or on behalf of others are invited wherever possible not to abstain, and are requested to return their form to the persons in charge if for some reason they have to leave the meeting prior to a vote or before the completion of proceedings;
-- if a person subsequently returns to the meeting, the form will be given back and his presence will be newly recorded;
-- if more than one form is provided to a single delegate and if that person leaves the meeting and hands over only one or an incomplete number of forms to the person in charge then, under the procedure, the holder of any forms not handed over will automatically be considered to have left the meeting and will be excluded from the vote;
-- prior to any vote, acknowledgement will be made of the shareholders present, and details will be taken of those stating that they do not wish to participate in the voting procedure;
- voting will take place on a show of hands; those who vote against a proposal or abstain will be obliged to provide their name and number of shares held personally or on behalf of others.

* * *

The Chairman, then passes to a discussion of the **first** and only **matter on the Agenda** and namely: *"Financial Statements at 31 December 2004; Board of Directors' Report; Reports of the Board of Statutory Auditors and Independent Auditors; resolutions thereon."*
He states that he will proceed to read the statutory accounts at 31 December 2004, the consolidated accounts and the Reports of the Board of Directors and Independent Auditors, and that at the end of this he will invite the President of the Board of Statutory Auditors to read the Report of the Board of Statutory Auditors.
The shareholder Laudi intervenes, proposing that a complete reading of these documents may not be necessary, as they have already been consigned to all those attending the meeting and filed in accordance with the law; he proposes instead that only the final part of the Report of the Board of Directors be read, being that part which consists of the proposal of the Board.
The Chairman requests a vote on this proposal by a show of hands, having informed the meeting at the beginning of the voting procedure that there are 14 shareholders present who hold, either on their own behalf or by proxy, a total of 71,499,773 ordinary shares, representing 26.56 % of voting share capital.
The proposal is passed unanimously, with the sole abstention of the shareholder Ing. Maronati.

The Chairman then proceeds to read the final part of the Report of the Board of Directors, which consists of the proposal of the Board to shareholders:

"Shareholders,

We are certain that you will agree with the principles and policies adopted for the preparation of the financial statements at 31 December 2004 and invite you to approve:

- *the Report of the Board of Directors on the Company's financial situation and operations;*
- *the balance sheet, the profit and loss account and the notes to the financial statements at 31 December 2004 and related attachments regarding Reno De Medici S.p.A., as presented by the Board of Directors, both as a whole and as single items;*
- *the cover of the losses for the year of Euro 16,448,686 through the utilisation of the following reserves:*

-- extraordinary reserve for euro 15,362,360;

-- share premium reserve for euro 1,086,326."

In compliance with Consob Communication no. DME/5015175 of 10 March 2005, the Chairman provides the following information regarding the state of progress of the project for transition to international accounting standards.

Under Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, European companies whose securities are admitted to trading on a regulated market of any Member State are required to prepare their consolidated financial statements in accordance with IAS/IFRS, for each financial year commencing on or after 1 January 2005.

In this context, in 2004, the Reno De Medici Group commenced a project for the conversion to International Financial Reporting Standards, the "IFRS project", together with the assistance of PricewaterhouseCoopers S.p.A.. Included in this project, amongst other matters, is the objective of defining certain decisional and support bodies, such as the Steering Committee and the Technical Committee, which will enable activities to be carried out effectively from both an operative and decisional point of view.

The Steering Committee is made up of the principal managers in Reno De Medici, assisted by PricewaterhouseCoopers S.p.A. on technical and accounting matters. The Steering Committee coordinates the project and acts as the decisional body, taking any corrective action necessary and managing the risks and opportunities connected with the project. In particular, from an operating point of view, the Steering Committee monitors the state of progress of the project through periodic

meetings and, on the basis of proposals put forward by the technical team, takes decisions on the various options existing under IFRS for specific financial statement captions.
The Technical Committee acts as the support body for the project, is made up of representatives of the independent auditors and assists the Company in identifying the possible solutions to questions raised by the Steering Committee or the workgroups and in identifying the accounting treatments which best suit IFRS requirements.
The IFRS project is structured in three work phases. The first phase regards the definition of the scope of the work and the identification of the macro areas of the financial statements under consideration. The second phase consists of an evaluation of the accounting principles and policies used by the Group for every area of the financial statements, an analysis of the options available under IFRS and the identification of the differences, if any, with the principles and policies currently adopted. The third phase requires the quantification of the accounting differences and the preparation of an IFRS transition balance sheet at 1 January 2004 and a Group accounting manual to describe the principal changes to be made to current procedures, including those relating to the information systems.
Having now completed the first two phases for the whole Group, the principal effects of applying IFRS to the transition balance sheet have been determined and specifically with regard to the Parent Company Reno De Medici S.p.A.. In particular, the effect on the results, net equity and financial position of applying the new standards to those specific areas of the financial statements of Reno De Medici S.p.A. concerned have been identified and the effects on the consolidated financial statements have been quantified.
For information purposes, the following captions of the financial statements are those principally affected by the change in principles and policies to IFRS from those currently adopted: intangible fixed assets, tangible fixed assets, financial fixed assets, financial assets and liabilities, both current and non current and the employees' leaving entitlement.
The terms under which Pricewaterhousecoopers S.p.A. will be engaged to examine the data arising from the transition process are currently being defined.
The Chairman stated moreover that these auditors had expressed an unqualified opinion on the statutory accounts of the Company as at 31 December 2004 and on the consolidated accounts, as stated in their Reports issued on 11 April 2005.
During the period between the date of approval by the Board of Directors of their Report and today's date, the subsidiary Europoligrafico S.p.A. has completed the sale of the property at Verderio for an amount of 5.9 million euros. There are no other significant events to be reported in addition to those already described in the Report of the Board of Directors.

The Chairman declares the discussion open, reminding those who wish to speak to indicate their names immediately in order to secure this possibility.
Mr Maronati specifies above all that he is not only a shareholder of the Company, but also an employee recently temporarily laid off under the “cassa integrazione” scheme. He complains that he has been considered as a “dry branch” to be assigned to the category of employees in excess of the Company’s needs and reminds the meeting that he had originally sent letters both to Ing. Capuano and to the Chairman without, however, ever having received any reply.
Continuing, he emphasises that in the discussion on future developments included in the Report of the Board of Directors, a reduction in volumes is expected, together with a reduction of sales prices and an increase in the cost of energy and raw materials, although there is no expectation of an increase in final demand; a situation, therefore, that remains critical and without any forecast improvement.
He continues further by running through the issues stated in the Report of the Board of Directors again, reminding the meeting that included amongst the actions planned and described by the Board are a decentralisation to the sites of the Parent Company’s functions and a rationalisation of the structure of the manufacturing facilities.
He reminds the meeting moreover that the previous management had promised a series of initiatives, such as the establishment of Reno Logistica, which he himself criticised at the time and which indeed have been repudiated by the present management. He also recalls that for those criticisms he had to receive a formal admonishment from top management.
He therefore expresses the fear that also the present measures being taken by the current management may not succeed in producing the desired results, and therefore asks if a feasibility study has been carried out to determine what are the real expectations in terms of the return on investment of the decentralisation and rationalisation programmes set up by management and referred to previously.
He recalls on this point that he has already brought to the attention of Ing. Capuano and to the Chairman that, as an example, the decision to reduce the number of employees in the Purchasing Office, in which he himself worked, led in actual fact, in his opinion, only to a loss of profitability without any possible of a gain whatsoever. The reorganisation processes, he stresses, must take into account not only quantitative but also qualitative factors.
Besides, he continues, on the basis of the information he has obtained, the way in which the reorganisation has been set up, as referred to earlier, has not even received the consent of the Company’s managers. He asks anew if the restructuring project set up with the support of the

company BIP has been prepared on the basis of a feasibility study in which a return in terms of profitability is identified.
He asks, again, if the planned initiatives are the only initiatives prepared to ensure the Company's recovery. He notes how, in his opinion, the sales management, as an example, does not appear adequate, in particular in consideration of the fact that two professionals who had been hired were subsequently dismissed.
Referring specifically to the Magenta facility, he states that the decision to reduce the number of personnel, in line with the general plan announced, is in fact causing a weakness of that facility putting maintenance at risk and leading to a loss of the know how which the dismissed employees guaranteed. He recalls on the same point that at Magenta there are 3.5 managers: he asks if such decision ensures a real saving or not.
He recalls finally that it is planned to hire new managers and wonders whether the Company will also gain from this or not.
Mr. Arnoldi requests information on the status of refinancing the debt and on the situation at Pompeii.
Avv. Albertazzi, the representative of the savings shareholders expresses his gratitude for what the Board has done and hopes that new opportunities will be promoted in the future for the conversion of the savings shares on a par with what was done in the past.
He asks when it is expected that the organisation model of Law 231 will be adopted.
Laudi acknowledges the notable improvement in the Company's accounts.
Referring to certain points in the Report of the Board of Directors, he recalls the objective to optimise the processes regarding raw materials and to innovate the production processes in general, establishing relations with specialised companies as appropriate. He requests additional information on this matter.
Maronati, intervening again, requests information as to possible modifications to building regulations and on any programmes for the use of the land owned by the Company if planning permission were to be granted. He requests, in addition, information as to any plans set up regarding the Group's activities in the energy sector given the approaching CIP 6 expiry date.
As there are no further requests to speak, the Chairman provides the following replies.
Referring to the matters raised by Mr. Maronati, he confirms that a reduction in volumes and in prices are expected from the current evolution of the market, together with an increase in the cost of certain raw materials, in particular those raw materials connected with the chemical sector, whose price in turn is linked to the price of oil. In addition, the cost of energy is on the increase: the ratio between the cost of energy and revenues, today, is essentially the same as that between labour costs

and revenues. He recalls on this matter that the French Canadian major competitor of Reno De Medici incurs a cost for the purchase of gas of approximately 13 euro cents per cubic metre, compared to the figure of approximately 19 euro cents paid by the Reno De Medici Group. This, he emphasises, is for an overall consumption of around 145 million cubic metres and, as gas must be purchased on the Italian market, this leads to an increased cost of around 8 million euros.

There is then the consumer goods packaging market, which is suffering from two significant phenomena: a contraction in consumption and the transfer of certain customers abroad, for example to China; this latter factor leads customers to obtain supplies of packaging for their products locally, that is abroad.

If the Company had not set up all the initiatives undertaken by new management, it would even have risked bankruptcy in the current market situation, given the significant liabilities accumulated by previous management as a result of the investments made which did not come to a good end. As a consequence, it has been necessary to reduce variable costs, an absolutely need in the light of the reduction in sales prices of around 30 euros per tonne. Today, the Company is near breakeven and is capable of producing enough cash to satisfy the remaining debt outstanding.

In fact, on the subject of debt, the Chairman specifies that the objective is to restructure debt as a whole over a longer time scale in order to adjust the repayment schedule to expected cash flows.

The Chairman notes that it may be possible to go further into the detail of the other aspects and matters raised by Mr. Maronati on a different occasion, when the technical side of the issues raised by the shareholder may be examined. He emphasises, however, that in order to have a complete view of the difficulties in which the Group finds itself today, it is not possible to restrict one’s field of view to individual situations or specific sites; for example the Magenta facility is one which is unable to ensure profitability if it is not restructured and reorganised carefully. It is therefore necessary to share a common vision, having as an aim the creation of efficiencies where these are not currently to be found and making sure that errors are not made which, in the present state of the market, would no longer be acceptable. All of this, however, must unfortunately and undoubtedly involve single persons, who may suffer personal damage from the processes which must inevitably put into effect. Individual cases can of course be examined specifically, without however forgetting the overall picture which must be followed.

The Chairman, continuing in his replies, pauses next on the plant at the company Termica Boffalora, a company of which, he recalls, Edison owns 70%. This company, he also recalls, today obtains benefits on the sale of energy connected with the so-called CIP 6, which will expire next year. Once these benefits finish, this production facility will find itself in a very difficult position, given its limited size. Nonetheless, it should not be excluded that energy prices may rise, and if the supply of electricity remains weak compared to demand, this manufacturing unit may still provide positive results for some time to come. It is therefore important to create a dialogue with the majority shareholder, with the aim of finding a balance which is able to satisfy the specific business requirements of Edison on the one hand, and those of Reno De Medici on the other.

The Chairman observes, more generally, how the market is currently also suffering from the strengthening of the euro over the dollar, which leads to a significant increase in costs compared to the revenues which may be obtained by the Group by exporting its goods to countries in the dollar area.

In the property sector, the Company will certainly follow up every possible project to redefine its units. It is, however, somewhat difficult to estimate if these activities can guarantee a return in the short term, in particular given the rather long periods needed to obtain the administrative authorisations and the fact that the two Company properties are located in two different municipalities.

The Group's net financial position amounts today to approximately 230 million euros, made up of 150 million euros of bonds, 45 million euros of long-term loans and the balance in short-term debt. There are 20 million euros of liquid funds in Spain, of which 5 million euros are deposited for the recommencement of the litigation with Sarriò and a further 15 million euros are allocated for the expected closure of the Prat facility, a facility which was kept under rental following the sale of the area. The closure was originally planned for 2007; as a result, however, of the recent expropriation by the public authorities of a part of the area in connection with the work being carried out in Spain for the high speed train, the idea of a complete closure of the site in a shorter time scale is currently being considered. Besides, even the Spanish operations do not appear today to be in a position to ensure satisfactory results, excluding those regarding the production of electricity; even this, however, is likely to suffer a fall in productivity in the future.

The Chairman once again emphasises that the intention is, however, to renegotiate medium-term debt by the end of the year and to evaluate the future of the packaging and cardboard sectors even through possible partnerships with third parties. A solution through a request to members for fresh capital appears, however, less practicable, due also to the fact that the issue of new shares would cause a future dilution of earnings per share.

The Company has given its full availability to convert the operations of the production facility at Pompeii to activities different from the manufacturing of cardboard, also as a result of a certain unreasonable rigidity shown at times by the local authorities; the present activities provide no return in the current situation: besides, a listed company cannot carry out activities having the nature of social support with shareholders' money. The losses have been substantially halted.

On the invitation of the Chairman, Avv. Nicastro specifies that to conclude the replies expressed by the Chairman, the procedures to fulfil the requirements of Law 231 are close to completion, leaving only the need to update these now that the regulations on market abuse have become effective.

On the subject of research and development, Ing. Capuano, again on the invitation of the Chairman, recalls that the primary vocation of Reno De Medici is that of producing commodities. The aim, therefore, is that of developing research on production processes, geared towards containing costs, and the manufacture of products with the highest level of value added possible. A specific company was therefore established concentrating on research and development.

In connection with ABB and Reno Logistica, he recalls that in the past it was decided to assign certain maintenance and transport activities to external, specialised companies. Despite this, it was noted that the costs of the respective contracts exceeded those obtainable by performing these activities internally. As a result, ABB was sold and Reno Logistica was wound up.

With no others making a request to speak, the Chairman:

- declares the discussion closed;
- states that 15 shareholders representing 91,003,002 ordinary shares, being 33.80% of ordinary share capital, are present either in person or by proxy;
- puts the proposal of the Board of Directors to the vote at 12.10 p.m., for the approval of the statutory accounts at 31 December 2004, the Report of the Board of Directors and the covering of the loss for the year, as read previously and as transcribed below, subject to the renewed request to shareholders to state any reasons why they may believe that the vote is illegitimate and not to leave the room until the voting procedure is completed:

"Shareholders,

We are certain that you will agree with the principles and policies adopted for the preparation of the financial statements at 31 December 2004 and invite you to approve:

- *the Report of the Board of Directors on the Company's financial situation and operations;*
- *the balance sheet, the profit and loss account and the notes to the financial statements at 31 December 2004 and related attachments regarding Reno De Medici S.p.A., as presented by the Board of Directors, both as a whole and as single items;*
- *the cover of the losses for the year of Euro 16,448,686 through the utilisation of the following reserves:*

-- extraordinary reserve for euro 15,362,360;

-- share premium reserve for euro 1,086,326."

The representative of Santander Inv. Service states that he will not cast his vote for a total of 5,758,023 shares and that as a result the percentage of voting ordinary capital reduces to 31.67%

The Chairman declares the proposal approved by a majority.

Against: none.

Abstained: 5,501 shares.

In favour: the remaining 85,239,478 voting shares.

The Chairman states that the list of names of the shareholders voting in favour, voting against and abstaining, together with the respective number of shares, will be attached to the present minute as an integral part thereof.

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As discussions on the matter on the Agenda are complete, the Chairman thanks those who have attended and declares the meeting closed at 12.12 p.m..

The Secretary The Chairman