

**Minutes of the ordinary shareholders' meeting  
of Reno De Medici S.p.A.  
held in second call  
on 3 May 2006**

The proceedings of the Ordinary General Shareholders' Meeting of *Reno De Medici S.p.A.* began in second call at 10.15 a.m. on 3 May 2006 .

Giuseppe Garofano gave all those attending a warm welcome and, as Chairman of the Board of Directors and pursuant to article 11 of the company's bylaws, takes the chair of the meeting.

The Chairman:

- acknowledges that in addition to the Chairman, the following members of the Board of Directors are present:

-- Carlo Peretti (Deputy Chairman);

-- Ignazio Capuano (Managing Director);

-- Mario Del Cane;

-- Marco Baglioni;

-- Giancarlo De Min;

-- Ambrogio Rossini;

- recalls that on 12 April 2006, as communicated pursuant to law, the director Pier Giorgio Cavallera handed in his resignation from 9 April 2006 due to new professional engagements;

- notes that the directors Michael Grolller and Vincenzo Nicastro have justified their absence from the meeting;

- acknowledges that the following members of the Board of Statutory Auditors are in attendance:

-- Sergio Pivato (Chairman);

-- Gabriele Tosi;

-- Carlo Tavormina.

He proposes to entrust the position of secretary to the meeting to the notary Renata Mariella, pursuant to article 11 of the company's bylaws.

The meeting approves unanimously.

The Chairman therefore declares that the notary Renata Mariella is appointed secretary to the meeting.

Continuing, the Chairman acknowledges, informs and communicates that:

- the ordinary general shareholders' meeting was properly convened in second call on today's date at this location at 10.00a.m., in accordance with law and the company's bylaws, as per the notice published in the Official Journal of the Republic of Italy - Insertion Folio, Part II no.73, notice no. S-2471 of 28 March 2006 and in the edition of 29 March 2006 of the newspaper "Milano Finanza" with the following:

### **Agenda**

- 1. Financial statements at 31 December 2005; Report of the Board of Directors; Report of the Board of Statutory Auditors and Report of the Independent Auditors; respective resolutions. Presentation of the consolidated financial statements at 31 December 2005; report of the Board of Directors; Report of the Independent Auditors.*
- 2. Decision as to the number of members of the Board of Directors.*
- 3. Appointment of the Board of Statutory Auditors and its Chairman. Determination of the fees of the Board.*
- 4. Appointment of auditors of the financial statements of Reno De Medici S.p.A. and of the consolidated financial statements of the Reno De Medici Group for the financial years ending 31 December 2006 to 2011 pursuant to article 155 and following of Legislative Decree no. 58/98 and of the Half Year Report at 30 June of the same years.*

- the shareholders' meeting convened in first call on 30 April 2006 was unattended, as per the minute prepared on that date and signed by the Director Mario Del Cane and as per the notice published in "Milano Finanza" on 29 April 2006;

- as regards the matters on the agenda, the procedures required by prevailing laws and regulations have been properly carried out, in particular:

-- the drafts of the financial statements and consolidated financial statements, as approved by the Board of Directors on 30 March 2006, were lodged at the company's registered office and with Borsa Italiana S.p.A. on 14 April 2006;

-- the Report of the Board of Directors and the Annual Report on Corporate Governance approved by the Board of Directors on 30 March 2006, were lodged at the company's registered office and with Borsa Italiana S.p.A. on 14 April 2006;

-- the Report of the Board of Statutory Auditors and the Report of the Independent Auditors were lodged in the same manner on 14 April 2006;

-- the Reports of the Board of Directors on points 2, 3 and 4 of the agenda were lodged in the same manner on 14 April 2006;

- all the documentation has been sent to those who made application, made available on the company's website and provided to all the shareholders and their proxies in attendance.

The Chairman, therefore, declares that 7 shareholders holding 81,089,914 ordinary shares, equal to 30.12% of ordinary share capital are present on their own behalf or by proxy, and accordingly the shareholders' meeting in second call is properly constituted as per the requirements of law and the company's bylaws and may take decisions on the matters included in the agenda.

The Chairman then acknowledges, informs and communicates that:

- he reserves the right to communicate during the meeting the updated figures on those in attendance, prior to every vote;
- a verification has been carried out on the proxies pursuant to law and the company's bylaws;
- a list of the names of the shareholders attending the meeting on their own behalf or as proxies, including all the information required by Consob, will be attached to this minute as an integral part of such;
- pursuant to Legislative Decree no. 196/2003 (Code for the Protection of Personal Data), the data relating to those attending this meeting will be gathered and processed by the company for the sole purpose of carrying out mandatory corporate requirements and requirements regarding shareholders' meetings, as detailed in article 13 of the Legislative Decree made available to all those in attendance;
- the minutes of this meeting will contain a summary of the comments made by speakers during the meeting, which will include the name of the speaker, the replies given and any comments made;
- the proceedings of the shareholders' meeting are audio-recorded with the sole purpose of assisting the preparation of these minutes; the recording will be preserved only for the time that is strictly necessary for the preparation of the minutes and will then be eliminated, as described in article 13 of Legislative Decree no. 196/2003 made available to all those in attendance;
- permission has been granted to accredited experts, financial analysts and journalists and to personnel of the independent auditors to attend this meeting. In addition, for technical and organisational reasons, certain members of the company's staff and collaborators are also in attendance;
- the company's share capital amounts to € 148,342,940.35, consisting of 269,714,437 shares, of which 269,200,209 are ordinary shares and 514,228 are convertible savings shares, each of par value € 0.55 cents; the company's shares are admitted for trading on the Telematic Share Market organised and managed by Borsa Italiana S.p.A. – Star Segment;
- as the result of the purchase of treasury shares authorised by a resolution taken by shareholders in ordinary meeting, the company currently owns 7,513,443 treasury shares not having voting rights,

pursuant to article 2357-ter of the Italian Civil Code, equal to 2.791% of share capital;

- on the basis of the Members' Register and taking into account any revisions regarding this meeting, the notifications received pursuant to article 12 of Legislative Decree no. 58/98 and all other available information, the owners of shares whose holding, directly or indirectly exceeds 2% of subscribed and paid-up share capital are set out in the following table:

<b>SHAREHOLDER</b>	<b>NUMBER OF SHARES</b>	<b>% OF CAPITAL</b>
ALERION INDUSTRIES SPA <i>Owned directly</i>	<i>69,004,455</i>	<i>25.63%</i>
SANTANDER INVESTMENT SERVICES SA <i>Held for third parties</i>	<i>19,503,229</i>	<i>7.24%</i>
QUATTRODUEDEUE HOLDING BV <i>Owned indirectly through: I2 CAPITAL SPA</i>	<i>9,130,000</i>	<i>3.39%</i>

- the company is not aware of any shareholders' agreements pursuant to article 122 of Legislative Decree no. 58/1998 whose object is the company's shares;

- the company is not subject to management and coordination by other companies;

- in accordance with the requirements of Consob Communication DAC/RM/96003558 of 18 April 1996, the fees due to the independent auditors PricewaterhouseCoopers S.p.A. for the audit of the annual and consolidated financial statements for 2005, and for the procedures envisaged by article 155, paragraph 1, letter a) of Legislative Decree no. 58/1998, amount to € 80,519,00 (including the ISTAT index linking), before VAT and expenses, for 1,681 hours of work;

- these fees and hours agree with those envisaged at the time of appointment by shareholders in general meeting on 25 June 2003.

Continuing, the Chairman:

- makes a formal request that those attending today's meeting declare if they are not entitled to vote pursuant to prevailing law or the company's bylaws: nobody speaks;

- communicates the technical manner in which the proceedings of the meeting will be carried out and how voting will take place, before passing to a discussion of the matters on the agenda;

-- on being registered on entering the meeting, each shareholder or proxy received an attendance sheet or, if it is the case, several sheets if attending on behalf of other shareholders and has expressed his intention to express a "divergent vote" for the delegators;

- those attending on their own behalf or as a proxy on behalf of others are invited not to leave the room within the limits of the possible; if, however, they must leave before the votes are cast or before the completion of proceedings, they are kindly requested to hand back their attendance sheets to the staff on duty;
- if they re-enter the room, their attendance sheets will be handed back to them and their attendance will be duly noted;
- if one single person holds more than one sheet and, on leaving the room, fails to hand over all the sheets, under the procedures of the meeting that person will be automatically considered to have left and will be excluded from the vote;
- before every vote, details will be taken of all those shareholders in attendance, with the personal details being taken of those who do not wish to take part;
- voting will take place on a show of hands; those who vote against a motion or abstain are required to communicate their name and the number of shares that they represent, either on their own behalf or by proxy.

\* \* \*

The Chairman now passes to a discussion of the **first matter on the agenda**: *“Financial statements at 31 December 2005; Report of the Board of Directors; Report of the Board of Statutory Auditors and Report of the Independent Auditors; respective resolutions. Presentation of the consolidated financial statements at 31 December 2005; report of the Board of Directors; Report of the Independent Auditors”*.

He advises the meeting that he will now proceed to read the financial statements for the year ended 31 December 2005, the consolidated financial statements, the Report of the Board of Directors and the Report of the Independent Auditors and that at the end of this he will invite the Chairman of the Board of Statutory Auditors to read the Report of the Statutory Auditors.

The shareholder Monte dei Paschi di Siena S.p.A., represented by Stefano Vaghi, intervenes, and proposes not to read these documents in full, including the Report of the Board of Statutory Auditors, as they have been distributed to all those in attendance and were also lodged pursuant to law, and proposes instead that only the final part of the Report of the Board of Directors containing the Board’s proposal should be read.

The Chairman

- renews his request to those in attendance to declare if they are not entitled to vote in any manner;

- invites those in attendance not to leave the room before completion of the voting procedure;
- communicates that there has been no change in those present;
- calls for a vote, on a show of hands, (at 10.30), on the proposal made by the shareholder Monte dei Paschi di Siena S.p.A..

The proposal is approved unanimously, nobody against, no abstentions.

As a result the Chairman reads the final part of the Report of the Board of Directors containing the proposal of the Board of Directors to shareholders as written in these minutes.

The Chairman hands over to the Chairman of the Board of Statutory Auditors for him to read the Report of the Board of Statutory Auditors on the financial statements at 31 December 2005. Prof. Pivato makes the proposal not to read the Report. The proposal is approved unanimously, nobody against, no abstentions.

The Chairman advises that the Independent Auditors have issued an unqualified opinion on the financial statements at 31 December 2005 and on the consolidated financial statements, as stated in the Auditors' Reports dated 11 April 2006.

As a result the Chairman opens up the discussion, reminding those who wish to speak to book their turn, giving their name at the same time.

As nobody makes any request to speak, the Chairman provides the meeting with a series of updates on the company's performance.

He explains that in addition to ordinary operations, in 2005 it was necessary to put into effect all those actions needed to complete the restructuring of the Group, both from a business point of view and from a financial point of view, with especial reference to the need to respect the commitment to repay the residual balance of 145 million euros of the bond (as the company had bought bonds in circulation for 5 million euros); the Chairman recalls that the due date coincides precisely with the date following this present meeting. He then continues by stating that the funds needed to repay the bonds still in circulation are already available in the company's current accounts and that all the payment instructions have been effected; this situation has enabled one of the company's most serious concerns to be eliminated, as the level of debt was unsupportable and created a genuine risk of discontinuity, both due to the low level of profitability from a business point of view and to the significant financial imbalance it generated. As a result, all the conditions were established and identified by the Board of Directors in December 2005 to set up medium-term ten-year financing with annual proportional repayments of approximately 100 million euros and credit lines to support working capital of approximately 60 million euros; in this way, the fundamental aim was achieved of not having debt represented by corporate bonds, instruments which are not always compatible with the technical and economic lives of investments and the time period over which they generate their

expected returns.

The Chairman then continued, recalling that the operation to demerge property activities into the recipient company RDM Realty is nearing the end and stated that it is believed - given the status of the process taking place in Borsa Italiana and Consob - that the operation will be completed within the next few weeks, with the result that (starting from the effective date of the demerger), on one side the shareholders will be the owners of shares of a newly listed company and, on the other, Reno De Medici S.p.A. will have reduced its debt by 40 million euros compared to the present figure, which will be transferred to RDM Realty; the latter company will then go ahead to reduce its own debt through a series of capital increases already announced to the market and already approved by shareholders in general meeting through the corresponding proxy given to the Board of Directors of RDM Realty. The purpose of the operation is essentially to have an overall debt in the parent company which keeps the net financial debt/operating profit ratio below 4.25. The level of debt is therefore returning to reasonable levels, taking into account that if the company had had its present financial structure already in 2005, it would have most likely been able to reach a financial equilibrium, despite having industrial results still strongly influenced by the restructuring taking place. The Chairman continues by stating that all the conditions exist, therefore, for the company to be able to start making improvements again, both from a profits point of view and in the evolution of economic activities, in the interests of shareholders and of the staff who work in the company.

The Chairman concludes by giving news to the meeting that a sum of 145 million euros has been deposited for the repayment of the bond coming due on 4 May 2006, and that this will be the subject of a notice to the market which the company will see to immediately; the Chairman stresses however that it was considered more suitable to give news of such importance at the company itself, namely at the general meeting of shareholders. The Chairman reads the press release.

As nobody asks leave to speak, the Chairman:

- declares the discussion closed;
- acknowledges that there have been no changes in those present;
- calls for a vote by a show of hands (10.40) on the proposal of the Board of Directors to approve the financial statements at 31 December 2005, the Report of the Board of Directors and the loss cover for the year, which was read earlier and which is transcribed here, renewing his request to those in attendance to declare if they are not entitled to vote in any manner and not to leave the room before completion of the voting procedure.

*“Shareholders,*

*The Board of Directors places before you for your attention the financial statements at 31 December 2005.*

*We invite you to approve the financial statements together with the attached notes as prepared, the Report of the Board of Directors, the Report of the Board of Statutory Auditors, the Report of the Independent Auditors and all the respective attachments.*

*The Board of Directors proposes to cover the loss for the year of € 34,670,296 in the following manner:*

- utilisation of the extraordinary reserve for € 77,234;*
  - utilisation of the reserve for own shares for € 6,583,868;*
  - utilisation of the share premium reserve for € 7,797,218;*
  - utilisation of the legal reserve for € 6,461,775,*
- carrying forward the residual loss of € 13,750,201”.*

The proposal is approved unanimously, nobody against, no abstentions.

The Chairman declares the result.

\* \* \*

The Chairman then passes to discussion of the **second matter on the agenda**: “*Decision as to the number of members of the Board of Directors*”.

He reads the proposal included in the report of the Board of Directors regarding the number of members of the Board, as follows:

“*Shareholders,*

*We advise you that on 31 December 2005, Ugo Dell’Aria Burani, a member of the Board of Directors and of the Executive Committee, resigned.*

*Given that the shareholders’ meeting called to approve the financial statements is imminent, the Board of Directors has decided not to co-opt anyone onto the Board but to leave all decisions on this matter, in respect of the composition of the Board, to shareholders.*

*Reminding you that, pursuant to article 12 of the company’s bylaws, the Board of Directors must be composed of from 7 to 15 members, and that as a result of the resignation referred to the Board is currently made up 10 members, we invite you to take a decision on this matter”.*

The Chairman recalls additionally that on 12 April 2006, as communicated pursuant to law, the Director Pier Giorgio Cavallera handed in his resignation with effect from 9 April 2006 as a result of new professional engagements in a company that has the same activities as this company.

As a result of this additional resignation, therefore, the Board of Directors is currently composed of 9 members.

It has therefore become necessary, the Chairman continues, to redetermine the number of members of the Board of Directors, pursuant to article 2380-bis of the Italian Civil Code.

The shareholder Alerion Industries S.p.A., represented by Federico Caporale, intervenes, and proposes that the Board should have nine members.

The Chairman opens up the discussion, reminding those who wish to speak to book their turn, giving their name at the same time, clarifying that if the proposal of the shareholder Alerion Industries S.p.A. is approved, the number of independent directors would remain unchanged.

As nobody asks leave to speak, the Chairman:

- declares the discussion closed;
- renews his request to those in attendance to declare if they are not entitled to vote in any manner;
- communicates that there has been no change in those present;
- calls for a vote, on a show of hands, (at 10.45), on the proposal made by the shareholder Alerion Industries S.p.A. that the number of members of the Board of Directors should be nine.

The proposal is approved unanimously, nobody against, no abstentions.

The Chairman declares the result.

\* \* \*

The Chairman then passes to discussion of the **third matter on the agenda**: “*Appointment of the Board of Statutory Auditors and its Chairman. Determination of the fees of the Board*”.

He reads the Report of the Board of Directors in respect of the proposal to appoint the Board of Statutory Auditors and its Chairman and the determination of the fees of the Board, as follows:

“*Shareholders,*

*The term of office of the Board of Statutory Auditors, appointed for the three year period 2003-2005, ends with the approval of the financial statements at 31 December 2005.*

*The procedures for the appointment of the Board of Statutory Auditors, pursuant to article 19 of the company’s bylaws, were included in the notice calling this meeting”.*

The Chairman confirms that the shareholder Alerion Industries S.p.A., owner of 68,004,455 shares, equal to 25.63% of share capital, as evidenced in the lodged certificate, has filed a list of names for appointment to the Board of Statutory Auditors.

This list is as follows:

1. Sergio Pivato (standing auditor)
2. Carlo Tavormina (standing auditor)
3. Marcello Priori (standing auditor)

1. Myrta de' Mozzi (substitute auditor)
2. Giovanni Maria Conti (substitute auditor)

The Chairman advises in addition that in compliance with the provisions of article 19 of the company's bylaws, statements have been lodged within the required deadlines which confirm that the candidates are willing for their names to be put forward and in which they state that there are no reasons for which they may be considered ineligible or incompatible and that they possess the requirements of law and the company's bylaws; in addition, their curricula vita were lodged pursuant to article 2400 of the Italian Civil Code. These documents are at the disposal of shareholders and are attached to these minutes.

The Chairman clarifies that as only one list has been presented, the Chairman of the Board will be the first-named standing auditor in the list, in accordance with the company's bylaws.

The Chairman opens up the discussion, reminding those who wish to speak to book their turn, giving their name at the same time.

As nobody asks leave to speak, the Chairman:

- declares the discussion closed;
- renews his request to those in attendance to declare if they are not entitled to vote in any manner;
- communicates that there has been no change in those present;
- calls for a vote, on a show of hands, (at 10.47), on the proposal made by the shareholder Alerion Industries S.p.A. in respect of the appointment of the members of the Board of Statutory Auditors.

The proposal is approved unanimously, nobody against, no abstentions.

The Chairman declares therefore that the following are appointed for the years 2006-2008:

- as standing auditors:
  - Sergio Pivato (Chairman)
  - Carlo Tavormina
  - Marcello Priori
- as substitute auditors:
  - Myrta De' Mozzi
  - Giovanni Maria Conti.

To complete the third matter on the agenda, the Chairman invites the meeting to determine the fees of the Board of Statutory Auditors in compliance with law and the company's bylaws.

The Chairman opens up the discussion, reminding those who wish to speak to book their turn, giving their name at the same time.

The shareholder Alerion Industries S.p.A., represented by Federico Caporale, intervenes, and proposes that the fees of the Board of Statutory Auditors should be based on the professional tariffs

of the Institute of Dottori Commercialisti.

As nobody else asks leave to speak, the Chairman:

- declares the discussion closed;
- renews his request to those in attendance to declare if they are not entitled to vote in any manner;
- communicates that there has been no change in those present;
- calls for a vote, on a show of hands, (at 10.49), on the proposal made by the shareholder Alerion Industries S.p.A. in respect of the fees of the Board of Statutory Auditors.

The proposal is approved unanimously, nobody against, no abstentions.

The Chairman declares the result.

\* \* \*

The Chairman then passes to discussion of the **fourth matter on the agenda**: “*Appointment of auditors of the financial statements of Reno de Medici S.p.A. and of the consolidated financial statements of the Reno De Medici Group for the financial years ending 31 December 2006 to 2011 pursuant to article 155 and following of Legislative Decree no. 58/98 and of the Half Year Report at 30 June of the same years*”.

He reads the Report of the Board of Directors in respect this matter on the agenda as follows:

*Shareholders,*

*The three year term of office of the Independent Auditors, PricewaterhouseCoopers S.p.A., ends with the approval of the financial statements at 31 December 2005.*

*At its meeting on 30 March 2006, the Board of Directors, having taken sight of the new proposal of PricewaterhouseCoopers S.p.A., took the decision to propose to shareholders that their appointment should be renewed for a further period of six years - and as a result for the years 2006 to 2011 - as per article 159, paragraph 4, Legislative Decree no. 58/1998.*

*The following table sets out the main terms of the proposal of PricewaterhouseCoopers S.p.A. regarding fees; the proposal remains in the company's records:*

<b><i>NATURE OF ENGAGEMENT</i></b>	<b><i>HOURS</i></b>	<b><i>EUROS (*)</i></b>
<i>AUDIT OF THE ANNUAL FINANCIAL STATEMENTS</i>	<i>850</i>	<i>73,000</i>
<i>AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS</i>	<i>150</i>	<i>13,000</i>

<i>PROCEDURES PURSUANT TO ARTICLE 155, PARA. 1, LETTER A) OF LEGISLATIVE DECREE NO. 58/1998</i>	<i>200</i>	<i>17,000</i>
<i>REVIEW OF THE HALF YEAR REPORT</i>	<i>350</i>	<i>30,000</i>
<b><i>TOTAL</i></b>	<b><i>1,550</i></b>	<b><i>133,000</i></b>

*(\*)EXCLUDING ISTAT INDEX-LINKING, VAT, EXPENSES AND CONSOB FEES*

*In addition, we should like to inform you that in order to assess the suitability of renewing the engagement from an economic point of view, an offer was also requested from another auditing firm; the offer received was not as good as that of PricewaterhouseCoopers S.p.A..*

*Moreover, we should like to note that the Internal Control Committee came to a positive conclusion on the proposal submitted by PricewaterhouseCoopers S.p.A..*

*As a final point, we should like to note in addition that the opinion of the Board of Statutory Auditors required by article 159 of Legislative Decree no. 58/1998, will be read in the shareholders' meeting prior to the vote on the appointment of auditors.*

*As the consequence of the matters reported above, and given our positive opinion on the services provided and the knowledge acquired by the auditing firm as to the characteristics of the Reno De Medici Group, we invite you therefore to pass this proposal to renew the appointment of PricewaterhouseCoopers S.p.A. as auditors of the financial statements and consolidated financial statements from 2006 to 2011”.*

The Chairman hands over to the Chairman of the Board of Statutory Auditors in order that he may read the opinion required by article 159, paragraph 1 of the Consolidated Finance Law.

The Chairman of the Board of Statutory Auditors proceeds in this manner, expressing the favourable opinion of the Board of Statutory Auditors in respect of the adequacy of the proposal, both from a cost point of view and from the point of view of its contents.

The Chairman opens up the discussion, reminding those who wish to speak to book their turn, at the same time giving their name.

As nobody asks leave to speak, the Chairman:

- declares the discussion closed;
- renews his request to those in attendance to declare if they are not entitled to vote in any manner;
- communicates that there has been no change in those present;
- calls for a vote, on a show of hands, (at 10.50), on the proposal made by the Board of Directors for the appointment of auditors, read earlier and set out here below:

*“The shareholders of Reno De Medici S.p.A. gathered in ordinary general meeting:*

- *having heard and approved the matters presented by the Board of Directors;*
- *acknowledging the opinion expressed by the Board of Statutory Auditors;*

***resolve***

*- to appoint PricewaterhouseCoopers S.p.A. as auditors, under the procedures envisaged in article 159 of Legislative Decree no. 58/1998, of the financial statements and the consolidated financial statements pursuant to articles 155 and 156 of Legislative Decree no. 58/1998, for the review of the Half Year Report, for the performance of other procedures pursuant to article 155, paragraph 1, letter a) of Legislative Decree no. 58/1998 and the audit of the financial statements of subsidiary companies pursuant to article 165 of Legislative Decree no. 59/1998 and article 151 of Consob regulation 11971/1999, all with reference to financial years 2006 to 2011 and within the terms and conditions included in the engagement letter issued by PricewaterhouseCoopers S.p.A. and maintained in the company's records”.*

The proposal is approved unanimously, nobody against, no abstentions.

The Chairman declares the result.

\* \* \*

As all discussion on the agenda is complete, the Chairman thanks all those present for attending and declares the meeting closed at 10.55 a.m.

The Secretary

The Chairman