

# MINUTES OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING

of Reno De Medici S.p.A.

of 13 May 2008

- second call -

On 13 May 2008 at 11.03 a.m. in Piazza degli Affari 6, Milan, at the head office of Borsa Italiana S.p.A., the proceedings of the ordinary general shareholders' meeting of *Reno De Medici S.p.A.* commenced in second call.

Mr. Giuseppe Garofano took the chair of the meeting in his capacity as Chairman of the Board of Directors and pursuant to article 11 of the company's bylaws.

Notary *Carlo Marchetti* was called to act as Secretary to the meeting by unanimous consent.

The Chairman:

- noted that the following members of the Board of Directors were in attendance in addition to himself as Chairman:

-- *Bernard Lemaire* (Deputy Chairman);

-- *Ignazio Capuano* (Managing Director);

-- *Christian Dubè*;

-- *Laurent Lemaire*;

-- *Mirko Leo*;

-- *Carlo Peretti*;

-- *Emanuele Rossini*;

- noted that the other directors had given notice that they would be unable to attend; and

- noted that the following standing auditors of the Board of Statutory Auditors were in attendance:

-- *Marcello Francesco Priori*;

-- *Carlo Tavormina*.

Continuing, the Chairman noted, informed and communicated that:

- notice had been properly given of the ordinary general shareholders' meeting in second call for today's date, in this place, at 11.00 a.m., in accordance with law and the company's bylaws, as per the notice published in the daily newspaper "MF-Milano Finanza" on 28 April 2008, to discuss and adopt resolutions on the following:

**AGENDA**

*1. Financial statements at 31 December 2007; Report of the Board of Directors; Reports of the Board of Statutory Auditors and Independent Auditors; resolutions thereon. Presentation of the consolidated financial statements at 31 December 2007.*

The Chairman informed the meeting that the ordinary general shareholders' meeting convened in first call on 29 April 2008 was unattended, as stated in the respective minute in the company's records and as per the notice published in the daily newspaper "MF-Milano Finanza" on 30 April 2008, and that as regards the matters on the agenda all the matters required to be carried out under prevailing laws and regulations have been properly performed and in particular:

- the draft financial statements and draft consolidated financial statements, approved by the Board of Directors on 26 March 2008, were lodged at the company's head office and with Borsa Italiana S.p.A. on 14 April 2008;
- the Reports of the Board of Directors and the Annual Report on Corporate Governance, approved by the Board of Directors on 26 March 2008, were lodged in the same manner and on the same date;
- the Reports of the Board of Statutory Auditors and the Independent Auditors were lodged in the same manner and on the same date;
- the Illustrative Report of the Board of Directors on the sole matter on the agenda was lodged in the same manner and on the same date;
- all the documentation was additionally made available on the company's website and was handed to all the shareholders or their proxies attending this meeting.

As a result, with 16 shareholders present either in person or by proxy and representing 197,597,198 ordinary shares equal to 52.363 % of share capital with voting rights, the Chairman declared the meeting in second call duly constituted by law and by the company's bylaws and appropriate to adopt resolutions on the matter on the agenda.

The Chairman then brought the following matters to the attention of the meeting, stating that:

- he reserved the right to provide the meeting with updated information on attendance before each vote;
- a verification of the proxies had been performed pursuant to law and the company's bylaws;
- a list of the names of shareholders attending the meeting either in person or by proxy, with all the information required by Consob, will be attached to these minutes as an integral part thereof;
- pursuant to Legislative Decree no. 196/2003 (the personal data protection code), the data relating to the people attending this meeting will be collected and processed by the company solely for the purposes of carrying out the requirements that are obligatory for holding the meeting or for corporate reasons;

- the minutes of this meeting will contain a summary of the interventions made with the name of the speaker, the replies given and any statements of comment;
- the proceedings of the meeting are being audio-recorded with the sole purpose of facilitating the preparation of the minutes; the recording will only be kept for the minimum period necessary for drawing up the minutes, after which it will be deleted;
- permission has been granted to accredited experts, financial analysts and journalists and to representatives of the auditing firm to attend the meeting. In addition, for technical and organisational reasons connected with the proceedings, certain employees and collaborators of the company are also present at the meeting;
- the company's share capital amounts to Euro 185,122,487.06, consisting of 377,800,994 shares, of which 377,355,435 are ordinary shares and 445,559 are convertible savings shares, each having nominal value Euro 0.49, and the company's shares are admitted to trading on the Electronic Share Market organised and managed by Borsa Italiana S.p.A. - Star Segment - and the Continuous Market of Madrid and Barcelona organised and managed by the BME (*Bolsas y Mercados Españoles*);
- on the basis of the entries in the shareholders' register and taking into account the amendments relating to this meeting, the notifications received pursuant to article 120 of Legislative Decree no.58/98 and other available information, the direct or indirect owners of shares representing more than 2% of the company's subscribed and paid-up share capital are as follows:

<b>SHAREHOLDER</b>	<b>NO. OF SHARES</b>	<b>% OF CAPITAL</b>
<b>CASCADES S.A.</b> <i>Direct ownership</i>	<b>115,888,325</b>	<b>30.711%</b>
<b>ALERION INDUSTRIES S.P.A.</b> <i>Direct ownership</i>	<b>34,099,528</b>	<b>9.036%</b>
<b>SIANO DANTE</b> <i>Direct ownership</i> <i>and indirect ownership through</i> <i>IC (INDUSTRIA DELLA COSTRUZIONE</i> <i>S.P.A.)</i>	<b>20,900,000</b>	<b>5.538%</b>

<b>EURINVEST FINANZA STABILE S.R.L.</b> <i>Direct ownership</i>	<b>20,800,000</b>	<b>5.512%</b>
<b>BANCA POPOLARE DI MILANO S.C.R.L.</b> <i>Directly by pledge and indirectly by ownership and by loan through BANCA AKROS</i>	<b>8,776,038</b>	<b>2.326%</b>

The Chairman stated that the Board of Directors is aware of a shareholders' agreement as per article 122 of Legislative Decree no. 58/98 whose object is shares of the company and that it has been made public, pursuant to law, and that following the approval of the merger project by the Boards of Directors of Reno De Medici S.p.A. and Cascades Italia S.r.l., on 13 September 2007, Alerion Industries S.p.A., Eurinvest Finanza Stabile S.r.l. and IC (Industria della Costruzione) S.p.A. entered a new shareholders' agreement with Cascades S.A. (as future shareholder of Reno De Medici S.p.A. should the merger be finalised) and Cascades Paperboard International Inc., whose purpose is to define certain matters relating to the corporate governance of Reno De Medici post-merger in order to ensure unity in the direction in which the company is managed and to introduce restrictions on the circulation of the company's shares to guarantee that its future ownership structure remains stable. The names of the shareholders party to this agreement and the percentage of capital which they have included in the agreement as representing their membership and which is restricted by the agreement, are as follows:

<b>SHAREHOLDER</b>	<b>NO. OF SHARES IN THE PACT</b>	<b>% OF SHARES IN THE PACT</b>	<b>% OF SHARES HAVING VOTING RIGHTS</b>
CASCADES	115,600,000	60.75	30.64
ALERION	33,887,148	17.81	8.98
EURINVEST	20,798,570	10.93	5.51
IC	20,000,000	10.51	5.30
<b>TOTAL</b>	<b>190,285,718</b>	<b>100.00</b>	<b>50.43</b>

The Chairman noted that:

- the extract from the agreement published in the daily newspaper MF-Milano Finanza on 21 September 2007 was included as an attachment to the illustrative report as per article 2501-*quinquies* of the Italian civil code prepared by the Board of Directors of Reno De Medici S.p.A., which in turn was attached to the merger information document published on 16 October last;
- the new agreement has a three year term commencing on the effective date of the merger and therefore is effective from 1 March 2008, and replaces the shareholders' pact and voting block agreement signed by Alerion Industries, Eurinvest and IC on 27 March 2007;
- the company is not under the management and coordination of other companies;
- in compliance with the requirements of Consob Communication no. DAC/RM/96003558 of 18 April 1996, the fees of the auditors PricewaterhouseCoopers S.p.A. for the audit of the 2007 annual financial statements and consolidated financial statements and for performing the procedures envisaged by article 155, paragraph 1 (a) of Legislative Decree no. 58/1998 amount to Euro 115,110.00 (inclusive of the ISTAT indexing adjustment and excluding expenses and value added tax) for 1,661 hours of work; these fees and hours comply with those stated at the time of their appointment by shareholders in the general meeting of 3 May 2006.

Continuing, the Chairman:

- made a formal request to anyone attending today's meeting and not having a legitimate right to vote pursuant to the prevailing provisions of law and the company's bylaws to come forward and state as such: nobody spoke;
- informed the meeting of the technical means by which the meeting would proceed and by which voting would be carried out before passing to a discussion of the matter on the agenda;
- noted that each shareholder or proxy received an attendance form on registering on entering the meeting or alternatively a series of forms if he represents other shareholders by proxy and has stated that he intends to cast a "differing vote" on behalf of these shareholders;
- kindly requested persons attending in person or as proxies not to leave the room, within the bounds of possibility, and that if they must leave the meeting prior to the vote or the end of proceedings they should hand the attendance form back to the persons in charge;
- pointed out that if a person returns to the meeting his attendance form will be returned and his attendance will be recorded again;
- noted that if a single proxy is issued with more than one form, and if on leaving the room the proxy continues to hold forms not handed back to the persons in charge or if he hands back only one or some of these forms, he will automatically be considered by the procedure as having left the room and will be excluded from voting;

- informed the meeting that before each vote the shareholders present will be noted together with the personal details of any shareholders stating that they do not wish to take part in the vote;
- stated that voting will take place on a show of hands; any shareholders voting against a motion or abstaining will be required to provide their names and the number of shares held personally or by proxy.

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The Chairman then passed to a discussion of the **sole matter on the agenda**: Financial statements at 31 December 2007; Report of the Board of Directors; Reports of the Board of Statutory Auditors and Independent Auditors; resolutions thereon. Presentation of the consolidated financial statements at 31 December 2007.

The Chairman informed the meeting that he would proceed to read the financial statements at 31 December 2007, the consolidated financial statements, the Report of the Board of Directors and the Independent Auditors' Report, and that after this he would call upon the Chairman of the Board of Statutory Auditors to read the Report of the Board of Statutory Auditors.

Shareholder Giuliano Laudi spoke at this point making the proposal that it was not necessary for the Chairman to go ahead with a complete reading of all of these documents, including in his request the Report of the Board of Statutory Auditors, as they had already been handed to all the people attending the meeting and had also been lodged pursuant to law, but that instead he should only read the final part of the Report of the Board of Directors in which the Board's proposal is contained.

The Chairman:

- renewed his request for anyone not having a legitimate right to vote to state this;
- requested those attending not to leave the room before the end of the voting procedure;
- informed the meeting that there had been no changes in the people attending;
- proposed that a vote on the proposal made by the shareholder Laudi should be held on a show of hands.

The proposal was approved unanimously.

The Chairman then proceeded to read the final part of the Report of the Board of Directors containing the Board's proposal as stated below.

He informed the meeting that the Independent Auditors had issued an unqualified opinion on the company's financial statements and consolidated financial statements at 31 December 2007, as may be found in their report dated 11 April 2008.

At this stage the Chairman opened the discussion on the matter, reminding anyone wishing to speak to make a request for this and to provide his name.

Laudi wished to emphasise management's skill in taking the revival of the company to completion and obtaining quite positive results. He wished therefore to express his appreciation of the work carried out and announced that he would be voting in favour of the resolution.

Chignoli joined him in noting that the industrial and financial restructuring of the company has ended in a complete success and that it has also been achieved within a somewhat limited period of time.

He then passed to a discussion of the approval of the 2007 financial statements which show a profit at both a consolidated and parent company level and which highlight a drastic reduction in net financial debt, which has now reached a natural level.

The company now finds itself at the start of a new adventure, he continued, which has its origin in the merger with the Cascades Group. He stated that he believes that this combination will be able to ensure the creation of considerable synergies in the future, with the resulting additional improvements in operational efficiency. At this stage he asked what synergies are forecast to be achieved in the period between 2008 and 2010.

After complimenting the company on its results Ferla pointed out that on page 60 of the financial statements it is stated that the company had carried out impairment testing on its assets given the unfavourable performance of its share price. He asked, therefore, if further clarification could be provided on this matter.

After expressing his appreciation of the results achieved by the company Reale asked for details of the outlook for operations.

At this point, since nobody else requested to speak, the Chairman proceeded to provide the following replies.

He stressed above everything else that the profound commitment made by everyone over the past few years must continue with the same level of intensity. He noted that there is a trend towards a contraction in the sale of consumer goods in today's markets, which in Italy needs especially to be considered together with the tendency of companies to reduce their stocks. It is precisely in Italy, he continued, where the fall in consumption is greater than that of the other leading European countries. The German economy actually seems to be in good health, the economy in France is not giving particular cause for concern and also in Spain final demand is not suffering as it is in Italy. As a result in a scenario of this nature rationalisation must continue, with the need in particular for the Group to make an assessment of the opportunity of setting up additional production areas in which it may become specialised.

The general economic situation is difficult, the Chairman stressed again, above all due to the mediocre control carried out over the activities of banks and financial companies. As a

consequence, we must expect to find before us now a period that is not going to be easy, even though the company is in any case convinced that it is in a condition to promote growth and development programmes.

The debt situation is now reassuring, he emphasised. Borrowing costs are clearly on the increase, as is well known, but Reno De Medici does not find itself in the urgent situation of having to reschedule its balances.

From an industrial standpoint however the crucial issue remains energy and gas prices which in Italy are well above those abroad. We have a situation which is hard to sustain, given that it is making the entire system uncompetitive. The increased cost of gas and energy means that the results of a manufacturing company like Reno De Medici are heavily penalised, and it is even harder to accept this when you consider the significant effort being made to maintain industrial efficiency at a maximum. And therefore, he concluded, we will continue our work of making the institutions receptive to these problems, in the knowledge, though, that if the situation does not improve a downsizing of operations in Italy will become inevitable.

In respect of the impairment testing to which a shareholder referred, Mrs. Bonino of PricewaterhouseCoopers S.p.A. recalled on the invitation of the Chairman that this procedure referred to the requirements of IAS 36. Following the fall in its share price, which led to a market capitalisation lower than the book value of its net assets, the company made an estimation of the recoverable amount of all its cash-generating units. This analysis confirmed the carrying amount of the assets as stated in the financial statements.

In more general terms the Chairman reminded everyone that since the introduction of international accounting standards the company has continuously monitored the recoverable amounts of its assets.

In conclusion in regard to the outlook for the company's operations the Chairman remarked that there has been a significant contraction in demand since March of this year, immediately following the Easter period. On the other hand the market as it stands today does not appear to be showing any signs of a pick-up in the short term.

At this point, as nobody else requested to speak, the Chairman:

- declared the discussion closed;
- noted that there had been no changes in the people attending;
- proposed that a vote be held on a show of hands (at 11.40) on the proposal made by the Board of Directors to approve the financial statements at 31 December 2007, the Report of the Board of Directors and the allocation of profit for the year, a proposal which was read out earlier and which is stated below, subject to a renewed request to shareholders to come forward and state if there is



any reason why their vote is not legitimate and a reiterated invitation for people not to leave the room until the voting procedure is completed:

*“Shareholders,*

*The separate financial statements of your company at 31 December 2007 report a profit of Euro 107,685.92. If you agree with the criteria used to prepare the financial statements and with the accounting principles and policies adopted therein we invite you to approve the financial statements at 31 December 2007 and in particular:*

- *the Report of the Board of Directors;*
- *the balance sheet, the profit and loss account and the notes, with the respective attachments, of the financial statements of Reno De Medici S.p.A. at 31 December 2007 as presented by the Board of Directors, in their entirety and as separate items;*
- *the allocation of profit for the year as follows:*
  - A) *5% to the legal reserve, for a total of Euro 5,385.00;*
  - B) *the remainder, amounting to Euro 102,300.92, to be used to absorb accumulated losses.*

The motion was approved unanimously.

The Chairman declared the result.

With the discussion on the sole matter on the agenda completed the Chairman thanked everyone for attending and declared the meeting closed at 11.43 a.m..

The Chairman

Secretary