

S.M.I. - SOCIETÀ METALLURGICA ITALIANA S.p.A.

Registered Office at 2 Via dei Barucci, Florence – Share capital: €189,775,023.00 fully paid in – Registration number in the Company Register of the Court of Florence and tax I.D. number: 00931330583.

Notice of Shareholders' Meeting

The shareholders of S.M.I. - Società Metallurgica Italiana S.p.A. are called to a Meeting that will be held in Florence, at 2 Via dei Barucci, at 11:00 AM

- on May 18, 2006 on the first calling, or
- on May 19, 2006 on the second calling, subsequent to the conclusion of the Regular Shareholders' Meeting, which has been scheduled for the same date and time and at the same location,

to vote on the following

AGENDA

1. Elimination of the par value of the common and savings shares that comprise the Company's share capital and consequent amendments to Article 4 (Share Capital), Article 5 (Classes of Shares), Article 8 (Earnings) and Article 28 (Liquidation of the Company) of the Bylaws. Related and required resolutions and granting of powers.
2. Pursuant to Article 2441, Section IV, Paragraph II, of the Italian Civil Code, inclusion in the Bylaws of a clause enabling the Shareholders' Meeting to suspend the preemptive right of shareholders, limited to a number of shares that shall not exceed 10% of the preexisting share capital, and consequent amendments to Article 4 (Share Capital) of the Bylaws. Related and required resolutions and granting of powers.
3. Contributory, indivisible share capital increase up to a maximum amount of €130,000,000.00 carried out through the issuance of S.M.I. - Società Metallurgica Italiana S.p.A. common shares with no par value, regular

ranking for dividends, carrying up to 74,285,714 attached warrants, allocated on the basis of 1 warrant for every 5 newly issued shares. The shares and warrants, which will circulate independently of each other, will be offered to the shareholders on a preemptive basis, and the Board of Directors will be authorized to determine, in accordance with predetermined guidelines, the actual amount of the share capital increase (up to the abovementioned maximum amount), the issue price, the number of new shares issued and the rights offering ratio. As a result of the above, contributory, divisible share capital increase up to a maximum amount of €26,000,000.00, carried out, in one or more installments, through the issuance of S.M.I. - Società Metallurgica Italiana S.p.A. common shares with no par value, regular ranking for dividends, reserved exclusively and irrevocably for the exercise of the abovementioned warrants, which shall number not more than 74,285,714, based on a conversion ratio of 1 new S.M.I. - Società Metallurgica Italiana S.p.A. common share for every warrant, at a price equal to the issue price of the abovementioned common shares. The Board of Directors will be authorized to determine the actual number of shares issued and the maximum amount of the share capital increase, which may not exceed the ceiling referred to above, and, consequently, the number of warrants that will be issued in combination with the new shares and the maximum number of new common shares that will have to be issued for warrant conversion purposes. Consequent amendments to Article 4 (Share Capital) of the Bylaws. Approval of Regulations Concerning the 2006-2009 S.M.I. - Società Metallurgica Italiana S.p.A. Common Share Warrants. Related and required resolutions and granting of powers.

4. As required by Article 2443 of the Italian Civil Code, delegation to the Board of Directors of the powers needed to carry out a capital increase of up to €8,000,000.00 for use in connection with a stock option plan, to be carried out through the issuance of S.M.I. - Società Metallurgica Italiana

S.p.A. common shares, no par value, reserved for executives of the Company and its subsidiaries. The abovementioned shares will be issued for consideration upon subscription, the preemptive rights of other shareholders being suspended, as allowed by the combined provisions of Article 2441, Section VIII, of the Italian Civil Code and Article 134 of Legislative Decree No. 58/1998. Consequent amendments to Article 7 (Delegation of Powers to the Directors) of the Bylaws, which are also required by the expiration of the power that the Extraordinary Shareholders' Meeting of October 27, 2000 delegated to the Board of Directors pursuant to Article 2420 *ter* and Article 2443 of the of the Italian Civil Code. Related and required resolutions and granting of powers.

5. As required by Article 2443 of the Italian Civil Code, delegation to the Board of Directors of the additional powers needed to carry out a capital increase of up to €7,000,000.00 for use in connection with a stock option plan, to be carried out through the issuance of S.M.I. - Società Metallurgica Italiana S.p.A. common shares, no par value, reserved for Directors of the Company and its subsidiaries who have executive authority. The abovementioned shares will be issued for consideration upon subscription, the preemptive rights of other shareholders being suspended, as allowed by the provisions of Article 2441, Section IV, Paragraph II, of the Italian Civil Code. Consequent amendments to Article 7 (Delegation of Powers to the Directors) of the Bylaws. Related and required resolutions and granting of powers.
6. Change of the Company's name and consequent amendment to Article 1 (Name) of the Bylaws. Related and required resolutions and granting of powers.

Pursuant to law and in accordance with the provisions of Article 11 of the Bylaws, in order to attend the Meeting, shareholders must file at the Company's registered office, at 2 Via dei Barucci, Florence, at least two

days prior to the date of the Meeting, a certification issued by an intermediary that attests to their ownership of their shares.

The Report and the motions of the Board of Directors and the Report of the Board of Statutory Auditors will be on file at the Company's registered office, at 2 Via dei Barucci, Florence, and at the offices of Borsa Italiana S.p.A. within the statutory deadline. Shareholders may request copies of these documents. The documents will be also available on the Company website: www.smi.it.

Votes may also be cast by mail. Ballots and voting instructions will be available at the Company's registered office, 2 Via dei Barucci, Florence, no later than 15 days prior to the date of the first calling of the Shareholders' Meeting. Ballots must be mailed to the following address: S.M.I. - Società Metallurgica Italiana S.p.A., Ufficio Affari Societari, Via dei Barucci 2, (50127) Florence. Ballots must be received at least 48 hours prior to the Meeting's first calling, together with a copy of the certification required under current regulations governing attendance at Shareholders' Meetings.

The Board of Directors

The Notice of the Shareholders' Meeting was published in Part II, Issue No. 89 of April 15, 2006, of the Official Gazette of the Italian Republic.