

IN THE GRAND COURT OF THE CAYMAN ISLANDS

0321
CAUSE NO OF 2008

AND IN THE MATTER OF THE COMPANIES LAW (2007 REVISION)

AND IN THE MATTER OF THE REDUCTION OF THE SHARE CAPITAL OF METAL OVERSEAS S.A.

PETITION



TO THE GRAND COURT

THE HUMBLE PETITION OF METAL OVERSEAS S.A. whose registered office is at Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman, KY1-9002, Cayman Islands, **SHOWS THAT:**

1. Your Petitioner, Metal Overseas S.A. (hereinafter called "the **Company**"), was incorporated on 30 December 1996 under the Companies Law (as amended) as an exempted Company limited by shares.
2. The registered office of the Company is situated at Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman, KY1-9002, Cayman Islands.
3. The objects for which the Company was formed are unrestricted and the Company has full power and authority to carry out any object not prohibited by the Companies Law. After its incorporation, the Company commenced business and has since continued to carry on business.
4. The authorised share capital of the Company at the date of its incorporation was US\$50,000.00 divided into 50,000 shares with a nominal or par value of US\$ 1.00 each. As at 29 May 2008, of those shares 20,101 were issued and credited as fully paid up to Madeco S.A. ("**Madeco**").
5. Since the Company's incorporation, the share capital has been amended once as follows:
 - (a) On 30 May 2008, by ordinary resolution of the sole shareholder of the Company (Madeco), the authorised share capital of the Company was increased from

US\$50,000.00 divided into 50,000 shares with a nominal or par value of US\$1.00 each to US\$177,862,508 divided into 177,862,508 shares of US\$ 1.00 each.

6. As of the date of this Petition, the authorised share capital of the Company is US\$177,862,508 divided into 177,862,508 shares of US\$ 1.00 each. All those shares are issued and credited as fully paid up.

7. The Articles of Association of the Company, inter alia, provide as follows:

"42. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe.

43. The Company may by Ordinary Resolution:-

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its paid up Shares into stock and reconvert that stock into paid up Shares of any denomination;

(c) subdivide its existing Shares, or any of them into Shares of a smaller amount provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; and

(d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled.

44. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law."

8. Article 1 of the Articles of Association of the Company defines special resolution as being a resolution:

- "(a) passed by a majority of not less than two-thirds of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or
- (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed."

9. The Company currently owns 4,782,234 ordinary shares and 9,564,475 preferred shares with a combined total value of US\$114,175,582 in Ficap S.A., a Brazilian company involved in the manufacture of enamelled wires and electric cables (the "**Ficap Shares**"). The Ficap Shares owned by the Company represent the entire issued share capital of Ficap S.A.. It is now proposed to reduce the total paid up share capital of the Company (currently standing at US\$177,862,508) by US\$114,175,582 by cancelling 114,175,582 shares and making an in specie payment of the Ficap Shares to Madeco (the sole shareholder in the Company) (the "**Capital Reduction**"). Immediately upon the reduction taking effect, the authorised share capital of the Company shall be US\$63,686,926 comprising 63,686,926 shares of US\$ 1.00 each.

10. Consent as to the proposed Capital Reduction was given in writing and in accordance with Article 50 of the Articles of Association of the Company and Section 14 of the Companies Law, it was resolved on 11 June 2008 that:

"That the authorised capital of the Company be decreased:

FROM: US\$177,862,508 divided into 177,862,508 Shares of a nominal or par value of US\$1.00 each;

TO: US\$63,686,926 divided into 63,686,926 Shares of a nominal or par value of US\$1.00 each."

11. The proposed Capital Reduction does not involve an alteration or variation to the rights attached to any shares.

12. The proposed Capital Reduction does not involve the diminution of any liability in respect of issued but unpaid Share Capital.

13. The form of Minute proposed to be registered is as follows:

"The authorised share capital of Metal Overseas S.A. was by virtue of a Special Resolution of the Company and with the sanction of an Order of the Grand Court dated [*] reduced from US\$177,862,508 divided into 177,862,508 shares of US\$ 1.00 each to US\$63,686,926 divided into 63,686,926 shares of US\$1.00 each. As at the date of registration of this minute, 63,686,926 of the said shares have been issued and fully paid up."

Your Petitioner therefore humbly prays as follows:

1. That the Capital Reduction of the Company proposed to be effected by the Special Resolution set forth in paragraph 10 of this Petition may be confirmed and the above mentioned Minute set forth in paragraph 13 of this Petition be approved by the Court;
2. That to this end all necessary inquiries and directions may be made and given;
3. Or that such other Order may be made in the premises as the Court shall deem fit.

AND your Petitioner will ever pray etc.

DATED the 3rd day of July, 2008



WALKERS

Attorneys at Law for the Petitioner

NOTE: It is not intended to serve this Petition on any person.

ENDORSEMENT

This petition, having been presented to the Grand Court of the Cayman Islands on the day of July 2008 will be heard at the Grand Court of the Cayman Islands on:

Date:

Time:

(or as soon thereafter as the petition can be heard).

This Petition is presented by Walkers, Attorneys at Law, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001, for the Petitioner whose address for service is care of its said Attorneys at Law.