



## Extraordinary Shareholders' Meeting

March 9, 2010

### Background to proposed resolutions

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This document gives background information to the resolutions placed before the Extraordinary Shareholders' Meeting of RHJ International SA ("RHJI") convened on March 9, 2010 and should be read in conjunction with the convening notice for such Extraordinary Shareholders' Meeting.

#### **1 Capital reductions (and ensuing authorized capital adjustment)**

##### **1.1 Capital reductions**

Under the Belgian Companies Code, RHJI is currently not in a position to buy back shares (either on Euronext Brussels or over-the-counter)<sup>1</sup> or, more generally, make distributions to shareholders, given that the non-consolidated financial statements of RHJI for the fiscal year ended March 31, 2009 reflect carried forward losses of JPY 91,041,322,801<sup>2</sup>.

In order for RHJI to build flexibility for buying back shares in the future (or, more generally make distributions to shareholders), if and when such distributions are deemed appropriate by the Board of Directors, it is proposed to effect:

- A capital reduction in order to absorb the carried forward losses as of March 31, 2009, in an amount of JPY 91,041,322,801. This would occur through a reduction of the item "Issuance Premiums" (currently of JPY 104,604,495,228<sup>3</sup>) reflected in the above-mentioned non-consolidated financial statements.
- Subject to the shareholders having approved the above capital reduction, a further capital reduction of JPY 7,554,547,443 in order to increase the available reserves from JPY 17,445,452,557<sup>4</sup> currently to JPY 25,000,000,000. This would occur through a reduction of the share capital. As the share capital is expressed in EUR in the Articles of Association, this JPY 7,554,547,443 amount has been converted in EUR (on the basis of the JPY/EUR exchange rate published by the European

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<sup>1</sup> I.e. RHJI is not able to effectively use the share buy-back authorisation set forth in Article 12 of the Articles of Association, paragraph 1 and 2, as renewed by the Extraordinary Shareholders' Meeting of September 15, 2009 (and which is available for 5 years as from September 15, 2009).

<sup>2</sup> The figure reflected in the published non-consolidated financial statements, expressed in thousands of JPY, was rounded at 91,041,322.

<sup>3</sup> Rounded at 104,604,495 in the published non-consolidated financial statements.

<sup>4</sup> Rounded at 17,445,453 in the published non-consolidated financial statements.

Central Bank on February 2, 2010<sup>5</sup>). Accordingly, the reduction amounts to EUR 59,861,707.

All such reductions would be made without cancellation of shares (and without reimbursement to shareholders).

Accordingly, the current share capital (EUR 664,424,086, represented by 85,545,547 shares) would, as a result of the above share capital reduction, be reduced to EUR 604,562,379 while still being represented by 85,545,547 shares. The Articles of Association would be amended to reflect such new share capital.

## **1.2 Adjustment of authorized capital amount**

The Articles of Association (Article 8) reflect a current authorized capital of EUR 663,955,470.

The authorized capital is the total amount of capital that the Board of Directors is authorized to issue directly, i.e. without being required to seek approval by the shareholders.

Pursuant to the Articles of Association (Article 8), this authorization is effective for five years as of October 6, 2009.

Under the Belgian Companies Code, the authorized capital of a listed company (RHJI is listed on Euronext Brussels) may not exceed its share capital. As a result, if the Extraordinary Shareholders' Meeting approves the share capital reduction mentioned under 1 above, the share capital would become EUR 604,562,379 and the amount of authorized capital currently reflected in the Articles of Association would then need to be amended and reduced to EUR 604,562,379 so as to be aligned on the new share capital.

## **2 Power for restatement of the Articles of Association and other formalities**

Some of the proposed resolutions as described above require amendments to the Articles of Association and, as a result, there would be a need to restate the Articles of Association.

It is proposed to grant a power to the General Counsel (with right of substitution) for the purposes of proceeding to such restatement and to any other formality necessary or useful in connection with the amendments to the Articles of Association.

### **Quorum and adjournment**

The Extraordinary Shareholders' Meeting will be convened on March 9, 2010, at 11 a.m., at Avenue Louise 326, 1050 Brussels (Belgium). As under the Belgian Companies Code, the resolutions referred to in point 1 require, in order for the Extraordinary Shareholders' Meeting to validly proceed, that the shareholders attending the meeting, physically, by proxy or by correspondence, represent at least 50% of the outstanding share capital, there is a possibility that the Extraordinary Shareholders' Meeting will not be able to proceed on March 9, 2010 (if the 50% threshold is not met). In such case, a new Extraordinary Shareholders' Meeting will be convened on March 29, 2010, at 3 p.m., at the same place and will deliberate on such resolutions regardless of the percentage of share capital taking part in the meeting.

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<sup>5</sup> The JPY/EUR exchange rate was 126.2 on February 2, 2010.

Unless different voting instructions are given, the proxies and votes by correspondence given for the Extraordinary Shareholders' Meeting of March 9, 2010 will remain valid for any subsequent Extraordinary Shareholders' Meeting which would be convened with the same agenda.

For the formal text of the proposed resolutions, the attendance modalities and voting percentages required for the resolutions, please refer to the convening notice for the (relevant) Extraordinary Shareholders' Meeting.

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Please direct any questions on the foregoing to Mr. Arnaud Denis, Investor Relations Director, at RHJ International SA, Avenue Louise 326, 1050 Brussels (tel no.: + 32 (0) 2 643 60 13; email: [adenis@rhji.com](mailto:adenis@rhji.com)).