

RenoDeMedici



**THE SHAREHOLDERS OF RENO DE MEDICI GIVE THEIR CLEARANCE TO THE
MERGER OF CASCADES ITALIA INTO RENO DE MEDICI**

Pontenuovo di Magenta, 29 October 2007

In an extraordinary general meeting held today the shareholders of Reno De Medici S.p.A. (“**Reno De Medici**”) approved the project to merge Cascades Italia S.r.l. (“**Cascades Italia**”) into Reno De Medici under the publicly announced terms established by the company’s Board of Directors on 13 September 2007.

It is recalled that the exchange ratio was determined in 115.6 million ordinary Reno De Medici shares for the single quota representing the entire capital of Cascades Italia.

The project will similarly be approved by the extraordinary general meeting of Cascades Italia also being held today.

In connection with the merger the shareholders of Reno De Medici meeting in ordinary session approved powers to be given to the Board of Directors pursuant to article 2357-ter of the Italian civil code to dispose of treasury stock as part of the merger share exchange, while in extraordinary session they passed a motion to increase share capital by a nominal value of Euro 52,962,412.93, to be carried out by the issue of 108,086,557 ordinary shares, each of nominal value Euro 0.49, to be assigned to Cascades S.A. together with the 7,513,443 ordinary treasury shares held by Reno De Medici in exchange for the quota representing the entire capital of Cascades Italia.

Shareholders additionally approved in extraordinary session a modification to article 19 of the company’s bylaws regarding the appointment of the Board of Statutory Auditors made solely to respond to changes in legislation.

The plan to finalise the merger by the beginning of 2008 is confirmed.

The operation is subject to obtaining the necessary authorisations from the competition regulators which are expected to be received by the end of the current year.

The operation is also subject to the requirement that neither Consob nor Comisión Nacional del Mercado de Valores will issue notification that the merger or the establishment of a new shareholders’ pact by Cascades S.A., Alerion Industries S.p.A., Eurinvest Finanza Stabile S.r.l. and IC (Industria della Costruzione) S.p.A. gives rise to the obligation to make a public tender offer. No notifications to this effect have yet been received and there is no reason to believe that either of the two regulators will arrive at such an interpretation.

For additional information please contact the following:

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