



MERGER DEED SIGNED

Pontenuovo di Magenta, 26 February 2008

The deed for the merger by incorporation of Cascades Italia S.r.l. into Reno De Medici S.p.A. was signed today.

The merger will take effect on 1 March 2008 for the purposes of paragraph 2 of article 2504 *bis* of the Italian civil code.

The operation is being carried out through the exchange of 115,600,000 ordinary Reno De Medici shares for the sole quota of Cascades Italia. To satisfy this Reno De Medici will issue 108,086,557 ordinary shares as part of the increase in share capital resolved by shareholders in extraordinary meeting on 29 October 2007 and will assign 7,513,443 treasury shares to the transaction.

The newly issued ordinary shares will be listed on the stock exchanges of Milan, Madrid and Barcelona in a similar manner to those already issued and will enjoy normal dividend rights.

As a result the post-merger share capital of Reno De Medici will amount to €185,122,487.06 consisting of 377,800,994 shares each of nominal value €0.49, of which 377,334,246 will be ordinary shares and 466,748 convertible savings shares.

For additional information please contact the following:

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