



PRESS RELEASE

The Board Of Directors Approved The Interim Report For The Period Ended March 31, 2012

Consolidated Financial Results of the first quarter 2012
(Vs. 1 Q 2011)

- **NET REVENUES:** EURO 116.6 MILLION (EURO 138.1 MILLION AT 31 MARCH 2011)
- **GROSS OPERATING PROFIT (EBITDA):** EURO 7.2 MILLION (EURO 11.2 MILLION AT 31 MARCH 2011)
- **OPERATING PROFIT (EBIT):** EURO 0.7 MILLION (EURO 4.7 MILLION AT 31 MARCH 2011)
- **NET RESULT FOR THE PERIOD:** NEGATIVE BY EURO 2.1 MILLION (POSITIVE BY EURO 2.2 MILLION AT 31 MARCH 2011)
- **NET FINANCIAL INDEBTEDNESS:** EURO 95.5 MILLION (EURO 86.6 MILLION AT 31 DECEMBER 2011)

Milan, May 4, 2012

The Board of Directors of Reno De Medici S.p.A. ("RDM" or the "Company"), parent company of one of the world's largest producers of recycled cardboard, met today under the chairmanship of Mr. Christian Dubé and approved the **Interim Report for the period ended March 31, 2012 of the Reno De Medici Group** ("RDM Group" or the "Group").

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Introduction

The following table sets out the highlights of the consolidated profit and loss accounts of the RDM Group for 31 March 2012, compared to the first quarter of 2011:

(thousands of Euros)	31.03.2012	31.03.2011
Revenues from sales	116,637	138,070
EBITDA (1)	7,180	11,157
EBIT (2)	657	4,681
Results of operating activities before taxes (3)	(1,777)	3,059
Current and deferred taxes	(342)	(875)
Profit (loss) for the period	(2,119)	2,184

1) Cfr. Consolidated financial statement of RDM Group, "Gross Operating Profit"

2) Cfr. Consolidated financial statement of RDM Group, "Operating Profit"

3) Cfr. Consolidated financial statement of RDM Group, "Profit (loss) for the period" - "Taxation"

The first quarter of 2012 saw the first tenuous signs of a possible slight upturn of the global economic situation, interrupting the deterioration registered throughout the whole of the second half of 2011. The scenario, though, remains uncertain, at least in the short term.

In the coated carton board packaging sector the most tangible positive sign is the end of the destocking phenomenon which was a negative feature of the second half of 2011, with the resulting pick-up in order flow and improvement in manufacturing efficiency in the first quarter of 2012.

Given this scenario, European demand for coated carton board in the quarter of 2012 rose by 4.5% over the previous three months. Sales picked up on the overseas markets.

In terms of trends in the main production factors there was a rise in the prices of raw materials for pulp in January and February 2012, which then stabilized at medium-high levels with the resulting erosion in the difference between unit sales prices and the unit cost of fibrous raw materials.

There was also an increase in the price of energy components over the same period of the previous year, in particular in Italy, where natural gas, which is the main energy factor, rose by 26%. The price of natural gas also increased over the last part of 2011, driven by seasonal weather factors and especially heightened speculative tension.

In the first quarter the price in Italy was around 20% higher if compared to purchases from the same supplier in France. It is absolutely evident that this situation prohibitively penalises production in Italy.

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Main consolidated results as at march 31, 2012

The Reno De Medici Group earned consolidated **Net Revenues** of Euro 116,6 million in the first quarter of 2012, compared to Euro 138,1 million achieved in the corresponding quarter of 2011, due to lower sales volumes. The geographical analysis shows there was a decrease in the domestic component, mostly due to particularly adverse trends in the Italian market.

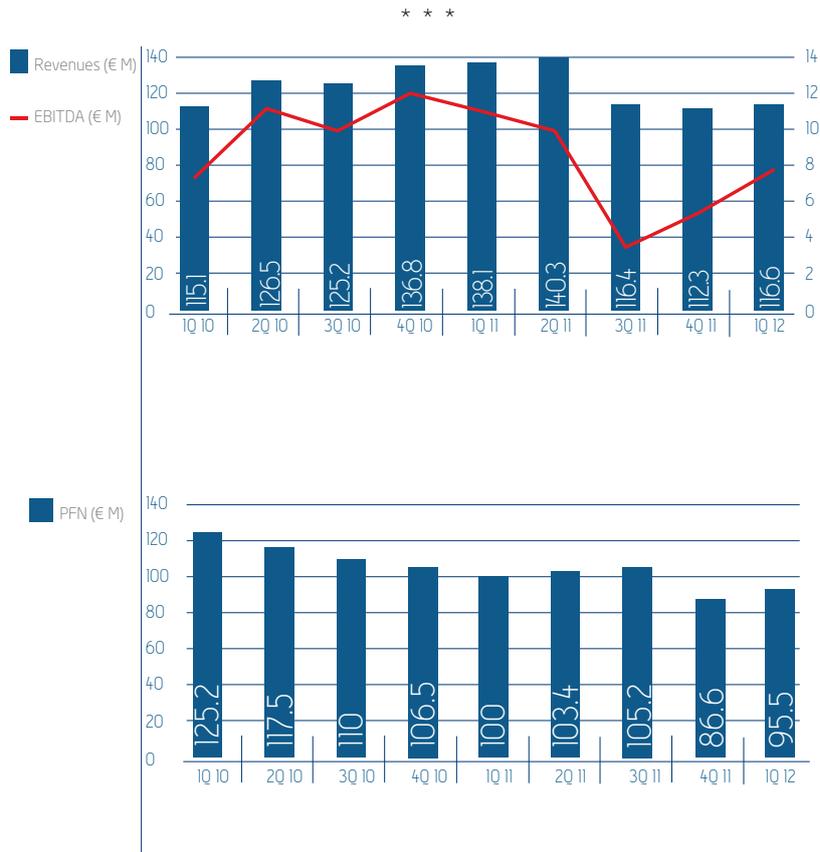
The increase in the cost of natural gas and, lesser so, the decrease in sales volumes and fixed costs led to a fall in **Consolidated Gross Operating Profit (EBITDA)** which closed at Euro 7.2 million as at March 31, 2012 compared to Euro 11.2 million in the first quarter of 2011.

Consolidated **Operating Profit (EBIT)** of the RDM Group in the first quarter of 2012 amounted to Euro 0.7 million, compared to Euro 4.7 million as at March 31, 2011.

The Group as at March 31, 2012 made capital expenditures of Euro 3.3 million (Euro 6.7 million at 31 March 2011).

The **Net Result** for the period pertaining to the Group as at March 31, 2012 was negative by Euro 2.1 million, compared to a positive result by Euro 2,2 million recorded as at March 31, 2011.

Consolidated **Net Financial Indebtedness** of the RDM Group as at March 31, 2012 amounted to Euro 95.5 million, compared to Euro 86.6 million at 31 December 2011. The increase is mainly attributable to the fall in trade payables.



Outlook for operations

Future economic and financial situation is characterised by uncertainty, although in the presence of positive signs which must however find confirmation in the hold of the demand for consumer goods to which the packaging market is closely linked.

As far as the coated carton board is specifically concerned, positive signs are above all arising from the destocking policy adopted for the whole of the second half of 2011 by end customers and converters, with the resulting return of order flow to normal levels and the stabilisation of pulp raw materials and energy costs, although this awaits confirmation. The increase in sales prices announced for May ought also to contribute to a rebalancing of earnings, although this will only begin to have its effect in the second half of the year.

Given this scenario, Reno De Medici Group will continue operations with its objective of safeguarding industrial efficiency and profitability, adapting its production levels and prices to real demand.

Other resolutions

In the same session, The Board of Directors of Reno De Medici S.p.A. assessed the requirements of independence pursuant to art 148, comma 3 of the TUF (applicable to directors ex art. 147-ter, comma 4 of the TUF), to the new code on Corporate Governance promoted by Borsa Italiana, to art. 37, comma 1, let. d), of Consob Regulation No. 16191 of October 29th, 2007, and subsequent amendments and/or integrations, of Sergio Garribba, Vincenzo Nicastro and Carlo Peretti.

In carrying out its assessment on the requirements of independence pursuant to the new corporate governance code promoted by Borsa Italiana, the Board of Directors adopted the criteria indicated in the mentioned code. The Board of Auditors in turn verified that the criteria adopted by the Board of Directors were applied in the correct way.

In addition, the Board of Directors, pursuant to art. 148, paragraph 3 of TUF, considering the statements issued by each individual as well as any other information held by the Company, has successfully examined the recurrence of the requirements of independence and integrity of the current members of the Supervisory Board.

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Mr. Stefano Moccagatta, the officer in charge of drafting the Company's accounting documents, declares pursuant to Art. 154-bis, sub-section 2, of Italian Decree Law 58/1998 ("Consolidated Law on Financial Intermediation") that the information contained in this press release corresponds to documentary results and to accounting books and records.

In addition to the financial indicators conventionally required by IFRS, this press release also presents a few alternate performance indicators (for example, EBITDA) to provide better assessment of the economic-financial performance trend. These indicators are calculated according to normal market practices.

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This document is an English translation from Italian. The Italian original shall prevail in case of difference in interpretation and/or factual errors.

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The Interim Report for the period ended 31 March 2012 will be available to the public at the Company's registered office at Via Durini n. 16/18, Milan, Italy and at Borsa Italiana, in the terms and conditions required by law. Copies can be obtained. Such documents are also consultable on the website: www.Renodemedici.it.

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The tables relative to financial statements of rdm group as at march 31, 2012 are attached below ⁽¹⁾

Consolidated Income
StatementInterim Consolidated financial statements
as at march 31, 2012

(thousands of Euros)	31.03.2012	31.03.2011
Revenues from sales	116,637	138,070
Other revenues and income	5,213	3,559
Changes in stocks of finished goods	(470)	4,627
Cost of raw materials and services	(94,688)	(113,679)
Staff costs	(18,095)	(19,899)
Other operating costs	(1,417)	(1,521)
Gross Operating Profit	7,180	11,157
Depreciation and amortisation	(6,523)	(6,476)
Operating Profit	657	4,681
Financial expenses	(1,688)	(1,671)
Exchange rate differences	(95)	(142)
Financial Income	28	51
Financial income (expenses), net	(1,755)	(1,762)
Income (loss) from investments	(679)	140
Taxation	(342)	(875)
Profit (loss) for the period	(2,119)	2,184
Attributable to:		
Profit (loss) for the period pertaining to the Group	(2,200)	2,043
Profit (loss) for the period pertaining to minority interests	81	141

Consolidated Statement of
 financial position

ASSETS	31.03.2012	31.12.2011
(thousand of Euros)		
<i>Non-current assets</i>		
Tangible fixed assets	237,819	239,831
Goodwill	63	63
Other intangible assets	5,910	6,066
Investments	5,177	5,810
Deferred tax assets	414	399
Financial assets held for sale	195	195
Trade receivables	46	82
Other receivables	696	328
Total non-current assets	250,320	252,774
<i>Current assets</i>		
Stocks	75,573	77,982
Trade receivables	95,513	93,836
Other receivables	10,534	6,584
Liquid funds	1,233	2,564
Total current assets	182,853	180,966
Non-current assets held for sale		1,290
TOTAL ASSETS	433,173	435,030

Consolidated Statement of
financial position

LIABILITIES	31.03.2012	31.12.2011
(thousands of Euros)		
Shareholders' Equity		
Shareholders' equity attributable to the Group	150,404	152,575
Minority interests	793	713
Total shareholders' equity	151,197	153,288
Non-current liabilities		
Bank loans and other financial liabilities	45,841	45,934
Derivative financial instruments	1,009	1,022
Other payables	1,530	1,543
Deferred tax liabilities	17,254	18,399
Employee benefits	24,418	24,363
Non-current provisions for contingencies and charges	6,434	6,716
Total non-current liabilities	96,486	97,977
Current liabilities		
Bank loans and other financial liabilities	52,917	42,764
Derivative financial instruments	711	601
Trade payables	117,533	123,879
Other payables	13,624	15,899
Current taxation	705	358
Employee benefits		264
Total current liabilities	185,490	183,765
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	433,173	435,030

Net financial position

(thousands of Euros)	31.03.2012	31.12.2011	Variations
Cash and cash equivalents and short-term financial receivables	4,960	3,756	1,204
Short-term financial payables	(52,917)	(42,764)	(10,153)
Valuation of current portion of derivatives	(711)	(601)	(110)
Short-term financial position, net	(48,668)	(39,609)	(9,059)
Long-term financial payables	(45,841)	(45,934)	93
Valuation of current portion of derivatives	(1,009)	(1,022)	13
Financial position, net	(95,518)	(86,565)	(8,953)