



THE BOARD OF DIRECTORS
APPROVES INTERIM REPORT AS OF DECEMBER 31, 2012

PRELIMINARY FULL YEAR 2012 CONSOLIDATED RESULTS (VS. FULL YEAR 2011):

- ◆ **NET REVENUES:** €466.3 MILLION
(COMPARED TO €507.1 MILLION AS OF DECEMBER 31, 2011)
- ◆ **GROSS OPERATING PROFIT (EBITDA) EXCLUDING COSTS GENERATED BY SUSPENDED AND SHUT-DOWN ACTIVITIES:** €32.9 MILLION
(COMPARED TO €34.1 MILLION AS OF DECEMBER 31, 2011)
- ◆ **GROSS OPERATING PROFIT (EBITDA):** €27.0 MILLION
(COMPARED TO €30 MILLION AS OF DECEMBER 31, 2011)
- ◆ **OPERATING PROFIT (EBIT):** LOSS OF €1.5 MILLION
(COMPARED TO A PROFIT OF EURO 2.1 MILLION AS OF DECEMBER 31, 2011)
- ◆ **NET PROFIT FOR THE PERIOD:** LOSS OF €12.2 MILLION
(COMPARED TO A LOSS OF €2.2 MILLION AS OF DECEMBER 31, 2011)
- ◆ **NET FINANCIAL DEBT:** €86.3 MILLION
(€86.6 MILLION AS OF DECEMBER 31, 2011)

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Milan, February 12, 2013

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. Robert Hall, and examined and approved the **Interim Report as of December 31, 2012 of the Reno De Medici Group** (“RDM Group” or the “Group”).

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Introduction

In the fourth quarter of 2012, the overall negative macroeconomic scenario of previous quarters continued with a deterioration of several significant macroeconomic indicators such as the slight drop in GDP in both the US and Germany. However, the global crisis seems to have bottomed out. For the moment the downward trend seems to have stopped: confidence indicators are recovering from the lows reached in October.

With specific reference to the market for coated recycled cartonboard for packaging, in the fourth quarter of 2012 overall demand in Europe was still weak, but was up slightly (+1.4%) over the fourth quarter of 2011. This increase was due to significant growth in France and Eastern Europe which was counterbalanced by a decline in Italy and the UK.

With regard to the trend of key factors of production, in the fourth quarter of 2012 prices for recycled fibers continued their slight downward trend that started in August, due primarily to a reduction in purchases of fibers from China caused by the slowdown of the economy and seasonal factors.

With regard to the cost of energy components, and especially natural gas, which is the Group's main energy source, in the fourth quarter there was a slight decline in market prices compared to the previous quarter, but prices remained much higher in Italy than the EU average.

The high cost of natural gas was the cost component with the greatest negative impact on the operating performance of the Reno De Medici Group in both the fourth quarter and the year. The Italian market suffers in particular, as the price of natural gas in Italy is substantially higher than in other European countries with resulting unsustainable ramifications for domestic production.

To summarize, although operating in a highly uncertain environment, in 2012 the Reno De Medici Group still managed to improve the spread (the difference between unit sales prices and unit costs of recycled fibers), but the benefit from this improvement was largely eliminated by the increase in the total cost of natural gas, which rose in Italy by about €8 million over 2011 solely due to the price effect.

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Key income
statement indicators
as of December 31,
2012

The following table summarizes key income statement indicators as of December 31, 2012 and December 31, 2011.

(thousands of euros)	12.31.2012	12.31.2011 (*)
Revenues from Sales	466,319	507,051
GROSS OPERATING PROFIT (EBITDA) EXCEPT EXTRAORDINARY COSTS GENERATED BY SHUT-DOWN AND SUSPENDED ACTIVITIES	32,923	34,115
OPERATING PROFIT (EBITDA)	27,015	30,010
EBIT (1)	(1,483)	2,131
Pre-tax income (2)	(11,464)	(5,480)
<i>Current and deferred taxes</i>	(723)	3,793
After-tax income before discontinued operations (3)	(12,187)	(1,687)
<i>Discontinued Operations</i>		(536)
Profit (loss) for the period	(12,187)	(2,223)

(*) Figures as of December 31, 2011 were reclassified to make them comparable to those for the reporting period following the Group's early adoption of IAS 19.

- 1) See "Operating profit" in the Consolidated Financial Statements for the RDM Group.
- 2) See "Profit (loss) for the period before discontinued operations" - "Taxes" in the Consolidated Financial Statements for the RDM Group.
- 3) See "Profit (loss) for the period before discontinued operations" in the Consolidated Financial Statements for the RDM Group.

Key income
statement
indicators as of
December 31,
2012

As of December 31, 2012, **Net Revenues** of the Reno De Medici Group totaled **€466 million**, compared to €507 million generated in 2011, due largely to lower sales volume: 834,000 tons were sold in 2012, a decrease of 44,000 from the 878,000 tons sold in the previous year. However, this decrease was due entirely to the interruption of paper-making activities at the Magenta plant, which resulted in a reduction in sales of 77,000 tons. Indeed, a comparison of the fourth quarter of 2012 with the same quarter of the previous year, which already reflected this interruption, shows that revenues were up from €112 to €118 million, and tons sold also rose from 193,000 to 214,000 confirming the upward trend. The different growth rates in revenues and quantities sold are a reflection of a decrease in average sales prices, which followed the reduction in the cost of raw materials.

In 2012 **labor costs** remained substantially unchanged from the previous year, dropping from €72.7 million as of December 21, 2011 to **€72.4 million** as of December 31, 2012.



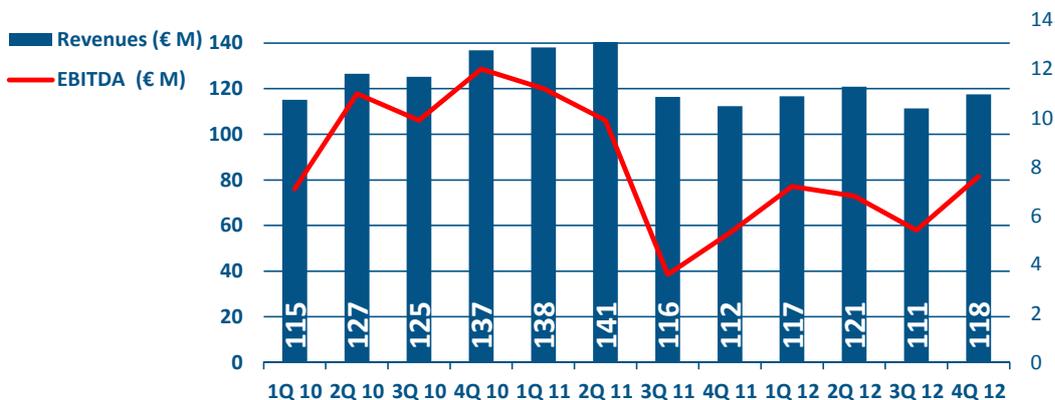
As of December 31, 2012, **Gross Operating Profit (EBITDA)**, without considering **costs generated by shut-down and suspended activities**, totaled **€32.9 million**, compared to €34.1 million reported in 2011. It should be stressed that without the price increase in natural gas in 2012 in Italy, the EBITDA of **€32.9 million** would have been higher than the figure reported in 2011 at a level of about €41 million. Thus, it seems obvious that if gas prices in Italy were in line with those in the Group's other European plants, we would see a level of profitability more representative of the company's operating performances.

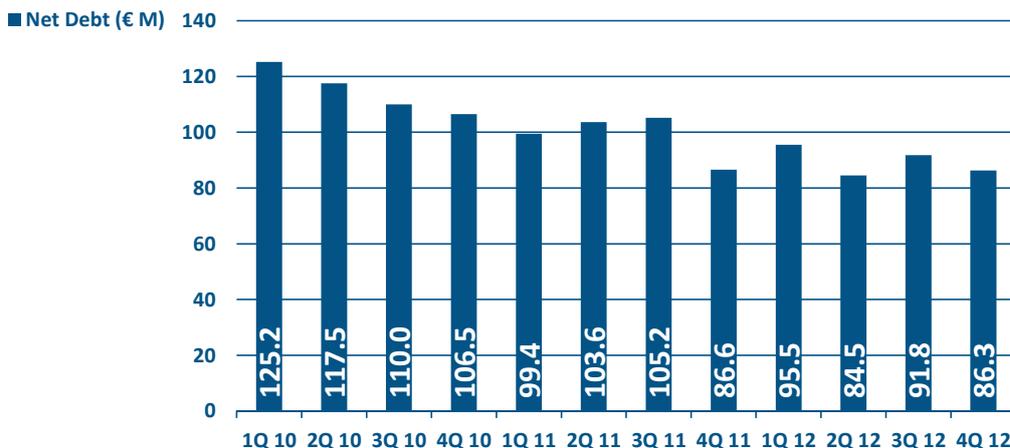
Operating performance continued to be affected by the continuing costs generated by the Marzabotto and Magenta plants, whose paper-making operations were, respectively, shut down and suspended. In 2012 these costs were €5.9 million (€4.1 million in 2011).

Accordingly, as of December 31, 2012 total EBITDA is stands at €27.0 million, compared to €30.0 million in the previous year.

As of December 31, 2012, the **Consolidated Operating Loss (EBIT)** of the RDM Group was **€1.5 million** compared to a profit of €2.1 million reported in 2011.

In 2012 the RDM Group made **investments** totaling **€17.8 million** (€23.7 million as of December 31, 2011). As of December 31, 2012 consolidated net financial debt was **€86.3 million** which was in line with the €86.6 million figure as of December 31, 2011.





Outlook

The trend recorded at the beginning of 2013 is substantially in line with the final months of 2012 and presents significant uncertainty, especially with regard to the first half of the year.

Regarding trends in the costs of major factors of production, we are expecting an increase in the cost of recycled fibers, based on the expectation that the increase in domestic Chinese demand will result in an increase in imports by that country.

The evolution of energy costs is also uncertain. Despite the high supply of natural gas, speculative tensions could result in an upward spike in prices. In any event, the Company believes that the new contracts it has just agreed will make it possible to achieve a reduction in unit cost compared to last year. Prices for other energy factors (electricity and coal) show a downward trend due to the continuing recession.

In the second half of 2013, a slight recovery is expected.

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 Legislative Decree 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) in order to provide a better assessment of the trend of economic and financial performance. These indicators are calculated according to normal market practices.

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



The Interim Report for the period ended December 31, 2012 will be available to the public at the Company's registered office and at Borsa Italiana S.p.A. from February 13, 2013, and will also be available online from that date in the Investor Relations section of the website www.renodemedici.it

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**For further
information**

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THE TABLES RELATING TO THE INTERIM REPORT OF RDM GROUP AS OF DECEMBER 31, 2012 ARE ATTACHED BELOW¹

¹ These tables have not been audited by the Independent Auditors.


**Consolidated
income
statement**

(thousands of euros)	12.31.2012	12.31.2011 (*)
Revenues from sales	466,319	507,051
Other revenues and income	12,052	14,235
Change in inventories of finished goods	4,260	(4,675)
Cost of raw materials and services	(378,312)	(409,442)
Personnel costs	(72,437)	(72,660)
Other operating costs	(4,867)	(4,499)
Gross operating profit	27,015	30,010
Depreciation and amortization	(26,279)	(27,496)
Write-downs	(2,219)	(383)
Operating profit	(1,483)	2,131
<i>Financial expense</i>	<i>(7,286)</i>	<i>(7,466)</i>
<i>Gains (losses) on foreign exchange</i>	<i>98</i>	<i>452</i>
<i>Financial income</i>	<i>153</i>	<i>73</i>
Net financial income/(expense)	(7,035)	(6,941)
Gains (losses) from investments	(2,946)	(670)
Taxes	(723)	3,793
Profit (loss) for the period before discontinued operations	(12,187)	(1,687)
Discontinued operations		(536)
Profit (loss) for the period	(12,187)	(2,223)
attributable to:		
Group's share of profit (loss) for the period	(12,334)	(2,512)
Minority interest in profit (loss) for the period	147	289

(*) Figures as of December 31, 2011 were reclassified to make them comparable to those for the reporting period following the Group's early adoption of IAS 19.



Consolidated
Statement of
financial position

(thousands of euros)	12.31.2012	12.31.2011
ASSETS		
<i>Non-current assets</i>		
Tangible fixed assets	228,929	239,831
Goodwill	63	63
Other intangible assets	6,263	6,066
Equity investments	2,788	5,810
Deferred tax assets	1,312	399
Available-for-sale financial assets	191	195
Trade receivables	41	82
Other receivables	693	328
Total non-current assets	240,280	252,774
<i>Current assets</i>		
Inventories	78,929	77,982
Trade receivables	86,343	93,836
Other receivables	6,480	6,584
Cash and cash equivalents	3,137	2,564
Total current assets	174,889	180,966
Non-current assets held for sale		1,290
TOTAL ASSETS	415,169	435,030



(thousands of euros)	12.31.2012	12.31.2011
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Shareholders' equity attributable to the Group	136,162	152,575
Minority interests	560	713
Total shareholders' equity	136,722	153,288
Non-current liabilities		
Payables to banks and other lenders	37,042	45,934
Derivative instruments	765	1,022
Other payables	1,490	1,543
Deferred taxes	15,487	18,399
Employee benefits	29,181	24,363
Non-current provisions for risks and charges	5,800	6,716
Total non-current liabilities	89,765	97,977
Current liabilities		
Payables to banks and other lenders	49,275	42,764
Derivative instruments	637	601
Trade payables	123,398	123,879
Other payables	15,223	15,899
Current taxes	124	358
Employee benefits	25	264
Total current liabilities	188,682	183,765
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	415,169	435,030


**Net financial
position**

(thousands of euros)	12.31.2012	12.31.2011	Change
Cash, cash equivalents and short-term financial receivables	3,582	3,756	(174)
Short-term financial debt	(51,396)	(42,764)	(8,632)
Valuation of current portion of derivatives	(637)	(601)	(36)
Short-term net financial position	(48,451)	(39,609)	(8,842)
Medium-term financial debt	(37,042)	(45,934)	8,892
Valuation of non-current portion of derivatives	(765)	(1,022)	257
Net Financial Position	(86,258)	(86,565)	307