

## PRESS RELEASE

### The board of directors approved the interim financial report for the period ended december 31st, 2011

Preliminary Full Year 2011 Consolidated Results  
(Vs. Full Year 2010)

- **NET REVENUES:** EURO 507.1 MILLION  
(vs. euro 503.6 million)
- **GROSS OPERATING PROFIT (EBITDA):** EURO 30 MILLION  
(vs. euro 40 million)
- **NET OPERATING PROFIT (EBIT):** EURO 2.2 MILLION  
(vs. euro 12 million)
- **NET RESULT:** NEGATIVE FOR EURO 2.7 MILLION  
(Compared with a profit of euro +2.0 million for year 2010)
- **NET FINANCIAL INDEBTEDNESS:** EURO 86.6 MILLION  
(euro 106.5 million As at 31 december 2010)

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Ordinary Meeting Of Shareholders Called For 26 And  
27 April 2012 (In First And Second Call, Respectively)

\* \* \*

*Milan, February 10th, 2012*

The Board of Directors of Reno De Medici S.p.A. ("**RDM**" or the "**Company**"), holding company of a main world-wide producer of cartonboard based on recycled material, met today under the chairmanship of Mr. Christian Dubé and approved the Interim Report for the period ended December 31st 2011 of the Reno De Medici Group ("**RDM Group**" or the "**Group**"), that reports increasing net revenues of Euro 507 million, with respect to the Euro 503.6 million recorded in the corresponding period of the previous year.

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#### Introduction

The Reno De Medici Group closes 2011 year in a heavy economic context. Indeed, the turmoil in the European financial markets, in particular, and the related uncertainties reverberated onto the real economy, causing a significant slowdown of new orders in the last quarter of 2011, with the addition of sensible reductions of the stockings by industrial operators

All this had negative consequences also for the demand of coated board, which in Europe in 2011 fell by 4% compared to 2010. In this context, all the main manufacturers stopped temporarily their plant operations in the latter part of the year.

Moreover, in 2011 the prices of the main factors of production remained high: virgin and recycled fibres (in conjunction to the increase of the demand coming from Asia), energy and transport.

As to fibrous raw materials particularly, following an increase in the prices of recycled fibres in the first half of 2011, a trend reversal set in over the past few months, also in relation to a decrease in pulp purchases by manufacturers in the Far East. Virgin fibres are down due to high inventory levels and a weak demand. The prices of chemical components were largely stable, after the increases posted in the first three quarters of 2011.

In contrast to a trend registered in Northern Europe and, more widely, on world markets, the price of natural gas in Italy has been increasing due to heavy throttling of the market on both sides, the market itself and the storage and transportation infrastructures.

In 2011 the Group's output reached 854 thousand of tons, compared to 930 thousand tons in 2010. This variation was due entirely to the third and, mostly, the fourth quarters, due to the temporary stoppage of all the Company's plants. As to volumes sold, total shipments amounted to 878 thousand of tons, compared to 946 thousand of tons in 2010.

The following table sets out the highlights of the profit and loss accounts for 31 December 2011 and 31 December 2010.

(thousands of Euros)	31.12.2011	31.12.2010
Revenues from sales	507,051	503,599
EBITDA (1)	30,010	40,023
EBIT (2)	2,152	12,031
Results of operating activities before taxes (3)	(6,303)	5,194
Current and deferred taxes	4,129	(3,155)
Results of operating activities after taxes (4)	(2,174)	2,039
Discontinued operations	(536)	
Profit (loss) for the period	(2,710)	2,039

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"

4) Cfr. Consolidated financial statement of RDM Group, "Profit (loss) for the period before discontinued operations"

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## Main preliminary Consolidated Results

As at 31 December 2011, RDM Group achieved **Net Revenues of Euro 507.1 million**, in increase compared to Euro 503.6 million as at 31 December 2010, thanks to the effect of a different evolution of the factors: it should be noted that lower volumes sold were offset by the higher prices fixed by the Group in 2010 and at the beginning of 2011.

Labour costs dropped from Euro 81.1 million in 2010 to Euro 72.7 million in 2011, due to the lower number of worked hours, mainly determined by the plant temporary stoppages.

Consolidated **Gross Operating Profit (EBITDA)** as at December 31, 2011 of the RDM Group reached **Euro 30 million**, compared to Euro 40 million in 2010. This comparison reflects first of all the decrease in sales since September, determined by the deterioration of the general economy, the inventory policies where customers de-stocked in 2011.

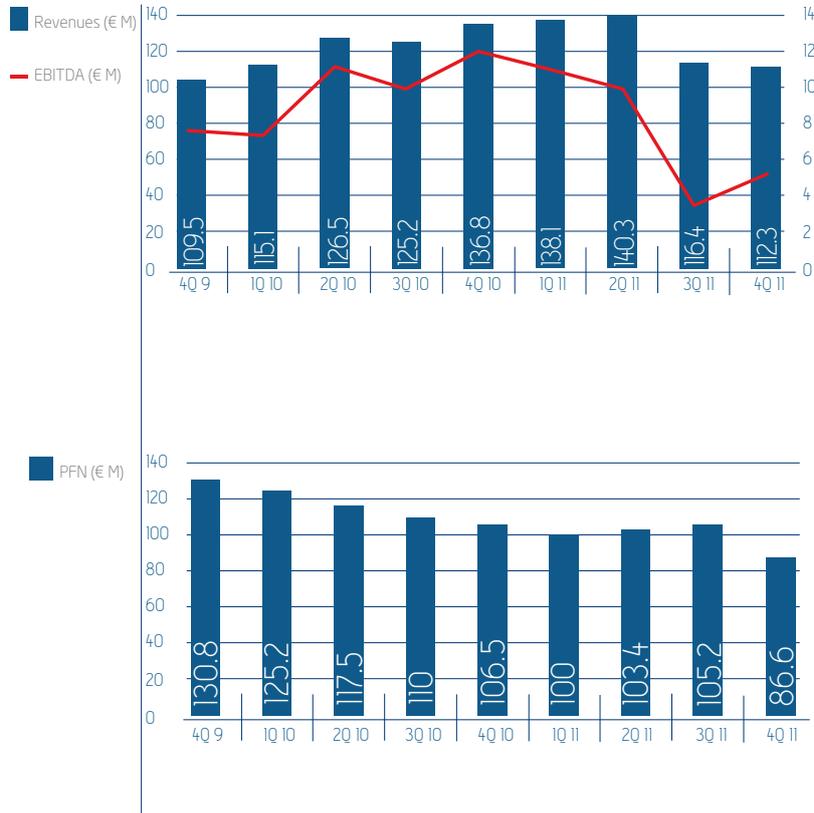
Consolidated **Net Operating Profit (EBIT)** of the RDM Group as at 31 December 2011 amounted to **Euro 2.2 million**, compared to Euro 12 million as at 31 December 2010.

The Group as at December 31, 2011 made capital expenditures of Euro 22.7 million, compared to the Euro 16.9 million as at 31 December 2010.

Consolidated Result of operating activities before taxes as at 31 December 2011 was negative for an amount of Euro 6.3 million, compared to a positive amount of Euro 5.2 million for the same period of 2010 and **Net Result after taxes** was negative for **Euro 2.7 million**, with respect to 31 December 2011, when it was positive for an amount of Euro 2 million.

The Consolidated **Net Financial Indebtedness** of the RDM Group as at December 31, 2011 decreased, amounting to **Euro 86.6 million**, a significant improvement compared to Euro 106.5 million at December 31, 2010. This improvement is attributable to the steps taken by the Group to reduce working capital, especially in the second half of the year, by using non-recourse factoring more extensively, by managing receivables more rigorously and by reducing inventories.

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Outlook for operations

In the current economic and financial context there are uncertainties especially in terms of demand for staple goods, with its significant effects on the packaging market. Thus, it is hard to predict a demand recovery, even though the sharp drop due to de-stocking in the last quarter of 2011 appears to have come to an end.

Indeed, new orders in the first weeks of 2012 seem to bear that out, given that sales volumes are growing. Furthermore, pulp prices show a slight decline. In this scenario, Reno De Medici will continue to operate safeguarding its industrial efficiency, profitability and customer service, promptly adapting output to effective demand, in order to safeguard the company's interests as to revenues.

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Other Resolutions

Today's Board of Directors of Reno De Medici S.p.A. has also resolved to call the Ordinary Shareholders' Meeting for 11 a.m. on 26 April 2012 at its registered office, Via Durini n. 16/18, Milan, Italy in first call and, if necessary, for 12 a.m. on 27 April 2012 at Borsa Italiana, Piazza degli Affari 6, Milan, Italy in second call. The notice of call and the documentation relative to items on the agenda will be published within the terms of law.

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Mr. Stefano Moccagatta, the officer in charge of drafting the Company's accounting documents, declares for purposes of 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 December 2011 of the Reno De Medici Group will be made available to the public at the Company's registered office and at Borsa Italiana S.p.A., starting from February 10th, 2011. This documentation will also be available within the terms of law for consultation on the website [www.renodemedici.it](http://www.renodemedici.it), under the section Investor Relation.

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For further  
information:

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The tables relative to financial statements of rdm group as at December 31, 2011 <sup>(1)</sup> are attached below

Consolidated income  
statementinterim consolidated financial statements  
at 30 december 2011

(thousands of Euros)	31.12.2011	31.12.2010
Revenues from sales	507,051	503,599
Other revenues and income	15,424	14,890
Changes in stocks of finished goods	(4,738)	4,445
Cost of raw materials and services	(410,507)	(397,455)
Staff costs	(72,660)	(81,060)
Other operating costs	(4,560)	(4,396)
<b>Gross Operating Profit</b>	<b>30,010</b>	<b>40,023</b>
Depreciation and amortisation	(27,128)	(26,076)
Recovery of value and write-downs of assets	(730)	(1,916)
<b>Operating Profit</b>	<b>2,152</b>	<b>12,031</b>
<i>Financial expenses</i>	<i>(8,310)</i>	<i>(7,765)</i>
<i>Exchange rate differences</i>	<i>452</i>	<i>613</i>
<i>Financial Income</i>	<i>73</i>	<i>91</i>
Financial income (expenses), net	(7,785)	(7,061)
Income (loss) from investments	(670)	224
Taxation	4,129	(3,155)
<b>Profit (loss) for the period before discontinued operations</b>	<b>(2,174)</b>	<b>2,039</b>
Discontinued operations	(536)	
<b>Profit (loss) for the period</b>	<b>(2,710)</b>	<b>2,039</b>
Attributable to:		
Profit (loss) for the period pertaining to the Group	(2,996)	1,367
Profit (loss) for the period pertaining to minority interests	286	672

Statement of  
consolidated  
financial position

ASSETS	31.12.2011	31.12.2010
<i>(thousand of Euros)</i>		
<b><i>Non-current assets</i></b>		
Tangible fixed assets	240,260	244,241
Goodwill	63	63
Other intangible assets	5,719	5,990
Investments	5,810	6,689
Deferred tax assets	399	1,369
Financial assets held for sale	195	191
Trade receivables	81	81
Other receivables	328	370
<b>Total non-current assets</b>	<b>252,855</b>	<b>258,994</b>
<b><i>Current assets</i></b>		
Stocks	77,982	81,925
Trade receivables	93,775	121,016
Other receivables	5,001	4,247
Liquid funds	2,564	2,210
<b>Total current assets</b>	<b>179,322</b>	<b>209,398</b>
Non-current assets held for sale	1,290	1,290
<b>TOTAL ASSETS</b>	<b>433,467</b>	<b>469,682</b>

Consolidated  
Statement  
of financial position

LIABILITIES	31.12.2011	31.12.2010
<i>(thousands of Euros)</i>		
<b>Shareholders' Equity</b>		
Shareholders' equity attributable to the Group	152,737	155,565
Minority interests	679	1,010
<b>Total shareholders' equity</b>	<b>153,416</b>	<b>156,575</b>
<b>Non-current liabilities</b>		
Bank loans and other financial liabilities	45,997	55,531
Derivative financial instruments	1,022	1,011
Other payables	1,543	1,596
Deferred tax liabilities	18,291	25,536
Employee benefits	24,363	24,175
Non-current provisions for contingencies and charges	6,716	6,087
<b>Total non-current liabilities</b>	<b>97,932</b>	<b>113,936</b>
<b>Current liabilities</b>		
Bank loans and other financial liabilities	42,700	50,416
Derivative financial instruments	601	794
Trade payables	123,879	127,227
Other payables	14,316	16,398
Current taxation	358	1,630
Employee benefits	264	2,706
<b>Total current liabilities</b>	<b>182,119</b>	<b>199,171</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>433,467</b>	<b>469,682</b>

Consolidated Net Financial  
Position

<i>(thousands of Euros)</i>	31.12.2011	31.12.2010	Changes
Cash and cash equivalents and short-term financial receivables	3,756	2,601	1,155
Short-term financial payables	(42,700)	(51,723)	9,023
Valuation of current portion of derivatives	(601)	(794)	193
<b>Short-term financial position, net</b>	<b>(39,545)</b>	<b>(49,916)</b>	<b>10,371</b>
Long-term financial payables	(45,997)	(55,531)	9,534
Valuation of current portion of derivatives	(1,022)	(1,011)	(11)
<b>Financial position, net</b>	<b>(86,564)</b>	<b>(106,458)</b>	<b>19,894</b>