



PRESS RELEASE

**THE BOARD OF DIRECTORS APPROVED
THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED SEPTEMBER 30TH, 2010**

CONSOLIDATED RESULTS AS AT SEPTEMBER 30TH 2010 (VS. SEPTEMBER 30TH 2009)

- ◆ **NET REVENUES:** EURO 366.8 MILLION (EURO 318.6 MILLION AS AT 30 SEPTEMBER 2009)
- ◆ **GROSS OPERATING PROFIT (EBITDA):** EURO 28 MILLION (EURO 24.5 MILLION AS AT 30 SEPTEMBER 2009)
- ◆ **NET OPERATING PROFIT (EBIT):** EURO 8.5 MILLION (EURO 4.1 MILLION AS AT 30 SEPTEMBER 2009)
- ◆ **NET EARNINGS FOR THE PERIOD:** EURO 1.6 MILLION (COMPARED WITH A LOSS OF EURO 3.4 MILLION AS AT 30 SEPTEMBER 2009)
- ◆ **NET FINANCIAL INDEBTEDNESS:** EURO 110 MILLION (EURO 130.8 MILLION AS AT 31 DECEMBER 2009)

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**AMENDMENT OF ARTICLES OF ASSOCIATION AND GENERAL MEETING REGULATIONS TO
COMPLY WITH NEW LEGISLATION GOVERNING SHAREHOLDER RIGHTS**

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AMENDMENT OF PROCEDURES FOR RELATED PARTY TRANSACTIONS

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Milan, November 8th, 2010

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 September 30th 2010 of the Reno De Medici Group (“**RDM Group**” or the “**Group**”), that reports a **Profit for the period of Euro 1.6 million**, compared with a Loss of Euro 3.4 million as at September 30th 2009.

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INTRODUCTION

The following table sets out the highlights of the profit and loss accounts for 30 September 2010, compared to 30 September 2009:

	30.09.2010	30.09.2009
(thousands of Euros)		
Revenues from sales	366,780	318,571
EBITDA (1)	28,014	24,525
EBIT (2)	8,494	4,129
Results of operating activities before taxes (3)	3,086	(2,298)
Current and deferred taxes	(1,497)	(1,102)
Profit (loss) for the period	1,589	(3,400)

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"

As at 30 September 2010, RDM Group achieved **Net Earnings** of Euro 1.6 million, compared with the loss of Euro 3.4 million incurred in the same period last year, thereby confirming its good performance in the previous quarter.

The Group's satisfying results form part of a market situation which in terms of tonnes sold shows a rise of around 8% compared with the same period of the previous year, confirming the trend of the previous quarter. Order volumes are above expectations: the slight growth in industrial demand in Europe appears to have been caused by the rebuilding of stocks, and in certain countries, also by a pick-up in consumptions. The economic recovery that is more evident in the larger Far Eastern countries has encouraged exports. There have been appreciable rises for the Reno De Medici Group in some European countries and in the Overseas market, where has benefited by the offer reduction (reduction of production over-capacity) and by the strengthening of the dollar.

The market appears to have rediscovered a certain equilibrium as far as changes in prices and unit costs are concerned. The increases in sales prices have enabled to recover, albeit late, the considerable rise in the price of recycled fibre registered in the first few months of the year. The trend in energy prices in the quarter showed of an overall but slightly upwards tendency, driven by oil price, and above all due to the appreciation of the dollar, despite the fact that demand remains at continuingly low levels.

The Group's production as at 30 September 2010 reached 693 thousand tonnes compared with 630 thousand tonnes in the corresponding period in 2009. In terms of tonnes sold, 701 thousands tonnes were shipped, compared with 634 thousands tonnes in 2009. The appreciable level of the order backlog provided for effective production planning and efficiency benefits.



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MAIN CONSOLIDATED RESULTS

As at 30 September 2010, RDM Group achieved **Net Revenues of Euro 366.8 million**, with an increase of 15% compared to Euro 318.6 million as at 30 September 2009, due to an increase in sales volumes and rises in average prices. More specifically, the geographical mix of the Group's revenues during the third quarter of 2010 highlights the increase in the percentage of revenues earned on the domestic market and extra-EU market, driven by Turkey and by the selling in Overseas market.

On the cost side, in addition to the trends in recycled fibre and energy prices, the Group also registered a slight rise (absolute value) in staff costs, compared the previous year, due to contractual increases, to more working hours, and to provisions relating to the employee incentive plans set up at the end of 2009. On the other hand there has been a drop of the level of staff cost per unit of product.

Consolidated **Gross Operating Profit (EBITDA)** as at September 30, 2010 of the RDM Group reached **Euro 28 million**, in increase compared to Euro 24.5 million in the corresponding period in 2009. The positive result is also to be appreciated, compared with the previous quarters, considering the lack of benefit relating to the increase of exchange rate of USD dollar, and to an increase in the provisions for internal pension funds, as a result of a decrease of actuarial rates.

Consolidated **Net Operating Profit (EBIT)** of the RDM Group as at 30 September 2010 amounted to **Euro 8.5 million**, versus Euro 4.1 million for the corresponding period of 2009.

The Result of operating activities before taxes was positive for an amount of Euro 3.1 million, compared to a negative amount of Euro 2.3 million for the same period of 2009.

The Group as at September 30, 2010 made capital expenditures of Euro 11.4 million (Euro 12.3 million at 30 September 2009).

Net Earnings at 30 September 2010 of the Reno de Medici Group totaled **Euro 1.6 million** with respect to a loss of Euro 3.4 million incurred in the corresponding period of the previous year, thereby confirming its good performance in the previous quarter.

The decrease in net financial expense is primarily due to the favourable trend in interest and exchange rates.

The Consolidated **Net Financial Indebtedness** of the RDM Group as at September 30, 2010 amounted to **Euro 109.9 million**, a considerable improvement over the figure of Euro 130.8 million existing at the end of December 2009; this arose both for a positive economic performance, for a good collection trends, and for the execution of factoring plan.

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OTHER RESOLUTIONS



The Board of Directors of Reno De Medici – to which the art. n. 15 of the Articles of Association assigns responsibility for amending the Articles to comply with the related legislation – today has also approved a number of mandatory amendments to the Articles of Association and the General Meeting Regulations. This has been done to comply with new legislation governing shareholder rights introduced by Legislative Decree 27 of 27 January 2010, in implementation of EU Directive 2007/36/EC (the so-called “Shareholder Rights Directive”).

In accordance with the principles set out in the Directive and in compliance with the provisions of the Decree, the main changes adopted regard n. 8, n. 9, n. 12 and n. 19 articles of Articles of Association, in particular:

- ◆ the calling of general meetings and information to be provided prior to the general meeting;
- ◆ proxy holders and proxy voting;
- ◆ authorization to participate in general meetings and the exercise of voting rights;
- ◆ the terms for the deposit of lists for the election of corporate officers.

The new provisions will be applied with effect from the general meetings for which notice of call is published after 31 October 2010.

For further information reference should be made to the “Governance” section of the Company’s website at www.renodemedici.it, which includes the text of the Articles of Association, showing the changes made. The amended text is currently in the process of being deposited and published in compliance with the applicable regulations.

The Board of Directors of Reno De Medici has also approved amendments to the Articles of Association to comply with Legislative Decree 39 of 27 January 2010, through the amendment of article 20 of the Articles of Association.

Reno De Medici’s Board of Directors has also decided to identify the Internal Control Committee, formed by all the Independent Members of the Board, as the Independent Directors Committee for Related Party Transactions.

Reno De Medici informs that the Board of Directors, took note that no slates of candidates have been presented, could not proceed with the nomination by co-optation of a new Director, following the resignation of Mr. Leo on August 4, 2010.

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OUTLOOK FOR OPERATIONS

Trends in sales prices and the main cost items, but above all the high order backlog held by Group companies, allow RDM Group to expect to see a positive fourth quarter in line with the previous quarters.

The recently announced increase in sales prices for deliveries from 15 October should neutralise any additional increases in the cost of certain types of recycled fibre, while energy costs appear stable.



As a consequence, projected results of RDM Group for the whole of 2010 appear positive in terms of both revenues and earnings and represent a considerable improvement over the previous year.

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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 30 September 2010 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.. This documentation will also be available within the terms of law for consultation on the website www.renodemedici.it, under the section Investor Relation.

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**THE TABLES RELATIVE TO FINANCIAL STATEMENTS OF RDM GROUP AS AT SEPTEMBER 30, 2010
ARE ATTACHED BELOW**



INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2010

CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement	30.09.2010	30.09.2009
(thousands of Euros)		
Revenues from sales	366,780	318,571
Other revenues	10,468	14,349
Changes in stocks of finished goods	3,038	(5,638)
Cost of raw materials and services	(289,189)	(242,449)
Staff costs	(59,315)	(56,328)
Other operating costs	(3,768)	(3,980)
Gross Operating Profit	28,014	24,525
Depreciation and amortisation	(19,520)	(19,914)
Recovery of value and write-downs of assets		(482)
Operating Profit	8,494	4,129
<i>Financial expenses</i>	<i>(6,131)</i>	<i>(6,648)</i>
<i>Exchange rate differences</i>	<i>657</i>	<i>145</i>
<i>Financial Income</i>	<i>18</i>	<i>80</i>
Financial income (expenses), net	(5,456)	(6,423)
Income (loss) from investments	48	(4)
Taxation	(1,497)	(1,102)
Profit (loss) for the period	1,589	(3,400)
Attributable to:		
Profit (loss) for the period pertaining to the Group	1,067	(3,646)
Profit (loss) for the period pertaining to minority interests	522	246


STATEMENT OF CONSOLIDATED FINANCIAL POSITION

Consolidated Statement of financial position - ASSETS	30.09.2010	31.12.2009
(thousand of Euros)		
<i>Non-current assets</i>		
Tangible fixed assets	248,131	256,231
Goodwill	63	63
Other intangible assers	6,091	6,243
Investments	6,639	6,690
Deferred tas assets	1,467	1,473
Derivative financial instruments		
Financial assets held for sale	190	193
Trade receivables	81	81
Other receivables	599	364
Total non-current assets	263,261	271,338
<i>Current assets</i>		
Stocks	80,333	74,313
Trade receivables	121,580	110,417
Other trade receivables	5,103	4,800
Financial assets held for sale		188
Derivative financial instruments		
Liquid funds	3,406	1,707
Total current assets	210,422	191,425
TOTAL ASSETS	473,683	462,763



Consolidated Statement of financial position - LIABILITIES	30.09.2010	31.12.2009
(thousands of Euros)		
<i>Shareholders' Equity</i>		
Shareholders' equity attributable to the Group	154,995	154,144
Minority interests	860	677
Total shareholders' equity	155,855	154,821
<i>Non-current liabilities</i>		
Bank loans and other financial liabilities	60,719	62,672
Derivative financial instruments	1,648	846
Other payables	1,647	1,872
Deferred tax liabilities	25,914	27,407
Employee benefits	26,844	24,632
Non-current provisions for contingencies and charges	5,148	3,562
Total non-current liabilities	121,920	120,991
<i>Current liabilities</i>		
Bank loans and other financial liabilities	50,786	64,901
Derivative financial instruments	925	1,069
Trade payables	124,451	102,683
Other payables	17,458	16,119
Current taxation	2,288	1,340
Current provisions for contingencies and charges		839
Total current liabilities	195,908	186,951
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	473,683	462,763



CONSOLIDATED NET FINANCIAL POSITION

Net financial position	30.09.2010	30.06.2010	31.12.2009
(thousands of Euros)			
Cash and cash equivalents and short-term financial receivables	4,139	2,287	2,053
Short-term financial payables	(50,787)	(56,790)	(68,307)
Valuation of current portion of derivatives	(925)	(956)	(1,069)
Short-term financial position, net	(47,573)	(55,459)	(67,323)
Long-term financial payables	(60,719)	(60,605)	(62,672)
Valuation of current portion of derivatives	(1,648)	(1,459)	(846)
Financial position, net	(109,940)	(117,523)	(130,841)