



PRESS RELEASE

**THE BOARD OF DIRECTORS APPROVED
THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED DECEMBER 31ST, 2010**

PRELIMINARY FULL YEAR 2010 CONSOLIDATED RESULTS

- ◆ **NET REVENUES:** EURO 503.6 MILLION (VS. FULL YEAR 2009 EURO 428.1 MILLION)
- ◆ **GROSS OPERATING PROFIT (EBITDA):** EURO 40.0 MILLION (VS. FULL YEAR 2009 EURO 32.2 MILLION)
- ◆ **NET OPERATING PROFIT (EBIT):** EURO 12.1 MILLION (VS. FULL YEAR 2009 EURO 5.0 MILLION)
- ◆ **NET EARNINGS:** EURO 2.1 MILLION (COMPARED WITH A LOSS OF EURO 6.6 MILLION FOR YEAR 2009)
- ◆ **NET FINANCIAL INDEBTEDNESS:** EURO 106.5 MILLION (EURO 130.8 MILLION AS AT 31 DECEMBER 2009)

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ORDINARY MEETING OF SHAREHOLDERS CALLED FOR 26 AND 27 APRIL 2011 (IN FIRST AND SECOND CALL, RESPECTIVELY)

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Milan, February 11th, 2011

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 2010 of the Reno De Medici Group (“**RDM Group**” or the “**Group**”), that reports all preliminary full year 2010 consolidated results in increase and, in particular, a **Profit of Euro 2.1 million**, compared with a Loss of Euro 6.6 million as at 2009 financial year.

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INTRODUCTION

The following table sets out the highlights of the profit and loss accounts for 31 December 2010 and 31 December 2009.

	31.12.2010	31.12.2009 (*)
(thousands of Euros)		
Revenues from sales	503,599	428,120
EBITDA (1)	40,035	32,209
EBIT (2)	12,072	4,956
Results of operating activities before taxes (3)	4,926	(5,294)
<i>Current and deferred taxes</i>	<i>(2,874)</i>	<i>(1,297)</i>
Profit (loss) for the period	2,052	(6,591)

(*) Comparative figures as December 31, 2009 have been "revised" to make them consistent, following the reclassification of actuarial profits/losses deriving from the calculation of employee benefits made by the Group during the year.

- 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"

On the basis of all the preliminary full year consolidated results in increase, in 2010 RDM Group achieved positive results, despite a complex year, characterized by a still-volatile macroeconomic situation, by large increases in costs of energy and of raw materials for pulp, and by delayed increases in prices of cartonboard (implemented only in the second quarter).

Tonnes sold on the European market increased 6.5% compared to the previous year, marking a return to 2008 levels. This increase, recorded in all European major Countries (although in a differentiated manner), is attributable to a modest increase in consumption and to restocking, especially around the middle of the year. Order volume exceeded forecasts, and demand reached good levels as well. In addition, the economic recovery under way in major Far Eastern countries promoted exports under more profitable conditions than in the past.

The market seemed to have regained stability late in the year 2010, even if the general trend for prices of raw materials for pulp continued upward, including the reduction in production of waste paper (connected to the reduction or redevelopment of consumption). The upward in industrial costs caused an additional increase in selling prices from the half of October 2010.

In 2010, the trend for energy prices (gas/crude/coal) rose steadily and anticipated the effects of resumed global demand (prices rose from 15 to 30% compared to average levels in the previous year). The general rise in gas and coal prices, driven by crude, was noted in the last quarter as well.

In 2010, Group production was 930 thousand tonnes, compared to 854 thousand in the same period of 2009. In terms of volumes sold, about 946 thousand tonnes were shipped in 2010, compared to 864 thousand in 2009.



Moreover, a full and major order portfolio allowed highly efficient planning of production activities.

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MAIN PRELIMINARY CONSOLIDATED RESULTS

As at 31 December 2010, RDM Group achieved **Net Revenues of Euro 503.6 million**, with an increase of 18% compared to Euro 428.1 million as at 31 December 2009, thanks to higher sales volumes and increased unit revenues. More specifically, in 2010, the Group's geographic mix of revenues was affected by the different growth dynamics of its components: stronger growth on extra-EU markets (as Turkey and other Overseas sales) and Italy, compared to those in other European countries.

With regard to cost items (other than energy and raw materials for pulp), RDM Group registered a slight increase, in absolute terms, of labour costs compared to the previous year due to contractual increases, the higher number of hours worked, and allocations for the employee incentive plans. On the other hand, cost of labour per unit decreased slightly.

Consolidated **Gross Operating Profit (EBITDA)** as at December 31, 2010 of the RDM Group reached **Euro 40 million**, with an increase of 24% compared to Euro 32.2 million in 2009.

Consolidated **Net Operating Profit (EBIT)** of the RDM Group as at 31 December 2010 amounted to **Euro 12.1 million**, in increase compared to Euro 5.0 million as at 31 December 2009¹.

The Result of operating activities before taxes was positive for an amount of Euro 4.9 million, compared to a negative amount of Euro 5.3 million for the same period of 2009.

The Group as at December 31, 2010 made capital expenditures of Euro 16.9 million (Euro 19.7 million at 31 December 2009).

Net Earnings at 31 December 2010 of the Reno de Medici Group totaled **Euro 2.1 million** with respect to a loss of Euro 6.6 million incurred in 2009, thereby confirming the good performance registered in the 2010 full year.

The decrease in net financial expense is primarily due to the favourable trend in interest rate and the decrease of financial indebtedness.

The Consolidated **Net Financial Indebtedness** of the RDM Group as at December 31, 2010 amounted to **Euro 106.5 million**, a significant improvement compared to Euro 130.8 million at December 31, 2009, thanks to positive economic performance and to management of current.

¹ EBIT at 31 December 2009 was restated at approximately Euro 1.2 million for purposes of comparison with the amount at 31 December 2010, following the reclassification of actuarial profits/losses deriving from the calculation of employee benefits made by the Group during the year.



More specifically, the gross financial indebtedness at December 31, 2010, measured at amortized cost amounted to 107.3 (compared to Euro 131.0 million at December 2009) and consisted of the non-current portion of long-term loans for Euro 55.5 million, the current position of long term loans for about Euro 10.2 million and bank credit facilities and other financial liabilities of about Euro 41.6 million, consisting mainly of credit lines based trade accounts receivables. Derivatives instruments entered into in order to provide cash flow hedge have been noted on the balance sheet for a total negative amount of Euro 1.8 million. As at December 31, 2010 liquidity and financial credits due within 12 months amount of Euro 2.6 million (compared with Euro 2.0 million in December 2009).

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Outlook for operations

In terms of order numbers and sale prices, the beginning of 2011 appears substantively in line with the last months of 2010.

From a financial perspective, production factors such as energy and maceration costs continue to rise, also in correlation to the political instability in North Africa and the Middle East. It is reasonable to believe that these increased costs will have to be recuperated on the revenues front.

In conclusion, in a European macroeconomic scenario that shows signs of recovery, albeit slow and differing from country to country, a certain degree of volatility persists, making it hard to make financial and market projections that are completely reliable.

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OTHER RESOLUTIONS

The Board of Directors of Reno De Medici S.p.A. has also resolved to call the Ordinary Shareholders' Meeting for 11a.m. on 26 April 2011 at its registered office, Via Durini n. 16/18, Milan, Italy in first call and, if necessary, for 11 a.m. on 27 April 2011 at Borsa Italiana, Piazza degli Affari 6, Milan, Italy in second call.

Shareholders will be requested to vote on approval of the annual financial statement at 31 December 2010 and to appoint the Board of Directors.

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OUTLOOK FOR OPERATIONS

In terms of order volumes and selling prices, early 2011 is substantially in line with the last quarter of 2010.

It is currently rather difficult for RDM Group to venture a long-term forecast, in that the demand trend in Europe is linked to different economic growth rates in each country.



In addition, one must consider the effects of rising costs of energy and of raw materials for pulp, which are influenced by political instability in North Africa and in the Middle East.

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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 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 DECEMBER 31, 2010 ARE ATTACHED BELOW²

² The Interim Report for the period ended 31 December 2010 of the Reno De Medici Group has not been audited by the Independent Auditors.



INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2010

CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement	31.12.2010	31.12.2009 (*)
<i>(thousands of Euros)</i>		
Revenues from sales	503,599	428,120
Other revenues and income	14,999	19,324
Changes in stocks of finished goods	2,130	(5,202)
Cost of raw materials and services	(395,237)	(328,428)
Staff costs	(81,060)	(75,764)
Other operating costs	(4,396)	(5,841)
Gross Operating Profit	40,035	32,209
Depreciation and amortisation	(26,449)	(26,655)
Recovery of value and write-downs of assets	(1,514)	(598)
Operating Profit	12,072	4,956
<i>Financial expenses</i>	<i>(7,788)</i>	<i>(10,897)</i>
<i>Exchange rate differences</i>	<i>613</i>	<i>432</i>
<i>Financial Income</i>	<i>91</i>	<i>219</i>
Financial income (expenses), net	(7,084)	(10,246)
Income (loss) from investments	(62)	(4)
Taxation	(2,874)	(1,297)
Profit (loss) for the period	2,052	(6,591)
Attributable to:		
Profit (loss) for the period pertaining to the Group	1,380	(6,945)
Profit (loss) for the period pertaining to minority interests	672	354

(*) Comparative figures as December 31, 2009 have been “revised” to make them consistent, following the reclassification of actuarial profits/losses deriving from the calculation of employee benefits made by the Group during the year.



STATEMENT OF CONSOLIDATED FINANCIAL POSITION

Consolidated Statement of financial position - ASSETS	31.12.2010	31.12.2009
(thousand of Euros)		
<i>Non-current assets</i>		
Tangible fixed assets	245,546	256,231
Goodwill	63	63
Other intangible assers	6,004	6,243
Investments	6,403	6,690
Deferred tas assets	1,626	1,473
Derivative financial instruments		
Financial assets held for sale	191	193
Trade receivables	81	81
Other receivables	370	364
Total non-current assets	260,284	271,338
<i>Current assets</i>		
Stocks	81,925	74,313
Trade receivables	120,972	110,417
Other trade receivables	5,623	4,800
Financial assets held for sale		188
Derivative financial instruments		
Liquid funds	2,210	1,707
Total current assets	210,730	191,425
TOTAL ASSETS	471,014	462,763



Consolidated Statement of financial position - LIABILITIES	31.12.2010	31.12.2009
(thousands of Euros)		
<i>Shareholders' Equity</i>		
Shareholders' equity attributable to the Group	155,578	154,144
Minority interests	1,010	677
Total shareholders' equity	156,588	154,821
<i>Non-current liabilities</i>		
Bank loans and other financial liabilities	55,531	62,672
Derivative financial instruments	1,011	846
Other payables	1,595	1,872
Deferred tax liabilities	25,502	27,407
Employee benefits	24,030	24,632
Non-current provisions for contingencies and charges	5,837	3,562
Total non-current liabilities	113,506	120,991
<i>Current liabilities</i>		
Bank loans and other financial liabilities	50,416	64,901
Derivative financial instruments	794	1,069
Trade payables	127,204	102,683
Other payables	16,398	16,119
Current taxation	3,257	1,340
Employee benefits	2,851	
Current provisions for contingencies and charges		839
Total current liabilities	200,920	186,951
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	471,014	462,763



CONSOLIDATED NET FINANCIAL POSITION

Net financial position	31.12.2010	30.09.2010	31.12.2009
(thousands of Euros)			
Cash and cash equivalents and short-term financial receivables	2,601	4,139	2,053
Short-term financial payables	(51,723)	(50,787)	(68,307)
Valuation of current portion of derivatives	(794)	(925)	(1,069)
Short-term financial position, net	(49,916)	(47,573)	(67,323)
Long-term financial payables	(55,531)	(60,719)	(62,672)
Valuation of current portion of derivatives	(1,011)	(1,648)	(846)
Financial position, net	(106,458)	(109,940)	(130,841)