

RenoDeMedici



PRESS RELEASE

**INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS
FOR EMPLOYEES AND MANAGEMENT TO BE SUBMITTED TO
ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Milan, 1 September 2009

The Board of Directors of Reno De Medici S.p.A. (hereinafter “**RDM**” or the “**Company**”), in a meeting today, resolved to submit to the Shareholders’ Meeting two Incentive Plans based on financial instruments. The Board resolved to grant the power to the Chairman and the Deputy Chairman to call the meeting and to fix its agenda.

Commenting on this Board resolution, Mr. Christian Dubé, Chairman of Reno De Medici, underlined that *“After the merger of Reno De Medici and the recycled assets of Cascades s.a.s. in 2008, the integration process and industrial restructuring is currently taking place. The Company, second-ranked European producer of recycled cartonboard, has the objective to offer an always better level of service to its customers. Therefore, it is time to put in place, for employees and management of the Company, incentive plans that will allow to reinforce a sense of belonging to the ‘new entity’ and to focus on achieving the medium term objectives as well as secure their commitment to deliver even in these difficult market conditions”*.

The Board believes that these Plans are in the interest of the Company and its Shareholders:

- a) to promote the employees’ involvement and participation in the creation of value by facilitating their shareholding in the Company;
- b) to incentivise Management in the Company’s improved profitability and fulfilment of objectives related to the financial equilibrium of the Company.

1. Incentive Plan (2010-11) for RDM’s employees based on financial instruments.

The Board of Directors resolved to submit for approval at the Shareholders’ Meeting an Incentive Plan for the Employees’ shareholding for the years 2010-2011.

This Plan is addressed to all 1,700 employees (as of 31 July 2009) of RDM Group with the exception of the employees of companies not controlled by RDM.

By virtue of the Plan, RDM intends to strengthen its employees' sense of belonging to the Group offering them the opportunity to own shares in Reno De Medici under incentivised conditions and compliance to the Rules Plan.

The Plan provides that if an employee purchases 2 shares, RDM will provide the financial broker in charge, the amount required for the purchase of 1 additional share on behalf of the employee, without any direct and free attribution of shares. Moreover, the maximum amount that RDM will pay for each participating employee will not exceed Euro 1,000.00 each during the entire term of the Plan.

The Plan does not provide for different rules or procedures based on the category of beneficiaries.

The RDM's Managing Director, Mr. Capuano, and the other RDM Group managers (already Beneficiaries to the Performance Phantom Shares below explained) are excluded from this Incentive Plan.

As required by Italian Law, the Company will make available to the public the documentation referred to in Art. 114-bis of Italian Decree Law no. 58/98 and in Art. 84 bis of the the Consob Regulation n. 11971/99.

2. The Incentive Plan (2009-2010-11) for management based on "Performance Phantom Shares".

The Board of Directors also resolved to submit for approval at the Shareholders' Meeting an Incentive Plan based on Performance Phantom Share ("*Phantom Shares Plan*") for 2009-2010-2011 for the benefit of fourteen (14) top managers of the RDM Group including the Chairman, Christian Dubé, the Deputy-Chairman, Giuseppe Garofano, and the Managing Director, Ignazio Capuano.

The Plan is meant to provide the Company and the Group with a plan to achieve agreed upon targets while stimulating and promoting the loyalty of the beneficiaries.

The Plan provides for the assignment of 8,365,000 performance Phantom Shares¹ to the beneficiaries, in addition to 500,000 phantom shares to be assigned to new eligible beneficiaries conforming to the Plan Rules. This Plan provides for the beneficiaries to receive a cash bonus linked to the achievement of specific performances such as return on capital and financial ratios and is related to the value of the stock price when the Plan is vested in 2011. The maximum amount that RDM should pay to all of the beneficiaries during the entire term of the Plan may not exceed Euro 4,000,000.00 (all as described in the Information Document pursuant to Art. 114 bis of Italian Decree Law no. 58/98 and of Art. 84 bis of the Consob Regulation n. 11971/99). As required by Italian Law, the Company will make available to the public the documentation pursuant to Art. 114-bis of Italian Decree Law no. 58/98 and to Art. 84 bis of the Consob Regulation n. 11971/99.

¹ The Phantom Share means the Company's virtual share assigned to the beneficiaries of the Incentive Plan. Its value will be calculated based on the fixed rules as provided in the Information Document pursuant to Art. 114 bis of Italian Decree Law no. 58/98 and of Art. 84 bis of the Consob Regulation n. 11971/99. In this case performance Phantom Share stand for highlighting the importance of achieving the targets.

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Reno De Medici S.p.A.

Reno De Medici Group is listed on the Star segment of Borsa Italiana Stock Exchange, since 1996.

The Group is the leading Italian and second-ranked European producer of cartonboard based on recycled material. Its annual production capacity is above one million tones, splitted among five mills in Italy and three plants in Spain, France and Germany and counts around 1,700 employees.

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