

RENO DE MEDICI OUTPERFORM

Price (Eu): **0.37**
 Target Price (Eu): **0.50**

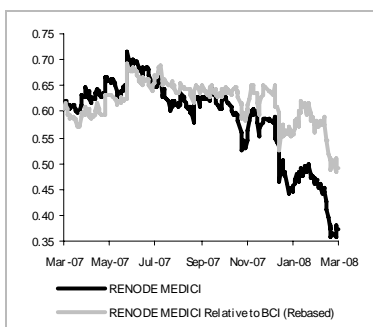
SECTOR: Industrials

Carlo Barracchia +39-02-77115.230
 e-mail: cbarracchia@intermonte.it

The New Reno de Medici

- 2007 Results.** 2007 saw the completion of the restructuring process on production and financials that started in 2003, culminating in the return to a net positive result. RdM closed 2007 with sales of Eu324.5mn +9.1% YoY (our estimate Eu351.5mn). EBITDA came in at Eu29.6mn, in line with the '06 results (our estimate Eu29.7mn). EBIT closed at Eu10.5mn, a significant improvement on last year (in 2006 it came to Eu6.3mn), thanks to lower amortisation (vs. our expectation of Eu9.7mn). Net profit was positive to the tune of Eu0.6mn vs a loss of Eu18.5mn in 2006 and our estimate of Eu-2.1mn. The NFP improved compared to last year from Eu-127mn to Eu-114mn.
- Merger with Cascades; Ebitda pro forma 40mn.** The merger finally took place on 1st March 2008, after the green light from the Antitrust Authority. The deal is being carried out through the exchange of 115.6mn shares. As a result of the deal, Cascades will become the leading shareholder with 30.6% of the capital. The acquired asset will bring Eu187.5mn of additional sales and Eu10.8mn of extra EBITDA. On pro forma basis the new RDM would have closed with sales at 530mn and an Ebitda at 40mn.
- Management expects 30mn synergies for 2010.** The integration will allow RDM to improve its competitive position and to have a better geographical breakdown of sales. Strong indications have been provided on potential synergies: approximately Eu15mn in annualised synergies and another Eu15mn in efficiency improvements, as well as an asset cleansing. No details have been yet disclosed on extra efficiency improvements. We expect more visibility for efficiency improvements in the next few quarters.
- New Estimates: EPS cut by 17.4% in 08.** We have estimated 2008 sales of Eu543.5mn, EBITDA of Eu42.7mn (Eu43.7mn after restructuring costs and synergies), EBIT of Eu19.7mn, pre-tax profit of Eu11.1mn and net profit of Eu7.8mn. As regards 2009, we expect sales of Eu560mn, EBITDA before synergies of Eu44.8mn (Eu54.8mn after synergies), EBIT of Eu31.3mn and net profit of Eu14.3mn. Considering the new shares issued, EPS for 2008 will be Eu0.02 (-15% vs. our old estimates) and Eu0.038 in 2009 (-10% vs. our old estimates).
- Outperform, target price from 0.60 to 0.50.** Our new valuation is Eu0.50 per share. Thanks to the integration with Cascades the company's capital situation is now much safer: 2007 debt/EBITDA is at 2.8x (vs. the previous 4x) and Debt/BV has gone from 1x to 0.55x. Despite a very uncertain scenario on 2008, there nevertheless remains strong upside (+35%), and we therefore keep our OUTPERFORM recommendation unchanged.

RENO DE MEDICI - 12m Performance



RATING: Unchanged

TARGET PRICE (Eu): from 0.60 to 0.50

Change in EPS est: **2007A** **2008E**
 mn -17.4%

STOCK DATA

Reuters code: RDM.MI
 Bloomberg code: RM IM

Performance	1m	3m	12m
Absolute	-21.2%	-36.3%	-37.8%
Relative	-13.2%	-18.9%	-12.9%
12 months H/L:	0.72/0.36		

SHAREHOLDER DATA

No. of Ord. shares (mn):	378
Total No. of shares (mn):	378
Mkt Cap Ord (Eu mn):	141
Total Mkt Cap (Eu mn):	141
Mkt Float - ord (Eu mn):	101
Mkt Float (in %):	72.2%
Main shareholder:	
Alerion	12.6%

BALANCE SHEET DATA

	2008
Book value (Eu mn):	198
BVPS (Eu):	0.52
P/BV:	0.7
Net Financial Position (Eu mn):	-108
Enterprise value (Eu mn):	248

SAVING

Price:	
No. of shares (mn):	1
Mkt Cap Sav (Eu mn):	
DVPS:	0.00

Key Figures	2005A	2006A	2007A	2008E	2009E
Sales (Eu mn)	295	314	342	544	560
Ebitda (Eu mn)	28	30	30	43	54
Net profit (Eu mn)	-12	-18	1	7	14
EPS - New (Eu)	-0.01	-0.04	0.01	0.02	0.04
EPS - Old (Eu)	-0.01	-0.05	-0.01	0.02	0.04
DPS (Eu)	0.00	0.00	0.00	0.00	0.00

Ratios & Multiples	2005A	2006A	2007A	2008E	2009E
P/E	nm	nm	52.9	18.8	10.1
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Ebitda	10.5	9.0	8.6	5.8	4.4
ROCE	0.5%	2.3%	4.5%	7.0%	9.9%

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein, and of any of its parts, is strictly prohibited. None of the contents of this document may be shared with third parties without Company authorization.

2007 showed a good recovery in cardboard prices. The year was for the most part characterised by a pick-up in the demand for cardboard, which by generating an increase in orders led on to a considerable rise in sales prices. Overall sales went up by 9.1% (+2.9% due to volumes and +6.2% thanks to price increases). RdM despatched 664,000 tons (2.9% YoY). On the price front average revenues per ton despatched in 2007 rose by 5.4% on 2006 (up by 8.4% in the final quarter compared to the corresponding period of 2006). The ramp up in prices was particularly strong in the last quarter.

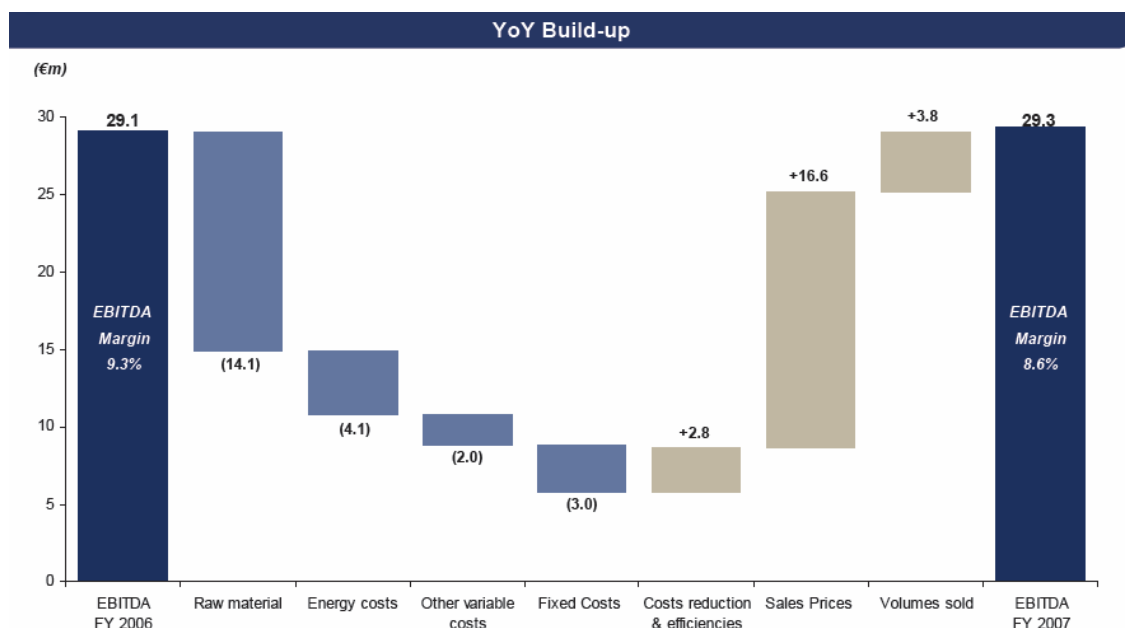
Reno de Medici FY'07 Results

(Eu mn)		Q4'06A	Q4'07A	YoY %	FY'06A	FY'07A	FY'07E	YoY %
Sales		81.6	90.0	10.3%	313.9	342.5	352.0	9.1%
Ebitda		7.3	7.7	6.2%	29.6	29.6	29.7	-0.2%
	margin %	9.2%	8.6%		9.4%	8.6%	9.1%	
Ebit		1.2	2.9	141.5%	6.3	10.5	9.7	68.0%
	margin %	1.8%	3.2%		2.0%	3.1%	2.8%	
Net Financial Gain (Losses)		(2.5)	(1.8)		(10.7)	(8.9)	(9.2)	
Disposed Operations		(3.9)	(1.3)		(8.9)	(2.3)	0.0	
Participations					(1.7)	1.3	0.0	
Pre-tax		(1.3)	1.1		(15.0)	0.6	0.5	nm
Taxes		na	na		(3.2)	0.3	(3.0)	
Minorities		na	na		0.3	(0.3)	0.4	
Net Profit		na	na	nm	(18.0)	0.6	(2.1)	nm

Source: Intermonte Sim

2007 saw the completion of the restructuring process on production and financials that started in 2003, culminating in the return to a net positive result. RdM closed 2007 with sales of Eu324.5mn +9.1% YoY (our estimate Eu351.5mn). EBITDA came in at Eu29.6mn, in line with the '06 results (our estimate Eu29.7mn). EBIT closed at Eu10.5mn, a significant improvement on last year (in 2006 it came to Eu6.3mn), thanks to lower amortisation (vs. our expectation of Eu9.7mn). Net profit after the disposed operations was positive to the tune of Eu0.6mn vs a loss of Eu18.5mn in 2006 and our estimate of Eu-2.1mn. The NFP improved compared to last year from Eu-127mn to Eu-114mn.

Raw material increases offset sales prices. The increase in sales prices only partially offset the rises in raw material prices which occurred throughout 2007 (up by 19.2% on 2006 prices) and the increases in energy costs, which gross of efficiencies rose by 7.6% on 2006. The following graph shows the EBITDA breakdown. The biggest impact was due to the rise in raw materials, which absorbed around Eu14mn (weight on sales went from 31.1% up to 32.5%). Another cost item relates to the record increase in energy costs (up by 8%, after a +35% in 2006).



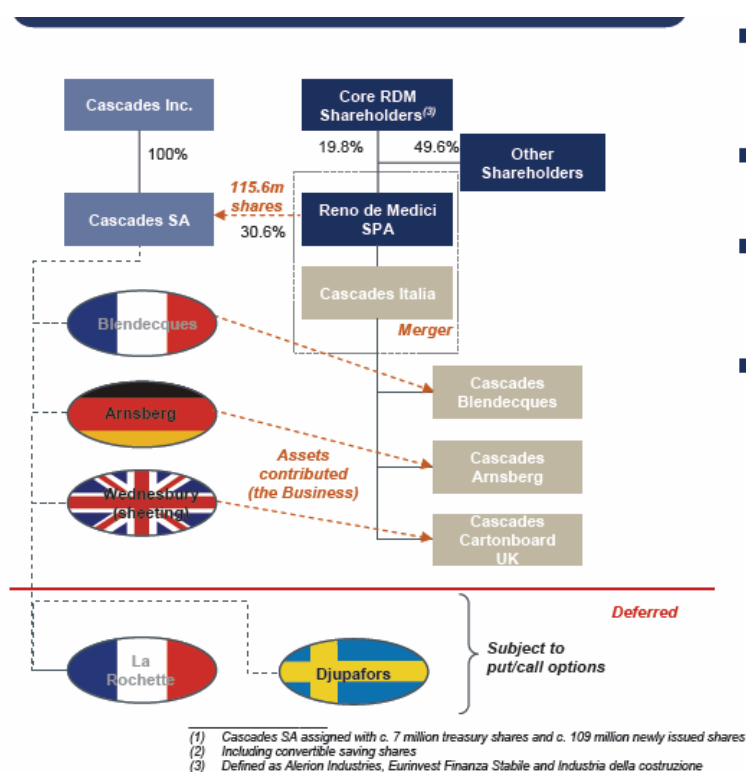
Source: Company presentation

Merger with Cascades European assets definitively approved. The merger finally took place on 1st March 2008, after the green light from the Antitrust Authority. The deal is being carried out through the exchange of 115.6mn shares, 108.1mn shares will be issued, while 7.5mn treasury shares will be assigned to the transaction. As a result the post-merger share capital of Reno De Medici will amount to 377.3mn. As a result of the deal, Cascades will become the leading shareholder with 30.6% of the capital. The acquired asset will bring Eu187.5mn of additional sales and Eu10.8mn of extra EBITDA.

The transaction involved the integration of two production facilities into the RDM Group, one in France and one in Germany, as well as a cutting and distribution centre in England. This integration, especially considering the fact that the agreements provide for the conferral of the three companies without recourse to financial debt, will allow the future RDM Group to be able to face the European market with financial and asset strength such that it may be considered to be a market player of primary importance.

The Canadian company will transfer its facilities in Blendecques (France), in Wednesbury (UK) and in Arnsberg (Germany) for a total output of around 350,000 tonnes per year. No debt is to be transferred to RDM. The second step, starting from 2009, would be to make the acquisition of virgin fibre cardboard assets: two in France and one in Sweden.

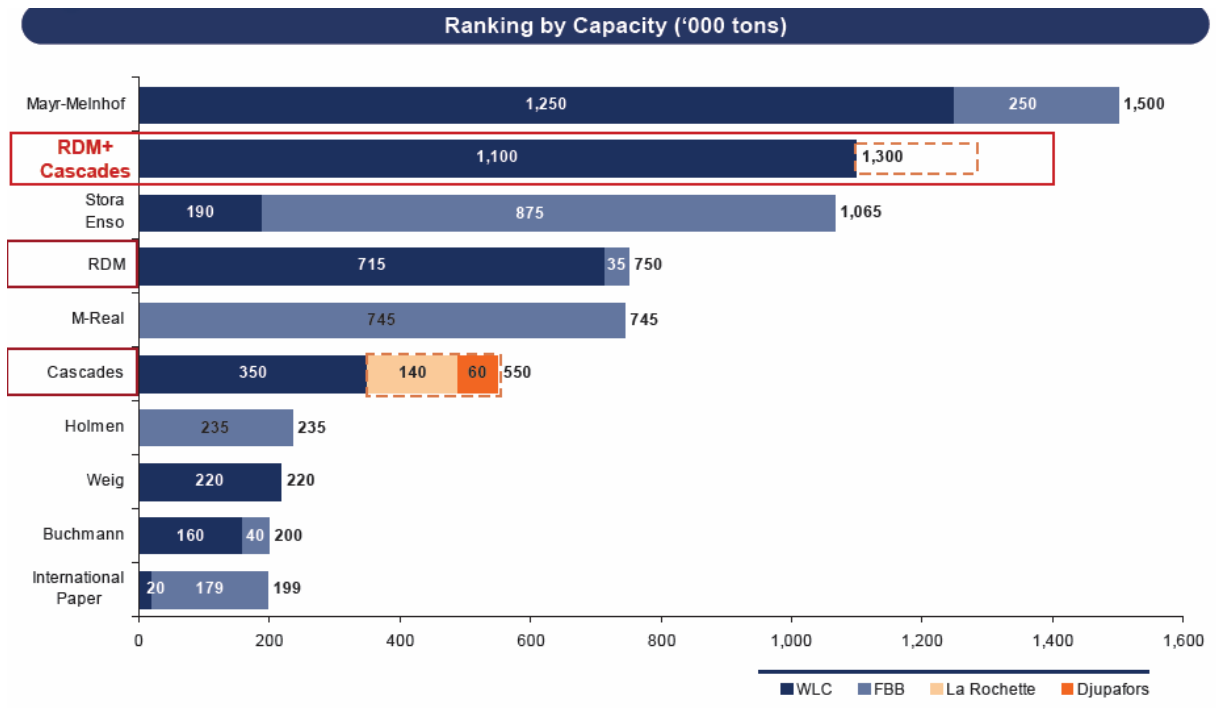
Combination with Cascades



- Combination of RDM with the recycled cartonboard business of Cascades SA (the "Business")
- The Business transferred cash and debt free to a NewCo (Cascades Italia), then merged into RDM
- 115.6 million shares assigned to Cascades SA⁽¹⁾ as part of the merger, resulting in 30.60% of the share capital⁽²⁾ and 30.64% of voting rights
- The Parties have also agreed on:
 - Assignment of their respective sales networks to a new corporate entity ("RCS") owned 70% by RDM and 30% by Cascades
 - Transfer of all RDM's customer accounts for virgin paperboard to Cascades
 - Put/call agreement on the remaining two virgin assets of Cascades SA, (La Rochette and Djupafors facilities) at established EBITDA multiples

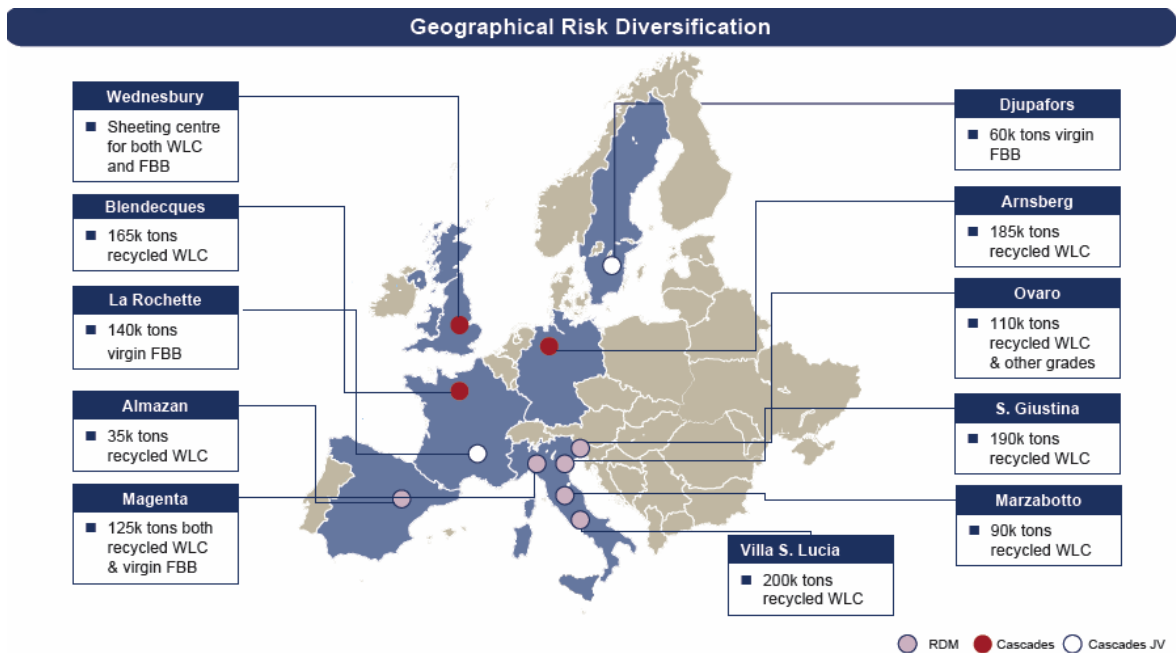
Source: Company presentation

The deal will bring RdM's capacity up to 1.1 million tons, from a capacity of Reno de Medici of 750k tons. On recycled cartonboard RdM will be the second largest player in Europe after Meyr Melnhof (1.250mn tons).



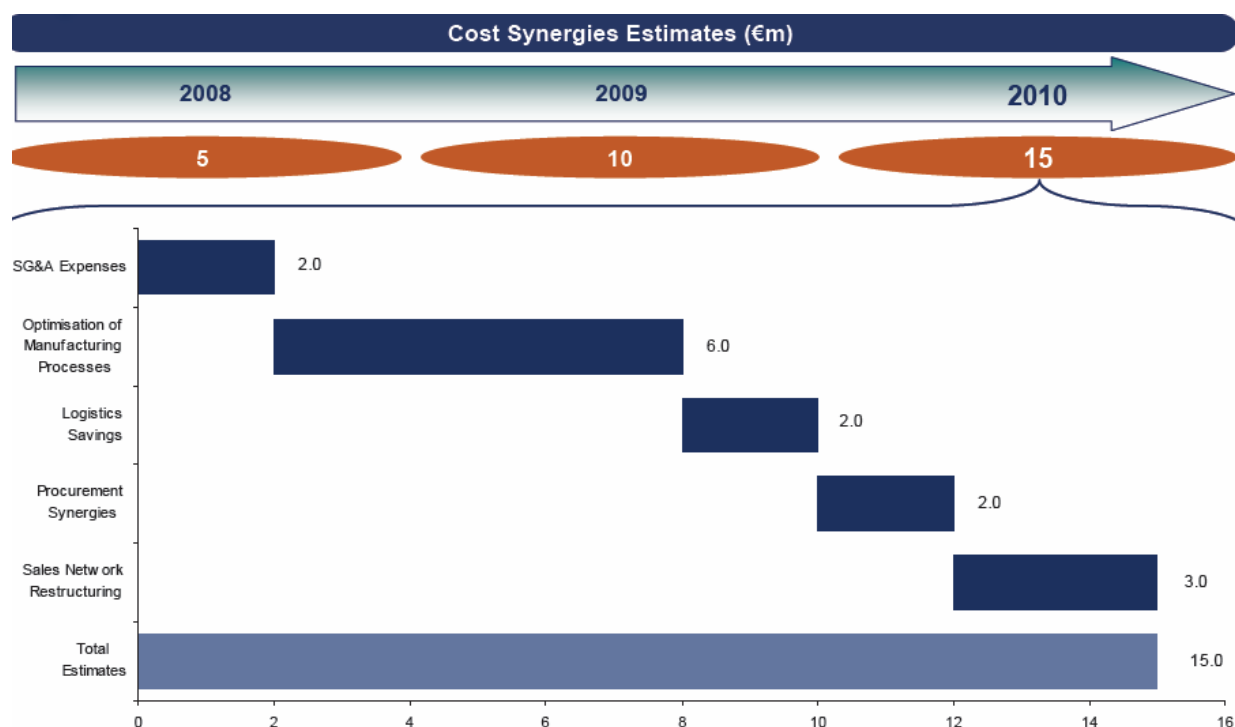
Source: Company presentation

The integration will allow RDM to improve its competitive position and to have a better geographical breakdown of sales: the weight of Italy will go from 52% down to 35%. The geographical risk diversification with the two new Blendecques mills (165k tons of recycled WLC) and Arnsberg (185k tons recycled WLC) should allow RDM to have a lead time reduction (according to the company 2 days less due to the positioning of mills closer to clients). Clients will be better served, allowing strong savings. RDM management expects to reduce transport costs by around Eu50 per ton, which should be translated into Eu5mn.



Source: Company presentation

Synergies indicated at Eu15mn. Strong indications have been provided on potential synergies. The new company would achieve approximately Eu15mn in annualised synergies, beginning in 2008, from the optimisation of value chain processes resulting in lower operating costs and reduced logistics and procurement costs.



Source: Company presentation

New company to get around Eu70mn in 2009. In the following table we show the combined entity according to management, the new RdM as it could be in 2010. Management expects to reach an EBITDA of Eu70mn by 2010, without considering any particular increase in sales. RdM expects to reach Eu70mn of EBITDA through Eu15mn in cost synergies and another Eu15mn in efficiency improvements, as well as an asset cleansing. No details have been yet disclosed on extra efficiency improvements. We expect more visibility for efficiency improvements in the next few quarters.

RenoDeMedici Targets of the New Group

(€m)	2007 Pro-Forma	2010 E
Sales	530	~550
EBITDA	40	~70
Cost Synergies		~15
Efficiency Improvements and Assets Cleaning		~15
Net Financial Position	115	~75
CAPEX		~60

Source: Company presentation

New estimates for combined entity. The outlook does not appear strong for the coming quarters as there are a series of uncertainties as to what will be the future trend in the demand for consumer goods. We expect volumes to be flat in 2008 and an average increase in prices of around 2.5%. The extra EBITDA generated by price increases (around Eu14mn) will be partially offset by hikes in energy prices and transport costs, due to a further rally in oil prices.

In our new estimates we have incorporated only Eu15mn of synergies, spread over three years. As far as 2008 is concerned, we have incorporated Eu5mn of one-off costs. The first two months of 2008 showed an increase in average sales prices of 5.6% over those in January 2007. On the other hand, there was a drop of 1.4% in volumes in January 2008 compared to those for the corresponding month of the previous year.

Change in 2008 EPS: -17%. Overall, we have estimated 2008 sales of Eu543.5mn, EBITDA for the new Reno de Medici of Eu41.8mn (Eu42.8mn after restructuring costs and synergies), EBIT of Eu18.8mn, pre-tax profit of Eu10.1mn and net profit of Eu7.5mn. As regards 2009, we expect sales of Eu560mn, EBITDA before synergies of Eu43.8mn (Eu53.8mn after synergies), EBIT of Eu30.3mn and net profit of Eu13.6mn. Considering the new shares issued, EPS for 2008 will be Eu0.02 (-17% vs. our old estimates) and Eu0.038 in 2009 (-10% vs. our old estimates).

<i>Reno de Medici P&L (Eu mn)</i>	2006A	2007A	2008E	2009E	2010E
<i>RDM Sales</i>	313.9	342.4	351.3	361.9	372.9
<i>Cascades Sales</i>	na	187.5	192.2	198.0	202.0
Total Sales	313.9	342.4	543.5	560.0	574.9
<i>yoy Change %</i>	6.3%	9.1%	58.7%	3.0%	2.7%
<i>RDM EBITDA</i>	29.6	29.6	30.2	31.7	34.8
<i>margin %</i>	9.4%	8.6%	8.6%	8.8%	9.3%
<i>Cascades EBITDA</i>	na	10.8	11.5	12.0	12.9
<i>margin %</i>					
Total EBITDA	29.6	29.6	41.8	43.8	47.6
<i>yoy Change %</i>	6.7%	-0.2%	41.2%	4.8%	8.8%
<i>margin %</i>	9.4%	8.6%	7.7%	7.8%	8.3%
<i>Synergies Cost</i>	na	na	5.0	10.0	15.0
<i>Restructuring Costs</i>	na	na	(4.0)	0.0	0.0
EBITDA Post Synergies	29.6	29.6	42.8	53.8	62.6
<i>yoy Change %</i>	6.7%	-0.1%	44.5%	25.7%	16.4%
<i>margin %</i>	9.4%	8.6%	7.9%	9.6%	10.9%
<i>Depreciation</i>	(23.4)	(19.0)	(24.0)	(23.5)	(23.0)
EBIT	6.3	10.5	18.8	30.3	39.6
<i>margin %</i>	2.0%	3.1%	3.5%	5.4%	6.9%
<i>yoy Change %</i>	nm	67.9%	78.7%	61.1%	30.8%
<i>Financial income, net</i>	(10.7)	(8.9)	(8.0)	(8.4)	(6.3)
<i>Participations</i>	(0.5)	1.3	0.0	0.0	0.0
<i>Others</i>	(1.7)	0.0	0.0	0.0	0.0
<i>Disposed Operation</i>	(8.9)	(2.1)	0.0	0.0	0.0
Pre-Tax profit	(15.6)	0.6	10.8	21.9	33.3
<i>Total Taxes</i>	(3.2)	0.8	(3.0)	(7.6)	(12.8)
<i>Tax Rate</i>	20.4%	141.3%	-27.8%	-34.8%	-38.3%
Net Profit consolidato	(18.7)	(0.8)	7.8	14.3	20.5
<i>Minorities</i>	0.3	(0.3)	(0.3)	(0.3)	(0.3)
Net Profit	(18.5)	0.5	7.5	14.0	20.2

Source: Intermonte SIM

Target price to Eu0.50 from Eu0.60, OUTPERFORM confirmed. Our new valuation, based on an average of a DCF model (Eu0.53) and an EV/ROACE model on 2008/2009 (Eu0.47), is Eu0.50 per share. At our target price, Reno de Medici would trade at 0.91x P/BV, 7.0x EV/EBITDA and 25x P/E. Thanks to the integration with Cascades the company's capital situation is now much safer: 2007 debt/EBITDA is at 2.8x (vs. the previous 4x) and Debt/BV has gone from 1x to 0.55x. Despite a very uncertain scenario on 2008, there nevertheless remains strong upside (+35%), and we therefore keep our OUTPERFORM recommendation unchanged.

RENO DE MEDICI - KEY FIGURES

		2005A	2006A	2007A	2008E	2009E
	Fiscal year end	31/12/2005	31/12/2006	31/12/2007	31/12/2008	31/12/2009
PROFIT & LOSS (Eu mn)	Sales	295	314	342	544	560
	EBITDA	28	30	30	43	54
	EBIT	2	6	11	19	30
	Financial income (charges)	(12)	(11)	(9)	(8)	(8)
	Associates & Others	2	(1)	1	0	0
	Pre-tax profit (Loss)	(13)	(16)	1	11	22
	Taxes	(0)	(3)	0	(3)	(8)
	Tax rate (%)	4.5%	-18.6%	-14.5%	-12.7%	
	Minorities & discontinue activities	12	(9)	(3)	(0)	(0)
	Net profit	-12	-18	1	7	14
	Total extraordinary items	(16)	(2)	0	0	0
	Ebitda excl. extraordinary items	28	30	30	43	54
	Ebit excl. extraordinary items	2	6	11	19	30
Net profit restated	(3)	(12)	2	7	14	
PER SHARE DATA (Eu)	Total shares out (mn) - average fd	270	270	270	378	378
	EPS stated fd	-0.05	-0.07	0.00	0.02	0.04
	EPS restated fd	-0.01	-0.04	0.01	0.02	0.04
	BVPS fd	0.53	0.43	0.43	0.52	0.56
	Dividend per share (ord)	0.00	0.00	0.00	0.00	0.00
	Dividend per share (sav)	0.00	0.04	0.00	0.00	0.00
Dividend pay out ratio (%)						
CASH FLOW (Eu mn)	Gross cash flow	14	5	20	31	37
	Change in NWC	44	31	9	(4)	(3)
	Capital expenditure	(10)	(11)	(15)	(22)	(23)
	Other cash items	0	0	0	0	0
	Free cash flow (FCF)	58	36	29	27	35
	Acquisitions, divestments & others	49	14	0	0	0
	Dividend	0	0	0	0	0
	Equity financing/Buy-back	0	0	0	0	0
Change in Net Financial Position	96	24	13	6	13	
BALANCE SHEET (Eu mn)	Total fixed assets	232	190	189	272	272
	Net working capital	109	78	69	94	96
	Long term liabilities	(47)	(26)	(29)	(60)	(61)
	Net capital employed	294	243	229	305	307
	Net financial position	(151)	(127)	(114)	(108)	(95)
	Group equity	143	116	115	198	212
	Minorities	0	0	0	0	0
	Net equity	143	116	115	198	212
ENTERPRISE VALUE (Eu mn)	Average mkt cap - current	141	141	141	141	141
	Adjustments (associate & minorities)	0	0	0	0	0
	Net financial position	(151)	(127)	(114)	(108)	(95)
	Enterprise value	292	268	255	248	236
RATIOS(%)	EBITDA margin*	9.4%	9.4%	8.6%	7.9%	9.6%
	EBIT margin*	0.6%	2.0%	3.1%	3.5%	5.4%
	Gearing - Debt/equity	105.7%	110.0%	99.0%	54.4%	44.9%
	Interest cover on EBIT	0.1	0.6	1.2	2.3	3.6
	Debt/Ebitda	5.44	4.29	3.85	2.51	1.77
	ROCE*	0.5%	2.3%	4.5%	7.0%	9.9%
	ROE*	-8.2%	-14.3%	0.5%	4.8%	6.8%
	EV/CE	0.8	1.0	1.1	0.9	0.8
	EV/Sales	1.0	0.9	0.7	0.5	0.4
	EV/Ebit	nm	nm	24.2	13.2	7.8
Free Cash Flow Yield	41.2%	25.3%	20.4%	19.6%	24.7%	
GROWTH RATES (%)	Sales	-2.2%	6.3%	9.1%	58.7%	3.0%
	EBITDA*	-10.9%	6.7%	-0.1%	44.5%	25.7%
	EBIT*	-64.0%	255.4%	67.9%	78.7%	61.1%
	Net profit	nm	nm	nm	1292.9%	86.5%
	EPS restated	nm	nm	nm	181.6%	86.5%

* Excluding extraordinary items

Source: Intermonte SIM estimates

DISCLAIMER (for more details go to <http://intermonte.it/disclosures.asp>)

IMPORTANT DISCLOSURES

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.

This report is directed exclusively at market professional and other institutional investors "Institutions" and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution. The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by the Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a "solicitation to buy or sell securities" as defined by art.1 comma 1, lett.1) of Decree Law 58/1998.

This disclaimer is constantly updated on Intermonte's website www.intermonte.it under **DISCLOSURES**. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certify that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities. Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

GUIDE TO FUNDAMENTAL RESEARCH

Reports on all companies listed on the S&PMB40 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report is sent to the subject company for its information, but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

The stock price indicated is the reference price on the day prior to the publication of the report.

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 98 in the register of brokerage firms.

As at December 31 st 2007 Intermonte's Research Department covered 155 companies. Intermonte's distribution of stock ratings is as follows:

BUY	OUTPERFORM	NEUTRAL	UNDERPERFORM	SELL
25.16%	24.52%	34.84%	14.19%	1.29%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (19 in total) is as follows:

BUY	OUTPERFORM	NEUTRAL	UNDERPERFORM	SELL
63.16%	10.53%	26.31%	0.0%	0.0%

CONFLICT OF INTEREST

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without company authorization.

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without company authorization.

This report is directed exclusively at market professional and institutional investor customers and is not for distribution to private customers, who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to such private customers.

The information and data in this report has been obtained from sources which we believe to be reliable, though the accuracy of which is not guaranteed. Its main scope is to offer up-to-date and accurate information: it should not, therefore, be intended as a solicitation or offer to buy or sell securities.

In order to disclose its possible conflicts of interest Intermonte SIM states that:

- the Parent Company, Banca Monte dei Paschi di Siena, owns, directly or indirectly, a significant stake (more than 1% of the share capital) in the following Companies: Aeroporto di Firenze, Alerion Industries S.p.A., Banca Popolare di Spoleto, Cir Energia (Gruppo CIR), Dada, ELEN, Fiat, Kerself, Snia, Sorin, Unipol;
- a few members of the Board of Directors of the following Companies have positions within Banca Monte dei Paschi di Siena Group: Aeroporto di Firenze, Alerion Industries S.p.A., Banca Popolare di Spoleto, BNL, Callagione S.p.A., Callagione Editore, Cementir, Dada, ELEN, Engineering, Sias, Sorin, Unipol, Vianini Industria, Vianini Lavori;
- within the last year, Intermonte SIM managed or co-managed / is managing or is co-managing (see companies indicated in **bold** type) an Institutional Offering of the securities of the following Companies: Arkimedica, **Biancamano, Conafi, Omnia Network**, Pierrel (private placement), Monti Ascensori (private placement), IT Holding (private placement), **Pramac**;
- in the last year Intermonte, Banca Monte Paschi di Siena and/ or other banks in the group have acted or are acting (see companies in **bold** type) as Lead Manager or Co-Lead Manager in consortia for the placement of shares, or to guarantee rights issues, of the following companies: **Biancamano, Conafi, Kerself** (also Financial Advisor) **Omnia Network, Pramac**;
- Intermonte SIM is Sponsor in accordance with the Italian Securities Markets regulations, with the related obligation of coverage and distribution of research, of the following Companies: Arkimedica, **Biancamano, Caleffi, Conafi, Omnia Network, RDM Realty**;
- Intermonte SIM is Specialist, in accordance with the Italian Securities Markets regulations, with the related obligation of coverage and distribution of research, of the following Companies: B&C Speakers, **Biancamano, Buongiorno, Cogeme, Datalogic, DeA Capital, Dmail, Digital Bros, EEMS, Fiera Milano, FMR Art'è, Kerself, Monti Ascensori, Reno de Medici, RDM Realty, Saes Getters, Servizi Italia, TAS, Trevisan, TXT e-solutions**;
- Banks of the Banca Monte dei Paschi di Siena Group, issue financial instruments related to the shares of the following Companies and/or are market makers and/or are arrangers and/or are distributors: Autostrade, Banca Fideuram, Banca Intesa, Bipop-Carife, Edison, Enel, Eni, Erg, Fiat, Generali Assicurazioni, Impregilo, Mediaset, Mediolanum, Pirelli & C., Ras, SanPaolo-IMI, Seat Pagine Gialle, Telecom Italia, Tiscali, Unicredito Italiano;
- the Monte Paschi di Siena banking group provides a significant amount of financing to the following Companies: Allitalia, Camfin, Datalogic, Fiat, Hera, Pirelli & C., Pirelli & C. Real Estate, Seat Pagine Gialle, Telecom Italia

DETAILS ON STOCK RECOMMENDATION

Stock NAME	RENO DE MEDICI		
Current Recomm:	OUTPERFORM	Previous Recomm:	OUTPERFORM
Current Target (Eu):	0.50	Previous Target (Eu):	0.60
Current Price (Eu):	0.37	Previous Price (Eu):	0.46
Date of report:	31/03/2008	Date of last report:	01/02/08

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website www.intermonte.it/mifid

Further information is available