

RenoDeMedici

RdM

GROUP

*Company overview and
9M2010 results*

November 2010





Christian Dubé

Chairman

Ignazio Capuano

Chief Executive Officer

Stefano Moccagatta

Chief Financial Officer

Guido Vigorelli

Investor Relations Officer

DISCLAIMER: Certain statements in this presentation, including statements regarding target results and performance, are forward-looking statements based on current analysis and/or assumptions. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, decrease in demand for the Company's products, increase in raw material and energy costs, changes in the relative value of certain currencies, fluctuations in selling prices, adverse changes in general market and industry conditions and other factors.



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Overview

RenoDeMedici



Reno De Medici in pills

Our
business

■ Market leadership:

- Leading Italian and second-ranked European producer of recycled carton board.

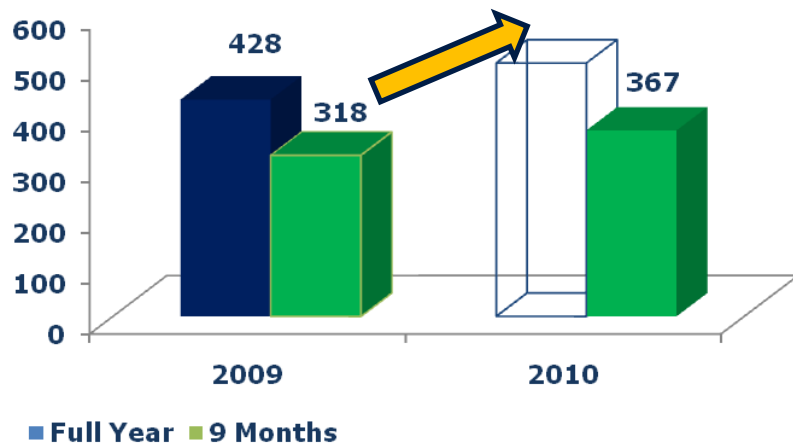
■ Production capacity:

- Reno De Medici's production capacity is spread among several mills in Italy, Spain, France and Germany.

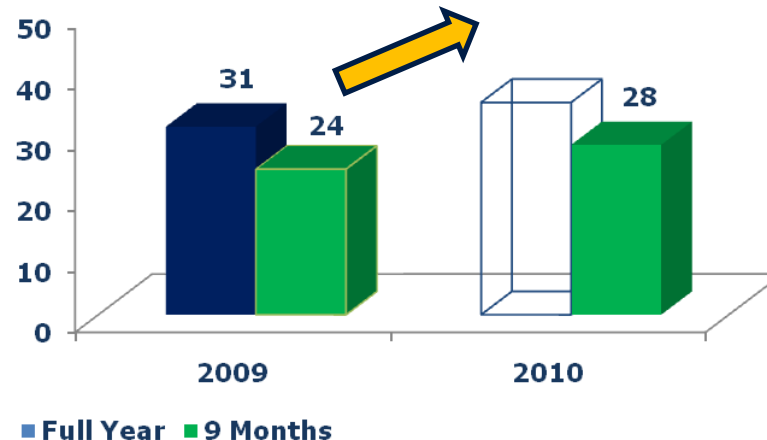
■ Product range:

- The different types of carton board that Reno De Medici produces target all packaging and graphic applications.
- Reno De Medici's products are offered through different brands to meet the customers' requirements and to achieve a widespread presence in Italy, as well as abroad.

Revenues from sales €ml



EBITDA €ml



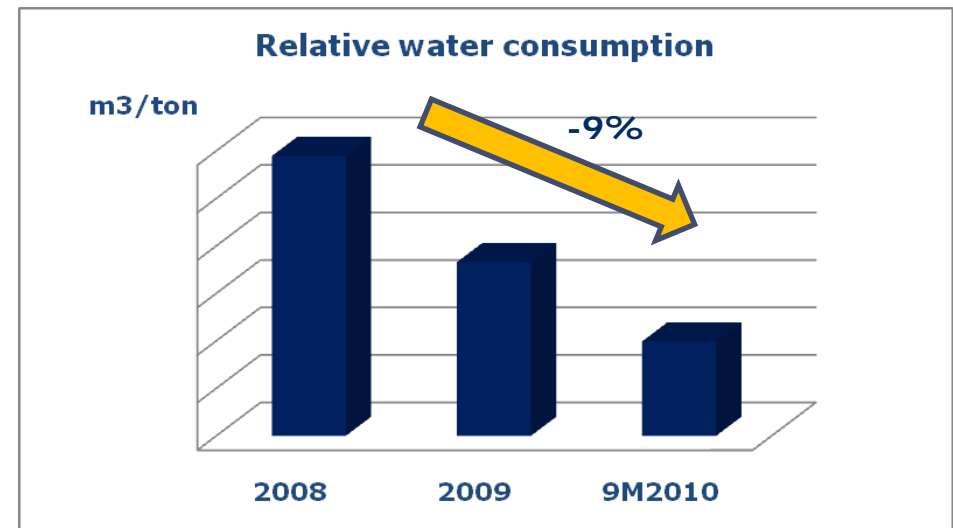
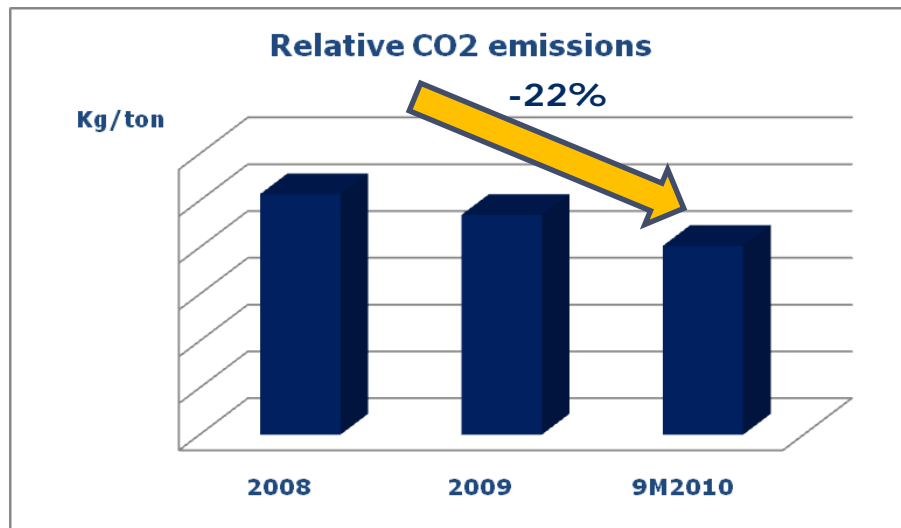
*EBITDA includes non recurring revenues from asset disposals.



Pioneer of recycling and sustainable development

■ Recycling and low environmental impact are core values for RDM

- Ca 900,000 tons of recycled fibers (consumption).
- Continuous reduction in energy consumption, CO2 emissions and water used per metric ton of paper.
- Re-utilisation of 30-40% of generated waste.



Proactively adjusting asset base

1996

- **1996: Reno de Medici** is listed on the Milan stock exchange.

1998

- **1997: Reno de Medici** and **Saffa** merge.

- **1998: Reno De Medici** merged with **Sarriò**, becoming Europe's second largest producer of recycled cartonboard.

2001

- **1999: Europoligrafico**, resulting from the merger of **Grafiche Capretta** with **Bianchi Saffapack**, becomes the Italy's leading converter firm.

- **2001: Acquisition of Aticarta** with a paper mill in Pompei and a converting mill in Rovereto.

2005

- **2005: Non-core assets disposal and sale of the share capital owned in Europoligrafico and Aticarta.**

2006

- **2006: Demerger of some real estate assets, through the creation and listing of RDM Realty.**

2008

- **2008: Merger by incorporation of the European recycled cartonboard business of Cascades. Creation of a commercial joint-venture (Careo) for the sale of all kind of cartonboard both from virgin and recycled fibres.**

2009

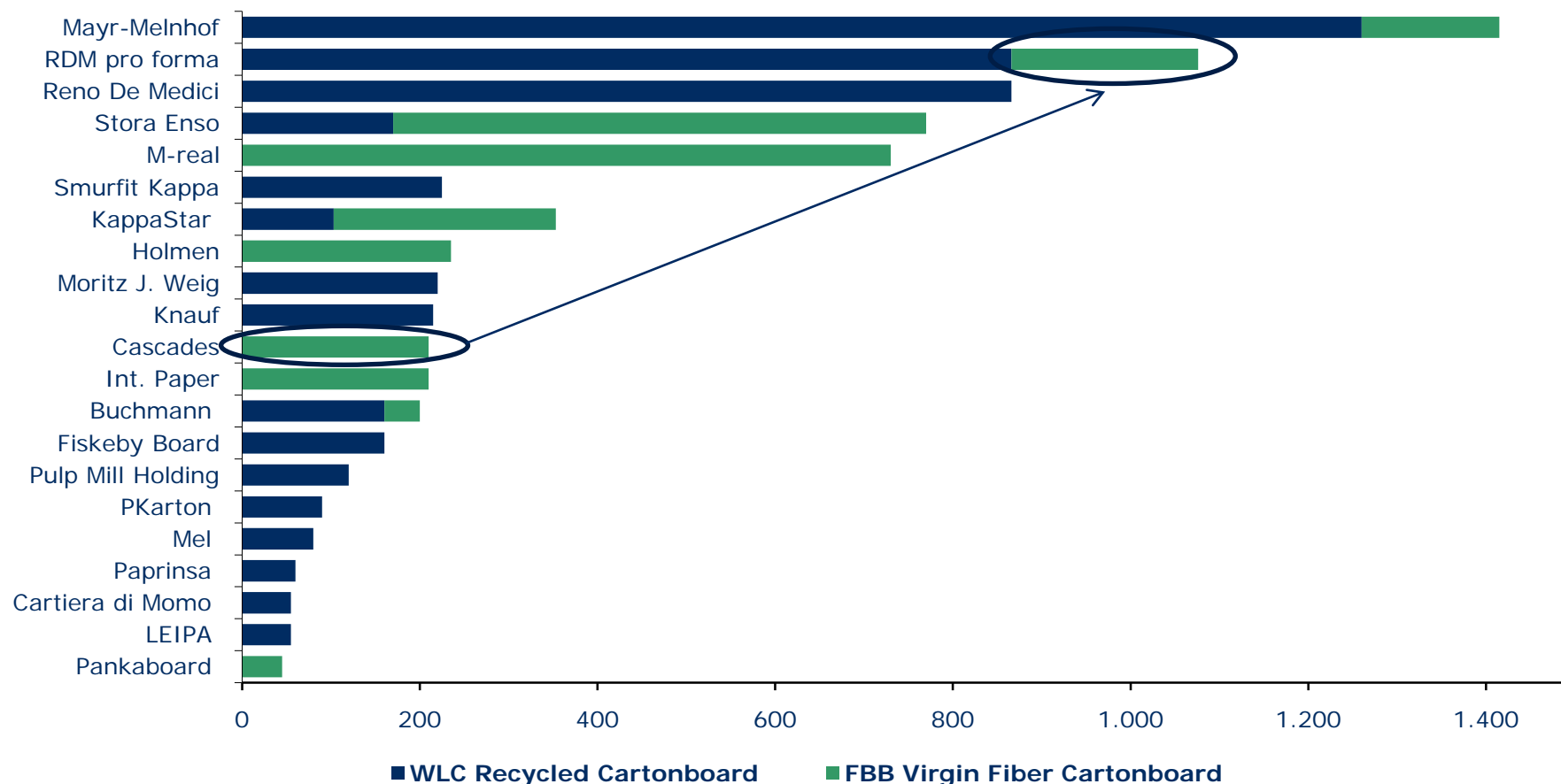
- **2009: Acquisition of a minority stake in Manucor, the leading Italian plastic film producer.**

Proactively adjusting asset base to reduce costs, improve financial flexibility and redeploy capital towards core segments.



RDM's market positioning

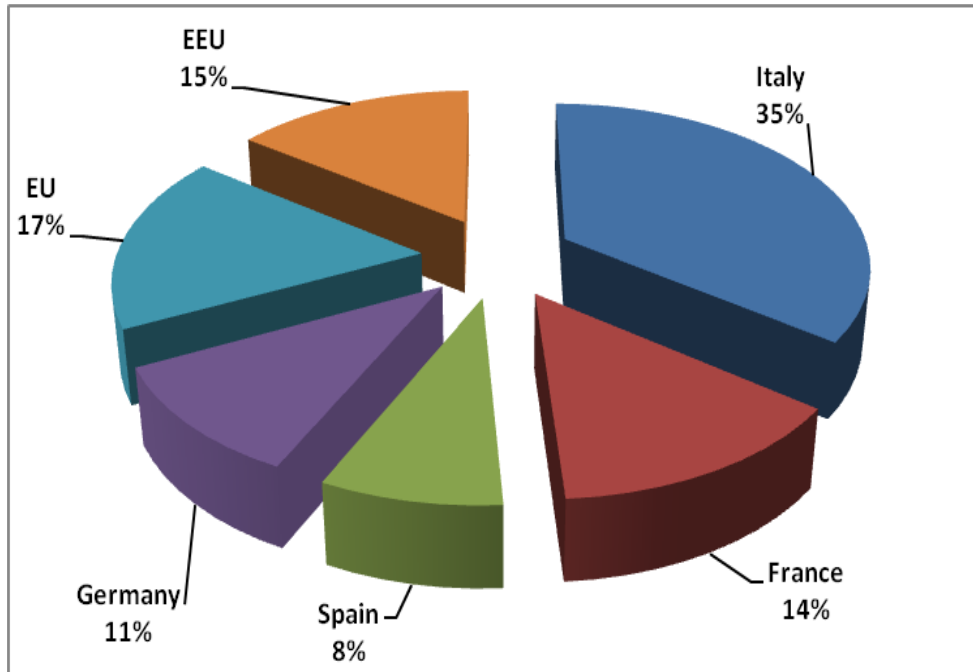
Ranking by capacity (tons/thousand)



RDM "pro forma" represents the total production capacity should the put and call option to acquire the European FBB assets of Cascades be exercised by Cascades/RDM, respectively. The option exercise period is 2012 for RDM and 2013 for Cascades.

A pan European player

Geographical breakdown of sales 9M2010



Well balanced sales portfolio and proximity to production sites

Operating European production plants





State of the art production plants



Santa Giustina

Production capacity 195,000 tons
ISO 9001, ISO 14001, FSC



Villa Santa Lucia

Production capacity 210,000 tons
ISO 9001, ISO 14001, FSC



Ovaro

Production capacity 110,000 tons
ISO 9001, ISO 14001, FSC



Magenta

Production capacity 130,000 tons
ISO 9001, FSC



Almazan

Production capacity 35,000 tons
ISO 9001, FSC



Blendecques

Production capacity 105,000 tons
ISO 9001, ISO 14001, OHSAS 18001, QSE,
HACCP, FSC



Arnsberg

Production capacity 210,000 tons
ISO 9001, ISO 14001, EMAS, FSC





Key 9M2010 financial results

RenoDeMedici





9M2010 key results: back to net profit

Eur 000s	9M2010	9M2009
Revenues	366.780	318.571
EBITDA*	28.014	24.525
EBIT	8.494	4.129
Net result**	1.589	(3.400)
FCF***	20.901	(3.994)
Net Financial Position (cash)/ debt as of 30.09	109.940	132.519
Tonnes sold (000s)	701	634

* Includes margin from non recurring revenues from asset disposals.

** Before minorities' interest.

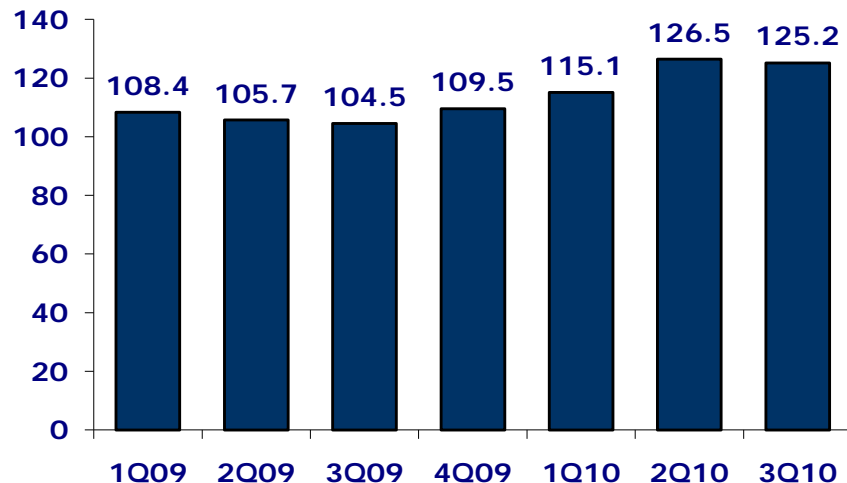
*** NFP change in the nine-month period (31.12 - 30.09).

- Market demand improving, but still weaker than pre-crisis:
 - 8% increase in Europe.
 - Pick up of demand from the middle East/Far East.
- Improved efficiency in operations due to the higher production level.
- The 'spread' (difference between sales prices and raw materials prices) has recovered substantially since Q2.
- **Due to the above effects, the company's results and profitability have been improving steadily and marked a significant growth YoY.**
- Positive and higher FCF*** and improving Net Financial Position due to:
 - Higher net result.
 - Lower net invested capital.

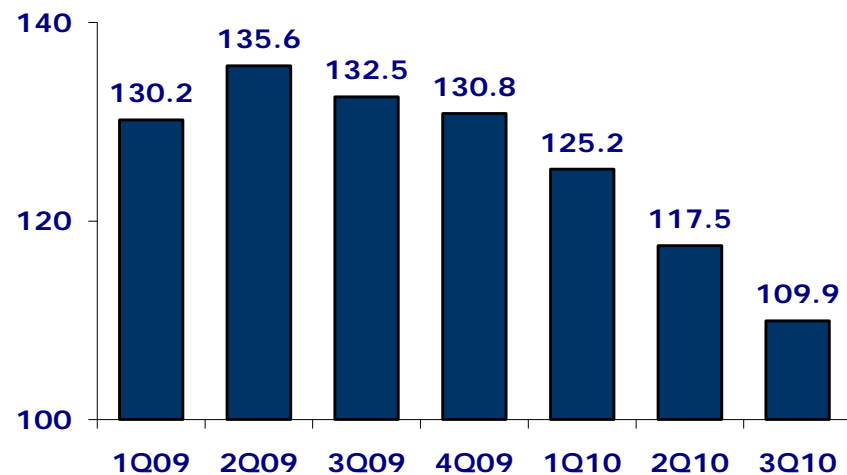


Quarterly trend: KPIs improvement

REVENUES (€ML)



NET FINANCIAL DEBT (€ML)



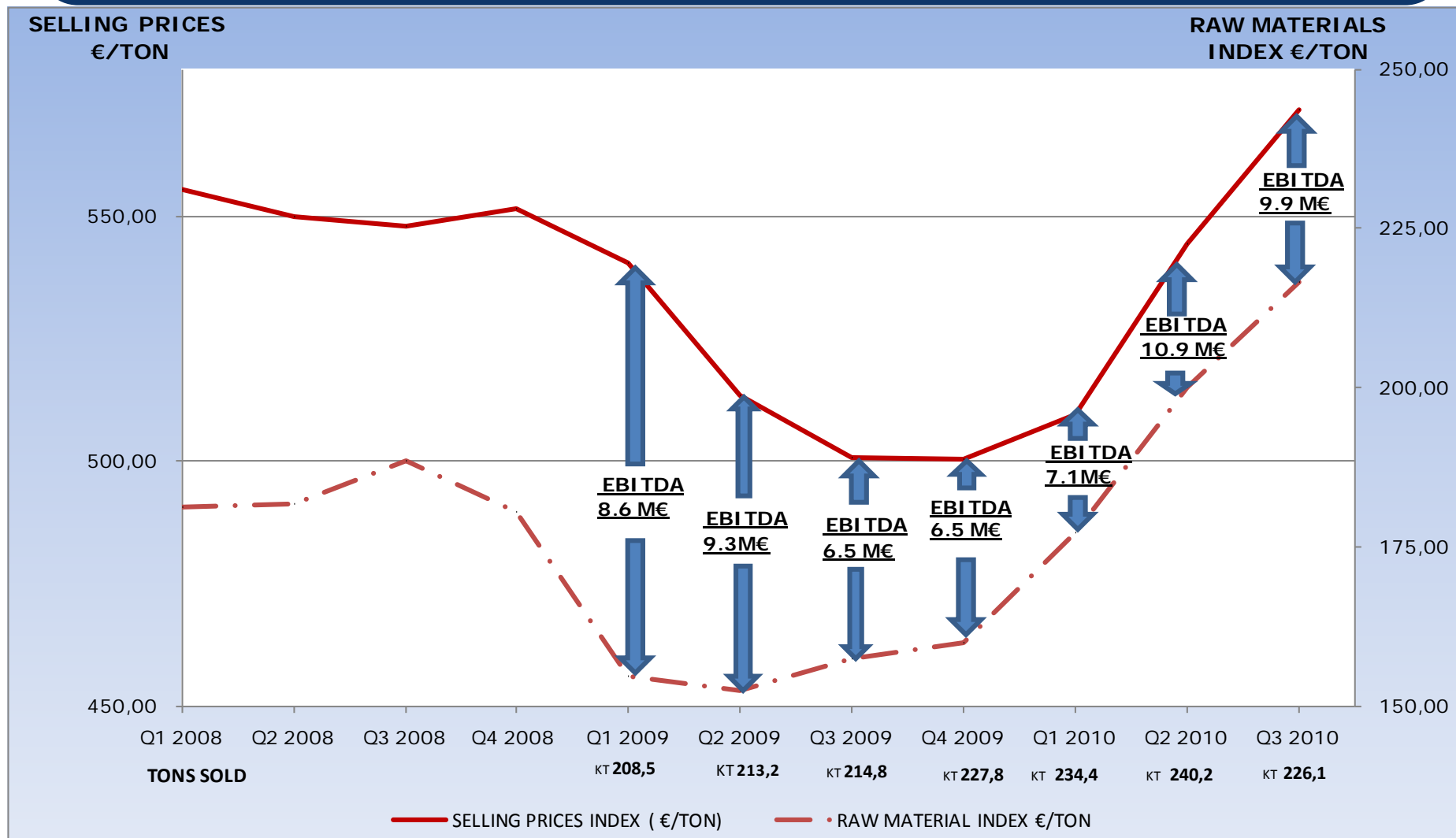
- The quarterly trend shows improving revenues (Q3 vs Q2 was affected by seasonality), and it is expected to continue in Q4.
- Net debt reduction mainly due to reduction of net invested capital.
- Reduction in the cost of debt due to declining interest rates.
- **FCF* generation (€20.9 million)** in 9M2010, of which €7.6 million in 3Q2010, due to net invested capital dynamics (Working Capital and Capex).
- Capex of €11.4 million in 9M2010 vs €12.3 million in 9M2009: reduction mainly due to timing effects.

* NFP change



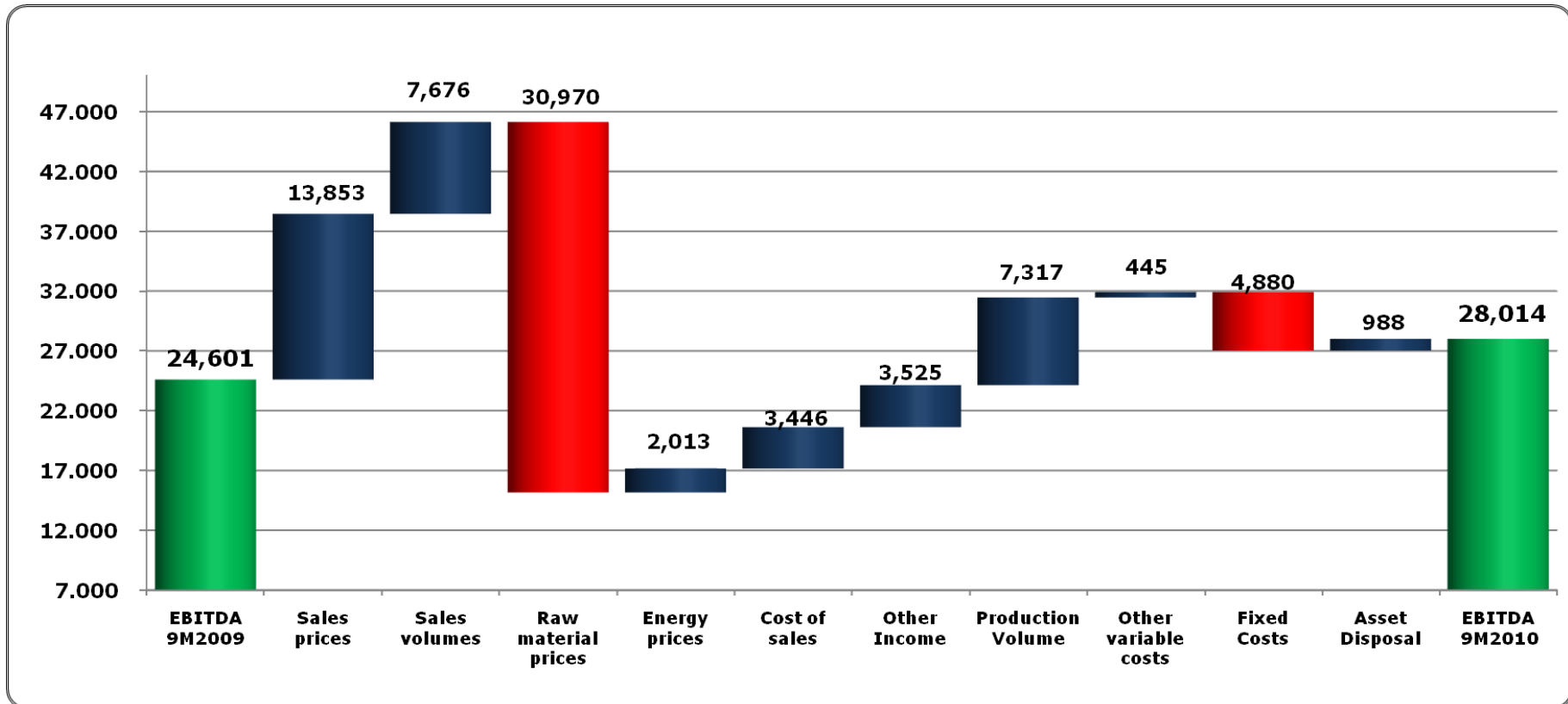
Spread trend

RDM Group selling prices and raw material cost indexes (€/ton)



EBITDA Bridge

EBITDA YoY WATERFALL (€000s)





Market environment

RenoDeMedici



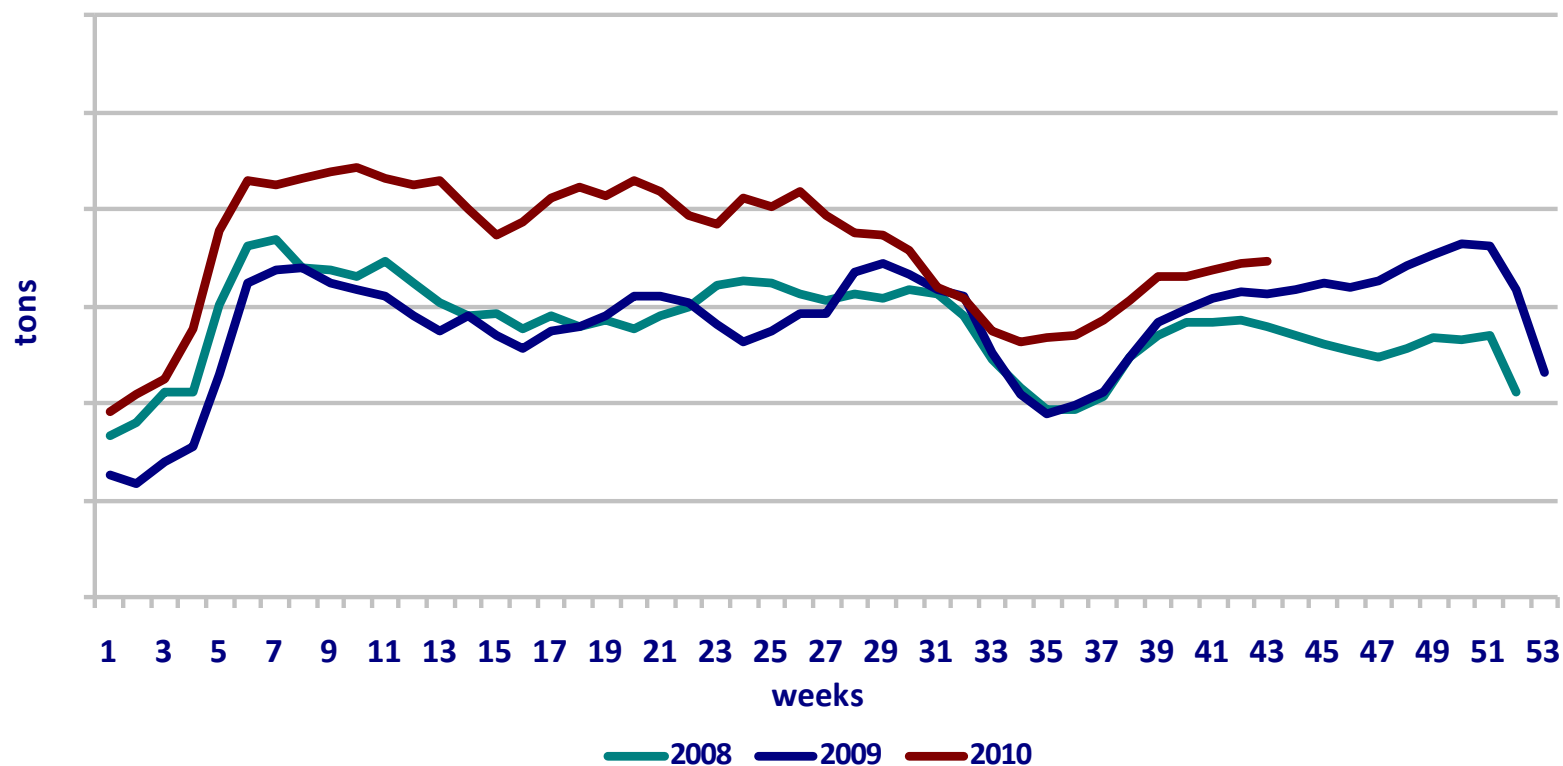
Key trends

Key sector highlights:

- WLC demand steadily increasing since Q42009.
- Raw materials prices have peaked, but further increases are still possible.
- Gradual transfer of raw materials' prices increases on final products' prices.
- Capacity reduction in the industry ongoing.

Demand evolution

EUROPEAN WLC MARKET DEMAND EVOLUTION (ORDER INFLOW)



The European boxboard industry, after a difficult 2009, is now up to a sharp rebound in 2010.



Overcapacity reduction ongoing

PLANTS CLOSURE IN EUROPE: 615,000 TONS LESS CAPACITY SO FAR

2006

2007

2008

2009

2010

Holland
Die
Endracht:
130,000 tons

Spain
Romani:
30,000 tons

Spain
Papelera del
Centro:
30,000 tons

France**
Blendeques:
60,000 tons

Switzerland*
Deisswil:
150,000 tons

Spain
Rio Verde:
45,000 tons

Bulgaria*
Nikopol:
80,000 tons

Italy**
Marzabotto:
90,000 tons

*MM plants **RDM plants





Outlook

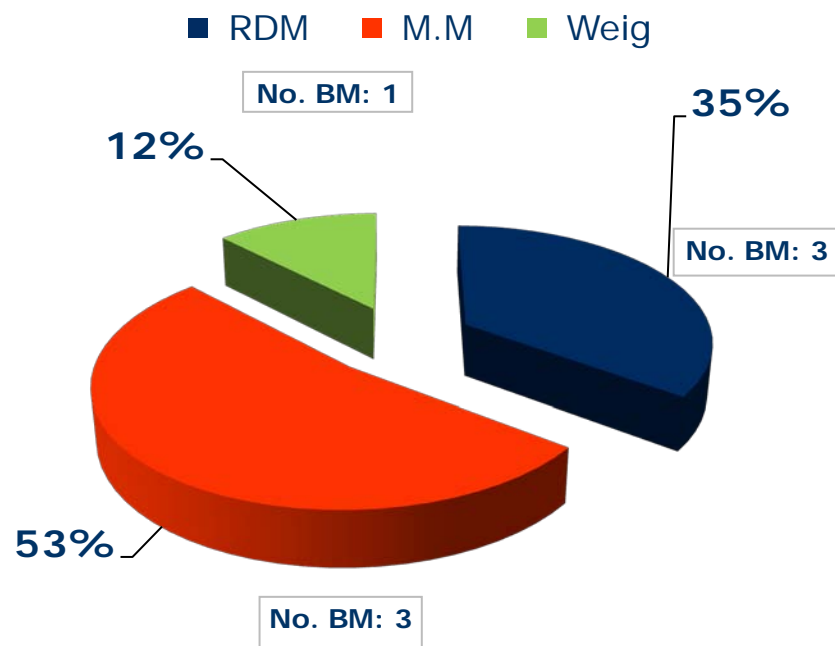
RenoDeMedici



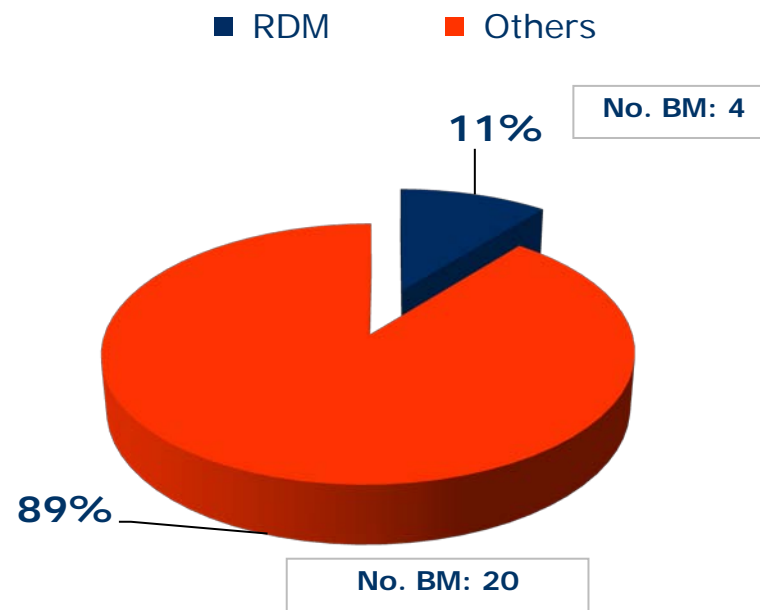
Outlook

IN THE CURRENT ENVIRONMENT ONLY THE BEST PERFORMING MACHINES WILL CREATE VALUE

Board Machines >200k tons



Board Machines <200K tons



Number of board machines producing over 200,000 tons and respective production capacity.

Number of board machines producing under 200,000 tons and respective production capacity.

PACKAGING VALUE CHAIN

GROWING

PRODUCERS

Recycled
Fibers



Virgin
Fibers



Flexible



CONVERTERS



END-USERS



Growing opportunity to improve products portfolio, better serving end-users.





Key investment highlights





RDM: a green company for a green Christmas

Environmental commitment

•RDM has always put the environmental commitment at the forefront of its corporate strategy. RDM's industrial process is based on recycling, which enables to optimize the use of resources.

All natural sourcing

•For the manufacture of recycled products, the wastepaper and raw materials are carefully selected, in order to guarantee the best quality for the finished product.

Core activity is 100% sustainable

•The production, in itself, is eco-responsible because fibers are used in a continuous cycle. Recycled fibers are re-used many times throughout the production process.

Saving energy is a day-to-day issue

•RDM focuses its efforts on efficient management of energy consumption, in order to achieve the best practices in the industry.

Respectful use of water

•Over the past several years, RDM has significantly reduced the consumption of water, which has been decreased three-fold in the past decade.

Innovation in technology, a key performance

•The desire for continuous improvement has led RDM to work on state-of-the-art technological solutions.

Logistics is a key value

•RDM sources from the nearest area around its mills (within a 100 to 200 km radius) and delivers at the nearest customers' converting sites.





RDM: a green company for a green Christmas



RenoDeMedici
Collection Reno

<http://collectionreno.renodemedici.it/eu/it/>





Appendix

RenoDeMedici





Profit & Loss

(Eur/million)	9M2010	9M2009	Var%
Revenues from sales	366.8	318.6	15%
EBITDA *	28.0	24.5	14%
<i>% EBITDA margin</i>	<i>7.6%</i>	<i>7.7%</i>	
Depreciation, amortisation and write downs	(19.5)	(20.4)	(4%)
EBIT	8.5	4.1	106%
<i>% EBIT margin</i>	<i>2.3%</i>	<i>1.2%</i>	
Financial charges **	(5.5)	(6.4)	(14%)
EBT	3.1	(2.3)	n.m
Taxation	(1.5)	(1.1)	36%
Result for the period ***	1.6	(3.4)	n.m.

Tons sold (tons/thousands)	701	634	10%
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* Includes margin from revenues deriving from other activities (including non recurring revenues from asset disposals)

** 9M2010 financial charges include 0.657 mln of gains in from foreign exchange differences

*** Before minorities' interest



Balance Sheet

<i>(Eur/million)</i>	Sept 30, 2010	Dec 31, 2009
Stock	80.3	74.3
Trade receivables	121.6	110.4
Trade payables	(124.5)	(102.7)
Total working capital	77.4	82.0
Other assets - current	4.4	4.6
Other liabilities - current	(19.7)	(14.9)
Non-current assets	263.3	271.3
Non-current liabilities	(32.8)	(32.8)
Employees' leaving indemnity	(26.8)	(24.6)
Net capital invested	265.8	285.6
Net financial position	(109.9)	(130.8)
Net Equity	155.9	154.8
Total sources	265.8	285.6



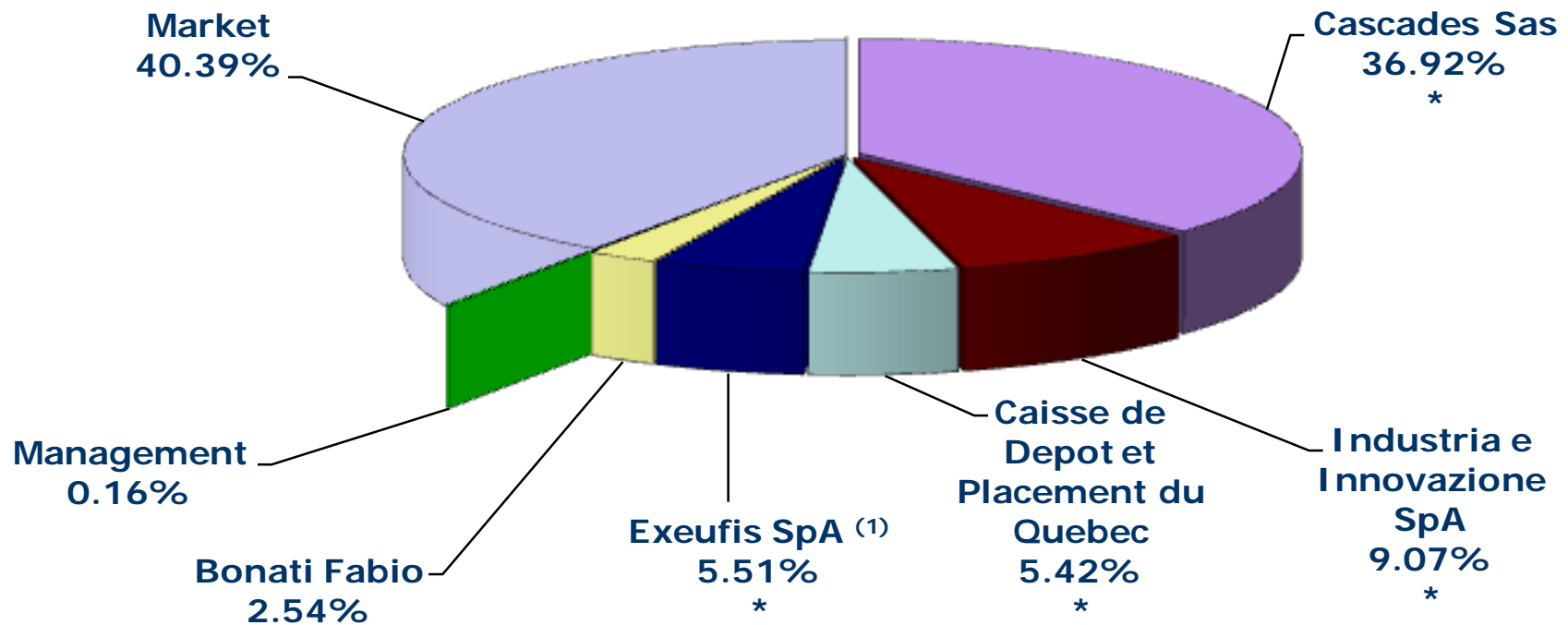


Net Financial Position

<i>(Eur/million)</i>	Sept 30, 2010	June 30, 2010	Dec 31, 2009
Cash and cash equivalents and Short term financial receivables	(4.1)	(2.3)	(2.1)
Short-term financial payables	50.8	56.8	68.3
Valuation of current portion of derivatives	0.9	0.9	1.1
Short-term financial position	47.6	55.4	67.3
Long term financial payables	60.7	60.6	62.7
Valuation of current portion of derivatives	1.6	1.5	0.8
Net financial position (cash)/debt	109.9	117.5	130.8



Shareholders



Note: In August 2010 Industria e Innovazione SpA signed a put&call agreement with Cascades in relation to its stake in RDM.

⁽¹⁾ In liquidation

* **Shareholders' Agreement**

Source: Company data





Corporate Governance

BOARD OF DIRECTORS

Christian Dubé	Chairman
Giuseppe Garofano	Deputy Chairman
Ignazio Capuano	Managing Director
Riccardo Ciardullo	Director
Sergio Garribba	Director
Robert Hall	Director
Laurent Lemaire	Director
Vincenzo Nicastro	Director
Carlo Peretti	Director
Emanuele Rossini	Director

Note: On November 8, 2010, Reno De Medici's Board of Directors, given that no candidatures were presented, has not appointed a new Director, following the resignation of Mr. Leo occurred on August 4, 2010.

BOARD OF STATUTORY AUDITORS

Sergio Pivato	Chairman
Giovanni Maria Conti	Standing auditor
Carlo Tavormina	Standing auditor

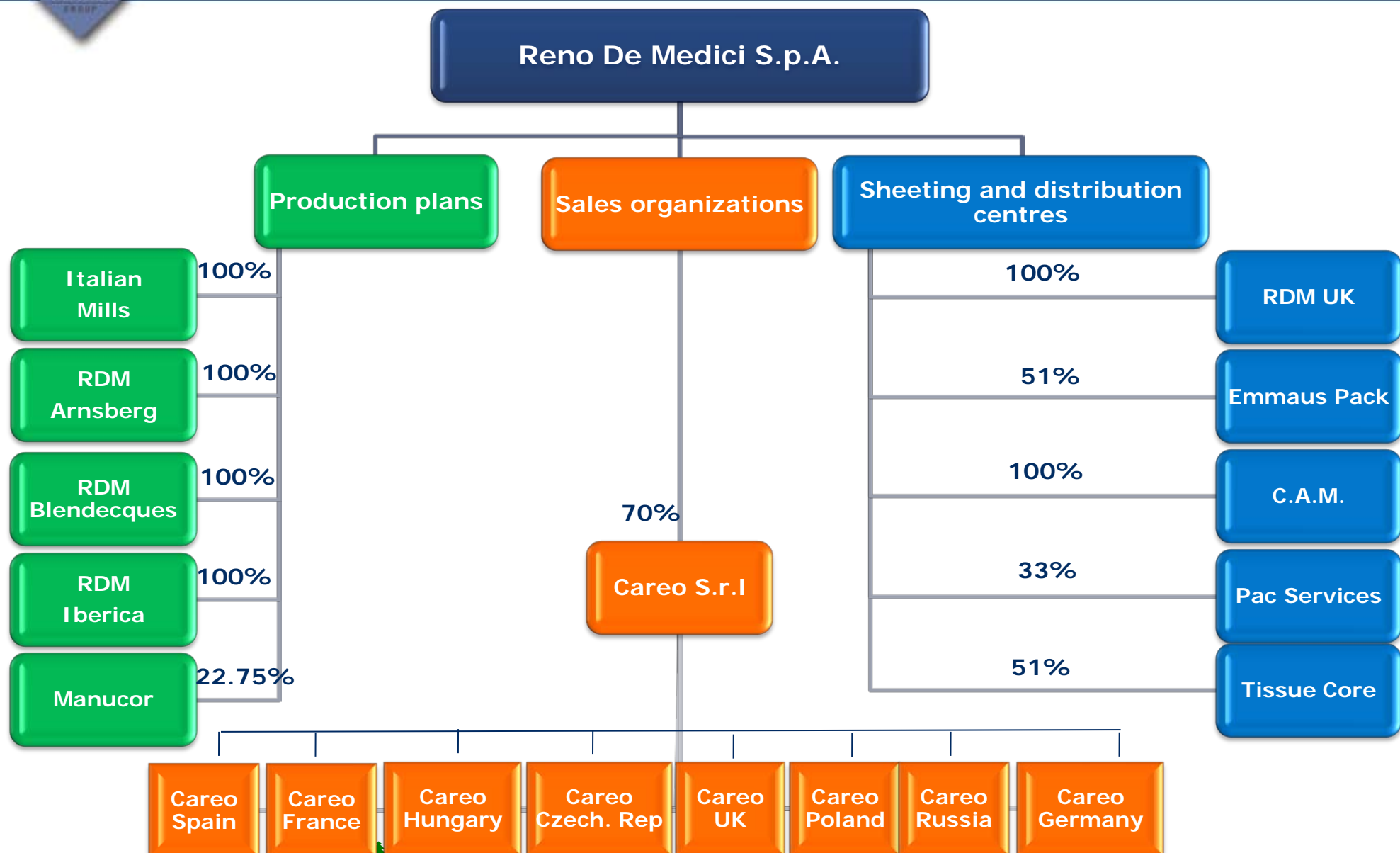
INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A





Group's structure





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