

RenoDeMedici

RdM

GROUP

Star Conference 2011

Milan, 22 March 2011





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

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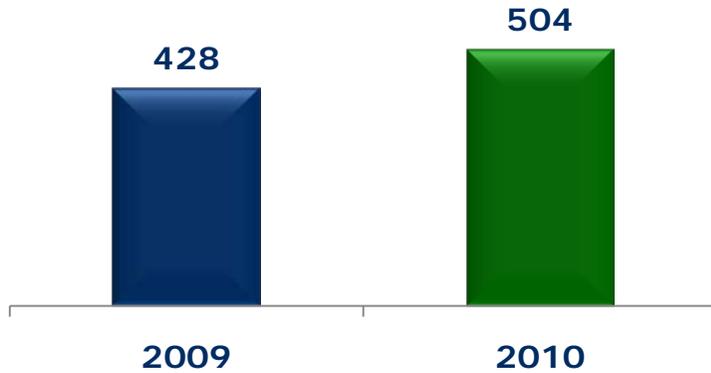


RDM in pills



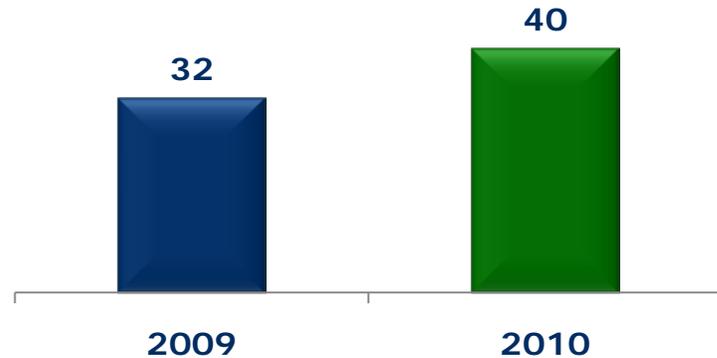
+18%
YoY

Revenues €ml



+24%
YoY

EBITDA €ml



*Note: 2009 EBITDA has been restated.
2010 EBITDA includes non recurring revenues from asset disposals and non recurring costs related to Marzabotto mill.*

What if...



Life would be much harder without packaging!!!

See the video at

http://www.elipso.org/video/elipso_clip_agro.zip

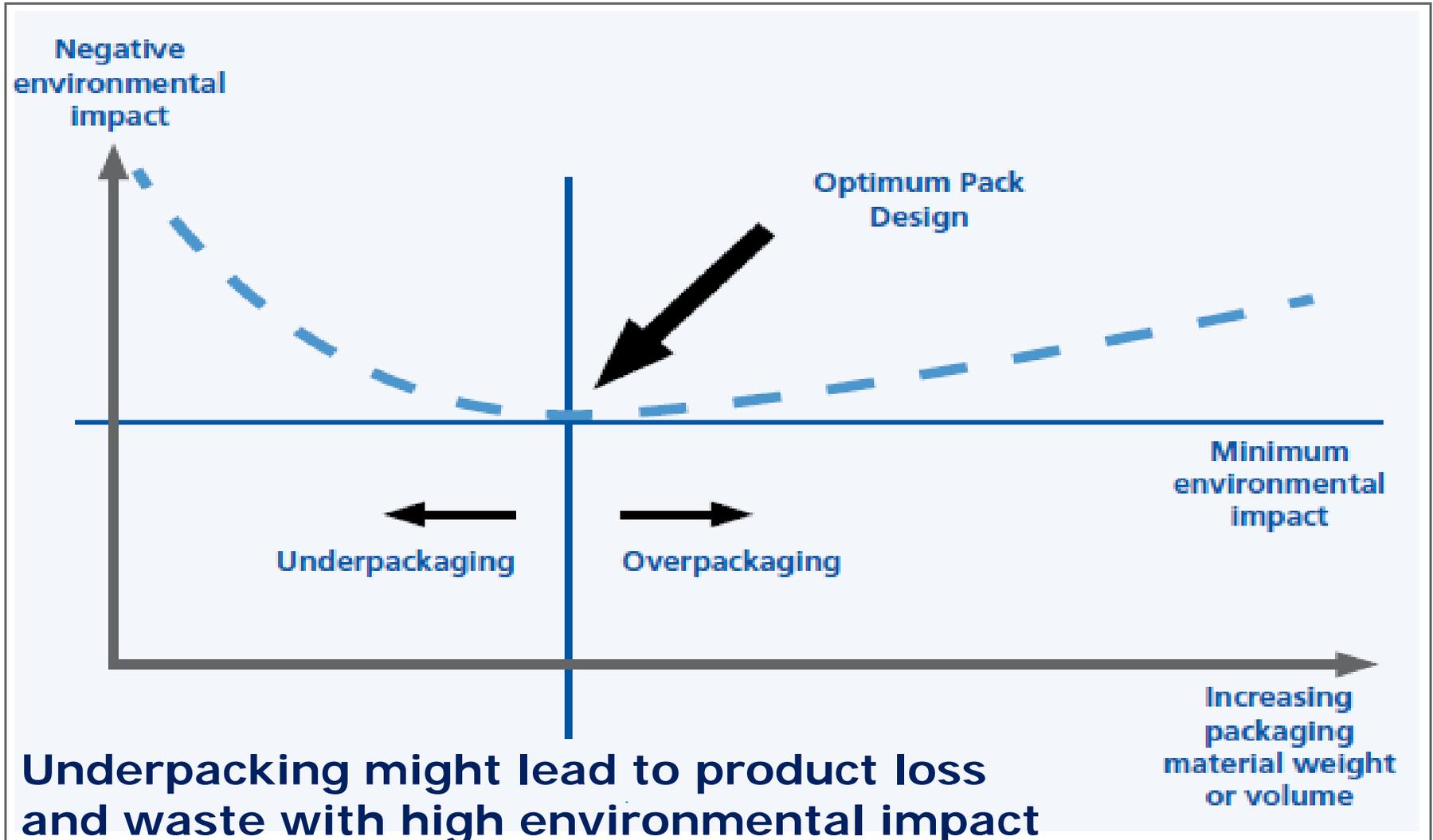


Packaging role

- Packaging plays a critical role in the consumer goods' industry.
- It protects and preserves products and raw materials as they transit through the supply chains.
- Whilst the fundamental role of packaging is to deliver the product to consumer in perfect condition, it also serves a variety of other purposes:
 - Protection
 - Promotion
 - Information
 - Convenience
 - Unitisation
 - Handling
- It is by nature very visible and in a world of scarce resources attracts the attention of consumers, media and environmentalists.
- Finding the right balance between under-packaging and over packaging is the objective of all trading partners.



Packaging role



Packaging role



$\frac{1}{3}$
OF THE FOOD
WE BUY
WE THROW
AWAY!

- In Italy every year we scrap 6,000,000 t of food (damages, expiry date, excess, etc.) within supply chains.
- New objectives setup to be met by 2025: 50% reduction of wasted food.



RDM's role

- We, as producer of packaging materials, have **the challenge of fulfilling this fundamental role of packaging** as well as the opportunity of contributing in developing a sustainable industry.
- Our role should evolve from the today polluter-pays principle stated in “Decreto Ronchi” into the **new role of packaging solutions provider as requested in the new EU Directive 2008/98** that extends the recycling and recovery responsibility to all partners within the supply chain.
- With our recycled material baseline and with our recycling operations we represent a **real and complete solution to any packaging recovery and waste issue.**
- Our activities are mild to the environment by nature and we could **enhance our positioning as green and sustainable company** by developing sound initiatives to achieve this objective.

Green positioning of RDM: key initiatives

- **Complete LCA***, **EPD**** certifications for all our mills and products.
- **Closed-Loop “Re-Paper-Me”** paper collection program with trade partners.
- **Develop a website dedicated to environmental issues** and activities as a dashboard and company’s roadmap.
- Develop our **Corporate Sustainability Report**.
- Expand **Collection Reno**: develop a broader range of “green/eco-design products. Tool to promote recycling and second-new life of paper concept.
- Develop a program of **marketing/communication initiatives with key partners** (Comieco, Life-Gate, etc.) to promote responsible and conscious use of Packaging (Packaging is neither the “evil” nor the “enemy”).



* Life cycle assessment

** Environmental Product declaration



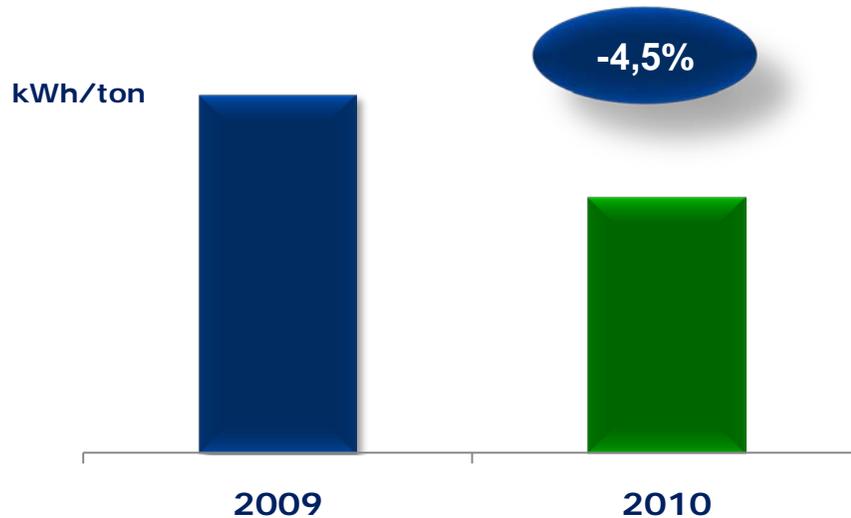
Pioneer of recycling and sustainable development

- Recycling and low environmental impact are core values for RDM

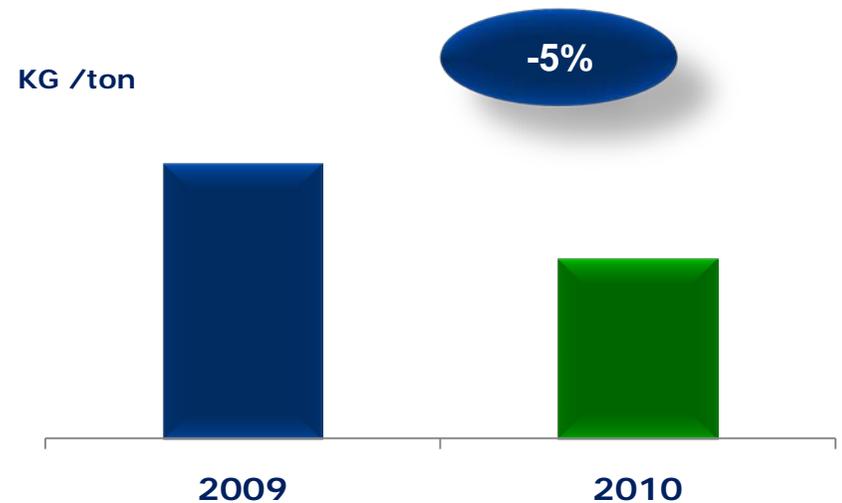
- Ca. 950,000 tons of recycled fibers (consumption).
- Continuous reduction in energy and water consumption and CO2 emissions.



Relative Energy Consumption



Relative CO2 Emissions





Market positioning

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RDM is very well positioned



Geographical coverage



Product range covers most of end users markets



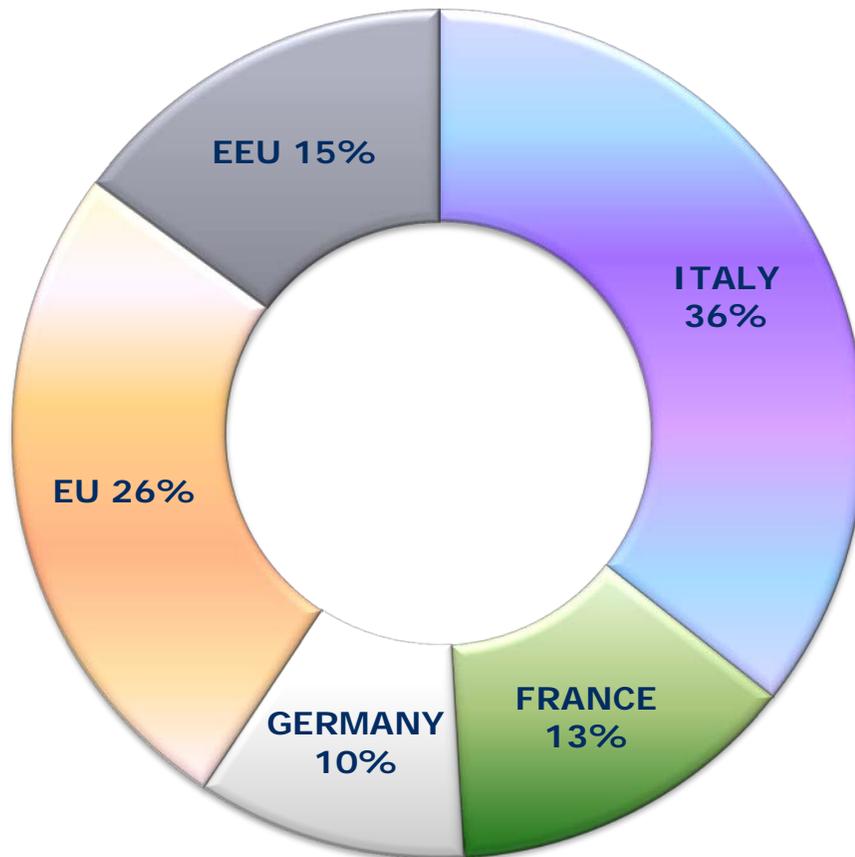
Asset based



Management multicultural orientation

A pan European player

Geographical breakdown of sales FY2010



European Coverage

- More than 10 sales offices spread all over Europe.
- Sales in more than 60 countries.
- It is the sole carton board producer with facilities in all the main European countries (Germany, France, Italy and Spain).



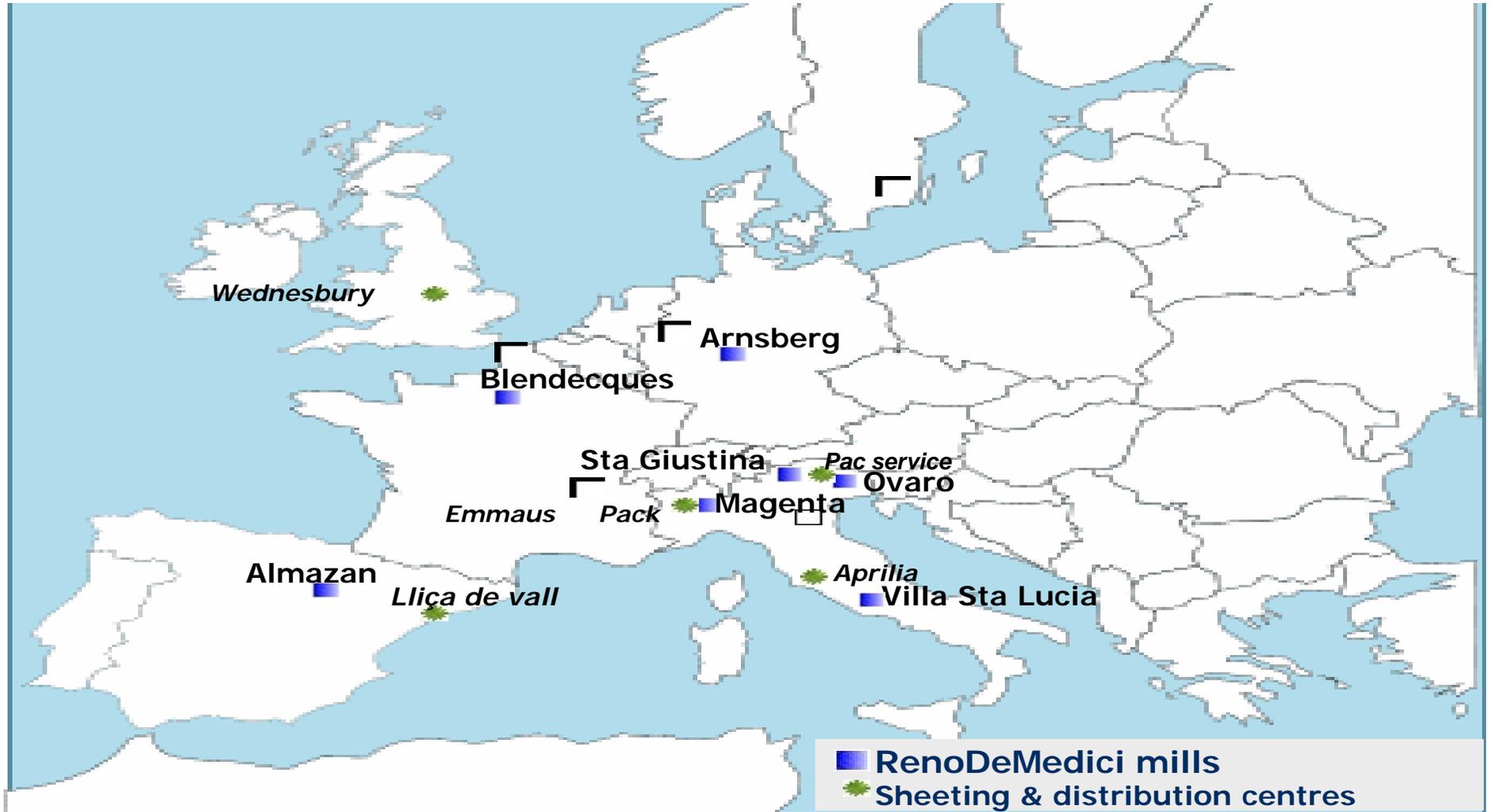
RDM product range

Our recycled board products fit to the requirements of main end-uses of folding cartons.





Production and distribution facilities' locations





State of the art production plants



Santa Giustina

**Production capacity 240,000 tons
ISO 9001, ISO 14001, FSC***



Villa Santa Lucia

**Production capacity 230,000 tons
ISO 9001, ISO 14001, FSC***



Ovaro

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



Magenta

**Production capacity 145,000 tons
ISO 9001, FSC***



Almazan

**Production capacity 40,000 tons
ISO 9001, FSC***



Blendecques

**Production capacity 125,000 tons
ISO 9001, ISO 14001, OHSAS 18001, QSE,
HACCP, FSC***



Arnsberg

**Production capacity 230,000 tons
ISO 9001, ISO 14001, EMAS, FSC***

** FSC: Forest Stewardship Council*

■ ARNSBERG

- New Shoe press installation.
- Benefits in energy consumptions and board quality.
- Cost savings in pre-coat.
- Estimated payback in less than 1.5 years.
- Completed in December 2010.



■ SANTA GIUSTINA

- Wet end rebuild eliminating the previous speed limit.
- Improved flatness, and brightness.
- Reduction of high cost fiber and improved fiber yield.
- Energy savings.
- Estimated payback in approx 2 years.
- Completed in January 2011.



■ VILLA SANTA LUCIA

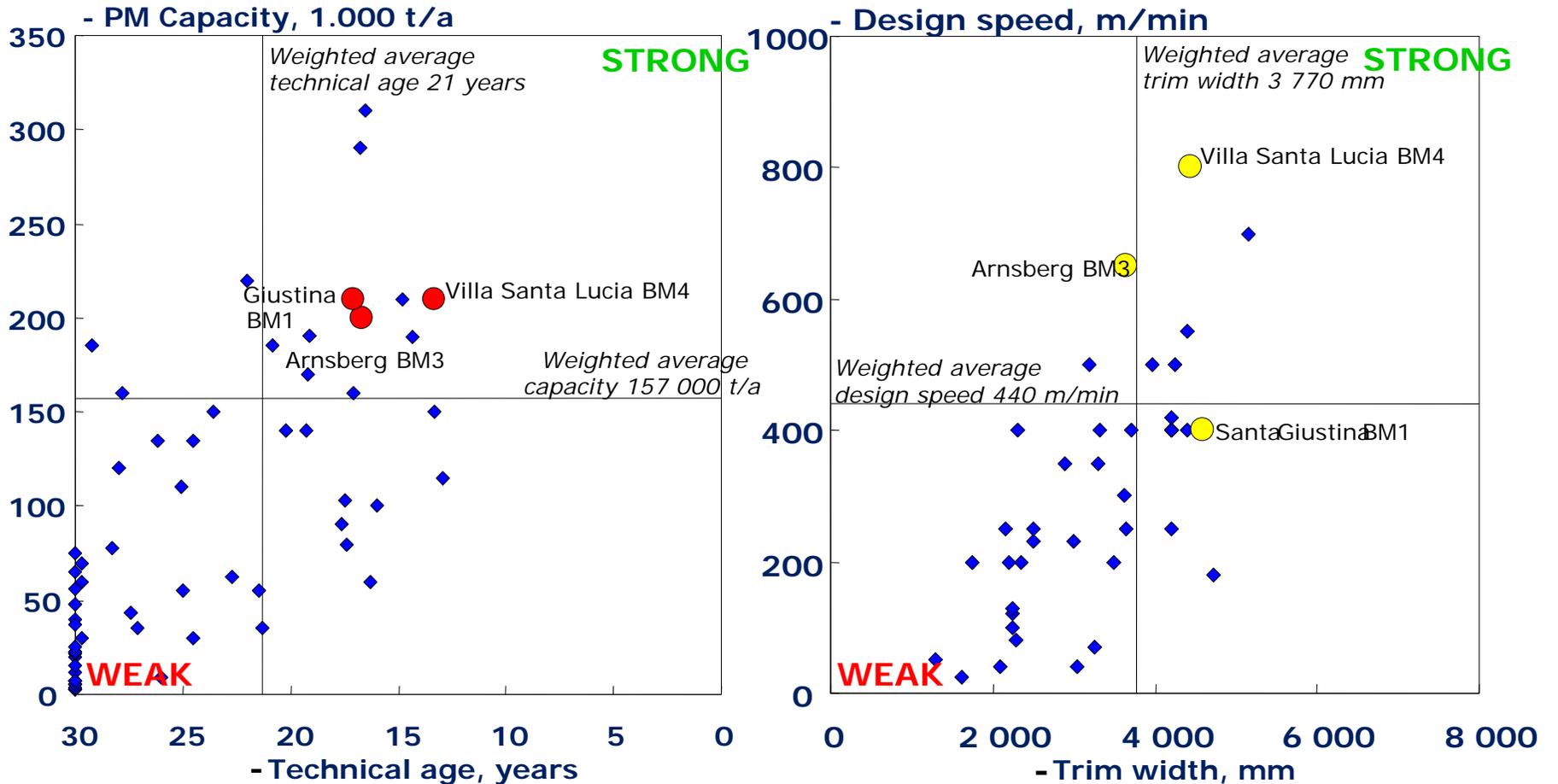
- Reduction of high cost fiber and improved fiber yield.
- Possibility to produce higher cartonboard substances .
- Speed increase and steam savings.
- Estimated payback in approx 2 years.
- Completed in December 2010.





RDM's board machines' production capacity

Arnsberg BM3, Santa Giustina BM1 and Villa Santa Lucia BM4, are the strongest assets in RDM's machines portfolio, with above average machine capacity and modern technical status. They are recognized as European class facilities.



RDM's management culture is the result of the integration of different organizations



with a different company culture

with a different history

with different approaches to the business

... because of this

We are capable to deal with different environments and to face all the complexities of business.



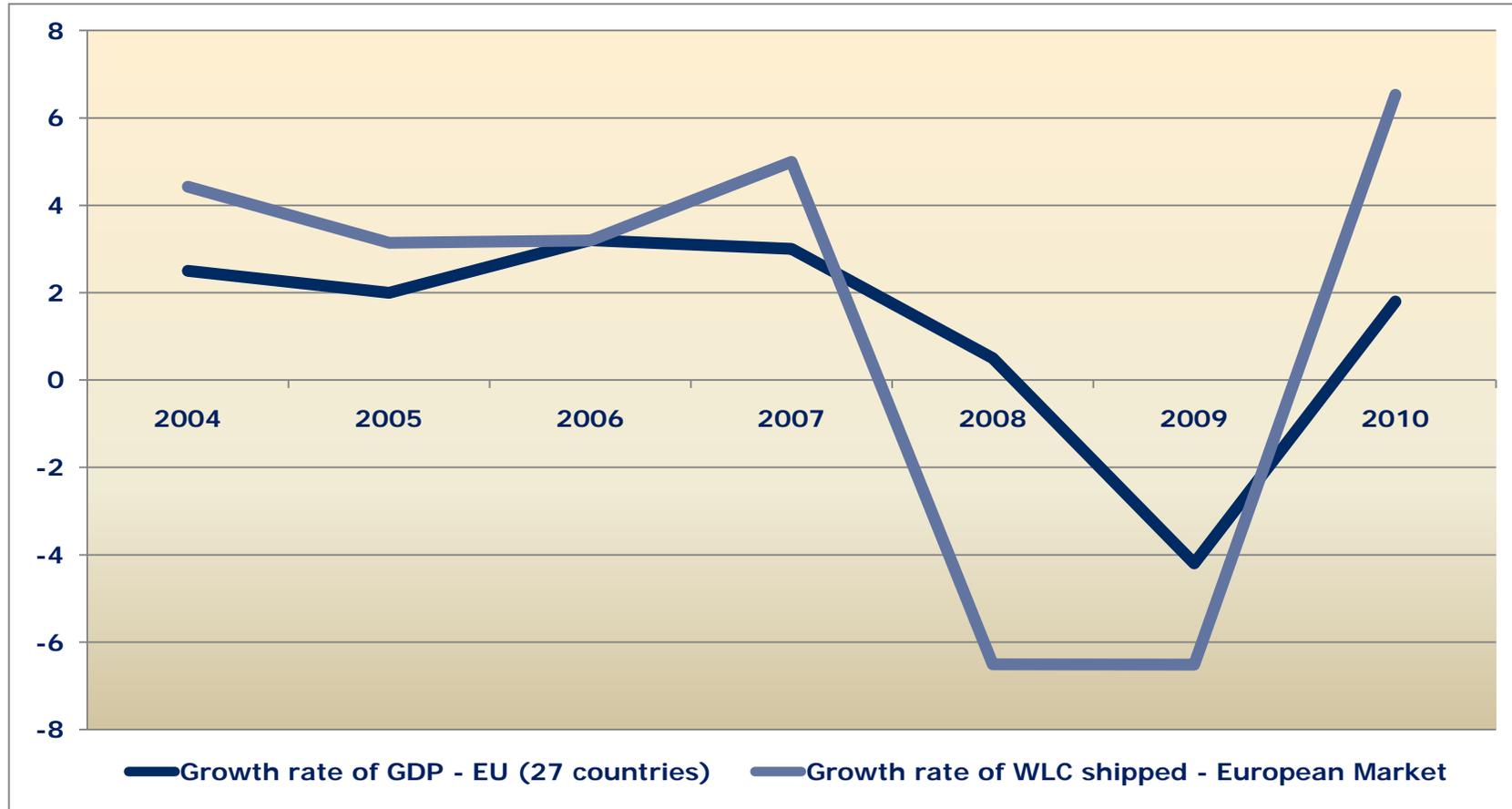
Market environment

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Market environment: demand

WLC MARKET DEMAND EVOLUTION



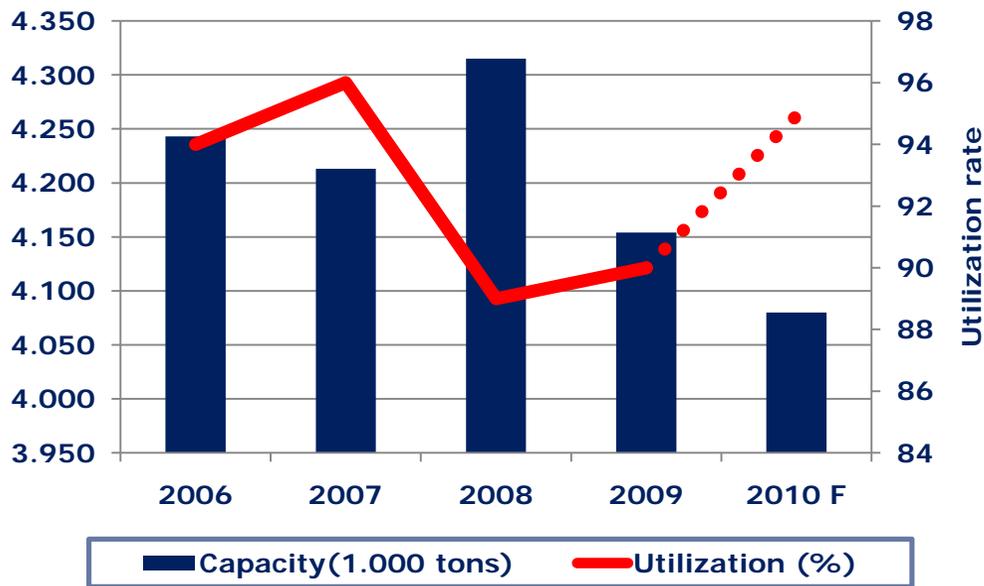
The experienced correlation between WLC consumption and GDP shows a crisis prediction capability of WLC market.



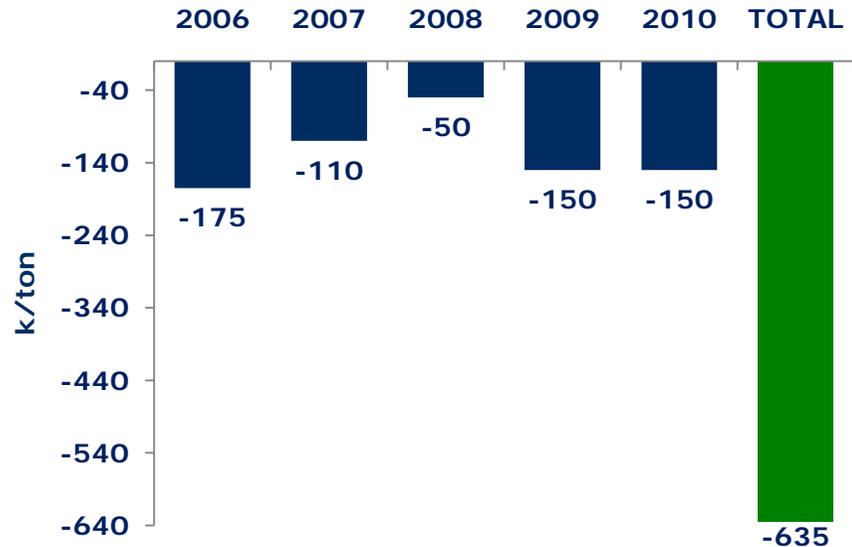
Market environment: supply

- Operating rates in European cartonboard industry have been relatively low during the past decade and have resulted in several cartonboard machine shut downs.
- Majority of overcapacity shut-down cartonboard machines occurred either in FBB and WLC markets, which grades have had the biggest overcapacity.

EUROPEAN CAPACITY UTILIZATION (000s TONS)



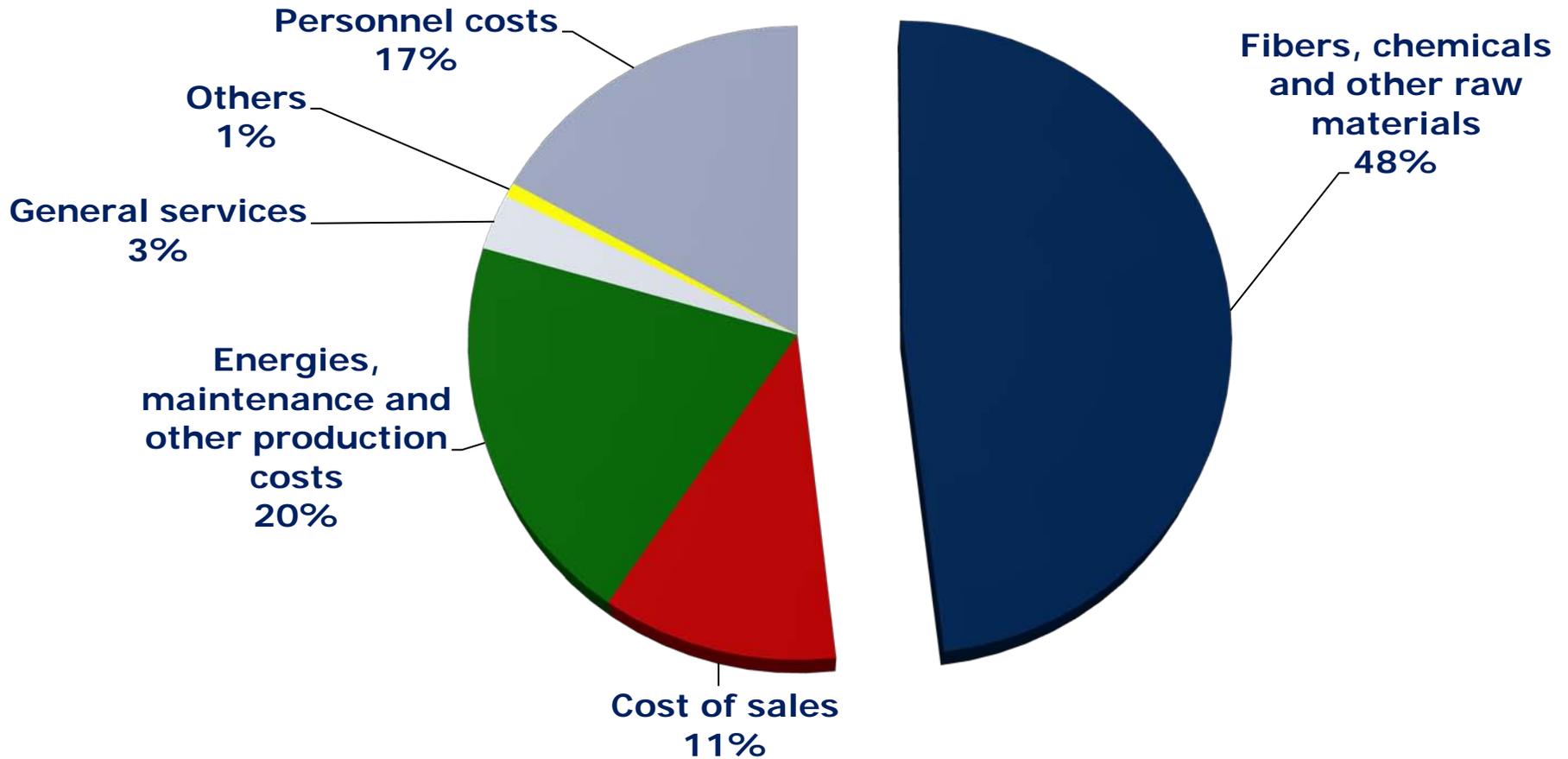
EUROPEAN CAPACITY REDUCTION (000s TONS)





Market environment: operating costs breakdown

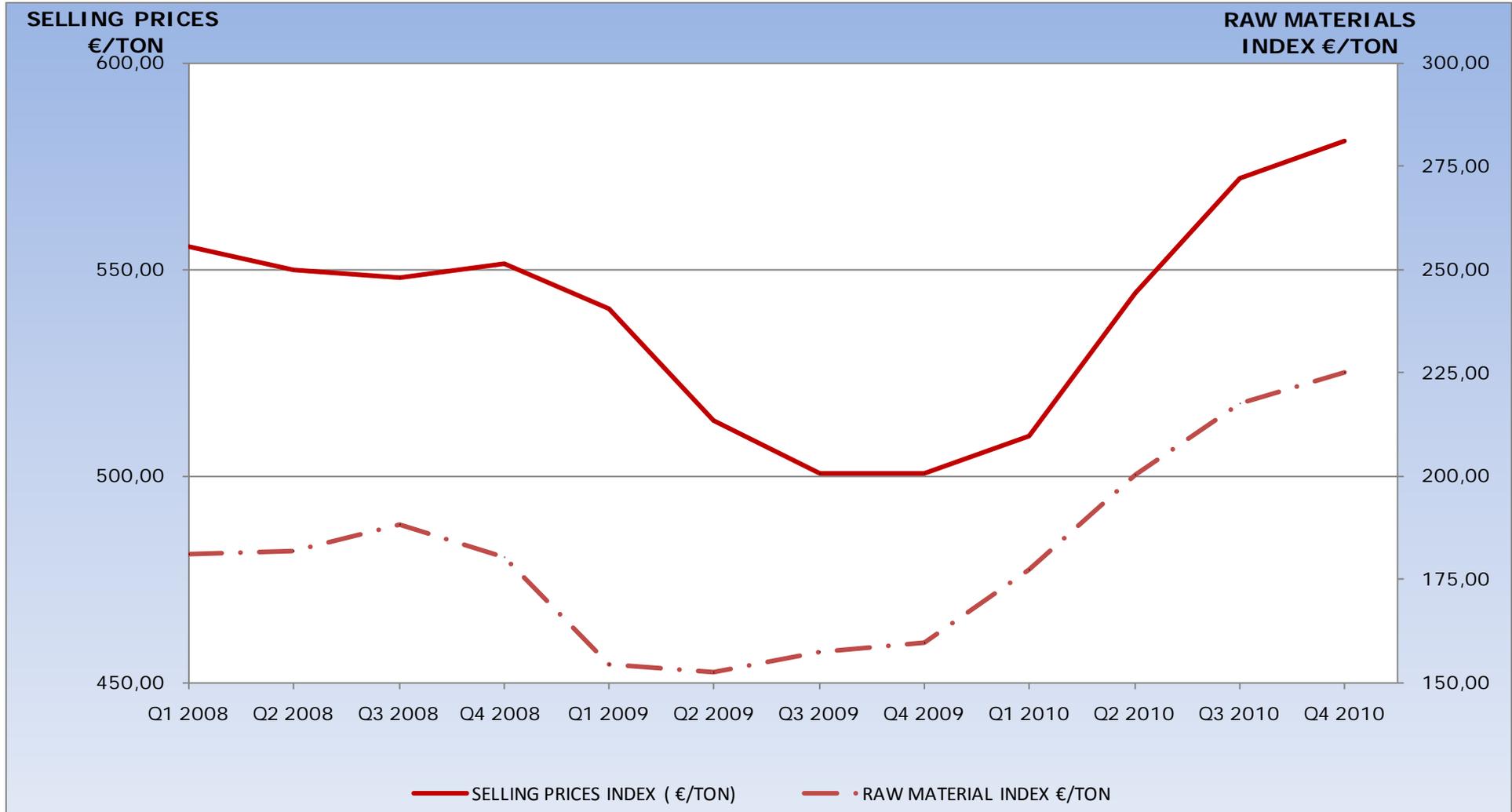
RDM' s COSTS BREAKDOWN 2010





Market environment: key factors

RDM HAS SUCCEEDED OFFSETTING RAW MATERIALS COSTS INCREASES BY RAISING SELLING PRICES





Key FY2010 financial results

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KEY RESULTS 2010 vs 2009

- Sales up 18%
- EBITDA up 24%
- EBIT up 143%
- Net income €2 ml from loss of €6.5 ml
- FCF €24.4 ml from negative €2.3ml
- Net debt down 19%
- Tonnes sold up 9%

KEY SECTOR TRENDS

- 2003 to 2007 constant growth in European market, 2008 and 2009 suffered from international crisis. In 2010 demand back to 2006 levels.
- Raw materials prices have peaked, but further increases are still possible.
- Gradual transfer of raw materials' and energy prices increases on final products' prices.
- Overcapacity has been addressed by the industry through temporary and permanent capacity reduction.
- More favourable EUR/USD Forex was beneficial to overseas export business.



FY2010: profitable and cash generative

Eur 000s	FY2010	FY2009	Delta %
Revenues	503,599	428,120	+18%
EBITDA ¹	40,023	32,208	+24%
EBIT ²	12,031	4,956	+143%
Net result ³	2,039	(6,591)	n.m.
FCF ⁴	24,383	(2,316)	n.m.
Net Financial Position (cash)/ debt as of 31.12	106,458	130,841	-19%
Tonnes sold (000s)	946	864	+9%

- Market demand in Europe increased by 6.5%, back to pre-crisis level.
- Increase of raw material and energy prices partially offset by increase in sales prices.
- Improved efficiency in operations (volumes sold in FY2010 at 946 thousand tonnes +12% compared to 846 thousand tonnes in FY2009).
- The company posted a positive net result, with results steadily improving during the quarters.
- Sound cash flow generation helped reduce financial debt (19% debt reduction).

¹ 2010 includes margin from non recurring revenues from asset disposals and non recurring costs related to the closure of Marzabotto mill

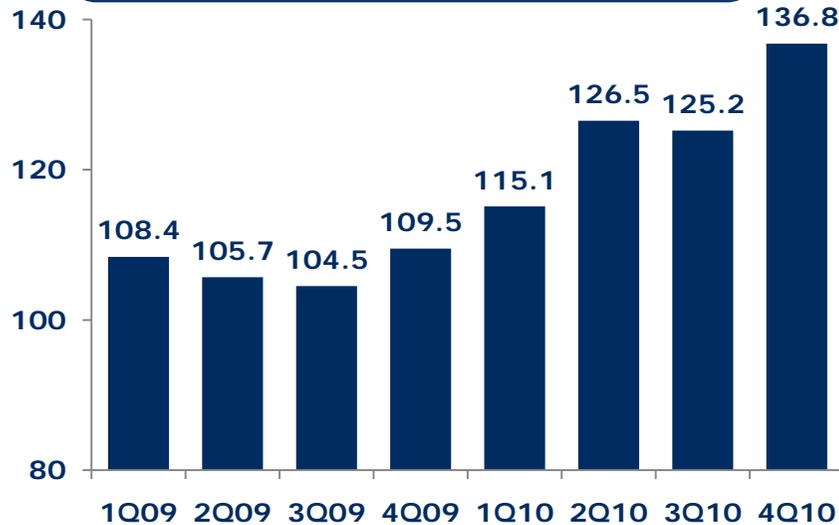
² 2009 EBIT has been restated by ca EUR 1.2 ml vs the reported one following reclassification of actuarial profit/losses deriving from the calculation of employee benefits

³ Before minorities' interest and fair value variations

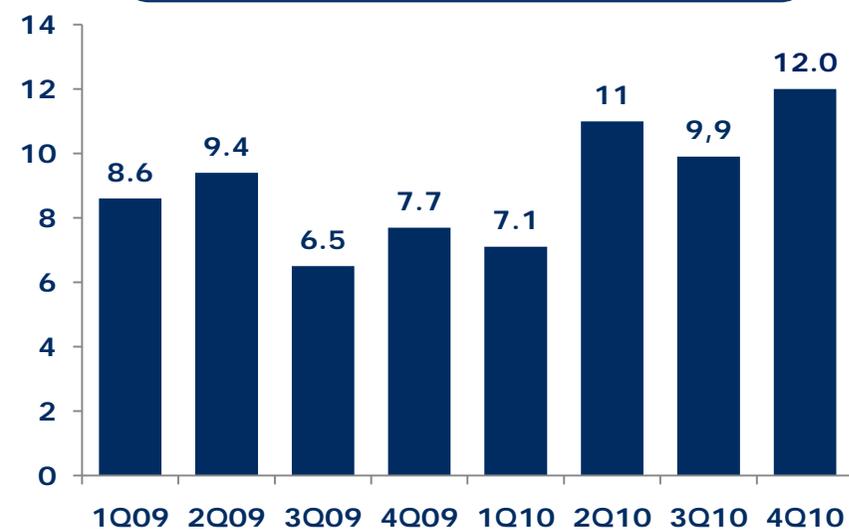
⁴ NFP change in the twelve-month period (31.12 – 31.12)

Quarterly trend: KPIs improvement

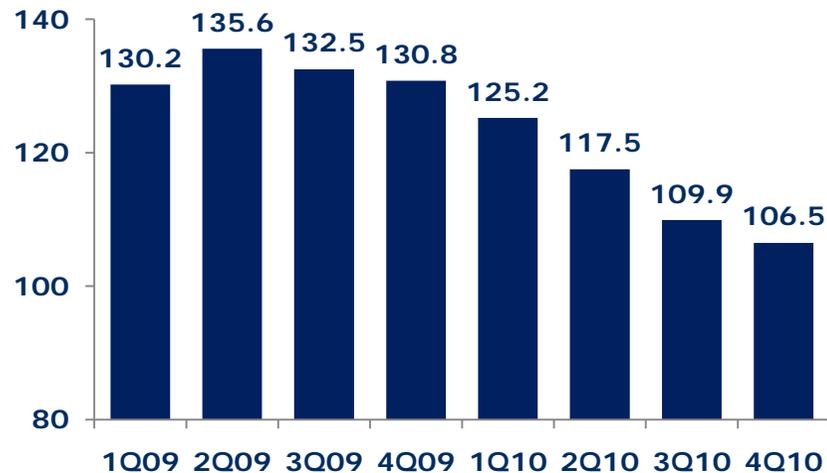
REVENUES (€ML)



EBITDA (€ML)



NET FINANCIAL DEBT (€ML)



- Quarterly trend shows revenues and EBITDA improvement.
- FCF* generation at €24.4 million in FY2010 (-€2.3 million in FY2009).
- CAPEX of €16.9 million in FY2010 vs €19.7 million in FY2009.

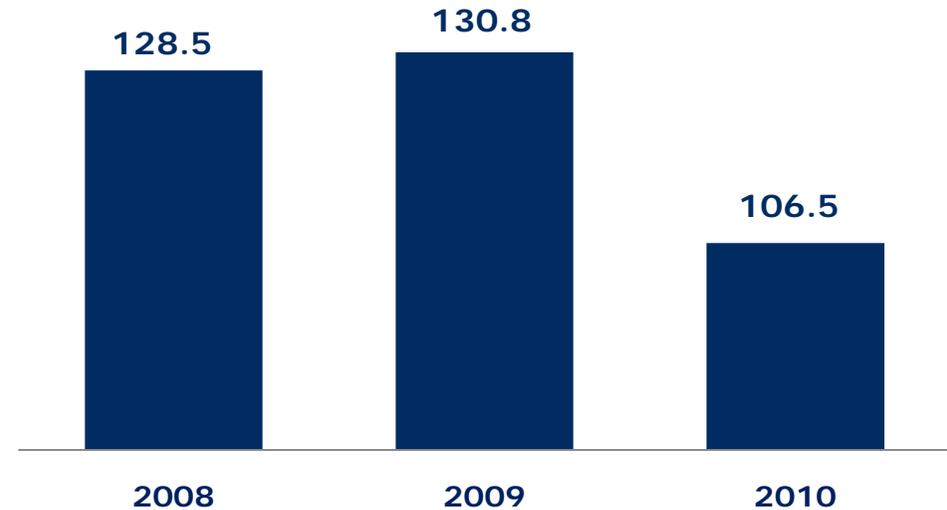
* NFP change



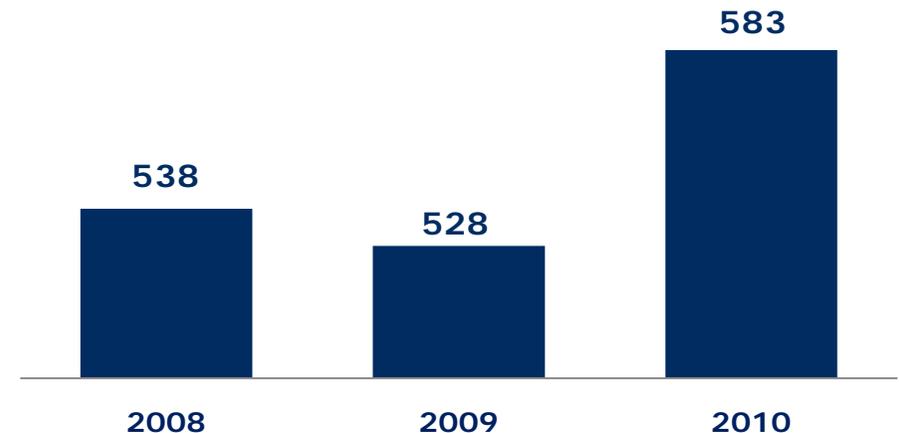
Other significant results from restructuring 2008-2010

- RDM's net debt reduced by about 20% vs 2008 level.
- Logistic locations reduced by over 50%.
- Capacity rationalization.
- Productivity of the mills improved by nearly 10% from 2008.

NET DEBT DEVELOPMENT



NET PRODUCTION PER EMPLOYEE (TON)



Source: Company data



RDM stock trend vs STAR Index



EV/2010 EBITDA RDM: 4.9x *

EV/2011e EBITDA RDM: 4.5x *

EV/2010 EBITDA
European sector average: 7.3X **

EV/2011e EBITDA
European sector average: 5.9X **

- RDM is currently trading at 4.9x EV/EBITDA*, at a discount to the European sector average**.
- The main shareholder, Cascades, has been particularly active in purchasing RDM's shares on the market

* Intermonte estimates, March 2011

** UBS European paper sector preview January 2011



Appendix

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Profit & Loss

(Eur/million)	FY2010	FY2009	Var %
Revenues	503.6	428.1	18%
EBITDA*	40.0	32.2	24%
<i>% EBITDA margin</i>	<i>7.9%</i>	<i>7.5%</i>	
Depreciation, amortization and write downs	(28.0)	(27.3)	-3%
EBIT	12.0	5.0	142%
<i>% EBIT margin</i>	<i>2.4%</i>	<i>1.1%</i>	
Financial charges**	(7.7)	(10.7)	28%
EBT	5.2	(5.3)	198%
Taxation	(3.2)	(1.3)	-146%
Net result for the period***	2.1	(6.6)	132%
Tons sold (tons/thousands)	946	864	9%

* Includes margin from revenues deriving from other activities (including energy resale and non recurring revenues from asset disposals and non recurring costs related to the Marzabotto mill). 2009 EBITDA has been restated

**Include 1.245 ml of gains from foreign exchange differences in 2010.

*** Before minorities' interest and fair value variations.



Balance Sheet

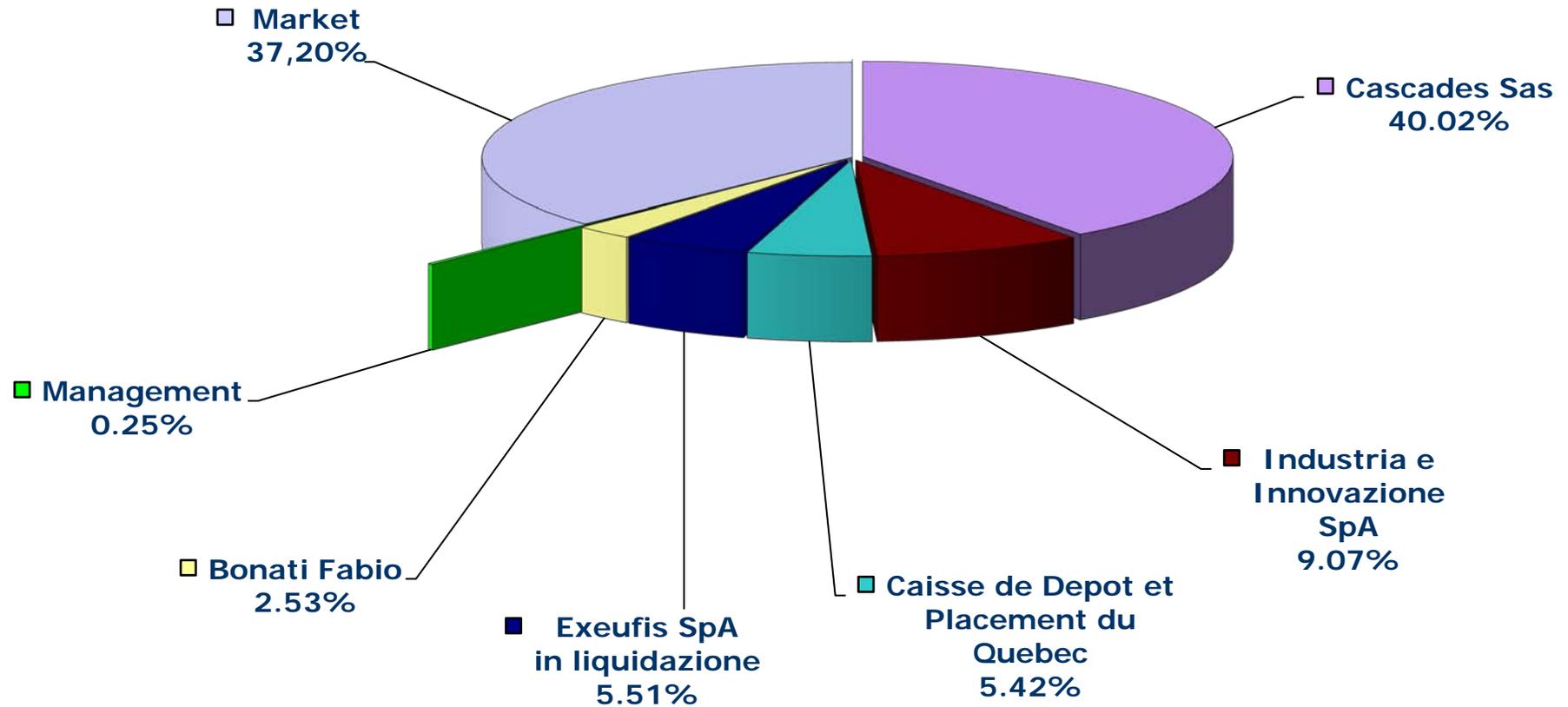
<i>(Eur/million)</i>	Dec 31, 2010	Dec 31, 2009
Stock	81.9	74.3
Trade receivables	121.0	110.4
Trade payables	(127.2)	(102.7)
Total working capital	75.7	82.0
Other assets - current	3.9	4.6
Other liabilities - current	(19.4)	(14.9)
Other non-current receivables	0.5	0.4
Non-current assets	259.0	271.3
Non current assets held for sale	1.3	0.0
Non-current liabilities	(27.1)	(29.3)
Employees' leaving indemnity	(30.3)	(28.2)
Net capital invested	263.0	285.7
Net financial position	(106.5)	(130.8)
Net Equity	156.6	154.8
Total sources	263.0	285.7



Net Financial Position

(Eur/million)	Dec 31, 2010	Dec 31, 2009
Cash	0.03	0.10
Funds available at banks	2.17	1.60
A. Cash and cash equivalent	2.21	1.71
Other Group receivables	0.39	0.35
B. Current financial receivables	0.39	0.35
1. Bank overdraft	40.17	57.82
2. Current portion of medium and long term loans	9.87	6.65
3. Other current financial liabilities	0.36	0.43
Bank loans and other financial liabilities (1+2+3)	50.42	64.90
Other Group payables	1.31	3.41
Derivatives - current financial liabilities	0.79	1.07
C. Current financial liabilities	52.52	69.38
D. Current financial debt, net (C-A-B)	49.92	67.32
Bank loans and other financial liabilities	55.53	62.67
Derivatives - non current financial liabilities	1.01	0.85
E. Non current financial payables	56.54	63.52
F. Net Financial Debt (D+E)	106.46	130.84

Shareholders



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



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

BOARD OF STATUTORY AUDITORS

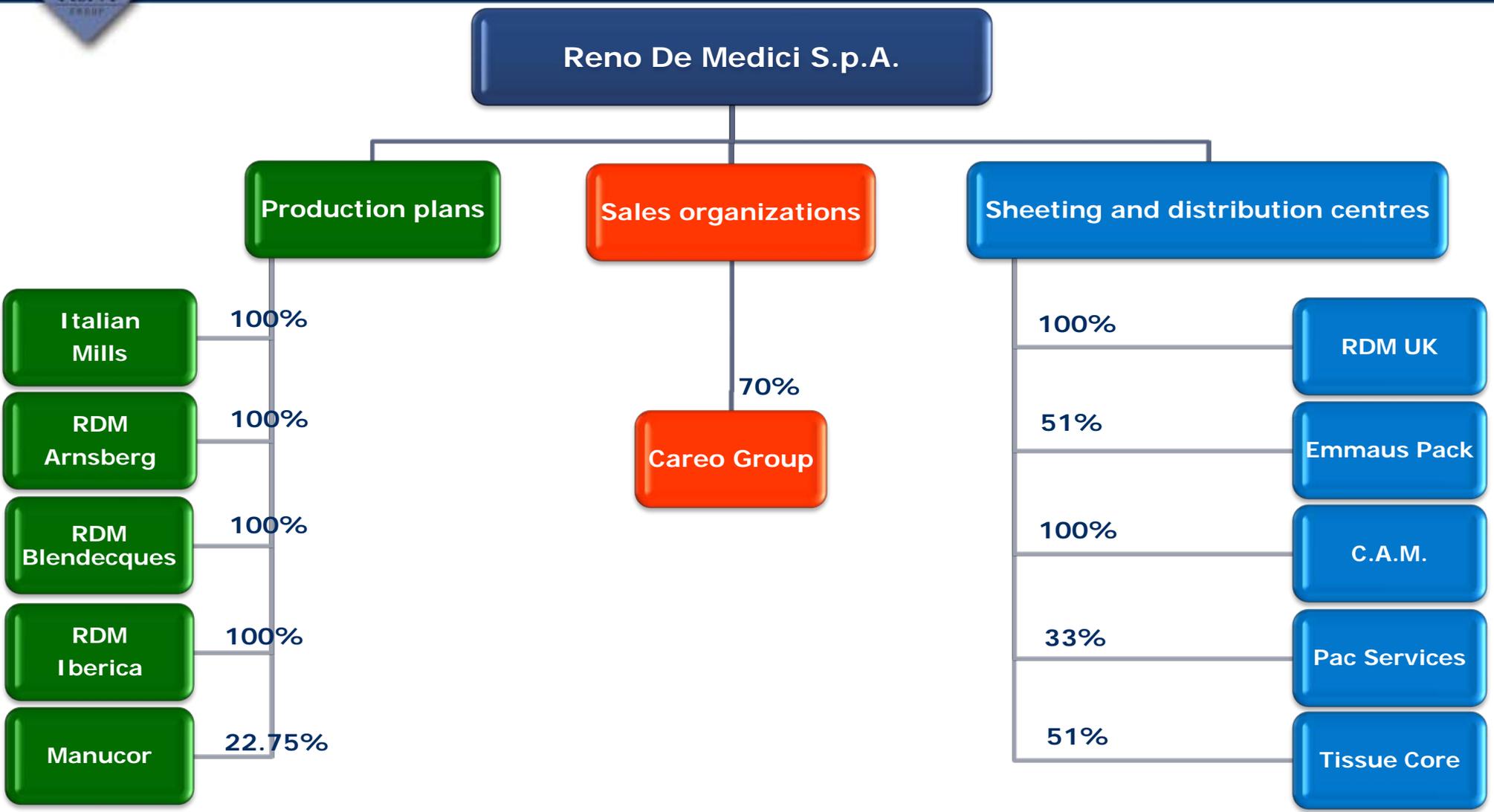
Sergio Pivato	Chairman
Giovanni Maria Conti	Standing auditor
Carlo Tavormina	Standing auditor

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A



Group's structure





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