
RenoDeMedici



STAR CONFERENCE 2007

Milan, 2 March 2007



Statement disclaimer

Certain statements in this presentation, including statements regarding target results and performance, are forward-looking statements based on current analyses 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, decreases in demand for the Company's products, increases in raw material and energy costs, changes in the relative values of certain currencies, fluctuations in selling prices, adverse changes in general market and industry conditions and other factors.



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Case history

Summary

2002 – 2006

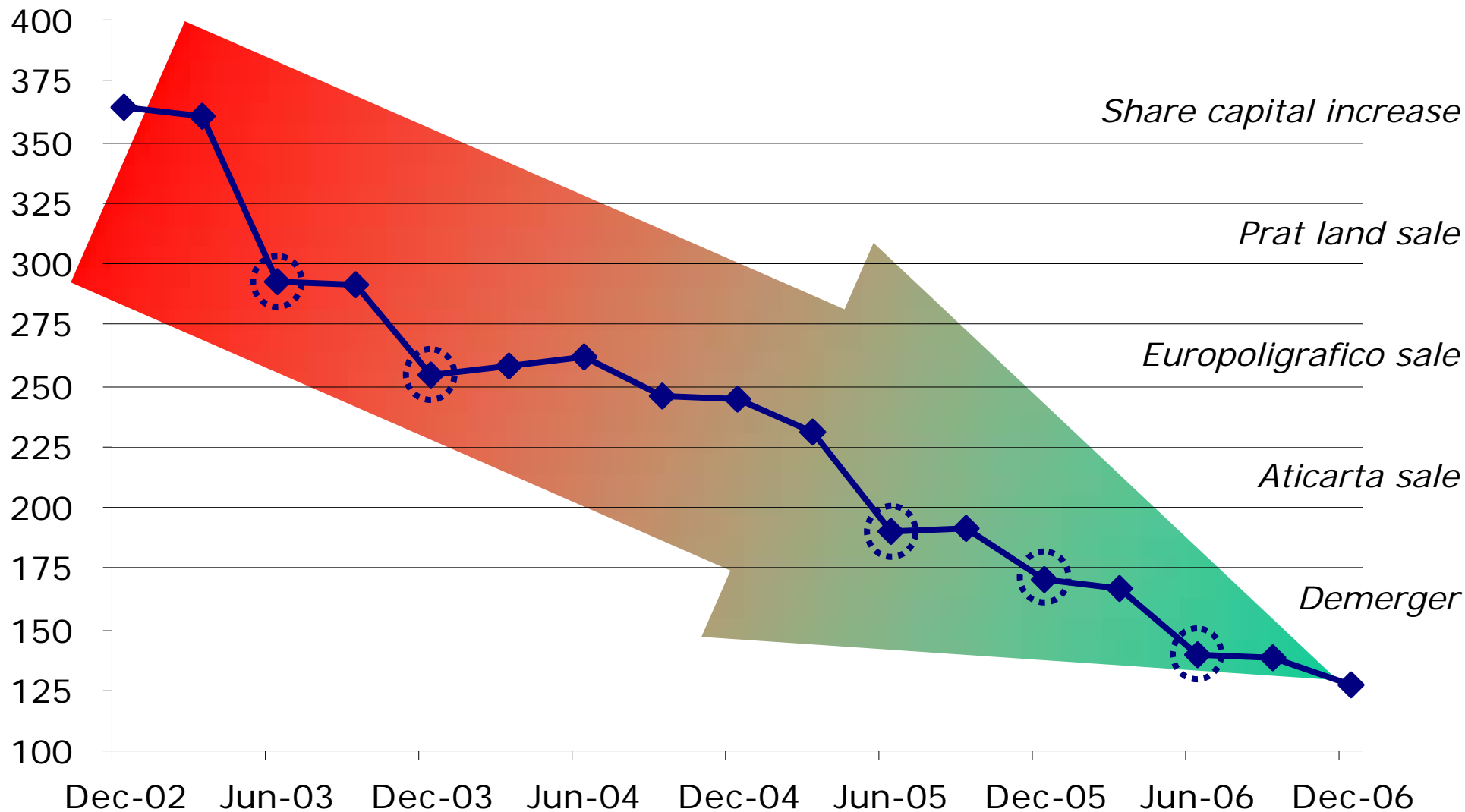
EUR millions	FY 2002	FY 2006
NET SALES	590.4	313.9
EBITDA margin	5.6%	9.3%
EBIT margin	-2.4%	1.9%
NFP	(364.1)	(127.1)

From financial distress...
to new business prospects of development.



NFP evolution

2002 – 2006



EUR millions



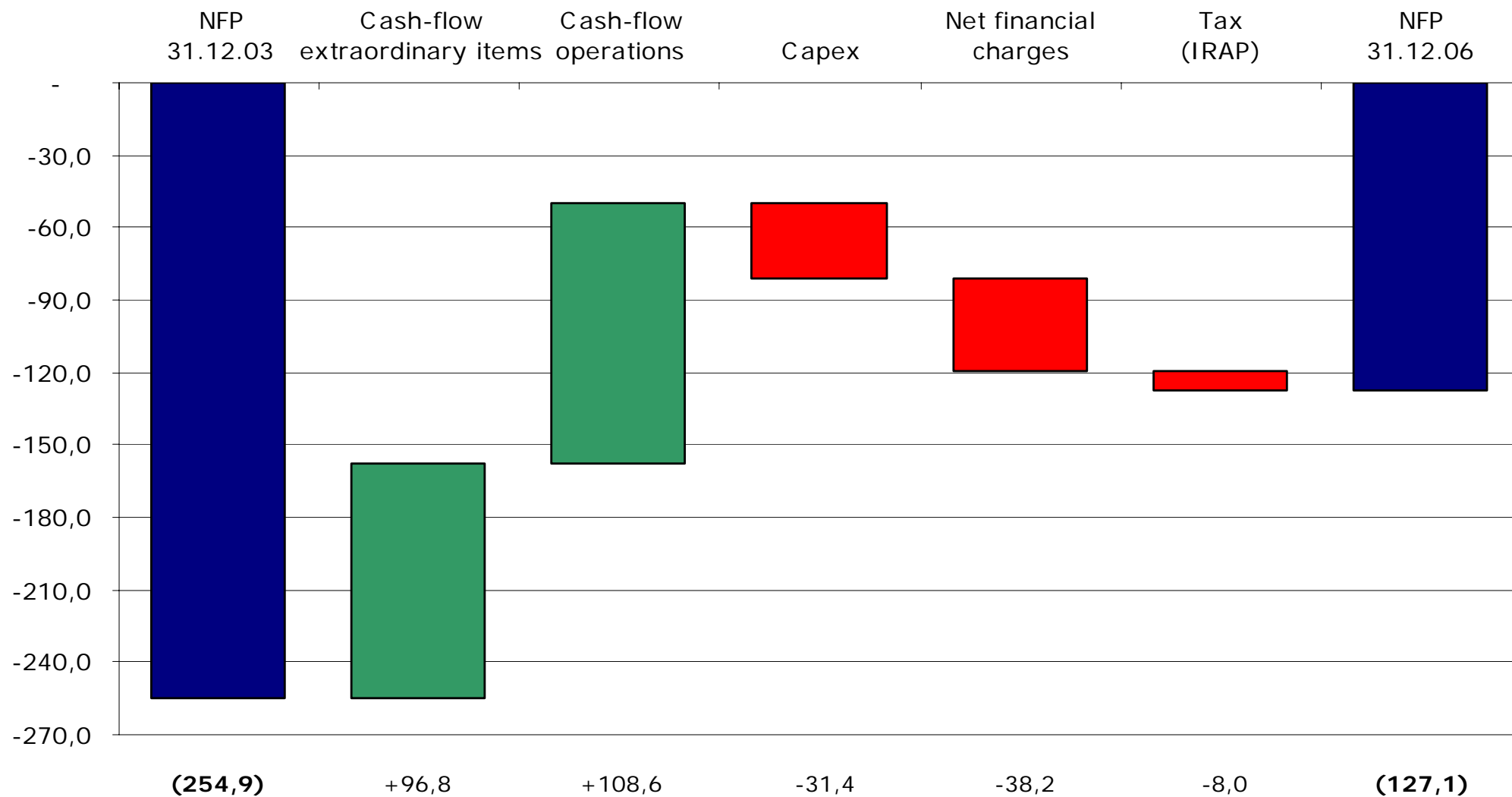
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Three years of restructuring

NFP evolution

2003 vs. 2006

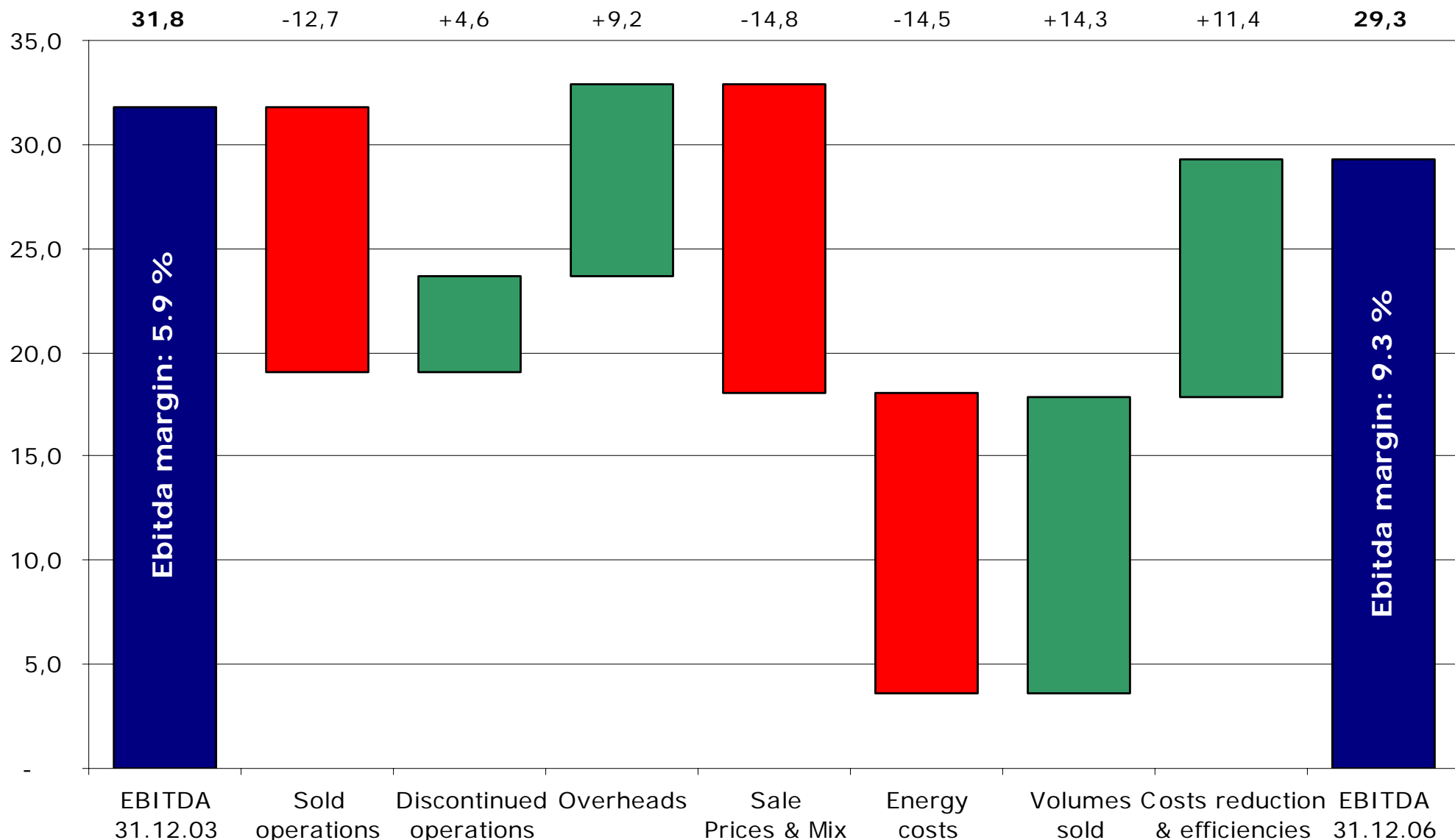


EUR millions, unaudited management accounts.



EBITDA build-up

2003 vs. 2006



Ebitda margin: 5.9 %

Ebitda margin: 9.3 %

EUR millions, unaudited management accounts.



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Year 2006 review

Market environment

Year 2006

European market of recycled fibre cartonboard (WLC):

- ◆ **Volumes sold** in 2006 increased of around 6%, compared to 2005.
- ◆ **Capacity utilization**⁽¹⁾ at around 93% in 2005, and expected moderate increase in the market capacity – lower than 1% – in 2006 and 2007.
- ◆ **Energy costs**⁽²⁾ (for italian producers) in 2006 increased up to 30%, compared to 2005.
- ◆ **Sale prices**⁽³⁾ in 2006 increased by approx. 4%, compared to the end of 2005, and still 5% lower than the beginning of 2004.

(1) Source: CEPI Cartonboard.

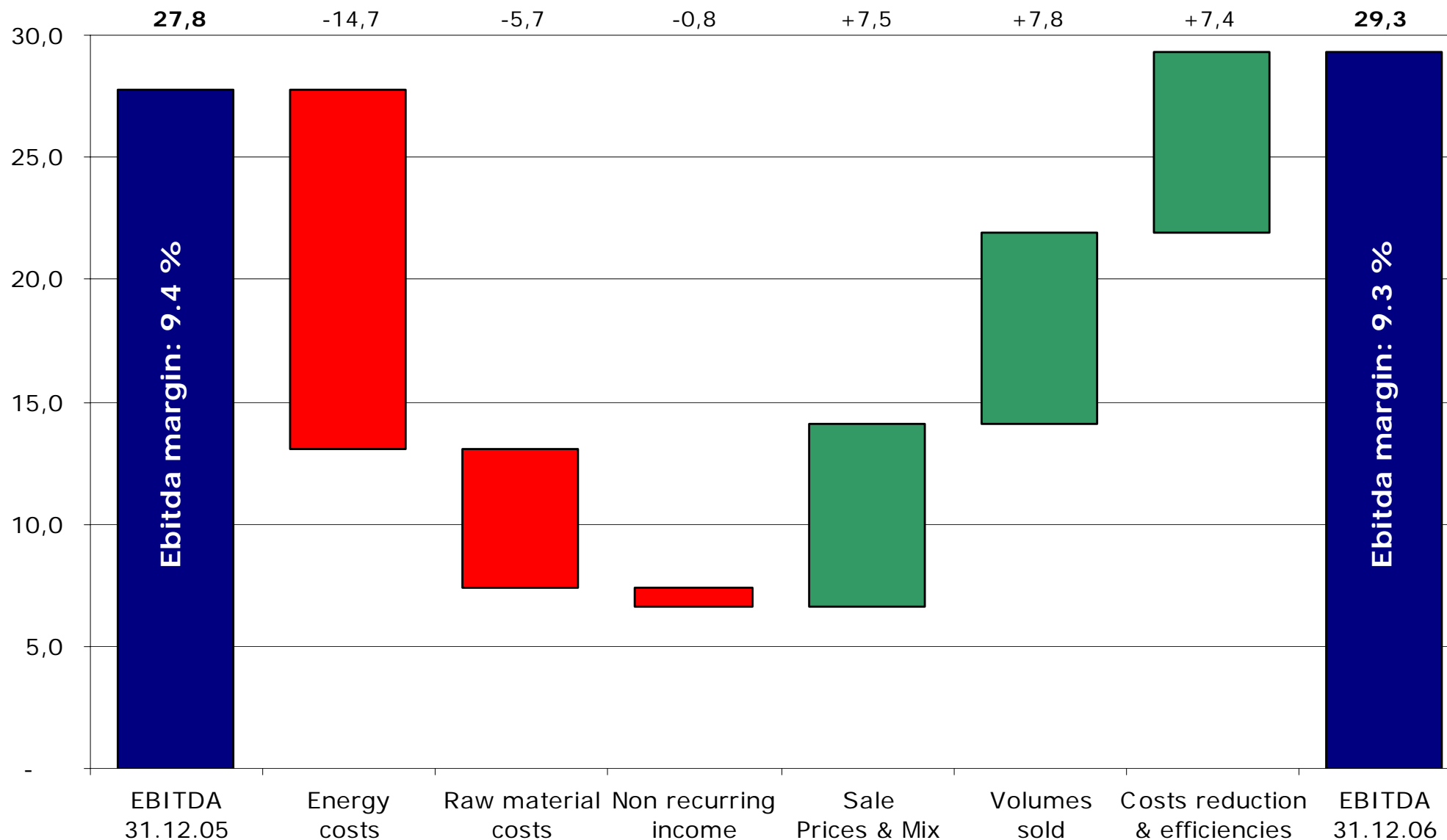
(2) Source: Assocarta.

(3) Source: Company data.



EBITDA build-up

Year 2006



EUR millions, unaudited management accounts.



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Financial highlights



Profit and Loss

P&L

Consolidated profit and loss account	2006	2005
EUR thousands, IFRS		
Revenues from sales	317,725	300,369
Operating costs	(288,376)	(272,013)
Other income (expense)	(93)	(550)
Gross Operating Profit (EBITDA)	29,256	27,806
Depreciation, amortisation and write downs	(23,332)	(26,027)
Operating Profit (EBIT)	5,924	1,779
Financial income (expense), net and income from investments	(9,480)	(9,803)
Other income (expense)	281	(15,700)
Taxation	(3,270)	(223)
Profit (loss) for the year before discontinued operations	(6,545)	(23,947)
Discontinued operations	(8,346)	11,177
Profit (loss) for the year	(14,891)	(12,770)

Year 2006 unaudited



Balance Sheet

B-S

Consolidated Balance Sheet	31 Dec. 2006	31 Dec. 2005
EUR thousands, IFRS		
Trade receivables	102.026	106.899
Stocks	89.775	92.979
Trade payables	(86.900)	(72.552)
Total working capital	104.901	127.326
Other assets	5.468	2.627
Other liabilities	(13.631)	(27.966)
Non-current assets	200.956	218.190
Non-current liabilities	(40.127)	(3.357)
Other non-current assets held for sale	11.392	20.208
Invested capital	268.959	337.028
Employees' leaving entitlement and other provisions	(22.342)	(24.749)
Net capital invested	246.617	312.279
Net financial position	127.111	169.269
Shareholders' funds	119.506	143.010
Total sources	246.617	312.279



Net Financial Position

NFP

Consolidated Net Financial Position	31 Dec. 2006	31 Dec. 2005
EUR thousands, IFRS		
Cash and cash equivalents and short-term financial receivables	11,389	75,330
Short-term financial payables	(57,507)	(225,608)
Valuation of current portion of derivatives	(273)	4,079
Short-term financial position	(46,391)	(146,199)
Cash and cash equivalents and long-term financial receivables	0	5,200
Long-term financial payables	(80,789)	(28,270)
Valuation of non-current portion of derivatives	69	0
Net financial position	(127,111)	(169,269)



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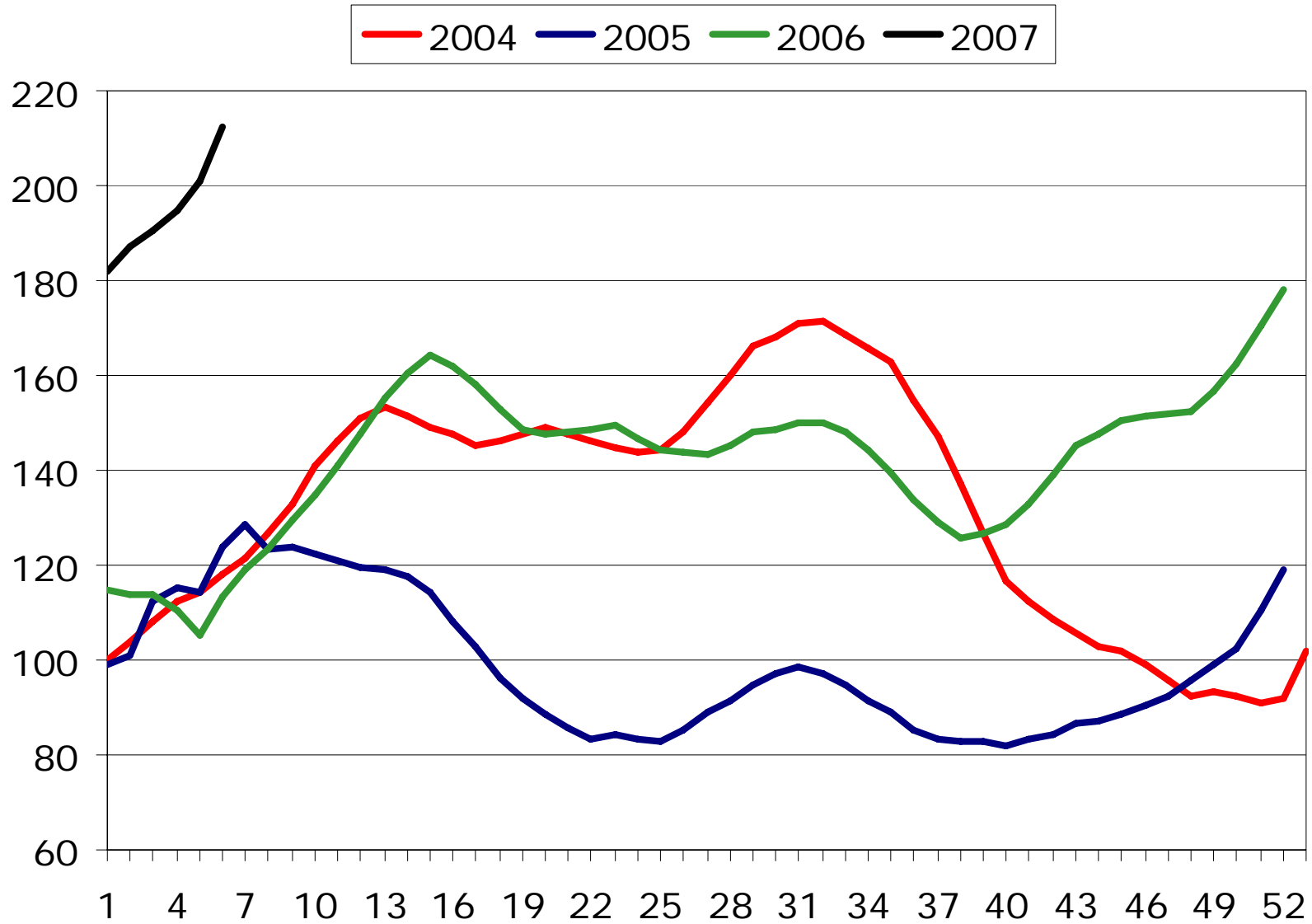


Outlook



Demand

Order backlog – World WLC (CEPI Members)

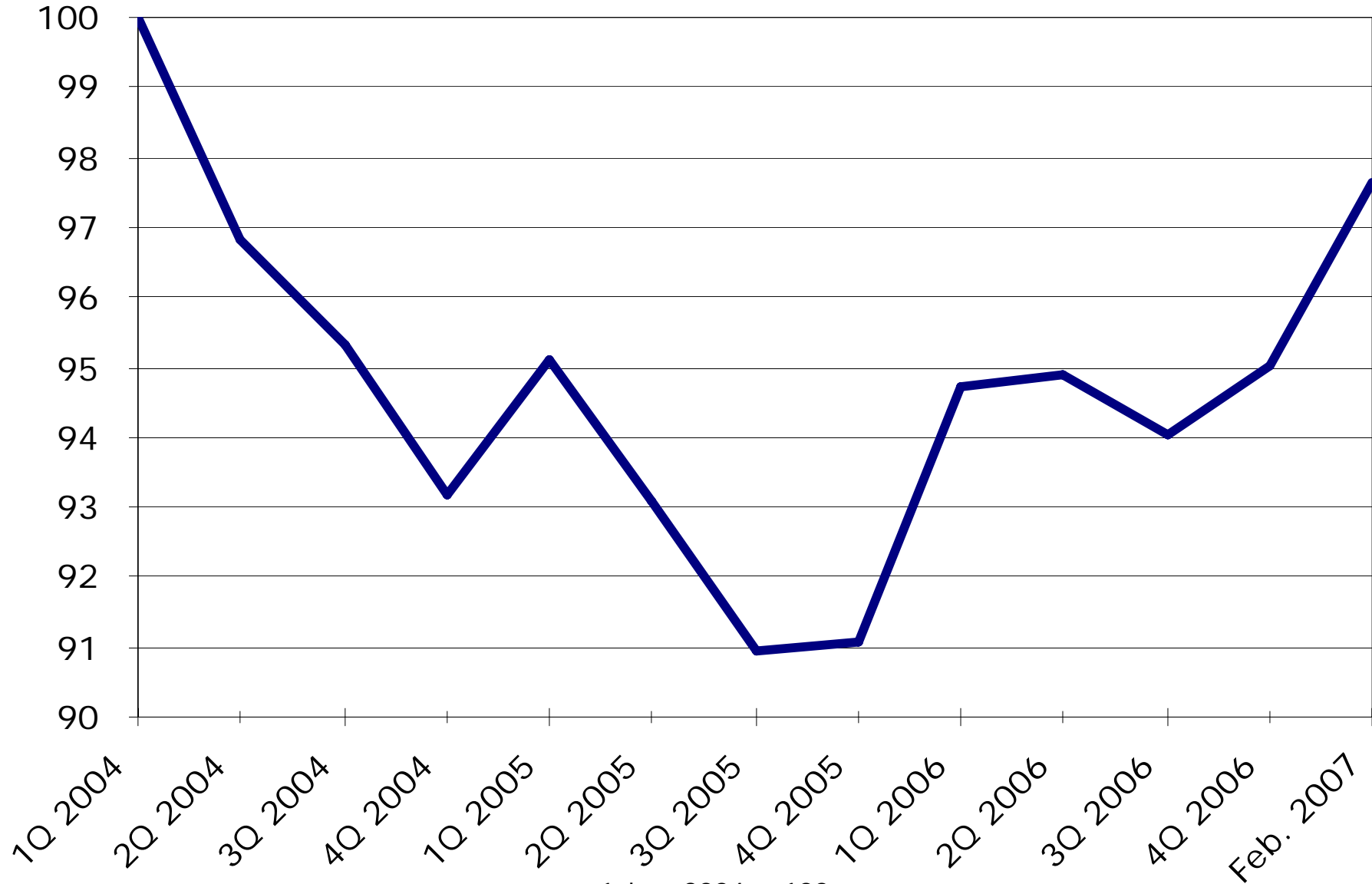


Tons per week. Source: CEPI Cartonboard.

1 Jan. 2004 = 100

Sale price

Order inflow – World WLC (RDM)



Unit price. Source: Company data.

1 Jan. 2004 = 100



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Q & A



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