

Star Conference 2011

London, October 3rd, 2011

RenoDeMedici

RdM
GROUP





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.



Is this the world we dream?



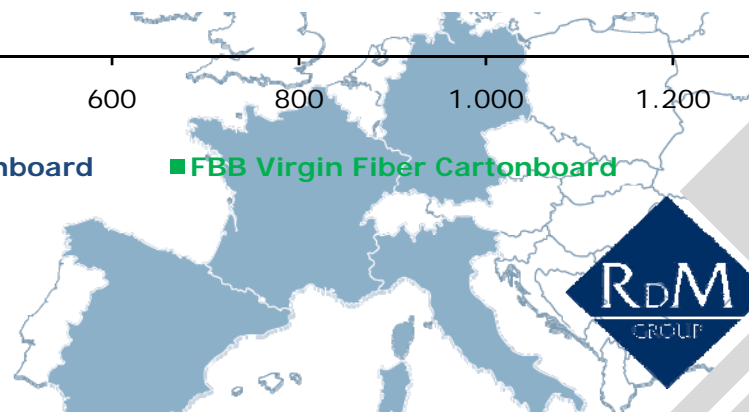
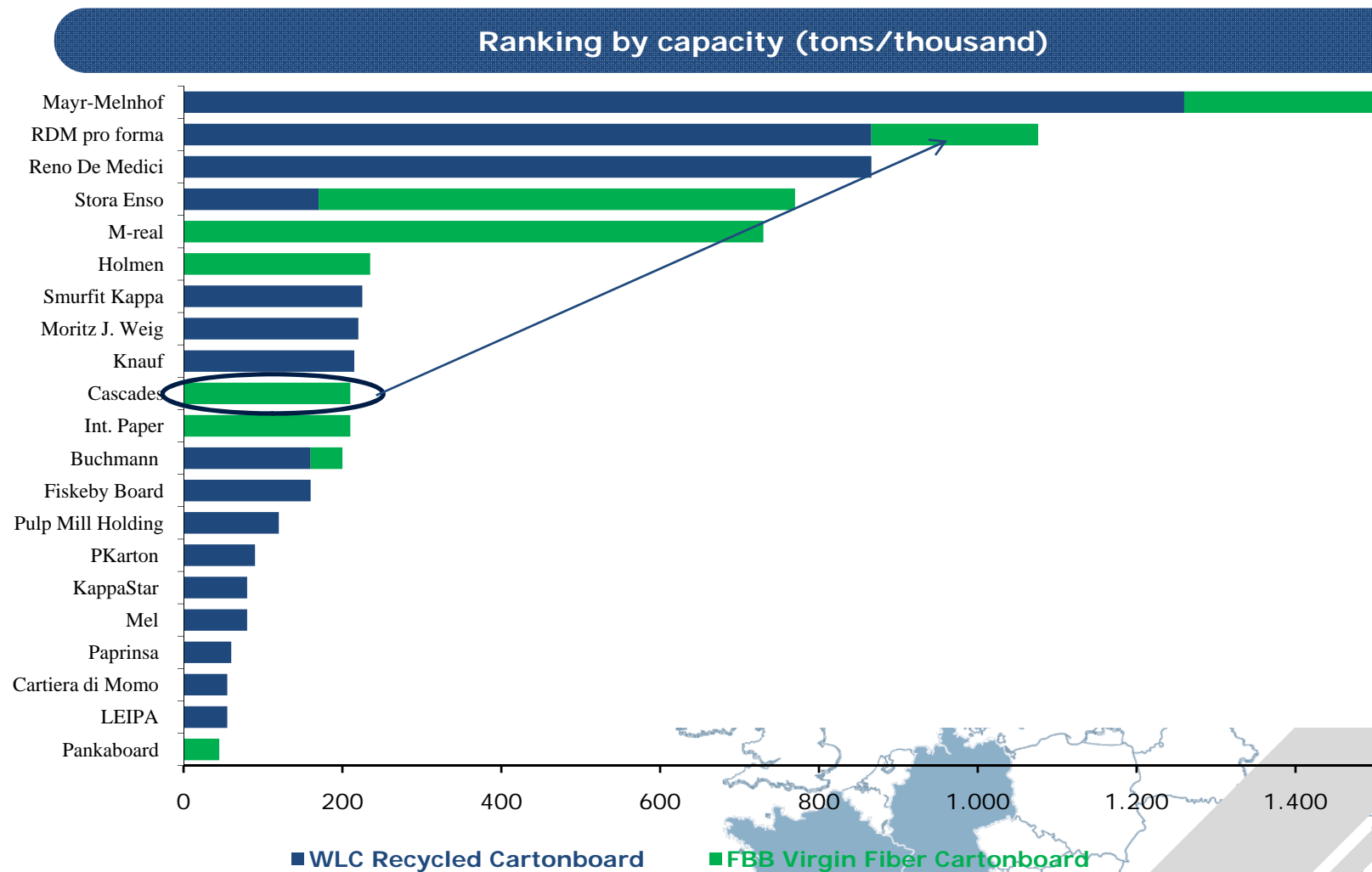
We prefer this...



Market positioning

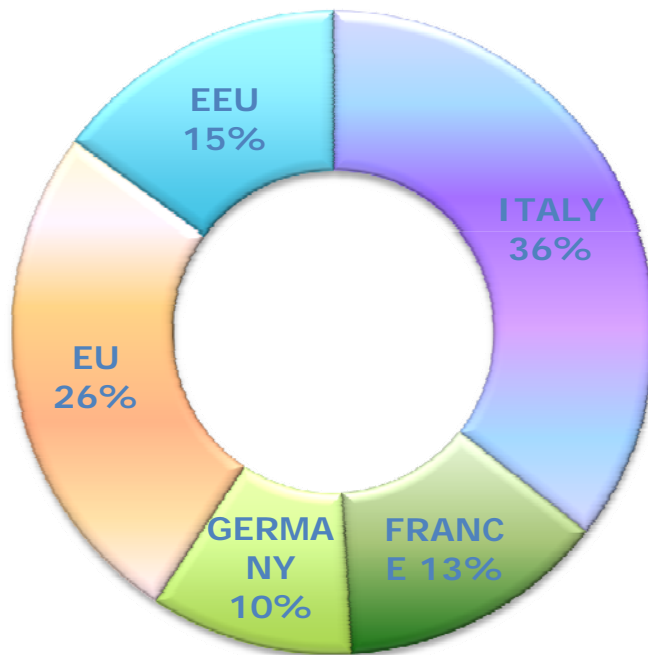


RDM's market positioning



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.



RdM
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PACKAGING VALUE CHAIN

PRODUCERS

Recycled
Fibers



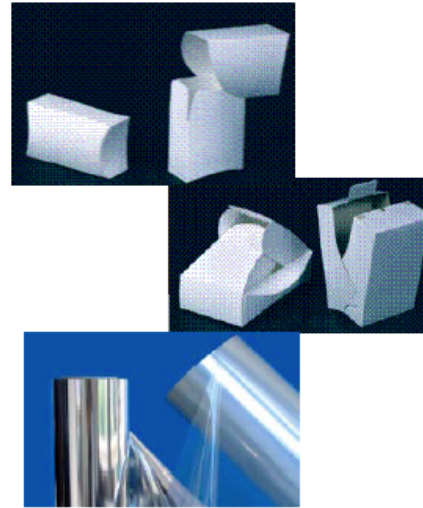
Virgin
Fibers



Flexible



CONVERTERS



END-USERS



GROWING

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



RENO DE MEDICI

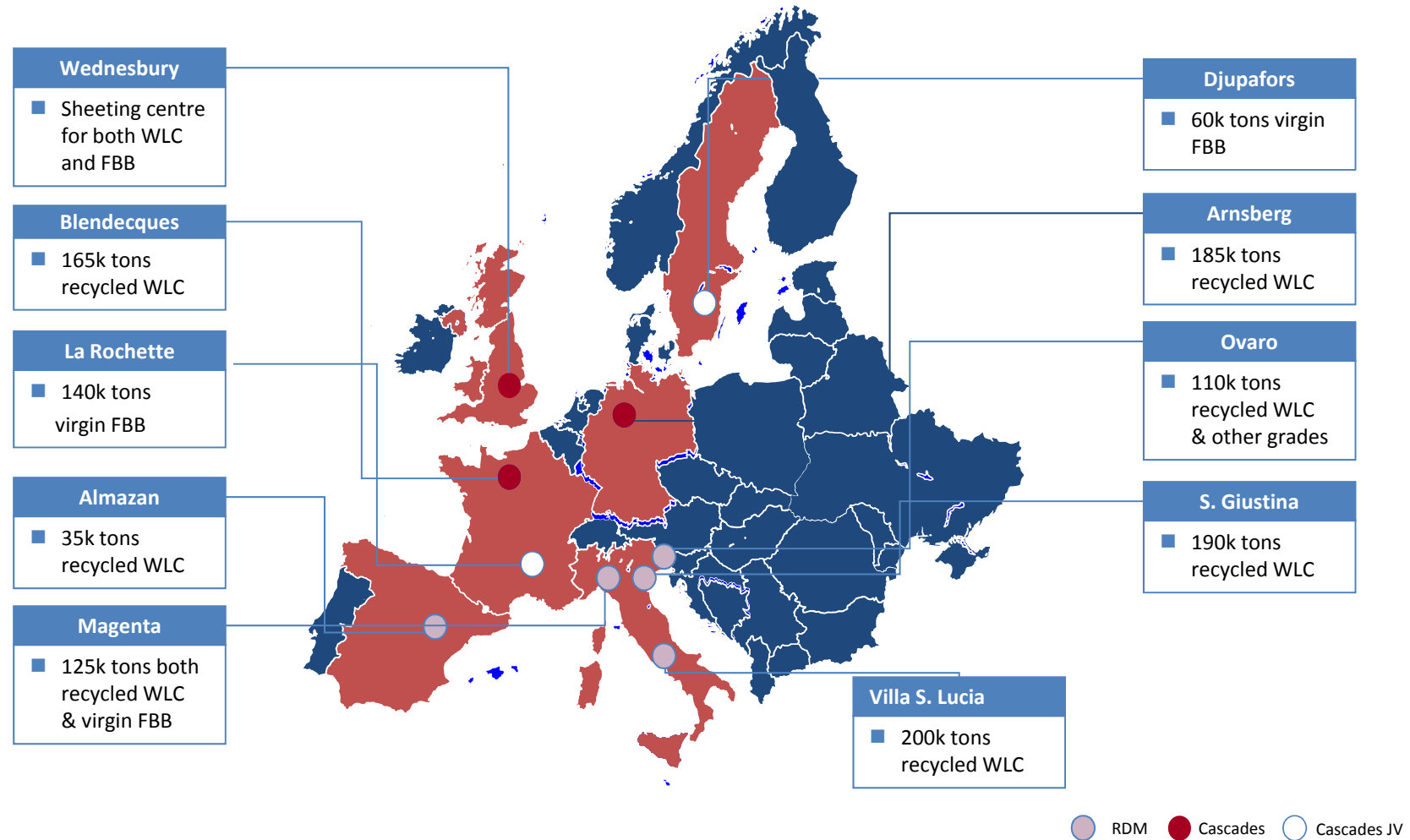


MANUCOR



Widespread Geographic Assets Portfolio

Geographical Risk Diversification



Wider Control Position in Europe

RDM is investing in efficiency, quality and cost savings



ARNSBERG - New shoe press

- COMPLETED



SANTA GIUSTINA -Wet end rebuild

COMPLETED



OVARO - BM Rebuild

- COMPLETED



VILLA SANTA LUCIA - New Headbox

- COMPLETED

WHY TO INVEST IN RDM ?

Strengths (internal)

- Leader as a second supplier and a welcomed alternative (WLC & FBB combined through Careo)
- Enough critical mass to support machine closures (rationalization)
- Excellent geographical coverage of western Europe with production facilities in main markets
- 3 WLC assets seen as European class facilities
- Competitive cost structure
- Capital structure in good position
- Multicultural team, capable to deal with different business environments
- Well diversified in terms of client base
- Wide range of packaging products (GD, Liner, GC, GK ,BOPP)

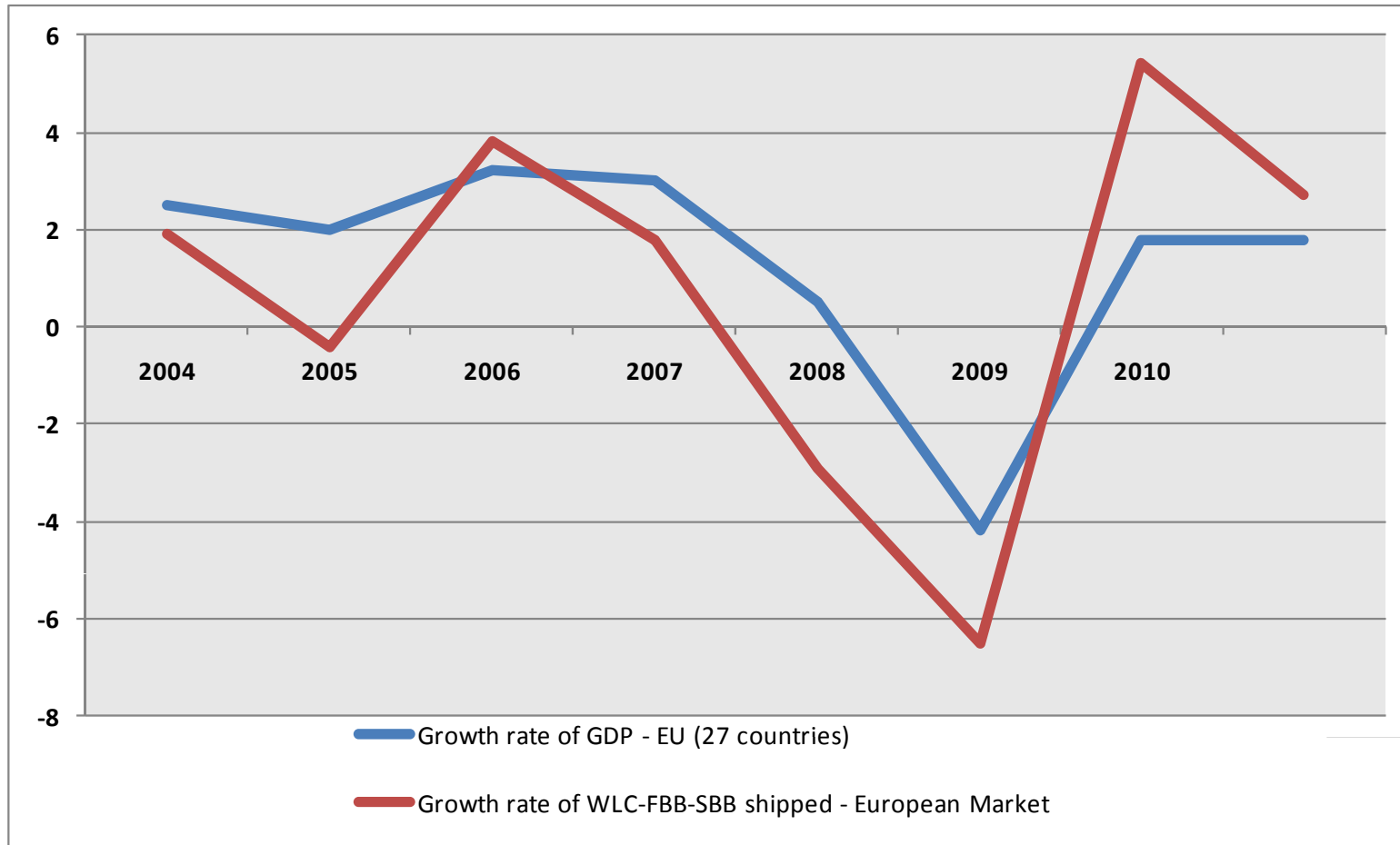
Opportunities (external/market)

- Growth in film industry and further development of cross selling opportunities with Manucor
- To offer a « sustainable packaging green solution »
- New products development to offer alternative to oil migration (laminated barrier, etc.) and other products for B2C
- No new capacity in the market in WLC

Market environment



Market environment: demand growth



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

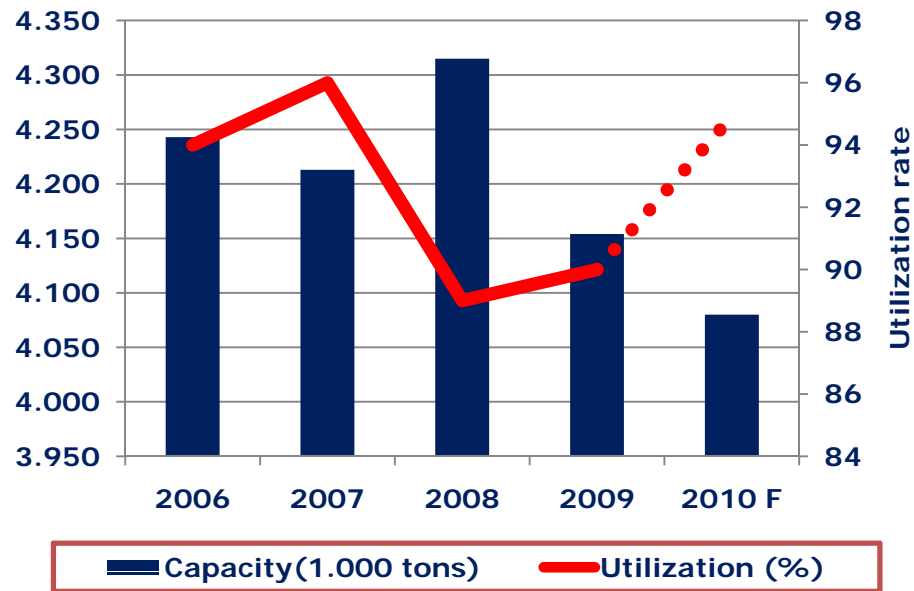


Source: Company data

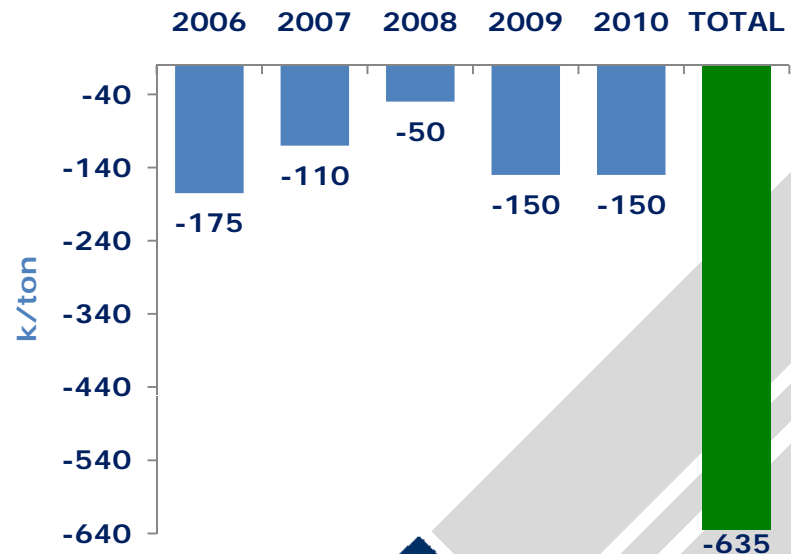
Market environment: supply

- 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)

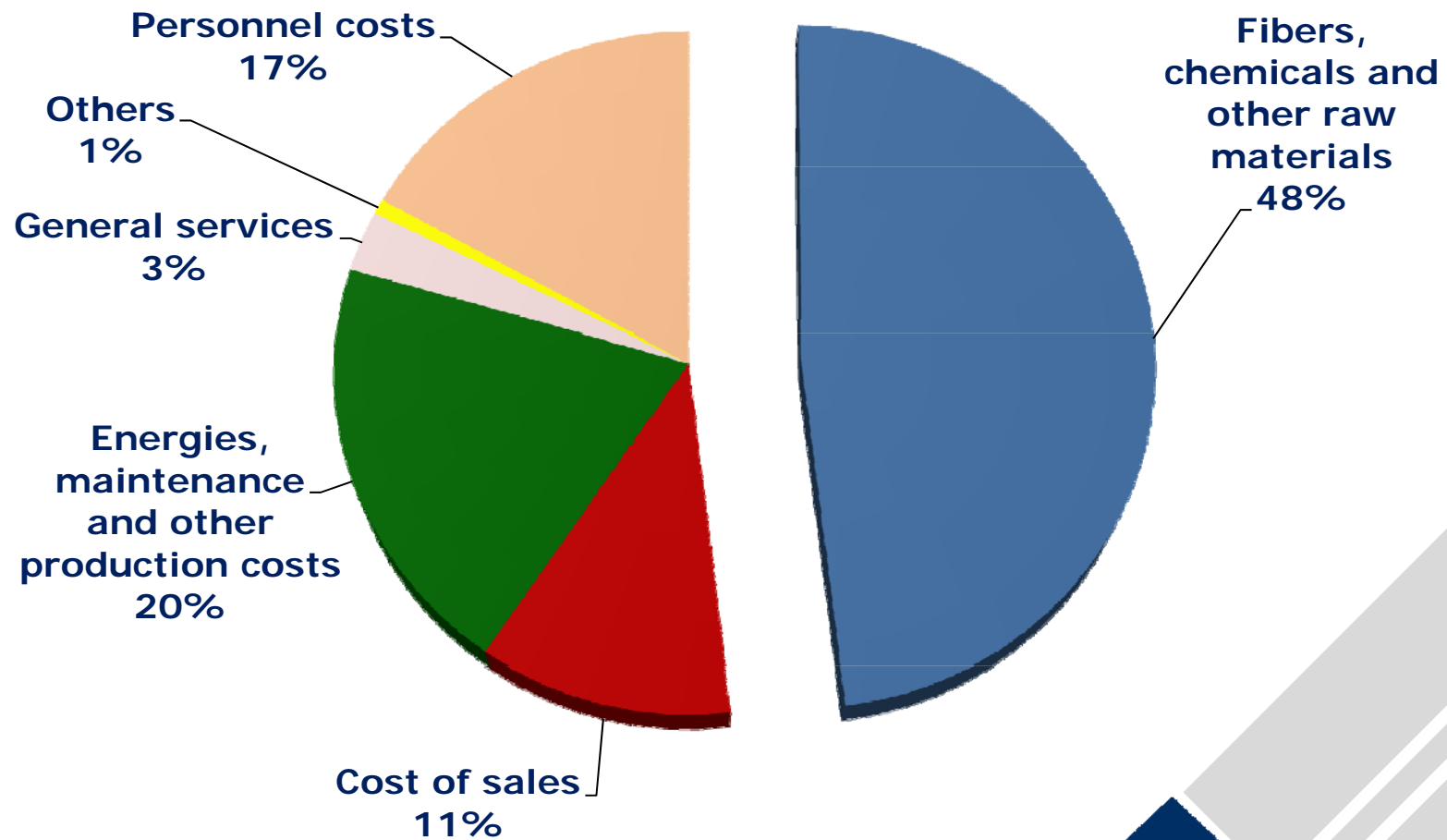


EUROPEAN CAPACITY REDUCTION
(000s TONS)

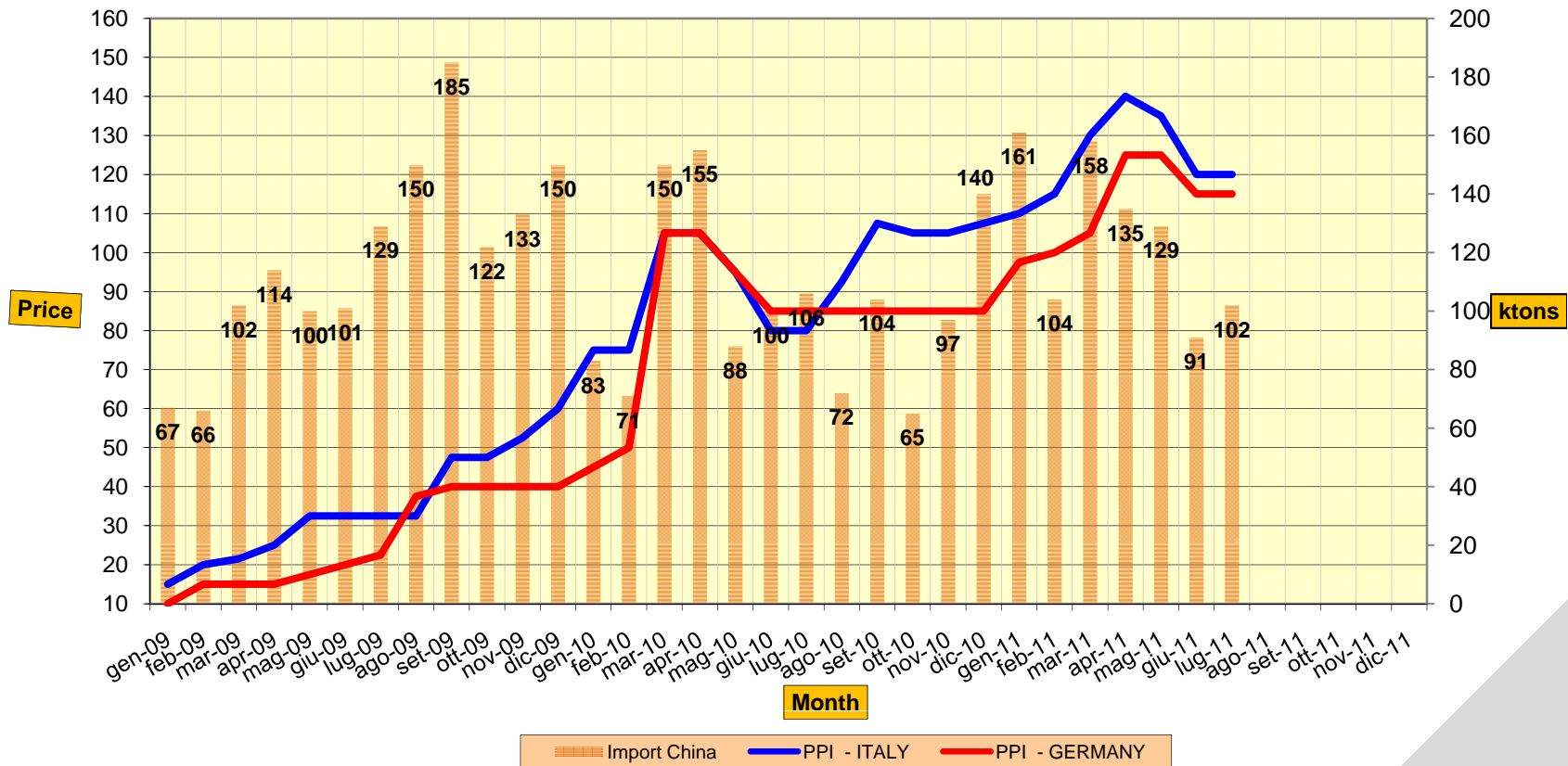


Source: Company data

Market environment: operating costs breakdown



Mixed Paper - PPI Italy and Germany (Euro/T. and Chinese import (ktons)



Significant correlation between China's import and mixed paper European prices but China is increasing their waste collection capacity.



Key FY2010 / 1st H- 2011 financial results



FIRST HALF 2011 results highlights

KEY RESULTS 1st H-2011 vs 1st H-2010

Eur 000s	1 st H-2011	1 st H 2010
Revenues	278.6	241.6
EBITDA ¹	21.2	18.0
EBIT ²	8.1	4.6
Net result ³	4.4	1.9
Net Financial Position (cash)/	103.6	106.5
Tons sold (000s)	485	474

- Sales up 15%
- EBITDA up 17 %
- EBIT up 76 %
- Net income €3 ml from income of €0.9 ml
- Net debt down by €3 ml
- Tonnes sold up 2.3 %

Outlook

- Current uncertainty of financial market has generated consumers consumption decrease that impacts negatively the market demand.
- The recent drop in new orders affects the backlog which can be balanced by production decrease.
- The impact should more moderate than 2008 due to fact the overcapacity has been addressed by the industry through temporary and permanent capacity reduction.
- The rising trend is clearly slowing down with resulting of stabilisation of prices which are still elevated.

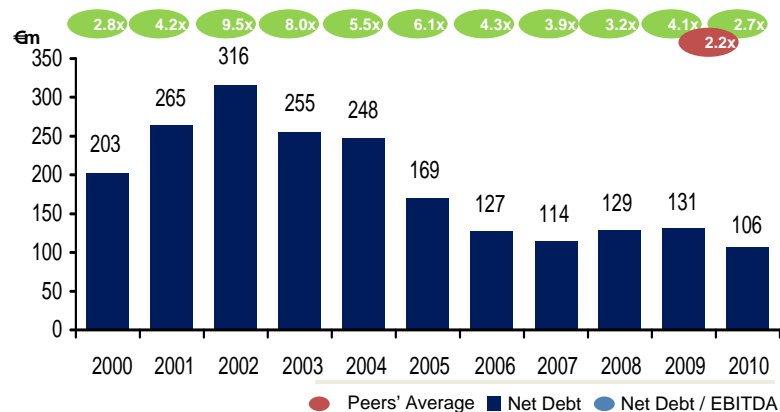


Source: Company data

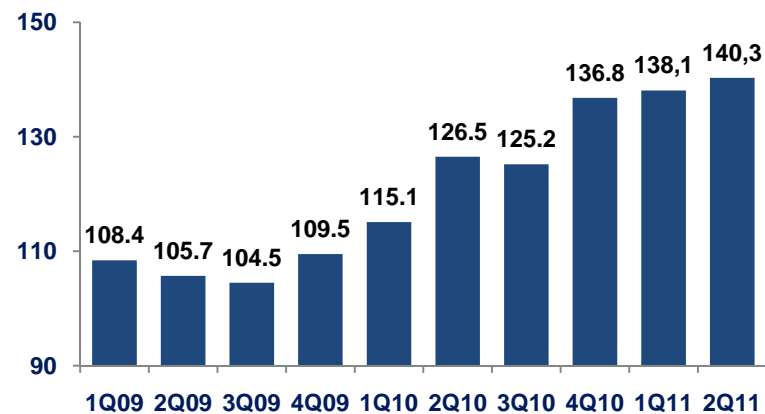


Reno de Medici is Expected to Grow Significantly

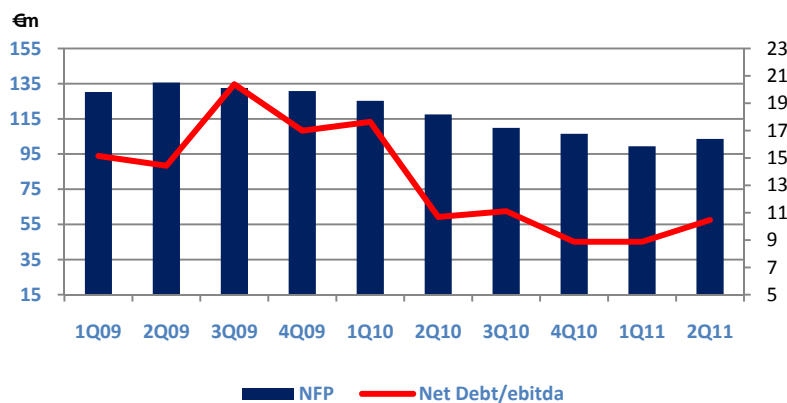
Net Debt / (Cash)



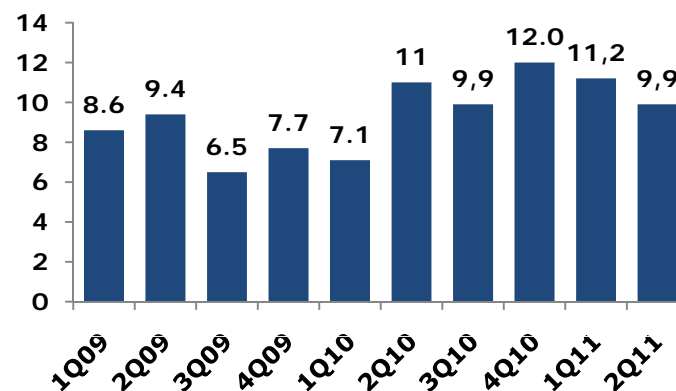
Revenues (M€)



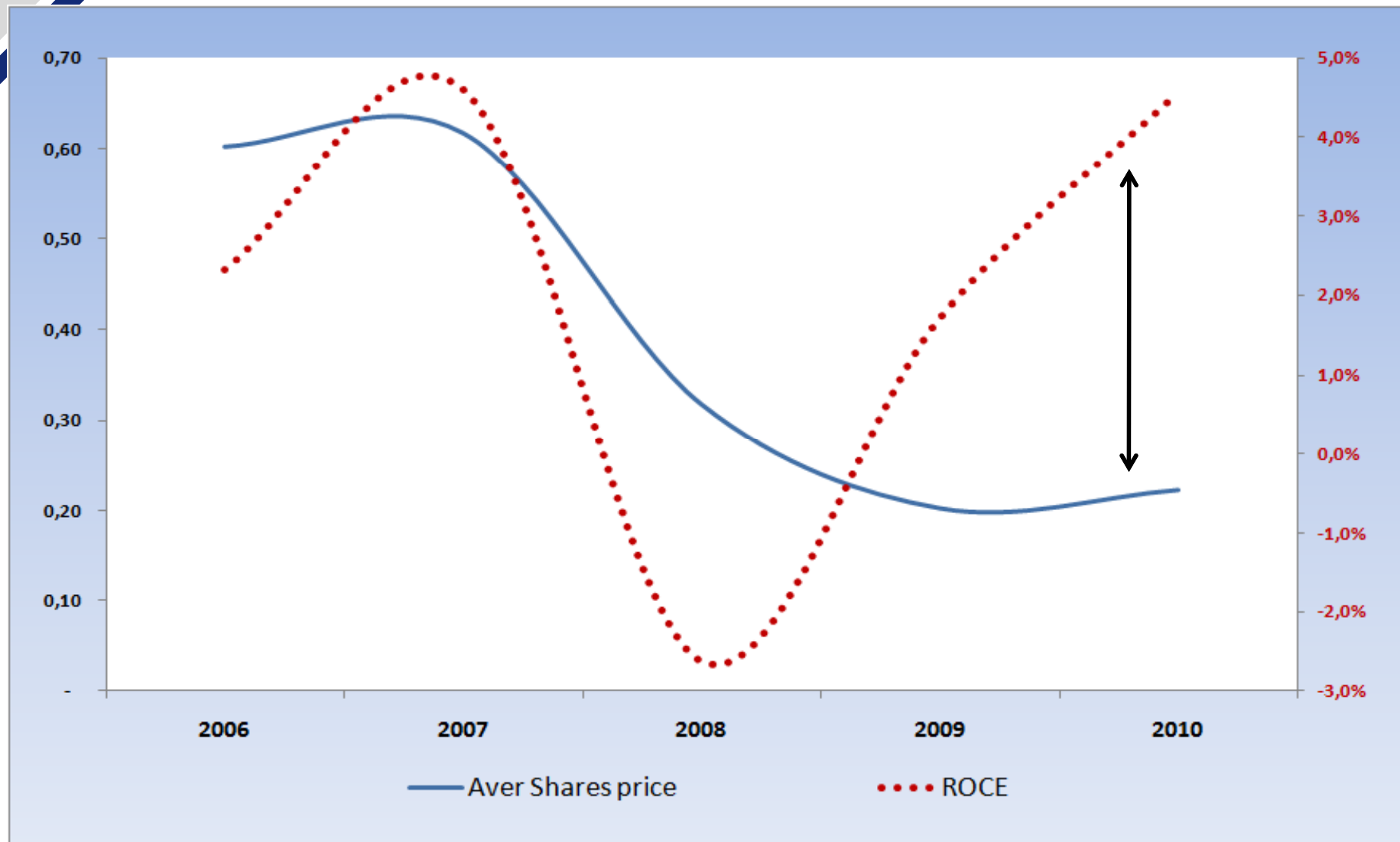
EBITDA / Ned Debt trend



EBITDA (M€)



RDM stock underevaluated



Appendix



Profit & Loss

(Eur/million)	FY2010	FY2009		1H2011	1H2010
Revenues	503.6	428.1		278.6	241.6
EBITDA*	40.0	32.2		21.2	18.0
<i>% EBITDA margin</i>	<i>7.9%</i>	<i>7.5%</i>		<i>7.6%</i>	<i>7.4%</i>
Depreciation, amortization and write downs	(28.0)	(27.3)		(13.1)	(13.4)
EBIT	12.0	5.0		8.1	4.6
<i>% EBIT margin</i>	<i>2.4%</i>	<i>1.1%</i>		<i>3%</i>	<i>2%</i>
Financial charges**	(7.7)	(10.7)		(3.9)	(2.5)
EBT	5.2	(5.3)		4.2	2.1
Taxation	(3.2)	(1.3)		(1.2)	(1.0)
Net result for the period***	2.1	(6.6)		3.1	0.9

Tons sold (tons/thousands)	946	864		485	474
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* 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.



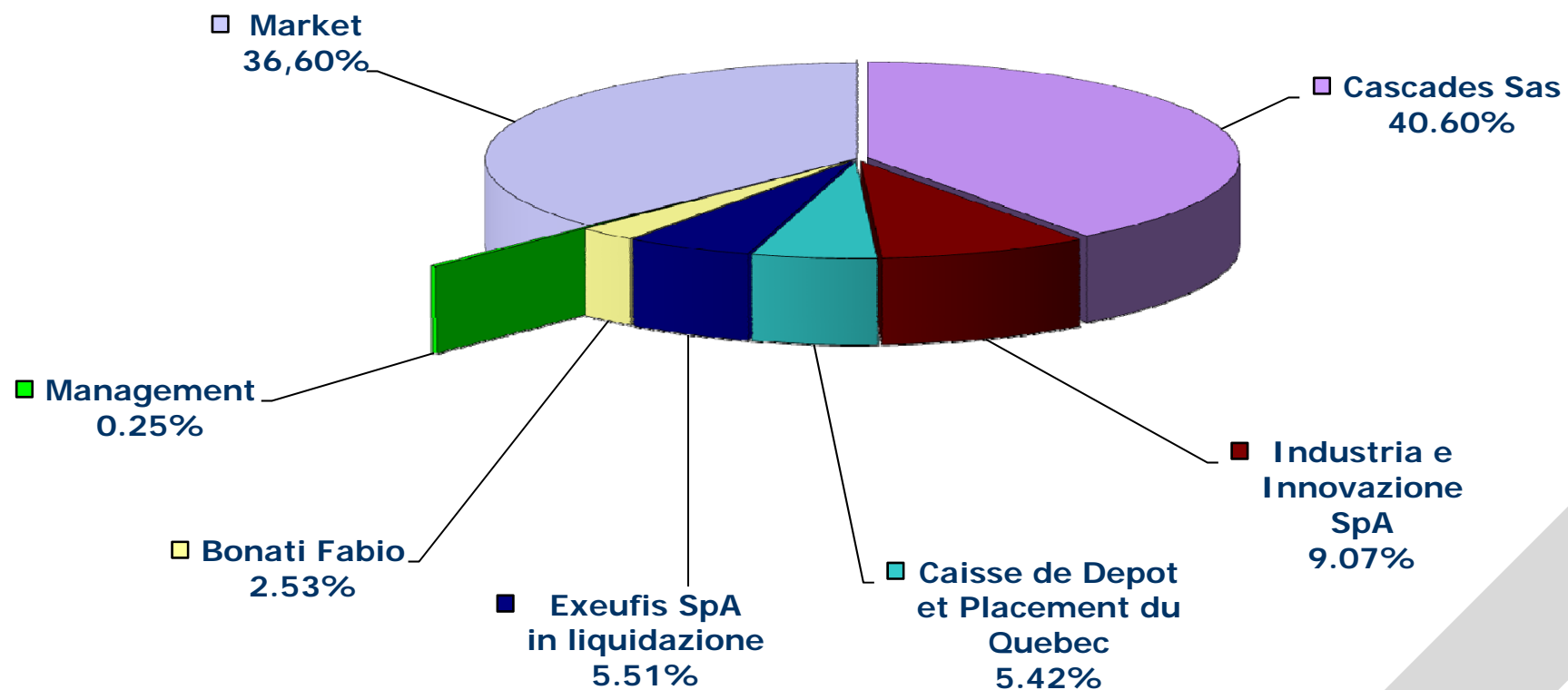
Balance Sheet

<i>(Eur/million)</i>	June 30,2011	Dec 31, 2010	Dec 31, 2009
Stock	93.1	81.9	74.3
Trade receivables	122	121.0	110.4
Trade payables	(140.2)	(127.2)	(102.7)
Total working capital	74.9	75.7	82.0
Other assets - current	4.7	3.9	4.6
Other liabilities - current	(19.6)	(19.4)	(14.9)
Non-current assets	259.1	259.0	271.3
Non current assets held for sale	1.3	1.3	0.0
Non-current liabilities	(26.5)	(27.1)	(29.3)
Employees' leaving indemnity	(31.0)	(30.3)	(28.2)
Net capital invested	262.9	263.0	285.7
Net financial position	(103.6)	(106.5)	(130.8)
Net Equity	159.3	156.6	154.8
Total sources	262.9	263.0	285.7

Net Financial Position

(Eur/million)	June 30, 2011	Dec 31, 2010	Dec 31, 2009
Cash	0.03	0.03	0.10
Funds available at banks	3.69	2.17	1.60
A. Cash and cash equivalent	3.72	2.21	1.71
Other Group receivables	2.26	0.39	0.35
B. Current financial receivables	2.26	0.39	0.35
1. Bank overdraft	43.87	40.17	57.82
2. Current portion of medium and long term loans	12.90	9.87	6.65
3. Other current financial liabilities	0.34	0.36	0.43
Bank loans and other financial liabilities (1+2+3)	57.11	50.42	64.90
Other Group payables	0.57	1.31	3.41
Derivatives - current financial liabilities	0.59	0.79	1.07
C. Current financial liabilities	58.27	52.52	69.38
D. Current financial debt, net (C-A-B)	52.29	49.92	67.32
Bank loans and other financial liabilities	50.63	55.53	62.67
Derivatives - non current financial liabilities	0.68	1.01	0.85
E. Non current financial payables	51.31	56.54	63.52
F. Net Financial Debt (D+E)	103.6	106.46	130.84

Shareholders



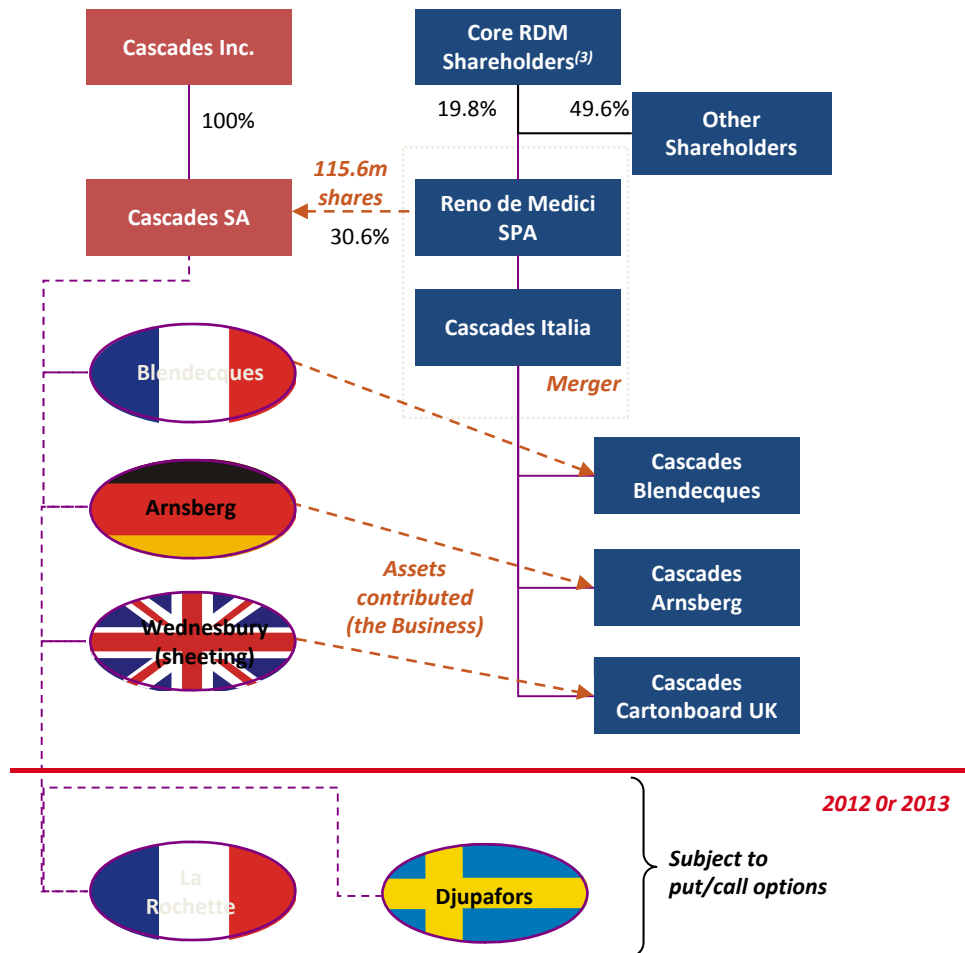
Note: In August 2010 Industria e Innovazione SpA signed a put&call agreement with Cascades related to its stake in RDM.

Estimated at April 2011



Combination with Cascades

Illustrative Transaction Structure



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

(1) Cascades SA assigned with c. 7 million treasury shares and c. 109 million newly issued shares
 (2) Including convertible saving shares
 (3) Defined as Alerion Industries, Eurinvest Finanza Stabile and Industria della costruzione

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