

**Star Conference  
Milan March 25th, 2014**

**RenoDeMedici**



# 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.*



# Carton Board: Production & Sales Circuit

## Recycled paper Collectors



## Consumers



## Cartonboard Producer



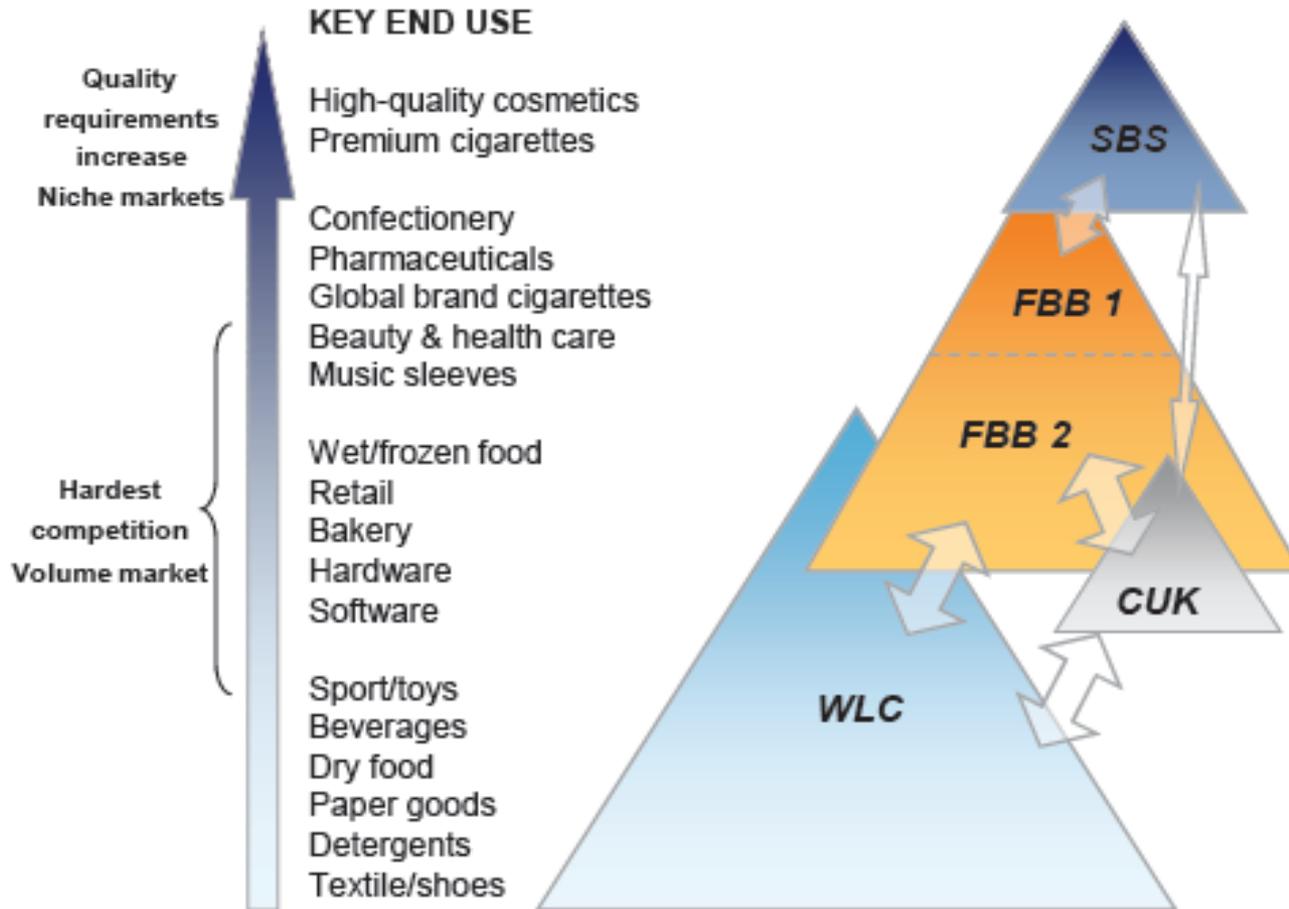
## Converters



## Distributors

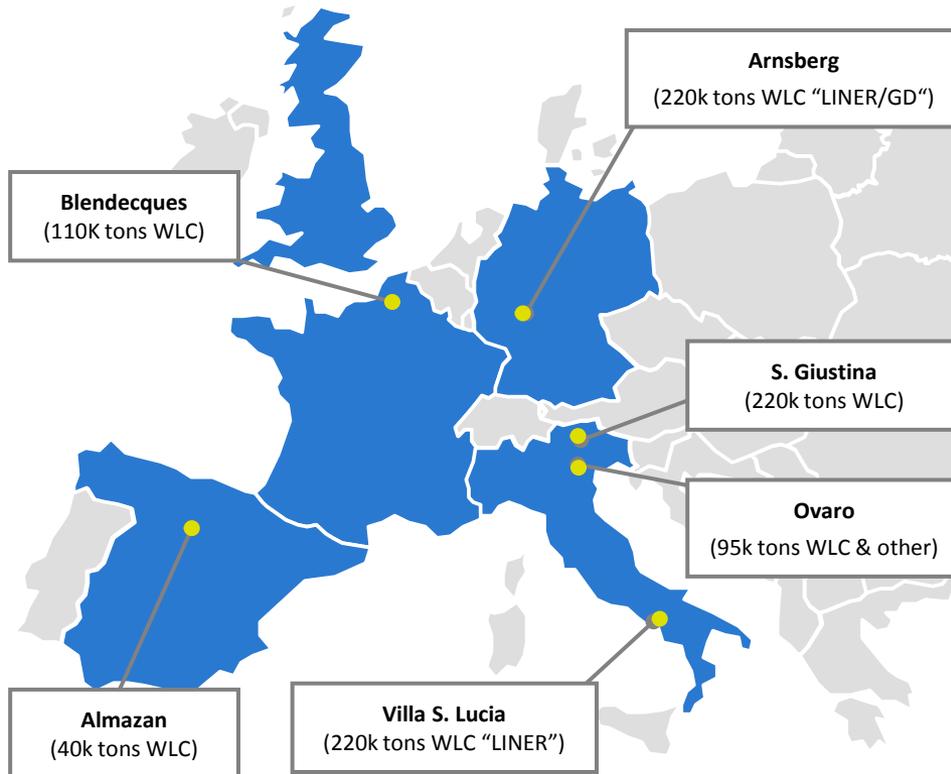


# End Use by grade



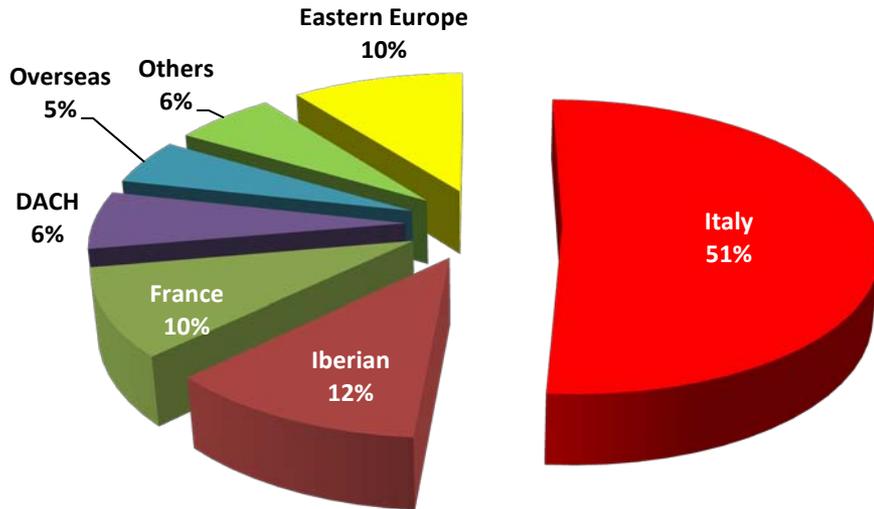
# RdM has a W. European footprint, the second biggest European recycled cartonboard producer

- Production is located in Western Europe, through 6 mills with a total installed capacity of ~900k tonnes
- 60% of the installed capacity is in Italy and only in White Lined Chipboard (“WLC”)
- Arnsberg, S. Giustina and Villa S. Lucia are the main assets<sup>1</sup> of the Company’s machines portfolio, with above average machine capacity and modern technical status, recognized as top-class European facilities. The other three mills are serving specific geographical and product markets.

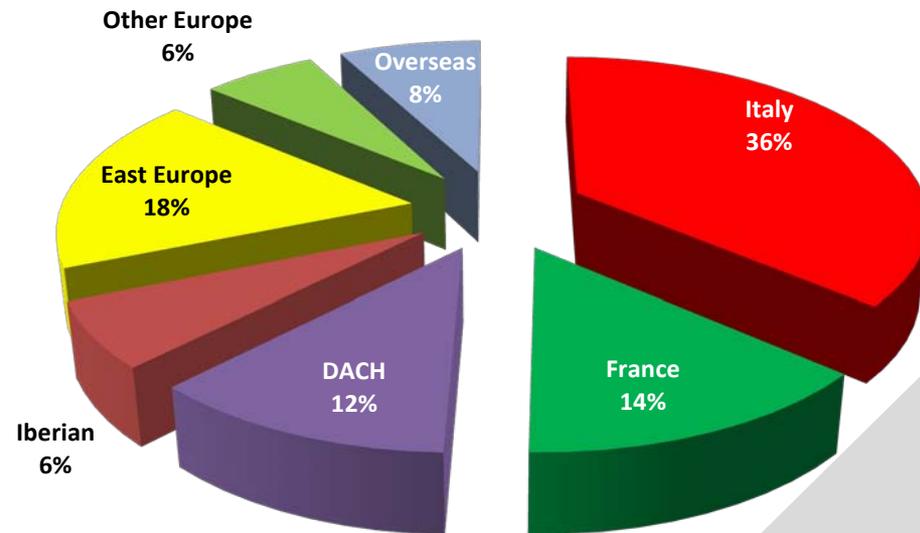


# Market Mix Improvement

**Market Mix 2007**



**Market Mix 2013**



*From  
Italian  
Company*



*European  
Group*



% based on revenues  
DACH: Germany, Austria, Switzerland  
Eastern Europe includes Turkey

# RdM– People

## HR

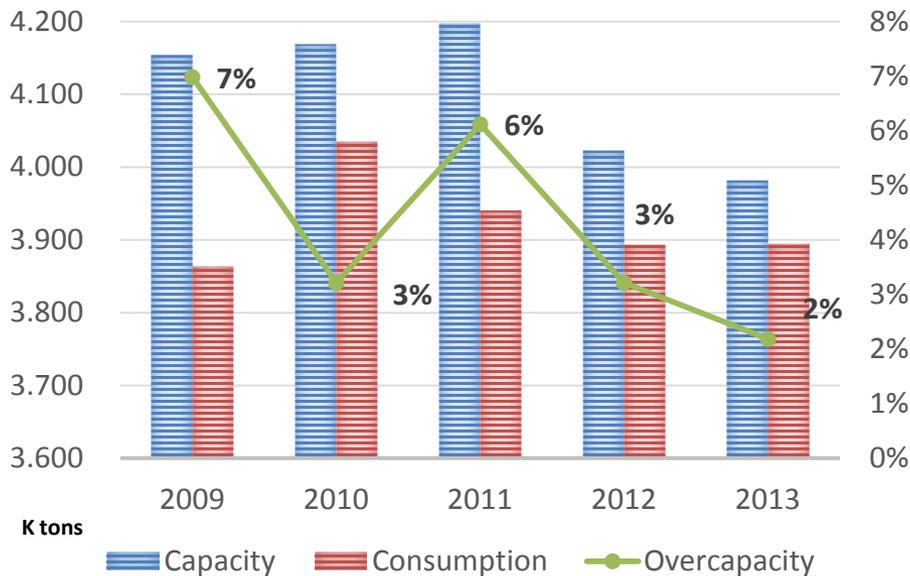
- More than 1.400 employee coming from more than 10 countries.
- Wide Training programs
- Maximum efforts on safety.



## RDM MANAGEMENT

RdM Management is multicultural, multilingual and coming from different history and organizations in order to face all complexities of the business.

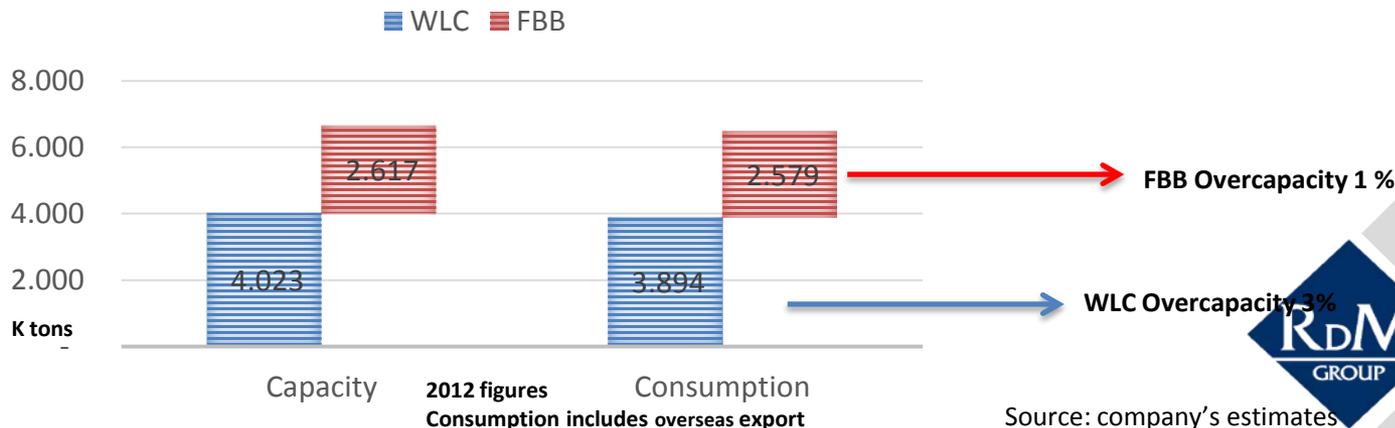
# Recycled: industry capacity trend



**WLC : White liner chipboard (based on recycled fibers)**  
**FBB: Folding boxboard (Based on virgin fibers)**

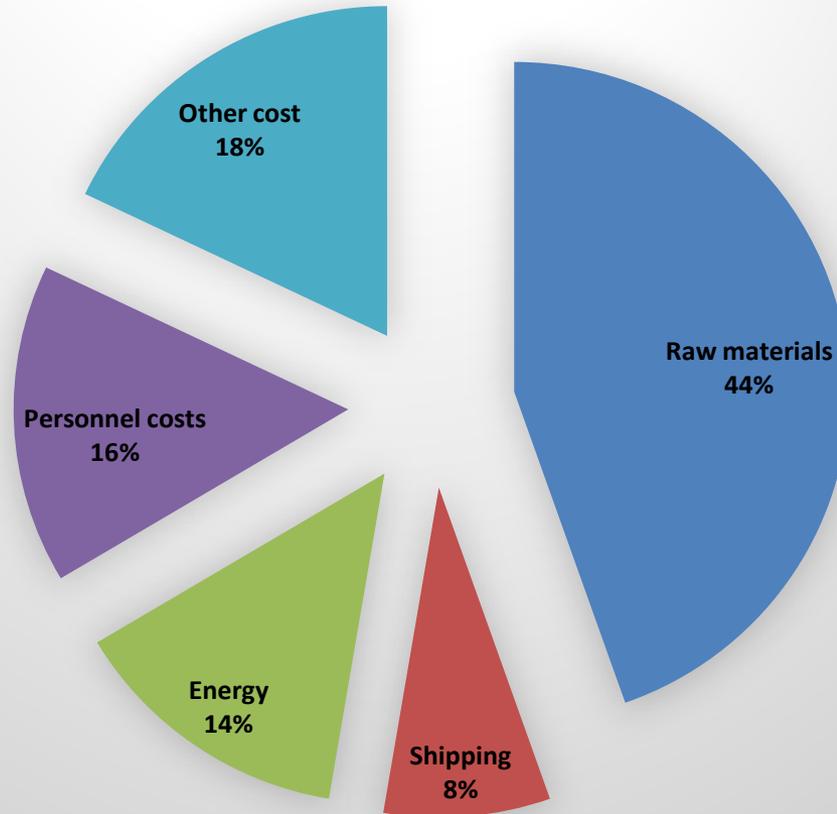
- ✓ WLC production capacity has decreased by 172Ktons
- ✓ Consumption (including overseas sales) has remain stable
- ✓ Number of board machines in the Europe has reduced 13 since 2007 for all grades FBB-WLC-SBB (Rdm has shutdown 3 BM since 2008)

## CAPACITY VS CONSUMPTION WLC & FBB



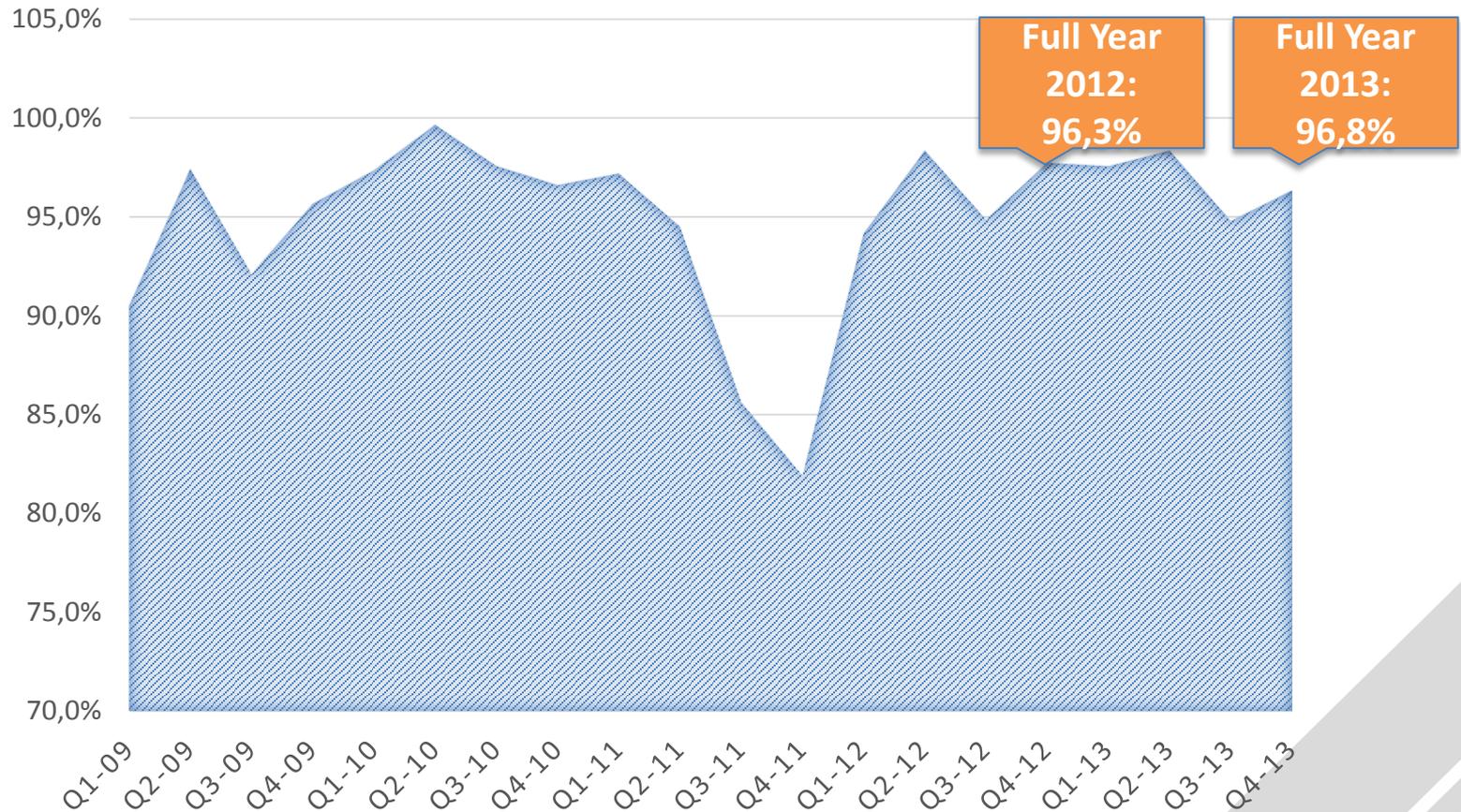
Source: company's estimates

# Cost breakdown in % of 2013 revenues



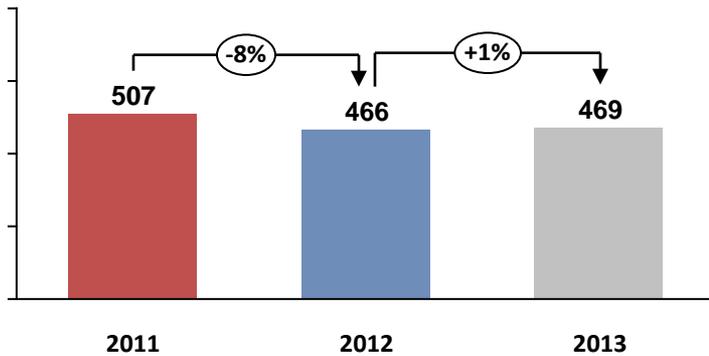
Figures based on 2013 financials statements

# RDM Operating Rate per Quarter – all Mills

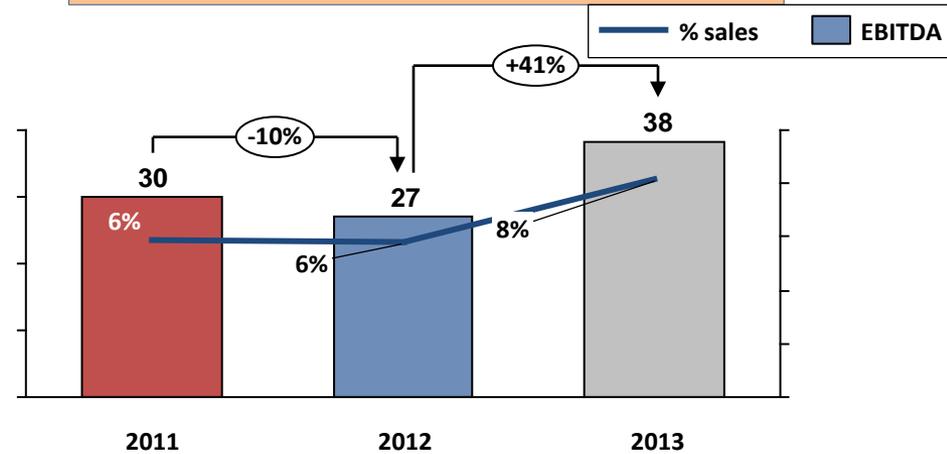


# Key figures : year comparison 2013/2012

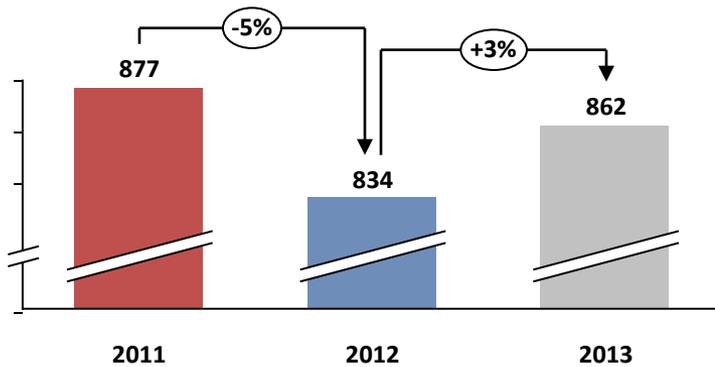
**SALES (M€)**



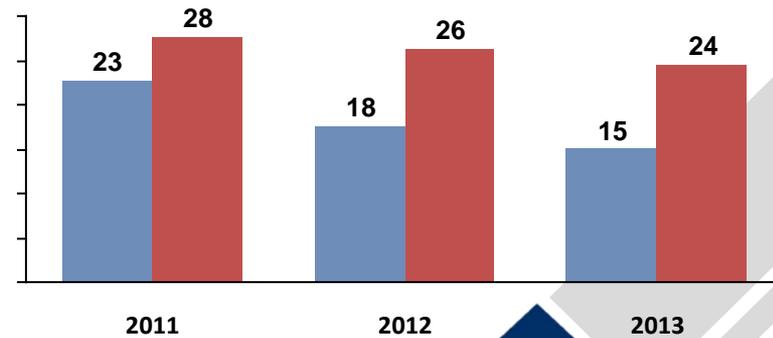
**EBITDA (M€% sales)**



**Shipments ('000 m.t.)**



**Capex & Depreciation (M€)**



Capex  
Depreciation



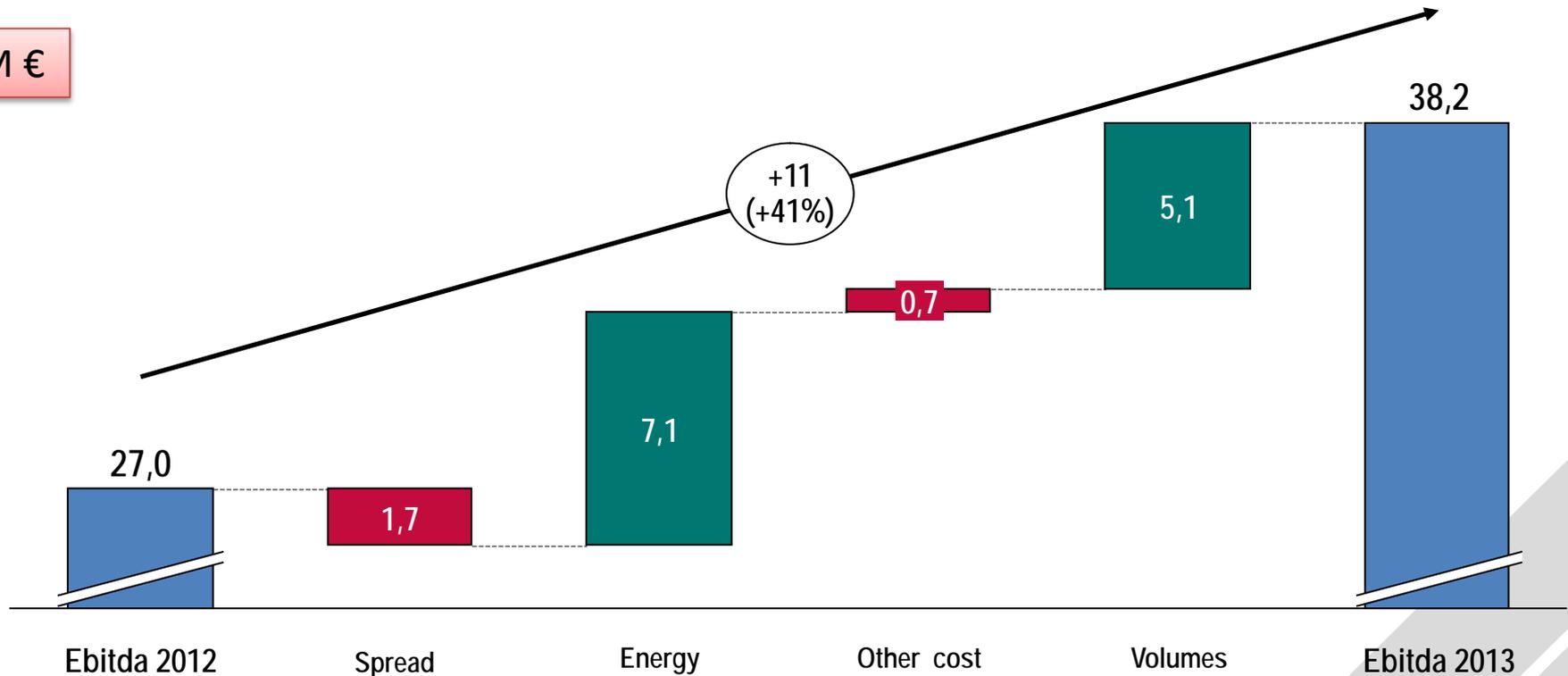
# Variation 2012- 2013

834

000, Tons Sold

862

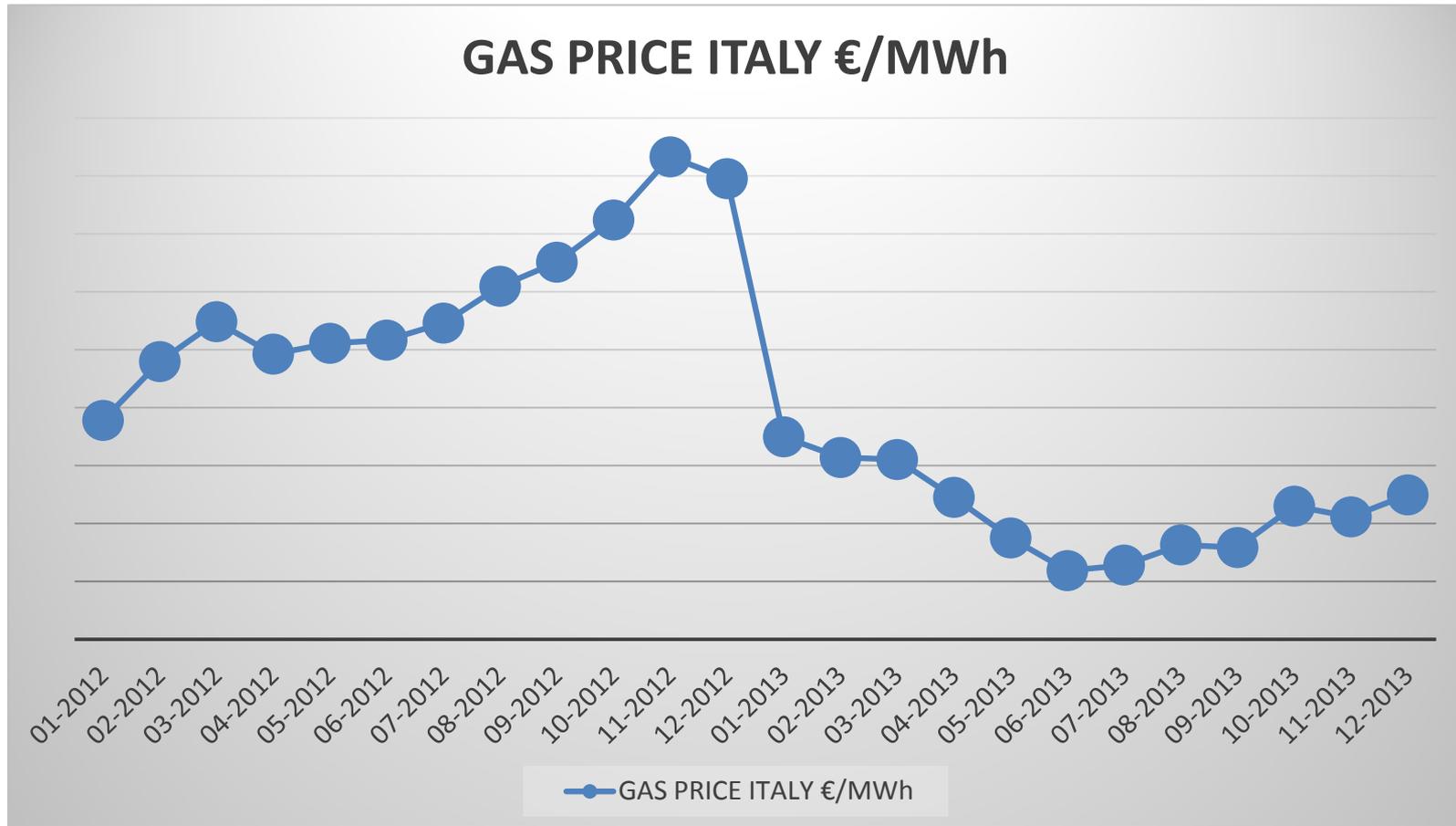
M €



- Spread: sales price minus raw material prices
- Other cost includes : variables and fixed



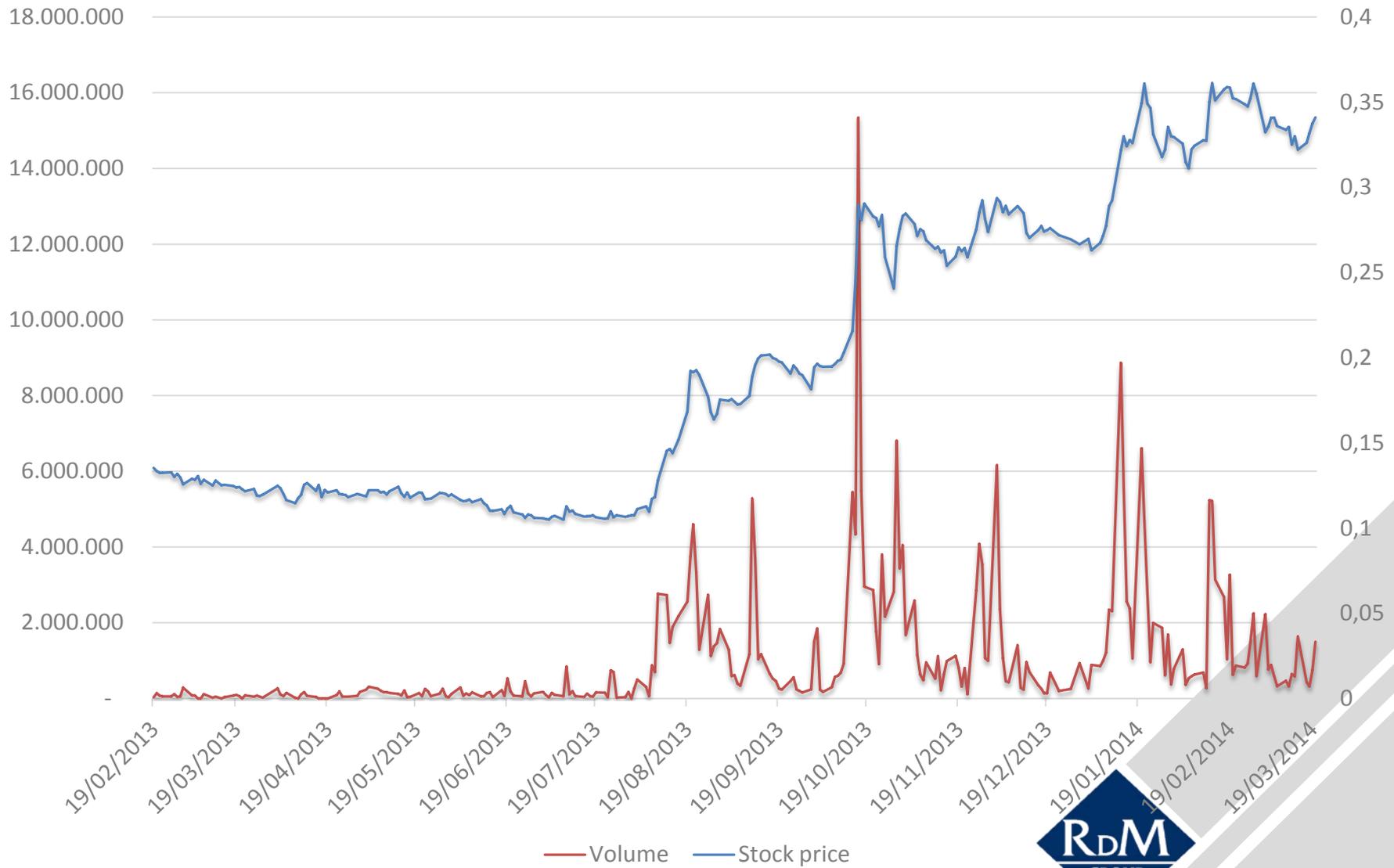
# After more than 2 years of very high prices , the gas price in Italia are going down



Source: company data



# RM.MI: average volume more than 1 million shares per day



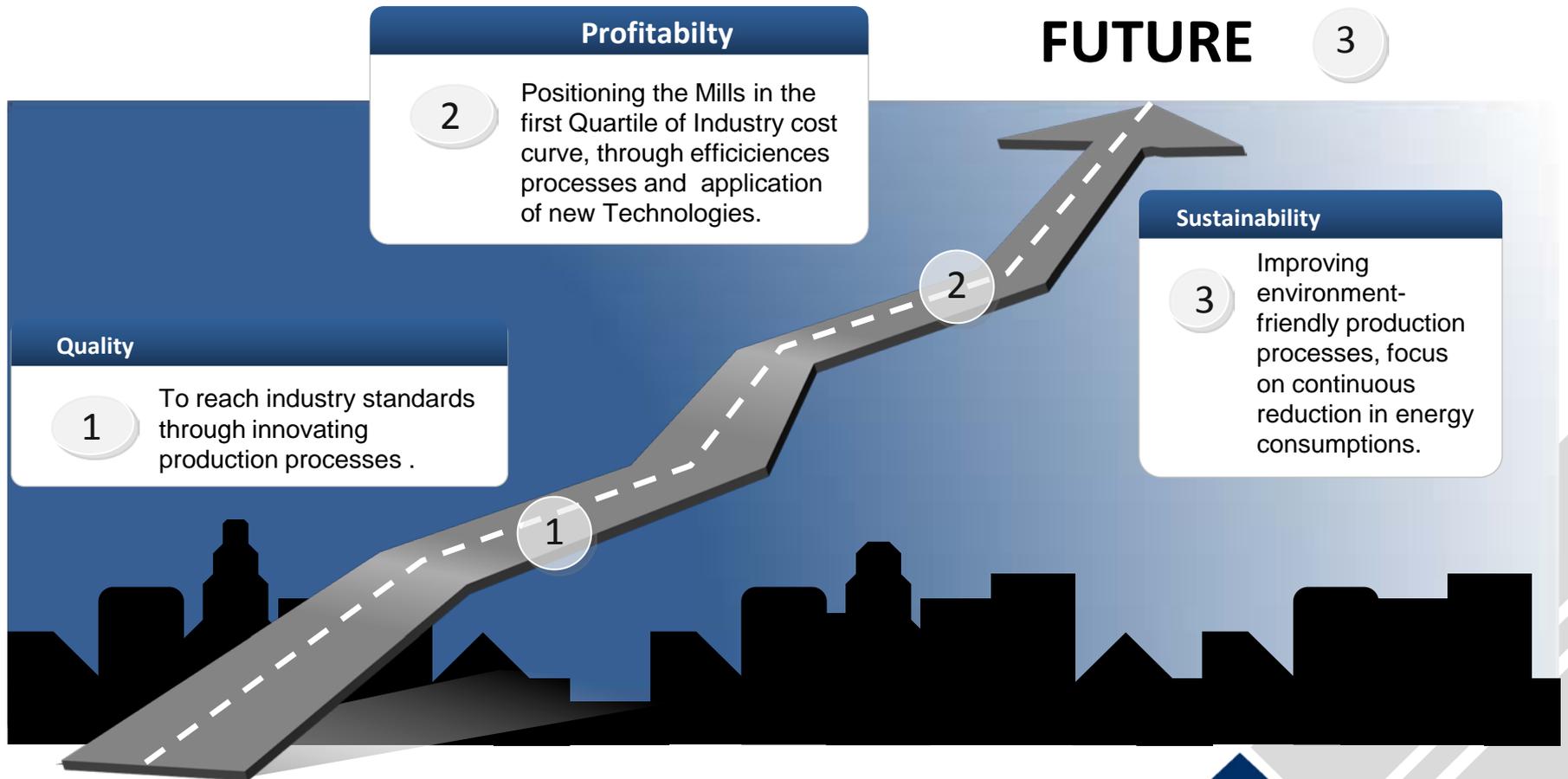
# 2008 → 2013 : business turnaround

## TARGETS ACHIEVED 2008 -2013

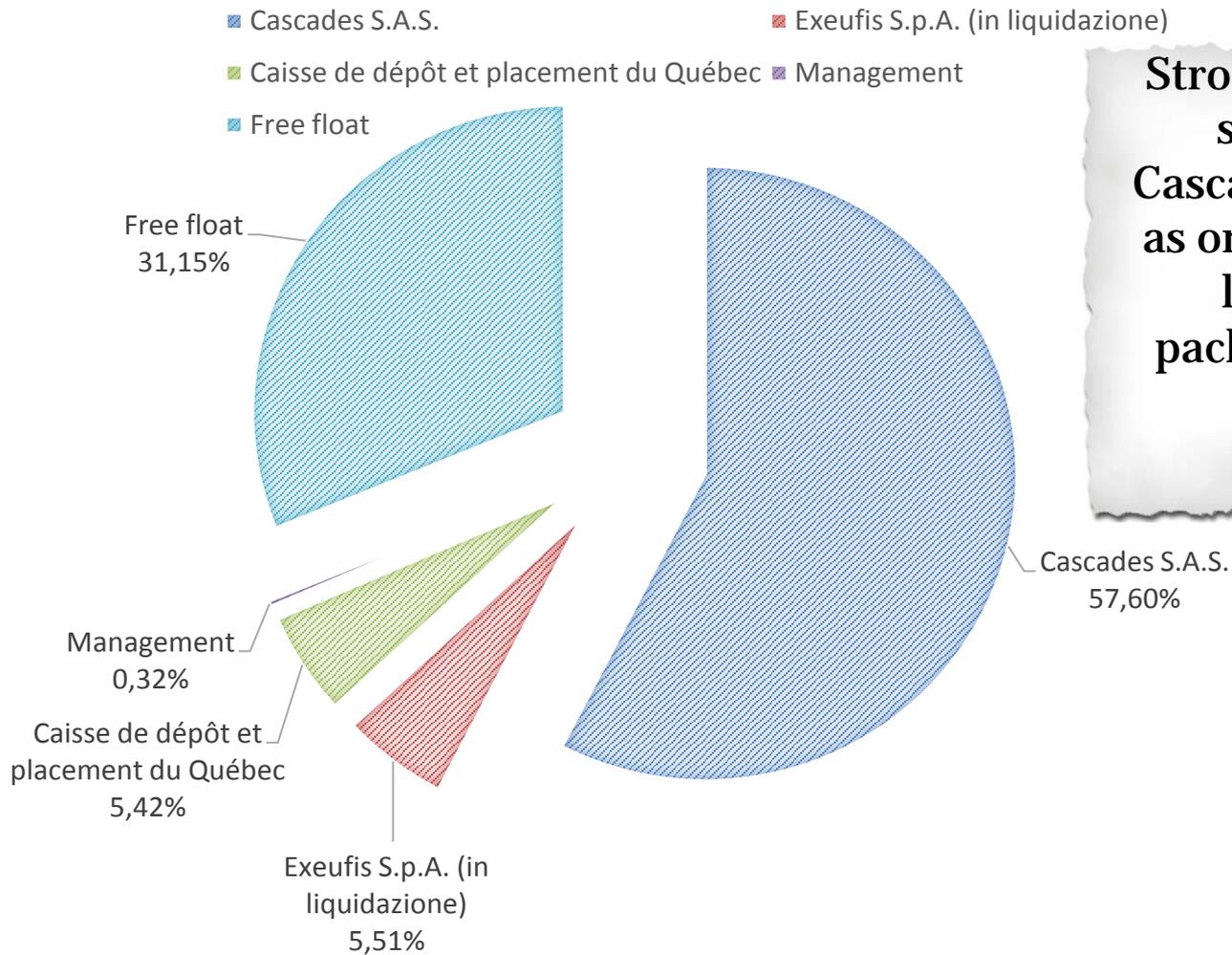
- ✓ Rationalization of production capacity from 10 Board machines to 7 by keeping the same production capacity
- ✓ Implementation of a Paneuropean direct sales Network.
- ✓ Positioning of the assets in the first quartile of cost curve with equipment's modernization capex (more than 90 M€ of capex in 5 years)
- ✓ 12 millions € of Fixed cost saving program achieved
- ✓ Reduction of the net financial debt position from 128,6 M€ in 2008 to 73,4 M€ in 2013
- ✓ Simplification of the structure by focusing on the big mills : centralization of sheeting and logistic services for Italy , closing of non core business : service centers (UK, Aprilia IT) and industrial mills (Magenta, Marzabotto)



# Reno Strategy – The direction is Clear



# Shareholders base



**Stronger position of shareholders Cascades ,considered as one of the biggest leader in the packaging industry**



# Key historical figures

€ million	2008	2009	2010	2011	2012	2013
<b>Tons sold</b>	889	864	946	878	834	862
<b>Revenues from Sales</b>	451.1	428.1	503.1	507.1	466.3	468,5
<b>EBITDA</b>	40.0	32.3	40.0	30.0	27.0	38,2
<b>EBITDA margin</b>	8.9%	7.5%	8.0%	5.9%	5.8%	8,1%
<b>Net Result</b>	0.6	(6.6)	2.0	(1.7)	(12.2)	2,0
<b>Net Invested Capital</b>	289.8	285.7	263.0	239.9	223.0	213,4
<b>Net Equity</b>	161.2	154.8	156.5	153.3	136.7	139,9
<b>Net Financial Position</b>	128.6	130.9	106.5	86.6	86.3	73,5
<b>Net Working Capital</b>	87.7	82.0	75.7	47.9	41.9	39.7
<b>Market capitalization</b>	57,2	93,8	91,4	53,3	53,0	112,8
<b>Entreprise value (E.V)</b>	185,8	224,6	197,9	139,9	139,3	186,2
<b>E.V / Ebitda</b>	4,6	7,0	4,9	4,7	5,2	4,9
<b>Headcount</b>	1,716	1,618	1,595	1,502	1,430	1,405
<b>Active Mills</b>	7	7	7	6	6	6

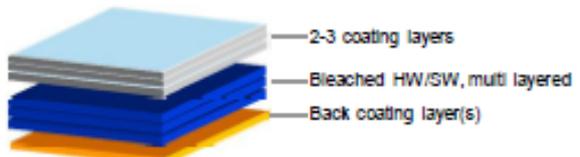
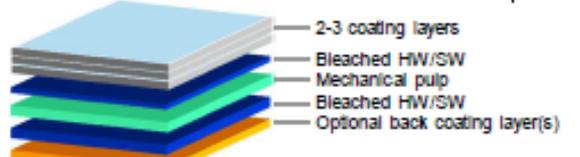
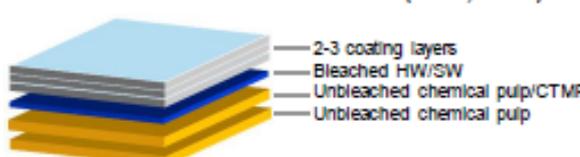
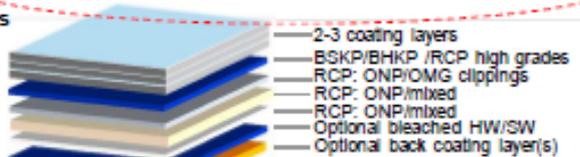
(\*) Badwill generated by the business combination with Cascades

(\*\*) Calculated on Adjusted-EBITDA.

(\*\*\*) Interest include bank interests and factoring costs



# Carton Board Grades

Structure of board	Basis weight range, g/m <sup>2</sup>	Main selection criteria	Market size, Europe 2012 1 000 t	
<b>SBS: Solid Bleached Sulphate</b> 	180-380 g/m <sup>2</sup>	<ul style="list-style-type: none"> <li>Printability and surface quality</li> <li>Whiteness/brightness</li> <li>Purity</li> <li>Odour and taint properties</li> </ul>	495	Virgin fiber based
<b>FBB: Folding Boxboard (FBB or GC 1/2)</b> 	200-380 (560) g/m <sup>2</sup>	<ul style="list-style-type: none"> <li>Bulk</li> <li>Stiffness</li> <li>Printability</li> <li>(B)CTMP with odour and taint sensitive products</li> </ul>	2 175	
<b>CUK: Coated unbleached kraft (SUB, CKB)</b> 	200-425 (560) g/m <sup>2</sup>	<ul style="list-style-type: none"> <li>Strength</li> <li>Moisture resistance</li> <li>Odour and taint properties</li> <li>Environmental image</li> </ul>	475	
<b>WLC: White-lined chipboard (GD or GT 1/2/3)</b> 	160-400 (750) g/m <sup>2</sup>	<ul style="list-style-type: none"> <li>Price</li> <li>Environmental image</li> </ul>	3 500	Recovered fibre based

RdM products

