

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



Distributors



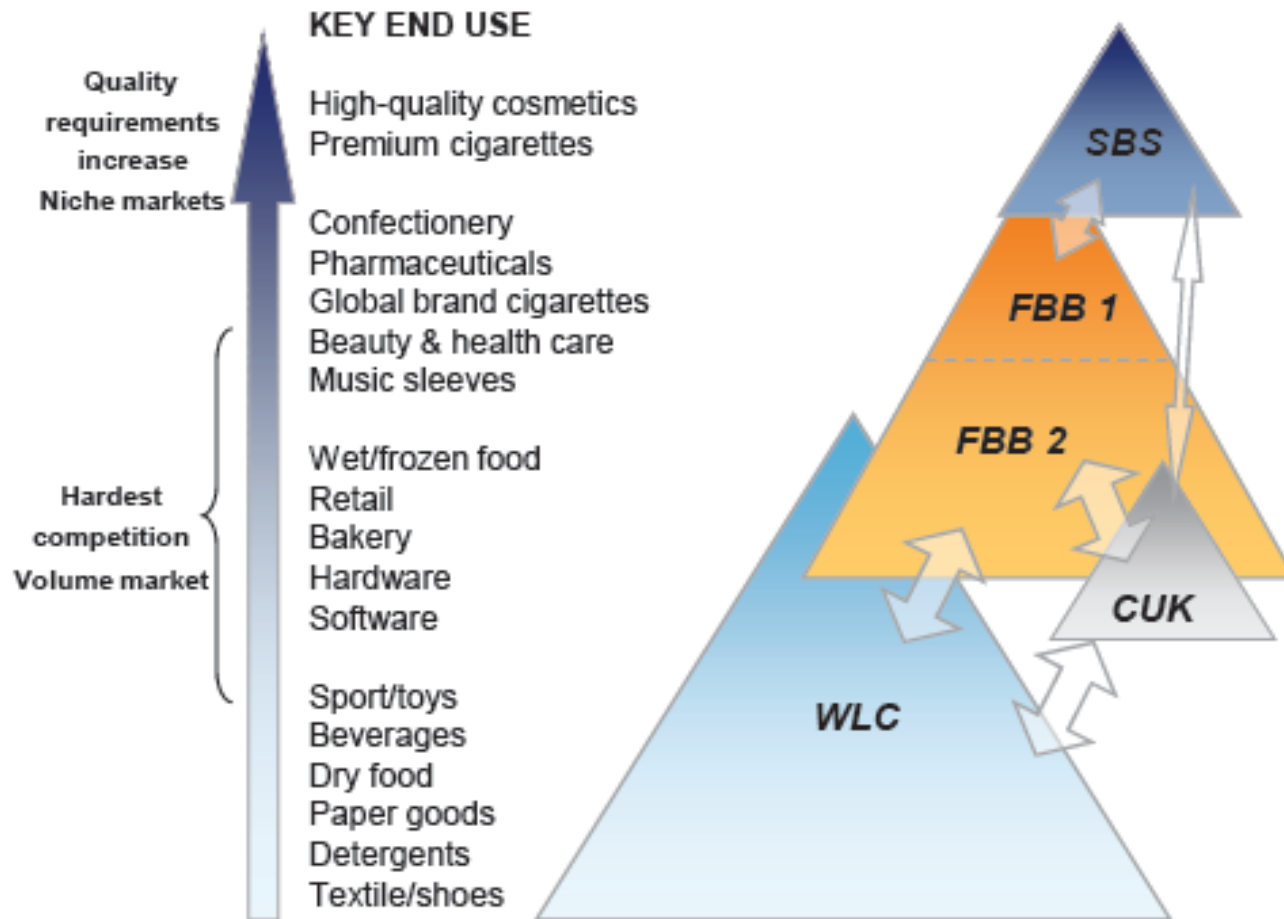
Cartonboard Producer



Converters

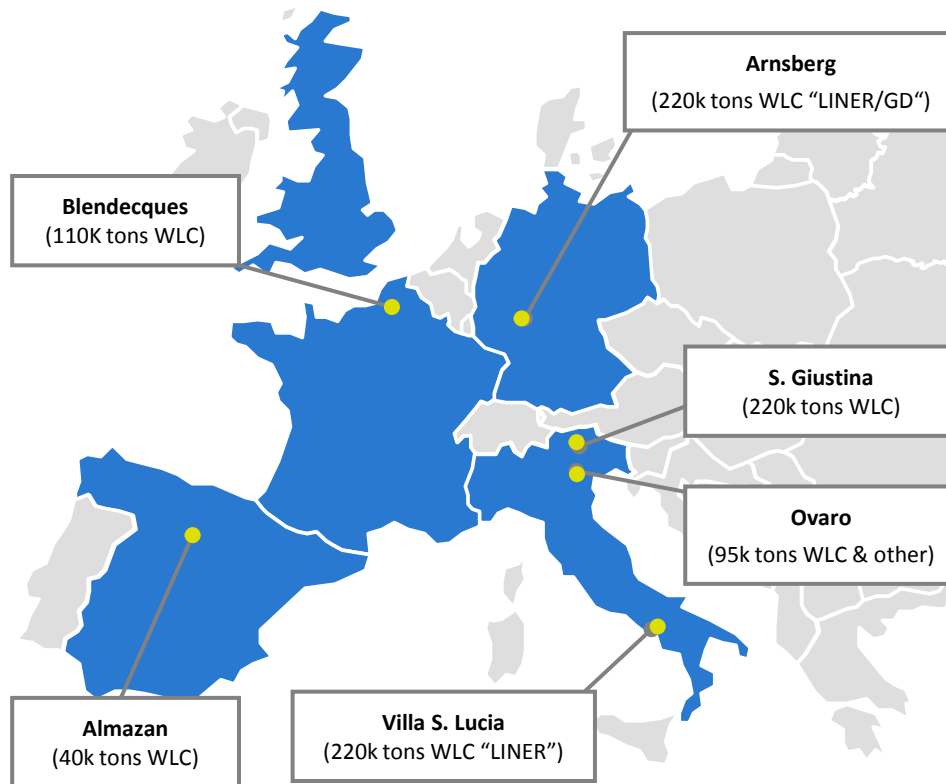


End Use by grade



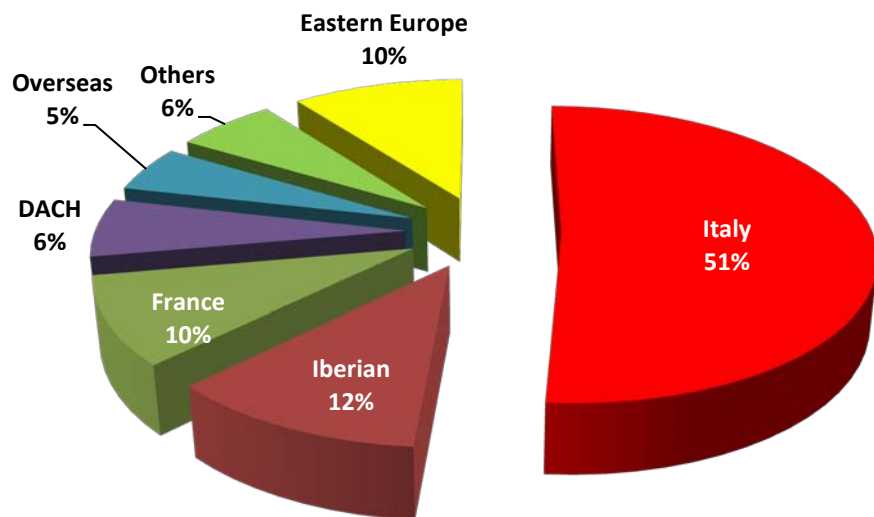
RdM has a W. European footprint, the second biggest European recycled cartonboard producer

- 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 assets¹ 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.

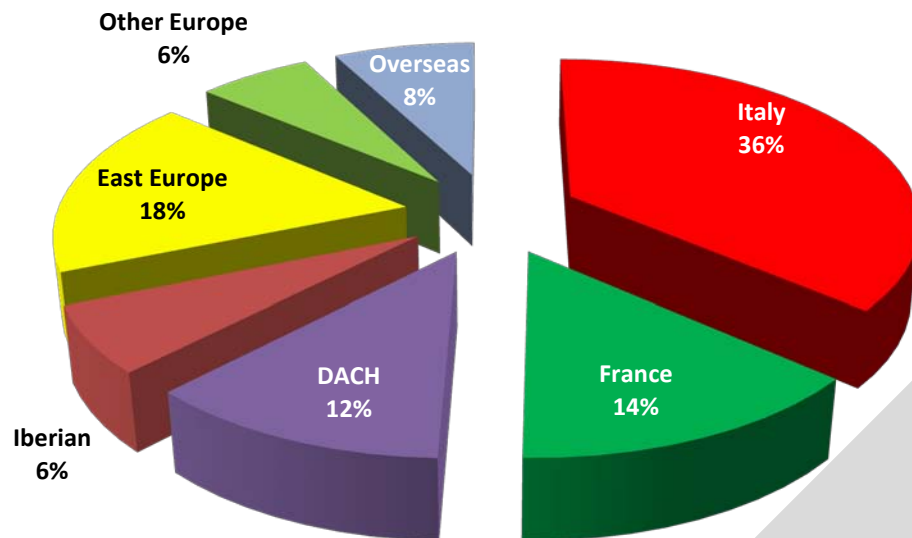


Market Mix Improvement

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

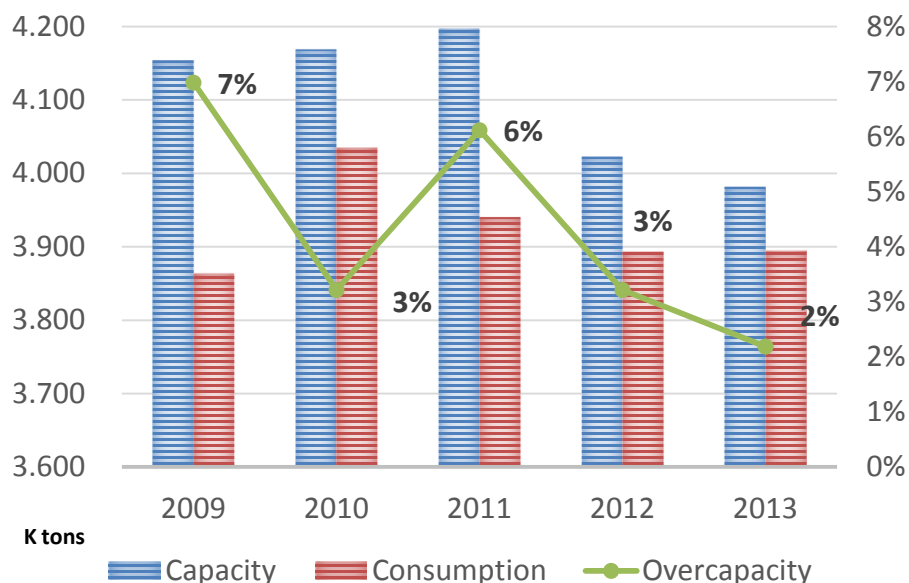
- More than 1.400 employee coming from more than 10 countries.
- Wide Training programs
- Maximum efforts on safety.



RDM MANAGEMENT

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

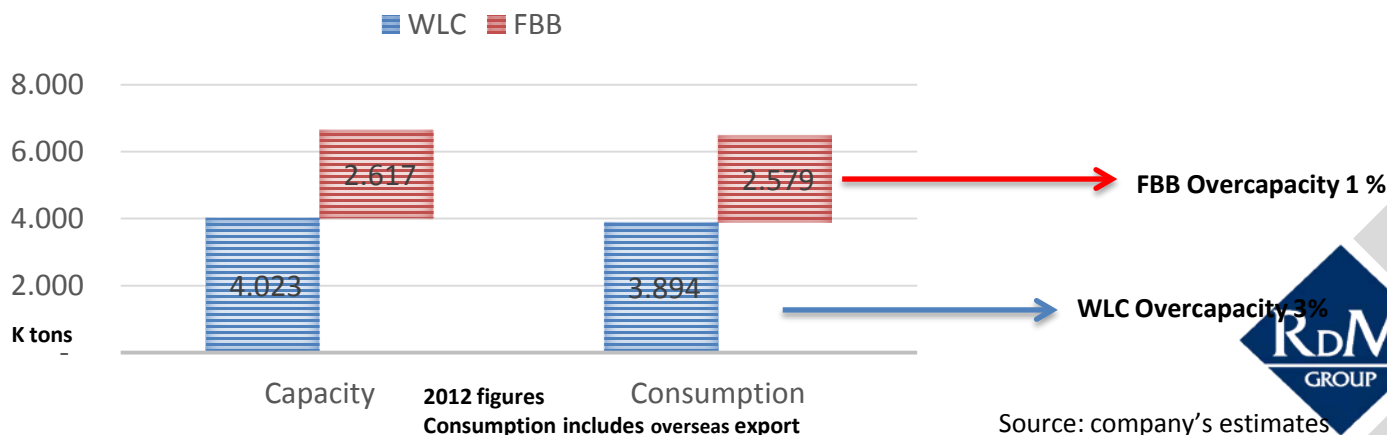
Recycled: industry capacity trend



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

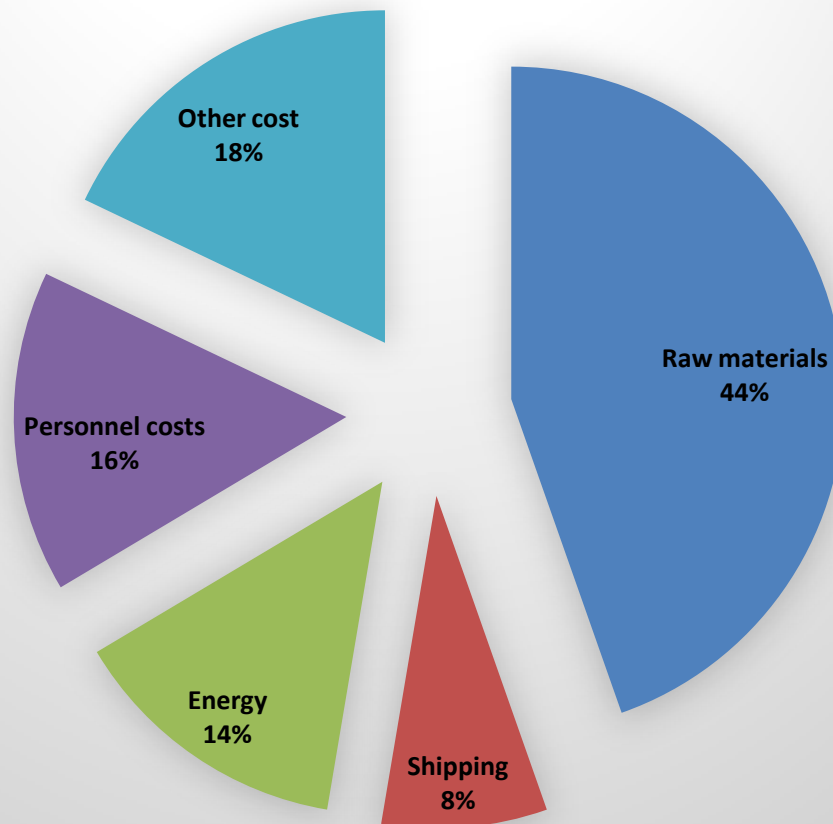
- ✓ WLC production capacity has decreased by 172Ktons
- ✓ Consumption (including overseas sales) has remain stable
- ✓ Number of board machines in the Europe has reduced 13 since 2007 for all grades FBB-WLC-SBB (Rdm has shutdown 3 BM since 2008)

CAPACITY VS CONSUMPTION WLC & FBB



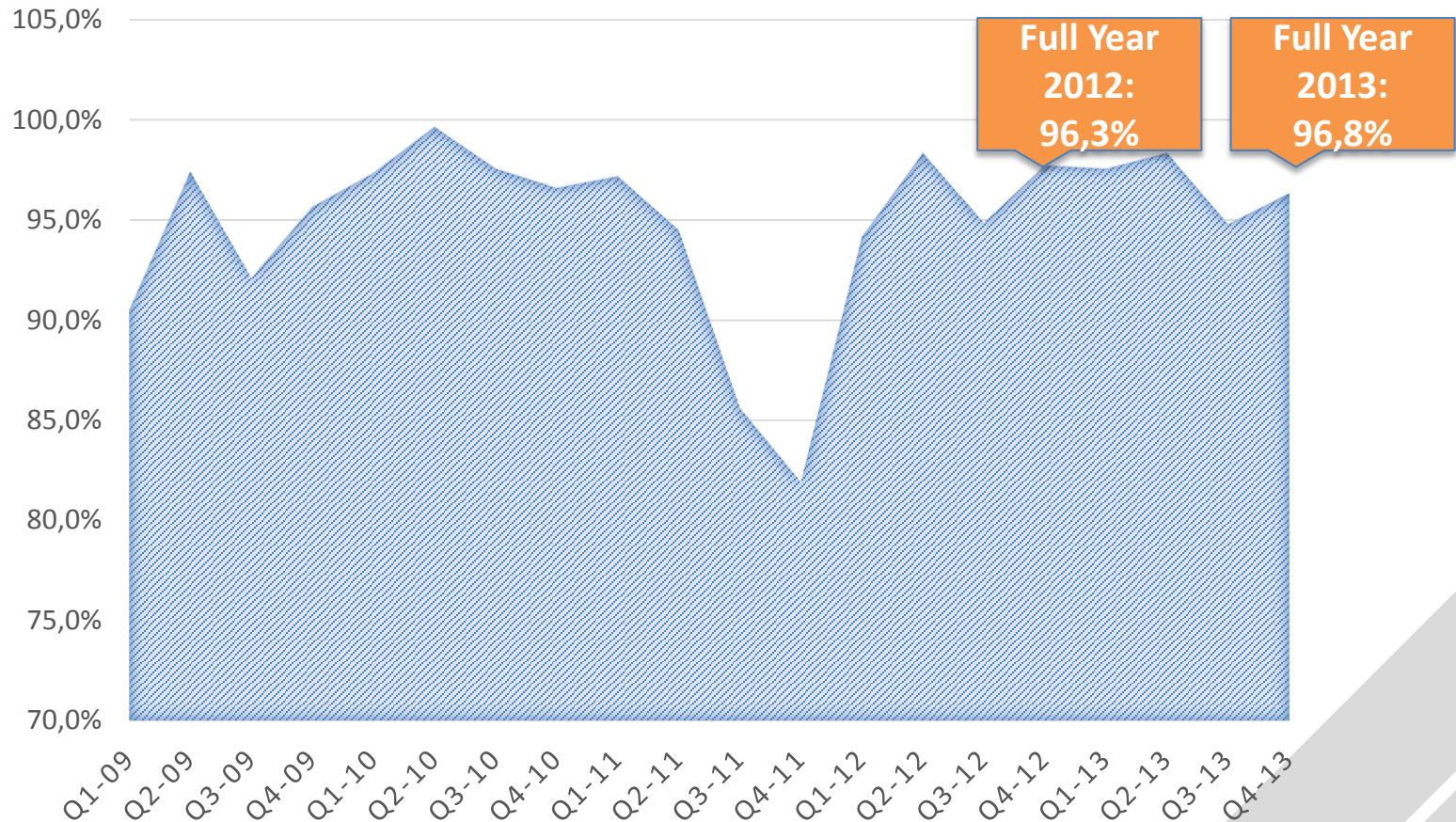
Source: company's estimates

Cost breakdown in % of 2013 revenues



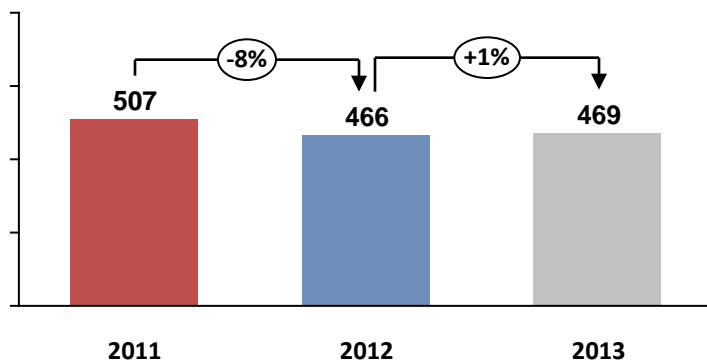
Figures based on 2013 financials statements

RdM Operating Rate per Quarter – all Mills

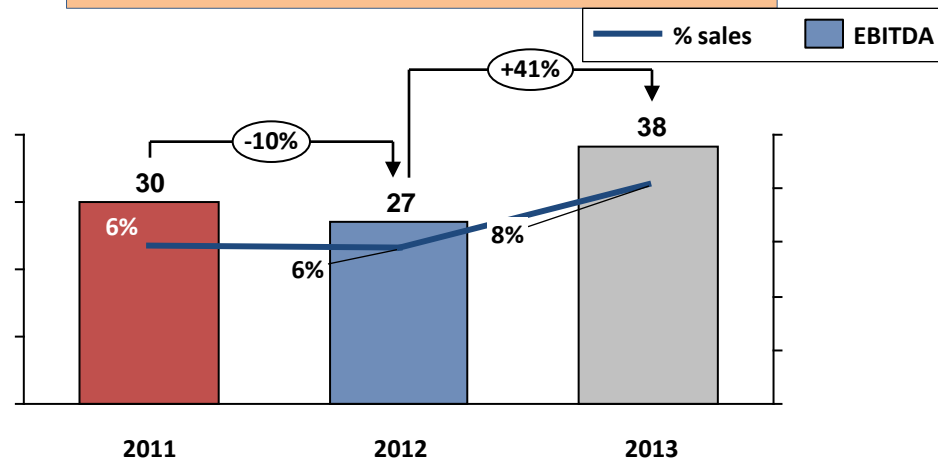


Key figures : year comparison 2013/2012

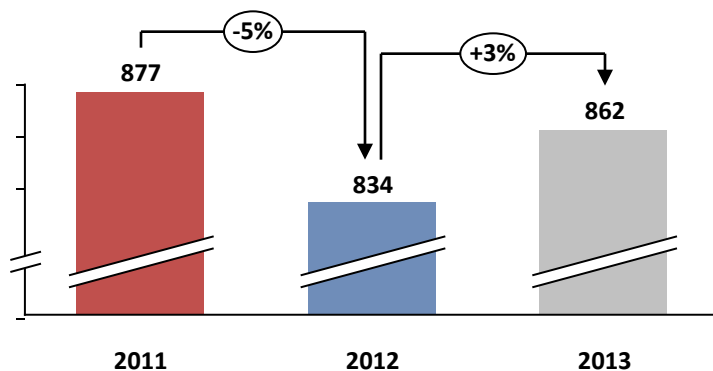
SALES (M€)



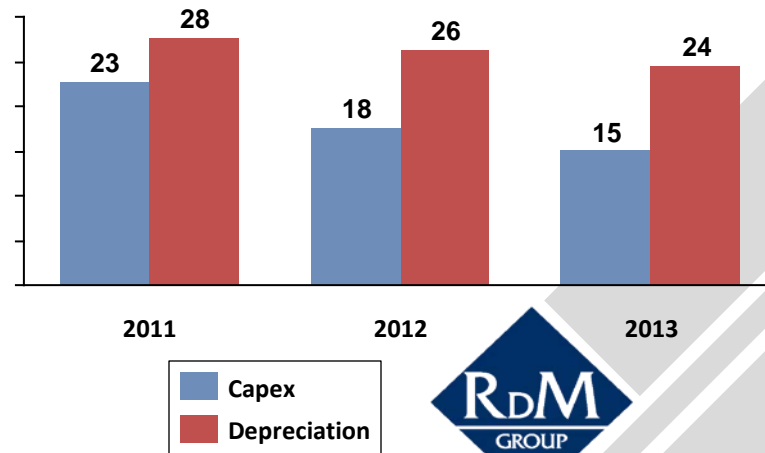
EBITDA (M€% sales)



Shipments ('000 m.t.)



Capex & Depreciation (M€)



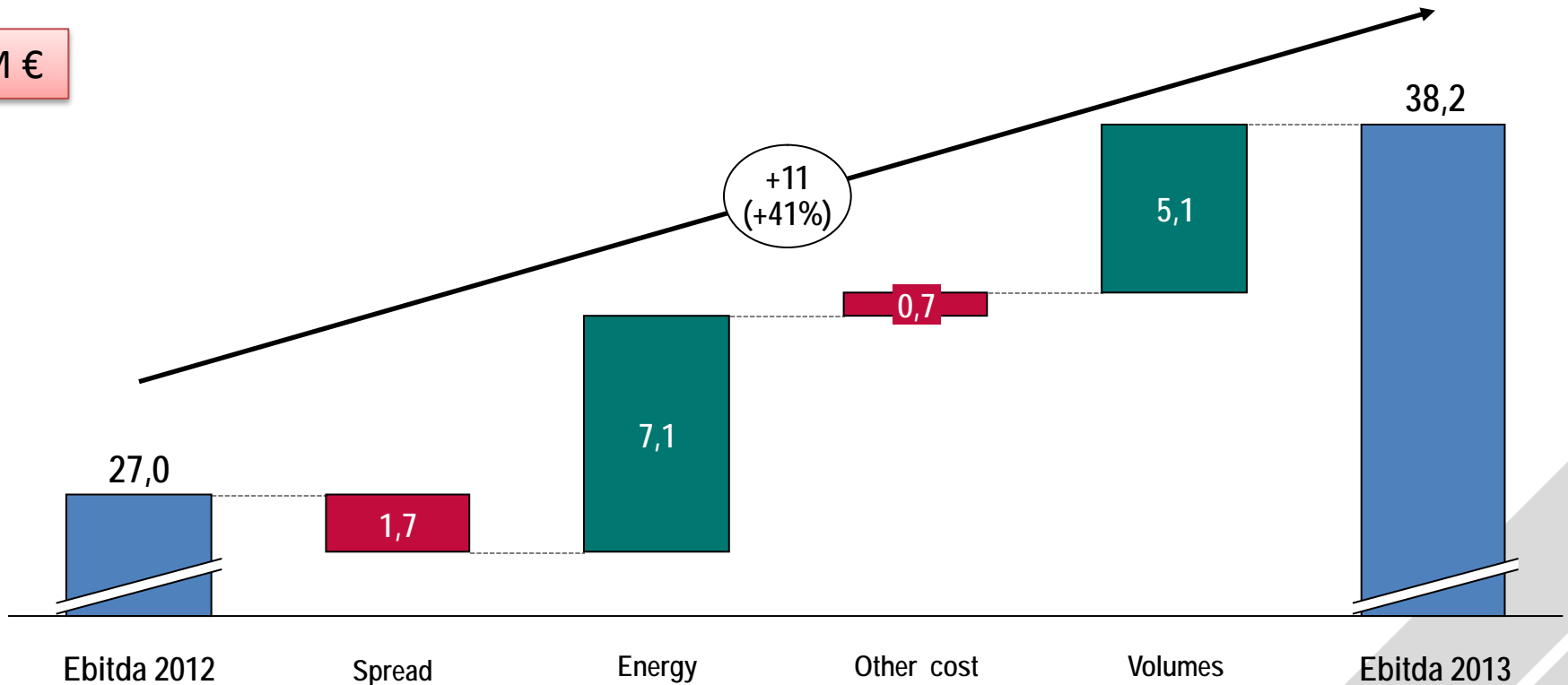
Variation 2012- 2013

834

000, Tons Sold

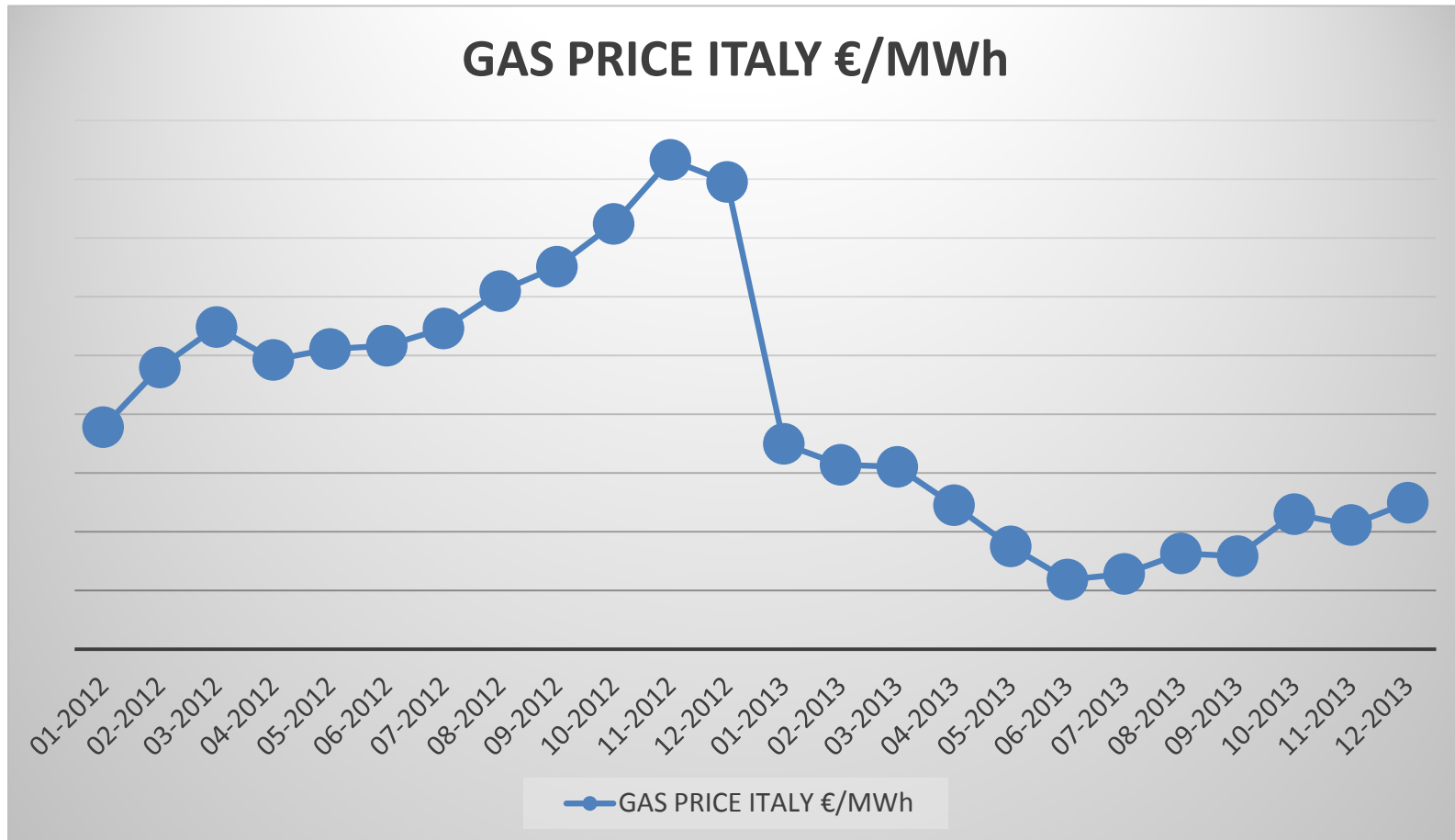
862

M €



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

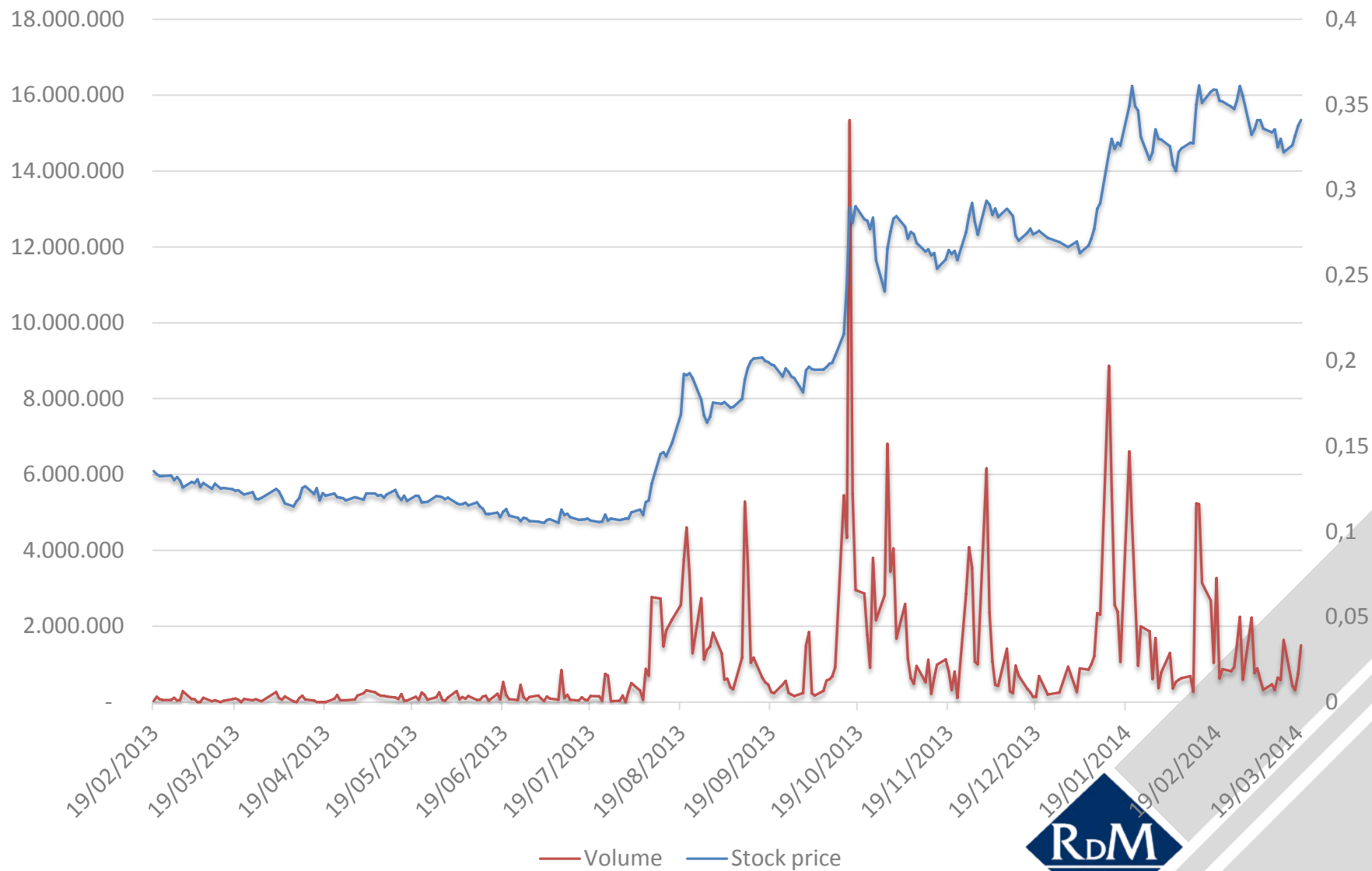
After more than 2 years of very high prices ,
the gas price in Italia are going down



Source: company data



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



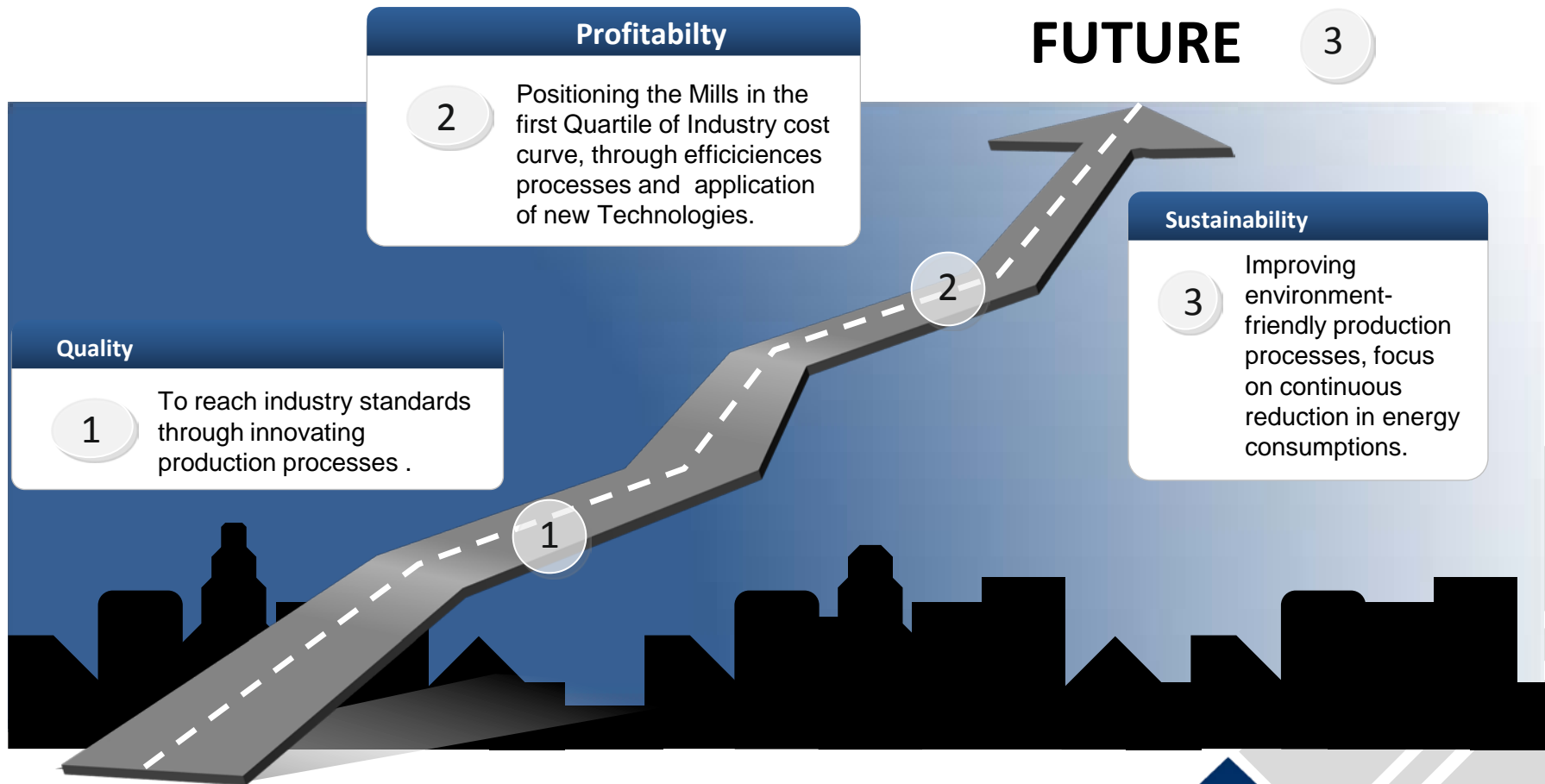
2008 → 2013 : business turnaround

TARGETS ACHEIVED 2008 -2013

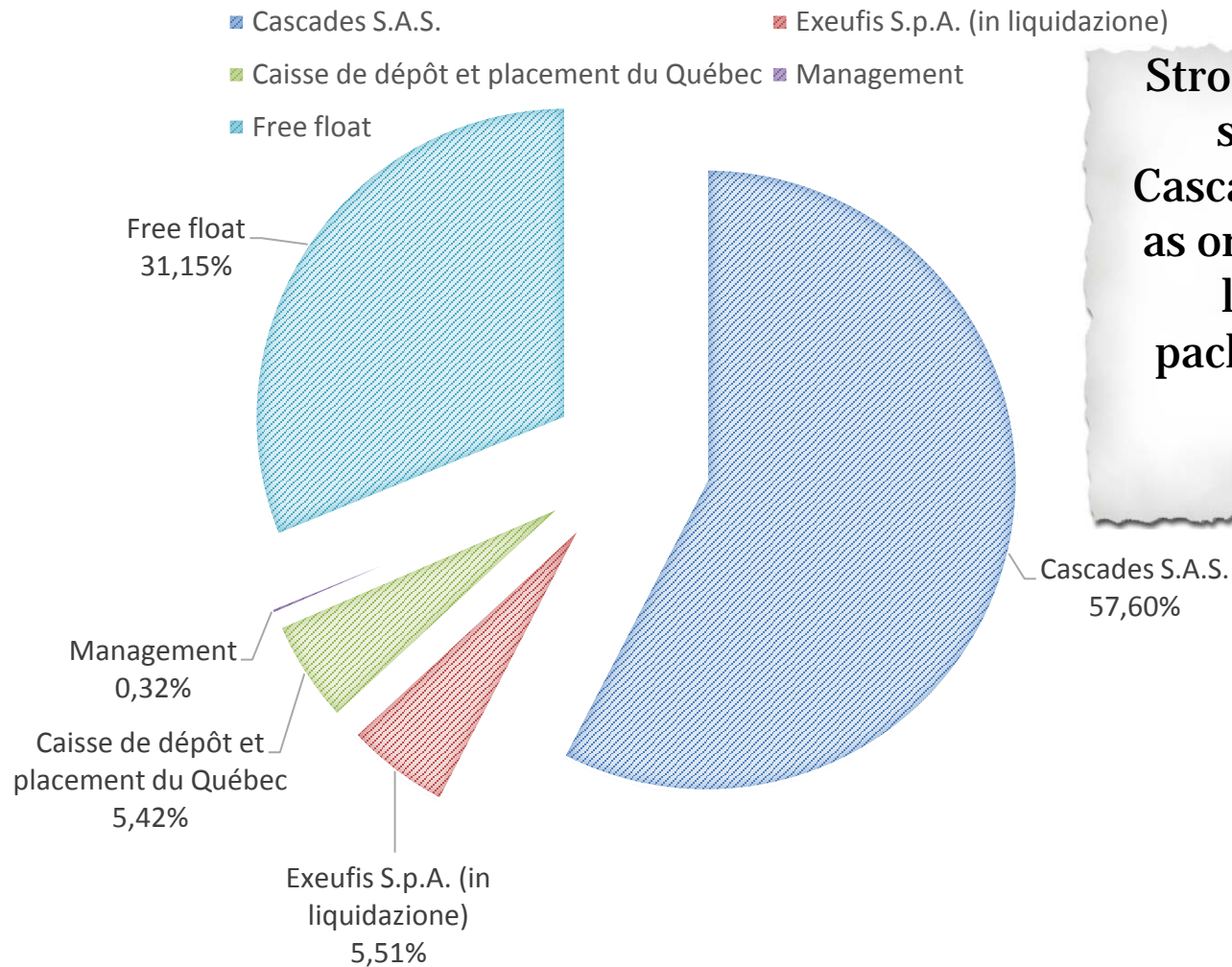
- ✓ Rationalization of production capacity from 10 Board machines to 7 by keeping the same production capacity
- ✓ Implemetation of a Paneuropean direct sales Network.
- ✓ Positioning of the assets in the first quartile of cost curve with equipment's modernization capex (more than 90 M€ of capex in 5 years)
- ✓ 12 millions € of Fixed cost saving program acheived
- ✓ 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
Tons sold	889	864	946	878	834	862
Revenues from Sales	451.1	428.1	503.1	507.1	466.3	468,5
EBITDA	40.0	32.3	40.0	30.0	27.0	38,2
EBITDA margin	8.9%	7.5%	8.0%	5.9%	5.8%	8,1%
Net Result	0.6	(6.6)	2.0	(1.7)	(12.2)	2,0
Net Invested Capital	289.8	285.7	263.0	239.9	223.0	213,4
Net Equity	161.2	154.8	156.5	153.3	136.7	139,9
Net Financial Position	128.6	130.9	106.5	86.6	86.3	73,5
Net Working Capital	87.7	82.0	75.7	47.9	41.9	39.7
Market capitalization	57,2	93,8	91,4	53,3	53,0	112,8
Entreprise value (E.V)	185,8	224,6	197,9	139,9	139,3	186,2
E.V / Ebitda	4,6	7,0	4,9	4,7	5,2	4,9
Headcount	1,716	1,618	1,595	1,502	1,430	1,405
Active Mills	7	7	7	6	6	6

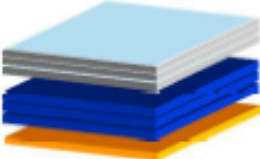
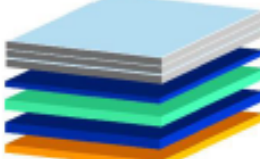
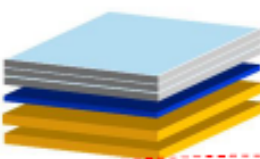
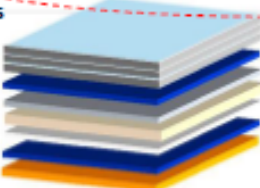
(*) Badwill generated by the business combination with Cascades

(**) Calculated on Adjusted-EBITDA.

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



Carton Board Grades

Structure of board	Basis weight range, g/m ²	Main selection criteria	Market size, Europe 2012 1 000 t	
SBS: Solid Bleached Sulphate  <ul style="list-style-type: none"> 2-3 coating layers Bleached HW/SW, multi layered Back coating layer(s) 	180-380 g/m ²	<ul style="list-style-type: none"> Printability and surface quality Whiteness/brightness Purity Odour and taint properties 	495	Virgin fiber based
FBB: Folding Boxboard (FBB or GC 1/2)  <ul style="list-style-type: none"> 2-3 coating layers Bleached HW/SW Mechanical pulp Bleached HW/SW Optional back coating layer(s) 	200-380 (560) g/m ²	<ul style="list-style-type: none"> Bulk Stiffness Printability (B)CTMP with odour and taint sensitive products 	2 175	
CUK: Coated unbleached kraft (SUB, CKB)  <ul style="list-style-type: none"> 2-3 coating layers Bleached HW/SW Unbleached chemical pulp/CTMP Unbleached chemical pulp 	200-425 (560) g/m ²	<ul style="list-style-type: none"> Strength Moisture resistance Odour and taint properties Environmental image 	475	
RdM products WLC: White-lined chipboard (GD or GT 1/2/3)  <ul style="list-style-type: none"> 2-3 coating layers BSKP/BHQP /RCP high grades RCP: ONP/OMG clippings RCP: ONP/mixed RCP: ONP/mixed Optional bleached HW/SW Optional back coating layer(s) 	160-400 (750) g/m ²	<ul style="list-style-type: none"> Price Environmental image 	3 500	Recovered fibre based