

5 October 2015 – London STAR Conference
Company Presentation

RenoDeMedici

R_dM
GROUP



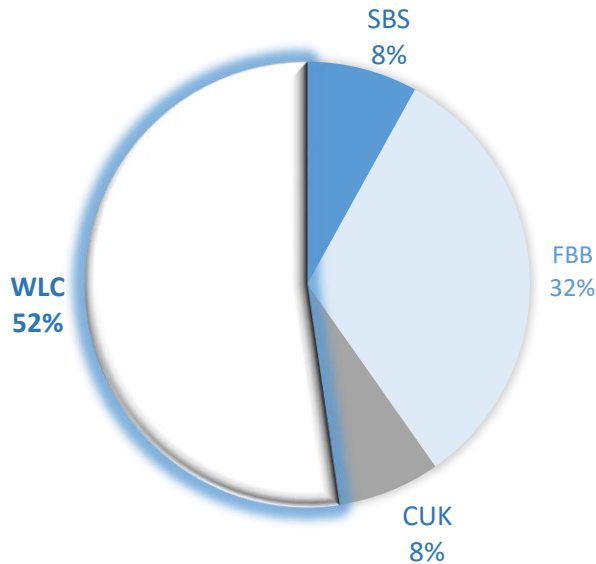
Agenda



1. **Overview**
2. Managing the Company
3. Managing the shares

RDM business – focus on WLC

WLC in the cartonboard market



Total demand 6.8 million tons in 2014

RDM production currently focused on **one business segment**: White Lined Chipboard, “WLC”.

Main characteristics of WLC

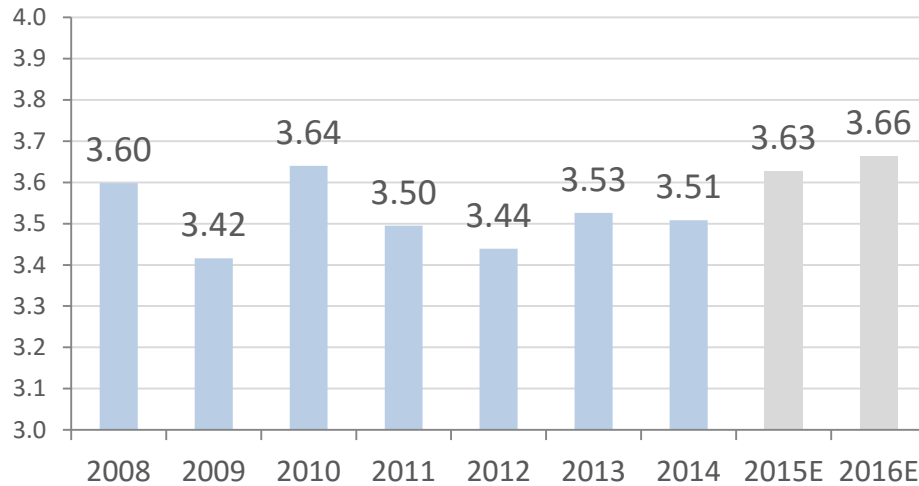
- Based on recycled fibre
- Top coating in 2-3 layers
- Main use in liners, food and industrial packaging
- Large international brands as main final clients
- Local presence is key
- Environmental image
- Low-price

WLC business drivers



Improving demand profile

WLC demand in Europe (mn tons)



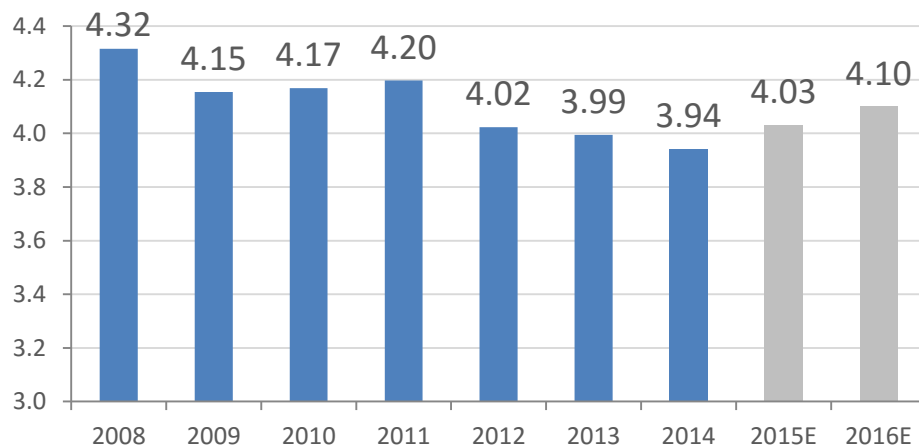
European cartonboard demand stable over the last two years.

In early 2015 WLC demand upturned, anticipating the recovery in consumptions expected for the following months.

WLC growth remains strong in CEE, where supply fails to cover the regional demand. Similar situation in UK & Ireland.

Leading players with strong market positions in CEE, like Reno De Medici, benefit from such an outlook.



WLC capacity in Europe (mn tons)



Source: Company's estimates

WLC competition – two key players

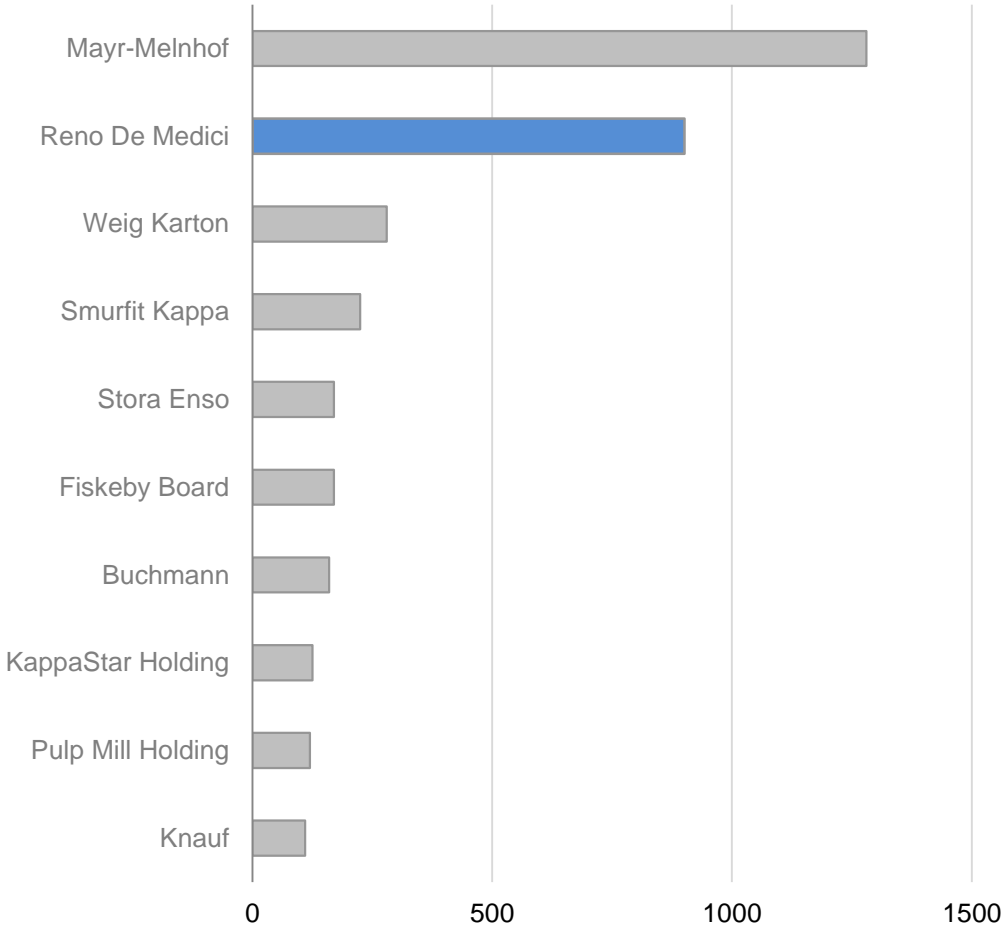
Mayr Melnhof and **Reno De Medici** as a whole represent over 55% of total production capacity in WLC.

No. of mills	Current installed capacity (mn tons)	FY14 mn tons sold	FY14 Revenues (€mn)	1H15 mn tons sold	1H15 Revenues (€mn)	
	7	ca. 1,600 (including virgin fiber)	1,586	1,002.8	834	522.4
	5	885 mn tons	805	426.1	429	226.0

RDM data exclude RDM Ibérica.

The rest of competition is fragmented in terms of size. Differently from MM and RDM, minor players in the WLC market do not have a PanEuropean asset base.

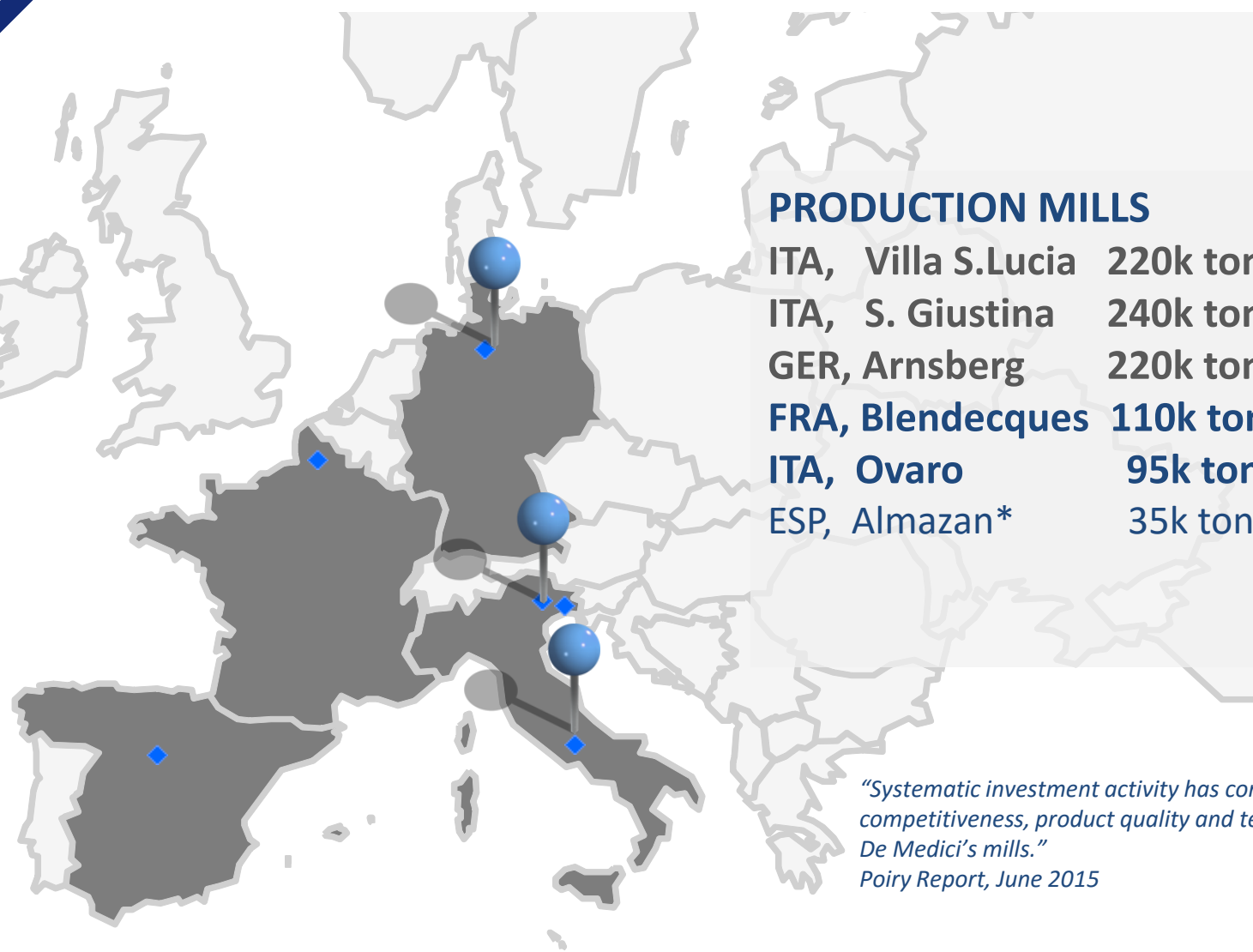
Leading WLC producers in Europe



Source: Company estimates. Capacity data in '000 tons.



Three European top-class assets



PRODUCTION MILLS

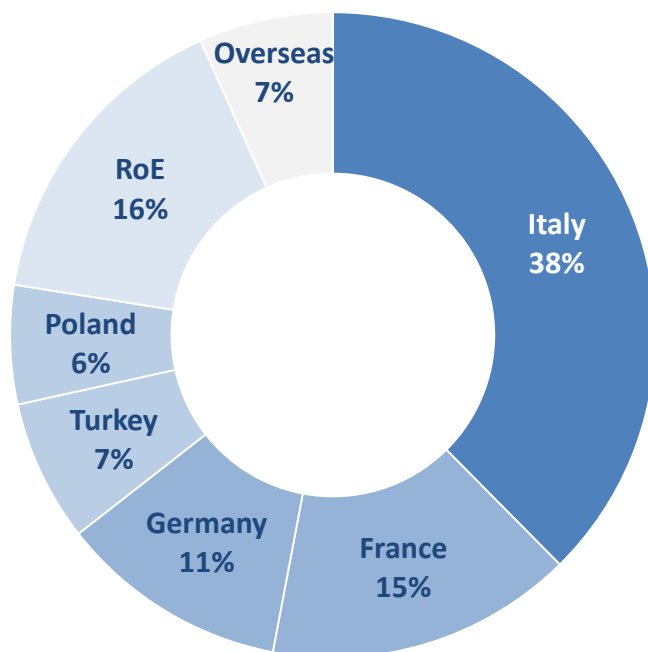
ITA, Villa S.Lucia	220k tons	LINER WLC
ITA, S. Giustina	240k tons	WLC
GER, Arnsberg	220k tons	LINER/GD WLC
FRA, Blendecques	110k tons	WLC
ITA, Ovaro	95k tons	OG-GK
ESP, Almazan*	35k tons	WLC

**mill held for sale*

*"Systematic investment activity has contributed the good cost competitiveness, product quality and technological level of Reno De Medici's mills."
Poiry Report, June 2015*

Western Europe is our core market

1H 2015 Revenues by geography



RDM boasts a robust position in core European countries.

Strong geographic reach leverages on a well-diversified asset base.

1,400+ converting companies in the RDM client portfolio



DSSmithPackaging
THINK OF THE POSSIBILITIES



antalis^{EM}
Just ask Antalis



Smurfit Kappa

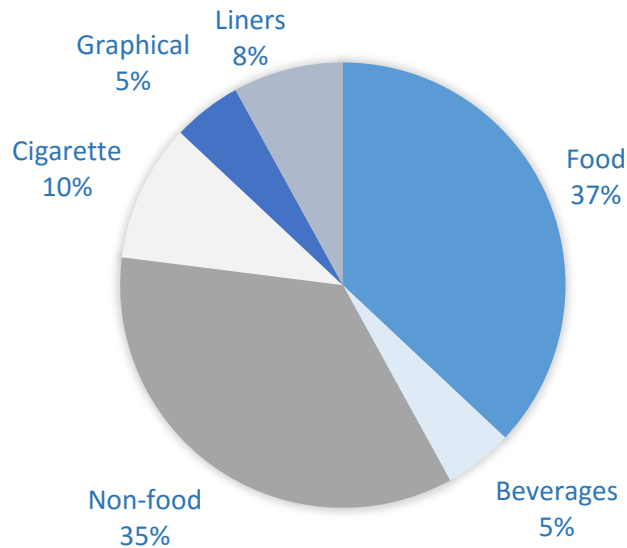
Low-risk concentration

First 10 clients account for approx. **22.5%** of tons sold.

First 100 clients account for **68%** of tons sold.

Outlook for user's typology

European cartonboard market by end-use



Total demand of 6.8 mn tons in 2014

«With the exception of cigarettes and graphical, **none of the main end-uses' segments for folding cartons is expected to decline.**»

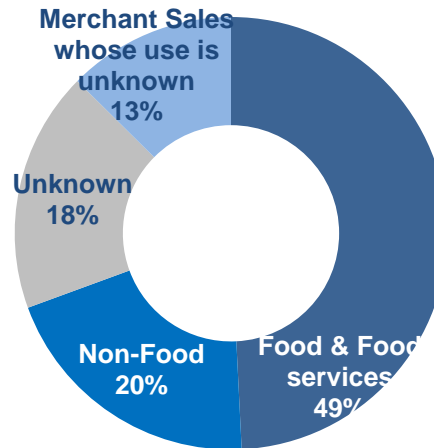
«Some end-uses like confectionary and dry food are facing substitution pressure from plastics, but there are transfers back to cartonboard.»

«...Good prospects for **frozen food, pharmaceuticals and cosmetics**. Demand for high quality topliners, like **cartonboard liners that RDM is producing, will grow steadily.**»

Source: Poiry Report, June 2015

Strong position in food use

Breakdown of 2014 sales by end-user



Frozen & Chilled Food	26.8%
Unspecified Food	25.1%
Dry Food	24.3%
Beverages (A)	12.3%
Chocolate & Confectionary	9.9%
Fast Food & Convenience Food	1.6%

Source: Company data



Unspecified Non-Food	37.6%
Pharmaceuticals & Healthcare	18.6%
Games, Toys, Sports Goods, Textiles	10.7%
Beauty & Cosmetics	9.6%
Household, Kitchen, Gardening, Do-it-Yourself	8.9%
IT, Electronics, Media, Technical	6.6%
Detergents & Cleanings	5.7%
Tobacco	1.8%
Pet Food	0.5%

Differentiated marketing channels

A PanEuropean
PROPRIETARY NETWORK
articulated into three channels

European Marketing Offices

70 people all over Europe.
Italy, France, Germany, Spain, UK,
Poland, Hungary, Czech Republic.

Distributors Sheeting centres

Spain, Italy and UK, exclusivity
agreements.

Agents with exclusive contracts

Middle East, Asia, Latin America
and Africa, and some European
Countries, including Italy.

Agenda



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Focus on H1 2015 performance /1

H1 2015 Highlights

Tons sold ('000) **429** (420 in H1 2014)

Revenues from sales **226.0 € mn** (+2.1% vs. H1 2014)

EBITDA **23.0 € mn** (-8.4% vs. H1 2014)
EBITDA margin **10.2%** (vs.11.4% in H1 2014)

EBIT **10.6 € mn** (-21.1% vs. H1 2014)

Net profit **6.9 € mn** (-24.6% vs. H1 2014)

Higher volumes sold reflecting the demand upturn experienced in early months of 2015.

EBITDA decline mainly due to much lower white certificates (EECs). In H1 2014 RDM was granted a significant amount of EECs as a result of the completion of a 5-year project plan.

No major change in depreciation (-1.6%). 1.3 € mn write-downs (vs. -0.4 € mn in H1 2014) mainly related to the buildings at the Magenta mill.

Healthy operating performance and lower net financial expense have partly counterbalanced lower EECs.

Focus on H1 2015 performance /2

H1 2015 Highlights

Capex

3.1 € mn

(vs. 3.5 € mn in H1 2014)

Capex program mainly focused on maintenance and recurring update of plants.

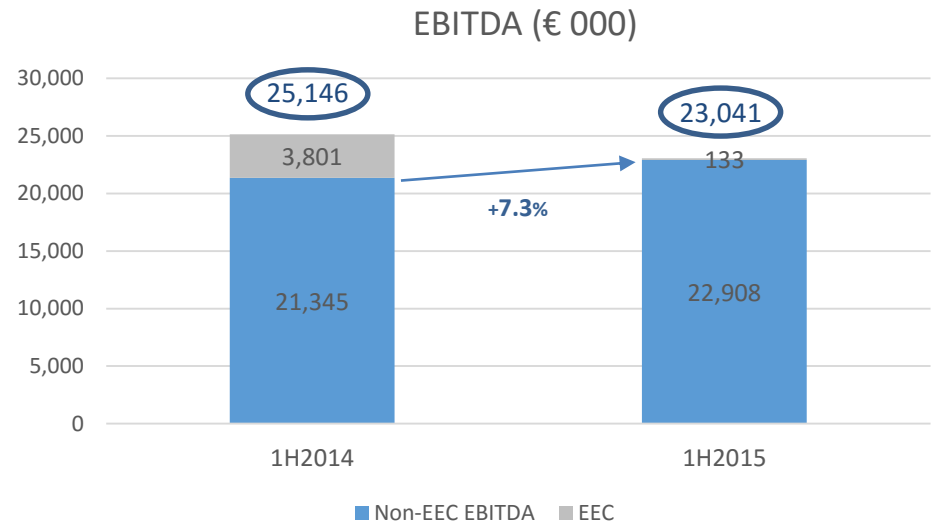
Net Financial Debt

59.6 € mn

(vs. 65.9 € mn as of 31 Dec. 2014)

Sound cashflow generation, in excess of capex funding needs

Excluding the EEC impact...



...core operating performance improved

A mixed bag in terms of costs

(€ 000)	1H 2015	1H 2014	Change
Cost of raw materials	97,894	95,055	3.0%
Cost of services	69,833	71,464	-2.3%
Costs for use of third-party assets	753	956	-21.2%
	168,480	167,475	0.6%

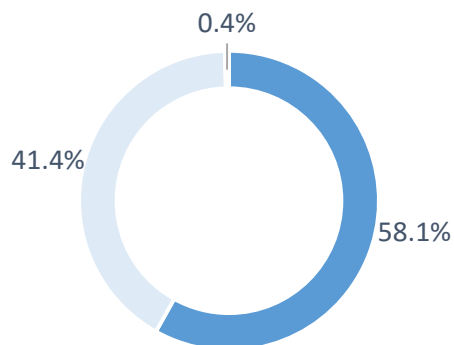


In 1H 2015 recycled fibre **raw materials** and carbonates showed a **price increase**.



The decrease in cost of services reflects the benefits of **lower gas prices** and **greater efficiency achieved** by RDM in production processes (**structural benefit**).

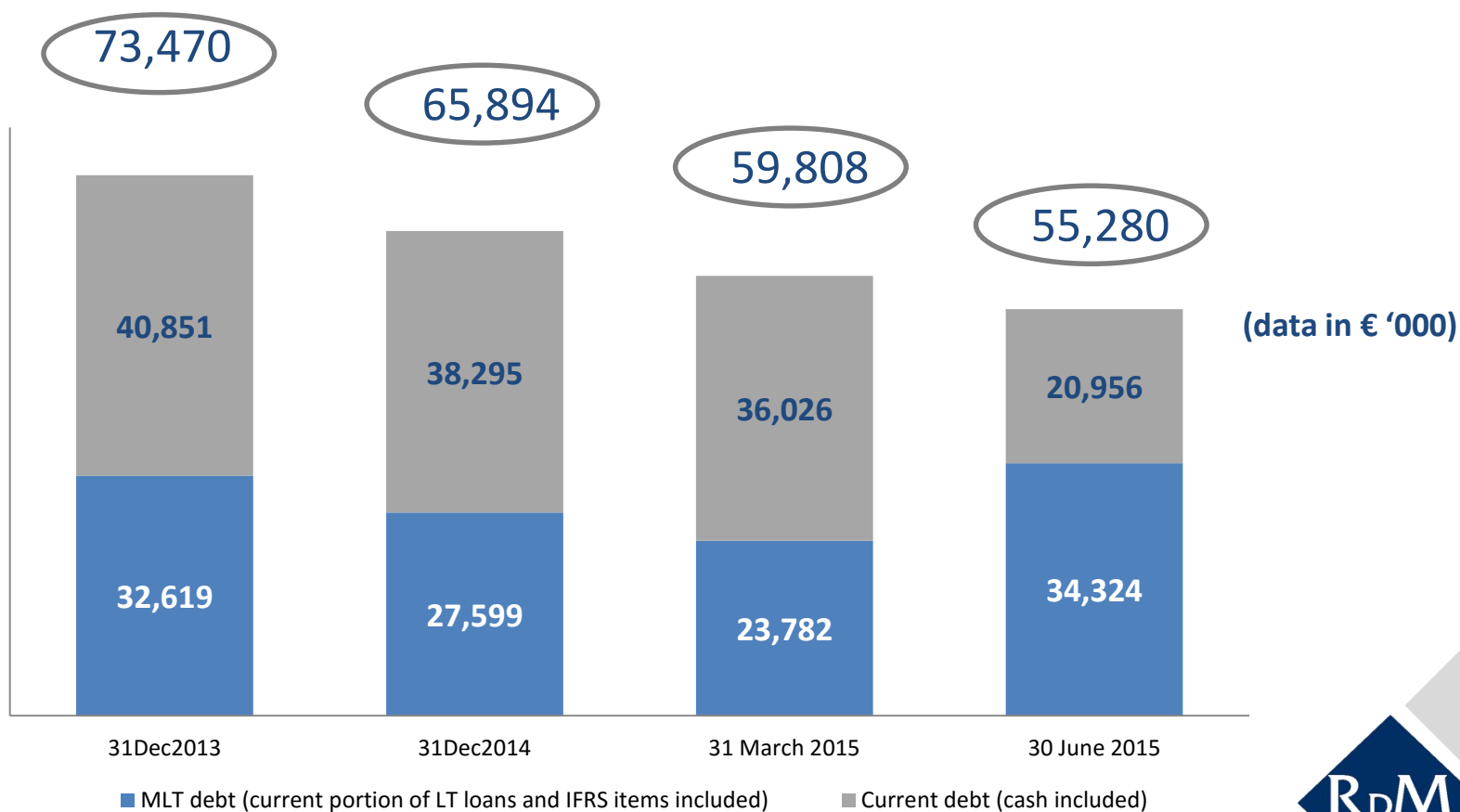
1H2015 breakdown



- Cost of raw materials
- Cost of services
- Costs for use of third-party assets

Optimisation of the financial profile

Free cash flow generation driving Company's deleveraging.
Lengthening of debt maturity starting from Q2 2015.



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Healthy results from restructuring could not be shared with shareholders so far

- ✓ Extensive **RESTRUCTURING**
- ✓ Investments focused on mills with best growth perspectives (75 mn€ cumulative **CAPEX PLAN** in the 2011-2014 period)
- ✓ Improvement of the financial profile – FCF generation allowing continuous **DELEVERAGING**: net debt from 106.5 mn€ at 2010YE to 55.3 mn€ at 30 June 2015



Despite sound results, the presence of cumulated past losses (approx. 38.7 mn € to date) has prevented

- any earnings' distribution
- any policy buyback.

A two-step operation paving the way to future initiatives

1. Voluntary **coverage of all previous losses**, partly using earnings and available reserves, and partly reducing the share capital.

2. Constitution of an «**Available Reserve**» of **10,399,255.80 €** through voluntary reduction of share capital.

Future uses of the “AVAILABLE RESERVE”



Stabilisation of the **dividend policy** in the medium-to-long term



Purchase of **treasury shares**

Effects on Total Shareholders' Equity

RDM SPA SHAREHOLDERS' EQUITY	Shareholders' Equity 12.31.2014	Shareholders' Equity 06.30.2015	Voluntary Operation to cover losses (*)	Operation to constitute an available reserve (**)
(amounts in Euro)				
Share capital	185,122,487	185,122,487	150,399,256	140,000,000
Other reserve	2,794,561	3,007,538	1,243,709	11,642,964
- Available reserve	1,592,602	1,763,830	0	10,399,256
- Hedging reserve	29,161	70,910	70,910	70,910
- Reserve for actuarial gain (loss)	(1,932,202)	(1,932,202)	(1,932,202)	(1,932,202)
- Ovaro sale reserve	3,105,000	3,105,000	3,105,000	3,105,000
Retained earnings (losses)	(41,979,589)	(38,726,258)	0	
Profit (loss) for the period	3,424,558	2,239,197	0	0
Total shareholders' equity	149,362,017	151,642,964	151,642,964	151,642,964

Share capital
reduction

Total number
of issued
shares
unchanged

Net equity
unchanged

Share buy back

OBJECTIVES

- ✓ Payment under any extraordinary transaction (**M&A** deals).
- ✓ Further instrument, made available to shareholders, to **monetise** their own investment.
- ✓ Purchase in a view to **medium- and long-term investment**.
- ✓ Prevention of **excessive price volatility** or **poor liquidity** of traded volumes.

KEY FEATURES

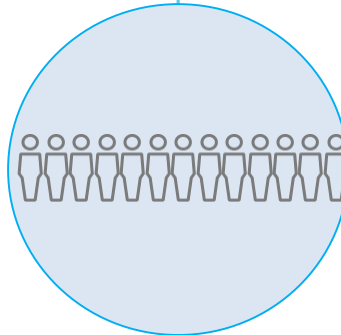
- 📍 The total number of treasury shares that require authorisation for purchase **cannot exceed one fifth of the share capital**.
- 📍 Authorisation for the purchase of treasury shares is requested **for a period of 18 months** from the date of the Shareholders' Meeting.
- 📍 Authorisation for the disposal of treasury shares is requested **without any time limits**.

Timeline

28 Sept. 2015
BOARD OF DIRECTORS
resolving on the proposal
and calling the Shareholders'
Meeting

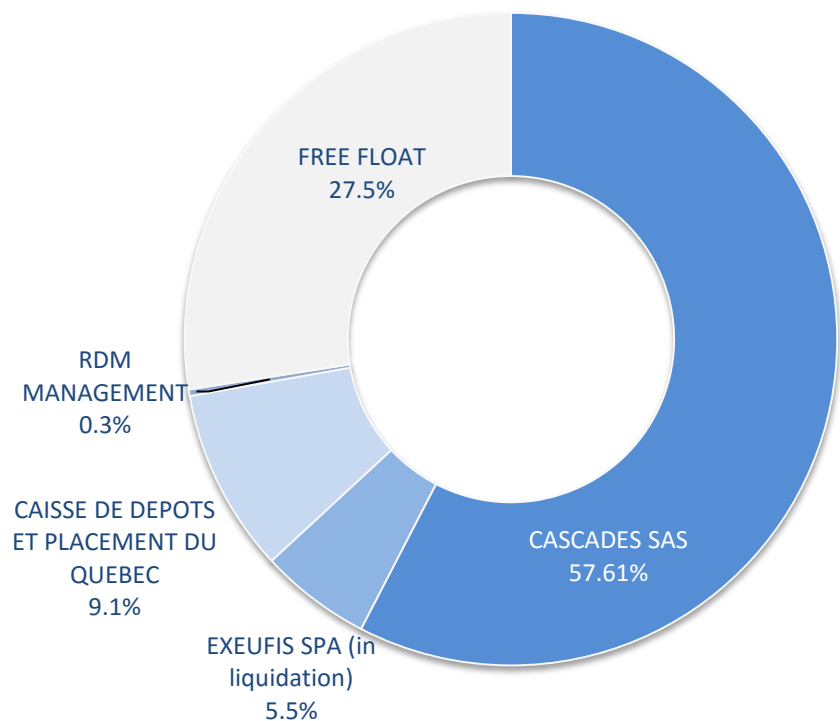


30 Oct. 2015 or
2 Nov. 2015
(1st or 2nd call)
**ORDINARY AND
EXTRAORDINARY
SHAREHOLDERS'
MEETING**



From February 2016
"AVAILABLE RESERVE"
recorded in the statement of
Financial Position

RDM and the Stock Exchange



Source: RDM shareholder register as of 29 April 2015 integrated with Public Filings for Exeufis

Share Capital: 185,122,487.06 €, o/w
184,981,061.3 ordinary shares, no nominal value
141,425.76 conv.svgs shares, no nominal value

Outstanding shares: 377,800,994, o/w
377,512,370 ordinary shares
288,624 convertible savings shares

Listing markets

Milan Stock Exchange – MTA (STAR segment)
Madrid Stock Exchange (admitted capital
148,020,968.15 €)

Codes

Bloomberg: RM IM; Reuters: RDM.MI
ISIN: IT0001178299

Index Membership - Milan

FTSE Italia: All-Share Capped, All-Share, STAR,
Small Cap, Industrials, Industrial Goods and
Services.

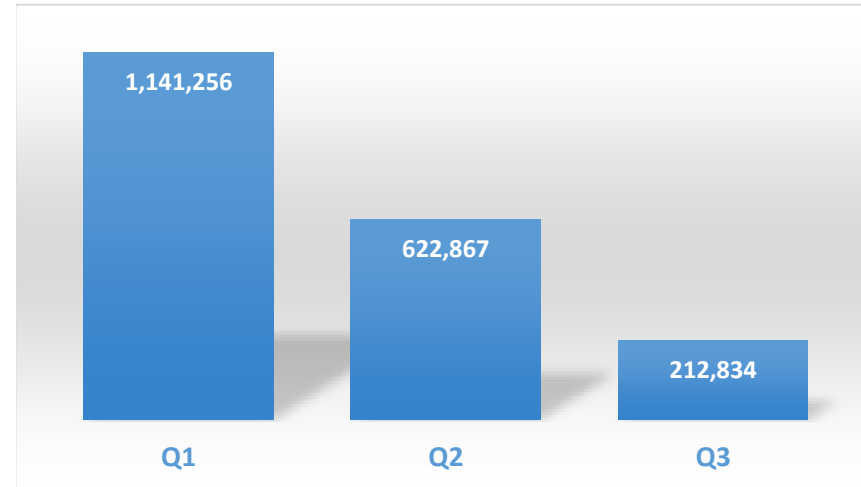
Mkt cap.: 128.8 € mn (@0.341 € p.s. as of
30 Sept 2015)

Thinner volumes favouring price volatility

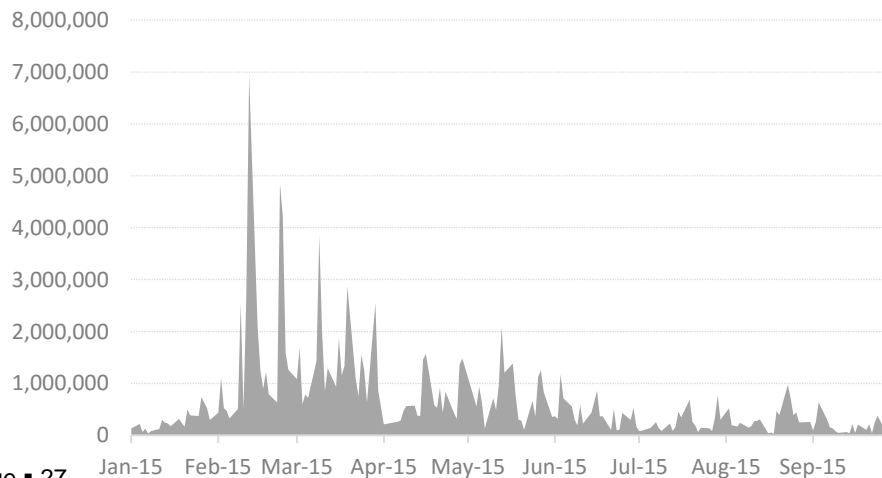
RDM share price



Volumes - Average by quarter

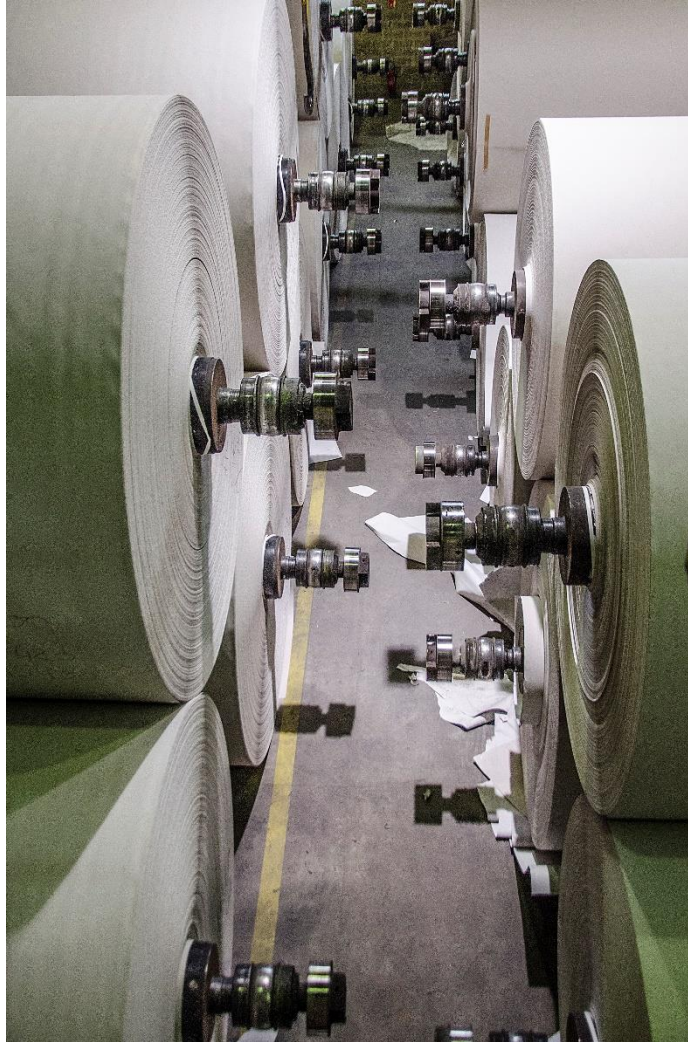


RDM traded volumes



**Avg. daily volumes (2 Jan. 2015 - 30 Sept. 2015)
on the Milan Stock Exchange: 662,800**

Appendix



Organisational chart



2 Operating Plants:

- S. Giustina
- Villa S. Lucia

Reno De Medici S.p.A.
(operating holding)

Operations

RDM Blendecques S.a.s.
100%

RDM Arnsberg GmbH (*)
100%

RDM. Ovaro S.p.A. 80%

Reno De Medici Iberica S.I.(**)
100%

ZAR S.r.l.
33.33%

Manucor S,p.A.
22.5%

Marketing

Careo
70%

Distribution

Emmaus Pack S.r.l.
51.39%

Pac Services S.p.A.
33.33%

(*) Company owned 94% by Reno De Medici S.p.A. and 6% by Cascades Grundstück GmbH & Co.KG.

(**) Held for sale



Lean and effective Governance

Traditional administration and control system (BoD, Statutory Auditors and Shrs' Meeting).
Adoption of the **Code of Corporate Governance** of Listed Companies promoted by Borsa Italiana.

Board of Directors



Robert Hall, Chairman

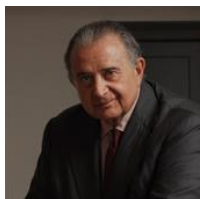
VP, Legal Affairs and Corporate Secretary at Cascades. Part of the senior management team, he works for Cascades since 1994.



Ignazio Capuano, CEO

Engineer – Master in Economics (N.Y. University)
Focused industry expertise.
RDM CEO since 2004.

Enrico Giliberti, Independent Director



Lawyer boasting deep expertise in M&A and Financial Markets

Laura Guazzoni, Independent Director



Chartered accountant and business consultant. Bocconi University professor.

Laurent Lemaire, Director

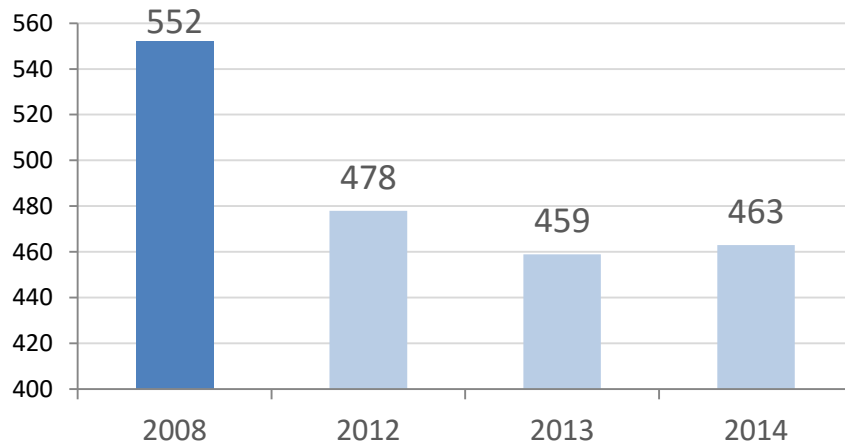


Founder, shareholder and past-CEO of Cascades. Presently Executive Vice President of the Company

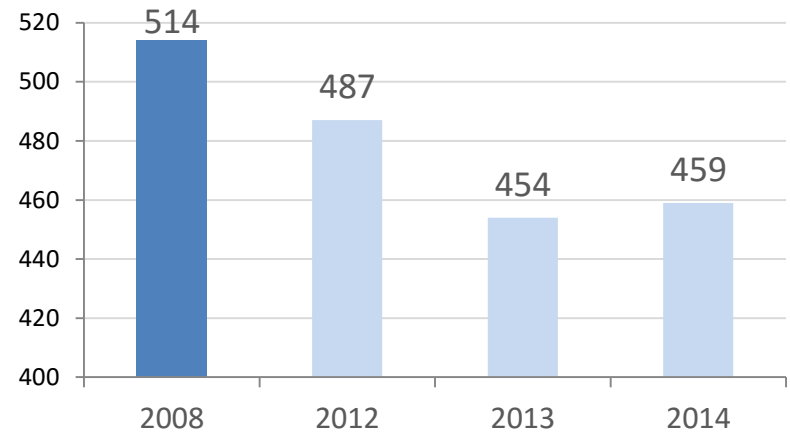
Board appointed on 29 April 2014. Term of office: 3 financial years.

Green ratios

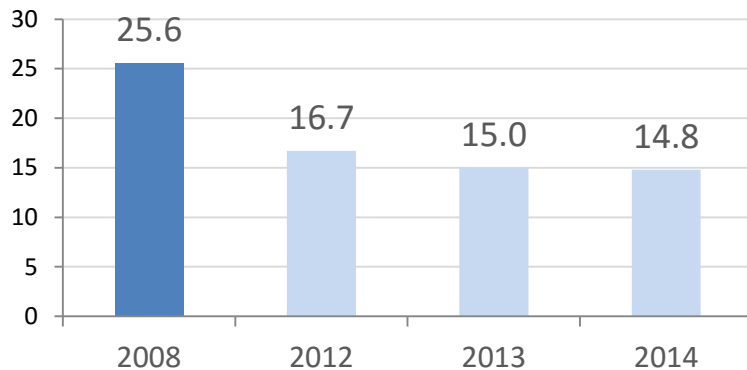
Electricity consumptions (kWh/t)



CO₂ emissions (kg/t)



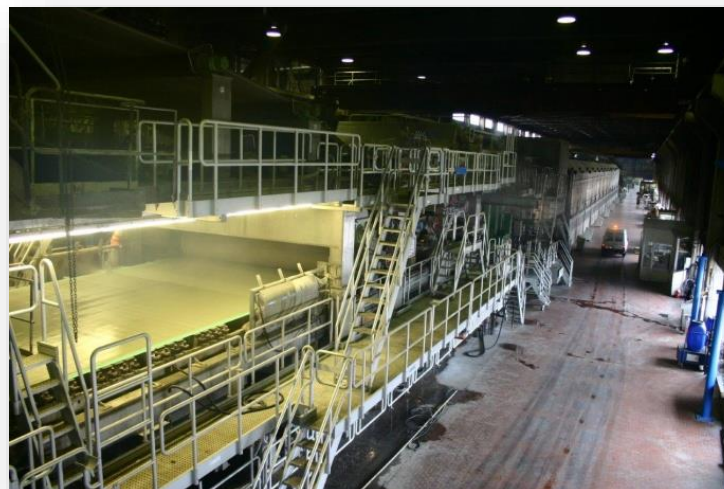
Water consumptions (m³/t)



We produce in a sustainable way. Benefits of restructuring and investments are visible in terms of green ratios achieved.

A certified asset portfolio

Asset	ISO 9001	ISO 14001	FSC	EN 15593	EPD (product)	OSHAS 18001	EMAS	HACCP
S.Giustina	X	X	X	X	X	X		
Villa S.Lucia	X	X	X	X	X			
Arnsberg	X	X	X				X	
Blendecque	X	X	X			X		X
Ovaro	X	X	X		X	X		
Almazan	X		X					



Overview of group evolution

1947-2003

Growing organically and through M&A

- 1928** Co.'s establishment
- 1947** Listing - Milan Stock Exchange
- 1954** Starting cartonboard production (Magenta).
- 1979** Acquisition Cartiera di Villa S.Lucia.
- 1985** Acquisition Cartiere di Verona.
- 1997-98** Saffa-RDM merger
- 2003** 72.6 €mn capital increase; new shareholders and management team.

2004-2008

Deep financial restructuring

- 2005** Non-core assets disposals.
- 2006** De-merger of real estate assets.
- 2006** 150 €mn loan repayment.
- 2008** Business combination with Cascades.

2008-2014

Consolidating and Focusing

- Rationalization** of production capacity.
- Capex** focused on core assets . Targets: to achieve top-class cost-efficiency, reduce energy consumptions and improve sustainability.
- Internationalization** of mkt presence and parallel re-organization of sales channels.