

RenoDeMedici



PUBLICADO EL INFORME SEMESTRAL A 30 DE JUNIO DE 2010

Milano, 3 de agosto de 2010

Reno De Medici S.p.A., al ser emisor de valores emitidos a negociación en España y en virtud del Real Decreto 1362/2007 del 19 de octubre de 2007, remite el presente hecho relevante comunicando que con fecha 3 de agosto de 2010 se ha puesto a disposición del público en la página web <http://www.renodemedici.it> el Informe Semestral a 30 de junio de 2010, que ha publicado en su Estado miembro de origen de conformidad con el artículo 81 del Reglamento aprobado por deliberación Consob n° 11971 de 14 de mayo de 1999, así como con sus posteriores modificaciones e integraciones.

Para mas información:

Reno De Medici

Investor Relator

Tel. +39 02 89966 202

E-mail: investor.relations@renodemedici.it

Image Building

Media Relations

Tel: +39 02 89011300

E-mail: RenoDeMedici@imagebuilding.it

Investor Relations

Tel: +39 02 89011300

E-mail: Investorelations@imagebuilding.it

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PRESS RELEASE

**THE BOARD OF DIRECTORS APPROVED
THE CONSOLIDATED FIRST HALF 2010 FINANCIAL REPORT**

CONSOLIDATED FINANCIAL RESULTS AS AT 30 JUNE 2010 (VS. 30 JUNE 2009)

- ◆ **NET REVENUES:** EURO 241.6 MILLION (EURO 214.1 MILLION AS AT 30 JUNE 2009)
- ◆ **GROSS OPERATING PROFIT (EBITDA):** EURO 18.1 MILLION (EURO 18.0 MILLION AS AT 30 JUNE 2009)
- ◆ **NET OPERATING PROFIT (EBIT):** EURO 4.6 MILLION (EURO 4.7 MILLION AS AT 30 JUNE 2009)
- ◆ **NET EARNINGS FOR THE PERIOD:** POSITIVE BY EURO 0.9 MILLION (COMPARED WITH A LOSS OF EURO 0.7 MILLION AS AT 30 JUNE 2009)
- ◆ **NET FINANCIAL INDEBTEDNESS:** EURO 117.5 MILLION (EURO 130.8 MILLION AS AT 31 DECEMBER 2009)

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Milan, August 3, 2010

The Board of Directors of Reno De Medici S.p.A. (“**RDM**” or the “**Company**”), holding company of a main world-wide producer of cartonboard based on recycled material, met today under the chairmanship of Mr. Christian Dubé and approved the Consolidated First Half 2010 Financial Report of the Reno De Medici Group (“**RDM Group**” or the “**Group**”), that reports a **Profit for the period of Euro 0.9 million.**

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INTRODUCTION

The following table sets out the highlights of the profit and loss accounts for the six months ended on 30 June 2010, compared to 30 June 2009:

	30.06.2010	30.06.2009
(thousands of Euros)		
Revenues from sales	241,586	214,066
EBITDA (1)	18,061	18,035
EBIT (2)	4,640	4,750
Result of operating activities before taxes (3)	1,905	393
<i>Current and deferred taxes</i>	<i>(1,013)</i>	<i>(1,119)</i>
Profit (loss) for the period	892	(726)

(1) Cfr. Consolidated income statement of RDM Group, "Gross Operating Margin"

(2) Cfr. Consolidated income statement of RDM Group, "Operating Profit "

(3) Cfr. Consolidated income statement of RDM Group, "Profit (loss) for the period" - "Taxation"

As at 30 June 2010, RDM Group registered satisfactory results, also in relation to the overall macro-economic situation, benefiting from an increase in manufacturing efficiency, reached thanks to a good level of orders enabling an improvement in operating rate to be achieved, and also to the specific steps taken at certain facilities to optimize of the use of raw materials, energy and to obtain a general reduction in costs.

More specifically, the demand for the Group's products saw a rise, driven by an increase in European industrial demand that was geared towards rebuilding stocks and by the economic recovery seen in the main Far Eastern countries that also led to favorable effects arising in Europe and the Middle East, in particular favoring exports. In terms of tonnes sold, in the first half of 2010 the demand for coated cartonboard produced from recycled raw materials rose by more than 8% at a European level over the first half of 2009, with the sole exception of France.

Trends in sales prices were also positive thanks to the introduction of the increases that the Group had announced in October 2009. These increases substantially offset, though late, the unfavourable effects caused by the rise in the price of raw material mixture in Europe and North America. The contribution from sales made on the overseas markets benefited from both the reduced commercial aggression of Chinese competitors and the strengthening of the dollar.

In terms of costs, the continuing significant rise in raw material mixture prices, a key feature of the first part of the year, slowed down in June, due amongst other things to the reduced request for waste by Chinese manufacturers. Also energy prices showed a generally upwards trend during the first half 2010, in line with the quotation in dollars of crude oil, the main reference product, which reached a peak for the previous 18 months.

The Group's production reached 469 thousand tonnes during the first half of 2010, compared with 429 thousand tonnes in the corresponding period in 2009. In terms of volumes sold, quantities shipped amounted to 474 thousand tonnes in the first half 2010, compared with 419 thousand tonnes in the first



half of 2009.

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MAIN CONSOLIDATED RESULTS

The RDM Group in the **first half of 2010** achieved **Net Revenues of Euro 241.6 million**, compared to Euro 214.1 million in the first half of the year 2009.

Consolidated **Gross Operating Profit (EBITDA)** as at June 30, 2010 of the RDM Group reached **Euro 18.1 million** compared to Euro 18.0 million in the corresponding period in 2009.

Consolidated **Net Operating Profit (EBIT)** of the RDM Group in the first half of 2010 amounted to **Euro 4.6 million**, versus Euro 4.7 million for the corresponding period of 2009.

Pre-tax current profit of the Group RDM is positive to Euro 1.9 million in the first half 2010, compared to Euro 0.4 million for the corresponding period of 2009.

The Group, during the six months ended June 30, 2010, made capital expenditure of Euro 5.7 million, compared to Euro 7.4 million on 30 June 2009.

The first half of 2010 saw the Reno de Medici Group return to profit with **Net Earnings for the period** reaching **Euro 892 thousand**, compared with a loss of Euro 726 thousand incurred in the corresponding period of the previous year.

The Consolidated **Net Financial Indebtedness** of the RDM Group as at June 30, 2010 amounted to **Euro 117.5 million**, compared to 130.8 million at December 31, 2009. This result is due to the Group's overall good performance in terms of economics and working capital management.

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OUTLOOK FOR OPERATIONS

In a macro-economic situation in Europe, where clear strong signals of a recovery in terms of end consumption have yet to be seen, the outlook for the remaining part of 2010 appears to be in line with the Group's performance during the first six months of 2010, excluding any seasonal phenomena and, in particular, production stoppages, which, as usual, are planned for the summer period and at year end at the southern European factories.

Trends in the market and orders confirm the positive tendency of first half 2010: a slight pick up in the economy and end consumption should offset the effects linked to the replenishment of stocks disappear.

Regarding movements in the price on raw material mixture, RDM Group evaluates that both the prices of cellulose and waste are considered to have reached their highest levels, further increases are still possible.



Also energy costs for the remaining part of the year ought not to move far from their current levels unless there are significant fluctuations in the quotation of the dollar. In this respect a further strengthening of the dollar would most likely benefit the Group's results, due above all to the favourable effect on the overseas component of revenues.

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Mr. Stefano Moccagatta, the officer in charge of drafting the Company's accounting documents, declares for purposes of Art. 154-bis, sub-section 2, of Italian Decree Law 58/1998 ("Consolidated Law on Financial Intermediation") that the information contained in this press release corresponds to documentary results and to accounting books and records. In addition to the financial indicators conventionally required by IFRS, this press release also presents a few alternate performance indicators (for example, EBITDA) to provide better assessment of the economic-financial performance trend. These indicators are calculated according to normal market practices.

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The Consolidated First Half 2010 Financial Report of the Reno De Medici Group for the period ended 30 June 2010 will be made available to the public at the Company's registered office and at Borsa Italiana S.p.A.. This documentation will also be available within the terms of law for consultation on the website www.renodemedici.it, under the section Investor Relation.

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For further informations:

Reno De Medici

Investor Relator

Guido Vigorelli

Tel. +39 02 89966 202

E-mail: investor.relations@renodemedici.it

Image Building

Media Relations

Simona Raffaelli, Alfredo Mele, Valentina Bergamelli

Tel: +39 02 89011 300

E-mail: Investorelations@imagebuilding.it

Investor Relations

Tel: +39 02 89011 300

E-mail: RenoDeMedici@imagebuilding.it

THE TABLES RELATIVE TO FINANCIAL STATEMENTS OF RDM GROUP AS AT JUNE 30, 2010 ARE ATTACHED BELOW



CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2010

CONSOLIDATED INCOME STATEMENT

	30.06.2010	30.06.2009
(thousands of Euros)		
Revenues from sales	241,586	214,066
- of which related parties	5,969	2,331
Other revenues	7,634	9,283
- of which related parties	859	816
- of which non recurring	959	
Changes in stocks of finished goods	1,958	46
Cost of raw materials and services	(190,933)	(164,925)
- of which related parties	(10,491)	(7,625)
Staff costs	(39,652)	(38,067)
Other operating costs	(2,532)	(2,368)
Gross Operating Margin	18,061	18,035
Depreciation and amortisation	(13,421)	(12,802)
Recovery of value and write-downs of assets	-	(483)
Operating Profit	4,640	4,750
	<i>Financial expense</i>	<i>(3,799)</i>
	<i>Exchange rate differences</i>	<i>1,245</i>
	<i>Financial income</i>	<i>12</i>
Financial income (expenses), net	(2,542)	(4,357)
Income (loss) from investments	(193)	-
Taxation	(1,013)	(1,119)
Profit (loss) for the period	892	(726)
Attributable to:		
Profit (loss) for the period pertaining to the Group	500	(862)
Profit (loss) for the period pertaining to minority interests	392	136
Earnings (loss) per ordinary share (Euros)	0.002	(0.002)
Earnings (loss) per ordinary share diluted (Euros)	0.002	(0.002)



STATEMENT OF CONSOLIDATED FINANCIAL POSITION

ASSETS	30.06.2010	31.12.2009
(thousands of Euros)		
Non-current assets		
Tangible fixed assets	248,500	256,231
Goodwill	63	63
Other intangible assets	6,218	6,243
Investments	6,497	6,690
Deferred tax assets	1,454	1,473
Financial assets held for sale	190	193
Trade receivables	81	81
Other receivables	668	364
Total non-current assets	263,671	271,338
Current assets		
Stocks	78,617	74,313
Trade receivables	120,664	106,835
- of which related parties	1,717	1,384
Group trade receivables	3,242	3,582
Other receivables	4,396	4,454
Other Group receivables	519	346
Financial assets held for sale	-	188
Liquid funds	1,768	1,707
Total current assets	209,206	191,425
TOTAL ASSETS	472,877	462,763



LIABILITIES	30.06.2010	31.12.2009
(thousands of Euros)		
Shareholders' equity		
Share capital	185,122	185,122
Other reserves	(78)	112
Retained earnings (losses) brought forwards	(31,090)	(24,145)
Profit (loss) for the period	500	(6,945)
Shareholders' equity attributable to the Group	154,454	154,144
Minority interests	729	677
Total shareholders' equity	155,183	154,821
Non-current liabilities		
Bank loans and other financial liabilities	60,605	62,672
Derivative financial instruments	1,459	846
Other payables	1,892	1,872
- of which related parties	1,204	1,204
Deferred tax liabilities	26,591	27,407
Employee benefits	25,350	24,632
Non-current provisions for contingencies and charges	3,984	3,562
Total non-current liabilities	119,881	120,991
Current liabilities		
Bank loans and other financial liabilities	54,074	64,901
Derivative financial instruments	956	1,069
Trade payables	119,310	100,739
- of which related parties	3,485	2,397
Group trade payables	2,744	1,944
Other payables	15,183	12,713
Other Group payables	2,716	3,406
Current taxation	2,093	1,340
Current provisions for contingencies and charges	737	839
Total current liabilities	197,813	186,951
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	472,877	462,763



CONSOLIDATED CASH FLOW STATEMENT

	30.06.2010	30.06.2009
(thousands of Euros)		
Profit (loss) for the period before taxation	1,905	393
Depreciation and amortisation	13,421	13,285
Losses (gains) from investments	193	-
Financial (income) expense	2,542	4,357
Capital loss (gains) on non-current assets	(959)	-
Change in the employees' leaving entitlement, other provision fund including provision for bad and doubtful debts	1,033	(395)
Change in stocks	(4,304)	5,052
Change in trade receivables	(13,964)	(2,049)
- of which related parties	141	(2,360)
Change in trade payables	21,722	(11,722)
- of which related parties	1,889	4,462
Change in total working capital	3,454	(8,719)
Gross cash flows	21,589	8,920
Interests paid in the period	(3,562)	(4,804)
- of which related parties	(5)	(1)
Interests received in the period	2,223	1,305
- of which related parties	2	36
Taxes paid in the period	(1,100)	(2,673)
Cash flows from operating activities	19,150	2,748
Sale (purchase) of financial assets held for sale	191	-
Investments and disinvestments in non current assets	(4,706)	(7,728)
Business combination	-	(114)
Investments in joint venture	(192)	(51)
Cash flows from discontinued operations	(101)	(1,761)
Cash flows from investing activities	(4,808)	(9,654)
Change in financial assets and liabilities and short-term bank borrowings	(12,119)	7,350
- of which related parties	(863)	(62)
Change in long-term bank borrowings	(2,289)	(3,497)
Cash flows from financing activities	(14,408)	3,853
Exchange difference from conversion	127	165
Change in unrestricted liquid funds	61	(2,887)
Unrestricted liquid funds at beginning of the period	1,707	4,314
Unrestricted liquid funds at end of period	1,768	1,427