



THE BOARD OF DIRECTORS
APPROVES THE SEMI-ANNUAL REPORT AS OF JUNE 30, 2014

MAIN CONSOLIDATED FINANCIAL RESULTS OF THE FIRST-HALF 2014 (VS. FIRST-HALF 2013)

- ◆ **NET REVENUES:** €238.9 MILLION
(COMPARED TO €241.5 MILLION AS AT JUNE 30, 2013)
- ◆ **GROSS OPERATING PROFIT (EBITDA):** €25.8 MILLION
(COMPARED TO €16.7 MILLION AS AT JUNE 30, 2013)
- ◆ **OPERATING PROFIT (EBIT):** €13.7 MILLION
(COMPARED TO €4.4 MILLION AS AT JUNE 30, 2014)
- ◆ **NET PROFIT FOR THE PERIOD:** €9.2 MILLION
(COMPARED TO €0.2 MILLION AS AT JUNE 30, 2014)
- ◆ **NET FINANCIAL INDEBTEDNESS:** €72.8 MILLION
(COMPARED TO €73,5 MILLION AS AT DECEMBER 31, 2013)

Milan, August 1st, 2014

The Board of Directors of Reno De Medici S.p.A. (“**RDM**” or the “**Company**”), parent company of one of the world’s largest producers of recycled cartonboard, met today under the chairmanship of Mr. Robert Hall, examined and approved the Semi-Annual Consolidated Report as of June 30, 2013 of the Reno De Medici Group (“**RDM Group**” or the il “**Group**”), that closes positively with a Net Profit of €9.2 million euro, a strong increase vs. +€0.2 million euro recorded in the same period of previous year, and with an EBITDA in progress from 16.7 million in the first-half 2013 to €25.8 million in the first-half 2014.

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Introduction

The macro-economic scenario in the first half of the 2014 confirmed that the modest economic recovery started in the second-half 2013 presents sensible differences among geographical areas, while remaining subject to temporary decelerations. The Italian economy has continued to be stagnant.

The specific sector in which the Reno De Medici Group operates evolved in line with the general



economic scenario of the period: in the first half of 2014 the European demand for packaging cartonboard obtained from recycled fibers slightly decreased (-1.1%) compared to the same period of previous year, with a stronger negative deviation in the second quarter. Its dynamics also reflect a prudent attitude of the industrial operators, given the still uncertain short-term outlook.

In the first half of 2014 the Reno De Medici Group benefited from basically stable fiber prices and continuously falling energy prices .

The following table summarizes key income statement indicators as of June 30, 2014 compared to June 30, 2013:

	06.30.2014	06.30.2013(*)
(thousands of Euros)		
Revenues from sales	238,877	241,545
GROSS OPERATING PROFIT (EBITDA) (1)	25,777	16,715
EBIT (2)	13,665	4,390
Income before taxes (3)	11,259	1,245
<i>Current and deferred taxes</i>	<i>(1,829)</i>	<i>(735)</i>
Profit for the period before discontinued operations	9,429	510
Discontinued operations	(272)	(265)
Profit for the period	9.157	245

1) See "Gross Operating Profit" in the Consolidated Financial Reports of the RDM Group

2) See "Operating Profit" in the Consolidated Financial Reports of the RDM Group

3) See "Profit/(Loos) for the Period" - "Taxes" in the Consolidated Financial Reports of the RDM

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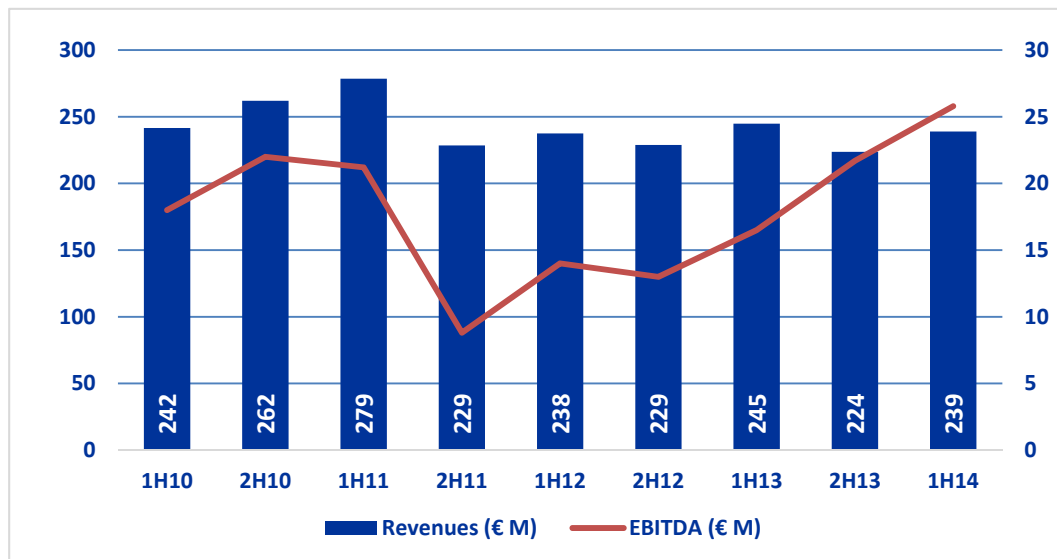
Main consolidated results as of June 30, 2013

As of June 30, 2014 **Net Revenues** of the RDM Group amounted to €238.9 million, basically in line with €241.5 million totaled in the first half of 2013. Volumes were also in line with previous year, with **449 thousand** tons sold in the first half of 2014 vs. **455 thousand of 2013**.

First half 2014 **EBITDA** reached **€25.8 million**, a remarkable growth vs. €16.7 million for the same period of previous year. The EBITDA increase reflects the cost savings achieved thanks to higher production efficiency (both in terms of better use of recycled fibers and decreased fixed costs in the mills), lower energy costs, and the award of EEC – Energy Efficiency Certificates - for an total value of €3.8 million, as a result of the implementation of projects aimed at improving the energy



efficiency of the production facilities.

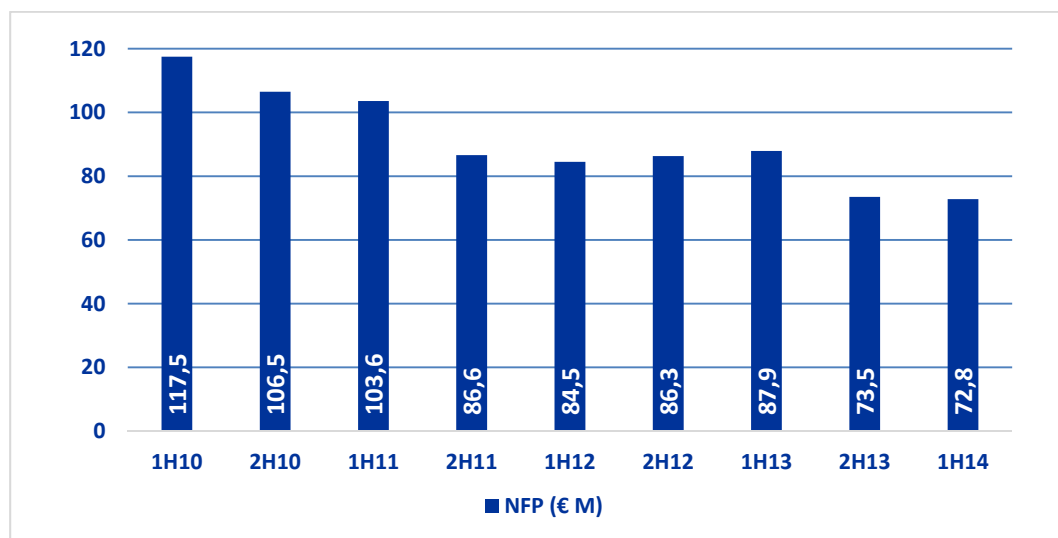


Consolidated **EBIT** at June 30, 2014 **amounted to €13.7 million**, showing a sizeable improvement compared to €4.4 million recorded in the first half of 2013.

Net Financial Expenses as of June 30, 2014 amounted to €2.8 million; the decrease compared to €3.3 million of the first half of 2013 is mainly due to lower net financial indebtedness.

In the first half of 2014 the RDM Group's **Net Profit reached €9.2 million**, a strong increase vs. the €0.2 million Net Profit recorded in the same period of 2013.

The consolidated **Net Financial Indebtedness** of the RDM Group as of June 30, 2014 was €72.8 million, compared to €73.5 million at s December 31, 2013.



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Outlook

After the closing of the first half of 2014, the order flow has continued to be satisfactory, and the cost of the main production factors remained stable.

This course should continue in the near future. The main sources of uncertainty are represented by the evolution of demand, whose dynamics are linked to a still fragile economic recovery, and the potential volatility in the prices of recycled fibers, in particular in Italy, due to the speculative activities that might influence the auction mechanism.

The expected trend of the energy cost appears to be more stable, after the continuous price-drop recorded in 2013, but possible increases cannot be ruled out, due to the tense geopolitical situation in some production regions. In any case, the energy contracts currently in place protect Reno De Medici from possible material increases in the price of energy, even beyond the end of the current fiscal year.

As regards the financial outlook, the new easing measures recently decided by the European Central Bank should favor the flow of international capital toward the Euro Area, the granting of credit to corporations and the decrease in interest rates. However, Italian enterprises continue to be penalized by a cost of new loans that is higher than the Eurozone average.

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Mr. Stefano Moccagatta, the officer in charge of drafting the Company's accounting documents, declares pursuant to Art. 154-bis, sub-section 2, of Italian Legislative Decree 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) in order to provide a better



assessment of the trend of economic and financial performance. These indicators are calculated according to normal market practices.

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This document is an English translation from Italian. The Italian original shall prevail in case of difference in interpretation and/or factual errors.

The Consolidated Financial Results for the period ended June 30, 2014 will be available to the public at the Company's registered office and at Borsa Italiana S.p.A., from August 2nd, 2014. Copies can be obtained. Such documents are also consultable in the Investor Relation section of the corporate website, www.renodemedici.it, from August 2nd, 2014.

Per ulteriori informazioni

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THE TABLES RELATIVE TO FINANCIAL STATEMENTS OF RDM GROUP AS OF JUNE 30, 2014 ARE ATTACHED BELOW



Consolidated Income Statement	30.06.2014	30.06.2013(*)
(thousands of Euros)		
Revenues from sales	238,877	241,545
- of which related parties	3,186	4,174
Other revenues and income	8,071	5,025
- of which related parties	382	496
Change in inventories of finished goods	(1,815)	(2,344)
Cost of raw materials and services	(181,188)	(188,608)
- of which related parties	(9,203)	(9,514)
Personnel costs	(35,640)	(36,301)
Other operating costs	(2,528)	(2,602)
Gross operating profit	25,777	16,715
Depreciation and amortization	(11,700)	(12,325)
Write-downs	(412)	
Operating profit	13,665	4,390
Financial expense	(2,987)	(3,384)
Gains (losses) on foreign exchange	141	(38)
Financial income	48	105
Net financial income (expense)	(2,798)	(3,317)
Gains (losses) from investments	391	172
Taxes	(1,829)	(735)
Profit (loss) for the period before net result from discontinued operations	9,429	510
Net result from discontinued operations	(272)	(265)
Profit (loss) for the year	9,157	245
Total profit (loss) for the period attributable to:		
- Group	9,075	60
- Minority interests	82	185
Basic earnings (loss) per ordinary share (Euros)	0.02	0.001
Diluted earnings (loss) per ordinary share (Euros)	0.02	0.001
Basic earnings (loss) per ordinary share before discontinued operations (Euros)	0.03	0.001
Diluted earnings (loss) per ordinary share before discontinued operations (Euros)	0.03	0.001

(*) Following the shutdown of operations of RDM UK and the resulting reclassification of its profit for the period under discontinued operations, as required by IFRS 5, the figures as of June 30, 2013 were reclassified to make them comparable to those as of June 30, 2014



Consolidated Statement of Comprehensive Income	30.06.2014	30.06.2013
(thousands of Euros)		
Profit (loss) for the period	9,157	245
Other components of comprehensive income (loss)		
<i>Components that could be reversed in future periods in the income statement</i>		
<i>Change in fair value of cash flow hedges</i>	108	143
<i>Profit (loss) on translation of financial statements of foreign investee companies</i>	125	214
<i>Components that will not be reversed in future periods in the income statement</i>	(17)	(71)
	0	0
Total other components of comprehensive income (loss)	108	143
Total comprehensive income (loss)	9,265	388
Total comprehensive income (loss) attributable to:		
- Group	9,183	203
- Minority interests	82	185



Consolidated Statement of Financial Position - Assets	30.06.2014	31.12.2013
(thousands of Euros)		
ASSETS		
Non-current assets		
Tangible fixed assets	202,738	211,204
Goodwill	63	63
Intangible assets	2,075	2,377
Intangible assets with an indefinite useful life	3,293	3,293
Equity investments	1,853	1,826
Deferred tax assets	3,883	3,837
Trade receivables	41	41
Other receivables	841	958
Total non-current assets	214,787	223,599
Current assets		
Inventories	74,360	77,944
Trade receivables	82,037	66,902
- of which related parties	776	497
Receivables from associates and joint ventures	667	701
Other receivables	7,461	14,495
Other receivables from associates and joint ventures	90	90
Cash and cash equivalents	4,082	2,716
Total current assets	168,697	162,848
TOTAL ASSETS	383,484	386,447



Consolidated Statement of Financial Position - Liabilities	30.06.2014	31.12.2013
(thousands of Euros)		
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	185,122	185,122
Other reserves	(2,496)	(2,638)
Retained earnings (losses)	(43,242)	(44,983)
Profit (loss) for the period	9,075	1,775
Shareholders' equity attributable to the Group	148,459	139,276
Minority interests	507	668
Total shareholders' equity	148,966	139,944
Non-current liabilities		
Payables to banks and other lenders	24,100	32,322
Derivative instruments	164	297
<i>Other payables</i>	<i>209</i>	<i>234</i>
Deferred taxes	12,255	13,351
Employee benefits	26,887	27,557
Non-current provisions for risks and charges	6,882	6,906
Total non-current liabilities	70,497	80,667
Current liabilities		
Payables to banks and other lenders	49,889	42,728
Derivative instruments	330	430
<i>Trade payables</i>	<i>88,083</i>	<i>98,878</i>
<i>- of which related parties</i>	<i>477</i>	<i>1,104</i>
Payables to associates and joint ventures	3,205	7,016
<i>Other payables</i>	<i>15,266</i>	<i>13,936</i>
Other payables from associates and joint ventures	2,731	615
Current taxes	3,731	1,288
Employee benefits	786	945
Total current liabilities	164,021	165,836
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	383,484	386,447

(*) Following the shutdown of operations of RDM UK and the resulting reclassification of its profit for the period under discontinued operations, as required by IFRS 5, the figures as of June 30, 2013 were reclassified to make them comparable to those as of June 30, 2014.



Consolidated statement of cash flow	First half of 2014	First half of 2013 (*)
(thousands of Euros)		
Profit (loss) for the period before tax	11,259	1,245
Depreciation and amortization	11,700	12,350
Write-downs	404	0
Losses (gains) from investments	(391)	(172)
Financial (income) expense	2,939	3,290
Capital losses (gains) on sale of fixed assets	(208)	(344)
Change in provisions for employee benefits and in other provisions, including the provision for bad and doubtful receivables	(708)	(352)
Change in inventories	3,584	5,832
Change in trade receivables	(8,354)	(1,546)
- of which related parties	(251)	54
Change in trade payables	(13,156)	(16,882)
- of which related parties	(4,438)	259
Change in total working capital	(17,926)	(12,596)
Gross cash flows	7,068	3,421
Interest paid in the year	(2,205)	(2,537)
- of which related parties		(34)
Interest received in the period	12	46
- of which related parties	12	46
Taxes paid in the period	(720)	(828)
Net result from discontinued operations	(272)	(265)
Cash flows from operating activities	3,859	(163)
Other equity investments		(1)
Investment net of disinvestment in tangible and intangible assets	(3,002)	(1,060)
Investments in associates and joint ventures	(25)	(197)
Dividends received	335	
Cash flows from investing activities	(2,692)	(1,258)
Dividends paid	(243)	
Change in other financial assets and liabilities and short-term payables to banks	10,823	(845)
- of which related parties	2,116	(1,582)
Change in medium- and long-term loans	(10,368)	2,145
Cash flows from financing activities	212	1,300
Translation differences	(15)	(71)
Change in unrestricted cash and cash equivalents	1,365	(192)
Unrestricted cash and cash equivalents at the beginning of the period	2,716	3,137
Unrestricted cash and cash equivalents at the end of the period	4,082	2,945

(*) Following the shutdown of operations of RDM UK and the resulting reclassification of its profit for the period under discontinued operations, as required by IFRS 5, the figures as of June 30, 2013 were reclassified to make them comparable to those as of June 30, 2014.