



THE BOARD OF DIRECTORS
APPROVES THE INTERIM REPORT AS OF DECEMBER 31, 2013

KEY PRELIMINARY FULL YEAR 2013 CONSOLIDATED RESULTS (VS. FULL YEAR 2012):

- ◆ **NET REVENUES:** €468.5 MILLION
(COMPARED TO €466.3 MILLION AS OF DECEMBER 31, 2012)
- ◆ **GROSS OPERATING PROFIT (EBITDA):** €38.2 MILLION
(COMPARED TO €27.0 MILLION AS OF DECEMBER 31, 2012)
- ◆ **OPERATING PROFIT (EBIT):** €8.5 MILLION
(COMPARED TO A LOSS OF €1.5 MILLION AS OF DECEMBER 31, 2012)
- ◆ **NET PROFIT FOR THE PERIOD:** PROFIT OF €2 MILLION
(COMPARED TO A LOSS OF €12.2 MILLION AS OF DECEMBER 31, 2012)
- ◆ **NET FINANCIAL DEBT:** €73.5 MILLION
(€86.3 MILLION AS OF DECEMBER 31, 2012)

Milan, February 13, 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 cardboard, met today under the chairmanship of Mr. Robert Hall and examined and approved the **Interim Report as of December 31, 2013 of the Reno De Medici Group** (“RDM Group” or the “Group”).

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Introduction

Signs of recovery strengthened in the overall economic scenario, notwithstanding significant differences between stronger and weaker countries among advanced and emerging countries.

A positive trend on the whole outlook is also related to the growth of European demand of white lined chipboard for packaging, from recycled fibers. On a full year basis, growth was up by +2.5% over 2012; volumes shipped slightly exceeded 2011 data. Growth rates are positive in all the main relevant markets, including Italy (+1.6%), and not including Spain. Growth in Europe was paralleled by a decline in sales in overseas markets with lower profitability; the outcome has been an upgrading in the company’s geographic mix.



Key income
statement indicators
as of December 31,
2013

As to the cost of the main factors of manufacture, there were no major changes. Prices of raw materials remained stable at June levels, in correlation to the slow-down in exports of to China. The price of natural gas was also stable after the peak reported in the first quarter, but remains still high in comparison to other countries. The supply agreements signed for 2013 allowed however for significant savings vs. the previous fiscal year.

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The following table summarizes the most significant income statement indicators as of December 31, 2013 and December 31, 2012.

(thousands of Euros)	12.31.2013	12.31.2012
Revenues from sales	468,532	466,319
GROSS OPERATING PROFIT (EBITDA) (1)	38,206	27,015
EBIT (2)	8,482	(1,483)
Pre-tax income	913	(11,464)
Current and deferred taxes	1,117	(723)
Profit (loss) for the period	2,030	(12,187)

1) See 'Operating profit' in the Consolidated Financial Statements of the RDM Group

2) See 'Profit (loss) for the period' – 'Taxes' in the Consolidated Financial Statements of the RDM Group

Key income
statement
indicators as of
December 31,
2013

As of December 31, 2013, **Net Revenues** of the Reno De Medici Group totaled **€469 million**, a slightly over the €466 million figure reported in 2012. There was an increase in tons sold from 834,000 tons in 2012 to 862,000 tons in 2013. The second half of 2013 fully benefited from the sales price increase planned by the Company that allowed for a good recovery in profitability, which had gradually eroded, starting in the second half of 2012, from the continuing decrease in prices. There was also an improvement in geographic mix with growth in tons sold in European markets and a decline in sales in overseas markets which benefited profitability. All plants worked at maximum production capacity. Other revenues include the value of the 'Certificates of Energy Efficiency' or 'TEE' (the so called 'White Certificates') accrued within the projects of energy savings carried out in the S. Giustina and Ovaro mills. Such certificates accrue in the 5-years period 2010-2014 (2011-2016 for Ovaro) based on the energy savings that have been actually achieved; the share posted in the 2013 Interim Management Reports are relevant to 2010, 2011 and 2012 (also 2013 in the case of Ovaro).

In 2013, the **cost of labor** rose slightly over the previous year from €72.4 million as of December 31, 2012 to €73.3 million as of December 31, 2013. This increase is basically due to provisions related to the restructuring plan approved in March 2013 that affected Italian manufacturing units.



As of December 31, 2013, **Gross Operating Profit (EBITDA)** totaled €38.2 million, an appreciable improvement over the €27 million for the previous year. Adjusted EBITDA, which excluded non-recurring items or matters associated with operations/units suspended or terminated, rose to €39.9 million, compared to €32.9 million in 2012.

There was a total loss of €5.2 million on fixed assets due primarily to the following items:

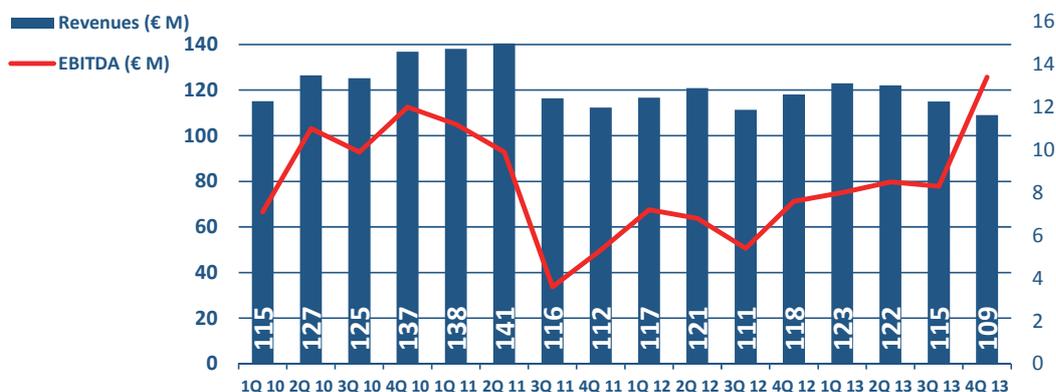
- ◆ the write-down of fixed assets of **Marzabotto** and paper mills, whose cartonboard production operations were shut down, for a total of €3.6 million in order to adjust their book value to current market value;
- ◆ the write-down of fixed assets of the Spanish plant of **Almazà** for €1.3 million, as a result of the impairment test performed.

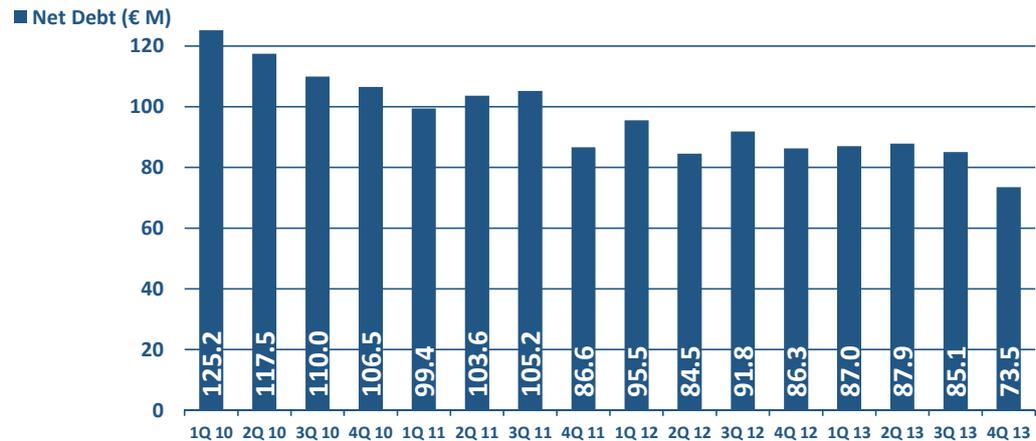
As of December 31, 2013, the **Consolidated Operating Earnings (EBIT)** of the RDM Group was **positive at €8.5 million**, vs. the negative EBIT of €1.5 million reported in the full year 2012.

Confirming the positive trend of the two previous quarters, Reno De Medici Group ended 2013 with a **Net Profit of €2.0 million** compared to a loss of €12,2 million in the previous year. The net after tax result for the fourth quarter was also positive with a profit of €1.6 million.

At December 31, 2013 the RDM Group's capital expenditures totaled €15.2 million (€17.8 million as at December 31, 2012).

At December 31, 2013, **Consolidated Net Financial Debt** was **€73.5 million**, an improvement of €12.8 million compared to the €86.3 million at December 31, 2012.





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Key events

The shutdown of the associated company's RDM UK started in December. Its activities consisted of cutting operations and UK customer service unit for the Group's paper mills with about 7,000 tons sold in 2013 and revenues of €6.9 million. The subsidiary profitability has been compromised, as it has not been possible to reach an agreement with the landlord for the renewal at more favorable conditions of the lease of the building where the subsidiary is headquartered. To take into account the relevant closing costs, a provision of about €1 million has been accounted for (staff and write-down of fixed assets and inventory). Reno De Medici Group intends to continue servicing the British market, and appropriate alternative solutions are already being scheduled.

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Outlook

The beginning of 2014 has shown no significant changes in the overall macroeconomic situation or the company's income outlook. Order volume and the backlog continue to be satisfactory, and no immediate changes in the costs of the main factors of production are expected.

In 2014 the economic recovery process should be stronger, including the Eurozone, but the consensus is on a very gradual process, and on the maintenance of a prudent approach for possible risks and uncertainties, especially in Southern European countries.

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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.

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The Interim Report for the period ended December 31, 2013 will be available to the public at the Company's registered office and at Borsa Italiana S.p.A. from February, 2014, and will also be available online from that date in the Investor Relations section of the website www.renodemedici.it

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For further
information

Reno De Medici

Investor Relator

Zaki Haned

Tel. +39 02 89966 234

E-mail: investor.relations@rdmgroup.com

Image Building

Media Relations

Simona Raffaelli, Alfredo Mele, Valentina Bergamelli

Tel: +39 02 89011300

E-mail: RenoDeMedici@imagebuilding.it

THE TABLES RELATING TO THE INTERIM REPORT OF RDM GROUP AS OF DECEMBER 31, 2013 ARE ATTACHED BELOW¹

¹ These tables have not been audited by the independent auditors.


**Consolidated
income
statement**

(thousands of Euros)	12.31.2013	12.31.2012
Revenues from sales	468,532	466,319
Other revenues and income	17,005	12,052
Change in inventories of finished goods	1,534	4,260
Cost of raw materials and services	(370,932)	(378,312)
Personnel costs	(73,286)	(72,437)
Other operating costs	(4,647)	(4,867)
Gross operating profit	38,206	27,015
Depreciation and amortization	(24,514)	(26,279)
Write-downs	(5,210)	(2,219)
Operating profit	8,482	(1,483)
<i>Financial expense</i>	(6,462)	(7,286)
<i>Gains (losses) on foreign exchange</i>	(178)	98
<i>Financial income</i>	192	153
Net financial income/(expense)	(6,448)	(7,035)
Gains (losses) from investments	(1,120)	(2,946)
Taxes	1,116	(723)
Profit (loss) for the period	2,030	(12,187)
attributable to:		
Minority interest in profit (loss) for the period	255	147



Consolidated
Statement of
financial position

(thousands of Euros)	12.31.2013	12.31.2012
ASSETS		
<i>Non-current assets</i>		
Tangible fixed assets	211,204	228,929
Goodwill	63	63
Other intangible assets	5,670	6,263
Equity investments	1,826	2,979
Deferred tax assets	4,665	1,312
Available-for-sale financial assets		
Trade receivables	41	41
Other receivables	958	693
Total non-current assets	224,427	240,280
<i>Current assets</i>		
Inventories	77,944	78,929
Trade receivables	67,603	86,343
Other receivables	14,585	6,480
Cash and cash equivalents	2,716	3,137
Total current assets	162,848	174,889
TOTAL ASSETS	387,275	415,169



(thousands of Euros)	12.31.2013	12.31.2012
LIABILITIES		
Shareholders' equity		
Shareholders' equity attributable to the Group	139,276	136,162
Minority interests	668	560
Total shareholders' equity	139,944	136,722
Non-current liabilities		
Payables to banks and other lenders	32,322	37,042
Derivative instruments	297	765
Other payables	235	1,490
Deferred taxes	14,178	15,487
Employee benefits	27,557	29,181
Non-current provisions for risks and charges	6,906	5,800
Total non-current liabilities	81,495	89,765
Current liabilities		
Payables to banks and other lenders	42,728	49,275
Derivative instruments	430	637
Trade payables	105,894	123,398
Other payables	14,551	15,223
Current taxes	1,288	124
Employee benefits	945	25
Total current liabilities	165,836	188,682
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	387,275	415,169


**Net financial
position**

(thousands of Euros)	12.31.2013	12.31.2012	Change
Cash, cash equivalents and short-term financial receivables	2,922	3,582	(660)
Short-term financial debt	(43,343)	(51,395)	8,052
Valuation of current portion of derivatives	(430)	(637)	207
Short-term net financial position	(40,851)	(48,450)	7,599
Medium-term financial debt	(32,322)	(37,042)	4,720
Valuation of non-current portion of derivatives	(297)	(765)	468
Net financial position	(73,470)	(86,257)	12,787