



THE BOARD OF DIRECTORS  
APPROVES THE DRAFT OF STATUTORY AND CONSOLIDATED ANNUAL REPORT  
AS OF DECEMBER 31, 2014

FULL YEAR 2014 CONSOLIDATED RESULTS (vs. FULL YEAR 2013)\*:

- ◆ **NET REVENUES:** €426.1 MILLION  
(COMPARED TO €428.4 MILLION AS OF DECEMBER 31, 2013)
- ◆ **GROSS OPERATING PROFIT (EBITDA):** €41.2 MILLION  
(COMPARED TO €38.9 MILLION AS OF DECEMBER 31, 2013)
- ◆ **OPERATING PROFIT (EBIT):** €18.4 MILLION  
(COMPARED TO €11.5 MILLION AS OF DECEMBER 31, 2013)
- ◆ **NET PROFIT FOR THE PERIOD BEFORE DISCONTINUED OPERATIONS:** €10.2 MILLION  
(COMPARED TO €5.2 MILLION AS OF DECEMBER 31, 2013)
- ◆ **NET PROFIT FOR THE PERIOD:** €5.4 MILLION  
(COMPARED TO €2.0 MILLION AS OF DECEMBER 31, 2013)
- ◆ **NET FINANCIAL DEBT:** €65.9 MILLION  
(€73.5 MILLION AS OF DECEMBER 31, 2013)

\*The representation of the 2014 and 2013 economic results of the Reno De Medici Group reflects the reclassification among the **Discontinued Operations** of the Reno De Medici Ibérica S.l.u., which in Q4 has been made available for sale, as it has been considered no longer a strategic asset for the Group.

\*\*\*

FULL YEAR 2014 RESULTS OF PARENT COMPANY RENO DE MEDICI S.P.A. (vs. FULL YEAR 2013):

- ◆ **NET REVENUES:** €208.8 MILLION  
(COMPARED TO €215.9 MILLION AS OF DECEMBER 31, 2013)
- ◆ **GROSS OPERATING PROFIT (EBITDA):** €24.6 MILLION  
(COMPARED TO €23.8 MILLION AS OF DECEMBER 31, 2013)
- ◆ **OPERATING PROFIT (EBIT):** €12.2 MILLION  
(COMPARED TO €7.0 MILLION AS OF DECEMBER 31, 2013)
- ◆ **NET PROFIT FOR THE PERIOD:** €3.4 MILLION  
(COMPARED TO €0.7 MILLION AS OF DECEMBER 31, 2013)
- ◆ **NET FINANCIAL DEBT:** €64.0 MILLION  
(€70.2 MILLION AS OF DECEMBER 31, 2013)



\*\*\*

ORDINARY MEETING OF SHAREHOLDERS ALREADY CALLED, BY ANNOUNCEMENT PUBLISHED ON 18 MARCH 2015, FOR 29 AND 30 APRIL 2015, IN FIRST AND SECOND CALL RESPECTIVELY

\*\*\*

DISTRIBUTION OF THE 2013 PROFITS PROPOSAL: EURO 171,227.93 TO THE LEGAL RESERVE PURSUANT TO ARTICLE 2430 OF THE ITALIAN CIVIL CODE;  
EURO 3,253,330.57 TO COVER PAST LOSSES

\*\*\*

ANNUAL REPORT ON CORPORATE GOVERNANCE, OWNERSHIP STRUCTURE AND BOARD OF DIRECTORS REPORT ON REMUNERATION APPROVED

*Milan, March 20, 2015*

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. Ignazio Capuano, after broad and comprehensive discussion and approval of the impairment tests, examined and approved the **Draft of Statutory and Consolidated Annual Report as of December 31, 2014** of the Reno De Medici Group (“RDM Group” or the “Group”), which closes recording an **EBITDA** of 41.2 million euro, with a relevant growth compared the 38.9 million euro of the previous fiscal year. **Net Profit before Discontinued Operations** rises to 10.2 million euro, presenting a substantial improvement vs. 5.2 million euro as of December 31, 2013, while **Net Profit for the Period** amounts to 5.4 million euro, compared to 2 million euro recorded in the previous year.

\* \* \*

## Introduction

The evolution of the global macroeconomic scenario shows that the European recovery continues in a scattered way and, however, at a slower pace than envisaged at the beginning of the year. In 2014 the Euro Area GDP turned positive, achieving a +0.8% increase, compared to a -0.5% decline in 2013. Among largest European economies, Italy is the only country that presents a negative growth rate, of -0.4%, however showing a substantial improvement compared to the FY 2013, when it decreased by -1.9%.

In the “White Lined Chipboard” sector, in which the Reno De Medici Group operates, the European demand resulted to be substantially aligned to the 2013 levels but with a differentiated trend within the quarters: a positive start in Q1 was followed by a contraction in the following two quarters, and finally the comparison with 2013 turned to be positive again in Q4, mainly driven by East Europe, UK and Spain. Concerning the Italian market, in 2014 the yearly demand slightly



**Consolidated  
Report as of 31  
December 2014**

decreased (-1.8%), even though it presented a +2.1% increase in Q4 compared to the same period of 2013.

\*\*\*

As of December 31, 2014 the RDM Group **Net Revenues** amounted to **426.1 million euro**, a level **substantially in line with 428.4 million euro** in 2013.

**Volumes sold**, excluding Reno De Medici Ibérica S.l.u. given the aforementioned reasons, amounted to **805 thousand tons**, basically in line with **807 thousand tons** totaled in 2013, notwithstanding the temporary slowdown in production at the Santa Giustina mill, due to the phase of start-up required by the new equipment installed at the end of the 2014 Summer.

In 2014 **personnel costs** amounted in 2014 to €65.7 million, compared to 67.5 million recorded in 2013. The slight decrease is mainly due to the Parent Company Reno De Medici S.p.A., and arises from the reduction of average headcount and the lower provisions posted to cover redundancy costs following the revision of the agreement with the Unions. These factors more than compensated the contractual salary raises that were granted.

In 2014 **Gross Operating Profit (EBITDA)** of the RDM Group reached **41.2 million euro, with a substantial improvement compared to 38.9 million euro** recorded in the previous fiscal year. Such improvement results from savings achieved by the RDM Group thanks to lower costs of energy, higher mills' operating efficiency and the award of EEC – Energy Efficiency Certificates (relevant to the projects implemented at Italian mills and aimed at improving the energy efficiency of the production facilities).

In 2014 **Operating Profit (EBIT)** amounted to **18.4 million euro, with a substantial improvement compared to the 11.5 million euro** recorded in FY 2013.

**Consolidated Result before Discontinued Operations** stands at **10.2 million euro**, vs. **5.2 million euro** of the previous year. Losses from **Discontinued Operations**, which amount to 4.8 million euro, are mainly associated to Reno De Medici Ibérica S.l.u. and include both the negative result of the year of the Company and the write-down of the operation, which has been made available for sale, in order to adjust its carrying value to the estimated selling price. In 2014 **Net Profit** therefore amounted to **5.4 million euro, with a sizeable improvement compared to the Net Profit of 2 million euro** achieved in the previous fiscal year.

The **Capital Expenditures** made in the period by the Reno De Medici Group amounted to 19.7 million euro, in comparison with 15.2 million in 2013.



**Net Financial Expenses** were 4.6 million euro, presenting a decrease compared to 6.3 million euro in 2013, mainly due to lower **Net Financial Indebtedness** (65.9 million euro at December 31, 2014 vs. 73.5 million euro at December 31, 2013) and higher income from exchange differences, generated by the revaluation of the US dollar.

The representation of the 2014 economic results of the Reno De Medici Group reflects the reclassification, among the **Discontinued Operations**, of the **Reno De Medici Ibérica S.l.u.**, which in Q4 has been made available for sale. In the context of the reassessment of the Group's asset portfolio, which has evidenced the need to focus both efforts and resources on the facilities that are more efficient and present higher growth potential, the Board of Directors of Reno De Medici confirmed that the Spanish operation of Reno De Medici Ibérica S.l.u. is no longer a strategic asset for the Group.

\* \* \*

As of December 31, 2014 the Parent Company **Reno De Medici S.p.A.** achieved **Net Revenues** of **€208.8 million**, compared to €215.9 million in FY2013. This decrease was mainly driven by the temporary slow-down in production in the Santa Giustina mill, due to the start-up period required by the important rebuilding of the board machine at the end of the 2014 Summer.

**Gross Operating Profit (EBITDA)** of the Parent Company RDM as of December 31, 2014 amounted to **€24.6 million**, an improvement compared to €23.8 million as of December 31, 2013.

As of December 31, 2014, **Net Operating Profit (EBIT)** amounted to **€12.2 milioni di euro**, a sizeable increase compared to €7.0 million achieved in the previous fiscal year.

**Net Result** as at December 31, 2014 of Reno De Medici S.p.A. amounts to **€3.4 million**, after depreciation, amortization and write-downs of approximately €12.5 million, net financial expenses of €3.9 million and loss from investments of €3.7 million. Taxes were negative by €1.1 million. In FY2013 the Parent Company presented a Net Result of €0.7 million euro.

**Net Financial Indebtedness** of RDM S.p.A. as of December 31, 2014 amounted to **€64.0 million**, an improvement compared to €70.2 million at December 31, 2013.

The Board of Directors will propose to the Shareholders' Meeting, called by announcement published on March 18, 2015, the distribution of the 2014 profits, equal to Euro 3,424,558.50, as follows:



- Euro 171,227.93 to the Legal Reserve pursuant to Article 2430 of the Italian Civil Code;
- Euro 3,253,330.57 to cover past losses.

## Outlook

Expected 2015 growth in the Euro Area continues to be moderate. An acceleration is not expected to take place before 2016. On one hand, the ECB's expansive monetary policy, in conjunction with lower energy price and more favorable exchange rates, should accelerate the pace of economic recovery, increase the purchasing power of households and internal demand. On the other hand, a solid growth cannot rely solely on external factors and monetary policies; in the meantime, the investment activity remains subdued, unemployment in some countries is still high, with no perspective of rapid improvement, while the confidence of manufacturers continues to be very prudent.

In this scenario, as regards the sector in which Reno De Medici operates, the first months of 2015 do not envisage major changes in sale prices, cost of raw materials and energy costs: they should remain substantially stable, although with a slightly downward trend.

In the first months of 2015 the order flow of the Group has remained satisfactory.

\* \* \*

## Other Resolutions

The Board of Directors of Reno De Medici also approved the Report on Corporate Governance and Ownership Structure as well as the Remuneration Report pursuant Article 123-ter D.Lgs. 58/98.

The Draft Financial Statements as of December 31, 2014, together with the Directors' Report, the Report on Corporate Governance and Ownership Structure, the Report of the Statutory Auditors and Independent Auditors, as well as the Report on Remuneration, together with other items in the Shareholders' Agenda, will be subjected to approval of shareholders at the Meeting called by announcement published on March 18, 2015 on the newspaper MF/Milano Finanza.

All documents will be made available on the Company's website, in the Shareholders' Meeting section, as required by law, while the Board of Directors' Report to the Shareholders is already available.

\*\*\*

*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.*

\* \* \*



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

\*\*\*

*The Annual Financial Report, including the draft Financial Statements, the Consolidate Financial Statements, the Management Report, the Declaration of the Financial Reporting Executive and the Delegated Body, the Report of the Board of Statutory Auditors and the Independent Auditors, as well as the Report on Corporate Governance and Ownership Structure pursuant to Article 123-bis of the CFA will be available to the public within the legal timescales at the Company's registered office at Viale Isonzo 25, Milan; shareholders have the right to obtain copies of the same. Such documents will be also available within the legal timescales on the authorized storage system NIS Storage, accessible at the site [www.emarketstorage.com](http://www.emarketstorage.com), and will be also consultable in the Investor Relations section of the corporate website, [www.renodemedici.it](http://www.renodemedici.it).*

#### For further information

#### Reno De Medici

##### Investor Relator

#### Reno De Medici

Stefano Moccagatta

Tel: +39 02 89966111

E-mail: [investor.relations@rdmgroup.com](mailto:investor.relations@rdmgroup.com)

##### IR Advisor

#### Blue Arrow

Maria Grazia Mantini

Tel: +39 3404980880

E-mail: [mariagrazia.mantini@bluearrow.it](mailto:mariagrazia.mantini@bluearrow.it)

##### Media Relations

#### Image Building

Simona Raffaelli, Alfredo Mele, Valentina Bergamelli

Tel: +39 02 89011300

E-mail: [RenoDeMedici@imagebuilding.it](mailto:RenoDeMedici@imagebuilding.it)