



THE BOARD OF DIRECTORS  
APPROVES THE DRAFT OF STATUTORY AND CONSOLIDATED ANNUAL REPORT  
AS OF DECEMBER 31, 2013

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: €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)

\* \* \*

FULL YEAR 2013 RESULTS OF PARENT COMPANY RENO DE MEDICI S.P.A. (Vs. FULL YEAR 2012):

- ◆ **NET REVENUES: €215.9** MILLION  
(COMPARED TO €230.8 MILLION AS OF 31 DECEMBER 2012)
- ◆ **GROSS OPERATING PROFIT (EBITDA): €23.8** MILLION  
(COMPARED TO €16.2 MILLION AS OF 31 DECEMBER 2012)
- ◆ **NET OPERATING PROFIT (EBIT): €7** MILLION  
(COMPARED TO A LOSS OF €0.4 MILLION AS OF 31 DECEMBER 2012)
- ◆ **NET PROFIT: €0.7** MILLION  
(COMPARED TO A LOSS OF €9.9 MILLION AS OF 31 DECEMBER 2012)
- ◆ **NET FINANCIAL INDEBTEDNESS: €70.2** MILLION  
(€77.3 MILLION AS OF 31 DECEMBER 2012)

\* \* \*



DISTRIBUTION OF THE 2013 PROFITS PROPOSAL: EURO 33,823.54 TO THE LEGAL RESERVE PURSUANT TO ARTICLE 2430 OF THE ITALIAN CIVIL CODE; EURO 642,647.30 TO COVER PAST LOSSES

\* \* \*

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

\* \* \*

INDEPENDENCE REQUIREMENTS OF THE STATUARY AUDITORS BOARD'S MEMBERS REGULARLY CHECKED

*Milan, March 20, 2013*

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, 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, 2013 of the Reno De Medici Group** ("RDM Group" or the "Group").

\* \* \*

## Introduction

In 2013, the overall economic situation showed strengthening signs of recovery, although the extent of the recovery is less than initial expectations. The positive trend in the overall outlook is partly attributable to growth in European demand for white lined chipboard for packaging from recycled fibers, which in terms of volume shipped in 2013 was up by 2.5% over 2012 and slightly above 2011 levels. The trend is positive in all major countries including Italy (+1.6%), but excluding Spain. Growth in Europe resulted in a decline in sales in overseas markets with lower profitability with a resulting improvement in the geographic mix.

In terms of the cost of the main factors of production, during the year raw material prices remained largely stable.

As far as the growth of energy costs is concerned, the price of natural gas stood at lower levels than in 2012; also note, however, that in Italy the level is higher than the European average. As far as Reno De Medici is concerned, the supply agreements signed for 2013 allowed for significant savings over the previous year.

\* \* \*



## Key Indicators of RDM Group as of 31 December 2013

As of December 31, 2013, **Net Revenues** of the Reno De Medici Group totaled **€468.5 million**, (€466.3 million generated in 2012) supported by an increase in tons sold from 834,000 tons in 2012 to 862,000 tons in 2013. In May the Reno De Medici Group ordered an increase in sales price that was necessary to recover profitability, which had gradually eroded, starting in the second half of 2012, due, in fact, to the gradual decrease in prices. There was also an improvement in geographic mix with growth in tons sold in European markets, and in particular in Italy, France and Germany, and a decline in sales in overseas markets which benefited profitability. All plants worked at maximum production capacity.

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

As of December 31, 2013, total EBITDA was €38.2 million, an appreciable improvement over the €27.0 million in the previous year. This change is essentially attributable to the higher sales volumes and the lower cost of energy, either in terms of prices and of efficiency. All plants worked at maximum production capacity. Adds to these factors the recognition of revenues coming from 'Certificates of Energy Efficiency' or 'TTE' (the so-called 'White Certificates') accrued within the projects of energy savings carried out in the Italy-based plants. EBITDA also comprises costs related to the closure of Reno De Medici UK and to resources destined to the reorganization plan of the Cutting Center's activities.

As of December 31, 2013, the **Consolidated Operating Loss (EBIT)** of the RDM Group was positive at €8.5 million, which is also an improvement compared to the loss of €1.5 million reported in 2012.

In 2013 the RDM Group's capital expenditures totaled €15.2 million (€17.8 million in 2012).

As of December 31, 2013 **Consolidated Net Result** is positive for **€2.0 million**, compared to a loss of €12.2 million of 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.

\* \* \*

As of **31 December 2013**, the parent Company Reno De Medici S.p.A. achieved **Net Revenues** of **€215.9 million**, compared to the €230.8 million as at 31 December 2012. This fall was largely due to the sale of the Ovaro plant business unit to R.D.M. Ovaro S.p.A., which took place in the second half of 2012, and was partially offset by higher revenues generated by the other plants despite the fall in average sales prices.

**Gross Operating Profit (EBITDA)** as at December 31, 2013 of parent Company Reno De Medici S.p.A. amounted to €23.8 million, an improvement compared to the €16.2 million recorded in 2012.

As at December 31, 2013, **Net Operating Profit (EBIT)** was positive at €7.0 million, compared to a loss of €0.4 million as at 31 December 2012.

## Key Indicators of Parent Company Reno De Medici S.p.A. as of 31 December 2013



**Net Result** as at 31 December 2013 of Reno de Medici S.p.A. is positive at **€0.7 million**, after depreciation, amortization and write-downs of approximately €16.8 million, net financial expenses of €4.9 million, investment expenses of €4.3 million and taxes of €2.8 million. As at 31 December 2012 Reno de Medici S.p.A. Net Result was negative for €9.9 million.

**The Net Financial Indebtedness of Reno De Medici S.p.A.** as at December 31, 2013 amounted to €70.2 million, an improvement compared to €77.3 million at December 31, 2012.

The Board of Directors will propose to the General Shareholders' Meeting, called by announcement published last 19 March, the distribution of the 2013 profits, equal to Euro 676.470,84, as follows: a) Euro 33,823.54 to the Legal reserve pursuant to Article 2430 of the Italian Civil Code; b) Euro 642,647.30 to cover past losses.

\* \* \*

## Outlook

The macroeconomic and market environment should gradually improve in 2014 leading to the expectation of solid GDP growth and increased consumption in the US, stabilized growth in China at more sustainable levels and a positive outlook in India. In Europe and the Euro zone, growth measures should return in almost all countries, and the gap between stronger and more vulnerable countries should narrow, but still remain high. The most positive aspect, including for the sector in which the Company operates, is that the driving force of the recovery should again be growth in demand and domestic consumption surpassing exports that drove the beginning of the recovery in the second half of 2013.

On the other hand, there is the risk that long-term recovery will continue to be slow and modest, especially if the necessary structural, tax and institutional reforms are not implemented with due speed and force.

With regard to the sector of chipboard packaging produced from recycled fibers in which the Company operates, performance at the beginning of 2014 is largely in line with the end of 2013, with largely stable prices for key factors of production, pulp raw materials and energy, which are not expected to rise in the short term.

Thus, in 2014 we are expecting a slight improvement over the previous year subject to the uncertainties indicated above.

\* \* \*

## Other Resolutions

The Board of Directors of Reno De Medici S.p.A. also approved the Report on Corporate Governance and Ownership Structure, the annual Remuneration Report pursuant to Article 123-ter D. Lgs. 58/98 and the Social and Environment Report for year 2013 of RDM Group. Moreover the Board regularly checked the independence requirements of the Statutory Auditors Board Members'.

The Draft financial statement as of 31 December 2013, 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 the other items in the Shareholders' Agenda, will be subjected to approval of shareholders at the Meeting called by announcement, published last 19 March on the newspaper MF/Milano Finanza.



All documents will be made available on the company website, in the Shareholders' meeting section, as required by law, while the Board of Directors' Report relative to the second point of the Shareholders' Agenda 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 Consolidated Financial Statements, the Management Report, the Report pursuant to Article 123-bis of the CFA, 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 Remuneration Report pursuant to Article 123-ter of the CFA, will be made available to the public within the legal timescales at the Company's registered office at Via Durini 16/18, Milan, and at Borsa Italiana S.p.A.; shareholders have the right to obtain copies of the same.*

\* \* \*



For further  
information

Reno De Medici

Investor Relator

Zaki Haned

Tel. +39 02 89966 234

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

**Image Building**

**Media Relations**

Simona Raffaelli, Alfredo Mele, Valentina Bergamelli

Tel: +39 02 89011300

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

press release