



THE BOARD OF DIRECTORS  
APPROVES THE INTERIM REPORT AS AT DECEMBER 31, 2015

KEY FULL YEAR 2015 CONSOLIDATED RESULTS (VS. FULL YEAR 2014):

- ◆ **NET REVENUES:** €438.2 MILLION  
(COMPARED TO €426.1 MILLION AS AT DECEMBER 31, 2014)
- ◆ **GROSS OPERATING PROFIT (EBITDA):** €41.8 MILLION  
(COMPARED TO €41.2 MILLION AS AT DECEMBER 31, 2014)
- ◆ **OPERATING PROFIT (EBIT):** €17.2 MILLION  
(COMPARED TO €18.4 MILLION AS AT DECEMBER 31, 2014)
- ◆ **NET PROFIT BEFORE DISCONTINUED OPERATIONS:** €11.0 MILLION  
(COMPARED TO €10.2 MILLION AS AT DECEMBER 31, 2014)
- ◆ **NET PROFIT FOR THE PERIOD:** €9.9 MILLION  
(COMPARED TO €5.4 MILLION AS AT DECEMBER 31, 2014)
- ◆ **NET FINANCIAL INDEBTEDNESS:** €50.3 MILLION  
(COMPARED TO €65.9 MILLION AS AT DECEMBER 31, 2014)

*Milan, February 11, 2016*

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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 **Interim Consolidated Report as at December 31, 2015** of the Reno De Medici Group (“RDM Group” or the “Group”), which closes with revenues equal to 438.2 million euro, an increase vs. 426.1 million euro as at December 31, 2014, and with **Net Profit** of 9.9 million euro, a strong growth compared to 5.4 million euro in 2014. EBITDA is 41.8 million euro, an increase vs. 41.2 million euro as at December 31, 2014, and Net Financial Indebtedness declines to 50.3 million euro, a significant improvement compared to 65.9 million euro as at December 31, 2014, thanks to positive performance of operations.

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## Introduction

In the **White Lined Chipboard** sector, in which Reno De Medici operates, in 2015 the European demand grew by 2.8% compared to the previous year, mainly driven by Eastern countries. In the framework of a generally positive trend, a negative performance was experienced both in Germany, with a limited decline, and in the United Kingdom, showing a larger fall. In the fourth quarter, in particular the European demand showed a decrease, which is not significant if compared to the same quarter of 2014, and more significant when compared to the previous quarter. Such slow-down, which is not in line with the general economic evolution, might represent a natural adjustment following the exceptionally high order flow recorded in the first half of the year, reflecting operators' de-stocking behaviours. Demand dynamics in Q4 can therefore be interpreted as a temporary situation. In January, the order inflow returned to more normal and satisfactory levels.

As regards the main **factors of production**, prices of recycled fibers, which increased until August, stabilized in September, then decreased in the last months of the year. Such evolution is in line with the trend of Chinese imports from Europe, which have shown a decline in late 2015. The prices of the chemical products present a mixed picture, as latex prices have decreased since July/August, whilst starch prices have grown.

The **price of natural gas**, main energy source for the Reno De Medici Group, and the **price of coal**, main energy source for the Arnsberg mill, have shown a steady decline in Q4; even the **electricity prices** have shown a downward trend in the last part of the year. Despite the general decrease in the price of energy components, in 2015 the cost of electricity for the Italian mills has recorded a substantial increase, due to the mandatory contribution imposed also on self-produced energy, in order to support renewable energy sources: in October, after the new increase, the weight of mandatory contribution was higher than the bare cost of electricity.

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The following table summarizes key Income Statement indicators as at December 31, 2015 and 2014.

	12.31.2015	12.31.2014
(thousands of euros)		
Revenues from sales	438,235	426,134
OPERATING PROFIT (EBITDA) (1)	41,803	41,192
EBIT (2)	17,236	18,428
Pre-tax income (3)	14,652	14,060
<i>Current and deferred taxes</i>	<i>(3,676)</i>	<i>(3,887)</i>
Profit (Loss) for the period before discontinued operations	10,976	10,173
Discontinued operations	(1,114)	(4,755)
Profit (Loss) for the period	9,862	5,418

1) See "Gross operating profit" in the Consolidated Financial Statements of the RDM Group

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

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

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**Main  
Consolidated  
Results as at  
December 31,  
2015**

As at December 31, 2015, the RDM Group **Revenues from Sales** amount to **438.2 million euro**, an increase vs. 426.1 million euro in the previous fiscal year. The improvement is mainly due to **higher sold volumes, equal to 824,000 tons** as at December 31, 2015 (such amount does not include the Spanish Subsidiary Company Reno De Medici Ibérica S.I.ù., which, starting from the FY2014, has been presented in the accounts as 'held for sale') vs. the 805,000 tons sold in 2014. Such increase was mainly driven by the larger contribution from the Santa Giustina mill. **Selling prices** started to rise in Q3: the increase announced in spring began to show its effects from July, recovering the gradual erosion that prices had suffered in the second half of 2014. In Q4 2015 average selling prices declined vs. Q3, even due to a different market mix. Average 2015 prices thus resulted in being in line with previous year.

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As at December 31, 2015 the **Gross Operating Profit (EBITDA)** is equal to **41.8 million euro**, an increase compared to 41.2 million euro in 2014. The improvement in operating profitability is even more sizeable when adjusted for the impact of the Energy Efficiency Certificates, which in 2014



were granted for a higher amount following the completion of five-year projects.

In 2015, **2.2 million euro** of assets' write-downs were charged, due to the adjustment of the value of some buildings and relevant service facilities at the Magenta mill, in addition to the provisioning for dismantling costs.

As a consequence of lower EEC and higher asset write-downs, **Operating Profit (EBIT)** amounts to **17.2 million euro**, compared to 18.4 million euro recorded in 2014.

In 2015, **Net Financial Expenses** amount to 3.1 million euro, a substantial decrease compared to 4.6 million euro in 2014. Such improvement reflects the decrease in Net Financial Indebtedness and the benefits of lower interest rates on the average cost of debt. Exchange differences were also positive, due to the revaluation of the US dollar and the GBP recorded in Q1 2015.

In 2015, the provisions for **Income Tax** amount to **3.7 million euro**, a slight decrease vs. 3.9 million euro recorded in the previous year.

In 2015, **Net Consolidated Profit ante Discontinued Operations** is **11.0 million euro**, an increase compared to 10.2 million euro recorded in the previous fiscal year.

The **Result from Discontinued Operations** is **negative by 1.1 million euro**, compared to -4.8 million euro in 2014. Basically, such result represents the 2015 loss of the subsidiary company RDM Ibérica S.l.ù., which at the end of 2014 was made held for sale and reclassified accordingly, following the provisions of IFRS 5. On January 27, 2016, the sale of the Subsidiary Company took place.

In 2015, the RDM Group reached a **Net Profit of 9.9 million euro**, a sizeable increase vs. 5.4 million euro in 2014, which was penalized by the negative impact of the Discontinued Operations.

During 2015 **Capital Expenditure** made by the RDM Group amounted to 13.0 million euro, vs. 19.7 million euro in 2014.

**Net Financial Indebtedness** as at December 31, 2015 is 50.3 million euro (including Reno De Medici Ibérica S.l.ù.), with a 15.6 million euro improvement vs. 65.9 million euro as at December 31, 2014, thanks to the positive operating performance. Moreover, today the RDM Group presents a debt mainly based on long-term facilities, which provide the source stability needed for adequately supporting operations, especially technical capital expenditure, and possible strategic opportunities.

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## Key events

On January 27, 2016, **Reno De Medici Ibérica S.I.ù.** has been sold to a newly-established Spanish Company, set up by a group of managers and former managers of the Subsidiary, at a price of 800,000 euro, corresponding to the book value in the consolidated accounts of Reno De Medici. The sale will allow a 4.2 million euro reduction in the Group financial indebtedness.

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## Outlook

As regards the macroeconomic scenario, the evolution of Q1 2016 should be in line with that of Q4 2015.

Forecasts for 2016 envisage a moderate acceleration of global growth (+3.4% according to FMI estimates), while in the Euro Area the increase expected in 2016 should attain +1.7%. In Italy, in particular, a 1.3% growth is forecasted, which is much higher than the 0.8% growth recorded in 2015. All the factors that supported the 2015 improvements should continue to be in place even in 2016: low energy cost, favourable exchange rate of the Euro, declining unemployment, and accommodative ECB's monetary policy.

In the sector in which Reno De Medici operates, the beginning of 2016 is moderately encouraging, with order inflows recovering more satisfactory levels. Furthermore, the evolution of prices of recycled fibers confirms the downward trend, whilst energy prices continue to stay at very low levels.

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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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*Since today, the Interim Report as of December 31, 2015 will be available on the authorized storage system NIS Storage, accessible at the site [www.emarketstorage.com](http://www.emarketstorage.com), and will be consultable in the Investor Relations section of the corporate website, [www.renodemedici.it](http://www.renodemedici.it).*



For further  
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press release

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THE TABLES RELATIVE TO FINANCIAL STATEMENTS OF RDM GROUP AS OF DECEMBER 31, 2015 ARE ATTACHED BELOW



Consolidated  
Income  
Statement

Consolidated Income Statement		12.31.2015	12.31.2014
	(thousands of Euros)		
Revenues from sales		438,235	426,134
Other revenues and income		6,488	14,152
Change in inventories of finished goods		(2,375)	(3,294)
Cost of raw materials and services		(331,376)	(324,968)
Personnel costs		(63,663)	(65,674)
Other operating costs		(5,506)	(5,158)
<b>Gross operating profit</b>		<b>41,803</b>	<b>41,192</b>
Depreciation and amortization		(22,345)	(22,557)
Write-downs		(2,222)	(207)
<b>Operating profit</b>		<b>17,236</b>	<b>18,428</b>
	<i>Financial expense</i>	(3,597)	(5,364)
	<i>Gains (losses) on foreign exchange</i>	450	628
	<i>Financial income</i>	20	88
Net financial income/(expense)		(3,127)	(4,648)
Gains (losses) from investments		543	280
Taxes		(3,676)	(3,887)
<b>Profit (loss) for the period before net result Before discontinued operations</b>		<b>10,976</b>	<b>10,173</b>
Net result from discontinued operations		(1,114)	(4,755)
<b>Profit (loss) for the period</b>		<b>9,862</b>	<b>5,418</b>
attributable to:			
Group's share of profit (loss) for the period		9,784	5,478
Minority interest in profit (loss) for the period		78	(60)



Consolidated  
Statement of  
Financial  
Position-  
Assets

Statement of Financial Position - ASSETS	12.31.2015	12.31.2014
(thousands of Euros)		
<b><i>Non-current assets</i></b>		
Tangible fixed assets	190,452	202,768
Other intangible assets	5,828	5,859
Equity investments	1,981	1,706
Deferred tax assets	2,795	3,245
Other receivables	1,167	990
<b>Total non-current assets</b>	<b>202,223</b>	<b>214,568</b>
<b><i>Current assets</i></b>		
Inventories	68,200	70,595
Trade receivables	59,174	59,643
Other receivables	7,957	8,934
Cash and cash equivalents	23,146	2,376
<b>Total current assets</b>	<b>158,477</b>	<b>141,548</b>
<b>Asset held for sale</b>	<b>8,129</b>	<b>10,425</b>
<b>TOTAL ASSETS</b>	<b>368,829</b>	<b>366,541</b>



Consolidated  
Statement of  
Financial Position  
– Liabilities and  
Shareholders'  
Equity

<b>Statement of Financial Position - LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>12.31.2015</b>	<b>12.31.2014</b>
(thousands of Euros)		
<b>Shareholders' equity</b>		
Shareholders' equity attributable to the Group	151,973	141,198
Minority interests	439	362
<b>Total shareholders' equity</b>	<b>152,412</b>	<b>141,560</b>
<b>Non-current liabilities</b>		
Payables to banks and other lenders	53,280	26,725
Derivative instruments	50	18
Other payables	130	182
Deferred taxes	8,888	10,589
Employee benefits	29,063	30,674
Non-current provisions for risks and charges	2,657	4,780
<b>Total non-current liabilities</b>	<b>94,068</b>	<b>72,968</b>
<b>Current liabilities</b>		
Payables to banks and other lenders	14,839	36,196
Derivative instruments	146	286
Trade payables	84,893	88,532
Other payables	14,137	15,364
Current taxes	378	2,396
Current provisions for risks and charges	452	
Employee benefits	31	924
<b>Total current liabilities</b>	<b>114,876</b>	<b>143,698</b>
Liabilities held for sale	7,473	8,315
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>368,829</b>	<b>366,541</b>


**Net Financial  
Position**

<b>Net financial position</b>	<b>12.31.2015</b>	<b>12.31.2014</b>	<b>Change</b>
(thousands of Euros)			
Cash, cash equivalents and short-term financial receivables	24,025	3,698	20,327
Short-term financial debt	(20,148)	(41,707)	21,559
Valuation of current portion of derivatives	(146)	(286)	140
<b>Short-term net financial position</b>	<b>3,731</b>	<b>(38,295)</b>	<b>42,026</b>
Medium-term financial debt	(53,936)	(27,581)	(26,355)
Valuation of non-current portion of derivatives	(50)	(18)	(32)
<b>Net financial position</b>	<b>(50,255)</b>	<b>(65,894)</b>	<b>15,639</b>