



Press Release

The document sets out the "Additional Periodic Financial Information" that the Company discloses also in relation to the regulatory obligations associated with the STAR issuer qualification.

The structure and contents of the document are unchanged compared to the Interim Financial Reports already published under art. 154 ter comma 5 of Testo Unico della Finanza.

The Board of Directors approves the Interim Financial Report as of September 30, 2017

- **CONSOLIDATED NET REVENUES OF 429.7 MILLION EUROS, + 24.2% COMPARED TO 345.9 MILLION EUROS AS OF SEPTEMBER 30, 2016.**
- **CONSOLIDATED GROSS OPERATING PROFIT (EBITDA) OF 33.0 MILLION EUROS, WITH AN INCREASE OF 9.6 MILLION COMPARED TO 23.4 MILLION EUROS AS OF SEPTEMBER 30, 2016 (+41.0).**
- **CONSOLIDATED OPERATING PROFIT (EBIT) OF 16.1 MILLION EUROS, WITH AN IMPROVEMENT OF 9.0 MILLION EUROS COMPARED TO 7.1 MILLION EUROS AS OF SEPTEMBER 30, 2016 (+126.8%).**
- **NET PROFIT FOR THE PERIOD OF 12.1 MILLION EUROS, MORE THAN TRIPLE COMPARED TO 3.5 MILLION EUROS AS OF SEPTEMBER 30, 2016.**
- **NET FINANCIAL INDEBTEDNESS OF 42 MILLION EUROS (44.4 MILLION EUROS AS OF DECEMBER 31, 2016 AND 55.9 MILLION EUROS AS OF SEPTEMBER 30, 2016)**
- **ÉRIC LAFLAMME CO-OPTED TO THE BOARD AND APPOINTED CHAIRMAN, REPLACING THE RESIGNING ROBERT HALL**

Milan, November 3, 2017 - The Board of Directors of Reno De Medici S.p.A., meeting today under the chairmanship of Robert Hall, reviewed and approved the Interim Financial Report as of September 30, 2017.

Michele Bianchi, CEO of RDM, commented: *"I am very pleased with the response that the RDM Group's structure has given in recent months to the changes set by the new strategy and cultural evolution towards the 'One Company' approach. The integration of R.D.M. La Rochette S.A.S.'s business can be considered almost completed; production units work with increasing synergy and efficiency and the market appreciates our portfolio of well-diversified products. All this is reflected in the positive economic and operating results approved today by the BoD."*

"In a market environment characterized by good demand and growing sales volumes for our most important business areas, we are optimistic for continuing our business with the goal of seizing additional opportunities from the optimization of the business model and of a unique and integrated commercial strategy at European level" concluded Bianchi.

The Group's performances as of September 30, 2017

The comparison with the nine months of the 2016 financial year should take into account the impact on the consolidation of operations of June 30, 2016, the acquisition of R.D.M. La Rochette S.A.S. and the

integration of the R.D.M. Group Marketing, whose financial figures as of September 30, 2016 had been consolidated only in the third quarter of 2016.

In addition to the extension of the scope of consolidation, the results for the first nine months of 2017 also reflect a good trend in the traditional business, together with the positive effects of the Group reorganization implemented at the beginning of the year, with consequent impacts on operational profitability.

In particular, the third quarter of 2017 confirms the progress already recorded in the first half of the year thanks to the growth in domestic and European market demand and the positive flow of orders recorded by both divisions where the Reno De Medici Group operates: the traditional WLC - White Lined Chipboard (made from recycled fibers) and the FBB - Folding Box Board segment (cardboard for folding boxes made from virgin fibers).

Below is an indication of the main consolidated financial and economic highlights as of September 30, 2017

Consolidated Net Revenues amounted to 429.7 million Euros compared to 345.9 million in the same period of the previous year as a result of higher intermediate volumes in both business segments and a positive effect on the increase in average sales prices applied since the end of the first quarter. The increase of 83.7 million Euros was to be attributed to 60.3 million Euros for the different consolidation period of R.D.M. La Rochette S.A.S. and 23.4 million Euros for higher revenues in the traditional WLC segment.

In terms of volumes, in the first nine months of the year, the tons sold were 766 thousand compared with 650 thousand sold in the same period of 2016, growth recorded in the traditional WLC segment and by consolidation over the nine months of units sold by R.D.M. La Rochette S.A.S..

In terms of geographic markets, growth is confirmed in the main reference markets and the internationalization path, driven by the integration of R.D.M. La Rochette S.A.S.. European sales (excluding Italy), amounting to 237.2 million Euros, grew by 36.2% and now representing 55% of the Group's total, while Italy - representing 32.6% of total sales - recorded an increase of 14.6%. In addition, sales outside the European Union amounted to 52.3 million Euros (+ 5.5%).

Regarding the **main factors of production**, the average price of raw materials in the first nine months of 2017 was significantly higher compared to the same period of the previous fiscal year. Until August, prices of paper for recycling have been constantly evolving upwards, driven by an acceleration in exports to the Far East and mainly to China, together with the effect of an increase in demand resulting from higher production capacity in some contiguous business sectors (mainly containerboard). This trend, mainly related to the Chinese market, was discontinued in September following the announcement of import restrictions on imports of unsorted paper imposed by the Chinese Government. The impact of price drop has so far been negligible.

The average cost of **energy factors** is slightly lower than in the same period of the previous fiscal year, albeit characterized by high volatility until June and a rise in the third quarter in the light of an improvement

in the macroeconomic environment and consequent increased energy needs. There is also a positive effect on consumption thanks to the investment and efficiency plan adopted over the last few years.

The **Personnel cost** during the period amounted to 65.8 million Euros, an increase of 12.7 million compared to 2016 following the consolidation of R.D.M. La Rochette S.A.S. and of R.D.M. Marketing with an impact of +9.3 and +3.4 million Euros respectively (also in this case for the different consolidation periods). In addition, the increase in personnel costs for the period was affected by the reorganization plan carried out at the beginning of 2017, for an amount of +1.2 million Euros.

In the first nine months of 2017, the **Gross Operating Profit (EBITDA)** amounted to 33.0 million Euros, compared to 23.4 million in the corresponding period of 2016, up by 9.6 million Euros.

EBITDA of the traditional WLC business recorded an increase of 6.6 million Euros (+ 22.8%), thanks to an increase in volumes, sales prices and production and management efficiency adopted since the beginning of the year, which more than offset the impact of rising raw material costs.

The contribution made by R.D.M. La Rochette S.A.S. amounted to 4.0 million Euros (compared to 1.0 million Euros in 2016 for the different consolidation scope), despite the longest Summer production stand-still for the installation of new equipment, which significantly affected on the margins of the third quarter of the division. EBITDA also benefits for an amount of 1.1 million euro from the reversal of the provision for the 'energy renewable surcharge already recorded in the first half.

Operating Profit (EBIT) amounted to 16.1 million Euros compared to 7.1 million at the end of September 2016, including 3.3 million Euros generated by the subsidiary R.D.M. La Rochette S.A.S..

Consolidated Net Profit for the period amounted to 12.1 million Euros, more than tripled compared to 3.5 million Euros in the first nine months of 2016. The increase of 8.6 million Euros is for 2.7 million Euros due to the net profit of R.D.M. La Rochette S.A.S., compared to 0.6 million Euros of the nine months in 2016, mainly due to the different consolidation period.

Consolidated Net Financial Indebtedness as of September 30, 2017 was 42 million Euros, down 2.4 million Euros compared to 44.4 million as of December 31, 2016 and 13.9 million Euros compared with the same period of the previous year (September 30, 2016), thanks to positive operational and earnings performance, despite the impact of non-ordinary disbursements for a total amount of 6.6 million Euros in the first six months of the year.

Non-Ordinary outflows include dividends-paid and shares 'buyback' for 1.3 million Euros; investment in Paper Interconnector S.c.r.l. for 1.7 million Euros; to the restructuring costs of the organization for 1 million Euros and to the deposit made by RDM Arnsberg GmbH on the 'Logo Fee' tax case for 2.6 million Euros.

Éric Laflamme Co-opted to the Board and appointed Chairman, replacing the resigning Robert Hall

The Board of Directors accepted the resignation of non-executive Chairman and director Robert Hall who resigned in order to devote his full time and attention to his duties in Cascades' Group specifically on the North American market.

The Board expressed its deep appreciation to Mr. Hall for his contribution to the growth of the company during his tenure.

The resignation will not result the recognition of any benefit or indemnity in favor of Mr. Hall. The resigning director does not hold any shares in the company.

Upon the proposal of the outgoing Chairman, the Board co-opted, Mr. Éric Laflamme until the next shareholders' meeting, granting him the office of Chairman, without conferral of specific individual executive powers that remain solely with the Chief Executive Officer Michele Bianchi.

Mr. Laflamme, formerly an employee of Cascades Inc, has developed within the Cascades Group significant professional expertise and management experience in the boxboard sector both in Europe and North America. His résumé is attached to this press release. Mr. Laflamme is qualifiable as a non-independent and non-executive director in accordance with the provisions of the Corporate Governance Code of Borsa Italiana S.p.A.

The newly appointed Chairman does not hold shares in Reno de Medici S.p.a.

With reference to the statutory provisions on the co-optation of directors, notice should be taken that the Board has simultaneously acknowledged the willingness to renounce the nomination expressed by the unelected candidate of the only list submitted - by Cascades - to the shareholders' meeting of April 28, 2017, list from which the entire Board was appointed. The waiver was expressed in view of the strong adequacy of the professional profile of the newly appointed administrator to the position of Chairman.

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 Financial Law") that the accounting information contained in this press release corresponds to documentary results and to accounting books and records.

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

Since today, the Interim Report as of September 30, 2017 will be available at the Company's registered office in Milan, Viale Isonzo 25, on the corporate website www.rdmgroup.com (Company Section/Investor Relations) and will be consultable on the authorized storage system, accessible at the site www.emarketstorage.com.

Attached:

- Consolidated Balance Sheet as of September 30, 2017
- Consolidated Income Statement as of September 30, 2017
- Consolidated Net Financial Position as of September 30, 2017
- Éric Laflamme's résumé



For further information

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Consolidated Balance Sheet as of September 30, 2017

Statement of Financial Position - ASSETS	09.30.2017	12.31.2016
(thousands of Euros)		
<i>Non-current assets</i>		
Tangible assets	193,372	196,633
Other intangible assets	8,067	6,441
Equity investments	4,595	2,509
Deferred tax assets	1,504	1,536
Other receivables	8,132	3,679
Total non-current assets	215,670	210,798
<i>Current assets</i>		
Inventories	82,620	82,450
Trade receivables	76,840	67,405
Other receivables	10,291	12,866
Cash and cash equivalents	24,827	29,331
Total current assets	194,578	192,052
TOTAL ASSETS	410.248	402.850

Statement of Financial Position - LIABILITIES AND SHAREHOLDERS' EQUITY	09.30.2017	12.31.2016
(thousands of Euros)		
Shareholders' equity		
Shareholders' equity attributable to the Group	166,334	155,216
Total shareholders' equity	166,334	155,216
Non-current liabilities		
Payables to banks and other lenders	51,231	57,627
Derivative instruments	207	268
Other payables	38	79
Deferred taxes	6,351	7,492
Employee benefits	33,275	33,878
Non-current provisions for risks and charges	5,624	6,224
Total non-current liabilities	96,726	105,568
Current liabilities		
Payables to banks and other lenders	16,009	16,174
Derivative instruments	138	154
Trade payables	106,819	103,685
Other payables	21,730	20,543
Current taxes	1,217	657
Current provisions for risks and charges	827	841
Employee benefits	448	12
Total current liabilities	147,188	142,066
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	410,248	402.850

Consolidated Income Statement as of September 30, 2017

Consolidated Income Statement	09.30.2017	09.30.2016
(thousands of Euros)		
Revenues from sales	429,653	345,944
Other revenues and income	5,613	3,555
Change in inventories of finished goods	(5,129)	(2,624)
Cost of raw materials and services	(329,320)	(267,766)
Personnel costs	(65,793)	(53,055)
Other operating costs	(2,018)	(2,685)
Gross operating profit	33,006	23,369
Depreciation and amortization	(16,889)	(16,279)
Write-downs and revaluations		
Operating profit	16,117	7,090
<i>Financial expense</i>	(1,944)	(2,368)
<i>Gains (losses) on foreign exchange</i>	(457)	(165)
<i>Financial income</i>	3	23
Net financial income/(expense)	(2,398)	(2,510)
Gains (losses) from investments	450	708
Taxes	(2,072)	(1,557)
Profit (loss) for the period before discontinued operations	12,097	3,731
Discontinued operations		(188)
Profit (loss) for the period	12,097	3,543
attributable to:		
Group's share of profit (loss) for the period	12,097	3,485
Minority interest in profit (loss) for the period		58

Consolidated Net Financial Position as of September 30, 2017

Net financial position	09.30.2017	12.31.2016	Variation
(thousands of Euros)			
Cash, cash equivalents and short-term financial receivables	25,245	29,677	(4,432)
Short-term financial debt	(16,008)	(16,327)	319
Valuation of current portion of derivatives	(138)	(154)	16
Short-term net financial position	9,099	13,196	(4,097)
Medium-term financial receivables	300	300	0
Medium-term financial debt	(51,232)	(57,627)	6,395
Valuation of non-current portion of derivatives	(207)	(268)	61
Net financial position	(42,040)	(44,399)	2,359

CURRICULUM VITAE

ÉRIC LAFLAMME

Personal Information

Date of Birth: May 22, 1964 | Marital Status: Married with two children |

Languages: French (first language)
English (spoken, read and written)
Swedish (spoken, read)
German (Some – 60 hours)

Education

Bachelor's degree in Administration, Accounting and Information & Management Systems

Work Experiences

President and Owner (100%) of Emballage Gregso located in St-Eustache, Québec, Canada
2013 – up today

The company specializes in wood packaging sector, supplying specialized wood packaging for the heavy manufacturing industry.

Consulting Services
2011 to 2013

Management consulting services for a variety of businesses. Creation and implementation of my own business.

President and Chief Operating Officer of Groupe Emballage Spécialisé located in Lachine, Québec, Canada
2008 to 2011

Groupe Emballage Spécialisé is a private company specializes in protection packaging. With sales in excess of \$250M, its operating facilities are located in Canada, United States, Mexico, France and Germany.

Responsibilities: In charge of all the Group's operations (1,500 employees within 36 units) as well as sales, finance and IT.

President and Chief Operation Officer of Cascades Boxboard Group, located in Montréal, Québec, Canada
2002 to 2008

Cascades Inc. with its Head Office located in Kingsey Falls, Québec, Canada, is a multinational paper and packaging company with close to 90 operating facilities and nearly 11,000 employees across Canada, United States, and Europe. In 2016, sales increased to \$4,001 million.

Responsibilities: In charge of Cascades Boxboard's North American operations.

Vice-President and General Manager at Cascades SA, located in Paris, France
1998 to 2002

Cascades SA was the European Head Office of the Cascades' Boxboard Group.

Responsibilities: In charge of all the operations of the four European manufacturing facilities located in France, Germany, Sweden and England (1,300 employees), with sales of \$450M CDN through Europe, Africa and Asia.

General Manager, Sales and Marketing at Cascades SA, located in Paris, France
1995 to 1998

Responsibilities: Manage and supervise the Sales & Marketing European Network and outside Europe.

Mill Manager at Cascades Duffel NV, located in Duffel, Belgium
1993 to 1995

Responsibilities: In charge of the facility's operations and the strategic planning, sales, production, finance, environment and investments.

Mill Manager at Cascades Djupafors AB, located in Djupafors, Sweden
1991 to 1992

Responsibilities: In charge of the facility's operations and financing results, as well as sales, production, finance, environment and investments.

Controller at Cascades Djupafors AB, located in Djupafors, Sweden
1989 to 1990

Responsibilities: Start-up and implementation of the accounting systems and management; Implement the Cascades' business philosophy, its policies and procedures; integrate the facility within the Cascades' Group.