Q1

Reno De Medici

Interim Report
03.31.2014

NET REVENUES: €122.6 MILLION
(COMPARED TO €122.7 MILLION AS AT MARCH 31, 2013)

GROSS OPERATING PROFIT (EBITDA): €14 MILLION
(COMPARED TO €8.0 MILLION AS AT MARCH 31, 2013)

OPERATING PROFIT (EBIT): PROFIT OF €8.2 MILLION
(COMPARED TO A PROFIT OF €1.8 MILLION AS AT MARCH 31, 2013)

NET PROFIT (LOSS) FOR THE PERIOD: PROFIT OF €5.6 MILLION
(COMPARED TO A LOSS OF €0.2 MILLION AS AT MARCH 31, 2013)

NET FINANCIAL DEBT: €74.5 MILLION
(€73.5 MILLION AS AT DECEMBER 31, 2013)

Reno De Medici S.p.A.
Via Durini 16/18, Milan
Share capital €185,122,487.06
Tax code and VAT number 00883670150

CONTENTS

BOARD OF DIRECTORS AND AUDITORS 2

GROUP OPERATING COMPANIES AS AT MARCH 31, 2014 3

DIRECTORS' REPORT ON OPERATIONS 4

CONSOLIDATED RESULTS 6

KEY EVENTS 7

OUTLOOK 7

CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2014 8

NOTES 12

ACCOUNTING PRINCIPLES 12

STATEMENT OF EXECUTIVE RESPONSIBLE FOR THE PREPARATION OF THE COMPANY'S FINANCIAL REPORTS PURSUANT TO ARTICLE 154-*BIS*, PARAGRAPH 2, OF LEGISLATIVE DECREE 58/1998 (CONSOLIDATED FINANCIAL ACT) 14

BOARD OF DIRECTORS AND AUDITORS

Board of Directors

Robert Hall	Chairman
Ignazio Capuano	CEO
Enrico Giliberti	Director
Laura Guazzoni	Director
Laurent Lemaire	Director

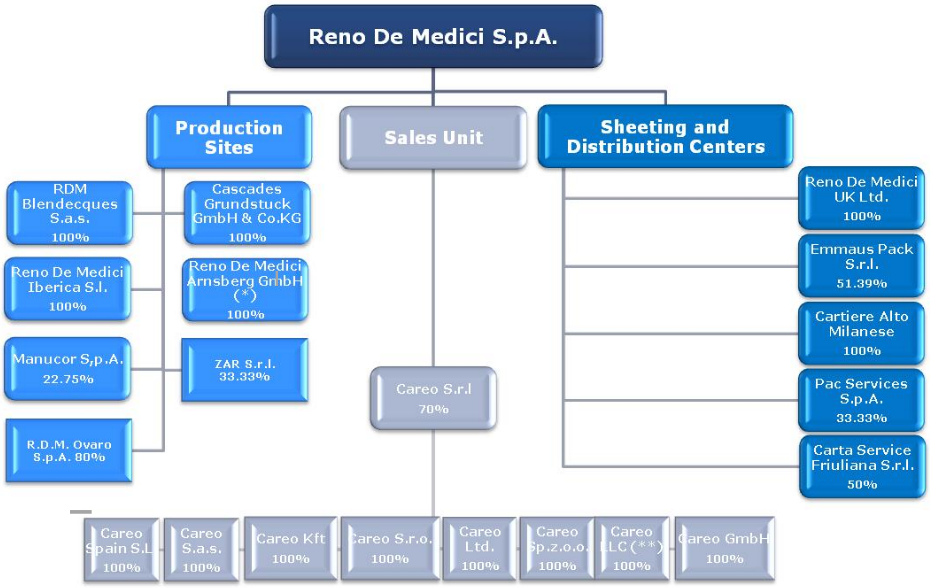
Board of Statutory Auditors

Carlo Tavormina	Chairman
Giovanni Maria Conti	Standing Auditor
Tiziana Masolini	Standing Auditor
Domenico Maisano	Alternate Auditor

Independent Auditors

Deloitte & Touche S.p.A.

GROUP OPERATING COMPANIES AS AT MARCH 31, 2014



(*) Company owned 94% by Reno De Medici S.p.A. and 6% by Cascades Grundstück GmbH & Co.KG.

(**) Company in liquidation

DIRECTORS' REPORT ON OPERATIONS

Reno De Medici ended the first quarter of 2014 on a positive note with an EBITDA of €14 million, net growth compared to the €8 million of the first quarter of 2013. Net profit rose to €5.6 million, compared with a slight loss (€-226,000) in the same period of the previous year.

The development of the general macroeconomic situation confirms the positive trend that materialized in the second half of 2013 when indications that the long crisis was ending began to appear.
The most recent forecasts of the International Monetary Fund and the ECB on the prospects for growth in 2014 essentially confirm previous forecasts, with growth for the global economy expected to be around 3.6%, compared with 3% in 2013. The greatest boost to the recovery is expected to come from the advanced economies, driven by the United States where growth should reach a solid +2.8% (+1.9% in 2013). The Eurozone should also see a return to positive figures, both as a whole (+1.2%), and for the individual countries; growth rates, however, confirm the difference between Germany, where growth is anticipated to be a significant +1.7%, and France, Italy and Spain where forecasts predict a maximum of +1%. Against this background, the prospects for the recovery of the weakest economies in the area, including Italy, remain weak and fragile: the credit crunch and the prolonged fiscal freeze are currently putting the brakes on domestic demand, and the improvement in prospects is also linked, as pointed out by the ECB in March, "to the less pronounced reduction of the financial lever in the private sector and to less conspicuous recovery interventions for public finances".
The global growth rate of emerging countries should be around +4.9% in 2014, but potential global growth appears to be lower, with very different situations recorded in the various countries. In China, growth is more balanced at more moderate rates. In other countries, the recovery of the advanced economies, on the one side gives a boost to exports, but on the other side risks creating a less favorable situation for investment; added to this are the structural weaknesses of many countries which are curbing the take-off of domestic demand.

As far as the specific development of the sector in which the Reno De Medici Group operates, European demand for white lined chipboard for packaging produced from recycled fibers increased in the first quarter of 2014 by +2.4% compared to the same period in 2013, and by +6.8% compared to the previous quarter. The recovery in Europe, especially in the previous quarter, caused a corresponding fall in sales in less profitable overseas markets, with a resulting improvement in the geographic mix. The level of orders and the back-log are good, showing a slight increase at the end of March compared to December 2013, both at sector level and for the Reno De Medici Group.

The figures for tons dispatched by the Reno De Medici Group in the first quarter of 2014 reached 228,000 units, essentially in line with the previous year; revenues, which stood at €123 million, were also in line with previous figures. All plants worked at maximum production capacity.

As far as the cost of the main production factors is concerned, prices of recover paper in the first quarter of 2014 remained essentially stable at the same levels as in September 2013, which were, however, lower than the average prices for the first quarter of the previous year.
The price of natural gas was lower than at the end of 2013, in a context featuring low oil prices and abundant availability of gas at the European hubs. The comparison with the prices in the first quarter of 2013 also shows a slight fall, especially in Italy.
The price of coal, the main source of energy for the Arnsberg plant, was essentially stable, but in this case too the comparison with the same period in the previous year shows a significant fall in average prices.

In the first quarter of 2014, the cost of labor fell slightly over the previous year from €18.2 to €17.9 million. Annual contract increases were neutralized by the decrease in staff, equal to 51 units less than as at March 31, 2013, mainly involving Italian operations.

EBITDA in the first quarter of 2014 amounted to €14 million: this appreciable improvement over the figure of €6 million in the same period in the previous year resulted from savings achieved in the cost of recover paper and energy, the reduction in manufacturing fixed costs and the granting of "TEE" Energy Efficiency Certificates, for energy efficiency improvement measures undertaken in the plants for a total amount of €3 million.

EBIT recorded a consolidated profit of €8.2 million, also an improvement compared to the profit of €1.8 million reported in the first quarter of 2013.

Net Financial Debt as at March 31, 2014 stood at €1.7 million, essentially in line with the first quarter of 2013.

Consolidated pre-tax income/loss was positive by €6.8 million, compared to a profit of €0.2 million reported as at March 31, 2013.

As at March 31, 2014 the RDM Group's capital expenditure totaled €0.7 million (€15.2 million as at December 31, 2013).

Consolidated net financial debt as at March 31, 2014 stood at €74.5 million, slightly worse than the figure of €73.5 million as at December 31, 2013. The good performance of assets and the dynamics of working capital made it possible to absorb the negative impact of the debt created by the downsizing of receivable factoring transactions in Germany, where reduced collection times and the complex nature of the administration considerably reduced the utilization and effectiveness of the factoring programs.

Consolidated results

The following table summarizes key income statement indicators as at March 31, 2014 and 2013.

(thousands of Euros)	03.31.2014	03.31.2013
Revenues from sales	**122,619**	**122,676**
OPERATING PROFIT (EBITDA)	**13,994**	**8,010**
EBIT (1)	**8,210**	**1,827**
Pre-tax income (2)	**6,778**	**270**
Current and deferred taxes	*(1,169)*	*(496)*
Profit (loss) for the period	**5,608**	**(226)**

1) See "Operating profit" in the Consolidated Financial Statements for the RDM Group.

2) See Consolidated Financial Statements for the RDM Group, “Profit (loss) for the period” – “Taxes”

The following table provides a breakdown of net revenues from the sale of cartonboard by geographical area of customers:

(thousands of Euros)	03.31.2014	% of total	03.31.2013	% of total
Italy	42,899	35 %	43,828	35.7 %
EU	61,125	49.8 %	61,606	50.2 %
Non-EU	18,595	15.2 %	17,242	14.1 %
Revenues from sales	**122,619**	**100 %**	**122,676**	**100 %**

Key events

There were no key events

Outlook

After the end of the quarter, the flow of orders remained at satisfactory levels and the costs of the main factors of production did not suffer major changes. It is assumed that this performance will continue in the immediate future.

It is difficult to formulate more long-term predictions.

On the one side the general macroeconomic situation remains uncertain, demand is still weak and the recovery from the long crisis which began in 2008 appears to be slow and is exposed to possible slowdowns, specifically in the weaker Eurozone countries, with a possible impact on sector activities as well.

Energy cost developments also feature uncertainty, in relation to possible disruptions caused by the Ukraine crisis. Moreover, existing contracts protect Reno De Medici from possible significant price increases, at least in the coming months.

CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2014

Consolidated Income Statement	03.31.2014	03.31.2013
(thousands of Euros)		
Revenues from sales	122,619	122,676
Other revenues and income	6,414	3,066
Change in inventories of finished goods	(3,509)	(2,611)
Cost of raw materials and services	(92,340)	(95,687)
Personnel costs	(17,922)	(18,211)
Other operating costs	(1,261)	(1,223)
Costs from non-current assets held for sale	(7)	
Gross operating profit	**13,994**	**8,010**
Depreciation and amortization	(5,784)	(6,183)
Operating profit	**8,210**	**1,827**
Financial expense	*(1,770)*	*(1,832)*
Gains (losses) on foreign exchange	*22*	*82*
Financial income	11	16
Net financial income/(expense)	(1,737)	(1,734)
Gains (losses) from investments	304	177
Taxes	(1,169)	(496)
Profit (loss) for the period	**5,608**	**(226)**
attributable to:		
Group's share of profit (loss) for the period	5,578	(323)
Minority interest in profit (loss) for the period	30	97

Statement of Financial Position - ASSETS	03.31.2014	12.31.2013
(thousands of Euros)		
Non-current assets		
Tangible fixed assets	206,098	211,204
Goodwill	63	63
Other intangible assets	5,521	5,670
Equity investments	2,131	1,826
Deferred tax assets	3,804	3,837
Financial assets held for sale		
Trade receivables	41	41
Other receivables	951	958
Total non-current assets	**218,609**	**223,599**
Current assets		
Inventories	73,017	77,944
Trade receivables	81,593	67,603
Other receivables	12,492	14,585
Cash and cash equivalents	2,702	2,716
Total current assets	**169,804**	**162,848**
TOTAL ASSETS	**388,413**	**386,447**

Statement of Financial Position - LIABILITIES AND SHAREHOLDERS' EQUITY	03.31.2014	12.31.2013
(thousands of Euros)		
Shareholders' equity		
Shareholders' equity attributable to the Group	144,916	139,276
Minority interests	698	668
Total shareholders' equity	**145,614**	**139,944**
Non-current liabilities		
Payables to banks and other lenders	28,691	32,322
Derivative instruments	305	297
Other payables	221	234
Deferred taxes	12,802	13,351
Employee benefits	27,474	27,557
Non-current provisions for risks and charges	6,547	6,906
Total non-current liabilities	**76,040**	**80,667**
Current liabilities		
Payables to banks and other lenders	47,878	42,728
Derivative instruments	443	430
Trade payables	98,935	105,894
Other payables	16,577	14,551
Current taxes	2,637	1,288
Employee benefits	289	945
Total current liabilities	**166,759**	**165,836**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**388,413**	**386,447**

Net Financial Position	03.31.2014	12.31.2013	Change
(thousands of Euros)			
Cash, cash equivalents and short-term financial receivables	3,047	2,922	125
Short-term financial debt	(48,135)	(43,343)	(4,792)
Valuation of current portion of derivatives	(443)	(430)	(13)
Short-term net financial position	**(45,531)**	**(40,851)**	**(4,680)**
Medium-term financial debt	(28,691)	(32,322)	3,631
Valuation of non-current portion of derivatives	(305)	(297)	(8)
Net Financial Position	**(74,527)**	**(73,470)**	**(1,057)**

NOTES

The Interim Report of the RDM Group as at March 31, 2014 was prepared on the basis of Article 82, paragraph 1, of the Issuers' Regulations adopted by Consob Resolution 11971 of May 14, 1999, as subsequently amended and supplemented.
Thus, compliance with the requirement described in Article 154-*ter* of the Consolidated Finance Act is achieved with this report.

This Interim Report was not audited by the Independent Auditor.

ACCOUNTING PRINCIPLES

The statement of financial position and income statement were prepared in accordance with recognition criteria set by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission pursuant to the procedure set forth in Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament of July 19, 2002.
The recognition and measurement criteria used to prepare the financial statements for the first quarter remain unchanged from those used to prepare the consolidated financial statements as at December 31, 2013. For a description of these criteria, reference is made to those financial statements.

RDM has applied the same accounting principles as for the Interim Report as at December 31, 2013.

The current scope of consolidation includes a company that uses a currency of account other than the euro (Reno De Medici UK Ltd, which uses GBP).
For the purposes of translating the quarterly financial statements of Reno De Medici UK Ltd into a foreign currency, the euro was selected as the functional currency (the same currency used by the parent company) based on the fact that the company's operations are closely integrated with those of the parent company (IAS 21).
As at March 31, 2014, all assets and liabilities were converted using the exchange rate in effect on the statement of financial position reporting date (0.8282 GBP/EUR). Income and costs were converted at the average exchange rate for the period concerned (0.8279 GBP/EUR).

The exchange differences resulting from the use of this approach are classified as an equity reserve until the disposal of the investment.

The preparation of the Interim Report in accordance with IFRS requires the use of estimates and assumptions including through the use of operating data that have an impact on reported asset and liability amounts and on the disclosure of contingent assets and liabilities at the reporting date. Final results may differ from the estimates made. Estimates are used to measure the contribution of discontinued operations, provisions for doubtful receivables, inventory obsolescence, depreciation and amortization, asset write-downs, employee benefits, restructuring funds, taxes, other provisions and funds, and the valuation of derivative instruments. Estimates and assumptions are reviewed periodically, and the impact of any change is reflected immediately in the income statement, with the exception of derivatives.

The statement of financial position and income statement are stated in thousands of Euros.

WORK FORCE

As at March 31, 2014, the RDM Group's staff consisted of 1,370 employees compared to 1,405 employees as at December 31, 2013.

STATEMENT OF EXECUTIVE RESPONSIBLE FOR THE PREPARATION OF THE COMPANY'S FINANCIAL REPORTS PURSUANT TO ARTICLE 154-*BIS*, PARAGRAPH 2, OF LEGISLATIVE DECREE 58/1998 (CONSOLIDATED FINANCIAL ACT)

Stefano Moccagatta, the executive responsible for the preparation of the company's financial reports, hereby states that pursuant to Article 154-*bis*, paragraph 2 of the Consolidated Finance Act, the accounting information contained in the Interim Report as at March 31, 2014 of Reno De Medici S.p.A. corresponds to information contained in documents, ledgers and accounting entries.

Milan, April 29, 2014

Signed

Stefano Moccagatta