Reno De Medici

Half-year Financial Report

06.30.2015

NET REVENUES: €226 MILLION
(COMPARED TO €221.4(*) MILLION AS AT JUNE 30, 2014)

GROSS OPERATING PROFIT (EBITDA): €23 MILLION
(COMPARED TO €25.1(*) MILLION AS AT JUNE 30, 2014)

OPERATING PROFIT (EBIT): €10.6 MILLION
(COMPARED TO €13.4(*) MILLION AS AT JUNE 30, 2014)

NET PROFIT (LOSS) BEFORE DISCONTINUED OPERATIONS: PROFIT OF €7.3 MILLION
(COMPARED TO APROFIT OF €9.2(*) MILLION AS OF JUNE 30, 2014)

NET PROFIT (LOSS) FOR THE PERIOD: PROFIT OF €6.9 MILLION
(COMPARED TO A PROFIT OF €9.2 MILLION AS OF JUNE 30, 2014)

NET FINANCIAL DEBT: €59.6 MILLION
(€65.9 MILLION AS AT DECEMBER 31, 2014)

(*) Following the decision taken by management to hold Reno De Medici Ibérica for sale at December 31, 2014, confirmed for the period ending June 30, 2015, and the consequent reclassification of this company's results for the interim period under discontinued operations, as required by IFRS 5, the economic data as of June 30, 2014 were reclassified in order to make them comparable with those at June 30, 2015.

Reno De Medici S.p.A.
Viale Isonzo 25, Milan
Share capital €185,122,487.06
Tax code and VAT number 00883670150

CONTENTS

1. BOARD OF DIRECTORS AND AUDITORS

Board of Directors

Robert Hall	Chairman
Ignazio Capuano,	Chief Executive Officer
Enrico Giliberti	Director
Laura Guazzoni	Director
Laurent Lemaire	Director

Board of Statutory Auditors

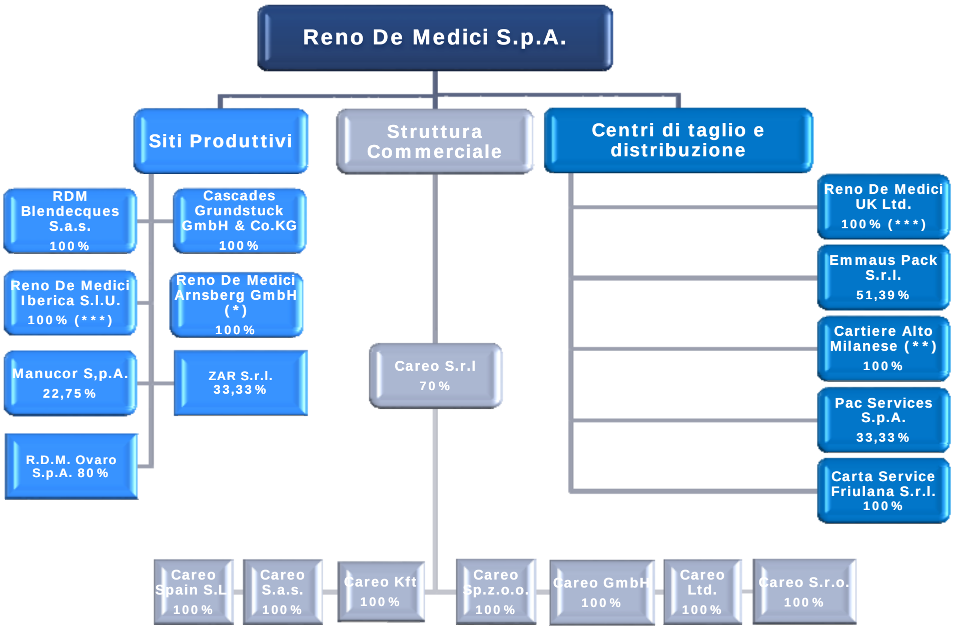
Giancarlo Russo Corvace	Chairman
Tiziana Masolini	Acting statutory Auditor
Vincenzo D'Aniello	Acting statutory Auditor
Giovanni Maria Conti	Deputy statutory Auditor
Elisabetta Bertacchini	Deputy statutory Auditor

Independent Auditors

Deloitte & Touche S.p.A.

2. GROUP OPERATING COMPANIES AS AT JUNE 30 2015

The graph below summarizes the Reno De Medici Group ("RDM Group" or the "Group) companies.



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

(**) Company in liquidation

(***) Company presented as required by IFRS 5

3. Introduction

This half-year report as of June 30, 2015 was prepared pursuant to Legislative Decree 58/1998 as amended, as well as the Issuers' Regulations issued by Consob.

The condensed consolidated half-year financial statements were prepared in keeping with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), including those previously issued by the Standing Interpretations Committee and presented in accordance with IAS 34 – Interim Financial Statements, applying the same accounting standards adopted in preparing the consolidated financial statements as of December 31, 2014.

4. Interim report on operations

Reno De Medici closed a positive first half of 2015 recording an EBITDA of €23 million. The decrease compared to €25.1 million of 2014 is due to the CEE – Certificates of Energy Efficiency (the so called 'white certificates'), that in 2014 were granted for a higher amount for the completion of the projects envisaged by the 5-years plan. Net of the CEE effect, profitability slightly improved.

The profit for the period amounts to €6.9 million, and compares positively with €9.2 million of 2014, if considering the white certificates effect.

As concerns the macroeconomic scenario, the latest assessments of the financial institutions confirm the outlook as it was envisaged in the spring forecast: the world economy is expected to grow in 2015 +3.3%, a rate marginally lower than in 2014 and in the April forecast for 2015, due to a temporary slow-down of economic activities in North-America.

Advanced Economies are expected to growth +2.1% in 2015, vs. +1.8% of previous year. The slow-down in North-America in Q1 is considered to be only a temporary set-back, as the underlying drivers for a gradual acceleration of economic activities in Advanced Economies remain intact: easier access to credit, lower fuel prices, and improving confidence and labor market conditions, partially offset by the revaluation of the US dollar.

In the **Euro Area** the 2015 growth should reach +1.5%, compared to +0.8% in 2014, driven by a recovery in internal demand, the depreciation of the Euro, and ECB's monetary policy. Many Euro areas have revised upward the growth projection, and in particular Italy (+0,7% expected in 2015 vs. -0.4% in 2014) and Spain (+3.1% in 2015 vs. +1.4% in 2014) are to be noticed. However, structural constrains remain: public sector indebtedness is continuing to grow, although at a slower pace. Unemployment remains high in some countries, even if it seems to be generally improving, and is expected to slowly decline to 9.6% in 2015.

As indicated, also in Italy the recovery continues even if, based on the information from production sectors, its intensity seems slightly lower than it was expected in the first months of the year.

In **Emerging Markets and Developing Economies** growth is predicted to be +4.2% in 2015, compared to +4.6% in 2014. The outlook confirms the picture of previous forecasts, with minor downward adjustments, marked by the dampening impact of lower commodity prices, tighter financial conditions, the economic rebalancing in China, and historical structural constrains. Geopolitical crisis in some areas (Commonwealth of Independent States, some countries in the Middle East and North Africa) also contribute to the slow-down.

The evolution of demand in the **"White Lined Chipboard" sector**, in which the Reno De Medici Group operates confirms in Q2-2015 the positive general trend of the economy, although with a relative slow-down compared to prior quarter. When comparing with 2014, in the first half of 2015 the European demand grew + 3.5% .
The evolution by country depicts a mixed picture, with a strongly growing demand in East Europe, and a stable growth in South Europe.

The order intake in Europe, after the significant increase January and February, stabilized in March and slowed-down somewhat in Q2, still remaining appreciably higher compared to previous year. All mill operated at full production capacity.

Tons-sold by in the first-half of 2015 by the Reno De Medici Group were 429 thousand (excluding Reno De Medici Ibérica S.l.u., that since the closing of 2014 has been represented as discontinued), compared to 420 thousand sold in 2014.

Revenues from sales were €226 Million, compared to €221.4 Million of previous year. The increase of €4.6 Million is mainly due to higher tons sold and to a mix change associated to the restructuring of the Spanish operation, partially offset by a slight decrease of average prices.
The Reno De Medici Group, along with most European producers of packaging carton board based on recycled fibres, in Spring announced a price increase, the effect of which on the Income Statement begins to be visible since July.

As regards the main factors of production, **prices of recycled fibers**, that had stayed firms for a long period of time, in Q2 started to increase in most countries, also due to the resumption of exports to China, whose imports from Europe increased, while imports from the rest of the world declined. The prices of some chemical components (latex) increased as well.

The **prices of energy** decreased substantially compared to 2014 and continue to be very low in all its components (natural gas, coal, electricity), as a result of a common general situation: global supply continues to be higher than demand, albeit with different dynamics.
Oil prices have rebounded more than expected in Q2, mainly reflecting higher demand, but still remain at very low levels, as global oil supply is well above 2014 levels and global oil inventories are also high. The raise of oil prices seem to have had only a marginal spillover on the prices of the

other main energy factors.

The price of **natural gas**, the main source of energy for the Reno De Medici Group, slightly increased in Q2 compared to the minimum levels recorded in March, as an effect of global recovery, but also of some speculative movements. However, it remains visibly lower compared to previous year.

As regards specifically Reno De Medici and natural gas, although the Group is not totally exempt from the effects of price increases, its policy based on fix prices negotiated for the forthcoming quarters greatly mitigates the risks arising from unexpected upward fluctuations.

The prices of **electrical energy** didn't have material variations and stayed firm at the minimum levels applied in the different markets. It is recalled that in 2015 the cost of electric energy of the Italian mills has increased, for the mandatory contribution imposed also on self-produced energy, to support the renewable sources of energy.

The price of **coal** was also basically firm in dollar terms, with a slight downward trend, and its fluctuations are mainly associated to the exchange rate.

Personnel costs amounted in the first half of 2015 to €32.4 Million Euro, showing a decrease of -0.9 Million compared to 33.3 Million recorded in 2014. The decrease results from the reduction of headcount, as consequence of the restructuration of the sheeting and finishing departments of the Italian mills carried out in the course of 2014, that more than compensated the contractual salary raises. No major events occurred in Q2.

In Q2 an asset write-down for 1.3 Million Euro was recorded, relevant to the write-down and the dismantling costs of the buildings of the Magenta mill, that resulted to be devoid of possible industrial use.

EBIT reached 10.6 Million Euro, that compares to €13.4 Million of 2014, a decrease mainly associated to the EEC – Energy Efficiency Certificates. Net of this effect, the operational profitability slightly improved, driven by lower energy costs and variable production costs.

Net Financial Expenses were 1.7 Million Euro, a substantial decrease compared to 2.7 Million of 2014, due to the lower net financial indebtedness (59.6 Million Euro, vs. 72.8 Million as of June 2014), the decrease of interest rates, and the higher income from exchange differences, for the important revaluation of the US dollar and GBP that was recorded in Q1 2015.

Profit from investment was €0.5 Million, slightly higher than the €0.4 Million recorded in 2014.

Consolidated Profit amounted to €6.9 Million, a decrease compared to €9.2 Million recorded in the first half of 2014, where the positive operational performance, and the lower financial expenses, partly compensated the decrease of Other Income and the asset Write-down.

The Capital Expenditures made in the period by the Reno De Medici Group amounted to €3.1 Million (€3.5 Million in the first-half of 2014).

Consolidated Net Financial Indebtedness at June 30th, 2015 was €59.6 Million (including Reno De Medici Ibérica Sl.u.), a decrease in the period of €-6.3 Million compared to €65.9 million at December 31st, 2014, thanks to the positive performance of operations.

Results for the first half of 2015

The following table summarizes key income statement indicators as of June 30, 2015 and 2014.

	06.30.2015	06.30.2014 (*)
(thousands of Euros)		
Revenues from sales	**226,037**	**221,441**
OPERATING PROFIT (EBITDA) (1)	**23,041**	**25,146**
EBIT (2)	**10,580**	**13,406**
Pre-tax income (3)	**9,429**	**11,049**
Current and deferred taxes	*(2,133)*	*(1,829)*
Profit (loss) for the period before discontinued operations	**7,296**	**9,220**
Discontinued operations	**(391)**	**(63)**
Profit (loss) for the period	**6,905**	**9,157**

(*) Following the decision taken by management to hold Reno De Medici Ibérica for sale at December 31, 2014, confirmed for the period ending June 30, 2015, and the consequent reclassification of this company's results for the interim period under discontinued operations, as required by IFRS 5, the economic data as of June 30, 2014 were reclassified in order to make them comparable with those at June 30, 2015.

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

Revenues from sales in the first half of 2015 for the RDM Group were €226 million, an increase on the €221.4 million recorded in the corresponding period of the previous year. This increase is essentially due to higher sales volumes: specifically, tons sold grew from 420,000 in the first half of 2014 to 429,000 tons sold during the same period of 2015.

The following table provides a geographical breakdown of sales revenues:

	06.30.2015	% of total	06.30.2014 (*)	% of total
(thousands of Euros)				
Italy	84,965	38%	84,220	38%
EU	107,269	47%	99,689	45%
Non-EU	33,803	15%	37,532	17%
Revenues from sales	**226,037**	**100%**	**221,441**	**100%**

(*) Following the decision taken by management to hold Reno De Medici Ibérica for sale at December 31, 2014, confirmed for the period ending June 30, 2015, and the consequent reclassification of this company's results for the interim period under discontinued operations, as required by IFRS 5, the economic data as of June 30, 2014 were reclassified in order to make them comparable with those at June 30, 2015.

Main risks and uncertainties to which the Reno de Medici Group is exposed

In the course of its business activities, the Reno de Medici Group is exposed to external risks and uncertainties, deriving from exogenous factors associated with the general or specific macroeconomic context of the operating segment in which such activities are carried out, as well as risks deriving from strategic choices and internal operational risks.

For a detailed analysis of the risks, see section 5.6.2 of this report on operations, as well as the "Outlook" section.

Key events

In May, a preliminary agreement was signed for the sale of the area in which the Marzabotto mill was built. The sale is scheduled for completion in early August. The relative accounting assets have therefore been classified as held for sale in this half-year report aligning it to the Fair Value.

Outlook

After the closing of the period, the order in-flow remained satisfactory.

As regards the evolution of the general scenario, recovery should continue and no major changes are expected in the short-term. Risks seem to be mainly associated to the geopolitical tensions in Ukraine, the Middle East, and part of Africa, and their possible spillover to economic activity; Greece shouldn't be a risk factor any longer, at least in the short-term.

As previously commented, in the Euro Area a moderate growth of the economic activity is expected in 2015. The Area should continue to benefit from low energy prices, the depreciation of the Euro, and the ECB's accommodative monetary policy.

In the sector in which Reno De Medici operates, demand should remain strong also in the forthcoming months, albeit it has stabilized after the rump up of the first months of the year and might slightly slow-down in the forthcoming months.

The cost of raw material (recycled fibers and latex) keep on increasing and, should the upward trend persist, producers of carton board based on recycled fibres might be considering a new price-raise.

The outlook beyond year-end is more uncertain, as is linked to the pace of recovery, that should moderately accelerate in 2016, and to the evolution of some specific variables, the cost of energy and the exchange rate of the US dollar in the first place.

Intragroup and related-party transactions

As far as related-party transactions are concerned, including intragroup transactions, note that these do not qualify as either atypical or unusual, since they fall under the normal course of business for the Group companies. These transactions are governed by arm's length conditions.

Information on related-party transactions, including the information required by the Consob Notice of July 28, 2006, is presented in Note 5.7 to the condensed consolidated half-year financial statements as of June 30, 2015.

Reno De Medici Group

Consolidated half-year financial statements

as of June 30, 2015

5. Consolidated half-year financial statements as of June 30, 2015

5.1. Consolidated income statement

	Note	06.30.2015	06.30.2014 (*)
(thousands of Euros)			
Revenues from sales	1	226,037	221,441
- of which related parties		*2,909*	*3,200*
Other revenues and income	2	3,116	8,026
- of which related parties		*222*	*410*
Change in inventories of finished goods	3	(2,580)	(1,101)
Cost of raw materials and services	4	(168,480)	(167,475)
- of which related parties		*(8,701)*	*(8,932)*
Personnel costs	5	(32,385)	(33,331)
Other operating costs		(2,667)	(2,414)
Gross operating profit		**23,041**	**25,146**
Depreciation and amortization	6	(11,143)	(11,328)
Write-downs and revaluations	7	(1,318)	(412)
Operating profit		**10,580**	**13,406**
Financial expense		(2,122)	(2,931)
Gains (losses) on foreign exchange		429	145
Financial income		11	39
Net financial income (expense)	8	(1,682)	(2,747)
Gains (losses) from investments	9	531	391
Taxes	10	(2,133)	(1,829)
Profit (loss) for the period before net result from discontinued operations		**7,296**	**9,220**
Net result from discontinued operations	**11**	(391)	(63)
Profit (loss) for the year		**6,905**	**9,157**
Total profit (loss) for the period attributable to:			
- Group		6,842	9,075
- Minority interests		63	82
Basic earnings (loss) per ordinary share (Euros)		0.02	0.02
Diluted earnings (loss) per ordinary share (Euros)		0.02	0.02
Basic earnings (loss) per ordinary share before discontinued operations (Euros)		0.02	0.02
Diluted earnings (loss) per ordinary share before discontinued operations (Euros)		0.02	0.02

(*) Following the decision taken by management to hold Reno De Medici Ibérica for sale at December 31, 2014, confirmed for the period ending June 30, 2015, and the consequent reclassification of this company's results for the interim period under discontinued operations, as required by IFRS 5, the economic data as of June 30, 2014 were reclassified in order to make them comparable with those at June 30, 2015.

5.2. Consolidated statement of comprehensive income

(thousands of Euros)	06.30.2015	06.30.2014
Profit (loss) for the period	**6,905**	**9,157**
Items of other comprehensive income		
Items that may be transferred to the income statement in subsequent financial periods:	*(6)*	*108*
Change in fair value of cash flow hedges	*42*	*125*
Gains (losses) on translation of financial statements of foreign investee companies	*(48)*	*(17)*
Items that will not be transferred to the income statement in future financial periods:	*0*	*0*
Total other items of comprehensive income (loss)	**(6)**	**108**
Total comprehensive income (loss)	**6,899**	**9,265**
Total comprehensive income (loss) attributable to:		
- Group	6,836	9,183
- Minority interests	63	82

All values in the table are stated net of tax effects.

5.3. Consolidated statement of financial position

	Note	06.30.2015	12.31.2014
(thousands of Euros)			
ASSETS			
Non-current assets			
Tangible fixed assets	12	192,987	202,768
Intangible Assets	13	1,851	1,911
Intangible assets with an indefinite useful life	13	3,948	3,948
Equity investments	14	2,235	1,706
Deferred tax assets		2,777	3,245
Other receivables		968	990
Total non-current assets		**204,766**	**214,568**
Current assets			
Inventories	16	67,108	70,595
Trade receivables	15	73,128	59,368
- of which related parties		*396*	*451*
Receivables from associates and joint ventures	15	223	274
Other receivables	17	5,875	8,562
Other receivables from associates and joint ventures		376	372
Cash and cash equivalents	18	2,371	2,376
Total current assets		**149,081**	**141,548**
Total assets held for sale		**9,353**	**10,425**
TOTAL ASSETS		**363,200**	**366,541**

(thousands of Euros)	Note	06.30.2015	12.31.2014
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital		185,122	185,122
Other reserves		(5,994)	(6,159)
Retained earnings (losses)		(37,936)	(43,243)
Profit (loss) for the period		6,842	5,478
Shareholders' equity attributable to the Group		**148,034**	**141,198**
Minority interests		425	362
Total shareholders' equity	19	**148,459**	**141,560**
Non-current liabilities			
Payables to banks and other lenders	18	34,319	26,725
Derivative instruments	18	4	18
Other payables		*156*	*182*
Deferred taxes		9,431	10,589
Employee benefits	21	30,517	30,674
Non-current provisions for risks and charges	22	2,804	4,780
Total non-current liabilities		**77,231**	**72,968**
Current liabilities			
Payables to banks and other lenders	18	21,979	36,196
Derivative instruments	18	203	286
Trade payables	*23*	*83,305*	*85,752*
- of which related parties		*515*	*404*
Payables to associates and joint ventures	23	3,674	2,780
Other payables	*20*	*14,228*	*12,919*
Other payables to associates and joint ventures		2,123	2,445
Current taxes		3,017	2,396
Employee benefits	21		924
Non-current provisions for risks and charges	22	644	
Total current liabilities		**129,173**	**143,698**
Total liabilities held for sale		**8,337**	**8,315**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**363,200**	**366,541**

5.4. Consolidated statement of changes in shareholders' equity

(thousands of Euros)	Share capital	Legal reserve	Other reserves	Retained earnings (losses)	Profit (loss) for the period	Hedging reserve	Reserve for actuarial gains (losses)	Total shareholders' equity attributable to the Group	Total shareholders' equity attributable to minority interests	Total shareholders' equity
Shareholders' equity at 12.31.13	**185,122**	**408**	**989**	**(44,983)**	**1,775**	**(197)**	**(3,838)**	**139,276**	**668**	**139,944**
Dividends distributed									(243)	(243)
Allocation of profit (loss) for the period		34		1,741	(1,775)					
Profit (loss) for the period					9,075			9,075	82	9,157
Other items of comprehensive income (loss)			(17)			125		108		108
Total comprehensive income (loss)			**(17)**		**9,075**	**125**		**9,183**	**82**	**9,265**
Shareholders' equity at 06.30.14	**185,122**	**442**	**972**	**(43,242)**	**9,075**	**(72)**	**(3,838)**	**148,459**	**507**	**148,966**

(thousands of Euros)	Share capital	Legal reserve	Other reserves	Retained earnings (losses)	Profit (loss) for the period	Hedging reserve	Reserve for actuarial gains (losses)	Total shareholders' equity attributable to the Group	Total shareholders' equity attributable to minority interests	Total shareholders' equity
Shareholders' equity at 12.31.14	**185,122**	**443**	**965**	**(43,243)**	**5,478**	**28**	**(7,595)**	**141,198**	**362**	**141,560**
Dividends distributed										
Allocation of profit (loss) for the period		171		5,307	(5,478)					
Profit (loss) for the period					6,842			6,842	63	6,905
Other items of comprehensive income (loss)			(48)			42		(6)		(6)
Total comprehensive income (loss)			**(48)**		**6,842**	**42**		**6,836**	**63**	**6,899**
Shareholders' equity at 06.30.15	**185,122**	**614**	**917**	**(37,936)**	**6,842**	**70**	**(7,595)**	**148,034**	**425**	**148,459**

5.5. Consolidated statement of cash flows

	Note	First half of 2015		First half of 2014 (*)	
		Continuing	Discontinued	Continuing	Discontinued
(thousands of Euros)					
Profit (loss) for the period		7,296	(389)	9,221	(63)
Taxes		2,133		1,829	
Depreciation and amortization		11,143	290	11,330	370
Write-downs		1,317		404	
Losses (gains) from investments		(531)		(391)	
Financial (income) expense		2,110	94	2,894	45
Capital losses (gains) on sale of fixed assets		(249)		(208)	
Change in provisions for employee benefits and in other provisions, including the provision for bad and doubtful receivables		(3,068)	17	(321)	(387)
Change in inventories		3,500	344	1,710	1,873
Change in receivables		(10,749)	822	(10,243)	1,889
- of which related parties		*106*	*(126)*	*(235)*	*(16)*
Change in payables		(322)	(972)	(10,437)	(2,719)
- of which related parties		*1,005*	*(63)*	*(4,787)*	*349*
Overall change in working capital		**(7,570)**	**194**	**(18,970)**	**1,044**
Gross cash flows		**12,581**	**206**	**5,787**	**1,099**
Interest received/paid in the year		(1,922)	(94)	(2,172)	(45)
- of which related parties					
Taxes paid in the period		(2,167)		(720)	
Cash flows from operating activities		**8,492**	**112**	**2,895**	**964**
Other equity investments		3			
Investment net of disinvestment in tangible and intangible assets		(2,782)	(99)	(3,071)	69
Investments in associates and joint ventures				(25)	
Disinvestments in assets held for sale		1,555			
Dividends received				335	
Cash flows from investing activities		**(1,224)**	**(99)**	**(2,761)**	**69**
Dividends paid				(243)	
Change in other financial assets and liabilities and short-term payables to banks		(14,872)	(460)	11,576	(753)
- of which related parties		*(326)*		*2,116*	
Change in medium- and long-term loans		7,648	(121)	(10,263)	(105)
Cash flows from financing activities		**(7,224)**	**(581)**	**1,070**	**(858)**
Translation differences		**(49)**		**(15)**	
Change in unrestricted cash and cash equivalents		**(5)**	**(568)**	**1,190**	**175**
Unrestricted cash and cash equivalents at the beginning of the period		**2,376**	**701**	**2,320**	**396**
Unrestricted cash and cash equivalents at the end of the period		**2,371**	**133**	**3,861**	**221**

(*) Following the decision taken by management to hold Reno De Medici Ibérica for sale at December 31, 2014, confirmed for the period ending June 30, 2015, and the consequent reclassification of this company's results for the interim period under discontinued operations, as required by IFRS 5, the economic data as of June 30, 2014 were reclassified in order to make them comparable with those at June 30, 2015.

5.6. Notes to the financial statements

RDM is a company which is established as a legal entity under Italian law. The RDM Group operates mainly in Europe. The business of the Group is the production and distribution of cartonboard made from recycled fibers. The joint venture, Careo S.r.l., is responsible for commercial activities.

RDM has its registered office in Milan, Italy.

RDM's shares are listed on the Star segment of Borsa Italiana S.p.A. and on the Madrid and Barcelona stock exchanges.

The condensed consolidated half-year financial statements of the RDM Group were approved and authorized for publication by the Board of Directors of RDM on July 30, 2015.

5.6.1 Accounting standards and valuation criteria

The condensed consolidated half-year financial statements were prepared according to the going concern assumption. The directors believe that, despite the existence of a difficult economic and financial context, no material uncertainties (as defined in paragraph 25 of IAS 1) exist in respect of business continuity.

The condensed consolidated half-year financial statements were prepared according to IAS 34 – Interim financial statements, applying the same accounting standards used to prepare the consolidated financial statements as of December 31, 2014, except as may be described in the next section "IFRS and IFRIC accounting standards, amendments and interpretations approved by the European Union but not yet applicable except on an early adoption basis".

The condensed half-year financial statements were prepared on the basis of the general principle of historical cost, except for derivative financial instruments, which are recognized at fair value, and financial liabilities, which are recognized on the basis of the amortized cost method. The carrying amount of hedged assets and liabilities which qualify for hedge accounting is adjusted to take into account changes in the fair value of the hedged risks.

The Group has chosen to present the structure and content of its consolidated financial statements in the following manner:

- the consolidated statement of financial position is presented with separate sections for assets, liabilities and shareholders' equity. Assets and liabilities are then presented on the basis of their classification as current, non-current or held for sale;

- the consolidated income statement is presented in a vertical format with items broken down by nature, as this provides reliable and more relevant information than a classification by function;
- the consolidated statement of comprehensive income is presented separately from the consolidated income statement, and each item is shown net of the tax effect;
- the consolidated statement of cash flows is presented using the indirect method;
- the consolidated statement of changes in shareholders' equity is presented by showing the profit or loss for the period separately from any income and expense not recognized directly on the income statement, but charged directly to equity on the basis of specific IAS/IFRS accounting standards, and is presented showing transactions with shareholders separately.

Preparing the interim financial statements requires management to make assumptions that have an effect on the amounts of revenues, costs, assets and liabilities on the financial statements and on the information regarding potential assets and liabilities on the date of the interim financial statements. If in the future such estimates and assumptions, which are based on management's best judgment, should prove outdated due to differing trends in the operational context than those forecast, these would be consequently modified in the period during which the changes became manifest. For a broader description of the Group's most relevant valuation procedures, see the section "Estimates and valuations" in the consolidated financial statements as of December 31, 2014.

It should also be noted that some valuation procedures, especially more complex ones such as the determination of possible impairment losses on non-current assets, are generally carried out in a more complete manner only for the annual financial statements, when all the detailed information is available, as well as in cases in which there are impairment indicators requiring an immediate valuation of any impairment losses.

The balance sheet, income statement and financial situation are presented in thousands of Euros.

IFRS and IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ALREADY APPROVED BY THE EUROPEAN UNION

- Improvements to IFRSs: 2011-2013 Cycle;
- IFRS 3 - Business Combinations;
- IFRS 13 - Fair Value Measurement;
- IAS 40 - Investment Properties.

IFRS and IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION

- IFRS 14 – Regulatory Deferral Accounts;

- IFRS 11 - Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations;
- IAS 16 - Property, Plant and Equipment and IAS 38 Intangible Assets – "Clarification of Acceptable Methods of Depreciation and Amortisation" Annual;
- IFRS 15 – Revenue from Contracts with Customers;
- IFRS 9 – Financial Instruments;
- IAS 27 - Equity Method in Separate Financial Statements;
- IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- Improvements to IFRSs: 2012-2014 Cycle.
- IAS 1 – Disclosure Initiative;
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).

Impairment testing

Every six months, the Group reviews the carrying amount of its tangible and intangible assets and investments to determine whether there are any indicators that these assets have suffered impairment. If any such indicators exist, the recoverable amount of such assets is estimated to determine the write-down amount.

No goodwill has been allocated to the Reno de Medici CGUs, meaning there is no need for a specific annual impairment test.
However, although the first signs of a recovery seem to be appearing, the current global economic and financial crisis makes it impossible to predict national and global future economic scenarios.

The Group's market capitalization continues to stand at an average level that is lower than reported shareholders' equity.

Based on the recommendations contained in Joint Document No. 4 of March 4, 2010 of the Bank of Italy, Consob and ISVAP, the Group had described in detail the main assumptions used to calculate the recoverable amount (value in use) as of December 31, 2014, relating to estimated operating cash flows, the discount rate and the final growth rate, and it had prepared sensitivity analyses on test results with respect to changes in the basic assumptions for determining the value in use of the cash generating units, without the need to record any impairment.
Based on the foregoing, the directors believe that the cautious medium/long-term valuations used for the purposes of impairment testing, in terms of foreseeable business trends until 2016, are to be considered valid to date, although it cannot be ruled out that current valuations may need to be reviewed should the crisis continue or deepen.

5.6.2 Financial risk management policy

The Company and the Group, like all industrial operators, are exposed to the risks associated with the continuation of the economic crisis.

The biggest risk that this situation creates is related to sales volume: while this risk cannot be eliminated, it can be contained through measures implemented by the Group to adjust production levels to actual demand. The crisis also involves the risk of a fall in selling prices, although the latter are mainly linked to changes in the price of pump raw materials (see next paragraph).

In this context, other risk factors related to the overall economic situation are associated with credit (see below) and energy prices, the latter being exposed to critical events that can occur in countries that play a key role in the production and distribution of energy resources (North Africa and Ukraine): the situation is constantly and closely monitored by the designated Company departments.

Another risk factor is tied to movements in prices for pulp raw materials, mainly relating to export volumes to China, which in turn depend upon that country's economic growth rate. However, this risk is relatively limited since changes in the prices of pulp raw materials normally translate into a corresponding change in selling prices for chipboard for packaging. In addition, the fall in imports to China, due the cooling of the Chinese economy, greater domestic generation capacity, and the rationalization of purchasing policies, has reduced the price fluctuations recorded in previous years.

Risks related to the Group's results

There are no specific risks associated with the structure and/or the nature of the RDM Group.

Risks related to the requirement for financial resources

The Group currently has sufficient financial resources available to meet reasonably foreseeable requirements for 2015, as a result of the improvement in both the financial position of the Group and credit market conditions.

Risks related to interest rates

Exposure to interest rate risk involves both medium/long-term lines of credit and short-term lines of credit. Borrowing related to medium- to long-term loans as of June 30, 2015 stands at €51.5 million (net of Reno De Medici Ibérica S.l.u., whose medium- to long-term borrowing is €1 million). Of this total loan amount, €30.7 million is variable-rate and not protected by hedging. The short-term lines of credit, used at June 30, 2015, for an amount of €5.1 million (net of Reno De Medici Ibérica S.l.u., whose short-term lines of credit stand at €3.5 million), are all variable-rate loans.

The outlook for 2015 is of basic stability in interest rates, which should remain at very low levels.

Liquidity Risk

Liquidity risk is defined as the risk of failing to fulfill obligations associated with liabilities.

Prudent management of liquidity risk entails maintaining adequate cash and cash equivalents and the ability to access the loans needed to support operations.

To deal with this risk, the Group's treasury unit ensures the flexibility of the supply of funds through access to diversified sources of credit.

As of June 30, 2015, the net debt of the RDM Group was equal to €59.6 million, with wide margins to satisfy any reasonable financial requirement.

Credit risk

As stated at the beginning of this section, credit risk consists of the exposure of the Company and Group to customer insolvency, especially in those countries - such as Italy - that are suffering most from the current crisis.

In order to manage this risk effectively, the Reno Medici Group uses many instruments: it has signed insurance agreements with a major credit insurance company; various non-recourse agreements for the sale of receivables have also been entered into.

Any uninsured and/or uninsurable positions are monitored continually by the appropriate company departments, including with the support of external sources of information and monitoring for the Italian customer base.

The Group applies a policy involving vigilant and prompt controls of risky positions to contain this risk.

Although the policies adopted to date have made it possible to contain credit losses, this risk cannot be eliminated, especially as it is mainly connected with the ongoing general economic crisis; it actually appears to have increased in 2015, especially in Italy, mainly due to the continuation of the crisis.

Foreign exchange risk

Foreign exchange risk is related to the exposure of the Company and the Group to fluctuations in exchange rate costs and revenues denominated in currencies other than the Euro. As far as the Group is concerned, this exposure mainly relates to fluctuations in the US dollar, a currency in which a significant part of revenues from overseas markets is denominated and, as far as costs are concerned, purchases of certain raw materials and certain energy factors. Given the expected volumes of costs and revenues denominated in dollars, net exposure is not believed to be significant in relation to the overall size of the business.

Capital risk

The Company is believed to be adequately capitalized in relation to the reference market and its size.

5.6.3 Scope of consolidation

The financial position, results and cash flows of the RDM Group include the financial position, results and cash flows of Reno De Medici S.p.A. and of the companies over which it has the right to exercise control. The definition of control is not based solely on the concept of legal ownership. IFRS 10 introduced a more solid definition of control compared to the past, based on three elements: (a) power over the business acquired; (b) exposure or rights to variable returns resulting from involvement with same; and (c) the capacity to use the power to influence the amount of these returns. IFRS 10 stipulates that investors should focus on activities materially affecting returns when evaluating whether it has control over the business acquired, and requires only substantial rights, i.e. rights that can be exercised in practice when important decisions have to be taken for the business acquired, to be taken into consideration. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is acquired until the date that such control ceases to exist. The portions of shareholders' equity and profit or loss attributable to minority interests are shown separately in the consolidated statement of financial position, consolidated income statement, and consolidated statement of comprehensive income.

The main consolidation principles adopted are as follows:

- the carrying amount of each investment consolidated on a line-by-line basis is eliminated against the related equity, with the assets, liabilities, income and expense of the subsidiary being added to those of the Parent Company, regardless of the size of the investment; the shares of subsidiaries' capital and reserves and of subsidiaries' profit or loss attributable to minority interests are shown separately in the consolidated statement of financial position and the consolidated income statement;
- the acquisition of subsidiaries is accounted for using the purchase method as required by IFRS 3 Revised;
- all balances and significant transactions between Group companies are eliminated, as are any profits and losses (unless losses indicate an impairment of the sold asset requiring

recognition) arising from commercial or financial intragroup transactions not yet realized with third parties;

- any increases or decreases in a subsidiary's equity arising from its post-acquisition results are recorded upon elimination in the "Retained earnings (losses)" equity reserve;
- dividends distributed by Group companies were eliminated from the income statement upon consolidation.

The following table provides a list of subsidiaries with the respective percentage holdings:

Corporate name	Registered office	Assets	Share Capital (Eur/1000)	Control percentage 06.30.2015 direct	06.30.2015 indirect	12.31.2014 direct	12.31.2014 indirect
Reno De Medici Iberica S.L.	Prat de Llobregatt (E)	Industrial	7,467	100.00 %		100.00 %	
Reno De Medici UK Limited	Wednesbury (GB)	Industrial	13,374	100.00 %		100.00 %	
Reno De Medici Arnsberg GMBH	Arnsberg (D)	Industrial	5,113	94.00 %	6.00 %	94.00 %	6.00 %
RDM Blendecques S.a.s.	Blendecques (F)	Industrial	1,037	100.00 %		100.00 %	
Cartiera Alto Milanese S.p.A. in liquidation	Milan (I)	Commercial	200	100.00 %		100.00 %	
Emmaus Pack S.r.l.	Milan (I)	Industrial	200	51.39 %		51.39 %	
Cascades Grundstück GmbH & Co. KG	Arnsberg (D)	Services	16	100.00 %		100.00 %	
Carta Service Friulana	Milan (I)	Industrial	60	100.00 %		100.00 %	
R.D.M. Ovaro S.p.A.	Milan (I)	Industrial	12,500	80.00 %		80.00 %	

The following investments in associates and joint ventures are included in the condensed consolidated half-year financial statements according to the equity method:

Corporate name	Registered office	Assets	Share Capital (Eur/1000)	Control percentage 06.30.2015 direct	06.30.2015 indirect	12.31.2014 direct	12.31.2014 indirect
Associates							
Pac Service S.p.A.	Vigonza (I)	Industrial	1,000	33.33 %		33.33 %	
Joint ventures							
Careo S.r.l.	Milan (I)	Commercial	100	70.00 %		70.00 %	
ZAR S.r.l.	Silea (I)	Industrial	90	33.33 %		33.33 %	
Manucor S.p.A.	Milan (I)	Industrial	10,000	22.75 %		22.75 %	

The financial statements of each Group company are prepared in the currency of the economic area in which it mainly operates (the functional currency). For the purposes of the consolidated financial statements, the financial statements of each entity are expressed in Euro, which is the Group's functional currency and the currency in which the condensed consolidated half-year financial statements are presented.

The exchange rates used to translate into Euros the financial statements of companies within the scope of consolidation are set out in the table below.

Currency	Start of period exchange rate	Average exchange rate	Exchange rate at period end 06.30.2015
GBP	0.7789	0.7324	0.7114

5.6.4 Notes to the financial statements for the first half of 2015

Segment Information

As provided for by IFRS 8 – Operating Segments, the segments identified and the respective information included under segment information are based on the reports used and analyzed by company management to evaluate results and make key strategic decisions.

Segments have been sub-divided geographically according to the location of the Group's mills and its cutting and/or distribution centers.

The reports used by directors show results by individual mill and cutting and/or distribution center. The data are then aggregated into three geographical segments: Italy, Germany and France.

The Italian segment includes the production plants of Ovaro, Marzabotto, Villa Santa Lucia, Santa Giustina and Magenta, as well as cutting and/or distribution centers, such as Emmaus Pack S.r.l. and Cartiera Alto Milanese S.p.A. in liquidation; the German segment includes the Arnsberg production plant; the French segment includes the Blendecques production plant.

The bases used for the segment subdivisions and the valuation of profits or losses by segment are the same as those used in the last annual report.

Note that the United Kingdom and Spanish segments are represented in accordance with the requirements of IFRS 5.

The economic measure of the results achieved by each operating segment is the profit or loss for the period, within which operating profit and gross operating profit are specifically identified.

There is no need to reconcile the segment valuations contained in this section with the figures included in the financial statements in this report, as all the displayed income components are measured using the same accounting policies adopted for the preparation of the Group's condensed half-year financial statements. "Unallocated items and adjustments" include amounts deriving from intersegment transactions.

The following table provides operating information by geographical area for the first half of 2015 and the first half of 2014:

Income statement 06.30.2015	Italy	Germany	France	Unallocated items & adjustments	Consolidated
(thousands of Euros)					
Revenues from sales	**143,320**	**61,412**	**28,699**	(7,394)	**226,037**
Intragroup revenues from transactions with other segments	(7,394)			7,394	
Net revenues from external customers	**135,926**	**61,412**	**28,699**		**226,037**
Gross operating profit	**14,844**	**7,174**	**1,047**	**(24)**	**23,041**
Depreciation and amortization	(6,505)	(4,340)	(371)	74	(11,143)
Write-downs and revaluations	(1,399)			81	(1,318)
Operating profit	**6,939**	**2,834**	**675**	**132**	**10,580**
Net financial income (expense)	(1,525)	40	(52)	(145)	(1,682)
Gains (losses) from investments	75			456	531
Taxes	(1,074)	(1,338)	(69)	348	(2,133)
Profit (loss) for the period before discontinued operations	**4,416**	**1,536**	**554**	**790**	**7,296**
Net result from discontinued operations				(391)	(391)
Profit (loss) for the period	**4,416**	**1,536**	**554**	**399**	**6,905**
Share of profit (loss) attributable to equity-accounted investments	531				

Income statement 06.30.2014 (*)	Italy	Germany	France	Unallocated items & adjustments	Consolidated
(thousands of Euros)					
Revenues from sales	**154,043**	**58,245**	**28,286**	**(19,133)**	**221,441**
Intragroup revenues from transactions with other segments	(18,991)	(130)	(12)	19,133	
Net revenues from external customers	**135,052**	**58,115**	**28,274**		**221,441**
Gross operating profit	**18,558**	**6,670**	**(12)**	**(70)**	**25,146**
Depreciation and amortization	(6,526)	(4,525)	(351)	74	(11,328)
Write-downs				(412)	(412)
Operating profit	**12,032**	**2,145**	**(363)**	**(408)**	**13,406**
Net financial income (expense)	(2,286)	(185)	(169)	(108)	(2,747)
Gains (losses) from investments	760			(369)	391
Taxes	(1,072)	(629)	(55)	(73)	(1,829)
Profit (loss) for the period before discontinued operations	**9,434**	**1,331**	**(587)**	**(958)**	**9,220**
Net result from discontinued operations				(272)	(63)
Profit (loss) for the period	9,434	1,331	(587)	(1,230)	9,157

(*) Following the decision taken by management to hold Reno De Medici Ibérica for sale at December 31, 2014, confirmed for the period ending June 30, 2015, and the consequent reclassification of this company's results for the interim period under discontinued operations, as required by IFRS 5, the economic data as of June 30, 2014 were reclassified in order to make them comparable with those at June 30, 2015.

Notes

Note that, following the termination of RDM UK's activity and the decision to sell the subsidiary RDM Ibérica S.l.u., deemed by management to be "highly probable", as of June 30, 2015 the result for the period was classified under "Discontinued operations". As a result, the data as of June 30, 2014 in the tables below, relating to RDM UK and to Reno De Medici Ibérica S.l.u, have also been reclassified under the item "Discontinued operations" in order to make them comparable with the data as of June 30, 2015, in accordance with IFRS 5.

1. Revenues from sales

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

	06.30.2015	06.30.2014	Change	%
(thousands of Euros)				
Italy	84,965	84,220	745	0.9%
EU	107,269	99,689	7,580	7.6%
Non-EU	33,803	37,532	(3,729)	(9.9)
Total revenues from sales	**226,037**	**221,441**	**4,596**	**2.1%**

(*) Following the decision taken by management to hold Reno De Medici Ibérica for sale at December 31, 2014, confirmed for the period ending June 30, 2015, and the consequent reclassification of this company's results for the interim period under discontinued operations, as required by IFRS 5, the economic data as of June 30, 2014 were reclassified in order to make them comparable with those at June 30, 2015.

Revenues from sales in the first half of 2015 for the RDM Group were €226 million, an increase on the €221.4 million recorded in the corresponding period of the previous year. This increase is essentially due to higher sales volumes: specifically, tons sold grew from 420,000 in the first half of 2014 to 429,000 tons sold during the same period of 2015.

2. Other revenues and income

At June 30, 2015, other revenues and income mainly consisted of revenues from joining the energy "interruption" scheme (€1.1 million); from the allotment of TEEs (Energy Efficiency Certificates), related to work done at plants to improve energy efficiency (€0.1 million); income from the sale of electricity in the first half of 2015, mainly at the German mill (€0.4 million); from ordinary contributions received from the Comieco consortium (€0.1 million) in relation to the use of recycled paper from public separated waste collection; insurance reimbursements (€0.1 million), capital gains (€0.2 million) and extraordinary income (€0.4 million).

3. Change in inventories of finished goods

The change in inventories during the first half of 2015 is due mainly to the decrease in physical stocks.

4. Cost of raw materials and services

The following table itemizes the costs incurred for raw materials and services:

	06.30. 2015	% of value of production (**)	06.30. 2014 (*)	% of value of production (**)
(thousands of Euros)				
Cost of raw materials	97,894	43.8 %	95,055	43.1 %
Cost of services	69,833	31.3 %	71,464	32.4 %
Costs for use of third-party assets	753	0.3 %	956	0.4 %
Total	**168,480**	**75.4 %**	**167,475**	**75.9 %**

(*) Following the decision taken by management to hold Reno De Medici Ibérica for sale at December 31, 2014, confirmed for the period ending June 30, 2015, and the consequent reclassification of this company's results for the interim period under discontinued operations, as required by IFRS 5, the economic data as of June 30, 2014 were reclassified in order to make them comparable with those at June 30, 2015.

(**) Value of production = Revenues from sales plus changes in inventories of finished products

The "Cost of raw materials" refers mainly to the purchase of products used to make pulp (waste paper, wood paste, cellulose and chemicals) and for packaging.
The change in cost of raw materials is due to the slight price increase recorded in pulp raw materials and carbonates.
The "Cost of services" was down compared to figures reported at June 30, 2014, due to savings generated from both the fall in the price of gas, thanks to a more favorable market context, and to greater efficiency achieved in the production process, specifically for manufacturing fixed costs.

5. Personnel cost

In the first half of 2015, the cost of labor dropped slightly from the previous year from €33.3 million to €32.4 million. The fall stems from the reduction in the headcount following the restructuring of the Italian mills in 2014, which more than offset the effects of contractual pay increases.

6. Depreciation and amortization

The following table sets out details of the "Depreciation and amortization" item:

	06.30.2015	06.30.2014 (*)	Change
(thousands of Euros)			
Amortization of intangible assets	163	308	(145)
Depreciation of tangible assets	10,980	11,020	(40)
Total	**11,143**	**11,328**	**(185)**

(*) Following the decision taken by management to hold Reno De Medici Ibérica for sale at December 31, 2014, confirmed for the period ending June 30, 2015, and the consequent reclassification of this company's results for the interim period under discontinued operations, as required by IFRS 5, the economic data as of June 30, 2014 were reclassified in order to make them comparable with those at June 30, 2015.

Depreciation and amortization at June 30, 2015 was in line with the figures for the corresponding period of the previous year.

7. Write-downs and revaluations

Write-downs and revaluations as at June 30, 2015 amounted to €1,318,000 and were related to:

- the write-down of the buildings of the Magenta mill, that resulted now to be devoid of possible industrial use (€1,301,000). The amount included, moreover, the accrual in a specific fund of the dismantling costs of two buildings for €553,000;
- the write-down by €131,000 of the area of the former Marzabotto mill to adjust the carrying amount to the price stated in the aforementioned preliminary sale agreement;
- the reversal of the provision accrued in the previous year related to the demolition costs of the Marzabotto buildings (€-115,000).

8. Net financial income (expense)

The following table itemizes net financial income and expense:

	06.30.2015	06.30.2014 (*)	Change
(thousands of Euros)			
Financial income	**11**	**39**	**(28)**
Interest and other financial income		17	(17)
Income from derivative financial instruments	11	22	(11)
Financial expense	**(2,122)**	**(2,931)**	**809**
Interest paid to banks	(722)	(987)	265
Losses on derivative financial instruments	(124)	(201)	77
Financial expense on defined benefit plans	(306)	(401)	95
Expenses, commission and other financial charges	(970)	(1,341)	371
Foreign exchange differences	**429**	**145**	**284**
Foreign exchange gains	1,113	386	727
Foreign exchange losses	(684)	(241)	(443)
Total	**(1,682)**	**(2,747)**	**1,065**

(*) Following the decision taken by management to hold Reno De Medici Ibérica for sale at December 31, 2014, confirmed for the period ending June 30, 2015, and the consequent reclassification of this company's results for the interim period under discontinued operations, as required by IFRS 5, the economic data as of June 30, 2014 were reclassified in order to make them comparable with those at June 30, 2015.

Net financial expense amounted to €1.7 million as of June 30, 2015, down from €2.7 million during the same period of the previous year. The improvement is mainly due to the reduction in net financial debt (€59.6 million as of June 30, 2015 compared with €72.8 million as of June 30, 2014), the reduction in interest rates and the increase in income from foreign exchange gains following the revaluation of the US dollar and GBP in the first quarter.

9. Gains (losses) from investments

As of June 30, 2015, income from investments totaled €531,000 and was mainly due to the adjustment of the investment in associate Pac Service S.p.A. for €464,000 and the adjustment of the investment in joint venture Careo S.r.l. for €67,000.

10. Taxes

The following table shows the subdivision between current and deferred taxes as at June 30, 2015:

	06.30.2015	06.30.2014 (*)	Change
(thousands of Euros)			
Deferred taxes	707	1,188	(481)
Current taxes	(2,840)	(3,017)	177
Total	**(2,133)**	**(1,829)**	**(304)**

(*) Following the decision taken by management to hold Reno De Medici Ibérica for sale at December 31, 2014, confirmed for the period ending June 30, 2015, and the consequent reclassification of this company's results for the interim period under discontinued operations, as required by IFRS 5, the economic data as of June 30, 2014 were reclassified in order to make them comparable with those at June 30, 2015.

11. Discontinued operations

The net result of discontinued operations stood at €391,000 and breaks down as follows:

	06.30.2015
(thousands of Euros)	
Result of Reno De Medici Ibérica S.l.u.	(357)
Result of Reno De Medici UK Ltd	(34)
Discontinued operations	**(391)**

Note that in 2014 the Board of Directors of Reno De Medici S.p.A. decided to put the subsidiary Reno De Medici Ibérica S.l.u. up for sale because it was no longer considered strategic for the Group. In addition, following the proposals received from potential purchasers and the intensification of negotiations with these in the last quarter of 2014, the sale of the Spanish subsidiary was considered highly probable and it was therefore classified in the financial statements at December 31, 2014 as held for sale, and represented according to the requirements of IFRS 5.

As at June 30, 2015, in light of the negotiations in progress, the management of Reno De Medici S.p.A. believes that the sale of the Spanish subsidiary by December 2015 is still highly probable and therefore the classification of the relative assets and liabilities according to IFRS 5 requirements has been maintained in this half-year report.

The income statement and statement of financial position of Reno De Medici Ibérica S.l.u. is shown below:

	06.30.2015	06.30.2014
(thousands of Euros)		
Revenues from sales	12,699	17,436
Other revenues	61	46
Change in inventories of finished goods	(556)	(714)
Cost of raw materials and services	(9,982)	(13,714)
Personnel cost	(2,204)	(2,309)
Other operating costs	(64)	(114)
Non-recurring transactions	72	
Depreciation and amortization	(290)	(372)
Net financial income (expense)	(93)	(50)
Discontinued operations	**(357)**	**209**

	06.30.2015	12.31.2014
(thousands of Euros)		
Tangible fixed assets	3,814	4,004
Intangible Assets	105	106
Trade receivables	21	21
Other receivables	100	150
Total non-current assets	**4,040**	**4,281**
Inventories	2,709	3,053
Trade receivables	5,277	5,988
Other receivables	1,905	847
Cash and cash equivalents	134	702
Total current assets	**10,025**	**10,590**
Total assets	**14,065**	**14,871**

	06.30.2015	12.31.2014
(thousands of Euros)		
Shareholders' equity	5,481	5,838
Total shareholders' equity	**5,481**	**5,838**
Payables to banks and other lenders	735	856
Total non-current liabilities	**735**	**856**
Payables to banks and other lenders	3,742	3,067
Trade payables	3,274	4,212
Other payables	833	898
Total current liabilities	**7,849**	**8,177**
Total shareholders' equity and liabilities	**14,065**	**14,871**

Below is the statement of cash flows of Reno De Medici Ibérica S.l.u.:

(thousands of Euros)	First half of 2015	First half of 2014
Cash flows from operating activities	112	1,162
Cash flows from investing activities	(99)	(40)
Cash flows from financing activities	(581)	(858)
Net cash flow	**(568)**	**264**

On February 28, 2014 the cutting operations carried out at the Wednesbury (UK) mill were terminated. This entailed the reclassification of all of the UK subsidiary's costs and revenues for the period in a single line of the income statement: "Net result from discontinued operations".

Below is the income statement of RDM UK:

(thousands of Euros)	06.30.2015	06.30.2014
Revenues from sales		1,576
Other revenues		88
Change in inventories of finished goods		(1,098)
Cost of raw materials and services	(33)	(643)
Personnel cost		(147)
Other operating costs		(21)
Revenues from non-current assets held for sale		(6)
Net financial income (expense)	(1)	(21)
Discontinued operations	**(34)**	**(272)**

Below is the statement of cash flows of RDM UK:

(thousands of Euros)	First half of 2015	First half of 2014
Cash flows from operating activities		(196)
Cash flows from investing activities		109
Cash flows from financing activities		
Net cash flow		**(87)**

12. Tangible fixed assets

The following table shows the change in tangible fixed assets:

	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under development	Total
(thousands of Euros)							
Historical cost	22,942	95,082	527,093	1,875	13,804	16,108	676,905
Accumulated depreciation/write-downs	(1,120)	(58,408)	(399,363)	(1,713)	(13,533)		(474,137)
Net book value at 12.31.2014	**21,822**	**36,674**	**127,730**	**162**	**271**	**16,108**	**202,768**
Increases		4	629	17		2,301	2,951
Decreases		(1,196)	(6,610)	(210)	(823)		(8,839)
Reclassification of cost	(1,993)	(835)	15,891			(15,891)	(2,828)
Other						(21)	(21)
Depreciation for the period		(1,460)	(9,449)	(39)	(34)		(10,982)
Other changes (acc. depr.)							
Write-downs		(748)					(748)
Decrease in provision for acc. depr./write-downs		1,196	6,610	210	823		8,839
Reclassification in provision for acc. depr./write-downs	1,092	755					1,847
Value at 06.30.2015							
Historical cost	20,949	93,056	537,002	1,682	12,981	2,497	668,167
Accumulated depreciation/write-downs	(27)	(58,665)	(402,202)	(1,542)	(12,743)		(475,181)
Net book value at 06.30.2015	**20,921**	**34,390**	**134,800**	**140**	**238**	**2,497**	**192,987**

The main investment during the period was the refurbishment of the central line at the Arnsberg mill; the expected benefits are a reduction in cost, pulp and energy and an increase in production capacity.

The net reclassification of cost and accumulated depreciation is related to the reclass, in the asset held for sale, of the activity related to the area in which the Marzobotto mill was constructed after the signature of the preliminary sale agreement.

The write-downs, amounted to €748,000, were related to the buildings of the Magenta mill, that resulted to be devoid of possible industrial use.

For the purpose of determining possible impairment losses, it is noted that no impairment indicators emerged such as to modify the valuations made as of December 31, 2014. For further details, see the “Impairment testing” section.

13. Intangible Assets

Intangible assets stood at €1,851,000 and are in line with the amount at December 31, 2014 (€1,911,000).

14. Equity investments

The change in equity investments was mainly due to the adjustment to equity of the value of investments held in joint venture Careo S.r.l. and in associate Pac Service S.p.A.

With regard to the investment in Manucor S.p.A., it should first be noted that on June 16, 2014, an agreement was signed by Manucor S.p.A. and its shareholders providing, *inter alia*, for the partial conversion of credit from Intesa San Paolo into financial equity instruments, on the basis of which Manucor issued, and Intesa San Paolo purchased, financial equity instruments first series totaling €15 million.

On April 28, 2015, Manucor issued, and Intesa San Paolo signed, part of the second series of financial equity instruments for further of €4.2 million.

Reno De Medici S.p.A. believes that, based on current information, there is no reason to restore the carrying amount of the investment, which was reduced to zero at the end of 2013.

The information required by IFRS 12 for equity-accounted investments is provided below.

The value of equity-accounted investments in the balance sheet is as follows:

	June 30, 2015	December 31, 2014
(thousands of Euros)		
Associates	1,691	1,227
Joint ventures	357	291
Total	**2,048**	**1,518**

The impact on the income statement for the period of measuring equity investments using the equity method is as follows:

	June 30, 2015	June 30, 2014
(thousands of Euros)		
Associates	464	207
Joint ventures	67	184
Total	**531**	**391**

Investments in joint ventures

Company	Country	% held	Nature of relationship	Measurement method
Careo S.r.l.	Italy	70%	Note 1	Equity

Note 1: Careo S.r.l. provides sales promotion and marketing services to the Group. It is a capital-based company that is unlisted on regulated markets.

There are no contingent liabilities related to the Group's investment in this company.

Below is a summary of financial information for Careo S.r.l. used for measurement using the equity method.

	June 30, 2015	December 31, 2014
(thousands of Euros)		
Current assets		
Liquid assets	478	553
Other current assets	6,066	5,988
Total current assets	**6,544**	**6,541**
Current liabilities		
Bank debt		
Other current liabilities	3,714	3,840
Total current liabilities	**3,714**	**3,840**
Non-current assets		
Assets	**853**	**823**
Non-current liabilities		
Liabilities	3,216	3,153
Shareholders' equity	**467**	**371**

Summary income statement information for Careo S.r.l. is provided below.

	June 30, 2015	June 30, 2014
(thousands of Euros)		
Revenues	6,302	6,941
Operating costs	(6,067)	(6,491)
Gross operating profit	**235**	**450**
Depreciation and amortization	(12)	(19)
Operating profit	**223**	**431**
Financial income (expense)	**15**	**(41)**
Profit (loss) before taxes	**238**	**390**
Taxes	(111)	(79)
Net profit	**127**	**311**

	June 30, 2015	December 31, 2014
(thousands of Euros)		
Shareholders' equity at January 1	371	267
Profit for the period	127	324
Capital increase		
Foreign exchange differences	(31)	(63)
Statement of comprehensive income		(157)
Shareholders' equity	**467**	**371**
% held	70%	70%
Value of equity investment	**327**	**260**

15. Trade receivables and receivables from associates and joint ventures

The breakdown of trade receivables, which amount to €73.4 million, is provided below:

	06.30.2015	12.31.2014	Change
(thousands of Euros)			
Trade receivables	73,128	59,368	13,760
Receivables from associates and joint ventures	223	274	(51)
Current trade receivables	**73,351**	**59,642**	**13,709**

Trade receivables, stated net of the provision for bad and doubtful receivables (€4.2 million), stand at €73.4 million, representing an increase of €13.7 million compared to December 31, 2014, mainly driven by the increase in turnover recorded in the second half of 2015 compared with turnover recorded in the fourth quarter of 2014.

"Receivables from associates and joint ventures" includes both transactions for the provision of services by the Group to Careo S.r.l. and some of its subsidiaries, as well as commercial transactions with Pac Service S.p.A.

16. Inventories

The change in inventories of €3,487,000 is due primarily to the decrease in physical stocks.

17. Other receivables (current portion)

As of June 30, 2015, the "Other receivables (current portion)" item totaled €5.9 million. The €2.7 million change from the previous year was mainly due to the closure of the CIGS (wage guarantee fund) for Italian mills and the consequent recovery of the receivable from the National Welfare Institution (€0.7 million), the reduction in the receivable from a factoring company after the reduction in receivables sold to it (€0.6 million) and the receipt of funds from the sale of Energy Efficiency Certificates (TEPs) (€0.8 million).

18. Net financial position

Consolidated net financial debt as of June 30, 2015, including Reno De Medici Ibérica S.l.u., stood at €59.6 million, down from the figure of €65.9 million as of December 31, 2014.

The net financial position consisted of the following:

	06.30.2015 Continuing	06.30.2015 Total assets held for sale	06.30.2015 Total	12.31.2014	Change
(thousands of Euros)					
Cash	50	1	51	28	23
Funds available from banks	2,321	132	2,453	3,050	(597)
A. Cash and cash equivalents	**2,371**	**133**	**2,504**	**3,078**	**(574)**
Other receivables from associates and joint ventures	376		376	372	4
Derivatives - current financial assets	602		602	249	353
B. Current financial receivables	**978**		**978**	**621**	**357**
1. Current payables to banks	*5,056*	*1,286*	*6,342*	*20,396*	*(14,054)*
2. Current portion of medium- and long-term loans	*16,769*	*227*	*16,996*	*16,951*	*45*
3. Other current financial liabilities	*154*	*2,229*	*2,383*	*1,915*	*468*
Payables to banks and other lenders (1+2+3)	21,979	3,742	25,721	39,262	(13,541)
Other payables to associates and joint ventures	2,123		2.123	2,445	18,789
Derivatives - current financial liabilities	203		203	286	(83)
C. Current financial debt	**24,305**	**3,742**	**28,047**	**41,994**	**(13,947)**
D. Net current financial debt (C - A - B)	**20,956**	**3,609**	**24,566**	**38,295**	**(13,729)**
Payables to banks and other lenders	34,319	735	35,054	27,581	7,473
Derivatives - non-current financial liabilities	4		4	18	(14)
E. Non-current financial debt	**34,323**	**735**	**35,058**	**27,599**	**7,459**
F. Net financial debt (D+E)	**55,280**	**4,344**	**59,624**	**65,894**	**(6,270)**

Non-current "Payables to banks and other lenders" comprise medium- and long-term loans granted by banks (valued according to the amortized cost method).

The table below shows outstanding medium- and long-term loans, broken down by due date and recorded at nominal value:

(thousands of Euros)	within 12 months	over 12 months	over 60 months	total
M.I.C.A. - due February 13, 2017	159	165		324
San Paolo Imi fin.pool - tranche A - due 4/6/2016	4,839			4,839
San Paolo Imi fin.pool - tranche B - due 4/6/2016	2,000			2,000
MCFVG -FRIE 1	625	2,023		2,648
MCFVG -FRIE 2	813	2,844	1,624	5,281
Friulia (Ovaro Transaction)		2,940		2,940
Banca Pop. Emilia Romagna - due 5/15/2016	620			620
DRESDNER BANK – due December 2015	357			357
Banco Popolare di Lodi	1,649	2,157		3,806
Banco Popolare di Bergamo	1,875	6,777		8,652
Intesa San Paolo due 4/16/2016	4,000	16,000		20,000
Total nominal debt	**16,937**	**32,906**	**1,624**	**51,467**
Amortized cost effect	**(168)**	**(210)**		**(378)**
Total debt using amortized cost method	**16,769**	**32,696**	**1,624**	**51,089**

RDM is bound by certain restrictions and commitments for the syndicated loan that are normal for syndicated loans of this nature; among these are limitations on assuming additional debt, distributing dividends, granting guarantees (a negative pledge), disposing of core assets, and restrictions on making investments and carrying out extraordinary financial transactions.

In particular, this loan requires certain financial covenants to be respected based on the following ratios:

- Net financial position/Shareholders' equity;
– Net financial position/Adjusted gross operating profit (Adjusted EBITDA);
– Adjusted gross operating profit (Adjusted EBITDA)/Net financial expense.

These financial ratios are calculated every six months on the basis of the figures stated in the Group's consolidated annual and condensed half-year financial statements, as from December 31, 2006.

The half-year calculations of the Group's adjusted gross operating profit and net financial expense are based on the 12-month period ending on the last day of the relevant half-year.

In the event of non-compliance with the financial covenants, the lending banks may terminate the loan agreement.

During 2014 and 2015, the Parent Company agreed new loans, which stipulate, *inter alia*, compliance with several financial parameters to be verified annually. The majority of these agreements were signed with Banca Popolare di Bergamo, for a value of €10 million, and with Intesa San Paolo, for a value of €20 million.

In 2008, the Reno De Medici Arnsberg GmbH subsidiary entered into a €5 million loan agreement that requires, *inter alia*, compliance with certain financial parameters to be verified half-yearly, a change of control clause, and the obligation to inform the bank if new loans are taken out.

The Parent Company, with regard to the Group covenants reported above, and the German subsidiary, were both in compliance with the above financial covenants at June 30, 2015.

With reference to guarantees, it should be noted that with regard to the loans reported above, mortgages were registered for the Ovaro, Magenta, Santa Giustina, Villa Santa Lucia and Arnsberg (partial) for a total amount of €132 million.

Special liens on the Ovaro, Magenta, Santa Giustina and Villa Santa Lucia mills' plant and machinery are given as collateral, in the total amount of €140 million.

In order to reduce the variability of borrowing charges, interest rate swaps have been taken out on the loans outstanding as of June 30, 2015.

The table below shows the main features of the derivative financial instruments outstanding as of June 30, 2015:

Company	Counterparty	Currency	Due date	Notional value (€/000)	Interest	Liquidation of interest	Fair value of derivative (€/000)
Reno De Medici S.p.A.	Intesa San Paolo S.p.A.	Eur	04.06.2016	3,000	4.11% fixed Euribor 6m	Semi-annual	(86)
Reno De Medici S.p.A.	Unicredit Banca d'impresa S.p.A.	Eur	04.06.2016	1,500	4.11% fixed Euribor 6m	Semi-annual	(43)
Reno De Medici S.p.A.	Intesa San Paolo S.p.A.	Eur	05.15.2016	620	4.15% fixed Euribor 6m	Semi-annual	(19)
Reno De Medici Arnsberg GmbH	Dresdner Bank AG	Eur	12.31.2015	357	3.59% fixed Euribor 6m	Semi-annual	(6)
Reno De Medici S.p.A.	Intesa San Paolo S.p.A.	Eur	06.04.2020	15,000	0.42% fixed Euribor 6m	Semi-annual	(53)
				20,477			**(207)**

Note that on June 18, 2015, the new interest rate swap agreement hedging the new loan from Intesa San Paolo was signed.

Below is the hierarchy of levels for the measurement of the fair value of derivatives:

• level 1: inputs used in measurements are represented by quoted prices in active markets for identical assets and liabilities to those subject to measurement;
• level 2: inputs other than quoted prices included in Level 1 that are observable for the financial asset or liability, both directly (prices) and indirectly (derived from prices);
• level 3: in the event that observable inputs are not available, and therefore market activity is light or nonexistent for the asset or liability subject to measurement, the inputs are non-observable.

	Classification	06.30.2015	Fair value as of the date of the financial statements based on:		
			Level 1	Level 2	Level 3
(thousands of Euros)					
Derivative instruments on interest rates	Non-current derivative instruments	4		4	
Derivative instruments on interest rates	Current derivative instruments	203		203	

19. Shareholders' Equity

The share capital, which stood at €185 million as of June 30, 2015, breaks down as follows:

	Number	Unit par value	Total value
Ordinary shares	377,512,370		184,981,061.3
Savings shares	288,624		141,425.76
Total	377,800,994		185,122,487.06

With reference to the savings shares, the RDM articles of association require that if a dividend of less than 5% of the par value of the share (€0.49) is assigned to the savings shares in a financial year, the difference is calculated as an increase in the privileged dividend in the next two financial years. In this regard, note that no dividends have been distributed in the last two financial years.

Minority interests of €0.4 million (in line with the figure of €0.4 million in the previous year) relate to the minority interest in subsidiary Emmaus Pack S.r.l.

20. Other current payables

The current portion of other payables stands at €14.2 million (€12.9 million as of December 31, 2014). This item essentially includes payables to employees for deferred compensation, payables to the Treasury for contributions on compensation, payables for the Treasury for VAT, and payables to directors and statutory auditors.

21. Employee benefits

The “Employee benefits” item as of June 30, 2015 was in line with the figure for the previous year.

As of June 30, 2015, the RDM Group's workforce (without Reno De Medici Iberica S.l.ù) consisted of 1,159 employees, compared to 1,169 employees as of December 31, 2014.

22. Provisions for risks and charges

The provisions for risks and charges was €3.5 million as of June 30, 2015. The decrease of €1.3 million compared to the previous year is essentially due to the ending of the personnel mobility procedure and the consequent use, to the tune of €1.2 million Euros, of the provision previously set aside. This was in addition to the use of the provision for charges for the Marzabotto mill (€0.3 million), partly offset at income statement level by the recording of a provision for risks in the light of the dismantling expenses which will be incurred at the Magenta mill.

23. Current trade payables and payables to associates and joint ventures

The balance at June 30, 2015 breaks down as follows:

	06.30.2015	12.31.2014	Change
(thousands of Euros)			
Trade payables	83,305	85,752	(2,447)
Payables to associates and joint ventures	3,674	2,780	894
Total	**86,979**	**88,532**	**(1,553)**

“Trade payables” recorded in the financial statements were €87 million (€89 million as of December 31, 2014) and are all due in less than 12 months. They are stated net of trade discounts and adjusted for any returns or rebates agreed with the counterparty.
“Payables to associates and joint ventures”, amounting to €3.7 million (€2.8 million at December 31, 2014), relate mainly to trade payables to Careo S.r.l. and ZAR S.r.l.

24. Non-recurring transactions

The Group's income, financial position, and cash flows were not influenced by non-recurring significant events and transactions as defined by Consob Notice No. DEM/6064293.

25. Contingent liabilities and commitments and other guarantees given to third parties

Regarding the main existing disputes, see section 5.8.

Commitments and guarantees given to third parties include:

- sureties of €4.1 million issued in favor of the Province of Belluno regarding the landfill site at the Santa Giustina (BL) mill;
- a surety of €421,000 issued in favor of the Region of Lazio regarding the landfill site at the Villa Santa Lucia (FR) mill;
- sureties of €2.2 million issued to the Comieco consortium;
- sureties of €67,000 issued in favor of the customs authorities;
- a surety of €177,000 issued in favor of Stogit S.p.A.;
- sureties of €228,000 issued in favor of Terna S.p.A.;
- sureties of €718,000 issued in favor of the revenue agency for Carta Service Friulana S.r.l. and Cartiera Alto Milanese in liquidation;
- sureties of €612,000 issued in favor of Cassa Conguaglio (compensation fund);
- a surety of €90,000 issued in favor of the Province of Milan;
- a surety of €386,000 issued in favor of the Province of Frosinone;
- a surety of €88,000 issued in favor of Margiuno S.r.l.;
- a surety of €72,000 issued in favor of the Polytechnic Institute of Milan.
- a surety of €1.6 million issued in favor of Unicredit;
- a surety of €2.5 million issued in favor of Cariparma;
- a surety of €21,000 issued in favor of Centre d'Affaires Nord de France Enterprises.

With reference to transactions between Manucor shareholders, see the description in section 13, "Equity investments."

5.7 Related-party transactions

During the half-year, there were no transactions with related parties or other parties that were atypical or unusual or extraneous to normal business operations or such as to cause harm to the Group's income, financial position or cash flow. It should be noted that, from January 1, 2011, the new "Regulations for Related-party Transactions" went into effect, approved by the Board of Directors on November 8, 2010 and revised on August 3, 2011, in accordance with the provisions of the regulations on the matter adopted by Consob Resolution No. 17221 of March 12, 2010, as amended and supplemented.

In the condensed consolidated half-year financial statements, related-party transactions were in existence with:

- the parent company;
- associates;
- joint ventures;
- other related parties.

Transactions between Reno De Medici S.p.A. and its consolidated subsidiaries were eliminated from the condensed consolidated half-year financial statements and are therefore not shown in these notes.
The transactions carried out with the related parties identified above are part of normal business operations in the usual area of activity of each party involved from time to time, and are governed under arm's length conditions.

Related-party transactions include:
- trade-related transactions with Cascades S.A.S. related to the purchase of virgin fiber cartonboard produced at the La Rochette (France) mill;
- commercial transactions for the sale of cartonboard with Cascades Asia Ltd, a commercial company belonging to the Cascades group and operating primarily in the Asian market;
- commercial transactions with Pac Service S.p.A., a 33%-owned subsidiary of RDM, for the sale of cartonboard, and with Zar S.r.l. for the purchase of scrap paper;
- general and administrative services provided by companies of the Reno De Medici Group to the Careo group;
- financial services (cash pooling) provided by Reno De Medici S.p.A. to joint venture Careo S.r.l.;
- sales promotion and marketing services provided by Careo S.r.l.

As part of the sale of the Ovaro mill to R.D.M. Ovaro S.p.A., Reno De Medici S.p.A. and FRIULIA S.p.A respectively obtained a call option, exercisable between June 27, 2014 and June 27, 2017, and a put option, exercisable between June 27, 2015 and June 27, 2017, on FRIULIA S.p.A.'s stake in R.D.M. Ovaro S.p.A.

Pursuant to Consob Resolution No. 15519 of July 27, 2006, the transactions described above are shown in the tables below:

Receivables and Payables with Related Parties

	Current assets						
	Trade receivables	Receivables from associates and joint ventures	Other receivables from associates and joint ventures	Trade payables	Payables to associates and joint ventures	Other payables to associates and joint ventures	Other payables
(thousands of Euros)							
Careo S.a.s.					10		
Careo Spain S.L.							
Careo S.r.l.		95			2,754	2,123	
Cascades Asia Ltd	378						
Cascades S.A.S.	3			507			
Cascades Groupe Produits				1			
Cascades Canada ULC				7			
Cascades MultiPro	15						
Pac Service S.p.A.		128					
ZAR S.r.l.			376		910		
Total	**396**	**223**	**376**	**515**	**3,674**	**2,123**	
Share of item total	**0.5 %**	**100 %**	**100 %**	**0.6 %**	**100 %**	**100 %**	

Revenues and costs deriving from related-party transactions

	Revenues from sales	Other revenues	Financial income
(thousands of Euros)			
Careo GmbH		10	
Careo Ltd			
Careo S.a.s.	2		
Careo Spain S.L.			
Careo S.r.l.		211	
Cascades Asia Ltd	620		
Cascades Djupafors A.B.			
Cascades S.A.S		1	
Pac Service S.p.A	2.272		
Cascades Multi pro	15		
ZAR Srl			4
Total	**2.909**	**222**	**4**
Share of item total	**1,3%**	**7,1%**	**36%**

(thousands of Euros)	Cost of raw materials and services	Financial expense
Careo S.a.s.	21	
Careo S.r.l.	4,921	10
Cascades Canada ULC	33	
Cascades S.A.S	812	
ZAR S.r.l.	2,894	
Red. Imm. S.r.l.	20	
Total	**8,701**	**10**
Share of item total	**5.1%**	

The compensation due to the directors and statutory auditors of Reno de Medici S.p.A. for the performance of their duties amounted to €168,000 and €85,000, respectively.

5.8. Lawsuits and arbitration proceedings

Existing disputes and risks

Nothing to report

5.9. Subsequent events

There are no relevant subsequent events to report.

6. Equity investments in subsidiaries and associates

Pursuant to Article 126 of Consob Resolution No. 11971 of May 14, 1999, as subsequently amended and supplemented, below is the list of equity investments held at June 30, 2015 in companies with unlisted shares or in limited-liability companies, exceeding 10% of the capital.

LIST OF SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

Cartonboard sector - subsidiaries

Cartiera Alto Milanese S.p.A. in liquidation
Milan – Italy
Direct ownership 100%

Emmaus Pack S.r.l.
Milan - Italy
Direct ownership 51.39%

RDM Blendecques S.A.S.
Blendecques – France
Direct ownership 100%

R.D.M. Ovaro S.p.A.
Ovaro - Italy
Direct ownership 80%

Reno De Medici Arnsberg Gmbh
Arnsberg – Germany
Direct ownership 94%
Indirect ownership 6% (through Cascades Grundstück GmbH & Co.KG).

Reno De Medici Iberica S.l.u.
Prat de Llobregat - Barcelona - Spain
Direct ownership 100%

Reno De Medici UK Limited
Wednesbury – UK
Direct ownership 100%

Carta Service Friuliana S.r.l.
Milan – Italy
Direct ownership 100%

Service sector - subsidiaries

Cascades Grundstück GmbH & Co.KG

Arnsberg – Germany
Direct ownership 100%

LIST OF EQUITY-ACCOUNTED INVESTMENTS

Cartonboard sector and other industrial production

Manucor S.p.A.
Milan - Italy
Direct ownership 22.75%

Pac Service S.p.A.
Vigonza - Padua - Italy
Direct ownership 33.33%

ZAR S.r.l.
Silea - Italy
Direct ownership 33.33%

Service sector

Careo S.r.l.
Milan – Italy
Direct ownership 70%

Careo Gmbh
Krefeld – Germany
Indirect ownership 70% (through Careo S.r.l.)

Careo S.A.S.
Paris – France
Indirect ownership 70% (through Careo S.r.l.)

Careo Spain S.L.
Prat de Llobregat – Barcelona – Spain
Indirect ownership 70% (through Careo S.r.l.)

Careo Ltd
Wednesbury – UK

Indirect ownership 70% (through Careo S.r.l.)

Careo S.r.o.

Prague – Czech Republic

Indirect ownership 70% (through Careo S.r.l.)

Careo KFT

Budapest - Hungary

Indirect ownership 70% (through Careo S.r.l.)

Careo SP z.o.o.

Warsaw - Poland

Indirect ownership 70% (through Careo S.r.l.)

CERTIFICATION

of the condensed half-year financial statements, in compliance with article 81-*ter* of Consob Regulation No. 11971 of May 14, 1999, as amended and supplemented

1. We, the undersigned, Ignazio Capuano and Stefano Moccagatta, respectively CEO and CFO of Reno De Medici S.p.A., hereby certify, also taking into account the provisions of article 154-*bis*, paragraphs 3 and 4 of Legislative Decree 58 of February 24, 1998:

a) the suitability for the characteristics of the business and
b) the effective implementation,

of the administrative and accounting procedures pertaining to the preparation of the condensed half-year financial statements for the period from January 1, 2015 to June 30, 2015.

2. No significant issues have emerged in this regard.
3. We further certify that:
3.1 the condensed half-year financial statements as of June 30, 2015:
a) were prepared in accordance with the applicable international accounting standards recognized in the European Union pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council of July 19, 2002;
b) are consistent with the figures reported in the relevant accounting books and records;
c) present fairly the financial position, the results and the cash flows of the issuer and of all of the companies included in the consolidation.

3.2. The interim report on operations includes a reliable analysis with reference to important events occurring during the first six months of the year and their effect on the condensed half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim report on operations also includes a reliable analysis of information on material related-party transactions.

Milan, July 30, 2015

Chief Executive Officer

Chief Financial Officer

Ignazio Capuano

Stefano Moccagatta

Deloitte.

Deloitte & Touche S.p.A.
Via Tortona, 25
20144 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
RENO DE MEDICI S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Reno De Medici S.p.A. and subsidiaries (the "Reno De Medici Group"), which comprise the consolidated statement of financial position as of June 30, 2015 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in Shareholder's equity and consolidated statement of cash flow for the six month period then ended, and related illustrative notes. The Directors are responsible for the preparation of this interim financial information in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly interim financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of Rendo De Medici Group are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Giovanni Gasperini
Partner

Milan, Italy
July 31, 2015

This report has been translated into the English language solely for the convenience of international readers.