



THE BOARD OF DIRECTORS
APPROVES THE INTERIM REPORT AS OF MARCH 31, 2015

MAIN CONSOLIDATED FINANCIAL RESULTS OF THE FIRST QUARTER 2015 (VS. FIRST QUARTER 2014*):

- ◆ **NET REVENUES:** €114.5 MILLION
(COMPARED TO €111.9 MILLION AS OF MARCH 31, 2014)
- ◆ **GROSS OPERATING PROFIT (EBITDA):** €10.7 MILLION
(COMPARED TO €13.8 MILLION AS OF MARCH 31, 2014)
- ◆ **OPERATING PROFIT (EBIT):** €4.9 MILLION
(COMPARED TO €8.2 MILLION AS OF MARCH 31, 2014)
- ◆ **NET PROFIT FOR THE PERIOD BEFORE DISCONTINUED OPERATIONS:** €4.0 MILLION
(COMPARED TO €5.6 MILLION AS OF MARCH 31, 2014)
- ◆ **NET PROFIT FOR THE PERIOD:** €3.8 MILLION
(COMPARED TO €5.6 MILLION AS OF MARCH 31, 2014)
- ◆ **NET FINANCIAL DEBT:** €59.8 MILLION
(€65.9 MILLION AS OF MARCH 31, 2014)

(*) Following the termination of Reno De Medici UK's activity and the holding for sale of Reno De Medici Ibérica at March 31, 2015 and the consequent reclassification of the results for the period between the discontinued operations, as required by IFRS 5, the economic data as at March 31, 2014 were reclassified in order to make them comparable with those at March 31, 2015.

Milan, April 29, 2015

The Board of Directors of **Reno De Medici S.p.A.** (“RDM” or the “Company”), parent company of one of the world’s largest producers of recycled cartonboard, met today under the chairmanship of Mr. Robert Hall, examined and approved the **Interim Report as of March 31, 2015** of the Reno De Medici Group (“RDM Group” or the “Group”).

* * *

Introduction

According to the latest assessments, in 2015 the world economy is expected to grow by 3.5%, with Advanced Economies accelerating (+2.4% in 2015 vs. +1.8% in 2014), driven by the solid recovery of the United States (+3.1%). Emerging Markets and Developing Economies, whose growth is projected to be 4.3%, are on the contrary expected to decelerate, since the decrease in oil prices have negatively affected the value of exports of some of these Countries.

In the “**White Lined Chipboard**” sector, in which the Reno De Medici Group operates, in the first quarter of 2015 **European demand grew by 3.9%** compared to the same period of the previous year,



driven by Spain, Germany and France; also Italy shows a positive trend, with a 1.5% increase. The order intake in Europe increased significantly in January and February, and stabilized in March, remaining at very satisfactory levels. All mills operated at full production capacity.

As regards the main factors of production, prices of recycled fibres stayed firm, although at the end of the first quarter 2015 some signs of increase were observed, in Italy in particular.

In line with the weak level of oil cost, energy prices continued to be very low in all its components (natural gas, coal, electricity). In particular, in Europe the cost of natural gas (the main source of energy for the Reno De Medici Group) resulted to be significantly lower in Q1 2015 vs. Q1 2014, also due to the mild winter. It has to be pointed out that in 2015 the cost of energy of the Italian mills has increased for the mandatory contribution imposed to support the renewable sources of energy. As regards specifically Reno De Medici, the contracts already signed, based on fix prices, entirely cover the consumption of the first-half of 2015, as well as a substantial portion of the second-half consumption, and protect the Group from unexpected upward fluctuations.

The following table summarizes key income statement indicators as at March 31, 2015 and 2014.

	03.31.2015	03.31.2014 (*)
(thousands of euros)		
Revenues from sales	114,456	111,860
OPERATING PROFIT (EBITDA) (1)	10,653	13,763
EBIT (2)	4,920	8,163
Pre-tax income (3)	4,781	6,773
<i>Current and deferred taxes</i>	<i>(812)</i>	<i>(1,169)</i>
Profit (Loss) for the period before discontinued operations	3,969	5,604
Discontinued operations	(144)	4
Profit (Loss) for the period	3,825	5,608

(*) Following the termination of Reno De Medici UK's activity and the holding for sale of Reno De Medici Ibérica at March 31, 2015 and the consequent reclassification of the results for the period between the discontinued operations, as required by IFRS 5, the economic data as at March 31, 2014 were reclassified in order to make them comparable with those at March 31, 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



Interim Report as of 31 March 2015

press release

As of March 31, 2015 **Revenues from sales** of the RDM Group amounted to **114.5 million euro**, with an increase, when compared to **111.9 million euro** in the first quarter of 2014, mainly due to higher volumes sold and to a mix change associated to the restructuring of the Spanish operation, partially offset by a slight decrease of average prices.

The **volumes sold** by the Reno De Medici Group in Q1 2015 reached **217,000 tons** (without including Reno De Medici Ibérica S.l.u., which at the end of 2014 was represented as held for sale), with an increase if compared to **210,000 tons** sold in Q1 2014.

In the first quarter of 2015 the RDM Group **Gross Operating Profit (EBITDA)** amounts to 10.7 million euro; the difference compared to 13.8 million euro in Q1 2014 is mainly due to the EECs – Energy Efficiency Certificates, which in 2014 were granted for a higher amount, due to the completion of the projects envisaged by the 5-year plan.

As of March 31, 2015, **EBIT** amounts to 4.9 million euro, compared to 8.2 million euro in Q1 2014, a difference mainly associated to the lower EECs.

Net Financial Expenses are equal to 0.7 million euro, **significantly decreasing** in comparison with 1.7 million in the first quarter of 2014, due to the lower Net Financial Indebtedness (59.8 million euro as of March 31, 2015, vs. 74.5 million as of March 31, 2014), the decrease in interest rates, and the higher income from exchange differences, for the revaluation of the US dollar.

In the first quarter of 2015 **Profit from investments** amount to 0.5 million euro, slightly higher than the 0.3 million recorded in Q1 2014.

Consolidated Profit before Discontinued Operations totals **4 million euro**, compared to 5.6 million euro as of March 31, 2014.

Consolidated Net Profit as of 31 March 2015 amounts to **3.8 million euro**, vs. 5.6 million euro in the same period of previous year; this result reflects how **positive operational performance** and **lower financial expenses** have partly counterbalanced the decrease in Other Revenues.

Capital Expenditures made in the first quarter of 2015 by the Reno De Medici Group amounted to **1.2 million euro**, in comparison with **0.7 million in the first quarter of 2014**.

Consolidated **Net Financial Indebtedness** as of March 31, 2015 amounted to **59.8 million euro** (including Reno De Medici Ibérica S.l.u.), an improvement compared to 65.9 million euro as of 31 December 2014, thanks to the positive performance of operations and the reduction of the net working capital.



Outlook

After the closing of the first quarter of 2015, the order in-flow has continued to be satisfactory.

As regards the evolution of the general scenario, recovery should continue, even if risks seem still tilted to the down side.

In the sector in which the Reno De Medici Group operates, demand should remain strong in the forthcoming months. The main cost factors, recycled fibers and energy, should stay firm at the current favorable level, although the prices of fibers might start to show an upward trend.

In April Reno De Medici (as well as the other major European producers) announced **a price increase**.

The outlook for the second part of the year is still more uncertain, as it is linked to the pace of recovery, and to the evolution of some specific variables, the cost of energy and the exchange rate of the US dollar in the first place.

Mr. Stefano Moccagatta, the officer in charge of drafting the Company's accounting documents, declares pursuant to Art. 154-bis, sub-section 2, of Italian Legislative Decree 58/1998 ("Consolidated Law on Financial Intermediation") that the information contained in this press release corresponds to documentary results and to accounting books and records.

In addition to the financial indicators conventionally required by IFRS, this press release also presents a few alternate performance indicators (for example, EBITDA) in order to provide a better assessment of the trend of economic and financial performance. These indicators are calculated according to normal market practices.

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

The Interim Report as of March 31, 2015 since today will be available on the authorized storage system NIS Storage, accessible at the site www.emarketstorage.com, and will be also consultable in the Investor Relations section of the corporate website, www.renodemedici.it.

For further information

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

** Please note that the following tables have not been audited by the Independent Auditors.


 Consolidated
Income
Statement

Consolidated Income Statement		03.31.2015	03.31.2014 (*)
	(thousands of Euros)		
Revenues from sales		114,456	111,860
Other revenues and income		1,715	6,303
Change in inventories of finished goods		(4,506)	(1,987)
Cost of raw materials and services		(83,840)	(84,544)
Personnel costs		(16,184)	(16,655)
Other operating costs		(988)	(1,214)
Gross operating profit		10,653	13,763
Depreciation and amortization		(5,733)	(5,600)
Write-downs			
Operating profit		4,920	8,163
	<i>Financial expense</i>	(1,173)	(1,726)
	<i>Gains (losses) on foreign exchange</i>	488	26
	<i>Financial income</i>	2	6
Net financial income/(expense)		(683)	(1,694)
Gains (losses) from investments		544	304
Taxes		(812)	(1,169)
Profit (loss) for the period before net result Before discontinued operations		3,969	5,604
Net result from discontinued operations		(144)	4
Profit (loss) for the period		3,825	5,608
attributable to:			
Group's share of profit (loss) for the period		3,811	5,578
Minority interest in profit (loss) for the period		14	30

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Consolidated
Statement of
Financial Position
Assets

Statement of Financial Position - ASSETS	03.31.2015	12.31.2014
<i>Non-current assets</i>		
Tangible fixed assets	198,267	202,768
Other intangible assets	5,779	5,859
Equity investments	2,252	1,706
Deferred tax assets	3,345	3,245
Other receivables	1,033	990
Total non-current assets	210,676	214,568
<i>Current assets</i>		
Inventories	66,266	70,595
Trade receivables	65,567	59,643
Other receivables	7,456	8,934
Cash and cash equivalents	1,599	2,376
Total current assets	140,888	141,548
Asset held for sale	8,939	10,425
TOTAL ASSETS	360,503	366,541



Consolidated
Statement of
Financial Position
Liabilities and
Shareholders'
Equity

Statement of Financial Position - LIABILITIES AND SHAREHOLDERS' EQUITY		03.31.2015	12.31.2014
	(thousands of Euros)		
Shareholders' equity			
Shareholders' equity attributable to the Group		145,031	141,198
Minority interests		376	362
Total shareholders' equity		145,407	141,560
Non-current liabilities			
Payables to banks and other lenders		23,024	26,725
Derivative instruments		18	18
Other payables		169	182
Deferred taxes		10,129	10,589
Employee benefits		30,540	30,674
Non-current provisions for risks and charges		3,273	4,780
Total non-current liabilities		67,153	72,968
Current liabilities			
Payables to banks and other lenders		31,672	36,196
Derivative instruments		293	286
Trade payables		88,674	88,532
Other payables		16,097	15,364
Current taxes		2,174	2,396
Employee benefits		205	924
Total current liabilities		139,115	143,698
Liabilities held for sale		8,828	8,315
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		360,503	366,541


**Net Financial
Position**

Net financial position	03.31.2015	12.31.2014	Change
(thousands of Euros)			
Cash, cash equivalents and short-term financial receivables	2,644	3,698	(1,054)
Short-term financial debt	(38,377)	(41,707)	3,330
Valuation of current portion of derivatives	(293)	(286)	(7)
Short-term net financial position	(36,026)	(38,295)	2,269
Medium-term financial receivables	54		54
Medium-term financial debt	(23,818)	(27,581)	3,763
Valuation of non-current portion of derivatives	(18)	(18)	
Net financial position	(59,808)	(65,894)	6,086