



THE BOARD OF DIRECTORS
APPROVES THE INTERIM REPORT AS AT MARCH 31, 2016

MAIN CONSOLIDATED FINANCIAL RESULTS OF THE FIRST QUARTER 2016 (VS. FIRST QUARTER 2015):

- ◆ **NET REVENUES:** €111.6 MILLION
(COMPARED TO €114.5 MILLION AS AT MARCH 31, 2015)
- ◆ **GROSS OPERATING PROFIT (EBITDA):** €9.3 MILLION
(COMPARED TO €10.7 MILLION AS AT MARCH 31, 2015)
- ◆ **OPERATING PROFIT (EBIT):** €4.0 MILLION
(COMPARED TO €4.9 MILLION AS AT MARCH 31, 2015)
- ◆ **NET PROFIT BEFORE DISCONTINUED OPERATIONS:** €2.9 MILLION
(COMPARED TO 4.0 MILLION AS AT MARCH 31, 2015)
- ◆ **NET PROFIT FOR THE PERIOD:** €2.7 MILLION
(COMPARED TO €3.8 MILLION AS AT MARCH 31, 2015)
- ◆ **NET FINANCIAL INDEBTEDNESS:** €38.4 MILLION
(COMPARED TO €50.3 MILLION AS AT DECEMBER 31, 2015)

Milan, April 29, 2016

The Board of Directors of Reno De Medici S.p.A. ("**RDM**" or the "**Company**"), parent company of one of the world's largest producers of recycled cartonboard, met today under the chairmanship of Mr. Robert Hall, examined and approved the **Interim Consolidated Report as at March 31, 2016** of the Reno De Medici Group ("**RDM Group**" or the "**Group**").

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Introduction

In the **White Lined Chipboard** sector, in which Reno De Medici operates, in Q1-2016 the European demand has shown a 3.3% decrease compared to the same period of the previous year. The decline affected all major European markets, especially France and Germany. Higher sales to the *Overseas* markets have partially, yet not entirely, compensated the decline experienced on the European markets.

As regards the main **factors of production**, prices of recycled fibers remained stable at the same



levels of late 2015, then resuming an upward trend at the end of March 2016; the average prices of the period were appreciably higher than in Q1-2015. Prices of chemical products remained low, even though they showed signs of increase at the end of the quarter.

The prices of **energy components** are still at very low levels, as supply far exceeds demand. In the first quarter of 2016, energy costs therefore resulted in being well lower than those of Q1-2015. In the first three months of 2016 the price of **natural gas**, the main natural source of energy for the Reno De Medici Group, of **coal**, the main energy source for the Arnsberg plant (Germany), and of **electricity**, basically remained stable at minimum levels.

The following table summarizes key Income Statement indicators as at March 31, 2016 and 2015.

	03.31.2016	03.31.2015
(thousands of Euros)		
Revenues from sales	111,617	114,456
OPERATING PROFIT (EBITDA) (1)	9,255	10,653
EBIT (2)	4,045	4,920
Pre-tax income (3)	3,718	4,781
<i>Current and deferred taxes</i>	<i>(796)</i>	<i>(812)</i>
Profit (Loss) for the period before discontinued operations	2,922	3,969
Discontinued operations	(188)	(144)
Profit (Loss) for the period	2,734	3,825

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

As at March 31, 2016, the RDM Group **Revenues from Sales** amount to **111.6 million euro**, vs. 114.5 million euro in the Q1 of the previous fiscal year. The slight decrease is mainly due to **lower sold volumes, equal to 213,000 tons** as at March 31, 2016 vs. the 217,000 tons sold in Q1-2015. Such decline reflects the lower volumes sold in Western European countries, only partially compensated by higher sales in Eastern Europe and on *Overseas* markets. Average **selling prices** are slightly lower than those of Q1-2015.

**Main
Consolidated
Results as at
March 31, 2016**



As at March 31, 2016 **Gross Operating Profit (EBITDA)** is equal to **9.3 million euro**, compared to 10.7 million euro in Q1-2015. The effects of slightly lower Revenues from Sales and Other Income, as well as the impact of the cost of recycled fibers, have not been completely compensated by the decrease in energy costs and in other costs.

In Q1-2016 **Operating Profit (EBIT)** amounts to **4.0 million euro**, compared to 4.9 million euro in Q1-2015; the decrease was mainly driven by the lower EBITDA, partially compensated by lower Depreciation & Amortization.

Net Financial Expenses amount to 1.1 million euro, compared to 0.7 million euro in Q1-2015, despite the improvement in Net Financial Debt. The increase is entirely due to **exchange differences**, which in Q1-2016 recorded losses of 225,000 euro, compared to a profit of 488,000 euro in Q1-2015. Such results reflect the opposite evolution, in the two reference periods, of the euro exchange rate against both US dollar and GBP: in Q1-2016, the euro revaluated compared to late 2015, whilst in the same period of previous year it had depreciated.

In Q1-2016, the provisions for **Income Tax** amount to **0.8 million euro**, in line with the same period of the previous year.

Net Consolidated Profit ante Discontinued Operations is **2.9 million euro**, compared to 4.0 million euro in Q1-2015.

Result from Discontinued Operations was **slightly negative, by 0.2 million euro**, vs. .0.1 million euro in Q1-2015. The loss recorded in Q1-2016 is mainly the effect of the dissolution of the subsidiary Reno De Medici UK Ltd, as the cumulative amount of the exchange differences related to that foreign subsidiary, previously accumulated in a separate component of equity, was reclassified from equity to income statement, following the requirements of IAS 21.

In Q1-2016, **Net Profit** is equal to **2.7 million euro**, vs. 3.8 million euro in Q1-2015.

Net Financial Indebtedness as at March 31, 2016 is **38.4 million euro**, an improvement of 11.9 million euro vs. 50.3 million euro as at December 31, 2015. The decrease is due to the positive operating performance, and to the deconsolidation of the Net Financial Debt of Reno De Medici Ibérica S.A. (4.2 million euro), sold on January 27, 2016, and of Emmaus Pack S.r.l. (3 million euro), now valued at the equity method, following the sale of a stake of the investment with loss of control, which occurred on March 14, 2016.

Outlook

The sector in which Reno De Medici operates shares the uncertainties of the global economic scenario. The beginning of 2016 resulted to be moderately encouraging, the order inflow is



Committees' Appointments

reasonably satisfactory, albeit not exciting. In April, the dynamics of prices of raw materials, both recycled fibers and chemical products, confirmed the upward trend already experienced in March. On the other hand, the cost of energy is expected to remain very low also in the near future.

The Board of Directors has appointed Mr. Matteo Rossi, which has been elected today by the Shareholders' Meeting, as independent and non-executive member of the Internal Control Committee, the Compensation Committee, the Related-Parties Transactions Committee, the Nomination Committee and the Oversight Body.

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

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

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

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Since today, the Interim Report as of March 31, 2016 will be available on the authorized storage system NIS Storage, accessible at the site www.emarketstorage.com, and will be 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, 2016 ARE ATTACHED BELOW



Consolidated
Income
Statement

Consolidated Income Statement		03.31.2016	03.31.2015
	(thousands of Euros)		
Revenues from sales		111,617	114,456
Other revenues and income		1,256	1,715
Change in inventories of finished goods		(3,913)	(4,506)
Cost of raw materials and services		(82,712)	(83,840)
Personnel costs		(16,096)	(16,184)
Other operating costs		(897)	(988)
Gross operating profit		9,255	10,653
Depreciation and amortization		(5,210)	(5,733)
Operating profit		4,045	4,920
	<i>Financial expense</i>	(850)	(1,173)
	<i>Gains (losses) on foreign exchange</i>	(225)	488
	<i>Financial income</i>	19	2
Net financial income/(expense)		(1,056)	(683)
Gains (losses) from investments		729	544
Taxes		(796)	(812)
Profit (loss) for the period before net result Before discontinued operations		2,922	3,969
Net result from discontinued operations		(188)	(144)
Profit (loss) for the period		2,734	3,825
attributable to:			
Group's share of profit (loss) for the period		2,676	3,811
Minority interest in profit (loss) for the period		58	14



Consolidated
Statement of
Financial
Position-
Assets

Statement of Financial Position - ASSETS	03.31.2016	12.31.2015
(thousands of Euros)		
<i>Non-current assets</i>		
Tangible fixed assets	187,905	190,452
Other intangible assets	5,747	5,828
Equity investments	2,517	1,981
Deferred tax assets	2,415	2,795
Other receivables	1,903	1,167
Total non-current assets	200,487	202,223
<i>Current assets</i>		
Inventories	62,214	68,391
Trade receivables	58,068	58,976
Other receivables	8,418	7,759
Cash and cash equivalents	29,275	23,146
Total current assets	157,975	158,272
Asset held for sale		8,129
TOTAL ASSETS	358,462	368,624



Consolidated
Statement of
Financial Position
– Liabilities and
Shareholders'
Equity

Statement of Financial Position - LIABILITIES AND SHAREHOLDERS' EQUITY	03.31.2016	12.31.2015
(thousands of Euros)		
Shareholders' equity		
Shareholders' equity attributable to the Group	154,741	151,979
Minority interests		440
Total shareholders' equity	154,741	152,419
Non-current liabilities		
Payables to banks and other lenders	51,404	53,280
Derivative instruments	326	50
Other payables	116	130
Deferred taxes	8,545	8,888
Employee benefits	28,736	29,063
Non-current provisions for risks and charges	2,182	2,657
Total non-current liabilities	91,309	94,068
Current liabilities		
Payables to banks and other lenders	14,998	14,839
Derivative instruments	146	146
Trade payables	81,698	84,879
Other payables	14,862	13,939
Current taxes	405	378
Current provisions for risks and charges	303	452
Employee benefits		31
Total current liabilities	112,412	114,664
Liabilities held for sale		7,473
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	358,462	368,624

Net Financial
Position

Net financial position	03.31.2016	12.31.2015	Change
(thousands of Euros)			
Cash, cash equivalents and short-term financial receivables	29,901	24,026	5,875
Short-term financial debt	(16,989)	(20,148)	3,159
Valuation of current portion of derivatives	(146)	(146)	0
Short-term net financial position	12,766	3,732	9,034
Medium-term financial receivables	600		600
Medium-term financial debt	(51,404)	(53,936)	2,532
Valuation of non-current portion of derivatives	(326)	(50)	(276)
Net financial position	(38,364)	(50,254)	11,890