



THE BOARD OF DIRECTORS
APPROVES THE INTERIM REPORT AS AT SEPTEMBER 30, 2015

MAIN CONSOLIDATED FINANCIAL RESULTS OF THE FIRST NINE MONTHS OF 2015 (VS. FIRST NINE MONTHS OF 2014*)

- ◆ **NET REVENUES:** €334.8 MILLION
(COMPARED TO €322.8 MILLION AS AT SEPTEMBER 30, 2014)
- ◆ **GROSS OPERATING PROFIT (EBITDA):** €34.1 MILLION
(COMPARED TO €33.7 MILLION AS AT SEPTEMBER 30, 2014)
- ◆ **OPERATING PROFIT (EBIT):** €15.9 MILLION
(COMPARED TO €16.8 MILLION AS AT SEPTEMBER 30, 2014)
- ◆ **NET PROFIT BEFORE DISCONTINUED OPERATIONS:** €10.9 MILLION
(COMPARED TO €11.2 MILLION AS AT SEPTEMBER 30, 2014)
- ◆ **NET PROFIT FOR THE PERIOD:** €10.1 MILLION
(COMPARED TO €10.6 MILLION AS AT SEPTEMBER 30, 2014)
- ◆ **NET FINANCIAL INDEBTEDNESS:** €55.0 MILLION
(COMPARED TO €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 September 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 September 30, 2014 were reclassified in order to make them comparable with those at September 30, 2015.

Milan, November 6, 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 Consolidated Report as of September 30, 2015** of the Reno De Medici Group ("**RDM Group**" or the "**Group**"), which closes with revenues equal to 334.8 million euro, an increase vs. 322.8 million euro as of 30 September 2014. EBITDA reaches 34.1 million euro, an improvement vs. 33.7 million euro as at 30 September 2014; such increase results in being even more significant when adjusted by the impact of the Energy Efficiency



Certificates (EEC), which in 2014 were granted for a higher amount for the completion of the projects envisaged by the 5-years plan.

Net financial indebtedness as at 30 September 2015 declines to 55 million euro, a sizeable decrease compared to the level of 65.9 million euro as at 31 December 2014, thanks to the positive performance of operations. Lastly, even **Net Profit for the Period**, equal to 10.1 million euro, indicates a profitability increase when compared with the result of the first nine months of the previous fiscal year when excluding the EEC contribution.

* * *

Introduction

In the **White Lined Chipboard** sector, in which Reno De Medici operates, the European demand in the first nine months of 2015 grew by 4.0% compared to the same period of the previous year, showing an acceleration in Q3 2015 vs. Q2 2015. Such relatively high growth rate might also reflect temporary re-stocking behaviors of the operators. In Europe, the order intake has remained well above the previous years' levels until August; in September, after the summer break, activities picked up at a much slower pace than expected.

As at 30 September 2015, all the mills of the Group operated **at full production capacity**.

As regards the main **factors of production**, until August, the prices of recycled fibers confirmed the upward trend that has already been experienced in the previous quarter; in September they stabilized, showing some turnaround signs. Chemicals showed a mixed picture, as prices of latex are decreasing since July/August, whilst prices of starch are somewhat increasing.

The **price of natural gas**, main energy source for the Reno De Medici Group, stayed firm at the minimum levels recorded in March, substantially lower compared to 2014. Even the **electricity prices** present the same stability at minimum levels, notwithstanding peaks driven by surge in demand due to high summer temperatures that occurred in July in Italy. 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 renewable energy sources: in October, after the new further raise, the weight of mandatory contribution is higher than the bare cost of electricity. Lastly, the **coal price** shows a slight increase compared to the previous quarter, even though it remains at very low levels.



The following table summarizes key Income Statement indicators as at September 30, 2015 and 2014.

	09.30.2015	09.30.2014 (*)
(thousands of Euros)		
Revenues from sales	334,752	322,847
OPERATING PROFIT (EBITDA) (1)	34,057	33,725
EBIT (2)	15,854	16,798
Pre-tax income (3)	13,954	13,731
<i>Current and deferred taxes</i>	<i>(3,010)</i>	<i>(2,535)</i>
Profit (Loss) for the period before discontinued operations	10,944	11,196
Discontinued operations	(857)	(644)
Profit (Loss) for the period	10,087	10,552

(*) Following the decision taken by management to hold Reno De Medici Ibérica for sale at December 31, 2014, confirmed for the period ending September 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 September 30, 2014 were reclassified in order to make them comparable with those at September 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

Main Consolidated Results as at September 30, 2015

As at September 30, 2015, the RDM Group has reached **Revenues from Sales** of **334.8 million euro**, an increase vs. 322.8 million euro in the first nine months of 2014. Such rise is mainly due to **higher sold volumes, equal to 630,000 tons**, in the first nine months of 2015 (such amount does not include the Spanish subsidiary Company Reno De Medici Ibérica S.l.u. for the aforementioned reasons) vs. the 611,000 tons of the first nine months of 2014. **Selling prices** rose in Q3: the increase announced in spring showed its effects starting from July, recovering the gradual erosion that prices suffered in the second half of 2014. In the nine-month period, average prices thus resulted in being in line with the same period of the previous year.



In the first nine months of 2015 the **Gross Operating Profit (EBITDA)** was **34.1 million euro**, compared to 33.7 million euro as at September 30, 2014. Such increase reflects the lower energy cost and the decline in other production costs, also due to the full efficiency of the S. Giustina mill, whose production in 2014 was penalised by the commissioning of the new equipment. The increase in operating profitability results in being even more significant when adjusted by the impact of the Energy Efficiency Certificates, which in 2014 were granted for a higher amount following the completion of five-year projects.

As at September 30, 2015, **Operating Profit (EBIT)** amounts to **15.9 million euro**, compared to 16.8 million euro recorded as at September 30, 2014.

In the nine-month period **Net Financial Expenses** amount to 2.5 million euro, a substantial decrease compared to 3.5 million euro in the first nine months of 2014. Such improvement reflects the decrease in Net Financial Indebtedness and the benefits of lower interest rates on the average cost of debt. Furthermore, thanks to the new loans drawn in the last few months, the Group's financial indebtedness is now mainly based on long-term debt. Exchange differences were also positive, due to the revaluation of the US dollar and the GBP recorded in Q1 2015.

In the first nine months of 2015, the RDM Group reached a **Net Profit of 10.1 million euro**, vs. 10.6 million euro as at September 30, 2014. Such a result indicates an improvement in profitability when compared with the result of the first nine months of the previous fiscal year net of the EEC contribution, thanks to the sound performance of operations and lower Financial Expenses.

As at September 30, 2015, consolidated **Net Financial Indebtedness** is equal to **55.0 million euro** (including Reno De Medici Iberica S.l.u.), showing a 10.9 million euro decrease vs. 65.9 million euro as at December 31, 2014, thanks to the positive performance of operations.

* * *

Key events

At the beginning of August, Reno De Medici completed the sale of the area in which the Marzabotto mill was built. The relative accounting assets had already been aligned to the sale price in Q2 2015.

* * *

Outlook

As regards the macroeconomic scenario, the evolution of Q4 should be in line with that of Q3. Forecasts for 2016 envisage a moderate acceleration of global growth, driven by a rebound in Emerging Markets and Developing Economies.



The growth in the Euro Area in 2016 should attain +1.6%; all the factors that are supporting the recovery should continue to be in place even next year: low energy cost, favourable exchange rate of the Euro, and accommodative ECB's monetary policy.

In the sector in which Reno De Medici operates, the outlook for Q4 remains positive, also thanks to declining prices of raw materials and stable energy costs, which should continue to stay at the very low levels recorded in Q3.

* * *

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.

* * *

Since today, the Interim Report as of September 30, 2015 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

Reno De Medici

Investor Relator

Reno De Medici

Stefano Moccagatta

Tel: +39 02 89966111

E-mail: investor.relations@rdmgroup.com

Media Relations

Image Building

Simona Raffaelli, Alfredo Mele, Valentina Bergamelli

Tel: +39 02 89011300

E-mail: RenoDeMedici@imagebuilding.it

IR Advisor

Blue Arrow

Maria Grazia Mantini

Tel: +39 3404980880

E-mail: mariagrazia.mantini@bluearrow.it

THE TABLES RELATIVE TO FINANCIAL STATEMENTS OF RDM GROUP AS OF SEPTEMBER 30, 2015 ARE ATTACHED BELOW


**Consolidated
Income
Statement**

Consolidated Income Statement	09.30.2015	09.30.2014 (*)
(thousands of Euros)		
Revenues from sales	334,752	322,847
Other revenues and income	4,544	11,051
Change in inventories of finished goods	(1,830)	(6,037)
Cost of raw materials and services	(251,828)	(242,185)
Personnel costs	(47,612)	(48,778)
Other operating costs	(3,969)	(3,173)
Gross operating profit	34,057	33,725
Depreciation and amortization	(16,886)	(16,919)
Write-downs	(1,317)	(8)
Operating profit	15,854	16,798
<i>Financial expense</i>	(2,864)	(4,147)
<i>Gains (losses) on foreign exchange</i>	357	612
<i>Financial income</i>	8	36
Net financial income/(expense)	(2,499)	(3,499)
Gains (losses) from investments	599	432
Taxes	(3,010)	(2,535)
Profit (loss) for the period before net result Before discontinued operations	10,944	11,196
Net result from discontinued operations	(857)	(644)
Profit (loss) for the period	10,087	10,552
attributable to:		
Group's share of profit (loss) for the period	9,995	10,437
Minority interest in profit (loss) for the period	92	115

(*) Following the decision taken by management to hold Reno De Medici Ibérica for sale at December 31, 2014, confirmed for the period ending September 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 September 30, 2014 were reclassified in order to make them comparable with those at September 30, 2015



Consolidated
Statement of
Financial
Position-
Assets

Statement of Financial Position - ASSETS	09.30.2015	12.31.2014
(thousands of Euros)		
<i>Non-current assets</i>		
Tangible fixed assets	190,307	202,768
Other intangible assets	5,798	5,859
Equity investments	2,302	1,706
Deferred tax assets	2,714	3,245
Other receivables	957	990
Total non-current assets	202,078	214,568
<i>Current assets</i>		
Inventories	69,108	70,595
Trade receivables	71,283	59,643
Other receivables	6,242	8,934
Cash and cash equivalents	4,131	2,376
Total current assets	150,764	141,548
Asset held for sale	8,002	10,425
TOTAL ASSETS	360,844	366,541



Consolidated
Statement of
Financial Position
– Liabilities and
Shareholders'
Equity

Statement of Financial Position - LIABILITIES AND SHAREHOLDERS' EQUITY	09.30.2015	12.31.2014
(thousands of Euros)		
Shareholders' equity		
Shareholders' equity attributable to the Group	151,073	141,198
Minority interests	454	362
Total shareholders' equity	151,527	141,560
Non-current liabilities		
Payables to banks and other lenders	39,982	26,725
Derivative instruments	56	18
Other payables	143	182
Deferred taxes	9,019	10,589
Employee benefits	30,544	30,674
Non-current provisions for risks and charges	2,707	4,780
Total non-current liabilities	82,451	72,968
Current liabilities		
Payables to banks and other lenders	13,348	36,196
Derivative instruments	75	286
Trade payables	85,924	88,532
Other payables	16,817	15,364
Current taxes	2,369	2,396
Employee benefits	515	924
Total current liabilities	119,048	143,698
Liabilities held for sale	7,818	8,315
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	360,844	366,541


**Net Financial
Position**

Net financial position	09.30.2015	12.31.2014	Change
(thousands of Euros)			
Cash, cash equivalents and short-term financial receivables	5,063	3,698	1,365
Short-term financial debt	(19,209)	(41,707)	22,498
Valuation of current portion of derivatives	(75)	(286)	211
Short-term net financial position	(14,221)	(38,295)	24,074
Medium-term financial debt	(40,744)	(27,581)	(13,163)
Valuation of non-current portion of derivatives	(56)	(18)	(38)
Net financial position	(55,021)	(65,894)	10,873