

# Bit Market Services

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Oggetto : RDM: called Ordinary and Extraordinary  
Shareholders' Meeting

*Testo del comunicato*

Vedi allegato.



## RENO DE MEDICI LAYS THE FOUNDATIONS FOR FUTURE DIVIDEND DISTRIBUTION AND BUYBACK PROGRAMME

### THE BOARD OF DIRECTORS APPROVES TO SUBMIT TO THE SHAREHOLDERS' MEETING:

- ◆ VOLUNTARY REDUCTION OF SHARE CAPITAL TO COVER ALL PAST LOSSES RESULTING FROM THE STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2015, PARTLY USING EARNINGS AND RESERVES, AND PARTLY REDUCING THE SHARE CAPITAL
- ◆ THE CONTEXTUAL CONSTITUTION OF A SPECIFIC EQUITY RESERVE (“AVAILABLE RESERVE”) FOR AN AMOUNT OF 10,399,255.80 EURO
- ◆ THE PROPOSAL TO AUTHORISE THE PURCHASE AND DISPOSE OF THE TREASURY SHARES

\* \* \*

ORDINARY AND EXTRAORDINARY MEETING OF SHAREHOLDERS CALLED, BY ANNOUNCEMENT TO BE PUBLISHED ON 29 SEPTEMBER 2015, FOR 30 OCTOBER AND 2 NOVEMBER 2015, IN FIRST AND SECOND CALL RESPECTIVELY

*Milan, 28 September 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, which met today under the chairmanship of Mr. Ignazio Capuano, examined and approved all the items on the agenda, especially certain measures and proposals aimed to allow for a future dividend distribution and to launch a plan for purchase and disposal of treasury shares.

\* \* \*

### Introduction

From 2008, i.e. following the business combination with the European recycled cartonboard operations of Cascades Group, RDM underwent an **extensive restructuring**, to focus on plants with greater prospects of industrial development. In the 2011-2014 four-year period, in particular, RDM has carried out 75 million euro of capital expenditures, while **deleveraging** and **optimising the sources of funding**. The **positive effects of these management decisions** have been proven by the results achieved in the **last two fiscal years**, which have recorded a consolidated net profit of 2.0 million euro as of 31 December 2013 and 5.4 million euro as of 31 December 2014.



However, the **presence of past losses** prevented Reno De Medici from proposing to the Shareholders any distribution of the Parent Company's earnings, as well as the implementation of a policy for purchasing treasury shares.

## BoD resolutions

The Board of Directors of RDM approved to submit to the Shareholders' Meeting the following operations:

1. The **voluntary coverage of all previous losses, partly using earnings and available reserves, and partly reducing the share capital.** With such an aim, the Board approved the Financial Report as of 30 June 2015 and the Report prepared pursuant to Article 2446 of the Italian Civil Code and Article 74 of Consob Regulation 11971/99, with the proposal to amend Article 5 of the Articles of Association. Following this operation, the share capital would be 150,399,255.80 euro; the number of shares issued would not change.
2. The **constitution of an "Available Reserve" for an amount of 10,399,255.80 euro, through a voluntary reduction of share capital, pursuant to Article 2445 of the Italian Civil Code.** It should be remembered that such resolution, when should be taken, would be effective within 90 days, after the term provided in the Paragraph 3 of the Article 2445 of the Italian Civil Code. The "Available Reserve", which will be recorded in the statement of Financial Position from **February 2016**, could be used in the future as a **stabilisation instrument of the dividend policy in medium-to-long term**, as well as for the **purchase of treasury shares. The reduction of the share capital will leave the overall extent of the Company's shareholders' equity and the total number of shares issued unchanged**, with no cancellation resulting therefrom. Should both the proposals of share capital reduction, pursuant Article 2446 and Article 2445 of the Italian Civil Code, be approved, share capital would be of 140,000,000.00 euros.
3. The **authorisation of a programme of purchase and dispose of treasury shares**, according to the Report prepared pursuant to Article 125-ter of the Consolidated Finance Act and Article 73 of the Issuers' Regulation.

The effects of the operations as specified under items 1. and 2. are represented in the following table:

RDM S.P.A. SHAREHOLDERS' EQUITY	Shareholders' Equity 12.31.2014	Shareholders' Equity 06.30.2015	- Voluntary Operation to cover losses (* )	Operation to constitute an available reserve (**)
<b>(amounts in Euro)</b>				
<b>Shareholders' equity</b>				
<b>Share capital</b>	<b>185,122,487</b>	<b>185,122,487</b>	<b>150,399,256</b>	<b>140,000,000</b>
<b>Other reserves</b>	<b>2,794,561</b>	<b>3,007,538</b>	<b>1,243,709</b>	<b>11,642,965</b>
- Available reserve	1,592,602	1,763,830	0	10,399,256
- Hedging reserve	29,161	70,910	70,910	70,910
- Reserve for actuarial gain (loss)	(1,932,202)	(1,932,202)	(1,932,202)	(1,932,202)
- Ovaro sale reserve	3,105,000	3,105,000	3,105,000	3,105,000
<b>Retained Profit (loss)</b>	<b>(41,979,589)</b>	<b>(38,726,258)</b>	<b>0</b>	
<b>Profit (loss) for the period</b>	<b>3,424,558</b>	<b>2,239,197</b>	<b>0</b>	<b>0</b>
<b>Total shareholders' equity</b>	<b>149,362,017</b>	<b>151,642,964</b>	<b>151,642,964</b>	<b>151,642,964</b>

(\*) ex art. 2446 c.c.

(\*\*) ex art. 2445 c.c.

The **objectives** that the operation proposed under item 3. would allow to pursue are the following ones:

- to establish a portfolio made up of the Company's ordinary shares to be used as payment under the scope of any operations of an extraordinary nature, through the exchange of investments or as the subject of granting, or for other uses deemed of strategic, financial, industrial and/or administrative interest for the Company;
- to offer shareholders a further instrument of monetisation of their investment;
- to purchase treasury shares with a view to medium- and long-term investment;
- to intervene in compliance with provisions in force directly or through intermediaries to contain irregular movements of listings or to regulate the progress of negotiations and quotations in the face of momentary distorting episodes linked to excessive volatility or poor liquidity of exchange rates.

The request for authorisation to purchase treasury shares is **not instrumental** to the approval of **Incentive Plans**, nor to the reduction of the share capital by cancelling the treasury shares purchased, nor is it aimed at the operations of delisting the Company.



## Calling of an Extraordinary and Ordinary Shareholders' Meeting

The total number of treasury shares that require authorisation for purchase **cannot exceed one fifth of the share capital**, also taking into account that the shares should be purchased by the subsidiaries for this purpose.

As of today, the Company does not hold treasury shares and the subsidiaries do not hold Company shares.

**Authorisation for the purchase** of treasury shares is requested **for a period of 18 months from the date of the Shareholders' Meeting** that will have approved the authorisation. **Authorisation for the disposal** of treasury shares purchased at any time and held in the portfolio is requested **without any time limits**. All operations for disposing of treasury shares shall be carried out in compliance with the regulations in force and the instructions issued by Consob.

Lastly, the Board of Directors of RDM resolved to call for an **Ordinary and Extraordinary Shareholders' Meeting** of the Company scheduled for 30 October 2015 in first call and for **2 November 2015 in second call**. Shareholders are called to resolve upon:

- Statement on Financial Position as of 30 June 2015. Resolutions pertaining thereto and resulting therefrom.
- Voluntary reduction of share capital to cover the losses recorded in the Statement on Financial Position as of 30 June 2015. Resolutions pertaining thereto and resulting therefrom.
- Reduction of share capital through the constitution of an "available reserve" of 10,399,255.80 euro, pursuant Article 2445 of the Italian Civil Code. Resolutions pertaining thereto and resulting therefrom.
- Proposal for the authorisation to purchase and dispose of treasury shares: resolutions pertaining thereto and resulting therefrom.

\* \* \*

*The notice of call of the Extraordinary and Ordinary Shareholders' Meeting of Reno De Medici will be published tomorrow, 29 September 2015, together with all the reports on the items on the agenda. By 9 October 2015 (twenty-one days prior to the Shareholders' Meeting in first call) the observations of the Board of Statutory Auditors with regard to the Report pursuant to Article 2446 of the Italian Civil Code will be made public.*

\* \* \*

*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.*

\* \* \*

*Since today, the Half-Year Financial Report as of June 30, 2015 will be available on the authorized storage system NIS Storage, accessible at the site [www.emarketstorage.com](http://www.emarketstorage.com), and will be consultable in the Investor Relations section of the corporate website, [www.renodemedici.it](http://www.renodemedici.it).*

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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.*

Per ulteriori  
informazioni

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

Income statement

	06.30.2015	06.30.2014
<b>(thousands of Euros)</b>		
Revenues from sales	112,219,337	113,379,388
- of which related parties	9,670,170	21,318,271
Other revenues and income	4,575,194	9,834,272
- of which related parties	2,689,619	3,158,139
Change in inventories of finished goods	(2,659,402)	(3,096,805)
Cost of raw materials and services	(87,481,536)	(89,429,314)
- of which related parties	(4,763,091)	(4,353,942)
Personnel costs	(13,354,212)	(14,322,807)
Other operating costs	(1,505,953)	(1,170,073)
<b>Gross operating profit</b>	<b>11,793,428</b>	<b>15,194,661</b>
Depreciation and amortization	(5,820,919)	(5,801,892)
Write-downs	(1,399,022)	-
<b>Operating profit</b>	<b>4,573,487</b>	<b>9,392,769</b>
Financial expense	(1,711,365)	(2,395,063)
Gains (losses) on foreign exchange	107,893	65,594
Financial income	116,987	132,944
Net financial income (expense)	(1,486,485)	(2,196,525)
Gains (losses) from investments	(281,718)	759,950
Taxes	(566,087)	(279,673)
<b>Profit (loss) for the year</b>	<b>2,239,197</b>	<b>7,676,521</b>



## Statement of financial position

	06.30.2015	12.31.2014
<b>(thousands of Euros)</b>		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Tangible assets	127,357,538	133,714,134
Other intangible assets	836,483	867,933
Investments in Subsidiaries	68,697,963	68,697,963
Investments in Associates, Joint Ventures and other companies	597,508	600,650
Deferred tax assets	1,677,083	2,033,483
Other receivables	376,491	396,638
<b>Total non-current assets</b>	<b>199,543,066</b>	<b>206,310,801</b>
<b>Current assets</b>		
Inventories	33,824,939	36,881,710
Trade receivables	35,717,500	27,168,525
Receivables from Group Companies	10,183,472	9,609,544
Other receivables	2,642,887	4,590,373
Other receivables from Group Companies	5,294,849	7,243,462
Cash and cash equivalents	2,109,485	2,086,712
<b>Total current assets</b>	<b>89,773,132</b>	<b>87,580,326</b>
<b>Assets held for sale</b>	<b>2,331,445</b>	<b>1,838,163</b>
<b>TOTAL ASSETS</b>	<b>291,647,643</b>	<b>295,729,290</b>





	06.30.2015	12.31.2014
<b>(thousands of Euros)</b>		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Shareholders' equity</b>		
Share capital	185,122,487	185,122,487
Other reserves	3,007,538	2,794,561
-Legal Reserve	613,883	442,655
-Extraordinary Reserve	1,149,947	1,149,947
-Hedging Reserve	70,910	29,161
-Reserve for actuarial gain (loss)	(1,932,202)	(1,932,202)
-Ovaro sale reserve	3,105,000	3,105,000
Retained earnings (losses)	(38,726,258)	(41,979,589)
Profit (loss) for the period	2,239,197	3,424,558
<b>Total shareholders' equity</b>	<b>151,642,964</b>	<b>149,362,017</b>
<b>Non-current liabilities</b>		
Payables to banks and other lenders	24,887,560	15,139,883
Derivative instruments	4,431	18,085
Other payables	156,309	182,361
Employee benefits	7,466,055	7,649,043
Non-current provisions for risks and charges	2,157,983	4,134,155
<b>Total non-current liabilities</b>	<b>34,672,338</b>	<b>27,123,527</b>
<b>Current liabilities</b>		
Payables to banks and other lenders	19,446,242	32,064,548
Derivative instruments	196,813	267,786
Trade payables	50,152,870	50,581,237
Payables to Group Companies	3,070,643	2,915,170
Other payables	6,867,637	6,265,095
Other payables to Group Companies	24,150,205	26,078,993
Current taxes	803,236	177,809
Employee benefits	-	893,108
Non-current provisions for risks and charges	644,695	-
<b>Total current liabilities</b>	<b>105,332,341</b>	<b>119,243,746</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>291,647,643</b>	<b>295,729,290</b>

## Statement of cash flows

	06.30.2015	06.30.2014
<b>(thousands of Euros)</b>		
Profit (loss) for the period	2,239	7,677
Taxes	566	279
Depreciation and amortization	5,821	5,802
Write-downs	1,399	
Losses (gains) from investments	282	(760)
Financial (income) expense	1,486	2,197
Capital losses (gains) on sale of fixed assets	(234)	(208)
Change in provisions for employee benefits and in other provisions, including the provision for bad and doubtful receivables	(2,749)	(448)
Change in inventories	3,057	4,484
Change in receivables	(6,579)	(346)
- of which related parties	(48)	(1,436)
Change in payables	2,500	(5,616)
- of which related parties	127	(1,867)
<b>Overall change in working capital</b>	<b>(1,022)</b>	<b>(1,478)</b>
<b>Gross cash flows</b>	<b>7,788</b>	<b>13,061</b>
Interest received/paid in the year	(1,463)	(1,915)
- of which related parties	(156)	(113)
Taxes paid in the period	(2,143)	(2,143)
<b>Cash flows from operating activities</b>	<b>4,182</b>	<b>9,003</b>
Other equity investments	3	
Investment net of disinvestment in tangible and intangible assets	(927)	(2,573)
Investments in associates and joint ventures		(25)
Dividends received	75	760
<b>Cash flows from investing activities</b>	<b>(849)</b>	<b>(1,838)</b>
Change in other financial assets and liabilities and short-term payables to banks	(13,822)	4,208
- of which related parties	(389)	(7,568)
Change in medium- and long-term loans	10,512	(10,260)
<b>Cash flows from financing activities</b>	<b>(3,310)</b>	<b>(6,052)</b>
<b>Change in unrestricted cash and cash equivalents</b>	<b>23</b>	<b>1,113</b>
<b>Unrestricted cash and cash equivalents at the beginning of the period</b>	<b>2,087</b>	<b>2,278</b>
<b>Unrestricted cash and cash equivalents at the end of the period</b>	<b>2,110</b>	<b>3,391</b>

Fine Comunicato n.0217-44

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