



RenoDeMedici

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**INFORMATION DOCUMENT
ON MATERIAL TRANSACTIONS
WITH RELATED PARTIES**

**pursuant to Article 5 of Consob Regulation No. 17221 of 12 March 2010, as amended, and pursuant to
art. 71 of Consob Regulation n. 11971 of 14 May 1999**

*Acquisition by RDM Blendecques S.A.S., a wholly owned subsidiary of RDM, of 100% of the share
capital of Cascades S.A.S.*

7th July 2016

Information document available to the public from the registered office of Reno De Medici S.p.A., on the Company's website at www.renodemedici.it and from Borsa Italiana S.p.A.

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INTRODUCTION

This Information Document has been prepared by Reno De Medici S.p.A. in accordance with Article 5(1) of the Regulation ratified with Consob Resolution No. 17221 of 12 March 2010, as subsequently amended and supplemented, and in accordance with Article 5 of the Procedure for Related Party Transactions approved by the Board of Directors on 8 November 2010, as amended, and article n. 71 of Consob Resolution No. 11971 of 14 May 1999.

The Transaction in question is part of a plan to expand the operations of the Group headed by Reno De Medici S.p.A. and to merge with the Cascades Group.

GLOSSARY

For purposes of this information document, the following terms have the meaning assigned to them below:

BORSA ITALIANA	Borsa Italiana S.p.A., with headquarters at Piazza degli Affari 6, Milan.
CASCADES CANADA ULC/SELLER	Cascades Canada ULC, the Canadian company selling 100% of the share capital of Cascades S.A.S. to RDM Blendecques.
CASCADES S.A.S.	Cascades S.A.S., a company based in La Rochette (France), of which RDM Blendecques has acquired 100% of the share capital.
BOARD	The Board of Directors <i>pro tempore</i> of Reno De Medici S.p.A.
RELATED PARTIES COMMITTEE (RPC)	The Board Committee of Reno De Medici S.p.A. referred to in the Regulation (as defined below), composed of members of the Internal Control Committee and acting as the Committee for Related Party Transactions.
CONSOB	<i>Commissione Nazionale per le Società e la Borsa</i> , the Italian securities regulator, based in Rome at Via G.B. Martini 3.
INFORMATION DOCUMENT	This Information Document, drawn up in accordance with and for the purposes of Article 5 of Consob Resolution No. 17221 of 12 March 2010, as subsequently amended and supplemented, and pursuant to art. 71 of Consob Regulation n. 11971 of 14 May 1999 as well as in accordance with Article 5 of the Regulation on Related Party Transactions adopted by Reno De Medici S.p.A. (as defined below).
FINANCIAL ADVISOR	Unicredit, independent expert for the Transaction (as defined below) appointed by Reno De Medici S.p.A.
FINANCIAL FAIRNESS OPINION	The Financial Fairness Opinion submitted by the Financial Advisor to the RPC on 29 April 2016.
RDM GROUP	Reno De Medici S.p.A. and its Subsidiaries and Associated Companies, also pursuant to Article 2359 of the Italian Civil Code.
TRANSACTION	The agreement to sell the entire share capital of Cascades

	S.A.S., entered into by Cascades Canada Ulc (Seller) and RDM Blendecques (Purchaser).
OPINION	The RPC's opinion on the transaction, issued on June, 29 2016 in accordance with the Consob Regulation on Related Party Transactions (as defined below) and the Procedure for Related Party Transactions of Reno De Medici S.p.A.
PROCEDURE FOR RELATED PARTY TRANSACTIONS	The procedure governing transactions with related parties, adopted by the Board of Reno De Medici S.p.A. on 8 November 2010, as subsequently amended and supplemented, in accordance with the Consob Regulation on Related Party Transactions.
ISSUERS REGULATION	The Regulation adopted by CONSOB by means of Resolution No. 11971 of 14 May 1999, as subsequently amended and supplemented.
RENO DE MEDICI S.P.A./RDM/COMPANY	Reno De Medici S.p.A., registered office Viale Isonzo 25, Milan, with fully paid-up share capital of €140,000,000.00, taxpayer identification and VAT no. 00883670150.
RDM BLENDECQUES S.A.S./Purchaser	RDM Blendecques S.A.S., based in Blendecques (France), which is acquiring 100% of the share capital of Cascades S.A.S.
CONSOB REGULATION ON RELATED PARTY TRANSACTIONS	The Regulation adopted by Consob by means of Resolution No. 17221 of 12 March 2010, as subsequently amended and supplemented.
SPA	The Share Purchase Agreement for the acquisition by RDM Blendecques of 100% of the share capital of Cascades S.A.S.. from Cascades Canada Ulc.
TUF	Legislative Decree No. 58/98, as subsequently amended and supplemented.

1. DISCLAIMER

1.1. Risks associated with potential conflicts of interest arising from related party transactions.

The Transaction covered by this Information Document constitutes a Related Party Transaction pursuant to the Consob Regulation on Related Party Transactions and the Procedure for Related Party Transactions adopted by RDM.

For the Transaction, RDM has adopted the safeguards and measures laid down by the Consob Regulation and by the Procedure for Related Party Transactions concerning material transactions with related parties.

Specifically: (i) the Related Parties Committee, with the abstention of its Chairman, Mr Hall, was promptly informed of the terms and conditions of the Transaction and was involved in the preparations and negotiations through meetings, talks and a comprehensive and timely flow of information in general; (ii) on 13 October 2015, the Company appointed Ernst & Young Financial Business Advisors S.p.A. to perform due diligence on Cascades S.A.S.; (iii) on 19 October 2015, the Committee appointed Unicredit S.p.A. as Independent Expert to prepare and submit the Fairness Opinion to the Committee in relation to the purchase price for Cascades S.A.S.. and the terms of the SPA in general; (iv) the Related Parties Committee issued a favourable opinion with regard to the Transaction itself.

1.2. Risks associated with the Company's objectives.

This Information Document contains forecasts and objectives that the RDM Group reasonably believes it can achieve through the Transaction, particularly in terms of establishing a direct presence in the virgin packaging market, as well as through Group synergies.

Since these are forward-looking statements, it is not possible at present to guarantee that the objectives set will be fully achieved, given the macroeconomic scenarios and the business sector in which the Group operates.

1.3. Risks associated with pro-forma data.

Chapter 5 of the Information Document contains RDM's pro-forma consolidated statements of financial position at December 31 2015, as well as the pro-forma consolidated income statements and the pro-forma consolidated cash flow statements for the year ended 31 December 2015, along with the explanatory notes (the "Pro-forma Consolidated Financial Statements").

The Pro-forma Consolidated Financial Statements –subject to examination by the independent auditors, who issued their report on July, 7 2016 – were prepared so as to illustrate the main effects of the Transaction on consolidated financial statements of the RDM Group.

By its very nature, the information contained in the Pro-forma Consolidated Financial Statements is a simulation, supplied for the purpose of illustrating the potential impact of the Transaction.

Since the pro-forma data were prepared to show the impact of subsequent transactions retrospectively, they are inherently limited, even though reasonable assumptions were used and generally accepted rules followed. As such, they are not intended as a projection of the future performance of the RDM Group and do not constitute a financial and economic outlook, so should not be used to that effect.

Moreover, given the different purpose of the pro-forma data compared with the historical financial statements and the different methods of calculating the effects of the Transaction with reference to the pro-forma consolidated statement of financial position, the pro-forma consolidated income statements and the pro-forma consolidated cash flow statements, these documents should be read and interpreted separately, without seeking to reconcile them.

1.4. General risks associated with the Transaction.

In addition to those mentioned, the Transaction does not expose RDM and/or other RDM Group companies to particular risks associated with potential conflicts of interest, other than those typically inherent in transactions with related parties.

It has to be highlighted that the transaction does not involve any higher risk of conflict of interest, other than the risk inborn in any transaction between related parties. As a consequence, the Company implemented all the actions required by the current regulations and by the relevant internal procedure, so that the Transaction be carried out in line with the ordinary market parameters applicable in similar situations.

2. INFORMATION ON TRANSACTIONS

2.1. Description of the characteristics, arrangements, terms and conditions of the Transaction.

On 29 April 2015, RDM's Board of Directors resolved to explore the possibility of acquiring 100% of the share capital of Cascades S.A.S., instructing the Related Parties Committee to examine the Transaction in accordance with the procedure in place. It should be noted that the Board's resolution – like all subsequent resolutions pertaining to the Transaction – was carried with the abstention of Mr Hall (Chairman of the Board of Directors and of the Related Party Transactions Committee) and of Laurent Lemaire, considering their management position within Cascades Inc. (a company that indirectly owns 100% of the share capital of Cascades S.A.S.).

On 14 March 2016, once due diligence had concluded, RDM (on behalf of the third party to be appointed) and Cascades Inc. signed a non-binding Letter of Interest setting out the key principles of the potential sale. Following the due diligence, and to rationalise the organisational resources as well as consolidate and strengthen its operations in France, it was decided that RDM Blendecques S.A.S. would acquire 100% of the share capital of Cascades S.A.S. for a sale price of €10,000,000.00. The final Price shall be adjusted after the Closing Date in compliance with the contractual provision as cash or financial Indebtedness.

The Agreement does not contain any suspension and/or termination clause.

2.2 Details of the related parties with whom the transaction will be carried out and the nature of the relationship.

The Transaction constitutes a Related Party Transaction as defined by IAS 24 on Related Party Disclosures, adopted in accordance with the procedure laid down in Article 6 of Regulation (EC) No. 1606/2002, Cascades Inc. being the ultimate parent of the assignor (Cascades Canada) as well as the majority shareholder of RDM, which in turn owns 100% of the Purchaser's share capital.

It is further noted that:

- a. The Chairman of RDM's Board of Directors, Robert Hall, is Vice President of Cascades Inc.;
- b. RDM's Managing Director, Laurent Lemaire, is Chairman of Cascades S.A.S. and a shareholder of Cascades Inc.

Both Mr Hall and Mr Lemaire immediately notified the Board of their potential conflict of interest at the meeting on 29 April 2015, indicating their willingness to abstain from the discussion and from any vote on

the matter. Specifically, Mr Hall, as Chairman of the Related Parties Committee, refrained from participating in any meetings held to examine the transaction.

2.3 Explanation of the economic reasons and advantages of the Transaction for the Company.

To explain the strategic and economic reasons for the acquisition, we need to go back to the merger between the Cascades Group and RDM Group.

On 13 September 2007, RDM and Cascades, according to agreements reached concerning the merger that took place on 1 March 2008, signed a Combination Agreement, which, among other things, granted a Call Option to RDM and a Put Option to Cascades S.A.S. on the virgin assets.

The virgin assets have always included manufacturing operations in La Rochette (France) in which cartonboard is made from virgin fibre, which RDM does not currently produce.

At the meeting on 2 August 2012, upon the expiration of the Call Option granted to RDM, the Board noted, after careful analysis, that it was in the Company's interests to exercise the Call Option and subsequently purchase the virgin assets, and that such a Transaction would be a natural progression of the business combination which began when the Cascades Group became part of RDM with the merger on 1 March 2008. At that time the Board also noted, however, that the economic and financial conditions for this did not exist, and for that reason expressed its objection to RDM exercising the Call Option on the virgin assets. Bear in mind that at the time of this assessment, RDM's finances were still recovering. Added to this was the view of the macroeconomic environment at the time, with the financial markets in turmoil, particularly in Europe, giving rise to uncertainties that required RDM to be extremely cautious and prudent. Furthermore, the financial crisis in 2012 made it "practically" impossible to rely on medium-term bank lending for financial transactions.

In the space of three years, thanks to its policy of rationalising production and investment, the financial position of the RDM Group has dramatically changed, as the performance in recent years has shown.

Consequently, it seems only natural to reconsider the possibility of acquiring the virgin assets that, apart from anything else, have recently seen an increase in demand for their products.

Therefore, following the acquisition of Cascades S.A.S., the RDM Group may:

- a) Increase the Group's EBITDA by € 3.4 million;
- b) Assert its presence in a new business sector;
- c) Confirm and consolidate its position as Europe's second-largest producer of cartonboard.

2.4 Method used to determine the Transaction price and assessment of whether this is fair in view of the market value of similar transactions.

As previously mentioned, the price stated in the purchase agreement is €10,000,000.00 apart the adjustments according to the Share Purchase Agreement. This is considered fair by the Independent Expert appointed by the RPC, as well as by the RPC itself.

Unicredit explained that it had applied the following methods commonly used in the reference market: based on the information and the Transaction and it had particular evaluated the “debt free/cash free”.

Unicredit, had applied the comparable transaction multiples, the comparable trading multiples and the discounted cash flow methodology.

A copy of the Independent Expert’s opinion is attached to this Information Document.

2.5. Impact of the Transaction on the compensation of members of the administrative body of the company and/or its subsidiaries

The Transaction has no impact on the compensation of members of the administrative body of RDM and/or of other Group companies, nor of members of the Board of the acquired Company.

2.6. Information relating to company securities held by any members of the administrative and supervisory bodies, chief executive officers and directors of the issuer who may be involved in the Transaction and their interests in extraordinary operations

The Transaction does not directly or indirectly generate any interest on the part of any member of the administrative and supervisory bodies, nor on the part of any chief executive officer or any director of the Issuer, except as already described in paragraph 2.2 above.

2.7 Procedure for approving the Transaction.

2.7.1. Activities of the Board of Directors

As noted above, on 29 April 2015 the Board of RDM resolved to conduct the necessary analysis and evaluation with a view to the possible acquisition by RDM and/or companies in the RDM Group of the virgin assets, as a natural progression of the merger with the Cascades Group initiated in 2007. Specifically, the Board of Directors resolved – given that the other party was a related party – to commence preliminary activities with a view to the possible finalisation of the Transaction. These activities consisted in particular of examining in detail whether the Transaction was advantageous and fair for the RDM Group. The Board delegated the review and evaluation of the Transaction to the RPC. It recommended that the Managing Director continue to work closely with the RPC –responsible for formulating an opinion on whether it was in

the Company's interest to proceed with the Transaction, and whether the underlying terms were financially advantageous and substantially fair – as well as with the Board of Statutory Auditors.

On 13 October 2015, Ernst & Young was appointed to perform due diligence on Cascades S.A.S..

The Board monitored the progress of the negotiations and received updates at its meetings on 6 November 2015, 11 February 2016 and 17 March 2016. It issued a final decision on the Transaction and its structure on 29 April 2016, authorising the Managing Director to draw up the contract. Approval was given following the favourable opinion of the Related Parties Committee (Appendix 1).

On 20 June 2016, the shareholders' meeting of RDM Blendecques S.A.S.. ratified the acquisition of Cascades S.A.S..

In this regard, it is worth observing that, in accordance with French legislation, the union representatives of both companies involved in the Transaction were kept regularly informed and did not raise any objections, nor did they seek to appoint their own expert to assess the Transaction.

2.7.2. Activities of the RPC

The Procedure adopted by RDM stipulates that, for material transactions, the Related Parties Committee must be directly involved in the negotiations and in the preliminary phase, receiving comprehensive and timely information and having the right to request information and to comment to the executive bodies and individuals responsible for handling the negotiations or preliminary enquiries.

Moreover, according to current company procedure, material transactions with related parties must be sanctioned by the Company's Board of Directors, subject to the reasoned opinion of the Related Parties Committee on whether the transaction is in the Company's interest and whether the underlying terms are advantageous and substantially fair.

The Related Parties Committee was therefore informed by the relevant company bodies of the terms and conditions of the Transaction. It was also involved in the preliminary phase and negotiations, receiving a comprehensive and timely flow of information.

Exercising the option granted under the Procedure, on 19 October 2015 the RPC appointed Unicredit S.p.A. as its independent advisor, asking it to produce a financial fairness opinion on the consideration due. The independent expert was chosen by the RPC after the evaluation of three different proposals, based on the following criteria: high professional standard; adequate track record in similar transactions; absence of relationships that might invalidate the independence requirement.

The RPC held various meetings examining the preliminary reports to assess whether it was in the Company's interest to proceed with the Transaction and whether the underlying terms were financially advantageous and substantially fair.

On 29 April 2016, the RPC expressed its unanimous opinion that the Transaction was in the Company's interest and that the underlying terms were financially advantageous and substantially fair. It therefore recommended that this be finalised, particularly in view of the favourable fairness opinion issued on the same date by Unicredit S.p.A.

Following that meeting, the Related Parties Committee promptly forwarded its opinion to the Board of Directors so that it could in turn deliberate on the Transaction.

3. ILLUSTRATION OF THE IMPACT OF THE TRANSACTION ON EQUITY, FINANCIAL CONDITION AND NET PROFIT, INDICATING THE APPLICABLE MATERIALITY THRESHOLDS.

3.1. Significant effects of the transaction on the key factors that influence the Issuer, and its type of business

The transaction will allow the Reno De Medici Group to expand its product portfolio, by including in it a new market segment, carton board packaging products manufactured based on 'virgin' fiber.

Recycled-fiber products and virgin-fiber products are currently marketed by using two different brands, Cascades and Reno De Medici, through a group of separate legal entities named R.D.M. Marketing (ex Careo). The transaction will simplify the branding strategy of the Group, as all the products will be marketed under the Reno De Medici brand, with consequent benefits in terms of value of the brand and higher visibility on the market. Both the Cascades and Careo brands will be discontinued in Europe.

Production will benefit from the synergies that will arise from integrated R&D activities, know-how sharing that will allow an optimized capital expenditure evaluation, and a more effective relationship with the large suppliers of plants, machinery, chemical products and wires and felts.

From the financial point of view, a stronger presence in France should open to the RDM new financial opportunities, as it would increase the European characterization of the Group that is particularly appreciated by the more important European financial institutions.

With the acquisition of the Cascades S.A.S.. operation the headcount of the RDM Group will increase by more than 300 persons, thus reaching 1.500 employees.

3.2. Implications of the Transaction on strategic guidelines relevant to commercial and financial relationships, and to centralized services.

Marketing and distribution activities will not change dramatically, as the relevant structure, incorporated in separate legal entities under the name of R.D.M. Marketing, is already managing the relevant operations of both RDM and Cascades S.A.S. However, and as already mentioned, marketing activities will benefit from a simplified and more rationale branding policy.

Financial synergies arising from the transaction have already been summarized in paragraph just above.

RDM has already in place with all the Subsidiaries of the Group a general policy, whereby some important managerial services are centralized. Such a policy will be extended to Cascades S.A.S..

The main areas that will be affected by centralization are the ones that require a higher specialization and a know-how at European level, such as:

- the technical area, and in particular the relationship with European supplier of plants, machinery, chemical products and wires and felts;
- human resources, and in particular the management of industrial relationships at European level;
- the fiscal area, as regards transfer prices issues;
- Information Technology;
- procurements of energy;
- financing.

3.3 Applicable materiality thresholds

The significant indicators with regard to the Transaction are:

Countervalue of transaction	<u>10.000</u>	=	7,7%
Capitalisation of the issuer at 31 March 2016	129.977		
Total asset of company acquired at 31 December 2015	<u>129.195</u>	=	36,0%
Total asset of issuer at 31 March 2016	358.462		
Earning before taxes of company acquired at 31 December 2015	<u>(48.688)</u>	=	NA
Earning before taxes of issuer at 31 March 2016	3.718		
Net equity of company acquired at 31 December 2015	<u>769</u>	=	0,5%
Net equity of the issuer at 31 March 2016	154.741		
Total liabilities of company acquired at 31 December 2015	<u>128.425</u>	=	35,8%
Total asset of issuer at 31 March 2016	358.462		

4 - INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION RELATING TO THE INVESTMENT

4.1 Profit and Loss and Balance Sheet of the acquired asset

The purpose of the Transaction is the acquisition of the investment in Cascades S.A.S. by RDM Blendecques S.A.S, whose financial data are provided here below.

4.2 Profit and Loss and Balance Sheet of the acquired investment

The tables here below report the Profit and Loss and Balance Sheet of Cascades S.A.S. for the financial years ended December, 31 2015 and 2014, accompanied by summarised explanatory notes and prepared in accordance with the French legal requirements and general accounting principles generally applied in France.

Such reports have been restated according to the classification adopted by the Group for the preparation of the consolidated financial statements.

4.2.1 Profit and Loss and Balance Sheet at 31 December 2015 and 2014

Balance Sheet

(thousand Euro)	12.31.15	12.31.14
ASSETS		
Non-current assets		
Tangible assets	8,103	37,832
Intangible assets		17
Equity investments	82,684	82,747
Other receivables	1,728	1,813
Total non-current assets	92,515	122,409
Current assets		
Inventories	16,747	22,167
Trade receivables	18,861	18,147
Other receivables	5,763	4,542
Cash and cash equivalents	22	3
Total current assets	41,393	44,859
TOTAL ASSETS	133,908	167,268

(thousand Euro)	12.31.15	12.31.14
LIABILITIES AND NET EQUITY		
Attributable to Owners of the company	875	18,932
Minority interests		
NET EQUITY	875	18,932
Non-current liabilities		
Employee benefits	3,699	3,803
Non-current provisions for contingencies and charges	220	303
Total non-current liabilities	3,919	4,106
Current liabilities		
Payables to banks and other lenders	3,225	2,274
Trade payables	14,116	14,382
Other payables	111,773	127,574
Total current liabilities	129,114	144,230
TOTAL LIABILITIES AND NET EQUITY	133,908	167,268

- **Tangible fixed assets (land, building and equipment)** mainly include the net value of land, building and equipment of the mill located at La Rochette (France). The difference compared to

prior year is essentially due to the write-down booked by the Company at December 31 2015, according to the results of the impairments test;

- **Investments** mainly include the investment in Reno De Medici S.p.A., that was sold in 2016 before the contract for the acquisition of Cascades S.A.S. by RDM Blendecques was signed;
- **Other non-current receivables** mainly include the “Construction effort pret”, that is the credit arising from the payment by Cascades S.A.S. of a social contribution in favour of employees to the Competent Entity;
- **Inventories** include the value of the stock at year end, less a provision of 8,482 thousand Euro, that was booked by the Company at December 31 2015, essentially in order to adjust down the value of spare parts according to the results of the impairment test;
- **Trade receivables** mainly include receivables from customers, less the allowance for doubtful accounts that amounts to 253 thousand of Euro;
- **Other current receivables** mainly include a VAT credit for an amount to 1,973 thousand Euro, a tax credit on research expenses for an amount of 422 thousand Euro, and a tax credit on competitiveness and employment (CICE) for an amount of 1,338 thousand Euro.
- **Net Equity** includes the share capital amounting to 59,116,000 Euro, represented by 29,558,000 shares with a par value of Euro 2 each. The movement of Net Equity has been:

Net Equity as at December, 31 2014	18,932
Capital increase	20,000
Reserve movement	330
Result of the year	(38,387)
Net Equity as at December, 31 2015	875

- **Employee benefits** include exclusively the benefits guaranteed to employees that will be granted after the end of their work relationship.
- **Other current payables** include mainly the financial indebtedness toward Cascades Europe S.A.S. amounting to 98,911 thousand Euro, taxes liabilities and payables to social security

authorities amounting to 4,862 thousand Euro and Employees' liabilities amounting to 2,045 thousand Euro.

Income Statement

(thousand Euro)	12.31.15	12.31.14
Revenues from sales	123,659	115,237
Other revenues and income	3,437	4,991
Changes in stock of finished goods	(246)	(59)
Cost of raw materials and services	(100,269)	(90,470)
Personnel costs	(19,816)	(20,451)
Other operating costs	(2,630)	(2,733)
Gross Operating Profit	4,135	6,515
Depreciation and amortisation	(3,442)	(4,296)
Write-downs	(35,783)	
Operating Profit	(35,090)	2,219
<i>Financial expense</i>	<i>(4,069)</i>	<i>(4,082)</i>
<i>Gain (losses) on foreign exchange</i>	<i>(59)</i>	<i>113</i>
<i>Financial income</i>	<i>304</i>	<i>393</i>
Net Financial income (expense)	(3,824)	(3,575)
Gain (loss) from investments		(14,748)
Taxes	527	504
Profit (loss) for the year	(38,387)	(15,601)

- **Revenues from sales:** include the revenues from the sale of the products of the La Rochette Mill;
- **Other revenues and income:** mainly relate to the reversal of provisions booked in previous years;
- **Cost of raw materials and services** mostly relate to the purchase of raw materials for 69,998 thousand Euro, to maintenance expenses for 6,582 thousand Euro, to commission on sales for 1,861 thousand Euro, to transportation expenses for 8,133 thousand Euro, and to electricity expenses for 8,455 thousand Euro;
- **Personnel cost** relates to salary and wages;
- **Other operating costs** mainly include taxes and contributions;

- **Depreciations and amortizations** mostly include tangible asset depreciations, calculated according to the applicable percentages;
- **Write-downs** include the write-down of tangible assets and inventory booked according to the impairment test results as at December 31 2015;
- **Net Financial income (expense)** mainly includes interests on the financial debts towards Cascades Europe S.A.S, for an amount of 1,920 thousand Euro, and discounts granted to customers for 1,609 thousand Euro;
- **Taxes** include the income generated by the tax credit on competitiveness and employment (CICE);

The Financial Statements as at December, 31 2014 and 2015 of Cascades S.A.S. have been audited by PricewaterhouseCoopers Audit S.A., who issued their reports on June 26 2015 and June 16 2016 without any qualification.

5 PRO-FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015 OF THE RDM GROUP

The following section includes the document "*Pro-forma Profit and Loss, Balance Sheet and cash-flow as at December 31, 2015 of the RDM Group*" analysed by the Company's board of directors and which has been prepared in order to represent the main effects of the acquisition, above described, of the Company Cascades S.A.S that took place on June 30, 2016.

The aforementioned document has been examined by the Deloitte & Touche, that issued its report on July 7, 2016, attached to this information document, relevant to the reasonableness of the underlying assumptions, the correctness of the measurement criteria, the accounting principles applied and the correctness of the methodology applied in the preparation of the document.

5.1 Pro-forma Profit and Loss, Balance Sheet and cash-flow as at December 31, 2015 of the RDM Group

Introduction

This section provides for the pro-forma consolidated Profit and Loss, Balance Sheet and Cash-flow statements of the RDM Group for the year ended December 31, 2015, (altogether also referred to as the "Pro-Forma Consolidated Financial Statements") including the explanatory notes relevant to:

- a) the investment in Cascades S.A.S. which took place on June 30, 2016;
 - b) other transactions (the sale of the investments to Cascades Inc. from Cascades S.A.S, Cascades S.A.S. capital increase and R.D.M. marketing consolidation)
- altogether also referred to as "the Operations".

For the purposes of the Cascades acquisition, the RDM Group has drawn up this information document in accordance to Art. 5 of Consob Regulation N° 17221, issued on March 12, 2010, and subsequently amended with resolution N°17389 of June, 23 2010, as well as with Art. 71 of the regulation implementing Italian Leg. Decree No. 58 of February 24, 1998 regarding issuer's regulations adopted by CONSOB's resolution no. 11971 of May 14, 1999, as subsequently modified and supplemented (hereinafter the "Issuers Regulations"). The Pro-Forma Consolidated Financial Statements have been prepared solely for their inclusion in the aforementioned Information document.

5.1.1 Hypothesis, accounting principles and assumptions for the preparation of Pro-forma Consolidated Statements

The Pro-Forma Consolidated Statements have been prepared in compliance with the methodology for the preparation of the pro-forma data, as regulated by CONSOB's Communication no. DEM/1052803 of July 5, 2001, and they have been drawn up on the basis of the consolidated financial statement of the RDM Group as at December 31, 2015, that have been aggregated with the financial figures of Cascades S.A.S. by adding pro-forma adjustments.

The consolidated financial statements of the RDM Group at December 31, 2015, were approved by the Shareholders Meeting of the Issuer on April 29, 2016, and were audited by Deloitte and Touche S.p.A. (hereinafter also referred to as Deloitte and Touche) that issued its report on April 6, 2016, with no qualification.

The financial statements of Cascades S.A.S. at December, 31 2015, as approved by the Shareholders Meeting on June 20, 2016, and drawn up according to French Accounting Principles, were audited by PricewaterhouseCoopers Audit SA, that issued its report on June, 16 2016 with no qualification. Such statements were reclassified and adjusted in order to align them to the IFRS principles applied by the RDM Group, on the base of the financial statements drawn-up by Cascades S.A.S. for the RDM Pro-forma Consolidated Financial Statements, that are also audited by PricewaterhouseCoopers Audit SA, that issued its report on June, 29 2016 with no qualification. The accounting principles used in the preparation of the Pro-Forma Consolidated Financial Statements, unless otherwise specifically indicated, were the same used to draw-up the consolidated annual financial statement of the RDM Group, that is the International Financial Reporting Standards (IFRS) adopted by the European Union. Such accounting principles are illustrated in the explanatory notes to the aforementioned Consolidated Financial Statements. Furthermore, it is highlighted that such Pro-forma Consolidated Financial Statements are not meant to represent a *“complete set of financial statements”* according to IAS 1, and the relevant explanatory notes do not include the minimum disclosure required by IAS/IFRS.

The Pro-forma Consolidated Financial Statements are presented in Euro, the functional currency of Reno De Medici S.p.A. Unless otherwise indicated, the amounts were rounded to the thousand.

The pro-forma adjustments, prepared as indicated by CONSOB's communication DEM/1052803 of July 5, 2001, have been done to show the significant effects associated to the Transaction, and reflect them retroactively, in order to transform the annual financial statement of RDM at December 31,2015 into pro-

forma data, by using the same valuation criteria as used for the actual data, and in accordance with the applicable regulations: the purpose is to simulate the effects of the Operations on the RDM Group's Balance Sheet and Income Statement, as if they would had been represented, had the Operations actually taken place on December 31, 2015 for the Balance Sheet, and on January 1st, 2015 for the Income Statement and for the Cash-Flow.

For a better understanding of the information provided by the Pro-forma Statements, the following aspects must be taken into consideration:

i) given that these statements are based on assumptions, had the Cascades Acquisition and the other related transactions actually been executed on the reference date of December, 31 2015 (the date used for the Pro-Forma Statements), instead of June 30, 2016, the historical data might be different from the pro-forma data;

ii) the pro-forma data do not represent any forecast, as they were drawn up for the sole purpose of representing the effects of the Acquisition, without taking into account any potential effect that might arise from possible variations in the management policies and operating decisions after the Transaction.

iii) it is clarified that some assumptions, that have been used in the preparation of this document, are based on the information available at the date of preparation of this document, and will therefore be updated after the definitive analysis that will be carried out for the first consolidation. It can't therefore be excluded that differences might arise from the analysis, compared to the values shown by the Pro-forma Consolidated Financial Statements.

Moreover, the pro-forma data are used for a different purpose than the data provided by the actual Financial Statements. Also, given that different methods were used to calculate the effects of the Cascades Acquisition on the pro-forma Profit and Loss, Balance Sheet and Cash-flow at December 31, 2015, the Pro-forma Consolidated Financial Statements should be read and interpreted separately, without looking for any accounting links between them.

5.1.2 Description of the Operations

The Operations are the following:

- Acquisition of Cascades S.A.S. by the RDM Group

On June 30, 2016 the RDM Group, through her wholly controlled subsidiary RDM Blendecques S.A.S, purchased from Cascades Canada ULC the total investment in Cascades S.A.S. for a total price of 10 million Euro, that corresponds to the *initial purchase price* as defined in the *Share Purchase Agreement*. Such a price corresponds to the market value (*enterprise value*) ascribed to Cascades S.A.S. of 18 million Euro, decreased by the amount of the net financial indebtedness of the Company at the acquisition date, amounting to 8 million Euro. The price is subject to adjustments, as better described at paragraph 5.2.1.D).

As Cascades Inc. is the ultimate parent company of both Companies (Cascades S.A.S. and Reno De Medici S.p.A.) the operation of the Cascades Acquisition is to be considered as a *business combination under common control*; consequently, considering that the accounting principle IFRS 3 is not applicable, this operation has been accounted for according to the document OPI 1 issued by *Assirevi*; the assets and liabilities values have been reflected at their book values as they are reported in Cascades S.A.S.'s financial statement, booking as an increase of net equity the difference between the net value of the acquired assets that amounting to approximately to 11.1 million Euro as at December, 31 2015 and the net price of 10 million Euro.

- sale of some investments by Cascades S.A.S to Cascades Inc. and capital increase

In May and June 2016 Cascades S.A.S. sold to Cascades Inc the whole investment of 57,6% of the shares of Reno De Medici S.p.A., the whole investments of 100% of the shares of Cascades Djupafors Aktiebolag, and of Cascades Grundstuck Verwaltung, for a total sale price of 82,9 million Euro.

On May, 27 2016 Cascades S.A.S. resolved a capital increase of 9 million Euro, that was totally subscribed and paid by Cascades Canada ULC.

- Consolidation of the R.D.M. Marketing Group

As a consequence of the Cascades S.A.S. acquisition, the RDM Group, that before the Transaction already held 70% of stakes of R.D.M. Marketing S.r.l, acquired the remaining 30% that was owned by Cascades S.A.S.; therefore, starting from the acquisition date the R.D.M. Marketing Group will be consolidated line by line, according to IFRS 10, instead of by the Equity method, according to IFRS 11.

The main costs linked to the Transaction, as estimated during the preparation of the pro-forma data, have been booked only on the Balance Sheet, as pro-forma adjustments of the liabilities. These costs are directly related to the Transaction, and consist primarily of legal advisory, accounting and other advisory costs, and fiscal charges.

Other assumptions are described here below, in the paragraphs that detail the pro-forma adjustments.

5.2 Pro-forma Consolidated Financial Statements

The following paragraph includes the tables relevant to the Pro-forma Consolidated Balance Sheet as at December, 31 2015 (“Pro-forma Balance Sheet”), the Pro-forma Consolidated Profit and Loss as at December, 31 2015 (“Pro-forma Profit and Loss”), and the Pro-forma Consolidated Cash-flow as at December 31, 2015 (“Pro-forma Cash Flow”), and the relevant explanatory notes.

5.2.1 Pro-forma Consolidated Balance Sheet of RDM Group as at December 31, 2015

The following table shows the pro-forma adjustments that were recorded in order to show the significant effects of the Operations on the Consolidated Balance Sheet of the RDM group as at December, 31 2015.

(thousand Euro)	RDM Group historical data	Pro-forma Adjustments					RDM Group pro-forma La Rochette Acquisition
		Cascades S.A.S. IFRS	Sale of the investments and capital increase	Cascades S.A.S. Acquisition	R.D.M. Marketing Group IFRS	Consolidation entries and other movements	
	A	B	C	D	E	F	G=A+B+C+D+E+F
ASSETS							
Non-current assets							
Tangible fixed assets	190,452	9,400			120		199,972
Intangible assets	1,880				4		1,884
Intangible assets with an indefinite useful life	3,948						3,948
Equity investments	1,981	82,039	(81,565)			(451)	2,004
Deferred tax assets	2,795				759		3,554
Other receivables	1,167	1,139					2,306
Total non-current assets	202,223	92,578	(81,565)	0	883	(451)	213,668
Current assets							
Inventories	68,391	16,771					85,162
Trade receivables	58,861	14,189			337	(782)	72,605
-of which related parties	229				287	(273)	243
Receivables from associates and joint ventures	115				2,581	(2,689)	7
Other receivables	7,289	5,635			619		13,543
Other receivables from associated companies and joint ventures	470				1,954	(1,954)	470
Cash and cash equivalents	23,146	22		(10,000)	718		13,886
Total current assets	158,272	36,617		(10,000)	6,209	(5,425)	185,673
Assets held for sale	8,129					(106)	8,023
TOTAL ASSETS	368,624	129,195	(81,565)	(10,000)	7,092	(5,982)	407,364

(thousand Euro)	RDM Group historical data	Pro-forma Adjustments					RDM Group pro-forma Cascades Acquisition
		Cascades S.A.S. IFRS	Sale of the investments and capital increase	Cascades S.A.S. Acquisition	R.D.M. Marketing Group IFRS	Consolidation entries and other movements	
	A	B	C	D	E	F	G=A+B+C+D+E+F
LIABILITIES AND SHAREHOLDERS' EQUITY							
Attributable to Owners of the company	151,979	769	10,354	(10,346)	484	(451)	152,789
Minority interests	440						440
SHAREHOLDERS' EQUITY	152,419	769	10,354	(10,346)	484	(451)	153,229
Non-current liabilities							
Payables to banks and other lenders	53,280	392					53,672
Derivative instruments	50						50
Other payables	130	98,911	(91,919)			(6,992)	130
Deferred taxes	8,888				71		8,959
Employee benefits	29,063	3,699			860		33,622
Non-current provisions for risks and charges	2,657	55			2,034		4,746
Total non-current liabilities	94,068	103,057	(91,919)		2,965	(6,992)	101,179
Current liabilities							
Payables to banks and other lenders	14,839	2,950					17,789
Derivative instruments	146						146
Trade payables	81,985	14,895		505	1,962	(782)	98,565
-of which related parties	496					(76)	420
Payables to associates and joint ventures	2,894				213	(2,612)	495
Other payables	11,985	7,524			1,113	6,992	27,614
-of which related parties						6,992	6,992
Other payables to associates and joint ventures	1,954					(1,954)	0
Current taxes	378			(159)	6		225
Employee benefits	31						31
Current provisions for risks and charges	452				349		801
Total current liabilities	114,664	25,369		346	3,643	1,644	145,666
Liabilities held for sale	7,473					(183)	7,290
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	368,624	129,195	(81,565)	(10,000)	7,092	(5,982)	407,364

5.2.2 Pro-forma Consolidated Profit and Loss of RDM Group as at December 31, 2015

The following table shows the pro-forma adjustments that were recorded in order to show the significant effects of the Operations on the Consolidated Profit and Loss of the RDM group as at December, 31 2015.

(thousand Euro)	RDM Group historical data	Pro-forma Adjustments					RDM Group pro-forma Cascades Acquisition	
		Cascades S.A.S. IFRS	Sale of the investments and capital increase	Cascades S.A.S. Acquisition	R.D.M. Marketing Group IFRS	Consolidation entries and other movements		
	A	B	C	D	E	F	G=A+B+C+D+E+F	
Revenues from sales	438,037	122,049				(1,489)	558,597	
- of which related parties	6,344					33	6,377	
Other revenues and income	6,488	390			12,111	(12,559)	6,430	
- of which related parties	442				12,030	(12,472)	0	
Change in inventories of finished goods	(2,184)	72					(2,112)	
Cost of raw materials and services	(331,362)	(99,629)			(6,079)	14,048	(423,022)	
- of which related parties	(15,363)				(535)	10,919	(4,979)	
Personnel costs	(63,663)	(18,514)			(5,310)		(87,487)	
Other operating costs	(5,507)	(976)			(353)		(6,836)	
Gross Operating Profit	41,809	3,392			369		45,570	
Depreciation and amortisation	(22,345)	(1,312)			(29)		(23,686)	
Write-downs	(2,222)	(35,783)					(38,005)	
Operating Profit	17,242	(33,703)			340		(16,121)	
	<i>Financial expense</i>	(3,597)	(2,459)	2,197		(24)	17	(3,866)
	<i>Gains (losses) on foreign exchange</i>	450	(94)			(16)		340
	<i>Financial income</i>	20			(20)	17	(17)	0
Net financial income/(expense)	(3,127)	(2,553)	2,197	(20)	(23)	0	(3,526)	
Gains (losses) from investments	543					(80)	463	
Taxes	(3,676)	(12,432)			(182)	12,432	(3,858)	
Profit (loss) for the year before discontinued operations	10,982	(48,688)	2,197	(20)	135	12,352	(23,042)	
Discontinued operations	(1,114)						(1,114)	
Profit (loss) for the year	9,868	(48,688)	2,197	(20)	135	12,352	(24,156)	
Total profit (loss) for the year attributable to:								
- Owners of the company	9,790	(48,688)	2,197	(20)	135	12,352	(24,234)	
- Minority interests	78						78	

5.2.3 Pro-forma consolidated Cash-flow of RDM Group as at December 31, 2015

The following table shows the pro-forma adjustments that were recorded in order to show the significant effects of the Operations on the consolidated Cash-flow of the RDM group as at December, 31 2015.

(thousand Euro)	RDM Group historical data		Pro-forma Adjustments					RDM Group pro-forma Cascades Acquisition	
	Continuing	Discontinued	Cascades S.A.S. IFRS	Sale of the investments and capital increase	Cascades S.A.S. Acquisition	R.D.M. Marketing Group IFRS	Consolidation entries and other movements	Continuing	Discontinued
Profit (loss) for the year	10,983	(1,114)	(48,687)	2,197	(20)	135	12,352	(23,040)	(1,114)
Taxes	3,676		12,432			182	(12,432)	3,858	
Depreciation and amortization	22,345	492	1,348			29		23,722	492
Write-downs	2,222		35,783					38,005	
Losses (gains) from investments	(543)						80	(463)	
Financial (income) expense	3,576	152	2,459	(2,197)	20	7		3,865	152
Capital losses (gains) on sale of fixed assets	(372)		52					(320)	
Change in provisions for employee benefits and in other provisions, including the provision for bad and doubtful receivables	(3,461)	20	(229)			(32)		(3,722)	20
Change in inventories	2,222	(274)	(2,182)					40	(274)
Change in trade receivables	1,647	1,875	50			19	108	1,824	1,875
- of which related parties	381	20	(78)					555	20
Change in trade payables	(4,444)	(1,273)	1,286			(311)	(108)	(3,577)	(1,273)
- of which related parties	378	(96)	(29)			(159)	(108)	82	(96)
Change in total working capital	(575)	328	(846)			(292)	0	(1,713)	328
Gross cash flows	37,851	(122)	2,312			29		40,192	(122)
Interest paid in the year	(2,858)	(152)	(2,459)			(7)		(5,324)	(152)
Taxes paid in the period	(7,054)					(269)		(7,323)	
Cash flows from operating activities	27,939	(274)	(147)			(247)		27,545	(274)
Investments in subsidiaries	(2)			82,919	(10,000)			72,917	
Investment net of disinvestment in tangible and intangible assets	(11,410)	(330)	(3,045)			(85)		(14,540)	(330)
Dividends received	270							270	
Cash flows from investing activities	(11,142)	(330)	(3,045)	82,919	(10,000)	(85)		58,647	(330)
Change in other financial assets and liabilities and short-term payables to banks	(20,111)	266	587			491		(19,033)	266
- of which related parties	(589)	0				491		(98)	
Change in medium- and long-term loans	24,119	(201)	(17,376)	(91,919)				(85,176)	(201)
- of which related parties			(17,240)	(91,919)				(109,159)	
Capital increase			20,000	9,000				29,000	
Cash flows from financing activities	4,007	65	3,211	(82,919)		491		(75,209)	65
Translation differences	(34)					6		(28)	
Change in unrestricted cash and cash equivalents	20,770	(539)	19		(10,000)	165		10,954	(539)
Unrestricted cash and cash equivalents at the beginning of the period	2,376	702	3			553		2,932	702
Unrestricted cash and cash equivalents at the end of the period	23,146	163	22		(10,000)	718		13,886	163

5.3 Explanatory notes on the Pro-forma Consolidated Financial Statements

5.3.1 Notes to the pro-forma adjustments to the consolidated Balance Sheet

A) RDM Group Historical Data

This column includes the consolidated Balance Sheet of the RDM Group at December 31, 2015, extracted from the consolidated financial statements for the year ended December 31, 2015, as prepared according to IFRS and approved by the Shareholders Meeting of the Issuer on April 29, 2016. This financial statement was audited by Deloitte & Touche S.p.A, whose report was issued on April 6, 2016 with no qualification.

B) Cascades S.A.S. IFRS

This column includes the Balance Sheet of Cascades S.A.S. at December, 31 2015, extracted from the financial statement of Cascades S.A.S., as drawn up according to French Accounting Principles, and audited by PricewaterhouseCoopers Audit SA, who issued their report on June, 16 2016 with no qualification. The data were reclassified and adjusted in order to align them to the IFRS principles applied by the RDM Group, on the base of the financial statements that were drawn up by Cascades S.A.S. for the RDM pro-forma consolidated financial statement at December, 31 2015, that were also audited by PricewaterhouseCoopers Audit SA, who issued its report on June, 29 2016 with no qualification.

(thousand Euro)	Pro-forma Adjustments				IFRS <i>Total B</i>
	Cascades S.A.S.	IFRS Reclassification	IFRS Adjustments	Other movements	
	<i>B.1</i>	<i>B.2</i>	<i>B.3</i>	<i>B.4</i>	
ASSETS					
Non-current assets					
Tangible assets	8,103		1,297		9,400
Equity investments	82,684			(645)	82,039
Other receivables	1,728	(568)	(21)		1,139
Total non-current assets	92,515	(568)	1,276	(645)	92,578
Current assets					
Inventories	16,747		24		16,771
Trade receivables	18,861	(4,672)			14,189
Other receivables	5,763	568	(696)		5,635
Cash and cash equivalents	22				22
Total current assets	41,393	(4,104)	(672)	0	36,617
TOTAL ASSETS	133,908	(4,672)	604	(645)	129,195

(thousand Euro)	Pro-forma Adjustments				IFRS <i>Total B</i>
	Cascades S.A.S.	IFRS Reclassification	IFRS Adjustments	Other movements	
	<i>B.1</i>	<i>B.2</i>	<i>B.3</i>	<i>B.4</i>	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Attributable to Owners of the company	875		539	(645)	769
SHAREHOLDERS' EQUITY	875		539	(645)	769
Non-current liabilities					
Payables to banks and other Lenders		341	51		392
Other payables		98,911			98,911
Employee benefits	3,699				3,699
Non-current provisions for risks and charges	220	(55)	(110)		55
Total non-current liabilities	3,919	99,197	(59)		103,057
Current liabilities					
Payables to banks and other Lenders	3,225	(341)	66		2,950
Trade payables	14,116	808	(29)		14,895
Other payables	111,773	(104,336)	87		7,524
Total current liabilities	129,114	(103,869)	124		25,369
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	133,908	(4,672)	604	(645)	129,195

B.1) Balance Sheet of Cascades S.A.S.

This column includes the Balance Sheet of Cascades S.A.S. at December, 31 2015, extracted from the Balance Sheet of Cascades S.A.S., as drawn up according to French Accounting Principles, and audited by PricewaterhouseCoopers Audit SA, who issued its report on June 16 2016 with no qualification.

B.2) IFRS Reclassification

This column includes the pro-forma reclassification on the Balance Sheet of Cascades S.A.S., prepared in order to align it to the IFRS principles adopted from RDM Group. In particular:

- the down-payment granted to Scierie de Savoie, amounting to 568 thousand Euro, was reclassified from item "Other non-current receivables" to item "Other current receivables";
- the provision for customers' bonuses, amounting to 4,617 thousand Euro, was reclassified from item "Other payables" to item "Trade receivables";
- the payables to suppliers relevant to fixed assets, amounting to 808 thousand Euro, were reclassified from item "Other payables" to item "Trade payables";
- financial debts were broken down in current and non-current, as such detail is not requested by the French Accounting Principles. In particular, the financial debt to the related company Cascades Europe S.A.S. was reclassified from current "Other payables" to non-current "Other payables", for an amount of 98,911 thousand Euro; the financial debt to Encelpa was reclassified from current "Payables to banks and other lenders" to non-current "Payables to banks and other lenders", for an amount of 341 thousand Euro;
- provisions for risks and charges were recorded as a reduction of item "Trade receivables", for an amount of 55 thousand Euro.

B.3) IFRS Adjustments

This column includes the pro-forma adjustments to the Balance Sheet of Cascades S.A.S., in order to align it to the IFRS principles. In particular:

- item "Tangible fixed assets" was adjusted by 1,297 thousand Euro mainly due to the effect of the following entries: increase by 1,818 thousand Euro, due to a different accounting criteria; increase by 213 thousand Euro as an effect of a Financial Lease, recorded according to IAS 17 requirements; decrease by 734 thousand Euro relevant to grants, booked in IFRS statement of financial position as a reduction of the related Assets value, whilst in the local Financial Statements there were booked as revenues only upon collection;
- item "Other current receivables" was decreased by 696 thousand Euro mainly due to the cancellation of an insurance receivable, as IFRS do not allow its recognition;
item "Payables to banks and other lenders" current and non-current was increased by 117 thousand Euro, relevant to the debt arising from the Financial Lease;
- item "Non-current provisions for risks and charges" was decreased by 110 thousand Euro, due to the reversal of the provision for environmental risks, as IFRS do not allow its recognition.

B.4) Other movements

The item “Investments” was decreased by 645 thousand Euro, as the investments, only for the pro-forma purpose, were evaluated according to IFRS principles at the equity method, while in the financial statements drawn up according to French Accounting Principles they are booked at acquisition cost adjusted for impairment losses. It has to be noted that such amount is irrelevant for the Pro-forma Financial Statements at December 31, 2015, as it is relevant to investments totally sold, before the acquisition of Cascades S.A.S, and eliminated in pro-forma adjustment of “Sale of investments and capital increase” – Column C.

C) Sale of investments and capital increase

The company Cascades S.A.S, before the acquisition by RDM, sold to Cascades Inc. for a total sale price of 82.9 million Euro the total of the investment in Reno De Medici S.p.A., the investments in Cascades Djupafors Aktiebolag and the investment in Cascades Grundstuck Verwaltung GMBH. Therefore, this column shows the decrease of the investments, for a total amount of 81.6 million Euro, as effect of their sales and of the reduction of financial indebtedness of Cascades S.A.S. towards Cascades group, for an amount of 82.9 million Euro, that offsets the sale of investments. The difference, that amounts to 1.3 million Euro, was booked as an increase of Shareholders' Equity.

On May 27, 2016 the sole Shareholder of Cascades S.A.S resolved the reduction of share capital in order to cover losses, and a capital increase for an amount of 9 million Euro, in order to restore the adequate capitalization of Cascades S.A.S. Accounting wise, the offset of the capital increase was a decrease for the same amount of the financial indebtedness of Cascades S.A.S. towards Cascades group.

D) Cascades S.A.S. Acquisition

This column shows the pro-forma effect relevant to the Cascades acquisition, in particular a reduction of the cash and cash equivalents for an amount of 10 million Euro equal to the initial purchase price as defined in the Share Purchase Agreement.

The *initial purchase price* of 10 Million Euro, as defined by the Share Purchase Agreement signed by the Parties, results from the market value (*enterprise value*) of 18 million Euro ascribed to Cascades S.A.S., decreased by the amount of the net financial indebtedness of the Company at the

acquisition date of 8 million Euro. Such a value is also based on the estimated cash of Cascades S.A.S. at June 30, 2016, for an amount of 2 Million Euro; on the estimated financial indebtedness, for an amount of 10 Million Euro; on the reference working capital, estimated in 10 Million Euro. The initial purchase price will be adjusted, as provided by the contract signed by the Parties, for the variations of the actual cash, financial indebtedness and working capital, compared to the estimated amounts.

The *initial purchase price* has been paid cash.

Given that Cascades Inc is the ultimate parent company of Reno De Medici S.p.A. and Cascades S.A.S, the Cascades acquisition was booked as a *business combination under common control*; consequently, considering that the accounting principle IFRS 3 is not applicable, this operation has been recorded according to the document OPI 1 issued by *Assirevi*; the assets and liabilities values have been reflected at their book value as they result in Cascades S.A.S.'s Balance Sheet drawn-up according to the IFRS principles, booking as an increase of net equity the difference between:

- the net value of the acquired assets that amounts to approximately to 11.1 million Euro as at December, 31 2015 (of which 0.8 million Euro are Cascades S.A.S.' net equity resulting from the IFRS Balance Sheet of Cascades at December, 31 2015, and 10.3 million Euro result from the sales, carried out in 2016, of some investments, and from the capital increase described in the note C)
- the *initial purchase price* of 10 million Euro.

The item "Trade payables" increased by 0.5 million Euro due to the payables that were booked for the costs relevant to the acquisition which essentially include Auditors' and Advisors' costs.

The item "Current taxes" was reduced by 0.2 million Euro due to the fiscal effect on the acquisition costs.

The pro-forma adjustments of total equity attributable to the Group amounts to 0.8 million Euro and reflects: (i) the increase of total equity attributable to the Group of 1.1 million Euro mainly due to the consolidation of assets and liabilities of Cascades S.A.S. at book value, and (ii) the costs relevant to the acquisition, for an amount of 0.3 million Euro.

E) R.D.M. Marketing group IFRS

As a consequence of the Cascades acquisition, the RDM Group, that before the Transaction already held a 70% stake of the R.D.M. Marketing S.r.l, also acquired the control of the remaining 30% owned by Cascades S.A.S.; as a consequence, starting from the acquisition date the R.D.M. Marketing group will be consolidated line by line, according to IFRS 10, instead of by the Equity method, according to IFRS 11.

This column includes the Balance Sheet of the R.D.M. Marketing group as at December, 31 2015, drawn up according to the IFRS principles. The most significant items of the Balance Sheet are described here below:

- item “Deferred assets” shows the difference between the statutory accounts and the fiscal value of the “Fondo Indennità Suppletiva Clientela” (FISC);
- item “Receivables from Associates and Joint Ventures” includes the receivables towards RDM Group relevant to commercial services rendered to the companies of the Group; this item is eliminated in the column F consolidation entries and other movements;
- item “Other receivables from Associates and Joint Venture” includes the receivables from the Cash Pooling system between R.D.M. Marketing S.r.l. and Reno De Medici S.p.A; this item is eliminated in the column F consolidation entries and other movements;
- item “Non-current provisions for risks and charges” includes the “Fondo Indennità Suppletiva Clientela (FISC) towards third party agents;
- item “Trade payables” mainly includes the commissions’ payables to third party agents;
- item “Other payables” mainly includes liabilities relevant to employees, payables to the social security system and taxes liabilities;
- item “Current provisions for risks and charges” mainly includes the accruals relevant to litigations with employees.

F) Consolidation entries and other movements

This column includes the elimination of intercompany balances and the elimination against net equity of the investment in the R.D.M. Marketing group. Moreover, it also includes the reclassification of the receivables and liabilities of the acquired companies towards related parties, due to the change of consolidation area.

In the end, it includes the reclassification of the remaining financial indebtedness of Cascades S.A.S. towards Cascades group from item “Other payables” in the non-current liabilities and item “Other payables” in the current liabilities.

G) RDM Group pro-forma Cascades acquisition

The column shows the pro-forma consolidated financial statements of the RDM Group as at December, 31 2015 as the sum of previous columns.

5.3.2 Notes to the pro-forma adjustments on the consolidated Profit and Loss

A) RDM Group Historical Data

This column includes the Profit and Loss at December 31, 2015 of the RDM Group, extracted from the consolidated financial statements for the year ended December 31, 2015, drawn up according to IFRS, as approved by the Shareholders Meeting of the Issuer on April 29, 2016, and as audited by Deloitte & Touche S.p.A., whose report was issued on April 6, 2016 with no qualification.

B) Cascades S.A.S IFRS

This column includes the Profit and Loss of Cascades S.A.S at December, 31 2015, extracted from the financial statements of Cascades S.A.S. drawn up according to French Accounting Principles, as audited by PricewaterhouseCoopers Audit SA who issued their report on June, 16 2016 with no qualification. It was reclassified and adjusted in order to align to IFRS principles applied by the RDM Group on the base of the Profit and Loss that was drawn up by Cascades S.A.S. for the RDM Pro-forma Consolidated Financial Statements at December, 31 2015. Such financial statements were audited by PricewaterhouseCoopers Audit SA, who issued its report on June, 29 2016 with no qualification.

For an easier understanding of the 2015 profitability of Cascades S.A.S., it has to be pointed out that the IFRS net result at December 31, 2015, which is negative by 48.7 million Euro as represented in the table below, is penalized by an effect that has to be considered as extraordinary, the write-down of assets by 35.8 million Euro, as a result of the impairment test.

Such effect is further aggravated by the financial charges, for a total amount of 2.5 million Euro, relevant to the financial debt toward the mother company Cascades Inc, that at December 31, 2015 amounted to 98.9 million Euro, and that after the transactions associated to the Operations carried out in 2016 was reduced to 10 million Euro.

As a consequence, the 2015 results of Cascades Inc. can be considered as representative of the real ordinary profitability of the year of the Company only up to the EBITDA level.

(thousand Euro)	Pro-forma Adjustments				IFRS <i>Total B</i>
	Cascades S.A.S.	IFRS Reclassification	IFRS Adjustments	Other movements	
	<i>B.1</i>	<i>B.2</i>	<i>B.3</i>	<i>B.4</i>	
Revenues from sales	123,659	(1,610)			122,049
Other revenues and income	3,437	(2,509)	(538)		390
Change in inventories of finished goods	(246)		318		72
Cost of raw materials and services	(100,269)	514	126		(99,629)
Personnel costs	(19,816)	1,139	163		(18,514)
Other operating costs	(2,630)	1,687	(33)		(976)
Gross Operating Profit	4,135	(779)	36		3,392
Depreciation and amortisation	(3,442)		2,130		(1,312)
Write-downs	(35,783)				(35,783)
Operating Profit	(35,090)	(779)	2,166		(33,703)
<i>Financial expense</i>	<i>(4,069)</i>	<i>1,610</i>			<i>(2,459)</i>
<i>Gains (losses) on foreign exchange</i>	<i>(59)</i>		<i>(35)</i>		<i>(94)</i>
<i>Financial income</i>	<i>304</i>	<i>(304)</i>			<i>0</i>
Net financial income/(expense)	(3,824)	1,306	(35)		(2,553)
Taxes	527	(527)		(12,432)	(12,432)
Profit (loss) for the year	(38,387)	0	2,131	(12,432)	(48,688)

B.1) Profit and Loss of Cascades S.A.S.

This column includes the Profit and Loss of Cascades S.A.S. at December, 31 2015 extracted from the financial statements of Cascades S.A.S, as drawn up according to French Accounting Principles and audited by PricewaterhouseCoopers Audit SA, who issued its report on June 16 2016 with no qualification.

B.2) IFRS Reclassification

This column includes the reclassification of the Profit and Loss of Cascades S.A.S. in order to align it to the IFRS principles. In particular:

- the discounts granted to customers were reclassified from item “Financial expenses” to item “Revenues from sales”, for an amount of 1,610 thousand Euro;

- the discounts obtained from suppliers were reclassified from item “Financial income” to item “Cost of raw materials and services”, for an amount of 304 thousand Euro;
- the revenues related to a tax receivable on competitiveness and employment (CICE), amounting to 504 thousand Euro, were reclassified from item “Taxes” to item “Personnel costs”;
- the revenues booked in item “Other revenues and income”, relevant to reversals of provisions accrued in previous years as assets reduction, for an amount of 1,508 thousand Euro, were reclassified according to IFRS as an adjustment of the same line of cost where the accruals were booked.

B.3) IFRS Adjustments

This column includes adjustments of the Profit and Loss of Cascades S.A.S. in order to align it to the IFRS principles. In particular:

- item “Other revenues and income” was decreased by an amount of 538 thousand Euro due to the cancellation of insurance revenue in the IFRS financial statements, as the IFRS principles do not allow its recognition;
- item “Change in inventories of finished goods” was increased by an amount of 318 thousand Euro due to the different evaluation criteria of finished products;
- item “Cost of raw materials and services” was decreased by an amount of 126 thousand Euro mainly due to the cancellation of the write-down of spare parts booked in Cascades S.A.S. local financial statements;
- item “Personnel costs” mainly includes the revenue of the tax receivable on competitiveness and employment (CICE), amounting to 129 thousand Euro, that according to IFRS were booked when collected;
- item “Depreciation and amortisation” was decreased by an amount of 2,130 thousand Euro due to the different accounting criteria and the different depreciation of assets between the local financial statements and the IFRS financial statements of Cascades S.A.S.

B.4) Other movements

This column includes the devaluation of the deferred taxes asset for an amount of 12.4 million Euro which were booked in Cascades S.A.S. IFRS financial statements. For the purpose of this document, this amount was eliminated with a pro-forma adjustment booked in column F “Consolidation entries and other movements”, as the aforementioned devaluation, that was not recorded in the historical data of Cascades S.A.S. doesn’t represent an adjustment to be made in

order to align the historical data of Cascades S.A.S., drawn up according to the French Accounting Principles, to the IFRS principles adopted from RDM Group for the pro-forma consolidated Profit and Loss.

C) Sale of the investments and capital increase

It is relevant to the lower financial cost that Cascades S.A.S. would have recorded, had the Transaction taken place on January 1st, 2015. Such a pro-forma reclassification has to be considered in conjunction with the adjustment reported at column D).

D) Cascades S.A.S. Acquisition

It is relevant to the lower financial income that the Group would have recorded, had the Transaction taken place on January 1st, 2015. Such a pro-forma reclassification has to be considered in conjunction with the adjustment reported at column C).

E) R.D.M. Marketing group IFRS

This column includes the consolidated Profit and Loss of the R.D.M. Marketing Group at December, 31 2015 according to IFRS principles. The most significant items are the following:

- item "Other revenues and income" mainly includes the revenues for the commercial services rendered to the RDM Group and Cascades S.A.S;
- item "Cost of raw materials and services" mainly includes the commissions to third-party agents;
- item "Other operating costs" mostly includes the accruals for the litigations with employees.

F) Consolidation entries and other movements

This column mainly includes the elimination of intercompany transactions. Furthermore, an amount of 12,4 million Euro relevant to the deferred taxes assets of Cascades S.A.S., previously described in B.4) Other movements, was eliminated.

G) RDM Group pro-forma Cascades acquisition

The column shows the pro-forma consolidated Profit and Loss as at December, 31 2015, as the sum of the previous columns.

5.3.3 Notes to the pro-forma adjustments to the consolidated Cash-flow

A) RDM Group Historical Data

This column includes the consolidated Cash-flow of the RDM Group at December 31, 2015, extracted from the consolidated financial statements for the year ended December 31, 2015, as prepared according to IFRS and approved by the Shareholders Meeting of the Issuer on April 29, 2016. This financial statement was audited by Deloitte & Touche S.p.A, whose report was issued on April 6, 2016 with no qualification.

B) Cascades S.A.S. IFRS

This column includes the Cash-flow of Cascades S.A.S. at December, 31 2015, on the base of the financial statements that were drawn up by Cascades S.A.S. for the RDM pro-forma consolidated financial statement at December, 31 2015, that were also audited by PricewaterhouseCoopers Audit SA, who issued its report on June, 29 2016 with no qualification.

C) Sale of the investments and capital increase

The sale of the investments to Cascades Inc. caused an increase amounting to 82,919 thousand Euro of the item "Investments in subsidiaries" and a reduction for the same amount of the item "Change in medium- and long-term loans".

The capital increase caused an increase amounting to 9,000 thousand Euro of the item "Capital increase" and a reduction for the same amount of the item "Change in medium- and long-term loans".

D) Cascades S.A.S. Acquisition

This column shows the cash outflow relevant to the payment of agreed purchase price for Cascades S.A.S acquisition.

E) R.D.M. Marketing group IFRS

This column includes the consolidated Cash-Flow of the R.D.M. Marketing group at December, 31 2015 according to IFRS principles.

F) Consolidation entries and other movements

This column mainly includes the elimination of the variations of intercompany balances.

G) RDM Group pro-forma Cascades acquisition

The column shows the pro-forma consolidated Cash-Flow as at December, 31 2015, as the sum of the previous columns.

Net equity / income reconciliation

The following table reconciles income and net equity of the RDM Group, with the corresponding pro-forma data:

(thousand Euro)	Net equity 12.31.2015	Result 12.31.2015
RDM Group historical data	151,979	9,790
Acquisition	1,158	(34,021)
Incorporation costs	(505)	
Tax effect	159	
RDM Group pro-forma Cascaedes Acquisition	152,790	(24,231)

5.4 Pro-forma earnings per share ratios

Historical and pro-forma earnings per share figures for the RDM Group at December 31, 2011 are detailed here below:

	RDM Group historical data	Pro-forma adjustments Cascades Acquisition	RDM Group pro-forma Cascades Acquisition
Average shares' number	377,520,013	0.000	377,520,013
Profit (loss) per ordinary share	0.026	(0.091)	(0.065)
Profit (loss) per ordinary share diluted	0.026	(0.091)	(0.065)
Profit (loss) per ordinary share before discontinued operations	0.029	(0.0911)	(0.062)
Profit (loss) per ordinary share diluted before discontinued operations	0.029	(0.0911)	(0.062)
Cash Flow per shares	0.091	0.007	0.098
Net Equity per shares	0.403	0.002	0.405

(*) In this prospect Cash flow is conventionally defined as the sum of the RDM Group's net result and depreciations and amortizations and recovery of value and write-down of assets.

No significant changes in earnings per share result from the Transaction.

6. DECLARATION OF THE PERSON IN CHARGE OF FINANCIAL REPORTING

The person in charge of financial reporting, Stefano Moccagatta, declares, pursuant to Article 154-*bis*, section 2 of Legislative Decree No. 58/1998 (the Italian Consolidated Finance Act), that the financial disclosures contained in this Information Document are consistent with the entries contained in accounting ledgers and records.

7. PUBLICLY AVAILABLE DOCUMENTS

This Information Document and its appendices are publicly available from the Company's registered office at Viale Isonzo 25, Milan, on the "Corporate governance" section of the Company's website at www.renodemedici.it, and from the authorised information system linfo (www.linfo.it).

Milan, 7th July 2016.

For the Board of Directors

The Chairman

Signed by Robert Hall

ANNEX 1: RELATED PARTIES TRANSACTION COMMITTEE'S OPINION.

SUBJECT: OPINION OF THE RELATED-PARTY COMMITTEE OF RENO DE MEDICI S.P.A. PURSUANT TO ARTICLE 8.1 OF CONSOB REGULATION NO. 17221/2010, AS LATER AMENDED, AND TO THE PROCEDURE ON RELATED-PARTY TRANSACTIONS BY RENO DE MEDICI S.P.A.

Whereas

- A. This opinion (the 'RPT Opinion') is issued to the Board of Directors of Reno De Medici S.p.A. (hereafter 'RDM') with regard to the significant transaction between related parties described below (the 'Transaction'), pursuant to Article 8.1 of the Regulation setting out provisions on related-party transactions adopted by Consob by means of Resolution no. 17221 of 12 March 2010, as later amended (hereafter the 'RPT Regulation'), and to the procedure on related-party transactions approved by the RDM Board of Directors;
- B. The Related-Party Committee is composed of the following members: Mr. Robert Hall (Chairman); Ms. Laura Guazzoni and Mr. Matteo Rossi, lawyer;
- C. The Transaction is a Related-Party Transaction inasmuch as the Acquirer, RDM Blendecques s.a.s., is wholly owned by RDM, and Cascades s.a.s., the company which is the subject of the Acquisition, is wholly owned, indirectly, by Cascades INC., which is the controlling shareholder of RDM;
- D. The Transaction, described in more detail below, consists of the acquisition by RDM Blendecques s.a.s., a company registered under French law, of Cascades s.a.s.;
- E. The Transaction sets the sale price at €18 million, without prejudice to any adjustments based on the criteria set out in Article 3, taking into account both the amount of cash and the debt in existence as at the contract signature date.
- F. The Chairman, Mr. Hall, abstained from all meetings of the Committee in the light of his position within the Cascades Group.

THE RELATED-PARTY TRANSACTIONS COMMITTEE,

HAVING ACKNOWLEDGED THAT:

A. It met

- (i) on 16 June 2016 for the preliminary analysis of the Transaction and the verification of the fulfilment of the Significant Parameters;
- (ii) on 3 and 22 September 2015, to begin the selection of the independent financial advisor, making use of the option provided for by Article 7 of the RPT Regulation. On these occasions, the criteria for being appointed to the role were also defined, as follows: good professional standing; an adequate track record in similar transactions; a lack of relations that could infringe the requirement of independence;
- (iii) on 17 October 2016, *inter alia*, to select from three proposals the independent advisor tasked with issuing an opinion to the Committee on the adequacy of the Transaction fee, in the event of a positive outcome to the negotiations (the 'Fairness Opinion'). This task was ultimately assigned to UniCredit S.p.A. (the Independent Advisor);
- (iv) on 11 February 2016, to examine the status of the negotiations and to update the activities and due diligence under way;
- (v) on 29 April 2016, to acquire the Fairness Opinion and the Valuation, and to form this Opinion, taking into account: a) the interest of the Company and the RDM Group in carrying out the Transaction; b) the suitability and c) the substantial appropriateness of the relevant terms and conditions;

B. The RDM management has involved it in all phases of the Transaction, including the due diligence and negotiations;

C. It has received, from the competent RDM structures, a full information flow, as well as all clarifications and additional information requested, including with regard to the due diligence activities;

D. It has examined, *inter alia*, the following documents:

- The draft contracts concerning the acquisition of 100% of the share capital of Cascades s.a.s. ('SPA'), proposing promptly adopted amendments and additions;
- The draft information document pursuant to Article 5 of the RPT Regulation and to Article 71 of the Issuers' Regulation;

- The valuations reached by the Independent Advisor, based on the valuation methods analytically described in the documentation submitted by the latter to the Committee and illustrated at the meeting on 29 April 2016;
- The Fairness Opinion stating the adequacy of the fee, dated 29 April 2016.

IT HAVING BEEN ESTABLISHED THAT

1. With regard to the Company's interest in carrying out the Transaction, from the information acquired, the acquisition of Cascades s.a.s. will allow the RDM Group to: - increase its EBITDA by over €3 million, approximately; - establish its presence in a new product market, namely virgin fibre-based cartonboard; - confirm and consolidate its position as the second-largest European producer of cartonboard. Therefore, the Committee believes that the Transaction is in the Company's interest;
 2. With regard to the suitability of the Transaction, the Fairness Opinion (which is annexed to this Opinion) shows that UniCredit has applied the following methodologies, which are typically used in the reference market: (i) Comparable Transactions Multiples; (ii) Comparable Trading Multiples; (iii) Discounted Cash Flows Methodology. Therefore, given that the fee is supported by the conclusions of the Independent Expert's Fairness Opinion, the Committee believes that the prerequisites for the suitability of the Transaction have been fulfilled;
- With regard to the substantial appropriateness of the terms and conditions of the Transaction, the Committee has examined: the valuations reached by the Independent Advisor, based on the valuation methods analytically described in the illustrative documentation submitted to the Committee and the Fairness Opinion; the SPA drafts.

GIVEN THAT

From an examination of the documents and from the activities carried out by the Committee throughout the entire Transaction's decision-making process, it has emerged that:

- The documentation relating to the Transaction is accurate and the underlying process is fully traceable;
- The methodologies and formulae adopted for the Independent Advisor's valuation are complete and adequate;
- The contractual provisions appear to be in line with market conditions and in accordance with the applicable regulatory provisions.

CONSIDERING THAT

The Independent Advisor has confirmed the adequacy of the fee and, taking into account the Fairness Opinion acquired

EXPRESSES A FAVOURABLE OPINION

With regard to the Company's interest, the economic suitability and the appropriateness, substantial or otherwise, of the terms and conditions of the Transaction and, consequently, on the completion thereof.

Milan, 29 June 2016.

Related Parties Transaction Committee's Opinion

Signed by:

Ms. Laura Guazzoni

Mr. Matteo Rossi

ANNEX 2: FAIRNESS OPINION



Financial Fairness Opinion

April 29th, 2016

UniCredit S.p.A.
Registered Office
Via A. Spezzia 16
00186 Roma
Head Office
Piazza Gae Aulenti, 3
Tower A
20154 Milano

Share capital € 20.257.687.511,62 fully
paid in - Registered in the Register of
Banking Groups and Parent Company
of the UniCredit Banking Group, with
cod. 020081 - Cod. ABI 020081 -
Fiscal Code VAT number and
Registration number with the Company
Register of Rome 02348170101 -
Member of the National Interbank Deposit
Guarantee Fund

1

1. Introduction

We understand that Reno de Medici S.p.A. (together with its fully owned subsidiary RDM Blendecques S.A.S. "**Reno de Medici**" or the "**Client**"), has reached an agreement (the "**Agreement**") for the acquisition of a 100% stake of Cascades S.A.S., ("**Target**"), owned by Cascades Canada ULC (the "**Seller**") via the following actions (the "**Transaction**");

- i) before transaction completion, the stake owned by Cascades S.A.S. in Reno de Medici (57.60%) will be transferred to the ultimate controlling shareholder and parent company of Cascades S.A.S, Cascades Inc.;
- ii) under the terms of the Agreement, Reno de Medici will acquire, through RDM Blendecques SAS, the 100% stake of Cascades S.A.S from Cascades Canada ULC for a consideration equal to EUR 18.0mn (the "**Consideration**").

Terms and conditions of the Transaction are more fully set forth in the Transaction Documents (as defined below).

With respect to the Transaction, on April 29th, 2016 the Board of Directors of Reno de Medici will authorize, granting to that purpose its Chief Executive Officer all the necessary powers, the execution of a sale and purchase agreement between Cascades Canada ULC and RDM Blendecques SAS substantially in the form of the current draft dated April 21st, 2016 (the "**Transaction Documents**"), specifying that any material deviation from such draft shall be subject to a new approval from the Client's Board of Directors and Related Parties Transaction Committee.

In the context of the Transaction, the Client has appointed UniCredit S.p.A. ("**UniCredit**" or the "**Advisor**" or "**We**"), parent company of UniCredit Group, by entering into an engagement letter dated 19th October, 2015 and accepted by UniCredit on 26th October, 2015 (the "**Engagement**"), as its financial advisor in order to provide an opinion as to the fairness, from a financial standpoint, of the Consideration (the "**Financial Fairness Opinion**") for the exclusive benefit of the Client's Related Parties Transaction Committee, aimed at supporting such Committee to evaluate, in its full independence of opinion and among other elements, the Consideration. UniCredit agrees that the Related Parties Transaction Committee is entitled to transmit this document solely to the Board of Directors of Reno de Medici, on a need-to-know basis and for information purposes only, being however understood that the Board of Directors shall not rely upon the content of such opinion and, therefore, UniCredit shall not be liable towards neither the mentioned Board of Directors nor third parties for the use of this document.



According to the terms of the Engagement, UniCredit will receive a fee for the issuance of this Financial Fairness Opinion.

Since Reno de Medici, at the date of this document has not yet entered into a definitive agreement with Cascades Canada ULC to effect the Transaction, for the purpose of this Financial Fairness Opinion We have assumed that such agreement will reflect the terms and conditions as described in the Transaction Documents.

This document is not intended to provide an opinion neither on the decision of the Board of Directors of the Client to execute or not the Transaction or a different transaction, nor on the relative merits of the Transaction itself as compared to any strategic alternative that may be available to the Client. Furthermore, this document is not intended to evaluate or opine or constitute a recommendation on:

- i) the expected benefits deriving from the Transaction;
- ii) the risks associated with the Transaction;
- iii) the value of Reno de Medici shares following the Transaction.

The Client acknowledges and accepts that UniCredit and/or any of the companies belonging to the UniCredit Group from time to time in the ordinary course of business, may have provided in the past, may still be providing and may provide in the future investment banking, commercial lending, intermediation, consulting, financial advisory services and other financial and non-financial activities and services to Reno de Medici Group, the Target and the Seller and their respective affiliates, and/or other companies operating in the same industry in relation to which potential conflict of interest in connection with the Engagement might arise. Furthermore UniCredit Group provides commercial lending activities to Reno de Medici Group. The Client understands and acknowledges that UniCredit, as member of the UniCredit Group, is required to maintain an effective conflicts of interest policy taking into account any circumstances which may give rise to a conflict of interest as a result of the structure and/or business activities of other members of the UniCredit Group. Furthermore, UniCredit has adopted and respects internal policies and procedures in order to manage privileged information between its segregated operative structures separately and in order to prevent the use of this kind of information by the Advisor or by its Group for its own advantage, in compliance with the applicable law on privileged information.

This opinion is not intended to be relied upon by or confer any rights or remedies in favor of any employee, creditor, shareholder or other equity holder of Reno de Medici. This opinion is strictly confidential and must not be disclosed or referred to, in whole or in part, publicly, or be communicated to, or be relied upon by any person other than the Related Parties Transaction Committee or used for any other purpose without our prior written consent, provided that a copy of this opinion may be included in its entirety in any public document that Reno de Medici is

required to publicly disclose in connection with the Transaction should such inclusion be mandatory required by applicable law or regulation.

This document is drafted in English; should it be translated into any language other than English and in the event of any discrepancy between the English language and any such other language version, the English version shall always prevail.

This Financial Fairness Opinion will not be considered separately from the context in which it is rendered, nor any sections of this Financial Fairness Opinion be considered separately from the other sections that compose it, and each of them will have to be considered exclusively in conjunction with the other sections. In particular, the findings set forth in this Financial Fairness Opinion are based on the entirety of the assessments contained herein, and accordingly none of them may be used for any other purpose, nor may be considered without the context in which they are formulated or separately from the document in its entirety.

2. Information Sources and Main Assumptions

The Financial Fairness Opinion, which summarizes the valuation carried out by UniCredit on the basis of documents and information provided by the Target, the Seller and the Buyer's Due Diligence Reports prepared by Ernst & Young, is prepared solely for the exclusive use and benefit of the Client's Related Parties Transaction Committee.

For the purposes of this document, We have reviewed:

- i) the VDR in the section "UniCredit Information for Fairness Opinion", containing:
 - i. the latest 3 years Annual Reports (2012 – 2014)
 - ii. the Forecast 2015
 - iii. the Budget 2016
 - iv. the Business Plan 2015 – 2018 dated December 2015 and made available on December 4th, 2015
- ii) the Buyer's Due Diligence Reports prepared by Ernst & Young
- iii) Transaction Documents.

At the date of this document, based on the assumption confirmed by the Client of a debt and cash free transaction, We considered the Net Financial Position equal to zero for the purposes of calculating the equity value of the Transaction.

Additionally, it has been assumed that following the post-closing verification procedure envisaged in the Transaction Documents the Actual Working Capital will be equal to the Reference Working Capital (as defined in the Transaction Documents), hence no impact of such potential adjustment on the Consideration.

We have, with your consent, assumed and relied solely upon the accuracy, truthfulness, fairness, updating and completeness of the financial and other information, data and documents reviewed by us for the purposes of this document, without any independent verification of such information, data and documents (and without assuming any responsibility or liability for any independent verification). We have, with your consent, further relied upon the assurances of Reno de Medici's management that it is not aware of any facts or circumstances that would make any such information, data and documents inaccurate, untrue, unfair, incomplete, out-of-date or misleading. With respect to the financial forecasts and projections contained in the Target's Business Plan, which the Client has used as basis to conduct the negotiations on the Transaction Documents without preparing its own business plan on the Target, We have assumed, with your consent, that they have been reasonably prepared on bases reflecting the best currently available information, estimates and judgments of Reno de Medici's management as to the future financial performance of the Target. We have finalised this Financial Fairness Opinion also relying upon such projections, without independent verification. We assume no liability or responsibility for and express no opinion with respect to such financial forecasts and projections or the assumptions on which they are based. In finalising this Financial Fairness Opinion, We have not conducted a physical inspection of the properties, the equipment and other assets of the Target and have not made or obtained any independent valuation or appraisal of the assets or liabilities of the Target, nor have We evaluated the solvency or fair value of the Target under any laws relating to bankruptcy, insolvency or similar matters. Our opinion is necessarily based on financial, economic, market and other conditions existing and available to be assessed, and the information, data and documents made available to us as of the date hereof: therefore, We assume no obligation to update, revise or reaffirm our conclusion based on circumstances that may occur after the date of this document.

We also have assumed, with your consent, that in the course of obtaining any regulatory and third party approvals and consents in connection with the Transaction, no modification, delay, limitation, restriction or condition will be imposed, that will have an adverse effect on the Target or the Client. In particular, UniCredit has not made any independent analysis and verification on the correct application of Consob regulations in terms of Related Parties Transactions which remain under full responsibility of the Client.

We do not express any opinion as to any tax or other consequences that might result from the Transaction, nor does our opinion address any legal, tax,

regulatory or accounting matters, as to which We understand that the Client has obtained such advice as it deemed necessary from qualified professionals.

UniCredit shall not have any responsibility for shortcomings or deficiencies in the analysis or the conclusions expressed in this Financial Fairness Opinion that may arise between the date of this Financial Fairness Opinion and that on which the Transaction becomes effective.

Changes in other factors, or the occurrence of other events, subsequent to the date of this Fairness Opinion may affect the value of the Target both before and after completion of the Transaction. These may include:

- changes in prevailing interest rates;
- adverse changes on capital markets;
- adverse changes in relation to financial circumstances, individual business units, particular extraordinary operations or future prospects;
- any action brought or restriction imposed by any local or governmental body or by any regulatory or supervisory authority, including changes to the sector's regulatory environment; and
- any failure to complete the Transaction upon the terms and the timetable that has been represented.

3. Valuation methodologies

The Financial Fairness Opinion is based on analyses, which are typically performed by investment banks in providing financial fairness opinions in the context of similar transactions. Such assessments are carried out, to the extent applicable, by applying customary corporate finance and capital markets valuation methodologies commonly used by investment banks and may differ in some aspects from a valuation performed by qualified auditors and/or from asset based valuation generally.

The results obtained by applying these methodologies reflect and are made subject to the variations which may occur in the prevailing conditions of financial markets (currently characterized by a situation of high volatility), in the prevailing conditions in the relevant markets, currently and in the future, and in the Target's business, results of operations, financial conditions and prospects. Together, such circumstances may significantly affect the results obtained.

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In finalizing the fairness, from a financial standpoint, of the Consideration, UniCredit has applied the following valuation methodologies, commonly adopted in the paper sector:

- i) Comparable Transactions Multiples;
- ii) Comparable Trading Multiples;
- iii) Discounted Cash Flows Methodology.

4. Conclusions

Subject to the foregoing, We are of the opinion that, as of the date of this Financial Fairness Opinion, the Consideration is fair from a financial point of view to Client's Related Parties Transaction Committee.

Yours faithfully,

UniCredit S.p.A.

Vincenzo Tortorici

Global Head of Corporate Finance Advisory

Giacomo Patrignani

*Managing Director,
Corporate Finance Advisory Italy*

ANNEX 3: INDIPENDENT AUDITORS' OPINION

**AUDITOR'S REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF
FINANCIAL POSITION, INCOME STATEMENT AND CASH FLOW STATEMENT OF
RENO DE MEDICI S.P.A. AND ITS SUBSIDIARIES AS OF AND FOR THE YEAR ENDED
31 DECEMBER 2015**

**To the Board of Directors of
RENO DE MEDICI S.p.A.**

- I. We have examined the pro-forma consolidated information which comprise the consolidated statement of financial position, income statement, cash flow statement and the related explanatory notes (the "Pro-Forma Consolidated Financial Information") for the Reno De Medici S.p.A. (the "Company") and its subsidiaries (the "Reno De Medici Group") as of and for the year ended 31 December 2015, included in Section 5 of the Information Document prepared by Reno De Medici S.p.A. in connection to the acquisition by R.D.M. Blendecques s.a.s., a wholly owned subsidiary of the Company, of the entire share capital of Cascades S.A.S. (hereinafter the "Acquisition").

The Pro-Forma Consolidated Financial Information is derived from the historical consolidated financial statements of the Reno De Medici Group and from the statutory financial statements of Cascades S.A.S. (hereinafter "Cascades") as of and for the year ended 31 December 2015 and the related adjusting entries applied thereto and examined by us.

The consolidated financial statements of the Reno De Medici Group as of and for the year ended 31 December 2015 have been audited by us and our auditor's report issued on 6 April 2016.

The statutory financial statements as of and for the year ended 31 December 2015 have been audited by PricewaterhouseCoopers Audit S.A. and their auditor's report has been issued on 16 June 2016. The financial information of Cascades as at 31 December 2015 reclassified based on the criteria of recognition and measurement of IAS / IFRS for the purposes of preparation of the Information Document has also been audited by PricewaterhouseCoopers Audit S.A. and their auditor's report has been issued on 29 June 2016.

The Pro-Forma Consolidated Financial Information has been prepared on the basis of the assumptions described in the explanatory notes to illustrate retroactively the effects of the Acquisition and of the transactions connected to it: sale from Cascades to Cascades Inc. of the investment in the 57,6% of the shares of Reno De Medici S.p.A., of the investment in the 100% of the shares of Djupafors Aktiebolag, and of the investment of 100% of the shares of Cascades Grundstück Verwaltung GmbH, capital increase of Cascades by Cascades Inc. and, as a consequence of the Acquisition, consolidation of R.D.M. Marketing (together with the Acquisition, the "Transactions").

2. The Pro-Forma Consolidated Financial Information for the year ended 31 December 2015 have been prepared pursuant to article 5 of the Regulation of the Italian Commission for listed Companies and the Stock Exchange ("Consob") n. 17221 of 12 March 2010 and to article 71 of the Consob Regulation n. 11971 of 14 May 1999, as subsequently amended and integrated.

The objective of preparation of the Pro-Forma Consolidated Financial Information is to illustrate what the effects on the results of operations, financial position and cash flows of the Reno De Medici Group might have been, applying accounting principles consistent with those used in preparation of the historical financial information and in compliance with the relevant regulations, had the above-mentioned Transactions occurred at 31 December 2015 and, solely as regards income and cash flow effects, 1 January 2015. However, the Pro-Forma Consolidated Financial Information is not necessarily indicative of the results of operations or that would have been attained had the above-mentioned Transactions actually occurred at the assumed dates.

The Pro-Forma Consolidated Financial Information is the responsibility of Reno De Medici S.p.A.'s Management. Our responsibility is to express an opinion on the reasonableness of the assumptions adopted by the Management and the correctness of the methodology used in preparation of the Pro-Forma Consolidated Financial Information. In addition, it is our responsibility to express an opinion on the correctness of the accounting principles used in the preparation of the Pro-Forma Consolidated Financial Information.

3. Our examination was conducted in accordance with the criteria recommended by Consob in Recommendation 1061609 dated 9 August 2001 for the verification of pro-forma financial information and, accordingly, included such procedures as we considered necessary in the circumstances.
4. In our opinion, the assumptions adopted by Reno De Medici S.p.A. for the preparation of the Pro-Forma Consolidated Financial Information as of and for the year ended 31 December 2015 and related explanatory notes in order to illustrate retroactively the effects of the Transactions are reasonable and the methodology used in preparation of this Pro-Forma Consolidated Financial Information has been properly applied to meet the objective described above. Moreover, in our opinion, the accounting principles used in preparation of the Pro-Forma Consolidated Financial Information are correct.

DELOITTE & TOUCHE S.p.A.

Signed by
Giovanni Gasperini
Partner

Milan, Italy
July 7, 2016

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