Half-year Financial Report

06302017

NET REVENUES: €292.2 MILLION
(COMPARED WITH €216.3 MILLION AS AT JUNE 30, 2016)

GROSS OPERATING PROFIT (EBITDA): €23.3 MILLION
(COMPARED WITH €17.4 MILLION AS AT JUNE 30, 2016)

OPERATING PROFIT (EBIT): €12.1 MILLION
(COMPARED WITH €6.7 MILLION AS AT JUNE 30, 2016)

NET PROFIT (LOSS) FOR THE PERIOD: PROFIT OF €9.7 MILLION
(COMPARED WITH PROFIT OF €4.7 MILLION AS AT JUNE 30, 2016)

NET FINANCIAL DEBT: €52 MILLION
(COMPARED WITH €44.4 MILLION AS AT DECEMBER 31, 2016)

Reno De Medici S.p.A.
Viale Isonzo 25, Milan, Italy
Share capital €140,000,000
Tax code and VAT number 00883670150

CONTENTS

1. BOARD OF DIRECTORS AND AUDITORS

Board of Directors

Robert Hall	Chairman
Michele Bianchi	Chief Executive Officer
Allan Hogg	Director
Giulio Antonello	Director
Gloria Francesca Marino	Director
Laura Guazzoni	Director
Sara Rizzon	Director

Board of Statutory Auditors

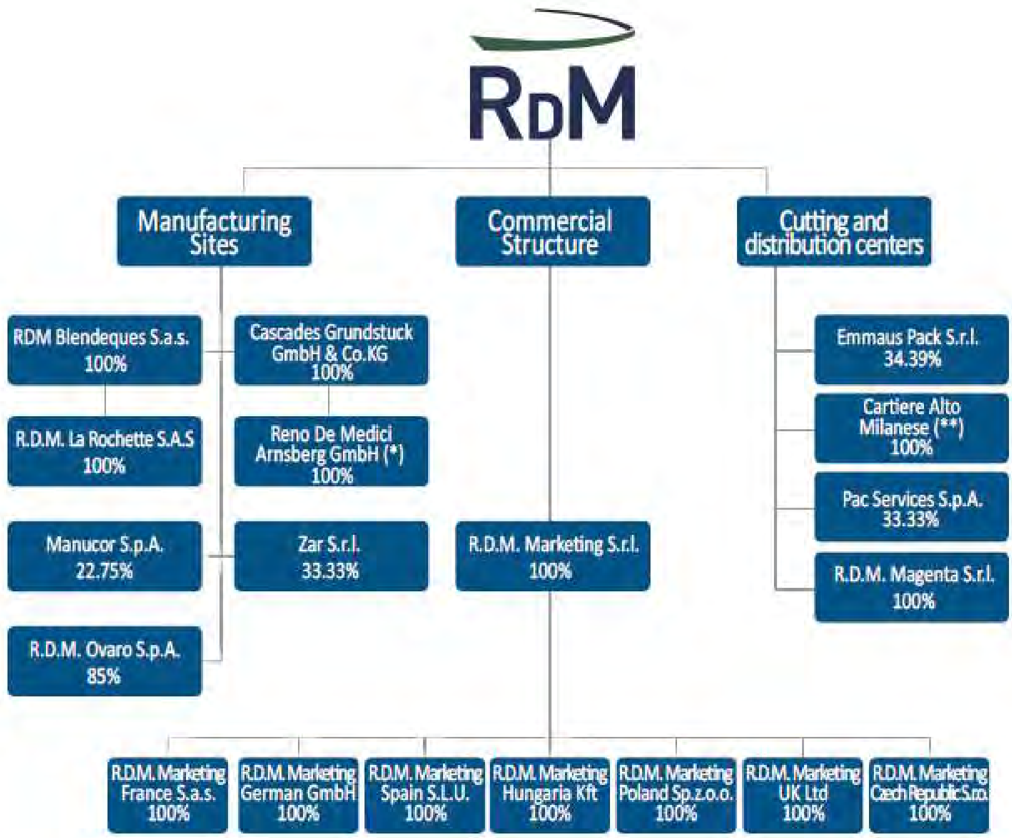
Giancarlo Russo Corvace	Chairman
Giovanni Maria Conti	Statutory Auditor
Tiziana Masolini	Statutory Auditor
Elisabetta Bertacchini	Deputy Statutory Auditor
Domenico Maisano	Deputy Statutory Auditor

Independent Auditors

Deloitte & Touche S.p.A.

2. GROUP OPERATING COMPANIES AS AT JUNE 30, 2017

The graph below summarizes the Reno De Medici Group companies ("RDM Group" or the "Group").



(*) Company 94% owned by Reno De Medici S.p.A. and 6% owned by Cascades Grundstück GmbH & Co. KG.

(**) Company in liquidation

3. Introduction

This half-year financial report as at June 30, 2017 has been prepared in accordance with Legislative Decree 58/1998, as amended, and the Issuers' Regulation issued by Consob.
The condensed consolidated half-year financial statements were prepared in keeping with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), including those previously issued by the Standing Interpretations Committee and presented in accordance with IAS 34 – Interim Financial Statements, applying the same accounting standards adopted in preparing the consolidated financial statements as at December 31, 2016.

4. Interim report on operations

The Reno De Medici Group positively closes H1-2017 recording an EBITDA of €23.3 Million, compared to €17.4 Million in 2016, and a Net Profit of €9.7 Million, vs. €4.7 Million last year.
The comparison with H1-206 must take into account the inclusion in the consolidation area of R.D.M. La Rochette S.A.S., acquired on June 30, 2016, and the change of the consolidation method – from the equity method to the line-by-line method – of the R.D.M. Marketing Group; to that regard, it is remembered that the H1-2016 Interim Reports included only the Balance Sheet, and not the Profit & Loss account, of the above mentioned Companies.
The improvement vs. last year is mainly due to the consolidation of R.D.M. La Rochette S.A.S., and by the improvement of the business performances; also the comparison at the homogeneous consolidation area of H1-2016 shows increasing net revenues and economic results. It is also highlighted, in the traditional WLC segment (white lines packaging carton board based on recycled fibers), that profitability improved significantly in Q2 compared to Q1, due to higher production efficiency, the new managerial organization implemented at the beginning of the year, and the first positive effects of the selling price increase announced at the end of February.

As regards the general **macroeconomic scenario**, the expectations for 2017 envisage a slight improvement of the previous assessments made in the course of the year by the major financial institutions. The modest recovery continues: the IMF predicts for the year a global growth of 3.5%, a slight improvement compared to 3.4% of 2016, and the (rather disappointing) 3.2% of 2016. The estimations regarding global trade provide positive indications, as they prospect a global growth of 4%, a much higher rate compared to 2.6 that was recorded in 2015, and the 2.3% of 2016.

The pace acceleration is still driven by the **United States** (+2.1% vs. +1.6% in 2016), and by **EMDEs** (+4.6%, vs. +4.3% both in 2016 and 2015).

The **Euro Area** is expected to grow 1.9%, a slight improvement of the 1.8% of 2016 and of the 1.7% forecasted in April, in a differianted scenario among countries. Stronger domestic demand, the continuing ECB's accomodative monetary policy, low cost of energy, all support growth and business investments. On the other hand, high non-performing loans, still high unemployment and structural weaknesses hold back growth prospects of some countries.

In this scenario, the growth expectations for 2017 for the major economies of the Area have been revised upward:

- for **Italy**, the expected growth of 1.3% is substantially higher compared to the two prior years, and also higher than the 0.8% predicted last April;
- for **Germany**, the present assessment of 1.8% represent a solid growth rate, in line with 2016, a slight upward adjustment compared to the 1.6% of April;
- for **France**, 1.5% confirms the positive trend recorded in the two prior years, and a slight improvement of the April forecast;
- for **Spain** a positive 3.1% is now expected, an important upward adjustment of the April assessment (2.6%), that realigns the 2017 growth to the levels of the two prior years. If expectations will be confirmed, 2017 would be thirs consecutive year with a growth rate higher than 3%.

The evolution in H1-2017 in the two sectors in which the Reno De Medici Group now operates, WLC - White Lined Chipboard, and FBB – Folding Box Board, confirms in Q2 the positive trend already recorded in Q1, and shows a stronger European demand compared to the same period of prior year, and a good order inflow.

In the **WLC segment**, the order inflow in H1-2017 was satisfactory, stronger than prior year, with a trend that follows H1-2015, that was a very positive half-year; backlog also increased, was much higher than prior year, and also in line with H1-2015.

In terms of deliveries, In H1-2017 European demand increased +3.6% compared to last year. Most of the major markets of the area show positive variations, East Europe (+9.1%) and Turkey (+11.1%) in particular; it is also to be noticed the +3.5% recorded in France; Italy was basically stable, with some improvement in Q2 vs. Q1.

In the **FBB segment**, in which R.D.M. La Rochette S.A.S. operates, the order inflow was very satisfactory and stronger than prior years including 2015.

In terms of deliveries, European demand increased +6% vs. H1-2016, but with very different trends amongs the markets: on the one hand a double-digit growth is recorded in East Europe and Turkey, on the other hand a (slight) decrease in Germany (-2.3%) and UK (-5.3%); all the other main markets grow, including Italy (+5.3%).

As regards the main factors of production, the evolution of prices of **both recycled and virgin fibers** since the beginning of the year was marked by a continuous and important hikes, mainly associated to the re-acceleration of exports to the Far East and to China in particular, but also, as regards recycled fibers, to the higher demand generated by the new production capacity that has entered the market in some contiguous sectors (mainly containerboard) .

More in detail, the prices of **recycled fibers** increased dramatically particularly in some grades (MWP - Mixed Waste Paper, the most important grade for the RDM mills, and OCC-Old Corrugated Container), both compared to December 2016, and even more when comparing the average prices of the period with the same period of prior year.

The evolution is common to the 3 countries where the mills of the RDM Group are located (Italy, Germany and France), but with different degrees: the price increase was particularly important In Italy, where the prices of MWP went up +25% compared to December, and close to 40% comparing the average prices of H1-2017 and H1-2016. In France the increase compared to December was +7,5%, but +34% compared to H1-2016. In Germany the price evolution was more volatile, but prices went up +17% compared to December 2016.

A similar trend was recorded by **virgin fibers (cellulose)**, where the prices of the so-called 'short-fibers' (BEK) increased more than +30% compared to December 2016, and the prices of 'long fibers' (NBSK) increased +12%, reaching record levels in recent years.

As regards **chemical products**, the evolution of prices in H1-2017 was marked by volatilty: the increases recorded in Q1 were partially reabsorbed in Q2.

In summary, the average cost of raw material for the RDM Group in the first half of 2017 was substantially higher than in the same period of prior year.

As regards the evolution of the prices of energy in Europe, the upward trend that had marked the second half of 2016, in the ambit of the general recovery of commodity prices, halted in Q1 2017 to then resume in Q2. Climatic factors – a very warm beginning of the Summer – added to the effects of a better macroeconomic scenario, and generated an higher demand of power in a period also marked by hydropower shortages. The tension on the prices of electrical power put under pressure also the prices of the other conventional sources, natural gas, and coal in particular.

As regards **oil**, in a market scenario still characterized by excess of supply, the expectations now envisage an increase of consumption. As a consequence prices (Brent), that in 2016 had increased from 30 US$-per-barrel of February-March 2016 up to the 55 US$ recorded at the end in December, in the first months of 2017 continued to sligthly increase up to 57-58 US$-per-barrel, to then stabilize at the current (end of June) 50-55 US$-per-barrel.

The price of **natural gas**, the main source of energy for the Reno De Medici Group, in Europe decreased (for deliveries in 2017) from 17,5 €/MWH recorded in December down to 15,5 €/MWH recorded in March 2017, to resume an upward trend in the second quarter up to the current 18 €/MWH, driven by the above mentioned factors, and, in Italy, by the mandatory storage fulfilments.

The price of **coal**, the main source of energy for the Arnsberg mill, after a long rally, that saw prices increase from 40/45 US$/ton of February-April 2016 to 85 US$/ton at the end of December, in Q1-2017 decresed down to 70 US$/ton, to then rebound in Q2 up to 85 US$/ton (end of June).

In any case, the overall average cost of energy recorded in H1-2017 by the Reno De Medici Group was still slightly lower than in the same period of prior year.

Tons-sold in H1-2017 by the Reno De Medici Group were 521 Thousand, compared to 417 Thousand sold in H1-2016. The increase is mainly due to the consolidation of 81 Thousand tons sold R.D.M. La Rochette S.A.S. Tons-sold in the WLC segment increased by +23 Thousand (+5.6%) compared to H1-2016.

Revenues from Sales were €292 Million, compared to €216 Million of prior year. The increase is mainly associated to the consolidation of the revenues of R.D.M, la Rochette S.A.S., that amounted to €64 Million.

Revenues from sales in the WLC segment increased by +€12 Million, due to higher tons-sold. Average realized selling prices in H1-2017 were still slightly lower compared to prior year, where the average prices resulted lower in Q1-2017, and higher in Q2-2017, as a consequence of the price increase that was applied since May.

Personnel Costs amounted in the period to €45.2 Million, an increase of €12.8 Million compared to 2016, out of which €11.6 Million derive from the line-by-line consolidation of R.D.M. la Rochette S.A.S. and of the R.D.M. Marketing Group. The balance, an increase of +€1.2 Million, results from the restructuring costs of the management reorganization carried out at the beginning of 2017.

As already indicated, in H1-2017 **EBITDA** attained €23.3 Million, compared to €17.4 Million in 2016. The contribution of R.D.M. La Rochette S.A.S. amounts to €5.0 Million; net of this effect, the EBITDA associated to the traditional WLC improved, where the **higher costs of raw materials** was compensated by higher revenues (due to higher tons-sold) and by lower costs (due the higher management efficiency).
EBITDA benefits for an amount of €1,1 Million from the reversal of the provision for the 'renewable surcharge' that was posted since 2015, based on the assumption that the surcharge was to be applied also on self-produced energy. The reversal follows the Resolution 276/2017, issued on April 21 by the Italian Energy Authority, that definitively clarified the terms of the cancellation of such type of surcharge.

EBIT was €12.1 Million (of which €4.6 Million were generated by R.D.M. La Rochette S.A.S.), vs. €6.7 Million in H1-2016.

Net Financial Expenses were €1,573 Thousand, vs. €1.722 Thousand in 2016, where the benefit of lower interest rates were partially offset by higher negative exchange differences, mainly due to the devaluation of the US dollar.

Income from Investments was €0.4 Million, compared to €0.7 Million recorded in 2016. The amount includes the share of the Group of the 2016 profit of PAC Service S.p.A. and of Emmaus Pack S.r.l., partially offset by the write-off for -€0.1 Million of a minor investment.

The provision for **Income Taxes** amounts to €1.2 Million, compared to €0.7 Million in 2016.

Consolidated Profit was €9.7 Million, with a substantial increase compared to €4.7Million recorded in H1-2016, out of which €4.1 Million are relevant to R.D.M. la Rochette S.A.S.

Capital Expenditures made in the period by the Reno De Medici Group were €9.2 Million, compared to €8.3 Million in 2016.

Consolidated Net Financial Indebtedness of the RDM Group at June 30, 2017 was €52 Million, an increase of €7.6 Million compared to €44.4 Million at December 31, 2016.
The evolution of the NFI in H1-2017 is negatively impacted by both seasonal factors, mainly

represented by the payment of annual bonuses to customer, as well as by non-ordinary outflows.

Non-ordinary outflows amount to €6.6 Million and include: dividends-paid and shares 'buyback' for -€1,3 Million; investment in Paper Interconnector S.c.r.l. for -€1,7 Million; restructuring costs for -€1 Million; the deposit made by RDM Arnsberg GmbH on the 'logo fee' tax case for -€2.6 Million.

In particular, as regards the deposit made by RDM Arnsberg GmbH, the Subsidiary has prudently decided to make a deposit at the German Tax Offices (national and local) for the entire amount of the taxes claimed, plus interest, relevant to the so called 'logo fee' that was disallowed in the tax audit for the period 201-2013, even in the presence of the MAP – Mutual Agreed Procedure that was activated at the end of December 2016. The final amount, if any, that will be actually due will be eventually known only when the MAP procedure will be concluded, and the amount that would have been paid in excess in Germany will be reimbursed, plus interests at an annual rate of 6%. It is also expected that the amount that will be eventually finally due in Germany should be substantially recovered in Italy according to MAP procedure. As a consequence, the final economic and financial impact at consolidated level should be limited to the difference between the tax-rates and the interest-rates applied by the two Countries.

Such a deposit, that in essence was made based on financial considerations, was recorded as a 'sundry credit', not financial. As a consequence, in order to allow a better understanding of the financial evolution, the Net Financial Indebtedness at the end of the period is showed at two levels, with and without the impact of the deposit.

	06.30.2017	06.30.2016	Variation
Net financial debt	**52,032**	**44,399**	**7,633**
Deposit at the German Tax Offices	**(2,552)**		**(2,552)**
Adjusted net financial debt	**49,480**	**44,399**	**5,081**

Results for the first half of 2017

The following table summarizes the key income statement indicators as at June 30, 2017 and 2016.

	06.30.2017	06.30.2016
(thousands of Euros)		
Revenues from sales	**292,220**	**216,292**
GROSS OPERATING PROFIT (EBITDA) (1)	**23,347**	**17,373**
EBIT (2)	**12,097**	**6,663**
Pre-tax income (3)	**10,950**	**5,621**
Current and deferred taxes	*(1,236)*	*(715)*
Profit (loss) for the period before discontinued operations	**9,714**	**4,906**
Discontinued operations		**(188)**
Profit (loss) for the period	**9,714**	**4,718**

1) See “Gross operating profit” in the consolidated financial statements of the RDM Group

2) See “Operating profit” in the consolidated financial statements of the RDM Group

3) See “Profit (loss) for the period – Taxes” in the consolidated financial statements of the RDM Group

Revenues from sales in the first half of 2017 for the RDM Group were €292 million, up from the €216 million recorded in the corresponding period of the previous year. This increase was due mainly to higher revenues from R.D.M. La Rochette S.A.S., which totaled €64 million. Revenues from sales in the WLC sector increased by €12 million owing to a greater tonnage being brokered.

The following table provides a geographical breakdown of revenues from sales:

	06.30.2017	Inc.	06.30.2016	Inc.
(thousands of Euros)				
Italy	94,776	33%	80,171	37%
EU	164,604	56%	103,162	48%
Non-EU	32,840	11%	32,959	15%
Revenues from sales	**292,220**	**100%**	**216,292**	**100%**

Main risks and uncertainties to which the Reno de Medici Group is exposed

In the course of its business activities, the Reno de Medici Group is exposed to external risks and uncertainties, deriving from exogenous factors associated with the general or specific macroeconomic context of the operating segment in which such activities are carried out, as well as risks deriving from strategic choices and internal operational risks.
For a detailed analysis of the risks, see section 5.6.2 of the illustrative notes, as well as the "Outlook" section.

Key events

In the first quarter of 2017 the Reno De Medici Group further proceeded in the **reorganization of its managerial organization, both commercial and produciton.**
From January 1st , 2017, all the products of the Group are marketed only under the RDM brand, and the Cascades brand and logo, and the Careo logo, were discontinued.
On April 28, 2017, the Extraordinary Shareholders Meeting of Reno De Medici S.p.A.'s resolved the merger into the Mother Company of RDM Marketing S.r.l., since its mission came to an end with the acquisition by the Reno De Medici Group of R.D.M. La Rochette S.A.S., that completed the *business combination* with the European operations of Cascades.
In this ambit, the commercial operations of the Reno De Medici Group were reorganized based on 3 geographical areas, that are responsible for the commercialization in the assigned countries of the whole product portfolio of the Group.

In the month of June Reno De Medici S.p.A. and Friulia S,p.A. redefined the shareholders' agreement that had been signed on June 27, 2012, in the ambit of the acquisition by Friulia of a 20% stake in R.D.M. Ovaro S.p.A. at a price of €2,5 Million. Such agreements granted *inter alia* to Friulia S.p.A. the right to resell its investment in R.D.M. Ovaro S.p.A. to Reno De Medici S.p.A. at certain terms and conditions, through the exercise of a 'put option' by no later than June 27, 2017.
The Parties appreciated the success of the partnership and, in view of the further investments necessary to increase the value of R.D.M. Ovaro S.p.A., and of its possible plans of expansion, agreed that an extension of the partnership is beneficial to the Subsidiary.
Consequently, the Parties signed a new agreement whereby Reno De Medici S.p.A. will acquire Friulia's 20% stake in R.D.M. Ovaro S.p.A., at a total price of € 2,497.010,95, in four

equal tranches, the first of which has already been acquired on June 15, 2017; the other three tranches will be acquired on June 30 of 2018, 2019 and 2020. Reno De Medici S.p.A. will be free to exercise the call option at any early time.

Other information

Purchase of treasury shares in the first half of 2017

In the first half of 2017, in compliance with the authorization granted by the Ordinary Shareholders' Meeting on November 2, 2015 pursuant to Article 2357 of the Italian Civil Code, Reno de Medici S.p.A. purchased a total of 852,919 ordinary treasury shares at a unit price of €0.35 for a total amount of €300,600.

These purchases were carried out on regulated markets in compliance with Article 132 of Legislative Decree 58 of February 24, 1998 and Article 144-bis, 1b) of Consob Regulation 11971/1999.

Following the purchases made in the first half of the year, and in view of the shares already held, Reno de Medici holds a total of 1,434,519 treasury shares, or 0.38% of share capital.

During the period under review, no treasury shares were offloaded and no Reno de Medici shares were purchased by subsidiaries.

Establishment of a Stock Grant Plan for the 2017-2019 period

The Ordinary Shareholders' Meeting of April 28, 2017 approved the establishment of a Stock Grant Plan for the 2017-2019 period, reserved for Reno de Medici S.p.A.'s CEO (the "Plan").

The Plan is based on the CEO being entitled to receive up to 2,262,857 ordinary bonus shares in the Company at the end of the aforementioned three-year period, subject to the achievement of certain performance objectives, as defined in advance by the Board of Directors (having consulted the Remuneration Committee), for each Plan year.

If any ordinary bonus shares are awarded to the CEO, they will be treasury shares held by the Company, as authorized by the aforementioned Ordinary Shareholders' Meeting of April 28, 2017 in compliance with Article 2357-ter of the Italian Civil Code.

One of the Plan's goals is to align the CEO's interests with the main objective of creating value for the Company and the Group over the medium and long term. The Plan is a way of supplementing the fixed component of remuneration with variable performance-related components, in line with best market practice.

For more details on the Plan, please see the prospectus drafted pursuant to Article 84-bis of the Consob Issuers' Regulation 11971/1999, which is available at www.rdmgroup.com and via the authorized storage facility eMarketStorage.com

Outlook

As regards the macroeconomic scenario, in Europe the short-term outlook seems less uncertain than it appeared at the beginning of the year, also because the results of the elections already held in some countries have not brought about major political discontinuities that might negatively impact economic activities, at least in the short-term.

In the sectors in which the Reno De Medici Group operates, the short-term outlook remains all-in-all positive, even if the benefits on profitability of the positive trend of European demand are partially absorbed by the continuous increase of the prices of raw materials.

In the **Whitelined Chipboard (WLC)** segment, after the closing of the period European demand and order inflow remains positive.

The increase of price lists that the RDM Group annouced at the end of February, applied on the deliveries as of April, was successful, although to a lesser degree that it as announced. However, in the presence of the continuous and important hikes of the prices of fibers, in order to protect profitability, the RDM Group announced at the beginning of July a new price increase, that will be applied to the deliveries as of September.

In the European **Folding Box Board (FBB)** segment, in which R.D.M. La Rochette S.A.S. operates, the order in-flow and backlog remained also satisfactory.

The evolution of the prices of fibers in the second part of 2017 is marked by some uncertainty, in particular due to the uncertain development of exports to the Far East. However, the pressure on prices generated by the additional production capacity that is entering the market in some contiguous sector will continue and might even increase, so consequent further price increase can be expected. The prices of chemical products seem to have stabilized.

In both sectors the prices of energy in the second part of the year should not change materially. The price of natural gas is expected to remain stable at the current (still low) levels. Also the price of power is expected to remain firm, consolidating recent increases. The evolution in the near-term of the price of coal is uncertain, but several factors (high supply

and the programs in many European countries to reduce coal usage) lead to believe that prices might decrease.
In order to modernize the power plant of the La Rochette mill, for the forthcoming month of August a longer than usual stand-still of production has been scheduled, compared to the same period of 2016; it is expected that the production volumes that will be lost, can be partially compensated by less stand-still days at the other mills.

Intragroup and related-party transactions

Pursuant to Article 2391-bis of the Italian Civil Code and the general principles set out in the Regulation on Related-Party Transactions (hereinafter the “Consob Regulation”), issued by Consob by means of Resolution 17221 of March 12, 2010 as amended, on October 8, 2010 the Board of Directors, having received a favorable opinion from a committee consisting solely of independent directors pursuant to the Borsa Italiana S.p.A. Code of Corporate Governance, approved the Related-Party Transaction Procedures (hereinafter the “Reno de Medici Procedures”).

These Procedures describe the rules, roles, responsibilities and activities set up to ensure the substantial and procedural propriety and transparency of related-party transactions carried out by the Company either directly or through its subsidiaries.

The Reno de Medici Procedures can be found in the Governance section on www.rdmgroup.com.

With regard to the provisions of Article 5, paragraph 8 of the Consob Regulation, it is hereby reported that during the half-year under review:

- there were no transactions of greater importance as identified in the Reno de Medici Procedures in compliance with the Consob Regulation;
- there were no related-party transactions, as defined in Article 2427, paragraph 2 of the Italian Civil Code, likely to have had a material effect on the companies’ results or assets and liabilities;
- there were no changes or developments to the related-party transactions described in the latest annual report likely to have had a material effect on the companies’ results or assets and liabilities.

As far as related-party transactions are concerned, including intragroup transactions, note that these do not qualify as either atypical or unusual, since they fall under the normal course of business for the Group companies. These transactions are governed by arm's length conditions.

Information on related-party transactions, including the information required by the Consob Communication of July 28, 2006, is presented in Note 5.7 to the condensed consolidated half-year financial statements as at June 30, 2017.

Reno De Medici Group

Condensed consolidated half-year financial statements

as at June 30, 2017

5. Condensed consolidated half-year financial statements as at June 30, 2017

5.1. Consolidated income statement

	Note	06.30.2017	06.30.2016
(thousands of Euros)			
Revenues from sales	1	292,220	216,292
- of which related parties		*12,578*	*8,176*
Other revenues and income	2	3,533	2,337
- of which related parties		*81*	*266*
Change in inventories of finished goods	3	(1,331)	2,012
Cost of raw materials and services	4	(224,923)	(169,216)
- of which related parties		*(2,679)*	*(6,104)*
Personnel costs	5	(45,154)	(32,396)
Other operating costs		(998)	(1,656)
Gross operating profit		**23,347**	**17,373**
Depreciation and amortization	6	(11,250)	(10,710)
Write-downs and revaluations			
Operating profit		**12,097**	**6,663**
Financial expenses		(1,288)	(1,666)
Gains (losses) on foreign exchange		(290)	(73)
Financial income		5	17
Net financial income (expense)	7	(1,573)	(1,722)
Gains (losses) from investments	8	426	680
Taxes	9	(1,236)	(715)
Profit (loss) for the period before discontinued operations		**9,714**	**4,906**
Net result from discontinued operations			(188)
Profit (loss) for the period		**9,714**	**4,718**
Total profit (loss) for the period attributable to:			
- Group		9,714	4,660
- Minority interests			58
Basic earnings (loss) per ordinary share (Euros)		0.03	0.01
Diluted earnings (loss) per ordinary share (Euros)		0.03	0.01
Basic earnings (loss) per ordinary share before discontinued operations (Euros)			0.01
Diluted earnings (loss) per ordinary share before discontinued operations (Euros)			0.01

5.2. Consolidated statement of comprehensive income

(thousands of Euros)	06.30.2017	06.30.2016
Profit (loss) for the period	**9,714**	**4,718**
Other components of comprehensive profit (loss)		
Other components that may be transferred to the income statement in subsequent financial periods:	***32***	***(214)***
Change in fair value of cash flow hedges	*35*	*(214)*
Profit (loss) on translation of financial statements of foreign investee companies	*(3)*	
Other components that will not be transferred to the income statement in subsequent financial periods	***0***	***0***
Total other components of comprehensive profit (loss)	**32**	**(214)**
Total comprehensive profit (loss)	**9,746**	**4,504**
Total comprehensive profit (loss) attributable to:		
- Group	9,746	4,446
- Minority interests		58

All values in the table are stated net of related tax effects.

5.3. Consolidated statement of financial position

(thousands of Euros)	Note	06.30.2017	12.31.2016
ASSETS			
Non-current assets			
Tangible assets	10	193,295	196,633
Intangible assets	11	3,798	2,493
Intangible assets with an indefinite useful life	11	3,948	3,948
Equity investments	12	4,567	2,509
Derivative instruments		1	
Deferred tax assets		1,536	1,535
Other receivables	15	6,256	3,680
Total non-current assets		**213,401**	**210,798**
Current assets			
Inventories	14	86,383	82,450
Trade receivables	13	76,519	60,786
- of which related parties		*170*	*414*
Receivables from associates and joint ventures	13	8,367	6,619
Other receivables	15	11,594	12,862
- of which related parties			
Other receivables from associates and joint ventures		0	4
Cash and cash equivalents	16	14,173	29,331
Total current assets		**197,036**	**192,052**
TOTAL ASSETS		**410,437**	**402,850**

	Note	06.30.2017	12.31.2016
(thousands of Euros)			
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital		140,000	140,000
Other reserves		19,563	11,294
Retained earnings (losses)		(5,461)	790
Profit (loss) for the period		9,714	3,132
Total shareholders' equity attributable to the Group		**163,816**	**155,216**
Minority interests			
Total shareholders' equity	17	**163,816**	**155,216**
Non-current liabilities			
Payables to banks and other lenders	16	50,798	57,627
Derivative instruments	16	80	268
Other payables		*53*	*78*
Deferred tax		6,725	7,493
Employee benefits	19	33,717	33,878
Non-current provisions for risks and charges	20	5,732	6,224
Total non-current liabilities		**97,105**	**105,568**
Current liabilities			
Payables to banks and other lenders	16	16,060	16,174
Derivative instruments	16	219	154
Trade payables	*21*	109,183	*103,075*
- of which related parties		*1*	*9*
Payables to associates and joint ventures	21	625	610
Other payables	*18*	21,578	*20,543*
- of which related parties			
Current taxes		834	658
Employee benefits		2	12
Current provisions for risks and charges	20	1,015	840
Total current liabilities		**149,516**	**142,066**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**410,437**	**402,850**

5.4. Consolidated statement of changes in shareholders’ equity

(thousands of Euros)	Share capital	Treasury share reserve	Legal reserve	Other reserves	Retained earnings (losses)	Profit (loss) for the period	Hedging reserve	Reserve for actuarial gains (losses)	Total shareholders’ equity attributable to the Group	Total shareholders’ equity attributable to minority interests	Total Shareholders’ equity
Shareholders’ equity as at 12.31.15	**150,399**			**(219)**	**790**	**7,551 (*)**	**(135)**	**(6,407)**	**151,979**	**440**	**152,419**
Dividends distributed						(1,983)			(1,983)		(1,983)
Allocation of profit (loss) for the period			619	4,949		(5,568)					
Cascades S.A.S. consolidation				2,875					2,875		2,875
Consolidation of the R.D.M. Marketing Group				(118)					(118)		(118)
Purchase of treasury shares		(182)							(182)		(182)
Voluntary reduction of share capital pursuant to Article 2445 of the Italian Civil Code	(10,399)			10,399							
Deconsolidation of Reno De Medici UK				219					219		219
Deconsolidation of Emmaus Pack S.r.l.								22	22	(440)	(418)
Profit (loss) for the period						4,660			4,660		4,660
Other components of comprehensive profit (loss)							(214)		(214)		(214)
Total comprehensive profit (loss)						**4,660**	**(214)**		**4,446**		**4,446**
Shareholders’ equity as at 06.30.16	**140,000**	**(182)**	**619**	**18,105**	**790**	**4,660**	**(349)**	**(6,385)**	**157,258**	**-**	**157,258**

(*) This amount is for the residual profit (loss) for the year after the partial use of the profit for the period to cover past losses, in accordance with the resolutions of the Shareholders’ Meeting of Reno De Medici S.p.A. on November 2, 2015.

(thousands of Euros)	Share capital	Treasury share reserve	Legal reserve	Other reserves	Retained earnings (losses)	Profit (loss) for the period	Hedging reserve	Reserve for actuarial gains (losses)	Total shareholders' equity attributable to the Group	Total shareholders' equity attributable to minority interests	Total Shareholders' equity
Shareholders' equity as at 12.31.16	**140,000**	**(182)**	**619**	**20,725**	**(1,809)**	**3,132**	**(313)**	**(6,956)**	**155,216**		**155,216**
Dividends distributed						(1,003)			(1,003)		(1,003)
Allocation of profit (loss) for the period			339	5,442	(3,652)	(2,129)					
Purchase of treasury shares		(301)							(301)		(301)
Stock Grant Reserve				158					158		158
Profit (loss) for the period						9,714			9,714		9,714
Other components of comprehensive profit (loss)				(3)			35		32		32
Total comprehensive profit (loss)				(3)		9,714	**35**		**9,746**		**9,746**
Shareholders' equity as at 06.30.17	**140,000**	**(483)**	**958**	**26,322**	**(5,461)**	9,714	**(278)**	**(6,956)**	**163,816**		**163,816**

5.5. Consolidated statement of cash flows

(thousands of Euros)	1H 2017	1H 2016
Profit (loss) for the period	9,714	4,718
Taxes	1,236	715
Depreciation and amortization	11,255	10,710
Write-downs		
Losses (gains) from investments	(426)	(680)
Financial (income) expense	1,283	1,649
Capital losses (gains) on sale of fixed assets	(14)	(43)
Change in provisions for employee benefits and in other provisions, including the provision for bad and doubtful receivables	(464)	(2,008)
Change in inventories	(3,934)	(1,033)
Change in receivables	(18,633)	(14,631)
- of which related parties	*(1,503)*	*(9,540)*
Change in payables	6,479	5,162
- of which related parties	*(620)*	*(2,794)*
Change in total working capital	**(16,088)**	**(10,502)**
Gross cash flows	**6,496**	**4,559**
Interest paid in the period	(1,140)	(1,256)
Taxes paid in the period	(1,179)	(1,822)
Cash flows from operating activities	**4,177**	**1,481**
Equity investments	(1,752)	(250)
Investment net of disinvestment in tangible and intangible assets	(9,205)	(8,274)
Change in scope of consolidation		(7,304)
Disinvestment in assets held for sale		
Dividends received	120	270
Cash flows from investing activities	**(10,837)**	**(15,558)**
Dividends paid	(1,003)	(1,983)
Treasury shares	(301)	(182)
Change in other financial assets and liabilities and short-term payables to banks	(307)	2,605
- of which related parties	*4*	*(2,474)*
Change in medium- and long-term loans	(6,884)	(7,329)
Cash flows from financing activities	**(8,495)**	**(6,889)**
Translation differences	**(3)**	**221**
Change in unrestricted cash and cash equivalents	**(15,158)**	**(20,746)**
Unrestricted cash and cash equivalents at the beginning of the period	**29,331**	**23,146**
Unrestricted cash and cash equivalents at the end of the period	**14,173**	**2,397**

5.6. Notes to the financial statements

RDM is a company which is established as a legal entity under Italian law. The RDM Group operates mainly in Europe. The business of the Group is the production and distribution of cartonboard made from recycled fibers. The joint venture R.D.M. Marketing S.r.l. is responsible for commercial activities.

RDM has its registered office in Milan, Italy.

RDM's shares are listed on the Star segment of Borsa Italiana S.p.A. and on the Madrid and Barcelona stock exchanges.

The condensed consolidated half-year financial statements of the RDM Group were approved and authorized for publication by the Board of Directors of RDM on August 3, 2017.

5.6.1 Accounting standards and valuation criteria

The condensed consolidated half-year financial statements were prepared according to the going concern assumption. The directors believe that, despite the existence of a difficult economic and financial context, no material uncertainties (as defined in paragraph 25 of IAS 1) exist in respect of business continuity.

The condensed consolidated half-year financial statements were prepared according to IAS 34 – Interim financial statements, applying the same accounting standards used to prepare the consolidated financial statements as at December 31, 2016, except as may be described in the next section "IFRS and IFRIC accounting standards, amendments and interpretations approved by the European Union but not yet applicable except on an early adoption basis".

The condensed half-year financial statements were prepared on the basis of the general principle of historical cost, except for derivative financial instruments, which are recognized at fair value, and financial liabilities, which are recognized on the basis of the amortized cost method. The carrying amount of hedged assets and liabilities which qualify for hedge accounting is adjusted to take into account changes in the fair value of the hedged risks.

The Group has chosen to present the structure and content of its consolidated financial statements in the following manner:

- the consolidated statement of financial position is presented with separate sections for assets, liabilities and shareholders' equity. Assets and liabilities are then presented on the basis of their classification as current, non-current or held for sale;
- the consolidated income statement is presented in a vertical format with items broken down by nature, as this provides reliable and more relevant information than a classification by allocation;
- the consolidated statement of comprehensive income is presented separately from the consolidated income statement, and each item is shown net of the tax effect;
- the consolidated statement of cash flows is presented using the indirect method;
- the consolidated statement of changes in shareholders' equity is presented by showing the profit or loss for the period separately from any income and expense not recognized directly on the income statement, but charged directly to equity on the basis of specific IAS/IFRS accounting standards, and is presented showing transactions with shareholders separately.

Preparing the interim financial statements requires management to make estimates and assumptions that have an effect on the amounts of revenues, costs, assets and liabilities on the financial statements and on the information regarding potential assets and liabilities on the date of the interim financial statements. If in the future such estimates and assumptions, which are based on management's best judgment, should prove outdated due to differing trends in the operational context than those forecast, these would consequently be modified in the period during which the changes became manifest. For a broader description of the Group's most relevant valuation procedures, see the section "Estimates and valuations" in the consolidated financial statements as at December 31, 2016.
It should also be noted that some valuation procedures, especially more complex ones such as the determination of possible impairment losses on non-current assets, are generally carried out in a more complete manner only for the annual financial statements, when all the detailed information is available, as well as in cases in which there are impairment indicators requiring an immediate valuation of any impairment losses.

The balance sheet, income statement and financial situation are presented in thousands of Euros.

IFRS and IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION

- IFRS 15 – Revenue from Contracts with Customers;
- IFRS 9 – Financial Instruments.

The Company is carrying out the qualitative analysis necessary to define the effects that are likely due to the application of the above mentioned principles.

IFRS and IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET APPROVED BY THE EUROPEAN UNION

- IFRS 14 – Regulatory Deferral Accounts;
- IFRS 17 – Insurance Contracts;
- IFRS 10 and IAS 28 – Sales or Contribution of Assets between an Investor and its Associate or Joint Venture;
- IFRS 16 – Leases;
- Annual Improvements to IFRSs: 2014-2016 Cycle;
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses;
- Amendments to IAS 7: Disclosure Initiative;
- IFRIC 22 – Foreign Currency Transactions and Advance Consideration
- IFRIC 23 – Uncertainty over Income Tax Treatments
- IFRS 2 – Classification and measurement of share-based payment transactions.

The Company is carrying out the qualitative analysis necessary to define the effects that are likely due to the application of the above mentioned principles.

Impairment testing

Every six months, the Group reviews the carrying amount of its tangible and intangible assets and investments to determine whether there are any indicators that these assets have suffered impairment. If any such indicators exist, the recoverable amount of such assets is estimated to determine the write-down amount.

No goodwill has been allocated to the Reno de Medici CGUs, meaning there is no need for a specific annual impairment test.

However, the current global economic and financial crisis, even if the first signs of recovery are starting to be seen, makes it impossible to predict national and global future economic scenarios.

The Group's market capitalization continues to stand at an average level that is lower than reported shareholders' equity.

Based on the recommendations contained in Joint Document No. 4 of March 4, 2010 of the Bank of Italy, Consob and ISVAP, the Group had described in detail the main assumptions used to calculate the recoverable amount (value in use) as at December 31, 2016, relating to estimated operating cash flows, the discount rate and the final growth rate, and it had also prepared sensitivity analyses on test results with respect to changes in the basic assumptions for determining the value in use of the cash generating units, without the need to record any impairment.

Based on the foregoing, the directors believe that the cautious medium-/long-term valuations used for the purposes of impairment testing, in terms of foreseeable business trends until 2017, are to be considered valid to date, although it cannot be ruled out that current valuations may need to be reviewed should the crisis continue or worsen.

5.6.2 Financial risk management policy

Like all industrial operators, the Company and the Group are exposed to the risks associated with the difficult and uncertain general macroeconomic environment.

Most prominently, this situation generates a risk related to sales volumes, and although this cannot be eliminated, it can be contained through measures the Group can take to adjust production levels to actual demand and reduce the impact of any decline in demand on income. Any upsurge in the long-running crisis also involves the risk of a fall in selling prices, although the latter are mainly linked to changes in the price of pulp and wood paste raw materials.

One risk factor in such an environment is linked to changes in pulp raw material prices, dependent on demand, which has increased recently due in part to new and forthcoming manufacturing capacities in related segments (particularly containerboard) and volumes of exports to China, which in turn depend on Chinese economic growth. This is not a significant risk in the short term. Changes in pulp raw material prices normally result in a corresponding change in sales prices for cartonboard packaging, but there are also possible time lags between the two phenomena.

Risks associated with energy price fluctuations currently appear to be fairly minimal: despite the increase seen in the second half of 2016, energy prices are still at relatively low levels, and a further significant increase in these prices seems unlikely over the short term. In any case, the situation is constantly and closely monitored by the designated Company departments.

Credit risk is one of the risks related to the general economic environment. This is described below.

Risks related to the Group's results

It should be stated that there are no specific risks associated with the structure and/or the nature of the RDM Group.

Risks related to the requirements for financial resources

The Group currently has largely sufficient financial resources available to meet reasonably foreseeable requirements for 2017, as a result of the Group's financial position and the very favorable credit market conditions.

Risks related to interest rates

Exposure to the risk related to interest rates involves mainly medium-/long-term lines of credit on which the Group's financial provisions are currently based. As at June 30, 2017, the Group had cash available and uses a very small portion of short-term lines of credit, with the exception of programs for the non-recourse sale of trade receivables (non-recourse factoring). As at June 30, 2017, medium-/long-term debt totaled €66.9 million, of which €29.6 million was at an unhedged floating rate. The availability of cash at June 30, 2017 stood at €14.2 million. In 2017, interest rates may possibly increase slightly.

Liquidity risk

Liquidity risk is defined as the risk of not managing to fulfil obligations associated with liabilities.

Prudent management of liquidity risk entails maintaining adequate cash and cash equivalents and the ability to access the loans needed to support operations.

To deal with this risk, the Group's treasury unit ensures the flexibility of the supply of funds through access to diversified sources of credit.

As at June 30, 2017, the net financial debt of the RDM Group was equal to €52 million, with wide margins to satisfy all reasonable financial requirements.

Credit risk

Credit risk is the exposure of the Company and the Group to the insolvency of its customers, especially in Italy, which is one of the countries suffering the most in the current crisis, and which historically features the longest payment terms and consequently high exposure to customers. Italy is the most important market for the Group.

The Reno Medici Group has many tools to effectively manage this risk: insurance agreements were entered into with a leading credit insurance company; and various agreements were also entered into for the non-recourse sale of receivables.

Any uninsured and/or uninsurable positions are monitored continually by the appropriate company units, including with the support of external sources of information and monitoring for the Italian customer base.

The Group applies a policy involving vigilant and prompt controls of risky positions to contain this risk.

Even though the policies adopted have so far made it possible to limit receivable losses, this risk cannot be eliminated mainly because it is linked to the ongoing overall economic crisis, especially in Italy.

Currency risk

The risk is related to the exposure of the Company and the Group to fluctuations in exchange rate costs and revenues denominated in currencies other than the Euro. As far as the Group is concerned, this exposure is particularly related to fluctuations of the US dollar, a currency in which a significant part of revenues from overseas markets is denominated and, as far as costs are concerned, purchases of certain raw materials and certain energy factors. Given the expected volumes of costs and revenues denominated in dollars, it is felt that the net exposure is not significant in relation to the overall size of the business.

Capital risk

It is felt that the Company is adequately capitalized in relation to the reference market and its size.

5.6.3 Scope of consolidation

The financial position, results and cash flows of the RDM Group include the financial position, results and cash flows of Reno De Medici S.p.A. and of the companies over which it has the right to exercise control. The definition of control is not based solely on the concept of legal ownership. IFRS 10 introduced a more solid definition of control compared to the past, based on three elements: (a) power over the business purchased; (b) exposure or rights, at variable returns resulting from involvement with the latter; (c) capacity to utilize the power to influence the amount of these returns. IFRS 10 stipulates that investors should focus on activities materially affecting returns when evaluating whether it has control over the business acquired, and requires only substantial rights, i.e. rights that can be exercised in practice when important decisions have to be taken for the business acquired, to be taken into consideration. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is acquired until the date that such control ceases to exist. The portions of shareholders' equity and profit or loss attributable to minority interests are shown separately in the consolidated statement of financial position, consolidated income statement, and consolidated statement of comprehensive income.
The main consolidation principles adopted are as follows:

- the carrying amount of each investment consolidated on a line-by-line basis is eliminated against the related equity, with the assets, liabilities, income and expense of the subsidiary being added to those of the Parent Company, regardless of the size of the investment; the shares of subsidiaries' capital and reserves and of subsidiaries' profit or loss attributable to minority interests are shown separately in the consolidated statement of financial position and the consolidated income statement;
- the acquisition of subsidiaries is accounted for using the purchase method as required by IFRS 3 Revised;
- all balances and significant transactions between Group companies are eliminated, as are any profits and losses (unless losses indicate an impairment of the sold asset

requiring recognition) arising from commercial or financial intragroup transactions not yet realized with third parties;

- any increases or decreases in a subsidiary's equity arising from its post-acquisition results are recorded upon elimination in the "Retained earnings (losses)" equity reserve;
- dividends distributed by Group companies were eliminated from the income statement upon consolidation.

The following table provides a list of subsidiaries with the respective percentage holdings:

Corporate name	Registered office	Assets	Share capital (€/000)	Control percentage 06.30.2017 direct	Control percentage 06.30.2017 indirect	Control percentage 12.31.2016 direct	Control percentage 12.31.2016 indirect
Reno De Medici Arnsberg GmbH	Arnsberg (D)	Industrial	5,113	94.00%	6.00%	94.00%	6.00%
RDM Blendecques S.A.S.	Blendecques (F)	Industrial	5,037	100.00%		100.00%	
Cartiera Alto Milanese S.r.l. in liquidation	Milan (I)	Commercial	12	100.00%		100.00%	
Cascades Grundstück GmbH & Co. KG	Arnsberg (D)	Services	19	100.00%		100.00%	
R.D.M. Magenta S.r.l. (formerly Carta Service Friulana S.r.l.)	Milan (I)	Industrial	3,700	100.00%		100.00%	
R.D.M. Ovaro S.p.A.	Milan (I)	Industrial	12,500	85.00%		80.00%	
R.D.M. La Rochette S.A.S.	La Rochette (F)	Industrial	10,000		100.00%		100.00%
R.D.M. Marketing S.r.l.	Milan (I)	Commercial	200	100.00%		100.00%	
R.D.M. Marketing France	Paris	Commercial	337		100.00%		100.00%
R.D.M. Marketing Germany	Krefeld (G)	Commercial	210		100.00%		100.00%
R.D.M. Marketing Spain	Prat de Llobregat (S)	Commercial	26		100.00%		100.00%
R.D.M. Marketing UK	Wednesbury (UK)	Commercial	0		100.00%		100.00%
R.D.M. Marketing Czech Republic	Prague (CR)	Commercial	19		100.00%		100.00%
R.D.M. Marketing Hungary	Budapest (HU)	Commercial	19		100.00%		100.00%
R.D.M. Marketing Poland	Warsaw (P)	Commercial	11		100.00%		100.00%

The following investments in associates and joint ventures are included in the condensed consolidated half-year financial statements according to the equity method:

Corporate name	Registered office	Assets	Share capital (€/000)	Control percentage			
				06.30.2017		12.31.2016	
				direct	indirect	direct	indirect
Associates							
Pac Service S.p.A.	Vigonza (I)	Industrial	1,000	33.33%		33.33%	
Emmaus Pack S.r.l.	Milan (I)	Industrial	200	34.39%		34.39%	
Joint ventures							
ZAR S.r.l.	Silea (I)	Industrial	90	33.33%		33.33%	
Manucor S.p.A.	Milan (I)	Industrial	10,000	22.75%		22.75%	

The financial statements of each Group company are prepared in the currency of the economic area in which it mainly operates (the functional currency). For the purposes of the consolidated financial statements, the financial statements of each entity are expressed in Euros, which is the Group's functional currency and the currency in which the condensed consolidated half-year financial statements are presented.

5.6.4. Notes to the financial statements for the first half of 2017

Segment information

As provided for by IFRS 8 – Operating Segments, the segments identified and the respective information included under segment information are based on the reports used and analyzed by company management to evaluate results and make key strategic decisions.
As at the financial statements for the year ended December 31, 2016, following the acquisition of the subsidiary R.D.M. La Rochette (formerly Cascades S.A.S.), segmentation between the WLC, white lined chipboard and FBB for folding cartons was introduced as a criterion for sector-based subdivision, retaining second-level geographical segmentation.
The reports used by directors show results by individual mill and cutting and/or distribution center. The data is then aggregated into two operating sectors: WLC, represented by the French mill Blendecques as well as two mills operating in Italy and Germany, and FBB, the area in which the newly acquired R.D.M. La Rochette operates.

In the WLC sector, with regard to level-two segmentation, the Italian segment includes the production plants of Ovaro, Villa Santa Lucia, Santa Giustina, as well as the cutting and/or distribution centers like R.D.M. Magenta S.r.l. and Cartiera Alto Milanese S.r.l. in liquidation; the German segment includes the Arnsberg production plant; and the French segment, as previously stated, includes the Blendecques mill.

The economic measure of the results achieved by each operating segment is the profit or loss for the period, within which operating profit and gross operating profit are specifically identified.

There is no need to reconcile the segment valuations contained in this section with the figures included in the financial statements in this report, as all the displayed income components are measured using the same accounting policies adopted for the preparation of the Group's condensed half-year financial statements. "Unallocated items and adjustments" include amounts deriving from inter-segment transactions.

The following table provides operating information by geographical area for the first half of 2017 and the first half of 2016:

Income statement 06.30.2017	WLC				FBB France	Unallocated items and adjustments	Consolidated
	Italy	Germany	France	Total	France		
(thousands of Euros)							
Revenues from sales	**144,260**	**61,226**	**25,884**	**231,370**	63,986	**(3,136)**	**292,220**
Intragroup revenues from transactions with other segments	**(3,136)**			(3,136)		**3,136**	
Net revenues from external customers	**141,124**	**61,226**	**25,884**	**228,234**	63,986		**292,220**
Gross operating profit	**15,731**	**4,230**	**(1,566)**	**18,395**	**4,952**		**23,347**
Depreciation and amortization	(6,548)	(3,936)	(486)	(10,970)	(354)	74	(11,250)
Write-downs							
Operating profit	**9,183**	**294**	**(2,052)**	**7,425**	**4,598**	**74**	**12,097**
Net financial income (expense)	(1,002)	(227)	(212)	(1,441)	(123)	(9)	(1,573)
Gains (losses) from investments						426	426
Taxes	(815)	(24)	(26)	(865)	(334)	(37)	(1,236)
Profit (loss) for the period before discontinued operations	**7,366**	**43**	**(2,290)**	**5,119**	**4,141**	**454**	**9,714**
Net result from discontinued operations							
Profit (loss) for the period	**7,366**	**43**	**(2,290)**	**5,119**	**4,141**	**454**	**9,714**
Share of profit (loss) attributable to equity-accounted investments	**426**						

Income statement 06.30.2016	Italy	Germany	France	Unallocated items and adjustments	Consolidated
(thousands of Euros)					
Revenues from sales	**136,109**	**54,207**	**28,673**	(2,697)	**216,292**
Intragroup revenues from transactions with other segments	(2,697)			2,697	
Net revenues from external customers	**133,412**	**54,207**	**28,673**		**216,292**
Gross operating profit	**13,567**	**3,723**	**116**	**(33)**	**17,373**
Depreciation and amortization	(6,536)	(3,842)	(405)	74	(10,710)
Write-downs and revaluations					
Operating profit	**7,031**	**(118)**	**(290)**	**40**	**6,663**
Net financial income (expense)	(1,320)	(156)	(181)	(66)	(1,722)
Gains (losses) from investments	1,649			(969)	680
Taxes	(692)	(124)	(45)	146	(715)
Profit (loss) for the period before discontinued operations	**6,668**	**(398)**	**(516)**	**(848)**	**4,906**
Net result from discontinued operations				(188)	(188)
Profit (loss) for the period	**6,668**	**(398)**	**(516)**	**(1,037)**	**4,718**
Share of profit (loss) attributable to equity-accounted investments	680				

Notes

It is hereby noted that the changes in the income statement balances as of June 30, 2017 reflect the first-time consolidation of the acquired company R.D.M. La Rochette S.A.S. (formerly Cascades S.A.S.) and the change in the consolidation method for the R.D.M. Marketing Group (formerly Careo Group) from equity consolidation to line-by-line consolidation.

1. Revenues from sales

The following table provides a breakdown of net revenues from the sale of cartonboard by geographical area of customers.

(thousands of Euros)	06.30.2017	06.30.2016	Change	%
Italy	94,776	80,171	14,605	18.2%
EU	164,604	103,162	61,442	59.6%
Non-EU	32,840	32,959	(119)	(0.4)%
Total revenues from sales	**292,220**	**216,292**	**75,928**	**35.1%**

Revenues from sales in the first half of 2017 for the RDM Group were €292 million, up from the €216 million recorded in the corresponding period of the previous year. This increase was due essentially to higher sales volumes: in particular, the number of tons sold rose from 417,000 in the first half of 2016 to 521,000 in the same period of 2017, thanks mainly to the consolidation of R.D.M. La Rochette S.A.S., which added 81,000 tons. The tonnage sold in the WLC segment increased by 23,000.

2. Other revenues and income

Other revenues and income as at June 30, 2017 consisted mainly of revenues arising from adherence to the interruptible energy service (€1.1 million), income deriving from the sale of electricity during the first half of 2017, mainly at the German mill (€0.5 million), the recognition of energy efficiency certificates (White Certificates) (€0.5 million), and extraordinary income (€0.3 million).

3. Change in inventories of finished goods

The change in inventories during the first half of 2017 is due mainly to the decrease in physical stocks.

4. Cost of raw materials and services

The following table shows the costs incurred for raw materials and services:

	06.30. 2017	% of value of production (**)	06.30. 2016	% of value of production (**)
(thousands of Euros)				
Cost of raw materials	144,237	49.1%	99,064	45.4%
Cost of services	79,098	26.9%	69,325	31.8%
Costs for use of third-party assets	1,588	0.5%	827	0.4%
Total	**224,923**	**76.6%**	**169,216**	**77.5%**

(**) Value of production = Revenues from sales plus changes in inventories of finished products

The “Cost of raw materials” refers mainly to the purchase of fibers (both recycled and ‘virgin’) and chemical products. The increase recorded in the period is due to the consolidation of R.D.M. La Rochette S.A.S. and to the increase of the prices of the recycled fibers.
The reduction of the percentage incidence of "service costs" on the value of production compared with the figures as at June 30, 2016 is due to the reduction in the price of gas, while there was a considerable increase in the price of coal.

Costs for use of third-party assets rose primarily because of the consolidation of R.D.M. La Rochette S.A.S and the R.D.M. Marketing Group.

5. Personnel cost

The cost of labor totaled €45.2 million, versus €32.4 million in the same period of the previous year. The increase of €12.8 million was largely due to the line-by-line consolidation of R.D.M. La Rochette S.A.S. (€9.6 million) and the R.D.M. Marketing Group (formerly the Careo group) (€2 million). The difference of €1.2 million was due to the costs incurred as a result of the commercial restructuring that took place in early 2017.

6. Depreciation and amortization

The following table sets out details of the “Depreciation and amortization” item:

	06.30.2017	06.30.2016	Change
(thousands of Euros)			
Amortization of intangible assets	124	131	(7)
Depreciation of tangible assets	11,126	10,579	547
Total	**11,250**	**10,710**	**540**

Amortization and depreciation totaled €11.3 million, compared to €10.7 million in the same period of the previous year. The €0.5 million increase was due mainly to the line-by-line consolidation of R.D.M. La Rochette S.A.S. (€0.4 million).

7. Net financial income (expense)

The following table itemizes net financial income and expenses:

	06.30.2017	06.30.2016	Change
(thousands of Euros)			
Financial income	**5**	**17**	**(12)**
Interest and other financial income	5	17	(12)
Income from derivative instruments			
Financial expenses	**(1,288)**	**(1,666)**	**378**
Interest paid to banks	(395)	(640)	245
Expenses on derivative instruments	(30)	(71)	41
Financial expenses on defined-benefit plans	(283)	(260)	(23)
Expenses, commission and other financial expenses	(580)	(695)	115
Foreign exchange differences	**(290)**	**(73)**	**(217)**
Foreign exchange gains	435	384	51
Foreign exchange losses	(725)	(457)	(268)
Total	**(1,573)**	**(1,722)**	**149**

Net financial expenses totaled €1.6 million as at June 30, 2017, compared with €1.7 million in the same period of the previous year. The benefit from lower interest rates in the first half of 2017 was partly offset by greater forex losses, particularly in the wake of the depreciation of the US dollar.

8. Gains (losses) from investments

Income from equity investments totaled €426,000 as at June 30, 2017, mainly due to:

- €446,000 adjustment to the equity investment in associate Pac Service S.p.A.;
- €101,000 adjustment to the equity investment in associate Emmaus Pack S.p.A.;
- €121,000 write-down of the equity investment in Cartonnerie Tunisienne.

9. Taxes

The following table shows the breakdown of current and deferred taxes as at June 30, 2017:

	06.30.2017	06.30.2016	Change
(thousands of Euros)			
Deferred tax	771	599	172
Current taxes	(2,007)	(1,314)	(693)
Total	**(1,236)**	**(715)**	**(521)**

10. Tangible assets

The following table shows the change in tangible assets:

	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction	Total
(thousands of Euros)							
Historical cost	21,172	107,074	662,675	1,660	15,409	5,252	813,242
Accumulated depreciation/write-downs	(28)	(70,840)	(529,099)	(1,603)	(15,039)		(616,609)
Net book value as at 12.31.2016	21,144	36,234	133,576	57	370	5,252	196,633
Increases		142	4,257		34	3,368	7,801
Decreases			(55)		(32)		(87)
Reclassification of cost		87	3,151		6	(3,244)	
Depreciation for the period		(1,618)	(9,432)	(15)	(58)		(11,123)
Decrease in provision for accumulated depreciation/write-downs			43		27		70
Value as at 06.30.2017							
Historical cost	21,172	107,303	670,028	1,660	15,417	5,377	820,957
Accumulated depreciation/write-downs	(28)	(72,458)	(538,488)	(1,618)	(15,070)		(627,662)
Net book value at 06.30.2017	**21,144**	**34,845**	**131,540**	**42**	**347**	**5,377**	**193,295**

The main investment during the period was the refurbishment of the press section at the Blendecques mill.

For the purpose of determining possible impairment losses, it is noted that no impairment indicators emerged that would modify the valuations made as at December 31, 2016. For further details, see the "Impairment testing" section.

11. Intangible assets

Intangible assets totaled €3,798,000. The increase of €1.3 million on a year earlier was due mainly to the capitalization of the development and analysis phase of an ERP prototype; this project was aimed at creating a new information system for the Group.

"Intangible assets with an indefinite useful life" refer to the valuation of concessions granted in Germany in relation to water rights with an indefinite useful life.

12. Equity investments

The change in equity investments of €2.1 million is mainly due to the combined effect of the following factors:

- the adjustment at equity of the investment in associate Pac Service S.p.A. (+€446,000);
- the valuation at equity of the investment in Emmaus Pack S.r.l. (+€101,000);
- the increase in the equity investment in consortium Paper Interconnector S.c.r.l. (+€1.7 million);
- the write-down of the equity investment in Cartonnerie Tunisienne (-€121,000).

The information required by IFRS 12 for equity-accounted investments is provided below.

The value of equity-accounted investments in the balance sheet is as follows:

	06.30. 2017	12.31.2016
(thousands of Euros)		
Associates	2,341	1,914
Joint ventures	30	30
Total	**2,371**	**1,944**

The increase in the value of equity investments in associates is due to the adjustment of these investments at equity.

The impact on the income statement for the period of measuring equity investments using the equity method is as follows:

	06.30. 2017	06.30. 2016
(thousands of Euros)		
Associates	547	407
Joint ventures		(275)
Total	**547**	**132**

13. Trade receivables and receivables from associates and joint ventures

The breakdown of trade receivables, which amount to €85 million, is provided below:

(thousands of Euros)	06.30.2017	12.31.2016	Change
Trade receivables	76,519	60,786	15,733
Receivables from associates and joint ventures	8,367	6,619	1,748
Current trade receivables	**84,886**	**67,405**	**17,481**

Trade receivables, shown net of the provision for bad and doubtful receivables of €2.9 million, totaled €76.5 million, an increase of €15.7 million on December 31, 2016. This increase was due to the ordinary movement of working capital, in particular the growth in business volumes at the end of the first half of 2017 compared with that at the end of the second half of 2016. In addition, there was the (greater) accounting impact of annual premiums paid to customers during the first half of 2017.

The “Receivables from associates and joint ventures” item includes commercial transactions with Pac Service S.p.A. (€487,000) and Emmaus Pack S.r.l (€7,880,000).

14. Inventories

The €4 million change in inventories was due primarily to the increase in raw materials, itself caused by a rise in both physical stocks and unit prices.

15. Other receivables (current and non-current)

Other non-current receivables totaled €6.3 million as at June 30, 2017. The change of €2.6 million compared with the previous year was due mainly to the €2.6 million outlay by the subsidiary RDM Arnsberg GmbH for the ‘Logo Fee’ tax dispute.

Other current receivables totaled €11,6 million as at June 30, 2017. The change of €1.3 million compared with the previous year was due mainly to the combined effect of the following factors:

- reduction in tax receivables (€0.4 million);

- reduction in the receivable from a factoring company following a reduction in receivables assigned to the same (€0.5 million);
- reduction in CO_2 receivables (€1.3 million);
- increase in prepaid expenses (€0.6 million) regarding costs pertaining to the second half of the year.

16. Net financial position

Net financial debt was €52 million as at June 30, 2017, an increase of €7.6 million compared with December 31, 2016. This change was due essentially to extraordinary expenses: dividends paid and the purchase of treasury shares (€1.3 million); increase in the equity investment in the consortium Paper Interconnector S.c.r.l. (€1.7 million); expenses pertaining to the commercial restructuring (€1 million); and the outlay by the subsidiary RDM Arnsberg GmbH for the ‘Logo Fee’ tax dispute (€2.6 million).
Such a deposit, that in essence was made based on financial considerations, was recorded as a ‘sundry credit’, not financial. As a consequence, as already mentioned, in order to allow a better understanding of the financial evolution, the Net Financial Indebtedness at the end of the period was above showed at two levels, with and without the impact of the deposit.

The net financial position consisted of the following:

	06.30.2017	12.31.2016	Change
(thousands of Euros)			
Cash	12	12	
Funds available from banks	14,161	29,319	(15,158)
A. Cash and cash equivalents	**14,173**	**29,331**	**(15,158)**
Other receivables from associates and joint ventures		4	(4)
Other receivables	305	342	(37)
Derivatives – current financial assets	1		1
B. Current financial receivables	**306**	**346**	**(40)**
1. Current payables to banks	*296*		*296*
2. Current portion of medium- and long-term loans	*15,707*	*16,081*	*(374)*
3. Other current financial liabilities	*57*	*93*	*(36)*
Payables to banks and other lenders (1+2+3)	16,060	16,174	(114)
Other payables to other companies		153	(153)
Derivatives – current financial liabilities	219	154	65
C. Current financial debt	**16,279**	**16,481**	**(202)**
D. Net current financial debt (C - A - B)	**1,800**	**(13,196)**	**14,996**
Non-current financial receivables	647	300	347
E. Non-current financial receivables	**647**	**300**	**347**
Payables to banks and other lenders	50,799	57,627	(6,828)
Derivatives – non-current financial liabilities	80	268	(188)
F. Non-current financial debt	**50,879**	**57,895**	**(7,016)**
G. Net non-current financial debt (F-E)	**50,232**	**57,595**	**(7,363)**
H. Net financial debt (D+G)	**52,032**	**44,399**	**7,633**

Non-current “Payables to banks and other lenders” comprise medium- and long-term loans granted by banks (valued according to the amortized cost method).

The table below shows outstanding medium- and long-term loans, broken down by due date and recorded at nominal value:

	within 12 months	beyond 12 months	beyond 60 months	total
(thousands of Euros)				
MCFVG -FRIE 1	414	1,655	207	2,276
MCFVG -FRIE 2	813	2,843		3,656
MCFVG -FRIE 3	113	453	283	849
Friulia (Ovaro Transaction)	626	1,252		1,878
Banco Popolare 2016	2,500	2,519		5,019
Banca Popolare di Milano	2,857	11,428	1,429	15,714
Intesa San Paolo due 4/16/2016	4,000	8,000		12,000
Credem	1,008	254		1,262
Cariparma	1,750	1,750		3,500
Intesa San Paolo (Blendecques)	833	6,667	2,500	10,000
Intesa San Paolo (La Rochette)	833	6,667	2,500	10,000
GE Capital	17			17
Encelpa	84	256		340
Agence de l'eau		345		345
Total nominal debt	**15,848**	**44,089**	**6,919**	**66,856**
Amortized cost effect	**(141)**	**(209)**		**(350)**
Total debt using amortized cost method	**15,707**	**43,880**	**6,919**	**66,506**

Following the debt restructuring process that began in 2014, the Group's financial debt now mainly consists of long-term loans, which provide the Group with the stability of the necessary financial sources to adequately support its operations, and, in particular, capital expenditure, as well as possible projects to take advantage of strategic investment opportunities.

These new loans require certain financial covenants to be respected based on the following ratios:

- Net financial position/Shareholders' equity
- Net financial position/Gross operating profit
- Gross operating profit/Net financial expenses

The financial parameters are calculated half-yearly or annually, depending on the loan, based on the figures of the Group's consolidated financial statements. The half-year calculations of the Group's gross operating profit and net financial expenses are based on the 12-month period ending on the last day of the half year concerned.

In the event of non-compliance with the financial covenants, the lending banks may terminate the loan agreements: as at June 30, 2017 the Group was in compliance with the financial parameters.

Lastly, the new loans provide for constraints and commitments incumbent upon RDM, including a restriction on the disposal of core assets and extraordinary finance transactions.

In terms of collateral, the Parent Company loan agreement requires, *inter alia*, RDM to provide mortgages on mills, in the total amount of €52 million.

In order to reduce the variability of borrowing charges, interest rate swaps have been taken out on the loans outstanding as at June 30, 2017:

The table below shows the main features of the derivative instruments outstanding as at June 30, 2017:

Company	Counterparty	Currency	Due date	Notional value (€/000)	Interest	Liquidation of interest	Fair value of derivative (€/000)
Reno De Medici S.p.A.	Intesa San Paolo S.p.A.	EUR	06.04.2020	9,000	0.42% fixed / Euribor 6m	Half-yearly	(69)
Reno De Medici S.p.A.	Banca Popolare di Milano	EUR	12.30.2022	15,714	0.45% fixed / Euribor 6m	Half-yearly	(124)
Cascades S.A.S	Intesa San Paolo S.p.A.	EUR	11.15.2023	10,000	0.245% fixed / Euribor 6m	Half-yearly	(105)
				34,714			**(298)**

Below is the hierarchy of levels for the measurement of the fair value of derivatives:

• level 1: inputs used in measurements are represented by quoted prices in active markets for identical assets and liabilities to those subject to measurement;
• level 2: inputs used in measurements other than quoted prices included in level 1, which are observable for the financial asset or liability both directly (prices) and indirectly (from prices);
• level 3: in the event that observable inputs are not available, and therefore market activity is light or nonexistent for the asset or liability subject to measurement, the inputs are non-observable.

	Classification	06.30.2017	Fair value as		
			Level 1	Level 2	Level 3
(thousands of Euros)					
Derivative instruments on interest rates	Non-current derivative instruments	**219**		219	
Derivative instruments on interest rates	Current derivative instruments	**79**		79	

17. Shareholders' equity

The share capital, which stood at €140 million as at June 30, 2017, breaks down as follows:

	Number	Unit Total value
Ordinary shares	377,531,366	139,900,085
Savings shares	269,628	99,915
Total	**377,800,994**	**140,000,000**

In June 2016, the Company launched a share buyback program up to one fifth of share capital. This program was approved by the Shareholders' Meeting as a way of stabilizing the share price. As at June 30, 2017, 1,434,519 treasury shares have been purchased for a total of €483,000.

With reference to the savings shares, the RDM articles of association require that if a dividend of less than 5% of the nominal value of the share is assigned to the savings shares in a financial year, the difference is calculated as an increase in the privileged dividend in the next two financial years. Dividends totaling €1,003,000 have been distributed in 2017.

18. Other current payables and other payables to associates and joint ventures

The current portion of other payables stands at €21.6 million (€20.5 million as at December 31, 2016). This item essentially includes payables to employees for deferred compensation, payables to the Treasury for contributions on compensation, payables for the Treasury for VAT, and payables to directors and statutory auditors.

19. Employee benefits

"Employee benefits" amounted to €33.7 million as at June 30, 2017, in line with the previous year.

The RDM Group's workforce at June 30, 2017 numbered 1,519, compared with 1,536 on December 31, 2016.

20. Current and non-current provisions for risks and charges

Current and non-current provisions for risks and charges totaled €1 million and €5.7 million respectively on June 30, 2017, in line with the previous year.

21. Current trade payables and payables to associates and joint ventures

The balance at June 30, 2017 breaks down as follows:

	06.30.2017	12.31.2016	Change
(thousands of Euros)			
Trade payables	109,183	103,075	6,108
Payables to associates and joint ventures	625	610	15
Total	**109,808**	**103,685**	**6,123**

"Trade payables" recorded in the financial statements were €110 million (€104 million as at December 31, 2016) and are all due in less than 12 months. They are stated net of trade discounts and adjusted for any returns or rebates agreed with the counterparty.

The change from the previous year was essentially due to the ordinary movement of working capital, in particular the increase in purchases at the end the first half of 2017 compared with the end of the second half of 2016.
"Payables to associates and joint ventures", amounting to €0.6 million, relate to trade payables to ZAR S.r.l.

22. Non-recurring transactions

The Group's results, assets and liabilities, and cash flows were not affected by material non-recurring transactions and events as defined in Consob Communication DEM/6064293, with the exception of the purchase of Cascades S.A.S., which is described in more detail under "Key events".

23. Contingent liabilities and commitments and other guarantees given to third parties

Regarding the main existing disputes, see section 5.8.

Commitments and guarantees given to third parties include:

- sureties of €6.6 million issued in favor of the Province of Belluno regarding the landfill site at the Santa Giustina (BL) mill;
- sureties of €3 million issued to the Comieco consortium;
- sureties of €67,000 issued in favor of the customs authorities;
- a surety of €177,000 issued in favor of Stogit S.p.A.;
- a surety of €228,000 issued in favor of Terna S.p.A.;
- sureties of €607,000 issued in favor of the revenue agency for Cartiera Alto Milanese in liquidation;
- sureties of €400,000 issued in favor of Cassa Conguaglio (compensation fund);
- a surety of €90,000 issued in favor of the Province of Milan;
- a surety of €386,000 issued in favor of the Province of Frosinone;
- a surety of €88,000 issued in favor of Margiuno S.r.l.;
- a surety of €1.8 million issued in favor of UniCredit;
- a surety of €2.3 million issued in favor of Cariparma.

5.7 Related-party transactions

During the half-year, there were no transactions with related parties or other parties that were atypical or unusual or extraneous to normal business operations or such as to cause harm to the Group's income, financial position or cash flow. It should be noted that, from January 1, 2011, the new "Regulations for Related-Party Transactions" went into effect, approved by the Board of Directors on November 8, 2010 and revised on August 3, 2011, in accordance with the provisions of the regulations on the matter adopted by Consob Resolution 17221 of March 12, 2010, as amended.

In the condensed consolidated half-year financial statements, there were related-party transactions with:

- the Parent Company;
- associates;
- joint ventures;
- other related parties.

Transactions between Reno De Medici S.p.A. and its consolidated subsidiaries were eliminated from the condensed consolidated half-year financial statements and are therefore not shown in these notes.

The transactions carried out with the related parties identified above are part of normal business operations in the usual area of activity of each party involved from time to time, and are governed under arm's length conditions.

Related-party transactions include:

- commercial transactions for the sale of cartonboard with Cascades Asia Ltd, a commercial company belonging to the Cascades group and operating primarily in the Asian market;
- commercial transactions with Pac Service S.p.A. and Emmaus Pack S.r.l. concerning the sale of cartonboard, and with Zar S.r.l. for the purchase of waste paper.

In the month of June Reno De Medici S.p.A. and Friulia S,p.A. redefined the shareholders' agreement that had been signed on June 27, 2012, in the ambit of the acquisition by Friulia of a 20% stake in R.D.M. Ovaro S.p.A. at a price of €2,5 Million. Such agreements granted *inter alia* to Friulia S.p.A. the right to resell its investment in R.D.M. Ovaro S.p.A. to Reno De Medici S.p.A. at certain terms and conditions, through the exercise of a 'put option' by no later than June 27, 2017.

The Parties appreciated the success of the partnership and, in view of the further investments necessary to increase the value of R.D.M. Ovaro S.p.A., and of its possible plans of expansion, agreed that an extension of the partnership is beneficial to the Subsidiary.

Consequently, the Parties signed a new agreement whereby Reno De Medici S.p.A. will acquire Friulia's 20% stake in R.D.M. Ovaro S.p.A., at a total price of € 2,497.010,95, in four equal tranches, the first of which has already been acquired on June 15, 2017; the other three tranches will be acquired on June 30 of 2018, 2019 and 2020. Reno De Medici S.p.A. will be free to exercise the call option at any early time.

Pursuant to Consob Resolution 15519 of July 27, 2006, the transactions described above are shown in the tables below:

Receivables and payables with related parties

	Current assets				Current liabilities		
	Trade receivables	Receivables from associates and joint ventures	Other receivables from associates and joint ventures	Receivables from Group	Trade payables	Payables to associates and joint ventures	Other payables
(thousands of Euros)							
Cascades Rollpack	2						
Cascades Asia Ltd	168						
Cascades Groupe Produits					1		
Pac Service S.p.A.		487					
ZAR S.r.l.						625	
Emmaus Pack S.r.l.		7,880					
Total	**170**	**8,367**			**1**	**625**	
Impact on item total	**0.2%**	**100%**			**0.0%**	**100%**	

Revenues and costs from related-party transactions

	Revenues from sales	Other revenues	Financial income
(thousands of Euros)			
Cascades Asia Ltd	2,859	32	
Cascades Rollpack		4	
Pac Service S.p.A.	2,868		
Emmaus Pack S.r.l.	6,851	45	
Total	**12,578**	**81**	
Impact on item total	**4.3%**	**2.3%**	

	Cost of raw materials and services	Financial
(thousands of Euros)		
Cascades Inc.	2	
Cascades Rollpack	6	
Cascades Canada ULC	6	
Cascades CS+	9	
ZAR S.r.l.	2,646	
Red. Imm. S.r.l.	10	
Total	**2,679**	
Impact on item total	**1.2%**	

The compensation due to the directors and statutory auditors of Reno de Medici S.p.A. for the performance of their duties amounted to €257,000 and €83,000, respectively.

5.8. Lawsuits and arbitration proceedings

Existing disputes and risks

Nothing to report

5.9. Subsequent events

There are no relevant subsequent events to report.

6. List of investments in subsidiaries and associates

Pursuant to Article 126 of Consob Resolution 11971 of May 14, 1999, as amended, below is the list of equity investments held as at June 30, 2017 in companies with unlisted shares or in limited-liability companies, exceeding 10% of the capital.

LIST OF INVESTMENTS IN SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

Cartonboard industry – subsidiaries

Cartiera Alto Milanese S.r.l. in liquidation
Milan – Italy
Direct ownership percentage: 100%

RDM Blendecques S.A.S.
Blendecques – France
Direct ownership percentage: 100%

Cascades S.A.S.
La Rochette – France
Indirect ownership percentage: 100% (through RDM Blendecques S.A.S.)

R.D.M. Ovaro S.p.A.
Ovaro – Italy
Direct ownership percentage: 80%

Reno De Medici Arnsberg GmbH
Arnsberg – Germany
Direct ownership percentage: 94%
Indirect ownership percentage: 6% (through Cascades Grundstück GmbH & Co. KG).

R.D.M. Magenta S.r.l. (formerly Carta Service Friulana S.r.l.)
Milan – Italy
Direct ownership percentage: 100%

Services industry – subsidiaries

Cascades Grundstück GmbH & Co. KG
Arnsberg – Germany
Direct ownership percentage: 100%

R.D.M. Marketing S.r.l. (formerly Careo S.r.l.)
Milan – Italy
Direct ownership percentage: 100%

R.D.M. Marketing Germany GmbH
Krefeld – Germany
Indirect ownership percentage: 100% (through R.D.M. Marketing S.r.l.)

R.D.M. Marketing France S.A.S.
Paris – France
Indirect ownership percentage: 100% (through R.D.M. Marketing S.r.l.)

R.D.M. Marketing Spain S.L.U.
Prat de Llobregat – Barcelona – Spain
Indirect ownership percentage: 100% (through R.D.M. Marketing S.r.l.)

R.D.M. Marketing UK Limited
Wednesbury – United Kingdom
Indirect ownership percentage: 100% (through R.D.M. Marketing S.r.l.)

R.D.M. Marketing Czech Republic S.r.o.
Prague – Czech Republic
Indirect ownership percentage: 100% (through R.D.M. Marketing S.r.l.)

R.D.M. Marketing Hungaria KFT
Budapest – Hungary
Indirect ownership percentage: 100% (through R.D.M. Marketing S.r.l.)

R.D.M. Marketing Poland SP z.o.o.

Warsaw – Poland

Indirect ownership percentage: 100% (through R.D.M. Marketing S.r.l.)

LIST OF EQUITY-ACCOUNTED INVESTMENTS

Cartonboard sector and other industrial production

Manucor S.p.A.

Caserta – Italy

Direct ownership percentage: 22.75%

Emmaus Pack S.r.l.

Milan – Italy

Direct ownership percentage: 34.39%

Pac Service S.p.A.

Vigonza – Padua – Italy

Direct ownership percentage: 33.33%

ZAR S.r.l.

Silea – Italy

Direct ownership percentage: 33.33%

LIST OF INVESTMENTS IN OTHER COMPANIES

Cartonboard sector

Cartonnerie Tunisienne S.A.

Les Berges Du Lac – Tunis

Direct ownership percentage: 5.274%

Consortiums

Gas Intensive S.c.r.l.
Milan – Italy
Consortium share

Comieco
Milan – Italy
Consortium share
Conai
Milan – Italy
Consortium share

Consorzio Filiera Carta
Frosinone – Italy
Consortium share

C.I.A.C. S.c.r.l.
Valpenga (TO) – Italy
Consortium share

Idroenergia S.c.r.l.
Aosta – Italy
Consortium share

Paper Interconnector
Milan – Italy
Consortium share

Università Carlo Cattaneo
Castellanza (VA) – Italy
Consortium share

CERTIFICATION

of the condensed consolidated half-year financial statements, pursuant to Article 81-ter of Consob Regulation 11971 of May 14, 1999, as amended

1. The undersigned Michele Bianchi, as Chief Executive Officer, and Stefano Moccagatta, as Chief Financial Officer, of Reno de Medici S.p.A., certify, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of February 24, 1998:
   - the suitability for the characteristics of the business and
   - the effective application of administrative and accounting procedures pertaining to the preparation of the condensed consolidated half-year financial statements for the first half of 2017.

2. No significant issues have emerged in this regard.

3. We further certify that:

   3.1 the condensed consolidated half-year financial statements as at June 30, 2017:

   a) were prepared in accordance with the applicable international accounting standards recognized in the European Union pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002, and in particular with IAS 34 – Interim Financial Reporting;

   b) are consistent with the figures reported in the relevant accounting books and records;

   c) present fairly the financial position, the results and the cash flows of the issuer and of all of the companies included in the consolidation.

   3.2. The interim report on operations includes a reliable analysis with reference to important events occurring during the first six months of the year and their effect on the condensed consolidated half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim report on operations also includes a reliable analysis of information on material related-party transactions.

Milan, August 3, 2017

Chief Executive Officer
Michele Bianchi

Chief Financial Officer
Stefano Moccagatta