

PRESS RELEASE

Bergamo, 25 February 2011

For immediate release

RadiciGroup Chemicals and Plastics: 2010 results

RadiciGroup Chemicals and Plastics Business Areas closed year 2010 with preliminary financial results as follows:

- CHEMICALS sales revenue: EUR 467 million
- PLASTICS sales revenue: EUR 235 million

RadiciGroup — a vertically integrated, Italian multinational engaged in chemicals, plastics and synthetic fibres — achieved sales of EUR 467 million in Chemicals (+ 61% over 2009) and EUR 235 million in Plastics (+ 78% over 2009).

Excellent 2010 preliminary results were reported by the RadiciGroup **Chemicals Business Area**, one of the leading European producers of polyamide 6 and 66 (Radipol®) and related intermediates (Radichem®). With production sites at Novara, Italy – specializing in the manufacture of PA 66 and adipic acid –, Villa d'Ogna and Casnigo, Italy – specializing in the manufacture of PA 6 polymer among other products, and Zeitz, Germany – specializing in the manufacture of adipic acid and cyclohexanol/cyclohexanone –, the Chemicals Business Area is an essential upstream link of RadiciGroup's vertical integration.

The main data are given in the charts below.

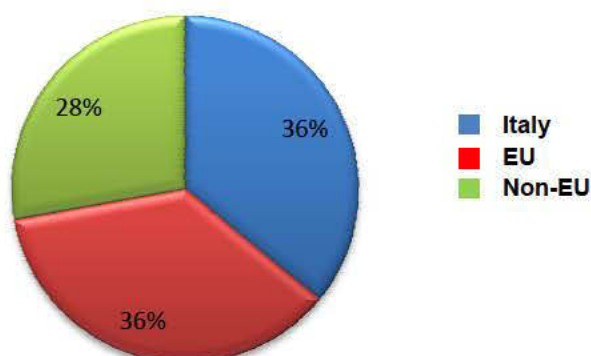
CHEMICALS SALES REVENUE *

* These figures include sales to other RadiciGroup business areas

(In millions of euros)

2007	2008	2009	2010 (preliminary)
383	323	290	467

2010 CHEMICALS SALES BY GEOGRAPHICAL AREA



CHEMICALS PRODUCTION CAPACITY

PA 66 Polymer
Radici Chimica SpA (Novara)

90 Ktons

Adipic Acid
Radici Chimica SpA (Novara)
Radici Chimica Deutschland GmbH (Zeitz)

190 Ktons

CHEMICALS PERSONNEL

511 Employees

“2010 was an excellent year for the chemicals sector,” said Luigi Gerolla, managing director of RadiciGroup Chemicals and Plastics Areas. “In Europe, we operated in an overall balanced market in terms of supply and demand. The balance was the result of restructuring in the chemical industry, on the one hand, as some of our competitors exited the market, and an increase in demand, on the other. After a difficult 2008, by the month of May 2009 things began to tick again in our Group and, from that point on, we started to record a rise in both volumes and prices. This trend lasted for all of 2010, and the financial year closed with sales revenues only slightly below EUR 470 million. At our Zeitz plant, which was put into operation in 2001 and is one of the most technologically advanced plants in the world today, we achieved record production of adipic acid. The Novara plant ran at nearly full production capacity, too.”

“The flexibility and efficiency of our production plants, our technological know-how and the quality of our products” stated *RadiciGroup Board Vice Chairman and COO* Maurizio Radici, “were all fundamentally important in achieving these results. Perhaps the most significant factor of all was our reputation as a reliable supplier for our customers. Despite the difficult economic situation worldwide during the two-year period 2008-2009, we have been able to stay competitive and give all our customers, particularly the European ones, excellent support by ensuring reliability. Also important for our Group was fact that we were able to guarantee a supply of raw materials through long-term agreements with our suppliers. This benefit is going to be even more important during 2011.”

“We believe that the on-going recovery, although expected to be weak in Europe during 2011, will allow us to maintain the same sales level as in 2010,” Mr. Gerolla added. “Considering our present investment to increase our Italian production capacity by 10%, our PA 66 polymer production volume will certainly rise. Furthermore, we intend to strengthen our research and development activities, which are crucial if we want to develop new products, not only commodity resins, but also specialities. With this objective in mind, last year we started hiring additional professional staff – recent college graduates and senior positions. We have also made sizable investments in safety and the environment. Being a chemicals group, we, more than others, have a duty to improve the efficiency and quality of our production processes, products and services by making use of innovative technologies and systems that are compatible with workplace safety and environmental protection. This is the field where a make-or-break match is going to be played, in order to stay competitive in the domestic, as well as international markets. We will most certainly strengthen our human resources education and training programmes, so as to develop all the necessary in-house competencies and keep them up-to-date. On the whole, our investments will total about EUR 15 million.”

“The year 2011, the International Year of Chemistry,” Maurizio Radici concluded, “marks the 25th anniversary of our Novara site, and the 10th anniversary of our German site. These are two outstanding achievements, and I want to thank everyone who has made that possible: all those people – employees and collaborators – who have given their support and made a contribution to the development of our Group. These are milestones we should be proud of, especially if one considers how complex and onerous it is to operate today in the chemical industry – especially in Europe, and even more so in Italy. For our Group, chemistry means investing to strengthen our production chain and make the downstream market grow, thus ensuring its future.”

PRODUCTS

RadiciGroup Chemicals produces and sells: polyamide 6 and 66 (**Radipol**[®]) and related intermediates – *adipic acid, HMDA, AGS dicarboxylic acid mixture, nitric acid, KA oil and esters (Radichem[®]).*

For more information, please visit: www.radicigroup.com/chemicals

The 2010 results were also good for the RadiciGroup **Plastics Business Area**. With its six production plants – strategically located in Italy, Germany, Brazil, and China – and a strong network of sales units ensuring a global presence in the market, RadiciGroup Plastics is one of the most highly regarded manufacturers of polyamide and polyester engineering plastics. The business area has 225 employees in Europe and a total of 172 employees in the U.S.A., Brazil, China and India.

The main data are given in the charts below.

PLASTICS SALES REVENUE *

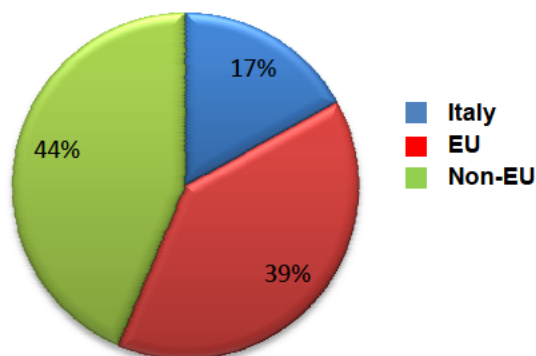
* These figures include sales to other RadiciGroup business areas

(In millions of euros)

2007	2008	2009	2010 (preliminary)
167	160	132	235

* Please note that there was a change in consolidation scope compared to 2009, due to the acquisition of American compounder Michael Day.

2010 PLASTICS SALES BY GEOGRAPHICAL AREA



PLASTICS PERSONNEL

397 Employees

“We closed year 2010 with an increase of 78% compared to the prior year,” said Mr. Gerolla, “and our forecast indicates that we are going to approach sales revenue of EUR 300 million in 2011. When problems and tension struck the market, when the imbalance between supply and demand became serious, RadiciGroup Plastics was recognized as one of the major players in the market. We are a reliable leader in Europe, in the automotive sector in particular. We have been a readily available alternative to the large chemical groups, and that in itself has certainly contributed to our strong growth in volumes and consequent market share. All through the years, our objective has always been to support our customers the best way possible, not only by supplying innovative, sustainable, quality products, but also by providing technological assistance to customers in their development projects and ensuring reliable service. Reliability means being there to assist the customer right from the design stage, providing economically advantageous solutions, ensuring on-time delivery and providing excellent before- and after-sales technical support. In short, being perceived as a partner.”

“Our objectives for the futures?” Mr. Gerolla concluded. “To acquire market share, to grow alone or in collaboration with other companies, as we have done in the past, and to continue to invest in plant efficiency, safety and technology. We intend to strengthen our presence in Brazil – a very attractive market for plastics – as well as in China, which is going to become the second most important market for us after Europe. We do not exclude the possibility of starting production in India, a country where we already have a sale unit. Lastly, we are going to focus on and achieve greater integration and synergy with the RadiciGroup Chemicals Area in our new product development work.”

“Over time,” Mr. Maurizio Radici said, “our Group has gone where our global customers have asked us to go, aiming at quality, high-level technology and customer-tailored support in product development. Furthermore, we wanted to be and continue to be a reliable partner for our local customers, so as to develop a truly glocal market. The acquisition of American compounder Michael Day is one of the most recent examples of our approach to serving our customers. The Michael Day transaction has enabled us to be present locally in the US automotive market. Today, we are in a position to synergistically combine our Group’s competencies, know-how and raw materials integration with the American company’s local market knowledge and sales network. Michael Day is well known in the local US and Japanese automotive markets and owns 250 certifications valid worldwide, particularly in Asia, which have allowed us to join the world automotive supplier pool. Automotive is an important industry, not only for our plastics business but also for synthetic fibres, since our high tenacity and polyester BCF yarns are also used in this market.”

PRODUCTS

RadiciGroup Plastics business area produces and sells: **PA6** and **PA66** engineering polymers and co-polymers (Radilon[®] - Radiflam[®] - Heramid[®] green products), **PA6/10** and **PA6/12** (Radilon[®] D), **PET** and **PBT** (Raditer[®]), **PC/ABS** and **ABS** (Radiblend[®]), **PC** (Radilux[®]); **POM** (Heraform[®]), **TPEs** (Heraflex[®]) and **PP** and **PE** (Radilene[®]).

For more information, please visit: www.radicigroup.com/plastics

RadiciGroup is one of Italy's leading chemicals multinationals, a diversified group specializing in chemicals, plastics and synthetic fibres. Among the Group's key strengths is the synergistic vertical integration of its polyamide production chain. RadiciGroup products are exported all over the world and are widely used in applications such as apparel, sports, furnishings, automotive, electrical/electronics, household appliances and consumer goods. www.radicigroup.com.

RadiciGroup, with its Chemicals, Plastics and Synthetic Fibres Business Areas controlled by parent company Radici Partecipazioni SpA, is part of a larger industrial group that also includes the textile machinery and energy businesses. www.radici.com

PRESS OFFICE

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