



## PRESS RELEASE

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For immediate release

### RadiciGroup reports 2011 results: consolidated sales of EUR 1,238 million

RadiciGroup, an industrial multinational engaged in the chemicals, plastics and synthetic fibres businesses, with production and sales sites in Europe, North America, South America and Asia, closed the year 2011 with preliminary financial results as follows:

- **CONSOLIDATED SALES REVENUE OF EUR 1,238 MILLION.**
- **GROSS OPERATING MARGIN OF EUR 120 MILLION** (10% of sales revenue).
- Increase in sales revenue, compared to the prior year, for each of the Group business areas.
- Decrease in net financial debt of EUR **69 MILLION**.

RadiciGroup ([www.radicigroup.com](http://www.radicigroup.com)) recorded 2011 **consolidated sales revenue** of EUR **1,238 million** (+6.5% compared to financial year 2010).

#### **RADICIGROUP (*Radici Partecipazioni SpA*\*)** **CONSOLIDATED SALES REVENUE**

(In millions of euros)

2009	2010	2011 (preliminary)
775	1,162	1,238

\**Radici Partecipazioni SpA* is the parent company that groups together the RadiciGroup chemicals, plastics and synthetic fibres industrial businesses.

RadiciGroup 2011 **gross operating margin** was **EUR 120 million** (10% of sales).

Sales revenue for each of the Group business areas rose compared to 2010 as follows:

<b>CHEMICALS</b>	<b>+ 5%</b>
<b>PLASTICS</b>	<b>+ 10%</b>
<b>SYNTHETIC FIBRES</b>	<b>+ 7%</b>

## SALES REVENUE\* BY BUSINESS AREA

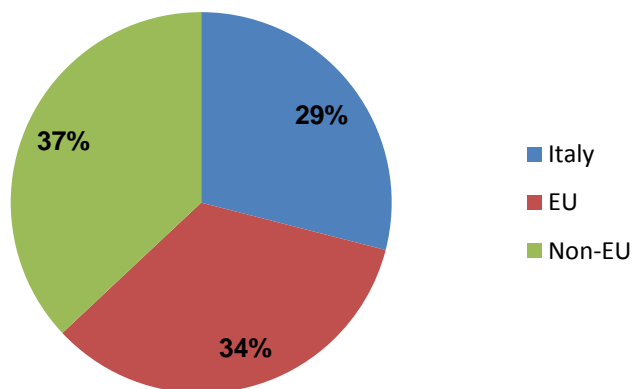
\* \*The figures for individual business areas include intercompany sales.

(In millions of euros)

BUSINESS AREAS	2010	2011 (preliminary)
CHEMICALS	467	491
PLASTICS	235	259
SYNTHETIC FIBRES	570	612*

\* Regarding the RadiciGroup Synthetic Fibres Business Area, there was a change in consolidation scope compared to 2010, due to the acquisition of the German plant dorix GmbH, the sale of Caucasian PET Co. and the shuttering of Deufil GmbH.

## RADICIGROUP 2011 SALES BY GEOGRAPHICAL AREA



## NET FINANCIAL DEBT / NET SHAREHOLDERS' EQUITY

NET FINANCIAL DEBT	EUR 267 million
NET SHAREHOLDERS' EQUITY	EUR 360 million
NET FINANCIAL DEBT/ NET SHAREHOLDERS' EQUITY	0.74
RADICIGROUP PERSONNEL	3,500 employees

RadiciGroup closed the year 2011 with positive results, including sales revenue 6.5% higher than in financial year 2010. "All things considered, we are satisfied with our Group's performance in 2011," stated **Angelo Radici**, *chairman of RadiciGroup*, "especially taking into account the unfavourable trend that hit all the major sectors of the world economy to a varying degree. As everyone knows, Italy and Europe, in general, have been experiencing economic difficulties – particularly in the second half of 2011. The Asian and American regions, chiefly North America, are very important to us, and we intend to continue to strengthen our

presence there. The results achieved by our business areas were better than good, and I want to thank all the people who have worked to make this possible for our Group. The best performance (+10%) was achieved by our Plastics Business Area, which closed the year 2011 with sales revenue of EUR 259 million. Sales were also on the rise in our Chemicals Business Area, where sales revenue totalled EUR 491 million. What's more, Chemicals celebrated its 25th anniversary last year. Positive results were also reported by Synthetic Fibres, which generated sales revenue of EUR 612 million. As in the preceding years, we focused on strengthening the vertical integration of our Group production chain: on the one hand we made new acquisitions, invested in plant technology and focused on improving customer service and quality and, on the other hand, we shut down or sold companies that did not fit well with our core business strategy. Here I'm referring to Deufil GmbH in Germany and Caucasian PET Co. in Georgia."

"After the MDE acquisition in 2010, which strengthened our position in the US plastics market and allowed us to increase market share, mainly in the automotive sector," Mr. Radici continued, "last year we concluded the acquisition of the German company dorix GmbH, European leader in the manufacture of nylon 6 staple products, thus strengthening our presence in the polyamide sector. Our total investments reached EUR 40 million and were mainly aimed at improving the efficiency and flexibility of our plants. For 2012, the Board of Directors has approved investments totalling EUR 25 million to date. This is not the final amount, in that it may be revised upward if economic growth accelerates. We hope so, as investing in new projects is vital if we want our future outlook to stay positive. The present economic situation is far from easy to deal with and forces us to be extremely cautious."

The economic forecast for 2012 calls for modest growth of the world economy. Weak growth is expected in advanced economies and a slowdown in expansion in emerging markets. In Europe GDP is forecasted to decrease at a rate that varies from country to country (negative change for Greece, Portugal, Spain and Italy; positive for the other European countries). The major Asian economies and Brazil are slowing down, while the United States is maintaining its 2% growth trend.

"As forecasted, in 2011 we recorded more than positive results, despite the dip in the fourth quarter," said **Alessandro Manzoni**, CFO of RadiciGroup. "We would like to point out that last year we achieved our goal of strengthening our financial position according to our three-year plan. Since inception at the end of 2008, our financial plan has led to a reduction in debt of EUR 200 million and an increase in sales of 30%. Among the many other satisfactory results are a net financial debt / net shareholders' equity ratio of 0.74 and a further reduction in net financial debt of EUR 69 million in 2011 alone. At year-end net financial debt was EUR 267 million, 57% of which was medium-long term, another reassuring element."

"This solid position," Mr. Manzoni concluded, "will enable us to tackle 2012, a year that does not portend to be an easy one. The macroeconomic situation certainly won't give the manufacturing sector a hand. We think that today you have to carefully monitor the solvency of your customers, as access to credit is subject to more restrictions. We really hope that the European Central Bank's liquidity injections through their long-term refinancing operations will reach the production system. In the mean time, we will continue to monitor our receivables portfolio on a daily basis and aim to ensure our customers our usual reliable service."

## **RADICIGROUP**

3,500 employees. Production and sales sites in Europe, North America, South America and Asia. Diversified businesses focusing on chemicals, plastics and synthetic fibres. Know-how. Vertically integrated nylon production. Constant commitment to guaranteeing its customers quality, sustainable innovation and reliability. All this is RadiciGroup, a leader in nylon chemicals. RadiciGroup products are used in applications such as apparel, sports, furnishings, automotive, electrical/electronics, household appliances and consumer goods. [WWW.RADICIGROUP.COM](http://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 textile machinery and energy businesses. [WWW.RADICI.COM](http://WWW.RADICI.COM)

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