

PRESS RELEASE

In accordance with Consob Resolution 11971/99 and subsequent amendments and supplements

ZIGNAGO VETRO S.P.A.

Board of Directors of Zignago Vetro S.p.A. approves 2019 Half-Year Report

Zignago Vetro Group revenues and results improve in H1 2019.

- Revenues of Euro 217.3 million (+10.4% on 2018), of which exports account for 36.8%.
- EBITDA of Euro 56.3 million (26.8% margin, +9.4%).
- EBIT of Euro 30.7 million (14.7% margin, + 6.6%).
- Group Profit of Euro 22.4 million (10.7% margin, +12.0%).

Cash generation, before investments, of Euro 30.0 million.

Net financial debt of Euro 275.7 million.

Zignago Vetro Group Key Financial Highlights (*)

	H1 2019 <i>(in Euro millions)</i>	H1 2018 <i>(in Euro millions)</i>	Cge.%
Revenues	217.3	189.9	+ 10.4%
EBITDA	56.3	51.4	+ 9.4%
EBIT	30.7	28.8	+ 6.6%
Group Profit	22.4	20.0	+ 12.0%

	30.06.2019 <i>(in Euro millions)</i>	30.06.2018 <i>(in Euro millions)</i>	31.12.2018 <i>(in Euro millions)</i>
Capital expenditure	38.4	25.3	94.3
Free cash flow			
• after investments	(21.0)	16.2	0.3
• before investments	30.0	36.3	79.1
(further details on page 3)			
Financial debt	(306.6)	(284.4)	(253.4)
Liquidity	30.9	45.3	36.3
Net financial debt	(275.7)	(203.1)	(217.1)

(*)

The figures (and the subsequent comments concerning the consolidated figures) were based on the management view of the Group business, which provides for the proportional consolidation of the joint venture, in continuity with the accounting policies adopted until 31 December 2013. Following the entry into force of the new “IFRS 11 – Joint Arrangements” and “IAS 28 – Interests in associates and joint ventures” the accounting policies changed for the consolidation of the joint ventures of the Zignago Vetro Group. In particular, from 1 January 2014 the joint ventures in Vetri Speciali SpA and Vetreco Srl may not be consolidated under the proportional method and should be recognised in the consolidated financial statements at equity.

The income statement, the statement of comprehensive income, the statement of financial position and the statement of cash flows of the Zignago Vetro Group at 30 June 2019 and 2018 and at 31 December 2018, prepared according to international accounting standards in force from 1 January 2014, are reported respectively at attachments 3, 4, 5 and 6 of this press release.

Fossalta di Portogruaro, 26 July 2019 – The Board of Directors of **Zignago Vetro S.p.A** – a company listed on the STAR segment of the Italian Stock Exchange - in a meeting held today chaired by Paolo Giacobbo, approved the Group 2019 Half-Year Report.

Company profile

The **Zignago Vetro Group** companies produce high quality glass containers for the Food and Beverage, Cosmetics and Perfumery industries and Speciality Glass bottles for wines and spirits, for the domestic and international markets.

Zignago Vetro Group operating performance

The first half of 2019 featured generally favourable market conditions across all Group sectors. Beverage and Food glass container demand grew across all the main market segments, both in Italy and more widely across Europe, supported by improved end-consumption, particularly for more export-focused finished product sectors and a growing appreciation among consumers for glass packaging.

The global Perfumery markets also performed well, particularly in the specialised categories, thanks mainly to emerging country demand. Luxury perfumery overall continued to grow, in line with the previous year, although slowing in recent months - most likely due to stock levels accumulating along the supply chain. Cosmetic container demand was up, driven mainly by the emerging countries, with the exception of nail varnish containers, which remains weak.

Consolidated **revenues** in the first half of 2019 totalled Euro 217.3 million compared to Euro 189.9 million in the same period of the previous year (+10.4%). Export revenues totalled Euro 77.2 million (+10.3% on H1 2018), comprising 36.8% of revenues (36.9% in H1 2018).

Consolidated **EBITDA** in the first half of 2019 amounted to Euro 56.3 million, up 9.4% on H1 2018 (Euro 51.4 million), with a 26.8% margin (27.1% in H1 2018).

Consolidated **EBIT** was Euro 30.7 million (up 6.6% compared to Euro 28.8 million in H1 2018), with a margin of 14.7% (15.2% in H1 2018).

Consolidated **Profit** in the first half of 2019 amounted to Euro 22.4 million, compared to Euro 20.0 million in H1 2018 (+12.0%) – a margin of 10.7% (10.5% in H1 2018).

Group balance sheet and financial position

Group **capital expenditure** in the first half of 2019 amounted to Euro 38.4 million (Euro 25.3 million in H1 2018). Payments on fixed assets amounted to Euro 55.5 million in H1 2019 (Euro 20.1 million in H1 2018).

The Group generated **Free cash flow** in H1 2019, before payments on fixed assets, of Euro 30.0 million (Euro 36.3 million in the first half of 2018). After payments on fixed assets and dividends of Euro 31.6 million, cash of Euro 21.0 million was absorbed, compared to cash generated of Euro 16.2 million in H1 2018.

The Group **net financial debt** at 30 June 2019 was Euro 275.7 million, compared to Euro 217.1 million at 31 December 2018 (Euro 203.1 million at 30 June 2018).

Group liquidity totalled Euro 30.9 million at 30 June 2019, compared to Euro 36.3 million at the end of 2018 and Euro 45.3 million at 30 June 2018. The funding operations concluded in support of the investment programmes, including those recently undertaken, confirm the full availability of the lending institutions to finance Zignago Vetro Group industrial initiatives.

Outlook and subsequent events.

Based on the information available, continued demand growth is expected on the Group's various markets.

Zignago Vetro in the second quarter established with an industrial partner the company Julia Vitrum S,p,A., with the corporate scope of recycled glass treatment and distribution.

There were no significant events after 30 June 2019.

Declaration

The Executive Responsible for Financial Reporting, Mr. Roberto Celot, declares in accordance with Article 154 *bis*, paragraph 2, of the Consolidated Finance Act, that the accounting information contained in this press release corresponds to the underlying accounting documents, records and accounting entries.

2019 Half-Year Report

The 2019 Half-Year Report will be made available to the public as soon as available and in accordance with law at the registered office of the company and on the company website www.gruppozignagovetro.com

This press release is available on the website: www.gruppozignagovetro.com

For further information:

Roberto Celot

Chief Financial Officer &

Investor Relations Manager

Zignago Vetro S.p.A.

0421-246111

r.celot@zignagovetro.com

All the figures in the Consolidated Reclassified Income Statement and Statement of Financial Position (attachments 1 and 2) reported below were prepared on the basis of management's view which considers the proportional consolidation of joint ventures appropriate, in line with the approach taken until 31 December 2013. Following the entry into force of the new "IFRS 11 – Joint Arrangements" and "IAS 28 – Interests in associates and joint ventures" the accounting policies changed for the consolidation of the joint ventures of the Zignago Vetro Group. In particular, from 1 January 2014 the joint ventures in Vetri Speciali SpA and Vetreco Srl may not be consolidated under the proportional method and should be recognised in the consolidated financial statements at equity.

The statement of financial position, the income statement, the statement of comprehensive income and the statement of cash flows of the Zignago Vetro Group at 30 June 2019 and 31 December and 30 June 2018 and the statement of changes in Equity, prepared in accordance with the accounting standards in force from 1 January 2014, are reported respectively in the subsequent attachments 3, 4, 5, 6 and 7.

ATTACHMENT 1

Zignago Vetro Group

Reclassified Consolidated Income Statement (unaudited)

(management point of view, based on accounting standards in force at 31 December 2013)

	H1 2019		H1 2018		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	209,689	100.0%	189,912	100.0%	10.4%
Changes in finished and semi-finished products and work in progress	6,105	2.9%	(3,261)	(1.7%)	n.s.
Internal production of fixed assets and contributions on investments	1,531	0.7%	2,254	1.2%	(32.1%)
Value of production	217,325	103.6%	188,905	99.5%	15.0%
Cost of goods and services	(113,682)	(54.2%)	(93,722)	(49.4%)	21.3%
Value added	103,643	49.4%	95,183	50.1%	8.9%
Personnel expense	(47,350)	(22.6%)	(43,745)	(23.0%)	8.2%
EBITDA	56,293	26.8%	51,438	27.1%	9.4%
Amortisation & Depreciation	(24,978)	(11.9%)	(20,943)	(11.0%)	19.3%
Accruals to provisions	(592)	(0.3%)	(1,661)	(0.9%)	(64.4%)
EBIT	30,723	14.7%	28,834	15.2%	6.6%
Net recurring non-operating income	168	0.1%	1,746	0.9%	(90.4%)
Operating Profit	30,891	14.7%	30,580	16.1%	1.0%
Net financial expense	(1,615)	(0.8%)	(1,735)	(0.9%)	(6.9%)
Net exchange rate gains/(losses)	383	0.2%	(2,022)	(1.1%)	n.s.
Profit before taxes	29,659	14.1%	26,823	14.1%	10.6%
Income taxes	(7,449)	(3.6%)	(7,350)	(3.9%)	1.3%
<i>(Tax-rate H1 2019: 25.1%)</i>					
<i>(Tax-rate H1 2018: 27.4%)</i>					
(Profit) Loss non-con. int.	222		547		
Profit for the period	22,432	10.7%	20,020	10.5%	12.0%

Zignago Vetro Group

Reclassified Consolidated Statement of Financial Position (unaudited)

(management point of view, based on accounting standards in force at 31 December 2013)

	30.06.2019		31.12.2018		30.06.2018	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	107,578		81,207		92,205	
Other receivables	19,346		25,075		16,375	
Inventories	104,641		99,241		90,100	
Current non-financial payables	(97,347)		(92,573)		(81,694)	
Payables on fixed assets	(13,010)		(25,640)		(15,376)	
A) Working capital	121,208	26.0%	87,310	20.9%	101,610	26.9%
Net tangible and intangible assets	314,267		294,681		243,741	
Goodwill	43,230		43,184		42,768	
Other equity investments and non-current assets	4,363		8,169		7,909	
Non-current provisions and non-financial payables	(16,259)		(16,124)		(18,468)	
B) Net fixed capital	345,601	74.0%	329,910	79.1%	275,950	73.1%
A+B= Net capital employed	466,809	100.0%	417,220	100.0%	377,560	100.0%
<i>Financed by:</i>						
Current loans and borrowings	175,187		108,534		90,969	
Cash and cash equivalents	(30,886)		(36,253)		(45,278)	
Current net debt	144,301	30.9%	72,281	17.3%	45,691	12.1%
Non-current loans and borrowings	131,401	28.1%	144,798	34.7%	157,436	41.7%
C) Net financial debt	275,702	59.1%	217,079	52.0%	203,127	53.8%
Opening equity	200,132		177,497		177,470	
Dividends paid in the period	(31,569)		(28,061)		(28,061)	
Change in translation reserve & other eq. changes	325		5,676		5,312	
Cash Flow Hedge reserve			---			
Profit for the period	22,432		45,020		20,020	
D) Group equity	191,320	41.0%	200,132	48.0%	174,741	46.3%
E) Non-controlling interest equity	(213)		9		(308)	
D+E) Total Consolidated Equity	191,107	40.9%	200,141	48.0%	174,433	46.2%
C+D+E = Total financial debt and equity	466,809	100.0%	417,220	100.0%	377,560	100.0%

Zignago Vetro Group

Consolidated Statement of Financial Position (unaudited)

(Euro thousands)	30.06.2019	31.12.2018	30.06.2018	Note
ASSETS				
Non-current assets				
Property, plant and equipment	247,185	229,391	181,298	▶ (1)
Goodwill	2,740	2,694	2,682	▶ (2)
Intangible assets	173	176	309	
Equity-accounted Joint Ventures	74,526	74,757	67,340	▶ (3)
Equity investments	389	391	392	
Other non-current assets	279	1,175	721	▶ (4)
Deferred tax assets	3,050	4,078	2,705	
Total non-current assets	328,342	312,662	255,447	
Current assets				
Inventories	84,907	79,183	74,369	▶ (5)
Trade receivables	84,036	64,903	73,711	▶ (6)
Other current assets	16,889	16,830	10,111	▶ (7)
Tax Assets	6,507	3,773	3,677	
Cash and cash equivalents	26,718	32,338	39,234	▶ (8)
Total current assets	219,057	197,027	201,102	
TO TAL ASSEIS	547,399	509,689	456,549	
EQUITY & LIABILITIES				
EQUITY				
Share capital	8,800	8,800	8,800	
Reserves	39,991	41,765	41,408	
Treasury shares	(1,093)	(1,093)	(1,093)	
Retained earnings and profit for the period	121,190	105,640	126,824	
Other equity items	22,432	45,020	(1,198)	
TO TAL EQUITY OWNERS OF THE PARENT	191,320	200,132	174,741	▶ (9)
NON-CONTROLLING INT. EQUITY	(213)	9	(308)	
TO TAL EQUITY	191,107	200,141	174,433	
LIABILITIES				
Non-current liabilities				
Provisions for risks and charges	4,441	4,257	5,483	▶ (10)
Post-employment benefits	4,561	4,529	5,232	▶ (11)
Non-current loans and borrowings	103,832	117,768	127,486	▶ (12)
Other non-current liabilities	2,145	2,415	2,693	▶ (13)
Deferred tax liabilities	2,084	2,090	2,211	
Total non-current liabilities	117,063	131,059	143,105	
Current liabilities				
Bank loans and borrowings current portion	145,816	81,948	63,199	▶ (14)
Trade and other payables	70,664	72,748	55,172	▶ (15)
Other current liabilities	19,556	19,927	18,609	▶ (16)
Current income taxes	3,193	3,866	2,021	▶ (17)
Total current liabilities	239,229	178,489	139,001	
TO TAL LIABILITIES	356,292	309,548	282,106	
TO TAL EQUITY AND LIABILITIES	547,399	509,689	456,539	

Zignago Vetro Group**Consolidated Income Statement (unaudited)**

(Euro thousands)	H1 2019	H1 2018	Note
Revenues	160,232	146,975	(18)
Raw material, ancillary, consumables and goods	(27,822)	(32,108)	(19)
Service costs	(55,094)	(41,134)	(20)
Personnel expense	(36,598)	(34,148)	(21)
Amortisation & Depreciation	(20,648)	(17,400)	(22)
Other operating costs	(2,444)	(2,993)	
Other operating income	662	894	
Measurement of interests in Joint Ventures using equity method	9,483	8,065	(3)
EBIT	27,771	28,151	
Financial income	73	48	
Financial expense	(1,447)	(1,667)	(23)
Net exchange rate gains/(losses)	382	(1,967)	
Profit before taxes	26,779	24,565	
Income taxes	(4,569)	(5,092)	(24)
Profit (loss) non-con. int.	222	547	
Group Profit	22,432	19,473	
Attributable to			
Owners of the parent	22,210	20,020	
Non-controlling interests	222	(547)	
	22,432	19,473	
Earnings per share:			
Basic (and diluted) earnings per share	0.253	0.228	

Zignago Vetro Group**Consolidated Statement of Comprehensive Income (unaudited)**

(Euro thousands)	H1 2019	H1 2018
Profit for the period	22,210	19,473
<i>Items that will be subsequently reclassified to profit or loss</i>		
Translation difference for foreign operations	279	(876)
Profit/(loss) cash flow hedge		
Tax effect	---	---
	<u>279</u>	<u>(876)</u>
Total items that will be subsequently reclassified to profit or loss	279	(876)
<i>Items that will not be subsequently reclassified to profit or loss</i>		
Actuarial gains/(losses) on defined benefit plans	---	---
Tax effect	---	---
	<u>---</u>	<u>---</u>
Total items that will not be subsequently reclassified to profit or loss	---	---
Other comprehensive income (expense) for the period, net of taxes	279	(876)
Total comprehensive income for the period	22,489	18,597
Attributable to:		
Owners of the parent	22,711	19,144
Non-controlling interests (Loss)	<u>(222)</u>	<u>(547)</u>

Zignago Vetro Group

Consolidated Statement of Cash Flows(unaudited)

(Euro thousands)	H1 2019	H1 2018
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxes	26,779	24,565
Adjustments to reconcile net profit with cash flow generated from operating activities:		
Amortisation & Depreciation	20,475	17,409
Losses/(gains) on sale of property, plant & equipment		
Accrual to allowance for impairment	466	110
Net changes to post-employment benefits	32	(173)
Net changes to other provisions	184	1,106
Change in assets and liabilities items due to translation effect	(596)	2,366
Financial income and exchange gains	(455)	1,919
Financial expenses and exchange losses	1,065	3,634
Income taxes paid in the period	(6,953)	(2,341)
Measurement of joint ventures at equity	(9,483)	(8,065)
Dividends distributed by equity-accounted joint ventures	10,213	9,962
Changes in operating assets and liabilities:		
Decrease/(increase) in trade receivables	(19,599)	(6,328)
Decrease/(increase) in other current assets	(59)	3,164
Decrease/(increase) in inventories	(5,724)	(279)
Increase/(decrease) in trade & other payables	9,405	(3,344)
Increase/(decrease) in other current liabilities	(371)	(138)
Change in other non-current assets and liabilities	621	(206)
Total adjustments and changes	(779)	18,796
Net Cash Flows from operating activities	(A) 26,000	43,361
CASH FLOW FROM INVESTING ACTIVITIES:		
Gross investments in intangible assets	(55)	(5)
Gross investments in property, plant and equipment	(31,824)	(17,846)
Increase/(decrease) in payables for purchases of non-current assets	(11,489)	4,066
Sales price of securities	---	6,275
Sales price of property, plant and equipment	93	47
Net cash flow used in investing activities	(B) (43,275)	(7,463)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid in the period	(1,081)	(3,634)
Interest received in the period and currency effect	69	(1,919)
Net increase (decrease) of short-term bank payables	63,978	(8,029)
Net change non-current loans and borrowings	(20,234)	13,861
Dividends distributed	(31,569)	(28,061)
Other changes	213	308
Net cash flow used in financing activities	(C) 11,376	(27,474)
Change in assets and liabilities items due to translation effect	(D) 279	(876)
Net change in cash and cash equivalents	(A+B+C+D) (5,620)	7,548
Cash & cash equivalents at beginning of the period	32,338	31,686
Cash & cash equivalents at end of the period	26,718	39,234

Zignago Vetro Group

Statement of Changes in Shareholders' Equity (unaudited)

	Share capital	Legal reserve	Revaluation reserve	Other reserves	Capital paid-in	Treasury shares	Translation reserve	Actuarial profit/(loss) on ind. deferred benefit plans	Retained earnings	Profit for the period	Total non-controlling interest equity	Total non-controlling interest equity	Total consolidated equity
31 December 2017	8,800	1,760	27,334	7,945	157	(3,748)	(633)	(957)	97,033	39,874	177,565	(496)	177,069
Application IFRS 15 adj.	---	---	---	---	---	---	---	---	(95)	---	(68)	---	(68)
Balance at 31 December 2017 restated	8,800	1,760	27,334	7,945	157	(3,748)	(633)	(957)	96,938	39,874	177,497	(496)	177,001
<i>Profit (Loss)</i>	---	---	---	---	---	---	---	---	---	20,020	20,020	(547)	19,473
<i>Other profits/(losses), net of tax effect</i>	---	---	---	---	---	---	(876)	---	---	---	(876)	---	(876)
Total Comp. Income (expense)	---	---	---	---	---	---	(876)	---	---	20,020	19,144	(547)	18,597
Allocation of result	---	---	---	---	---	---	---	---	39,874	(39,874)	---	---	---
<i>Sale of treasury shares</i>	---	---	---	3,533	---	2,655	---	---	---	---	6,188	---	6,188
Movement non-controlling interests eq.	---	---	---	---	---	---	---	---	---	---	---	735	735
Application IFRS 15 adj.	---	---	---	---	---	---	---	---	---	---	(27)	---	(27)
Distribution dividends	---	---	---	---	---	---	---	---	(28,061)	---	(28,061)	---	(28,061)
30 June 2018	8,800	1,760	27,334	11,478	157	(1,093)	(1,509)	(957)	108,751	20,020	174,741	(308)	174,433
<i>Profit (Loss)</i>	---	---	---	---	---	---	---	---	---	25,000	25,000	(418)	24,582
<i>Other profits/(losses), net of tax effect</i>	---	---	---	---	---	---	261	35	---	---	296	---	296
Total Comp. Income (expense)	---	---	---	---	---	---	261	35	---	25,000	25,296	(418)	24,878
Allocation of result	---	---	---	---	---	---	---	---	5,146	(5,214)	---	---	---
<i>Sale of treasury shares</i>	---	---	---	68	---	---	---	---	---	---	---	---	---
<i>Other changes</i>	---	---	---	(19)	---	---	---	---	---	---	---	---	---
Movement non-controlling interests eq.	---	---	---	---	---	---	---	---	---	---	---	735	735
Application IFRS 15 adj.	---	---	---	---	---	---	---	---	95	---	95	---	95
Distribution dividends	---	---	---	---	---	---	---	---	---	---	---	---	---
31 December 2018	8,800	1,760	27,334	11,546	157	(1,093)	(1,248)	(922)	113,992	39,806	200,132	9	200,141
<i>Profit (Loss)</i>	---	---	---	---	---	---	---	---	---	22,432	22,432	(222)	22,210
<i>Other profits/(losses), net of tax effect</i>	---	---	---	---	---	---	279	---	---	---	279	---	279
Total Comp. Income (expense)	---	---	---	---	---	---	279	---	---	22,432	22,711	(222)	22,489
Allocation of result	---	---	---	---	---	---	---	---	39,806	(39,806)	---	---	---
<i>Sale of treasury shares</i>	---	---	---	---	---	---	---	---	---	---	---	---	---
<i>Other changes</i>	---	---	---	46	---	---	---	---	---	---	46	---	46
Movement non-controlling interests eq.	---	---	---	---	---	---	---	---	---	---	---	---	---
Distribution of dividends	---	---	---	---	---	---	---	---	(31,569)	---	(31,569)	---	(31,569)
30 June 2019	8,800	1,760	27,334	11,546	157	(1,093)	(969)	(922)	122,229	22,432	191,320	(213)	191,107