

ZIGNAGO VETRO S.P.A.

Press Release

Board of Directors of Zignago Vetro S.p.A. approves 2014 Half-Year Report

Zignago Vetro Group revenue growth in H1 2014. Cash generation also improves (*).

Revenues total Euro 152 million, increasing 6.3% compared to the year before; export revenues reach Euro 56.2 million, up 2.6% and 36.9% of total revenues.

EBITDA amounts to Euro 33.2 million (21.8% revenue margin, - 0.5%).

Operating profit totals Euro 19.4 million (12.8% revenue margin, - 3.9%).

Net debt of Euro 111.5 million (+1.3%).

Cash generation, before investments, rises to Euro 26.5 million (+26.5%).

Group Highlights (*)

	30.06.2014 <i>(in Euro millions)</i>	30.06.2013 <i>(in Euro millions)</i>	Cge.% _____.
Revenues	152.0	143.0	+ 6.3%
EBITDA	33.2	33.3	- 0.5%
EBIT	18.6	19.7	- 5.7%
Operating profit	19.4	20.2	- 3.9%
Profit before taxes	18.0	18.8	- 4.1%
Group Net Profit	11.5	12.1	- 4.9%
Capital expenditure	13.2	17.8	
Free cash flow			
(after investments)	13.3	3.1	
(before investments)	26.5	20.9	

	30.06.2014 <i>(in Euro millions)</i>	30.06.2013 <i>(in Euro millions)</i>
Financial debt	(152.5)	(153.2)
Liquidity	41.0	43.1
Net financial debt	(111.5)	(110.1)

(*) The figures (and the subsequent comments) are based on management's view of the Group business, which provides for the proportional consolidation of the joint venture, in line with the accounting policies adopted until December 31, 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 January 1, 2014 the joint ventures in Vetri Speciali SpA and in Vetreco Srl, may no longer be consolidated under the proportional method but must be recognised at equity. The income statement, the comprehensive income statement, the balance sheet and the cash flows of the Zignago Vetro Group at June 30, 2014, prepared according to international accounting standards in force from January 1, 2014, in addition to the restated figures at June 30 and at December 31, 2013, are reported respectively at attachments 3, 4, 5 and 6 of the present press release.

Fossalta di Portogruaro, July 29, 2014 – 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 Franco Grisan, approved the 2014 Group Half-Year Report.

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.

Group operating performance

In the first half of 2014, the European glass containers market showed signs of recovery - particularly in the Beverages & Foods segments. In Italy, demand still appears volatile and does not match supply levels, causing prices to increase.

Demand in the Perfumery markets continues to appear robust. The slowdown in the Cosmetics segment is most likely due to temporary economic considerations.

Consolidated **revenues** in the first half of 2014 totalled Euro 152 million compared to Euro 143 million in the same period of the previous year (+6.3%). Export sales reached Euro 56.2 million (Euro 54.8 million in the first half of 2013; +2.6%), comprising 36.9% of revenues (38.3% in H1 2013).

Consolidated **Ebitda** in the first six months of 2014 amounted to Euro 33.2 million, compared to Euro 33.3 million in H1 2013. The Ebitda margin was 21.8% (23.3% in H1 2013).

Consolidated **Ebit** in H1 2014 was Euro 18.6 million (compared to Euro 19.7 million in the first half of 2013), with a margin of 12.2% (13.8% in the first half of 2013).

Consolidated **operating profit** was Euro 19.4 million, compared to Euro 20.2 million in H1 2013 – a margin of 12.8% (14.1% in H1 2013).

Consolidated and Group **net profit** in H1 2014 totalled Euro 11.5 million compared to Euro 12.1 million in H1 2013.

Group balance sheet and financial position

Group **capital expenditure** in the first half of 2014 amounted to Euro 13.2 million (Euro 17.8 million in the same period of 2013).

The Group generated **free cash flow** in the first six months of the year, after investments, of Euro 13.3 million (Euro 3.1 million in H1 2013) - before investments amounting to Euro 26.5 million (Euro 20.9 million in H1 2013).

The Group **net financial debt** at June 30, 2014 was Euro 111.5 million, compared to Euro 105.8 million at December 31, 2013 (Euro 110.1 million at June 30, 2013).

Group **liquidity** at June 30, 2014 amounted to Euro 41 million compared to Euro 39.4 million at December 31, 2013 (Euro 43.1 million at June 30, 2013).

Outlook

In the second half of the year, the Group markets are expected to confirm the generally strong performance of the first half year.

Economic results of the second half of the year are expected to confirm the results of the first one.

Declaration

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

Half-Year Financial Report at June 30, 2014

The Half-Year Report at June 30, 2014 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.zignagovetro.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 Balance Sheet (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 December 31, 2013.

Following the entry into force of "IFRS 11 – Joint arrangements" and "IAS 28 Investments in associates and joint ventures", the consolidation rules of Zignago Vetro Group investments in joint ventures were re-defined. In particular, from January 1, 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 comprehensive income statement, the balance sheet and the cash flows of the Zignago Vetro Group at June 30, 2014, prepared according to international accounting standards in force from January 1, 2014, in addition to the restated figures at June 30 and at December 31, 2013, are reported respectively subsequent attachments 3, 4, 5 and 6.

ATTACHMENT 1

Zignago Vetro Group

Reclassified Consolidated Income Statement (*)

(Management view based on IAS in force until December 31, 2013)

	H1 2014		H1 2013		Change
	Euro thou.	%	Euro thou.	%	%
Revenues	152,047	100.0%	142,995	100.0%	6.3%
Changes in inventories of finished and semi-finished prod. and work in progress	1,308	0.9%	10,544	7.4%	n.s.
Internal production of fixed assets	191	0.1%	237	0.1%	(19.4%)
Value of production	153,546	101.0%	153,776	107.5%	(0.1%)
Cost of goods and services	(85,697)	(56.4%)	(85,385)	(59.7%)	0.4%
Value added	67,849	44.6%	68,391	47.8%	(0.8%)
Labour costs	(34,696)	(22.8%)	(35,062)	(24.5%)	(1.0%)
EBITDA	33,153	21.8%	33,329	23.3%	(0.5%)
Amortisation & depreciation	(13,823)	(9.1%)	(13,125)	(9.2%)	5.3%
Provisions	(759)	(0.5%)	(505)	(0.3%)	50.3%
EBIT	18,571	12.2%	19,699	13.8%	(5.7%)
Net recurring non-operating income	871	0.6%	527	0.3%	65.3%
Operating profit	19,442	12.8%	20,226	14.1%	(3.9%)
Net financial charges	(1,406)	(0.9%)	(1,113)	(0.8%)	26.3%
Net exchange gains/(losses)	1	---	(310)	(0.2%)	n.s.
Profit before taxes	18,037	11.9%	18,803	13.1%	(4.1%)
Income taxes	(6,537)	(4.3%)	(6,714)	(4.7%)	(2.6%)
<i>(tax-rate H1 2014: 36.2%)</i> <i>(tax-rate H1 2013: 35.7%)</i>					
Consolidated net profit	11,500	7.6%	12,089	8.4%	(4.9%)
Minority interest profit	---	---	---	---	n.s.
Group net profit	11,500	7.6%	12,089	8.4%	(4.9%)

(*) Data not yet verified by the Independent Auditors and the Board of Statutory Auditors

Zignago Vetro Group***Reclassified Consolidated Balance Sheet (*)****(Management view based on IAS in force until December 31, 2013)*

	30.06.2014		31.12.2013		30.06.2013	
	Euro thou.	%	Euro thou.	%	Euro thou.	%
Trade receivables	67,591		62,907		63,087	
Other receivables	6,425		9,848		6,167	
Inventories	68,998		68,110		72,291	
Current non-financial payables	(61,247)		(57,817)		(62,985)	
Payables on fixed assets	(4,553)		(7,009)		(7,083)	
<i>A) Working capital</i>	<u>77,214</u>	<u>33.1%</u>	<u>76,039</u>	<u>32.3%</u>	<u>71,477</u>	<u>31.7%</u>
Net tangible and intangible assets	125,856		128,655		123,871	
Goodwill	40,708		40,708		40,676	
Non-consolidated investments and other non-current assets	3,796		3,750		2,884	
Non-current provisions and non-financial payables	(14,028)		(13,752)		(13,577)	
<i>B) Net fixed capital</i>	<u>156,332</u>	<u>66.9%</u>	<u>159,361</u>	<u>67.7%</u>	<u>153,854</u>	<u>68.3%</u>
<i>A+B= Net capital employed</i>	<u>233,546</u>	<u>100.0%</u>	<u>235,400</u>	<u>100.0%</u>	<u>225,331</u>	<u>100.0%</u>
<i>Financed by:</i>						
Short-term debt	133,565		113,016		122,154	
Cash and cash equivalents	(40,952)		(39,367)		(43,145)	
Short-term net debt	92,613	39.7%	73,649	31.3%	79,009	35.1%
Medium/long term debt	18,864	8.2%	32,132	13.6%	31,114	13.6%
<i>C) Net financial debt</i>	<u>111,477</u>	<u>47.7%</u>	<u>105,781</u>	<u>44.9%</u>	<u>110,123</u>	<u>48.9%</u>
<i>D) Minority shareholders' equity</i>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>0.0%</u>
Opening Shareholders' equity	129,619		125,478		125,479	
Dividends paid in the period	(19,047)		(21,645)		(21,645)	
Change in translation reserve and other shareholders' equity changes	(3)		(348)		(715)	
Net profit	11,500		26,134		12,089	
<i>E) Closing Shareholders' equity</i>	<u>122,069</u>	<u>52.3%</u>	<u>129,619</u>	<u>55.1%</u>	<u>115,208</u>	<u>53.4%</u>
<i>C+D+E = Total financial debt and Shareholders' equity</i>	<u>233,546</u>	<u>100.0%</u>	<u>235,400</u>	<u>100.0%</u>	<u>225,331</u>	<u>100.0%</u>

* Data not yet verified by the Independent Auditors and the Board of Statutory Auditors

Zignago Vetro Group**Consolidated Income Statement (*)***(Management view based on IAS in force from January 1, 2014)*

(Euro thousands)	H1 2014	Restated (**) H1 2013
Revenues	116,817	110,948
Raw material, ancillary, consumables and goods	(27,962)	(19,448)
Services	(37,815)	(39,180)
Labour costs	(27,598)	(28,204)
Amortisation and depreciation	(11,554)	(10,946)
Other operating expenses	(1,800)	(1,548)
Other operating income	736	518
Investments valued at equity	5,395	5,140
Operating profit	16,219	17,280
Financial income	452	477
Financial charges	(1,400)	(1,243)
Net exchange gains/(losses)	2	(313)
Profit before taxes	15,273	16,201
Income taxes	(3,773)	(4,112)
Net profit	11,500	12,089
Minority interest profit/(loss)	---	---
Group net profit	11,500	12,089
Earnings per share:		
Basic (and diluted) earnings per share	0.133	0.140

* Data not yet verified by the Independent Auditors and the Board of Statutory Auditors

** Figures restated in accordance with requirements of IFRS 11 – Joint Arrangements and IAS 28 – Interests in associates and joint ventures.

Zignago Vetro Group

Consolidated Comprehensive Income Statement (*)

(Management view based on IAS in force from January 1, 2014)

(Euro thousands)	Restated (**)	
	H1 2014	H1 2013
Net profit	11,500	12,089
<i>Other comprehensive income statement items subsequently to be reclassified to the net profit (loss) for the period</i>		
Translation difference	(3)	(756)
Tax effect	---	---
	(3)	(756)
Total other comprehensive income statement items subsequently to be reclassified to net profit (loss) for the period	(3)	(756)
<i>Other comprehensive income statement items not subsequently to be reclassified to the net profit (loss) for the period</i>		
Actuarial losses on defined benefit plans	---	---
Tax effect	---	---
	---	---
Total other comprehensive income statement items not subsequently to be reclassified to net profit (loss) for the period	---	---
Total other comprehensive income statement items, net of taxes	(3)	(756)
Total comprehensive net profit	11,497	11,333
Attributable to :		
Group	11,497	11,333
Minority interests	---	---
	<u>11,497</u>	<u>11,333</u>

* Data not yet verified by the Independent Auditors and the Board of Statutory Auditors

** Figures restated in accordance with requirements of IFRS 11 – Joint Arrangements and IAS 28 – Interests in associates and joint ventures.

Zignago Vetro Group
Consolidated Balance Sheet (*)

(Management view based on IAS in force from January 1, 2014)

(Euro thousands)	30.06.2014	Restated (**) 31.12.2013	Restated (**) 30.06.2013
ASSETS			
Non-current assets			
Property, plant & equipment	94,201	95,728	90,077
Goodwill	741	741	709
Intangible assets	106	193	213
Investments valued at equity	49,488	51,588	46,237
Equity investments	386	386	384
Other non-current assets	201	192	28
Deferred tax assets	2,667	2,580	1,969
Total non-current assets	147,790	151,408	139,617
Current assets			
Inventories	57,769	55,753	60,495
Trade receivables	53,075	50,007	48,892
Other current assets	2,432	3,050	2,805
Tax receivables	2,182	4,511	1,850
Cash and cash equivalents	40,672	39,272	42,994
Total current assets	156,130	152,593	157,036
TOTAL ASSETS	303,920	304,001	296,653
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	8,800	8,800	8,800
Reserves	35,521	35,521	35,521
Acquisition of treasury shares	(5,027)	(5,027)	(5,027)
Retained earnings and profit for the period/year	83,948	91,495	77,498
Other net equity items	(1,173)	(1,170)	(1,584)
TOTAL GROUP SHAREHOLDERS' EQUITY	122,069	129,619	115,208
MINORITY INTEREST EQUITY	---	-	---
TOTAL SHAREHOLDERS' EQUITY	122,069	129,619	115,208
LIABILITIES			
Non-current liabilities			
Provisions for risks and charges	2,998	2,547	2,419
Post-employment benefits	4,757	4,839	4,645
Medium/long term loans	12,299	17,565	20,532
Deferred tax liabilities	3,083	3,178	3,340
Total non-current liabilities	23,137	28,129	30,936
Current liabilities			
Bank payables and current portion of medium/long term loans	106,621	94,761	95,112
Trade and other payables	37,802	37,154	40,586
Other current liabilities	13,522	13,934	14,687
Current income taxes	769	404	124
Total current liabilities	158,714	146,253	150,509
TOTAL LIABILITIES	181,851	174,382	181,445
TOTAL SHAREHOLDERS' EQ. & LIAB.	303,920	304,001	296,653

(*) Data not yet verified by the Independent Auditors and the Board of Statutory Auditors

(**) Figures restated in accordance with requirements of IFRS 11 – Joint Arrangements and IAS 28 – Interests in associates and joint ventures.

Zignago Vetro Group
Consolidated Cash Flow Statement (*)

(Management view based on IAS in force from January 1, 2014)

(Euro thousands)	30.06.2014	Restated (**) 30.06.2013
CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit	15,273	16,201
Adjustments to reconcile net profit with cash flow generated from operating activities:		
Amortisation and depreciation	11,554	10,946
Losses/(gains) on disposals of property, plant & equipment	(88)	(107)
Doubtful debt provision	42	125
Net changes in post employment benefits	(82)	(75)
Net change in other provisions	450	212
Financial income and exchange gains	(452)	(480)
Financial charges and exchange losses	1,398	1,904
Income taxes paid in the year	(1,261)	(3,611)
Valuation of joint ventures at equity	(5,395)	(5,140)
Dividends distributed of joint ventures at equity	7,496	8,050
Change in operating assets and liabilities		
Decrease (increase) in trade receivables	(3,110)	2,694
Decrease (increase) in other current assets	618	926
Decrease (increase) in inventories	(2,016)	(9,385)
Increase (decrease) in trade and other payables	2,588	(957)
Increase (decrease) in other current liabilities	(412)	584
Other non-current assets and liabilities	(9)	101
Total operating adjustments and changes	11,321	5,787
(A)	26,594	21,988
CASH FLOW FROM INVESTING ACTIVITIES:		
Investments in intangible assets	(22)	(83)
Investments in tangible assets	(12,076)	(14,319)
Increase (decrease) in fixed asset payables	(1,940)	(417)
Investments (divestments) in financial assets	---	---
Sales price of property, plant and equipment	2,233	2,338
Net cash flow from investing activities	(11,805)	(12,481)
(B)		
CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid in the year	(1,511)	(1,559)
Interest received in the year	452	480
Increase (decrease) in short-term bank borrowings	11,973	12,089
New medium/long-term loans	---	8,283
Repayment of medium/long-term loans	(5,266)	(8,287)
Dividends	(19,047)	(21,645)
Net cash flow from financing activities	(13,399)	(10,639)
(C)		
Change in balance sheet accounts translation effect	10	(256)
(D)		
Net change in cash and cash equivalents	1,400	(1,388)
(A+B+C+D)		
Cash available at beginning of the period	39,272	44,382
Cash available at end of the period	40,672	42,994

(*) Data not yet verified by the Independent Auditors and the Board of Statutory Auditors

(**) Figures restated in accordance with requirements of IFRS 11 – Joint Arrangements and IAS 28 – Interests in associates and joint ventures.

Zignago Vetro Group

Statement of changes in shareholders' equity

(Management view based on IAS in force from January 1, 2014)

	Share capital	Legal reserve	Revaluation reserve	Other reserves	Translation reserve	Capital paid-in	Treasury shares	Actuarial profits (losses) on individual deferred benefits	Retained earnings	Net result	Total consolidated equity
Bal. at December 31, 2012	8,800	1,600	27,334	6,270	(477)	157	(5,027)	(351)	56,289	30,883	125,478
Consol. net profit	---	---	---	---	---	---	---	---	---	12,089	12,089
Other profits/(losses) net of tax effect	---	---	---	---	---	---	---	---	---	---	---
Total comprehensive profit	---	---	---	---	---	---	---	---	---	12,089	12,089
Allocation of the result	---	160	---	---	---	---	---	---	30,723	(30,883)	---
Dividends	---	---	---	---	---	---	---	---	(21,645)	---	(21,645)
Other changes	---	---	---	---	---	---	---	---	42	---	42
Change in consolidation scope	---	---	---	---	(756)	---	---	---	---	---	(756)
Balance at June 30, 2013	8,800	1,760	27,334	6,270	(1,233)	157	(5,027)	(351)	65,409	12,089	115,208
Consol. net profit	---	---	---	---	---	---	---	---	---	14,045	14,045
Other profits/(losses) net of tax effect	---	---	---	---	536	---	---	(122)	---	---	414
Total comprehensive profit	---	---	---	---	536	---	---	(122)	---	14,045	14,459
Minority interest acquisitions	---	---	---	---	---	---	---	---	---	---	---
Other changes	---	---	---	---	---	---	---	---	(48)	---	(48)
Bal. at Dec. 31, 2013	8,800	1,760	27,334	6,270	(697)	157	(5,027)	(473)	65,361	26,134	129,619
Consol. net profit	---	---	---	---	---	---	---	---	---	11,500	11,500
Other profits/(losses) net of tax effect	---	---	---	---	---	---	---	---	---	---	---
Total comprehensive profit	---	---	---	---	---	---	---	---	---	11,500	11,500
Allocation of result	---	---	---	---	---	---	---	---	26,134	(26,134)	---
Dividends	---	---	---	---	---	---	---	---	(19,047)	---	(19,047)
Other changes	---	---	---	---	(3)	---	---	---	---	---	(3)
Balance at June 30, 2014	8,800	1,760	27,334	6,270	(700)	157	(5,027)	(473)	72,448	11,500	122,069

(data not yet verified by the Independent Auditors and the Board of Statutory Auditors)