



SPAFID

CONNECT

Informazione Regolamentata n. 0814-27-2018	Data/Ora Ricezione 06 Agosto 2018 07:13:43	MIV - Azioni
--	--	--------------

Societa' : M&C

Identificativo : 107385

Informazione
Regolamentata

Nome utilizzatore : MANAGEMENTCAPNSS01 - MASSIMO
SEGRE

Tipologia : 2.2

Data/Ora Ricezione : 06 Agosto 2018 07:13:43

Data/Ora Inizio : 06 Agosto 2018 07:13:44

Diffusione presunta

Oggetto : M&C SPA - PRESS RELEASE

Testo del comunicato

Vedi allegato.



PRESS RELEASE

M&C S.P.A. ANNOUNCES THE SALE OF TEOFAN HOLDINGS GMBH.

M&C S.p.A. (“**M&C**”) announces that today it has agreed to sell Treofan Holdings GmbH (“**Treofan Holdings**”) to a company part of the B.C. Jindal Group, a global leader in the development and manufacturing of specialty biaxially oriented polypropylene (BOPP or OPP) films (the “**Purchaser**”). M&C currently owns 98.75% of Treofan Holdings and prior to closing the minority interest in Treofan Holdings will be redeemed by Treofan Holdings in the context of the announced transaction.

The transaction is expected to close before the end of the first quarter 2019, subject to the satisfaction of certain conditions precedent (including antitrust clearances).

The agreed purchase price (the “**Base Price**”) shall be between Euro 0.5 and 4.8 million and shall be finally determined before closing of the transaction. Once determined prior to Closing, the Base Price shall not be subject to any post-closing adjustments.

In addition to the Base Purchase Price, M&C will receive prior to closing an aggregated amount estimated to be approximately EUR 44 million (being the cash held by Treofan Group as of 2 July 2018, after having received the payment of the purchase price for the disposal of Treofan North-American Business (“**Treofan Americas**”) to CCL Industries, net of all relevant transaction costs, bonuses and redemption of the minority shares), through: (i) the repayment of the existing debt under the shareholders’ loan advanced by M&C and (ii) further distributions of dividends.

Before closing, M&C shall also be assigned the rights and obligations under the contract governing the sale of Treofan Americas to CCL; M&C will therefore acquire (i) the right to receive the portion of the purchase price for Treofan Americas left in escrow (being USD 10 million) net of payments, if any, due for indemnity obligations, and (ii) the rights and obligations related to any price adjustment relevant to the same disposal of Treofan Americas.

Treofan Holdings is the company which controls the European business of Treofan which is the only part of the Treofan’s business remaining under the control of M&C. As mentioned above, Treofan Holdings disposed of Treofan Americas to CCL Industries pursuant to a transaction closed on 2 July 2018. In 2017, the Treofan European business had reported sales of EUR 271.8 million and negative EBITDA of EUR 3.6 million.

The decision to sell Treofan Holdings to the Purchaser has come after M&C has discussed and negotiated with a number of potential buyers (both strategic and financial) in the context of a competitive process which, as announced on 11 July 2018, was launched as part of the review of the strategic alternatives to the implementation of the 2018-2021 Group Business Plan approved on 21 March and which included a material reorganization of Treofan’s European business. Such implementation has, during the last months, become increasingly challenging for Treofan on a standalone basis, without the combination with another strategic player in the BOPP industry such as the Purchaser, also in light of the current market conditions, which strongly call for further economies of scale.

It is currently expected that as a result of the disposal, M&C will not be in a position to recover the entire current book value of the interests held in Treofan Holdings. At this stage, the value to be realized through the announced transaction (and thus the potential loss arising from the disposal of the investment in Treofan Holdings) is not finally quantifiable for accounting purposes, as it will also depend on the

M&C

outcome of the adjustment of the purchase price relevant to the disposal of Treofan Americas and on the actual amount of the Base Price, as mentioned above. The Board of Directors of the Company will be in a position to make a reasonable estimate of such loss during the month of September and, accordingly, it will provide information on the economic, financial and accounting effects of the transaction in the half year accounting reports.

With this disposal M&C has completed its divestment from the BOPP films production activities. As anticipated in its press release of 11 July 2018, the board of directors will now evaluate the alternatives in terms of new strategic positioning of M&C, including investments, which are being currently considered by the managements together with consultants Bain & Co, and Leonardo&Co– Houlihan Lokey.

As a result of the entering into the agreement for the disposal of Treofan the resignation of director Mr. Walter Bickel from M&C board has become effective.

Advisers:

M&C was advised in the context of the disposal of Treofan Holdings by Leonardo&Co – Houlihan Lokey, Allen & Overy (Munich office) and Orsingher Ortu – Avvocati Associati.

The Purchaser was advised by Alvarez & Marsal Corporate Finance as financial advisor and by legal advisor Baker McKenzie with a cross-border team led from the Munich office for the transaction.

Milan, 6 August 2018

M&C S.p.A.

Investor Relations

Claudio Bondardo - Tel. +39 02 72737 134

ir@mecinv.com

www.mecinv.com

Community - Consulenza nella comunicazione

Tel. +39 02 89404231

Auro Palomba - Marco Rubino - Mob. +39 335 6509552

Fine Comunicato n.0814-27

Numero di Pagine: 4