

GCL Holdings Group

Company presentation 1H 2014 results

Alessandria, September 15, 2014

Forward-looking Statements

This presentation may include, and the Company and its representatives may from time to time make, written or verbal statements which constitute “forward – looking statements”, including but not limited to all statements other than statements of historical facts, including statements regarding our intentions, belief or expectations concerning our future financial condition and performance, results of operations, strategy, prospects, and future developments in the markets in which we operate and plan to operate.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future.

We caution you that forward – looking statements are not guarantees of future performance and that our actual financial condition, results of operations and cash flows, and the development of the industry in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this presentation.

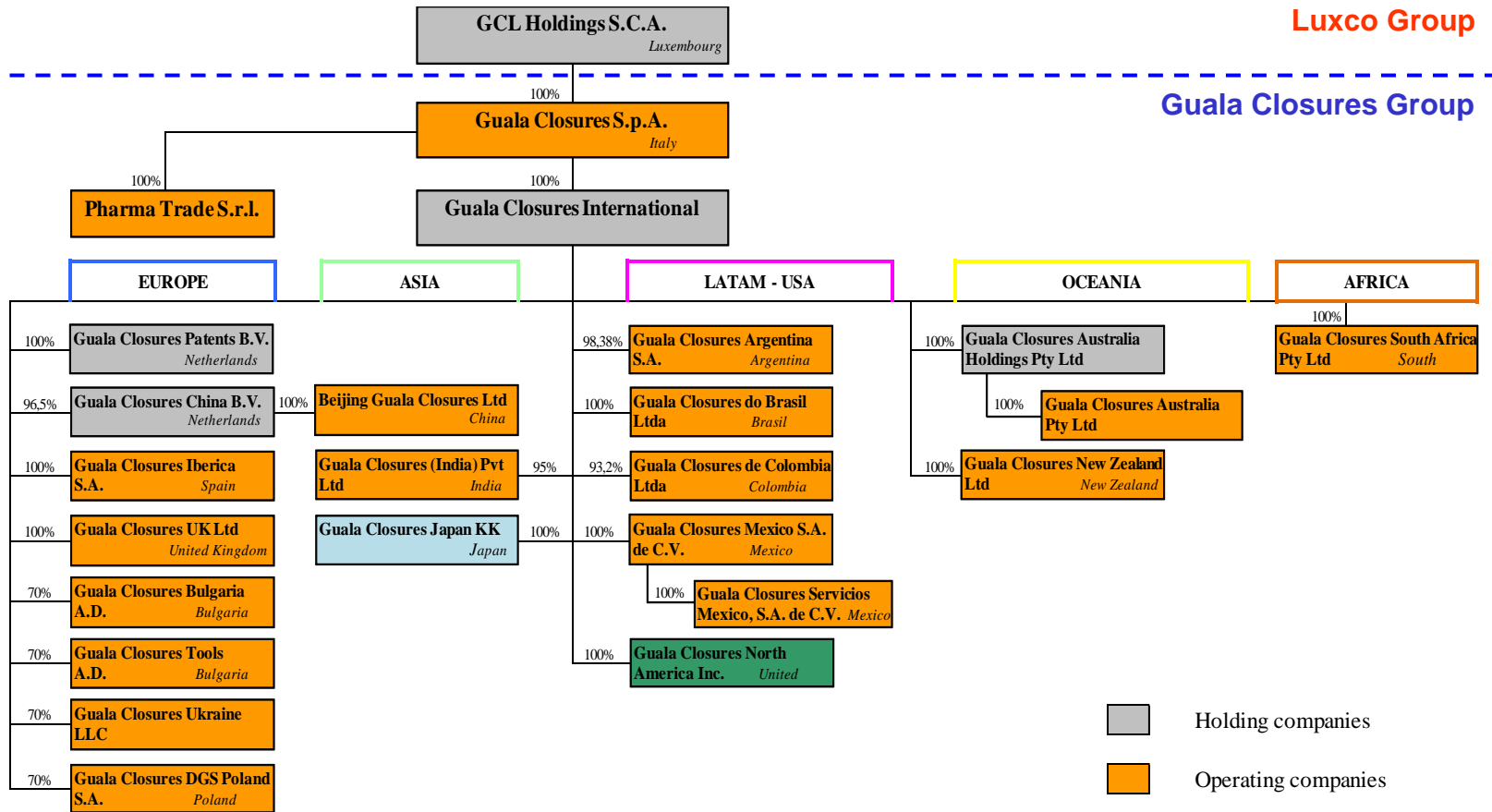
In addition even if our financial condition, results of operations and cash flows, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods.

The Company undertakes no obligation to publicly update or publicly revise any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent written or verbal forward-looking statements attributable to the Company or to persons acting on the Company’s behalf are qualified in their entirety by the cautionary statements referred to above.

Group chart as at June 30, 2014

Luxco Group

Guala Closures Group







- Holding companies
- Operating companies
- Commercial company
- Representative office

2014 Key financial events

FEB

-  Incorporation of Guala Closures Japan KK (representative office)

MAY

-  Acquisition of 16% minority interest in Guala Closures Argentina:
 -  Total price: AR\$ 17,920 k;
 -  Already paid as at June 30, 2014: AR\$ 890 k;
 -  To be paid in next months: AR\$ 17,030 k.

Key trends: group currencies

Exchange rate trend (1 € = x FC) P&L	Average 1H13	Average 1H14	Var % vs 1H13
US Dollar	1.3135	1.3705	4.3%
GB Pounds	0.8512	0.8214	(3.5%)
Lev Bulgaria	1.9558	1.9558	-
Ukraine Hryvnia	10.6177	14.3626	35.3%
Poland Zloty	4.1781	4.1755	(0.1%)
China Renmimbi	8.1294	8.4517	4.0%
Indian Rupia	72.3070	83.2930	15.2%
Argentinian Peso	6.7326	10.7407	59.5%
Brazilian Real	2.6688	3.1495	18.0%
Colombian Peso	2400.12	2686.95	12.0%
Mexican Peso	16.5057	17.9766	8.9%
Australian Dollar	1.2966	1.4987	15.6%
New Zealand Dollar	1.5878	1.6148	1.7%
South Africa Rand	12.1233	14.6763	21.1%

LEGEND: Var % + EUR revaluation vs other group currencies; Var % - EUR devaluation vs other group currencies



Revaluation of euro vs all group currencies compared to 1H 2013 (except GBP and PLN)

Key trends: group currencies

Exchange rate trend (1 € = x FC) BS	Dec 31, 2013	Jun 30, 2014	Var % vs Dec 13
US Dollar	1.3791	1.3658	(1.0%)
GB Pounds	0.8337	0.8015	(3.9%)
Lev Bulgaria	1.9558	1.9558	-
Ukraine Hryvnia	11.3292	16.0474	41.6%
Poland Zloty	4.1543	4.1568	0.1%
China Renmimbi	8.3491	8.4722	1.5%
Indian Rupia	85.3660	82.2023	(3.7%)
Argentinian Peso	8.9891	11.1068	23.6%
Brazilian Real	3.2576	3.0002	(7.9%)
Colombian Peso	2664.42	2568.26	(3.6%)
Mexican Peso	18.0731	17.7124	(2.0%)
Australian Dollar	1.5423	1.4537	(5.7%)
New Zealand Dollar	1.6762	1.5626	(6.8%)
South Africa Rand	14.5660	14.4597	(0.7%)

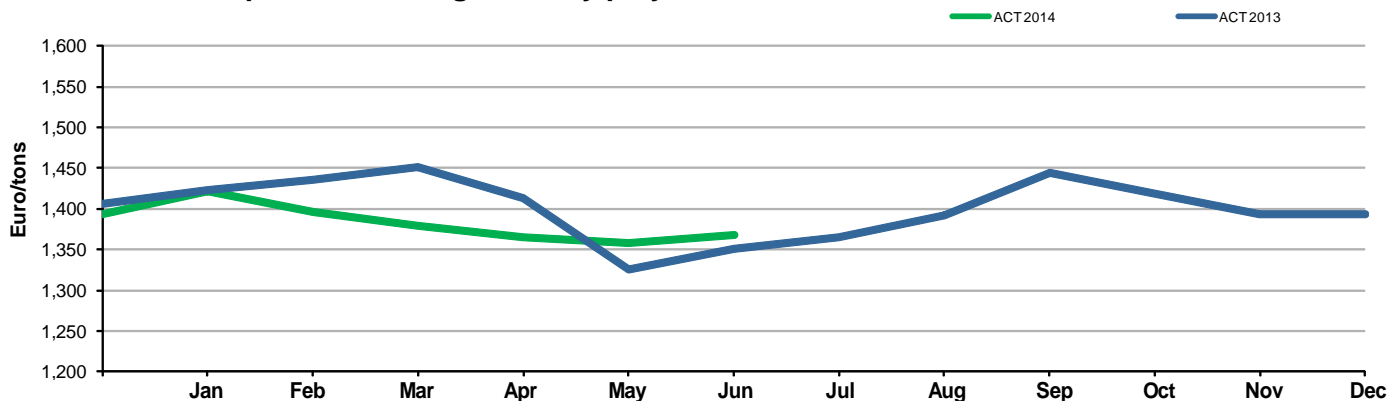
LEGEND: Var % + EUR revaluation vs other group currencies; Var % - EUR devaluation vs other group currencies



Devaluation of euro vs main group currencies compared to DEC 2013 (except UAH, PLN, CNY and ARS)

Key trends: raw materials – plastics – Europe

Plastic price trend - High density polyethylene

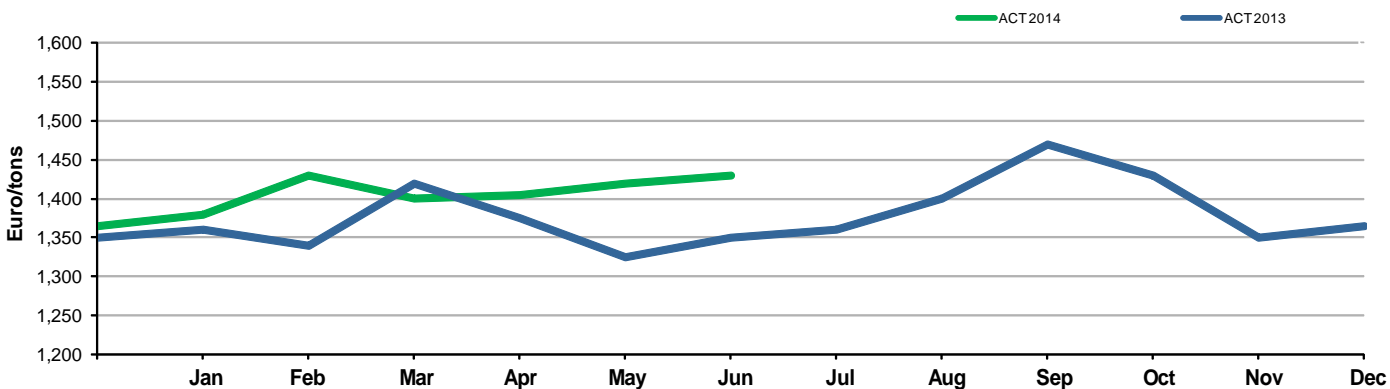


HDPE Var % vs 1H 2013: (1.3%)

Average 1H
2013: 1,400 €/t

Average 1H
2014: 1,381€/t

Plastic price trend – Polypropylene, homopolymer



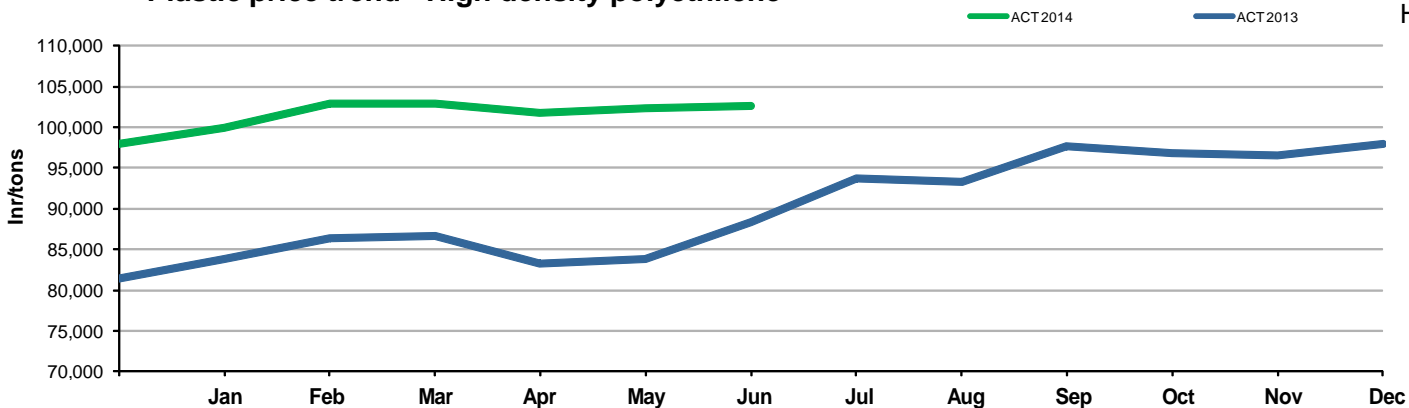
PP Var % vs 1H 2013: 3.6%

Average 1H
2014: 1,411 €/t

Average 1H
2013: 1,362 €/t

Key trends: raw materials – plastics - India

Plastic price trend - High density polyethylene

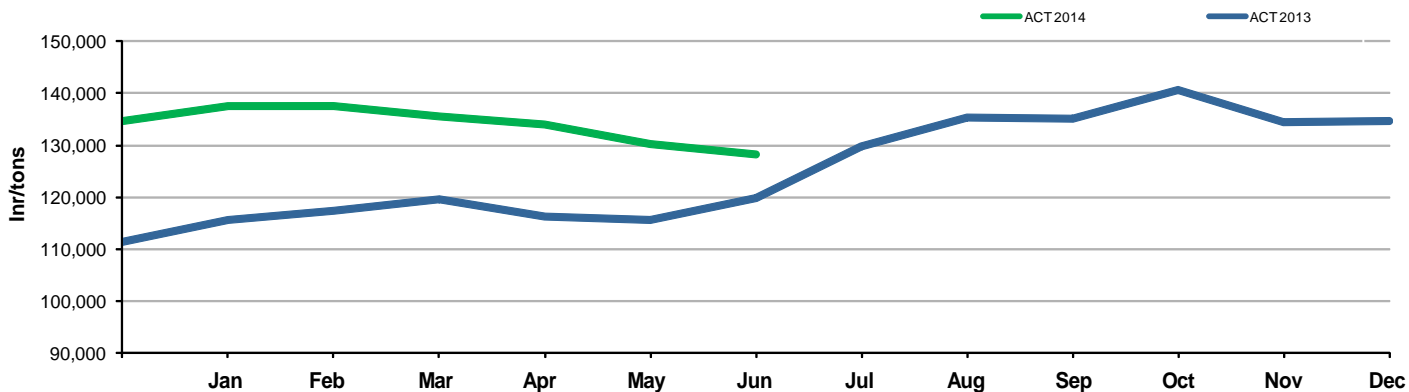


HDPE Var % vs 1H 2013: 19.5%

Average 1H 2014:
102,076 INR/t

Average 1H 2013:
85,389 INR/t

Plastic price trend – Polystyrene

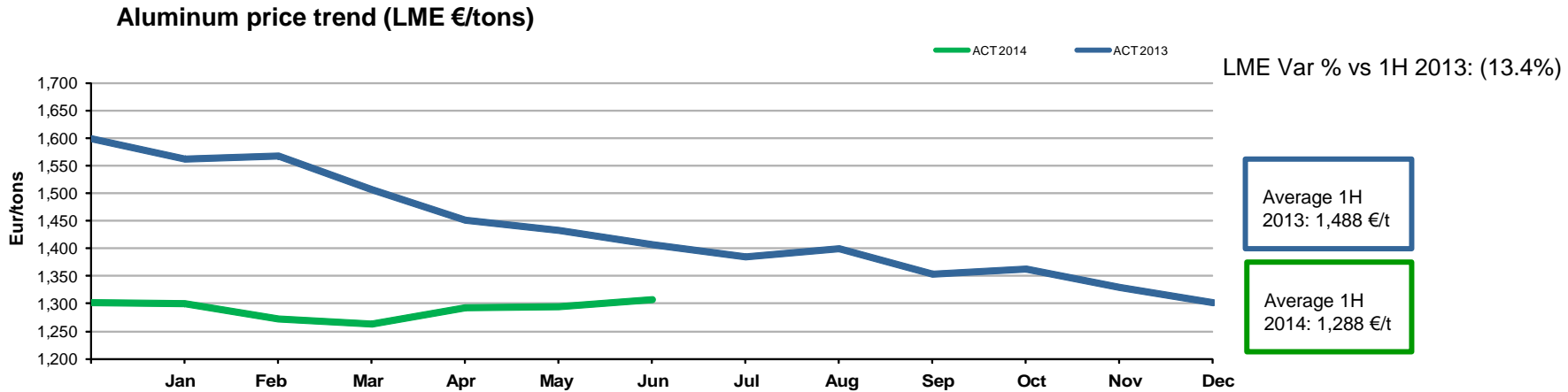


PS Var % vs 1H 2013: 14.0%

Average 1H 2014:
133,837 INR/t

Average 1H 2013:
117,398 INR/t

Key trends: raw materials - aluminum



1H 2014 – Financial snapshot

€ / ml	1Q 13	2Q 13	1H 13	1Q 14	2Q 14	1H 14	Var % 1H 14 vs 1H 13
Revenues	110.6	120.6	231.2	105.9	116.1	222.0	(4.0%)
EBITDA	18.1	23.5	41.6	17.5	22.0	39.4	(5.3%)
<i>% margin</i>	16.4%	19.5%	18.0%	16.5%	18.9%	17.8%	
Adjusted EBITDA	18.4	23.5	41.9	17.8	22.4	40.2	(4.0%)
<i>% margin</i>	16.6%	19.5%	18.1%	16.8%	19.3%	18.1%	
EBIT	8.0	13.3	21.4	8.2	11.9	20.2	(5.5%)
<i>% margin</i>	7.3%	11.1%	9.2%	7.8%	10.3%	9.1%	
Net result	(5.8)	(6.8)	(12.6)	(6.1)	(1.9)	(8.0)	36.3%
<i>% margin</i>	(5.2%)	(5.7%)	(5.4%)	(5.8%)	(1.6%)	(3.6%)	

€ / ml	As at Dec 31, 2012	As at Mar 31, 2013	As at Jun 30, 2013	As at Mar 31, 2014	As at Jun 30, 2014
NWC	101.0	103.9	105.8	111.6	125.6
<i>NWC days</i>	65	85	79	95	97
Net debt	460.8	471.5	488.1	510.5	525.8

1H 2014 – Operating and financial review

NET REVENUE

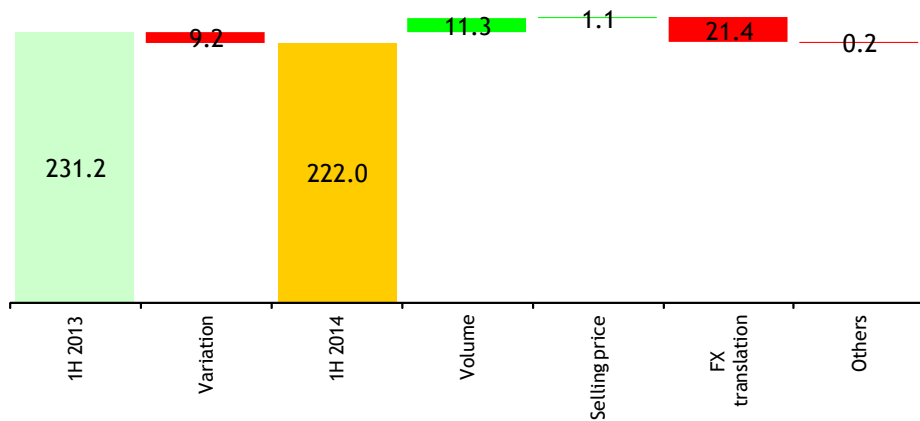
- 🌐 Net revenue down €9.2 million (-4.0%) vs 1H 2013 due to €21.4 ml negative translation impact
- 🌐 At constant FX rates, net revenue up €12.2 million (+5.3%) vs 1H 2013
- 🌐 Increase in sales volumes/selling price in Ukraine, India, Argentina, UK, China, Brazil and North America

ADJUSTED EBITDA

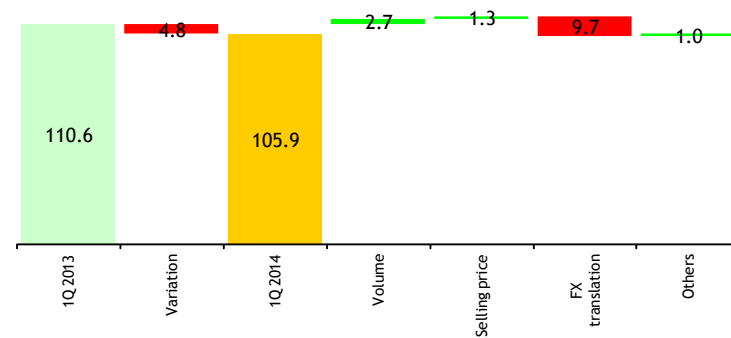
- 🌐 Adjusted EBITDA down €1.7 million (-4.0%) vs 1H 2013 due to €5.5 million negative translation impact
- 🌐 At constant FX rates, Adjusted EBITDA up €3.8 million (+9.0%) vs 1H 2013
- 🌐 EBITDA 1H 2014 adjusted by €0.8 million (€0.2 million for M&A activities and €0.6 million of rationalization and other costs)
- 🌐 1H 2014: positive impact from sales volume growth and selling price renegotiation while negative impact from translation. The mix and other cost variance offset the increase in raw material costs.

1H 2014 - Sales Bridges

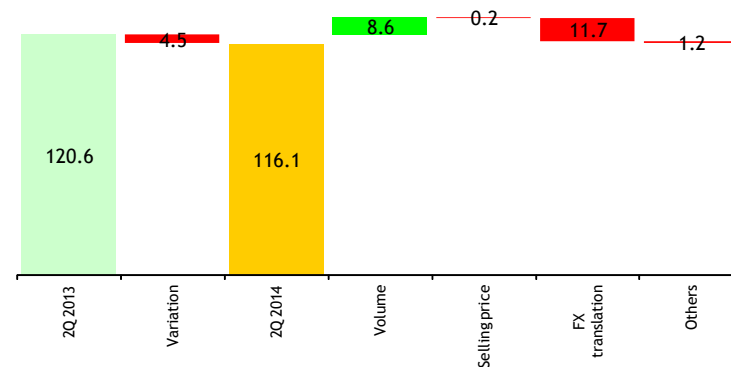
1H 2013 – 1H 2014



1Q 2013 – 1Q 2014

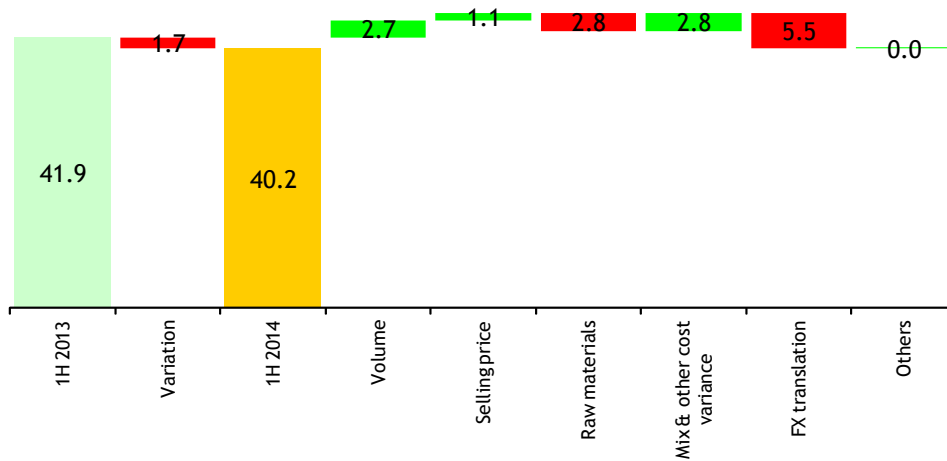


2Q 2013 – 2Q 2014

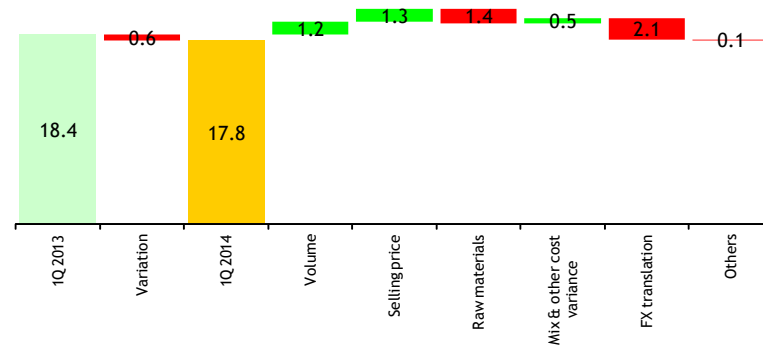


1H 2014 – Adjusted EBITDA Bridge

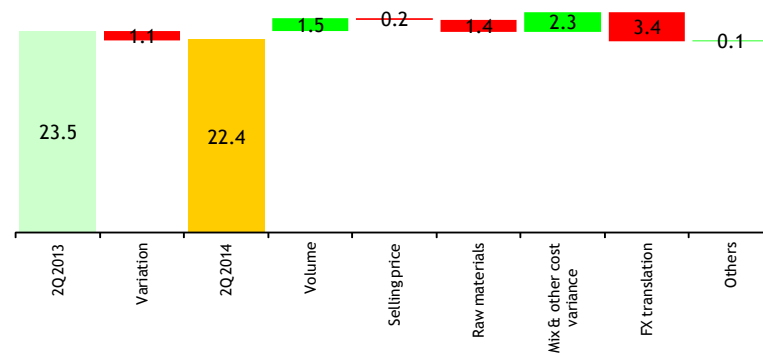
1H 2013 – 1H 2014



1Q 2013 – 1Q 2014



2Q 2013 – 2Q 2014



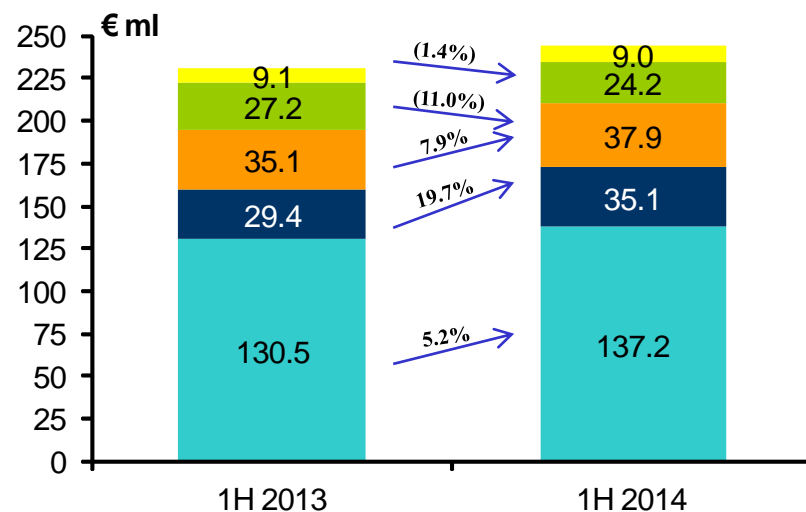
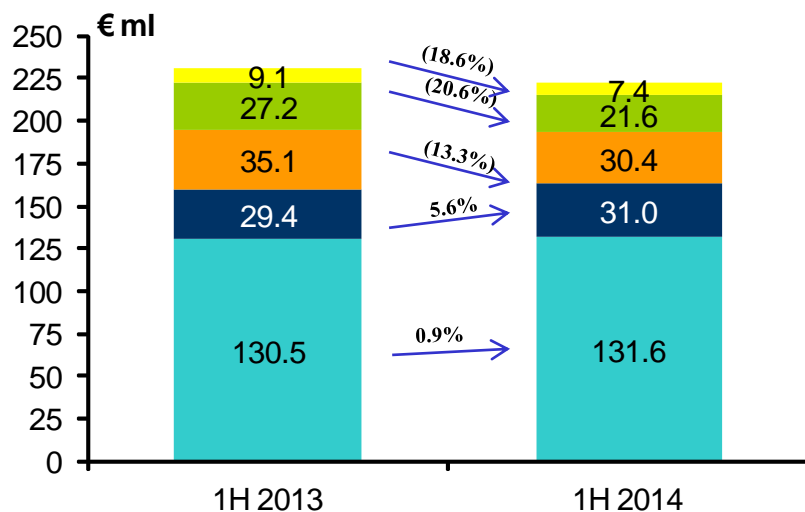
Net revenue by geographic area

REPORTED

AT COSTANT FX RATE 2013

231.2 (4.0%) 222.0




231.2 +5.3% 243.4



■ Europe
 ■ Asia
 ■ Latin and North America
 ■ Oceania
 ■ South Africa

Cash Flow – sources and uses of funds

€ / mln	1Q	2Q	1H	1Q	2Q	1H
	2013	2013	2013	2014	2014	2014
Opening cash and cash equivalents	58.5	53.7	58.5	41.2	31.2	41.2
Cash flow generated by/(used in) operating activities	8.4	9.8	18.2	(6.9)	9.4	2.5
Cash flow used in investing activities	(7.0)	(7.9)	(14.9)	(11.6)	(9.0)	(20.6)
Cash flow generated by/(used in) financing activities	(6.8)	(22.0)	(28.8)	8.2	(11.0)	(2.8)
Net cash flows for the period	(5.4)	(20.1)	(25.5)	(10.3)	(10.6)	(20.9)
Effect of exchange rate fluctuation on cash held	0.6	(1.7)	(1.1)	0.3	(0.3)	0.0
Closing cash and cash equivalents	53.7	31.9	31.9	31.2	20.4	20.4

-  CF operating: -€15.6 million vs 1H 2013 due to lower EBITDA generated in 1H 2014 (€2.2 million) and to higher negative variation in net working capital (€ 20.0 million), partly compensated by the lower cash flow for taxes (€ 1.8 million) and for other operating items (€ 4.8 million).
-  CF investing: -€5.7 million vs 1H 2013 due to the higher level of investments paid in 1H 2014.
-  CF Financing: +€26.0 million vs 1H 2013 mainly due to: a) higher proceeds from new borrowings (net of repayment of borrowings) for € 22.2 million; b) lower financial expense for debt restructuring (€ 3.2 million in the previous period); c) higher net interest expense (€ 0.4 million) and other financial items (€ 0.7 million); d) lower dividends paid to minority (€1.7 million).

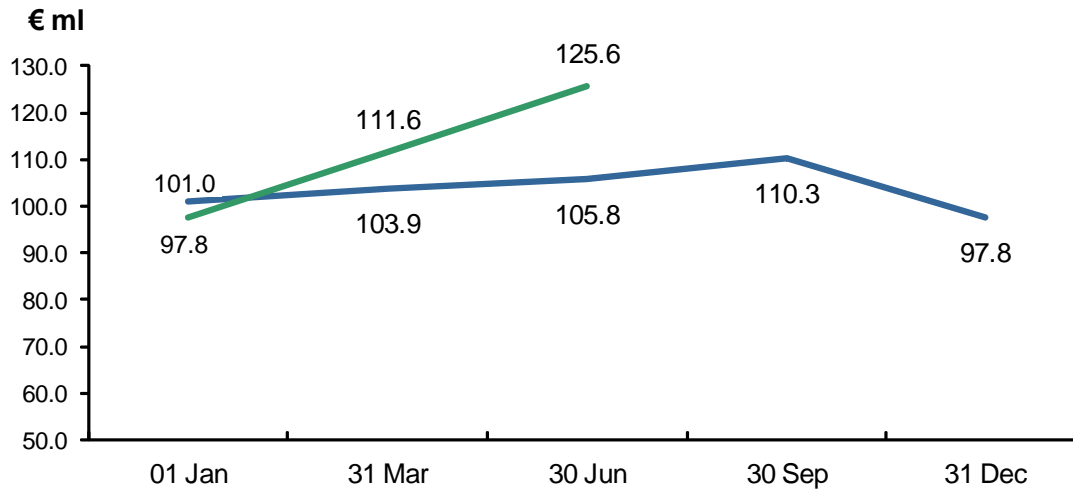
Net Working Capital

€ / ml	VALUE				
	As at 31/12/12	As at 30/06/13	As at 31/12/13	As at 31/03/14	As at 30/06/14
Trade receivables	99.6	96.6	93.1	90.1	100.9
Inventories	63.6	76.0	71.5	79.3	87.9
Trade payables	(62.3)	(66.8)	(66.8)	(57.7)	(63.2)
NWC value	101.0	105.8	97.8	111.6	125.6

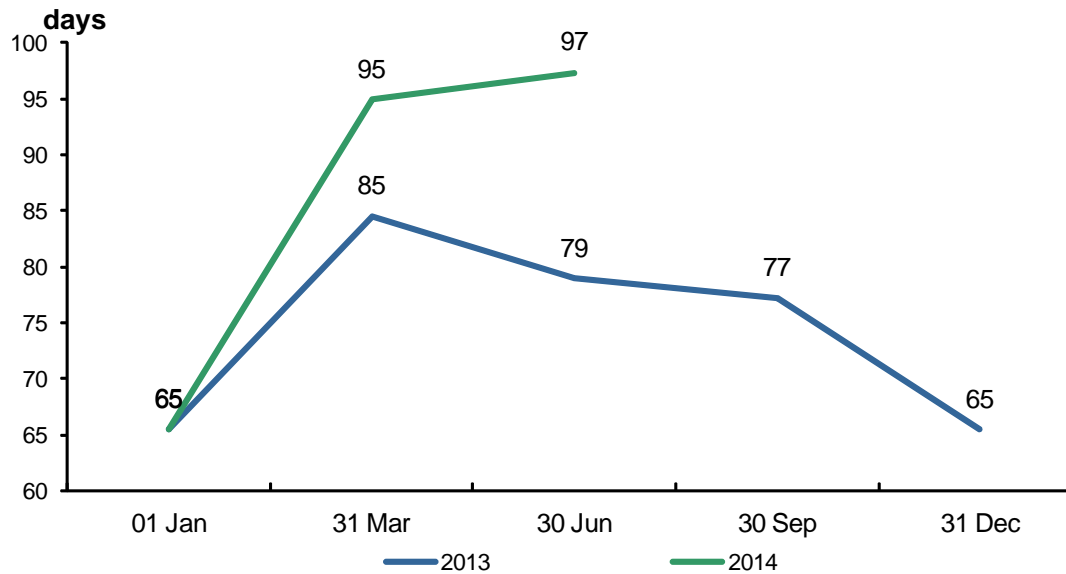
	DAYS				
	As at 31/12/12	As at 30/06/13	As at 31/12/13	As at 31/03/14	As at 30/06/14
Trade receivables	65	72	62	77	78
Inventories	41	57	48	67	68
Trade payables	(40)	(50)	(45)	(49)	(49)
NWC days	65	79	65	95	97

Net Working Capital trend

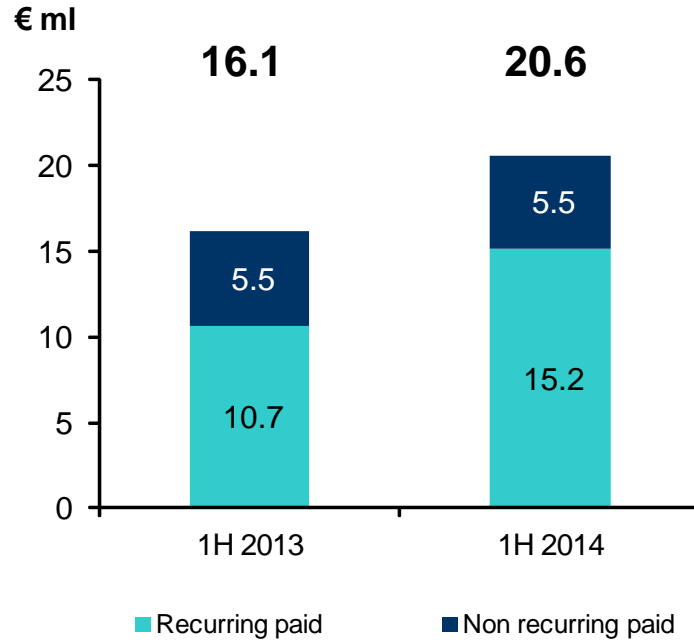
VAI



DAYS



1H 2014 - Net Capex paid



NON RECURRING 2013:

🌐 New technology: Sputtering Techn.:	€ 2.5 ml
🌐 New technology: Colombia (Bi-inj) :	€ 1.0 ml
🌐 New building: Mexico	€ 0.4 ml
🌐 New building: Ukraine	€ 0.2 ml
🌐 New building: India	€ 0.1 ml
🌐 Other:	€ 1.2 ml

NON RECURRING 2014:

🌐 New product: Brasil (DeLuxe – MLI)	€ 2.4 ml
🌐 New technology: Sputtering (Uk, Ukraine):	€ 1.3 ml
🌐 New technology: Colombia (Bi-inj):	€ 0.6 ml
🌐 New building: Poland	€ 0.5 ml
🌐 New technology: North America (digital printing)	€ 0.4 ml
🌐 New building: Mexico	€ 0.1 ml
🌐 Other:	€ 0.2 ml

Appendix

P&L – 1H 2014

Thousands of €	1Q 2013	2Q 2013	1H 2013	3Q 2013	4Q 2013	12M 2013	1Q 2014	2Q 2014	1H 2014
Net revenue	110,635	120,609	231,244	128,578	134,454	494,276	105,883	116,148	222,031
Change in invent. of finish. and semi-fin. products	4,146	4,205	8,351	569	(5,018)	3,902	9,210	5,734	14,944
Other operating income	1,835	1,972	3,807	6,115	3,240	13,161	2,508	2,851	5,359
Costs for raw materials	(49,017)	(53,877)	(102,894)	(56,219)	(54,090)	(213,203)	(53,014)	(55,554)	(108,568)
Costs for services	(23,989)	(24,072)	(48,061)	(23,942)	(22,669)	(94,673)	(21,978)	(21,801)	(43,778)
Personnel expense	(22,996)	(23,273)	(46,269)	(22,837)	(23,048)	(92,154)	(22,837)	(22,868)	(45,705)
Other operating expense	(2,510)	(2,045)	(4,555)	(2,429)	(3,279)	(10,263)	(2,318)	(2,535)	(4,853)
Gross operating profit (EBITDA)	18,104	23,519	41,624	29,835	29,589	101,048	17,455	21,974	39,429
Amortization, depreciation and impairment losses	(10,069)	(10,191)	(20,259)	(9,388)	(9,662)	(39,309)	(9,218)	(10,027)	(19,246)
Operating profit	8,036	13,329	21,364	20,447	19,927	61,739	8,237	11,947	20,184
Exchange rate	(161)	(6,076)	(6,237)	(1,851)	(5,369)	(13,457)	(709)	1,495	786
Derivatives and other financial items	469	(1,097)	(628)	655	(661)	(635)	566	(706)	(140)
Net interest expenses	(10,419)	(10,551)	(20,970)	(10,650)	(10,844)	(42,465)	(10,614)	(10,970)	(21,584)
Profit (loss) before taxation	(2,076)	(4,395)	(6,471)	8,600	3,053	5,183	(2,521)	1,766	(755)
Income taxes	(3,697)	(2,424)	(6,121)	(4,639)	(6,049)	(16,809)	(3,603)	(3,663)	(7,266)
Profit (loss) for the period	(5,773)	(6,819)	(12,592)	3,961	(2,996)	(11,626)	(6,124)	(1,896)	(8,020)
Gross operating profit (EBITDA) - ADJUSTED	18,393	23,481	41,875	30,011	30,129	102,015	17,806	22,392	40,198
<i>EBITDA ADJUSTED % on Net revenue</i>	16.6%	19.5%	18.1%	23.3%	22.4%	20.6%	16.8%	19.3%	18.1%

Balance Sheet – as at June 30, 2014

Thousands of €	As at Dec 31, 2012	As at June 30, 2013	As at December 31, 2013	As at June 30, 2014
Intangible assets	405,927	400,001	397,418	391,079
Property, plant and equipment	219,467	214,114	205,878	206,653
Net working capital	100,965	105,760	97,775	125,621
Net financial derivative liabilities	(6,393)	(5,677)	(4,982)	(3,511)
Employee benefits	(8,429)	(7,381)	(6,835)	(7,392)
Other assets/liabilities	(43,333)	(38,358)	(32,548)	(35,310)
Net invested capital	668,203	668,458	656,705	677,140
<i>Financed by:</i>				
Net financial liabilities	519,257	520,004	522,168	546,154
Cash and cash equivalents	(58,474)	(31,903)	(41,197)	(20,373)
Net financial indebtedness	460,784	488,102	480,972	525,781
Consolidated equity	207,420	180,357	175,734	151,359
Sources of financing	668,203	668,458	656,705	677,140

Cash Flow – 1H 2014

Thousands of €	1Q	2Q	1H	3Q	4Q	12M	1Q	2Q	1H
	2013	2013	2013	2013	2013	2013	2014	2014	2014
Opening cash and cash equivalents	58,474	53,669	58,474	31,903	37,169	58,474	41,197	31,221	41,197
A) Cash flows generated by operating activities									
Profit (loss) before taxation	(2,076)	(4,395)	(6,471)	8,600	3,053	5,183	(2,521)	1,766	(755)
Amortization, depreciation and impairment	10,069	10,191	20,259	9,388	9,662	39,309	9,218	10,027	19,246
Net finance costs	10,111	17,724	27,835	11,847	16,874	56,556	10,757	10,182	20,939
Change in:									
Receivables, payables and inventory	(1,728)	(8,154)	(9,882)	(6,882)	10,040	(6,724)	(17,032)	(12,860)	(29,892)
Other	(1,755)	(810)	(2,564)	443	(2,956)	(5,077)	(1,234)	3,468	2,233
VAT and indirect tax assets/liabilities	(2,145)	53	(2,092)	(1,242)	1,364	(1,970)	(1,425)	1,145	(280)
Income taxes paid	(4,100)	(4,787)	(8,886)	(4,793)	(5,234)	(18,912)	(4,630)	(4,312)	(8,943)
TOTAL A)	8,377	9,822	18,199	17,361	32,804	68,364	(6,867)	9,416	2,549
B) Cash flows used in investing activities									
Acquisitions of property, plant and equipment and intangible assets	(7,001)	(9,117)	(16,118)	(8,002)	(7,059)	(31,179)	(11,837)	(8,807)	(20,645)
Proceeds from sale of property, plant and equipment and intangibles	(3)	6	3	506	129	638	189	(183)	6
Change in non-current assets classified as held for sale	-	-	-	-	-	-	-	8	8
Subsequent measurement DGS acquisition		1,177	1,177	(1,177)	-	-		-	-
TOTAL B)	(7,004)	(7,934)	(14,938)	(8,672)	(9,863)	(33,474)	(11,648)	(8,982)	(20,630)
C) Cash flows generated by/used in financing activities									
Acquisition of non-controlling interest in Guala Closures Argentina								(81)	(81)
Financial income and expense	(5,483)	(14,360)	(19,843)	(5,868)	(14,423)	(40,133)	(5,916)	(14,301)	(20,218)
Payment of transaction cost on Bond	(1,786)	(1,401)	(3,187)	(23)	0	(3,210)	-	-	-
Other financial items	109	(207)	(98)	(467)	(92)	(656)	(384)	(351)	(735)
Dividends paid	(499)	(4,579)	(5,078)	(1,534)	(239)	(6,851)	(454)	(2,925)	(3,378)
Proceeds from new borrowings	2,161	(161)	2,000	8,411	-	10,411	16,242	7,845	24,087
Repayment of borrowings	(1,243)	(1,340)	(2,583)	(3,252)	(4,120)	(9,955)	(1,251)	(1,179)	(2,430)
Change in financial assets	(29)	53	24	(3)	125	146	(5)	(10)	(15)
TOTAL C)	(6,771)	(21,994)	(28,765)	(2,735)	(18,748)	(50,248)	8,232	(11,001)	(2,769)
D) Net cash flow for the period (A+B+C)	(5,398)	(20,106)	(25,504)	5,953	4,193	(15,358)	(10,283)	(10,567)	(20,850)
Effect of exchange rate fluctuation on cash held	594	(1,660)	(1,067)	(687)	(164)	(1,918)	307	(281)	26
Closing cash and cash equivalents	53,669	31,903	31,903	37,169	41,197	41,197	31,221	20,373	20,373