

## PRESS RELEASE

### **F.I.L.A.:** **INTERNATIONAL GROWTH CONTINUES WITH ACQUISITION OF ST CUTHBERTS, HIGHLY RENOWNED BRITISH PAPER MILL AND GLOBAL LEADER FOR ARTISTS PAPERS**

- **GROUP'S FINE ART SEGMENT LEADERSHIP CONSOLIDATED**
- **OPERATION VALUED AT GBP 5.4 MILLION**
- **MAJOR REVENUE AND COST SYNERGIES EXPECTED FROM ACQUISITION**

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**Milan, September 14, 2016** - F.I.L.A. - Fabbrica Italiana Lapis ed Affini S.p.A. ("FILA") - announces the full acquisition of St Cuthberts Holding Limited and its operating company ("St Cuthberts").

**The economic value of the operation, in line with the price paid, was equal to GBP 5.4 million.**

St Cuthberts, founded in 1907, is a highly renowned English paper mill located in the south-west of the country and involved in the production of high quality artists papers. Over time the company has specialised in watercolour papers, printmaking papers and fine arts papers, creating its products utilising a particular "cylinder mould" technique which ensures the delivery of a highly crafted product.

In 2015, St Cuthberts generated revenues of over GBP 3.2 million and an EBITDA margin of approx. 17%.

"St Cuthberts represents for FILA not only a major business opportunity, but also a strategically important acquisition" – stated Massimo Candela, Chief Executive Officer of FILA – "In the short-term we will be in a position to integrate production and achieve major revenue and cost synergies, enabling FILA to further strengthen its fine arts sector leadership".

The acquisition of the renowned English paper mill is part of the wider consolidation of the specialised artists papers sector, in which FILA already has a presence with the subsidiary Daler-Rowney, acquired in February 2016, and with Canson also expected to feature in the near future, for which the Group is in exclusive negotiations with Hamelin.

For the operation, F.I.L.A. will avail of consultancy from Leonardo & Co.-Houlihan Lokey as sole financial advisors and from Skadden, Arps, Slate, Meagher & Flom and Salonia Associati as legal advisors.

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**F.I.L.A. (Fabbrica Italiana Lapis ed Affini)**, founded in Florence in 1920 and managed since 1956 by the Candela family, is a highly consolidated, dynamic and innovative Italian industrial enterprise and continues to grow market share. In November 2015, F.I.L.A. listed on the STAR segment of the Milan Stock Exchange. The company, with revenue of over Euro 275 million in 2015, has grown significantly over the last twenty years and has achieved a series of strategic acquisitions, including the Italian Adica Pongo, the US Dixon Ticonderoga, the German LYRA, the Mexican Lapiceria Mexicana, the Brazilian Lycin and the English Daler-Rowney Lukas.

F.I.L.A. is an icon of Italian creativity globally through its colouring, drawing, modelling, writing and painting tools, thanks to brands such as Giotto, Tratto, Das, Didò, Pongo, Lyra, Dooms, Maimeri and Daler. Since its foundation, F.I.L.A. has chosen to focus on growth through continuous innovation, both in technological and product terms, in order to enable individuals to express their ideas and talent through tools of exceptional quality. In addition, F.I.L.A. and the Group companies work together with the Institutions to support educational and cultural projects which promote creativity and expression among individuals and make culture accessible to all.

F.I.L.A. operates through 14 production facilities (of which 2 in Italy) and 32 subsidiaries across the globe and employs approx. 6,000.

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#### **For further information**

##### **F.I.L.A. Investor Relations**

Stefano De Rosa, Investor Relations Officer  
Francesca Cocco, Investor Relations  
ir@fila.it  
(+39) 02 38105206

##### **For financial communication:**

Community - Strategic Communications Advisers  
Tel. +39 02 89404231  
fila@communitygroup.it

##### **F.I.L.A Press Office**

Cantiere di Comunicazione  
Eleonora Galli: (+39) 02 87383180 -186 – mob: (+39) 331 9511099  
e.galli@cantieredicomunicazione.com  
Antonella Laudadio: (+39) 02 87383180 -189  
a.laudadio@cantieredicomunicazione.com