

Altavilla Vicentina, March 28, 2011

BURGO GROUP 2010 RESULTS: RETURN TO A NET CONSOLIDATED PROFIT

The Burgo Group Board of Directors today approved the 2010 results, which recorded consolidated sales of € 2.4 billion, up 12.9% on the 2009 result (€ 2.1 billion), and an Ebitda of € 163 billion (€ 170 million).

Income before tax is positive for € 11 million compared to a loss of € 19 million in 2009, and the net consolidated result reveals a profit for the year of € 2.1 million (compared to a loss of € 12.3 million).

The quantity of paper sold in 2010 grew by 7.9% on the previous year, to 2,590,000 tonnes, thus recovering approximately half of the volume lost between 2008 and 2009. This positive result was achieved thanks in particular to both the energy sector, which boosted sales by 52.5% to € 294 million, and the pulp sector, whose sales increased by 43.4%. On the cost side, the Group had to deal with a significant increase in the price of raw materials, particularly chemical pulp. Capital expenditures were targeting primarily at improving efficiency and updating control systems, but also at the environment and security.

The Group's net financial indebtedness amounts to approximately € 1,030 million, down € 85 million on the end of the previous year; the good level of operating cash flow, the reduction in working capital and in capital expenditures are the main reasons for this improvement in the net financial position.

For the current year Burgo Group confirms the aim of consolidating the profitability and to further reducing its net financial indebtedness.