



PRESS RELEASE

Lu-ve S.p.A. announces the signing of binding contracts for acquisition of Spirotech heat exchangers, a leading Indian company in heat exchanger coils

Uboldo, 18 September 2016 – LU-VE S.p.A. (“**LU-VE**”) announces the signing of binding contracts for the acquisition of Spirotech Heat Exchangers Private Limited (“**Spirotech**”), a leading Indian company manufacturing and selling heat exchanger coils.

LU-VE, whose shares were admitted to trading on the AIM Italia market in July 2015, is the holding company of LU-VE Group, one of the main European producers of heat exchangers and ventilated products for the refrigeration, air conditioning and industrial process cooling markets, with production facilities in Europe and China.

Spirotech is an Indian company with its manufacturing facility in Bhiwadi in Rajasthan, about 60 km south of New Delhi. It produces technologically advanced heat exchangers coils (copper/aluminium and aluminium/aluminium) with more than 70% of revenues from export customers having end applications in domestic appliances, air conditioning and refrigeration. The company was founded in 1994 by Dr Rajeshwar Kumar Malhotra and Mr S. Srinivasan, the Chairman and Managing Director respectively.

LU-VE group had set up LU-VE India a few years back to undertake sales and marketing operations in India. The acquisition of Spirotech would allow LU-VE group to use the existing business and operations of Spirotech as a platform to rapidly expand its business in India and nearby countries. LU-VE group believes that there are significant synergies to be realized by integration of its existing operations in India.

Under the binding contracts, LU-VE agreed to acquire 95% shares of Spirotech from existing shareholders while the remaining 5% would be held by Mr S. Srinivasan, who would continue as the Managing Director, and who will enter at closing an agreement granting reciprocal Call/ Put options to buy and sell such 5% after 3 years from closing.

Dr. Malhotra would remain engaged with Spirotech as a Consultant and provide full support in transition as Spirotech is integrated with the LU-VE group. He would also maintain his position as non executive Chairman of Board of Directors of Spirotech, while 4 representatives from LU-VE group and an independent member would join the Board.



For the financial year ended March 2016, Spirotech clocked revenues of ~21 Million Euros, EBITDA of ~ 4.5 Million Euros and PAT of ~2.1 Million Euros. The net financial position as on July 31, 2016 is positive ~ 0.8 Million Euros.

At present, there are no existing commercial relationships between Spirotech and LU-VE Group.

The transaction entails an equity value for 100% of Spirotech equal to 33.6 Million Euros. The transaction is subject to customary closing conditions and it is expected that the closing would occur by the end of October, 2016. The acquisition would be undertaken through its 100% subsidiary company in India, LU-VE India Company Private Limited (“**LU-VE India**”)

With the acquisition of Spirotech, LU-VE Group has taken another important step in its strategy of internationalization through acquisitions, which was one of the main reasons for its stock exchange listing in 2015. Spirotech will enable LU-VE Group to significantly strengthen its production base in the Asian countries, where it is anticipated that there will be important developments for the industrial and commercial refrigeration industry due to creation of a modern cold chain to support agriculture, the food industry and commercial distribution.

The President of LU-VE Iginio Liberali said: *“We have recognized in Spirotech a company aimed by the same passion for innovation which is the value of LU-VE Group. Spirotech has been for years preferred supplier of some of the most prestigious European brands, thanks to the respect of the highest quality requirements for products and services. In addition, it is well rooted in the local market. This acquisition is of strategic importance for us. It allows LU-VE Group to expand its presence in India and into the nearby countries, to extent the range of our applications, as well as to be closer to some of our global customers. In conclusion, as President of LU-VE Group, I want to welcome the entire team of Spirotech”.*

The Chairman of Spirotech, Dr. R.K. Malhotra, said: *“The Spirotech team is delighted to become a part of LU-VE. It will enable us to pool our considerable expertise in innovation to develop the best products for the benefit of customers worldwide. It will also enable us to accelerate our growth into new markets and in manufacturing capacity and manufacturing excellence”.*

The Managing Director of Spirotech, Mr. S. Srinivasan, said: *“It is a perfect alignment whereby LU-VE can utilise Spirotech as a manufacturing base for entering new markets in Asia and other territories. The efficient, mass manufacturing capabilities of Spirotech and LU-VE’s strong presence in Europe will be a great advantage to propel growth significantly”.*



A presentation of Spirotech and of the operation will be made available on the internet site of the company at the address <http://www.luvegroup.com/it/investor-relations/informazioni-finanziarie/>. It will be explained by the Managing Directors of LU-VE during the conference call on 28 September 2016 for the presentation of the half-yearly figures.

MGPE S.r.l. and Translink Corporate Finance, with a cross-border team composed of Translink India (BMR Advisors) and Translink Italy, acted as financial advisors to LU-VE while Studio Biscozzi Nobili and BMR Legal acted as the legal advisors. SSKM & Co was the transaction advisor to the shareholders of Spirotech and JSA was the legal advisor

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LU-VE Group is an international reference point in the field of heat exchangers and components for commercial and industrial refrigeration, air conditioning, industrial applications, close control and also for glass doors for refrigeration equipment. LU-VE Group is an international group (HQ in Uboldo, Varese, Italy) with 10 production facilities in 6 different countries: Italy (3), China, Poland, Czech Republic, Russia and Sweden: more than 1600 employees Including more than 600 in Italy; 340,000 sq m of surface area (including 145,000 sq m covered); 2,350 sq m of Research & Development laboratory area; 76% of production is exported to 100 countries; consolidated turnover over €212 million (at 31.12.2015).

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