

Sale of the company

AZ SURGELATI SpA in liquidazione

Pizza production, quick-freezing and packaging.

Bankruptcy n.22/2015 Tribunal of Santa Maria Capua Vetere

Sale of company named *AZ SURGELATI SpA in liquidazione* located in Località Agglomerato Industriale San Marco – 81100 Marcianise (CE) having as company object the production, quick-freezing and packaging of pizza.

Offers must be submitted within: 06 June 2016 at 12:00

Starting price € 9.982.469

+ tax + Buyer's Premium

ABOUT THE COMPANY:

Since 1991 the company AZ SURGELATI S.P.A., now into liquidation, has been working in the production and the selling of frozen food. Over time, the company has enriched the market creating a series of products that were able to change radically the relationship between the preparation time and the joys of pizza. Among these products, the most relevant were the pizza Bio, WholeGrain and the new gluten-free. The company also used to produce both frozen pizza for the retail market and pizza in bigger sizes for the catering industry. At the beginning, they used to produce for third parties such as the brand "Bella Napoli" owned by Italgel (now property of Nestlé Italia).

In the 18,000 sqm facility their own brand or under the name of private brands. The facility was designed to produce non-stop with more than 15 weekly shifts (24/24, 5 days a week).

Over the years, the company has undergone a great expansion gaining a leadership position in Europe. The company produced for the following brands: Pulcinella, Scugnizza, Gennari, Capriccio Napoletano, Fornarina, guarnì, santa chiara, a' pizza, pizza & core, tex mex, frusta, pizzamia, pizzopia, integrali.

Export sales reached 20% of the total sales and made AZ Surgelati present in many countries including Swiss, the Netherlands, Australia, Denmark, Norway, Singapore and South Korea.

According to a sectoral analysis done by Plimsoll Publishing Limited, in 2015, AZ Surgelati was ranked 17th among the largest companies in the sector and 24th among the most profitable.

REAL ESTATE ASSETS

Industrial complex located in Marcianise (CE) including n.3 warehouses and related areas on which are located some service structures, the lot overall includes approximately 20.425 sq.m, identified in the Nuovo Catasto Urbano (Cadastre) at the page 17, p.lla 5322, sub 1 (cat. D/1) and sub 2 (cat. C/2).

The above-mentioned warehouses are located on the property of Agglomerato A.S.I. of S.Marco Evangelista and are arranged as follows:

- Warehouse n.1, includes manufacturing and production unit in which are located: N.1 primary line with oven and the necessary areas for the execution of the various activities connected to it (preparation of the semi-finished products, packaging, washing, supervision, etc.); several quick-

freezing cells; topping (ground floor) with quick-freezing cells and deposit annexed; (first floor) the locker rooms and restrooms. Overall the area covers 3.656 sq.m that has been partially damaged (both structure and lines) by a fire that took place on the 13.10.2012;

- Ware house n.2, includes other production units equipped with several accessory lines that include: quick-freezing cells, offices, locker rooms, restrooms and some hoists; (first floor) dining halls, locker rooms, restrooms, mozzarella production lines, more cells, locker rooms and restrooms. Overall the area covers 2.275 sq.m
- Warehouse n.3 includes mainly production and storage units: cells, offices (management offices, meeting room), workshop, storage, locker rooms, restrooms, hoists, production area. Overall the area covers 5.245 sq.m
- External surrounding areas are fenced and include various automatic gates and include: service areas partially for parking use, accessory service areas such as sentry boxes for security, electric and gas cabin, tented and roofed areas for machinery protection with steel structures, hoists, underground water and nitrogen tanks, underground compressor area, purification lines, fiberglass silos for flour storage, small deposits, areas for ammonia, loading and unloading area, storage and washing areas, various metallic ladders

Real estate assets currently encumbered by the following prejudicial recordings:

- Voluntary mortgage recording of the 15.05.2002 from a 8 year financing guarantee program (debt extinct)
- Voluntary mortgage of 15.01.2002 from a 10 year mortgage guarantee concession
- Voluntary mortgage of 15.01.02 from a 9 year mortgage guarantee concession

The real estate assets that constitute Azienda (Company) are located in an ASI (Industrial Development Area) area and therefore subject to the ASI Consortium of Caserta regulations. ASI has already expressed its favorable consent, on the 30.04.2014 order n.21, to the sale of the real estate assets, with the condition that:

- the entering company meets all the regulation requirements of ASI of Caserta;
- Submits request for transfer assignment according to the resolution n.88 of 01.04.09;
- Deposits to ASI Consortium the “entrance fee” according to resolution n.237 of 27.07.06 and n. 86 of 01.04.09 equal to € 4,16/sq.m, except for possible subsequent changes;
- Subscribes with the Consortium an agreement within 30 days from the presentation of the Property Title.

As the official evaluation shows, the real estate assets are located in D1- D2.D3 area of the Piano Regolatore generale (General urban development plan) in force with no particular constraints.

In such Zona Territoriale Omogenea (Homogeneous Territory Area), for the new buildings applies the relating legislation of the ASI Regulating Plan, on the contrary, for the pre-existing buildings, it is forbidden any extension, as established by the Variante al Piano Regolatore Generale (Variation of the General Regulation Plan)

Moreover the above mentioned area is included in the “Strumento per l’apparato distributivo SIAD” according to which EV, M1, M2, and GSV type commercial establishments can be built on virgin soils. EV sale surface inferior to sq.m 250; M1 sale surface inferior to sq.m 1500; M2 type sale surface inferior to 2500; GSV sale surface over 2500 sq.m

It should also be noted, as described in detail in the official evaluation, that:

- For the realization of the industrial complex many ablative titles have been obtained, all listed in detail in page 6,7,8,9,10,11 of the above mentioned evaluation
- There are some discrepancies between the cadastral blueprints and the state of the assets. As described in detail in the official evaluation, two condonation concession applications have been submitted for the extension of two structures, and have not yet been processed. As specified by CT, the structures that are awaiting for condonation are marketable according to the law in force art. 40 of L. n. 47/85.
- Slight discrepancies in internal distributions of openings and partitions, the latter are part of cd. “formal abuses” and can be regulated according to the law in force ex art. 37 del DPR n. 380/01. On the contrary some small infringements found, “result as important extension of used area, and must be removed as in contrast with the urban regulations in force”
- Such infringements/irregularities have been taken into consideration, and are listed in the evaluation.

Personal Property or capital goods:

- Technological systems
- machinery and equipment
- furniture and electronic machinery
- packaging inventories
- spare parts inventories

Intangible goods:

Brands (pulcinella, gennari, guarni pizza, az linea fornarina, az linea scugnizza, az linea pulcinella, santachiara, a' pizza, pizza & core, capriccio napoletano, pizza tex mex, frusta, pizzamia, pizzopia, integrali) licenses, authorizations, intellectual property rights, operating softwares and quality certificates that, although from an accounting point of view have been completely amortized, still hold a intrinsic value applied to the functioning of the company, and are necessary elements to regulate the company functioning, without which the same company could not regularly operate.

COURT OF SANTA MARIA CAPUA VETERE

Bankruptcy 22/2015 - AZ Surgelati Spa in Liquidazione

Delegate Judge: dott.ssa FERRARO LOREDANA

Legal Receiver: avv. PORCÙ FAUSTO

COMPANY GOODWILL

AZ Surgelati Spa in Liquidazione

Zona ASI – agglomerato ind.le San Marco

81025 – Marcianise (CE)

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dott.ssa PICCERILLO SALVATORA

ODC/CE n° 820/A

A.R. N° 97842 D.M. 15/10/99 – G.U. N° 87 del 02/11/99

C.T.U. Trib. S.M.C.V. n° 529 del 20/05/03

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The undersigned PICCERILLO SALVATORA gives notice of the possibility of including the startup, although already amortized, in the evaluation of the Company assets.

It must be considered that in 2013 AZ Surgelati Spa has already provided the renewal of the following brands: pulcinella, gennari, guarni pizza, az linea fornarina, az linea scugnizza, az linea pulcinella, santachiara, a' pizza, pizza & core, capriccio napoletano, pizza tex mex, frusta, pizzamia, pizzopia, integrali.

The above-mentioned brands consist in approximately a 56% of the global sales volume of 2010, 2011 e 2012.

There is no automatic expiration of the registered brand as a consequence of the declaration of bankruptcy by the holder of the registration.

Furthermore, the startup value has been highlighted, although with different methods, both in the Evaluation of the Company's Assets and the conclusions of the Judicial Commissioner.

Because of the actual condition of the Company, a direct evaluation method of the brands was not possible (if so, the value of the brands would be independent from the economic capital of the company). Whereas within the indirect evaluation methods (of which the value is part of the economic capital of the company) are to be excluded the both the economic and the empiric methods.

A method based on the costs allows attributing a value to the startup considering the costs that a company will have to undertake for the planning, developing and launching of the brands.

These costs can be determined in the measure of 1% of the overall value of the assets. Therefore the value of the startup has been determined in:

Overall value of the assets (Real estate and Capital goods): Euro 9.883.633

Startup value equal to 1%: Euro 98.836

Company Complex: Euro 9.982.469.

Macerata C. (CE), 30.07.15