



PRESS RELEASE
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Ontex announces agreement to acquire Grupo Mabe

Accelerating the transformation of Ontex

Aalst-Erembodegem (Belgium), 05 November 2015 – Ontex has agreed to acquire 100% of the shares of Grupo P.I. Mabe, S.A. de C.V. ("Grupo Mabe") a leading Mexican hygienic disposables business for an initial consideration of MXN 5,650 million, equal to €314 million¹, payable in cash and in Ontex shares. This includes the assumption of debt, estimated at MXN 930 million (€52 million¹). An additional deferred consideration of up to MXN 1,550 million (€86 million²) may be payable contingent upon Grupo Mabe achieving EBITDA targets for the period 2015 to 2017.

The acquisition of Grupo Mabe will add a high quality business that is a strong strategic fit and will deliver compelling returns to shareholders. This transaction represents the next phase in delivering the Ontex growth strategy, enhancing organic growth with a strategic acquisition, extending the Ontex platform outside Western Europe and deeper into growth markets, and increasing the contribution to the group from Ontex owned brands.

Grupo Mabe is a growth business based in Puebla with a strong position in the growing Mexican hygienic disposables market. Around 60% of its c. MXN 7 billion (€400 million³) sales are in Mexico, the 5th largest personal care market in the world. The remainder of their sales are in exports to other markets, primarily in the Americas region, including a strong foothold in the US. Ontex's entry into these new markets and the creation of a new Americas Division further extends the Group's platform for growth.

In Mexico, Grupo Mabe offers a full product portfolio, including Babycare, Femcare and Adult Incontinence and has become the second largest player across its Personal Care categories. It has established a clear number two market position in Babycare and number three in the small but fast growing Adult Incontinence market. Built over 38 years, innovation behind popular Grupo Mabe brands including Chicolastic and BBtips, together with a growing portfolio of retailer brands, has enabled Grupo Mabe to deliver a revenue CAGR of approximately 10% over the 2012 to 2014 period, outperforming the Mexican Hygiene market growing at approximately 7%. Grupo Mabe's consistent investments in innovation and manufacturing position the business well for future growth.

The initial consideration of 0.8x³ sales is consistent with a focus on acquiring businesses at a multiple lower than the Ontex trading multiple. Grupo Mabe's contribution including expected synergies based on economies of scale will deliver high single digit EPS accretion in the first year of ownership. The return on capital employed will exceed our Ontex cost of capital in the first year.

¹ At EUR/MXN rate of 18.0. Subject to final adjustments at closing.

² At EUR/MXN rate of 18.0

³ LTM Sales to Aug 2015 at average EUR/MXN rate

Post transaction and following the ABB, net debt/EBITDA is estimated to be 2.5x to 2.7x, excluding deferred consideration and synergies, with positive cash flow generation from the first year.

Ontex CEO Charles Bouaziz said: "We are delighted to welcome Grupo Mabe into the Ontex family. Grupo Mabe is an Ontex style business. Built on strong foundations and a team of highly capable people, Grupo Mabe has established solid market positions, built strong brands through consistent innovation and created lasting connections with its customers and consumers. Grupo Mabe also adds a new and exciting platform for growth for Ontex in the Americas, and we intend to propose to our shareholders that Grupo Mabe Founder and Chairman Gilberto Marín Quintero joins our board, so that his wealth of experience can help us to deliver on future attractive opportunities."

Grupo Mabe Founder and Chairman Gilberto Marín Quintero said: "Joining the Ontex Group represents an exciting moment in the development of Grupo Mabe. Ontex's complementary heritage and culture is extremely important to our customers, consumers and employees, and we look forward to working within Ontex to extend the reach and penetration of Grupo Mabe across its markets."

Consideration and timetable

The transaction consideration is comprised of two elements: an initial consideration, payable in cash and Ontex shares, and a potential deferred consideration payable in cash.

- Initial consideration: Initial consideration of MXN 5,650 million (€314 million¹) breaks down as follows:
 - *Debt assumption:* Currently estimated at MXN 930 million (€52 million¹)
 - *Cash:* Approximately MXN 3,358 million (€187 million¹) in cash to be funded through a combination of debt and equity, including:
 - a placing of newly issued ordinary shares launching today (see "Accelerated bookbuilt equity placement" below), and
 - the balance funded through available cash and new debt financing facilities
 - *Shares:* Up to MXN 1,362 million (€76 million⁴) in newly issued ordinary shares, through which the sellers of Grupo Mabe will become an important shareholder in Ontex. These shares will be subject to a lock-up period of 2 years following the completion of the transaction.
- Potential deferred consideration: The sellers will be further entitled to receive a deferred consideration of up to MXN 1,550 (€86 million²) payable in cash subject to Grupo Mabe achieving certain EBITDA targets for the period 2015 to 2017.

In aggregate, the shares to be issued at closing to the sellers as part of the consideration for Grupo Mabe, and the shares to be issued pursuant to the ABB launching today (see below) are expected to amount to 6,805,554 shares, equal to up to approximately 9.99% of the current issued capital and within the approved limits for new issuances under the authorized share capital of the company.

⁴ The shares will be issued at an agreed issue price per share of €27.80, leading to the issuance of up to 2,722,221 new shares (in addition to those expected to be raised in the ABB).

Completion of the transaction is subject to customary conditions including the receipt of antitrust approvals, and is expected to take place in the first quarter of 2016.

N.B: Ontex's payment obligations are denominated in Mexican pesos and US dollars. All € amounts in this press release are computed at EUR/MXN rate of 18.0.

Accelerated bookbuilt equity placement

Ontex intends to place up to 4,083,332 newly-issued ordinary shares (representing approximately 6% of current ordinary shares in issue) in an accelerated bookbuilt placement, open to institutional investors only, launching today. The issue price per share and the number of shares effectively placed will be announced after completion of the placement, expected in the course of today. Ontex has applied for suspension of trading in its ordinary shares until the announcement of the results of the placing, expected later today.

UBS Limited is acting as a Sole Financial Advisor, and Cleary Gottlieb Steen & Hamilton LLP as lead legal adviser, to Ontex on this transaction. UBS Limited is acting as Sole Global Coordinator and Bookrunner of the equity placement.

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About Grupo Mabe

Grupo Mabe is a leading Mexican manufacturer of disposable hygienic products. Its portfolio includes Babycare, Femcare and Adult Incontinence products. Grupo Mabe is the second largest player across its Personal Care categories in Mexico, number two in Babycare and number three in Adult Incontinence market. Grupo Mabe exports its products to 42 countries worldwide.

About Ontex

Ontex is a leading producer of disposable personal hygiene products, ranging from baby diapers to products for feminine hygiene and adult incontinence. Ontex's products are distributed in more than 100 countries through Ontex brands as well as leading retailer brands.

The group employs over 5,500 staff and has a presence in 23 countries. Ontex is listed on NYSE Euronext Brussels.

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- (i) to qualified investors (as defined in the Prospectus Directive or implementing legislation in the Relevant Member State) ("Qualified Investors");
- (ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than Qualified Investors); or
- (iii) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision and when used elsewhere in this announcement, the expression an "offer to the public of securities", or any similar expression, in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the placing and the securities to be offered so as to enable an investor to decide to purchase or subscribe for such securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" when used in this announcement means Directive 2003/71/EC (and the amendments thereto, including 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EC.

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