



## Ontex FY 2014: A Game Changing Year

Aalst-Erembodegem, March 5, 2015 - Ontex Group NV (Euronext Brussels: ONTEX; 'Ontex,' 'the Group' or 'the Company') today announced their unaudited results for the fourth quarter (Q4) and Full Year (FY) ending December 31, 2014.

### FY 2014 Highlights

- Revenue at €1.6 billion, up 8.3% on a reported basis and 7.0% on a like-for-like (LFL)<sup>1</sup> basis
- Solid growth of Adjusted EBITDA<sup>2</sup> by 13.0% to €196.1 million despite an adverse FX impact of €9.8 million, resulting in an Adjusted EBITDA margin expansion of 50 basis points to 12.1%
- Adjusted Free Cash Flow<sup>3</sup> below last year mainly due to rebuild of inventory in the first half of the year from low levels at the end of 2013, partly offset by higher EBITDA
- Net Debt was €585.1 million as of December 31, 2014, leading to a net financial debt/LTM Adjusted EBITDA ratio of 2.98x
- The Board of Directors has proposed a first dividend of €0.19 per share, subject to shareholder approval at the Annual General Meeting of Shareholders. This represents a payout ratio of 35% of net profit consistent with the company's dividend policy as outlined during the IPO in June 2014. On an exceptional basis, the net profit is adjusted based upon the six month period in 2014 the company was listed, and also for one-time IPO and refinancing costs of €65.4 million.

### Q4 2014 Highlights

- Revenue of €407.6 million, up 6.1% on a reported basis; revenue up 6.5% on a LFL basis
- Adjusted EBITDA<sup>2</sup> rose 5.4% year-on-year to €48.5 million despite €4.7 million of adverse FX impact, with a slight contraction versus Q4 2013 of 7 basis points in Adjusted EBITDA margin to 11.9%

### Key Financials Q4 2014 and FY 2014

<i>In € million, except per share data</i>	Q4 2014	Q4 2013	% Change		FY 2014	FY 2013	% Change
Reported Revenue	407.6	384.2	6.1%		1,615.9	1,491.9	8.3%
LFL Revenue	409.2	384.2	6.5%		1,596.5	1,491.9	7.0%
Adjusted EBITDA <sup>2</sup>	48.5	46.0	5.4%		196.1	173.6	13.0%
<i>Adj. EBITDA Margin</i>	11.9%	12.0%	<i>(7bps)</i>		12.1%	11.6%	<i>50bps</i>
Adjusted Basic EPS <sup>4</sup>	0.23	0.13	76.9%		0.95	0.61	55.7%
Adj. Free Cash Flow <sup>3</sup>	11.3	52.8	N.A.		105.5	140.0	<i>(24.6%)</i>
Net Debt	N.A.	N.A.	N.A.		585.1	849.2	<i>(31.1%)</i>

CEO Charles Bouaziz: "2014 was an outstanding year for Ontex. We grew revenue like-for-like at 7%, above the top end of our medium-term model. Q4 LFL growth of 6.5% featured a strong performance in developing markets, while developed markets also advanced in a very challenging environment. All Divisions and categories contributed positively for both the quarter and year, demonstrating the strength of Ontex's balanced portfolio: growing competitive retailer brands in developed markets, and offering our own brands for institutional channels and retail in developing markets. And we delivered profitable growth, with Adjusted EBITDA margin improving by 50 basis points while maintaining a disciplined commercial approach and continuing to invest in the business.

## REGULATED INFORMATION

2014 was also a significant year as we completely transformed our financial structure through a successful IPO and a subsequent refinancing. The IPO in June was a milestone for Ontex, which not only helped to reduce our debt, but significantly improved our profile towards customers, suppliers and employees. In November 2014 we saw an opportunity to bring forward our refinancing plans to take advantage of the low cost of debt. Our interest charge will decrease by approximately €29 million in 2015. This stronger financial position is reflected in our rating with the credit agencies.

2014 was also the year we transformed the company from an R&D and manufacturing company operating in the consumer goods business, into a more consumer-focused company. We have worked hard to put the consumer at the center of our organization and increased efforts to work with our customers. In a tough competitive environment, customers want our insight and understanding of consumer needs across product categories. We deliver products that meet consumer needs – combining performance and affordability, and anticipate new trends, fueling our future growth.

To sum up, 2014 confirmed our model to outperform the attractive categories we serve, which are driven by a combination of growing retailer brand market share, favorable demographic trends and increasing product adoption rates.”

- 1 *LFL is defined as at constant currency excluding change in perimeter of consolidation or M&A*
- 2 *Adjusted EBITDA is a non-IFRS measure, defined as EBITDA plus non-recurring expenses (including the 2014 IPO and refinancing) and revenues excluding non-recurring depreciation and amortization and has consistently been applied throughout reporting periods. EBITDA is a non-IFRS measure, defined as earnings before net finance cost, income taxes, depreciation and amortization. For further detail refer to Annex A, page 16.*
- 3 *Adjusted Free Cash Flow calculated as Adjusted EBITDA less capex, change in working capital and cash taxes paid. Adjusted FCF calculation changed from prior year quarterly disclosure to align with cash flow statement. For reconciliation with previous reporting, refer Annex A, page 17.*
- 4 *Adjusted Basic Earnings per share (Adjusted Basic EPS) excludes non-recurring expenses of €56.3 million for FY 2014; €34.0 million for Q4 2014. For definition and further detail refer to Annex A, page 15.*

## Market Dynamics

We estimate that our markets grew around 4% for the year, but with some evidence of a slowdown toward the end of the year due to competitive pressures from Retailers and Health Systems. The retail environment remained highly competitive throughout the year, placing further emphasis on the need to differentiate through innovation and quality, with retailers confirming the importance of providing “best value” solutions in the hygienic disposable categories. Retailer brands gained additional volume and value share of hygienic disposables in Western Europe. Growth was further stimulated by the exit during 2013 of Kimberly Clark (KC) from the Western European baby diaper market, which had an important impact during 2013 until mid 2014. Developing markets had strong growth, while institutional markets were stable with pressure due to government budget cuts.

Significant currency fluctuations in 2014, in particular for the Turkish Lira, Russian Rouble and Australian Dollar over the year, had an overall negative impact on revenue and Adjusted EBITDA, while movements in the British Pound were favourable.

Raw material pricing increased for the major commodity groups in 2014, as well as in Q4; strengthening of the US Dollar versus the euro, especially in the second half of the year, further increased fluff costs for Ontex. The sharp decline in oil prices in H2, and particularly Q4, did not lead to lower oil-based raw material prices in 2014 due to the time lag in our price mechanism.

## Overview of Ontex Performance in 2014

Ontex delivered a strong set of results for 2014, with revenue growing 7.0% LFL to €1.6 billion, and Adjusted EBITDA margin expanding by 50 basis points to 12.1%. Higher revenue was due in part to underlying positive market growth of around 4% based on management estimates, albeit with some signs of slower growth toward the end of the year. We also outgrew the market, based upon market share gains with our own brands and with retailer brands.

Adjusted EBITDA rose 13.0% to €196.1 million as a result of solid top line growth, the incremental contribution from Serenity in Q1 2014, and an ongoing focus on improving efficiency.

## Operational Review: Divisions

in € million	Fourth Quarter				Twelve Months			
	Q4 2014	Q4 2013	% Δ as reported	% Δ at LFL	FY 2014	FY 2013	% Δ as reported	% Δ at LFL
<b>Ontex Reported Revenue</b>	<b>407.6</b>	<b>384.2</b>	<b>6.1%</b>	<b>6.5%</b>	<b>1,615.9</b>	<b>1,491.9</b>	<b>8.3%</b>	<b>7.0%</b>
Mature Market Retail	223.1	212.3	5.1%	3.7%	904.2	845.7	6.9%	6.2%
Growth Markets	27.3	24.5	11.4%	34.3%	98.8	88.1	12.2%	25.8%
Healthcare	107.8	106.7	1.0%	0.3%	426.2	379.7	12.2%	1.8%
MEA	49.4	40.7	21.4%	20.6%	186.7	178.4	4.7%	12.8%

### Mature Market Retail

Revenue in the Mature Market Retail Division rose 3.7% in Q4 2014 on a LFL basis, and grew 6.2% on a LFL basis for FY 2014; both periods had strong comparable results in the prior year. Fourth quarter and FY 2014 sales in the majority of our top markets increased or were in line with the strong results of last year. In particular, solid growth was recorded for Q4 in the Benelux region, Southern Europe, Poland and Australia, while the UK and France were slightly below the prior year. For FY 2014, gains were seen in key markets such as the UK, Poland, Spain and Australia.

This growth is partly driven by the continuing increase of retailer brand share in our three personal hygiene categories seen over the past few years, and we increased our share of this segment, including capturing significant volumes following the exit of KC from the baby diaper market in Western Europe. 2014 demonstrated one of the underlying strengths of our model, which is supplying the high-quality, high-performance products retailers are looking for to build their brands.

### Growth Markets

The Growth Markets Division delivered strong Q4 growth of 34.3% on a LFL basis, resulting in a FY LFL increase of 25.8%. Reported revenue was negatively impacted by changes in exchange rates. Our strong fourth quarter performance in Russia was a continuation of the momentum seen in previous quarters, and also partly benefited from the rapidly changing pricing environment. In light of the sharp currency decline, industry wide price adjustments pushed prices higher in Q4, and consumer purchases also accelerated in anticipation of further price hikes. In spite of near term volatility, we see further growth opportunities for Ontex in Russia by building brands with retailer partners, based on high quality products and customer service. Next to Russia, we grew in countries of Central and Eastern Europe where the mix of modern and traditional retail fits well with our strengths.

### Healthcare

On a LFL basis, Healthcare revenue moved 0.3% higher in Q4 and up 1.8% for the year, slightly ahead of estimated market growth for institutional channels we supply. Reported revenue was higher due to the first quarter contribution of Serenity. Fourth quarter revenue grew in Italy, Spain and Benelux, which more than offset lower revenue in Germany primarily due to the scaling back of some contracts as disclosed in Q3, and in the UK.

### MEA

Q4 2014 revenue was up 20.6% LFL in the MEA Division, with FY 2014 growth ending up 12.8% on a LFL basis. Reported revenue was also negatively impacted by changes in exchange rates. These LFL revenue increases were largely driven by solid performances of our brands in Turkey, Morocco and Pakistan, where our market shares and revenue evolved favorably. We continued commercial investments to ensure brand health and enhance sales execution, in order to remain competitive against international and local brands.

## Operational Review: Categories

in € million	Fourth Quarter				Twelve Months			
	Q4 2014	Q4 2013	% Δ as reported	% Δ at LFL	FY 2014	FY 2013	% Δ as reported	% Δ at LFL
Ontex Reported Revenue <sup>1</sup>	407.6	384.2	6.1%	6.5%	1,615.9	1,491.9	8.3%	7.0%
Babycare	212.9	194.6	9.4%	9.8%	845.6	783.2	8.0%	9.5%
Femcare	50.3	49.2	2.2%	2.0%	203.6	197.5	3.1%	3.2%
Adult Inco	138.7	134.6	3.0%	3.9%	542.4	490.6	10.6%	4.2%

<sup>1</sup> Includes €5.7 million in Q4 2014; €24.3 million in FY 2014; €5.8 million in Q4 2013; €20.6 million FY 2013 from Other category

### Babycare

Babycare category revenue rose 9.8% LFL during Q4 2014, and delivered full year LFL growth of 9.5%. Sales increased due to the continuing positive environment for retailer brands in developed markets, as shown by retailer brand share of Babycare in Western Europe increasing 1 percentage point to 32.5%, as well as through our own brands in markets where retail is more fragmented.

### Femcare

The Femcare category posted higher revenue 2.0% in Q4 on a LFL basis, leading to a FY 2014 LFL increase of 3.2%, in line with market growth in the geographies we are present in. Growth was mainly achieved based on share increases with retailer brands in developed markets.

### Adult Inco

Revenue for Adult Inco was up 3.9% during the fourth quarter of 2014 and 4.2% for FY 2014, on a LFL basis. In addition to higher revenue in the institutional channel, in our retail Divisions LFL sales were up 13% and 11% respectively for the quarter and full year, as we leverage our expertise and partner with retailers for their own brands.

## Operational Review: Geographies

in € million	Fourth Quarter				Twelve Months			
	Q4 2014	Q4 2013	% Δ as reported	% Δ at LFL	FY 2014	FY 2013	% Δ as reported	% Δ at LFL
<b>Ontex Reported Revenue</b>	<b>407.6</b>	<b>384.2</b>	<b>6.1%</b>	<b>6.5%</b>	<b>1,615.9</b>	<b>1,491.9</b>	<b>8.3%</b>	<b>7.0%</b>
Western Europe	276.7	269.5	2.7%	1.4%	1,111.6	1,020.7	8.9%	4.1%
Eastern Europe	56.8	51.1	11.2%	21.5%	216.2	197.3	9.6%	15.4%
ROW	74.2	63.6	16.7%	15.9%	288.1	273.9	5.2%	11.8%

Combined revenue for Eastern Europe and ROW amounted to 32% of total Ontex revenue in Q4.

## OUTLOOK

We enter 2015 with good momentum in our business and confidence in our medium-term growth model for outperformance in attractive markets. With the competitive environment in Retail and Health Systems impacting prices in some markets in the second half of 2014, we currently anticipate that our Ontex markets in 2015 will grow towards the middle to lower end of the 3-4% range. On top, we continue to target an outperformance of 1-2%, leading to 4-6% LFL growth while delivering sustainable improvement in margins.

We seek moderate Adjusted EBITDA margin expansion of around 30 bps a year, and we will continue to rely on our own actions, including efficiency gains. Fluff costs remain at an all-time high at the beginning of 2015, above the first half of 2014, and are also strongly influenced by the US Dollar/Euro exchange rate. We will only start seeing the impact of lower oil prices on the costs of our oil-based raw materials towards the end of Q1 2015, due to the time lag in our price mechanism.

## FINANCIAL REVIEW

### Selected P&L Financial Information

in € million	Fourth Quarter			Twelve Months		
	Q4 2014	Q4 2013	% Δ	FY 2014	FY 2013	% Δ
<b>Ontex Reported Revenue</b>	<b>407.6</b>	<b>384.2</b>	<b>6.1%</b>	<b>1,615.9</b>	<b>1,491.9</b>	<b>8.3%</b>
Cost of sales	(294.5)	(279.1)	(5.5%)	(1,169.2)	(1,094.8)	(6.8%)
Gross margin	113.1	105.1	7.6%	446.7	397.1	12.5%
Operating expenses	(72.6)	(67.1)	(8.2%)	(282.8)	(255.0)	(10.9%)
Non-recurring revenue and expenses	(34.0)	(9.8)	N.A.	(56.3)	(19.6)	N.A.
Operating profit	6.5	28.2	(77.0%)	107.6	122.5	(12.2%)
Net finance cost	(29.0)	(23.6)	(22.9%)	(90.3)	(84.0)	(7.5%)
Income tax expense	4.2	(4.6)	N.A.	(8.7)	(14.0)	37.9%
Adjusted EPS	0.23	0.13	76.9%	0.95	0.61	55.7%

**Selected Liquidity Financial Information**

in € million	Fourth Quarter			Twelve Months		
	Q4 2014	Q4 2013	% Δ	FY 2014	FY 2013	% Δ
Adjusted Free Cash Flow (post tax)	11.3	52.8	N.A.	105.5	140.0	(24.6%)
- Of which change in WC	(15.6)	21.6	N.A.	(29.9)	23.9	N.A.
- Of which Capex	(19.8)	(9.3)	N.A.	(48.9)	(42.8)	14.3%
Net debt	N.A.	N.A.	N.A.	585.1	849.2	(31.1%)
Available liquidity	N.A.	N.A.	N.A.	135.5	136.3	(0.6%)

**Gross Margin**

Gross margin amounted to €446.7 million for 2014, a 12.5% increase compared to 2013, while Q4 2014 gross margin of €113.1 million was 7.6% higher year on year. As a percentage of sales, 2014 gross margin expanded to 27.6%, 102 basis points over last year, while Q4 2014 gross margin as a percentage of sales of 27.7% was 39 basis points above a year ago. The gross margin improvements can be partly attributed to increased operating leverage due to top line growth, an incremental contribution in Q1 from the Serenity acquisition as well as efficiency programs; however Q4 was more adversely impacted by changes in foreign exchange rates.

**Adjusted EBITDA**

*Adjusted EBITDA is a non-IFRS measure is defined as EBITDA plus non-recurring expenses (including the 2014 IPO and refinancing) and revenues excluding non-recurring depreciation and amortization. EBITDA is also a non-IFRS measure, defined as earnings before net finance cost, income taxes, depreciation and amortization.*

2014 Adjusted EBITDA rose by 13.0% to €196.1 million, and by 5.4% to €48.5 million in Q4. Growth for the full year was due to higher gross margins, while our main operating expenses increased broadly in line with revenue, reflecting the further strengthening of our organization as well as stronger geographical focus and increased functional support. Adjusted EBITDA for the fourth quarter increased at a lower rate than the full year, partly explained by lower gross margin expansion mentioned above, in which there was a negative foreign exchange impact, as well as a rise in sales and marketing expenses, leading to a slight contraction of Q4 Adjusted EBITDA margin.

**Foreign Exchange**

The impact of changes in foreign exchange rates on revenue for 2014 was negative, primarily in the first half of the year. This was mainly due to the negative evolution of the Turkish Lira, Russian Rouble and Australian Dollar versus the Euro, which was only partly compensated by a strengthening British Pound. In the fourth quarter, the foreign exchange impact on revenue was limited, as a lower Russian Rouble was largely offset by a strong British Pound.

Changes in foreign exchange rates impacted Adjusted EBITDA negatively in 2014, due to the above mentioned currency fluctuations. The Q4 impact on Adjusted EBITDA was on top negatively impacted by the stronger US Dollar, while the impacts of the lower Russian Rouble and strong British pound largely offset each other.

**Net Finance Costs**

The net finance cost for 2014 totalled €90.3 million, 7.5% higher than the previous year. Interest expenses on the group's debt decreased in 2014 by 12% or nearly €8 million due to a lower average level of debt since redemption of the €280 million Floating Rate Notes in July. However, these savings were more than offset by €11.6 million accelerated amortization of borrowing expenses related to the

## REGULATED INFORMATION

early redemptions of notes in July and December. In 2015, we will fully benefit from this refinancing which brings €29 million of annual interest costs savings on the remaining debt.

### **Income Tax Expense**

Income Tax Expense was €8.7 million in 2014, a decrease of 38% compared to previous year.

### **Working Capital**

2014 working capital was at 11.4% of revenue compared to 10.9% in 2013. The increase is mainly due to a temporary buildup of VAT receivables in Italy, which is expected to unwind in 2016, as well as rebuilding baby diaper inventories in the first half of 2014 from low levels at the end of 2013 as previously disclosed. Q4 working capital needs increased by €15.6 million, partly explained by a negative impact from supplier payment cycle timing, as mentioned last quarter, whereby some supplier payments shifted into Q4.

### **Capex**

Capital expenditures for 2014 were €48.9 million, representing 3% of sales and in line with our model.

### **Adjusted Free Cash Flow (post tax)**

*Adjusted Free Cash Flow calculated as Adjusted EBITDA (see definition above) less capex, change in working capital and cash taxes paid.*

For 2014 adjusted free cash flow was €105.5 million, a decrease of 24.6% compared to 2013 primarily due to the increase of working capital detailed above, partly compensated by higher Adjusted EBITDA.

### **Financing and Liquidity**

Cash and cash equivalents were €35.5 million at December 31, 2014.

Net debt at December 31, 2014 amounted to €585.1 million, and net leverage based on the last twelve months Adjusted EBITDA was 2.98x.

The revolving credit facility of €100 million was undrawn at the end of December 2014, and available liquidity was €135.5 million.

### **Dividends**

The Board of Directors has proposed a first dividend of €0.19 per share, representing a payout ratio of 35% and consistent with the company's dividend policy as outlined during the IPO in June 2014. The proposed dividend has been prorated to reflect the six month period of the 2014 financial year for which the shares were listed. In addition, given the exceptional nature of the IPO and subsequent refinancing costs, the Board has proposed, as a one-time exception, to exclude the non-recurring and finance expenses related to these two events for the purpose of the dividend calculation. The dividend is subject to shareholder approval at the Annual General Meeting of Shareholders.

## **Notes to the Unaudited Consolidated Financial Information**

### **Note 1 Corporate Information**

The above press release and related financial information of Ontex Group NV for the twelve months ended December 31 2014 was authorized for issue in accordance with a resolution of the Board on March 4, 2015.

### **Note 2 Legal Status**

Ontex Group NV is a limited-liability company incorporated in the form of a naamloze vennootschap under Belgian law. Ontex Group NV has its registered office at Korte Keppestraat 21/31, 9320 Erembodegem (Aalst), Belgium. The shares of Ontex Group NV are listed on the regulated market of Euronext Brussels.

### **Note 3 Accounting Policies**

The accounting policies used to prepare the financial statements for the period from January 1, 2014 to December 31, 2014 are consistent with those applied in the audited consolidated financial statement for the year ended December 31, 2013 of Ontex I Sà.r.l..

The accounting policies have been consistently applied to all the periods presented.

### **Note 4 Events after the Reporting Period**

There are no events after the end of the reporting period.

### **Note 5 Auditors Report**

The statutory auditor has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement in the draft consolidated accounts, and that the accounting data reported in the press release is consistent, in all material respects, with the draft accounts from which it has been derived.

### **Note 6 Information on 2014 and 2015 Divisional Structure**

Following a review of the Group's customers and countries, a slight modification to the 4 Divisions has been made for which revenue is reported, effective January 1 2015. A limited amount of activities which represent in aggregate less than 2% of Group revenue have been re-assigned to the Growth Markets Division from Mature Market Retail, Middle East Africa (MEA) which becomes Middle East North Africa (MENA), and Healthcare. Quarterly revenue data for 2013 and 2014, as well as reported and LFL changes for 2014 compared to 2013, are included in Annex B, as a basis for comparison in future reporting.



## CONFERENCE CALL

Management will host a presentation for investors and analysts on March 5, 2015 at 8:00am GMT / 9:00am CET. A copy of the presentation slides will be available at <http://www.ontexglobal.com/>.

If you would like to participate in the conference call, please dial-in 5 to10 minutes prior using the details below:

**United Kingdom:** +44 20 3427 1905

**United States:** +1 718 971 5738

**Belgium:** +32 2 402 3092

**Passcode:** 6629963

## FINANCIAL CALENDAR 2015

First Quarter 2015	May 11, 2015
Annual General Meeting	May 26, 2015
Second Quarter and Half Year 2015	July 29, 2015
Third Quarter and Nine Months 2015	November 5, 2015

## ENQUIRIES

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## ANNEX A – ONTEX GROUP NV UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

### Unaudited Consolidated Income Statement

	Fourth Quarter		Twelve Months	
	2014 Successor	2013 Predecessor	2014 Successor	2013 Predecessor
<i>in € million</i>				
Revenue	407.6	384.2	1,615.9	1,491.9
Cost of sales	(294.5)	(279.1)	(1,169.2)	(1,094.8)
<b>Gross margin</b>	<b>113.1</b>	<b>105.1</b>	<b>446.7</b>	<b>397.1</b>
Distribution expenses	(38.6)	(37.7)	(151.4)	(136.3)
Sales and marketing expenses	(22.4)	(19.8)	(84.0)	(78.0)
General administrative expenses	(12.0)	(11.2)	(44.9)	(41.1)
Other operating income/(expense), net	0.4	1.6	(2.5)	0.4
Non-recurring revenue and expenses	(34.0)	(9.8)	(56.3)	(19.6)
<b>Operating profit</b>	<b>6.5</b>	<b>28.2</b>	<b>107.6</b>	<b>122.5</b>
Finance income	5.0	6.3	13.9	17.9
Finance costs	(34.0)	(29.9)	(104.2)	(101.9)
<b>Net finance cost</b>	<b>(29.0)</b>	<b>(23.6)</b>	<b>(90.3)</b>	<b>(84.0)</b>
<b>Profit before income tax</b>	<b>(22.5)</b>	<b>4.6</b>	<b>17.3</b>	<b>38.5</b>
Income tax expense	4.2	(4.6)	(8.7)	(14.0)
<b>Profit for the period</b>	<b>(18.3)</b>	<b>-</b>	<b>8.6</b>	<b>24.5</b>
Profit attributable to:				
Owners of the parent	(18.3)	-	8.6	22.9
Non-controlling interests	-	-	-	1.6
<b>Profit for the period</b>	<b>(18.3)</b>	<b>-</b>	<b>8.6</b>	<b>24.5</b>

**Unaudited Consolidated Statement of Financial Position**

	<b>December 31, 2014</b>	<b>December 31, 2013</b>
	<b>Successor</b>	<b>Predecessor</b>
<i>in € million</i>		
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Goodwill and other intangible assets	864.6	864.8
Property, plant and equipment	296.5	282.0
Deferred tax assets	10.4	0.3
Receivables	-	0.1
	<b>1,171.5</b>	<b>1,147.2</b>
<b>Current Assets</b>		
Inventories	200.9	182.2
Trade receivables	204.3	199.0
Prepaid expenses and other receivables	55.9	37.4
Current income tax	6.1	3.8
Derivative financial assets	7.3	1.1
Cash and cash equivalents	35.5	61.4
	<b>510.0</b>	<b>484.9</b>
<b>TOTAL ASSETS</b>	<b>1,681.5</b>	<b>1,632.1</b>

**Unaudited Consolidated Statement of Financial Position (continued)**

	December 31, 2014 Successor	December 31, 2013 Predecessor
<i>in € million</i>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the company</b>		
Share capital & Premium	799.7	420.0
Cumulative translation differences	(18.3)	(19.9)
Retained earnings and other reserves	(110.4)	(64.4)
<b>Controlling interests</b>	<b>671.0</b>	<b>335.7</b>
Non-controlling interests	-	23.5
<b>TOTAL EQUITY</b>	<b>671.0</b>	<b>359.2</b>
<b>Non-current liabilities</b>		
Employee benefit liabilities	19.6	15.8
Provisions	0.2	0.1
Interest-bearing debts	618.2	896.7
Other non-current financial liabilities	5.0	10.0
Deferred income tax liabilities	22.3	14.8
Other payables	-	2.3
	<b>665.3</b>	<b>939.7</b>
<b>Current liabilities</b>		
Interest-bearing debts	2.4	13.9
Derivative financial liabilities	5.5	1.9
Other current financial liabilities	5.0	8.0
Trade payables	254.5	240.9
Accrued expenses and other payables	22.3	16.0
Social liabilities	28.8	25.9
Current income tax liabilities	20.9	19.0
Provisions	5.8	7.5
	<b>345.2</b>	<b>333.2</b>
<b>TOTAL LIABILITIES</b>	<b>1,010.5</b>	<b>1,272.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,681.5</b>	<b>1,632.1</b>

**Unaudited Consolidated Condensed Statement of Cash Flow**

	Fourth Quarter		Twelve Months	
	2014 Successor	2013 Predecessor	2014 Successor	2013 Predecessor
<i>in € million</i>				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Net profit/(loss) for the year</b>	<b>(18.3)</b>	-	<b>8.6</b>	<b>24.5</b>
Adjustments for non cash items and non-operating items	49.7	60.4	156.8	124.7
<b>Cash from operating activities before taxes</b>	<b>31.4</b>	<b>60.4</b>	<b>165.4</b>	<b>149.2</b>
Income tax paid	(1.8)	(5.5)	(11.8)	(14.7)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>29.6</b>	<b>54.9</b>	<b>153.6</b>	<b>134.5</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of property, plant and equipment and intangibles (including capital grants)	(19.8)	(9.3)	(48.9)	(42.8)
Gain on disposal	1.4	-	4.6	-
Acquisition price paid	-	-	(8.0)	(73.2)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(18.4)</b>	<b>(9.3)</b>	<b>(52.3)</b>	<b>(116.0)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from acquisition (net cash)	-	-	-	2.1
Proceeds from borrowings	630.0	-	630.0	77.4
Borrowing expenses paid	(13.0)	-	(13.0)	-
Repayment of borrowings	(630.1)	(20.6)	(911.3)	(2.4)
Interest paid	(32.5)	(30.1)	(69.2)	(64.3)
Interest received	0.1	0.5	0.2	(0.5)
Cost of refinancing & Other costs of financing	(35.9)	(2.1)	(40.2)	(11.0)
Realised foreign exchange (losses)/gains on financing activities	(1.1)	(1.0)	(0.2)	(4.2)
Derivative financial asset	(2.8)	-	(2.8)	5.6
IPO expenses paid through equity	-	-	(25.3)	-
IPO expenses paid through income statement	(1.4)	-	(20.5)	-
Capital increase	-	-	325.1	-
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>(86.7)</b>	<b>(53.3)</b>	<b>(127.2)</b>	<b>3.7</b>

	Fourth Quarter		Twelve Months	
	2014 Successor	2013 Predecessor	2014 Successor	2013 Predecessor
<i>in € million</i>				
<b>NET INCREASE IN CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS</b>	<b>(75.5)</b>	<b>(7.7)</b>	<b>(25.9)</b>	<b>22.2</b>
<b>CASH, CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>111.0</b>	<b>69.1</b>	<b>61.4</b>	<b>39.2</b>
<b>CASH, CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>35.5</b>	<b>61.4</b>	<b>35.5</b>	<b>61.4</b>

**Additional Financial Information****EARNINGS PER SHARE**

<i>in €</i>	<b>Q4 2014 Successor</b>	<b>Q4 2013 Predecessor(**)</b>	<b>FY 2014 Successor</b>	<b>FY 2013 Predecessor (**)</b>
Basic Earnings per share	(0.27)	-	0.13	0.34
Diluted Earnings per share	(0.27)	-	0.13	0.34
Adjusted Basic Earnings per share (*)	0.23	0.13	0.95	0.61
Adjusted Diluted Earnings per share	0.23	0.13	0.95	0.61
Total number of shares as of December 31, 2014	68,055,555	68,055,555	68,055,555	68,055,555

(\*) Adjusted basic earnings defined as profit for the period plus non-recurring expenses and tax effect on non-recurring expenses, attributable to the owners of the parent

(\*\*) All earnings per share for 2013 are calculated based on the number of shares at the closing of the IPO which resulted in a total of 68,055,555 shares

As of December 31, 2014, no effects of dilution affect the net profit attributable to ordinary equity holders and the weighted average number of ordinary shares.

**Additional information: Reconciliation of Non-IFRS Financial Measures**

	Fourth Quarter		Twelve Months	
	2014 Successor	2013 Predecessor	2014 Successor	2013 Predecessor
<i>in € million</i>				
<b>Reconciliation of operating profit to net income before interest, tax, depreciation and amortization (EBITDA)</b>				
<b>Operating Profit</b>	<b>6.5</b>	<b>28.2</b>	<b>107.6</b>	<b>122.5</b>
Depreciation and amortization (*)	7.4	9.1	32.5	33.8
<b>EBITDA (**)</b>	<b>13.9</b>	<b>37.3</b>	<b>140.1</b>	<b>156.3</b>
<b>Reconciliation of net income before interest, tax, depreciation and amortization (EBITDA) to adjusted EBITDA</b>				
<b>EBITDA</b>	<b>13.9</b>	<b>37.3</b>	<b>140.1</b>	<b>156.3</b>
Non-recurring expenses excluding amortization	34.6	8.7	56.0	17.3
<b>Adjusted EBITDA (***)</b>	<b>48.5</b>	<b>46.0</b>	<b>196.1</b>	<b>173.6</b>

**Reconciliation (Loss)/profit of the period (Basic Earnings) to Adjusted Basic Earnings**

<b>Profit for the period</b>	<b>(18.3)</b>	<b>-</b>	<b>8.6</b>	<b>22.9</b>
Non-recurring expenses attributable to owners of the Parent	34.0	9.1	56.3	18.3
Tax correction	-	-	-	-
<b>Adjusted Basic Earnings</b>	<b>15.7</b>	<b>9.1</b>	<b>64.9</b>	<b>41.2</b>

(\*) Depreciation and amortization (D&A) included €8.0 million of recurring D&A and (€0.6) of non-recurring D&A in Q4 2014. D&A included €8.0 million of recurring D&A and €1.1 million of non-recurring D&A for the Q4 2013. Depreciation and amortization (D&A) included €32.2 million of recurring D&A and €0.3 of non-recurring D&A in FY 2014. D&A included €31.5 million of recurring D&A and €2.3 million of non-recurring D&A for the FY 2013.

(\*\*) EBITDA is a non-IFRS measure. EBITDA is defined as earnings before net finance cost, income taxes, depreciation and amortization.

(\*\*\*) Adjusted EBITDA is a non-IFRS measure. Adjusted EBITDA is defined as EBITDA plus non-recurring expenses excluding non-recurring depreciation and amortization



**Additional information: Reconciliation of Non-IFRS Financial Measures**

<i>in € million</i>	Fourth Quarter		Twelve Months	
	2014 Successor	2013 Predecessor	2014 Successor	2013 Predecessor
<b>Reconciliation of Adjusted free cash-flow</b>				
<b>Operating profit</b>	<b>6.5</b>	<b>28.2</b>	<b>107.6</b>	<b>122.5</b>
Depreciation and Amortization	7.4	9.1	32.5	33.8
<b>EBITDA</b>	<b>13.9</b>	<b>37.3</b>	<b>140.1</b>	<b>156.3</b>
Non-recurring expenses	34.6	8.7	56.0	17.3
<b>Adjusted EBITDA</b>	<b>48.5</b>	<b>46.0</b>	<b>196.1</b>	<b>173.6</b>
Change in Working Capital				
Inventories	2.4	(2.8)	(20.6)	7.8
Trade and other receivables	6.1	16.3	(23.0)	18.4
Trade and other payables	(24.1)	8.1	13.7	(2.3)
Capex	(19.8)	(9.3)	(48.9)	(42.8)
<b>Adjusted Free Cash Flow (pre-tax)</b>	<b>13.1</b>	<b>58.3</b>	<b>117.3</b>	<b>154.7</b>
Cash taxes paid	(1.8)	(5.5)	(11.8)	(14.7)
<b>Adjusted Free Cash Flow (post-tax)</b>	<b>11.3</b>	<b>52.8</b>	<b>105.5</b>	<b>140.0</b>

The Group has revised the presentation of adjusted free cash flow and includes the cash inflows and outflows from non-recourse factoring arrangements in the adjusted free cash flow in line with the changes in working capital in the Unaudited Consolidated Interim Statement of Cash Flow. The revised presentation is valid since the interim financial reporting for the half year period ended June 30, 2014 of Ontex Group N.V. A bridge to the reported figures has been made:

Reconciliation of Non-IFRS Measures – Adjusted FCF calculation	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter
<i>in € million</i>	2013	2013	2013	2013	2014
<b>Adjusted Free Cash Flow (post-tax)</b>	<b>14.0</b>	<b>37.5</b>	<b>35.7</b>	<b>52.8</b>	<b>5.5</b>
Cash inflows (-) and outflows (+) from non-recourse factoring arrangements	-	(21.0)	(14.4)	(0.9)	(1.5)
<b>Adjusted Free Cash Flow (post-tax) - Previously reported</b>	<b>14.0</b>	<b>16.5</b>	<b>21.3</b>	<b>51.9</b>	<b>4.0</b>

## ANNEX B – 2013 AND 2014 DATA UNDER NEW DIVISIONAL COMPOSITION

### Reported Revenue – 2014 Structure as shown in this press release

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
<b>Total</b>	<b>400.2</b>	<b>409.7</b>	<b>398.4</b>	<b>407.6</b>	<b>1,615.9</b>
Mature Market Retail	220.4	232.8	227.9	223.1	904.3
Growth Markets	21.8	25.2	24.4	27.3	98.8
MEA	51.6	45.8	40.0	49.4	186.7
Healthcare	106.4	105.9	106.1	107.8	426.1

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013
<b>Total</b>	<b>340.5</b>	<b>387.8</b>	<b>379.4</b>	<b>384.2</b>	<b>1,491.9</b>
Mature Market Retail	202.1	216.7	214.6	212.3	845.7
Growth Markets	19.6	21.8	22.1	24.5	88.0
MEA	51.5	47.0	39.3	40.7	178.5
Healthcare	67.3	102.3	103.4	106.7	379.7

### Reported Growth – 2014 Structure as shown in this press release

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
<b>Total</b>	<b>17.5%</b>	<b>5.7%</b>	<b>5.0%</b>	<b>6.1%</b>	<b>8.3%</b>
Mature Market Retail	9.1%	7.4%	6.2%	5.1%	6.9%
Growth Markets	11.2%	15.8%	10.4%	11.4%	12.2%
MEA	0.2%	-2.6%	1.7%	21.4%	4.6%
Healthcare	58.1%	3.5%	2.6%	1.0%	12.2%

### LFL Growth – 2014 Structure as shown in this press release

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
<b>Total</b>	<b>9.6%</b>	<b>7.3%</b>	<b>4.9%</b>	<b>6.5%</b>	<b>7.0%</b>
Mature Market Retail	9.5%	7.1%	4.7%	3.7%	6.2%
Growth Markets	22.4%	26.6%	18.9%	34.3%	25.9%
MEA	15.0%	8.7%	6.7%	20.6%	12.8%
Healthcare	2.1%	3.1%	1.7%	0.3%	1.7%

**Reported Revenue – 2015 Structure as basis for future reporting**

	<b>Q1 2014</b>	<b>Q2 2014</b>	<b>Q3 2014</b>	<b>Q4 2014</b>	<b>FY 2014</b>
<b>Total</b>	<b>400.2</b>	<b>409.7</b>	<b>398.4</b>	<b>407.6</b>	<b>1,615.9</b>
Mature Market Retail	216.9	229.0	224.4	219.8	890.1
Growth Markets	28.0	31.5	30.7	33.7	123.8
MENA	49.8	44.3	38.1	47.1	179.2
Healthcare	105.5	105.0	105.2	107.0	422.7

	<b>Q1 2013</b>	<b>Q2 2013</b>	<b>Q3 2013</b>	<b>Q4 2013</b>	<b>FY 2013</b>
<b>Total</b>	<b>340.5</b>	<b>387.9</b>	<b>379.4</b>	<b>384.2</b>	<b>1,491.9</b>
Mature Market Retail	199.3	213.4	212.0	209.4	834.1
Growth Markets	25.5	27.1	27.2	29.8	109.6
MENA	49.1	45.8	37.6	39.1	171.5
Healthcare	66.7	101.5	102.6	105.9	376.7

**Reported Growth – 2015 Structure as basis for future reporting**

	<b>Q1 2014</b>	<b>Q2 2014</b>	<b>Q3 2014</b>	<b>Q4 2014</b>	<b>FY 2014</b>
<b>Total</b>	<b>17.5%</b>	<b>5.6%</b>	<b>5.0%</b>	<b>6.1%</b>	<b>8.3%</b>
Mature Market Retail	8.9%	7.3%	5.9%	5.0%	6.7%
Growth Markets	9.7%	16.1%	12.9%	13.1%	13.0%
MENA	1.5%	-3.3%	1.3%	20.4%	4.5%
Healthcare	58.3%	3.4%	2.5%	1.0%	12.2%

**LFL Growth – 2015 Structure as basis for future reporting**

	<b>Q1 2014</b>	<b>Q2 2014</b>	<b>Q3 2014</b>	<b>Q4 2014</b>	<b>FY 2014</b>
<b>Total</b>	<b>9.6%</b>	<b>7.3%</b>	<b>4.9%</b>	<b>6.5%</b>	<b>7.0%</b>
Mature Market Retail	9.2%	6.8%	4.3%	3.6%	6.0%
Growth Markets	17.5%	25.4%	19.9%	31.7%	23.9%
MENA	16.8%	8.2%	6.4%	19.6%	12.9%
Healthcare	2.3%	3.0%	1.6%	0.3%	1.8%

## **DISCLAIMER**

This report may include forward-looking statements. Forward-looking statements are statements regarding or based upon our management's current intentions, beliefs or expectations relating to, among other things, Ontex's future results of operations, financial condition, liquidity, prospects, growth, strategies or developments in the industry in which we operate. By their nature, forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results or future events to differ materially from those expressed or implied thereby. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein.

Forward-looking statements contained in this report regarding trends or current activities should not be taken as a report that such trends or activities will continue in the future. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on any such forward-looking statements, which speak only as of the date of this report.

In most of the tables of this report, amounts are shown in € million for reasons of transparency. This may give rise to rounding differences in the tables presented in the report.

This report has been prepared in English and translated into Dutch. In the case of discrepancies between the two versions, the English version will prevail.