



PRESS RELEASE

## **Ontex comments on recent European Commission decision on Belgian tax ruling**

Aalst-Erembodegem (Belgium), 27 January 2016

On January 11 2016, the European Commission announced its decision in relation to its investigation into Belgium's excess profit tax ruling system, characterising this system as illegal state aid. As a consequence, regardless of any appeal against this decision, the Belgian State will be required to recover this alleged state aid granted to taxpayers under this system in the previous 10 years. The Belgian Government will have to determine the method of recovery, based on the principles and parameters set forth by the European Commission in its decision and in consultation with the European Commission.

Ontex, through its Belgian subsidiary Ontex BVBA, had an excess profit ruling covering the years 2011 – 2015. We currently do not expect to be required to make any payment under the recovery procedure for the years 2011-2014, and no impact is expected on the tax expense for 2015. This is a consequence of the Company's historic tax losses on which only a limited deferred tax asset had been recognised.

The European Commission's decision is likely to result in a reduction of the tax losses available for Ontex to carry forward into 2016 and later years. As the method of recovery has yet to be determined, it is not possible to quantify the impact at this time.

The Belgian State and the companies who have or had a ruling affected by the decision of the European Commission, including Ontex, have the possibility to lodge an appeal against this decision before the General Court of the European Union. Ontex always strives to respect the laws of the countries in which it operates, as was the case for this ruling system available to companies in Belgium. We will examine the Commission's decision when it becomes available and any further development in this matter, and will consider the possibility to appeal and other options for recourse.

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### **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.