



PRESS RELEASE
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Inside information

Ontex announces agreement to acquire the personal hygiene business of Hypermarcas

Continuing Ontex's transformation journey

Aalst-Erembodegem (Belgium), December 23, 2016 – Ontex Group NV (Euronext Brussels: ONTEX) announced today that it has entered into an agreement to acquire the personal hygiene business of Hypermarcas S.A. (hereafter "HM personal hygiene") for an enterprise value of R\$1 billion (€286 million¹)

The acquisition of HM personal hygiene supports the Ontex strategy by extending our market position in the Americas to Brazil, increasing sales from Ontex-owned brands, and accessing a fast growing market for adult incontinence.

Over the past twelve months, HM personal hygiene has generated revenue² of approximately R\$1.2 billion (€343 million¹) in the growing baby care and adult incontinence categories in Brazil, with a portfolio of strong local brands including:

- Baby care
 - PomPom – a premium offering with nearly 50 years of heritage
 - Cremer – a strong offering in the intermediate segment
 - Sapeka – a regional leader in the value segment
- Adult Incontinence
 - BigFral – the market reference in adult incontinence
 - AdultMax – entry proposition to the category

HM personal hygiene is the market leader in the adult incontinence category and holds a solid number 3 position in Baby care in Brazil, the 4th largest hygiene market in the world. HM personal hygiene has outperformed the market since 2012.

Ontex CEO Charles Bouaziz commented: "We are very excited to welcome HM personal hygiene into the Ontex community. This business has achieved leading market positions in the baby care and adult incontinence categories, built on attractive brands which respond to consumer needs, and strong sales execution. Following the successful integration of Grupo Mabe in Mexico, adding this business to our Americas Retail Division will give us strong positions in 2 of the top 5 personal hygiene markets in the world. This is another major step forward for Ontex, confirming that our development into a leading international consumer company is fully on track."

Note 1: Ontex's payment obligations are denominated in Brazilian Reals. All € amounts in this press release are computed at EUR/BRL rate of 3.5.

Note 2: Last twelve months revenue is pro forma revenue of Hypermarcas' personal hygiene business for the period October 2015 to September 2016 and according to Brazilian GAAP.

Financials and timetable

The contribution from HM personal hygiene, including synergies, is expected to result in double digit EPS accretion and a return on capital employed exceeding Ontex's cost of capital in the first year of ownership. After cost synergies, we anticipate modest growth in adjusted EBITDA margins for the enlarged Ontex Group in 2017.

We have full support from our lending banks for debt facilities to fund the acquisition. At completion we would expect net debt/last twelve months (LTM) Adjusted EBITDA to be in a range of 3.2x to 3.4x, within our stated leverage range for a strategic acquisition. We also expect continued cash generation to result in net debt/LTM Adjusted EBITDA of around 3.0x by the end of 2017. We will continue to actively manage the balance sheet to maintain an efficient, flexible and resilient capital structure.

Completion of the transaction is subject to a number of customary conditions as well as certain transaction-specific conditions including completion of the carve-out of HM personal hygiene from Hypermarcas S.A. and related governmental approvals and confirmations, and is currently expected to take place in the first quarter of 2017.

Conference Call

Management will host a presentation for investors and analysts on December 23, 2016 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 to 10 minutes prior using the details below:

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A replay of the call will be available for 14 days from December 23, 2016 at:

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About Hypermarcas

Founded in 2001, Hypermarcas is Brazil's national champion in pharmaceutical products. The company has 14% market share in units, ranking #1 in the market. It competes in all relevant segments of the sector, with leadership positioning in several of them.

For more information on Hypermarcas, please visit www.hypermarcas.com.br.

About Ontex

Ontex is a leading producer of personal hygiene products, ranging from baby diapers to products for feminine hygiene and adult incontinence. Ontex's products are distributed in more than 110 countries through Ontex brands as well as leading retailer brands.

The group employs over 8,000 staff and has a presence in 25 countries. Ontex is listed on NYSE Euronext Brussels and is part of the Bel20 and STOXX® Europe 600.

DISCLAIMER

This press release includes 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 and the HM's personal hygiene business 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 press release 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 press release.

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