Ontex: Continued momentum in H1 2014 with 8.4% LFL revenue growth and improved profitability

Aalst-Erembodegem, August 29, 2014 - Ontex Group NV (Euronext Brussels: ONTEX; 'Ontex,' 'the Group' or 'the Company') and Ontex IV S.A. today announced their unaudited interim results for the three and six month periods ending June 30, 2014.

Key Ontex Group Highlights H1 2014

- Revenue at €809.9 million, up 11.2% on a reported basis; revenue up 8.4% on a like-for like (LFL)[1] basis
- Continued improvement in Adjusted EBITDA[2], up 19.5% year-on-year to €98.6 million
- Adjusted EBITDA margin up 84 bps to 12.2%
- Working capital consumption drives decrease in Adjusted Free Cash Flow[3], although partially offset by lower tax payments and capital expenditures due to phasing
- Net Debt[4] reduced to €532.8 million and pro forma[5] net financial debt/LTM adjusted EBITDA ratio at 3.0x as of June 30, 2014 resulting in further strengthening of the financial structure post IPO

Key Ontex Group Highlights Q2 2014

- Revenue at €416.2 million, up 5.6% on a reported basis and 7.3% on a LFL basis, in line with expectations at the time of the IPO
- Adjusted EBITDA[2] up 11.0% at €49.4 million and Adjusted EBITDA margin at 12.1%, up 58 bps

Key Ontex Group Financials H1 2014 and Q2 2014

in € million, except per share data	Q2 2014	Q2 2013	% Change		H1 2014	H1 2013	% Change
Reported Revenue	409.7	387.8	*5.6%*		809.9	728.3	*11.2%*
LFL Revenue	416.2	387.8	*7.3%*		789.3	728.3	*8.4%*
Adjusted EBITDA[2]	49.4	44.5	*11.0%*		98.6	82.5	*19.5%*
Adj. EBITDA Margin	*12.1%*	*11.5%*	*58 bps*		*12.2%*	*11.3%*	*84 bps*
Adjusted EPS[6]	0.25	0.13	*N.M.*		0.50	0.26	*N.M.*
Adj. Free Cash Flow[7]	40.7	37.5	*8.5%*		46.2	51.5	*(10.3%)*
Net Debt	N.A.	N.A.	*N.A.*		532.8	886.7	*(39.9%)*

Charles Bouaziz, CEO of Ontex commented: *'Our performance in the second quarter of 2014 was a continuation of the trends seen in 2013 and in the first three month of the year, with a robust performance across all our key product groups. In our mature markets, we have continued to support retailers in the development of their brands, whilst favourable demographics and the development of our Ontex brands has delivered very strong top line growth in our MEA and Growth markets divisions. With our continued focus on sustainable growth, we have leveraged this performance to deliver improvements in profitability, whilst adding additional capacity during the first half to support future growth.*

1 *LFL is defined as at constant currency excluding change in perimeter of consolidation or M&A*

2 *Adjusted EBITDA for Ontex IV SA at €99.0 million for H1 2014; €49.6 million for Q2 2014. Adjusted EBITDA is a non-IFRS measure, defined as EBITDA plus non-recurring expenses 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*

3 *Adjusted Free Cash Flow calculated as Adjusted EBITDA less capex, change in working capital and cash taxes paid. Adjusted FCF calculation changed from previous quarterly disclosure to align with cash flow statement. For reconciliation with previous reporting, refer to Page 18 from the earnings report.*

4 *Net Debt for Ontex IV SA at €847.5 million as of June 30, 2014 and the difference with Ontex Group NV (€532.8 million) is mainly explained by the net proceeds from the IPO primary issue.*

5 *Pro-forma net debt adjusted for IPO costs to be paid from proceeds of the IPO*

6 *Adjusted Basic Earnings per share (Adjusted EPS) excludes non-recurring expenses of €22.0 million for H1 2014; €19.7 million for Q2 2014. For definition and further detail refer to Page 10-11.*

7 *Adjusted FCF post tax calculated as adjusted EBITDA less capex, change in working capital and cash taxes paid. Adjusted FCF for Ontex IV SA at €43.6 million for H1 2014; €38.1 million for Q2 2014*

Market Dynamics

The general macro environment observed in the first quarter of 2014 has broadly remained unchanged in the second quarter of 2014, with a variable impact in the different geographies.

Within our mature markets, our clients have continued to leverage the withdrawal of Kimberly-Clark (K-C) from the Western European baby diaper market, as they look to further expand their retailer brands. As such, their focus has been on driving sales, improving positioning through quality and innovation, and increasing marketing efforts that will yield positive results going forward.

While we still had strong headwinds from foreign exchange in Q1, the impact in Q2 versus the prior year was moderate. In particular, the appreciation during the second quarter, of the British Pound, Australian Dollar and Turkish Lira has helped limiting the adverse impact from currency movements on our results. This was slightly offset by the appreciation of the U.S. Dollar in which we make significant raw material purchases.

The raw material price fluctuations were moderate and in line with expectations. Additionally, the anticipated rise in the prices of raw materials for FY 2014 has been partly mitigated by sales price increases, commodity hedging arrangements and supplier contract negotiations and savings programs.

Overview of Ontex Performance in H1 2014

The Group demonstrated a solid performance across the board in all product groups and divisions, and delivered continued growth. Group sales of €809.9 million represents an increase of 11.2% compared to H1 2013 on a reported basis, and 8.4% on a LFL basis. In Western Europe, the Group continued to see an increased share of retailer brands in this region and the healthcare division performed in line with expectations. Furthermore, the Growth Markets and MEA divisions also registered double digit growth on a LFL basis, in H1 2014, on the back of continuing favourable growth drivers such as demographic trends, increasing product adoption rates, and a good performance of our brands.

Adjusted EBITDA grew 19.5% to €98.6 million, due to the strong growth of the business, consolidation of Serenity, combined with operating leverage and efficiency gains. The adverse impact from currency movements and the moderate increases in raw material prices were more than offset by the results of our continuous improvement programs.

REVENUE

Operational Review: Divisions

	Second Quarter				Half Year			
	Q2 2014	Q2 2013	% Δ as reported	% Δ at LFL	H1 2014	H1 2013	% Δ as reported	% Δ at LFL
Ontex Reported Revenue	€409.7m	€387.8m	5.6%	7.3%	€809.9m	€728.3m	11.2%	8.4%
Mature Markets	€232.8m	€216.7m	7.4%	7.1%	€453.2m	€418.8m	8.2%	8.2%
Growth Markets	€25.2m	€21.8m	15.6%	26.6%	€47.0m	€41.4m	13.5%	24.6%
MEA	€45.8m	€47.0m	(2.6%)	8.7%	€97.4m	€98.5m	(1.1%)	12.0%
Healthcare	€105.9m	€102.3m	3.5%	3.1%	€212.3m	€169.6m	25.2%	2.7%

Mature Market Retail
Sales in Mature market retail grew strongly, up 8.2% year-on-year in H1 2014 as the Group continued to support retailers grow their share of market. The momentum generated from the K-C withdrawal in the Western European baby diaper market continued to contribute to the division's performance, particularly in the UK, as retailers looked to build their brands and capture volumes. However, benefits from the K-C withdrawal are now largely complete. The division experienced also strong performance in Poland with key customers.

Growth Markets
Growth markets saw stellar performance in H1 2014, albeit on a small base, increasing sales by 24.6% on a LFL basis through continued penetration in Central Europe. Russia demonstrated strong growth across all categories despite political instability, helped by the local manufacturing facility. However, the depreciation of the Russian Rouble impacted results with the division up 13.5% on a reported basis.

MEA
The MEA division continued to deliver positive results with LFL revenues up 12.0% in H1 2014. Reported sales were lower by 1.1% over the same period in 2013 on the back of currency headwinds in the region. The Company has strengthened its position in one of its key markets, Turkey, by rising to second position in another key region in the country. Furthermore, the Company also witnessed strong performance in Morocco and Pakistan.

Healthcare
LFL Sales in Healthcare were up 2.7% year-on-year, performing slightly ahead of the market growth in H1 2014. The UK and Ireland demonstrated good progress over the period which can be attributed primarily due to the home delivery segment. Additionally, the division saw good traction in two of its core markets: France, through contracts gains, and Italy, through renewals of public tender contracts. The Serenity business, which was fully consolidated from Q2 2013 onwards, continues to perform in line with management expectations.

Operational Review: Categories

	Second Quarter				Half Year			
	Q2 2014	Q2 2013	% Δ as reported	% Δ at LFL	H1 2014	H1 2013	% Δ as reported	% Δ at LFL
Ontex Reported Revenue[1]	€409.7m	€387.8m	5.6%	7.3%	€809.9m	€728.3m	11.2%	8.4%
Babycare	€218.6m	€204.5m	6.9%	9.1%	€428.8m	€395.7m	8.4%	11.4%
Adult Inco	€134.1m	€129.5m	3.6%	4.8%	€269.0m	€226.8m	18.6%	4.2%
Femcare	€50.7m	€48.0m	5.6%	6.3%	€100.1m	€96.2m	4.1%	4.8%

1 *Includes €6.3 million in Q2 2014; €12.0 million in H1 2014 from Other category*

Babycare

Ontex benefitted from an increased penetration of retailer brands in the Western European baby diaper market, as some retailers, in conjunction with Ontex, continued to proactively promote their own brands as a direct alternative to the A-brands. As a result, the Company's flexible approach to retailer branding has been further strengthened. Ontex is focussed on further reinforcing its position in the category through the roll-out of its latest innovation of a thinner diaper, "Supercore II", in Western Europe.

Adult Inco

Sales of incontinence products increased 4.2% year-on-year on a LFL basis with robust sales growth in the institutional as well as retail channels. The growth can be attributed primarily to a strong performance in Russia and Turkey, growth of existing business as well as new contracts in the Western European retailer market as well as the positive developments in the institutional market.

Femcare

Femcare was up 4.8% year-on-year on a LFL basis thanks to contract wins phasing in in Western Europe and robust growth in the Growth Markets division.

Operational Review: Geographies

	Second Quarter				Half Year			
	Q2 2014	Q2 2013	% Δ as reported	% Δ at LFL	H1 2014	H1 2013	% Δ as reported	% Δ at LFL
Ontex Reported Revenue	€409.7m	€387.8m	5.6%	7.3%	€809.9m	€728.3m	11.2%	8.4%
Western Europe	€282.2m	€265.6m	6.2%	5.3%	€559.2m	€484.5m	15.4%	6.7%
Eastern Europe	€55.1m	€49.9m	10.4%	14.8%	€102.7m	€97.1m	5.8%	10.6%
ROW	€72.4m	€72.3m	0.1%	9.5%	€148.0m	€146.7m	0.9%	12.3%

Ontex's geographical mix remained stable, with Eastern Europe and Rest of the World regions totalling 31.0% of total reported Group sales. Growth remained strong across all geographies on a LFL basis. In MEA, sales generated in Turkey account for less than half of total sales.

STRATEGIC PROGRESS & PRIORITIES

The Company is continuing to progress on the major strategic initiatives outlined earlier in the year, aiming to fully execute on the defined action plan that will secure sustainable profitable growth in the long term. For the remainder of the year, the Company is well positioned to ramp up its production output in the event of continuing favourable market trends and further push from our retailer clients. Furthermore, in order to support the growth of the business, we continue to execute on the planned upscaling of central sales, marketing, R&D and support functions.

We are also focused on capitalising on the recent IPO to continue to optimise our capital structure, and as such have started to assess refinancing options for the remaining debt in order to reduce interest costs. The management team continues to assess the macro environment and expects raw material prices to rise slightly in the third quarter. On a full year basis, we expect the overall impact of raw material price fluctuations to be moderate and partially mitigated by savings programs and the current commodity hedging policies and contract terms in place.

FINANCIAL REVIEW

Gross Margin

Gross margin was €222.3 million in H1 2014, an increase of 16.9% year-on-year. This gross margin represents 27.4% of sales for the period, up 133 bps over the prior year. The increase in gross margin can be partly attributed to the Serenity acquisition. Serenity has higher gross margins to cover the increased distribution and logistical costs related to home delivery. Additionally, the favourable impact from the operating leverage (as a result of the business growth) and continuous improvement programs has more than offset the adverse impact from currency movements and raw material price increases.

Adjusted EBITDA

Adjusted EBITDA increased by 19.5% year-on-year in H1 2014 to €98.6 million, ahead of the revenue and gross margin growth. Some of the factors mentioned above contributed to this increase, including active management of cost saving programs and manufacturing operational leverage as the business grows in scale. Adjusted EBITDA also benefitted from the fact that the marketing activity in H1 2014 was relatively low and from the integration of Serenity.

Foreign Exchange

Although positive developments from the British Pound, the Australian Dollar and the Turkish Lira during the second quarter helped limit the foreign exchange impact on sales and adjusted EBITDA, we report overall a net adverse impact from currency evolutions on the H1 sales and adjusted EBITDA.

Net currency headwinds had a negative impact on Adjusted EBITDA of €5.2 million for H1 2014 (€1.0 million for Q2 2014). The negative impact from mainly the Turkish Lira, Russian Rouble and the Australian Dollar are only partially offset by favourable impact from the British Pound and the U.S. Dollar.

The Group continues to actively monitor currency movements and has implemented hedging strategies to limit volatility on a long-term basis. The volatility on the Turkish Lira, and to a lesser extent on the Russian Rouble are also partially mitigated by local production in those countries.

Non-recurring revenue and expenses

Non-recurring revenue and expenses primarily relate to the costs of the IPO. More details can be found in Note 9 of the Unaudited Condensed Interim Financial Statements for the quarters ended June 30, 2014 and June 30, 2013.

Working Capital

Working capital was mainly impacted by a rise in inventory levels and trade receivables leading to a consumption of €29.6 million in H1 2014. The build-up in inventories can be partially attributed to stockpiling of raw materials in remote countries, such as Algeria and Pakistan, to ensure the Company can meet local demand in light of the unstable political environment. Furthermore, Ontex has returned to adequate levels of stock in baby diapers following the lower levels at the end of last year as a result of the high demand post K-C withdrawal. Receivables also increased in the period, following a shift in customer mix towards customers with longer payment terms and an increase of VAT receivables, particularly in Italy. The increase in working capital has been partially mitigated by additional non-recourse factoring.

Cash Tax

Cash Taxes paid amounted to €4.1 million, compared to €8.0 million in H1 2013, mainly as a result of 2014 tax prepayments in Italy shifting towards H2 2014, compared to H1 in the prior year.

Capex

Capex spend was 30.0% lower than in H1 2013 and totalled €18.7 million in H1 2014, in line with expectations and the planned investments program. For 2014, management continues to expect capex funding needs to remain broadly in line with FY 2013 with levels at approximately 3% of sales.

Adjusted Free Cash Flow (post tax)

Adjusted Free Cash Flow is calculated as Adjusted EBITDA less capex, change in working capital and cash taxes paid. The Adjusted FCF calculation has been changed from previous quarterly disclosures to align with the presentation of the cash flow statement whereby non-recourse factoring is accounted for in net cash generated from operating activities. For a reconciliation with previous reporting, refer to Page 18 of the earnings report.

Adjusted Free Cash Flow generation for the six month period amounted to €46.2 million, a 10.3% decrease from the previous year. The increase in Adjusted EBITDA contribution was offset by the increase in working capital requirements due to higher inventory and receivables balances.

Financing and Liquidity

Cash and Cash equivalents stood at €65.3 million on June 30, 2014 excluding the €313.1 million of net cash proceeds from the IPO. Those net proceeds were used to repay the €280 million floating rate notes and to pay the remaining costs related to the IPO, both subsequent to the period end. The revolving credit facility was undrawn at €75.0 million at the end of the period. As a result, pro forma (adjusted for FRN repayment and IPO costs to be paid) available liquidity totalled €140.3 million as of June 30, 2014.

CONFERENCE CALL AND WEBCAST

Management will host a presentation for investors and analysts on August 29, 2014 at 3:00pm BST / 4:00pm CEST. A copy of the presentation slides and a live webcast of the presentation will be available at http://www.ontexglobal.com/.

CORPORATE GOVERNANCE

Please refer to the relevant Management and Corporate Governance sections on pages 113 through 126 of the Prospectus dated June 10, 2014. This Prospectus can be found on the corporate website of Ontex Group NV: http://www.ontexglobal.com/.

MATERIAL RISK FACTORS

There have been no material changes to the risk factors disclosed in the Prospectus dated June 10, 2014 on pages 26 through 38.

ENQUIRIES

Investors
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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Ontex Group NV certifies in the name and on behalf of Ontex, that to the best of their knowledge, the condensed consolidated financial statements, established in accordance with International Financial Reporting Standards ("IFRS"), give a true and fair view of the assets, financial position and results of Ontex and of the entities included in the consolidation.

The financial report gives an accurate overview of the information that needs to be disclosed pursuant to paragraphs 5 and 6 of article 13 of the Royal Decree of 14 November 2007.

ANNEX A – ONTEX GROUP NV UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Statutory auditor's report on review of consolidated condensed financial information for the period ended 30 June 2014

To the Board of Directors Ontex Group NV

Statutory auditor's report on review of consolidated condensed financial information for the period ended 30 June 2014

Introduction

We have reviewed the accompanying unaudited condensed consolidated statement of financial position of Ontex Group NV and its subsidiaries as of 30 June 2014 and the related unaudited condensed consolidated income statement, the unaudited condensed consolidated statement of comprehensive income, the unaudited condensed consolidated changes in equity and the unaudited condensed consolidated statement of cash flows for the 6-month period then ended, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of this unaudited condensed interim financial information in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Gent, 28 August 2014

The statutory auditor
PwC Reviseurs d'Entreprises sccrl / Bedrijfsrevisoren bcvba
Represented by

Peter Opsomer*
Bedrijfsrevisor

*Peter Opsomer BVBA
Board Member, respresented by its fixed representative,
Peter Opsomer

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Unaudited Condensed Consolidated Interim Income Statement

		Second Quarter		First Half	
		2014 Successor	2013 Predecessor	2014 Successor	2013 Predecessor
in € million	**Note**				
Revenue	3	409.7	387.8	809.9	728.3
Cost of sales		(296.3)	(284.5)	(587.6)	(538.1)
Gross margin		**113.4**	**103.3**	**222.3**	**190.2**
Distribution expenses		(38.2)	(35.1)	(75.8)	(63.1)
Sales and marketing expenses		(21.3)	(20.3)	(41.1)	(39.2)
General administrative expenses		(11.2)	(10.2)	(22.0)	(19.2)
Other operating income/(expense), net		(1.3)	(1.3)	(0.8)	(1.9)
Non-recurring expenses (*)	9	(19.7)	(5.0)	(22.0)	(7.4)
Operating profit		**21.7**	**31.4**	**60.6**	**59.4**
Finance income		3.3	2.4	6.1	7.6
Finance costs		(21.9)	(25.2)	(45.2)	(48.9)
Net finance cost		**(18.6)**	**(22.8)**	**(39.1)**	**(41.3)**
(Loss) / Profit before income tax		**3.1**	**8.6**	**21.5**	**18.1**
Income tax expense		(5.8)	(4.2)	(9.6)	(6.8)
(Loss) /Profit for the period from continuing operations		**(2.7)**	**4.4**	**11.9**	**11.3**
(Loss) / Profit for the period		**(2.7)**	**4.4**	**11.9**	**11.3**
(Loss) / Profit attributable to:					
Owners of the parent		(2.7)	4.1	11.9	10.6
Non-controlling interests		-	0.3	-	0.7
(Loss) / Profit for the period		**(2.7)**	**4.4**	**11.9**	**11.3**

(*) Non-recurring expenses is a non-IFRS measure defined in note 9.

The notes 1 to 12 are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

EARNINGS PER SHARE

in €	Q2 2014 Successor	Q2 2013 Predecessor(**)	H1 2014 Successor	H1 2013 Predecessor (**)
Basic Earnings per share	(0.04)	0.06	0.17	0.16
Diluted Earnings per share	(0.04)	0.06	0.17	0.16
Adjusted Basic Earnings per share (*)	0.25	0.13	0.50	0.26
Adjusted Diluted Earnings per share	0.25	0.13	0.50	0.26
Total number of shares as of June 30, 2014	68,055,555	68,055,555	68,055,555	68,055,555

(*) Adjusted basic earnings defined as (Loss)/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

In accordance with IAS 33, diluted earnings per share amounts have to be calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for the effects of all dilutive potential ordinary shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

In case of Ontex Group, as of June 30, 2014, no effects of dilution affect the net profit attributable to ordinary equity holders and the weighted average number of ordinary shares.

Unaudited Condensed Consolidated Interim Income Statement (continued)

		Second Quarter		First Half	
		2014	2013	2014	2013
		Successor	Predecessor	Successor	Predecessor
in € million	**Note**				
Additional information: Reconciliation of Non-IFRS Financial Measures					
Reconciliation of net income before interest, tax, depreciation and amortization (EBITDA)					
Operating Profit		21.7	31.4	60.6	59.4
Depreciation and amortization (*)		8.1	8.5	16.1	16.4
EBITDA (**)		**29.8**	**39.9**	**76.7**	**75.8**
Reconciliation of net income before interest, tax, depreciation and amortization (EBITDA) to adjusted EBITDA (**)		**29.8**	**39.9**	**76.7**	**75.8**
Non-recurring expenses excluding amortization		19.6	4.6	21.9	6.7
Adjusted EBITDA (***)		**49.4**	**44.5**	**98.6**	**82.5**
Reconciliation (Loss)/profit of the period (Basic Earnings) to Adjusted Basic Earnings		**(2.7)**	**4.1**	**11.9**	**10.6**
Non-recurring expenses attributable to owners of the Parent		19.7	4.7	22.0	6.9
Tax correction		-	-	-	-
Adjusted Basic Earnings		**17.0**	**8.8**	**33.9**	**17.5**

(*) Depreciation and amortization (D&A) included €8.0 million of recurring D&A and €0.1 of non-recurring D&A in Q2 2014. D&A included €8.1 million of recurring D&A and €0.4 million of non-recurring D&A for the Q2 2013. Depreciation and amortization (D&A) included €16.0 million of recurring D&A and €0.1 of non-recurring D&A in H1 2014. D&A included €15.7 million of recurring D&A and €0.7 million of non-recurring D&A for the H1 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

The notes 1 to 12 are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

Unaudited Condensed Consolidated Interim Statement of Comprehensive Income

		Second Quarter		First Half	
		2014 Successor	2013 Predecessor	2014 Successor	2013 Predecessor
in € million	**Note**				
Income / (loss) for the period		**(2.7)**	**4.4**	**11.9**	**11.3**
Other comprehensive income/(loss) for the period, after tax:					
Exchange differences on translating foreign operations		2.1	(5.3)	2.1	(5.0)
Actuarial gains/(losses)		-	-	-	-
Cash flow hedge		-	-	(0.4)	-
Other		2.4	-	2.4	0.1
Other comprehensive income /(loss) for the period, net of tax		**4.5**	**(5.3)**	**4.1**	**(4.9)**
Total comprehensive income/(loss) for the period		**1.8**	**(0.9)**	**16.0**	**6.4**
Total comprehensive income attributable to:					
Owners of the parent		1.8	(0.9)	16.0	6.0
Non-controlling interests		-	-	-	0.4
Total comprehensive income/(loss) for the period		**1.8**	**(0.9)**	**16.0**	**6.4**

All elements of the other comprehensive income will be reclassified subsequently to the income statement.

The notes 1 to 12 are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

Unaudited Condensed Consolidated Statement of Financial Position

in € million	Note	June 30, 2014 Successor	Dec 31, 2013 Predecessor	June 30, 2013 Predecessor
ASSETS				
Non-current Assets				
Goodwill and other intangible assets	4	864.4	864.8	864.2
Property, plant and equipment	5	288.6	282.0	290.4
Deferred tax assets		0.3	0.3	0.1
Non-current receivables		0.1	0.1	0.2
		1,153.4	**1,147.2**	**1,154.9**
Current Assets				
Inventories		198.9	182.2	185.0
Trade receivables		222.8	199.0	222.8
Prepaid expenses and other receivables		52.9	37.4	39.6
Current income tax		4.6	3.8	5.7
Derivative financial assets		1.5	1.1	1.5
Cash and cash equivalents	8	378.4	61.4	51.1
		859.1	**484.9**	**505.7**
TOTAL ASSETS		**2,012.5**	**1,632.1**	**1,660.6**

The notes 1 to 12 are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

Unaudited Condensed Consolidated Statement of Financial Position (continued)

in € million	Note	June 30, 2014 Successor	Dec 31, 2013 Predecessor	June 30, 2013 Predecessor
EQUITY AND LIABILITIES				
Equity attributable to owners of the company				
Share capital		799.7	420.0	420.0
Cumulative translation differences		(19.2)	(19.9)	(11.9)
Consolidated reserves		(105.7)	(64.4)	(76.1)
Controlling interests		674.8	335.7	332.0
Non-controlling interests		-	23.5	23.3
TOTAL EQUITY		**674.8**	**359.2**	**355.3**
Non-current liabilities				
Employee benefit liabilities		15.7	15.8	16.1
Provisions		0.1	0.1	0.1
Interest-bearing debts	8	898.0	896.7	893.0
Other non-current financial liabilities		5.0	10.0	10.0
Deferred income tax liabilities		14.8	14.8	13.4
Other payables		0.1	2.3	1.5
		933.7	**939.7**	**934.1**
Current liabilities				
Interest-bearing debts	8	13.2	13.9	44.8
Derivative financial liabilities		4.1	1.9	-
Other current financial liabilities		5.0	8.0	8.0
Trade payables		297.1	240.9	239.6
Accrued expenses and other payables		24.8	16.0	21.9
Social liabilities		27.5	25.9	25.4
Current income tax liabilities		25.2	19.0	19.5
Provisions		7.1	7.5	12.0
		404.0	**333.2**	**371.2**
TOTAL LIABILITIES		**1,337.7**	**1,272.9**	**1,305.3**
TOTAL EQUITY AND LIABILITIES		**2,012.5**	**1,632.1**	**1,660.6**

The notes 1 to 12 are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

Unaudited Condensed Consolidated Interim Statement of Cash Flow

		Second Quarter		First Half	
		2014 Successor	2013 Predecessor	2014 Successor	2013 Predecessor
in € million	**Note**				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit/(loss) for the year		(2.7)	4.4	11.9	11.3
Adjustments for:					
Income tax expense		5.8	4.2	9.6	6.8
Depreciation and amortisation		8.1	8.5	16.1	16.4
(Profit)/loss on disposal of property, plant and equipment		0.7	0.7	0.7	0.8
Provisions (including employee benefit liabilities)		(0.2)	(27.7)	(0.8)	(33.7)
IPO expenses through Income statement		21.1	-	21.1	-
Unrealised F/x difference on operating activities		0.7	1.4	2.2	1.3
Finance costs - net (including unrealised F/x difference on financing)		18.5	22.8	39.1	41.3
Changes in working capital:					
Inventories		1.5	11.3	(17.4)	3.7
Trade and other receivables and prepaid expenses		21.1	4.7	(38.1)	(6.4)
Trade and other payables and accrued expenses		(18.1)	(6.0)	25.9	6.4
Social liabilities		(0.5)	(2.3)	1.5	0.9
Net cash from operating activities		**56.0**	**22.0**	**71.7**	**48.8**
Income tax paid		(2.5)	(6.5)	(4.1)	(8.0)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**53.5**	**15.5**	**67.6**	**40.8**
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital Expenditure		(10.7)	(10.5)	(18.7)	(26.7)
Acquisition price paid		(8.0)	(73.2)	(8.0)	(73.2)
NET CASH USED IN INVESTING ACTIVITIES		**(18.7)**	**(83.7)**	**(26.7)**	**(99.9)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from acquisition (net cash)		-	2.1	-	2.1

		Second Quarter		First Half	
		2014 Successor	2013 Predecessor	2014 Successor	2013 Predecessor
in € million	**Note**				
Proceeds from borrowings		-	-	-	77.4
Other proceeds from financing		-	30.0	-	30.0
Repayment of borrowings		(0.5)	(0.7)	(1.0)	(1.2)
Net interest paid		(28.7)	(28.7)	(33.0)	(30.1)
Cost of refinancing & Other costs of financing		(1.0)	(6.3)	(2.6)	(7.6)
Realised foreign exchange (losses)/gains on financing activities		0.5	(0.9)	1.0	(3.4)
Derivative financial asset		-	1.5	-	3.8
IPO expenses paid in equity		(6.1)	-	(6.1)	-
Capital increase (net of IPO expenses)		317.8	-	317.8	-
NET CASH GENERATED FROM FINANCING ACTIVITIES		**282.0**	**(3.0)**	**276.1**	**71.0**
MOVEMENT IN PERIOD		**316.8**	**(71.2)**	**317.0**	**11.9**
CASH, CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**61.6**	**122.3**	**61.4**	**39.2**
CASH, CASH EQUIVALENTS AT THE END OF THE PERIOD		**378.4**	**51.1**	**378.4**	**51.1**

The notes 1 to 12 are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

Unaudited Condensed Consolidated Interim Statement of Cash Flow (continued)

in € million	Second Quarter 2014 Successor	Second Quarter 2013 Predecessor	First Half 2014 Successor	First Half 2013 Predecessor
Additional information: Reconciliation of Non-IFRS Financial Measures Reconciliation of Adjusted free cash-flow				
Operating profit	**21.7**	**31.4**	**60.6**	**59.4**
Depreciation and Amortization	8.1	8.5	16.1	16.4
EBITDA	**29.8**	**39.9**	**76.7**	**75.8**
Non-recurring expenses	19.6	4.6	21.9	6.7
Adjusted EBITDA	**49.4**	**44.5**	**98.6**	**82.5**
Change in Working Capital				
Inventories	1.5	11.3	(17.4)	3.7
Trade and other receivables	21.1	4.7	(38.1)	(6.4)
Trade and other payables	(18.1)	(6.0)	25.9	6.4
Capex	(10.7)	(10.5)	(18.7)	(26.7)
Adjusted Free Cash Flow (pre-tax)	**43.2**	**44.0**	**50.3**	**59.5**
Cash taxes paid	(2.5)	(6.5)	(4.1)	(8.0)
Adjusted Free Cash Flow (post-tax)	**40.7**	**37.5**	**46.2**	**51.5**

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. A bridge to the reported figures has been made:

Reconciliation of Non-IFRS Measures – Adjusted FCF calculation *in € million*	First Quarter 2013	Second Quarter 2013	Third Quarter 2013	Fourth Quarter 2013	First Quarter 2014
Adjusted Free Cash Flow (post-tax)	**14.0**	**37.5**	**35.7**	**52.8**	**5.5**
Cash inflows (-) and outflows (+) from non-recourse factoring arrangements	0.0	(21.0)	(14.4)	(0.9)	(1.5)
Adjusted Free Cash Flow (post-tax) - Previously reported	**14.0**	**16.5**	**21.3**	**51.9**	**4.0**

Unaudited Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company								
in € million	**Number of shares**	**Share capital**	**Share Premium**	**CPECS**	**Cumulative translation reserves**	**Retained earnings and other reserves**	**Total Equity**	**Non-controlling interests**	**Total Equity**
Predecessor									
Balance at December 31, 2013		**21.0**		**399.0**	**(19.9)**	**(64.4)**	**335.7**	**23.5**	**359.2**
Transactions with owners at the level of Ontex Group NV:									
Paid(in capital at establishment	7,000	0.1					0.1		0.1
Contribution in kind of Ontex I S.à.r.l. shares	49,993,000	499.9	400.1			23.5	923.5	(23.5)	900.0
Transfer of share premium to capital		400.1	(400.1)				-		-
Primary tranche of IPO	18,055,555	180.6	144.4				325.0		325.0
Capital decrease		(400.0)				400.0	-		-
IPO Expenses attributed to primary tranche		(25.3)					(25.3)		(25.3)
Elimination of joint control transaction and equity Ontex I Sàrl (*)		(21.0)		(399.0)		(480.0)	(900.0)		(900.0)
Total transactions with owners		**634.4**	**144.4**	**(399.0)**	**-**	**(56.5)**	**323.3**	**(23.5)**	**299.8**
Comprehensive income:									
Profit for the year		-		-	-	13.5	13.5	(1.6)	11.9
Other comprehensive income:									
Exchange differences on translating foreign operations		-		-	0.7	-	0.7	1.4	2.1

	Attributable to equity holders of the Company								
in € million	**Number of shares**	**Share capital**	**Share Premium**	**CPECS**	**Cumulative translation reserves**	**Retained earnings and other reserves**	**Total Equity**	**Non-controlling interests**	**Total Equity**
Actuarial gains/(losses) on defined benefit pension plans		-		-	-	(0.1)	(0.1)	0.1	-
Cash flow hedges		-		-	-	(0.4)	(0.4)		(0.4)
Other movements		-		-	-	2.3	2.3	0.1	2.4
Total other comprehensive income		**-**	**-**		**-**	**1.8**	**2.5**	**1.6**	**4.1**
Successor **Balance at June 30, 2014**	**68,055,555**	**655.4**	**144.4**	**-**	**(19.9)**	**(105.6)**	**675.0**	**-**	**675.0**

As explained in note 1.2 ‘History of the Group’, Ontex Group NV was established with the purpose of structuring the IPO of the Group. The transfer of the ownership of the shares of Ontex I S.à.r.l. constitutes transactions under joint control and need to be eliminated as well as the predecessor equity. This elimination is posted against other reserves. As a consequence, the equity increases only pursuant to external transactions, being the primary tranche of the IPO (net of expenses).

We refer to the Prospectus for more extensive information on the transactions with the owners of the Group.

in € million	Share capital	CPECS	Cumulative translation reserves	Retained earnings and other reserves	Total Equity	Non-controlling interests	Total Equity
	Attributable to equity holders of the Company						
Predecessor							
Balance at December 31, 2012	**4.2**	**415.8**	**(7.1)**	**(86.8)**	**326.1**	**22.8**	**348.9**
Comprehensive income:							
Profit for the year	-	-	-	10.6	10.6	0.7	11.3
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	(4.8)	-	(4.8)	(0.2)	(5.0)
Other movements	-	-	-	0.1	0.1	-	0.1
Total other comprehensive income	**-**	**-**	**(4.8)**	**0.1**	**(4.7)**	**(0.2)**	**(4.9)**
Predecessor Balance at June 30, 2013	**4.2**	**415.8**	**(11.9)**	**(76.1)**	**332.0**	**23.3**	**355.3**

The notes 1 to 12 are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

NOTE 1 Corporate Information

The interim condensed consolidated financial statements of Ontex Group for the first six months ended 30 June 2014 were authorized for issue in accordance with a resolution of the Board on August 28, 2014.

NOTE 1.1 Business activities

We are a leading manufacturer of retailer branded and branded hygienic disposable products across Western Europe, Eastern Europe, Middle East and Africa. We have an estimated market share of retailer brands of 41% in Western Europe and above 50% in Eastern Europe based on volume in 2013. We primarily sell our products to retailers, helping them to establish or enhance their own brands. We sell both retailer brands and Ontex brands, with the mix varying by product category and geography. We also sell a small amount of finished products to other manufacturers, which is referred to as contract manufacturing. For the six months ended June 30, 2014 and the year ended December 31, 2013, 62.6% and 62.3% of our revenue was generated from retailer branded products (including contract manufacturing which we undertake through our Mature Market Retail Division), with the remaining 37.4% and 37.7% being generated from Ontex brands, respectively.

We operate our business through four divisions, which are mainly organized by sales channel and the nature of our customer relationships:

- Mature Market Retail, which primarily sells retailer branded products to established retailers in Western Europe, where demographic trends and adoption rates for its core products, baby care and feminine care products, are relatively stable. The Mature Market Retail Division accounted for 56.0% of our revenue for the six months ended June 30, 2014 and 56.7% of our revenue for the year ended December 31, 2013;
- Growth Markets, which sells a mix of retailer branded products and Ontex brands and is focused geographically on Eastern Europe, where the demographic profile of the population is similar to Western Europe, but the potential for growth of the hygienic disposable products market is supported by lower, but increasing, adoption rates compared to Western Europe. The Growth Markets Division accounted for 5.8% of our revenue for the six months ended June 30, 2014 and 5.9% of our revenue for the year ended December 31, 2013;
- Middle East and Africa, which sells primarily Ontex branded products in Turkey, Algeria, Pakistan and Morocco, as well as other countries in the region. These countries benefit from favourable demographic trends, including expected population growth as well as increasing adoption rates for all products. The Middle East and Africa Division accounted for 12.0% of our revenue for the six months ended June 30, 2014 and 12.0% of our revenue for the year ended December 31, 2013; and
- Healthcare, which primarily sells Ontex branded adult incontinence products directly or through distribution channels to institutional customers in the healthcare market. The Healthcare Division accounted for 26.2% of our revenue for the six months ended June 30, 2014 and 25.4% of our revenue for the year ended December 31, 2013.

Our core product categories include:

- Babycare products, principally baby diapers and, to a lesser extent, baby pants and wet wipes. Babycare products comprised 52.9% of our revenue for the six months ended June 30, 2014 and 52.5% for the year ended December 31, 2013.
- Adult incontinence products, such as adult pants, adult diapers, incontinence towels and bed protection. Adult incontinence products comprised 33.2% of our revenue for the six months ended June 30, 2014 and 32.9% of our revenue for the year ended December 31, 2013.
- Feminine care products, such as sanitary pads, panty liners and tampons. Feminine care products comprised 12.4% of our revenue for the six months ended June 30, 2014 and 13.2% of our revenue for the year ended December 31, 2013.

Other products, which comprise a range of traded products purchased by us and sold commercially including cosmetics, medical gloves and other traded products, accounted for 1.5% of our revenue for the six months ended June 30, 2014 and 1.4% of our revenue for the year ended December 31, 2013.

We are headquartered in Erembodegem (Aalst), Belgium and have a well-balanced manufacturing and sales footprint. We have 15 production facilities located across Europe (including two in Belgium, one in the Czech Republic, two in France, two in Germany, one in Spain and one in Italy), China, Turkey, Algeria, Russia, Australia and Pakistan. We have 23 sales and marketing teams located across Europe, Asia, Africa, Turkey, the Middle East and Australia through which we make sales in more than 100 countries worldwide. The wide reach of our production facilities and sales offices allows us to operate across a wide range of markets in a cost effective manner. We employed an average of 4,981 full time equivalent employees during the year ended December 31, 2013.

NOTE 1.2 History of the Group

Ontex was founded in 1979 by Paul Van Malderen and initially produced mattress protectors for the Belgian institutional market. During the 1980s and the first half of the 1990s, the Company expanded its product range into its current core product categories and grew the business internationally both organically and through acquisitions.

After opening a production facility in the Czech Republic and acquiring businesses in Belgium, Germany and Spain, Ontex was listed on Euronext Brussels in 1998. Following the listing, we experienced rapid growth over several years, primarily through bolt-on acquisitions in France, Germany and Turkey.

Ontex was acquired by funds advised by Candover in 2003 and subsequently de-listed from Euronext Brussels. We acquired a diaper production unit of Paul Hartmann in Germany in 2004 and opened a production facility in China in 2006. In 2008, we opened a production facility in Algeria. In 2010, we acquired iD Medica, which sells incontinence products in Germany.

In November 2010, Ontex was acquired by funds managed by GSCP and TPG. In 2011, we opened two additional production facilities, one in Australia and one in Russia, and acquired Lille Healthcare, a company operating in the adult incontinence market in France, in October 2011. In 2013, we acquired Serenity, a company operating in the adult incontinence market in Italy, and opened a production facility in Pakistan. In 2013, Charles Bouaziz and Jacques Purnode joined us as Chief Executive Officer and Chief Financial Officer, respectively.

In preparing the Initial Public Offering (IPO) of the Group, Ontex Group N.V. (the "Parent") was incorporated on April 24, 2014 for the purpose of acquiring Ontex I S.à.r.l and its subsidiaries, which occurred on June 10, 2014.Ontex Group N.V. was established by the same shareholders as those of Ontex I S.à.r.l. and hence, the transactions for preparing the

IPO constitute joint controlled business combinations. Consequently, these transactions are recognized in the financial statements using the predecessor value method. This means that the purchase price was not allocated to the assets and liabilities acquired. The values recognized in the current financial statements are the values determined when Ontex I S.à.r.l. gained control and started to consolidate the subsidiaries.

This means:

1. That the assets and liabilities of Ontex Group N.V. are recognized and valued in the consolidated financial statements at their book value in the consolidated financial statements of Ontex I S.à.r.l, as established in accordance with the IFRS. Ontex I S.à.r.l. has always, since its' creation, prepared consolidated financial statements in accordance with IFRS and therefore, IFRS 1 is not applicable;
2. That the retained earnings and other equity balances recognized in the consolidated financial statements are the retained earnings and other equity balances of Ontex Group N.V. and that the difference between the acquisition amount and the eliminated share capital of Ontex I S.à.r.l is recognized as a 'other (merger) reserve';
3. That the income statement and statement of cash flows for the half-year ended 30 June 2014 spans six months, notwithstanding the fact that the financial year of Ontex Group N.V. as a legal person is shorter (24 April 2014 to 30 June 2014);
4. That the comparative information presented in the consolidated financial statements is the information of Ontex I S.à.r.l. Management has taken this decision because of the continuity and labelled the comparative information as 'Predecessor' financial information.

Prior to the acquisition of Ontex I S.à.r.l, Ontex Group N.V. had no activities. As a consequence, there is no relevant financial information for periods prior to the acquisition relating to Ontex Group N.V.

In June 2014, Ontex Group N.V. successfully listed its shares on the Euronext Brussels exchange and trades under the ticker 'ONTEX'.

NOTE 1.3 Legal status

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

NOTE 2 Summary of significant accounting policies

NOTE 2.1 General information

The accounting policies used to prepare the condensed consolidated interim financial statements for the period from January 1, 2014 to June 30, 2014 are consistent with those applied in the audited consolidated financial statement for the year ended December 31, 2013 of Ontex I S.à.r.l. (predecessor).

The accounting policies have been consistently applied to all the periods presented. The policies for both the Successor and Predecessor financial information are the same.

A summary of the most important accounting policies, critical accounting estimates and accounting judgments can be found in the audited consolidated financial statements for the year ended December 31, 2013 of the Ontex I S.à.r.l that can be found in the IPO prospectus on the website, from page F15 through page F64.

NOTE 2.2 Basis of preparation

The condensed consolidated interim financial statements of the Group for the quarter ended June 30, 2014 have been drawn up in compliance with IFRS (“International Financial Reporting Standards”) as adopted by the European Union. These include all IFRS standards and IFRIC interpretations issued and effective for the financial year beginning 1 January 2014. The new standards, amendments to standards and interpretations that are mandatory for the first time for the financial year beginning 1 January 2014, did not have a significant impact. No new standards, amendments to standards or interpretations were early adopted.

These condensed consolidated unaudited interim financial statements present information on the Ontex Group.

These condensed consolidated unaudited interim financial statements have been prepared in accordance with IAS 34, ‘Interim Financial Reporting’, as adopted by the European Union. The condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013 of the Ontex I S.à.r.l and with the interim financial reporting of the Ontex I S.à.r.l for the three month period ended March 31, 2014, that can be found on the website: http://www.ontexglobal.com/ in the F-pages as part of the IPO prospectus.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors as of August 28, 2014. The amounts in these documents are presented in millions of Euros unless noted otherwise.

NOTE 2.3 Measurement in the consolidated interim financial statements

Revenues and costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

NOTE 2.4 Materiality

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated interim financial statements are disclosed below.

NOTE 3 Segment reporting

According to IFRS 8, reportable operating segments are identified based on the “management approach”. This approach stipulates external segment reporting based on the Group’s internal organizational and management structure and on internal financial reporting to the chief operating decision maker. The Group’s activities are in one segment, “Hygienic Disposable Products”. There are no other significant classes of business, either singularly or in aggregate. The chief operating decision makers, the Board of Directors, review the operating results and operating plans, and make resource allocation decisions on a company-wide basis. Therefore the Group operates as one segment. Enterprise-wide disclosures about product sales, geographic areas and revenues from major customers are presented below:

NOTE 3.1 Information by division

By division,	Second Quarter		First Half	
	2014	2013	2014	2013
in € million	Successor	Predecessor	Successor	Predecessor
Mature Market Retail	232.8	216.7	453.2	418.8
Growth Markets	25.2	21.8	47.0	41.4
Healthcare	105.9	102.3	212.3	169.6
Middle East and Africa	45.8	47.0	97.4	98.5
Ontex Group Revenues	409.7	387.8	809.9	728.3

NOTE 3.2 Information by product group

By product group,	Second Quarter		First Half	
	2014	2013	2014	2013
in € million	Successor	Predecessor	Successor	Predecessor
Babycare	218.6	204.5	428.8	395.7
Femcare	50.7	48.0	100.1	96.2
Adult Incontinence	134.1	129.5	269.0	226.8
Other (Traded goods)	6.3	5.8	12.0	9.6
Ontex Group Revenues	409.7	387.8	809.9	728.3

NOTE 3.3 Information by geographic area

The organizational structure of the Group and its system of internal information indicates that the main source of geographical risks results from the location of its customers (destination of its sales) and not the physical location of its assets (origin of its sales). The location of the Group's customers is accordingly the geographical segmentation criterion and is defined as below:

By geographic area,	Second Quarter		First Half	
	2014	2013	2014	2013
in € million	Successor	Predecessor	Successor	Predecessor
Western Europe	282.2	265.6	559.2	484.5
Eastern Europe	55.1	49.9	102.7	97.1
Rest of the World	72.4	72.3	148.0	146.7
Ontex Group Revenues	409.7	387.8	809.9	728.3

NOTE 3.4 Revenues from major customers

The Group does not have a single significant customer. In Q2 2014, the single largest customer represented 7.0% of the Group's revenues. The 10 largest customers represented 39.5% of total sales for Q2 2014 revenues.

NOTE 4 Goodwill and other intangible assets

in € million	Goodwill	IT implementation costs	Other intangibles	Total
Half-Year ended June 30, 2014				
Opening net book amount	860.1	4.4	0.3	864.8
Additions	-	0.6	-	0.6
Amortization charge	-	(1.0)	-	(1.0)
Closing net book amount	**860.1**	**4.0**	**0.3**	**864.4**
At June 30, 2014				
Cost or valuation	860.1	13.7	0.9	874.7
Accumulated amortization, impairment and other adjustments	-	(9.7)	(0.6)	(10.3)
Net book amount	**860.1**	**4.0**	**0.3**	**864.4**

in € million	Goodwill	IT implementation costs	Other intangibles	Total
Half-Year ended June 30, 2013				
Opening net book amount	841.5	3.9	0.4	845.8
Additions	18.1	0.8	-	18.9
Transfers	-	0.8	-	0.8
Disposals	-	(0.2)	-	(0.2)
Amortization charge	-	(1.1)	-	(1.1)
Closing net book amount	**859.6**	**4.2**	**0.4**	**864.2**
At June 30, 2013				
Cost or valuation	859.6	16.7	0.9	877.2
Accumulated amortization, impairment and other adjustments	-	(12.5)	(0.5)	(13.0)
Net book amount	**859.6**	**4.2**	**0.4**	**864.2**

NOTE 5 Property plant and equipment

in € million	Land, land improvements and buildings	Plant, machinery and equipment	Furniture and vehicles	Other tangible assets	Assets under constructi on and advance payments	Total
Half-Year ended June 30, 2014						
Opening net book amount	98.6	154.6	0.6	10.1	18.2	282.0
Additions	0.1	4.9	0.1	0.1	16.1	21.2
Transfers	-	15.1	-	(0.1)	(14.9)	-
Disposals	(0.4)	-	(0.1)	-	-	(0.4)
Depreciation charge	(1.9)	(12.4)	(0.1)	(0.6)	-	(15.0)
Exchange differences	-	0.5	-	0.1	0.1	0.8
Closing net book amount	**96.4**	**162.7**	**0.5**	**9.6**	**19.5**	**288.6**
At June 30, 2014						
Cost	115.7	259.8	1.2	16.6	19.4	412.7
Accumulated depreciation	(19.3)	(97.1)	(0.7)	(7.0)	-	(124.1)
Net book amount	**96.4**	**162.7**	**0.5**	**9.6**	**19.4**	**288.6**

in € million	Land, land improvements and buildings	Plant, machinery and equipment	Furniture and vehicles	Other tangible assets	Assets under construction and advance payments	Total
Half-Year ended June 30, 2013						
Opening net book amount	89.5	134.2	0.6	11.4	31.8	267.5
Additions	0.2	6.7	0.1	0.3	9.2	16.5
Transfers	0.5	18.4	-	-	(19.7)	(0.8)
Disposals	-	(0.5)	-	-	-	(0.5)
Depreciation charge	(1.9)	(12.6)	(0.1)	(0.7)	-	(15.3)
Exchange differences	(0.5)	(2.0)	-	(0.3)	(0.4)	(3.2)
Fixed assets through Business Combinations	11.4	14.6	-	-	0.2	26.2
Closing net book amount	**99.1**	**158.9**	**0.6**	**10.7**	**21.1**	**290.4**
At June 30, 2013						
Cost	114.6	243.6	1.1	16.8	21.1	397.2
Accumulated depreciation	(15.5)	(84.7)	(0.5)	(6.0)	-	(106.8)
Net book amount	**99.1**	**158.9**	**0.6**	**10.7**	**21.1**	**290.4**

The additions to property, plant and equipment represent mainly investments in capacity extension, R&D investments, investments to run the business and IT investments.

As at June 30, 2014, the Group has commitments to purchase property, plant and equipment for the amount of €14.6 million.

NOTE 6 Legal claims

The Group recognises a provision for certain legal claims brought against the Group by customers, suppliers or former employees. There have been no significant developments in respect of claims compared to prior year end.

NOTE 7 Reconciliation of Non-IFRS Financial Measures

For a reconciliation of EBITDA and Adjusted EBITDA to operating profit, we refer to the section "Unaudited Condensed Consolidated Interim Income Statement".

For a reconciliation of Adjusted free cash flow to operating profit, we refer to the section "Unaudited Condensed Consolidated Interim Statement of Cash Flow".

NOTE 8 Net Debt

The Group monitors capital on the basis of the net debt position. The Group's net debt position is calculated by adding all short and long-term interest bearing debts and by deducting the available short-term liquidity.

The net debt positions of the Group for the periods ended June 30, 2014, June 30, 2013 and December 31, 2013 are as follows:

Net debt *in € million*	**June 30, 2014** **Successor**	**Dec 31, 2013** **Predecessor**	**June 30, 2013** **Predecessor**
Long-term interest bearing debt	898.0	896.7	893.0
Short-term interest bearing debt	13.2	13.9	44.8
IPO cash proceeds	(313.1)	-	-
Available short-term liquidity	(65.3)	(61.4)	(51.1)
Total net debt position	**532.8**	**849.2**	**886.7**

NOTE 9 Non-recurring revenues and expenses

	Second Quarter		First Half	
	2014	2013	2014	2013
in € million	Successor	Predecessor	Successor	Predecessor
Factory Closure	-	-	0.9	-
Business restructuring	0.1	0.7	0.4	0.7
Business restructuring/IPO costs	20.8	-	21.1	-
Acquisition related expenses	0.2	3.7	0.5	5.6
Asset impairment	0.1	0.4	0.1	0.7
Other	(1.5)	0.2	(1.0)	0.4
Total non-recurring revenue and expenses	**19.7**	**5.0**	**22.0**	**7.4**

Items classified under the heading non-recurring revenue and expenses are those items that are considered by management to be non-recurring or unusual because of their nature. The Group has adopted this classification to allow a better understanding of its recurring financial performance.

The majority of the non-recurring expenses of Q2 and H1 2014 relate to the IPO on June 25, 2014. The total amount of known and accrued IPO related expenses is €46.5 million, of which €21.1 million has been recognized as non-recurring expenses and €25.4 million has been reported under equity. Other than IPO expenses, we have reported following items as non-recurring:

Factory closure: The Group closed the production facility in Recklinghausen, Germany in 2012. The non-recurring items in Q1 2014 relate to remaining expenses in respect of the factory closure.

Business restructuring: The Group undertook a number of projects to optimize the management of its business. The costs in Q1 2014 mainly comprise of professional fees and costs related to breach of contract.

Acquisition related expenses: In H1 2013 and H1 2014, the Group incurred expenses in relation to the acquisition and subsequent integration of Serenity Spa.

Asset Impairment: The asset impairment charge is a non-cash item and relates in H1 2013 to the write off of the amortization of idle production equipment.

Other: The Group also included the revenue on the disposal of land in Russia in Q2 2014 as non-recurring result for an amount of €1.8 million.

NOTE 10 Contingencies

The Group is involved in a number of environmental, contractual, product liability, patent (or intellectual property), employment and other claims and disputes incidental to our business.

We currently believe that the disposition of all claims and disputes, individually or in the aggregate, should not have a material adverse effect on our consolidated financial condition, results of operations or liquidity.

NOTE 11 Related Party transactions

The IPO has been executed in accordance with the process described in the prospectus for the Closing of the Offering on pages 39 and 127 and following. Note 12 describes the details on the exercise of the over-allotment option.

The related party transactions with shareholders and parties related to the shareholders have not substantially changed in nature and impact compared to the year ended December 31, 2013 and hence no updated information is included in this interim reporting.

The remuneration of the members of the Board of Directors and key management is determined on an annual basis, for which reason no further details are included in this interim report.

NOTE 12 Events after the reporting period

Repayment of floating rate note
On 16 July, 2014 Ontex announced that its affiliate Ontex IV S.A., the issuer of €280,000,000 Senior Secured Floating Rate Notes due 2018 (the "Notes"), had confirmed that all conditions precedent referenced in the conditional notice of redemption dated June 13, 2014 had been satisfied and Ontex IV S.A. will redeem all of its outstanding Notes, plus accrued and unpaid interest and additional amounts, if any, on July 16, 2014. The Notes have now been redeemed.

Exercise of the over-allotment option
On 25 July 2014, Ontex announced the exercise of the over-allotment option by UBS Limited ("UBS"), as stabilisation manager on behalf of the underwriters, and the end of the stabilisation period, in relation to its initial public offering that ended on 24 June 2014 ("IPO").

Certain selling shareholders, i.e. Whitehaven B S.à r.l. ("Whitehaven B") (an investment vehicle ultimately owned by funds advised by affiliates of TPG and funds advised by affiliates of The Goldman Sachs Group, Inc.) and certain members of the previous and current executive management team of the Company, had granted UBS an option to purchase an aggregate amount of 4,322,083 additional shares at the IPO price of EUR 18 to cover over-allotments or any short positions in connection with the IPO (the "Over-allotment Option").

A total of 33,135,971 shares had been sold in the IPO, of which 18,055,555 new shares sold by the Company; 10,758,333 existing shares sold by all selling shareholders and 4,322,083 over-allotted shares.

UBS has chosen to exercise the Over-allotment Option for 4,322,083 shares, raising additional gross proceeds for the above mentioned certain selling shareholders of EUR 77,797,494.

Share based payments
As indicated in the prospectus, we have offered 261,857 stock options on July 30th at an exercise price of €17.87 and 52,921 restricted stock units to the senior management to be accepted before September 26, 2014. Upon acceptance, both the stock options and the restricted stock units are granted for no consideration and will vest upon 3 years as from

offer date subject to the participant remaining in service at vesting. The exercise period of the stock options will expire eight years as from offer date.

ANNEX B – ONTEX I.V. SA UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited Condensed Consolidated Interim Income Statement

		Second Quarter		First Half	
in € million	**Note**	**2014**	**2013**	**2014**	**2013**
Revenue	3	409.7	387.8	809.9	728.3
Cost of sales		(296.3)	(284.5)	(587.6)	(538.1)
Gross margin		**113.4**	**103.3**	**222.3**	**190.2**
Distribution expenses		(38.2)	(35.0)	(75.8)	(63.0)
Sales and marketing expenses		(21.3)	(20.3)	(41.1)	(39.2)
General administrative expenses		(11.0)	(9.8)	(21.6)	(18.8)
Other operating income/(expense), net		(1.3)	(1.3)	(0.8)	(1.9)
Non-recurring expenses (*)	9	1.5	(5.0)	(0.8)	(7.4)
Operating profit		**43.1**	**31.9**	**82.2**	**59.9**
Finance income		3.3	2.4	6.1	7.6
Finance costs		(21.9)	(25.2)	(45.2)	(48.9)
Net finance cost		**(18.6)**	**(22.8)**	**(39.1)**	**(41.3)**
(Loss) / Profit before income tax		**24.5**	**9.1**	**43.1**	**18.6**
Income tax expense		(5.7)	(4.2)	(9.5)	(6.8)
(Loss) /Profit for the period from continuing operations		**18.8**	**4.9**	**33.6**	**11.8**
(Loss) / Profit for the period (**)		**18.8**	**4.9**	**33.6**	**11.8**

(*) Non-recurring expenses is a non-IFRS measure defined in note 9.
(**) All attributable to the shareholders of Ontex IV SA

The notes 1 to 12 are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

Unaudited Condensed Consolidated Interim Income Statement (continued)

		Second Quarter		First Half	
in € million	**Note**	**2014**	**2013**	**2014**	**2013**
Additional information: Reconciliation of Non-IFRS Financial Measures					
Reconciliation of net income before interest, tax, depreciation and amortization (EBITDA)					
Operating Profit		43.1	31.9	82.2	59.9
Depreciation and amortization (*)		8.1	8.5	16.1	16.4
EBITDA (**)		**51.2**	**40.4**	**98.3**	**76.3**
Reconciliation of net income before interest, tax, depreciation and amortization (EBITDA) to adjusted EBITDA					
EBITDA (**)		**51.2**	**40.4**	**98.3**	**76.3**
Non-recurring expenses excluding amortization		(1.6)	4.6	0.7	6.7
Adjusted EBITDA (***)		**49.6**	**45.0**	**99.0**	**83.0**

(*) Depreciation and amortization (D&A) included €8.0 million of recurring D&A and €0.1 of non-recurring D&A in Q2 2014. D&A included €8.0 million of recurring D&A and €0.5 million of non-recurring D&A for the Q2 2013. Depreciation and amortization (D&A) included €16.0 million of recurring D&A and €0.1 of non-recurring D&A in H1 2014. D&A included €15.7 million of recurring D&A and €0.7 million of non-recurring D&A for the H1 2013.

(**) EBITDA is a non-IFRS measure. EBITDA is defined as earnings before deduction of 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

The notes 1 to 12 are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

Unaudited Condensed Consolidated Interim Statement of Comprehensive Income

		Second Quarter		First Half	
in € million	**Note**	**2014**	**2013**	**2014**	**2013**
Income / (loss) for the period		**18.8**	**4.9**	**33.6**	**11.8**
Other comprehensive income/(loss) for the period, after tax:					
Exchange differences on translating foreign operations		2.1	(5.4)	2.1	(5.1)
Cash flow hedge		(0.1)	-	(0.5)	-
Other		(0.4)	-	(0.4)	0.1
Other comprehensive income /(loss) for the period, net of tax		**1.6**	**(5.4)**	**1.3**	**(5.0)**
Total comprehensive income/(loss) for the period (*)		**20.4**	**(0.5)**	**34.8**	**6.8**

(*) All attributable to the shareholders of Ontex IV SA

All elements of the other comprehensive income will be reclassified subsequently to the income statement.

The notes 1 to 12 are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

Unaudited Condensed Consolidated Statement of Financial Position

in € million	Note	June 30, 2014	Dec 31, 2013	June 30, 2013
ASSETS				
Non-current Assets				
Goodwill and other intangible assets	4	864.4	864.8	864.2
Property, plant and equipment	5	288.6	282.0	290.4
Deferred tax assets		0.3	0.3	0.1
Non-current receivables		0.1	0.1	0.1
		1,153.4	**1,147.2**	**1,154.8**
Current Assets				
Inventories		198.9	182.2	185.0
Trade receivables		225.8	199.0	222.8
Prepaid expenses and other receivables		54.0	40.0	40.3
Current income tax		4.5	3.7	5.7
Derivative financial assets		1.5	1.1	1.5
Cash and cash equivalents	8	63.7	61.3	51.1
		548.4	**487.3**	**506.4**
TOTAL ASSETS		**1,701.8**	**1,634.5**	**1,661.2**

The notes 1 to 12 are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

Unaudited Condensed Consolidated Statement of Financial Position (continued)

in € million	Note	June 30, 2014	Dec 31, 2013	June 30, 2013
EQUITY AND LIABILITIES				
Equity attributable to owners of the company				
Share capital		449.4	449.4	449.4
Cumulative translation differences		(19.2)	(21.3)	(12.7)
Consolidated reserves		(33.3)	(66.0)	(79.5)
TOTAL EQUITY		**396.9**	**362.1**	**357.2**
Non-current liabilities				
Employee benefit liabilities		15.7	15.8	16.1
Provisions		0.1	0.1	-
Interest-bearing debts	8	898.0	896.7	893.0
Other non-current financial liabilities		5.0	10.0	10.0
Deferred income tax liabilities		14.8	14.8	13.4
Other payables		0.1	-	0.1
		933.7	**937.4**	**932.6**
Current liabilities				
Interest-bearing debts	8	13.2	13.9	44.8
Derivative financial liabilities		4.0	1.9	-
Other current financial liabilities		5.0	8.0	8.0
Trade payables		264.5	243.2	239.9
Accrued expenses and other payables		24.7	15.7	21.8
Social liabilities		27.5	25.9	25.4
Current income tax liabilities		25.2	19.0	19.5
Provisions		7.1	7.4	12.0
		371.2	**335.0**	**371.4**
TOTAL LIABILITIES		**1,304.9**	**1,272.4**	**1,304.0**
TOTAL EQUITY AND LIABILITIES		**1,701.8**	**1,634.5**	**1,661.2**

The notes 1 to 12 are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

Unaudited Condensed Consolidated Interim Statement of Cash Flow

		Second Quarter		First Half	
in € million	**Note**	**2014**	**2013**	**2014**	**2013**
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit/(loss) for the year		**18.8**	**4.9**	**33.6**	**11.8**
Adjustments for:					
Income tax expense		5.7	4.2	9.5	6.8
Depreciation and amortisation		8.1	8.5	16.1	16.4
(Profit)/loss on disposal of property, plant and equipment		0.7	0.7	0.7	0.8
Provisions (including employee benefit liabilities)		(0.6)	(28.0)	(1.3)	(33.8)
Unrealised F/x difference on operating activities		0.7	1.4	2.2	1.3
Finance costs - net (including unrealised F/x difference on financing)		18.5	22.8	39.1	41.3
Changes in working capital:					
Inventories		1.5	11.3	(17.4)	3.7
Trade and other receivables and prepaid expenses(*)		18.1	6.1	(41.1)	(6.4)
Trade and other payables and accrued expenses		(17.9)	(7.8)	25.9	6.2
Social liabilities		(0.5)	(2.3)	1.5	0.9
CASH FLOWS FROM OPERATING ACTIVITIES					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net cash from operating activities		53.1	21.9	68.7	49.1
Income tax paid		(2.5)	(6.5)	(4.1)	(8.0)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**50.6**	**15.4**	**64.7**	**41.1**
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital Expenditure		(10.7)	(10.5)	(18.7)	(26.7)
Acquisition price paid (**)		(8.0)	(73.2)	(8.0)	(73.2)
NET CASH USED IN INVESTING ACTIVITIES		**(18.7)**	**(83.7)**	**(26.7)**	**(99.9)**

		Second Quarter		First Half	
in € million	**Note**	**2014**	**2013**	**2014**	**2013**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from acquisition (net cash) (**)		-	2.1	-	2.1
Proceeds from borrowings		-	-	-	77.4
Other proceeds from financing (*)		-	30.0	-	30.0
Repayment of borrowings		(0.5)	(0.7)	(1.0)	(1.2)
Net interest paid		(28.7)	(28.7)	(33.0)	(30.1)
Cost of refinancing & Other costs of financing		(1.0)	(6.3)	(2.6)	(7.6)
Realised foreign exchange (losses)/gains on financing activities		0.5	(0.9)	1.0	(3.4)
Derivative financial asset		-	1.5	-	3.8
Capital increase		-	-	-	-
NET CASH GENERATED FROM FINANCING ACTIVITIES		**(29.7)**	**(3.0)**	**(35.6)**	**71.0**
MOVEMENT IN PERIOD		**2.2**	**(71.3)**	**2.4**	**12.2**
CASH, CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**61.5**	**122.3**	**61.3**	**38.9**
CASH, CASH EQUIVALENTS AT THE END OF THE PERIOD		**63.7**	**51.1**	**63.7**	**51.1**

(*) Cash inflows and outflows from non-recourse factoring arrangements are presented in the cash flow statement within operating activities as from H1 2014 onwards, whereas previously it was presented within financing activities. The Q2 and H1 2013 figures have been restated accordingly.

(**) The acquisition price paid is presented in the cash flow statement within investing activities as from H1 2014 onwards, whereas it was previously presented within financing activities. The Q2 and H1 2013 figures have been restated accordingly.

The notes 1 to 12 are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

Unaudited Condensed Consolidated Interim Statement of Cash Flow (continued)

in € million	Second Quarter 2014	Second Quarter 2013	First Half 2014	First Half 2013
Additional information: Reconciliation of Non-IFRS Financial Measures				
Reconciliation of Adjusted free cash-flow				
Operating profit	**43.1**	**31.9**	**82.2**	**59.9**
Depreciation and Amortization	8.1	8.5	16.1	16.4
EBITDA	**51.2**	**40.4**	**98.3**	**76.3**
Non-recurring expenses	(1.6)	4.6	0.7	6.7
Adjusted EBITDA	**49.6**	**45.0**	**99.0**	**83.0**
Change in Working Capital				
Inventories	1.5	11.3	(17.4)	3.7
Trade and other receivables	18.1	6.1	(41.1)	(6.4)
Trade and other payables	(17.9)	(7.8)	25.9	6.2
Capex	(10.7)	(10.5)	(18.7)	(26.7)
Adjusted Free Cash Flow (pre-tax)	**40.6**	**44.1**	**47.7**	**59.8**
Cash taxes paid	(2.5)	(6.5)	(4.1)	(8.0)
Adjusted Free Cash Flow (post-tax)	**38.1**	**37.6**	**43.6**	**51.8**

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. A bridge to the reported figures has been made:

Reconciliation of Non-IFRS Measures – Adjusted FCF calculation in € million	**First Quarter 2013**	**Second Quarter 2013**	**Third Quarter 2013**	**Fourth Quarter 2013**	**First Quarter 2014**
Adjusted Free Cash Flow (post-tax)	**14.2**	**37.6**	**35.6**	**52.6**	**5.5**
Cash inflows (-) and outflows (+) from non-recourse factoring arrangements	0.0	(21.0)	(14.4)	(0.8)	(1.5)
Adjusted Free Cash Flow (post-tax) - Previously reported	**14.2**	**16.6**	**21.2**	**51.8**	**4.0**

The notes 1 to 12 are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

Unaudited Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company						
in € million	Share capital	CPECS	Cumulative translation reserve	Retained earnings and other reserves	Total Equity	Non-controlling interests	Total Equity
Balance at December 31, 2013	**449.4**	**-**	**(21.3)**	**(66.0)**	**362.1**	**-**	**362.1**
Profit for the year	-	-	-	33.6	33.6	-	33.6
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	2.1	-	2.1	-	2.1
Cash flow hedges	-	-	-	(0.5)	(0.5)	-	(0.5)
Other movements	-	-	-	(0.4)	(0.4)	-	(0.4)
Total other comprehensive income	**-**	**-**	**2.1**	**(0.8)**	**1.3**	**-**	**1.3**
Balance at June 30, 2014	**449.4**	**-**	**(19.2)**	**(33.3)**	**396.9**	**-**	**396.9**

	Attributable to equity holders of the Company						
in € million	**Share capital**	**CPECS**	**Cumulative translation reserves**	**Retained earnings and other reserves**	**Total Equity**	**Non-controlling interests**	**Total Equity**
Balance at December 31, 2012	**449.4**	**-**	**(7.6)**	**(91.4)**	**350.4**	**-**	**350.4**
Profit for the year	-	-	-	11.8	11.8	-	11.8
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	(5.1)	-	(5.1)	-	(5.1)
Other movements	-	-	-	0.1	0.1	-	0.1
Total other comprehensive income	**-**	**-**	**(5.1)**	**0.1**	**(5.0)**	**-**	**(5.0)**
Balance at June 30, 2013	**449.4**	**-**	**(12.7)**	**(79.5)**	**357.2**	**-**	**357.2**

The notes 1 to 12 are an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

Notes to the Unaudited Consolidated Interim Financial Statements

NOTE 1 Corporate Information

The interim condensed consolidated financial statements of Ontex IV SA for the first six months ended 30 June 2014 were authorized for issue in accordance with a resolution of the Board on August 28, 2014.

NOTE 1.1 Business activities

We are a leading manufacturer of retailer branded and branded hygienic disposable products across Western Europe, Eastern Europe, Middle East and Africa. We have an estimated market share of retailer brands of 41% in Western Europe and above 50% in Eastern Europe based on volume in 2013. We primarily sell our products to retailers, helping them to establish or enhance their own brands. We sell both retailer brands and Ontex brands, with the mix varying by product category and geography. We also sell a small amount of finished products to other manufacturers, which is referred to as contract manufacturing. For the six months ended June 30, 2014 and the year ended December 31, 2013, 62.6% and 62.3% of our revenue was generated from retailer branded products (including contract manufacturing which we undertake through our Mature Market Retail Division), with the remaining 37.4% and 37.7% being generated from Ontex brands, respectively.

We operate our business through four divisions, which are mainly organized by sales channel and the nature of our customer relationships:

- Mature Market Retail, which primarily sells retailer branded products to established retailers in Western Europe, where demographic trends and adoption rates for its core products, baby care and feminine care products, are relatively stable. The Mature Market Retail Division accounted for 56.0% of our revenue for the six months ended June 30, 2014 and 56.7% of our revenue for the year ended December 31, 2013;
- Growth Markets, which sells a mix of retailer branded products and Ontex brands and is focused geographically on Eastern Europe, where the demographic profile of the population is similar to Western Europe, but the potential for growth of the hygienic disposable products market is supported by lower, but increasing, adoption rates compared to Western Europe. The Growth Markets Division accounted for 5.8% of our revenue for the six months ended June 30, 2014 and 5.9% of our revenue for the year ended December 31, 2013;
- Middle East and Africa, which sells primarily Ontex branded products in Turkey, Algeria, Pakistan and Morocco, as well as other countries in the region. These countries benefit from favorable demographic trends, including expected population growth as well as increasing adoption rates for all products. The Middle East and Africa Division accounted for 12.0% of our revenue for the six months ended June 30, 2014 and 12.0% of our revenue for the year ended December 31, 2013; and
- Healthcare, which primarily sells Ontex branded adult incontinence products directly or through distribution channels to institutional customers in the healthcare market. The Healthcare Division accounted for 26.2% of our revenue for the six months ended June 30, 2014 and 25.4% of our revenue for the year ended December 31, 2013.

Our core product categories include:

- Babycare products, principally baby diapers and, to a lesser extent, baby pants and wet wipes. Babycare products comprised 52.9% of our revenue for the six months ended June 30, 2014 and 52.5% for the year ended December 31, 2013.
- Adult incontinence products, such as adult pants, adult diapers, incontinence towels and bed protection. Adult incontinence products comprised 33.2% of our revenue for the six months ended June 30, 2014 and 32.9% of our revenue for the year ended December 31, 2013.
- Feminine care products, such as sanitary pads, panty liners and tampons. Feminine care products comprised 12.4% of our revenue for the six months ended June 30, 2014 and 13.2% of our revenue for the year ended December 31, 2013.

Other products, which comprise a range of traded products purchased by us and sold commercially including cosmetics, medical gloves and other traded products, accounted for 1.5% of our revenue for the six months ended June 30, 2014 and 1.4% of our revenue for the year ended December 31, 2013.

We are headquartered in Erembodegem (Aalst), Belgium and have a well-balanced manufacturing and sales footprint. We have 15 production facilities located across Europe (including two in Belgium, one in the Czech Republic, two in France, two in Germany, one in Spain and one in Italy), China, Turkey, Algeria, Russia, Australia and Pakistan. We have 23 sales and marketing teams located across Europe, Asia, Africa, Turkey, the Middle East and Australia through which we make sales in more than 100 countries worldwide. The wide reach of our production facilities and sales offices allows us to operate across a wide range of markets in a cost effective manner. We employed an average of 4,981 full time equivalent employees during the year ended December 31, 2013.

NOTE 1.2 History of the Group

Ontex was founded in 1979 by Paul Van Malderen and initially produced mattress protectors for the Belgian institutional market. During the 1980s and the first half of the 1990s, the Company expanded its product range into its current core product categories and grew the business internationally both organically and through acquisitions.

After opening a production facility in the Czech Republic and acquiring businesses in Belgium, Germany and Spain, Ontex was listed on Euronext Brussels in 1998. Following the listing, we experienced rapid growth over several years, primarily through bolt-on acquisitions in France, Germany and Turkey.

Ontex was acquired by funds advised by Candover in 2003 and subsequently de-listed from Euronext Brussels. We acquired a diaper production unit of Paul Hartmann in Germany in 2004 and opened a production facility in China in 2006. In 2008, we opened a production facility in Algeria. In 2010, we acquired iD Medica, which sells incontinence products in Germany.

In November 2010, Ontex was acquired by funds managed by GSCP and TPG. In 2011, we opened two additional production facilities, one in Australia and one in Russia, and acquired Lille Healthcare, a company operating in the adult incontinence market in France, in October 2011. In 2013, we acquired Serenity, a company operating in the adult incontinence market in Italy, and opened a production facility in Pakistan. In 2013, Charles Bouaziz and Jacques Purnode joined us as Chief Executive Officer and Chief Financial Officer, respectively.

NOTE 1.3 Legal status

Ontex IV SA is a limited-liability company incorporated in the form of a *naamloze vennootschap* under Belgian law. Ontex IV SA has its registered office at Korte Keppestraat 21/31, 9320 Erembodegem (Aalst), Belgium.

NOTE 2 Summary of significant accounting policies

NOTE 2.1 General information

The accounting policies used to prepare the condensed consolidated interim financial statements for the period from January 1, 2014 to June 30, 2014 are consistent with those applied in the audited consolidated financial statement for the year ended December 31, 2013 Ontex IV SA.

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

A summary of the most important accounting policies, critical accounting estimates and accounting judgments can be found in the audited consolidated financial statements for the year ended December 31, 2013 of Ontex IV SA.

NOTE 2.2 Basis of preparation

The condensed consolidated interim financial statements of the Group for the quarter ended June 30, 2014 have been drawn up in compliance with IFRS ("International Financial Reporting Standards") as adopted by the European Union. These include all IFRS standards and IFRIC interpretations issued and effective for the financial year beginning 1 January 2014. The new standards, amendments to standards and interpretations that are mandatory for the first time for the financial year beginning 1 January 2014, did not have a significant impact. No new standards, amendments to standards or interpretations were early adopted.

These condensed consolidated unaudited interim financial statements present information on Ontex IV SA.

These condensed consolidated unaudited interim financial statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union. The condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013 of the Ontex IV SA and with the interim financial reporting of the Ontex IV SA for the three month period ended March 31, 2014~~.~~.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors as of August 28, 2014. The amounts in these documents are presented in millions of Euros unless noted otherwise.

NOTE 2.3 Measurement in the consolidated interim financial statements

Revenues and costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

NOTE 2.4 Materiality

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated interim financial statements are disclosed below.

NOTE 3 Segment reporting

According to IFRS 8, reportable operating segments are identified based on the "management approach". This approach stipulates external segment reporting based on the Group's internal organizational and management structure and on internal financial reporting to the chief operating decision maker. The Group's activities are in one segment, "Hygienic Disposable Products". There are no other significant classes of business, either singularly or in aggregate. The chief operating decision makers, the Board of Directors, review the operating results and operating plans, and make resource allocation decisions on a company-wide basis. Therefore the Group operates as one segment. Enterprise-wide disclosures about product sales, geographic areas and revenues from major customers are presented below:

NOTE 3.1 Information by division

By division,	Second Quarter		First Half	
	2014	2013	2014	2013
in € million	Successor	Predecessor	Successor	Predecessor
Mature Market Retail	232.8	216.7	453.2	418.8
Growth Markets	25.2	21.8	47.0	41.4
Healthcare	105.9	102.3	212.3	169.6
Middle East and Africa	45.8	47.0	97.4	98.5
Ontex Group Revenues	409.7	387.8	809.9	728.3

NOTE 3.2 Information by product group

By product group,	Second Quarter		First Half	
	2014	2013	2014	2013
in € million	Successor	Predecessor	Successor	Predecessor
Babycare	218.6	204.5	428.8	395.7
Femcare	50.7	48.0	100.1	96.2
Adult Incontinence	134.1	129.5	269.0	226.8
Other (Traded goods)	6.3	5.8	12.0	9.6
Ontex Group Revenues	409.7	387.8	809.9	728.3

NOTE 3.3 Information by geographic area

The organizational structure of the Group and its system of internal information indicates that the main source of geographical risks results from the location of its customers (destination of its sales) and not the physical location of its assets (origin of its sales). The location of the Group's customers is accordingly the geographical segmentation criterion and is defined as below:

By geographic area,	Second Quarter		First Half	
	2014	2013	2014	2013
in € million	Successor	Predecessor	Successor	Predecessor
Western Europe	282.2	265.6	559.2	484.5
Eastern Europe	55.1	49.9	102.7	97.1
Rest of the World	72.4	72.3	148.0	146.7
Ontex Group Revenues	409.7	387.8	809.9	728.3

NOTE 3.4 Revenues from major customers

The Group does not have a single significant customer. In Q2 2014, the single largest customer represented 7.0% of the Group's revenues. The 10 largest customers represented 39.5% of total sales for Q2 2014 revenues.

NOTE 4 Goodwill and other intangible assets

in € million	Goodwill	IT implementation costs	Other intangibles	Total
Half-Year ended June 30, 2014				
Opening net book amount	860.1	4.4	0.3	864.8
Additions	-	0.6	-	0.6
Amortization charge	-	(1.0)	-	(1.0)
Closing net book amount	**860.1**	**4.0**	**0.3**	**864.4**
At June 30, 2014				
Cost or valuation	860.1	13.7	0.9	874.7
Accumulated amortization, impairment and other adjustments	-	(9.7)	(0.6)	(10.3)
Net book amount	**860.1**	**4.0**	**0.3**	**864.4**

in € million	Goodwill	IT implementation costs	Other intangibles	Total
Half-Year ended June 30, 2013				
Opening net book amount	841.5	3.9	0.4	845.8
Additions	18.1	0.8	-	18.9
Transfers	-	0.8	-	0.8
Disposals	-	(0.2)	-	(0.2)
Amortization charge	-	(1.1)	-	(1.1)
Closing net book amount	**859.6**	**4.2**	**0.4**	**864.2**
At June 30, 2013				
Cost or valuation	859.6	16.7	0.9	877.2
Accumulated amortization, impairment and other adjustments	-	(12.5)	(0.5)	(13.0)
Net book amount	**859.6**	**4.2**	**0.4**	**864.2**

NOTE 5 Property plant and equipment

in € million	Land, land improvements and buildings	Plant, machinery and equipment	Furniture and vehicles	Other tangible assets	Assets under construction and advance payments	Total
Half-Year ended June 30, 2014						
Opening net book amount	98.6	154.6	0.6	10.1	18.2	282.0
Additions	0.1	4.9	0.1	0.1	16.1	21.2
Transfers	-	15.1	-	(0.1)	(14.9)	-
Disposals	(0.4)	-	(0.1)	-	-	(0.4)
Depreciation charge	(1.9)	(12.4)	(0.1)	(0.6)	-	(15.0)
Exchange differences	-	0.5	-	0.1	0.1	0.8
Closing net book amount	**96.4**	**162.7**	**0.5**	**9.6**	**19.5**	**288.6**
At June 30, 2014						
Cost	115.7	259.8	1.2	16.6	19.4	412.7
Accumulated depreciation	(19.3)	(97.1)	(0.7)	(7.0)	-	(124.1)
Net book amount	**96.4**	**162.7**	**0.5**	**9.6**	**19.4**	**288.6**

in € million	Land, land improvements and buildings	Plant, machinery and equipment	Furniture and vehicles	Other tangible assets	Assets under construction and advance payments	Total
Half-Year ended June 30, 2013						
Opening net book amount	89.5	134.2	0.6	11.4	31.8	267.5
Additions	0.2	6.7	0.1	0.3	9.2	16.5
Transfers	0.5	18.4	-	-	(19.7)	(0.8)
Disposals	-	(0.5)	-	-	-	(0.5)
Depreciation charge	(1.9)	(12.6)	(0.1)	(0.7)	-	(15.3)
Exchange differences	(0.5)	(2.0)	-	(0.3)	(0.4)	(3.2)
Fixed assets through Business Combinations	11.4	14.6	-	-	0.2	26.2
Closing net book amount	**99.1**	**158.9**	**0.6**	**10.7**	**21.1**	**290.4**
At June 30, 2013						
Cost	114.6	243.6	1.1	16.8	21.1	397.2
Accumulated depreciation	(15.5)	(84.7)	(0.5)	(6.0)	-	(106.8)
Net book amount	**99.1**	**158.9**	**0.6**	**10.7**	**21.1**	**290.4**

The additions to property, plant and equipment represent mainly investments in capacity extension, R&D investments, investments to run the business and IT investments.

As at June 30, 2014, the Group has commitments to purchase property, plant and equipment for the amount of €14.6 million.

NOTE 6 Legal claims

The Group recognises a provision for certain legal claims brought against the Group by customers, suppliers or former employees. There have been no significant developments in respect of claims compared to prior year end.

NOTE 7 Reconciliation of Non-IFRS Financial Measures

For a reconciliation of EBITDA and Adjusted EBITDA to operating profit, we refer to the section "Unaudited Condensed Consolidated Interim Income Statement".

For a reconciliation of Adjusted free cash flow to operating profit, we refer to the section "Unaudited Condensed Consolidated Interim Statement of Cash Flow".

NOTE 8 Net Debt

The Group monitors capital on the basis of the net debt position. The Group's net debt position is calculated by adding all short and long-term interest bearing debts and by deducting the available short-term liquidity.

The net debt positions of the Group for the periods ended June 30, 2014, June 30, 2013 and December 31, 2013 are as follows:

Net debt *in € million*	**June 30, 2014**	**Dec 31, 2013**	**June 30, 2013**
Long-term interest bearing debt	898.0	896.7	893.0
Short-term interest bearing debt	13.2	13.9	44.8
IPO cash proceeds	-	-	-
Available short-term liquidity	(63.7)	(61.3)	(51.1)
Total net debt position	**847.5**	**849.3**	**886.7**

NOTE 9 Non-recurring revenues and expenses

in € million	Second Quarter 2014	Second Quarter 2013	First Half 2014	First Half 2013
Factory Closure	-	-	0.9	-
Business restructuring	(0.2)	0.7	0.4	0.7
Acquisition related expenses	0.2	3.7	0.5	5.6
Asset impairment	0.1	0.4	0.1	0.7
Other	(1.6)	0.2	(1.1)	0.4
Total non-recurring revenue and expenses	**(1.5)**	**5.0**	**0.8**	**7.4**

Items classified under the heading non-recurring revenues and expenses are those items that are considered by management to be non-recurring or unusual because of their nature. The Group has adopted this classification to allow a better understanding of its recurring financial performance.

Factory closure: The Group closed the production facility in Recklinghausen, Germany in 2012. The non-recurring items in Q1 2014 relate to remaining expenses in respect of the factory closure.

Business restructuring: The Group undertook a number of projects to optimize the management of its business. The costs in Q1 2014 mainly comprise of professional fees and costs related to breach of contract.

Acquisition related expenses: In H1 2013 and H1 2014, the Group incurred expenses in relation to the acquisition and subsequent integration of Serenity Spa.

Asset Impairment: The asset impairment charge is a non-cash item and relates in H1 2013 to the write off of the amortization of idle production equipment.

Other: The Group also included the revenue on the disposal of land in Russia in Q2 2014 as non-recurring result for an amount of €1.8 million.

NOTE 10 Contingencies

The Group is involved in a number of environmental, contractual, product liability, patent (or intellectual property), employment and other claims and disputes incidental to our business.

We currently believe that the disposition of all claims and disputes, individually or in the aggregate, should not have a material adverse effect on our consolidated financial condition, results of operations or liquidity.

NOTE 11 Related Party transactions

The related party transactions with shareholders and parties related to the shareholders have not substantially changed in nature and impact compared to the year ended December 31, 2013 and hence no updated information is included in this interim reporting.

The remuneration of the members of the Board of Directors and key management is determined on an annual basis, for which reason no further details are included in this interim report.

NOTE 12 Events after the reporting period

Repayment of floating rate note

On 16 July, 2014 Ontex announced that Ontex IV S.A., the issuer of €280,000,000 Senior Secured Floating Rate Notes due 2018 (the “Notes”), had confirmed that all conditions precedent referenced in the conditional notice of redemption dated June 13, 2014 had been satisfied and Ontex IV S.A. will redeem all of its outstanding Notes, plus accrued and unpaid interest and additional amounts, if any, on July 16, 2014. The Notes have now been redeemed.

Annex C - Bridge Ontex Group NV – Ontex IV

The tables in the following sections compare the Ontex Group NV figures with the Ontex IV SA figures.

NOTE 1 Income Statement

NOTE 1.1 Quarter ended June 30, 2014

	Ontex Group NV Second Quarter		Bridge Second Quarter		Ontex IV SA Second Quarter	
	2014	2013	2014	2013	2014	2013
in € million	Successor	Predecessor				
Revenue	409.7	387.8	-	-	409.7	387.8
Cost of sales	(296.3)	(284.5)	-	-	(296.3)	(284.5)
Gross margin	**113.4**	**103.3**	**-**	**-**	**113.4**	**103.3**
Distribution expenses	(38.2)	(35.1)	-	0.1	(38.2)	(35.0)
Sales and marketing expenses	(21.3)	(20.3)	-	-	(21.3)	(20.3)
General administrative expenses	(11.2)	(10.2)	0.2	0.4	(11.0)	(9.8)
Other operating income/(expense), net	(1.3)	(1.3)	-	-	(1.3)	(1.3)
Non-recurring expenses	(19.7)	(5.0)	21.2	-	1.5	(5.0)
Operating profit	**21.7**	**31.4**	**21.4**	**0.5**	**43.1**	**31.9**
Finance income	3.3	2.4	-	-	3.3	2.4
Finance costs	(21.9)	(25.2)	-	-	(21.9)	(25.2)
Net finance cost	**(18.6)**	**(22.8)**	**-**	**-**	**(18.6)**	**(22.8)**
(Loss) / Profit before income tax	**3.1**	**8.6**	**21.4**	**0.5**	**24.5**	**9.1**
Income tax expense	(5.8)	(4.2)	0.1	-	(5.7)	(4.2)
(Loss) /Profit for the period from continuing operations	**(2.7)**	**4.4**	**21.5**	**0.5**	**18.8**	**4.9**
(Loss) / Profit for the period	**(2.7)**	**4.4**	**21.5**	**0.5**	**18.8**	**4.9**
(Loss) / Profit attributable to:						
Owners of the parent	(2.7)	4.1	21.5	0.8	18.8	4.9
Non-controlling interests	-	0.3		(0.3)	-	-
(Loss) / Profit for the period	**(2.7)**	**4.4**	**21.5**	**0.5**	**18.8**	**4.9**

NOTE 1.2 Six months ended June 30, 2014

	Ontex Group NV First Half		**Bridge First Half**		**Ontex IV SA First Half**	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
in € million	**Successor**	**Predecessor**				
Revenue	809.9	728.3	-	-	809.9	728.3
Cost of sales	(587.6)	(538.1)	-	-	(587.6)	(538.1)
Gross margin	**222.3**	**190.2**	**-**	**-**	**222.3**	**190.2**
Distribution expenses	(75.8)	(63.1)	-	0.1	(75.8)	(63.0)
Sales and marketing expenses	(41.1)	(39.2)	-	-	(41.1)	(39.2)
General administrative expenses	(22.0)	(19.2)	0.4	0.4	(21.6)	(18.8)
Other operating income/(expense), net	(0.8)	(1.9)	-	-	(0.8)	(1.9)
Non-recurring expenses	(22.0)	(7.4)	21.2	-	(0.8)	(7.4)
Operating profit	**60.6**	**59.4**	**21.6**	**0.5**	**82.2**	**59.9**
Finance income	6.1	7.6	-	-	6.1	7.6
Finance costs	(45.2)	(48.9)	-	-	(45.2)	(48.9)
Net finance cost	**(39.1)**	**(41.3)**	**-**	**-**	**(39.1)**	**(41.3)**
(Loss) / Profit before income tax	**21.5**	**18.1**	**21.6**	**0.5**	**43.1**	**18.6**
				-		
Income tax expense	(9.6)	(6.8)	-	-	(9.5)	(6.8)
(Loss) /Profit for the period from continuing operations	**11.9**	**11.3**	**21.7**	**0.5**	**33.6**	**11.8**
(Loss) / Profit for the period	**11.9**	**11.3**	**21.7**	**0.5**	**33.6**	**11.8**
(Loss) / Profit attributable to:						
Owners of the parent	11.9	10.6	21.7	1.2	33.6	11.8
Non-controlling interests	-	0.7		(0.7)	-	-
(Loss) / Profit for the period	**11.9**	**11.3**	**21.7**	**0.5**	**33.6**	**11.8**

NOTE 2 Statement of Financial Position

in € million	Ontex Group NV			Bridge			Ontex IV SA		
	June 30, 2014	Dec 31, 2013	June 30, 2013	June 30, 2014	Dec 31, 2013	June 30, 2013	June 30, 2014	Dec 31, 2013	June 30, 2013
	Successor	Predecessor	Predecessor						
ASSETS									
Non-current Assets									
Goodwill and other intangible assets	864.4	864.8	864.2	-	-	-	864.4	864.8	864.2
Property, plant and equipment	288.6	282.0	290.4	-	-	-	288.6	282.0	290.4
Deferred tax assets	0.3	0.3	0.1	-	-	-	0.3	0.3	0.1
Non-current receivables	0.1	0.1	0.2	-	-	-	0.1	0.1	0.1
	1.153.4	**1.147.2**	**1.154.9**	**-**	**-**	**-**	**1.153.4**	**1.147.2**	**1.154.8**
Current Assets									
Inventories	198.9	182.2	185.0	-	-	-	198.9	182.2	185.0
Trade receivables	222.8	199.0	222.8	3.0	-	-	225.8	199.0	222.8
Prepaid expenses and other receivables	52.9	37.4	39.6	1.1	2.6	0.7	54.0	40.0	40.3
Current income tax	4.6	3.8	5.7	-	(0.1)	-	4.5	3.7	5.7
Derivative financial assets	1.5	1.1	1.5	-	-	-	1.5	1.1	1.5
Cash and cash equivalents	378.4	61.4	51.1	(314.7)	(0.1)	-	63.7	61.3	51.1
	859.1	**484.9**	**505.7**	**(310.7)**	**2.4**	**0.7**	**548.4**	**487.3**	**506.4**
TOTAL ASSETS	**2.012.5**	**1.632.1**	**1.660.6**	**(310.7)**	**2.4**	**0.7**	**1.701.8**	**1.634.5**	**1.661.2**

	Ontex Group NV			Bridge			Ontex IV SA		
	June 30, 2014	Dec 31, 2013	June 30, 2013	June 30, 2014	Dec 31, 2013	June 30, 2013	June 30, 2014	Dec 31, 2013	June 30, 2013
in € million	**Successor**	**Predecessor**	**Predecessor**						
EQUITY AND LIABILITIES									
Equity attributable to owners of the company									
Share capital	799.7	420.0	420.0	(350.4)	29.4	29.4	449.4	449.4	449.4
Cumulative translation differences	(19.2)	(19.9)	(11.9)	-	(1.4)	(0.8)	(19.2)	(21.3)	(12.7)
Consolidated reserves	(105.7)	(64.4)	(76.1)	72.4	(1.6)	(3.4)	(33.3)	(66.0)	(79.5)
Controlling interests	674.8	335.7	332.0	(277.9)	26.3	25.2	396.9	362.1	357.2
Non-controlling interests	-	23.5	23.3	-	(23.5)	(23.3)	-	-	-
TOTAL EQUITY	**674.8**	**359.2**	**355.3**	**(277.9)**	**2.9**	**1.9**	**396.9**	**362.1**	**357.2**
Non-current liabilities									
Employee benefit liabilities	15.7	15.8	16.1	-	-	-	15.7	15.8	16.1
Provisions	0.1	0.1	0.1	-	-	-	0.1	0.1	-
Interest-bearing debts	898.0	896.7	893.0	-	-	-	898.0	896.7	893.0
Other non-current financial liabilities	5.0	10.0	10.0	-	-	-	5.0	10.0	10.0
Deferred income tax liabilities	14.8	14.8	13.4	-	-	-	14.8	14.8	13.4
Other payables	0.1	2.3	1.5	-	(2.3)	(1.5)	0.1	-	0.1
	933.7	**939.7**	**934.1**	**-**	**(2.3)**	**(1.5)**	**933.7**	**937.4**	**932.6**

	Ontex Group NV			Bridge			Ontex IV SA		
	June 30, 2014	Dec 31, 2013	June 30, 2013	June 30, 2014	Dec 31, 2013	June 30, 2013	June 30, 2014	Dec 31, 2013	June 30, 2013
in € million	Successor	Predecessor	Predecessor						
Current liabilities									
Interest-bearing debts	13.2	13.9	44.8	-	-	-	13.2	13.9	44.8
Derivative financial liabilities	4.1	1.9	-	-	-	-	4.0	1.9	-
Other current financial liabilities	5.0	8.0	8.0	-	-	-	5.0	8.0	8.0
Trade payables	297.1	240.9	239.6	(32.6)	2.3	0.3	264.5	243.2	239.9
Accrued expenses and other payables	24.8	16.0	21.9	(0.1)	(0.3)	(0.1)	24.7	15.7	21.8
Social liabilities	27.5	25.9	25.4	-	-	-	27.5	25.9	25.4
Current income tax liabilities	25.2	19.0	19.5	-	-	-	25.2	19.0	19.5
Provisions	7.1	7.5	12.0	-	(0.1)	-	7.1	7.4	12.0
	404.0	**333.2**	**371.2**	**(32.8)**	**1.8**	**0.2**	**371.3**	**335.0**	**371.4**
TOTAL LIABILITIES	**1.337.7**	**1.272.9**	**1.305.3**	**(32.7)**	**(0.5)**	**(1.3)**	**1.304.9**	**1.272.4**	**1.304.0**
TOTAL EQUITY AND LIABILITIES	**2.012.5**	**1.632.1**	**1.660.6**	**(310.7)**	**2.4**	**0.6**	**1.701.8**	**1.634.5**	**1.661.2**

NOTE 3 Cash flow statement

NOTE 3.1 Quarter ended June 30, 2014

	Ontex Group NV Second Quarter		Bridge Second Quarter		Ontex IV SA Second Quarter	
	2014	2013	2014	2013	2014	2013
in € million	Successor	Predecessor				
CASH FLOWS FROM OPERATING ACTIVITIES						
Net cash from operating activities	**56.0**	**22.0**	**(2.9)**	**(0.1)**	**53.1**	**21.9**
Income tax paid	(2.5)	(6.5)	-	-	(2.5)	(6.5)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**53.5**	**15.5**	**(2.9)**	**(0.1)**	**50.6**	**15.4**
CASH FLOWS FROM INVESTING ACTIVITIES						
Capital Expenditure	(10.7)	(10.5)	-	-	(10.7)	(10.5)
Acquisition price paid	(8.0)	(73.2)	-	-	(8.0)	(73.2)
NET CASH USED IN INVESTING ACTIVITIES	**(18.7)**	**(83.7)**	**-**	**-**	**(18.7)**	**(83.7)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from acquisition (net cash)	-	2.1	-	-	-	2.1
Proceeds from borrowings	-	-	-	-	-	-
Other proceeds from financing	-	30.0	-	-	-	30.0
Repayment of borrowings	(0.5)	(0.7)	-	-	(0.5)	(0.7)
Net interest paid	(28.7)	(28.7)	-	-	(28.7)	(28.7)
Cost of refinancing & Other costs of financing	(1.0)	(6.3)	-	-	(1.0)	(6.3)
Realised foreign exchange (losses)/gains on financing activities	0.5	(0.9)	-	-	0.5	(0.9)
Derivative financial asset	-	1.5	-	-	-	1.5
IPO expenses paid in equity	(6.1)	-	6.1	-	-	-
Capital increase (net of IPO expenses)	317.8	-	(317.8)	-	-	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	**282.0**	**(3.0)**	**(311.7)**	**-**	**(29.7)**	**(3.0)**
MOVEMENT IN PERIOD	**316.8**	**(71.2)**	**(314.6)**	**(0.1)**	**2.2**	**(71.3)**
CASH, CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**61.6**	**122.3**	**-**	**-**	**61.5**	**122.3**
CASH, CASH EQUIVALENTS AT THE END OF THE PERIOD	**378.4**	**51.1**	**(314.7)**	**-**	**63.7**	**51.1**

NOTE 3.2 Six months ended June 30, 2014

in € million	Ontex Group NV First Half 2014 Successor	Ontex Group NV First Half 2013 Predecessor	Bridge First Half 2014	Bridge First Half 2013	Ontex IV SA First Half 2014	Ontex IV SA First Half 2013
CASH FLOWS FROM OPERATING ACTIVITIES						
Net cash from operating activities	**71.7**	**48.8**	**(2.9)**	**0.2**	**68.7**	**49.1**
Income tax paid	(4.1)	(8.0)	-	-	(4.1)	(8.0)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**67.6**	**40.8**	**(2.9)**	**0.2**	**64.7**	**41.1**
CASH FLOWS FROM INVESTING ACTIVITIES						
Capital Expenditure	(18.7)	(26.7)	-	-	(18.7)	(26.7)
Acquistion price paid	(8.0)	(73.2)	-	-	(8.0)	(73.2)
NET CASH USED IN INVESTING ACTIVITIES	**(26.7)**	**(99.9)**	**-**	**-**	**(26.7)**	**(99.9)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from acquisition (net cash)	-	2.1	-	-	-	2.1
Proceeds from borrowings	-	77.4	-	-	-	77.4
Other proceeds from financing	-	30.0	-	-	-	30.0
Repayment of borrowings	(1.0)	(1.2)	-	-	(1.0)	(1.2)
Net interest paid	(33.0)	(30.1)	-	-	(33.0)	(30.1)
Cost of refinancing & Other costs of financing	(2.6)	(7.6)	-	-	(2.6)	(7.6)
Realised foreign exchange (losses)/gains on financing activities	1.0	(3.4)	-	-	1.0	(3.4)
Derivative financial asset	-	3.8	-	-	-	3.8
IPO expenses paid in equity	(6.1)	-	6.1	-	-	-
Capital increase (net of IPO expenses)	317.8	-	(317.8)	-	-	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	**276.1**	**71.0**	**(317.6)**	**-**	**(35.6)**	**71.0**
MOVEMENT IN PERIOD	**317.0**	**11.9**	**(314.6)**	**0.2**	**2.4**	**12.2**
CASH, CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**61.4**	**39.2**	**(0.1)**	**(0.3)**	**61.3**	**38.9**
CASH, CASH EQUIVALENTS AT THE END OF THE PERIOD	**378.4**	**51.1**	**(314.7)**	**(0.0)**	**63.7**	**51.1**

NOTE 4 Key metrics

The following table describes the reconciling items for the key metrics between Ontex Group NV and Ontex IV SA:

Q2	**Ontex Group NV**		**Bridge**				**Ontex IV SA**	
€ million	**Q2 2014**	**Q2 2013**	**Q2 2014**		**Q2 2013**		**Q2 2014**	**Q2 2013**
Sales	**409.7**	**387.8**	**-**		-		**409.7**	**387.8**
Gross Margin	**113.4**	**103.3**	**-**		-		**113.4**	**103.3**
Gross Margin%	*27.7%*	*26.6%*	-		-		*27.7%*	*26.6%*
Adjusted EBITDA	**49.4**	**44.5**	**0.2**	(2)	**0.5**	(3)	**49.6**	**45.0**
Adjusted EBITDA Margin	*12.1%*	*11.5%*	-		-		*12.1%*	*11.6%*
Working Capital Movement	4.5	10.0	(2.8)		(0.4)		1.7	9.6
Taxes Paid/Received	(2.5)	(6.5)	-		-		(2.5)	(6.5)
Capex	(10.7)	(10.5)	-		-		(10.7)	(10.5)
Free Cash Flow	**40.7**	**37.5**	**(2.6)**		**0.1**		**38.1**	**37.6**
Cash	**378.4**	**51.1**	**(314.7)**	(1)	-		**63.7**	**51.1**
Available Liquidity (incl revolving credit facility not drawn)	**140.3**	**96.1**	**(1.6)**	(1)	-		**138.7**	**96.1**
Net Debt	**532.8**	**886.7**	**314.7**	(1)	-		**847.5**	**886.7**

H1	**Ontex Group NV**		**Bridge**			**Ontex IV SA**	
€ million	**H1 2014**	**H1 2013**	**H1 2014**		**H1 2013**	**H1 2014**	**H1 2013**
Sales	**809.9**	**728.3**	**-**		-	**809.9**	**728.3**
Gross Margin	**222.3**	**190.2**	**-**		-	**222.3**	**190.2**
Gross Margin%	*27.4%*	*26.1%*	-		-	*27.4%*	*26.1%*
Adjusted EBITDA	**98.5**	**82.5**	**0.4**		**0.5**	**99.0**	**83.0**
Adjusted EBITDA Margin	*12.2%*	*11.3%*	-		-	*12.2%*	*11.4%*
Working Capital Movement	(29.6)	3.7	(3.0)		(0.5)	(32.6)	3.5
Taxes Paid/Received	(4.1)	(8.0)	-		-	(4.1)	(8.0)
Capex	(18.7)	(26.7)	-		-	(18.7)	(26.7)
Free Cash Flow	**46.2**	**51.5**	**(2.6)**			**43.6**	**51.8**
Cash	**378.4**	**51.1**	**(314.7)**	(1)	-	**63.7**	**51.1**
Available Liquidity (incl revolving credit facility not drawn)	**140.3**	**96.1**	**(1.6)**	(1)	-	**138.7**	**96.1**
Net Debt	**532.8**	**886.7**	**314.7**	(1)	**-**	**847.5**	**886.7**

(1) Reconciliation cash balance

Cash balance Ontex Group NV	378.4
IPO proceeds through capital increase Ontex Group NV	(325.1)
IPO expenses paid by Ontex Group NV (underwriters' fees and notary fees)	10.4
Cash balance Ontex IV SA	63.7

Reconciliation for Cash to Available liquidity *in € million*	
Cash & cash equivalents	378.4
Credit lines	75.0
FRN repayment	(280.0)
IPO costs to be paid	(33.1)
Available liquidity	140.3

(2) Share-based payments

(3) Share-based payments of €0.4 million and operating expenses of €0.1 million

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.

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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.