Financial Results – Q1 2014

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Change in Reporting Structure

A new reporting structure was effective as of January 1, 2014, separating the previous Retail division into Mature Market Retail and Growth Markets to better match the different market dynamics.

Ontex's four divisions are now:

- Mature Market Retail
- Growth Markets
- Healthcare
- Middle East and Africa (MEA)

For ease of comparison across periods, the Group have provided historical figures on a comparative basis (see slide 22 in the appendix of this presentation)

Agenda

1. **Recent Developments**
2. **Financial Review**
3. **Closing Remarks**

Recent Developments

Further Top Line and Profitability Improvements in Q1 2014

17.5% increase in Revenues

- Reported Group revenues of €400.2 million in Q1 2014
- +9.6% at constant currency and excluding Serenity (€373.1 million)
- Residual impact of K-C withdrawal supports continued momentum in Mature Market Retail division
- Strong growth in the Growth Markets and MEA divisions with sales up 22.4% and 14.7% at constant currency, respectively

30.0% increase in Adjusted EBITDA

- Adjusted EBITDA of €49.4 million in Q1 2014 (including €4.2 million of adverse currency impact), mainly driven by the acquisition of Serenity which has been consolidated from Q2 2013 onwards and by the growth of the business
- Adjusted EBITDA margin improved by 118 bps to 12.3% year-on-year; 61 bps improvement over FY 2013

Free Cash Flow generation at €5.5 million

- FCF generation impacted by higher working capital consumption in the quarter
- €61.5 million of cash and cash equivalents and overall €136.5 million of cash availability as of March 31, 2014; strong financial liquidity
- Net Debt at €862.2 million as of March 31, 2014

Market Update

Retailers/Client base

- Normalised levels of promotional activities
- Western and Eastern European retailers continue the trend of building their own brands

Raw Materials

- Slight rise in raw material prices as expected over the quarter
- Most of fluff exposure covered for 2014 (partially through hedging)

Competitors

- Continued momentum in retailer brands post Kimberly Clark (K-C) exit in 2013
- Volumes redistributed amongst Ontex and peers with residual impact seen in Q1 2014

Currencies

- Significant deterioration of the TRY, RUB and AUD year-on-year and continued depreciation since 2013 year-end
- Impact partially offset by a weaker USD and appreciation of the GBP
- Portion of exposure to GBP, PLN, TRY, AUD, RUB, USD and CZK hedged through to March 2015

Continuing to focus on attractive categories and market dynamics, whilst rigorously monitoring key market variables

Good Start to 2014

Pursuing top line growth across geographies and divisions

- Western Europe:
  - Additional retailer brand volumes in the UK market captured in Q1 2014
  - Full year effect of retailer brand contracts won in 2013 in the Nordics and Benelux
- Eastern Europe and Rest of the World:
  - Continuing to experience growth in key regions such Russia, Turkey, Australia, Morocco and Pakistan

Delivering product innovation

- Gradual roll-out of Supercore II in Western Europe

Adapting to capacity requirements

- Two self engineered baby diaper lines expected to be operational in Q4 2014
- Second machine in Pakistan plant to come online in Q2/Q3 2014
- Three additional Feminine Care machines to start production in H2 2014 in Western Europe and China

Assessing mitigating actions to reduce FX and raw material volatility

- Fluff cover effective for 2014 (partially through hedging)
- Hedge contracts introduced to limit fluctuations in the GBP, PLN, TRY, AUD and RUB and purchases in USD and CZK
- Increases visibility that enables more effective management of the trade

Financial Review

Broad Based Revenue Growth in Q1 2014

In €m	Q1 2014	Q1 2013	% as reported	% at constant currency	% at constant currency excl. Serenity
Per division					
Mature retail	220.4	202.0	9.1%	9.8%	9.5%
Growth markets	21.8	19.6	11.2%	22.4%	22.4%
Healthcare	106.4	67.3	58.1%	58.1%	2.1%
MEA	51.6	51.6	-	14.7%	14.7%
Per product group					
Babycare	210.2	191.2	9.9%	13.9%	13.8%
Femcare	49.4	48.2	2.5%	3.3%	3.3%
Incontinence	134.9	97.3	38.6%	41.5%	3.4%
Other (Traded goods)	5.7	3.8	50.0%	57.9%	34.2%
Per geographic area					
Western Europe	277.0	218.9	26.5%	25.8%	8.5%
Eastern Europe	47.6	47.2	0.8%	6.4%	6.1%
Rest of the world	75.6	74.4	1.6%	15.3%	15.1%

Ontex

Q1 2014 Financial Highlights (1/2)

In €m	Q1 2014	Q1 2013	%
Revenues	**400.2**	**340.5**	***17.5%***
Revenues at constant currency	*411.3*	*340.5*	*20.8%*
Revenues at constant currency and excluding Serenity	*373.1*	*340.5*	*9.6%*
Cost of sales	(291.3)	(253.6)	*14.9%*
Gross profit	**108.9**	**86.9**	***25.3%***
Opex	(67.5)	(56.5)	*19.5%*
Adjusted EBITDA	**49.4**	**38.0**	***30.0%***
Adjusted EBITDA at constant currency	*53.6*	*38.0*	*41.1%*
Adjusted EBITDA margin (reported)	*12.3%*	*11.2%*	*118 bps*

Q1 2014 Financial Highlights (2/2)

In €m	Q1 2014	Q1 2013	%
Adjusted EBITDA	**49.4**	**38.0**	***30.0%***
Non recurring expenses (*)	(2.3)	(2.1)	*9.5%*
Reported EBITDA	**47.1**	**35.9**	***31.2%***
Depreciation & Amortization	(8.0)	(7.9)	*1.3%*
Operating profit	**39.1**	**28.0**	***39.6%***

(*) Non-recurring expenses, excluding depreciation and amortization

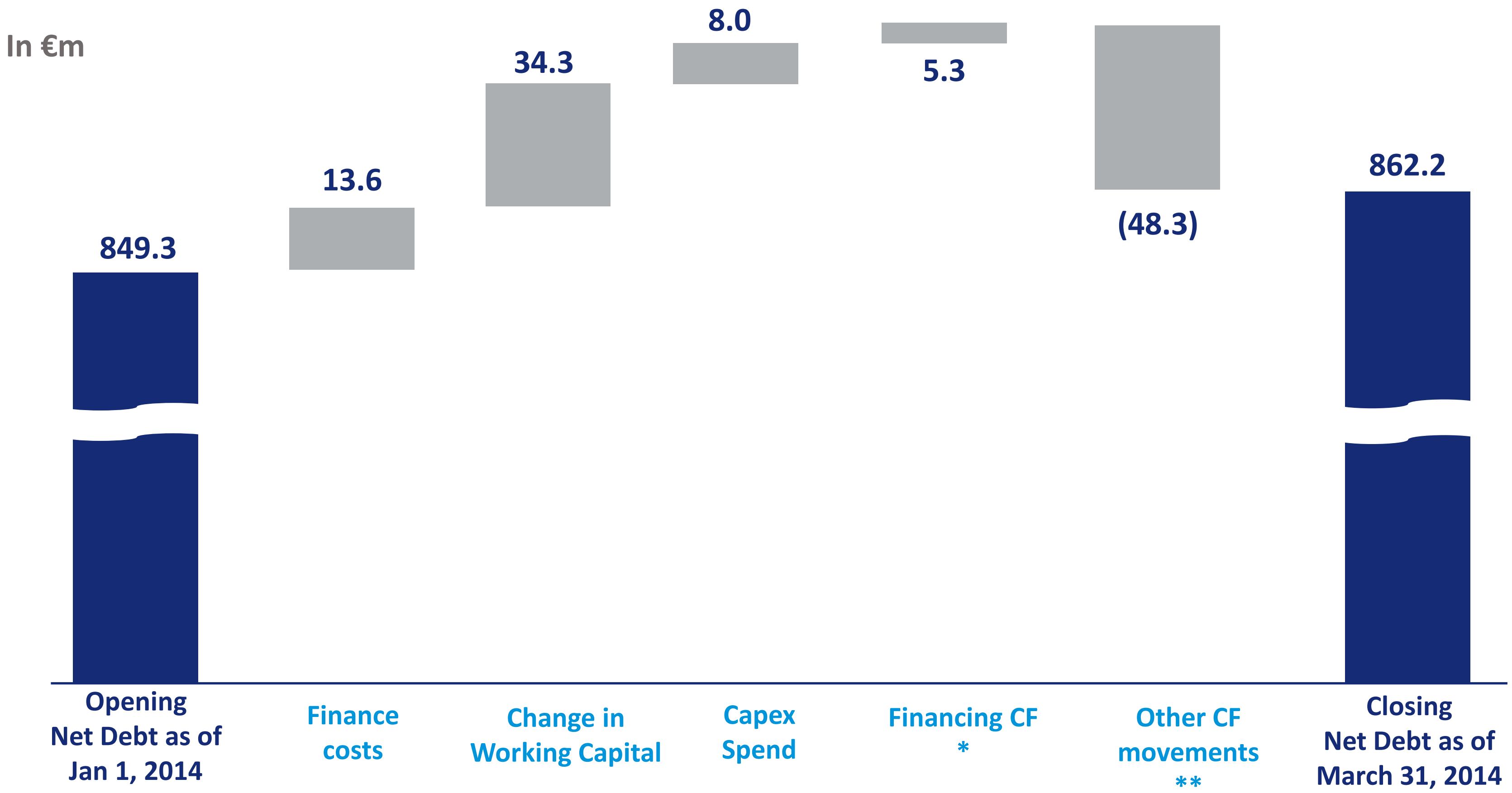
FCF Impacted by Higher Working Capital Consumption

In €m	Q1 2014	Q1 2013	%	Comments
Adjusted EBITDA	**49.4**	**38.0**	***30.0%***	Driven by growth of business and Serenity acquisition
Changes in working capital	(34.3)	(6.2)	*N.M.*	Linked to Serenity, rebuilding inventories and slightly higher DSO
Cash taxes paid	(1.6)	(1.5)	6.7%	Comparable to previous year
Capex	(8.0)	(16.2)	*50.6%*	Different phasing compared to previous year with greater proportion to come over the next three quarters. Overall FY indications remain unchanged
FCF	**5.5**	**14.2**	***(61.3%)***	

Working Capital Drivers Impacting Q1 2014

- Growth of the business
- Serenity
- Rebuild of diaper inventories to optimal levels
- Slightly higher DSO due to higher portion of revenues generated from customers with longer payment terms

Net Debt Bridge



* Mainly interest paid

** Mostly including positive EBITDA contribution in the amount of €47.1 million, including non-recurring expenses

Available Liquidity

In €m	As of March 31, 2014
Cash & Cash Equivalents	61.5
Credit Lines of €75.0 (of which drawn: €0.0 million)	75.0
Available Liquidity	136.5

In €m	As of March 31, 2014
Group Factoring Lines	171.5
– Amount drawn down as at March 31, 2014	122.7

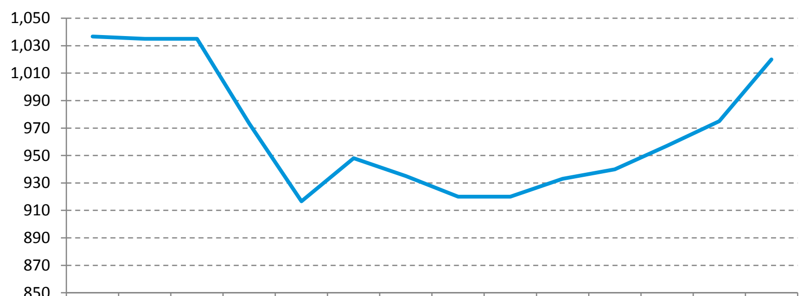
- Cash and Cash Equivalents up by 43.0% year-over-year at the end of March 31, 2014, compared to €43.0 million at the end of March 31, 2013 (excluding restricted cash from bond issue linked to the Serenity acquisition)
- Revolving Credit Facility remains undrawn as of March 31, 2014

- Total factoring line of as of March 31, 2014 includes the factoring line granted to Serenity
- Factoring lines are on a non-recourse basis therefore have no impact on debt

Closing Remarks

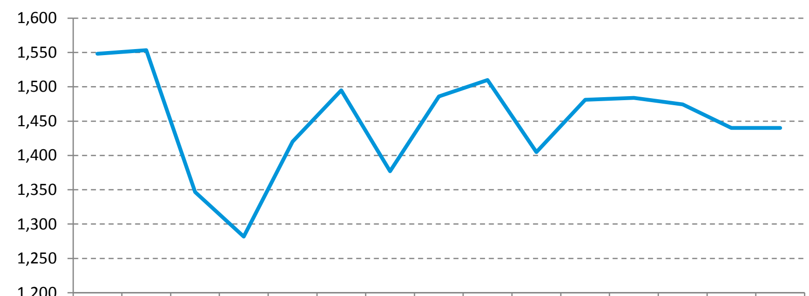
Anticipated Macro Dynamics

Fluff



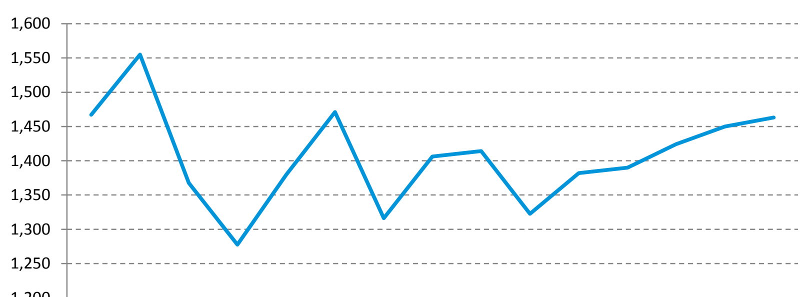
	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	April 2014
Index	1,037	1,035	1,035	973	917	948	935	920	920	933	940	957	975	1,020

Low Density Polyethylene



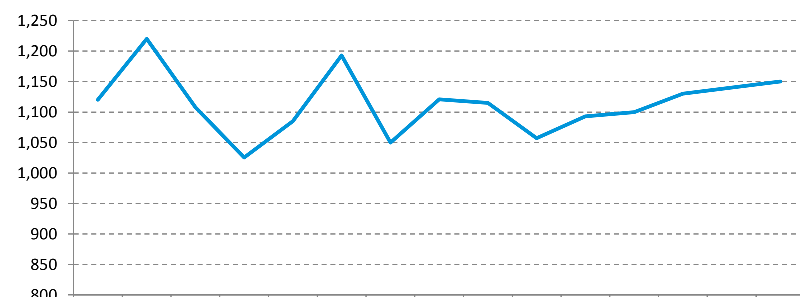
	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	April 2014	May 2014
Index	1,548	1,553	1,347	1,282	1,420	1,495	1,377	1,486	1,510	1,405	1,481	1,484	1,474	1,440	1,440

Polypropylene homo polymer



	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	April 2014	May 2014
Index	1,467	1,555	1,368	1,278	1,380	1,471	1,316	1,406	1,414	1,323	1,382	1,390	1,424	1,450	1,463

Propylene Homo



	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	April 2014	May 2014
Index	1,120	1,220	1,108	1,025	1,085	1,193	1,050	1,121	1,115	1,057	1,093	1,100	1,130	1,140	1,150

2014 Priorities

Customers / Environment

- Continue to pursue top line growth across geographies and divisions
- Roll out latest product innovation, Supercore II thin diapers, to key markets
- Maintain discipline on efficient growth to support margins

Operations

- Consolidate existing assets and leverage presence in MEA
- Execute on planned capacity extensions
- Deliver the innovation pipeline to meet customer needs

Cost and cash management

- Further drive cost savings and efficiencies within the entire Group
- Continue to proactively manage working capital requirements and improve cash generation

Q&A – Q1 2014

Appendix

Q1-Q4 2013 Sales under New Reporting Structure

Reported Revenues in €m	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Retail	221.7	238.5	236.7	236.8
Healthcare	67.3	102.3	103.4	106.7
MEA	51.5	47.0	39.3	40.7

Reported Revenues in €m	Q1 2013	Q2 2013	Q3 2013	Q4 2013
Retail Mature	202.1	216.7	214.5	212.3
Growth Markets	19.6	21.8	22.2	24.5
Healthcare	67.3	102.3	103.4	106.7
MEA	51.5	47.0	39.3	40.7