Ontex H1 2016: Solid reported revenue growth and margins in competitive markets and Mabe integration on track

- **After first half revenue in line with market expectations, we will deliver FY 2016 Group revenue of more than €2 billion**
- **Successful Mabe integration will generate deal-related synergies, contributing to a solid FY 2016 Group EBITDA margin**

Aalst-Erembodegem, July 28, 2016 - Ontex Group NV (Euronext Brussels: ONTEX; 'Ontex,' 'the Group' or 'the Company') today announced its results for the six months period ending June 30, 2016.

H1 2016 Highlights

- Revenue was €962.6 million, up 12.9% on a reported basis
    - -0.1% on a like-for-like (LFL)[1] basis, year-on-year (yoy)
    - +2.3% pro-forma at constant currency[2]
- Adjusted EBITDA[3] increased by 12.2% yoy to €123.3 million, resulting in an Adjusted EBITDA margin of 12.8%, in line with our expectations
- Net foreign exchange (FX) headwinds of €29.4 million on revenue and €27.8 million on Adjusted EBITDA
- Adjusted net profit was €65.7 million, up 11.0% compared to last year; Adjusted earnings per share was €0.89
- Net Debt was €660.2 million including €97.6 million of acquisition related earn-outs as of June 30, 2016, resulting in a net debt/LTM[4] Adjusted EBITDA ratio of 2.97x

Q2 2016 Highlights

- Revenue was €510.2 million, a yoy increase of 19.3% on a reported basis
    - -1.2% on a LFL basis yoy, lower than Q1 as expected and highlighted at the Q1 update
    - +0.7% pro-forma at constant currency
- Adjusted EBITDA increased by 14.3% yoy to €66.2 million, including the first synergies from the Grupo Mabe acquisition, resulting in an Adjusted EBITDA margin of 13.0%
- Net negative FX impact of €16.4 million on revenue and €14.6 million on Adjusted EBITDA

Key Financials H1 2016 and Q2 2016

In € million, except margin & per share data	H1 2016	H1 2015	% Change		Q2 2016	Q2 2015	% Change
Reported Revenue	962.6	852.8	12.9%		510.2	427.7	19.3%
LFL Revenue[1]	851.9	852.8	(0.1%)		422.4	427.7	(1.2%)
Pro-forma revenue at constant currency[2]	*1,095.7*	*1,071.5*	*2.3%*		*540.8*	*537.3*	*0.7%*
Adjusted EBITDA[3]	123.3	109.9	12.2%		66.2	57.9	14.3%
Adj. EBITDA Margin	12.8%	12.9%	(7 bps)		13.0%	13.5%	(56 bps)

In € million, except margin & per share data	H1 2016	H1 2015	% Change		Q2 2016	Q2 2015	% Change
Adj. profit/(loss) for the period	65.7	59.2	11.0%		-	-	-
Adjusted EPS	0.89	0.87	2.3%		-	-	-
Profit/(Loss) for the period	58.2	56.9	2.3%		-	-	-
Basic EPS	0.79	0.84	(6.0%)		-	-	-
Adj. Free Cash Flow[5]	108.7	106.9	1.7%		-	-	-
Net Debt	660.2	514.7	28.3%		N.A.	N.A.	N.A

1 *LFL is defined as at constant currency excluding change in perimeter of consolidation or M&A*
2 *Pro-forma at constant currency includes Grupo Mabe revenue for H1 and Q2 data for 2015 and 2016*
3 *Adjusted EBITDA is a non-IFRS measure, defined as EBITDA plus non-recurring expenses and revenues excluding non-recurring depreciation and amortization and has consistently been applied throughout reporting periods. EBITDA is a non-IFRS measure, defined as earnings before net finance cost, income taxes, depreciation and amortization. For further detail refer to Annex A, page 13*
4 *Last twelve months (LTM) of Adjusted EBITDA includes the last twelve months of Ontex, and the last four months contribution of Grupo Mabe since completion of the acquisition*
5 *Adjusted Free Cash Flow calculated as Adjusted EBITDA less capex, change in working capital and cash taxes paid.*

Charles Bouaziz, Ontex CEO commented: "We demonstrated our resilience in the first half in more challenging markets. Growth in our developing markets was strong and our Healthcare business was also solidly ahead, while in our mature markets we remained disciplined on price and continued to invest in our go-to-market capabilities. Grupo Mabe has performed well, and in just four months has helped to increase the proportion of Ontex revenue generated outside of Western Europe in the first half to 46%. The integration is proceeding well and we are starting to capture the expected synergies. In the second half, as we roll off the impact of some contract gains and losses in Mature Markets, we expect to deliver Group revenue growth in line with our mid term model."

Market Dynamics

As anticipated our markets grew more slowly in H1 2016. The Western European market had a slight decline in value terms due to lower pricing, which partly reflects the promotional campaigns by international brands. Developing markets showed further growth, albeit at a lower rate due to a mix of cycling 2015 price increases linked to devaluating currencies, and also increased promotional activities by international brands. Retailer brands maintained a strong and stable share in Western Europe, and continued to take share in Russia.

Changes in foreign exchange rates compared to the Euro led to strong headwinds for Ontex for both revenue and Adjusted EBITDA. In H1 2016 the Euro appreciated against the Russian Rouble, the Turkish Lira, the British Pound, the Polish Zloty and the Algerian Dinar, impacting revenue. For Adjusted EBITDA, the main FX impacts were due to the US Dollar, the Russian Rouble, the Turkish Lira, the Polish Zloty and the Algerian Dinar. The Euro also appreciated against the Mexican Peso, resulting in a translation impact for Grupo Mabe's results.

The overall costs of our main commodity raw materials in H1 2016 were lower in their reference currencies than in the same period of 2015. Prices for fluff pulp, denominated in USD, continued to be very high. The total costs of commodity raw materials based on crude oil were lower in the first half of 2016, with most of the benefit recorded in the first quarter. Based on the current level of oil-based commodities indices, we anticipate a positive impact from pricing in Q3.

OUTLOOK

Based on current FX rates, outlook on commodity pricing and competitive environment:

- We expect that second half 2016 revenue growth will be in our mid-term range of 4% to 6% like-for-like, based upon a better performance in Mature Market Retail and continued solid performances in the balance of our portfolio of activities
- We will continue to capture efficiencies and savings throughout our business. In addition, in the second half of the year we will deliver an increasing amount of synergies from the Mabe acquisition. Including the dilutive impact of Grupo Mabe, we expect to have a Group Adjusted EBITDA margin for FY 2016 at least in line with FY 2015 (12.4%) on a much larger revenue base

Overview of Ontex Performance in H1 2016

Group revenue amounted to €962.6 million in H1 2016, including sales from Grupo Mabe for the period March to June, up 12.9% compared to last year on a reported basis. On a LFL basis, revenue was essentially in line with last year. Sales in developing markets grew by double digits mainly driven by higher volumes, while revenue in developed market retail was lower as anticipated. Including Grupo Mabe sales for the first six months, pro-forma H1 2016 Group revenue at constant currency would have increased by 2.3%.

H1 2016 Adjusted EBITDA was €123.3 million, an increase of 12.2% year-on-year including consolidation of Grupo Mabe for March to June. Changes in foreign exchange rates had a negative impact of nearly €28 million, significantly outweighing the positive impact of raw material pricing. Our portfolio of efficiency and savings projects, and the first synergies from our deal with Grupo Mabe, helped to mitigate these external factors. As a result, we generated a solid Adjusted EBITDA margin of 12.8%.

Operational Review: Divisions

	Six Months				Second Quarter			
in € million	**H1 2016**	**H1 2015**	**% Δ as reported**	**% Δ at LFL**	**Q2 2016**	**Q2 2015**	**% Δ as reported**	**% Δ at LFL**
Ontex Reported Revenue	**962.6**	**852.8**	**12.9%**	**(0.1%)**	**510.2**	**427.7**	**19.3%**	**(1.2%)**
Mature Market Retail	425.7	460.8	(7.6%)	(7.7%)	212.2	232.4	(8.7%)	(9.2%)
Growth Markets	79.8	73.7	8.3%	20.2%	42.9	42.4	1.2%	15.1%
Healthcare	216.9	215.3	0.7%	1.7%	108.4	106.9	1.4%	2.7%
MENA	108.1	103.0	5.0%	15.4%	48.3	46.0	5.0%	14.1%
Americas Retail	132.2	n.a.	n.a.	n.a.	98.4	n.a.	n.a.	n.a.
Americas Retail pro-forma[1]	206.7	207.1	(0.2%)	12.4%	98.4	103.8	(5.2%)	8.6%

1 *Americas Retail pro-forma H1 and Q2 data for 2015 and 2016. For this pro-forma data, the % change at LFL is at constant currency.*

Mature Market Retail
Revenue in the Mature Market Retail Division in H1 2016 was 7.7% lower than the same period last year on a LFL basis due to continued cycling of contract losses from 2015 (-7.6% on a reported basis, which included a negative FX impact from the British Pound and Polish Zloty, and €7.9 million of incremental sales since March 1 2016 from Grupo Mabe's European activites). Based on market data, we believe that the overall market, including babycare, femcare and adult inco, was slightly down year-on-year for the period January to May 2016 due to lower pricing. The competitive environment remained challenging, with increased promotional activities by international brands in many markets. Against this background, our business continued to be disciplined in its pricing approach, and further reinforced its efforts to provide our retail partners with innovative, high-quality products and services. H1 2016 revenue decreased in the UK and France, and increased in Italy and Poland.

Growth Markets
Revenue in our Growth Markets Division was up 20.2% on a LFL basis in H1 2016 (+8.3% on a reported basis, with the negative FX impact mostly due to the Russian Rouble), continuing to outpace estimated market growth. Volume growth in Russia and Central Eastern Europe was the primary driver of higher sales. The contribution to growth from pricing was lower in the first half, partly due to increased price competition.

Healthcare
Healthcare Divisional revenue rose 1.7% in H1 2016 on a LFL basis (+0.7% on a reported basis, mainly due to the negative impact of the British Pound). Revenue grew on a LFL basis in Italy, Spain and the UK, with sales in France and Germany lower year-on-year. Sales via home delivery developed positively in Germany and Italy, as we continue to leverage our expertise in this channel in multiple markets.

MENA
MENA Divisional revenue increased 15.4% in H1 2016 on a LFL basis (+5.0% on a reported basis, reflecting a negative FX impact mainly from the Turkish Lira and Algerian Dinar). Higher sales were achieved in nearly all markets, mostly due to good volume growth of Ontex brands. Competitor pricing dynamics have become more volatile in Turkey, including increased promotional activity by international brands, after devaluation of the Turkish Lira over the past several months. Average selling prices for Ontex have risen to partially compensate for currency devaluation, and also contributed to H1 revenue growth. We continued to invest in our leading brands, including Canbebe, where in Turkey we have used insights based on consumer research to re-launch an innovative new product.

Americas Retail
H1 2016 revenue for Americas Retail covers the four month period March to June 2016, following completion of the Grupo Mabe acquisition on February 29, 2016. Our business has had a strong performance year to date, with revenue increasing by 12.4% for H1 2016 on a pro-forma basis at constant currency. Sales of our brands increased in the Babycare, Adult Inco and Femcare categories in Mexico. Adjusting for the negative FX impact, pro-forma revenue for H1 2016 was -0.2% year-on-year.

Operational Review: Categories

	Six Months				Second Quarter			
in € million	**H1 2016**	**H1 2015**	**% Δ as reported**	**% Δ at LFL**	**Q2 2016**	**Q2 2015**	**% Δ as reported**	**% Δ at LFL**
Ontex Reported Revenue[1]	**962.6**	**852.8**	**12.9%**	**(0.1%)**	**510.2**	**427.7**	**19.3%**	**(1.2%)**
Babycare	548.1	456.5	20.1%	(2.7%)	298.2	230.0	29.7%	(6.1%)
Femcare	104.3	101.6	2.7%	(0.2%)	53.6	50.8	5.5%	1.6%
Adult Inco	298.4	282.4	5.7%	4.2%	153.8	140.1	9.8%	7.2%

1 *Includes €4.5 million in Q2 2016; €11.8 million in H1 2016; €6.8 million in Q2 2015; €12.3 million H1 2015 from Other category*

Babycare

Babycare category revenue was 20.1% higher on a reported basis in H1 2016 including Grupo Mabe sales from March to June 2016, and down 2.7% on a LFL basis. Sales of babycare products were well ahead of last year in developing markets, however this could not offset a decrease in developed markets.

Femcare

Revenue for the Femcare category rose 2.7% on a reported basis in H1 2016 including 4 months of Grupo Mabe sales, and was essentially stable at -0.2% on a LFL basis. Most of our femcare sales are in Western Europe through retailer brands, where our revenue was ahead of the market, which was slightly down year-on-year.

Adult Inco

H1 2016 Adult Inco category revenue was up 5.7% on a reported basis including 4 months of Grupo Mabe sales, and on a LFL basis grew 4.2%. On a LFL basis, sales in institutional channels were slightly higher, while retail sales grew 13% yoy.

Operational Review: Geographies

	Six Months				Second Quarter			
in € million	**H1 2016**	**H1 2015**	**% Δ as reported**	**% Δ at LFL**	**Q2 2016**	**Q2 2015**	**% Δ as reported**	**% Δ at LFL**
Ontex Reported Revenue	**962.6**	**852.8**	**12.9%**	**(0.1%)**	**510.2**	**427.7**	**19.3%**	**(1.2%)**
Western Europe	521.9	559.6	(6.7%)	(7.2%)	262.3	279.5	(6.2%)	(7.0%)
Eastern Europe	146.9	133.4	10.1%	19.2%	76.5	72.6	5.4%	16.5%
Americas	137.0	4.9	n.m.	20.4%	100.3	2.2	n.m.	31.8%
ROW	156.7	154.9	1.2%	8.3%	71.0	73.4	(3.3%)	2.2%

n.m. not meaningful

Western Europe revenue decreased in H1 2016, mainly due to lower sales in retail channels and a negative FX impact. The proportion of revenue generated outside of Western Europe, including Grupo Mabe sales for March to June 2016, was 46% of Ontex Group revenue, compared to 34% in H1 2015.

FINANCIAL REVIEW

Selected P&L Financial Information

in € million	Six Months		
	H1 2016	H1 2015	% Δ
Ontex Reported Revenue	**962.6**	**852.8**	**12.9%**
Cost of sales	(679.0)	(612.8)	10.8%
Gross margin	283.6	240.0	18.2%
Operating expenses	(180.4)	(146.4)	23.2%
Non-recurring revenue and expenses	(8.7)	(2.3)	278.3%
Operating profit	94.5	91.3	3.5%
Net finance cost	(14.1)	(17.4)	(19.0%)
Income tax expense	(22.2)	(17.0)	30.6%
Basic EPS	0.79	0.84	(6.0%)

Selected Liquidity Financial Information

	Six Months		
in € million	**H1 2016**	**H1 2015**	**% Δ**
Adjusted Free Cash Flow (post tax)	108.7	106.9	1.7%
- Of which change in WC	15.1	19.0	(20.5%)
- Of which Capex	(18.7)	(15.3)	22.2%
Net debt[1]	660.2	514.7	28.3%
Available liquidity (cash and cash equivalents plus undrawn RCF)	344.1	216.4	59.0%

1 Net debt position for period ended June 30, 2015 has been restated to include earn-out payments

Gross Margin

H1 2016 Gross margin amounted to €283.6 million, an 18.2% increase on the same period of 2015, including contribution from Grupo Mabe since consolidation. Gross margin as a percentage of sales rose by 132 basis points, from 28.1% in H1 2015 to 29.5% in H1 2016. This improvement is mainly due to continued focus on efficiency gains and savings, and to a lesser extent to commodity raw material tailwinds; together these two impacts more than offset negative FX rates.

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS measure is defined as EBITDA plus non-recurring expenses and revenues excluding non-recurring depreciation and amortization. EBITDA is also a non-IFRS measure, defined as earnings before net finance cost, income taxes, depreciation and amortization.

Adjusted EBITDA was up 12.2% to €123.3 million. This positive result was driven by the strong increase in gross margin and the consolidation of Grupo Mabe. We also continued investing in the company and strengthening the foundations for future growth. The resulting Adjusted EBITDA margin was 12.8%, a slight decline from the prior year mainly due to strong FX headwinds.

Foreign Exchange

The FX impact on the Group was substantial in the first half of 2016, both on revenue and Adjusted EBITDA. Changes in foreign exchange rates led to a -€29.4 million impact on revenue, mainly from the Russian Rouble, Turkish Lira, British Pound, Polish Zloty and Algerian Dinar. Appreciation of the Euro against the US Dollar, Russian Rouble, Turkish Lira, Polish Zloty and Algerian Dinar led to a -€27.8 million impact on Adjusted EBITDA. The Euro also appreciated against the Mexican Peso, impacting the translation of Grupo Mabe's results.

Net Finance Costs
H1 2016 net finance costs were €14.1 million, 19.0% below the same period of 2015. The decrease is fully explained by the net impact of exchange rate differences related to financing activities.

Income Tax Expense
The income tax expense in H1 2016 was €22.2 million. This led to an effective tax rate of 27.6%, in line with the company's expectation of an effective tax rate in the high 20s.

Regarding the announcement in January 2016 by the European Commission that the Belgian excess profit ruling is considered illegal state aid, Ontex has decided to appeal this decision.

Working Capital
As a percentage of H1 2016 revenue, working capital was 10.6%, remaining within our target to keep working capital at or below 12% of revenue. This result was in part achieved due to the sale of the remainder of an Italian VAT receivable, most of which was sold in mid-2015.

Capex
H1 2016 capital expenditure was €18.7 million, with the expected phasing for FY 2016 to be similar to the prior year. We expect FY 2016 capex to be between 3.5% to 4% of sales, including the impact of Grupo Mabe and IT investments.

Adjusted Free Cash Flow (post tax)
Adjusted Free Cash Flow calculated as Adjusted EBITDA (see definition above) less capex, change in working capital and cash taxes paid.
H1 2016 Adjusted free cash flow (post tax) was €108.7 million, 1.7% more than the same period of last year. While Adjusted EBITDA increased, we had slightly less cash inflows from changes in working capital, in part due to an inventory build-up ahead of the plant move in Northern France, as well as higher capex and cash taxes paid, compared to last year.

Financing and Liquidity
Net debt at June 30, 2016 was €660.2 million, and net leverage based on the last twelve months Adjusted EBITDA, including four months' contribution from Grupo Mabe, was 2.97x.

Cash and cash equivalents were €144.1 million at June 30, 2016. In addition to the cash position, Ontex has available funding consisting of a revolving credit facility of €100 million, and a term loan C of €125 million, of which €25 million was drawn. As a result, liquidity available to the Group on June 30, 2016 was €344.1 million.

CONFERENCE CALL

Management will host a presentation for investors and analysts on July 28, 2016 at 8:00am BST/9:00am CEST.

A copy of the presentation slides will be available at http://www.ontexglobal.com/.

If you would like to participate in the conference call, please dial-in 5 to 10 minutes prior using the details below:

United Kingdom	+44 (0) 20 3427 1913
United States	+1 212 444 0895
Belgium	+32 (0) 2 404 0660
France	+33 (0) 1 76 77 22 28
Germany	+49 (0) 69 2222 10623

Passcode: **4613030**

FINANCIAL CALENDAR 2016

Q3 & 9M 2016	November 9, 2016
FY 2016	March 8, 2017

ENQUIRIES

Investors
Philip Ludwig
+32 53 333 730
Philip.ludwig@ontexglobal.com

Press
Gaëlle Vilatte
+32 53 333 708
Gaelle.vilatte@ontexglobal.com

ANNEX A ONTEX GROUP NV CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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") as adopted by the European Union, 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.

Statutory auditor's report on review of consolidated condensed financial information for the period ended 30 June 2016

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 2016

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Ontex Group NV and its subsidiaries, as of 30 June 2016 and the related consolidated interim statements of income, the consolidated statements of changes in equity and the consolidated interim statements of cash flow 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 these condensed consolidated interim financial statements in accordance with IAS 34 as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance the 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 statements are not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Gent, 27 July 2016

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

PwC Bedrijfsrevisoren cvba, burgerlijke vennootschap met handelsvorm - PwC Reviseurs d'Entreprises scrl, société civile à forme commerciale - Financial Assurance Services
Maatschappelijke zetel/Siège social: Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-Woluwe
Vestigingseenheid/Unité d'établissement: Sluisweg 1 bus 8, B-9000 Gent
T: +32 (0)9 268 82 11, F: +32 (0)9 268 82 99, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB

Consolidated Interim Income Statement

		First Half	
in € million	**Note**	**2016**	**2015**
Revenues	3	962.6	852.8
Cost of sales		(679.0)	(612.8)
Gross Margin		**283.6**	**240.0**
Distribution expenses		(85.9)	(75.9)
Sales and marketing expenses		(59.0)	(48.3)
General administrative expenses		(34.3)	(26.0)
Other operating income/(expense), net		(1.2)	3.8
Non-recurring income and expenses (*)	9	(8.7)	(2.3)
Operating profit		**94.5**	**91.3**
Finance income		20.1	10.8
Finance costs		(34.3)	(28.2)
Net finance cost		**(14.1)**	**(17.4)**
Profit /(Loss) before income tax		**80.4**	**73.9**
Income tax expense		(22.2)	(17.0)
Profit /(Loss) for the period from continuing operations		**58.2**	**56.9**
Profit /(Loss) for the period		**58.2**	**56.9**
Profit /(Loss) attributable to:			
Owners of the parent		58.2	56.9
Non-controlling interests		-	-
Profit /(Loss) for the period		**58.2**	**56.9**

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

The notes 1 to 15 are an integral part of the Condensed Consolidated Interim Financial Statements.

EARNINGS PER SHARE

Earnings per share	Note	First Half	
in €		2016	2015
Basic Earnings per share	10	0.79	0.84
Diluted Earnings per share	10	0.79	0.84
Adjusted Basic Earnings per share (*)	10	0.89	0.87
Diluted Adjusted Basic Earnings per share	10	0.89	0.87
Weighted average number of ordinary shares outstanding during the period		73,953,701	68,055,555

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

The notes 1 to 15 are an integral part of the Condensed Consolidated Interim Financial Statements.

Consolidated Interim Income Statement (continued)

Reconciliation of Non-IFRS Financial Measures	**First Half**	
in € million	**2016**	**2015**
Reconciliation of operating profit to net income before interest, tax, depreciation and amortization (EBITDA) (Additional information)		
Operating Profit	**94.5**	**91.3**
Depreciation and amortization (*)	20.1	16.3
EBITDA (**)	**114.6**	**107.6**
Reconciliation of net income before interest, tax, depreciation and amortization (EBITDA) to adjusted EBITDA		
EBITDA (**)	**114.6**	**107.6**
Non-recurring expenses excluding depreciation and amortization	8.7	2.3
Adjusted EBITDA (***)	**123.3**	**109.9**
Reconciliation (Loss)/profit of the period (Basic Earnings) to Adjusted Basic Earnings		
(Loss)/profit of the period (Basic Earnings)	**58.2**	**56.9**
Non-recurring expenses attributable to owners of the Parent	8.7	2.3
Tax correction	(1.2)	-
Adjusted Basic Earnings	**65.7**	**59.2**

(*) Depreciation and amortization (D&A) included €20.1 million of recurring D&A and €0.0 million of non-recurring D&A in H1 2016. D&A included €16.3 million of recurring D&A and €0.0 million of non-recurring D&A for the H1 2015.

(**) 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 revenues and expenses excluding non-recurring depreciation and amortization

The notes 1 to 15 are an integral part of the Condensed Consolidated Interim Financial Statements.

Consolidated Interim Statement of Comprehensive Income

	First Half	
in € million	**2016**	**2015**
Income / (loss) for the period	**58.2**	**56.9**
Other comprehensive income/(loss) for the period, after tax:		
Items that will not be reclassified subsequently to income statement		
Remeasurements of defined benefit plans	-	(0.1)
Items that will be reclassified subsequently to income statement		
Exchange differences on translating foreign operations	(7.5)	(1.3)
Cash flow hedge	(1.2)	(1.6)
Other	(0.6)	-
Other comprehensive income /(loss) for the period, net of tax	**(9.3)**	**(3.0)**
Total comprehensive income/(loss) for the period	**48.9**	**53.9**
Total comprehensive income attributable to:		
Owners of the parent	48.9	53.9
Non-controlling interests	-	-
Total comprehensive income/(loss) for the period	**48.9**	**53.9**

The notes 1 to 15 are an integral part of the Condensed Consolidated Interim Financial Statements.

Consolidated Statement of Financial Position

ASSETS in € million	Note	June 30, 2016	December 31, 2015	June 30, 2015
Non-current Assets				
Goodwill and other intangible assets	4	1,134.0	864.6	864.5
Property, plant and equipment	5	429.7	319.0	298.4
Deferred tax assets		8.4	7.0	6.2
Non-current receivables		0.1	-	-
		1,572.2	**1,190.6**	**1,169.1**
Current Assets				
Inventories		271.3	201.1	203.7
Trade receivables		288.8	218.1	215.5
Prepaid expenses and other receivables		55.4	49.0	39.7
Current income tax		8.8	7.3	6.2
Derivative financial assets		2.1	2.2	4.1
Cash and cash equivalents	8	144.1	236.8	116.4
		770.5	**714.5**	**585.6**
TOTAL ASSETS		**2,342.7**	**1,905.1**	**1,754.7**

The notes 1 to 15 are an integral part of the Condensed Consolidated Interim Financial Statements.

Consolidated Statement of Financial Position (continued)

EQUITY AND LIABILITIES in € million	Note	June 30, 2016	December 31, 2015	June 30, 2015
Equity attributable to owners of the company				
Share capital & Premium		988.8	913.1	799.7
Cumulative translation differences		(31.8)	(24.3)	(19.6)
Treasury shares		(13.1)	(13.1)	-
Retained earnings and other reserves		11.4	(23.5)	(67.9)
TOTAL EQUITY		**955.3**	**852.2**	**712.2**
Non-current liabilities				
Employee benefit liabilities		21.1	19.7	19.6
Provisions		0.3	0.2	0.2
Interest-bearing debts	8	672.5	633.1	618.8
Other non-current financial liabilities	8	83.1	-	5.0
Deferred income tax liabilities		39.6	27.3	22.6
Other payables		0.2	0.2	0.1
		816.8	**680.5**	**666.3**
Current liabilities				
Interest-bearing debts	8	30.2	9.2	2.3
Derivative financial liabilities		3.7	2.5	5.2
Other current financial liabilities	8	18.5	5.0	5.0
Trade payables		394.8	267.1	275.9
Accrued expenses and other payables		29.9	23.3	25.1
Social liabilities		37.3	33.3	31.9
Current income tax liabilities		48.2	27.3	26.3
Provisions		8.0	4.7	4.5
		570.6	**372.4**	**376.2**
TOTAL LIABILITIES		**1,387.4**	**1,052.9**	**1,042.5**
TOTAL EQUITY AND LIABILITIES		**2,342.7**	**1,905.1**	**1,754.7**

The notes 1 to 15 are an integral part of the Condensed Consolidated Interim Financial Statements.

Consolidated Interim Statement of Cash Flow

	First Half	
in € million	**2016**	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) for the period	**58.2**	**56.9**
Adjustments for:		
Income tax expense	22.2	17.0
Depreciation and amortization	20.1	16.3
Provisions (including employee benefit liabilities)	4.5	-
Non recurring expenses through income statement	1.1	-
Finance costs - net (including unrealized F/x difference on financing)	14.1	17.4
Changes in working capital:		
Inventories	(23.2)	(3.0)
Trade and other receivables and prepaid expenses	9.3	3.9
Trade and other payables and accrued expenses	29.0	18.1
Social liabilities	(1.2)	2.5
Cash from operating activities before taxes	**134.1**	**129.1**
Income tax paid	(11.0)	(6.7)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**123.1**	**122.4**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangibles (including capital grants)	(18.7)	(15.3)
Gain on disposal	-	0.1
Acquisition price paid (net of cash proceeds)	(155.6)	-
NET CASH USED IN INVESTING ACTIVITIES	**(174.3)**	**(15.2)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	26.6	-
Repayment of borrowings	(15.1)	(0.3)
Interest paid	(12.2)	(12.6)
Interest received	0.6	0.4
Cost of refinancing & Other costs of financing	(3.4)	(3.0)
Realized foreign exchange (losses)/gains on financing activities	(3.1)	3.8
Derivative financial asset	(0.5)	(1.7)
Dividend pay out	(34.4)	(12.9)
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	**(41.5)**	**(26.3)**
NET INCREASE/(DECREASE) IN CASH,CASH EQUIVALENTS AND BANK OVERDRAFTS	**(92.7)**	**80.9**
CASH, CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**236.8**	**35.5**
CASH, CASH EQUIVALENTS AT THE END OF THE PERIOD	**144.1**	**116.4**

The notes 1 to 15 are an integral part of the Condensed Consolidated Interim Financial Statements.

Consolidated Interim Statement of Cash Flow (continued)

Reconciliation of Non-IFRS Measures – Adjusted FCF calculation	**First Half**	
in € million	**2016**	**2015**
Operating profit	**94.5**	**91.3**
Depreciation and Amortization	20.1	16.3
EBITDA	**114.6**	**107.6**
Non-recurring expenses excluding amortization	8.7	2.3
Adjusted EBITDA	**123.3**	**109.9**
Change in Working Capital		
Inventories	(23.2)	(3.0)
Trade and other receivables	9.3	3.9
Trade and other payables	29.0	18.1
Capex	(18.7)	(15.3)
Adjusted Free Cash Flow (pre-tax)	**119.7**	**113.6**
Cash taxes paid	(11.0)	(6.7)
Adjusted Free Cash Flow (post-tax)	**108.7**	**106.9**

The notes 1 to 15 are an integral part of the Condensed Consolidated Interim Financial Statements.

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company						
in € million	Number of shares	Share capital	Share Premium	Cumulative translation reserves	Treasury shares	Retained earnings and other reserves	Total Equity
Balance at December 31, 2015	**72,138,887**	**694.8**	**218.3**	**(24.3)**	**(13.1)**	**(23.5)**	**852.2**
Transactions with owners at the level of Ontex Group NV:							
Settlement of Share based Payment	-	-	-	-	-	0.5	0.5
Dividend	-	-	-	-	-	(34.4)	(34.4)
Treasury Shares	-	-	-	-	-	-	-
Issuance expenses new shares	-	-	-	-	-	-	-
Business combinations	-	-	-	-	-	12.4	12.4
Capital increase	2,722,221	27.2	48.5	-	-	-	75.7
Total transactions with owners 2016	**2,722,221**	**27.2**	**48.5**	**-**	**-**	**(21.5)**	**54.2**
Comprehensive income:							
Profit for the period	**-**	**-**	**-**	**-**	**-**	**58.2**	**58.2**
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	-	(7.5)	-	-	(7.5)
Actuarial gains/(losses) on defined benefit pension plans	-	-	-	-	-	-	-
Cash flow hedges	-	-	-	-	-	(1.2)	(1.2)
Other movements	-	-	-	-	-	(0.6)	(0.6)
Total other comprehensive income	**-**	**-**	**-**	**(7.5)**	**-**	**(1.8)**	**(9.3)**
Balance at June 30, 2016	**74,861,108**	**722.0**	**266.8**	**(31.8)**	**(13.1)**	**11.4**	**955.3**

The notes 1 to 15 are an integral part of the Condensed Consolidated Interim Financial Statements.

Consolidated Statement of Changes in Equity (Continued)

	Attributable to equity holders of the Company					
in € million	Number of shares	Share capital	Share Premium	Cumulative translation reserves	Retained earnings and other reserves	Total Equity
Balance at December 31, 2014	**68,055,555**	**655.3**	**144.4**	**(18.3)**	**(110.4)**	**671.0**
Transactions with owners at the level of Ontex Group NV:						
Settlement of Share based Payment	-	-	-	-	0.2	0.2
Dividend	-	-	-	-	(12.9)	(12.9)
Total transactions with owners 2014	**-**	**-**	**-**	**-**	**(12.7)**	**(12.7)**
Comprehensive income:						
Profit for the period	**-**	**-**	**-**	**-**	**56.9**	**56.9**
Other comprehensive income:						
Exchange differences on translating foreign operations	-	-	-	(1.3)	-	(1.3)
Remeasurements of defined benefit pension plans	-	-	-	-	(0.1)	(0.1)
Cash flow hedges	-	-	-	-	(1.6)	(1.6)
Other movements	-	-	-	-	-	-
Total other comprehensive income	**-**	**-**	**-**	**(1.3)**	**(1.7)**	**(3.0)**
Balance at June 30, 2015	**68,055,555**	**655.3**	**144.4**	**(19.6)**	**(67.9)**	**712.2**

The notes 1 to 15 are an integral part of the Condensed Consolidated Interim Financial Statements

Notes to the 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 2016 were authorized for issue in accordance with a resolution of the Board on July 27, 2016.

NOTE 1.1 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, 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, 2016 to June 30, 2016 are consistent with those applied in the audited consolidated financial statement for the year ended December 31, 2015 of Ontex Group NV.

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, 2015 of Ontex Group NV that can be found in the Annual Review 2015 on the website (www.ontexglobal.com), from page 57 through page 65.

NOTE 2.2 Basis of preparation

The condensed consolidated interim financial statements of the Group for the half year ended June 30, 2016 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 January 1, 2016. The new standards, amendments to standards and interpretations that are mandatory for the first time for the financial year beginning January 1, 2016, did not have a significant impact. No new standards, amendments to standards or interpretations were early adopted.

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

These condensed consolidated 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, 2015 of Ontex Group NV, that can be found on the website: http://www.ontexglobal.com.

The amounts in this document are presented in € millions, unless noted otherwise. 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 Dutch and translated into English. In the case of discrepancies between the two versions, the Dutch version will prevail.

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 revenues and costs at the end of the financial year.

NOTE 2.4 Critical accounting estimates and judgments

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2015.

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 ***in € million***	**First Half 2016**	**First Half 2015**
Mature Market Retail	425.7	460.8
Growth Markets	79.8	73.7
Healthcare	216.9	215.3
MENA	108.1	103.0
Americas Retail	132.2	-
Ontex Group Revenues	**962.6**	**852.8**

NOTE 3.2 Information by product group

in € million	First Half 2016	First Half 2015
Babycare	548.1	456.5
Feminine care	104.3	101.6
Adult Incontinence	298.4	282.4
Other	11.8	12.3
Ontex Group Revenues	**962.6**	**852.8**

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:

in € million	First Half 2016	First Half 2015
Western Europe	521.9	559.6
Eastern Europe	146.9	133.4
Americas	137.0	4.9
Rest of the World	156.7	154.9
Ontex Group Revenues	**962.6**	**852.8**

The activity of Ontex Group is not subject to significant seasonality throughout the year. Therefore, the additional disclosure of financial information for the 12-month period ended on the interim reporting date, encouraged in IAS 34.21, is not provided.

NOTE 3.4 Revenues from major customers

The Group does not have a single significant customer. In H1 2016, the single largest customer represented 7.2% of the Group's revenues. The 10 largest customers represented 34.6% of total sales for H1 2016 revenues.

NOTE 4 Goodwill and other intangible assets

in € million	Goodwill	IT implementation costs	Other intangibles	Total
Half-Year ended June 30, 2016				
Opening net book amount	860.1	4.2	0.3	864.5
Additions	-	2.5	-	2.5
Transfers	-	2.4	-	2.4
Disposals	-	-	-	-
Amortization charge	-	(1.6)	(0.2)	(1.8)
Exchange differences	-	(0.1)	(0.3)	(0.4)
Acquired through business combination	253.4	-	13.4	266.7
Closing net book amount	**1,113.5**	**7.4**	**13.2**	**1,134.0**
At June 30, 2016				
Cost or valuation	1,113.5	18.8	13.9	1,146.2
Accumulated amortization and impairment	-	(11.4)	(0.8)	(12.2)
Net book amount	**1,113.5**	**7.4**	**13.2**	**1,134.0**

in € million	Goodwill	IT implementation costs	Other intangibles	Total
Half-Year ended June 30, 2015				
Opening net book amount	860.1	4.2	0.3	864.6
Additions	-	1.0	-	1.0
Transfers	-	-	-	-
Disposals	-	-	-	-
Amortization charge	-	(1.1)	-	(1.1)
Closing net book amount	**860.1**	**4.1**	**0.3**	**864.5**
At June 30, 2015				
Cost or valuation	860.1	16.1	0.8	877.0
Accumulated amortization and impairment	-	(12.0)	(0.5)	(12.5)
Net book amount	**860.1**	**4.1**	**0.3**	**864.5**

Goodwill acquired represents goodwill recognized after the acquisition of Grupo P.I. Mabe S.A de C.V.. The acquired other intangibles through business combination represent mainly the acquired trademarks of Grupo P.I. Mabe S.A de C.V..
Please also refer to note 14 for further details on this business combination.

Capitalised IT implementation costs represent internally developed and externally purchased software for own use.

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, 2016						
Opening net book amount	93.2	171.6	0.8	9.3	44.1	319.0
Additions	0.1	7.8	0.1	0.2	12.9	21.1
Transfers	0.4	24.6	-	-	(27.5)	(2.4)
Disposals	-	-	-	-	(0.4)	(0.4)
Depreciation charge	(2.1)	(15.3)	(0.3)	(0.6)	-	(18.3)
Exchange differences	(1.4)	(3.1)	0.1	-	(0.3)	(4.8)
Acquired through business combination	33.8	70.8	1.2	-	9.7	115.5
Closing net book amount	**124.0**	**256.4**	**1.9**	**8.9**	**38.5**	**429.7**
At June 30, 2016						
Cost	146.8	392.9	3.0	16.7	38.5	598.0
Accumulated depreciation and impairment	(22.9)	(136.5)	(1.1)	(7.9)	-	(168.3)
Net book amount	**124.0**	**256.4**	**1.9**	**8.9**	**38.5**	**429.7**

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, 2015						
Opening net book amount	95.1	167.0	0.9	10.3	23.2	296.5
Additions	0.2	6.6	0.1	0.2	11.7	18.8
Transfers	0.7	5.0	-	-	(5.8)	(0.1)
Disposals	(0.1)	-	-	-	(2.0)	(2.1)
Depreciation charge	(1.9)	(12.5)	(0.1)	(0.6)	-	(15.1)
Exchange differences	0.4	0.1	-	(0.1)	-	0.4
Closing net book amount	**94.4**	**166.2**	**0.9**	**9.8**	**27.1**	**298.4**
At June 30, 2015						
Cost	113.3	283.3	1.7	16.8	27.1	442.2
Accumulated depreciation and impairment	(18.9)	(117.1)	(0.8)	(7.0)	-	(143.8)
Net book amount	**94.4**	**166.2**	**0.9**	**9.8**	**27.1**	**298.4**

Assets acquired through business combination represent assets acquired through the acquisition of Grupo P.I. Mabe S.A. de C.V.. Please also refer to note 14 for further details on this business combination.
The additions to property, plant and equipment represent mainly investments in capacity extension, investments in innovation, investments to improve the efficiency and IT investments.

The Group has contracted expenditures for the acquisition of property, plant and equipment at June 30, 2016 of €40.3 million.

NOTE 6 Legal claims

The Group recognizes a provision for certain legal claims brought against the Group by customers, suppliers or former employees.

On September 2, 2014, Ontex received a notification that the Spanish Competition Authorities (CNMC) opened infringement proceedings against 15 companies in the sector (including three subsidiaries of the Company: Ontex Es Holdco, S.A., Ontex Peninsular, S.A.U. and Ontex ID, S.A.U.) with respect to alleged conduct of fixing prices and other commercial conditions in the Spanish market for heavy adult incontinence products. On May 26, 2016, following the investigation, the CNMC issued its decision. In its decision it has found 8 companies, including Ontex' Spanish subsidiaries guilty of being part of a cartel. For its involvement from 1999 to 2014, Ontex was fined € 5.15 million. Ontex is going to appeal the decision before the National High Court in Spain. It should file its notice of appeal before September 1, 2016. As per 30 June 2016, a provision amounting to €5.15 million has been accounted for. Please also refer to note 9 on the non-recurring revenues and expenses.

Except from the matter described before, 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 “Consolidated Interim Income Statement”.

For a reconciliation of Adjusted free cash flow to operating profit, we refer to the section “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, 2016, June 30, 2015 and December 31, 2015 are as follows:

Net debt **in € million**	**June 30, 2016**	**December 31, 2015**	**June 30,2015**
Long-term interest bearing debt	672.5	633.1	618.8
Other non-current financial liabilities (**)	83.1	-	5.0
Short-term interest bearing debt	30.2	9.2	2.3
Other current financial liabilities (**)	18.5	5.0	5.0
Cash and cash equivalents	(144.1)	(236.8)	(116.4)
Total net debt position	**660.2**	**410.4**	**514.7**
LTM Adjusted EBITDA (*)	222.5	209.1	207.4
Net financial debt/LTM Adjusted EBITDA ratio	**2.97**	**1.96**	**2.48**

(*) LTM Adjusted EBITDA is a non-IFRS measure. LTM Adjusted EBITDA is defined as EBITDA plus non-recurring revenues and expenses excluding non-recurring depreciation and amortization for the last twelve months. LTM Adjusted EBITDA for the period ending June 30, 2016 includes 4 months of Adjusted EBITDA of Grupo P.I. Mabe S.A.

(**) Positions for the periods ended June 30, 2015 and December 31, 2015 have been restated to include earn out payments

NOTE 9 Non-recurring revenues and expenses

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.

We have reported following items as non-recurring:

	Note	First Half	
in € million		**2016**	**2015**
Factory Closure		(0.1)	(0.1)
Business restructuring		(0.7)	(0.7)
Acquisition related revenues and expenses		(3.7)	(0.4)
Refinancing		-	(0.1)
Anti trust claim Spain	6	(5.2)	-
Other		0.8	(1.0)
Total non-recurring Income and Expenses		**(8.7)**	**(2.3)**

Acquisition related expenses: acquisition related expenses in 2016 mainly relate to revenues and costs incurred in connection to the acquisition of Grupo P.I. Mabe. S.A de C.V.. In 2015, the acquisition related expenses include an income of €2.0 million following the lower earn out paid for the acquisition of Serenity. This income is compensated by the expenses made for the acquisition of Grupo P.I. Mabe S.A de C.V..

Anti trust claim Spain: please refer to note 6 on the legal claims for further information on this matter.

Factory closure: The Group closed its factories in Villefranche, France (2011) and in Recklinghausen, Germany (2012). The costs primarily comprised redundancy and other similar payments together with professional fees. The non-recurring items in 2016 and 2015 relate to costs incurred in respect of the past factory closures but which could not be accrued for at that time.

Business restructuring: The Group undertook a number of projects to optimise the management of its business. The 2016 cost mainly relates to costs incurred with respect to the merger of a number of French Group entities. The 2015 costs relate to the simplification of the corporate structure of the Ontex group. In order to optimize the structure of the Group, the Group eliminated certain of the intermediate holding companies between the Company and Ontex IV.

NOTE 10 Earnings per share

In accordance with IAS 33, the basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. The number of shares used for the years 2016 and 2015 respectively amounts to 73.953.701 shares and 68,055,555 shares.

Diluted earnings per share amounts are 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 period 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 NV, no effects of dilution affect the net profit attributable to ordinary equity holders and the weighted average number of ordinary shares. The table below reflects the income and share data used in the basic and diluted earnings per share computations:

In € million	First Half 2016	2015
Basic Earnings		
Profit /(Loss) from continuing operations attributable to owners of the parent	58.2	56.9
Adjustment dilution	-	-
Profit /(Loss) from continuing operations attributable to owners of the parent, adjusted for dilution	58.2	56.9
Adjusted basic earnings		
Profit /(Loss) from continuing operations attributable to owners of the parent	58.2	56.9
Total Non - recurring Revenues & Expenses	8.7	2.3
Tax correction	(1.2)	-
Adjusted Basic Earnings (*)	**65.7**	**59.2**
Adjustment dilution	-	-
Profit /(Loss) from continuing operations attributable to owners of the parent, adjusted for dilution	**65.7**	**59.2**

Number of Shares	First Half 2016	2015
Weighted average number of ordinary shares outstanding during the period	73,953,701	68,055,555
Dilution	-	-

Earnings per share (€)	First Half 2016	2015
Basic Earnings per share	0.79	0.84
Diluted Earnings per Share	0.79	0.84
Adjusted basic earnings per share	0.89	0.87
Diluted Adjusted earnings per share	0.89	0.87

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

NOTE 11 Share based payments

Following the IPO, the Company implemented a Long Term Incentive Plan (‘LTIP’), which is based on a combination of stock options (further ‘Options’) and restricted stock units (further ‘RSU’s’). The Options and RSU’s are accounted for as equity settled share based payments.

On or about September 26, 2014 a total of 242,642 stock options and 49,040 RSU's were granted. 16,215 share options and 3,279 RSU's have forfeited, expired or have been exercised as of June 30, 2016.

On or about June 26, 2015 a total of 159,413 stock options and 38,294 RSU's were granted. 7,381 share options and 1,773 RSU's have forfeited, expired or have been exercised as of June 30, 2016.

On or about June 15, 2016 a total of 322,294 stock options and 75,227 RSU's were granted. No share options and/or RSU's have forfeited, expired or have been exercised as of June 30, 2016.

The following share-based payment arrangements were in existence during the current period:

Period ended June 30, 2016	**Expiry Date**	**Exercise Price per share (€)**	**Fair value (€)**	**# Options/RSU's:**
LTIP 2014				
Options	2022	17.87	3.57	226,427
RSU's	2017	N/A	15.97	45,761
LTIP 2015				
Options	2023	26.60	6.39	152,032
RSU's	2018	N/A	24.45	36,521
LTIP 2016				
Options	2024	28.44	6.64	322,294
RSU's	2019	N/A	26.48	75,227

The fair market value of the stock options has been determined based on the Black and Sholes model. The expected volatility used in the model for LTIP 2016 is the realised volatility of the return of the share price since the listing of Ontex, augmented with 5%.

Below is an overview of all the parameters used in this model.

	LTIP 2014	**LTIP 2015**	**LTIP 2016**
Exercise Price	€ 17.87	€ 26.60	€ 28.44
Expected volatility of the shares	23.58%	26.32%	26.56%
Expected dividends yield	2.94%	2.14%	1.98%
Risk free interest rate	1.13%	1.02%	0.37%

The fair value of the RSU's has been determined by deducting from the exercise price the expected and discounted dividend flow, based on the same parameters as above. Social charges related to the LTIP are accrued for over the vesting period.

NOTE 12 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 13 Related Party transactions

There are no substantial related parties per June 30, 2016.

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 14 Business combinations

On February 29, 2016, Ontex has completed the acquisition of 100% of the shares of Grupo Mabe, a leading Mexican based hygienic disposables business. The integration of Grupo Mabe will provide Ontex Group further access to promising markets, primarily in the Americas region and creates a considerably stronger platform for growth in the global personal hygiene solutions markets.

Grupo Mabe has been consolidated as from March 1, 2016.

Upon closing, the Group has paid a consideration of MXN 3,522.3 million in cash and issued 2,722,221 Ontex shares to the former shareholders, resulting in a capital increase of €27.2 million and a share premium of €48.5 million. The net cash impact in the six months period ending June 30, 2016 amounted to €155.6 million. In addition, Sellers or Buyers are entitled to a purchase price adjustment based on the outcome of the Purchase Price Adjustment Review.

The sellers will be entitled to receive a deferred consideration of up to MXN 1,550 million payable in cash, subject to Grupo Mabe achieving certain EBITDA targets for the period 2015 to 2017. On top, parties have agreed that an additional deferred consideration in cash of up to €10.0 million per annum may be payable contingent upon overachieving the EBITDA targets in 2016 and 2017.

The full amount of the earn out payments has been taken into account for the determination of the goodwill.

The fair value of the consideration consisting of the above elements totals €372.5 million measured at February 29, 2016 exchange rates and share price.

The net assets acquired amount to €119.1 million. As a consequence, the Group recognized a goodwill of €253.4 million in the statement of financial position. As of June 30, 2016 the purchase price allocation and hence the determination of the goodwill is provisional and will be completed within 12 months from the acquisition date.

The goodwill of €253.4 million arising from the acquisition is attributable to acquired workforce, scale and geographical spread of the operations.

None of the goodwill recognized is expected to be deductible for income tax purposes.

The following table summarizes the fair value of the consideration paid for Grupo Mabe and the amounts of the assets acquired and liabilities assumed at the acquisition date:

in € million	
Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	30.1
Property, plant and equipment	115.5
Intangible assets (excluding goodwill)	13.4
Inventories	47.6
Trade and other receivables	86.8
Deferred tax assets	0.5
Trade and other payables	(99.1)
Employee benefit obligations	(6.7)
Borrowings	(48.9)
Current taxes	(7.2)
Deferred tax liabilities	(12.9)
Total identifiable net assets acquired	**119.1**
Allocation to Goodwill	253.4
Total consideration	**372.5**
Purchase price	
Cash and cash equivalents	185,5
Contingent consideration including purchase price adjustment	98.7
Fair value of shares exchanged	88.3
Total consideration transferred	**372.5**

As a result of the acquisition and the fair value adjustments of the Intangibles, PPE and Inventory, the consolidated statement of financial position at June 30, 2016 reflects adjustments made in accordance with IFRS 3, Business Combinations, resulting respectively in a total amount of €13.4 million, €115.5 million and €47.6 million.

The acquisition related costs in the period ended June 30, 2016 amounted to €3.7 million and are included in non-recurring expenses in the income statement. Since acquisition date, Grupo Mabe generated revenues and net result of respectively €140.1 million and €7.1 million in 2016. Had this business combination been effected at January 1, 2016, the revenue of Grupo Mabe from continuing operations would have been €217.9 million and the net result would have been €14.7 million. Ontex management considers these pro forma numbers to represent an approximate measure of the performance of Grupo Mabe.

The gross contractual trade receivables amount to €63.8 million. The best estimate is that at the acquisition date, all contractual cash flows are expected to be collected. There are no contingent arrangements or indemnification assets.

NOTE 15 Events after the reporting period

The Board of Directors of the Group has decided on May 3, 2016 to implement a full hedging program (total return swap) for the share based payment arrangements LTIP 2016 (see note 11 Share based payments for details on the arrangements). In the course of July 2016 the hedging program has been fully installed.

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.

The information contained in this report is subject to change without notice. No re-report or warranty, express or implied, is made as to the fairness, accuracy, reasonableness or completeness of the information contained herein and no reliance should be placed on it.

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 Dutch and translated into English. In the case of discrepancies between the two versions, the Dutch version will prevail.