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LSF9 Balta Issuer S.A.

(société anonyme)

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R.C.S. (Luxembourg): B 198 084

(the “Company”)

NOTICE

relating to the series of notes

LSFBaltaIssuer 7,75% 15/09/2022 Reg S
LSFBaltaIssuer 7,75% 15/09/2022 Rule 144A

with ISIN XS1265917481; and
with ISIN XS1265968633;

issued by the Company pursuant to the indenture dated as of 3 August 2015 (as amended or supplemented from time to time, the “Indenture”) among, *inter alios*, the Company, the Guarantors named therein and U.S. Bank Trustees Limited as Trustee and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange pursuant to its €290,000,000 7.75% Senior Secured Notes due 2022 prospectus dated 14 August 2015.

Balta Group NV announces intention to launch an initial public offering and listing on Euronext Brussels

Balta Group NV (“Balta”), a company to be inserted as a holding company above the Company, today announced its intention to launch an initial public offering and listing of its ordinary shares on Euronext Brussels (the “Offering”), which is expected to comprise the sale of newly issued and existing ordinary shares to institutional and retail investors in Belgium and to certain institutional investors internationally. The Offering is expected to raise approximately €137.6 million net primary proceeds (excluding the estimated Offering-related fees and commissions) and will also include a secondary sell down of existing shares by Balta’s current shareholder Lone Star Fund IX. As used herein, the “Group” refers to the Company and its subsidiaries and, following the Offering, Balta and its subsidiaries.

Balta intends to use the net primary proceeds of the Offering to reduce the Group’s leverage by repaying existing debt. After completion of the Offering, the Group is targeting a pro forma net debt / pro forma Adjusted EBITDA¹ ratio of approximately 2.5x.

The Group is targeting the following medium term objectives for purposes of measuring operational performance²:

¹ Calculated based on the Group’s pro forma adjusted EBITDA of €99.0 million for the twelve months ended March 31, 2017. Pro forma Adjusted EBITDA refers to operating profit / (loss) adjusted for depreciation and amortization, impairments and write-offs, results from acquisitions and disposals, gain from discontinued operations, legal costs and integration and restructuring expenses, pro forma for the acquisition of BPS Parent, Inc., and its subsidiaries, as if such acquisition had taken place at the beginning of the calculation period.

² The Group has not defined, and does not intend to define, “medium term”, and these financial objectives should not be read as indicating that the Group is targeting such metrics for any particular fiscal year. These financial objectives are internal objectives against which the Group measures its operational performance, and they should not be regarded as forecasts or expected results or otherwise as a representation by it or any other person that the Group will achieve these objectives in any time period. The Group’s ability to achieve these financial objectives is inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Group’s control, and upon assumptions with respect to future business decisions that are subject to change. As a result, the Group’s actual results may vary from these financial objectives, and those variations may be material.



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- Revenue growth: mid-single digit percentage point sales growth, despite the lower GBP FX rates post the Brexit referendum negatively affecting a portion of the sales compared to the first half of 2016;
- Adjusted EBITDA: gradual margin improvement, aiming for a run-rate Adjusted EBITDA margin of above approximately 15%; and
- Cash flow: capital expenditure slightly below historical levels with a slight improvement in working capital.

Dated 17 May 2017

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These materials are for information purposes only and are not intended to constitute, and should not be construed as, an offer to sell or a solicitation of any offer to buy the securities of Balta Group N.V. (the Issuer, and such securities, the Securities). This announcement contains inside information.

The Securities are not and will not be registered under the U.S. Securities Act of 1933, as amended (the Securities Act) and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act. The Issuer has no intention to register any part of the offering in the United States or make a public offering of Securities in the United States. Any securities sold in the United States will be sold only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A.

In the United Kingdom, this document and any other materials in relation to the Securities is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (as defined in section 86(7) of the Financial Services and Markets Act 2000) and who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this document and should not act or rely on it.

The Issuer has not authorised any offer to the public of Securities in any Member State of the European Economic Area other than Belgium. With respect to any Member State of the European Economic Area, other than Belgium, which has implemented the Prospectus Directive (each a



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Relevant Member State), no action has been undertaken or will be undertaken to make an offer to the public of Securities requiring publication of a prospectus in any Relevant Member State. As a result, the Securities may only be offered in Relevant Member States (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive; or (ii) in any other circumstances falling within Article 3(2) of the Prospectus Directive. For the purpose of this paragraph, the expression "offer of securities to the public" means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable the investor to decide to exercise, purchase or subscribe for the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.

The release, publication or distribution of these materials in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which they are released, published or distributed, should inform themselves about, and observe, such restrictions.

Certain financial data included in this press release are "non-IFRS financial measures." These non-IFRS financial measures may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with International Financial Reporting Standards. Although Balta believes these non-IFRS financial measures provide useful information to users in measuring the financial performance and condition of its business, users are cautioned not to place undue reliance on any non-IFRS financial measures or any ratios included in this presentation.

The financial information included in this press release includes preliminary figures that have not been subject to an audit or review by any independent auditor in accordance with any generally accepted auditing standards. This presentation also includes certain unaudited pro forma consolidated financial information. The unaudited pro forma adjustments are based upon available information and certain assumptions that Balta management believes to be reasonable. Neither the assumptions underlying the pro forma adjustments nor the resulting unaudited pro forma combined financial information have been audited or reviewed in accordance with any generally accepted auditing standards.

This press release may include projections and other "forward-looking" statements within the meaning of applicable securities laws. Any such projections or statements reflect the current views of the issuer about further events and financial performance. No assurances can be given that such events or performance will occur as projected and actual results may differ materially from these projections.