



Balta 2017 Financial Update

Trading has deteriorated since we reported our Q3 Trading Update on 7th November. As a result we now expect full year Pro Forma Adjusted EBITDA margin to be between 12.7% and 12.9%, down versus last year by 110-130bp at constant currency. Volume trends have softened in the higher margin Rugs business and there has been negative price/mix impact in Residential and Commercial. We reiterate our revenue guidance from Q3 at low-mid single digit growth on a constant currency pro-forma basis.

We are confident in our medium term outlook and executing on our long term strategy is our priority.

We will update the market with our full year results and outlook on 1st March 2018.

For further information, please contact

Rupen Shah – Director of Corporate Development and Investor Relations
investor.relations@baltagroup.com

Pro Forma Adjusted EBITDA is defined as operating profit / (loss) adjusted for (i) depreciation and amortization, (ii) impairments and write-offs, (iii) results from acquisitions and disposals, (iv) gain from discontinued operations, (v) legal costs and (vi) integration and restructuring expenses, pro forma for the Bentley acquisition, as if this had occurred at the beginning of the period. Pro Forma Adjusted EBITDA Margin is defined as Pro Forma Adjusted EBITDA divided by pro forma revenue.

About Balta

Balta is a leading manufacturer of textile floor coverings, selling to over 135 countries worldwide. The Balta divisions are Balta Rugs (woven area rugs), Balta Residential Carpets & Tiles (under the brands Balta and ITC), Balta Commercial Carpets & Tiles (under the brands modulyss, Arc Edition and Bentley), and Balta Non-Woven (under the brand Captiqs). With the addition of Bentley, Balta employs over 3,600 FTEs in 9 manufacturing sites and in distribution centres in Belgium, Turkey and the United States.

Important notice

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.

This press release may include projections and other “forward-looking” statements. 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.

The financial information included in this press release includes figures that have not been subject to an audit or review by any independent auditor in accordance with any generally accepted auditing standards. This press release 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.