



Balta further reduces its financing costs through a new €35 million Senior Term Loan Facility

Sint-Baafs-Vijve, Belgium (30 August 2017) – Balta Group NV (“Balta” or the “Company”), a global leader in decorative rugs and European leader in residential and commercial carpets, today announced that the group has entered into a Senior Term Loan facility to refinance part of the 7.75% Senior Secured Notes due 2022 (the “Senior Secured Notes”), thereby further reducing its annual financing cost

Highlights:

- Entered into a €35.0 million Senior Term Loan facility maturing September 2020 at a margin of 1.40% p.a
- Intention to redeem €26.1 million of Senior Secured Notes on or about 11 September 2017
- Together with the €7.8 million redemption completed in July 2017, this refinancing will reduce our annualized interest expense by €2.1 million.

Balta announced today that the group has entered into a €35 million Senior Term Loan facility, maturing September 2020, at a margin of 1.40% p.a. The facility will rank pari passu with the Senior Secured Notes. Net proceeds of the facility will be used to finance today’s announced intended redemption of the Senior Secured Notes as well as to refinance the €7.8 million redemption that was completed in July 2017.

The Company further announced today that the group has delivered a notice of redemption to the holders of its Senior Secured Notes in the aggregate principal amount of €26.1m, after which €234.9 million will remain outstanding. After completion of such redemption, the group will have fully utilized the option to redeem €26.1 million before 3 August 2018 at a redemption price of 103%. Together with the €7.8 million redemption completed in July 2017, this additional repayment will reduce the annualized interest expense of the group by €2.1 million, at an aggregate one-off cash cost of €1.0 million for both redemptions. Today’s announcement illustrates the Company’s continuous focus on optimizing its funding cost.

The 7.750% Senior Secured Notes due 2022 (the “**Senior Secured Notes**”) were issued by the group for a total amount of €290 million in August 2015. Since then the yield on the Senior Secured Notes has materially improved with a YTW of 2.9% and a trading value of 108.75 as of 29 August, 2017. This evolution, combined with redemption options available under the current bond documentation encourages the Company to continue evaluating further actions to reduce its financing costs going forward.



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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.

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