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THIS PRESS RELEASE IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES. THIS PRESS RELEASE DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR. INVESTORS WILL NEED TO BASE THEIR INVESTMENT DECISION ON THE PROSPECTUS AND PARTICULARLY THE RISK FACTORS AS DESCRIBED IN THE PROSPECTUS, INCLUDING RISKS RELATED TO THE FACT THAT THE COMPANY IS ACTIVE IN VARIOUS COUNTRIES AND WOULD BE EXPOSED IF IMPORTANT EXPORT MARKETS OF THE COMPANY, SUCH AS THE US (28% OF TOTAL PF 2016 SALES) OR THE UK (22% OF TOTAL PF 2016 SALES), BECAME SUBJECT TO ECONOMIC SLOWDOWN OR TRADE RESTRICTIONS AND RISKS RELATED TO LEVERAGE AND DEBT OBLIGATIONS OF THE COMPANY, WHEREBY THE COMPANY AIMS FOR A POST-IPO LEVERAGE RATIO OF 2.5:1 UPON A SUCCESSFUL OFFERING INCLUDING A MINIMUM PRIMARY TRANCHE OF 137.6 MIO EUR NET PROCEEDS. THE PROSPECTUS AS APPROVED BY THE FSMA CAN BE OBTAINED AT THE OFFICES OF BALTA AND ON WWW.BALTAINVESTORS.COM. PROSPECTIVE INVESTORS SHOULD BE ABLE TO BEAR THE ECONOMIC RISK OF AN INVESTMENT IN THE OFFER SHARES AND SHOULD BE ABLE TO SUSTAIN A PARTIAL OR A TOTAL LOSS OF THEIR INVESTMENT.

Balta Group NV announces the launch of its €264 million initial public offering[1]

Sint-Baafs-Vijve, Belgium (31 May 2017) – Balta Group NV ("Balta" or the "Company") announces today the launch of its initial public offering (the "IPO") on Euronext Brussels.

IPO key terms

- The price range for the Offering (as defined below) has been set at EUR 13.25 - EUR 16.00 per share (the "**Price Range**").
- This is an offering (i) by the Company of such number of newly issued ordinary shares of the Company as is necessary to raise gross proceeds of approximately €145 million (the "**Primary Tranche**") (representing a maximum of 10,943,396 shares based on the low end of the Price Range) and (ii) by LSF9 Balta Holdco S.à r.l., a Lone Star entity (the "**Selling Shareholder**"), of up to 6,265,625 existing shares based on the high end of the Price Range (the "**Secondary Tranche**") (the "**Offering**"). The shares being offered by the Company and the Selling Shareholder are herein referred to as the "**Offer Shares**".
- The Offering consists of (i) an offering to retail and institutional investors in Belgium; (ii) a private placement in the United States to persons who are reasonably believed to be "qualified institutional buyers" or "QIBs" (as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act")), in reliance on Rule 144A; and (iii) private placements to institutional investors in the rest of the world. The Offering outside the United States will be made in compliance with Regulation S under the U.S. Securities Act. All shares of the Company will be listed on Euronext Brussels.

[1] Based on the mid-point of the Price Range, and assuming full exercise of the Over-allotment Option (excluding the exercise of the Increase Option).

- Based on expected gross proceeds from the Primary Tranche of approximately €145 million, the Company estimates that it will receive net proceeds from the Offering of approximately €137.6 million, following the deduction of IPO-related commissions and expenses. All fees and expenses related to the Offering will be divided pro rata between the Company and the Selling Shareholder based on the respective sizes of the Primary Tranche and Secondary Tranche. The Company intends to use the net proceeds of the Primary Tranche to reduce its leverage by redeeming existing debt. The minimum size of the Offering corresponds to the Primary Tranche, i.e., € 137.6 million net proceeds, below which the Offering will not be completed.
- Depending on demand, the aggregate number of Offer Shares sold in the Secondary Tranche may be increased by up to 15% of the aggregate number of Offer Shares initially offered (the "**Increase Option**"). Any decision to exercise the Increase Option will be announced, simultaneously with the announcement of the offer price ("**Offer Price**") and the allocation to retail investors in Belgium, which is currently expected to be on or around 13 June 2017.
- The Selling Shareholder is expected to grant Deutsche Bank AG, London Branch, as stabilization manager, on behalf of itself and the Banks (named below), an option to purchase additional shares in an aggregate amount equal to up to 15% of the number of Offer Shares sold in the Offering (including pursuant to any effective exercise of the Increase Option) at the Offer Price to cover over-allotments or short positions, if any, in connection with the Offering (the "**Over-allotment Option**"). The Over-allotment Option will be exercisable for a period of 30 days following the first day of trading of the shares on Euronext Brussels (see below).
- The offering period (the "**Offering Period**") will begin on 31 May 2017 and is expected to end no later than 1:00 pm (CET) on 13 June 2017, subject to early closing, provided that the Offering Period will in any event be open for at least six business days from the availability of the Prospectus. However, the Company expects the subscription period for the retail offering in Belgium to end no later than 4:00 pm (CET) on 12 June 2017, the day before the end of the institutional book-building period, due to the timing and logistical constraints associated with the centralization of the subscriptions placed by retail investors with the Joint Lead Managers and with other financial institutions.
- The Offer Price will be determined during the Offering Period through a book-building process in which only institutional investors can participate. The announcement of the Offer Price is currently expected to take place on or about 13 June 2017. The Offer Price will be a single price in euro, exclusive of the Belgian tax on stock exchange transactions if applicable, and costs charged by financial intermediaries for the submission of applications, if any. The Offer Price is expected to be within the Price Range, although it may be set below the lower end of the Price Range, in which case a supplement to the Prospectus will be published. The Offer Price shall not exceed the higher end of the Price Range.
- In accordance with Belgian regulations, a minimum of 10% of the Offer Shares must be allocated to retail investors in Belgium, subject to sufficient retail demand. Share applications by retail investors in Belgium may be submitted at the counters of ING and KBC Bank, CBC Banque and KBC Securities and their affiliates at no cost to the investor. Investors wishing to place purchase orders for the Offer Shares through intermediaries other than ING and KBC Bank, CBC Banque and KBC Securities and their affiliates should request details of the costs which these intermediaries may charge, which they will have to pay themselves. Retail investors must indicate in their purchase orders the number of Offer Shares they are committing to purchase. Orders by retail investors will be irrevocable unless the Offering is withdrawn or a supplement

to the Prospectus is published. There is no minimum or maximum amount of Offer Shares that may be purchased in one purchase order. Only one application per retail investor will be accepted. In case of over-subscription of the Offer Shares reserved for retail investors, the allocation to retail investors will be made on the basis of objective and quantitative allocation criteria, i.e. the number of shares for which applications are submitted by retail investors. Therefore, retail investors may receive fewer Offer Shares than they subscribed for.

- The actual number of shares to be sold in the Offering will be announced, simultaneously with the announcement of the Offer Price and the allocation to retail investors in Belgium on or about 13 June 2017.
- The Offer Price must be paid in full, in euro, together with any applicable stock exchange taxes and costs. The Offer Price must be paid by the investors by authorizing their financial institution to debit their bank accounts with such amount for value on the Closing Date (see below), unless the Offering has been withdrawn.
- Trading of the shares on Euronext Brussels is expected to commence, on an “if-and-when-issued and/or delivered” basis on or about 14 June 2017, subject to early closing of the Offering Period. Closing of the Offering is expected to take place on or about 16 June 2017 (the “Closing Date”).
- The Company and Selling Shareholder and certain members of the Company’s current executive management team are expected to agree that, subject to certain exceptions, they will not, without the prior written consent of the Joint Global Coordinators issue, offer or sell any ordinary shares of the Company or securities convertible or exchangeable into ordinary shares of the Company for a period of 180 days (or 360 days in the case of members of the Company’s current executive management team) following the Closing Date.

Tom Debusschere, CEO of Balta, said:
"Our IPO is a key milestone in Balta's future growth. Based on our high standards of excellence in both design and operations, the public offering will allow us to continue to be at the forefront of innovation, to continuously improve our efficiency and to expand our international footprint. The dedication of our employees has enabled our company to become a global leader in soft flooring. Thanks to this public offering, we will continue to offer high-quality products to our customers worldwide."

Banks involved in the Offering
J.P. Morgan Securities plc and Deutsche Bank AG, London Branch are acting as Joint Global Coordinators; J.P. Morgan Securities plc, Deutsche Bank AG, London Branch and Barclays Bank PLC are acting as Joint Bookrunners, and ING Belgium SA/NV and KBC Securities NV are acting as Joint Lead Managers (together with the Joint Global Coordinators and the Joint Bookrunners, the “**Banks**”) in connection with the Offering.

Size of Offering, equity value and free float
Based on the minimum and maximum Price Range, and assuming full exercise of the Over-allotment Option (excluding any exercise of the Increase Option), the size of the Offering will range between €246 million and €282 million, the market capitalization of the Company post-closing of the Offering will range between €476 million and €545 million. Dependent on the exercise of the Over-allotment Option and the Increase Option, the free float will range between 45% and 60%.

Post Offering shareholding structure

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The following table presents the beneficial ownership of the shares, assuming a full placement of the Offer Shares in the Secondary Tranche (including the exercise of the Over-Allotment Option) and that the Offer Price is at the mid-point of the Price Range:

	Shares owned at the date of the Prospectus		Shares Owned After the Closing of the Offering, Assuming Full Exercise of Over-Allotment Option		Shares Owned Assuming Exercise of the Increase Option and Full Exercise of Over-Allotment Option	
	Number	**%**	**Number**	**%**	**Number**	**%**
Selling Shareholder	61.500	100	15,729,567	45	13,195,234	38
Management	0	0	1,116,693	3	940,787	3
Public	0	0	18,068,269	52	20,778,510	60
Total	**61.500**	**100**	34,914,530	100	34,914,530	100

<u>Highlights of Balta</u>

- Balta is a global leader in decorative rugs and European leader in residential and commercial carpets. The Company believes it is the world's second largest manufacturer of machine-made rugs by volume, and the largest manufacturer in Europe of both machine-made rugs and residential broadloom. It is the third largest manufacturer of commercial carpet tiles in Europe, according to BMCW.
- Balta's leadership position is based on two main pillars that provide powerful barriers to entry:
  - Operational excellence on the back of highly automated and efficient, both vertically and horizontally integrated, manufacturing facilities of scale in Belgium, Turkey and the United States
  - Proven track record of excellence in design, product development and innovation and long-standing strategic partnerships with blue-chip customers
- Balta's global presence and balanced exposure to diverse end markets in renovation and home decoration, combined with attractive consumer and flooring market dynamics are expected to drive resilient and sustainable growth
- Balta's recent acquisition of Bentley Mills, Inc. ("Bentley"), a leading provider of premium specified carpet tiles and broadloom carpets, should strengthen Balta's position in the attractive United States commercial market
- On a pro forma basis, taking into account the acquisition of Bentley as if it had occurred on 1 January 2016, the Company achieved revenue of €668 million and adjusted EBITDA ("Adjusted EBITDA")[2] of €97 million for the full year 2016
- After completion of the Offering, a leverage ratio, defined as Net Debt divided by PF[3] Adjusted EBITDA (last twelve months), of approximately 2.5x is anticipated
- Balta's management team sees attractive consolidation opportunities in rugs, carpets and adjacent market segments and views continued M&A as an important pillar of the Company's development strategy
- The Company's senior management team, led by CEO Tom Debusschere encompasses strong industry and public markets expertise and has a proven track record of acquisitions and integration.

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[2] 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

[3] PF includes Bentley (BPS Parent, Inc.)

Dividend policy

Subject to the availability of distributable reserves, the Company currently intends to pay a dividend of between 30% to 40% of its net profit for the year based on its consolidated IFRS financial statements (excluding Offering-related fees and commissions for 2017). For the 2017 financial year, any amount of dividends would be calculated pro rata such that the Company would pay dividends only in respect of the portion of the financial year for which the Company were listed on Euronext Brussels.

Risk factors

The following risk factors describe certain key risks that may affect the Company's business, financial condition, results of operations and prospects and the value of an investment in the Company's shares. Potential investors will need to base their investment decision on the entire Prospectus and risk factors as described in the Prospectus.

- If we fail to identify and respond to consumer preferences and demand, our business, financial condition and results of operations could be materially adversely affected.
- The soft-flooring industry is highly competitive.
- Our products are not commercially protected and are routinely reproduced by both our competitors and customers.
- If consumers choose alternative flooring solutions over soft-flooring products, our business, financial condition and results of operations could be materially adversely affected.
- Our industry is significantly affected by economic conditions, particularly to the extent such conditions impact consumer confidence and the residential and commercial renovation and construction markets.
- We are dependent on a limited number of raw materials suppliers.
- Our business is exposed to fluctuations in the pricing of raw materials.
- We do not have formal sales arrangements with a substantial majority of our customers, which may have a material adverse effect on our business, financial condition and results of operations.
- We depend on several significant customers, and a loss of or a reduction in revenue derived from one or more of them may have a material adverse effect on our business, financial condition and results of operations.
- Our leverage and debt service obligations could adversely affect our business.
- We are subject to restrictive debt covenants that may limit our ability to finance future operations and capital needs and to pursue business opportunities and activities.
- Following the completion of the Offering, we will continue to be indirectly partially owned by the Selling Shareholder, and its interests may conflict with our interests or the interests of the holders of the Shares.
- There has been no prior public market for the Shares and the Shares may experience price and volume fluctuations.

A share has an unlimited maturity and does not offer any scheduled repayment of the capital. These shares are expected to trade on the regulated market of Euronext Brussels, which may lead to capital gains or losses. These shares may be entitled to dividends. In the event of liquidation the shareholder ranks only after all other creditors. Usually shareholders do not recover anything. As a shareholder of the Company your rights will be governed by Belgian law.

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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.

About Lone Star:

The Selling Shareholder is an entity of the Lone Star group. Lone Star Funds ("**Lone Star**") is a leading private equity firm that invests globally in real estate, operating companies, credit and other financial assets. Since the establishment of its first fund in 1995, Lone Star has organized seventeen private equity funds with aggregate capital commitments totalling over $70 billion.

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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 Company 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 Company 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 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.

No action has been taken by the Company that would permit an offer of Securities or the possession or distribution of these materials or any other offering or publicity material relating to such Securities in any jurisdiction where action for that purpose is required.

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.

This announcement does not constitute a prospectus. An offer to acquire Securities pursuant to the proposed offering will be made, and any investor should make his investment, solely on the basis of information that will be contained in the prospectus to be made generally available in Belgium in connection with such offering. When made generally available, copies of the prospectus may be obtained at no cost from the Company or through the website of the Company.

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 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.

The Banks act exclusively for the Company and no-one else in connection with any offering of Securities and will not be responsible to anyone other than the Company for providing the protections afforded to their respective customers or for providing advice in relation to any offering or any transaction or arrangement referred to herein.