



Constantia Flexibles achieves record year in 2014

- **Constantia Flexibles again reports increased sales and earnings**
- **Global growth strategy will continue under new owners**

Vienna, April 27, 2015 – Constantia Flexibles, a world leader in flexible packaging and labels, successfully pursued its growth strategy in the 2014 financial year, with a continued rise in sales and earnings.

Sales in 2014 increased by 4.8% compared to the previous year to €1,7 billion. Sales adjusted for the effects from exchange rate fluctuations grew by 6% compared to the previous year.

Operating profit before interest, tax, depreciation and amortization (EBITDA) was €255.5 million before special items, an increase of 9.2% compared to the previous year. As a result, EBITDA margin was 14.9%.

Operating profit improved due to the increase in sales as well as targeted cost reduction projects and productivity improvements.

The Wendel Group, one of Europe's leading listed investment companies, became the new majority owner of Constantia Flexibles in March 2015 with a shareholding of 73%. As a long-term investor, Wendel will be actively supporting the company's growth strategy and its ongoing development in the future. The H. Turnauer Foundation continues to hold a significant stake in the company, with 27% percent.

Thomas Unger, Chief Executive Officer Constantia Flexibles, stated *"We have once again managed to increase both our sales and our operating profit, and have made a very promising start to 2015. With the Wendel Group as its new owner, Constantia Flexibles will continue with its growth strategy of recent years."*

Food

The second half of the year brought pleasing growth that more than compensated for the consumer restraint at the beginning of the year caused by regulatory and political influences. Despite the difficult market environment in Western Europe, growth in the region held steady at the market level of 1.5%. Above all, packaging for ready-made meals, confectionary, snacks, and coffee capsule systems contributed to above-average growth in sales. Constantia Flexibles experienced a slight decline in sales in Eastern Europe due to the unstable political situation. On the other hand, a 6.4% increase in



exports to regions such as Africa, Australia, Asia, and Oceania contributed to the company's growth.

Divisional sales grew by 0.7% year on year to €1 billion. EBITDA rose by 6.1% to €150.8 million, corresponding to an EBITDA margin of 14.6%. The year-on-year increase in the margin was achieved through productivity improvements, cost reduction programs, and the realization of synergy effects, as well as higher volumes.

Pharma

The Pharma Division also proved to be stable in 2014 and was able to increase its profit. Given the worldwide growth in product piracy, the focus during the past financial year was not only on consistent growth in our traditional products, but also primarily on solutions for products with anti-counterfeiting features, as well as new and innovative solutions for drug dosage forms.

We also improved our market position in contact lens packaging. Our main growth markets were Africa and the Asia-Pacific region. We were able to achieve growth in Western Europe with niche products, and expanded our share in blister packaging as well as home and personal care products in Eastern Europe.

Divisional sales declined slightly by 1% to €272.9 million. EBITDA rose by 5.9% to €46.9 million, however, with an improved EBITDA margin of 17.2%. Important factors contributing to the improved margin were optimization of the product portfolio, with a greater focus on products with higher value added, reduction of fixed costs, and efficiency gains in production.

Labels

Sales in the Labels Division increased in Europe, North America, and Middle East and Africa during 2014, particularly due to a significantly increased sales volume for self-adhesive labels in almost all regions. In North America, new product developments such as a recyclable self-adhesive label countered the generally restrained growth in the beer market.

Growth in Europe is being driven largely by the very positive trend for in-mould and self-adhesive labels, while paper labels have been declining. Business in Africa grew at a very welcome pace in 2014, with new projects generating additional sales in in-mould and aluminum labels.

Sales in this division increased by 17.5% to €481.4 million. EBITDA rose by 27.1% to €87.5 million, corresponding to an EBITDA margin of 18.2%.



Outlook for 2015

The past financial year forms a solid basis for continued growth in the coming years. The focus for 2015 will be on global growth and innovations. Expanding our presence in the various regions and enhancing our product portfolio are essential components of this strategy. The company will consistently continue its acquisition policy, with a focus on global growth markets.

We foresee above-average growth in the coming years, primarily in emerging markets, in the direction of polymer applications for Food and Labels. Constantia Flexibles already prepared for this trend in 2013. As a result, we can now offer a broad portfolio of products and services to our customers worldwide.

Key Figures for Constantia Flexibles Group GmbH

| In € millions | 2013* | 2014** | Change |
|----------------------------------|---------|---------|--------|
| Sales | 1,633.9 | 1,711.7 | + 4.8% |
| EBITDA before special items | 233.9 | 255.5 | + 9.2% |
| EBITDA margin | 14.3% | 14.9% | – |
| Employees (reporting date)*** | 8,093 | 8,079 | – 0.2% |

*2013 result adjusted for one-off effects (net effect from non-recurring income and expenses) of €27.0 million (M&A and post-merger acquisition costs of €7.6 million, IPO costs of €6.6 million, reorganization costs of €3.0 million, non-recurring expenses for Globalpack and Spear Group totaling €6.7 million, and other one-off effects of €3.1 million).

**2014 result adjusted for one-off effects (net effect from non-recurring income and expenses) of €17.0 million (€5.1 million for preparing for the capital market, M&A and post-merger acquisition costs of €3.4 million, reorganization costs of €5.7 million, extraordinary costs related to the fires and restructuring in French and South African plants amounting to €1.7 million, expenses for the Company Value Growth Plan of €9.5 million, and other one-off effects of €1.2 million. These non-recurring expenses are offset by the reversal of the Spear contingent consideration liability amounting to € 9.6 million.

***Full-time equivalents

Press Release



Constantia Flexibles is one of the world's leading manufacturers of flexible packaging products and labels. The Group supplies its products to numerous multinational corporations and local market leaders in the food, pet food, pharmaceuticals and beverage industries. In total, Constantia Flexibles has over 3,000 customers worldwide. Over 8,000 employees in almost 80 Group companies around the world supply innovative solutions on a global level.

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