



Press release

Orkla expands in painting tools in the Netherlands and Belgium

Orkla has entered into an agreement to increase its ownership to a 50% stake in the joint venture company Anza Verimex NV. At the same time, Orkla will take over 50% of the painting tool operations in PGZ International B.V. ("PGZ"). Combined, these companies are market leader in this category in the Netherlands and Belgium.

Through its Orkla House Care business unit, Orkla is a leading supplier of painting tools in the Nordic region and the UK, and one of Europe's largest painting tool manufacturers. Upon completion of today's agreement, Orkla will also be market leader in the sale and distribution of painting tools in the Netherlands and Belgium.

"This acquisition will significantly strengthen Orkla's position in the painting tool segment in Belgium and the Netherlands, in both the professional market and in DIY (do it yourself), and will provide an attractive platform for further growth. We also see potential for value creation in the form of synergies with our present operations," says Johs Høeg, CEO of Orkla House Care.

"Our customers will benefit from new marketing and product innovations through this co-operation with one of Europe's leading producers of painting tools. The new Joint Venture will continue to be connected to PGZ's omni-channel platform for its logistics. This is fully in line with our growth strategy to support our customers and our suppliers in their omni-channel activities where we create the lowest supply chain costs and enable new services," says Bert van Veldhuizen, CEO of PGZ International.

The purchase will take place in two stages: in the first stage Orkla House Care will increase its stake to a 50% equity interest in a newly established joint venture that will comprise relevant activities. The operations that are to be transferred consist of the sale and distribution of painting tools and associated products in three legal entities: PGZ Nederland B.V., PGZ Retail Concept NV and Anza Verimex NV. Orkla already owns 40% of Anza Verimex NV.

In the second stage, Orkla House Care will have an option to increase its interest to 100% ownership.

The companies are expected to have an aggregate turnover of just under EUR 20 million (approx. NOK 190 million) in 2017 and have around 20 employees. The company's EBIT result will be reported as "Profit from associates and joint ventures" in the income statement using the equity method from the date of completion of the agreement.

The transaction is conditional on the approval of the Netherlands competition authorities.

Orkla is a leading supplier of branded consumer goods and concept solutions to the grocery, out-of-home and bakery markets in the Nordics, Baltics and selected markets in Central Europe and India.

Facts and background: www.orkla.com

Photos: www.flickr.com/orkla

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Orkla is listed on the Oslo Stock Exchange and its head office is in Oslo. In 2016, the Group had a turnover of approximately NOK 38 billion, and around 18,000 employees.

The Orkla Care business area comprises six business units, the two largest of which are Orkla Home & Personal Care, which holds leading positions in the personal care and cleaning segments, and Orkla Health, which holds leading positions in the dietary supplements, sports nutrition and weight control segments. Orkla Care also has leading positions in the painting tool (Orkla House Care), wound care (Orkla Wound Care), basic garments sold through the grocery channel (Pierre Robert Group) and professional cleaning segments (Lilleborg).

PGZ International BV is owned by several private equity companies and its head office is in Houten, The Netherlands. In 2016 PGZ had a turnover of approximately EUR 140 million and around 200 employees. PGZ delivers product concepts and logistical solutions for retailers and producers on the Belgian and Dutch market of Home Improvement.

Orkla ASA
Oslo, 22 January 2018

PGZ International bv
Houten, 22 January 2018

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