



NZX/ASX release

15 February 2016

Indicative, non-binding, conditional proposal to acquire Nuplex

Nuplex Industries Limited (NZX/ASX: NPX, "Nuplex") announced that it has received an indicative, non-binding and conditional proposal (the "Proposal") from Allnex Belgium SA/NV ("Allnex"), a leading global coating resins producer backed by global private equity firm Advent International Corporation ("Advent"), to acquire all of the outstanding shares in Nuplex via a scheme of arrangement for a total of NZ\$5.55 cash per share. This would include any Nuplex interim dividend declared and paid between now and the settlement of the Proposal. The price will be reduced by that dividend.

The Proposal follows a confidential approach from Advent regarding the combination of Nuplex and Advent's portfolio company Allnex. Nuplex and Allnex are complementary businesses and bringing them together would create a leading, global, independent coating resins producer.

Following the initial approach, the Board entered into discussions, which were strictly confidential and inconclusive. With the assistance of financial and other advisers, the Board initially rejected Advent's proposals. Subsequently, after three offer revisions since the initial offer from 30 October 2015, Allnex and Advent have submitted the current Proposal, offering improved total consideration of NZ\$5.55 per share.

The price represents a premium of 44% to Nuplex's closing price of NZ\$3.86 on 12 February 2016, the date before the Proposal, and a premium of 35% to its New Zealand volume weighted average price for the six months ended 12 February 2016.

After careful examination, the Board of Nuplex considers the offer to be attractive for Nuplex's shareholders. As the Board believes engaging further with Allnex and Advent is in the best interests of shareholders, Nuplex is entering into advanced discussions and due diligence with the aim to agree a binding Scheme Implementation Agreement. Shareholders would then vote on the Proposal.

Accordingly, Nuplex has granted Allnex and Advent a period of exclusivity of 6 weeks. Nuplex has agreed (subject to the Board's typical fiduciary duties under which the Directors are able to consider superior offers if they arise), that during the exclusive due diligence period it will not solicit, initiate or encourage any enquiries with a view to obtaining a competing transaction to Allnex's and Advent's proposal. Equally, Allnex



and Advent have agreed that they will not purchase Nuplex shares on-market. The parties have agreed reciprocal break fee arrangements should either not proceed with the Proposal, subject to agreed exceptions.

Before the Proposal can be put to shareholders, the following conditions need to be satisfied:

- Approval by the Board of Nuplex;
- Allnex and Advent satisfactorily completing their due diligence, allowing financing to be finalised and receiving final approval from Allnex's Board and Advent's Investment Committee;
- The parties enter into a mutually acceptable Scheme Implementation Agreement.

The implementation of the scheme of arrangement would be subject to conditions including regulatory approvals, a favourable Independent Adviser's report, Nuplex shareholder approval and Court approval in New Zealand.

Nuplex Chairman Peter Springford said; "The Board is confident that Nuplex management can deliver growth in earnings, particularly from the platform now established in Asia and our new breakthrough technology, Acure™. However, the Board knows that delivering this growth may take some time and that shareholders may value the certainty of NZ\$5.55 per share today, a premium of 44% over our current share price."

"The Board believes that this proposal, from a credible trade buyer, is attractive and shareholders should have the opportunity to consider its merits if an agreement can be reached by the parties. We are working with Allnex and Advent to see if the outstanding conditions can be met so that a finalised Proposal can be put to shareholders as soon as possible," concluded Mr Springford.

The Board notes that initially, shareholders do not need to take any action in response to the Proposal. If a final Scheme Implementation Agreement was to be agreed, shareholders will receive documentation from the company, outlining the proposed transaction details and including a recommendation from the Board. Shareholders will then need to vote on the transaction.

There is no certainty that the Proposal will result in a binding offer for the Company.

Nuplex will report its interim financial results for the 2016 Financial Year on Thursday 18 February 2016.



Nuplex has retained UBS and Bell Gully as advisers.

Ends

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About Nuplex

Nuplex is a leading, global manufacturer of resins used in paints, coatings and structural materials with annual sales of c.NZ\$1.5 billion (c.US\$1 billion). Listed on the NZX and the ASX, Nuplex is a global leader in rheology control coatings technology, as well as performance and industrial coating resins, particularly for Automotive OEM, Vehicle Re-finish, Wood, and Protective coatings. From its 16 production sites located across Asia, Europe, America and Australia and New Zealand, Nuplex has customers in over 80 countries worldwide. Through its global R&D network of local technical service support, regional R&D centers and a dedicated Innovation Centre in The Netherlands, Nuplex works in partnership with its customers to develop the right solution for their coatings challenges.

About Allnex

Allnex, formerly Cytec Industries' Coating Resins business and acquired by Advent in 2013 for US\$1.15 billion, with sales of c. US\$1.5 billion, is a leading global producer of coating resins and additives for architectural, industrial, protective, automotive and special purpose coatings and inks. Allnex is recognized as a specialty chemicals pioneer and offers an extensive range of products including innovative liquid resins & additives, radiation cured and powder coating resins & additives and cross linkers for use on wood, metal, plastic, and other surfaces. Today, Allnex has EBITDA of about US\$215 million and has a strong global presence with 17 manufacturing sites and 12 research & technology support facilities throughout the world, focusing on assisting its c.2,500 customers to rapidly bring advanced coating solutions to market.

About Advent International

Founded in 1984, Advent International is one of the largest and most experienced global private equity firms and a leading investor in the global Chemicals industry. Advent's investment philosophy is centred around supporting leading management teams and providing resources for further growth, in order to execute on a mutually developed strategy and investment case. To date, Advent has raised cumulative capital of c.US\$40 billion, and has executed over 310 transactions including over 30 investments in the Chemicals industry. Advent has a strong track record of making significant and successful investments, with recent chemicals transactions including Allnex (formerly Cytec Industries' Coating Resins business), Oxea, Maxam and Grupo Transmerquim. Advent also has extensive experience in conducting Public-to-Private transactions, with recent examples including Douglas, Mediq and Unit 4.