

PRESS RELEASE

Vetropack – first half of 2018: record net sales and improved margins

Bülach, 28 August 2018 – In the first half of the year under review, Vetropack Group exceeded what was already a high level of net sales from the previous year by 12.8%. They amounted to CHF 350.0 million, another new record. The operating margin improved from 9.8% in the previous year to 11.6%.

Consolidated net sales from goods and services rose by 12.8% to CHF 350.0 million (2017: CHF 310.2 million). Adjusted for currency effects, Vetropack Group increased its net sales by 5.3%, with 7.5% attributable to currency effects due to the weaker Swiss franc. Unit sales amounted to 2.61 billion units of glass packaging in the first six months of the year, their best-ever level. Greater demand for high-quality glass packaging enabled Vetropack Group to optimise its sales mix to benefit its net sales and margin. This put consolidated EBIT at CHF 40.6 million, up by 34.0% year on year (2017: CHF 30.3 million). The EBIT margin improved to 11.6% (2017: 9.8%).

The consolidated semi-annual profit of CHF 30.0 million (2017: CHF 24.7 million) was up 21.5% on the same period last year. The good performance also saw the profit margin increase from 8.0% in the previous year to 8.6%. Cash flow also improved, coming in at CHF 71.6 million (2017: CHF 61.3 million) and resulting in a cash flow margin of 20.5% of net sales (2017: 19.8%).

Vetropack Group employed 3,304 individuals during the period under review (2017: 3,316).

Outlook for the second half of 2018

Vetropack Group expects the market environment to remain favourable over the next six months. Sales volumes will be down slightly on the first half of

the year because another furnace overhaul, this time at the Austrian plant in Kremsmünster, is slated for the second half of 2018 and it will not be possible to repeat the sell-off of existing stock to the extent seen in the first half of the year. We are therefore forecasting a slight fall in net sales and performance compared with the first half of 2018. The operating result for 2018 as a whole looks likely to exceed that achieved last year by some margin.

Vetropack Group's 2018 Semi-Annual Report is available online:

<https://www.vetropack.com/en/vetropack/investor-relations/financial-reports/>

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