

## **D&L Industries Tender Offer Successful**

October 9, 2014 - D&L Industries announced the successful completion of its previously announced tender offer for the remaining shares of Chemrez Technologies that it does not own.

The tender offer period commenced on September 4, 2014 and ended on October 3, 2014. The tendered shares were crossed in the Philippine Stock Exchange (PSE) on October 7, 2014. Settlement will be on October 10, 2014.

Based on the report made by IGC Securities, the Tender Offer Agent, a total of 846,408,196 shares have been tendered, representing approximately 65% of the issued and outstanding shares of Chemrez Technologies. The tendering shareholders will be paid P6.00 in cash for every share they own, for an aggregate cost of P5,078,449,176.

The bulk of the approximately P5.10 billion cost of the acquisition will be financed with short-term borrowings. As of June 30, 2014, D&L Industries had a net cash position of P1.45 billion and negative gearing of 0.16x.

“Pre-acquisition, we were net cash. Further, short-term borrowing costs are currently very low - much lower than the overnight or SDA rates – and there are no indications of interest rates going up anytime soon. Hence, there does not seem to be any urgency to refinance and it is possible to just live with debt as short-term,” according to D&L Industries EVP and CFO Alvin D. Lao.

Following the completion of the tender offer, D&L Industries will now hold 1,297,916,600 million common shares or 99.7% of the shares in Chemrez Technologies.

In view of the minimum public ownership rule of the Philippine Stock Exchange, D&L Industries would most likely cause the voluntary delisting of Chemrez Technologies with the latter’s public ownership falling below the minimum 10%.

**D&L Industries** is a Filipino company engaged in product customization and specialization for the food, plastics, and aerosol industries. The company’s principal business activities include manufacturing of customized food ingredients, specialty raw materials for plastics, and oleochemicals for personal and home care use. Established in 1963, D&L has the largest market share in each of the industries it serves, as well as longstanding customer relationships with the Philippines’ leading consumer and chemical companies. It was listed on the Philippine Stock Exchange in December 2012. For more information, please visit [www.dnl.com.ph](http://www.dnl.com.ph).

**Chemrez Technologies** is a leading manufacturer of resins, oleochemicals, and specialty products in the Philippines. It is 35%-owned by D&L Industries. As part of a diversified group, it has vast resources and experiences in various technologies including: colorants, polymers, biopetroleum, oleochemicals, powder coating, food, oil & gas, and water treatment among others. The company implements an Integrated Management System (IMS) to ensure highest standards for product quality and care customers, employees, and the environment. Furthermore, it

implements the guidelines of Responsible Care© and espouses the principles of Green Chemistry. Chemrez is listed in the Philippine Stock Exchange. For more information, please visit [www.chemrez.com](http://www.chemrez.com).

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