Warsaw, November 15th, 2013

PEIXIN International Group N.V. – publication of financial results for 3Q 2013

- **Strong financial performance in 3Q 2013:**
  - **revenues increased by over 51% yoy, to 15.6 EUR m**
  - **operating profit up by 63% to 4.9 EUR m**
  - **net profit for the period up by over 66% to 4 EUR m**
  - **maintaining high gross profit margin over 35%**
- **Dynamic growth of the domestic market and focus on further direct international sales development**
- **First phase of investment plan pending:**
  - **machinery purchase to be completed by the end of 2013**
  - **analysis of land to purchase for new production plant in progress**

In 3Q 2013 the revenues of PEIXIN International Group N.V., manufacturer of machines for daily-use hygiene products, amounted to 15.6 EUR m, which transfers to a 51% increase in comparison to 3Q 2012. The Group's gross profit margin increased to 36.3% compared to 35.7%, which transfers to gross profit increase by 54% to 5.7 EUR m from 3.7 EUR m in 3Q 2012. PEIXIN's operating profit was up by 63% to 4.9 EUR m from 3 EUR m and the net profit for the period amounted to 4 EUR m, over 66% up from 2.4 EUR m in the comparable period of 2012.
In the period of 1-3Q 2013 PEIXIN's financial results were as follow: revenues 43 EUR m (+31% yoy), gross profit 15.8 EUR m (+31%), operating profit 13,5 EUR m (+36%) and net profit 11,2 EUR m (+27%).

- We are satisfied with the financial results for 3Q and whole 1-3Q period. They are in line with our expectations and strategic goal to keep a strong pace of development. What is important – we not only increased our revenues significantly, but also managed to obtain higher margins thanks to sales increase of more technologically advanced units, such as full servo machines - says Hongyan Dai, CFO of PEIXIN.

Domestic sales increased share in the Group's revenues in 3Q 2013 to 72% from 39% in the comparable period of 2012. In the period of 1-3Q 2013 the split of revenues between domestic and foreign sales was 63% to 37%.

- In 3Q 2013 we experienced a very dynamic growth of domestic sales, mainly due to visible rebound in manufacturing industry in general and government supportive approach. Nevertheless our marketing team maintains the strong focus on development business in the foreign markets, especially through direct international sales – says Kaida Xie, member of the Board, Sales and Marketing Manager of PEIXIN.

The Group's objective is to further strengthen its position as one of the top market players among domestic producers of daily-use hygiene product machines both in terms of revenue and quality. For the future Company intends to generate its sales both on domestic and international market in roughly equal proportions, leaving some space for deviations due to possibly higher demand from each of its target markets. Parallel, The Group aims to develop its international presence as well, especially in terms of increasing its direct sales. Company's strategy differs, depending on targeted markets. When it comes to developing markets, mainly India and China – Company assumes sales increase driven by increasing demand for hygienic products stemming from low saturation basis. When it comes to developed economies such as the USA or Turkey - Company intends to increase sales due to growing demand for value-for-money products, in the light of recent economic downturn and growing cost awareness across the world.

- We expect further growth in daily-use hygiene products in the domestic market due to favorable market conditions confirmed by PMI indices and number of new orders and inquiries. In the overseas markets a further growth in demand for value-for-money products is expected as a result of economic slowdown in developed countries on the one hand, and growing tendency for switching to more sophisticated and state-of-the-art machinery in the developing countries on the other - says Kaida Xie.

The Group intends to remain ready to respond to growing demand, therefore an investment plan aimed at increase of production capacity has been implemented this year. At the moment the first phase of the investment plan, which is intended to be completed by the end of 2013, is pending. The purchase of new machines is expected to be completed by the end of this year. At the same time PEIXIN is analyzing opportunities to purchase land for new production plant, which was planned as a part of second phase of investment plan.

Due to the fact that the proceeds from PEIXIN's this year's IPO were lower than initially planned, the completion of second phase of Group's investment plan will be much more reliant on other forms of financing, mainly retained earnings and possible additional financing to be raised on the WSE in the foreseeable future.
The value of Company's entire investment plan for the years 2013-2015 amounts to ca EUR 60 m. It is estimated that as a result of the investment PEIXIN will be able to more than triple its current production capacity, enabling seizing the upcoming market opportunities.

for more information please contact:

Katarzyna Sadowska
CC Group Sp. z oo
+48 22 440 1 440
+48 697 613 020
e-mail: k.sadowska@ccgroup.com.pl

***

PEIXIN is a China-located manufacturer of machines for daily-use hygiene products such as sanitary napkins, diapers, facial tissue and other products. The Group is one of the leading and among the oldest Chinese manufacturers of machines producing daily-use hygiene products and offers the most sophisticated products of this type such as full-servo machines. Nearly 20 years of manufacturing and design experience support the Group in meeting customers' needs worldwide. With a global reach to

over 50 countries in 2012 the Group placed 47% of its sales in foreign markets, mainly in developing countries of Asia, Africa and South America.