

PRESS RELEASE

Regulated information

18 December 2014

Connect Group announces intention to restructure plant in Poperinge

Connect Group NV (Euronext Brussel: CONN) has announced to the work council of its plant in Poperinge the intention to restructure the plant, resulting in the collective dismissal of 23 white-collar and 60 blue-collar employees.

Over the past few years, Connect Group has evolved from a purely subcontracting company producing mainly standard products to a more project-driven technology company with a limited production of standard products. Due to major developments in the market, structural changes are necessary to regain competitiveness. This evolution is the result of a number of factors:

- The largest customer of the Poperinge plant has relocated his production;
- The overall economic situation in Western Europe has changed. High wage costs have meant that mass production has been shifted to Eastern Europe, with the focus in Western Europe now being put on technological competence. Our plant in Poperinge thus needs to develop into a technology company focusing on the production of prototypes and specialising in certain sectors;
- As a result of the high-wage structure existing in Belgium and Western Europe and in an effort to maintain competitiveness, Connect Group has been forced to relocate all mass production to its Eastern Europe production plants in Oradea (Romania) and Kladno (Czech Republic);
- New potential customers want to fully benefit from the Eastern European plants, demanding that all mass production automatically takes place there.

The Poperinge plant has been suffering from overcapacity and structural losses for several years now, with these continuing to increase. For the reasons stated above, Connect Group is no longer in a position to handle larger production volumes in its Belgian plant at Poperinge. Only prototypes, initial small series of high-end products and specific orders will continue to be produced in Belgium.

This obviously has repercussions on the workforce. We are increasingly being forced to deploy our employees in a multidisciplinary manner, and more deep-going and far-reaching cooperation is needed between the different departments.

We are of the opinion that these structural changes are of crucial importance for Connect Group NV to regain its competitiveness, putting it in a healthy position to deal with the strategic challenges it is facing.

Connect Group

Connect Group is a leading certified supplier of technology, production systems, printed circuit boards and cable assembly services for industry. Connect Group develops products to user specifications, and supports the development of new products from the design stage onwards, with optimal production, price and quality results.

Connect Group's references include such companies as Alstom, ASML, Atlas Copco, Atos, Barco and Philips. The company currently employs some 1,600 people in various facilities in Europe. The company's shares are traded on NYSE Euronext Brussels: CONN (www.euronext.com).

Financial calendar

Announcement of annual results for 2014:	26 February 2015
Annual General Meeting 2015	28 April 2015
Interim statement of Q1 2015 results	7 May 2015

Investor Relations

Luc Switten	CEO
Hugo Ciroux	CFO

ir@connectgroup.com

www.connectgroup.com

Tel: +32 (0)16 61 87 78