



**NEWS RELEASE
FOR IMMEDIATE RELEASE**

KDC announces the acquisition of ChemAid Laboratories

MONTREAL, January 7, 2015 – KDC (The Knowlton Development Corporation), a leading contract manufacturer of health and beauty-care products headquartered in Knowlton, Québec, announces the acquisition of ChemAid Laboratories, an innovative formulator and manufacturer of skincare, hair care and bath and body products. ChemAid Laboratories employs a team of seasoned professionals with a vast experience in the formulation and manufacturing of high performance, efficient and high quality products at its manufacturing facility, located in Saddle Brook, New Jersey.

“This is a key strategic addition to the KDC family, as we look to further strengthen our innovation capabilities, add new customers and channels and leverage the scale and core competencies of our combined network of companies. More importantly, we will also be adding new manufacturing capabilities and a very capable and talented team of professionals”, said Nicholas Whitley, President and CEO of KDC.

“This the first important acquisition for KDC following its recent recapitalization by NOVACAP Industries IV investment fund, and is part of our overall strategy to double the business in the next 3 to 5 years.”, added Michel Cote, KDC's Chairman and Senior Partner of owner NOVACAP. “NOVACAP has owned the company since 2003 and the business is now ten times the size it was when the initial investment was made. We strongly feel that KDC is in a unique position to capitalize on the continued consolidation occurring in this industry and, through NOVACAP Industries IV, it has the support of a committed and broad investment group, including La Caisse de dépôt et placement du Québec, the Fonds de solidarité FTQ and Investissement Québec, amongst others.”

With the support of its shareholders, KDC plans to implement an ambitious growth plan that will position it as a first-choice partner for brand owners around the world in the field of beauty- and personal-care products, aiming for the billion-dollar mark in annual revenues within a few years.

Through complementary acquisitions, expansion of services and development opportunities abroad, KDC plans to double its production by 2018 and become the leader in its industry, while remaining the only North American player with the critical mass needed to play a major role internationally.

ABOUT KDC

KDC is a leader and total solution provider in the contract manufacturing fields of regulated and non-regulated personal care products with sales in excess of \$500 M, five operating facilities run by a most talented and experienced team of professionals. KDC has its head office in Knowlton, Québec, where its main plant is also located. In addition, KDC has plants in Mississauga, Ontario, as well as in Lynchburg, Virginia, and Columbus, Ohio. Altogether, the company employs 2,200 people, including nearly 900 in Knowlton. For more information, please visit: <http://www.kdc-companies.com>.

ABOUT CHEMAID LABORATORIES

Located in Northern New Jersey, ChemAid Laboratories is a premier formulator providing contract manufacturing services to the beauty industry. Strategically aligned with key technology companies to create skin care, hair care, fine fragrances ancillaries, bath and body treatment products that surpass client's expectations. For more information about ChemAid Laboratories, please consult: <http://chemaidlabs.com>.

ABOUT NOVACAP

With \$1.5 billion of assets under management, NOVACAP is one of Canada's leading private equity firms. Since 1981, its distinct partnership approach based on operational expertise has helped more than 50 companies accelerate their growth and maximize their value. NOVACAP ranks among the top private equity firms in North America. The results of NOVACAP I and NOVACAP II rank NOVACAP in the first quartile of the funds classified by Thomson Venture Economics. NOVACAP Industries IV has recently raised an initial \$300-million investment and expects to complete commitments for its \$425-million goal in the next few months. For more information, please consult: www.novacap.ca.

ABOUT LA CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

La Caisse de dépôt et placement du Québec is a long-term institutional investor that manages funds primarily for public and parapublic pension and insurance plans. As at June 30, 2014, it held \$214.7 billion in net assets. As one of Canada's leading institutional fund managers, La Caisse invests in major financial markets, private equity, infrastructure and real estate, globally. For more information: www.lacaisse.com.

ABOUT INVESTISSEMENT QUEBEC

Investissement Québec's mission is to foster the growth of investment in Québec, thereby contributing to economic development and job creation in every region. The Corporation offers businesses a full range of financial solutions, including loans, loan guarantees and equity investments, to support them at all stages of their development. It is also responsible for administering tax measures and prospecting for foreign investment. For more information: www.investquebec.com.

ABOUT THE FONDS DE SOLIDARITE FTQ

The Fonds de solidarité FTQ helps drive our economy. With net assets of \$10.5 billion as of November 30, 2014, the Fonds is a development capital fund that channels the savings of Quebecers into investments in all sectors of the economy to help create and maintain jobs and further Québec's development. The Fonds is a partner, either directly or through its network members, in more than 2,450 companies. With more than 600,000 shareholder-savers, the Fonds helps create, maintain and protect more than 172,000 jobs. For more information, visit www.FondsFTQ.com.

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Sources:	NOVACAP/KDC ChemAid Laboratories Caisse de dépôt et placement du Québec Investissement Québec Fonds de solidarité FTQ	
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