



**NEWS RELEASE
FOR IMMEDIATE RELEASE**

KDC announces the acquisition of Northern Labs, Inc.

Montreal, December 12, 2017 – Knowlton Development Corporation ("KDC"), a leading contract manufacturer of health and beauty-care products based in Québec, announces the acquisition of **Northern Labs, Inc. ("Northern Labs")**, a full-service liquid product contract manufacturer serving the world's leading CPG and OTC companies for over 70 years. The transaction is being financed by the private equity firm Novacap, in partnership with La Caisse de dépôt et placement du Québec, the Fonds de solidarité FTQ, Investissement Québec, Export Development Canada, Fondation CSN and other institutional partners.

Centrally located in Wisconsin, Northern Labs employs more than 200 full-time employees in state-of-the-art facilities totaling over 275,000 square feet. Its offering includes turnkey manufacturing solutions for large fill and unique package types, QA/QC services and regulatory services. While KDC is active in many personal care categories such as deodorants, hair care, bath and body, and skin care products, Northern Labs represents a significant opportunity in the categories of home, laundry and automotive care, as well as industrial products.

"The Specialty Household market category offers a series of growth opportunities for both our companies," said Nicholas Whitley, President and CEO of KDC. "KDC and Northern Labs have similar values and business cultures, and we strongly feel that Northern Labs' team of highly skilled professionals, and its reputation for product quality, consistency, and customer service will align well with our operating principles, and will bring tangible benefits by leveraging the scale and core competencies of our combined network of companies, facilities, existing and future clients."

"This acquisition is adding a significant capacity to KDC's portfolio, which will in turn create opportunities to fuel KDC's growth," added Michel Côté, KDC's Chairman and Senior Partner of Novacap. Since 2014, with our partners, we have been able, through both organic growth and acquisitions, to position KDC as a world-class leader in the supply of high quality, innovative products and delivery solutions to prominent brands."

"For Northern Labs, KDC represents a win-win proposition," said J.D. Culea, President and CEO of Northern Labs. "KDC has a solid history of investing in improving the business and enabling its people, so we can expect that our partnership will propel Northern Labs to a new and superior level, as a leading consumer products focused full-service contract manufacturer serving the U.S. market."

The addition of Northern Labs to KDC's portfolio will enhance the Speciality Household pillar that was established when KDC acquired Aromair in November. KDC's future plan remains to be the industry category leader and 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 of more than US\$850 million, ten operating facilities run by a most talented and experienced team of professionals. KDC has its head office in Longueuil, Québec. In addition to the Northern Labs facility, KDC has plants in Knowlton (Quebec), Lynchburg (Virginia), two in Columbus (Ohio), as well as the West Coast facilities located in Chatsworth and Newbury Park (California). KDC's owned companies include Kolmar in Port Jervis (New York), Acupac in Mahwah and ChemAid in Saddle Brook (New Jersey), Altogether, the company now employs over 3,000 talented and dedicated employees in North America, including 700 in Knowlton. For more information, please visit: www.kdc-companies.com .

ABOUT NORTHERN LABS, INC.

Northern Labs, Inc. is a leading consumer products focused on full-service contract manufacturer for liquid, gel, lotion, and paste products. It produces an extensive range of consumer and institutional products for many of the largest consumer packaged goods ("CPG") companies. The company also offers products, such as all-purpose cleaners, disinfectants, degreasers, and bactericides/virucides for industrial, institutional, and medical applications. It provides services ranging from planning, purchasing, and manufacturing to distribution specializing in blending and storage, liquid and paste filling, and warehousing operations. The company was founded in 1946 and is headquartered in Manitowoc, Wisconsin. For more information: www.northernlabs.com

ABOUT NOVACAP

Founded in 1981, Novacap is a leading Canadian private equity firm with \$2.26 billion of assets under management. The Firm has raised over \$2.6 billion in capital since its inception. Novacap's unique investment approach, based on deep operational expertise and an active partnership with entrepreneurs, has helped accelerate growth and create long-term value for its numerous investee companies. With an experienced management team and substantial financial resources, Novacap is well positioned to continue building world-class companies. For more information, please visit www.novacap.ca .

ABOUT CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

Caisse de dépôt et placement du Québec (CDPQ) is a long-term institutional investor that manages funds primarily for public and parapublic pension and insurance plans. As at June 30, 2017, it held \$286.5 billion in net assets. As one of Canada's leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure, real estate and private debt. For more information, visit www.cdpg.com , follow us on Twitter @LaCDPQ or consult our Facebook or LinkedIn pages.

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 SOLIDARITÉ FTQ

The Fonds de solidarité FTQ is a development capital investment fund that channels the savings of Quebecers into investments. As at May 31, 2017, the organization had \$13.1 billion in net assets, and through its current portfolio of investments has helped create and protect 186,440 jobs. The Fonds is a partner in more than 2,700 companies and has 645,664 shareholder-savers. For more information: www.fondsftq.com .

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Source : KDC/Northern Labs

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