

## **Option Exercise of 143,618 Shares by Trusts Holding Shares Granted to Robert Keane**

### **What happened?**

On April 28, 2017, the Trusts that hold the share options granted to Robert Keane exercised 143,618 options that had been granted ten years ago and which were scheduled to expire on May 15, 2017. The exercises were made pursuant to a 10b5-1 plan established May 5, 2016.

These shares were delivered to the Trusts net of the exercise price (\$37.51 per share) and tax withholding for the related income tax obligations in the U.S. based on the April 28, 2017 market close price of \$82.08 per share. Of the 143,618 total shares underlying the exercised options, 43,074 shares were issued to the Trusts and the remaining 100,544 shares were withheld by Cimpres to cover the exercise price and tax withholding.

### **How will this impact Cimpres N.V.'s financial statements?**

#### Cash Flow:

- As part of the exercise, we withheld shares to fund the withholding tax obligation for the transaction. During the fourth quarter of FY 2017, these taxes will be paid and reflected as a cash outflow from financing activities of approximately \$3M based on the share price at the time of the transaction.
- As is typical upon the exercise of options, we expect to realize a cash tax benefit in the current period related to this transaction.

#### Income Statement:

- The anticipated impact on our operating expense for FY2017 is immaterial and limited to the employer taxes on the transaction. We expect to recognize a benefit in our tax provision for the current period related to this transaction.

#### Share count:

- The anticipated impact on our weighted average diluted share count used to calculate earnings per share for FY2017 should be negligible as the options have been factored into this calculation in the past, as required.

### **Why were the shares delivered net of exercise price and tax?**

Net share settlement to cover the exercise price and/or the minimum tax withholding is an allowable exercise method under the option agreement at the election of the employee.

Delivering the shares net has the effect of reducing the number of shares outstanding compared to a cash exercise of an option, as the company issues fewer shares, but this method increases the net cash outflow for the transaction. The annualized impact of this net issuance transaction is immaterial to the share count used to calculate earnings per share.