

FY 2013 consolidated results
(1st January to 31 December 2013)

Excellent sales growth and good operating performances against the backdrop of unfavourable currency trends

- ✓ **Sales up 9.7%** (at constant exchange rates)
- ✓ **Recurring EBITDA margin: 16.5%**
- ✓ **Current operating margin: 11.0%**

Press release

Avignon, 31 March 2013 - Naturex, the global leader in speciality plant-based natural ingredients, announces its annual consolidated results¹ for fiscal 2013:

€ millions IFRS	FY 2013	FY 2012	Change (%)
Revenue	320.8	299.8	+7.0%
Gross margin	196.0	175.5	+11.6%
<i>Gross margin (%)</i>	<i>61.1%</i>	<i>58.5%</i>	
Staff costs	(69.1)	(58.4)	+18.5%
External charges	(79.5)	(71.0)	+12.0%
Recurring EBITDA	53.0	51.1	+3.8%
<i>Recurring EBITDA margin (%)</i>	<i>16.5%</i>	<i>17.0%</i>	
Amortisation, depreciation and impairment	(17.7)	(15.2)	+17.0%
Current operating income (EBIT)	35.3	35.9	-1.8%
<i>Current operating margin (%)</i>	<i>11.0%</i>	<i>12.0%</i>	
Other non-current operating expenses	(0.8)	(4.4)	-
Other non-current operating income	-	6.1	-
Net operating income	34.5	37.6	-8.4%
Share of net income of equity-accounted investees	(0.1)	-	
<i>Operating margin (%)</i>	<i>10.7%</i>	<i>12.5%</i>	
Net borrowing costs	(5.4)	(5.1)	-
Other financial income and expenses	(3.1)	(0.9)	-
Income before tax	25.9	31.7	-18.3%
Income tax expense	(9.0)	(8.7)	-
Net income attributable to the Group	16.8	22.9	-26.7%
<i>Net margin (%)</i>	<i>5.2%</i>	<i>7.6%</i>	

¹ The separate annual financial statements of Naturex S.A. and the Group's consolidated financial statements (including the notes) were presented to the Audit Committee on 27 March 2014 and approved by the Board of Directors of the Company meeting the following day. The consolidated financial statements have been audited by our Statutory Auditors and their report will be issued after completion of the procedures required for filing the registration document no later than 30 April 2014.

Strong revenue growth

Consolidated revenue for fiscal 2013 amounted to €320.8 million, up 9.7% at constant exchange rates. Impacted by the significant depreciation of several currencies versus the euro, including the US and Australian dollars and selected emerging country currencies (Brazil, Mexico, China, Russia, India, etc.), sales at current exchange rates rose 7%.

Growth was mainly organic (more than 8% at constant exchange rates) and covered all geographic regions and market segments; relatively weak for Food & Beverage in Europe due to the economic environment, it was in contrast very robust for Nutrition & Health in the United States and for Toll Manufacturing.

Also noteworthy were the excellent performances by DBS (United States, +50% sales growth), the successful integration of Valentine (India) acquired in April 2012, and rapid development in Asia (+35%).

Good resilience for results

Naturex's operating performances remained on track despite the impact of unfavourable foreign exchange trends. These trends significantly impacted results at two levels:

- The weakness of several currencies in relation to the euro weighed on the margins of Naturex as an exporter of many products from the euro zone and Switzerland.
- Translation differences for certain currencies limited earnings contributions from international operations in the latter part of the year.

Furthermore, Group restructuring measures rendered necessary by a more than threefold increase in sales in 4 years contributed to growth in recurring EBITDA that reached €53 million (+3.8%), marginally outpaced by sales (+7.0%). Current operating income came to €35.3 million or 11% of sales.

Net operating income and net income in 2012 were increased by a sizeable insurance payment (€6.1 million), following the death of Mr. Jacques Dikansky. Restated to eliminate this item, net operating income rose 9.5%.

Breakdown of results:

- **consolidated gross margin** amounted to €196 million, up 11.6% from 2012, outpacing growth in sales reflecting a favourable shift in the product mix and in particular increase contributions from Toll manufacturing. As a percentage of sales, the gross margin improved on that basis by 2.6 points to 61.1%.
- Staff costs rose (+18.5%) in response to the full year integration of companies acquired in 2012 (DBS - United States and Valentine - India), the impact of Group restructuring measures (1.3% of sales) and revenue growth, in particular for Toll manufacturing activities.
- External charges increased (+12.0%) in response to growth in sales, reinforced research and the headquarters' extension.
- **Recurring EBITDA** amounted to €53 million, up from €51.1 million in 2012 or 3.8% with a recurring EBITDA margin at 16.5%.
- **Current operating income**, remained largely stable in relation to the prior year at €35.3 million representing a current operating margin of 11.0% compared to 12.0% in 2012, and in line with results for the first three quarters of the year.
- **Consolidated operating profit** totalled €34.5 million compared to €37.6 million in 2012 for an operating margin of 10.7% versus 12.5% in 2012. This result includes other non-current operating expenses of €0.8 million, up from €4.4 million one year earlier, mainly reflecting:
 - €0.3 million in restructuring costs for Pektowin, significantly down from 2012;
 - €0.3 million in acquisition-related expenses including mainly acquisition costs expensed in accordance with Revised IFRS 3. This amount includes primarily costs corresponding to the acquisition of Natraceutical Industrial SL, the owner of property assets of the Valencia site rented by Naturex since it acquired the Ingredients Division from Natraceutical in December 2009.

For information, Naturex had €6.1 million in non-current operating income corresponding to insurance benefit payments on the policy taken out by the Group following Mr. Jacques Dikansky's death. Excluding this exceptional income in 2012, operating profit in 2013 would be up 9.5%.

- Net borrowing costs for 2013 amounted to €5.4 million, up from €5.1 million (1.7% of sales) in the prior year.
- Other financial income and expenses represented a net charge of €3.1 million reflecting mainly translation differences linked to a €4.3 million foreign exchange loss on intra-group balances plus non-Group foreign exchange gains of €1.2 million.
- **Net income** attributable to the Group amounted to €16.8 million, up from €22.9 million in 2012, after a tax charge of €9.0 million or a rate of 35% compared with €8.7 million in 2012 and a rate of 27.6%. This increased tax rate is mainly due to the higher US contribution to earnings linked to the strong revenue growth and integration of DBS. It is furthermore noted that the rate for 2012 was exceptionally low.

A sound financial position

At 31 December 2013, net financial debt amounted to €150.7 million compared with €116.9 million at the end of 2012 and represented 55% of equity. This debt consists mainly of bank financing including the debt component of the OCEANE convertible bond issue (€16.4 million) of early 2013, amounts owed to Natraceutical from the Natraceutical Industrial SL acquisition (€8.6 million) and obligations relating to put options (€4 million) written on non-controlling interests of DBS and Chile Botanics.

Outlook

Readers are reminded that Naturex does not disclose quantitative forecasts.

The Group is confident in its ability to achieve significant organic growth at constant exchange rates in 2014. A portion of revenue will no longer be included in consolidated revenue following the transfer of a portion of krill extraction sales for AKER BioMarine (opening of the Houston plant in connection with the joint venture created²) that will limit effective sales growth.

Trends for quarterly sales will differ from those experienced in 2013 that was atypical, resulting in an unfavourable comparison base for the beginning of the year. In effect, 2013 registered strong sales for Svetol®³ in the 1st half in response to extensive media coverage and Toll Manufacturing sales were very robust in the 1st quarter and will remain very sustained in 2014 as from the 2nd quarter. Furthermore, major new projects in progress will gradually generate revenue over the year.

Naturex, that completed a new acquisition at the end of 2013 by a majority stake in Chile Botanics, intends to pursue its strategy of targeted external growth. Details on this strategy will be presented at the analysts meeting of 2 April.

"In 2013, within a difficult macroeconomic environment, Naturex was successful in delivering satisfactory results while completing restructuring and managerial reorganization measures necessary for its future development", commented Naturex's Chairman-CEO, Thierry Lambert. "2014 will be a new year of growth and our objective will be to continue to balance sustainable organic growth with targeted and complementary acquisitions, dual drivers that have underpinned Naturex's business model for many years."

You can receive all financial information of Naturex free of charge by signing up at: www.naturex.fr

² The 50-50 joint venture created with AKER BioMarine; only the share of the joint venture's earnings is integrated into net income of equity-accounted investees.

³ Svetol®³: a slimming ingredient developed from green coffee bean extract with efficacy demonstrated by clinical studies.

▶ **SFAF analysts meeting of 2 April 2014**

Naturex will present its 2013 consolidated annual results at the analysts meeting (SFAF - French Society of Financial Analysts) of 2 April 2014 at 10:00 a.m. at NYSE Euronext in Paris (39 Rue Cambon, 75001 Paris).

▶ **2014 financial information schedule**

Q1 2014 revenue:	28 April 2014
Q1 2014 results:	26 May 2014
Annual General Meeting	26 June 2014
2014 H1 sales	25 July 2014
2014 first-half results	29 August 2014
2014 third-quarter sales	4 November 2014
2014 third-quarter results	28 November 2014
Revenue – FY 2014	3 February 2015
Results – FY 2014	31 March 2015

Naturex has been listed since October 1996 on NYSE Euronext in Paris, Segment B



Total number of shares comprising the share capital: 7,845,705 (February 2014)
ISIN FR0000054694

NATUREX is a component of the CAC@PME, CAC Small and Gaïa indexes. Naturex is eligible for the "long only" Deferred Settlement Service (SRD) and French equity plans (PEA and PEA-PME). Naturex established a Sponsored Level 1 American Depositary Receipt (ADR) program in the United States. Under this facility, Naturex's ADRs are traded over-the-counter in the United States under the symbol NTUXY.

SYMBOL: NRX - Reuters: NATU.PA - Bloomberg: NRX:FP - DR Symbol: NTUXY

About Naturex

Naturex is the global leader in speciality plant-based natural ingredients. The Group is organised around three strategic markets (food & beverage, nutrition & health and personal care) and produces and markets speciality plant-based ingredients for the food, nutraceutical, pharmaceutical and cosmetic industries.

Naturex's head office is based in Avignon. The company employs more than 1,500 people with 8 sourcing offices located throughout the world and high-performance manufacturing operations across 17 sites in Europe, Morocco, the United States, Brazil, Australia and India. It also has a global commercial presence through a dedicated network of sales offices in more than 20 countries.

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