

2014 annual sales  
(1<sup>st</sup> January to 31 December 2014)

## Efforts start to pay off in the fourth quarter

- ✓ **Double-digit growth for Food & Beverage in the US**  
(excluding scope effect)
- ✓ **Double-digit growth in emerging markets**
- ✓ **Market conditions remain difficult in Europe**

*Press release*

Avignon, 3 February 2015 - Naturex, the global leader in specialty plant-based natural ingredients, announces its consolidated revenue for the 2014 fourth quarter and full year:

€000s IFRS (unaudited data)	FY 2014	FY 2013	Change (%)	Change (%) at constant exchange rates	Change (%) like-for-like (constant currency and structure <sup>1</sup> )
1 <sup>st</sup> quarter	79,603	83,196	-4.3%	-2.1%	-2.1%
2 <sup>nd</sup> quarter	78,738	82,557	-4.6%	-1.4%	-5.3%
3 <sup>rd</sup> quarter	80,028	76,817	+4.2%	+4.3%	-7.3%
4 <sup>th</sup> quarter	88,981	78,215	+13.8%	+8.5%	-2.7%
<b>Annual sales</b>	<b>327,350</b>	<b>320,786</b>	<b>+2.0%</b>	<b>+2.2%</b>	<b>-4.3%</b>

Annual revenue for 2014 reached €327.4 million, up 2% (+2.2% at constant exchange rates), with mixed performances from our main businesses and geographic markets, reflecting continuing adverse global economic conditions.

Naturex has reaped the positive effects of its choices to develop in markets with high growth potential:

- In the United States, measures taken in 2013 to strengthen our regional commercial presence and the professionalism of our sales force contributed to double-digit organic growth in Food & Beverage sales.  
In addition, the successful integration of Vegetable Juices Inc. as from June 2014 significantly strengthened our positioning with top-tier food industry customers and accelerated our development, particularly in the very promising market for technical vegetable-based ingredients. Vegetable Juices Inc. furthermore delivered good growth of 13.2% for the 2014 full year.
- Emerging markets also provided highly effective growth drivers for both the Food & Beverage and Nutrition & Health segments thanks to a more structured local engagement through our network of commercial offices and application labs.

Conversely, difficult market conditions hampered growth for some of our historic positions:

- In Europe, continuing economic sluggishness and uncertainty led to weaker consumer spending that impacted growth among our main customers in our largest Food & Beverage market.
- In the United States, the slowdown of the segment of dietary supplements in capsule and tablet form, amplified by inventory adjustments by selected customers, significantly impacted our Nutrition & Health business, after years of strong growth. This effect was increased by the negative comparison base for 2014 generated by our Svetol® nutraceutical product (green coffee bean extract).

<sup>1</sup> Consolidation structure effect (constant currencies): consolidation of Chile Botanics as from January 2014 (€0.6 million) and Vegetable Juices Inc. as from June 2014 (€20.4 million).

In addition, we transferred the krill extraction operations to the Houston plant<sup>2</sup>, created within the framework of the Aker BioMarine joint venture that came on line in 2014 during a period of difficult market conditions for Omega-3 based products. The mechanical effect of this transfer in turn reduced sales of the Toll Manufacturing division (-€8.8 million), and corresponding to 63% of the decline in the Group's organic growth.

Finally, the particularly adverse foreign exchange conditions prevailing in the first nine months (-€4.6 million) sharply improved in the last quarter (mainly from the US dollar's increase versus the euro), cancelling the negative impact for the full year (0.2%). This trend is expected to continue in the coming months and will boost our export sales.

Fourth-quarter sales reached €89 million, achieving strong growth of 13.8% (+8.5% at constant exchange rates), bolstered by a strong dollar and a robust contribution from Food & Beverage in the United States, in particular from Vegetable Juices Inc. (€9.3 million). This performance reduced the negative impact of the comparison base from krill toll manufacturing and Svetol® sales for the period (-€5 million).

## Positive effects from structuration in the Food & Beverage's organization

### Nutrition & Health's transition in progress

€000s IFRS (unaudited data)	FY 2014	FY 2013	Revenue mix (%)	Change (%)	Change (%) constant exchange rates	Change (%) like-for-like (constant currency and structure <sup>1</sup> )
Food & Beverage	213,242	184,085	65.1%	+15.8%	+15.9%	+4.5%
Nutrition & Health	97,475	112,896	29.8%	-13.7%	-13.9%	-13.3%
Personal Care	6,854	5,798	2.1%	+18.2%	+18.1%	+18.1%
Toll Manufacturing	9,779	18,007	3.0%	-45.7%	-45.5%	-45.5%
<b>Total</b>	<b>327,350</b>	<b>320,786</b>	<b>100.0%</b>	<b>+2.0%</b>	<b>+2.2%</b>	<b>-4.3%</b>

- Food & Beverage had sales of €213.2 million, with strong growth of 15.9% at constant exchange rates. This performance confirms the positive effects of measures taken in 2013, mainly in the United States (regional deployment of sales offices) and very strong gains by Vegetable Juices Inc. consolidated for only 7 months, particularly in the 2014 fourth quarter, and despite pronounced seasonal effects in the beverage segment.

At constant structure and exchange rates, this business grew 4.5% for the full year, with a significant acceleration in the fourth quarter of +9.1%.

These positive trends are expected to continue over the coming months in the United States, driven by synergies from our broad product range of ingredients and multiple advantages (nutrition, vitamins, nutrients, etc.) from the range of vegetable juices and concentrates offered by Vegetable Juices Inc., as well as through the development of our application know-how that will strengthen our regional positions with major customers. Furthermore, recent investments in emerging countries (the Quillaja extract facility in Chile and the fruit and vegetable powders plant in India) should drive gains in these high-growth local markets.

<sup>2</sup> Revenue generated by the Houston manufacturing plant held through a 50/50 joint venture with Aker BioMarine is not included in Naturex's consolidated sales. Naturex's interests in the joint venture are recognized in the Group's consolidated accounts under "Share of net earnings of equity-accounted investees."

- Sales for Nutrition & Health of €97.5 million were particularly disappointing, declining 13.9% at constant exchange rates, mainly in the United States. The impact of the negative comparison base from Svetol® US sales in relation to 2013 (-€7.2 million) and the slowdown in the traditional nutraceutical market (dietary supplements in capsule and tablet form) impacted sales of this business.

However, growing consumer interest in products combining nutritional and health benefits has bolstered the nutraceutical market in favour of greater convergence and innovations in the functional food segment. With our expertise in plant extracts and natural ingredients with organoleptic, texturing and nutritional properties (fruits and vegetables in dry or liquid form), Naturex is well-positioned to take advantage of this trend.

A plan to reposition Naturex's offering is already underway. Specifically, it is focusing on creating value-added nutraceutical solutions enhanced by an offering of products with substantiated claims (effects scientifically proven by clinical studies) and concepts combining food processing and health concepts according to differentiating formats (beverages, soups, gums, shots, etc.) offering significant synergies with the Food & Beverage product range.

Better adapted to a less fragmented and growing market, this positioning will provide renewed commercial momentum to our commercial positions.

- Personal Care had sales of €6.9 million with good growth (+18.1% at constant exchange rates) from an energized offering and Naturex's sourcing and purification of extracts know-how. A more targeted commercial approach and the development of innovative concepts within the dedicated SpringLab platform based in Avignon will contribute to further development of this business over the medium and long-term.

## Encouraging trends in mature countries despite effects of the crisis

### Promising investments in emerging countries

€000s IFRS Unaudited data	FY 2014	FY 2013	Revenue mix (%)	Change (%)	Change (%) constant exchange rates	Change (%) like-for-like (constant currency and structure <sup>1</sup> )
Europe/Africa	140,274	150,634	42.9%	-6.9%	-7.5%	-7.5%
	5,291	14,077	1.7%	-62.4%	-62.4%	
Europe / Africa excluding krill toll manufacturing sales.	134,983	136,557	41.2%	-1.2%	-1.9%	-1.9%
Americas	144,096	130,255	44.0%	+10.6%	+10.8%	-5.3%
Asia/Pacific	42,980	39,897	13.1%	+7.7%	+10.8%	+10.8%
<b>Total</b>	<b>327,350</b>	<b>320,786</b>	<b>100.0%</b>	<b>+2.0%</b>	<b>+2.2%</b>	<b>-4.3%</b>

- Revenue in the Europe/Africa region declined 7.5% at constant exchange rates from the same period in 2013. Restated to eliminate the technical effect associated with the transfer of krill extraction operations to the joint venture, sales for this region declined 1.9% at constant exchange rates. The activity of our customers including mainly leading names of the food processing industry has been significantly impacted by a continuing unfavourable economic environment in Europe that were exacerbated by the Ukraine/Russian crisis.
- The Americas registered sales growth of 10.8% at constant exchange rates. In the United States, excluding negative impacts from Svetol® sales and the weakness in the

traditional nutraceutical market, sales registered double-digit organic growth in the Food & Beverage segment, capitalizing on the regional redeployment of its sales force and the very good contribution from Vegetable Juices Inc. (US) over only seven months of consolidation (€20.8 million).

- Emerging countries contributed significantly to sales in the period (+11.8%) with an acceleration in the fourth quarter (+30.4%), representing 19.4% of Group sales, up from 17.7% one year earlier (20.6% in the 2014 fourth-quarter). This ramp up in Latin America and Asia confirms Naturex's determination to benefit from growth drivers in these countries. Investments made seek to strengthen our local presence (plants, application labs, sales offices), explore new market niches and support our customers in their developments in these high potential markets both for our Food & Beverage and Nutrition & Health businesses.

*"Annual sales for 2014 were both disappointing overall though included very mixed performances for our main two businesses and by region", commented Naturex's Chairman of the Board, Thierry Lambert. "Growth of the Food & Beverage business, excluding the excellent contribution from Vegetable Juices Inc., is very encouraging, particularly in the fourth quarter; Its performance confirms the validity and success of measures undertaken in 2013 both with our product portfolio and our commercial organization, despite a continuing difficult economic environment. Conversely, the sudden reversal in growth trends in the traditional nutraceutical market in the United States, the major contributor to the Nutrition & Health business, had a very adverse impact. In response, the repositioning of our offering currently in progress in this segment will lead to a renewed growth momentum. Significant inroads in emerging markets in the year confirm the relevance of the investments made and the development potential of these new growth drivers."*

Olivier Rigaud, Naturex's Chief Executive Officer, added: *"After completing the organizational changes to the Group this year, Naturex now has solid foundations for pursuing the next phases of development with reinforced operational governance and a more functional and experienced commercial organization. The Group has furthermore effectively invested to improve its customer approach through an enhanced and better valued product range and by strengthening its regional and local positions.*

*These measures have started to pay off, with the first effects on Food & Beverage and selected regions already visible. We must now build on this momentum and extend it to all our markets throughout the world.*

*The "Conquest & Cash" 2015 action plan represents a necessary first step for returning to sustainable and quality organic growth. Priorities set to achieve this goal are commercial conquest, industrial efficiency, control over operating expenses and a significant reduction in WCR.*

*Bringing to bear my experience in this area, I will support Naturex's teams who are now already engaged in successfully achieving this shared and unifying Group objective. The 2020 strategic plan that will be announced in June 2015 will propose a longer-term vision for Naturex's development, its market positions, objectives and ambitions for the future."*

You can receive all financial information of Naturex free of charge by signing up at: [www.naturex.com](http://www.naturex.com)

## ► Financial schedule

Annual results

31 March 2015

## ► Upcoming events

- SFAF analysts meeting (Paris)

2 April 2015

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



Total number of shares comprising the share capital: 9,196,587 (December 2014)  
ISIN FR0000054694

NATUREX is a component of the CACT, CAC®PME, CAC Small & Mid, CAC Small, Gaïa Index.

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.

TICKER: 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 1,600 people with 8 sourcing offices located throughout the world and high-performance manufacturing operations across 16 sites in Europe, Morocco, the United States, Brazil, India and Chile. It also has a global commercial presence through a dedicated network of sales offices in more than 20 countries.

## ► Contacts

### **Carole Alexandre**

Investor Relations

Tel.: +33 (0)4 90 23 78 28

[c.alexandre@naturex.com](mailto:c.alexandre@naturex.com)

### **Thierry-Bertrand Lambert**

Chief Financial Officer

Tel.: +33 (0)4 90 23 96 89

[t.b.lambert@naturex.com](mailto:t.b.lambert@naturex.com)

### **Anne Catherine Bonjour**

Actus Finance Press Relations

Tel.: +33 (0)1 53 67 36 93

[acbonjour@actus.fr](mailto:acbonjour@actus.fr)

## APPENDIX

### Svetol® sales in the United States (N&H / Americas-US region)

€000s IFRS Unaudited data	FY 2014 Current exchange rates	FY 2013 Current exchange rates
1 <sup>st</sup> quarter	921	4,544
2 <sup>nd</sup> quarter	929	2,743
3 <sup>rd</sup> quarter	535	991
4 <sup>th</sup> quarter	911	2,187
<b>Total</b>	<b>3,295</b>	<b>10,465</b>

### Krill extraction sales (Toll Manufacturing / Europe)

€000s IFRS Unaudited data	FY 2014 Current exchange rates	FY 2013 Current exchange rates
1 <sup>st</sup> quarter	1,698	4,440
2 <sup>nd</sup> quarter	3,334	2,390
3 <sup>rd</sup> quarter	204	3,429
4 <sup>th</sup> quarter	54	3,818
<b>Total</b>	<b>5,291</b>	<b>14,077</b>

### Joint venture sales consolidated from June 2014 (F&B / Americas-US)

€000s IFRS Unaudited data	FY 2014 Current exchange rates
1 <sup>st</sup> quarter	
2 <sup>nd</sup> quarter (1 month June)	2,900
3 <sup>rd</sup> quarter	8,654
4 <sup>th</sup> quarter	9,260
<b>Total</b>	<b>20,814</b>

### Chile Botanics sales consolidated as from January 2014 (F&B / Americas-LATAM)

€000s IFRS Unaudited data	FY 2014 Current exchange rates
1 <sup>st</sup> quarter	61
2 <sup>nd</sup> quarter	157
3 <sup>rd</sup> quarter	102
4 <sup>th</sup> quarter	270
<b>Total</b>	<b>589</b>