

Corporate Information

Naturex reorganises its manufacturing operations serving the pharmaceutical market

- ✓ **Closure of the loss-making plant of Palafolls (Spain)**
- ✓ **Specialisation of the Milan site (Italy) in nutraceutical applications**
- ✓ **Centralisation of pharmaceutical activities at Reyssouze (France)**

Press release

Avignon, 27 May 2015 - Naturex, the global leader in speciality plant-based natural ingredients, informs its shareholders of the reorganisation of its pharmaceutical manufacturing operations. This measure is part of the "Conquest, Cash & People" 2015 action plan seeking namely to rationalise, optimise and enhance the Group's industrial capacities with, as its primary objective, improving profitability.

Naturex currently has three sites in Europe devoted to the extraction of plant-derived active pharmaceutical ingredients (API) that had been integrated into the Group structure through different acquisitions.

- The Milan site (Italy), originating from the 2007 acquisition of Hammer Pharma;
- The sites of Palafolls (Barcelona – Spain) and Reyssouze (France), originating from the Burgundy acquisition in 2011.

Compliance with international standards for pharmaceutical manufacturing¹ and plant certification according to the latest applicable "quality" standards call for substantial investments and resources covering specific pharmaceutical industry expertise.

Our objective of continuing to provide customers optimal service quality and solutions based on cutting-edge innovations requires that we rationalise our industrial footprint in this sector.

In light of this observation and the site's specific characteristics, Naturex has decided to concentrate all the Group's pharmaceutical activities at a single manufacturing site in Reyssouze (France). This industrial reorganisation will contribute to improving the performance of pharmaceutical operations by centralising all expertise (sourcing, quality control, regulatory compliance, etc.) and increasing efficiencies in production flows.

This industrial reorganisation plan will involve:

- **The Palafolls plant's closure**

The Palafolls plant produces exclusively semi-finished pharmaceutical and nutraceutical products whose production cycle is then completed at the Milan and Reyssouze plants. Within this configuration, it is not possible to ensure the site's profitability, which is structurally loss-making, and would require substantial investments to become autonomous, while still retaining a limited extraction capacity.

A collective redundancy plan has been adopted to limit employment-related impacts associated with the plant's closing. Naturex will assist each of the 34 employees concerned by this measure in order to facilitate their transition to a new professional project under optimal conditions. This closure will take effect in the third quarter of 2015.

¹ BPF: *Bonnes Pratiques de Fabrication* / GMP: Good Manufacturing Practices

- **Specialisation of the Milan site (Italy) in nutraceutical applications**

The Italian site has significant capacity in terms of extracting and drying plant extracts for pharmaceutical and nutraceutical applications. To optimise its manufacturing operations, the Milan plant will service exclusively the nutraceutical sector and will concentrate on continuous large-scale production runs for flagship references. The transfer of pharmaceutical operations to the Reyssouze plant will be completed in early 2016.

- **Centralisation of pharmaceutical operations at the Reyssouze site**

As the Group's most recent and functional site in comparison to the other two pharmaceutical sites, it possesses the equipment and infrastructure resources needed to address the evolving regulatory requirements and specific standards of the pharmaceutical sector. Concentrating the Group's pharmaceutical expertise at a single centre of excellence will make it possible to pool investments relating to this activity, reduce operating costs and maximise the plant's capacity utilisation rate.

The impact of measures on the financial statements will be visible starting in the 2015 second quarter.

"This industrial reorganisation plan is necessary to restore the profitability of our pharmaceutical operations for which the investment efforts and performances have up until now been diluted across three different sites in Europe. Decisions concerning the Palafolls site's closing are difficult and we will study all necessary measures to assist the site's 34 employees in finding the best solution to facilitate their return to employment", explained Olivier Rigaud, Chief Executive Officer and Director of Naturex.

"Enhancing the Reyssouze site's profile as a centre of pharmaceutical excellence and the Milan site's specialisation in nutraceutical applications will strengthen the potential of our industrial assets by improving our positioning and visibility with our customers, including in our approach to other markets. Streamlining our industrial organisation is essential to support our 2020 strategic plan and capture future growth from increasingly convergent markets."

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

▶ **Financial schedule**

- | | |
|---------------------------|-------------------|
| - 2015 H1 sales | 29 July 2015 |
| - 2015 first-half results | 16 September 2015 |

▶ **Upcoming events**

- | | |
|--------------------------------------|--------------|
| - AGM (Paris) | 24 June 2015 |
| - Strategy 2020 Presentation (Paris) | 30 June 2015 |

NATUREX

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



Total number of shares comprising the share capital: 9,221,113 (April 2015)
ISIN FR0000054694

NATUREX is a component of the CACT, Enternext CAC PEA-PME 150, 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, 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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