NATUREX

FY 2015 consolidated results
(1 January to 31 December 2015)

Another successful step in creating value and lasting profitability

- ✓ Return to growth (+21.5%) and operating profitability (+77.3%)
- ✓ Rigour and discipline contributed to reducing net debt by €30 million
- ✓ Ready to move forward and strong team engagement for the execution of Bright2020

Press release

Avignon, 30 March 2016 - Naturex, the global leader in specialty plant-based natural ingredients, announces its annual consolidated results for fiscal 2015[1]:

In €m IFRS	FY 2015	FY 2014 restated*	*Change %*
Revenue	**397.8**	**327.3**	***21.5%***
Gross margin	229.7	194.1	*18.4%*
% gross margin	57.7%	*59.3%*	
Operating grants	2.2	2.7	*-18.4%*
Other operating income	4.9	3.9	*26.9%*
Staff costs	(90.0)	(77.3)	*16.5%*
External charges	(92.0)	(83.2)	*10.7%*
Taxes other than on income	(2.5)	(2.6)	*-1.7%*
Other current operating income and expenses	(0.8)	(0.8)	
Current EBITDA	**51.4**	**36.8**	***39.6%***
% Current EBITDA margin	*12.9%*	*11.2%*	
Amortisation and depreciation	(25.1)	(22.0)	*-14.2%*
Current operating income	**26.3**	**14.8**	***77.3%***
% current operating margin	*6.6%*	*4.5%*	
Other non-current operating expenses	(3.2)	(7.1)	*-55.8%*
Other non-current operating income	-	-	-
Net Operating income	**23.1**	**7.7**	***200.7%***
% operating margin	*5.8%*	*2.3%*	
Net borrowing costs	(7.2)	(8.3)	*-13.0%*
Other financial income and expenses	(1.2)	(0.6)	*120.8%*
Profit before tax	**14.7**	**(1.2)**	
Income tax expense	(11.3)	(2.4)	
Net income from continuing operations	**3.3**	**(3.6)**	
% net margin from continuing operations	*0.8%*	*-1.1%*	
Net income from discontinued operations	**(2.8)**	**(0.5)**	
Net income	**0.6**	**(4.1)**	

**Fiscal 2014 was restated to reflect the impacts of IFRS 5 on discontinued operations*

[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 25 March 2016 and approved by the Company's Board of Directors on 29 March 2016. 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 2016.

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2015 marked the deployment of the "Conquest, Cash & People" plan in a mixed macroeconomic environment. The plan's main lines of action constituted a necessary step for a return to lasting and quality organic growth based on the priorities of renewed commercial momentum and industrial efficiencies, operating cost controls and a significant reduction in working capital requirements.

Within this context, Naturex demonstrated its ability to rebalance its economic model, according to the timetable and the ambitions set forth in its strategic plan, Bright2020.

Return to growth

In January 2015, Naturex rolled out a plan for commercial redeployment designed to put organic growth back on track, after being adversely impacted by four consecutive quarters of negative growth in 2014 for the Group's historic structure.

Bolstered by these measures, Naturex delivered sales for the year of €397.8 million, up 21.5%. Organic growth also registered solid and healthy gains of 5%, versus a decline of 4.3% in 2014, and with the consolidation scope effect from Vegetable Juices Inc. sales for the first five months representing 4.7% growth. The positive exchange rate effect of 11.8% for the year, linked primarily to the dollar's rise relative to the euro, allowed us to leverage our strong presence in the United States and to increase the share of our revenue in US dollars.

Rigour and discipline contributed to reducing net debt

Specific governance measures adopted as part of the "cash" component of the plan combined with strong commitment by all teams to financial discipline had a very positive impact on the key balance sheet aggregates.

- The sharp improvement in **Working Capital Requirements** to €156.0 million, down from €181.6 million at 31 December 2014, resulted primarily from the significant reduction in trade receivables (-9 days on average for the year to 55 DSO) and, also efforts to optimize the product portfolio and reduce the number of references. This in turn led to a spectacular reduction in inventory levels to 41% of sales from 49% one year earlier;
- **Free cash flow**, of €56.0 million, up from €10.8 million in 2014 was driven by a strong growth in Group cash flow, the reduction in Working Capital Requirements and excellent cost controls for investments (6.1% of sales);
- **Net financial debt**, declined €30 million to €130.1 million, significantly reducing leverage (2.5 times current EBITDA vs 4.4 in 2014) and bringing gearing (net financial debt/equity) down to 35.4% of consolidated equity compared to 45.6% at 35.6% at 31 December 2014.

Return to operating profitability

Now back on a sound financial footing, Naturex was able to focus efforts on increasing the value generated by the product mix, optimizing its cost structure and rationalizing its industrial footprint in order to activate the performance drivers essential for returning to operating profit.

- **The gross margin** amounted to €229.7 million, up 18.4% from 2014, and slightly less than growth in sales. As a percentage of sales, the gross margin reached a near standard rate of 57.7% compared to 59.3% one year earlier. Whereas the 2015 first half was impacted by destocking measures and the strategic decision to limit production levels (55.9% of sales), the 2015 second half showed a sharp improvement (59.7% of sales), boosted by a product mix with higher value-added products and increased production volume.

- **Staff costs** increased 16.5% to €90.0 million, less than the growth in revenue, and represented 22.8% of sales compared to 23.6% one year earlier, reflecting namely €3.7 million from a consolidation scope effect from Vegetable Juices Inc., and €5.2 million from a foreign exchange effect.

  Excluding these effects, staff costs rose 4.9% to €81.1 million. This increase results primarily from annual salary negotiations, the implementation of annual performance-based bonuses and targeted recruitments for specific operational posts.

- **External charges**, representing 23.1% of revenue compared to 25.4% one year earlier, amounted to €92.0 million. This limited increase of 10.6% in relation to growth in sales was primarily attributable to Vegetable Juices Inc. (with a consolidation scope effect of €2.8 million) and a significant foreign exchange effect (€5.9 million).

  Excluding these effects, this line item rose only 0.1% (€0.1 million), confirming the positive effects of cost controls, despite renewed industrial activity in the 2015 second half.

- **Current EBITDA** amounted to €51.4 million, up 39.6% from 2014, with a current EBITDA margin of 12.9% compared to 11.2% one year earlier, or a gain of +1.7 points.

- **Amortisation, depreciation and impairment** amounted to €25.1 million compared to €22.0 million in 2014.

- **Current operating income** rose in consequence to €26.3 million, up from €14.8 million one year earlier, with a current operating margin of 6.6%, or a 2.1 point increase.

- **Other non-current operating expenses** amounted to €3.2 million compared to €7.1 million in 2014, and include non-current expenses linked to the rationalization of Naturex's industrial footprint, as described in detail below.

- **Consolidated operating profit** totalled €23.1 million compared to €7.7 million in 2014 for an operating margin of 5.8% versus 2.3% in 2014.

Reassessment of our industrial footprint for an improved alignment with our Bright2020 strategy

In 2015, Naturex launched a review of its industrial footprint for the purpose of maximizing the efficiency ratio and returns on strategic assets used by the Group. This initiative follows from the closing of the Shingle Spring site in California in August 2014 and is largely underpinned by the "Execution & Simplification" pillar of the Bright2020 strategic plan to achieve a better use of the industrial capacities contributing to operational excellence.

The main measures taken in the year included:

- Reorganising manufacturing operations devoted to the Group's pharmaceutical activity within a single production site in Reyssouze (France), involving, on the one hand, the closure of the Palafolls plant in Spain and, on the other hand, the Milan site's (Italy) specialisation in nutraceutical applications. This industrial plan generated non-current operating expenses of €2.7 million resulting primarily from the redundancy plan for 34 employees at the Palafolls plant in Spain and costs linked to the despecialisation of the Milan site, and namely staff costs

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associated with the transfer of pharmaceutical activities to the Reyssouze site as well as expenses from the impairment of intangible assets (EDMF files, etc.).

- **The specialization in progress of industrial sites** of the Group into centres of expertise fully aligned with the four key product categories identified within the framework of the Bright2020 plan (fruit and vegetable-based ingredients, natural antioxidants, natural colours and phytoactives);
- **Full divestiture of Naturex's interests in the joint-venture**[2] devoted to krill extract production created in February 2013 with the Norwegian group AKER BioMarine Antartic. A loss of €2.8 million is shown under the line item "Net income from discontinued operations" (IFRS 5).

Positive net income

Net borrowing costs for 2015 amounted to €7.2 million (1.8% of sales), down from €8.3 million (2.5% of sales) in the prior year. Readers are reminded that the Group refinanced the structured loan in June 2014 to take advantage of longer maturities and financing lines that were better adapted to the Group's structure. Debt issuance costs to be amortized under the preceding structured loan agreement in the amount of €1.1 million were expensed in the period.

Other financial income and expenses included expenses of €1.2 million, up from €0.6 million in 2014, reflecting the impact of the significant depreciation of several currencies.

Finally, **net income from continuing operations** of €3.3 million was recorded for the period compared to a loss of €3.6 million in 2014, after a €11.3 million tax charge resulting from the non-recognition of a portion of deferred tax assets from results in Spain and France representing a charge of €7.1 million.

Net income attributable to Group shareholders amounted to €0.6 million, after including a net loss from discontinued operations of €2.8 million corresponding to the divestment from the joint venture with Aker BioMarine.

A new reporting format for 2016

Change from a presentation by nature (total cost model) to a presentation by function (cost of sales model) that is more adapted to understanding of our strategic priorities.

Naturex wishes to introduce a new key for reading concerning certain alternative performance indicators[3] that better reflect the strategic objectives of the Bright2020 plan for which execution began in 2016 and in this way be able to measure the real impacts.

The new aggregates presented are:

- Gross margin on Cost of Goods Sold which includes all costs linked to production, including labour costs, which provides a presentation that is more coherent and relevant with respect to the Group's industrial activity.
- The breakdown of expenses by cost centre (marketing and selling expenses, research and development expenditures, general and administrative expenses) will facilitate the allocation and measurement of our expenses in line with the execution plans for each operating division;

[2] A 50% stake in the companies Aker BioMarine Manufacturing LLC and Aker BioMarine Financing LLC

[3] AMF Position - Alternative Performance Measures - DOC-2015-12. Reference text: Article 223-1 of the AMF General Regulation

- Finally, the restatement of current EBITDA to current operating EBITDA, excluding becoming obsolete inventories[4], will measure performance for the period in relation to indicators used to monitor the implementation of the Bright2020 strategic plan.

The table reconciling reported results as presented in the consolidated financial statements and the income statement incorporating these alternative performance measures is presented in the appendix to this press release.

"In 2015, we implemented targeted action plans, combining discipline and responsiveness, indispensable for recapturing our markets and rebuilding solid and lasting growth on a sound financial footing. Bolstered by several initiatives in terms of governance and commercial organization, aligning our offering with customer expectations and maximizing the value of our innovations, we were able to create a new impetus to activate the main operational performance drivers, putting us back on track for a return to profitability" commented Olivier Rigaud, Chief Executive Officer and Director of Naturex. *"Having laid these solid foundations, for 2016, the first year of execution of the Bright2020 plan, Naturex will move forward with the implementation of the three "Care, Execute and Grow" strategic lines of action and our six core pillars. With this objective, our priorities will be to ensure every NATUREX employee is fully engaged in meeting our objectives and the success of our mission, to improve the industrial capacities of our sites through continuing simplification measures, and to occupy key positions in our major markets, by combining three growth engines: innovation, consumer focus and emerging markets."*

[4] To better reflect the annual performance devoid of impact of inventory management that have been generated over the period, Naturex communicates on a new alternative performance indicator. The destruction and provisions of more than two years inventories are now restated EBITDA under the terms of current operating EBITDA. Current EBITDA formerly communicated only took into account the restatement of depreciation, amortization and impairment losses on fixed assets whether tangible or intangible.

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

Upcoming events

- Analysts meeting (SFAF - French Society of Financial Analysts) 31 March 2016

ACCESS TO THE WEBCAST

The analyst meeting (SFA – French Society of Financial Analysts) will be held on Thursday, 31 March 2016 at 10 a.m. French Time (admissions as from 9:30 a.m.) at the offices of ORRICK, 31 Avenue Pierre 1er de Serbie, 75016 Paris.
Webcast of the presentation will be available live and by retransmission from the following link:

Access to the webcast from a computer
To access the live or replay version of this webcast from a computer, click on: http://edge.media-server.com/m/p/ubm4m2te/lan/en

Access to the webcast from a mobile device - QR code
To access the live or replay version of this webcast from mobile phones or tablet devices using iOS and android operating systems:

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

Total number of shares comprising the share capital: 9,241,682 (February 2016)
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 more than 1,700 people with 8 sourcing offices located throughout the world and high-performance manufacturing operations across 15 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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APPENDICES

- Adoption of alternative performance indicators for the income statement

Reconciliation table

In €m IFRS	12 months 2015	Sales 0,0	COGS -137,9	Other operating income 3,9	Selling & marketing expenses -24,9	R&D expenses -11,9	General & Administrative expenses -32,6	Other operating expenses 0,0	Inventory obsolete and dormant 0,0
Revenue	**397,8**	**397,8**	0,0	0,0	0,0	0,0	0,0	0,0	**0,0**
Raw materials and changes in inventory	-168,1	0,0	-165,3	0,0	0,0	0,0	0,0	0,0	-2,8
Gross margin	229,7								
Gross margin (%)	*57,7%*								
Operating grants	2,2	0,0	0,0	2,2	0,0	0,0	0,0	0,0	0,0
Other operating income	4,9	0,0	3,1	1,8	0,0	0,0	0,0	0,0	0,0
Staff costs	-90,0	0,0	-54,5	0,0	-15,7	-6,2	-13,5	0,0	0,0
External charges	-92,0	0,0	-67,7	0,0	-8,7	-3,1	-12,5	0,0	0,0
Taxes other than on income	-2,5	0,0	0,0	0,0	0,0	0,0	-2,5	0,0	0,0
Other current operating income and expenses	-0,8	0,0	0,0	0,0	0,0	0,0	-0,8	0,0	0,0
Current EBITDA	**51,4**								
Current EBITDA margin (%)	*12,9%*								
Amortisation, depreciation and impairment	-25,1	0,0	-18,8	0,0	-0,5	-2,5	-3,3	0,0	0,0
Current operating income	**26,3**								

Income statement (new format)

In €m IFRS	2015	2014 restated*	Change (%)
Revenue	**397,8**	**327,3**	**21,5%**
Cost of goods sold	-303,2	-253,5	19,6%
Gross margin on Cost of Good Sold	**94,6**	**73,8**	**28,1%**
Gross margin on Cost of Good Sold (%)	***23,8%***	***22,6%***	
Other current income	3,9	4,0	-2,9%
Selling and marketing expenses	-24,9	-20,8	19,8%
Research and development expenses	-11,9	-10,5	13,3%
Administrative expenses	-32,6	-31,0	5,4%
Inventory obsolete and dormant	-2,8	-0,7	315,8%
Current operating income	**26,3**	**14,8**	**77,3%**
Current operating income	**26,3**	**14,8**	**77,3%**
+ Amortisation, depreciation and impairment	25,1	22,0	14,2%
+ Inventory obsolete and dormant	2,8	0,7	315,8%
Current operating EBITDA	**54,2**	**37,5**	**44,5%**
Current operating EBITDA margin (%)	*13,6%*	*11,5%*	

**Fiscal 2014 was restated to reflect the impacts of IFRS 5 on discontinued operations*

- ## Balance sheet

ASSETS

€ millions (IFRS)	31/12/2015	31/12/2014
Non-current assets	**355,3**	**343,0**
Goodwill	173,6	159,4
Other intangible assets	21,7	22,7
Property, plant and equipment	151,9	146,0
Non-current financial assets	2,0	1,9
Equity accounted investees	-	3,9
Deferred tax assets	6,1	9,1
Current assets	**309,2**	**283,2**
Inventories	159,0	164,6
Current derivatives	-	-
Tax receivables	3,4	4,9
Trade and other receivables	79,6	80,5
Current financial assets	-	2,7
Cash and cash equivalents	57,9	29,3
Non-current assets held for sale	9,3	1,2
TOTAL ASSETS	664,5	626,2

EQUITY AND LIABILITIES

€ millions (IFRS)	31/12/2015	31/12/2014
Shareholders' equity	**367,1**	**351,4**
Non-current liabilities	**182,1**	**190,6**
Long-term financial debt	159,0	171,7
Non-current derivatives	1,5	1,5
Employee benefits	10,4	7,6
Deferred tax liabilities	11,2	9,8
Current liabilities	**115,3**	**84,2**
Current financial debt	29,0	17,8
Current derivatives	0,7	0,7
Current provisions	1,1	0,5
Tax payables	1,9	1,4
Trade and other payables	82,6	63,5
Short-term bank facilities and overdrafts	0,0	0,2
TOTAL EQUITY AND LIABILITIES	664,5	626,2

- Cash flow statement

In €000s		2015	2014 restated(1)
Net income from continuing operations		3.3	(3.6)
Adjustments for non-cash items:			
Share of net income of equity-accounted investees		-	-
Net amortisation/depreciation allowances and provisions		25.9	22.4
Other non-current operating expenses		0.9	5.5
Expenses and income related to stock options		0.3	0.5
Capital gains / (losses) on disposals		(0.1)	0.3
Net borrowing costs		7.2	8.3
Other financial income and expenses		1.2	0.6
Tax expense		11.3	2.4
Operating cash flow before WCR		**50.1**	**36.4**
Taxes paid		(3.9)	(11.2)
Change in inventories		14.0	8.0
Change in trade receivables and related accounts		4.6	7.1
Change in trade payables and related accounts		15.2	(0.1)
Net cash flow from operating activities	**A**	**80.0**	**40.1**
Acquisition of equity interests, net of cash acquired		0.0	(56.1)
Intangible investments		(2.6)	(3.1)
Capital expenditures		(21.8)	(26.4)
Financial investments		(0.3)	(0.4)
Disposals of fixed assets		0.5	0.2
Repayment of long-term investments		0.3	0.3
Net cash used in investing activities	**B**	**(24.0)**	**(85.5)**
Proceeds from share issues		1.6	66.2
Dividends paid to shareholders		(0.3)	(0.2)
Inflows from new borrowings		1.4	220.6
Loan reimbursements, net of derivatives		(20.7)	(217.8)
Debt reimbursements resulting from finance leases		(0.2)	(0.2)
Changes in other financial assets and liabilities		(0.4)	0.3
Interest payments		(5.7)	(6.2)
Net cash provided by financing activities	**C**	**(24.3)**	**62.8**
Net cash from in operating activities	**D**	**(3.6)**	**(1.0)**
Net change in cash and cash equivalents	**A+B+C+D**	**28.1**	**16.4**
Closing cash and cash equivalents		57.9	29.1
Opening cash and cash equivalents		29.1	12.6
Effect of exchange rate changes on cash		(0.7)	(0.1)
Net change in cash and cash equivalents		**28.1**	**16.4**

(1) The 2014 consolidated statement of cash flows 2014 is presented to reflect the impact of IFRS 5 on discontinued operations (See note 7)