

Puratos Group strengthens its global position with solid growth figures and continued investments

The Puratos Group announces that its estimated results for 2011 show solid organic sales growth of approximately 11%, thus confirming its long-term growth ambition. In a harsh economic environment, these positive figures are the result of the Group's increased worldwide investments in production, R&D and customer support combined with a strong product portfolio and continuous innovation.

Groot-Bijgaarden (Belgium), 07 December 2011 – The Belgian Puratos Group announces that its estimated results for 2011 are fully in line with its long-term growth ambition despite the challenging market conditions over the last year. Although the Group experienced a somewhat slower volume growth, had to recover from the steep increases in the price of raw materials and increased its investments in R&D, consumer understanding and customer support, the 2011 projected recurring EBITDA is expected to be at the same level as in 2010, a record year so far. This has been possible thanks to an 11% organic sales growth, higher in the core product categories and in most emerging markets. Also as part of an ambitious plan defined in 2008, the Puratos Group has reduced its operational cost by about 2% on net sales, allowing it to invest in the front end of the business and its acquisition plan.

Daniel Malcorps, CEO of the Puratos Group, comments: “We are pleased with the expected results. 2011 has been a very tough and challenging year. The business environment is clearly becoming more challenging in the wake of the current economic uncertainty and volatility, but Puratos feels it can withstand this successfully thanks to our strong and innovative product portfolio, our diverse customer base and our presence in strong growth markets, the BRIC countries and other emerging markets. At a time when the industry is under a lot of pressure, we dedicate our efforts to helping our customers to be more successful with their business in order to continue our growth of recent years.”

Long-term financing agreement to support future investments

Recently, the Puratos Group signed a US\$ 150 million (€ 112 million) long-term financing agreement at a favourable interest range with Pricoa Capital Group, one of the major insurance companies in the USA, to cover a significant part of its financing needs for the length of its 2012-2018 Long Range Plan and to support the worldwide investment efforts of the Group. Considering the difficult economic environment, this deal confirms the excellent credit rating of the Group, which is also the result of its low Net Debt / EBITDA ratio.

Eddy Van Belle, Chairman of the Board, explains: “Our aim is to be ‘reliable partners in innovation’ for our customers across the globe. We do this like we always have: through innovation, customer and consumer insights, and by being a true partner on both a global and a local level. That is why we continue to invest in production sites, knowledge centres and R&D facilities around the world.”

Increasing investment into worldwide presence and production

With an ambitious investment programme, the Puratos Group continues to focus on being close to its customers everywhere and on improving quality, service levels, safety and environment. In 2011, the Puratos Group recorded its highest investments ever with a focus on the BRIC countries and the USA. In March, the Group announced the acquisition of a majority shareholding stake in Brazilian chocolate producer Floresta do Rio Doce, followed shortly after by the acquisition of the Latvian fruit fillings producer Pure Foods. New production lines were also started in Brazil. These investments also include the recently announced € 30 million investment in a new state-of-the-art manufacturing facility in the USA, as well as the ongoing Sunrise project in Guangzhou, China. This € 22 million investment will result in a brand new factory with room for future expansion and other facilities including an Innovation Centre, laboratories and pilot lines. The first phase of the Sunrise project is planned to be operational in April 2012.

In addition, 2012 will also see the opening of a new production line in Russia, two new Innovation Centres in Spain and Japan, and new production plants in Spain and Mexico. In total, the Puratos Group created some 400 new jobs in 2011, of which about 60 in Belgium, where the Group has its headquarters.

Daniel Malcorps concludes: "We are positive that these investments combined with the trust of our global customers, stakeholders and employees will help us to achieve our growth targets: € 2 billion by 2018 and € 5 billion by 2030."

About Puratos

Puratos is an international group, which offers a full range of innovative products and application expertise for artisans, industry, retailers and food service customers in the bakery, patisserie and chocolate sectors. Our headquarters are located on the outskirts of Brussels (Belgium), where the company was founded in 1919. Today, our products and services are available in over 100 countries around the world. In many cases, they are produced locally by our subsidiaries. Above all, we aim to be 'reliable partners in innovation' across the globe to help our customers deliver nutritious, tasty food to their local communities. For further information, visit www.puratos.com.

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