



Treatt PLC - TET  
Trading Update  
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Treatt PLC  
**30 September 2016**

## TREATT PLC

### Trading Update for year ending 30 September 2016 and Conclusion of Earthoil Earn-out Dispute

#### Trading Update

Treatt Plc (the 'Group'), the manufacturer and supplier of innovative ingredient solutions for the flavour, fragrance and FMCG industries today publishes a trading update for the year ending 30 September 2016.

The Board is pleased to confirm that the Group has performed well in the second half of the financial year. As we approach our financial year end, momentum in the business has continued and consequently the Board now expects to report profit before tax and exceptional items for the year ending 30 September 2016 comfortably above its previous expectations.

The performance across the Group has been consistently strong throughout 2016. The Group's focus on key beverage sectors including innovative citrus and sugar reduction solutions, as well as key markets such as China and North America, is showing encouraging signs of success. The cash performance of the Group has also been encouraging with net debt expected to end the year at its lowest level since 2005.

The Group's strategy to manage foreign exchange risk has prevented currency fluctuations during the year from having a more material impact on the net results. Whilst the underlying impact of the strengthening US dollar is expected to reduce profits by approximately £0.5m in the current financial year, it is expected that these hedging policies will substantially reverse this figure in the first quarter of the next financial year.

Plans for the relocation of the Group's UK site are progressing well. Discussions with landowners are now at an advanced stage and we anticipate providing a further update on progress when we report our full year results in November 2016.

Looking to the year ahead, with the continuing momentum being delivered by our Strategic Plan and the beneficial impact should the US Dollar to Sterling remain at its current rates, the Board believes that the business will continue to perform well and management look to the future with confidence.

Treatt Plc's results for the year ending 30 September 2016 will be announced on 29 November 2016.

### **Conclusion of Earthoil Earn-out Dispute**

Further to the Group's announcement on 19 July 2016 regarding the dispute with the Sellers of the Earthoil Group regarding the Earn-out, the Group announces that it has reached final settlement with the Sellers which concludes all claims and litigation in respect of the dispute.

Payment of £0.9m<sup>1</sup> will be made to the Sellers in full and final settlement of the remaining claim, which includes the substantive issues (being the alleged breaches of contract), associated legal costs incurred by the Sellers and interest, and brings the matter to a close.

#### Notes

<sup>1</sup>In accordance with IFRS, £0.7m of this payment will be accounted for as an increase to Goodwill in the balance sheet, with the balance being treated as an exceptional item on a basis consistent with prior years.

This announcement contains inside information.

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### About the Group

Treatt is a global, independent supplier of innovative ingredient solutions for the flavour, fragrance and FMCG industries. Renowned for its technical expertise and knowledge of ingredients, their origins and market conditions, Treatt is recognised as a leader in its field.

The Group employs over 300 staff in Europe, North America, Africa and Asia and has manufacturing facilities in the UK, USA and Kenya. Its international foot print enables the Group to deliver powerful and integrated solutions for the food, beverage and fragrance industries across the globe.

Earthoil is the cosmetics ingredients division of Treatt, which specialises in pure and organic fair trade essential and cold pressed vegetable seed oils, offering a broad spectrum of natural raw materials for cosmetic applications.

For further information about the Group, visit [www.treatt.com](http://www.treatt.com) and [www.earthoil.com](http://www.earthoil.com).

### **CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS**

*This announcement contains forward-looking statements that are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries, sectors and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated. No assurances can be given that the forward-looking statements in this announcement will be realised. The forward-looking statements reflect the knowledge and information available at the date of preparation of this announcement and the Group undertakes no obligation to update these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.*