

**Company** Treatt PLC  
**TIDM** TET  
**Headline** Interim Management Statement  
**Released** 07:00 29-Jul-2014  
**Number** 5429N07

RNS Number : 5429N

Treatt PLC  
29 July 2014

**28 July 2014**

**TREATT PLC**

**Q3 Interim Management Statement  
for year ending 30 September 2014**

Treatt Plc (the 'Group'), the manufacturer and supplier of innovative ingredient solutions for the flavour, fragrance and consumer goods industries today publishes its Interim Management Statement as required by the Listing Authority Disclosure and Transparency rules. This statement relates to the period from 1 April 2014 to 25 July 2014.

Following on from the half year results announcement published on 20 May 2014, the Board is pleased to confirm that the Group performed well in Q3, which was in line with expectations. Indeed, Q3 in 2013 was particularly strong and therefore to repeat a similar performance in 2014 is encouraging.

The raw material costs of a number of key ingredients (particularly orange, lemon and lime oil) are currently high relative to historical levels. This means that with materially higher order books than at this time last year, year-end inventory levels are expected to be £3-4m higher than previously anticipated. We have also seen a continuation of the weakening of the US Dollar against sterling during the period. Due to the FX hedging policies which are in place, the impact on the reported results for the current year will not be material and will largely relate to the re-translation of Treatt USA's profits at a weaker USD/GBP rate as compared with last year. This translation effect is expected to approximate to a £0.3m lower profit for the current financial year than otherwise would have been the case. Looking to the longer term, the Group is continuing to progress well with its strategic emphasis on product innovation and its focus on added-value manufacturing, with notable progress being made in the year on some exciting new beverage ingredient solutions as the range of flavoured alcoholic and non-alcoholic beverages now available in bars, restaurants and supermarkets continues to expand. We are also pleased that, due to increased demand, we are doubling Earthoil's capacity in Kenya for the production of natural oil-based personal care ingredient solutions, and this capacity is expected to come on stream for Earthoil in mid-2015. It should be noted, however, that the impact of higher key raw material prices may present some challenges in terms of maintaining margins over the coming year.

In summary, therefore, with results remaining on track for the current year, the Board remains confident that the Group is on course to meet its expectations for the current financial year ending 30 September 2014.

Treatt Plc's results for the year ending 30 September 2014 will be announced on 9 December 2014.

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**About the Group**

Treatt is a leading global independent supplier of innovative ingredient solutions for the flavour, fragrance and consumer goods industries with manufacturing facilities in the UK, USA and Kenya.

Treatt employs over 300 staff in the UK, USA, Kenya, France and China.

Treatt's product categories range from essential oils, particularly citrus oils, specialties for beverage and lower calorie products, fragrance ingredients, aroma and natural chemicals, organic and vegetable oils.

Naturally-derived cosmetic ingredients are supplied through Earthoil, the personal care and cosmetic ingredients division of Treatt, which specialises in the manufacture and supply of pure, organic, fair trade essential and cold pressed vegetable seed oils.

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.