

**Activity for 2017:
Stable revenues (€378.4)
Sound progress with organisational alignment**

(€m)	12 months 2017	12 months 2016	Δ % 12 months	12 months 2017 like-for-like*	Δ % like-for-like*
Specialty Chemicals	39.5	40.9	- 3.5 %	39.7	- 3.0 %
Food & Retail	47.9	44.5	7.7 %	47.9	7.7 %
Healthcare & Industry	100.0	100.1	- 0.1 %	101.8	1.6 %
Luxury & Beauty	191.2	191.9	- 0.4 %	186.9	- 2.6 %
PSB INDUSTRIES Group**	378.4	377.0	0.4 %	376.0	- 0.3 %

*Like-for-like: assuming constant foreign exchange rates and scope of consolidation, i.e. application of the foreign exchange rates for 2016 to foreign subsidiaries' revenues for 2017 and based on the Group's scope of consolidation in 2016 (so excluding Topline Products for January 2017 but including Healthcare & Industry's Dole site for November and December 2017 measured at the same level as for the same period of 2016).

**After elimination of interdivisional billings.

In 2017, PSB INDUSTRIES achieved revenues of €378.4 million, an increase of + 0.4 % (- 0.3 % like-for-like) reflecting the contrasting dynamics of the Group's different markets. Revenues for the final quarter of 2017 reflected an upward trend (+ 2.1 % like-for-like).

Specialty Chemicals: With its strong level of 4th quarter activity, the business unit experienced a merely marginal regression of its annual revenues (- 3.0 % like-for-like) within the context of control over the strong contraction (- 30 %) of its historical traditional lighting market which now counts for less than 20 % of the BU's total activity. That performance was made possible by the notable acceleration (+ 50 %) of the polishing business, thanks in particular to special oxides and their accompanying new applications, which now count for more than 40 % of the BU's activity. The new very technical markets are also evolving positively and have confirmed, alongside polishing, their growth potential.

Food & Retail: With growth of + 7.7 % in 2017, the business unit has confirmed its commercial impetus and ability to derive value from its innovative product offering. All the food, health and consumer markets have been growing. The level of activity has been sustained by a significant volume of new contracts, both for new customer projects and existing references under development, which reaped the benefit of favourable meteorological conditions for seasonal food products during the summer of 2017. The new So'Pack standard product range has pursued its development.

Healthcare & Industry: The positive 4th quarter contribution enabled the business unit to achieve a + 1.6 % increase in its level of activity like-for-like, subject however to contrasting changes in the BU's activities and markets with production down by - 3.9 % but new projects and development surging by + 32.9 %. The Americas zone, handicapped by the premature termination of a hygiene reference, experienced a 6 % contraction. The BU pursued implementation of its transformation plan, accelerating the strategic reallocation of its non-healthcare product portfolio involving the termination of certain references representing total revenue of about €4 million and thereby momentarily depleting the BU's overall productivity. In parallel, at the end of October, the BU divested a production facility specialising in technical industrial components and representing annual revenue of €6.6 million. The BU continued to roll out its policy of strategic investment and refocussing on high value projects in its target markets, as well as of specialisation of its production facilities reflecting a medium-term horizon for growth and profitability. A new site in Mexico, dedicated to aeronautical applications and complementing the historical plant, commenced production in September 2017.

Luxury & Beauty: The Luxury & Beauty business unit's revenues declined by - 0.4 %, to €191.2 million, and by - 2.6 % like-for-like (i.e. excluding Topline for January 2017). Production fell by - 0.2 % and project activity by - 12.7 %. In Europe, the BU experienced positive activity in 2017 thanks to successful launches including YSL's Vinyl Cream lip gloss, Dior's Diorshow Pump'n'Volume mascara and Benefit's Boi Ing Jar foundation. The overall sales level was adversely affected by the significant (- €7.4 million) regression of revenues for Topline (acquired in February 2016) as a result of the planned termination of trading references, the cancellation of the launch of a major product range in the USA and a weak commercial environment. In the USA and China, the BU is confronted with issues of commercial organisation impacting its margins and activity levels in the short term. Within that context, the BU has reinforced its sales and marketing organisation and pursued its industrial plan (focussing on technological investment and optimisation of its footprint) designed to offer its customers **industrial excellence** and capacity for **innovation** within an ever more demanding supply chain environment.

"At the dawn of a new and demanding financial year destined to reposition the Group within a paradigm of growth and profitability for all its business units with effect from 2019, PSB INDUSTRIES is currently finalising the realignment of its organisation decided in July 2017. Supported by the talents of its employees, decisive industrial agility and ever richer innovation resources, the Group is more than ever maintaining the cap of its Ambition 2020 plan", says François-Xavier Entremont, Chief Executive Officer.

Next date for your diary:

Publication of the annual results for 2017 on 5 March 2018 after the close of trading

PSB INDUSTRIES is an innovative industrial group and market leader for packaging and specialty chemicals. In 2017 the Group achieved revenues of €379 million, of which more than 50% internationally, with production facilities in France, the USA, Poland, Japan, China and Mexico.

