

27 May 2015, 17 h

**REGULATED INFORMATION**

**PRESS RELEASE<sup>1</sup>**

**Transformation program of Rosier SA**

**Strengthening of the commercial synergies with Borealis**

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As previously announced<sup>2</sup>, the board of directors of Rosier decided in November 2014 to implement a transformation program of the Rosier Group in order to improve Rosier's competitiveness and ensure better growth both in terms of activities and results over the next few years. This program is focusing on safety and product quality, development of Rosier's strengths (industrial and commercial flexibility, strong export presence), an extensive program of industrial investments and the intensification of the cooperation with Borealis, its majority shareholder.

In this regard, to strengthen the commercial synergies with the Borealis group, the board of directors of Rosier considers allowing the conclusion of agreements with Borealis LAT GmbH (a 100 % Borealis subsidiary), by which Rosier would appoint Borealis LAT in capacity of exclusive distributor of Rosier's products and would sell to Borealis LAT its customer base for the European markets other than its home market and provide support services to Borealis LAT. At the same time, Borealis LAT would appoint Rosier as its exclusive commercial agent for Borealis products in other countries, in and outside Europe. Rosier would continue to sell its own products in its home market and in overseas export.

These agreements would allow Rosier, on the one hand, to plan its production by using the storage capacity of the Borealis Group in order to be able to react in an optimal way to the seasonality of fertilizers demand and, on the other hand, to take advantage in these markets of Borealis distribution network, of the visibility of its brand and of the expertise of the sales team of Borealis group, which would closely cooperate with Rosier's teams.

The Rosier business plan established in the framework of this program provides, in comparison with 2014, a rise in sales by 20% for granulated fertilizers and by 50% for specialty fertilizers (liquid and water soluble) by 2017.

These targets are forecasts, whose realisation depends on the market demand and conditions.

The sale prices of Rosier's products to Borealis would be set in accordance with the market standards. They would correspond to the production costs increased by a lump sum covering the fixed costs and ensuring Rosier's profitability. They would be applicable for one year and would be reviewed each year in pursuance of a business plan established in mutual agreement between the

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<sup>1</sup> Also available at [www.rosier.eu](http://www.rosier.eu) under the heading « Financial information »

<sup>2</sup> see press release dd. 20/02/2015

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parties in terms of volumes and margins. The other way round, Borealis would pay a distribution commission to Rosier.

The initial term of these agreements would be of 10 years, renewable for 10-year periods, except in the event of a 3-year notice term or an anticipated termination occurring under the usual circumstances for this kind of agreement. At this time, the final wording of these agreements is not yet finalized and the draft agreements can still evolve in the weeks to come.

By entering into these agreements, the board of directors of Rosier is willing to significantly increase the profitability of the Group. Without any guarantee of the figures, the target consists in exceeding an EBIT of € 10 million in 2017 (as a reminder the EBIT of 2014 amounted to € 3.2 million and the 2013 EBIT reached € 2.1 million).

As these operations concern an affiliated company, and pursuant to article 524 of the Companies Code, the board of directors of Rosier has submitted the draft agreements to a committee of three independent directors, assisted by the independent experts from The Delvaux Associés and Avisor firms.

It is envisaged that the board of directors will take a decision in mid-June 2015, after having examined the report of the committee of independent directors. The decision taken by the board of directors will be disclosed in a further press release. The agreements would enter into force immediately.

On behalf of the Board of Directors,

**Willy Raymaekers,**  
Chairman and CEO of Rosier GROUP

## **ROSIER SA**

Route de Grandmetz 11a – B-7911 MOUSTIER (Hainaut)  
Infos financières : Tél. : +32 69 87 15 30 – Fax : +32 69 87 17 09

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E-mail : [info@rosier.eu](mailto:info@rosier.eu)  
[www.rosier.eu](http://www.rosier.eu)