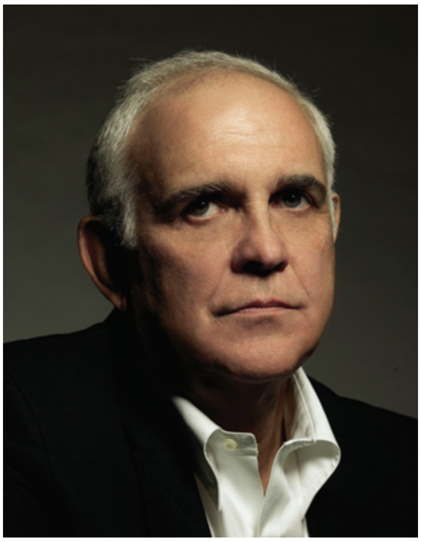
Industry insight

Dedicated to Naturals

Robertet seeks continued growth in naturals while facing tight competition

In 2005, Robertet sales crossed the 200 million mark with no debts—a 1.6% increase over 2004 totals. With this performance, the 150-plus-year-old company landed itself in P&F *magazine's "2006 Industry Top 12*" (Summer, page 22). Like most of the top F&F companies, France-based Robertet has a worldwide presence. What's unusual is the company's continued devotion to naturals, which inspired François Chauve to form the company back in 1850. So how does a company stay competitive while remaining loyal to its overriding mission? Philippe Maubert, chairman, spoke to* P&F *magazine about the challenges imposed by increasing regulations and emerging competition, as well as how Robertet finds new methods to overcome them.*



Philippe Maubert

P&F: Although Robertet has expanded worldwide, the parent company continues to handle 50% of production. What is the strategy behind keeping half of the production within France?

Maubert: Robertet is a French company with an international structure. It is controlled by the Maubert family as majority shareholders. The headquarters, which is the main decision point, is in Grasse. We think that it is a key element for a company that relies on its strong culture of quality products, service and creativity to remain in the birthplace of perfumery. We also are convinced that it is not the headquarters alone that makes the enterprise, but that the overall company must be industrious and produce for its customers.

Robertet's raw materials were produced exclusively in Grasse up until the 1950s, when we expanded to the rose-production area in Turkey. In the 1990s, we moved to new premises in Senir, Turkey, to increase our capacity and take advantage of this geographical position to process raw materials growing in countries such as Yugoslavia, India and North Africa. In 1996, the willingness to continue developing new raw materials led us to invest in a major extraction and distillation unit with its own crops in South Africa, enabling us to take advantage of the wealth of local varieties. In 2001, Robertet acquired the Belgian company PAB from the Danone Group. Renamed Robertet Savoury, it offers a large-scale industrial facility and should enrich its range of products in the future to become the Group's savory flavor center. Production partnerships also expand our range of products with a position on all continents, as some raw materials need to be processed in the growing area.

P&F: What are the main materials Robertet sources from France?

Maubert: Indeed, we are sourcing a large variety of raw materials from France. We are still processing significant amounts of noble floral products growing in the south of France, such as mimosa, violet leaf, *Rosa centifolia*, jasmine grandiflorum and verbena. In addition, we also are producing a wide range of other botanicals, such as lentisque, lavender, lavandin, treemoss, helichrysum, thyme, rosemary, heather, black currant buds, celery, narcissus, clary sage, hay, laurel, melilot, poplar buds, bran, fucus seaweed, beeswax, honey, garlic, etc.

P&F: How is the region changing? (How have your distillation methods, raw material sourcing, types of raw materials, etc., been altered with the environmental changes in the region?)

Maubert: Our sourcing is not really affected by changes within France because it is supported by the whole Group, and our 50 affiliates worldwide help us to secure the best qualities or find new suppliers. Production contracts or exclusive productions for Robertet are also key factors to guarantee the supply of our raw materials—especially considering the frequent troubles we have had to face due to unbalanced climatic situations.

In order for Robertet to remain competitive and continue processing a large number of raw materials in Grasse while facing competition from emerging countries, we constantly have to improve our processes and production tools, and also win greater market share. With more sophisticated and automatic equipment, some of our workshops are working 24 hours a day, six days a week, to improve our productivity. This sophisticated new equipment also means an improved level of quality control and quality consistency.

Despite the challenge of the regulatory evolution, we continue to innovate in the field of natural extracts, either by offering new qualities owing to processes developed with new technologies, or starting from new botanicals to offer novel odors. Of course, they only enter the market after a long validation process to guarantee safety. This regulatory evolution also is pushing us to offer cleaner and more concentrated products that sometimes result in new qualities.

To differentiate from the Middle and Far East competition, we are developing products requiring a high level of expertise using our 150 years of knowledge in this industry and its requirements.

P&F: What sets Robertet apart from its competitors in the region?

Maubert: First of all, Robertet can't be considered solely a regional company, because we work closely with the major companies in the perfumery and flavor industry throughout the world, and have 85% of our turnover outside of France. Therefore, the

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At a glance

1850: François Chauve founds the company, La Fabrique, in France and appoints his nephew, Jean-Baptiste Maubert, to manage the manufacturing.
1875: Paul Robertet acquires the company and renames it Robertet.
1888: A corporation is created under the name of P. Robertet & Cie.
1923: Maurice Maubert, Jean-Baptiste's son, takes over.
1961: Jean and Paul Maubert, Maurice's sons, take over. While consolidating Robertet's reputation in the area of natural raw materials, this third generation resolutely carried on a strategy of diversification—both in terms of outside market and in the nature of its products: compounds and bases for perfumery in 1953, flavors in 1964, creation of agro-industrial units on the production sites, the construction at Keçiborlu in Anatolia, the first factory using modern extraction and distillation technologies, and processes for *Rosa damascena*. Jean Maubert began creating subsidiaries in the major world centers that were equipped with research and development laboratories, most of which had blending units. Therefore, a succession of Robertet companies appeared: Robertet USA, Argentina, Brazil, Mexico and the United Kingdom, along with sales in Japan, Switzerland, Italy, Germany and Singapore.
1982: An investment program is started at the Plan de Grasse.
1984: Robertet shares enter the Paris stock market.
1986: Robertet takes control of Jay Flavors, renaming it Robertet Flavors and thereby beginning its activity in the US food flavors market.
1993: Philippe Maubert, Jean Maubert's son, takes over the chairmanship.
1995: Robertet takes control of Novarome, becoming Robertet Fragrances and thereby improving the presence of its perfumery division in the United States—especially in the area of industrial products.
1999: Robertet inaugurates the new Robertet Flavors factory in Piscataway, NJ.
2001: Robertet acquires the Belgian company PAB from the Danone Group and renames it Robertet Savoury.

“Our biggest challenge in the short term is coping with the increased complexity stemming from the uncontrolled changes in our legislation.”
—Philippe Maubert

comparison with competitors in the region is meaningless. This being said, throughout its history Robertet has built its image on the quality of its products. Our Group’s businesses initially consisted exclusively of processing high-value-added aromatic plants, which is what has earned us our reputation for quality and our culture of respect for our products. As Robertet diversified into fragrances and flavors, management always has made sure to maintain a consistent and complementary line of products, and to invest primarily in natural extracts—notably through research and development. Our Group’s recent development is the direct result of this policy, which has been the main factor that differentiates Robertet from its competitors and enables us to create authentic flavors and fragrances. This policy explains, for example, much of Robertet Flavors’ success in the United States.

P&F: What are the biggest challenges facing you in the next 12 months?

Maubert: Our biggest challenge in the short term is coping with the increased complexity stemming from the uncontrolled changes in our legislation, which sometimes leads to totally absurd consequences. However, our real challenge is to prove that we are a company offering products that are different from those of our competitors. We have to maintain and improve our high level of service and show a great deal of innovation. We are lucky to be able to work for a highly prestigious list of customers, and this is the key to ensuring our necessary development.

P&F: Robertet plans to achieve approximately 10% annual growth by seeking out novel raw materials and encouraging innovative perfumery. Could you explain what steps the company is taking to achieve these goals?

Maubert: Robertet has a long-term policy to increase sales of its main product lines: aromatic raw materials, fragrances and flavor compounds. The company must grow quicker than its competitors through the expansion of natural products, its long-term policies and the solidity of its finances. Robertet intends to remain independent, which guarantees the continuity of its culture and the fidelity of its key employees—the most important factors for the success of the company.

For 2006, we have decided to step up our investments in the United States by opening a creation center in New York to serve our fine fragrance customers more effectively. Considering their position as the world’s largest fragrances market and international brand image, these customers offer considerable potential to expand our business.

On the flavor side, a second plant is being built at Robertet Flavors’ current production site in the United States that will double its capacity and increase efficiency. This more than $15 million investment will be operational in 2007 and completely self-financed.

Regarding raw materials, we continue our investments in new equipment at our various production sites and will continue to introduce new raw materials to the market, despite the long and costly registrations that this requires.

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