



ESSENTRA**ESSENTRA PLC***A leading global provider of essential components and solutions***CONSULTATION ON PROPOSAL TO CLOSE CARTONS SITE IN NEWPORT, UK**

Essentra plc (“Essentra” or “the Company”) today announces that it is entering into consultation regarding the proposal to cease the production of folding cartons for the consumer goods industry at Newport, UK and, as a consequence, to close its cartons facility (“IP5”).

As part of its strategic review, which will be communicated in full on 28 July 2017, Essentra has identified healthcare and certain segments of the beauty industry as offering the most attractive, profitable future growth opportunities for its comprehensive range of specialist secondary packaging solutions.

In addition, IP5 remains structurally challenged in terms of its operational and financial performance, notwithstanding the short-term focus and remedial action of the senior management team – together with the significant improvement efforts of the site General Manager and employees. For the six months ended 30 June 2017¹, the facility generated an operating loss of £(3.4)m on revenue of £6.1m and is not anticipated to make a realistic improvement to profitability in the near, or even long, term.

Against this backdrop, a number of strategic options for IP5 have been assessed by the senior management team, supported by an independent expert third party, in terms of their respective financial, implementation and stakeholder implications. Having given each of these options their careful consideration, the Board of Essentra has concluded that the proposal to close the IP5 facility is the most appropriate route. If the proposal is confirmed, the production of folding cartons in Newport will cease by the end of 2017 and will be overseen by a dedicated project management team, supported by selective external expertise. The proposed closure of IP5 is expected to result in an exceptional charge in H2 2017 of approximately £35m, of which c. £13m represents a non-cash charge.

As a result of this proposal, Essentra will now undertake a formal consultation process to discuss the options in more detail with those involved. The Company appreciates that this announcement will cause a great deal of uncertainty for its IP5 employees, and intends to provide as much support as possible as matters progress through the consultation process. Essentra will also work closely with those customers who are affected by the proposal, to avoid disruption to their organisations and to ensure a smooth transition of their activities.

The proposed closure of IP5 does not impact the Company’s adjacent labels site in Newport (“IP4”), where Essentra will continue to provide not only its extensive range of specialist labels but also primary foiling capabilities. In addition, the Design Hub – established in 2016 to bring structural and creative packaging design together with manufacturing expertise, to reduce complexity in the supply chain - is similarly unaffected by the proposal.

¹ The results for the six months ended 30 June 2017 are unaudited



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Commenting on today's announcement, Paul Forman, Chief Executive, said:

“Specialist secondary packaging is strategically important for Essentra, given the size of the underlying market and our extensive product portfolio and expertise. However, if we are to rebuild solid foundations from which we can restore growth in our global Health & Personal Care Packaging business, it is imperative that we focus our capabilities on those activities which provide the most attractive, profitable opportunities in which we can add value to our customers.

It is clearly with regret that we are entering into consultation on this proposal, and I and the project management team are committed to undertaking this process in an open, honest and respectful way. The possible closure of the IP5 site in Newport is in no way a reflection on the quality or commitment of our employees. Rather, the proposed closure of the facility will help to underpin the Company's strategic objective of becoming the leading supplier of innovative packaging solutions and services, from a cost-effective and operationally efficient site footprint.”

Market Abuse Regulation Statement

This announcement contains inside information.

Enquiries

Essentra plc

Joanna Speed, Corporate Affairs Director

Tel: +44 (0)1908 359100

Ogilvy PR London

Venetia Hendy

Tel: +44 (0)7585 990584

E-mail: venetia.hendy@ogilvy.com

Notes to Editors

About Essentra plc

Essentra plc is a FTSE 250 company and a leading global provider of essential components and solutions. Essentra focuses on the light manufacture and distribution of high volume, enabling components which serve customers in a wide variety of end-markets and geographies.

Component Solutions

The Components business is a global market leading manufacturer and distributor of plastic injection moulded, vinyl dip moulded and metal items. Operating units in 29 countries serve a very broad industrial base of customers with a rapid supply of products for a variety of applications in industries such as equipment manufacturing, automotive, fabrication, electronics and construction.



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The Pipe Protection Technologies business specialises in the manufacture of high performance innovative products from commodity resins to engineering-grade thermoplastics and polymer alloys for use in a range of end-markets. Locations in four countries, combined with a wide distributor network, serve customers around the world.

Essentra Extrusion is a leading custom profile extruder located in the Netherlands which offers a complete design and production service. One of the first companies to extrude plastics in 1956, Essentra is now one of Europe's most advanced suppliers of co-extrusion and tri-extrusion to all branches of industry.

The Security business has access to a wide portfolio of products and services, including printers, software and consumables from leading manufacturers.

Health & Personal Care Packaging

A leading global provider of packaging and authentication solutions to a diversified blue-chip customer base in the pharmaceutical, health & personal care, consumer and specialist packaging sectors. The business focuses on delivering value-adding innovation, quality and service through the provision of a wide range of printed products and solutions, including cartons, tapes, leaflets, foils, labels and authentication solutions.

The Speciality Tapes business has expertise in coating multiple adhesive systems in numerous technologies. With close to 3,000 adhesive products available for same-day shipping, Essentra's products can meet all high performance needs, from foam, magnetic, finger lift and acrylic high bond tapes to hook and loop and non-skid foam.

Filter Products

Essentra Filter Products is the only global independent cigarette filter supplier. The nine worldwide locations, including a dedicated Technology Centre supported by three regional development facilities, provide a flexible infrastructure strategically positioned to serve the tobacco industry. The business supplies a wide range of value-adding high quality innovative filters, packaging solutions to the roll your own segment and analytical laboratory services for ingredient measurement to the industry.

Headquartered in the United Kingdom, Essentra's global network extends to 33 countries and includes c. 8,000 employees, 48 principal manufacturing facilities, 64 sales & distribution operations and 4 research & development centres. For further information, please visit www.essentraplc.com.