



## PRESS RELEASE

### **Verallia adapts its organization in France to respond to changes in the French market**

Courbevoie, June 12, 2020

Verallia, the world's third-largest manufacturer of glass packaging for beverages and food products, today announced a transformation plan in France to adapt its organization to the changes in the French market.

In France, Verallia has a strong presence in the still and sparkling wine segment. It is also a major player in the spirits, non-alcoholic beverages and food markets. With its industrial facilities of seven<sup>1</sup> glass plants operating 14 furnaces located in the heart of the country and vineyards, Verallia offers its customers a range of standard and specific products that is unique in size and variety. About €220million have been invested in Verallia's glass plants in France since 2016. Verallia employs about 2,500 people in France<sup>2</sup>.

In France, there is a decline in the still wine market (steady decline in domestic wine consumption and a slowdown in wine bottle exports), which is particularly affecting Verallia since this sector accounts for a large share of its sales.

At the same time, the domestic glass market is experiencing a continuous increase in imports from more competitive foreign glassmakers operating in neighboring countries. These now account for 33%<sup>3</sup> of the French domestic market. With imports growing faster than the domestic market, Verallia France is therefore facing a situation of overcapacity in certain market segments.

Verallia's transformation plan aims to respond to these various challenges by adjusting its production capacity in France and improving its industrial performance. This project corresponds to the non-reconstruction of one of the three furnaces at the Cognac site. This furnace is coming to the end of its service life at the end of the year and mainly produces bottles for the wine market.

This project should be accompanied by the deployment of new industrial organizations already successfully established in the Group's other European countries. Its implementation in conjunction with the personnel of Verallia France's six glassmaking sites will include a number of measures related to health and safety at work (new equipment to improve working conditions

---

<sup>1</sup> Six Verallia France plants and VOA – Verrerie d'Albi.

<sup>2</sup> At December 31, 2019. All subsidiaries.

<sup>3</sup> Customs data, 2019.

and reduce arduousness, end-of-career arrangements and transition from work to retirement, etc.).

This transformation plan should also include measures to accompany departure in the form of early retirement and a voluntary redundancy plan. In addition, Verallia will propose adapted support and advantageous measures to facilitate, for employees potentially concerned, access to internal redeployment, or help them in their search for new professional opportunities (vocational training, assistance in setting up a business, assistance in finding external redeployment, etc.).

About 130 departures are planned for the six Verallia France glass plants, including around 80 at the Cognac site. In an ongoing concern to maintain open and transparent social dialogue, the Group is going to start an information-consultation procedure with employee representative bodies on June 22, 2020.

\*\*\*\*

**About Verallia** - Verallia is the leading European and the third largest producer globally of glass containers for food and beverages, and offers innovative, customized and environmentally-friendly solutions.

The Group posted €2.6 billion in revenue and produced 16 billion bottles and jars in 2019. Verallia employs around 10,000 people and comprises 32 glass production facilities in 11 countries.

Verallia is listed on compartment A of the regulated market of Euronext Paris (Ticker: VRLA – ISIN: FR0013447729) and is included in the following indices: SBF 120, CAC Mid 60, CAC Mid & Small et CAC All-Tradable. For more information: [www.verallia.com](http://www.verallia.com).

### **Verallia Investor Relations Contact**

**Alexandra Baubigeat Boucheron** - [alexandra.baubigeat-boucheron@verallia.com](mailto:alexandra.baubigeat-boucheron@verallia.com)

### **Press contacts**

**Verallia - Marie Segondat** - [marie.segondat@verallia.com](mailto:marie.segondat@verallia.com)

**Brunswick - Benoit Grange, Hugues Boëton** - [verallia@brunswickgroup.com](mailto:verallia@brunswickgroup.com)