

**WITH THE OPENING
OF ITS NEW PLANT
IN SAINT-EGRÈVE,**

ARaymondlife
is setting itself
new development goals



**PRESS PACK
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Press release

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Historically known as the inventor of the press-stud and these days now a leading international supplier for automotive manufacturers and equipment makers, ARaymond has become technology partner to demanding players in emerging markets, such as healthcare. Its identity, its vision, its culture and all of its varying expertise have made it an extraordinary company, for the past 150 years.

«Our mission is truly to create value and meaning.»

Antoine Raymond
CEO ARaymond

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With its new plant in Saint-Egrève, the ARaymond Network is being provided with the means with which to realise its development goals for its healthcare operations.

With its 150 years of internationally acclaimed expertise in fastening solutions and assembly within the automotive industry, the ARaymond Network has long been committed to diversification, particularly in the healthcare sector. The Saint-Egrève plant is proof, were it needed, of the Network’s commitment to expansion in this market.

- 150 years of exceptional history and five generations of entrepreneurs

Founded in 1865, the ARaymond Network has been developing, manufacturing, and marketing fastening solutions and assembly operations for several generations. Its status as a family-owned company allows each descendant to consider his own long-term development outside of the financial requirements set by investors. These concepts of continuity and independence within the family-owned company form part of the key values of the Network, which is today present across the entire world. «Our mission is truly to create value and meaning» reaffirms Antoine Raymond, who currently heads up the company. A flagship value of the company, innovation has always been encouraged and developed within its teams; the press-stud is proof of this, a small fitting used all over the world. Its expertise in fastening solutions and assembly, internationally recognised within the automotive industry, have been strategically transferred to other markets, including healthcare.

- ARaymondlife, a driver of innovation for the healthcare

Founded in 2007, ARaymondlife is a GMP EU pharmaceutical establishment, specialising in plastic injection and fasteners. Its technological expertise has enabled it to develop innovative solutions for

the healthcare market. Its status as a ‘Pharmaceutical Establishment’ distinguishes it from other plastics-processing companies in the healthcare markets and opens up significant potential in terms of the development of products, applications and project support.

Three market sectors are targeted today: medical devices, packaging articles and the delivery of active ingredients.

Since 2012, ARaymondlife has been offering a range of closure devices for vials for the pharmaceutical industry. The patented RayDyLyo range also offers an all-plastic capping solution as an alternative to aluminium capsules.

In response to market demand, ARaymondlife wants to accelerate production of the RayDyLyo system and expand its capacities with new equipment.

- A new industrial facility spanning almost 4,000 m²

In order to pursue its development and support its customers’ growth, ARaymondlife has opened a new plant located in Saint-Egrève, on the outskirts of Grenoble, its historical foothold.

This new facility, spanning 3,700 m² is organised into several standardised workshops arranged by product type and with extension capabilities. Each workshop includes an ISO 7 clean room section spanning 200 m² for injection, assembly, and immediate packaging and another section outside of the clean room for secondary packaging. A 140 m² laboratory, of which 30 m² is an ISO 7 clean room, allows the necessary quality tests and checks to be carried out on manufactured products.

In response to the increasing market demand for the RayDyLyo system (an all-plastic capping solution), this year ARaymondlife has incorporated its first automated assembly line, with a view to increasing its production capabilities to 25 million units a year.

1.

ARAYMOND, 150 YEARS OF DARING AND INNOVATION

To take a look back on the history of the ARaymond Network is to realise that since the 19th century and the first Industrial Revolution, what we would now call start-ups have existed, capable of transforming invention and innovation into a fully integrated business model, based on daring, vision, and the men and women involved in the operation of the company. The challenge facing ARaymond is that of ensuring a maintained, nurtured heritage but one that is constantly adapting to changes in the world and to the desire to meet its customers' needs.

For 150 years, ARaymond has managed to adapt its model over the years. Each of the five successive generations have made their own mark on the company, inspired by the context of their age. Grenoble remains the Network's home base, but it has conquered the world throughout the course of its growth and internationalisation, with its passion for fastening solutions and new locations.

> **discover the «Wonderful Story» of the ARaymond company on www.araymond-150.com**

- A shared vision of shared innovation throughout the world

The ARaymond Network established its first «subsidiary» back in 1898 in Lörrach in Germany and the speed of its internationalisation accelerated in the 1970s, driven by the Network's desire to be ever closer to its customers and markets. The ARaymond Network's unique selling point lies in its ability to utilise local entrepreneurs at each of its new operating sites, whilst at the same time ensuring that each one shares the same company mission and vision of its future.

- Focus on Japan: patience or the key to success

After Europe, the United States, and South America, in the 1990s ARaymond decided to conquer the Asian market by taking on the giant that is Japan, the world's leading automotive player. After ten years of painstaking effort, ARaymond ending up landing a series of tests for Toyota, the country's flagship manufacturer, then an order for customised quick connectors. Since then, Japanese (Honda, Mazda) and Korean (Daewo, Hyundai) car manufacturers and Tier 1 suppliers quickly sought out the French group. The last step was the most challenging one to overcome, with the establishment of a manufacturing site and knowledge transfer between the teams in Grenoble and Japan. Alain Raymond, then CEO of the company was confident and believed in it, and he was right: ARaymond Japan is set to pay off 10 years of investments in just two years and is experiencing one of best productivity rates among the companies within its Network.

At the same time as creating new locations, ARaymond set up its own centre of expertise in 2011. Based in France, in the Alsace region, the teams are nonetheless multicultural, comprised of permanent engineers and R&D specialists from the Network. The centre also caters to customers who come to submit their needs and issues.

There are now 300 people who work in the field of R&D, developing opportunities and perfecting existing expertise, with the ARaymond Network re-injecting 6% of its turnover into this strategic area of operation.

- A think tank promoting diversification

From press-studs to fasteners for the automotive market and solar-panel fastening systems, the story of ARaymond is the story of a family, and of a team of entrepreneurs driven by the desire to find meaning in working together on a wide range of topics.

The identification of new markets in which its expertise and potential for innovation take on their full meaning, has been the guiding principle in the development of the Network's operations up to this point.

The mission of the New Markets department is thus to be a catalyst of ideas, faithful to the values that have guided the ARaymond Network to its current position within the assembly sector.

“Most of the time, we start with an issue that one of our customers has submitted to us. We monitor the company's daily routine, we analyse it, we encourage the identification of a difficulty, then we study the way in which the company's expertise can provide a competitive and long-lasting solution. This practice of listening and observing is something we learned within the automotive business and it can be applied to all fields. The idea emerges out of the problem.”

François Raymond, General Manager of the Network and Director of New Markets

The diversification of these products on new markets will allow the ARaymond Network, whose primary market is the automotive sector, to ensure its stability despite the economic downturns that can affect a sector or country.

- Six markets, from press-studs to closure devices for sterile vials

From engineering to metal processing, from plastic injection to the manufacture of adhesives and bonding agents and the high-speed automatic assembly of metal parts, ARaymond is developing multiple skills across six markets.

• AUTOMOTIVE

With decades of experience and renowned technological expertise, ARaymond is one of the world leaders in assembly solutions for the automotive industry. The core business of the ARaymond network, clip fasteners, meets the expectations of an extremely demanding automotive industry.

Current innovation focuses on mounting solutions and on simplifying the process by examining projects in their entirety. In order to meet the increasing need for productivity, weight reduction, and reliability, innovations such as RayTOOL® and Raybond allow the ARaymond Network to position itself as a genuine partner to its customers.

• TRUCK

Implementation of new environmental standards, concentration and merger processes with manufacturers, increasing internationalisation... the industrial-vehicle market has undergone some profound changes, comparable to those that the automotive sector faced 20 years ago. With the experience it has acquired in this market, the ARaymond Network offers fastening solutions (metal and plastic) and connection solutions (quick connectors) tailored to the specific needs of commercial vehicle manufacturers (including lorries, buses, work-site machinery, agricultural machinery, etc.).

• INDUSTRIAL

The industrial market covers various segments such as household appliances, electronics, machinery manufacturing, lighting, construction site machinery and railway equipment.

ARaymond is focusing on two main sectors. On one hand, the standard range offered via a product catalogue covering standard requirements, sold through specialist distributors, and on the other hand, a customised range allowing manufacturers' specific needs to be met, with a view to improving their assembly process. Engineers then work on the customer's project right from its design phase.

• ENERGIES

ARaymond is bringing innovative solutions to the photovoltaic market. The technology developed in its fastening systems enables the reduction of costs relating to the Balance of System (BOS) and the competitiveness of solar energy. With a focus on research and innovation, the Network's approach relies on the simplification of the installation process, a reduction in assembly time and parts standardisation.

• AGRICULTURE

Thanks to its expertise in the manufacture of fastening systems and plastic injection, the ARaymond Agriculture team has developed a range of innovative products with added value for the agricultural sector. These fastening systems include clips and hooks used in fruit and vegetable farming and cable clips for tying up vines.

Since they were launched on the market in 2010, these fastening systems have been a great success with fruit and vegetable producers and distributors across all of Europe, and they are enabling the Network to consider expanding their distribution to other countries, including North Africa.

• LIFE

ARaymondlife is a pharmaceutical business specialising in injection, bi-injection and the integration of active substances into polymer structures. This expertise has enabled it to develop innovative solutions for pharmaceutical laboratories.



2.

ARAYMONDLIFE, NEW GOALS

- The Healthcare expertise of the ARaymond Network

Drawing on its years of experience, the ARaymond Network wants to place its values and skills to use within the healthcare sector, through its company ARaymondlife: technical expertise, quality, and innovation.

Convinced of the advantages of new uses of plastic within the healthcare industry, ARaymondlife is developing its operations in three principal sectors, in line with its expertise:

1. Medical devices and customised plastic accessories,

The company develops and manufactures medical devices, in particular single-use medical devices and plastic accessories for the diagnosis and prevention of diseases.

2. The innovative packaging products within its own RayDyLyo range,

ARaymondlife creates and manufactures complete solutions as well as components for pharmaceutical packaging - standard or customised.

3. The delivery of active substances.

Working in partnership with a French veterinary healthcare laboratory, ARaymondlife has developed a hormone-delivery device whereby the hormones are administered by means of an impregnated matrix.

A quality system recognised by three certifications

Following several audits carried out at the end of 2013 by LNE G-Med, a French certification body, ARaymondlife obtained the certificates for ISO standards 9001 (quality-management systems), ISO 13485 (medical devices), and ISO 15378 (primary packaging for medicinal products). Authorisation to use this labelling system has been granted as the result of a willingness demonstrated since 2012 and marked by strict compliance with procedures throughout all stages of product development: design, manufacture, marketing.

The awarding of these labels also confirms ARaymondlife's decision to focus on engineering and the manufacture of medical devices and packaging products.

“ARaymond’s strategy is long-term one”

Jean-Jacques Legat has presided over ARaymondlife since 2011. Prior to that he was in charge of sales and research-development for ARaymond France and explains this diversification and change in culture reflected in the foundation of ARaymondlife.

- Innovation promoting new ambition

The ARaymond Network has put innovation at the heart of its strategy since it was founded, thus duplicating the system / values that have worked in the automotive industry.

- **How has an automotive-equipment maker like ARaymond been able to diversify into healthcare ?**

In 2002, initial reflections took place with regard to how to devise a diversification strategy for ARaymond France. The healthcare sector was then identified as one of the opportunities for potential growth. At this time, a meeting between one of sales agents with the head of research and development at the animal-healthcare laboratory CEVA provided an opportunity for some (joint) reflection with regard to a customised device (an intra-vaginal device for the synchronisation of bovine ovulation). Following the production of an initial prototype, mass production began in April 2010. Something new for ARaymond: it took eight years to develop this product, whereas it only takes one in the automotive industry.

The start-up was a little difficult, mainly on

account of the fact that staff had to learn how to work in a clean room. The first production line is now at full capacity; we are set to install a second one in July.

- **What are your other operations ?**

From 2008, we identified other development paths in healthcare, niche markets such as the traceability of venison (development of a marking device for game) and the identification of productive livestock. But it is difficult to have medications requiring special approvals co-existing alongside products that are not subject to any cleanliness requirements. At the end of 2013, we thus discontinued the traceability and identification operation, in order to focus on active ingredients delivery systems and two other segments: packaging products, including RayDyLyo®, and medical devices, in keeping with our expertise.

- **Why target the vial closure ?**

On account of a regulatory change in 2010 concerning controlled atmosphere areas for the manufacture of sterile medications (regulation specifies that vials should be maintained under a

class A laminar airflow from the moment they leave the sterile area until the crimping of the cap) in order to limit the risks of microbial and particulate contamination. We acted ahead of this legislation in developing an all-plastic cap, RayDyLyo®, for which we applied our expertise in the area of fastening.

We invested several million Euros in this project, had moulds made, and recently installed the first automatic machine capable of assembling 90 caps a minute, or 25 million items a year. This production capacity could increase in keeping with the development of operations and our customers’ growth. This product has become the priority growth area within our strategy.

Our customers range from biotech companies, which carry out manual closure operations, to large-scale laboratories with complete filling lines. They require proof that the product is reliable and robust in the long-term.

- **Why invest in a new plant ?**

In 2012, ARaymondlife became a wholly-owned subsidiary of the ARaymond Network and we implemented an approach aimed at increasing our production capacity. Towards the end of 2012 we decided to build our own plant; work started in mid-2013. At the end 2014 we moved into these premises, spanning some 3,700 m² and which include separate manufacturing workshops, clean rooms, etc. In total, we invested over €9m (including structural equipment). Our objective is to acquire future FDA (Food and Drug Administration) approval in order to be able to supply the American market.

- **Has this diversification proved a challenge for the Network ?**

It took some convincing but in the end, the results have been wonderful! We duplicated our expertise in a new field. There are no fasteners specialists in the field of healthcare in France (aside from screw and bolt specialists), and we therefore think that we might have quite a bit of mileage left. Granted, calculations of returns on investment aren’t on a par with those for the automotive industry - we are in sustainable markets - but our shareholders believe in it.

This is utterly in keeping with the spirit of ARaymond in planning for the long-term.

- **It represents a fundamental change in culture.**

I come from the automotive sector, which operates in short cycles in tune with the launch of vehicles. With healthcare, things are different because we have strict regulatory constraints. It’s a real change in mindset.

From the start we have benefitted from our colleague’s experience in fluid-handling connection, which we redeveloped for healthcare. Today, ARaymondlife is now a benchmark in terms of cleanliness for the entire Network. This is an acknowledgement of the work we have carried out over several years.



• Applications

Within the healthcare sector, ARaymondlife is active in three distinct segments: packaging products (including RayDyLyo, the company's flagship product), medical devices, and the delivery of active ingredients.

« We endeavour to always be a source of technical solutions for all stages of industrialisation, resulting in the mass production of the product.

Our industrial pharmacists are our safeguards for ensuring that pharmaceutical statutory requirements and necessary quality checks are clearly marked out throughout all stages of the project's progress »

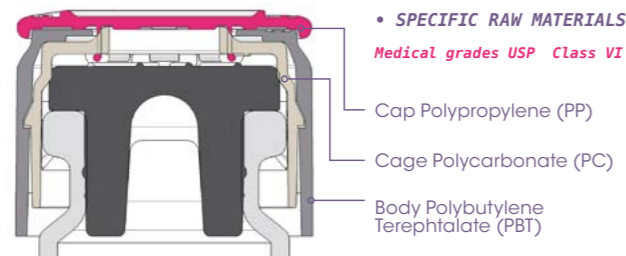
Maxime Bonnet, Delegate Managing Director - Head Pharmacist at ARaymondlife

• **RayDyLyo : one of the most innovative ranges on the market**

ARaymondlife designed RayDyLyo, its patented closure device for sterile vials.

Completely developed by the ARaymondlife research office, RayDyLyo is an optimised plastic closure system that offers an alternative to aluminium cap.

Aside from manufacturing the RayDyLyo product, ARaymondlife offers a range of services: cleaning, sterilisation (autoclave, gamma, and ETO), packaging customised for every purpose (polyethylene packaging, double PE bags, double Tyvek film, blister, customised nests and trays), and personalisation (laser labelling or engraving).



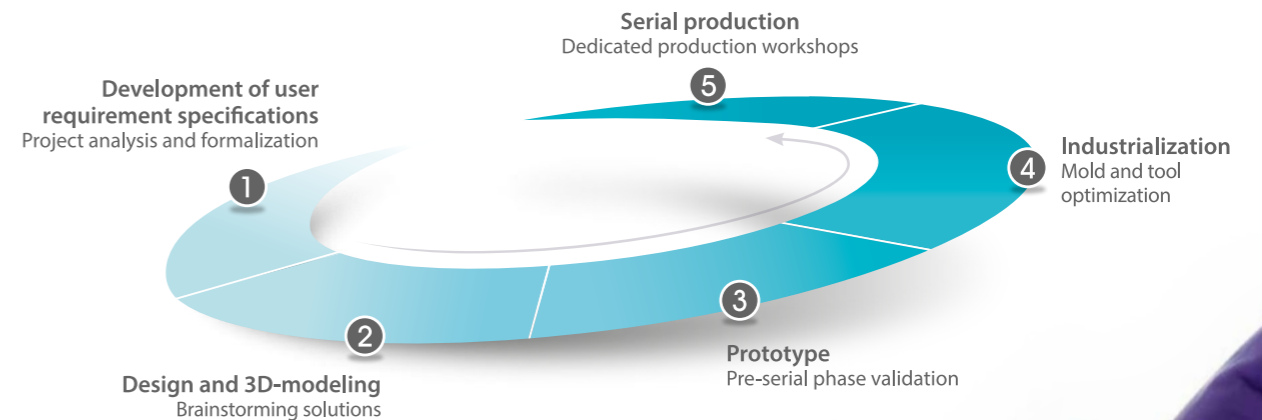
• Medical Devices

The company is developing proven expertise in the design and manufacture of single-use medical devices and plastic accessories.

ARaymondlife offers customised support to its customers for every project. As a veritable «solution provider», the project teams provide a full study with innovative concepts incorporating market constraints and objectives. ARaymondlife oversees the development of the validated solution and its integration into an industrialisation process.

ARaymondlife's flexibility enables it to focus its expertise, both on large medical laboratories and on small organisations, right from their start-up phase. ARaymondlife benefits from additional capacities in industrial sub-contracting with the other companies in the ARaymond Network, allowing it to offer manufacturing without the need for a controlled-atmosphere environment.

• Process of product creation



• The delivery of active substances

In 2008, ARaymondlife entered into an exclusive procurement agreement with Ceva, one of the major global stakeholders in animal healthcare, for the manufacture of Prid Delta over a 10-year period.

The medication Prid Delta is an intra-vaginal dissemination system produced in bi-material on a polyamide skeleton, moulded in EVA (Ethylene Vinyl Acetate) and impregnated with progesterone. Designed to synchronise the oestrus of bovines, it delivers a controlled release, over 7 days, of the steroid hormone involved in gestation.



3.

A NEW SITE THAT ENCOURAGES DEVELOPMENT

Investments to the tune of €9m (including structural equipment) for the building of this new ARaymondlife plant reflect the ARaymond's long-term perspective, affirming its desire to support the development of the Network's healthcare operations.

- A strategic position

For 150 years, ARaymond has retained its historic head office in Grenoble. At the same time, Grenoble-Isère is a region on the cutting-edge of healthcare technology, with over 700 companies and 11,000 jobs represented.* The decision to develop healthcare operations in the Grenoble-Isère region was therefore quite natural, so as to be closer to the research and to the companies within the industrial pharmaceutical sector.

The region is also home to world leaders in vaccination, major players in animal healthcare and in vitro diagnostics, as well as biotechnology companies. ARaymondlife thus benefits from an ecosystem dedicated to research and innovation, in close proximity to the key players in fundamental research and to competitiveness clusters.

In order to pursue its development and support its customers' growth, ARaymondlife now has a new 3,700 m² plant based in Saint-Egrève, on the outskirts of the city. This location enables it to benefit from simple access to the motorway network and to Lyon Airport, located less than an hour away.

* Source Medic@lps - Chambre de Commerce et d'Industrie de Grenoble (Chamber of Commerce and Industry of Grenoble) (2014)

The layout of the site is designed to be adaptable: covering an area of 3,700 m², the land reserve offers the opportunity to add ten production workshops. ARaymondlife's new premises thus represent a favourable climate for researching innovative solutions and for the high-volume manufacture of products.



- A unique platform

In accordance with regulations applicable to pharmaceutical establishments, the new building was designed so as to eliminate any risk of product cross contamination with the flow of staff, raw materials, waste, etc. In practical terms, the premises are laid out around a large logistics and technical area, earmarked for the storage of equipment. The manufacturing side comprises 2 ISO 7 clean rooms as well as unclassified areas. Lastly, the offices spanning across two floors include a quality laboratory.

Placed under the oversight of ANSES (Agence nationale de sécurité sanitaire de l'alimentation, de l'environnement et du travail), which is authorised to inspect the premises every three years, the organisation complies with the good manufacturing practices (GMP) imposed by the authorities.

This new entity is organised into several standardised workshops, arranged by type of product and with extension capabilities.

Each workshop includes an ISO 7 clean room section spanning 200 m² for injection, assembly, and immediate packaging and another section outside of the clean room for secondary packaging (100 m²).

A 140 m² laboratory, of which 30 m² is an ISO 7 clean room, allows the necessary quality tests and checks to be carried out on manufactured products.

In response to the increasing market demand for the RayDyLyO system, this year ARaymondlife has incorporated its first automated assembly line, with a view to increasing its production capabilities to 25 million units a year. This multi-component assembly line enables:

- the automatic assembly of the three components of the RayDyLyO, for the entire high-speed range: 90 items / minute,
- the pre-assembly of the stopper in the RayDyLyO cap
- 100% visual online checks,
- unit labelling,
- data-matrix printing.



Automated assembly equipment for RayDyLyO



- A human adventure

A business on a human scale, ARaymondLife is organised around values shared by all of its employees. The company focuses on innovation for the benefit of its customers, with a view to becoming a genuine partner that is attentive to the development of their needs. **The company is developing a managerial system that encourages an entrepreneurial mindset that includes risk-taking, a group effort and the pursuit of success.** Other founding values: collaboration, which demands reciprocal confidence and understanding, and the creation of value for the customer and the company.

Among the thirty or so collaborators, there are two pharmacists, three R&D engineers and technicians, three commercial engineers, two assistants, an industrial and production development manager, a workshop manager, an industrialisation technician, eight operators and leaders, two quality technicians and engineers, a marketing manager, an HR manager, a service technician, a purchasing and logistics manager, and the President of ARaymondLife.

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