



Natraceutical quarterly revenues reach 45 million euros, an 80% increase from the same period last year

- The EBITDA of the first quarter of 2007 is placed at 6 million euros, 64% higher than in the same period last year. This EBITDA equals the 60% of the gross operating profit for the previous financial year.
- The change of trend and the evolution of the functional ingredients division predict for the entire financial year incomes of around 160 million euros and EBITDA of 16 million euros, once advertising and marketing investments for the internationalisation of the food supplements division are discounted.

Valencia, 7th May 2007.- Natraceutical Group, biotech multinational leader in Europe for research and development of functional ingredients, active ingredients and food supplements has reached a turnover of 45 million euro in the first quarter of 2007; this means a growth of 80% in relation to the 25 million euros earned in the same period last year.

In terms of EBITDA, it ascends to 6 million Euros in the first quarter, which means 13.3% over the turnover and represents that, with the closing of the first quarter of 2007, Natraceutical has already obtained 60% of the gross operating profit generated during the entire financial year 2006.

The business evolution during the first three months of the present financial year emphasize the change of trend and the positive development of the functional ingredient division, especially the cacao derivatives, which present a 13.3% increase from last years' first quarter. The reduction of the product portfolio in this line of activity has been accompanied by a substantial growth in sales.

The natural colours division grows at 13.2% in relation to the same period of the financial quarter last year. In this activity Natraceutical Group acquired in February 2007 100% of Kingfood Australia PTY for 5.4 million euros. The Australian company is since 1998 the distributor of Natraceutical's natural colours in the Asia-Pacific region and has specialized for the past 20 years in the elaboration and commercialisation of ingredients and aromas for the food industry.

The division of food supplements improves its turnover 18.7% in comparison to the same period last year, although the figures of the first quarter 2006 did not consolidate in Natraceutical Group's profit and loss account, since the acquisition was carried out by the end of the year.



Natraceutical predicts for the present financial year a strong investment for the geographical expansion of Forté Pharma in Europe, and especially in Spain, as well as the launch of new products that will break the seasonality of the slimming line which at this moment represents 60% of the portfolio and whose sales are mainly carried out during the first half of the year. With all this, the main objective is to create a leading pan European brand.

In this sense, during the first quarter of 2007 the activity of food supplements has started in Spain by means of the acquisition of a commercial network and a client portfolio from Inibsa Laboratories in January 2007. This in turn has guaranteed Forte Pharma Ibérica a strong commercial activity since the beginning of the financial year and supposes a top notch step in the international development plan for Forté Pharma.

The figures of the first quarter confirm the fulfilment of the estimate for the different divisions, whose forecasts for the entire financial year 2007 look as follows:

- **Functional and Food Ingredients Division:** the estimated sales for 2007 ascend to 103.6 million euros (86.2 million in 2006); with EBITDA of 12.1 million euros (8.6 million EBITDA generated for this division in 2006).
- **Food Supplements Division:** The estimated sales will go up to 56 million Euros although the first quarter shows a tendency that this figure will improve. The estimated EBITDA of this division will reach 4 million euros, even though it is important to emphasize that during this financial year significant investments in marketing and advertising for the internationalisation and new product launches are foreseen.

With the closing of April 2007, the accumulated sales reach 62 million euros.

Natraceutical Group

The biotechnological multinational Natraceutical Group, with its headquarters in Valencia and a world wide presence, leaders the European market in research and development of functional food, active ingredients and food supplements of natural origin.

The continuous advances in their R&D department has allowed the Group to diversify its business and expand its activity area from the production of functional ingredients and active ingredients for food, cosmetics and pharmacies, to the end consumer via the acquisition of Forté Pharma Laboratories, specialized in food supplements for slimming, health and beauty, and leader in the French market. The international expanding plan in this business area has created the need for the recently established Forté Pharma Ibérica, 100% subsidiary of Natraceutical Group, and will be the first distributor company for Forté Pharma products in the south of Europe.

Moreover, the functional food division of Natraceutical Group has reached a high share in the world-wide market thanks to the recent acquisition of Kingfood Australia PTY Limited, specializing since the past twenty years in the elaboration and commercialization of ingredients and aromas for the food industry and Natraceuticals'



distributor of natural colours in that geographical area. This acquisition is framed within the strategic plan of 2007-2011 for this division of the Group, in which the Australian and Asian market are defined as high potential growth markets, both short and long-term.

With productive plants in Spain, United Kingdom, Switzerland and Brazil, Natraceutical Group count on a portfolio with more than 500 references and specialities in the food, cosmetic and pharmaceutical sector and a sales network present in more than 65 countries with offices in Australia and Asia. In terms of its clients, there are more than 1000 companies, amongst which eight of the top-ten food industries on the world-wide market.

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