



In the 1st semester 2007, Natraceutical Group achieves almost the same sales figure obtained during the entire financial year 2006 and exceeds 2006 EBITDA

- The company closes its first semester 2007 with revenues of 89 million euros, in contrast to the 94 million earned during the entire financial year 2006.
- The EBITDA of these first six months is placed at 11,5 million euros, versus to the 10 million obtained at the closing of 2006.
- The Group reaches the 56% of this year sales (foreseen at 160M€) and the 75% of the 16M€ EBITDA estimated for the 2007 financial year.

Valencia, 10th July 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 89 million euros in the first semester of 2007, almost reaching the result obtained during the entire financial year 2006 (94 M€).

In terms of EBITDA, in these first six months, it ascends to 11.5 million euros, thus increasing the operating cash-flow of 2006, figured at 10 million euros. The EBITDA of the first semester represents 12,8% over the turnover.

The business evolution during the first six months of the present financial year emphasizes the integration of the consolidated accounts in the food supplements division after the acquisition of Laboratoires Forté Pharma in November 2006, and whose activity is strongly marked by seasonality in these first months of the year.

The turnover obtained in the first semester of 2007 by this division is of 39,6 million euros, increasing thus by 18% in relation to the first semester of 2006 and 51% in relation to the same period of 2005.

Natraceutical Group expects for the present financial year a strong investment for the geographical expansion of Forté Pharma in Europe, and especially in Spain, as well as for the launch of new products that will break the seasonality of the slimming line, which Forté Pharma is leader with, and which at this moment represents 60% of the portfolio. All that with the objective to create a leading pan European brand.

In this sense, during the first semester of 2007 Natraceutical Group has promoted the development of the food supplements activity 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 Forté Pharma Ibérica (Forté Pharma's subsidiary in Spain) a strong commercial activity since the beginning of the financial year. The Group thus has achieved the sales raise of 78% in food supplements in Spain in relation to the same period last year.



In the same way and owing to the publicity investments carried out at the same time in other European countries, Natraceutical Group food supplements division has experienced a very important growth in its new markets. This is the case in the Austrian market where sales have risen by 99% and by 78% in smaller size markets, while the Group's more mature markets (France and Belgium) have growth in this semester 10% and 12% respectively.

On the other hand, the ingredient division points out the positive sales evolution in the 'Natural colours and flavours' line where sales register 15 million euros in this semester (22.3 M€ for the entire financial year 2006), which signifies an organic annual growth of 15% with the 2007 budget. The exportation of natural colours continues to grow steadily, with good portfolio opportunities for the second semester, which guarantee the up-keeping of this growth. Important here to point out that Natraceutical Group acquired last February 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.

In the 'Pectines and fruit/vegetable powder' segment sales register 20.5 million euros as compared to the 37 million euros generated during the entire previous financial year, which signifies an annual organic growth of 10%.

Finally, in the 'Functional ingredient division, cocoa derivatives and alkaloids' the sales reach 13.1 million euros as compared to the 27 million euros reached in the financial year 2006. After the suspension of the production at the end of 2006 of some of the portfolio products which did not reach the expected turnover and gross margins, the profitability of this division has substantially improved in this first semester, especially due to the good sales of the Coccoanox, a cocoa derivate rich in antioxidants.

In sum, gross benefits for the first semester 2007 have risen to 5.3 million euros as opposed to the 1.3 million from the entire financial year 2006.

Natraceutical Group

The biotech 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 its 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.





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, Australia and Brazil, Natraceutical Group counts 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.

For further information

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Natraceutical is traded in the Spanish Stock Exchange under the ticker **NTC**.

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