



## **natraceutical group**

3Q 2007 results

### **Natraceutical Group increases revenues by 31% between January and September of 2007**

The company is right on target to meet 2007 objectives

- The company closes the 3Q 2007 with total revenues of 123 million euros, in contrast to the 94 million achieved during the entire financial year 2006.
- The EBITDA of this 3Q is placed at 15 million euros, versus to the 10 million obtained at the closing of 2006.
- The Group reinforces the achievement of its objectives for 2007, foreseen in 160 million euros and 16 million euros of EBITDA.

**Valencia, 23rd October 2007.-** Natraceutical Group, biotech multinational leader in Europe for research and development of functional ingredients, active principles and food supplements has reached a turnover of 123 million euros in the third quarter of 2007, representing as of September 2007 closing a growth of 31% in contrast to the earnings of the entire financial year 2006.

The EBITDA in these first nine months ascends to 15 million euros, thus exceeding the operating cash-flow of 2006, figured at 10 million euros. The EBITDA of the third quarter represents 12% over the turnover of the company.

The business evolution during the third quarter of the present financial year emphasizes in terms of the Food Supplements division a growth of 15% in Forté Pharma's sales in its more mature market (France), in contrast to the same period last year. This growth is especially due to the sales combination of already consolidated products together with new product launches.

In this sense, Forté Pharma has given continuity this third quarter 2007 to its incursion in the cosmeceutical segment with the launch in France and Belgium of *Cheveux Expert* – a food supplement that prevents hair loss. The company made its *début* in the segment of pharma-cosmetics last year with the launch of *Time Expert Face* and *Time Expert Body*, a moisturizer in the form of tablets which has also reached Spanish and other European pharmacies this year.



At the same time, the positive evolution of the geographical expansion of this business unit becomes evident, as it was designed by Natraceutical Group in the strategic plan when the Monaco-based company was acquired last November 2006. The new markets in which the company started its activity this year show high growth rates, which is the case of Spain with a growth of 98% in contrast to September 2006, or 93% growth in Austria, one of the last countries to be conquered by Forté Pharma, and 75% growth in exterior markets such as in the West Indies, Mauritius, South Africa and Canada amongst them.

The strategic plan for the Food Supplements division of Natraceutical Group foresees for the year 2007 a strong investment in publicity and marketing for the geographical expansion of Forte Pharma in Europe, as well as for the launch of new products that will break the seasonality of the slimming line, in which currently Forté Pharma is the leader in France. The turnover generated in the 3Q by this division is 49 million euros, EBIDTA being 8 million euros, which will be especially affected during the last quarter of the year by the investments in advertising campaigns.

The Group's Ingredients division stands out due to its positive sales evolution, reaching 74 million euros in the 3Q. The favourable evolution of nutraceutical products is noteworthy, both by the increase in its demand and the introduction in new markets. As a consequence of the geographical expansion and the product portfolio growth pursued by Natraceutical Group for this division, the company announced in September this year its entry into the beta-glucan market with the acquisition of Viscofiber®, in Canada. With this operation, which reached the sum of 2 million euros, the company foresees sales in 2012 of around 15 million euros. This deal complements the acquisition of Kingfood Australia PTY in Sydney in February this year, which enabled the Group's access to the natural aroma market in the Asia-Pacific area.

The Group's earnings before taxes for the 3Q 2007 has reached 4.4 million euros in contrast to the 1.3 million euros earned in the entire financial year 2006. However, the reduction in this figure when comparing it like-to-like is mainly due to the credit costs of the acquisition of Forté Pharma.

### **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 allowed the Group in 2006 to diversify its business and expand its activity area from the production of functional ingredients and active principles for food, cosmetics and pharma, to the final 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 Ingredients division of Natraceutical Group reached a high share in the world-wide market thanks to the acquisition of Kingfood Australia PTY Limited in February 2007, 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, in which the Australian and Asian markets are defined as high-potential growth markets, both short and long-term.



Likewise, in September 2007 Natraceutical Group entered the beta-glucan market through the acquisition of the Canadian Viscofiber®. Beta-glucan is a natural ingredient belonging to the “soluble fiber” group. At present, the Food and Drug Administration (FDA) allows the use of a generic health claim for oat and oat products mentioning the cholesterol lowering effect of soluble fiber and the reduction in the risk of coronary heart diseases.

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 clients, there are more than 1000 companies, amongst which, eight of the top-ten food industries on the world-wide market.

## **Additional information**

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