



Natraceutical Group closes 2008 with 5.3% growth in sales and 13.6% in EBITDA in a year of streamlining of their industrial structures

- The net business turnover was € 161.01 million, 5.3% up from the previous year.
- The company's EBITDA rose 13.4%, reaching € 21.77 million.
- The net profit was € 1.49 million (€ 3.84 M the previous year) due to the impact of the resolutions adopted in the plan for streamlining of their industrial structures and product portfolio of the company's Ingredients Division.

Valencia (Spain), 27 February 2009. Natraceutical Group, a leading biotechnology corporation in the field of research and development on functional ingredients, active principles and nutritional supplements, closed the year 2008 with a business turnover of € 161.01 million, 5.3% up from the previous year. In addition, their EBITDA rose 13.6% compared to that of 2007, reaching € 21.77 million.

In 2008, the company focused a large part of their resources on finalizing the plan for streamlining their industrial structures and optimization of their Ingredients Division's product portfolio, in order to further improve efficiency ratios and operating margins. The initiatives carried out throughout the last months, along with other initiatives implemented in 2007, have enabled the company to complete their reengineering process affecting several production processes run by the Ingredients Division at their six plants operating in Australia, Brazil, UK, Switzerland (2) and Spain. As a result, Natraceutical's net profit in 2008 had an extraordinary negative impact of € 4 million, which led the company to close the year with a positive net profit of € 1.49 million, compared with € 3.84 million the previous year.

By divisions, the Ingredients Division's sales in 2008 rose 7.2% as compared with the previous year 2007, reaching € 101.77 million. The good performance of the main business lines, boosted by cross-selling of the product portfolio among clients of all lines, has enabled the company to guarantee the increase of their sales turnover in spite of the current macroeconomic downturn.

Said cross-selling business activity has also enabled the company to strengthen the portfolio's most innovative products, and which therefore yield the best operating margins. Additionally, due to the penetration of functional food into private label brands, in 2008 the commercial relationship between Natraceutical and their parent company Natra has stepped up regarding functional ingredients from cocoa. This has been an additional boost for the Ingredients' Division, as it led to increase its EBITDA by 16.7% as compared with the previous year 2007, with € 17.55 million.

Sales by the Ingredients' Division, which involve several currencies, suffered the impact of the Sterling Pound and US dollar currency exchange fluctuations in 2008, around and estimated € 2 million off this year's operating statement. Furthermore, further impact was felt by the Division following the discontinuance of poorly performing products in 2007, such as the synthetic caffeine, which led to a reduction of € 6.5 million in the Division's sales turnover in 2008.

The Nutritional Supplements Division, which the Company markets under the brand Forté Pharma, had to face in 2008 a shift in consumer trends affecting nutritional supplements in the leading European countries, which favoured beauty (oral cosmetics) and health supplements (multivitamins, phytotherapy, etc) against weight control products. Said shift has halted the growth of Natraceutical's Nutritional Supplements Division, as 70% of their turnover was from weight control products. However, the Division succeeded in maintaining their business turnover at the levels reached the previous year (€ 57.84 million in 2008), thanks chiefly to the strength of the brand, as well as to the investments made in previous years for the development of the company's health and beauty product ranges which, in 2008 alone, led to 15 new product launches in said two ranges.

Following the acquisition of Laboratoires Forté Pharma in late 2006, Natraceutical included in their business plan several investments in health and beauty product ranges, for the purpose of balancing out and performing a seasonal disaggregation of their product portfolio, strengthening their positioning as one of the leading European laboratories for nutritional supplements, and boosting the capacity for penetrating markets that have more interest in said ranges.

With this aim, the company carried out a strong strategy of investment in marketing and advertising throughout 2008, and has further strengthened their own sales network in Europe —evidence of which is the opening of a branch in Portugal in 2008, which has enabled the company to further increase the number of client pharmacies in all countries in which it operates. As a result of these investments, the Nutritional Supplements Division's EBITDA reached € 6.72 million in 2008, as compared with € 7.31 million in 2007.

As for Natraceutical's financial structure, the company closed 2008 with a net financial liability of € 69.6 million, which includes the effect of the company's treasury stock to the

end of the year, with financing of up to € 7.5 million. As a result of said financial liability, the Company's Net Debt / EBITDA ratio is 3.23.

Natraceutical Group

Spanish multinational corporation Natraceutical Group is at the forefront of biotechnology applied to nutrition, a leading reference in the research and development of naturally-sourced functional / active ingredients and nutritional complements for the foodstuffs, pharmaceutical and cosmetics sectors. The company streamlines its industrial activity through two divisions (Ingredients and Nutritional Supplements) with the purpose of contributing to the prevention of diseases and improving quality of life through nutrition.

The Group's Ingredients division currently runs production facilities in Spain, UK, Switzerland, Australia and Brazil; and operates actively in over 60 countries, running branches in Europe, US and the Asia Pacific region, plus several sales networks worldwide. Natraceutical provides products and services to over 1,000 companies worldwide, including eight of the world's ten leading food corporations.

In October 2006, Natraceutical expanded its sphere of activity by penetrating the nutritional complement sector following the acquisition of Monaco-based company Laboratoires Forté Pharma, specializing in nutritional supplements for health, beauty and weight control, thanks to which the company gained direct access to end consumers.

Natraceutical Group closed the financial year 2007 with earnings of € 158.6 million, and EBITDA of € 19.2 million, representing an organic growth of 16% in turnover and 40% in EBITDA as compared with the previous year.

Natraceutical quotes in the Spanish stock exchange under the ticker NTC. Total outstanding shares: 328,713,946.

www.natraceuticalgroup.com

On 27 February 2009, Natraceutical Group submitted their 2008 Abridged Annual Financial Statements and 2008 Abridged Annual Management Report to the Spanish Securities and Investments Board (CNMV), which include in-depth information regarding the results provided herein. Both documents are available on the CNMV's website (www.cnmv.es) as well as on Natraceutical Group's webpage (www.natraceuticalgroup.com).

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