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The Spanish Ministry of Science and Innovation approves an R+D project by Natraceutical Group within the CENIT Programme

The biotech company will lead an R&D project on elderly nutrition,
with a total budget of € 26.3 million

Spain, November 23rd 2009. Last Friday November 20th, the Spanish Ministry of Science and Innovation released the names of the successful bidders to their CENIT Programme, one recipient being Natraceutical Group.

The biotechnology corporation will lead a project on industrial research of diets and food featuring special elderly-specific ingredients, which will be run for four years (2009-2012) with a total budget of € 26.3 million. 30% of the budget corresponds to Natraceutical, as the project leader.

This project is a new milestone in Natraceutical Group's solid experience in the field of nutrition-based health and prevention of disease, which has led the Group to be at the forefront of biotechnology applied to nutrition, a leading reference in European research and development of naturally-sourced functional ingredients, active ingredients and nutritional supplements for the food, pharmaceutical and cosmetic product industries.

The general goal of the project, named SENIFOOD, is the development of elderly-specific foodstuff, to guarantee this segment of population a well balanced nutrition. From the scientific point of view, the project aims to improve the knowledge on the action of functional ingredients on the most frequent metabolism problems in the elderly population, to have a solid scientific base for the allegations in the final products. From the technological point of view, the project aims to combine the functional properties with some physical-chemical (texture, fluidity) and organoleptic (taste, flavour) characteristics in the resulting products, that make their consumption convenient, easy and pleasant.

Metabolic syndrome, bone and muscular health, cognitive function and mental state, gastrointestinal health and sight health will be the pathologies that the research will focus on.

For this project, Natraceutical will be supported by a consortium of companies including leading R&D and nutrition groups, such as Biopolis, Nutrafur, Bioiberica, Bodegas Matarromera, CAPSA (Central Lechera Asturiana), Campofrio, Ordesa, Customdrinks, Tutti Pasta and Mugaritz, as well as the geriatric centre Gerozerlan, a member of the Matia Foundation. The project will also be participated by public research centres including CSIC, technology institutes and and the leading university departments of nutritional studies from several Spanish autonomous regions.

It is estimated that at least 20 patents will be developed during the project's four-year term, half of which will be directly connected to Natraceutical Group's research activities. Furthermore, it is expected that the project will require the hiring of 5 doctors and 25 graduate experts in the corresponding specific areas of research.

The need for this project arises directly from the figures released by the Spanish Institute of Statistics (INE), which show that, by 1960, the elderly represented 8% of the Spanish population, and have risen today to approximately 18%. This data provides evidence of the growing trend, which, according to the INE, will presumably reach 19.7% in 2020 (8.5 million people) and 23.7% in 2030 (10.3 million). In addition, it is estimated that by the year 2050, the elderly population will double the numbers of children under 14 years of age for the first time in history.

The CENIT Programme, which in Spanish stands for "National Strategic Consortiums for Technical Research", provides for partial financing of large integrated and strategic industrial research projects of a far-reaching scientific and technical scope, which focuses on the development of research activities in several progressive technological areas featuring great potential for international projection. The goal is to ensure the generation of new knowledge that can be useful for the creation of new products, processes or services, as well as for the future integration of technologies of strategic interest, thus contributing to a much improved technological positioning of the Spanish production network.

This time, the Science and Innovation Ministry will assign € 200 million to finance 18 Spanish new major projects of industrial research, whose respective budgets the Government will finance at 50%.

According to Natraceutical Group's chairman, Mr. Xavier Adsera, "Within the forthcoming integration of our Ingredients Division into the French company Naturex, this project will reinforce the new company's R+D activity in Spain. Moreover, the awarding of this project coincides with the two companies' recent decision to boost the production capacity of Natraceutical's industrial premises in Spain, thus reinforcing the role of the country in the new multinational corporation".

Additionally, Natraceutical is confident that the merge with Naturex will enable a better marketing capacity of the new ingredients developed within this project, thanks to the broader sales network of the resulting company.

About 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,



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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.

Last October 1st, Natraceutical Group announced the integration of Natraceutical's Ingredients Division into the French quoted company Naturex, where Natraceutical will become the main minority shareholder. The asset contribution is expected to be formalized before the year end.

The merger with Naturex will give birth to the leading independent company in natural ingredients in the world, running production facilities in the USA, France, Spain, Italy, United Kingdom, Switzerland, Morocco, Australia and Brazil, together with their own sales offices in Europe, the US and Asia-Pacific, and a worldwide sales network.

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

www.natraceuticalgroup.com

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