



# H1 2006 RESULTS

October 31, 2006



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The company and its core business

H1 2006 results

Turnover for the first nine months of 2006

Strategy and outlook

Market





The company and its core business

## Core business



**Extraction and formulation  
of plant extracts  
for the**

**food, nutraceutical and cosmetic industries**

→ **Naturex ranks amongst the very top leaders worldwide**



The company and its core business

## A complete offer



☑ **A complete range of plant extracts with the following properties:**

- ☑ **Flavoring**
- ☑ **Coloring**
- ☑ **Antioxidant**
- ☑ **Nutraceutical**
- ☑ **Cosmetic**

☑ **For use in consumer products:**

- ☑ **Food products** (meats, drinks, ready-made meals, etc.)
- ☑ **Food supplements** (capsules, tablets, etc.)
- ☑ **Cosmetic products**





The company and its core business

## Complete control



### Procurement

- A reliable procurement network around the world, 3 extraction sites on 3 continents



### R&D

- 20 engineers and technicians in France and the USA



### Production

- 4 industrial sites, one of the largest extraction and drying capacities in the world in its sector



### Quality control

- 27 engineers and technicians



### Sales structure

- 21 technical sales engineers between New Jersey, Avignon and Singapore



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The company and its core business



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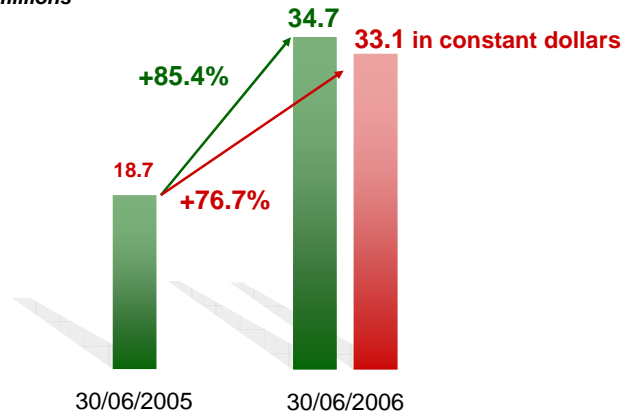




H1 results

## Record growth of +85.4%...

In EUR millions



→ Proforma : +5.5% in constant dollars  
+10.7% in current dollars



H1 results

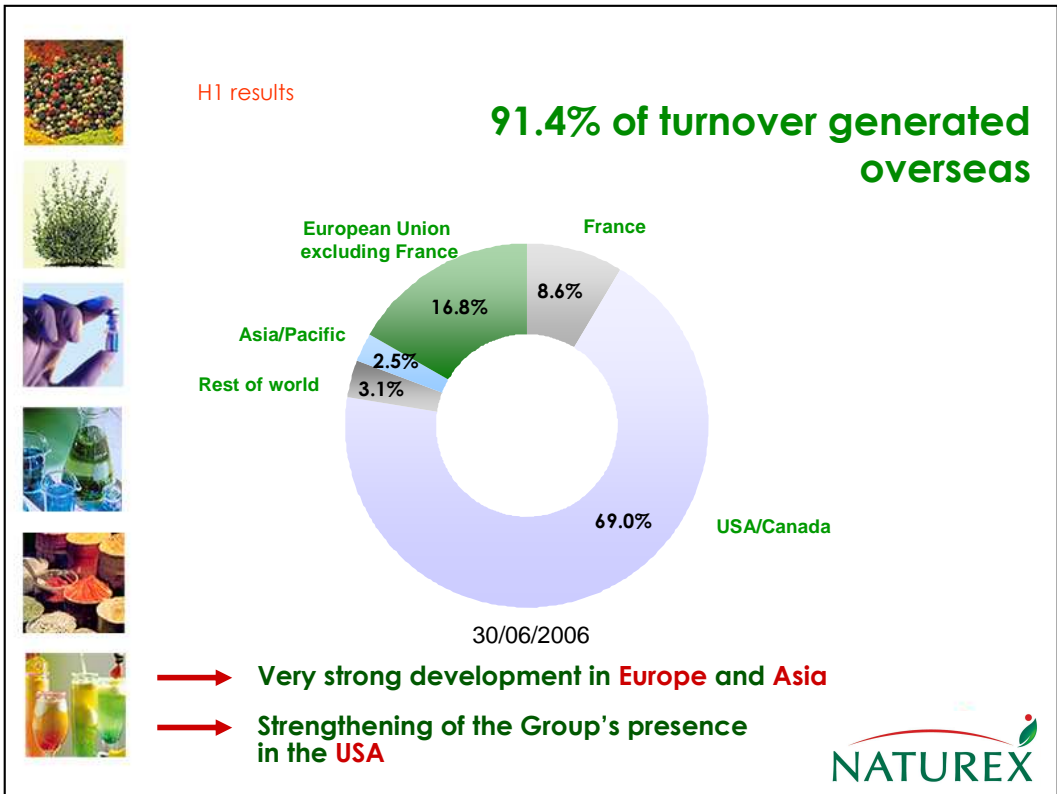
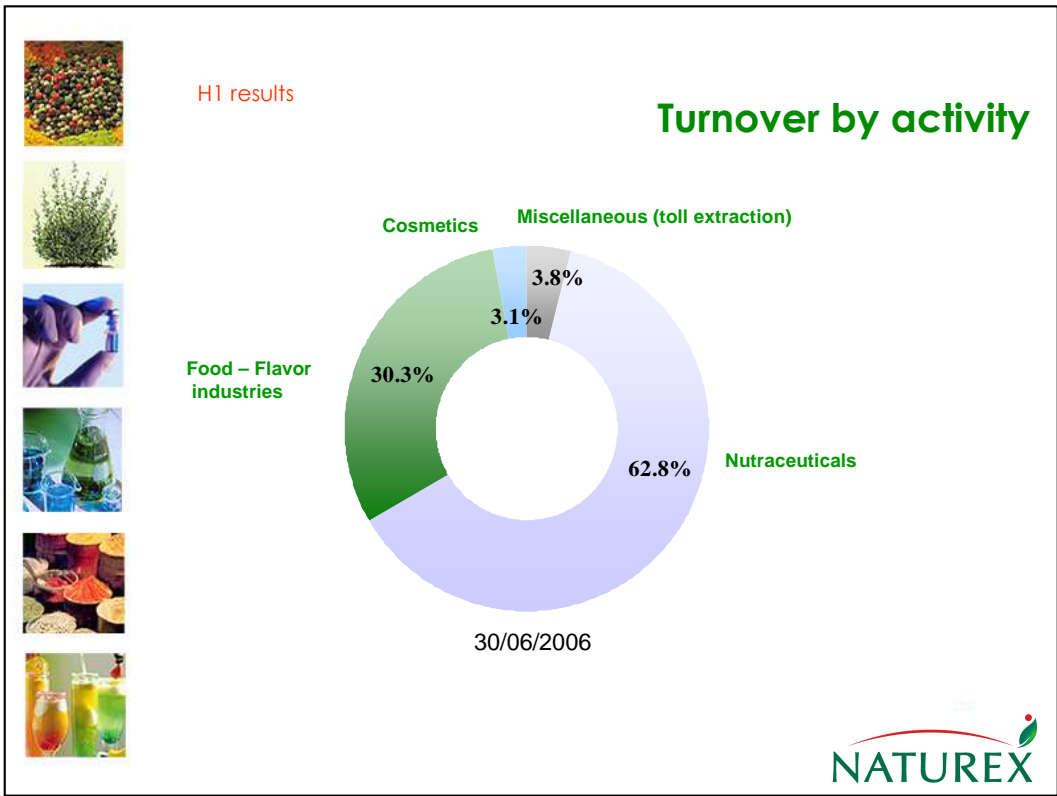
## ... despite the closure of one of Pure World's marginal business lines



- ▣ Gradual closure as planned of a marginal, non-strategic and unprofitable business line of Pure World
- ▣ Impact of EUR -1.4 million on H1 turnover (EUR 1.3 million in H1 2006 versus EUR 2.7 million in H1 2005)

→ Excluding this impact, proforma growth would have stood at +16.5% in current dollars and +11.2% in constant dollars







H1 results

## Simplified income statement



<i>In EUR millions</i>	S1 2006	S1 2005	Change	Proforma 2005*
<b>Turnover</b>	<b>34.7</b>	<b>18.7</b>	<b>+ 85.4%</b>	<b>63.4</b>
Gross margin	21.5	12.2	+ 76.8%	37.7
<i>as a % of turnover</i>	63.8%	65.1%		59.4%
<b>Operating income</b>	<b>3.9</b>	<b>2.2</b>	<b>+ 76.1%</b>	<b>8.1</b>
<i>as a % of turnover</i>	11.3%	11.9%		12.7%
<b>Consolidated net income</b>	<b>2.8</b>	<b>1.6</b>	<b>+ 73.6%</b>	<b>4.6</b>
<i>as a % of turnover</i>	8.0%	8.6%		7.3%
Group net income	2.8	1.5	+ 78.5%	4.6
<i>as a % of turnover</i>	8.0%	8.3%		7.2%

\* Pure World consolidated as of July 1, 2005



H1 results

## Simplified balance sheet



<i>In EUR millions</i>	30/06/06	31/12/05	<i>In EUR millions</i>	30/06/06	31/12/05
Net fixed assets	45.3	46.4	Shareholders' equity	52.1	37.2
Inventories	25.2	23.9	Financial debt	33.8	40.2
Tax assets	0.5	0.1	Tax liabilities	0.9	0.8
Clients and other receivables	14.5	13.1	Other debt	9.4	9.7
Cash/cash equivalents	10.7	4.4	Provisions	---	---
<b>Total Assets</b>	<b>96.2</b>	<b>87.9</b>	<b>Total Liabilities</b>	<b>96.2</b>	<b>87.9</b>

<i>In EUR millions</i>	30/06/06	31/12/05
<b>Shareholders' equity</b>	<b>52.1</b>	<b>37.3</b>
<b>Net financial debt</b>	<b>23.1</b>	<b>35.8</b>
<b>Gearing</b>	<b>44.3%</b>	<b>96.0%</b>





H1 results

## Cash flow statement



<i>In EUR millions</i>	30/06/2006	31/12/2005
<b>Cash flow</b>	<b>5.5</b>	<b>9.8</b>
<b>Change in WCR</b>	<b>(4.3)</b>	<b>(7.6)</b>
<b>Operating cash flow</b>	<b>0.9</b>	<b>0.8</b>
<b>Cash flow from investments</b>	<b>(2.5)</b>	<b>(29.8)</b>
<b>Cash flow from financing activities</b>	<b>11.3</b>	<b>31.2</b>
<b>Exchange rate effect</b>	<b>0.4</b>	<b>(0.2)</b>
<b>Net cash flow</b>	<b>10.1</b>	<b>2.0</b>
Opening cash position	0.5	(1.4)
Closing cash position	10.7	0.5



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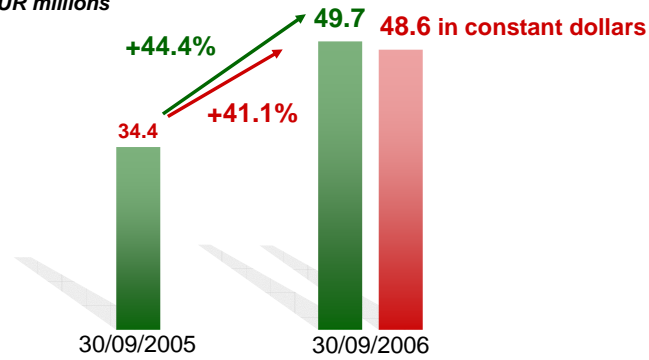




Turnover at 9 months

## Turnover at 9 months: +44.4%

In EUR millions



→ Following the integration of Pure World  
(consolidation of Pure World as of 1/07/2005)

→ Organic growth: +3.3% in constant dollars  
+5.6% in current dollars



Turnover at 9 months

## ... despite the impact



- ❑ of the gradual closure of one of Pure World's marginal business lines: EUR -3.1 million
- ❑ of the gradual termination of outsourcing activities (toll extraction): EUR -0.5 million

→ These two factors aside, proforma growth would have stood at +14.9% over 9 months in current dollars





Turnover at 9 months

## Breakdown of turnover at September 30, 2006



In EUR millions	30/09/06	30/09/05 proforma	Change	
			Current \$	Constant \$
<b>Turnover</b>	<b>49.7</b>	<b>47.0</b>	<b>+ 5.6%</b>	<b>+ 3.3%</b>
PW business line closed	1.6	4.7	- 65.1%	- 66.5%
Toll extraction	0.3	0.8	- 63.3%	- 63.3%
<b>Proprietary activity</b>	<b>47.8</b>	<b>41.5</b>	<b>+ 14.9%</b>	<b>+ 12.4%</b>
<b>USA/Canada</b>	<b>33.1</b>	<b>29.0</b>	<b>+ 13.7%</b>	<b>+ 10.5%</b>
<b>Europe</b>	<b>13.1</b>	<b>11.2</b>	<b>+ 17.0%</b>	<b>+ 16.6%</b>
<b>Asia</b>	<b>1.6</b>	<b>1.3</b>	<b>+ 24.4%</b>	<b>+ 21.7%</b>



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The company and its core business



H1 2006 results



Turnover for the first nine months of 2006



Strategy and outlook



Market





Strategy and outlook

## Two complementary axes: 1. Organic growth



Pursue our dynamic development on our **current markets**



- ▣ **Strong organic growth** on a buoyant market
  - ▣ Natural products, a lifestyle phenomenon
  - ▣ Synergies between product ranges



- ▣ **Cosmetics: a new development axis**



Strategy and outlook

## Two complementary axes: 1. Organic growth



- ▣ **Opening of an office in the United Kingdom**
  - ▣ Major potential of the British market
  - ▣ Set up in Oxford in Q1 2007





Strategy and outlook

## Two complementary axes: 2. Acquisitions



- ☑ **A targeted acquisitions strategy:**
  - A market undergoing concentration in which we are one of the biggest players
  - Tailored external growth to underpin organic growth
- ☑ **New acquisitions:**
  - Within the business sectors covered by Naturex (food industry or nutraceuticals)
  - In order to reinforce the Group's positioning on specific niche markets
  - Preferably in Europe or the USA



Strategy and outlook

## An acquisition that is underway



Naturex has just **signed an agreement** with a company with a view to its acquisition and initiates the appropriate **audit procedures**

The operation should be completed **before the end of the year**





Strategy and outlook

## Financing of future acquisitions



- ▣ **Capital increase of EUR 13.2 million (June 2006)**
  - ▣ Issue of 266,148 new shares with a par value of EUR 49.70
- ▣ **Setting up of a structured loan of EUR 66 million (October 2006), including:**
  - ▣ **EUR 35 million** (tranche in euros or USD) to finance acquisitions
  - ▣ **EUR 21 million** (tranche in USD) to refinance the debt linked to the acquisition of **Pure World**
  - ▣ **EUR 10 million** to service the credit lines linked to the Group's operations



Strategy and outlook

## Outlook for 2006



- ▣ **Forecast yearly turnover: EUR 67 million**
- ▣ **Forecast net income: EUR 5.4 million**



# Summary



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Strategy and outlook



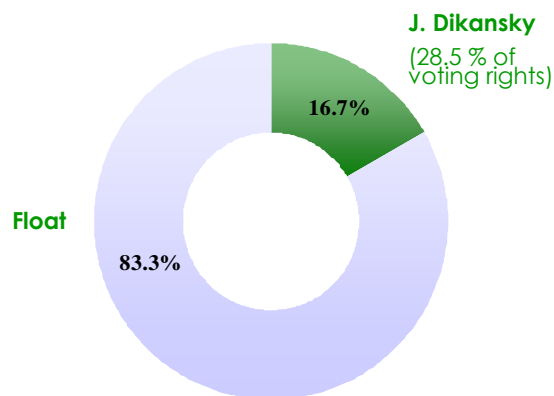
Market



Market



## Shareholder structure



- Number of shares: **2,958,788** with a par value of EUR 1.50
- Stock market capitalization at 27.10.2006: **EUR 149.0 million**





## Timetable for the communication of turnover and results

- ❑ **2006 turnover** January 31, 2007
- ❑ **2006 results and Q1 2007 turnover** start of April 2007
- ❑ **H1 2007 turnover** mid-July 2007
- ❑ **H1 2007 results and Q3 2007 turnover** end of August 2007



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