



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
IN EURO AT 31/12/2006**

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NOTE 1 General Information

1.1 Highlights

Naturex revenues for 2006 stood at €66.1 million, up 31.9% in actual figures and 4.4% proforma (+13.3% excluding the impact of the scheduled gradual closure of non-strategic activities).

Income after tax amounted to €5,625,000, up 40.5% on the previous year and up 21.3% proforma.

Naturex completed a capital increase of €13.2 million in June (issue fees of €0.53 million) through the issue of 266,148 shares with a par value of €49.70.

The Group also set up a structured loan of €66 million, with a tranche of €35 million to finance acquisitions, a tranche of US\$ 27 million to refinance the acquisition of Pure World and a tranche of €10 million in short-term credit facilities. Natexis and Société Générale respectively acted as arranger and lead co-arranger for the operation, with CIC appointed co-arranger.

Lastly, Naturex increased its stake in its subsidiary Naturex Inc through the incorporation of loans in the amount of €16,113,039.

The Group's Moroccan subsidiary changed its legal name in the second half of the year to Naturex Maroc.

1.2 Events after financial year end

On January 23, 2007, Naturex announced the acquisition of Hammer Pharma, an Italian company based in Milan and specialized in the research and development and production of plant extracts for the pharmaceutical and nutraceutical industries for over fifty years now.

With a payroll of around fifty employees, Hammer Pharma generated revenues of €7.8 million in 2006 for an EBITDA of close to €0.9 million.

The acquisition cost Naturex a total of €10 million. Naturex is to finance €6 million of the operation via a cash transaction, with the remaining €4 million amounting to the Group's repurchase of the company's debt.

Furthermore, as planned, Naturex has just created a subsidiary in Oxford in the United Kingdom which will enable the Group to reinforce its proximity and links with UK clients, while also leading to a pick-up in organic growth on this major market which is one of the most buoyant in Europe.

Finally, in February of 2007, Naturex acquired a 34.79% stake in Sanavie, a distributor of Naturex products in Russia and Ukraine. Sanavie will be consolidated using the equity method as of 2007.

NOTE 2-1 Consolidation scope

- The consolidated companies are as follows:

Naturex s.a.	- Parent company - Pôle Technologique Agroparc - Montfavet - 84140 AVIGNON - Siret No.: 384 093 563 000 29 - APE Code: 246 E
Naturex Maroc	- Subsidiary - Technopôle Nouasser - Mohamed V Airport - B.P. 42 - 20240 NOUASSER (Morocco)
Naturex Incorporated	- Subsidiary - 375 Huyler Street - 07 606 South Hackensack (N.J.)

S.C.I Les Broquetons - Subsidiary
 - Site d'Agroparc BP 1218
 - 84 911 AVIGNON

They are owned directly or indirectly based on the following percentages:

Company	% control	% stake
Naturex	Parent company	Parent company
Naturex Maroc	89.29 %	89.29 %
Naturex Inc.	100 %	100 %
S.C.I Les Broquetons	100 %	100 %

- Change in consolidation scope:

There was no change in scope over 2006.

- The following company is not consolidated:

Gaïa Herbs - Sub-subsidiary
 - 108 Island Ford Road
 - 28 712 Brevard (N.C)

Naturex Incorporated owns 35% of this company's shares but holds no voting rights and exercises no significant influence over the company as defined under IAS 28. The shareholding recorded in the consolidated financial statements at December 31, 2006 amounts to € 1,138,935.

The company has no other financial links with Naturex Group.

Table - non-consolidated shareholding:

	Gaïa Herbs USA
Securities account value (gross)	1,138,935
Securities account value (net)	1,138,935
Related receivables	0
Equity stake held	35%
Capital	1,186,152
Reserves, issue premium and retained earnings	1,666,593
Income	176,323
Turnover	11,196,711
Dividends received	0
Non-reimbursed loans and advances	0
Guarantees given	0
Comments	US dollars at closing price and average price for revenues

Ad hoc entity:

No company in the consolidation scope is a shareholder or affiliate of an ad hoc entity.

NOTE 2-2 Related parties and off-balance sheet commitments

RELATED PARTIES

The total gross remuneration of Naturex's management bodies stood at €567,000 (as against €577,000 in 2005), social security charges included and is paid by Naturex Inc (€ 257,000) and Naturex (€310,000).

The different subscription or purchase options allocated to executive officers are summarized in the table below.

INFORMATION ON PURCHASE OR SUBSCRIPTION OPTIONS:								
Date of Meeting	19/03/2001	19/03/2001	19/03/2001	19/03/2001	30/06/2003	30/06/2003	28/06/2004	28/06/2004
Date of Board Meeting	04/07/2001	21/12/2001	21/12/2001	30/01/2003	06/01/2004	06/01/2004	06/05/2005	23/03/2006
Type of option	Purchase	Purchase	Subscription	Subscription	Purchase	Subscription	Subscription	Subscription
Number of options allocated to (outstanding at December 31, 2005):								
Executive officers	602	198	7,513	500	1,779	17,500	20,000	30,500
Employees	0	0	892	1,354	0	1,816	4,350	8,696
<i>(including 10 employees having received the largest allocations)</i>			892	1,156		1,948	3,690	4,375
Start date for exercise of options	04/07/2004	21/12/2004	21/12/2004	30/01/2006	06/01/2007	06/01/2007	06/05/2008	23/03/2009
Expiry date	04/07/2006	21/12/2006	21/12/2006	30/01/2008	06/01/2009	06/01/2009	06/05/2010	23/03/2011
Purchase or subscription price	11.34	11.86	11.86	12.83	12.72	12.72	27.54	45.15
Number of subscribed shares at December 31, 2006	602	198	8 405	0	0	0	0	0
Subscription or purchase options cancelled during the financial year	0	0	0	0	0	0	0	0
Purchase or subscription options outstanding	0	0	0	1,854	1,779	19,316	24,350	39,196

OFF-BALANCE SHEET COMMITMENTS

Commitments received	31/12/2006	31/12/2005
Coface (political risk in Morocco)	€ 1,846,488	€ 1,846,488
Insurance against the death of Naturex's Chairman	€ 762,245	€ 762,245
Cover for the transportation of alcohol	Unlimited	Unlimited

Commitments given	31/12/2006	31/12/2005
Guarantees to the Moroccan customs service	€ 491,258	€ 340,674
Pledge on Naturex Inc shares	€ 20,468,501	€ 26,496,723

NOTE 3 Principles and methods

ACCOUNTING STANDARDS

The consolidated financial statements have been prepared in accordance with the IFRS standards adopted by the European Union.

CONSOLIDATION METHODS

- Goodwill and amortization methods

Naturex SA is a founder (50%) of Naturex Incorporated and Naturex Maroc.

In 2001, Naturex SA increased its stake in S.C.I. Les Broquetons from 48.48% to 100% and generated goodwill of €47,586.

In 2002, Naturex SA increased its stake in Naturex Maroc from 82.92% to 85.72% and generated goodwill of €33,562.

In 2005, Naturex SA increased its stake in Naturex Maroc from 85.72% to 89.29% and generated goodwill of €25,859.

In July 2005, Naturex SA formed the company Naturex Acquisition Corp. This company acquired all the shares in Pure World Inc, which itself owned Pure World Botanicals (100%) and Gaia Herbs (35%) as well as various subsidiaries (100%) with no activity. Pure World Inc subsequently absorbed Naturex Acquisition Corp. in July and Pure World Botanicals in September. At end-November, Pure World Inc absorbed Naturex Inc. and assumed its name.

This acquisition generated goodwill of €13,268,821 in the US parent company accounts and additional consolidation goodwill of €5,784,919 (balance sheet value: €19,053,740).

This goodwill has been subject to depreciation tests since January 1, 2004, the date of transition to IFRS, which have revealed no loss in value.

ENTRY VALUE OF ASSETS AND LIABILITIES

- The dates for closing the accounts are all set at December 31.
- The accounts of foreign subsidiaries are translated at the closing rate.

FINANCIAL YEAR	Euros	Moroccan Dirham	US dollar
31/12/2005	0.0895	1.0000	
	1.0000	11.2901	
	0.8477		1.0000
	1.0000		1.1797
31/12/2006	0.0890	1.0000	
	1.0000	11.2334	
	0.7543		1.0000
	1.0000		1.3258

In Naturex Inc.'s income statement, the rate used is the annual average rate, i.e. €0.8007 (€1 = US\$ 1.2489). For Naturex Maroc, the rate used is also the annual average rate, i.e. €0.08948 (€1 = MD 11.18).

In the absence of major fluctuations, this rate is considered to be close to the exchange rates applying on transaction dates.

VALUATION RULES AND METHODS

■ Goodwill

Goodwill is valued at cost, minus any cumulative depreciation in value. It is allocated to cash generating units and is not amortized. However, it is subject to annual amortization tests.

All goodwill values are examined on each closing date in order to assess whether there is any indication of a depreciation in value.

Where this is the case, the recoverable value of the goodwill in question is estimated.

This value consists of the highest difference between an asset’s fair value minus any sales costs, and its useful value.

To assess the useful value, the cash generating units used are based on profitability and revenue performance criteria per category of goodwill.

Projections are produced by applying a discount rate of 6.33%, equating to the US libor +1 over 12 months.

■ Intangible assets (excluding goodwill)

Development expenses, namely those resulting from the application of research to a project aimed at producing new or substantially improved products and processes, are booked as assets where the Group can demonstrate the technical and commercial feasibility of the product or process and the availability of sufficient funds to complete the development process.

At end-2006, all development expenses were booked under charges as none of them satisfied the criteria for assets stipulated in IAS 38, particularly as regards their potential future economic benefit.

The other intangible assets acquired have been booked at cost, minus any cumulative amortization and cumulative depreciation.

Estimated useful lives are as follows:

Asset categories	Useful life
Software	3-4 years (straight-line)

■ Tangible fixed assets

Tangible fixed assets are valued at cost, minus any cumulative amortization and depreciation.

Depreciation is booked under expenses according to the straight-line method over the estimated useful life of each tangible asset.

Estimated useful lives are as follows:

Asset categories	Useful life
Buildings on own land	15-20 years (straight-line)
Buildings on leasehold land	10-20 years (straight-line)
Plant and equipment	5-10 years (straight-line)
Other tangible assets	2-10 years (straight-line)

Leasing contracts that result in the transfer to the Group of nearly all the risks and benefits inherent in the ownership of an asset are classified as finance lease contracts. These equipment lease contracts are treated as credit acquisitions. Equipment is depreciated using the straight-line method over a period of 5 years, with the surplus portion of the rent constituting the financial expenses associated with the credit.

■ Financial assets

Financial assets consist of deposits and guarantees and unlisted securities whose fair value cannot be accurately determined. They are therefore valued at cost (IAS 39.46c). Moreover, there is no objective method of ascertaining depreciation for these securities.

■ Inventories

Inventories of materials and other supplies are valued at purchase cost using the FIFO (first-in, first-out) method.

Finished or semi-finished goods are valued using the FIFO method at the cost price which deducts all production costs from the purchase price:

- raw materials;
- import expenses;
- outsourcing;
- water, gas, electricity;
- adjuvants;
- packaging;
- waste removal costs;
- payroll expenses;
- depreciation.

A provision for depreciation is booked when the purchase cost or cost price is higher at the net amount of realisation.

■ Accounts receivable

Accounts receivable are valued at their fair value when they are first booked and then at their amortized cost, minus any depreciation in value.

A provision for depreciation is booked when there is a collection risk (even partial) on receivables.

■ Foreign currency transactions

Transactions are booked at the historic rate at the time they are carried out. Receivables not settled at the closing date are valued at the closing rate, resulting in receivables and debt translation differences being booked to the income statement.

■ Staff benefits

Provisions do not include an amount for retirement commitments or restructuring operations.

Severance pay in respect of Naturex SA is insured with the company Predica. The treatment of this severance pay satisfies the criteria of IAS 19. It is a defined contribution scheme, with no residual commitment for the Group. Subscriptions for 2006 amounted to €28,648. At December 31, 2006, total liabilities amounted to €55,249.48€.

The other consolidated Group companies have no long-term or post-employment benefits.

■ Sale of assets

The proceeds from asset sales are entered in the income statement when the material risks and benefits inherent in the ownership of the assets have been transferred to the purchaser.

Consolidated revenues consist of the total sales (excluding tax) resulting from the ordinary activities of consolidated Group companies, after the elimination of internal operations.

COMPARABILITY OF ACCOUNTS

The consolidated financial statements at December 31, 2006 and those at December 31, 2005 are presented using the same methods.

PROFORMA INFORMATION

The proforma statements drawn up as at December 31, 2006 and audited on the basis of the integration of Hammer Pharma on January 1, 2006, indicate full-year revenues of €73.8 million for net income after tax of €5.14 million.

These statements have been drawn up based on the integration of Hammer Pharma's income statement for 2006, Naturex having acquired Hammer Pharma on January 23, 2007. They were also drawn up using the same accounting standards as those applied by the Group in drawing up its consolidated financial statements as at December 31, 2006.

These statements have been prepared in accordance with paragraph 20.2 of Annexes I and II of EU regulation 809/2004. The information given is of purely illustrative value and is not representative of the company's actual results.

Accounting principles:

Hammer Pharma has drawn up its parent company financial statements in accordance with Italian accounting principles which present no major differences with respect to French accounting standards. The following items are however worthy of note:

The calculation of the company's "Trattamento Fine Rapporto" (TFR) retirement indemnity is outsourced to a service provider that manages the company's payroll. This TFR is updated on the closing date of the accounts and the corresponding sums booked to the company's liabilities.

Fixed assets are booked at their purchase price and depreciated using the straight-line method.

Finished goods and semi-finished goods are valued at their sales price minus an average margin coefficient which varies from 10 to 20%.

These items have been restated in accordance with IFRS.

Allocation of goodwill:

(1) Inventories:

Their market value can only be determined once a client passes an order and depending on the constraints and requirements of the order to be filled. The value of inventories is therefore dependent on client/product relationships and the scope of the marketing drives needed to shift existing fungible stocks.

These factors prompted the restatement of inventories whose fair value was dropped €1,413,019 to €2,824,550.

(2) Accounts receivable:

The only value booked under accounts receivable is the nominal value of the products sold. These receivables are subject to standard payment delays. Their nominal value therefore consists of the fair value of the receivable discounted of all future payments.

(3) Research and development expenses:

R&D expenses for the sector do not meet the criteria for fixed assets stipulated in IAS 38 and cannot therefore be booked. The criterion of "future economic benefit" is very rarely met as several years may elapse between the development and commercialization of a product. Moreover, successful research does not automatically guarantee commercial success. This configuration applies to Naturex S.A. and its subsidiaries which do not book any research expenses under fixed assets. Accordingly, the research expense booked in the accounts of Hammer Pharma for a net value of € 40,885 has been allocated to expenses.

(4) Industrial and other equipment:

The value of the technical equipment of the company acquired is not independent of the value set for the company as a whole. This equipment includes distillers, extractors and piping systems made up of nodules that are of no material individual market value in relation to the overall value of the company.

(5) Hammer Pharma has 6 lease financing contracts which have been restated in line with IFRS standards.

(6) Land and buildings:

These fixed assets are restated at their fair value on the basis of an evaluation carried out by an independent firm at €1,850,000 and € 2,800,000 respectively.

The additional allocation to depreciation therein amounts to:
 $(2,800,000 - 1,587,500) * 6\% = € 72,747$.

(7) Fixed items:

The acquisition does not take into account any evaluations or representative interests such as:

- privileged supplier or client relations, the list of specific clients that may be leased or loaned, web domains, non-competition contracts, long-term contracts, trademarks, patents, designs and models.

The operation concerns the acquisition of expertise and market share in Europe.

(8) Other items:

Moreover, the interest on the capital loaned is booked in the present proforma statements: € 3,797,545 (3 month Libor rate plus 1.2 points, i.e. 4.8% for the year).

Interest: $€ 3,797,545 * 4.8\% = € 182,282$.

The value of the market share acquired (goodwill) has therefore been reassessed as follows:

- Expenses linked to the purchase of securities:	3,797,545
- Shareholders' equity at 01/01/2006:	1,060,503

Total goodwill: **2,737,042**

- Loss on inventories:	1,413,019
- Balance sheet value of land:	187,990
- Net balance sheet value of buildings:	1,587,550
- Fair value of land:	(1,850,000)
- Fair value of buildings:	2,800,000

Tangible goodwill: **1,461,441**

Intangible goodwill: **1,275,601**
(market share)

Accordingly, income for 2006 is restated as follows:

- Net income:	(341,607)
- Interest on borrowings:	(182,282)
- Additional depreciation:	(72,747)
- Past research expenses booked as losses:	(40,885)
- Tax gain:	98,638

Restated income: **(538,883)**

NATUREX - PROFORMA STATEMENTS
Balance sheet as at December 31, 2006 -
Assets

in euros	REASONS FOR ADJUSTMENT	Published on 31/12/2006	Hammer Pharma as at 31/12/2006	Proforma adjustments	Proforma as at 31/12/2006
NON-CURRENT ASSETS		46,724,357	3,224,442	4,274,362	54,223,161
Goodwill	a	25,876,385		1,275,601	27,151,986
Other intangible fixed assets	i	165,612	60,883	(40,885)	185,610
Tangible fixed assets	b and c and d	18,984,027	3,163,559	3,039,646	25,187,232
Financial assets		1,390,458	0		1,390,458
Deferred tax assets		307,875	0		307,875
CURRENT ASSETS		55,030,889	6,214,883	(1,413,019)	59,832,753
Inventories	e	29,745,649	4,237,569	(1,413,019)	32,570,199
Tax receivables		740,955	51,785		792,740
Trade and other receivables		14,009,780	1,856,567		15,866,347
Cash and cash equivalents		10,534,505	68,962		10,603,467

TOTAL ASSETS **101,755,246** **9,439,325** **2,861,343** **114,055,914**

Balance sheet as at December 31, 2006 -
Liabilities

in euros	REASONS FOR ADJUSTMENT	Published on 31/12/2006	Hammer Pharma as at 31/12/2006	Proforma adjustments	Proforma as at 31/12/2006
Capital		4,450,908	1,200,000	(1,200,000)	4,450,908
Issue premium		38,794,688			38,794,688
Consolidated reserves and earnings (Group share)		16,010,958	(481,104)	(57,779)	15,472,075
Consolidated reserves and earnings (Minorities)		795,081			795,081
Translation differences (Group share)		-7,497,530			(7,497,530)
Translation differences (Minorities)		-55,949			(55,949)
SHAREHOLDERS' EQUITY		52,498,156	718,896	(1,257,779)	51,959,273
Group share		51,759,024			51,417,417
Minority interests		739,132			739,132
NON-CURRENT LIABILITIES		27,429,685	3,333,293	3,797,545	34,560,523
Long-term financial debt	f	26,796,346	3,333,293	3,797,545	33,927,184
Deferred taxes		633,339			633,339
CURRENT LIABILITIES		21,827,405	5,387,136	321,577	27,536,118
Provisions		8,669	694,984		703,653
Tax payables		0			0
Trade and other payables	g	10,606,036	2,251,897	(98,638)	12,759,295
Other financial liabilities	c	8,298,074	1,809,391	237,933	10,345,398
Bank loans	h	2,914,626	630,864	182,282	3,727,772

TOTAL EQUITY AND LIABILITIES **101,755,246** **9,439,325** **2,861,343** **114,055,914**

- a) Goodwill realized on repurchase
- b) Revaluation of land and buildings
- c) Restatement of leasing contracts as fixed assets
- d) Additional amortization of fair value of buildings
- e) Revaluation of inventories in line with Group standards
- f) Loan taken out by Naturex for the repurchase of Hammer
- g) Restatement of the tax on loan interest, additional allocation to fair value of buildings and to R&D expenses
- h) Financial interest on loan
- i) Allocation of 100% of R&D expenses incurred at Hammer Pharma

NATUREX - PROFORMA STATEMENTS

INCOME STATEMENT AT 31/12/2006

in euros	REASONS FOR ADJUSTMENT	Published on 31/12/2006	31/12/2006 Hammer Pharma	Proforma adjustments	Proforma 31/12/2006
Revenue	a	66,161,995	7,663,774	(9,298)	73,816,471
Immobilized production		226,782			226,782
Inventories		855,884	387,756		1,243,640
Operating subsidies		537,768	105,000		642,768
Other operating revenues		818,797	104,968		923,765
Purchases	a	-23,728,821	(2,911,980)	9,298	(26,631,503)
Personnel expenses		-15,058,897	(2,080,995)		(17,139,892)
External expenses	b and e	-18,988,297	(2,129,027)	31,498	(21,085,826)
Taxes		(681,096)	(32,402)		(713,498)
Depreciation/amortization expense	c and d	(2,749,230)	(948,736)	(139,711)	(3,837,677)
Other operating expenses		(569,538)	(165,124)		(734,662)
OPERATING INCOME		6,825,347	(6,766)	(108,213)	6,710,369
Cash and cash equivalents		91,238	0	0	91,238
Cost of gross financial debt	f and g	(1,917,037)	(282,736)	(187,701)	(2,387,474)
COST OF NET FINANCIAL DEBT		(1,825,799)	(282,736)	(187,701)	(2,296,236)
OTHER FINANCIAL INCOME AND EXPENSES		2,236,637	11,274	0	2,247,911
TAX EXPENSE		(1,610,670)	(63,379)	98,638	(1,575,411)
INCOME		5,625,515	(341,607)	(197,276)	5,086,633
Group share		5,596,021	(341,607)	(197,276)	5,057,138
Minority interests		29,494			29,494
Group net income		1.8859			1.7043
Diluted earnings per share (Group share)		1.7352			1.5681

a) Cancellation of intra-group operations

b) Restatement of rentals on leasing contracts

c) Restatement of leasing contract amortization

d) Additional amortization of fair value of buildings

e) Allocation of 100% of R&D expenses incurred at Hammer Pharma

f) Restatement of financial expenses on leasing contracts

g) Interest on loan linked to purchase

NOTE 4 Goodwill

Goodwill	Amount at 31/12/2006
SCI Les Broquetons 2001	47,586
Naturex Maroc 2002	33,562
Brucia 2002	5,281,717
Hauser 2004	1,459,781
Pure World 2005	19,053,740
Total	25,876,386

NOTE 5 Non-current assets

5.1 Acquisitions and disposals

31/12/2006

Category of fixed assets	Amount 01/01/2006	Increases Acquisitions	Disposals or scrapping (1)	Translation differences	Amount 31/12/2006
Goodwill:	28,476,487	0	0	(2,600,101)	25,876,386
Intangible:	199,091	144,901	14,867	(7,218)	321,907
Software - brands	199,091	144,901	14,867	(7,218)	321,907
Tangible:	36,356,219	6,395,461	3,309,927	(2,136,410)	37,305,343
Land	263,263	0	0	(18,931)	244,331
Building on own land	2,239,727	34,409	34,409	41,372	2,281,098
Building on leasehold land	1,750,206	10323	0	9,752	1,750,777
Plant and equipment	21,139,395	1,542,600	1,725,075	(1,378,323)	19,578,596
Leased Transp. Equip. & Plant	140,764	0	59968	0	80,795
Other tangible assets	10,191,384	1,816,715	1,475,252	(772,555)	9,760,292
Fixed assets in progress	631,480	2,991,415	15,222	1,779	3,609,453
Financial assets:	1,543,389	119,159	110,834	(161,256)	1,390,459
Advances/LT financial investments	0	60,781	0	0	60,781
Securities	1279986	0	0	(141051)	1,138,935
Loans	89411	0	27908	(9853)	51,651
Deposits and guarantees	173,992	58,378	82,926	(10,352)	139,092
Total	66,575,186	6,659,521	3,435,628	(4,904,985)	64,894,094

(1) including the transfer from one item to another of € 321,923.

31/12/2005

Category of fixed assets	Amount 01/01/2005	Increases Acquisitions	Contributions	Disposals or scrapping (1)	Translation differences	Amount 31/12/2005
Goodwill:	6,622,580	19,754,025	970,112	0	1,129,769	28,476,487
Intangible:	181,168	13,902	0	4,132	8,154	199,091
Software - brands	181,168	13,902	0	4,132	8,154	199,091
Tangible:	17,234,326	3,739,226	16,441,127	1,413,583	355,122	36,356,218
Land	240,258	0	0	0	23,005	263,263
Building on own land	1,677,984	693,512	0	221,629	89,860	2,239,727
Building on leasehold land	1,738,608	0	0	7,547	19,145	1,750,206
Plant and equipment	8,961,567	818,624	11,675,485	451,401	135,120	21,139,395
Leased Transp. Equip. & Plant	87,085	53,679	0	0	0	140,764
Other tangible assets	4,352,602	1,234,268	4,765,642	250,909	89,782	10,191,384
Fixed assets in progress	176,223	939,143	0	482,096	(1,790)	631,480
Financial assets:	55,446	52,303	1,434,262	1,169	2,547	1,543,389
Securities	0	0	1,279,986	0	0	1,279,986
Loans	0	0	89,411	0	0	89,411
Deposits and guarantees	55,446	52,303	64,864	1,169	2,547	173,991
Total	24,093,520	23,559,455	18,845,502	1,418,884	1,495,592	66,575,185

5.2 Lease finance assets

Variations	Gross amount at 31/12/2005	Gross amount at 31/12/2006	Remaining amount to be written off at 31/12/2005	Remaining amount to be written off at 31/12/2006
Value of fixed assets	140,764	80,795	46,581	32,910

5.3 Amortization and depreciation

31/12/2006

Category of fixed asset	Amount at 01/01/2006	Allowances	Dep./Amort.	Withdrawals or scrapping (1)	Translation differences	Amount 31/12/2006
Intangible:	116,878	57,570		14,867	(3,286)	156,295
Software - brands	116,878	57,570		14,867	(3,286)	156,295
Tangible:	20,040,505	2,691,660		2,980,147	(1,430,702)	18,321,316
Building on own land	471,929	80,265		0	9,276	561,469
Building on leasehold land	587,115	93,759		0	(3,077)	677,797
Plant and equipment	14,239,927	1,596,423		1,450,541	(1,081,592)	13,304,217
Leased Transp. Equip. & Plant	94,183	13,416		59,714	0	47,885
Other tangible assets	4,647,351	907,797		1,469,893	(355,309)	3,729,947
Financial assets:	0	0		0	0	0
Other holdings	0	0		0	0	0
Total	20,157,383	2,749,230	0	2,995,015	(1,433,988)	18,477,610

(1) including the transfer from one item to another of € 321,923.

31/12/2005

Category of fixed asset	Amount at 01/01/2005	Allowances	Dep./Amort.	Contributions	Withdrawals or scrapping	Translation differences	Amount 31/12/2005
Intangible:	69,450	45,931		0	688	2,185	116,878
Software - brands	69,450	45,931		0	688	2,185	116,878
Tangible:	6,609,849	2,196,409		11,783,542	648,757	99,463	20,040,506
Building on own land	415,951	66,845		0	17,545	6,678	471,929
Building on leasehold land	494,552	91,541		0	4,306	5,327	587,115
Plant and equipment	4,176,704	1,345,922		9,064,715	405,801	58,387	14,239,927
Leased Transp. Equip. & Plant	70,624	23,559		0	0	0	94,183
Other tangible assets	1,452,016	668,543		2,718,827	221,105	29,070	4,647,352
Financial assets:	0	0		0	0	0	0
Other holdings	0	0			0	0	0
Total	6,679,299	2,242,340	0	11,783,542	649,445	101,648	20,157,383

NOTE 6 Inventories and work in progress

Breakdown by type

	31/12/2006	31/12/2005
Raw materials	11,418,773	6,684,251
Consumables	262,806	81,815
Finished and semi-finished goods	18,064,070	17,208,186
Total	29,745,649	23,974,253

NOTE 7 Trade and other accounts receivable

	31/12/2006	31/12/2005
Trade receivables	12,305,052	11,203,200
Trade receivables	212,678	18,990
Advances to employees	167,138	67,408
VAT receivables	859,519	590,930
Various receivables	72,282	0
Accrued receivables	25,760	220,940
Prepaid expenses (1)	820,608	480,369
Total	14,463,037	12,581,838
Depr./Amort.	-453,257	-245,203
Net total	14,009,780	12,336,635

(1) Prepaid expenses

	31/12/2006	31/12/2005
Prepaid insurance policies	173,913	203,210
Pre-paid trade fair/exhibition costs	117,502	82,675
Fees	36,964	0
Outsourcing and leasing	102,889	48,520
Taxes	377,143	121,891
Loan interest	0	24,072
Raw material purchases	12,196	0
Total	820,608	480,369

NOTE 8 Deferred tax assets

	31/12/2006	31 /12/2005
S.C.I. Les Broquetons deferred tax receivable	21,045	4,034
Naturex S.A deferred tax receivable	286,830	61,382
Total	307,875	65,416

NOTE 9 Cash

Breakdown	31/12/2006	31/12/2005
Cash	10,534,505	4,416,893
Cash equivalents	0	0
Total	10,534,505	4,416,893

NOTE 10 Deferred tax liabilities

	31/12/06	31/12/05
Naturex Inc deferred tax payable:	631,275	772,599
Naturex Maroc deferred tax payable:	2,064	2,064
Total	633,339	774,663

NOTE 11 Provisions

Type	Open. Bal. 01/01/20 06	Charges	Reversal (provision used)	Reversal (provision not used)	Impact Change in method of consolidation	Change in scope	Chge/ at openg Chge/ in flow	Other	Balance 31/12/20 06
Provision for taxes	1,911			1,911					0
Other	12,998			4,329					8,669
Total provisions	14,909	0	0	6,240	0	0	0	0	8,669

NOTE 12 Financial debt

12.1 Long-term financial debt

TYPE	Total	2-5 years	More than 5 years
Naturex borrowings	24,145,403	17,797,672	6,347,731
SCI Les Broquetons borrowings	1,703,377	632,929	1,070,448
Naturex Inc borrowings	947,567	935,705	11,862
Total long-term financial debt as at 31/12/2006	26,796,346	19,366,306	7,430,041
Total long-term financial debt as at 31/12/2005	29,661,530	24,642,285	5,019,245

12.2 Other financial liabilities

TYPE	31/12/2006	31/12/2005
Naturex borrowings	7,753,227	6,013,614
SCI Les Broquetons borrowings	140,737	62,817
Naturex Inc borrowings	296,143	425,711
Lease finance debts	32,910	46,581
Outstanding accrued interest	13,768	77,169
Partner accounts	61,290	19,914
Total other financial liabilities	8,298,074	6,645,806

The structured loan taken out by Naturex in 2006 is subject to covenants whose default scenarios are governed by two ratios:

At 31/12/06:

- the gearing ratio must be lower than 1.10,
- the financial leverage ratio must be lower than 3.80

The calculation of these ratios did not result in any default scenarios at 31/12/2006.

12.3 Change in borrowings and financial debt

At more than one year

Items	31/12/2005	New	Repaid	31/12/2006
Borrowings	29,661,530	26,358,085	29,223,269	26,796,346
Total	29,661,530	26,358,085	29,223,269	26,796,346

At less than one year

Items	31/12/2005	New	Repaid	31/12/2006
Borrowings	6,625,892	1,610,893		8,236,785
Partner accounts	19,914	41,376		61,290
Total	6,645,806	1,652,269	0	8,298,074
Bank loans	3,892,515		977,889	2,914,626

12.4 Breakdown of financial debt by currency expressed in euro

TYPE	Total	EUR	DOLLARS	DIRHAM
Naturex borrowings	31,898,630	11,430,129	20,468,501	
SCI Les Broquetons borrowings	1,844,113	1,844,113		
Naturex Inc borrowings	1,243,709		1,243,709	
Leasing loans	32,910			32,910
Outstanding accrued interest	13,768	13,768		
Bank loans	2,914,626	2,900,125		14,502
Partner accounts	61,290	59,825	1,273	192
Total	38,009,047	16,247,960	21,713,484	47,603
Total (as %)		42.75 %	57.13 %	0.13 %

12.5 Breakdown of borrowings at fixed and variable rates

TYPE	Total	Fixed rate	Variable rate
Naturex borrowings	31,898,630	5,872,398	26,026,232
SCI Les Broquetons borrowings	1,844,113	1,584,844	259,269
Naturex Inc borrowings	1,243,709	12,347	1,231,362
Total	34,986,453	7,469,590	27,516,863
Total (as %)		21.35 %	78.65 %

NOTE 13 Sector information

First level: geographical zone

13.1 Revenues by subsidiary and France/Export

Breakdown by geographical zone	FRANCE	MOROCCO	USA	TOTAL
31/12/2006	19,054,076	76,263	47,031,656	66,161,995
31/12/2005	16,201,428	2,391	33,943,067	50,146,886

	Naturex	Naturex Maroc	Naturex Inc.	Consolidated
France	5,597,406	0	0	5,597,406
excluding France	13,456,670	76,263	47,031,656	60,564,589
Revenue	19,054,076	76,263	47,031,656	66,161,995

13.2 Breakdown of revenues by customers' geographical implantation

Chiffre d'affaires	31/12/2006
France	5 468 819
Union européenne hors France	10 916 006
Europe hors UE	1 708 616
Asie/Océanie	2 057 007
USA/Canada	45 384 804
Reste du monde	626 741
TOTAL	66 161 995

13.3 Operating income

Group companies	31/12/2006	31/12/2005
NATUREX	392,015	427,650
SCI	29,908	50,283
NATUREX MAROC	415,950	615,502
NATUREX INC.	5,987,474	5,449,711
Operating income	6,825,347	6,543,146

13.4 Inventories

Breakdown by geographical zone	France	Morocco	USA	TOTAL
Raw materials	4,178,026	1,471,000	5,769,747	11,418,773
Consumables	80,997	30,956	150,852	262,806
Finished and semi-finished goods	8,373,316	708,325	8,982,430	18,064,070
Total	12,632,339	2,210,280	14,903,029	29,745,649

13.5 Gross assets

Category of fixed asset	France	Morocco	USA	Amount at 31/12/2006
Goodwill:	47,586	33,562	25,795,238	25,876,386
Intangible:	190,684	8,662	122,561	321,907
Software - brands	190,684	8,662	122,561	321,907
Tangible:	12,304,707	9,631,750	15,368,886	37,305,343
Land	91,469		152,862	244,331
Building on own land	1,096,803		1,184,295	2,281,098
Building on leasehold land	71,046	1,679,731		1,750,777
Plant and equipment	3,517,094	6,250,734	9,810,768	19,578,596
Leased Transp. Equip. & Plant	27,428	53,367		80,795
Other tangible assets	4,806,588	1,241,149	3,712,554	9,760,292
Fixed assets in progress	2,694,280	406,767	508,406	3,609,453
Financial:	82,980	14,219	1,293,260	1,390,459
Advances/ LT financial investments	60,781			60,781
Securities			1,138,935	1,138,935
Loans			51,651	51,651
Deposits and guarantees	22,199	14,219	102,674	139,092
Total	12,625,957	9,688,193	42,579,944	64,894,094

13.6 Allocations for the financial year

Category of fixed asset	France	Morocco	USA	Amount 31/12/2006
Intangible:	38,880	1,440	17,251	57,570
Software - brands	38,880	1,440	17,251	57,570
Tangible:	878,400	713,699	1,099,560	2,691,660
Building on own land	54,840		25,424	80,265
Building on leasehold land	6,866	86,893	0	93,759
Plant and equipment	370,741	545,641	680,041	1,596,423
Leased Transp. Equip. & Plant	2,743	10,674		13,416
Other tangible assets	443,211	70,492	394,095	907,797
Financial:	0	0	0	0
Other holdings				0
Total	917,280	715,140	1,116,811	2,749,230

13.7 Acquisitions and asset contribution

Category of fixed asset	France	Morocco	USA	Amount at 31/12/2006
Goodwill:	0	0	0	0
Intangible:	73,680	0	71,221	144,901
Software - brands	73,680		71,221	144,901
Tangible:	3,829,537	822,121	1,743,803	6,395,461
Land				0
Building on own land			34,409	34,409
Building on leasehold land		10,323		10,323
Plant and equipment	557,556	301,704	683,340	1,542,600
Leased Transp. Equip. & Plant				0
Other tangible assets	1,195,739	103,328	517,648	1,816,715
Fixed assets in progress	2,076,242	406,767	508,406	2,991,415
Financial:	76,666	1,869	40,624	119,159
Advances/ LT financial investments	60,781			60,781
Securities				0
Loans				0
Deposits and guarantees	15,884	1,869	40,624	58,378
Total	3,979,882	823,990	1,855,649	6,659,521

13.8 Other operating income

Other income	France	Morocco	USA	Consolidated total
Current	409,195	2,557	407,045	818,797
	409,195	2,557	407,045	818,797

Other current income essentially consists of rebilled transport expenses (€ 630,000).

13.9 Assets and liabilities by geographical sector

	France	Morocco	USA	Total
Total assets	35,458,693	7,898,600	58,397,954	101,755,246
Total liabilities	87,966,168	3,838,202	9,950,876	101,755,246

Second level: sector of activity

13.10 Revenues by activity

Figures	31/12/2006
Raw materials for the flavorings industry	4,664,772
Food ingredients	16,209,433
Cosmetic ingredients	2,565,897
Toll extraction	1,781,884
Nutraceuticals	40,544,027
Pharmaceuticals	43,117
Miscellaneous	352,865
TOTAL	66,161,995

13.11 Breakdown of assets by sector of activity

Assets	31/12/2006
Raw materials for the flavorings industry	7,174,285
Food ingredients	24,929,642
Cosmetic ingredients	3,946,276
Toll extraction	2,740,486
Nutraceuticals	62,355,548
Pharmaceuticals	66,313
Miscellaneous	542,696
TOTAL	101,755,246

As all tools are multi-purpose, this breakdown has been calculated based on the percentage of revenues per activity defined in item 13.10.

13.12 Acquisitions of assets by sector of activity

Acquisition of fixed assets	31/12/2006
Raw materials for the flavorings industry	469,532
Food ingredients	1,631,557
Cosmetic ingredients	258,270
Toll extraction	179,355
Nutraceuticals	4,080,950
Pharmaceuticals	4,340
Miscellaneous	35,518
TOTAL	6,659,521

As all tools are multi-purpose, this breakdown has been calculated based on the percentage of turnover per activity defined in item 13.10.

13.13 Breakdown of revenues by geographical location of customers

Revenue	31/12/2006
France	5,468,819
European Union excluding France	10,916,006
Europe excl. EU	1,708,616
Asia/Pacific	2,057,007
USA/Canada	45,384,804
Rest of the world	626,741
TOTAL	66,161,995

NOTE 14 Payroll expenses

14.1 Headcount

Naturex's payroll expenses increased by around 55.85% on financial year 2005 following the consolidation of Pure World (increase of 28% proforma). The average headcount of 372 (vs. 349 at 31/12/05) breaks down as follows:

- Naturex: 137
- Naturex Inc.: 150
- Naturex Maroc: 85

14.2 Stock options

The value of options has been calculated using the Black and Scholes valuation model and entered in accordance with IFRS 2 under payroll expenses in the amount of €185,295. The fair value of the benefits granted in respect of the plan approved by the Board of Directors on March 23, 2006 amounts to €98,218. The expense corresponding to this benefit has been spread over the three-year allocation period, in the same way as previous allocations.

The different stock option plans are summarized in the following table:

INFORMATION ON PURCHASE OR SUBSCRIPTION OPTIONS:								
Date of Meeting	19/03/2001	19/03/2001	19/03/2001	19/03/2001	30/06/2003	30/06/2003	28/06/2004	28/06/2004
Date of Board Meeting	04/07/2001	21/12/2001	21/12/2001	30/01/2003	06/01/2004	06/01/2004	06/05/2005	23/03/2006
Type of option	Purchase	Purchase	Subscription	Subscription	Purchase	Subscription	Subscription	Subscription
Number of options allocated to: (outstanding at December 31, 2005)								
Executive officers	602	198	7 513	500	1,779	17,500	20,000	30,500
Employees	0	0	892	1,354	0	1,816	4,350	8,696
<i>(including 10 employees having received the largest allocations)</i>			892	1,156		1,948	3,690	4,375
Start date for exercise of options	04/07/2004	21/12/2004	21/12/2004	30/01/2006	06/01/2007	06/01/2007	06/05/2008	23/03/2009
Expiry date	04/07/2006	21/12/2006	21/12/2006	30/01/2008	06/01/2009	06/01/2009	06/05/2010	23/03/2011
Purchase or subscription price	11.34	11.86	11.86	12.83	12.72	12.72	27.54	45.15
Number of subscribed shares at December 31, 2006	602	198	8,405	0	0	0	0	0
Subscription or purchase options cancelled during the financial year	0	0	0	0	0	0	0	0
Purchase or subscription options outstanding	0	0	0	1,854	1,779	19,316	24,350	39,196

NOTE 15 External expenses and development costs

Headings	Amount	
	31/12/2006	31/12/2005
Non-immobilized purchases	6,485,860	4,897,662
Outsourcing	971,033	1,011,002
Leasing	1,423,812	679,769
Maintenance	959,606	350,927
Insurance	999,102	721,963
Documentation	19,506	23,887
Fees	2,046,495	1,347,793
Advertising, trade fairs, exhibitions	510,045	396,086
Transport costs	3,750,907	2,427,658
Travel	1,337,442	1,367,526
Telecommunications	362,263	318,577
Other expenses	122,226	302,016
Total	18,988,297	13,844,866

- These costs do not satisfy the criteria for assets stipulated in IAS 38, notably as regards their future economic benefit. As a result, they are booked as expenses in the amount of approximately EUR 1.6 million for 2006.

NOTE 16 Other operating expenses

Headings	Amount	
	31/12/2006	31/12/2005
Other expenses	247,942	48,961
Customers provisions	313,696	156,470
Exceptional expenses	44	5,232
NAV on disposal of fixed assets	7,856	286,174
Total	569,538	496,837

NOTE 17 Financial income and expenses17.1 Cost of net financial debt

	31/12/2006	31/12/2005
Interest and related expenses	(1,917,037)	(1,189,955)
Financial income	91,238	128,629
Net financial debt	(1,825,799)	(1,061,326)

17.2 Other financial income and expenses

	31/12/2006	31/12/2005
Exchange rate losses	1,507,099	1,962,512
Exchange rate gains	3,743,736	2,160,828
Other financial income and expenses	2,236,637	198,316

NOTE 18 Income tax18.1 Breakdown of deferred taxes/taxes payable in the income statement

Tax payable:	1,910,073
Deferred tax:	-299,403
Total tax:	1,610,670

18.2 Reconciliation of tax expense and theoretical tax expense

Income of fully consolidated companies	5,625,515
Tax booked	1,610,670
Consolidated income before tax	7,236,185
Theoretical tax: 33.33%	2,412,062
Impact of US tax rate (1)	(593,064)
Impact of Moroccan tax rate	(52,132)
Impact of non-deductible expenses	(156,421)
. Rental expenses and vehicle depreciation	1,367
. Other ancillary expenses	65
. Tax on company cars	4,224
. Fines	15
	(149,021)
. Tax credit linked to research)
. Tax credit linked to sponsorship	(1,800)
. Other items	(12,604)
Impact of deferred tax	225
Tax booked	1,610,670

(1) after the deduction of a tax loss carryforward originating from the US subsidiary: the carryforward had not yet been activated because of the uncertainty over the amount still to be charged There were no long any deficit carryforwards on December 31, 2006.

18.3 Breakdown of booked deferred tax assets and liabilities

	Assets	Liabilities	Net liabilities
Temporary differences:	307,875	633,339	325,464

18.4 Criteria for booking deferred taxes and impact of changes in the income statement

At December 31, 2006, deferred tax liabilities for Naturex amounted to € 156,299, the writeback of Naturex's deferred tax receivable for 2005 to € 15,231, the tax receivable for SCI to € 17,011, and the change on the parent company deferred taxes for Naturex Inc to € -141,324.

Total deferred tax: € - 299 403.

NOTE 19 Diluted earnings per share

	31/12/2006	31/12/2005
Options allocated to employees on 21/12/01		8,405
Options allocated to employees on 30/01/03	1,854	1,854
Options allocated to employees on 06/01/04	19,316	19,448
Options allocated to employees on 06/05/05	24,350	24,548
Share with warrants issue/capital increase of 12/01/05	173,096	204,590
Options allocated to employees on 23/03/06	39,196	
<i>Total options granted</i>	<i>257,812</i>	<i>258,845</i>
<i>Number of shares making up the capital</i>	<i>2,967,272</i>	<i>2,661,126</i>
Group net income	5,596,021	3,950,707
Diluted income per share	1.7352	1.3530